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of America

PROCEEDINGS AND DEBATES OF THE 92^{d} CONGRESS, FIRST SESSION

SENATE—*Monday, July 26, 1971*

The Senate met at 12 o'clock noon and was called to order by Hon. ABRAHAM RIBICOFF, a Senator from the State of Connecticut.

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, Ruler of men and nations, deliver us now from the clash and clamor of the world without, from the tumult and turbulence of our times, and from the confusion of many voices, that we may hear again Thy "still small voice." May this moment of reverence at this shrine of the patriot's devotion give us a sense of Thy presence throughout the day and an awareness of Thy guiding power. And should we lose sight of Thee, we beseech Thee not to lose care of us. Hold ever before our finite minds and our human endeavors the vision of the infinite and the eternal.

Make us unafraid of the world in which we live, prepared for sudden change and the rise of new problems and challenges.

O Thou Guardian of the traveler, be with the voyagers in space, keeping their minds keen and their spirits in tune with Thee.

We pray for all Thy children in this stricken world that peace and justice may come in our time, Thy kingdom come and Thy will be done on earth.

In the Redeemer's name we pray. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. ELLENDER).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 26, 1971.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ABRAHAM RIBICOFF, a Senator from the State of Connecticut to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

Mr. RIBICOFF thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Leonard, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. RIBICOFF) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Saturday, July 24, 1971, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CROP INSURANCE COVERAGE FOR CERTAIN PERSONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 290, S. 1139.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1139) to amend the Federal Crop Insurance Act, as amended, so as to permit certain persons under 21 years of age to obtain insurance coverage under such act, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 1, line 9, after the word "on", strike out "the grounds he is under twenty-one years of age if such person is (1) over eighteen years of age, and (2) otherwise qualifies for insurance under this Act" and insert "the ground that he is under twenty-one years of age if such person is (1) over eighteen years of age, and (2) has a bona fide insurable interest in a crop as an owner-operator, landlord, tenant or sharecropper: *Provided,* That any such person who enters into a Federal Crop Insurance contract shall be subject to the same legal liability and have the same legal rights with respect to such contract as any person over the age of twenty-one years." "; so as to make the bill read:

S. 1139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Crop Insurance Act, as amended (7 U.S.C. 1501–1519), is amended by adding at the end thereof a new section as follows:

"PERSONS UNDER TWENTY-ONE YEARS OF AGE

"SEC. 520. Notwithstanding any other provision of law, no person shall be denied insurance under this Act solely on the ground that he is under twenty-one years of age if such person is (1) over eighteen years of age, and (2) has a bona fide insurable interest in a crop as an owner-operator, landlord, tenant or sharecropper: *Provided,* That any such person who enters into a Federal Crop Insurance contract shall be subject to the same legal liability and have the same legal rights with respect to such contract as any person over the age of twenty-one years."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–296), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

This bill would require Federal crop insurance to be made available to persons between 18 and 21 years of age.

COMMITTEE AMENDMENT

The committee amendment, which was recommended by the Department of Agriculture, would remove the minor's disability and make him fully liable on such contracts.

COST ESTIMATE

The committee estimates that no appreciable additional costs would be incurred in carrying out the bill in any of the 6 fiscal years beginning with the current fiscal year. This estimate agrees with the estimate contained in the attached report of the Department of Agriculture.

DEPARTMENTAL VIEWS

The report of the Department of Agriculture recommending the enactment of the bill with the committee amendment is set out below.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar, under New Report.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination on the Executive Calendar, under New Report, will be stated.

DEPARTMENT OF DEFENSE

The second assistant legislative clerk read the nomination of Frank P. Sanders, of Maryland, to be an Assistant Secretary of the Navy.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of the legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

SUCCESSFUL BEGINNING OF APOLLO 15 FLIGHT TO THE MOON

Mr. SCOTT. Mr. President, at 9:34 this morning, three gallant astronauts left the surface of mankind's abode through all of the millennia of time and are soaring heavenward through the atmosphere toward destination moon. The hopes and prayers of the American people go with them. Our wishes for their success are great. Our hopes for their safe return are, of course, paramount.

For all who undertake these perilous missions, there is for the rest of us the period of the bated breath, the time of waiting, and the anticipation of its successful conclusion.

For those who dare the eagle's flight,
Be with them, Lord, through day and night.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Indiana (Mr. HARTKE) is now recognized for 15 minutes.

(The remarks of Mr. HARTKE when he submitted Senate Resolution 156 and the ensuing discussion are printed in the Morning Business section of the RECORD under Submission of a Resolution Relating to Foreign Relations of the United States.)

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Arkansas (Mr. FULBRIGHT) is recognized for not to exceed 15 minutes.

(The remarks of Mr. FULBRIGHT are printed in the RECORD with Mr. HARTKE'S remarks on the submission of Senate Resolution 156.)

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with a limitation to each Senator recognized of 3 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WOMEN'S POLITICAL CAUCUS AND HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, the major groups in this country advocating greater rights for women have just completed a major political strategy meeting known as the Women's Political Caucus. I believe it is important to take careful note of the actions taken in that meeting in light of our inaction on the question of ratifying the Convention on the Political Rights of Women.

Regardless of the fact that they constitute over half of the population, women have been treated as second-class citizens in employment, education, and many other areas of national life. Today, American women are uniting in an effort to change their status. In the opening statement of the caucus, Gloria Steinem put it this way:

> We are gathering together, therefore, in a Women's Political Caucus. We share these beliefs: That the self determination of women, more than half the country, is much too large a goal to be partisan issue . . .

The goals of the vast majority of those fighting for equal rights for women are the goals of all Americans. We in the Senate have the opportunity to advance those goals, and to show our solidarity with them. The most obvious step in that effort is to ratify the U.N. Convention on Women's Political Rights, which has been languishing in the Foreign Relations Committee now for a number of years. Many other countries of the world have already approved it.

It contains no provisions which in any way violate existing provisions of national law; it provides only that women be accorded equality in matters of voting, running for political office and holding positions of public responsibility. It will advance the cause of rights for American women, the women of the rest of the world and in fact, the rights of all mankind. I urge its speedy report to and ratification by the Senate.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The following letters were laid before the Senate by the Acting President pro tempore (Mr. RIBICOFF), and referred as indicated:

U.S. METRIC STUDY, INTERIM REPORT

A letter from the Secretary of Commerce, transmitting, pursuant to law, an interim report stemming from the U.S. Metric Study, prepared by the National Bureau of Standards (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION TO AUTHORIZE ADDITIONAL FUNDS FOR ACTION

A letter from the Director of Action submitting proposed legislation authorizing additional funds for Action (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. RIBICOFF):

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"ASSEMBLY JOINT RESOLUTION NO. 36

"Relative to the East Side Division of the Central Valley Project

"Whereas, The proposed East Side Division of the Central Valley Project is needed to meet existing ground water overdrafts in areas along the east side of the San Joaquin Valley; and

"Whereas, The East Side Division offers the only feasible means of delivering supplemental water to these areas to meet increasing domestic, municipal and industrial demands which are worsening the present overdraft condition; and

"Whereas, The East Side Division can be used to improve water quality conditions in the San Joaquin River System and can furnish water to enhance fish and wildlife habitat; and

"Whereas, Eighty-five to 90 percent of the water made available by the initial phase of the East Side Division would serve lands which are now developed; and

"Whereas, This facility would prevent further subsidence of lands on the east side of the San Joaquin Valley, and in so doing would prevent the further loss of ground water storage capacity and the possible worsening of water quality as lower depths are reached; and

"Whereas, The project is economically and engineeringly feasible, there is a market for the water, and the project would be a worthwhile addition to existing Central Valley Project facilities; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to expedite the processing of, so as to authorize as early as possible, the proposed East Side Division of the Central Valley Project, along with other proposed additions to the Central Valley Project to the end that water can be made available to meet overall state demands; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of the Interior, to the United States Commissioner of Reclamation, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. COOK, from the Committee on the Judiciary, without amendment:

S. 79. A bill for the relief of the Glover Packing Co. (Rept. No. 92–303).

By Mr. BURDICK, from the Committee on the Judiciary, without amendment:

H.R. 3201. An act for the relief of Faith M. Lewis Kochendorfer; Dick A. Lewis; Nancy J. Lewis Keithley; Knute K. Lewis; Peggy A. Lewis Townsend; Kim C. Lewis; Cindy L. Lewis Kochendorfer; and Frederick L. Baston (Rept. No. 92–306).

By Mr. FONG, from the Committee on the Judiciary, without amendment:

S. 592. A bill to repeal the Emergency Detention Act of 1950 (title II of the Internal Security Act of 1950) (Rept. No. 92–304); and

S. 1418. A bill for the relief of William Phillips (Rept. No. 92–305).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable report of nomination was submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

John W. Larson, of California, to be an Assistant Secretary of the Interior.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CRANSTON (for himself and Mr. Tunney):

S. 2342. A bill to create a Golden Gate National Recreation Area. Referred to the Committee on Interior and Insular Affairs.

By Mr. SPARKMAN:

S. 2343. A bill for the relief of Walter Anders. Referred to the Committee on the Judiciary.

By Mr. RANDOLPH (for himself and Mr. Church):

S. 2344. A bill to amend the Foreign Assistance Act of 1961 to provide for international drug control assistance and to prohibit foreign assistance from being provided to foreign countries which do not act to prevent the illegal production, processing, or distribution of narcotic drugs used or intended to be used in the United States or by U.S. Armed Forces outside the United States. Referred to the Committee on Foreign Relations.

By Mr. HATFIELD:

S. 2345. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for donations of blood. Referred to the Committee on Finance.

By Mr. STEVENS:

S. 2346. A bill relating to manpower requirements, resources, development, utilization, and evaluation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. CHILES:

S.J. Res. 140. A joint resolution to establish a temporary Cuban Refugee Study Commission. Referred to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S.J. Res. 141. A joint resolution to authorize appropriations for expenses of the Council on International Economic Policy, and for other purposes. Referred to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON (for himself and Mr. Tunney):

S. 2342. A bill to create a Golden Gate National Recreation Area. Referred to the Committee on Interior and Insular Affairs.

Mr. CRANSTON. Mr. President, on behalf of myself and Senator Tunney, I introduced for appropriate reference, a bill to create a Golden Gate National Recreation Area.

Many people across the United States know that stretching northward from a point 20 miles north of San Francisco, 65,000 acres are now being transformed into the Point Reyes National Sea Shore confirmed to public use by the 86th Congress. The proposed bill, introduced today, will connect that National Seashore to a National Recreational Area stretching 50 miles down the coast from Point Reyes to the southern end of the city of San Francisco.

The establishment of this recreation area will help serve the congressional purpose of bringing the national parks to the people. It would provide an opportunity both for residents of the Bay area and for visitors to San Francisco to travel a short distance to enjoy the educational and recreational benefits of a national park area.

Presently 5 million people live in the San Francisco Bay area near the proposed national recreation area. Current population projects indicate that in the year 2020, the population of the area will reach 15 million. Putting this land aside for recreational use would bar high density development from still unspoiled Western Marin County, and save the San Francisco Bay area from many of the problems of urban congestion.

Historical precedent decrees open access to the five forts on both sides of the Golden Gate Bridge. The five old forts which overlooked the Golden Gate are rich in history and are scenically situated. The key fort is the world famous Presidio which dates back to Spanish California days 195 years ago. Established in 1776, it was taken over by the Mexicans in 1822, and became a U.S. post after it was taken—captured—by the Marines of the U.S. Portsmouth in 1846.

The other forts lining the bay are similarly rich in heritage. Fort Point was established by the Spanish in 1793 and was taken without a shot by Fremont and a small launch-borne party from Sausalito in 1846. Fort Mason, established in 1796 as the "Baterina, San Jose," was the official residence for commanding generals for the department of the West from 1865 to 1943. Preserving these forts in a national recreational area will keep intact these historical reminders of our past for the edification of future generations.

A national recreation area also will preserve in their pristine state large amounts of acreage with unique animal and plant life. Included in the park would be the Audubon Canyon Ranch which includes a second grove of redwoods that is a major nesting place for the great blue herons and American egrets. The redwoods are so located that visitors can walk a winding trail to an overlook from which to peer down on the nesting habits of the two rare species.

The rookerys are situated right next to the Bolinas Lagoon—one of the few remaining tidal basins in the whole regions. One hundred fifty bird species feed at this spot and many of them breed there. Last year 30,000 people came to watch and listen. They learned much about the food-chain sequence, and they saw first hand some clear links in a lagoon ecosystem, a revealing microcosm of the marine life cycle.

The Duxbury Reew would be another part of the Golden Gate recreation area. This reef creates a tidal pool where unique forms of marine life breed. These pools are inhabited by diverse and strange forms, some resembling the oldest fossils. No environment can boast more astonishing examples of successful survival adaptations: the sea star which can regrow several limbs; the acorn barnacle which secretes its own protective shell; the flower-like anemone whose tentacle cells paralyze small marine animals on touch and the chiton mollusk which has a tiny rasp for scraping algae off rocks. Protected by the reef, they can withstand the continual surge of Pacific breakers, being alternately drenched by the ocean and warmed by the sun. They are threatened only by extensive, indiscriminate collection by man. Inclusion of the reef in the recreation area will halt this wanton destruction and preserve the reef as an educational facility for all Americans.

Besides these ecological preserves, the Golden Gate recreational area will include vast stretches of land covered with redwoods, pine, and other vegetation to be explored and enjoyed by man. Much of the land is mountainous and will provide challenging opportunities for climbing and nature walks.

Finally the park will include areas

within the city of San Francisco that are in easy distance by foot or bus. These portions of the park will allow people rich and poor, old and young, to see close to their homes wild animal and plant life in their natural settings. Nature so close at hand can work wonders in making otherwise unbearable urban living refreshing, enjoyable and salutary to body and soul alike.

Mr. President, I ask unanimous consent that the bill be printed in the Record at this point in my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2342

A bill to establish a national recreation area in San Francisco and Marin Counties, California

Be it enacted by the Senate and House of Representatives of the United States of America in Congress, assembled,

ESTABLISHMENT

Section 1. In order to preserve for public use and enjoyment certain areas of Marin and San Francisco Counties in California, many of which are surplus public lands, possessing unique natural, historic, scenic, and recreational values, and in order to provide for the maintenance of needed recreational open space necessary to urban environment and planning, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall establish a national recreation area (hereinafter referred to as the "recreation area"). In the management of the recreation area, the Secretary shall utilize the resources in a manner which will provide for recreational and educational opportunities consistent with sound principles of land use planning based on a comprehensive, balanced, and coordinated plan of land use and management. In carrying out the provisions of this Act, the Secretary shall preserve the recreation area, as far as possible, in its natural setting, and protect it from development and uses which would destroy the scenic beauty and natural character of the area.

COMPOSITION

Sec. 2. (a) The recreation area shall comprise the following land areas together with adjacent submerged lands and adjacent water areas not to exceed one-quarter of a mile offshore as generally depicted on the map entitled "A Proposed Golden Gate National Recreation Area Boundary Map" Number— and dated—, which shall be on file and available for public inspection in the offices of the National Park Services of the Department of the Interior:

(1) those areas of Marin County commonly known as Marincello (2,138 acres), The Witter Ranch (923 acres), the Green Gulch Ranch (820 acres), the Slide Ranch (133 acres), the Gaddell property (150 acres), and the Banducci property;

(2) the following described property in Marin County, described generally as those parcels bounded on the north by Sir Francis Drake Boulevard; on the east by Sir Francis Drake Boulevard to its intersection with Samuel P. Taylor State Park on the northerly side thereof, thence along the westerly boundary of Samuel P. Taylor State Park to its intersection with the land of the Marin Municipal Water District known generally as the Kent, Lagunitas, Alpine, and Bon Tempi Lakes property, thence along the westerly boundary of said Marin Municipal Water District property to its intersection with Mount Tamalpais State Park, and thence along the westerly boundary of Mount Tamalpais State Park; on the south by the westerly and northerly boundary of Mount Tamalpais State Park; and on the west by State Highway Numbered 1 to its intersection with Sir Francis Drake Boulevard at Olema; and also including the land lying to the west of State Highway Numbered 1 which borders on the easterly side of Bolinas Lagoon; and excluding the property within the community of Stinson Beach;

(3) an area along the southern and easterly boundary of the Presidio including but not restricted to the Julius Kahn public playground. The site of the proposed El Polin Elementary School, and the area east of Arguello Boulevard including the Inspiration Point area, and the area southeast of the Babe Ruth Baseball Park extending to and past Presidio Boulevard to the Presidio boundary on the southeast; and

(4) that area commonly known as Sutro Baths (12.5 acres).

(b) There shall be transferred to the Secretary, without consideration, for inclusion in the recreation area, the following Federal lands:

(1) the former military posts known as Forts Barry, Baker, Funston. Cronkhite, and the former Navy Net Depot at Tiburon;

(2) Fort Funston, Fort Miley, and 3.4 acres of land adjacent to the United States Veterans Hospital administered by the United States Navy, Fort Mason, and the Fort Point National Historic Site;

(3) those portions of the Presidio of San Francisco, more specifically described as follows:

(A) the area bounded by San Francisco Bay on the north, Lyon Street on the east, Doyle Drive and United States Highway 101 to the point due north of the northwest corner of San Francisco National Cemetery, thence along Lincoln Boulevard to its intersection with El Camino Del Mar and the northern boundary of Baker Beach State Park on the south and the Pacific Ocean on the west;

(B) that area bounded on the north by Kobbe Avenue between Lincoln Boulevard and Washington Boulevard, on the east by Washington Boulevard to its western intersection with Compton Road, thence due south to the northern boundary of the United States Public Health Service hospital, thence along the boundary of said hospital to its intersection with 15th Avenue and the southern boundary of the Presidio of San Francisco; on the south by the southern boundary of the Presidio and on the west by Lincoln Boulevard. Any military housing and any military installation within the boundaries described in this subsection which is considered by the President to be vital to the needs of the United States is hereby excepted;

(C) those remaining portions of that area of the Presidio of San Francisco, known generally as Fort Scott, and described more particularly as that area bounded on the north by Lincoln Boulevard, on the east by Lincoln Boulevard to the intersection of Lincoln Boulevard with McDowell Avenue, and thence from said intersection to the easterly pillar of a gateway in the northwesterly side of San Francisco National Cemetery, thence from said easterly gate pillar southwesterly along the northwesterly side of the cemetery wall and its prolongation to an intersection with Park Boulevard, and thence along Park Boulevard to its intersection with Washington Boulevard, on the south by Washington Boulevard, and on the west by the Washington Boulevard, to its intersection with Kobbe Avenue, thence along Kobbe Avenue to its intersection with Lincoln Boulevard, and thence along Lincoln Boulevard; and

(D) the Presidio golf course.

Sec. 3. (a) The Secretary is authorized to enter into such agreements with the State of California and its political subdivisions as may be necessary to provide for the joint operation of any of the recreation area and any of the adjoining park lands owned by such State or political subdivision and for operation of joint tourist facilities, including ferries and other means of transportation.

(b) The Secretary is authorized to accept the donation by the State of California of any park or recreation lands immediately adjacent to the recreation area, if such donation is made without charge to the United States.

(c) The Secretary is authorized to accept the donation by the State of California of Angel Island, Bakers State Beach, James D. Phelan State Beach, Marin Headlands State Parks, and Seal Rocks State Beach.

(d) The Secretary is authorized to accept donation of the following properties from the city and county of San Francisco, its subdivisions, or the State of California and its lessees: The Marina Green, Marina Yacht Harbor, Aquatic Park, San Francisco Maritime State Historical Park, Ocean Beach, Lincoln Park (excepting the Palace of the Legion of Honor).

Sec. 4. The Secretary is authorized to set aside areas for such navigation aids as may be necessary on any part of the recreation area.

Sec. 5. Any acquisition of lands, waters, or interests therein shall not diminish any existing rights-of-way or easements which are necessary for the transportation of persons or materials to or from the Presidio of San Francisco or any military installations located completely within the recreation area.

Sec. 6. Any property of the United States bordering San Francisco Bay, or Suisun Bay, or the recreation area, which is declared surplus to the needs of the United States after the date of enactment of this Act shall, upon such declaration, become a part of the recreation area, unless the Secretary shall expressly declare that such property is not needed for the recreation area, in which case such property shall be disposed of in accordance with the otherwise applicable provisions of law.

Sec. 7. Real property required to be transferred to the Secretary by this Act, includes all right, title, and interest of the United States in and to any land beneath any navigable waters of the United States within or contiguous to such real property.

ACQUISITION

Sec. 8. (a) Within the boundaries of the recreation area, the Secretary may acquire land, water, and interests therein by donation, purchase with donated or appropriated funds, exchange, transfer, or by such other means as he deems in the public interest. Any Federal property within the recreation area shall be transferred by the agency having custody thereof, without consideration, to the administrative jurisdiction of the Secretary for the purposes of the recreation area.

(b) (1) As of the effective date of this Act, there is hereby vested in the United States all right, title, and interest in, and the right to immediate possession of, all real property within the boundaries of the recreation area, except real property owned by the State of California or a political subdivision thereof and except as provided in paragraph (3) of this subsection. The Secretary shall allow for the orderly termination of all operations on real property acquired by the United States under this subsection, and for the removal of equipment, facilities, and personal property therefrom.

(2) The United States will pay just compensation to the owner of any real property taken by paragraph (1) of this subsection. Such compensation shall be paid either:

(A) by the Secretary of the Treasury from money appropriated from the Land and Water Conservation Fund, including money appropriated to the fund pursuant to section

4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–7), upon certification to him by the Secretary of the agreed negotiated value of such property, or the valuation of the property awarded by judgment, including interest at the rate of 6 per centum per annum from the date of taking the property to the date of payment therefor; or

(B) by the Secretary, if the owner of the land concurs, with any federally owned property available to him for purposes of exchange pursuant to the provisions of subsection (c) of this section; or

(C) by the Secretary using any combination of such money or federally owned property.

Any action against the United States for the recovery of just compensation for the land and interests therein taken by the United States by this subsection shall be brought in the Court of Claims as provided in section 1491 of title 28, United States Code.

(3) This subsection shall apply to ownerships of one acre or less only if such ownerships are held or occupied primarily for nonresidential or nonagricultural purposes, and if the Secretary gives notice to the owner within twelve months after the effective date of this Act, of the application of this paragraph. Notice by the Secretary shall be deemed to have been made as of the effective date of this Act. The district court of the United States for that district in which such ownerships are located shall have jurisdiction to hear and determine any action brought by any person having an interest therein for damages occurring by reason of the temporary application of this paragraph, between the effective date of this Act, and the date upon which the Secretary gives such notice. Nothing in this paragraph shall be construed as affecting the authority of the Secretary to acquire such areas for the purposes of this Act.

(c) If any individual tract or parcel of land acquired is partly inside and partly outside the boundaries of the recreation area the Secretary may, in order to minimize the payment of severance damages, acquire the whole of the tract or parcel and exchange that part of it which is outside the boundaries for land or interests in land inside the boundaries or for other land or interests in land acquired pursuant to this Act, and dispose of so much thereof as is not so utilized in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended. The cost of any land so acquired and disposed of shall not be charged against any limitation on authorized appropriations contained in this Act.

(d) The owner of improved property on the date of its acquisition by the Secretary under this Act may, as a condition of such acquisition, retain for himself and his heirs and assigns a right of use and occupancy of the improved property for noncommercial residential purposes for a definite term of not more than twenty-five years or, in lieu thereof, for a term ending at the death of the owner or the death of his spouse, whichever is later. The owner shall elect the term to be reserved. Unless the property is wholly or partially donated to the United States, the Secretary shall pay the owner the fair market value of the property on the date of acquisition minus the fair market value on that date of the right retained by the owner. A right retained pursuant to this section shall be subject to termination by the Secretary upon his determination that it is being exercised in a manner inconsistent with the purpose of this Act, and it shall terminate by operation of law upon the Secretary's notifying the holder of the right of such determination and tendering to him an amount equal to the fair market value of that portion of the right which remains unexpired.

(e) The term "improved property", as used in subsections (d) and (e), means a detached, noncommercial residential dwelling, the construction of which was begun before June 1, 1971, together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated.

(f) The Secretary shall have, with respect to any real property acquired by him in that parcel described in section 2(a) (2) of this Act, authority to sell or lease the same to the former owner under such conditions and restrictions as will assure that it is not utilized in a manner or for purposes inconsistent with this Act or the Master Land and Water Use Management Plan described in section 9(b) (1) of this Act. Exercise of said authority by the Secretary, however, will not prevent him from acquiring such property at any future date should he deem the same necessary and appropriate to carrying out the purposes and provisions of this Act.

(g) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property within the boundaries of the recreation area, outside of such boundaries within the limits prescribed in this Act. Notwithstanding any other provisions of law, the Secretary may acquire such property from the grantor by exchange for any federally owned property under the jurisdiction of the Bureau of Land Management in California, except property needed for public use and management, which he classifies as suitable for exchange or other disposal, or any federally owned property he may designate. Such federally owned property shall also be available for use by the Secretary in lieu of, or together with, cash in payment of just compensation for any real property taken pursuant to this Act. The values of the properties so exchanged either shall be approximately equal or, if they are not approximately equal, the value shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require. Through the exercise of this exchange authority, the Secretary shall, to the extent possible, minimize economic dislocation and the disruption of the grantor's commercial operations.

(h) Notwithstanding any other provision of law, the Secretary shall have the same authority with respect to contracts for the acquisition of land and interests in land for the purposes of this Act as was given the Secretary of the Treasury for other land acquisitions by section 34 of the Act of May 30, 1908, relating to purchase of sites for public buildings (35 Stat. 545), and the Secretary and the owner of land to be acquired under this Act may agree that the purchase price will be paid in periodic installments over a period that does not exceed ten years, with interest on the unpaid balance thereof at a rate which is not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities on the installments. Judgments against the United States for amounts in excess of the deposit in court made in condemnation actions shall be subject to the provisions of the Act of July 27, 1956 (70 Stat. 624) and sections 2414 and 2517 of title 28, United States Code.

(i) All Federal lands and interest in lands in Marin or San Francisco Counties (with the exception of the Presidio of San Francisco) on the border of the San Francisco Bay or the Pacific Ocean and that heretofore or hereafter are declared excess to the needs of the United States shall be transferred to the administrative jurisdiction of the Secretary without a transfer of funds. If the Secretary expressly declares that such property is not needed for the recreation area, such property shall be disposed of in accordance with the otherwise applicable provisions of law.

(j) Notwithstanding other provisions of law, all rights, title, and interest in Federal lands in the Presidio of San Francisco that heretofore or hereafter are declared excess to the needs of the United States Army shall be transferred to the jurisdiction of the Secretary of Interior as a part of the Golden Gate National Recreation Area.

ADMINISTRATION

Sec. 9. (a) The Secretary shall administer the recreation area in accordance with the Act of August 25, 1916 (39 Stat. 535), and the Act of August 21, 1935 (49 Stat. 666), and the Act of September 13, 1962 (76 Stat. 538).

(b) (1) In the administration, protection, and use of the recreation area, the Secretary shall prepare and publish within twelve months after the date of enactment of this Act a master land and water use management plan (hereinafter referred to as the "master plan"), which shall include specific provisions for—

(A) use of the facilities on the San Francisco side of the recreation area to provide for the optimal benefits of public recreation, consistent with maximum retention and creation of open space; and

(B) protection of the Marin side of the recreation area in order to preserve the natural scenic beauty of the area.

(2) Within six months after the date of enactment of this Act the Secretary shall prepare and publish a tentative land and water use management plan (hereinafter referred to as the "tentative plan").

(3) In the preparation of the tentative and master plans the Secretary shall consult with the Planning Commissions and Boards of Supervisors of Marin and San Francisco Counties, and the San Francisco Bay Conservation and Development Commission.

(4) In the preparation of both the tentative and master plans the Secretary shall conduct public hearings regarding the terms, provisions, and effects of said plans. The public shall have the right to propose the provisions or contents of the master plan, and to present evidence and testimony with regard thereto at each hearing. The Secretary shall conduct such hearings in both San Francisco and Marin Counties.

(5) The Secretary shall commence implementation of the master plan immediately upon the publication of the same.

(6) The Secretary shall follow the same procedure outlined above as to any proposed amendments to said master plan subsequent to the preparation and publication of the same, noticing and holding public hearings thereon.

(c) The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this Act.

(d) (1) There shall be no new construction of any building or structure in the area of the Presidio of San Francisco not described in section 2(b) (3) (A)–(D) of this Act without—

(A) prior written approval and consent of the Secretary; and

(B) prior demolition of a building or structure of the same or greater floor area on the same or an equivalent site.

(2) There shall be no change in the use of any building or area in the Presidio of San Francisco not described in section 2(b) (3) (A)–(D) of this Act, without the prior written consent and approval of the Secretary.

No part of the Presidio of San Francisco shall be relinquished by the United States.

(3) There shall be no change in the use of any building or area privately owned or leased within the designated boundaries of the recreation area without the prior written consent and approval of the Secretary.

(4) The Secretary in evaluating requests for consent and approval of proposed new construction or proposed changes in use shall consider any potential adverse effects on the environment within the boundaries of the recreation area and any potential impairment of the usefulness and attractiveness of the lands and waters within the designated boundaries of the recreation area.

SEC. 10. The recreation area shall be known as the Juan Manuel de Ayala National Recreation Area.

Mr. TUNNEY. Mr. President, I am pleased to join my senior Senator (Mr. CRANSTON) in introducing today the Golden Gate National Recreation Area legislation. There are few spots in the entire country which compare both in beauty and charm with the areas in San Francisco and Marin Counties which will be covered by the provisions of this bill. This legislation will assure that this marvelous region is preserved against the pressure of urban development and commercialization.

Included in the recreation area are some of the most beautiful and unspoiled lands in all California. The recreation area would begin at the south end of the Point Reyes National Seashore and would sweep southward between the coast and ridgetops, skirting the communities of Bolinas and Stinson Beach, to the Golden Gate. In San Francisco proper, the recreation area would split into two prongs, one segment following along the bayshore nearly to Fisherman's Wharf, and the other following the coast southward almost to the San Mateo County line. It will include all Federal and private property on the Marin coast, as well as approximately one-third of the Presidio, Crissy Airfield, and the golf course, and Forts Mason and Miley.

I am especially pleased that this bill will provide for the eventual transfer of all the Presidio lands to park status as part of the recreation area, whenever they are released by the Army. I think that this will help insure that this historic area will be forever reserved for the use of the public. In this connection, I am aware that questions have been raised about the precise relationship between the Presidio and the park, and about the best way to insure the park remains an unspoiled, protected area for all who visit San Francisco. I will follow the progress of this bill with the closest attention to this problem and will act whenever necessary to accomplish this goal.

Provision is also made for the inclusion of other lands in the Gold Gate headlands, should the city and State governments choose to donate them to the Federal Government. Thus, the bill would bring nearly 9,100 acres of land into the public domain for recreational uses in the future. As population and land-use pressures in the San Francisco Bay area increase, as inexorably they must, the value of these headlands retained as open space for public use can only grow.

At least as important as the recreational import of this bill, however, is the guarantee of indigenous wildlife preservation which it also implies. Urban development now threatens to disrupt or destroy the natural breeding grounds of literally hundreds of unique species of fish and wildlife. This bill recognizes this growing danger and intervenes to guarantee that these crucial coastal and tidal areas will be protected in their natural state.

Seldom does the Senate have such an opportunity to preserve, for the enjoyment of future generations, such splendid lands as are included in this bill. And, unfortunately, seldom is the need for prompt congressional action more critical than in this case.

Developers, Government agencies, private residents, and the military all have set their eyes on various sections of land covered by this bill. If the Congress acts decisively by adopting this legislation now, it can guarantee that the entire Golden Gate headlands and associated areas will be preserved in their natural state. Without such Federal action, now, no guarantee can be made that the open space will be retained. It is, therefore, with the greatest enthusiasm and optimism that I join in introducing this bill and recommend it to the closest attention of my colleagues. On behalf of Californians and all Americans, I urge the adoption of this bill at the earliest possible date.

By Mr. RANDOLPH (for himself and Mr. CHURCH):

S. 2344. A bill to amend the Foreign Assistance Act of 1961 to provide for international drug control assistance and to prohibit foreign assistance from being provided to foreign countries which do not act to prevent the illegal production, processing, or distribution of narcotic drugs used or intended to be used in the United States or by U.S. Armed Forces outside the United States. Referred to the Committee on Foreign Relations.

INTERNATIONAL DRUG CONTROL BILL

Mr. RANDOLPH. Mr. President, for myself and Senator CHURCH, I introduce, for appropriate reference, a bill to provide for an international drug control program.

I have for some time been deeply disturbed by the fact that so many of our young people have involved themselves in the so-called drug culture, that world of unreality, of irresponsibility, of crime, of despair. I know other Members of Congress share my concern.

The use of psychotropic and narcotic drugs has increased alarmingly. Children and youths from all economic and social backgrounds have been poisoning their bodies and their minds to such an extent that a drug epidemic now rages in our land. And it is revealed that at least 10 percent of the soldiers we have sent to serve in Southeast Asia are returning home as heroin addicts. A far higher percentage of these young men are frequent smokers of marihuana, or "pot," and users of amphetamines, barbiturates, mescaline, and LSD.

HEROIN ADDICTION INCREASING

The ravaging effects of drug abuse and drug addiction are great, yet we have only limited knowledge of the extent of the problem. We do know that there are at least 250,000 heroin addicts in America, but some experts say that the true figure is more than likely as high as 1 million users and addicts.

The addiction statistics for soldiers returning to this country from Vietnam have been widely quoted. It is said that there are between 30,000 and 40,000 young soldiers who have returned to this country with a heroin habit. But Dr. Joel Fort, a San Francisco authority on drug addiction, says that some 3 million soldiers have passed through Southeast Asia during the 10 years of American involvement in Vietnam, and that—

> If just 10 percent of them turned on to heroin, that's 300,000 and that's a very conservative estimate. I think it is likely more than that.

Dr. Fort has urged the Federal Government to withdraw all military and economic aid from any government involved in heroin production. David Wellisch, coordinator of psychiatric services for the Haight-Ashbury Free Clinic agrees, and says:

> We've had at least 200 returned veterans on heroin come to us in the last year. That's about 10 percent of everybody we've seen here. But it's not just the veterans, it's their wives too. And it's getting worse.

New York City has better drug abuse statistics than perhaps any other American city. There are 150,000 addicts in New York. It is reported that Central Harlem alone accounts for 40,000 of these.

In New York City 1,000 babies are born each year as heroin addicts, for a mother's addiction is passed prenatally to her children.

In many of our major cities and their suburbs, drugs have been introduced to very young schoolchildren. Heroin is even invading the elementary schools. I recall a news report not too long ago of a New York boy, age 9, who died from a heroin overdose.

The heroin plague is growing in New York and across the land—lives are being snuffed out, many more lives are being ruined forever.

ECONOMIC IMPACT OF DRUG ADDICTION

Aside from the personal and human tragedy of drug abuse and addiction, there is a terrible economic impact, which grows with each passing day. It takes money to support a drug habit, and much of it. The economic cost to this Nation is believed to run as high as $10 billion per year. The true dollar amount may be much higher. There are studies of New York City which indicate that theft solely by addicts living or operating in Central Harlem amounted to $2.3 billion in 1970. Since addiction is growing, this dollar figure will also grow.

CRIME AND THE ADDICT

Together with the economic impact of drug addiction is the crime associated with it. Experts now estimate that fully 50 percent of the crimes committed in our major cities today is drug related.

And what of the insidious, unseen crime of the evil provider of heroin and other drugs? Since the poppy grower receives about $25 per kilogram of opium gum, and since the street price of the processed and diluted heroin derived from that same amount of opium gum is approximately $200,000, someone is making a great sum of money by trading in human misery. Officials have strong reason to believe that the major beneficiaries of the trafficking in heroin and other drugs are organized crime, and the so-called syndicates. A new "sales promotion" gimmick of organized crime involves the provision of a free supply of heroin for 3 months. After this time, children will be "hooked," and the supplier has a new, assured source of revenue.

Organized crime is the major distributor and wholesaler of heroin in this country, and certainly we must attack the problem at that level. However, what of the producer, the processor, the shipper?

THE OPIUM POPPY AND HEROIN OVERSEAS

As I have said, each grain of heroin used in the United States is illegally imported here. Based on the findings of their worldwide study, Representatives Morgan F. Murphy and Robert H. Steele submitted a comprehensive report entitled, "The World Heroin Problem," to the U.S. House Committee on Foreign Affairs. That report states:

> The bulk of the heroin entering the United States is grown in Turkey and processed in Marseilles.

Although experts estimate that some 80 percent of the heroin now being peddled in the United States comes from Turkey, most of the world's supply of illegal opium originates in the Far East. Thailand, Burma, and Laos account for more than half the world's crop of illegal opium, which is estimated to total from 1,250 to 1,400 tons.

Thus, the recent encouraging announcement by the Turkish Government that it was taking a number of significant steps to end the production of opium in that country, concluding with the total termination of opium poppy growing by the end of 1972, may have little impact on heroin production in the long run. Dealers in illegal opium will, undoubtedly, be quick to shift their operations to the Far East, which even now is becoming an increasingly important source of supply for those who smuggle heroin into the United States.

It is for this reason that the United States must immediately initiate an offensive on all fronts to totally eliminate the production of opium in the world. If we do not mount such an all out effort, I fear that subsequent piecemeal attempts to stem the importation of heroin into America will be as effective as holding back a tidal wave with a wall of sand.

The House Foreign Affairs Committee report states:

> Once the poppy pod is cut and the opium gum extracted and sold on the illegal market, the battle to prevent the end product, heroin, from reaching the addict is lost. The problem must be attacked at the source—in the poppy fields of the Near and Far East, principally in Turkey, Thailand, Burma, and Laos.

Because one of the most critical steps in eliminating heroin addiction in the United States is to dry up the source, I am introducing an international drug control measure today. I am pleased that the able Senator from Idaho (Mr. Church,) who chaired the hearings in the Committee on Foreign Relations on the international drug traffic problem, is cosponsoring my proposal.

EXPLANATION OF PROVISIONS

Mr. President, it is my opinion, after reviewing all the pending legislation on international drug control, that none is as strong as it should be, particularly with respect to the impact of drugs on American troops stationed abroad. It is critical to the health and safety of this Nation's citizens that every possible effort must be made to eliminate the drug epidemic.

The concept of my proposal is not unique or complex. It involves both an inducement and a penalty for countries in which poppies, opium, morphine, heroin or other narcotic drugs are produced, processed, or distributed for use in the United States or by our Armed Forces stationed outside the United States. With some important modifications, my measure combines the provisions of S. 1188, introduced by Senator Church, and bills introduced by other Senators.

It is my belief that these twin approaches to the problem are required if we are to hope for a worldwide curb on drug traffic. It is not sufficient, in my opinion, to provide economic assistance to countries whose cooperation we are seeking.

The first section of the bill requires the termination of foreign assistance to any country which does not take effective measures in cooperation with the United States to prevent narcotic drugs produced or processed in such country from unlawfully entering the United States or from being shipped or distributed for use by U.S. Armed Forces stationed overseas.

The second section of the bill authorizes the President to furnish assistance to any friendly foreign country to control or eliminate the production, processing or distribution of narcotic and psychotropic drugs.

Mr. President, this measure is only one important step this country must take if we are to wipe out the terrible blight of drug addiction that is sweeping like a plague across our land. The President's recent message on the subject contains other necessary initiatives. The capable and knowledgeable Senator from Iowa (Mr. Hughes) and his Subcommittee on Alcoholism and Narcotics of which I am a member have developed, and will develop, other programs.

Is a generation of heroin addicts to be the end product of the American dream? Are we to find that this America of ours, full of promise and the potential for greatness among the greatest civilizations of history, is to tolerate a system which will produce millions of freaked-out, turned-on addicts, with no wills and decayed minds?

We cannot countenance such an eventuality. We have an absolute, immediate, imperative duty to do all that is necessary to stop this cancerous, narcotic evil from casting its black shadow over every corner of our land.

It is my understanding that the Committee on Foreign Relations will soon consider the foreign assistance bill in executive session. I am hopeful that committee members will incorporate my international drug control proposal—or one equally as strong—into the foreign aid measure which they report to the Senate.

Mr. President, I ask unanimous consent that the provisions of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2344

A bill to amend the Foreign Assistance Act of 1961 to provide for international drug control assistance and to prohibit foreign assistance from being provided to foreign countries who do not act to prevent the illegal production, processing or distribution of narcotic drugs used or intended to be used in the United States or by United States armed forces outside the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 620 of Chapter 1 of Part III of the Foreign Assistance Act of 1961, as amended, is amended by adding at the end thereof the following new subsection:

"(v) (1) The Comptroller General of the United States shall review and determine every six months, beginning six months following the date of enactment of this subsection, (A) the effectiveness of measures being taken by each foreign country to prevent (i) narcotic drugs, partially or completely produced or processed in such country, from unlawfully entering the United States, and (ii) narcotic drugs, partially or completely produced or processed in such country, from being shipped or distributed for use by United States armed forces outside the United States, and (B) whether that country has undertaken appropriate measures to prevent any such narcotic drug from unlawfully entering the United States and from being shipped or distributed for use by United States armed forces outside the United States. The Comptroller General shall, within 30 days following the end of each six month period referred to in this paragraph, make a report to the Congress of his review and determinations. In making his review and determinations, the Comptroller General shall take into account any actions taken by the President under Section 481, Chapter 8, Part I of this Act, and the reactions and responses of foreign governments resulting from such actions.

"(2) Ninety days after the making of any such report to the Congress, any foreign country with respect to which the Comptroller General has reported a determination under paragraph (1) (B) of this subsection that such country has not undertaken appropriate measures to prevent any such narcotic drugs from unlawfully entering the United States or from being shipped or distributed for use by United States armed forces outside the United States, shall thereafter receive no further foreign assistance from the United States; *provided*, that if, upon subsequent review the Comptroller General determines that such country has taken such appropriate measures, foreign assistance may be resumed as provided by law.

"(3) The President is authorized to utilize such agencies and facilities of the Federal Government as he may deem appropriate to assist foreign countries in their efforts to prevent the unlawful entry of narcotic drugs into the United States and the shipment or distribution of such drugs for use by United States armed forces outside the United States. The President shall keep the Congress fully and currently informed with respect to any action taken by him under this paragraph. In addition to providing such information as it develops, the President shall make a report to the Congress, on any action taken or not taken, on the same date as the report of the Comptroller General required by paragraph (1) of this subsection.

"(4) No provisions of this or any other law shall be construed to authorize the President to waive the provisions of this subsection.

"(5) For the purposes of this subsection—

"(A) 'narcotic drugs' has the same meaning given that term under section 4731 of the Internal Revenue Code of 1954; and

"(B) 'foreign assistance' means any tangible or intangible item provided by the United States government (by means of gift, loan, sale, credit sale, guaranty, or by any other means) under this or any other law to a foreign country, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country."

Sec. 2. Part I of the Foreign Assistance Act of 1961 is amended by inserting immediately after Chapter 7 the following new chapter:

CHAPTER 8—INTERNATIONAL DRUG CONTROL ASSISTANCE

"Sec. 481. Authority.—(a) The President is authorized to furnish assistance to any friendly foreign country, on such terms and conditions he determines necessary, in order to encourage and enable that country to control or eliminate the production, processing, or distribution of narcotic and psychotropic drugs within its boundaries.

"(b) The President is authorized to furnish assistance to any international organization, such as the United Nations Special Fund for Drug Abuse Control, involved in efforts to control or eliminate the production, processing, or distribution of narcotic and phychotropic drugs.

"(c) Such assitance shall be used as follows:

"(1) To aid opium-producing nations in developing alternative crops and markets for such crops.

"(2) To provide new employment opportunities for those who become unemployed as the result of the limitation or eradication of opium production.

"(3) To strengthen the law enforcement and regulatory machinery of countries seeking to control the production, processing, and distribution of dangerous drugs.

"(4) To develop treatment, rehabilitation, and preventive education programs suitable to diverse cultures."

Sec. 3. The provisions of this Act shall be effective on the date of its enactment.

By Mr. HATFIELD:

S. 2345. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for donations of blood. Referred to the Committee on Finance.

Mr. HATFIELD. Mr. President, although less dramatic than many of the medical crises facing our Nation today, I am deeply concerned over the incidence of serum hepatitis contracted through blood transfusions.

It is estimated by the National Academy of Sciences that 30,000 people contract hepatitis yearly as a result of blood transfusions. To put it another way, one out of every 200 who receives a single-donor transfusion will contract hepatitis. This figure multiplies if the patient needs more than one transfusion. Over 1,500 deaths occur yearly from hepatitis received as a result of a blood transfusion.

In addition, there is a growing need to rely more heavily on commercial blood donors to meet the need for blood. Only 3 percent of the eligible American donors give blood to volunteer blood organizations. Blood is not available when it is needed by individuals, emergency organizations, or hospitals. This crisis could affect any of us at any time.

Paid donors unfortunately can include drug addicts, derelicts, and others who may be transmitters of hepatitis. It is, therefore, more and more crucial to increase the amount of blood contributed by volunteers. There is significant evidence, according to the American Red Cross that blood from volunteer donors carries only one-tenth the risk of hepatitis as that from commercial donors.

Presently there is no sure method for identifying hepatitis carriers. The best method for testing at the present time, is the "Australia" antigen test, which is only 20 to 30 percent effective. The only sure means of decreasing posttransfusion hepatitis is to increase the use of blood from sources known to have a lower risk.

I am sure than many of my colleagues have read about or know personally persons who have contracted hepatitis as a result of a blood transfusion, and are aware of the problem and its seriousness. Today, I am introducing legislation which would provide an incentive for individuals to donate their blood to a volunteer organization. This bill will amend the Internal Revenue Code of 1954 to allow an income tax deduction for donations of blood. A $20 deduction will be allowed for each pint of blood given, with a maximum of three pints per year, or $60 per year. This donation may come from the taxpayer, from his spouse, or from a dependent for whom he is entitled a deduction, each person being allowed three pints per year.

As my colleagues know, tax deductions are allowed for giving financial assistance to charitable organizations, such as the Red Cross and volunteer blood bank organizations. In my opinion, it would be consistent to allow donations for those who give their blood directly to the charitable organization.

I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2345

A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for donations of blood

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by renumbering section 218 as 219, and by inserting after section 217 the following new section:

"Sec. 218. Donations of Blood.

"Allowance of Deduction.—In the case of an individual, there shall be allowed as a deduction an amount equal to $20 for each pint of blood donated during the taxable year to or for the use of a governmental unit referred to in section 170(c)(1) or an organization described in section 170(c)(2) by the taxpayer, by his spouse (if he is entitled to a deduction under section 151(b) for his spouse), and by a dependent for whom he is entitled to a deduction under section 151(e).

"(b) Limitation.—The deduction under subsection (a) for any taxable year shall not exceed $60 with respect to donations by any individual."

(b) The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 218. Donations of blood.
"Sec. 219. Cross references."

Sec. 2. Section 62 of the Internal Revenue Code of 1954 (relating to definition of adjusted gross income) is amended by inserting after paragraph (9) the following new paragraph:

"(10) Donations of blood.—The deduction allowed by section 218."

Sec. 3. The amendments made by this Act shall apply to taxable years ending on or after the date of the enactment of this Act, but only with respect to donations of blood made on or after such date.

By Mr. STEVENS:

S. 2346. A bill relating to manpower requirements, resources, development, utilization, and evaluation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

MANPOWER TRAINING AND EMPLOYMENT ACT OF 1971

Mr. STEVENS. Mr. President, today I am introducing a bill to consolidate the many existing manpower programs and build upon solid accomplishments of the manpower program created by the Congress in the Manpower Development and Training Act of 1962, as amended.

In the past 9 years, we have seen the Congress establish a strong foundation for a national manpower program in the form of the Manpower Development and Training Act of 1962, or, MDTA, as amended. This program is widely commented by State and local officials, as well as by the thousands of individuals who have gained employment because of the training and services the act authorizes. The program has been termed the most successful manpower program yet enacted by the Congress, a view confirmed by a recent systems evaluation which has recently come to my attention. Under contract with the Department of Labor, North American Rockwell Information Systems Co.—NARISCO—concluded that MDTA institutional training is regarded by manpower professionals as being an "ongoing" program that "runs itself."

For a number of years, this program has effectively been used to meet the skill training needs of my constituents. It is no small achievement that the foresight of the original drafters of this legislation permitted a flexibility and breadth of program purpose, which has consistently responded to the needs of States as diverse in economy, natural resources and population as my own State of Alaska, on the one hand, and, say, the State of Florida or New York State on the other.

One of the most successful education and training ventures I have yet seen, the Alaska Skill Center, has been established in Seward. It is funded under MDTA and operated by the Alaska Department of Education in Juneau in cooperation with the State department of labor and the economic development administration. This program is providing basic education, jobs skill training in four occupational clusters and hope to some 250 Alaskans who previously were unemployed or underemployed. Like my colleagues in this body, I need not emphasize the concern I have for the high rate of unemployment among my constituents. The Alaska Skill Center, which I personally have visited many times, is an important facet in our effort to bring greater employment opportunities to our citizens.

The Seward program is unique, as are the other 70 manpower training skills centers across the Nation, in that the education and training program is arranged in occupational clusters, an educational arrangement which has been broadly implemented under MDTA to an extent found in no other program. In my opinion, this program has provided greater flexibility in education program administration, and, more important, afforded greater occupational choice and skill exit levels for the trainees than any other yet devised.

I am convinced that the prime reason for success of the Alaska Skill Training Center stems from the legislation, the Manpower Development and Training Act, itself, in promoting the effective combination of agencies charged by the statute with responsibilities for manpower.

But I call to the attention of my colleagues the fact that the MDTA expires in less than 1 year. Although program disbursements may continue for an additional 6 months after that time, the effect of this termination date is already being felt. I should not wish to see the gains made during the past 9 years in my own State and throughout the Nation lost because we as a body failed to act, or failed to reach agreement on a program to meet the manpower needs of the 21st century—a time much closer than most realize. I am convinced that we must not destroy completely the existing manpower structures that have performed so successfully, and lose the manpower expertise built up in a multitude of State and local agencies. I do not say, however, that what the Congress has wrought should remain forever on the books. Obviously, the economic and manpower picture of the late 1970's is vastly changed since the MDTA was formulated in 1962. We have developed a much greater sophistication concerning manpower matters and we have a realization that "manpower" is a host of related functions, not one of which can be found in a single Cabinet-level Department.

For this reason, as well as others, I am today introducing S. 2346, the Manpower Training and Employment Act of 1971. It is intended to continue the basic intent and purposes of the Manpower Development and Training Act of 1962, as amended, by providing education and training opportunities to unemployed and underemployed individuals and by continuing to assist in the relief of skills shortages both in critical and in emerging occupations, and by making essential and timely improvements in the existing legislation.

Let me briefly outline the major provisions of S. 2346.

Title I establishes the National Manpower Advisory Council, and directs the Council to prepare an annual report pertaining to manpower requirements, resources, research, use, training and evaluation. It further sets forth provisions for evaluation, information, and research programs and for training and technical assistance.

Title II describes the various manpower training services and activities that may be conducted under the act, including the Job Corps now under the Economic Opportunity Act of 1964. It sets forth the requirements for State participation under the act, including the establishment of State manpower advisory councils; provides for a comprehensive manpower planning system at the State level; establishes State apportionment of benefits; describes participant eligibility and allowance payments, and describes the responsibilities of the Secretary of Health, Education, and Welfare and the Secretary of Labor.

Title III establishes a labor market information and job-matching program as well as career and employment development programs in both public and private agencies; career training through public service employment with public and private nonprofit agencies; and, an emergency employment assistance program to provide relief to designated job-distressed areas.

Title IV contains a number of miscellaneous provisions relating to the responsibilities of the Secretary of Health, Education, and Welfare and the Secretary of Labor in carrying out their duties under the act.

Basically, my bill reflects the principles of revenue sharing and decentralization as advocated by the administration. It further incorporates a permanent public service employment program to enable our fiscally hard-pressed State and local governments to keep up with expanding demands for public services. The Emergency Employment Act approved by our body on June 29, is a timely measure, but I point out to my colleagues that it is a 2-year legislation. What is to happen after that date? The Manpower Training and Employment Act of 1971 would assure that public service employment programs, utilizing to the maximum extent a career concept, would continue as one part of our national manpower program. Contrary to the emergency legislation now on the statute books, my bill would assure that individuals who go on public payrolls, are provided with the necessary education and training, not only to enhance their attachment to the labor force, but also to assure that quality public services would be provided. To reiterate, central to this provision of the Manpower Training and Employment Act of 1971, is the concept of career development, which is essential to a well-functioning public service employment program.

The existing administrative structures and manpower expertise developed through 9 years of program operations under the MDTA must not be lost in the rush to decentralize manpower program initiatives to State and local governments, as virtually necessary as this step is.

The Manpower Training and Employment Act of 1971 would provide for orderly institutional change without destroying the basic structure which forms the effective relationships among agencies with manpower resources. It would, however, provide for expansion of State and local agency manpower capability and responsibility.

As I previously noted, the success of the Alaska Manpower Training Skill Center is largely the result of effective interagency cooperation and relationships. I am particularly concerned lest the broad concerns and resources for human health, welfare and education vested in the Department of Health, Education, and Welfare be excluded by statute from the national manpower program. MDTA has been effectively administered by the Department of Labor and the Department of Health, Education, and Welfare, and their constituent State and local agencies—the State and local education and employment service agencies. Although jointly administered operational programs are rather unique in the annals of Federal legislation, program administrators in both Departments are constantly seeking ways to further remove administrative impediments to effective program operations. The benefits of their experience simply must not be lost. I share with many of my colleagues, who have already gone on record, a conviction that adequate structures for Federal interagency cooperation and coordination of manpower programs and resources do not now exist to the extent desirable. For this reason, my bill would provide for a National Manpower Advisory Council whose members would be appointed by the President and represent all Cabinet-level agencies having manpower responsibilities or expertise, as well as labor, management and the public. This Council would have "clout" and would assure adequate input of Federal resources to manpower problems in a total, coherent manner. The Council would not be, as is presently the case with the National Manpower Advisory Committee, the arm of any single agency or department. Its judgments would be independent of jurisdictional prejudices and prerogatives, and through it the Congress could more clearly identify program lines and fix or shift program responsibility. Even though the Manpower Training and Employment Act of 1971 continues joint agency responsibility, there are sufficient safeguards so that lines of accountability are clearly drawn.

Faced with the forthcoming expiration date of our key manpower legislation, the Manpower Development and Training Act of 1962, this body will, no doubt, in the very near future be required to consider how our national manpower program is to be restructured and consolidated. I know I am joined by most in this Chamber and by the other House in the conviction that such a reassessment is timely and that rational consolidation of manpower programs is imperative.

The Manpower Training and Employment Act of 1971 which I propose, is a rational consolidation of manpower programs which would build upon and not destroy existing manpower structures and expertise. For these reasons I advocate the changes reflected in the Manpower Training and Employment Act of 1971, and commend this measure to my colleagues.

Mr. President, I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2346

A bill relating to manpower requirements, resources, development, utilization, and evaluation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manpower Training and Employment Act of 1971".

STATEMENT OF FINDINGS AND PURPOSE

Sec. 2. The Congress finds that there is critical need for more and better trained personnel in many vital occupational categories, including professional, scientific, technical, and apprenticeable categories; that even in periods of high unemployment, many employment opportunities remain unfilled because of the shortages of qualified personnel and, that it is in the national interest that current and prospective manpower shortages be identified and that persons who can be qualified for these positions through education and training be sought out and trained as quickly as possible. In addition, improved training and employment opportunities are vital to developing capacity for self-support by public assistance recipients, and the manpower system must assume special responsibility and accountability for training, placing, and upgrading these persons.

The Congress further finds that the skills of many persons have been rendered obsolete by dislocations in the economy arising from technological developments, foreign competition, relocation of industry, shifts in market demands, and other changes in the structure of the economy. With additional education and training, many of these persons could make a greater contribution to the national economy and share more fully in its benefits.

The Congress further finds that the problem of assuring sufficient employment opportunities will be compounded by the extraordinarily rapid growth of the labor force in the next decade, particularly by the entrance of young people into the labor force, that improved planning and expanded efforts will be required to assure that men, women, and young people will be trained and available to meet shifting employment needs; that in order to become qualified for reemployment or full employment many persons now unemployed or underemployed must be assisted in providing themselves with skills that are or will be in demand in the labor market; that the skills of many persons now employed are inadequate to enable them to make their maximum contribution to the Nation's economy; and, that it is in the national interest that the opportunity to acquire new skills be afforded to these people with the least delay in order to alleviate the hardships of unemployment, reduce the cost of unemployment compensation and public assistance, and to increase the Nation's productivity.

The Congress further finds that many professional employees who have become unemployed because of the specialized nature of their previous employment are in need of brief refresher or reorientation educational courses in order to become qualified for other employment in their professions.

The Congress further finds that there are great unfilled public needs in such fields as health, recreation, housing, neighborhood improvement and public safety, maintenance of streets, parks, and other governmental facilities, rural development, transportation, beautification, conservation, and other fields of human betterment and public improvement and that to meet these urgent public needs it is necessary to devote greater resources to public service and to expand public service employment at various levels.

The Congress further finds that it is essential to link together and coordinate the efforts of Federal, State, and local public and private agencies involved in performing manpower services; to develop new approaches for improved services and changes in traditional organization patterns used to assist economically disadvantaged and insufficiently trained individuals; and to coordinate the Nation's manpower needs and services as closely as possible with economic development, transportation planning, new residential housing, and other factors related to the development of new job opportunities.

The Congress further finds that technical, financial, and educational support provided to heretofore disadvantaged ethnic, racial, cultural, and linguistic groups, such as but not limited to that under the provisions of the Manpower Development and Training Act of 1962, as amended, to the Opportunity Industrialization Centers and SER, shall be continued under the intent and provisions of this Act.

It is therefore the purpose of this Act to require the Federal Government to appraise the manpower requirements and resources of the Nation; to develop and to apply the information and methods needed to deal with the problems of unemployment and underemployment; to develop new approaches for improved manpower services; and to establish a comprehensive and coordinated manpower program, designed to provide greater opportunities for education, training and related services necessary to assist individuals in developing their full economic and occupational potential, involving the efforts of all sectors of the economy and appropriate agencies at all levels of Government.

TITLE I—MANPOWER REQUIREMENTS, DEVELOPMENT, AND EVALUATION

NATIONAL MANPOWER ADVISORY COUNCIL

Sec. 101. (a) The President, after consultation with the Secretary of Labor, the Secretary of Health, Education, and Welfare, and the Director of the Office of Economic Opportunity, shall appoint a National Manpower Advisory Council.

(b) The National Manpower Advisory Council shall consist of fifteen members and shall be appointed, without regard to the civil service laws, for terms of three years, except that (i) in the case of initial members, five shall be appointed for terms of one year each and five shall be appointed for terms of two years each, and (ii) appointments to fill vacancies shall be only for such terms as remain unexpired. The Council shall include persons representative of labor, management, agriculture, public and private education, vocational education and rehabilitation, and manpower programs. The Council shall meet at the call of the Chairman, who shall be selected by the President, but not less than three times a year.

(c) The Council shall:

(1) establish national manpower goals and develop appropriate standards for programs and services designed to meet such goals;

(2) advise the Secretary of Labor and the Secretary of Health, Education, and Welfare concerning the administration of, preparation of general regulations for and operation of manpower programs and services supported with assistance under this Act;

(3) review the administration and operation of manpower training, services, and other activities provided under this Act, including the effectiveness of such programs and services in meeting the purposes for which they are established and operated, make recommendations with respect thereto (including recommendations for changes in the provisions of this Act and related manpower Acts), and make an annual report of its findings and recommendations as provided in section 102 of this Act; and

(4) conduct independent evaluations of programs carried out under this and related manpower Acts and publish and distribute the results thereof.

(d) Members of the Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the President, but not in excess of $100 per day, including traveltime; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in Government service employed intermittently.

(e) The Council is authorized, without regard to the civil service laws, to engage such technical assistance as may be required to carry out its functions; to obtain the services of such full-time professional, technical, and clerical personnel as may be required in the performance of its duties; and, to contract for such assistance as may be necessary, and to this end not to exceed 1 per centum of the sums appropriated in any fiscal year to carry out title I, of this Act shall be available only for the activities authorized by this section.

(f) The President shall appoint a special assistant for manpower to serve on his staff; to coordinate the manpower activities of the various Federal departments, agencies, and commissions; to act as liaison with the National Manpower Advisory Council; to act as the President's principal advisor on manpower; and, to report and to make recommendations to the President and to the Congress on the manpower implications of the Federal budget and manpower programs generally.

MANPOWER REPORT

Sec. 102. The National Manpower Advisory Council shall transmit to the President and to the Congress within sixty days after the beginning of each regular session (commencing with the year 1972) a report pertaining to manpower requirements, resources, research, utilization, training, and evaluation. Such report shall include a complete and full report of the activities, findings, and recommendations of the Secretary of Labor and the Secretary of Health, Education, and Welfare in respect to their responsibilties under this Act; and, the findings and recommendations of the Council (including recommendations for changes in the provisions of this and related manpower Acts).

EVALUATION, INFORMATION, AND RESEARCH

Sec. 103. To assist the Nation in furthering technological progress while avoiding or minimizing individual hardship and widespread unemployment and to assist in expanding work opportunities and assuring access to those opportunities for all who desire them, (a) the Secretary of Labor shall:

(1) evaluate the impact of, and benefits and problems created by technical progress, and other changes in the structure of production and demand on the use of the Nation's human resources; establish techniques and methods for detecting in advance the potential impact of such developments; de-

velop solutions to these problems, and publish findings pertaining thereto;

(2) establish a program of factual studies of practices of employers and unions which tend to facilitate the mobility of workers or which impede mobility, including but not limited to early retirement and vesting provisions and practices under private compensation plans; the extension of health, welfare, and insurance benefits to laid-off workers; the operation of severance pay plans; and the use of both extended and short-term leave plans for education and training purposes. A report of these studies shall be included as part of the National Manpower Advisory Council's report required under section 102;

(3) appraise the adequacy of the Nation's manpower development efforts to meet foreseeable manpower needs and recommend needed adjustment to the National Manpower Advisory Council, including methods for promoting the most effective occupational use of and providing useful work experience and training opportunities for untrained and inexperienced youth; and

(4) promote, encourage, or directly engage in programs of information and communication concerning manpower requirements, development, and utilization, including prevention and amelioration of undesirable manpower effects from automation and other technological developments and improvement of the mobility of workers.

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare shall establish:

(1) a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations or agencies or through contracts with other private organizations for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and education and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, veterans returning to civilian employment, and other similar groups. In carrying out this paragraph the Secretaries shall, where appropriate, consult with the Secretaries of Commerce and Housing and Urban Development and the Director of the Office of Economic Opportunity and other agencies. Where programs under this paragraph require institutional training, including but not limited to basic education, employability and communications skills, prevocational training, vocational and technical programs, and supplementary or related instruction for on-the-job training whether conducted at the jobsite or elsewhere, appropriate arrangements for such training shall be made by the Secretary of Health, Education, and Welfare in consultation with the Secretary of Labor. They shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of this Act;

(2) a special program of supportive services to families residing in rural areas provided that such services are necessary to (i) participate in education and training programs authorized under this Act or (ii) obtain employment. Such special supportive services may include but are not limited to:

a. a special program of mobile employment service units to provide recruitment, counseling, and referral to education and training programs or employment for persons residing in rural areas;

b. residential support for those persons referred to education and training programs when such programs are offered beyond a reasonable commuting distance from the person's home;

c. a special program of mobile health and education units to provide counseling, health and hygiene education, and referral of persons requiring health care to appropriate agencies for such service;

d. relocation payments and other special services as needed to assist unemployed individuals and their families to relocate to another area where a suitable job has been located; such assistance shall be limited to those persons who have participated in education or training programs offered under this Act before relocation or to those who have been accepted for on-the-job training with a reasonable expectation of continued employment upon completion of the on-the-job training by the employer;

e. a special program of follow-up services of up to one year, to heads of households who have participated in programs authorized under this Act and who have relocated in order to obtain full time employment; such services shall be established to assist families in adjusting to a new socio-economic environment and may include, but are not limited to problems of a health, education, housing, or family financial nature; and,

f. in addition to these special supportive services, participants shall be eligible for other education, training, and manpower services authorized under this Act.

(c) To further assess the effectiveness of various methods and approaches used in carrying out the purposes of the Act, the Secretary of Health, Education, and Welfare, after consultation with the Secretary of Labor, shall:

(1) arrange, through grants or contracts for the conduct of such research and investigations as give promise of furthering the education and training objectives of this Act; and

(2) provide, either directly or through grants or contracts for a system of continuing evaluation of all training programs conducted by public and private schools and training agencies and organizations, with assistance under this Act, including their impact on communities and participants, their implication for related programs, thet effectiveness of various methods and materials and the adequacy of their mechanism for the delivery of services and report the findings, including recommendations for corrective actions and their implications, of such evaluations to the National Manpower Advisory Council.

TRAINING AND TECHNICAL ASSISTANCE

SEC. 104. (a) In carrying out the provisions of this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall provide, directly or through grants, contracts, or other arrangements, training for specialized or other personnel and technical assistance, which are needed in connection with the programs established under this Act or which otherwise pertain to the purposes of this Act, including the provision of training and technical assistance to designated State and Area Manpower Advisory Councils. The Secretaries shall:

(1) plan for, establish, and maintain a program of training, including but not limited to in-service training and staff development, and technical assistance to public and private agencies, institutions, and employers in order to assist such organizations in sponsoring or operating programs more effectively and providing services under this Act, in the most effective and efficient manner possible;

(2) provide for the development and distribution of technical manuals, guides and other resources in order to assure the early dissemination of information concerning advances or improved techniques, developed both as a result of this Act and through other sources, related to manpower training, services, and activities and their delivery;

(3) shall plan, establish, and operate, directly or through contract, an information service, to make available to agencies, organizations, and other groups and persons concerned with manpower programs and services, information on resources, techniques, and concepts useful in the conduct of training programs under this Act. Such information shall include that derived from research experimental and demonstration programs, and the evaluated experience of Federal, State, and local operations. The information shall be so designed as to be helpful in the establishment and improvements of training programs and related activities covered under titles I, II, and III of this Act; and,

(4) make, upon appropriate request, the special assignment of personnel to public or private agencies and employers to provide technical guidance with regard to programs funded under this Act, but no such assignments shall be for a period of more than two years.

(b) Twenty-five per centum of the sums appropriated in any fiscal year to carry out title I in addition to 2 per centum of the sums appropriated in any fiscal year to carry out titles II and III of this Act shall be available only for training and technical assistance authorized by this section. In carrying out the purposes of this section, 50 per centum of the sums available shall be for the use of the Secretary of Labor and the remaining 50 per centum shall be for the use of the Secretary of Health, Education, and Welfare: *Provided*, That the use of such sums is jointly planned to avoid unnecessary duplication and waste.

TITLE II—TRAINING AND SKILL DEVELOPMENT PROGRAMS

PART A—MANPOWER TRAINING PROGRAMS AND SERVICES

PROGRAMS, SERVICES, AND ACTIVITIES

SEC. 201. The programs, services, and activities for which funds under this title may be expended shall include, but are not limited to the following:

(1) basic education, literacy training, communications and computation skills, and high school equivalency programs, which will assist individuals to become more employable or facilitate their participation in occupational training;

(2) outreach, counseling, testing, recruitment, referral to work or to training, placement, and followup services necessary to assist individuals to achieve success in employment;

(3) prevocational orientation to introduce those of limited experience to alternative occupational choices;

(4) institutional training, including cooperative occupational training programs, and on-the-job training for unemployed individuals, and underemployed individuals, including training of employed workers for the purpose of upgrading their skills and improving the use of available manpower;

(5) supportive services, including health, minor medical and dental services, physical examinations, the furnishing of prosthetic devices, child care, referral for family counseling, legal services, uniforms and tools required for entry level employment in occupations designated by the Secretary of Labor, bonding, licensing, and credentialling fees when required for employment within the area of training, relocation subsistence payments to assist individuals and their families who must move to another area in order to receive training or become employed after training, and other special services, including residential support, deemed necessary to assist individuals to become more employable or facilitate their participation in programs assisted under this title;

(6) work experience for unemployed and disadvantaged individuals, including the performance of socially useful work in public and private agencies or organizations in the fields of health, public safety, education recreation, streets, parks, and municipal main-

tenance, housing and neighborhood improvement, conservation and rural development, beautification, and other fields of human betterment and community improvement, including the establishment, operation, or strengthening of any such program;

(7) part-time employment, on-the-job training, or useful work experience for students in ninth through twelfth grades (and youths of equivalent ages) to assist them in remaining in or returning to school; and, with such employment opportunities developed in consultation with education authorities to enhance, to the extent feasible, the educational growth of such students;

(8) appropriate education, training, and related manpower services for persons in correctional institutions to assist them in obtaining suitable employment upon release, including the provision of such programs and after release from correctional institutions as special programs designed to aid in the rehabilitation process;

(9) appropriate education, training, and related manpower services for persons who have recently been or will shortly be separated from military service;

(10) appropriate education, training, and related manpower services for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation;

(11) appropriate education, training, and supportive services, including career restructuring and development, for upgrading persons who are unemployed or underemployed in respect to skill level or hours of employment; and

(12) retraining and refresher programs of education, training, and supportive services for persons, including professionals, paraprofessionals, and others, who are unemployed or will be unemployed because of the specialized nature of their previous employment because of technological, economic, or other changes in the economy and who need such programs and services to prepare them for employment for an occupation compatible with their previous education and skills.

ELIGIBLE INDIVIDUALS

SEC. 202 (a) Priority for selection shall be given to those unemployed or underemployed persons who cannot reasonably be expected to secure appropriate full-time employment without education and training.

(b) Special emphasis shall be given to the employment and training needs of persons who are from poor families using as an index of poverty the minimum income per household of a given size, composition, and farm or nonfarm status, as set forth by the Social Security Administration.

(c) Priority in providing training and employment opportunities among eligible persons shall be given to individuals who are heads of households. For purposes of this Act, the term "head of household" shall include any person who contributes more than one-half the support of one or more other persons.

(d) Out of school individuals sixteen years of age or older shall be eligible for participation in programs authorized by the Act: *Except*, That individuals less than sixteen years of age shall be eligible for participation only in programs authorized in section 201(7).

SELECTION OF TRAINEES

SEC. 203. (a) The Secretary of Labor shall establish standards and criteria for individuals eligible for participation in programs, services, and activities authorized by the Act. The Secretary shall provide a program for testing, counseling, and selection for the determination of eligibility for participation: *Except*, That individuals meeting the established standards and criteria may be referred to training by appropriate public and private agencies and organizations. Upon certification from the responsible training agency the Secretary of Labor shall make provisions for training and subsistence allowances and transportation allowances as may be appropriate.

(b) The selection of persons for training and services under this Act and for placement shall not be contingent upon such person's membership or nonmembership in a labor organization.

(c) Persons shall not be referred for training in an occupation which requires less than two weeks training, unless there are immediate employment opportunities in such occupation.

TRAINING ALLOWANCES

SEC. 204. (a) The Secretary of Labor may, on behalf of the United States, enter into agreements with States under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States, as agents for the United States, to make payment of weekly allowances to persons selected for training pursuant to the provisions of section 203 and undergoing such training in a program operated pursuant to the provisions of the Act.

(b) For the purpose of this section, a basic allowance shall be equal to 40 times the minimum hourly wage provided in section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended: *Provided*, That such basic allowance through June 30, 1972, in any State shall not be less than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) during the calendar year 1969 for a week of total unemployment in such State.

(c) For the purposes of this section, a dependent's allowance shall equal $5 per week for each dependent, to a limit of six dependents.

(d) Persons, except those specified in subsection (c), who are participating on a full-time basis in the following programs, (1) institutional training or, (2) other manpower development activities which are not compensated by an employer or subject to subsections (h) or (i); shall receive a basic allowance plus a dependent's allowance for his dependents as specified in subsection (c) for each week of full-time participation: *Except*, That no individual shall receive allowances under this subsection that are less than the unemployment compensation (including allowances for dependents) to which such persons would be entitled under any Federal or State unemployment compensation law if he were not participating in such activity.

(e) The following participants in full-time institutional training or other manpower development activities described in subsection (d) shall not be entitled to allowances provided in subsection (d):

(1) A public assistance recipient under programs assisted under titles I, IV, X, XIV, and XVI of the Social Security Act, who shall be paid, in addition to any public assistance payments to which he may be entitled, incentive payments of not more than $10 per week under regulations prescribed by the Secretary of Labor.

(2) A participant who is under eighteen years of age, or who is not the head of a household as defined in section 202(c) of this Act. Such participant shall receive a suitable weekly allowance, determined in accordance with rules prescribed by the Secretary of Labor, but not to exceed the basic allowance prescribed in subsection (b): *Provided*, That any allowance under this paragraph shall not be less than the unemployment compensation (including allowances for dependents) to which such person would be entitled under any Federal or State unemployment compensation law if he were not participating in such activity. An individual who is not subject to this paragraph at the commencement of the period shall not become subject thereto until the completion of such period.

(3) A participant receiving unemployment compensation under any Federal or State unemployment compensation law. Such participant shall receive for each week of training, allowances equal to the difference between (1) any allowance to which he would otherwise be entitled under subsections (d) or (e) of this section and (2) the unemployment compensation (including allowances for dependents) which he received for such week.

(4) A participant engaged in employer-compensated on-the-job training or work experience assisted under this title. The allowances of such participants shall be computed in accordance with subsection (d) or (e), as appropriate, and shall be reduced in accordance with rules and regulations prescribed by the Secretary of Labor, which shall take into account the hours of such work experience or on-the-job training and the amount of compensation therefor.

(5) A participant who is an inmate of a correctional institution. The allowances of such participants shall be computed in accordance with regulations prescribed by the Secretary of Labor.

(f) A participant engaged in the activities described in subsection (d) on less than a full-time basis shall receive a reduced basic allowance computed in accordance with regulations prescribed by the Secretary, and a dependent's allowance if participation is in excess of twenty hours each week. Public assistance recipients shall receive an incentive payment as provided in subsection (e). Such reduced basic allowance shall be computed taking into account (1) the hours of participation in such activity; (2) the allowance to which he would be entitled under subsection (d) or (e) if he were engaged in training on a full-time basis; (3) compensated work experience or on-the-job training assisted under this title in which the participant is engaged; and (4) unemployment compensation that the participant is receiving.

(g) No allowance under subsection (d), (e), or (f) of this section may be paid for any portion of a training period that extends beyond one hundred and four weeks.

(h) Workers in programs providing work experiences under this Act shall be compensated at a rate not less than the applicable minimum wage rate, but in no case less than the wage prescribed by section (b) of the Fair Labor Standards Act.

(i) Workers engaged in employer-compensated on-the-job training under this Act shall be compensated at a rate not less than the higher of (1) the applicable minimum wage rate, or (2) the prevailing wage paid to workers of like experience performing similar work in the locality.

(j) A participant undertaking training or work-experience or other manpower development activity described in subsection (d) on either a full-time or part-time basis, shall receive allowances for transportation and subsistence in addition to the applicable training allowance or wage. The amount of allowances provided under this subsection shall be determined in accordance with regulations prescribed by the Secretary of Labor.

(k) A participant who has successfully completed a program of full-time participation of not less than fifteen weeks' duration in institutional training or other manpower development activities described in subsection (d) shall receive, upon completion of his period of participation, a completion bonus which shall be equal to twice the allowance to which he is entitled under (d) or (e) for his last week of full-time participation during such period.

(l) Upon certification by the responsible training agency that a person who has been referred for training does not have a satisfactory attendance record or is not making satisfactory progress in such training, the Secretary of Labor shall forthwith terminate his training and subsistence allowances, and his transportation allowances except such as may be necessary to enable him to return to his regular place of residence after termination of training, and withdraw his referral.

COMPREHENSIVE MANPOWER PLANS

SEC. 205. (a) The Secretaries of Labor and Health, Education, and Welfare shall jointly enter into an agreement with the Governor of each State under which a State Manpower Advisory Council will develop and administer a comprehensive manpower plan for the State. Such council shall be appointed by the Governor with the approval of the Secretaries and shall consist of representatives of the appropriate State agencies concerned with manpower programs and services, including the State education agency and the State employment service and, representatives of labor, management, rehabilitation, public and private agencies active in the manpower field and the public. Each such agreement shall:

(1) require each comprehensive manpower plan to set forth a long-range plan for programs and services to be carried on with assistance provided by this Act, for the State as a whole and by local planning area, extending over three years beginning with the fiscal year for which the comprehensive manpower plan is submitted, describing the present and projected needs for programs and services provided for in this Act, and setting forth the long-range program objectives;

(2) require each comprehensive manpower plan to set forth an annual program plan, for the State as a whole and by local planning area, which describes the content of, and allocation of Federal and State funds to programs, services, and activities to be carried out under the plan during the year for which Federal funds are sought, designates the agencies and organizations which shall carry out the plan and indicates how and to what extent such programs, services, and activities will carry out the program objectives set forth in the long-range program plan;

(3) require each State to officially designate its local planning areas, which shall include provisions for representation of all geographic areas within the State, and which shall be reviewed and approved by the Secretaries;

(4) require the establishment of Area Manpower Advisory Councils of the same membership and composition as the State Manpower Advisory Council: *Except*, That all mayors within the planning area shall be represented on the Council, such Councils shall be appointed under such procedures as are established by the State Manpower Advisory Council and which have been approved by the Governor and by the Secretaries;

(5) require the establishment of procedures to coordinate all local area plans into a State plan, to provide for circumstances where a local area fails to submit a plan, and to provide for appeal by Area Manpower Advisory Councils to the Secretaries: *Provided*, That such procedures shall be reviewed and approved by the Secretaries;

(6) require the use to the maximum extent feasible of public and private profit and nonprofit agencies and organizations, and of all the State and local agencies and organizations, which are capable of contributing to the program, with priority given to skills centers and other education and training programs operated or arranged through State and local education agencies;

(7) require the establishment and operation of a data system that will provide, in readily accessible form, statistical information sufficient to enable evaluation of the effectiveness of programs carried out under the plan and to determine means of improving their effectiveness;

(8) provide for the conduct of manpower programs, activities, and services in accordance with procedures, standards, and regulations established under the provisions of this Act;

(9) provide for the evaluation of programs, activities, and services assisted under this Act, and the publication and distribution of such reports including recommendations as to their effectiveness;

(10) provide for the distribution of funds to State Manpower Advisory Councils, Area Manpower Advisory Councils, and agencies and organizations providing programs, services, and activities under an approved plan; and

(11) provide for regularly scheduled meetings of the State manpower advisory council including the assurance that not less than one public meeting of the State manpower advisory council is held each year at which the public is given the opportunity to express views concerning manpower training, programs, and services.

(b) State manpower advisory councils are authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this section and to contract for such services as may be necessary to enable them to carry out their evaluation functions.

(c) From the sums appropriated pursuant to section 206(a) for any fiscal year, the Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized to pay to each State manpower advisory council an amount equal to the reasonable amounts expended by it in carrying out its functions under the Act in such fiscal year, except that the amount available for such purpose shall be equal to 1 per centum of the State's apportionment under section 206(a), but such amount shall not exceed $300,000 and shall not be less than $150,000: *Except*, That for the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, such amount shall not exceed $50,000 each.

(d) Where a State fails to submit a comprehensive manpower plan to the Secretaries within a reasonable time, or the Secretaries disapprove such a plan under the authority of subsection (e) of this section, the Secretaries of Labor and of Health, Education, and Welfare taking into consideration such local area plans as may have been developed, shall jointly formulate and carry out a comprehensive manpower plan in such State. Such program shall meet the requirements of the Act applicable to plans submitted by States: *Except*, That where the Secretaries have discontinued payments with respect to a portion of a plan under subsection (e) of this section, the program that they carry out directly shall provide the same types of programs, services, and activities as provided in the portion of the plan with respect to which payments were discontinued. In carrying out this section where a State has failed to submit a plan or the Secretaries have disapproved it, the State's apportionment may be used by the Secretaries to carry out a program in that State. In carrying out this section where the Secretaries have discontinued payments, the sums withheld may be used by the Secretaries.

(e) When the Secretary of Labor and the Secretary of Health, Education, and Welfare after reasonable notice and opportunity for a hearing to the Governor of the State that submitted a plan, finds: (1) that the plan has been so changed that it no longer complies with the requirements of the Act, or to the standards and guidelines prescribed pursuant to the Act; or (2) that in the administration of the plan there is a failure to comply substantially with any such requirement; the Secretaries of Labor and of Health, Education, and Welfare shall notify the Governor that no further payments will be made with respect to such plan (or in their discretion, further payments with respect thereto will be limited to portions thereof not affected by such failure), until they are satisfied that there will no longer be any failure to comply. Until they are so satisfied, the Secretaries shall make no further payments with respect to such plan (or shall limit payments to portions thereof not affected by such failure).

(f) The Secretaries of Labor and of Health, Education, and Welfare shall, in consultation with and with the concurrence of the National Manpower Advisory Council, prescribe such standards, rules, and regulations as they may deem necessary and appropriate to carry out the provisions of this part.

APPORTIONMENTS OF BENEFITS

SEC. 206. (a) For the purpose of effecting an equitable apportionment of Federal expenditures among the States in carrying out the programs authorized under part A of title II of this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall apportion 80 per centum of the funds available for such purposes in accordance with uniform standards and in arriving at such standards shall consider only the following factors: (1) the proportion which the labor force of a State bears to the total labor force of the United States; (2) the proportion which the unemployed in a State during the preceding calendar year bears to the total number of unemployed in the United States in the preceding calendar year; (3) the proportion which poor individuals residing in the State bear to the total number of poor individuals of the United States; (4) the proportion which the insured unemployed within a State bears to the total number of insured employed within such State; but in no event shall any State be apportioned less than $1,000,000: *Except*, That for the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, such amount shall be $100,000 each.

(b) Fifteen per centum of the funds appropriated to carry out the purposes of part A of title II may be expended by the Secretary of Labor as he finds necessary or appropriate to carry out the purposes of title II: *Provided*, That where such programs require institutional training, the Secretary of Health, Education, and Welfare shall agree to arrangements for such training.

(c) Five per centum of the funds appropriated to carry out the purposes of part A of title II may be expended by the Secretary of Health, Education, and Welfare as he finds necessary or appropriate to carry out the purposes of title II: *Provided*, That prior to the development of preemployment training the Secretary of Labor shall concur that there is reasonable expectation of employment for such persons entering training.

(d) The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized to make reapportionments from time to time where the total amounts apportioned under this section have not been fully obligated in a particular State, or where the State or appropriate agencies in the State have not entered into the necessary agreements, and the Secretaries find that any other State is in need of additional funds to carry out the programs authorized by this Act: *Provided*, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the ninth month of such fiscal year and only upon fifteen days prior notice to such State of the proposed reapportionment.

(e) Where the Secretaries of Labor and Health, Education, and Welfare have approved a comprehensive manpower plan developed and submitted in accordance with the provisions of section 205 of this part, the State shall have authority to approve all applications for programs and services that conform to such State plan.

PART B—DUTIES OF THE SECRETARY OF LABOR

GENERAL RESPONSIBILITIES

SEC. 211. In carrying out the purposes of this Act, the Secretary of Labor shall determine the skill requirements of the economy develop policies for the adequate occupational development and maximum use of the skills of the Nation's workers, promote and encourage the development of broad and diversified training programs, including on-the-job training, designed to qualify for employment the many persons who cannot reasonably be expected to secure full-time employment without such training, and to equip the Nation's workers with the new and improved skills that are or will be required. Whenever appropriate, the Secretary of Labor shall coordinate and provide for combinations of programs, to be pursued concurrently or sequentially, under this Act with programs under other Federal Acts, where the purposes of this Act would be accomplished thereby.

STATE AGREEMENTS

SEC. 212. (a) The Secretary of Labor is authorized to enter into an agreement with each State, or with the appropriate agency of each State, pursuant to which the Secretary of Labor may, for the purpose of carrying out his functions and duties under this title, use the services of the appropriate State agency, and, notwithstanding any other provision of law, may make payments to such State or appropriate agency for expenses incurred for such purposes.

(b) Any agreement under this section may contain such provisions as will promote effective administration, protect the United States against loss and insure that the functions and duties to be carried out by the appropriate State agency are performed in a manner satisfactory to the Secretary.

RULES AND REGULATIONS

SEC. 213. The Secretary of Labor shall prescribe such rules and regulations as he may deem necessary and appropriate to carry out his responsibilities under this Act.

PART C—DUTIES OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

GENERAL RESPONSIBILITIES

SEC. 221. The Secretary of Health, Education, and Welfare shall, pursuant to the provisions of this title enter into agreements with States under which the appropriate State education agencies will undertake to provide training to equip persons referred to the Secretary of Health, Education, and Welfare pursuant to section 203. Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, for training the disadvantaged, or where such institutions can, at comparable cost, (1) provide substantially equivalent training, or (2) make possible an expanded use of the individual referral method, or (3) aid in reducing more quickly unemployment or current and prospective manpower shortages. Such agreements shall contain such other provisions as will promote effective administration (including provisions (1) for reports on the attendance and performance of trainees, (2) for immediate certification to the Secretary of Labor by the responsible training agency with respect to each person referred for training who does not have a satisfactory attendance record or is not making satisfactory progress in such training absent good cause, and (3) for continuous supervision of the training programs conducted under the agreement to insure the quality and adequacy of the training provided), protect the United States against loss, and assure that the functions and duties to be carried out by such State agency are performed in such fashion as will carry out the purposes of this title. The Secretary of Health, Education, and Welfare shall give preference to training and education provided through State vocational education agencies and other State education agencies. However, in any case in which he determines that it would permit persons to begin their training or education within a shorter period of time, or permit the needed training or education to be provided more economically, or more effectively, he may provide the needed training or education by agreement or contract made directly with public or private training or educational facilities or through such other arrangements as he deems necessary to give full effect to this Act.

RULES AND REGULATIONS

SEC. 222. The Secretary of Health, Education, and Welfare may prescribe such rules and regulations as he may deem necessary and appropriate to carry out his responsibilities under this Act.

PART D—AMENDMENTS AND REPEALS AFFECTING EXISTING LAWS

SEC. 231. (a) The Economic Opportunity Act of 1964, as amended, is further amended as follows:

(1) Subsection (e) of section 106 is repealed.

(2) Subsection (b) of section 115 is amended to read as follows:

"(b) The Director may enter into agreements with States to administer, assure, or assist in the administration of the programs provided in this part. The Director may, pursuant to regulations, pay part or all of the operative or administrative costs of such programs."

(b) Section 810(a) of the Economic Opportunity Act of 1964 is amended by striking the word "and" immediately preceding paragraph (3) thereof, by substituting a semicolon for the period at the end of the subsection, and by adding the following:

"and (4) with the approval of the Secretary of Labor, in Job Corps Centers operated under title II of the Manpower Training and Employment Act of 1971."

(c) Section 833(b) of the Economic Opportunity Act of 1964 is amended to read as follows:

"(b) Individuals who receive either a living allowance or a stipend under this title shall, with respect to such services or training:

"(1) for the purposes of subchapter III of chapter 73 of title 5 of the United States Code, be deemed persons employed in the executive branch of the Federal Government;

"(2) for purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.), be deemed employees of the United States, and any service performed by an individual as a volunteer shall be deemed to be performed in the employ of the United States;

"(3) for purposes of the Federal tort claims provisions in title 28, United States Code, be deemed employees of the Government; and

"(4) for purposes of the subchapter I of chapter 81 of title 5 of the United States Code (relating to compensation to Federal employees for work injuries), be deemed civil employees of the United States within the meaning of the term 'employee' as defined in section 8101 of title 5, United States Code, and the provisions of the subchapter shall apply except as follows:

"(A) In computing compensation benefits for disability or death, the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS-7 employee, and sections 8113 (a) and (b) of title 5, United States Code, shall apply to volunteers; and

"(B) Compensation for disability shall not begin to accrue until the day following the date on which the injured volunteer is terminated."

SEC. 232. (a) Title I, part A, of the Economic Opportunity Act of 1964, as amended (sections 101–118), is transferred to the Manpower Training and Employment Act of 1971 and inserted as sections 233 through 250, respectively, as amended by subsection (e) of this section.

(b) All references to part A of title I of the Economic Opportunity Act of 1964 or any provision thereof are hereby deleted from the Economic Opportunity Act of 1964. Any reference to part A of title I of the Economic Opportunity Act or any provision thereof in any other law of the United States shall be deemed to be a reference to title II of this Act or the corresponding provision thereof.

(c) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, held, used, available, or to be made available in connection with the functions transferred by subsection (a) of this section as the Director of the Bureau of the Budget shall determine shall be transferred to the Department of Labor.

(d) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem necessary in order to effectuate the transfer provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

(e) Sections 233–250 of this Act as transferred by subsection (a) are amended as follows:

(1) The word "title" shall be substituted for the word "part" wherever it appears.

(2) The word "Secretary" shall be substituted for the word "Director" wherever it appears.

(3) The words "Department of Labor" shall be substituted for "Office of Economic Opportunity" wherever they appear.

(4) Section 235(1) is amended by deleting all the words in paragraph (1) following "United States" and substituting the following: "or a native and citizen of Cuba who arrived in the United States from Cuba as a nonimmigrant or as a parolee subsequent to January 1, 1959, under the provisions of section 244(a) or 242(d) (5), respectively, or any person admitted as a conditional entrant under section 203(a) (7) of the Immigration and Nationality Act."

(5) Paragraphs (2) through (5) of section 235 are redesignated as (3) through (6), respectively, and the following new paragraph (2) is inserted:

"(2) has attained age fourteen but not attained age twenty-two at the time of enrollment;".

(6) The reference in section 235(5) to sections 104 and 105 are changed to "236" and "237", respectively.

(7) The reference in section 208(c) to section 609(3) is changed to "235(1)."

(8) The reference in section 239(b) to "part B of this title" is deleted and the following is substituted therefor: "title II of this Act and title I of the Economic Opportunity Act of 1964".

(9) Section 240 is amended by adding a new subsection (e) to read as follows: "(e) In conducting programs under this title, the Secretary shall consult with the Secretary of Health, Education, and Welfare with regard to institutional training provided for enrollees of the Job Corps".

(10) Section 241 is amended by adding a new subsection (c) as follows: "(c) Under such circumstances as the Secretary may determine, he may prescribe by regulation changes in the amount and method of pay-

ment of allowances and provision of expenses to correspond more closely to the methods and amounts prescribed in section 204 of this Act. Such changes may include provision of higher allowances to cover appropriate enrollee expenses and offsetting charges to enrollees for living expenses".

(11) Section 244(d), as amended, is further amended by deleting "the Department of Labor and".

(12) Section 244(e) is amended by inserting a comma after the word "feasible", by deleting the words "in accordance with section 637(b) of this Act", and by changing the reference to 109(c) to 241(c).

(13) Section 244(e) is further amended by striking out the comma and inserting a period in lieu thereof after "employment service offices" and deleting the words "and shall furnish copies of such records to the Secretary of Labor."

(14) Section 245(a) is amended by striking out the reference to section 608 and substituting in lieu thereof "section 605."

(15) Section 245(b) is amended by striking out both references to "part B of this title" and substituting in lieu thereof "Title I of this Act" and by striking out the reference to section 608 and substituting in lieu thereof "section 605."

(16) Section 246 is amended by striking out the last sentence.

(17) Section 247(c) is amended by striking out the word "Act" and substituting in lieu thereof "title".

(18) Section 249 is amended by striking out subsection (a) and the first sentence of subsection (b), and redesignating subsections (b) through (d) as subsections (a) through (c), respectively.

(19) A new section 251 is added to read as follows:

"ADDITIONAL AUTHORITIES

"SEC. 251. In addition to such other authority as he may have, the Secretary is authorized, in carrying out his functions under this title, to—

"(1) utilize, with their assent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

"(2) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this title as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements; and

"(3) expend funds made available for purposes of this title, without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him: but the Secretary shall not utilize the authority contained in this subsection—

"(A) except when necessary to obtain an item, service, or facility, which is required in the proper administration of this title, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which it is needed, and

"(B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority."

SEC. 261. (a) The Manpower Development and Training Act of 1962, as amended (42 U.S.C. 2571 et seq.), is hereby repealed.

(b) Title I, part B of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2701 et seq.), is hereby repealed.

(c) Title V, part A of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2701 et seq.), is hereby repealed.

TITLE III—LABOR MARKET INFORMATION AND EMPLOYMENT DEVELOPMENT PROGRAMS

PART A—LABOR MARKET INFORMATION AND JOB MATCHING PROGRAM

SEC. 304. (a) The Secretary of Labor shall develop a comprehensive system of labor market information on a National, State, local, or other appropriate basis, including but not limited to information regarding:

(1) the nature and extent of impediments to the maximum development of individual employment potential including the number and characteristics of all persons requiring manpower services;

(2) job opportunities and skill requirements;

(3) labor supply in various skills;

(4) occupational outlook and employment trends in various occupations; and,

(5) in cooperation and after consultation with the Secretary of Commerce, economic and business development and location trends. Information collected under this subsection shall be developed and made available in a timely fashion in order to meet in a comprehensive manner the needs of public and private users, including the need for such information in recruitment, counseling, education, training, placement, job development, and other appropriate activities under the Economic Opportunity Act of 1964 as amended, the Social Security Act, the Public Works and Economic Development Act of 1965, the Wagner-Peyser Act, the Vocational Education Act of 1963 as amended, the Vocational Rehabilitation Act, the Demonstration Cities and Metropolitan Development Act of 1966, and other relevant Federal statutes.

JOB MATCHING PROGRAM

SEC. 302. The Secretary of Labor shall develop and publish on a regular, timely basis information on available job opportunities throughout the United States on a National, State, local, or other appropriate basis for use in public and private job placement and related activities and in connection with job matching programs conducted pursuant to this subsection. The Secretary is directed to develop and establish a program for matching the qualifications of unemployed, underemployed, and low-income persons with employer requirements and job opportunities on a National, State, local, or other appropriate basis. Such programs shall be designed to provide a quick and direct means of communication among local recruitment, job training and placement agencies and organizations, and between such agencies and organizations on a National, State, local, or other appropriate basis, with a view to the referral and placement of such persons in jobs. In the development of such a program, the Secretary shall make maximum possible use of electronic data processing and telecommunication systems for the storage, retrieval, and communication of job and worker information. The Secretary is authorized, for the purposes of carrying out programs authorized under this subsection to make grants to State or local agencies for the planning and administration of the program, including the purchase or other acquisition of necessary equipment.

PILOT PROJECTS

SEC. 303. (a) In carrying out the program described in section 302 during the period ending June 30, 1974, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness of reducing unemployment of individuals and to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

(b) Loans or grants provided under this subsection shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

(1) there is reasonable assurance of repayment of the loan;

(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

(4) the loan bears interest at a rate not less than (i) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (ii) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes;

(5) the loan is repayable within not more than ten years; and,

(6) of the funds appropriated for a fiscal year to carry out this Act, not more than $10,000,000 may be used for the purposes of this subsection.

(c) A report on the activities and achievements under this section shall be included in the report required under section 102.

FUNDS AUTHORIZED

SEC. 304. Not less than 2 per centum of the sums appropriated in any fiscal year to carry out titles I, II, and III of this Act shall be available only for carrying out the provisions of section 302 of this section.

PART B—CAREER AND EMPLOYMENT DEVELOPMENT PROGRAMS

SEC. 311. The Secretary of Labor and the Secretary of Health, Education, and Welfare shall stimulate and assist and, where necessary, develop, in cooperation with interested agencies both public and private, job development programs that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment. Such programs shall include activities designed to promote job restructuring and redesign for the purpose of providing more effective use of manpower, including the adoption of employment practices that will remove unreasonable barriers to employment, without reducing productivity, and expand the opportunities for upward mobility.

CAREER TRAINING THROUGH PUBLIC SERVICE EMPLOYMENT

SEC. 312. The Secretary of Labor and the Secretary of Health, Education, and Welfare shall carry out a program of training and career development under which Federal, State, and local government, and public and private nonprofit agencies provide jobs, services, education, and training to unemployed and underemployed persons to meet State, county, and other municipal needs for public services: *Provided,* That priority shall be given to creating jobs and training programs in environmental control, health, housing, and transportation.

FINANCIAL ASSISTANCE

SEC. 313. The Secretary of Labor shall enter into arrangements with eligible applicants in accordance with the provisions of this Act in order to make financial assistance available for the purpose of providing employment for unemployed and underemployed persons in jobs providing needed public services, and training and manpower services related to such employment which are otherwise unavailable. Such assistance shall be available for a period of not more than one hundred and four weeks.

ELIGIBLE APPLICANTS

SEC. 314. Financial assistance under this part shall be provided by the Secretary of Labor only pursuant to applications submitted by eligible applicants who shall be—

(a) units of Federal, State, and general local government; and

(b) other public agencies and institutions (including public service agencies and institutions of the Federal Government); and

(c) nonprofit hospitals and nursing homes, and Indian tribes.

APPLICATIONS

SEC. 315. An application for financial assistance for a public service employment program under this Act shall include provisions setting forth—

(1) assurances that the activities and services for which assistance is sought under this Act will be administered by or under the supervision of the applicant, identifying any agency or agencies designated to carry out such activities or services under such supervision;

(2) a description of the area to be served by such programs, and a plan for effectively serving on an equitable basis the significant segments of the population to be served, including data indicating the number of potential eligible participants and their income and employment status;

(3) assurances that consideration will be given to the filling of jobs which provide sufficient prospects for advancement or suitable continued employment by providing complementary training and manpower services designed to (A) promote the advancement of participants to employment or training opportunities suitable to the individuals involved, whether in the public or private sector of the economy, (B) provide participants with skills for which there is an anticipated high demand, or (C) provide participants with self-development skills, but nothing contained in this paragraph shall be construed to preclude persons or programs for whom the foregoing goals are not feasible or appropriate;

(4) assurances that due consideration be given to persons who have participated in manpower training programs for whom employment opportunities would not be otherwise immediately available;

(5) a description of the methods to be used to recruit, select, and orient participants, including specific eligibility criteria, and programs to prepare the participants for their job responsibilities;

(6) a description of unmet public service needs and a statement of priorities among such needs;

(7) description of jobs to be filled, a listing of the major kinds of work to be performed and skills to be acquired, and the approximate duration for which participants would be assigned to such jobs;

(8) the wages or salaries to be paid participants and a comparison with the prevailing wages in the area for similar work;

(9) the education, training, and supportive services (including counseling and health care services) which complement the work performed;

(10) the planning for and training of supervisory personnel in working with participants;

(11) a description of career opportunities and job advancement potentialities for participants;

(12) procedures for an annual review by an appropriate agency of the status of each person employed in a public service job under this title; and procedures pursuant to which, in the event that any such participant and the reviewing agency find that the participant's current employment situation will not provide sufficient prospects for advancement or suitable continued employment, maximum efforts shall be made to locate employment or training opportunities providing such prospects, and the participant shall be offered appropriate assistance in securing placement in the opportunity which he chooses after appropriate counseling;

(13) assurances that agencies and institutions to whom financial assistance will be made available under this Act will undertake analysis of job descriptions and a reevaluation of skill requirements at all levels of employment, including civil service requirements and practices relating thereto, in accordance with regulations promulgated by the Secretary;

(14) assurances that the applicant shall, where appropriate, maintain or provide linkages with upgrading and other programs under other Federal or federally supported manpower programs for the purpose of:

(A) providing those persons employed in public service jobs under this Act who want to pursue work with the employer, or in the same or similar work as that so performed under the agreement with opportunities to do so and to find permanent, upwardly mobile careers in that field; and

(B) providing those persons so employed who do not wish to pursue permanent careers in such field with opportunities to seek, prepare themselves for, and obtain work in other fields;

(15) assurances that all persons employed thereunder, other than necessary technical, supervisory, and administrative personnel, will be selected from among unemployed or underemployed persons;

(16) assurances that to the maximum extent possible, technical, supervisory, and administrative personnel shall be recruited from among fully qualified, unemployed or underemployed persons;

(17) ways in which the program shall, to the maximum extent feasible, contribute to the elimination of artificial barriers to employment and occupational advancement, including civil service requirements which restrict employment opportunities for the disadvantaged; and

(18) such other assurances, arrangements, and conditions, consistent with the provisions of this Act, as the Secretary of Labor and the Secretary of Health, Education, and Welfare deem necessary, in accordance with such regulations as shall be prescribed.

APPROVAL OF APPLICATIONS

SEC. 316. An application, or modification or amendment thereof, for financial assistance under this Act may be approved only if the Secretary of Labor with the concurrence of the Secretary of Health, Education, and Welfare determines that—

(1) the application meets the requirements set forth in section 315;

(2) the approvable request for funds does not exceed 80 per centum of the cost of carrying out the program in such application, unless the Secretary determines that special circumstances or other provisions of law warrant the waiver of this requirement;

(3) an opportunity has been provided to the Governor of the State and to the State manpower advisory council to submit comments with respect to the application to the applicant and to the Secretary; and

(4) an opportunity has been provided to officials of the appropriate units of local government and to the appropriate area manpower advisory council to submit comments with respect to the application to the applicant and to the Secretary.

SPECIAL CONDITIONS

SEC. 317. (a) The Secretary of Labor shall not provide financial assistance for any program under this Act unless he determines, in accordance with such regulations as he shall prescribe, that—

(1) the program will result in an increase in employment opportunities over those which would otherwise be available with priority given to disadvantaged and low-income groups in filling such opportunities and will not result in the displacement of currently employed workers (including partial displacement such as a reduction in the hours of nonovertime work or wages or employment benefits), and will not impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed;

(2) persons employed in a public service job under this Act shall be paid wages which shall not be lower than (A) the Federal, State, or local minimum wage for the most nearly comparable covered employment, or (B) the prevailing rates of pay in the same labor market area for persons employed in similar public occupations;

(3) all persons employed in a public service job under this Act will be assured of benefits at the same levels and to the same extent as other employees of the employer and to working conditions and promotional opportunities neither more nor less favorable than such other employees enjoy;

(4) the provisions of section 2(a)(3) of Public Law 89-286 shall apply to such agreements;

(5) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants; and

(6) every participant shall be advised, prior to entering upon employment, of his rights and benefits in connection with such employment.

(b) For programs which provide work and training related to physical improvements, special consideration shall be given to those improvements which will be substantially used by low-income persons and families or which will contribute substantially to amenities or facilities in urban or rural areas having high concentrations or proportions of low-income persons and families.

(c) Where a labor organization represents employees who are engaged in similar work in the same labor market area to that proposed to be performed under any program for which an application is being developed for submission under this Act, such organization shall be notified and afforded a reasonable period of time in which to make comments to the applicant and to the Secretary of Labor.

(d) The Secretary of Labor shall prescribe regulations to assure that programs under this part have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, and other policies as may be necessary to promote the effective use of funds.

ARRANGEMENTS FOR TECHNICAL ASSISTANCE

SEC. 318. Where training capabilities of the applicant under this part do not meet the requirements established by the Secretary of Health, Education, and Welfare, he shall provide or arrange for technical assistance to applicants in carrying out the provisions of this part.

ANNUAL REVIEW

SEC. 319. The Secretary of Labor and the Secretary of Health, Education, and Welfare shall conduct an annual review and evaluation of training programs and projects funded under the provisions of this part and shall report their findings to the National Manpower Advisory Council.

PART C—EMERGENCY EMPLOYMENT ASSISTANCE

SEC. 321. Special consideration will be given by the Secretary of Labor in consultation with the Governor of a State to give relief and designate labor areas, as defined by the Secretary of Labor, within the State a job distressed areas when there is an unusually high proportion of low-income families or where there is substantial and persistent unemployment or underemployment or if the annual average rate of unemployment in the labor area has been either (i) 50 per centum above the national average for three of the four preceding calendar years; (ii) 75 per centum above the national average for two of the three preceding calendar years; or, (iii) 100 per centum above the national average for one of the two preceding calendar years.

FINANCIAL ASSISTANCE

SEC. 322. (a) The Secretary of Labor shall enter into arrangements with the Governor of the State in order to make financial assistance available for the purpose of providing employment for unemployed persons residing in designated labor areas in jobs providing needed public services.

(b) Requests for funds shall not exceed 80 per centum of the cost of providing employment, unless the Secretary determines that special circumstances or other provisions of law warrant the waiver of this requirement.

(c) Such assistance shall be available for a maximum period of fifty-two weeks; however, labor areas that meet the criteria of section 321 at the end of such time may request additional assistance for a period of not more than fifty-two weeks: *Provided*, That for the purposes of determining eligibility for continued assistance, individuals employed under the provisions of this part shall not be counted as employed for the purposes of determining the annual average rate of unemployment. Requests for funds for such additional assistance shall not exceed 70 per centum of the cost of the program.

(d) Of the funds appropriated in any fiscal year for the purposes of carrying out Title III, not more than 20 per centum shall be available for the purposes of carrying out programs authorized under this part.

APPLICATIONS

SEC. 323. Each application for financial assistance shall be submitted by the Governor of the State in such form and contain such assurances as the Secretary of Labor may prescribe.

RULES AND REGULATIONS

SEC 324. In carrying out his duties under this part, the Secretary of Labor shall prescribe rules and regulations to assure that programs under this part have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, and other policies as may be necessary to promote the effective use of funds.

TITLE IV—MISCELLANEOUS

MAINTENANCE OF STATE EFFORT

SEC. 401. No training program which is financed in whole or in part by the Federal Government under this Act shall be approved unless the Secretary of Health, Education, and Welfare satisfies himself that neither the State nor the locality in which the training is carried out has reduced or is reducing its own level of expenditures for vocational education and training, including program operation under provisions of the Smith-Hughes Vocational Education Act, titles I, II, and III of the Vocational Education Act of 1946, and the Vocational Education Act of 1963, as amended, except for reductions unrelated to the provisions or purposes of this Act.

OTHER AGENCIES AND DEPARTMENTS

SEC. 402. In the performance of their functions under this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare, in order to avoid unnecessary expense and duplication of functions among Government agencies, shall use the available services or facilities of other agencies and instrumentalities of the Federal Government, under conditions specified in section 305(a). Each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary of Labor and the Secretary of Health, Education, and Welfare and, to the extent permitted by law, to provide such services and facilities as either may request for his assistance in the performance of his functions under this Act.

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare shall carry out their responsibilities under this Act through the maximum use of all possible resources for skill development available in industry, labor, public and private educational and training institutions, State, Federal, and local agencies, and other appropriate public and private organizations and facilities.

APPROPRIATIONS AUTHORIZED

SEC. 403. (a) There are hereby authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1972, and for each fiscal year thereafter such amounts as may be necessary to carry out the provisions of title I.

(b) There are hereby authorized to be appropriated $450,000,000 for fiscal year ending June 30, 1972, and for each fiscal year thereafter such amounts as may be necessary to carry out the purposes of part A of title II.

(c) There are hereby authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1972, and for each year thereafter such amounts as may be necessary to carry out the purposes of parts B and C of title II.

(d) There are hereby authorized to be appropriated $115,000,000 for the fiscal year ending June 30, 1972, and for each year thereafter such amounts as may be necessary to carry out the purposes of part D of title II.

(e) There are hereby authorized to be appropriated $300,000,000 for the fiscal year ending June 30, 1972, and for each year thereafter such amounts as may be necessary to carry out the purposes of title III.

(f) There are hereby authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1972, and for each year thereafter such amounts as may be necessary to carry out the purposes of title IV.

ADVANCE FUNDING

SEC. 404. (a) For the purpose of affording responsible Federal, State, and local officials concerned, adequate notice of available Federal financial assistance for programs, services, and activities provided for under this Act, appropriations for carrying out this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the advance funding method of timing the appropriation action, the provision of subsection (a) shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

LIMITATIONS ON USE OF APPROPRIATED FUNDS

SEC. 405 (a) Funds appropriated under the authorization of this Act may be transferred, with the approval of the Director of the Office of Management and Budget, between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized to accept and use in carrying out the provisions of this Act funds appropriated to carry out other Federal statutes if such funds are used for the purposes for which they are specifically authorized and appropriated. To the extent that the provisions of this Act are inconsistent with the provisions of such other Federal statutes, the provisions of the latter shall govern except as provided under the Intergovernmental Cooperation Act of 1968.

(c) Any equipment and teaching aids purchased by a State or local education agency with funds appropriated to carry out the provisions of part A of title II shall become the property of the State upon certification of the Secretary of Health, Education, and Welfare that such equipment or teaching aids are no longer needed for the instructional programs authorized by this Act.

(d) No portion of the funds to be used under part A, title II of this Act shall be appropriated directly or indirectly to the purchase, erection, or repair of any building except for minor remodeling of a public building necessary to make it suitable for use in training under part A.

(e) Funds appropriated under this Act shall remain available for one fiscal year beyond that in which appropriated.

AUTHORITY TO CONTRACT

SEC. 406. (a) The Secretary of Labor and the Secretary of Health, Education, and Welfare may make such grants, contracts, or agreements, establish such procedures (subject to such policies, rules, and regulations as they may prescribe), and make such payments in installments and in advance or by way or reimbursement, or otherwise allocate or expend funds made available under this Act, as they may deem necessary to carry out the provisions of this Act, including necessary adjustments in payments on account of overpayment or underpayments. The Secretaries may also withhold funds otherwise payable under this Act in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this Act or an approved State plan. Any funds so withheld shall be available for reapportionment by the Secretary of Labor and the Secretary of Health, Education, and Welfare in accordance with section 206: *Except*, That funds withheld during a fiscal year to cover amounts expended in a prior fiscal year shall be available for immediate reapportionment.

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare shall not use any authority conferred by this Act to assist in relocating establishments from one area to another. Such limitation shall not prohibit assistance to a business entity in the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary of Labor finds that assistance will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless he has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

ACCEPTANCE OF VOLUNTARY SERVICES

SEC. 407. The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized in carrying out their functions and responsibilities under this Act, to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

DEFINITION

Sec. 408. For the purposes of this Act, the term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

EFFECTIVE DATE: TRANSITION PROVISIONS

Sec. 409. (a) This Act shall take effect July 1, 1971.

(b) Notwithstanding the repeals made by section 209, in order to permit an orderly transition from programs carried out under the provisions of law repealed, to programs carried on under this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare may continue to use the authority provided in such repealed provisions of law for such period of time as may be necessary, but not in excess of two years beyond the effective date of this Act.

TERMINATION OF AUTHORITY

Sec. 310. (a) All authority conferred under title II of this Act shall terminate at the close of June 30, 1975.

(b) Notwithstanding the foregoing, the termination of title II shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into prior to the date of such termination: *Provided,* That no disbursement of funds shall be made pursuant to the authority conferred under title II of this Act after December 30, 1975.

By Mr. FULBRIGHT (by request):

S.J. Res. 141. Joint resolution to authorize appropriations for expenses of the Council on International Economic Policy, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a joint resolution to authorize appropriations for expenses of the Council on International Economic Policy, and for other purposes.

The joint resolution has been requested by the Office of Management and Budget and in keeping with our regular committee procedures, I am introducing it in order that there may be a specific proposal to which Members of the Senate and the public may direct their attention and comments.

At the same time, I feel I should express some preliminary thoughts about this request—thoughts which are largely skeptical in character. We on the committee have constantly been deploring the erosion of legislative initiative and control and the parallel increase in the powers of the executive branch. This proposal seems at first glance to reproduce the process which has taken place with the expansion in numbers and strength of the NCS staff. That process has been attended by certain unfortunate byproducts: power has been further concentrated in the President's office; the regular executive departments and agencies have been bypassed or downgraded; the influence and oversight functions of Congress have been weakened; and the claim of "executive privilege" is being made with ever-greater frequency. There is no provision for any limit on the funds that can be authorized for this activity, there is no requirement that the important personage to be Executive Director is to be confirmed by the Senate. I hope these thoughts are without foundation, but I am dubious.

I ask unanimous consent that the joint resolution together with the letter to the Vice President dated July 15, 1971, be printed in the Record at this point.

I reserve my right to support or oppose this legislation and propose amendments to it.

There being no objection, the joint resolution and letter were ordered to be printed in the Record, as follows:

S.J. Res. 141

Joint resolution to authorize appropriations for expenses of the Council on International Economic Policy, and for other purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby authorized to be appropriated such sums as may be necessary for expenses of the Council on International Economic Policy (referred to hereafter as the "Council"), established by memorandum of the President dated January 19, 1971.

Sec. 2. The Executive Director of the Council is authorized—

(a) to appoint and fix the compensation of such personnel as he deems necessary without regard to (1) the provisions of title 5, United States Code, governing appointments in the competitive service, and (2) the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and to general schedule pay rates: *Provided,* That, except as provided in subsections (b), (c), and (d) of this section, no person shall receive compensation in excess of the rate now or hereafter provided for GS–15;

(b) to fix the compensation of one officer at a rate of basic compensation not to exceed the rate now or hereafter provided for Level IV of the Federal Executive Salary Schedule;

(c) to fix the compensation of two officers at rates of basic compensation not to exceed the rate now or herafter provided for Level V of the Federal Executive Salary Schedule;

(d) to fix the compensation of eight employees at rates of basic compensation not to exceed the rate now or hereafter provided for GS–18; and,

(e) to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate now or hereafter provided for GS–18.

Executive Office of the President,
Office of Management and Budget,
Washington, D.C., July 15, 1971.

Hon. Spiro T. Agnew,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed for your consideration and appropriate reference is a draft of a proposed joint resolution, "To authorize appropriations for expenses of the Council on International Economic Policy, and for other purposes."

The Council on International Economic Policy was established by memorandum of the President dated January 19, 1971. The purposes of the Council are to provide a clear, top-level focus on international economic issues, to achieve consistency between international and domestic economic policy, and to maintain close coordination of international economic policy basic foreign policy objectives.

The President's memorandum names the Secretaries of State, the Treasury, Agriculture, Commerce, and Labor, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, the President's Assistant for National Security Affairs, the Executive Director of the Domestic Council, and the Special Representative for Trade Negotiations as members of the Council, which the President chairs. The President subsequently designated Ambassador at Large David M. Kennedy as a member of the Council.

The memorandum also provides for an Executive Director of the Council to be responsible for organizing the general secretariat of the Council and supervising the staff work. Under direction of the President he develops the Council's agenda and assures timely consideration of international economic policies. The Executive Director also serves as Assistant to the President for International Economic Affairs and is compensated from the White House Office appropriation account.

In addition to authorizing appropriations for necessary expenses of the Council, the proposed resolution would authorize the Executive Director to appoint and fix compensation for other personnel of the Council, including one position at a rate of basic compensation not in excess of that for Level IV of the Executive Schedule; two positions at rates not in excess of Level V; and eight positions at rates not in excess of GS–18. The resolution would also authorize the use of services of experts and consultants.

The President's announcement of the creation of the Council noted that "More than 60 . . . units and coordinating bodies throughout the executive branch have responsibility for certain limited portions of foreign economic affairs. Presently, no single high-level body holds the responsibility for the development of international economic policy and its relations to domestic economic policy. The Council will have this responsibility."

I urge early and favorable consideration of the enclosed draft resolution.

Sincerely,
(S) George P. Shultz,
Director.

Enclosure.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1899

At the request of Mr. Fong, the Senator from Indiana (Mr. Bayh), the Senator from California (Mr. Tunney), the Senator from Florida (Mr. Gurney), and the Senator from Michigan (Mr. Hart) were added as cosponsors of S. 1899, a bill to permit visitors from designated countries to enter the United States for a period of up to 90 days without obtaining a visitor's visa.

S. 2108

At the request of Mr. Cranston, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 2108, the Veterans Drug and Alcoholic Treatment Rehabilitation Act of 1971.

S. 2148

Mr. MATHIAS. Mr. President, I ask unanimous consent that the Senator from Michigan (Mr. Griffin), the Senator from New Mexico (Mr. Montoya), and the Senator from Kansas (Mr. Pearson) be added as cosponsors of S. 2148, the Juvenile Delinquency Prevention and Rehabilitation Act of 1971, bringing to 29 the number of cosponsors of this legislation.

The PRESIDING OFFICER (Mr. Roth). Without objection, it is so ordered.

Mr. MATHIAS. The addition of my

three distinguished colleagues, I believe, reflects a recognized sense of urgency in the Senate for the resolution of the problem of juvenile delinquency and highlights the importance for early and favorable consideration of this significant legislation.

S. 2161

At the request of Mr. Hartke, the Senator from Wyoming (Mr. McGee) and the Senator from Iowa (Mr. Hughes) were added as cosponsors of S. 2161, a bill to amend chapters 31, 34, and 35 of title 38, United States Code, to increase the vocational rehabilitation subsistences allowances, the educational assistance allowances, and the special training allowances paid to eligible veterans and persons under such chapters.

S. 2258

At the request of Mr. Griffin, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 2258, the Motor Vehicle Air Pollution Control Acceleration Act.

S. 2310

At the request of Mr. Baker, the Senator from Tennessee (Mr. Brock) and the Senator from New York (Mr. Buckley) were added as cosponsors of S. 2310, Revenue Code of 1954, to extend tax benefits and exclude from income tax the military pay of those members of the Armed Forces who are prisoners of war or in a missing status.

SENATE JOINT RESOLUTION 108

At the request of Mr. Cranston, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of Senate Joint Resolution 108 to declare a U.S. policy of achieving population stabilization by voluntary means.

SENATE RESOLUTION 156—SUBMISSION OF A RESOLUTION RELATING TO FOREIGN RELATIONS OF THE UNITED STATES

(Referred to the Committee on Foreign Relations.)

THE SENATE AND THE TREATY POWER

INTRODUCTION

Mr. HARTKE. Mr. President, negotiation of a treaty is constitutionally to be shared by the Senate and the President. The Constitution of the United States assumes that the President and the Senate will be associated throughout the entire process of making a treaty.

The Senate resolution which I offer today is designed to restore the Senate to its rightful constitutional place in the treatymaking process of the United States and, thereby, facilitate a speedy end to our involvement in the Indochina war.

The Senate should require the President to submit to the Senate for advice and consent the nomination of the man he wishes to send as chief negotiator to the Paris peace talks; and it should further instruct that negotiator to proceed in his negotiations along the lines already approved by this body in the form of the Mansfield Amendment to the Military Manpower Procurement Act of 1971, adopted June 24.

My resolution accomplishes this purpose.

The full text of the resolution reads as follows:

> Resolution Affirming the Constitutional Prerogatives of the Senate With Respect to the Foreign Relations of the United States
>
> Whereas no treaty may be constitutionally negotiated by the President without the prior advice of the Senate, and no person may perform ambassadorial duties of a particular position unless such person is nominated to such position and the Senate advises and consents to his nomination: Now, therefore, be it
>
> *Resolved*, That—
>
> (1) the Senate advises, with respect to the negotiations being conducted at the meetings being held in Paris on Vietnam, that the United States should agree to withdraw within nine months of the passage of this resolution all of its military forces from Indochina if reliable arrangements are made for the timely return of American prisoners of war held by the Government of North Vietnam and forces allied with such Government; and
>
> (2) the President is required by section 2 of article II of the Constitution to submit to the Senate for its advice and consent the nomination for appointment of any person he selects to conduct such negotiations on behalf of the United States.

HISTORICAL PERSPECTIVE

Mr. President, the Senate has been very attentive to the point of limiting the war power of the President.

However, in its preoccupation with the constitutional warmaking powers, the Senate has, by and large, neglected its constitutional power to make peace, which is the treatymaking power.

Writing in 1969, in a book entitled "You and Your Senator," I pointed out that:

> The Senate (may) be posed against the President in dramatic confrontation because of the treaty making power of the Constitution . . ."
>
> Jealous of its responsibility as a partner in treaty making the Senate has insisted on its right to deliberate a treaty with due regard for all the considerations attached to it, relying on the executive's advice and information, but feeling free to accept or refute provisions as its independent authority deems wise. From the start, the Senate has made it clear that it prefers to deliberate freely—and without pressure presence of the President or his representatives.

During the course of the debate on the Indochina war, the Senate questioned the extent of the President's power to make war. It has examined scholarly writings on the constitutional limitations of the war power and it has examined the history of the exercise of that power. The result of this study and this debate, caused the Senate to pass the National Commitments Resolutions, which attempts to restore the warmaking powers to the proper constitutional boundaries.

Now we have before us further proposals that would reaffirm by law the limits of Presidential action that could involve American forces in hostilities. These efforts on the part of the Senate have shown that the Congress could end the existing war by cutting off the funds for waging it, if the Congress should choose to do so. Also these efforts will help the Nation avoid future wars.

The power to make treaties is an important one. Yet in recent years there has been a neglect on the part of the Senate to exercise its responsibilities under the Constitution in relation to the treatymaking power. In all likelihood, this neglect springs from the acceptance by the Senate of an erroneous view of its constitutional role.

Everyone concedes that the President and the Senate must agree before a treaty can be made. The only question really at issue is whether the two parties shall have the right to be equally informed. Forrest R. Black said in 1931 in his article, "The United States Senate and the Treaty Making Power" that:

> There are two widely divergent schools of thought as to the respective (constitutional) roles of the President and of the Senate in making treaties:
>
> The Washingtonian (interpretation) views the role of the Senate as an integral part of the treaty making function, which may be exercised at any stage of negotiation; the other (interpretation) the Wilsonian, considers the function of the Senate merely to give sanction to a treaty that is already drafted . . . (and) would make the word "advice" mere surplusage.

The Wilsonian view also contends that the President may appoint and send envoys to a peace conference without the advice and consent of the Senate.

In all likelihood, as I have said, the Senate's neglect of the treatymaking power springs from the acceptance by this body of an erroneous view of its proper constitutional role. This is the view that governs our present participation in the Vietnam peace talks and the SALT talks. It effectively excludes the Senate from participation in the formulating of negotiating policies for the United States in areas of the most crucial importance to the Nation. The Senate's role in treatymaking, in other words, has been relegated to the very last stage, when—and if—the executive submits a signed treaty for ratification.

I have characterized this view as erroneous. The evidence of our national history overwhelmingly refutes the "Wilsonian" view both as to its constitutionality and its pragmatic value as a method of formulating national policy. In support of this judgment I shall introduce into the Record essays by two men who have inquired deeply into the foundations of our constitutional system. These scholars have concluded that President Woodrow Wilson's exclusion of the Senate from the post-World War I treatymaking process was a unique and tragic aberration from the practice that had prevailed through the first three-quarters of this Nation's history. The evidence they offer from actual practice and from the plain meaning of the words of the Constitution itself is incontestable. The Senate was fully intended to have—and until 1919 at least did have—a part of major role to play in the formulation as well as the ratification of international agreements to which the United States was a party.

TREATIES—A CONSTITUTIONAL RESPONSIBILITY

The drafters of the Constitution, as we all know, left a number of points deliberately ambiguous so that future generations could respond with some degree of flexibility to conditions unforeseeable in 1787. This is not the case with the treatymaking clause. Article II, section 2 says:

> He (the President) shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, . . . whose Appointments are not herein otherwise provided for.

That language could hardly be more precise. Senator Rufus King of Massachusetts, who was one of the authors of that very section of the Constitution, emphasized the intent of the treatymaking clause in a speech to the Senate in 1818. He said:

> To *make* a treaty, includes all the proceedings by which it is made, and the advice and consent of the Senate being necessary in the making of treaties, must necessarily be so, touching the measures employed in making the same. The Constitution does not say that treaties shall be *concluded*, but that they shall be *made* by and with the advice and consent of the Senate: none therefore can be made without such advice and consent; and the objections against the agency of the Senate in making treaties, or in advising President to make the same, cannot be sustained, but by giving to the Constitution an interpretation different from its obvious and most salutary meaning.

That is the understanding of the treatymaking clause which largely governed the conduct of our foreign relations until President Wilson's unprecedented decision to engage in personal and secret treaty negotiations at Versailles in 1919. Since that time, Presidents have generally observed at least the form of consultation with the Senate—as in President Truman's wise decision to include Senate leaders in the treatymaking process after World War II. Yet I think we must all agree that Presidential ascendancy in the realm of international decisionmaking has reached a point where, for all practical purposes, our present system is indistinguishable from that of the Fifth Republic under Charles de Gaulle or the German Federal Republic under Konrad Adenauer. No doubt there are those even in the United States who believe that the methods of representative democracy are unsuited to the conduct of foreign relations. But if that is what the American people want their system to become, the way to bring those changes about is through constitutional amendment—not Presidential usurpation.

The resolution I submit today will test the Senate's will on precisely that point.

ANTICIPATED OBJECTIONS TO THE RESOLUTION

Three possible questions may be raised concerning this resolution:

First. The question of the correctness of the constitutional argument.

Second. The question which concedes the general constitutional point but asks whether it applies to the Indochina conflict and the Paris peace talks.

Third. the question as to whether we can afford the luxury of abiding by what is regarded as an outmoded provision of the Constitution, with special reference to the inadvisability of "tying the President's hands" at a possibly crucial stage in the negotiations.

THE CONSTITUTIONAL ARGUMENT

Some may argue that the Senate should reject this resolution on purely constitutional grounds. The advocates of the Wilsonian interpretation of the constitutional powers of the Executive in the making of treaties would argue that it is the function of the President to negotiate and the Senate to consent. But the term "negotiate" does not appear in the Constitution. Both the history and the phraseology of the Constitution give the lie to this interpretation. Most of the "Wilsonian" interpretation is a result of the writings of the late E. S. Corwin. Professor Corwin was for almost two generations the leading academic apologist for the expansion of Presidential power at the expense of Congress and all other contenders for political influence in our system. Professor Corwin—as dedicated a Wilsonian as ever lived—built his entire career out of the stone of Presidential aggrandizement. But a careful reading of the historical record will show beyond any doubt that Corwin's arguments on the treaty power were based on highly selective quotations from our early history and simply will not stand up to analysis. Thus there is no alternative to accepting the clear meaning of the clear words of the Constitution itself.

ITS APPLICATION TO INDOCHINA

The second possible argument against this resolution will, as I say, concede the general constitutional argument but deny that it applies to the Indochina war and the Paris peace talks. These opponents will say the United States is not officially at war with anyone. Therefore the Paris negotiations cannot possibly lead to a treaty in the sense contemplated by article II, section 2. The response to that argument is one that I believe will be widely shared in this Chamber. This is the longest war in our history. It has cost more than 50,000 American lives and something in the neighborhood of $200 billion. The fact that Congress was misled into granting a President what he claimed to be the authority to wage it without a declaration of war, only makes it unconstitutional, not legitimate. The cure for unconstitutionality is surely not more unconstitutionality. The cure for unconstitutionality is a return to those principles of law that have sustained us for nearly 200 years. I cannot believe that any Senator—all of us having sworn to uphold and defend the Constitution—would reason otherwise. The Indochina war is, in fact, a war. The Paris peace talks are being held for no other reason than to produce a negotiated settlement of the war. They are therefore an exercise in treatymaking of precisely the sort contemplated in article II, section 2.

It will be further argued in this connection that that part of my resolution calling on the President to submit to the Senate for advice and consent the nomination of a chief U.S. negotiator to the Paris peace talks is unnecessary since both Ambassador Bruce and his reported successor have had their ambassadorial rank confirmed by the Senate on a past occasion for other posts. This is a point that Mr. Michaels Collins of the State Department made last October in an exchange of correspondence recently brought to my attention. Mr. Collins' exact words are these:

> I should like to add that our negotiator at the Paris peace talks is, of course, appointed with the advice and consent of the Senate.

This assertion, Mr. President, is all too illustrative of the arrogance with which successive administrations have treated the Senate in the realm of foreign policymaking. We are being asked, in effect, to accept the proposition that having approved a man for one diplomatic post, the Senate has given blanket approval for him to serve in any other post—no matter how different from that for which we confirmed him—at the pleasure of the President. The unspoken premise here seems to be that ambassadorship, once conferred is inseparable from a man, like the color of his eyes or the cast of his mind. I need hardly tell any Member of this body that that is an assertion utterly repugnant to the plain meaning of the Constitution, whose authors clearly required that the Senate advise and consent to the appointment of "ambassadors and other public ministers" for specific assignments—not for some undefined diplomatic status almost metaphysical in its indeterminacy.

That will simply not do. Once the nature of the Paris peace talks is understood for what it is—a negotiation with a foreign power for the purpose of reaching an international agreement—then it follows that whoever conducts that negotiation on America's behalf must have his appointment to that post advised and consented to by the U.S. Senate.

THE PRAGMATIC OBJECTION

The third possible argument to this resolution is frankly and unashamedly pragmatic. It, too, concedes the constitutional argument I have made but asserts that the intentions of the Founding Fathers are irrelevant to our national needs in this age of conflict. This position maintains that senatorial involvement, in delicate and necessarily confidential international negotiations, can only be dangerously counterproductive. It asserts that had the authors of the Constitution been able to foresee the perilous world political conditions in which we are obliged to operate, they would surely have posed no obstacles to the exclusive conduct or foreign affairs by the Executive.

This position received its most authoritative statement in the words and actions of President Woodrow Wilson—contrary to the views he expressed in an important book he published shortly before becoming President. And the late Justice Sutherland gave formidable expression to this doctrine in his book "Constitutional Power and World Affairs," published in 1919, and in the dictum of his landmark opinion in United States against Curtiss-Wright—1936.

In fairness, I should say that nowhere

did Justice Sutherland concede that his views ran counter to the Constitution. The closest he came to such a concession was his statement—written before he went to the Supreme Court—that:

> We shall probably be obliged to extend the scope and application of the familiar meanings of the Constitution, and it may be to *find*—though not to *make*—new meanings.

It was that search for "new meanings" that led Sutherland to discover that the Senate's only function in treatymaking occurred at the ratifying stage—contrary to the practice of the preceding 130 years.

Later, in the Curtiss-Wright case, Sutherland went so far as to announce that the President's authority in the conduct of foreign affairs existed independently of the Constitution, deriving from the very nature of executive power and in no way conferred upon him by anything the authors of the Constitution did or did not say. This pronouncement of Sutherland's was pure dictum, but it survived to form the theoretical basis of the extraordinary claims for Presidential power we hear today—including, I may say, the assertion by former Attorney General Katzenbach that the clause relating to Congress' war powers is "an obsolete form of words."

This whole line of argument, Mr. President, can be dealt with, and disposed of, on its own terms—that is, pragmatically. Its central claim is that this Nation's foreign affairs, especially with respect to international agreements, can be handled more effectively by an Executive unencumbered by the advice of the Senate. The record simply does not support this view. The two outstanding instances in the 20th century of Presidents negotiating agreements in total isolation from the Senate are the Versailles Treaty of 1919 and the Yalta Agreements of 1945.

Regarding the Versailles Treaty, I think it is safe to say that everyone would now agree that it turned out to be an unmitigated disaster for America and indeed for Western civilization. World War II, the Nazi death camps, Soviet hegemony over Eastern Europe—all are direct consequences of that bitterly misguided treaty and of America's refusal to adhere to it. And surely no one today doubts that a far happier outcome would have resulted from a peace conference in which President Wilson had enjoyed the counsel and support of the Senate.

No such consensus has yet arisen concerning the Yalta agreements and I do not want to presume to suggest one. But it is incontestable that the very secrecy with which they were concluded poisoned our political dialog for more than a decade and helped foster that almost pathological fear of communism that has deformed our international judgment from that day to this. How much better it would have been if President Roosevelt had been more mindful of his constitutional obligation to involve the Senate in the making of those fateful decision. In all likelihood, we would have ended up with substantially the same agreements but with a far more temperate and informed public and congressional opinion.

REAFFIRMING SENATE RESPONSIBILITIES

And today we have a situation in which another President—a self-confessed Wilsonian of the most ardent kind—has undertaken to conclude an international agreement of the greatest consequence for America without a trace of Senate participation. And we have permitted this—and have permitted ourselves to be silenced as a body by every presidential hint that negotiations too delicate and secret for us to know about are underway. That, at least, was the situation until last month when we passed the Mansfield amendment to the Military Manpower Procurement Act, expressing at long last our collective judgment on the way to proceed at the Paris peace talks.

The resolution I submit today would, in effect, put the Mansfield amendment in proper constitutional perspective. It could not be dismissed as a mere "sense of the Senate" resolution having no legal effect. Passage of my resolution would make it an integral part of the treatymaking process which the President is duty bound not to ignore. And, let me add very emphatically, we must not ignore it either. Once we understand a constitutional provision, we too are bound by our oath of office to abide by it. And that means in this instance that we cannot delegate our own treatymaking authority to the President even if we wished to do so.

The Senate has attempted to reassert its rightful power to make war. Now the Senate should assert its rightful power to make peace. Here is a national interest of the first magnitude. If we attach importance to the future of our constitutional system, the decision is not difficult

Our obligation is clear. This resolution will enable us to fulfill it. By enacting it speedily we can hasten the day when the killing will stop in Indochina and, more fundamentally, restore the principle of representative government to the treatymaking process of the United States.

Mr. President, I ask unanimous consent that the two articles to which I have referred be printed in the RECORD at the conclusion of my remarks. They are, first, "The United States Senate and the Treaty Power," by Prof. Forrest R. Black, which appeared in the Rocky Mountain Law Review in 1931, and Mr. Richard E. Webb's "Treaty Making and the President's Obligation to Seek the Advice and Consent of the Senate with Special Reference to the Vietnam Peace Negotiations," which appeared in the Summer, 1970 number of the Ohio State Law Journal.

Mr. President, I earnestly hope that the Senate of the United States will consider this resolution. I would hope that they would do so before the President takes it upon himself to appoint still another ambassador without advice and consent to the Paris peace talks concerning Indochina.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE U.S. SENATE AND TREATY POWER

(By Forrest R. Black)*

"He [the President] may himself be less stiff and offish, may himself act in the true spirit of the Constitution and establish intimate relations of confidence with the Senate on his own initiative, not carrying his plans to completion and then laying them in final form before the Senate to be accepted or rejected, but keeping himself in confidential communication with the leaders of the Senate while his plans are in course, when their advice will be of service to him and his information of the greatest service to them; in order that there may be veritable counsel and a real accommodation of views instead of a final challenge and contest."—WOODROW WILSON.**

From a constitutional standpoint, what is the respective role of the President and of the Senate in the making of treaties? At the present time, there are two schools of thought expounding widely different doctrines upon this subject. The American people vividly remember the respective claims of the President and the Senate in the consideration of the Treaty of Versailles. The question at issue is, does the Senate have a constitutional right to know the facts and to actually participate in the treaty-making functions, as an advisory body to the President, while the treaty is being formulated, or does the Senate only have the constitutional right to say "yes" or "no" when the treaty in its final form is first presented to it? Or to put it in another way, is the action of the Senate upon a treaty an integral part of the treaty making function which may be exercised at any stage of a negotiation, or is it merely to give sanction to a treaty that is already drafted?

In the discussion of this problem we shall examine and attempt to answer four questions. (1) What was the intention of the framers of the Constitution in this matter as evidenced by the debates in the Constitutional Convention? (2) What is the correct construction of the phraseology of the constitutional provision on the treaty power? (3) Has our treaty practice been in harmony with this construction? And finally, (4) from the standpoint of policy, is this construction preferable?

The debates on the treaty power in the Constitutional Convention throw some light on our problem. The first point of importance to be emphasized is the fact that in the whole history of the Convention, at no time did any member suggest that the President alone should have this power. Even Hamilton, who was an ardent advocate of a highly centralized government, was unwilling to place this important power exclusively in the hands of the President. He believed that the Senate should participate because of "the vast importance of the trust, and the operation of the treaties as law." His sketch of Government presented to the Convention, June 18, 1787, gave to the executive authority, with the "advice and approbation of the Senate, the power of making all treaties."

Furthermore, the debates show that the majority of the members were not even favorable to the idea of giving the President

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**WILSON, CONSTITUTIONAL GOVERNMENT OF THE UNITED STATES (Columbia University Press; New York, 1908) 139–40.

any share in the treaty power until late in the Convention. The Pinckney Draft (Art. VII) provided that "The Senate shall have the sole and exclusive power . . . to make treaties."[1] After weeks of discussion, on August 6, 1787, the Committee on Detail, still adhering to the Pinckney plan, reported out Art. IX, sec. 1, which read as follows: "The Senate of the United States shall have the power to make treaties." Prof. Matthews has admirably summarized the influences that led the members of the Convention to favor the Senate rather than the President in treaty making. "(1) Fear of the autocratic power which might result from placing this important function in the hands of one man, (2) a desire to depart from English precedent, (3) the force of practice under the preceding regime, when for lack of a President, the Continental and Confederation Congresses had directed the foreign relations of the country and (4) the feeling that since the states were prohibited from making treaties, some compensation should be granted them by giving this power to their representatives in the upper house, thereby protecting them against injury at the hands of the Federal government in its control over foreign relations."[2]

The President was finally given a share in the treaty power only after Madison made the suggestion "that the Senate represented the states alone, and that for this as well as other obvious reasons, it was proper that the President should be an agent in treaties." But with reference to treaties of peace. Madison made an exception and suggested the consent of two-thirds of the Senate *without* the concurrence of the President, since the President would derive so much power and influence from a state of war that he might be tempted to impede the conclusion of a treaty of peace.[3] This exception was defeated presumably because the Convention accepted the view of Nathaniel Gorham of Massachusetts that the precaution was unnecessary since the means of carrying on war were in the control of the legislation.[4]

From a review of the debates in the Constitutional convention it is impossible to generalize and to say that the Convention gave a definite answer to our specific problem. They did not describe in detail the exact function or the method of procedure of the President and the Senate in making of treaties. But we submit that it is fair to conclude that the delegates were inclined at least to view the Senate as possessing equal dignity, equal power and equal responsibility with the President in the making of treaties. And this general attitude becomes significant in discussing the true meaning of the phraseology of the treaty clause as finally drafted.

But before attempting this interpretation, it is well to dispose of one consideration. In many of the treaties on the treaty power it is deemed proper by way of introduction to indulge in a philosophical speculation as to the inherent nature of this power, whether it be executive or legislative. We consider this to be irrelevant in determining the respective roles of the two departments in our government in the treaty making function. Our Supreme Court has said, "Our own Constitution and form of government must be our only guide."[5]

The Constitutional provision bearing on this point reads as follows: "He [the President] shall have power, by and with the advice and consent of the Senate to make treaties, provided two-thirds of the Senators present concur."[6] The advocates of the Wilsonian[7] interpretation of the powers of the executive in the making of treaties would argue that it is the function of the President to negotiate and that of the Senate to consent. But the term "negotiate" does not appear in the Constitution. Both the history of the convention and the phraseology of the Constitution give the lie to this interpretation. Senator Bacon in a debate in the United States Senate in 1906 presented an irrefutable argument on this point.

He said, "The Constitution does not divide the power conferred upon the President and the Senate respectively into two parts, so that the term to make should be construed to mean, in the first division 'to negotiate' and in another division 'to consent', thus conferring the one upon the President and the other upon the Senate. It is one *indivisible* power 'to make' and in the entire power 'to make' the Senate is given full participation on advising and consenting. The contention that the power of the President includes everything up to the time of the submission of the proposed treaty to the Senate might be sustained if the language of the Constitution were that 'the President of the United States shall have power to negotiate, and by and with the advice and consent of the Senate to make treaties.' "[8]

There can be no question but that the precise wording of the treaty clause was deliberate and for a purpose. The framers did not desire to break up the treaty-making power into two parts. They did not contemplate that the Senate should function only to give sanction to a treaty already drafted. Their purpose was to make the President and the Senate coordinate with each other in the treaty making function, sharing equal power and equal responsibility. If there is still doubt on this point, the following consideration should be conclusive. Separated only by a semicolon from the treaty provision, and in the same article, section and clause of the Constitution is the provision for the nomination and appointment of officials. But note the difference in phraseology. "And he [the President] shall *nominate* and by and with the advice and consent of the Senate, shall *appoint* ambassadors, other public ministers and consuls, judges of the Supreme Court and all other officers of the United States whose appointments are not herein otherwise provided for, and which shall be established by law . . ." As far as this function is concerned, the framers clearly distinguished between two powers, that of nominating and that of appointing. The first is exclusively in the hands of the President; the second is jointly given to the President and the Senate. But extremists who care little for the provisions of the fundamental law, have ignored this difference in phraseology and have claimed that because the Senate cannot amend a nomination by striking out the name sent in by the President and insert in another, it therefore, by analogy, cannot amend a treaty.[9]

There is one further argument from the standpoint of phraseology. What is the meaning of the word "advice" in the treaty clause. Senator Bacon has said, "It is proper for the Senate to advise at all stages. We do not advise men after they had made up their minds and after they have acted; we advise men while they are considering, while they are deliberating and before they have determined and before they have acted."[10] The Wilsonian interpretation would make the word "advice" mere surplusage. John Marshall, our greatest Chief Justice, had something to say concerning an interpretation which would have this effect. "As men, whose intentions require no concealment, generally employ the words which most directly and aptly express the ideas they intended to convey, the enlightened patriots who framed our Constitution and the people who adopted it, must be understood to have employed words in their natural sense and to have intended what they have said."[11]

What, then, is the correct interpretation of the constitutional provision relating to the treaty power? We hold that the President and the Senate are coordinate departments and should have equal power and equal responsibility. This does not mean that the President is obligated to seek advice in person. He may do so by message. It does not mean that the President must, in all cases, seek advice before he enters into the preliminary stage of a negotiation. The President, as the chief executive, may take the initiative in the field of foreign relations, but when a treaty is under negotiation, the Senate has a constitutional right to know the facts and to give advice. It is implicit in the very idea of making the Senate an advisory body to the President, that the Senate shall have the privilege of being an informed advisor. If the Senate sees fit to delegate its advisory function to its own Committee of Foreign Relations, the President may constitutionally deal with that committee and may seek advice from it. This committee, being the creature of the Senate can be required to report to its creator at any time. It is also not inconsistent with the treaty clause, for the Senate to take the initiative and suggest, by resolution, that a certain treaty of a certain type be negotiated. Of course the President is not bound to accept the advice; neither is the Senate bound to give its consent. As David Jayne Hill has so well said, "If an impasse is created intentionally, the fault lies with him who has intentionally created it, for it is not legally in the power of either participant in the process to destroy the freedom of judgment of the other. Its safety lies in the fact that it is a joint procedure. Either can completely block the interests of the other, but neither can force the other; and herein lies the wisdom of the arrangement."[12]

Has our treaty practice been in harmony with this construction? It is important to get the point of view of the first President of the United States who was also the president of the Constitutional convention and as such presided over the debates of that body. The actual practice of treaty making under Washington's administration evolved through three distinct stages as far as details are concerned. His earliest view is illustrated by the treaty with the Creek Indians in 1789. On August 22nd of that year, he appeared in person before the Senate to get its advice by an affirmative or negative vote on seven specific questions relating to the proposed treaty.[13] The Senate voted affirmatively on only part of the propositions submitted.[14] He not only expressed himself in favor of oral communications with the Senate, but even anticipated the establishment of a *special chamber* where the joint business of the President and the Senate could be conducted. In a letter to Madison on August 9, 1789, he said, "In all matters respecting treaties, *oral* communications seems indispensably necessary; because in these a variety of matters are contained, all of which not only require consideration, but some of them may undergo much discussion to do which by written communications would be tedious without being satisfactory.[15] As to the *place* of carrying on this joint function, Washington said, "In the appointment to offices, the agency of the Senate is purely executive and they may be summoned to the President. In treaties, the agency is perhaps as much of a legislative nature, and the business may properly be referred to their deliberations in their legislative chamber. The occasion for this distinction will be lessened if not destroyed, when a chamber shall be *appropriated* for the *joint* business of the President and the Senate."[16]

This first stage is not only marked by the practice of oral communications, but also by the fact that the advice was sought in advance of, and during the negotiation. On April 1, 1792, Jefferson, as Secretary of State advised the President to consult the Senate *before* opening negotiations, since its subsequent approbation was necessary to validate a treaty.[17]

Footnotes at end of article.

After the Creek treaty Washington abandoned the practice of appearing in person *and asking* advice, but he did continue to seek advice by message, either prior to or during negotiations. In connection with the treaty with Algiers in 1795 for the ransom of American seamen, Washington, acting on the advice of Jefferson, kept both houses informed of every step in the negotiations during a period of three years, on the theory that inasmuch as subsequent legislation would be required to make it effective, it would be good policy for the executive to keep in close touch with both branches of the legislature.[18]

The Jay treaty is illustrative of the third step. Here instead of consulting the Senate as a body for purposes of advice during the negotiation, he conferred with prominent members of the Senate. This practice has led to the growth and increasing power of the Senate Committee on Foreign Relations.

No attempt shall be made to give a detailed history of treaty making in each administration since that of Washington. A few salient facts and certain broad tendencies, however, should be pointed out. From the beginning of the government until August 1, 1914, 595 treaties have been made.[19] Many of these are relatively unimportant. No President, since Washington, has appeared in person before the Senate seeking advice. Crandall cites eighteen instances in which the advice of the Senate has been sought by the President, by message, prior to negotiations.[20] Many of the Presidents have kept the Senate as a body advised by message during the period of negotiations. A few of the outstanding illustrations are recorded. President Madison, in his message of July 6, 1813, went so far as to hold that the Senate by delegating its power to its own Committee on Foreign Relations was violating the spirit of the treaty clause. He said, "The Executive and the Senate, in the cases of appointments to office and of treaties, are to be considered as independent of and coordinate with each other. The appointment of a committee of the Senate to confer immediately with the Executive himself loses sight of the coordinate relation between the Executive and the Senate which the Constitution has established, and which ought therefore to be maintained." [21] President Jackson in a message of May 6, 1839, sought the advice of the Senate as to the conclusion of a treaty with the Choctaw Indians.[22]

Mr. Buchanan, as Secretary of State in President Polk's cabinet instructed Mr. Lane, Minister to Great Britain, on February 26, 1848, as follows:

"The Federal Constitution has made the Senate to a certain extent a coordinate branch of the treaty making power. Without their advice and consent, no treaty can be concluded. This power could not be entrusted to wiser or better hands. Besides in their legislative character, they constitute a portion of the war making, as in their executive capacity they compose a part of the treaty making power. A rejection of the British ultimatum might probably lead to war, and as a branch of the legislative power, it would be incumbent upon them to authorize the necessary preparations to render this war successful. Under these considerations, the President, in deference to the Senate, and to the true theory of constitutional responsibilities of the different branches of the government, will forego his own opinions so far as to submit to that body any proposition which may be made by the British government." [23]

When the British proposal in regard to the Oregon Boundary dispute arrived, President Polk submitted it to the Senate and added that he would "conform" to their "advice." In his message to the Senate he said, "The Senate are a branch of the treaty making power, and by consulting them in advance of his own action upon important measures of foreign policy, which may ultimately come before them for their consideration, the President secures *harmony* of action between that body and himself. The Senate, moreover, are a branch of the war making power; and it may be eminently proper for the executive to take the opinion and advice of that body in advance upon any great question which may involve in its decision, the issue of peace or war." [24] On August 4, 1846, Polk advised the Senate of his intention to propose terms of peace with Mexico.[25]

On March 16, 1861, Lincoln sought further advice from the Senate on the Oregon question.[26] On the 27th of Demember, 1861, Lincoln again sought advice from the Senate concerning the guarantee of payment of claims urged by certain European powers against Mexico.[27] In 1862, Lincoln referred to the Senate for its advice upon a proposed treaty with Mexico. The Senate advised against it. President Johnson on two occasions [28] and President Grant on three occasions sought the advice of the Senate.[29] President Arthur in 1884 asked for the advice of the Senate in regard to a reciprocity treaty with Hawaii. He said, "It is fitting to consult the Senate on the matter before directing negotiations to proceed." [30]

In addition to the cases where the President, by message, sought the advice of the Senate *as a body* during the period of negotiation, there are many illustrations of the practice where the President took into his confidence leading members of the Senate and sought their advice. A typical illustration of this method is found in the negotiation of the Ashburton treaty. Daniel Webster, as Secretary of State, kept the principal Senators informed as to the various steps in the negotiation and was thus enabled to secure the Senate's advice and consent to ratification, even although the majority of that body was opposed to the President politically.[31] There are other cases where this advice was sought by formal notes sent to the Senate Committee on Foreign Relations. There have also been numerous cases where the President has refused to seek advice during the negotiations and has not submitted the treaty to the Senate until it was drafted in its final form.

Crandall cites thirteen cases where the President refuses to ratify treaties in the form approved by the Senate.[32] He cites ten cases where the President withdrew treaties while still under Senate consideration.[33] He cites nine cases where the President withheld treaties from the Senate altogether,[34] and eleven in which the President submitted them to the Senate with recommendations for amendment.[35]

The Senate has the power to reject a treaty by refusing to "consent" to its ratification. Crandall cites seventeen cases of rejection of treaties by the Senate.[36] Senator Lodge lists sixty-eight treaties down to 1900 that have been amended by the Senate and afterwards ratified.[37] Further, the Senate can make its consent to ratification conditional upon the acceptance by the signatory power of amendments, reservations or interpretations. Quincy Wright points out that of over 650 treaties signed by the United States, in about one-tenth the Senate has qualified its consent to ratification.[38] The United States Supreme Court has held that to make an amendment, reservation or interpretation effective, that both the President and the Senate must consent. In the case of *Fourteen Diamond Rings v. United States*,[39] it was said, "The meaning of the treaty cannot be controlled by subsequent explanations of *some* of those who may have voted to ratify it." Interpretations or reservations made by the President without the consent of the Senate have met the same fate.[40]

Of all the treaties that have been negotiated by the Executive without the "advice" of the Senate, the treaty of Versailles is the most notorious example. This treaty was negotiated in secret, and the Senate was kept in the dark during the whole period of the negotiation. Not only did the President, by his interpretation of the treaty clause make the word "advice" mere surplusage, but also attempted to interfere with the Senate in the exercise of its constitutional function of giving "consent." Although posing as the exponent of "open covenants, openly arrived at," when he finally decided to present the treaty in its completed form to the Senate he actually refused to submit, with the treaty, the discussions and minutes of the Peace Conference. He said, "The reasons we constituted that very small conference was so that we could speak with the utmost absence of restraint, and I think it would be a mistake to make use of those discussions outside." [41] He must have known that it was impossible for the Senate to act intelligently and to give a real consent from the bare text of the treaty. In the nominal interests of peace, we behold the spectacle of the executive, attempting to bring unfair political pressure upon an uninformed Senate. After depriving a coordinate department of its constitutional right to the facts, he proceeded to appeal to the country, claiming to have a monopoly on the plans for the peace of the world. And in order that the emasculation of the coordinate power of the Senate might be complete, he so drafted the treaty and the covenant, that they could not be separated and could not be voted on separately on their merits. On March 4, 1919, in New York, the President, certain of victory, made this boast: "When that treaty comes back, gentlemen on this side will find the covenant not only in it, but so many threads of the treaty tied to the covenant, that you cannot dissect the covenant from the treaty without destroying the whole vital structure."

Usurpation is a dangerous thing, even although the act be committed in good faith and with the honest belief in its constitutional sanction. But here to aggravate the offence, the usurpation was deliberate. Woodrow Wilson was no novice in the field of constitutional law. He knew the "true spirit of the Constitution" and his own words written in 1908 constitute a more perfect indictment of his whole attitude with reference to the Treaty of Versailles, than anything that has ever been or ever will be uttered by his most malicious opponent.

Woodrow Wilson said, "But there is another course which the President may follow and which one or two President of unusual sagacity have followed with satisfactory results that were to have been *expected*. He may himself be less stiff and offish, may himself act in the *true spirit* of the Constitution and establish intimate relations of confidence with the Senate on his own initiative, not carrying his plans to completion and then *playing them in final form* before the Senate to be accepted or rejected, but keeping himself in confidential communication with the leaders of the Senate while his *plans are in course*, when their *advice will be of service to him* and his information of the greatest service to them; in order that there may be veritable counsel and a real accommodation of views instead of a *final challenge and contest*. The policy which has made rivals of the President and Senate has shown itself *in the President as often as in the Senate*, and if the Constitution did indeed intend that the Senate should in such matters be an executive council, it is not only the privilege of the President to treat it as such, it is also his *best policy* and his *plain duty*. As it is now the President and the Senate are apt to deal with each other with the formality and punctilio of powers united by no common tie except the vague common tie of public interest; but it is within their

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Footnotes at end of article.

choice to *change the whole temper of affairs* in such matters and to exhibit the *true spirit* of the Constitution by coming into intimate relations of mutual confidence by a change of attitude which can perhaps be effected more easily upon the *initiative of the President* than upon the initiative of the Senate."[42]

It is an interesting commentary on the Treaty of Versailles to note that President Wison abandoned the practice, which he conceived in 1908 to be in conformity with the "true spirit of the Constitution" and relied on a very different theory, which he had enunciated in 1885 in his book, "Congressional Government," as follows: "His (the President's) only way of compelling compliance on the part of the Senate lies in his initiative in negotiation, which affords him a chance to get the country into such scrapes, so pledged in the view of the world to certain courses of action, that the Senate hesitates to bring about the appearance of dishonor which would follow its refusal to ratify the rash promises or to support the indiscreet threats of the Department of State".[43]

Impressed by the tremendous import of the issues at stake, Wilson deliberately decided to take the gambler's chance and to act on the theory enunciated in 1885, and in so doing he abandoned his better judgment. In accord with that theory he made the supreme effort "to bring about the appearance of dishonor" on the part of the Senate by his appeal to the effect that to defeat the League would be to "break the heart of the world." Because of a miscalculation of the temper of the United States Senate, the master strategy of Woodrow Wilson went down in defeat and it is our contention that that defeat should be sufficient to discredit this policy for all time. If that defeat has any significance, it can only mean that the Wilson policy in its very nature makes for blind opposition and prevents intelligent control.

From this brief historical presentation, it appears that broadly speaking, there have been two interpretations of the treaty clause. The one, which we will term, the Washingtonian, views the role of the Senate as an integral part of the treaty making function, which may be exercised at any stage of a negotiation; the other, which we will term, the Wilsonian, considers the function of the Senate merely to give sanction to a treaty that is already drafted. As a matter of *policy*, which interpretation is preferable? The advocates of the Wilsonian interpretation rely mainly on one general argument and although there is some variation in the phrasing of it, the gist of their case seems to be that the nature of transactions with foreign nations requires caution and unity of design, and their success frequently depends on secrecy and dispatch. The writers who take this view apparently believe that the very statement of the proposition is so conclusive on its face, that no defense of it is required. As a matter of fact, in the literature of the subject, we have found no adequate analysis of this seemingly axiomatic proposition. With all deference to the authorities who have come under the spell of this idea, we believe it can be shown that this argument falls far short of justifying their position, either in its theoretical or its practical aspects.

These men, whether they realize it or not, are in reality stating the argument in behalf of the idea that the treaty power in its entirety should reside exclusively in the executive, and logically their position is antagonistic to the very idea of any form of *joint* control over treaties by the President and the Senate. But actually they are not advocating such a radical departure. In their attempt to bolster up the Wilsonian interpretation, they are relying on an argument which does not fit the case. It is not only irrelevant from the theoretical aspect, but we believe that a careful analysis of the actual operation of the Wilsonian interpretation will show that in fact their position is untenable. We shall attack this proposition from two points of view, attempting to show *first*, that it is theoretically indefensible and *second* that from a practical point of view the outstanding product of this interpretation, namely the Treaty of Versailles, fails miserably to make a case for expediency or dispatch.

As to the first point, no one has claimed that the Senate has the constitutional right to open negotiations with the diplomatic representatives of a foreign power. The President, as the chief executive, is the constitutional representative of the United States with regard to foreign nations. He is the proper official to direct, through the Department of State, the correspondence with our ministers abroad and with foreign ministers. The Senate does not possess the means of acquiring such information directly. In our analysis of this problem we should recognize that thus far, both schools of thought are in substantial agreement, but we should note that the acceptance of the above statement does not preclude the constitutional *right* of the Senate to suggest to the President that he undertake a certain negotiation nor does it preclude the *right* of the Senate to suggest the content of that negotiation.

With this as a starting point in our analysis, we next introduce two considerations which are fundamental and which the advocates of the Wilsonian interpretation seem to ignore in the development of their case for dispatch. The first, is the cardinal principle in our constitutional system that the Executive and the legislative departments are coordinate and the second principle is that in so far as the treaty power is concerned, the Constitution has conferred upon one branch of the government, namely, the Senate, a point participation with the President in the making of treaties. No conceivable interpretation of the treaty clause could deny that treaty making is a joint function. We are confronted then by the hard fact that both the President and the Senate must agree before a treaty can come into existence.

These basic considerations should be obvious, and yet strange to relate, the literature of the subject is honeycombed with confusion and, especially with reference to the Treaty of Versailles, men of learning have attempted to settle this constitutional question by an appeal to personalities. We submit that no intelligent discussion of the respective merits of the Washingtonian and the Wilsonian interpretation of the treaty clause is possible, unless it takes into account the basic principles.

Let us compare these two interpretations as regards secrecy, dispatch and safety. First as to secrecy, Woodrow Wilson gave lip service to the ideal of "open covenants, openly arrived at," but he justified his attitude toward the Senate during the negotiation of the Treaty of Versailles on the ground that secrecy was all important. The deliberations of the Council of Five were secret beyond all precedents. No secretaries were admitted and no official minutes were kept. The Council of Five has been described by Dr. Dillon as "a gang of benevolent conspirators, ignoring history and expertship, shutting themselves up in a room and talking disconnectedly." It is not proper at this place to enter into a discussion of the relative merits of open *versus* secret diplomacy. Let us assume for the sake of argument that secrecy is preferable. We then meet the claim insisted upon by advocates of the Wilsonian interpretation that real secrecy is impossible if the Senate is kept advised of the facts during the negotiation of the treaty.

In this connection, they stress the size of the Senate arguing that even although at the outset of the government, the Senate might function as an executive council, when it consisted of but twenty-six members, that now, it is impossible because we have almost one hundred members. We have shown that the Senate may, consistent with the treaty clause, delegate its right to receive the facts during the negotiation, to its own committee on Foreign Relations which may consist of much less than twenty-six member and this committee could function while the Senate as a body is not in session. But even if the Senate as a body should receive its information, it would be in executive session behind closed doors, and the argument that secrecy would be jeopardized is but a polite way of questioning the patriotism and the motives of the members of the United States Senate. We refuse to subscribe to that doctrine. If the members of the highest legislative body in the land are so blasé that they cannot safely be entrusted with information, then why should they be given any right to participate in the treaty making function in any particular? If the advocates of the Wilsonian theory were logically consistent they would realize that they are stating the case for an exclusive presidential treaty power and they would frankly and openly attempt to create a public sentiment which would lead to a constitutional amendment.

One thing is certain, they can never reach that goal by any attempt at informal amendment by executive interpretation and any effort to undermine a coordinate department of the government will not only deprive the country of the services of an *informed* advisor but also must ultimately lead to hostility and misunderstanding.

What can be said for the Wilsonian interpretation as regards dispatch? It has been argued that a division of opinion between the Senate and the President could not fail to give the nation with whom we might be disposed to treat, the most decided advantages and would delay if not altogether prevent the realization of our desires. But this argument is based on a false assumption. We have no right to claim that the President and the Senate will always be hostile, especially if the President follows the Washingtonian interpretation, and when they are hostile, the relations can be kept *secret*. If on the other hand, they are in harmony, the publicity of that fact will have much weight with the other nation. But more important than this is the fact that under our Constitution, the treaty clause requires agreement between the President and the Senate before a treaty can be ratified. Considering human nature as we find it generally, and especially as it is exemplified in the Senate of the United States, it is futile to hope that time will be gained by keeping the Senate in ignorance of the facts during the whole period of negotiation. Men, who are politically ambitious and who have been elected to represent their respective states in the highest legislative body in the land, knowing that they are members of a coordinate department in the treaty making function are not going to submit to any form of dictation or political pressure exerted by the Executive. It is inconceivable that the President will ever become so powerful and the Senate so weak, that such a policy can be relied upon in order to speed up the treaty making process.

It is important to note that the argument presented by Lord Balfour against the establishment of a Parliamentary Committee of Control of Foreign Relations in the English government is not applicable to our situation. He said in a speech of March 19, 1918, "Do not suppose that we can do the work better by having to explain to a lot of people *who are not responsible*. That is not the way to get business properly done."[44] This argument is not applicable to our Senate. Here we have a *joint responsibility*. Everyone admits that the President and the Senate must agree before a treaty can be made. The only question at issue is whether the two parties shall have the right to be equally informed.

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Can the Wilsonian interpretation be defended from the standpoint of safety? The Senate, as a continuing body and as the highest legislative assembly contains a considerable number of members of great capacity and large experience. We believe that the history of the Senate will reveal, that even at its lowest ebb, there were in that body a few great characters from whom any President might well have sought advice. We know that the Senate has often performed a patriotic and highly valuable service by its merciless examination of a treaty. An excellent example is the Hay-Pauncefoote treaty, which but for the Senate, would have failed to reserve the right of the United States to fortify the Panama canal.[45] Why not adopt the cooperative policy and take advantage of the experience of the Senate while the treaty is being negotiated? We cannot believe that the mere election of a man to the Presidency *ipso facto* endows him with knowledge or experience. Why not reveal to this coordinate body, the facts, so that it may be an informed advisor? The American people have had enough of personal government. They are beginning to realize that leadership to be democratic must make use of democratic methods of procedure.

There is no hope for the political theorists who have failed to grasp the significance of the lesson taught by the Treaty of Versailles, and who continue to be dominated by the spell of an outworn idea. Wilson, up to the time of his tragic disillusionment, enjoyed greater power than any other President in the history of the republic. But he pursued a policy which was in violent conflict with his better judgment, expressed ten years before while President of Princeton University. At that time he voiced the true policy that makes possible a real advice and consent. That is the policy based on cooperation that leads to understanding and makes for dispatch. The Harding-Hughes disarmament treaties were ratified without difficulty and without change. The explanation lies largely in the fact that President Harding appointed as members of the American delegation the leaders of the two great parties in the United States Senate, Mr. Lodge and Mr. Underwood.

Do we need a greater popular control over treaties? The most undemocratic feature of the great democracies of the world today is the method of carrying on foreign affairs. The machinery of diplomacy is a survival from the age of absolutism. The "barren game of intrigue" has been played and found wanting. Secret diplomacy has led to suspicion. Prof. Reinsch has said, "No nation is so bad as imagination, confused and poisoned by secrecy and by the suggestion of dire plottings, would point out."[46] Suspicion has in turn incited nations to enter a competitive race for armament, and the existence of great military machines has constituted a standing menace and an incentive to war. Such has been the diplomacy of Europe. Woodrow Wilson said, "European diplomacy works always in the dense thicket of ancient feuds, rooted, entangled and entwined. I did not realize it all until the Peace Conference; I did not realize how deep the roots were." The world has witnessed, the common peoples of Europe make the supreme sacrifice. It is a tragic commentary that at the outbreak of the World War, there was in no European country a popular control over the conduct of foreign affairs.

Conditions in America have been much better. The men who framed the Constitution of the United States placed in that document two provisions with respect to the treaty making power, which are the very antithesis of secret diplomacy. They provided that no international agreement, to which the United States is a party, shall be binding unless agreed to by a representative body, the United States Senate, and they further provided that treaties, when duly ratified, shall be the law of the land. It is implicit in these provisions that the treaties of this government shall be published to all the world. Further, we have Prof. John Bassett Moore, as authority for the statement that our State Department before the World War had no secrets whatever, with the exception of personnel reports.[47]

Prof. Quincy Wright has said, "Critics of American government have often urged reform, usually in the direction of the British cabinet system, but their attention has been centered upon domestic affairs. It is an extraordinary fact that with respect to the control of foreign affairs, the reverse is true. British writers have looked hopefully to the United States as a model for reform. Features of the American system have been endorsed by the British Union for Democratic Control of Foreign Relations founded in 1914."[48]

The late Lord Bryce voiced this sentiment when he said, "The day may come when in England the question of limiting the present all but unlimited discretion of the Executive in foreign affairs will have to be dealt with, and the example of the American Senate will then deserve and receive careful study."[49]

Should we be satisfied merely because we have a better system than Europe? We have shown not only that the Wilsonian interpretation of the treaty clause, which may become the prevailing interpretation, violates the spirit of the Constitution by making the word "advice" mere surplusage, but also we have pointed out that in the case of the Treaty of Versailles, the executive was attempting to prevent a coordinate department in the treaty making function from exercising a real "consent."

The history of our treaty practice has established the fact, beyond controversy, that there are two widely divergent schools of thought as to the respective roles of the President and of the Senate. Those who favor the Wilsonian interpretation do not relish the charge of usurpation. But even they do not have the audacity to make the counter charge that the Washingtonian interpretation constitutes usurpation. In order therefore to defend their position at all, representing as it does a later interpretation, they will be forced to employ the only alternative and contend that there is an ambiguity in the Constitution with reference to a *method of procedure*.

From their own analysis of the situation, we insist that clarification, one way or the other, is imperative. We say "imperative" advisedly, for if a written constitution cannot be accurately drawn so as to define and describe a mere method of governmental procedure, what hope is there that it can effectively guarantee the protection of a substantive right? We do not believe that any one can be found who will be bold enough to assert that in this case, clarification could not be accomplished by amendment, and further we do not believe that any one, after conceding that clarification is possible, would argue that it should not be consummated. To admit the ambiguity and at the same time to deny the possibility of clarification would be to assert the futility of all written instruments, whether they be contracts, bylaws, deeds, wills or constitutions.

Granting then that clarification is needed, the question remains, which policy is preferable? We have analyzed the arguments presented by the adherents of the Wilsonian school and have shown that they have utterly failed to make their case for dispatch, for secrecy or for safety. We have placed our faith in the doctrine that "democratic leadership requires democratic methods of procedure." Whether the future, for us, shall be war or peace, is to be determined largely by those who control our foreign relations. We do not hold that our international policies should be determined in the market place. Detailed treaties cannot be intelligently made by plebiscite. But we do maintain that the ends of democracy will best be served by assuring the representatives of the people in the United States Senate a real participation in the treaty making power. The President alone under our system has direct access to the sources of information; and this is as it should be. But if we are to have a more direct popular control over the making of treaties, cooperation and counsel and advice are necessary. To make these effective, the Senate *during the period of the negotiation*, must possess the facts, so that it can be an informed advisor.

John Hay, one of our greatest Secretaries of State, has said that "the irreparable mistake of our Constitution puts it into the power of one-third plus one of the Senate to meet with a categorical veto any treaty negotiated by the President even tho it may have the approval of nine-tenths of the nation."[50]

In the constitutional convention the proposal that a majority of the total number of Senators should suffice was defeated by one vote.[51] James Wilson objected to the two-thirds requirement on the ground that "if two-thirds are necessary to make the peace, the minority may perpetuate the war, against the sense of the majority."[52]

Alexander Hamilton said, "all provisions which require more than a majority of any body to its resolutions have a *direct* tendency to embarrass the operations of the government and an *indirect* one to subject the sense of the majority to that of the minority."[53]

If it can be assured that the Senate in the future will be consulted and considered as a real advisor, we do not believe that a higher percentage than a bare majority of the Senators present should be required, for consent. Whether we like it or not, the fact remains that many treaties have been and will be considered as party issues. To make it obligatory for an administration to command a two-thirds vote upon a treaty is to impose a condition that cannot often be met. If we assume (1) that all the Senators participate in the vote, and (2) that the treaty is looked upon as a party measure, the two-thirds requirement means a party majority of thirty-two members to insure acceptance. In the last forty years, no administration has enjoyed such a majority in the United States Senate.

We propose that the Constitution be formally clarified by adopting the Owen amendment, "The President shall have the power, by and with the advice of the Senate, to frame treaties, and with the consent of the Senate, a majority of the Senators present concurring therein, to conclude the same."[54]

The adoption of this amendment would constitute a reaffirmation of what we conceive to be the original intention of the framers of the Constitution. More than that, it would clarify the present treaty provision, which to the advocates of the Wilsonian school, is now vague and properly subject to two antithetical interpretations. Although not judicially enforceable, it would have a sobering effect upon the Executive and would tend to assure the people in the future, a more direct control over the conduct of their government's foreign affairs. It would restore to the Senate, a broadly representative body, composed of men from every state and every class the true role of a coordinate department in the important field of treaty making.

In proposing this amendment to democratize the treaty making function of our government, we have no desire to make the President a figurehead. If this amendment were adopted he would still retain four of his present privileges. (1) The initiative in negotiation, (2) the *right* to submit the treaty to

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the Senate with recommendation for amendment,[55] (3) the *right* to withdraw a treaty from the Senate either with a view to effect changes therein or to terminate proceedings,[56] (4) the *right* to refuse to ratify and proclaim the treaty after it has been approved by the Senate.[57]

FOOTNOTES

[1] See article by Senator Bacon, *The Treaty Making Power*, 182 North Am. Rev. 510–1.

[2] Mathews, The Conduct of American Foreign Relations (1922) 131.

[3] Documentary History of the United States, v. 3, p. 700.

[4] *Ibid.*

[5] Fleming v. Page, 9 How. (U.S.) 603, 13 L. ed. 276 (1849).

[6] U.S. Const., Art. 2, Sec. 2, Clause 2.

[7] We use the term "Wilsonian interpretation" because Wilson is the most thoroughgoing exponent of this view.

[8] Bacon, *supra* note 1 at 505.

[9] See article by Senator Lodge, *The Treaty Making Power of the Senate* 31 Scribner's Mag. 33.

[10] Quoted in Corwin, The Control of Foreign Relations, p. 181.

[11] Gibbons v. Ogden, 9 Wheat. (U.S.) 188, 6 L. ed. 23, 1824).

[12] Hill, Present Problems in Foreign Policy (Appleton, 1919) 161–3.

[13] Ex. Journ., v. 1, pp. 19, 20, 23.

[14] Maclay, Sketches of Debate in the First Senate of the United States (Harris ed.) 122–6.

[15] Washington's Writings (Ford ed.), v. 11, p. 415.

[16] *Ibid.* 417–9.

[17] Washington's Papers, v. 21, p. 21; Jefferson's Papers (series 4), v. 2, no. 18.

[18] American State Papers of Foreign Relations, v. 1, pp. 288–300; 413–42.

[19] Checklist of United States Public Documents (1911) 978; Wright, 13 Am. Journ. of Internatl. Law 242–3, note.

[20] Crandall, Treaties, Their Making and Enforcement (2d ed.) 68.

[21] Lodge, *supra* note 9 at 30.

[22] Ex. Journ., v. 4, p. 97.

[23] Works of Buchanan (Moore, ed. 6th) 379.

[24] Richardson, Messages and Papers of the Presidents, v. 4, p. 449.

[25] Ex. Journ., v. 7, p. 132.

[26] *Ibid.* 1. 11, p. 308.

[27] *Ibid.* 1. 12, p. 24.

[28] *Ibid.* v. 16, pp. 163–411; v. 17, p. 174.

[29] *Ibid.* v. 18, pp. 59–264; v. 19, pp. 355–512.

[30] *Ibid.* v. 24, p. 280.

[31] See J. W. Foster, *The Twenty Making Power Under the Constitution* (1901) 11 Yale L. J. 71.

[32] Crandall, *supra* note 20 at 97.

[33] *Ibid.* 93.

[34] *Ibid.* 99.

[35] *Ibid.* 97.

[36] *Ibid.* 82.

[37] *Supra* note 9.

[38] Wright, *Amendments and Reservations to the Treaty* (1919) 4 Minn. L. Rev. 15.

[39] 153 U.S. 176, 22 Sup. Ct. 59, 46 L. ed. 138 (1901).

[40] 5 Moore's Digest 203–6. Crandall, *supra* note 20 at 85, 381.

[41] Hearings before the Senate Committee on Foreign Relations on the Treaty of Peace with Germany, p. 521.

[42] Wilson, Constitutional Government of the United States (Columbia University Press, New York 1908) 139–40.

[43] Wilson, Congressional Government, ch. 4, pp. 232–4.

[44] Quoted in Reinich, Secret Diplomacy (Harcourt Brace Co.) 168–9.

[45] 30 Cong. Rec. 2269 (Jan. 28, 1920).

[46] Reinsch, supra note 44 at 141.

[47] *Ibid.* 198.

[48] Wright, *supra* note 19 at 362.

[49] Bryce, American Commonwealth (2d ed.) 104.

[50] Thayer, Life of John Hay, v. 3, p. 705.

[51] Documentary History of the Constitution, v. 3, p. 705.

[52] *Ibid*, 700–4.

[53] The Federalist.

[54] Sen. Joint Res. N. 176, 66th Cong. 2d Sess. Mar. 22, 1920, v. 1959, p. 5009.

[55] Ex. Journ., v. 1, pp. 135, 259.

[56] Richardson, *supra* note 24 at v. 8, pp. 276–7.

[57] Ex. Journ., v. 7, pp. 433, 462.

TREATY-MAKING AND THE PRESIDENT'S OBLIGATION TO SEEK THE ADVICE AND CONSENT OF THE SENATE WITH SPECIAL REFERENCE TO THE VIETNAM PEACE NEGOTIATIONS

(By Richard E. Webb)

ABSTRACT

The relationship between the President and the Senate of the United States with respect to the treaty-making power is examined in the light of the formulation and ratification of the Constitution and subsequent historical events and expert opinion. It is concluded that the President must seek the advice of the Senate both before entering into substantive treaty negotiations and also during their course, and the consent of the Senate when specific agreements are to be pursued. If the Senate should agree that the major treaty provisions to be offered for negotiation cannot be determined before negotiations are to begin, then the President should appoint, by and with the advice and consent of the Senate, a special envoy whose specific task is to form a treaty for later submission. The implications of this conclusion for improving the chances of success of the present Vietnam peace treaty negotiations are discussed.

"He [the President] shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur; and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and consuls, . . . whose Appointments are not herein otherwise provided for, . . .[1]

"The Powers not delegated to the United States by the Constitution not prohibited by it to the States, are reserved to the State respectively, or to the people.[2]

"The Constitution . . . shall be the Supreme Law of the Land . . ."[3]

INTRODUCTION

Does the President have the constitutional power to negotiate a peace treaty with North and South Vietnam without the formal advice and consent of the Senate as a body? The Author's contention is that the President does not. Were the President to seek this advice and consent, it would help him greatly in quickly negotiating a workable treaty, which is so desperately needed. Without this advice and consent, the President is representing only himself and his administration, and hence is operating in a political vacuum. In 1788 in the *Federalist Papers*, which were written to promote the adoption of our Constitution, John Jay stated that the "president and senators so chosen will always be of the number of those who best understand our national interests, whether considered in relation to the several states or to foreign nations. With such men the power of making treaties may be safely lodged."[4] With the advice and consent of the Senate, the President would represent more accurately the position and interests of the United States at the Paris negotiations. North Vietnam and the NLF would then be aware that the President's negotiating policies represent more than just the interests and attitudes of a particular administration and therefore would be less inclined to expect that a contrary public opinion in the United States could produce a change in policy in time. In forming the "advice" each Senator would be required to review this matter in its entirety and to act on a considered personal opinion. Such an undertaking would help crystallize exactly what is the national interest. Indeed, the Senate could take the initiative and begin to form the advice, starting from known presidential opinions.

The considerations that militate against this view are twofold: (1) a tradition of allowing the President to form treaties on his own authority without the formal advice and consent of the Senate; and (2) the explanation of the treaty-making power given in Senate Document No. 39, *Constitution of the United States—Analysis and Interpretation*, dated 1964, which attempts to justify the current practice. The latter tends to perpetuate the current practice since it purports to define the Constitution's treaty power provision. Since the Senators and the President swore to support the Constitution, none would challenge current practice if it were thought to be constitutional. The editors of Senate Doc. No. 39 are E. S. Corwin and others; they prepared the document for the Library of Congress Legislative Reference Service. Corwin also wrote the influential book, *The President—Office and Powers*. Although Mr. Corwin has made an important contribution to some aspects of constitutional law, his opinion in this connection cannot be taken as the final word.

After reviewing Corwin's opinion and his justification (given in Sen. Doc. No. 39 and in his book), along with other documents and writings and Supreme Court cases, the Author has concluded that the President must not only have the formal advice and consent of the Senate before negotiating matters of substance (the President may, however, initiate talks on his own authority), but that it would be in the best interest of the nation for the President to obain that advice and consent. The remainder of this article, then, contains a review of the principal circumstances surrounding the "advice and consent" phrase in the treaty power. The statements and references given by Corwin which are pertinent to the subject are used as a guide and each of these is treated herein.

We begin with an analysis of Senate Doc. No. 39. Here Corwin as justification for the current practice uses only four facts: (1) part of an essay by John Jay in the Federalist Papers; (2) part of a Senate speech by Rufus King in 1818; (3) the experience of President Washington in seeking Senate advice in making treaties; and (4) the opinion of Justice Sutherland in *U.S. v. Curtiss-Wright Corp.*[5] This article will attempt to show that Corwin did not use the first three of these items in context, and that the inferences which can properly be drawn from these sources do not support the position adopted either in Senate Doc. No. 39 or in Corwin's book.

The President-Senate relationships during the formation of the Jay Treaty and the Versailles Treaty are discussed. A separate and detailed analysis of Justice Sutherland's opinion on the treaty-making power in the *Curtiss-Wright* decision is also included. More evidence is also provided regarding (1) the question of whether Senate advice requires Senate action as a body, (2) the origin of the treaty clause phraseology, and (3) the President's role as Commander in Chief in making peace treaties. Finally, the Vietnam peace treaty negotiations are discussed.

E. S. Corwin and Senate Document No. 39

1. John Jay and the Federalist Papers

In order to better understand the analysis of Senate Doc. No. 39, the reader is invited to read the entire paragraph entitled "President and Senate" in that document.[6] It would seem that this paragraph lends support to the Author's contention by stating

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that "The constitutional clause evidently assumes that the President and the Senate will be associated with the entire process of making a treaty."[7] The paragraph, however, then states that "John Jay, writing in the Federalist, foresaw that the initiative must often be seized by the President without benefit of Senatorial counsel." This brief report of Jay's essay could be readily misconstrued. One might suppose that Jay did not adopt in his essay the above view about "the entire process of making a treaty," and one might understand the "initiative" remark as attributing more power to the President than Jay in context actually did. The full Jay essay[8] said of treaties that "The President must, in forming them, act by the advice and consent of the Senate"[9] and that the initiative relates to "those preparatory and auxiliary measures which are not otherwise important in a national view . . . and which usually require the most secrecy and the most dispatch."[10] The Jay essay does not add confusion to the treaty clause in the Constitution, as Corwin implies; but rather this essay explains the clause. It must be remembered that the *Federalist Papers* were written by Alexander Hamilton, James Madison, and John Jay in order to explain the Constitution to the people and secure its adoption by the separate States.

2. Rufus King's 1818 Speech

Senate Dec. No. 39 points out that the Senate *may* advise the President, without his asking, basing this conclusion on a Senate speech given by Rufus King in 1818. No one would deny this power to the Senate. However, the significance of this speech lies not in whether the Senate may volunteer advice; it lies in the last two paragraphs of that speech (not discussed in Senate Doc. No. 39) where the phrase "make a treaty" is defined and explained. Rufus King stated: "The Constitution does not say that treaties shall be concluded but that they shall be made by and with the advice and consent of the Senate." He asserted that "to make a treaty includes all the proceedings by which it is made."[11] King said that any other interpretation would require that the Constitution be changed to read: "The President shall make treaties, and by and with the advice and consent of the Senate ratify the same."[12] King's speech is consistent with the above mentioned Jay essay: Jay did not say that the President must, in concluding treaties, act by the advice and consent of the Senate, but that he "must, in *forming* them, act by and with . . ." (emphasis added).

Rufus King was a delegate from Massachusetts to the Federal Convention, which drafted the Constitution, and played a prominent role there.[13] He was on the Committee of Style along with Hamilton and Madison and was on the Committee of Eleven which drafted the treaty clause. He actively promoted the new Constitution and was elected as a delegate to the Massachusetts Convention which ratified it. Later as a U.S. Senator, he was a member of the Committees on Finance and Foreign Relations, and served as chairman of the latter.[14] The speech cited is the only explicit definition of the treaty power offered in *The Records of the Federal Convention of 1787* which were collected and edited by M. Farrand (Farrand included the King speech in the appendix as "supplementary material that could be found" to throw "light upon the work of the constitutional convention.").

The background of Rufus King's speech is most helpful in perceiving its full meaning.[15] The Society of Friends of Baltimore in late 1817 brought a petition to the Senate on the subject of abolishing slave trade. Senator Burrill, in support of this petition, proposed a Senate resolution to direct the Committee on Foreign Relations to inquire into the "expediency of taking measures in concert with other nations for the entire abolition of the said trade." In the ensuing Senate debate on the resolution Senator King, in support of the resolution, noted that our "long depending negotiations [on the subject of slave trade] with Spain still exists." He urged that our foreign ministers be reminded that the United States is greatly interested in abolishing slave trade universally and should therefore press for an agreement with the foreign powers.[16] After King's remarks an objection was raised to advising the President in the forming of a treaty with Spain. This objection was based on the supposition that the business of making this treaty belonged exclusively to the Executive. King replies with his explanation of the treaty power. The Burrill resolution was passed without modification, which indicates that the Senate concurred in King's explanation of the treaty power.

The only clue as to why Senate Doc. No. 39 does not discuss the last part of King's speech, which defines the phrase "make a treaty," is provided in a footnote in Corwin's book, *President—Office and Powers*.[17] In this footnote Corwin implies that the King speech is nullified by a Senate Foreign Relations Committee Report issued two years earlier (February 15, 1816).[18] The committee report had to do with a Senate resolution proposed by Rufus King which would advise the President concerning his negotiations with Great Britain on certain matters of commerce. The committee rejected the proposal on the ground that such advice was unnecessary, because the committee felt that the President had already pursued the ideas contained in King's resolution, and further that it was not in the national interest for the Senate to interfere since a division of opinion between the Senate and the Executive would give the other side a decided advantage. However, the report of the committee contains no treatment of the question of constitutional power, except the observation that the Constitution permits only the President to *conduct* foreign negotiations, which is of course true. The report stands for no proposition except that the committee felt it would be unwise to interfere in *those particular negotiations*. To treat this report as a constitutional ruling on the making of treaties is unwarranted. The fact that two years later King won in his contention that the Senate could offer unsolicited advice to the President (*i.e.,* the Burrill resolution), after he argued on constitutional grounds, makes it clear that the earlier committee report could not in any case be taken to represent Senate opinion on the treaty power.

3. George Washington's First Attempt at Treaty-Making

Perhaps the main reasons for the current practice are the prevailing views, in the executive branch at least, that (1) seeking advice from the Senate prior to substantive negotiations is impractical and (2) the Constitution is not clear as to how advice and consent are to be rendered. In search of the true meaning of the treaty clause one would certainly want to learn how President Washington carried out this power since he was the first President under the Constitution. In his book on the presidency Corwin tells the reader that Washington tried to use the Senate as a council in forming treaties but that this simply did not work: "The somber truth is that the conception of the Senate as a presidential council in the diplomatic field broke down the first time it was put to the test."[19] In a footnote in Sen. Doc. No. 39 Corwin states that Washington's efforts to obtain advice and consent "proved futile, principally because the Senate balked."[20] In another book *The President's Control of Foreign Relations* (1917), Corwin says: "at the outset, Washington sought to associate the Senate with himself in the negotiation of treaties but this method of proceeding went badly and was presently abandoned."[21]

These statements are simply not true. The incident to which Corwin refers is the formation of the first treaty under the Constitution.[22] President Washington (who was also president of the Federal Convention and among those who best understood the Constitution) appeared before the Senate and asked for its "advice and consent to some propositions respecting the treaty *to be held* with the Southern Indians." (emphasis added) The Senate, in deliberating the matter, was concerned about Washington's insistence on being present while the Senate debated. They felt that Washington's personal authority prevented freedom of discussion and refused to give advice and consent on that day and wanted to postpone a decision until the next week. Washington became angry over the delay but then agreed to comply. Three days later the Senate gave its advice and consent to Washington's proposals without difficulty. The fact is that Washington consulted the Senate in advance of the making of every treaty in his administration[23] and obtained the advice and consent of the Senate. After the first experience, which Corwin has misrepresented, he did so through messages and not in person. The only "method of proceeding" that was "abandoned" was *personal* consultation as distinguished from written communication.

The remaining piece of evidence which Corwin used in *The President's Control of Foreign Relations* was taken from John Q. Adams' "Memoirs":

"Mr. Crawford told twice over the story of President Washington's having at an early period of his administration gone to the Senate with a project of a treaty to be negotiated, and been present at their deliberations upon it. They debated it and proposed alterations so that when Washington left the Senate Chamber he said he would be d----d if he ever went there again. And ever since that time treaties have been negotiated by the Executive before submitting them to the consideration of the Senate."[24]

Corwin has made this story quite popular and it is generally accepted without question.[25] Because of this and because by itself it seems to run counter to the above findings, this passage must be reviewed in detail. From this minuscule item of evidence Corwin draws the conclusion that after his first attempt Washington did not seek Senate advice before treaty negotiations. (On the contrary, he did as is later shown.) After citing this quotation, Corwin says that Adams was stating a rule of procedure which did not require the President to seek advice of the Senate before "negotiating a particular treaty." But Corwin's conclusion was simply a case of reading something into Adams which is not stated there. The background of the Adams' writing is as follows.[26]

The Ghent Treaty of 1815 between the United States and Great Britain stipulated "that both parties should use their best endeavors to accomplish the abolition of the African slave trade."[27] Recall that in 1818 the Senate passed a resolution advising the President to press harder for an international agreement to abolish the African slave trade. Two years later, while our negotiations with Great Britain were going on, the United States enacted a law on May 15, 1820, making it unlawful for a U. S. citizen to engage in the African slave trade. On February 28, 1823, the House of Representatives passed a resolution "that the President of the United States be requested to enter upon and prosecute, from time to time, such negotiations with the several maritime powers of Europe and America, as he may deem expedient, for the effected abolition of the African slave trade, and its ultimate denunciation as piracy under the law of nations,

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by the consent of the civilized world."[28] It can therefore be said that the President pursued the negotiations *by and with the advice of the Senate*, and indeed of both houses of the Congress. The episode in no way supports the "rule" that Corwin inferred from the account by Adams. We should inquire into the context of the Crawford comment to determine the problem toward which it was directed.

On April 30, 1824 as a result of these negotiations President Monroe submitted to the Senate a Slave Trade Convention with Britain that recognized slave trading as an act of piracy. However, some of the Senators from the Southern States were becoming uneasy over the growing sentiment in Great Britain in favor of abolishing slavery altogether and thought that to ratify the Convention would produce the same effect in the United States. For this and other reasons there was new opposition to the treaty in the Senate. When President Monroe learned from Adams of this opposition, which brought about some delay in the ratification of the treaty, he was "astonished." Then, upon learning that the treaty might be defeated, Monroe quickly sent a message (drafted by Adams) to the Senate pleading for ratification. The message was detailed and presented persuasive arguments.[29] On the next day the Senate ratified the convention with amendments. Rufus King, who was instrumental in bringing the Senate to advise the President to make a slave trade treaty in 1818, reported the Senate action personally to Secretary of State Adams. King apologized for the amendments but Adams replied that the amendments, although significant, were not serious: "The essential basis of the Convention was untouched," *i.e.*, the principals "slave trade shall be piracy" and "the mutual right of search and capture" were preserved. But Britain did not ratify the amended treaty. Five months later an envoy from Britain proposed to conclude a new convention to provide for right of search on the coast of America, a provision which had been rejected previously by the Senate. The new convention was to be otherwise the same as the draft previously ratified by the Senate. President Monroe held a cabinet meeting on November 10, 1824 to discuss the British proposal. In the meeting it was agreed not to conclude a new convention since the mood in the Senate against it was even stronger than before. It was in this meeting that Crawford made the comment that was used by Corwin.

President Monroe may have wanted to consult *personally* with the Senate to try to persuade them to accept the new convention. After all, Monroe had before rescued the treaty from defeat by consulting the Senate by means of a detailed message. This would explain why Crawford, in the cabinet meeting, told the story of George Washington's experience with personal consultation with the Senate. But Corwin's inference from Crawford's statement that the President need not consult the Senate prior to entering into substantive negotiations is unfounded. Furthermore, Adams had this to say about any further negotiations on the subject of the slave trade:

"I had observed to Mercer that after what had taken place in the Senate upon this Convention, and the subsequent effort, obviously intended to follow it up, to make it unpopular, the power of the President to negotiate further under the resolution of the House would be much checked until there should be some further manifestation of opinion by Congress in its favor."[30]

Finally, on January 20, 1825 Monroe in a message to the Senate indicated that negotiations would be resumed only by "common consent."[31]

Corwin and the Jay Treaty

In his book *President—Office and Powers* Corwin implies that the Jay Treaty (the first foreign treaty under the Constitution) was negotiated without the advice and consent of the Senate. Corwin states:

"From that time forth [meaning: from the time Washington personally appeared in the Senate chamber] in fact, the relations of President and Senate in the realm of diplomacy came rapidly to assume a close approach to their present form. The history of the famous Jay Treaty five years later is a prime illustration. The treaty was negotiated in London under instructions in the framing of which the Senate had no hand."[32]

The implication given is that Washington did not seek the advice and consent to negotiate. On the contrary, he *did*.

The events surrounding the Jay Treaty are as follows.[33] During the first years under the Constitution there still remained some differences between Great Britain and the United States. On February 9, 1790, Washington asked the Senate's advice as to the best method of settling a number of these old disputes:

"You will perceive, from the papers herewith delivered, and which are enumerated in the annexed list, that a difference subsists between Great Britain and the United States, relative to the boundary line between our Eastern and their territories. A plan for deciding this difference was laid before the late Congress; and whether that, or some other plan of a like kind, would not now be eligible, is submitted to your consideration.

"In my opinion, it is desirable that all questions between this and other nations be speedily and amicably settled; and in this instance I think it advisable to postpone any negotiations on the subject, until I shall be informed of the result of your deliberations, and receive your advice as to the propositions most proper to be offered on the part of the United States.

"As I am taking measures for learning the intentions of Great Britain respecting the further detention of our posts, &c. I am the more solicitous that the business, now submitted to you, may be prepared for negotiation, as soon as the other important affairs which engage your attention will permit.[34] "

On March 24, 1790, the Senate advised the President and suggested a plan. Washington then sent a representative to England who informally sampled opinions of some British leaders and concluded that the plan was not acceptable. Thereupon, Washington reported back to the Senate on February 14, 1791. As time went by, the disputes grew more serious as England seized some American ships and incited Indians against our settlers. Resolutions were before the House of Representatives "for cutting off commercial intercourse and sequestering British Debts." Knowing that the resolutions before the House were moving the country back into war, a group of Senators, which included Rufus King, held a conference and quickly developed the Jay envoyship plan and gave it to Washington.[35] That plan was to have the United States send to England a person who would have the highest confidence of the British leaders to find out their concerns and the reasons for their hostile acts and to negotiate a settlement. Our ambassador in Great Britain at the time would not do. Our negotiator had to be of high standing and enjoy the highest confidence of the American people. He would make the voyage across the Atlantic to impress the British of our sincere desire to make a friendly settlement of differences. The person chosen by Washington, with the help of the small group of Senators, was John Jay, the Chief Justice of the Supreme Court. Then, in accordance with the requirement of the Constitution, Washington sought the Senate's advice and consent to appoint Jay as "Envoy Extraordinary of the United States, to his Britannic Majesty" for the purpose of negotiating a treaty whose propositions, because of the nature of things, could not be known beforehand. The message from George Washington to the Senate was as follows:

"Gentlemen of the Senate: The communications which I have made to you during your present session, from the dispatches of our Minister in London, contain a serious aspect of our affairs with Great Britain. But as peace ought to be pursued with unremitted zeal, before the last resource, which has so often been the scourge of nations, and cannot fail to check the advanced prosperity of the United States, is contemplated; I have thought proper to nominate, and do hereby nominate, John Jay, as Envoy Extraordinary of the United States, to his Britannic Majesty.

"My confidence in our Minister Plenipotentiary at London, continues undiminished. But a mission like this, while it corresponds with the solemnity of the occasion, will announce to the world the solicitude for a friendly adjustment of our complaints, and a reluctance to hostility. Going immediately from the United States, such an Envoy will carry with him a full knowledge of the existing temper and sensibilities of our country, and will thus be taught to vindicate our rights with firmness, and to cultivate peace with sincerity."[36]

The Senate approved the nomination three days later, after some debate, with the full knowledge and understanding that for these particular negotiations, the treaty propositions could not be known *a priori*. Thus the Senate in consenting to the mission shared the confidence Washington had in John Jay that whatever Jay would agree to would be in the interest of the United States.[37] (In contrast, the Senate had not been asked its advice and consent in appointing the envoys to Paris to negotiate a treaty with North Vietnam.) It is the Author's contention that President Washington had fully met the requirements of the Constitution in this instance since the Senate's advice and consent was sought and obtained before negotiations. The Senate simply chose not to require that Jay be given instructions and was willing to wait until Jay brought back a treaty which would serve as a basis for consultation with the Senate. Eleven months later Jay returned with a settlement. It was laid before the Senate for its advice and consent. The Senate in turn approved it, subject to an amendment. The amendment was easily negotiated with Britain and the treaty went into effect. A war had thus been avoided. And so it was that the Senate did perform a large role in making the treaty, not only by advising and consenting to the Jay appointment *but by participating in the earlier events of 1790–91 mentioned above*. The earlier attempts at settling the disputes, which were based on Senate advice, made both the President and the Senate that much wiser when the disputes erupted. For they then knew that a much stronger diplomatic move was necessary to avert the fast-approaching war.

The conclusion drawn from the history of the Jay Treaty by Corwin, and probably by others as well, is that since the Senate consented to let the executive branch alone frame a treaty during foreign negotiation, *any* President in the future could enter into negotiations and continue on through to a finished treaty without the Senate's consent to do so for each occasion.[38] Corwin states, "In a word, the Senate's character as an executive council was from the beginning put, and largely by its own election, on the way to absorption into its more usual character as a legislative chamber." This conclusion again shows up in Sen. Doc. No. 39 under the paragraph entitled "Negotiations, A Presidential Monopoly."[39] But this conclusion is without foundation. No evidence exists that in con-

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senting to the Jay nomination the Senate intended to authorize all future Presidents to enter into substantive negotiations without the advice and consent of the Senate. Moreover, the Senate does not have the authority to transfer this power to the President and the President does not have the authority to assume it. Therefore, if anyone were to claim that a precedent was established by the Jay Treaty events, that precedent, which is in accordance with the Constitution, would be as follows: If the terms on which a settlement is possible cannot be estimated beforehand, then the President should nominate a person for the specific task of meeting with the other side and framing a basis for a settlement. But before the envoy can be appointed, the Senate's advice and consent is needed. The treaty provisions arranged by the envoy would then be used by the President as a basis on which to approach the Senate for its advice and consent on concluding the treaty.

Fleming sums it up as follows. After his first treaty, Washington confined his communication with the Senate on the subject of treaties to written messages, though he still adhered to the practice of asking the advice of the Senate before negotiations were opened and during their course. Negotiations with England over the northeastern boundary were suspended until the President could consult the Senate, and the Senate agreed in advance to approve the proposed terms of a treaty with Algiers. Even this method of consulting the Senate during negotations lapsed with Washington, however, and seems not to have been resumed until 1838, when President Van Buren asked the Senate to disapprove a proposed commercial treaty with Ecuador before negotiations rather than after. Polk, in 1846, asked the Senate's approval of suggested terms of peace with Mexico, and similar requests were forwarded by Buchanan and Lincoln in 1861, Johnson in 1868, Grant in 1872, and 1874, and Arthur in 1884. An indirect method of securing advance approval of the Senate was to nominate an envoy to negotiate a treaty and attach an outline of proposed terms. Confirmation of the appointment then automatically approved the treaty project. This device was used by Washington and Adams repeatedly and by Jefferson at least once. [40]

The Versailles Treaty

It simply makes common sense that if the Senate has to consent to treaties, then the President ought to consult with them in forming treaties to avoid embarrassments or a breakdown in foreign relations or in the relationship between the executive and the legislature. The latter could seriously weaken the nation. The Versailles Treaty of 1919 is a case in point.[41] President Wilson went to Europe at the end of World War I to negotiate the peace treaty with Germany and the Allies. He had entered into substantive negotiations and personally carried them through to the end without ever seeking the advice and consent of the Senate to do so. He was severely criticized for not abiding by the Constitution's treaty power provision. For example, Senator Lodge, the chairman of the Foreign Relations Committee, requested the President to submit a draft of the current treaty outline while the negotiations were still in progress and said:

"I am only asking something that has been done by almost all our Presidents who have consulted the Senate about entering into negotiations, about the character of negotiations, about awards, about pending negotiations . . . The Senate was consulted prior to negotiations by George Washington; it was consulted prior to negotiations by Abraham Lincoln. And in the path George Washington and Abraham Lincoln walked there is no man too great to tread." [42]

Senator Spencer said, "The President alone pursued his course, without any conference with the country he represented and with special disregard of the Senate, which, by the Constitution of the United States is made his legal adviser, particularly in connection with treaties." [43] But Wilson had his strong belief in the League of Nations plan which he had built into the treaty and felt that the Senate had little choice but to approve it. In his book *Constitutional Government in the United States* he had written:

"The initiative in foreign affairs, which the President possesses without any restriction whatever is virtually the power to control them absolutely. . . . He need disclose no step of negotiation until it is complete, and when in any critical matter it is completed the government is virtually committed. Whatever its disinclination, the Senate may feel itself committed also." [44]

Indeed, when Wilson returned he toured the country to whip up support against the growing Senate opposition. But in the end his disregard for the Senate's advice and consent role during negotiations led to the Senate's rejection of the treaty.[45] It is highly probable that this event, which drove a wedge between the Senate and the Executive, was a prime factor in the more serious erosions of the treaty power that followed that period of time, such as the broader use of executive agreements, which the Senate is now attempting to correct.[46]

Sutherland and the U.S. v. Curtiss-Wright Case

This section discusses the circumstances and considerations involved in the Supreme Court decision in *U.S. v. Curtiss-Wright* [47] in which the Court adopted Wilson's view of the treaty power. It can be shown herein that Justice Sutherland's statement regarding the treaty power was dictum and, furthermore, was without foundation.

Curtiss-Wright dealt with the legality of an embargo which was imposed by President Franklin D. Roosevelt pursuant to a joint resolution of Congress in 1934, on arms shipments to the belligerents in the Chaco War between Bolivia and Paraguay. The President was authorized to proclaim the embargo if he determined that it would contribute to restoring peace. In delivering the majority opinion, Justice Sutherland chose to discuss the treaty-making power even though this clause of the Constitution was not at issue. He contended that:

"Not only, as we have shown, is the federal power over external affairs in origin and essential character different from that over internal affairs, but participation in the exercise of the power is significantly limited In this vast external realm, with its important, complicated, delicate and manifold problems, the President alone has the power to speak or listen as a representative of the nation. He *makes* treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it." [48]

In support of this contention, Justice Sutherland quotes John Marshall: "The President is the sole organ of the nation in its external relations, and its sole representative with foreign nations." [49] It is true that only the President can represent our nation in conducting foreign negotiations. Hamilton in the *Federalist Papers* (No. 75), made it clear that it is most efficient to have the President conduct foreign negotiations and that the "Senate could not be expected to enjoy the same confidence and respect of foreign powers in the same degree . . . with that of the President." In No. 72 Hamilton stated that the "actual conduct of foreign negotiations" is "most understood by the administration." [50] Sutherland infers from John Marshall that the President can enter into the substantive negotiations and even complete them through the agreement stage without the Senate's advice and consent. However, this is unfounded. Marshall made the statement in connection with an extradition treaty with England, *already in force*. An Englishman who committed a crime against English law on the high seas sought sanctuary in the U.S. Upon Britain's request President Adams was seeking to return the criminal to England. A resolution which alleged that the President was usurping judicial powers in returning the criminal was proposed in the House. Representative Marshall argued that the President was only executing the law of the land, that is, the extradition treaty. Marshall was not discussing the relation of the President to the Senate but his relation to the courts.[51]

The only other evidence offered by Sutherland was an 1816 Senate Foreign Relations Committee report [hereinafter called the 1816 Committee Report]. As we have seen, Corwin attempted to use this report to nullify Rufus King's explanation of the treaty power. It was shown above that the opinion expressed in the committee report, which did not purport to rest on constitutional grounds, was in effect repudiated by the Senate two years later when it adopted Rufus King's argument on the Constitution's treaty clause. However, since the 1816 Committee Report is the only reference cited by Sutherland which discusses the role of the Senate in relation to treaty negotiations, it is important to review in more detail the facts surrounding this report. The Senate Executive Journals for 1805 through 1828 (Vol. 2 and 3) are the sources for the facts used in the following discussion.

On May 31, 1813, President Madison asked for advice and consent to appoint John Q. Adams, and others, as ministers to negotiate a treaty of peace to end the war of 1812 and a treaty of commerce with Great Britain. The Senate approved most of the nominations but held up that of Albert Gallatin until Madison removed him as Secretary of the Treasury. (On January 14, 1814 Madison nominated Henry Clay and others to join the negotiating team and the Senate approved them also.) Thus, the Senate had the opportunity to offer advice but simply chose not to do so, presumably because they had confidence in the appointed negotiators and were not sure what advice to give. The Senate may also have felt that debating the matter would have delayed the end of the war. For example, on June 2, 1813 Rufus King moved to request from the President papers relating to the arrangement of the peace conference, and the Senate rejected the motion. On February 15, 1815 Madison submitted the treaty of peace for advice and consent. The treaty, known as the Treaty of Ghent, was quickly approved. The treaty of commerce, which was to come later, was still being negotiated.

On December 6, 1815 Madison submitted to the Senate "for their consideration, and advice as to ratification," the treaty of commerce with Britain. The treaty was ratified by the Senate, Rufus King voting yea. But immediately after the vote King proposed that the Senate "recommend to, and advise, the President to pursue further and friendly negotiations" with Britain for the purpose of securing additional trade agreements. The King proposals were referred to the Committee on Foreign Relations which submitted its report on February 16, 1816. This report, which was the one cited by Justice Sutherland, took the view that the proposals of King had been pursued in the negotiations and that the need for any further negotiation ought to be left up to the President. The matter was debated off and on for several weeks and then was dropped on a motion by King, on April 26, 1816, to postpone consideration indefinitely. The section of the 1816 Committee Report which was quoted by Sutherland follows:

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"The President is the constitutional representative of the United States with regard to foreign nations. He manages our concerns with foreign nations and must necessarily be most competent to determine when, how, and upon what subjects negotiation may be urged with the greatest prospect of success. For his conduct he is responsible to the Constitution. The committee consider this responsibility the surest pledge for the faithful discharge of his duty. They think the interference of the Senate in the direction of foreign negotiations calculated to diminish that responsibility and thereby to impair the best security for the national safety. The nature of transactions with foreign nations, moreover, requires caution and unity of design, and their success frequently depends on secrecy and dispatch." [52]

The remainder of the 1816 Committee Report, not quoted by Sutherland, reads as follows:

"A division of opinion between the members of the Senate in debate on propositions to advise the Executive, or between the Senate and Executive, could not fail to give the nation with whom we might be disposed to treat the most decided advantage. It may also be added that if any benefits be derived from the division of the legislature into two bodies, the more separate and distinct in practice the negotiating and treaty ratifying power are kept, the more safe the national interest." [53]

Thus, Sutherland's claim rests on this 1816 Committee Report. But, a review of the facts will prove that this report will not bear the weight he puts on it.

It is apparent from the above that the Senate, with the exception of Rufus King, was content in rendering advice after the negotiations were completed, although the Senators advised and consented to the envoyships. After all, the above mentioned peace treaty and commerce treaty were successfully made in this manner and the successful Jay Treaty was also made in this manner. This method is constitutional provided that both the Senate and the President agree to employ it for each separate occasion. But the 1816 Committee Report attempts to establish this procedure as a matter of routine, which in effect is delegating to the President the Senate's share of that portion of the treaty-making power involving negotiation, although still retaining for the Senate the power to approve the appointment of those who negotiate. But the Senate does not have the constitutional power to delegate its powers, nor can the President assume delegated powers. It should also be noted that the Senate did not formally endorse the 1816 Committee Report. But more important, two years later during the debate on the Burrill resolution in 1818, Rufus King convinced the Senate that it cannot under the Constitution delegate any portion of the treaty-making power. (Recall that King was a prominent member of the Constitution Convention. Senator Bibb, who submitted the 1816 Committee Report, was not a delegate to that convention.)[54] The 1818 King speech, which was discussed earlier in connection with Senate Doc. No. 39, is presented here in its complete text:

Without adverting to the several branches of the executive power, for the purpose of distinguishing the cases in which it is exclusively vested in the President, from those in which it is vested in him jointly with the Senate, it will suffice on this occasion to observe that, in respect to foreign affairs, the President has no exclusive binding power, except that of receiving Ambassadors and other foreign Ministers, which, as it involves the decision of the competence of the power which sends them, may be an act of this character; to the validity of all other definitive proceedings in the management of foreign affairs, the Constitutional advice and consent of the Senate are indispensable.

In these concerns the Senate are the Constitutional and the only responsible counsellors of the President. And in this capacity the Senate may, and ought to, look into and watch over every branch of the foreign affairs of the nation; they may, therefore, at any time call for full and exact information respecting the foreign affairs, and express their opinion and advice to the President respecting the same, when and under whatever other circumstances, they may think such advice expedient.

There is a peculiar jealousy manifested in the Constitution concerning the power which shall manage the foreign affairs, and make treaties with foreign nations. Hence, the provision which requires the consent of two-thirds of the Senators to confirm any compact with a foreign nation that shall bind the United States; thus putting it in the power of a minority of the Senators, or States to control the President and a majority of the Senate: a check on the Executive power to be found in no other case.

To make a treaty includes all the proceedings by which it is made and the advice and consent of the Senate being necessary in the making of treaties must necessarily be so, touching the measures employed in making the same. The Constitution does not say that treaties shall be concluded, but that they shall be made, by and with the advice and consent of the Senate: none therefore can be made without such advice and consent; and the objections against the agency of the Senate in making treaties, or in advising the President to make the same, cannot be sustained, but by giving to the Constitution an interpretation different from its obvious and most salutary meaning.

To support the objection, this gloss must be given to the Constitution, "that the President shall make treaties, and by and with the advice and consent of the Senate ratify the same." That this is, or could have been intended to be the interpretation of the Constitution, one observation will disprove. If the President alone has power to make a treaty, and the same be made pursuant to the powers and instruction given to his Minister, its ratification follows as a matter of course, and to refuse the same would be a violation of good faith; to call in the Senate to deliberate, to advise, and to consent to an act which it would be binding on them to approve and ratify, will it is presumed, be deemed too trivial to satisfy the extraordinary provision of the Constitution, that has been cited.[55]

After hearing King's speech the Senate voted to interfere in the direction of foreign negotiations—that is, it passed the Burrill resolution—and thereby rejected the opinion of the 1816 Committee Report relative to the treaty-making power. As for the commerce treaty with Britain that precipitated the 1816 Committee Report, the Senate voted to involve itself in the course of further negotiations on commerce with Britain on January 26, 1819 and again on January 3, 1820. These facts, and a correct understanding of John Marshall's "sole organ" speech, leave the opinion of Sutherland regarding treaty negotiations completely without foundation. Furthermore, Sutherland simply ignores the records of the Constitution Convention, the *Federalist Papers*, the record of the first years in the Senate Executive Journal, which records the executive proceedings apart from the legislative proceedings, and particularly the Rufus King speech and its associated Senate endorsement.

In the face of all this evidence the question is raised: What caused Sutherland to offer his dictum on the treaty-making power? An article by Forrest R. Black in 1931, *The United States Senate and the Treaty Power*,[56] is most revealing in this respect. Black reported that at that time there were "two widely divergent schools of thought as to the respective [constitutional] roles of the President and of the Senate" in making treaties:

"The Washington [interpretation] views the role of the Senate as an integral part of the treaty making function, which may be exercised at any stage of a negotiation; the other [interpretation], the Wilsonian, considers the function of the Senate merely to give sanction to a treaty that is already drafted . . . [and] would make the word 'advice' mere surplusage." [57]

The Wilsonian view found its literary expression in Corwin's book, *The President's Control of Foreign Relations*, 1917, which was written to answer "the numerous interesting questions which have arisen since Mr. Wilson went to Washington as to the powers of the President in the diplomatic field." [58] Black presented a very informative and thorough analysis of this issue and concluded that the "Washingtonian" interpretation was correct but he indicated that the "Wilsonian" view was more likely to prevail. In summing up the case for the Wilsonian advocates, Black states: "The gist of their case seems to be that *the nature of transactions with foreign nations requires caution and unity of design, and their frequency depends on secrecy and dispatch . . . that a division of opinion between the Senate and the President could not fail to give the nation with whom we might be disposed to treat, the most decided advantage.*" [59] Now observe that the case for the Wilsonian advocates as reported by Black (italicized) was taken verbatim from the previously mentioned 1816 Foreign Relations Committee report and reappeared in the *Curtiss-Wright* opinion five years after Black's article when Sutherland adopted the Wilsonian interpretation.[60]

It is thus apparent that there was in the period of 1917–1936 an aggrandizement of the Executive in foreign affairs and that Sutherland in *Curtiss-Wright* played a part.

However, if Sutherland wanted to contend that the President has the power to negotiate without Senate advice, a power not explicitly delegated by the Constitution, then the burden was on him to come up with facts to justify that position. But the two minute fragments of historical data relied on by Sutherland do not support him. The meager basis for his treaty power opinion, however, can be explained. For there was a larger issue that concerned Sutherland and this was his theory of implied foreign affairs powers which was central to the trend toward more executive powers in foreign affairs. This theory occupies most of Sutherland's attention in his *Curtiss-Wright* opinion with the treaty power mentioned only briefly. (Moreover, if the negotiation of treaties was Sutherland's main concern, he surely would not have omitted the last paragraph of the 1816 Committee Report which said: ". . . the more separate and distinct in practice the negotiating and treaty ratifying power are kept, the more safe the national interest.") His theory is based on the assumption that the federal government's "powers of external sovereignty did not depend upon affirmative grants of the Constitution." [61] This theory is presented in more detail in his book, *Constitutional Power and World Affairs*.[62] A review of this book in connection with the treaty-making power is therefore essential because *therein* is Sutherland's *real* basis for his *Curtiss-Wright* opinion on the treaty power.

It would seem easy to disprove the view that "powers of external sovereignty did not depend upon affirmative grants of the Constitution," since the tenth amendment of the Constitution evidently precludes them. After all, the Court, in 1957, in *Reid vs. Covert* stated:

"The United States is entirely a creature of the Constitution. Its power and authority have no other source. It can only act in ac-

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cordance with all the limitations imposed by the Constitution . . . the United States Government . . . has no power except that granted by the Constitution. . . ." [63]

However, Sutherland, in his book, argued that if an external sovereignty power was not expressly granted in the Constitution, *but neither denied*, then this power (whatever it might be) was still granted to the national government by the Constitution since neither the people nor the states could have it in practicality. That is, he argues, the tenth amendment does not apply to external sovereignty powers because the framers (supposedly) intended that these powers were complete under the Constitution, whether or not they all are expressly stated in the Constitution's phraseology:

"We must cease to measure the authority of the general government only by what the Constitution affirmatively grants, and consider it also in the light of what the Constitution permits from failure to deny." [64]

Since Sutherland deprives us the use of the tenth amendment in order to reject his theory, we must review his basis.

Sutherland's book was written at the end of World War I. Because of the new magnitude of horror which the war had wrought, he expressed his strong conviction that the United States must build a military preparedness, including compulsory service, and actively participate in international politics and adopt:

"Every possible safeguard which can be devised to prevent a repetition of the conditions under which Germany came perilously near realizing her dream of European dictatorship . . . the master of Europe [will be] . . . the master of the world." [65]

Although Sutherland opposed the League of Nations plan, he urged "extension of the principles and plans" of the Permanent (International) Court of Arbitration established by the Hague Conference of 1899. He stated:

"It must be apparent to everyone that the field of national responsibility will be immensely broadened as a result of the war, and there will be presented questions not only relating to this phase of the matter but questions no less important related to the power of the national government under the Constitution to deal with them.[66]

"The powers of the national government over external affairs, all at once, therefore have assumed new and increased importance, in the light of which, a re-examination of their nature and extent is not only pertinent but may, sooner or later, become highly necessary; for it is certain that hereafter, whether desired or desirable, we shall be obligated to occupy a larger place in the affairs of the world, to participate to a far greater degree in world policies and lend substantial and increased assistance toward the solution of world problems.[67]

"For this condition of affairs, there must result, as will be shown hereafter at length [in his book], a rule of constitutional construction radically more liberal than that which obtains in the case of domestic powers . . . any rule of construction which would result in curtailing or preventing action on the part of the national government in the enlarged field of world responsibility which we are entering, might prove highly injurious or embarrassing.[68]

[Therefore], in this new and extended relationship, we shall probably be obliged to extend the scope and application of the familiar meanings of the Constitution, and it may be to *find*—though not to *make*—new meanings." [69]

In his search for "new meanings" he states, after quoting the "premise language of the Constitution" regarding the treaty-making power:

"It will be observed that the advice and consent of the Senate qualifies the power of the President to make, not to negotiate, treaties. When a treaty is contemplated, therefore, the President may, and more often does, enter upon negotiations with foreign governments, through diplomatic channels, and carries them to the point of reaching an understanding as to the terms and phraseology of the treaty, before the advice and consent of the Senate is sought at all—subject of course, finally, to Senatorial action." [70]

This "new meaning" is of course incorrect as the wealth of evidence presented in this article demonstrates. Furthermore, Sutherland attempts no proof in his book of this assertion, except to say that the Constitution does not explicitly deny it. (Presumably, he relied on Corwin to attempt a proof since he undoubtedly had a high regard for him—*e.g.*, he called Professor Corwin's book, *National Supremacy*, "brilliantly convincing.") He "found" this separate "negotiation power" so that the President could move freely in international affairs by avoiding any possible Senate interference. For he states:

"The time is fast approaching, if it be not already here, when we must be able to assert and maintain for that [national] government the unimpaired powers of complete external sovereignty. We must not—we cannot—enter upon this field of amplified [international] activity with half-developed limbs. The complete powers of the governments of other nations must be matched by the complete power of our own government. Upon this enlarged stage of international negotiation and co-operation we cannot afford to play the part of a political cripple. Our government must come to its new tasks not only with full, but with unquestioned powers. To be obliged to confess, when called upon to deal with some novel but vital matter, that the government lacked sufficient authority, because of the absence of affirmative language in the Constitution, would be most humiliating and regrettable . . . any theory of constitutional construction which leads to such a result will not bear analysis and must be rejected." [71]

Sutherland argued that the President has this implied power to negotiate without Senate advice because the Constitution does not deny it. He argues that nowhere in the record of the Federal Constitutional Convention is it stated that our external sovereignty powers are incomplete. Hence, he states, because they are complete and because there is the power "to negotiate," separate (supposedly) from the power "to make" treaties, it resides with the Branch most suited—the Executive. Therefore, he argues that the separate power "to negotiate" is granted implicitly in the Constitution and, consequently, the tenth amendment, "the powers not delegated to the United States by the Constitution . . . are reserved . . . to the people," does not apply in this case. He states that we are "dealing with a class of powers, sufficiently numerous to be difficult of exhaustive enumeration, but which, whether enumerated or not, might at any time, require exercise, and perhaps very prompt exercise." [72]

However, the above theory and arguments by Sutherland, which were used to circumvent the tenth amendment, come crashing down to utter uselessness when confronted with the authority of the *Federalist Papers:*

"No. 14 (Madison), In the first place it is to be remembered that the general government is *not* to be charged with the whole power of making and administering laws. Its jurisdiction is limited to certain enumerated objects [*i.e.*, listed one by one in the Constitution].

"No. 45 (Madison), The Powers delegated by the proposed Constitution are few and defined. Those which are to remain in the State governments are numerous and indefinite. The former will be exercised principally on external objects, as war, peace, negotiation, and foreign commerce."

And so we are *not* dealing with a class of external sovereignty powers that are too numerous to completely enumerate but rather these powers are "few and defined" and include only those "certain enumerated objects." Thus, the whole of Sutherland's opinion regarding the treaty-making power is not based on fact. It is dictum, without a factual basis, and, hence, is without authority.

Evidently, Sutherland was willing to chance his theory rather than attempt to confirm it, for he stated:

"I do not remember to have seen it stated, but obviously it must be this: that the exigencies of government administration, because of their great variety and constant augmentation cannot be foreseen and consequently cannot be enumerated; and it is better to risk an occasional abuse of power than it is to incur the inconvenience and dangers arising from lack of effective power." [73]

As to risking occasional abuse of power, George Washington had this to say:

"If, in the opinion of the people, distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield." [74]

Although Sutherland's call for military preparedness and an international Court of Arbitration may have been good, his flaw was that he was willing to violate our Constitution so that the President could move more freely in international politics, thereby jeopardizing representative government here at home. We have already accumulated much experience under his theory of a separate, implied negotiating power and the results indicate little success in achieving "solutions to world problems." For example, Wilson sought to negotiate without Senate advice and he failed to make a practical League of Nations treaty as a consequence. We have had two large wars since then (World War II and Korea) and no satisfactory resolution of either of them was achieved through negotiations conducted without Senate consultation. We are presently involved in a longer, third war and, again, negotiation without Senate consultation has gotten nowhere. We have had and are having a frightening nuclear arms race and negotiation without Senate consultation has achieved only small success in nuclear arms limitation. As an indication of the extent which the Wilsonian view pervades the Executive Branch today, the President is reported to have said that the recently passed Senate Resolution 211 on the Strategic Arms Limitations negotiations was "irrelevant." [75]

Senate advice as a body

The "advice of the Senate" required for treaty-making must take the form of a Senate resolution. The opinions of selected members invited to the White House cannot constitute Senate advice and neither can a collection of public statements made by individual Senators. The Constitution requires that "each Senator shall have one vote" [76] which was the equality of states compromise reached in the Federal Convention.[77] Madison, in the Federalist (No. 62) said that the states "ought to have an equal share in the common councils." Also, Jay in the *Federalist* (No. 64) said that "should any circumstance occur which requires the advice and consent of the Senate, he may, at any time, convene *them*." (emphasis added) Jay does not say and neither does the Constitution, that the President may seek out certain members and solicit only their advice, or that a committee of the Senate may provide the advice and consent.

Footnotes at end of article.

To prove the last point one need only cite, again, the record of the Senate Executive Journal, Vols. I and II, and specifically the message to the Senate from President Madison in which he declined to confer with a Senate appointed committee on constitutional grounds:

"The appointment of a committee of the Senate to confer immediately with the Executive himself, appears to lose sight of the co-ordinate relation between the Executive and the Senate, which the Constitution has established, and which ought, therefore, to be maintained."[78]

Indeed, on another occasion the Senate attempted to confer with Madison through a committee and the President again declined. According to the report:

"He regretted that the measure had been taken under circumstances which deprived him of the aid or advice of the Senate."[79]

Having shown that advice of the Senate requires resolution of the Senate as a body, it should be said that only a simple majority vote is required rather than the two-thirds vote required for final ratification of a treaty. The clause, "provided two-thirds of the Senators present concur," evidently applies only to consenting to the treaty. It makes no sense to identify "concur" with the advice; the framers would not have thought it necessary to state in the Constitution that the Senate must concur in its own advice. Rather, if the Senate concurs, it is with the plan of another branch of the government. Inspection of the Senate Executive Journal, Vol. I, will bear this out.

Origin of the Treaty Making Clause

Early drafts of the Constitution during the Federal Convention of 1787 gave the Senate sole treaty-making power. However, the framers were unable to agree that the Senate should have the sole power. Near the end of the convention, on August 31, a committee of eleven was appointed to which was referred this and other unfinished parts of the Constitution.[80] On September 4, the committee proposed to the convention the clause: "the President by and with the advice and consent of the Senate shall have power to make treaties." It is again noted that Rufus King was a member of this Committee of Eleven. This gives more weight to his 1818 Senate speech previously cited where he explicitly defined the treaty power. Madison was a member of this committee, also. Perhaps he drew upon his state's constitution for the phraseology of the treaty-making clause. The Virginia State Constitution, in effect at the time, stated, "he, [the Governor] shall, with the advice of a Council of State, exercise the executive powers of government." (The term "Privy Council" and "Council of State" were used interchangeable in the Virginia Constitution.) On September 7, Mr. Mason moved to install a "privy council" or "council of state" to advise the President in forming treaties, and leave to the Senate only the function of concurring in treaties and appointments, since otherwise the Senate would be required to be in constant session. Rufus King then argued that the inconveniences of having the Senate act as a "Council of Advice" did not warrant creation of a "New corps which must increase the expense as well as influence of the [federal] Government."[81] Mr. Gouverneur Morris argued that with a privy council the "President by persuading his council to concur in wrong measures, would acquire their protection for them."[82]

As for the concern over the Executive having to share secrets with the Senate, associating the term "privy council" with the Senate in the drafting of the Constitution explains why the Senate adopted a secrecy rule whenever receiving messages and documents related to treaty-making.[83] Further illustration of the point that the Senate was expected to share secrets is given by the fact that on September 7 the House of Representatives were excluded from treaty-making after Mr. Sherman argued that the power of making treaties "could be safely trusted to the Senate. He [Sherman] thought it could; and that the necessity of secrecy in the case of treaties forbade a reference of them to the whole Legislature."[84] According to F. R. Black the Wilsonian advocates advanced the argument that "real secrecy is impossible if the Senate is kept advised of the facts during the negotiation of the treaty." To this Black said:

"But even if the Senate as a body should receive its [secret] information, it would be in executive session behind closed doors, and the argument that secrecy would be jeopardized is but a polite way of questioning the patriotism and the motives of the members of the United States Senate."[85]

President as Commander in Chief

Corwin has argued that due in part to the Commander in Chief role (the President can arrange an armistice on his own authority), the President is "the sole organ of diplomatic relations to negotiate the final peace."[86] Here it seems that Corwin singles out the negotiation of peace treaties as the exclusive province of the Executive. To refute this view one need only consult the records of the Federal Convention.[87] After the treaty clause in its present form was adopted, Madison moved to insert "except treaties of peace" after the clause. After that motion passed, Madison "moved to authorize a concurrence of two-thirds of the Senate to make treaties of peace, without the concurrence of the President. The President he said would necessarily derive so much power and importance from a state of war that he might be tempted, if authorized, to impede a treaty of peace. Mr. Butler seconded the motion. Mr. Gorham thought the precaution unnecessary as the means of carrying on the war would not be in the hands of the President, but of the Legislature. Mr. Govr. Morris thought the power of the President in this case harmless; and that no peace ought to be made without the concurrence of the President, who was the general Guardian of the National interests. Mr. Butler was strenuous for the motion, as a necessary security against ambitious and corrupt Presidents. He mentioned the late perfidious policy of the Statholder in Holland; and the artifices of the Duke of Marlbro' to prolong the war of which he had the management. . . . Mr. Williamson thought that Treaties of peace should be guarded at least by requiring the same concurrence as in other Treaties." The motion failed. The "except treaties of peace" clause was then stricken.[88] And so to negotiate the peace is *not* the sole power of the President as Commander in Chief. Rather, the situation is the same for peace treaties as for other kinds of treaties.

The Vietnam Peace Treaty Negotiations

If the Vietnam peace treaty negotiations are of the nature as to require the "indirect method," then the President should nominate an envoy to the Paris Conference and obtain the Senate's advice and consent to appoint the nominee for the purpose of framing a treaty with North Vietnam. The Senate may want to require that the envoy carry with him an outline of proposed terms. On the other hand, it may be preferable that a draft of a treaty be worked out between the Senate and the President which could serve as the basis for talks with North Vietnam and the NLF. This would also require the consent of the Senate. The President would then be free to negotiate a final draft with the other side unless the emerging treaty took a form substantially outside that which was consented to by the Senate. In the latter event, the President would be obligated to consult again with the Senate. Either way, a sound constitutional procedure is available to the President since the Senate would have in each case the opportunity to give advice and, upon agreement, its consent to whatever plan of action might be worked out. It can hardly be justifiably argued that this procedure would be impracticably slow in view of the singular lack of substantive progress after more than 26 months of negotiations in Paris with no official Senate participation. On the contrary, bringing the active participation of the Senate into these negotiations, as suggested in the above procedure, may result in greater and more rapid progress because there would be a closer correspondence between our negotiating policies and our national interests and welfare. To further support this contention, there is the rather obvious view expressed throughout the *Federalist Papers* (No. 62, 63, and 64 in particular) that the Senate is to be composed of the "most distinguished men of abilities, . . . who [along with the President] best understand our national interests . . . considered in relation to foreign nations," and who, because of their six-year terms, will provide "accurate and comprehensive knowledge of foreign politics, a steady and systematic adherence to the same views, and a nice uniform sensibility to national character." Jay stated that the six-year Senate term provided "sufficient time to become perfectly acquainted with our national concerns, and to form and introduce a system for the management of them." All of these statements point to the notion that the advice of the Senate is, if not indispensable, at least of great value in keeping our foreign policy consistent with our true interests and in keeping it from unduly fluctuating in order to avoid causing ill relations, or, in the words of the *Federalist Papers,* "forfeiting the respect and confidence of other nations."

Because the President and the Senators have all sworn to support the Constitution it seems only right to expect that both the President and the Senate undertake a thorough review of the treaty clause in order to ensure that each is indeed supporting the Constitution. It must be recalled that twelve of the sixty-six senators during Washington's administration were delegates to the Constitutional Convention (of approximately fifty delegates) and ten were delegates to the States' ratifying assemblies. (Recall that Washington was President of the Constitutional Convention, Hamilton was Washington's Secretary of Treasury, and Jay, the first Chief Justice, wrote the essays in the *Federalist Papers* relating to foreign affairs). These men worked together closely to make the government function as it was intended by the Federal Convention and the state assemblies which approved the Constitution. In view of this, the way in which the government operated during the first years under the Constitution should weigh very heavily in interpreting the Constitution. And during these first years the treaty power was exercised in a spirit of co-operation and consultation between the Executive and the Senate. This co-operation was an important factor in getting the Nation off on a successful and solid start.[89]

It has been said that the Paris Peace Negotiations are preliminary, a kind of sparring to see whether serious negotiations are possible, and thus do not require the President to seek Senate counsel.[90] However, there is only *one* phase of any negotiation which the President can conduct without Senate counsel and that phase was defined by Jay: "Those matters which in negotiation usually require the most secrecy and the most dispatch are those preparatory and auxiliary measures *which are not otherwise important in a national view* . . . For these the President will find no difficulty to provide . . ."[91] (emphasis added). Now as soon as the opposing parties in Paris agreed to the shape of the table and the place and times to meet, the "prepara-

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Footnotes at end of article.

tory measures" were accomplished. From that time on, the discussions have surely been of "importance in the national view." Senator Bacon in his article, *The Treaty-Making Power*, said:

"It is proper for the Senate to advise at all stages. We do not advise men after they have made up their minds and after they have acted; we advise men while they are considering, while they are deliberating and before they have determined and before they have acted." [92]

In closing, it should be said that the advice and consent of the Senate are intended to help the President in a common enterprise; they are not hostile limitations. Since in the final event, the President makes the peace treaty, he must try to realize that the Senate is his constitutional and only responsible counsellor, that the Senate is jointly responsible for the treaty and its early conclusion, and that the Senate exists to provide wise counsel. The treaty power makes demands upon the good faith of the President, since he must decide when it is appropriate to consult with the Senate, but consult he must. Our Constitution is both the *means* and the *end* of our foreign policy. Not to follow the Constitution would defeat its purpose.

FOOTNOTES

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[1] U.S. Const. article II, § 7.

[2] U.S. Const. amend. X.

[3] U.S. Const. article VI.

[4] The Federalist, No. 64 (J. Jay).

[5] 299 U.S. 304 (1936).

[6] S. Doc. No. 39, 88th Cong., 2d Sess. (1964), p. 462:

"The plan which the Committee of Detail reported to the Federal Convention on August 6, 1787 provided that "the Senate of the United States shall have power to make treaties, and to appoint Ambassadors, and Judges of the Supreme Court." Not until September 7, ten days before the Convention's final adjournment, was the President made a participant in these powers. The constitution's clause evidently assumes that the President and the Senate will be associated throughout the entire process of making a treaty, although Jay, writing in the Federalist foresaw that the initiative must often be seized by the President without benefit of Senatorial counsel. Yet so late as 1818 Rufus King, Senator from New York, who had been a member of the Convention, declared on the floor of the Senate: "In these concerns the Senate are the Constitutional and only responsible counsellors of the President. And in this capacity the Senate may, and ought to, look into and watch over every branch of the foreign affairs of the nation; they may, therefore, at any time call for full and exact information respecting the foreign affairs, and express their opinion and advice to the President respecting the same, when, and under whatever other circumstances, they may think such advice expedient."

[7] *Id.*

[8] The Federalist No. 64 (J. Jay).

[9] *Id.*

[10] *Id.*

[11] Annals of Cong. 15 Cong. 1st Sess., I, at 106–07. *See also* 3 M. Farrand, The Records of the Federal Convention of 1787 at 424 (Yale Univ. Press).

[12] *Id.*

[13] M. Farrand, The Framing of the Constitution (Yale University Press).

[14] R. Ernst, Rufus King—American Federalist (University of North Carolina Press).

[15] C. R. King, The Life and Correspondence of Rufus King 90–95.

[16] *Id.*

[17] E. S. Corwin, The President—Office and Powers 478 (N.Y.U. Press, 1948).

[18] 8 S. Doc. No. 231, 56th Cong., 2d Sess. *Compilation of Reports of Committee on Foreign Relations, 1789–1901*, p. 22–24.

[19] E. S. Corwin, *supra* note 17, at 254–58.

[20] S. Doc. No. 39, 88th Cong., 2d Sess. (1964), P-463.

[21] E. S. Corwin, The President's Control of Foreign Relations (1917), p. 85.

[22] Annals of Congress, August 22–26, 1789.

[23] R. Hayden, The Senate and Treaties—1789–1817 (MacMillan).

[24] E. S. Corwin, *supra* note 22, at 87–88.

[25] H. F. Graff, "Thinking Aloud: Participatory Foreign Policy," The New Leader Magazine, March 2, 1970. *See also* Cong. Rec. vol. 116, pt. 6, p. 8368, and E. F. Goldman, "The President, The People, and the Power to Make War," American Heritage Magazine, April, 1970.

[26] J. Q. Adams, Memoirs, Vol. 6, 310–430 [hereinafter cited as Memoirs].

[27] Sen. Exec. Journal Vol. 3, at 381.

[28] *Id.*

[29] *Id.* at 380–85.

[30] Memoirs at 361.

[31] Sen. Exec. Journal Vol. 3, at 410.

[32] E. S. Corwin, *supra* note 17 at 254–58.

[33] R. Hayden, *supra* note 23. *See also* Sen. Exec. Journal Vol. 1.

[34] Sen. Exec. Journal Vol. 1, at 37.

[35] 1 C. R. King, The Life and Correspondence of Rufus King 517.

[36] Sen. Exec. Journal Vol. 1, at 150; incidentally, the phrasing of Washington's message had its origin in the minutes of the above mentioned conference of Senators. *See id.*

[37] R. Hayden, *supra* note 23.

[38] E. S. Corwin, *supra* note 17 at 254–58.

[39] S. Doc. No. 39, 88th Cong., 2d Sess. (1964) p. 463:

"Actually, the negotiation of treaties had long since been taken over by the President; the Senate's role in relation to treaties is today essentially legislative in character. 'He alone negotiates. Into the field of negotiation, the Senate cannot intrude; and Congress itself is powerless to invade it,' declared Justice Sutherland for the Court in 1936."

[40] D. F. Fleming, The Treaty of the American Senate 21–22 (Putnam).

[41] W. S. Holt, Treaties Defeated by the Senate 249–307 (Johns Hopkins Press).

[42] *Id.*

[43] *Id.*

[44] W. S. Holt, *supra* note 41.

[45] Anyone who thinks that the Senate acted irresponsibly should study the Senate Foreign Relations Committee majority Report against the treaty. Cong. Record, Sept. 10, 1919.

[46] *See* National Commitments Resolution, Cong. Record, vol. 115, pt. 13, p. 17214. *See also* S. Rep. No. 91–129, *supra* note 18.

[47] 299 U.S. 304 (1936).

[48] *Id.* at 319.

[49] U.S. v. Curtiss-Wright, 299 U.S. 304 at 319 (1936).

[50] The Federalist No. 72 (A. Hamilton).

[51] Annals of Cong., 6th Cong. 613.

[52] S. Doc. No. 231, *supra* note 18.

[53] *Id.*

[54] M. Farrand, *supra* note 13.

[55] Annals of Cong. 15th Cong., 1st Sess. 106–07.

[56] F. R. Black, The United States Senate and Treaty Power, 4 Rocky Mt. L. Rev. 1–19 (1931). Black's article discusses many other considerations and important historical events affecting the treaty power and refers to other articles on the subject. His article should be studied by all those pursuing this matter.

[57] *Id.*

[58] E. S. Corwin, The President's Control of Foreign Relations, preface.

[59] F. R. Black, *supra* note 56 at 12 and 14.

[60] The Curtiss-Wright case had to do with the President executing a law of Congress and not the negotiating of any treaty. So why did the Court settle one of the questions Corwin tried to answer? The Constitution does not grant the Judiciary the power to settle questions, only cases. It is ironic that in the very speech by John Marshall cited by Sutherland in the Curtiss-Wright decision, Marshall said this about the Court settling questions:

"By the Constitution, the Judicial Power of the United States is extended to all cases in law and equity, arising under the Constitution, laws, and treaties of the United States but the resolutions [under debate] declare that Judicial power to extend to all questions arising under the Constitution, treaties and laws of the United States. The difference between the Constitution and resolutions was material and apparent. A case in law or equity was a term well understood, and of limited signification. It was a controversy between parties which had taken a shape for judicial decision. If the Judicial power extended to every question under the Constitution, it would involve almost every subject proper for Legislative discussion and decision; if to every question under the laws and treaties of the United States, it would involve almost every subject on which the Executive could act. The division of power which the gentleman had stated, could exist no longer, and the other departments would be swallowed by the Judiciary." Annals of Cong., 6th Cong., at 606.

[61] U.S. v. Curtiss-Wright, 299 U.S. 304 at 319 (1936).

[62] Columbia University Press, 1919.

[63] 354 U.S. 1 at 12 (1956).

[64] G. Sutherland, Constitutional Power and World Affairs 172 (Columbia University Press, 1919).

[65] *Id.* at 21.

[66] *Id.* at 18.

[67] *Id.* at 26.

[68] *Id.* at 21.

[69] *Id.* at 27.

[70] *Id.* at 122.

[71] *Id* at 171.

[72] *Id.* at 36. During the struggle for ratification of the Constitution, there was great concern that the federal powers may not have been limited to those enumerated. James Wilson, who was a delegate to the Constitutional Convention from Pennsylvania, said to a "Meeting of the Citizens of Philadelphia" that "in delegating federal powers, . . . the congressional authority is to be collected, not from tacit implication, but from the positive grant, expressed in the instrument of union. . . . Hence, . . . everything which is not given, is reserved." (*Pamphlets on the Constitution*, Paul L. Ford, p. 156). The people insisted, however, that Wilson's assurance be written into the Constitution. Madison led the effort to amend the Constitution accordingly and the 10th amendment was included in with the Bill of Rights. (*The Birth of the Bill of Rights*, Robert A. Rutland, pp. 126–218). However, there persists the view that the 10th amendment is not meaningful with respect to implied particular powers. *See The Federalist Era* by John C. Miller, p. 24. This view can be rejected with the authority of the *Federalist Papers*, No. 44. Here Madison makes it very clear that the term *enumerated powers* applies to those *general* powers *expressly* written into the Constitution and not to the innumerable *particular* powers that would be needed to exercise the former. The latter were to be provided for only by passing laws under the *necessary and proper* clause. This explains why the phrase "expressly delegated" does not appear in the 10th amendment whereas it appeared in the Articles of Confederation, Article II.

[73] *Id. at* 47.

[74] 35 J. Fitzpatrick, Writings of George Washington 229.

[75] CONG. RECORD, vol. 116, pt. 10, p. 12720.

[76] U.S. CONST. article I, § 3.

[77] M. FARRAND, *supra* note 13.

[78] SENATE EXEC. JOURNAL Vol. 2 at 382.

[79] *Id.* at 389.

[80] 2 M. FARRAND, THE RECORDS OF THE FEDERAL CONVENTION OF 1787 .

[81] *Id.* at 539.

[82] *Id.* at 542.

[83] *See generally,* SENATE EXEC. JOURNAL Vols. 1, 2, and 3. *See also,* Senate Rules Manual.

[84] M. FARRAND *supra* note 81 at 538.

[85] F. R. BLACK, *supra* note 59 at 13–14.

[86] E. S. CORWIN, *supra* note 17 at 315.

[87] M. FARRAND, *supra* note 80 at 540.

[88] *Id.* at 540–41.

[89] R. HAYDEN, *supra* note 23 at 3.

[90] *See* Senate Report 91–834; 91st CONG., 2nd SESS., May 1, 1970, "Termination of Middle East and Southeast Asia Resolution," p. 21, 29. On these pages the Department of State in commenting on various proposed Senate resolutions stated that the current Vietnam peace negotiations (as of December 4, 1969) were not "serious," "real," nor "meaningful."

[91] THE FEDERALIST No. 64 (J. Jay).

[92] F. R. BLACK, *supra* note 57 at 2.

Mr. FULBRIGHT. Mr. President, I would like to congratulate the Senator from Indiana for a very ingenious and new thought on this general subject of trying to reestablish the proper role of Congress in the making of foreign policy.

By chance, this morning we had an early hearing with Professor Bickel, of Yale, on war power legislation pending before the Foreign Relations Committee. The proposed legislation to which I refer was introduced by the Senator from New York (Mr. JAVITS), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. TAFT), and some other Senators.

The Senator from Indiana said that Congress has paid more attention to its powers with reference to the making of war than with reference to making peace.

The Senator's suggestion is ingenious. The more I have watched the effects of the Congress abandoning some of its constitutional authority, the more I respect the Constitution.

As the Senator from Indiana pointed out, President Wilson, in attempting personal and private presidential peace making, led to the complete disaster in which a peace treaty and the League of Nations were rejected; it was a great disaster to the country. Now, we have had presidential war making in Vietnam, and I refer to the Vietnam war that started before this administration was in power, but it is still going on and daily becoming a greater disaster for our country.

So I think the Senator should be applauded for his resolution which attempts to bring Congress into full and timely participation in these matters, and, more specifically, the Senate in the case of treaties.

The question of the President appointing ambassadors as his "personal representatives," not subject to confirmation by the Senate, has been considered earlier by the Committee on Foreign Relations and we have argued with this administration and the previous administration, trying to persuade the President to cease this practice. Usually such individuals with the "personal rank of ambassador," by authority of the President acting alone, have been appointed to less important roles than negotiating peace as in Paris; very often they are named for meetings on ceremonial matters. Nevertheless we try to discourage the practice, and we have had some degree of cooperation, although the administration has not agreed completely to stop the practice.

As the Senator knows, I agree that it does not seem to be an agreeable—or even constitutional—practice.

The Senator from Indiana and I discussed previously whether his resolution should be brought before the Senate without prior reference to a committee. This is an important subject; it should go to committee and should be the subject of hearings. The resolution is on all fours with the type of bill the committee now has before it on presidential warmaking power.

I predict that if the resolution were brought up in the Senate without hearings or committee consideration, the Senator would not succeed because it is a novel idea. The idea that the Senate should be advised before the treaty is agreed upon by the President is a sound one. It would go far to insure success that the treaty, whatever it might be, will be acceptable to the country.

So I strongly recommend, not only in the case of the Paris negotiations, but also with respect to others in the future that this administration would consult with Congress with regard to whatever they have in mind especially in connection with the upcoming meeting with China. Not only do I think it is constitutional to do so, but as a practical matter it is much more likely to succeed to bring the Congress along with the President on whatever his policy is.

So I strongly endorse the idea the Senator is advancing, that Congress should be allowed to play its proper constitutional role, either in war making or in peace making, even though in this instance the Senator is referring to negotiations in Paris. His resolution incorporates, as I understand it, virtually the same provision the Senate approved in the case of the Mansfield amendment. Is that correct?

Mr. HARTKE. That is exactly correct. What I have done really is to take what has been expressed as the voice of the Senate in regard to negotiations and incorporated them in this resolution, and provided that in dealing with the confirmation of ambassadors, there must be the advice and consent of the Senate.

Let me clear up one point. I talked about immediate consideration. Probably the best procedure would be to allow the resolution to go to the Committee on Foreign Relations with the hope that it could be considered at the same time as the committee is considering warmaking powers, especially in view of the fact that there is widespread notice there will be a new man to replace Ambassador Bruce, and that appointment is contemplated for the middle of August.

Mr. FULBRIGHT. Tomorrow is the last hearing the Foreign Relations Committee has scheduled on warmaking powers. I hope next week, and maybe the latter part of this week, if we can get Members free from other duties, to have a markup on those bills and I would recommend we consider this resolution, too. It is certainly in accord with the thrust of the activities of a number of Senators, over the last several years, to reestablish the proper role of the Senate.

The Senate, I am bound to say, and the Congress, as a whole, have been negligent of their responsibility in the last 25 years. This has come about because of pending crises and two wars; and this sense of crisis overshadows everything we do, and we have tended to support to a greater extent than necessary, the presidential power.

During that period we had a very powerful President, a powerful personality, a man who was intimately acquainted with the Senate and Congress and who knew their ways and weaknesses. Due to his dominating personality, I would say, that contributed also to the transfer during that period of a great deal of the responsibility of the Senate to the office of President. I do not think it has been a healthy thing, and I think this resolution is a move in the right direction. With all deference, I do not mean to say that I think the Senate has any greater wisdom than the Presidents, but it has one quality which is not shared, say, by members of the National Security Council, and that is that Senators are elected by the people and represent people in the various States. For this reason, if for no other reason, they should be consulted in these major matters affecting the welfare of this country, especially in this field. Under the Constitution I think that is what is contemplated.

I believe the Senator's resolution is entirely in accord with the Washingtonian view of the Constitution. As the Senator stated in the early days it was intended that the Senate was consulted about matters before they were reduced to an agreement. That practice was followed. All the administration now ask of us is consent and then we are put in the position where the only thing we can do is to vote up or down. It is difficult to make these changes, and it enters into the question of the prestige of the President. We are expected to save his face, and his party Members do not like to raise questions about his decisions. Altogether our reluctance to question such residential practices distorts the whole procedure by which the Constitution contemplated we should make agreements, and certainly to settle a war.

I commend the Senator. I am glad he has introduced the resolution. I can assure him that as far as I am concerned it will receive early consideration by the committee.

In view of the situation on the floor of the Senate, as the Senator is well aware, with the cloture votes, and very important and extended discussion pending, I may say that I am not sure the Senator could get immediate action. But it is good that the resolution has been introduced, and I hope the President takes note of it, even if the Senate does not act immediately.

Mr. HARTKE. I hope the President takes a suggestion from the resolution that what we are really doing is saying that the Constitution is the supreme law of the land and there is a way to change it if the people want to.

Historically, the concept that the President had treaty-making powers was not considered until 10 days before the final draft of the Constitution; the original draft gave all power to the Senate.

One other factor is extremely important in view of the announcement of the President's visit to Mainland China. Here we are with the President going to a country which has not been formally recognized by this country. Elements of secrecy have shrouded our preliminary negotiations, even though we are not at war with China and there is no evidence that our national security would have been damaged if Dr. Kissinger had gone over with full knowledge of the pending visit. There is no information what was decided in the 20 hours of discussion that I know of.

Perhaps Senators have other information as to the extent of those discussions, but there has been no information as to what ultimately is going to be discussed of a substantive nature affecting the future of the United States and its foreign relations. I think all the circumstances, in view of the Pentagon papers, indicate that there is good reason for the Senate to be in the position of advising and consenting, and that good reason relates not only to the warmaking power, which power has now taken 55,000 lives in Indochina, but goes also to the treatymaking power.

Here the argument goes that the President might not want to conclude the war that has been in existence, even though it might be the desire of the Senate to conclude it and even though it might be the desire of the people to conclude it as expressed to the Senate.

So the advice of the Senate section of the Constitution does not relate merely to the advice that the President might request, but advice could come from the Senate on its own desire. In other words, it should be the coequal branch of government which makes our system different from an authoritarian system and keeps it from being a one-man show.

Mr. FULBRIGHT. The Senator is right. Our experience proves the soundness of the constitutional system. There are other instances of intervention without consultation of the Congress that we could mention in the last 50 or 75 years. It is only since the era of recurring wars, it seems to me, that there has been a real departure from the traditional role between the Congress and the Executive in these matters. There should have been a great deal more reliance and more trust in the Congress on the part of the Executive, but under the impact of several wars—certainly beginning with World War I—and the disastrous Wilsonian experience, and subsequently the present disaster, there a distortion of our constitutional system has developed.

I think this resolution is a step in the right direction, and is especially timely in view of the Senate's recent passage of the Mansfield amendment, which, in the context of the pending draft bill, has still been enacted. I really do not understand why the administration is so determined not to accept the Mansfield amendment. It is a valid statement of policy, and it seems to me that the Senate is entitled to make that statement. It was actually given advice there, only through a different vehicle, and I think it was well within the Senate's responsibility to do it, and I think history will prove the advice was correct advice. I hope that provision will be accepted.

I certainly commend the Senator from Indiana for introducing this measure. I am glad to see that there are Members of this body who do not believe that, because something has been the practice, because the Constitution has been ignored, we have to accept it. There is a sound constitutional principle involved also—the mere fact that the Constitution has been ignored in some respects does not mean those derelictions became the law of the land.

The ACTING PRESIDENT pro tempore. The Senator's 15 minutes have expired.

Mr. HARTKE. Mr. President, I simply want to thank the chairman of the Foreign Relations Committee for his excellent analysis and his assurances that early hearings would be held, and also for the kind words he had to say concerning the resolution.

SENATE CONCURRENT RESOLUTION 37—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE 150TH ANNIVERSARY OF THE TRANSFER OF FLORIDA FROM SPAIN TO THE UNITED STATES

(Referred to the Committee on the Judiciary.)

Mr. CHILES submitted the following concurrent resolution:

S. Con. Res. 37

Whereas, the month of July, 1971 marks the 150th anniversary of the transfer of the sovereignty of Florida from Spain to the United States, and

Whereas it was on July 17, 1821 the 23 star emblem of America was raised from a flagstaff at Pensacola, Florida, and

Whereas the event marked the establishment of Pensacola, Florida, as the territorial capital of this frontier land, and

Whereas Major General Andrew Jackson, commanding U.S. troops, then became the first Territorial Governor of Florida, and

Whereas the people of Pensacola, Florida this year observed the sesquicentennial of the occasion by celebrating with community events, parades, festivities, the presence of many dignitaries including representatives of foreign governments, and

Whereas this occasion was marked with a symbolic changing of the flags and the reenactment of the original transfer in 1821, and

Whereas the people of Pensacola, Florida acted in concert to bring attention to this historic occasion through various committees including the Andrew Jackson Committee chaired by the Honorable Pat Dodson, and

Whereas the Pensacola area, since the original transfer, has become known worldwide for its bountiful beaches, pleasant streets, warm hospitality, and for the beauties of nature as well as for the role the area has played in the national defense and history of the United States, be it therefore

Resolved, That the Congress of the United States extends its greetings to the people of Pensacola and to all the people of Florida on the occasion of the 150th anniversary of the transfer of sovereignty of Florida from Spain to the United States and that a copy of this resolution be transmitted to the Mayor of the City of Pensacola and to the Governor of the State of Florida.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 33

At the request of Mr. Brock, the Senator from Colorado (Mr. Allott), the Senator from Oklahoma (Mr. Bellmon), the Senator from Indiana (Mr. Hartke), the Senator from Oregon (Mr. Hatfield), the Senator from Washington (Mr. Magnuson), the Senator from New Mexico (Mr. Montoya), and the Senator from New Jersey (Mr. Williams) were added as cosponsors of Senate Concurrent Resolution 33 regarding the persecution of Jews and other minorities in Russia.

EMERGENCY LOAN GUARANTEE ACT—AMENDMENTS

AMENDMENTS NOS. 329 THROUGH 333

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted five amendments intended to be proposed by him to the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

AMENDMENTS NO. 334

(Ordered to be printed and to lie on the table.)

Mr. BAYH submitted an amendment intended to be proposed by him to the bill (S. 2308), supra.

AMENDMENT NO. 336

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted an amendment intended to be proposed by him to the bill (S. 2308), supra.

FEDERAL ELECTION CAMPAIGN ACT—AMENDMENT

AMENDMENT NO. 335

(Ordered to be printed and to lie on the table.)

INCOME TAX CREDIT FOR POLITICAL CONTRIBUTIONS

Mr. KENNEDY. Mr. President, I submit an amendment to S. 382, the Federal Election Campaign Act of 1971, and I ask that it lie on the table and be printed.

The PRESIDING OFFICER (Mr. Roth). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, the amendment would establish a tax credit for political contributions. Under this title, a total of up to $50 for a single individual, or $100 for a married couple, would be allowed as a credit against Federal income taxes for contributions to political parties or candidates. The credit would be available for contributions to all elections—primaries or general elections—and to candidates at all levels—Federal, State, or local. Equally important, the credit would be for 100 percent of the amount of the contribution up to the stated limit.

The concept of tax credits for political contributions has had a distinguished history of support over the past decade. In 1962, President Kennedy's Commission on Campaign Costs issued its report, entitled "Financing Presidential Campaigns." One of the major recommendations in the Commission's report was the enactment of a tax credit for political contributions. As the report stated:

> The recommended credit is intended to encourage large numbers of small gifts. The bulk of * * * campaign funds available to both parties is now supplied by a relatively small group of contributors, giving sums ranging from a few hundred to several thousands of dollars * * * We hope that this * * * incentive to small gifts will stimulate the massive giving needed by the parties. If it does not, other forms of governmental subsidy may be inevitable.

Virtually every major study of the political process in recent years has endorsed the concept of the tax credit, and the idea has also been pursued extensively in Congress.

In his message to Congress on "The Political Process in America," in May 1967, President Johnson recommended that Congress undertake an extensive review of the methods of financing election campaigns, by methods such as direct appropriations, tax credits or deductions, treasury vouchers, and various matching grant plans.

Then, in November 1967, after comprehensive hearings and executive sessions by the Senate Finance Committee on numerous proposals, the committee favorably reported H.R. 4890, the "Honest Elections Act of 1967." As recommended by the committee, the bill contained a number of major provisions, including an income tax credit of up to $25 for one-half of the political contributions made by a taxpayer. All but one of the 17 members of the committee supported this provision.

Subsequently, in the 91st Congress, together with Senator JAMES PEARSON of Kansas, I offered a tax credit amendment on the Senate floor during the debate on the Tax Reform Act of 1969. The amendment was narrowly defeated by margin of 50–45, but the vote was complicated by the fact that the amendment had itself been amended on the Senate floor to add provisions for the reporting and disclosure of campaign contributions, so that no full debate on the merits of the tax credit was possible.

In light of this prior history, I am confident that a majority of the full Senate favors a tax credit for political contributions, and I hope that such a provision may become part of our Internal Revenue Code in time for the 1972 election campaign.

The tax credit approach to financing political campaigns has several major advantages over all other methods that have been proposed for financing such campaigns.

First, the tax credit approach will provide a significant incentive for participation in the political process by a large proportion of the electorate. One of the most important goals in recent proposals to reform the political process has been to stimulate greater public participation in election campaigns. I believe that the modest tax credit I have proposed will significantly encourage political parties to solicit contributions from small donors. In recent election years, for example, there have been millions of individual campaign contributors, the overwhelming majority of whom were $1 or $2 contributors. By offering a tax credit for the full amount of contributions by small donors, we will encourage many more individuals to contribute, and will encourage existing small contributors to raise their contributions to a more substantial level.

Second, by encouraging contributions from small donors, the tax credit will help to break down the excessive reliance by candidates on large contributors. As a result, the credit will help to restore public faith in the integrity of the election process. It will help to eliminate the ambiguous relationships created for the successful candidate, in which he is obligated—or at least appears to be obligated—to his large contributors.

Third, the tax credit leaves the decision on the allocation of public funds, through the tax subsidy mechanism, to the choice of the individual taxpayer himself. This point is the central distinction between the tax credit approach and the various proposals made in recent years for the direct financing of political campaigns. Under the tax credit approach, unlike these other proposals, the Federal Government plays no part in determining which candidates or committees are to receive public funds or the amount of such funds that are to be made available to particular candidates. It is the citizen, and the citizen alone, who makes this determination.

Fourth, the tax credit offers financial assistance to candidates not only at the general election stage, but at the primary stage as well, where such assistance can often be of crucial importance.

Fifth, the tax credit offers assistance to candidates not only at the presidential level, but at the congressional, State, and local level as well. This point is especially important. As Senator Robert Kennedy stated in 1967:

> Presidential candidates do not spring, like Minerva, from the brow of Jove. Men earn consideration for the Presidency by their performance in other public office—most often governor or senator. The expense of nomination to a governorship or a Senate seat—especially in the large states from which most Presidential candidates are drawn—is by itself a substantial barrier to all but men of wealth or their favored candidates. Thus, fair consideration for the Presidency itself requires public support for campaigns for lesser offices at all levels. This support can only come from tax incentives to individual contributions.

Before proposing this amendment, I gave serious consideration to including a tax deduction as an alternative to the tax credit. A tax deduction approach would have many of the advantages of a tax credit, especially with respect to the encouragement of individual choice and participation in the political process. However, a tax deduction would cause substantial inequities and disparities in the benefits afforded contributors. Those in the highest tax brackets, at whom the incentive should be least directed, would receive the greatest benefits, whereas taxpayers in the lowest brackets would receive the smallest benefits. Therefore, the proposed amendment contains no provision for a tax deduction.

I ask unanimous consent that the amendment may be printed at this point in the RECORD.

Because of the constitutional difficulty involved in the initiation of revenue measures in the Senate it may not be possible to include tax incentives for political contributors in S. 382 itself. If that proves to be the case, it is my hope that the Senate will consider the addition of such incentives to an appropriate House-passed bill at the earliest reasonable opportunity after the passage of S. 382.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 335

Delete title IV and insert in lieu thereof the following:

TITLE IV—INCOME TAX CREDIT FOR POLITICAL CONTRIBUTIONS

ALLOWANCE OF CREDIT

SEC. 401. Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 40 as 41, and by inserting after section 39 the following new section:

"SEC. 40. POLITICAL CONTRIBUTIONS.

"(a) GENERAL RULE.—In the case of an individual there shall be allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to so much of the political contributions as does not exceed $50, payment of which is made by the taxpayer within the taxable year.

"(b) LIMITATIONS.—

"(1) MARRIED INDIVIDUALS.—In the case of a joint return of a husband and wife under section 6013, the credit allowed by subsection (a) shall not exceed $100. In the case of a separate return of a married individual, the credit allowed by subsection (a) shall not exceed $50.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under section 33 (relating to foreign tax credit), section 35 (relating to partially tax-exempt interest), section 37 (relating to retirement income), and section 38 (relating to investment in certain depreciable property).

"(3) VERIFICATION.—The credit allowed by subsection (a) shall be allowed, with respect to any political contribution, only if such political contribution is verified in such manner as the Secretary or his delegate shall prescribe by regulations.

"(c) DEFINITIONS.—For purposes of this section—

"(1) POLITICAL CONTRIBUTION.—The term 'political contribution' means a contribution or gift of money to—

"(A) an individual who is a candidate for nomination or election to any Federal, State, or local elective public office in any primary, general, or special election, or in any National, State, or local convention or caucus of a political party, for use by such individual to further his candidacy for nomination or election to such office;

"(B) any committee, association, or organization (whether or not incorporated) organized and operated exclusively for the purpose of influencing, or attempting to influence, the nomination or election of one or more individuals who are candidates for nomination or election to any Federal, State, or local elective public office, for use by such committee, association, or organization to further the candidacy of such individual or individuals for nomination or election to such office;

"(C) the national committee of a national political party;

"(D) the State committee of a national political party as designated by the national committee of such party; or

"(E) a local committee of a national political party as designated by the State committee of such party designated under subparagraph (D).

"(2) CANDIDATE.—The term 'candidate' means, with respect to any Federal, State, or local elective public office, an individual who—

"(A) has publicly announced that he is a candidate for nomination or election to such office; and

"(B) meets the qualifications prescribed by law to hold such office.

"(3) NATIONAL POLITICAL PARTY.—The term 'national political party' means—

"(A) in the case of contributions made during a taxable year of the taxpayer in which the electors of President and Vice President are chosen, a political party presenting candidates or electors for such offices on the official election ballot of ten or more States, or,

"(B) in the case of contributions made during any other taxable year of the taxpayer, a political party which met the qualifications described in subparagraph (A) in the last preceding election of a President and Vice President.

"(4) STATE AND LOCAL.—The term 'State' means the various States and the District of Columbia; and the term 'local' means a political subdivision or part thereof, or two or more political subdivisions or parts thereof, of a State.

"(d) CROSS REFERENCES.—

"For disallowance of credits to estates and trusts, see section 642(a)(3)."

CLERICAL AND TECHNICAL AMENDMENTS

SEC. 402. (a) The table of sections for such subpart A is amended by striking out the last item and inserting in lieu thereof

"Sec. 40. Political contributions.
"Sec. 41. Overpayments of tax.".

(b) Section 642(a) (relating to credits against tax for estates and trusts) is amended by adding at the end thereof the following new paragraph:

"(c) POLITICAL CONTRIBUTIONS.—An estate or trust shall not be allowed the credit against tax for political contributions provided by section 40."

EFFECTIVE DATE

SEC. 403. The amendments made by sections 401 and 402 shall apply to taxable years ending after December 31, 1971, but only with respect to political contributions payment of which is made after such date.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 238

At the request of Mr. PEARSON, the Senator from Alaska (Mr. GRAVEL) and the Senator from Pennsylvania (Mr. SCOTT) were added as cosponsors of amendment No. 238 intended to be proposed to S. 382, a bill to establish a Federal Elections Commission.

AMENDMENT NO. 252

At the request of Mr. CRANSTON, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of amendment No. 252, intended to be proposed to S. 2108, the Veterans Drug and Alcohol Treatment and Rehabilitation Act of 1971.

NOTICE OF HEARINGS ON NOMINATIONS

Mr. PASTORE. Mr. President, the Senate section of the Joint Committee on Atomic Energy will hold a public hearing on Tuesday, August 3, 1971, at 4 p.m., in room S407, U.S. Capitol on the nominations of James R. Schlesinger and William O. Doub to be members of the Atomic Energy Commission.

Mr. Schlesinger has been nominated to fill the remainder of the term of Glenn T. Seaborg which expires on June 30, 1975.

Mr. Doub has been nominated to be a member of the AEC for a 5-year term expiring on June 30, 1976. He is scheduled to fill the vacancy previously held by Theos Thompson, deceased.

I ask unanimous consent to have printed in the RECORD the biographies of Mr. Schlesinger and Mr. Doub which were provided to the Joint Committee with the submission of their nominations to the Atomic Energy Commission.

There being no objection, the biographies were ordered to be printed in the RECORD, as follows:

JAMES R. SCHLESINGER

James R. Schlesinger was named an Assistant Director of the Budget Bureau shortly after President Nixon's inauguration. His initial responsibilities were in the areas of national security and international programs and science policy.

In the Fall of 1969 he was named Acting Deputy Director of the Budget Bureau and later served as Acting Budget Director during the transition to Office of Management and Budget. As Acting Deputy Director, Mr. Schlesinger was responsible for natural resources programs and environmental policy. He served as the Budget Bureau's representative on the Environmental Quality Council. During that year, the budget and programs of the Interior Department were under his purview, and he was intimately involved in the planning for the Council on Environmental Quality, as well as the establishment of the new Environmental Protection Agency. In the Summer of 1970, he was named Assistant Director of the newly formed Office of Management and Budget with responsibility for national security and international programs.

Prior to joining the Nixon Administration, Mr. Schlesinger had been Director of Strategic Studies at the Rand Corporation, Santa Monica, California, where he had written extensively on the role of systems analyses in relation to political decision-making. He was also engaged in applying those techniques to strategy and to force structure determination. During that period he was a Consultant to the Bureau of the Budget on atomic energy matters. While at Rand he had served as Project Leader of a study on the control of nuclear proliferation which Rand had undertaken for the Federal Government.

Before his association with Rand, Mr. Schlesinger had been an Associate Professor of Economics at the University of Virginia. At that time he was recognized for work on monetary and fiscal policy and on the mechanics of inflation, and served as a Consultant to the Board of Governors of the Federal Reserve System. During 1957 he served as Consultant to the Naval War College. His book, *"The Political Economy of National Security"*, was published in 1960.

Mr. Schlesinger received his A.B. degree in Economics (summa cum laude) from Harvard University in 1950. That same year he was the winner of the Frederick Sheldon Prize Fellowship, which enabled him to spend a year visiting some twenty-two countries. In 1951 he returned to Harvard, earning the A.M. degree in 1952, and his Ph.D. in 1956, both in Economics. His dissertation was on "Wage-cost-price Relationships and Economic Progress". At the same time, he served as Teaching Fellow in Economics, Teaching Fellow in Social Sciences, and Tutor in Eliot House.

Mr. Schlesinger was born in New York City on February 15, 1929. He is married to the former Rachel Mellinger of Springfield, Ohio. They reside with their eight children, who range in age from 3 months to 16 years, in Arlington, Virginia.

WILLIAM OFFUTT DOUB

PERSONAL DATA

Born, Cumberland, Maryland, September 3, 1931.

Married, 1959. Two sons, ages 7 and 11.

Life-long resident of Maryland.

Episcopalian.

EDUCATION

Public schools, Allegheny County, Maryland.

Staunton Military Academy (one year); Washington and Jefferson College, A.B. 1953.

University of Maryland, School of Law, LL. B. 1956.

PROFESSIONAL DATA

Law Clerk, The Baltimore & Ohio Railroad Company, June 1956 to October 1957.

Bartlett, Poe & Claggett, law firm, Baltimore, Maryland, 1957 through 1961 (firm dissolved).

Niles, Barton & Wilmer, law firm, Partner, Baltimore, Maryland, 1961– ; (301) 539-3240.

Lecturer, Mount Vernon Law School, Suretyship and Federal Jurisdiction, 1965–1966 (night school).

CHARACTER OF PRACTICE AND REPRESENTATIVE CLIENTS

General Business, Corporate and Trial Practice; Representative Corporate Clients:

Maryland National Bank, Kavanaugh's of Maryland, Inc., Lincoln National Life Insurance Company, Tongue, Brooks & Company, The Coca-Cola Company, Connecticut General Life Insurance Company, Occidental Life Insurance Company; also rather large practice in fields of Trusts and Estates and municipal Bond matters.

SUMMARY OF PUBLIC SERVICES AND CIVIC ACTIVITIES

Republican Candidate for Attorney General of Maryland, 1966.

Chairman, Lawyers Division, United Fund, 1964.

Chairman, Minimum Wage Commission, Baltimore City, 1964–1966.

People's Counsel to the Maryland Public Service Commission and the Metropolitan Transit Authority, 1967–1968.

Chairman, Maryland Public Service Commission, 1968; reappointed 1971.

Vice-Chairman, Washington Metropolitan Area Transit Commission, 1968– .

President's Air Quality Advisory Board, 1970—3-year term.

First Vice President and Member of Executive Committee, Great Lakes Conference of Public Utility Commissioner, 1969 through 1970; (President, July 1971).

Executive Committee, National Association of Regulatory Utility Commissioners, 1969– .

Member, Executive Advisory Committee, Federal Power Commission, 1969– .

Chairman, Committee on Electrical and Nuclear Energy, National Association of Regulatory Utility Commissioners, 1969– .

Maryland Governor's representative, Northeast Regional Transportation Committee, 1968– .

Deputy for Emergency Transportation, Maryland Civil Defense Agency, 1968–1971.

Committee on Mental Retardation, Department of Health and Mental Hygiene, State of Maryland; 1968–1969.

Citizens Commission on Maryland Government (Wills Commission).

Baltimore Association for Retarded Children, Inc., Director.

National Foundation—March of Dimes, Director.

Maryland State Bar Association: Chairman, Young Lawyers Committee (approximately 1958); Committee on Legal Biography (approximately 1965); Committee on Laws (1970–71).

Baltimore Bar Association: Chairman, Law Day Committee, 1966; Unauthorized Practice of Law Committee, 1967.

American Bar Association: Vice Chairman Sub-Committee on Financing, Procurement, Management and Miscellaneous; Problems of the Committee on Small Businesses.

ADDITIONAL STATEMENTS

THE AUTO EXCISE TAX

Mr. GRIFFIN. Mr. President, I ask unanimous consent that an editorial entitled "Time to Cut Tax on Cars," published in the Pontiac Press, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Pontiac Press, July 21, 1971]

Time To Cut Tax on Cars

Perhaps Michigan's two Senators, Robert Griffin and Philip Hart, can be accused of regionalism in cosponsoring a bill to end the 7 percent excise tax on automobiles. But if this be so, let us have more of it.

On a $3,000 car, this strange tax adds $210 to the price.

The special tax was placed on automobiles during World War II. Its intent was not only revenue-raising but to discourage car buying in a wartime economy.

Almost every year since the war, someone has suggested removing the tax, but for various reasons it was left on.

Now seems to be a good time to finally get rid of it. The stimulation to Michigan's economy is obvious. But then more cars mean more steel, more fabrics, more rubber, and more money left in the hands of consumers all over the U.S.

Although the federal budget may suffer temporarily from this lack of income, in the long run, most economists would insist more actual income would result.

We wish Griffin and Hart success in their efforts.

ORGANIZATIONS SUPPORTING WELFARE REFORM

Mr. RIBICOFF. Mr. President, tomorrow the Senate Finance Committee will begin hearings on H.R. 1, which contains a major revision of this Nation's system for providing relief to its needy citizens. Welfare reform should not be viewed narrowly as just another program, but rather as the most direct way to win the war on poverty. The package of amendments which I introduced last week to H.R. 1 will, I am convinced, make this legislation the best hope for bringing 25 million Americans back into the mainstream of American society.

In the next few months many diverse groups, legislators, citizens, and the administration will be proposing additions, deletions, and modifications to H.R. 1. It is important, therefore, that we recognize the large areas of agreement which already exist among those seeeking to reform our welfare system.

Widespread agreement exists on major proposals such as the increase of payment levels to at least the poverty level, the Federal assumption of costs, and administration under a uniform system, the provision of public and private sector jobs paying no less than the minimum wage with basic suitability protection, the provision of day-care services for those in manpower training programs or jobs, optional registration in such programs for mothers with preschool children, and fiscal relief for States and localities from the cost burdens of public assistance.

These proposals are included in the amendments to H.R. 1 I introduced last week. In addition, recent policy statements of several groups and organizations have also publicly supported these improvements in H.R. 1.

The history of welfare reform legislation in the last 2 years dramatically illustrates that no one claims his own proposals are chiseled in granite and represent the definitive answer to the chaos of the present welfare nonsystem. My proposals as well as those of the President, the Ways and Means Committee, and other major participants have been modified from time to time—not only to attain a politically achievable consensus, but also in recognition of the fact that none of us knows all the answers about how well or badly one or another proposal will work. We must be willing to observe a new system in operation and be ready to make changes where needed. Fewer changes will be necessitated, however, if we begin Senate consideration on the basis of common ground already achieved.

I ask unanimous consent that the accompanying policy statements be printed at this point in the Record.

There being no objection, the policy statements were ordered to be printed in the Record, as follows:

Statement by the AFL–CIO Executive Council on Welfare Reform, Bal Harbour, Fla., February 15, 1971

The Administration's welfare reform program needs substantial improvement before the AFL–CIO could support its enactment.

Inflation, unemployment, inadequate and costly health care, inferior education, to name just a few—have forced more and more people on to the public assistance rolls. Indeed, the more the causes of poverty are ignored the greater the welfare "problem" will become.

The battle against poverty must be waged on two fronts—eliminating the causes of poverty so that fewer people will have to depend on welfare and improving the welfare program for those who must rely on it.

Jobs at decent wages and adequate social insurance payments would make it possible for millions to climb out of poverty.

By making unemployment a national policy to fight inflation, the Administration has virtually brought the decline of poverty to a halt.

In 1969 the decrease in poverty (defined for that year as $3700 for a four-person family) came almost to a standstill. With worsening economic conditions and expanding joblessness in 1970, it is probable that the long-term trend away from poverty has even been reversed.

Who are the poor?

More than 5½million people, or about one-quarter of all the poor, are poor although the breadwinner works full-time all year. Their road out of poverty lies in decent jobs covered by a minimum wage raised to at least $2 an hour.

In proportion to their numbers, the elderly are twice as poor as the rest of the population. Approximately one-fifth of all people in poverty can live out their years in dignity and comfort only if Social Security benefits are substantially improved.

But there are some people—especially mothers with children in their care and large families headed by low-earnings workers—who will depend on welfare for their daily needs. Seven million of the poor, or 29 percent of all poor people, are in families headed by a woman. The Administration's welfare bill falls far short of what is needed to provide the answer to their poverty.

When, in the Summer of 1969, the President first announced his welfare reform proposal, he called for a payment level of $1,600 a year—less than $8.00 a week per person. But if a bill should be enacted in the coming months, it cannot be implemented until mid-1973 after many more months of inflation.

The AFL–CIO calls for reaching as rapidly as possible a national minimum welfare payment of no less than the government-defined poverty level. Until this level is reached, food stamps should be maintained at an adequate level or cashed out at their full value. Welfare payments should at least keep pace with the cost of living.

The AFL–CIO strongly opposes the provision in the Welfare Reform bill which could require recipients to take jobs under conditions denying them basic minimum protections. As reported by the House Ways and Means Committee in the last Congress, job assignments would have had to take account of such elements of suitability as the degree of risk to the individual's health and safety, his physical fitness for the work, prior training length of unemployment and distance from work. Although workers have long had these protections under unemployment compensation, the House of Representatives removed them from the bill it passed. The Congress must reverse this shameful disregard of the well-being and dignity of welfare recipients, by including these basic job protections in this year's legislation.

The potential for exploitation of welfare recipients was all the greater in the bill the House passed last year because it would have forced welfare recipients into jobs paying substandard wages. This is an unconscionable requirement which we will adamantly resist.

The basic purpose stated in the Fair Labor Standards Act is to eliminate as rapidly as possible "labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency and general well-being of workers." To require large numbers of people to take jobs at subminimum wages or lose their welfare payments on which they and their families depend for the bare necessities of life would constitute an outrageous attack on the most defenseless and disadvantaged sector of our population.

The impact of such action would be far broader than the forced assignment of welfare recipients to substandard jobs. There is not the slightest doubt that requiring welfare recipients to take jobs below the FLSA rate will make it all the more difficult for employed family heads now working at jobs paying substandard wages to improve their incomes.

The Welfare Reform legislation must provide that jobs to which welfare recipients are assigned must pay wages at a rate equal to the prevailing wage in the locality or the federal or state minimum wage, whichever is the higher. Furthermore, hours and working conditions on such jobs must measure up to those prevailing for comparable work in the locality.

The AFL–CIO will not support any welfare reform legislation unless it contains protections as to both suitability and wage standards of the jobs to which recipients may be assigned.

The AFL–CIO favors a single welfare program with a single standard of minimum payments and uniform nationwide administration. We are convinced that only Federal administration and Federal financing can achieve this goal. Federalization of the welfare program should be achieved as quickly as possible. It will also relieve States and localities of a crushing financial burden they can no longer shoulder.

Whatever degree of federalization takes place will have an impact on thousands of State and local government employees now employed in the administration of welfare programs. They must be adequately protected from adverse consequences resulting from changes in welfare administration. The legislation must therefore fully protect the job rights, wages, hours, bargaining rights where applicable and other conditions of employment of all such workers.

One other change in the House-passed bill is also essential. The exemption from work and training requirements of mothers of preschool children should be extended to mothers of school age children except for the hours when their children are in school. These children need parental supervision and care when they are out of school. Their mothers should not be forced to be away from home during such hours.

These are the major changes the AFL–CIO seeks in the Welfare Reform legislation. We want welfare reform and we see no reason why it should not be enacted with minimum delay. But we will not support so-called "welfare reform" which makes the present program worse by adding new punitive features and creates opportunities for harsh exploitation of those who must depend on welfare.

The AFL–CIO calls for real welfare reform, fair to recipients and taxpayers alike. It must be legislation which is realistic and workable and can give new hope and dignity to millions of disadvantaged Americans.

LEAGUE OF WOMEN VOTERS PROGRAM FOR WELFARE REFORM, MAY 1971

Assistance to meet basic needs for food, shelter and clothing;

Assistance grants beginning near the official national poverty level, with provision for automatic increases;

Guarantees that no recipient would receive less under a new program than grant levels of December 1970;

Uniform income and eligibility standards nationwide;

Federal financing of basic income assistance grants, with provision for supplementation to meet area cost of living differentials;

Coverage for all people—individuals, couples, families—who are unable to work, whose earnings are inadequate and for whom jobs are not available;

Assistance based on need, not category;

Protection of constitutional rights and the right to privacy;

Equality of treatment, with legal and procedural protection against discrimination;

Systematic participation by grantees in program development and implementation;

Realistic opportunities—including creation of new jobs and practical training for actual jobs—for all who are able to work to earn a living;

Realistic financial incentives for work, i.e., wage supplementation such that the client's income is always higher when working;

Guarantees against discrimination as to wages, health and safety standards, etc., in jobs to which public assistance participants would be referred;

Supportive services such as counseling, child care, family planning, health programs, legal aid—available but not coerced.

Application by declaration-of-need, with spot checks to assure compliance with law;

Administrative offices easily accessible to people participating in the program.

THE 1971 U.S. CONFERENCE OF MAYORS RESOLUTION

FORTY-SIX WELFARE REFORM

Whereas public assistance rolls have increased dramatically over the last decade; and

Whereas, the poverty population for the first time in ten years increased in 1970 by 1.2 million American people over 1969; and

Whereas, the present tax burden of financing welfare is now inequitably distributed throughout the nation and is in part financed by regressive taxes, such as sales and real property, which unfairly burden low and middle income families; and

Whereas, the U.S. Conference of Mayors has repeatedly called for a total reform of the welfare system and the establishment of basic income supplement payments for all people unable to work and whose income falls below the official recognized level of poverty; and

Whereas, the House Ways and Means Committee has reported out a welfare reform bill with an income maintenance payment of $2400 a year for a family of four; and

Whereas, the underlying principle of eligibility for public assistance should be the need of the recipient rather than his category of disability, employment status, family status, age, sex, or place of residence; and

Whereas, mayors and local governments have demonstrated a commitment to assume greater leadership and responsibility for manpower and social services at the local level but cannot raise the funds needed to meet long-delayed health, welfare, education and social services and to train and employ participants in the Opportunities for Families Program; and

Whereas, Title XX of last year's welfare reform proposal provided the large cities the opportunity to be the prime sponsor of the delivery of social services; and

Whereas, the city itself is in the best position to determine the needs of its citizens, evaluate its economic and social resources, organize and operate manpower programs, and deliver social services effectively; and

Whereas, state and local governments need immediate relief from spiraling welfare costs this year; and

Whereas, the proposed funding formula would provide inadequate, uneven, and disproportionate relief for state and local governments that provide welfare costs this year.

Now, therefore, be it resolved that the United States Conference of Mayors again affirm its support for welfare reform with these features, among others:

1. An adequate basic supplement for the working poor and payments to other American citizens who are unable to work and whose income falls below the official recognized poverty level;

2. Eligibility based on need, rather than category;

3. A federally funded, comprehensive social services delivery system that governments of localities—regardless of their population—may have an opportunity to coordinate and administer, if they choose to do so;

4. Immediate federalization of the funding of public assistance programs this year;

5. Federal matching of supplementary state benefits to assist jurisdictions that provide benefits at a higher level than will be supported by full federal funding;

6. One hundred percent funding of the public service jobs to be created under the Opportunities for Families Program and provision for integrating activities into planning, coordinating, and operating of ongoing manpower programs at the city level;

7. Provision of vendor payments on recurring items, as well as nonrecurring items, at the option of the recipient, and exploration of this concept through demonstration projects and studies.

RESOLUTION OF THE POLICY COUNCIL OF THE DEMOCRATIC NATIONAL COMMITTEE, MAY 1971

Whereas the present welfare system is totally inadequate and a tragic failure:

(a) it requires recipient families to exist on benefits substantially below the poverty level,

(b) it excludes nearly half of the needy,

(c) it discourages recipients from working by discriminating against the "working poor,"

(d) it encourages the dissolution of the family unit,

(e) it demeans the individual and perpetuates his dependency on welfare,

(f) it permits exceedingly wide variations in benefit payments,

(g) it results in a tremendous financial burden on some states and cities, creating intolerable increases in the property tax and other regressive taxes.

Whereas the President's proposed Family Assistance Plan perpetuates the problems of the present welfare system and fails to meet basic human needs.

Whereas the Administration has consistently distorted the characteristics of the problem by stressing the popular myths of welfare while ignoring the need to provide adequate assistance for the children, aged and infirm who comprise 86 percent of present welfare recipients.

Whereas economic conditions in the country have resulted in 5.2 million unemployed and have been primarily responsible for the increased intensity of the welfare problem.

Whereas the President has vetoed the efforts of Congress to strengthen the economy by providing public service employment so that able-bodied citizens—on or off the welfare roles—have a real opportunity to work and earn their own way.

Therefore, be it resolved by the Policy Council of the Democratic National Committee:

(1) That the present welfare system should be replaced by an income maintenance plan,

(2) That the ultimate goal of such a plan should be to eliminate hunger and poverty in the United States,

(3) That in order to meet the basic human needs of those who are unable to provide for themselves, the income maintenance plan should provide an immediate minimum benefit floor at the prevailing poverty level, increasing over time to the adequate standard of living level,

(4) That the federal government should assume total responsibility for the costs and administration of the income maintenance plan,

(5) That the income maintenance plan should be structured so as to insure that able-bodied men are engaged in productive work, to guarantee that those who do work receive higher benefit payments than those who do not, to provide proper work incentives including compensation at no less than the prevailing or minimum wage, and to offer opportunities for improving work skills.

(6) That under such a plan the mothers of young children should retain an option regarding employment,

(7) That under such a plan it is essential that comprehensive child care facilities be provided for all children, and

(8) That in order to relieve such an income maintenance system of the burdens of growing numbers of unemployed who have exhausted their unemployment compensation benefits, the economy should be stimulated and additional employment created:

(a) by the release of $12 billion in federal funds, vitally needed for urban and social programs, but impounded by the Administration,

(b) by the immediate acceleration of important public works construction,

(c) by the passage of emergency public service employment legislation, vetoed by the President in 1970, providing immediate employment opportunities for at least 500,000 workers, and

(d) by providing an additional 13 weeks of federally financed unemployment compensation for workers who have exhausted their benefits.

The 1970 Resolution of the Americans for Democratic Action

WELFARE REFORM—FAMILY ASSISTANCE PROGRAM

Welfare reform is long overdue. The Administration's effort to improve benefits and remove inequities deserves approval, but more money should be put into the hands of those who need it.

We urge the Administration and the Senate Finance Committee to work promptly, cooperatively and energetically to report to the Senate a bill which will:

(1) provide every poor person with an income at least equal to the poverty level;

(2) permit mothers of school-age children to elect to stay home with their children;

(3) provide federal administration to remove discrimination between states;

(4) provide a non-coercive public service employment program so that the promise to the poor of meaningful jobs with opportunities for up-grading at adequate wages can be realized.

The 1971 Leadership Conference on Civil Rights

POSITION ON WELFARE REFORM

The Leadership Conference believes the goal of welfare reform should be: (1) Elimination of categories and establishment of a unified federally administered and federally financed system based solely on need (the job rights of state employees should be fully protected during the transition from state to federal administration); (2) Benefit levels: (a) Minimum benefits for individuals and families beginning at the government-defined poverty level, with appropriate adjustments to meet variations in the cost of living; (b) Federal supplements to assure that benefits are maintained at least up to present assistance levels. (3) Protections as to both suitability and wage standards on all job or training programs. Wage rates should equal the federal or state minimum or the prevailing rate, whichever is higher. (4) Exemption of mothers of pre-school and school-aged children from all job or training requirements; establishment of day care centers with adequate standards and other supplementary services to enable mothers who choose to accept employment to do so.

WEST COAST DOCKWORKERS STRIKE

Mr. BELLMON. Mr. President, the lengthy strike of dockworkers on the west coast has already had wide-ranging adverse effects on the Nation's economy, and unless a settlement can be reached soon not only our domestic commerce but our position in international trade will be jeopardized.

Therefore, I have today sent a letter to President Nixon urging that if leaders of labor and management involved in the dockworkers strike are not willing to take prompt action for settlement, then Federal intervention should be undertaken to bring an early end to the strike.

Mr. President, I ask unanimous consent that the text of the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 26, 1971.

Hon. RICHARD NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Nearly a month has elapsed since members of the International Longshoremen's Union and the Warehousemen's Union went on strike against the Pacific Maritime Association. Since July 1, there has been little or no progress in negotiations between the West Coast dockworkers and the Association. It is my further understanding that negotiating efforts are presently at a standstill and will continue to be until an indefinite date in August.

Further delay in settlement of the dockworkers strike will have a disastrous effect upon the nation's economy as a whole.

The Interstate Commerce Commission has ordered an embargo on all export cargo to the West Coast in order to prevent a pile-up of loaded freight cars at port destinations. The embargo is costing the railroad industry hundreds of thousands of dollars a day in lost revenue.

One of our own states, Hawaii, is running out of wheat because of the halt in West Coast shipments, which may mean importing wheat from Canada if problems arising from U.S. import quotas can be solved.

But what is most distressing about the negotiation delays is that foreign buyers of American farm products will inevitably lose confidence in the United States as a marketplace unless we maintain our ability to fill orders and deliver the goods on schedule.

Already two major sales of white wheat to foreign markets have been lost. Korea and the Philippines are both turning to Australia for a total shipment of 65,000 metric tons of white wheat which they normally would buy from the United States. Those losses are costing the U.S. balance of payments and American agriculture $5.5 million.

Foreign buyers of hard red winter and hard red spring wheat are encountering month-long delays in receiving their orders because the West Coast strike has necessitated the shipments be made from the Gulf Coast, a much longer route to the Far East.

At a time when an expanded export market is directly needed to overcome the U.S. trade deficit and at a time when world competition for new markets is stronger than ever before, we cannot afford to lose face with our trading partners.

I urge that the labor-management leaders involved in the dockworkers' strike negotiate an early agreement for the sake of the country. If those leaders are not willing to take prompt action, I would urge the federal government to take all legal steps of intervention to hasten an end to the strike.

Sincerely

HENRY BELLMON.

ADLAI E. STEVENSON

Mr. CRANSTON. Mr. President, 2 weeks ago, I paid tribute in the Senate to the memory of a great American, Adlai E. Stevenson. My comments generated a letter from Mr. Reuben Efron of Washington, D.C., who shared my admiration for Governor Stevenson. He sent me his own expression of remembrance in the form of an article for the Jewish Herald-Voice.

Mr. President, I ask unanimous consent that Mr. Efron's article, entitled "Micah's Ideas—Stevenson's Guide," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Micah's Ideas—Stevenson's Guide

(By R. Efron)

On July 14, 1965, a saddened world mourned the passing of Adlai Ewing Stevenson, probably the most revered American of our generation. In the words of the renowned poet, Archibald MacLeish, Adlai Stevenson was "a complete man, a man so beloved, so harmonious as a human being that his greatness passed almost unnoticed while he lived."

Many editorial writers and commentators in eulogizing Stevenson, quoted the concluding paragraph of his acceptance speech at the Democratic Convention in 1952: "And what the Lord doth require of thee; only to do justly, and to love mercy, and to walk humbly with thy God." This passage from the Prophet Micah (chapter VI:8) was said to epitomize Stevenson's philosophy of life.

It was a meaningful and symbolic coincident that the same chapter VI of the Book of Micah, containing this passage, constituted the "Haftorah" (addition), which together with the weekly portion from the Pentateuch were read in synagogues all over the world on Saturday, July 17, two days before Adlai Stevenson was laid to rest in his boyhood town of Bloomington, Illinois.

Why was Stevenson so greatly impressed with the teaching of Micah?

The Prophet Micah, a farmer's son, who lived in Judea in the first half of the 8th century B.C., had in a simple and yet most forceful manner, exposed an "eternal truth," the essence of human behavior, which Stevenson evidently regarded as an ideal for him to emulate.

The Prophet proclaimed as the cardinal virtues of human life, Justice, Mercy and Humility. In these imperatives Micah incorporated the basic teaching of all the Prophets. He placed on equal footing the moral norm with justice; the obligation of man towards his fellow man with that towards his God and considered both obligations essential to the faith of man. In these postulates, Micah followed his teacher, the Prophet Isaiah, who similarly demanded: "Learn to do well; seek Justice; relieve the oppressed . . ." (chapter I:17).

And what does God require of man according to Micah? First, "To do justly," which implies reverence for every human being as the possessor of inalienable rights to life, honor and happiness. It is the duty of the state and society to protect these inalienable human rights against injustice.

Secondly, "To love mercy" which means kindness and charitable acts to the needy and miserable. This includes not only the deed of mercy but requires that love and veritable passion for pity should accompany every such deed.

Thirdly, "To walk humbly with thy God" denotes inward devotion to and silent communication with God in humility and purity. The Biblical scholar and philosopher, Hermann Cohen, stated in this connection: "Everything heroic in man is insignificant and perishable, and all his wisdom and virtue unable to stand the crucial test, unless they are the fruits of humility." The well known writer, called this passage from Micah, "the essence of religion."

It is then no wonder that the great humanitarian, Adlai Stevenson, accepted Micah's ideals and standards for human behavior and religious practice as a guiding light for his own conduct, as a presidential candidate and dedicated public servant.

VIETNAM AND THE GI DRUG PROBLEM

Mr. JAVITS. Mr. President, Dr. Norman E. Zinberg, professor of psychology and social psychology at the Tufts University, testified last Friday before the Executive Reorganization Subcommittee and the Intergovernmental Relations Committee.

Joint hearings before both subcommittees are currently being held on S. 2097 and S. 1945, bills which seek to bring about a strengthened and better coordinated Federal attack on the drug abuse epidemic now plaguing our citizens.

Professor Zinberg testified most impressively on the broad range of environmental and personality factors relating to drug abuse generally. He also presented a sensitive portrait of the American soldier in Vietnam, enduring the age old hardships of war, the incalculable stresses of imminent death, disease, and destruction—and the tragic realization that his own society no longer views our participation in this devastating discredited war as a heroic enterprise.

According to Professor Zinberg, who only recently began working with returning Vietnam veterans, he has too small a sample to draw definite conclusions. Nevertheless, he believes that the soldier's unique sense of hopelessness in Vietnam is the most important variable in his discretion to shoot heroin. In this regard, some useful comparisons with setting and attitudes of the combat GI of World War II are made.

Mr. President, to the long list of frustrations emanating from our Indochina disaster we must add the problem of drug abuse among our military personnel in Vietnam. The Defense Department is only now beginning to recognize its responsibility for the treatment and rehabilitation of such persons, and the need to crackdown on those in South Vietnam and Laos allegedly even in government officials who are reaping the profits of the heroin trade.

It is a most shocking, tragic, and disheartening development which underscores once again, the need for withdrawal from Vietnam.

As an appendix to his more lengthy testimony, Professor Zinberg supplied our subcommittees with a summary analysis of his interviews with Vietnam veterans. He quotes extensively from the men themselves. I believe this analysis will be of interest to the Senate and ask unanimous consent to have it printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

APPENDIX

Because of college deferments and political opposition among middle-class youth, those young men sent to Vietnam disproportionally represent lower-middle and lower-income groups in the United States. However, despite this class bias, there seems to be little question but that what the army has gathered together represents vastly different personality types. Among our interviewees there were many who were able to express feelings directly, preferred to move into an active relationship with the world quickly, could accept their position in the world and their relationship to the goods of it with ease. Equally clearly there were those who seemed more careful, emotionally constricted, preferred to let themselves be acted upon by others, gave carefully and accepted with equal caution, just as they covered the gamut of attitudes; from a belief in obedience to a conviction about destruction. If one could construct a personality continuum of usual, normative positions to far-out positions in every direction, it would be easy to fill up the entire continuum from the returned veterans.

Consistent with this range of personality were the different attitudes they described about going into the service.

"I wanted to go, what the hell. My old man had been in the big war—he talked about it a lot. He had medals and was proud of what he had done. I hated all those long-haired creeps. I thought they were fairies and—."

"When I got my notice, I didn't know quite what to do. It sounds silly now, but I had some idea that it was a good thing to serve your country. I didn't exactly want to go into the army, but I hated my job and it seemed like I didn't know what else to do."

"Yeah, I went. I hated it. But I was scared either way. The whole idea of getting a gun, shooting somebody or being shot, scared me. But what the hell, I wasn't going to go to jail, or get picked up by the cops or anything like that. I had never been in any kind of trouble and I just figured maybe I would get lucky and they would send me someplace nice."

"I didn't exactly go for this patriotism—but nobody's going to say to me 'you've got no guts.' "

"Oh yes, I thought the army would be a deal. The stinking job I had here didn't mean a thing to me. I was glad to go."

There were the usual tales of basic training and the various hopes and expectations of the army which continued through this period. There were the usual mixed responses to the knowledge they would have to go to Vietnam. These differed little from the quotes above about their attitudes about going in the army in the first place. However, once in Vietnam the attitudes of our interviewees homogenized quickly. Without exception they hated the place:

"As soon as I got there I knew that nobody wanted us, we sure didn't want them. Do you know how bad the place stinks? As soon as I got there I knew the only thing I had to think about was how to stay alive for as long as I had to be there.

"It took me a little while, I started off to do a job—always been a good worker. Pretty soon I felt like everyone else. I dogged it every chance I got—I counted days.

"Do you know what it feels like when you dream every night about being the last one to die? They look around and say, 'wasn't it a shame, if he could have just made it a little bit longer.'

"Everywhere you look, they hate you. Anybody can shoot you at any time. From the moment you get there they tell you, and they're right, that there are booby traps all over—that there are mines, you can get dysentery, you can catch malaria, you can get the kind of clap that eats you up inside and it is dirty—dirty like I never dreamed anything could be dirty, and they all hate you.

"The worst of it is that they, the gooks, they don't mind it. If they were even a little bit human they would mind it. You begin to know right away that you're different from them.

"One of the strangest things about the whole business is that everybody you like thinks the way you do. They hate it there, they dream of going home, and they want to get some way out; and they're always the ones who get killed so that when you begin to hate gooks, you hate them because they killed the good guys, and they never kill the bad guys. The only people who make it in Nam are the real ———, and they're the ones who like it, like what they have to do, who don't mind killing, and they're the ones who never seem to get killed."

At this point in my interview a picture emerged. The soldiers feel that there is hostility everywhere and that they are the ones that are hated. They begin to find and resent the changes in their own personality toward cynicism, fear and deceit. They learn to mistrust themselves. All of the surrounding elements in the setting seem bent on their destruction; the mines, the diseases, the stench, the strange people seem endless and omnipresent. Not only do they find that they cannot trust themselves or anyone or anything outside of their own outfits, but they also find that they can build up no faith in the permanence of any situation there. The friends they develop and like can and do die, while they cannot look up to to those who appear successful in this strange world. In fact, those who are successful are usually so in contrast to previous ideals and ideal figures that the very fact of their success increases their cynicism and mistrust and the vicious circle described.

Once this view of the situation has become fixed, we begin to see the next step:

"The worst of all was when we began to know that there was no way out. We all began to get the picture at once. Pete got a letter from a guy that had been there when he first came. The letter told him that he had been attacked on the street while he was in uniform. Then we got the whole picture, nobody gave a ——— for us and they all thought we were ——— for being there. Think about it—go from one place where everybody hates you and would like to kill you fast, to another place where everybody hates you and lets you die slow.

"One day when I was feeling so low that I didn't think I could walk back to the base, this mommasan came up to me and she said, 'it will give you good dreams.' Well, if there was one thing I needed, it was good dreams.

"I was watching this guy shooting up—it didn't seem to mean much to me but he seemed pretty comfortable so I asked him why he was shooting up. He said, 'when they get me I won't care.' That made a lot of sense to me.

"I knew there was a bullet somewhere with my name on it. Maybe it was a mine but I figured if I went somewhere else in my head maybe the bullet couldn't find me. The further away I got from Nam, the harder it would be for the bullet to find me.

"I had a buddy who had this book about signs and stars. He told me that I had a bad sign that day. I believed him. It may sound funny to you but I still believe him. So I shot up. It was the first time but then I didn't care about what sign I was under.

"I felt so empty inside, as if there was nothing left of me. I didn't want to look and see another human being. Not one of those creeps I was bunking with, nor those stinking ——— out there. I just wanted to be somewhere by myself."

Interviews show that a logical and consistent personality change occurred which was related to their perception of the environment. First the pervasive sense of hopelessness and despair, as they gave up the idea that their tour of duty was limited. The early belief that if they could dog it and somehow or other survive, they would return to an accepted and accepting society had been a sustaining hope. When these servicemen became aware they might return to a society which was only slightly less hostile to them than the one they were leaving, the sense of futility became overwhelming. Without this hope, they became increasingly preoccupied with magic, predestination, a sense of inner deterioration and emptiness surrounded by a world bleak and forbidding. At this point heroin offered a source free from sorrow, a blessed oblivion that would magically remove them from an intolerable situation.

Perhaps the thing that is most surprising about the whole outbreak of heroin use in Vietnam is that people in authority are surprised it occurred. Probably most of the people in the political or military chain of command accepted analogies between World War I and World War II where soldiers withstood incalculable hardships without this sort of personality deterioration. From the vantage point of the interviewer who served in World War II and had the opportunity to speak to innumerable soldiers returned from combat, the disintegration of the hope of returning to a warm, welcoming, supportive society that will reward you for your efforts is crucial. All the returning Vietnam veterans agreed that the outbreak of heroin use developed exactly concomitantly with the awareness that the society they would return to did not see this war as a righteous enterprise and could not reward them for their participation.

THE FAILURE OF AMERICAN MEDICINE

Mr. KENNEDY. Mr. President, America's health record is in a dangerous position. Of all the major industrial countries in the world, America is far behind the field in health care delivered to its citizens. The United States ranks 19th in the world in its infant mortality rate, and 16th in the world in its mean life expectancy at birth.

In the autumn 1970 issue of the American Scholar, Mr. Michael Michaelson analyzes the condition of American health care services. It is in the area of financing that our health care services prove to be very deficient. America is the only remaining industrial country in the West in which citizens must purchase their health care on the open market like a car or a refrigerator. And health care in America is very expensive.

It has been known for a long time that poverty and illness go together. But middle class families are now experiencing the high costs of medical care. Medical costs are presently rising at more than double the rate of the cost of living. An average day in the hospital costs the patient approximately $140.

In his article, Mr. Michaelson argues that a new financial scheme to provide good health care at affordable prices is not enough. A drastic restructuring of American medicine is needed. Trained paramedical personnel are needed to take over some of the physician's duties. Medical education is in financial difficulty and must meet a projected shortage of 80,000 doctors by 1980. Private insurance companies have been unable to curtail rising hospital costs. Community involvement in hospital planning has been hit and miss.

Mr. Michaelson's article, "The Failure of American Medicine," provides many insights and suggestions on improving American health care. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Scholar, Autumn 1970]

THE FAILURE OF AMERICAN MEDICINE

(By Michael G. Michaelson)

It is the fashion now, remarkably even the Republican fashion, to speak darkly of the present and the future of what was, in happier days, called American medicine. In this era of integrative complexity it is rather our "health care system" or, more properly and still more fashionably, our "nonsystem" that is under scrutiny. More than three years has passed since political scientists Anne and Herman Somers concluded in *Medicare and the Hospitals* that the system of health services delivery in this country is largely a figure of speech, and in those years that central face and its sequelae have been further documented with uncomfortable regularity and stark precision. This is, by the majority of available standards, an unhealthy nation; the United States ranks behind every major industrial nation in the world in the two health statistics considered the most accurate indices of medical progress, infant mortality (nineteenth in the world) and mean life expectancy at birth (sixteenth in the world—66.6 years for males in this country as opposed to 71.3 years in Sweden); our doctors and our patients are isolated from and mistrust one another; diseases that ought to have been eradicated years and even decades ago remain formidable threats; millions of Americans live in needless pain or die preventable deaths; health care is fragmented, inefficient, inequitable, inhumane and, too often, of questionable quality.[1]

It is in the sphere of financing, however, that our medical "malpractice" descends from the merely unintelligent to—certainly in the moral context and perhaps even in the Constitutional one—the criminal. This is the single remaining industrialized country in the West in which citizens must buy their health, purchase it on the open market as they must any other commodity or luxury. And it is very, very expensive. Medical costs are presently rising at more than double the rate of the cost of living; physicians' fees, which were increasing at a rate of about three percent a year up until 1965, have since the introduction of Medicare and Medicaid been rising six percent a year; the average expense of one day's stay in a hospital, not including the cost of physicians' care and special diagnostic and treatment procedures, rose from $44 in 1965 to $70 in 1968 and will, according to most estimates, exceed $100 before 1973 (indeed the $100 figure is modest even today for some of the better voluntary and university-affiliated institutions, and the cost of a day in a modern intensive care unit—where increasing numbers of Americans are dying in technological bliss and superb electrolyte balance—ranges between $200 and $300, again exclusive of physicians' fees).

Medicare has done very little to alleviate, and Medicaid and voluntary insurance schemes a great deal to aggravate, the fiscal crisis in medicine. To the social worker's and bureaucrat's familiar category of "indigence" has been added the newer and potentially more threatening concept of "medical indigence," the inability to meet the cost of life-sustaining medical care. And as the cost of that care spirals, the ranks of the medically indigent, already large, promise to explode exponentially. In the decade of the 1970s a majority, perhaps three quarters, of the American population will find good health care a heavy, and in some cases a disastrous, financial burden. This is the hard fact that appears presently to disturb Richard Nixon, and reasonably. It is *his* America, the America of the middle class and the middle road, that has begun and shall continue to suffer. It is his "majority" that must bear this burden, perhaps for a while in characteristic "silence"; but inevitably it will respond—must respond—with its voices and its votes.

It is otherwise for the poor, for the black. For them the failure of American medicine is not news, is no discovery, no sudden (in Mr. Nixon's words) "massive crisis." There is, and always has been in this country, another America of sickness as vicious as Michael Harrington's of poverty. In the liberal sixties (after the ubiquitous fashion), the relationship between poverty and illness was doggedly documented, relentlessly correlated. and factor-analyzed almost beyond recognition. The findings forced no reexamination of any intelligent hypothesis: Yes, the poor get sick more often and more seriously than the nonpoor; they die younger, have fewer preventive services, far less access to medical knowledge and personnel; there is racism in our hospitals and doctors' offices; decisions literally of life and death are made daily on the basis of a single socioeconomic distinction—can he afford it?

Yes, we know that now. *Poverty and Health: A Sociological Analysis* (Harvard University Press, $12.50) summarizes our knowledge, and admirably. But it fails on the whole to move beyond summary, and so it fails. There is little theoretical effort here, little to suggest that sociology is more than collecting numbers, categorizing them, and wishing that there were more numbers, more precisely gathered. Most of the "analysis" is restricted to consideration of some aspect of what Talcott Parsons twenty years ago called the "Sick Role," and of how it may differ for the poor, the less educated, the black. The authors do not manage to advance Parsons very far; nor, if they had, would it have mattered very much. The important issues in medical sociology in 1970 are not the issues of 1950.

Professors John Kosa, Aaron Antonovsky and Irving Kenneth Zola have edited the volume capably, but traditionally, and to be traditional in the field of health care today is, sadly perhaps but in fact, to be irresponsible. Their stance of dispassionate objectivity has overwhelmed them, in a sense blinded them to what is best both in sociology and in medicine, to what is most human. "We are angry and we do care," the authors insist in the Preface. "But our professionalism is not supposed to add to the chorus of rage, much as we hope it will add to an effective pressure on the society.

The problems are complex; if we have simply elucidated this complexity and enhanced our understanding, this will have been more a service than ranting." What precisely constitutes "ranting" is, of course, subject to question, as is the authors' contention that the "elucidation" of complexity enhances anything or helps anybody. And "professionalism"? In sociology, as in medicine, it surpasses money as the root of all evil; it is technological excellence, methodological circumspection, a comfort to the practitioners of the "discipline," a cruel deception in the eyes of those whom the discipline, the profession, is supposed to serve. Kierkegaard had only contempt for these elucidators of complexity. "Everyone knows a great deal," he wrote in 1846, "we all know which way we ought to go and all the different ways we can go, but nobody is willing to move."

Still this joint venture of thirteen scholars exhaustively documents the consequences of inaction, the endless goose eggs on the scorecard of (in Kierkegaard's phrase) our society's "chimerical efforts" first to ignore and then to eliminate the problems of disease and poverty and their invariable interrelation. Except for a few simplistic statements ("Poverty . . . cannot be accounted for by one cause; rather it must be regarded as the product of a great many factors of diverse origin and impact") and a few that are incredibly naive for a Harvard social scientist

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Footnotes at end of article.

("... the war on poverty ... is at work at a major restructuring of American society ... and the establishment of an ideal structure ..."), John Kosa's first chapter provides some useful historical perspectives on "The Nature of Poverty" in this country. He extends the Weberian approach in a valuable criticism of the Protestant ethic and organized philanthropy as characteristic American responses to "our poor"—irrational, incidental and parochial, but "ingenious ways of making poverty less disturbing to the middle-class conscience." Kosa next collaborates with Leon Robertson on a survey of "Social Aspects of Health and Illness" in which they attempt to find "the place of morbid episodes in the social interaction pattern." They have some traditional sociological fun placing the patient and his "primary" and "secondary" groups into "inhibitory," "nurturance' and "manipulative" systems, but they make little progress toward their dual goal of conceptual clarification and a useful theoretical framework for the remainder of the book.

The major documentary chapters follow. All the statistics are here, on mortality and morbidity and disability and race and class, all the "correlates" and "differentials" and "models" that are supposed to unravel "systematically" the "matrix" of "relevant variables" in all their "multidimensionality." These sociologists are in excellent bibliographic form (here are, overall, fifty-two pages of notes, some six hundred references, along with a lengthy examination of "The Reliability of the Data"); and in each chapter an author concludes at least once that although the evidence linking poverty and ill-health is (to borrow Marc Fried's phrase) "unambiguous and powerful," still (if David Mechanic will forgive me) "from the research point of view ... many uncertainties remain. The data which would allow a clear resolution of important theoretical and practical issues are often either unavailable or are in a form unsuitable to answer the questions." It is difficult not to explode when confronted with sterile, classificatory writing like Mechanic's, not to suggest precisely and anatomically what he can do with his Unitary Theory of Illness Behavior and his ten varying patterns of responses to symptoms. But it is not necessary to add to the "chorus of rage" that most of these authors have so professionally avoided; it is not necessary to "rant" in order to criticize this volume responsibly. For it fails even to be what its subtitle promises: it is sociological only in the most limited, data-summarizing sense; and its analysis is largely pretense.

Only two chapters are valuable contributions to the literature. Julius A. Roth's "The Treatment of the Sick" is the best, a rapid succession of insights, compassionately orchestrated. Sometimes he is too polite (for example, he describes various manifestations of physicians' attitudes toward ward patients without calling racism and socioeconomic prejudice by their real names); and more than once he leaves an important truth before grappling with its significance. But he is the one scholar represented who seems to have lived in the system he has studied, to have felt it, to have brought back and nurtured the desperate hope that somehow it can—and must—be made to work.

Dr. John D. Stoeckle's essay on "The Future of Health Care" is a fine history both of the American approach to providing medicine for the poor, and the lately revitalized concept of the Neighborhood Health Center (organized in Pittsburgh in 1916). His drawing together of the historical threads is not entirely satisfying, but in the course of his argument he raises a question that is critical for an understanding of this collection and its fatal flaw: "Should the organization of health services for the poor be something apart from the organization of health services for everyone?" *Poverty and Health* sums all the diminutive noes gathered by diligent social scientists in the past decade, and answers No yet again.

Neither, however, should there be (indeed, *can* there be) a book merely about how poor Americans get sick and what happens to them when they do. The nonsystem of American health care must be studied in its entirety, for the poor provide us only with a special and more visible case of its contradictions. Certainly the poor are less healthy than we are; but we are *all* much less healthy than we might be. Certainly the poor cannot afford to pay for their health; but why should any of us have to *pay* for what even the American Medical Association admits is a basic human right? Certainly the poor are treated like animals or machines by health professionals in this country; but, to a significant if lesser degree, we are all dehumanized and reduced to a state of childlike dependence and ignorance when we enter a hospital or a doctor's office. Certainly health professionals in this country are not accountable to anyone. In the United States every patient, and not merely every poor patient, is a nigger.

Such is the "pathology," in Julius B. Richmond's unoriginal but apt metaphor, of American medicine. His sparse monograph, *Currents in American Medicine: A Developmental View of Medical Care and Education* (Harvard University Press ($5.50), is an attempt to reconstruct in its unfolding the etiology, the pathogenesis, of failure. Dr. Richmond, Chairman of the Department of Pediatrics and Dean of the College of Medicine at Upstate Medical Center in Syracuse, New York, clearly understands the clinical value of a "good history," its therapeutic potential. Beginning with an intelligent reappraisal of the Flexner Report on medical education of 1910, Richmond traces the unprecedented consolidation of power in the hands of medicine's trade guild, the A.M.A.;[2] he gives proper emphasis to the tremendous impact of research, government and the university on medical care since World War II, especially as it has been reflected in the rise of the urban medical complex as the central unit in health care for millions of Americans; and he outlines the beginnings of a "consumer revolution" in health care, even if he does not satisfactorily understand it. Throughout, *Currents in American Medicine* is lucid and literate, and, despite its brevity, the best published account of the problems that must be resolved if this country's now empty rhetoric of good health as a human right is to be realized.

Dr. Richmond's crucial weakness, however, is in this area of resolution, of realization, of—as the medical jargon has it—"management protocol." He condemns the inexcusably narrow self-interest of the American Medical Association, and even reprints a pathetically well-intentioned letter of his, written in 1965, in which he urges that the American Association of Medical Colleges assume a position of leadership in matters of public health policy. But he fails to state clearly what he (and, in my opinion, every physician of intelligence and social sensitivity) clearly must believe: that the A.M.A. as a political force in this country must be discredited and, if possible, destroyed; that a new "counterorganization" of health professionals and workers and "consumers" (rather than merely physicians) must be formed to help structure a new system of health care that will be responsible and responsive to all of the people.

Perhaps because Dr. Richmond has been so close to the "unique problems" of the poor—as Director of Project Head Start, and Director of the Office of Health Affairs of the Office of Economic Opportunity, from 1965 to 1967—he is aware that in no sense are they unique problems. He knows that the fragmentation and dehumanization and the exorbitant costs of health care "also apply to the more affluent," and, conversely, that the Neighborhood Health Center program (O.E.O.) "was designed for the poor, but its implications for health services for the general population are apparent." His vision, on this score, is broader and more acute than that of Kosa and his collaborators. But it remains limited, because Richmond refuses to take the necessary risks, refuses to skate over the thin ice from the edge of which Kierkegaard knew so many of us turn back with a regretful sigh. His therapeutic regimen is too weak, too guarded: From some sort of Presidential Council of Health Advisors, Dr. Richmond suggests; or perhaps a new Board of Medicine of the National Academy of Sciences will exert some leadership. (Kierkegaard again: "Committee after committee is formed, so long, that is to say, as there are still people who passionately want to be what they ought to be: but in the end the whole age becomes a committee.")

With these kinds of "solutions," Richmond circumnavigates the painful central questions that he himself has at least partially perceived. The most basic one is definitional: What precisely *is* a physician in this country today, and what must he become? Although Richmond speaks briefly and vaguely of "the matter of redistributing personnel and redefining their functions," he refuses to see that the very *concept* of a physician in our society—what and who he is, and how he functions—is obsolete. In the wake of radical technological and societal change, our idea of "doctor" remains rooted in the nineteenth-century model. Today's physician is perhaps the last remaining archetypal American—a self-sufficient, independent rugged individual after the frontier model, with illusions of omniscience and (not only as he controls his patient but also as he controls the allocation of health resources on a national level) a life-style of omnipotence. It is impossible to understand the pathology of American medical education and care without first understanding the essential obsolescence of the American physician. And it is only on the basis of this understanding that the fundamental restructuring of American medicine, the "bold and inventive planning" that Dr. Richmond advocates, can amount to anything more than the "patchwork approach" that he documents so well and so correctly condemns.

The obsolescence of the American physician today is manifold, a product of his archaic education, his inappropriate orientation to disease and to people, the economic (fee-for-service) and societal (one-to-one) framework of the "physician-patient relationship," the traditional notion of a patient-centered rather than a community-centered responsibility. But the most dangerous aspect of that obsolescence is its established pattern of *physician primacy* in medical care. For centuries the doctor has been considered, and has considered himself, the absolutely central figure in patient care, all-knowing and all-powerful. Despite the fact that advances in medical technology have significantly complicated the physician-patient relationship, doctors have retained their monopoly of control over patient care to the exclusion of nurses, technicians, administrators and "paramedical" personnel, without which the practitioner of modern medicine cannot function. Despite brilliant advances in techniques of communication, physicians have jealously preserved their monopoly over health education and information, primarily, it is clear, to maintain economic and status advantages. And, most important, despite the easy professional rhetoric of services, our medical care mechanism is run by and for the physician rather than by and for the patient, and the practitioner is in no way *accountable* to the people that he "serves."[3]

Footnotes at end of article.

The accountability of the health care system will be the overriding issue in American medicine in this decade. *Some* kind of National Health Insurance is inevitable—whether it is modeled after the suggestions of Nelson Rockefeller or Walter Reuther or Edward Kennedy or even the A.M.A.'s "Medicredit" scheme. The pressure from middle America, as Mr. Nixon already senses, will mount and will demand satisfaction. But unless a financing scheme is coupled with a drastic restructuring of American medicine—including a radical redefinition of what a physician is and how he functions and relates to the community and the health of its people—the pathology of the health care system as it exists will be exacerbated. Fragmentation, depersonalization, social and racial inequity, an emphasis on the treatment rather than prevention of disease, escalating expenses—all manifestations of the fact that the providers of medical care have never been accountable to the consumers of that care—will combine to insure that we remain an unhealthy nation.

What might the mechanism of such accountability be? Dr. Richmond devotes a quarter of his book to The Consumer Revolution in medical care, but he misses an essential point. The bumper crop of health legislation passed by the Eighty-ninth and subsequent Congresses was less than manifestation of revolutionary sentiment (the author's contention) than a clumsy attempt by the federal government and "organized medicine" at prophylactic pacification. Any variety of National Health Insurance that freezes individual or corporate capitalism as the fiscal basis of medical care, and retains a rigid professional hierarchy as its social basis, will be nothing more.[4]

Yet the conumers of health care are revolting in this country, not in the legislatures but, perhaps more meaningfully, in the hospitals and in the streets. Community groups in major American cities are demanding the right to control the health institutions in their neighborhoods precisely as they have demanded the right to control their schools. Health workers, technicians and "paraprofessionals" have been mobilized through unionization drives (such as that of Local 1199 of the A.F.L.-C.I.O.), professionalization drives (such as that of Psychiatric Aides Association) and the rather sudden realization that they are not only consumers of health care and citizens of the community that supports the hospital and that the hospital is supposed to serve, but also integral members of the country's health care team—a team that certainly *includes* physicians, but that need no longer, and must no longer, be exclusively controlled by physicians.

And increasing numbers of professionals—especially recent graduates and health science students—are at least beginning to reassess critically the role they play in the provision of health care. The Medical Committee For Human Rights and the Student Health Organization, for example, have helped the Black Panther Party and other (white as well as black) community groups finance and staff neighborhood Peoples' Free Clinics in a number of American cities. These and other groups (notably and most articulately the Health Policy Advisory Center in New York) have supported such actions as a sit-in (by the Young Lords, a militant Puerto Rican group) at Metropolitan Hospital in Manhattan, a demand by community forces that the new administrator of Lincoln Hospital in the Bronx be a Puerto Rican, and the disruption of services at the Gouverneur Health Center by the Health Revolutionary Unitary Movement, which is demanding a larger community share in the clinic's operations.

Such is potentially the stuff of a real revolution in health care; and yet to this important "current" in American medicine neither Dr. Richmond nor Professors Kosa, Antonovsky and Zola devote a word. It is this current—the issue of accountability, of self-determination in health care, of redefining the role of a physician so that he becomes an advocate of the community and of its right to good health—that will occupy the "medical sociologist" of the seventies. And it is likely that the pattern observed in this area will closely parallel that which the sociologist of the last decade observed in medical economics: abuses will be uncovered first where they are most naked—among the poor and nonwhite—and at last where they are more subtle, but as sinister, among all of us. Perhaps then we will be able to fight together, as we need to, and to restructure, and to redefine. Perhaps then, as we've done too seldom in the past (in medicine as elsewhere), we will recognize the poor as the mirror of our pathology, our inadequacy, our desperation and our hope.

FOOTNOTES

[1] The multiple failures of American medicine have yet to be comprehensively documented in a single volume. Valuable but incomplete perspectives may be found in Roul Tunley, *The American Health Scandal*, Harper & Row, 1966; Raymond S. Duff and August B. Hollingshead, *Sickness and Society*, Harper & Row, 1968; Barney G. Glaser and Anselm L. Strauss, *Time for Dying*, Aldine, 1968; Selig Greenberg, *The Troubled Calling*, Macmillan, 1965; John H. Knowles (ed.), *Views of Medical Education and Medical Care*, Harvard University Press, 1968.

[2] It might be noted here that this author, as others have done before him, records that prior to 1920 the A.M.A. was a progressive force in medical education and care. Readers unfamiliar with the history of the Association will find Richmond's summary of its early reforming efforts interesting and may be referred to James G. Burrow's *AMA: Voice of American Medicine* (Johns Hopkins Press, 1963), an uncritical account, or Richard Harris' *A Sacred Trust* (New American Library, 1966), a critical one, for additional information.

[3] The traditional muckraking "antidoctor" books (for example, Martin L. Gross, *The Doctors*, Random House, 1966) have focused upon this problem, but obliquely. The medical profession's penchant for concealing improperly handled and iatrogenic (physician-caused) illness is real and not unimportant; but the authors who have attacked the profession on these grounds have missed the forest for a few (relatively) inconsequential trees. The accountability of the physician must extend beyond the *micro*scopic concern for the particular patient to the *macro*scopic concern for the entire community of patients and (even more important) potential patients.

[4] As the absurdity of the solo, entrepreneurial, fee-for-service mechanism becomes increasingly apparent, the prospect arises that medicine may shift to the model of corporate capitalism. *Fortune* (January, 1970) devoted five articles to the tantalizing subject. Such a corporate approach would certainly be more efficient; but there is little reason to expect that such efficiency would (in unprecedented fashion) significantly benefit the consumer rather than the stockholder.

MR. EARL KOCH

Mr. TAFT. Mr. President, I was recently honored to be present at a breakfast meeting at which my constituent, Mr. G. Earl Koch of Cincinnati was honored by SBA Administrator Thomas S. Kleppe.

Mr. Koch was presented a certificate of appreciation in recognition of his outstanding public service, community spirit, and contributions to the success of the Service Corps of Retired Executives.

Administrator Kleppe said that SCORE now has nearly 4,000 members and has given counsel to more than 155,000 small businessmen since the program started in 1964.

Mr. Kleppe praised Mr. Koch as an effective emissary for SCOPE and SBA, in his many talks before business and civic groups, and through his many media appearances.

Mr. Koch was formerly president and general manager of the Auto and Aero Supply Co. and Brake Manufacturers, Inc.

WASHINGTON MEMORIAL TO PRESIDENT HERBERT CLARK HOOVER

Mr. CRANSTON. Mr. President, I am pleased to join with the distinguished senior Senator from Oregon (Mr. HATFIELD) in the joint resolution for the purpose of establishing a Washington memorial to President Herbert Clark Hoover. It is fitting that a memorial be dedicated on August 10, 1974, the 100th anniversary of his birthday.

In his lifetime he pursued four careers: engineer, humanitarian, President of the United States, and government reformer. He was Secretary of Commerce, and served as a trustee at both Stanford University and Carnegie Institute of Washington. In both the Truman and Eisenhower administrations, he headed the Commission on Organization of the Executive Branch of the Government.

Hoover was deeply involved with the development of Stanford University—my own school—from the time he arrived on the campus in 1891 as a member of the first freshman class. His most important contribution was the founding of the Hoover Institute on War, Revolution, and Peace at Stanford in 1919. It has since become one of the world's great archives of factual information on human strife.

A pioneer in the modern problem of food relief, he proposed to the Carnegie Corporation in 1921 that a food research institute be founded at Stanford University so that a scientific approach to mass food problems might be developed. People in many lands owed their lives to the work of relief organizations headed by Herbert Hoover.

One of my first memories of politics goes back to 1928, after Hoover was nominated by the GOP for President. He returned to Palo Alto for a great welcome home, and I—then a high school freshman—was down at the railroad station in the huge throng that greeted him. Somehow, I got right up next to him as he stepped off the train, and I was unceremoniously picked up by the scruff of the neck by a huge Secret Serviceman, and deposited at some distance from the future President.

A man of great compassion for human suffering, he was unfortunately called to lead our Nation during the crisis of a depression which his economic theories could not resolve. Yet, he weathered the harsh criticisms of the thirties to achieve the respect and love of our Nation during his final years. It is eminently appropriate that he join the roster of those great Americans who are memorialized in our Nation's Capitol.

RETIREMENT OF DEAN WARNER

Mr. BAKER. Mr. President, I have recently learned of the retirement of Dean Harold C. Warner of the University of Tennessee Law School and would take this opportunity to express my deep appreciation for the service he has rendered to the law college and to the legal community in Tennessee. It is impossible to express in a few sentences the fitting tribute which such a man has earned in the dedication of his life to the betterment of mankind. So that we all might be aware of and benefit from the example of Dean Warner, I ask unanimous consent that a brief article recently published in the UT Lawyer, summer 1971 edition, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEAN HAROLD C. WARNER

Faculty, students, and alumni soon say farewell to the symbol of the first great period in the history of The University of Tennessee College of Law. Dean Harold C. Warner, known by many as "Colonel", will be retiring at the end of the summer quarter 1971. He has played a significant role in the change of a modest professional school into one of the finest institutions of legal education in the South.

Dean Warner earned the Ph.B. and J.D. degrees from The University of Chicago in 1925, was admitted to the Illinois Bar and practiced there until 1928, at which time he joined the faculty of The University of Tennessee. At that time the school had but three full-time faculty members and a student body of about 40. It was housed in a small building on Church Street. In contrast, the present student body numbers over 500 in a new structure on Cumberland Avenue.

Military leave called Harold Warner away from the College of Law from June 1941 to June 1946. He served as Colonel in the Judge Advocate General's Corps, and as Staff Judge Advocate of the 88th Division and the X Corps. During the war, he participated in the New Guinea Campaign, the invasion of Leyte, the Mindoro and Mindanao Campaigns, served in the Philippine Islands and with the occupying forces in Japan.

Dean Warner was awarded the Legion of Merit and Bronze Star for his distinguished service. Colonel Warner has been an advisor to the Commanding General of the Third Army and chairman of the Military Justice Committee of the American Bar Association.

Harold Warner returned to The University of Tennessee after completing military service and at one time or another has taught just about every subject in the law curriculum. However, his main interest is Real Property and he is today considered an authority in the field of Future Interests. In 1963, he was named Dean of the College of Law.

Dean Warner has served the legal profession in many other ways. For example, he was a past chairman of the Real Property, Probate and Trust Section of the Tennessee Bar Association; he was a member of the McCord Commission to study Tennessee election laws; he has served as a member of the Tennessee Bar Association's Committee on Continuing Legal Education; and he has served as a member of many other committees of the Knoxville and Tennessee Bar Associations. Presently, Colonel Warner is a member of the American Law Institute.

Not only is Dean Warner a leader in the field of legal education, but an active member in the community. Serving as past director of the Knoxville-Knox County Civil Defense and presently as a member of the Optimist Club, a Mason, and a member of the Magnolia Avenue Methodist Church, he is well known in the Knoxville community.

In the future, Dean Warner will maintain an office in the College of Law and although retiring as Dean and Professor of Law, ties to the school will not be completely severed. His knowledge and experience will continually be used in the movement of the College to even greater strides It seems a thank-you for all the years of service and devotion to his duty is less than enough, for only those who have known Dean Harold C. Warner can fully appreciate his devotion as a leader and individual.

Mr. BAKER. Mr. President, I extend to Dean Warner my deepest and sincerest appreciation for the years of excellent service he has given to the University of Tennessee Law School, both as professor and dean. His leadership has contributed to and exemplified the outstanding tradition of the institution.

RICH AND POOR

Mr. HART. Mr. President, for those who question the priorities and logic of our system, last week was most instructive.

The administration was urging Congress to approve a bill which would permit the Federal Government to guarantee a $250 million loan to bail out the Lockheed Corp. from financial difficulties.

On Thursday, an administration spokesman told the Senate Nutrition Committee that the Department of Agriculture would not spend at this time an additional $20 million which Congress had provided for feeding programs for hungry adults and children.

It is fair to state, I believe, that one of the principal reasons given to justify that decision was that there are inefficiencies in the systems used to distribute food to the hungry.

In other words, at the same time the administration asks Congress to bail out Lockheed from a predicament at least in important part of its own making, the administration is telling a Senate committee that it will not spend money for food to help people in predicaments not of their own making.

The administration is willing to take a $250 million gamble on saving a big business from its own inefficiencies, but the administration is not willing to spend $20 million to feed hungry adults and children because of reported inefficiencies in the distribution system.

Certainly the Federal Government should always press for more efficient administration of its programs, but is it right to ask a hungry person to wait a little longer for food while bureaucrats tinker with the distribution system?

In short, while Lockheed is to be "rewarded" for its failings, the poor are asked to wait because of someone else's inefficiencies. I suspect that if those interests pressing for approval of the Lockheed bill and if those persons administering our food programs were hungry, we would find some way of getting the food distributed. In all probability, rather than refusing to spend the funds, the administration probably would be asking Congress to provide even more money.

Approval of the emergency loan guarantee bill then would not only be another step toward establishing a national policy of socialism for the big and powerful and free enterprise for the small and less powerful, but approval would also be further proof that our system appears to demand less of its wealthy than it does of its poor.

Regardless of how Senators may vote on the guarantee bill, I would hope all would join in urging the administration to release the additional $20 million Congress provided for food programs.

To do otherwise would be, at a minimum, to ignore the fact that the Senate has taken the unusual step of approving two amendments supporting expenditure of the same $20 million.

In Public Law 92–32, Congress authorized the transfer of $20 million from section 32 funds of the act of August 24, 1935, to supplemental food programs. The wording of that amendment made it quite clear that these funds were to be in addition to any money made available elsewhere for such feeding programs.

In approving the agriculture appropriations bill, which provided $16.4 million for these programs, the Senate passed a second amendment emphasizing that the $20 million was to be in addition to money provided in that appropriations bill.

Let us at least keep faith with commitment. The Detroit Free Press of July 23 reports the moving plea of three Detroit citizens, who have lived with and constructively organized the distribution of food to the hungry, and I ask unanimous consent it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES "MAD" NOT TO GIVE FOOD TO POOR, DETROIT PRIEST SAYS

(By David Hess)

WASHINGTON.—A Detroit priest accused the U.S. Department of Agriculture on Thursday of having a "mad hatter" mentality in withholding food from most of the city's 53,000 hungry poor.

The Rev. Father William T. Cunningham, director of Focus: Hope, appeared before the Senate Select Committee on Nutrition and Human Needs.

He detailed his quarrel with the Agriculture Department's refusal to spend congressionally approved anti-hunger money for mothers and infants.

Father Cunningham related the case of one Detroit mother of eight who took her 3-year-old son to the hospital with a cut.

The child had rickets, a bone disease resulting from malnutrition, Father Cunningham said.

"But the mother would not allow him to be admitted," the priest said. "The mother told hospital authorities: 'Everyone else in the family has funny legs and I don't want this one to be different.' "

Father Cunningham appeared before Sen. George McGovern's committee with Mrs. Dorinda Jones of the Detroit Mayor's Committee for Human Resources Development and Mrs. Eleanor Josaitis, director of volunteer workers for Focus: Hope.

Committee member Philip Hart, D-Mich., who co-sponsored with McGovern a $20 million authorization to provide more food for the nation's malnourished poor, said he also has been feuding with the Agriculture Department over the issue.

The department contends that the national food stamp program provides the means for poor people to satisfy their nutritional needs.

But Father Cunningham and Mrs. Josaitis insisted that the program is failing in Detroit and helps only a fraction of the people who need an adequate diet.

Mrs. Jones said the U.S. Office of Economic Opportunity (OEO) in Detroit has committed $101,000 to Focus: Hope's food distribution program, which is now reaching about 3,500 people.

The OEO commitment, she said, would permit focus to serve 10,000 to 18,000 poor people. But the Agriculture Department "decided not to supply the food," leaving OEO's commitment in limbo, she said.

"There are 53,000 mothers and babies in Detroit clinically classified as malnourished (by the state health department)," Father Cunningham said, adding:

"If children go hungry at certain critical ages, they may suffer irreversible brain damage. . . . We have already created a culture of hunger. Mothers who themselves suffered from hunger as children pass on their tragedy to their offspring, because they are incapable of improvement or change."

In a statement to the committee, the three Focus: Hope spokesmen urged the Agriculture Department to:

Send food immediately to feed the 18,000 persons for which storage, handling and distribution money is available this year, with a later commitment for enough food to feed all 53,000 hungry.

Ensure that funds are available, either from the Agriculture Department, OEO, or the Department of Health, Education and Welfare, to store and distribute food on a mass basis in the future.

Include a "variety of richly nutritional food" in the department's supplemental food program.

Include preschool children, ages 1 through 5, in the supplemental program.

MAN'S CONTROL OF HIS NATURAL ENVIRONMENT

Mr. BROCK. Mr. President, the recent issue of Field and Stream magazine contains a feature article entitled, "To Dam or Not to Dam." The feature contained two separate articles representing divergent points of view on the advantages and disadvantages of man's efforts to manipulate and control his natural environment. This unresolvable dilemma is often faced by the State of Tennessee as the expansion and aggressiveness of what many have termed "the State's great benefactor," the Tennessee Valley Authority, proceeds to build on and develop much of our natural terrain and resources.

As a legislator, I can appreciate both authors' argument and would in the case of Tennessee side neither with the TVA nor the strict conservationist on principle alone. I think the most important single idea to be gleaned from the concurrent presentations by Mr. Michael Frome and Mr. Ottis Peterson is that we weigh the merits of each individual project to determine whether in the long run it will be of greater benefit to people, living and yet unborn.

Whether man, as a part of nature, has the right to direct his inventiveness and ingenuity on the handi-work of natural forces remains a dilemma. However, I believe that the Field and Stream feature sheds some light on the considerations which must be understood before we attempt to harness and control environmental forces.

I ask unanimous consent that this feature be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

To Dam or Not To Dam

Note.—The two articles presented here, representing divergent points of view, are written by authors who are deeply concerned about our natural resources. Writer and traveler Ottis Peterson, who is also Assistant to the Commissioner at the U.S. Dept. of the Interior's Bureau of Reclamation, sees dams as tools ". . . to turn our rivers from unruly destroyers to servants of man, performing useful functions for the advancement of civilization." Mr. Peterson feels that the judicious use of dams can ". . . preserve and enhance the natural environment." Author Michael Frome, a leader in the conservation movement, recognizes that: "Harnessing natural features and 'improving' rivers represents man's splendid ingenuity . . ." but Mr. Frome stresse that: "The greater ingenuity is to show that man can survive while leaving some few features of the earth to their own devices."

(VISTA/U.S.A. invites you to send us your opinions. We hope to include a variety of comments and authors' replies in a future issue.)

(By Ottis Peterson)

You see it from your jet, five miles up; a shimmering, broad, irregular ribbon of blue among the tan and red sandstone cliffs. It stretches into the horizon on one side and ends abruptly on the other; dropping off into a canyon beyond the crest of a curving sculptured concrete barrier—a dam.

You're looking at Glen Canyon Dam and the reservoir it created on the Colorado River, Lake Powell! For 186 incredible miles, it transforms a turgid stream of red mud into a waterway of sparkling blue against a backdrops of nature's most spectacular scenery.

But the airborne glimpse is simply a teaser. From Los Angeles you will return by automobile, trailing a boat on which you will spend three days—you wish it could be three weeks—exploring, camping, fishing, swimming. For Lake Powell has 1,800 miles of shoreline, the airline distance from Canada to Mexico, to explore.

There are countless side canyons, cut in the soft Navajo sandstone over the ages by wind and water, where there is further exploration on foot at water's end, much of it into beautiful hidden areas where man has rarely set foot. There is Rainbow Bridge, a geologic oddity and masterpiece of nature's sculpture, now easily accessible by boat instead of a two-day trek on horseback.

There is spectular trout and bass fishing from the collective stocking efforts of federal, Utah and Arizona fish and game departments. The total recreation planning effort and administration by the Glen Canyon National Recreation Area is in the hands of the National Park Service.

Less than a decade old, Lake Powell is already one of the most popular areas on the park service roster. In 1970, it attracted nearly a million people, a remarkable figure considering that the nearest population centers, Salt Lake City and Phoenix, are several hundred miles away. Without question, Lake Powell and Glen Canyon Dam bid fair to become one of the outstanding recreation areas and tourist attractions of the nation. But that is not the primary reason for their being.

This is only one of many dam projects to turn our rivers from unruly destroyers to servants of man, performing useful functions for the advancement of civilization. Waterborne outdoor recreation is only one facet of the benefits—but an increasingly important one—from dam construction.

From the beginning of time, man has had to use his ingenuity to turn water, as other natural resources, to his benefit. His success has been one measure of the progress of civilization. His first big step was in the dim past when he invented the boat. Water was transformed from a barrier into a means of transportation. Primitive Indians of North America diverted small streams of water through crude irrigation ditches to scratch out a living on desert lands. The Mormon pioneers refined the process to reclaim the arid and treeless plains of the Salt Lake Valley and made them "blossom as the rose."

But simple diversions of flowing water were not enough, for the rivers flooded in the springtime when the snow melted and dwindled in the dry summer until there was no water to divert.

Like Joseph's barns, to store wheat in time of plenty for use in time of want, dams and reservoirs for water storage were the answer. The Bureau of Reclamation, an agency within the Department of the Interior, was the first to undertake major dam construction in the West, where the need for irrigation water was greatest.

The Army Corps of Engineers was later charged with construction of great dams on the Missouri and other major rivers for flood control purposes. This work began in the 1930's when it became obvious that man must move to prevent the limitless destruction by flood-swollen streams sweeping everything before them in the rush to the sea.

From these primary beginnings of dams for irrigation and flood control have come the great multipurpose structures which now control most of the principal rivers of the U.S. In addition to providing irrigation water and preventing floods, they supply municipal and industrial water: an inexhaustible source of pollution-free hydroelectricity; enhance fish and game resources by judicious planning and management; lessen pollution by maintaining a regulated river flow and, of course, have helped immeasurably to relieve our overcrowded recreational areas.

There is no question that construction of dams and regulation of rivers have changed nature's environment and, in many instances, have altered the ecological balance. Lake Powell, for example, inundated a very beautiful but little-known canyon which the Colorado River had carved through a plateau of sandstone unlifted from the ocean floor millions of years ago. Glen Canyon is dwarfed by the mighty Grand Canyon some 67 miles downstream. Those among the 30,000 or so people who saw Glen Canyon by drifting down the Colorado before Glen Canyon Dam was built say it was an unexcelled jewel in its natural beauty.

But so is Lake Powell unexcelled in its beauty. The handful who were able to visit the area in its natural state have grown to hundreds of thousands in the sparkling blue waterway that is Lake Powell. There are those who say this is bad, but isn't it equally unfair to deny many Americans the opportunity to visit one of the great scenic areas of the world?

As for changing the environment and shifting the ecological balance by the hand of man, it is well to keep in mind that nature is also constantly rearranging the scenery—but at a slower pace. The world today is a far different place than it was 10,000 or 100,000 years ago. Living things have always had to adjust to a changing environment—or perish. As a matter of fact, in those distant days there was a natural dam in the Grand Canyon created by a flow of lava from the high plateau. The dam was eventually washed out and became the Lava Falls, much revered by preservationists today as the mightiest rapids on the Colorado.

Only a few years ago, nature changed the environment on the Madison River—an excellent fishing stream in Montana, near Yellowstone National Park—when it shook loose a mountainside and deposited many millions of tons of earth and rock across the river to create Earthquake Lake. Some 26 lives were taken by the slide. Today, that dam and lake are extolled as extraordinary creations of nature by the same people who condemn man's control works on our rivers. Yet Earthquake Lake is dead and barren. It serves no useful purpose, as do Glen Canyon Dam and the multitude of others which man has constructed in the last century.

The question today is not whether to construct additional dams, but to determine which are necessary and will serve a useful purpose. If they are, they must be built and operated in a manner which will preserve and enhance the natural environment, consistent with the primary purpose for which they are designed. Such a goal is not impossible.

Few people who visit Grand Teton National Park realize that Jackson Lake, in the shadow of some of nature's grandest peaks, is a man-made reservoir. Water impounded here is spread on the fertile plains of southern Idaho, anywhere from 150 to 400 miles downstream. But by judicious management the level of the reservoir is kept fairly constant during the tourist season, high enough to avoid an unsightly appearance but low enough to prevent wave erosion of the fragile beach line. In the late summer, irrigation water is drawn off. The storage space thus created is utilized for flood control the following spring.

Many man-made lakes are operated to provide optimum circumstances during the spawning season. Some even have high and low outlet levels to provide the best temperature for fish downstream.

The big problem in artificial lake and stream management, as it is in most things, is people. Not necessarily too many people, although overcrowding is a difficulty, but thoughtless use, littering, polluting or willful ignoring of management rules. Until man, the casual user but principal beneficiary of our rich endowment of natural resources, recognizes the fundamental requirements of their use—we are in trouble.

TO DAM OR NOT TO DAM

(By Michael Frome)

In 1913, John Muir, the naturalist and humanitarian, was leading the fight to protect one of the most beautiful regions in the Sierra Nevadas. "These Temple destroyers, devotees of ravaging commercialism, seem to have a perfect contempt for Nature," he said, "and, instead of lifting their eyes to the God of the Mountains, lift them to the Almighty Dollar."

He was fighting but one dam, Hetch Hetchy, in Yosemite National Park. Since then, however, the nation has been subjected to a strange and lurid era of reckless dam building and an almost psychotic fixation on dams as the magic key to profits, politics and what is mistakenly taken for "progress."

The U.S. is now the most thoroughly dammed nation on earth, and we are the poorer for it. Most of our rivers have been sacrificed, though woven into the romance, literature and soul of the surrounding land as a priceless part of our natural heritage. Only a small number of streams remain untamed; unspoiled, in the natural condition in which man found them. Fortunately, concerted efforts are now being made to assure the survival of a few remaining rivers through national and state systems of wild rivers. They will preserve a quality of the true America future generations deserve to know and enjoy.

But the pressure to build more dams continues. The tragedy is that self-perpetuating federal agencies—the Army Corps of Engineers, Bureau of Reclamation, Tennessee Valley Authority and Soil Conservation Service—are scouting every river and creek bottom from Alaska to the Gulf of Mexico, with scant concern for the natural values they subsequently place in jeopardy. Even when they concede poor prospects, the lobbies of contractors, real estate speculators and industrial developers beat the political drums in order to receive something for nothing from federal taxpayers.

The sound of the tom-toms is heard with open ears by most members of Congress. They may talk loudly about the lack of funds for poverty programs, parks, clean water and saving the cities, but the truth is there is something at the pork barrel for everybody who plays the game. Economy is for the other guy's district.

Boomers and builders of artificial impoundments, whether private or public, will promise to prevent floods, store water, stimulate industrial employment, furnish fishing, boating, water skiing, swimming, camping and anything else to help sell a project. But nothing is said about "benefits lost" from wildlife species extinguished, valleys and forests flooded, historic streams submerged, entire ecological systems disrupted.

One of the best examples of the wastefulness of a dam that should never have been built is the Tellico project on the Little Tennessee River in East Tennessee. It is represented by TVA as a "multipurpose river development," although it is clearly not justified by navigation or flood-control needs. The "Little T" is already regulated by seven major dams. The sole significant argument for the dam is that it would open new industrial sites—though many already go begging on nearby lakes. On the other hand, this ruinous adventure will wipe out a beautiful canoeing and trout stream as well as the surrounding farmlands, hunting areas and a major tree nursery. It will also destroy the site of Chota, the ancestral capital of the Cherokee nation, and make a mockery of Fort Loudoun, the first English fort west of the Appalachians. This unique stream could be an economic resource in its own right, the core of a real regional recreation plan, encompassing the adjacent Great Smoky Mountains National Park, national forests, TVA lakes—and with implicit respect for nature.

Billions of dollars have been invested in flood-control projects, but losses have continued to show an upward trend. With few exceptions, every stream must get out of its bank from time to time and use its flood plain to carry flows it cannot accommodate in its normal channel. A much better and less costly approach is flood-plain zoning, which provides open space and recreation in the lowlands, with sound flood control at low cost. Moreover, protecting healthy watersheds with an adequate cover of vegetation is the best way to regulate the flow of rainfall and improve water quality at the same time. This is what is known as getting to the heart of the problem of sound land use for future needs and well-being.

Then there is the alleged need of power, which is designed to keep the Gross National Product spiraling. I could cite potential power sources other than hydroelectric, but this is not the point. To insure environmental survival in the face of declining resources, the American life-style must shift from unrestrained over-consumption to an emphasis on the qualitative experience. Power shortages can readily be solved by reducing consumption of things we do not need. Free-flowing rivers will be vital to the mental and physical growth of Americans as long as there is such a land; the plethora of neon signs, coast-to-coast, is not quite as essential.

The Corps of Engineers likes to cite statistics showing that its 300 artificial reservoirs are subject to a heavier volume of visitors than all baseball, football, basketball, soccer, hockey and assorted other spectator sports combined. This may be impressive but principally in terms of numbers. More areas must be left alone, free of engineers and builders, so people may come as individuals and develop sensitivity to the inspirational and scientific values in undisturbed nature. Churches, libraries and universities—and the slender fragments of remaining wilderness—are intended not to accommodate the so-called "greatest number" but to furnish the climate wherein the seeds of individual growth can germinate for the benefit of all mankind.

I recall visiting Grand Canyon National Park in 1966, when the Bureau of Reclamation and the boomers of Arizona were pressing to dam the Colorado River in the heart of the canyon. At 5:30 one morning I walked to the rim to watch the sun rise. From one second to the next the scene changed as earth and sky brightened. This was Arizona, arid, wide, wild and wonderful, which even the dam builders had extolled for its natural beauty.

Almost everybody in this arid region wants dams, or thinks he wants dams, like a panacea or religion that is said to guarantee a better life, inducing prosperity, boom, bank deposits, building, freeways, congestion and sprawl.

The truth is that little is actually known about storage, evaporation, or the influence of artificial impoundments on earth stresses; yet major decisions are often made on the basis of economic pressures and political hysterics.

Such were among my thoughts at daybreak at the Grand Canyon. The proposal to build dams there was defeated, as a result of public expression throughout America. The decision was wise. Harnessing natural features and "improving" rivers represents man's splendid ingenuity, beyond a doubt. The greater ingenuity is to show that man can survive while leaving some few features of the earth to their own devices. This is the true test of our mechanical, intellectual and moral skills.

PARAMEDICAL CAREERS

Mr. KENNEDY. Mr. President, one of the reasons for the present health care crisis is the shortage of trained medical personnel. The Department of Health, Education, and Welfare estimates that 50,000 more doctors are needed and 150,000 more nurses. Part of the present medical workload could be assumed by paramedical personnel. Using paramedical assistants, doctors, and nurses would be free to use their specialized skills for treating many more patients than they are presently able to treat because of the many unspecialized jobs they must perform.

In a recent issue of the American Legion magazine, Mr. Arthur S. Freese describes 17 careers in medicine for specialists which do not require an M.D. degree. Many of these careers involve work which would lighten the duties of doctors and nurses, but still require performing medical services for the patient.

Every year, 30,000 service men who have had paramedical training leave the Armed Forces. Redirecting these trained medical personnel into civilian jobs would ease the crisis in medical personnel. If more individuals could be attracted to paramedical careers, the present supply of doctors would have more time to practice medicine on their patients.

I believe that Mr. Freese's article, "Careers That Need Filling in American Medicine," expands the opportunity of medical related careers for individuals interested in the medical profession. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SURVEY OF CAREERS THAT NEED FILLING IN AMERICAN MEDICINE

(By Arthur S. Freese)

These words are aimed very much at (1) young people who may read them or have them called to their attention, (2) their parents and teachers, and (3) former medical corpsmen and pharmacists mates of the armed forces.

But reading them will give anyone a rather clear picture of acute present needs for people who are not MD's to fill various career spots in medicine.

The practice of medicine and its administration are changing.

One of the marked changes is a trend to try to free doctors from a lot of work that someone else can do, to let them do more of what only they can do.

Another is that new equipment and new techniques call for people with new skills.

Brand new careers in health care and a bigger demand for people to fill older careers are the result. There are acute shortages in many of these positions. The most advanced thinkers in medical administration are saying that many of our nation's health problems can only be solved if we get more people to become what they call "paramedical specialists." That's a fancy phrase for those who work in health care who do not have MD degrees.

The variety of "paramedical" openings is enormous. They include medical secretaries and medical librarians quite as much as people who deal with therapy, instruments, tissues, laboratory testing, bed care, etc.

Very little special training is required in some of the medical jobs that are now looking for people. Others, such as medical physicists, need advanced degrees, even if they are not MD degrees.

One of the new careers is "physician's assistant," a title that was unheard of only a few years ago. A physician"s assistant is a person who can assist a doctor in almost anything he does, without being a nurse.

With the shortage of registered nurses, there are more openings for licensed practical nurses—who don't need as much training as an RN.

In general, the field of medicine is creating new jobs and dividing its work up more, and is crying for people to fill the gaps. And there is now a national effort to get former non-MD medical people who served in the armed forces to continue, as veterans, in the health care field. They are getting credit for their military experience in qualifying themselves for civilian health care jobs.

Below we describe 17 non-MD health specialities now in demand—some new, some old—and there are *many* more. We tell you enough—about the kind of work, the needed training, the cost of training, the demand, the pay, the places of employment and the natural avenues of advancement for the ambitious—to provide an introduction. In each case we give the name and address of a source of more detailed information. And nearly all of these sources are genuinely interested in anyone who is interested in their fields. At the end, we tell about the program for veterans with medical care experience in the armed forces.

Here is the summary:

PHYSICIAN'S ASSISTANT

This new professional does much of what a doctor does, giving physical examinations and treating illnesses under supervision of a physician. He often specializes, in children or surgery, for example.

Education and Training. High school diploma or its equivalent. Further training varies considerably but most involves four years of training, part of which may be experience (as medical corpsman or nurse) and part academic, often roughly half and half.

Cost of Training. Too variable to estimate, but numerous scholarships and grants should be available before long from federal funds.

Demand. Unlimited as far into the future as any experts can see.

Places of Employment. Whatever a physician practices—in his private office or on home calls, in a hospital or clinic. Experienced medical administrators see a growing need for physicians' assistants for overworked city doctors and for rural doctors with large areas to cover.

Earnings. Begin at about $10,000 a year and go up to $18,000, but these are expected to rise.

Chances for Advancement. Do general practice or specialize, but only the future can answer this question adequately since the field is so new.

Source of More Information. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

LICENSED PRACTICAL NURSE (LPN)

This professional does essentially everything the registered nurse (RN) does, but—with less training—must work under an RN's supervision. The LPN is assuming increased responsibility, giving injections and intravenous fluids, working in coronary care units.

Education and Training. Two years of high school or a high school diploma (or the equivalent). Some high schools offer an LPN program in conjunction with their regular course—otherwise a one-year special course or a two-year associate-degree college program after high school.

Cost of Training. May vary from nothing up to $500, except for associate-degree programs which run what any other such degree programs in a similar institution cost.

Demand. There is no likelihood of any decrease in the current urgent need for LPN's, at least for the next ten years.

Places of Employment. Hospitals, nursing homes, the armed forces, industry, public health, schools, doctors' offices, private duty.

Earnings. Begin at $4,000 to $7,200 a year and go as high as $10,000.

Chances for Advancement. Can become an RN with increased salary and wider opportunities. Even as an LPN there are supervisory positions in some institutions.

Source of More Information. National Federation of Licensed Practical Nurses, 250 West 57 Street, New York, N.Y. 10019.

X-RAY TECHNICIANS

These professionals (also called "radiologic technologists")—and not the doctors—are the ones who actually take the medical x-rays for diagnosis, use x-rays to treat diseases and even prepare the "atomic cocktails" (radioisotopes).

Education and Training. High school diploma or its equivalent, and either a two-year hospital-sponsored program or a two- or four-year college program with either an associate's or bachelor's degree.

Cost of Training. Many hospital-based programs are free, but tuition may go up to $1,000. College costs are the same as any other degree program in a similar institution (an Ivy League school would be more than a state university). Scholarships and grants depend on the availability of federal funds.

Demand. Jobs waiting for graduates as far into the future as experts can see.

Places of Employment. Hospitals and clinics, doctors' offices, government agencies at all levels, and industry.

Earnings. Begin at close to $10,000 a year and go up to double that figure, and these salaries are rising.

Chances for Advancement. Specialize or move up to administrative, supervisory or teaching positions.

Source of More Information. The American Society of Radiologic Technologists, 645 North Michigan Avenue, Chicago, Ill. 60611.

OPERATING ROOM TECHNICIAN

This professional prepares the hospital operating and delivery rooms, their instruments and supplies; passes things to the surgeon or obstetrician, assists in administering blood or injections; does operating room work formerly done by registered nurses.

Education and Training. High school diploma or its equivalent and a technology training program of eight months (a school year).

Cost of Training. May vary from nothing to perhaps $175.

Demand. Far exceeds the supply and is likely to do so far into the foreseeable future.

Places of Employment. Hospital operating or delivery rooms.

Earnings. Begin at about $7,000 a year. In administrative position can go up to $10,000 or even $12,000.

Chances for Advancement. If you take an associate's degree in operating room technology, can become an administrator.

Source of More Information. Association of Operating Room Nurses, Denver Technological Center, 8085 E. Prentice Avenue, Englewood, Col. 80110.

MEDICAL RECORD LIBRARIAN

This professional designs and maintains a filing system for the complete illness and treatment records of all hospital patients; analyzes medical records for statistical purposes and use in research and treatment.

Education and Training. High school diploma or its equivalent, and a four year college program giving a bachelor's degree.

Cost of Education. That of any college program in a similar institution.

Demand. Acute shortage likely to continue.

Places of Employment. 90% work in hospitals, others in drug firms, health agencies, government, education and industry.

Earnings. Begin at $5,000 to $10,000 a year and go to double that and even more.

Chances for Advancement. Administration positions and department head or professorship in teaching.

Source of More Information. American Association of Medical Record Librarians, John Hancock Center, 875 North Michigan Avenue, Chicago Ill. 60611.

MEDICAL PHYSICIST

This professional plans the use of x-rays, radium and other radiation in the fight against cancer; investigates bioelectrical changes in heart and brain; protects people against danger of excessive exposure to radiation.

Education and Training. High school diploma of its equivalent, a four-year college course and a bachelor's degree with some extra training in specialized hospital applications. Many take a master's degree or even a Ph.D.

Cost of Training. About the same as any university program in a similar institution. Scholarships and grants have been widely available but these depend on the state of federal funds.

Demand. Far exceeds the supply and is

likely to do so well into the foreseeable future.

Places of Employment. In hospitals and medical centers, teaching in professional and postgraduate schools, in research institutions and industry, as private consultants to physicians, industry and institutions.

Earnings. Begin at a little over $10,000 and go up to $30,000 and more. Salaries are on the way up.

Chances for Advancement. Become head of department or a full professor or go into research.

Source of More Information. American Association of Physicists in Medicine, 335 East 45 Street, New York, N.Y. 10017.

MEDICAL SECRETARY

This professional is a *competent executive secretary* with a knowledge of medical terminology; manages the office, acts as receptionist and handles the financial details as well as the medical record keeping.

Education and Training. Basically, secretarial training. Many medical secretaries pick up technical information on the job. High school diploma or its equivalent, with additional training at secretarial or business school, or a two- or four-year college program with appropriate degree.

Cost of Training. Varies widely depending on school attended; college costs those of any similar institution.

Demand. An acute shortage is predicted well into the future.

Places of Employment. Private doctor's office, hospital, any governmental or private agency or industrial firm employing physician.

Earnings. Begin about $5,000 or $6,000 a year and can go up to double this and more. Salaries on the rise.

Chances for Advancement. Administrative and supervisory positions, even some teaching positions in the few colleges or schools that train medical secretaries.

Source of More Information. American Association of Medical Assistants, 200 East Ohio Street, Chicago, Ill. 60611.

MEDICAL LABORATORY TECHNOLOGISTS

These professionals handle the scientific medical laboratory tests, carry out the unbelievably complex diagnostic, chemical, atomic and bacteriologic procedures.

Education and Training. High school diploma or its equivalent, and usually (today) four years of college for a bachelor's degree; often advanced degrees are also taken.

Cost of Education. That of any college program of the same length in a similar institution. Scholarships and grants are available as the current federal funds for medical education will permit.

Demand. Acute shortage likely to continue strong into the foreseeable future.

Places of Employment. Hospitals, clinics, private laboratories, research facilities, public health and other government agencies, drug industry.

Earnings. Begin at $8,000 to $10,000 and go up to double this much. Salaries are rising.

Chances for Advancement. Administrative, supervisory and teaching positions open; advanced degrees and medical research available; head department in hospital or school.

Source of More Information. American Society of Medical Technologists, Hermann Professional Building, Houston, Tex. 77025.

MEDICAL LABORATORY TECHNICIANS

These professionals do the more routine tests under the supervision of the technologist. They check Pap tests for cancer, prepare slices of tissue from the operating room for immediate examination or stain microscope specimens.

Education and Training. Varies greatly depending on the type of work. All have high school diplomas or the equivalents, plus either 12 months in an approved school for technicians or two years of college. Some go on to take a bachelor's degree.

Cost of Training. Special schools are usually free, but a college program costs what any other in a similar institution would. Scholarships and grants depend on availability of federal funds.

Demand. Acute shortage likely to continue far into the future.

Places of Employment. Hospitals, clinics, private laboratories, public health and other government agencies.

Earnings. Vary widely depending on the level of technician. Least trained begin at about $4,000 to $8,000 a year and go up to $12,000 or more—and this is rising.

Chances for Advancement. Supervisory positions in own field. With college degree can rise to medical technologist.

Soure of More Information. National Committee for Careers in Medical Technology, 9650 Rockville Pike, Bethesda, Md. 20014.

DISPENSING OPTICIANS

These professionals work in cooperation with ophthalmologist (eye doctor) and optometrist (lens prescriber); fill written prescriptions for eyeglasses by having lenses ground, help select suitable frames and fit them.

Education and Training. High school diploma or its equivalent and a two-year college program with an associate's degree.

Cost of Training. About the same as any two-year college program in a similar institution.

Demand. Exceeds the supply and is likely to continue to do so far into the future.

Places of Employment. Retail eyeglass dispensing establishments or optical laboratories.

Earnings. Begin at about $6,000 a year. Those who own stores can make up to $20,000 a year and more.

Chances for Advancement. Own or manage a dispensing office or branch of a chain; supervise an optical laboratory.

Source of More Information. American Board of Opticiantry, 821 Eggert Road, Buffalo, N.Y. 14226.

INHALATION THERAPIST

This professional (also called a respiratory therapist) works with breathing problems, using and attending to equipment such as resuscitators, iron lungs, oxygen tents and incubators; even analyzing blood samples to evaluate the gases in it.

Education and Training. High school diploma or its equivalent, plus nine months to two years of training, either in a hospital-sponsored program or a college with an associate's degree.

Cost of Training. Hospital-sponsored programs usually free, but college programs cost the same as those in any similar institution. Scholarships and grants depend on federal funds available.

Demand. Far outstrips supply and will continue to for many years to come.

Places of Employment. Mostly in hospitals but also in research, health departments and industry.

Earnings. Begin at $6,000 to $10,000 a year and can go up to double that figure.

Chances for Advancement. Administrative, teaching and research positions open.

Source of More Information. American Association of Inhalation Therapists, 332 South Michigan Avenue, Chicago, Ill. 60604.

PHARMACIST

This professional mixes and dispenses medicines, tests them for purity and strength and provides information on the effects of drugs, even develops new ones.

Education and Training. High school diploma or its equivalent, five years (commonly) at college of pharmacy for a bachelor's degree, some go on to Ph.D.

Cost of Training. Varies, but about $1,700 a year is mentioned by educators as a good average figure for tuition.

Demand. Those in field say there are jobs waiting for any graduate; that there is a tremendous need and not enough students.

Places of Employment. Retail drug stores, pharmaceutical houses, hospitals, armed forces, public health agencies, research facilities, laboratories, salesmen to doctors, teachers in pharmacy college.

Earnings. Minimum salary in New York State for example is $13,500 a year, and the pharmacist who owns his store, particularly in a small town, may do much better.

Chances for Advancement. Go on to doctorate, research, administrative or supervisory positions, head of department.

Source of More Information. American Pharmaceutical Association, 2215 Constitution Avenue, N.W., Washington, D.C. 20037.

PHYSICAL THERAPIST

This professional evaluates physical disabilities; and with exercises and training techniques, massage and physical agents (heat, light, electricity, water) he relieves pain and restores muscle coordination, strength, use and endurance.

Education and Training. High school diploma or its equivalent, and a four-year college program with a bachelor's degree; perhaps also a master's degree, rarely a doctorate.

Cost of Training. About the same as any college program in a similar institution. Scholarships and grants hitherto widely available now depend on the availability of federal funds.

Demand. Experts predict the current shortage will continue for at least another five years.

Places of Employment. In hospitals, nursing homes, rehabilitation centers, schools, industry, government and private agencies, the armed forces, teaching or even private practice.

Earnings. Begin at $8,500 to $10,000 a year and in ten years can reach $20,000—and salaries are rising.

Chances for Advancement. Take supervisory positions in hospitals, agencies and other institutions, head teaching department; some with doctorates in anatomy or physiology even teach in medical schools.

Source of More Information. American Physical Therapy Association, 1156 15th Street N.W., Washington, D.C. 20005.

OCCUPATIONAL THERAPIST

This professional works primarily with the upper limbs, takes a psychological approach. Working skills—such as woodwork, printing or jewelry-making—are used to restore the muscle strength, coordination, the ability to perform the tasks of everyday living, even help the mentally ill.

Education and Training. High school diploma or its equivalent, and a four-year college program for a bachelor's degree. Sometimes a master's degree is also taken.

Cost of Training. About the same as any college program in a similar institution. Scholarships and grants have been widely available but primarily depend on the accessibility of federal funds.

Demand. Those in the field say there is still a shortage of these professionals and this will continue.

Places of Employment. In hospitals and psychiatric institutions, nursing homes and rehabilitation centers, government and private agencies, armed forces, industry, teaching, even private practice.

Earnings. In the same general area as the physical therapist but slightly lower. Salaries are on the rise.

Chances for Advancement. Supervisory positions in hospitals, agencies and other institutions, even State Director in a mental hygiene department; or head of a teaching department or do private practice.

Source of More Information. American Occupational Therapy Association, 251 Park Avenue South, New York, N.Y. 10010.

RECREATIONAL THERAPIST

This professional uses recreation to help rehabilitate the individual, whether physically or emotionally handicapped or disabled, mentally retarded or socially deprived. Recreational therapists are strongly psychologically-oriented.

Education and Training. High school diploma or its equivalent, a four-year college program for a bachelor's degree and another year for a master's degree.

Cost of Training. About the same as any college program in a similar institution. Scholarships and grants have been widely available but are primarily dependent on the state of federal funds for education.

Demand. These professionals are in very short supply and this is expected to continue into the future.

Places of Employment. In hospitals and psychiatric institutions; nursing homes and rehabilitation centers; agencies for the crippled, blind, mentally retarded, aged and the physically handicapped and disabled; teaching and some private practice.

Earnings. In general in the same area as the occupational therapist but can go up close to $50,000 (as director of recreation for a very large city). Salaries are on the rise.

Chances for Advancement. Supervisory and administrative positions in hospitals and other institutions, agencies and government, head a teaching department or occasionally do private practice.

Source of More Information. The National Recreation and Park Association, 1700 Pennsylvania Avenue, N.W., Washington, D.C. 20005.

DENTAL HYGIENIST

This professional cleans teeth, applies fluoride solutions to prevent decay, makes dental X-rays, examines teeth and mouths and teaches dental care.

Education and Training. High school diploma or its equivalent, and either a two-year college program with an associate's degree or a two-year course in a hygienist's school; perhaps a four-year college program with a bachelor's degree, or even go on to a master's degree.

Cost of Training. Either about what any college program in a similar institution would cost or very considerably less in the non-degree special schools.

Demand. In distinctly short supply and likely to remain so for quite some time to come.

Earnings. Begin in the $4,000 to $6,000 range and go up to $10,000. Salaries likely to rise.

Chances for Advancement. With a master's degree the dental hygienist can move into teaching, administrative and public health jobs.

Places of Employment. In private dental offices, in schools and hospitals, in public health programs.

Source of More Information. American Dental Hygienists' Association, 211 East Chicago Avenue, Chicago, Ill. 60611.

DENTAL ASSISTANT

This professional prepares office and patient for the dentist, hands him instruments and mixes his filling materials, does some dental laboratory work, develops X-rays.

Education Training. High school diploma or its equivalent, one or two years of vocational training. Often on-the-job training alone.

Cost of Training. Varies widely but considerably less than college program of same length.

Demand. Should have no trouble getting jobs.

Places of Employment. Private dental offices, some clinics and hospitals, some government agencies.

Earnings. Begin at about $3,500 and go up to $7,500.

Chances of Advancement. Limited.

Source of More Information. American Dental Assistants Association, 211 East Chicago Avenue, Chicago, Ill. 60611.

MEDICALLY TRAINED SERVICEMEN AND WOMEN

Each year some 30,000 highly trained health personnel leave the armed forces, but our country still suffers from an acute shortage of just such persons. The prestigious American Hospital Association points out how carefully the military services screen their candidates for health training, how these people are frequently evaluated during their training and must meet both academic and professional requirements. For advanced training, further screening and evaluation is carried out.

To help both these people and the country, the Department of Defense cooperates with the Department of Health, Education and Welfare in Operation MEDIHC (Military Experience Directed Into Health Careers). This joint program is intended to help medically trained personnel continue their careers as civilians, thus solving two problems. The serviceman is informed either by a "transition" officer or by mail, 90 days before discharge, about MEDIHIC. The interested serviceman need only fill out the MEDIHC qualification card outlining his or her background. This card is then sent to the MEDIHC agency in the state where the serviceman will locate—and here the information is matched with any job or educational opportunities, and both the serviceman and the institution are notified.

For example, 33 states now admit military corpsmen to the examination for licensed practical nurse without further training. And in the state of Washington a program called Medex has turned medical corpsmen into physicians' assistants to relieve the acute shortage of doctors. The only training is on the job with the physician.

Thus the returning medical corpsmen can find considerable opportunity today to take a place in the country's health care setup and utilize their training, often without any additional schooling. The place to begin is with Operation MEDIHC.

Finally, for both civilian and military personnel there are two overriding sources of information about health careers—of which there are far more than the 17 listed here:

(a) Division of Careers and Recruitment, American Hospital Association, 840 Lake Shore Drive, Chicago, Ill. 60611.

(b) American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

AMERICAN PRISONERS OF WAR

Mr. THURMOND. Mr. President, an editorial published in the July 15 issue of the State of Columbia, S.C., deserves the attention of this body. The editorial, entitled "Washington Had to Reject Devil's Bargain on POW's," correctly points out the valid reasons why President Nixon refuses to set a fixed date for the withdrawal of American forces from Vietnam merely on the basis of an implied Communist promise to release American prisoners of war.

Agonizing as it is to families of POW's, President Nixon recognizes that we must not sacrifice the years of investment, in terms of American lives and treasure, in Southeast Asia, in order to bring about conditions which might—only might—result in the release of our men held captive.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WASHINGTON HAD TO REJECT DEVIL'S BARGAIN ON POW'S

It is typical of the enemy's inhumanity that the latest "peace" proposal from Hanoi dangles before their anguished next of kin the issue of American prisoners of war. Fix a withdrawal date by the end of the year, Hanoi proposes, and the prisoners will be set free.

Despite pressure—understandable pressure—from some wives of captured servicemen in enemy hands, the Administration has rejected the proposal. It is hard to see how it could have done otherwise. An offer from the enemy, if otherwise unacceptable, is scarcely more acceptable because the enemy is using human captives as bargaining chips. Indeed, some will argue, any offer of this nature ought to be rejected out of principle.

This is ugly business, all right, but what choice is there? If the Administration is correct in believing that meeting the enemy's conditions would jeopardize South Vietnam's government and ultimately undermine the security of South Vietnam, then Hanoi's proposition takes on a sinister new meaning. Washington was being asked to sacrifice the crucial interests of most South Vietnamese for the sake of American prisoners of war. It was a devil's bargain.

Having consequently rejected it, the Administration now is reportedly in the process of formulating a counter-offer. What that offer will be, no one knows. But it is unlikely to propose total American withdrawal by the end of the year or any other time certain, this being the sure way (in the Administration's view) to guarantee failure of the Vietnamization program.

Must the enemy be kept in the dark in order for withdrawal to be accomplished without adverse effects on the Saigon Government? There is some evidence, surely, that this is the case—exhibit No. 1 being Hanoi's anxiety to pin down the United States to an explicit timetable. Hanoi, one gathers from the many references to a withdrawal by December 31, also wants the United States to clear out before the South Vietnamese army is fully prepared to defend the country unassisted.

That insistence on a pell-mell American withdrawal tips the enemy's hand as well as anything does. Such precipitous action on our part, it is plain, probably would doom South Vietnam and convert into an utter rout an American commitment that, chances are, can be concluded short of a total defeat.

One's heart goes out to the families of American POWs, who are so ruthlessly exploited by the North Vietnamese Communists. But it is precisely because Washington was dealing with an enemy capable of such cruel tactics that the latest offer had to be rejected—even though the decision to reject it caused new agony to families who, God knows, have suffered enough.

THE PENTAGON PAPERS AND THE "PURSUIT OF EMPIRE"

Mr. HARTKE. Mr. President, one of the outstanding article-length analyses of the content and meaning of the Pentagon Papers appears in the current—August—issue of the Progressive. It was written by that magazine's Washington editor, Mr. Erwin Knoll, whose bitter but inarguable conclusion it is that—

> We know now that it was no "mistake," no "accident," no "quagmire" into which America was inadvertently drawn, one reluctant footstep at a time. We know that

over more than two decades, through five Administrations, we have been embarked on an inexorable pursuit of Empire, conceived, planned, and executed in our name by a small band of willful men whose disdain for mankind is matched only by their contempt for their fellow Americans.

That is a shocking indictment, Mr. President, but it is difficult to see how a thoughtful reading of the Pentagon papers could lead to any other view.

I ask unanimous consent that Mr. Knoll's article be printed at this point in the Record, and I urge all Senators to read it with the closest attention.

There being no objection, the article was ordered to be printed in the Record, as follows:

What We Know Now

(By Erwin Knoll)

The Reverend Will Campbell of Nashville, Tennessee, and points South, who carries his Christian ministry with equal and unalloyed love to black revolutionaries and white Klansmen, knows how to preach a fearsome fire-and-brimstone sermon. I heard him once, many years ago, describe to members of a rural flock the damnation that awaited them on Judgment Day unless they mended their racist ways. "You'll look up from the Bottomless Pit," he thundered, "and you'll cry, 'Lord, Lord, we didn't know. We didn't know!' And the Lord, will look down over the edge of Glory and he'll say, 'Waaal, you know now!' and he'll slam down the lid."

Waaal, we know now. We know, thanks to the 7,700 pages of history and documentation compiled in the Pentagon, thanks to the newspapers that seized the opportunity to make the record public, how we were enticed, frightened, cajoled, deceived, seduced into wagging aggressive and brutal war in Indochina. We don't know all of it yet, and perhaps we never will, but we know enough. In a way we are lucky, for we have come to know before the final judgment day. And though our lords did their best to try to slam down the lid, their efforts were repulsed by the U.S. Supreme Court.

We know now that it was no "mistake," no "accident," no "quagmire" into which America was inadvertently drawn, one reluctant footstep at a time. We know that over more than two decades, through five Administrations, we have been embarked on an inexorable pursuit of Empire, conceived, planned, and executed in our name by a small band of willful men whose disdain for mankind is matched only by their contempt for their fellow Americans.

We know that even those of us who opposed the adventure from the beginning—as *The Progressive* did—were unable to explore the depths of official duplicity. When we accused our Government of being secretive, we hardly imagined the enormity of the secrets it held. When we charged that our Government was lying, we did not fathom the dimension of the lies. When we declared that our reputation, our ideals, our wealth, our young men's limbs and lives were being squandered in a criminal enterprise, we thought that the men who made decisions in our behalf did not understand the nature of the crime. We were wrong; they understood.

We know now that we have been fed a steady diet of deception. More than twenty years ago, when the Truman Administration discovered and proclaimed America's new role as "leader of the Free World," it simultaneously began overt and surreptitious financial and military aid to the doddering French colonial empire to help it hold the peoples of Indochina in subjugation. In the Eisenhower Administration, when the attempt had collapsed, America entered into a "commitment" to the government it had handpicked for South Vietnam and connived with it to cancel the Vietnamese unification elections that had been called for by the 1954 Geneva Accords. While U.S. propagandists told the world—and their own people—that the Communist North would not permit free elections, the Central Intelligence Agency told President Eisenhower that any election would be an overwhelming popular triumph for Ho Chi Minh, in the South as well as in the North.

American involvement intensified during the Kennedy years, and so did the resort to secrecy and deceit. At a press conference on February 14, 1962, President Kennedy announced that at the request of the South Vietnamese government of Ngo Dinh Diem, "we have increased our assistance, there. And we are supplying logistical assistance, transportation assistance, training, and we have a number of Americans who are taking part in that effort." He did not mention that almost a year previously he had ordered a program of covert hostilities against North Vietnam, including infiltration of agents and their aerial resupply, overflights for the purpose of dropping leaflets, and the formation of "networks of resistance, covert bases, and teams for sabotage and light harassment" inside North Vietnam.

Nor did President Kennedy mention that he had under consideration even then a proposal from General Maxwell Taylor, then chairman of the Joint Chiefs of Staff, that the first substantial contingent of American ground forces—8,000 men—be dispatched to South Vietnam. Taylor was careful, as the national security bureaucrats were always careful, to submit a "cover story" with his proposal. "My view," he told Mr. Kennedy, "is that we should put in a task force consisting largely of logistical troops for the purpose of participating in flood relief and at the same time providing a U.S. military presence in Vietnam capable of assuring Diem of our readiness to join him in a military showdown with the Vietcong or Vietminh. . . ."

Throughout 1963, as resistance to the corrupt and despotic Diem regime carried America's client government in Saigon to the brink of collapse, the Kennedy Administration issued a steady stream of encouraging progress reports to the American people. While embassy cables from Saigon predicted imminent disaster, Secretary of State Dean Rusk proclaimed on February 1 that "there are some definitely encouraging elements;" on February 13 that "the momentum of the Communist drive has been stopped;" on April 18 that "the South Vietnamese themselves are fighting their own battle, fighting well;" on April 22 that "there is good basis for encouragement. The Vietnamese are on their way to success and need our help; not just our material help—they need that—but our sympathetic understanding and comradeship."

By the late summer, when it was plain that Diem could no longer be counted on as America's viceroy in Vietnam, the United States began conspiring with the South Vietnamese military for his overthrow. Again, the emphasis was on secrecy and deceit. On October 2, Washington advised our embassy in Saigon: ". . . President today approved recommendations that no initiative should now be taken to give any active, overt encouragement to a coup. There should, however, be urgent covert effort with closest security under broad guidance of ambassador to identify and build contacts with alternative leadership as and when it appears. Essential that this effort be totally secure and fully deniable and separated entirely from normal political analysis and reporting and other activities of the country team." On October 30, McGeorge Bund, the President's special assistant for national security, cabled Ambassador Henry Cabot Lodge: "Once a coup under responsible leadership has begun, and within these restrictions, it is in the interest of the U.S. Government that it should succeed." The coup was consummated on November 1.

The great leap forward into the credibility chasm occurred in the Johnson years, as America plunged deeper and deeper into a war it was determined to conceal. On March 17, 1964, National Security Action Memorandum Number 288 declared that it was U.S. policy "to prepare immediately to be in a position on seventy-two hours' notice to initiate the 'Retaliatory Actions' against North Vietnam, and to be in a position on thirty days' notice to initiate the program of 'Graduated Overt Military Pressure' against North Vietnam." Ten weeks later, when the President was asked at a news conference about charges (by Melvin R. Laird, then a Republican Representative from Wisconsin) that the Administration was "preparing to move the Vietnam war into the North," Mr. Johnson replied: "I know of no plans that have been made to that effect."

Through the summer and fall of 1964, as President Johnson ran for election as a moderate, a man of peace, against the reckless saber-rattling of Republican Senator Barry M. Goldwater of Arizona, the crisis managers in the Pentagon, the State Department, the CIA, and the National Security Council were making detailed preparations for a wider war—one which they understood would have to be deferred until after Election Day. Months before the Gulf of Tonkin incident, the document that would become the Tonkin Resolution was drafted to confer on the President virtually unchecked power to wage hostilities; it needed only an opportune pretext for presentation to the Congress. Meanwhile, covert "34A Operations" against North Vietnam were intensified, and U.S. destroyers were dispatched on "DeSoto Patrols" to gather intelligence and intimidate Hanoi. When one such patrol produced the Tonkin incident early in August, Defense Secretary Robert S. McNamara was asked why U.S. destroyers were in the Gulf. "It is a routine patrol," he replied, "of the type we carry out in international waters all over the world."

On September 3, Assistant Secretary of Defense John T. McNaughton drew up a memorandum headed Plan of Action for South Vietnam, which included this list of "special considerations during next two months": "The relevant 'audiences' of U.S. action are the Communists (who must feel strong pressures), the South Vietnamese (whose morale must be buoyed), our allies (who must trust us as 'underwriters'), and the U.S. public (which must support our risk-taking with U.S. lives and prestige). During the next two months, because of the lack of 'rebuttal time' before elections to justify particular actions which may be distorted to the U.S. public, we must act with special care—signaling to the DRV [North Vietnam] that initiatives are being taken, to the GVN [South Vietnam] that we are behaving energetically despite the restraints of our political season, and to the U.S. public that we are behaving with good purpose and restraint."

By September 7, according to the Pentagon's historians, the planners had reached a "general consensus" in favor of a systematic U.S. bombing campaign directed at the North. But two weeks later, President Johnson told the American people: "There are those who say, you ought to go North and drop bombs, to try to wipe out the supply lines, and they think that would escalate the war. We don't want our American boys to do the fighting for Asian boys. We don't want to get involved in a nation with 700 million people and get tied down in a land war in Asia."

On February 7, 1965, as Lyndon Johnson settled in for a full term, McGeorge Bundy wrote in a memorandum to him: "We believe that the best available way of increasing our chance of success in Vietnam is the development and execution of a policy of *sustained reprisal* against North Vietnam. . . . We may wish at the outset to relate our reprisals to those acts of relative high visibility such as the Pleiku incident. Later we might retaliate against the assassination of a province chief . . . we might retaliate against a grenade thrown into a crowded cafe in Saigon. . . . Once a program of reprisals is clearly under way, it should not be necessary to connect each specific act against North Vietnam to a particular outrage in the South. . . ."

On the same day the White House issued a statement about the enemy's "deliberate surprise attacks" on two U.S. barracks areas near Pleiku, South Vietnam: ". . . . These attacks were made possible by the continuing infiltration of personnel from North Vietnam. . . . As in the case of the North Vietnamese attacks in the Gulf of Tonkin last August, the response [bombing of the North] is appropriate and fitting. . . . We seek no wider war."

On April 1, Mr. Johnson chided reporters for being "too dramatic about our prophecies and predictions and I might say too irresponsible sometimes." There was, he assured them, "no far-reaching strategy that is being suggested or promulgated" for escalating the war. On the same day, according to National Security Action Memorandum Number 328, the President "approved the urgent exploration of twelve suggestions for covert and other actions" submitted by the CIA, approved the addition of 18,000 to 20,000 men to the U.S. "military support" forces in Vietnam (which already numbered 27,000), and approved a change of mission—from defense to offense—for the Marine battalions stationed in Vietnam. The change "had momentous implications," the Pentagon historians noted, but the President "was greatly concerned that the step be given as little prominence as possible."

The decision in mid-July to commit 200,000 U.S. troops to combat "was perceived as a threshold-entrance into an Asian land war," the Pentagon study pointed out. "The conflict was seen to be long, with further U.S. deployments to follow." But President Johnson told the press and the people at his next news conference, "It does not imply any change in policy whatever. It does not imply any change of objective."

We know now that there has never been any change of policy, any change of objective. We know that from the beginning of American intervention, U.S. policy has clung tenaciously to the goal of establishing a "free world bastion"—that is, an outpost of Empire—in Indochina. We know that the presence of a Communist regime in Indochina has been viewed as a threat to the "national security" of the world's foremost power—a threat so formidable that all means short of total annihilation could be invoked in the attempt to extirpate it. And we know that the men who held these views and acted in accord with them fiercely resisted any suggestion that they might have been mistaken. Most of the time, however, they simply ignored that possibility.

The basic considerations that govern American policy toward Southeast Asia were articulated by the National Security Council as early as January, 1954, in a statement approved by President Eisenhower. Its fundamental premise was that "Communist domination, by whatever means, of all Southeast Asia would seriously endanger in the short term, and critically endanger in the longer term, United States security interests. The statement emphasized that "in the conflict in Indochina, the Communist and non-Communist worlds clearly confront one another in the field of battle." The loss of that struggle, it warned, "would have the most serious repercussions on the U.S. and free world interests," might lead to Communist takeover of all of Southeast Asia, Indonesia, and India, and "endanger the stability and security of Europe."

This was the domino doctrine in its most primitive form, but American policy makers found it powerfully persuasive. On its strength, the National Security Council went on to contemplate the possibility that the United States might "become involved in an all-out war with Communist China, and possibly with the USSR and the rest of the Soviet bloc, and should therefore proceed to take large-scale mobilization measures."

In National Security Council Paper Number 5809, dated April 2, 1958, President Eisenhower directed the Government to "work toward the weakening of the Communists of North and South Vietnam in order to bring about the eventual peaceful reunification of a free and independent Vietnam under anti-Communist leadership."

From time to time, question about the inherent logic of U.S. policy were raised even within the national security establishment. Invariably, such challenges were brushed aside. In June, 1964, President Johnson asked the CIA whether "the rest of Southeast Asia necessarily [would] fall if Laos and South Vietnam came under North Vietnamese control." The agency replied:

"With the possible exception of Cambodia, it is likely that no nation in the area would quickly succumb to Communism as a result of the fall of Laos and South Vietnam. Furthermore, a continuation of the spread of Communism in the area would not be inexorable, and any spread which did occur would take time—time in which the total situation might change in any number of ways unfavorable to the Communist cause."

That CIA analysis—a categorical rejection of the domino doctrine—was part of the agency's pessimistic assessment of the results likely to be attained by the bombing program that was about to win the Administration's approval. The CIA assessment was ignored. Five years later it was repeated, almost verbatim, for the benefit of the Nixon Administration, and again it was ignored. If President Nixon had pulled U.S. troops out of Vietnam at the beginning of his Administration and opened the way for Communist rule in Saigon, the CIA found, "We would lose Laos immediately. Sihanouk would preserve Cambodia by a straddling effort. All of Southeast Asia would remain just as it is at least for another generation." That vision of the future, we know now, did not suffice for a President determined to keep America from becoming "a pitiful, helpless giant."

The CIA memoranda, it should be understood, were rare examples of fundamental dissent in what was normally a monolithic planning process pursued by men who quarreled over tactics, usually agreed on strategy, and rarely indulged in introspection over basic goals. "There appears to have been, in fact, remarkably little latitude for reopening the basic question about U.S. involvement in the Vietnam struggle," the Pentagon's historians pointed out. Such major decisions as the landing of U.S. Marines at Danang in March, 1965—a "pivotal" move that set the stage for a U.S. land war in Asia—were made "without much fanfare—and without much planning."

Daniel Ellsberg, the former Vietnam planner whose act of conscience has made it possible for us to know what we now know, recalls no instance when considerations of morality entered into the planning process. Ellsberg's former chief in Vietnam, Major General Edward G. Lansdale, the original "Quiet American" who headed the pacification program, confirms the recollection. "We really didn't get into that type of discussion," Lansdale told *The New York Times*. "There was too much to do every day with immediate problems."

We know now that it was absurd to suggest, as each of our recent Presidents has suggested, that if-we-only-knew-what-they-knew we would cheerfully endorse their policies. We know now how little they really knew, and how often what they thought they knew had no relation to reality. We know that on the few occasions when those who did know tried to break through with the facts, their efforts were frustrated and even punished.

When the National Security Council met on August 26, 1963, Paul H. Kattenburg, a career Foreign Service Officer with ten years of direct experience with Vietnam, tried to tell President Kennedy's advisers that they were embarked on a disastrous course. "At this juncture," Kattenburg told Vice President Johnson, Rusk, McNamara, Taylor, and the others there assembled, "it would be better for us to make the decision to get out honorably." Support for the Saigon regime was dwindling rapidly, he maintained, and America was wasting its prestige and staining its honor in a losing cause. Rusk dismissed his analysis as "speculative," Johnson and McNamara agree with Rusk, and Kattenburg was on his way out of responsibility for Vietnam planning. His duties in the past eight years have included a stint as second in command of the American mission in Georgetown, Guyana. He will retire this month as an instructor at the Foreign Service Institute in Arlington, Virginia.

Under Secretary of State George W. Ball was luckier. A persistent advocate of "compromise solutions" in Vietnam, he was installed in the Johnson Administration as the "devil's advocate" in residence—a sort of latter-day court jester whose dissents were tolerated and even encouraged to demonstrate the Administration's willingness to hear—and ignore—all points of view. Ball enjoyed a monopoly in that role. When McNamara, deeply disillusioned with the failure of the war he had programmed with the latest scientific management techniques, began in 1966 and 1967 to disavow the views he had formerly espoused, there was no choice for him but to depart. In 1964, the Pentagon's "Sigma" war games had indicated that a direct bombing campaign directed at North Vietnam would not bring the enemy to its kness. The result of "Sigma" were dismissed. In 1967, McNamara concluded that the "Sigma" forecast had been correct. He was dismissed.

Walt W. Rostow, who succeeded McGeorge Bundy as Johnson's principal adviser on national security affairs, was not dismissed. For years he maintained that "calculated doses" of American airpower directed at North Vietnam would bring a halt to the insurrection in the South. For all we know, he still maintains, down in Austin, Texas, that it will.

We know now that the enemy knew all about what we were not permitted to know. We know that the elaborate secrecy precautions, the carefully contrived subterfuges, were intended not to deceive "the other side" but us. When President Johnson decided to widen the war in April, 1965, all members of the National Security Council received written instructions to this effect:

"The President desires that . . . premature publicity be avoided by all possible precautions. The actions themselves should be taken as rapidly as practicable, but in ways that should minimize any appearance of sudden changes in policy, and official statements on these troop movements will be made only with the approval of the Secretary of Defense, in consultation with the Secretary of State. The President's desire is that these movements and changes should be understood as being gradual and wholly consistent with existing policy:"

Was this designed to throw the enemy off guard? The enemy knew all about it. It knew when it began encountering American troops in combat. It knew when its bases and plants and homes and pogodas were being bombed.

It knew when its territory was invaded by infiltration teams and when its coast was harassed by South Vietnamese torpedo boats under American direction. I knew, but the American people didn't.

On July 10, 1965, the North Vietnamese Foreign Office produced—and Radio Hanoi broadcast to the world—a White Book on the Vietnam war. It was, as it turns out, a remarkably accurate document. It charged that American policy planners had decided at Honolulu in June, 1964, "to extend the war to North Vietnam in the form of destruction by air and naval forces." According to the Pentagon archives, Ambassador Henry Cabot Lodge had proposed at Honolulu a "selective bombing campaign against military targets in the North," and had won the backing of McNamara and Rusk.

"Since the beginning of 1964," Hanoi's White Book declared, "the U.S. ruling circles have many times discussed the policy of extending the war to North Vietnam. The strategists of the U.S. White House and Pentagon have worked out many plans on this question, of which Plan Number 6 of the Walt W. Rostow, the chairman of the policy planning staff of the U.S. State Department, is the most noteworthy." The Pentagon papers show such planning was constant and intense, and that Rostow submitted memoranda to McNamara and Rusk calling for increasing commitments of airpower and ground forces.

Rostow's proposals, according to the White Book, were "replenished and amended by John McNaughton, U.S. Assistant Defense Secretary, and now bear the name of the McNaughton Plan, calling for bombing and strafing raids on North Vietnam by the U.S. Air Force." The Pentagon archive includes McNaughton's draft of a "proposed course of action" on March 24, 1965, calling for increased air assaults on the North as well as an expanded role for U.S. "combat support" personnel.

A statement issued in December, 1965, by Nguyen Huu Tho, the chairman of the National Liberation Front, asserted that the United States had been operating under a "McNamara Plan" which was "aimed at pacifying the South within the two years of 1964 and 1965." This evolved, Tho added, into "a defensive strategic plan but also representing a new and greater effort by the U.S. imperialists to improve the critical situation of the puppet government and forces and to concentrate their forces on pacifying the main area under the Front's control." Three years later, when General William C. Westmoreland relinquished his Vietnam command, he recalled that the strategy for 1964-1965 had been first to halt a "losing trend" and pacify populated areas. In 1965, Westmoreland said, "the U.S. mission's efforts to support pacification . . . continued to be hampered by political instability."

Such statements by North Vietnam or the Vietcong received scant attention in the American media. They were merely "Communist propaganda," and our Government, which knew better, hardly bothered to issue rebuttals.

We know now that America spurned every opportunity to recognize the struggle in South Vietnam for what it was—a civil war waged by insurgents who were determined, first of all, to attain national sovereignty and independence. As a fledgling empire experimenting with the techniques of international manipulation and intrigue, we could not conceive our enemies were not equally subject to manipulation. It was—it had to be—obvious that the insurgents in black pajamas were no more than tools of Hanoi, of Peking, of Moscow.

The CIA had reported back in the Eisenhower Administration, that the American-backed Diem regime "almost certainly would not be able to defeat the Communists in countrywide elections." Yet the United States assumed—and continues to assume—that the insurrection had no popular base in the South and could not survive if Hanoi were forced, in Dean Rusk's memorable phrase, "to stop doing what she is doing."

In 1961, when the Kennedy Administration initiated covert hostilities against the North, a State Department White Paper cited "ominous" evidence of increasing infiltration of fighting men and supplies into the South, though it acknowledged that many of these were Southerners who had gone North after Diem had canceled the 1956 elections provided for by the Geneva Accords. In 1962, however, a close Kennedy adviser, Michael Forestal, reported that "the vast bulk of both recruits and supplies come from inside South Vietnam itself." In 1963, William Jorden, the Vietnam expert who had written the 1961 White Paper, was dispatched on a three-month fact-finding trip to prove the thesis of major aggression directed by North Vietnam against the South. He returned with the news that "we are unable to document and develop any hard evidence of infiltration."

Jorden's report caused consternation in the Special Group Counter-Insurgency, which President Kennedy had established under the direction of his brother, Robert and General Maxwell Taylor. Charles Maechling Jr., staff manager of the Special Group, recalled the April 5, 1963, meeting last year in an article for the *Foreign Service Journal.* "To the utter astonishment of those who heard [Jorden's] briefing, and Attorney General Kennedy's cross-examination of him, this supposedly honest observer found nothing to indicate that the insurgency was anything but homegrown," Maechling wrote, "Until 1964 all the military advisers back from Vietnam made the same report: There was plenty of instigation from the North—but hardly 'massive aggression'."

The Pentagon itself concluded that "the vast majority of Vietcong troops are of local origin," and found "little evidence of major supplies from outside sources. . . . Most arms being captured or stolen from GVN [South Vietnamese] forces or from the French during the Indochina war."

On August 18, 1964, a cable from the U.S. mission in Saigon (which called for "a posture of maximum readiness for a deliberate escalation of pressure against North Vietnam") still referred to the basic problem in the South as "the VC insurgency." Three months later, however, a Draft Position on Southeast Asia circulated by Assistant Secretary of State William P. Bundy set out his plan to "publicize the evidence of increased infiltration" from North Vietnam along with explanations of "the differences between the present estimates and those given in the past."

The same draft paper proposed a system of "graduated military pressures against North Vietnam" and declared that the United States "would be alert to any sign of yielding by Hanoi, and would be prepared to explore negotiated solutions that attain U.S. objectives in an acceptable manner. The United States would seek to control any negotiations and would oppose any independent South Vietnamese efforts to negotiate."

We know now that peace has never been on the American agenda. Hanoi knew it as long ago as 1965. Its White Book that year declared that while "the U.S. President was prattling about his hoax of unconditional discussions, the U.S. imperialists took new and very cynical and dangerous steps in their policy of war adventure." North Vietnamese Premier Pham Van Dong said in September, 1965: "President Johnson talks about peace in an attempt to cover up his war schemes. The more he talks about peace, the more he steps up the war."

But President Johnson's was not the first Administration to fear that peace might break out in Vietnam. In the Kennedy Administration, in a memorandum to Rusk on August 30, 1963, Assistant Secretary of State Roger Hilsman urged U.S. help and encouragement to those plotting a coup against Ngo Dinh Diem on grounds that Diem might move toward "neutralization negotiations" with the Communists.

In March, 1964, President Johnson wasted no words in disposing of the idea of peace negotiations looking toward a neutralized Vietnam—an idea that had been advanced by French President Charles de Gaulle and the Secretary General of the United Nations, U Thant, among others. "It ought to be possible to explain in Saigon," Mr. Johnson cabled Ambassador Lodge, "that your mission is precisely for the purpose of knocking down the idea of neutralization wherever it rears its ugly head and on this point I think that nothing is more important than to stop neutralist talk wherever we can by whatever means we can."

"We must continue to oppose any Vietnam conference," William Bundy wrote in a memorandum on August 11, 1964, and America did. When Washington set out its terms for negotiations, the Pentagon historians observed, the conditions were "tantamount to unconditional surrender" for the other side. In 1965, McNamara proposed diplomatic overtures "laying the groundwork for a settlement when the time is ripe," but the Pentagon historians note that this "amounted to little more than saying that the United States should provide channels for the enemy's discreet and relatively face-saving surrender when he decided that the game had grown too costly."

While President Johnson was proclaiming periodic bombing pauses and avowing his eagerness to "go anywhere, any time" for peace, the State Department prudently cautioned embassies abroad: "Insofar as our announcement [of a bombing pause] foreshadows any possibility of a complete bombing stoppage, in the event Hanoi really exercises reciprocal restraints, we regard this as unlikely. . . ."

We know now that the pious affirmations of America's commitment to "the Vietnamese people and their right to self-determination" were hypocritical cant. We thought at the time that Washington had no business telling the Vietnamese what was good for them; we know now that Washington wasn't telling them that at all—it was merely telling them what was good for *us*.

"We are there, first, because a friendly nation has asked us for help against the Communist aggression," President Johnson solemnly declared in his State of the Union address on January 4, 1965. Ten weeks later, Assistant Secretary of Defense McNaughton, writing in the best style of the Pentagon systems analysts, offered a more accurate appraisal of "U.S. aims":

"Seventy per cent—To avoid a humiliating U.S. defeat (to our reputation as guarantor).

"Twenty per cent—To keep SVN (and the adjacent) territory from Chinese hands.

"Ten per cent—To permit the people of SVN to enjoy a better, freer way of life.

"Also—To emerge from crisis without unacceptable taint from methods used.

"Not—To 'help a friend,' although it would be hard to stay in if asked out."

The attitude of American bureaucrats toward their official clients in Saigon was the lace curtain counterpart of the treatment dealt out to "drinks" and "slopes" and "gooks" by American soldiers in the field. Diem had once been celebrated by Lyndon Johnson as "the Churchill of Asia," but Hilsman's memo calling for his overthrow proposed that the United States "encourage the coup group to fight the battle to the end and to destroy the palace if necessary to gain victory." On November 1, 1963, when Diem's palace was under siege, he placed a pathetic last call to Ambassador Lodge, who preserved the icy dignity appropriate to a proconsul of Empire dealing with lesser breeds without the law. Diem asked what was "the attitude of the United States" toward the coup, and Lodge, who had been urging its support for many months, replied: "I do not feel well enough informed to be able to tell you. I have heard the shooting, but I am not acquainted with all the facts. Also it is 4:30 a.m. in Washington and the U.S. Government cannot possibly have a view." This exchange followed:

DIEM: But you must have some general ideas. After all, I am a chief of state. I have tried to do my duty. I want to do now what duty and good sense require. I believe in duty above all.

LODGE: You have certainly done your duty. As I told you this morning, I admire your courage and your great contributions to your country. No one can take away from you the credit for all you have. . . . If I can do anything for your physical safety, please call me.

We know that monstrous arrogance accrues to those who wield the vast power of the State without being held accountable to the people. As early as 1954—and as late as 1964—they seriously (and calmly) contemplated the possibility of using nuclear weapons in Indochina. They called their "conventional" bombing campaign "Rolling Thunder" and said it was "cheap." They disposed of mere mortals in the manner of Olympian gods. In the draft of his Plan of Action for South Vietnam on March 24, 1965, McNaughton wrote:

"It is essential—however—badly SEA (Southeast Asia) may go over the next one to 3 years—that U.S. emerge as a 'good doctor.' We must have kept promises, been tough, taken risks, gotten bloodied, and hurt the enemy very badly. We must avoid harmful appearances which will affect judgments by, and provide pretexts to, other nations regarding how the United States will behave in future cases of particular interest to those nations—regarding U.S. policy, power, resolve, and competence to deal with their problems."

Their game was power, and it was the only game worth playing. Taylor impatiently complained that "there was a danger of reasoning ourselves into inaction," the Pentagon historians recall. "From a military point of view," Taylor said, "the United States could function in Southeast Asia about as well as anywhere in the world except Cuba." Assistant Secretary of State William Bundy asserted that "basic doubts of the value of Southeast Asia and the importance of our stake there" could be disposed of by mounting an "urgent public relations campaign. Walt Rostow, ever the effervescent optimist, assured Dean Rusk:

"I know well the anxieties and complications on our side of the line. But there may be a tendency to underestimate both the anxieties and complications on the other side and also to underestimate that limited but real margin of influence on the outcome that flows from the single fact that we are the greatest power in the world—if we behave like it."

Part of behaving like it, we know now, was to transform the language into something unrecognizable and unrelated to human beings. They wrote "scenarios" for "carrot-and-stick approaches" and for "progressive squeeze-and-talk" techniques. They planned "an orchestration of communications" and "a crescendo of additional military moves against infiltration targets." They "interdicted" and "defoliated" and carried out "surgical strikes" against "targets of opportunity." They issued "signals" and conducted "limited external actions" which carried a promise of "assured destruction." They coined a thesaurus of synonyms for death.

We know now that war crimes were committed in our names—not little war crimes of the kind for which we prosecute Lieutenant Calley and Captain Medina, but big war crimes like those for which we executed our fascist enemies only a quarter of a century ago. The Nuremberg Charter—*our* Nuremberg Charter—outlaws the "planning, preparation, initiation, or waging of a war of aggression or a war in violation of international treaties, agreements, or assurances." The Charter of the United Nations—*our* U.N. Charter—provides that parties to an international dispute must seek a solution by negotiation or other peaceful means, refraining from force or the threat of force.

We know now how and why and by whom a million people or more were destroyed. Only one major question remains unanswered, and the answer will not be found in further Pentagon disclosure, or in court proceedings, or even in Congressional investigations. It is a question we must answer for ourselves.

Now that we know what we know, what are we going to do?

UNITED STATES-CHINA POLICY

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD the text of my testimony on United States-China policy, given before the Senate Committee on Foreign Relations, on June 24, 1971. The hearings of the Foreign Relations Committee on China policy have attracted major new public attention pursuant to President Nixon's announcement on July 15 of his forthcoming trip to the Peoples' Republic of China. My request to have my statement during those hearings printed in the RECORD—although my statement preceded the President's announcement by 3 weeks—results from the numerous requests I have received for it from persons interested in the process of rethinking of China policy now underway in the Congress as well as within the executive branch.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

U.S. CHINA POLICY, TESTIMONY OF SENATOR JAVITS, A MEMBER OF THE FOREIGN RELATIONS COMMITTEE DELIVERED AT THE COMMITTEE'S HEARING ON U.S. CHINA POLICY THURSDAY, JUNE 24, 1971, ROOM 4221 NSOB, 10 A.M.

Despite the important changes which have already occurred in the tone and substance of U.S.-China relations over the past six months—and the pace of those changes has been swift—the U.S. faces the danger of being overtaken by events respecting the evolution of a new relationship with the Peoples Republic of China. A very important "moment of truth" on the question of China's representation in the United Nations toward the end of this year will occur. In my judgment, it is important that the Senate express its "advice" on this crucial policy issue, especially as the record still shows the Senate to be in a position of categoric opposition to the admission of the Peoples Republic of China into the United Nations.

With nine cosponsors, I introduced S. Res. 37 on February 2 of this year. This resolution grew directly out of my experience as a delegate to the United Nations General Assembly in the fall of 1970, where I was assigned responsibility for the Chinese Represenation issue. At that time, I was instrumental in bringing about a shift of emphasis in the U.S. position—away from opposition to Peking's admission, with emphasis rather on preserving representational rights for the Republic of China on Taiwan.

I feel that my sense of urgency was justified by the outcome of the General Assembly vote, in which a majority—for the first time—supported the Albanian resolution calling for the admission of the Peoples Republic and the explusion of the Republic of China. The effect of the majority vote in favor of the Albanian resolution was obviated by the U.S.-sponsored "Important Question" resolution which established that any change in Chinese representation was an important question requiring a two-thirds majority.

It now appears highly doubtful—even if it were desirable—that the Important Question device could again succeed in obviating the Albanian formula, if those are the only two choices presented to the General Assembly this fall. Clearly, a new approach is needed urgently if the United States is not to invite a major diplomatic defeat.

Much more than "face" is involved, in my judgment. Another "winner-take-all" collision—regardless of its outcome—could seriously jeopardize further progress in normalizing U.S.-China relations—a goal which now seems to have high priority both in Washington and Peking. It would be much harder for the Nixon Administration to move forward in achieving better relations with the Peoples Republic, if Peking succeeds in gaining admission under the harsh and vindictive terms of the Albanian resolution. Peking itself probably understands this, too.

Given the history of the past 20 years in the U.N., for which the United States is appreciably responsible, adoption of the Albanian resolution would inevitably constitute an historic diplomatic rebuff for the U.S. in the United Nations—perhaps causing a backlash of U.S. public opinion against the U.N. which could seriously damage the U.N. itself.

Moreover, if the Republic of China is expelled from the U.N. under the terms of the Albanian resolution, the U.N. could, in effect, be taking a position that Taiwan is rightfully part of the territory of the Peoples Republic of China. In any case, under such circumstances, Peking would undoubtedly press its claim to possession of Taiwan as vigorously as possible, perhaps even to the point of securing a resolution condemning the U.S. for its treaty to defend Taiwan.

There have been subtle indications that Peking—without relinquishing its long-standing claims—may well prefer to avoid a serious diplomatic confrontation with the U.S. over the status of Taiwan, at least at this time. The emphasis in Peking's recent statements regarding Taiwan has been on the withdrawal of U.S. military forces from Taiwan—rather than on earlier demands for a repudiation of the U.S.-Republic of China defense treaty, or for the immediate hand-over of Taiwan. If Peking is willing to "bend" on Taiwan, the chances for finding a new Chinese representation formula would be enormously increased.

Peking's emphasis on the removal of U.S. forces stationed on Taiwan may well be related to its fear that the potent U.S. nuclear capacity on Okinawa will be transferred to Taiwan, pursuant to the return of Okinawa to Japan. Peking may also be seeking to test the "sincerity" of the Nixon doctrine, with its emphasis on the pull-back and non-involvement of U.S. forces in Asian nations on China's periphery.

The U.S. has already ceased patrols of the Taiwan Straits by units of the Seventh Fleet—a measure initiated during the Korean War. Peking responded favorably and quickly. I see no reason why the U.S. cannot declare its intention to remove its forces from Taiwan, concurrently with the withdrawal of U.S. forces from Vietnam. Such a demonstration of U.S. flexibility and sensitivity to Peking's military fears could help promote further flexibility in Peking.

A Military Assistance Advisory Group (MAAG) of appropriate, modest size is all that is needed, even under the terms of our mutual defense agreement. Peking lacks the military capacity to seize Taiwan by amphibious or airborne attack—and shows no plans of acquiring the necessary capacity in the near future.

Accordingly, I would urge the Administration to issue a declaration of intent to withdraw U.S. forces from Taiwan, concurrently with the withdrawal from Vietnam—as an important and timely element in the effort to defuse the Chinese Representation status of Taiwan issues before the pressure of time locks us (and Peking) into our old positions of confrontation in the U.N. this fall.

In reviewing the terms of S. Res. 37—which was introduced back on February 2—I am struck by how much forward movement has been achieved in the direction advocated by its terms respecting overall U.S.-China relations. We have had, of course, the dramatic break-through of "ping-pong" diplomacy.

Also, I wish to take this opportunity to commend President Nixon for his important initiatives respecting trade regulations, the lifting of travel restrictions, and the continued projection of a diplomatic posture of reconciliation with mainland China. Moreover, the press has carried numerous reports of intensive reviews, discussions and diplomatic exchanges by the Nixon Administration respecting a new position of the Chinese representation issue. The task is not simple but the timing is urgent.

The time has now come, in my judgment, for the U.S. to play an active role in finding a new formula which will provide for U.N. membership for the People's Republic of China, carrying with it occupancy of the permanent seat on the Security Council and to provide for continuing U.N. membership participation for the Republic of China on Taiwan. This is clearly the best policy for the U.S., and I believe that it is at least an interim solution which would command broad support in the General Assembly.

It is possible that either or both Peking and Taipei might refuse to participate in the U.N. under the conditions I have suggested. That would be most regrettable, in my judgment. Nonetheless, the door would always then be open to both to participate—and at a minimum, the absence of Peking from the U.N. no longer would be the result of an outmoded, unrealistic and counterproductive policy of the U.S.

A number of the younger, more "left" inclined U.S. China scholars have advocated that the U.S. accept Peking's terms respecting the status of Taiwan, as the price of better relations and securing Peking's participation in the U.N. I disagree with this view for several reasons. First, I am convinced that such a course by the U.S. would, in my judgment, virtually assure the ascendancy of the harder-line elements in Peking and reinforce Peking into its old position of intransigence and militancy—a position which Peking now seems very desirous of modifying. Any "half-way" abandonment of Taiwan by the U.S., far from improving relations, could soon lead to a serious confrontation between the U.S. and the People's Republic.

Second, a policy of total abandonment is a wrongful and impossible course for the U.S. Leaving aside moral considerations, abandoning Taiwan would make sense only if the U.S. pursued a policy of radical detente with China, aimed at establishing a close Washington-Peking axis as the foundation of our Asia policy. Such a radical policy is neither desirable or possible, in my judgment. Our relations with mainland China is a key element of our Asian policy—but must always be judged in the context of overall Asia policy. It is in this crucial regard that the U.S. must shape its China policy in consonance with our relations with Japan and our other Asian friends and allies. Their interests and their attitudes are important, and sometimes complicating factors. This is especially true respecting the question of Taiwan, an issue of great importance to Japan particularly.

The challenge of finding a way to bring the Peoples Republic of China into the council of nations on terms which are at least minimally tolerable to the parties concerned is one of the most urgent now facing the Nixon Administration. In importance, it perhaps ranks only behind the SALT negotiations and ending the Vietnam War—and it is closely related to both of these efforts.

Over the perspective of a decade, the greatest benefit likely to flow from Peking's participation in the U.N. will be the engagement of Peking in the international nuclear arms control negotiations and agreements conducted under U.N. auspices. I feel that there are now mutually compelling reasons for Washington and Peking also to work together in the international arms control field. China's attitude toward SALT ought to be a benign one. Like Washington and Moscow, Peking too stands to gain from a SALT agreement restraining the nuclear arms race, for superpower nuclear might be an even greater potential threat to China than it is to the U.S. or Russia—and in recent years Peking has been on different occasions in a posture of confrontation with both superpowers. Even if relations between Peking and Moscow continue to deteriorate, a SALT agreement could nonetheless benefit Peking by reducing the chances that the USSR will acquire a strategic posture allowing it the option of a preventive nuclear first strike against China.

The U.S. has a particular incentive in bringing China into nuclear arms control arrangements because, even under the Nixon Doctrine, the U.S. is pledged to provide a "nuclear shield" to our Asian friends and allies along China's periphery. Thus, under the Nixon Doctrine, the chances of nuclear embroilment with China might be greater than conventional embroilment of the Vietnam or Korea varieties. Accordingly, a key element in the success and viability of the Nixon Doctrine strategy could be the achievement of nuclear arms control arrangements with China.

Peking too has a special incentive to support international nuclear arms control agreements in the post-Vietnam period. The Non-Proliferation Treaty is central in this respect, for the two nations generally deemed most likely to "go nuclear" are India and Japan—China's greatest potential rivals and enemies in Asia. China clearly has major incentive in preserving the inhibitions against India or Japan "going Nuclear"—for China's strategic position would be gravely deteriorated if Peking were faced not only with a nuclear USSR and USA but also nuclear close neighbors of such consequence as India and Japan.

In closing, let me reiterate my strong feeling that an important new tide is flowing in U.S.-China relations—potentially a very benign tide—and this is without any derogation of my every wish to seek detente and accommodation with the USSR. Nonetheless, I perceive a danger that the tide could be diverted into most troublesome channels, if a day is not found to handle the Chinese representation on question in the U.N. General Assembly this fall.

UNIVERSAL VOTER REGISTRATION FOR FEDERAL ELECTIONS

Mr. KENNEDY. Mr. President, later this week, on behalf of myself and a number of other Members of the Senate, I plan to submit an amendment to S. 382, "The Federal Election Campaign Act of 1971." The purpose of the amendment is to establish a system of universal voter registration for the Nation. The amendment would contain the following principal provisions:

First, it would provide a simple post card system of voter registration, in which any citizen could register to vote merely by filling out a post card application form.

Second, burdensome residence requirements under existing laws would be abolished. Simply by filling out the address of his residence on the post card form, a citizen would establish his voting residence.

Third, a new computerized agency created within the Census Bureau—the Universal Voter Registration Administration—would process the post card forms, compile voting lists by precinct throughout the country, and make the lists available to State and local election officials at appropriate times before any election.

Fourth, use of the new system would be mandatory for all Federal elections and optional for State and local elections. Where the system is used for State and local elections, however, the Federal list must be accepted intact. No person entitled to vote in Federal elections can be deleted from the list for failure to meet other qualifications.

The time has come to take another major step forward in our national quest for universal suffrage. To be sure, we have made great strides in recent years. But always in the past, our efforts have ignored one of the most burdensome qualifications for voting—the requirement of registration, a requirement that operates to disfranchise tens of millions of Americans in every Federal election.

The history of the Nation since the Civil War is marked with significant milestones along the route we have taken to broaden our democracy and increase the base of participation by our citizens in the political life of the Nation. We have forbidden the use of race or sex as a qualification for voting. We have outlawed poll taxes. We have granted the franchise to citizens of the District of Columbia in presidential elections. A long line of civil rights acts and court decisions, especially in the decade of the fifties and sixties, has expanded the right to vote and ended many of the most flagrant discriminations against citizens at the polls. And, only last year, we lowered the voting age to 18, thereby giving the franchise to millions of young Americans who had been forced to bear all the other burdens and responsibilities of citizenship, but had been denied the most basic right of all in our democratic society, the right to vote.

Now that we have stripped away so many other blatant impediments to the right to vote, the existing practices of voter registration in America can be seen all the more clearly for what they are—an arbitrary, obsolete, and unfair system by which vast numbers of Americans are silenced at the polls. In spite of the progress we have made in extending the franchise, the voting record of America ranks among the worst of all the great democracies of the Western world.

Of the 120 million potential voters in the presidential election of 1968, only 73 million—or 61 percent—actually went to the polls. Forty-seven million people stayed home, at a time when the winner—President Nixon—was receiving only 31 million votes. Incredible as it may seem, half again as many people stayed away from the polls as voted for the man who is our President.

In 1970, in Britain, by contrast, 72 percent of the eligible voters went to the polls, and yet they called it one of the lowest turnouts in history, the lowest since 1935. In the most recent elections in other democratic nations, the turnout has been even higher—75 percent in Ireland, 76 percent in Canada, 80 percent in France, 87 percent in West Germany, 89 percent in Sweden and Denmark.

The low turnout of American voters has been a consistent flaw in the political life of our Nation for many years. In the presidential election of 1900, the turnout was 73 percent. Not once since then has our voter turnout exceeded 66 percent. Seven times it fell below 60 percent. Twice, in 1920 and 1924, it fell below 50 percent.

And yet, it has not always been this way. Throughout the greater part of the 19th century, voter turnout in our presidential elections ranged in the neighborhood of 70 to 80 percent. The highest turnout was in 1876, when 82 percent of the potential voters went to the polls. The lowest was in 1852, when "only" 70 percent did so.

It is no coincidence, therefore, that the turn of the century, which saw the advent of voter registration, also saw a sharp decline in voter turnout. According to a recent study, registration was adopted at the turn of the century partly for the worthy purpose of prohibiting the abuses of machine politics in the growing cities of the North, and partly for the darker purpose of disfranchising black citizens in the South. Today, as this history strongly implies, the requirement of voter registration is the largest single obstacle to the right to vote in America.

The figures in 1968 tell the story. Of the 120 million potential voters in the presidential election of 1968, only 82 million—or 68 percent—were registered to vote and therefore eligible to go to the polls on election day. But of that number, fully 73 million, or 89 percent, actually went to the polls and cast their ballots.

The lesson is clear. Americans who are registered are Americans who vote. Of the 47 million citizens who stayed home on election day, the overwhelming majority—38 million, or 81 percent—were not registered to vote. Only 19 percent of those who stayed home were citizens who were registered to vote.

THE PRESENT SYSTEM OF VOTER REGISTRATION

Clearly, the paramount cause of America's dismal record of voter participation today is our inadequate system of voter registration. Virtually without exception, the registration laws of the 50 States and the District of Columbia are a nightmare of confusing, conflicting, and overlapping requirements, ranging from Missouri, which has six different registration systems for cities, depending on their size, and a seventh system available to counties at their option, to North Dakota, which has no statewide laws requiring voter registration, although local jurisdictions may do so at their option.

Typically, State and local registration rolls are unwieldy, inaccurate, and obsolete. A large percentage of the names are persons no longer qualified to vote because of death, conviction of a crime, change of residence, or other reasons. In order to keep the lists at least reasonably current, the States are driven to the use of arbitrary rules, such as the disqualification of voters who fail to vote in a previous election, or requirements of annual or periodic reregistration.

The burdens of our present system of voter registration are multiple. Frequently, they are a thin disguise for blatant racial discrimination against the right to vote. The hearing records of Congress during the debates of the Voting Rights Act of 1965 and its extension in 1970 are replete with examples of such discrimination.

For some citizens, registration means loss of income through loss of time on the job or time away from business. Many individuals simply cannot take time off to register during working hours, and are thereby relegated to the status of second-class citizens.

For others, the most important burden is the sheer difficulty and inconvenience of the registration process. Too often, registration is an obstacle course for the voter instead of the incentive to total participation it ought to be. The obstacles are enormous. Many citizens find it difficult to determine where and when they can register. They refuse to endure the long lines and waiting periods. They are baffled by the inaccessibility of registration offices. In some States, registration offices may be open only a few hours a day or week. Other States prohibit precinct, neighborhood, or mobile registration. They allow registration only in the county courthouse, which may require a trip downtown or even out of town. Frequently, the expense of the trip itself is sufficient to inhibit registration—a de facto poll tax that frustrates the right to vote.

For still others, there is the problem of early registration deadlines. In a number of States, the registration books close weeks or months before the election, and there is no opportunity whatever to register in the period immediately preceding the election. In Mississippi, the registration offices close 4 months before the election—the rolls are routinely purged after the deadline, so that a citizen erroneously removed from the list has no opportunity to register again. In 14 other States with early registration deadlines—Arizona, California, Colorado, Georgia, Hawaii, Kentucky, Michigan, Montana, Nevada, New Jersey, New Mexico, Ohio, Pennsylvania, and Rhode Island—the registration books close more than a month before the election.

For yet another group of citizens, especially those who travel frequently, who are away from home for extended periods, or who are ill or disabled, the problem is the lack of any procedure for absentee registration. Although virtually every State has established absentee voting procedures, few have taken the additional step of establishing absentee registration procedures as an alternative to the traditional requirement that registration must be in person.

And finally, for another substantial group of citizens, the burden is one of unreasonable reregistration requirements. In Texas, for example, annual reregistration is required, a procedure declared unconstitutional by a Federal district court earlier this year and now subject to an appeal. Other States require voters to renew their registration so frequently that many citizens simply find themselves unable to keep up with the requirements. Often a citizen arrives at the polls to vote, only to be told that his registration has been canceled because he failed to vote in the previous election, even though he was never given notice of the cancellation.

An especially insidious aspect of the problem of registration is the evidence that the burden of State and local registration requirements falls most heavily on the poor, the black, the uneducated, and manual and service workers. For example, according to a census study of the 1968 election, 87 percent of those with a college degree are registered to vote, whereas only 49 percent of those with 1 to 4 years' education are registered. And, two decades of hearings in Congress on Civil Rights Acts and Voting Rights Acts have overwhelmingly demonstrated the ease with which voter registration requirements lend themselves to discriminatory application.

THE BURDEN OF RESIDENCE REQUIREMENT

Impediments to the right to vote of a different sort, but no less burdensome for millions of citizens, are the hundreds of different State and local residence requirements that now exist throughout the Nation. Typically, under present voting laws a potential voter must fulfill three different resident requirements before he is entitled to vote—he must have resided in his State for periods ranging from 6 months to a year; he must have resided in his county for periods from 30 days to 6 months; and, he must have resided in his precinct for periods from 10 to 30 days. In some jurisdictions, the minimum residence requirement is lower; in many, it is substantially higher.

In the quieter and less mobile era of our history when these residence requirements were imposed, the burden was not as huge as it is today. The Census Bureau estimates that every year, 20 million Americans, or 10 percent of the population, move their residence from one State to another. On the average, each family in the Nation moves its residence once every 4 years.

The plight of the disfranchised mobile voter in America is well known, and no extended discussion is needed here. As many experts have noted, the right of a citizen to travel freely from State to State is one of our fundamental rights protected by the Constitution, and the exercise of that right should never trigger the loss of an even more basic constitutional right, the right to vote.

Last year, as part of the statute lowering the voting age to 18, Congress took a significant step to alleviate the burden of so-called "durational" residence requirements by reducing such requirements to 30 days for voting in presidential elections.

Now the time is ripe for Congress to go further, and there is growing sentiment in the Senate to make the same 30-day requirement applicable to all Federal elections. Indeed, a bill to this effect is about to be intrduced in the Senate by Senator JOHN TUNNEY of California, with strong bipartisan support, and similar legislation has already been introduced by Senator HAROLD HUGHES.

BACKGROUND OF EFFORTS TOWARD UNIVERSAL VOTER REGISTRATION

In recent years, discussions of various proposals to establish a system of universal voter registration for the United States have dwelled essentially exclusively on what may be called local action methods—that is, door-to-door canvassing at the local level—at the initiative of local jurisdictions. Each of two major studies of the decade of the sixties has recommended this approach, partly because it is the approach apparently responsible for the higher voter turnouts in foreign democracies, and partly because of philosophical and constitutional objections to methods relying on the initiative of the Federal Government.

The first study was made by the President's Commission on Registration and Voting Participation, established by President Kennedy in March of 1963, chaired by Richard Scammon, the Director of the Census Bureau at that time, and charged with the task of determining the reasons for low voter turnout in America, and recommending solutions. The Commission's report in November of 1963 was a major milestone in the analysis of the complex psychological and legal factors that lie at the heart of the problem.

The Commission made more than 20 major recommendations to end restrictive legal and administrative procedures inhibiting the right to vote. In the area of voter registration, the Commission urged the State to adopt procedures to make registration easily accessible to every citizen. As patterns to be followed, the Commission pointed to the example of Canada and noted a number of States and communities in America that had successfully used registration procedures involving door-to-door canvassing, deputy registrars, and mobile registration units.

The second major study was prepared by the Freedom to Vote Task Force, established by the Democratic National Committee in 1969 and chaired by Ramsey Clark, the former Attorney General of the United States. Notwithstanding its partisan sponsorship, the report of the task force, entitled "That All May Vote," is a persuasive nonpartisan document challenging the Nation to end the abuses we have endured for so long and to act to increase the strength of our democracy. As the report states:

> People who vote believe in the system. They participate. They have a stake in government. But, to the nonparticipants their stake in government is not so apparent. Their alienation from the system is harmful not only in their own lives, but it threatens the survival of democracy itself.
>
> Registration efforts must not be concerned with how people vote. The important consideration is that they vote. We can live with decisions made by a full electorate, but those who do not participate may be unwilling to live with decisions they had no voice in making. We must do everything within our power to encourage them to vote. Let the people choose.

The report of the task force made clear that voter registration is the real villain, the principal barrier that stands between the citizen and the ballot box. As in the case of the 1963 Commission study, the report pointed to the success of local action for voter registration in South Dakota, Idaho, and in parts of California and Washington, and urged a similar program for America. The proposal was introduced in legislative form in the 91st Congress by Senator INOUYE, a member of the task force, and it has been reintroduced as S. 1199 in the present Congress.

Because of doubts that have been raised about the feasibility of the local-action approach to voter registration, progress has been slow in efforts to implement such proposals. More and more, attention has turned to the alternative of a Federal system of voter registration to achieve the universal system we need.

The Senate took a major step in this direction last June, when it approved by the vote of 47 to 31 an amendment to the draft bill, authorizing Selective Service offices to register 18-year-olds to vote at the time they register for the draft. And Senator HUMPHREY is offering a similar proposal to use the facilities of the Internal Revenue Service to promote voter registration.

In large measure, recent Supreme Court decisions have eliminated possible constitutional objections to a Federal system of universal voter registration. Now and for the foreseeable future, I believe that such a system is the only hope we have for pulling ourselves out of the present morass of registration requirements.

THE SOUTH CAROLINA EXPERIENCE

In the face of growing demands imposed on outdated voter registration procedures, a number of cities and counties throughout the Nation have begun to use computers to modernize their procedures. In 1967, South Carolina became the first and only State to centralize its voters registration procedure through a computer system on a statewide basis Although registration in South Carolina continues to be initiated through the county registration boards in the State and citizens must still appear in person to register at the local boards, their applications are now forwarded to the State data processing office, where the information is stored and processed.

The familiar but cumbersome ledger books that used to form the registration record in South Carolina have now been replaced by magnetic tapes in a computer system. The records are continuously kept current through data provided to the State agency from various sources; for example, the bureau of vital statistics provides monthly reports on persons who have died, and the State and Federal courts provide data on persons convicted of crimes. Prior to the new system, the registration records were rarely cleaned for any reason.

On the basis of the data in the computer files, official lists of registered voters for each county and precinct are printed and made available to local officials 10 days before each State, county, municipal, or other election. Thus, it is no longer necessary to use the entire county ledger for a municipal election, or to copy manually from the county rolls the names of persons eligible to vote in elections held in smaller jurisdictions. Since the computer lists contain all the information provided by the voter when he registered, election officials are able to identify registrants easily at the polls. Under the previous system, only the voter's name and address were on the rolls.

As a result of the vastly increased efficiency of the new system, the county registration boards in South Carolina that used to be open only a few days a month are now open on a daily basis during normal courthouse hours. During the first year of the new system, 850,000 South Carolina voters were registered, the highest figure in the history of the State. The total cost of the computer portion of the system is approximately $170,000 a year, and the entire store of registration information is contained on five reels of computer tape.

A SYSTEM OF UNIVERSAL VOTER REGISTRATION FOR THE NATION

At a single stroke, the system of universal voter registration I favor would eliminate the arbitrary and unfair requirements of residence and registration that now operate to disfranchise so many of our citizens. Durational residence requirements would be abolished for Federal elections, and registration would involve a procedure no more complicated than filling out a post card form and placing it in the mail. Local control of the actual election process would remain unchanged, but virtually the entire financial cost and administrative burden of voter registration would be lifted from the States and transferred to the Federal Government.

The program would be administered by a new bipartisan agency to be established in the Census Bureau. Citizens would register to vote simply by filling out the post card form and mailing it to the new agency. Merely by specifying the address of his residence on the form, the citizen would determine his voting residence. There would be no requirement of residence for a specific period of time. The system would thus do away not only with burdensome registration requirements, but also with unfair residence requirements that operate to bar voters in almost every State.

With the assistance of computers, the information would be stored, divided according to election districts, and made available by the Census agency to appropriate State and local election officials, as the official list of eligible voters.

Use of the new voter registration list

would be mandatory in Federal elections, and optional for State and local elections. I believe, however, that the simplicity, efficiency, and cost savings of the system would lead to its rapid acceptance for State and local elections as well, so that within a brief period of time, the Nation would have a truly universal voter registration system for all elections. Our system of democracy deserves no less.

In its details, the system would function as follows:

First, a new bipartisan agency—the Universal Voter Registration Administration—UVRA—will be established in the Bureau of the Census to organize and administer a program of universal voter registration for all Federal elections, and to assist States in their registration for State and local elections. The UVRA will be authorized to establish State and regional data processing centers to carry out its functions. The agency will be under the direction of an administrator and two associate administrators, no more than two of whom can be members of the same political party. The new agency is created in the Bureau of the Census because that agency has established a long-standing reputation of efficiency and confidentiality, and has already developed the computer programs and technology essential to the implementation of a successful universal voter registration system.

Second, individuals will register to vote through post card voter registration forms, to be mailed free of charge to UVRA. The post card forms will be of the type which allows visual scanning by computers to read the information. They will be widely available in post offices and other Federal agencies, and will also be available to private voter registration groups. Where appropriate, bilingual forms will also be available. In addition, any State or local jurisdiction will be authorized to send its current registration records to UVRA for assimilation into the new Federal system.

Third, the information on the post card forms will include only the name, address, ZIP code, and date of birth of the individual, together with a statement that the individual is not disqualified from voting under State or local law by reason of conviction of a crime or adjudication of mental incompetence. In addition, the individual may specify his party affiliation if he wishes to register for primary elections. UVRA registration will remain valid for 4 years, or for longer periods according to State law.

Fourth, the post card form will also include a line for the signature or mark of the individual, and a statement of the penalty for fraudulent registration. The penalty will be a fine of not more than $10,000, imprisonment for not more than 5 years, or both. The form will also include a statement that the signature or mark of the individual attests to the accuracy of the information he provides on the form.

Fifth, UVRA registration will close 30 days before primary, general, or other elections. UVRA will compile lists of registered voters by local precincts and forward the lists to the appropriate State or local election officials. Simply by having his name on the list, any person will thereby be authorized to vote in Federal elections. States will be able to supplement and update the lists in advance of the Federal election. However, in cases where a State removes a name from the list, notice of the removal must be given promptly to UVRA and to the individual, together with the reason for the removal.

Sixth, use of the UVRA list will be mandatory for all Federal elections and optional for State and local elections. If State and local officials decide to use the UVRA lists for State and local elections, they may not delete anyone from the list for failure to meet other qualifications.

Seventh, UVRA will be authorized to establish appropriate procedures for individuals to verify their registration. It will also inform each voter of the location of his polling place, so that on election day every citizen will know where he must vote.

Eighth, to protect the right of privacy, UVRA information and voting lists will not be available to any other Federal agency and will not be made available by UVRA to any private source. In addition, UVRA will not draw on information collected for other purposes by other Federal data centers, such as the Internal Revenue Service or the Social Security Administration. The UVRA system will be used for voter registration and no other purpose. However, to the extent that State or local law requires voting lists to be publicized, UVRA information may become public at that level, although the information still may not be used by any Federal agency.

CONSTITUTIONAL JUSTIFICATION

In light of a long line of Supreme Court decisions in the area of voting rights in the decade of the sixties, and especially the decision by the Court in *Oregon* v. *Mitchell*, 400 U.S. 112 (1970)—the 18-year-old voting case decided last December—there is solid constitutional support for the establishment of a nationwide system of universal voter registration in the United States. Indeed, although the issue may be somewhat less clear-cut, there would also be ample constitutional justification for the extension of the Federal registration system to State and local elections as well.

As in the issues surrounding the Voting Rights Act Amendments of 1970, which Congress passed last year, the issue in the current context concerns the power of Congress to legislate by statute in the area of State and local election requirements.

There can be no question, of course, that the Constitution grants to the States the primary authority to establish qualifications for voting. Article I, section 2 of the Constitution and the 17th amendment specifically provide that the voting qualifications established by a State for members of the most numerous branch of the State legislature shall also determine who may vote for U.S. Senators and Representatives. Although the Constitution contains no specific reference to qualifications for voting in presidential elections or State elections, it has traditionally been accepted that the States also have primary authority to set the qualifications in these areas as well.

At the same time, however, these constitutional provisions are only the beginning, not the end of the analysis. They must be read in the light of all the other specific provisions of the Constitution, including the great amendments that have been adopted at various periods throughout the Nation's history. Most recently, a month ago, the 26th amendment, lowering the voting age to 18, became part of the Constitution, and conferred power on the Congress to enforce the new amendment by appropriate legislation.

The constitutional issues must also be interpreted in the light of the basic Supreme Court decisions interpreting the provisions in question. Although a State may have primary authority under article I of the Constitution to set voting qualifications, it has long been clear that it has no power to condition the right to vote on qualifications prohibited by other provisions of the Constitution, including the various amendments to the Constitution. No one believes, for example, that a State could deny the right to vote to a person because of his race or his religion.

Thus, the Supreme Court has specifically held that the equal protection clause of the 14th amendment itself prohibits certain unreasonable State restrictions on the franchise:

In *Carrington* v. *Rash*, 380 U.S. 89 (1965) the Court held that a State could not withhold the franchise from residents merely because they were members of the Armed Forces. Obviously, the rationale of this decision is directly applicable to the present national controversy over the voting residence of students.

In *Harper* v. *Virginia Board of Elections*, 383 U.S. 663 (1966), the Court held that a State could not impose a poll tax as a condition of voting.

In *Katzenbach* v. *Morgan*, 384 U.S. 641 (1966), the court upheld the constitutionality of a statute passed by Congress overriding State literacy requirements in English and conferring the franchise on voters literate in Spanish.

But the key Supreme Court precedent supporting a universal voter registration system for Federal elections is Oregon against Mitchell. In that important decision the court not only sustained the constitutionality of a Federal statute lowering the voting age to 18 for Federal elections, but also upheld the constitutionality of two other provisions in the 1970 statute, provisions that were applicable not only to Federal elections, but also to State and local elections.

A provision abolishing State literacy requirements altogether;

And, a provision reducing the residence requirements for voting in presidential elections to 30 days, and requiring the States to make available appropriate absentee registration and absentee voting procedures for such elections.

The Mitchell decision is especially significant because of the substantial majority by which the Supreme Court upheld the constitutionality of the literacy and residence provisions of the 1970 statute passed by Congress

To be sure, the provision lowering the voting age to 18 in Federal elections was sustained by the narrow margin of 5 to 4, with Justice Black casting the deciding vote on the basis of the power of Congress under article I, section 4, of the Constitution to regulate the time, place, and manner of conducting Federal elections.

At the same time, however, in spite of the narrow vote on the 18-year-old issue, the Court upheld the validity of the literacy and residence provisions by overwhelming majorities—9 to 0 in the case of the literacy provision, and 8 to 1 in the case of the residence provision, with only Justice Harlan dissenting on the later issue.

The crucial link in the reasoning of the Justices leading to the strong majority in favor of the residence aspect of the case was their view that the provision was a valid exercise of the power of Congress under the necessary and proper clause of the Constitution to protect the constitutional right to change one's residence and to travel freely from State to State, a right that had been clearly reaffirmed by the Supreme Court as recently as 1966, in its decision in *United States* v. *Guest,* 383 U.S. 745 (1966).

Similarly, the crucial link in the reasoning of the Justices leading to the unanimous decision upholding the literacy provision in the statute was their view that the provision was a valid exercise of the power of Congress to enforce the 15th amendment of the Constitution, which bars racial discrimination in voting.

The present proposal for a system of universal voter registration for Federal elections, involving action by Congress in the areas of both residence and registration as qualifications for voting, is easily supported under the literacy and residence rationales of Oregon against Mitchell, since it would be action by Congress to promote the right to travel and to end racial discrimination in voting. No substantial distinction can be drawn on the basis that the residence provisions in the Mitchell case applied only to presidential elections, whereas the proposed universal registration system would apply to all Federal elections. As Justice Stewart stated in discussing the residence provision in the Mitchell case, in an opinion joined by Chief Justice Burger and Justice Blackmun:

> I have concluded that, while S. 202 applies only to presidential elections, nothing in the Constitution prevents Congress from protecting those who have moved from one state to another from disenfranchisement in any Federal election, whether congressional or presidential. 400 U.S. 112, 287.

Further, as I have indicated, the constitutional rationales supporting the literacy and residence provisions in the Mitchell case might easily support the extension of the universal voter registration proposal to State and local elections as well. A fortiori, however, the proposal is clearly valid for Federal elections as an exercise by Congress of its power under article I of the Constitution to regulate such elections, and I urge the Senate to adopt it.

THE THREAT OF THE MILITARY-INDUSTRIAL COMPLEX OF THE SOVIET UNION

Mr. THURMOND. Mr. President, in a day when our so-called military-industrial complex is being debunked by liberal opinion makers, it is gratifying to note that some in our country still recognize the threat of the military-industrial complex of the Soviet Union.

An editorial entitled "The Crime of Unpreparedness" was published in the July 9 issue of the Greenville News of Greenville, S.C. The editorial states clearly what is at stake if we cut too deeply into our defense establishment.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Greenville (S.C.) News, July 9, 1971]

THE CRIME OF UNPREPAREDNESS

One of former President Eisenhower's most quoted public utterances is his farewell message warning against the "military-industrial complex" in America. It is a special favorite of the left and the peacenik element.

Less well known, because it is ignored by most major influence-makers, is another Eisenhower quote about the military establishment. It is this:

"Until war is eliminated from international relationships, unpreparedness for it is well nigh as criminal as war itself."

Given the current increasing emphasis on reducing military appropriations in favor of welfare state and other domestic items and the constant hammering away at the military-industrial complex, the country needs to examine the other side of the coin as presented in the second Ike quote.

Anybody who thinks for a minute that war has been eliminated from this earth is only deluding himself. He who argues that war is unthinkable is deluding others. Major warfare is a constant threat in the Middle East and along the Chinese-Siberian border. Events completely beyond the control of any American could lead to a conflagration which would engulf the entire world, including the United States.

Only the most naive could ignore the fact that this nation's potential enemies possess and constantly improve a vast military-industrial complex. The Soviet Union's expanding missile, air and naval power is undeniable.

Also undeniable is the Soviet Union's avowed aim to impose its system upon the entire world. That fact often is glossed over or ignored, even though Soviet leaders never miss an opportunity to emphasize their ultimate goal.

The surest way to involve the entire world in another war of unprecedented horror would be to allow the imperialist Soviets to believe they could win a military conflict with the non-Communist nations.

That, of course, would happen should the defense establishment—the military-industrial complex, if you please—of the United States be weakened sufficiently.

While there is need to reduce considerable waste in defense spending and to ride herd over defense contracts, the greatest danger this country and the world faces is the threat of cutting too deeply into America's defense program. Parts of it, the Navy for instance, is in dire need of modernization at considerable cost.

As President Eisenhower said, failure to guard against war by refusing to keep well prepared for war, would be a heinous crime.

THE PERILS OF COEXISTENCE WITH COMMUNISM

Mr. ALLEN. Mr. President, events of the past few weeks in the area of diplomatic relations with Communist nations suggest a dramatic reversal of this Nation's foreign policy as it relates to international communism.

I am very much concerned that we not become mesmerized by rhetoric in support of the goals of detente and rapprochement, as desirable as they may seem. I hope, too, that the unquestioned desire on the part of the American people for peace will not blind us to realities concerning the nature and objectives of our adversary. World peace is a highly commendable goal—but not peace purchased at any price or peace achieved by any means.

Mr. President, in view of the rapidity of reversals of foreign policies, and in view of the worldwide implications of these changes, it might be helpful to refresh our memories concerning certain basic Marxist-Leninist tenets which have not changed.

Mr. President, in this connection, the July 1971, issue of the American Bar Association Journal contains an article by Charles T. Baroch entitled "The Brezhnev Doctrine." In the process of analyzing this doctrine and its implications, Mr. Baroch calls attention to the meaning of "the law of peaceful coexistence" as conceived by Communist jurists who describe coexistence as—

> A specific form of class struggle between socialism and capitalism in the international arena. . . . Peaceful coexistence between the two systems does not exclude revolutions in the form of armed uprisings and just national liberation wars against imperialist oppression, which occur within the capitalist system.

Mr. Baroch is eminently qualified to write on these subjects. He is a scholar in residence for the American Bar Association's Standing Committee on Education About Communism and its Contrast With Liberty Under Law. He received a J.D. degree from Charles University Law School, Prague, Czechoslovakia, and M.A. and Ph. D. degrees from Harvard where he served as Research Fellow, Russian Research Center for 5 years.

Mr. President, Mr. Baroch has rendered a timely and most useful service in reminding us of certain Marxist-Leninist tenets and a world view shaped by these tenets, which is:

> A world engulfed in an irreconcilable confrontation between the two antagonistic socioeconomic systems—capitalism and socialism—which is bound to end with a revolutionary transformation of capitalist society according to Marxist-Leninist tenets.
>
> To this supranational revolutionary end everything is subordinated, including interests of whole nations (their sovereignty, equality, independence, etc.) as well as the interests of individuals, irrespective of whether they are part of the capitalist or socialist system.

Mr. President, I commend Mr. Baroch's article as worthy of thoughtful consideration of Members of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The Brezhnev Doctrine

(By Charles T. Baroch)

More than two years ago the non-Communist world was shocked by the ruthless intervention of Warsaw Pact armed forces in the Czechoslovak Socialist Republic. The alleged purpose of the intervention was "to defend the socialist character" of a member of the world socialist system and its "socialist achievements".

The Warsaw Pact countries, especially the U.S.S.R., were accused, even by some Communists, of having violated Czechoslovak sovereignty and right of self-determination. Non-Communist reaction was well summed up by the indignant editorial in *The New York Times* of September 28, 1968, in which the name "Brezhnev Doctrine" may have been coined:

The latest Kremlin attempt to justify the invasion of Czechoslovakia is further indication of Stalinism ascendant in Moscow.

The earlier attempt to claim a status of semi-legality on the basis of a supposed invitation to the invaders from high Czechoslovak Government and Communist party leaders has apparently been discarded. Instead, Pravda now enunciates what must be called the *Brezhnev doctrine,* though the same thinking was manifest in the brutal repression of Hungarian freedom in 1956. The core of this doctrine is the assertion that Communist-ruled states enjoy neither genuine sovereignty nor genuine rights of territorial integrity, that the Soviet Union may at any time it deems proper send troops into any such states in order to pressure Communist rule.

What permits the Soviet Union to issue and even to implement such doctrine is, of course, Soviet military power. This reliance on force and contempt for law must raise fears among others that some day Moscow will decide that the sovereignty and territorial integrity of non-Communist nations is also being interpreted too abstractly and without due attention to class principles.

Questions arise as to the origin and scope of this allegedly new doctrine. It seems that the editorialist who coined the term, which has become an international household word, had in mind an analogy with certain American policy pronouncements now, with the acquiescence of other states, part of customary international law. Analogy with the most famous of these, the Monroe Doctrine, is very tempting, but, as I hope to demonstrate, despite superficial similarity, the so-called Brezhnev Doctrine is precisely its opposite in every respect.

There are three fundamental problems regarding the Brezhnev Doctrine: (1) Can it be attributed to Brezhnev? (2) What is its relation to international law? and (3) What are its real content and implications?

PERSONAL DECISIONMAKING BY COMMUNIST LEADERS IS MINIMAL

Certain aspects revealing a conventional, narrow understanding of the Communist world outlook are usually stressed by authors considering the Brezhnev Doctrine. It is assumed that the *Secretary General* of the Communist Party of the Soviet Union (C.P.S.U.), with the approval of the Politburo, formulated a *new* doctrine of the *limited* sovereignty of a member of the socialist system of states. Yet, there is in Communist-controlled states very little personal decision making by individual leaders, however exalted their positions. The "fraternal assistance" to Czechoslovakia was a vital policy decision of the C.P.S.U. Politburo based on evaluation of the global situation and recommendations by several departments of the C.P.S.U. Central Committee apparatus, of which the present Secretary General is a product. He therefore hardly deserves to be honored as the doctrine's originator.

There is the widespread conviction, also, that this doctrine represents a new foreign policy formula or, at least, a revival of policy discarded after Stalin's death. It is enough, however, to consult earlier Communist documents to see the fallacy of this view.

THE 1957 DECLARATION REAFFIRMS BASIC MARXIST-LENINIST TENET

In 1957, for instance, following the suppression of Polish and East German unrest and the Hungarian uprising of the year before, the ruling Communist Parties of the twelve socialist countries met in Moscow to define the Communist co-ordinated policy for the later 1950s and 1960s. They sought to outline basic rules of conduct to avoid the pitfalls of mechanical copying of C.P.S.U. methods (the so-called dogmatism) and, what was considered even more dangerous, of revisionism of Marxist-Leninist tenets or right-wing opportunism. Their declaration stated:[1]

In our epoch, world development is determined by the course and results of the confrontation [*sorevnovaniye*] [2] between two diametrically opposed social systems [socialism versus capitalism]. [In that confrontation] the strengthening of the unity and fraternal cooperation of the socialist [communist-controlled] states and of the Communist and Workers' Parties of all countries and closing the ranks of the international working class, national-liberation and democratic movements take on special importance.[3]

While asserting that "the socialist countries base their relations on the principles of complete equality, respect for territorial integrity, state independence and sovereignty as well as non-interference", the declaration emphasizes that, however important, these principles *"do not exhaust* the essence of their relations". (Emphasis added.) Fraternal, mutual assistance is an integral part of these relations and "finds its expression in the principle of socialist internationalism,"[4] which has thus been elevated to a fundamental doctrine, superimposed on international law in socialist interstate relations.

In order to offset the dangers of revisionism, the twelve participating parties forcefully reaffirmed the correctness of the basic Marxist-Leninist tenet that "the processes of the socialist revolution and socialist construction are governed by a number of basic 'laws,' applicable in all countries embarking on the socialist path."[5] Their declaration then lists these generally valid principles and rules of conduct binding on all Communist Parties, ruling or nonruling alike:

1. Leadership of the toiling masses by the working class, whose vanguard is the Marxist-Leninist Party, in bringing about a proletarian revolution in one form or another [either by peaceful or violent (civil war) means] and in establishing some form of the dictatorship of the proletariat;

2. Alliance of the working class with the bulk of the peasantry and other strata of the toilers;

3. Abolition of capitalist ownership and establishment of public ownership of the basic means of production;

4. Gradual socialist reorganization [collectivization] of agriculture;

5. Planned development of the economy with the aim of building socialism and communism;

6. Completion of a socialist revolution in the sphere of ideology and culture and formation of numerous intelligentsia devoted to the working class, the toilers and the cause of the socialism;

7. Elimination of national oppression and the establishment of equality and fraternal friendship among people;

8. *Defense of the achievements of socialism*[6] [emphasis added] against encroachments of external and internal enemies; solidarity of the working class of a given country with the working class of other countries—proletarian internationalism.[7]

Two observations should be made with regard to the 1957 declaration. The Soviet delegation to the 1957 conference was headed by the then First Secretary of the C.P.S.U. Nikita S. Khrushchev, who, for all his reputation as promoter of peaceful coexistence, in 1956, as will be remembered, had given fraternal military assistance to orthodox Hungarian Communists led by Janos Kadar in their effort to preserve socialist achievements in that country.

Also, the same basic rules for Communist conduct defined in the 1957 declaration are quoted, as we shall see, in Brezhnev's arguments to justify the 1968 Warsaw Pact occupation of Czechoslovakia. A constantly deteriorating situation (from a Communist viewpoint) had developed there, with the local Communist Party in disarray and losing its total control (dictatorship) over the state,[8] resembling the 1956 Hungarian crisis.

In the view of the Warsaw Pact governments this situation fully justified armed intervention, aimed at restoring the Communist Party power monopoly. The non-Communist world, however, branded it as "contrary to every elementary rule of international law, to say nothing of the UN Charter".[9]

It is of major interest, therefore, to look next into the Communist attitude toward these elementary rules of international law, which are essential for normal intercourse among states. Since legal norms are basically rules and guidelines of conduct, whether of individuals or states, the importance of understanding the Soviet legal system and its underlying philosophy cannot be overemphasized in our search for communist policy motivation. Secretary of State William P. Rogers summed it up very well when as Attorney General he wrote in this *Journal:*

"When we talk about competing with International Communism in the realm of ideas, we are talking in large measure about the ideas which are the basis of our legal system."[10]

The so-called Brezhnev Doctrine has often been qualified in the non-Communist world as a doctrine of limited sovereignty, applicable only to a socialist state. What, briefly, is the Communist concept of state sovereignty within the international law context?

STATE CONCEPT DIFFERS FROM TRADITIONAL NOTIONS

The state concept—and sovereignty is an important attribute of the state—as defined in the Marxist-Leninist theory of state and law differs substantially from traditional notions. The theory of the origin, nature and aims of the state was formulated by Lenin, a lawyer by education, who relied heavily on Frederick Engels's work, *The Origin of the Family, Private Property and the State.* As is well known, Engels tied the state's origin to the appearance on the historical scene of private ownership of the means of production and the resulting split of society into antagonistic classes. The state emerged, and continued to exist, as an organ of class rule (slave-owners over slaves, feudal lords over serfs).

At present, Marxist-Leninist theory distinguishes between two basic forms of class society; in one the classes are *hostile* and *antagonistic* towards each other and are engaged in bitter class conflict (bourgeoisie vs.

Footnotes at end of article.

the working class in a capitalist state); the other, after doing away with private ownership of the means of production, is identified by cooperation of *friendly* classes (the working class and *kolkhoz* [collective farm] peasantry in a proletarian-socialist state) in a joint task and aim: building socialism and, ultimately, communism.

Marxism-Leninism disclosed the *class* nature of the state, and, in a society with antagonistic classes, it considers the state as a machine of suppression. "The state"—noted V. I. Lenin—"is a machine used to support the domination of one class over another." The figurative word "machine" immediately indicates the gist of the class nature of the state; it helps to explain that a state like any machine is a tool in the hands of people, a tool which multiplies their strength as representatives of the ruling class. Consequently, the state in its essence is an instrument of a dictatorship—of class domination.[11]

The state in a capitalist society, according to Marxism-Leninism, serves as an instrument for the oppression of the majority (the toiling masses) by the minority (the *bourgeoisie*). The state of the dictatorship of the proletariat, on the other hand, serves as an instrument of suppression of a minority (the remainder of the vanquished exploiting classes) by an overwhelming majority (the working class and the peasants). Only after the complete victory of socialism does the state cease to be an organ of class domination; under socialism it continues to serve as an instrument of political power of the friendly classes of toilers.

POPULAR SOVEREIGNTY IS A FICTION

In theory, the working class rules the proletarian-socialist state and is thus the bearer of its sovereignty. In fact, however, popular sovereignty is a fiction in such a state because of the unique position of the Communist Party, a position equivalent, ultimately, to one of exclusive and total control over the state. The ruling Communist Parties not only formulate policy for all aspects (economic, political and cultural) of society's life, but they also select cadres for the state apparatus who carry out and supervise their policy.[12] This is justified by the party's claim to be the vanguard of the working class in its revolutionary mission to transform the world.

The class character of the Communist-controlled party-state and, consequently, of its sovereignty introduces a new international or, better to say, supranational concept into interstate relations between socialist states themselves as well as between "capitalist" and "socialist" states.

In their interstate or, rather, interparty relations, Communist-controlled states claim to be primarily guided by the principles of socialist internationalism and not by general international law,[13] although, Soviet jurists assert:

"The socialist states consistently uphold the observance in international intercourse of the generally recognized democratic principles of international legality and law . . . they are inserting a new content into old legal forms, a new quality arising from the *socialist* character of those states." [14] [Emphasis added.]

This process is being described as the formation of a separate socialist international law, which will gradually replace general international law "when the world socialist system will occupy a dominant position in all areas of international relations". [15]

Meanwhile, intercourse between socialist and capitalist states is allegedly regulated by norms of general international law, often called by Communist jurists "the Law of Peaceful Coexistence" between states of the two antagonistic social systems. It is not a law of peaceful intercourse in the traditional, non-Communist meaning, but a set of norms operating in a historical situation characterized by the absence of major (nuclear) conflict between the two systems, whose "coexistence" is described as:

> A specific form of class struggle between socialism and capitalism in the international arena. . . . Peaceful coexistence between the two systems does not exclude revolutions in the form of armed uprisings and just national liberation wars against imperialist oppression, which occur within the capitalist system.[16]

In this context the international law principles of the sovereignty of a capitalist state and noninterference in its internal affairs, despite formal acceptance by the Communists, are logically also subordinated to the overriding aims of class struggle (for example, international civil war) and are devoid of traditional significance.

It appears that the negative influence of the Brezhnev Doctrine on international law's validity is self-evident.

BREZHNEV'S ROLE HELPS TO EXPLAIN HIS DOCTRINE

For an understanding of the real content and implications of the Brezhnev Doctrine, we must return to Brezhnev's role, even though the doctrine may not be so new and he is not its author. It would be a great mistake to minimize the influence of this most important representative of the C.P.S.U. Central Committee apparatus, which wields enormous power emanating from the party's totalitarian control over the Soviet state and, indirectly, even over the world socialist system. In his public pronouncements the Secretary General interprets and communicates to the world the genuine "Brezhnev Doctrine", a complex set of concepts and motivations which make the C.P.S.U. and other Communist Parties "tick", despite their "rifts". We speak here, of course, of the Communist world view, the Marxist-Leninist doctrine, which is the global, ideological framework of the Communist Parties.

In a recent collection of speeches and articles the Secretary General summarizes "the Party's experience in directing communist construction and the foreign policy of the USSR".[17] It is C.P.S.U. directed foreign policy interpreted by Brezhnev, then, that will offer us an insight into the problem of "sovereign" relations among communist-controlled states, and, ultimately, also, between those states and their noncommunist counterparts.

INVASION OF CZECHOSLOVAKIA HAS BEEN AN IMPORTANT TOPIC

The invasion of Czechoslovakia in August, 1968, a critical foreign policy decision within the socialist system, has been an important topic in Brezhnev's speeches. On November 12, 1968, his address to the Congress of the Polish United Workers (*i.e.*, Communist) Party showed not only concern with a local (Czechoslovak) problem but reflected the communist global view:

"We are living, comrades, in a complicated, stormy and interesting time. The revolutionary process, which centers around the *confrontation of the two principal social systems* of our epoch—socialism and capitalism— is progressing irresistibly." [18] [Emphasis added.]

He admonishes the Communists of the socialist countries that the recent activization in Czechoslovakia of forces hostile to socialism should be understood in terms of this confrontation and that—

> It is vitally important . . . to carry high the banner of socialist internationalism and constantly strengthen the solidarity and cohesion of the socialist countries.[19]

Despite remarks in support of the observance of traditional sovereignty of all states, Brezhnev emphasizes the special importance for the Communists of defending the sovereignty of states which have chosen the road of building socialism. He equates the sovereignty of a socialist country with building "a society free of every oppression and exploitation". True consolidation of sovereignty and independence requires that—

> Each socialist country determine the concrete forms of its development along the path toward socialism, while taking into account the specific character of its national conditions.[20]

But, Brezhnev warns, in order to uphold "socialist" sovereignty:

"There exist also *generally binding principles* of socialist construction, whose neglect could lead to a retreat from socialism. . . . And when internal and external forces hostile to socialism make an attempt to reverse the development of a socialist country *in the direction of the restoration of the capitalist system* . . . then this threat represents not only a problem for the people of that country, but a common problem and task of all socialist countries." [21] [Emphasis added.]

Mutual fraternal assistance, based on principles of socialist internationalism, includes, according to Brezhnev, direct military intervention, even though only as "an extraordinary measure, in order to nip in the bud the threat to the socialist order".

Brezhnev did not elaborate on these generally binding principles and rules, knowing quite well that his host, Gomulka, was one of the signers of the 1957 declaration of the twelve Communist and Workers' Parties that spelled them out in detail.

Two years later, in a monumental discourse, "The Work of Lenin Lives and Triumphs", on April 21, 1970, Brezhnev again reminded his listeners, Communists and sympathizers from practically every country in the world, of the "collapse" of the antisocialist plot in Czechoslovakia, proving "the great importance of the international solidarity of the socialist countries". He remarked, "Neither our friends nor our enemies doubt its force and effectiveness—and that is very good."

When we compare this speech with the 1957 Moscow Declaration, the remarkable continuity of Marxist-Leninist thinking should not surprise us. Prepared by the same apparatus, it repeats the declaration's main points almost word for word: The path of different countries to socialism, and the socialist system itself, are characterized—"as has been emphasized by the fraternal Parties"—by "common landmarks", the socialist revolution in some form which crushes the state machinery of the exploiters and replaces it by the state (dictatorship) of the proletariat; the proletarian (socialist) state, which, in turn, liquidates the exploiter classes, socializes the means of production and inaugurates a cultural revolution in Lenin's meaning.

As for the socialist system once constructed, its fundamental obligatory characteristics are: the rule of the toilers, implemented through the control of the Marxist-Leninist party over society's development; social ownership of the means of production and a planned economy; education of the entire people in the spirit of the ideology of scientific communism; and, last but not least, a foreign policy based on the principles of proletarian-socialist internationalism.

Bearing in mind the doctrinal continuity displayed by the C.P.S.U. apparatus, it is only natural that Brezhnev should publicly deny not only authorship but also the very existence of a "Brezhnev" doctrine. Speaking in Moscow on June 9, 1969, before an international conference of seventy-five Communist and Workers' Parties held to consider the tasks of the struggle against imperialism, he accused "the imperialist propagandists" of having—

Footnotes at end of article.

Fabricated and circulated the notorious doctrine of limited sovereignty [and of] slandering the principle of proletarian internationalism by contrasting it *artificially* with the principles of independence, sovereignty and equality of national detachments of the workers' and communist movement [Communist Parties].[22] [Emphasis added.]

In support of his argument he quoted as "by no means obsolete" Lenin's definition: "to be an internationalist means to do the utmost possible in one country *for* the promotion support and stirring up of revolution *in all countries*."[23]

The genuine "Brezhnev Doctrine" is, then, a restatement of the Marxist-Leninist world view; a world engulfed in an irreconcilable confrontation between the two antagonistic socioeconomic systems—capitalism and socialism—which is bound to end with a revolutionary transformation of capitalist society according to Marxist-Leninist tenets. To this supranational revolutionary end *evertyhing* is subordinated, including interests of whole nations (their sovereignty, equality, independence, etc.) as well as the interests of individuals, irrespective of whether they are part of the capitalist or socialist system.

The present Secretary General may, of course, at some future date be replaced by another *apparatchik* (prominent member of the C.P.S.U. Central Committee apparatus), who will continue promoting the Marxist-Leninist doctrine, the true driving force behind the Communist effort.

FOOTNOTES

[1] Pravda, November 22, 1957, page 1. Represented were the Communist Parties of Albania, Bulgaria, Hungary, Vietnam, East Germany, China, North Korea, Mongolia, Poland, Rumania, the U.S.S.R., Czechoslovakia and Yugoslavia. All but Yugoslavia signed the document.

[2] The widely used English equivalent, "competition", is a misleading translation in the author's opinion, since it does not reflect this struggle's irreconcilable charter.

[3] Pravda, November 22, 1957, page 1.

[4] *Ibid.*

[5] *Ibid.*

[6] *"Zavoyevaniya sotsializma"* (achievements of socialism), in the author's opinion, is better translated literally "conquests of socialism", since it reflects the Communist large-scale application of crude force and legalized error in transforming society.

[7] Pravda, November 22, 1967, page 1.

[8] Read a more detailed analysis of the situation in the author's brochure. The Soviet Doctrine of Sovereignty, the So-Called Brezhnev Doctrine, published by the American Bar Association Standing Committee on Education About Communism and Its Contrast With Liberty Under Law (1970).

[9] The New York Times, September 28, 1968, page 32.

[10] Roger, *Our Great Goal: Peace Under Law*, 45 A.B.A.J. 1181 (1959).

[11] Fundamentals of the Theory of State and Law [in Russia], legal textbook of the Sverdlovsk Law Institute (1969).

[12] *Id.* at 197–198.

[13] Tunkin, Theory of International Law [in Russian] 504 (1970).

[14] Korovin, *Proletarian Internationalism and International Law*, Soviet Yearbook of International Law—1958 [in Russian] 55 (1959).

[15] Usenko, *International Law in the Intercourse of Socialist Countries*, Soviet Yearbook of International Law—1966–1967 [in Russian] 44 (1968).

[16] 4 *Philosophical Encyclopedia* [in Russian] at 452–454.

[17] Brezhnev, The Leninist Policy Course: Speeches and Articles 1964–1970 ([in Russian] 3.

[18] *Id.*, Volume 2, at 325.

[19] *Id.* at 328.

[20] *Id.* at 329.

[21] *Ibid.*

[22] *Id.* at 397.

[23] *Ibid.*

CURRENT STRIKES CRIPPLE OREGON FOREST PRODUCTS INDUSTRY

Mr. HATFIELD. Mr. President, I think we are all familiar with the crippling effect that the west coast dock strike, now in its fourth week, is having on our commerce with the Orient. The work stoppage has tied up ships and halted trade in ports from southern California to Puget Sound.

I want to bring to the attention of the Senate the particularly devastating effect the strike is having on the forest products industry, specifically on the wood chip market.

Chips and other residue at sawmills, plywood mills, and other plants are amassing at a dangerous rate. With space to store them dwindling rapidly, the sawmills themselves are threatened with a shutdown. Such a calamity, if it occurs, will have national consequences. Already there are some threats to the economy.

Pyramiding the disastrous effects of the dock strike is the railroad strike, which hit the Union Pacific and Southern Railroad last week. Now the Southern Pacific is shut down. Due to the railroad strike, chips and wood residue—along with lumber itself—cannot be moved, in many cases, from even the wood processing plants, let alone be shipped overseas, where much of it ordinarily is bound.

Tying up these shipments—which are mainly to Japan—wreaks its effect on our balance of payments. And this at a time when the Nation is trying desperately to improve our balance-of-payments position. Until this interruption, the volume of chip exports was on the rise.

I ask unanimous consent that an article from the June 1971 Pulpwood Annual showing this rise appear at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATFIELD. Another threat to our economy as a result of this situation is the fact that a shortage of lumber and lumber products will mean higher prices in building construction. This is another calamity, for we in Congress have set a national goal of 26 million new and rehabilitated housing units in this decade. We do not want to be priced out of that goal.

In the West, many small communities are entirely dependent upon the wood industry for their livelihood. In these one-industry towns a shutdown of a sawmill or a plywood plant means a shutdown of the town.

Take the town of Kinzua, Oreg., for instance. A shutdown of the lumber mill there means unemployment for the 350 of the 500-odd residents. The mill produces an average of 10 carloads of finished lumber and wood chips a day. These are hauled out on a company line and picked up by the Union Pacific. With the Union Pacific closed down by the strike there is no way for Kinzua to ship its lumber products.

The Portland Oregonian newspaper was told by the mill's general manager that continuation of the strike past the middle of this week will mean real trouble. He said that lumber produced there can be stored but the big problem is what to do with the chips—that is, the residue. If the strike lasts much longer than this week a total shutdown will have to be considered, the official said.

The worries at Kinzua are echoed in dozens of little lumber towns in eastern Oregon and along the Columbia River.

Communications from numerous lumber and plywood companies tell the same story.

U.S. Plywood-Champion Papers, Inc., at Eugene, Oreg., reports:

> We are at our chip storage capacity right now and are facing plant shutdowns.

Cliff Pearson, vice president of the Roseburg Lumber Co., Roseburg, Oreg., says:

> It's a question of how long we can continue to pile up chips which should go to Japan out of Coos Bay. But even more important, in my opinion, is how we are going to pick these chips up again. In other words, we'll have to handle current chip shipments at the same time that we must get rid of the tremendous inventory created by the strike. Yet there are no more boats and no more rail cars available.

Emory E. Moore, president of Vanply, Inc., of Albany, Oreg., reports his company has a 30-day supply of Philippine mahogany for its prefinishing and lauan siding operations and after that "we'll be down." He said:

> Our export chips are piling up. We'll have no more room by Labor Day and would be forced to shut down.

Says William Swindells, Jr., senior vice president at Willamette Industries, Inc., Portland Oreg.:

> Box car shortages are intensified since shipments of lumber destined for overseas are under an embargo. Therefore, much needed cars stand loaded in the port areas. Lumber we are unable to ship sits out in the sun. Meanwhile our orders are going to Canadian manufacturers with the possibility that we may suffer a permanent loss of business.

Needless to say, these problems for the producers and suppliers are matched by problems for the consumer. The stoppage can lead to shutdowns of other businesses and to higher prices for all concerned.

The handling of chips and other residue by the lumber industry in recent years represents a giant step forward. Not so many years ago, most of this residue incurred in the process of preparing timber for the market was regarded as waste. To dispose of it, much of it was burned.

However, increased efficiency and improved technology in the industry has found new uses for these former wastes. In addition to being used as fuel to produce electric power at some sawmills, the residue now is utilized in the production of new products like hardboard and particleboard. It also is used as mulch and other soil additions in agriculture and gardening as well as in the production of pulp and paper. In addition, there are lesser products such as wood flour and manufactured fuel logs. In fact, more than three-fourths of all mill residues now are put to use. The forest products industry may soon be able to say that it uses all but the whine of the saw.

It is obvious that the uses to which wood industry residues are put to use eliminate the sources of much solid waste pollution as well as air pollution, which results from the burning of the wastes.

The untoward accumulation of chips and other residue at wood industry plants due to the shutdowns in shipping and railroads brings a new threat of air pollution. If the residue cannot be moved, it may have to be burned. Burning would be in conflict with air pollution control measures and, in some cases, in violation of new State and local laws against burning.

Further, the revenues lost from the erosion of a part of the residue chip market would have to be made up from higher lumber and plywood prices or by lower stumpage prices for timber growers. Higher product prices would add to the rising cost of housing.

The possible accumulation of residue at wood plants can be envisioned when one considers the total residue production around the country. It is upwards of 4 billion cubic feet per year, including both the currently used and unused residue.

Nationwide, mill residues account for about 30 percent of the 64 million cords of domestically produced virgin fiber consumed in pulp mills. In the South mill residues account for 20 percent and in the West mill residues are the major supply to pulp mills.

Industry, consumer and Government alike are harmed by the prolonged shutdown at our west coast ports and by the railroad strike.

It is to the interest of all of us—in the Congress, the administration, and the general public—to accelerate efforts to settle the strike of the International Longshoremen's Union at our west coast ports, the United Transportation Union walkout at the railroads and the long strike of the Western Pulp and Paper Workers against six Weyerhaeuser pulp plants.

Exhibit 1

A Brief Look at the World of Chip Exports; an Examination of Current and Future Trends in Chip Exports in the Pacific Northwest Region

(By William E. Davis)

This report is not intended as a definitive survey of the chip export world. Rather, it is offered as a general overview of the subject, with a look at current trends and what's likely to happen in the near future in the Oregon and Washington area.

Last year chip exports to Japan from Washington, Oregon and California ports amounted to some 1,759,000 bone-dry units. The volume of exported chips is currently on the rise and it is expected that last year's total volume will be exceeded. A species breakdown shows that about 95% of the material exported is Douglas fir, with the remainder being primarily hemlock from the Columbia River region.

HIGHER PRICES APPARENT IN CONTRACTS

In the area of contracts, the new ones are reflecting steep price escalations (during the fourth quarter of last year, the value per short ton from the Oregon Custom District stood at $19.83 and from Washington at $20.13). Terms of the new contracts are long—5 to 10 years—but there is a move to renegotiate prices every year. One Japanese company is currently contemplating negotiating prices every six months.

A look at chip sources reveals that chips for the domestic and export markets are still largely supplied from outside sources such as sawmills, plywood plants etc. Because of high chip prices, however, many of the larger pulp and paper companies are starting to install their own chip plants and curtail, or cut out completely, buying chips from outside sources. But, as in the past, it still remains standard operating procedure for the big pulp and paper companies to help smaller sawmills and plywood plants finance chipping and chip transportation equipment.

Experience is showing that the independent chip plant operators are successful only to the extent that they have the ability to store chips, or shut down completely, when there is an oversupply. With this flexibility there seems to be a bright future for these plants.

PROFITABLE TRANSPORT DISTANCE IS UNKNOWN

From the chipping site to the export site, how far can you transport chips and still make a profit? At present this seems to be an open question. A new export facility at Coos Bay, Oregon, which will start operation in July and ship 12,000 monthly, plans to bring in chips from as far away as Colorado, Utah, Montana and Idaho. So, there seems to be no prescribed formula for success based on some average hauling distance.

What kind of chip volume is being exported monthly? Since much of the data concerning chip exports is considered confidential by the major exporting companies, it is difficult to gather specific information. However, listed below are the five major exporting companies as well as the size and number of ships used monthly.

WHAT THE MAJOR COMPANIES SHIP OUT

Each month Weyerhaeuser Co. sends nine ships to Japan. These ships break down as follows: one 6,000-unit, six 8,000-unit, one 12,000-unit and one 14,000-unit. This gives Weyerhaeuser a total shipping capacity of 80,000 units per month.

Roseburg Lumber Co. sends out 30,000 units monthly in two 8,000-unit ships and one 14,000-unit ship. This company will have another 14,000-unit ship coming on the line in July.

U.S. Plywood-Champion Papers ships out 26,000 units monthly in three 6,000-unit vessels and one 8,000-unit vessel.

Georgia-Pacific Corp. exports 20,000 units per month in two 6,000-unit and one 8,000-unit vessels.

International Paper Co. at Longview, Washington, sends Japan 16,000 units monthly in two 8,000-unit ships.

Since Japan is also importing an increasing volume of chips from countries such as Canada, New Zealand, Australia and Malaysia (Japan's talks on pulpwood supply with the U.S.S.R. apparently been slowed considerably), U.S. chip prices must remain competitive, but overall, the chip export future appears bright.

As mentioned earlier, the 1971 volume of chips exported is expected to be higher than last year's volume. In addition to the new export facility at Coos Bay, several major companies are exploring the possibility of exporting chips from Portland.

PRESENT PRICE DECLINE SEEN AS TEMPORARY

At present there is a surplus of chips on the market as a result of a cutback in pulp production (by as much as 30% in some companies), and the volume of chips produced by satellite chipping plants. This has caused chip prices to decline somewhat, but chip producers see this as temporary and look to the future optimistically.

During the times of lagging chip prices many observers see pulp export as becoming increasingly important, and view the Communist countries (particularly in view of the thawing relationship between the U.S. and People's Rep. of China) as representing a great potential market. The long-term chip future should remain bright, as additional U.S. pulp capacity goes to captive domestic markets. The trend to long-term chip contracts supports this view.

In British Columbia, Alberta, and Saskatchewan, pulp expansion is directed to more market pulp, but much of it is for U.S. mills.

ZERO DEPLOYMENT

Mr. HART. Mr. President, over the past weekend, the press has carried a number of stories about what is reported to be this Nation's latest proposal for an arms limitation agreement with the Soviet Union.

One section of the reported proposal would permit each nation to install an ABM system around its capital or at three sites to protect land-based missiles.

Without pretending to know whether the stories are accurate, but on the possibility that the report was leaked as a trial balloon, I would like to make one comment on the proposal. Actually, the comment is just to reaffirm a position I have long held and is appropriate to the SALT talks, whether or not the reports are correct.

History indicates that we have been most successful in securing arms limitation agreements when we have exercised restraint. That was the posture this Nation took in securing agreements to ban nuclear weapons in the Antarctic, to ban nuclear testing in the atmosphere, and to halt proliferation of nuclear weapons. The nations did not reach agreements when the United States had a monopoly on nuclear warheads or when the Soviet Union held a commanding lead in the development of intercontinental missile delivery systems.

A position seeking zero or minimum deployment of additional nuclear weapons also makes sense when both nations already have enough such weapons to destroy each other several times over.

It is with these thoughts in mind then that I urge the United States to seek a SALT agreement based on deployment of as few additional nuclear weapons as possible.

Prof. Marshall D. Shulman, director of Columbia University's Russian Institute, offered comments on this approach when he testified before a Senate Foreign Relations subcommittee on July 14.

I ask unanimous consent that excerpts from Dr. Shulman's testimony, as printed in yesterday's Washington Post, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The "Bargaining Chip" As a SALT Strategy

It is worth noting that in the internal debates on SALT within the Soviet Union, such U.S. efforts to force the pace of the strategic competition as the deployment of Safeguard and MIRV have had the effect of weakening the case of those in the Soviet Union who have argued that arrangements with the United States for the stabilization of the strategic arms competition are possible. . . .

It is also clear that the effect of the "bargaining chip" rationale for further armament measures by the United States has been the opposite of what was intended. Although it is true that these measures have put before the Soviet leadership the prospect of a further expensive round in the arms competition as the alternative to a SALT agreement, what is more significant is that the Soviet leadership feels itself obliged to match each step with comparable measures, for it cannot allow itself, for both domestic and international reasons, to be pressured into an agreement on unfavorable terms. Perhaps the "bargaining chip" theory may be sound diplomacy under some circumstances, but it is clear that in the strategic weapons field it provides dynamism for the arms race. . . .

Over the long run, it would seem more effective for the United States to base its negotiating tactics and its military procurements on the principle that security in the realm of strategic weapons is best served by a stable equilibrium at as moderate a level as can be managed through explicit or tacit agreement with our adversaries. To achieve this will require us to break the cycle of interaction between the two countries by the exercise of political leadership, deciding military policies in terms of this conception of security rather than leaving them to be decided by the pressures of the military services, the upward tug of technology, the overaction of military planners, or the misguided rationalizations of self-deceptive bargaining techniques.

SUPREME COURT RULINGS

Mr. THURMOND. Mr. President, liberals everywhere are applauding the recent Supreme Court ruling upholding the right of the New York Times to publish the purloined Pentagon papers. Implicit in this decision was the premise that the Government should avoid "prior restraint."

But what is it but prior restraint when the Federal Government can compel the States to submit in advance any proposed legislation they have for approval by Federal agents? Such restraint has been imposed upon Southern States for several years now.

When South Carolina challenged the Voting Rights Act in the Supreme Court, many of the same Justices who opposed "prior restraint" against the New York Times indicated their approval when such restraint was aimed at Southern State laws. As Justice Black correctly pointed out, such a Federal law "approaches dangerously near to wiping out the States as useful and effective units in the Government of our country."

Mr. President, an editorial published in the July 8 issue of the State of Columbia, S.C., correctly reveals the double standard of which I speak.

I ask unanimous consent that the editorial, entitled "New York Times and the South Receive Uneven Justice," be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

New York Times and the South Receive Uneven Justice

At the root of the Supreme Court decision upholding the right of the *New York Times* to publish the purloined Pentagon Papers was an oft-stated premise that the government should avoid "prior restraint."

Would that the same court had been as concerned about prior restraint five years ago when it validated a congressional statute which clearly imposed prior restraint on South Carolina and other Southern states. We refer to the Voting Rights Act of 1965 and, in particular, Section 5 of that act.

Let it be recalled that a vindictive Democratic Congress, miffed that a number of Southern states had forsaken the Democrats and supported Republican Barry Goldwater in the 1964 presidential election, undertook to penalize the offending states with hobbling controls.

Without requiring any showing of illegal or discriminatory conduct as a prerequisite for punitive controls, the Congress simply lumped together those states in which voters had not cast ballots in numbers satisfactory to congressional evaluators.

Such states (all Southern with the exception of Alaska) were required to suspend their literacy tests for voters, irrespective of any factual showing as to whether the tests had been abused.

Furthermore, the states were prohibited from altering their election laws without prior approval (the corollary of prior restraint) by either the federal judiciary or the office of the Attorney General of the U.S.

When South Carolina challenged the Voting Rights Act in the Supreme Court, many of the same justices who decried "prior restraint" against the *New York Times* subscribed fully to the proposition that such restraint could be properly applied against suspect Southern states.

Only Justice Hugo Black lodged any substantial complaint against such high-handed procedure. (This was, to be sure, before Chief Justice Warren Burger and Associate Justice Harry Blackmun joined the court.) Said Mr. Justice Black:

"A federal law which assumes the power to compel the States to submit in advance any proposed legislation they have for approval by federal agents approaches dangerously near to wiping out the States as useful and effective units in the government of our country."

Just a few weeks ago, a three-judge federal court in Mississippi revived Black's dissenting views in the South Carolina case and applied them to a situation which found Mississippi caught in the procedural vise of the Voting Rights Act. Regretfully, the Mississippi judges pointed out that as members of an inferior court they had no choice but to follow the precedent set by the Supreme Court's majority in the South Carolina case.

But that necessity did not keep them from observing:

"If we were free to perform our judicial duties according to our ability and agreeably to our understanding of the Constitution of the United States, we would, to a man, concur with Mr. Justice Black's views that Section 5 of the Voting Rights Act of 1965 is clearly unconstitutional . . .

"In the case at bar, the application of the vicious 'conquered province' theory embodied in this section is uniquely opprobrious because of the State of Mississippi's humiliation in bringing its laws to Washington for bureaucratic approval has been met with an obtuse, patronizing failure by the federal government official to discharge the duties Congress placed upon him. The unhappy result is that additional coals of discord are heaped upon the head of an already strained federalism."

Is it too much to ask that the Supreme Court of the United States accord South Carolina and other Southern states the same relief from prior restraint that it grants to the *New York Times?*

GOVERNOR'S MERIT AWARD TO MISS LONETTA SUBLETT

Mr. COOK. Mr. President, recently one of Kentucky's school systems, the Taylor County school system, was awarded the Governor's Merit Award for outstanding education innovation in the use of an audio informational retrieval system.

Miss Lonetta Sublett, superintendent of the Taylor County school system, applied to the U.S. Department of Education for the grant and was honored for her leadership and achievement by the Governor at the executive mansion.

I commend Miss Sublett on her sincere interest in the betterment of our schools and in her progressive attempts to individualize education. The money was made available to the Taylor County school system through Federal funds and is just another indication of how our tax money can be used effectively. Our educational programs need our continued support when they can produce such results.

I ask unanimous consent that the article published in the Central Kentucky News on Miss Sublett's success be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Taylor School System Honored

The Taylor County School System has been awarded the "Governor's Merit Award", for "outstanding educational innovation in the use of an audio informational retrieval system."

The award was presented to School Superintendent Miss Lonetta Sublett, by Governor Louie B. Nunn in ceremonies at the state capitol on Thursday afternoon of last week.

The audio retrieval system, is one of many innovations started during Miss Sublett's tenure as superintendent, and was installed by use of federal funds from the United States Office of Education in a grant applied for by Miss Sublett and handled through the Kentucky Department of Education.

Present in the House of Representatives' Chamber last week as the governor greeted some 160 state educators was Mrs. Spiro T. Agnew.

The schools were lauded for following a total school innovative approach, offering every student a learning experience that permits maximum individual achievement.

A reception for the winners and guest was held at the Executive Mansion following presentation of the awards.

U.S. INVOLVEMENT IN INDOCHINA

Mr. HATFIELD. Mr. President, Mr. Morton Halperin and Mr. Leslie Gelb wrote a guest editorial in the July 16 issue of Life magazine entitled "What Chance is 'Reasonable' in Vietnam? Mr. Halperin and Mr. Gelb are well qualified to write on our involvement in Indochina. Mr. Halperin served as Deputy Assistant Secretary of Defense, and then as a member of President Nixon's National Security Council staff. Mr. Gelb, while in the Defense Department, directed the preparation of the now famous Pentagon Papers. Thus, their thinking deserves our careful attention. In their editorial, they make the argument in favor of a date certain for our total withdrawal, and contrast that with the alternatives that seem to be pursued by the administration.

With the President's dramatic announcement about his forthcoming trip to China, there has been much speculation about the future of our involvement in Indochina.

My conclusion is that it is now all the more imperative for Congress to legislate a date for our total military withdrawal. In my judgment, such an action, as advocated by these experts, would be a momentous step in preparing the climate for the President's journey of peace to the People's Republic of China.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT CHANCE IS "REASONABLE" IN VIETNAM?

(By Leslie H. Gelb and Morton H. Halperin)

With presidential adviser Henry A. Kissinger coming home from a "fact-finding" trip to Saigon and Paris, the Nixon administration is in the midst of yet another reappraisal of American Vietnam policy. The Pentagon papers indicate that such reevaluations are episodic. As in the past, the public can only be dimly aware of what options are being seriously debated. The President's choice involves as much what he decides to tell the American people as what he decides to do.

We believe that only an unambiguous public gesture can now end the divisions in our country. The Senate for the first time has gone on record in favor of a complete withdrawal within nine months. The publication of the Pentagon papers has intensified the debate about governmental credibility. And, in the midst of this, the Vietcong on July 1 put forward another in a long line of peace proposals.

This new seven-point proposal, like its predecessors, is a construct of Marxist rhetoric and Talmudic precision. The Vietnamese Communists use words very carefully to state their position in a way that raises hopes without giving anything away. They present a familiar list of moral imperatives that the United States "must" do in order to bring peace to Vietnam: ending "Vietnamization," dismantling all bases, withdrawing "all troops, military personnel, weapons, war materials," bring about a coalition government.

But in the following paragraph, which enunciates their conditions for action, as distinguished from the moral imperatives, they simply state: "If the U.S. sets a terminal date for the withdrawal from South Vietnam in 1971 of the totality of U.S. forces [and Allied forces], the parties will at the same time agree on" 1) safe withdrawal and 2) the release of American POWs, beginning and ending with the withdrawal of U.S. forces.

The message seems to be this: if we set a 1971 terminal date, there will be a cease-fire against American forces, a concurrent release of prisoners, and ostensibly no prohibitions on future American military and economic assistance to the Saigon regime. This interpretation is supported by North Vietnam's Le Duc Tho in his press interview of July 6.

We cannot be certain that this is really Hanoi's meaning. In the past, when we asked them what such and such a phrase meant, they only would say that we should look at the totality of their proposal. Thus we can only learn what they mean by putting forward a concrete proposal of our own which includes a terminal date for our presence and simultaneous release of prisoners.

Of course, if release of our POWs alone were our basic goal, the President would have every reason to accept the Hanoi position. But the real issue is, as it has always been, how important a non-Communist Vietnam is to American security. In this regard, everything that the President has *said* indicates that his Vietnam policy is not much different from that of each of his post-World War II predecessors. His stated goal is, as their goal was, a non-Communist South Vietnam. For President Truman, that meant beginning a program of military assistance to enable the French to fight the Vietminh. For President Eisenhower, it meant massive aid totaling 80 percent of the French effort in 1954 and, after the Geneva Conference, the introduction of an American military mission. For President Kennedy, it meant sending 15,000 American advisers to Vietnam and meddling in South Vietnamese domestic politics. For President Johnson, it meant Americanization of the war. For President Nixon, it is Vietnamization with phased withdrawal of American troops, along with invasions of Laos and Cambodia. The American policy in Vietnam is now described by President Nixon as assuring a "reasonable chance" for survival of the Saigon government. The difficulty is not with the phrase but with what meaning it is given. In fact, "reasonable chance" reasonably defined could provide a basis for uniting the American people.

So far, however, "reasonable chance" seems to add up to an ambiguous holding action: it has meant withdrawing most of the American forces in order to cut American casualties and costs, thereby, the President hopes, maintaining domestic support for the war. It has meant withdrawing slowly enough with hawkish enough rhetoric to reduce the chances of what the President has called "a nightmare of recrimination"—the right-wing reaction.

It seems to portend keeping two American residual forces in the battle as long as necessary: one on the ground in Vietnam providing assistance to the South Vietnamese and defending itself, and the other in Thailand and offshore on carriers conducting bombing raids throughout Indochina. It surely will mean continuing large-scale military and economic assistance to the South Vietnamese government.

While these actions can be interpreted in various ways, they are consistent with the notion that the President is doing everything that our domestic politics will permit to support the current Saigon government for the indefinite future.

Many would argue that we have long since given the Saigon government a "reasonable chance." We have fought their war for them for six years, killing many of the best enemy troops. At least for the past three years, we have given top priority to the equipping and training of South Vietnamese forces. The Saigon government has an army larger than its opponents, and it can draw ample recruits from the population under its control. These facts do not mean that the Saigon government would survive a complete American withdrawal. The simple truth is that we do not understand much more about South Vietnam today than we did in 1946, and we just do not know whether the Saigon government can survive or not.

President Nixon is really asking for continued American support for the war—for what everyone, including the President himself, seems to concede is only a marginal improvement of an uncertain chance that the current Saigon government will indeed be able to survive.

What the President hopes to gain is surely more than overbalanced by what he risks in continuing the war.

First, whatever Hanoi's current terms are, they are almost certain to increase as the size of our force diminishes. When 50,000 or fewer American troops are left in South Vietnam, Hanoi might demand that the United States also cease aid to Saigon and perhaps even change that government in return for the release of the prisoners.

A second risk is that if Hanoi does step up military pressure against this shrunken American force, the President might feel that he had no alternative than to respond by what he has called "decisive escalation" against North Vietnam. Most observers would say that the President simply cannot afford the domestic political repercussions of escalation now. But most of them were saying that before Laos and Cambodia. Indeed, most U.S. escalations of the war were preceded by predictions that they would not occur.

Beyond these two risks lies a third: namely, the risk of breaking the fragile link of trust between the President and the people. Presidents always want to keep open their options and retain their flexibility. But when the issue is Vietnam today, the President's desire for ambiguity must give way to the public's right to clarity.

President Nixon seems prepared to run these risks for two reasons. He still believes what most Southeast Asian specialists, including those within the government, have long since ceased to believe: that prospects for a "generation of peace" depends on the outcome in Vietnam.

The president also fears the growth of radicalism at home. Such domestic reaction is indeed something to worry about. The political left has started calling for war crimes trials. Their goal seems to be to establish wide-ranging individual, if not national, guilt. The Calley trial sparked the political right. Their goal will be to find out who is to blame for America's not winning this war. This emerging "scapegoatism" is frightening. President Nixon is on the mark here.

It is now the President's obligation to unite the country by stating an unambiguous policy. The new NLF proposal opens the way for doing so by apparently allowing the President to define "reasonable chance" as an American withdrawal with the Saigon government free to receive American military and economic aid. If President Nixon were to define "reasonable chance" in these terms, few here would quarrel with that decision, and it would almost certainly open the way at last to an end to our military involvement in Indochina.

It may well be the only way to give ourselves—these United States—a reasonable chance.

CAMPAIGN REFORM

Mr. PROUTY. Mr. President, several days ago, the distinguished Republican leader (Mr. SCOTT) placed in the RECORD an itemized account of all outstanding debts and negotiated settlements associated with the last few election campaigns. This list set out in detail "who owes how much to whom and for how long."

If campaign reform is to mean anything at all, it certainly should mean that no candidate is entitled to a special advantage over his opponent. As the ranking Republican member of the Committee on Rules and Administration, I supported Senator SCOTT's amendment prohibiting the extension of unsecured credit to candidates by certain businesses because I felt that the amendment put everyone on notice that no one is entitled to a free ride.

Mr. President, I ask unanimous consent to have printed in the RECORD several news accounts pertaining to Senator SCOTT's investigation and his amendment.

There being no objection, the items

were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, July 24, 1971]

When The Candidates Fly Now, Nobody Bothers To Pay Later

WASHINGTON.—Airlines are stuck with over $2.1 million in unpaid debts run up by political candidates and their campaign organizations. Telephone companies have nearly $400,000 in similar unpaid bills.

In addition to the Democratic and Republican National Committees, debtors listed include President Nixon, the late Robert F. Kennedy, Senator Hubert H. Humphrey (D., Minn.) and former Senator Eugene J. McCarthy (D., Minn.).

The Senate GOP leader, Hugh Scott, put the figures in the *Congressional Record* yesterday in urging adoption of an election-reform bill amendment to curb political deadbeats.

"This business of trying to run political campaigns on the cuff is distinctly unfair and places a burden which not only should not be on the companies but is actually forcing them into making involuntary and illegal contributions," the Pennsylvanian told the Senate.

In talking with newsmen he jibed at Mr. McCarthy, who he said apparently is going to run for President again, as one "who doesn't run a shirt-sleeve campaign but one on the cuff."

Examination of the documents Mr. Scott put on record showed that American Airlines alone reported that as of last April 30 it had outstanding debts of $1,337,834 incurred by candidates for federal office from 1962 on.

LISTING OF DEBTS

Here is the list it gave of candidates or political organizations and the amount owed by each:

Republican National Finance Committee, $151,871; Richard M. Nixon, $69,376; National Democratic Committee, $426,833; Robert F. Kennedy, $415,120; Hubert H. Humphrey, $138,762, and McCarthy for President, $135,872.

R. M. Bressler, vice president and treasurer of the airline, said in a letter to the Civil Aeronautics Board that because of "the sub-standard credit relations" it has experienced with candidates, it now is asking for personal guarantees in all cases.

WRITE-OFFS, SETTLEMENTS

Trans-World Airlines, in a June 2 report to the Civil Aeronautics Board, said its outstanding accounts showed $221,519 owed by United Democrats for Humphrey, $25,091 for a Humphrey charter, and $13,196 by the GOP National Committee.

Trans World also reported that on February 24, 1969, it had written off $6,867 by McCarthy for President, and on November 14, 1968, had settled for $9,485 a debt of $16,352 owed by McCarthy for President.

Other airlines also reported unpaid campaign debts, as did A.T.&T., Western Union and General Telephone and Electronics. An itemization of unpaid telephone bills covered page after page.

An unpaid Kennedy for President account totaling $30,690 was reported as settled in July 1969 for $15,395.

"LARGE DEBTS . . . NO MONEY"

Johnson Flying Service, Inc., of Missoula, Mont., reported that still unpaid is a $2,910 bill incurred on September 20, 1968, by Mr. Humphrey and charged to the Democratic National Committee.

The company said it had tried to collect but "they state that they cannot pay as they have a large quantity of debts and no money."

Mr. Scott's amendment to the election reform bill would prohibit extension of unsecured credit to candidates for federal office by airlines, telephone companies and other industries regulated by the government.

He previously had requested the General Accounting Office to compile a report on all outstanding debts of candidates to such companies, along with any negotiated settlements.

NEARLY COMPLETE

Mr. Scott said the report is nearly complete and reveals "totally unacceptable campaign practices by both political parties not to mention the federal common carriers themselves."

Corporate contributions to political campaigns are forbidden by law, but Mr. Scott said that if a candidate fails to pay his bills, he has in effect received an involuntary contribution.

[From the Washington Post, July 24, 1971]

Scott Asks Campaign Credit Ban

Senate Republican Leader Hugh Scott yesterday proposed forbidding political candidates to put telephone, telegram, travel and similar campaign expenses on the cuff.

Scott conceded his move, proposed as an amendment to a pending bill to limit campaign advertising expenses, was aimed at Democratic presidential contenders.

"Isn't that the name of the game?" he asked newsmen with a grin.

Scott's amendment would bar certain federally regulated industries such as airlines, telephone companies and the like, from extending "unsecured credit" to political candidates—in other words, no unlimited charge accounts.

He said both parties and their candidates still have enormous bills outstanding from previous campaigns, such as $208,000 owed by the Democrats and $112,000 by the Republicans to Eastern Airlines alone.

Scott said the worst offender is former Sen. Eugene J. McCarthy (D-Minn.), an unsuccessful contender for the 1968 Democratic presidential nomination who it is said will enter next year's primaries in another bid for the White House.

Scott said McCarthy still owes $475,000 to just one telephone company from his 1968 effort.

"He favors everything except paying his bills," Scott said. "McCarthy doesn't run a shirt-sleeve campaign; everything is on the cuff."

He said there are also thousands of dollars in bills still unpaid from the 1968 campaign of the late Sen. Robert F. Kennedy (D-N.Y.) for the presidential nomination, including one of $414,000 to American Airlines.

Scott put a lengthy list into the Congressional Record of what he said were documented unpaid campaign debts for both parties and their candidates.

The documents, in the form of replies from officials of affected companies to requests of the Civil Aeronautics Board and the Federal Communications Commission, showed that even President Nixon had whopping unpaid bills from his 1968 campaign.

American Airlines reported its balance due from Richard M. Nixon as of April 30 this year of $69,376—$2,666 left over from the election year and $66,710 incurred in 1969. United Airlines reported the Nixon-Agnew campaign still owes them $75,180.

American also reported an unpaid balance for Sen. Hubert H. Humphrey (D-Minn.), Nixon's 1968 opponent, of $138,762; United said the Humphrey-Muskie ticket is indebted to them for $79,083.

Several officials said they have written off some of the campaign debts as uncollectable. R. M. Bressler, vice president and treasurer of American, said "We now ask for personal guarantees in all cases involving individual candidates and can report we have declined the applications of at least two well-known candidates in the last year where guarantees have not been forthcoming."

[From the Washington Star, July 23, 1971]

Scott Hits 1968 Air Travel, Phone Debts

(By James Doyle)

Senate Minority Leader Hugh Scott, R-Pa., disclosed today that inquiries to government regulatory commissions had revealed that Democratic and Republican political candidates owe more than $2.1 million in outstanding airline bills and nearly $400,000 in outstanding telephone bills.

Scott submitted an amendment to the proposed Federal Elections Campaign Act of 1971 to forbid the granting of unsecured credit by the transportation and communications industries.

Scott said his amendment would permit the candidates to use credit cards, as they do now, but would prohibit the companies from issuing cards if the candidates' ability to pay was dubious.

Scott introduced information from a number of companies indicating that they were unable to require huge deposits from candidates because they could not pinpoint the volume of business the candidate would generate and were prohibited by non-discriminatory clauses in federal regulations from setting a high deposit figure.

Scott said that most of the outstanding debts belong to Democratic candidates and the Democratic National Committee.

His figures showed that as of April 30, 1971, the Democratic National Committee had an outstanding debt with American Airlines of $426,833, most of it left over from the 1968 campaign.

The Robert F. Kennedy political organization owed American Airlines $415,120; the Hubert Humphrey campaign owed $138,762, and the Eugene McCarthy campaign owed $135,872.

The Richard M. Nixon campaign owed American Airlines $69,376, and the Republican National Finance Committee owed American $151,871.

Almost all of these debts dated back to the 1968 presidential campaign.

Trans-World Airlines listed debts of $246,000 for the Humphrey campaign and $13,000 for the Republican National Committee.

A debt of $16,352.36, incurred by the McCarthy campaign in 1968 was settled for a payment of $9,485, TWA reported, and another McCarthy debt of $6,867.36, incurred in 1968, was written off Feb. 24, 1969.

TWA said political debts "are handled in the same manner as any other account" but did not explain the criteria for negotiating a lesser payment or completely writing off a debt.

United Air Lines listed an outstanding debt of $79,000 for the Humphrey-Muskie campaign and $75,000 for the Nixon-Agnew campaign. The Nixon campaign used United charters throughout 1968 and 1970.

An outstanding debt of $12,000 was listed by United for the Democratic National Committee with the notation "incurred by R. F. Kennedy."

Eastern Airlines listed a Humphrey-Muskie debt of $208,000 and a Republican National Committee debt of $112,000.

Western Airlines said it had no outstanding campaign debts, but had written off a "ticket by mail" invoice for $376.00 incurred in May, 1968, by "Senator Ted Kennedy and a Mr. Burke," and written off in September 1969.

The American Telephone & Telegraph Co. submitted a breakdown for its various regional companies, and said it wrote off some debts "after significant collection effort has been made" without success.

The breakdown did not segregate Democratic and Republican candidates but it showed written-off debts of $2,200 in Pennsylvania, $6,000 for Pacific Bell Telephone, $7,700 for New England Telephone Co., $1,200 for Michigan Bell and $48,000 for Indiana all of it from the McCarthy for President campaign.

The McCarthy campaign had another $5,600 debt written off by Northwestern Bell.

The General Telephone Companies submitted similar figures showing a total indebtedness from political campaigns of $68,386.14.

Scott said the total outstanding debt to A.T. & T. was about $76,000 for the Democrats.

ECONOMIC RAMIFICATIONS OF VIETNAM WAR

Mr. HATFIELD. Mr. President, Mr. Harold Willens has been at the forefront of those who have reawakened the American business community to the serious economic ramifications of the war in Vietnam and our swollen military budget. Mr. Willens is convinced that the wide spectrum of American business cannot prosper in an economic climate that is soured by the war and distorted by inflated military expenditures. Recently he wrote a letter to President Nixon which outlines much of the thinking behind Mr. Willens' efforts. I ask unanimous consent that the letter and an Associated Press article about Mr. Willens be printed in the Record.

There being no objection, the items were ordered to be printed in the Record, as follows:

April 28, 1971.

President Richard M. Nixon,
The White House,
Washington, D.C.

Dear Mr. President: I happened to be visiting South Vietnam when the world heard the welcome news that our ping pong players would be visiting China.

That same day an American soldier gave me a copy of *The Serviceman's Daily Prayer*, a leaflet which he said was widely distributed to our military personnnel in Vietnam. The leaflet, bearing the address: Service Prayer, 2936 Bremen Street, Columbus, Ohio 43224, contains these words:

"Bestow your blessing on my country and on all who fight against the evils of Communism."

Yesterday Secretary of State Rogers, in speaking about Chinese-American relations, stressed *political diversity* as a fact of life we cannot change and should accept. Secretary Rogers is right and realistic. By initiating a thaw in Chinese-American relations you were right and realistic, Mr. President.

But your action and your Secretary of State's words are being undermined by the exposure of young American minds to the inflammatory words of the prayer leaflet and similarly irrational military propaganda revealed by the recent CBS documentary: "The Selling of the Pentagon."

Business has trained me to operate pragmatically. A pragmatic evaluation indicates that our foreign policy in recent years has been counterproductive. Our international behavior has operated against our self-interest. In fact we have inflicted severe damage upon ourselves through a foreign policy which has not kept abreast of changing realities.

One of these realities is the changing nature of communism which has itself fragmented into a number of political divergencies. Changes in communism have been matched by changes in capitalism. My first employer, were he to return from the dead, would be astonished by the "social benefits" we have adopted over the past 35 years.

It seems logical to assume and project a succession of further changes "in our direction" within communist countries if international tensions can gradually be eased. Public statements on various occasions reveal your awareness that such easing of tensions would greatly benefit our country.

The dangers and burdens of an endless arms race and misadventures like Vietnam dramatize the advantage of accepting prudent calculated risks for peace. We will be more likely to take such calculated risks if we begin to look upon peace as an incremental process rather than something which appears suddenly and full-blown. And above all we must recognize that the small specific steps in such an incremental process depend upon limited, tentative trust in the other side. That kind of trust can never be developed if our people look upon ideological competitors as mortal theological foes.

Successful businessmen are always conscious of competitors. But I have seen healthy companies destroyed by competitor-obsession. Perhaps there is a lesson to be learned from this, Mr. President. If we become obsessed by our ideological competitors we cannot do justice to improving and winning willing adherents for our own great "product"—free enterprise democracy.

I very much hope, Mr. President, that you will take steps to put an end to the distribution of this prayer leaflet and everything else which furthers the intermingling of theology with foreign policy. Because I realize how complex and massive a job that is, and because I feel the Congress should be willing to help you in this, I am sending copies of this letter to each Senator and Congressman.

Sincerely,

Harold Willens.

Businessman's Peace Actions Got Hate Mail

(By John Cunniff)

New York.—Four years ago Harold Willens, a Los Angeles executive and real estate developer, and Henry Niles, then chairman of Baltimore Life Insurance Co., formed Business Executives Move for Vietnam Peace (BEM).

"At that time," said Willens, "anybody who spoke out against the war was considered the enemy or a nut."

The hate mail flooded in, Willens said, considerably faster than the membership applications. Willens and Niles felt, however, that the war was a mistake of historical magnitude, a military blunder, a political scandal.

BEM advocated that the businessman-citizen speak out on the issue. But its founders soon realized few establishment figures either cared or perhaps dared to. They disliked tangling with stockholders; they didn't want to rock the boat.

BEM drew memberships steadily, however. And then, since BEM was a one-issue organization, Willens in 1969 founded BEF, or Businessmen's Educational Fund, to fight on a broader scale what he felt was the militarization of America.

Willens, its chairman, devoted what his wife said was 101 per cent of his time to speeches, membership work, lobbying and, most recently, to a Vietnam trip. Results? Willens thinks he has succeeded to some extent.

In recent months the attitudes of some businessmen appear to have changed. Within the past year the heads of Bank of America, International Business Machines and E. I. du Pont have spoken against the war and blamed it for domestic problems.

Willens, a 57-year-old millionaire grandfather and former Marine, was asked if he felt a major change really has occurred in the business attitude.

"I think the line of the pragmatist and the idealist are meeting," he replied. "Damn few businessmen think we are unpatriotic now. All of them relate inflation to the war, for example."

Do you really think you can end wars?

"Yes. Maybe there'll be little ones. But my feeling is that since we've always had wars it is no reason to extrapolate into the future. We changed the name of the game when technology developed the ultimate weapon."

Isn't that being overly idealistic?

"We have to get away from the fuzzy thinking that says wars are inevitable and that peace is a utopian concept. Either man or war is obsolete. We have to decide."

But why should businessmen try to take a leadership role?

"The businessman's role is critical because he thinks pragmatically. He knows how to build. Peace must be constructed. It is an incremental thing, like constructing a building by putting in the foundation, then the first story and so on. It is a step-by-step operation."

Won't demilitarization weaken the nation's security?

"The present direction is counterproductive to the best interests of the country. Escalation has brought us into disastrous wars, bled our resources and kept us from solving critical domestic problems that erode our strength.

"The other approach, to seek peace, is a calculated risk, such as you take in business. There may not be immediate success. The armaments race grew step by step. De-escalation can proceed in the same way."

It was suggested to Willens that many people feel business executives can only hurt their own particular cause by speaking out on this subject. This lit the Willens fuse.

"Self-interest tells the corporate executive he's got to get in there. The businessman must redefine the corporate and individual responsibility. He must redefine it because his company is dependent upon the nation's policies.

"In order to be responsible to the stockholders, the executive has to act in accordance with the new realities. He must realize that in fact he is doing a deep disservice to stockholders, because business can only thrive in a healthy economy.

"He can't hide in a paneled office. He cannot hide behind the corporate curtain and protect the interest of stockholders, his country and himself.

"I don't think the businessman's alibi is any better than others—than the clergyman who fears what his parishioners will say or the physician who fears his patients."

PAKISTAN: THE THING SPEAKS FOR ITSELF

Mr. SAXBE. Mr. President, in law there is a doctrine entitled Res Ipsa Loquitur, meaning "the thing speaks for itself." The pictures in both Time and Newsweek today graphically illustrate a tragedy of immense proportions. It is too bad that the Congressional Record cannot reprint these pictures.

For several weeks now I have called to the attention of my colleagues, through the Record, the dreadful fate of millions of refugees in East Pakistan. Senator Church and I have introduced an amendment with 32 cosponsors to the Foreign Assistance Act which would suspend America's aiding and abetting this terrible crime. I plead with my colleagues to look at the photographs in these two magazines. Nothing more need be said; nothing more can be said.

I ask unanimous consent that some articles regarding Pakistan be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Bengal: The Murder of a People

It seemed a routine enough request. Assembling the young men of the village of Haluaghat in East Pakistan, a Pakistani Army major informed them that his wounded soldiers urgently needed blood. Would they be donors? The young men lay down on makeshift cots, needles were inserted in their veins—and then slowly the blood was drained from their bodies until they died.

Govinda Chandramandl forgets who told him first, but when he heard that an amnesty had been pledged to all refugees, he immediately set off on the long walk home. With his two teen-age daughters by his side, Chandramandl trudged through monsoon-drenched swamplands and past burned-out villages. When he neared his scrap of land, soldiers stopped him. As he watched in helpless anguish, his daughters were raped—again and again and again.

He was about 3 years old, and his mother was still in her teens. They sat on ground made muddy by the steady drizzle of the summer rains. The baby's stomach was grotesquely distended, his feet swollen, his arm no thicker than a man's finger. His mother tried to coax him to eat some rice and dried fish. Finally, the baby mouthed the food feebly, wheezed—and died.

Few people seem more alien to Americans than do the Pakistanis. When thousands of them perish in various natural disasters that regularly plague their country, the newspaper account of their suffering have a curious unreality. And yet today, no one can escape the nightmare vision of Pakistan's civil war: another 6 million or more driven into desperate exile as the result of a deliberate effort to terrorize an entire people. It is as if a city the size of Richmond, Va. had been obliterated and the population of New York made suddenly homeless. Even in a world jaded by war and atrocity, suffering on that scale still comes as a sickening shock.

And there is more to it than that. Far more horrifying than the prospect that Pakistan may destroy itself are the signs that its brutal civil war could spark yet another, wider conflict between Moslem Pakistan and its archenemy, Hindu India. Last week, Pakistan's President Mohammed Yahya Khan angrily declared that if India expands its surreptitious support of Bangla Desh, as the secessionist Bengal nation is known, "I shall declare a general war—and let the world take note." The world would have to. For should that happen, Pakistan's ally, China, and India's ally, Russia, would be hard-pressed to avoid involvement. And the United States could be faced with the dangerous necessity to choose sides.

Already, the realities of geopolitics have confronted the U.S. with the thankless task of choosing between strategic and humanitarian considerations. Straining to preserve its influence with Yahya's government, yet anxious to help the suffering Bengalis, America has succeeded only in embroiling itself in a bitter controversy. Last week that controversy was intensified when Sen. Edward Kennedy disclosed the contents of confidential messages from U.S. diplomats in Pakistan. "Specter of Famine Hangs Over East Pakistan," read one cable. "Prospects for Averting Widespread Hunger, Suffering and Perhaps Starvation Not Repeat Not Good." Kennedy's clear implication was that the Nixon Administration was seeking to cover up the magnitude of the Bengali tragedy. And, not content with that, he went on to intimate that the U.S. had plans to send police teams to East Pakistan to help Yahya's Punjabi soldiers suppress Bengali resistance.

TWO DIVERGENT CULTURES

Such a cold-blooded move, should it ever come to pass, would ensnarl the U.S. in one of the most intractable racial and cultural conflicts of modern times. Physically and politically, Pakistan is unique among the world's nation's; between its rugged, relatively empty western region and its desperately overpopulated eastern region lie 1,000 miles of Indian territory. And more than space divides the two parts of Pakistan. It is a nation of two radically divergent cultures, of two totally different peoples who have despised each other through history. The lighter-skinned, aggressive Punjabis of West Pakistan scorn the Bengalis of the east as spiritless peasants or tricky tradesmen. And the Bengalis, whose rich rice land and lucrative jute crops have paid Pakistan's bills ever since the founding of the country in 1947, regard the Punjabis as barbarians—and, to make matters worse, oppressive barbarians who have monopolized Pakistan's government and army. Snapped one Bengali leader: "We have never been anything but a colony of the west."

Chafing after decades of subjugation, the Bengalis responded with frenzied enthusiasm when their fiery, leonine hero, Sheikh Mujibur Rahman, led them to the polls last December in Pakistan's first free elections after twelve years of military rule. Spurred on by the flambouyant oratory of Mujib (as his worshipful followers call him), the Bengalis voted in such numbers that Mujib and his Awami League won an absolute majority of seats in the country's new National Assembly. Suddenly it seemed that Bengal's time had come. But as it turned out, Mujib's platform of economic and diplomatic autonomy for the east was too great a threat to be endured by Punjabi leaders. Unwilling to play second fiddle to Mujib, West Pakistan's most popular politician, the left-leaning Zulfikar Ali Bhutto, refused to participate in the new Parliament. And in the end President Yahya abruptly postponed the opening of the assembly indefinitely.

PLANS FOR SLAUGHTER

Within hours of Yahya's decree, Mujib proclaimed a general strike in East Pakistan. To this day, Pakistani officials maintain that Yahya personally appealed to Mujib for a compromise that would heal the nation's wounds. But most observers believe that Yahya had other plans all the while. Weeks before the Yahya-Mujib meeting actually took place, the President and his right-hand man, Lt. Gen. Tikka Khan, were already mapping out plans for Mujib's arrest, the dissolution of the Awami League and the slaughter of Bengali nationalists.

Known as "the bomber of Baluchistan" for his indiscriminate use of air and artillery strikes in crushing a local tribal revolt in 1965, Tikka Khan apparently persuaded Yahya to buy time for the army to build up its strength in Bengal. Accordingly, Yahya made his bid for discussions with Mujib. And while the two leaders talked—and Bengalis as well as the world at large looked for a compromise that might save Pakistan—the army pulled off a logistics coup. Flying the long over-water route around southern India with Boeing 707s commandeered from Pakistan International Airways the army doubled its troop strength in Bengal to 60,000 men. When Tikka gave the word that all was ready, Yahya flew out of Dacca. And that very night, the bomber of Baluchistan unleashed his troops.

Under instructions to strike brutally on the theory that a savage surprise attack would snuff out resistance quickly, the army obeyed its orders with a vengeance. Tanks crashed through the streets of East Pakistani's capital of Dacca, blasting indiscriminately at men and buildings. With cold ferocity, Punjabi soldiers machine-gunned clusters of citizens while others set fire to slum hutches throughout the city. Soon, the city was littered with bodies, and the campus of Dacca University—a hotbed of secessionism—was a bloody shambles.

Throughout that blood-drenched night and in the days and weeks that followed, the carnage continued. And the massacres were not limited to Dacca but were carried on throughout the countryside as well. After a desperate visit to his native village on the Indian border, a sobbing Bengali journalist told how the land had been devastated: "I passed through a dozen villages which had been burned and deserted, with bodies everywhere being eaten by crows. The smell! The horror! I kept praying it would not be like that at my village. But it was. The village was just a mass of charred rubble and corpses. My wife and child were missing. There was just one old lady alive and she could no longer talk. She just sat on the ground, shaking and moaning."

With the passing of time, the magnitude of the slaughter has diminished, but there has been no lessening in the brutality of the Pakistani Army. Last week, *Newsweek's* Loren Jenkins, who was in Dacca the night that Gen. Tikka Khan's troops launched their campaign of murder, cabled the following report on conditions in East Pakistan now:

Four months after the first flush of bloodletting, East Pakistan still lives in fear. But instead of being the cowering, groveling fear that the army sought to instill, it is a sullen fear tinged with quiet defiance and hate. It is a fear based on the appreciation of a very harsh reality, not a fear that marks people of broken spirit. Walking along a Dacca street recently, I met a journalist I had known before. Our eyes met and he nodded, but he appeared embarrassed. Glancing nervously all around, he muttered, "My God, my God. Civilized man cannot describe the horror that has been done." An hour later another friend explained: "We have been ordered not to talk to foreign journalists. We are scared. We live in terror of the midnight knock on the door. So many people have been killed. So many more have disappeared. And more vanish every night."

One who vanished in the night was Mujib, who is now reportedly held in prison in the western garrison town of Mianwali. A hero before, Mujib has now become a martyr. For all his conspicuous faults, he has become the symbol of Bengali patriotism. Yet Yahya, almost boastfully, told a recent visitor, "My generals are pushing for a military trial for Mujib and for his execution. I have agreed and the trial will be held soon." No policy could be more short-sighted or more likely to harden Bengali resistance. As one Western diplomat told me, "Yahya is simply out of his mind. He still doesn't even understand what the army has done. He thinks they can kill off a couple of hundred thousand people, try Mujib for treason, force a return to order and all will be forgotten. This is utter nonsense. These people will not forget."

GUERRILLA RESISTANCE

Indeed, the minds of Bengalis are emblazoned with the memories of these months of terror. Despite the terror, signs of resistance to the army creep up everywhere. In Dacca, street urchins hawking the local papers slip mimeographed communiques from the government-in-exile into the newspapers. On ferry boats in the countryside, where all passengers are under the watchful eyes of the army, strangers sidle up and whisper of massacres or point out areas in the dense Madhupur jungle where the "Mukti Bahini," or Liberation Army, is hiding. All over the country, the resistance is rapidly taking on the earmarks of a classic guerrilla war. And East Pakistan is ideal guerrilla terrain reminiscent of South Vietnam's Mekong Delta—a labyrinth of sunken paddies, jute fields and banana groves.

That the Mukti Bahini are capitalizing on their few assets is brought home daily. They have cut the key railroad to Dacca from the port of Chittagong and have also severed the parallel road. More than 60 per cent of the interior's food supplies moves over those routes and there is virtually no prospect of restoring them until peace is also restored. The rebels' recent coup in blowing up three power stations in Dacca has underscored the point that no city or village is safe from their campaign to bring the economy to a halt.

Most important, however, is the fact that the rebels now seem to be winning what every guerrilla needs—the support of the populace. Two months ago, villagers in Noakhali province pleaded wtih the Mukti Bahini not to blow up a bridge because it would bring army retaliation. Last week, those same villagers sought out the guerrillas and asked them to destroy the bridge.

To be sure, the guerrillas are no match for the federal army. While they have rallied some 20,000 Bengali fighters to their cause (and expect another 10,000 recruits to join them next month after clandestine training in India), the inadequately armed rebels still face 60,000 well-equipped professional soldiers. And despite its covert aid, India has cautiously hesitated to recognize the Bangla Desh government-in-exile. One reason for this restraint is the genuine and costly problem the New Delhi government faces in caring for the 6 million Bengali refugees now in India. Newsweek's Tony Clifton, who has reported the anguish of the refugees since the beginning of Pakistan's civil war, filed this report last week from Calcutta:

The strain on India has become almost unbearable. The refugees are still swarming across the border in hordes ranging as high as 40,000 a day, and as P. N. Luthra, the former Indian Army officer in charge of the refugee program, told me, "I'm now responsible for the care of a small country." It is costing India $3 million a day to feed, clothe, house and provide vital medicine for the Bengalis, a financial drain that is crippling to the already marginal Indian economy. Worse yet, lack of available funds has meant a shortage of virtually everything in the refugee camps—and the inevitable result has been suffering, disease and death. To Luthra, the only conceivable resolution of the tragedy is for the world to put the utmost pressure on Pakistan to stop the carnage so the Bengalis will feel safe in going home.

Yet for all their suffering, the Bengalis themselves maintain their stoicism. It is the monsoon season in India, but the monsoon here is not like the great monsoons of Hollywood. Instead of roaring and thundering, the rain falls softly and steadily, dribbling through the canvas tents to soak the refugees, turn earth floors to mud and flood inadequate drains. But the refugees stand patiently, calf deep in stagnant water, eager to tell me their stories so I can tell others. I collect a notebook of horror—rape and murder and kidnaping. They tell me how they saw their children stabbed, their husbands or brothers executed, their wives collapse with fatigue or sickness. The stories are all new, and all the same. And I remember Luthra's plaintive question, "How can we think the human race is evolving to a higher level when it lets this go on?"

As the military repression and the guerrilla sabotage goes on. It poses an ever-increasing threat to the future of Pakistan itself. Already, experts say, the country's economy is a shambles. Since the fighting began, exports have plummeted, the vital jute crops that are Pakistan's biggest foreign exchange earner not unharvested, and the vast consumer market of the eastern region on which West Pakistan's factories lived has vanished along with the refugees and rebels. "In short, Yahya's government faces the genuine danger of bankruptcy," warns a Western economist in Dacca. Equally genuine is the danger of mass starvation. "Unless something is done soon," the same economist adds, "there is going to be a famine here that will make all the prior suffering look like nothing." But in the end, the greatest threat to Pakistan is the flaring hatreds that Yahya's army has spawned. "Pakistan died in March," says a Karachi editor. "The only way this land can be held together is by the bayonet and the torch. But that is not unity, that is slavery. There can never be one nation in the future, only two enemies."

THREAT OF WAR

The area already has enemies enough. In recent weeks, Islamabad and New Delhi have traded insults and accusations at a dizzying rate and there is a real possibility that angry words may escalate into war. Indeed, some Indians even claim to see an economic motive for going to war; according to the Institute for Strategic Studies in New Delhi, it would be cheaper for India to fight Pakistan than to continue to care for millions of Bengali refugees. "It hasn't come to that yet," sighed one U.S. official last week. "But India has considered a military thrust, apparently very seriously." And Pakistan too has weighed the use of force against its neighbor in retaliation for India's support of the Mukti Bahini.

The gravest danger from any such hostilities is the possibility that Communist China and Russia would become involved. Chinese Premier Chou En-lai has denounced "Indian expansionists" and has promised Yahya that Peking would support the Pakistanis "in their just struggle to safeguard their state sovereignty." And Chou could handily translate his pledge into action—by ordering Chinese troops stationed along the Indian border to provoke skirmishes, or by infiltrating "advisers" to reinforce the Pakistani Army. "Pakistan has some promises from Peking to take military action of its own should war begin," warns a U.S. diplomat, "and India is trying to extract some counterbalancing promise of military aid from Russia. That could lead to catastrophe."

AN AGONIZING CHOICE

Any such involvement by the two Communist superpowers would confront the United States with a cruel dilemma. Pakistan, despite the undeniable brutality of its policy toward the Bengalis, is a long-standing American ally and a country that the U.S. is desperately trying to keep out of Peking's sphere of influence. At the same time, India is Asia's biggest nation with a democratic tradition, dating back to Gandhi and Nehru, and as such, occupies a special position in the U.S. portfolio of friendly nations. To choose between the two would be agonizing. One U.S. analyst of foreign affairs, drafting a scenario for U.S. actions should a subcontinent war break out, remarked: "Our first move obviously would be to try to play the peacemaker, much as Russia did at Tashkent in 1966 during the last Indo-Pakistani war. If that failed, the U.S. might be able to sit it out, so long as Russia and China were involved only as suppliers of the two combatants. But if they got directly engaged, it would then be almost impossible for Washington to remain aloof. We would have to gamble on one side or the other, give them at least the logistical aid they needed and hope we had chosen the winner."

Rhetoric and contingency plans aside, none of the world's three great powers wants to embroil itself militarily in the Indian subcontinent. But that does not rule out the possibility that they could become involved against their will. In the meantime, the future of Pakistan and, possibly, the lives of millions of other Asians, depend on Yahya Khan. And at the moment the Pakistani President remains determined not to relent—ignoring the fact that he may be creating out of nationalist guerrillas the core of a potential Communist insurgency. "The tragedy of Pakistan really is that Yahya is oblivious to what he is doing, oblivious to the cost of his actions," a diplomat in Islamabad remarked somberly last week. "There is only one man alive who could save Pakistan now, and that is Mujib. Yahya vows that Mujib must die. But the day he hangs by the neck, Pakistan will hang with him."

THE POLITICS OF RELIEF

If some Americans are still only vaguely aware of the plight of the Bengali refugees, Beatles George Harrison and Ringo Starr intend to pound the message home this week. In their first public appearance together since the famous rock group split up, George and Ringo plan a benefit performance at New York's Madison Square Garden, with all proceeds to go to homeless Bengali children. And theirs is only one of many efforts—by the International Rescue Committee, Catholic Relief Services, UNICEF and Americans for Childrens Relief among others—designed to stir the U.S. conscience over the genocidal civil war in Pakistan.

Many private citizens now involved in Bengali relief are veterans of similar operations during the Biafran tragedy two years ago. And most are dismayed that, unlike the rescue of Biafran children, which aroused such widespread sympathy, world reaction to the Bengali refugee emergency seems almost apathetic by comparison. Ironically, the sheer magnitude of the suffering in East Pakistan may, in itself, be partly to blame. "Bengali refugees must now form the largest group of displaced persons in the world," said Dr. Daniel L. Weiner, who recently returned from a fact-finding tour for the IRC. "It is a problem that has to be dealt with on an international scale; no private effort can possibly handle this load. Private agencies can only alleviate some aspects of the mess. But the very size of the probem seems to paralyze people—it's not so much a lack of interest as a feeling of helplessness."

Busy: To the extent that any organized international effort has been mounted to alleviate Bengal's misery, the U.S. Government can take credit. Washington has committed $70.5 million to the aid of East Pakistani refugees in India (as compared with $11 million from the Soviet Union). More than 360,000 tons of U.S. food grains are in the transport pipeline to East Pakistan. For the present, according to U.S. specialists, the threat of mass starvation in the region is not due to any lack of supplies but to poor distribution. Though the U.S. has given Pakistan $2 million to charter relief ships, the Pakistani Army has used most of them so far to transport troops and ammunition. "They are so damned busy trying to re-establish their control over East Pakistan," snapped a State Department aide, "that they haven't looked beyond their own noses."

Such complaints suggest that Washington has had little success in influencing President Mohammed Yahya Khan to moderate his policies. Yet the Nixon Administration has justified its aid to the Yahya regime mainly on the ground that such support will give Washington leverage over Islamabad. In the face of mounting domestic criticism of that policy, however, the U.S. has recently begun to waffle. In requesting a total of $131.5 million in aid to Pakistan next year, the State Department recently promised Congress that the money would be held back until Pakistan begins to minister to its homeless millions. But skeptical observers recalled that the U.S. slapped a similar ban on military aid to Pakistan last April—only to have it emerge later on that Pakistani freighters were still hauling U.S.-supplied ammunition and spare parts, ordered before the ban took effect, back to Karachi. And last week, Sen. Stuart Symington charged that the ban was still full of holes. The Administration, said Symington, was guilty of "semantics, ambiguous statements on the public records without clarification and no effort to present the actual facts until pressed to do so."

Strategic: Privately, U.S. diplomats concede that, above all else, Washington is trying to maintain good relations with Pakistan out of strategic considerations. One U.S. diplomat warned against the end of an American role on the subcontinent. "If India and Pakistan bleed each other into impotence, and our influence has vanished," he argued, "the area could become a playground for the Soviet Union and China." Added a colleague with startling bluntness: "We are more interested in stability than morality at the moment . . . Right now the chance for stability, slim as it is, seems to lie with Yahya."

Yet, the price of a cold geopolitical approach to the problem may itself prove to be unacceptable in the end. For one thing, Washington's calculated reluctance to bring added pressures on Islamabad by openly cutting off aid put it at odds with the World Bank and the other members of an eleven-nation consortium, all of whom have deferred development programs in Pakistan until the government in Islamabad works out a "political accommodation" with the eastern region. (Even the World Bank, however, has not been able to escape the controversy swirling around Pakistan. After World Bank president Robert McNamara tried to suppress a critical report drafted by a team of investigators who recently visited Pakistan, The New York Times got hold of the document and splashed it on its front page.) Subsequently, McNamara sent a letter to the Pakistani Government apologizing for the news leak.

Moreover, Washington's equivocation has already enraged India, where most officials are convinced that Yahya could not continue his policy of repression without outside help. "Supply of arms to Pakistan by any country in the present context amounts to condoning genocide in Bangla Desh," charges India's Foreign Minister Swaran Singh. "It could have an impact on Indo-U.S. bilateral relations as well." Thus, rightly or wrongly, the Administration's pragmatic stance on the Pakistani question has promoted an impression of official U.S. indifference to the human agony of a strife-torn land—an impression that is at odds with the traditional image of a concerned and compassionate America.

[From Time magazine, Aug. 2, 1971]

PAKISTAN: THE RAVAGING OF GOLDEN BENGAL

Over the rivers and down the highways and along countless jungle paths, the population of East Pakistan continues to hemorrhage into India: an endless unorganized flow of refugees with a few tin kettles, cardboard boxes and ragged clothes piled on their heads, carrying their sick children and their old. They pad along barefooted, with the mud sucking at their heels in the wet parts. They are silent, except for a child whimpering now and then, but their faces tell the story. Many are sick and covered with sores. Others have cholera, and when they die by the roadside there is no one to bury them. The Hindus, when they can, put a hot coal in the mouths of their dead or singe the body in lieu of cremation. The dogs, the vultures and the crows do the rest. As the refugees pass the rotting corpses, some put pieces of cloth over their noses.

The column pushing into India never ends, day or night. It has been four months since civil war broke out between East and West Pakistan, and the refugees still pour in. No one can count them precisely, but Indian officials, by projecting camp registrations, calculate that they come at the rate of 50,000 a day. Last week the estimated total passed the 7,500,000 mark. Should widespread famine hit East Pakistan, as now seems likely, India fears that the number may double before the exodus ends.

Hundreds of thousands of these are still wandering about the countryside without food and shelter. Near the border, some have taken over schools to sleep in; others stay with villagers or sleep out in the fields and under the trees. Most are shepherded into refugee camps where they are given ration cards for food and housed in makeshift sheds of bamboo covered with thatched or plastic roofing. Though no one is actually starving in the camps, food is in short supply, particularly powdered milk and baby food.

NO MORE TEARS

Life has been made even more miserable for the refugees by the monsoon rains, that have turned many camps into muddy lagoons. Reports Dr. Mathis Bromberger, a German physician working at a camp outside Calcutta: "There were thousands of people standing out in the open here all night in the rain. Women with babies in their arms. They could not lie down because the water came up to their knees in places. There was not enough shelter, and in the morning there were always many sick and dying of pneumonia. We could not get our serious cholera cases to the hospital. And there was no one to take away the dead. They just lay around on the ground or in the water." High-pressure syringes have speeded vaccination and reduced the cholera threat, but camp health officials have already counted about 5,000 dead, and an estimated 35,000 have been stricken by the convulsive vomiting and diarrhea that accompany the disease. Now officials fear that pneumonia, diphtheria and tuberculosis will also begin to exact a toll among the weakened refugees. Says one doctor: "The people are not even crying any more."

Perhaps because what they flee from is even worse. Each has his own horror story of rape, murder or other atrocity committed by the Pakistani army in its effort to crush the Bengali independence movement. One couple tells how soldiers took their two grown sons outside the house, bayoneted them in the stomach and refused to allow anyone to go near the bleeding boys, who died hours later. Another woman says that when the soldiers came to her door, she hid her children in her bed; but seeing them beneath the blanket, the soldiers opened fire, killing two and wounding another. According to one report from the Press Trust of India (P.T.I.), 50 refugees recently fled into a jute field near the Indian border when they heard a Pakistani army patrol approaching. "Suddenly a six-month-old child in its mother's lap started crying," said the P.T.I. report. "Failing to make the child silent and apprehending that the refugees might be attacked, the woman throttled the infant to death."

CORDON OF FIRE

The evidence of the bloodbath is all over East Pakistan. Whole sections of cities lie in ruins from shelling and aerial attacks. In Khalishpur, the northern suburb of Khulna, naked children and haggard women scavenge the rubble where their homes and shops once stood. Stretches of Chittagong's Hizari Lane and Maulana Sowkat Ali Road have been wiped out. The central bazaar in Jessore is reduced to twisted masses of corrugated tin and shattered walls. Kushtia, a city of 40,000, now looks, as a World Bank team reported, "like the morning after a nuclear attack." In Dacca, where soldiers set sections of the old City ablaze with flamethrowers and then machine-gunned thousands as they tried to escape the cordon of fire, nearly 25 blocks have been bulldozed clear, leaving open areas set incongruously amid jam-packed slums. For the benefit of foreign visitors, the army has patched up many shell holes in the walls of Dacca University, where hundreds of students were killed. But many signs remain. The tank-blasted Rajabagh Police Barracks, where nearly 1,000 surrounded Bengali cops fought to the last, is still in ruins.

Millions of acres have been abandoned. Much of the vital jute export crop, due for harvest now, lies rotting in the fields; little of that already harvested is able to reach the mills. Only a small part of this year's tea crop is salvageable. More than 300,000 tons of imported grain sits in the clogged ports of Chittagong and Chalna. Food markets are still operating in Dacca and other cities, but rice prices have risen 20% in four months.

Fear and deep sullen hatred are everywhere evident among Bengalis. Few will talk to reporters in public, but letters telling of atrocities and destroyed villages are stuck in journalists' mailboxes at Dacca's Hotel Intercontinental. In the privacy of his home one night, a senior Bengali bureaucrat declared: "This will be a bitter, protracted struggle, maybe worse than Viet Nam. But we will win in the end."

Estimates of the death toll in the army crackdown range from 200,000 all the way up to a million. The lower figure is more widely accepted, but the number may never be known. For one thing, countless corpses have been dumped in rivers, wells and mass graves. For another, statistics from East Pakistan are even more unreliable than statistics from most other places (*see* TIME Essay). That is inevitable in a place where, before the refugee exodus began, 78 million people, 80% of them illiterate, were packed into an area no larger than Florida.

HARSH REPRISALS

The Hindus, who account for three-fourths of the refugees and a majority of the dead, have borne the brunt of the Moslem military's hatred. Even now Moslem soldiers in East Pakistan will snatch away a man's *lungi* (sarong) to see if he is circumcised, obligatory for Moslems; if he is not, it usually means death. Others are simply rounded up and shot. Commented one high U.S. official last week: "It is the most incredible, calculated thing since the days of the Nazis in Poland."

In recent weeks, resistance has steadily mounted. The army response has been a pattern of harsh reprisals for guerrilla hit-and-run forays, sabotage and assassination of collaborators. But the Mukti Bahini, the Bengali liberation forces, have blasted hundreds of bridges and culverts, paralyzing road and rail traffic. The main thrust of the guerrilla movement is coming from across the Indian border, where the Bangla Desh (Bengal Nation) provisional government has undertaken a massive recruitment and training program. Pakistani President Agha Mohammed Yahya Khan last week charged that there were 24 such camps within India, and Indians no longer even bother to deny the fact that locals and some border units are giving assistance to the rebels.

Half of the Mukti Bahini's reported 50,000 fighters come from the East Bengal Regiment, the paramilitary East Bengal Rifles, and the Bengali police, who defected in the early days of the fighting. Young recruits, many of them students, are being trained to blend in with the peasants, who feed them, and serve as lookouts, scouts and hit-and-run saboteurs. Twice the guerrillas have knocked out power in Dacca, and they have kept the Dacca-Chittagong railway line severed for weeks. Wherever possible they raise the green, red and gold Bangala Desh flag. They claim to have killed 25,000 Pakistani troops, though the figure may well be closer to 2,500 plus 10,000 wounded (according to a reliable Western estimate). Resistance fighters already control the countryside at night and much of it in the daytime.

Only time and the test of fire will show whether or not the Mukti Bahini's leaders can forge them into a disciplined guerrilla force. The present commander in chief is a retired colonel named A.G. Osmani, a member of the East Pakistani Awami League. But many feel that before the conflict is over, the present moderate leadership will give way to more radical men. So far the conflict is nonideological. But that could change. "If the democracies do not put pressure on the Pakistanis to resolve this question in the near future," says a Bangla Desh official, "I feel for the consequences. If the fight for liberation is prolonged too long, the democratic elements will be eliminated and the Communists will prevail. Up till now the Communists do not have a strong position.

But if we fail to deliver the goods to our people, they will sweep us away."

By no means have all the reprisals been the work of the army. Bengalis also massacred some 500 suspected collaborators, such as members of the right-wing religious Jammat-e-Islami and other minor parties. The Biharis, non-Bengali Moslems who fled from India to Pakistan after partition in 1947, were favorite—and sometimes innocent—targets. Suspected sympathizers have been hacked to death in their beds or even beheaded by guerrillas as a warning to other villagers. More ominous is the growing confrontation along the porous 1,300-mile border, where many of the Pakistani army's 70,000 troops are trying to seal off raids by rebels based in India. With Indian *jawans* facing them on the other side, a stray shot could start a new Indo-Pakistani war—and one on a much more devastating scale than their 17-day clash over Kashmir in 1965.

Embroiled in a developing if still disorganized guerrilla war, Pakistan faces ever bleaker prospects as the conflict spreads. By now, in fact, chances of ever recovering voluntary national unity seem nil. But to Yahya Khan and the other tough West Pakistani generals who rule the world's fifth largest nation, an East-West parting is out of the question. For the sake of Pakistan's unity, Yahya declared last month, "no sacrifice is too great." The unity he envisions, however, might well leave East Pakistan a cringing colony. In an effort to stamp out Bengali culture, even street names are being changed. Shankari Bazar Road in Dacca is now called Tikka Khan Road after the hard-as-nails commander who now rules East Pakistan under martial law.

HONEYED SMILE

The proud Bengalis are unlikely to give in. A warm and friendly but volatile people whose twin passions are politics and poetry, they have nurtured a gentle and distinctive culture of their own. Conversation—*adda*—is the favorite pastime, and it is carried on endlessly under the banyan trees in the villages or in the coffeehouses of Dacca.

Typically, Bangla Desh chose as its national anthem not a revolutionary song but a poem by the Nobel-prizewinning Bengali Poet Rabindranath Tagore, "Golden Bengal":

Come Spring, O mother mine!
Your mango groves are heady with fragrance,
The air intoxicates like wine.
Come autumn, O mother mine!
I see the honeyed smile of your harvest-laden fields.

It is indeed a land of unexpectedly lush and verdant beauty, whose emerald rice and jute fields stretching over the Ganges Delta as far as the eye can see belie the savage misfortunes that have befallen its people. The soil is so rich it sprouts vegetation at the drop of a seed, yet that has not prevented Bengal from becoming a festering wound of poverty. Nature can be as brutal as it is bountiful, lashing the land with vicious cyclones and flooding it annually with the spillover from the Ganges and the Brahmaputra rivers.

IMPROBABLE WEDDING

Even in less troubled times, Pakistanis were prone to observe that the only bonds between the diverse and distant wings of their Moslem nation were the Islamic faith and Pakistan International Airlines. Sharing neither borders nor cultures, separated by 1,100 miles of Indian territory (*see map*), Pakistan is an improbable wedding of the Middle East and Southeast Asia. The tall, light-skinned Punjabis, Pathans, Baluchis and Sindhis of West Pakistan are descendants of the Aryans who swept into the subcontinent in the second millennium B.C. East Pakistan's slight, dark Bengalis are more closely related to the Dravidian people they subjugated. The Westerners, who eat wheat and meat, speak Urdu, which is written in Arabic but is a synthesis of Persian and Hindi. The Easterners eat rice and fish, and speak Bengali, a singsong language of Indo-Aryan origin.

The East also has a much larger Hindu minority than the West: 10 million out of a population of 78 million, compared with 800,000 Hindus out of a population of 58 million in the West. In British India days, the western reaches of what is now West Pakistan formed the frontier of the empire, and the British trained the energetic Punjabis and Pathans as soldiers. They scorn the *lungi*, a Southeast Asian-style sarong worn by the Bengalis. "In the East," a West Pakistani saying has it, "the men wear the skirts and the women the pants. In the West, things are as they should be."

TWENTY FAMILIES

The West Pakistanis were also determined to "wear the pants" as far as running the country was concerned. Once, the Bengalis were proud to belong to Pakistan (an Urdu word meaning "land of the pure"). Like the Moslems from the West, they had been resentful of the dominance of the more numerous Hindus in India before partition. In 1940, Pakistan's founding father, Mohammed Ali Jinnah, called for a separate Islamic state. India hoped to prevent the split, but in self-determination elections in 1947, five predominantly Moslem provinces, including East Bengal, voted to break away. The result was a geographical curiosity and, as it sadly proved, a political absurdity.

Instead of bringing peace, independence and partition brought horrible massacres, with Hindus killing Moslems and Moslems killing Hindus. Shortly before his assassination in 1948, Mahatma Gandhi undertook what proved to be his last fast to halt the bloodshed. "All the quarrels of the Hindus and the Mohammedans," he said, "have arisen from each wanting to force the other to his view."

From the beginning, the East got the short end of the bargain in Pakistan. Though it has only one-sixth of the country's total land area, the East contains well over half the population (about 136 million), and in early years contributed as much as 70% of the foreign-exchange earnings. But West Pakistan regularly devours three-quarters of all foreign aid and 60% of export earnings. With the Punjabi-Pathan power elite in control for two decades, East Pakistan has been left a deprived agricultural backwater. Before the civil war, Bengalis held only 15% of government jobs and accounted for only 5% of the 275,000-man army. Twenty multimillionaire families, nearly all from the West, still control a shockingly disproportionate amount of the country's wealth (by an official study, two-thirds of the nation's industry and four-fifths of its banking and insurance assets). Per capita income is miserably low throughout Pakistan, but in the West ($48) it is more than half again that in the East ($30).

To cap this long line of grievances came the devastating cyclone that roared in off the Bay of Bengal last November, claiming some 500,000 lives. The callousness of West toward East was never more shockingly apparent. Yahya waited 13 days before visiting the disaster scene which some observers described as "a second Hiroshima." The Pakistani navy never bothered to search for victims. Aid distribution was lethargic where it existed at all; tons of grain remained stockpiled in warehouses while Pakistani army helicopters sat on their pads in the West.

SUPREME SACRIFICE

Three weeks later, Pakistan held its first national elections since becoming a nation 23 years before; the object was to choose a constitutional assembly that would draft a new charter for the nation, and then would continue to sit as a national assembly. The East Pakistanis thronged the polls and gave an overwhelming endorsement to Sheik Mujibur ("Mujib") Rahman, 51, the fiery head of the party known as the Awami League and a longtime spokesman for Eastern autonomy (he spent nearly ten years in jail for urging that Bengalis be given greater control of their destiny). Mujib's Awami (People's) League captured 167 out of the 169 seats allotted the East in the 313-member national assembly, giving it a clear majority. The victory meant that Mujib, as the leader of the majority party, would be Prime Minister of all Pakistan.

It was something that Yahya had simply not anticipated. He and his fellow generals expected that Mujib would capture no more than 60% of the East Pakistani seats, and that smaller parties in the East would form a coalition with West Pakistini parties, leaving the real power in Islamabad. Mujib feared some sort of doublecross: "If the polls are frustrated," he declared in a statement that proved horribly prophetic, "the people of East Pakistan will owe it to the million who have died in the cyclone to make the supreme sacrifice of another million lives, if need be, so that we can live as a free people."

With the constitutional assembly scheduled to convene in March, Yahya began a covert troop buildup, flying soldiers dressed in civilian clothes to the East at night. Then he postponed the assembly, explaining that it could not meet until he could determine precisely how much power and autonomy Mujib wanted for the East. Mujib had not espoused full independence, but a loosened semblance of national unity under which each wing would control its own taxation, trade and foreign aid. To Yahya and the generals, that was unacceptable. On March 25, Yahya broke off the meetings he had been holding and flew back to Islamabad. Five hours later, soldiers using howitzers, tanks and rockets launched troop attacks in half a dozen sections of Dacca. The war was on. Swiftly, Yahya outlawed the Awami League and ordered the armed forces "to do their duty." Scores of Awami politicians were seized, including Mujib, who now awaits trial in remote Sahiwal, 125 miles southwest of Islamabad, on charges of treason; the trial, expected to begin in August, could lead to the death penalty.

OUT OF TOUCH

In the months since open conflict erupted, nothing has softened Yahya's stand. In fact, in the face of talk about protracted guerrilla fighting, mounting dangers of war with India, and an already enormous cost in human suffering, the general has only stiffened. Should India step up its aid to the guerrillas, he warned last week, "I shall declare a general war—and let the world take note of it." Should the countries that have been funneling $450 million a year in economic aid into Pakistan put on too much pressure, he also warned, he will do without it.

He has already lost some. After touring East Pakistan last month, a special World Bank mission recommended to its eleven-nation consortium that further aid be withheld pending a "political accommodation." World Bank President Robert McNamara classified the report on the grounds that it might worsen an already difficult diplomatic situation. The report spoke bluntly of widespread fear of the Pakistani army and devastation on a scale reminiscent of World War II. It described Kushtia, which was 90% destroyed, as "the My Lai of the West Pakistani army." A middle-level World Bank official leaked the study, and last week McNamara sent Yahya an apology; in his letter he reportedly said that he found the report "biased and provocative." Yet one Bank official insisted that though it was later revised and modified somewhat, its thrust remained the same. "We just had to put it on a less passionate basis," he said, "But it did not reduce its impact."

U.S. policy has been murky, to say the least. The Nixon Administration continues to oppose a complete cutoff of U.S. aid to Pakistan. The White House has asked Congress for $118 million in economic assistance for Pakistan for fiscal 1971–72, which it says will be held in abeyance. Despite intense pressure from within his official family, as well as from Congress, Nixon argues that a total cutoff might drive Pakistan closer to China, which has been one of its principal suppliers of military aid since 1965, and also destroy whatever leverage the U.S. has in the situation. In the light of Henry Kissinger's trip to China, however, it now seems clear that there may have been another motive for the Administration's soft-pedaling. Pakistan, of course, was Kissingers' secret bridge to China.

Nonetheless, criticism has been mounting, particularly in the Senate, with its abundance of Democratic presidential aspirants, Senator Edward M. Kennedy charged that the World Bank report, together with a State Department survey predicting a famine of appalling proportions, "make a mockery of the Administration's policy." Two weeks ago, the House Foreign Affairs Committee recommended cutting off both military and economic aid to Pakistan. The bill still must clear the House and the Senate, but its chances of passage are considered good.

Since 1952, when massive aid began, Pakistan has received $4.3 billion from the U.S. in economic assistance. In addition, the U.S. equipped and maintained the Pakistani armed forces up until 1965. Then, because of the Pakistani-Indian war, arms sales were dropped. Last October the Administration resumed military aid on a "one-time basis." After the East Pakistan conflict erupted, it was announced that arms shipments would be suspended; but when three ships were discovered to be carrying U.S. military equipment to Pakistan anyway, the State Department explained that it intended only to honor licenses already issued. Over the years, it is estimated that close to $1 billion has been provided for military assistance alone.

The U.S. may well have to do some rethinking of its Pakistan policy. In a recent interview with Time, former French Culture Minister Andre Malraux warned that before long, "you in the United States will have a big problem in Asia: Bengal. It will be like Viet Nam, except that there are 78 million Bengalese [in Pakistan]. The Bengalese are nationalists, not Maoists. But the present serene attitude of the U.S. will have to change."

CONDONING GENOCIDE

India is particularly incensed over the present U.S. policy, and Prime Minister Indira Gandhi strongly protested to Henry Kissinger about U.S. military shipments when he visited New Delhi this month. The supply of arms by any country to Pakistan, Foreign Minister Swaran Singh charged last week, "amounts to condonation of genocide." Mrs. Gandhi is faced both with mounting pressure for military action, and an awesome cost that could set her own economy back years. India is feeding the refugees for a mere 1.10 rupees (15c) per person per day, but even that amounts to more than $1,000,000 a day. The first six months alone, Indian officials say, will cost $400 million. Contributions pledged by other countries (the U.S. leads with $73 million) equal barely one-third of that—and much of that money has not yet actually been paid.

Still, it would hardly be cheaper to launch a war and get it over with, as some high-level Indians openly suggest. Hours after Indian troops marched into East Pakistan, Pakistani tanks and troops could be expected to roll over India's western borders. Moreover, fighting could spread over the entire subcontinent. For all of India's commitment "to Bangla Desh democracy and those who are fighting for their rights," in the words of Mrs. Gandhi, New Delhi is not at all interested in taking on the burden of East Bengal's economic problems. The only answer, as New Delhi sees it, is a political solution that would enable refugees to return to their homes.

The impetus for that could conceivably come from West Pakistanis. It is still far from certain that they are really determined to go the distance in a prolonged war. Thus far, the war has been officially misrepresented to the people of the West as a mere "operation" against "miscreants." Tight censorship allows no foreign publications containing stories about the conflict to enter the country. Even so, as more and more soldiers return home badly maimed, and as young officers are brought back in coffins (enlisted men are buried in the East), opposition could mount. The pinch is already being felt economically, and there have been massive layoffs in industries unable to obtain raw materials for lack of foreign exchange.

IMMENSE SUFFERING

Meanwhile, the food supply in East Pakistan dwindles, and there is no prospect that enough will be harvested or imported to avert mass starvation. August is normally a big harvest month, but untold acres went unplanted in April, when the fighting was at its height. Already, peasants along the rainswept roads show the gaunt faces, vacant stares, pencil limbs and distended stomachs of malnutrition. Millions of Bengalis have begun roaming the countryside in quest of food. In some hard-hit locales, people have been seen eating roots and dogs. The threat of starvation will drive many more into India. Unless a relief program of heroic proportions is quickly launched, countless millions may die in the next few months. Yahya's regime is not about to sponsor such an effort. His latest federal budget, adopted last week, allocates $6 out of every $10 to the West, not the East; in fact, the level of funds for Bengal is the lowest in five years. The U.S., still fretful about driving Yahya deeper into Peking's embrace, seems unlikely to provide the impetus for such a program.

Man's body is so small,
His strength of suffering so immense.

But in golden Bengal how much strength can man summon before the small body is crushed?

[From the Washington Post, July 23, 1971]

PAKISTAN "PEACE" FORCE LIVES IN DREAD

(By Lee Lescaze)

Dacca.—A member of East Pakistan's Central Peace Committee came to visit a provincial town recently. He brought six armed bodyguards and when night came refused the separate rooms that had been prepared for them.

The seven men lay down on the floor, three on each side of the leader so that an assassin would have to pick his target from the bunched mass of flesh.

In every town and village the Pakistan army has swept through, peace committees have been formed in its wake. Their official powers are vague, but in practice they rule life and death for their neighbors. A word from the peace committee is enough for the army—they arrest, and often shoot the accused.

Unlike the army, which consists of West Pakistanis most unfamiliar with this region and few who are able to speak its language, Bengali, the peace committee members are local men. They are recruited from the relatively small proportion of the population, perhaps less than one-tenth, who are willing or eager to cooperate with the military.

They are also afraid.

In every town visited on a recent trip through two large areas of East Pakistan, there had been attempted assassinations of peace committee members or threats dropped on their doorsteps.

Often, the threatening letters warning against further cooperation with the army are pinned to a shroud such as is used in all Bengali burials.

Peace committee members pass the days in relative safety, gathering intelligence about guerrialla sympathizers and ruling on the disposition of property that has been seized from "enemies"—men who have fled or been killed. The peace committees are also responsible for assuring people that they have nothing to fear from the army.

At night, however, the guerrillas operate and most peace committee members sleep with guards or spend each night in a different house trying to stay a step ahead of assassins.

In one town, two reporters stopped at a peace committeeman's house to ask questions and watch as the committee prepared the necessary papers to send along to army headquarters with a prisoner they had captured.

The committee leader spoke at length of a narrow escape from assassins, but said he had the support of almost all the town's citizens. Only agents from India, he explained, caused him problems.

When the reporters left to continue walking around the town, the peace committeeman sent his teenage son to follow them. One man started to address the foreigners, saw the boy watching and hurriedly turned away.

The youth insisted that his charges visit his high school. He leaned on the backs of their chairs listening as they posed a few harmless questions for the assistant principal to answer. The reporters could escape their shadow only by climbing into their car and driving out of town.

At a second town, with a normal population of only 2,000 people, the reporters were welcomed by peace committee leaders and offered tea.

It was good they had come, the committeemen said, since miscreants had attacked the railroad station during the night and made off with the assistant station manager's clothes and 24 rupees (about $3).

One man put the number of attackers at 20. Another thought it had been 40. They all agreed, however, that they had been well-armed "and by their tone, well-trained." The peace committee armed auxiliary called Razarkars (Bengali for volunteers) had four rifles, but had driven the attackers away within five minutes, the story went.

A crowd of men and boys gathered to listen to the dialogue. One peace committee man complained repeatedly that his eyes hurt from conjunctivitis. The tea was a long time coming.

"No one has been killed here by the army," the peace committee leader said.

"There is no doubt that the army is trying to protect the people. They are also trying to the maximum extent possible to get the cooperation of the public."

He said that some people had been arrested, but most had been quickly released unharmed.

"The main problem," he added, "is All-India Radio which is spreading totally false propaganda."

He conceded, however, that he and other peace committee members had received threatening letters. These were left at their houses at night by miscreants, he explained. The leader saw no inconsistency between his belief that only a few miscreants were causing trouble and his assertion that the railroad station had been attacked by a relatively large group of well-armed men.

After the tea finally arrived and was rapidly consumed, the reporters said goodbye and walked down the muddy street to their car. About 20 men and boys who had been listening, followed.

"We can't talk, he'll reports us to the army," one whispered. "No one agrees with him, but we are afraid."

As the reporters walked, the Bengalis poured out contractions of the peace committee's statements. Many had been killed, they said, and more arrested. "We have been waiting for a chance to speak to you," one added.

Then they saw the man with conjunctivitis hurrying to catch up and they stopped talking.

"All we want is peace," one man said loudly. Presumably, the peace committee would not object to a desire for peace.

[From the Washington Post, July 23, 1971]

SECRET CABLES SEE FAMINE IN EAST PAKISTAN

(By Lewis M. Simons)

U.S. officials in East Pakistan have reported that the "specter of famine" hangs over the province and have expressed dismay with State Department denials of these conditions, according to the tests of secret cables made public yesterday.

Released by Sen. Edward M. Kennedy (D.-Mass.), the cables were from U.S. Embassay officials in the Pakistani capital of Islamabad and from U.S. consular officials in the East Pakistani capital of Dacca to Secretary of State William P. Rogers.

One message, from the U.S. Consul in Dacca on July 6, stated in part: "Specter of famine hangs over East Pakistan and prospects for averting widespread hunger, suffering and perhaps starvation not, repeate not, good."

On July 15, the embassy cabled: "We are concerned . . . that department stating publicly that there is no evidence in field reports which would bear out predictions of coming famine in East Pakistan. Perhaps spokesmen not apprised on most recent field reports . . . which indicate famine real possibility."

The embassy message said the State Department denials were interfering with mission attempts to get the Pakistan government to "face up to dealing with" possible famine which, according to the Dacca consulate's report, "will probably prevail in much of East Pakistan over the coming year."

Kennedy refused to disclose how he obtained the cables. Photocopies of the original texts, labeled "confidential," were distributed to newsmen at the hearing.

An aide to Kennedy said he did not believe the State Department knew the senator had the texts. However, he said, no objections were raised by Department officials at the hearing or afterward.

State Department spokesman Charles Bray said "we have no idea how he (Kennedy) came into possession of the cables." He said they were secret information.

"The Senator makes it very difficult to carry on a constructive dialogue on the real human problems in East Pakistan when he abuses our confidential communications this way," Bray said.

He added that the department had advised Kennedy in June that "there was a good possibility of food shortages" in East Pakistan.

Commenting on the disclosure, made by Kennedy at a hearing of the Senate Judiciary Subcommittee on Refugees, informed Senate sources said there was growing belief in Congress that the Nixon administration is deliberately playing down the tragic circumstances in East Pakistan and continuing to send arms to the central government of President Yahya Kahn.

Yahya has been widely reported as playing a role in getting presidential adviser Henry Kissinger into Communist China on July 9.

According to one source, Sen. J. W. Fulbright (D-Ark.) asked Assistant Secretary of State Joseph Sisco at an executive session of the Senate Foreign Relations Committee on Monday whether Washington's refusal to stop arms shipments was the price the United States must pay for "Pakistan's complicity" in Kissinger's visit.

Sisco, according to this source, replied: "I don't know. I wasn't a part of it."

Kennedy told the chief government witness at yesterday's three-hour hearing, Under Secretary of State John Irwin, that the field reports "substantiated our own belief of impending starvation" in East Pakistan.

Irwin replied: "Certainly we must recognize the possibility of famine."

Two Kennedy aides are planning to travel to India next week to investigate conditions of the more than seven million East Pakistan refugees now there, it was learned. The aides will also attempt to enter East Pakistan.

Irwin and other government witnesses stressed that the main hurdle to overcome in averting a hunger crisis in East Pakistan was internal distribution of food, rather than getting sufficient supplies to the country.

This prompted Kennedy to ask whether the Pakistan army was facing any difficulty in moving military men and equipment through the East and whether the troops were hungry.

Frank Kellog, a special assistant to the Secretary of State, replied that there were "no reports that would indicate this." He attributed the army's mobility to its being a "well-organized institution," while relief for East Pakistan was relatively disorganized.

[From the Wall Street Journal, July 23, 1971]

A NATION DIVIDED: EAST PAKISTAN CONFLICT IS COMPLICATED BY RACE, RELIGION AND POVERTY—NO IMMEDIATE SOLUTION SEEN; RESIDENTS BARELY SUBSIST; POLICE STATE GRIPS BENGALIS

(By Peter R. Kann)

DACCA, EAST PAKISTAN.—The doctor sits behind a desk in his street-front office in an East Pakistani town, occasionally glancing out at the road lined with the charred debris and looted shells of shops and homes.

A vehicle with UNICEF markings on its doors but with armed West Pakistani soldiers inside cruises by. Otherwise, the street is all but deserted.

The doctor sits in his office only because he has been ordered to. His family is hiding in a village somewhere outside of town. He speaks in a whisper because any passerby could be an informer. At night, when the army goes knocking on doors, he lives with the fear that his name may be on one of its lists.

He whispers of recent events in this town: the streets littered with bloated and decomposing bodies; the burning, looting and raping; and the continuing terror. "We are afraid to speak the truth. Those who speak the truth are punished, and the only punishment is death," he says.

The doctor is an army veteran, which makes him a special target for his former colleagues. But his real crime is being a Bengali in a land of Bengalis that also happens to be part of the map of Pakistan. It is now a land of death and of fear.

CAUSES WASHED AWAY BY BLOOD

It is less than four months since the civil fighting in East Pakistan began, but already the causes of the conflict seem almost academic. Its geographical and historical roots, the legalities and moralities—all seem to have been washed away by blood. No one really knows how many people have been killed in East Pakistan since March 25, but Western diplomats say the minimum is 200,000. The maximum exceeds one million.

The events fall into three stages.

The first was a Bengali political movement aimed at ending two decades of economic and political exploitation by the West Pakistanis. It culminated, in March elections, in national political victory for the Bengali Awami League and its platform of greater East Pakistan autonomy. But on March 25 the Pakistan army (an almost entirely West Pakistani institution), fearing that East Pakistan was moving toward independence, cracked down in Dacca, the East Pakistan capital. Bengali students were massacred, politicians were arrested and the Awami League was outlawed.

The second stage was a fairy-tale few weeks in which the Bengalis proclaimed and celebrated their independence. Some thousands of East Pakistan's non-Bengali minority were killed during this period, in which the army, perhaps overly cautious, remained in the capital and in a number of military camps. But the illusion of independence ended in mid-April when the army emerged to crush the revolution. Tens of thousands of Bengalis were slain as town after town was retaken, burned and looted. There was little military opposition. Some six million Bengalis, most of them from the Hindu minority group that became a special army target, began fleeing into India.

NOW THE THIRD STAGE

The third and present stage is army occupation—a terrorized Bengali population being ruled by military force and crude police-state tactics. West Pakistan officials say everything is rapidly returning to normal. But the economy is woefully disrupted, factories are idle, schools are closed, roads are mostly empty and towns are largely deserted. Millions of Bengalis, particularly Hindus and middle-class Moslems, are still hiding in the countryside. About 50,000 refugees are still fleeing to India each day. And army rule is being challenged by Bengali guerrilla forces (the Mukti Bahani, or Liberation Army) that seem to have massive support among the Bengali population. The guerrillas are still lacking in training and organization, but supplies and border sanctuaries are being provided by India.

Ten days of traveling across East Pakistan and talks with scores of diverse people here indicate that the fourth stage eventually will be an independent East Pakistan: Bangla Desh, or Bengal Nation. But clearly much more killing will take place before Bangla Desh comes to pass.

No solution, including independence, holds any bright hopes for East Pakistan's predominantly peasant society, which, in accordance with the Mohammed's Prophet instruction to "go forth and multiply," is propagating itself into starvation. Its 75 million people already are barely subsisting 1,600 to the square mile, and this population will double within 25 years. A half-million Bengalis were killed by a cyclone last fall. A half-million more were born in 87 days. Perhaps only in East Pakistan could a disaster of the cyclone's magnitude be overshadowed by a greater one—this civil war—only six months later.

PRIMITIVE CONCEPTIONS OF GUILT

Poverty, ignorance and frustration have turned this conflict into a Congo as well as an Algeria. Men are killing each other not only in the name of politics but also over race and religion. The Moslem philosophy of an eye for an eye and a tooth for a tooth is made more terrible by primitive conceptions of collective guilt.

The army kills Bengalis. The non-Bengali minority of about two million (commonly called Biharis) backs the army. So Bengalis kill Biharis. The army and the Biharis see this as ample reason to butcher more Bengalis. The Hindu minority of about 10 million becomes a convenient army scapegoat and even some Bengali Moslems can be persuaded to join in their slaughter. Amid this chaos, various villages, gangs and individuals have been attacking each other for economic gain or to settle private scores.

These are the tales of some of the people encountered on a trip through East Pakistan. As with the doctor, the names of Bengalis and the towns in which they live are omitted.

Bengalis, in talking to a reporter, fear for their lives. Most don't talk at all; in some towns not even beggars will approach a stranger. Normally among the world's most voluble people, the Bengalis now talk mostly with their eyes—eyes that look away in fear or that stare down in shame or that try to express meanings in furtive glances.

A lawyer and his sons have been fortunate. When one asks a Bengali how he is these days, he replies, "I am alive." The lawyer and his sons not only are alive but are living in their own home. They are also hiding in their own home, for they leave it only rarely. "It is too easy to be arrested on the street," the lawyer says. "A seven-year-old can point a finger at me and call me a miscreant, and I will be taken away."

Miscreant is the term the Pakistan army applies to all who oppose it. "All Bengalis are miscreants now," the lawyer's younger son says. He is a law student, but students are a special army target, and most are in hiding. The universities are closed. "What use would there be learning law anyway now that there is no law in our country?" the son asks.

It is evening, and the discussion is taking place in the lawyer's home. Before talking, he closes the wooden shutters on the windows. Then he has second thoughts—"someone who passes by may report a conspiracy"—and so the shutters are partly reopened.

They talk of "the troubles," of how, when word of the army's March 25 attack in Dacca reached this town, the Awami League took control. There was orderly rule under the Bangla Desh flag until mid-April, when air-force planes strafed the town. People panicked. The Awami Leaguers and their military force, the Mukti Bahani, began to flee along with thousands of others. But it was several days before the army reached the town, and during that time angry Bengali mobs attacked and slaughtered hundreds of Biharis.

Relative to its actions elsewhere, the army, when it arrived, showed restraint. Most of the town remains undamaged, although much of it was looted by the army and its mobs. About half the population has returned and many shops have reopened, though not under former management. Hindu shopkeepers have disappeared, and Biharis and other army backers have taken over. And, as everywhere, the arrests continue.

Four Christian Bengalis are arrested by the army at a roadblock. Not many buses travel East Pakistan's roads these days, and those that do are frequently stopped, and their passengers are lined up and searched. Few of the soldiers at these checkpoints speak any Bengali (Urdu is the language of West Pakistan), and so a common way of finding "miscreants" is to lift men's sarongs. Moslems are circumcised; Hindus aren't. Some West Pakistani soldiers came to East Pakistan thinking all Bengalis were Hindu. More sophisticated soldiers simply think that all Hindus are "miscreants," but then so are many Bengali Moslems. So it is all very confusing for the soldiers, and the four Christians are arrested.

FOR CHRISTIANS, NO BEATINGS

They are taken to a military cantonment and beaten for several hours by interrogators who don't speak their language. So the matter comes to the attention of an army major, who summons the four Christians and offers apologies: "It is our policy not to beat Christians," he explains.

A shopkeeper, a thin Bengali with wire-rimmed spectacles, glances out from his shop at two strangers walking down the deserted street. They enter the shop and inquire about "the troubles" in this town. The shopkeeper is visibly trembling. "There is nothing I can say," he replies. Then he glances again at the flattened buildings lining the main street and whispers. "Look around you." As the visitors leave, he adds, voice cracking, "I'm ashamed I cannot. . . ."

Further down the street a youth approaches. "The army destroyed our city. Many Bengalis are being arrested. They are being shot every night and thrown into the river. We no longer eat the fish from the river," he whispers.

The youth guides the strangers to the local hospital to talk to a surgeon. The surgeon is a Bengali but is employed by the government, which means he is particularly vulnerable. He is asked about killing in the city. "Killing? What killing? Killing by whom? He is asked about general problems. "Problems? What problems? There are no problems."

BELABORING THE OBVIOUS

The visitors take their leave. Outside the hospital the youth whispers: "You have talked to the doctor, but I think he has concealed the truth. He is afraid." It is explaining the obvious.

A professor and his student are talking about the prospects of students returning to classes in early August, when the university is supposed to reopen. They are pessimistic. Some students are hiding in their homes, others have fled to outlying villages or to India. Some have joined the Mukti Bahani. The campus has been turned into a military camp, and troops are quartered in the dormitories, using books to fuel their cooking fires. "Would you come back?" the professor asks.

The student, a girl, has a room in a house that overlooks an army interrogation center. "All day the students, young boys, are brought in and beaten," she says. "Three soldiers walk on them with boots. All night we hear the screams. I cannot sleep. We cannot stand to see and hear these things."

"Our army had a good reputation," the professor says. "We had a great army. But look what it has done. How can an army be great when it fights in an immoral cause?"

Two army majors are standing at a ferry landing on the east bank of the Ganges River. One is a frogman, the other one served in the camel corps. Both seem to be civilized and charming men. They explain that they are fighting a patriotic war to defend the integrity of their country against Indian agents, miscreants and misguided individuals. "We saw atrocities that made our blood boil. Had you seen them, even you would have wanted to kill," he says of a town where some Biharis were butchered by Bengalis. (The town was later leveled by the army and a far greater number of Bengalis were killed.)

FOOD FOR THE CROCODILES

The majors are asked why so many Bengalis have fled, particularly Hindus. The answer is imaginative. They say that in April, before the army restored order, Hindus told Moslems that the "holy Koran is just an old book. So the Moslems came out of their homes to defend the holy Koran and many Hindus fled." There has been much killing, the camel-corps major grants. "The crocodiles have gotten fat," says the frogman, glancing out at the Ganges.

But all is returning to normal, they say, and the Bengali people aren't afraid of the army. A ferry is landing, and a group of Bengali laborers, recruited by the army to reopen a jute mill, edges past the majors in single file. Each of them bows his head in a subservient salute as he passes the officers.

Not all army officers are as sympathetic as these majors. Western residents of one town tell of an army captain approaching a young Hindu girl and telling her to feel the barrel of his gun. "You feel it is still warm," he said. "From killing Hindus," he added laughing—but not joking.

An old Bihari who served as a bearer in the British Indian army many years ago is now a waiter at a roadside hostel on the outskirts of a town more than half destroyed. He supports the army and thus isn't afraid to talk. He explains that for several April days, after the Awami League people fled but before the army arrived, things were bad for the Biharis. Mobs of Bengalis ran through the streets shouting (and he lapses into his old Indian-army English), "Kill the Bihari buggers, burn the Bihari buggers." Some Biharis were killed, he says, but most weren't. Then the army arrived. "The army kill many Bengali buggers," he says. "And the Hindu buggers, they run away to India. It is very bad days, Sahib."

A Hindu, one of the richest and most respected men in his community before the fighting, was a philanthropist who had built schools, hospitals and irrigation systems for the predominantly Moslem peasants in his area. He considered himself fully Pakistani. Although a Bengali, he hadn't backed the Awami League but rather had supported the more conservative and even anti-Hindu Moslem League.

THE HUNTER BECOMES THE HUNTED

For nearly a month after the civil war began but before the army arrived in his area (and thus during the period Biharis were in danger from Bengalis), the Hindu sheltered two Biharis in his home. When mobs came looking for them, he protected them. But, with the arrival of the army, roles reversed, and Bengalis—particularly Hindu Bengalis—became the hunted.

Hindu villages were burned by the army, and mobs were encouraged to plunder Hindu homes. Under army orders the local Hindu temple was smashed to the ground by men wielding sledgehammers.

The Hindu and his family fled to the village hut of a friend, where they have been hiding for more than two months. His first daylight emergence from this hiding place was for a rendezvous with two reporters. He walked across the rice paddies in the late afternoon, dressed as a peasant and shielding his face with a black umbrella.

He hadn't fled to India like so many other Hindus because he hoped the army would move on and life might somehow return to what it had been before. But the army remains, Hindus are still being searched out and shot, and now it is too risky to try to reach the border from this area.

Only a few close friends know his hiding place. One of them is a Moslem League official, an influential man these days since many Moslem Leaguers are supporting the army. "He knows where I am hiding, but he dare not help me," the Hindu says. He believes that nearly all Moslem Bengalis sympathize with the Hindus. "But what can they do? They, too, are in danger and they are afraid."

All the Hindu's property is on an army list of "alien properties." In other areas it is called "enemy properties," but in either case it is scheduled to be confiscated and put up for auction. The Hindu talks much about losing his property—but the greater danger is losing his life.

"My Moslem friends tell me that Hindu bodies taken from the river are so disfigured from tortures that the faces cannot be identified," the Hindu says before picking up his umbrella and heading back across the fields to his hiding place.

A HEADMASTER RECITES HIS LESSON

The travelers visit a town near the Indian border. One of the last towns to be retaken by the army, it is heavily damaged and is still largely deserted. Here the local peace committee—a unit composed of some Biharis and conservative Bengali Moslem Leaguers who serve as the local eyes and ears of the army—assigns two youths to guide and shadow the visitors. "Come to the school and talk to the headmaster," they say.

The headmaster, a middle-aged Bengali, sits behind his desk. The reporters sit facing him. And standing behind the reporters, also facing the headmaster, are the young peace committee shadows. In a faltering voice the headmaster begins to recite statistics of school enrollment, dates when schoolhouse cornerstones were laid—anything uncontroversial. At the end of each sentence he glances up, past the reporters, to the shadows, like a schoolboy reciting his lessons to a teacher with a stick.

How was the school damaged? the reporters ask. "There was some strafing," he mumbles. Then, looking up at the teen-age shadows, he hurriedly adds, "and maybe it was damaged by miscreants."

As the reporters and their shadows leave, the professor mumbles, "We are trying to hold together," and then he stares down at the ground.

[From the New York Times, July 23, 1971]

Two Beatles' Benefits for Pakistanis Are Sold Out

Thousands of patrons—mostly youths in informal attire—waited overnight Wednesday at Madison Square Garden and at more than 100 Ticketron outlets for tickets to two benefit shows featuring two of the four Beatles, George Harrison and Ringo Starr, and the Indian sitar player Ravi Shankar.

The crowds came early and in abundance, demonstrating that the Beatles—or whatever is left of them—can still draw the fans.

In about 10 hours, 36,000 tickets were sold yesterday for performances scheduled to be held at the Garden on Aug. 1 at 2:30 P.M. and 8 P.M., according to Allen Klein, the American manager of the Beatles. Originally, only one evening performance was to have been given, but the faithful were so numerous that a matinee was arranged.

The Garden's box offices had been scheduled to open at 10 A.M. yesterday, but after the throng had swelled to more than 5,000 Garden officials decided to put the tickets on sale Wednesday midnight. By 8:44 A.M. yesterday all available reservations had been purchased.

WILL AID PAKISTANIS

The benefit performances are being presented by Apple Corps, Ltd., and Mr. Klein's company, Abkco Industries, Inc., which manages the affairs of the Beatles. Apple is the name of the Beatle-owned recording, film, retail and electronic ventures.

Proceeds from the shows will go for the relief of the homeless children and the millions of refugees who have fled East Pakistan to India. The relief will be administered through the United Nations Children's Fund. Ticket prices range from $4.50 to $10.

Also donating their services for the benefit concerts are Eric Klapton, lead guitarist; Leon Russell, pianist; Klaus Voorman, bass player; Billy Preston, keyboard; Jim Keltner, drummer; Jim Horn, bass; Badfinger, rhythm guitarist and percussionist, and Claudia Lennear, singer.

[From the New York Times, July 23, 1971]

Kennedy Hints United States May Plan To Help Police East Pakistan

(By Benjamin Welles)

Washington, July 22.—Senator Edward M. Kennedy, chairman of the judiciary subcommittee on refugees, publicly implied today that the United States was planning to send police teams to East Pakistan.

Mr. Kennedy, who is a Democrat from Massachusetts, put the question to John N. Irwin 2d, Under Secretary of State, who was testifying on the refugee problem in East Pakistan, India and other areas.

Mr. Irwin and officials with him appeared surprised. C. Herbert Rees, director of South Asian operations for the Agency for International Development, conceded that there were plans for the return to East Pakistan of Robert H. Jackson, a police expert who was withdrawn from Dacca following the civil disturbances of March 25.

Mr. Jackson, who has been employed by the agency as a police specialist since 1964, served previously in South Vietnam and in Brazil before his recent assignment to Dacca.

However, Mr. Rees denied that there were plans to send police teams to East Pakistan or to start public-safety programs there.

Congressional sources insisted, nonetheless, that they had evidence that plans were being drawn up to have United States teams help the Pakistani Army suppress Bengali resistance in East Pakistan.

Mr. Kennedy's purpose in posing the question and bringing the matter into the public record, they said, was to "nip the scheme in the bud."

Mr Kennedy also disclosed the contents of cablegrams to the State Department from the United States mission in Pakistan. One sent July 6 by the consulate general in Dacca, said in summary:

"Specter of famine hangs over EP [East Pakistan] and prospects for averting widespread hunger, suffering and perhaps starvation are not good."

Charles W. Bray 3d, State Department spokesman, criticized Senator Kennedy for having made public the State Department cablegrams.

"The Senator should not expect a constructive dialogue on the real human problems of East Pakistan when he abuses our confidential communications," Mr. Bray said.

In other testimony, Francis L. Kellogg, special assistant to the Secretary of State on refugee and migration affairs, said the average flow of refugees into India was believed to have dropped from 50,000 to 21,000 daily.

He added that the United States had authorized $70-million to assist refugees in India. Global relief to date totals $128-million, he said.

Both Mr. Irwin and Mr. Kellogg conceded that the United States was pressing President Agha Mohammad Yahya Khan of Pakistan to show a greater sense of urgency in handling the refugee problem.

[From the Washington Post, July 24, 1971]

U.S. Arms Aid to Pakistan Bewilders Fearful Bengalis

(By Lee Lescaze)

Dacca.—The approach to Americans is double-barreled in East Pakistan. First, Bengalis want to describe their fear and the killing they have seen.

Then, they ask: "Why are you sending the army more guns?"

The United States is not at the bottom of the East Pakistanis' list thanks to China's outspoken support of the Pakistani army repression since March 25, but many find it difficult to understand why the United States continues arms shipments to an army they see as already well-equipped and murderous.

"The cradle of democracy and Mao's so-called center of revolution are both against us," an educated Bengali remarked.

Neither is the United States the most disliked foreign power in the eyes of army officers and their sympathizers. They see Britain which has cut off aid until peace returns here, as the chief villain.

But Washington is widely distrusted. "Yes, you are helping us," a pro-army banker said last week, "but it is for your own reasons." He argued, without supporting evidence, that Washington had aided Sheikh Mujibur Rahman's Awami League before the military crackdown and was therefore partly responsible for the present crisis.

Like the banker, many army officers yield to the temptation to describe what has happened here in terms of a conspiracy. "We must not trust anyone too much," a major said. "China has proved a good friend to us," he added, but he declined to extend the same praise to America.

"You tie strings to everything," he said, "and your policy can change abruptly."

"The United States is doing enough to earn the enmity of the Bengalis," one source said, "but not enough to win West Pakistan's friendship.'

Foreign radio stations provide most of the news here where English is quite widely spoken and the local press is tightly controlled.

KENNEDY A HERO

In one town after another young men could recite the names of U.S. senators who have spoken in favor of halting aid to Pakistan. Sen. Edward M. Kennedy is a particular hero

A guerrilla leader speaking in the village from which his small band harasses the army, praised Kennedy, but asked what the American pople would do to help him.

The radio keeps men in small towns amazingly well informed. "We heard last night that two more American ships are bringing ammunition for the army," a young Bengali said. "It makes us very sad if it is true."

Washington has repeatedly stressed that no new military shipments have been authorized since fighting began here March 25. However, U.S. officials acknowledge that about $36 million was scheduled for delivery before that date.

If the present pattern of shiploads carrying well below $2 million worth of military supplies each continues, the radio may carry news of more than 20 additional arms ships leaving American ports in the next months.

The ships would be able to sail even if the full Congress upholds the House Foreign Affairs Committee's July 15 decision to suspend all military and economic aid to Pakistan.

Military aid dominates the attitudes toward the United States of army officers and their opponents—most of East Pakistan's 75 million people.

But military supplies will have less effect than economic aid on the long-term solution here. Pakistan's economy in both west and east is heavily dependent on foreign aid and the government was angered when an internationial aid consortium announced last month that it would not meet to discuss Pakistan's needs until a more normal situation prevailed here.

However, aside from the international consortium, one expert argues that an attempt by any foreign power to bring political pressure by cutting economic aid would be unlikely to have an immediate effect on Pakistan's government policy.

The United States appears to agree. When presidential adviser Henry Kissinger visited Pakistan early this month, one well-informed source says, he said Washington would consider altering its policy if it could be demonstarted that a new U.S. policy would bring a solution in East Pakistan much sooner than the present course.

Kissinger reportedly said he was not interested in hearing that American action might cut a ten-year problem down to a five-year problem. Would it bring a solution in two years or less, he asked.

No one, according to reports of the meeting, ventured to assure him of such a rapid end to the crisis here and Kissinger left Pakistan for his China trip apparently determined to leave policy toward Pakistan unchanged.

Exactly what the policy is, however, puzzles outsiders in Dacca as well as Washington. Almost all economic aid has been suspended—in part for technical reasons—but the State Department has announced it hopes the House Foreign Affairs Committee aid veto will be reversed.

"Our policy is better than it looks," one sources said. He pointed out that all but a handful of U.S. technical assistance advisers have been withdrawn, rural public works projects have been halted since March for security reasons, there have been loans for commodity imports approved in recent months and shipments of PL 480 foodgrains have been stopped. Warehouses at East Pakistan's Chittagong port are full and with rail and road communications disrupted there is no way to distribute the grain.

PL 480 shipments, financed by excess counterpart funds, will be resumed when the port can handle them. No one is certain which other parts of the U.S. aid program will be resumed or when.

Meanwhile, although all foreign observers in Dacca appear convinced that the army will eventually be forced to withdraw from East Pakistan, America is seen by Bengalis here as staunchly supporting their foe and that is yet one more disappointment they live with in East Pakistan's terrorized, army-occupied towns.

[From the New York Times, July 24, 1971]

MORE ARMS HELP TO PAKISTAN SEEN—SYMINGTON SAYS UNITED STATES PLANS TO ALLOW SHIPMATES, DESPITE AN IMPLIED EMBARGO

(By Benjamin Welles)

WASHINGTON, July 23.—Senator Stuart Symington disclosed today that the Administration still intended to permit approximately $15-million in arms to be shipped to Pakistan despite repeated official statements implying that a total embargo had been imposed on arms since civil war broke out in East Pakistan March 25.

Senior officials privately confirmed that about $15-million worth of arms now in the hands of Pakistani Government officials in this country may be transported to Pakistan as soon as shipping and other administrative arrangements could be arranged.

Mr. Symington, Democrat of Missouri, accused the Administration in a long floor statement of "semantics, ambiguous statements on the public records without clarification and no effort to present the actual facts until pressed to do so."

As of mid-July, he declared, the value of unshipped material for Pakistan in the United States was well over $10-million. Mr. Symington said that he had learned from "press sources," which he did not identify, that State Department officials had confirmed that the present worth of material "in the pipeline" was about $15-million.

Charles W. Bray 3d, the State Department spokesman, announced that Agha Hilaly, the Pakistani Ambassador, had met with Secretary of State William P. Rogers today. The principal subject of the meeting was President Nixon's recent disclosure that he intended to visit China before next May, Mr. Bray said.

In his statement Mr. Symington, who is chairman of the Foreign Relations Subcommittee on Near Eastern and South Asian affairs, charged the Administration with sowing confusion through statements interpreted as meaning "that we had not shipped arms to Pakistan since March 25; also that we had nothing in the pipeline to be shipped to Pakistan."

"That impression was wrong," Mr. Symington declared, "and we have continued these shipments, not because we were powerless to stop them but because we decided not to stop them."

On March 25 President Agha Mohammed Yahya Khan of Pakistan ordered the army to suppress a movement for political autonomy in East Pakistan. Since then widespread loss of life and destruction of property have brought East Pakistan's economy virtually to a standstill and have caused about seven million East Pakistanis to flee to India.

To help stem the growing threat of famine and disease, the United States has allocated approximately $70-million for aid to refugees in India, plus some $35-million to help refugees and others in East Pakistan.

Mr. Symington contrasted repeated statements implying that the United States had ceased all arms deliveries with subsequent evidence that, in fact, arms deliveries were being continued under a variety of bureaucratic subterfuges.

On April 15, he said, a State Department spokesman asserted that "no arms have been provided to the Government of Pakistan since the beginning of this crisis and the question of deliveries will be kept under review in the light of developments."

Mr. Symington cited a letter of April 25 from David M. Abshire, an Assistant Secretary of State, to Senator J. Fulbright, chairman of the Foreign Relations Committee, which reported: "I would say that in the present circumstances we are not giving any arms at all."

PUT HOLD ON DELIVERIES

In early April, Senator Symington said, the Administration put a "hold" on the delivery of foreign military sales items to Pakistan. It suspended the issuance of new licenses to items on the munitions list for either the foreign military sales program or for sales through commercial channels, and held in abeyance actions on a one-time exception that had been delivered to the Government of Pakistan or its agents. Nothing relating to that one-time exception was scheduled for delivery, he said.

"This did not mean, however," he continued, "that other military equipment had not gone to Pakistan. By early April the Government of Pakistan or its agents had obtained legal title to and were in possession of some military items still in the U.S. In a legal sense, however, the 'delivery' of these items to Pakistan had apparently taken place."

Mr. Symington further disclosed that Defense Department contractors and other commercial suppliers had continued to utilize valid licenses issued before early April. He said that some of the items had been shipped "and additional supplies under these licenses will be shipped in the future."

In a separate development, the State Department sharply criticized Senator Edward M. Kennedy, Democrat of Massachusetts, for divulging confidential State Department cables at a hearing of the Judiciary subcommittee on refugees yesterday. The messages discussed the "specter of famine" over East Pakistan.

Mr. Kennedy retorted that "high officials of the Government refused to be candid and apparently deliberately mislead and suppress information." He accused the Administration of trying to "whitewash one of the greatest nightmares of modern times."

[From the Washington Star, July 25, 1971]

POLICY TOWARD PAKISTAN SHOULD BE RECONSIDERED

(By Crosby S. Noyes)

It is now fairly obvious why the Nixon administration has chosen to handle the crisis in Pakistan with velvet gloves. The help that the government in Islamabad provided in getting Henry Kissinger to Peking and back could well have had something to do with the administration's policy of continuing to send aid to that strife-torn country.

There are not many countries, after all, from which an American presidential adviser could have made the trip. In this case, the Pakistanis cooperated fully in the elaborate charade of Kissinger's famous stomachache and, it is believed, provided the planes and crews for the momentous visit.

This is not, of course, the official administration explanation for the continuing aid program. The rationale has been that the United States wants to preserve its leverage on the government of President A. M. Yahya Khan and that cutting off economic assistance will do nothing to help the people of the ravaged eastern part of the country.

This rationale, however, has never been very convincing. And whatever overriding reasons of state may have inspired the soft line up to this point, the policy should now be carefully reconsidered.

Because the unpleasant truth is that this continuing American aid—including military equipment—is helping West Pakistan to carry out the ruthless suppression of its rebellious eastern province. All reports from Western observers in that part of the world speak of continuing terror among the population, the systematic destruction of villages, total disruption of the economy and the killing of more than 200,000 largely unarmed civilians.

A recent report from a special mission of the World Bank has recommended the suspension of all international development programs in Pakistan "for at least the next year or so." According to this report, there is no evidence that "normality is being approached or that matters are even moving in that direction." The 11-nation consortium which supplies economic aid to Pakistan—of which the United States is a major contributor—was urged to suspend its programs until there is a drastic improvement in the situation.

More recently, there have been signs of political disintegration in West Pakistan as well. The authority of Yahya Khan's martial law regime is under challenge, notably from Pakistan's left-leaning former foreign minister, Zulfikar Ali Bhutto, who has considerable political stature in his own right. Bhutto is threatening to produce public disturbances if he is denied power in a civilian government. And, once again, the prospect is that any disturbances would be met by fierce repression from the army.

In this situation, it is not altogether surprising that the Congress in Washington is taking an increasingly dim view of the administration's program of continuing aid to Pakistan. In a recent action, the House Foreign Affairs Committee, which does not often oppose administration proposals, voted to strike $118 million requested for the program.

According to the amendment striking the sum from the foreign aid bill, assistance to Pakistan can be resumed only when the President reports to Congress that the Pakistani government has restored "reasonable" stability and when some 5 million refugees who have fled East Pakistan to India are permitted to return to their homes.

From all the available evidence, this will not be any time soon. The committee's recommendations are expected to be accepted by the House. And, given the prevailing view in the Senate, a similar restriction on future aid is very likely to pass there as well.

To be sure, there is no guarantee that confronting West Pakistan with a cut-off of aid and possible bankruptcy will bring about a dramatic change of policy toward the East. Having embarked on a policy of repression, West Pakistan will find a political reconciliation between the two parts of the country increasingly difficult, if indeed it is not already impossible.

There also is a most urgent need for a massive international relief effort in East Pakistan itself. In its report, the World Bank commission called for immediate and large-scale food shipments to avert the threat of widespread starvation in the ravaged province. That kind of relief must go on. But a consensus is clearly growing in this country that any aid which serves the cause of repression in Pakistan should be stopped forthwith.

[From the Washington Sunday Star, July 25, 1971]

EAST PAKISTANI REFUGEES ADD TO INDIA'S WOES

(By Henry S. Bradsher)

BONGAON, INDIA.—Eleven days ago in Khulna, an industrial town in southwestern East Pakistan, officials told some foreign visitors that the Khulna district was quiet and returning to normal after the Pakistani Army's crackdown.

On the helicopter trip back to Dacca, visitors could see some villages northeast of Khulna had been burned out.

Two days ago, Naren Bala walked through this Indian town four miles from the Pakistani border.

Eleven days ago he had left his village, Shantipur, which lies 20 miles northeast of Khulna in the Khulna district.

Naren Bala is a Bengali Hindu citizen of Pakistan.

He said he fled because local Moslems working with the Pakistani Army looted and burned Shantipur.

Naren, his wife who is expecting a baby very soon, and their sons had walked barefooted more than 100 miles to safety here. He carried his naked 3-year-old daughter on his left hip and with his right hand balanced on his head a large bundle that represented the family's entire possessions.

Naren was part of the endless procession of refugees walking through Bongaon.

Indian Government workers give them cholera inoculations, smallpox vaccinations and food and send them on deeper into India. There already are 400,000 refugees living in Bongaon, a subdivision whose normal population is 450,000.

Since the Pakistan Army began its crackdown in East Pakistan on March 25 some 3 million refugees have passed through the Bongaon subdivision. In all some 7 million refugees have entered India. They continue to come at a rate of about 40,000 a day.

HUGE PROBLEM STILL GROWS

The immensity of the problem is difficult to comprehend, so large are the numbers, and to comprehend is to be appalled. Yet, the problem grows.

Staggering along from day to day under ever-mounting load, the government of India does not know how bad things might get. It is gravely worried that 7 million refugees might be only part of the ultimate total.

With an increase of guerrilla warfare inside East Pakistan—which India itself is fostering—there is a chance of more refugees fleeing from the fighting and Pakistani Army reprisals. With a famine looming as a strong possibility in several parts of East Pakistan this autumn, there is a chance of more refugees coming to India in an effort to avoid starvation.

How high might the total go?

Ten million? Twenty million?

No one knows, but some officials think even 20 million is within the range of horrifying possibilities.

When the refugee flow began as the Pakistani Army smashed all resistance to its rule of East Pakistan, Indian officials thought there might be a million or so refugees. This was within the realms of understanding.

When East Pakistani Moslems set upon Hindus in religious rioting with economic overtones in 1964, two-thirds of a million refugees came into India and stayed. The Indian state of West Bengal, where Bangaon and Calcutta are located, has absorbed 4.2 million East Pakistani refugees since 1947, according to official records, perhaps as many as 7 million by unofficial estimates. But the new flood after March 25 did not end when the Pakistani Army had subdued the province.

Instead it mounted as the army began a deliberate effort to drive the Hindu minority of 9 or 10 million persons out of the Moslem nation.

"WE HAVEN'T BROKEN"

With famine might come more Moslem refugees in large numbers than already fled from fear. An estimated 20 percent of present refugee total is Moslem. What is the breaking point for India? When does it become impossible to feed and shelter and medically care for the ever increasing hordes of refugees?

"We've long since passed the breaking point—but somehow we haven't broken," one Indian official said. The head of India's refugee program, Col. P. N. Luthra of the Rehabilitation Ministry, says, "We are already tremendously worried" that the physical limit of ability to cope with refugees has been reached.

At his office in Calcutta, southwest of Bongaon, Luthra cited the Tripura region of India on the eastern side of East Pakistan as an especially difficult area. Refugees have doubled its normal population of half a million. Food and other relief supplies for them have to be transported around East Pakistan on badly overloaded transportation systems.

"We already are at the point of finding it very difficult to maintain these refugees" in Tripura, Luthra said. He declined to speculate on how much worse the problem will get although it is known that at the level of Prime Minister Indira Gandhi's cabinet there is much speculation, tinged with desperate gloominess.

There was a touch of desperation in the experienced civil servant tones of Luthra, long a top Indian administrator, as he said he hopes the refugees will go back to Pakistan by October or November. "The international community must do something" to achieve this, he said.

"WHY SHOULDN'T THEY?"

But, suppose refugees do not want to go back.

With desperation turning to anger, Luthra replied: "Of course they will go back. Why shouldn't they go back, Hindus included? If conditions return to the way they were before March 25, they will all be happy to go back."

Refugees along the road through Bongaon said they would not go home until "Bangala Desh," the name of independent East Pakistan, is established. Even the most militant Bangala Desh supporters in India cannot see that happening any time soon.

At a camp for 6,500 refugees 10 miles south of Bongaon at Gaighata, families that came into India with the first wave more than three months ago said they heard from newcomers that "so much killing and murder still is going on" that they cannot return.

But, they were told the president of Pakistan, Gen. A. M. Yahya Kahn, has said several times that the situation is returning to normal and all Pakistanis "of any religion, caste or creed" should return home with assurances of good treatment and safety.

"LIE" IS RESPONSE

When this was translated for the refugees who crowded around foreign visitors to the camp, there were angry outcries from many persons. Remarks several made were translated as . . .

Dhananjay Ghosh, a gray 59, said he and his nine family members would stay in India . . .

"Even if that means two or three years. We have no other place to go."

Gaighata camp refugees live under canvas sheets spread over wooden frames. They have been sleeping on packed earthen floors, but now are building bamboo platforms to escape the monsoon rain flooding. Down a narrow country road, refugees unable to crowd into camps live in huts they have built from bamboo and grass. They get the same meager but adequate food rations plus the equivalent of 23 cents a week to purchase other needs which are provided the camp dwellers.

CHAT WITH A SQUATTER

One of three roadside squatters, Pulin Gayen, sad he could remain there a long time. He stood holding a 3½-year-old daughter who the doctor said had the measles. If the Indian government stops rations, Gayen said, "Then I will work to live on my labor." But are there enough jobs here for all refugees? "No, but the government will create jobs," he replied confidently.

The government development officer for Bongaon, Sachin Datta, said the government has begun using unarmed volunteer corps to keep refugees in their camps so they won't go out and compete on the local job market. There have been numerous complaints from Indian laborers that refugees who get free food and shelter have been undercutting them. One day's farm labor used to pay between 22 cents and a full meal and 47 cents without a meal, depending upon the area. Now it is down to between 13 and 26 cents without a meal.

PRICES EYED

There also is concern here that refugees are pushing up local prices, even though their basic needs come from outside local economy. Potatoes have gone up from 4.5 cents a pound to 6 cents. Fish has risen from 30 cents a pound to 60 cents. Local officials worry about these things but are proud that this area has a good health record. The cholera problem that loomed so large a month ago has receded. Luthra said a total of 4,500 refugees died of cholera.

KOREAN TEXTILE IMPORTS

Mr. MILLER. Mr. President, Ambassador-at-large David M. Kennedy met with the President at San Clemente to report on the progress of his discussions on voluntary restraints on textile exports from the Far East. Following his report, the President asked him to return to the Far East to pursue his efforts to reach an acceptable solution to the problem.

I am informed that after 7 weeks of negotiations—principally in South Korea, Taiwan, and Hong Kong, Ambassador Kennedy was able to report only modest progress toward achieving agreements. Taiwan has agreed to certain understandings which would form the basis for a restraint agreement. Hong Kong reportedly has evidenced its willingness to conclude a restraint agreement, provided the other countries involved, principally Japan, also implement effective restraint agreements. The report on South Korea was quite unfavorable.

One can sympathize with the reluctance on the part of any country to limit exports of a commodity which is a major foreign exchange earner—as, indeed, textiles are for South Korea. However, as a member of the Senate Finance Committee and one who has always strongly supported increased military assistance for South Korea, I find the report on South Korea most troubling.

From where I sit on the Finance Committee, I see the strong protectionist pressures that are building up in the United States. Restrictive trade legislation is being planned in several congressional offices for active consideration if the administration's efforts toward voluntary restraints are unsuccessful. And there is little doubt in my mind that restrictions in a trade bill would be more restrictive than restrictions under a voluntary agreement. With unemployment in the United States at a high level and the great anxiety throughout the country over the job problem, and with our trade balance in serious jeopardy, there is an understandable concern in the Congress over a rising tide of foreign imports. The fact that next year is an election year only increases pressures on many Members of Congress for restrictive legislation.

I should also note that an uncooperative attitude toward working out voluntary restraints will not be helpful to those of us who support the military assistance program for South Korea. The administration has properly committed itself to a program of modernization of the South Korean Armed Forces. This commitment does not, however, commit the Congress; and it is difficult, I know, for Members of Congress to explain to the taxpayers their support for such a military assistance program if the South Korean Government is unwilling to cooperate on the textile problem.

I appreciate that some Senators are impatient; and the reason they are impatient is because the people from their States and districts are impatient. I would hope, however, that they will be patient awhile longer and give Ambassador Kennedy some more time to try to work out an acceptable export limitation agreement with our Asian friends. It should be obvious that the situation cannot long continue on its present course. Voluntary agreements are the best way to handle it, and Ambassador Kennedy, representing the administration, is doing his best to see to it that the situation is handled that way. His failure to obtain the cooperation required will almost inevitably result in a chain of reactions which will meet short-term problems but will not well serve the cause of mutual trade expansion in the long term. I know that Senators are disappointed that meaningful agreements have not yet been achieved, but I caution that their disappointment not be translated into restrictive or retaliatory legislation at this time.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled measures:

H.R. 1892. An act for the relief of Stephen C. Yednock;

H.R. 1907. An act for the relief of Arnold D. Smith;

H.R. 2110. An act for the relief of the estate of Julius L. Goeppinger;

H.R. 2246. An act for the relief of Charles C. Smith;

H.R. 3344. An act to authorize the Administrator of Veterans' Affairs to sell at which he determines to be reasonable under prevailing mortgage market conditions direct loans made to veterans under chapter 37, title 38, United States Code;

H.R. 3753. An act for the relief of Sergeant Ernie D. Bethea, United States Marine Corps (retired);

H.R. 6217. An act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938;

H.R. 7271. An act to authorize appropriations for the Commission on Civil Rights; and

H.J. Res. 714. A joint resolution designating the week of August 1, 1971, as "American Trial Lawyers Week".

The ACTING PRESIDENT pro tempore (Mr. RIBICOFF) subsequently signed the enrolled bills and joint resolution.

EMERGENCY LOAN GUARANTEE ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair lays before the Senate the pending business, S. 2308, which the clerk will state.

The second assistant legislative clerk read as follows:

Calendar No. 264, S. 2308, a bill to authorize emergency loan guarantees to major business enterprises.

The Senate resumed the consideration of the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the other day, when I was speaking about the Lockheed loan, I had indicated why I felt that the argument made by the proponents that this was necessary to save employment was wrong and could not be supported. As a matter of fact, we would have more jobs for American workers if we did not go ahead with the guarantee, because more jobs are involved in a competitive product, the DC–10, than in the L–1011.

The L–1011, on the basis of all the evidence we have, actually would have about a 40-percent foreign labor content; whereas, the DC–10 has about 10 percent.

Furthermore, we have the testimony on the record by the FAA and the CAB that the lion's share of the production, if the L–1011 is not produced, if the Lockheed plane is not produced, if Lockheed does not go through with this, will go to the Douglas DC–10, a plane which employs a much greater proportion of American labor—a situation, therefore, which would mean more American jobs.

In addition, I discussed the competitive situation; and I pointed out that the outstanding authorities on competition, including the distinguished Senator from Michigan (Mr. HART) and the former Assistant Attorney General in charge of antitrust, Donald Turner, of the previous administration, both strongly oppose the guarantee and say that it is anticompetition, not procompetition.

Another reason given for supporting the Lockheed loan guarantee is the need to recover the $1.4 billion already invested in the L–1011 program. If the L–1011 program is terminated, it is argued that this $1.4 billion would become largely worthless.

One might ask why the Federal Government has an obligation to insure Lockheed creditors and stockholders against loss. But, more importantly, the argument about recovering an investment already made misses a basic economic point. In deciding whether to continue the L–1011, the crucial fact is not the amount of such investment expenditures but whether estimated future revenues exceed estimated future costs. If the program will produce net future revenues, trustees appointed under chapter X of the Bankruptcy Act would have a strong incentive to continue the program.

In other words, even if Lockheed goes into bankruptcy, even if the worst comes to the worst, if we do not provide the guarantee, and Lockheed goes into bankruptcy, they can continue the L–1011 program in the event the trustees find that the revenues from the L–1011 program—Tri-Star—will exceed costs.

On the other hand, if future costs are greater than future revenues the program should be terminated now to prevent the fixed loss of $1.4 billion from becoming even greater. There is no point in throwing good money after bad when dealt a losing hand.

TAX ARGUMENT ABSURD

It has also been argued that the Federal Government should save Lockheed because the loss in tax revenues resulting from a write-off of the $1.4 billion invested would exceed the amount of the loan guarantee. Under this theory, the Government should never let any firm fail in order to maximize tax revenues. Last year there were over 10,000 business failures—not counting Penn Central—with aggregate liabilities of $1.9 billion.

The same case on tax grounds that can be made for saving Lockheed could also be made for saving the 10,000 firms in order to prevent a drop in tax revenues.

Aside from its inherent absurdity, the tax-revenue argument also neglects the fact that most or all of the reduced tax revenue would be offset by increases elsewhere in the economy. For example, if the L–1011 program were scrapped, McDonnell Douglas would expand the DC–10 program. There is no question about that. The evidence is overwhelming. The CAB and the FAA agree that McDonnell Douglas will pick up the lion's share of the work that Lockheed would not perform. Thus, McDonnell Douglas would generate more tax revenues, by starting additional economic activity, and tax revenues would be generated. Still additional economic activity and tax revenues would be generated if the proposed $250 million were loaned to other business firms instead of Lockheed.

CONFIDENCE ARGUMENT LACKING

Finally, the administration urges the Congress to approve the Lockheed guarantee in order to maintain confidence in the economy and prevent a reversal of our somewhat sluggish economic recovery. There is no evidence that consumers or businessmen would regard a Lockheed bankruptcy as catastrophic. Indeed, the Nation's top business leaders expressed general opposition to the Lockheed rescue attempt at a recent meeting of the Business Council as reported by the Wall Street Journal.

So it is ridiculous to argue that the failure of one firm—particularly a firm whose failure would result in a continuation of at least 85 percent or 90 percent of its present business which is primarily a defense contractor, and Mr. Packard has assured us, and no one has denied it, that the contracts would continue, that the work would continue, and that the jobs would continue—could seriously affect the economy. Lockheed and its suppliers have already laid off 24,000 workers since January 31 of this year without collapsing confidence in our economy. Even if the L–1011 program were canceled, the additional job loss would approach 11,000, far less than the unemployment which has already taken place. If the economy can be upset by the failure of one firm, our economic recovery is far more fragile than the administration has indicated.

NO DISINTERESTED SUPPORT

Throughout the hearings the only supporters of the Lockheed guarantee were administration officials or those who stood to benefit financially if the guarantee were approved. The administration was unable to come up with a single disinterested economist or financial expert or legal scholar or businessman, or other expert who thought that a Lockheed guarantee was in the public interest. If a Lockheed guarantee really conferred such great benefits upon the public as alleged by the administration, one would think a few public-spirited spokesmen could be found to testify in favor of the guarantee.

The truth of the matter is that all of the alleged public benefits collapse upon a close examination. On the other hand, the disadvantages of making a guaranteed loan to Lockheed are substantial and outweigh any marginal benefit which might be obtained. Let us examine some of these disadvantages.

DISDVANTAGES OF LOCKHEED GUARANTEE

First, the most obvious disadvantage of making a loan guarantee for Lockheed is the possible loss of the $250 million if Lockheed defaults. We are told the guarantee involves little risk, yet prudent bankers say they are unable to bear the risk notwithstanding their strong financial stake in keeping the company alive.

We have in the RECORD the opinion of a top counsel in the Treasury Department that if Lockheed goes into bankruptcy, the banks would probably jeopardize $300 million of the $400 million they have already loaned Lockheed. At least it would take years to get back the $300 million.

Under these circumstances, one would think that if this were not a risky situation, the banks would be delighted to put up the $400 million, to get the company over the hump, and preserve the $400 million invested. So if the banks are not putting up the money without a guarantee, the L–1011 program must be more hazardous than the picture painted by the administration.

The second disadvantage of the proposed Lockheed guarantee, is that it would destroy the incentive for business efficiency by removing the threat of failure.

This bill tells the business community, "Do not worry about efficiency. Uncle Sam will bail you out if you are in danger of failing, provided you are big enough." Under Secretary of Defense Packard said he would oppose the Lockheed guarantee if he felt it would constitute a precedent for aiding other large firms.

A Lockheed guarantee cannot help but set a dangerous precedent for our economy, especially since the guarantee authority was increased from $250 million to $2 billion. The long-term damage to the efficiency of our economy can be enormous—far in excess of the amounts at stake in the Lockheed situation.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. TOWER. The Senator from Wisconsin has said that Mr. Packard opposes the generic bill pending before the Senate. On Saturday I read a statement which said:

> Dave Packard and I are in agreement on all aspects of the matter, including our support for enactment of the legislation now pending before the Congress.

Mr. Packard has not refuted that statement made by Secretary Laird.

Mr. PROXMIRE. I am surprised at the Senator from Texas. I wonder if he heard the statement by Secretary Connally yesterday on national TV when he admitted that Secretary Laird opposed the generic bill.

In the original statement which Secretary Packard was supposed to read before the House Banking Committee the 19th of this month, he said:

> It is this last point which leads into the reasons I do not support extending a broad Federal loan guarantee authority to the defense industry or any other industry at this time.

Mr. TOWER. In other words the Senator is suggesting that the Secretary of defense has not been honest with us.

Mr. PROXMIRE. On the contrary, he has been completely honest.

Mr. TOWER. Mr. President, Under Secretary of Defense Packard has not refuted what the Secertary of Defense said on Saturday morning. I again repeat what the Secretary said:

> Dave Packard and I are in agreement on all aspects of the matter, including our support for enactment of the legislation now pending before the Congress.

Mr. PROXMIRE. Mr. President, I think we ought to have additional hearings to clarify this if the Senator from Texas is that puzzled. It seems to me that it is perfectly clear that he does not want the generic bill. He said so over and over again. He was required to come in and read the administration's position. He refused to do it.

Mr. TOWER. He said——

The PRESIDING OFFICER. The Senate will be in order.

Mr. PROXMIRE. The chairman of the House committee did read it. And it became perfectly clear that Packard is not opposed to the Lockheed loan but that he is strongly opposed to the generic bill. I do not know of any other Cabinet or sub-Cabinet official that has ever done what he did on this issue: Publicly refused to read a statement prepared for him supporting his own administration position. Maybe it has been done sometime in the past, but not to my knowledge. And the Secretary of Defense supported Mr. Packard.

There is a difference in the administration. There is not any question about that at all. It was not surprising, of course, that when the President spoke out after the Senator from Texas brought his considerable influence and pressure to bear and pointed out that this attitude by top defense officials was very important in the Senate and the House, Melvin Laird reconsidered and made the statement he made.

Mr. TOWER. Mr. President, will the Senator yield so that I can read the statement of Secretary Laird.

He said:

> Some press reports which suggest that Deputy Secretary of Defense David Packard and I do not support the Administration's position on pending legislation regarding loan guarantees are erroneous and, in my view, unfair. The Department of Defense supports the legislation, and we believe it is in the best interests of our country for it to be promptly enacted into law.

That is the Secretary of Defense speaking. I have to believe that he means what he says and not what the Senator from Wisconsin thinks he means.

Mr. PROXMIRE. Again, let me read what Secretary Laird actually wrote:

> Some press reports which suggest that Deputy Secretary of Defense David Packard and I do not support the Administration's position on pending legislation regarding loan guarantees are erroneous, and, in my view, unfair.

Then he goes on to say:

> The Department of Defense supports the legislation and, we believe it is in the best interests of our country for it to be promptly enacted into law.

There have been several proposals by the administration. The first was a proposal for the Lockheed guarantee. Mr. Packard did support that legislation. But I think it is possible to read ambiguity into this, which is the only way I can reconcile the position taken by our two top Defense officials.

To proceed, the Lockheed loan guarantee—and this is the third objection—would likely perpetuate a management team which has brought the company to the brink of insolvency. When a company manages to lose a total of $480 million on four Government contracts—all at the same time—the competence of the management must be questioned. One of the beneficial effects of our bankruptcy laws is that an orderly system is provided for replacing inept management. New and better management is certainly in the long-term interest of the company and its thousands of employees. However, such a cleansing effect would be frustrated by the proposed loan guarantee.

A loan guarantee would keep the same management in charge which has lost $480 million, with a $250 million guarantee, so that the taxpayer is asked to participate.

It is true that the act gives the Emergency Guarantee Board the authority to effect management changes. However, such changes are discretionary with the Board and Secretary Connally and Chairman Burns have already testified they are very reluctant to impose management changes.

Four, the proposed guarantee is grossly unfair to small business. Chairman Burns has clearly stated that the guarantee legislation applies only to large firms and not to small firms. It sets a precedent that big firms cannot be allowed to fail but little ones can. If Lockheed can get a Federal guarantee to keep it from going broke, why should the same aid not be extended to all firms, large and small? Last year, over 10,000 firms failed with aggregate liabilities of $1.9 billion or one and one-half times the investment in the L-1011. Nobody rushed a bill to Congress to protect these firms from failure. Why should Lockheed be treated any different? What is really proposed is socialism for big business and enterprise for small business.

Five, the proposed guarantee distorts the allocation of credit. If the Lockheed guarantee becomes a precedent, firms will gain access to credit, not on the basis of economic merit, but on the basis of political clout. The scandals uncovered in the closing years of the RFC were one reason why Congress terminated the program. If we are to allocate credit based on political influence, the strength of our free enterprise economy will be seriously weakened.

That is just what we are doing here. The setup now is that there will be $2 billion to make sure that if a firm has enough political influence and enough pressure, and enough clout to bring to bear, they can get a loan.

I think we ought to recognize the terrific impact of doing this. There is a $2 billion guarantee fund. The President has the Chairman of the Emergency Loan Guarantee Board, who would be the Secretary of the Treasury. In an election year he would be bound to be under great pressure to bail out any big firm in trouble, no matter what the economic merits of the situation might be because it might determine how the State would go in the presidential election.

Six, the proposed guarantee is basically unfair to Lockheed's competitors. McDonnell Douglas and Boeing will find themselves competing not only with Lockheed, but with the Federal Government as well. Loan guarantees invariably permit a firm to obtain credit at a price less than the private market would charge. That is what that would be, of course, a charge less than the private market would make. If Lockheed is to receive the benefit of a Federal subsidy to produce a product in competition with other plane manufacturers, how can we, in fairness, deny the same subsidy to Lockheed's competitors?

Seven, the proposed guarantee puts the Federal Government in an untenable conflict of interest. Because it has a financial stake in the solvency of Lockheed, the Defense Department will have an incentive to award "sweetheart" defense contracts to Lockheed in order to protect the guarantee. The Civil Aeronautics Board will have an incentive to award more favorable routes to those airlines flying the Lockheed L-1011. Even the SEC would have an incentive to be less stringent in reviewing Lockheed's financial statement since the Federal Government would have an interest in not rocking the boat.

Eight, and this is the reason I suspect so many prominent businessmen, very successful businessmen, are opposed not only to the Lockheed loan guarantee but especially the generic bill, is that this would create a precedent which will inevitably increase Federal control over business. If large companies can obtain Federal aid whenever they are in trouble, the Federal Government will soon begin to regulate corporate financial practices and bank lending procedures in order to minimize the potential uses of the guarantee authority. The history of the FDIC affords an excellent example of how an insurance program can be gradually converted into a regulatory program.

The ninth reason for opposing the guarantee is that if generalized, as this bill does, it threatens to weaken our system of collective bargaining, since the Federal Government would have a financial interest in the solvency of a major corporation.

Mr. GAMBRELL. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield for a question.

Mr. GAMBRELL. The Senator mentioned the FDIC. I wonder, in this context, if the Senator considers that a bad precedent for loan guarantees and if the Senator would urge the repeal of that program?

Mr. PROXMIRE. The Senator knows the answer to that question; of course. The FDIC is an excellent program. It insures depositors for $20,000 and not $250 million. It insures every depositor in the country for the exact same amount without fear or favor. It is a program that has been on the books for many years, and it has proven itself.

Mr. GAMBRELL. Does it insure for as much as $2 billion nationally?

Mr. PROXMIRE. It insures only for the limit of $20,000 for any depositor. It does not insure the bank; it only insures the depositor. The total may well aggregate far more than that. I am sure it does, when we include all the depositors on a nationwide basis.

Mr. GAMBRELL. Is it not in the same situation as Lockheed, in that it is the beneficiary of the loan guarantee?

Mr. PROXMIRE. The depositors are the beneficiaries under FDIC. Some banks—not many but some banks—have gone into receivership. The stockholders would lose money, but only the depositors would benefit from the FDIC.

Mr. GAMBRELL. The depositors in that situation are in the same situation as the 24 banks that propose to lend to Lockheed. Suppose 250 banks were about to lend the $250 million to Lockheed at the rate of $1 million apiece. What would be the Senator's feeling about that?

Mr. PROXMIRE. If there were so many banks, they could each lend $1,000 or even $100 apiece. It seems to me that the principle is entirely different in size bank loan. In the case of FDIC the Federal Government is insuring a deposit. By and large, depositors do not have any of the kinds of opportunities businessmen have when they make a loan to protect themselves. A depositor cannot be held to blame for the failure of a bank. It is different than the situation of a bank that loans to a corporation.

Mr. GAMBRELL. Is it not a fact that the FDIC is not offering individually to depositors who want it, to insure deposits, but universally to all depositors who are participating in the Federal Reserve System? The purpose of it is to give some assurance to the public generally against the failure of banks. Since the institution of FDIC there has been instilled confidence in the public and it has been good for our public and the banking system.

Is that not the purpose of this generic bill, to instill some confidence in the public and the economy that the U.S. Government is not going to walk off and let one of the major industries in this country collapse for lack of some Government credit support? Is it not very much like the FDIC?

Mr. PROXMIRE. I would say to the Senator from Georgia that this is nothing like FDIC, nothing like it. First, FDIC insures deposits; second, it has a limit of $20,000; and third the principle behind FDIC was to insure those who cannot and should not be held responsible for the actions of the bank involved.

In this case what we are doing is insuring the banks and the banks have been principal protectors of the principle of free enterprise, only making loans where there is a sound business situation, where there is efficiency, and sound products that can be sold. In those circumstances we find that there should be an incentive. Here, we are eliminating that kind of discipline. Think of the great loss if banks will not assume the kind of prudent judgment they have in the past. The FDIC is good for the depositor.

If the Senator has had the opportunity to discuss this matter with bankers he would find they would support that situation. They are in this for $400 million and want to be protected for the next $250 million, but they would not want a Government guarantee of all their loans. If that were done there would not be any need for bankers to exercise any judgment.

Mr. GAMBRELL. If, as the Senator described it, this is a boondoggle for big business there would be some credibility to his contention.

Mr. PROXMIRE. It is not for small business or middle size business, but only for big business.

Mr. GAMBRELL. That is the point the Senator would like to gloss over, but the express purpose of the act is to protect the economy against serious injury by the collapse of a large business and it is not for the protection of big business. It is not for the protection of a Lockheed investment, but for the protection of the investment of subcontractors, suppliers and the jobs of employees, and not just of Lockheed, but hundreds of thousands all over the country.

Mr. PROXMIRE. I have a tremendous amount of documentation to establish the fact the economy will be hurt, not helped, by this guarantee. As a matter of fact, more jobs will be provided by the DC–10, than the L–1011 but the DC–10 will be replaced by the L–1011 if this action is followed. This loan cannot be justified to Lockheed on the basis of benefitting our economy.

I have not put that material in the RECORD yet, but I intend to.

The PRESIDING OFFICER. Would the Senator from Georgia use the speaker system so the Chair can benefit from the eloquence of both of the Senators?

Mr. GAMBRELL. The Senator, I think, would agree that there is a substantial body of opinion and plenty of documentation to the effect that there will be damage to the economy from this and that is documentation which already has been established.

Mr. PROXMIRE. The documentation I have, although I am an interested party in this matter, comes from disinterested people. The only documentation the Senator from Georgia has comes from Lockheed—either Lockheed, or the administration that has taken the Lockheed position. The economists are opposed to it. The administration has not been able to find a single independent economist who favors this in and of itself. The only witnesses have been administration officials, the views of the airlines, all of which have a direct financial interest. The only other witnesses who were disinterested witnesses were opposed to it. Their opinion was that this would not help the economy.

Mr. GAMBRELL. I am not sure it is with disinterest that you stake your political judgment and your political future on standing behind a proposal like this. I know one can bring professors down from Harvard and other places, who are going back up there and if their judgment turns out to be wrong, if the economy does suffer damage, why, they are there, they still have their jobs, and they do not have to answer to anyone for it. So I do not consider the fact that the CAB and the FAA or the Treasurer who came down and testified in favor of this plan, have some interest in the proposal; I do think they have an interest in the thing working, which is substantial. I do not think that you can consider them to be interested or biased or prejudiced or having some conflict of interest.

Mr. PROXMIRE. Well, the conflict of interest is just overwhelming. There is no question of the conflict of interest that Lockheed represents. I think we all have to agree on that. There is no question of the conflict of interest represented by the 24 banks, particularly the two big banks, the Bank of America and Bankers Trust who testified. There is no question about the conflict of interest involving the airlines. They all have a clear benefit which they will gain if Congress goes through with this. They are not disinterested. They have an ax to grind; they have a benefit to receive. Once the administration gets on one side of the issue, there is not any question that administration officials either will not testify at all, or if they testify, they are going to testify in support of the administration's position.

So, as I say, all of the testimony that supports the argument that this loan guarantee is importantly helpful to our economy is given with an ax to grind representing the groups that I have just listed, and that does support the notion that the economy may be benefited if we go through with this; or, you may disagree with John Kenneth Galbraith, you may disagree with Donald Turner, you may disagree with the panel of distinguished businessmen led to Mr. Greenspan and others, but they do not have a financial interest; they do not have an ax to grind; they do not have anything to gain from this; and they all indicate that in their judgment the economy would be better off without this loan than with it.

Furthermore, the point I was trying to make when the Senator from Georgia questioned me, is that regardless of how one feels that the board would be another Federal Deposit Insurance Corporation, the only comment I made in connection with this was that this would increase the regulatory action of the Government and the interference of the Government with business enterprise. I feel that is one of the principal reasons why you find the Business Council, made up of the top business people in our country, so overwhelmingly against it.

I have said that the proposed guaranty, particularly if generalized, threatens to weaken our system of collective bargaining since the Federal Government would have a financial stake in the financial solvency of large corporations. Under these circumstances, it is likely that the Lockheed management will appeal to the Federal Government for assistance during their forthcoming wage negotiations with the unions. Because of its financial interest, the Federal Government will be more likely to intervene on the side of management.

Then, the proposed guarantee for Lockheed will perpetuate deceptive bidding procedures in the aerospace industry. The head of one aerospace company says firms frequently bid too low—we all know that—in order to obtain a contract with the expectation that the Government will come to their aid if they cannot deliver at the agreed-upon price. The Lockheed rescue plan will merely confirm this belief and make honest bidding more difficult.

I suspect this is the reason why David Packard felt so strongly about a generic bill that he refused to read before the House the testimony prepared for him by the administration.

It is apparent that the proposed Lockheed guarantee has practically no benefit and serious disadvantages. It is a big business giveaway of the worst sort and should be rejected by the Congress. If Congress insists upon passing some form of a general loan guarantee bill to cover a future emergency, the Lockheed application should be rejected by the Emergency Loan Guarantee Board

Let me say, Mr. President, that I share the views of many who would feel that a generic bill would be worse than a simple Lockheed guarantee. As strongly as I feel against the Lockheed guarantee proposal, I feel much more strongly about extending it and applying it to many other corporations. As I pointed out, this is eight times greater—we can have eight more Lockheed loans for a total of $2 billion.

Now, Mr. President, the distinguished Senator from Texas questioned me on the position taken by the Secretary of Defense and the Under Secretary of Defense. Let me read into the RECORD the actual questions and answers by the Secretary of Defense as they appear in the transcript.

Let me say that there is no question, of course, that the Secretary of Defense is going to do his best to reconcile his position with the President of the United States, but I say to the Senator from Texas that he should take a look at the remarks actually made by Mr. Laird before the pressure was put on him:

> On Friday, Laird spoke up at his news conference. The transcript includes these remarks:
>
> Q. "Could you say anything about your position appropos of Deputy Secretary Packard's position on the Lockheed bill?"
>
> Laird: "I support Secretary Packard's position 100 per cent . . . I support his original as well as his amendment (sic) statement."
>
> Q. "Is there a dichotomy within the administration?"
>
> Laird: "There is a difference within the administration. I don't think you can say that there is not. All you have to do is read his statement and there is some difference in his position, but Dave Packard feels very strongly that we've got to toughen up on the procurement policies as far as our government is concerned and his views are his own views, but I want you to know that I support Dave Packard."
>
> Q. " . . . Do you take a different position from the Secretary of the Treasury?"
>
> Laird: "I think Dave Packard has taken a somewhat different position and I stand by Dave Packard's statement and I will support him."
>
> Q. "He said yes in his testimony, he said no in his prepared testimony.

I will say that again:

> He said yes in his testimony; he said no in his prepared testimony. Now which do you both support, sir?"
>
> Laird: "I think that we gave preference to selecting Lockheed as one case on a no-precedent basis, but I would stand by the testimony of the Secretary . . ."
>
> Q. "I'd like you to come out and make a flat-out statement."
>
> Laird: "I support Dave Packard."

Mr. President, let me read now what Secretary Packard said in his statement:

> It is this last point which leads me to the reasons I do not support—

I repeat:

> "I do not support extending a broad Federal Government loan guarantee authority to the defense industry or any other industry at this time.

Then he went into a considerable explanation of why the general bill now before us would have an adverse effect on defense procurement.

Mr. President, we simply cannot get away from the statement by Secretary Laird—an extraordinary statement by the Secretary of Defense when one considers the great ability Mr. Laird has. I know him well. He is from Wisconsin. He is one of the ablest men I have ever met. He was a shrewd, sharp, highly competent Congressman. I think he is an outstanding Secretary of Defense. I have disagreed with him in the past. I will in the future. But I have always had great admiration for his intelligence, understanding, and integrity. I do not think there is a man more alert and able than Secretary Laird is with respect to a press conference of this kind. He has held many of them. He was not deceived. He knew what he was doing. So when Secretary Laird, with that kind of background, with that kind of shrewd intelligence, says, "I support Secretary Packard's position 100 percent," and goes out of his way to say, "I support his original remarks, as well as his amended statement," I think we know how Secretary Laird feels.

Now, it is true, as the Senator from Texas said, that the Secretary of Defense made another statement, which the Senator from Texas put into the RECORD on Saturday. I think all of us are big boys. We all know, in this context, what that means—that the President has spoken out, and it was necessary for Mr. Laird to do his best to reconcile his position with that of the President. But one cannot possibly read the transcript of that hearing, without recognizing that the position of Mr. Laird—the preferred position, the personal position—is that he opposes the generic bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, extensive committee hearings have been conducted on the pending bill, S. 2038, the Emergency Loan Guarantee Act of 1971. Floor debate promises to be exhaustive. The issues have been drawn. The merits of the bill have been challenged and defended. And, hopefully, we will soon resolve the matter.

I shall not take the time of the Senate to discuss the mechanics of the bill. Such discussion would be an exercise in repetition. I shall, however, address myself to certain issues which I believe must be considered in connection with the legislation.

Mr. President, this bill is not a giveaway. The Federal Government is not giving the Lockheed Co. one penny. The Federal Government is not extending a loan to Lockheed. This bill merely allows the Government to guarantee bank loans to Lockheed and other major business enterprises whose failure would seriously and adversely affect the employment and the economy of our Nation.

Under the bill, the Federal Government's and the taxpayers' interests are protected to the maximum. Merely for the sake of this debate, let us assume that the Lockheed Co. goes bankrupt despite the loan guarantee envisioned by this bill. The Government would have a first lien or first claim against the corporation's assets, now valued at about $400 million, to the exclusion of the banks and other creditors. Therefore, the public's risks are minimal.

Continually, the question has been raised as to the need for this bill, and more specifically, the difference Lockheed's bankruptcy would make. Opponents of the bill contend that the matter simply boils down to one of equal rights: a huge corporate giant should have the same right to go bankrupt as smaller enterprises. This admittedly catchy phrase is both simplistic and inaccurate. A closer study of this statement reveals only the inherent fairness of, and the absolute necessity of this legislation. The fact is that a large corporation which finds itself in financial straits is not nearly as well protected as is a smaller enterprise.

Agencies such as the Small Business Administration and the Small Business Investment Company are available to supply aid to smaller businesses. So let us turn the phrase around. The crucial issue is not whether a large corporation should have an equal right to go bankrupt—but whether it should have an equal opportunity to avoid bankruptcy.

The Committee on Banking, Housing, and Urban Affairs reports that the bankruptcy of Lockheed and the termination of the L–1011 Tri-Star program would impose a cost on the private economy of from $260 to $380 million. It would result in the loss of tens of thousands of jobs in many States, particularly in California and Georgia, and the probable insolvency of many small companies which are Lockheed's suppliers and subcontractors.

Another point of controversy centers on the alleged precedent which a bill of this nature would establish. Governmental assistance to the private sector has existed in this country for many years. Such assistance has been available for predictable economic needs through such agencies as the Commodity Credit Corporation and the Federal Housing Administration, and certainly poses no threat to free enterprise.

Moreover, it has also been available for unanticipated problems. A prime example of this is the Reconstruction Finance Corporation, which for a quarter century undergirded a struggling national economy, disbursing some $40 billion in direct loans and underwriting billions more. Recently, the U.S. Export-Import Bank guaranteed or made credit available for the foreign purchase of some $790 million worth of aircraft from McDonnell Douglas and Boeing, Lockheed's chief competitors. Obviously, therefore, the Lockheed case is not unique.

At this point, Mr. President, it should be of interest to the Senate to examine the primary source of Lockheed's financial problems. Some say it is poor management. But this charge is refuted by the large number of successful programs that Lockheed has finished with outstanding results. Lockheed has delivered more than 33,000 military and commercial aircraft and more than 1,300 missiles and spacecraft since the company's founding in 1932.

Excluding the C–5 program, which I will touch on later, Lockheed's record on more than 12,000 military airplane deliveries since World War II is very close to 100 percent compliance with both schedule and cost targets. Moreover, Lockheed's cost and schedule performance in missile and spacecraft production compares very favorably with that of its aircraft production.

The few programs in which Lockheed has encountered difficulties and cost overruns have one thing in common: total package procurement. This type of contract, which was first used in the C–5 program, has now been abandoned. Total package procurement did not work on either the Lockheed programs or those new technology programs managed by others. It was simply an unrealistic and impractical approach to military procurement imposed by the Federal Government on its contractors. When this concept fell out of favor and came under harsh criticism, the Government refused to carry out part of its binding agreement by not allowing the company to exercise key protective provisions of the contract. Subsequently, when Lockheed tried to take this dispute to the courts, the Government effectively blocked them by employing stall tactics, thereby forcing the company to accept a $200 million fixed loss. Altogether Lockheed has suffered a pretax loss of over $480 million on its three total package procurement contracts and some ship construction work.

It is easy, Mr. President, to wax eloquent concerning imagined threats to the free enterprise system when there are no jobs at stake in one's State.

But I am speaking today in behalf of some 17,000 Georgians directly employed by a company whose record in the aerospace industry is, on balance, a fine one unsurpassed by its competitors. I make no apologies for this. Indeed, I regard it as my duty as the senior Senator from Georgia and, I might add, it is a duty which I welcome.

Needless to say, Mr. President, others in this body have come to the aid of their constituents in the past. On November 9, 1967, the able senior Senator from Wisconsin was instrumental in securing the passage of legislation which granted special tax advantages solely to the then financially beleaguered American Motors.

Like most Members of this body, I supported that legislation in the Finance Committee and on the floor of the Senate, Mr. President, and heard the following remarks of the able senior Senator from Wisconsin:

> The overwhelmingly important point is that this bill will help a fourth competitor in the automobile industry stay alive.

The Senator went on to say that this legislation was "immensely important to the biggest employer in the State of Wisconsin."

But now, Mr. President, we are speaking of the biggest single employer in the State of Georgia. Any reasoning which suggests that the biggest single employer in Wisconsin is worth helping while its counterpart in Georgia is not, can only be justified by some obscure principle of geography—it certainly finds no support in logic. Apparently, Mr. President, it is easier to maintain competition in the automobile industry than it is in the airframe industry.

According to the able Senator from Wisconsin, no less than four companies are necessary to maintain competition in the automotive industry, particularly if one is located in Wisconsin. But he is unmoved by the fact that the demise of Lockheed would leave McDonnell Douglas virtually unchallenged in the field of defense aircraft contracting. In addition, in the arena of commercial aviation, the demise of Lockheed would leave only Boeing and McDonnell Douglas. With regards to the airbus, the remaining field is narrowed to only McDonnell Douglas, since Boeing has no similar aircraft.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to my friend, the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator. Will the Senator tell me how many jobs in Georgia, including the Lockheed Corp. and subcontractors together, are involved in the L–1011 project?

Mr. TALMADGE. Very few are involved in the L–1011 project, at the present time, in my State of Georgia. They are involved in the C–5A.

Mr. PROXMIRE. It is my understanding that none are involved by Lockheed and 55 are involved by subcontractors in Georgia who produce a very small component of the L–1011. Wisconsin has more jobs involved in the L–1011 than Georgia has. We have 64 jobs, and Georgia has 55 jobs.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. TALMADGE. I wish the Senator would be as anxious to preserve those 64 jobs in 1971 as he was to preserve the American Motors jobs in 1967.

Mr. PROXMIRE. May I speak on that in just a minute? Let me first point out that the loss of jobs involved here involves only the L–1011. The testimony is overwhelming, and it has not been disputed—perhaps the Senator from Georgia can dispute it—that in the event of bankruptcy, the C–5A and the other prime defense contracts which the Lockheed Corp. has would not be endangered. Secretary Packard, the principal man in our Government charged with procurement, assured us of that. He said the Government is protected on that.

In the second place, so far as the difference between the situation with American Motors and the situation with Lockheed is concerned, it is this: No. 1., the American Motors Corporation legislation which I introduced provided for an additional 2-year carryback against a tax loss and deprived American Motors of a 2-year carryforward. American Motors is making money now, and the Government is not going to lose any money from that legislation. The fact is that the overwhelming majority of independent economists supported the action we took with respect to American Motors, because they said—not the Senator from Wisconsin—the economic experts said that we needed this fourth competitor in the automobile industry.

So far as wide-bodied jets are concerned, it is true that there is one producer; and the studies made by the Department of Transportation and NASA, completed only last March, stated that, because of economies of scale, that this is the kind of industry which can effectively support only one producer. That study said that if there are two, both will be in difficulty.

Mr. TALMADGE. The Senator can see from the clock that it is 5 minutes to 2, and at 2 p.m. limited debate will start. If the Senator will permit me to resume my very brief remarks, I will be delighted to engage with him further in this colloquy.

The point remains, however, that the Senator supported an effort to preserve jobs in his own State and will not support an effort to preserve them in Georgia, California, and other parts of the country.

The difference between the American Motors situation and the Lockheed situation is this:

The Senator's 1967 amendment, as he knows, had the effect of delivering immediately to American Motors some $20 million or $25 million out of the Treasury at that particular time; whereas, this legislation is merely an effort for the Government to guarantee a loan, which will not discharge one dollar from the Treasury.

Apparently, competition thrives in warmer climates, but in the colder northern areas it must be kept alive with governmental assistance.

Finally, Mr. President, I submit that the Senate must consider the overall record of excellence compiled by Lockheed, the Government's culpability in Lockheed's difficulties, the remoteness of the risk to the taxpayer, and the dire effect which the failure of Lockheed would have on the economy. I urge my colleagues to reject demagogery and responsibly weigh the merits of this legislation.

Mr. President, I now yield to the distinguished senior Senator from Wisconsin, if he wishes to pursue this colloquy further.

Mr. PROXMIRE. I thank the Senator from Georgia. I think I have pretty much said my piece.

The economic experts who testified on the American Motors legislation we passed said that it was in the national interest. These were not administration people. These were not people connected with American Motors. They argued that we needed a fourth competitor. General Motors, Chrysler and Ford also agreed that it was desirable that American Motors be allowed to continue, that it would be a healthier situation. We do not have that situation at all now.

Mr. TALMADGE. Can the Senator tell us why he wants us to reduce the airframe industry to one competitor, when he, himself, argued for four in the automotive industry?

Mr. PROXMIRE. They are two different industries, two different situations.

Mr. TALMADGE. We have competition, whether in the automotive industry or in the airframe industry.

Mr. PROXMIRE. We have a study by the Department of Transportation and NASA which states that this industry can support only one competitor. That is what they found after an extensive study. So far as I know, it is the only study that has been made of this industry.

It is true that there are foreign competitors; there are competitors with respect to long hauls, and the airbus can get into some long hauls now that it has been redesigned. It can fly coast to coast.

In addition, we have the testimony of the former Assistant Attorney General in charge of antitrust, Donald Turner. Nobody, in my judgment, has contributed more in recent years to competition than he has. He said that the Lockheed guarantee would be a mistake; that it would enfeeble rather than strengthen competition.

Mr. TALMADGE. What the Senator says conflicts with what the President of the United States says, what the Secretary of the Treasury says, what the Secretary of Defense says, what the Deputy Secretary of Defense says, what the House Banking and Currency Committee says, and what the Senate Committee on Banking, Housing and Urban Affairs says.

They all take a view opposite to that of the Senator from Wisconsin. The Senator from Wisconsin thinks his judgment is better than the collective judgment of all the authorities I have cited.

Mr. PROXMIRE. The Senator from Georgia has often been in the minority. That has not prevented him from being right.

Mr. TALMADGE. I have seen the Senator from Wisconsin in the minority, also, I may say.

Mr. PROXMIRE. That is true, and sometimes I am wrong and sometimes right. In this case, so far as competition is concerned, the record is very clear.

As a matter of fact, the present Assistant Secretary of the Department of Justice in charge of antitrust, Mr. McLaren, was invited to appear; but his refusal to appear was eloquent testimony, it seems to me, of his position.

The antitrust authorities do not see a threat in permitting the DC–10 to continue as the only factor in this limited wide-bodied jet field. That has been their conclusion, after study and after consideration. I submit that these are the experts in that area, not the Secretary of the Treasury.

Mr. TALMADGE. Does the Senator think they are greater experts than the President of the United States, the Secretary of the Treasury, the Secretary of Defense, the Deputy Secretary of Defense, and the committee of which the Senator is a member and which voted 2 to 1 to report the bill?

The PRESIDING OFFICER (Mr. ROTH). The hour of 2 o'clock having arrived——

Mr. TALMADGE. Mr. President, I yield the floor.

The PRESIDING OFFICER. And, pursuant to the previous order, the time between now and the hour of 3 o'clock will be equally divided and controlled by the distinguished majority and minority leaders or their designees.

Who yields time?

Mr. TOWER. Mr. President, I shall be delighted to yield further to the Senator from Georgia if he would like to pursue this colloquy further.

Mr. TALMADGE. Does the Senator from Wisconsin desire to pursue this colloquy further?

Mr. TOWER. Mr. President, I yield the Senator from Georgia 5 minutes.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 5 minutes.

Mr. TALMADGE. Mr. President, just briefly—as the Senator from Wisconsin and I have finished our brief colloquy—as Members of the Senate know, the Senator from Georgia is a strong supporter of free debate. I have never signed a cloture petition in my life. I have voted for cloture in the U.S. Senate only one time in my life.

However, time is of the essence in this particular matter. Congress is scheduled to recess on August 6. The people charged with the responsibility of operating the Lockheed Corp. have announced that, without some Government assistance prior to August, they will be forced into bankruptcy. If that eventuality occurs, then hundreds of thousands of jobs will be lost throughout the Nation.

I may be a little parochial and, if so, I make no apologies for it, but 17,000 of those jobs are in the State of Georgia where a Lockheed plant operates.

The people of Georgia did not send me to the U.S. Senate to help liquidate their jobs. Unfortunately, there are too many people in this country who are jobless at the present time. The vast majority of these people would like to work. They want to earn wages and salaries. They want to be productive citizens.

Unfortunately, in some quarters, the only answer seems to be to put them on welfare or on relief.

I do not buy that argument.

I believe that people who want to work, who are able to work, and who can be productive citizens, should be given the opportunity to work.

In my judgment, the pending bill as framed by the Committee on Banking, Housing, and Urban Affairs and reported by its able chairman, the distinguished Senator from Alabama (Mr. SPARKMAN), is a very fine bill. It had the 2-to-1 support of its committee members.

An identical bill was ordered reported by a similar committee in the House by a vote of 23-to-11.

That, in my mind, indicates that an overwhelming majority in Congress, both the Senate and the House, want to go forward with what the President of the United States has requested.

Unfortunately, some of my colleagues who speak the loudest and the longest against Senate rule XXII have taken it upon themselves to attempt to prevent the Senate from voting on this particular measure.

The President says the bill is in the national interest. The Secretary of the Treasury says the bill is in the national interest. The Secretary of Defense says the bill is in the national interest. The Deputy Secretary says likewise.

I do not know what authorities in the country could have a higher claim to speak responsibly for the Government than these particular individuals. I prefer to believe them. I do not believe that it is in the national interest to restrict competition in the airframe industry to only one and thus create an absolute monopoly of one. I do not see how anyone who believes in the competitive free enterprise system could conclude that that is in the national interest.

The same Senator, who briefly stated a moment ago that we could support only one manufacturer of airbuses in this country, 4 years ago before the Senate spoke eloquently in support of maintaining competition in the automotive industry. At that time we had four competitors, and we still have four. I supported the Senator's effort. I thought it was in the national interest to continue to have competition in the automotive industry. I support that theory today. I have not changed my mind. If it is responsible action in the automotive industry, it is responsible action in the aircraft industry also.

I hope my colleagues in the Senate will agree with me on that fact.

I thank my friend from Texas for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, I yield myself such time as I may require.

Mr. President, during discussion of the pending bill, it has been implied that we rushed this legislation through the committee and that the majority of the witnesses who testified before the committee had something to gain from the Government's guaranteeing a loan to Lockheed Aircraft Corp. Since I, as chairman, am the one who is responsible for the hearings, I would just like to make a few comments for the record.

First of all, every member of the committee was requested to submit lists of witnesses they wished to appear before the committee. We contacted every person whose name was submitted to us and invited those people to appear. In many instances, those contacted did not wish to appear. Now, of course, as chairman of the committee I have subpena powers. I do not take this authority lightly and, frankly, I am opposed to subpenaing witnesses except under very unusual circumstances.

Since this matter was mentioned by our colleague from Wisconsin, I have rechecked the witness list and not only did we invite every person he wished to have as a witness, but, in fact, many of the witnesses who did appear were persons suggested by the Senator from Wisconsin.

Members of the committee will recall that the Senator from Wisconsin asked that Ralph Nader be invited to testify as a witness. There was a feeling on the part of the majority of the committee that Mr. Nader, regardless of the good work he has done in the field of consumer interests, was not especially qualified to testify on this matter. The committee decided to leave it up to me as chairman to decide during the course of the hearings whether Mr. Nader should be invited.

As a matter of courtesy to the Senator from Wisconsin, I immediately informed Mr. Nader he would be a witness and later I wrote to him inviting him to come in.

The Senator from Wisconsin suggested that William McChesney Martin, the previous Chairman of the Federal Reserve Board, be invited——

Mr. PROXMIRE. Mr. President, will the Senator from Alabama yield at that point?

Mr. SPARKMAN. In just a minute. He suggested that Dr. Burns, the present Chairman of the Board, also testify. I did not see the need to bring Mr. Martin in. Nevertheless, we invited him. He came. He started off by stating that he wanted to make it perfectly clear that he supported the legislation wholeheartedly, and he stuck by that statement.

Mr. PROXMIRE. Mr. President, will the Senator from Alabama yield at that point?

Mr. SPARKMAN. I yield briefly.

Mr. PROXMIRE. I should like to say that I did not suggest Mr. Martin. That was the Senator from Ohio (Mr. TAFT) who suggested that.

Mr. SPARKMAN. I stand corrected.

Mr. President, the Senator from Wisconsin has stated:

> The Commitee did not hear from a broadly representative panel of businessmen or economists on the long range implications of making the Federal Government the ultimate guarantor of corporate solvency.

Mr. President, in late May, the newspapers carried articles stating that the Senator from Wisconsin had written to some 100 businessmen and others inviting them in to testify on this legislation. A copy of that invitation was sent to me by one of the recipients. Now, Mr. President, since we gave the Senator from Wisconsin the privilege of submitting the names of those he wished to have in as witnesses, I should like to ask why he did not let us know, out of the 100 or so he invited, the names of witnesses from the business and other communities that accepted his invitation.

Mr. President, I ask unanimous consent to have printed in the RECORD the invitation which was dispatched by the Senator from Wisconsin.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 25, 1971.

DEAR ——— ———: I am writing to you about the proposed legislation to guarantee $250 million in loans to the Lockheed Aircraft Corporation. A copy of this bill is enclosed for your information. Although Lockheed is not mentioned by name, the Administration has made it clear that it intends to use the entire loan guarantee authority for Lockheed.

I believe the proposed guarantee is a grave threat to our system of free enterprise. The bill sets a dangerous precedent by implying that the Federal government will never let a large firm fail. Federal controls over business are bound to increase if the U.S. government becomes the ultimate guarantor of business solvency.

Moreover, the proposed loan guarantee is grossly unfair to Lockheed's competitors since the funds would be used in Lockheed's commercial activities. Those who bid on government contracts against Lockheed would also be adversely affected since the Federal government would have an incentive to favor Lockheed in order to protect its loan guarantee.

I believe there is an excellent chance of defeating the proposed bill, particularly if the nation's top business leaders speak out against it. If you share my views, I hope you would be willing to testify against the bill before the Senate Banking Committee. Hearings will start on June 7, and are expected to run for two weeks.

Please let me know if you would be willing to testify against the bill. While a personal appearance before the Committee would carry more weight, a letter in opposition to the bill would also be useful. I hope to hear from you soon.

With best wishes, I am,

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

Mr. SPARKMAN. I point out that the Senator from Wisconsin wrote in his letter:

> Please let me know if you would be willing to testify against the bill.

He did not ask the addressee just to come to testify, but to come and testify against the bill.

I should like to make one further point. The Senator from Wisconsin insisted on several occasions that a representative of the British Government be called as a witness to our hearings. We contacted the British Embassy here and invited them to have a witness appear if they wished to do so. The British Government declined the invitation. At one point in our contact with the British Embassy they indicated that the British Government would like to submit a statement for the record and we accepted that statement and it is contained in the transcript of the hearings at page 790, part 2.

I would like now to turn to the consideration of the bill by the committee in executive session. At no point was the bill "steam rolled" through the committee. Every member had the opportunity to offer as many amendments as he wished, and there was broad and general discussion of each amendment submitted. For the record, the Senator from Wisconsin offered 28 amendments. Each was considered. I call attention to the fact that the bill was finally reported by the committee by a 10-to-5 vote.

Quite an issue was made earlier about the transcript of the hearings not being available for the debate of the bill. I hope each Senator will take note that both volumes of the hearings are on the desks today and were placed here the second day of the debate. I hope, too, Senators will take note of how voluminous these hearings are—how many documents are included in them. It was no small task assembling and preparing these hearings for the Printing Office, so because we gave the Senator from Wisconsin and all other committee members, Senator, the opportunity to go over the transcript before it was submitted to the printer. Nevertheless, we had the printed hearings the second day of debate. They were not available on the first day of debate because we did not have notice that the matter was coming up one day early.

I wish especially to commend Mr. Edward Dicks, the committee editor, for the masterful job he did in preparing these hearings for printing. It was no small job for the Printing Office, and they are to be commended for making these hearings available to us today.

In conclusion, Mr. President, I would just like to note for the record that the hearings as well as the executive sessions were run no differently from any hearings or executive sessions held by the Banking, Housing and Urban Affairs Committee. Statements to the contrary are simply incorrect.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. Mr. President, I take just a moment to say that I think that everything the Senator has said as far as I know is correct. The Senator conducted the hearings with complete fairness. I did not at any time criticize the chairman for not bringing up enough opposition witnesses. I did say that the administration was not able to produce distinguished, objective witnesses.

I think that what the Senator has said in his concluding remarks is true. The Senator conducted very fair hearings and markup session. I have no criticism whatever to make of the Senator.

Mr. SPARKMAN. Mr. President, I thank the Senator.

Mr. PROXMIRE. Mr. President, I yield 10 minutes to the junior Senator from New York (Mr. BUCKLEY).

The PRESIDING OFFICER. Is the Senator from Wisconsin in charge of the time?

Mr. PROXMIRE. Mr. President, the Senator from West Virginia (Mr. BYRD) has just asked me if I would handle the time on the bill. In his behalf, I yield 10 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 10 minutes.

Mr. BUCKLEY. Mr. President, the mere fact of the emergency guarantee loan bill confirms all the fears of those who were seriously concerned about the precedent which might be set by the original proposal to save Lockheed.

Whereas proponents of the original proposal for Government intervention were able to argue that extraordinary measures were justified by circumstances unique to Lockheed, what we are now presented with is a bill of broad application which would institutionalize the practice of governmental guarantees.

Justice Oliver Wendell Holmes once observed that "hard cases make bad law." It is apparent here that they can also make bad legislation. There is no question as to the seriousness of Lockheed's own financial situation. There is no question that the collapse of this enterprise would have consequences far broader than the financial loss suffered by its stockholders, although the full extent of those consequences is open to argument. The scope of the legislation presented to the Senate, however, renders the particulars of the Lockheed case irrelevant because we are asked to approve a program which would have a lasting and adverse impact on the basic concept of the proper relationship between Government and business.

I submit that we are not discussing abstract notions as to what is theoretically desirable. Rather, we are discussing a proposal which goes to the heart of the free enterprise system. Because if Government is to assume responsibility for guaranteeing large corporations against economic misfortune, the effect on business will ultimately work to the detriment of all—employees, stockholders, consumers, and the public at large. If the inefficient or mismanaged firm is insulated from the free market pressures that other business firms must face, the result will be that scarce economic and human resources will be squandered on enterprises whose activities do not meet the standards imposed by the marketplace; standards which have assured us of the efficiency and supremacy of the business establishment which we enjoy at the present time.

The bill under consideration would establish the precedent for aiding any major corporation which, for whatever reason, has suffered economic misfortune on a scale which will not be accommodated in the private financial market. Once this precedent is firmly established, there will be inevitable pressures to extend such assistance to smaller enterprises, even to the tiny enterprise on whose continued existence a small community depends. The result of this process could be the creation of the syndicalism which characterized the economic structure of Italy and Germany in the 1930's and 1940's. This suggests that there may be no surer road to governmental domination of major sectors of our economy than by permitting the Federal Government to come to the aid of business firms in distress.

The argument has been advanced that the classic mechanisms of the marketplace will not always work in the case of the defense industry because of its dependence on a single, often capricious customer. It has also been stated that the rapidly growing capital requirements of the defense and aerospace industries will at times exceed the financing capacities of private institutions. This may be the case; but if so, then the specific, specialized needs of these industries should be made the subject of extended hearings to determine what legislation, if any, might be appropriate. These arguments, however, in no way justify the bill now under consideration, given its open-ended application.

Another argument which has been advanced and one with which I have deep sympathy is that the Federal Government has a special obligation to help Lockheed because the Government's repudiation of a special understanding precipitated the company's current financial difficulties. I refer to the "golden handshake" which defense contractors were forced to rely upon by virtue of the specific procurement procedures developed during the McNamara era. The "golden handshake" sealed the unwritten understanding that contractors would be protected by the Government from certain unforeseen and ill-defined contingencies. It has been stated that the failure of the Government to live up to this understanding has cost Lockheed approximately $200 million in cash, a sum large enough to have made the difference between corporate survival and bankruptcy.

I happen to be among those who feel that there are times and circumstances when governments should be expected to meet their moral obligations. If Lockheed does indeed have a moral claim against the U.S. Government for a substantial sum in cash, then it seems to me that the proper way to satisfy that claim is through legislation authorizing the appropriate payment. I could support such legislation, but I cannot support a bill which would meet the Government's moral obligation by indirection, and which in the process would pioneer a form of governmental intervention that would erode the market disciplines required by a healthy system of free and competitive enterprise.

Mr. President, I wish to call to the attention of my colleagues an article which was published in Sunday's New York Times entitled "Opening Pandora's Box." The article was written by Alan Greenspan. I ask unanimous consent that the article may be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, July 25, 1971]

Opening Pandora's Box—New RFC Could Reach Staggering Dimensions

(By Alan Greenspan)

The proposal currently being debated before the Congress to initiate a "Reconstruction Finance Corporation" type guaranteeing agency threatens to open a Pandora's Box, which it would be extremely difficult to close.

The implicit expectation of the proponents of this legislation is that it would be a minimum program designed to help out a few special cases. The cost to the taxpayer, it is argued, would be small and the benefits large. Faltering companies in key industries or key areas essential to the national interest, it is maintained, could be supported, thereby fending off potentially cumulative bankruptcies with their associated deleterious effects on jobs and business confidence.

But it is just not credible that such a foot-in-the-door program can be kept on a limited basis. The number of candidates that would emerge for such guarantees could reach staggering dimensions. Who would be the final arbiter of so vague a standard as what serves the "national interest?" Can one realistically imagine the rejection of a petition of a company in a key Congressman's district cited by him as being in the national interest?

More than 20 years ago the Hoover Commission with the history of the Reconstruction Finance Corporation in mind noted that "direct lending by the Government to persons or enterprises opens up dangerous possibilities of waste and favoritism . . . it invited political and private pressures, or even corruption."

To place the Federal Government in a position where it can pick and choose which particular private enterprises should or should not be allowed to slip into bankruptcy must inevitably lead to subsidization of the least efficient concerns in an industry. We often lose sight of the tremendous churning that goes on in a free, competitive economy—of the way in which concerns, vying for profitability, attempt to marshall their resources in the most productive manner.

It is the very threat of bankruptcy that often jolts concerns, large and small, from inefficient practices in their utilization of labor and capital and in their methods of financing and marketing. To have the possibility of falling back on a guarantor of last resort must inevitably remove this very valuable prod. To institute such a mechanism could only impair the viability of our free enterprise system and slow the growth of American living standards.

Moreover, it is important to remember that when the Federal Government guarantees private credit, it does not add to the total financial resources available. It only moves one borrower up in the credit rating queue at the expense of other borrowers who are not fortunate enough to have such a guarantee.

While the quantity of long-term savings flowing into the capital markets does vary from year to year, it is not an unlimited source of funds. Government loan guarantees, direct and indirect, necessarily single out certain areas of the economy for special treatment. At present, it is primarily housing, via Government-guaranteed mortgages. Presumably, in the future we shall be seeing other areas where the financing requirements are met by "set-asides" in the market through the guarantee mechanism. Government loan guarantees tend to reduce the size of the pool of long-term savings available for non-guaranteed private borrowing.

This is because the availability of Government guarantees increases the effective credit demand at any given interest rate, and inasmuch as the aggregate supply of savings is limited, it acts to raise interest rates to non-guaranteed borrowers.

Thus, Government guarantees to some companies could have the effect of depriving funds at reasonable cost to other private borrowers. Or worse, in order to prevent this unhappy consequence the Federal Reserve could be pressured to accommodate the increasing demand for funds through an expansion of the money supply. This in turn would act to feed the very inflationary forces that have been instrumental in bringing a number of companies to the verge of bankruptcy and would thereby accelerate the number of petitioners for Government loan guarantees.

Such a vicious circle would be difficult to break once we begin moving toward ever more extensive uses of Government guarantees.

The inevitable secondary consequence of the development of a broad loan guaranteeing authority would be a move, sooner or later, by the Federal Government to increase its regulatory control over the private-enterprise system. Someone is bound to argue (with some validity) that if the Government is a guarantor of last resort for a certain class of business enterprise, it should also oversee the operations of such corporations.

A standby guarantor could reasonably be expected to require the regulation of, for example, pricing and marketing practices, debt-equity ratios and dividend payouts. In fact, it might want to regulate anything that, if mishandled, could lead to the necessity of a loan guarantee—that is—almost every important business decision.

We cannot look upon Government loans or guarantees as a temporary expedient pending a return to prosperity. In fact, the types of problems that have now led to the call for Government guarantees are structural and threaten to be long-standing.

Although our level of activity by any historic standard is high, profit margins have only just emerged, and then by the narrowest of margins, from their lowest levels since the nineteen-thirties. The debt burden of our business structure has risen sharply. As a result, interest charges, loan amortizations and other legally fixed obligations have now reached the point where a substantial number of large, as well as smaller, business enterprises are barely able to meet their commitments at the present depressed levels of cash flow.

Unfortunately, the current outlook suggests that the problems of subnormal corporate profitability and attendant financial difficulties is apt to persist to some extent throughout this decade. So long as this condition prevails, increasing demands will be heard to substitute Government guarantees for private financial worthiness.

The solution to our corporate financial malaise, however, is not the symptom fighting Government-guarantee mechanism, inasmuch as this must surely lead to new problems that are likely to be far worse than our current economic disease. The only viable long-term solution is to remove the inflation bias from our economic system. This has acted as a damper on productivity increases and exacerbated an already difficult collective bargaining process.

It is difficult to envisage, even under the best of circumstances, a return to the higher profit margins and cash flow of five or 10 years ago. Nonetheless, sufficient gains can be achieved to substantially ease the financial burden currently confronting American business.

To solve today's financial difficulties by introducing a new wedge of Government into our economic system could only trade far greater difficulties for our free enterprise system in the future for beguiling short-term solutions to today's problems.

Mr. BUCKLEY. Mr. President, the hazards which I referred to in my remarks and in the article are substantiated by some of the amendments which have been offered since the bill was reported. One amendment, No. 319, would extend the guarantees not merely to large corporations in distress, where extinction would affect merely a certain segment of the country, but it would extend the principle of protection to all manner of small business enterprises.

Another amendment, No. 323, exhibits the kind of impulse which follows in this kind of situation. It would stipulate that any business would have to meet certain requirements.

Still another amendment, No. 326, would expand the scope of the bill by writing into it the application to farmers and small businesses. Furthermore, it would raise the amount of the guarantee from $2 billion to $4 billion.

Mr. President, I submit that this bill should not be thought of in terms of Lockheed but in terms of pioneering a whole new area of governmental interference in business; it would establish a principle which would be subversive to our system of free competitive enterprise.

Mr. WEICKER. Mr. President, will the Senator yield?

Mr. BUCKLEY. I yield.

Mr. WEICKER. Mr. President, I commend the Senator from New York for putting his finger right smack on the heart of the problem, and putting it concisely so that all can understand.

I very definitely would like to associate myself with the comments of the junior Senator from New York. I would hope that my colleagues would give strict attention, if not on the floor, in the Rec-

ORD tomorrow to what has been said. I can assure Senators that if these words are not heeded they may prove very prophetic; and if they assume the role of prophecy, as set forth by the Senator from New York, the country will be poorer for it.

Mr. BUCKLEY. I thank the Senator for his kind remarks. I think we both agree that the point involved is transcendent; that we cannot allow our concern for survival of one particular enterprise to erase our understanding of the marketplace society.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GAMBRELL. Mr. President, will the Senator from Texas yield to me for 3 minutes?

Mr. TOWER. I yield 3 minutes to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. GAMBRELL. Mr. President, with reference to the comments of the Senator from New York, I would like to say that he has articulated a fine principle and I hope his experience in the Senate in future years does not lead him to the dilemma in which the senior Senator from Wisconsin finds himself of having several years ago announced and stood on a fine principle and then having run aground here today in connection with this legislation. I expect that from the standpoint of legislators it is sometimes advisable to deal with things as they come up rather than to announce historic principles and later to find they do not apply to things a Senator would like to have for his own State or for his own constituents.

The specific matter now pending is the cloture vote to be taken in about 35 minutes. I would like to say in reference to that that I have not been in the Senate long enough to have established any tradition of signing or not signing a motion for cloture, or having voted on a motion for cloture, or not having voted on a motion for cloture.

Mr. BYRD of West Virginia. Mr. President, will the Senator use his microphone? We cannot hear him.

Mr. GAMBRELL. I would like to say at this point, when the hearings on this bill opened almost 2 months ago, I and several members of the committee expressed at that time the need and urgency for consideration of this matter, or the need to lay it aside and not consider it at all.

It is certainly obvious that the problem facing the Lockheed Aircraft Corp., and the matter that has given rise to the matter dealt with and the time invested in this, would be an utter waste, if some vote up or down is not taken on the matter.

I know many Senators have some principle in favor of extended debate—and I feel rather strongly that extended debate should be permitted—but when we have a matter which has been before the Senate for 2 months, a matter that has been widely discussed in the newspapers and by the public, attention has been given to the matter and obviously any effort to defer the vote is a vote against Lockheed. If that is what any Senator would like to do, he may go ahead and do it, but we should not waste 2 months of the Senate's time. The Senate should let this matter come on for a vote and let us get it behind us, since we knew when we went into the matter that we had to have a vote before the August recess or not have it at all.

Mr. TOWER. Mr. President, I yield 5 minutes to the senior Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, it is very interesting to me that Senator BUCKLEY, my colleague from New York, whom I hold in high esteem, should come to the opposite conclusion that I have in respect to this bill and that he, rather than I, should have had printed in the RECORD the article which was published in yesterday's New York Times written by Alan Greenspan. I was going to ask the Senator from Texas (Mr. TOWER) for time to discuss that article because it was in response to an earlier article in the New York Times by me.

Mr. President, to complete the record I ask unanimous consent that my article entitled "Needed: A New RFC" published in the New York Times on July 11, 1971, be printed in the RECORD. I repeat that Mr. Greenspan's article is in answer to my article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEEDED: A NEW RFC—CORPORATE CRISES REQUIRE EMERGENCY POWERS

(By Senator JACOB K. JAVITS)

A vital element of government assurance as to the future economic well-being of the United States depends upon the prompt Congressional enactment of legislation to deal with selected corporate liquidity crises by establishing an R.F.C. (Reconstruction Finance Corporation) type of authority to cover loan guarantees for such corporations. This legislation would permit the Federal Government to guarantee loans essential for the continuance of operations vital to the national interest or to such interest within a given region.

In approximateely a year's time, one of the nation's largest corporations (Penn Central) has gone bankrupt and the nation's largest defense contractor (Lockheed) is on the ropes. The question is not one of bankruptcy or court reorganization nor of saving stockholders or creditors or management—but of continuing operations vital to the national interest.

It will be recalled that the crisis in Penn Central in those terms occurred when after bankruptcy no one would lend the bankruptcy trustees the money to continue operations without a Federal guarantee. At that point there was imminent danger of stoppage involving failure to meet payroll for tens of thousands of workers and marooning tens of thousands of commuters and other travelers.

The Lockheed situation follows closely on the heels of the Penn Central bankruptcy and of rumors regarding the liquidity position of other major United States corporations. These rumors persist.

Clearly, the frantic crisis-ridden legislative maneuvering which has come in the wake of the Penn Central and Lockheed contingencies demonstrates that the American economy still lacks an emergency economic "war power." Such legislation is needed to ensure that steps could be taken to prevent the economically unthinkable from happening during a time of crisis.

Congress should now enact for this purpose legislation comparable to the Emergency Loan Guaranty Act which I first introduced on July 27, 1970. It is likely now that the over-all guarantee authority may be reduced from $5-billion to $2-billion (the Federal Reserve Board Chairman, Arthur Burns, suggests this figure) and some other details may be changed, but the essential thrust of the legislation is what counts.

This essential thrust is that the loan be guaranteed meets the national (or regional) interest criteria, that it cannot be otherwise obtained on reasonable terms and conditions, that there is reasonable assurance of repayment, and that failure to provide a Federal guarantee would in effect shut down the essential services for the maintenance of which the loan is sought.

Also, the Treasury Secretary as loan guarantee authority could impose suitable conditions on the borrower and that would include the kinds of conditions a bank would impose on a borrower in trouble. My bill also calls for submission to the Congress—which would have the power to veto—of any individual loan in excess of $20-million to one borrower in any one year.

It is inaccurate and simplistic to blame the liquidity crisis of such of our nation's corporations as are affected on poor management. A peculiar mix of economic recession and a sluggish recovery, combined with a high level of inflation, are contributing factors to the liquidity problems facing many American corporations—factors which are completely beyond any individual's control—as well as in given cases poor management.

Over the past two years, basically sound corporations with good management have been caught in a squeeze in which repressively tight money and high operating costs—labor, raw materials, taxes and other overhead—have combined with sluggish sales and decreased profits. An inevitable result of this situation has been a deterioration in the borrowing power of businesses, many of whom rely on firm lines of credit to maintain cash flow and refinance debt.

Poor management should not be used as an excuse for refusing to enact an economic war power upon which the health of the economy depends. But I would require the imposition of stringent conditions on any loan guarantee where the danger of failure of an important firm could be traced also to questionable management decisions.

What worries me is that the approach to this widespread liquidity crisis has been on a case-by-case basis and only after disaster is knocking at the door. This ad hoc corporation-by-corporation approach can contribute to losing sight of the forest because of the peculiar defects of certain trees. And I am sure that the American people and the Congress would support generic legislation designed to protect the rich forest which is our national economy even though they question the right of specific trees to survive.

I am suggesting no change in our bankruptcy laws, which have served us well. If a business is poorly run or has become uncompetitive, it should not be kept limping along. But if, looking at the indicators of business liquidity, we can see troubled times ahead for some of our basic productive enterprises, we cannot afford to neglect this threat to the nation.

Some opponents of such generic, broad-based, emergency loan guarantee legislation are arguing, perhaps with political motivation, their assistance to "fat cat" corporations does not serve the broader interest of a competitive American economy. I would argue that in a time of economic difficulty when the rate of unemployment is approaching a 10-year high, the interests of the American workman would be ill-served if a Penn Central employing some 100,000 persons or a Lockheed employing some 70,000 persons in operations essential to the national interest were allowed to cease operations.

I should also make clear that the legislation I have introduced, and which is now before the Senate Banking Committee, makes no distinction between guaranteeing loans to major and to smaller corporations. I think it would be a mistake for Congress to establish the principle that medium-sized firms would be ineligible for extraordinary government assistance, simply because of their size. (Smaller firms are already covered through the Small Business Administration for guarantees or loans up to $350,000 each.)

I can think of cases where the stoppage of a smaller firm could have severe consequences for a regional economy, in a thinly industrialized area, for example, where the firm is the major employer.

Some opponents of Government assistance to corporations through an emergency loan guarantee authority express an almost theological concern over the precedent-setting nature of such Government involvement in the private enterprise system. This concern does not belong in the nineteen-seventies, which are increasingly characterized by private sector involvement in quasi-governmental corporations, by overseas United States private investment guarantees, and private sector close cooperation with the Government and the Congress to work out voluntary import quota limitations on such basic products as petroleum, steel and textiles.

Also overlooked in this argument is the fact that a loan-guaranteeing corporation—the Reconstruction Finance Corporation—was operating throughout most of the nineteen-thirties and nineteen-forties, and that emergency-type loans have been made by the Federal Government in the nineteen-sixties. Indeed, the R.F.C. placed over $38-billion in loans and over-all made rather than lost money.

An argument can now be made that our economy has developed to the point that the interrelationship between the private and public sectors has become so close that a government without an emergency guarantee power is an anachronism which serves the needs of the nineteen-seventies very poorly indeed.

Finally, opponents of broader-based emergency loan guarantee legislation fear that the authority could be abused, citing the political favoritism that marred the last years of the operations of R.F.C. I feel that it is very important that there should be a requirement in any bill approved by the Congress for a detailed justification for the guarantee and that requests for a guarantee be made through a high-level board (the Federal Reserve's bill suggests the chairman of the Federal Reserve Board and the Secretaries of Treasury and Commerce).

My bill also would require the guaranteed loan to be used for the precise purposes which are essential to the nation or a region. Clothed with appropriate safeguards, such an authority can serve as an essential tool for preventing national or regional hardship which can come about when an important stoppage threatens our fast-paced economy.

The time for legislative action is at hand. The approach should be one of permanent benefit to the whole economy. Last year, it was Penn Central—this year Lockheed, and I don't know what is in the cards for 1972 and beyond. But with two major fatalities in the past year and other close calls, the lesson is clear: Permanent emergency safeguards must be provided lest we have the type of fatality on our hands that would affect the economic well-being of our whole nation.

Mr. JAVITS. A very interesting point is raised by Mr. Greenspan and I will touch on that first because it bears directly on the bill. Then, I wish to say a word about the fundamental issue of principle which Senator Buckley properly puts before the Senate because there is an issue of principle.

First, let me discuss the Greenspan article. He erects a straw man that we intend to legislate an RFC-1933 style bill, and then he proceeds to try to knock it down on the grounds that it would try to help everybody that would not be worthy of help; that it would reduce the effects of competition and help the big firms not the small firms and reduce the money supply for those who want to have loans as a matter of competition in the marketplace.

The point is that we are not doing any such thing. We are not intending to create a 1933-style RFC; we are not going to create any far-reaching program. If there is any doubt about that, the $2 billion provided here would hardly take us very far in that kind of program.

The point is what the United States is trying to do by this bill in its generic aspect is to insure against economic collapse by virtue of the cessation of operations deemed essential to the national interest. I submit that is not only the responsibility but the duty of Government and the highest principle of any free society. Against this overriding principle every other principle pales into insignificance.

Mr. President, if we have no right to save this company, the stoppage of which would represent a disaster to the national interest, then we have no right to do the following things:

We have no right to pass a bill to inhibit a railroad strike, and I and many other liberals have lent ourselves to that time and time again.

We have no right to inhibit strikes in defense industries, or a utility strike.

If we cannot put the Government into the business of saving what must be saved, we must dismantle the FHA completely, and let people go unhoused.

The principle that Government shall not get into this business gets beyond one of the greatest principles of all, which is to protect these other principles, which are the most important.

Under that philosophy we should not give subvention of interest to the Rural Electrification Administration and for rural telephones, which exist only by way of Government guarantees.

We should not guarantee loans for college dormitories, or give subvention to colleges and universities, nor should we give subsidies to agriculture or to the Merchant Marine. Under the principle enunciated by Senator Buckley the Federal Government would have to keep its hands out of the business altogether.

Mr. President, it seems to me we decided that question, at the very least 30 years ago or more.

On the principle that the very first principle of government is that society shall continue to operate, I deeply believe we have to use our brains and great ingenuity to see that the evils which might result from this sort of legislation do not result; that the excesses and corruption which might exist do not exist. We can shatter any precedent that is made. We can pass a bill today and repeal it tomorrow. We are not bound to the extent that we cannot overrule it or repeal it. If we do not like the way it works, we can cancel it. But we know we need this kind of machinery on the books because the alternative is too dangerous.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. May I have another 2 or 3 minutes?

Mr. TOWER. Mr. President, I yield 2 additional minutes to the Senator from New York.

Mr. JAVITS. That is fine.

Mr. President, the key to Government today is that Government cannot stay out of business any more than business can stay out of Government. The question is how they accommodate themselves one to the other.

It has been my point—and I think it is critically important—that the opponents of this legislation have overlooked the fundamental fact that this is not a bailout bill. On the contrary, the Government officials, if they are worthy of their salt, may insist that in the case of some companies, that as they go into bankruptcy or into chapter XI reorganization, they will have to oversee the requirement that the stock, for example, is not watered, that there is not inefficient management, or that certain creditors take their chances when they do not have the right to rank as high as the guaranteed creditor. That is what we ought to be able to expect, and I would expect it, just as we would expect it of a tough bank officer. The United States can also be a tough lending officer.

The big argument of Mr. Greenspan is that the Government will get into business in terms of running it. What does it do with reference to RFC, the Robinson-Patman Act, the FPC, and a dozen other agencies?

Our duty is to create the conditions to allow those businesses vested with the national interest to go on. And as the lending officer we can impose any requirements that an officer of the First National City Bank or any other large bank could impose. We have a right to do it. I think we would do it under those conditions.

For those reasons, I hope the Senate will vote cloture so that we may proceed to consider and act on the bill.

Mr. PROXMIRE. Mr. President, I yield 9 minutes to the Senator from Connecticut (Mr. Weicker).

Mr. WEICKER. Mr. President, I would like to make a few comments prior to this rather hasty cloture vote.

First, as to the statements of various proponents of the bill that there have been extensive hearings on the bill, this, of course, is not so. I have read these hearings very carefully, and they are almost exclusively devoted to a Lockheed bill. It is all right to say there were other bills that were called up under the same hearings, but the fact is that the questions and responses related to a Lockheed bill, not a generic bill.

Really, the ultimatum that we are confronted here this afternoon emanates from the British Government. I am not trying to arouse any feeling of nationalism here, but it is a fact. It is a fact that is in the committee hearings. I read from page 791 of the hearings:

> ASSURANCE THAT THE TRISTAR PROGRAMME WILL BE COMPLETED
>
> The assistance of the U.S. Government takes the form of the guarantees for which the U.S. Administration is seeking Congressional authority, the amount of $250 million being that which the U.S. Administration expect will be sufficient to assure the continuity of the TriStar project. The British Government understands that before providing such guarantees to Lockheed the U.S. Administration will have taken steps to satisfy themselves that the other requirements for the completion of the project (notably the confirmation of current airline orders) are met.
>
> If the guarantees mentioned above cannot be given by 8 August 1971, the agreement between Lockheed and Rolls Royce for supply of the RB 211, and the British Government's offer of support will not become effective. The parties principally concerned with the RB 211/TriStar project agreed that since the announced date for the beginning of the summer Congressional Recess is 6 August it would be reasonable to expect a decision on the U.S. Administration's proposal to Congress by 8 August.

So it is very clear as to who is setting the date along with Lockheed, and along with the circumstances, in this particular body.

I cannot help but comment—and I am sorry my colleague the senior Senator from New York has left the floor—that the comments he has made have been made in the past by various proponents of the bill. He cites the instances of Government assistance. I point out that, invariably, this has been in the public service field, and, invariably, it has been before, and not after the fact. That is one of the weaknesses of the legislation which we are asked to consider today.

Really, I find it amazing that we hear statements that we can do one thing today and another thing tomorrow. As I recall, at the beginning of my remarks I said I did not want the U.S. Senate to do business like Lockheed, and yet that is exactly what is being proposed here.

There has been a great deal of debate among Members of the Senate in this Chamber on various issues relating to the delegation of authority to the executive branch of the Government. Clearly, this is another instance of that delegation. While we are bemoaning the fact that in the area of foreign relations we should not do that, we are willing to go ahead on the domestic scene and fall into the same trap.

Let us make no mistake about it. This bill is written to cover one business. This particular panel can bring up any loan whatsoever, to anybody, without any congressional review at all, prior to October 1. It is not inconceivable that the SST could be resurrected and moneys used for that purpose prior to October 1, 1971. I see nothing in the nature of the bill which requires that anyone should be exempt once the bill is passed. There are some requirements of other corporations that come to the Government for a loan. So one cannot say this is a generic bill—it is a Lockheed bill.

My colleagues have to cut it one way or the other: It is either a Lockheed bill or a generic bill. It is not a generic bill tailored to the bailout of Lockheed, or at least it should not be.

Now I have an important question to ask my colleagues which I have let go by until today. They have made the statement during the past 4 days that this is not $250 million worth of taxpayers' money, but, rather $250 million in a loan guarantee. I have made the statement that this is $250 million that has to be set aside in case the worst happens; therefore it is taxpayers' money; to which they replied, "But there are other assets of the company, so in any event it could cover $250 million."

Now, here is the question that I ask the proponents of the bill: If the Government has assets of Lockheed as security for the $250 million loan, will not the Government do everything in its power to secure those assets or increase their value, in order to protect the $250 million; and therefore, does not the Government have an interest in seeing that Lockheed gets business at the expense of Lockheed's competitors in other fields?

If the proponents of this bill—and they have made this point clear—say this is not taxpayers' money, it is a loan guarantee secured by the assets of Lockheed—and here is where the argument of the junior Senator from New York and those of us who agree with him comes to the fore—the U.S. Government would have a proprietary interest in Lockheed, and would have to go ahead, or could go ahead, and would be motivated or moved—should be moved, as a principal creditor—to protect or increase the assets of Lockheed, and therefore the U.S. Government would have a favored position vis-a-vis Lockheed as opposed to other contractors.

This is the reason why I ask my colleagues to take a long, hard look today before they move in that direction. The consequences are not just bailing out a corporation. Inherent in this bill is some of the greatest political power we have seen in any legislation presented to the U.S. Senate. The power, up until October 1, would be totally outside the legislative branch of the Government. After that date, it would still sit, in a primary way, with the executive branch of the Government.

Let the market be free, certainly as far as commercial products are concerned. This body understands its obligations to the Nation as a whole in the area of public service; but once the private sector is entered upon, as is being proposed here, there is no turning back; and the very failing of which we have accused ourselves over the past several years—that fault, in other words, of delegating power outside the legislative branch of the Government—will have been enhanced.

I should be very glad to have any of the proponents of this legislation respond to what is a genuine question as to whether or not, on the basis of this action, the U.S. Government would thus acquire such an interest in Lockheed that it is to the benefit of the U.S. Government to see that the assets in no way diminish and are, if possible, increased.

Mr. PERCY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY. Mr. President, will the Senator from Wisconsin yield me 2 minutes?

Mr. PROXMIRE. I yield 2 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I intend to vote for cloture today because I wish to see this matter brought to a head at the earliest possible time, believing time is of the essence. But I would not want any inference to be drawn from that vote that I have made up my mind to support the bill.

I can understand the arguments made by the proponents of the measure. I should like to study them as closely as I can, and would like to hear from the Senator from Texas of the ripple effect—that is, the net number of employees who would be released, if there should be a bankruptcy of Lockheed. I should like to study the whole issue a little bit more.

I think there may be some relationship between what we did in the case of Penn Central and this case. But I have serious concerns about this precedent, because I do deeply believe in the discipline of the marketplace, with which we are certainly interfering.

If this is an economically sound loan, I cannot see why the banks cannot go a little bit farther to help Lockheed stay in business a little longer, and get their own investments back.

There is an important difference between this and the Penn Central situation. I said just before that vote that I felt as though I were on a slippery road, the end of which I could not see. But in that situation, at least, we were confronted with a case in which if Penn Central could not operate——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY. May I have 30 seconds?

Mr. PROXMIRE. Yes.

Mr. PERCY. American transportation in a large part of the country would have been interfered with.

That is not the case in this instance. We had then a case in which the company certainly was in receivership, and this was the only alternative we had.

In this case, I think we need 2 or 3 hard days of debate to help clarify the matter, but I hope the Senate will bite the bullet and come to a decision on this issue at the earliest possible time.

Mr. PROXMIRE. I yield myself 6 minutes.

Mr. President, the motion to kill off debate on the Lockheed bailout bill after only 3 days is another example of the red carpet treatment being given the Lockheed company by the Congress.

More debate is needed on the Lockheed bill. The bill before the Senate goes way beyond the administration's original proposal to assist Lockheed with a $250 million loan guarantee.

The Senate bill authorizes $2 billion in guarantee authority—or eight times the administration request. It will permit eight or 10 giant corporate bailouts over the next 2½ years.

What the bill really says is that the Federal Government will not permit big business firms to fail. Such a program can destroy our free enterprise system. At the very least, it will have a profound and far-reaching effect on our economy. And yet we are being asked to vote on such an unprecedented proposal after only 3 days of debate. The Secretary of Defense and the Under Secretary of Defense are opposed to the pending bill and the Secretary admits there is a difference within the administration.

Anyone who takes the time to read the hearings, which incidentally, were not even distributed during the first day of debate, will find that at least 95 percent of the testimony was taken up with the Lockheed case. And yet we are being asked to vote on a sweeping, hastily contrived, vaguely drafted bill which surrenders $2 billion in guarantee authority to the Treasury and the Federal Reserve System. And the reason we are being asked to vote with such unprecedented haste is that Lockheed needs the money by August 8.

Mr. President, the backers of the Emergency Loan Guarantee bill cannot have it both ways. If they want to pass a general guarantee bill after only a very limited hearing record, they should be willing to debate the bill before the Senate and the American people. If this is really a general bill, we should not let the situation of only one company determine our schedule. The proposed loan guarantee for Lockheed is only one-eighth of the total guarantee authority.

On the other hand, if this is really a Lockheed only bill, the proponents of the Lockheed bailout should stop hiding behind the facade of a general bill. They should admit to the Senate and the American people that they are really concerned about saving Lockheed first and only incidentally about passing a general bill. Let the backers of the general bill, S. 2308, move to susbtitute the original administration bill, S. 1891, which applies only to Lockheed.

If we were debating just the Lockheed bill, I believe we could come to a much quicker decision. But since the Lockheed proponents chose to expand the Lockheed bill into a generic bill, they have no one to blame but themselves for expanding the amount of debate required by the Senate.

Because some of us in the Senate have sought to discuss the general bill in some detail, we are accused of mounting a filibuster. This charge is absolutely false. I categorically deny it. A filibuster, in the classic sense of the term is an attempt by a minority of Senators to kill legislation by endless debate. That is not my intention. As far as I am concerned, I will make no attempt to prevent the Senate from voting on S. 2308 as soon as the issue has been adequately debated.

We need more debate on the bill in order to counteract the effect of the Lockheed lobby. Members of Congress have been subject to overwhelming pressure from the powerful Lockheed lobby including the company itself, the Treasury, the banks, the airlines, the subcontractors, and certain labor unions. The only chance of educating the Senate and the American public about the Lockheed giveaway is through extensive debate. Why are the proponents of a Lockheed bailout so anxious to kill off this debate? Are they fearful that an informed and outraged public opinion will cause the Senate to reject their cause? Are they so lacking in confidence in their measure that they are afraid to subject it to the spotlight of national publicity?

We are told we need to act by a certain date or otherwise Lockheed will run out of cash, or that the airlines will cancel their orders, or that the British Government will pull out of the deal. Mr. President, who are these outside organizations? What right do they have to tell the Senate how to conduct its business? What right does the chairman of the board of Lockheed have to attack this Senator for wanting to discuss the bill? What right does he have to demand Senate action by a certain date?

He is the one who needs the guarantee—not us. If the chairman of the board of Lockheed behaved that way to his commercial bankers, he would undoubtedly be tossed out on his ear. Is the dignity of the U.S. Senate any less?

There is no arbitrary or fixed deadline for giving aid to Lockheed. If the Senate wants to take a few days or weeks to debate the proposed legislation, that is our business. If Lockheed is in danger of running out of cash, let them apply to the banks for a temporary loan.

As we proceed to consider this legislation keep one thing in mind. If the Lockheed Co. is so shaky that it will fall apart if aid is not rendered by a certain day, then we certainly should not guarantee the loan. If the banks, the airlines, and the British Government are so lacking in confidence in the future of Lockheed that they are unwilling to wait a few days or weeks for Congress to complete an orderly debate on the legislation, then the U.S. Government certainly has no business guaranteeing the loan. If the company is that bad, we should not risk the taxpayers' money on it.

Mr. President, the dignity of the U.S. Senate is on trial. Are we going to permit a large and powerful corporation to dictate our procedures? Are we going to jump like spineless errand boys whenever the rich and powerful snap their fingers? Are we going to let the chairman of the board of Lockheed tell us how long we have to debate a bill?

Mr. President, it will be a sad day for the dignity of the U.S. Senate if this cloture motion is approved. It will be a serious departure from the traditions of the U.S. Senate.

Also, Mr. President, for some strange reason, whenever human rights are involved, the Senate can afford to debate at length before cloture is proposed. But whenever the welfare of a fat-cat corporation is at stake, the Senate is asked to proceed with uncommon haste. Indeed, some Members of the Senate who have traditionally and consistently voted against cloture on civil rights bills are in the forefront demanding cloture on a bill to help big business after only 3 days of debate.

The history of civil rights legislation shows considerable debate before cloture is even attempted. For example, before the first vote on cloture took place, the 1960 civil rights act was debated 20 days; the 1962 civil rights bill involving literacy tests was debated 11 days; the 1964 civil rights act was debated 55 days; the 1965 voting rights act was debated 24 days; the 1968 open housing bill was debated 19 days.

These five civil rights bills were debated an average of 26 days before the initial cloture vote occurred. However, legislation to assist big business can only be debated 3 days before cloture is attempted. There seems to be one standard for human rights and another standard for big business rights.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. TOWERS. I yield 2 minutes to the Senator from Tennessee.

Mr. BROCK. Mr. President, I recall back in my childhood that when one would try to get the better of an argument, oftentimes he would invoke demons, hobgoblins, and ghouls, in an effort to frighten the opposition. I am beginning to marvel at the ability of our modern vernacular to suggest the presence of new hobgoblins on the American scene—giant corporate bailouts.

Some people say, "Well, you cannot do anything because you are under pressure from enormous corporate octopuses who have a handle on the entire United States."

What a question to ask of this body, as to whether or not there is that kind of pressure. I have felt no pressure. I have had no visits, no phone calls. I sat through extensive hearings, and I came to a conclusion. My conclusion was not that some giant corporation needed help. My conclusion was that 30,000 employees were jeopardized, not by their own actions, not by the actions of their management, but by the actions of the U.S. Government whose "procurement contracts" policy cost that corporation some $200 or $300 million. It was a situation over which Lockheed's employees had no control and which jeopardized the entire structure of the corporation—both those parts which were working on the defense contracts and those which were not.

I wonder whether people really are so concerned about corporate giants that they are concerned about what kind of giant would develop if we do not recognize the Federal Government's responsibility when we create that kind of situation.

The market for this plane in the next 10 years probably will amount to 1,000 planes. Multiplying that by $20 million a plane makes a total of $20 billion. The action of this body could eliminate the ability of one of the only two competitors in this country to supply that market.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TOWER. I yield 1 additional minute to the Senator.

Mr. BROCK. Are we going to say that we are going to create probably the largest corporate monopoly in the world by our action today, by refusing to recognize past mistakes? That is what could happen if that contract is assigned to one company.

What about the little people and the big people? How big are the pipefitters, the steamfitters, and the others who work for the Lockheed Corp.? They are not corporate giants. They are human beings with families, and they have to pay for their automobiles and their homes. These are the people I am concerned about, and I think we should be discussing them and not throwing out the shibboleths of giant corporate octupuses and the rest.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. I yield myself such time as is necessary.

Mr. President, it has been claimed that there would be little employment loss if Lockheed were to fail. As a matter of fact, it has been suggested that it would be good for the economy and good for the job situation in this country if Lockheed were to go under.

Some 30,000 employees of Lockheed and its suppliers were involved in the L-1011 project alone in January, of which some 14,000 have been laid off. If the company fails, these 30,000 workers will be unemployed.

It is reasonable to assume that a multiplier of 2 will reflect the impact of this direct employment loss on the economy, resulting in a total job loss of 60,000 if Lockheed should fail.

It is argued that only 6,000 or 7,000 people are actually working on the project now, and that the total job losses will be only 10,000 or 11,000. This simply is not so.

The current number employed on the project is around 16,000, because about 14,000 have been laid off. Those who have been laid off still have their jobs at stake in this project, and are properly considered part of the employment loss from a Lockheed failure.

The opposition argument assumed that the Lockheed direct-labor hour figures for 1 week should be divided by 40 hours to determine the employment involved. In fact, the number of direct hours per week spent working on the L-1011 by an employee is 35½ hours. This makes the direct labor involved at Lockheed some 7,500 people, and the indirect labor hours amount to around 2,500 more jobs. The total is then 10,000 jobs right now at Lockheed—with around 7,000 laid off—and 6,000 jobs at suppliers—with around 7,000 laid off. This means 30,000 jobs directly involved in the economy, and another 30,000 jobs indirectly at stake.

Mr. President, we have been debating this measure for 5 days now. We started Wednesday; we debated Wednesday, Thursday, Friday, and in an unusual Saturday session, and now today.

We have had much less debate on much important legislation in Congress that has involved the expenditure not just of paltry amounts but of billions of dollars, in far-reaching and complicated Federal programs in which money has come directly out of the taxpayer's pocket. We have debated far less in such measures, in many instances, than we are debating on this matter.

This is not a difficult matter to understand. There have been hearings; there is testimony. A voluminous record has been made on the floor of the Senate during the past 5 days, and I think everybody is pretty well informed on this issue now.

Of course, it is urgent because these jobs are at stake. The President of the United States has recognized the urgency and has urged Congress to enact this legislation with all deliberate speed and, in any event, before the August recess.

The PRESIDING OFFICER. The time of the Senator has expired.

SENATOR RANDOLPH BELIEVES S. 2308 NEEDS FURTHER DEBATE

Mr. RANDOLPH. Mr. President, I shall vote against the pending cloture motion to limit debate on S. 2308, the proposed Emergency Loan Guarantee Act.

Although I have consistently opposed so-called filibusters on any issue and have advocated liberalization of rule XXII, I also firmly believe that Senators should have a reasonable amount of time for debate and discussion of pending legislation.

The record will reflect that of the 32 cloture votes since my entry into the Senate, I have voted against cloture only one time. Clearly, each Senator must make his own decision on what constitutes a "reasonable amount of time" and what constitutes a filibuster. It is my belief that we have not had sufficient time to consider the pending measure which involves a basic national policy decision. I do not believe that the Senate has entered into that phase of discussion which would be termed a filibuster. Those Senators who wish to speak on this issue should be provided additional opportunity.

I emphasize, Mr. President, that my vote on the cloture motion today does not reflect a position for or against the pending measure. It is strictly a vote on the question of whether Senators have had a "reasonable amount of time" to consider the issue.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

QUORUM CALL

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROTH). Without objection, it is so ordered.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. TOWER. What is the parliamentary situation?

CLOTURE MOTION

The PRESIDING OFFICER (Mr. ROTH). The hour of 3 o'clock having arrived, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

Before the clerk commences reading, the Chair would ask for order in the Senate.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

John Tower, Hugh Scott, Robert Dole, Wallace Bennett, Alan Cranston, Jacob Javits.

Richard Schweiker, Charles Percy, John Tunney, Marlow W. Cook, Charles Mathias.

Bill Brock, Gordon Allott, William Saxbe David Gambrell, Howard Baker.

CALL OF THE ROLL

The PRESIDING OFFICER (Mr. ROTH). Under rule XXII, the Chair directs that the clerk call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 162 Leg.]

Aiken
Allen
Allott
Anderson
Baker
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Boggs
Brock
Brooke
Buckley
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Case
Chiles
Church
Cook
Cooper
Cotton
Cranston
Curtis
Dominick
Eagleton
Ellender
Ervin
Fannin
Fong
Fulbright
Gambrell
Goldwater
Gravel
Griffin
Gurney
Hansen
Harris
Hart
Hartke
Hatfield
Hollings
Hughes
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Metcalf
Miller
Mondale
Montoya
Nelson
Packwood
Pastore
Pearson
Percy
Prouty
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Scott
Smith
Sparkman
Spong
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. BYRD of West Virginia. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. McGOVERN), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. DOLE) is necessarily absent.

The Senator from Nebraska (Mr. HRUSKA) is absent because of death in his family.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The PRESIDING OFFICER (Mr. ROTH). A quorum is present.

VOTE

The PRESIDING OFFICER. Pursuant to rule XXII, a rollcall has been had, and a quorum is present.

The question before the Senate now is, Is it the sense of the Senate that debate on the pending bill, S. 2308, to authorize emergency loan guarantees to major business enterprises, shall be brought to a close?

The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from Minnesota (Mr. Humphrey), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. Muskie), and the Senator from Rhode Island (Mr. Pell) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Inouye) is absent on official business.

On this vote, the Senator from South Dakota (Mr. McGovern) is paired with the Senators from Kansas (Mr. Dole) and Nebraska (Mr. Hruska).

If present and voting, the Senator from South Dakota would vote "nay" and the Senators from Kansas and Nebraska would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. Dole) is necessarily absent.

The Senator from Nebraska (Mr. Hruska) is absent because of death in his family.

The Senator from South Dakota (Mr. Mundt) is absent because of illness.

The Senator from Kansas (Mr. Dole) and the Senator from Nebraska (Mr. Hruska) are paired with the Senator from South Dakota (Mr. McGovern). If present and voting, the Senator from Kansas and the Senator for Nebraska would each vote "yea" and the Senator for South Dakota would vote "nay."

The yeas and nays resulted—yeas 42, nays 47, as follows:

[No. 163 Leg.]

YEAS—42

Allott
Anderson
Baker
Beall
Bellmon
Bennett
Bentsen
Brock
Cook
Cooper
Cotton
Cranston
Curtis
Dominick
Fannin
Fong
Gambrell
Goldwater
Griffin
Gurney
Hansen
Hollings
Jackson
Javits
Magnuson
Mathias
McGee
Miller
Montoya
Packwood
Percy
Ribicoff
Saxbe
Schweiker
Scott
Smith
Sparkman
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—47

Aiken
Allen
Bayh
Bible
Boggs
Brooke
Buckley
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Case
Chiles
Church
Eagleton
Ellender
Ervin
Fulbright
Gravel
Harris
Hart
Hartke
Hatfield
Hughes
Jordan, N.C.
Jordan, Idaho
Kennedy
Mansfield
McClellan
McIntyre
Metcalf
Mondale
Nelson
Pastore
Pearson
Prouty
Proxmire
Randolph
Roth
Spong
Stennis
Stevens
Stevenson
Symington
Taft
Weicker
Williams

NOT VOTING—11

Dole
Eastland
Hruska
Humphrey
Inouye
Long
McGovern
Moss
Mundt
Muskie
Pell

The PRESIDING OFFICER (Mr. Roth). On this vote the yeas are 42 and the nays are 47. Two-thirds of the Senators present and voting not having voted in the affirmative, the motion is rejected.

THE LOCKHEED LOAN GUARANTEE

Mr. PEARSON. Mr. President, in order to promote economic development generally, and to provide opportunity for corporations and individuals in particular, the Government has created a massive program of loans and loan guarantees. As of June 30, 1971, the Federal Government had $54 billion in direct loans outstanding. Government guaranteed and insured loans totalled $137 billion. Thus Federal loans and guarantees outstanding today exceed $190 billion.

Housing loans and guarantees by the Federal Housing Administration and the Veterans' Administration account for 62 percent of all U.S. credit programs. The remaining U.S. credit flows to many groups, from college students to ghetto businessmen, from farm electric cooperatives to foreign nations.

Federally guaranteed loans and direct Federal loans have increased in dollar volume by more than 100 percent in the past decade alone.

The farm credit system has saved the family farmer. Without Federal farm credit, I am convinced the United States today would have a national system of collective farms, owned by huge conglomerates and operated in a manner comparable to the Soviet collectives.

FEDERAL LOANS AND GUARANTEES TO MAJOR ENTERPRISES

Because credit assistance to home buyers, small businessmen and farmers is so prevalent, it is often forgotten that the Federal Government consistently extends credit or loan guarantees to major industrial enterprises. The Reconstruction Finance Corporation, for example, extended more than $2 billion in credit, in direct loans, and 362 of these loans were in an amount in excess of $1 million. During the depression, the RFC salvaged many railway corporations whose survival was important to economic recovery. Steel companies received loans from the RFC as well.

Not only did the RFC salvage much of America's primary industry, but it made money in the process. The RFC, from date of incorporation to June 30, 1957, had an adjusted net income of $333.7 million, derived from interest and dividends earned on loans and securities of more than $1.44 billion.

In more recent times, the so-called V-loan program of the U.S. Government has extended more than 30 loans to major defense suppliers, in amounts exceeding $20 million per loan, between 1951 and January 30, 1968.

These V-loans include a loan to Douglas Aircraft Co. for $75 million, made on January 5, 1967. I note parenthetically that Douglas is the sole competitor of Lockheed in developing the so-called commercial air bus for the airlines. The Lockheed Corp., this Nation's largest defense supplier, has never received a V-loan in an amount exceeding $20 million.

Most recently, the United States has extended $100 million in guarantees to the Penn Central Corp. in an effort to maintain service along the Atlantic Seaboard, our Nation's most populous corridor. Loan guarantees to private enterprise are an established method of promoting the public interest, and assisting entities of importance to the national economy.

THE LOCKHEED LOAN GUARANTEE

Mr. President, the Senate has before it legislation which would authorize the United States to guarantee loans to the Lockheed Corp. in an aggregate amount not to exceed $250 million.

I support this legislation, and urge its adoption by the Congress.

Much more is involved than the survival of Lockheed. During hearings on the pending bill, administration witnesses testified that they are not concerned about the job security of Lockheed's management team. Nor is the administration concerned about potential losses which Lockheed stockholders might suffer if the company fails. This Government is not in business to salvage imprudent stock market investments.

The Congress and the administration do, however, have a responsibility to promote the economic well-being of the Nation. If passed, the loan guarantee legislation before Congress will help the economy, protect jobs, and maintain intact an important defense and aerospace production team. The loan guarantee, moreover, will involve minimal risks for the Government.

THE TRI-STAR PROGRAM

Lockheed and McDonnell Douglas are currently engaged in competition to develop and market an intermediate range, wide-bodied air bus, to complement Boeing's development of the long-range 747. Lockheed is developing the L–1011 Tri-Star, and McDonnell Douglas is developing the DC–10. Both ventures are international, in a sense, because the Tri-Star will utilize an engine manufactured in England, and the DC–10 will utilize components of the wing manufactured in Canada.

Due to the advanced state of the Tri-Star program, an estimated $350 million inventory investment is held by suppliers and subcontractors. This inventory would approach worthlessness if the Tri-Star program is scrapped for lack of financing. Many subcontractors throughout the Nation would face serious financial losses, job losses, and perhaps bankruptcy.

Lockheed has "firm orders" for more the 100 Tri-Star units, and the airlines have advanced $240 million to the firm. TWA, Eastern, and Delta would be hard hit if Lockheed, under the management of a trustee in bankruptcy, is not able to continue development and production.

The direct suppliers to and subcontractors of Lockheed with respect to the Tri-Star program have current commitments for 181 aircraft sets of materials for Tri-Star manufacture. These commitments involve $738.5 million. The number of these suppliers and subcontractors exceeds 150, including 24 suppliers whose involvement exceeds $4 million.

The current Lockheed Tri-Star program contemplates the production of 220 aircraft with total anticipated sales of 170 aircraft scheduled out by the end of 1977. Market studies have shown a free world airline need by 1980 of 775 wide body jet aircraft in the medium range category—and Lockheed expects to capture between 35 and 40 percent of this market.

Because of reasonably good sales prospects for Lockheed's Tri-Star program, a consortium of 24 banks has loaned the company $400 million to date. The banks will not extend further credit without Federal guarantees. With Federal guarantees, the banks will extend an additional $250 million to the company.

If the Tri-Star program is successful, the banks will be repaid the $400 million they have loaned already, along with the $250 million in loans to be backed up by Federal guarantees. If the Tri-Star program is not successful and Lockheed is forced into receivership, the United States will have first lien on Lockheed's assets—sufficient to cover the United States' risk in the venture.

There are between 30,000 and 60,000 U.S. jobs which depend upon continuation of the Tri-Star program. If the United States does not guarantee these loans in an amount not to exceed $250 million, Lockheed will enter bankruptcy proceedings and these jobs will be in jeopardy. Without loan guarantees, there is no assurance the trustee in bankruptcy will continue the Tri-Star program. With the loan guarantees, it appears that Lockheed and its subcontractors will have a fair chance of proceeding successfully to a profitable conclusion.

WHY IS LOCKHEED INSOLVENT?

Mr. President, Lockheed is in precarious financial conditon because of difficulties encountered on four defense contracts: Navy shipbuilding, the SRAM missile, the Cheyenne helicopter and the C–5A. As a penalty for poor management, really, the Department of Defense imposed upon Lockheed a loss of $200 million on the C–5A program alone. Lockheed has an obligation to repay to the United States $100 million in advance payments made on the C–5A, with repayment to begin in 1974.

It seems clear that Lockheed cannot repay the $100 million to the Treasury if the company is dissolved in bankruptcy proceedings.

Under Secretary of Defense David Packard testified that Lockheed would not require Federal loan guarantees today if, earlier this year, DOD had settled on the C–5A in a manner more favorable to the company.

Within hours after Lockheed settled with the Department of Defense, Rolls-Royce in Britain went bankrupt. Under the applicable bankruptcy laws, Rolls-Royce's trustee was authorized to renegotiate for higher delivery prices on the RB–211 engine for the Tri-Star program.

Lockheed cannot be blamed, in my opinion, for the adverse effects of the wholly unexpected Rolls-Royce bankruptcy.

SUMMARY

Mr. President, if the United States does not guarantee the Lockheed loan:

The United States will lose $100 million in C–5A repayments;

The airlines will lose about $240 million in advances on Tri-Star;

Lockheed suppliers will lose an estimated $350 million;

The banks will lose about $300 of $400 million in credit already extended on the Tri-Star program;

About 60,000 U.S. jobs will be jeopardized in the depressed aerospace industry.

If the United States guarantees the loan, and Tri-Star is a successful program, no one will lose and the United States will be compensated by Lockheed for administrative expenses.

If the United States guarantees the loan, but Tri-Star fails and Lockheed goes under, the United States will be required to accept the assets of the corporation as priority lien holder. There could be small losses to the Treasury, in the event that Lockheed assets could not cover the $250 million in guarantees.

Mr. President, the precedent for Federal guarantees to important segments of the economy, whether it be the railroads or medical students or homeowners or farmers, is well established. It would be foolhardy indeed, for the Congress to ignore callously the commitment, approaching $1.4 billion, which citizens have made in Tri-Star. It would be foolhardy to ignore the potential job losses in aerospace.

Because the risk to the Government is minimal, I support the Lockheed loan guarantee. Such a guarantee is in the national interest.

Mr. TOWER obtained the floor.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Pennsylvania for a question.

PROGRAM

Mr. SCOTT. Mr. President, I should like to ask the distinguished majority leader if he will advise us as to the schedule from now on.

Mr. MANSFIELD. Yes, indeed. I am delighted that the distinguished minority leader has raised that question because, as the Senator is aware, we are now operating on a two-track system of procedure, with the pending business and S. 382, the election reform bill, both eligible for consideration.

It is anticipated that perhaps tomorrow we will take up the sugar bill, which takes some debate, to be followed by the public works and HEW appropriation bills.

There will be a session on Saturday, and it is almost certain there will be at least one rollcall vote on Saturday.

That is the situation as I see it now. If anything further develops, I will, of course, consult with my distinguished counterpart.

Mr. SCOTT. Mr. President, if I may pursue that for one moment, will the distinguished majority leader, in view of the recent vote, and the fact that we will be continuing on this bill each day, tell us if he has any plans for a session on Sunday, with time out for church?

Mr. MANSFIELD. Well, I had not thought about it, but I will give it some consideration if the Senator is serious.

Mr. SCOTT. I thank the majority leader.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. PASTORE. When does the Senator expect us to continue with S. 382?

Mr. MANSFIELD. At an appropriate time, and I will discuss it with the distinguished Senator before proceeding.

Mr. PASTORE. But nothing will occur on that today?

Mr. MANSFIELD. Not today.

ORDER FOR ADJOURNMENT UNTIL 10 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

CLOTURE MOTION

Mr. TOWER. Mr. President, pursuant to rule XXII of the Standing Rules of the Senate, I send to the desk a cloture motion with the requisite number of signatures.

The PRESIDING OFFICER. The cloture motion having been submitted, the clerk is directed to read it to the Senate.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises:

John Tower, Alan Cranston, Robert Griffin, Hugh Scott, Glenn Beall, John Tunney.

Jacob Javits, Henry Bellmon, Charles Mathias, Marlow W. Cook, Bill Brock, David Gambrell.

Henry Jackson, Charles Percy, Howard Baker, Wallace Bennett, Richard Schweiker, Clifford Hansen.

Mr. TOWER. Mr. President, I think Senators had better be advised that it is conceivable that there could be a vote this afternoon on an amendment. I cannot say that as a certainty, but I must mention that possibility just in case.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HANSEN. Mr. President, I ask

unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that I may be included in the list of signers of the cloture motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMENDATION OF MAYOR WALTER WASHINGTON FOR CITY'S DECLINING CRIME RATE

Mr. THURMOND. Mr. President, I rise today to pay tribute to Mayor Walter Washington of Washington, D.C., for achievements which have contributed to a decrease in the city's crime rate. Recent reports show that the crime rate in Washington went down by 18.7 percent for fiscal year 1971. This marks the first significant decrease in crime in the District over the past several years.

Mr. President, improved city conditions do not just happen—they are the results of hard administrative work, and Mayor Washington has demonstrated his willingness and ability to strive toward a better city. He has recognized the need for a larger police force in combating the serious crime problem. The force now numbers 5,100, nearly twice the size it was a short time ago.

Efficient police forces do not just happen—they result when there is capable leadership. Mayor Washington and Chief Jerry Wilson have provided such leadership, and we saw the fruits when the May Day riots were handled with the right amount of restraint and force resulting in a minimum loss of property and a quick restoration of law and order.

I note that the Mayor and some members of the city council have praised Chief Wilson and the police force for the encouraging dip in crime. While I concur in this praise, I wish to single out Mayor Washington, as the city's chief executive, for the role he has played.

The Mayor has contributed through his influence and initiative to several factors which have helped the police deal with crime. They include the city's narcotics treatment program, better lighting of downtown streets, improved mobilization of policemen, a modernized police communications network, and a number of other programs designed to improve relations between the people and law enforcement agencies.

The recent purchase of three helicopters for the District police shows a keen determination to employ the most effective means possible to the war on crime.

Mr. President, I commend Mayor Washington for his leadership in a very difficult situation. It is my hope that his able administration will result in even further reductions in the District of Columbia crime rate.

APPLICATION OF SCHOOL LAWS IN NORTHERN AND SOUTHERN CITIES

Mr. THURMOND. Mr. President, an outstanding series of articles has been prepared by three staff members of the State newspaper of Columbia, S.C. It concerned their in-depth investigation of the respective application of the law to school districts in the North as opposed to those in the South.

These three reporters, Mr. Kent Krell, Mr. Lee Bandy, and Miss Levona Page, visited school districts in Dayton, Ohio; Rochester, N.Y.; Trenton, N.J.; Buffalo, N.Y.; and Columbus, Ohio. Their mission was to answer such questions as: How much have these typical northern cities desegregated their schools? To what extent does the Federal Government enforce desegregation in the North? How do school officials, teachers, parents, and students feel?

Their findings were published in a six-part series in the State July 14 through July 19, 1971, in addition to an interview with Mr. Stanley Pottinger, director of the Civil Rights Division of the Department of Health, Education, and Welfare. I recommend this material to the attention of my colleagues.

Mr. President, the school population of Columbia, S.C., totals 38,000 students. Of this number, 19,400 are black; 18,600, or 49 percent, are white. Current statistics on the schools in Columbia, compiled in this newspaper series, indicate that 53 percent of the black students are now enrolled in schools that are predominantly black—that is, with enrollments more than 80 percent black.

Their statistics also show that in Rochester, N.Y., 40 percent of the students are black, and 44.2 percent of them are in predominantly black schools. In Dayton, Ohio, 41 percent of the students are black, and 77.8 percent of them are in schools that are more than 80 percent black. In Trenton, N.J., 70 percent of the students are black and almost all of them are enrolled in predominantly black schools. In Buffalo, N.Y., the black students comprise 41 percent, and 50.7 percent of them are in predominantly black schools. In Columbus, Ohio, only 26.9 percent of the total student population are black, but 53 percent of them go to schools that are more than 80 percent black.

There are conditions that exist today. They exist in the North well after districts in the South have been forced to achieve a racial balance suitable to the courts and Federal administrators.

Why have the courts not moved against the northern-style segregation? The answer, they tell us, is that segregation in the North is de facto, and segregation in the South is de jure. De facto segregation is that separation of the races that occurs as the result of private decisions, such as housing patterns in a neighborhood. De jure segregation, on the other hand, is that separation of the races that results from official action, such as State law or school board action.

Mr. Pottinger said in the interview that the courts have not given HEW a mandate to deal with de facto segregation—only with de jure segregation. This, he says, is why segregation in the North is still tolerated.

What escapes me, Mr. President, is how HEW, the courts, or anyone else can say that de jure segregation still exists in the South. Practically all of the 4,380 school districts in the South have been found in compliance with HEW guidelines in the past year—yet new regulations, such as busing laws, are going into effect this year in the South in order to achieve an even greater racial balance.

Apparently, it does not matter that segregation in the South results from housing patterns, or from private decisions of black and white parents. It must be that any segregation occurring below the Mason-Dixon line is automatically de jure. Such a situation is preposterous, Mr. President, and it is time some judicial balance was brought to bear on the problem. The time is long overdue for the South to be treated like the rest of the Nation.

I ask unanimous consent that the articles by Mr. Krell, Mr. Bandy, and Miss Page, along with the in-depth interview with Mr. Pottinger, all of which appeared in The State, Columbia, S.C., July 14–19, 1971, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the State (Columbia, S.C.), July 14, 1971]

SCHOOL INTEGRATION: A DOUBLE STANDARD? DE JURE, DE FACTO—TWO SETS OF RULES

(By Kent Krell)

(NOTE: *How much have cities above the Mason-Dixon line desegregated their schools? To find the answers, The State sent a three-reporter team to ask wide-ranging questions: To what extent does the federal government enforce desegregation? How do school officials, teachers, parents and students feel? This first package of a six-part series was written by special assignments writer Kent Krell and Washington bureau chief Lee Bandy.*)

Roosevelt High School, a solid brick structure built in 1903, lends an air of sturdy, scholarly isolation to the seedy inner city of Dayton, Ohio.

The big building sits back off West 3rd Street at the end of block after relentless block of shoeshine parlors, bars and shabby storefronts, many of them festooned with cryptic and often crude stickers, reflective of black militancy.

One apparently lifeless store proclaims itself the headquarters of "The National Committee to Combat Fascism."

Roosevelt High symbolizes a legal and sociological paradox which has become a source of puzzlement, frustraton, resentment and outright annoyance to many Americans above and below The Mason-Dixon line.

Schools like Roosevelt High in Dayton, East High in Buffalo, N.Y., and George Mather Forbes Elementary in Rochester, N.Y., are the black embodiment of so-called de facto segregation. Their student bodies are almost totally Negro.

Contrarily, South Park High in Buffalo and Northland High in Columbus, Ohio, are the white embodiment of de facto segregation.

Since May 17, 1954, when the U.S. Supreme Court ruled segregation in the public schools a violation of the Constitution, federal authorities have pursued a zealous assault on so-called de jure segregation in the South. The target was clearly state laws which forbade mixing of the races in the public schools.

The historic ruling on de jure segregation directly involved schools in South Carolina, Kansas, Virginia, Delaware and the District of Columbia. Seventeen other southern or border states with segregation laws were involved indirectly. Their defense was largely built around a 1896 Supreme Court ruling which upheld the constitutionality of "separate but equal" schools for whites and Negroes.

Now civil rights activists and the U.S. Department of Health, Education and Welfare (HEW) are scrutinizing de facto segregation in the North. This is a situation where housing patterns in a neighborhood have brought about virtual isolation of the races in the area's schools.

Last month, HEW released the results of a nationwide survey which showed that public school integration in the South has increased dramatically in the past two years.

At the same time, the survey showed that school integration in many Northern metropolitan areas has declined significantly.

According to HEW, the percentage of black students in the U.S. attending majority white schools increased from 23 per cent in the fall of 1968 to 33 per cent in the fall of 1970. HEW attributed the increase almost wholly to the increase of integration in the South.

Is the law as applied differently to de jure and de facto school segregation in the North and South fair and justified?

One of the first to raise the question in a public forum and pique the national conscience was liberal U.S. Sen. Abraham Ribicoff, D-Conn., a former HEW secretary under the Kennedy administration.

Last year in a strange political mating, Ribicoff joined with Southern conservatives in the Senate to suggest that the federal government was applying a double standard in its enforcement of desegregation edicts.

A recent survey by The State of five Northern school districts reflected a variety of responses with respect to the validity and morality of school segregation in those areas.

Civil rights spokesmen and some educators in Trenton, N.J., Dayton and Columbus, Ohio, and Rochester and Buffalo, N.Y., said de jure and de facto segregation were equally injurious and should be attacked as co-evils.

On the other hand, some school officials and others, including some Negroes, defended de facto segregation by advocating the legitimacy of neighborhood schools. Such attitudes were often accompanied by sympathetic expression for the South.

As Mrs. Naomi Finlay, a white mother in Dayton, Ohio, put it: "I do feel for the South. They have been discriminated against when it's come to schools.

"It looks to me the carpetbaggers are back in the guise of HEW."

Many of those who attack apparent de facto segregation actually claim it is merely a subtle form of de jure segregation and hence a palpable violation of the courts.

They point to rulings by local school boards which tend to perpetuate segregation patterns. Specifically, they cite gerrymandered school boundaries along racial lines and restrictive transfer regulations, including the absence of free busing.

De facto segregation exists largely because of the widespread existence of the neighborhood school concept and the autonomy of many local school boards. In recent editorials addressed to the situation, the Dayton, Ohio, News wrote:

"Past boards and administrations have indulged themselves in enough overtly segregation actions to make the system as vulnerable as the Jim Crow schools in the South . . . It would be unfair to exempt the white kids of suburbia . . .

"Countywide school integration would be larger but less socially disruptive than citywide desegregation . . . Face it: We are all lumps in the same cottage cheese. We can't get out of that so we might as well get on with it."

Dr. Charles A. Glatt, director of the Midwest Institute for Equal Educational Opportunities at Ohio State University in Columbus, believes the Supreme Court's recent ruling in the Charlotte, N.C., school case can be applied to de facto segregation in the North. The court said school officials must use all available tools, including gerrymandered districts and perhaps even free transportation to achieve racial balancing.

The high tribunal said federal judges should exercise their powers "to fashion a remedy that will assure a unitary school system."

Speaking through Chief Justice Warren E. Burger, the Supreme Court said neighborhood school zoning is unconstitutional if it does not accomplish desegregation.

"All things being equal, with no history of discrimination, it might well be desirable to assign pupils to schools nearest their homes.

"But all things are not equal in the system that has been deliberately constructed and maintained to enforce racial segregation."

Some Southern school officials and lawyers have objected to their present de jure status, claiming:

—Since HEW has previously declared some districts in compliance with its requirements, they should have achieved at least the status of de facto desegregation, passing from under the de jure umbrella despite the 1971 Charlotte school ruling.

That the de jure concept has an ex post facto or retroactive flavor since enforced segregation had been held legal by the federal courts prior to the 1954 school ruling.

Dr. Glatt contends the legality of de facto segregation in the North will in all probability have to wait on a case dealing specifically with a Northern district and the historical problems peculiar to it.

Dr. Glatt, 43, whose soft, sing-song accent still bears its Louisiana origins, thinks the North may be as much as a decade or longer behind the South in achieving complete desegregation of its schools.

He says the federally-funded Desegregation Institute he heads at OSU is evidence that the government is willing now "to ease" into and face up to the problems of segregation above the Mason-Dixon line.

Philip Rebold, a white civil rights attorney in Dayton, believes that a May 28 ruling by the U.S. 6th Circuit Court of Appeals in Cleveland, Ohio, may hold the answer to school desegregation issues in the North. The appellate court affirmed a district judge's ruling that the Pontiac, Mich., Board of Education was guilty of de jure segregation when it "intentionally utilized the power at their disposal to locate new schools and arrange boundaries in such a way as to perpetuate the pattern of segregation . . ."

One Northern official who is puzzled and irritated by the federal government's approach to school integration is Trenton, N.J., Mayor Arthur J. Holland.

Citing racial tension over school desegregation, Mayor Holland observed:

"I can't understand why HEW (U.S. Department of Health, Education and Welfare) doesn't intervene. Our de facto segregation is a result of more subtle forms of de jure segregation."

Richard Fisher, an executive member of the Buffalo, N.Y., Teachers Association, said HEW would not have to look hard to find examples of de jure segregation in Buffalo. He cited zoning rulings by the local board which have turned schools into one-race institutions.

"I'm probably pragmatic," says Joseph L. Davis, assistant superintendent of Columbus, Ohio, city schools, "but I do think there is a difference between de jure and de facto segregation. One involves the willful act of a duly constituted governmental authority while the other does not."

However, Davis acknowledges the results of de facto and de jure segregation—racial isolation of students—can be the same.

"I favor integrated education by laws and convictions," says Davis, adding that the logistical problems of massive busing from one neighborhood to another can cause "tremendous" fiscal and emotional problems.

Many of those hoping to perpetuate the neighborhood school concept—and, inherently, the characteristics of de facto segregation—cite a 6th Circuit Court of Appeals ruling in a Cincinnati school case.

In essence, the appellate court found that a school board cannot be held responsible for existing housing and economic patterns. In such circumstances, the court said the board is not required to re-arrange school boundary lines, adding:

"We were of the belief that the Constitution prohibited enforced segregation but DID NOT require enforced integration."

Citing the safety factor and travel hazards involved in widespread busing, the court said topographical characteristics, such as rivers and lakes, and man-made barriers, such as railroads, may be taken into account in establishing boundary lines.

The Cincinnati case was appealed to the U.S. Supreme Court, but on May 3, 1971, the court refused to review it.

[From the State (Columbia, S.C.), July 14, 1971]

SEES SOME HYPOCRISY—HEW: WE LACK AUTHORITY

(By Lee Bandy)

WASHINGTON.—Health, Education and Welfare Department officials generally agree with President Nixon that a certain amount of hypocrisy exists in the North in regard to school desegregation. But they also claim they have very little, if any, real authority to deal with it.

Most of the racial isolation outside the South, they say, is caused by de facto segregation resulting from private decisions, housing patterns and other so-called voluntary action.

And thus far, they contend, neither the Supreme Court nor Congress has given HEW a mandate to deal with this form of segregation.

The Senate has consistently rejected efforts in Sen. Abraham Ribicoff, D-Conn., a former HEW secretary under the Kennedy Administration, to treat de facto and de jure segregation alike.

And the high tribunal has shied away from the de facto issue, choosing instead to deal with racial discrimination matters caused by official actions.

However, HEW says it isn't using Congress or the federal courts as a shield to hide behind, or to cover up what some Southerners believe is "inaction" in the North.

Legal action, however, is proceeding in several non-Southern cities. "There is more movement in the North than people generally suspect," said J. Stanley Pottinger, HEW's civil rights director.

He said action is proceeding in several different forms—through state administrative orders (some Northern areas have state-imposed racial balance plans), federal court suits and HEW compliance reviews.

Federal school desegregation suits are pending in four cities: Pasadena, Calif., Waterbury, Conn., Chicago, and Indianapolis, Ind. And HEW compliance reviews or orders have either been completed or are under way in about 60 non-Southern communities.

Some of those include Buffalo, N.Y., Boston, Wichita, Kans., Ferndale, Mich., Omaha, Neb., Dayton, Ohio, and Racine, Wis., which have pockets of racial isolation.

Where discrimination is found as a result of official action—like gerrymandered school disticts or teacher assignments—HEW says it has applied the law in the same manner as it has in the South. But this is because the situation, which previously had been considered de facto, was really found to be de jure.

"The only difference in making the case," Pottinger said, "is that it's easier to find discrimination in the South because it was the law of the land."

The discrimination in the North has been more subtle in that it was never made a part of the public record.

Trenton, N.J., Mayor Arthur J. Holland admitted, "Our de facto segregation is a result of more subtle forms of de jure segregation."

And Pottinger said, this is what makes HEW's job more difficult outside the South, despite the fact that the department has assigned 80 investigators to scour the rest of the country for vestiges of discrimination compared with 52 in Dixie.

"Over a period of time, it's even more difficult to make a case in the North. It's more arduous. It takes many more hours to find a violation," the civil rights director contended.

A black civil rights investigator, who previously was assigned to the South, said, "I find many of the same problems in the North but they call it de facto . . . and consequently it takes twice as long to decide a case."

He claimed that present law "does not reach massive segregation as it is in the North . . . racial isolation is our biggest problem up North, and proving it's a result of official action is not the easiest thing to do."

HEW has targeted 500 school districts where heavy racial isolation exists and efforts are being stepped up in these areas to determine the cause.

Pottinger said that short of a Supreme Court decision on de facto or a mandate from Congress, HEW will only be able to go so far in trying to bring about a better racial balance in some non-Southern cities.

But, he added: "If we had the authority, we would be sorely lacking, in all honesty, if we did not move against the North with the same vigor we have moved in the South."

The hangup came in the distinction between de jure and de facto segregation, Pottinger claimed, while arguing the two are not clearly understood.

"The legal distinctions have led us to discrepancies in results," he said, noting the South is now far ahead of the North in the amount of school desegregation.

"But legally speaking, there's nothing we can do about it," Pottinger complained. He vigorously denied his office has an anti-South bias just because most of its fire has been directed against Dixie. "That simply is not true," the civil rights director declared.

WHEN DOES DE JURE CEASE, DE FACTO START?

When does de jure segregation cease being de jure and become de facto in school districts?

A Department of Health, Education and Welfare spokesman says, "If we accept a district's plan, as far as we're concerned that's the end of their de jure status."

J. Stanley Pottinger, HEW's civil rights director, added that HEW would come back only if the Supreme Court or some other federal body imposed new guidelines.

When Pottinger was first asked the question, he responded in the abstract. He said the end comes when a system has done all it can under the Charlotte-Mecklenburg ruling and has not followed with official action to maintain some racially separate schools.

"But as a practical matter," he continued, "how does anyone know that has happened?"

In the Charlotte busing case, Chief Justice Warren E. Burger wrote that once a system is in full compliance "it does not follow that the communities served by such systems will remain demographically stable, for in a growing, mobile society, few will do so."

Consequently, he continued in the unanimous 9–0 decision, "neither school authorities nor district courts are constitutionally required to make year-by-year adjustments of the racial composition of student bodies once the affirmative duty to desegregate has been accomplished and racial discrimination through official action is eliminated from the system.

"This does not mean that federal courts are without power to deal with future problems; but in the absence of a showing that either the school authorities or some other agency of the state has deliberately attempted to fix or alter demographic patterns to affect the racial composition of the schools, further intervention by a district court should not be necessary."

The apparent inference is if a district's compliance plan is finally approved and no subsequent action is taken to fix or change racial patterns, the system does not have to submit another civil rights proposal even if resegregation results.

[From the Columbia (S.C.) State, July 15, 1971]

ROCHESTER HAS "A DUAL SYSTEM"

(By Levona Page)

(NOTE.—How much have cities above the Mason-Dixon line desegregated their schools? To find the answers, The State sent a three-reporter team to ask wide-ranging questions: To what extent does the federal government enforce desegregation? How do school officials, teachers, parents and students feel? This second of a six-part series is by governmental affairs staff writer Levona Page.)

ROCHESTER, N.Y.—"We have a dual system," says David R. Branch, Rochester school board president.

"The schools in Rochester are segregated because of the government's refusal to do anything about housing and the past refusals of the school board to do anything more about the schools," he explained.

Like most of its northern neighbors, Rochester has seen its schools become more and more black as Southern Negroes migrated to the city and native whites fled to the suburbs.

Branch, a liberal Democrat elected last November, sought to reverse this trend when he led the board in a 3-to-2 adoption this spring of a busing plan designed to achieve a racial balance in most of the district's school this fall.

Shortly after the board's action, Branch's house in an integrated Rochester neighborhood was the target for protesting white parents who cloaked themselves in white sheets and staged a round-the-clock picket for nearly two weeks. White students and parents also picketed the school district headquarters.

The protesters were members of the United Schools Association, a conservative group, then headed by Dr. Louis A. Cerulli, a Rochester surgeon and general practitioner who served on the school board for 10 years and preceded Branch as chairman. Last month, the Democrats nominated Cerulli for a post on city council.

Cerulli contends that the protesters were mavericks from his group and he had advised them against donning the white sheets. But defending their Ku Klux Klan-style garb, he commented, "The sheets can connote certain things to certain people, but don't forget that people also wear white gowns when they graduate from college."

The black community, which was pushing desegregation efforts a year ago, has now withdrawn support and is contending that "a black child doesn't have to sit next to a white child to get a good education."

"I don't know what brought about the change," said Mrs. Virginia M. Washington, a native of Camden, S.C., and now a teacher in the Rochester schools.

Mrs. Washington, who taught at Columbia's Booker T. Washington High for seven years before moving north in 1960, said, "I guess the attitude among blacks has changed because of this business about white teachers not relating to blacks and the whole concept of 'black is beautiful.' The blacks now feel that white schools don't educate black children and it has just been a matter of brainwashing in the past."

The prospect of desegregation is provoking as many anxieties among white teachers in Rochester as it did last year when massive mixing under federal pressure took place in Columbia.

"The general feeling is one of being apprehensive about the fall," said Lynne Marquardt, a young white native New Yorker with four years teaching experience at 91-per-cent-white Charlotte High in Rochester. That school will be converted to a junior high and will be 41 per cent black next fall.

Miss Marquardt continued, "many of the teachers, including myself, have never been in a really integrated situation and we are wondering if we have been adequately prepared to face it."

Rochester's busing plan represents the district's first major desegregation effort, although the school board has been passing resolutions favoring racially balanced schools since August, 1963.

In the fall of 1964, the same year the Civil Rights Act was passed, Rochester schools began operating on a type of "freedom of choice" desegregation plan, just as did the Columbia schools. In Rochester, about 600 blacks chose to enroll in predominantly white schools that year, compared to 22 in Columbia.

In the spring of 1970, when Columbia was preparing to begin its massive mixing plan under federal supervision, the Republican-dominated Rochester school board voted 3-to-2 along party lines against a zoning and busing plan that would have achieved a racial balance in all schools.

Rochester's black community, which was then supporting desegregation, joined with liberal whites to put pressure on the board and that resulted in adoption of a zoning plan to racially balance seven of the city's 54 schools last year. The open enrollment (or freedom of choice) program continued, allowing 1,340 minority race students, including Spanish-surnamed pupils, to transfer to predominantly white schools on the outskirts of the city, while 185 whites transferred to black schools in the core of the inner city.

Another 637 black students were bused to white suburban schools outside the district in a special program under which the receiving schools get special federal aid.

During the last school year, Rochester had a total student population of about 45,500 of which about 15,100 were Negroes. The projected ratio for next year is about 60 per cent white to 40 per cent non-white and the district is attempting to achieve that balance in most of the schools.

Despite last year's transfers, 44.2 per cent of the city's Negro students remained in schools that were 80 to 100 per cent black, according to a June report compiled by the U.S. Department of Health, Education and Welfare. That figure was 8.8 per cent below the 53 per cent of Negro students in Columbia who remained in schools 80 per cent or more black this past year.

Although Rochester's desegregation plan was described in a laudatory 1969 HEW report on how five U.S. school systems desegregated, its schools have actually been gradually becoming more black.

HEW has never made any effort to require more desegregation in Rochester. The percentage of blacks enrolled in schools 80 to 100 per cent black has increased 10 per cent since 1968, while the total number of black students has increased only 4 per cent in that period.

Some blacks accuse the city of hypocrisy.

"I've never seen such hypocrisy in all my life as I've seen here in the last two years on the subject of desegregation," said Henry M. Williams, a Texas native and one of Rochester's two Negro school principals.

"It's just unbelievable," Williams continued. "At least in the South we admitted we had a problem, but in this region there is wholesale refusal to admit there is a problem. When this occurs, you don't begin to resolve the problem."

During a stint with the Air Force, at the age of 16, Williams was sent to Shaw Air Force Base, S.C., and while there, decided to finish his high school education. He graduated from Lincoln High in Sumter in 1949 when "Strom Thurmond was governor." Later he returned to Texas and entered the education profession. He was a school principal when desegregation took place and says he was "relegated to a position of questionable validity." Infuriated at his treatment, he left the school system and taught at two black colleges before accepting a job as the first black high school principal in Rochester two years ago.

"After 16 years in education in Texas and coming to this region, I expected to find a more progressive school situation and a more progressive racial climate," Williams continued. "Instead, I found intensive polarization, great apprehension, fear and a gulf of misunderstanding. In short, the state of human relations is operating at a very low level."

He added, "Being a native Southerner, it irritates me that the South has been villified for so long and I think it's time the spotlight was held up to some of the other areas."

As for Rochester's desegregation plan that will go into effect this fall, Williams said he is "cautiously optimistic" and said he hopes human relations workshops being conducted this summer will help prepare teachers for the change.

School board member Mrs. Dorothy Phillips, a Republican who voted against part of the desegregation plan, says the black support for it has diminished "because it is still the black kids who will do all the traveling at the early ages."

The only Negro on the Rochester board, Mrs. Wyoma Best, a native of Norfolk, Va., says black opposition to the plan "is not a valid position because we have involved both communities. We are not just talking about pushing bodies around."

She added, "I don't feel a child, black or white, gets a quality education in a segregated facility. He needs to be where he can learn about all cultures."

School desegregation, at the moment, is one of Rochester's hottest political issues. The Republican-dominated city council has no power to veto the Democratic-dominated school board's desegregation plan, but the council did seize on a way to use its clout when the school budget came up for approval. The council trimmed the budget by $875,000—the exact amount set aside for the city's cost of busing the pupils under the new desegregation plan. The school system is trimming costs in other areas to make up for the cut.

In another move, the county's Republican legislative delegation passed legislation increasing the school board size from five to seven members and making the offices nonpolitical, effective by the November election. Democrats say that was an effort by the GOP to regain control of the board and reverse the desegregation plan.

Gordon J. DeHond, one of the two Republicans now on the board, said he would not vote for reversal even if the GOP does gain control in November.

"If a new board comes in and reverses the plan, that would be de jure segregation." DeHond said, meaning that the segregation would be the result of an official action, which clearly has been ruled by the federal courts to be unlawful. De facto segregation, which exists in many northern cities as the result of housing patterns, has to this point not been ruled on by U.S. Supreme Court.

Last spring when the board voted against a desegregation plan, blacks brought suit, charging the board with being guilty of de jure segregation. It is still pending, but is expected to be dropped after implementation of the plan this fall.

DeHond, a former school teacher and the only native of Rochester on the school board, says some board members are "up tight" about being accused of de jure segregation. He contends that is just used as an excuse for not making revisions in the plan to allow for simpler zoning patterns and more choice for the students in the schools they want to attend.

A conservative who usually wins the votes of those opposed to desegregation, DeHond said he is against racial balancing and the destruction of the neighborhood school concept. "There has always been a type of segregation—either ethnic, racial, economic or religious. It's only natural for people to want to belong to their own group and to be cohesive in that sense. I don't think it is the function of the schools to try to make society homogeneous. I don't think that's possible or desirable."

Dr. Cerulli, a native of Rochester who worked his way through the University of Alabama where he was a classmate of football coach Paul "Bear" Bryant, speaks for his neighbors in the Charlotte section on the outer fringes of the city school district. A heavily Italian community, the area stretches up toward Lake Ontario and is the farthest point away from the inner-city black ghetto schools. Parents there resent the idea of their children being bused to the inner city.

"The worry is not so much a fear about the quality of education as it is that you don't know what's happening to your kid while he's in school," Cerulli said.

"I would never send a child of mine to some of those neighborhoods, especially a little girl six, seven or eight years old."

Cerulli said as a physician he was called to several schools during the past year to treat students wounded in racial disturbances. Local officials said about half a dozen students had been hospitalized after such incidents and one young white man, a non-student, had his arm hacked with a meat cleaver when he entered into a racial squabble between whites and blacks at the Charlotte school.

"When I went to the high school," Cerulli said, "we had blacks in our classes then, but the number was minimal and we didn't have any trouble.

"Now there are a lot of blacks who have migrated from the South and they are a different type. They have things all pent up within them and they come to a place like Rochester and let these things go and we have trouble."

He said when he was on the Rochester school board and president of the Big Six organization, which includes boards from New York's largest cities, he had conferences with Gov. Nelson Rockefeller to see what could be done to stop the migration of Southern Negroes.

"We tracked this down and found that they come mostly from Orlando, Fla., and some small town in South Carolina," Cerulli said. "Rockefeller wanted to have a study to find out why they were leaving there and coming here and what we could do to help the governors of those states keep those people there. One reason they came here is for higher welfare payments, but not much has been done about it."

In the cases where whites have voluntarily transferred to the inner city black schools, most have enrolled in a single school—Clara Barton School No. 2. In 1966, the enrollment there was 97.9 per cent black, but by 1969–70 the percentage was down to 80.9. A major reason that school became attractive to some whites is that, with the help of federal funds, it began offering such special programs as Far Eastern Studies, French for intermediate grades and enrichment programs in reading, mathematics and science.

A 1970 report by the school district office stated that while integrated classes were established at the school, a portion of the school's enrollment remained in segregated classes for instructional purposes.

Under Rochester's plan for desegregation, steps to achieve a racial balance at the elementary level will be stretched out until 1974, to allow for the construction of several new schools. Schools No. 2, 3, and 4, the most segregated of the inner city elementary schools, will not be balanced until 1972 or 1973.

Tied in with the desegregation of the schools is a reorganization of the system's grade structure, which now has kindergarten through grade 6 grouped as elementary schools and grades 7–12 grouped as high schools with no junior highs in between. The plan this fall is to convert five schools to junior highs for grades 7–8 and five senior highs to grades 9–12. The elementary level organization, which will go into effect gradually until 1974, will eventually divide the present 43 elementary schools into primary (grades 1–3) and intermediate (grades 4–6).

The two men most responsible for the implementation of the plans are Santo Patti and Richard Siebert, both of whom are principals who were called in for the special assignment of desegregating and reorganizing the schools.

They agree that segregation has existed in the Rochester schools because of housing patterns, but no court or federal agency has ever declared it to be wrong.

Siebert commented, "In my opinion, segregation by whatever name you call it is unjust, whether you call it de facto or de jure. But when you are jousting with shadows, it is hard to come to grips with it."

Patti added, "When legislation forces you to look at segregation, you can't get around it. If the court came out now against de facto segregation, the North would have to start looking at itself more closely."

ROCHESTER, N.Y., AT-A-GLANCE

City School Population: 45,500 students (15,100 Negroes)

Projected 1971–72 enrollment: 60 per cent white; 40 per cent nonwhite

Percentage of blacks in predominantly* black schools: 44.2 per cent.

COLUMBIA, S.C., AT-A-GLANCE

City Public School Population: 19,400 (51 per cent) black; 18,600 (49 per cent) white

Percentage of blacks in predominantly black schools: 53 per cent

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[From the State, Columbia (S.C.), July 16, 1971]

Bitter Schism Menaces Funding

(By Kent Krell)

Dayton, Ohio.—Daytonians are bitterly divided over school desegregation, a schism which threatens the fiscal underpinning of public education in this southwestern Ohio city.

One white elected school official says bluntly there would be "a riot" in Dayton if there is widespread busing to accelerate racial mixing in the schools. A black sociologist agrees in part: "It would be traumatic to say the least and violent at most." But, he adds, Dayton schools are now "a disgrace" because of existing segregation patterns.

One side of the controversy, represented by a bare majority of the Dayton Board of Education, essentially favors voluntary efforts to end racial isolation in the city schools.

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*Between 80 and 100 per cent black.

The other side, represented by a one-vote minority of the school board, favors retention of the neighborhood school concept and a modified form of freedom of choice in the assignment of pupils.

Tied to the specter of desegregation is the refusal of the Dayton voters to approve four successive proposals in the past 15 months to increase local taxes. Renewal of existing levies will be voted on in November. A negative vote then would precipitate a financial crisis.

Wayne M. Carle, superintendent of the Dayton City Schools and philosophically in tune with a majority of the school board, says schools might have to close in late October for lack of funds and not reopen until the new fiscal year which begins in January. Local taxes underwrite 81 per cent of the schools in Dayton. On the average, state funds in Ohio contribute to less than one-third of the cost of public education on the secondary and elementary school levels.

Carle, a strong advocate of full de-segregation of the schools, says fiscal and racial conservatism are major factors in the defeat of two tax referendums in the past 15 months.

"A lot of people are afraid that buses are waiting to swoop up the kids and take them out of their neighborhoods," said Carle.

(NOTE.—*How much have cities above the Mason-Dixon line desegregated their schools? To find the answers, The State sent a three-reporter team to ask wide-ranging questions: To what extent does the federal government enforce desegregation? How do school officials, teachers, parents and students feel? This third part of a six-part series is by special assignments writer Kent Krell.*)

The controversy over desegregation, simmering since Carle took over as superintendent three years ago, peaked in April when the board split along its familiar liberal-conservative lines and voted 4–3, to work voluntarily for full desegregation of the district's 55,000 students.

During the past school year, black pupils made up 40.7 per cent of the total school population, but under existing policies were isolated to the point where only 13 per cent of them, or 2,900 students, were in predominately white schools.

Actually, 17,900 of the total number of black pupils, or 77.8 per cent, are in schools which have a Negro population of between 80 and 100 per cent. Thirty-four of the district's 69 schools fall in this category.

Blacks were far less isolated in South Carolina's largest school districts during 1970–71. For instance, only 53 per cent of all Negro students in Columbia were in schools where the black population was between 80 and 100 percent. In Greenville, the percentage was .6 while in Charleston it was 59.9 per cent.

In 1968, prior to implementation of a freedom of enrollment policy, Negroes made up 38.3 per cent of the total school population in Dayton with only 10.9 per cent or 2,488 pupils in majority white schools.

Officials of the U.S. Department of Health, Education and Welfare (HEW) started negotiating with the district in 1968 about faculty desegregation. The school board agreed 4–3 to a voluntary plan under which faculties and administrative staffs of all schools will be desegregated this fall in line with the district-wide ratio of 70 per cent white and 30 per cent black.

One report circulated that HEW had focused on desegregation in Dayton schools because it is the birthplace of J. Stanley Pottinger, HEW's civil rights director. Dr. Carle puts little stock in the report since HEW's interest in Dayton began three years ago and Pottinger did not assume his present job until 1970. Pottinger now lists San Francisco, Calif., as his home.

The faculty desegregation plan and plans for integration of pupils along existing ratios have come under attack from Serving Our Schools (SOS) committee, represented by the minority of the school board members.

SOS draws most of its support from whites, both life-long residents and those who moved here by the thousands from Appalachian communities in Kentucky, West Virginia and western Pennsylvania in the 1950's and 1960's. SOS does have some black members, however.

The three-member conservative contingent on the school board is hopeful of becoming a majority after the November general elections when three of the four seats, now held by liberals, are on the line.

Mr. Miley O. Williamson, black executive director of the Dayton chapter of the National Association for the Advancement of Colored People, says the civil rights group is prepared to file a desegregation suit against the board if the conservatives gain a majority in the election.

"We can't hide behind housing anymore," said Mrs. Williamson, "We can't wait that long.

Some moderates on the desegregation issue have argued that true open housing, required by local and state law, will eventually bring about desegregated housing patterns.

Catalyst for the voluntary move toward removal of a dual school system has been Carle, a taciturn Wyoming-born Mormon who feels so strongly about the immorality of segregation that he has publicly criticized his church for its refusal to ordain Negroes as ministers.

He predicts that "we're headed for a catastrophe" if a dual society exists for another decade.

Carle says Dayton schools must move resolutely, and hopefully voluntarily, toward complete elimination of racial isolation in the schools.

"A token move would be self-defeating and more destructive in the long run," he said.

"We tend to overlook, among our phobias about race in this country, that, fundamentally, black kids tend to do better in integrated situations and white kids do no worse," says Dr. Carle.

On racial disorders in schools, the superintendent contends that "given a racist society, tension is inevitable on first encounter (between whites and blacks)."

However only two high schools—one heavily white and the other 58 per cent white—experienced disruptions during the past school year.

Tyree S. Bloomfield, a black sociologist who heads a civil disorders-oriented team within the Dayton police departments, says, "It's a disgrace that there is more segregation here today than when I was in high school in 1956."

At that time, Roosevelt High School, which he attended, was 65 per cent white and 35 per cent black. Now Roosevelt High, located within an inner city Negro neighborhood, is totally black.

J. Thomas Webb, Roosevelt High's black principal, and a native of Gadsden, Ala., says, "in some ways I feel more segregated here than in the South where I grew up . . .

"It's sort of hidden here like a plate slammed down in front of you at a restaurant, but it's there," says Webb.

The Board voted 4-3,, to work towards complete desegregation of the Dayton schools after both Carle and James Mancini, a compliance review officer with HEW's civil rights branch, advised it that local, voluntary action was preferable to federal or court intervention.

Mancini told the school board recently that a three-year study of school desegregation in Dayton showed evidence of segregation.

A pesky adversary of Dr. Carle is Mrs. Josephine Groff, an Indiana-born former teacher and one of the three conservative members of the school board.

Mrs. Groff accuses the superintendent of "selling out" Dayton schools for $70,000—the amount the district got from the federal government to help in ironing out desegregation problems.

"I believe in natural integration, not forced integration," says Mrs. Groff.

Mrs. Groff, as spokesman for SOS, backs the neighborhood school concept and open enrollment (freedom of choice as it was more often labeled in the South) for all students based on availability of space.

The freedom of enrollment policy, approved by the school board in 1969, provides that within certain limitations any student in the school system is eligible to attend any of its schools. The limitations include requirements that space be available in the requested school, that special courses be attainable only in the suggested school and that the pupil's presence in the school would improve racial balance in the institution. If the transfer request is approved, the student must provide his own transportation to the new school.

During the past two school years, 405 students, most of them black, transferred under the freedom of enrollment policy. During the first semester of last year when 168 transfers were approved, the major reason cited for disapproving transfers was a lack of classroom space. Failure to improve racial balance ran a close second.

Dr. Charles A. Glatt, an Ohio State University professor who is director of the Midwest Institute for Equal Educational Opportunities, believes that a recent U.S. Supreme Court ruling, involving Charlotte, N.C., schools, could well be applied to segregation in Dayton schools. The ruling, handed down in April, undercuts the neighborhood school concept and says free transportation must be provided, if necessary, to bring about racial balance in a school district.

Dr. Glatt, who has worked on a desegregation study of Dayton schools, noted that the Supreme Court in the Charlotte case held as unacceptable the assumption that a school is desegregated when it has as many as 10 per cent of a minority race in its student body.

In 1970–71, only eight of Dayton's 68 elementary schools had populations where the minority race was in excess of 10 per cent. Only four of the district's 11 high schools and student bodies where the minority race was more than 10 per cent.

What would happen if the Charlotte school ruling is invoked against Dayton schools and, as a consequence, there is widespread busing of pupils?

"There would be a riot," says Mrs. Groff.

Broomfield, whose Conflict Management Team has reportedly had great success in keeping the lid on racial disorders in the schools, believes the results of widespread busing would be traumatic to say the least and violent at most."

Mrs. Wanda Wiedman, a civic leader from East Dayton and a self-styled middle-of-the roader on the school issue, says, "busing is never going to be the answer here. Forced integration just won't work."

However, Mrs. Wiedman has high praise for Dr. Carle and favors desegregation moves at the high school level.

Mr. Carle and the majority of the board do not have the solid backing of the Negro community.

Page Gray, a black student at Central State University, says, "we're not as concerned with integration as we are with quality education."

"We don't feel we have to sit next to a white kid in order to learn," says Gray.

Gray works with the Center of Study of Student Citizenship Rights and Responsibilities, a legal ombudsman which tries to make certain the rights of students are properly observed.

Mrs. Naomi Finlay, a white mother, says she objects to moves to make schools "social issue" institutions. She says she took her second grader out of public school because of new approaches in teaching and curriculum.

"I believe organized, disciplined subject matter should be taught," she explained. "But, instead, they're more interested in creative exploration and such."

Frank Garnett, a 55-year-old white emigree from Kentucky and an organizer of the American Independent Party in Dayton is even blunter:

"We're wasting money on living art and motivation in the schools . . . Why should we spend money so kids can sit on the floor and look like a bunch of pigs and bang around on pieces of music that isn't music?

"Reading, writing and arithmetic should be taught," says Garnett. "The rest will come easy."

Garnett, a Masonry worker and the father of five children, says he has no objection to a "colored person" moving into his neighborhood—an attitude expressed by many members of the SOS.

"I believe in open housing," says Mrs. Finlay, whose husband is an SOS candidate for city commissioner. "I think it should be implemented. That means you move when you have the money."

Mrs. Groff, dismayed at the "racist" tag placed on the SOS by some Daytonians, notes that a black family recently bought a $57,000 home in her neighborhood and adds:

"I haven't any objection if they come in on their own."

DAYTON, OHIO, AT A GLANCE

City School Population: 33,600 (59 percent) white; 23,000 (41 percent) black.

Percentages of blacks in predominantly * Black schools: 77.8 per cent.

COLUMBIA, S.C., AT A GLANCE

City Public School Population: 19,400 (51 per cent) black; 18,600 (49 per cent) white.

Percentage of blacks in predominantly black schools: 53 per cent.

[From the Columbia (S.C.) State, July 17, 1971]

TRENTON SYSTEM PLAGUED BY FEAR

(By Lee Bandy)

NOTE.—How much have cities above the Mason-Dixon line desegregated their schools? To find the answers, The State sent a three-reporter team to ask wide-ranging questions: To what extent does the federal government enforce desegregation? How do school officials, teachers, parents and students feel? This fourth of a six-part series is by Washington Bureau chief Lee Bandy.

TRENTON, N.J.—The Trenton public school system is plagued by fear—fear of racial violence, fear of black dominance in some quarters, fear of social change, and fear of the unknown next September.

And while this highly explosive, tense situation is generally acknowledged by superintendents, school board members, teachers, parents and students alike, no one seems to have an immediate solution. Some even wonder whether there is one.

Regionalization, including busing on a massive scale across district lines, has been suggested. But no one apparently wants that except those charged with running the system and members of the so-called black establishment who historically have advocated racial balance.

Acting under pressure from the State Department of Education last October, the Trenton school board instituted a token busing plan involving only 155 elementary students out of a public school enrollment of some 17,000.

The proposal touched off a spate of bitter clashes between white and black gangs, massive white boycotting and the closing of all schools for two days.

The 55 white children who were to be bused to the predominantly black Parker Elementary School never showed up. In fact, 15 of them left the system, presumably to attend parochial or private schools in the area. Trenton has a heavy Catholic population.

Parents of black students being transported to the largely white Franklin and Washington Elementary Schools in Chambersburg—a tightly knit Italian-American community in the heart of Trenton—asked for protection of their children. White parents were preventing minority students from entering the schools by blocking the entrances.

State Education Commissioner Carl L. Marburger subsequently rescinded the forced busing plan and appealed to the New Jersey courts and legislature for regional solutions to achieve racial balance across district lines.

He acknowledged the "counter productivity" of mandatory busing "to correct racial imbalance in school districts with a majority of minority group children."

A voluntary busing plan followed but failed. Only 27 students participated.

Racial imbalance—lacking an exact definition in the state—is considered a violation of the law and of public policy of New Jersey.

The unofficial guideline says a school is out of balance if the black student population in a school goes above 25 per cent.

However, Marburger says this concept "must be questioned" for cities like Trenton where public school enrollment is 70 per cent black. The faculty is 70 per cent white.

The Rev. Kent L. Kiser, a school board member, says no matter how you slice it, Trenton will end up with a racial imbalance in any of the schools due to the largely black enrollment unless there is extensive busing.

Trenton, a northeastern industrial city located on the banks of the Delaware River, is surrounded by suburban townships that restrict its physical growth.

And like many cities of its size, it has suffered a population loss since 1950, dropping from about 128,900 to an estimated 104,000 now. The census verifies another trend—a white exodus to suburbia and black migration to the city.

Consequently, the once predominantly white school system has become largely black, and the fear among professionals is that unless something happens to prevent the population shift, Trenton, the state capital, will become a city with an all-black school system within the next 13 years.

It's pretty close to that now with six majority white schools out of 21. And one of these—Junior Two Elementary—is almost half and half.

Many white students—and several children from middle-income black families—have left the public schools system to attend private and parochial facilities in the area.

Latest statistics show that only about 32 per cent of white children attend public schools, compared with about 90 per cent of black students and other minorities.

This concerns the school board which feels obligated to do something next year but is inclined to do nothing in order to preserve an integrated system.

School Superintendent Dr. Ercell Watson, a precise and smooth-talking olive skinned black, has established a citizens committee to study various approaches to desegregation and to come up with recommendations for the school board.

He acknowledges the task is going to be difficult, if not impossible, because of the many shades of thinking and the racial composition of the schools.

"You always have a problem when the minority becomes the majority," he conceded.

Asked if regionalization is the answer, Watson emphatically responded: "There's no question."

He contended that busing per se is of no concern to the parents. "It's what happens at the other end," he added, noting that parents fear for their children's safety once they reach the school.

Regardless of what action, if any, is taken by the board before September, the superintendent eventually expects the white student population "to dwindle down to almost nothing," leaving only the hard-core who "will have their backs against the wall and nowhere else to go."

And while there are those who would like to see the whole thing die, Watson acknowledges, "we feel we have an obligation to work out a (racial balance) plan." But he added, "we're not going to try to knock down any walls like we did last year."

Pressure to achieve a racial balance has come entirely from the State Department of Education. The Health, Education and Welfare Department, which has concentrated its fire in the South, has consistently winked at the Trenton problem.

School Board President John F. Tesauro, a stocky labor consultant, wearing goggle-eye glasses with tinted lens and heavy sideburns, said he'd love to see HEW come in with a meat axe and force busing into white suburbia.

Board Vice Chairman James E. Mitchell, a Negro, agreed, saying "the blacks would clap their hands" if the federal government intervened. "I think HEW should come in and take over," he suggested.

Mitchell complained, "we have too many nice liberals up North talking out of both sides of their mouth. Some of these same people who rode to Mississippi to desegregate that state would move out if a black moved next door . . . Trenton is worse than any school district in the country in regard to racial balance."

Naido Funari, past vice president of People Against Busing and a member of the superintendent's citizens committee to come up with a solution, says Chambersburg residents "will never buy busing" if it involves their children.

He says the Italian-American community is proud of its neighborhood schools and wants to keep them. Funari insists in one breath that race is not involved but then in the next he admits color is a factor.

"As soon as there is racial busing," he predicts, "whites will leave because of fear." In fact, he predicts a drop in white student enrollment in September because parents "don't want their kids subjected to demonstration and harassment again."

Funari, who is opposed to busing, transports his daughter to Villa Victoria High, a Catholic school in the suburbs, out of fear of racial violence at Trenton Central High.

William D. Walker, an assistant to Superintendent Watson and former principal of Trenton High, admits there are serious problems at the only public high school in the city. He claims he saw more trouble there recently in two days than he observed in his whole tenure as principal.

Asked if it were racial, he replied, "Yes, I can't lie about that."

Walker, a WASP (White Anglo-Saxon Protestant) Republican, has held various positions in the Trenton school system for 32 years. And during that time has seen many changes take place within his city.

He lives in the same inner city neighborhood which has become predominantly black. But this doesn't alarm him. He says the conduct is good and "no one has thrown a rock through my window." However, Walker concedes if the area becomes a slum, he'll move.

The assistant superintendent says most whites who've fled to the suburbs have done so because of fear of crime, drugs and

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* Between 80 and 100 per cent black.

violence. And consequently, he adds, community support and participation in the schools have declined considerably—especially since the riots following Martin Luther King's assassination in 1967.

Walker is very pessimistic about the future, claiming "there is no answer to the problem." He said he would welcome HEW pressure, but questioned whether it would be successful. While Trenton would probably buy regionalized busing, Walker expressed confidence the suburban townships wouldn't.

And he's apparently right. Superintendents in all three neighboring townships—Ewing, Lawrence and Hamilton—predict trouble "like you've never seen it before" if busing across district lines is forced upon them.

Ewing has adopted a racial balance plan for Setember, but black students population will not be more than 25 per cent in any school. All facilities will be largely white.

Ewing Superintendent David Brittain, who was principal of the Clinton, Tenn., high school in 1957 when the National Guard was called to quell riots resulting from integration, admitted this plan is about all the community is ready to accept. He predicted serious trouble if cross-town busing is imposed.

Residents in neighboring Hamilton township rejected a $7.5 million bond issue for school construction, presumably out of fear the new facilities would be located in so-called gray areas to permit more blacks and whites to go to school together.

And the Lawrence School Board produced a recent survey showing black and white parents opposed to busing.

Clyde E. Leib, special assistant to the state education commissioner, said studies have shown if black student population in a school exceeds 25 percent, "neighborhoods start to go down hill and there's a sudden outflow of whites."

Leib lives across the river in wealthy Bucks County, Pa., where he sends his children to predominantly white schools.

And this is true of many other state and city employes who reside either in nearby Pennsylvania or the Trenton suburbs.

Trenton Mayor Arthur J. Holland says white parents feel it's not safe to send their children to public schools here. "They are afraid their kids will be jumped or money demanded of them," he said, while pointing out "we already have 15 guards in Trenton High School and need them increasingly."

And then he added, "I don't care if it takes on an atmosphere of a prison. We've got to guarantee parents they can send their kids to school in safety . . . in the meantime, we should take out of the system those who are chronically disruptive."

Holland traced the city's "turning point" to the race riots in 1967 and last October. "This expedited the exodus of whites who took with them their purchasing power. Consequently, we're in a war for survival."

The former Rutgers University professor thinks regionalization through school busing, residential desegregation and assignment of welfare clients throughout the county would provide an answer.

"This would, at least, move us in the direction of a socio-economic balance and help cool racial tensions. Also, the ire of the people would be distributed. Here it's concentrated. I'm for distributing the problems."

As for Trenton's school problems, Holland said, "I can't understand why HEW doesn't intervene. Our de facto segregation is a result of more subtle forms of de jure segregation."

Albert "Bo" Robinson, director of United Progress, Inc.—a $5 million federally funded anti-poverty program—called Trenton the "up-South."

"We have a bunch of hypocrites here," charged the ghetto leader who claimed neither he nor the black children care that much about busing. "It doesn't mean beans. I don't like busing that much. But I'm for it because it's the law."

Wearing a moderate Afro hairdo and red plaid jacket with bright red pants, black boots and matching accessories, the light-tanned Negro leaned back in his chair, propped his legs upon his desk, and spoke in the ghetto brogue:

"Listen, man, the whole problem in Trenton is racial. I've been here; baby, for 35 years. I know. It's a fear of social change. And it's the deepest fear. Everybody is worried about his child going out with a black. That's what it is."

The anti-poverty director says that before the school situation improves in Trenton the system itself is going to have to change. And that's not going to come about he feels, until a transformation comes "within the home and people themselves."

Robinson added, "we know how to live with the white man. He's going to have to learn to live with us."

The black leader sends his children to private school because "education in Trenton is inferior."

Would he like to see HEW come in and force regionalized busing in the area?

"I'd enjoy the fireworks," smiled Robinson.

Leonard Spoto, a meatcutter and head of the White Citizens Reaction Committee in the Italian community of Chambersburg, warned, "we'd automatically shut down the schools and open private schools. We're prepared to do that now."

Kenneth Carolan, editor of the bi-weekly newspaper called "The Reactor," said regionalization is imposed on the community, "we'll sit back and smile. You'll see total chaos."

Spoto chimed in, "One of these days we're going to have another Revolutionary War if things continue the way they are. And that's from Spoto, the conservative."

Anthony Edwards, a sidewalk shoe-shine boy who attends Junior Elementary No. 3, called the Chambersburg area a "bad section." He said "my cousin went over there to a basketball game once and got beat up."

Pat Korp, a 24-year-old white teacher of neurologically-impaired students at Franklin elementary in the Italian-American community and a resident of Chambersburg, said she was called "nigger-lover" during the busing crisis because she had blacks over for dinner and parties.

"I had steak knives stuck in my back door with notes on them and my car had flat tires in the morning," she recalled.

Miss Nancy Kiley, a 28-year-old white fourth grade teacher in predominantly black Parker elementary and who is opposed to busing, thinks the school board would perform a service to the community by letting any racial balance plan ride for another year. "Otherwise, this city will be blown apart," she feared.

Miss Korp agreed, saying "the parents aren't ready for it."

Miss Christine Singleton, a 22-year-old Negro teacher at Junior High No. 1, said "busing to me suggests that blacks are incapable of maintaining competitive schools . . . Blacks tend to associate good education with the number of whites in a school."

She termed regionalized busing more ridiculous than busing within the city and commented, "the school is not the place to bring about racial balance. The purpose of a school is to educate a child."

And while she acknowledges there are discipline problems in the schools because children have no respect for authority, Miss Singleton strongly feels the students "are looking for someone to teach them something."

But she says if busing is the only solution, then the system is in serious trouble.

Mrs. Catherine Graham, president of the Trenton Urban League, believes busing to achieve a racial balance is beneficial in that it gives blacks and whites an opportunity to reach an understanding of each other.

But she doesn't think there's anything the school board can do for September, a feeling generally shared throughout the community.

Crosby Copeland, incoming principal for Junior High No. 1 and president of the local NAACP chapter, supports busing but thinks it best the school board let matters cool at least for another year.

"It probably would be the best thing," he said. "We (the NAACP) aren't pushing anything."

Copeland blamed the busing violence last October on "just pure racial hatred."

TRENTON, N.J., AT A GLANCE

City Public School Population: 11,900 (70 per cent) black; 5,100 (30 per cent) white.

[From the Columbia (S.C.) State, July 18, 1971]

BUFFALO RESIDENTS FIGHT CROSS-BUSING

(By Levona Page)

(NOTE.—How much have cities above the Mason-Dixon line desegregated their schools? To find the answers, The State sent a three-reporter team to ask wide-ranging questions: To what extent does the federal government enforce desegregation? How do school officials, teachers, parents and students feel? This fifth of a six-part series is by governmental affairs staff writer Levona Page.)

BUFFALO, N.Y.—School officials here make no effort to pretend they have a desegregated school system. The statistics won't let them.

"So long as people live where they do, we will have segregated schools," said Buffalo Superintendent Dr. Joseph Manch, a rabbi's son who says he has been frustrated in his personal efforts to bring about desegregation.

In September 1967—three years after Columbia began its freedom of choice desegregation plan allowing blacks to transfer to white schools—Buffalo began a similar program. By the fall of 1970, about 3,200 black students from center city schools were being bused to predominantly white schools on the outskirts. There has been no requests from whites to transfer to predominantly black schools.

Donald S. Laing, director of Buffalo's Office of School Integration, told the school board in January that integration had gone as far as it could under present policies. Laing's report prompted president, Dr. George E. Blackman, a Negro, to call for a study of "cross-busing" whereby whites would be sent to predominantly black schools. His motion wasn't seconded.

However, Feb. 25, the same day that the federal government announced plans to investigate desegregation in the Buffalo schools, the board reversed itself on the cross-busing study.

More plans to undertake a study on cross-busing set off waves of criticism throughout the city.

"Cross-busing isn't the answer," wrote the editors of Buffalo's largest newspaper, which earlier that same month carried an editorial condemning suburban schools for maintaining systems that were "whiter-white than Ivory soap's famous '99.44 per cent pure.' "

The school board's outspoken conservative, Buffalo attorney Carmelo A. Parlato, contends that cross-busing is itself a form of racial discrimination.

"An integrated system to me is one that doesn't count racial distinctions," Parlato said. "I put quotas for racial balance on the same basis as segregation—it's based on race and therefore it is discriminating."

At the end of the 1970-71 school year, a nationwide federal study revealed that 59.7 per cent of Buffalo's Negro pupils were enrolled in schools that were 80 to 100 per cent black. This compares to six-tenths of one per cent in Greenville, 59.9 per cent in Charleston and 53 per cent in Columbia. Buffalo's total school population last year was 41.7 per cent black.

While Columbia and other Southern cities were being asked this spring to increase the racial mixing that federal desegregation enforcement officers required of them last fall, the U.S. Department of Health, Education, and Welfare (HEW) was taking its first chary look at segregation in Buffalo, New York's second largest metropolitan area.

The HEW investigators said it would be several months before a report is made on the Buffalo review. The team sought evidence—or lack of it—on "gerrymandering in school district zones to implement segregation, matching of black teachers and students in black schools, any decision-making patterns based on race or national origin, an imbalance of educational background or experience in black and white or unequal educational opportunities in school curriculum or facilities."

Parlato said he would not be surprised if HEW finds the district to be out of compliance according to its definition, the Civil Rights Act. He said he would favor going to court to try to block a cutoff of the district's $13.6 million in federal and state funds for programs for disadvantaged children.

"HEW's idea of what is the proper race quota in the schools is no better than anybody else's. I'm disappointed with the U.S. Supreme Court because I see nothing in their 1954 decision (the first one outlawing segregated schools) which now gives them the right to impose quotas," Parlato told the State.

Richard Fisher, an executive committee member of the Buffalo Teachers Association, said he is hopeful that HEW will bring action against Buffalo "because if we continue to drift the way we are now, the schools will soon be all black."

Fisher was instrumental last year in having the zone around Bennett High, where he teaches, redrawn to provide for a 60–40 racial balance because its black enrollment was creeping up and he feared that more whites would withdraw. He asked that zones throughout the city be redrawn, but the school board turned that down.

Fisher said he believes Superintendent Manch has been sincere in his desegregation efforts, but that he has been hampered by an unwilling school board, city council and the community in general.

"A court order is the best way to achieve desegregation here," Fisher said. "I personally would like to see the Supreme Court institute the same integration policies all over the nation rather than just concentrating on de jure segregation in the South."

In fact, Fisher added, there are some Buffalo citizens who believe HEW would not have to look hard to find examples of de jure segregation (segregation by law) in this northern city. He cited the zoning around Woodlawn Junior High, which was in 1965 built in a black community and which now has an enrollment of 99.8 per cent black.

Manch related, "I made the statement that as far as I was concerned, the Woodlawn school would be integrated. But we could not get the board to vote for any plan that would integrate the new school.

Parlato contends that, even so, the board was guilty of discrimination for merely considering five plans that would create a racial balance in the schools before rejecting them for a zoning plan that left it nearly all black. "I tried to get them to put the racial figures aside, but they did not," Parlato said. He added that the plans calling for a racial balance were unfair to blacks because "children that were two blocks away would have been excluded, while children living more than a mile and a half away would have been attending simply because they were white."

The board's reluctance to force integration was backed up, until two months ago, by a New York state law affecting only a handful of school boards. The law stated that no appointed board, such as Buffalo's, could assign students to schools without the parents' permission.

After passage of the New York state law, South Carolina took the attitude that what's good for the goose is good for the gander and passed an identical law in 1970. But S.C. Atty. Gen. Daniel R. McLeod candidly admitted that the action was a futile gesture and the law in the face of federal pressure was forgotten as school systems in South Carolina undertook massive shuffling of students last year.

The New York law was ultimately overturned by the State Supreme Court after the NAACP brought suit.

With the exception of that suit, there has been little effort on the part of blacks in Buffalo to push desegregation. Clyde Giles, an executive vice president of the black action group, BUILD (Build Unity, Independence, Liberty and Dignity), commented, "We haven't really been that concerned about the pace of desegregation, and it is my judgment that the black community as a whole has not pushed for it. One reason is that when blacks have been bused to white schools, they have been met with hostile attitudes."

Giles continued, "The stage blacks are in now is that it is not important for a black child to be bused out to a white school. If adequate facilities, faculty, supplies and so on are provided at the black school, the quality of education can be just as good there as it is at the white school.

"What we are saying now is that we are putting the burden on the school people and are holding them accountable, because black schools have never gotten the attention from the white officials."

School Supt. Manch said he cannot disagree with blacks who accuse the North of subtle racial prejudice. He commented, "I think an example of that is what happened in Williamsville."

An exclusive suburb on the outskirts of Buffalo, the Williamsville school board was asked by its superintendent to allow about 100 black students from Buffalo schools to attend school with the 11,000 white students of that community. The idea was flatly rejected by the school board.

Manch commented, "That is an affluent community where many people call themselves liberal, but when it came to school desegregation, they blocked it."

He continued, "we have a great many bigots in the North. To be fair, I must say that this feeling has developed a counter feeling which is not healthful. Black people have gone to the other extreme of 'hate whitey.' This kind of arrogance has turned off a great many white people."

He added, "When people say 'Black Is Beautiful,' does that mean white is ugly? I saw a sign in one of the schools the other day that said 'People Are Beautiful.' I liked that and I took a picture of it."

An affable man who writes poetry in his spare time, Manch has been espousing school integration for at least half of the 14 years he has been in office but has not gotten much of an audience from city officals.

Citing things done by the city council to block integration moves, Manch mentioned the passage of a local ordinance which prohibited expansion of school buildings unless the addition was of the same racial composition as the original building.

Manch explained, "We had determined to use portable classrooms in order to make room for more blacks at white schools, and the ordinance prevented that. I recommended to the board that we take it to court. We won in court and have been using portables for 18 months now."

Naming still another effort to block integration, Manch said the school system was building a new middle school which was to have a racially balanced enrollment. "When the school was two-thirds finished and we needed another bond issue to complete it, the council said it would not approve the issue unless the school was designated as a regular junior high. The mayor spoke in our behalf and after a few weeks the issue was approved."

In an effort to create integrated schools where housing is segregated, Manch has proposed "educational parks" which would involve both city and suburban school administrations. He has been talking the idea for nearly five years, with no significant backing from the community.

Meanwhile, the white student population has continued to decline, dropping 12 per cent since 1966, while the Negro enrollment has increased 10.8 per cent and the Spanish-surnamed student population has mushroomed by 62.8 per cent.

Manch fears if this trend continues, there will be no whites in the city to integrate the schools.

BUFFALO, N.Y., AT A GLANCE

City School Population: 70,300 students, (27,100 Negroes).

Total non-white population including Spanish-surnamed students: 41 per cent.

Percentage of blacks in predominantly* black schools: 59.7 per cent.

[From the Columbia (S.C.) State, July 19, 1971]

OK IN COLUMBUS; NOT IN COLUMBIA

(By Kent Krell)

NOTE.—How much have cities above the Mason-Dixon line desegregated their schools? To find the answers, The State sent a three-reporter team to ask wide-ranging questions: To what extent does the federal government enforce desegregation? How do school officials, teachers, parents and students feel? This last of a six-part series is by special assignments writer Kent Krell.)

COLUMBUS, OHIO.—The neighborhood school concept and freedom of choice desegregation policies generally held to be invalid in the South function in somewhat fitful fashion in the capital city of Ohio—with the apparent blessing of the federal government.

"We submit annual reports to HEW (U.S. Department of Health, Education and Welfare) and there have been no queries," says Joseph L. Davis, assistant superintendent for special services for the Columbus schools.

There have been complaints, however, from teachers and parents as a result of numerous disruptions which forced the shutdown of some schools during the past year and the assignment of policemen to school hallways.

"I think we're in for three very rough years," says Davis. "During that time all the problem areas will be felt with greater intensity.

"That's because there is such a constellation of problems which feed upon the others—finances, staff militancy, student unrest and a general breakdown of confidence in the school board.

"When people have lived in isolation and suddenly there is a clash of cultures some problems are to be expected," says the balding, bespectacled administrator.

Of the nearly 110,000 children in the Columbus school district, 26.9 per cent or 29,400 are black. Fifty-three per cent of all Negro students are in schools with populations 80 to 100 per cent black. This is the same percentage which prevailed last year in Columbia, S.C., where the neighborhood school concept is generally conceded to be invalid and where there was some busing to bring about racial balance.

Robert W. Carter, executive director of administration for the Columbus schools, says the fact that six of the city's 13 senior high schools had blacks in excess of 26.9 per cent is evidence that the district is meeting the spirit of federal law and the courts on desegregation.

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*Between 80 and 100 per cent black.

Disagreement is registered, however, by Mrs. Mary Craig, black chairman of the education committee of the local chapter of the National Association for the Advancement of Colored People.

"Columbus runs one of the most racist school systems in the country," she claims.

She scoffs at the legitimacy of the neighborhood school concept and the administration of the open enrollment policy.

"We're in the process of filing a suit to tie up funds to Columbus schools and possibly even at the state level," says Mrs. Craig.

She stresses racial isolation in the elementary schools and contends the school board has gerrymandered boundary lines to maintain a pattern of segregation in the lower grades.

Figures show only 14 of the district's 124 elementary schools with a black population greater than the norm of 27 per cent during the school year.

The guidelines for the open enrolment policy at the Columbus schools are similar to those followed in other Ohio communities: there must be space available; the transfer must bring about a better ethnic distribution of students; and the transferee must supply his own transportation.

Mrs. Craig says her seven children are now in heavily black schools within walking distance of her home.

"At one time I attempted to get them transferred to a majority white school but I was told it couldn't be done," she says. "No reason was given. I didn't press it too much because I didn't have the time to drive back and forth all over town."

Civil rights leaders are generally pleased with the retirement of long-time district superintendent Harold Eibling. However, Davis contends that Dr. Eibling has been made the unfair scapegoat of Columbus' school problems. "Given the circumstances" says Davis, "he performed remarkably well despite being the target of legitimate frustrations and anxieties."

Militancy is not the forte of civil rights groups in Columbus. This is partly due to a diffusion of black neighborhoods and a consequent lack of organization among Negroes.

"This is a conservative community which makes the blacks conservative too," says Mrs. Dorothy Lenart, education director for the Columbus Urban League.

"The people of Ohio are just not issue-oriented," says Anne Bingle, research director for Democratic Gov. John J. Gilligan.

A lack of statewide interest in school desegregation, at least, is reflected in the fact that Gilligan prepared a public statement on the issue during the 1970 gubernatorial campaign, but never issued it. He was never asked about it.

However, since taking office, the governor is pushing for the consolidation of Ohio's 600-plus school districts. This could bring about a more meaningful racial balance and preclude some large suburban school districts from perpetuating themselves as white havens.

There is a widespread feeling among educators here that a massive infusion of state funds into education will solve many of the internal problems which beset the Columbus schools during 1970–1971. The state underwrites only 25 per cent of the cost of running Columbus' public schools. The total cost per pupil is $728 a year.

Because of the refusal of the voters to approve the last two proposed tax levies, the district is launching a retrenchment program which would force the dropping of 335 teachers next year.

A tax referendum in 1969, supported by the NAACP, was defeated. A similar referendum last year, this time without NAACP support, met a similar fate.

Mrs. Barbara Levinson, a graduate of the University of Alabama and chairman of the school board, said a one-year moratorium on the tax issue may serve to stabilize attitudes and emotions.

"I really believe," says Mrs. Levinson, "that open housing is the only way to solve integration. Given five years, these problems will be answered. By that time the people will have freedom of choice in where they want to live."

She believes that elimination of discrimination in house sales and rentals will legitimatize the neighborhood school concept.

Mrs. Craig said NAACP backing was withheld in the 1970 tax referendum because "the money was going to be used for schools in suburban areas. The land sites were already purchased. This would have perpetuated dual schools."

In Davis' opinion the last two tax levies were beaten "because the voters are impatient—very tired and frustrated with lawlessness and threats to the established order.

"They take a simplistic attitude: 'Don't ask us for more when you can't use what you've had already."

Public impatience and frustration, cited by the school administrator, were largely spawned during school disorders, many of them of racial origin.

When chronicled, last year's incidents have an overall tone of black awareness and hardline policies by school authorities.

One school official who asked not to be identified said, "We may have bent over backwards too far to listen to student complaints."

Several black students were expelled for striking white teachers and others were suspended. The expulsions for the remainder of the school year were the first in more than 40 years.

One high school, Linden-McKinley, which was 62.3 per cent black, closed three weeks before the end of the year because of disorders.

Vandalism and the cost of hiring policemen to patrol in the schools ran in excess of $42,000.

Mrs. Pat Worrell, who is white, said her experience as a teacher at Linden-McKinley "made me very wary of blacks.

"There was the time," said Mrs. Worrell, "when a black girl called me a bitch and about that time I decided I'd about had it."

"She said it in such a loud voice I couldn't ignore her. So I took it up with an administrator and all I was asked was: 'Well, Mrs. Worrell, what did you do to provoke the situation?' Nothing was done about it."

In contrast to the disruptions she encountered at Linden-McKinley, Mrs. Worrell said discipline at Roosevelt Junior High School where she taught the previous year was "beautiful." Roosevelt is also predominantly black.

Mrs. Worrell, the mother of four-year-old twins, says the problems stem "not so much from racial balance or imbalance . . . as they do from a bunch of hep people preaching open revolution."

She adds that she is prepared to tutor her children at home rather than send them to the Columbus public schools.

Mrs. Craig and Otho Ray Ball, president of the local NAACP, blame the disruptions on racism.

They criticize school administrators of foot-dragging in resolving the grievances of black students.

They cite discrimination against blacks in class elections at schools where they are in a substantial minority, and refusal to honor requests of Negro students to fly the black national flag or play the black national anthem on a regular basis. The latter in this case was "Lift Every Voice and Sing," a tune which has been played in Negro churches since the early 1900's.

A hard-line approach on discipline was advocated by the conservative Columbus Dispatch. In an analysis-type story at the height of the disorders, the newspaper's education writer, Graydon Hambrick, wrote:

"School administrators deserve the moral support of citizens for having to deal with the usually unreasonably disruptive student. Yet, one's sympathy is haltingly given, for most officials in dealing with violent student dissenters seem to fear the big stick theory enunciated at the turn of the century by Theodore Roosevelt . . .

"The second chance philosophy to which most Columbus administrators seem to subscribe is valid only in theory, and certainly not in disruptive cases."

COLUMBUS, OHIO, AT A GLANCE

City Public School Population:

79,500 students (73.1 percent) white.

29,400 students (26.9 percent) black.

Percentage of blacks in predominantly black* schools: 53 percent.

[From the Columbia (S.C.) State, July 18, 1971]

HEW AND THE SCHOOLS: AN IN-DEPTH LOOK—INTERVIEW WITH J. STANLEY POTTINGER

J. Stanley Pottinger, 31, became director of the Civil Rights Division of the U.S. Department of Health, Education, and Welfare in March, 1970.

In his job, Pottinger is responsible for the enforcement of Constitutional and statutory law and administrative guidelines relating to civil rights in the general areas of health, education and welfare. He coordinated those activities within the Office of Education, Public Health Service, Food and Drug Administration, the Welfare Administration, Social Security Administration and the Vocational Rehabilitation Administration.

Pottinger, a native of Dayton, Ohio, joined HEW in July of 1969, serving as consultant to the Department until he became regional attorney in San Francisco, Calif.

A resident of San Francisco since 1963, Pottinger is a cum laude graduate of Harvard College. He received his law degree from the Harvard Law school in 1965.

Prior to joining HEW, Pottinger was active in California Republican Party activities, holding various posts on the state GOP Central Committee there.

Q: Mr. Pottinger, I would like to open the discussion with some general questions, which may resolve themselves into specifics later on. But for example, in your capacity, what do you interpret the mission of HEW and of your own particular office to be with regard to education and more specifically desegregation of schools—the end result that you're shooting for?

A: I can't recall the precise words at this moment but I think that some careful thought went into the . . . President's March 24 statement of 1970 . . . But I think that there is a profound concern on the part of this office and on the part of the department and I believe on the part of the administration as a whole to do two things. One is to provide equal educational opportunity for all the children of the country as a whole and second to do it in a context where the quality of their education is not only preserved but improved. I also think that there is a profound conviction on the part of the department that these two related objectives are not inconsistent with each other. There are stresses that grow from trying to reconcile them, but they have been reconciled historically. They have and I think that we are on the track of doing that at this time.

Q: You referred a moment ago . . . to the President's March 24 statement of last year. In the light of subsequent Supreme Court decisions, most particularly the Swann case, there necessarily would be considerable modification of what the President had hoped his policy would be and what it can be in the light of the Swann decision and others. My question growing out of that is this: Do you now consider your office to be in terms of present policy still an extension, an agency of the Administration or an agency of the Judiciary in bringing about the compliance with what now is the Swann decision?

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*Between 80 and 100 percent black.

A: We are very definitely an agency of the Administration. We are part of the executive branch. I am responsible to the Secretary and he himself derives his power as a Cabinet officer from the President . . . It's clear that where the Supreme Court speaks on a constitutional principle and is the arbiter of constitutional issues, the Congress and the executive branches are bound. The President has said that . . . he would have come to somewhat different conclusions about the issues that are raised in the Swann decision and . . . , in fact, he did set forth a very comprehensive and, I think, clear policy in March of last year. To the extent that the Supreme Court has spoken and to the extent that what it has said in any way conflicts with the President's guidelines, then, as a constitutional principle, we in the executive branch are bound. Therefore, we are trying our best to faithfully execute or implement the law as the Supreme Court has set it, while at the same time where the law is unclear or where it is subject to interpretation, that interpreation comes from the executive branch. It is a combination.

Q: In the Swann decision the court nevertheless indicated that they were at the same time trying to enunciate guidelines. Out of that comes this question: What is the position of HEW with respect to allowing other cases—other situations—to develop by way of court tests?

A: I think I follow you . . . Title VI of the Civil Rights Act of 1964 mandated the federal government to deny federal funds to any program where there was discrimination or a denial of the benefits of the program on grounds of race, color or national origin. The Congress required the executive branch of government to set up a mechanism for implementing and seeing that that Title was carried out. Actually, it set up several mechanisms, although a great deal of focus happens to be on HEW because of the schools issue. Almost every executive agency does have a Title VI compliance agency in it.

The question then is that given . . . a law requiring the executive branch to determine or identify whether there is a violation of Title VI and to take appropriate compliance activity, what standards does that executive agency look to in order to determine what constitutes non-compliance? What constitutes a form of discrimination and how does that executive agency go about identifying it? It is clear from the legislative history behind the Civil Rights Act of 1964 and from judicial decisions that interpret that act that . . . you must look to the set of laws that is made under the fourteenth Amendment of the Constitution. In other words, the executive branch which is mandated to enforce the Civil Rights Act is also guided . . . by the same judicial decisions that tell individual school districts and individual litigants what they must do: to eliminate a denial of equal protection of the laws under the Constitution. That means that we, on the one hand, and the Justice Department and private litigants, on the other hand, and school boards all together and anyone who receives federal funds are all bound by the same set of laws . . . That means that we are presently looking to the law that is made by the judiciary to determine how to enforce Title VI of the Civil Rights Act. It means that we look to the Supreme Court to give us guidance on what constitutes 'discrimination' under Title VI of the Civil Rights Act. And when that act compels us to identify and take affirmative action to try to eliminate a condition of non-compliance, unless we had a wholly separate set of guidelines, we would and we do look to the court-made law. That's how the court-made law is incorporated into our operation.

Q: You're making . . . quasi-judicial decisions as to the applicability of the Swann decision to other circumstances . . . in the absence of litigation in these other circumstances?

A: It's not quasi-judicial precisely because even under Title VI it's very clear that a school board has a right either to litigate the issue as it would in court or to take it before a hearing examiner. . . . Sometimes we tend to forget that . . . we try our best to negotiate compliance on what we call a voluntary basis without the necessity of going to court . . . But anytime a school board believes the plaintiff in a law suit was incorrect, the plaintiff has recourse to courts . . . If the Justice Department were to say that . . . the court has actually required a desegregation of schools by virtue of its guidelines in Swann . . . and the school board were to say "No, we don't agree." then the Justice Department would have taken steps to try to achieve compliance short of a hearing. . . . The same is also true under the Civil Rights Act of 1964. . . . The same is precisely true here. . . . We would go to the school board and say, much as a litigant would or the Justice Department would, (that) it would appear to us that the case law that is applied under Title VI applies to you and therefore we try to take steps to resolve it. But if we can't agree, and ordinarily the disagreement are good faith disagreements, you have a right to a hearing or you have a right to have it referred to the Department of Justice for a lawsuit.

Q. Well, the reason I made the point of quasi-judicial is that you are applying HEW interpretation of a ruling affecting one set of circumstances to other sets of circumstances. Although we read into the Swann case, in the court's own language, that it is not necessary in all instances to make these subsequent changes once a plan has been accepted. Now we get down to the specifics of the Columbia situation, in which a compliance was agreed to and in which it was understood to be a different set of circumstances in that the Columbia school board was not in default, as had been the case in Charlotte. The plan had been accepted by HEW, but on the basis of circumstances which existed in Charlotte . . . a requirement of change is being imposed on Columbia; and this is why I say it appears to me that HEW is making some judicial determination on its own motion—which is borne out . . . by a recent editorial in the Washington Post, which said that HEW of its own volition had undertaken to apply Swann throughout much of the country.

A. Last year, the Columbia school officials recognized at that time that there was at least some vestige of the dual system remaining in Columbia. They saw it and with, I thought, very good expertise on the part of the staff and with good legal advice and with good faith tried to resolve those issues voluntarily. They had as you recall . . . already been through a termination procedure stemming from a plan that was attempted or at least negotiated two years before. . . . And let me, for clarification, go into some of the dynamics of negotiation for school boards. I don't think this is a breach of what happens in private. I think that everybody is entitled to know how these things work. . . . What I am about to say now may apply more or less to Columbia. It applies generally speaking. School officials, when they understand that there is a problem, ordinarily do try to resolve it. I think in the vast majority of cases school officials try. It's a very difficult thing to do, as you know. It has a very widespread impact on a community. But they try.

When your school officials tried in Columbia, we discussed what it was that the state of the law at that time and the President's guidelines that filled in unclear parts of the law might require in Columbia. We came to a plan we believed and school officials believed did constitute compliance. Obviously, we believed it or we wouldn't have accepted it. At the time we were doing it . . . we understood that a great many all-black schools— . . . would be left intact. The question therefore arose, have we, the school board, or the school officials disestablished the dual system? We recognized that some all-black schools were created under the dual system; we recognized that they are now the vestiges of the dual system; we recognized the court . . . said that you've got to offer not black schools or white schools, but just schools. We also recognize that many of the schools will remain black even if every child goes to the school to which he is assigned under the plan.

Have we, therefore, truly disestablished the dual system? We looked, in the absence of clear language of the Supreme Court to what guidelines we could find, and the foremost guidelines was the President's statement. As an operating matter, a preference was stated for neighborhood schools to the extent that they could be preserved consistent with Supreme Court dictum. And because the Supreme Court dictum was unclear . . . as to what method a school board must use to try to disestablish a dual school system, we believed that the system was in compliance at that time. I might also add that we understood that there would be litigation on this very issue. All of the school districts in the South of great size, such as Columbia, were faced with the same issue because of the geographical and demographical complexity of the large system. Many of them found that there were neighborhoods that were residentially populated by black families in one area and white families in another in such a way that it would be difficult through the neighborhood process to . . . implement a series of plans that desegregated all of the all-black schools. Now, at that time we also understood that there would be litigation, and we talked about it.

The school officials raised a question: Would we be better off, for instance, to go further than we did and anticipate what it is that the Constitution presently requires but what the court hasn't yet told us it requires? Or are we better off to do our best to read it as it is now and wait and see what the constitutional decision would be in the area? . . . As it turned out the anticipation . . . that there would be litigation did come to pass. There was litigation. It happened to be in Charlotte-Mecklenburg, and the Supreme Court set forth, as you know, a statement on the issue of urban desegregation, and really that's what Swann is directed to most acutely: the issue of large-city segregation. It was at that time that the court said that the methods that are available must be several, not just one. A school system in trying to disestablish the dual system must consider the use of not only the walk-in school . . . but other traditional kinds of methods, and it was for that reason Columbia, as other systems, has had to reexamine what was done before to determine whether additional methods that the court now says are constitutional could be employed. . . .

Q: Can the Swann decision of Charlotte be used now as the appropriate legal vehicle to go after de facto segregation in the Northern states?

A: The answer to that is "no." But I think it is important to explain why the court refuses to do that. The court said that (de facto segregation) resulted from either private action or official action other than a school board's action. By that I think it meant that where zoning ordinances or federal housing programs or purely private decision-making based on one's economic wherewithal were the causes of what we call de facto segregation—other than school board segregation—then the court would not address itself to that issue. It specifically cut out that issue. Whether it will choose to deal with that in subsequent cases or not is a matter of common speculation by attorneys involved in constitutional law.

Q: In effect this ruling means that you are concerned with segregation only in the South, does it not?

A: No, it doesn't, for this reason: there are a number of school systems in Northern communities that have engaged in official practices that have had the intent or effect of segregating children on a basis of race, color or national origin. Where that happens, that school system is under precisely the same obligation to eliminate that action as is any Southern school system. The distinction that exists is that in most, if not all, of the 17 Southern and Border states, the official action that is taken by school officials or by the state to segregate children was set forth by statute books. It was set forth as a matter of law. It was clear. It may have been wrong, but it was honest. In the other cities, there was no legal statute to segregate children on account of race.

Therefore, in most Southern districts where there was a dual system . . . it was easy for the government or for private litigants to show that after the Brown case, and after Green and after Swann there had been an official establishment of the dual system. The only questions that remained and the only ones that were dealt with in the Swann case, was what do you do about it.

When it comes to official action that segregates children in the North because there is no statute or no official display of the actions that were taken, it is necessary for the moving party, whether a private litigant or the government, to show . . . there was official action to segregate children. . . . That is typically a very difficult thing to do because it's not overt. It means going into 25 years of school board minutes. It means walking school boundary lines. It means looking at housing patterns and demographic information that is gathering dust in files of city officials. It means going through a whole discovery and evidentiary process simply to establish a case that many, if not most, Southern communities established openly on the statute books years ago.

As a consequence, we find that, to the surprise of many Southern communities, this office actually has more manpower and more resources committed to the North than it does outside of the South. In other words, we have more people and more of our budget supporting our compliance effort in the 33 states outside of the South than we do in the 17 Southern and Border states.

Q: Can you not move administratively against these people in compliance with the Nixon doctrine of March 1970 in which he says that the law would be uniformly applied throughout the country? Is it not a matter of policy that . . . where you have segregated schools, irrespective of how that came about, the situation exists of segregation and you could move administratively against them?

A: Unfortunately, from the viewpoint of ease of administration, the answer to your question is "no." . . . Historically well before the school desegregation issue arose before 1954, the Supreme Court and the legislative history indicated that in order for a denial of equal protection to be shown one must show official action. That's why results cannot be the sole determination. Because if you have simply the results you're looking at—namely black schools here and white schools over here in any given community—the community can argue that those results stem not from official action but from private decisions.

Q: You indicate that distinction here is made between communities that have a dual system by virtue of past law and those where it has just come about. Many people in the South feel . . . that since the 1954 decision . . . the special enforcement that occurs in the South now amounts to a punitive or special action on the part of HEW. Would you like to address yourself to that point?

A: Well, I have to disagree with it . . . I think that because the South has generally taken already the extensive steps that it has taken in this area to comply with the Brown decision and subsequent decisions . . . the greater the degree of compliance, the more puzzling the issue of additional compliance will be to most Southern communities—At least, the more puzzling unless it is explained . . . I think you'll find that the Civil Rights Act itself and the court decisions that have dealt with the issue of the dual system generally arisen in the context of a Southern setting . . . Because that classic dual system existed in the South there has been a greater impact of those decisions in the South.

This may not be terribly helpful in explaining it to a Southern community, black or white. But if you had found that . . . any Northern state (some years ago) had decided to have dual system, I think you would find that the enforcement effort and the impact of the Supreme Court decisions would indeed fall just as proportionately on that community as it happens to fall on the Southern community . . . At some point when those states that have dual systems have dealt with the issue and dealt with it effectively with honest results and in good faith, as I believe they are now, there will be an equalization of the conditions that exist North and South in such a manner that you will have—rightly—the need for a uniform application of results, not just effort . . .

Q: As I understand it, you can't move in the North until you prove that its de facto segregation is actually de jure, correct?

A: That's correct.

Q: All right. If a Southern school district complies with the federal courts and with HEW and resegregation results, is that school district going to have to continue to file plan after plan, year after year?

A: If the school district has actually achieved a desegregated status and then becomes neutral on the issue . . . and private decision making occurs so that resegregation occurs: no, I don't believe that that community—whether it's North or South—is in any different condition whatsoever. . . . By the same token, the vast majority of Southern districts are not only in compliance now, but have been in compliance and are essentially in the same position as those districts that are of like size and quality in Northern states. There are some 4,380 school districts in the 17 Southern border states. Out of those 4,000-plus districts, we're now talking with a mere handful. . . .

Q: But if I understand the point you made earlier, they still stand in the status in which they're subject to further control and change before most Northern communities, due to the fact that in years past they had dual systems.

A: But very few of them. Very few. We have probably, out of the 4,400 districts in the South, notified something on the order of 60 to 70, that's all.

Q: Why Columbia?

A: Well for the reasons that I gave earlier: because Columbia—as with other school districts—by everyone's admission does have a number of schools that are still the results of the dual system. That's not to say that it's clear what must be done with them; we don't know that. . . .

Q: You have found in the North that you have concentrations of blacks and-or whites without regard to having had a dual school system and yet in the South when you have the concentration of blacks or whites the presumption is that it is due to the previous dual system.

A: That is almost precisely what the U.S. Supreme Court said in Swann.

Q. Without regard to general housing patterns that prevail where this system never occurred?

A. That is right, but let's underline the word presumption. It is not conclusive. It is rebuttable. What has happened is that the court said . . . that where a system did have a dual structure and where the schools are still black as a result of that dual structure, there is a presumption that we are dealing with the vestiges of the system and that those vestiges have never been disestablished. However, it also said that there may be occasions where all the racially identifiable schools—the black schools or disproportionately black schools—are the result of private decision-making rather than dual system. But if that is the case, said the Supreme Court, the burden rests with the school system to come forward and show that that is the case. . . .

Q. Burger (Chief Justice Warren Burger) wrote that into his opinion, did he not?

A. Yes, he did. This is not an administrative guideline. This is a paraphrase of the Supreme Court's language.

Q. In some cases, then, litigation would be the more favorable than anything else in the school plan.

A. Precisely.

Q. In Columbia . . . we've had a great deal of white flight. Columbia has become a majority black district. In that situation, would you still say people ought to submit a plan and avoid litigation?

A. Well, that's a tough question. You've posed a question that probably should be posed to your school board attorneys and officials. I think that the option still is with them. . . . Let's talk about white flight for a minute. I think that's a matter of real concern and sensitivity in this office even though it may not appear to be. I would like to say this conclusively. . . . No matter what your view of the desegregation process is—whether you happen to be for it or against it, no one likes to see a community turned upside down and disrupted for any reason.

Obviously, to have a desegregated school system there must be people of both races participating in that system. If it's of one race, by definition, it's not an integrated system. Conversely, if white flight occurs in a substantial degree, not only is a stable educational system threatened, in terms of its racial composition, but education is as well. Tax-wise, it is. The system becomes poor. Nobody's interests are served when the wealth of the community leaves. I could go on and list a host of other reasons that white flight, as we call it, is a real concern and why it is important a system do what it can and why the Federal government do what it can to deter it. I think we are trying to deter it.

First of all, we are doing our utmost to be sure that the compliance judgments are made in light of prevailing Supreme Court decisions and are not made whimsically and are not made without careful thought as to what the honest obligation of that district is. But in many cases where an obligation still arises, the issue of white flight will also arise. Even if we could all sit here and agree on any given case—and I would hope that we might agree on Columbia—that some steps have to be taken, then the issue will arise. Now when that happens, the government has an obligation to see what it is that causes and what can happen to deter it. I think that both the Emergency School Assistance Program and the administration's request for an omnibus bill to deal with the issue of quality education to preserve good education and deliver good education to all the children in the community is the major answer to the question.

Q: A lot of members of Congress are opposing that bill for fear that the bulk of the money will be used to finance busing.

A: That's a myth that we've got to dispel because it is flatly incorrect. If anyone will take the time to read either the Emergency School Assistance Program or that bill in its two versions, one in the House and one in the Senate, it will be readily seen that what those bills are attempting to achieve is a good educational system that is designed to meet the needs that . . . the children have regardless of race. It's very clearly designed to deal with the issue of teacher training of curriculum revision . . . of construction problems . . .

Q: You're speaking of quality education, which is the point we started out on. Now, to what degree does HEW give credence to the findings of HEW and of the civil rights report which indicated that the quality of education of children deteriorates where there is a majority of blacks in schools? And I cite the Coleman Report and the Civil Rights (Commission) Report of 1967. Now do you take any position at all with respect to that?

A: Well, we don't have conclusive data on that issue. As a legal matter, the court has based its decision in the Brown case on a finding that there were intangible as well as tangible benefits that flow from an equalization of educational opportunity regardless of race. They did not specify in that decision nor have I seen any court specify a kind of ratio at which the court believes that the racial composition of a school can become such that those intangible benefits which were the very purpose of Brown are lost. I've never seen it litigated. I've never seen the court recognize it. Now it may or may not be the case. Regardless of what flows from a particular racial composition of a school, the administration and, I hope, Congress believe that resources have got to be devoted to that school to help improve the quality of education there, again regardless of the composition . . . I don't think that the courts or Title VI have ever said the Constitutional obligation to desegregate is hinged upon a particular ratio or should be deterred upon a particular ratio.

Q: No, that's not in any court decision, but it is in the Coleman Report. It is set forth there that the educational performance of Negro students is best served when they are in a situation with a majority of white students. Now a number of court decisions do refer to the right of Negroes to move into majority white situations. But by application of the court decisions themselves and of some HEW decisions, the resulting school situation is loaded with Negro students so that there is to be, based on Coleman, a deterioration of the quality education of both persons which is also accompanied by the white flight. Witness the fact in Clarendon County and Cameron school district of South Carolina where the magnitude of Negro attendance of schools is such that all whites have gotten out. So we've got a public school system which has run the entire gamut, is back to segregated, is completely public and presumably is in compliance. But the point that I'm making is: is it a matter of concern in the goal of quality of education if some of the steps that are being taken not just by HEW but by the courts themselves are in effect defeating the purpose of quality education in which they set out to perform?

A: I think that it is very definitely a matter of concern and it also is clear that not even the Federal government, regarded as it is as having a great deal of power and authority, can control that situation.

Q: Is this a vague, general concern or does it affect HEW's actions in specific cases?

A: No, I think that you'll find that the issue of sensitivity to the needs of the children in desegregated schools becomes as specific and as pointed as it can be from the distance that we have to operate. You'll find that school authorities have frequently pointed out that they have special programs and special concerns in a desegregated setting . . . that they believe are making progress, and we take account and encourage and sanction them to the best we can. . . .

Q: Once you approve a plan for Columbia for this fall, will Columbia then be on the de facto side of segregation?

A: From our viewpoint, if a plan is reached, and agreement is made and we and the Office of General Counsel believe it is in compliance with Supreme Court decisions and that plan is implemented as faithfully as possible by school authorities, the answer is yes.

Q: Then that would be it for Columbia under the present court rule?

A: Yes, if those steps are taken that I've just outlined.

Q: You do not anticipate any further HEW guidelines?

A: No we don't. Not on the issue of school desegregation. There are HEW attempts to improve the educational quality of the schools throughout the country. I don't want to be misread that HEW will turn its back on the school systems; I hope they will continue as cooperative as possible with the school systems. But on the issue of desegregation, I wouldn't expect it.

Q: One other question on that. Do you anticipate any court action or court decision on de facto segregation?

A: I have no . . . way to speculate on that. I just don't have any idea if the court will decide to take that issue up. It has been the subject of strenuous and great debate in Congress. . . . It has also arisen in cases in the North, but to my knowledge the Supreme Court has never ruled on that issue. Beyond that I don't know when either the Congress or the court will decide to take it up, if at all.

Q: There is a possibility of neighborhood schools in Columbia after we've submitted a plan that would still be 90 per cent or more black because there was documented proof that they could not be desegregated within reasonable bounds. Would this be de facto rather than de jure segregation?

A: If that were to be the case, if the evidence indicated that that's the plan the Columbia system proposed, and it was in compliance with the Supreme Court's guidelines, then the answer to that would be "yes" from HEW's viewpoint. I ought to caution you that that does not stop private litigants from suing the system . . . to test that issue . . . we have no control over that (private litigation), but our position would be that no plan will be accepted by this office nor approved nor sanctioned after it's implemented, unless that plan meets current Supreme Court standards. Then it has done what it has to do. There would not be another initiation of inquiry on our part as to what needs to be done to meet a new set of standards.

Q: What criteria do you use in determining when a school system is unitary?

A: Let me start with what we don't use. We don't use recial balance as a criterion. Let me make a couple of comments on racial balance then . . . get to what we do. Racial balance means a lot of different things to different people and it's a term that I would really like to see somehow eliminated from the vocabulary. I really believe that the term itself has gotten to the point where it creates more confusion in myth than it is helpful . . . The Supreme Court set that issue to rest when it said . . . that racial balance is not what the court is requiring. . . . The constitutional command to desegregate schools does not mean that every school in every community must always reflect the racial composition of the school system as a whole. That's pretty clear. Then you ask "what is it." It's clear that we're not using racial balance, either in the classic sense that it is defined here or for that matter in any of the unoperable other senses.

Ideally, I think that if a school system were operating in the following way, it would be a truly unitary system in every regard: If you were able to go into all of the schools in the system, and let's say there were delegations of white and delegations of black citizens with you composed of reasonable men of good faith and good will without racial prejudices and you were to look at everything in all of those schools.

If you were to look at the racial composition of the students, the racial composition of the teachers, the facilities, how they were constructed and where they were located—in good or bad areas in the sense—whether the facilities are falling apart or not. If you were to look at how the teachers handle the students, at how the officials handle the teachers, at the athletic systems as a whole and the extra curricular activities. . . . If you were to look, in other words, at every aspect of how that school is maintained and operated by officials. And having looked at all of the schools in the system, you were able to come away and re-group and you were to say to each other. "Look, there are a lot of differences in the system. That school has a bigger proportion of black kids than that one, that one has a bigger portion of white kids, that school is located obviously there and therefore it is a little bit different from this one here. There are differences in this regard and differences in that regard."

But in spite all of the differences, we could conclude as reasonable people that none of these schools is operated on a racial basis, none of them is operated to perpetuate the dual system, none of them is operated to preclude school children from activities or curriculum because of their race and, all of them are operating without regard to race, you've got a unitary system. That in my view is as ideal as you can ever get. That means that you are going to have differences in the system. You're going to have differences in people composition. You're going to have differences in teacher composition. You'll have differences in location of facilities and the like. But none of this should be racially identifiable in the sense that we discussed. The next question you should ask, is how far could these differences go—how much difference? And at that point there is no way to generalize, other than to say that men of goodwill and reasonable people would probably define some broad boundaries and within those boundaries good faith differences will occur. But as long as you're inside those boundaries I think you've got a unitarian system.

Q. Let me take you to Montgomery County, Ohio, where there are 16 districts. Six of them don't have any black kids in them at all . . . Taking the county as a whole, a very definite dual school system exists although individual districts may have unitarian school systems. What is the authority . . . of the Federal Government . . . to work toward consolidation of districts to bring about a more meaningful integration pattern?

A. Well, in a few cases it can be shown that districts have been carved up within a given geographical area in order to exclude children from schools on account of their race. This happens rarely, but it does happen. In those cases the Justice Department has requested of the federal court an order by which we consolidate or somehow regerrymander the zone lines to eliminate that kind of a racially noted thing. Those things are very rare . . . ordinarily school districts are drawn to a terminus with the city limits, for example.

Q. Does HEW ever impose on local school boards or suggest to local school boards that meetings be closed if one of their representatives is present?

A: At a local meeting? Yes, we have done that. I'll tell you why we have done it. I don't think that it happens frequently because most often we don't go to public school board meetings. We have asked that a negotiations session be closed simply because the glare of publicity ordinarily prompts people to make speeches. We're all subject to that. I don't mean that it happens on the part of school officials any more than government officials. And ordinarily when we have had the press present at a few occasions . . . and we've had them present at negotiations sessions, nothing is achieved. No results are achieved. I wouldn't say nothing is achieved because some pretty good speeches are made.

Q: Don't you think that if the same reasoning were followed by all public bodies that all meetings would be closed?

A: I don't think all meetings should be closed and I guess I should distinguish the negotiation session from your point which is about an HEW person attending a public school board meeting. . . .

Q: Let's get away from the school board meeting and talk about HEW negotiating sessions. Do you require that these be closed to the press? Or do you feel that it is beneficial for the people generally to not know what is taking place in the session?

A: Oh, I think it's absolutely critical that people understand what takes place.

Q: Then why shouldn't the meetings be open?

A: The only reason is one of scheduling and . . . the pressure on the participants to believe that they will end up in the funny papers and therefore there are inhibitions on the one hand and there is speech-making on the other. I don't think that that is a very happy result. But we have found that that is the case. We could try it the other way. It takes an immense amount of time and energy because I would say it takes up to five times the amount of time to get to the same conclusions. You will also find that more often than not it's the local school officials who don't want to feel the inhibitions of the exposure, not HEW.

Q: Could you speak specifically to the Columbia situation as to who there prefers these meetings to be closed?

A: No, I can't. I don't know that we have ever raised the issue. I don't recall that. It may have come up last year. We haven't negotiated this year. So I'm not directing these comments to Columbia.

Q: How about if they're going to close the the sessions that they have now. . . . What would HEW do about this? . . .

A: Okay, do we believe that school board meetings should be open? I think it would be gratuitous for me to give an opinion on it. Our opinion is that—I mean our feeling is that—that is the business of the school board in that community and the press in the community. We have no guidelines that say that school board meetings should be closed or open or on Sundays or Saturdays or any other time or under any other conditions. And I think that that is a matter that will have to be resolved between you and the press and your school board. As for whether or not we would be upset if the school officials chose to publicize the different plans that are being drawn—and it's news to me that any plans are being drawn. . . . No, we wouldn't be upset. That's equally the business of the school board. And if the community decides that its elected school board members should divulge what is going on it seems to me that that is the community's business.

Q: Would HEW refuse to participate in a negotiating session, in earnest—actually going through the real mechanics of the session—if the press were present?

A: I'd like to say that I'm not sure, at this point, although I take it that you're leading up to such a request and if so we would certainly have to consider it very carefully.

Q: This would seem to be somewhat less weighty than the Pentagon papers.

A: It depends on whose back that weight rests. And I have the scars to prove it. I would say this: that the only inhibition to an earnest working negotiating session—not a board of directors window dressing session—is the one that I mentioned before. And that is whether or not it can take place and personal feelings and opinions are floated and tested with impunity. If they are not, I suspect that your school officials will be very troubled by it. If they are not troubled by it, I would have to examine whether we would be troubled by it. I think that you would find less of the problem on our part than theirs. I would like to say one gratuitous thing in advance or in addition. I think that our position in HEW is, generally speaking, served by more exposure. . . . We live in a goldfish bowl in this business anyway. While we're in a goldfish bowl and everyone is looking at us, I think it is to our advantage to be as forthright and candid about what we are doing as we can be.

Q: If you had a community in the south where there had been a history of de jure segregation, but in which both a majority of the white citizens and patrons and of the black patrons and citizenry agreed on a pattern of school desegregation . . . that did not measure up to what would be considered to be the unitary system, would something of that sort be acceptable to HEW? Or you would have to say "no," the community's wishes cannot be observed here?

A: It's almost impossible to answer as you pose this. Let me take it in two parts. If the black and white community in that hypothetical district were to agree on a plan in every instance . . . I think . . . the plan would in fact fall within the broad boundaries of what the courts have required. We would take very seriously, very seriously a consensus—an honest consensus of the black and white community in Columbia and in other cities, just as we have in other cases . . . We would be delighted to hear that a biracial committee or any sort of a biracial effort has been undertaken in Columbia to say—"Look this is our problem, these are our schools, these are our children and it's our plan drawn by our people." That is of primary concern to us. If we had an indication that that was happening we would be very hard pressed, very hard pressed to say "no" to that plan. I guarantee that.

Q: Even if that group came up with, say, the neighborhood school concept coupled with freedom of choice?

A: All right, if that occurred in a sense that no movement was made or would be made to deal with the black schools in the community I think it would be a problem, yes. . .

Q: Suppose it is the desire of the black and white community in collusion to preserve that which they now have?

A: Well I think that it is possible—I think it is possible for collusion of that kind to occur. That would be unacceptable. I think it is possible. None of us have the right, despite our wishes, to flaunt constitutional standards that are set by the Supreme Court. . . . I don't think we have a right to say to hell with the Supreme Court standards or that we are going to evade the law. . .

Q: Let me ask about this question of freedom of choice. The courts have virtually ruled freedom of choice invalid in most southern districts. Now with that historical background, you have what they call freedom of enrollment in a number of northern states. But it is restricted to the point where children who want to transfer . . . have to get their own transportation—no free busing for them as the Swann decision indicated should be the case. Now is there any way that you can look upon that as a de jure segregation practice by a school board?

A: It becomes a complicated question. I might add that it is one that has been under review for some months in the city of Boston both by state authorities and by Federal authorities and it becomes somewhat complicated. But it is possible that abuses of that kind can be such that they are in the nature of an illegal freedom-of-choice arrangement. And in such a case, we will put an end to it.

Q: What about when a school board has drawn attendance zones so that the school ends up being segregated. Is that considered de jure segregation and would that be taken into consideration in the North?

A: Yes, if the zones were drawn so as to create segregated schools, that is de jure and that is why you can impose a remedy equivalent to that that is opposed in a former de jure dual system. That and similar kinds of subtle forms of gerrymandering and the like led to a number of orders in the Northern districts. . . .

Q: We have been talking all the way through about the white community and white community reactions. What do you think is the answer to the black community that says we want to keep our black integrity, we want to keep our black identity. We do not want to rename our schools, we do not want to carry our children all over the place.

A. I'm glad you brought up the question about what is in the interest of the black community and the black children. I think the answer to the question very specifically is that in almost all of those instances, unless there is a clear racial intent to deny a school something on account of race, that is a local problem. . . .

SUGAR ACT AMENDMENTS—UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I have been authorized by the majority leader to make the following unanimous consent request, after its having been cleared with the minority leadership with the distinguished manager of the bill, the Senator from Louisiana (Mr. LONG), the distinguished ranking minority member of the Committee on Finance, the Senator from Utah (Mr. BENNETT), the distinguished Senator from Massachusetts (Mr. KENNEDY), the distinguished Senator from Oklahoma (Mr. HARRIS), and other principal parties.

I ask unanimous consent that at such time as the Senate proceeds to the consideration of Calendar Order No. 296, H.R. 8866—an act to amend and extend the provisions of the Sugar Act of 1948, as amended, and for other purposes—there be a limitation of 1 hour to be equally divided on the bill, with the time to be controlled by the distinguished Senator from Louisiana (Mr. LONG) and the distinguished Senator from Utah (Mr. BENNETT);

That the time on any amendment be limited to 30 minutes, to be equally divided between the mover of such amendment and the manager of the bill (Mr. LONG), with the exceptions that—as to time—on the so-called South African amendment, there be 3 hours; and on the so-called confiscation amendment, there be 2 hours;

That no amendment not germane be received; and that Senators in control of the time on the bill may yield therefrom to any Senator on any amendment, motion, or appeal, with the exception of a motion to lay on the table.

The PRESIDING OFFICER. Is there objection?

Mr. FULBRIGHT. Mr. President, reserving the right to object, I contemplate offering an amendment. I wonder if the Senator would include in his request an hour's time which I may want to use on an amendment.

Mr. BYRD of West Virginia. Mr. President, with respect to the amendment which would be offered by the Senator from Arkansas (Mr. FULBRIGHT), I ask unanimous consent—with the approval of the majority leader—that time on that amendment be limited to 1 hour, to be equally divided between the Senator from Arkansas (Mr. FULBRIGHT) and the manager of the bill (Mr. LONG).

The PRESIDING OFFICER. Is there objection?

Mr. BENNETT. Mr. President, reserving the right to object, I am a little bit in the dark. Is the amendment which the Senator from Arkansas proposes to offer, on which he wants agreed time, to the pending business or to the proposed sugar bill?

Mr. FULBRIGHT. To the sugar bill. I thought that was what the Senator was asking about.

Mr. BYRD of West Virginia. Yes.

Mr. BENNETT. I wanted to be sure.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and the order is entered.

The unanimous-consent agreement reads as follows:

Ordered, That not later than 2 p.m. on Tuesday, July 27, 1971, the Senate proceed to the consideration of H.R. 8866, an act to amend and extend the provisions of the Sugar Act of 1948 as amended, and for other purposes, and that there be 1 hour of debate on passage of the bill to be equally divided and controlled by the Senator from Louisiana (Mr. Long) and the Senator from Utah (Mr. Bennett). *Provided,* That debate on any amendment, except the amendments listed below, be limited to 30 minutes to be equally divided and controlled between the mover and the manager (Mr. Long): a so-called South Africa amendment—3 hours; a so-called confiscation amendment—2 hours; and an amendment to be offered by the Senator from Arkansas (Mr. Fulbright)—1 hour.

Provided further, That no amendment not germane shall be received, and that time for debate of the bill may be yielded on any pending amendment, motion or appeal, except a motion to table. (July 26, 1971)

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent, after having discussed the matter with the distinguished majority leader, that when the Senate completes its business today, it stand in recess until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that at no later than 2 p.m. tomorrow, the Senate temporarily lay aside the pending business and proceed to the consideration of the so-called Sugar Act, Calendar No. 296.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS ON THURSDAY, JULY 29, 1971

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that on Thursday, the following Senators be recognized, each for not to exceed 10 minutes and in the order stated—immediately after recognition of the two leaders under the standing order: Senators DOMINICK, BROCK, BUCKLEY, BYRD of Virginia, CURTIS, GURNEY, and THURMOND.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that on Thursday, following the remarks of the Senators just named, each of whom is to speak for not to exceed 10 minutes, the distinguished Senator from Indiana (Mr. HARTKE) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

AMENDMENT NO. 317

Mr. STEVENSON. Mr. President, I call up amendment No. 317 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 10, line 11, strike "after October 1, 1971,".

Mr. STEVENSON. Mr. President, what started as a proposal for the relief of the Lockheed Aircraft Corp. now purports to be a generic bill. It does create a Board with authority to guarantee loans up to a total of $2 billion. But it is no coincidence that the bill in its present form would prohibit any loans in excess of $250 million. In this and other ways, the bill is tailor-made to fit the Lockheed situation.

Mr. Charls Walker, in his testimony before the Committee on Banking, Housing and Urban Affairs, made it perfectly clear that, no matter what final form the legislation took, the Treasury Department would regard it as a congressional endorsement of the guaranteed loan for the Lockheed Corp.

In its present form, it is neither a generic bill nor a private bill; it is a hybrid. What does seem clear from the form of this bill is that the Senate will be deprived of a clean up or down vote on either the generic question or, the Lockheed guarantee. They are both important questions, and they are separate questions.

This amendment gives the Senate a chance to work its will on each of these issues.

One provision of the bill affords Congress an opportunity to disapprove guarantees of loans made by the Board. Approximately a year ago, Congress incorporated very much the same provisions in the Defense Production Act for V loan guarantees in excess of $20 million, to afford Congress an opportunity to pass on such loans. This bill does the same for all applicants except Lockheed. This amendment simply would eliminate that exemption. It would afford Congress a right, within a limited period of time, to disapprove the loan guarantees for all corporations, including Lockheed. Lockheed would not receive special treatment. It would be considered like any other corporation in distress seeking the help of the Federal Government.

Without this amendment which I am offering, Mr. President, Congress would effectively approve a loan guarantee before all the details have been hammered out by the banks, by Lockheed, or by the board which this legislation establishes.

Congress is operating in the dark. If Congress were to pass the legislation in its present form, it could safely assume that shortly afterward the banks, the Board, and Lockheed would get together to hammer out questions such as the future management of Lockheed, the right to counsel, the right to declare dividends, and the extent of the collateral, and many others. How can we approve before we know what sort of contractual arrangement the parties will work out?

Mr. President, there is no such blanket approval provided in the Defense Production Act. I submit that there is no reason for it here. If my amendment is adopted, the bill would set forth an expeditious procedure for approval or disapproval by Congress, after notification to Congress of the intended loan guarantee, and Congress would have 20 days in session in which to disapprove. If it did not disapprove, then the loan guarantee could be made.

I realize that Congress will be in recess beginning early in August and, therefore, that it could not act to disapprove a proposed loan guarantee before September. That need not adversely affect Lockheed. By September, it has been estimated that Lockheed would only need, by its own figures, about $25 million of the $250 million proposed for this financing. That relatively small figure could be provided in numerous ways, if necessary, to keep Lockheed going. It could be provided by the banks on a short-term credit basis. It could also be provided by the Federal Reserve Board under its existing statutory authority—section 13-3 of the Federal Reserve Act.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield?

Mr. STEVENSON. I gladly yield to the distinguished Senator from New York.

Mr. JAVITS. I have already expressed myself on this amendment. I believe that it is in harmony with the purposes of the bill. I am a supporter of the bill. I think the bill would be better served if everyone were in the same class, that is, included as Lockheed would be. I believe that we need the bill as a generic piece of legislation on the books, and for that reason I expect to support the Senator's amendment.

Mr. STEVENSON. I am very grateful to the Senator from New York for his comments.

Mr. President, I recognize that regardless of the merits of the Lockheed claim in this case, Lockheed would not be adversely affected by my amendment but would be treated as all other corporations would be.

In the absence of any extenuating circumstances, I cannot see any justification for discriminating in favor of the Lockheed Corp.

It would also, of course, give Congress the opportunity, in this case, to vote on two separable and two very important questions. One is the generic issue and the other is the merits of the proposed loan to Lockheed.

I might add, Mr. President, that the procedure established for a congressional vote on loan guarantees is not only incorporated in the Defense Production Act, even though in that act it is intended to assure that defense producers and corporations which are vital to our national defense will maintain their continued operations against financial adversity. If Congress is willing to grant loan guarantees in such a case, with its right to review in defense-related industries, it is very hard to understand why it should not do so for commercial projects. That is what we are faced with in this case.

It has been made clear in testimony before the Banking, Housing and Urban Affairs Committee, that the welfare of Lockheed as a defense producer and manufacturer is not at stake in this case. That is not the issue. The Pentagon has made that clear. With or without bankruptcy, with or without reorganization, Lockheed would continue meeting its obligations to the Pentagon. But at stake in this case is a commercial product, the survival of the Tri-Star. If Congress reserves its right to disapprove loan guarantees for defense-related industries or products, what conceivable justification can there be for failing to exercise the same rights in the case of a commercial product where there is no issue or question of national security involved?

Mr. President, it is unusual even to consider legislation such as this, legislation for the relief of corporations in financial difficulties simply because they are big and because their failure could have adverse effect on their employees.

It has been a matter of some controversy, and perhaps of doubtful wisdom, to legislate in this case for a particular corporation; but if we are going to do it, why should be sanction the deal before we even know what it is? In this case, we do not know what it is. The arrangements have not been worked out between Lockheed and the banks, or between Lockheed and the Board.

If this amendment were adopted, Congress would, to a greater extent, then have the opportunity to debate and vote up or down on the generic issue. Then later on, if legislation is passed, it would have another opportunity to vote up or down on the Lockheed issue. It would have an opportunity to evaluate the underlying assumption that a $250 million loan is enough to tide Lockheed over—bail it out, as has been stated, and that a sufficient market exists for the Tri-Star to justify the Federal guarantee of a $250 million loan to this large corporation.

I would hope, Mr. President, that this amendment could be acted upon in the Senate soon. I would be glad to enter into a time limitation agreement if the other parties are so disposed.

Mr. TAFT. Mr. President, will the distinguished Senator from Illinois yield?

Mr. STEVENSON. I yield.

Mr. TAFT. I commend the distinguished Senator from Illinois for introducing this amendment. I think it will improve the bill considerably. However, it points out one of the principal factors in regard to the entire matter that disturbs me deeply.

The pending bill is a so-called generic bill. It does not relate solely to Lockheed but to any corporation or any business that comes in and makes an application for a Government loan guarantee. When that happens, under the legislation, the Board is charged with making an assessment of the factors involved in the loan, measuring them against the criteria that will be in this measure in its final form.

The point I would like to make is that if these officials, who would serve on the Board if the act were passed, were to be the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the president of the Federal Reserve Bank of the district involved in the loan, that suggests the tremendous political pressure when the economic well-being of the Nation is in the hands of the administration in power, the Secretary of the Treasury is, at least, an appointed official of the President—confirmed by the Senate, it is true. Nevertheless, he is an arm of the President.

The Chairman of the Reserve Board in many instances will be a gentleman appointed by the President of the United States. The same thing would be true with respect to the Chairman of the Federal Reserve Bank of the district involved.

I believe there is a philosophical matter involved here. We have a most serious question before us as to the size and kind of pressures that are bound to be involved in a case in which millions of dollars and perhaps billions of dollars are involved.

They are the sort of questions that ought not to be handled without a thorough, on-going review. In fact, I have a philosophical question in my mind as to whether we should ever approve of a public body of officials having guarantee authority where competition is involved between companies in the industries in question. There is a very deep philosophical question.

However, I would like to point out that at the same time it helps to provide additional safeguards, possibly a combination of several philosophical difficulties which would expose the executive branch as well as Congress itself to the same kind of economic pressures.

I do not think that Congress should be called upon to take a position in favor of one company or against another. We should review this matter and recognize its existence. They are involved in the system of checks and balances.

It is true that if the actions of both the executive branch and the Congress are involved, the danger to the public interest would be less. For that reason, I favor the amendment. However, I feel it does still leave the bill serious and, I think, almost prevailing difficulties which would militate against supporting such a measure. If we are to support the position taken by the Senator from Illinois, which I think is extremely well taken, I see no reason for any distinction between the Lockheed case and any other case, while we have examined the Lockheed case. The circumstances change every day with regard to the Lockheed case.

One of the things I have complained about and one of the things that worries me the most is that during this period of time since the bankruptcy at Rolls-Royce, there has been a continuation of the British Government financing daily the operation in Great Britain, without financing through private sources and without hope of a private guarantee to the aircraft manufacturer involved, Lockheed.

There has been a continual buildup of inventory. I am told that there is $1.1 billion, almost $1.2 billion in inventory. I do not think that would be totally lost, because every day they build up the inventory and if the company were to go into bankruptcy under chapter X of the Bankruptcy Act, the trustee would have prevailing economic factors to lead him to a judgment so far as those items already in inventory are concerned. He could go ahead and produce airplanes without the lost jobs which we have heard so much about before.

We have to recognize that there is this serious difficulty in justifying the parts and inventory such as has been built up, the amount of which I have mentioned. It indicates what appeal such a measure would have.

If we once break down this wall, we are in great trouble. With regard to striking out the date, it would at least put Lockheed in the same position as most everyone else would be, if we got their applications in time. They would have to come back to Congress with whatever deal had been worked out, with whatever board would be set up, and establish the details of the arrangements and give us a chance to review those details and establish some precedents and criteria and ideas of our own.

I hope that we would have a chance to review the entire process and determine whether we should continue with the $2 billion guarantee if that turns out to be unwise and the problems indicate that it is unwise with respect to Lockheed. We could then take another look at it and reject whatever guarantee had been given better than if we had a broad generic bill. I think the pending amendment is a step in that direction.

Mr. STEVENSON. Mr. President, I thank the Senator from Ohio for his perceptive comments. I commend him for the diligence with which he has attended to this matter both in the committee and on the floor.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

Mr. BROCK. Mr. President, the Senator from Ohio raised the question of pressure. I ask if it is not true that pressure can be applied from both sides. Is there, for example, no communication between the management of General Electric and a competitive management, or McDonald Douglas?

I ask the Senator from Ohio or the Senator from Illinois what they call the stated price increase of General Electric that is to be effective 4 days after the August recess begins, on the 10th of August. Is that not ultimate pressure on the part of competitive airline purchasers to revoke their support of Lockheed and the airplanes they have placed orders with Lockheed to purchase?

It seems to me that if we are going to discuss pressure, we should consider the pressure on both sides of the street. We have to recognize that pressure is something that each Senator must evaluate within his own conscience. We must accept the fact that the amendment is in a sense a response to pressure. It is a response to pressure to cancel the manufacture of the plane at Lockheed. The effect of the amendment is particularly to eliminate totally purchase from Lockheed that might make a sound project of this aircraft.

There could be no possibility of that if the pending amendment were agreed to, and Lockheed has to continue its production to the period that the Senate would envision with the passage of his amendment, 20 legislative days following the return of the Senate, following the August recess.

So we are talking about a date extending into October. The Senator knows full well that Lockheed Corp. is not in a position at all to do this.

The Senator from Ohio indicates that he would supply a bare Lockheed loan. The fact is that we could not do it. The Senator's amendment would eliminate the prospects of a Lockheed loan so that they could not keep the guarantee. Is that not correct?

Mr. TAFT. Mr. President, would the Senator yield?

Mr. STEVENSON. I yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I would like to answer the question of the Senator. I do not think that is so. Going to the first point he made, with regard to the question of whether Lockheed would be eliminated by the passage of this amendment, I find that there would be very little difference than if we were to pass this entire bill as is. There has been testimony before the committee that it would probably take a considerable period of time in which to work out the final details of any loan arrangement that might come about.

The deadline here, and we should understand it, is not one proposed by the bank, but proposed by the British Government, which says that after August 8 it will no longer conduct its daily financing in the $1 million category to the Rolls Royce plant, which they have not taken over.

I think that is the factor involved. All we have to do to extend this deadline is to give the British Government some way to get off the hook.

In the last analysis, as has been commented on by one Senator, there is a good chance if we do not go ahead with this the British Government will go ahead with it anyway, considering the amount of money they put in.

No, I do not think because we fail to act finally before August 8 the company will fail. If we authorize generally, the position of the British Government will probably be met, although I do not know what position they will take. That will be up to them. But I do not think the fact that we have a final yes or no would prevent them from extending their credit. So much for the first point.

With respect to the second point, I would like to borrow from the advertising spokesman and say it seems to me the Senator helped in the argument he made rather than hurt. In effect, he said "Double action, double the fund." Just because the pressures on one side may be bad does not mean they will not be worse from both sides. If you get double pressures on the Government, the possibility of sound decisions being made are not necessarily helped.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

Mr. BYRD of West Virginia. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield further?

Mr. STEVENSON. I yield.

Mr. BYRD of West Virginia. It is my understanding that a motion to table the pending amendment may be presented. I ask unanimous consent that it may be in order to order now the yeas and nays to occur on such a tabling motion if and when it is made.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD of West Virginia. I thank the Senator for yielding.

Mr. STEVENSON. Mr. President, I would point out to the Senator from Tennessee that while this proposal contemplates a $250 million loan, it has not been suggested by anyone, to the best of my knowledge, that Lockheed would by October need $250 million. It is my impression from the Lockheed cash-flow statements that it might need as much as $25 million. That being the case, and the interest of the banks and the continued economic health of Lockheed being considered, it should not be very difficult for Lockheed to arrange short-term financing on the order of $25 million. Surely there would be enough collateral to protect the banks against any risk of loss for that short a period of time. If Lockheed has enough collateral to protect the Government's interest in $250 million, it should have enough collateral to protect the Government's interest for a $25 million loan.

I would also point out that if, as the supporters of this proposal contend, this financing is important to the national interest, that the Federal Reserve Board has statutory authority right now under section 13-3 of the Federal Reserve Act to make short-term credit available to Lockheed. It could provide the $25 million to Lockheed.

The Senator also raises the specter of the adverse effect upon competition in the airframe industry. Well, if one thing has been made clear in the testimony before the Committee on Banking, Housing, and Urban Affairs it is that the airframe industry suffers from a surfeit of competition. In this case we are not talking about competition between domestic airline manufacturers. We are talking about competition for just one airplane, the wide-bodied trijet. Surely other manufacturers that have been very successful in the world would enter that market in competition with McDonnell Douglas. Already there is competition which could have a healthy effect on the price of these aircraft from European competitors. The Europeans manufacture a very similiar aircraft.

I think the Senator from Ohio has very commendably pointed with concern at the pressures that would be brought to bear upon the Board—economic pressures, political pressures—and there would not be a bank in this country that would not come to the Board seeking a loan for one purpose or another, one corporation or another; it would be almost under a duty to do so, to shift the risk from stockholders and depositors to the taxpayers.

This amendment would not eliminate Lockheed. It would simply require Lockheed be treated as all other corporations and banks would be treated under this bill. It would reduce some of those pressures on the Board. It would have a therapeutic effect on the Board in the conduct of its business.

It would give the elected representatives of the people in their Congress a chance to be represented in these determinations, a chance for Congress to finally disapprove a nonmeritorious loan guarantee.

If Lockheed's need is so great and if the guarantee is in the public interest, the Board would approve and so would Congress, and in plenty of time to tide Lockheed over.

The Senator acknowledges it would not take longer than October. Under procedures established in this bill Congress is given only 20 days in session in which to disapprove. That is not very long. It might delay as long as some time in October, perhaps as early as September. Surely, in that short period of time Lockheed could keep going either with its own resources or short-term financing which could be arranged either from the banks or from the Federal Reserve Board, and perhaps there are other sources of short-term finances available.

I might ask the Senator from Tennessee if he has heard of or received any information to indicate that more than $25 million would be required or that $25 million interim financing would not be available either from the banks or the Federal Reserve Board.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

Mr. BROCK. We had very extensive information from the banks that they are in no position to proceed with further loans to this corporation without additional security. There is none other than the prospect of a loan guarantee. They make their judgment based upon the hope that some approval may be forthcoming from Congress, when Congress is in doubt.

If the Senator from Illinois is indicating that support would not be forthcoming then I think any bank manager who made such a loan would be subject to being fired by his board of directors, and I would understand if they took that action.

In terms of cash flow, yes, there is a need for more than $25 million. Presently there are 14,000 men and women unemployed as a result of this hiatus in production.

In order for the appropriation to move rapidly to put people back on the payroll, to proceed to full production, to proceed with their sales contracts, there is a reasonably large amount of money planned to be spent for the calendar year.

I again restate my earlier comment that, under the best of circumstances, the amendment of the Senator from Illinois would have the effect of precluding from the application of this bill those people who are now unemployed or who will be unemployed from Lockheed Corp. I see no alternative to that statement, and I cannot for the life of me see how the Senator would rationalize any alternative assumption.

Mr. STEVENSON. Does the Senator suggest that it would be improvident for the banks to extend credit during this interim period—according to my figure, $25 million at most would be required—because the risk is too great? That, of course, is the purpose of this legislation—to transfer the risk in the loan of the $250 million from the banks, to the taxpayers. In this case we are talking about perhaps $25 million of interim credit. It has been represented to us time and time again that the loan guarantee of $250 million would be fully collateralized; the Government could not lose a thing. I ask the Senator, if that is the case, how could it be that Lockheed would not have enough collateral to cover the banks for a very short period of time, perhaps 2 months?

Mr. BROCK. The Senator obviously is posing a rhetorical question, to which he knows the answer. The fact of the matter is that the banks are collateralizing today. If the loan guarantee is accepted, as it has been presented to our committee—the Senator was a diligent attender at those hearings—the Federal Government takes precedence. It takes precedence on those assets, but not until the loan guarantee. We take precedence. The Federal Government takes precedence at least to the extent of $250 million. It is hopeful that there will be something less than $250 million in prior claims. Certainly there is a lack of assets, because the assets are now guaranteeing existing loans. But to say that there are assets to guarantee an additional $250 million is something else entirely.

Let me respond to the earlier question of the Senator and his comment that, not $20 million, but $25 million would be adequate. From our hearings, the chairman of Lockheed placed in the record of hearings on page 13 the corporation's financing plan and borrowing requirements, which show that by December of this year slightly in excess of $100 million would be required to place in full employment those who would be laid off, an amount which is considerably more than the $25 million that the Senator mentioned.

Mr. STEVENSON. I thank the Senator from Tennessee. I have seen the Secretary's testimony in the record, including a chart which sets forth the requirements of Lockheed. If I am not mistaken, by October it indicates a need of about $25 million. That information is corroborated in a separate statement that was furnished by Lockheed to the Committee on Banking, Housing, and Urban Affairs.

If the banks and Lockheed are willing to give the Government priority on all its collateral for a $250 million loan, it seems to me they would also give such a priority to the Federal Reserve Board if the Federal Reserve Board did make the $25 million available in short-term interim financing.

I think this argument today demonstrates one of my earlier points. There are two very important issues involved that become confused in the consideration of the bill and in the debate. One is on the whole question, addressed earlier by the Senator from Ohio, of the propriety of the Government's interfering in the marketplace in the free enterprise system to effectively bail out a large corporation in failing circumstances. And why? Simply because it is a large corporation and its failure could have adverse effects on the economy, employers, creditors, investors, and suppliers.

I might add in passing that it is possible that were this loan not made, and consequently $250 million of credit contemplated here was allocated according to the free play of the forces in the marketplace, it might do far more good toward promoting human welfare and a healthy economy and jobs. $250 million favorably put in the marketplace to banks, to corporations, big corporations and small corporations, the public sector and the private sector, corporations in all parts of our country, profitable corporations employing people, paying taxes, might do far more for the economy than spending $250 million for a corporation in failing circumstances and with virtual assurance that that $250 million will not be enough.

That is one of the issues.

The other involves the particular claim of Lockheed for this support from the Federal Government. We cannot debate that issue properly without even knowing what arrangements are going to be made between the banks, Lockheed, and the board. We do not know what the circumstances of the airframe market will be within the time that this loan guarantee is carried out. There is evidence indicating that the market for these aircraft is softening all the time.

This amendment, if adopted, would now give Congress an opportunity for debate and a clean vote on the first issue, really the most important and most far-reaching question, the generic question. It would also, when the facts are in and the deal is made, give the Congress a chance to evaluate and vote cleanly on the Lockheed guarantee.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I commend the Senator from Illinois (Mr. STEVENSON) for his amendment. It really brings into very sharp focus one of the principal bones of contention between the opponents and the proponents of the bill.

Were this amendment to be accepted by the Senate, we would take away from the proposed legislation one of the present doubts that is hanging over us; namely, that the bill is being presented as generic legislation when, in fact, it is specifically for Lockheed.

One of the clouds that has been hanging over the debate, both in the hearings and on the Senate floor, is the special treatment that is accorded to Lockheed. What the Senator from Illinois has done, as I understand him, is simply to say that the provisions of the bill, all of which have been drafted by the committee, will apply to Lockheed as they will apply to any other corporation that makes application for a loan. It is as simple as that; there are no exceptions.

As I have pointed out, under the bill as now written, it would be possible not only for Lockheed but also for any other business entity to go to a three-man panel and make a request for a loan and have it granted out of hand without having any of the provisions for congressional approval in the legislation applied.

The legislation as presently drafted says that after October 1, 1971, any applicant that comes before the Board—let me be specific. The heading reads "Congressional Review."

That is very significant, I think, because I think the committee honestly intended to restore to Congress this power of review. As I have mentioned many times during the debate, we have delegated great power to the Executive, and only now, with a great effort, are we bringing it back within our own fold.

But right off the top, what do we do? We go ahead and try to pass legislation which again takes power away from the legislative branch of Government and gives it to the Executive or to a board that is dominated by the executive.

The committee sensed this when they drafted the legislation, and entitled the section "Congressional Review" so that Congress would make sure that none of these loans would go out without the legislative branch having the opportunity to take a careful look at the loan in all of its terms and conditions, much as the loan committee in a bank would do, which is proper, since we are the loan committee dealing with the taxpayers' money.

So they put in a section entitled "Congressional Review."

If the amendment of the Senator from Illinois is agreed to, the section will read:

> The Board shall not guarantee or make a commitment to guarantee any loan unless—
>
> (1) at least twenty calendar days prior to making such guarantee, the Board transmits to the Congress a notification of its intention to make such guarantee together with a detailed justification therefor; and
>
> (2) a period of twenty calendar days of continuous session of the Congress following the date on which the notification is transmitted elapses, and during such period there is not passed by either the Senate or the House of Representatives a resolution stating in substance that the Senate or the House of Representatives, as the case may be, does not approve the proposed guarantee.

If the amendment is not accepted, then the language will read, as proposed to the Senate:

> The Board shall not guarantee or make a commitment to guarantee any loan after October 1, 1971, unless—

and then lists the conditions after October 1, 1971.

I think we will find that the members of the committee will quite frankly admit, "We do not want these conditions to be in there for Lockheed. We do not want them for Lockheed."

Then, of course, we go all around the merry-go-round again: Is it a generic and an overall bill, or a Lockheed bill?

Is there anything so wrong that maybe the Senate of the United States cannot stand up on its own two feet and reject an ultimatum of August 8, and maybe not even go ahead and guarantee a loan by September or October? Can we not go ahead and set the date? Can we not have the review that is called for, as a matter of principle, by the drafters of the bill?

I do not think any particular honor is accorded the body by the committee when they go ahead and ostensibly draft generic legislation, which has not even been passed by the Senate, without already making an exception before the bill is passed. You know, really, we strain the credibility of the American people with that kind of maneuvering, and that is all it is.

What the Senator from Illinois has done is just eliminate this cloud that hangs over all the proceedings and all the legislation, this cloud which says that Lockheed is being given special treatment, because as the bill now reads there can be no question of the fact that Lockheed is being given special treatment. As I indicated in the comments prior to the cloture vote, the step which is being requested here is rather monumental, both as it applies to our traditional concepts of Government assistance and as it applies to our whole free enterprise system.

During the course of the debate, we have heard read a letter from the President of the United States urging the Senate to pass with deliberate speed this particular measure. I believe the administration has been heard from loud and clear on this legislation. They have had their people going over it for months on end.

What is our contribution going to be, as 100 responsible men, in formulating this precedent-shattering legislation? Is it going to be just to go ahead and rubber stamp an administration bill, without any original thinking on our part at all?

I think the original thinking comes down to rather a bare minimum, when the only amendment that so far is before us simply eliminates the date October 1, 1971, but I think it does the trick insofar as flushing out the intent with which the legislation as presented is concerned.

I think it is extremely important that we do have congressional review, not only with respect to this matter but many others. There comes to mind the bill I cosponsored with the Senator from New York, the so-called war power bills, which limits the conditions under which the President can commit troops, and makes such commitment subject, within 30 days, to approval by Congress. There is no real difference. This is an economic situation that has come to pass, in which we are giving enormous power, again, to a board, not at all designated by Congress, but with the imprimatur being to take an administration bill and say that we should have congressional review.

I commend very sincerely the Senator from Illinois. I think he is doing a great service to this body to clear the air here and to make it specific that there are no exceptions. It is the exceptions that get us into trouble around this place. One rule for everybody. If that encompasses congressional review, then that should apply to everybody. For heaven's sake, let us not do business the way Lockheed does. Otherwise, we will be having somebody bail out the U.S. Senate before it is all over.

Does the Senator from Illinois care to ask a question?

Mr. STEVENSON. I want to thank the Senator for his comments and for the sensitivity he has expressed toward the public confidence in our whole legislative process, public confidence which he feels—and I believe rightly—would be impaired by the special treatment contemplated in the proposed legislation for one corporation, and for one corporation because it is a big corporation.

I thought, too, that I might point out that it was only approximately a year ago that the Defense Production Act was changed to permit Congress to approve the V-loan guarantees for the support of defense projects. If Congress is going to reserve to itself the right to approve guarantees of loans for defense projects, as it already has, should it not do so in the case of commercial projects? What makes this particular commercial project so much more important? There is no satisfactory answer to that question.

Mr. WEICKER. Will the Senator yield for a comment?

Mr. STEVENSON. I am glad to yield.

Mr. WEICKER. I will tell the Senator what I think it is.

Mr. TOWER. Mr. President, who has the floor?

The PRESIDING OFFICER. The junior Senator from Connecticut has the floor.

Mr. WEICKER. I will tell the Senator what I think it is, at this point in time: Pride of authorship. Anyone who has been a proponent of the bill says it has to be done this way, by this date, and we cannot deviate on it. So far as I am concerned, pride of authorship does not stand very tall next to the great principles that are being argued in this bill. Certainly, if there is a little deviation in the date, it might be the healthiest thing that ever happened for this legislation.

Mr. STEVENSON. Mr. President, will the Senator yield for a question?

Mr. WEICKER. I yield to the Senator from Illinois.

Mr. STEVENSON. Assuming, for the sake of debate, that this was a meritorious loan guarantee for Lockheed, does the Senator know of any reason why—whether it takes 60 days or 90 days, or whatever, for congressional disapproval or approval, as the case may be—the banks could not make that temporary financing available? According to the cash-flow figures that have been given us by the Lockheed Corp., as the Senator knows, it would require only $25 million during that period.

Does the Senator know of any reason why Lockheed could not arrange interim financing, fully collateralized, with those banks for $25 million, and why it could not obtain it, if it is so important for the public interest, from the Federal Reserve Board, which, as the Senator knows, has the authority, under existing statutes, to make such short-term credit available?

Mr. WEICKER. I am not going to speak for the bank. All I am saying is that a little extra time on behalf of the American people—on behalf of the American people—to make sure that it has been given the most thorough type of scrutiny, certainly should not upset anybody unless—unless the lid on the garbage can only hold the smell back for so long. That is the only reason I can figure out. Certainly, the additional time provisions called for in the bill are not going to make that much difference, unless somebody wants to run one through fast. That is exactly why we are here now. Fortunately, a majority of our colleagues felt additional debate was necessary on this particular motion.

I think this is a superb and an absolutely necessary amendment. I am not one to give advice to the proponents of the bill as to tactics to use to get it through, but I think it would go a long way to convince much of the Senate that everything is on the up and up so far as this legislation is concerned, were it accepted by the committee.

I would hope that the Senator from Illinois has had discussions with the committee, and that they have shown interest in supporting this amendment.

Mr. STEVENSON. I thank the Senator.

Mr. WEICKER. The point that I started to make a few minutes ago was as to the administration's support of this legislation and the fact that differences have been aired and persons within the administration have said that they are or they are not for this type of legislation.

I want to make one thing very clear and put it on the RECORD. I think there is a definite difference of opinion within the administration, and I do not think it is anything that has to be covered up by anybody. I think it is one of the most refreshing things I have seen since I have been in Congress, and I think it stands to the great credit of the administration that such differences exist. Really, we are not all schoolboys around here, to have a group of letters rushed in the next day to make it look as though everything is all right again. It just makes one sniff a little bit harder as far as the bill is concerned.

This really answers the question as to what the committee is trying to do with this particular amendment. We will get the answer from the committee and the position they take should make the situation clear.

If, in fact, the committee opposes the amendment of the Senator from Illinois, then clearly they are saying Lockheed is an exception to the legislation which they are requesting the Senate to pass. There cannot be any variation of that whatsoever. Lockheed is an exception—we admit—to this proposal, to the original bill.

Again, before sitting down and yielding the floor to my colleague from Texas, I repeat the statement made earlier that this cannot blithely be explained away as only being a guarantee of $250 million, that it really does not come out of the pocket of the taxpayer, and that if everything goes wrong, we have sufficient assets to collateralize this loan so that really there will not be that much of a loss. We are setting aside $250 million in case the worse does happen, so to that extent it is the taxpayers' credit that is being pledged.

Point No. 2, even more frightening to me, is that we now have an interest in Lockheed. More particularly, we have an interest in the assets of Lockheed. The Government, once it takes this position, cannot afford to see those assets depleted unless they are willing to reduce the security of the loan.

Where does that leave me, or any of us in the Senate, when the Lockheed Corp. is in competition with United Aircraft for a Government contract, or with General Electric, or with North American Rockwell, or with Fairchild-Hiller, or with Boeing? I can go right down the list. Where does it leave the Government? It leaves them with the fact that it is to the Government's financial interest to see that Lockheed gets the business so that the assets will not be depleted. That is the whole trouble with the Government's getting into private enterprise. It comes down to being a matter for the public good to boost Lockheed even more. One of the great difficulties here with the step we are being asked to take is that if we are going to make that first step let us have the question go out of the Senate smelling clean, with no exceptions. That is why I support the amendment of the Senator from Illinois, because I think that what he has done is to say to the American people that if circumstances have so changed that the Government has to assume this new role, at least let us assume it from the outset with integrity and not in a slipshod, mediocre, around-the-corner, type of way. That way belongs to Lockheed. That is why we are here today. For heaven's sake, let us not have it assumed by the Senate.

Mr. TOWER. Mr. President, I oppose the amendment offered by the junior Senator from Illinois. My opposition is not because I want any special treatment for the Lockheed Aircraft Corp. as has been suggested by some as the purpose of the October 1, 1971, date being included in our committee bill. I oppose it because I believe that the conditions of the bill should not require a much greater burden on Lockheed than would be imposed on any other company that may apply for a loan guarantee.

Mr. President, section 12 of the pending bill states that the Emergency Loan Guarantee Board shall not guarantee or make a commitment to guarantee any loan after October 1, 1971, unless:

> (1) at least twenty calendar days prior to making such guarantee, the Board transmits to the Congress a notification of its intention to make such guarantee together with a detailed justification therefor; and
>
> (2) a period of twenty calendar days of continuous session of the Congress following the date on which the notification is transmitted elapses, and during such period there is not passed by either the Senate or the House of Representatives a resolution stating in substance that the Senate or the House of Representatives, as the case may be, does not approve the proposed guarantee. For the purposes of this paragraph, in the computation of the twenty-day period there shall be excluded the days on which either the Senate or the House of Representatives is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die.

Mr. President, this is the only provision in the entire bill which was, according to my recollection, included as a result of a unanimous rollcall vote in the committee. I have carefully reviewed the transcript of our executive session on this matter and find that it was not a vote on which any of the members of the committee were in doubt. It was discussed thoroughly as is shown from 23 pages of the transcript. Alternatives were offered and this measure was the final, unanimous decision of the committee.

In discussing the congressional review issue, there was no doubt that additional congressional review would not be involved so far as a Lockheed loan guarantee might be concerned. I do not wish to quote from our executive session, but I can say that it was stated on several occasions that none of the measures on which we were voting would apply to a Lockheed loan guarantee because the language of the amendments said that congressional review would not apply to any loan, a commitment of which was made before October 1, 1971. Members of the committee knew that there would be no way for the congressional review requirement to apply reasonably if we were to give Lockheed a chance to be helped under the legislation because of the rapidly approaching time when the various suppliers and purchasers involved in the Lockheed issue had said that they could not afford to go beyond without a decision on the matter.

The fact is that millions of dollars are being invested every week, and to withhold a decision on Lockheed as would be required if the amendment were to be approved by the Senate puts all of the small suppliers as well as Lockheed in the unacceptable position of spending millions of dollars, all during our recess, which may in fact be wasted. I cannot believe that any Member of the Senate desires this.

Mr. President, I have shown that the committee fully realized that it was excluding Lockheed from this additional congressional review before it ever voted on the issues in the committee. I have also shown that the proposal included in the bill received a unanimous vote from the committee's 15 members. The rationale of excluding Lockheed is very simple. As the Senator from Wisconsin and others have amply demonstrated, Lockheed has already been the subject of congressional review for a much longer period than is required by the language in the bill. The administration transmitted a draft bill providing for legislation under which the Lockheed Aircraft Corp. could obtain a loan guarantee. A few days later, May 18, 1971, S. 1891 was introduced by the senior Senator from Alabama, the chairman of our committee. There has been no question that the purpose of that legislation was to make it possible for the Lockheed Aircraft Corp. to obtain private financing with a Federal Government guarantee.

Since the legislation was introduced, 70 calendar days have elapsed, and the Senate has been in session for 42 days, including today, July 26. This has certainly given Congress ample opportunity to consider the Lockheed guarantee. As the Senator from Wisconsin has stated, everyone expects the Board to grant the guarantee if the legislation is enacted even though the final decision is to be made by the Board. If Congress approves this legislation, it is in effect saying that it does not desire to veto the decision of the Emergency Guarantee Board in the Lockheed case.

If we were to apply the 20-day congressional review period contained in the bill for all decisions made after October 1, 1971, to the Lockheed case, we would in fact be requiring an unacceptable delay. We all know that the moment of truth on the Lockheed issue is August 6, just less than 2 weeks from now. That is the important date, not because the British Government has set it or because the airlines find delay beyond that date unacceptable, but because the Congress of the United States goes on recess that day and does not intend to return until September 8. Even though we complete action on this bill by August 6, which I feel sure we will, the 20-day congressional review period would not begin until we come back on September 8. The need for cash to meet the requirements of the Lockheed Aircraft Corp. must be met before that time or the alternative is bankruptcy for the corporation.

Mr. President, if we approve this amendment, it would be very unlikely for a loan guarantee commitment to be possible for the Lockheed Aircraft Corp. before the middle of October, or a good 60 days after the time when the decision is necessary, and 5 months after the issue first received congressional attention. In summary, let me say that a vote for this amendment is a vote to deny the Lockheed Aircraft Corp. access to the procedure which we are setting up to assist major businesses in critical periods. If that is what the Congress desires to do, the Members should support the amendment. If, in fact, we want to give Lockheed at least a chance, the amendment should be defeated.

Mr. President, we have debated the substance of this issue ad infinitum and I therefore move to table the amendment of the Senator from——

Mr. PROXMIRE. Mr. President, will the Senator yield before he does that?

The PRESIDING OFFICER (Mr. Tunney). The motion has been made. The motion is not debatable.

Mr. PROXMIRE. I just asked the Senator to withhold——

Mr. TOWER. For how long?

Mr. PROXMIRE. For a minute or two, I want to clarify the——

Mr. TOWER. I will withdraw my motion and yield to the Senator from Wisconsin (Mr. Proxmire) for a question, with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered, and the motion is withdrawn.

Mr. PROXMIRE. I want to clarify at least one question, because I do think that many of us are confused about this amendment. It came suddenly. It is an important amendment. Is it true, I ask the Senator from Texas, that the bill as now drafted provides that after October 1, any guarantee made by the Emergency Guarantee Board must come before the Congress—before either Senate or House?

Mr. TOWER. That is correct.

Mr. PROXMIRE. For an action—a negative action?

Mr. TOWER. It must. It must.

Mr. PROXMIRE. It must. On the other hand, a guarantee made before October 1 is not subject to that kind of negative action by either House or Senate, is that correct?

Mr. TOWER. That is correct.

Mr. PROXMIRE. What this means, then, is that if we table the Stevenson amendment and then pass the bill, Lockheed would not be subject to any kind of Senate or House action—negative action; is that correct?

Mr. TOWER. That is correct.

Mr. President, I move to table the amendment of the Senator from Illinois (Mr. Stevenson).

The PRESIDING OFFICER (Mr. Tunney). The question is on agreeing to the motion to table the amendment of the Senator from Illinois.

On this question and yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Mississippi (Mr. Eastland), the Senator from Minnesota (Mr. Humphrey), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from New Hampshire (Mr. McIntyre), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. Muskie), the Senator from Rhode Island (Mr. Pell), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Inouye) is absent on official business.

I further announce that, if present and voting, the Senator from South Dakota (Mr. McGovern) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. Dole) is necessarily absent.

The Senator from Nebraska (Mr. Hruska) is absent because of death in his family.

The Senator from South Dakota (Mr. Mundt) is absent because of illness.

The Senator from Colorado (Mr. Allott), the Senator from Tennessee (Mr. Baker), and the Senator from North Dakota (Mr. Young) are detained on official business.

The result was announced—yeas 38, nays 45, as follows:

[No. 164 Leg.]

YEAS—38

Allen
Bellmon
Bennett
Bentsen
Boggs
Brock
Buckley
Cannon
Case
Cook
Cooper
Cotton
Cranston
Curtis
Dominick
Ellender
Fannin
Fong
Gambrell
Goldwater
Griffin
Gurney
Hansen
Hollings
Mathias
Miller
Packwood
Pearson
Prouty
Roth
Scott
Smith
Sparkman
Stennis
Talmadge
Thurmond
Tower
Tunney

NAYS—45

Aiken
Anderson
Beall
Bible
Brooke
Burdick
Byrd, Va.
Byrd, W. Va.
Chiles
Church
Eagleton
Ervin
Fulbright
Gravel
Harris
Hart
Hartke
Hatfield
Hughes
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy
Magnuson
Mansfield
McClellan
McGee
Metcalf
Mondale
Montoya
Nelson
Pastore
Percy
Proxmire
Randolph
Ribicoff
Saxbe
Schweiker
Spong
Stevens
Stevenson
Taft
Weicker
Williams

NOT VOTING—17

Allott
Baker
Bayh
Dole
Eastland
Hruska
Humphrey
Inouye
Long
McGovern
McIntyre
Moss
Mundt
Muskie
Pell
Symington
Young

So Mr. Tower's motion to table Mr. Stevenson's amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Illinois.

Mr. TOWER. Mr. President, a great deal has been said about the pressure being put on us by the Lockheed lobby. Of course, nothing is said about the General Electric lobby, and I believe General Electric, from the standpoint of total assets, is a much larger corporation. It does three times the annual volume in business. But it might be worthwhile for Senators to know what happens if there is not going to be competition.

In very recent weeks, the Trans World Airlines Co. received separate notices from the McDonnell Douglas Co., the manufacturer of the DC–10, and from the General Electric Co., the manufacturer of the engines for the DC–10. The McDonnell Douglas notice indicated that the DC–10 would be available to TWA, and other potential purchasers, with GE engine prices at the current level if orders were made by August 10, 1971.

Now, what kind of pressure are we talking about here? What they are saying is, "You had better make your orders with us before August 10 or the price is going to go up." Of course, if we do not act, there will not be any competition in the field after August 10.

The GE Co. notified TWA that any orders for engine spares made after August 15, 1971, would be subject to increased prices.

Now what is the pressure we are talking about?

Charles C. Tillinghast, TWA board chairman, said these two notices indicated that there would be a $12 million price increase after these dates on a quantity of 20 DC–10's TWA is considering in the event that Lockheed L–1011 is canceled.

Eastern Airlines, one of the other major L–1011 customers, received similar notices in recent weeks from McDonnell Douglas and General Electric. Eastern has stated that the price increase effects on DC–10 orders after August 10, 1971, for Eastern would be comparable to the effect on TWA.

Mr. President, the timing and the amount of these price increases by McDonnell Douglas and General Electric places enormous economic pressure on TWA and Eastern to cancel their Tri-Star orders and shift to the DC–10, unless the Congress has completed its action on this legislation before the August recess.

I am not suggesting that the timing on these price increases was deliberately chosen to complicate matters for TWA and Eastern. Nor is it really necessary to inquire into the motivation for these actions. But we in the Senate cannot ignore the plain, hard economic implications of these decisions by GE and McDonnell Douglas. I believe that faced with these facts we have no choice but to make final disposition of this issue—either up or down—before the August recess.

The amendment proposed by the Senator from Illinois would, of course, if it carries, result in the L–1011 going down the drain, Lockheed going down the drain, and as a result McDonnell Douglas being able to jack prices up as high as they want to.

Mr. GAMBRELL. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. GAMBRELL. I would like to say, in further reference to the point the Senator has made, that much has been said about the discipline of the free enterprise system, and very little has been said about the windfalls and bonanzas that occur in this type of free enterprise system.

If the L–1011 program fails, as it will fail if this loan guarantee is not provided, McDonnell Douglas will get a windfall amounting to $1.4 billion in investment because they will inherit the business that Lockheed Corp. has gotten or would have gotten in this program.

I suggest that the winners then will be not only McDonnell Douglas but those people who are wise enough to go out and buy McDonnell Douglas stock and participate in the windfall that will naturally occur from the failure of this Congress to support the L–1011 program, not with money or loans or dollars out of the Treasury, but with a guarantee of loans to be made by banks.

We have talked about the disciplines of the free enterprise system enough; we need to reflect on some of the windfalls which may occur.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GAMBRELL. I yield.

Mr. TAFT. I would like to propose a question to the Senator. I would like to have him explain how something is a windfall when the Government is not in it at all, when we are allowing the private market to make the determination, when we do not know as a certainty that Lockheed will fail, when we have evidence that a referee in bankruptcy will see that that program is carried on, which he probably will do.

When the windfall backed by the British Government was being proposed in 1968, I revealed a memorandum indicating that certain officials in our Government would look with favor to replacing all our airbus engines at that time with the Rolls-Royce engine. That was stopped. We got denials from the Secretary of Transportation; he backed away from that.

But the pressures we are talking about are pressures upon the Government. The pressures of private industry that the Senator is talking about here may or may not be accepted by the other party, but the pressures being put on Congress are the deadlines set by whom? The British Government itself.

Mr. GAMBRELL. That is not accurate. The deadline set here is set by the banks, because they are the ones being asked to lend the money on the L–1011. Yes, they can take into account what the airlines have said. Yes, they can take into account what the British Government has said, because they are the other participants with Lockheed in this project. But the banks have it within their control to say, "No, we are not feeding this any longer. Nobody wants competition"——

Mr. TAFT. If the Senator will yield, they are not going to be able to make further loans without our Government's guarantee. They are not going to ask the Government to make a guarantee unless they have a guarantee from the British Government to go ahead with the engine, with the guarantee of the British Government.

Mr. GAMBRELL. The British Government fixed a deadline in February, and they have been putting in their own cash money. The United States will not put in any of it until, apparently, $1.4 billion has gone down the drain.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. GAMBRELL. I yield.

Mr. BROCK. I would personally object to any corporation or any nation's deadline, but I wonder sometimes if those who talk about pressures on Congress have seen bodies of Congress vote out defense authorization bills of $20 billion in less than 1 hour. Now we seem to be reacting adversely to excessive pressure.

The deadline is the deadline of payments being made on homes, refrigerators, and automobiles, by 14,000 already out of work, and another 16,000 who would be out of work and on the welfare rolls, just in direct jobs, not counting 30,000 additional people who would be put out of work if this amendment is adopted and Congress fails to act. That is the deadline we should consider, not the deadline of Rolls-Royce or some other manufacturer. I am talking about the deadline of the people who have to make payments.

Mr. GAMBRELL. I could not agree with the Senator more. We are not talking about a deadline of which we knew nothing. We have known about this deadline since February. Ever since I came to the Senate we have known that Lockheed was going to ask for such a guarantee. We have known of that issue all along. Anybody who wanted to know about it has had the opportunity, because it has been in the front pages. We have had full knowledge of it.

There is no question of further Congressional consideration of this loan guarantee after the August recess. I hope by the time we go home for the August recess the issue is behind us. I have heard as much as I would like to hear. When the committee hearings were had, the Senator was present when we said, "Let us not go through all the agony of this hearing if we are not going to deal with the problem up or down before August 6 or 8."

The members of the committee who are here, including both the Senator from Ohio and the Senator from Illinois, were present. They had an adequate opportunity to review this question, and I think they would agree that they have had the matter under consideration long enough to have the matter reviewed by both Houses.

Mr. BROCK. I think it is most interesting that it seems as though the proponents of this amendment and the opponents of the bill want to have their cake and eat it, too. They propose an amendment which would take Lockheed out of the bill, and say we should consider only generic legislation, but when we propose some so-called generic legislation, they say, "You are getting away from the basic problem, the problem of Lockheed; we ought to just consider that."

I question the sincerity of their position. The proposed amendment would have the pure and simple effect of eliminating the possibility of reinstating those people who have lost their jobs and giving them the opportunity to maintain productive employment.

Mr. GAMBRELL. I much appreciate the comments the Senator is making with reference to deadlines on payments on houses, automobiles, air conditioning, and refrigerators. We were entertained with a colloquy the other day between the Senator from Wisconsin and the Senator from Louisiana about, I believe it was, Bob and Jake's Restaurant in Baton Rouge, La., and what they would have to say about Congress granting loans to big corporations and not to small businesses.

There are a lot of small people who are affected vitally by this issue, and need to have it settled. That is the deadlines we are talking about. We are not talking about the sort of deadlines on the bill before us, where for 6 months, we have been talking about emergency legislation. Mr. President, if we cannot act on emergencies within 6 months, we might as well outlaw any emergency legislation in this Congress, because we are unable to deal with emergencies.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GAMBRELL. I yield to the Senator from Ohio for a question.

Mr. TAFT. I would like to present this question for the Senator's consideration: Is it not true that the General Electric Co. has already laid off 7,000 men, and that those men are already off work, and that many of them were laid off in connection with further engine production? They are at least as far behind with their payments, I am sure, as any employees laid off at Lockheed. As a matter of fact, Lockheed's layoff presumably has not yet occurred; they seem to be maintaining a force to complete this program.

But if we are going to talk about jobs in this situation, I am ready to talk about them, because there cannot be any argument that through the manufacture of DC–10's with U.S. engines we are going to have more American jobs and more people on payrolls in the United States than if we go ahead with a plane with the engine production in Great Britain, and leave the jobs there.

I am sorry about those men who may be laid off, too. But if we have a choice, I think our responsibility is to be concerned with jobs in the United States. I covered this thoroughly the other day.

The likelihood of loss of jobs here is something we can only speculate on. Maybe the trustee in bankruptcy would decide it was the part of wisdom to direct the use of U.S. engines on the L–1011.

There is over $200 million, I believe, in inventory with regard to the L–1011 airframes and engines. I cannot conceive of a trustee in bankruptcy not attempting to reorganize and go ahead with the program.

Mr. GAMBRELL. I would anticipate, since the Senator continues to make the suggestion that a trustee in bankruptcy may go forward with this program, that the testimony has universally been that the trustee in bankruptcy would not be able to go ahead, and this would be a washout.

Speaking personally from experience, I would anticipate that the trustee's first move would be to come to the U.S. Government and say, "If you can get my loan guaranteed at 24 banks, we can go on with this program, otherwise we cannot."

Mr. TAFT. Mr. President, will the Senator yield on that point?

Mr. GAMBRELL. I yield for a question.

Mr. TAFT. I have introduced a bill that would enable the Government to do exactly that. I intend to offer an amendment to this measure to do exactly that, but only after a chapter X reorganization has been filed, or chapter 77 in the case of loans.

Under those circumstances, you do not have to say it is a failure situation. You go ahead and try to reorganize the company, to keep the men employed and to protect all other interested parties. But the entire situation would remain before Congress on the basis of an ongoing enterprise.

Mr. GRIFFIN. That same trustee in bankruptcy would have a privilege that Lockheed does not have, and that is to renegotiate contracts for defense procurement.

Mr. TAFT. Mr. President, will the Senator yield on that point? I believe the Senator is in error.

Several Senators addressed the Chair.

Mr. TOWER. Mr. President, will Senators forbear for just a moment, and let me address the distinguished acting majority leader on the program for the remainder of the day?

Mr. BYRD of West Virginia. Mr. President, in response to the Senator's question, there will be no more rollcall votes today. I have discussed the pending amendment with parties on both sides of the question, and it is obvious to me that there will be no final disposition of that amendment today.

Mr. TOWER. What time does the Senator anticipate the Senate will convene tomorrow?

Mr. BYRD of West Virginia. The Senate will stand in recess, upon the completion of business today, until 10 a.m. tomorrow.

Mr. TOWER. I thank the Senator.

Mr. TAFT. Mr. President, will the Senator from Georgia yield?

Mr. GAMBRELL. I yield for a question.

Mr. TAFT. I would like to ask the Senator if he is sure he is correct in the statement he has just made. I have just today reviewed the law on this subject, and I find that trustees in bankruptcy, or the limitations on the powers of the court to approve the recommendations of trustees in bankruptcy, have a specific exception, which provides that the trustee may not void contracts involving the U.S. Government. There is a specific exception in the law in this regard. So I think the Senator is in error.

Mr. GAMBRELL. I am talking about as a practical matter, on the basis of my experience. As a practical matter, the trustee in bankruptcy says:

> I can go forward under these conditions, otherwise I cannot, and the government and everybody else will have to accede to it.

So that beautiful provision of the law just does not work in practice, and that is why it is absolutely foolish to put this company into bankruptcy, to go back and do over just exactly the thing we are talking about doing now.

Someone asked one of these law professors, "What would you do if you were the trustee in bankruptcy for this company," and he said, "Well, first I would go back and see if I could get an advance, then I would go to Rolls-Royce and see if they could build the engines, and then I would go to the airlines and see if they wanted to retain the orders."

I thought to myself, this is exactly what Mr. Haughton has been doing for the last 3 or 4 months; why should we send it to bankruptcy court, to go through the exact same business transactions, and have the trustee in bankruptcy come back to Congress with exactly the same package?

If the people who have the most at stake in this program have said we ought to go forward with it, the airlines, the subcontractors, the suppliers, the banks, all of those who have a billion and a half dollars to lose in this thing before the Government loses a dollar, if they all say we ought to go forward with it, it seems to me the best possible judgment at this point would be to go forward, and not to say, "No, go down to the bankruptcy court and go through the same routine and come back with the trustee in bankruptcy." It does not make practical sense to me at all.

Mr. TAFT. Mr. President, I would not want the Senate to have the misimpression that we are talking about public contracts here. We are talking about private contracts. However, Lockheed has many public contracts, many of them with sizable, ongoing, profitable subsidiaries of Lockheed Aircraft Corp.

Under those circumstances, to say that the trustee in bankruptcy would somehow have to void or say he had to void, or ask for voiding, unless the U.S. Government goes along, of a good contract, I think speaks for itself as being fallacious.

Mr. PROXMIRE Mr. President, will the Senator from Georgia yield to me for a question?

Mr. GAMBRELL. I yield to the Senator from Wisconsin for a question.

Mr. PROXMIRE. Did the Senator from Georgia understand the acting majority leader to indicate there would be no vote tonight, because of objections from people on both sides of the question, or objection from some of the Senators concerned?

Mr. BYRD of West Virginia. Mr. President, let me answer that, if I may.

I indicated that, having discussed the matter with parties on both sides of the question, there appeared to me to be no inclination to dispose of this amendment tonight.

Mr. PROXMIRE. May I further ask the Senator——

Mr. BYRD of West Virginia. Mr. President, let me make the record clear, inasmuch as the Senator has referred to the acting majority leader.

I did not mean to imply, in having said that, that there was opposition on both sides of the question to a vote tonight.

Mr. PROXMIRE. Is it not true that no one on the side of the question who supports the Senator from Illinois (Mr. STEVENSON) objected?

Mr. BYRD of West Virginia. I do not know whether that is true or not.

Mr. PROXMIRE. Did anyone object to the acting majority leader?

Mr. BYRD of West Virginia. I can only state that no one on that side of the question indicated opposition to a vote tonight.

Mr. PROXMIRE. It is my understanding that those who are delaying a vote now are those who are on the side of the bill. Those of us who have been in favor of the position taken by the Senator from Illinois in this case, and some of the rest of us, are anxious to have a vote. We would be delighted to have a vote tonight. The acting majority leader has announced that there will not be a vote tonight, so I am not going to press it.

I hope I am not going to be put in the position where I have to start organizing a cloture motion so that we can get a vote on the pending Stevenson amendment.

I hope the Senator from Georgia does not intend to filibuster this amendment. If he does, I think it would be interesting to have notice of it.

Mr. BYRD of West Virginia. May I state that, so far as the junior Senator from West Virginia is concerned, I have no objection to having a vote tonight. I can vote at any time and would be glad to vote at any time on the pending question. But the question was asked by the able Senator from Texas as to what the program was for the rest of the day, and I think I stated the situation factually when I indicated that, in my judgment, there would be no more rollcall votes today. That was based on discussions I had had with Senators. Of course, any Senator who wishes to talk on the matter late into the evening may do so and thus delay a rollcall vote until tomorrow. There is no inclination on my part, certainly, to delay a vote.

Mr. PROXMIRE. I understand. I simply want to say to the acting majority leader—the Senator from Illinois is in the Chamber, and he can correct me if I am wrong—that those who are delaying the Senate's progress on the bill are those who favor the Lockheed guarantee and favor going ahead with it. They are now, for some reason, delaying us from coming to an early vote.

Mr. GAMBRELL. My understanding of the opposition to the tabling motion was that some thought it ought to be debated further; so I thought we were going on with what the opponents of the tabling wanted to do. Perhaps they have changed their minds as to what they would like to do.

Mr. STEVENS. Mr. President, will the Senator yield for a question?

Mr. GAMBRELL. I yield.

Mr. STEVENS. I should like to ask a question about the date in controversy and whether the amendment of the Senator from Illinois is opposed because of the provision on page 10, line 24, that suspends the 20-day period while the Senate and the House are not in session for more than 3 days. Does the opposition to this date come about because of the August recess?

Mr. GAMBRELL. I have to get the language of the bill.

I wonder whether the Senator from Illinois would care to respond to that, as to the effect of his amendment.

Mr. STEVENSON. I cannot say what reason the opposition has. The Senator from Alaska has the proper interpretation of the bill. It would give either House of Congress 20 session-days in which to disapprove. This means that, with the August recess intervening, Congress could not act until some time in September or October.

I might add, however, that, according to the cash flow charts of the Lockheed Corp., by October 1 it would need only $25 million to tide it over. There are many ways—including secured, short-term credit agreements or loans by the Federal Reserve Board—by which it could acquire that short-term financing.

Mr. STEVENS. Why have this provision for a 20-day period if the October 1 date comes out?

Mr. GAMBRELL. The October 1 date was put in along with the entire congressional review provision. In other words, the committee felt that there should be provision for congressional review of loan guarantees of this type. However, it was felt that Lockheed had been more than adequately reviewed so far as Congress was concerned, or would be by the time the bill was voted on, if it was approved, and that it should not be necessary for Lockheed not only to have to go to the new board but also to come back for further review, particularly in view of the fact that it had been stated pretty plainly by the bankers, by the British Government, by the airlines, and by all concerned, that Lockheed could not wait until after the August recess, plus 20 days after that. They would be in bankruptcy.

Mr. STEVENS. That is my question. Why impose the 20 days on the Lockheed loan if that is the real problem? I wonder why we cannot make an exception for the August recess in a subsequent provision of the bill and not deal with a special provision for Lockheed. Lockheed only needs a special provision in here because we are going to take a month off in August. Is that correct?

Mr. GAMBRELL. Lockheed does not have a special provision. The way the bill is written now, if the board approves their loan guarantee now, it will be approved for the 1st of October, and it will not have to come back to Congress for review.

Mr. WEICKER. Mr. President, will the Senator yield for a question?

Mr. GAMBRELL. I yield for a question.

Mr. WEICKER. Is it not true that the October 1, 1971, date was put in there for Lockheed?

Mr. GAMBRELL. Yes. There is no doubt about that. No one ever questioned it. The Senator from Connecticut has treated it as though he discovered a nugget in the midst of all this, and we put it in there.

Mr. WEICKER. I am trying to clarify the question raised by the Senator from Alaska.

Point No. 2 is that, since we have not passed the bill, the Board has not been set up—the Board consisting of the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the president of the board in the district—so they have not set up any criteria in the evaluation of any loan request. Does the Senator from Georgia know that the Chairman of this Board will be Arthur Burns, since he is the Chairman of the Federal Reserve Board? Does the Senator know that Mr. Burns said in his testimony:

> Let me say that I have not studied the Lockheed finances sufficiently. The President assigned this task to the Secretary of the Treasury some time ago. He has worked at it. In these circumstances, I did not consider it my duty or responsibility to involve myself in the details of Lockheed finances.

This is the man who is going to head the Board that is automatically going to put its stamp of approval on the loan guarantee.

Mr. TOWER. Mr. President, will the Senator yield? He is not——

Mr. WEICKER. I do not yield.

Mr. TOWER. The Senator is incorrect.

Mr. WEICKER. He has not involved himself as a member of the Board, has he?

Mr. GAMBRELL. All we are talking about is whether they have to come back to Congress, not whether they have to go before the Board.

Mr. WEICKER. The Senator not only is trying to eliminate congressional review, but also, he is saying to this Board that the Board is automatically going to recommend the Lockheed loan, when the members of the Board, themselves, say they know nothing about the finances of Lockheed.

Mr. GAMBRELL. This is a conclusion that the Senator would like everyone to jump to.

All this provision of the bill says—and if the Senator reads it honestly and with an open mind and a fair mind and a nonrhetorical approach to the matter, he will see it—is that Lockheed, prior to October 1, can go to this Board and can ask for a loan guarantee.

If they do not get it, they are just out of luck. That is all there is to it. But if they do get the approval of the Board, they do not have to come back to Congress, and we do not have to go through all this again. Once this bill has been passed, a majority of the Senate would have said, "We are going to let Lockheed get their loan guaranteed if the Board agrees to it." It seems to me eminently reasonable.

We have passed billions and billions of dollars in appropriations by unanimous consent, and we have spent 2 months arguing about whether we are going to grant a very minimal risk of the possibility of losing a quarter of a billion dollars in a loan guarantee which will follow, a dollar of which will not be spent until a million and a half dollars of private investment has gone down the drain.

Mr. STEVENSON. Mr. President, will the Senator yield?

Mr. GAMBRELL. I yield for a question.

Mr. STEVENSON. Mr. President, I think this matter has received lengthy debate. I do not want to be party to an extended debate on my amendment. I do not want to be party to a filibuster. I think the Senate should be permitted an early vote on this amendment and also on the underlying legislation.

Therefore, I ask unanimous consent that 1 hour be set aside tomorrow for debate on this amendment, with the time to be equally divided between the two sides.

Mr. TOWER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GAMBRELL. I might say, Mr. President, that I understood that those who objected to tabling the motion were interested in further debate, and the more I hear from the Senator from Connecticut, the more I think maybe the amendment does need more debate and discussion in order to be clearly understood. I am not seeking to conduct a filibuster on the matter, but I think that the Senator had asked for a discussion of the matter. They have demonstrated the need for discussion of the matter so that the issue becomes clearer on what we are talking about; namely, have we reviewed the matter, or will we review it by the time we vote on it, or will we not have done so? It seems to me that we will have reviewed it.

Mr. PROXMIRE. Mr. President, will the Senator from Georgia yield?

Mr. GAMBRELL. I yield for a question.

Mr. PROXMIRE. I believe that the Senator from Georgia is making a great deal of sense in this regard. I would agree that there should be more debate on this amendment, but I hope that the Senator from Georgia will recognize that this is only one of a series of amendments that need this same kind of comprehensive and full debate. This is a complicated bill. There are all kinds of things in it which should be explained, challenged, examined, and so forth. If we will do that, we will have a much better bill.

It will be hard to do that under the limitations of cloture. In fact, it will be impossible. The distinguished Senator from Georgia who has spent a lot of his time discussing the bill, the Senator from Texas from whom we have heard on the bill, and the Senator from Tennessee, have all been discussing the principles behind the bill. I think that the Senate would be enlightened to hear the wisdom of the Senator from Georgia, the Senator from Tennessee, and the Senator from Texas, and many other Senators, on other amendments that we wish to discuss. The Senator from Georgia is fighting a good fight in a cause in which he believes, and we should have considerably more debate on this amendment and, I think, on others.

Mr. GAMBRELL. I should like to point out that on the motion to table there were 17 absentees. I think it is important that we have the presence of all Senators voting on an amendment of this kind. According to the entire record, it will be the end of the Lockheed Corp. itself if the amendment is adopted, on a matter which has been before us on an urgent basis for 2 months now. The only reason we are discussing it today is due to the urgency of the Lockheed situation, and we are entitled to have a vote on it.

Mr. STEVENS. Mr. President, will the Senator from Georgia yield?

Mr. GAMBRELL. I yield to the Senator from Alaska for a question.

Mr. STEVENS. I would merely ask my colleagues to take a good look at the vote, at the bill, and at the provisions of the bill. It seems to me the October 1 date—and correct me if I am wrong—is there as a special provision for Lockheed. There are many who believe that a general bill may not be bad but that a special bill, clothed in the cloak of a general bill, would be bad.

I made the point, and I still think it is valid, that all we need to do is not make the recess period of August count toward the 20-day period, but make it come up on the first day when we come back.

Even with the amendment of the Senator from Illinois in the bill, we still do not have a special provision in here for one company. Many of us have objected to a special bill or a general bill. We have a general bill and we find out that it is not a general bill because of the provision that makes it very special for Lockheed. I, for one, would very much like to see a vote come up on what the board has done on the Lockheed loan on the first day after the recess, because many colleagues might come back on the first day after the recess, if that happens. There is no problem about the amendment of the Senator from Illinois. We should make the provision run from the first day we come back. That is what gives us all this trouble. Let us suspend the provision, and we will vote on it the first day we come back, if they act that fast, and I do not see any reason why Lockheed should not come back here, if the Board gives them the loan.

Mr. GAMBRELL. I yield to the Senator from Texas for the purpose of responding to those comments.

Mr. TOWER. Mr. President, any company that comes in before October 1, not just Lockheed—if there be others, and I do not know of any others—but should there be any, any company would qualify that came in before October 1 for the immunity for the congressional approval. But the fact is, this is so urgent with Lockheed, they will go down the drain if we do not keep it in there. Let us be candid about it, that is what will happen. What the Senator proposes does not obviate the problem any. The airlines have to decide whether to stick to TriStar, and they have to do that very soon, made necessary by the jacked-up prices which involves the aircraft of McDonnell Douglas and GE who seized on the opportunity to raise their prices.

Mr. GAMBRELL. I might say, if the Senator from Alaska will permit me, that I hope the amendment of the Senator will allow the committee some credit for having evaluated the considerations being raised here. This particular proposal was put in as part of the congressional review procedure. It was done in a very deliberate and careful way by the committee. The consideration that the Senator urges right now was put forth in the committee, that if it is to be a general bill, let it be a general bill, but they recognize that Congress should not play cat and mouse with Lockheed, that if Lockheed has a crisis to be dealt with, we have to deal with it and face it.

No one is trying to cover up the situation at all. All that has been said in reference to a general or generic bill is that there may be other situations we do not want to have to dispose of every 2 months on every one of these things that come up.

If there was a special exception made for Lockheed it has been because Congress felt there was a particular need by many people who are poorly informed on the subject. This is the importance of having a board review the matter and come back with an expert opinion on what should be done. In this case, they may look at this thing and turn it down. We do not know. I am simply saying that we do not want to bring Lockheed back before the Congress recesses—for goodness sake, we have heard about enough.

Mr. STEVENS. May I ask a question right there: Why not? We do not know what the terms of the legislation, we do not know what the conditions of the loan will be. I do not see how we can pass special legislation under the guise of general legislation. The Senator is giving, no matter what he is saying, intentionally giving to Lockheed an exception under the terms of a general provision. That is the real problem.

If I were to vote on a strict Lockheed vote, I would want to know that I am voting on a strict Lockheed vote and not have to go home and tell my constituents that I voted on a Lockheed bill but that what Lockheed got was in a general bill, through the back-door approach.

Mr. GAMBRELL. The only question is whether we are going to guarantee the loan that the banks will be making.

Mr. STEVENS. There is nothing in the bill that says we are approving those conditions, that they have to go by those conditions. They can change them, and if they do, they do not have to come back here, if they do not accept the amendment.

Mr. BROCK. Mr. President, if the Senator from Georgia will yield, I do not argue the intent of his question on what he is trying to achieve, but I think the point I make is twofold. First, the thrust of my amendment which is incorporated in the bill to which the Senator is now addressing himself, was to require congressional review just for the purpose that the Senator from Alaska mentions. But I think the Senator would have to recognize, as the Senator from Wisconsin (Mr. PROXMIRE) has diligently pointed out a dozen times or more during the course of this debate, that most of the hearings were on Lockheed—6 weeks of them. We heard every witness that the Senator from Wisconsin wanted to call, at least those who said they would come because they were against the bill.

The hearings have been exhaustive on the subject. The loan contract was submitted to the committee. The details of the commitment were made fully within the awareness of the committee. So, when we bring the bill to the floor of the Senate, as the Senator from Georgia has pointed out, it is not in a totally generic sense but with the full knowledge that Lockheed will get the first loan. We think that it should be one of the sections in the bill, with its approval on a generic approach, with a 2-year life.

One such question I heard the Senator state was, how can we have that in the bill. Whatever that says in the bill, if we followed the terms and conditions that were before the committee, it was a loan brought before the committee.

Mr. STEVENS. As I read the bill, does it not say that the board is going to do that and that the board has the leeway and the discretion to change it and can do something different than they brought before the committee. Is that not correct?

Mr. BROCK. Mr. President, if the Senator from Georgia would yield, the bill is very carefully drawn to take into account the criteria voted by the committee. With Lockheed they had to get very specific criteria. And the criteria do not go for Lockheed. They are in the bill, but they go for all corporations.

The Senator's point on congressional review would be valid if we could vote this bill up or down on the floor on the first day that the Senate returned from its recess.

I would think in all candor this would be something that could get this bill moving. But that is not what the Senator from Illinois suggests at all. His amendment would put it into October at best. And that is a totally destructive amendment, in effect.

Mr. STEVENS. Mr. President, may I ask one other question?

Mr. GAMBRELL. Mr. President, is it the proposal of the Senator from Alaska that the bill could not be amended as the Senator from Illinois has suggested. But if the bill passes before the recess, after the recess the bill could be reviewed. Is that in effect the proposal?

Mr. STEVENS. Mr. President, my suggestion would be to take the amendment of the Senator from Illinois and state that the time that we are in recess does not run against the time we are in recess.

Mr. GAMBRELL. In other words, the Senator is offering an amendment to his amendment to eliminate the 20-day waiting period.

Mr. STEVENS. I make the suggestion. I see nothing wrong with his amendment in either event, as far as I am concerned. But from the point of view of the Senator from Georgia, his argument is that he cannot stand that delay after we get back and start the 20 days running then. I do not see why it should not start running now.

Mr. GAMBRELL. We have no evidence that if it is not concluded by August 6, it is over with. As the Senator from Texas pointed out, the price of competing airplanes keeps going up and a lot of other things take place at that point. I would think that if the economic facts show we can wait until the 8th of September, we could probably wait until the 15th of October. I do not know. I am just going on the record that we had before us that the situation would not stand a delay. It is not as if there had not been a delay. The matter has been before the Senate for over 2 months. It has been all over the newspapers for 6 months. It is not something on which the Senate is not going to negotiate the terms of a loan. It is a question of whether Lockheed will be saved from bankruptcy.

Mr. WEICKER. Mr. President, will the Senator from Georgia yield so that I may ask a question?

Mr. GAMBRELL. I yield.

Mr. WEICKER. Mr. President, the Senator from Tennessee commented that it is the proponents of the bill that want to have their cake and eat it, too. Yet, is not this particular difficulty we are being confronted with here that it is the proponents who, in effect, have pushed out a Lockheed bill under a generic cloak. The proponents of the bill want to have their cake and eat it, too. I cannot understand the accusations of the proponents along that line.

The difficulty that the Senator from Alaska has and that I have is that the bill on the floor is a generic bill. The admission of the Senator from Georgia is that there are exceptions in it specifically for Lockheed. Therefore, it is not generic. It is Lockheed.

The Senator from Tennessee and the Senator from Georgia say that hearings were held and testimony was taken. Testimony was taken on Lockheed. Testimony was taken for Lockheed and not on generic legislation.

Mr. GAMBRELL. Mr. President, this is the mistaken impression that has been repeated and repeated. I would like to clear it up for the Senator now, because I was at almost every meeting that took place.

Mr. WEICKER. Other corporations were asked to come and testify.

Mr. GAMBRELL. There was plenty of testimony on generic bills, yes, and other corporations came and testified, the point being that we started off with a bill that would have been limited to Lockheed. The Senator is correct. If I recall correctly, the Senator from New York (Mr. JAVITS) came in and said he would support the bill if, along with it, came the generic bill. He said that this was a generic problem in our economy and that we ought to consider the broader situation. We were willing to go into that. We extended the testimony for 4 or 5 days in order to take testimony on four or five generic bills that we had in front of us. It is not correct to say that we never heard anything on a generic bill.

Mr. WEICKER. Would it be fair to say on the basis of the committee effort that what we have is both a generic bill and a Lockheed bill?

Mr. GAMBRELL. That is a lot fairer than what has been said.

Mr. STEVENS. Mr. President, would the Senator yield?

Mr. GAMBRELL. I yield.

Mr. STEVENS. Mr. President, I would think many of us would have supported a generic bill that included the whole bankrupt spectrum and not just major enterprises. I have an amendment in for small business enterprises. The Senator from South Dakota has an amendment in for the farmers also.

The problem we have with the bill is that having made the suggestion—and I believe many Senators have made suggestions, that we would support a generic bill—we find that we have a generic bill wrapped around a very specific bill which has very specific guidelines and protections for one company which will not have to live up to the general criteria.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. GAMBRELL. Mr. President, I will yield to the Senator in a minute to respond to that. We have to deal with a time limitation. As the Senator will recall from the hearings and from the procedures before the Committee on Banking and Currency, the committee concerned itself from the first day that I attended to committee sessions, with small business, with housing business, with farmers, and with people engaged in small business. It is just not so. I hate to hear that the Senators have fallen into the trap of believing that the committee is not concerning itself with individuals and small business.

We have been talking with Dr. Burns ever since I was there about developing legislation to do just this thing for small business.

The Senator from South Dakota is not the first person to suggest legislation of that type. We had legislation suggested by the Senator from Wisconsin.

The Senator's bill is not the first bill that has been suggested. What we are talking about is the emergency that was precipitated by the Lockheed Corp. Anyone who reads the newspapers knows that Lockheed is the thing staring us right in the face.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. GAMBRELL. I yield.

Mr. BROCK. Yes, it is a generic bill with provisions in it that would allow a loan to Lockheed.

I want to make it clear that this is a guarantee of a loan, and not a loan. That seems to creep into the question once in a while, but the point is that the criteria in the bill are the same criteria that are needed, that are committed—and it is a firm commitment—to the Lockheed Corp. by the banks and by the Treasury. So, those are the criteria.

Let me take it one step further. It is not only the Senator from Alaska who is suggesting the generic approach. It is the interference of Lockheed that brought us over to the generic approach.

This is not something that is unique and will happen only once in a lifetime.

We went to the generic approach because we felt the Lockheed situation demonstrates a need, a problem, that requires addressing the Congress of the United States.

We considered that. The fact of the matter is that the very problem that brought us to focus on this whole range of problems on the generic approach is now going to be at the stroke of a pen eliminated from consideration by those who cry for small business or small corporations.

I do not accept the Senator's argument on small or big corporations. People work for the corporations. People are all the same size. That is what concerns me. I think we ought to talk more about that than taking the easy route and slapping a political finger in the face of giant corporations or whomever they happen to be. As far as I am concerned, they are simple human beings who have wants and needs the same as the rest of us.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. GAMBRELL. I yield.

Mr. STEVENS. Mr. President, I want to make one last comment. I am too tired to take umbrage at the remarks just made by the Senator, frankly, because I do not think anyone has claimed to be the primary author of anything around here.

I do believe that both Senators are missing the point. We have strikes all over the country—longshoremen strikes, railroad strikes. In my State, we have small businesses that have extended themselves to the end of their credit. If they do not get their supplies they will fail this summer. We have no mechanism for a post-crisis loan in the Government today. Here is a vehicle to help us solve that problem. With respect to those Senators who have a proprietary interest, we do not mind helping them solve their problems but we would like to get a solution to ours. I do not think we will get those problems solved if we just solve the problems of big business.

Mr. GAMBRELL. I did not mean to say anything to which the Senator would take umbrage. I have no objection to adding others that can be fitted into the framework of the bill. We are talking about whether to agree to the amendment of the Senator from Illinois and throw Lockheed out of the bill, when they brought it to the fore.

Mr. STEVENS. Precisely. We are asking for a bill to govern business, and it will pass.

Mr. BROCK. The chairman introduced generic legislation also. I simply question whether or not you want to do it in this particular bill, in this particular framework.

Mr. GAMBRELL. What concerns me is the fact that we are spending hours engaged in extended debate over this problem, which is just one of many, as the Senator from Alaska pointed out. I would like to have a vote up or down on this matter and get on to the solution of the problems of small business. Ever since I came to Congress I have been asking Dr. Burns what we can do to help small business.

Mr. President, I yield the floor.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR AMENDMENT NO. 334 TO FOLLOW AMENDMENT NO. 317

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that upon the disposition of the pending amendment by the Senator from Illinois (Mr. STEVENSON), amendment No. 334 by the Senator from Indiana (Mr. BAYH) be made the pending question, insofar as the pending business is concerned.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. PROXMIRE. The Senator from West Virginia is not removing the Stevenson amendment, is he?

Mr. BYRD of West Virginia. No.

Mr. PROXMIRE. The Senator means after we dispose of the Stevenson amendment the Bayh amendment will come up. Is that correct?

Mr. BYRD of West Virginia. Exactly.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the pending business now be temporarily laid aside until the disposition of an unobjected-to item on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

EGG PRODUCTS INSPECTION ACT EXEMPTION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 277, H.R. 9020.

Mr. GRIFFIN. Mr. President, reserving the right to object——

Mr. BYRD of West Virginia. This matter has been cleared on both sides, I may say to the able Senator from Michigan.

Mr. GRIFFIN. I withdraw my objection.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 9020) to amend the Egg Products Inspection Act, to provide that certain plants which process egg products shall be exempt from such act for a certain period of time.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BYRD of West Virginia. Mr. President, at the request of the junior Senator from Alabama (Mr. ALLEN), I move that all after the enacting clause of H.R. 9020 be stricken, and that the text of S. 2072—which is also on the calendar—be substituted in lieu thereof, as reported by the Committee on Agriculture and Forestry with an amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 9020) was read a third time and passed.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-282), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> This bill, with the committee amendment, would require the Secretary of Agriculture to exempt from specific provisions of the Egg Productions Inspection Act any plant located in the noncontiguous areas of the United States where, despite good faith efforts, the owner had been unable to bring the plant into full compliance with the act. Such exempted plants would, however, be subject to continuous inspection to assure that they are operated in a sanitary manner. No exemption could continue beyond December 31, 1971.
>
> The act went into effect July 1. Plants located in Hawaii and Puerto Rico have been unable to obtain the equipment necessary to comply with the act, although they have diligently tried to do so. The committee understands that the needed equipment has been ordered, but delivery has not yet been effected.
>
> The committee amendment is identical to the text of H.R. 9020, as passed by the House, except that it omits a requirement of the House bill that the exempted plant must comply with all provisions of the act not related to pasteurization of egg products. The Department of Agriculture advised the committee that other equipment besides pasteurization eqiupment has not been obtainable, and consequently, inclusion of this requirement would tend to defeat the purpose of the bill. There is no less reason for exempting a plant that has been unable to obtain other essential equipment than there is for exempting a plant that has been unable to obtain pasteurization equipment. The bill as introduced was restricted to cases where pasteurization equipment could not be obtained, and the Department proposed an amendment to broaden it to other cases where the plan had been unable to come into compliance. The committee amendment contains all of the substance of the Department's recommendation.
>
> COST
>
> The committee estimates that no costs would be incurred in carrying out the bill in the current fiscal year or any of the five succeeding fiscal years. The Department of Agriculture advises, as shown in its report that it would reduce costs in the current fiscal year by about $30,000, and the committee agrees with that estimate.

Mr. BYRD of West Virginia. Mr. President, I now ask unanimous consent that S. 2072, which is a companion bill on the calendar, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SUGAR ACT—MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, earlier today a time agreement was entered with respect to the so-called sugar quota bill, and that time agreement encompassed certain specified amendments, one of which may or may not be germane.

I ask unanimous consent that the amendments enumerated in the agreement shall be in order.

The PRESIDING OFFICER (Mr. TUNNEY). Without objection, it is so ordered.

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum. I assume this will be the last quorum call of the day.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM TUESDAY UNTIL WEDNESDAY AT 10:30 A.M.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in adjournment until 10:30 a.m. on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR 1 HOUR OF DEBATE UNDER RULE XXII TO COMMENCE AT 11 A.M. ON WEDNESDAY NEXT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, notwithstanding the requirements of rule XXII dealing with cloture, the 1 hour which immediately precedes the mandatory quorum call under the rule not start running until 11 a.m. on Wednesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the controlled time during that 1 hour on Wednesday be equally divided between the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) and the distinguished senior Senator from Texas (Mr. TOWER).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM WEDNESDAY UNTIL 9 A.M. ON THURSDAY, JULY 29

Mr. **BYRD** of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business on Wednesday, it stand in adjournment until 9 a.m. on Thursday.

The **PRESIDING OFFICER**. Without objection, it is so ordered

PROGRAM

Mr. **BYRD** of West Virginia. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 10 a.m. following a recess.

Immediately following the recognition of the two leaders under the standing order, the Senate will resume its consideration of the pending business, the so-called Lockheed bill, and the pending question will be the amendment offered by the distinguished Senator from Illinois (Mr. STEVENSON). Because the Senate will be reconvening following a recess, there will be no morning business. The Senate will resume consideration of the Stevenson amendment immediately following the standard recognition of the two leaders.

At such time as the Stevenson amendment is disposed of, the Senate will then proceed to the consideration of amendment No. 334 to S. 2308, proposed by the Senator from Indiana (Mr. BAYH).

At not later than 2 p.m. tomorrow—in other words, possibly before 2 p.m.—the Senate will temporarily lay aside the pending business, and will proceed to the consideration of Calendar Order No. 296, H.R. 8866—an act to amend and extend the provisions of the Sugar Act of 1948, as amended, and for other purposes.

A time limitation agreement has been entered into with respect to the so-called sugar quota bill, under which agreement there will be 1 hour to be equally divided on the bill; and there will be 30 minutes to be equally divided on amendments, with the exceptions, as to time, of the so-called South African amendment, on which there will be 3 hours, the so-called confiscation amendment, on which there will be 2 hours, and an amendment to be offered by the Senator from Arkansas (Mr. FULBRIGHT), on which there will be 1 hour.

It is anticipated, Mr. President, that there will be a number of rollcall votes tomorrow. There will be a vote, certainly, on the amendment offered by the Senator from Illinois (Mr. STEVENSON), when debate is completed thereon. There presently is no time limitation agreement with respect to debate on that amendment. Moreover, there will surely be rollcall votes on various amendments to the sugar quota bill.

It is anticipated that action will be completed on the sugar quota bill tomorrow, which would mean that the Senate would likely stay in session until a reasonably late hour. Undoubtedly there will be a rollcall vote on passage of the sugar quota bill.

A motion to invoke cloture on the pending business was entered today, and a rollcall vote on that motion will occur on Wednesday immediately following the mandatory quorum call, which means that the vote would occur at about 12:15 p.m. on Wednesday.

RECESS UNTIL 10 A.M. TOMORROW

Mr. **BYRD** of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 47 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, July 27, 1971, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 26, 1971:

U.S. DISTRICT COURTS

William Brevard Hand, of Alabama, to be a U.S. district judge for the southern district of Alabama, vice Daniel H. Thomas, retiring.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary apopintment to the grade of brigadier general:

William L. McCulloch
Robert W. Taylor
Adolph G. Schwenk
William H. Lanagan, Jr.
Francis W. Vaught
Robert L. Nichols
Clyde R. Mann
Albert C. Pommerenk
Herbert L. Wilkerson
Manning T. Jannell
Ernest R. Reid, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 26, 1971:

DEPARTMENT OF DEFENSE

Frank P. Sanders, of Maryland, to be an Assistant Secretary of the Navy.

HOUSE OF REPRESENTATIVES—*Monday, July 26, 1971*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Fear not, for I am with thee: Be not dismayed, for I am Thy God. I will strengthen thee, yea I will help thee.
—Isaiah 41: 10.

Eternal Father of our spirits, at the altar of prayer we bow praying that we may receive wisdom for the facing of these hours, courage for the living of these days, and strength that in the fight to set men free we may not fail man nor Thee.

We are disturbed by the troubles of these times, worn out by many worries, disheartened by the difficulties which beset us, and tempted at times to give up wondering if the struggle is worthwhile. Now we bring our worries and our difficulties to Thee, not to run away from them, but praying for strength and courage that we may do our work with a new spirit and a new confidence because we know Thou art with us.

Bless our astronauts and grant them a safe journey to and from the moon. May their endeavor add to the sum of our human knowledge and benefit the whole human race.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1892. An act for the relief of Stephen C. Yednock;

H.R. 1907. An act for the relief of Arnold D. Smith;

H.R. 2110. An act for the relief of the estate of Julius L. Goeppinger;

H.R. 2246. An act for the relief of Charles C. Smith;

H.R. 3344. An act to authorize the Administrator of Veterans' Affairs to sell at prices which he determines to be reasonable under prevailing mortgage market conditions direct loans made to veterans under chapter 37, title 38, United States Code;

H.R. 3753. An act for the relief of Sgt. Ernie D. Bethea, U.S. Marine Corps, retired;

H.R. 6217. An act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938; and

H.R. 7271. An act to authorize appropriations for the Commission on Civil Rights.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4263. An act to add California-grown peaches as a commodity eligible for any form of promotion, including paid advertising, under a marketing order; and

H.R. 5208. An act to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard, and to authorize the annual active duty personnel strength of the Coast Guard.

The message also announced that the Senate had passed bills, joint and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 389. An act for the relief of Stephen Lance Pender, Patricia Jenifer Pender, and Denese Gene Pender;

S. 733. An act to create an additional judicial district in the State of Louisiana, and for other purposes;

S. 1866. An act for the relief of Clayton Bion Craig, Arthur P. Wuth, Mrs. Lenore D. Hanks, David E. Sleeper, and DeWitt John;

S. 2317. An act to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965;

S.J. Res. 105. Joint resolution authorizing the President to issue a proclamation designating 1971 as the "Year of World Minority Language Groups";

S.J. Res. 132. Joint Resolution extending the duration of copyright protection in certain cases; and

S. Con. Res. 35. Concurrent resolution favoring the suspension of deportation of certain aliens.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 22, 1971.

The Honorable the SPEAKER,
House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:40 p.m. on Friday, July 23, 1971, said to contain a message from the President entitled "A Report on Rural Financial Assistance."

With kind regards, I am,
Sincerely,
W. PAT JENNING, *Clerk*,
By W. RAYMOND COLLEY.

FIRST ANNUAL REPORT ON FINANCIAL ASSISTANCE TO RURAL AREAS — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 92-147)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed:

To the Congress of the United States:

I am transmitting today the first annual report on financial assistance to rural areas, as called for by Title 9 of the Agricultural Act of 1970.

The revitalization of rural America is one of the important objectives of my administration. For I am convinced that the growth which this Nation will inevitably experience in the coming decades will be *healthy* growth only if it is *balanced* growth—and this means growth which is distributed among both urban and rural areas. The recent trend of diminishing population and diminishing prosperity in many rural areas must be actively resisted. This report tells about some of the steps we have taken in this direction—and about some of the conclusions we have reached concerning future steps.

As the report points out, financial assistance is now available from public and private sources for agriculture, industrial development, housing, community development and other economic activities in rural areas. This document describes some of the things this administration is doing to correct deficiencies in these programs. It also provides detailed financial data for selected Federal programs for Fiscal Year 1970, most of them Federal direct and insured loan programs.

Perhaps the most important element of the report, however, is its conclusion that the most critical financial needs for achieving greater rural development are those of State and local governments. My General and Special Revenue Sharing proposals are geared to meet these needs. These proposals recognize both the steadily increasing demand for service being placed on State and local governments and the severe limitations on new and existing sources of revenue at these governmental levels.

These proposed revenue sharing funds could be used for specific services presently provided by State and local governments, or to finance new programs and services tailored to particular needs of States and localities, including rural development. One of my six Special Revenue Sharing programs, in fact, is earmarked specifically for Rural Community Development and it alone would provide a total of $1.1 billion annually for rural programs and services administered at the State and local levels. In addition, substantial portions of my revenue sharing proposals for transportation, education, urban community development, manpower training, and law enforcement assistance would directly benefit rural residents. And my General Revenue Sharing proposal would provide additional funds which could be used to augment various rural efforts.

I would emphasize that revenue sharing monies could be used not only to pay for direct governmental services but also to give credit assistance for accelerating the expansion of commercial and industrial development through locally sponsored institutions. Such institutions can be particularly useful in those specific areas where there are shortages of private investment capital, and where even the removal of existing barriers to the free movement of private capital may not entirely meet local needs.

I strongly believe that it would be better to establish a series of State and local special credit institutions than to create a nationwide federally sponsored community bank, since the former course places responsibility for decision making and action closer to the people who require assistance—and is more likely to produce decisions which are truly responsive to their needs.

This report also highlights the problems caused by the excessive proliferation and fragmentation of Federal assistance programs. Too often, the result has been an uncoordinated and piecemeal approach to rural development. Merely to increase the level of rural assistance without making basic reforms in the delivery systems will not enable us to solve the problems of rural communities.

This is why it is so important that my proposals for reorganizing the executive branch be enacted by the Congress. For only a thoroughgoing restructuring of the organizational framework can bring about a true consolidation and coordination of numerous Federal programs and with it the more effective and efficient delivery of Federal assistance. The proposed new Departments of Community Development and Economic Affairs would have particular responsibility in the rural development area.

As the report indicates, many families are presently excluded from eligibility for Federal credit assistance because of their low income. Traditional development programs can do little to give them the direct aid they need. This is another reason why I believe so strongly that my proposed family assistance program could have a major impact on the quality of life in rural America. Not only would it immediately help poor families raise their standard of living, but it would also enable many of them to take advantage of Federal credit assistance which is presently beyond their reach. Coupled with more effective delivery of federally assisted housing services, the family assistance plan would permit great strides in improving the quality of rural housing.

The problems of agricultural credit and farm debt are also taken up in this report. While the credit requirements of commercial farmers appear to have been adequately funded during the last 20 years—primarily by private lenders—the recent trend of increasing farm debt is likely to continue throughout this decade. Fortunately, the federally sponsored farm credit lending institutions—which are now entirely member-owned—have been playing an increasing role in meeting the credit needs of farmers. If private lenders and the Farm Credit System continue to expand their credit assistance at the same rate as during the 1960's, there should be adequate credit available to meet the needs of commercial agriculture during the 1970's.

For those farmers who are unable to qualify for credit from private lenders and the Farm Credit System, recently strengthened Federal credit programs administered by the Farmers Home Administration are available to meet additional needs. In my "Salute to Agriculture" speech this past May, I announced plans to increase the farm operating and farm ownership loan programs by $215 million over the level originally budgeted for 1972—an increase of nearly 50% in available loan funds. I pledge that my administration will continue to be responsive to the needs of those farmers who are unable to qualify for private credit. I also believe, however, that we should continue to rely primarily on private lenders to meet the general credit needs of commercial agriculture, and I would point to various measures which are recommended in this report for improving the flow of private credit to agricultural borrowers.

In addition to all of these decisions and recommendations, I have also supported enactment of legislation to create a Rural Telephone Bank which will soon be able to provide substantially increased credit assistance to small rural telephone companies and cooperatives. This will mean better telephone service for our rural citizens. I have recently sent to the Congress a budget amendment requesting $30 million for the initial purchase of capital stock in this Bank. My speech last May also announced increased lending for rural sewer and water projects in both 1971 (an additional $100 million) and 1972 (an additional $111 million)—a nearly 60% increase over the level budgeted for the 1972 fiscal year.

I am confident that the actions already taken by this administration—in conjunction with the new programs which I have recommended to the Congress—can do a great deal to bring about the renewal of rural America. The achievement of this goal is essential if the growth we experience in the years ahead is to be for us not a curse but a blessing. All Americans have a high stake in the success of rural development.

RICHARD NIXON.

THE WHITE HOUSE, *July 23, 1971.*

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT

Mr. EVINS of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the public works and atomic energy appropriation bill for 1972.

Mr. RHODES reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CONFERENCE REPORT ON H.R. 9382, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1972

Mr. BOLAND submitted the following conference report and statement on the bill (H.R. 9382) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices, for the fiscal year ending June 30, 1972, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 92–377)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9382) "making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1972, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the Senate recede from its amendments numbered 1, 6, 12, 14, 15, 16, 23, 24, 30, 32, and 41.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 8, 10, 11, 18, 20, 26, 28, 29, 33, 37, 38, 39, 40, and 44 and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$170,000,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$200,000,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert $3,250,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with amendment, as follows: In lieu of the matter proposed by said amendment insert "section 718 of the Housing and Urban Development Act of 1970 (84 Stat. 1799), and for special planning assistance grants as authorized by section 720 of the Housing and Urban Development Act of 1970 (84 Stat. 1800),"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,250,000,000;" and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: ": *Provided,* That no part of this appropriation may be used for financing a grant in excess of 50 per centum of the cost of any activity or project, except that grants made pursuant to section 706 of the Housing Act of 1961, as amended (84 Stat. 1783), may be made in an amount not to exceed 75 per centum."; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$45,000,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,250,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,096,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,522,700,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$52,700,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "$13,000,000 for space shuttle main engine test facilities and $5,500,000 for space shuttle thermal protection facilities,"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Not to exceed 2 per centum of any appropriation made available to the National Aeronautics and Space Administration by this Act may be transferred to any other such appropriation, but no transfers shall be made to the appropriation "Research and Program Management."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,225,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$619,000,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,307,700,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$68,707,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$62,500,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,123,500"; and the Senate agree to the same.

EDWARD P. BOLAND,
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ROBERT N. GIAIMO,
DAVID PRYOR,
J. EDWARD ROUSH,
GEORGE MAHON,
CHARLES R. JONAS,
JOSEPH M. MCDADE,
Managers on the Part of the House.
JOHN O. PASTORE,
WARREN G. MAGNUSON,
ALLEN J. ELLENDER,
JOHN STENNIS,
CLINTON P. ANDERSON,
GORDON ALLOTT,
MARGARET CHASE SMITH,
ROMAN L. HRUSKA,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9382) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1972, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I

Department of Housing and Urban Development

Amendment No. 1: Provides an increase of $55,000,000 in annual contract authority for the rent supplement program as proposed by the House, instead of $60,000,000 as proposed by the Senate.

Amendment No. 2: Provides an increase of $170,000,000 in annual contract authority for the homeownership assistance program (sec. 235), instead of $165,000,000 as proposed by the House and $200,000,000 as proposed by the Senate.

Amendment No. 3: Provides an increase of $200,000,000 in annual contract authority for the rental housing assistance program (sec. 236), instead of $165,000,000 as proposed by the House and $225,000,000 as proposed by the Senate. The managers agree that $35,000,000 of the amount provided should be used for housing for the elderly.

Amendment Nos. 4, 5 and 6: Amend the language for the low and moderate income sponsor fund to provide for both grants and loans under sections 106 (a) and (b) of the Housing and Urban Development Act of 1968, as amended, as proposed by the Senate, instead of loans as proposed by the House; appropriate $4,000,000 instead of $3,000,000 as proposed by the House and $5,000,000 as proposed by the Senate; and delete language proposed by the Senate to make the funds available until expended.

Amendment No. 7: Appropriate $3,250,000 for counseling services, instead of $3,000,000 as proposed by the House and $4,000,000 as proposed by the Senate.

Amendment No. 8: Appropriates $16,500,000 for salaries and expenses of housing management programs as proposed by the Senate, instead of $16,000,000 as proposed by the House.

Amendment Nos. 9, 10 and 11: Delete language proposed by the Senate, and the House language as proposed by the Senate, and in lieu of the Senate language insert perfecting language; and appropriate $10,000,000 for new community assistance grants as proposed by the Senate, instead of $5,000,000 as proposed by the House.

Amendment Nos. 12, 14, 15, and 16: Delete provisions proposed by the Senate to include language in the bill to authorize the transfer of funds to new programs in the event of enactment of special revenue sharing or other legislation superseding the Model cities, Urban renewal, Rehabilitation loan fund, and Grants for neighborhood facilities. If special revenue sharing or some other new program should be approved at an early date to supersede or replace these programs, the necessary funding can be considered at that time, including any request for an appropriate transfer of funds.

Amendment No. 13: Appropriates $1,250,000,000 for urban renewal programs, instead of $1,200,000,000 as proposed by the House and $1,500,000,000 as proposed by the Senate.

Amendment No. 17: Restores House language requiring that funds for open space land programs generally be used to finance not in excess of 50 percent of the cost of any activity or project, and adds language making an exception for grants made pursuant to section 706 of the Housing Act of 1961, as amended, where not to exceed 75 percent grants are authorized.

Amendment No. 18: Appropriates $22,750,000 for salaries and expenses, community development programs as proposed by the Senate, instead of $21,500,000 as proposed by the House.

Amendment No. 19: Appropriates $45,000,000 for research and technology, instead of $35,000,000 as proposed by the House and $50,000,000 as proposed by the Senate.

Amendment No. 20: Authorizes $3,771,000 for administrative expenses for research and technology as proposed by the Senate, instead of $2,950,000 as proposed by the House.

Amendment No. 21: Appropriates $8,250,000 for fair housing and equal opportunity, instead of $8,000,000 as proposed by the House and $8,500,000 as proposed by the Senate.

Amendment No. 22: Appropriates $16,096,000 for administration and staff services, instead of $15,846,000 as proposed by the House and $16,346,000 as proposed by the Senate.

Amendment No. 23: Deletes the item proposed by the Senate for a $250,000 contribution to the National Homeownership Foundation.

TITLE II

Space, science, veterans and certain other independent agencies

Office of Science and Technology

Amendment No. 24: Appropriates $2,300,000 for salaries and expenses, instead of $2,330,000 as proposed by the Senate. The sum provided includes necessary funds for the responsibilities that formerly were performed by the National Marine Science Council.

National Aeronautics and Space Administration

Amendment No. 25: Appropriates $2,522,700,000 for research and development, instead of $2,517,700,000 as proposed by the House and $2,541,700,000 as proposed by the Senate.

Amendment No. 26: Earmarks $39,000,000 for the NERVA program as proposed by the Senate.

Amendment No. 27: Appropriates $52,700,000 for construction of facilities, instead of $33,800,000 as proposed by the House and $56,300,000 as proposed by the Senate.

Amendment No. 28: Authorizes $7,900,000 for rehabilitation and modification of facilities as proposed by the Senate, instead of $7,500,000 as proposed by the House.

Amendment No. 29: Deletes the word "and" as proposed by the Senate.

Amendment No. 30: Deletes the $2,100,000 proposed by the Senate for the expansion of the Visitor's Information Center at the Kennedy Space Center.

Amendment No. 31: Provides that $13,000,000 be authorized for space shuttle main engine test facilities and $5,500,000 for space shuttle thermal protection facilities, instead of $20,000,000 for space shuttle facilities, as proposed by the Senate.

Amendment No. 32: Provides that construction of facilities funds shall remain available through June 30, 1974, as proposed by the House, instead of until expended as proposed by the Senate.

Amendment No. 33: Appropriates $722,635,000 for research and program management as proposed by the Senate, instead of $720,000,000 as proposed by the House.

Amendment No. 34: Authorizes transfers not to exceed two percent between the appropriations of the National Aeronautics and Space Administration, but no transfers shall be made to the appropriation Research and Program Management, instead of five percent transfer authority between appropriations as proposed by the Senate.

National Science Foundation

Amendment No. 35: Authorizes $24,225,000 for expenses of program development and management, instead of $23,000,000 as proposed by the House and $25,450,000 as proposed by the Senate.

Amendment No. 36: Appropriates $619,000,000 for the National Science Foundation, instead of $582,000,000 as proposed by the House and $645,150,000 as proposed by the Senate. The House bill provided at least $40,000,000 to assume support of basic research projects dropped by other departments and agencies. The managers are of the opinion that an increased amount over and above the sum recommended by the House should be provided as the result of conference action.

Amendments Nos. 37 and 38: Earmark $26,800,000 for summer institutes and other programs of training for secondary school science and mathematics teachers as proposed by the Senate, instead of $23,300,000 for the summer institutes program as proposed by the House.

Amendment No. 39: Earmarks not less than $28,800,000 for institutional support of science as proposed by the Senate.

Amendment No. 40: Earmarks not less than $99,300,000 for science education support as proposed by the Senate.

Amendment No. 41: Deletes language proposed by the Senate to make funds for scientific activities financed with special foreign currencies available until expended.

Veterans Administration

Amendment No. 42: Appropriates $2,307,700,000 for medical care, instead of $2,244,700,000 as proposed by the House and $2,333,700,000 as proposed by the Senate. The Managers agree that both objectives, the minimum of 97,500 operating beds and the average daily patient load of 85,500, must be met and funds are to be apportioned accordingly.

Amendment No. 43: Appropriates $68,707,000 for medical and prosthetic research, instead of $64,707,000 as proposed by the House and $72,707,000 as proposed by the Senate.

Amendment No. 44: Appropriates $93,418,000 for construction of hospital and domiciliary facilities as proposed by the Senate, instead of $90,418,000 as proposed by the House.

TITLE III

Corporations

Federal Home Loan Bank Board

Amendment No. 45: Appropriates $62,500,000 for interest adjustment payments, instead of $40,000,000 as proposed by the House and $85,000,000 as proposed by the Senate.

Amendment No. 46: Authorizes $8,123,500 for Administrative expenses, instead of $8,000,000 as proposed by the House and $8,247,000 as proposed by the Senate.

Conference total—with comparisons

The total new budget (obligational) authority for the fiscal year 1972 recommended by the committee of conference, with comparisons to the fiscal year 1971 amount, to the 1972 budget estimate, and to the House and Senate bills for 1972 follows:

	Amounts
New budget (obligational) authority, fiscal year 1971	$16,996,888,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1972	17,457,017,000
House bill, fiscal year 1972	18,115,203,000
Senate bill, fiscal year 1972	18,698,518,000
Conference agreement, fiscal year 1972	18,339,738,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1971	+1,342,850,000
Budget estimate of new budget (obligational) authority (as amended), fiscal year 1972	[1] +882,721,000
House bill, fiscal year 1972	+224,535,000
Senate bill, fiscal year 1972	−358,780,000

[1] Taking into account $850,000,000 in the budget as a proposed supplemental for special revenue sharing, or ½ year funding in certain housing and urban development programs, the bill is $32,721,000 over the budget estimates.

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Managers on the Part of the House.
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JOHN STENNIS,
CLINTON P. ANDERSON,
GORDON ALLOTT,
MARGARET CHASE SMITH,
ROMAN L. HRUSKA,
MILTON R. YOUNG,
Managers on the Part of the Senate.

PERMISSION TO FILE A CONFERENCE REPORT ON H.R. 9667, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1972

Mr. BOLAND. Mr. Speaker, on behalf of the gentleman from California (Mr. MCFALL) I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 9667) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1972, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 92–382)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9667) "making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1972, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 12, 20, 32, 36, 37, 38, 41, 42, 43, 45, 46, 47, and 48.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 7, 9, 10, 11, 13, 18, and 19; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$21,592,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$26,000,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,500,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,129,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$93,037,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,087,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,662,093,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$69,337,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,750,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,205,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,350,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,631,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$65,000,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$62,000,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: Omit the matter stricken by said amendment and delete the matter proposed by said amendment; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$40,000,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

"SEC. 305. None of the funds provided under this Act shall be available for the planning or execution of programs the obligations for which are in excess of $80,000,000 in fiscal year 1972 for 'State and Community Highway Safety' and 'Highway Related Safety Grants'."

And the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$900,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 5, 6, 14, 22, 23, 24, 30, 31, and 49.

JOHN J. MCFALL,
EDWARD P. BOLAND,
SIDNEY R. YATES,
TOM STEED,
GEORGE MAHON,
SILVIO O. CONTE,
WILLIAM E. MINSHALL,
JACK EDWARDS,
FRANK T. BOW,
Managers on the Part of the House.
ROBERT C. BYRD,
JOHN STENNIS,
WARREN G. MAGNUSON,
JOHN O. PASTORE,
ALAN BIBLE,
ALLEN J. ELLENDER,
CLIFFORD P. CHASE,
MARGARET CHASE SMITH,
GORDON ALLOTT,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9667) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1972, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Amendment No. 1: Appropriates $21,592,000 for salaries and expenses instead of $21,342,000 as proposed by the House and $22,342,000 as proposed by the Senate.

The conference agreement includes 15 positions in addition to those provided by the House. The managers are in agreement, however, that none of these positions shall be allocated to the office of consumer affairs or to the regional representative program.

Amendment No. 2: Appropriates $26,000,000 for transportation planning, research, and development instead of $24,000,000 as proposed by the House and $31,100,000 as proposed by the Senate.

The amount recommended includes the full $4,755,000 requested for upper atmosphere climatic impact assessment research.

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with with an amendment to appropriate $750,000 for grants-in-aid for natural gas pipeline safety instead of $500,000 as proposed by the House and $1,000,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 4: Appropriates $1,760,000 for consolidation of departmental headquarters as proposed by the Senate instead of $1,500,000 as proposed by the House.

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate an amendment which reads as follows:

"CIVIL SUPERSONIC AIRCRAFT DEVELOPMENT TERMINATION

"For payment of the airlines contribution toward the development of the Civil Supersonic Aircraft, $58,500,000, to remain available until expended."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Coast Guard

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $97,682,000 for acquisition, construction, and improvements instead of $96,682,000 as proposed by the House and $101,682,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 7: Appropriates $9,750,000 for alteration of bridges as proposed by the Senate instead of $7,150,000 as proposed by the House.

Amendment No. 8: Appropriates $14,500,000 for research, development, test, and evaluation instead of $14,000,000 as proposed by the House and $15,500,000 as proposed by the Senate.

Federal Aviation Administration

Amendment No. 9: Inserts language as proposed by the Senate making the funds appropriated for facilities and equipment (Airport and Airway Trust Fund) available for engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant.

Amendment No. 10: Appropriates $301,809,300 for facilities and equipment (Airport and Airway Trust Fund) as proposed by the Senate instead of $252,009,300 as proposed by the House.

The managers are concerned over the delay in the implementation of this program with the prior year appropriations. Such delays result in unnecessarily large unobligated balances which the managers feel can be avoided by proceeding more rapidly in implementing the program.

Amendment No. 11: Deletes the language "research, development, and service testing" and inserts in lieu thereof "research and development" as proposed by the Senate.

Amendment No. 12: Appropriates $63,360,700 for research and development (Airport and Airway Trust Fund) as proposed by the House instead of $73,360,700 as proposed by the Senate.

Amendment No. 13: Deletes the language "research, development, and service testing" and inserts in lieu thereof "research and development" as proposed by the Senate.

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $580,744,000 for Federal payment to the airport and airway trust fund instead of $530,944,000 as proposed by the House and $750,744,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The additional $49,800,000 provided over the House relates to the additional amount provided for facilities and equipment (Airport and Airway Trust Fund). Under the conference agreement there will be an estimated unappropriated balance in the trust fund of $248,000,000 as of July 1, 1972. The managers agree that the unappropriated balance in the trust fund as of July 1, 1972, shall be available solely to liquidate obligations incurred for airport development grants subsequent to June 30, 1972.

Federal Highway Administration

Amendment No. 15: Appropriates $7,129,000 for salaries and expenses instead of $7,110,000 as proposed by the House and $7,159,000 as proposed by the Senate.

Amendment No. 16: Provides transfer of $93,037,000 from the appropriation for "Federal-aid highways (trust fund)" instead of $92,337,000 as proposed by the House and $93,326,000 as proposed by the Senate.

Amendment No. 17: Earmarks not to exceed $15,087,000 of amount provided for salaries and expenses to remain available until expended instead of $14,855,000 as proposed by the House and $15,320,000 as proposed by the Senate.

Amendment No. 18: Appropriates $10,000,000 for rail crossings-demonstration projects as proposed by the Senate instead of $4,000,000 as proposed by the House.

Amendment No. 19: Provides that $3,000,000 of the amount appropriated for rail crossings-demonstration projects is to be derived from the Highway Trust Fund as proposed by the Senate instead of $1,000,000 as proposed by the House.

Amendment No. 20: Appropriates $15,000,000 for the Darien Gap Highway as proposed by the House instead of $20,000,000 as proposed by the Senate.

Amendment No. 21: Appropriates $4,662,093,000 for Federal-aid-highways (trust fund) instead of $4,661,393,000 as proposed by the House and $4,662,382,000 as proposed by the Senate.

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment that provides that appropriations from the Highway Trust Fund for forest highways are authorized for liquidation of obligations incurred against balances of the sums authorized for prior years and remaining unobligated at July 1, 1971.

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment that provides that appropriations from the Highway Trust Fund for public lands highways are authorized for liquidation of obligations incurrred against balances of the sums authorized for prior years and remaining unobligated at July 1, 1971.

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to apppropriate $2,500,000 for Baltimore-Washington Parkway (trust fund).

National Highway Traffic Safety Administration

Amendment No. 25: Apppropriates $69,337,000 for traffic and highway safety instead of $62,837,000 as proposed by the House and $75,837,000 as proposed by the Senate. The managers are in agreement that the eleven additional projects proposed are to be evenly divided.

Amendment No. 26: Provides that $25,750,000 of the amount apppropriated for traffic and highway safety is to be derived from the Highway Trust Fund instead of $22,000,000 as proposed by the House and $29,500,000 as proposed by the Senate.

Federal Railroad Administration

Amendment No. 27: Appropriates $2,205,000 for office of the administrator, salaries and expenses, instead of $1,943,000 as proposed by the House and $2,468,000 as proposed by the Senate.

Amendment No. 28: Apppropriates $10,350,000 for railroad research instead of $7,000,000 as proposed by the House and $13,700,000 as proposed by the Senate.

Amendment No. 29: Appropriates $5,631,000 for bureau of railroad safety instead of $5,481,000 as proposed by the House and $5,781,000 as proposed by the Senate.

Amendment No. 30: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $25,000,000 for high-speed ground transportation research and development instead of $29,077,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

No part of the reduction is to be applied to the Washington-New York and New York-Boston demonstrations or to the $3,000,000 requested for the high-speed ground test center.

Amendment No. 31: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which provides that not to exceed $1,000,000 of the Alaska Railroad Revolving Fund shall be available for use in construction and engineering work on an extension of the Alaska Railroad from Fairbanks, Alaska, to the International Airport located near that city. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Urban Mass Transportation Administration

Amendment No. 32: Appropriates $6,300,000 for administrative expenses as proposed by the House instead of $7,149,000 as proposed by the Senate.

The managers are in agreement that none of the additional personnel employed shall be assigned to field stations outside of UMTA headquarters except to supervise and implement on-going projects.

Amendment No. 33: Appropriates $65,000,000 for research, development, and demonstrations and university research and training instead of $52,000,000 as proposed by the House and $78,000,000 as proposed by the Senate.

Amendment No. 34: Earmarks $62,000,000 of the amount appropriated for research, development, and demonstrations and university research and training for research, development, and demonstrations instead of $49,000,000 as proposed by the House and $75,000,000 as proposed by the Senate.

Amendment No. 35: Deletes language proposed by the House to earmark $3,000,000 for research, development, and demonstrations related to subway safety and language proposed by the Senate to earmark $40,000,000 for research and demonstrations on bus, commuter rail, rail rapid transit and light rail research.

TITLE II—RELATED AGENCIES

Interstate Commerce Commission

Amendment No. 36: Appropriates $30,640,000 for salaries and expenses as proposed by the House instead of $28,940,000 as proposed by the Senate.

TITLE III—GENERAL PROVISIONS

Amendment No. 37: Restores House provision limiting commitments for grants-in-aid for airport development to $280,000,000.

Amendment No. 38: Restores section number as proposed by the House.

Amendment No. 39: Limits obligations for Highway beautification to $40,000,000 instead of $30,000,000 as proposed by the House and $50,000,000 as proposed by the Senate.

Amendment No. 40: Restores House provision and limits obligations for State and community highway safety and Highway related safety grants to $80,000,000 instead of $75,000,000 as proposed by the House.

Amendment No. 41: Restores House provision limiting obligations for forest highways to $20,000,000.

Amendment No. 42: Restores House provision limiting obligations for public lands highways to $10,000,000.

Amendment No. 43: Restores section number as proposed by the House.

Amendment No. 44: Limits commitments for grants for urban mass transportation to $900,000,000 instead of $800,000,000 as proposed by the House and $1,000,000,000 as proposed by the Senate.

Amendment Nos. 45, 46, 47, and 48: Restore section numbers as proposed by the House.

Amendment No. 49: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to conform the section number. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1972 recommended by the committee of conference, with comparisons to the fiscal year 1971 amount, the 1972 budget estimate, and the House and Senate bills follows:

	Amounts
New budget (obligational) authority, fiscal year 1971	$2,984,620,605
Budget estimates of new (obligational) authority, fiscal year 1972 (as amended)	[1] 2,860,327,997
House bill, fiscal year 1972	[1] 2,733,369,997
Senate bill, fiscal year 1972	[1] 2,958,929,997
Conference agreement	[1] 2,905,310,997
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1971	−79,309,608
Budget estimates of new (obligational) authority (as amended), fiscal year 1972	+$44,983,000
House bill, fiscal year 1972	+171,941,000
Senate bill, fiscal year 1972	−53,619,000

[1] Includes $174,321,000 advance FY 1973 appropriation for Washington Metropolitan Area Transit Authority.

JOHN J. MCFALL,
EDWARD P. BOLAND,
SIDNEY R. YATES,
TOM STEED,
GEORGE MAHON,
SILVIO O. CONTE,
WILLIAM E. MINSHALL,
JACK EDWARDS,
FRANK T. BOW,
Managers on the Part of the House.
ROBERT C. BYRD,
JOHN STENNIS,
WARREN G. MAGNUSON,
JOHN O. PASTORE,
ALAN BIBLE,
ALLEN J. ELLENDER,
CLIFFORD P. CASE,
MARGARET CHASE SMITH,
GORDON ALLOTT,
MILTON R. YOUNG,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO FILE A REPORT ON H.R. 9910, TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on the bill (H.R. 9910) to amend the Foreign Assistance Act of 1961, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DISTRICT OF COLUMBIA REPRESENTATION

(Mr. GUDE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GUDE. Mr. Speaker, I want to commend Congressman CELLER's Judiciary Subcommittee on its hearing last week regarding District representation.

This has had more implications than we generally recognize. The United States is not only responsible for the disenfranchisement of 850,000 District residents but, indirectly, of millions of people in the capital cities of Latin American countries that have modeled their governments in varying degrees after ours in the United States. Unfortunately in these newer nations our unwise disenfranchisement of the residents of our Capital has been imitated. However, there are already strong drives in several of these capital cities such as Brazilia which has recently replaced Rio as the capital of Brazil. I am hopeful that they will succeed just as I am hopeful that our long drive will be a success in this Congress.

Nearly all the other capital cities in the free world that are older than Washington, D.C., are represented in their national assemblies. And all the English- and French-speaking countries of Africa have national representatives from the capital. In some cases the capital is part of a province or a state but it does have representation. In the Middle East, Turkey and Afghanistan are excellent examples where the capitals have representation. In Korea, Seoul is the 10th province and gets legislative representation. Other examples for Asia include Japan, Thailand, and Malaysia. The list could go on and on and with regard to Europe let me include Stockholm, Sweden; Vienna, Austria; Paris, France; Rome, Italy; and, of course, London, England whose form of government our Founding Fathers built and developed ours on, with this exception.

PASSING OF W. C. "BILL" JARNAGIN

(Mr. MAYNE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MAYNE. Mr. Speaker, each of us in this body represents a district in which resides one or more outstanding members of the fourth estate. Thus I am not today claiming for northwest Iowa any singular distinction not occasionally shared by other areas of this great country. But I do regret to report that over the past weekend I have learned of the death of one of the finest practitioners of the journalistic art who has graced my State. W. C. "Bill" Jarnagin spent more than half a century in publishing and editing newspapers, most of that time as the head man of the Storm Lake, Iowa, Pilot Tribune. He was a kindly man and generous. But he was also perceptive in his observation of human behavior, and his five decades of the columns depicting the scene, local or national, were always carefully read and appreciated. His peers in Iowa recognized him with frequent tributes. He was chosen Master Publisher. When he sold the Pilot Tribune last year he was honored with one of the grandest parties his community ever staged. He continued to write his column until his recent illness foreclosed even that labor of love.

I did not want the passing of this noble gentleman to go without notice in this House, whose activities Bill used to watch so closely.

AUTHORIZING INVESTIGATION AND STUDY BY THE COMMITTEE ON VETERANS' AFFAIRS

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 538 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 538

Resolved, That effective January 3, 1971, the Committee on Veterans' Affairs, acting as a whole or by subcommittee, is authorized to conduct full and complete studies and investigations and make inquiries within its jurisdiction as set forth in clause 20 of rule XI of the Rules of the House of Representatives. However, the committee shall not undertake any investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 2. (a) For the purpose of making such investigations and studies, the committee or any subcommittee thereof is authorized to sit and act subject to clause 31 of rule XI of the Rules of the House of Representatives, during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, whether the House is meeting, has recessed, or has adjourned, and to hold such hearings and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member designated by him and may be served by any person designated by such chairman or member. The chairman of the committee, or any member designated by him, may administer oaths to any witness.

(b) However, the committee is authorized to send not more than—

(1) ten majority members and eight minority members of such committee and three

majority staff assistants and two minority staff assistants to the Republic of the Philippines, Japan, and Southeast Asia for the purpose of conducting an investigation and study of subjects properly coming within the jurisdiction of the committee in the Republic of the Philippines and in the case of American veterans and servicemen in Japan and Southeast Asia; and

(2) six majority members and five minority members of such committee and three majority staff assistants and two minority staff assistants to Western Europe of the purpose of conducting an investigation and study of subjects properly coming within the jurisdiction of the committee in the case of American veterans and servicemen in Western Europe.

(c) In addition, the committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within and without the United States, for the purpose of conducting an investigation and study of the establishment, operation, and maintenance of cemeteries and of veterans' benefit programs properly coming within the jurisdiction of such committee.

(d) Pursuant to clause 28 of rule XI of the Rules of the House of Representatives, the committee shall submit to the House, not later than January 2, 1973, a report on the activities of that committee during the Congress ending at noon on January 3, 1973.

SEC. 3. (a) Funds authorized are for expenses incurred in the committee's activities within the United States; however, local currencies owned by the United States shall be made available to the Committee on Veterans' Affairs of the House of Representatives and employees engaged in carrying out their official duties for the purposes of carrying out the committee's authority, as set forth in this resolution, to travel outside the United States. In addition to any other condition that may be applicable with respect to the use of local currencies owned by the United States by members and employees of the committee, the following conditions shall apply with respect to their use of such currencies:

(1) No member or employee of such committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754).

(2) No member or employee of such committee shall receive or expend an amount of local currencies for transportation in excess of actual transportation costs.

(3) No appropriated funds shall be expended for the purpose of defraying expenses of members of such committee or its employees in any country where local currencies are available for this purpose.

(4) Each member or employee of such committee shall make to the chairman of such committee an itemized report showing the number of days visited in each country whose local currencies were spent, the amount of per diem furnished, and the cost of transportation if furnished by public carrier, or, if such transportation is furnished by an agency of the United States Government, the cost of such transportation, and the identification of the agency. All such individual reports shall be filed by the chairman with the Committee on House Administration and shall be open to public inspection.

(b) Amounts of per diem shall not be furnished for a period of time in any country if per diem has been furnished for the same period of time in any other country, irrespective of differences in time zones.

With the following committee amendment:

On page 1, line 1, strike all after the word "*Resolved,*" through the word "currencies:" on page 4, line 5, and insert in lieu thereof the following:

"That notwithstanding the provisions of House Resolution 20, Ninety-second Congress, the Committee on Veterans' Affairs, acting as a whole or by subcommittee, is authorized to conduct full and complete studies and investigations and make inquiries within its jurisdiction regarding:

"(1) Medical facilities, hospitals, counseling programs and veterans' benefits for American veterans and servicemen in the Philippines, Japan, South Korea, Cambodia, Laos, and South Vietnam;

"(2) Present counseling programs, the quality of medical care, and the operation of education, pension and other programs for American veterans and servicemen in the United Kingdom, West Germany, the Netherlands, Luxembourg, France, Spain, Italy and Greece.

"For the purposes of carrying out each of the two investigations studies and inquiries enumerated above, the committee is authorized to send not more than eleven members (six majority and five minority) and three staff assistants to those countries within which such investigation, study or inquiry is authorized to be conducted.

"Notwithstanding the provisions of House Resolution 20, Ninety-second Congress, local currencies owned by the United States shall be made available to the members of the Committee on Veterans' Affairs of the House of Representatives and employees engaged in carrying out their official duties for the purpose of carrying out the authority, as set forth in this resolution, to travel outside the United States. In addition to any other condition that may be applicable with respect to the use of local currencies owned by the United States by members and employees of the committee, the following conditions shall apply with respect to their use of such currencies:".

The SPEAKER. The gentleman from Mississippi (Mr. COLMER) is recognized for 1 hour.

Mr. COLMER. Mr. Speaker, I yield the customary 30 minutes to the minority side, to the very able and distinguished gentleman from California (Mr. SMITH), pending which I yield myself such time as I may consume.

Mr. Speaker, this is a travel resolution from the Veterans' Affairs Committee. I think it should be said in fairness that this is the second resolution from that committee for travel. I also would like to say in all fairness that of all the resolutions for travel which have come before our committee during this session, this one appeals to me personally more than any of the other resolutions.

I am sure those Members who read the papers, look at TV, and listen to radio, are very familiar with the question of the drug traffic just now and the effect it is having on our boys in Vietnam and on the boys who are coming back home, so many of them, having become addicts as the result of taking heroin and other drugs.

The able and distinguished gentleman from Texas (Mr. TEAGUE) the chairman of the committee—and I would like to observe he is a very able and fair chairman and one of good judgment—has become very much concerned about this problem and he has talked to me personally about this resolution on several occasions. I think it comes as no secret that as one of the humble members of the Rules Committee, I do not look with a great deal of favor upon so many of these travel resolutions, but I repeat, Mr. Speaker, I think this is one which is justified.

The original resolution, as introduced, provided for 18 members to travel on each of two study missions. The Committee on Rules cut that down to 11 members and at the same time cut the staff from five down to three. The resolution provides for travel to both Europe and Asia, Of course, the Veterans' Affairs Committee has jurisdiction over many cemeteries abroad and various other programs affecting our veterans.

So, Mr. Speaker, without making any extended remarks, I should just like to repeat that the drug problem particularly is one of major importance. We just cannot overemphasize, as I see it, the necessity of preventing the further spread of this cancer, as well as encouraging the rehabilitation of these unfortunate young men who have become the victims of the drug traffic.

As I say, while we approached this with some caution in the Rules Committee, as we do all these travel resolutions, I believe this one is justified.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I am happy to yield to my able and distinguished friend the gentleman from Iowa.

Mr. GROSS. I thank my friend from Mississippi for yielding to me.

After all is said and done, it will give some 22 members of this particular committee a trip around the world in two bites, if one can describe it that way. They will at least make it around the world—in 80 days?

What intrigues me more than anything else about this resolution is the stopover in Luxembourg. I was not aware that we had any troops stationed in Luxembourg. It is undoubtedly a nice place to visit.

France is also listed. Our troops were thrown out of France some time ago. Perhaps the committee members are going over to France to see if they can find the use to which that Army or Air Force hospital has been put—the hospital which was built and never used by our forces.

While we are all cognizant of the drug problem as it affects servicemen around the world, I am sure every committee in the Congress, if they can hang their hats on the drug problem, will be sending members overseas to investigate it.

I say again that I am intrigued by the fact that the committee is going to Luxembourg and France, where I do not believe we have a military presence.

Mr. DORN. Mr. Speaker, will the distinguished chairman of the Rules Committee yield to me?

Mr. COLMER. If my friend from Iowa has finished. I shall be happy to yield to the very able and very interesting gentleman from the great State of South Carolina who is very much interested in the cause of the veterans of this country.

Mr. DORN. I thank the gentleman for yielding, and I welcome this opportunity of replying to my distinguished and able colleague from Iowa.

Of course we have something to do in Luxembourg. I might say in the beginning, this resolution does not provide for 20 members. As the distinguished chairman of the committee pointed out, it was cut to 11, six on this side of the aisle and five on the other side of the aisle, with three staff members.

The gentleman will recall that this resolution originally started out to call for looking into the cemetery situation which, as the gentleman so well knows, has been placed under the Veterans' Administration. We have 21 cemeteries in western Europe; including 11 in France and one in Luxembourg.

We also have drug problems in Europe among the armed services. We have a counseling service in the Veterans' Administration. This resolution provides not only for looking into the cemetery situation but the drug problem in the Far East and in Europe and the GI education benefits. Men serving in the military are now eligible for these benefits. So we not only have a dual job but a more than triple job in going into western Europe to look into this situation. We do not have enough men participating in the GI bill in Germany, for instance. We would like to know why. We are sending out these checks at the rate of $10 million a month. This is the taxpayers' money, and it is going to 81,000 men and women in the Philippines alone. I have a breakdown of the various countries in Europe. Twenty-one thousand men, principally in Italy, Greece, England, France, et cetera, are receiving these checks. We think a trip of this nature is certainly worthwhile and this Congress is entitled to know how this $10 million a month is being spent. I do not know of a resolution that is more timely or more worthwhile than the one that the House is considering today.

Mr. GROSS. If the gentleman will yield, could not two members find out just as much about the situation in the Philippines, Laos, Vietnam, and elsewhere as 10 or 11 members?

Mr. DORN. I must very frankly and candidly say to my colleague I do not think so. We have to go into Vietnam and quite often you have to split up in South Korea, Japan, the Philippines, and South Vietnam. I do not see how two men could possibly do this job. Suppose both of them became ill or something of that nature. You would not have much of an investigating committee if you did not have a sufficient number of members.

Mr. GROSS. Evidently the Committee on Rules thought that a fewer number could do the job, because they cut it from some 20 to 11. That helps to some extent.

I do not intend to oppose this resolution to the extent that I would force a vote on it.

Mr. DORN. I say that I am standing here to agree with what the distinguished members of the Committee on Rules did.

Mr. GROSS. Then, someone made a mistake when they presented the resolution: Is there not a Commission on Cemeteries?

Let me ask the gentleman this question: Is there not a Commission on Cemeteries?

Mr. DORN. Perhaps. But this is rather a new jurisdiction on the part of the Committee on Veterans' Affairs.

Mr. GROSS. I thought for years we have had a commission that was presidentially appointed.

Mr. DORN. Whether we have a commission or not, the legislative oversight jurisdiction has been placed by the Congress specifically in the Committee on Veterans' Affairs.

Mr. GROSS. I see. Congress creates a commission and then it has to send Members around to check up on what the commission is doing. Is that right?

Mr. DORN. I know what my distinguished colleague is interested in.

Mr. GROSS. No, I am not interested in taking a trip.

Mr. DORN. It is to save the taxpayers money. I agree with him, and I think this type of investigation can save money and certainly see that this Congress is made aware of the situation in South Vietnam and Korea and Japan, such as the bill that we passed a few days ago about drug abuse.

Mr. GROSS. The gentleman has not asked for my personal opinion on this, but I will give it to him, anyway. That will be the day when a bunch of junketeers saves any money for the Federal Government.

I thank the gentleman for yielding.

Mr. DORN. I will say to my great colleague I know this, and I hope the gentleman will correct his remarks in the RECORD—this is not a junket. This is a working schedule that has been arranged for the time when the gentleman from Iowa will be perhaps on recess back among the tall corn. This committee will be looking into a problem which is very, very dangerous.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, I rise to concur in the statements which have been made by the distinguished gentleman from South Carolina (Mr. DORN), for absent the ability of the members of the Committee on Veterans' Affairs to travel and investigate the conditions which exist in our veterans' hospitals, they would not have been able to come up into my area nor would they have been able to go to so many others which involves veterans and veterans' care. The conditions which exist would not have to come to light, at least in my district, as to the very deplorable conditions which existed at the Kingsbridge Veterans Hospital. It was in response to the visit of the chairman and his committee that there was some response, and at present the committee is considering a bill to construct a new hospital there.

Mr. Speaker, the very least we owe the veterans is the very maximum of care and attention. It is important not simply in my district but throughout the Nation. The committee can learn, as a result of the experiences that other countries have had in the treatment of their veterans and, perhaps, put this knowledge to good use in the care and treatment of our own veterans.

Mr. Speaker, this could hardly be characterized as a junket in that type of situation. In my judgment it is a sacrifice on the part of the members of the committee to travel abroad to study this situation in order to make the Members of the Congress and their constituents aware of the problem which exists.

Therefore, Mr. Speaker, I rise in support of this resolution.

Mr. DORN. I want to say that this House is well aware of the fact that our distinguished chairman "Tiger" TEAGUE would not advocate any junket in any form. This will be a hard-working, difficult schedule in order to cover a situation that needs to be cared for.

I might say that it was my privilege many years ago to go around the world with the Committee on Government Operations, a subcommittee headed by our late colleague, Herbert Bonner, looking into the surplus problem and as a result of that trip we were able to save the taxpayers of this country over $300 million.

I believe on this occasion we will gather information that is pertinent and necessary to the deliberations of this body and the other body.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. DORN. I yield to my distinguished friend and able colleague, the Delegate from the District of Columbia.

Mr. FAUNTROY. I thank the gentleman for yielding.

I, of course, am in no position to judge the validity or the merits of this trip, but even if I were, I would not have a vote on the floor of the House and I think, perhaps, the gentleman ought to help me do something about that. However, as a late arrival in this body, I wonder if the gentleman would explain to me and to those who are interested what is the cemetery problem?

Mr. DORN. There are quite a few areas around the world where a lot of our men have served with great honor and distinction and many of whom made the supreme sacrifice and are buried overseas. Of course, there is a maintenance problem involved with reference to the cemeteries. I know that the Members of this House and the people of the country want those cemeteries maintained in the very best condition. This is why the committee wanted to check on that situation.

As the gentleman knows, we now have a problem at Arlington National Cemetery as well as a problem throughout the United States in finding room for the final resting place for our servicemen, some of whom have paid the supreme sacrifice and all of whom served at great sacrifice. I cannot think of a situation which is more worthy of consideration than to see that there is a final resting place for those who wore the uniform of our country and to see that that final resting place is maintained as it should be.

Mr. FAUNTROY. Mr. Speaker, if the gentleman will yield further. I want to assure the distinguished gentleman from South Carolina in light of the gentleman's explanation that if I had a vote I would probably vote for this legislation and I hope the gentleman will help me get that vote the next time around and the gentleman will have my support.

Mr. DORN. I am sure that my colleague from the District of Columbia is aware of the problem which exists at the present time in the Arlington National Cemetery which is located right across the river, close to his home, the area which the gentleman represents.

I want to commend my distinguished colleague and say again that I regret the fact that the able chairman of our committee, the gentleman from Texas (Mr. TEAGUE), could not be with us at this time.

Mr. Speaker, I have the distinct impression that Members generally are not fully aware of the extensive overseas responsibilities and scope of operations conducted by the Veterans' Administration under the direct oversight of the Committee on Veterans' Affairs. Accordingly, I think it would be helpful to insert at this point the following brief résumé of operations in Southeast Asia, the Philippines, and Western Europe:

BRIEF EXPLANATION OF OPERATIONS

SOUTHEAST ASIA

Drug Abuse: The Congress has recently passed a Veterans Administration Drug Abuse Bill. Problems relating to this exist in South Vietnam, Japan and South Korea.

Counselling: The Veterans Administration operates a predischarge counselling program in Southeast Asia, principally South Vietnam.

Medical: Military casualties are processed in Vietnam, Japan and the Philippines.

PHILIPPINES

A large Veterans' benefits program operates in the Philippines. The VA maintains an office and supports a hospital. There is also a national cemetery.

WESTERN EUROPE

Cemeteries: The Committee has jurisdiction of the overseas cemeteries located in England, Luxembourg, Netherlands, France and Italy.

Non-Service-Connected Pensions: This program operates in the major Western Europe countries with heavy concentration of veterans in Ireland, Italy and Greece.

Education: Veterans may attend institutions of higher learning and are attending most of the major universities of Europe.

Military Prep: This program functions primarily in Germany where there is a large concentration of troops.

As the Members are aware, a few years ago the House transferred to the Veterans' Affairs Committee jurisdiction over cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad, except cemeteries administered by the Secretary of the Interior. As a result, our committee has oversight as well as legislative jurisdiction over a total of 21 cemeteries located in France, Belgium, Luxembourg, the Netherlands, England, Italy, and Tunisia.

Furthermore, in the administration of the compensation, pension, and educational programs we find that there are almost 22,000 VA beneficiaries living in Western Europe, all the way from Scandinavia to Italy and Greece. In the Far East, we have in the Philippines alone almost 82,000 veterans and the dependents of veterans entitled to benefits under U.S. law. A very significant figure is that every month 114,582 VA checks are mailed to foreign beneficiaries representing a total monthly expenditure of over $10 million.

In view of the foregoing, I believe it is demonstrated beyond a shadow of a doubt that there is a continual and growing need for on-the-spot analysis and review of the adequacy and efficiency of these very substantial foreign operations in the field of veterans' affairs. I applaud the generous bipartisan action of the Rules Committee, under the chairmanship of the distinguished gentleman from Mississippi, in favorably reporting House Resolution 538 and I strongly urge its adoption by the House.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I concur in the remarks made by the distinguished chairman of the Rules Committee, the gentleman from Mississippi (Mr. COLMER), and I agree with them.

May I simply add that when this resolution was originally introduced, it was for the purpose of amending the Veterans' Committee's original investigative authority resolution which we passed at the beginning of the session. Such a cause of action would then have made this authority permanent. The Rules Committee felt that it was not the thing to do at the present time. So, this resolution is for two trips rather than permanently authorizing this travel on an annual basis.

I do not particularly relish, as I said before, Mr. Speaker, the responsibility or authority to authorize for other committees their travel authority, including how many Members they can take, or the size of their committee staff. I had the privilege of serving on the committee headed by the gentleman from Texas (Mr. TEAGUE) for some time, and I believe that he is able and very fair, and I never saw any junkets take place on the Committee on Veterans' Affairs during those years that I served on that committee.

We do not even define what the staff shall be, but just leave it in the resolution as staff, whether they be a Republican staff or Democratic staff.

So far as I am concerned I do not particularly care about this responsibility, but we have been given this responsibility, and we think it is a fair thing to do with respect to this resolution. I heartily support this resolution, and urge its adoption.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO FILE A REPORT

Mr. PATMAN. Mr. Speaker, I would like to have the attention of the gentleman from Iowa (Mr. GROSS) on this request.

Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the bill H.R. 8432, the so-called Lockheed bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I do not expect to object, may I inquire of the gentleman from Texas as to when this bill was reported out of the committee?

Mr. PATMAN. Mr. Speaker, if the gentleman from Iowa will yield, this was reported before noon last Wednesday, just before noon, you might say 12 o'clock.

Mr. GROSS. And has the gentleman from Texas checked to see whether this meets the parliamentary requirement for 3 legislative days?

Mr. PATMAN. If the gentleman will yield further, the answer is "Yes." I have checked with the Parliamentarian. It is 3 days. You would count either the first or the last on determining the 3 days.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FOREIGN TOURISM

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, during the 91st Congress and again during the current 92d Congress, I introduced legislation, known as the Nonimmigrant Visa Act of 1971, which would grant the Secretary of State and the Attorney General broad authority to waive visa requirements for business and pleasure visitors of up to 90 days.

I felt, among many reasons, that my bill would be in the national interest because while unprecedented numbers of Americans are traveling abroad, by contrast, the number of foreign visitors coming to the United States is not increasing by a comparable rate, and consequently, the United States runs a deficit in the tourism account of over $2 billion annually. This is the difference between what foreigners are spending to come here and what American are spending overseas, and this trend has continued over the last several years.

Mr. Speaker, in this connection, I want to call to the attention of my colleagues an article which appeared in the July 24 edition of the Washington Post, indicating that the Commerce Department has launched a new drive to increase foreign tourism because the travel deficit reached an all time high of $2.5 billion in 1970, and new Commerce figures show the 1971 deficit will be at least 10 percent higher.

There is general agreement that the most effective way to close this increasing gap is to stimulate and encourage foreign travel to the United States, thereby improving our balance of payments, and my bill (H.R. 571), would accomplish this by facilitating the entry of foreign tourists through relaxation of some of the unnecessary, cumbersome, and antiquated requirements which now must be met before visitors' visas can be issued to foreign visitors traveling to the United States.

I urge once again that the Congress go to the root of the problem and encourage foreign tourism by permitting easier issuance of visitors' visas to those persons wishing to come to the United States for less than 90 days. My bill would accomplish that purpose.

The article from the Washington Post regarding foreign tourism follows:

Foreign Tourism Drive Is Launched

> Citing an accelerating travel deficit in the U.S. balance of payments, the Commerce Department yesterday launched a new drive to increase foreign tourism throughout the 50 states.
>
> Assistant secretary for tourism C. Langhorne Washburn called a nationwide series of 14 meetings in September to be attended by state travel directors and overseas and domestic staff members of the U.S. Travel Service, an arm of the Commerce Department. One of the meetings will be held in Washington; the purpose, Washburn said, is to mobilize greater local involvement in tourist promotion.
>
> The travel deficit—the difference between what U.S. travelers spend abroad and what foreigners spend here—reached an all-time high of $2.5 billion in 1970 and new Commerce figures show the 1971 deficit is 10 per cent higher.

AN INTERESTING CHANGE IN EDITORIAL POLICY

(Mr. ICHORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ICHORD. Mr. Speaker, I believe an editorial which appeared in the Washington Post Tuesday, July 20, 1971, concerning title II of the Internal Security Act of 1950, also referred to as the Emergency Detention Act, will be of considerable interest to the Members of this House. The nameless and faceless writer or writers of this editorial indicated that the Emergency Detention Act would have easily been repealed had not "the Internal Security Committee, with its usual propensity for mischief, come forward with a substitute bill slightly amending the existing law but retaining many of its worst features." This committee, described as having a "propensity for mischief" happens to be the committee of which I am chairman.

Mr. Speaker, I find this editorial to be an interesting contrast to an editorial published by this same Washington Post on this same subject some 20 years ago. Now I am aware that these unknown, nameless, faceless, and sometimes mysterious editorial writers are real people who, like politicians, can die, get fired or promoted, and even sometimes change their opinions. It would be very interesting if they would tell us what happened to the editorial writer in this particular case.

It is certainly true that the provisions of title II, which were originally intended to set up reasonable guidelines to prevent a future recurrence of the type of mass detention imposed upon the Japanese-Americans by Executive order at the beginning of World War II, has not changed. Maybe only the mood of the times is different. Certainly the attitude of the Washington Post is different.

In 1950, Senator Harley M. Kilgore, Democrat, of West Virginia, introduced bill S. 4130, cosponsored by Senators Douglas, HUMPHREY, Lehman, Kefauver, Benton and Graham and himself, which became title II of the Internal Security Act of 1950. In then endorsing this measure the Washington Post described it as a "fresh approach to the Communist problem." The Post editorialized:

> We think the proposed bill aims at intelligently selective interment in the real interest of security and not at indiscriminate punishment of persons for the mere holding of disloyal or odious opinions.

For the sake of emphasis, it is important to remember that the above words from the Post editorial were written about a much harsher bill since the final wording of title II strengthened the protection offered individuals.

Now let us look at what the Post says in 1971:

Detention Centers for Subversives

> Concentration camps are about as un-American as borscht. Yet there is a provision authorizing the creation of such camps, euphemistically called detention centers, in an act of Congress—the Internal Security Act of 1950—still very much on the statute books to this day. That provision is certainly the most un-American inheritance from the now slightly face-lifted House Un-American Activities Committee, currently operating under the alias, House Internal Security Committee. It authorizes, during a period of war, insurrection or invasion, the rounding up and detention of persons concerning whom there is "reasonable ground" to believe that they would "probably" engage in sabotage or espionage.
>
> Un-American as such camps or centers may seem to most Americans, they are not unimaginable. At the outset of this country's involvement in the Second World War, American citizens of Japanese ancestry were rounded up all over the west coast and impounded, behind barbed wire, in what were then called "relocation" centers—merely because it was supposed they would "probably" engage in espionage or sabotage. So there is very little reason to be surprised that minority groups of various sorts—militant blacks, long-haired youths, New Left radicals, old left Communists, ardent adversaries of the government or of the war in Vietnam—are full of apprehension that they may become victims of this totalitarian mechanism. Indeed, William Greider of this newspaper reported recently that the FBI has compiled, and keeps enlarging, a list of the names, addresses, jobs and phone numbers of thousands of Americans considered potentially dangerous as spies or saboteurs in case of war or some other "national emergency." The FBI documents stolen at Media, Pa., afforded confirmation of this index.
>
> Rep. Spark Matsunaga of Hawaii, a wounded war veteran who has reason to feel rather strongly about internment camps because some of his relatives were interned in one 30 years ago, has introduced a bill—along with more than 100 co-sponsors—to repeal Title II, the internment camp provision, of the Internal Security Act. There would have been little doubt about its adoption, had not the Internal Security Committee, with its usual propensity for mischief, come forward with a substitute bill slightly amending the existing law but retaining many of its worst features.
>
> The Matsunaga bill would eradicate an ugly splotch from the American escutcheon. It has the full backing of the Justice Department. It would lift a pall of fear from the country. We hope that Congress will adopt it speedily, restoring the American way of dealing with dissent and rejecting the Un-American Activities way.

Mr. Speaker, how does one explain such a glaring inconsistency? I shall make a note to send a copy of this statement to the Post since I will be very interested to understand this radical change of position unless they choose to remain silent. Yesterday it was "intelligently selective internment," today it is "mischief."

Mr. Speaker, the present law is a wartime statute which can be invoked by the President upon the occasion of a declaration of war by Congress, invasion, or insurrection in aid of a foreign enemy. The House Committee on Internal Security bill, H.R. 820, would amend the act to provide that it cannot be implemented by the President in the case of an insurrection except upon a concurrent resolution of the Congress declaring the existence of an insurrection within the United States in aid of a foreign enemy. Second, the present bill makes explicit that no citizen shall be apprehended or detained on account of race, color, or ancestry. The HCIS bill further provides for an amendment to assure representation by counsel for any person detained pursuant to the act, and for the services of experts and other persons to assist in a defense.

Certainly, a newspaper has the right to change its editorial mind. It only seems to me that this is an interesting contrast. I believe that a careful study will reveal that adopting the amendments contained in H.R. 820 is the true libertarian approach to a very difficult problem. Surely, we do not want to return to the dark situation where what happened to the Japanese can happen again and most certainly we do not want to tie the hands of the President in an emergency wartime situation.

GROUP TACTICS ON VIETNAM

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON of Illinois. Mr. Speaker, I was shocked to read in the Evans-Novak column in yesterday's Washington Post that there is a group of liberal House Democrats plotting to undermine President Nixon's Vietnam policies and force acceptance of the Vietcong peace proposal—all for narrow partisan purposes. The so-called group, an informal organization of 13 prominent left-liberal Democratic House Members, is this week sponsoring a conference for the ostensible purpose of educating the public about the Pentagon papers. But the group's internal memorandums quoted by Evans and Novak indicate quite a different purpose—that of trying to shift the blame for the war to the Nixon administration and thwart the President's efforts to secure a peace settlement.

The column quotes the group's July 7 agenda as follows:

> The political focus must be shifted away from the Kennedy-Johnson administration. Nixon will argue in 1972 that he ended the war that the Democrats got the country into. It is critical that he not succeed. Only by undermining his present policies and by obtaining a Democratically-sponsored congressional action forcing the acceptance of the present Vietcong proposal can we recover lost ground.

Mr. Speaker, I think it is especially alarming at this most delicate stage in the Paris negotiations that there is a group in this body which is more intent on playing politics with the war than on applying statesmanship to the peace; that there are persons in this body who are not only praying for the failure of the President's peace efforts, but who are actively working to undermine those efforts. It is apparent that these pseudo-doves are more interested in making partisan points than they are in forging a lasting peace.

I have indicated on previous occasions that I think the Congress can and should provide some policy guidance on Vietnam and I have introduced House Concurrent Resolution 347 for that purpose. My resolution would state that it is our national policy to completely withdraw from Vietnam at the earliest practicable date, and to accelerate and complete that withdrawal by a date certain provided there is a concurrent agreement to release all American prisoners being held in Indochina 60 days prior to that date certain. I have avoided specifying a date certain because I think this is and should be a negotiable matter. If we are genuinely interested in achieving a negotiated settlement, we must allow our negotiators in Paris a maximum amount of flexibility. That is what negotiations are all about. To force upon them a specific date, let alone forcing them to fully accept the seven-point Vietcong proposal, is to make a mockery of the word "negotiate."

This week I will be recirculating my resolution for bipartisan cosponsorship. It seems to me that a bipartisan resolution which provides congressional guidance while recognizing the need for a flexible negotiating position is the most responsible and prudent course for the Congress to follow. This would also seem the logical approach for the House-Senate conferees to take in their current deadlock over the Mansfield amendment to the draft bill. Forcing our negotiators into a corner and tying their hands, as the group would have us do, is not only reckless and irresponsible, but contrary to the goal of achieving a just and lasting peace.

Mr. Speaker, at this point in the RECORD I include the Evans and Novak column to which I have previously alluded as well as a column by Henry Owen from Saturday's Washington Post. The articles follow:

[From the Washington Post, July 25, 1971]

PUTTING THE BLAME ON NIXON

(By Rowland Evans and Robert Novak)

Internal memoranda show that this week's conference on the Pentagon papers arranged by militant antiwar Democratic congressmen has a partial hidden motive of trying to deflect in Richard Nixon's direction some of the political shrapnel coming from the documents.

The Group, an informal organization of 13 prominent left-liberal Democratic House members, which is sponsoring the conference, includes congressmen unhappy that the political fallout from the Pentagon papers has hit the last two Democratic Presidents, John Kennedy and Lyndon Johnson, and not President Nixon. That's not a case of loving Mr. Johnson more but of loving Mr. Nixon considerably less.

Late in June, shortly after the Pentagon papers were leaked, the question was raised at a meeting of two New York members of The Group, Reps. John Dow and William Fitts Ryan, with staffers. A July 6 memorandum on that meeting reveals they proposed a conference on the Pentagon papers with the purpose of "arousing public pressure on the Congress" for a Vietnam pullout resolution.

"An inquiry aimed specifically at the policies and decision-making processes of the Nixon administration," says the memorandum on the Dow-Ryan meeting, "could effectively transfer the public outrage from the past tense of the Kennedy and Johnson administrations into the present tense of the current administration."

The agenda for the weekly meeting of The Group on July 7 makes this strategy explicit:

"The political focus must be shifted away from the Kennedy-Johnson administration. Nixon will argue in 1972 that he ended the war that the Democrats got the country into. It is critical that he not succeed. Only by undermining his present policies and by obtaining a Democratically-sponsored congressional action forcing the acceptance of the present Vietcong proposal can we recover lost ground."

The same theme is followed through in The Group's list of potential participants for the conference on the Pentagon papers—as in the case of Melvin Gurtov, one of the authors of the Pentagon papers who has just resigned as an analyst for the Rand Corp. think tank. In suggesting Gurtov, a staff memorandum notes that he has been "highly critical of the Nixon administration and says it is following the same policy as previous administrations. . . ."

A footnote: Some members of The Group told us that the sole purpose of their forthcoming conference is to improve public understanding of the Pentagon papers and that the memoranda indicating a political motive reflect only the over-active imaginations of young staffers. Other members of The Group, however, confided to us that they regard as accurate the intent of the conference as outlined in the memoranda.

[From the Washington Post, July 24, 1971]

"HOW?" IN WASHINGTON—"WHEN?" IN PARIS: THE TWO SETS OF TALKS ON ENDING THE VIETNAM WAR

(By Henry Owen)

China's invitation to President Nixon suggests that its leaders agree with him when he says that the American military involvement in Vietnam is ending and that the real question is how it will end. To the Chinese and others, this probably means *when* it will end. For Americans, however, an equally important question is whether it will end in a way which permits both branches of government and both political parties to share responsibility for the outcome, and thus unites rather than tears the United States apart. This depends partly on the negotiation between the two sides at Paris but, even more, on trilateral negotiations between the President, the Senate, and the House in Washington.

These negotiations now center on what should be said about Vietnam in congressional resolutions and/or in the pending draft bill. The Senate, after rejecting a harsher McGovern-Hatfield resolution, passed the Mansfield amendment which proposes a date or total withdrawal in early 1972. The administration objects—arguing that this would reduce its bargaining power at Paris. In the House, John Anderson of Illinois, chairman of the Republican Conference, has introduced a resolution which tries to take account of this concern. It calls for withdrawal of U.S. forces by a date certain in return for release of the American POWs, and endorses continuing aid to South Vietnam after U.S. withdrawal; but it does not specify the date by which U.S. forces are to be withdrawn. Congressman Anderson says merely that while this date "would have to be within a reasonable time frame to have any appeal at the bargaining table . . . from a practical negotiating standpoint this is something best left to be worked out in the secret sessions at Paris."

The President made clear in his April 16 TV panel discussion before newspaper editors that he has in mind a total withdrawal of U.S. forces if two conditions can be met: if U.S. POWs are returned, and if the South Vietnamese develop a capability which gives them "at least a chance" to defend themselves. (He has not said when they would achieve this "chance," but present withdrawal rates, if continued, should get all U.S. forces out of Vietnam around the end of 1972.) Specifying "the goal of total withdrawal with no residual force," and accepting that we can only give the South Vietnamese a "chance" to defend themselves and thus cannot ensure a favorable outcome to the war which will continue after our withdrawal—all this helps public opinion to accept the hard realities that must be faced in negotiating our withdrawal and afterword. Whether it also provides a basis for shared responsibility between the President and the Congress will depend on whether the President is prepared eventually to accept the concept of a fixed date for withdrawal.

The recent Vietcong proposal at Paris brings the issue to a head. The President's trip to China takes the spotlight off the North Vietnamese, but they are still the people with whom we will have to do business on ending the war. At first reading, their recent proposal seems more of the same: the usual demands for a coalition government, for U.S. reparations, and—at least by implication—for cessation of U.S. aid to Saigon. But the senior North Vietnamese negotiator's remarks and the language of the proposal leave it unclear whether these political demands need to be accepted in order to settle the other two points; U.S. withdrawal (which Hanoi demands by the end of 1971), and return of POWs. Even if the withdrawal and political issues can thus be separated, important questions will remain: Would Hanoi agree to our minimum conditions of a 1972 (rather than 1971) date for U.S. withdrawal, continuing U.S. aid to Saigon after that withdrawal, and release of U.S. POWs captured in all Indochina. This is uncertain, to say the least; the most that can be said is that Hanoi's proposal creates an opportunity to try to find out—in hard and, it would be hoped, secret bargaining.

The two sets of negotiations—in Washington and Paris—will interact; Hanoi will be looking over the administration's shoulder to see whether both political parties and the Congress are behind the President's position in Paris talks. Evident disagreement among them might encourage Hanoi to hold out for its maximum demands. On the other hand, a congressional resolution which endorsed the concept of withdrawal by a date certain, left the administration free to fix that date in bargaining, and supported continuing post-withdrawal U.S. aid might strengthen the administration's position—if the President were prepared eventually to strike a bargain at Paris which would involve withdrawing by a fixed date.

Both the Paris and Washington negotiations are likely to proceed slowly. The administration wants to avoid rocking the boat until after the October South Vietnam election (which the Communists probably hoped to disrupt by their proposal). The announcement of the President's trip to Peking will probably reduce pressure for early action on the Hill. So it's unlikely matters will come to a head until later in the year.

Even then, there is no assurance, or even probability, that the two negotiations will succeed—that the administration and the Congress will be able to come together on a policy which looks to withdrawal in 1972, or that Hanoi will be sufficiently flexible to permit an agreement on this basis. All that can be said is that the prospects seem slightly better than, say, six months ago. Even if the two negotiations do prosper, the war will likely go on after our withdrawal—toward an outcome which no one can predict. But at least our withdrawal will have been taken in a way which reduces the likelihood of bitter domestic U.S. divisions and recrimination in its wake.

IMPORTANT TO END WAR

(Mr. MYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS. Mr. Speaker, the item appearing yesterday has already come up relative to the self-appointed organization to place the blame on Nixon. That is about the only way you can really categorize this.

Mr. Speaker, I join my colleague, the gentleman from Illinois, in saying what a pity this is. To my knowledge, this war has never been a political one. I do not believe any war should be. But the attack by this organization placing the blame on President Nixon, I think, is a blatant attempt to bring partisan politics into it. Just as they will not blame any particular political party for starting this war, I do not think anyone should blame any particular group. The important thing is to end this war.

I have noticed the leadership on both sides of the aisle, Democrats and Republicans alike, have not made any attempt to bring partisanship into ending this war. I notice the democrat leadership gives President Nixon credit for reducing the total casualties and reducing the troops in Southeast Asia.

The attempt by this political group to undermine President Nixon's efforts in Southeast Asia cannot help the cause of world peace and in fact probably will result in additional encouragement to the enemy which in turn could prolong the war. I think it is high time that the leadership on both sides condemn this type of activity.

The SPEAKER The time of the gentleman has expired.

CAMPAIGN SPENDING III—SPENDING LIMIT AND REGISTRY OF ELECTION FINANCE

(Mr. STAFFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STAFFORD. Mr. Speaker, 2 weeks ago I spoke about my bill, the Campaign Expenditure Disclosure Act of 1971, H.R. 7299, designed specifically for campaign spending disclosure and limitation in the House of Representatives.

Last week, I spoke about an important provision of the bill which would require full and complete disclosure of any campaign contributions—public or private—in the amount of over $10.

Today, I would like to speak about two corollary provisions of the bill: to establish a registry of election finance, and to limit campaign spending in a general election to $100,000.

Mr. Speaker, if we are going to insist upon full and complete disclosure, and if we are going to require each candidate to maintain records, we must provide an office to receive and hold these records.

Therefore, I propose a registry of election finance, to be attached to the General Accounting Office, for the purpose of making reports and statements filed with him available for public inspection and copying, and preserving reports and statements for a period of 11 years from the date of receipt.

This registry's primary purpose would be to provide the public—on demand—financial information on their representatives. It would—in the fullest sense—be a servant of public information.

Mr. Speaker, full disclosure to a registry constitutes an important step toward bringing the spiral of campaign spending under control. However, disclosure would be most effective in the context of a campaign spending limit. Otherwise there is no compelling reason, other than public pressure, to hold down the spending. Therefore, I have included in my bill a provision placing a limit of $100,000 on the amount any candidate may spend in a general election.

I originally had in mind a much lower limit on both general and primary election expenditures but I discovered in talking with candidates from other congressional districts that it must be a lot less expensive to get around Vermont and talk to the voters than it is in other areas of the country.

I spent less than $5,000 on my last general election campaign, so I think $100,000 is a realistic figure for any district in this country.

Mr. Speaker, I have proposed a total limit on expenditures; I have proposed full and complete disclosure with a single campaign depository; and I have proposed a registry to keep the records for the people. I honestly think this is a realistic way to hold down the spiraling cost of running a campaign for Congress in the United States.

H.R. 7299, the Campaign Expenditure Disclosure Act of 1971, should be acted upon by the Ethics Committee and the Whole House at the earliest possible moment.

FARMER FRUSTRATIONS

(Mr. ZWACH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ZWACH. Mr. Speaker, a very interesting and enlightening report appeared in the July 12 Babson's Reports in regard to the farm situation.

Because this article is so easy to understand and the topic so vital to the economic future of our countryside, with your permission, I would like to insert it in the CONGRESSIONAL RECORD where my colleagues and all the others who read the RECORD may benefit from it:

Farmer Frustrations

Despite somewhat better prospects for output, sales, and income, there's little joy down on the farm.

Truth is, farmers are doing poorly—returns from their labor, management, and investment falling far behind earnings by similar resources in other occupations.

Comparison: In 1969 all manufacturing corporations earned $59 billion on an investment of $296 billion.

That same year all U.S. farms earned $2.79 billion on an investment of $243 billion.

And within the food business itself odds are stacked overwhelmingly against the farmer—for the President's 1970 Economic Report credits food chains with a 23.6% return on net invested capital, food processors 22.4%, farmers only 1.1%.

In each case the net earnings indicated are before taxes but after deduction of labor and management costs.

Even the largest lag. It's commonly believed that farm statistics make a poor showing because they include the numerous small marginal farmers.

But this is not borne out by the Secretary of Agriculture's 1969 report.

The 1.1% return on investment for all farms contracts with 0.8% for the nation's smallest, (sales of $10,000 or less) that make up about two-thirds of the total. Return of large farms, (with sales above $10,000) is given at 1.6%—while that for the largest, (with sales of $20,000 or more) is tabbed at 0.9%.

Smoldering Resentment: Farmers are also riled because each year they have to work harder, invest more to keep going.

They're upset too, because their share of GNP is so small and net farm income, before labor, management costs, buys less and less.

The Cause: Most farmers feel hemmed in, even squeezed, by government price policies—are specially critical of the programs of the past 20 years during which their parity income has slipped from 107.5% to less than 74%.

Majority dislike production controls—but many are deterred from open opposition because their farms are heavily capitalized and they fear the severe price fluctuations that return to free markets would initially bring.

But within the farm community there are varied points of view on production controls and price-support programs—making it difficult for Administration and Congress to set a course.

ENVIRONMENTAL SAFEGUARDS

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, the U.S. court of appeals in a decision issued July 8 in the Calvert Cliff case has ruled that the Atomic Energy Commission has failed in its duty to implement environmental safeguards in the nuclear powerplants it supervises.

The court speaking of the AEC says the Commission's "crabbed interpretation of the National Environmental Policy Act makes a mockery of the act."

Addressing itself to the duty of the court, the court says:

> Our duty in short is to see that important legislative purposes heralded in the halls of Congress are not lost or misdirected in the vast hall ways of federal bureaucracy.

The court accuses the AEC of "total abdication of responsibilities" to protect the environment.

Mr. Speaker, the court has used much stronger language than the Governor of Kansas or of myself in expressing its views regarding the actions of the AEC.

Several days ago, I opposed the proviso in the AEC authorization bill which would give the AEC the authority to buy lands in Kansas to store radioactive waste in Kansas.

The courts' decision confirms my fears that you cannot trust the AEC.

Mr. Speaker, I would like to insert an article by Bart Barnes which appeared in the Washington Post of July 24, 1971, and I also include at this point a recent release from the UPI:

REACTORS

CAMBRIDGE, Mass.—Emergency shutdown mechanisms now used on nuclear power reactors would not work well enough to prevent a major catastrophe involving the possible deaths of thousands of persons in the event of a cooling system rupture, a scientists' group said today.

Four members of the Union of Concerned Scientists called for a total halt to issuance of licenses for nuclear power plants under construction and a thorough review of emergency shutdown system in operating plants.

At a news conference releasing their report on "Nuclear Reactor Safety: An Evaluation of New Evidence," the four discussed tests conducted by the Atomic Energy Commission in 1957 and in late 1970-early 1971.

If, the report said, "one of the major cooling lines to a reactor core were ruptured, the water circulating through the primary cooling system would be discharged from the system and the reactor core would be without coolant."

There would be no nuclear explosion, but the core would rapidly melt through the containing structures and into the earth, releasing a cloud of radioactivity. "The cloud can be lethal . . . in some circumstances, at close to 100 miles," the report said.

[From the Washington Post, July 24, 1971]

A-PLANT SAFEGUARDS HELD FAULTY BY COURT

(By Bart Barnes)

In a decision that could force changes in plans for 55 nuclear power plants across the nation, the U.S. Court of Appeals here ruled yesterday that the Atomic Energy Commission has failed in its duty to implement environmental safeguards in projects it oversees.

The court directed the AEC to overhaul its procedures for insuring protection of the environment against potential damage from the operation of nuclear installations.

Specifically, the court ordered the commission to conduct a "full and fruitful" environmental review of the Baltimore Gas & Electric Company's nuclear power plant under construction at Calvert Cliffs, on the shore of the Chesapeake Bay in Calvert County.

And it suggested the Commission "should consider very seriously the requirement of a temporary halt in construction pending its review."

Deciding two cases that combined objections to the Calvert Cliffs project with a broad attack on AEC environmental protection procedures, the court said the Commission's "crabbed interpretation of the National Environmental Policy Act makes a mockery of the act."

It accused the AEC of "total abdictation of responsibility" to act positively to protect the environment and it assailed the commission for allowing a "shocking" time lag between the effective date of the act and the date it instituted procedures to require compliance.

"The very purpose of the National Environmental Policy Act was to tell federal agencies that environmental protection is as much a part of their responsibiliy as is protection and promotion of the industries they regulate," the court held.

Yesterday's decision has broad implications not only for the Calvert Cliffs plant but also for the 55 other nuclear generating plants under construction around the nation.

They may have to be held to stricter measures for protection of their environments than are now contemplated before they can receive AEC authorization to install or operate nuclear reactors. The 22 nuclear power plants already in operation are presumably not affected.

Both Baltimore Gas & Electric and the AEC declined to comment on the court's ruling yesterday, saying they needed time to study it.

Suits challenging AEC environmental procedures were brought by the Calvert Cliffs Coordinating Committee—a collection of civic groups in Maryland—the Sierra Club and the National Wildlife Federation.

The decision is one of several on environmental issues by courts at the District and Appeals level here during the 18 months since the Environmental Policy Act went into effect. Other rulings have blocked a proposed oil pipeline in Alaska and a canal in Florida and paved the way for possible elimination of the of the pesticide DDT.

In the introduction to yesterday's ruling, Judge J. Skelly Wright said the cases are "only the beginning of what promises to become a flood of new litigation—litigation seeking judicial assistance in protecting judicial assistance in protecting our natural environment.

"Our duty, in short is to see that important legislative purposes heralded in the halls of Congress are not lost or misdirected in the vast hallways of the federal bureaucracy," he continued.

Wright was joined in the opinion by Judges Edward A. Tamm and Spottswood W. Robinson III.

In the Calvert Cliffs generating plant and in other nuclear power plants under construction, the court said that once construction permits had been issued, the AEC refused to consider requiring changes in construction plans to account for environmental concerns.

Staff members produce, as a matter of course, reports on the environmental impact of projects under construction "but nothing will be done with them," the court said.

The commission does provide for an environmental review once construction is completed and an operating license is applied for but by that time any alterations to minimize the environmental impact may be prohibitively expensive, the court said.

"Either the licensee will have to undergo a major expense in making the alteration or the environmental harm will have to be tolerated. It is all too probable that the latter result would come to pass," the decision held.

In the Calvert Cliffs plant, construction of the $300 million facility is about 45 per cent complete and operations are set to begin in 1973.

Since its inception it has been under fire from environmental groups who fear not the possibility of a nuclear accident but a potential threat to the Chesapeake Bay.

The plant, about 45 miles southeast of Washington on the western shore of the bay, will use more than a billion gallons of bay water a day to cool its equipment.

The water will be returned to the bay as much as 10 degrees warmer than when it was taken out. Critics of the plant have argued that that this heat will damage marine life.

Baltimore Gas & Electric officials have said the 1,600-megawatt facility is essential if they are to continue to provide uninterrupted service to their more than 700,000 customers in central Maryland.

In yesterday's ruling, the appellate court remarked that the AEC had not demonstrated "overenthusiasm" in drawing up its environmental policy rules.

It was especially critical of a rule prohibiting any consideration of environmental issues by AEC hearing boards if the notice for the hearing had appeared in the Federal Register before March 4, 1971.

This was more than 14 months after the Environmental Policy Act went into effect, the court noted.

The decision also criticized the AEC for accepting certifications of other federal and state agencies that certain environmental standards were being met, without making its own evaluations.

And it attacked the commission for failing to require that hearing boards consider environmental issues although staff members are required to consider such matters in making evaluations.

CHINA'S AGGRESSIVENESS IS UNCHANGED

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 20 minutes.

Mr. CRANE. Mr. Speaker, during the period between the President's announcement of his trip to Communist China and his departure upon that trip, it is necessary and proper that the American people carefully examine all of the issues which are involved in a determination of our future relationship with Communist China, and with the Nationalist Chinese Government on Taiwan to which we have been committed for more than 20 years.

To this end, the Senate Foreign Relations Committee has been receiving testimony upon this subject. One of the most important statements was made by Dr. Franz Michael, of the Institute for Sino-Soviet Studies of the George Washington University.

Dr. Michael points out that the cultural revolution was a power struggle between Mao and his supporters, on the one hand, and the Liu-Shao-Chi leadership of the Communist Party, on the other.

He notes:

> The result was that Mao did not succeed in establishing a Maoist revolutionary organization of his own style . . . Instead, the military took over . . . In fact, the militarization of Chinese society, encompassing family life, kindergartens, schools, and all social and economic organizations, must be regarded as an ominous trend.

The emergence of the military combined with the leadership cult of Mao has produced what Dr. Michael believes to be "all the overtones of aggression known to us from other leader cults in the recent past." Thus, now that the power struggles within China seems to have abated, Peking can turn once again to the outside world.

Dr. Michael warns that any new American policy must "have no illusions about Peking's main purpose—which is continued support to the Communist strategy of 'wars of national liberation'—any successful negotiations with Communist China must be based on the purpose of inducing Peking to abandon this policy. Any retreat on this point will only encourage further aggression."

To those who advocate the expulsion of the Chinese Nationalist Government from the United Nations and its replacement with Communist China, Dr. Michael states that—

> It is hardly necessary to restate the facts of the Chinese National Government's loyal fulfillment of all United Nations obligations and acceptance of international responsibilities in contrast to the behavior of the Communist Government in Peking. What should be stressed again is the fact that on Taiwan there exists an open Chinese society with a living standard many times that of the mainland population (the highest in Asia next to Japan), and even more important, in my view, an open Chinese educational system. The argument that the 800 million people should have a voice in world affairs is, in any case, untenable, since in a Communist country no consent save submission has been sought by the regime in power.

All who urge an abandonment of Taiwan, recognition of Communist China, and its admission to the United Nations, should carefully consider the words of Franz Michael.

I wish to share this testimony with my colleagues, and insert it into the RECORD at this time:

TESTIMONY OF FRANZ MICHAEL

Mr. Chairman and Members of the Committee, may I thank you for this opportunity to testify before your committee on the important issue of United States policy towards China.

Recent dramatic events, Dr. Kissinger's journey to Peking and President Nixon's and Prime Minister Chou En-lai's announcement about the forthcoming visit to Peking by the President himself have suddenly brought the astounding news that we are entering a new phase of our relations with Peking, a phase of negotiations. This beginning of discussions with Peking is in accord with the proclaimed main foreign policy goal of our administration to initiate an age of negotiations, to find, wherever possible, a *modus vivendi* with the world of Communist countries, in order to overcome the stalemate of the present confrontation.

We have, of course, for some time negotiated with Peking, first in Geneva and later in the Warsaw talks, but the Chinese discontinued these talks from time to time and abandoned them altogether during the Cultural Revolution. Since assuming office, President Nixon has indicated both through statements and actions—such as easing travel restrictions and import regulations—our readiness to open a new phase in our relations. Until recently these gestures were ignored or countered with diatribes. Then came Peking's well-advertised Ping-Pong policy, and now we find that negotiations appear to have actually begun.

At a time when purloined state secrets have been shamefully misused by an irresponsible press, untrained in the proper evaluation of documentary material, to misinform the American people and harm the national interest, one cannot but feel a certain satisfaction that our government can keep a most important secret so well. But the issue now is what do we negotiate about and what opportunities, what dangers, what risks can be foreseen by those of us who cannot be privy to the secret talks themselves.

All we know so far is that the talks will deal with the normalization of relations between the two countries and an exchange of views. And we have the President's word that we will not seek new relations "at the expense of our old friends"—referring to Taiwan, nor initiate action "directed against any other nation"—presumably the Soviet Union. What action can then be expected within this framework? There is an obvious limitation to our own flexibility and the vital question remains—does the invitation by Chou En-lai indicate a change of policy on which a new type of relationship could be based, or is it a maneuver through which a new dimension is added to the pursuit of a Chinese Communist policy goal that has not changed.

To appraise the prospects and dangers of our venture let us have a look at the situation on Mainland China, at recent trends in Peking's foreign policy, and at the personality of Chou En-lai and his present position.

I. MAINLAND CHINA IN THE WAKE OF THE CULTURAL REVOLUTION

There has obviously been a major shift within China, brought about the Cultural Revolution. In essence, the Cultural Revolution was a power struggle between Mao and his supporters, and the Liu Shao-chi/Teng Hsiao-ping leadership of the Chinese Communist Party. This struggle Mao won, destroying the existing party structure. But Mao did not succeed in establishing a Maoist revolutionary organization of his own style, allegedly modeled after the Paris Commune of 1871. Instead, the military took over and the new Chinese administration and reorganized party are dominated by the military to a degree rarely known in modern times. In fact, the militarization of Chinese society, encompassing family life, kindergartens, schools, and all social and economic organizations, must be regarded as an ominous trend. Combined with the leader-cult of Mao, first developed within the military forces and through them spread to the population at large, this militarization carries all the overtones of aggression known to us from other leader cults of the recent past. Within China a worship of power has led to such statements as those by new military leaders and close followers of Lin Piao, "When we have power we will have everything; when we lose power we will lose everything . . . having no power is misery, having power brings happiness; seizing power is very difficult and the loss of this power is very dangerous." Lin Piao, Mao's affirmed successor, and the epitome of this military power, is quoted as having said in February 1967, "To use my customary language, I would define political power as the power of suppression."

While the factional struggles within China are by no means over, a drab order has been restored, and the military authority of the Mao/Lin group has been reasserted. Thus, Peking's policy can again turn towards the outside world in this post-Cultural Revolution phase.

China's self-imposed isolation during the period of the Cultural Revolution may have been far more rational in design than is often recognized in the West.

If Peking wanted to prevent any foreign intervention and exploitation of the internal conflicts and weaknesses resulting from the power struggle, self isolation provided this protection. With the reassertion of authority under the new leadership, a new initiative in the realm of foreign policy can be undertaken.

II. TRENDS IN SINO-SOVIET RELATIONS

The revived activity in foreign policy, however, may not be entirely voluntary. In part, at least, it may result from the alarm caused by the sharpening of the Sino-Soviet conflict, which led to a growing number of serious frontier incidents. These incidents must have appeared rather ominous to Peking as the shock caused by Soviet military intervention in Czechoslovakia conjured up the spectacle of possible Soviet military action against "Maoism" in China. The "Brezhnev Doctrine" claim to a Communist right of intervention in Socialist countries whenever socialism is threatened from within or outside the country could well apply to China. The massive build-up of close to forty fully equipped Soviet divisions along the Chinese frontier in Manchuria, Outer Mongolia, and Turkestan, lent credibility to the political threat. By the end of 1969 this threat of military intervention appeared very close indeed. This was the moment for a change in China's foreign policy toward the Communist bloc as well as toward the non-Communist world.

The motivation and direction of the new Chinese foreign policy must be understood within this setting. The danger of conflict with the Soviet Union was avoided through negotiations, initiated by Kosygin's meeting with Chou Enlai at the Peking airport in September 1969. These negotiations led to the reestablishment of regular diplomatic relations, and, at the very least, to the end of frontier incidents and the normalization of frontier relations. Of more importance, perhaps, was the quiet discontinuance of Mao's earlier claim to leadership of world communism in open challenge to Moscow. Peking seemingly accepted the Soviet thesis that no one center for Communism exists, but that all parties are equal—though one may be more equal than others—and that Mao was the leader of China only. Ideologically, at least, the way has been opened for Sino-Soviet parallel policies, or even cooperation towards common Communist goals. This trend, if it is actually a trend, has recently been reinforced by an implied Soviet acceptance of the new military-dominated Chinese Communist Party as a proper and acceptable party within the socialist international framework. Though both sides still maintain their military stance, and frequently indulge in name-calling, the conflict has clearly been de-fused.

III. THE NEW ASIAN UNITED FRONT

Concurrently with the Soviet negotiations, Peking moved to establish closer relations with North Korea and North Vietnam. Through an exchange of political and military leaders, Peking arranged the "New Asian United Front." We can only surmise what plans have been discussd in the lengthy sessions between the major military leaders of the new allies. From the published statements, however, there emerges a new aggressiveness directed against the United States as the "imperialist enemy" of the peoples of the world and her "lackeys" of Japan, South Korea, Taiwan, Indochina, and Israel.

The basis of this New Asian United Front is the increased emphasis on the support of "wars of national liberation" and revolutionary movements. Aside from the stress on support to this type of warfare, China is proclaimed the "reliable rear area" for these wars—referring to the growing validity of the Chinese nuclear deterrent. The statements and agreements of Peking, Pyongyang, and Hanoi contain no reference to the Sino-Soviet contest within the Communist world, and the Chinese policy toward support of Communist revolutions can, therefore, be interpreted as a move toward reconciliation by proxy with overall Communist policy as agreed to by the Soviet Union. Therefore, the main trend and purpose of the new Chinese policy is to play down the conflict within the Communist world and to renew the effort of supporting revolutionary movements, focusing on United States policy as a major target.

This abatement of the Sino-Soviet conflict raises the spectrum of a future alignment of the forces facing each other today along the Sino-Soviet frontier—a most formidable military concentration, indeed, if these armies should no longer be a check on each other but combining to face outward towards South Korea, Japan, and the Pacific area. Should such force be used to back the announced expanisionist aims of the New Asia United Front, the threat of world peace would become grave. Our own posture will have to be determined by whatever reading we can gain of Peking's intentions—obviously a major topic of any coming or even present talks. Lest we indulge in euphoria it should be clear that there has been no public indication whatsoever of a lessening of Peking's present aggressive posture. On the contrary, the new intensity of this aggressiveness has been indicated in Peking's slogans for May 1971.

These slogans present the theme that "Revolution is the main trend in the world today." One by one, the slogans support the peoples of Vietnam, Laos, Cambodia, Korea, the Asian, African, and Latin American countries, the Arabs, and Cuba and Albania in their "wars of national liberation" and their struggle against United States "imperialism," Japanese "militarism," and Zionism. The tenor of the slogans, must more than in previous years, expresses a detailed aggressive militancy with no signs of modification of policy. The same tone prevails in the joint editorials published on July 1, the 50th anniversary of the Chinese Communist Party, in the *Peoples' Daily, Red Flag,* and the *Liberation Army Daily.* The theme begins with an exortation to "persistently follow the road of seizing political power by armed force, continuing the revolution under the dictatorship of the proletariat, and to be good at learning the thought of Mao Tse-tung." Equally ominous is the inclusion of the promise to liberate Taiwan under the section that deals with the Peoples' Liberation Army, followed by the claim that "we need not only a powerful army but also a powerful air-force and a powerful navy."

IV. PEKING'S PSYCHOLOGICAL OPERATIONS

This Communist expansionist policy is conducted on two fronts. One is the military, which is carried on wherever Peking assumes that there will be only minimal resistance from local governments and no outside support for existing local resistance. The other front is that of propaganda warfare, aimed at undermining the trust in United States assistance and undermining in the United States our belief in the moral standards of the causes we are supporting. Sowing distrust between us and our allies, image breaking, and the creation of dissension among peoples and their governments is one of the major purposes of this kind of psychological warfare—warfare we have little understood, let alone countered.

This kind of propaganda carefully selects its targets and plays up to their emotions and beliefs. This is nothing new in Communist international relations. At the time of the Bolshevik Revolution Moscow introduced a new dimension in international relations through the support of Communist movements and other groups in foreign countries; movements whose attitudes or policies were of some advantage to the Communist purpose. This was the original purpose of the Comintern, which was formally abandoned during World War II as a gesture to the Western allies in the war against Hitler. International contacts, though less centralized, have never been abandoned, however, and the people-to-people policy is an obvious attempt by Peking to regenerate a worldwide revolutionary movement. In statements from Peking, a clear distinction is made between relations with the American people and relations with the American government. Indeed, the Chines Communist purpose is to use people-to-people diplomacy to undermine non-Communist governments and their policies.

An invitation to the U.S. president to visit Peking could, however, for the moment at least, negate the propaganda dichotomy of friendship to the American people and implacable hostility to their "imperalist" government. It remains to be seen what advantages or disadvantages may have been weighed in Peking's decision to extend the invitation, and whether propaganda war will cease on the basis of negotiations.

V. PEKING'S NEGOTIATOR: CHOU EN-LAI

One danger of a public euphoria about a new course in Peking is the build-up given by the media to the Chinese Prime Minister, Chou En-lai, as a "pragmatist," a man of reason and moderation not limited by "ideological blinders" allegedly reserved to old guard Communists. This picture is reminiscent of that once painted in World War II of Stalin—when the alliance of the Soviet Union led a great many Americans to think of the Soviet leader as Uncle Joe, the shrewd old peasant with the pipe who was only defending Mother Russia against the Nazis.

There is no question that Chou En-lai is a suave and sophisticated Communist leader, who has become the kingpin of Sino-Soviet negotiations, the architect of the New Asian United Front, the leading spokesman of Chinese Communist propaganda policy and, perhaps, the most important decision-maker in Peking—at least in foreign policy matters.

Chou En-lai rose to his position of increased power during the Cultural Revolution, not by attempting to restrain the course of the revolution, as is often believed, but rather by giving it direction leading to the present military-political structure. Chou is closely linked with the new military leadership. In fact, he is in charge of the military-industrial structure responsible for the rapid development of Chinese nuclear technology. Chou is far from the moderate many believe him to be. In his past record he emerges as a ruthless and cruel leader, quite capable of the brutal slaughter of the families of Communist agents who revealed information when captured by the Nationalists. Chou En-lai has now played a key part in establishing the military-political structure in China, in resuming contacts with the Soviet Union, and in devising both military and propaganda poliices against the West. He must be regarded as one of the most able and dangerous Communist leaders. India's Nehru, who had trusted Chou and did not survive the bitter results of his deception, stated before his death: "I must confess that we have seldom come across such a travesty of truth and decency in international behavior."

VI. UNITED STATES POLICY

In anticipation of a new phase of relations with Peking, we must, therefore, have no illusions about Peking's main purpose—which is continued support to the Communist strategy of "wars of national liberation." This kind of warfare is the Asian counterpart to the military threat of Soviet armor, which hung over Europe during the years of the Cold War and was answered by the NATO alliance. In Asia today there exists no peaceful co-existence" or detente. Any successful negotiations with Communist China must be based on the purpose of inducing Peking to abandon this policy. Any retreat on this point will only encourage further aggression.

In his breakthrough towards negotiation President Nixon, and his chief advisor, Dr. Kissinger, will unquestionably be aware of these issues. Indeed, they may be already on th agenda. One wonders about Chou En-lai's motives. Yet he may also hope for a disarray in our relations with our allies. He may feel that the position, within the Communist world as well as without, which will derive from these negotiations may be worth the minimum concession needed for that normalization of relations" of which the announcement speaks. It is difficult to see how the visit could have been announced without some broad understanding about the possibility of acceptable agreements. There should be no illusion about the extreme risk, indeed the danger of this mission, which in itself will have its psychological impact on our, as well as the other, side. Our position has been one of commitments and alliance, redefined under the Nixon doctrine. Anyone traveling in Asia recently has heard the often-expressed concern over the uncertainty of American policy and the fear of U.S. isolationism caused by the internal debate.

In a recent speech, Japanese Ambassador

Ushiba warned about this psychological danger. In his words:

"It is a good thing to urge Asian nations to defend themselves, but it will psychologically and politically have an adverse effect if it gives Asians the impression that the United States is thinning out its security commitment. In Asia as a whole psychological measures are sometimes more important than actual military protection. Some Asian countries may need actually less military protection in terms of modern defense ability than those in Western Europe, but they may need more psychological military presence or moral commitment for their political stability."

In order to retain the fall-back position of our alliances, we must, therefore, be most careful in our approaches to Peking not to give the false impression of abandoning our stand and commitments for the sake of very doubtful gains in the hazy world of Communist motivations. Most of all, it is vital that there be no doubt about our determination to fully honor our commitment to our Nationalist ally on Taiwan—for against this all Asia will measure our credibility.

VII. THE CHINESE UNITED NATIONS SEAT

It is with this caveat that we must approach the most serious problem facing us at the moment in Asia, Peking's attempt to gain the Chinese seat in the United Nations and to have the National Government expelled—the substance of the Albanian Resolution. This is not simply a matter of an American policy decision, since the outcome depends on the vote of the majority of governments in the assembly. A Chinese Communist victory is possible this September if the majority of the assembly members give up the principle that the issue is an "important question" requiring a two-thirds majority and if a simple majority then supports the Albanian resolution.

This is not the place to dwell upon the consequences of such a decision, which, in my view, would lead to a serious decline in the role of the United Nations itself. Once before, the Soviets, with their Troika proposal, endangered the future functioning of the United Nations in its present, limited, role. Peking violations of the Charter stipulations are a matter of record. Admission without a change in Peking's policy would make a travesty of the Charter. Peking has violated its principles not only in the past; the new, increased emphasis on "wars of national liberation" supports a form of aggression which clearly falls under the illegal use of force referred to in the United Nations Charter. The United Nations General Assembly, in its last session, was very specific in prohibiting the use of force in violation of existing demarcation lines between countries and within divided countries and in the obligation to refrain from organizing guerrilla forces and other groups to cross boundaries and penetrate into other countries. The proclaimed policy of Peking today, therefore, is clearly hostile to the basic concept of the United Nations. The admission of Peking on the basis of its present policy would at the very least paralyze the organization, but might very well lead to its demise. The problem for American policy is how to counter this danger and to protect that usefulness which the United Nations still possesses.

The most practical proposal so far made appears to be that of the Lodge Report. The principle of accepting *de facto* control by existing governments is to be applied on a universal level. If, as some maintain, eight hundred million Chinese should not remain unrepresented, it would be equally unfair to leave out of the system of representation the fourteen million on Taiwan, a larger group of population than that of two-thirds of the member nations of the United Nations. It is hardly necessary to restate the facts of the Chinese National Government's loyal fulfillment of all United Nations obligations and acceptance of international responsibilities in contrast to the behavior of the Communist government in Peking. What should be stressed again is the fact that on Taiwan there exists an open Chinese society with a living standard many times that of the mainland population (the highest in Asia next to Japan), and even more important, in my view, an open Chinese educational system. The argument that the eight hundred million people should have a voice in world affairs is, in any case, untenable, since in a Communist country no consent save submission has been sought by the regime in power. The assumption that governments represent the peoples under their respective control, if valid, will have to be generally applied with fairness to all. This is the basis of the Lodge Report. A practical division of nations into areas controlled by opposed governments exists in East and West Germany, North and South Korea, North and South Vietnam, as well as in Peking and Taipei. The principle of the Lodge Report—the admission of two governments of divided nations, each for the area and population it controls—will properly apply the idea of universal participation in the United Nations. In my view, therefore, it should be the goal of American policy to obtain a broad support for this concept through a proposal submitted to the United Nations to take the place of the Albanian Resolution. I believe that support will be forthcoming for such a proposal from East as well as West Germany, South Korea, South Vietnam, and the National Government, as well as from some of the leading countries represented in the United Nations, including the Soviet Union. Should the Chinese Communist government accept this proposal, its participation in the United Nations would be based on the recognition of the present status of the mainland and Taiwan and any inviolability by military means. In other words, this would be a test of Peking's policy. If Peking refuses, there will be more time to wait and see what course internal and external developments will take in Mainland China, without having to face the immediate threat of a major Chinese Communist psychological victory, which would be a grave threat to our position in Asia and to peace.

A solution of the UN issue appears to be a major part of the "normalization of relations." In the meantime the Albanian Resolution has been tabled, and in view of the urgency of the matter, immediate preparations are required if the case before the UN is not to be lost by default. The President's statement about not acting at the "expense of our old friends" will find here its immediate application. It is regrettable that the need for secrecy has apparently prevented us from acting in consultation with our allies. It is vital to correct that omission for the moves to come.

Whatever the outcome of this extraordinary venture in diplomacy, we cannot abandon the responsibility for our part in the security of the free world on which, in the last resort, the peace in which we believe depends.

SELECTIVE STRIKE LEGISLATION NEEDED

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. KEITH) is recognized for 5 minutes.

Mr. KEITH. Mr. Speaker, since the end of World War II, American people have come to think of a rail strike, or rail strike threat, as a near-permanent fixture upon our national scene. Meanwhile, the Congress has been seen as the court of last resort through which, at the 11th, if not the 25th hour, a settlement of sorts is imposed.

This chronic threat and disruption of rail service helps no one, certainly not the general public which remains the threatened or damaged third party. Nor is it proper that, repeatedly, the Congress is compelled to pick up the pieces of broken negotiations and produce a patchwork settlement to get the trains moving again.

To this pattern of performance, the Supreme Court had added a slight modification. It has refused to overturn a lower court ruling which permitted railroad unions to strike selectively.

The Court's theory was, presumably, that, with the major portion of the Nation's rail system functioning, no national emergency would exist and Congress would not therefore have to resolve the problem. In practice, however, this judicial theory may not hold water. A rail strike affecting one line, or one region of the country, can destroy a critical link in the national chain and effect other, even all, parts of the Nation. Further, it is quite obvious that a selective strike can escalate into a national strike. But, even short of this evenutality, public concern and outrage could compel congressional action.

It is clear, then, that we need legislation to cope with such a possibility. Such legislation should permit Presidential intervention if a selective strike causes immediate imperilment of the national health and safety. It should permit the President to ask both parties to spend additional time at the bargaining table in search of settlement. Finally, it should embody the administration's suggestion of final offer selection.

Final offer selection is designed to eliminate the divisiveness of compulsory arbitration while at the same time providing strong impetus to collective bargaining and assurance of peaceful resolution. Specifically, final offer selection provides that, after the disputants have bargained to the best of their ability, each would set forth two final offers which would constitute complete and binding agreement. A board composed of public members would then select one of these offers.

The emergency strike legislation—H.R. 9088—of which I am a cosponsor would achieve these goals. It would not outlaw selective strikes, but it would assure that they remained within that category. This legislation would, among other things, amend section 10 of the Railway Labor Act. It would limit a selective strike to two carriers operating in a system in any one region and carrying no more than 20 percent of that region's revenue ton-miles.

With some of our Nation's railroads now struck on the newly permitted selective strike basis, Interstate and Foreign Commerce Committee hearings on this legislation, scheduled to start tomorrow, are most timely.

H.R. 9088 offers a good solution to this problem. I shall, however, follow these hearings with an open mind with regard to similar bills that will be considered.

The most important fact at this moment is that Congress recognizes this problem and is moving to enact legislation to resolve it.

MFN FOR EASTERN EUROPE, SOVIET UNION, AND CHINA

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

Mr. FINDLEY. Mr. Speaker, 2 years ago, on August 4, 1969, I introduced a bill to promote the foreign policy and security of the United States by providing the President with the authority to extend "most favored nation" trade status to Rumania. President Nixon had just returned from a successful world tour which included a warm reception in Bucharest by President Ceausescu and the Rumanian people. Since then relations between our two countries have blossomed.

Today, I am reintroducing the same bill, amid reports that President Nixon has decided that the time has come to give MFN to Rumania. The Department of State has endorsed a similar bill in the Senate, stating:

> The administration would not . . . object to this particular bill since it provides discretionary authority to the President to negotiate agreements to extend MFN treatment only to Rumania.

Evidence of improved relations abounds. In the last year, trade between our two countries has doubled. In 1970, Rumania bought $66 million worth of goods and services from the United States. In the face of a possible U.S. trade deficit this year and a precarious balance-of-payments position, the fact that Rumania buys more from us than it sells us is indeed good news.

Also, speculation is rampant that Rumania was instrumental in arranging for Dr. Kissinger's recent visit to Peking and President Nixon's expected visit within the next few months.

In March 1970, the Apollo XII astronauts were warmly received when they stopped in Rumania, and recently scientific and technical cooperation has been striking.

Finally, when disastrous floods struck Rumania in the spring and summer last year, the U.S. Government and private U.S. citizens responded immediately and generously to the humanitarian plight of the people.

Relations between our two countries have steadily improved, and in part this has been because of Rumania's fierce independence as a separate nation within the Warsaw Pact. President Ceausescu has always placed the interests of his small country of 20 million people above those of their "big brother" in Moscow.

In 1962, when Russia proposed to fully integrate the economies of the Eastern European countries with her own and introduce areawide economic planning, Rumania steadfastly refused to participate. The Russian masterplan called for Rumania to produce raw materials, mineral and agricultural products, rather than an industrial complex including an immense iron and steel mill which Rumania favored. This act of opposition, more than any other, helped preserve the economic and territorial integrity of all the East European nations.

When Russia led the other Warsaw Pact nations in an invasion of Czechoslovakia in August 1968, Rumania bitterly condemned it as "a great mistake and a grave danger to peace in Europe." Further, Ceausescu warned the Soviets that "they would encounter armed resistance if they tried to invade Rumania."

Although Rumania, unfortunately, has not permitted the development of personal and economic freedom among its people, nevertheless it is this same principle of freedom which it holds to be inviolate as between nations. Ceausescu has stated:

> We base our foreign policy on the principle of equality of rights, noninterference in the internal affairs of others, respect for sovereignty and national independence, and the right of the peoples to decide their own fate without outside interference.

This principle has led Rumania to establish and maintain relations with West Germany and Israel, oppose the Soviet version of the Nuclear Nonproliferation Treaty, walk out of the Budapest Conference of Communist bloc countries in August of 1968, vote often in opposition to the position of the Soviet Union in the United Nations General Assembly, and maintain extremely cordial relations with the Peoples Republic of China.

Rumania's independence in the determination of its own foreign policy should be encouraged by the United States. For it is this independence and the consequent lack of solidarity in the Communist bloc, which permit the United States to lead from a position of strength when dealing with the Soviet Union.

Congress can encourage that independence in the Rumanians by authorizing the President to grant them most-favored-nation tariff treatment. Increased trade which would result from such action would also aid our own commercial interests.

MFN would make Rumania less economically dependent upon the U.S.S.R. than it is today. In 1969, although Rumania had the lowest percentage of trade with Russia of any East European country, it nevertheless amounted to a whopping 30 percent of her total exports. The economic leverage which this gives to the Soviet Union cannot help but spill over into the political realm. In fact, there can never be political independence for a country until there is economic independence. By helping to provide that economic independence, the United States can at the same time help to provide the foundation for political independence which is so much in our own national interest.

MFN for Rumania would also be in our own commercial interest. If trade restrictions were the common policy of all of the Western nations in their dealings with Communist countries, they might have a potent economic and political impact. However, of all of our European allies, we are the only ones who do not presently grant MFN to Rumania. We therefore impose no serious problem to Rumania by this attitude but hurt only our own interests.

To be sure, the Rumanians are indeed desirous of gaining MFN tariff treatment and the increased trade which they hope it will make possible. However, one of the chief reasons they desire this is so that they will be able to earn more American dollars with which to buy more and better American goods and technology. The advantages this holds for U.S. businessmen are obvious.

Upon his return from Rumania in 1969, President Nixon told the throng of people gathered at Andrews Air Force Base that—

> Deep differences in political philosophy cannot permanently divide the peoples of the world.

What is most important for the United States is that those differences in political philosophy should not be used like a vice to crush the independent, nationalistic course which the Rumanians have chosen for themselves. This will not occur so long as America recognizes that independence and actively encourages it.

President Nixon has recognized that independence and now has urged the Congress to act to foster it. As with the ping-pong tournament in China, the ball is now in our court. If we in Congress are to fulfill our responsibility in the determination of national policy, then hearings should be held on our Eastern European trade policy at an early date.

The two bills I am introducing today could provide the focus for those hearings.

The general bill I today introduced would permit the President to extend MFN to any country with which the United States has diplomatic relations and which is a member of GATT—General Agreement on Tariffs and Trade—if the President determines such to be in the national interest.

PCB'S—EVIRONMENTAL POISON

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. RYAN) is recognized for 10 minutes.

Mr. RYAN. Mr. Speaker, on Friday, July 23, the U.S. Department of Agriculture revealed that a significant proportion of chickens raised in 12 States have been contaminated with an extremely dangerous chemical—polychlorinated biphenyl—PCB.

This occurrence tragically illustrates the failure of the Federal Government to take preventive action against the uncontrolled use of this deadly chemical. During the past 2 years I have attempted to get the appropriate Federal agencies to take the necessary protective actions that would have forestalled such an occurrence and would have guaranteed the health and safety of the public. But in an almost unprecedented display of disregard for the public health and welfare, that administrative action has not been forthcoming.

Therefore, I am today introducing legislation to totally ban the distribution of PCB's in interstate commerce, thus insuring that our health and environment are safeguarded from the hazards of this chemical.

Manufactured in the United States solely by the Monsanto Co., polychlorinated biphenyls are a serious threat to our health and to our environment. Like DDT—their chemical cousin—PCB's and their residue are extremely toxic to animal life, cause birds to lay eggs with shells too thin to protect the embryos they enclose, and have a deleterious effect on the reproductive capacity of animals.

But by far the most frightening hazard is the effect of PCB's on human beings. Polychlorinated biphenyls may be taken into the body by direct action upon the skin or as a vapor through the respiratory tract. The effect on the skin is chloracne: the early symptoms of which are pimples and dark pigmentation; later, more serious eruptions. Persons who have been continuously exposed to PCB's may suffer nausea, vomiting, loss of weight, endema and abdominal pain, increased respiration, lowered blood cell count, and inhibition of the carbohydrate metaboliam. More serious effects are those on the kidneys. The principle effect, however, is on the liver—possibly leading to atrophy, followed by death.

PCB's are very persistent in the environment thus making them a long-term threat. They are not soluble in water and resist biological breakdown.

In the past, PCB's have been sold by the Monsanto Co. for use in plasticizer applications; in closed system applications, such coolants in transformers; as hydraulic fluids; and as an extender in pesticides.

When I first brought the potential dangers of PCB's to the attention of the appropriate Federal agencies in April 1970, I requested that certain specific actions be taken to protect our health and environment from the hazards of PCB's.

I urged the Secretary of Agriculture to ban the use of polychlorinated biphenyls in pesticides. The Department of Agriculture agreed to discontinue the use of PCB's in pesticides and to cancel registrations for pesticides containing PCB's.

I urged the Food and Drug Administration to set food tolerance levels for PCB's, to require the labeling of all products containing PCB's, and to determine whether this chemical should be banned completely. In replying to me, the FDA advised me that it was undertaking a survey to determine the extent of food contamination from PCB's—the results of which I still have not received. FDA refused to set food tolerance levels and to require labeling.

I urged the Secretary of the Interior to act to protect fish and wildlife from this hazard. He replied that investigations were being carried out by various agencies of the Federal Government and the results of these studies would be funneled to the staff of the Council on Environmental Quality.

I urged the Commission Product Safety to determine the nature and extent of the threat to our environment. The Commission replied that it was not possible for them to conduct an indepth investigation of the hazards of PCB's at that time.

And I urged the Council on Environmental Quality to coordinate the efforts of all appropriate Government agencies, so that the public might know the sources and the seriousness of the PCB danger, and that it take steps to eliminate this hazard as soon as possible. The Council advised me that it was working with other Federal agencies to determine what course of action was available to the Federal Government.

Earlier this year I renewed by call for administrative action by requesting the Administrator of the Environmental Protection Agency to place an immediate ban of the importation, manufacture, and sale of all products containing PCB's with the possible exception of certain closed system applications. I urged that he require that any product containing PCB's not included in such a ban be labeled with a warning as to their detrimental environmental effects. I requested that he obtain from Monsanto those production and sales figures necessary to determine the extent of possible PBC contamination—data which Monsanto has refused to provide me. And I urged that the Environmental Protection Agency coordinate all appropriate governmental agencies in dealing with this hazard.

In replying to me, EPA ignored all four of my requests and in no way responded to them.

In short, except for the action of the Department of Agriculture in banning PCB's in pesticides, the Federal Government has not taken any of the necessary steps which I have requested over the past 2 years to combat this very serious environmental and health hazard.

The results of this Government inaction are now tragically apparent. Large amounts of poultry and hogs in a 12 State area may now be contaminated with this toxic chemical.

For nearly 3 months PCB's have been leaking into fish meal processed at the East Coast Terminal, Inc., plant in Wilmington, N.C. The meal has been sold to 64 poultry producers in Virginia, Delaware, North Carolina, South Carolina, Georgia, Alabama, Florida, Indiana, Tennessee, Kentucky, Arkansas, and Mississippi.

According to the Department of Agriculture, 16,000 tons of fish meal had been produced at the Wilmington plant between April 30 and July 16—when the plant was closed down.

This contamination would yet be unnoticed if it were not for the fact that a commercial poultry processor became alarmed at the low rate of hatching of eggs in his broiler breeding chickens.

I can see no way that all the poultry and hogs subjected to this chemical can now be traced. The potential results could be disasterous.

And this is not the sole instance of widespread PCB contamination in the food chain.

In December 1970, the Campbell Soup Co. discovered that fat samples taken from slaughtered chickens contained a high quantity of PCB residue. Upon being notified of this finding and recognizing the potential danger of this occurrence, the New York State Department of Agriculture and Markets immediately stopped the movement of all poultry from the area in Sullivan County, N.Y., where the chickens had been raised.

The New York State Department of Agriculture and Markets then began a full-scale investigation into the extent of possible PCB contamination in poultry. Their laboratory confirmed the findings made by Campbell Soup Co. of high levels of PCB's, and the U.S. Department of Agriculture established a continuing restraint on the movement of all poultry for slaughter in Sullivan, Ulster, and Orange Counties, N.Y., until it was found to be safe through a special screening test operation.

As a result of their investigations and in conjunction with USDA, the New York State Department of Agriculture and Markets ordered that 146,000 PCB-contaminated chickens be buried under close supervision to make absolutely sure that they would not reach the marketplace.

The Campbell Soup Co., USDA, and the New York State Department of Agriculture and Markets all took prompt action to deal with this serious problem, and that is reassuring. However, the potential damage which could have resulted if this incident had not been discovered in time cannot be ignored. And I must stress that this is not an isolated example.

In January 1970, samples of milk collected by the State of Ohio Department of Agriculture revealed residue of a product closely resembling DDT and DDD. On February 19, a dairyman, George Schwarzwalder, was issued a notice by the division of food, dairies, and drugs to discontinue the sale of milk until such time as the residue found in his milk was below the actionable level. On February 27, another dairyman, Franklin Humphrey, received a similar notice.

Subsequent samples from individual cows and the bulk tank on these farms submitted to agriculture laboratories and the pesticide laboratory at Ohio State University revealed that the residue was not DDT but PCB's. The Ohio State Department of Agriculture found the contaminating substance to be ARO CLOR 1254, manufactured by the Monsanto Co. Apparently, the dairymen's silos were lined with a product called Cumar which included AROCLOR in its content. The PCB's were then absorbed by the silage which in turn was fed to the milk cows, resulting in PCB-contaminated milk.

Although I have been assured by the Ohio State Department of Agriculture that this problem is now under control, the harm that might have resulted is obvious.

In view of the lack of administrative action even after these incidents were brought to the attention of Federal agencies and in light of the obvious threat posed by PCB–contamination in milk and poultry, on May 19, I introduced legislation (H.R. 8576) to ban the distribution of polychlorinated biphenyl in interstate commerce. However, this legislation gave the Secretary of Health, Education, and Welfare, the authority to exempt from this ban PCB's for use in certain closed-system applications; namely, as the dielectric fluid in capacitors, the coolant in transformers, or as a fire resistant in heat transfer media, provided that he found such uses would not adversely affect the public health and welfare.

It is now apparent, however, that PCB's are a serious threat even in these closed system applications, as evidenced by the current incident of poultry feed contamination. Therefore, I am today introducing legislation to totally ban the interstate distribution of PCB's. And I am calling for congressional hearings into this matter.

Further, I am reiterating my call for the Department of Agriculture, the Food and Drug Administration, and the Environmental Protection Agency to commence immediately a full and exhaustive investigation in to the extent of PCB contamination. And I am calling for an immediate administrative ban on the manufacture, shipment, and sale of all PCB's.

The problem of PCB's is indicative of a much larger problem—that of the almost unrestricted influx of harmful chemicals into the marketplace. A system must be established to insure the safety of a chemical before it can be sold and then only for specific uses.

But in the meantime, everything possible must be done to protect the public from known chemical dangers. We know the hazards of PCB's. We know what can and must be done to combat those hazards. And we must undertake those actions now.

At this point I include in the Record two articles by Hank Burchard which appeared in the Washington Post on July 24 and July 25 respectively, and a July 24 New York Times story by William Blair.

The articles follow:

[From the Washington Post, July 24, 1971]

Chemical Found in Chickens—Contaminated Fowl Found in 12-State Area

(By Hank Burchard)

A "significant proportion" of the chickens raised in 12 states have been contaminated with a DDT-like compound, the Department of Agriculture announced yesterday.

USDA said it has "no evidence" that any of the birds have reached consumers and has taken steps to make sure none do.

The contaminant is poly-chlorinated biphenyls, known as PCB. For nearly three months it had been leaking into fish meal processed at the East Coast Terminal, Inc., plant in Wilmington, N.C. The meal has been sold to 64 poultry producers in Virginia, Delaware, North Carolina, South Carolina, Georgia, Alabama, Florida, Indiana, Tennessee, Kentucky, Arkansas and Mississippi.

PCB, like DDT, is a persistent compound that accumulates in fatty tissues and is said to cause low fertility and birth defects in animals. Its effects on humans are uncertain, but USDA has set the maximum acceptable level of PCB in marketed flesh at 5 parts per million, the same as for DDT.

Tests of poultry in markets in the South and East during the past week have found none that have as much as 5 p.p.m. of PCB, according to Dr. Fred J. Fullerton of USDA's consumer and marketing service.

"In my opinion, there would be no broilers in stores above the tolerance," Fullerton said. The agency does not regularly test for PCB.

In poultry not yet slaughtered, USDA found PCB concentrations as high as 22 p.p.m., and one poultry producer reported levels as high as 40 p.p.m.

The contamination of fish meal in the Wilmington plant was caused by leakage of PCB being used as the heat exchange mechanism in a sterilizing machine.

The accidental leakage, which may have begun around April 30, was brought to the attention of the Food and Drug Administration last week by the Monsanto Corp., sole U.S. producer of PCB compounds. FDA in turn alerted USDA on July 16.

PCB, which stands for a dozen related compounds, has been long and widely used in the U.S. as a solvent in the production of paint, pesticides plastics and resins and such items as "carbonless" carbon paper, as well as in heating and cooling machinery. Monsanto now recommends its use be limited to heat exchange systems, an FDA spokesman said.

PCB contamination of the tissues of poultry produced in New York State last year resulted in the seizure and destruction of more than 100,000 birds. The source of contamination in that case has not been pinpointed.

Although PCB has been in use worldwide since before World War II, it was not until 1969 that its presence in soil, water and animal tissues became known.

"Environment" Magazine, which first brought the PCB problem to national attention, reported that concentrations of PCB were overlooked in chemical analyses because it is so similar to DDT.

Kevin Shea, the magazine's scientific director, yesterday disputed the government's assurances that toxic birds are not on the market. "I suspect PCB contamination may be quite widespread," he said in a telephone interview from St. Louis, Mo.

"We were told to check birds from the South more than two months ago, but haven't yet been able to track it down," he said.

Dr. Joseph Stein of USDA said the agency had "been checking chickens in the South during this period and have found nothing to lead us to suspect contamination of marketed birds."

Scientific opinion on the dangers presented by PCB is divided. USDA researchers, a spokesman said, regard the outcry over PCB (and DDT) as exaggerated.

An FDA spokesman said the agency forbids use of PCB in food or in the production of food containers. "Its effects are not known in detail," he said, "but to us it's an adulterant and impermissible."

Dr. Robert Riseborough, of the University of California at Berkeley, discovered while doing research on the brown pelican that PCB was endangering the species. Since then he has reported finding PCB residues widespread.

[From the Washington Post, July 25, 1971]

Law Sought To Ban DDT-Like Chemical

(By Hank Burchard)

A New York congressman said yesterday he will introduce a bill to ban all use of a DDT-like compound that has contaminated human and wildlife food chains in the U.S. and around the world.

The announcement by Rep. William Fitts Ryan (D. N.Y.) came after it was revealed Friday that high levels of polychlorinated biphenyls (PCB) has been found in fish meal fed to poultry in 12 states, including Virginia and Delaware, over the past three months.

A Department of Agriculture spokesman said yesterday that fish meal from the same Wilmington, N.C., plant had also been fed to an unknown number of hogs. The department said it does not believe any of the poultry or pork involved has reached consumer markets and is moving to prevent them from being sold.

Fish meal produced by East Coast Terminal, Inc., of Wilmington, was contaminated from about April until the plant was ordered closed Friday. The PCB, being used as the heat transfer medium in sterilizing vats, leaked unnoticed into the meal.

The contamination was not discovered by any government agency. It came to light when a customer of the Monsanto Corp., the sole U.S. producer of PCB, complained that his chickens were being sickened and their eggs were of low fertility.

Monsanto traced the problem to the chicken feed and the feed to the Wilmington plant, then notified the U.S. Food and Drug Administration, which notified USDA, which a week later made the first public announcement.

GROSS NEGLECT

Ryan, whose office has been investigating the PCB problem for two years, said the case "graphically illustrates the gross neglect of the federal government to take preventive action against the uncontrolled use of deadly chemicals by American industry."

He said his bill would be introduced Monday. It will replace his HR 8576, introduced May 19, which would permit the Secretary of Health, Education and Welfare to exempt certain uses of PCBs from the ban.

"The latest case convinces us there is no safe way for the stuff to be used," said Ryan aide Chic Edwards.

USE LIMITED

A spokesman for the Monsanto Corp. said yesterday the use of PCBs is "absolutely essential" for heavy electrical equipment and that the company has taken "very stringent measures" to control use of the compound.

Since last August, he said Monsanto has withdrawn PCBs from sale for any purpose other than as the insulating fluid in electrical capacitors, as a coolant in transformers or as a fire-resistant ingredient in industrial heating and cooling systems. The embargo also applies to the United Kingdom, in which Monsanto also has a monopoly in PCBs.

For more than 40 years before the Monsanto action, PCBs, which are a group of a dozen chlorinated hydrocarbons, had been widely used as plasticizers (softeners) in paints, sealants, adhesives and other surface coatings, with miscellaneous applications in thermostats, food, pharmaceuticals and hydraulic fluids, according to the April, 1971, "New Scientist and Science Journal."

A spokesman for the National Paint, Varnish & Lacquer Association, Inc., said yesterday that PCBs "never have been 'widely used' in paints. They had certain limited industrial applications and are no longer used. Any paint buyer may be assured the products contain no PCBs."

EFFECTS LIKE DDT

The effects of PCBs in animals are similar to those of DDT, and before 1966 the presence of the compound in the biological chain was not suspected because it was mistaken for DDT in laboratory analyses.

There is no consensus among scientists about how dangerous the compound is. Their concern centers on the fact that PCBs, like DDT, is a highly stable compound that breaks down slowly. A worldwide ban on PCBs and DDT will be proposed at the United Nations environmental conference in Stockholm next year.

It is insoluble in water but soluble in fats, a factor which causes it to become concentrated in the tissues of progressively larger animals in the food chain. Residues of up to 1000 parts per million (p.p.m.) have been found in the tissues of American seabirds. The USDA Rules do not permit sale for human consumption of flesh containing more than 5 p.p.m. Some chickens fed on the contaminated fish meal have been found to contain up to 40 p.p.m.

Last December a Campbell's Soup plant in New Jersey discovered impermissible levels of PCBs in chickens purchased from New York growers. Again the discovery was made in private tests, since the federal government does not regularly test for PCBs in marketed flesh.

CHEMICAL TRACED

New York State officials traced the contamination to chicken feed produced in a plant that uses stale bakery goods (which may have been wrapped in plastic made with a PCB) Some 146,000 chickens were destroyed and buried.

Earlier, milk from two Ohio dairy herds was found to contain PCBs derived from silage stored in silos painted with PCB-treated epoxys.

Government regulation of PCBs has been limited. The USDA recently banned their use in pesticides, and the FDA does not permit them to be added to food products. A half dozen other agencies say they are considering regulations.

Monsanto's recognition of PCBs as an ecological hazard and its voluntary ban on their use except in "closed-system" equipment is very nearly unique in industry, according to the scientific journal.

The company also collects used PCBs from its customers and destroys them in a special incinerator in Illinois.

MONSANTO TESTS

Recently completed Monsanto tests, conducted over two years, showed that rats fed food containing up to 100 p.p.m. showed enlargement of the liver but suffered no other effects, the company spokesman said. Dogs showed no ill effects, he said.

Rep. Ryan said he was skeptical of tests ordered by the company for its own products.

Edwards, his aide, said "It's ridiculous to have to introduce a bill every time another family of dangerous compounds turns up in our bodies and throughout the environment, but, given the repeated failure of government agencies to act, there's nothing else we can do."

[From the New York Times, July 24, 1971]

UNITED STATES FEARS POISON IN SOME CHICKENS—SEARCH ON IN 12 STATES AFTER FEED IS FOUND TAINTED

(By William M. Blair)

WASHINGTON.—The Department of Agriculture announced today a search in 12 states for broiler chickens and chicken feed that may be contaminated by an industrial chemical.

The toxic substance is of the chemical family of polychlorinated biphenyls. Spokesmen for the Agriculture Department and the Food and Drug Administration said that the PCB, as the chemical is known, had leaked from heating machinery used to pasteurize fish meal at the East Coast Terminal, Inc., Wilmington, N.C. The meal was sold for use as an ingredient in poultry feed and may have found its way into some hog feeds, officials said.

They said that the meal had been sold to at least 64 feed processing plants. These included plants that raise and process poultry for retail markets. The officials said that the Wilmington plant had recalled all fish meal shipped since April 30, the indicated date of the beginning of the problem. The plant closed voluntarily a week ago, they said.

The toxic substance causes digestive distress, nausea, fever and other upsets in humans, officials said. The Food and Drug Administration said it had a guideline of 5 parts per million for the PCB substance. Agriculture scientists said that 15 to 20 parts per million had been found in fish meal still at the North Carolina plant.

ALARM OVER EGG-HATCHING

The contamination was disclosed by an unnamed commercial poultry processor who became alarmed at the low rate of hatching of eggs in his broiler breeding chickens. Using private laboratory tests, he found up to 40 parts per million in the fat of some of his chickens, Agriculture officials said. He traced the meal to the Wilmington plant, they said.

The meal was sold to users in Alabama, Arkansas, Delaware, Florida, Georgia, Indiana, Kentucky, North Carolina, Mississippi, South Carolina, Tennessee and Virginia.

The F.D.A. set a guideline of five parts per million for the substance after it had been found in feed from an Agway, Inc., plant in Sullivan County, N.Y., early this year. Higher concentrations were found in chickens fed the feed and shipped to a processing plant in New Jersey.

Federal officials said that 146,000 chickens had been destroyed in Sullivan, Orange and Ulster Counties, N.Y., as a result of the finding.

16,000 TONS OF MEAL

An Agriculture Department spokesman said that about 16,000 tons of fish meal had been produced at the Wilmington plant between April 30 and July 16. Normally, fish meal makes up only a small portion of mixed poultry feeds.

A spokesman for Representative William F. Ryan, Democrat of Manhattan, said that Mr. Ryan had been trying for a year to get the shipment of PCB prohibited in interstate commerce. He introduced legislation to that effect but it has languished in the House Interstate Commerce Committee, the spokesman said.

He said Mr. Ryan had warned of "widespread" contamination of foodstuffs, particularly poultry, before the New York case. He had looked into the toxic effects of PCB after reading a study by California scientists on the chemical and finding that it was not soluable in water and could be taken into the human system by physical contact, the spokesman said.

PCB has a wide range of industrial use, including paints and resins and in the manufacture of plastics and other materials. In the North Carolina case, the substance was used in a heat exchanger to cool liquid. In the New York chicken case, the PCB was believed to have been in paint that flaked off a storage bin or to have been absorbed by the feed from the paint.

THE PEOPLE OF UTICA, MISS., ACT TO HELP POW–MIA'S

The SPEAKER. Under a previous order of the House, the gentleman from Mississippi, Mr. GRIFFIN is recognized for 10 minutes.

Mr. GRIFFIN. Mr. Speaker, in early June, the people of Utica, Miss., my hometown, undertook the task of sending two representatives to Paris, France and Rome, Italy to express their support and concern for all the American POW–MIAS presently being held in North Vietnamese prisons. Air Force Maj. Thomas E. Collins III, has been a prisoner since October 18, 1965. He is a native of Utica.

The representatives were Mayor John F. Tillman and Postmaster F. L. Scott, both noted and well-respected members of the community. The mission proved successful beyond the hopes of all of us who supported and encouraged the effort.

It is a source of enormous pride to me that citizens in and around a small town like Utica, 1,033 population, should undertake such a project with logistical and financial problems to be overcome. Overcome they were, Mr. Speaker, for, within a remarkably short time after the effort began, the money was raised and arrangements made for Mayor Tillman and Postmaster Scott to embark on their mission.

It was a community project, and one in which people of all walks of life participated. Its motives were of the noblest order and its intentions purely humanitarian. They went to express the heartbreak and concern and love of millions of Americans for the servicemen being held prisoner. They went, not to embarrass or humiliate the North Vietnamese delegation in Paris, but to make yet another effort to reach the hearts and minds of the representatives of the Government of North Vietnam—to try once again to impress upon them that nothing is to be gained from withholding vital information from the prisoners' families except heartbreak and pain. They went to intercede for them, to seek simple human mercy and compassion for brave men who were carrying out the official policies of the Government of the United States at the time of their capture.

Mr. Speaker, words cannot express the pride and exhilaration I feel at this noble and worthy effort on the part of my hometown people. It is my fervent hope that this effort will cause the North Vietnamese to reconsider their destructive and despicable policy of refusing even basic information to this Government and the families of the prisoners.

As a portion of my remarks, Mr. Speaker, I include the report Mr. Tillman and Mr. Scott submitted to the people of Utica upon their return. Also included is a newspaper article from the Clarion Ledger of Jackson, Miss., announcing the trip.

The articles follow:

REPORT TO: MISSISSIPPI LEAGUE OF FAMILIES OF AMERICAN PRISONERS OF WAR AND MISSING IN ACTION, IN SOUTHEAST ASIA

INTRODUCTION

To show their concern for the better treatment of our POW's and a concerted effort to negotiating a settlement of the War's in S. E. Asia. The small community of Utica, Mississippi (pop. 1,000) initiated a drive to send a delegate to the Paris Peace Talks, his mission, to deliver petitions and letters (over 10,500) to both the Viet Cong and Republic of North Vietnam Delegations. This effort was so overwhelmingly successful, that in less than one week, more than enough money was contributed for the expenses of two delegates.

STATEMENT OF JOHN F. TILLMAN AND F. L. SCOTT

On our arrival in Paris on the morning of June 6, 1971, we immediately began to seek out the addresses of Minister Xuan Thuy, chief delegate for Rep. of North Vietnam at the Paris Peace talks and address of Madame Nguyen Thi Binh, the Viet Cong's Chief Delegate. When we obtained these addresses and telephone numbers, we began to call for an appointment and stated the purpose of our mission. We were informed that they would call back and set up appointments for Monday. On Monday, no response from them.

We went by taxi to Xuan Thuy's Headquarters—were greeted courteously by an English speaking Oriental—said he would set up appointment for that afternoon. We proceeded to Madame Thi Binh Headquarters—not so courteous to us. After we did get to the gate and were identified, she sent us a number by an aid to call for appointment that afternoon. We called this number and were given the address of the Peace Talk Headquarters and advised us to be there at 2 P.M. On our arrival at 2 P.M., and getting past the Police outside, we were told that no one could speak English. This same response was given us on each additional attempt to reach Madame Binh.

On Monday night an aid to Xuan Thuy called and said they would admit us at 10 A.M. on Tuesday and accept our petitions—no news men to be there. We complied with his request and was there at 9:45. This time a different man greeted us and advised, "Minister too busy", would see us later. We asked if we could leave our letters and petitions at the door. Their reply was, "that is left up to you". We placed the box containing our messages at their door and started for our taxi. At this time Police came and very firmly told us to take the box and get out. We complied without protest—our observations—they are masters at deception.

We proceeded, as previously planned to Airport and went to Rome, Italy. Our purpose to seek aid from the Vatican and possibly an audience with his Holiness Pope Paul VI, in having our messages delivered to the Hanoi Government or the Peace delegations in Paris. On arrival, we were much discouraged. Everyone told us it would be impossible to have an audience with the Pope on such short notice. We did not give up. We went by taxi to an address given us by a friend, before we left Utica, Mississippi. It was here our hopes were renewed. We made contact with the Rev. Msgr. Bernard Law V. G. Catholic Diocese of Natchez and Jackson, a most wonderful man and very much concerned about our mission.

Not only did he arrange for our appointments at the Vatican and audience with the Pope, he advised us that they would receive our messages for delivery to the peace delegations. He also arranged an appointment with Deputy Minister of Foreign affairs, Republic of Italy, at 2 P.M. the following day. He met us (much to our surprise) to act as our interpreter.

We approached the Minister on possibility of accepting part of our petitions for delivery to Hanoi or to the Paris Peace delegation. After a short consultation with other officials, (not identified), he accepted our challenge and advised his government did not have diplomatic relations with North Viet government, but his government would make an attempt to deliver our messages. Our prayers were finally being answered.

On our return to Washington and appointments with 1st, The Honorable Richard Smyser, an adviser of President Nixon on foreign affairs and then The Honorable Frank Seivert, under Secretary of State foreign affairs. We are pleased to report them, much impressed by our report. Each of these gentlemen requested a copy of this report and advised us to ask Congressman Charlie Griffin to have it entered into the Congressional Record.

We believe our mission was a great success. We made our impact on the Peace delegations in Paris and we enlisted, not only the Vatican, but the concern of another great world power, in better treatment for our POW's and a final settlement of this long war.

It is our sincere hope that other towns and cities, especially those that have prisoners, begin, at once, to make plans to send a small delegation (2 or 3 people) to Paris and other Capitals. The Hanoa government is deeply concerned about their public image. Such missions as ours will help focus public opinion on them. We believe this will finally be the answer.

UTICA WILL SEND ENVOY TO PARIS

(By Charles Smith)

Utica is working to become the first Mississippi town to have one of its citizens attempt a face to face meeting with North Vietnamese and Viet Cong delegates in Paris.

The town's officials said they will send a representative to the peace talks to request release of Americans being held as prisoners of war in southeast Asia.

The representative, not yet selected, will carry letters and petitions signed by concerned Utica and Hinds County citizens, asking for the release of the POWs and specifically asking for freedom for Air Force Maj. Thomas Edward Collins III, a Utica native who has been a POW since Oct. 18, 1965.

Collins, 33, is the son of Mr. and Mrs. T. E. Collins Jr. of Utica. He is married to the former Donnie Katherine Martin of Utica who now lives in Jackson with their two sons, Martin, 7, and Edward, 5½.

Mayor John Tillman said the town is asking for help with its plans from all citizens with emphasis on the following:

Signatures on letters and petitions to be presented to North Vietnam and Viet Cong delegates at Paris.

Donations of any amount to help pay the plane fare and expenses of the selected representative.

Help in spreading news to clubs and churches regarding the campaign.

Congressman Charlie Griffin of Utica is giving full support to the plan and is sending his personal check to aid with expenses. He is announcing Utica's plans from his office in Washington.

The town is spearheading the expense fund drive with a $100 donation.

H. Ross Perot, Dallas multimillionaire originated the plan for cities throughout the nation to confront North Vietnam and Viet Cong delegates with representatives of each town that has a man missing in action or being held as a prisoner of war.

Perot, who tired unsuccessfully to carry Christmas packages to the POWs in 1969, urged Mississippians to take part in this new plan when he spoke in Jackson at "Free the Prisoners Day" in February.

Last year Perot took American newsmen on a trip of S. Vietnam, Laos and Paris to seek relief of the American prisoners of war.

Some 25 Mississippians are prisoners of war or are missing in action.

TOWNS RESPOND

A number of cities and towns have already responded to the call, including Houston, Tex., Memphis, Tenn., Fort Walton Beach, Fla., and Alexandria, La.

"Utica is a small town of 1000 people but its size has never been a deterrent when it has a goal in mind—this time the release of some 1,500 cruelly mistreated, brave Americans unlucky enough to be POWs in a very long conflict," Mayor John Tillman said.

Letters and petitions are available for signing at several other businesses in the town. Petitions will also be circulated at club meetings.

Tillman and the board of alderman will receive funds collected toward expenses. They hope to send the delegate within the next four weeks.

Mississippians, in addition to Maj. Collins, identified as prisoners of war include Maj. George Robert Hall, Hattiesburg; Lt. James William Bailey, Carthage; Cmdr. Charles R. Gillespie Jr., Meridian; Lt. Col. Carlyle S. Harris, Tupelo; Lt. Cmdr. Claude Douglas Clower Jr., Tupelo; and Cmdr. Robert Byron Fuller, whose mother lives in Baton Rouge and his sister lives in Jackson.

Listed as missing in action are: Spec-4 Jerry W. Elliott, Clinton; M-Sgt. Thomas E. Moore, Biloxi; Maj. James Wimberly Lewis, Meridian; Maj. Gregory I. Barras, Jackson; CWO Michael Varnado, Natchez; Lt. Col. Puris Luna, Jackson; Lt. Virgil King Cammeron, Jackson; Capt. Robert D.-Kent, Meridian.

THE SHARPSTOWN FOLLIES—XX

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, the twisted and tangled deals that made up the paper empire of Frank Sharp are only now beginning to be understood. Apparently, now that some light is being cast into those dark shadows, the Federal agencies charged with administration of justice have begun to see the magnitude of their errors in the handling of the Sharp case.

Very early in the proceedings the Department of Justice requested and received a sweeping order granting complete immunity to Frank Sharp, in return for a guilty plea on two minor counts. At that time, the local U.S. attorney had no earthly idea of the number of illegal acts that Sharp had committed. Yet he was willing to ask for, and his bosses at the Justice Department approved, an order of immunity for Sharp.

The other day the judge who granted that order seemed to start having second thoughts.

The State of Texas would like to bring Sharp before grand juries to determine if there may be cause to think he violated Texas laws. Under the original immunity order, this could not be done. So, the Texas attorney general went to court and asked that the Sharp immunity order at least be modified, so that they could bring Sharp before State grand juries. Judge Singleton did modify his order. Apparently he recognizes, even though the Justice Department does not, the the injustice and abuse that the original order perpetrated.

That original immunity order meant that justice could not be done; it forbade any law enforcement officer from touching Sharp. Yet at the time it was granted there had not even been a complete investigation. The Department of Justice actually asked to have its hands bound, and asked to tie the hands of anybody and everybody who wanted to see that complete justice was done. That was unconscionable, and it still is.

I do not believe that the immunity order should have been asked for in the first place. I think that it should be withdrawn completely.

If we are going to ask the people to have full faith in the administration of justice we have the right and the duty to ask and demand that the laws be completely and impartially enforced. There cannot be one standard of justice for one man and another for someone else. Frank Sharp ought to stand trial for his crimes, just as any other man should. Let us have done with this immunity business, and get on with the business of seeing that justice is fully and completely done, and let the chips fall where they may.

A NATIONAL HUNTING AND FISHING DAY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, it was my pleasure to introduce House Joint Resolution 798 asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day." This special recognition would be in honor of more than 50 million hunters and fishermen for their contributions to conservation and outdoor recreation.

It is past time that Congress recognize the services of the sportsman to the wise use of our natural resources and for their participation in healthful recreation and its encouragement.

Since the turn of the century hunters and fishermen have consistently been in the forefront of every conservation crusade. Our Nation's early conservation leaders, such as Theodore Roosevelt and Gilbert Pinchot, were hunters and fishermen. Outdoorsmen were the first to decry the destruction of America's forests, streams, soils and wetlands. They were the first because their love of the outdoors had made them aware of the beauty of nature and the necessity of protecting wildlife habitat and scenic grandeurs. Hunters and fishermen were the first to plead for conservation because they were the ones who were hiking the mountains and fishing the streams. For more than 50 years outdoorsmen carried a lonely crusade to manage our natural resources wisely.

They were the ones behind every major conservation action in Washington and State capitals. They created their own publications to warn all Americans of what would happen to the environment.

It is only in recent months that Americans were awakened to the threats of the destruction of their environment. The news media suddenly popularized ecology and environment. The total American citizenry became aware of the serious need for conservation. This is not news to hunters and fishermen who gladly welcome the public to help with a crusade that outdoorsmen have conducted since 1900. All Americans are needed to join the campaign to use our Nation's resources wisely.

Hunters and fishermen are a significant boost to the economy of the Nation. Their expenditures for equipment, meals, lodging, travel, and guides reach into nearly every county of the United States. In 1965, the Bureau of Sport Fisheries and Wildlife reported that hunters and fishermen spent over $4 billion in pursuit of their favorite recreation. I am confident that the 1970 survey, which is scheduled for printing in September, will show that hunters and fishermen now pour much more into America's economic arteries.

According to the Bureau of Sport Fisheries and Wildlife, in 1965 sport fishermen drove 23 billion miles to enjoy 522 million recreation days; hunters drove over 8 billion miles and enjoyed 185 million recreation days. The 76-page report is filled with statistics on the contributions of hunters and fishermen to the Nation's economy, but there is no measurement yet devised for measuring spiritual values. We cannot measure the rejuvenation of a sportsman who has spent an hour on a peaceful trout stream or slow trailing a jumpy covey of bob white quail. We do know that 50 million hunters and fishermen appreciate a chance to spend a few hours enjoying nature and resting from the tensions of our complex life. We do know that those who hunt and fish are better citizens for it.

Many of the ills of our society originate in our vast urban concrete complexes where there is little opportunity for the people to reach a wilderness area and recreate their spirits by communing with nature. In fact, I would go so far as to say that if by some miracle our citizens in the asphalt jungles could travel each weekend to the mountains and lakes and seashore this Nation would have less strife and turmoil. When man in his lonely trip through his allotted time on our planet removes himself too far from the woods and waters and soil from which he springs, there are inevitably complex tensions, frustrations and trouble. The hunters and fishermen of the Nation have long recognized the need to return to the natural world. This need is greater than ever before.

I would like to cite two general statistics to illustrate why hunting and fishing are wholesome recreation for our citizens: A study in the Seattle juvenile court over a 20-year period showed that of 45,000 youths who came before the court not one of them had an outdoor hobby, and a study by the jailer of Knox County, Tenn., over many years showed that out of 10,000 inmates less than 2 percent had ever owned hunting or fishing licenses.

Hunters and fishermen were responsible for establishing all 50 State fish and game departments. From the very beginning, these departments were supported by the sales of hunting and fishing licenses. Financial support has always come from hunters and fishermen and not from the general public. I think it important to emphasize here that all State fish and game agencies are charged by law with the welfare and protection of all fish and wildlife. Hunters and fishermen are proud that their moneys provide protection for more nongame species of fish and wildlife than those species which the outdoorsmen pursue.

Hunters and fishermen demanded, following the deplorable market-hunting era of the 1800's, that seasons and bag limits be imposed. This was an equitable way to manage the welfare of each game species and also insure that outdoorsmen had an equal chance to enjoy the annual harvest of surplus fish and game.

Whenever a fish or wildlife game species has become in short supply, it has inevitably been the hunter and fisherman who demanded protection and that his money be spent on wildlife research, management, and law enforcement. In fact, it has been sportsmen's money that has largely insured the welfare of hundreds of nongame species. I am proud to say that there is no species of game fish or wildlife in America that is in danger from sports hunting or fishing.

The endangered species which we read so much about are nongame species. The careless destruction of habitat and the wanton pollution of our environment have caused these nongame species to become endangered. The hunter and fisherman money is doing more for these species than help from any other source. For instance, in California $1 million in sportsmen's license fees are expended annually for the enhancement of nongame fish and wildlife. Sportsmen, more than anyone else, are dedicated to all living species. They are proud to help while the public has not or will not.

I would like to cite another instance where hunters and fishermen are doing more for nongame species than any other segment of our population. Ducks Unlimited, a private organization of ardent waterfowl hunters, has spent millions of dollars in Canada to increase and improve nesting areas. It is true that the Ducks Unlimited members hope to increase the annual surplus of waterfowl for hunting in the fall, but their wildlife areas support over 250 species of nongame wildlife.

Sportsmen, in their campaign to perpetuate fish and wildlife, were the first to pay for extensive fish and wildlife research. Their funds have generously gone for scholarships, the establishment of fish and wildlife management departments and conferences to exchange scientific data.

In 1937, hunters asked that the 11-percent excise tax on sporting arms and ammunition be put into a special fund for wildlife management and land acquisition. In 1965, when President Lyndon Johnson submitted a bill to end certain excise taxes, sportsmen demanded that their tax not be removed. American outdoorsmen are unique in all the world in that they asked to be taxed in order to enhance their favorite recreation. More than $435 million have been collected through this excise tax known as the Pittman-Robertson Federal Aid in Wildlife Restoration Act. The tax goes to the U.S. Department of the Interior and is prorated to all 50 States fish and game departments on a 75 percent Federal and 25 percent State matching basis. The land that has been bought under this program is enjoyed by all Americans but only hunters and fishermen have paid. The fish and wildlife on these lands are for the benefit of all American citizens but only the outdoorsman has paid.

Sports fishermen also asked that their tackle be taxed 10 percent. The proceeds from this money is prorated to the State conservation commissions for clean water, access, fish propagation, and management. The tax to fishermen provides water improvement which insures the survival of hundreds of species of life other than game fish.

In order to campaign more effectively for their sport and our Nation's environmental needs, hunters and fishermen have formed many National and State organizations. Over the years they have led every major conservation crusade. The names of these organizations, mainly supported by hunters and fishermen, are familiar to all of you—the National Wildlife Federation, the Izaak Walton League of America, Ducks Unlimited, and many others.

When Senator THOMAS JAMES McINTYRE introduced Senate Joint Resolution 117 in the Senate, a companion resolution, he emphasized the need for all Americans to have an opportunity to "get away from it all." He stated that it has become of crucial importance in the congestion and frustration of today's complicated life to participate in outdoor recreation such as hunting and fishing. I concur wholeheartedly with the Senator from New Hampshire. All of us here in Congress have a great deal to learn from hunters and fishermen.

It is important to the spiritual and physical survival of our people that Congress encourage hunters and fishermen to continue their conservation crusade and their enjoyment of outdoor recreation. I ask that Congress honor the hunters and fishermen of America by passing my resolution which asks that President Richard Nixon declare the fourth Saturday of each September as "National Hunting and Fishing Day."

WHITE PAPER ON CUBA

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I have previously quoted from the work of Dr. Manuel J. Reyes who is Latin news editor of Station WTVJ in Miami. He is a distinguished Cuban who fled Cuba in August of 1960 with his wife and three children. He received diplomatic and civil law degrees in Cuba in 1948–49.

Dr. Reyes has maintained close contact with the anti-Castro underground in Cuba, the same contacts which aided him in his disclosure in August 1962, of the presence of Russian nuclear missiles in Cuba—8 weeks before President Kennedy revealed the facts in October 1962.

Dr. Reyes has now written a "White Paper on Cuba: The Floating Arsenal." His statements require careful consideration. I am very much concerned that there is a strong disposition on the part of the leaders of our country to ignore what is happening in Cuba. This could be a dangerous thing. Castro's presence there continues to represent a threat to the democratic way of life throughout the Western Hemisphere. This is a problem which will not resolve itself. I am convinced there is much more that could and should be done to weaken Castro in Cuba and to bring about his ultimate downfall with the restoration of a sound government there which will work in harmony with other nations of the Westearn Hemisphere.

I submit Dr. Reyes' paper for printing in the CONGRESSIONAL RECORD. It contains startling information on the military buildup in Cuba. It follows:

WHITE PAPER ON CUBA: THE FLOATING ARSENAL

(By Dr. Manuel J. Reyes)

On August 7, 1962, I announced for the first time over television in the United States that there were 5,000 uniformed Russian soldiers in the neighborhood of the Canimar River, in the province of Matanzas, Cuba. The information was denied in different spheres of the free world. Twelve weeks later, the 1962 October crisis took place, which not only made the world shake, but also put the world on the edge of a thermo-nuclear war.

On April 28, 1969, I denounced for the first time in six years a new Russian military build-up in Cuba, taking into consideration the information furnished by the Patriotic Resistance on the island. The report was received with a lot of skepticism; nevertheless, it was evident that the Russians were going to increase their military position in Cuba, after Fidel Castro publicly announced toward the end of 1968, his support of the Russian invasion of Czechoslovakia. On July 26, 1969, a Russian naval fleet visited the island. It was said that the fleet made a courtesy visit.

On November 9, 1969, Marshal Grechko, Minister of Defense of the Soviet Union, arrived in Cuba. It was said that he was visiting the island to study the reasons for the deterioration of the Russian arms and military equipment given to the Communist troops of Castro. The Resistance informed us that Grechko visited many Cuban caves.

On April 10, 1970, I reported that Castro had tripled the number of missile boats equipped with teledirected surface-to-surface missiles, with a 40–50 mile range.

In June, 1970, United States Coast Guard Intelligence testified before the U.S. Senate's Subcommittee on Internal Security confirming the assertions I had made.

On May 14, 1970, a second Russian naval fleet went to Cuba. The third Russian fleet went to Cuba on September 9th, causing official speculation that the Soviet Union was building a nuclear submarine base in Cienfuegos. We had already advised the American Congress of this fact, before the Congressional Subcommittee for Inter-American Affairs, on July 27, 1970.

The fourth Russian fleet arrived in Cuba on December 7, 1970. Two Russian naval squadrons thus met in Cuba for the first time—since there were still Russian warships which arrived there on September 9, 1970.

The aforementioned are the facts which have prompted the publication of this "white paper."

The following is the way in which the Russian military invasion of Cuba has been developing.

I want to make it very clear that I am not a military expert, and I do not have the means to verify all technical matters; I feel it is my duty to publish the facts, figures and evaluation which have come into my possession. For many years, I have gathered data from the Cuban underground. So today, it is not only my voice addressing you, but the voice of the millions of Cubans who are suffering on the island; the voice of many Cubans who are actually risking their lives working in the underground and furnishing us information that otherwise we would not know, and the voices of many Cubans who have told the truth upon arriving in this land of freedom.

Cuba today is a natural aircraft carrier of the Soviet Union entrenched in the heart of this hemisphere and 90 miles from the United States of America.

We are going to try to show that this enemy aircraft carrier has turned into the Trojan Horse which externally does not show its large military installations and tactical arms *under* Cuban soil.

Let us start by saying that Cuba is naturally rich in minerals. Cuba has always been considered as the second country in America in iron reserves, the first one being Venezuela. Cuba is the third county in the world in nickel, cobalt, chrome, and manganese. At time of wars, Cuba has been considered as the top producer of some of the aforementioned minerals.

In 1960, a military study was initiated in Cuba by Cuban geologists and Soviet military personnel who covered all the natural features of the island, including the keys, for the purpose of using these facilities for military ends, such as the storage of missiles, munitions, reserve weapons, fuel, communications and medicines. Taken into consideration in this study were the many natural caves in Cuba.

Many of these caves have been reinforced with 6" wide concrete. Work of this military character has been done in Sierra de los Organos in the province of Pinar del Rio, in the Sierra de Lupe, in Oriente Province, and in Altura Central on the Isle of Pines.

I think we can show the extent of this construction by the following figures: Until 1958, Cuba produced four million barrels of cement a year; each barrel was equivalent to four sacks of cement and each sack weighed 130 lbs. There were four cement factories in Cuba with the aforementoned annual production, working eight hours daily. All of this cement was used for civilian construction and export, never for military purposes. When Fidel Castro stole power in Cuba, he greatly increased the cement production of the island.

What has been the destiny of this cement? It has definitely not been used in urban or rural construction for the people. There is only one answer to this question: Enormous quantities of cement have been used for military, underground construction by the Soviet Union and the Castro regime in Cuba.

In 1963, huge shipments of hydraulic cement were sent from Belgium to Cuba and were unloaded at Cienfuegos Bay (#1)*. The hydraulic cement is not precisely for surface construction. This cement hardens at high speed in a humid area. It is understood that the hydraulic cement was used for underground construction for the storage of missiles and weapons with high humidity coefficient. In 1963, more than 300 cement trucks were unloaded in Cienfuegos and taken to a secret locale. However, the Cuban underground has pointed out that the cement was taken to the missile base, "La Campana," in Manicaragua (#2). This base is located on the farm formerly owned by a German-American by the last name of Koop.

On the isle of Pines (#3), there are natural marble caves. The resistance of the marble structure is tremendous against external bombing. The Isle of Pines also possesses silicon and clay riches.

Without fear of error, we can affirm that in Cuba there are actually more than 3,000 natural caves, adapted by the Soviet Union and the Castro regime with strategic military goals in mind. Cuba *today* is the Trojan Horse of America.

At this time, it is estimated there is an average of 20,000 to 30,000 Soviet soldiers in Cuba, scattered among military bases throughout the island.

We must bear in mind that on July 26, 1962, Russian military troops landed in Cuba at the Dubroc docks in the province of Matanzas, using the new pier inlet at Mar y Melena and at Mariel Bay (#5), in Pinar del Rio province.

We all know that it was said that the Soviets had dismantled the missile bases after the October 1962 crisis; but, did the Soviet soldiers leave Cuba? Or are they still there? Have the dismantled bases been reactivated again? Did the Soviets really remove the missiles from Cuba? The Cuban people understand they did not, and I reaffirm it on behalf of the Cuban people.

The Castro regime has been building underground hospitals, among which are the Sierra de Cristal in Oriente province, near Nipe (#4) and Levisa bays.

Ninety percent of the fuel reserves in Cuba, and many ammunition dumps, are underground, and in an unmerciful way, the others are under schools. A year ago, there was a terrible explosion at the former Jesuit "Belen" School, where Fidel Castro attended as a youngster. Eight girls were killed and more than 20 were injured. The Cuban resistance revealed that the explosives placed in the school's basement caused the explosion.

The following is a description of military Soviet bases in the six provinces of Cuba.

Pinar del Rio province has received much Soviet attention. In Santa Lucia, there is a metals plant to produce acids used in the functioning of missiles. Two of the principal ports with military Soviet objectives are Mariel (#5) and Cabanas (#6) ports. Both naval installations are being exclusively worked by the Soviets and they do not let Cubans come near. At the Cabanas port, they have established bases for the Komar missile guided boats. In 1970, the number of the boats was tripled to approximately 70. These boats are provided with two missiles each, guided by radar and with a range of 40 to 50 miles. They are considered offensive weapons and the missiles are surface-to-surface type.

In La Gobernadora hills, near the Sierra de los Organos (#6), there is a military base which has internal train rails, once used in mines. At La Gobernadora, also known as Cangre or San Cristobal, near the town of Candelaria (#7), we find the General Russian headquarters for western Cuba. The altitude of the hills is approximately 1,870 feet. The Soviets have constructed a road from El Cangre which goes as far as Cabanas and Mariel. They also have electric lines of 33,000 volts, necessary for missiles. The same electric voltage system is used as the Campana base in Manicaragus (#2), Las Villas province. Following the Pinar del Rio analysis, we can say that south of "Quiebra Hacha," the Russians have constructed a residential district where no Cuban is allowed to live; that is, it is strictly for Russian officers. The aforementioned residential district is surrounded by wire fences. They have also built tunnel systems from El Cangre, which leads to the exterior of Kilometer No. 4 of the road that joins Cayajabo with the town of Artemisa (#8). During the first week of November 1970, a military Soviet convoy was detected at the central road of Pinar del Rio, parting from Las Mangas village toward the Southwest.

In the Province of Havana, there is a big Soviet military base in San Antonio de Los Banos (No. 9). The resistance reports that this base has a 140-mile radar system which can track the planes from Homestead Air Force Base and Boca Chica in Key West. This base is one of the top three air bases in Cuba and it is the headquarters for the Soviet Mig 21. There are no Mig 21s at other air bases in Cuba. The bases are defended by ground-to-air missiles, the SAM–2 class.

There is also a radar system in Havana at the former Commodort Hotel, in the middle of a Russian neighborhood. The SAM missile system initiates in the hills of Averhoff on the Havana-Batabano (No. 10) highway and takes in Managua-Dayaniguas (No. 11). In Campo, Florido, Havana province, there is a SAM missile base camouflaged as a farm known as "Camilo Cienfuegos" and it is here the Cuban resistance believes the Russians have hidden the medium missiles which never left Cuba.

At "Las Cabreras," there is a Russian military complex to which Cubans have no access. In this military complex, there is a guerrilla training camp for foreigners and the Russians are in charge. One of the principal Soviet bases in Havana is at the Managua camp (No. 12). The Cuban resistance indicates that in this place, there is probably one nuclear reactor, even though Castro's regime maintains it is for peaceful ends. Apparently, the nuclear reactor arrived in Cuba in 1968, and there is no indication that it is intended for peaceful purposes.

The Cuban Commission of Nuclear Energy is based in Managua, directed by Luis Larragoitia. Electrical power lines have been built from Mariel, Havana and Matanzas (No. 13) to feed the nuclear reactor in Managua. It is estimated that over a thousand Russian soldiers are in Managua and Santiago de las Vegas (No. 14).

In the Province Matanzas, the most important point is the so-called "La Laguna del Tesoro." For many years the Castro regime has been investing millions of dollars in construction equipment and in building which Castro said would improve the tourist trade. But since the beginning, "Laguna del Tesoro" has been totally closed to the public and only military personnel are permitted within this zone. Therefore, we presume there is a base of military nature.

In Las Villas Province, there is another big Soviet base between Santa Clara (No. 15), and Calabazar (No. 16), at a place known as Malezas. In this base only, Soviet Mig 17s and 19s are found. The base has an anti-aircraft system and artillery made up of multiple machine guns as well as a duplex cannon known as "KAR–30." This base, as well as San-Antonio de los Banos, has underground hangars with special elevators to bring up the Soviet Mig fighters.

Also in Las Villas can be found the so-called missile base of Remedios (No. 17), better known as "La Puntilla" or "Bartolome" base, where they had ICBM's during the October 1962 missile crisis. In the Escambray, the Soviets recently built a road from Guirade Miranda to the Loma de los Vientos. Nobody knows what they have in these hills, but it is known that only Soviet personnel work there.

In Nuevitas (#18) Camaguey province they are building a big cement factory and an electrical power plant. At Camaguey airport, the Soviets have prepared additional access strips, using not the airport itself, but the highway which goes from Camaguey (#19) to Nuevitas. They have removed the islands from the middle of the road and have smoothed and strengthened the pavement. They have made it possible that this highway can be converted into a landing strip.

On the island of Turiguano, the Russians have stored rockets in one of several hills in the area. Eyewitnesses have indicated that the rockets are moved on train rails. Two doors close the entrance of the tunnel. The exterior of the cave is camouflaged with grass and trees.

All the keys of the Bahamas canal are fortified by the Soviets. Its naval strategic value is enormous, since they can control the traffic from Panama and South America, through Maisi (#19a).

Surrounding the U.S. Naval Base of Guantanamo (#20), the Soviets and the Castro regime have a military outfit known as "Battalion Fronterizo" (Frontier Battalion). This battalion possesses a missile system for its protection. It also has armored units. Around "Gran Piedra" hill, the Soviets have built several underground installations, and it is unknown what the Soviets have stored there.

Other points of great military strategy in the Province of Oriente are as follows:

(1) The air force base of Holguin (#21), considered as the largest in Cuba, has only Mig. 15s and 17s. On the outskirts of Holguin, they have built a residential section known as "Lenin," where only Russian military personnel live. The hangars of this air force base, as well as those of San Antonio de los Banos and Las Villas, are underground.

(2) The military base, Punta de Mula or Punta Lucrecia in the city of Banes (#22), is considered a first-class base and is 20 miles wide. In its area, the Russians have built a naval base for the *Kronstadt* and *Komar* boats. Some years ago, Russian submarines were sighted in this vicinity on military maneuvers. The base is near the mines that are producing copper and cobalt which are being exported to the Soviet Union.

Support for Soviet underground defense in Oriente Province is in the underground system of San Vicente hill near the Boniato mountain; other support is in La Sierra de Cristal near Nipe Bay. There is a secret zone in Nipe Bay to which few have access.

The underground has also reported that in the event of a possible overthrow of Fidel Castro, the Communists have designated Oriente province as the main area of resistance.

Lately, the Castro regime, assisted by the Soviets, has been conducting war games, using antipersonnel gases. All military personnel in Cuba have gas masks, it should be noted.

The Bay of Cienfuegos (#1) is in the southern part of Cuba, in Las Villas Province. It is approximately six miles wide.

On July 27, 1970, I said before the Congress of the United States, and now I reaffirm it, that somewhere in the Caribbean, there is a permanent Soviet naval squadron, headed by a nuclear submarine. The chairman of the Inter-American Affairs Committee of the House of Representatives, the Hon. Dante Fascell, asked me where I thought it was based, and according to the information I had from underground sources, I said, either Cienfuegos or Havana.

In April 1963, the regime began to show interest in Cienfuegos, and announced that they were building a shipyard in Cienfuegos near the port industrial area.

In that year, it was reported that the Castro regime was building ships. The Castro regime said that the yard was only for shipping sugar.

In 1967, the yard was completed at a cost of $8 million and not a single sack of sugar came out of that yard. In 1970, we began to hear about activity in Cienfuegos, in

Cienfuegos Bay, and especially near Cayo Alcatraz.

On a normal day, Cayo Alcatraz cannot be seen from the city of Cienfuegos. Right now, at night, the city of Cienfuegos is under a tremendous shortage of electricity—so, during the blackouts, floodlights can be seen on the horizon. Cayo Alcatraz cannot be seen, but the lights there indicate that people are working there.

Near Cayo Alcatraz, there is a place called La Milpa. All the Cuban fishermen of La Milpa and the surrounding areas have been ordered out. The place now is a military zone.

An underwater net was put in Cayo Alcatraz and also at the entrance of Cienfuegos Bay.

The entrance is under surveillance of Russian guards. Several months ago, a huge Russian ship entered Cienfuegos Bay and stayed there for several weeks.

In December, the Russian ship returned and anchored in a spot between Cayo Alcatraz and Cayo Ocampo.

In the second half of 1970 in Cienfuegos, Soviet sailors were seen walking the streets wearing full uniform. The Russian sailors were transported on land by six British Leyland buses. They were taken back and forth from Cienfuegos to nearby Cayo Alcatraz.

Three-fourths of Cienfuegos Bay has been banned to Cubans. There is a big pipeline from Cayo Alcatraz to Cienfuegos. The Russians have established large warehouses in Cayo Alcatraz, for military storage. A powerful radio station has been built and they have put a naval headquarters there.

Around the middle of December, two huge TU 95 "Bear" planes from the Soviet Union landed in Havana. Both planes were kept at Havana International Airport at Rancho Boyeros.

Two Soviet Admirals came on those planes into Cuba. The Cuban underground reported that one of the planes, capable of transporting missiles or nuclear weapons, had a number 38 on it. Later on, the Russian Admirals were seen in Cienfuegos at Punta Gorda. They took a boat and with three Russian civilian engineers went to Cayo Alcatraz, on several occasions.

Near the inlet of Las Calabrazas the Russians have built an eight lane road toward the Escambray Mountains. No civilians are allowed on that road. In the Escambray Mountains, there is a place called the Hill of the Winds (Loma de los Vientos), where the Russians have been working for almost eight months. No Cubans are allowed in that vicinity. The underground reported that lead ingots have been put into the Hill of the Winds.

Possibly one of the largest barges in the world was sighted in Cienfuegos Bay in December. The Russians own it and it is manned by 303 Russian sailors. In Cienfuegos Bay, there have been two other large Russian barges. In September, the barges left Cienfuegos Bay and went into El Mariel port, in Pinar del Rio province, on the northern part of Cuba. Mariel is the number one port of the Soviet Union since 1961–1962, and before the Cuban missile crisis, most of the offensive weapons were introduced in Cuba through El Mariel port.

As we know, a Russian nuclear submarine was seen during the period of September 12–20, (of 1970); first, near Punta de Ladrillos in the western part of Cienfuegos Bay, and side by side with two other regular Russian submarines at Cayo Loco, the former Cuban Navy headquarters.

The previous report of the nuclear submarine in Cienfuegos Bay was sent by the Cuban underground and, later on, was confirmed by an eyewitness arriving in the United States.

In evaluating Cayo Alcatraz, it can be said that the place is for maintenance and supply of regular and nuclear submarines of the Soviet Union. The nuclear submarines need medicines, food, replacement of crews and rechecking of their missiles. To recheck the missiles, the nuclear sub needs calm waters like those in Cienfuegos Bay.

So, Cayo Alcatraz is of great logistic and military value to the Russians. Cayo Alcatraz is the motor nerve, the center of a large military naval complex of the Soviet Union in the southern part of Cuba. Part of that complex is Cayo Largo (#23), southwest of Cienfuegos. Since 1961–62, Cayo Largo has been taken over by the Russians and no Cuban fishermen are allowed to go near it. At the western part of Cayo Largo, the Russians built a pier and an air strip. The Russians also constructed buildings, one of them five floors high. On the southern part of Cayo Largo, there is a wide beach. Close to the beach, water is as much as 2,000 to 3,000 feet deep.

Part of the naval complex is the Isle of Pines (No. 3). The capital is Nueva Gerona. The island is almost divided by a swamp. In the Bay of Siguanea (No. 24) the Soviet Union established a base for *Kronstadt* boats with *Komar* missiles. These missiles have a range of 40–50 miles; the range of the boat is about 100 miles.

Little by little, all the civilians on the northern part of Isle of Pines have been sent to other provinces of Cuba. On the southern part of the island, there were a lot of lumbermen and fishermen; they also have been taken out. In 1967, more than 5,000 Cuban political prisoners were taken off the Isle of Pines, because they saw too much. They were spread among other political prisoners in Cuba.

I affirm that the puzzle has been put together. Many times in the past, since April 28, 1969, I reported that different Russian convoys have been seen either in Pinar del Rio, Havana or Matanzas Provinces heading south. These convoys have been seen without Castro soldiers, just Russian soldiers!

The solution of the puzzle is this:

The convoys have gone to Surgidero de Batabano (No. 25). From there, Russian soldiers and all kind of military equipment have been shipped to Isle of Pines or Cayo Largo. All of this leads us to believe that there is a large Soviet naval military complex in the southern part of Cuba with an operational base on Cayo Largo, a position for surveillance on the Isle of Pines and a headquarters at Cayo Alcatraz. All of this is a challenge to Guantanamo Naval Base.

The Caribbean, often called the Mediterranean of the Western Hemisphere, has always been protected by surrounding nations and, particularly, by three U.S. bases at Puerto Rico, Guantanamo and Panama. But now, the Soviet Union, through Cienfuegos, Cayo Largo and the Isle of Pines, is challenging that defense.

The above concludes my presentation. I reaffirm what I said at the beginning; that is, Cuba on the surface presents a picture which is totally different from what is really happening in caves and underground. Actually, there is another Cuba below that surface that poses an actual threat not only to the United States of America, but to all the nations of the Western Hemisphere.

TO ESTABLISH FEDERAL QUALITY STANDARDS FOR BOTTLED DRINKING WATER

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the Record.)

Mr. MONAGAN. Mr. Speaker, on February 10 I introduced H.R. 4147, legislation authorizing the Administrator of the Environmental Protection Agency to establish uniform Federal quality standards for bottled drinking water.

Since that time, several incidents have occurred to evidence the urgent need for this proposal, as the industry itself continues to grow virtually unregulated by health or purity standards. I am therefore reintroducing my bill today with 28 cosponsors from both sides of the aisle. They are as follows: The gentleman from West Virginia (Mr. Hechler), the gentleman from Pennsylvania (Mr. Schneebeli), the gentleman from Illinois (Mr. Derwinski), the gentleman from Pennsylvania (Mr. Eilberg), the gentleman from California (Mr. Moss), the gentleman from New York (Mr. Addabbo), the gentleman from Ohio (Mr. Vanik), the gentleman from Kentucky (Mr. Mazzoli), the gentleman from Illinois (Mr. Collins), the gentleman from New Jersey (Mr. Helstoski), the gentlewoman from Connecticut (Mrs. Grasso), the gentleman from Rhode Island (Mr. Tiernan), the gentleman from New York (Mr. Halpern), the gentlewoman from New York (Mrs. Chisholm), the gentleman from Michigan (Mr. Dingell), the gentleman from New Jersey (Mr. Dulski), the gentleman from New Jersey (Mr. Forsythe), the gentleman from New Jersey (Mr. Gallagher), the gentleman from Nebraska (Mr. Thone), the gentleman from Rhode Island (Mr. St Germain), the gentleman from New York (Mr. Rosenthal), the gentleman from New York (Mr. Robison), the gentleman from West Virginia (Mr. Kee), the gentleman from New York (Mr. Horton), the gentlewoman from New York (Mrs. Abzug), the gentleman from California (Mr. Burton), the gentleman from Illinois (Mr. Mikva), and the gentleman from Illinois (Mr. Metcalfe).

The basic problems confronting the Congress is that no specific and uniform standards exist at the Federal level to regulate the bottled water industry. As a result, consumers have no final assurance that the bottled water they drink is safe, and companies have no consistent guidelines to which to refer in producing their goods.

The absence of Federal law in this field has left the responsibility to the States. Unfortunately, I have found by taking a survey of State laws that State regulations create more confusion than public protection. In most cases, the provisions of these laws are extremely vague as to bottled water, and ambiguous in jurisdiction. Often no accompanying machinery is established to administer the authority which has been granted.

The end product is a great variety of State rules, and uncertainty by both producer and consumer. A producer may meet the standard of one State only to find that his product cannot be sold in another State. Consumers in many areas cannot be certain that their water has been adequately tested. In some locations, bottled water can actually reach the supermarket shelves without being regulated by any kind of government agency.

A recent case in the Washington, D.C. area illustrates the confusion in this field, and the need for regulations. As a result of bacteria studies sponsored by the Washington Evening Star, two of Washington's largest supermarket chains removed their bottled water products from the shelves.

Because of the lack of Federal standards, the supermarkets could not be certain they were selling safe goods. Compounding the problem was the fact that no specified Federal agency had jurisdiction over the matter. Hence no one was prepared to offer the necessary scientific advice.

Only last February, Washington area bottled water sales boomed as a result of the unpleasant odor and taste of the Montgomery County municipal water system. I noted at that time that Maryland had no specific regulations pertaining to bottled drinking water, and expressed my concern that the ever-growing number of bottled water consumers were unprotected.

The Maryland case is not unique in spurring bottled water sales. Citizens across the country, wary of their municipal water supplies, are increasingly turning to supermarket substitutes. Once considered a luxury or a health cure, bottled water is now a necessity to many. It is found in almost all food stores, in vending machines, and in many communities, is delivered door to door with milk and orange juice. During the last 2 years, the bottled water industry has experienced some of the fastest growth in the Nation.

Because of this sudden, yet enormous increase in sales and consumption I feel that now is the proper time to establish adequate protective legislation. My bill will allow the Environmental Protection Agency to provide uniform standards for the entire industry, and will make illegal the interstate transportation of bottled water products which fail to meet these standards.

I have received considerable support for this legislation both from consumers who have written to me from across the Nation and from the bottled water industry itself. I am hopeful that this support can now be translated into action. The Congress should not leave consumers unprotected and the industry without guidelines. I urge all Members to join me in cosponsoring and working for passage of uniform Federal bottled water standards.

MILITARY DRUG ABUSE REVIEW BOARD

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MONAGAN. Mr. Speaker, now that Congress and the executive appear to be moving toward enacting legislation to treat drug addiction in the military, it is imperative that we include in any final law provisions which will salvage the lives of veterans who are the walking casualties of Armed Forces discharge policies for those using drugs.

Today I am introducing a bill to establish a special Military Drug Abuse Review Board to reconsider all less-than-honorable discharges and dismissals given to members of the Armed Forces for reasons primarily related to drug use. I discussed my proposal with the Department of Defense in June and I was pleased to note that Deputy Secretary of Defense David Packard told a Senate subcommittee recently that the Department was prepared to grant amnesty on a case-by-case basis to ex-servicemen who were discharged with less-than honorable discharges due to drug abuse to enable the ex-servicemen to clear their records on the same basis as present military drug users who are utilizing the servicewide amnesty treatment programs now in effect. The Department of Defense proposal as outlined by Deputy Secretary of Defense Packard parallels my proposal even to the extent of excluding drug pushers and sellers from participating in the amnesty program. My bill provides that any person who served on active duty during the Vietnam era or within 6 years of the close of the Vietnam era may petition the special review board for relief. This bill specifically excludes drug pushers from obtaining any relief under its terms.

I feel that the existing appeals mechanism, the Discharge Review Boards and the Board for Correction of Military Records, are not geared to undertake a general review of drug-related discharges.

Under the terms of my bill, the Review Board is empowered to change the type of discharge or dismissal of a person, or issue him a new discharge to indicate that he was discharged under honorable conditions upon a finding of the Board that the person seeking the discharge:

First, has actively participated in a treatment and rehabilitation program for his drug dependency since discharge;

Second, has made substantial progress in stabilizing or minimizing his dependency condition; and

Third, has not engaged in a pattern of continual criminal activity in violation of Federal, State, or local law.

The Review Board will be composed of 10 members to be appointed by the President and consisting of: two representatives of federally chartered veterans organizations; three nonmedical members of the armed services; one Veterans' Administration physician; one physician who is a member of the armed services; an employee of the Civil Service Commission; a representative of organized labor and a representative of private industry. The composition of the Review Board is intended to allow for a determination of each case by individuals familiar with the possibilities and problems each discharged serviceman faces in regaining his status as a productive member of society, with prime emphasis on his employability.

While elimination of the drug supply, treatment and rehabilitation of drug addicts and effective prevention programs are crucial elements of any program to halt drug abuse in the military, we would be treating the problem only partially if we failed to take steps to enable the rehabilitated addicts and users to secure gainful employment after discharge and help them to assume responsible roles in society.

The beneficiaries of the bill I am introducing today are the men who, despite having served in the Armed Forces were discharged from the military service with less than honorable or undesirable administrative discharges primarily because of their use or possession of a narcotic drug or to their dependence on narcotics.

Drug use in the military is so so widespread that it is imperative for us to intensify our efforts to rehabilitate the addicts so that they may resume normal and productive lives. All obstacles to recovery, whether in deficient treatment or imposed legal disabilities, which slow down or make improbable a return to normal civilian life, must be removed. Amnesty policies now in effect in some of the armed services recognize that drug addiction is primarily a medical problem and that the main element of any program should and must be treatment. Unfortunately, the amnesty policies are unevenly applied and the future of a drug user depends upon whether the serviceman is a member of the Army, Marines, Air Force, or Navy. If he is a member of the Army he may receive treatment and undergo rehabilitation without receiving the permanent disability of a dishonorable or undesirable administrative discharge; if he is a member of the Marines, which has the highest percentage of drug users and drug addicts, he will, under current Marine policies, receive a dishonorable discharge; if he is a member of the Navy he might very well receive an undesirable administrative discharge.

Clearly, corrective legislation is needed to rectify the hardships and injustices caused by this uneven and unpredictable system of justice, and I believe that the establishment of a special Military Drug Abuse Review Board would accomplish just that.

During the last 2 months, the shocking extent of drug abuse in the military has been bared and I am optimistic that effective drug abuse rehabilitation and prevention programs will be enacted in this Congress in the very near future.

I am especially gratified that the major provisions of my comprehensive proposal to treat drug abuse in the military, the Armed Forces Drug Abuse Control Act of 1971, have won the wide support among my colleagues from both sides of the aisle, and in the other body as well as the executive branch. Upon introducing my bill on May 10, I knew that its key provision, mandating the retention in the armed services of any serviceman determined to be addicted to narcotic drugs until such time that he is determined to be free from habitual dependence, was breaking new ground and would stir controversy among my colleagues, the military, and the press, and

I welcomed the ensuing debate on how we could best treat and rehabilitate returning GI addicts. My proposal survived the discussions and debates and has emerged as a basic element in all realistic proposals to treat military drug abuse. Since May 10 over 50 Members have joined me in cosponsoring the bill: the Senate has adopted a variation of my proposal as an amendment to the Selective Service Act amendments, and the President has incorporated my mandatory retention-treatment proposal as an integral part of his comprehensive drug eradication program.

I continue to believe that my complete proposal, including the establishment of Drug Abuse Control Corps in each of the services, a uniform amnesty-treatment program and the mandatory retention-rehabilitation program should be enacted and I intend to continue to work for passage of the bill in this Congress.

SHORTER PRESIDENTIAL CAMPAIGN SUPPORTED

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, once again I should like to bring to the attention of my colleagues editorial support for my bill—H.R. 9507—which would limit the length of presidential campaigns to 60 days.

An editorial in the Redding, Conn., Pilot points out well what I and the cosponsors of my bill have stated and will continue to state: for clarity's sake, 60 days is sufficient for a presidential campaign. A campaign of longer duration is, "counterproductive, expensive, and lends to confusion rather than clarity to both issues and candidates."

The editorial follows:

FOR CLARITY'S SAKE

This country will celebrate its 200th birthday in 1976.

The advances in technology and particularly in communications have been tremendous. In just the past 20 years nearly every American citizen has acquired access to instantaneous information about his world via television.

Yet, in presidential elections, candidates still campaign for months, exhausting both themselves and their financial backers. Once, it might have been necessary to indulge in an extended campaign: without radio or television, candidates had to whistlestop to make themselves known. But no more—a man can make himself and his views known to a huge television audience. If he has sufficient money, he can flood the screen with paid commercials.

The Democratic National Committee has set July 9, 1972 as the date for its national convention to select a candidate for president. Obviously, the Republicans will not be far behind. In the nearly four months that the chosen two will have for campaigning, money and rhetoric will flow in great profusion. But will we voters be any more informed and prepared to make an intelligent decision come Nov. 7, 1972?

We agree with Fifth District Congressman John S. Monagan who has long worked to limit the duration of presidential campaigns. He recently criticized the Democratic National Committee for their choice of date, stating that he felt it was unfortunate that his party "has not taken the lead in establishing a shorter, more sensible campaign period."

He and seven co-sponsors have introduced legislation to limit the campaign period to 60 days, explaining "We . . . strongly feel that a campaign period of longer duration is counter-productive, expensive, and lends to confusion rather than clarity to both issues and candidates."

In the confusing times we live in, we certainly do not need four month "electronic blitz" campaigns: we need reasoned discussion of issues and proposals. Certainly that could be accomplished in less than four months.

FIRST OFFICIAL DRUG FIGURES CONFUSE THE ISSUE MORE

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, I should like to report that I have received what I believe to be the first official Armed Forces drug abuse figures based on actual Vietnam military hospital reports. I received them on July 20 from Mr. Everett G. Hopson, special assistant of drug abuse control in the Office of the Assistant Secretary of Defense. I had requested them on May 10, and if the 2-month delay in obtaining these figures is any indication of the difficulty the Department of Defense has in obtaining information, then it is no wonder that the drug problem has reached its present epidemic proportions.

Mr. Speaker, my colleagues in Congress and the American public have been alarmed by the statistics on drug abuse within the Armed Forces in Vietnam. Reports have been made that as many as 37,000 American servicemen are heroin addicts. Countless thousands have returned home with their addiction. And yet other reports show that the number of heroin users and addicts is much lower. Dr. Jaffee, the President's consultant, recently reported that the addiction rate is 4.5 percent. That, by the way, is still 10,500 servicemen. The confusion and contradiction of the various reports has become almost as alarming as the drug problem itself. They cloud and confuse the critical issue of the epidemic. And they therefore make it difficult—if not impossible—to formulate the necessary plan of action to solve the problem.

On May 10 of this year, when I introduced my bill H.R. 8216, "The Armed Forces Drug Abuse Control Act of 1971," my colleagues and I were aware that accurate, official statistics were necessary to determine the extent of the problem. For this reason, I wrote to the Secretary of Defense and requested copies of the January through May military hospital utilization reports—MACV RCS:6260-1. These reports are prepared by commanders of U.S. military hospitals in Vietnam. They are official records on the number of patients discharged from the hospitals for drug related reasons. They include a breakdown on the number of patients discharged by each service—that is, Army, Air Force, Navy and Marine Corps—the number with less than 2 years of service, race, rank, age, the number of outpatient visits by hospital personnel, transfers of patients out of the country with drug related diagnosis, types of drug abuses, and admissions under the amnesty program.

Mr. Hopson delivered copies of these reports for the period I requested—January 1 through May 31—on July 20. I have reviewed these reports and I hereby point out what they show:

During the 5-month period, 58 deaths of American servicemen were attributable to drug related causes.

There were 1,075 servicemen treated and discharged from the hospital for drug related reasons.

Of those discharged, 60 percent, or 696 were diagnosed as cases of narcotic addiction.

There were 9,070 servicemen treated outside the hospital for drug related reasons.

Nearly 80 percent of those treated and discharged for drug abuse were between the ages of 18 and 21.

Only one person has been treated for the use of LSD.

Only one commissioned officer—and no warrant officers—was reported as having been treated during the period.

There were 612 servicemen treated during the 5-month period under the amnesty program.

Mr. Speaker, according to these statistics, less than three-tenths of 1 percent of the total number of servicemen in Vietnam have been treated and discharged from military hospitals for narcotics, addiction during the first 5 months of this year. And yet no official estimate has placed the number of addicted servicemen at under 4.5 percent.

I can not stress strongly enough that it is my hope that the problem will be less serious than first appeared. Nothing would please me more than to feel that the drug abuse problem in the Armed Forces is less than some of the other estimates and reports have indicated.

But even if these official reports are accurate, they do not erase the fact that a drug abuse problem exists. It is clear that Congress must continue to act to attack this epidemic. This Nation must not evade its responsibility to those servicemen already caught in the web of drug addiction. My bill, the Armed Forces Drug Abuse Control Act of 1971, if passed, would greatly help attack this frightening problem. And I seek the support of my colleagues to see to it that action is taken. Despite the confusion and the contradiction of estimates, reports, statistics, and even guesses, it is obvious the problem is there. We must solve it and we must solve it now.

I include the report, as follows:

WASHINGTON, D.C.,
July 20, 1971.

Hon. JOHN S. MONAGAN,
House of Representatives,
Washington, D.C.

DEAR MR. MONAGAN: This is in further response to your recent letter requesting copies of MACV Hospitalization Utilization Reports (MACV RSC: 6260-1). The MACV Hospital Utilization Report is a local report used to gather data concerning the numbers of patients who are treated in local medical facilities for drug abuse related diagnosis.

Enclosed are copies of the Reports requested for the period 1 January–31 May 1971. Section A reflects the number of patients who were discharged from a military hospital during the reporting period for a drug abuse related diagnosis. The discharge figure is used because the diagnosis is confirmed. Section B reflects the number of clinically suspected deaths resulting from drug abuse. The figures are subject to confirmation by autopsy. Autopsy reports are processed in approximately four to six months. Section C reflects the number of visits of patients who were treated for drug abuse on an outpatient basis. In January, 890 visits of Army personnel were treated in medical facilities other than the facilities of the unit to which the patient was assigned. This is in effect a measure of workload rather than individuals. Section D reflects those patients who were transferred out of Vietnam for treatment of a drug related diagnosis. These persons were transferred to other Pacific Command facilities or to the continental United States. Section E reflects the types of drugs abused by those personnel who are reported in Section A. Medical opinion indicates that some of these persons who are treated for narcotics abuse are not considered to be addicted. Only one person has been treated for the use of LSD. This person was reported by the Navy in April. Section F reflects those personnel who were admitted to the hospital under the amnesty program for rehabilitation. During March the Air Force treated 71 Army personnel in Air Force facilities.

I regret the delay required in responding to your request, and trust the information provided will be helpful to you.

Sincerely yours,

EVERETT G. HOPSON,
Special Assistant,
Drug Abuse Control.

HOSPITAL UTILIZATION REPORT

[For use of this form, see MACV Directive 190–4]

From: MACMD–PS.
To: MACPM.
Reports control symbol MACV PGS 6260–1, period covered: May 1–31, 1971.

Hospital	Number of patients discharged: USA	USAF	USN	USMC	Under 2 yrs. svc.	DOD CIV	Race: CAU	NEG	Other	Rank: E1/E5	E6/E9	WO	COM OFF	Age: 18–21	22–25	26–29	Over 30
Sec. A—Personnel data:																	
3d Field	2		1		3		3			3				2	1		
3d Surg	4				3		3	1		4				4			
8th Field	2				2			2		2				1			1
18th Surg	7				6		7			7				7			
24th Evac	13				6		10	3		11	1		1	5	5	1	2
27th Surg	4				4		4			4				4			
67th Evac	24				10		18	6		24				15	8	1	
85th Evac	15				7		12	3		15				12	3		
91st Evac	8				6		5	3		8				4	4		
95th Evac	11			1	9		9	3		12				11		1	
6th Conv Ctr	8				4		8			8				7	1		
Subtotal	98		1	1	60		79	21		98	1		1	72	22	3	3
483 USAF Hosp	4	5			8		7	2		9				9			
377 USAF Hosp		17			14		9	8		17				13	4		
366 USAF Disp	4	12			10		15	1		16				11	5		
35 USAF Disp	1	10			10		8	2	1	11				8	3		
6251 USAF Disp	1	2			3		3			3				3			
1st Med Bn		4			4		2	2		4				4			
3rd MA Bde				3	3		2	1		3				3			
Total	108	50	1	4	112		125	37	1	161	1		1	123	34	3	3

Hospital	Number of deaths: USA	USAF	USN	USMC	DOD CIV	Total	Race: CAU	NEG	Other	Rank: E1–E5	E6–E9	WO	COM OFF	Age: 18–21	22–25	26–29	Over 30
Sec. B—Deaths resulting from drug abuse:																	
TSN Mort	5					5	4	1		4	1			1	2	1	1
Da Nang Mort	2					2	2			2				1	1		
Total	7					7	6	1		6	1			2	3	1	1

SECTION C—DRUG ABUSE RELATED OUTPATIENT VISITS

	USA	USAF	USN	USMC	DOD CIV
Out-patient visits	2,039	65	18	66	0

SECTION D—TRANSFERS—TRANSFERS OF PATIENTS OUT OF COUNTRY WITH DRUG RELATED DIAGNOSES

	USA	USAF	USN	USMC	DOD CIV
Transfers to PACOM	2	0	0	1	0
Transfers to CONUS	2	0	0	0	0

Name, grade, and title of person to contact for additional information: Kenneth G. Hermann, Capt., USAF, MSC Statistican; Telephone Number 923-2043.

SECTION E—TYPE OF DRUG ABUSE

	Narcotics: Addict	Narcotics: Nonaddict	Dangerous drugs User	Marihuana User	Other User
USA	54	18	11	1	24
USAF	41	5	4	0	0
USN	7	0	0	1	1
USMC	1	0	2	1	0
DOD CIV	0	0	0	0	0

SECTION F—REHABILITATION EFFORTS

	USA	USAF	USN	USMC
Admissions Under Amnesty Program	35	49	2	0

Typed name, grade and title of approving officer: David L. Fowler, Maj. MSC, USA, Chief, Administrative Division.

HOSPITAL UTILIZATION REPORT

[For use of this form, see MACV Directive 190-4]

From: MACMD-PS.
To: MACPM.
Reports Control Symbol MACV 6260-1, period covered: April 1971.

Hospital	Number of patients discharged						Race			Rank				Age			
	USA	USAF	USN	USMC	Under 2 yrs. svc.	DOD CIV	CAU	NEG	Other	E1-E5	E6-E9	WO	COM OFF	18-21	22-25	26-29	Over 30
Sec. A—Personnel data:																	
3d Field	10				9		10			10				6	4		
3d Surg	1							1		1					1		
8th Field	3				2		3			3				2	1		
18th Surg	5				3		5			5				5			
24th Evac	2						2			2				1	1		
27th Surg	8				7		8			7	1			5	3		
67th Evac	16				6		14	2		16				11	4		1
85th Evac	21						14	7		21				16	5		
91st Evac	5						4	1		5				5			
95th Evac	11				9		11			11				6	5		
6th Conv Ctr	8				4		8			8				6	2		
Subtotal	90				40		79	11		89	1			63	26		1
483 USAF Hosp	15	10			22	1	24	2		25				21	4		1
377 USAF Disp		16			13		10	6		16				12	4		
366 USAF Disp	6	13			16		15	4		19				13	6		
35 USAF Disp	1	8			9		8	1		9				6	3		
6251 USAF Disp		9			8		3	6		9				9			
1st Med Bn				3	3		2	1		3				3			
Total	112	56		3	111	1	141	31		170	1			127	43		

Hospital	Number of deaths						Race			Rank				Age			
	USA	USAF	USN	USMC	DOD civ	Total	Cau.	Neg.	Other	E1-E5	E6-E9	WO	Com. off.	18-21	22-25	26-29	Over 30
Sec. B—Deaths resulting from drug abuse:																	
TSN Mort	2					2	1		1	2				1	1		
Danang Mort	5					5	4	1		4	1			2	2		1
Total	7					7	5	1	1	6	1			3	3		1

SECTION C—DRUG ABUSE RELATED OUT PATIENT VISITS

	USA	USAF	USN	USMC	DOD CIV
Out-patient visits	1775	31	8	103	0

SECTION D—TRANSFERS—TRANSFERS OF PATIENTS OUT OF COUNTRY WITH DRUG RELATED DIAGNOSES

	USA	USAF	USN	USMC	DOD CIV
Transfers to PACOM	5	1	0	0	0
Transfers to CONUS	5	0	0	3	0

Name grade and title of person to contact for additional information: Kenneth G. Hermann, Capt., USAF, MSC, Statistician; Telephone number 4055.

SECTION E—TYPE OF DRUG ABUSE

	Narcotics		Dangerous drugs (user)	Marihuana (user)	Other (user)
	Addict	Nonaddict			
USA	68	24	2	0	18
USAF	42	14	0	0	0
USN	0	0	[1] 1	0	0
USMC	0	1	1	1	0
DOD CIV	0	0	1	0	0

SECTION F—REHABILITATION EFFORTS

	USA	USAF	USN	USMC
Admissions under amnesty program	47	0	0	0

Typed name, grade and title of approving officer: David L. Fowler, Maj., MSC, USA, Chief Administrative Division.

HOSPITAL UTILIZATION REPORT, MARCH 1971

Hospital	Number of patients discharged						Race			Rank				Age			
	USA	USAF	USN	USMC	Under 2 yrs. svc.	DOD CIV	CAU	NEG	Other	E1/E5	E6/E9	WO	COM OFF	18-21	22-25	26 29	Over 30
Sec. A—Personnel data:																	
3 Field	11				10		9	2		11				8	3		
3 Surg	6				3		6			6				6			
8 Field	5				5		5			5				5			
18 Surg	7				6		6	1		7				6		1	
24 Evac	16				10		14	2		16				13	1	2	
27 Surg	10				3		8	2		10				7	3		
67 Evac	19				15		17	2		19				13	6		
85 Evac	38				25		23	14	1	36	2			35	2		1
91 Evac	5				5		4	1		5				4	1		
93 Evac	14				12		10	4		14				13	1		
95 Evac	13				12		13			13				12	1		
6 Conv Ctr	8				5		6	2		8				5	3		
Subtotal	152				111		121	30	1	150	2			127	21	3	1
483 USAF Hosp	71	14	0	0	58	0	68	17	0	85				72	10	3	
377 USAF Disp	1	8	0	0	5	0	5	4	0	9				8	1		
366 USAF Disp	1	5	0	0		0	1	4	1	6				4	1		1
12 USAF Disp	2	2	0	0	4	0	1	3	0	4				3	1		
35 USAF Disp	1	9	0	0	10	0	7	2	1	10				7	3		
327 USAF Disp	0	0	0	0													

HOSPITAL UTILIZATION REPORT, MARCH 1971—Continued

Hospital	Number of patients discharged						Race			Rank				Age			
	USA	USAF	USN	USMC	Under 2 yrs. svc.	DOD CIV	CAU	NEG	Other	E1/E5	E6/E9	WO	COM OFF	18-21	22-25	26-29	Over 30
Sec. A—Personnel data:—continued																	
6251 USAF Disp	0	16	0	0	14	0	14	2		16				14	2		
Subtotal	76	54	0	0	91	0	96	32	2	130				108	18	3	1
No Navy facility discharged																	
1st Med Bn	0	0	0	5	5	0	2	3	0	5				5			
Total	228	54	0	5	207	0	219	65	3	285	2			240	39	6	2

Mortuary	Number of deaths						Race			Rank				Age			
	USA	USAF	USN	USMC	DOD CIV	TOTAL	CAU	NEG	OTHER	E1-E5	E6-E9	WO	COM OFF	18-21	22-25	26-29	Over 30
Sec. B—Deaths resulting from drug abuse:																	
Tan Son Nhut	2					2	1	1		2				2			
Da Nang	4		1			5	4	1		5				4			1
35 USAF Disp		1				1		1		1				1			
Total suspected deaths	6	1	1			8	5	3		8				7			1

SECTION C—DRUG ABUSE RELATED OUT-PATIENT VISITS

	USA	USAF	USN	USMC	DOD CIV
Out-patient visits	1,300	230	16	30	0

SECTION D—TRANSFERS—TRANSFERS OF PATIENTS OUT OF COUNTRY WITH DRUG RELATED DIAGNOSES

	USA	USAG	USN	USMC	DOD CIV
Transfers to PACOM	4	1	0	3	0
Transfers to CONUS	6	0	0	0	0

SECTION E—TYPE OF DRUG ABUSE

	Narcotics		Dangerous drugs User	Marihuana User	Other User
	Addict	Nonaddict			
USA	124	47	14	1	42
USAF	36	16	2	0	0
USN	10	0	0	0	0
USMC	0	3	0	5	0
DOD CIV	0	0	0	0	0

SECTION F—REHABILITATION EFFORTS

	USA	USAF	USN	USMC
Admission under amnesty program	110*	17	0	0

SECTION G—GENERAL COMMENTS

*71 or 65% of the 110 Army personnel admitted under the amnesty program were at USAF medical facilities.

▶Name grade and title of person to contact for additional information: Kenneth G. Hermann, Capt, USAF, MSC Statistician MACMD-PS.

Typed name, grade and title of approving officer: David L. Fowler, Maj., MSC, USA, Chief Administrative Division.

From: MACMD-PS.
To: MACPM.

HOSPITAL UTILIZATION REPORT, FEBRUARY 1971

Hospital	Number of patients discharged						Race			Rank				Age			
	USA	USAF	USN	USMC	Under 2 yrs. svc.	DOD CIV	CAU	NEG	Other	E1/E5	E6/E9	WO	COM OFF	18-21	22-25	26 29	Over 30
Sec. A—Personnel data:																	
3 Field	6				2		5	1		5	1			3	2	1	
3 Surg	4				3		3	1		4				3	1		
8 Field																	
18 Surg																	
24 Evac	5				3		5			5				3	2		
27 Surg	10				7		7	3		10				6	4		
67 Evac	44				26		39	5		43	1			36	6	2	
85 Evac	23				9		8	15		23				22	1		
91 Evac	8				3		8			8				5	3		
93 Evac	16				13		11	5		16				13	3		
95 Evac	21				18		17	4		21				21			
6 Conv. Ctr	3				3		3			3				2	1		
Subtotal	140				87		106	34		138	2			114	23	3	
Nha Be			3		3		3			3				3			
NSF Cam Ranh			1		1		1			1				1			
1st Med. Btn				3	2		2	1		3				3			
483d USAF Hos	67	7	3		68		68	9		77				65	12		
377th USAF Dis		4			4		1	3		4				4			
366th USAF Dis	3	5			6		6	2		8				6	2		
35th USAF Dis		3			3			3		3				3			
12th USAF Dis	1	2			1		2	1		3				1	2		
Total	211	21	7	3	175		189	53		240	2			200	39	3	

	Number of deaths						Race			Rank				Age			
Hospital or mortuary	USA	USAF	USN	USMC	DOD CIV	Total	CAU	NEG	Other	E1–E5	E6–E9	WO	Com off	18–21	22–25	26–29	Over 30
Sec. B—Deaths resulting from drug abuse:																	
Tan Son Nhut	9		1				6	4		10				8			2
Da Nang	7			1			4	4		7	1			5	2		1
483d USAF Hos		1					1			1				1			
Total	16	1	1	1			11	8		18	1			14	2		3

SECTION C—DRUG ABUSE RELATED OUTPATIENT VISITS

	USA	USAF	USN	USMC	DOD CIV
Out-patient visits	1,404	27	11	22	0

SECTION D—TRANSFERS—TRANSFERS OF PATIENTS OUT OF COUNTRY WITH DRUG RELATED DIAGNOSES

	USA	USAG	USN	USMC	DOD CIV
Transfers to PACOM	1	0	0	1	0
Transfers to CONUS	1	2	0	0	0

Name, grade and title of person to contact for additional information: Kenneth G. Hermann Capt., USAF, MSC, Statistician, MACMD—PS.

SECTION E—TYPE OF DRUG ABUSE

	Narcotics				
	Addict	Nonaddict	Dangerous drugs user	Marihuana user	Other user
USA	123	28	8	2	50
USAF	16	3	2		
USN	4	3			
USMC	1	1	1		
DOD CIV					

SECTION F—REHABILITATION EFFORTS

	USA	USAF	USN	USMC
Admission under amnesty program	141	0	0	0

Typed name, grade and title of approving officer: David L. Fowler, Maj., MSC, USA, Chie Administrative Division.

HOSPITAL UTILIZATION REPORT

For use of this form, see MACV Directive 190-4

From: Office of the Command Surgeon HQ MACV.
To: Drug Suppression Division MACPM.
Reports control symbol MACV RCS 6260-1, period covered: Jan. 1-31, 1971.

	Number of patients discharged						Race			Rank				Age			
Hospital	USA	USAF	USN	USMC	Under 2 yrs. svc.	DOD CIV	CAU	NEG	Other	E1/E5	E6/E9	WO	COM OFF	18–21	22–25	26 29	Over 30
Sec. A—Personnel data:																	
3rd Field	10	1			10		8	3		11				10		1	
3rd Surg	5		1		4		6			6				6			
8th Field	5				4		5			5				5			
18th Surg	6				5		4	2		6				5	1		
24th Evac	3				1		3			3					3		
27th Surg	18				15		15	3		18				14	4		
67th Evac	51				30		47	4		51				39	11	1	
85th Evac	12				8		10	2		12				9	2		1
91st Evac	8				6		6	2		8				4	3		1
93rd Evac	17				15		17			17				15	1	1	
95th Evac	9				7		7	2		9				8	1		
6th CC	4				2		4			4				4			
Subtotal	148	1	1		107		130	18		150				119	26	3	2
1st Med Batn	2			2	4		2	2		4				3	1		
Nha Be			2		2		2			2				1	1		
7th AF [1]	41	14			48		42	13		55				46	9		
Total	191	15	3	2	161		178	33		211				169	37	3	2

[1] Will be detailed by location on future reports.

	Number of deaths						Race			Rank				Age			
Hospital	USA	USAF	USN	USMC	DOD civ	Total	CAU	NEG	Other	E1–E5	E6–E9	WO	COM off	18–21	22–25	26–29	Over 30
Sec. B—Deaths resulting from drug abuse: [1]																	
TSN Mortuary	7					7	4	3		6	1			4	3		
DA Nang Mort	6					6	4	2		6				6			
1st Med Batn				3		3	1	2		3				2	1		
7th AF		1				1	1			1					1		
Total	13	1	0	3		17	10	7		16	1			12	5		

[1] Clinically suspected deaths, proven deaths on separate summary attached.

SECTION C—DRUG ABUSE RELATED OUTPATIENT VISITS

	USA	USAF	USN	USMC	DOD CIV
Outpatient visits	*1,864	28	23	6	4

*Includes 890 visits to medical units oreanic to other units.

SECTION D—TRANSFERS—TRANSFERS OF PATIENTS OUT OF COUNTRY WITH DRUG RELATED DIAGNOSES

	USA	USAF	USN	USMC	DOD CIV
Transfers to PACOM	10	0	0	0	0
Transfers to CONUS	8	0	0	0	0

[1] See separate summary of autopsy proven deaths.

SECTION E—TYPE OF DRUG ABUSE

	Narcotics		Dangerous drugs user	Marihuana user	Other user
	Addict	Nonaddict			
USA	96	26	40	2	26
USAF	7	3	3	1	1
USN	2	0	0	0	1
USMC	0	0	1	0	0
DOD CIV	0	0	0	0	0

SECTION F—REHABILITATION EFFORTS

	USA	USAF	USN	USMC
Admissions under amnesty program	111	0	0	0

SECTION G—GENERAL COMMENTS

Name, grade and title of person to contact for additional information: Kenneth G. Hermann Capt., USAF, MSC, Statistician, MACMD; telephone number: 923-4055.

CHILEAN NATIONALIZATION OF COPPER MINES: POLITICAL VICTORY, ECONOMIC SETBACK

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, the nationalization of copper mines in Chile has broad and permanent implications. Although only a relatively small percentage of copper from Chile comes permanently to the United States, several American-owned companies—including the two largest, Kennecott and Anaconda—have extensive investments in the industry there and the treatment accorded them is a matter of national concern. Another important fact is that while the nationalization of the copper mines had been publicized as a promise for economic progress, it may turn out to be an economic setback. The developments have been of particular interest in my home city of Waterbury, Conn.—one of the brass centers of the world—but they should also be of interest to anyone studying the economics of nationalization and socialization of industries. Juan de Onis writes an interesting perspective on this whole operation in the July 18 issue of the New York Times. It is clear from Mr. de Onis' article that the nationalization of copper mines in Chile, while a political victory for President Salvador Allende Gossens, could mean economic retrogression for his country.

The article follows:

CHILE: IF THE COPPER HAD BEEN OURS

SANTIAGO.—For weeks, Government-paid advertisements in the Chilean newspapers have been showing pictures of shack-dwellers and naked, undernourished children over a title reading: "This would not have happened if the copper had been ours."

Last week, the Government of President Salvador Allende Gossens finally put into effect its long-standing plans for nationalizing the country's copper mines. The official message to Chileans was that the mines would now finance a program of economic development and social reform.

But whether the promise will be borne out is questionable.

In ideological terms, the Government has been building a strong case for nationalism. A publication of the Chilean States Copper Corporation blames "our weak industrial development, our primitive agriculture, unemployment, low salaries and thousands of premature deaths among children" on the remittance of profits abroad by United States copper investors.

President Allende said that nationalization would obtain "our second independence—the break in economic dependence" on the United States copper companies, which began operating here with low-grade ores in 1910. At the time, Chile had neither the capital nor the know-how to introduce large-scale production.

These official views passed over the fact that the Chilean Government, through joint ownership and taxes, has been receiving 85 percent of the gross profits of all the copper companies and that copper provides nearly 80 percent of Federal revenues.

Under the former government of President Eduardo Frei Montalva, a Christian Democrat, the State Copper Corporation acquired a 51 percent interest in the major properties of Kennecott and Anaconda, the two largest United States companies. At the same time, the Frei Administration attracted an investment of about $500-million from United States sources for the expansion of copper production.

These investments have been largely completed, and the Allende Government, which took office last November, fell heir to a copper industry that has nearly doubled its productive potential of six years ago—if the expansion program is carried to its conclusion.

The nationalization strategy of extracting profits from copper to finance the rest of the economy depends heavily, therefore, on whether the copper industry performs under socialist management as lucratively as the Marxists claim was the case under United States management. The rate of profit remittance during the last decade was close of $80-million a year, according to Dr. Allende.

An important factor influencing the profit that can be taken out of the nationalized mines in the near future will be the compensation that is to be paid to the United States copper interests. The three American companies involved claim investments of about $700-million, much of which came as United States bank loans for the expansion program.

Left-wing radicals here oppose any payment. But Dr. Allende has publicly pledged to pay off the bank obligations, which include $220-million to the Export-Import Bank.

But the higher the amount of compensation and the shorter the terms for payment, the less the nationalized properties will provide for the economic and social development program that Dr. Allende has pledged will accompany the "construction of socialism" during his six-year term.

The critical issue in the compensation problem would appear to be how little the Government can persuade or oblige the companies to accept before bringing a claim of unfair treatment, a situation that would produce a clash with the United States Government. Since 1965, the copper companies have insured a large part of their investments here with the United States Government's Overseas Private Investment Corporation, which provides protection against expropriation without due compensation.

Internally, the Government faces serious difficulties in the management of the five nationalized mines, which produce 80 per cent of Chile's copper.

Since Dr. Allende was elected, there has been an exodus of more than 200 top-level managers, supervisors and technicians from the copper companies; in the great majority, these were Chileans who have left the country for mining jobs abroad or have gone into private activities here.

Many of the top managerial and technical personnel began looking for jobs abroad as soon as Dr. Allende was elected. Others, who wanted to stay on despite the imposition of a wage ceiling and elimination of payments in United States dollars, quit because of what they described as political harassment, frustration over labor discipline and production problems.

"With these people working, we might have been able to keep the mines running properly, but with politicians and union leaders calling the shots, the mines are going to be a mess," said a Chilean construction manager who has worked for the copper companies.

Production under the expansion program is already well behind schedule. It is unlikely that the copper output will go beyond 700,000 metric tons this year, compared with 685,000 in 1970.

And, while the prices last year were over 6 cents a pound, this year they have barely averaged 50 cents a pound. Each cent of price decline costs Chile $17-mililon a year in exchange income and $14-million in fiscal revenues.

So while nationalization appears to have been a political plum for Dr. Allende, because it satisfies a point of pride with many Chileans, it does not promise the economic bonanza that the Government has been leading the people to expect.

—JUAN DE ONIS.

MISAPPROPRIATION OF UMWA FUNDS

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, on July 21, 1971, the U.S. Court of Appeals for the District of Columbia ordered the firm of Edward Bennett Williams, Paul R. Connolly & Joseph A. Califano disqualified from further legal representation of the United Mine Workers in a suit against the UMWA and its three top officers—W. A. "Tony" Boyle, George J. Titler, and John Owens—for an accounting and restitution of money allegedly misspent and misappropriated from the UMWA Journal (*Yablonski* v. *UMWA, et al.* (Civ. Act. No. 3436–69, D.C. D.C.) Since this case has great public significance in defining the proper role of union counsel in such suits, I wish to include it in the RECORD. The use of union money to defend individual officers charged with wrongdoing toward their union is a substantial impediment to the achievement of union reform, and I believe the court acted wisely in assuring that such activity would not be permitted.

The appeal follows:

[In the U.S. Court of Appeals for the District of Columbia Circuit—No. 24,945]

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

Joseph A. Yablonski, et al., appellants *v.* United Mine Workers of America.

Decided July 21, 1971.

Mr. Joseph L. Rauh, Jr., with whom *Messrs. John Silard, Elliott C. Lichtman* and *Clarice R. Feldman* were on the brief, for appellants.

Mr. Paul R. Connolly, with whom *Mr. Edward L. Carey* was on the brief, for appellee.

Before McGowan, Robinson and Wilkey, *Circuit Judges.*

PER CURIAM: This is an action under § 501 of the Labor-Management Reporting and Disclosure Act[1] brought by the late Joseph A. Yablonski and 48 other members of the United Mine Workers of America against the UMWA and three named officers—Boyle, President; Titler, Vice President; Owens, Secretary-Treasurer—asking for an accounting of UMWA funds disbursed by them and for restitution of funds allegedly misappropriated and misspent.

No trial on the merits has been had. The issue on this appeal is whether the law firm regularly representing the UMWA, who originally entered an appearance for the UMWA and the three individual officer-defendants, should be allowed to continue its representation of the UMWA after it withdrew as counsel for the individual defendants. The District Court found that the regular UMWA outside counsel was not disqualified from continuing its representation in this action, but for reasons enunciated *infra* we hold that in the particular circumstances of this case such representation should be discontinued.

After the action was filed in December 1969, appellant-plaintiffs filed in May 1970 a motion to disqualify counsel on the grounds (1) that the compensation of the regular UMWA counsel would continue to come from the UMWA treasury and (2) that there existed a conflict between the UMWA and the individual defendant officers. A month later the UMWA counsel withdrew as counsel for the individual defendants but remained as counsel for the UMWA, which the District Court sustained as proper.

At the outset of the lawsuit the then counsel for all defendants set about with commendable diligence to delineate the real issues of the lawsuit, filing in behalf of the UMWA and the three individual defendants answers setting forth all customary general defenses, and filing 34 pages of interrogatories to develop more fully the scope of the case.

The appellants argue that this period of six months' prior representation in this same suit disqualifies the regular union outside counsel to continue its representation of the UMWA, even after its withdrawal as counsel for the three individual officer-defendants. With this we do not agree. It has been inferentially held that one lawyer can properly represent all defendants if a suit appears groundless, and that separate counsel is required only in a situation where there is a potential conflict between the interests of the union and those of its officers.[2] We regard the actions of the regular UMWA counsel during its six-month representation of both the union and its officers as an effort to ascertain the exact nature of the lawsuit and protect the interests of all defendants, and by our ruling herein do not imply any censure of counsel's action during this period of joint representation. But there does exist in our judgment a more serious barrier to the continued representation of the UMWA by its regular outside counsel in this particular lawsuit.

I. EFFECT OF OTHER LITIGATION IN WHICH REGULAR UMWA-COUNSEL REPRESENT DEFENDANT PRESIDENT BOYLE

Of far more concern is the existence of other litigation in which the regular UMWA counsel is representing Boyle, sometimes in conjunction with representation of the union, at other times not.

(1) The "reinstatement" or "reprisal" case—one of four "election" cases brought by Joseph A. Yablonski against the UMWA and its officers, alleging that the reassignment or severance of plaintiff Yablonski from certain union duties was a reprisal for his running for president against the incumbent Boyle. After the death of Yablonski the trial court dismissed the case as moot, and this action is on appeal in this court.[3] Appellants here claim that if this court should hold that the trial court was wrong in dismissing the reprisal case as moot, then appellee Boyle may subsequently be required to pay substantial punitive damages to the estate of Yablonski, and thus Boyle has a personal, as distinguished from a union, interest in that appeal. Although initially the union and its officers were represented by the union general counsel in the District Court, the regular UMWA outside counsel represented both the UMWA and Boyle personally on the motion to dismiss as moot, and continues such representation on appeal in this court.

(2) Denial of attorney's fees—as an outgrowth of the UMWA election cases, attorneys for "the Yablonski group" applied for attorney's fees to be paid by the union, which the District Court denied, finding that "no malfeasance on the part of the officers has yet been established." These four cases[4] are now on appeal. The regular UMWA counsel represents both the union and the individual officer-defendants here and did so on the merits in two of the cases in the District Court (the *"Journal"* and "fair election" cases, paragraph 3 *infra*) and on the motions to dismiss in all four cases, where the issue originally was the compliance of the incumbent officers with the Labor-Management Reporting and Disclosure Act. This series of cases is alleged to be related to the case at bar, inasmuch as paragraph 13 of the complaint herein alleges that Boyle and the other individual officer-defendants employed counsel to defend them on charges of breach of trust and paid such counsel from UMWA funds, the regular outside UMWA counsel here involved being one of those whose representation and compensation is being challenged in this present suit.

(3) The *"Journal"* and "fair election" cases—during the UMWA election campaign candidate Yablonski claimed that the union newspaper was being used to promote the candidacy of incumbent President Boyle. On appeals in this court[5] the regular UMWA counsel represented Boyle and the union, although in one aspect in the District Court which was severed and consolidated with the instant case, whether Boyle should be made to pay for some of the costs of printing of the *Journal*, the regular UMWA counsel does not represent Boyle.

4. *Blankenship* v. *Boyle*—a group of retired miners sued the Trustees of the UMWA Welfare and Retirement Fund of 1950, one of the Three Trustees being Boyle, alleging that the Fund had been mismanaged by the Trustees. Boyle was charged with using his position as a Trustee to increase pension benefits to assist his re-election campaign. The District Court ordered his removal as Trustee and this court has recently refused to stay the effectiveness of that order,[6] although not deciding the appeal on the merits. Regular UMWA counsel represents Boyle individually in all three of the capacities in which he is sued, as Trustee of the Fund, President of the UMWA, and Director of the National Bank of Washington, as well as representing the union.

We have listed and briefly described the above actions of record in which the regular UMWA counsel represents Boyle individually. Each of these has been minutely examined by appellees' counsel to demonstrate that in no instance is the representation of Boyle individually in conflict with the good faith representation of the UMWA in this case; in effect, that the interests of the UMWA and of Boyle individually are the same. We are assured that if any conflict should arise, appellees' counsel would be prompt to withdraw as counsel to the UMWA in this case.

While the issues involved in each of the individual cases, and the past or present existence or nonexistence of any conflict, are relevant to the propriety of the regular UMWA counsel continuing its representation of the union in the case at bar, yet we do not think that this analysis is determinative of the real problem here. It is undeniable that the regular UMWA counsel have undertaken the representation of Boyle individually in many facets of his activities as a UMWA official, as a Trustee of the Fund, as a Director of the Bank owned 74% by the union. With strict fidelity to this client, such counsel could not undertake action on behalf of another client which would undermine his position personally. Yet, in this particular litigation, counsel for the UMWA should be diligent in analyzing objectively the true interests of the UMWA as an institution without being hindered by allegiance to any individual concerned.[7]

We are not required to accept at this point the charge of the appellants that the "true interest" of the union is aligned with those of the individual appellants here; this may or may not turn out to be the fact. But in the exploration and the determination of the truth or falsity of the charges brought by these individual appellants against the incumbent officers of the union and the union itself as a defendant, the UMWA needs the most objective counsel obtainable. Even if we assume the accuracy of the appellee's position at the present time that there is no visible conflict of interest, yet we cannot be sure that such will not arise in the future.

Whether facts are discovered and legal positions taken which would create such a

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Footnotes at end of article.

conflict of interest between the UMWA position and the position of the individual defendant Boyle may well be determined by the approach which counsel for the UMWA takes in this case. We think that the objectives of the Labor-Management Reporting and Disclosure Act[8] would be much better served by having an unquestionably independent new counsel in this particular case. The public interest requires that the validity of appellants' charges against the UMWA management of breach of its fiduciary responsibilities be determined in a context which is as free as possible from the appearance of any potential for conflict of interest in the representation of the union itself.

II. OBJECTIVE DETERMINATION OF THE UMWA'S INSTITUTIONAL INTEREST

Counsel for the appellees here have stressed the "institutional interest" of the UMWA in all of the issues raised, and particularly the institutional interest of the union in "repose." Counsel's interpretation of the "institutional interest" of the union appears to have been broad enough to authorize UMWA counsel to undertake practically everything worthwhile in the defense of this lawsuit. After the withdrawal of the regular union counsel from representation of Boyle individually in this case, the individual practitioner selected to represent Boyle has apparently contributed little to the defense.

By far the strongest laboring oar has been stroked by the regular UMWA counsel on behalf of the union. On oral argument appellees' counsel stated that it had prepared 94 pages of answers to interrogatories that the individual practitioner representing Boyle had agreed they should do this, as the UMWA had a definite interest that all questions as to the conduct of union affairs previously were accurately answered and that the accurate answers were to be found in the union records. We can see the UMWA interest in having such interrogatories answered accurately, but we would think that since it is the individual defendants who are charged with the misconduct, their counsel would be the one to initiate and to carry the burden. It appears that, since the division of work between the UMWA counsel and counsel for the individual defendants in July 1970, until 15 March 1971 approximately 250 pages of pleadings, motions, memoranda, exhibits, affidavits and papers relating to discovery were filed by the regular UMWA counsel, while the individual defendants' counsel contributed only about 50 pages of similar documents.

In the crucial area of discovery matters, clearly representing the vast bulk of the effort expended by the parties defendant at this stage of the litigation, UMWA counsel have prepared 174 pages of answers to plaintiffs' initial interrogatories which were directed to all defendants, while counsel for the individual defendants, until 2 April 1971, some 7½ months after the interrogatories were originally served, had contended himself with filing 2 pages of answers for each individual defendant, a total of 6 pages. On 2 April 1971 counsel finally filed additional answers on behalf of defendant Boyle; however, as of the date of argument of this appeal, answers on behalf of the other individual defendants had not been filed.

Furthermore, we take judicial notice[9] of the fact that subsequent to oral argument of this appeal, the trial court on 2 July 1971 entered Pretrial Order No. 3, which proposed to impose sanctions under F. R. Civ. P. 37 against the individual defendants, if prompt response to the plaintiffs' interrogatories were not forthcoming, and which found that the answers heretofore filed on behalf of defendant Boyle were "in large measure vague, incomplete and unresponsive and bear the indication that no bona fide effort has been made to secure the information necessary to answer the interrogatories."

Aside from the comparative burden of work carried, some of the issues raised by the regular UMWA counsel would seem to be of more interest to the position of the officers than to the union, for example, the defense on the statute of limitations. Granted that the UMWA may have some interest in limiting the exploration of its internal documents, still the overriding interest in the cutoff date from which the officers individually might be liable, if of course they are liable at all, would seem to be that of the individual defendant-officers. Yet the trial court has noted in Pretrial Order No. 3 that "Counsel for defendant Boyle orally adopted at the April 8, 1971 hearing the Statute of Limitations defense proposed and briefed by defendant UMWA but filed no papers in support of such objection."

This points up the difficulty of defining an "institutional interest" such as that of the union. In trying to achieve a valid definition of an institution's interest, it would seem that counsel charged with this responsibility should be as independent as possible. It appears that in 18 months of representation (6 months for both the UMWA and Boyle individually, and 12 months for the UMWA alone), the regular UMWA counsel has not brought forth a single issue on which the UMWA and the Boyle individual interest have diverged.

We think the analogy of the position of a corporation and its individual officers when confronted by a stockholder derivative suit is illuminating here.[10] We believe it is well established that when one group of stockholders brings a derivative suit, with the corporation as the nominal defendant and the individual officers accused of malfeasance of one sort or another, the role of both the corporate house counsel and the regular outside counsel for the corporation becomes usually a passive one. Certainly no corporate counsel purports to represent the individual officers involved, neither in the particular derivative suit nor in other litigation by virtue of which counsel necessarily must create ties of loyalty and confidentiality to the individual officers, which might preclude counsel from the most effective representation of the corporation itself. The corporation has certain definite institutional interests to be protected, and the counsel charged with this responsibility should have ties on a personal basis with neither the dissident stockholder nor the incumbent officeholders.

Purportedly a stockholder derivative suit is for the benefit of the corporation, even though the corporation is a nominal defendant, just as the appellants here assert (yet to be proved) that their action is for the benefit of the UMWA and that the individual incumbent officers are liable to the union itself for their alleged misdeeds. And, under established corporate law, if the individual officers are successful in the defense of a suit arising out of the performance of their duties as corporate officers, then they may justifiably seek reimbursement from the corporation for the costs of their successful defense.

In the ordinary case the action taken here by the regular UMWA counsel in the District Court might well have been the proper one, *i.e.*, after establishing the nature of the lawsuit by interrogatories and filing answers on behalf of both the union and the individual officers in order fully to protect the position of all parties, then to step aside as counsel for the individual defendants and continue the representation of the union. But this particular case is a derivative action for the benefit of the union, and furthermore must be viewed in its relationship to this entire complex of numerous cases already pending or decided in this and the District Courts in which the regular UMWA counsel has already undertaken the representation of Boyle individually. Each and every one of these cases either directly arises out of or is directly connected with the struggle for power in the UMWA being waged by the Yablonski group on one side and the incumbent officers headed by President Boyle on the other. In this situation, the best interests of the UMWA and the purposes of the Labor-Management Reporting and Disclosure Act will be much better served by the disqualification of the regular union counsel in this particular suit and its continued representation of the individual Boyle in the other lawsuits.

We are cognizant that any counsel to represent the UMWA selected by President Boyle will be to some degree under his control. But such counsel will still only have one client—the UMWA—to represent in matters growing out of the union's affairs. Such counsel would never be professionally obligated to consider Boyle's personal interests, because they would not be representing him individually in related matters. And the extent of their labors would be gauged by the need to protect the UMWA position in this litigation.

Therefore, the Order of the District Court denying the appellant's motion to disqualify the regular UMWA outside counsel from representing the UMWA in this particular action is vacated, and the cause remanded to the District Court for further proceedings in accordance with this opinion.

FOOTNOTES

[1] 29 U.S.C. § 501(b) (1964) provides *inter alia:*

"When any officer, agent, shop steward, or representative of any labor organization is alleged to have violated the duties declared in subsection (a) of this section and the labor organization or its governing board or officers refuse or fail to sue or recover damages or secure an accounting or other appropriate relief within a reasonable time after being requested to do so by any member of the labor organization, such member may sue such officer, agent, shop steward, or representative in any district court of the United States or in any State court of competent jurisdiction to recover damages or secure an accounting or other appropriate relief for the benefit of the labor organization."

[2] *Milone* v. *English*, 113 U.S. App. D.C. 207, 306 F.2d 814 (1962).

[3] *Yablonski* v. *UMWA*, No. 24,584.

[4] Consolidated cases, all titled *Yablonski* v. *UMWA*, Nos. 24,560, 24,561, 24,562, and 24,563 in this court.

[5] Appeals in this court in the *"Journal"* cases all captioned *Yablonski* v. *UMWA*, have now been terminated. In No. 23,439, appellant's motion for summary reversal was denied on 29 August 1969 and the appeal dismissed on 28 April 1970. Nos. 23,536 and 23,659, consolidated on appeal, were affirmed by order of the court on 28 November 1969. The "fair election" case, in which regular UMWA counsel represented the union and its officers in the District Court, was dismissed after UMWA counsel represented that substantial changes in election procedures would be instituted. No appeal has been taken from that dismissal.

[6] *Blankenship* v. *Boyle*, No. 71-1430, Order denying stay filed 11 June 1971.

[7] "Where, as here, union officials are charged with breach of fiduciary duty, the organization is entitled to an evaluation and representation of its institutional interests by independent counsel, unencumbered by potentially conflicting obligations to any defendant officer." *Int'l Bhd. of Teamsters* v. *Hoffa*, 242 F. Supp. 246, 256 (D.D.C. 1965).

We are aware, of course, that in a second opinion in the *Hoffa* case, *Int'l Bhd. of Teamsters* v. *Hoffa,* No. 1154–64 D.D.C. 8 September 1965, 52 CCH Lab. Cas. 23,516, the court held that by "independent counsel" it meant counsel who did not represent both the union and an officer-defendant in the same case, and that the union was free to choose a regularly retained attorney to represent its interests in a § 501 suit. The *Hoffa* case, however, did not present a situation like that of the case at bar, where the regular union counsel seeks to represent the union in a "derivative" action while at the same time representing in pending and related matters an individual officer charged in that action.

[8] 29 U.S.C. § 401 (1964) sets forth the congressional declaration of findings, purposes and policy of the LMRDA, including *inter alia* the statement that "in order to accomplish the objective of a free flow of commerce it is essential that labor organizations, employers, and their officials adhere to the highest standards of responsibility and ethical conduct in administering the affairs of their organizations. . . ." The legislative history of the Act makes plain that a major congressional objective was to provide union members, as well as the Government in the public interest, with a variety of means to ensure that officials of labor organizations perform their duties in accordance with fiduciary standards. Both the Senate and House reports relating to the Act stressed the importance of such standards, the Senate Committee noting that:

Labor organizations are creations of their members; union funds belong to the members and should be expended only in furtherance of their common interest. A union treasury should not be managed as the private property of union officers, however well intentioned, but as a fund governed by fiduciary standards appropriate to this type of organization. The members who are the real owners of the money and property of the organization are entitled to a full accounting of all transactions involving their property." (S. Rep. No. 187, 86th Cong., 1st Sess. 8 (1959); see also H.R. No. 741, 86th Cong., 1st Sess. 7, 8 (1959).

The House Committee strongly expressed its concern that:

"Some trade unions have acquired bureaucratic tendencies and characteristics. The relationship of the leaders of such unions to their members has in some instances become impersonal and autocratic. In some cases men who have acquired positions of power and responsibility within unions have abused their power and forsaken their responsibilities to the membership and to the public. The power and control of the affairs of a trade union by leaders who abuse their power and forsake their responsibilities inevitably leads to the elimination of efficient, honest and democratic practices within such union, and often results in irresponsible actions which are detrimental to the public interest." (H.R. No. 741, 86th Cong., 1st Sess. 6 (1959).

Appellants' complaint in the instant case alleges a state of affairs existing within the leadership of the UMWA of the magnitude of that which the House Report condemned.

[9] *See T.V.T. Corp.* v. *Basiliko,* 103 U.S. App. D.C. 181, 183, 257 F.2d 185, 187 (1958).

See Phillips v. *Osborne,* 403 F.2d 826, 831 (9th Cir. 1968); *Int'l Bhd of Teamsters* v. *Hoffa,* 242 F. Supp. 246, 251 (D.D.C. 1965). Indeed, as appellees themselves noted in a motion filed in the court below, "The action by Mr. Yablonski and others is a derivative action on behalf of the union. . . ."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TEAGUE of California (at the request of Mr. GERALD R. FORD), for July 26 through 28, on account of official business.

Mr. CARTER (at the request of Mr. GERALD R. FORD), for the week of July 26, on account of official business as member of President's Commission on Marihuana and Drug Abuse.

Mr. PRICE of Texas (at the request of Mr. GERALD R. FORD), for July 26 and 27, on account of official business as a member of the House Committee on Agriculture.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FRENZEL) to revise and extend their remarks and include extraneous material:)

Mr. CRANE, for 20 minutes, today.

Mr. KEITH, for 5 minutes, today.

Mr. HALPERN, for 5 minutes, today.

Mr. FINDLEY, for 10 minutes, today.

(The following Members (at the request of Mr. RUNNELS) to revise and extend their remarks and include extraneous material:)

Mr. RYAN, for 10 minutes, today.

Mr. ROY, for 5 minutes, today.

Mr. GRIFFIN, for 10 minutes, today.

Mr. GONZALEZ, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SIKES in five instances, and to include extraneous material.

(The following Members (at the request of Mr. FRENZEL) and to include extraneous material:)

Mr. HASTINGS.

Mr. CRANE in five instances.

Mr. DERWINSKI.

Mr. HALPERN.

Mr. DEVINE in two instances.

Mr. HARVEY in two instances.

Mr. MIZELL in two instances.

Mr. KUYKENDALL.

Mr. MCCLORY in two instances.

Mr. VANDER JAGT.

Mr. SAYLOR.

Mr. JOHNSON of Pennsylvania.

(The following Members (at the request of Mr. RUNNELS) and to include extraneous matter:)

Mrs. GRIFFITHS.

Mr. MITCHELL.

Mr. FOLEY.

Mr. JACOBS in two instances.

Mr. HAMILTON.

Mr. HARRINGTON.

Mr. EDWARDS of California in three instances.

Mr SCHEUER in two instances.

Mr. EVINS of Tennessee in two instances.

Mr. LONG of Maryland in three instances.

Mr. RARICK in four instances.

Mr. GONZALEZ in three instances.

SENATE BILLS, JOINT AND CONCURRENT RESOLUTIONS REFERRED

Bills, joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 389. An act for the relief of Stephen Lance Pender, Patricia Jenifer Pender, and Denese Gene Pender; to the Committee on the Judiciary.

S. 733. An act to create an additional judicial district in the State of Louisiana, and for other purposes; to the Committee on the Judiciary.

S. 1866. An act for the relief of Clayton Bion Craig, Arthur P. Wuth, Mrs. Lenore D. Hanks, David E. Sleeper, and DeWitt John; to the Committee on the Judiciary.

S.J. Res. 105. Joint resolution authorizing the President to issue a proclamation designating 1971 as the "Year of World Minority Language Groups"; to the Committee on the Judiciary.

S.J. Res. 132. Joint resolution extending the duration of copyright protection in certain cases; to the Committee on the Judiciary.

S. Con. Res. 35. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1892. An act for the relief of Stephen C. Yednock;

H.R. 1907. An act for the relief of Arnold D. Smith;

H.R. 2110. An act for the relief of the estate of Julius L. Goeppinger;

H.R. 2246. An act for the relief of Charles C. Smith;

H.R. 3344. An act to authorize the Administrator of Veterans' Affairs to sell at prices which he determines to be reasonable under prevailing mortgage market conditions direct loans made to veterans under chapter 37, title 38, United States Code;

H.R. 3753. An act for the relief of Sergeant Ernie D. Bethea, U.S. Marine Corps (retired);

H.R. 6217. An act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938;

H.R. 7271. An act to authorize appropriations for the Commission on Civil Rights; and

H.J. Res. 714. Joint resolution designating the week of August 1, 1971, as "American Trial Lawyers Week."

ADJOURNMENT

Mr. RUNNELS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 27, 1971, at 12 o'clock noon.

COMMITTEE EMPLOYEES

JULY 8, 1971.

COMMITTEE ON AGRICULTURE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Permanent staff:		
Christine S. Gallagher	Chief clerk	$15,853.83
Lacey C. Sharp	General counsel	15,853.83
Hyde H. Murray	Associate counsel	17,816.05
Louis T. Easley	Staff consultant	12,860.26
Betty M. Prezioso	Secretary to general counsel.	8,477.42
Lydia Vacin	Staff assistant	8,477.42
Martha S. Hannah	Subcommittee clerk	8,477.42
Marjorie B. Johnson	Secretary to associate counsel.	8,477.42
Peggy L. Pecore	Calendar clerk (From Feb. 1).	7,131.80
Catherine L. Bernhardt.	Calendar clerk (Until Jan. 17).	762.52
George F. Misslbeck	Printing editor	9,457.43
Fowler C. West	Staff consultant (From Apr. 1).	4,166.66
Investigative staff:		
Mildred Baxley	Staff assistant	8,477.42
Fred T. Ward	Staff consultant	8,764.55
Mary Perry Shaw	Staff assistant	6,300.35
Doris Lucile Farmarco	do	6,300.35
Bert Allan Watson	do	2,967.50
Nancy C. Coons	Staff assistant (From February 1).	4,132.20
John A. Knebel	Assistant counsel (until February 7).	2,807.74
Doris E. Swisher	Staff assistant	5,842.06

Funds authorized or appropriated for committee expenditures	$250,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 1, 1971 to June 30, 1971	$45,793.38
Total amount expended from .... to	
Balance unexpended as of June 30, 1971	204,206.62

W. R. POAGE.
Chairman.

JULY 15, 1971.

COMMITTEE ON APPROPRIATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Paul M. Wilson	Clerk and staff director.	$17,504.91
Jay B. Howe	Staff assistant	17,332.67
Robert M. Moyer	do	17,332.67
G. Homer Skarin	do	17,332.67
Eugene B. Wilhelm	do	$17,332.67
Samuel R. Preston	do	17,332.67
Hunter L. Spillan	do	16,346.96
Aubrey A. Gunnels	do	16,091.87
Henry A. Neil, Jr	do	16,091.87
Keith F. Mainland	Staff assistant to chairman.	15,382.16
George E. Evans	Staff assistant	15,382.16
Earl C. Silsby	do	15,382.16
Peter J. Murphy, Jr	do	14,355.21
William G. Boling	do	12,369.22
John M. Garrity	do	12,127.09
Robert B. Foster	do	12,127.09
Milton B. Meredith	do	10,772.64
George A. Urian	do	9,525.71
DeLosey B. Mizelle	do	9,525.71
Robert C. Nicholas, III	do	9,525.71
Thomas J. Kingfield	do	9,525.71
Donald E. Richbourg	do	9,525.71
Thayer A. Wood	do	7,772.18
Charles W. Snodgrass	do	7,680.00
John G. Plashal	do	6,654.82
Gary C. Michalak	do	6,136.03
Bryon S. Nielson	do	6,136.03
Samuel W. Crosby	Special Assistant	15,816.38
Lawrence C. Miller	Editor	12,369.22
Paul V. Farmer	Assistant Editor	8,547.97
Francis W. Sady	Administrative Assistant	7,064.08
Austin G. Smith	Clerical Assistant	7,064.08
Gerard J. Chouinard	do	6,654.82
Dale M. Shulaw	do	5,737.81
Daniel V. Gun Shows	do	4,666.63
Kathleen Blankenship	do	2,101.43
Gemma M. Hickey	Clerk-typist	3,555.34
Randolph Thomas	Messenger	5,395.06
Gerald F. Meyer	Minority clerk (to Mar. 6, 1971).	5,018.62
Harold H. Griffin	Minority clerk (from Mar. 27, 1971).	7,050.00
Enid Morrison	Staff assistant to minority.	9,810.35
Thomas H. Hardy	Clerical assistant	2,000.00
Carolyn J. Johnston	Clerk-stenographer	1,000.00
Peggy C. Ehringhaus	do	6,654.82
Jimmy R. Fairchild	Clerical assistant	1,056.32
Patricia E. Hutchinson	Clerk-stenographer	5,535.12
James W. Dyer	Clerical assistant	5,512.50
Katherine D. Coupe	Clerk-stenographer	6,654.82
Barbara B. Blum	do	6,654.82
Norma J. McCay	do	4,166.65
Mary Ann Bond	do	3,633.32
David H. Kehl	Clerical assistant	6,550.83
Ronald A. Rash	do	6,239.80
Barbara Coleman Wallace.	Clerk-stenographer	4,166.65
Helen W. Philipsborn	do	1,056.32
Karen Lee Sahlin	do	6,654.82
Linda Steele	do	6,654.42
Laura C. Lineberry	do	6,300.35
Samuel A. Mabry	Clerical assistant	1,166.67
Naomi A. Rich	Clerk-stenographer	6,308.98
Lola B. Oberman	do	3,811.12
Mary H. Smallwood	do	6,748.76
Catherine M. Voytko	do	6,654.82
John F. Walsh	Clerical assistant	6,654.82
T. Robert Garretson	do	6,654.82
Robert M. Walker	do	4,000.00
Leta M. Buhrman	Clerk-stenographer	6,654.82
Margaret Ann Riley	do	5,089.20
Forrest O. Tate, Jr	Clerical assistant	6,654.82
Vincent Rizzutto	do	6,654.82
George F. Allen	do	4,666.68

Amount of expenditures previously reported	$547,552.24
Amount expended from Jan. 1, 1971, to June 30, 1971	595,668.38
Total amount expended from July 1, 1970, to June 30, 1971	1,143,220.62

GEORGE MAHON,
Chairman.

JULY 15, 1971.

COMMITTEE ON APPROPRIATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Paul J. Mohr	Director (to Apr. 30, 1971).	$10,451.18
Cornelius R. Anderson	Director, (from May 1, 1971).	15,182.90
Leroy R. Kirkpatrick	1st assistant	14,062.10
Willia C. Law	2d assistant	4,516.66
Mary Alice Sauer	Administrative assistant.	7,107.70
Frances May	Clerk-stenographer	6,300.35
Janet Lou Dameron	do	4,784.45
Agriculture, Department of:		
Crabtree, P.O	Clerical assistant	1,998.62
Nielson, B. S	do	4,492.06
Robison, J. F	Investigator	7,664.72
Strelser, A. J	do	15,525.30
Army Audit Agency:		
Dunn, R. J	do	8,562.40
Central Intelligence Agency:		
Morrow, C. W	do	9,656.13
Commerce, Department of:		
Specht, D. H	do	6,300.36
Defense Contract Audit Agency:		
Herron, M. A	do	7,101.20
Federal Bureau of Investigation:		
Baber, J. R	do	10,307.36
Bennett, C.L	do	12,698.88
Bosko, A.P	do	11,085.84
Brummitt, D. A	do	8,225.28
Carroll, G. C	do	11,970.96
Carson, D. W	do	12,846.24
Christensen, J	do	7,039.84
Fenstermacher, H. E., Jr.	do	12,557.76
Franklin, R. M	do	11,970.96
Funkhouser, P. K	do	10,211.04
Goedtel, J. G	do	12,259.44
Groover, L. C., Jr	do	10,499.52
Ivy, C. M	do	12,259.44
Law, W. C	do	8,491.20
McGahey, H. B	do	12,557.76
MaGee, E. H	do	12,557.76
Maher, M. F	do	12,557.76
Malyniak, J., Jr	do	11,502.88
Mansfield, J. P	do	11,970.96
Michalski, J. E	do	12,259.44
Morris, E. J	do	2,540.16
Schmidt, D. A	do	4,606.16
Scully, J. E	do	5,179.04
Shannon, A. J	do	12,557.76
Szoka, C. E	do	11,970.96
Torrence, R. E	do	5,304.00
Welch, W. H., Jr	do	12,846.24
Wetzel, R. G	do	9,109.68
Wood, H. B	do	12,766.08
Health benefits		2,667.14
Life insurance fund		1,066.70
Retirement fund		18,665.98
General Services Administration: Foster, G.	do	11,101.22
National Aeronautics and Space Administration: Driver, C	do	6,434.91
Veterans Administration: O'Brien, J. F.	do	4,804.21
Travel expenses		77,464.71
Miscellaneous expenses		1,928.13

Funds authorized or appropriated for committee expenditures	$1,145,000.00
Amount of expenditures previously reported	540,588.32
Amount expended from Jan. 1, 1971 to June 30, 1971	550,549.53
Total amount expended from July 1, 1970 to June 30, 1971	1,091,137.85
Balance unexpended as of June 30, 1971	53,862.15

GEORGE F. MAHON, Chairman.

JULY 6, 1971.

COMMITTEE ON ARMED SERVICES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, for the permanent Committee staff, and January 3–July 1, 1971, for investigating staff inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John R. Blandford	Chief counsel	$17,958.75
Frank M. Slatinshek	Assistant chief counsel	17,937.33
Earl J. Morgan	Professional staff member.	17,836.14
William H. Cook	Counsel	17,836.14
John J. Ford	Professional staff member.	15,611.96
Ralph Marshall	do	14,361.96
George Norris	Counsel	13,792.01
James F. Shumate	do	13,792.01
William H. Hogan	do	11,085.89
Oneta L. Stockstill	Executive secretary	12,178.42
Berniece Kalinowski	Secretary	9,037.64
L. Louise Ellis	do	9,037.64
Edna E. Johnson	do	9,037.64
Dorothy R. Britton	do	9,037.64
Doris L. Scott	do	9,037.64
Innis E. McDonald	do	6,783.93
Brenda J. Gore	do	5,644.44
Ann R. Willett	do	5,644.44
Emma M. Brown	do	5,644.44
Nancy Sue Jones	do	4,356.17
James A. Deakins	Clerical staff assistant	6,833.88
Issiah Hardy	Messenger	4,902.48
Staff, Armed Services investigating subcommittee (from Jan. 3, 1971) (Pursuant to H, Res, 201 and H. Res. 202, 92d Congress):		
John T. M, Reddan	Counsel	17,644.29
John F. Lally	Assistant counsel	14,207.35
Richard A. Ransom	Professional staff member	13,033.43
H. Hollister Cantus	do	9,055.68
William B. Short, Jr	Clerical staff assistant	7,342.76
Sanford T. Saunders	Security officer	6,759.46
Rose C. Beck	Secretary	6,709.11
Adeline P. Tolerton	Clerk	5,664.58
Joyce C. Bova	Secretary	4,673.87
Diane W. Trowbridge	do	4,135.57
Sally A. Moore	do	4,305.32
L. Mendel Rivers, Jr	Clerical staff assistant (from Mar. 10 through May 10).	480.00

Funds authorized or appropriated for committee expenditures (H. Res. 202)	$300,000.00
Amount of expenditures previously reported	0
Amount expended from Jan. 3 to June 30, 1971	97,335.79
Total amount expended from Jan. 3 to June 30, 1971	97,335.79
Balance unexpended, as of June 30, 1971	202,664.21

F. EDWARD HÉBERT,
Chairman.

JULY 6, 1971.

COMMITTEE ON BANKING AND CURRENCY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee staff:		
Paul Nelson	Clerk and staff director	$17,958.75
Ormar S. Fink	Minority professional staff member.	17,958.75
Curtis A. Prins	Chief investigator	16,236.41
Charles B. Holstein	Professional staff member.	17,298.25
Benet D. Gellman	Counsel	17,913.79
Joseph C. Lewis	Professional staff member.	17,945.64
Graham T. Northup	Professional staff member, minority.	17,908.25
Mary W. Layton	Secretary to minority	10,653.12
Donald G. Vaughn	Administrative assistant.	9,210.12
Total		143,083.08
Investigative staff (H. Res. 226, 92d Cong.) full committee:		
Richard C. Barnes	Assistant clerk	$8,791.94
Brent B. Barriere	do	355.56
Harvey S. Braunstein	Professional staff member.	3,375.00
Jane N. D'Arista	Research assistant	3,592.58
Dolores K. Dougherty	Research associate	8,581.78
Susan Driggers	Secretary	619.08
Carolyn A. Easter	do	4,642.06
Allen R. Ferguson	Economist	6,000.00
Carole Fowkes	Secretary	530.54
Judy Morris Frieder	Assistant clerk	2,631.37
Linda Hechtman	do	2,731.03
Helen Hitz	Administrative assistant.	9,104.20
Lawrence G. Henderson.	Professional staff member.	7,849.26
Linda Leah Hoff	Secretary	5,100.63
Joseph J. Jasinski	Professional staff member.	14,121.91
Mary-Helen Kesecker	Secretary	4,407.20
Mary E. Kirk	Assistant clerk	5,100.63
Michael Lemov	Counsel	2,741.65
Kelsey Ray Meek	Professional staff member.	4,583.34
Mildred S. Mitchell	Assistant clerk	9,036.69
Richard H. Neiman	do	2,867.05
Gayle L. Peabody	Secretary	4,676.06
Clifford E. Payne	Assistant clerk	720.52
Margaret M. Rayhawk	Research associate	7,916.75
Yan Michael Ross	Minority staff member.	10,508.87
Alicia F. Shoemaker	Minority staff secretary.	10,508.87
Jeanne Carolyn Smith	Secretary	1,866.66
Elizabeth Stabler	Professional staff member.	11,916.22
Peter D. H. Stockton	do	6,304.16
Gary Tabak	Counsel	11,013.24
Lester Carl Thurow	Professional staff member.	3,000.00
Robert E. Torrance	Assistant clerk	4,382.03
Catherine L. Warder	Secretary	52.78
Total		$179,629.66

Funds authorized or appropriated for committee expenditures (H. Res. 226—General)	[1] $585,000.00
Amount of expenditures previously reported	None
Amount expended from Jan. 3, 1971 to June 30 1971	$193,773.83
Total amount expended from Jan. 3, 1971 to June 30, 1971	$193,773.83
Balance unexpended as of June 30, 1971	$391,226.17

[1] H. Res. 226 provides total funds of $975,000 with $390,000 earmarked for Housing Subcommittee.

WRIGHT PATMAN,
Chairman.

JULY 6, 1971.

SUBCOMMITTEE ON HOUSING, HOUSE COMMITTEE ON BANKING AND CURRENCY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Terrence Boyle	Minority counsel	$10,910.81
L. Marie Chaillet	Minority secretary	961.08
W. Jean Clarkson	Secretary	5,285.69
Michael T. Corbett	Assistant clerk	4,203.70
Patricia Eley	do	4,964.97
David Glick	Counsel	$17,724.71
George Gross	do	17,724.71
Emily M. Hightower	Secretary	6,508.83
Casey Ireland	Minority staff member	17,724.71
Barbara Kling	Minority secretary	4,210.02
Margaret Leary	Secretary	9,036.69
Benjamin B. McKeever	Assistant counsel	4,166.66
Gerald R. McMurray	Research associate	15,896.35
Catherine Smith	Minority secretary	4,676.06
Doris Young	Assistant clerk	8,352.85
John E. Zuccotti	Special council	10,352.24
Total		142,700.08

Funds authorized or appropriated for committee expenditures (H. Res. 226-Housing)	*$390,000.00
Amount of expeditures previously reported	None
Amount expended from January 3, 1971, to June 30, 1971	148,879.05
Total amount expended from January 3, 1971 to June 30, 1971	148,879.05
Balance unexpended as of June 30. 1971	241,120.95

*H. Res. 226 provides total funds of $975,000, with Committee on Banking and Currency $390,000 earmarked for Housing Subcommittee.

WRIGHT PATMAN,
Chairman.

JUNE 30, 1971.

COMMITTEE ON THE DISTRICT OF COLUMBIA

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Hayden S. Garber	Counsel	$13,982.38
Clayton D. Gasque	Staff director	12,046.38
Leonard L. Hilder	Invastigator	10,772.64
James T. Clark	Clerk	14,977.38
Otheollo Steinkuller	Secretary	8,673.56
Betty C. Alexander	do	8,019.06
Peggy L. Thornton	do	8,019.06
John E. Hogan	Minority clerk	12,598.95
Camille G. Butler	Secretary	5,168.43
Whitney L. Turley	Investigator	8,884.79
Marcellus C. Garner	Clerk-typist	3,950.64
Deborah J. Blanton	(Summer intern	541.67
Patrick E. Kelly	Assistant counsel (June 1, 1971).	1,250.00
Sara Anna Watson	Assistant counsel (Retired Feb. 28, 1971).	3,092.43
Beverly W. Pease	Research specialist	1,700.00
Margaret G. Hoffmann	Legislative assistant	1,666.67

Funds authorized or appropriated for committee expenditures	220,000.00
Amount of expenditure previously reported	
Amount expended from January 1, 1971 to July 7, 1971	27,961.56
Total amount expended from January 1, 1971 to July 1, 1971	27,961.56
Balance unexpended as of July 1, 1971	192,038.44

JOHN L. McMILLAN,
Chairman.

JULY 15, 1971.

COMMITTEE ON EDUCATION AND LABOR—STANDING COMMITTEE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved

August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Donald M. Baker	Chief clerk and associate counsel, (from Jan. 1 to June 30, 1971).	$17,958.75
Donald F. Berens	Administrative assistant (from Jan. 3 to June 30, 1971).	11,757.60
Louise Maxienne Dargans.	Research director (from Jan. 1 to June 30, 1971).	17,958.75
William F. Gaul	Associate general counsel (from Jan. 1 to June 30, 1971).	17,958.75
Hartwell D. Reed, Jr	General counsel (from Jan. 1 to June 30, 1971).	17,958.75
Benjamin F. Reeves	Assistant to chairman and assistant clerk (from Jan. 1 to June 30, 1971).	17,958.75
Austin P. Sullivan, Jr	Legislative specialist (from Jan. 1 to June 30, 1971).	15,371.66
Louise M. Wright	Administrative assistant (from Jan. 1 to June 30, 1971).	12,256.28
Marian R. Wyman	Special assistant to chairman (from Jan. 1 to June 30, 1971).	15,785.68
Minority:		
Michael J. Bernstein	Minority counsel for Labor (from Jan. 1 to June 30, 1971).	17,958.75
Crawford C. Heerlein	Minority clerk (from Jan. 3 to June 30, 1971).	15,585.25
Charles W. Radcliffe	Special education counsel for minority (from Jan. 1 to June 30, 1971).	17,958.75

Funds authorized or appropriated for committee expenditures	(*)
Amount of expenditures previously reported	None
Amount expended from Jan. 1–June 30, 1971	196,467.72
Total amount expended from Jan. 1–June 30, 1971	196,467.72
Balance unexpended as of June 30, 1971	(*)

*Contingent fund.

CARL D. PERKINS,
Chairman.

JULY 15, 1971.

COMMITTEE ON EDUCATION AND LABOR—FULL COMMITTEE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Carole J. Ansheles	Assistant clerk (from June 1 to June 30, 1971).	$475.00
Goldie A. Baldwin	Legislative Assistant (from January 3 to June 30, 1971).	7,393.64
Dean Gregory Barker	Assistant Clerk (from June 14 to June 30, 1971).	269.17
William H. Cable	Legislative Assistant (from January 3 to June 30, 1971),	8,300.94
Elizabeth A. Cornett	Administrative Assistant (from January 3 to June 30, 1971),	$8,581.63
Lelia T. Cornwell	Administrative Assistant (from January 3 to June 30, 1971),	7,393.64
Stephen J. Dryden	Assistant clerk (from June 21 to June 30, 1971).	158.33
Harry M. Feder	Assistant clerk (from June 7 to June 30, 1971).	380.00
Eydie Gaskins	Administrative assistant (from January 3 to June 30, 1971).	7,393.64
Katherine Clark Gibbons	Research assistant (from January 3 to June 30, 1971).	6,373.70
Scott L. Gordon	Assistant clerk (from June 21 to June 30, 1971).	158.33
Ernest B. Hillenmeyer III.	Assistant clerk (from June 17 to June 30, 1971).	221.67
S. G. Lippman	Special counsel—labor (from Jan. 3 to June 30, 1971).	2,617.81
Mattie L. Maynard	Research assistant (from Apr. 1 to June 30, 1971).	300.00
Shirley R. Mills	Secretary (from Jan. 3 to June 30, 1971).	7,498.59
David E. Pinkard	Assistant clerk (from June 14 to June 30, 1971).	269.17
David B. Putnam	Staff assistant (from Jan. 3 to June 30, 1971).	4,760.23
Peter Schott	Assistant clerk (from Jan. 3 to June 30, 1971).	2,807.93
Mary L. Shuler	Secretary (from Jan. 3 to June 30, 1971).	6,396.07
Brian E. Sullam	Assistant clerk (from June 1 to June 30, 1971).	475.00
Jeanne E. Thomson	Legislative assistant (from Jan. 3 to June 30, 1971).	9,357.35
Philip S. Uesato	Assistant clerk (from Jan. 3 to Jan. 31, 1971).	420.43
John E. Warren	Junior researcher (from Jan. 3 to June 30, 1971).	4,568.27
Minority:		
Robert C. Andringa	Minority legislative associate (from Jan. 3 to June 30, 1971).	12,408.83
Norma P. Chiriboga	Research assistant (from Jan. 3 to Jan. 31, 1971).	897.51
Louise W. Finke	Secretary (from Jan. 3 to June 30, 1971).	7,049.72
Anita M. Gerhardt	do	5,994.16
Will Henderson	Assistant clerk (from Jan. 3 to Mar. 31, 1971).	3,668.04
Sophia Jo Jolivette	Secretary (from June 7 to June 30, 1971).	533.34
Martin L. LaVor	Minority legislative associate (from January 3 to June 30, 1971).	13,401.67
Joyce C. Lindsey	Secretary (from January 3 to April 11, 1971).	1,821.93
John C. Miller	Minority Associate Counsel for Labor (from February 21 to June 30, 1971).	10,472.24
Silvia J. Rodriguez	Secretary (from January 3 to June 30, 1971).	4,676.01
Mary Ann Rospendowski	Secretary (from January 3 to January 9, 1971).	25.03
Dorothy L. Strunk	Administrative assistant (from January 3 to May 31, 1971). Secretary (from June 1 to June 30, 1971).	5,994.16
Dennis J. Taylor	Minority Associate Counsel (from June 14 to June 30, 1971).	897.22

Funds authorized or appropriated for committee expenditures, 1971	$655,000.00
Amount of expenditures previously reported	None
Amount expended, Jan. 3–June 30, 1971	179,779,46
Total amount expended, Jan. 3–June 30, 1971	$179,779.46
Balance unexpended as of June 30, 1971	475,220.54

CARL D. PERKINS, Chairman.

JULY 15, 1971.

SPECIAL SUBCOMMITTEE ON EDUCATION, NO. 1

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Nancy Davis	Secretary (from Feb. 1 to June 30, 1971).	$4,083.33
Richard E. Feeney	Research assistant (from Jan. 3 to June 30, 1971).	9,626.70
Harry J. Hogan	Counsel (from Jan. 3 to June 30, 1971).	11,644.69
Sally K. Kirkgasler	Research assistant (from Jan. 3 to June 30, 1971).	5,531.72
Nancy K. Kopp	Research assistant (from Apr. 5 to June 30, 1971).	2,866.67
Bernice Sandler	Education specialist (from Jan. 3 to Jan. 31, 1971).	1,050.40
Betty L. Shupp	Clerk-typist (from Jan. 3 to Feb. 16, 1971).	496.62

Funds authorized or appropriated for committee expenditures	$85,000.00
Amount of expenditures previously reported	none
Amount expended from Jan. 3 to June 30, 1971	35,433.69
Total amount expended from Jan. 3 to June 30, 1971	35,433.69
Balance unexpended as of June 30, 1971	49,566,31

CARL D. PERKINS,
Chairman.

JULY 15, 1971.

JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to July 1, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Laurence N. Woodworth	Chief of staff	$19,999.98
Lincoln Arnold	Deputy chief of staff	18,000.00
Dennis P. Bedell	Assistant chief of staff	16,472.37
Arthur Fefferman	Chief economist	18,000.00
Nicholas A. Tomasulo	Legislation counsel	16,661.24
Herbert L. Chabot	Assistant legislation counsel.	13,822.39
Robert R. Smyers	Refund counsel	16,652.82
James H. Symons	Statistical analysis	16,024.32
John Germanis	do	12,871.16
Meade Emory	Legislation attorney	13,917.25
Albert Buckberg	Economist	13,227.29
Michael D. Bird	do	13,227.29
Harrison B. McCawley	Refund attorney	12,256.28
Bernard M. Shapiro	Legislation attorney	11,449.51
Joseph P. Spellman	do	10,724.85
Harold Dubroff	do	10,384.86
Donald C. Evans, Jr	Legislation attorney (as of Mar. 1, 1971).	6,591.67

Name of employee	Profession	Total gross salary during 6-month period
John Broadbent	Legislation attorney (through March 23, 1971).	$5,375.31
Anastasia Connaughton	Statistical clerk	10,346.94
Joseph E. Fink	do	10,346.94
Leon W. Klud	Economist	8,756.11
Carl E. Bates	Refund attorney	8,557.48
Joanne McDermott	Secretary	7,733.04
Linda Savage	do	6,154.93
Blanche Nagro	Secretary (refund)	6,079.65
Mary W. Gattie	Secretary	5,850.79
Jamie L. Daley	do	5,523.00
June Matthews	do	5,098.72
Amelia Del Carmen	do	5,053.61
Marcia B. Rowzie	do	4,867.00
Wanda D. Fraser	do	4,595.58
Sharon Malcom	Secretary (refund)	4,006.92
Helen Strosnider	Secretary	4,000.00
Jacqueline Miller	Secretary (as of June 7, 1971).	666.66
Katherine Keller	Secretary (as of June 14, 1971).	231.39
James E. Wheeler	Accountant (as of June 24, 1971).	388.89

Funds authorized or appropriated for committee expenditures	712,280.00
Amount of expenditures previously reported (July 1, 1970 to Jan. 1, 1971)	320,460.49
Amount expended from Jan. 1, 1971 to July 1, 1971	348,950.52
Total amount expended from July 1, 1970 to July 1, 1971	669,411.01
Balance unexpended as of July 1, 1971	42,868.99

WILBUR D. MILLS,
Chairman.

JULY 15, 1971.

SPECIAL SUBCOMMITTEE ON LABOR, NO. 2

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Jeunesse M. Beaumont	Clerk (from Jan. 3 to June 30, 1971).	$7,568.74
Hugh G. Duffy	Counsel (from Jan. 3 to June 30, 1971).	12,426.04
Jerome N. Eller	Labor statistics analyst (from Jan. 3 to May 31, 1971).	2,574.91
Carl Elliott	Special counsel (from Jan. 3 to June 30, 1971).	636.41
James C. Hedden	Research assistant (from Jan. 3 to June 30, 1971).	2,969.52
Peter Newbould	Assistant clerk (from June 14 to June 30, 1971).	184.17
Ann M. O'Hora	Research assistant (from April 1 to June 30, 1971).	1,200.00
Bradley G. Peters	Assistant clerk (from June 1 to June 30, 1971).	375.00
Daniel H. Pollitt	Special counsel (from Jan. 3 to June 30, 1971).	3,274.24
Anne W. Risdon	Assistant clerk (from June 7 to June 30, 1971).	346.66
Mary Lee Stein	Research assistant (from Jan. 3 to Jan. 31, 1971).	233.58
Mark Tower	Assistant clerk (from June 1 to June 30, 1971).	375.00

Funds authorized or appropriated for committee expenditures	$85,000.00
Amount of expenditures previously reported	none
Amount expended from Jan. 3, 1971, to June 30, 1971	32,944.52
Total amount expended from Jan. 3, 1971 to June 30, 1971	32,944.52
Balance unexpended as of June 30, 1971	52,055.48

CARL D. PERKINS, Chairman.

JULY 15, 1971.

GENERAL SUBCOMMITTEE ON LABOR, NO. 3

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to July 1, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Adrienne Fields	Clerk (from Jan. 3 to June 30, 1971).	$7,725.01
S. G. Lippman	Special counsel (from Jan. 3 to June 30, 1971).	2,166.96
Ernest J. Mannino	Research assistant (from June 9 to June 28, 1971).	216.67
Mary F. McAndrew	Research coordinator (from Jan. 3 to June 30, 1971).	4,163.43
Robert E. Vagley	Director (from Jan. 3 to June 30, 1971).	15,186.37

Funds authorized or appropriated for committee expenditures	85,000.00
Amount of expenditures previously reported	None
Amount expended from Jan. 3 to June 30, 1971	34,293.88
Total amount expended from Jan. 3 to June 30, 1971.	34,293.88
Balance unexpended as of June 30, 1971	50,706.12

CARL D. PERKINS, *Chairman.*

JULY 15, 1971.

GENERAL SUBCOMMITTEE ON EDUCATION, NO. 4

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Thomas J. Gerber	Assistant clerk (from Jan. 3 to June 30, 1971).	$5,294.57
John F. Jennings	Counsel (from Jan. 3 to June 30, 1971).	12,126.59
Alexandra J. Kisla	Clerk (from Jan. 3 to June 30, 1971).	7,716.21
Toni E. Painter	Secretary (from Apr. 1 to June 30, 1971).	900.00

Funds authorized or appropriated for committee expenditures	$85,000.00
Amount of expenditures previously reported	None
Amount expended from Jan. 3–June 30, 1971	28,038.76
Total amount expended from Jan. 3–June 30, 1971	$28,038.76
Balance unexpended as of June 30, 1971	56,961.24

CARL D. PERKINS,
Chairman.

JULY 15, 1971.

SELECT SUBCOMMITTEE ON LABOR, NO. 5

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Loretta A Bowen	Clerk (from Jan. 3 to June 30, 1971).	$7,136.00
Daniel H Krivit	Counsel (from Jan. 3 to June 30, 1971).	13,047.84
Catherine Ladnier	Research assistant (from Apr 19 to June 30, 1971).	1,440.00
Marcia Sue Nelson	Research assistant (from Jan 3 to Mar. 31, 1971).	2,835.62
Catherine R Romano	Secretary (from Jan. 3 to June 30, 1971).	4,415.76
Charles R. Zappala	Assistant clerk (from June 14 to 30, 1971).	306.95

Funds authorized or appropriated for committee expenditures	$85,000.00
Amount of expenditures previously reported	None
Amount expended, Jan. 3–June 30, 1971	29,511.69
Total amount expended, Jan. 3–June 30, 1971	29,511.69
Balance unexpended, as of June 30, 1971	55,488.31

CARL D. PERKINS,
Chairman.

JULY 15, 1971.

SELECT SUBCOMMITTEE ON EDUCATION, NO. 6

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Jack G. Duncan	Counsel (from Jan. 3 to June 30, 1971).	$11,511.67
Elene Nicholette Gillespie.	Assistant clerk (from Jan. 5 to Mar. 7, 1971).	630.00
Arlene Horowitz	Staff assistant (from Jan. 3 to June 30, 1971).	3,776.72
Toni Rita Immerman	Assistant clerk (from Jan. 3 to Jan. 31, 1971).	560.36
David Lloyd-Jones	Research assistant from (Jan. 3 to June 30, 1971).	6,083.78
Christine Orth	Assistant clerk (from Jan. 25 to June 30, 1971).	3,250.00
Gladys Marie Walker	Clerk (from Jan. 11 to June 30, 1971).	2,798.55

Funds authorized or approoriated for committee expenditures	$85, 000. 00
Amount of expenditures previously reported	none
Amount expended, Jan. 3-June 30, 1971	31, 075. 16
Total amount expended, Jan. 3-June 30, 1971	31, 075. 16
Balance unexpended as of June 30, 1971	53, 924. 84

CARL D. PERKINS, Chairman.

JULY 15, 1971.

SUBCOMMITTEE ON AGRICULTURAL LABOR, NO. 7

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Curtis C. Aller	Associate Director (from June 25 to June 30, 1971).	$800. 00
Richard J. Bela	Research associate (from May 1 to May 10, 1971).	428. 89
Gary Goodpaster	Associate counsel (from May 1 to May 10, 1971).	428. 89
James B. Harrison	Staff director (from Mar. 24 to June 30, 1971).	7, 086. 40
Daniel H. Pollitt	Associate counsel (from May 1 to May 10, 1971).	428. 89
Phoebe Ann Pollitt	Assistant clerk (from June 14 to June 30, 1971).	184. 17
Robert A. Reveles	Research director (from May 16 to May 31, 1971).	1, 400. 00
Elnora H. Teets	Clerk (from Mar. 24 to June 30, 1971).	3, 233. 33
Margaret F. ter Horst	Assistant clerk (from June 15 to June 30, 1971).	173. 33
Jeffrey J. Watson	Assistant clerk (from June 1 to June 30, 1971).	325. 00

Funds authorized or appropriated for committee expenditures	$85, 000. 00
Amount of expenditures previously reported	None
Amount expended from Jan. 3 to June 30, 1971	15, 413. 92
Total amount expended from Jan. 3 to June 30, 1971	15, 413. 92
Balance unexpended as of June 30 1971	69, 586. 08

CARL D. PERKINS,
Chairman.

JULY 8, 1971.

COMMITTEE ON FOREIGN AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Roy J. Bullock	Staff administrator	$17, 958. 75
Albert C. F. Westphal	Staff consultant	17, 958. 75
Franklin J. Schupp	do	17, 763. 74
Harry C. Cromer	do	$17, 504. 91
Phillip B. Billings	Staff consultant (deceased March 8, 1971).	5, 069. 96
Marian A. Czarnecki	Staff consultant	17, 504. 91
Melvin O. Benson	do	14, 735. 81
Everett E. Bierman	do	14, 023. 80
John J. Brady, Jr.	do	11, 917. 23
John H. Sullivan	do	11, 917. 23
Robert K. Boyer	Staff consultant (effective March 1, 1971).	6, 666. 68
John Chapman Chester	do	8, 666. 68
Robert Michael Finley	Subcommittee staff consultant (effective April 1, 1971).	5, 175. 00
Charles P. Witter	do	5, 000. 01
Clifford P. Hackett	do	6, 249. 99
Peter Anthony Abbruzzese.	Staff consultant (effective May 10, 1971).	3, 400. 00
Michael H. Van Dusen	Subcommittee staff consultant (effective May 3, 1971.)	3, 222. 23
Goler T. Butcher	Subcommittee staff consultant (Effective May 10, 1971).	3, 541. 66
Roger B. Pool	Subcommittee staff consultant (Effective May 1, 1970).	2, 083. 33
Robert B. Boettcher	Subcommittee staff consultant (Effective June 7, 1971).	1, 500. 00
Charles S. Levy	Subcommittee staff consultant (Effective June 1, 1971).	1, 666. 67
June Nigh	Senior staff assistant	13, 032. 03
Helen C. Mattas	Staff assistant	11, 594. 38
Helen L. Hashagen	Staff assistant (retired Feb, 1, 1971).	1, 750. 72
Mary Louise O'Brien	Staff assistant	10, 346. 74
Dora McCracken	do	8, 547. 97
Jean E. Smith	do	6, 758. 71
Nancy C. Peden	Staff assistant (retired June 4, 1971).	5, 773. 15
Paula L. Peak	Staff assistant	8, 547. 97
Ray Sparks	do	8, 928. 64
Thelma H. Shirkey	do	4, 734. 51
Arlene M. Atwater	Staff assistant (Effective Apr. 19, 1971).	1, 900. 01
Shirley A. Furnier	Staff assistant (Effective May 19, 1971).	1, 516. 66
Kenneth W. Cowell	Clerical assistant	4, 785. 45

Funds authorized or appropriated for committee expenditures	$425, 580. 00
Amount of expenditures previously reported	
Amount expended from Jan. 1–June 30, 1971	111, 349. 73
Total amount expended from	
Balance unexpended as of	314, 230. 27

THOMAS E. MORGAN,
Chairman.

JULY 6, 1971.

COMMITTEE ON GOVERNMENT OPERATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Expenses—Jan, 3, 1971, through June 30, 1971:		
Full committee		$2, 680. 85
Special investigative staff		30, 880. 40
Legislative and Military Operations Subcommittee		72, 672. 98
Government Activities Subcommittee		39, 951. 70
Intergovernmental Relations Subcommittee		51, 531. 92
Conservation and Natural Resources Subcommittee		49, 713. 18
Legal and Monetary Affairs Subcommittee		35, 885. 10
Foreign Operations and Government Information Subcommittee		64, 473. 97
Special Studies Subcommittee		58, 368. 04
Total		406, 158. 14

Name of employee	Profession	Total gross salary during 6-month period
Salaries: Full committee, Jan. 1–June 30, 1971:		
Herbert Roback	Staff director	$17, 958. 75
Christine Ray Davis	Staff administrator	17, 958. 75
James A. Lanigan	General counsel	17, 958. 75
Miles Q. Romney	Associate general counsel.	15, 870. 83
Dolores L. Fel'Dotto	Staff member	8, 673. 56
Ann E. McLachlan	do	8, 406. 93
Catherine S. Cash	do	6, 889. 58
Marilyn F. Jarvis	Staff member (from Apr. 1, 1971).	3, 763. 83
Annie M. Abbott	Staff member (from Apr. 1, 1971).	3, 459. 96
Lawrence P. Redmond.	Professional staff member (to Jan. 2, 1971).	113. 74
John Philip Carlson	Minority counsel	17, 958. 75
William H. Copenhaver.	Minority professional staff member.	14, 222. 66
Clara Katherine Armstrong.	Minority research assistant (from Jan. 3, 1971).	7, 655. 07
Expenses, Jan. 3 through June 30, 1971: Full committee, Hon. Chet Holifield, chairman: Expenses		$2, 680. 85
Total		2, 680. 85
Special investigative staff, Hon. Chet Holifield, chairman:		
Warren B. Buhler	Minority staff member (from Mar. 29, 1971).	$4, 600. 00
Thomas H. Saunders	Minority staff member	8, 440. 05
Shirley Davenport	Minority secretary (from June 21, 1971).	236. 11
Mabel C. Baker	Staff member	5, 075. 17
John L. Dodson	Clerical staff	5, 032. 82
Ralph T. Doty	do	3, 357. 07
Annie M. Abbott	Secretary (to Mar. 31, 1971).	3, 322. 14
Alan Kreshtool	Investigator (to Jan. 31, 1971).	817. 04
Total		30, 880. 40
Legislation and Military Operations Subcommittee, Hon. Chet Holifield, Chairman:		
Elmer W. Henderson	Counsel	$15, 896. 35
Douglas G. Dahlin	Staff attorney	11, 447. 75
John Paul Ridgely	Investigator	10, 206. 14
Joseph C. Luman	Defense analyst	9, 680. 89
Catherine L. Koeberlein	Research assistant	7, 855. 65
Veronica B, Johnson	Clerk	7, 655. 07
Gloria Ann Rubin	Clerk-stenographer (from Mar, 1, 1971).	2, 900. 72
Mary Etta Haga	Clerk-stenographer (from June 1, 1971).	833. 33
Kathryn McQ. Rosenbaum	Clerk-stenographer (to May 7, 1971).	3, 467. 43
I. Warren Harrison	Legal assistant (to Jan. 31, 1971),	1, 315. 18
Gilda K. Calderone	Clerk (to Jan. 31, 1971).	618. 40
Expenses		796. 07
Total		72, 672. 98
Government Activities Subcommittee, Hon. Jack Brooks, Chairman:		
Ernest C. Baynard	Subcommittee staff Director.	$15, 219. 39
C. Don Stephens	Research analyst	10, 190. 62
Paul A. Mutino	Counsel (from May 24, 1971).	1, 901. 39
Lynne Higginbotham	Clerk-stenographer	6, 816. 68
Mary C. Jones	Secretary (from June 21, 1971).	236. 11
William M. Jones	Counsel (to Mar. 31, 1971).	4, 858, 46
Expenses		729. 05
Total		39, 951. 70
Intergovernmental Relations Subcommittee, Hon. L. H. Fountain, chairman:		
James R. Naughton	Counsel	$15, 219. 39
Delphis C. Goldberg	Professional staff member.	15, 219. 39
Gilbert S. Goldhammer.	Consultant	9, 921. 15
Pamela R. Horsmon	Clerk-steongrapher (from Apr. 1, 1971),	2, 499. 99
Margaret Goldhammer.	Secretary (from Mar. 8, 1971).	2, 634. 67

Name of employee	Profession	Total gross salary during 6-month period
Marjorie W. Vanderbilt.	Secretary (to Mar. 7, 1971).	$1,478.57
Bebe B. Terry	Clerk-stenographer (to Feb. 28, 1971).	2,050.90
Expenses		2,507.86
	Total	51,531.92
Conservation and Natural Resources Subcommittee. Hon. Henry S. Reuss. chairman:		
Phineas Indritz	Counsel	$15,219.39
David B. Finnegan	Assistant counsel	12,473.38
Michael B. Gross	Legal assistant (from Apr. 1, 1971).	3,510.09
Josephine Scheiber	Research analyst	7,838.24
Ruth M. Wallick	Steongrapher (from Apr. 5, 1971).	2,532.36
Catherine L. Hartke	Stenographer (to May 31, 1971).	5,765.48
Dorothy M. Vance	Stenographer (to Mar. 7, 1971).	1,345.27
Expenses		1,136.97
	Total	49,713.18
Legal and Monetary Affairs Subcommittee, Hon. John S. Monagan, Chairman:		
Richard L. Still	Subcommittee staff director (from Apr. 12, 1971).	$6,034.73
Charles A, Intriago	Assistant counsel	10,136.16
Jeremiah S. Buckley	Assistant counsel (from Apr. 1, 1971).	3,125.01
Frances M. Tuk	Clerk	4,658.81
Jane G. Cameron	Stenographer (from May 10, 1971).	1,133.34
Millicent Y. Myers	Clerk (to Apr. 12, 1971).	3,802.76
R. Michael Finley	Professional staff member (to Mar. 31, 1971).	4,965.09
Stuart E. Bossom	Legal assistant (to Jan. 31, 1971).	1,266.36
Expenses		762.84
Total		35,885.10
Foreign Operations and Government Information Subcommittee, Hon. William S. Moorhead, Chairman:		
William G. Phillips	Subcommittee staff director (from Apr. 19, 1971).	$6,211.46
Norman G. Cornish	Deputy subcommittee staff director.	15,219.39
Harold F. Whittington	Professional staff member.	10,299.85
William R. Maloni	Professional staff member (from June 1, 1971).	1,729.71
Martha Myers	Secretary	3,856.00
Mary E. Milek	Secretary (from June 1, 1971).	625.00
Vincent J. Augliere	Senior consultant (to June 15, 1971).	13,281.28
E. Jayne Bodecker	Secretary (to May 31, 1971).	5,657.48
Jack Matteson	Professional staff member (to Mar. 31, 1971).	6,716.40
Expenses		877.40
Total		64,473.97
Special Studies Subcommittee, Hon. Wm. J. Randall, Chairman:		
Erskin Stewart	Acting subcommittee staff director (from Apr. 1, 1971).	$4,947.54
Jacob N. Wasserman	Counsel	13,998.37
Herschel F. Clesner	Counsel	13,940.97
Jane F. Johnson	Stenographer (from May 5, 1971).	1,322.22
Wileen O. Moore	Stenographr	3,742.41
Louis I. Freed	Subcommittee staff director (to Mar. 31, 1971).	7,455.06
Peter S. Barash	Legal assistant (to Mar. 31, 1971).	4,750.47
Charles P. Witter	Staff member (to Mar. 31, 1971).	3,933.48
Marilyn F. Jarvis	Stenographer (to Mar. 31, 1971).	3,613.91
Expenses		663.61
	Total	58,368.04

Funds authorized or appropriated for committee expenditures (H. Res. 303—92d Cong.)	$1,032,600.00
Amount of expenditures previously reported	None.
Amount expended from Jan. 3–June 30, 1971	406,158.14
Total amount expended from Jan. 3–June 30, 1971	406,158.14
Balance unexpended as of June 30, 1971	626,441.86

CHET HOLIFIELD,
Chairman, Committee on Government Operations

JULY 9, 1971.

COMMITTEE ON HOUSE ADMINISTRATION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John T. Walker	Staff director	$14,416.6
Robert D. Gray	Chief auditor	15,751.78
David S. Wolman	Personnel analyst	15,590.19
Melvin Miller	Minority clerk	15,590.19
Julian P. Langston	Chief clerk	14,958.75
Louis Silverman	Assistant clerk	9,525.71
Thomas Foster, Sr	Elections clerk	9,007.08
Louis J. Freed	Assistant clerk	8,124.99
Thomas W. Latham	Accounts clerk	7,811.90
Thomas A. Tangretti	Electrical and mechanical office equipment clerk.	7,755.94
Mary F. Stolle	Assistant clerk	6,378.16
Evelyn H. Wilson	do	5,865.88
Judith K. Holes	do	5,789.49
Gurney S. Jaynes	do	5,740.81
Robert H. Frank	Counsel	4,497.83
John P. Padden	Assistant clerk	4,461.23
Douglass Lea	Printing clerk	4,200.00
Judith L. Vargas	Assistant clerk (minority).	3,950.64
Mary Susan Mattson	Assistant clerk	3,852.53
John G. Blair	do	3,683.34
Dianne Sue Gaujot	do	3,622.62
Curtis C. Wilkie	do	3,525.00
R. Marilyn Lee	do	3,517.92
John L. Boos	Libraries and Memorials clerk.	3,500.01
Ralph W. Murphy	Assistant clerk (minority).	3,333.34
Barbara D. Lewis	Assistant clerk	2,750.01
Thomas J. Hart	do	2,602.31
Thomas D. Hart	do	1,955.55
Catherine Ann Adelman	do	1,837.17
S. Arnold Smith	Counsel	1,685.92
Charles N. Arrowsmith	Assistant clerk	1,583.33
Dorthy W. Sodeman	do	866.67
Gwenda R. Green	do	865.88
Paula Scruggs	do	840.04
Velma Youngblood	do	833.33
Lynette M. Lentina	do	667.96
Colette K. Bohatch	do	500.00
Suzanne Eaton	do	450.00
John Paul Tolson	do	383.33
Betty Lamb	do	347.22
Pamela M. Bussen	do	332.22
Charles R. Kaiser	do	300.00
Corbin R. Miller, Jr	do	283.33
Steven Glauberman	do	249.17
Marlene F. Whiteko	do	116.67

Funds authorized or appropriated for committee expenditures	$400,000.00
Amount of expenditures previously reported	none
Amount expended from Jan. 3–June 30, 1971	78,698.88
Total amount expended from Jan. 3–June 30, 1971	78,693.88
Balance unexpended as of June 30, 1971	321,306.12

WAYNE L. HAYS,
Chairman.

JULY 12, 1971.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Sidney L. McFarland	Staff director and chief clerk.	$17,945.64
Milton A. Pearl	Special counsel on public lands (from Mar. 1). (Deceased Apr. 30, 1971.)	6,000.00
Lewis A. Sigler	Counsel and consultant on Indian affairs.	16,854.07
William L. Shafer	Consultant on mines and mining and public lands.	17,091.54
Charles Leppert, Jr	Minority counsel	15,501.44
Lee McElvain	Assistant counsel and consultant on national parks and recreation.	13,465.02
Jim T. Casey	Consultant on irrigation and reclamation (from June 1).	2,583.33
Robert M. Gants	Assistant minority counsel (from May 1).	3,500.00
Dixie Barton	Clerk	8,979.82
Patricia Murray	Clerk (minority)	8,979.82
Patricia Freeman	Clerk	7,913.27
Susan Gardner	do	7,369.38
Kathleen Sandy	do	7,369.38
Salaries paid pursuant to H. Res. 285—92d Congress:		
Milton A. Pearl	Special counsel on public lands (To Feb. 28).	5,706.61
Jim T. Casey	Consultant on Irrigation and Reclamation (To May 31).	12,124.00
Charles Conklin	Special Counsel on Public Lands and Environmental Matters (From June 13.)	1,600.00
William G. Thomas	Consultant on Territorial and Insular Affairs (From Mar. 10.)	8,941.68
Miriam Waddell	Clerk	6,457.13
Inez Jarvis	Clerk (from Apr. 5)	3,583.33
Nancy Lou Larson	Clerk (from Apr. 7)	3,150.00
Marsha Lane	Clerk (From June 1)	1,125.00
Marston L. Becker	Printing clerk	8,051.04
Edward Gaddis	Messenger	4,662.93

Funds authorized or appropriated for committee expenditures	$478,000.00
Amount of expenditures previously reported	----------
Amount expended from Jan. 1, 1971–June 30, 1971	80,586.16
Total amount expended from Jan. 1, 1971–June 30, 1971	80,586.16
Balance unexpended as of June 30, 1971	397,413.84

JULY 12, 1971.

COMMITTEE ON INTERNAL SECURITY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Donald G. Sanders	Chief counsel	$17,152.81
Richard L. Schultz	Associate chief counsel	13,534.95
Alfred L. Nittle	Legislative counsel	14,702.24
Glenn E. Davis	Editorial director	15,315.00
Robert M. Horner	Chief investigator	12,435.41
William G. Shaw	Research director	12,506.69
Juliette P. Joray	Recording clerk (retired Mar. 31, 1971) (to standing Apr. 1, 1971).	5,413.88

Name of employee	Profession	Total gross salary during 6-month period
V. Bernice King	Financial secretary (from investigative).	$4,059.84
Mary M. Valente	Administrative secre.ary.	9,048.05
Anniel Cunningham	Chief, files and reference section.	8,486.28
Helen M. Gittings	Research analyst (from standing to investigative Apr. 1, 1971).	4,189.63
Ruth I. Matthews	Clerk (Appt. Apr. 1, 1971).	6,000.00
Investigative committee:		
Victoria Appell	Clerk-typist (Appt. May 24, 1971).	493.33
George C. Armstrong	Investigator-minority (appt. Apr. 1, 1971).	3,624.99
Martha M. Beck	Information classifier	3,382.70
Patricia A. Belback	Stenographer (appt. Apr. 20, 1971).	1,676.38
Margie D. Biggerstaff	Secretary	4,784.57
Charles Bonneville	Investigator	7,794.60
Daniel Butler	Asst. documents clerk	4,897.16
Mary Jo Chapman	Clerk-stenographer (terminated Jan. 31, 1971.)	488.38
S. Janice Coil	Secretary	5,617.71
Susan K. Daniels	Information analyst	4,323.22
Florence P. Doyle	Secretary	4,692.82
Elizabeth Edinger	Editor	7,594.03
Daniel Ferry	Asst. counsel	9,095.78
Andrea Foy	Information Classifier (appt. Mar. 1, 1971).	2,166.60
James L. Gallagher	Research analyst-minority.	8,056.30
Ruth Ann (Gerbec) Crocitto.	Information analyst	3,534.40
Helen M. Gittings	Research analyst (appt. to investigative Apr. 1, 1971).	4,395.20
Sheila Harrison	Clerk-typist (appt. Mar. 6, 1971).	2,040.29
William H. Hecht	Executive staff asst. (appt. June 15, 1971).	1,311.11
Isobel Hurwitz	Information classifier	3,492.73
L. William Ivory, Jr	Asst. documents clerk	3,031.40
Doris R. Jaeck	Information analyst	4,956.50
Mildred V. James	Clerk-typist	3,476.08
Joan Keller	Secretary	4,801.04
V. Bernice King	Financial secretary (terminated investigative Mar. 31, 1971).	3,818.10
John F. Lewis	Coordinating editor	13,506.51
Virginia Masino	Receptionist	4,163.63
Anita A. Maggio	Clerk (appt. June 1, 1971).	541.67
B. R. McConnon, Jr	Investigator (terminated Feb. 28, 1971).	2,761.29
David E. Muffley, Jr	Documents clerk	4,785.20
Maureen P. Ontrich	Information analyst	4,356.80
Ellen Patterson	Stenographer (appt. Jan, 18, 1971) (terminated Feb. 12, 1971).	400.00
Alma T. Pfaff	Research analyst	5,060.91
Peggy Pixley	Editorial clerk	4,956.50
William T. Poole	Research analyst—minority.	5,007.36
Robert Poos	Research Analyst	9,095.78
Stuart Pott	Investigator	6,327.77
Martha C. Poulton	Clerk-typist (resigned Feb. 14, 1971).	774.95
Josephine S. Randolph	Secretary (terminated June 16, 1971).	4,992.68
David Rigg	Information classifier (appt. May 24, 1971).	493.33
Audrey Rollins	Secretary	4,424.02
Herbert Romerstein	Investigator	8,352.85
Stephen H. Romines	Asst. Counsel	9,095.78
Karen Sue Russell	Information Classifier	3,492.73
Richard A. Shaw	Investigator	8,599.47
Albert Solomon, Jr	Investigator (Appt. June 21, 1971).	555.56
Jeanne L. Spencer	Clerk-Steonographer (Appt. Apr. 12 1971).	1,865.27
Linda Spirt	Secretary-Minority	4,625.66
John Stratton	Investigator	7,794.60
Barbara C. Sweeny	Clerk-Stenographer	4,298.65
Joseph Thach, Jr	Research Analyst (Appt. June 21 1971)	444.44

Funds authorized or appropriated for committee expenditures	$570,000.00
Amount of expenditures previously reported	.00
Amount expended from Jan. 1 –June 30, 1971	244,393.27
Total amount expended from	.00
Balance unexpended as of June 30, 1971	325,606.73

RICHARD H. ICHORD Chairman.

JULY 22, 1971.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Clerical staff:		
W. E. Williamson	Clerk	$17,958.75
Kenneth J. Painter	First assistant clerk	14,895.28
Marcella F. Johnson	Assistant clerk	9,286.85
Frank Mahon	Printing editor	9,801.73
Hazel J. Collie	Staff assistant	9,244.24
Elsie M. Karpowich	Clerical assistant (thru May 31, 1971).	6,114.98
Mary Ryan	Clerical assistant	7,351.98
Edwin E. Thomas	Staff assistant	6,915.74
Marion M. Burson	Staff assistant (minority).	14,895.28
Professional staff:		
James M. Menger	Professional staff member.	17,958.75
William J. Dixon	do	17,958.75
Robert F. Guthrie	do	17,958.75
Kurt Borchardt	do	17,958.75
Charles B. Curtis	Professional staff member (from June 1, 1971).	2,916.67
Additional temporary employees under H. Res. 170 and 290:		
Lewis E. Berry, Jr	Minority counsel	17,958.75
A. Bennett Schram	Staff assistant (minority) (from May 3, 1971).	3,222.23
Henry Thomas Greene	Staff assistant (minority) (from May 3, 1971).	3,222.23
Helen M. Dubino	Staff assistant (minority).	13,915.99
Barbara Bullard	Clerical assistant (minority).	6,153.32
Diane R. Tretter	do	4,632.64
Darlene McMullen	do	3,995.92
Eleanor A. Dinkins	Clerical assistant	7,351.98
Theodore H. Focht	Special counsel (C.O.B. Mar. 21, 1971).	6,695.80
Dennis C. Shumaker	Clerical assistant	3,681.46
Violet M. McCarthy	do	5,833.44
Anne P. Lebbon	do	4,262.81
F. Martin Kuhn	Staff assistant (C.O.B. Jan. 21, 1971).	1,361.81
James T. Glenn	Staff assistant (C.O.B. Jan. 2,1971).	129.70
Michael A. Taylor	Staff assistant	12,506.01
Walter J. Graham, Jr	do	12,506.01
Stephan E. Lawton	Staff assistant (from Apr. 1, 1971).	6,436.26
Samuel A. Young, Jr	Attorney (Mar. 1, 1971 to C.O.B. May 31, 1971).	5,499.99
Thomas D. Hart	Legislative assistant (C.O.B. Jan. 15, 1971).	873.93
Judith Anne Messer	Clerical assistant (from Apr. 22, 1971).	1,820.84
Diane G. Kirchenbauer.	Clerical assistant (from May 10, 1971).	1,629.16
Barboura C. Flues	Clerical assistant (from May 3, 1971).	1,772.23
William H. Painter	Special counsel (from June 14, 1971).	1,416.67
Joseph T. Kelley	Messenger (from June 7, 1971).	400.00
Randall R. Eley	Intern (from June 2, 1971).	483.33
Robert P. Sweeney	Staff assistant (from June 1, 1971).	916.67
Special Subcommittee on Investigations:		
Daniel J. Manelli	Acting chief counsel	14,594.05
William T. Druhan	Staff assistant	13,957.53
James F. Broder	Special assistant	12,942.05
James R. Connor	Staff assistant	12,942.05
James P. Kelly	Chief investigator (C.O.B. Apr. 14, 1971).	8,008.22
Benjamin J. Smethurst.	Special assistant	$13,957.53
Robert L. Rebein	Staff attorney (C.O.B. June 19, 1971).	13,096.45
Mark J. Raabe	Attorney	12,541.34
Michael F. Barrett, Jr	do	11,170.85
Michael J. Parker	Attorney (from Mar. 19, 1971).	6,233.32
Elizabeth G. Paola	Clerical assistant	7,351.98
Lucy M. Gossett	Clerical assistant (C.O.B. Jan. 31, 1971).	1,042.60
Elizabeth A. Eastman	Clerical assistant	6,570.35
Russell D. Mosher	Staff assistant	5,189.42
Sylvia S. Dodge	Clerical assistant (from Apr. 19, 1971).	2,239.99

Funds authorized or appropriated for committee expend tures	$989,000.00
Amount of expenditures previously reported	0
Amount expendedifrom Jan. 3–June 30, 1971	288,325.76
Total amount expended from Jan. 3–June 30, 1971	288,325.76
Balance unexpended as of July 1, 1971	700,674.24

HARLEY O. STAGGERS,
Chairman.

JULY 15, 1971.

COMMITTEE ON THE JUDICIARY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Bess E. Dick	Staff director	$17,958.75
Benjamin L. Zelenko	General counsel	17,619.80
Kenneth L. Harkins	Chief counsel, antitrust (from Apr. 1, 1971).	8,875.11
Herbert Fuchs	Counsel	17,298.25
Garner J. Cline	do	15,344.75
William F. Shattuck	Counsel (from Apr. 1, 1971).,	7,764.33
Donald G. Benn	Associate counsel	14,293.35
R. Frederick Jett	Counsel	14,023.80
Jerome M. Zeifman	do	13,787.89
Frances Christy	Clerical staff	9,827.64
Jane C. Caldwell	do	9,013.93
Gertrude Clara Burak	do	8,019.06
Carrie Lou Allen	do	7,587.52
Lorraine W. Beland	do	7,587.52
Roberta E. Eisenberg	do	7,328.29
Joanne E. Bell	Clerical staff	3,742.41
Pearl L. Chellman	do	4,790.51
Daniel L. Cohen	Assistant counsel (from June 7, 1971).	866.66
George A. Dalley	Assistant counsel (from June 21, 1971).	513.89
Arthur P. Endress, Jr	Assistant counsel (from Apr. 19, 1971).	2,800.01
James B. Farr	Messenger-clerk (from Apr. 24, 1971).	1,751.40
Paul S. Fenton	Associate counsel (through Feb. 28, 1971).	2,326.18
Mary Shea Gaffney	Clerical staff	4,550.04
Samuel A. Garrison, III	Associate counsel (from May 1, 1971).	3,166.66
Alma B. Haardt	Clerical staff	6,242.22
Alice E. Hamlin	Clerical staff (from May 5, 1971).	1,213.33
Herbert E. Hoffman	Special counsel for Federal criminal law reform (from June 7, 1971).	2,395.83
William Thomas Hutton	Assistant counsel (through Feb. 20, 1971).	1,750.32
Florence C. Johnson	Clerical staff (from Apr. 1, 1971).	2,385.00
Alfred S. Joseph III	Assistant counsel (from Apr. 19, 1971).	3,640.01

Name of employee	Profession	Total gross salary during 6-month period
Judith Kahn	Clerical staff	$3,636.09
Michael Kelemonick	do	6,584.40
Florence T. McGrady	do	6,584.40
Thomas E. Mooney	Assistant counsel	9,270.97
Robert A. Pauley	Associate counsel (from June 14, 1917).	1,416.67
Franklin G. Polk	Associate counsel	14,154.41
Ruth T. Pratt	Clerical staff (from June 7, 1971).	763.89
Mary G. Sourwine	Clerical staff	6,156.53
Annelie Tischbein	do	4,487.41
Louis S. Vance	Messenger-clerk	4,625.66
Nancy L. Viener	Clerical staff (from June 24, 1971).	50.56

Funds authorized or appropriated for committee expenditures	$350,000.00
Amount expended, Jan. 3, 1971, through June 30, 1971	106,978.89
Balance unexpended as of June 30, 1971	243,021.11

FUNDS FOR PREPARATION OF UNITED STATES CODE, DISTRICT OF COLUMBIA CODE, AND REVISION OF THE LAWS

A. Preparation of new edition of United States Code (no year):	
Unexpended balance Dec. 31, 1970	$42,973.22
Expended Jan. 1 to June 30, 1971	16,217.08
Balance June 30, 1971	26,756.14
B. Preparation of new edition of District of Columbia Code:	
Unexpended balance Dec. 31, 1970	124,847.49
Expended Jan. 1 to June 30, 1971	32,795.25
Balance June 30, 1971	92,052.24
C. Revision of the laws, 1971:	
Unexpended balance Dec. 31, 1970	18,566.54
Expended Jan. 1 to June 30, 1971	17,255.16
Balance June 30, 1971	1,311.38

EMANUEL CELLER,
Chairman.

JUNE 30, 1971.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to July 1, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Ralph E. Casey	Chief counsel	$12,000.00
Robert J. Ables	do	2,958.78
Ned P. Everett	Counsel	14,945.68
Ernest J. Corrado	do	12,248.15
Leonard L. Sutter	do	7,758.35
Robert J. McElroy	Chief clerk	16,884.83
William B. Winfield	Clerk	11,755.80
Francis P. Still	Assistant clerk	9,082.16
Vera A. Barker	Secretary	8,691.44
Albert J. Dennis	Investigator	10,032.39
Richard N. Sharood	Minority counsel	12,893.01
William C. Rountree	do	6,000.00
Virginia L. Noah	Secretary (minority)	8,230.59
Investigative staff:		
Ralph E. Casey	Special counsel	5,958.78
Francis D. Heyward	Counsel	6,500.01
Alfred Ronald Santo	do	3,999.99
Frank M. Potter, Jr	do	3,000.00
Donald A. Watt	Editor	9,491.60
Lucye L. Summers	Secretary	6,101.49
Diane G. Kirchenbauer	do	3,582.74
Jane C. Wojcik	do	7,317.04
Pauline M. Dickerson	do	7,701.69
Norman M. Barnes	Investigator	5,018.08
Ronald W. C. Watt	Assistant clerk	2,659.24
Eleanor P. Mohler	do	5,257.88
Ruth I. Hoffman	do	2,499.99

Funds authorized or appropriated for committee expenditures	$291,500.00
Amount of expenditures previously reported	
Amount expended, Jan. 1–June 30, 1971	88,942.76
Total amount expended from—— to ——	0
Balance unexpended as of June 30, 1971	202,557.24

EDWARD A. GARMATZ,
Chairman.

JULY 8, 1971.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee staff:		
Martiny, John H	Chief counsel	$17,958.75
Gaughan, Vincent M	Staff director and special counsel.	10,986.12
Bray, Bun Benton	Associate staff director	17,706.83
Smiroldo, Victor C	Counsel	17,706.83
Irvine, William A	Assistant staff director	17,706.83
Kazy, Theodore J	Senior staff assistant	17,706.83
Fortune, Francis C	Coordinator	14,090.04
Lockhart, Robert E	Assistant counsel	8,170.00
Thornton, Elsie E	Chief clerk	12,135.16
Wells, Barbara M	Secretary	8,598.09
Simons, Blanche M	Secretary	8,077.66
Investigative Staff, pursuant to H. Res. 217 and 279 of the 92d Congress, 1st Session.		
Barton, Richard A	Staff assistant	10,794.19
Bates, Kathryn E	Secretary	6,005.00
Bebick, Joan E	do	4,928.06
Blackmore, Ruby Marina.	Staff assistant (from June 7).	400.00
Borger, Deanne L	Secretary	5,631.16
Brown, Lorraine L	do	4,854.77
Claravella, Jo Ann	do	4,880.57
Coultrap, Ray H	Staff assistant	6,808.71
Davis, Stewart A	do	6,688.87
Devlin, Ralph J	do	13,609.79
Fenstermacher, Frederic.	Intern (from June 1)	325.00
Ferdon, Julie	do	300.00
Fussell, Glenda J	Secretary	1,800.00
Gabusi, John B	Staff assistant	11,603.40
Gould, George B	do	12,196.32
Green, Thelma R	Secretary	1,135.19
Griffith, Thomas B	Intern (from June 1)	300.00
Harding, Delois	Secretary	4,461.02
Hitchcock, John E	Intern (from June 1)	325.00
Howard, Alton M	Printing editor	9,255.47
Jelonek, Susan	Intern (from June 1 to June 30).	325.00
Kennedy, Thomas R	Staff assistant	11,497.01
Lloyd, Max T	do	13,681.42
Meyer, Robert J	Intern (from June 21)	133.33
Miller, Michael D	Intern (from June 28)	
Moore, Robert M	Intern (from June 16)	204.17
Myers, Lois G	Secretary	6,165.51
Napier, Margaret G	Secretary	5,003.63
Neuman, Robert A	Staff assistant	4,615.71
Palmer, Fred D	Research assistant	6,404.00
Pendleton, Maria R	Document clerk	7,964.48
Peters, Dorothy L	Assistant document clerk.	6,829.85
Raymond, Anthony J	Staff assistant	11,335.33
Snipes, Justine P	Secretary	6,989.33
Spencer, Walter A	Intern (from June 1)	325.00
Ward, Sara L	Secretary	7,816.59
Williss, Donna L	do	726.92

Funds authorized or appropriated for committee expenditures	$533,000.00
Amount of expenditures previously reported	0
Amount expended from Jan. 3–June 30	203,375.45
Total amount expended from—— to ——	0
Balance unexpended as of June 30, 1971	329,624.55

THADDEUS J. DULSKI,
Chairman.

JULY 15, 1971.

COMMITTEE ON PUBLIC WORKS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Richard J. Sullivan	Chief counsel	$17,958.75
Lester Edelman	Counsel	14,944.09
Clifton W. Enfield	Minority counsel	17,813.95
Stephen V. Feeley	Subcommittee clerk (terminated Mar. 15, 1971).	4,690.69
Lloyd A. Rivard	Engineer consultant	15,404.86
Carl H. Schwartz, Jr	Consultant—projects and programs (as of Jan. 18, 1971).	6,821.44
James L. Oberstar	Administrator	15,687.24
Dorothy A. Beam	Executive staff assistant.	10,809.03
Meriam R. Buckley	Staff assistant	9,107.77
Sterlyn B. Carroll	do	7,471.42
Erla S. Youmans	Minority executive staff assistant (as of Feb. 1, 1971).	7,365.01
Gordon E. Wood	Minority professional staff (as of Mar. 1, 1971).	6,938.32
Investigating staff:		
Richard C. Peet	Assistant minority counsel.	15,152.94
Audrey G. Warren	Subcommittee clerk (terminated Mar. 31, 1971).	5,309.80
Sheldon S. Gilbert	Associate minority counsel (terminated Feb. 1, 1971).	1,536.32
Augusta P. Peterson	Subcommitttee clerk (terminated May 31, 1971).	6,944.52
Robert F. Spence	Subcommittee clerk	8,457.51
Joseph A. Italiano, Jr	Editorial assistant	8,685.37
Erla S. Youmans	Minority staff assistant (as of Feb. 1, 1971, transferred to Standing Committee).	1,206.30
Linda L. Williams	Minority staff assistant	5,178.05
Nancy B. Vitali	Staff assistant	4,785.20
Peggy Lynn Clements	do	5,153.15
Harvey C. Simms, Jr	Clerical assistant (terminated Feb. 1, 1971).	445.65
Emily L. Kausch	Staff assistant	5,473.63
Cynthia J. Van Sant	do	3,911.02
Rosmari E. Gaughan	do	3,750.75
Robert G. Marshall	Subcommittee clerk	6,490.32
Ruth Costello	Staff assistant (as of Jan. 23, 1971).	6,494.46
Toby Stein	Staff assistant (as of Feb. 1, 1971).	3,120.85
Patricia A. Hill	Minority staff assistant (as of Feb. 10, 1971).	3,916.65
Richard E. Barnett	Minority staff assistant (as of Mar. 1, 1971).	3,490.00
Brenda C. Jones	Minority staff assistant (as of April 13, 1971).	1,950.00
Robert F. Loftus	Technical staff assistant (as of May 3, 1971).	4,672.23
John P. Carrier	Staff assistant (as of June 1, 1971).	1,500.00
Peter R. Jutro	Staff assistant (as of June 7, 1971).	512.00
William Corcoran	Staff assistant (as of June 16, 1971).	216.66
Marie M. Lynch	Subcommittee clerk (as of June 27, 1971).	135.56
Subcommittee on Investigations and Oversight:		
Walter R. May	Chief counsel	17,619.54
John P. Constandy	Assistant chief counsel	16,968.29
Salvatore J. D'Amico	Associate counsel	13,087.28
John P. O'Hara	do	13,087.28
Carl J. Lorenz, Jr	do	13,248.43
Robert G. Lawrence	do	14,787.80
George M. Kopecky	Chief investigator	15,971.22
Sherman S. Willse	Professional staff member.	13,087.28
Paul R. S. Yates	Professional minority staff member.	14,113.15
Kathryn M. Keeney	Chief clerk	8,362.76
Stuart M. Harrison	Staff Assistant (terminated) (Mar. 31, 1971.)	4,733.70
Agnes M. GaNun	Staff assistant	6,344.88
Martha E. Downie	Minority staff assistant.	6,277.63

Name of employee	Profession	Total gross salary during 6-month period
Betty Hay	Administrative assistant.	$6,958.54
Shirley R. Knighten	Staff assistant	5,802.06
Carol Dahlstedt	Staff assistant (as of Apr. 1, 1971).	3,125.01
William O. Nolen	Investigator (as of May 1, 1971).	3,333.34

Funds authorized or appropriated for committee expenditures (H. Res. 351)	$1,072,670.00
Amount of expenditures previously reported	None
Amount expended from Jan. 3–June 30, 1971	297,897.99
Total amount expended from Jan. 3–June 30, 1971	297,897.99
Balance unexpended as of June 30, 1971	774,772.01

JOHN A. BLATNIK,
Chairman, Committee on Public Works.

JULY 15, 1971.

COMMITTEE ON RULES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to July 1, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Laurie C. Battle	Staff director and counsel—P.	$17,985.75
Robert D. Hynes, Jr.	Minority counsel—P	17,255.16
Mary Spencer Forrest	Assistant counsel—P	10,629.23
Winifred L. Watts	Secretary—C	8,027.86
Jonna Lynne Cullen	do	7,168.75
Margaret Anne Bundick	do	4,725.00
Total		65,791.75

Funds authorized or appropriated for committee expenditures	$5,000.00
Amount of expenditures previously reported	None
Amount expended from Jan. 1–June 30, 1971	268.23
Total amount expended from Jan. 1–June 30, 1971	268.23
Balance unexpended as of June 30, 1971	4,731.77

WILLIAM M. COLMER,
Chairman.

JULY 7, 1971.

COMMITTEE ON SCIENCE AND ASTRONAUTICS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Chas. F. Ducander	Executive director and chief counsel.	$17,958.75
John A. Carstarphen, Jr.	Chief clerk and counsel.	17,737.59
Philip B. Yeager	Counsel	17,737.59
Frank R. Hammill, Jr.	do	17,031.22
James E. Wilson, Jr.	Technical consultant	16,261.96
Mary Ann Robert	Secretary	7,116.39
Emily Dodson	do	$6,819.75
Carol F. Rodgers	do	6,654.82
June C. Stafford	do	6,654.82
Kieran U. Cashman	do	5,506.44
Carl Swartz	Minority staff (from Feb. 23,)	8,000.00
Investigative staff (H. Res. 247):		
Richard P. Hines	Staff consultant	16,261.96
Harold A. Gould	Technical consultant	16,261.96
Philip P. Dickinson	do	14,098.39
W. H. Boone	Technical consultant (from Mar. 22).	9,848.59
William G. Wells, Jr	do	13,534.95
K. Guild Nichols, Jr	Staff consultant	9,193.06
J. Thomas Ratchford	Science consultant	14,752.64
William L. Offutt	Minority staff (to Apr. 30).	4,877.98
Frank J. Giroux	Printing clerk	8,673.56
Elizabeth S. Kernan	Scientific research assistant.	8,001.42
Martha N. Rees	Secretary	6,369.48
Denis C. Quigley	Publications clerk	7,037.87
Patricia J. Schwartz	Secretary	4,906.69
Barbara J. Jackson	do	4,726.07
Colleen P. Dunphy	Clerk-typist (from June 24).	69.96

Funds authorized or appropriated for committee expenditures	$380,000.00
Amount of expenditures previously reported	0
Amount expended from Jan. 3–June 30, 1971	162,304.44
Total amount expended from Jan. 3–June 30, 1971	162,304.44
Balance unexpended as of June 30, 1971	217,695.56

GEORGE P. MILLER,
Chairman.

JULY 1, 1971.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated by it:

Name of employee	Profession	Total gross salary during 6-month period
John M. Swanner	Staff director	$17,958.75
Bennett Wolfe	Assistant staff director	14,886.90
Robert G. Allett	Senior staff member	16,841.75
Mariann R. Mackenzie	Secretary	10,000.02
Tempie W. Whittington	Assistant clerk	4,999.98

Funds authorized or appropriated for committee expenditures (H. Res. 236; 3-23-71)	$25,000.00
Amount of expenditures previously reported	
Amount expended from Mar. 23–June 30, 1971	380.25
Total amount expended from Mar. 23–June 30, 1971	380.25
Balance unexpended as of June 30, 1971	24,619.85

MELVIN PRICE,
Chairman.

JULY 15, 1971.

COMMITTEE ON VETERANS' AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing Committee:		
Oliver E. Meadows	Staff director	$17,945.64
Edwin B. Patterson	Counsel (Jan. 1–Mar. 31, 1971).	8,566.75
Donald C. Knapp	Counsel (Apr. 10–June 30, 1971).	8,100.00
John R. Holden	Professional staff (minority).	15,348.59
Billy E. Kirby	Professional aide	15,348.59
George W. Fisher	Clerk	17,463.00
Helen A. Biondi	Assistant clerk	10,740.73
Alice V. Matthews	Clerk-stenographer	7,483.62
Morvie Ann Colby	do	7,272.24
Marjorie J. Kidd	do	6,889.58
Arthur M. Gottschalk	Professional aide (minority) (from Mar. 22, 1971).	5,775.00
Rita W. Schwall	Clerk-stenographer (Jan. 1–Mar. 31, 1971).	2,554.44
Patricia J. Wilton	Clerk–Stenographer (Apr. 1–June 30, 1971).	2,740.53
Investigative Staff:		
Rita W. Schwall	do	2,612.49
Patricia J. Wilton	Clerk-stenographer (Jan. 1–Mar. 31, 1971).	2,688.82
Philip E. Howard	Investigator	15,247.85
Audrey A. Powelson	Clerk-stenographer	5,429.35
Candis L. Graves	do	4,445.90
Helen Lee Fletcher	do	3,235.35
Vance L. Gilliam	Records clerk	4,293.04
Michael John Wootton	Intern (minority)	700.00
Courtenay E. Baskin	Clerk-stenographer	583.33

Funds authorized or appropriated for committee expenditures	$150,000.00
Amount of expenditures previously reported	
Amount expended, Jan. 3–June 30, 1971	52,829.55
Total amount expended, Jan. 3–June 30, 1971	52,829.55
Balance unexpended as of June 30, 1971	97,170.45

OLIN TEAGUE,
Chairman, Committee on Veterans' Affairs.

JULY 1, 1971.

COMMITTEE ON WAYS AND MEANS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated by it:

Name of employee	Profession	Total gross salary during 6-month period
John M. Martin, Jr	Chief counsel (P)	$17,958.75
Richard C. Wilbur	Minority counsel (P)	17,945.64
John Patrick Baker	Assistant chief counsel (P).	16,927.92
Robert B. Hill	Professional staff (P)	11,418.52
William Kane	do	15,590.19
James W. Kelley	do	15,590.19
Harold Lamar	do	15,590.19
A. L. Singleton, Jr	do	14,569.74
Florence Burkett	Staff assistant (C)	7,046.65
Virginia Butler	do	8,626.23
William C. Byrd	do	5,825.95
Mary Clare Fitzgerald	do	5,244.24
William Fullerton	do	15,590.19
Grace G. Kagan	do	8,626.23
June Kendall	do	9,870.55
Mary Matthews	do	5,369.76
Elizabeth Price	Staff assistant (C) to May 31, 1971.	6,153.35
Vivian Jean Ratliff	do	4,999.74
Gloria Shaver	do	8,218.94
Eileen Sonnett	do	7,223.78
Shirley Vallance	Staff assistant (C) to Jan. 3, 1971.	58.99
Judith VanDerSchaaf	Staff assistant (C)	5,049.62
Carole Vazis	do	6,099.12
Hughlon Greene	Document clerk (C)	7,129.57
Walter B. Little	do	7,128.57

Funds authorized or appropriated for committee expenditures	$75,000.00
Amount expended from Jan. 1, to June 30 1971	3,015.87
Total amount expended from Jan. 1, to June 30, 1971	3,015.87
Balance unexpended as of June 30, 1971	71,984.13

WILBUR D. MILLS,
Chairman.

JULY 12, 1971.

SELECT COMMITTEE ON CRIME

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Stephen N. Abrams	Press assistant	$5,528.00
Weston Adams	Associate counsel (to Jan. 2, 1971).	132.71
Stuart R. Allen	Chief investigator	13,130.15
Ronald Barbatoe	Assistant counsel	8,755.26
Avanell K. Bass	Office manager (to Feb. 28, 1971).	2,147.75
Leroy C. Bedell, Jr.	Investigator	8,398.32
Michael William Blommer.	Associate chief counsel (from Mar. 1, 1971).	8,333.32
Beverly Bondy	Secretary (to Jan. 1, 1971).	45.43
Marian Canty	Secretary to the Chairman.	5,798.85
Frederick B. Collison	Investigator	6,959.36
Joseph M. Cribben	Associate chief investigator.	12,256.24
Elsworth D. Dory	Investigator	8,329.14
Mary Faye Downey	Secretary	3,457.15
Lina Mabel Duran	do	5,566.46
Hazel K. Edwards	Secretary to the associate chief counsel.	5,566.46
Roberta S. Gerson	Secretary to the chief counsel.	5,721.54
Mary N. Goulart	Finance officer	7,009.21
Deborah Hastings	Research assistant	5,237.08
Patricia C. Hester	Secretary	4,454.34
Alvin J. Lorman	Investigator	8,198.22
Raphael J. Madden	Research assistant	3,681.46
H. Christopher Nolde	Associate counsel (from Feb. 9, 1971).	9,987.95
Paul L. Perito	Chief counsel	17,916.56
Michael D. Petit	Press officer (to Jan. 2, 1971).	106.41
Mary G. Poore	Secretary/office manager.	5,721.54
Andrew Radding	Assistant counsel	7,966.17
Larry T. Reida	Associate chief counsel (to Jan. 2, 1971).	161.97
Jordan Payman Rose	Assistant counsel (from May 17, 1971).	2,140.17
Alberta E. Sandel	Secretary (to Jan. 2, 2, 1971).	45.43
Margaret M. Schauer	Secretary	5,292.24
James F. Southerland	Executive director (to Jan. 2, 1971).	166.69

Funds authorized or appropriated for committee expenditures	$675,000.00
Amount of expenditures previously reported	0
Total amount expended from Jan. 1, 1971–June 30, 1971	188,764.55
Balance unexpended as of June 30, 1971	486,235.45

CLAUDE PEPPER,
Chairman, Select Committee on Crime.

JUNE 30, 1971.

SELECT COMMITTEE ON HOUSE RESTAURANT

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated by it:

Name of employee	Profession	Total gross salary during 6-month period
Thomas J. Campbell	Staff director	$9,357.35
Judy A. Crowe	Secretary	3,684.14
Total		13,041.49

Funds authorized or appropriated for committee expenditures	$43,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 1, 1971 to June 30, 1971	13,215.79
Total amount expended from .... to	
Balance unexpended as of June 30, 1971	29,784.21

JOHN C. KLUCZYNSKI,
Chairman.

JULY 12, 1971.

SELECT COMMITTEE ON SMALL BUSINESS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated by it:

Name of employee	Profession	Total gross salary during 6-month period
Emilia E. Parrish	Secretary	$5,545.83
Marlyn Wilkinson	Secretary	1,703.37
William A. Keel, Jr.	Research analyst	17,761.50
Myrtle Ruth Foutch	Clerk	8,736.12
Donna M. Santoro	Secretary	4,131.53
Henry A. Robinson	Counsel	15,610.33
Robert M. Walker	Staff assistant	1,742.25
Leslie R. Pennington	Printing editor	8,654.97
Carol Ann Fowkes	Secretary	2,617.33
Susan E. Driggers	Secretary	3,054.13
Michael R. Lemov	Consultant	13,525.47
Clifford E. Payne, Jr.	Staff assistant	3,554.56
Justinus Gould	Counsel	15,610.33
Donald B. Roe	Counsel	8,654.97
Joanna G. O'Rourke	Secretary	2,141.19
Mary Ellen Owens	Secretary	2,851.51
Howard Greenberg	Staff Director	17,761.50
Linda W. Kinkead	Secretary	5,651.02
Donna R. Stagnito	do	.41.67
Charles E. O'Connor	General counsel	14,761.50
John Rayburn	Counsel	1,666.67
T. J. Oden	do	8,654.97
Christine Santoro	Secretary	3,620.13
Dorothy M. Jordan	do	2,197.21
Linda Louise Spakes	do	2,333.34
Mary Biddle Dick	Secretary, minority	1,166.66
Margaret L. Carpenter	do	5,168.43
Fred Wertheimer	Minority counsel	4,153.57
Bernadette O. Romanesk	Secretary, minority	4,415.61
James R. Phalen	Assistant minority counsel.	6,329.08
John M. Finn	Minority counsel	10,401.46

Funds authorized or appropriated for committee expenditures	$530,000.00
Amount of expenditures previously reported	None
Amount expended, Jan. 3, 1971–June 30, 1971	206,596.99
Total amount expended, Jan. 3, 1971–June 30, 1971	206,596.99
Balance unexpended as of June 30, 1971	323,403.0^{1}

JOE L. EVINS,
Chairman.

JULY 23, 1971.

JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated by it:

Name of employee	Profession	Total gross salary during 6-month period
Eugene F. Peters	Executive director (from Mar. 19).	$10,300.00
Nicholas A. Masters	Staff director (from Apr. 1).	8,000.01
Donald G. Tacheron	Director of research (from Apr. 1).	8,000.01
Raymond L. Gooch	Staff counsel (from June 1).	2,083.33
George Meader	Staff counsel (from June 11).	1,241.33
Cynthia K. Watkins	Clerk (from Mar. 24)	2,559.73
Louis Meyer Gerber	Clerk (from Apr 9)	2,166.67
Francis Joseph Butler	Clerk (from May 14)	1,175.00
Vilma R. Berarducci	Clerk (from May 17)	977.78
James J. Hennelly	Clerk (from June 1)	340.00

Funds authorized or appropriated for committee expenditures	0
Amount of expenditures previously reported	0
Amount expended from Jan. 1 to June 30	$37,238.96
Total amount expended from Jan. 1 to June 30	37,238.96
Balance unexpended as of	0

JACK BROOKS,
Chairman.

JULY 6, 1971.

JOINT COMMITTEE ON DEFENSE PRODUCTION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1971, to June 30, 1971, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Harold J. Warren	Clerk and counsel	$15,382.16
Charles S. Brewton	General counsel	15,113.53
George T. Ault	Professional staff member.	10,472.50
Cary H. Copeland	do	8,964.63
Mattie I. Echols	Secretary	5,420.79
Thomas L. McNamara	Professional staff member.	3,295.72
William Bruce Woodard	Clerk assistant	1,062.50
Helen O. McDaniel	do	1,000.00
Joel V. Lumer	Staff assistant	1,000.00

Funds authorized or appropriated for committee expenditures	$128,930.00
Amount of expenditures previously reported	60,299.92
Amount expended, Jan. 1–June 30, 1971	61,938.66
Total amount expended, July 1, 1970–June 30, 1971	122,238.58
Balance unexpended as of June 30, 1971	6,691.42

WRIGHT PATMAN,
Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

987. A communication from the President of the United States, transmitting proposed budget amendments for the District of Columbia for fiscal year 1972 (H. Doc. No. 92–146); to the Committee on Appropriations and ordered to be printed.

988. A letter from the Acting Director of ACTION, transmitting a draft of proposed legislation to authorize additional funds for ACTION; to the Committee on Education and Labor.

989. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 71–18, pertaining to certain military assistance, pursuant to section 614(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

990. A letter from the Secretary of the Interior, transmitting the 1971 progress report on the Western U.S. water plan, pursuant to title II of the Colorado River Basin Project Act of 1968; to the Committee on Interior and Insular Affairs.

991. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for increases in appropriation ceilings and boundary changes in certain units of the national park system, and for other purposes; to the Committee on Interior and Insular Affairs.

992. A letter from the Assistant Secretary of the Interior, transmitting notice of the determination of the Interior Department on deferment of the 1971 construction payment due the United States from the San Angelo Water Supply Corp., in connection with the San Angelo reclamation project, Texas, pursuant to 73 Stat. 584; to the Committee on Interior and Insular Affairs.

993. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of September 28, 1962 (76 Stat. 653), as amended (16 U.S.C. 460k–460k–4) to release certain restrictions on acquisition of lands for recreational development at fish and wildlife areas administered by the Secretary of the Interior; to the Committee on Merchant Marine and Fisheries.

994. A letter from the Secretary of Labor; transmitting the second annual report on the work incentive program, pursuant to section 440 of the Social Security Act; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLAND: Committee of conference. Conference report on H.R. 9382 (Rept. No 92–377). Ordered to be printed.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 760. A bill to revise and improve the laws relating to the documentation of vessels; with amendments (Rept. No. 92–378). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Committee on Banking and Currency. H.R. 8432. A bill to authorize emergency loan guarantees to major business enterprises; with an amendment (Rept. No. 92–379). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on Foreign Affairs. H.R. 9910. A bill to amend the Foreign Assistance Act of 1961, and for other purposes (Rept. No. 92–380). Referred to the Committee of the Whole House on the State of the Union.

Mr. EVINS of Tennessee: Committee on Appropriations. H.R. 10090. A bill making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian Regional Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1972, and for other purposes (Rept. No. 92–381). Referred to the Committee of the Whole House on the State of the Union.

Mr. McFALL: Committee of conference. Conference report on H.R. 9667 (Rept. No. 92–382). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING (for himself, Mr. Long of Maryland, Mr. Thompson of Georgia, Mr. McClory, and Mr. Halpern):

H.R. 10062. A bill to require the protection, management, and control of wild free-roaming horses and burros on public lands; to the Committee on Interior and Insular Affairs.

By Mr. BINGHAM:

H.R. 10063. A bill to promote fair practices in the conduct of election campaigns for Federal political offices, and for other purposes; to the Committee on House Administration.

H.R. 10064. A bill to amend the Internal Revenue Code of 1954 to provide that no income tax shall be imposed on servicemen who die while in active service or as a result of wounds, disease, or injury incurred while in active duty; to the Committee on Ways and Means.

By Mr. BROYHILL of Virginia:

H.R. 10065. A bill to redesignate the Washington National Airport as "Neil Armstrong Airport"; to the Committee on Interstate and Foreign Commerce.

By Mr. BURKE of Florida:

H.R. 10066. A bill to require the Department of Defense to determine disposal dates and methods for disposing of certain military material; to the Committee on Armed Services.

H.R. 10067. A bill to amend the International Travel Act of 1961 to provide for Federal regulation of the travel agency industry; to the Committee on Interstate and Foreign Commerce.

H.R. 10068. A bill to amend the Public Health Service Act to encourage physicians, dentists, optometrists, and other medical personnel to practice in areas where shortages of such personnel exist; to the Committee on Interstate and Foreign Commerce.

H.R. 1006 A bill to amend title 18 of the United States Code to impose certain limitations on the disposal of and contracts for the acquisition of chemical, biological, and radiological warfare agents; to the Committee on the Judiciary.

H.R. 10070. A bill to require the Council on Environmental Quality to make a full and complete investigation and study of national policy with respect to the discharging of material into the oceans; to the Committee on Merchant Marine and Fisheries.

H.R. 10071. A bill to encourage the growth of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. CEDERBERG:

H.R. 10072. A bill to amend the Military Selective Service Act of 1967 to exempt from the draft physicians who agree to practice at least 4 years in rural and inner city doctor-shortage area; to the Committee on Armed Services.

By Mr. DENT:

H.R. 10073. A bill to amend the Internal Revenue Code of 1954 so as to permit certain tax-exempt organizations to engage in communications with legislative bodies, and committees and members thereof; to the Committee on Ways and Means.

By Mr. FAUNTROY:

H.R. 10074. A bill to amend the District of Columbia Minimum Wage Act to extend minimum wage and overtime compensation protection to additional employees, to raise the minimum wage, to improve standards of overtime compensation protection, to provide improved means of enforcement, and for other purposes; to the Committee on the District of Columbia.

H.R. 10075. A bill to establish a revolving fund for the development of housing for low- and moderate-income persons and families in the District of Columbia, to provide for the disposition of unclaimed property in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. FINDLEY:

H.R. 10076. A bill to promote the foreign policy and security of the United States by providing authority to negotiate a commercial agreement with Rumania, and for other purposes; to the Committee on Ways and Means.

H.R. 10077. A bill to promote the foreign policy and security of the United States by providing authority to negotiate commercial agreement with any country, and for other purposes; to the Committee on Ways and Means.

By Mr. HALPERN (for himself and Mr. Morse):

H.R. 10078. A bill to protect consumers against unreasonable risk of injury from hazardous products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER:

H.R. 10079. A bill to provide for the appointment of an additional district judge for the western district of Wisconsin; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 10080. A bill to amend title 10 of the United States Code to establish a separate board to review the discharges and dismissals of servicemen for narcotic-drug-related causes, and for other purposes; to the Committee on Armed Services.

By Mr. MONAGAN (for himself, Mr. Hechler of West Virginia, Mr. Schneebeli, Mr. Derwinski, Mr. Eilberg, Mr. Moss, Mr. Addabbo, Mr. Vanik, Mr. Mazzoli, Mr. Collins of Illinois, Mr. Helstoski, Mrs. Grasso, Mr. Tiernan, Mr. Halpern, Mrs. Chisholm, Mr. Dingell, Mr. Dulski, Mr. Forsythe, Mr. Gallagher, Mr. Thone, Mr. St Germain, Mr. Rosenthal, Mr. Robison of New York, Mr. Kee, and Mr. Horton):

H.R. 10081. A bill to direct the Administrator of the Environmental Protection Agency to establish and carry out a bottled drinking water control program; to the Committee on Interstate and Foreign Commerce.

By Mr. MONAGAN (for himself, Mrs. Abzug, Mr. Burton, Mr. Mikva, and Mr. Metcalfe):

H.R. 10082. A bill to direct the Administrator of the Environmental Protection Agency to establish and carry out a bottled drinking water control program; to the Committee on Interstate and Foreign Commerce.

By Mr. PRYOR of Arkansas (for himself and Mr. Roy):

H.R. 10083. A bill to amend the Public Health Service Act to provide for the establishment of a National Institute of Gerontology; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY of Pennsylvania:

H.R. 10084. A bill to provide maternity benefits for pregnant wives of certain former servicemen; to the Committee on Armed Services.

By Mr. RYAN:

H.R. 10085. A bill to prohibit the introduction or delivery for introduction into commerce of the chemical compound known as polychlorinated biphenyl; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR (for himself and Mr. Skubitz) (by request):

H.R. 10086. A bill to provide for increases in appropriation ceilings and boundary changes in certain units of the national park system, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WYATT:

H.R. 10087. A bill to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes; to the Committee on Armed Services.

By Mr. EVINS of Tennessee:

H.R. 10090. A bill making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration, and other power agencies of the Department of the Interior, the Appalachian Regional Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1972, and for other purposes.

By Mr. BURKE of Florida:

H.J. Res. 803. Joint resolution providing for the establishment of the Astronauts Memorial Commission to construct and erect with funds a memorial in the John F. Kennedy Space Center, Florida, or in the immediate vicinity, to honor and commemorate the men who serve as astronauts in the U.S. space program; to the Committee on House Administration.

H.J. Res. 804. Joint resolution providing for the display in the Capitol Building of a portion of the moon; to the Committee on House Administration.

By Mr. CARTER (for himself, Mr. Hull, and Mr. Vander Jagt):

H.J. Res. 805. Joint resolution to authorize the President to proclaim the month of January of each year as "National Volunteer Blood Donor Month"; to the Committee on the Judiciary.

By Mr. FULTON of Pennsylvania:

H.J. Res. 806. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. SPENCE:

H.J. Res. 807. Joint resolution authorizing the President to proclaim the second full week in October each year as "National Legal Secretaries' Court Observance Week"; to the Committee on the Judiciary.

By Mr. BURKE of Florida:

H. Con. Res. 378. Concurrent resolution: support of gerontology centers; to the Committee on Education and Labor.

H. Con. Res. 379. Concurrent resolution expressing the sense of the Congress with respect to the pollution of waters all over the world and the necessity for coordinated international action to prevent such pollution; to the Committee on Foreign Affairs.

H. Con. Res. 380. Concurrent resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

247. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the east side division of the Central Valley project; to the Committee on Interior and Insular Affairs.

248. Also, memorial of the Legislature of the State of Wisconsin, relative to services of the Federal Government to the Menominee Indian Tribe of Wisconsin; to the Committee on Interior and Insular Affairs.

249. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to exempting public employees' benefit and pension plans from the provisions of the proposed Employee Benefit Security Act; to the Committee on Education and Labor.

. 250. Also, memorial of the Legislature of the State of Wyoming, ratifying the amendment to the Constitution of the United States extending the right to vote to citizens 18 years of age and older; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HANNA:

H.R. 10088. A bill for the relief of Gabriel Edgar Buchowiecki; to the Committee on the Judiciary.

By Mr. KUYKENDALL:

H.R. 10089. A bill to release the conditions in a deed with respect to certain property heretofore conveyed by the United States to the Columbia Military Academy and its successors; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII,

113. The SPEAKER presented a petition of the National Council, Junior Order of United American Mechanics, Philadelphia, Pa., relative to Lt. William L. Calley, Jr., which was referred to the Committee on Armed Services.

EXTENSIONS OF REMARKS

JOHNS HOPKINS HOSPITAL HEALTH PROGRAM FOR CHILDREN

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. LONG of Maryland. Mr. Speaker, the Johns Hopkins University Hospital has just opened an out-patient facility for children. The Johns Hopkins School of Medicine has pioneered in techniques to combat disease, and emphasized the importance of children's medical services.

At this point I want to insert an article from the Baltimore Sun of July 11 about the new Johns Hopkins University Hospital outpatient facility for children.

Hopkins Program Keeps Kids Well

(By Marion D. Gutman)

The Edwards A. Park Building, the Johns Hopkins Hospital's new out-patient facility for children, will open tomorrow and its first tenant, the Comprehensive Child Care Program, will occupy the third floor.

Dr. Robert H. Drachman, director of both this program and the new building, calls the addition to the Hopkins facilities "representative of a new and major commitment on the part of the hospital to provide comprehensive health services to the children in the area. It is the only new building in the history of the hospital that has been dedicated solely and specifically to giving outpatient care to children."

The building bears the name of Dr. Edwards A. Park, internationally known professor of pediatrics at the Johns Hopkins Hospital from 1927 to 1946. It is on Monument street, just east of Broadway, and adjoins the Children's Medical and Surgical Building. Cost of construction was about $3,000,000; most of this came from private gifts and endowments. Federal funds account for about one-fifth of the total.

A distinctive feature is the first-floor trauma center, for children only. It was established to spare chilren, already traumatized by their own emergencies, the sight of adults in various stages of distress.

The first floor will also contain a laboratory equipped to analyze and test minute quantities of blood, X-ray facilities, and offices for social workers, nutritionists, and school counselors.

The second and third floors of the building will be devoted to treatment of minor illnesses and preventive care. The prototype for these services, according to Dr. Drachman, will be the Comprehensive Child Care Program, generally considered a major breakthrough in providing health care to inner-city children.

ONE OF 60

The Hopkins Program is one of 60 throughout the country with funds allocated by the Children's and Youth Act of 1966. Baltimore has five, and the Hopkins program cares for the largest number of children.

The four others are attached to University Hospital, Sinai Hospital, City Hospitals and the Greater Baltimore Medical Center. Each is committed to serving the disadvantaged in its immediate vicinity. Provident Hospital operates a Neighborhood Health Center, which serves adults as well as children and is funded by the Office of Economic Opportunity.

The Hopkins Comprehensive Child Care Program extends to portions of the nine census tracts surrounding the hospital. The boundaries are roughly 25th street, Harford road, and Preston street on the north; Monument, Jefferson and Orleans streets on the south; Chester street on the east, and Caroline street and the Fallsway on the west.

At the time that the program was initiated, neighborhood health facilities for the well child over 5 were meager. Those 5 and under had the advantage of routine checkups and immunizations in the Eastern Health District's Well-Baby Clinics. Sick children were seen in the Harriet Lane out-patient department or in the emergency room. But the only health resources available to children over 5, with no apparent ailment, were the private physicians. Those who offered pediatric care were few and widely scattered. Furthermore, private medical attention was beyond the financial capabilities of most families.

The Comprehensive Child Care Program offers for the child under 18 routine checkups, immuniaztions, dental care, hearing, speech, and vision examinations, family counseling, and of course, treatment of the ill child. This service is free because of federal funding. The clinic is open until 9 P.M., Monday through Friday, for the convenience of the working parent.

Despite these services, the program encountered community hostility. A traditional distrust of the Johns Hopkins Hospital on the part of the black population all but overshadowed the advantages that the new program offered. Most of the parents who brought their children to the clinic in the early days brought their suspicion and fear with them, and the program operated well below its potential. Now, four years later, 80 per cent of the child population of the area—more than 16,000 children—are registered patients of the Hopkins Child Care Center.

While no single factor can be held accountable for this dramatic growth, Dr. Drachman may have provided a clue when he said that the program assumes responsibility for the children under its care. In his opinion, this responsibility is not discharged when a child is given a checkup, treated for an ailment, given a regimen of diet and hygiene and, with a pat on the head, told to report back at a stated time.

LARGE AND MULTISKILLED STAFF

Responsibility, as he sees it, extends to seeing that the doctor's recommendations are practical in terms of the family's living pattern, making necessary changes and adjustments, seeing that appointments are not only made but kept, helping the child and the family to meet strange—and sometimes frightening—situations, discovering those things not audible to a stethoscope that may impede a child's healthy development.

This responsibility, or concern for the child in relation to his total living environment, has necessitated a large and multi-skilled staff. It includes physicians, dentists, nurse practitioners, hearing, speech, and vision specialists, nutrition experts, psychologists, social workers, and the community health workers, headed by Mrs. Gladys Watties, who are the program's pipeline to the community.

A further tie between the community and the Comprehensive Child Care Program is the Advisory Committee of Parents, consisting of 10 parents of children under care.

The Hopkins Comprehensive Child Care Program has been self-monitored since its inception by a system of computerized record keeping. Dr. Drachman describes it as a "feed-back on the effectiveness of services." He adds that although this procedure is not usual in medical care programs, no business would operate without knowing "whether it is moving in the right direction or headed for the red."

Four criteria form the basis of the evaluation:

1. The effectiveness of the medical care—whether the program is getting the results that it should.
2. The quality of the care, or an assessment of the steps that are taken to achieve the final outcome or result.
3. The satisfaction with the program of the patient, the parent, and the staff.
4. The efficiency with which the program is administered, an inquiry into such matters as whether or not the staff's time is being well utilized.

The first four years of the program's operation yield what Dr. Drachman regards as encouraging results:

The number of children receiving care is steadily mounting.

A recent study shows that for a given number of children, there were twice as many visits to the Comprehensive Child Care clinics as there were to those facilities which treat only the sick. The difference measures the growing awareness on the part of parents of the importance of the routine checkup as a preventative. It is also a measure of growing confidence in the program.

EFFECTIVE SURGICAL PROCEDURES

This increased confidence, combined with a more complete and thorough assessment of the child, has resulted in what Dr. Drachman calls "significantly more elective surgical procedures" than are undergone by children outside the program. Clubfoot, crossed eyes, unsightly birthmarks are some of the conditions that fall within the "elective" category.

A national survey of dental services shows that the use of such services by children in the Hopkins Comprehensive Child Care Program is numerically far above the national average.

Studies are still in progress relating to overall improvement in health and susceptibility to disease. While Dr. Drachman believes that the results will show the impact of comprehensive care, he states that the information with which to document this assumption is not yet available.

A pilot project was recently initiated by the Comprehensive Child Care Program in order to reach those children within the area not receiving care. First-grade teachers in one of the neighborhood schools were asked to identify, by means of a simple questionnaire as well as their own observations, those children who appeared to need some special kind of attention. Twenty-five percent of the first graders fell within this category. Plans are now underway to extend this type of study to other first grades in the area.

The future of comprehensive child care programs is cloudy. No funds have been allocated to continue them beyond June 30, 1972. Those connected with the Hopkins program have expressed the hope that if funds are not forthcoming, the program will become the nucleus of an overall maintenance organization that is now under consideration. They regard their program as a landmark toward providing a healthy foundation for disadvantaged children.

LIBERTY AND THE GERMAN PEOPLE

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, July 26, 1971

Mr. THURMOND. Mr. President, on July 4, 1971, Mr. Axel Springer published an article entitled "July 4 and Ourselves."

Mr. Springer is an important spokesman for responsible German opinion. At a time when people are making presumptuous overtones to the East, it is heartening to note this reminder of the value of independence.

Mr. President, the American people celebrated the 195th anniversary of the signing of the Declaration of Independence. The ideas expressed in this, one of the most important documents in American history, are valid for men everywhere. This article points out that the people of West Germany have now established a government which respects human rights as self-evident and unalienable. As stated in the West German Constitution, the West German people have sworn never to rest until these rights have been extended to all of the German people. These stirring remarks deserve the consideration of the Congress.

Mr. President, I ask unanimous consent that the article entitled "July 4 and Ourselves" published by Mr. Axel Springer on July 4, 1971, be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JULY 4 AND OURSELVES

(By Axel Springer)

This Sunday the citizens of the United States of America celebrate for the 195th time their independence. The Declaration of Independence, whose chief author was Thomas Jefferson, subsequently President of the USA, became one of the important documents of human history, in language and import comparable to the Commandments of the great religions.

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.—That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed,—. . ." These sentences are the core of the Declaration, and are valid for men everywhere.

We Germans have in the past by no means always lived by these tenets, which give every man the self-evident right to live in his own way and be happy. We fell away from God, and then followed the Fall away from man, God's image.

We allowed the rights of our own people and of others to be trampled upon in our name. And the injustices grew and became murder.

In the free part of Germany we have today created once more a social order which, as does the American Declaration of Independence, respects human rights as self-evident and unalienable. The Constitution we have given ourselves lays down the mandate not to cease in our efforts until the same basic rights are once more granted to all our people: "The whole German nation remains called upon to achieve in free self-determination the unity and liberty of Germany." (Preamble to the West Germany Constitution).

And unspoken remains the hope one day to give these rights to all other people who today still live in bondage.

These are the thoughts of a German on the Independence Day of our American friends. Accordingly for us there can be no pact with today's oppressors of freedom. And if such a pact is nevertheless made by a Government, "it is the Right of the People to alter or to abolish it, and to institute new Government . . ." This also stands in the Declaration of Independenct of July 4, 1776.

TORTURE IN GREECE EXPOSED

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. EDWARDS of California. Mr. Speaker, as a consistent supporter of the return of true, democratic government in Greece, I would like to share with my colleagues in the Congress the very informative testimony of Maurice J. Goldbloom concerning recent events of the Greek junta. Mr. Goldbloom's statement reflects his close knowledge of the heinous atrocities committed by the Greek junta in recent weeks and the intolerable complicity which the American Government wittingly or unwittingly has aided these actions through the financial support of this Government. The testimony is indeed an affront to each American who believes in the right of every human being in the world to govern him-

self free from the fear and tyranny of government oppression. As Mr. Goldbloom so eloquently states, the recent tortures in Greece are an affront to our common bond as human beings.

The testimony follows:

Statement of Maurice J. Goldbloom, Executive Secretary of the U.S. Committee for Democracy in Greece, Before Subcommittee on Europe of House Foreign Affairs Committee, July 14, 1971

Mr. Chairman and members of the Committee: I thank you for the opportunity to testify today on the present situation in Greece and its implications for American policy. My active connection with Greek affairs began when, as a U.S. Foreign Service Staff Officer, I served as Labor Information Officer of the U.S. Economic Mission to Greece in 1950 and 1951. Since that time I have kept in close touch with developments in Greece through a number of trips to that country, through correspondence with people there and personal contact with visitors from Greece, through careful study of reports in newspapers and periodicals as well as those from official sources, and in other ways. I have also written on Greece for a number of leading newspapers and periodicals.

Two items in the current news are, I believe, unprecedented in the entire period during which I have been following Greek events. One is the decision of the Administration to give Greece $117,000,000 in military aid for the coming fiscal year. The other is the savage torture of two American citizens, Ioannis and Nikos Koronaios, by the junta's police. Neither military aid nor torture of political prisoners is, of course, new; we have been giving Greece military aid since 1947, and the junta has been torturing its prinsoners since April 21, 1967. But the *amount* of aid *is* new, and the junta's tortures have not previously, so far as I know, been expanded to embrace American citizens. The juxtaposition of the two developments makes it almost seem as if the first is a reward for the second. Perhaps a more accurate assessment, however, would be that the junta has been emboldened by our Government's eagerness to shower it with aid, to a point where it no longer has any fear of effective American displeasure whatever it may do.

The proposed aid for the coming fiscal year is more than 50 percent greater than the amount given in 1966, the last full year before the coup. While I do not have access to the precise figures for years before 1966, those figures which are available make it almost certain that the proposed amount is the highest in the last twenty years. These figures lump Greece with Turkey and other Near Eastern countries, and in recent years with South Asia as well. But for 1950 *total* American military grants to all of the Near East and Africa came to only $118 million, according to the U.S. Statistical Abstract—a document which is not classified, although I suspect that some people wish it could be. In that year Greece received no credits, so that its entire military assistance must have been included in that total, most of which certainly went to other countries. There were, of course, increases in the amount of military aid in subsequent years, as a result of the Korean War. But the total amount for Greece seems never to have exceeded about eighty million dollars a year.

Before the coup, a decision had been taken on strictly non-political grounds to sharply reduce or even phase out entirely our military aid program for Greece over the next four years—the four years which have now passed since the coup. Hence even our reduced aid programs before the resumption of heavy weapons shipments were almost certainly above what had been planned before the coup. And our new, unprecedentedly high, level of military aid certainly bears no relation to any change in either the strategic situation or the state of international tensions in the past four years. The one factor which has, indeed, changed significantly among those responsible for the pre-coup decision to cut military aid is Greece's economic situation.

The two main factors in that decision were the belief that many of the items being supplied to Greece were unnecessary for the fulfillment of her NATO role, and the apparent ability of Greece to pay for many of the items previously given or sold on concessionary terms. The Greek payments situation had improved substantially in the years immediately preceding the coup, and American planners therefore assumed that the improvement would continue, and planned accordingly.

In fact, however, there has been a catastrophic deterioration in the Greek balance of payments situation since the junta took power. Mr. Davies testified on Monday that, according to a briefing he had received from Greek economic ministers, the deterioration in the balance of trades had been made up for by an increasingly favorable balance on invisibles. It is unfortunate that on this, as on other matters, the Department of State seems to have relied on information from the junta instead of looking at the facts.

Actually, the cumulative balance of payments deficit on current account for the first four years of the junta's rule comes to over one-and-a-third billion dollars—not small change even by American standards. For 1970 alone, the deficit was a record $410.4 million; for the current year it is running about 60 percent ahead of last year's figure, so that Greece seems likely to be some $700 million in the red this year.

At the same time, contrary to Secretary Stans's statement which Mr. Davies found "factual," foreign investment in general and American investment in particular have fallen off sharply. Indeed, most of the increase in production since 1967 has resulted from the completion of plants already begun before 1967, such as units of the Esso-Pappas complex and Pechiney aluminum. Even so, the average annual increase in industrial production, according to the Bank of Greece index, has been about 7.5 percent since the coup, as against 11 percent in the preceding four years. So much for the "Greek Economic Miracle" under the junta. (Incidentally, Mr. Noyes's statement that unemployment has declined since the coup is meaningless. Unemployment both before and since the coup was held to negligible proportions by the fact that the unemployed migrated to Northern Europe to work; approximately a fourth of Greece's industrial labor force is now employed in other European countries, especially Germany. Unemployment in Greece today—and as long as a labor shortage in Northern Europe continues to draw off the surplus workers of the Mediterranean countries—is essentially a transitional phenomenon. People leave the land where their labor is no longer needed and are unemployed until they either go North themselves or fill jobs vacated by those who do. Of course, a depression in Germany or even a severe recession there would send a flood of unemployed workers back to Greece, while at the same time causing a sharp drop in the emigrant remittances which today furnish more than a third of Greece's income from invisibles.)

The rapid escalation of the deficit has been caused in part, at least, by the junta's monumental incompetence—not surprising in a regime which started in by dismissing on political grounds a large part of its trained personnel, to its use of the country's resources to bribe the officer corps and other groups, and to gross corruption. Two items in the balance of payments are of particular interest. Government expenditures abroad have doubled; the increase has gone partly into the creation of a system of espionage and intimidation against Greeks abroad, and partly into propaganda. Early in the junta's reign one of its journalistic organs, *Estia*, urged that it get its point of view into the foreign press even if it had to pay to do so. And where it found venal journalists the junta paid, sometimes a good deal more than they were worth. Sometimes payments have taken the form of advertising; at other times they have been outright subsidies. Thus on one occasion the publisher of a pro-junta Greek-language weekly paid his printer's bill by endorsing over a check from the Greek Consul. Of course, the major newspapers in the United States and most other countries cannot be reached by this sort of thing. But not all European papers are above suspicion in this respect, and even the best-run paper canot be sure that no individual journalist will succumb. Indeed, in England, five members of Parliament were given a free trip to Greece in return for which they held a press conference praising the junta in the same week in which another British M.P. was arrested in Athens for placing a wreath on Lord Byron's statue there; one of the five, it later turned out, was also paid in cash by the junta's British public relations firm.

The second item is a tripling in the country's interest bill; between them, the increases in government expenditures and interest account for two-fifths of the rise in the balance of payments deficit from 1966 to 1970. The rise in interest payments is accounted for partly by the precipitous rise in Greece's foreign rates that the junta has had to pay as its borrowing became increasingly desperate. The net effect of the cumulative payments deficits has been that, since the junta came into power, approximately a half billion dollars of reserves—the official reserves and the secret gold sovereign fund, and the special drawing rights received from the International Monetary Fund—have been dissipated, and Greek debts have climbed by several hundred millions. This includes about $300 million due within a year. The fall in the official reserves has been masked by a number of bookkeeping tricks; thus the junta borrowed $25 million in New York at 7 percent on condition that it keep the money on deposit with the lending banks at 5 percent, and then counted this as part of the official reserves although it could not touch a penny of it. Again, it has pawned a major part of the gold reserve as security for German and Swiss bank loans, but continues to count the gold as part of its official reserves. These things are not secret from the financial world, and it is therefore becoming increasingly difficult for the junta to borrow abroad. Indeed, it was reportedly in temporary default early this year on a loan from a major New York bank. The principal factor keeping it from open bankruptcy is the fact that its creditors prefer renewing the loans to having them defaulted. Two things seem likely to occur in the near future—a devaluation of the drachma, and an appeal from the junta for American economic aid. To respond to such an appeal would of course compound the complicity which the people of Greece and of the democratic countries of Europe already attribute to the United States because of the continuance of massive military aid.

But even if the junta were composed of economic and administrative geniuses rather than of men whose only expertise is in conspiracy, it would be the enemy of everything for which the United States should stand. What we objected to in Mussolini and Hitler was not that they really did not make the trains run on time, but that they were the enemies of freedom and jusice and human dignity. And in this, if not in all the details of their rule, the Greek colonels are kin.

Here too Mr. Davies paints far too optimistic a picture of the situation even though he does not go so far in this direction as the State Department has done in previous statements. (In quoting former Foreign Minister Evangelos Averoff in favor of resumption of full military aid to Greece—a position in which Mr. Averoff, who has in the past been highly receptive to political suggestions emanating from the American Embassy, is despite Mr. Davies's asesrtions to the contrary alone among respectable Greek political figures—Mr. Davies neglected to quote Averoff's condemnation of the accompanying State Department staetment. The omission is hardly surprising, since Averoff declared: "The American authorities have been deceived by their services, or they are seeking to put a democratic mask on Greece to appease public opinion. Contrary to the claim of the State Department, human dignity is trampled underfoot and the conditions for a return to democracy have not been created. Ignorance of that reality and support of hypocrisy do not serve either democracy or the prestige of the United States which, until yesterday, all Greeks loved and respected.")

Human dignity is still trampled underfoot in Greece and the conditions for a return to democracy are no nearer now than they were last September, when full military aid was resumed and Averoff made his comments. The establishment of the mini-parliament and the Prime Minister's consultations with a few disreputable or insignificant former members of Parliament, repudiated by their parties, are not as Mr. Davis suggests even small steps in the direction of democracy. Rather, these are attempts to introduce a measure of subtlety into its suppression. The mini-parliament, appointed by Papadopulos from a slate "elected" by a small group of junta-appointed officials, lacks even a semblance of independence, prestige, or power. And the apparent purpose of the conversations of the Prime Minister with the politicians is the creation of a two-party system in which both parties will be tightly controlled by the junta, so that "free elections" may then be staged for the State Department's benefit with no risk whatsoever.

Meanwhile, many hundreds of prisoners—the exact number can not be ascertained, though it is certainly larger than Mr. Davies suggests—remain in prison. To be sure, most of those who were on Leros have been released, after being held four years without even the pretense of charges. Largely old and sick, these people were arrested the night of the coup and never had a chance to threaten the junta. Now, physically broken and socially uprooted, they constitute no danger to it. And those of them who it vaguely suspects might, the junta has kept in forced residence in remote villages. In the last batch of some two hundred, it announced that it was thus keeping fifty under restraint. In regard to the other groups released this year, it made no announcement, but it would be foolish to believe that they too did not furnish their quotas of victims. Nor do we have precise information on how many of those who were formerly under this type of restriction still are. But 150 would seem a modest estimate for the total of the two groups.

As to those in prison for political offenses, for whom Mr. Davies gives a figure of 350–500 and junta spokesmen one of 450, other estimates run much higher. *Eleftheros Kosmos*, a junta organ, reported on April 11 that 1985 prisoners had been sentenced by courts-martial and 500 amnestied; from this *Agence France-Presse* concluded that there were still 1,485 convicted prisoners. Junta sources replied that the figure was only 450, since the sentences of the others had expired. But a check of twenty trials picked at random, involving 131 prison sentences, shows that only nine were short enough to have expired by now. The actual number is therefore almost certainly far higher than 450.

In addition, there is the most wretched group of all—those awaiting trial, usually for months and sometimes even for years. The best-known group, those awaiting trial on a charge of conspiring with Andrea Papandreou against the junta, consists of individuals arrested in November and December. Of some two hundred arrested at that time, less than a quarter have been tried or released. And there have been many arrested since, just as there are many who were arrested much earlier who have not yet been brought to trial.

It is these prisoners who, "under investigation," are the victims of the bestial tortures which have been condemned by the European Court of Human Rights and the Council of Europe, exposed in the press of this and other countries, and minimized by the State Department. Among those who are still held under such conditions, and who have suffered such tortures in the recent past, are Christos Sartzetakis, on whom the incorruptible magistrate in "Z" is modeled, and the American citizens Ioannis and Nikos Koronaios. The torture of American citizens by the junta's police is an affront to our country, and that the United States has not merely done nothing to prevent it but has increased military aid to its perpetrators to new high levels, is shameful. But the torture of *anyone* is an insult to our common humanity, and that the official witnesses before this Committee have not even mentioned it, while our government continues to treat its perpetrators as honored allies in the defense of freedom, is even more shameful.

VOCATIONAL REHABILITATION ACT

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. GIAIMO. Mr. Speaker, an amendment I will offer Tuesday, July 27, to the Labor-HEW appropriations bill for fiscal year 1972 will have three basic features:

First. Increasing from $518 to $575 million funds under section 2 of the Vocational Rehabilitation Act and changing the allotment base for this program from $530 to $600 million, also specifically earmarking funds for rehabilitation facility improvement and increasing those funds by $5 million.

Second. Increasing funds to implement the Developmental Disabilities Services and Construction Act from $16.2 to $30 million.

Third. Restoring to the fiscal year 1971 level funds for research and development in rehabilitation work, increasing that amount from $24 to $31 million.

In the CONGRESSIONAL RECORD of Thursday, July 22, 1971, on page 26906, I inserted a table showing the tentative effect my proposed increase in developmental disabilities funds would have on the respective States.

Below I have inserted a table showing the tentative effect a proposed increase in State-Federal vocational rehabilitation funds will have on the respective States. This table shows how the so-called allotment base for these funds will be distributed if my amendment to the Labor-HEW fiscal year 1972 bill is adopted. Allotment base figures differ from actual appropriations, however, in that not all States can raise enough of their own funds to match their Federal allotments, and therefore appropriations do not have to be as high as allotments. The effect of this figure is that the Secretary of Health, Education and Welfare must allot funds to the States on the basis of the allotment figure stated in section 208 of the appropriations bill, rather than on the basis of the $700 million "mandatory allotment" base in the authorizing measure.

The tentative allocations under the Vocational Rehabilitation Act, as prepared by the Rehabilitation Services Administration, are:

TENTATIVE ALLOCATIONS UNDER THE VOCATIONAL REHABILITATION ACT

State	Committee bill	Giaimo amendment
Total	$530, 000, 000	$600, 000, 000
Alabama	14, 387, 594	16, 295, 820
Alaska	1, 000, 000	1, 000, 000
Arizona	5, 358, 465	6, 069, 158
Arkansas	8, 242, 313	9, 335, 490
California	34, 141, 345	38, 669, 512
Colorado	5, 755, 380	6, 518, 715
Connecticut	4, 111, 495	4, 656, 802
Delaware	1, 048, 671	1, 187, 756
District of Columbia	4, 185, 964	4, 741, 148
Florida	18, 879, 236	21, 383, 188
Georgia	15, 571, 437	17, 636, 676
Guam	488, 175	552, 922
Hawaii	1, 702, 787	1, 928, 627
Idaho	2, 427, 529	2, 862, 755
Illinois	18, 912, 533	21, 420, 902
Indiana	12, 841, 374	14, 544, 525
Iowa	7, 450, 522	8, 438, 685
Kansas	6, 064, 490	6, 868, 823
Kentucky	11, 972 897	13, 560, 861
Louisiana	13, 499, 337	16, 289, 753
Maine	3, 368, 235	3, 814, 964
Maryland	7, 854, 699	8, 896, 467
Massachusetts	10, 609, 001	12, 016, 072
Michigan	18, 554, 988	21, 015, 935
Minnesota	9, 784, 062	11, 081, 722
Mississippi	10, 523, 016	11, 918, 683
Missouri	12, 762, 295	14, 454, 957
Montana	2, 232, 157	2, 528, 208
Nebraska	3, 955, 349	4, 479, 946
Nevada	1, 000, 000	1, 000, 000
New Hampshire	7, 986, 261	2, 249, 699
New Jersey	12, 559, 214	14, 224, 942
New Mexico	3, 705, 451	4, 196, 905
New York	28, 274, 410	32, 024, 493
North Carolina	18, 529, 820	20, 987, 429
North Dakota	2, 202, 073	2, 494, 134
Ohio	25, 522, 718	28, 907, 795
Oklahoma	8, 529, 694	9, 660, 987
Oregon	5, 406, 331	6, 123, 373
Pennsylvania	29, 394, 520	33, 293, 114
Puerto Rico	15, 094, 160	17, 096, 098
Rhode Island	2, 069, 415	2, 343, 881
South Carolina	10, 646, 130	12, 058, 125
South Dakota	2, 278, 134	2, 580, 283
Tennessee	14, 839, 660	16, 807, 844
Texas	34, 416, 157	38, 980, 770
Utah	3, 664, 579	4, 150, 612
Vermont	1, 356, 656	1, 536, 590
Virginia	13, 858, 440	15, 696, 485
Virgin Islands	353, 506	400, 392
Washington	7, 315, 036	8, 285, 229
West Virginia	7, 003, 541	7, 932, 420
Wisconsin	11, 208, 748	12, 695, 364
Wyoming	1, 000, 000	1, 104, 014

HONORARY DEGREE OF DOCTOR OF HUMANITIES AWARDED TO HIS EXCELLENCY AMIR ASLAN AFSHAR, AMBASSADOR OF IRAN

HON. WALLACE F. BENNETT

OF UTAH

IN THE SENATE OF THE UNITED STATES

Monday, July 26, 1971

Mr. BENNETT. Mr. President, it is my honor and privilege to bring to the attention of the Senate a speech recently given by His Excellency Amir Aslan Afshar, Ambassador of Iran, at Utah State University. The speech was delivered on the occasion of the Ambassador's receiving and honorary degree of doctor of humanities from this outstanding university on a day proclaimed by the Governor of Utah as Iranian Day. I also introduce for the RECORD a copy of the Governor's proclamation which shows the strong bonds between Iran and the State of Utah. As President Glen Taggart of the university said in his presentation of this degree for humanitarian service in promoting goodwill between Iran and the United States—

> This honor is dedicated to bonds of friendship between this institution and a nation half way around the world.

Dr. Afshar is the second prominent Iranian to receive an honorary degree. Dr. Ardeshir Zahedi, a 1950 graduate of Utah State University, now serving as Iran's Minister of Foreign Affairs, was awarded an honorary doctorate of laws in 1960.

Indeed, this and other great universities throughout our land have educated and trained many Iranians who have returned to prominent positions in government, education, and business in their country to assist in making Iran the strong and stable force in the Middle East. In addition to standing as a bastion of freedom and democracy in this turbulent area, Iran has also maintained close and cordial relations with the United States.

Under the enlightened leadership of the Shahanshah Aryamehr, Iran has effected a bloodless revolution—appropriately called the "White Revolution"—which has, through agarian reform, profit sharing, a literacy corps, health corps and universal suffrage, given the people of this cradle of civilization a high standard of living in this modern world.

This speech is especially significant since it comes as we approach the 2500th anniversary of the founding of the Persian Empire by Cyrus the Great and the Declaration of Human Rights. The Ambassador is president of the Western Hemisphere Committees commemorating this event. Mrs. Richard M. Nixon is honorary chairman and Mr. Ralph E. Becker, general chairman of the U.S. committee. The honorary committee includes Vice President AGNEW, former Presidents Truman and Johnson, former Chief Justice Warren, all Cabinet members, some of my congressional colleagues, Governors and mayor. The general committee consists of leading academicians from universities throughout the country and directors of museums and heads of museum departments specializing in Iranian art. The U.S. committee has planned a sweeping program which will include films, exhibitions, and publications by some of the leading museums and educational institutions in this country.

It is indeed fitting that we in this country plan such an extensive commemoration of this event. The Declaration of Human Rights of Cyrus the Great was a unique and unprecedented document in the history of mankind which based a system of government on morality, tolerance, and mutual understanding, which, I think, we all find familiar as some of the basic principles in our own Constitution. It is in this light that I ask unanimous consent that the speech and proclamation be printed in the Extensions of Remarks.

There being no objection, the speech and proclamation were ordered to be printed in the RECORD, as follows:

REMARKS OF HIS EXCELLENCY DR. A. ASLAN AFSHAR, AMBASSADOR OF IRAN, AT THE UNIVERSITY OF UTAH, LOGAN, UTAH, JULY 22, 1971, ON THE OCCASION OF RECEIVING AN HONORARY DEGREE

President Taggart, distinguished guests: I am deeply moved by the honor you have given to my country and its great leader, my august sovereign, the Shahanshah of Iran by designating today as Iran Day and by bestowing this degree upon me.

I have deep and warm feelings for this great western region of America. This has been so since I gained my first impressions of the United States as an Eisenhower fellow some years ago. I then had the opportunity to travel extensively, to see what this amalgam of peoples have accomplished in one nation: to see and feel the pulse of this vast country. Therefore, this degree from the State University of Utah, located as it is in the heart of this Nation, is of particular honor to me.

We in Iran have warm feelings for this State University of Utah, which has trained so many of our fine young people who have returned to Iran to take prominent places in both our public and private sectors. The relationship is strengthened because of your State's long tradition of religious freedom and educational excellence. In Iran these two concepts are cornerstones of our modern society of 30 million peoples.

My august sovereign, the Shahanshah of Iran, has grafted these two concepts with modern ideas and technology and has effected what has been called the white revolution. It is a revolution which has brought to the country land reform. It is a revolution which aims to exterminate illiteracy by means of a dedicated group of 75,000 youths banded together in a literacy corps. It is a revolution which delivers medical services through a modern health system, which requires profit sharing for factory workers and which permits universal women's suffrage. The white revolution is a revolution because it has drastically changed the fabric of Iran's society. It is called the "white revolution" because it has been bloodless, accomplished without a tragic toll of human suffering.

The white revolution in fact had its roots in the rule of Cyrus the Great 2500 years ago. Cyrus was the ruler most noted for his humane reign, which was premised on tolerance and freedom for his people. The 2500th anniversary of his reign and his declaration of the doctrine of human rights is in fact being celebrated this year beginning the middle of October. A United States committee, headed by Mrs. Nixon and including Vice President Agnew, former Presidents Truman and Johnson, Cabinet members, prominent Members of Congress and distinguished academicians, will join with similar committees of 60 other nations to commemorate the humanity for which Cyrus the Great stands in the history of mankind. Further, many heads of state from various parts of the world will gather in Iran to mark the 2500th anniversary of the founding of the Persian empire and the declaration of human rights by Cyrus the Great. The result of this commemoration will be a greater understanding among all people of Iran's cultural heritage and contributions to civilization, as well as an awareness of Iran's modern achievements. Further, the commemoration will mark a rededication by the Iranian people, consonant with the traditions established by Cyrus the Great.

However, Iran's contribution to the evolution of mankind derives from many centuries before Cyrus the Great. In the words of the great scholar, the late Dr. Arthur Pope, who devoted his lifetime to the study of Iran's cultural heritage and now rests in the country he loved and admired so much, "in Western education, Persia has, since the days of Xenophon, been a blank page, or at most, a footnote to the history of ancient Greece.

"Yet, scholars now agree that the Iranian Plateau was probably the cradle. First of the human race and later of civilization itself. Independent considerations have led Sir Arthur Keith, Dr. Henry Field, and Professor Ellsworth Huntington, working separately, to the belief that man emerged as homosapiens in the Land of Persians. That this land and the adjoining regions in the Northwest produced the first civilized communities now seems certain to most scholars."

For sixty known centuries—some even say for 7000 years—the Iranian Plateau has contributed ideas and techniques which have helped to sustain and humanize mankind. Writing, numbers, the Art of Agriculture and of working metals, the sciences of astronomy and mathematics, the beginning of religions and philosophical thinking—these all come from the Near East, and the fountainhead of much near eastern culture was on the Iranian Plateau. But these sometimes forgotten contributions to civilization have been memoralized by the Art of Iran—a fact often emphasized by our Queen, Empress Farah, who is a great patron of cultural activities in my country.

What Iran has practiced at home in bringing equality and justice to our people, Iran also practices in its foreign policy. In fact, our foreign policy has been amazingly consistent. The Empire founded by Cyrus the Great was not based on territorial acquisition alone, but also on international tolerance and understanding. The rights of all the subject nations were upheld, and their laws and customs respected. Today, Iran follows exactly this policy and has established close relations with all nations regardless of their political systems.

Peaceful settlement of disputes, understanding of the problems of others, support for efforts to maintain social justice, cooperation to bridge the gap between the poor and the wealthy countries, cooperation to combat illiteracy—these form the basic principles of Iran's international policy. These have been exemplified in the peaceful solution which we found to the Baharian problems which was lauded by U Thant, secretary general of the United Nations. As a model for the solution of international disputes. These have also been exemplified in the fruitful mediation undertaken by the Shahanshah of Iran between Pakistan and Afghanistan and between Pakistan and Malaysia which resulted in an amicable settlement of thier disputes. In other words, as a founder-member of the United Nations, one of the cardinal principles of Iran's foreign policy has been respect for the charter of the United Nations and we have always adhered to the resolutions of the various councils of this world body.

We live in peace with our neighbors as illustrated by our close cooperation with Turkey and Pakistan and our friendly relations with the Soviet Union and Afghanistan. And, there is and has always been a cordial relationship between the United States and Iran, even prior to the emergence of your great country as a global power with immense international responsibilities. We have had diplomatic relations with your country over 120 years and the first American school was founded in Iran in the year 1835. Both countries recognize the rights of the individual to pursue their freedom and both countries view government as a vehicle to bring a better life to their people. Iran is most grateful, and will not forget, the helping hand extended by America during the dark days following World War II; the United States will always maintain a warm spot in the hearts of every Iranian.

Like all the modern and industrialized nations which have had to pass through various stages of development, Iran is now in the midst of such changes from a traditional, semifeudalistic agrarian and stagnant society into a modern and dynamic industrial state. The aim is to build up a peaceful, prosperous and stable society with increasingly improved living conditions for all of its citizens.

Today the per capita income of its people having multiplied several times over and economic stability having been achieved, Iran is no longer a recipient, but rather a contributor of technical aid. We welcome foreign investment today, not as aid recipients, but rather on a firm and business like basis. Considering the stability of the economy, Iran offers the best opportunities for foreign investment in our part of the world. Indeed, Iran with its independent foreign policy in the council of nations is an independent force, and the counsel and views of our great leader, his imperial majesty the Shahanshah of Iran, are valued and respected throughout the world.

We especially hope that during this 2,500th anniversary year of the founding of the Persian empire by Cyrus the Great, we will be able to convey to the American people some of the principles of our society, which Americans will find so familiar as predecessors to their basic rights, to the end that even a closer bond can be forged between our two peoples.

Let me again express my appreciation for the honor you have bestowed upon my country and the degree you have conferred upon me. Education, as exemplified by this great institution, is the light of humanity and can be the weapon to stamp out the ills which plague our world today. We in Iran have joined with the United States and other countries in pursuing this ultimate goal.

While it is important that we set lofty goals, it is equally important that we—Iran, America, you and me—give our best and most sincere efforts to achieve these goals. In other words, our generation must show by precept and example a better way of life for our next generation, if by chance we fail in reaching our goals, at least our efforts will be applauded. As it has been more eloquently stated by the great roman poet, Ovid, "ut desint vires tamen laudanda voluntas."

Thank you.

DECLARATION

Whereas, 1971 will mark 2,500 years of existence for Iran as a country; and

Whereas, Utah has had a half century of contact, friendship, goodwill, understanding, and mutual concerns with Iran; and

Whereas, Utah State University, Brigham Young University and the University of Utah have graduated Iranian Students, many of whom now hold high positions of authority in the Iranian government; and

Whereas, Utah State University has had over a decade of contracts with Iran, and the other two universities have had shorter term contracts; and

Whereas, many Utah technicians have worked in Iran; and

Whereas, Dr. Ardeshir Zahedi, currently Iran's Minister of Foreign Affairs, received an honorary doctor of laws degree from Utah State University in 1960; and

Whereas, Dr. Daryl Chase, former president of USU, was awarded the Order of the Crown from the government of Iran in 1961; and

Whereas, Utah State University plans to honor the Iranian Ambassador to the United States, His Excellency, Dr. Aseir Aslaw Afshar, by awarding him an honorary doctor's degree on July 22; and

Whereas, international understanding on a people-to-people basis is a prerequisite to international peace:

Now, therefore, I Calvin L. Rampton, Governor of the State of Utah, do hereby declare July 22, 1971, as Iranian Day in recognition of the half century of friendship between Iran and Utah and as an important step to providing better understanding, communication and friendship between our two peoples.

CALVIN L. RAMPTON,
Governor.

NEW FOOD STAMP REGULATIONS—A GREAT LEAP IN THE WRONG DIRECTION

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mrs. ABZUG. Mr. Speaker, I am sorry to note that the food stamp regulations that have just been promulgated by the Department of Agriculture are a large step backward in the fight against hunger and malnutrition in the United States. As a result of the new regulations, it seems clear that several million impoverished households throughout the country will take a tragic reduction in the amount of life-food benefits that they so desperately need.

The regulations hit hardest in my own city of New York. In New York, welfare recipients have just suffered a tremendous blow, as the State legislature has reduced welfare grants from $231 to $208—for a family of four. One of the justifications for this cut was the fact that the food stamp program was supposed to be expanded and improved, thereby offsetting the loss in needed funds that a poor family would suffer under the family welfare program. Unfortunately, the Department of Agriculture regulations serve as double blow to New York's poor families. Instead of receiving $24 food stamp benefits per month—family of four—the new regulations provide such a household with only a $9 monthly benefit. Previously a family paid $82 for $106 worth of stamps; now such a family must pay $99 for $108 worth of stamps per month.

The regulations are deficient for many other reasons. Contrary to the intent of Congress when the food stamp amendments were recently passed, the Department of Agriculture has established a rigid definition of the word household that will eliminate hundreds of thousands poor people from the food stamp program. Not only do the regulations exclude hippie communes from the program; many other persons will also be excluded as the result of these regulations. Under the Department's regulations, if one or more unrelated persons lived in a household grouping, then everyone in that group is ineligible for food relief. Every impoverished family, therefore, that is charitable enough to take a friend or former neighbor in from the street and provide such a person with a roof over his head, will by virtue of such admirable deeds be taken off the food stamp program. Surely, this was not the intention of Congress when the food-stamp amendments were passed.

I am also sorry to note that the Agriculture Department has established coupon allotment levels in a manner that will virtually assure the continuation of hunger in America. Under the new tables, a family of four only receives $108 worth in stamps per month. Pamphlets written by the Department clearly state that this $108 economy diet plan is inadequate for proper existence. In this regard, I also note that the Department of Agriculture has taken no steps to provide a food stamp program in Puerto Rico. Although Congress' trying to assure that Puerto Rico would finally receive much needed food stamp assistance, the regulations indicate that implementation of such food aid is not forthcoming. I am hopeful that a program can soon be implemented there at the same level as in the United States.

In addition, the regulations are deficient for the following reasons:

First. The "meal-on-wheels" for the elderly has been substantially watered down because the Agriculture Department refuses to provide such food service to people in a group setting.

Second. The Agriculture Department's regulations on the concurrent operation of the food stamp commodity distribution program are bad because they place the entire administrative financial burden on the States, rather than providing Federal assistance when needed.

Third. The eligibility standards for participation in the food stamp program are extremely rigid—$4,320 income annually for family of four—prohibiting States in areas of higher cost of living from increasing the eligibility standards to reflect higher living standards.

Fourth. The Department has retained its policy of refusing retroactive benefits to people whose food stamp benefits has been wrongfully denied.

In short, the new food stamp program will be a nightmare for millions of poor people, and the administration's promise to end hunger in America will go unfulfilled. It is clear that when the administration speaks in turn of ending hunger in America, it speaks only of hunger as a newspaper issue, and not as the brutal reality which it is for millions of Americans.

INEFFECTIVENESS OF LARGE SPENDING PROGRAMS FOR SOCIAL PROBLEMS

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, July 26, 1971

Mr. BYRD of Virginia. Mr. President, the Richmond Times-Dispatch of July 25 contains an excellent editorial on the lack of effectiveness of large spending programs in combating many social problems.

The editorial describes difficulties that have arisen in connection with a program jointly backed by the insurance industry and the Government, to provide an increased supply of low-cost housing. It points out extensive damage which has occurred at a project built under this program in the State of Maryland, as reported by the Wall Street Journal.

I heartily agree with the conclusion of the editorial that the solution of major problems in the Nation will "require more than the enactment of laws and the expenditure of money."

I ask unanimous consent that the text of the editorial, "Now a Nightmare," be printed in the Extensions of Remarks. The editor of the editorial page of the Richmond Times-Dispatch is Edward Grimsley.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Richmond Times-Dispatch, July 25, 1971]

NOW A NIGHTMARE

A recent article in the Wall Street Journal should help puncture the dangerous myth, the popularity of which we lamented only a few days ago, that the United States can solve most of its problems merely by spending money on them.

The story reported the tragic failure of the life insurance industry's idealistic efforts to help solve the housing problems of the poor. Under a program launched with enthusiasm and fanfare in 1968, the industry was to lend approximately $2 billion for the construction of privately-owned low rent housing projects. Supplements from the federal government would enable many of the tenants to pay their rent.

A noble dream it was, but it has become a nightmare. Sabotaged by vandalism, mismanagement, rent defaults and fraud, the program is in deep trouble. Mortgages are being foreclosed, units are being abandoned and rent money is being stolen. With $400 million yet to invest to fill the industry's pledge, many insurance companies probably wish they had never heard of the program.

The news story cited Baber Village in Prince George's County, Maryland, as a towering monument to the program's failure. Read this illuminating excerpt:

"Some apartments in the 17-building low-income housing project are boarded up. Windows are broken. Walls have been knocked in. Deep gulleys run through clay ground. Sewers have sometimes backed up, filling bathtubs with raw waste. In two years there have been 10 resident managers, one of whom ran off with the rent money. Three months ago, to avoid foreclosure, the mortgage of Baber Village was assumed by the Department of Housing and Urban Development."

The construction of Baber Village showed what money can do; the deterioration of Baber Village shows what money cannot do. Money can construct new buildings, but money alone cannot reconstruct people. Money can provide the physical facilities a program requires, but money cannot assure a program's functional success.

Baber Village took many people out of slums, but it failed to take the slums out of many of the people. Some of the poverty-stricken tenants could not tell the difference between a garbage-disposal and a dishwasher. Some had never seen a modern bathroom and thought nothing, therefore, of flushing discarded clothing down the toilet. Some used their utility rooms as garbage bins, inviting to the new housing project that familiar ghetto inhabitant, the rat. Because of their unfamiliarity with modern housing, then, many of Baber Village's tenants inadvertently caused extensive damage. To make matters worse, vandalism was rampant. The fact the project's planners provided only a small, one-swing playground for the 1,200 children in the village helped matters not at all.

Baber Village does more than prove that you cannot solve the housing problems of the poor merely by putting new roofs over their heads. It also suggests that you cannot solve the problem of crime merely by hiring more policemen, the problem of substandard education merely by building swankier schools, the problem of poverty merely by putting more people on the welfare rolls or the problem of racism merely by forcing blacks and white together against their will. The solution of such problems will require more than the enactment of laws and the expenditure of money. Necessary too is a profound understanding of those intangible human elements that lie beyond the reach of laws and appropriations. Dramatic progress against America's problems will require, in short, more emphasis upon people, less upon things.

ANOTHER TRANSPORTATION CRISIS

HON. JAMES HARVEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. HARVEY. Mr. Speaker, today, four of the Nation's railroads are idle, having been struck selectively by the United Transportation Union. At 6 a.m. on Friday next, this number will reach 10. And, unless a solution is reached or Congress once again invokes temporary emergency legislation, there is no question but what the country will once again be forced into a transportation crisis.

Most of you here in this Chamber are aware that I have been urging enactment of permanent legislation to end such strikes by dealing effectively and impartially with both sides in these labor-management disputes. And, a large number of you have expressed to me your opinion that it is time Congress enact permanent legislation as a way of preventing the seemingly never-ending demand on us for enactment of temporary measures that could be called, at best, ineffective, stopgap pieces of legislation.

The magnitude of interest of the membership of this great body is further underscored by the fact that 54 bipartisan Members have joined with me in cosponsoring legislation that would provide equitable settlements to these disputes without Congress being forced—because of an actual or threatened national emergency—into the role of arbitrator, whose function is on a temporary, strictly time-limited basis.

Mr. Speaker, tomorrow the Transportation and Aeronautics Subcommittee of the Interstate and Foreign Commerce Committee is scheduled to begin hearings on all the various bills introduced on this subject that are directed—to one degree or another—toward some form of permanent legislation. I am sure the great majority of Congressmen are hopeful that these hearings will result in a good, effective, workable piece of legislation.

I include an editorial from the July 22, 1971, Washington Post follow my remarks—not because I embrace it in its entirety—but because of its thought provoking remarks.

The editorial follows:

CONGRESS AND COLLECTIVE BARGAINING

The railroad strike now under way and its threatened expansion ought to make it crystal clear that tne time for Congress to completely overhaul the nation's labor laws is long past. A national rail strike—or a national strike in any of the other transportation industries—is intolerable. Yet the experience of the last few years has demonstrated conclusively that there is nothing in the existing labor laws that can produce a satisfactory settlement in such complex situations before a strike, or, for that matter, once a strike begins.

Talking about this in London the other day, Secretary of Labor Hodgson said, quite rightly, that the real question is whether free collective bargaining can survive. Some semblance of collective bargaining was maintained in the rail industry as long as there was fear on both sides of the table of what kind of settlement Congress might impose if no agreement was reached and a state of national emergency occurred. But that fear has diminished with each congressional intervention and now seems to have dissappeared since Congress has never done more than merely put off to another year the really tough questions in these negotiations.

We think that Congress should realize that it has only two options left in dealing with labor problems that can lead to strike which are unacceptable because of the harm they would do to the national economy. One is to set itself up with the tools necessary to become a fair and final arbitrator. The other is to invent some new mechanisms which can breathe life into collective bargaining in industries, like the railroads, where it is almost dead.

The administration's proposals, which have been before Congress for more than a year, strike us more likely to achieve that latter purpose than anything else now in sight. The most interesting and perhaps the most useful of these is the "final offer selection" option which the President could invoke in transportation emergency situations. Under this proposal, the President would appoint a board which would decide, after hearings, which final offer submitted by management or labor would compromise the contract. The effect of this would be to force management and labor closer together—perhaps close enough to reach agreement themselves—by posing the threat that one side or the other would lose everything because its final offer was unreasonable.

Such a device would not only provide a way out of the current railroad mess but might have provided a way through which the problems would have been settled across the negotiating table. If seems unlikely that the unions would have been so intransigent on the work rules issues if they had feared that their failure to move on these questions might have led to a contract written precisely as the railroads want it.

The failure of Congress to act on this legislation or on some other alternative is inexcusable. The collapse of collective bargaining as we know it in the railroad industry has been obvious for a long time. If the present strike accomplishes nothing else, it serves to remind the public that Congress is as much to blame for it as the railroads or the unions by its refusal to provide some new mechanism through which these labor disputes can be resolved.

4-H'ERS SING PRAISES OF MICHIGAN

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Monday, July 26, 1971

Mr. GRIFFIN. Mr. President, recently a number of young people representing 4-H chapters in Branch, Calhoun, Hillsdale, and Jackson counties of Michigan visited my office as a part of a citizenship course sponsored by the national 4-H organization.

These young Americans were not only well informed on national affairs, but they came prepared to sing the praises of Michigan.

I ask unanimous consent that the words of a song composed by Anita Stults and Adell Scott, which the group sang on the Capitol steps, be printed in the Record.

There being no objection, the song was ordered to be printed in the Record, as follows:

Michigan

We all live together in the Winter Wonderland
We all live together in the Winter Wonderland
We all live together in the Winter Wonderland
A big mitten for any hand. (Chorus)

We've got the cereal city of the world
Rice Krispies, Alphabets, Cornflakes too
We have tried them. Why don't you?
There's a kind for everyone.

We've got the auto factories for all states
Bucket seats, wipers, power brakes
Air conditioning for Southern States
All from Michigan.

Five Great Lakes you would enjoy
Sailing, fishing, skiing, Oh boy!
It's the best state under the sun
There's fun for everyone! (chorus)

STATEHOOD FOR NEW YORK CITY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. BINGHAM. Mr. Speaker, recently the proposal that New York City should become a separate State has once again been brought to the fore, thanks in large part to the efforts of my colleague from New York (Mrs. Abzug).

While I share a feeling of frustration at New York City's inability to solve its financial problems, I am in doubt about the economic consequences of statehood for the city.

To illustrate the complexity of this subject, a report prepared for the Citizens Union of the city of New York is of interest. I am grateful to Mr. Gary Sperling, executive director of the Citizens Union, for making this report available. I include in the Record Mr. Sperling's covering letter and the report, which was prepared by Dr. Donna E. Shalala:

July 21, 1971.

At a time when proposals of statehood for New York City are again receiving wide publicity, Citizens Union has received a report, prepared at my request, analyzing the economic and other arguments for a "51st state." The study was prepared by Dr. Donna E. Shalala, an assistant professor of political science at Baruch College and chairman of a Citizens Union subcommittee on state and local government legislation.

The report contains extensive economic material, with special reference to the contention that the City is being "shortchanged" by the State. As its title ("New York City-Statehood: An Idea Whose Time Has Passed") indicates, the study concludes that statehood is not the panacea that some have seemed to suggest, but would rather lead to seriously adverse economic and social consequences.

I enclose a copy of the report, since I feel sure you will find Dr. Shalala's analysis interesting and provocative. Citizens Union's Board of Directors will be considering the subject of statehood early in the fall and I would appreciate receiving, on behalf of the Board, any comments you may have on this study or on the general issue of statehood.

As part of its continuing effort to develop and evaluate legislative proposals, Citizens Union may be producing further studies, similar to Dr. Shalala's, on other subjects. I would also appreciate your comments as to this plan.

Cordially,

Gary H. Sperling,
Executive Secretary.

New York City-Statehood: An Idea Whose Time Has Passed

(By Dr. Donna E. Shalala)

INTRODUCTION

Autonomy for the City of New York is not a new idea. In 1861, Mayor Fernando Wood, complaining that ". . . the political connection between the people of the city and the state has been used by the latter to our injury,"[1] suggested secession from the state.

Five decades later, in 1921, led by its publisher William Randolph Hearst, Sr., the *New York Journal American* began a campaign with banner headlines calling for a new state of Manhattan which would include the five boroughs and the counties of Westchester, Nassau and Suffolk.[2]

More recently mayoral candidate Norman Mailer and his running mate Jimmy Breslin made the issue part of their campaign platform.[3]

All of the proposals, including the current one by Congresswoman Bella Abzug, which has nominal support from Mayor Lindsay, emphasize two arguments for statehood. First, New York State government "shortchanges" the City of New York in its distribution of state aid and in the selection and performance of state activities. Second, the City needs considerably more "home rule"—fiscal and general, to perform properly its governmental responsibilities.

To support their claims of "shortchanging" and the need for more "home rule", proponents of statehood have used various and sometimes questionable data sources to claim from one to one and a half billion dollar gains for the City if statehood were achieved.

The purpose of this report is to evaluate the arguments for statehood, with particular emphasis on the fiscal question, and to recommend to Citizens Union a public position on the proposal.

The analysis is divided into four parts. First, an evaluation of the fiscal relationships between the City and the State, with particular emphasis on the shortchanging question. Second, a review of some existing economic and population data on the health of the City in relationship to its metropolitan area. Third, a brief summary of the social and governmental implications of the proposal. Finally, a recommendation to Citizens Union is made based on the data and trends revealed by the analysis.

THE STATE AND THE CITY

Twenty years ago, three eminent New York City scholars—Robert M. Haig, Carl S. Shoup and Lyle C. Fitch—analyzed the "shortchanging" question and concluded that, while the City paid 60% of State taxes and got less than 50% back, there was no apparent discrimination because "New York City is in fact stronger economically, per person, than the state as a whole."[4]

That the wealth of the nation was located in its large central cities as recently as fifteen years ago is apparent, and has been carefully documented by a variety of researchers. The fiscal decline of the large central city became apparent in the mid-fifties. This decline is often described as two trends which have continued to this day. First, the redistribution of population within metropolitan areas as between central city and suburbs. Second, the redistribution of economic activities within the same areas. Neither trend was random, as will be pointed out later in this report. However, it is clear that both movements left the central city in need of increasing intergovernmental aid, state and federal, to survive.

The discrimination argument

In its most sophisticated form, the discrimination argument deals with proportions, not absolute amounts. It runs as follows. If the City receives 45% of the total amount of state grants (the other 55% going to communities in the rest of the state), and if the State collects 50% of its tax revenue from City residents, there is said to be discrimination against the City. The basis for this conclusion is that the proportion taken in taxes is larger than the proportion of grants received. An implication of this argument is that if the City were a state the City taxpayers would be better off.

Such a crude argument raises significant questions of equity. Should, for example, all

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Footnotes at end of article.

aid programs distribute funds on the basis of what the residents have paid in? Carrying this philosophy to its logical conclusion, the poorest areas of the new City-State could expect to receive aid in proportion to what they contribute. There is little more to be said about this suggested approach of the proponents of city-statehood other than that it embraces an absurd, inequitable method of financing public services. It is also inconsistent with liberal, reform ideology which has long insisted on a redistributive role for government—perhaps properly described as a "Robin Hood" role.

However, since the most vehement supporters of statehood insist on undergirding their position with the "shortchanging" issue, it must be analyzed.

In a report to the Mayor of New York, mayoral assistant Leon Panetta suggests that the City might gain as much as one billion dollars if statehood were achieved. Congresswoman Bella Abzug's staff computations indicate that the gain might be as large as one and a half billion dollars.[5]

Both parties arrive at such conclusions by simply subtracting direct state aid from what the city pays into the state—close to 50% by their calculations. To be fair, both parties do agree that out of the billion or so gain, the City-State would have to provide the services now performed by the State for City residents. However, they insist that when all is said and done the new City-State would realize substantial fiscal gain.

To find out whether the calculations of the proponents of statehood are accurate is not an easy task. There are four key elements in such an analysis. First, calculating how much the City residents actually pay to the State. Second, allocating the proportion of direct State aid received by the City. Third, allocating the proportion of the State Purposes Fund—the source of services performed directly by the State to the City. Fourth, reviewing the other costs the City might be expected to assume if statehood were achieved.

The city's contribution

Significant disagreements exist as to the proportion of the State's tax revenue contributed by City residents. The dissension can be narrowed down to how the personal income tax is allocated. The income tax is the largest single source of State revenue. New York State's figures are based on allocating to the City only income taxes paid by its residents, disregarding where the income is earned. On this basis, the City's proportion of total State revenues in 1969–70 was approximately 43%. New York City's Budget Bureau contends that all taxes derived from income earned in the City should be allocated to the City because that is where the income is earned. They also allocate to the City income earned outside the City by City residents.[6] Thus, they suggest the percentage is more than 50%.

The Citizens Budget Commission arrives at a comparable—47%. In the case of the out-of-state commuter to the City, the CBC accepts the City's method of allocation. They argue that "since the city provides virtually all government services used by out-of-state commuters to the City, it should logically be allocated all income taxes paid by them."[7]

However, the CBC suggests that a more difficult question is how to allocate revenue from income earned in New York City by in-state commuters from the suburban counties around the City. According to the CBC:

"If the City's claim were allowed for allocation of all personal income earned within the City but excluding income earned by its residents out of the City, the City's percentage of State revenues would be increased by about 2 percent, to about 48%. However, since commuters residing in suburban New York counties and earning their living in New York City have obligations to both communities, a full allocation to the city is arguable. Barring any accepted basis of allocation, CBC has arbitrarily used the midpoint, 47 percent."[8]

The CBC also dismisses the City claims that the other changes in the State figures could add about two percent more to the City revenues as "somewhat dubious."[9]

When the CBC estimates are analyzed within the context of statehood, rather than simply the shortchanging argument, other conclusions become apparent. First, in-state commuters would, under statehood, become out-of-state commuters. Therefore, it would be highly implausible that they would pay double state taxes—to the new City-State and to New York State.

What usually happens in two states in which both have income taxes is that an agreement is worked out crediting the commuter for taxes paid in his home state against taxes paid in his work state. Thus, the City-State could not expect to receive the total amount of state taxes now paid to the State by suburban commuters and which the City currently insists should be credited as its contribution to State revenues.

In summary, then, while the areas of disagreement are significant, the resulting range can be narrowed to a few percentage points. Even if the City and CBC arguments were accepted in part or total they would have no effect on the decline of personal income tax collections in New York City as a proportion of total State personal income tax collections.

Personal income tax collections attributable to New York City residents have declined as a percent of total State collections over the past twenty years. The 1950–51 proportion of total State revenues from NYC sources was estimated by Haig and Shoup (in the study quoted earlier) at 60%. This figure includes out-of-state commuters but not in-state ones. By 1960–61 the comparative proportion had declined to 50% and by 1967–68 to 46%.[10]

Another way of viewing this decline is to look at personal income (not taxes) as a percent of total state personal income over the last ten years, a decline from 52% of total state personal income in 1959 to 46.7% in 1969.

TABLE 1

(Personal income in New York City as a percent of State personal income, 1959–69)

Year:	*Percent*
1959	52.0
1961	60.6
1963	49.6
1965	47.8
1967	47.0
1969	46.7

Source: *New York State. Statistical Yearbook 1970 and 1971,* Office of Statistical Coordination, New York State Division of the Budget.

The income decline of 5.3% (52% —46.7% =5.3%) is greater than the population decline over the same period (in 1960 NYC had 46.4% of the State's population, in 1970 it had dropped to 43.3%, a 3.1% decline), another indication that the sorting out of population between the City and its suburbs is to the economic disadvantage of the City.

Thus, even if there was an adjustment made for a new group of out-of-state commuters created by NYC statehood, there is no evidence that the trend—a decline in City personal income as a proportion of State personal income—is changing.

In addition, it is quite possible statehood would encourage suburbanites to seek employment in suburbia. The 1970 census will report a reduction in the proportion of suburbanites commuting to the city. Indeed, the big increase in commuting has been from suburb to suburb. Establishment of a NYC-State would probably act as an incentive for accelerating this trend.

Other than the questions discussed on the allocation of the income tax, there is no disagreement between the Citizens Budget Commission and the State's Department of Taxation and Finance on the allocation of other revenues as the following table reveals.

TABLE 2.—ESTIMATED PROPORTIONS OF NEW YORK STATE REVENUES ATTRIBUTABLE TO NEW YORK CITY SOURCES

Kind of revenue	1967–68 city percentage		1969–70 amount (in millions)	
	State estimate (1)	CBC estimate (2)	NYS revenue (3)	NYC portion (4)
Personal income tax	41.37	50.3	$2,475	$1,245
User taxes and fees		38.0	2,121	806
Sales and use tax	40.01	40.0	1,100	440
Motor fuel tax	27.36	27.4	368	101
Cigarette tax	44.93	44.9	263	118
Motor vehicle fees	27.36	27.4	210	58
Alcoholic beverage tax	54.39	54.4	116	63
Alcoholic beverage control licenses	54.39	54.4	34	18
Highway use tax	27.00	27.0	30	8
Business taxes		54.6	899	491
Corporation franchise tax	53.52	53.5	484	259
Corp. and utility taxes	44.77	44.8	240	107
Bank tax	82.16	82.2	80	66
Unincorporated business tax	67.19	67.2	75	50
Insurance premium tax	44.93	44.9	20	9
Receipts from other activities		62.2	331	206
Pari-mutuel tax	75.00	75.0	153	115
Estate tax	48.90	48.9	140	68
Lottery	65.30	65.3	28	18
Real estate transfer tax	44.93	44.9	6	3
Other taxes	44.93	44.9	4	2
Miscellaneous receipts	44.93	44.9	80	36
Total current revenues	43.40	47.0	5,906	2,784

Notes

Column (1) estimates are from the N.Y. State Department of Taxation and Finance. The personal income tax percentage is based solely on location of residence, not where earned.

Column (2) estimates, by the Citizens Budget Commission, accept the State estimates as valid, except for the personal income tax. The CBC 50.3% estimate is computed as follows:

(a) Full credit to New York City for receipts from out-of-state residents. The result is 47.7% of personal income tax, 46.1% of total State revenues.

(b) Add one-half credit for net earnings in the City by N.Y. State commuters from suburban counties. Full credit would result in 53% of personal income tax, 48% of total revenues. Other, more dubious, adjustments by the City could bring the total to about 50%.

Column (3) is from the N.Y. State Budget Summary, 1969–70 (August, 1969), Appendix Table 2, Current Revenues. Column (4) and the aggregates of Column (2) are computed.

Source: Citizens Budget Commission, "Does New York State Short-Change New York City?" December 1969, p. 7.

However, one revenue source, the sales tax, is one of the most vulnerable, as the discussion of retail activity later in the report will reveal.

State support to localities

New York State supports its localities in two ways. First, through direct aid from the State Local Assistance Fund. Second, through services provided directly to residents through the State Purposes Fund.

Footnotes at end of article.

Direct aid: Local assistance funds

In 1971–72, 45% of monies spent in the Local Assistance Fund will be allocated to New York City. These grants can be summarized in six broad categories: education, social services, general support, health, highways (transportation), and "other programs." This does not include of course the capital funds passed on to New York City through state bond issues—such as mass transportation. That bond issue, for example, was expected to give 47 million dollars to the New York Metropolitan area in 1969–70, according to the CBC.

The table below demonstrates the rise in the proportion of total State Aid the city has received since 1960–61:

TABLE 3.—STATE AID TO NEW YORK CITY

[In millions of dollars]

New York State Fiscal year	Total State aid	Aid to New York City	New York City Percent of Total State aid given
1960–61	1,129	418	37
1965–66	2,111	893	42
1971–72	[1] 4,518	[1] 2,033	45

[1] Estimated.

Source: Citizens Budget Commission; and 1971–72 estimates are from NYC Bureau of the Budget; these are the figures used by Congresswoman Abzug's staff.

In addition to the downward trend in the proportion of State revenues that come from the City and the increase in the proportion of total direct State aid, the proportion of the City's budget that comes from the State has increased continuously since 1958–59.

TABLE 4.—PROPORTION OF NYC'S EXPENSE BUDGET FINANCED BY STATE AID

Fiscal years	Amount	Percent of total expense budget
1958–59	365	18
1970–71	[1] 2,069	27

[1] Estimated.

Source: Citizens Budget Commission; 1970–71 estimates from NYC Bureau of the Budget.

State purposes fund

More difficult than allocating state aid funds is to find out the part of the State Purposes Fund which directly serves NYC residents. No successful comprehensive study has ever been made of this question. The CBC did make such an attempt in 1969. They found, however, that they could only allocate approximately ⅗ of State Purposes Fund expenditures. Of that ⅗, 33% could be clearly attributed to expenditures in NYC either on the basis of the residence of those benefiting from the service, such as students attending the State University, mental hygiene patients, and the like, or the location of the service, such as State parks.

On the basis of this finding, they concluded that the unallocable portion of the State Purposes Fund should be shared in approximately the same percentage—33%. However, if one reads this recommendation in the context of a new City-State a different conclusion must be made. First, the new City-State would have to set up new administrative offices to perform functions now performed by the State. Simply allocating expenditures by the percentage of the NYC population using them, even when administrative costs are included in the allocation, does not give a clear picture of what the actual cost would be of setting up an entirely new state government apparatus. Second, the allocations do not include the cost to the new City-State of building new offices or renting them in the case of functions now performed in Albany. Third, for some functions that are performed in NYC through State-owned property, the new City-State might be expected to purchase this property. (NYC's own assessors valued NYS owned property located in the City at $395,252,235 in 1970. If the State's equalization ratio for NYC, 67%, were applied, the actual value would be approximately $527,000,000.)

Conclusion

Even if the CBC allocation figures for 1969 are accepted and the State Purposes Fund is allocated by a third, and assuming the argument of the statehood enthusiasts that NYC deserves half of everything is accepted, there would be no fiscal gains—no additional funds if the city went it alone.

For example:

1. In the 1969 fiscal year the total state State Purposes Fund was 2,027.0 billion dollars.

2. Statehood supporters insist that one-half should have been allocated to the City. The one-half allocation would be: 1,013.5 billion dollars.

3. The CBC suggests the City now gets ⅓ of the total State Purposes Fund which would be about 676 million dollars.

4. Statehood supporters would say that the difference of 338 million would be free money for the City to use.

But if the new City-State does indeed have to buy present state property at its actual cost of 527 million, and initiate a whole set of state services it has not been involved in before, it is difficult to understand why it would not cost the citizens of New York City more than it would save them.

Thus, analysis of the fiscal relationships between New York State and the City lead to two conclusions. First, as the City's contribution to State coffers declines, its aid has simultaneously gone up. Secondly, no matter whose calculations are used to determine the amount to credit the City for contributing to the State budget, there are probably enough initial costs and long term costs which the city would have to assume, as a result of statehood, to guarantee no fiscal gain.

There is of course considerable disagreement with this conclusion. However, it is fair to say that although there are ways to calculate a slight advantage to the City in the first two years of statehood, the trends demonstrate that this slight advantage would be wiped out in a decade and the pattern would then become one of distinct disadvantage for City residents. The economic and population trends analyzed in the next section make this conclusion abundantly clear.

ECONOMIC AND POPULATION TRENDS

While a declining proportion of locally-raised revenues in New York City come from the property tax base, it still represents the heart of the City's revenue sources. There are three major components of this tax base—retailing, manufacturing and housing. Trends in two—manufacturing and retailing—within the New York Metropolitan area reveal how much support the new City-State might expect in the future for needed public services.

Retail activity

Given the tremendous increase in retail activities in recent years, it is not surprising that in most large central cities there was an increase in the value of retail activity between 1958 and 1967. However, as the following chart on the NY Metropolitan area reveals, the increase in the suburbs outside NYC has been six times that of the City.

TABLE 5.—NEW YORK CITY'S PERCENT OF RETAIL SALES OF NEW YORK METROPOLITAN AREA, 1958, 1963, 1967; AND PERCENT INCREASE IN RETAIL SALES, DEFLATED BY GENERAL PRICE INCREASE IN NEW YORK CITY AND ITS SUBURBS (NASSAU, SUFFOLK, ROCKLAND, WESTCHESTER), 1958–67

Area	Percent retail sales, New York City/metropolitan area 1958	1963	1967	Percent increase (real) in retail sales, 1958–67 NYC	Suburbs
New York City	72.9	67.1	64.8	9.7	60.2

Source: U.S. Bureau of the Census, Census of Business, 1958 vol. II; 1963, vol. II; 1967, vol. II.

The large increase outside New York City, (Nassau, Suffolk, Westchester and Rockland counties) of 60.7% represents a shift in the location of retail activity which has long term consequences for the distribution of sales tax receipts between the state and the city.

The magnitude of the changes that have occurred in the NY Metropolitan area is indicated by the fact that in 1958, 72.9% of all retail transactions were in New York City, compared to 64.8% in 1967.

Manufacturing trends

Manufacturing employment has actually declined in New York City—10%—while it increased in the rest of the NY Metropolitan area—almost 36%—between 1958–1967. This reduction in manufacturing employment in the City and the increase in its surrounding counties has imposed pressures on the City's tax base and led to an improvement in those of the surrounding areas.

TABLE 6.—MANUFACTURING EMPLOYMENT, NEW YORK CITY AND SUBURBS (NASSAU, SUFFOLK, WESTCHESTER, ROCKLAND), 1958, 1963, 1967

[In thousands]

Area	1958 NYC	1958 Suburbs	1963 NYC	1963 Suburbs	1967 NYC	1967 Suburbs	Percent increase 1958–1967 NYC	Percent increase 1958–1967 Suburbs
New York	998.6	185.4	927.4	219.6	895.3	251.3	−10.34	+35.54

Source: U.S. Bureau of the Census, Census of Manufacturing, 1963 and 1967.

Some additional economic concerns

A decade ago economist Raymond Vernon concluded in a study of the New York Metropolitan Region that the central office function was New York's unique economic strength.[11] Whether this will continue to be the case is unclear. There are increasing reports (though as yet not systematically studied) of corporate headquarters move-outs—to NYC's suburbs, southern Connecticut, northern New Jersey and in a few specialized cases (oil to Houston) out of the region. If this moveout is indeed real, then the implications for the economic health of a variety of city businesses are enormous—theatres, restaurants and hotels would be the first to feel the impact.

Population trends

That NYC is not growing as fast as its suburbs is obvious from early returns on the 1970 census. The following table demonstrates that the City grew by 85,776 (or 1.1%)

Footnotes at end of article.

since 1960, and this growth was recorded in only three of five boroughs. The surrounding suburbs—Nassau, Suffolk, Westchester and Rockland—grew by 25.7 percent. What is also clear is that the growth was not random—rather it was a redistribution process within the metropolitan area. The prcess was similar to the one that occurred between 1950–1960 which left increasingly larger proportions of the poor, non-white, and aged in the central city. The population remaining is also a high-cost population to be serviced by a tax base not growing fast enough to support needed services.

TABLE 7.—POPULATION TRENDS: NEW YORK METROPOLITAN AREA, 1960–70

	1970	1960	Percent change
New York City	7, 867, 760	7, 781, 984	1. 1
Bronx County	1, 472, 216	1, 424, 815	3. 3
Kings County	2, 601, 852	2, 627, 319	−1. 0
New York County	1, 524, 541	1, 698, 281	−10. 2
Queens County	1, 973, 708	1, 809, 578	9. 1
Richmond County	295, 443	221, 991	33. 1
Suburbs			25. 7
Nassau	1, 422, 905	1, 300, 171	9. 4
Rockland	229, 903	136, 803	68. 1
Suffolk	1, 116, 672	666, 784	67. 5
Westchester	891, 409	808, 891	10. 2

Source: Bureau of the Census, released Jan. 20, 1971.

Conclusion

The economic and population trends reveal a continuing moveout of business, industry and middle-income population. There is no indication that these trends can be reversed without a massive infusion of intergovernmental aid—state and federal. It is perfectly obvious that reliance on locally-raised revenues to reverse such trends is impossible.

SOCIAL AND GOVERNMENTAL IMPLICATIONS

One of the curses of metropolitan America is govermnental fragmentation. As the population has redistributed itself within the metropolitan area, disparities in tax bases have increased. There is no jurisdictional line in the United States less justifiable in terms of social and economic reality than that which surrounds the country's largest central cities. For respected and thoughtful New Yorkers now to suggest that we lock in that line, in effect build a governmental wall around it, is simply unbelievable. It would cut the City of New York off forever from its wealthier neighbors. It would force the city to depend completely on the federal government to meet its fiscal needs or force it to raise taxes of all kinds to the point where anyone who could financially get out would. More importantly the proposal fails to recognize that the city is inextricably gound—socially, culturally, and economically—to its surrounding suburbs. What is probably needed is a completely redesigned governmental system for the entire metropolitan area that combines centralization and decentralization.

Instead the proposers of statehood offer the opposite, another dimension to an already overly fragmented system, which would further isolate the city and block the City forever from access to the tax base of its wealthier neighbors.

CONCLUSION

There are those who have suggested that the city-statehood proposal should simply be viewed as a talking point from which we all can discuss the problems of the City in relation to the state. There are others who insist that the real issue is home rule—and statehood is simply a manifestation of the desire for selfgovernment and liberty on the part of millions of New York City residents.

Neither argument is acceptable. The proponents of statehood use a faulty and even reactionary concept—that you should get back what you pay in. This criticism must not be construed to suggest that there are not serious discriminatory patterns which exist in the City's tenuous and often turbulent relationship with New York State Government. Rather it means that the political leaders of the City should not deviate from a strong and clear position that the City should get more funds from the State because by every measure of need—fiscal and social—it deserves more. The purpose of government must be to redistribute revenues on the basis of need. To move away from that position is to suggest a funadmental shift in liberal philosophy that seems both dangerous and foolhardy.

The well-intentioned supporters of statehood have manipulated data in a way to mislead citizens of the City into believing that there will be substantial fiscal gains from the proposal. The analysis of the data presented here reveals that there will be no fiscal gain because of the variety of costs associated with becoming a state. Second, even after the initial costs are met, long-term trends suggest that the City's own revenue sources are growing too slowly to be depended upon to finance growing public costs. Third, while the City's contribution to the total state budget is declining—the proportion of state aid received by the City is increasing. Fourth, the area chosen for statehood adds no new tax base for needed revenues, and economically is declining compared to its surrounding area. Fifth, any hope for economically integrating the metropolitan area will be lost.

Statehood advocates have also claimed that even without substantial fiscal gain, home rule itself would make things better. It is difficult to understand such an argument. The lack of fiscal gain, rather, suggests that even a substantial gain in home rule would not be directly relevant to helping the City solve its problems.

While more home rule might alleviate some administrative problems for the city, it will not, as has been suggested, give a significant fiscal boost to the city treasury. Studies of localities without tax and debt limits have demonstrated that there are sufficient internal economic and political constraints that operate to keep taxes and borrowing to certain levels whether or not there are state-imposed limits.

On the basis of these findings, I recommend that Citizens Union oppose the current movement for statehood.

FOOTNOTES

[1] As quoted in John A. Hamilton, "Should New York City Secede From the State?" *New York Times*, May 5, 1969.

[2] *New York Journal American*, April 4, 1921.

[3] *New York Times*, May 2, 1969.

[4] Robert M. Haig, Carl S. Shoup and Lyle C. Fitch, *The Financial Problem of the City of New York, A Report to the Mayor's Committee on Management Survey*, June 1952 (General Summary Volume), p. 363.

[5] Leon E. Panetta, "City Statehood—A Time for Serious Study," Memorandum to the Mayor of the City of New York, May 19, 1971; Untitled Memorandum from Congresswoman Bella Abzug's staff was distributed at a meeting of officers of the New Democratic Coalition of New York, June 29, 1971.

[6] This opinion of New York City's Bureau of the Budget is taken from the Untitled Memorandum from Congresswoman Bella Abzug's staff (see footnote 4) and from the Citizens Budget Commission report, "Does New York State Shortchange New York City? A New Look at an Old Problem," December 1969, p. 6. (Hereinafter referred to as CBC *Report*)

[7] CBC *Report*, p. 6.

[8] *Ibid.*

[9] *Ibid.*

[10] *Ibid*, p. 18.

[11] See for example Raymond Vernon, *Metropolis 1985*; Edgar M. Hoover and Raymond Vernon, *Anatomy of a Metropolis*, New York: Anchor Books, 1962.

PRESIDENT NIXON'S TRIP TO CHINA

HON. J. CALEB BOGGS

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, July 26, 1971

Mr. BOGGS. Mr. President, on July 15 President Nixon made the historic announcement that he will visit the People's Republic of China before next May.

The announcement brought support and favorable comment from most sectors of our country. I personally believe his visit could be one of the great diplomatic breakthroughs in the last two decades and I am hopeful that this and other initiatives will, indeed, pave the way for a generation of peace.

I am happy to say that this attitude is shared by many in my State of Delaware and that support for this new initiative is not bounded by party affiliations or other qualifications. The city council of the city of Wilmington recently adopted a resolution commending the President for his "courageous efforts to secure a better understanding and a peaceful solution to many international problems."

Mr. President, I ask unanimous consent that the entire text of the city council's resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, President Nixon has announced his plans to personally visit and confer with the leaders of Chinese Communist powers; and

Whereas, his announced purpose of attempting to negotiate an acceptable peace for ending the Viet-Namese War; and

Whereas, it is premature to be too optimistic concerning the success of this venture by our President; and

Whereas, opening direct communication with the Chinese leadership may enhance an early release of American prisoners of war and result in the accelerated return of our armed forces and put an end to the present casualties and hostilities; and

Whereas, conceivably a proper peace may result therefrom; and

Whereas, President Nixon has indicated that our policy will not lead to the abandonment of our friends and allies.

Now, therefore, be it resolved by the Council of the city of Wilmington That President Nixon be commended for his courageous efforts to secure a better understanding and a peaceful solution to many international problems.

Further resolved That the City Clerk forward a copy of this Resolution to the Honorable Richard M. Nixon, President of the United States and the Honorable Russell W. Peterson, Governor of the State of Delaware, the Honorable J. Caleb Boggs, United States Senator, the Honorable William V. Roth, Jr., United States Senator, and the Honorable Pierre S. DuPont, IV, United States Congressman.

FULBRIGHT IGNORES MIDEAST

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. DERWINSKI. Mr. Speaker, as I have often emphasized to the Members, the complications in the Middle East pose a far greater threat to world peace than the situation now existing in Southeast Asia where President Nixon has effectively reduced U.S. military forces while preserving the legitimate governments in Laos and Cambodia, in addition to South Vietnam. In the meantime in the Middle East, Soviet arms shipments to the radical Arab governments, the continued buildup of their Mediterranean fleet and the assistance given the so-called Palestinian guerrilla forces are all evidence of the diabolical policy being conducted by the Russians.

The complete disinterest of the junior Senator from Arkansas, chairman of the Senate Foreign Relations Committee, to the Middle East is the subject of a very timely editorial commentary in the San Diego Union of July 19 which I believe effectively makes its point.

[From the San Diego Union, July 19, 1971]

Committee Sidetracked—Fulbright Ignores Mideast

The concern expressed so often by Sen. J. William Fulbright for the healthy functioning of the check-and-balance relationship between Congress and the Executive is not unique in American history. Congressional leaders have been sparring with presidents on this point for nearly two centuries.

However, Senator Fulbright is carving a niche of his own. Not in memory has a chairman of the Senate Foreign Relations Committee shown such obsessive concern with the way one aspect of our foreign policy is being implemented by the Executive Branch. Foreign relations to the junior senator from Arkansas seem to begin and end with the way the President fulfills his responsibilities as commander in chief of the armed forces, and particularly in the way President Nixon is proceeding to end the war in Vietnam.

This narrow and misdirected interest of Senator Fulbright could defeat the very cause he purports to champion—fulfilling the Senate Foreign Relations Committee's constitutional role in the formulation of U.S. foreign policy.

There is a preponderance of opinion in and out of the government that the greatest threat to world peace today lies not in Southeast Asia but in the Middle East. It would follow that the most grave decisions to be made on U.S. foreign policy lie in our approach to the Arab-Israeli dispute and the confrontation it threatens to generate between the United States of America and the Soviet Union.

In this regard the record is almost unbelievable. It shows that Senator Fulbright has never chaired a full-dess hearing on the Middle East question! Indeed, the Foreign Relations Committee has conducted no public hearings on the Middle East question since 1957.

Since 1957 the lines of confrontation between Israel and her neighbors have been drawn and redrawn. The Middle East has been the scene of a dramatic thrust by Soviet power, including a military build-up in Egypt and a clear challenge by the Soviet navy to the Mediterranean forces of the North Atlantic Treaty Organization.

The commitment of the United States to the survival of Israel raises questions which should stand high on the agenda of the Senate Foreign Relations Committee. Its chairman, however, has called the committee only into closed, executive sessions for secret briefings on Middle East developments, while open hearings have been used repeatedly as sounding boards for his personal views on subjects quite remote from foreign policy.

It may be that the course of events in Vietnam which so concern Senator Fulbright today might have been altered if Congress and the American people had been better informed about the implications of our Southeast Asian policy a decade or more ago. Now, by skirting the Middle East issue as he does, the senator is denying his committee an opportunity to prevent the very same misunderstandings from clouding our policy in the Middle East at some critical time in the future.

FREE MAN MUST BE ELIMINATED SAYS SKINNER

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. RARICK. Mr. Speaker, "Free man—is dying—society, using a new technology of behavior, must—control him." Man must give up his claims to "individual freedom and dignity" and surrender the basic rights of "life, liberty, and the pursuit of happiness" to insure the survival of his culture; or so says B. F. Skinner, behavioral psychologist of Harvard.

From time to time the American people are offered little previews of the latest tortures being planned for them by the change makers, all designed to bring about the controlled society envisioned by the intelligentsia. Professor Skinner's comments sound frightening, but the horrible truth is that those in charge of Federal moneys to promote changes in education have far too many times used Skinner's theories as the basis for their experimentation in the name of progressive education.

Quite naturally, the deprivations of life, liberty, and the pursuit of happiness planned for the outmoded free man are not intended to encompass the brilliant intelligence of the new aristocracy. The intelligentsia must be exempt from the repression of a proclaimed police state so that they remain free to dream up new theoretical solutions for the problems they continue to create.

I insert a newsclipping in the Record at this point:

[From the Washington Post, July 20, 1971]

B. F. Skinner Has a Plan for a New Society; But It Is Not Exactly What the Founding Fathers Had in Mind

(By Victor Cohn)

Free man as we have known him, or imagined him, is dying.

Now society, using a new technology of behavior, must design and control him.

This will leave man "free" to act beneficially in a better world—not an Orwellian "1984," but a meaningful world without war, violence, overpopulation.

This arresting argument is made by one of the nation's foremost behavioral psychologists, Harvard's Dr. B. F. Skinner.

In a manifesto likely to arouse anger and argument in political and intellectual circles throughout the world, Skinner says man must give up his claims to "individual freedom and dignity" and surrender the basic rights of "life, liberty and the pursuit of happiness" to ensure the survival of his culture.

Such "basic rights," Skinner contends, are increasingly irrelevant or harmful to development of a future culture in which men of reason would want to live. Society, he contends, has failed man badly by permitting him too much of the wrong kind of freedom.

In fact, he says, "it is not difficult to demonstrate a connection between the unlimited right of the individual to pursue happiness and the catastrophes threatened by unchecked breeding, the unrestrained affluence that exhausts resources and pollutes the environment, and the imminence of nuclear war."

"What we need," asserts Skinner, "is more control, not less" or "some other culture" will possess the future.

In the future he seeks, both behavioral and genetic engineering would be part of a design to change man's character. Men would change the genetics they inherit "with a clearer eye to the consequences," and introduce cultural practices to mold society.

Skinner's provocative demands are made in a new book, "Beyond Freedom and Dignity," condensed in the August issue of Psychology Today and to be published later this year by Alfred A. Knopf.

The argument is important because Skinner is important. He counts as scientist, technologist and social prophet.

Some will sharply criticize his new statements, but they will first listen.

Others will hate him. He expects this. Copernicus was hated, he points out, when he insulted man's cosmological view of the universe, Darwin was hated when he insulted man's biological view and Freud was hated when he insulted man's psychological view.

Skinner insults our deeply implanted behavioral view of "autonomous man of traditional theory," endowed or entitled to "individual freedom and dignity."

He says in essence:

The traditional autonomous man "is held responsible for his conduct and given credit for his achievements." Almost everyone attributes human behavior to "intentions, purposes, aims and goals." But "a scientific analysis shifts both the responsibility and the achievement to the environment." It is only when "we do not know why a person acts as he does that "we attribute his behavior to him."

Man, Skinner points out, is already controlled—by family, school, neighborhood, government, society. It is simply a question of how to do it better.

What's more, he argues, man has in fact now reached a dead end—an end in which society may die—in his long struggle to shape his destiny.

"Permissive practices," he argues, are not truly policy but "the abandonment of policy," with any apparent advantages in fact illusory.

To him, the aggressiveness and hostility of much of youth is due to "defective social environment." To refuse to control is "to leave control not to the person himself" but to the environment.

"The problem," he maintains, "is to free man not from control but from certain kinds of control . . . to make the social environment as free as possible of aversive stimuli."

As to critics like Britain's C. S. Lewis—who wrote that "man is being abolished" through Skinnerian psychology—Skinner now answers: if Lewis means today's over-autonomous man, then that man's abolition "is long overdue," for he is about to destroy us.

Skinner does not guarantee a utopia, but frankly seeks it. In his utopia, people would learn to live together without wars and quarreling. They would produce the goods they need by consuming no more than a reasonable part of the world's resources. They would bear no more children than they can raise decently.

Man's attempts so far to create utopias have, he concedes, been ignominious failures. But "unplanned and imperfect cultures have failed too," and—his conclusion—"we have not yet seen what man can make of man."

Science has now learned that "behavior is shaped and maintained by its consequences." This means "we can manipulate" man's environment. Man's genetic endowment can be changed only slowly, but changes in the individuals environment have "quick and dramatic results."

Therefore, by developing a "technology of behavior,"—a technology only in its infancy and for which Skinner cannot yet draw a detailed social or political blueprint—"it should be possible to design a world in which behavior likely to be punished seldom or never occurs."

Desirable actions would be reinforced in this society. Only acting well would be encouraged by the controllers.

Though Skinner offers no plan he does suggest a beginning.

He believes an intensive study should be made of man, his needs and his society—in order to see which actions should be reinforced and which conditioned out of his behavior.

To those who say, "Will not controlled man be simply a victim?" Skinner answers: there have always been the controlled and the controllers. "Those who object most violently to the manipulation of behavior now 'make the most vigorous efforts to manipulate . . .

B. F. (for Burrhus Frederic) Skinner, 67, developed the theory of "operant behavior" to operate or shape or manipulate the behavior of pigeons or mice—or men.

He did it by combining appropriate "stimuli" with "programs of reinforcement" to lead to the "terminal behavior" that the operator desires; e.g. a pigeon is taught to play Ping Pong (as Skinner taught pigeons in the 1930s) by breaking the action into little pieces and rewarding each step with a bit of corn. Or a child is "operated" to learn geography by presenting him with a piece of information at a time, then rewarding him with the answer "correct" and the satisfaction of achievement.

He proposed a utopia based on his theories in his novel "Walden Two."

Skinnerian psychology led to programmed instruction and teaching machines. It led to behavior therapy—conditioning by positive reward—as used today in many mental hospitals, prisons and training schools for the delinquent or retarded. It led to a new view of man. It also led to a National Medal of Science and many other honors for Skinner and a position as one of the most admired—and criticized—thinkers in the world.

FORMER CONGRESSMAN BESHLIN PASSES AWAY AT AGE 101

HON. ALBERT W. JOHNSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. JOHNSON of Pennsylvania. Mr. Speaker, former Congressman Earl H. Beshlin of Warren, Pa., died Monday, July 12, at the age of 101. Mr. Beshlin suffered a fall in his home which resulted in a broken hip. He died in the Warren General Hospital following surgery.

Congressman Beshlin was born April 28, 1870, in Warren County, Pa., where he resided all his life. Although never attending a formal law school, he received his legal training as a clerk in a law office. He was admitted to the bar at the age 23 and had been practicing law for the past 78 years. Despite his age, he walked daily to his office in the Pennsylvania Bank & Trust Building.

Mr. Beshlin's community service began in 1899 when he served as borough manager until 1903. He was burgess from 1906 until 1909, referee in bankruptcy from 1898 until 1917, and solicitor for the borough council from 1914 to 1918. He served as a school board member for 16 years, and was chairman of the board of trustees of the Warren State Hospital from 1935 through 1939.

After being admitted to practice in the local court in 1893, he was subsequently admitted to the U.S. district court, the Supreme Court of Pennsylvania, and as a member of the bar of the U.S. Supreme Court. He devoted most of his long career to civil court cases. The high point of his legal career was his election in 1917 to the 65th Congress. He was the only Democrat—Democratic-Prohibitionist—since the Civil War to be elected to a national office from Pennsylvania's 23d District.

Many Members will remember Mr. Beshlin when he spoke before the House on March 4, 1971, as the oldest charter member of the Former Members of Congress, Inc. I am sure you join Mrs. Johnson and I in expressing our sympathy to the family of former Congressman Beshlin in the loss of this truly remarkable man.

PHOSPHATES IN DETERGENTS AND STREAM CHANNELIZATION

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. VANDER JAGT. Mr. Speaker, several articles have come to my attention in recent days which discuss subjects of immediate interest to the Congress and the public.

One by Dr. Howard Tanner, director of the Department of Natural Resources in the School of Agriculture at Michigan State University, discusses phosphates in detergents. Dr. Tanner presents a most thoughtful discussion.

The second article written by Tom Herman appeared in the Wall Street Journal on July 19 and discusses stream channelization. The article very effectively spells out the problem and viewpoints of conservationists and agriculture interests.

The two articles follow:

REPORT ON PHOSPHATES

(NOTE.—KMB president Arthur Nelson has been asked to state KMB's position on phosphates in detergents. Nelson referred the project to KMB consultant Dr. Howard Tanner, director of the Natural Resources Department, Michigan State University. Here are Dr. Tanner's comments:)

The question of phosphates in detergents, like so many things these days, is not clear cut. Let's talk about the objective and then the possible steps to obtain the objective.

First of all, the objective is to eliminate, or drastically reduce, the amount of phosphates going into our surface waters. The role of phosphates in eutrophication of freshwater is a complicated subject in itself. However, I accept the opinion held by a great majority of authorities that limiting phosphate input into freshwaters is the most practical and effective way to slow eutrophication. There are exceptions, there are arguments, but usually this will be true. We should commit ourselves to stop the discharge of phosphate rich wastewater into our freshwaters and we should do it soon.

The question of world phosphate supply is part of the question. The world's supply is limited, but apparently not very limited. However, I am not satisfied with a projection of only this country's needs and then only for 50–100 years. Phosphates are the key element which has permitted us to expand greatly world agricultural production in the last 150 years. Presumably, it will remain a key element as we double and double again world food production. The aspirations of other countries will place an even increasing burden on phosphate supplies. I doubt if we will run out, but certainly we are going to be pushed to lower and lower grade reserves.

Is it really good long range conservation to permit the use of phospates in detergents? My answer is, probably not. From a resource use standpoint this is not a panic question but prudence should say, let's not spend our supply of phosphates in making detergents.

So far we have looked at both ends of the question. World phosphate supply is not infinite and we need to keep phosphate out of freshwater.

The suggestion is made that phosphates should come out of detergents. The phosphates in municipal wastes are somewhere between 25% and 67% of detergent origin depending upon which "world authority" that you choose to believe, I would select 40% as a reasonable estimate. Therefore, the removal of phosphates from detergents will not solve the problem of phosphates going into our surface waters, and phosphate removal strategies must continue to be installed in municipal systems and they must continue to be improved. Whether we install biological systems as I would propose, or chemical precipitation systems, or some other system, is not at this point, relevant. But to be effective any phosphate removal system has got to be very effective—perhaps about 90%.

One more aspect of detergents: As far as I know there is presently no substitute for phosphates in detergents that fully qualifies as safe, effective, and non-polluting. If NTA is, in fact, out of consideration then I believe the availability of a substitute for phosphates is a matter of years away, not months. Some will argue in favor of soaps and soaps are part of the answer. But the challenge is to be able to enjoy the advantages that technology has given us without degrading our environment. To go back to soaps is a step backwards in convenience and will therefore be rejected by many.

Suggestion solutions: I suggest that we find economic ways to pressure the soap and detergent companies to scale down the percentage of phosphates in detergents, looking forward to the time when the content can be reduced to zero. As one approach, I suggest a tax on detergents based on the percent of phosphates in the product, with the tax being earmarked for use in construction of waste treatment and/or waste recycling systems. This tax would be reviewed and scaled up or down annually to increase or decrease pressure on the companies. Such economic pressure towards the gradual removal of phosphates would have to be reasonable and rational. I couldn't tell you whether it would take one year or five, but it would have to be accompanied by an active search for a suitable substitute and an assurance that the substitutes proposed were, in fact, safe for human health and for the environment before they could be employed.

From the figures given earlier it should be clear that the elimination of phosphates from detergents will be only a partial solution. Assuming no phosphates in detergents, we still have an estimated 60% of the phosphates coming in from other sources; human excrement, garbage from disposal units, and fertilizers. Whichever way we go we must continue to improve our systems of extracting phosphates from sewage effluents. Any system that only removes phosphates, such as chemical precipitation does, is also only a partial answer. It solves a wastewater problem and creates a solid waste problem. Phosphates are the greatest benefit to man as a plant nutrient. Let's keep it that way. Our approach to wastes must be to put wastes back into their most suitable role—in this case, as a plant nutrient. This is the conceptual base of the Michigan State University Water Quality Management Project. Use wastewater to grow plants to be harvested for man's use. Simple.

[From the Wall Street Journal, July 19, 1971]

WATERWAY WRANGLE: FEDERAL SOIL SERVICE STIRS ECOLOGISTS' IRE BY ALTERING STREAMS—DEEPENING, WIDENING RIVERS AIDS FARMERS, BUT SCENERY, FISH ARE OFTEN DESTROYED; A DISAGREEMENT ON ECONOMICS

(By Tom Herman)

COVINGTON, GA.—The Alcovy River is a tranquil stream that flows through a dense forest for about 50 miles near here. Many conservationists cherish it as one of the state's most precious natural treasures. "It's one of the few remaining unpolluted rivers in Georgia," says Charles Wharton, biology professor at Georgia State University, who often brings his students here to study the river's complex ecosystem.

But the Alcovy is regarded as a big headache by scores of farmers who own land along its banks and complain that its occasional floods keep them from being able to cultivate some of their land. So in 1969 they were delighted when the U.S. Soil Conservation Service (SCS) proposed a $10.9 million project that included straightening and deepening 73 miles of the river and its tributaries, as well as bulldozing more than 800 acres of the forests along its banks.

The state's conservation groups exploded in protest, arguing that the SCS plan would turn the Alcovy into an ugly ditch and wipe out a rich fish and wildlife habitat. After the U.S. Interior Department and the Georgia Game and Fish Commission joined the fight, the SCS reluctantly agreed to modify its plan. But the other agencies still oppose even the modified plan, and the SCS now says the project is "in limbo."

ECOLOGICAL SIDE EFFECTS

Controversies like the one over the Alcovy have brought the Soil Conservation Service under heavy fire here and in scores of other communities around the nation where nature lovers fear the destruction of rustic, meandering creeks, streams and rivers by SCS bulldozers. Critics charge that the agency, which is a branch of the Agriculture Department, is so intent upon harnessing water to serve big landholders' needs that it ignores the ecological side effects of its work.

A number of critics also contend that many of the most expensive projects are economically unjustifiable. They assert that the SCS often underestimates costs and inflates benefits when pressured by powerful Congressmen who view such projects as handy reelection aids and who, if angered, could vote against the next SCS budgetary request.

All this criticism plainly angers SCS officials. "Many of these people who call themselves ecologists aren't true conservationists," says Robert Oertel, an SCS assistant state conservationist in Georgia. "They're preservationists. They want to preserve everything just the way it was back in the time of Adam and Eve. And if we followed that kind of thinking, that's just where we'd be, back in the Stone Age."

The criticism is especially galling to the SCS because the agency was, for many years, the darling of the conservationists. It was created in 1935 by Congress, at the urging of President Franklin Roosevelt, largely to combat the huge problem of soil erosion, then a major headache to farmers all across the country but especially in the Midwest's "Dust Bowl." Since then, the SCS has taught millions of landowners how to lay out their land so as to impede soil runoff, using such soil conservation techniques as terraces, windbreaks and strip cropping.

"Conservation is our middle name," says Hollis R. Williams, deputy administrator for watersheds, "and we've earned it."

Today the agency has grown into one of the Agriculture Department's most formidable bureaucracies. It employs about 14,500 people, including engineers, hydrologists, geologists, economists, biologists, agronomists, foresters, and soil scientists. Its congressional appropriation for fiscal 1971, which ended June 30, was $287 million. Out of that, an estimated $15 million went for "channelization," the name usually applied to straightening, deepening and cleaning out of streams.

Since 1954, when Congress first authorized such projects, the SCS has spent over $90 million on channelization affecting 6,164 miles of streams, an official says. Of that, over $60 million was used to dig approximately 3,000 miles of channels, and about $30 million was used for "clearing and snagging," which often means pulling drag lines along a river bottom to remove sandbars, logs and trees.

12,000 MILES OF WATERWAYS

Another 300 projects involving 8,000 to 10,000 miles of channelization now are under way. The agency is planning future projects affecting an additional 12,000 miles of waterways.

Even the agency's toughest critics concede that many of its projects have done a world of good. The soil conservation program has preserved millions of acres of rich topsoil. The small watershed program has created reservoirs and dams that serve as badly needed municipal and local water-storage facilities, storing excess water in rainy seasons and releasing it gradually in dry times. The reservoirs, which often double as recreational facilities, unquestionably encourage the growth of new industry and help local economies.

There's little controversy about that, but there's plenty when the SCS seeks to include river-straightening as part of a project. In justifying channelization, the SCS maintains that many natural rivers and river swamps need to be straightened and deepened in order to carry off excess water from upstream. "The purpose of a stream is to carry water, not just to look pretty," sasy Mr. Oertel, the SCS official in Georgia. "When we channelize a river, we aren't ruining it. We're improving it."

During a recent seven-hour interview in his Washington, D.C., office, Hollis Williams, the deputy administrator for watersheds, said:

"Personally, when I see a swamp, I think back to my boyhood days in Arkansas and I think of snakes, water moccasins and mosquitoes. And I think how nice it would be to drain that swamp and build a quiet lake, where a man could fish with his boy and where a Sunday school class could visit, and where a man could swim without fear. And I think that the lake could also store water for nearby towns, and prevent flooding, and maybe attract new industry. Yes, I'm biased personally, but I'm not biased as an administrator. I realize some people think swamps are valuable, and I give both sides a fair hearing."

Nonsense, reply the conservationists. Officials of assorted state game and fish commissions and the U.S. Interior Department complain that the SCS has repeatedly ignored their warnings of the ecological havoc that will be wreaked by channelization projects. An Interior Department staffer in Atlanta says, "The SCS frequently doesn't pay any attention to what they're told either by us or by other environmental groups. They listen, of course, because they're bound to by law. But then they go right ahead with their previous plans."

The subject of channelization is a particularly emotional one in the Southeast, which has an especially large number of rivers as well as heavy rainfall and is thus scheduled to undergo more channelization than other areas of the nation.

THUMBS DOWN ON PROJECTS

Recently, several communities have startled the SCS by voting to withdraw support for channelization projects. In August of 1970, the Seminole County, Ga., board of commissioners voted unanimously not to open bids for construction of a 39-mile channel on Dry Creek. A month later, the commissioners of Floyd County, Ga., voted unanimously to withdraw the county's support for a plan to channelize about 10 miles of Johns Creek and a major tributary. In Florida, several landowners along a project on the state's west coast are holding up a channelization plan. And in Indiana, conservationist opposition has slowed development of the Lost Creek watershed.

The SCS is feeling pressure on other fronts, too. A public interest law firm, Natural Resources Defense Council Inc., is considering filing some lawsuits against SCS projects, charging that the agency is violating environmental protection laws. On Capitol Hill, Rep. Henry S. Reuss, the Wisconsin Democrat, sought unsuccessfully to amend the fiscal 1972 agriculture appropriations bill so as to block most channelization work for at least one year. "I've never seen such unanimity among conservation groups as on this issue," he says. A dozen conservation groups testified on behalf of the amendment at House hearings.

Rep. John Dingell, chairman of the fisheries and wildlife conservation subcommittee of the Merchant Marine and Fisheries Committee, says he will investigate the SCS to see how well it's conforming to environmental protection laws. "The agriculture crowd is one of the worst when it comes to paying attention to environmental values," says the Michigan Democrat. "They must be brought to heel somehow, but frankly, I'm not yet sure exactly how."

Another important debate is taking place at the Water Resources Council, an interagency group that is proposing changes in the way that a controversial "cost benefit ratio" is applied to various government water projects. The cost-benefit ratio weighs estimated costs of a project against its benefits over a broad span of years, and critics charge that it's currently rigged in favor of approving virtually anything that's backed by a powerful lawmaker. The Water Resources Council has proposed several highly technical changes in the ratio that would make it harder to justify projects, including channelization, but they have yet to be approved.

What especially rankles economists is that channelization projects frequently increase available farm land at little cost to the farmer. Economists like Jack L. Knetsch of the President's Council on Environmental Quality argue that "it makes little sense to me for the Agriculture Department to sponsor this while at the same time paying farmers subsidies not to plant already existing land."

But the primary complaint is the massive impact channelization has on the environment, and critics say there is more than ample scientific documentation of this. For example:

A 1964 study by two members of the North Carolina Wildlife Resources Commission compared fish populations in 23 channelized streams with populations in 36 nearby natural streams. Their finding: The channelized streams had 90% fewer catchable-size game fish. Their study added, "The data further revealed that no significant return towards the natural stream populations occurred within a 40-year period following channelization."

An unpublished study by the Mississippi Game and Fish Commission in 1968 showed a decrease in pounds of fish per acre in the Tippah River to 4.8 from 240.7 before channelization.

NOT BLIND TO CRITICISM

This research and criticism haven't gone unnoticed by the SCS. In February, Kenneth E. Grant, the current head of the agency, dispatched a six-page memo to every SCS state conservationist calling for a review of all channelization work in progress and a decision as to whether each one would have "minor or no adverse effect" on the environment, "some adverse effect," or "serious adverse effect."

"We're not blind to the criticism," says Mr. Grant. "We realize that many of these special interest groups want to protect the environment, but I want to stress that we have to think of both sides of the question. We have to look at it both from the point of view of the environment as well as the landowner."

Some conservation groups, however, fear "Memo 108" will be a waste of time because destructive channelization projects will simply be labeled as having "minor or no adverse effect," ignoring Interior Department complaints. Mr. Grant insists the review will be fair. "Congress has charged us with making the judgment on whether to go ahead with a project, and we will conduct that study fairly," he says. "Congress can always kill a project if it thinks we're wrong."

One project conservation group will be watching with special interest in the next few weeks is the Alcovy, which today is placid and unhurried. The dense hardwood forest along its banks is home to deer and racoons, wild turkeys and various forms of microbiotic life that biologists like Prof. Wharton of Georgia State come from miles away to study. The water is ice-cold. An occasional turtle suns itself on a stone.

WHAT PRICE EFFICIENCY?

The SCS, which has trimmed its proposal for channelizing the Alcovy to 45 miles from the original 73-mile plan, says that straightening the river and clearing its banks of forest would produce benefits of $1.50 for each dollar in costs over a 50-year period.

But Mr. Knetsch, the economist with the President's Council on Environmental Quality, has studied the project's economics in depth, and he strongly disagrees. His finding: The project at best could produce benefits of only 45 cents for each dollar in costs. At worst, it might produce only 18 cents for each dollar invested. In fact, he contends, "it would be much cheaper to buy the entire river and the forests" from private landowners and leave them the way they are.

Robert Davis, an economist with George Washington University and the National Audubon Society, has also studied the Alcovy's economics and concluded the SCS figures "are totally farcical." Says Mr. Davis: "The SCS has made a mockery of the cost-benefit ratio by adding phony benefits."

However, Eugene C. Buie, the SCS's assistant deputy administrator for watershed planning, says: "I have no hesitancy in saying that our figures are defensible. I won't say they're absolutely accurate because they are based on judgment factors and no two economists will ever agree. But we do insist that our evaluation is based on defensible, supportable figures."

Rep. Ben Blackburn, a Georgia Republican from a nearby district, recently checked to find out how many, if any, of the farmers along the Alcovy whose lands would be cleared at federal expense are already getting farm subsidies not to plant existing cleared land. His finding: At least 79 out of the 182 landowners are receiving subsidies.

"Nobody has explained the logic of that to me," says Ben Dillard, administrative assistant to Rep. Blackburn.

COMMUNISTS PLEDGE DEFEAT OF UNITED STATES

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. RARICK. Mr. Speaker, the Communist countries are mellowing; at least this is the line being used to condition our people to accept ideological integration. Unfortunately, the people in the Communist countries have not gotten the word.

Today we learn of three East German men attempting by foot to escape to the West. One was killed and a second wounded by their Communist captors.

Meanwhile, from Hong Kong, President Nixon's Red counterpart again called for defeat of "U.S. imperialism and its running dogs." Chou En-lai repledged the support of his government and people to "fight shoulder to shoulder with the Cuban people, and to defeat U.S. aggressors through to the end."

It appears that the only people who think that communism is changing or mellowing are our pseudointellectuals and the communications media. But then, they are of the new aristocracy who only talk to each other and, after a while, forget that their talk is propaganda aimed at the American people and begin believing themselves.

I insert two newsclippings at this point:

[From the Washington Post, July 26, 1971]

BERLIN ESCAPE TRY

BERLIN.—East German troops foiled an attempt by three men to escape from East to West Berlin, killing one and wounding a second.

West Berlin police said the East German troops turned on floodlights and fired about 30 shots at the men as they ran across the last few yards to a fence bordering the American sector of West Berlin.

[From Reuter, July 25, 1971]

CHOU VOWS AGAIN TO DEFEAT U.S.

HONG KONG, July 25.—Chinese Premier Chou En-lai today reiterated a pledge to defeat U.S. aggressors in a message to mark the 19th anniversary of the Cuban sports day, Radio Peking reported.

The message, addressed to Cuban Prime Minister Fidel Castro, said, "The Cuban people's struggle has provided great support to the Chinese people and people of the world in the struggle against U.S. imperialism and its running dogs."

"The Chinese government and people will as usual fight shoulder to shoulder with the Cuban people, help each other and learn from each other, and to defeat U.S. aggressors through to the end," it added.

CONSUMERISM

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. FOLEY. Mr. Speaker, the Communications Workers of America recently held its annual convention and passed a resolution on consumer protection which I believe touches on several major social and economic issues that should be of interest to us all.

It seems particularly appropriate to me that communications workers—individuals whose occupations are predominantly concerned with the transmission and interchange of thoughts, opinions, and information—have been, and are, on the forefront of the struggle for consumers' rights. Perhaps due to the very nature of their work, they are more aware than others of the fundamental importance of the free flow of accurate information in an open society.

In any discussion of consumer legislation, I think it is wise to remember that law is supposed to be a codification of those lasting values upon which a people agree. In this country, the "marketplace ideal" is such a value This ideal assumes that objects, ideas, customs, and products enter the marketplace and eventually under the critical scrutiny of the citizens, the best of all possibilities emerges. Abuse of this ideal, motivated by individual greed and irresponsibility, is made possible by consumer deception and leads inevitably to consumer fraud. Insofar as the law fails to regulate violations of this ideal and, in turn, protect the citizen-consumer, we have failed.

The Truth-in-Lending Act, as well as the Truth-in-Packaging Act, were solid steps in the right direction toward public policies which will protect consumers from abuse. But I have come to realize, together with the Communications Workers of America, that freedom from something is not enough. We must have freedom for something. Freedom should not be merely a measure of safety, but a full opportunity. Freedom ought to be a means to enable consumers to enter the marketplace with confidence and security.

Mr. Speaker, these are thoughts which should stay with us as we consider legislation intended to bring a degree of fairness and equity to the marketplace. At this point I include the Communications Workers of America resolution in the RECORD:

RESOLUTION 33A-71-3: CONSUMERISM

The Communications Workers of America has recorded itself in favor of pending and enacted legislative proposals to protect the individual American against the misusers of the marketplace, but the struggle has reached a point which requires us to reassess where we stand and to renew our effort.

We see our attainments not having the effect that they were supposed to have, and we see our goals thwarted by a combination of phony propaganda and political pressure.

The Truth-in-Lending Act was passed after years of bitter struggle, and now a consumer can look at a bill and see exactly how much interest he is being charged a month, both in per cent and in dollars and cents. But an organization called the National Conference of Commissioners on Uniform State Laws has concocted what it calls a Uniform Consumer Credit Code which would gut the Truth-in-Lending Law by establishing interest rates at 36 per cent and allowing "extra" fees and insurance overcharges. We took action against this deceitful effort in 1969, but the movement is getting stronger and stronger in the state legislature, and we should renew our efforts to block it.

No state should allow exorbitant interest rates to be charged legally, and no state should allow usurious interest rates through devices or tricks.

One particular device used to raise the amount of interest on a mortgage loan is the point system, which requires that a certain per cent of a loan—called points—be paid to the lender, in addition to the interest, in order to obtain the loan. This should be ended.

Campaigns should be initiated by organized labor and other consumer oriented groups to set a practical and realistic limit on interest in all states which now have exorbitant and usurious interest rates.

The Truth-in-Packaging Act, passed with much fanfare, has done little to help consumers, because the crucial element—allowing the government to set standard sizes for packages so that consumers could tell at a glance how much they were getting for their money—was not included.

Meat and poultry protections have also been ineffective because the industries have succeeded in keeping down appropriations for inspection services.

We need to be aware of these tactics, and we need to increase our efforts with those who legislate by calling for toughening up consumer legislation where needed, and appropriations where needed.

The major area of new consumer legislation which interests us is no-fault auto insurance, and we are on record as supporting it in principle, but we should take the additional step of recording ourselves as supporting pending legislation which has been introduced by Senator Philip Hart of Michigan and Senator Warren Magnuson of Washington (a comparable package has been introduced in the House).

President Beirne has presented testimony in both the House and Senate in support of this legislation.

The Hart-Magnuson bills would establish auto liability on the no-fault concept, so that injured persons would be protected for their medical and economic losses as a result of an accident without having to go to court, but could sue for any additional damages if they wanted to.

A vicious tirade of false propaganda has already been started against no-fault by those who have milked the premium payer for years and do not want to give up this lucrative source of income. We should do everything we can to support the no-fault package and to counter the propaganda of those who put themselves before the interests of the insurance purchasing public.

We have referred to no-fault legislation as a package, because it actually involves several pieces of legislation which are required to establish no-fault legally. These include:

Allowing group auto insurance similar to group health or group life insurance, and allowing employees to bargain for auto insurance coverage as a benefit. Employers would be allowed to deduct the costs of providing the auto insurance benefit from gross income, similar to the system used with accident and health premiums.

Requiring all cars built after July 1, 1974 to have bumpers strong enough to withstand a five-mile an hour crash without damages.

Establishing nation-wide titling and establishing diagnostic centers to inspect cars for manufacturing flaws and quality of repairs.

Requiring insurance companies to publish detailed price information.

There are other major important items of consumer legislation which we have gone on record for, and which will be before the current Congress.

We should do all that we can in support of the consumer class action bill. If this bill is passed it would mean that you, an individual, defrauded out of a sum too small to sue over because it would not be worth the legal fees, could join with others who have been defrauded the same way and sue as a group, or a class.

Now, to go into federal court, you must claim that you have been defrauded out of at least $10,000 and claims cannot be added together to equal that amount.

The effort to create an independent consumer protection agency, instead of leaving the job scattered through various federal agencies which are not really interested in consumers, should have our renewed support.

The independent consumer protection agency legislation would also permanently establish the Office of Consumer Affairs in the White House as a strong inside voice for consumers.

Direly needed is an end to the "holder in due course" device for defrauding purchasers of faulty products. This involves the seller of the product selling the note on the product to a third party, which leaves the third party not responsible for ensuring that the product gives good service. The third party should be responsible, along with the seller of the product, and no contract should be allowed to be written that absolves either the seller or the holder in due course of responsibility to see that the purchaser has a product he can use.

Two other areas merit attention.

Warranties should mean that the purchaser is protected, but too often we find that the words warranty and guarantee which were supposed to protect the buyer really protect the seller and the manufacturer. Legislation should be passed which truly protects the consumer, and this warranty legislation should include a provision extending the life of the warranty on a day-per-day basis for each day that an item under warranty is inoperable and requires repair.

Also, product information produced with public dollars should be available to the public. Often, government agencies research products, but refuse to make their conclusions public. The consumers who pay the costs of the research are entitled to know the results.

Therefore, be it resolved: That the Communications Workers of America consider it necessary to enhance our efforts to improve consumer legislation so that it is truly effective, with particular attention devoted to the consumer issues set forth in this resolution.

NIXON'S LEADERSHIP

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. DEVINE. Mr. Speaker, I would call the attention of my colleagues to an editorial in the Portland Oregonian hailing President Nixon's leadership and citing in particular his efforts to ease tensions with Red China which have resulted in a major shift in public sentiment.

Without further comment, we introduce in the RECORD the full text of the editorial:

NIXON'S LEADERSHIP

Unlike his precedessor, Lyndon Johnson, President Richard M. Nixon has a thorough understanding of the complexities of international affairs and rarely, if ever, acts on impulse. The developing detente with Communist China did not just happen. The Nixon Administration has been working quietly toward that goal for a long time. It was prepared to take advantage of the widening political gulf between Communist China and the U.S.S.R.

Presidential leadership may not always be apparent to the public eye in foreign affairs but without it opportunities for a relaxation in international tensions and conflicts and progress toward a lasting peace cannot be capitalized. The partially opened door to the United States provided by Peking would not have come about without the unpublicized manifestations of a changed attitude on the part of the U.S. government since Nixon took office.

One consequence has been a major shift in public sentiment on the admission of Red China to the United Nations. At the low point after the Korean War, in 1954, the Gallup Poll showed only 8 per cent of those polled favored U.N. admission for the nation which was branded an aggressor by the U.N. General Assembly. As late as October, 1970, the Gallup Poll showed 35 per cent of Americans in favor of admission of Red China to the United Nations, 49 per cent opposed and 16 per cent with no opinion. This May, the poll showed a dramatic shift: 45 per cent in favor, 38 per cent opposed, 17 per cent undecided.

The greatest change was recorded among Republicans, a gain in support from 30 per cent to 45 per cent, more than twice the gain shown among Democrats and independents. This was a direct reflection of presidential leadership in his own party as well as a better feeling toward Peking since its change in attitude. A strong President who is an authority on foreign relations can influence world affairs and at the same time build confidence among Americans for such policies.

REPORT TO NINTH DISTRICT CONSTITUENTS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following commentary on revenue sharing:

WASHINGTON REPORT OF CONGRESSMAN LEE HAMILTON

America's federal system is being challenged as perhaps never before. Americans are demanding that all levels of government—Federal, State and local—work better, become more responsive, more efficient, less costly and less confusing.

The central domestic concern of the Congress in recent years has been to find ways of strengthening and reinvigorating the federal system—to give it the ability and flexibility—to deal with problems which are growing more complex and more demanding with each passing day.

Many approaches have been considered, including expanded federal categorical grants to state and local governments, tax credits, the federalizing of welfare programs, aid to cities, and revenue-sharing.

I have long supported the concept of revenue-sharing. But as I have studied the issue, I have found myself asking more and more questions about the capacity of state and local governments to handle effectively large infusions of federal revenue-sharing funds. Revenue-sharing, I believe, must be combined with thorough reforms in state and local governments. Without modernization and reform, revenue-sharing will serve only to underwrite a system which is badly in need of change.

The Committee for Economic Development compiled in 1967 a list of outmoded state government structures which has changed little in recent years:

Only a handful of states have adopted new constitutions since 1945. Most of the state constitutions were drafted in the 1800s (Indiana's was adopted in 1851).

More than half of the legislatures still meet in regular sessions only once in each two years, and under wholly inadequate time limits, in most cases.

Many state legislatures are unwieldy in size. Less than half the lower chambers have fewer than 100 members.

Only a half dozen states give their governors the means of exercising administrative authority to meet fully the responsibilities of the office.

Almost half the states (including Indiana) deny their governors a second or third consecutive term, thus reducing the governor's ability to provide political as well as administrative leadership.

My concern about the effectiveness of Indiana's state and local governments focuses on the following points:

Executive: Executive leadership of the highest order is imperative to any large-scale organization. Since the Indiana governor is limited to one four-year term, and has limited power to appoint officials of his administration, he lacks the authority to deal with the responsibilities he faces. The Indiana governor comes to office right after a year or more of campaigning and faces immediately his most important legislative session.

Legislature: A recent study by the Citizens Conference on State Legislatures rates the Indiana legislature as follows: overall efficiency, 40th out of the 50 states; functional ability, 44th; accountability, 38th; well-informed, 41st; independence, 43d, and representative qualities, 20th.

Finances: One measure of performance is to compare state revenues and expenditures to personal income. On the basis of state taxes for each $1,000 of personal income, Indiana raises $51.06—as compared to $61.65 for the 50-state average.

In the area of state expenditures for each $1,000 of personal income, Indiana spends $84.06—as compared to a 50-state average of $100. Indiana spends a little more than most states on education and highways, and far less than most on public welfare. If Indiana taxes itself at the same rate as the average of the 10 states which are making the greatest revenue-producing effort, it would increase its revenue by about $700 million a year.

All of us recognize that state and local government have made progress in increasing their effectiveness and strengthening the offices of governors and mayors. But we are going to have to move ahead more rapidly. It is my hope that revenue-sharing funds can act as a catalyst for effective state and local government reform to strengthen the federal system.

A CONGRESSIONAL BOUQUET FOR MISS NEW YORK STATE

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. HASTINGS. Mr. Speaker, come September, one of the most pleasant of all U.S. folk rituals will take place at Atlantic City, N.J., as thousands gather for, and millions more will view by way of television, that annual Miss America contest.

Representing New York State will be a beautiful, brown-eyed brunette, who, I am happy to say, comes from my congressional district. She is Elizabeth Mae Condon, the daughter of Mr. and Mrs. Robert J. Condon, 444 Lakeside Drive, Angola, N.Y.

She was chosen at the recent annual New York State pageant, conducted for the past 6 years in Olean, N.Y., which also is in my district but, I hasten to add, had no bearing on the choice of the lovely Miss Condon to represent New York State at the Miss America contest.

Charm, intelligence, grace, and a bewitching personality that bubbles like champagne are hers in abundance and it was most fitting that at that climactic moment the regal crown of Miss New York State should be placed on her head by Pamela Ann Eldred, Miss America of 1970.

For Miss Condon, a senior at Niagara University, it was an especially rewarding accolade. In 1969, she competed for similar honors but lost out.

The second time around proved to be a much happier experience. Standing 5 feet 6 inches, and weighing 120 pounds, Miss Condon says she is interested in a dancing career but wants to obtain her master's degree and work for the Government, possibly in an Embassy where she can use her knowledge of Russian history, which is her speciality.

On behalf of my colleagues in the House, I offer Miss Condon our congratulations and a bountiful congressional bouquet. I know she will represent New York State with distinction at the Miss America pageant in Atlantic City. I am also including for the RECORD a story from the Buffalo, N.Y., Evening News, which tells of Miss Condon's selection as Miss New York State:

ANGOLA GIRL, MAKING SECOND TRY, WINS MISS NEW YORK STATE TITLE

(By Bert Freed)

OLEAN, July 17.—A fresh, bright world of applause and adulation dawned today for the new Miss New York State, a Niagara University senior who sought and missed this same honor in 1969.

Entered as Miss Niagara, Elisabeth Mae Condon, a brown-eyed brunette who lives in Angola, brought the crown back to Western New York Friday night for the second time in three years.

Miss Condon, 20, will represent this state in the Miss America Pageant at Atlantic City in September.

At this morning's awards breakfast at the Castle Restaurant, Miss Condon was acclaimed anew and received the more tangible fruits of her victory.

Carroll Anstaett, president of the nonprofit corporation that has sponsored the state pageant here for six years, presented certificates representing a $1000 scholarship and wardrobe, jewelry and other awards worth $3500. She also will take home a two-foot-tall trophy with a red crown.

Miss Condon, beaming in the official robe of royal blue and white, made her triumphant inaugural stroll down the Olean Senior High School auditorium runway. To her mother, seated nearby, she threw a kiss and her lips plainly formed the words "I love you."

Seconds before, seated and holding hands with Miss Marie Antoinette Sica, Miss Thousand Islands, who was announced as the first runnerup, Miss Condon's emotions exploded as she realized the title was hers.

"I got it, I made it," she exclaimed.

Katherine Ann Karisrud, the retiring Miss New York, then placed the official tiara on the winner's head and assisted Miss Pamela Eldred, Miss America 1970, in draping the regal robe around the new queen's shoulders.

The winner was among three Western New York representatives who finished in the top five.

The others were Miss Amherst, Michelle Joy Forbes, third runnerup, and Miss Greater Lancaster, Deborah Jane Earsing, fourth runnerup.

Rounding out the quintet of finalists was Miss Rockland County, Georgianna Ellen Dacre, second runnerup.

The other five semi-finalists included Miss Westchester, Elizabeth Bracken, and Miss Cattaraugus County, Deborah Bender, who were both preliminary winners. The others were Miss Syracuse, Peppe Patrone; Miss Rochester, Sharon Anderson, and Miss Oneida, Carol Mudrich.

Miss Condon, is the daughter of Mr. and Mrs. Robert J. Condon, 444 Lakeside Rd., who also have a son, George, 25.

Recalling her 1969 effort as Miss Southern Erie County, the winner commented: "I really worked much harder this time."

Miss Condon praised her mother: "she did so much to help me."

The reigning beauty stands 5 feet 6 inches and weighs 120 pounds, but her other dimensions remain a secret.

It's a scholarship competition, not a beauty contest, a pageant official explained. None of the participants' measurements are disclosed until the Miss America pageant begins in Atlantic City.

It was worth it trying again.

Also coming in for a share of the credit was her vocal "cheering section."

Miss Condon registered a "come from nowhere" victory. She did not win either of the preliminary events Wednesday or Thursday.

"Of course, I'm surprised. I thought I might be the fourth runnerup," she said.

The collegian was first in the talent presentations among the 10 semi-finalists. Wearing purple tights, she performed a gymnastic dance to music from the Broadway show "Applause."

The Miss Congeniality Award was voted by the other 19 contestants to Miss Batavia, Laurie Jean Allen, whose performances were handicapped by the cast that encased her right leg, fractured in a traffic accident a few days after she won her regional title.

By noon today, all 19 contestants, other than the winner, and their friends had departed for home.

Miss Condon remained behind to confer with pageant officials and start her round of wardrobe shopping and other preparations for her forthcoming adventure in Atlantic City.

Although she hopes to dance professionally after her graduation, Miss Condon plans also to work for a master's degree with the hope of entering the federal services in an overseas embassy. One of her specialties is Russian history.

HOUSE RESOLUTION 319

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. JACOBS. Mr. Speaker, the following is the language of House Resolution 319, which I introduced on March 17, 1971. I was hoping it might catch the attention of the administration:

H. RES. 319

Whereas the President of the United States on March 4, 1971, stated that his policy is that: "as long as there are American POW's in North Vietnam we will have to maintain a residual force in South Vietnam. That is the least we can negotiate for."

Whereas Madam Nguyen Thi Binh, chief delegate of the Provisional Revolutionary Government of the Republic of South Vietnam stated on September 17, 1970, that the policy of her government is "In case the United States Government declares it will withdraw from South Vietnam all its troops and those of the other foreign countries in the United States camp, and the parties will engage at once in discussion on:

"—the question of ensuring safety for the total withdrawal from South Vietnam of United States troops and those of the other foreign countries in the United States camp.

"—the question of releasing captured military men."

Resolved, That the United States shall forthwith propose at the Paris peace talks that in return for the return of all American prisoners held in Indochina, the United States shall withdraw all its Armed Forces from Vietnam within sixty days following the signing of the agreement: Provided, That the agreement shall contain guarantee by the Democratic Republic of Vietnam and the National Liberation Front of safe conduct out of Vietnam for all American prisoners and all American Armed Forces simultaneously.

FRED C. HOBSON

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. MIZELL. Mr. Speaker, I rise at this time to bring to my colleagues' attention the recent announcement that Mr. Fred C. Hobson, who devoted almost 40 years to the improvement of public education, has retired from his position as superintendent of Yadkin County, N.C., schools.

This announcement provoked widespread comment among the thousands of people in and around Yadkin County who have benefited in some way from Mr. Hobson's unselfish career of service.

There has been nothing but praise for his many accomplishments, and an editorial published in a recent edition of the Yadkin Ripple expresses the sentiment that thousands in Yadkin County and North Carolina, and indeed throughout the Nation, all feel for this distinguished gentleman.

I insert at this time the text of this editorial in today's RECORD, and with it, another article from the Ripple outlining his myriad achievements. The articles follow:

WELL-DESERVED TRIBUTE

Friday night was a time of recognition, of commendation, of acclaim and for an outpouring of appreciation for Superintendent of Schools Fred C. Hobson, retiring after 32 years of fruitful service.

Leon F. Thomasson, chairman of the Board of Education, told the story when he read a resolution from the Superintendents of the Northwest District and District 12, North Carolina School Board Association:

"We take pride in the distinguished record of public service of Mr. Hobson, covering more than 40 years of active leadership in the field of public education, his worth having been characterized by efficiency and integrity and typical of the best in public school administration and leadership, and

"Whereas, the schools and the school system he has served stand today as monuments to his endeavors, providing meaningful educational opportunities to thousands of boys and girls. We shall not attempt to enumerate the specific contributions to the profession; however, the innumerable boys and girls and teachers who have been recipients of his guidance and leadership will long testify to his accomplishments, and

"Whereas, he has been an inspiration to the school leadership of North Carolina,

"Now, therefore, be it resolved, that the Division of Superintendents of the Northwest District and District Twelve do pay tribute to Superintendent Fred C. Hobson of the Yadkin County Schools, do recognize that he has brought to us a blueprint of dynamic and effective leadership and accomplishment, do extend to him a permanent welcome in this organization, and wish for him a long and happy life."

The words of Miss Grace Coppedge, supervisor of education, are a fitting tribute: ". . . His warm, sympathetic interest coupled with his sincerity, honesty and tolerance have made him a friend of all who have known and worked with him. Knowledge of Yadkin County . . . enabled him to guide our schools wisely. He has been an inspiration to all who have worked with him. His devotion to his duties and responsibilities have made of him a great educatitonal leader."

And Board of Education member Mary Jo Zachary, after reviewing the progress during his administration, appropriately stated: "all of this program has not been easy but with a deep and abiding faith in education it has been possible. Those who follow you will be most grateful for the firm foundation you have laid—and they shall endeavor to continue to meet the challenge and to provide adequate and proper education for each and every child in Yadkin County."

These tributes to Fred C. Hobson are well deserved, and the Ripple joins with his many friends and admirers in saying "well done" and in wishing him many happy years ahead.

PROGRAM HONORS FRED HOBSON, RETIRING SCHOOL SUPERINTENDENT

The career of retiring Superintendent of Schools Fred C. Hobson was reviewed in interesting detail Friday night in the Boonville school auditorium in a "This Is Your Life" presentation before an audience of several hundred persons.

Boonville school Principal Albert Martin was master of ceremonies for the occasion. Rev. Thomas Howard, Yadkinville Methodist minister, began the event with prayer, and Fall Creek Principal Troy Matthews told of Supt. Hobson being born in 1906 near Petaluma, Calif.

The audience was then told that his parents, Mr. and Mrs. A. B. Hobson, Boonville natives, came back, and how Fred Hobson, at the age of three, "returned to the rectangular complex Nebo, Lightning Cross, Charity and Barney Hill."

His experiences as a driver of the first school bus in the county were reviewed and six persons who rode it were introduced. Eleven of 19 members of his graduating class were then introduced.

R. F. Lowry, now superintendent of schools in Northampton County, and Hobson's roommate as a senior at the university at Chapel Hill, was introduced. In speaking, he said "Due to his leadership, Yadkin County has made wonderful progress. You have here in Fred Hobson a great man we are all going to miss."

After graduating from college, the program reviewed his activities as coach and teacher at Elkin, with Surry Superintendent Sam Gentry praising the job he did. Later, he taught at Lewisville three years, followed by his appointment to the CCC program as educational director, and later his marriage to Miriam Tuttle at Belmont.

At this point, their three children were introduced, Fred Hobson Jr., working on his Ph. D. degree at Durham; Jane Hobson, librarian at Georgia State University, Atlanta, Ga.; and Alice, now Mrs. Ambrose Dudley of Barrington, Rhode Island. All of his ten brothers and sisters were next introduced.

G. C. Wallace, chairman of the Board of Education for 14 years, Arnie Shore, and O. E. Boles, members who served with Hobson, were introduced, together with the present Board, Leon Thomasson, Mary Jo Zachary, Odell Groce, Bill Poindexter, Dr. John Conoway, Edward M. Speas and Jimmie R. Hutchens. Mr. Thomasson, chairman, and Mrs. Zachary both read a resolution in commendation of his services.

Marie Haigwood, now assistant to the superintendent, State Department of Public Instruction, was introduced, and praised Hobson for "quietly determiningly, serving as a man of vision. He has not wavered or compromised. He set high goals for himself and the community. He is a master teacher with an open mind who has worked diligently for this county."

Calvin Wright, West Yadkin Principal, sang an original farewell song, and Reece Shugart, Jonesville principal, presented a resolution of teachers from the Yadkin Council Unit, N.C. Education Association.

At this point Mrs. Edith Davis presented Mr. Hobson with a 63-page book which she and Glenn Miller wrote and compiled on his life and activities, followed by Grace Coppedge and Edward Lakey who both spoke.

Bruce Matthews, Courtney principal, then announced that out of love, respect, and appreciation, friends had purchased a new Pontiac automobile for Mr. Hobson and had enough money left to also give him a check for $1,000.

A reception followed in the school gymnasium.

PRESIDENT NIXON HAS MADE GOOD CIVIL RIGHTS RECORD

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. McCLORY. Mr. Speaker, this morning's edition of the Washington Post carried an article by Robert C. Maynard, Washington Post staff writer, entitled, "Six Top Black Officials Defend Nixon's Record."

As a member of the House Judiciary Subcommittee which has been hearing testimony on Civil Rights Oversight I have been struck by the apparent attempts of many so-called "white liberals" to discredit the record of the Nixon administration in the area of civil rights. While I do not question the altruism of those who, in their sincere desire to eradicate racial bias, emphasize only the prevailing shortcomings of our present system, I am totally nonplussed by the failure of these same people to note with some satisfaction the progress which has been made over the years—regardless of the party label which may be attached to the administration making such progress.

Mr. Speaker, the six Government officials who recently spoke out to defend President Nixon's record in the area of civil rights will, I am sorry to predict, have to suffer the results of their remarks. It is not popular to suggest that the Federal Government under a Republican President has built a record which exceeds that of any previous administration in the area of prosecuting employment bias cases.

Mr. Speaker, these six high-ranking Government officials have not been "trotted out" as yes-men for the administration. Indeed, their remarks are not entirely favorable toward every aspect of administration actions over the past 2½ years. What they do contribute is a sense of balance and a willingness to speak out where others have intoned the familiar epithets and slogans calculated to arouse feelings of distrust and enmity toward the President and his administration.

Mr. Speaker, it is my opinion that we can never move fast enough to guarantee equality of rights under the law for those who should have had such opportunities from the inception of our great Republic. The same rationale which causes me to support an equal rights amendment to the Constitution with respect to women's rights causes me to demand that the Civil Rights Act of 1964—and all subsequent legislation—be enforced in accordance with both the spirit and the letter of the law. And while I do not for a moment suggest that we ever rest on our laurels, I utterly fail to see what fairness there is in denying blacks the opportunity to breathe the sweet smell of success when, through their untiring and dignified efforts, they—not paternalistic white liberals—overcome one hurdle after another in their quest for full and complete social, political, and economic justice.

Therefore, Mr. Speaker, I welcome the remarks made by six Government officials to the effect that President Nixon's record is commendable, and I urge my colleagues to read the article which follows:

[From the Washington Post, July 26, 1971]

SIX TOP BLACK OFFICIALS DEFEND NIXON'S RECORD

(By Robert C. Maynard)

DETROIT, July 25.—A half dozen of the top blacks in the Nixon administration, including two who served the previous administration, declared tonight that the interests of black Americans are being better served now than in the past.

They attributed the negative reaction of blacks to the administration to two key factors—"a matter of style" and a bad press for Mr. Nixon's civil rights efforts.

They conceded that the Justice Department has not always helped their cause and winced at a mention of Vice President Agnew. But they insisted that, on balance, the Nixon administration is doing well in most areas—and better in a few—than previous administrations.

The views were expressed by Samuel C. Jackson, assistant secretary of housing and urban development, Arthur Fletcher, assistant secretary of labor; William H. Brown III, chairman of the Equal Employment Opportunity Commission; Robert Brown, special assistant to the President; Joe Simon, associate director of the Action Corps (successor to the Peace Corps and VISTA), and Stanley Scott, an assistant to Herbert G. Klein, Mr. Nixon's director of communications.

They presented their case in an unusual 2½-hour talk with journalists arranged by Scott.

"Under this administration there is a willingness of superiors to accept the opinion of black people in making policy," said Jackson. Under the previous administration, he said "the brilliant white liberals thought they knew it all."

To a man, the black officials maintained that the central difference between Mr. Nixon's approach to black problems and that of the Kennedy-Johnson administrations is one of style.

Presidents Kennedy and Johnson, they argued, frequently articulated the demands of the civil rights movement, as in the case of Mr. Johnson invoking the words "we shall overcome" in introducing the voting rights bill of 1965.

"I would be the first to acknowledge," Jackson said, "that the style of this administration is completely different, but the results are far more complete."

He was asked to square that statement with the nominations for the Supreme Court of Clement F. Haynsworth and Harrold G. Carswell. "I am not even going to try," Jackson responded, adding that "on balance" the Justice Department has done a good job of civil rights enforcement.

As for Vice President Agnew's reference to black leaders as "querulous," one of the black officials said, "It pained me . . . just when we are beginning to get our message across."

In getting that message across, the black Republicans maintained that they are having a hard time because they cannot get on television to tell their story.

Scott said that he tried to arrange for essentially the same group of blacks to appear on a major talk show, but that none would have them.

The story they say they want to tell is one of progress in enforcing laws against discrimination in employment and housing. Fletcher said, for example, that the Justice Department has filed and won 90 employment bias cases, a record he says exceeds that of any previous administration.

"As far as I am concerned," said William Brown, "even though we have made some inroads, the situation hasn't changed much since 1964. It's not happening fast enough, for me. We haven't done enough, but we have done more than any previous administration."

Brown and Jackson were members of the Equal Employment Opportunity Commission during the Johnson administration.

The black officials are here to address the National Urban League's annual convention that opened today.

Earlier in the day, an Urban League official warned that whites might turn to "massive repression" against blacks.

Harold Sims, acting director of the league since the death of Whitney M. Young Jr. last March 11, said he fears the frustrations whites are feeling over international and national problems.

"There is a danger," he told a news conference, "that they will continue to blame the victims . . . like in Nazi Germany," rather than work on solutions to the problems that face both blacks and whites in America today.

MINIMUM WAGE LEGISLATION AND PROTECTION OF HOUSEHOLD EMPLOYEES

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. FAUNTROY. Mr. Speaker, I am today introducing legislation that in several significant ways would improve and strengthen the minimum wage law of the District of Columbia. This legislation, prepared and submitted by the District government, proposes action on several different fronts to improve the lot of the working men and women in the District of Columbia.

First of all, this measure would increase the statutory minimum wage from the existing level of $1.60 per hour to $2 immediately and $2.25 after 1 year. The $1.60 per hour minimum was established in 1966 legislation and went into effect in 1969. This is but a small step toward providing local workers with adequate incomes. Even with the increases proposed by this legislation, a worker toiling 40 hours a week for 52 weeks will only earn $4,160 a year, roughly equivalent to Federal poverty standards.

This bill will establish a floor upon which future gains can be built. Under existing law, the Minimum Wage Board has the authority, after investigations and hearings, to raise the minimum wage on an occupation-by-occupation basis, but the wage cannot be lower than the statutory floor. Using these procedures, the Board has established rates for many District employees that range up to the new $2.25 minimum proposed by this legislation. But the proposed legislation would give the board the basis for increasing the minimum salary of those now making less than $2.25 an hour and also of further increasing the hourly rate of those now earning more than the $2.25 floor that would ultimately be established.

Second, the bill would revise existing overtime standards by requiring that overtime be paid to employees working more than 8 hours in any one day. Under existing law, employees can be required to work more than 8 hours a day without receiving overtime compensation. Overtime is due only after the employee works more than 40 hours in a week. Under the legislation I am introducing today, an employee would be entitled to time and one-half for more than 8 hours work in a day, as well as for over 40 hours in a given week.

Finally, and perhaps most important of all, this legislation would bring the long suffering household worker under the protection of the District's Minimum Wage Act. There are few, if any, groups in this Nation who must endure such poor working conditions for such low pay. Nationally, there are between 1.5 and 3 million household workers, and in the District, an estimated 15,000. The vast majority receive no protection at all from legislation designed to provide minimum wage and safety standards because they are exempt from the Federal Fair Labor Standards Act and, in most cases, from similar State and local legislation. Only New York, Massachusetts, and Wisconsin cover household employees within the reach of minimum wage standards.

Household workers come from the most oppressed, unrepresented, and underorganized segments of our society. According to recent studies, two-thirds of household employees are black, and 98 percent are women. They have an average age of 46, and in 1968, earned an average yearly salary of $1,523. Beyond their failure to receive basic minimum wage protection, household workers are denied other fundamental rights that employees in other occupations have long taken for granted. Most employers of household employees virtually ignore social security legislation, and household employees rarely receive paid vacations, sick leave, or health insurance.

The legislation I am introducing today is one small step that holds out large symbolic importance as well as the promise of immediate and financial gain for the household worker. The bill would provide the household worker, as is true of other workers, a $2.25 minimum wage, within a year, and additional sums in overtime compensation. The Minimum Wage Board would be empowered to take into account future cost-of-living increases to order future wage hikes. Ultimately, what is most important about this legislation is that it would enact into law a public concern for the just grievances of household workers who have been ignored so long, and it would give legal recognition to the legitimacy of their claims for economic justice.

Until recently, household workers had no strong advocate, no instrument for organization that could dramatize their plight and exercise power to effect change. With the establishment of the National Committee on Household Employment and the emergence of local and national organizations to push the demands of the household worker, there is real hope for change. But the path is long and much more must be done. I, for one, will be working closely with these organizations not only to see that the legislation I am introducing today is enacted into law, but also to achieve for the household worker the basic employee rights enjoyed by other American workers.

The District government's letter of transmittal to the Speaker follows:

WASHINGTON, D.C., *February 1, 1971.*

The Honorable, the SPEAKER,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The Commissioner of the District of Columbia has the honor to submit herewith for the consideration of the 92nd Congress a draft bill "To Amend the District of Columbia Minimum Wage Act to extend minimum wage and overtime compensation protection to additional employees, to raise the minimum wage, to improve standards of overtime compensation protection, to provide improved means of enforcement, and for other purposes."

The Commissioner is of the view that all employed persons are entitled to wages sufficient to provide adequate maintenance and to protect health. According to the Congressional finding and declaration of policy, as stated in section 1 of the District of Columbia Minimum Wage Act, employment at insufficient wages—

". . . impairs the health, efficiency, and well-being of the persons so employed, . . . reduces the purchasing power of employees, and requires, in many instances, that their wages be supplemented by the payment of public monies for relief or other public and private assistance. Employment of persons at these insufficient rates of pay threatens the health and well-being of the people of the District of Columbia and injures the overall economy."

The Commissioner believes that realization of this announced goal of employment of persons at sufficient rates of pay to maintain the health and well-being of the people of the District of Columbia can be greatly aided by extension of minimum wage and overtime compensation protection to additional employees, by raising the minimum wage to provide a statutory minimum wage sufficient to achieve the level necessary to provide adequate maintenance and to protect the health of employees, and by improving the standards and enforcement of overtime compensation protection.

The bill therefore would increase the statutory minimum wage rate to $2.00 an hour for the year beginning sixty days after its enactment, and to $2.25 an hour thereafter, and require overtime compensation at one and one-half the employee's regular rate of pay for employment in excess of eight hours a day.

The bill authorizes the establishment of a special trust account in which will be deposited all unpaid wages recovered from employers for payment to the employees in whose behalf they were collected. Undistributed funds will become available, after being retained in the account for a period of three years, for payment to employees who were paid less than the require minimum wage.

Further, the bill would extend the minimum wage and overtime compensation coverage of the District of Columbia Minimum Wage Act to persons employed in domestic service or other employment in or about the residence of any employer. In connection with extending the coverage of the District of Columbia Minimum Wage Act to such employees, the bill would also relieve employers of employees in domestic service from various administrative requirements of the law.

Additionally, the bill would eliminate sections in the current law which are outdated and, therefore, no longer applicable, as well as provide for the revision of existing wage orders to provide for the payment of the statutory minimum wage and overtime compensation requirements.

The bill would also provide for injunctive proceedings to restrain any delay in the payment of unpaid minimum wages or unpaid overtime compensation or unpaid compensation for split shifts, excessive spread of hours, uniforms, tools, travel, and other items of expenses incurred by an employee as a condition of employment.

Finally, the bill would conform the District of Columbia Minimum Wage Act to Reorganization Plan No. 3 of 1967.

One of the objectives of the proposed legislation is to provide a statutory minimum wage which is sufficient to provide adequate maintenance and to protect the health of employees. It is believed that the interim rate will alleviate some of the impact the new minimum wage may have on employers. The existing statutory minimum wage of $1.60, established in 1966 to be effective February 1, 1969 by graduated steps, is no longer adequate to accomplish the stated policy of the District of Columbia Minimum Wage Act which is: "to correct and as rapidly as practicable to eliminate" wages insufficient to provide adequate maintenance and to protect the health and well-being of the people of the District of Columbia. The 1966 amendments to the Minimum Wage Law of 1918 provided, among other things, a statutory minimum wage and retained the procedure of revising the statutory rate administratively, occupation by occupation, after investigatory surveys, appointment of advisory committees, hearings, publications, and other actions had taken place. Revisions have been made by this procedure for two of the eight occupational classifications—the retail trade occupation and the laundry and dry cleaning occupation.

These revisions cover 17% of the employees covered by law. An increase in the statutory minimum wage by Congressional action will provide for all workers at the same time a wage sufficient to provide adequate maintenance instead of relying solely on the slow procedure of revising minimum wage orders one occupation at a time. The wage revision procedure is a necessary adjunct to a statutory minimum wage law but when the cost of living increases rapidly each year, it becomes necessary to change the statutory minimum wage in order to accomplish the purposes of the law. Based on a cost-of-living budget prepared by the Minimum Wage Board, it is estimated that an employed person living alone in the District of Columbia as of August, 1970, needs $91.16 a week (or $2.28 an hour for a 40-hour week) in order to maintain a living standard which is sufficient to provide minimum adequate maintenance and to protect health.

Another objective of the proposal is to eliminate long workdays and spread employment opportunities by requiring compensation of time and one-half the employee's regular rate of pay for hours worked in excess of the standard eight-hour day. Although existing law requires overtime compensation for employment in excess of 40 hours a week, it does not require the payment of premium pay for hours worked in excess of eight per day. Accordingly, an employee may work more than eight hours for several days a week but will not receive overtime pay if the hours worked during such week do not total more than forty. The requirement that a premium rate be paid for employment in excess of eight hours a day should provide some protection against excessively long workdays, especially with respect to female employees.

Approximately 15,000 persons employed in domestic service in the District of Columbia receive no minimum wage and overtime compensation benefits because they are not covered by either the Federal or the District law nor are they represented by unions. The Commissioner believes that extension of coverage under the District of Columbia Minimum Wage Act to household workers would constitute a formidable weapon in the war against poverty by providing some economic security to a group of workers whose wages have historically been extremely low. The bill, therefore, would extend the minimum wage and overtime compensation coverage of the Act to persons employed in domestic service or other employment in or about the residence of an employer.

In connection with extending the coverage of the District of Columbia Minimum Wage Act to employees employed in domestic service or other employment in or about the residence of the employer, the bill provides that the employers of such persons need not comply with various administrative requirements of the Act to the same extent as the employers of persons employed in a place of business. A new section 15, which the bill would add to the Act, specifies that the authority to enter and inspect places of employment, as provided by section 5(a) of the District of Columbia Minimum Wage Act (D.C. Code, sec. 36-405(2)), shall not apply to the place of employment of a person employed in domestic service or other employment in or about the residence of the employer. Such section 15 also relieves employers of employees in domestic service from the provisions of section 11 of the Act (D.C. Code, sec. 36-411), requiring an employer to furnish his employee with an itemized wage statement at the time of wage payment, and to keep detailed records which are to be available for inspection by the Commissioner or his authorized representative. With respect to recordkeeping, section 15 requires only that the employer of such domestic employees "shall maintain such minimum records as the Council may prescribe by regulation as necessary or appropriate for the enforcement of the provisions of this Act or of the regulations or orders issued thereunder". The employer of any such employee, furthermore, is relieved of the posting requirements of section 12 of the District of Columbia Minimum Wage Act (D.C. Code, sec. 36-412), as well as from the prohibited acts detailed by section 13 (D.C. Code, sec. 36-413) and the penalties provided in section 14 (D.C. Code, sec. 36-414).

Another objective of the proposal is to eliminate the delay in restoring to employees the unpaid wages due them by providing injunctive relief. Very often the statute of limitations has run before the employees bring action to recover wages due and in many instances the employees are hesistant to take action to collect wages. The proposed injunction proceedings would not require active employee participation.

In the belief that the attached draft bill will be of benefit to a considerable number of persons employed in the District of Columbia and will better accomplish the purposes of the District of Columbia Minimum Wage Act, the Commission strongly urges its enactment. The District of Columbia Council has expressed its support for this legislation.

Sincerely yours,

GRAHAM W. WATT,
Assistant to the Commissioner
(For Walter E. Washington, Commissioner.)

THE LOAN BOONDOGGLE

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. GONZALEZ. Mr. Speaker, a few days from now the House will consider H.R. 8432. We are going to be told that this is a bill to save Lockheed. But the truth is that this bill provides for eight times the risk called for in the original Lockheed bill, and not half the protection to the taxpayer. This bill is not the Lockheed bill; it is a great boondoggle to create a general industrial relief fund.

We have had no hearings to consider the concept of this legislation. We do not have any idea what it does or what risks it entails. This is needless legislation, for it does far more than necessary. It is irresponsible legislation, for it has had no serious consideration. There is no need for this unseemly haste. We are setting a terrible precedent in this bill, and we ought to act with caution.

Mr. Speaker, I include in the RECORD at this point a copy of the views I have filed with the Committee on Banking and Currency concerning this unwise, needless and foolish legislation. I believe that we can save Lockheed, and that we should, but not at the expense and risk proposed in H.R. 8432.

The material follows:

DISSENTING VIEWS OF HENRY B. GONZALEZ

I am opposed to H.R. 8432.

This bill was originally intended to establish loan guarantees for one corporation. It has been made into a two billion dollar industrial slush fund that exposes the taxpayers to a risk eight times as great as envisioned in the original bill, without even the same protection provided for originally.

The bill reported by the Committee is a completely different conception from the bill that we had hearings on. Neither the House nor the Senate had any hearings on the concept contained in H.R. 8432. No one knows precisely what this bill means and no one knows what its consequences might be.

It is irresponsible to adopt a bill that has had no hearings. It is inexcusable to expose the government and taxpayers to the loss of two billion dollars without at least some attempt to determine the need to undertake such drastic action and without some effort to provide minimal protection to the public. Yet adoption of H.R. 8432 would do exactly that.

Urgent though the needs of Lockheed may be, that is no reason for us to be stampeded into adopting the language of the Senate bill. That language had no more consideration in the hearing record of the other body than it had here. We are being urged to adopt the first thing we see regardless of whether it will do the job intended or not. It is possible to save Lockheed and protect the public at the same time—but not by adopting this bill.

I cannot vote for a bill that has had no serious consideration. I cannot vote for a bill that exposes the public to huge risks, without having heard any evidence of some need to do this. I cannot vote for a bill that no one asked for, no one testified for, no one wants and no one really needs. H.R. 8432 as reported is an irresponsible, inexcusable folly.

I believe that we can save Lockheed and protect the public interest at the same time. H.R. 8432 entails needless, senseless risks. It is far too broad for the required and desirable rescue of a single corporation and it is inadequate for the task of saving even a fraction of all corporations that might want to make use of the two billion dollars that would be available. If we are going to rescue one company, let us do that. If we are going to rescue all companies, let us do that. This bill does neither, and at the same time sets an impossibly bad precedent by creating a risk that will know no end, without providing for any protection at all to the taxpayers who will foot the bill.

PUERTO RICAN CONSTITUTION DAY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. BADILLO. Mr. Speaker, 19 years ago yesterday—on July 25, 1952—the Commonwealth of Puerto Rico was officially proclaimed and the constitution drafted by the people of Puerto Rico became effective. Under this historic document the Governor, senators, and representatives of the island were to be elected by popular vote and some degree of self-government was finally granted. This historic event marked the successful culmination of the struggle launched in the late 19th century by the great Puerto Rican patriot, Luis Munoz Rivera, and carried on by his son, Luis Munoz Marin.

I am proud of the many fine achieve-Rican patriot, Luis Munoz Rivera, and the many and varied contributions they have made to our national life— in the arts, education, sciences, medicine, and sports.

This would also be an appropriate time to examine carefully our current relationship with Puerto Rico and to dedicate ourselves to working for full equality for Puerto Ricans, whether on the mainland or on the island. As I have observed on past occasions, Puerto Ricans have been treated as second-class citizens long enough and the time has come when we must stop being short-changed. We must be treated on the same basis as all other American citizens and must be permitted to fully participate in and to benefit from Federal programs to the same extent as all other Americans.

Although we have been confronted with enormous obstacles and handicaps, our goals and aspirations are no greater than those of other ethnic and nationality groups. Puerto Ricans seek economic security and independence; full access to our educational, social and political institutions; and the enjoyment of human rights and freedoms. We desire to stand on an equal basis with other ethnic groups and to actively participate in the progress of this country. However, until the island and mainland Puerto Ricans achieve their full and fair share of Federal aid and are assisted and encouraged to the fullest possible extent, this goal will not be achieved. The Congress bears a special responsibility and must take the initiative in bringing equity to the treatment of Puerto Rico and to our fellow citizens on the island and mainland. There is no sound reason why Puerto Rico should not be treated the same as one of the 50 States and I again urge our colleagues to make certain that Puerto Rico is included and equitably treated in every piece of legislation which we consider.

I am deeply proud of my homeland and the progress which has been made over the past several decades. However, there is a great, untapped resource in the people and land of Puerto Rico and we must take all possible efforts to encourage and develop it. This potential must not be allowed to wither and die and we should promote meaningful and effective programs to help Puerto Rico achieve its destiny.

EMERGENCY PAY PHONE NUMBERS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. BIAGGI. Mr. Speaker, there are several bills being discussed in Congress that would provide for emergency numbers to report fires or contact the police. One such number, 911, has been in experimental use in several areas of the country.

I am including at this point in the RECORD a reasoned discussion of the use of these numbers in large cities such as New York. I hope my colleagues will benefit from the information contained therein:

SEPARATE FIRE EMERGENCY PHONE NUMBER FOR USE IN LARGE URBAN CITIES—DOUBLE O

Several Members of Congress have proposed various bills to provide grants to state and local communities who are seeking to establish regional 911 emergency communication centers.

While the idea is good, there are disadvantages to these proposals that would affect the operations of the Fire Departments in large urban cities. 911 works in the smaller communities simply because they are small. There can be no comparison between the emergencies or the problems encountered in a large urban city and those found in a small rural city or community.

In the large urban cities (over 1,000,000 population) the use of 911 as a fire reporting media is not feasible. The Police Department will be given the added responsibility of answering fire emergency phone calls and then referring the caller or the information to the Fire Dep't Dispatcher. In some cases, the Police complaint operator may either dispatch a radio car to see if the Fire Dep't is required or may decide that the call is not warranted and terminate it.

The inclusion of fire related calls to the already heavy police volume would overload the system so badly that 911 calls would be answered in minutes and not in seconds. This is one reason that the major cities never adopted 911. New York City, with well over 20,000 calls a day, has found this out. When the city is quiet, 911 works fairly well. During the peak traffic hours or unusual conditions (July 4th, other major holidays, major accidents or emergencies, civil disorders, open hydrant time, multiple fires, etc.) it becomes almost impossible to get through to 911. Calls stack up to a point where the system collapses due to the impossibility of calls being answered. Busy signals are common during this period or even no answer at all. Many calls are repetitious and greatly contribute to the backlog.

In February, 1971, the New York City Fire and Police Depts decided that once again the Fire Alarm Dispatcher would interrogate the fire caller while the 911 operator would listen in. This proved that a delay in time, wrong information, etc., took place when the caller phoned 911. In June, 1971, the Police Dep't issued a directive which confirmed the above statement. They admitted, that due to the high volume of calls received at 911, the response to emergency incidents has been seriously impaired. In one peak day, the Police received 40,000 calls. Frequently during peak hours, there are as many as 1800 calls per hour. This same directive also states that calls of a non-emergency nature (auto accidents, open hydrants, dis-orderly children, water leaks, etc.) should be referred to the local precinct and not to 911. The caller must now know what precinct he lives in or works in and another phone number for him to remember. He must also decide what is and what isn't an emergency call.

The American Insurance Association (formerly the National Board of Fire Underwriters) in its Special Interest Bulletin No. 322 on 911 comments that many calls to the Police are for an action already completed, such as a robbery or traffic accident, or for an action which does not demand immediate attention. Some calls require information only or need further information or investigation. They further state that since a fire call is an emergency in progress, it is evident that such calls be handled at once and therefore suggest that the operators be Fire Alarm Dispatchers. The relaying of the message or transferring the call from a 911 center to a Fire Alarm center increases the possibility of delay, error, confusion, and even the loss of the call. This is not a desirable operating procedure.

It can readily be seen that such backlogs and busy signals can cause serious delays in the response of fire apparatus to the point where the fire develops into a catastrophe.

For these reasons I am proposing that the major cities, including New York City, have a separate telephone number for fires and related emergencies. The number should be one that is easily remembered, simple to use and readily found on the telephone dial. The only available number which fits these qualifications is:

O-O—DOUBLE O

The use of O-O as a fire reporting number is workable and desirable. The telephone company has already installed equipment in most cities (or shortly will) to permit implementation of this code with minimum costs. The procedure is simple. When you now dial O (for operator) a holding circuit comes onto the line and waits 4 to 7 seconds for additional digits. If none are received, the call is routed to the local operator. If any additional digits are received within the holding time, the call would be routed through a special switching circuit known as TSPS. The purpose of this is to permit direct dialing of person and collect calls.

Under my proposal, when you dial O-O to report a fire emergency, this call would be received at the telephone central office where it would be translated into machine switching language. Then, it would be forwarded, via TSPS, to the Fire Alarm center. This eliminates the middle person.

Originally, the Double Zero concept was for a call to terminate with the operator on a special line. The operator, in turn, would have connected the caller to the proper department or agency.

The reason that I am familiar with the problem is that I am a Supervising Fire Alarm Dispatcher in the New York City Fire Department. Therefore, I respectfully request that Members of Congress who have proposals for 911 communication facilities and who represent large urban cities, consider the need of a separate fire emergency telephone number for the Fire Department in their community.

GENERAL ACCOUNTING OFFICE SUMMARY REPORT

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. BROOKS. Mr. Speaker, section 234 of the Legislative Reorganization Act of 1970 directs the Comptroller General of the United States to prepare and send to Congress monthly, a brief summary of all reports of the General Accounting Office containing its recommendations.

I call to your attention the very informative record of reports issued and released by the Comptroller General Elmer Staats in June 1971 which all Members have received individually.

Any report on this list which may be of interest to any Member of Congress is readily available upon his request.

To insure that this information is easily accessible to my colleagues, I ask that this helpful item be placed in the RECORD.

COMPTROLLER GENERAL
OF THE UNITED STATES,
July 6, 1971.

The President of the Senate and The Speaker of the House of Representatives

Public Law 91–510, the Legislative Reorganization Act of 1970, directs the Comptroller General, in Section 234, to prepare and transmit each month to the Congress, its committees, and Members a list of reports of the General Accounting Office of the previous month.

Reports issued or released in June 1971 are listed on the attachment.

Part I includes reports to the Congress, its committees and Members under the classifications of the Federal budget.

Part II identifies reports issued to the heads of departments and agencies. These reports contain findings and recommendations of concern chiefly to these officials and normally are not distributed to the Congress except on request.

The title of each report, file number, date of issuance and agencies reviewed or affected are provided.

Copies may be obtained from GAO's Report Distribution Section, Room 6417. Telephone: code 129-3784 or 386-3784.

ELMER B. STAATS,
Comptroller General of the United States.

I. REPORTS TO CONGRESS, COMMITTEES, OR MEMBERS

COMMERCE AND TRANSPORTATION

Improvements needed in management of highway safety rest area program. Federal Highway Administration, Department of Transportation. B-164497(3) of June 2.

This review in eight States of the safety rest program of the Federal Highway Administration showed that although the Administration has issued guidelines for the States to use in selecting sites for safety rest areas, it has not required the States to construct rest areas first where most needed.

The review said the States has constructed rest areas close to developed areas even though these facilities generally were not available along stretches of highway. The report said the Administration should require that rest areas be built first where comfort and convenience facilities are not otherwise available.

Audit of the Export-Import Bank of the United States—Fiscal year 1970. B-114823 of June 21.

The financial statements—except for the method of classifying certificates of beneficial interest—(a financing device) present fairly Eximbank's financial position as of June 30, 1970, and the results of its operations and source and application of its funds for the year. GAO believes that these instruments should be considered as borrowing rather than as sales of assets, as Eximbank clasified them. The report also provides information about Eximbank's borrowing on the private market at substantially increased interest costs when compared to borrowing from the Treasury.

COMMUNITY DEVELOPMENT AND HOUSING

Examination of financial statements of the Government National Mortgage Association for fiscal year 1970. Department of Housing and Urban Development. B-114828 of June 14.

The financial statements present fairly the financial position of the Government National Mortgage Association at June 30, 1970, the results of its operation and the sources and application of its funds for the year. The report provides additional information considered necessary to keep the Congress informed of the operations and financial conditions of the Government National Mortgage Association and the trusts.

Controls needed over the leasing of land acquired under the open-space land program. Department of Housing and Urban Development. B-168174 of June 16.

Under the Open-Space Land Program, Federal grants are provided to States and local public bodies or grantees to acquire and/or develop land to help curb urban sprawl; to assist in preventing the spread of urban blight; to encourage economic urban development; to provide parks and recreational areas; and to preserve conservation, scenic, and historic land areas.

GAO noted that some grantees were not complying with the provisions of the open-space contracts relating to the leasing of open-space land and had engaged in such activities without obtaining prior HUD approval. GAO believes that the actions taken or planned by HUD, to correct this situation, if fully implemented, should result in improved administration of the Open-Space Land Program.

GENERAL GOVERNMENT

Potential savings by replacing government-owned sedans each year. General Service Administration. B-158712 of June 9.

GAO recommends that GSA's sedans be replaced each year to save the Government an estimated $5.1 annually. Maintenance, repair, and tire costs are lowest during the first year of ownership, and the discount obtained by the Government when it purchases sedans substantially offsets the first year depreciation factor. Station wagons and light trucks are purchased and operated under conditions similar to sedans; replacing them each year should also produce substantial savings. Department of Defense vehicles are not subject to GSA replacement standards, but GAO's findings may have application in DoD as well.

Opportunities to improve the redistribution of the Federal Government's excess automatic data processing equipment. B-115369 of June 15.

This report contains no recommendations requiring legislative action by the Congress. It does contain information on weaknesses in the use of the Government's excess ADP equipment and suggestions for correction or improvement. The information should be of assistance to committees and individual Members of the Congress in connection with their legislative and oversight responsibilities relating to the utilization of the Government's excess ADP equipment.

Progress being made and difficulties being encountered by credit unions serving low-income persons. Office of Economic Opportunity. B-164031(4) of June 17.

GAO reviewed the activities of eight credit unions—six federally chartered and two State chartered—to evaluate; (1) progress made by the OEO-financed credit unions in becoming self-supporting, (2) benefits provided to low-income participants of the OEO credit union program, and (3) results of financial operation of OEO-financed credit unions. GAO recommended that the Director OEO take two steps:

Require each credit union to develop a plan showing its current financial status; its annual projections of expenses, income, and growth; and a target date for becoming self-supporting.

Provide guidance and assistance to credit unions experiencing difficulties in attaining established goals and encourage them to reduce expenses whenever possible.

Acquisition and use of software products for automatic data processing systems in the Federal Government. B-115369 of June 30.

This report contains a description and analysis of numerous management problems pertaining to the annual expenditure of between $2,000,000,000 and $3,000,000,000 by the Government for computer software products together with recommendations to executive branch agencies for strengthening management practices. The report suggests that the Congress explore these matters with the executive branch for the purpose of obtaining improvements in the Government operations in this area.

HEALTH

Problems in implementation of the Federal Coal Mine Health and Safety Act of 1969. Bureau of Mines, Department of the Interior. B-170686 of May 13, 1971; released by the Senate Subcommittee on Labor and Public Welfare, June 1, 1971.

At two Bureau of Mines administrative districts, the Bureau had made about 31 percent of the required safety inspections and about 1 percent of the required health inspections through December 31, 1970. Bureau inspectors cited mine operators for violations and required that they be corrected. Subsequent inspections of the same mines showed numerous new violations often of the same types. The situation is attributable, at least in part, to the fact that the Bureau's enforcement practices have not been as effective in inducing the operators of the mines to comply with the new act. These practices have been, in the words of the report, "at times, extremely lenient, confusing, uncertain, and inequitable." GAO expressed belief that the mine operators have had sufficient time to become familiar with all the requirements of the act. The report included a number of proposals designed to improve the situation; all but one of these were accepted by the Secretary of the Interior.

Opportunities for improving the neighborhood health services program for the poor administered by St. Luke's Hospital Center, New York City. Office of Economic Opportunity. B-130515 of June 15.

Certain improvements are needed if the project is to fully achieve the objectives of the Comprehensive Health Services Program—to overcome the shortcomings of the existing health care system for the poor. The existing system, measured against OEO guidelines, offers services widely recognized to be "insufficient and often inaccessible, impersonal, fragmented, lacking in continuity, and of poor quality."

Lengthy delays in settling the costs of health services furnished under medicare. Social Security Administration, Department of Health, Education, and Welfare. B-164031 (4) of June 23.

This report is being sent to the Congress because of its interest in the problems which have occurred in the Medicare program relating to the reimbursement of costs incurred by the participating institutions.

Because of the lengthy delays by fiscal intermediaries in completing the settlement process, billions of dollars of Medicare funds paid out on the basis of estimated cost of services long since incurred have not been afforded an appropriate final accounting or a timely review by the intermediaries and the Federal Government.

There were delays in every step of the settlement process, from the preparation of cost reports by hospitals, through the audit of the cost reports by intermediaries, to the final settlement or agreement with hospitals concerning their actual and reasonable Medicare costs to be reimbursed under the program.

INTERNATIONAL AFFAIRS AND FINANCE

Economic advantages of using American ingredients to satisfy milk requirements in Western Europe. Department of Defense, Department of Agriculture. B-172539 of June 3.

GAO believes that this report is of timely importance and interest to the Congress because it presents a way in which U.S. agricultural surpluses can be used, the economic burden of stationing U.S. troops in Europe can be reduced, and savings by the Government can be realized.

NATIONAL DEFENSE

Problems of the deep submergence rescue vehicle program show need for improvement in management control, Department of the Navy, B-167325 of June 3.

A February 1970 GAO report on the Deep Submergence Rescue Vehicle indicated that the increased effectiveness to be obtained from producing four vehicles (in addition to two already on order (would be small in relation to their cost of purchase and operation. In December 1970 the Navy decided to confine the program to two rescue vehicles rather than six vehicles as planned. GAO's report also noted increases in the program's cost and development time. Accordingly, a second review was made to determine the causes. This report points out opportunities, through tightened management control, to limit increases in cost and development time.

Premature production of the antisubmarine warfare directional low-frequency analysis and recording system. Department of the Navy. B-160877 of June 4. (This is an unclassified digest of a classified report.)

The Directional Low Frequency Analysis and Recording System (DIFAR) is regarded as critical to the proper operation of the Navy's latest techniques of antisubmarine warfare. The Navy awarded contracts in April 1968 for the production of DIFAR before satisfactory testing of the system, even though evidence was available that DIFAR would not meet requirements acceptably. This decision increased significantly the risk of receiving unreliable and unsatisfactory equipment and the likelihood of higher costs.

Determining Army major equipment needs—Problems and suggestions for improvements. B-163074 of June 8.

The Army relies on two computerized systems for information as to (1) its needs for major equipment—aircraft, combat vehicles, tactical and support vehicles, communications and electronic equipment, missiles, and weapons; and, (2) equipment of these same types already on hand. GAO tested the accuracy of the two systems, since information from each must be dependable for the Army to prepare accurate and timely budgets and procurement requests. Significant weaknesses existed in both systems. As a result of inadequate data, the validity of fiscal 1970 budget and procurement actions was highly questionable. Unless there is significant improvement, equipment imbalances may affect seriously the Army's ability to perform its mission effectively.

II. REPORTS TO HEADS OF DEPARTMENTS AND AGENCIES

Objective measurement and evaluation needed of foreign aid projects. (To the Secretary of State.) B-161882 of June 14.

Based on four recent reviews involving U.S. aid programs in Latin America, GAO believes that objectives and goals should be stated in such a manner that the results can be measured.

Opportunities to improve administration of the research program at the National Radio Astronomy Observatory. (To the Director, National Science Foundation.) B-133338 of June 15.

GAO made several recommendations designed to improve the system for allocating telescope observing time and for evaluating levels of research efforts.

Possible increase in export sales of surplus nonfat dry milk. (To the Secretary of Agriculture.) B-114824 of June 16.

A significant increase in sales of nonfat dry milk is possible if the Department were to modify its present restrictive procedures in order to accept all reasonable bids, and reduce prices as necessary to meet foreign competition.

Activities managed by Community Action Migrant Program, Inc., Fort Lauderdale, Florida. (To the Director, Office of Economic Opportunity.) B-130515 of June 16.

The program, in selecting participants for its various activities, should adhere to OEO's eligibility requirements, and improve its financial management.

Use of performance and delivery incentives in military contracts. (To the Secretary of Defense.) B-171644 of June 24.

Thirty-eight incentive features, or 75 percent of those GAO examined, were included in contracts when they were not needed and represented additional payments to contractors of $35.8 million.

Capital grant procedures and policies of the Urban Mass Transportation Administration. (To the Secretary of Transportation.) B-169491 of June 30.

The Administrator, UMTA, should ensure that applications for capital grants (used for urban mass transit systems) are supported by engineering studies, studies of economic feasibility, etc., and that UMTA's evaluations and conclusions be adequately documented.

THE MITZVAH CORPS

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. KUYKENDALL. Mr. Speaker, today I am including in the CONGRESSIONAL RECORD a most interesting article which recently appeared in the Memphis Commercial Appeal describing the Mitzvah Corps. This is a group of young people belonging to the Southern Federation of Temple Youth who participated in a 1-month program of study and community service in the city of Memphis this summer. This type of program which instills in our young people the fact that citizens have responsibilities as well as rights certainly deserves recognition.

The article follows:

CORPS GIVES MITZVAH FRESH MEANING

A Mitzvah Corps headquartered in a Catholic college dormitory might seem strange to some but to the 22 Jewish teenagers participating in the first Mitzvah Corps in the South, it was an advantage to their community living project.

The teenagers, ranging in age from 15 to 18, came from four surrounding states to work together in studying Judaism and doing volunteer work in five local service agencies.

Sponsored by Temple Israel, all of the participants are members of the Southern Federation of Temple Youth (SOFTY) of reform congregations.

The one-month experiment, which ended yesterday, concentrated on making the students aware of their obligations to the community, said Steve Mallenger, a student of Hebrew College in Cincinnati, who headed the corps.

"This has really been a successful experience for these youngsters," he said. "They have the opportunity to be able to live, work, study and pray together as a community."

The members of the corps lived in a rented dormitory at Siena College and ate their meals with the Catholic students.

Each day was spent in working in the volunteer projects but the evenings were spent in studying Judaism and Hebrew. Several of the teenagers wrote innovative worship services and the group even had a Sabbath service in the edge of a swimming pool one Friday night.

"We gathered around the pool for the service and when it was over, we jumped in for a swim," Mr. Mallenger said.

The students worked during the day at Lauderdale Court Children and Youth Project, the Department of Welfare, Arlington Hospital & School, B'nai B'rith Home & Hospital for Aged and Porter-Leath Children's Center.

"The students did any type job the officials asked them to, especially in the welfare department where they worked mostly in clerical duties," Miss Sherry Sachritz of 862 Kensington, a Memphis State University graduate student who was serving as a chaperone said. "At Arlington they worked with the mentally retarded children and at B'nai they worked with the elderly."

"The residents enjoyed them a great deal and saw them as grandchildren," Bernard Danzig, assistant director of the home said. "It made the residents feel a part of the community because of their kindness and interest."

The Mitzvah Corps was an experiment this year and Mr. Mallenger said he didn't know if it would continue next summer.

"Mitzvah means commitment and these young people are fulfilling their commitment to the community. Mitzvah is an obligation to respond to the world."

UNITARIAN UNIVERSALIST ASSOCIATION GENERAL RESOLUTIONS ON PUBLIC POLICY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. EDWARDS of California. Mr. Speaker, I would like each of my colleagues to take time to read the General Resolutions of the Unitarian Universalist Association, adopted at the Tenth Annual Assembly recently held in Washington, D.C. Several of the resolutions may appear to be of a progressive nature but I feel the Unitarian Universalist Association should be commended for taking stands on controversial issues of our time.

UNITARIAN UNIVERSALIST ASSOCIATION GENERAL RESOLUTION

AMNESTY AND REPATRIATION FOR WAR RESISTERS

Because: the Canadian Council of Churches' 1969 estimate of the number of United States military refugees and draft resisters was 60,000 with projections of 20,000 per year together with substantial numbers of similar expatriates in other countries; and

Because: most of these young men left the United States after a decision of conscience over the prospect of assisting in an illegal, immoral Vietnam War; and

Because: Unitarian Universalists respect such demonstrated allegiance to personal conscience and to the affirmation of life;

Be it resolved: The 1971 General Assembly of the Unitarian Universalist Association direct its continental offices in Boston to use its powers of advocacy to bring about enactment of United States legislation which grants amnesty and repatriation to those men who are in prison or in self exile by reason of refusal to serve in the Vietnam War; and

Be it therefore resolved: That the 1971 General Assembly of the Unitarian Universalist Association affirms its support of the efforts of the Canadian Unitarian Council to raise funds from Unitarian Universalist societies and individuals to aid in ministering to the needs (physical and spiritual) of American expatriates.

Adopted by the Tenth General Assembly of the Unitarian Universalist Association, held in Washington, D.C., June 11, 1971.

RIGHTS OF THE POOR

Believing that the rights of human beings include the rights to minimum income, adequate housing and legal services and dignity in old age; and

Believing that it is the responsibility of government to secure, protect and defend these rights, and to provide appropriate services to implement them;

Therefore be it resolved: The 1971 General Assembly of the Unitarian Universalist Association urges that the United States Government and the Government of Canada:

1. Provide family income through a program of income maintenance adequate to meet needs for food, clothing and housing; and

2. Commit whatever resources are necessary to provide a decent home for every American and Canadian family; and

3. Enact legislation to achieve equity in tenant-landlord relationships, protecting the rights of both tenants and landlords; and

4. Enlarge legal services for the poor and disenfranchised throughout the United States and Canada, with appropriate funding, without political harrassment, manipulation and intimidation.

Adopted by the Tenth General Assembly of the Unitarian Universalist Association, held in Washington, D.C., June 11, 1971.

PENAL REFORM

Recognizing that the rapid increase of violent crime accompanies a vast public ignorance and prejudice about its causes and methods of correction as seen by modern experts;

Noting that the majority of persons arrested are males between 10–30 years, suffering such social injustices as poverty, racism, poor education;

Further noting that public pressure for punishment has resulted in barbaric prison and jail systems productive of more crime;

Be it resolved: The General Assembly urges its members and member societies undertake programs to: (1) educate members and nonmembers on the failure and inhumanity of punishment and on existing local, State and Federal detention facilities and prisons; (2) stimulate reforms of the present systems of criminal law and justice, giving emphasis to all rehabilitative services; (3) reform practices of pre-trial justice, including Bail Bond programs or others where local efforts can have substantial effect.

Adopted by the Tenth General Assembly of the Unitarian Universalist Association, held in Washington, D.C., June 11, 1971.

CHILD CARE CENTERS

Recognizing that there is widespread need for child care centers, that millions of children in North America are receiving either substandard supervision or no supervision;

Aware that growing numbers of mothers take jobs because of economic necessity, desire for job training, and continuing education; that child care centers are needed for other reasons, such as illness in the family, special problems of handicapped children, or for other compelling causes;

Acknowledging that the needs of children, our best resources for the future, must receive immediate and special attention:

Be it therefore resolved: The 1971 General Assembly of the Unitarian Universalist Association

1. Urges that highest priority be given in the United States and Canada at all levels of government to funding and activating quality, professional child care centers with effective standards, licensing, inspection and enforcement.

2. Urges that funding be accomplished additionally through private grants and fees from parents where feasible.

3. Asks that member UU societies initiate study programs so that they can intelligently participate in the structuring of quality centers.

4. Asks that societies of this denomination consider use of their facilities for weekday child care centers.

Adopted by the Tenth General Assembly of the Unitarian Universalist Association, held in Washington, D.C., June 11, 1971.

ENVIRONMENT

In view of the widespread and serious problem of pollution of our land, air and water;

In view of the rapid depletion of many of our non-renewable natural resources and the dangerous exploitation of our renewable resources; and

In view of the declining quality of life in our towns and cities, with ever increasing noise, crowding, and crime rates,

Be it resolved: The delegates at the General Assembly of the Unitarian Universalist Association, gathered in Washington, D.C.:

Urge all Unitarian Universalists individually and collectively to inform themselves about the hazards of overpopulation and pollution and to act in their personal and public lives to counteract those hazards in every way possible, and to influence others to act in the same manner;

Urge all Unitarian Universalist societies which have not already done so to establish and sustain environmental protection committees, including political action groups to influence public officials and others to act in environmentally responsible ways; and

Urge all Unitarian Universalists as individuals, as members of groups and as a continental denomination to press for legislation at all levels to diminish the level of pollution and to ameliorate the population problem in the hope that we may bequeath to the next generation a world ecologically stable and ethically sane.

Adopted by the Tenth General Assembly of the Unitarian Universalist Association, held in Washington, D.C., June 11, 1971.

CIVIL LIBERTIES

Whereas, the Unitarian Universalist Association opposes any kind of surveillance of private citizens or government employees; and

Whereas, we feel that such surveillance leads to a potential for control and intimidation that is alien to our form of government and foreign to a society of free men and women; and

Whereas our society has progressively become more information-oriented, creating a potentiality for abuse and misuse of validly gathered information; and

Whereas, the U.S. Army Intelligence and others have had at least a few of our Unitarian Universalist churches under surveillance;

Be it resolved: The Unitarian Universalist Association go on record as opposing any governmental abuse of surveillance whether by means of professional data gathering systems, census forms, federal questionnaires, interviews, Army investigations, wire tapping, or data banks; and

Be it further resolved: The General Assembly of the Unitarian Universalist Association urges:

1. The President to exercise the moral leadership of his office as recommended by the Scranton Report on campus unrest.

2. Support of Congressional hearings to consider the total impact of data collection programs on the preservation of individual rights.

3. Congress to uphold the constitutional protection of individual rights to privacy and the right of an individual to remain silent about himself and herself.

4. That the federal government inform the recipients of these questionnaires of their rights with regard to these forms, including the fact that the forms are voluntary, and the reason for the collection of the information.

5. Citizens should have the right to examine any governmental files concerning themselves. The President and the Congress are urged to issue appropriate executive orders and to pass legislation to effectuate this objective.

6. Urges our members to join and support the American Civil Liberties Union.

Adopted by the Tenth General Assembly of the Unitarian Universalist Association, held in Washington, D.C., June 11, 1971.

PEACE IN SOUTHEAST ASIA

bly of the Unitarian Universalist Association

Be it resolved: The Tenth General Assembly urges the President of the United States:

1. To order the Joint Chiefs of Staff to issue a cease-fire to all American troops in Southeast Asia immediately; also, to announce and plan a complete and immediate withdrawal which in no way will be contingent upon the progress of peace negotiations.

2. To cease all aid by the State Department, Defense Department and all other agencies of government which contribute to the military buildup of the countries of Southeast Asia.

3. To promote creation of an interim coalition government for South Vietnam which will include representatives of all political factions of any appreciable size in the country.

4. In recognition of our basic responsibility for much of the destruction in Southeast Asia, to do two things:

a. Create an emergency relief agency charged with the responsibility for providing hospitals, medical care, food, sanitation facilities and housing.

b. Request an immediate appropration in the amount of six billion dollars to the United Nations Development Program, earmarking it for the development of industrial and agricultural productivity, education, public utilities, public health and social services in the countries of Vietnam, Laos and Cambodia.

Adopted by the Tenth General Assembly of the Unitarian Universalist Association, held in Washington, D.C., June 11, 1971.

NATIONAL HEALTH PLAN

Convinced that a federally sponsored health insurance plan has become mandatory in view of the fact that the health care costs have continued to soar;

Be it resolved: The Tenth General Assembly of the Unitarian Universalist Association urges all member societies to support a National Health Act to be acted upon by the 92nd Congress of the United States, under which the federal government would provide the legislative and administrative machinery whose provisions would be identical throughout all fifty states of the Union, to make certain that hospitalization and medical services and materials be made available to all;

That specifically:

1. Adequate pre-natal, hospital and post-natal care be provided every mother and child.

2. Family planning, birth control, abortion services and information be made available to everyone wanting them free of charge without regard to age or marital status.

3. Pediatric care, inclusive of all immunizations necessary, be made available to every child.

4. Mandatory physical examinations be made of every child before entering school.

5. Adequate health care for the physical, mental and social well being of the elderly be made available including provision for custodial and terminal care.

6. All medical, psychiatric, psychological, dental, ophthalmic and other care and/or devices be provided to every person requiring them.

7. Medical research be provided for the purpose of extending the life span of men. (According to the 1970 Census, there are 74 men to every 100 women over the age of 65. We feel that medical research should investigate the reasons and possibilities of prevention of the early death of our male population.)

8. Outpatient Family Health (medical and mental) Clinics be available in both rural and urban areas.

And that the federal government, in collaboration with competent medical, sociological, and educational authorities, establish a greatly expanded program of medical education, so that an adequate number of people are prepared for the medical and paramedical professions to adequately take care of the future medical needs of all of our people;

And that this all inclusive health plan be financed by major Federal contribution but with participation by local government units, the private sector, and, where possible, by the individual consumer.

Adopted by the Tenth General Assembly of the Unitarian Universalist Association, held in Washington, D.C., June 11, 1971.

U.S. NAVY VERSUS SOVIET NAVY

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. RARICK. Mr. Speaker, if the Soviet Navy is as good as its press agents claim and has world support from the communications media as it does in the United States our Navy is out-gunned, out-disciplined, and out-praised.

I insert two related newsclippings and two pertinent speeches by the Cuban-American patriot, Dr. Manolo Reyes, as follows:

[From the Washington Post, July 26, 1971]

RUSSIANS RAP U.S. SAILORS

Moscow, July 25.—Soviet Navy officials said today the Russian fleet is more popular than the U.S. fleet in Mediterranean ports because its sailors visit museums while the Americans are out "debauching."

They said the Soviet units had overcome Western propaganda against their presence in the Mediterranean because, in part, "the Mediterranean people got an opportunity to compare with their own eyes the two navys and their personnel."

[From the Chicago Tribune, July 26, 1971]

CHIEF OF SOVIET NAVY BOASTS OF FLEET'S GLOBAL NUCLEAR MIGHT

Moscow, July 25.—The commander-in-chief of the Soviet Navy today warned "imperialists" that his fleets can attack any point on the globe with nuclear missiles.

Adm. Sergei Gorshkov used the occasion of Soviet Navy Day to proclaim: "Never before has our navy been so powerful and efficient."

Gorshkov said in an article in Pravda, "The navy's regular maneuvers and exercises are proof of the Soviet Union's ever-growing strength as a naval power.

CITE OCEAN PERIL

"This is not to the taste of the inspirers of aggression . . . who are trying to frighten the world public with the threat of Soviet fleets on the world's oceans."

No one has felt that new found strength more than the United States 6th Fleet in the Mediterranean, which faces the possibility this year of being outnumbered and outgunned by an expanded Russian Black Sea fleet. Up to 60 Soviet warships now regularly patrol the Mediterranean, compared to about 40 U.S. vessels.

In the last eight years, the Soviet Union has transformed a small border fleet into the world's second largest naval force.

HAS NO CARRIERS

The Soviet Pacific, Baltic, Black Sea and Polar fleets today boast about 25 cruisers, 100 destroyers, 1,600 smaller craft and more than 400 submarines.

The Soviet Navy has no aircraft carriers but operates two new helicopter carriers each with 30 aircraft designed to hunt and destroy submarines.

Gorshkov said the United States has developed submarine missile systems with which it "hopes to divert from U.S. territory a considerable number of possible retaliatory nuclear strikes."

"Vain hopes," he declared. "No strategy, including this so-called 'ocean strategy' will save any aggressors, who risk waging war on the U.S.S.R. and other countries of the Socialist community, from a crushing retribution."

Gorshkov's top aide, Adm. Vladimir Kasatonov, backed up the warning by proclaiming in the Defense Ministry newspaper Krasnaya Zvezda [Red Star] that nuclear submarines are now the main striking force of the Soviet Navy.

87 ATOM SUBS

Latest figures reported by the U.S. Defense Department show the Russians have 87 nuclear submarines and have achieved parity with the United States.

Since 1968, the Soviet Union has been adding a nuclear submarine to its fleet at the approximate rate of one each month.

The Soviets still lag in the number of submarines capable of firing nuclear missiles—17 to 41—but U.S. naval experts feel this gap will close by 1973.

SPEECH BY DR. MANOLO REYES, LATIN AMERICAN NEWS EDITOR, WTVJ

In this the Twentieth Century, man has made his greatest technological and scientific discoveries and advancements. At the same time, civilization has created its greatest means of self-destruction.

The Second World War was an irrefutable example of how great devastation by naval and aerial power can be. In the last decade with the marvels of technology and precision, man has reached the Moon. Also during this decade, the unsuspectable limits of nuclear power have increased, incrementing the possibility of self-destruction with the development of the intercontinental offensive missile system.

I believe that the decade which is beginning with this year 1971, will have as a common denominator, man's submarine power. To support this theory is the fact that the United States, always in search of world peace, is trying to achieve on the highest level, a treaty to ban "submarine weapons."

By submarine weapons, I understand them to include the fixed nuclear missile silos on the ocean floor as well as the nuclear submarines themselves.

Perhaps to those who do not fully comprehend this matter, it might sound illogical to place nuclear weapons on the ocean floor, but this does present several high-low ranges. At 160 to 200 feet of depth a nuclear missile silo could be placed on a submarine platform without being detected by reconnaissance airplanes.

Precisely a few months ago on the 26th of February of this year, I read something which caught my attention. The prestigious newspaper "La Prensa" of Buenos Aires on page three, printed a cable received from United Press International, stating:

"In Mexico the Soviet Union announced that they are helping Cuba in their search for petroleum in the Caribbean. The announcement made in a news bulletin of the Russian Embassy in Mexico states that a group of specialists of this nationality are building a platform to be used in primary exploratory experiments in Cuban waters. A representative of the Russian Embassy declined to point out the exact location where these experiments will be carried out, or how many technicians are taking part in said affair."

This has filled me with doubt. It is apparently submarine work and the decade which is beginning is one to be dominated by those with submarine power. And Cuba (well-named the key to the Americas) is now more than ever the key to submarine power for the present and future of the Western Hemisphere.

Lamentably, Cuba is today the first colony of the Soviet Union in the American Continent. But, I trust that it will be the first and last. It is inconceivably threatening to imagine a collective Soviet force in the heart of the Americas.

On the 7th of August, 1962, we were the first to alert of the presence of 5,000 Russian soldiers in Cuba. At first we were not believed. Twelve weeks later the missile crisis of October 1962 occurred.

The 28th of April, 1969, we again announced the Russian military buildups in Cuba. Three months later, July 26th, a Soviet naval squadron visited Cuba for the first time in the history of Cuba and the American Continents.

During the last year we have personally gone on four occasions to the floor of the Congress of the United States and once to the Special Commission for the Security of the Organization of American States to denounce the Russian military presence in Cuba.

This month, only a few days ago, we went before this Commission of the Organization of American States to denounce the presence of Russian nuclear submarines in Cuban waters.

I would like to make clear . . . as I have always . . . that I am not an expert, much less a technician on naval or military matters. But I have received, and continue to receive, many reports from the Cuban Patriotic Resistance whose members risk their lives so that the free world may know the true situation inside the martyr island of Cuba.

They were my source of information when I reported the presence of a Russian nuclear submarine, displacing 5,000 tons and approximately 390-feet long, in Cuban waters last May. This type of nuclear submarine, the analysis indicated, was equipped with eight rockets or missiles called "Shaddock", (with a range of 500 miles). These rockets are surface-to-surface type.

Precisely one of the modern weapons which is of greatest expense is the nuclear submarine. These are those who have estimated their cost of construction at approximately eighty-million dollars. Hence, care and maintenance are very important.

In this sense, essential to the care of the nuclear submarine is a change of crews. We have learned that the training of a nuclear submarine crew lasts no less than three years. The selected personnel are hand picked for particular traits. It appears that if hostilities break loose among the men, the nuclear submarine rarely will come to surface. Thus the importance of a change and rest for the crew of a nuclear submarine is great.

The United States has three known bases in the world for their nuclear submarines. Officially, the Soviet Union has none. I maintain my opinion that, according to the reports from my fellow compatriots, the Russians do now have a base in Cuba.

Their base is in a Russian naval complex on the southern part of the island of Cuba, bounded by the Bay of Cienfuegos, Key Largo, Playa Giron and the Island of Pines.

The Bay of Cienfuegos, or Jagua Bay, discovered by Christopher Columbus in 1494, is 370 miles from the Bay of Guantanamo. Admiral Mahan, one of the greatest strategists of the United States, noted in a statement published in "Commercial Cuba" in New York in 1898, that the Bay of Cienfuegos was the most important strategic point in the Caribbean.

Alcatraz Key, in the southeast portion of the Bay of Cienfuegos, is small, but larger than an aircraft carrier. The Russians have diligently been building for the last few months on its surface. The Cuban Resistance informed us that much of the material used in Alcatraz Key was pre-fabricated and brought from Russia.

Six Russian naval squadrons have been in Cuba since July of 1969. Many of the units of these squadrons have been to Cienfuegos, mainly at Alcatraz Key.

Precisely there were two large barges stationed there for quite a while. The Cuban Patriotic Resistance reported that in September 1970, there was a small leak of radioactive contaminated water from one of the Russian barges which caused the death of thousands of fish.

The area of Alcatraz Key has been taken-over totally by the Russians. Almost three-quarters of Cienfuegos Bay is in Russian hands and the Cubans have been removed from there. They are not even allowed to visit or fish in the area.

The buildings built in Alcatraz Key in the last months are two very long barracks and the Resistance reports that Russian sailors and military personnel are lodged there. There is also an area for the Russian officers to live.

In the center of Alcatraz Key there is a great recreation field, probably for playing football or soccer. The Resistance calculates the field as about one hundred meters long.

According to information received from the Resistance, Alcatraz Key has an enormous dock situated to aid in the unloading of nuclear submarines. In the surrounding area, there are storage warehouses for rockets or missiles. These warehouses are close to the northern coast of Alcatraz Key. It is common knowledge that submarines must have calm water for loading or unloading missiles. The calm waters of the Bay of Cienfuegos are exceptionally suited for this.

Alcatraz Key is not the Russian naval base. Alcatraz key is for logistic support of the Russian nuclear submarines and the Soviet Navy. It is there, according to Cuban Resistance reports, that the submarine units undergo mechanical checks and repair, and the Soviet crews can be based for change or rest and relaxation.

The true Russian Naval Base is located in the southeast of Cienfuegos, in Key Largo. Since 1960, Key Largo has been in Russian hands. The presence of Cubans, or their sailing nearby, is prohibited.

Over there is a Russian Naval High Command. The northern coast of Key Largo was dredged a few years ago by the Russians and readied for nucelar submarines. On the Eastern Coast, running water installations have been built. A large road crosses Key Largo from one side to the other. There is a vast airport on the western section and great installations used for the embarking and disembarking of the Russians at the Key. The Caribbean waters surrounding Key Largo are very deep and the Resistance states that submarines can enter and leave, and it is very difficult to detect them.

To end this exposition, I wish to publicly announce two reports received from the Cuban Patriotic Resistance.

First, it is very probable that the Fidel Castro Regime is awaiting the arrival in Cuba of a new Russian naval squadron—apparently larger than the former ones—for a display of naval force on the 26th of July.

We understand this second report to be of greater importance too. The Resistance states that the Russian military and naval presence in Cuba continues to increase. The Russians are penetrating all levels of life. Previously, their presence was felt only in the national order. But during the year of 1971, they have been appearing in groups in local life in the villages and small towns on the island.

Work especially directed for the submarine base by the Russians continues throughout the island. The most recent activity being on the northern coast of Oriente, in a place known as Saetia, near Nipe Bay, and in the province of Pinar del Rio on the peninsula of Guanacabibes.

All of this has led the Resistance to believe that if there were a confrontation in Cuba (on the exterior or interior), it is probable that the Russians would retreat as they did in the missile crisis of October 1962.

But the Resistance leads us to understand that if a year and a half more were to pass without a confrontation, and the Russians continue to become militarily and navally strong—particularly with their submarine installations—then they might not back down.

Therefore, the time for dramatic balance is NOW!

BEFORE THE SPECIAL ADVISORY COMMITTEE ON SECURITY OF THE ORGANIZATION OF AMERICAN STATES: JUNE 18, 1971

The undersigned, Dr. Manolo Reyes, Cuban Citizen, of full age, presently transitory resident at 243 S.W. 26th Road, Miami, Florida, without any representation of the Cuban People, but exercising the right to liberty and respect of human rights established in the Fundamental Letter of the Organization of American States, appears and respectfully declare:

That on November 24, 1970, I was officially invited to declare before the full Special Advisory Committee on Security of the Organization of American States, in connection with the Russian military increment inside of Cuba.

As it can be well remembered, at that time we stated the degree of Russian intervention in Cuba and the offensive presence of troops and Soviet military equipment inside the island. The Committee on December 11, 1970, informed the President of the Permanent Counsel of the Organization of American States about my accusation.

As essential element of said accusation was that I was pointing out, for the first time, the presence of nuclear submarines of an offensive nature in Cuban waters.

Today, I appear before the Committee to ratify with new information and material the most recent appearance of these Russian nuclear submarines in the Caribbean and in Cuban waters. These facts have been sent by the Cuban Patriotic Resistance.

DENOUNCEMENT

On July 27, 1970 and for the second time in less than a month, I appeared before the Congress of the United States to expose and denounce the Russian military incrementation in Cuba—particularly in the naval aspect.

Several days before—on June 29th—I also made a declaration before the Subcommittee of Internal Security of the United States Senate on that respect.

On July 27th, I testified before the Subcommittee on International Affairs of the House of Representatives.

On said appearance—which appears on page 179 of the U.S. Congressional Record—I stated that a naval Russian squadron was station in the Caribbean, on a permanent basis, and that said squadron was directed by a Russian nuclear submarine.

The President of the House Subcommittee, Congressman Dante Fascell, asked me in what place would said Russian naval squadron be based in the Caribbean, to which I answered, "In Cienfuegos or in Havana."

Today, after having received new information from the Cuban Patriotic Resistance. I ratify that the Russians have in the Caribbean a naval squadron directed by a nuclear submarine of offensive nature and that they use as a base ports and bays in Cuban waters.

The Cuban Patriotic Resistance informs that very recently, on May 1971, the sixth naval Russian flotilla arrived in Cuba, composed of a mothership AS-905 and a nuclear submarine, both from the Soviet Union.

This ratifies the first averment I made before the United States Congress on July 27, 1970.

Nuclear Russian submarines maraud in the Caribbean and frequently visit the Cuban waters.

The Cuban Patriotic Resistance informs to us that the nuclear Russian submarine that was seen in Cuban waters during this month of June, displays approximately five thousand tons and has approximately 390 feet longitude.

From the information received by the Resistance, we have come to the conclusion that the above mentioned submarine has a core with a uranium nuclear reactor and pressurized water. It also has two steam turbines. This nuclear Russian submarine has six torpedos having 21 inches in the prow.

Furthermore—and this is what we consider most serious—this nuclear submarine that just visited the Cuban waters has eight missiles named "Shaddock" with a thrust of up to 500 feet.

These "Shaddock" missiles are installed in the nuclear submarine in cylindric launchers. The length of each "Shaddock missile is 14 meters and the fuselage diameter is of approximately 2½ meters.

This missile, to which a nuclear head can be adapted, is of great naval importance. And it is a missile from surface to surface.

Therefore, the presence of nuclear Russian submarines in the Caribbean—using Cuba as their base—is a proven dramatic reality.

According to the Cuban Patriotic Resistance, a central operation base of these offensive nuclear submarines is located in Key Largo, southwest of Cienfuegos.

In Key Largo, Russian submarines can come and go without hardly being noticed. As well as the Russian military and naval officers, without having to go through highways or aerodromes, where they could easily be seen by the Cuban People. Since 1960, Key Largo has been practically a Russian possession, surrounded by the very deep waters of thousands and thousands of feet, of the Caribbean sea.

THEREFORE

I wish to inform you of all this, which constitutes a real threat, up-to-date and very serious against the security of the American continent.

Miami, June 18, 1971.

DR. MANOLO REYES.

THE VICE PRESIDENT

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1971

Mr. CORMAN. Mr. Speaker, I wish to compliment the gentleman from Michigan (Mr. DIGGS) for arranging this Special Order so that we may properly expose the shallowness of the Vice President's recent remarks in Spain.

I was appalled that in his remarks, Mr. AGNEW, attempted to distinguish among Americans on the basis of color. Ignoring the basic democratic principle that America has been built on a government of and by the people without regard to race, color, or creed, the Vice President chose to single out black leaders in a comparison with the black leaders of Africa. In my 11 years in the House of Representatives, this is the first time I can ever recall an elected official from this country using a trip abroad as an occasion for verbally attacking our citizenry. Is this part of the administration's strategy to "bring us together?"

The Vice President is critical of American black leadership for failure to support this administration. But, he has failed to win that support in large part because of the administration's failure to utilize the broad source of qualified policymakers and administrators among black Americans. A more important reason may be that the Vice President's remarks disclose a subtle but detectible racism which is abhorent to many Americans, black, and white.

I am shocked the Vice President could make a statement that black leaders in America did not accurately reflect the sentiments of ordinarily Negro citizens, an observation which completely overlooks the outstanding achievements of men like Roy Wilkins, Ralph Bunch, Ralph Abernathy, Martin Luther King and Whitney Young, Jr., "ordinary Negro citizens" who knew how to relate to the needs of their brothers.

It was also amazing to note how comfortable Mr. AGNEW was in his travels in some African nations where economic, social and political discrimination are the expressed policy of the government. Living under such a government, it is not surprising that these African leaders would be unable to justify the publication of top-secret Pentagon papers on the Vietnam war. But to American leaders, black and white alike, the publication of these papers were vital in protecting the public's "right to know."

The Vice President's trip was originally planned as a good will mission to enhance America's reputation abroad, I regret Mr. AGNEW lost sight of that objective and feel that an apology to our distinguished black leaders is in order.

PUTTING THE BLAME ON NIXON

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. DEVINE. Mr. Speaker, the columnists, Evans and Novak yesterday charged that a so-called conference scheduled in Washington this week on the Pentagon papers is being held for the purpose of shifting blame for the Vietnam war to President Nixon.

This is outrageous.

It shows the depths to which those who hate the President and his success in ending this war will sink.

For the edification of all my colleagues, I attach the Evans and Novak column which appeared yesterday in the Washington Post:

PUTTING THE BLAME ON NIXON

(By Rowland Evans and Robert Novak)

Internal memoranda show that this week's conference on the Pentagon papers arranged by militant antiwar Democratic congressmen has a partial hidden motive of trying to deflect in Richard Nixon's direction some of the political shrapnel coming from the documents.

The Group, an informal organization of 13 prominent left-liberal Democratic House members, which is sponsoring the conference, includes congressmen unhappy that the political fallout from the Pentagon papers has hit the last two Democratic Presidents, John Kennedy and Lyndon Johnson, and not President Nixon. That's not a case of loving Mr. Johnson more but of loving Mr. Nixon considerably less.

Late in June, shortly after the Pentagon papers were leaked, the question was raised at a meeting of two New York members of The Group, Reps. John Dow and William Fitts Ryan, with staffers. A July 6 memorandum on that meeting reveals they proposed a conference on the Pentagon papers with the purpose of "arousing public pressure on the Congress" for a Vietnam pullout resolution.

"An inquiry aimed specifically at the policies and decision-making processes of the Nixon administration," says the memorandum on the Dow-Ryan meeting, "could effectively transfer the public outrage from the past tense of the Kennedy and Johnson administrations into the present tense of the current administration."

The agenda for the weekly meeting of The Group on July 7 makes this strategy explicit:

"The political focus must be shifted away from the Kennedy-Johnson administration. Nixon will argue in 1972 that he ended the war that the Democrats got the country into. It is critical that he not succeed. Only by undermining his present policies and by obtaining a Democratically-sponsored congressional action forcing the acceptance of the present Vietcong proposal can we recover lost ground."

The same theme is followed through in The Group's list of potential participants for the conference on the Pentagon papers—as in the case of Melvin Gurtov, one of the authors of the Pentagon papers who has just resigned as an analyst for the Rand Corp. think tank. In suggesting Gurtov, a staff memorandum notes that he has been "highly critical of the Nixon administration and says it is following the same policy as previous administrations . . ."

A footnote: Some members of The Group told us that the sole purpose of their forthcoming conference is to improve public understanding of the Pentagon papers and that the memoranda indicating a political motive reflect only the over-active imaginations of young staffers. Other members of The Group, however, confided to us that they regard as accurate the intent of the conference as outlined in the memoranda.

AMERICAN ARMS SHIPMENTS TO PAKISTAN

HON. MICHAEL J. HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. HARRINGTON. Mr. Speaker, on June 29 I sent a letter to Secretary of State Rogers asking him to comment on American arms shipments to Pakistan in light of the civil disturbances there. My specific concern, as expressed in the letter, was with our policy regarding military equipment in the supply pipeline prior to the administration's freeze on new transactions in late May.

Secretary Rogers' reply, as expressed through his assistant, Mr. Abshire, was completely inadequate. I was sent a general arms policy statement, with only a passing reference to my original question.

I feel that the situation in Pakistan is urgent enough to warrant a complete cessation of arms shipments from the U.S. Congressman GALLAGHER's amendment to the foreign aid bill, adopted by the Foreign Affairs Committee on July 15, would have this effect. I urge passage by the House of this portion of the bill as it stands.

We must exercise all our influence with the Khan regime to settle its differences with the East Pakistanis peaceably. Supplying Pakistan's Army with the means with which to butcher its own population does not further this end.

With this in mind, I include my correspondence with Mr. Rogers:

JUNE 29, 1971.

Hon. WILLIAM P. ROGERS,
Secretary of State, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: The Wall Street Journal reported recently that American arms are still being sent to Pakistan. It is my understanding that no new licenses have been granted to U.S. exporters; the Government is allowing these firms to fulfill previous contractual obligations. In some cases, this equipment had been transferred to Pakistani representatives prior to a March 25 cut-off date. Although still in the U.S., these arms are legally the property of Pakistan, and are therefore not subject to any military aid embargo.

A similar situation exists in regard to British military sales to South Africa. There was debate in the U.K. as to the morality of selling arms to a regime which might use them to repress a sizable portion of its population. Mr. Heath's government decided to continue sales as a matter of policy; by so doing, that government gave up any claims to neutrality on the matter of apartheid.

In light of the brutality involved in the subjugation of Bengal, I fail to see how America can continue to ship arms to Pakistan. Our position is very much like that of Britain's in South Africa; we cannot hide our failure to make a moral choice behind the verbiage of good business. By supplying arms to the Khan regime, we ally ourselves with its policy of systematic terror and bloodshed. It is an alliance that should be suspended.

In view of the urgency of the situation, I would appreciate a statement of policy from you as soon as possible.

Yours sincerely,
MICHAEL J. HARRINGTON.

DEPARTMENT OF STATE,
Washington, D.C., July 21, 1971.

Hon. MICHAEL J. HARRINGTON,
House of Representatives,
Washington, D.C.

DEAR MR. HARRINGTON: The Secretary has asked me to reply to your letter of June 29 requesting a statement of our military supply policy toward Pakistan.

In view of the considerable public interest in this matter, and with the object of clarifying misunderstandings which have arisen, we have prepared the enclosed full statement of our policy, including an explanation of the actions we have taken as a result of the outbreak of civil strife in East Pakistan. I wish to point out that our earlier statement on military supply policy referred to the suspension of deliveries by the Department of Defense after March 25, 1971, of military equipment from its stocks under the Foreign Military Sales program. While this covered many important supply items from a military point of view, including ammunition, it did not take account of FMS and commercially supplied items previously licensed and still in the pipeline. I wish to assure you, however, that there was no intention on the Department's part deliberately to conceal or mislead.

The enclosed statement provides a complete explanation of our position on this matter. I hope this information is helpful to you. Please continue to call on me whenever you believe we might be of assistance.

Sincerely yours,

David M. Abshire,
Assistant Secretary for Congressional Relations.

Enclosure: Statement on Military Supply Policy.

July 1, 1971—Statement on U.S. Military Supply Policy for Pakistan

In 1965 when hostilities broke out between India and Pakistan, the United States placed an embargo on the supply of all military equipment to both countries. All grant assistance was terminated and none has been resumed except for modest military training programs.

In 1966 the embargo was modified to permit the sale to both countries of non-lethal end-items such as communications, medical and transportation equipment.

In 1967 the policy was further modified to permit the sale of ammunition and spare parts for those items of military equipment, such as aircraft and tanks, provided by the United States prior to the 1965 Indo-Pakistan conflict. A one-time exception to the continuing embargo on lethal equipment was announced in October, 1970. This authorized the sale to Pakistan of 300 armored personnel carriers and about 20 aircraft.

This policy on military supply to Pakistan has been based on the judgment that it is desirable for the United States to continue to supply limited quantities of military items to Pakistan to enable us to maintain a constructive political relationship. We have also wanted to ensure that Pakistan is not compelled to rely exclusively on other sources of supply.

The Government of Pakistan purchases Munitions List items either through the Foreign Military Sales (FMS) Program or commercially from the manufacturer or distributor. Items under the FMS program are purchased either from stocks which are under direct Department of Defense control or from the Defense Department's commercial contractors. All equipment either obtained commercially or delivered under the FMS Program to Pakistan Government representatives in the United States must be licensed for export by the State Department's Office of Munitions Control before it may be exported.

There are also items which are common to military as well as civilian use (such as certain automobile and truck spare parts) which are not on the Munitions List, but which may require a Department of Commerce license.

In light of the outbreak of fighting in East Pakistan on March 25–26, we have taken certain interim actions with regard to military supply for Pakistan. While no formal embargo was imposed, the following interim actions were taken in early April:

(A) A hold was put on delivery of FMS items from Department of Defense stocks; no such items have been released to Pakistan since then.

(B) The Department of State's Office of Munitions Control has suspended the issuance of new licenses and renewal of expired licenses (valid for one year) for items on the Munitions List—for either FMS or commercial sales.

(C) We have held in abeyance any action on the one-time exception arms supply offer announced last October; no item in that offer has been delivered to Pakistan or its agents, and nothing is scheduled for delivery.

By early April, when these interim actions were taken, the Government of Pakistan or its agents had obtained legal title to, and were in possession of, some items still physically in the United States. In addition, DOD commercial contractors under the FMS program, and other commercial suppliers, continued to utilize valid licenses issued before the actions taken in early April. Some of these items, legally the property of the Government of Pakistan, have been shipped to Pakistan from U.S. ports and it is likely that additional military supplies, under valid licenses, will be shipped in the future.

Our overall military supply policy toward Pakistan continues under close review.

Congress of the United States,
House of Representatives,
July 23, 1971.

Hon. William P. Rogers,
Secretary of State, Department of State, Washington, D.C.

Dear Mr. Secretary: I have received your letter of July 21 regarding our military supply policy toward Pakistan. Although informative, your reply does not deal satisfactorily with the problem of material already in the pipeline. My question to you was about this specific area of concern.

I do not question the validity of Pakistani claims to ownership of certain equipment still physically within the confines of the U.S. I would not deny them what is theirs. But it is incomprehensible to me that we could allow these supplies to be shipped out now with the almost sure knowledge that they would be used by the Pakistani Army in a continuation of its policy of terror and violence in East Pakistan.

I see no reason why the Government cannot follow the example of Canada and suspend shipment of all military goods destined for Pakistan, regardless of who holds title. That equipment already owned by the Khan regime could be maintained by its representatives in this country; they simply would not be allowed to export it until the civil war is settled. American supplied arms have done enough damage in East Bengal; such a measure would at least insure that they would do no more.

I would appreciate a reply to this letter as soon as possible.

Yours sincerely,

Michael J. Harrington.

GUARANTEED INCOME PLAN COSTS EXORBITANT

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. COLLINS of Texas. Mr. Speaker, in yesterday's Dallas Morning News I read more comments on H.R. 1. The News keeps pounding out the facts every day. Dick West writes column after column on this timely subject of deficit welfare.

Our deficit last year was $26 billion. Just how high will it become if this guaranteed income bill ever becomes law?

Here are some of the highlights from the editorial of July 25 in the Dallas Morning News. The editorial director of the News, Dick West, gives you one more good reason to vote no on H.R. 1:

> Last month, in Washington, the House of Representatives passed a new welfare bill. It has been called "The Monster."
>
> Critics fear that its cost to the taxpayer will be prohibitive and that more people than ever will be on the rolls.
>
> The reason is a highly publicized new feature called FAP (Family Assistance Plan). A family of four, if it qualifies—and it won't be too hard to qualify—will get a guaranteed annual income of $2,400 a year; with more than four, it is $3,600.
>
> As in Social Security, that base of $2,400 will be increased gradually by politically conscious congressmen.
>
> The "guaranteed annual income," fought by conservatives for years because they think it will bankrupt the government, was conceived by the Nixon administration.
>
> The Ways and Means Committee of the House modified Nixon's proposals somewhat, but the basic features are retained in the new bill. It will be heard soon in the Senate, which killed a similar bill in a previous session.
>
> Liberals in Congress and the Welfare Rights' Organization already have denounced the new bill as not going far enough in the annual subsidy: The $2,400, they say, should be around $6,000.
>
> All of this, mind you, is tax-free.
>
> A congressman who fought the Family Assistance Plan declared that "two sisters on welfare, plus income from their boy friends, could live together with an annual income of around $25,000—all tax-free." Welfare payments are not taxed.
>
> It's a vicious circle—cost of the present program is now running nearly $500,000,000 a month. At the last count, around 10 million people were on the rolls.
>
> But you haven't seen anything yet.
>
> An exhaustive study by the U.S. Chamber of Commerce, based on state-by-state data and census counts, predicts that the new bill will make 25,000,000 people eligible for welfare.
>
> Sen. Russell Long, warning about the new guaranteed annual income, predicted that "in eight years we would be living at a program level where aid to families with children would cost $100,000,000,000 (billions) a year."
>
> On Feb. 1 of this year, Texas had 352,000 family members on AFDC (Aid to Dependent Children). Under the new bill, Texas would have 1,198,300 family members eligible—a 240 per cent increase—in 1973.
>
> As we mentioned in previous articles, no welfare plan can be remotely successful unless sufficiently policed.
>
> There must be constant investigation of families who get monthly checks.
>
> The abuse under the present program are incredible.
>
> But under the proposed new FAP (Family Assistance Plan), the stakes are higher—which means the temptation for graft will be higher. Average payment per month in the Dallas area is $117 a family; it will be $200 and up in the new bill.
>
> If 25 million are eligible under the new program, you can imagine what the policing job will be.
>
> One congressman said "an organization 1,000 times the size of the FBI" couldn't even scratch the surface.
>
> At any rate, the prospect is for more cost to the taxpayer regardless of what happens. We have reported how costs are going up

under the present program—they are now $500,000,000 a month.

But if FAP is adopted—well, hold on to your wallet!

And if you "guarantee" some people a check every month, how many will get off the rolls and go to work?

D.C. ENVIRONMENT: THE CHIEF JUSTICE ON SURVIVAL

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. RARICK. Mr. Speaker, the depths to which this once great city, Washington, D.C., the capital of the free world, has plummeted is astonishing. Crime is rampant; it is reported that even the Chief Justice of the Supreme Court of the United States has taken to opening his door at night with "pistol in hand, not knowing what might be lurking on his steps."

It seems a shame that the Supreme Court does not follow the lead of the Chief Justice and stand ready to mete out swift and sure punishment to the criminals of the land—instead of handing down decisions that handicap the law enforcement agencies and keep them from properly enforcing the law, or letting known criminals go free under legal technicalities.

By action, even if not by word, the Chief Justice is opposed to gun control.

I insert related news articles at this point:

[From the Manchester Union Leader, July 24, 1971]

CHIEF JUSTICE AT BAY

When the Chief Justice of the United States feels so insecure in Washington, D.C., that he greets reporters who call at his door in the evening with a loaded gun in his hands, this tells us more about conditions in our nation's capital than 10,000 words on the subject. It is certainly ironical that it is previous decisions of the same Supreme Court over which Chief Justice Burger now presides that are in large part responsible for the increase of crime in this nation.

At the top of our back page today we reprint a column from the Hampton Union entitled "The Big Wheels." This column gives not only an account of Chief Burger's gun toting but describes also two terrible events which recently happened, one of them, incidentally, while this writer was in Washington.

The rape and murder of the young woman took place NOT in some slum area of Washington, but instead in the parking lot of one of the best eating places in Washington. The murder of the naval officer and his son took place on a much traveled and well known public highway.

Sentimental judges and juries who have more sympathy for the wrong-doer than the victim, and the philosophy that it is not the criminal but society which is in the wrong, all have contributed to the freedom from fear which criminals in the United States now feel and this, of course, has led to increased crime.

This newspaper repeats, when the Chief Justice of the United States feels so unsafe in his own home that he has to come to the door with a gun in his hands, it is time for a change—and a mighty big change.

WILLIAM LOEB,
Publisher.

[From the Manchester Union Leader, July 24, 1971]

COLUMNIST WRITES ABOUT LIFE IN THE NATION'S CAPITAL: RAPE, MURDER, AND THE ARMED CHIEF JUSTICE

(By A. Spokesman)

Hogate's is one of the famous restaurants in Washington. It is on Maine Avenue which runs along the Potomac River just a few blocks from the White House and the Capitol.

On a recent evening a couple married only two years and in their 20s finished dinner and left the restaurant for its parking lot to ride home in their car.

Only a few paces from the door they were accosted by two men, one of whom put a gun to the couple. The young man and his wife were forced into their auto and forced to drive a short distance to an alley. There the young wife was brutally raped repeatedly, and murdered. The young husband had been bound and forced to witness this heinous crime.

A few evenings later a Naval Commander took his wife and children to see the fireworks on the Washington Monument grounds. Enroute home in their station wagon, the Commander was needlessly harassed by a tail-gating vehicle carrying several persons, including one female. As the Commander's wagon approached a traffic light the other vehicle sped around it and drew up sharply in front it. The Commander got out of his car to protest the actions of these devils and was immediately pounced upon. His 16-year-old son ran to the rescue whereupon one of the hoodlums drew a pistol and killed the Commander and his boy in cold blood.

On another recent evening two newspaper reporters knocked at the door of one Warren Burger, Chief Justice of the Supreme Court of the United States of America. The Chief Justice opened the door cautiously with pistol in hand, not knowing what might be lurking on his steps. As awful as are the foregoing facts, they related the times as they are in the city which is the home of our federal government.

You can't tell us such a condition is necessary if the people who run that government—all of them—were all doing their job. And if the leaders of government were truly marshalling the decent citizens of the land to do away with permissiveness and tolerance of wrong and lenience of punishment.

Samuel Leibowitz was a tough New York judge for some 30 years. He protected the innocent but meted out severe punishment to the scum guilty of crimes against public safety and public order.

The other night retired Judge Leibowitz was on the Dave Susskind show. He called for a return to respect for parents, and to fear of God, and to effective punishment of the guilty.

It's too bad New York can't return the Judge to the bench. It's too bad the City of Washington and the 50 states don't have many judges like Leibowitz.

HIRE THE VETERANS

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. HOGAN. Mr. Speaker, the veterans now returning from Vietnam face serious obstacles in finding jobs. The opportunities seem to be few and far between for these men who have just returned from putting their lives on the line for their country.

One solution to this problem materialized with the inception of the U.S. Veterans Assistance Center. In a speech given to the Alpha Beta Gavel Club, Janice Vernon, a veterans benefits specialist and one of my constituents from Glenarden, Md., presented the accomplishments and goals of this program, as well as suggestions on what we can do to help.

I insert the text of this speech in the RECORD for my colleagues' consideration:

HIRE THE VETERAN

(By Janioe Vernon)

Do you know that over 1 million servicemen and women will be discharged from the Armed Forces of the United States within the next several years because of the reduction of Armed Forces and withdrawal from Vietnam. Where do the veterans go after returning from Vietnam and other places around the world. Home, of course. That's first. Home to hugs and handshakes. Home to the family. Home from thousands of anonymous assignments around the world. BUT—after the uniform is off—what then? Where do they go with their maturity, their abilities, their ambitions? What will they do with the skills they've acquired in service—manual and technical skills, administrative and professional skills? What will become of the $3 billion yearly investment the Armed Forces spend for training? How will they use the over $1 billion available annually for education and training under the GI Bill. Do they go to work—or do they go to waste? It's up to you to help to hire the veteran. Perhaps you say to yourself—what can I do? Do you know that on January 30, 1968, President (Lyndon B. Johnson) directed that One Stop Assistance Centers be established for returning Vietnam era veterans. The purpose was to provide services and counseling over the total range of veterans benefits available with special emphasis on the transition of the recently discharged veteran to civilian life.

On February 19, 1968, the first center was opened at 25 K Street, N.E., Washington, D.C. Nine others followed as a part of a pilot project. As a result of the experience gained from these centers, there are now 71 centers providing assistance of this type over the United States. The USVAC in Washington, D.C. is unique. In this center we have established our job bank which is successful and adding this dimension to the job bank of Department of Labor as well as the personalized services of the Staffing Assistance of the U.S. Civil Service Commission makes this office one of the most successful operations of the Veterans Administration. The Veterans Administration also assists widows and dependents in finding employment. If you have a job to give or a veteran seeking employment refer him to 25 K Street, N.E., telephone 638-2966. As you all know the President, Richard M. Nixon, has named Mr. James F. Oates, Jr., as National Chairman of Jobs for Veterans. Over 900,000 letters were mailed to employers all over the United States asking to hire veterans in direct hires; on-the-job training as well as apprenticeship type programs. Also on the local level, Veterans Administration mailed over 400 letters to employers of the Metropolitan Washington Area asking them to participate in the program. The response has been so successful, the office has assigned a Veterans Benefits Specialist to full time duty assisting these employers in the area of processing papers for on-the-job training and apprenticeship programs. One Veterans Benefits Specialist concentrates on making direct contacts for immediate employment. Most veterans returning to civilian life seek jobs. For many, this is a period of uncertainty and difficulty. Veterans are trained to stay alert . . . think fast . . . learn fast. They've put a lot into the life they are leaving and gotten some valuable things out of it—self reliance, self discipline, maturity and training. Don't forget the disabled veterans they too have special vocational training. You can become a part of the job campaign—jobs for veterans—by telling your friends and prospective employers in helping to get veterans hired. Each returning veteran deserves the opportunity to find his place in our economic system. The challenge to the nation is to make effective use of the talents of all who have served. So Don't Forget Hire The Veteran.

REPORT BY EXPERTS PREDICTS ALARMING ENERGY SHORTAGE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. PICKLE. Mr. Speaker, I am not assuming the role of alarmist when I say that the energy supply outlook for the United States is bleak—even alarming—unless some changes are made in Government programs and policies with respect to energy industries.

It is true, of course, that our Nation still has a tremendous energy resource potential. But this potential can be realized only through use of effective incentives for the development of additional domestic supplies of energy fuels and a realistic coordination of effort between Government and industry. The potential supplies are no good to us unless we can use them.

This is not just my opinion. An interim report by the authoritative National Petroleum Council on the U.S. energy outlook, following an appraisal made at the request of the Department of the Interior, raises a warning red light which we will be well advised to heed.

The National Petroleum Council concluded that, as matters now stand, the the United States will have to increase petroleum imports fourfold between now and the year 1985. Such an increase would amount to 57 percent of domestic demand. The prospect of having to rely on undependable foreign sources for so much of our needed supply of petroleum is, to say the least, an unsettling one.

The report also declared that a searching review of the present system of Federal regulation of the natural gas industry is urgently necessary. I quote from the report:

> Continuation of Government policies would result in available gas supplies being equal to only about one-half of potential market requirements in 1985.

Mr. Speaker, that is only 14 years from now.

According to the National Petroleum Council, if existing policies continue in effect, gas supplies from the 48 contiguous States will drop from 21.8 trillion cubic feet in 1970 to 13 trillion cubic feet in 1985. This decrease would more than offset the amount of gas which it is estimated will be available under existing policies from Alaska's North Slope—when it becomes available, as to which there is no solid information at this time—synthetic gas from coal and naptha, and imports of natural gas, liquified natural gas, and liquified petroleum gas from Canada.

On the basis of these estimates supply from such sources in 1985 would fall 17.4 trillion cubic feet short of demand.

The basic problem lies in the constantly growing gap between total energy consumption and domestic energy supplies. The National Petroleum Council expects consumption to increase at an average annual rate of 4.2 percent while domestic supplies are increasing at a rate of only 2.4 percent. The result of this shortfall would be a drop in the proportion of the U.S. energy market supplied by domestic sources from 88 percent in 1970 to 70 percent in 1985.

It is hardly conceivable that our demand for energy sources will drop. This Nation lives on energy. Mr. Speaker, I believe that it is of imperative importance for this Congress to make a start toward placing our national energy policy on a sound and realistic basis.

A modest, but necessary, beginning can be made by enactment of legislation to place the stamp of validity—which is now lacking—on sales contracts between natural gas producers and interstate pipeline companies. This simple step is an essential one to encourage the search for and development of additional natural gas reserves. True, many other things must be done to alleviate the threat of a consumer-damaging shortage of a fuel for which the demand is constantly growing, but validity of contracts is a most important item.

If the gas producer could know how much he will be paid for his gas, how long he will be paid the price agreed on, how much gas he must deliver, and how long he must make deliveries—none of which he can know under present law—he would have greater incentive to go out and look for new supplies. This is the least which is needed.

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. SCHERLE. Mr. Speaker, a child asks: "Where is daddy?" A mother asks: "How is my son?" A wife asks: "Is my husband alive or dead?"

Communist North Vietnam is sadistically practicing spiritual and mental genocide on over 1,600 American prisoners of war and their families.

How long?

A REVIEW OF SOVIET RUSSIAN TOTALITARIAN IMPERIALISM

HON. ROBERT TAFT, JR.

OF OHIO

IN THE SENATE OF THE UNITED STATES

Monday, July 26, 1971

Mr. TAFT. Mr. President, on July 22 as a part of Captive Nations Week celebration, I addressed a representative group of Americans concerned with Captive Nations in Cleveland. At that time it came to my attention a pamphlet comprising a review of Soviet Russian totalitarian imperialism as set out in documents of court proceedings of Captive Nations Week held in Cleveland this year. This book, "A Review of Soviet Russian Totalitarian Imperialism" was prepared by the Institute for Soviet and East European Studies, John Carroll University. It is an excellent and informative piece of work which was edited with introduction by Dr. Michael S. Pap, Ph. D.

I ask unanimous consent that the full text of the book be printed in the Record.

There being no objection, the text of the book was ordered to be printed in the Record, as follows:

A Review of Soviet Russian Totalitarian Imperialism

INTRODUCTION

This monograph on the Captive Nations is the result of the testimonies by representatives living in the United States of the oppressed nations under Communism. The reader is introduced to the history of Soviet Russian colonial practices. It is an irony of history that the most reliable allies of the free world are living under the totalitarian communist system and are almost completely forgotten and ignored by the West.

A glance at a world map shows what has happened since the Russian Bolshevik Revolution of 1917. One-third of the land surface is now communist reflecting the profound changes which have transpired during this short period. A new political order was established now embracing over one billion peoples—an order which endangers the very foundations of our democratic society.

In November, 1917, the world was surprised to learn of the sudden emergence of a new force on the ruins of the Tsarist empire. A mere 40,000 revolutionaries, calling themselves Bolsheviks, succeeded in overthrowing the Russian Provisional Government under Kerensky's leadership—a government which was recognized by the United States in March, 1917, and termed by our President Wilson as a "fit partner for a league of honor." The Provisional Government was unable to solve the pressing problems of peace, was reluctant to introduce the immediate land reforms and refused to acknowledge the right of the non-Russian nations within the former Tsarist empire to self-determination. It collapsed, therefore, a short seven months after its inception.

The Russian Bolsheviks, on the other hand, under Lenin's capable leadership, recognized the existing reality, introduced slogans acceptable to the great majority of the people, and won not only an easy victory in Russia itself, but initiated a blueprint for world conquest. As soon as Lenin assumed control, he declared that with the establishment of Bolshevik rule in Russia, the world was divided into two belligerent camps—that of socialism and capitalism—and he added that these two camps cannot coexist for a long period of time—one or the other must conquer. These declarations were not only made public, but the Bolsheviks insolently announced that they would use any means to reach their ultimate goal.

Once in power, Lenin continued the imperialistic policies of the Tsarist government, imposing Russian communism on neighboring countries. Among the forces which desperately fought the Russian Bolsheviks were the military units of the non-Russian nations who were defending their independence. In Russia proper, some remnants of the former Russian army took a stand against Lenin because they preferred to remain white rather than become Red.

The non-Russian nationalities took up arms in united opposition to the new Russian imperialist power—now camofiaged behind international slogans. These forces in the Ukraine, in Byelorussia, in the Baltic States and in the Transcaucasian Republics succeeded, at that time, in pinning down the Russian Bolshevik forces which otherwise might have been used elsewhere in Europe. Having recognized the communist danger from the very beginning, these non-Russians appealed to the Western democracies for assistance. Regrettably, this help was withheld from them at a crucial time in 1918 and, when it was reluctantly offered, it was too late.

Stalin continued the policy of genocide and during the Great Purges of 1934–1938 liquidated some twenty million persons termed "enemies" of the Soviet regime.

The Nazi-German attack on the Soviet Union came in June, 1941. In the initial period, the population of the Soviet Empire, especially the non-Russians, welcomed with open arms the invading German army and pledged its support in defeating the Kremlin's dictatorship. However, it soon became apparent that Hitler invaded the Soviet Union with the purpose of exploiting its peoples and resources. So long as these aims were hidden, the German army advanced rapidly and by the middle of 1942, it stood at the gates of Moscow. Whole divisions of the Red Army gave up the fight for the survival of Stalin's bloody regime. At the beginning of 1942, there were 3,500,000 Red Army soldiers in German prisoner-of-war camps. It is a historical fact that Hitler's cruel policies toward the peoples of Eastern Europe doomed him and rescued the Soviet system from a total collapse. Stalin himself admitted at the end of 1941 to Averell Harriman that he would not have survived without Hitler's blunders.

Acknowledging his helplessness, Stalin, a well-trained expert in propaganda tactics, utilized fully Lenin's teachings on taking advantage of all circumstances. He turned to the Western Powers for assistance in the struggle for "democracy." He issued a declaration by which he "changed" Soviet foreign policy. Without any hesitation or moral obligation, Stalin proclaimed on November 6, 1941:

"We have not nor can we have such war aims as the imposition of our will and our regime on the Slavic and other enslaved peoples of Europe who are waiting for our help. Our aim is to help these peoples in their struggle for liberation from Hitler's tyranny and then to accord them the possibility of arranging their lives on their own land as they think fit, with absolute freedom, no interference of any kind with the domestic affairs of other nations!"

This was a fine proclamation for export, although Stalin did not believe the Western Powers would forget Kremlin's deeds. He proved to be wrong. Churchill and Roosevelt felt that Stalin was sincere. They insisted that the Red dictator had learned his lesson of history. The ensuing events proved beyond a shadow of doubt that this was nothing but an old Russian propaganda maneuver designed not only to ensure the survival of the Soviet regime, but was also an attempt to strengthen the communist revolutionary movement all over the world with our unwitting assistance. Millions of people, among them even those who knew the Bolsheviks well, misinterpreted Stalin's declaration as his final retreat from Lenin's doctrines. These maneuvers won the Western Powers' readiness to grant the Soviet Union unlimited material and moral aid. Suddenly, the Soviet aggressions which were a part of the Hitler-Stalin conspiracy in 1939–41 against Poland, the Baltic States and Finland were forgotten. The cruel Stalin of yesterday became the likeable Uncle Joe of today. As soon as he was assured of our help, he ordered thousands of experts to work out plans for the rearrangement of the post-war world. We were interested in winning the war; Stalin was interested in expanding his empire.

To impress the Soviet Government with Western good intentions and trust in the future peaceful co-operation between East and West, the Western Allies made many concessions and often deviated from some of the most important principles upon which our democratic societies are based. We agreed not only to the Soviet occupation of large areas in Europe with a total population of over 100,000,000 people but also to the forcible repatriation of the former prisoners of war, about 3,000,000 who survived the Nazi concentration camps and found themselves in the Western-controlled areas.

We agreed to this despite the fact that Article 133 of the Soviet Constitution provides that desertion is "punishable with all the severity of the law as the most heinous of crimes." We betrayed Poland, turned the Baltic States over to Stalin, ignored the pleas of millions of peoples of East Central Europe *not* to leave them at the mercy of the Russian Communists. All in vain; the price of friendship with the Soviet Union was never regarded as exorbitant!

The Yalta Agreement of 1945 gave Stalin a chance to expand his empire to include: Latvia; Lithuania; Estonia; Poland; East Germany; Czechoslovakia; Hungary; Rumania; Bulgaria; and Yugoslavia, which fell under the Soviet sphere of influence. The Yalta Conference will stand in history as a disgusting monument to the stubborn idealism and naivete of the attending American delegation. It has always been a distinguishing mark of American foreign policy that we deal with each major problem as an end in itself. The First World War was the war to end all wars. Yet our victory did not prevent the Second World War. Nonetheless, we again felt that once Nazi Germany and Militarist Japan were defeated, a viable peace would be assured. Winning the war was one thing—securing a lasting peace was another. The thought that the two might be essentially related was put aside as complicating matters.

Some of our diplomats were aware of the basic tenets of communism, and of the many acts of the Russian government that had been in direct opposition to the principles necessary for a peaceful world under God. Yet, they continued to reassure themselves that the Soviets were going to be good boys from now on. Of course, the Bolsheviks had flagrantly violated treaties in the past; of course, the Bolsheviks had never given a second thought to depriving men and nations of their natural rights; of course, the Bolsheviks had murdered millions, lied, cheated and committed every crime in the books—but they are not going to do these things anymore. We will have amicable relations for 100 years with our traditional friends, the Russians. The President wanted to be sure Stalin understood our sincerity.

After Stalin's death the Soviet empire once again was facing an internal crisis of major proportions. Khrushchev initiated a policy of peaceful co-existence and secured our promises not to interfere in the affairs of the communist-controlled nations. As soon as the crisis within the Soviet Empire abated early in 1957, Moscow returned to the policy of blackmail, intimidation, provocation and saber rattling, all designed to paralyze our will to defend and promote liberty.

It must be stressed that the Soviet leadership does not desire a major conflict. It realizes that its aggressive expansionism has aroused the West to a point where further unveiled military moves would entail the definite risk of total war. The Kremlin is, therefore, shifting from overt expansionist tactics to a strategy of wooing the neutral nations in Africa, Asia, and Latin America and of seeking to create conditions for future seduction and subversion. As Khrushchev stated:

"I am sometimes told that I too often stress that Socialism will win, will get the upper hand over Capitalism. Yes, I wholeheartedly believe that in the peaceful competition of the two systems the Socialist System will triumph. And as long as our heart beats in our body, we will not give up our teaching because it is the correct progressive teaching. The days of Capitalism are numbered. . . . We are marching toward Communism without war. We do not need war, it would undermine our cause."

How do we fare against such zig-zag tactics? While in the economic sphere we are successful and our military is still superior, in the realm of psychological and ideological warfare we are very weak. Our policy toward the Soviet colonial empire is based on confusion, uncertainty and, often, indecision in times of potentially great opportunities.

In order to see the state of complete confusion about the most important aspect of our strategy against Russian colonialism, all we need is to compare the statement of Dean Rusk making Georgia, Armenia and the Ukraine a part of the Russian historical state, with that of Ambassador Adlai E. Stevenson before the General Assembly of the United Nations on November 25, 1961. Mr. Stevenson identified the Kremlin masters as colonialists by pointing to the brutal Russian oppression of the once independent national states of Ukraine, Georgia, Armenia and others.

The question is, who is right? Who knows the facts? What actually is United States policy toward this last Colonial Empire of Moscow? The communist strategist will have little difficulty in counteracting this regrettable lack of appreciation on our part of the historical reality of East-Central Europe and the diplomatic inconsistencies it creates. The basic reason for this confusion is that our diplomats become aware of the many crucial problems of our time only after leaving their responsible positions within the Government.

The documents of the Court Proceedings on the 10th Anniversary of the Proclamation of the Captive Nations Resolution should serve as a guideline for our foreign policy towards the Communist Empire. These documents demonstrate the essential truth that the nations under communist domination will never tire of strugglings for their rights to self-determination and freedom. These Captive Nations must be regarded as the best allies of the Free World. The tragedy is that Moscow knows this only too well while the Western Powers are often reluctant to recognize this reality.

MICHAEL S. PAP., Ph. D.,
Director, Institute for Soviet and East European Studies, John Carroll University.

CAPTIVE NATIONS WEEK,
July 8, 1970.

His Excellency A. DOBRYNIN,
Ambassador of the Soviet Union to the United States, Embassy of the U.S.S.R., Washington, D.C.

DEAR AMBASSADOR DOBRYNIN: You are hereby advised that members and friends of the American Nationalities Movement of Greater Cleveland have organized and will hold a forum directed to world public opinion, on Friday, July 17, 1970, from 7:30 p.m. to 9:30 p.m., at St. John's College Auditorium, Cathedral Square, E. 12 and Superior, Cleveland, Ohio.

The subject of the forum will be the alleged subjugation of the captive nations of Europe and elsewhere through communist oppression, and involving concommitment issues such as Soviet imperialism, colonialism, oppression of religious, racial and nationality minorities, and whether the Soviet Union poses a threat to world peace by its current policies.

Granting that this forum does not possess jurisdiction over the principal parties nevertheless the above matters will be explored on moral grounds in order to review the conduct of the Soviet Union vis-a-vis the captive nations for the purpose of reminding world public opinion of such events as affect world peace, sovereignty of nations and true independence for all peoples.

A number of representatives for the captive nations will present five minute statements. A panel of judges, comprised of leading jurists and leaders of this community will preside. A prosecutor will present and summarize the case against the Soviet Union. In the tradition of fair play you are invited to attend and to respond to the accusations which will be presented at that time.

Naturally, only a representative of the rank of ambassador, or at the least, a first secretary of the embassy, will be satisfactory for these purposes so that a sufficiently authoritative defense may be contemplated.

In addition to the group of speeches above mentioned the agenda will also include, we anticipate, a spokesman for the Jewish community regarding alleged Soviet Anti-Semitism.

At the conclusion of the statements a final summation will be made by the prosecutor. If you send a delegate for the purpose of response every courtesy will be extended to grant equal time for defense and final argument. The chief judge will then, with the judicial panel, take the matter under advisement, and thereupon submit the issues to world public opinion.

These proceedings have been prepared in commemoration of Captive Nations Week, initiated by Congressional Act passed on July 17, 1959, which authorized former President Eisenhower to declare the third week of July as Captive Nations Week. A photocopy of that resolution is enclosed.

Because of this commemoration this world forum of local persons and personages intends to appeal to world public opinion to review recent historical events so as to confirm the fact that such events, detrimental to world peace, have not been forgotten nor pardoned. This invitation is courteously extended to you in the hope that you may see fit to arrange for a suitable representative to appear and respond.

Yours truly.

NICHOLAS A. BUCUR,
Program Chairman.

[Public Law 86-90, 86th Congress, D. J. Res. 111, July 17, 1959]

JOINT RESOLUTION providing for the designation of the third week of July as "Captive Nations Week"

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religion, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Viet-Nam, and others and these nationalities were added to the list; Cubans, Croatians, Serbians, Slovaks, Slovenians, and Jews; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

Approved July 17, 1959.

[Proclamation 3303—Captive Nations Week, 1960—By the President of the United States of America]

A PROCLAMATION

Whereas many nations throughout the world have been made captive by the imperialistic and aggressive policies of Soviet communism; and

Whereas the peoples of the Soviet-dominated nations have been deprived of their national independence and their individual liberties; and

Whereas the citizens of the United States are linked by bonds of family and principle to those who love freedom and justice on every continent; and

Whereas it is appropriate and proper to manifest to the peoples of the captive nations the support of the Government and the people of the United States of America for their just aspirations for freedom and national independence; and

Whereas by a joint resolution approved July 17, 1959, the Congress has authorized and requested the President of the United States of America to issue a proclamation designating the third week in July, 1960, as "Captive Nations Week," and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world:

Now therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby designate the week beginning July 18, 1960, as Captive Nations Week.

I invite the people of the United States of America to observe such week with appropriate ceremonies and activities, and I urge them to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the peoples of those captive nations.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the City of Washington this seventeenth day of July in the year of our Lord nineteen hundred and sixty, and of the Independence of the United States of America the one hundred and eighty-fifth.

DWIGHT D. EISENHOWER.

By the President:

[Declaration of Independence, Philadelphia, Pa., July 4, 1776]

CREDO FOR INDEPENDENCE OF THE CAPTIVE NATIONS

When, in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truth to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed. That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness . . .

AMERICAN NATIONALITIES MOVEMENT OF GREATER CLEVELAND, OHIO, INC. CAPTIVE NATIONS WEEK—JULY 13TH TO 19TH, 1970 WORLD FORUM FOR CAPTIVE NATIONS, ST. JOHN'S COLLEGE AUDITORIUM, CLEVELAND, OHIO

Bailiff Jack Dudek: This extraordinary session of the World Court for Captive Nations is called into session and is open for business pursuant to adjournment. The Honorable Ralph J. Perk, Chief Judge, presiding. Ladies and gentlemen, you may be seated.

Honorable Ralph J. Perk: The court offers its greetings to the people, the panel, the distinguished guests and participants, as well as to the audience, the friends of all Captive Nations. The World Forum for Captive Nations is now open. This Forum is sponsored by the American Nationalities Movement of Greater Cleveland.

Our purpose is serious. No demonstrations will be permitted. The atmosphere of a courtroom and decorum will be respected. It is requested that there be no applause. I repeat, no applause.

Captive Nations Week was started by an Act of Congress approved on July the 17th, 1959, which authorized the President of the United States to declare the third week of July as Captive Nations Week until freedom and independence have been achieved for all of the Captive Nations. Since 1959 there has been no lessening of world tensions due to the aggressive conduct of the masters in the Kremlin and their allies, who have provoked one crisis after another. The world has overlooked the real historical conduct of this super power. It stands accused today of genocide, brutality, tyranny, suppression and subjugation of small nations. We shall hear testimonies from accusing witnesses regarding these accusations.

As in every trial, the judge introduces the participants; and in this case, we will introduce the judges. I shall first introduce our distinguished panel who represent not only the law but also wide areas of public opinion in our community including education, labor, business, science, art, politics and the minorities.

Starting on my left, at the judicial bench in front of me is William Petro, Sr., distinguished attorney and businessman; towards the center from Mr. Petro is Professor Michael Pap, Director of the Institute for Soviet and East European Studies, at John Carroll University. On his right, the distinguished professor of law, Howard Oleck, of the faculty of Cleveland Marshall Law School and Cleveland State University. To his right is Mr. James Iafelice, District Director of the International Association of Machinists, AFL–CIO. On the elevated bench to my right, is the honorable Norman Fuerst, Judge of the Cleveland Municipal Court and former member of the Ohio Legislature. To his left, is the honorable Perry B. Jackson, Judge of the Common Pleas Court, a former legislator and a former councilman. To my immediate left is the Honorable Mr. William O. Walker a member of the cabinet of the Governor of Ohio, a former councilman, and the editor and publisher of the *Cleveland Call & Post*. To his left, is the Honorable Alvin I. Krenzler, a member of the Board of Cleveland State University and judge of the Court of Appeals. My name is Ralph Perk. I shall act as the Chief Judge.

The bailiff who opened this session is Jack Dudek who is the bailiff of the Common Plea Court and former National president of the Fraternal Order of Police. I should like to introduce at this time the gentleman on my right, in front, Attorney Nicholas A. Bucur, who will act as Chief Prosecutor in these proceedings. The Chief Prosecutor will present the accusing witnesses in alphabetical order.

As I previously stated, our purpose is the presentation of accusations by persons who represent various Captive Nations. Obviously, this panel of judges, and I, and all participants, are all aware of the fact that we do not have jurisdiction over the subject matters of this proceeding. We intend, therefore, to present the evidence in order that world public opinion, which will act as the jury, may be apprised and reminded of the allegations herein presented for such action as world opinion and posterity may face. We do this not to castigate nor insult nor to degrade any nation or people; but to inform and enlighten world public opinion in the interests of freedom, justice, and peace for all people.

The Soviet Ambassador, Mr. Dobrynin, has been invited to appear with us to hear the accusations and to respond. He has neither replied to the invitation, nor appeared, nor has he sent a representative on his behalf. I have nevertheless noted that on the stage here is a chair which is assigned to the Soviet Union.

Each accuser will present a five-minute statement on behalf of each Captive Nation represented here today. That will be followed by filed information by the Prosecutor. At the closing by the panel of judges and myself, these proceedings will be concluded with ecumenical prayers for peace—the latter being not in regular courtroom proceedings, but necessarily in this extraordinary session.

Mr. Prosecutor, will you proceed?

Chief Prosecutor Nicholas A. Bucur: Your Honor, Ladies and Gentlemen of the World who serve as our jury, permit me to inform you first of all that the accused party herein, that is, the Communist Government of the Soviet Union, was notified of these proceedings by Certified Mail. An invitation was sent to Anatol Dobrynin, Ambassador to the United States. At this time, I offer you as evidence the letter which was sent to Mr. Dobrynin, consisting of two pages, and I further offer into evidence the return receipt card signed by an attaché of the Embassy.

Due to the fact that Mr. Dobrynin has not seen fit to respond to this invitation, the defendants will be tried in absentia; and therefore, I cannot make the usual opening statement customary in proceedings of this kind. Instead, I shall waive a formal opening statement and at this point interject the plea on behalf of the defendants of "not guilty," of which fact the court is now apprised; and the defendants will be symbolically represented by the sign at the chair stating "Soviet Union."

At this time, therefore, I shall proceed with the prosecution. Ladies and gentlemen of the jury, so that you may know which people are the Captive Nations, I shall read the list to you. Not every nation from this list will be represented here. We have approximately fifteen witnesses. But this is the list contained in the Derwinski Resolution in the House of Representatives of April 20, 1970, which is the latest: Armenia, Azerbaidjan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucausia, Ukraine, Southeastern Republic, Turkestan, Mongolian Peoples' Republic, Estonia, Latvia, Lithuania, Albania, Bulgaria, Serbia, Croatia, Slovenia, and others in Yugoslavia, Poland, Romania, Czecho-Slovakia, North Korea, Hungary, East Germany, Mainland China, Tibet, North Vietnam, and Cuba.

It is on behalf of these people that the accusations are brought. I call as my first witness a representative for the Byelorussian delegation. Born in France of a Byelorussian father, he studied in Europe two years ago and has recently graduated from a large Mid-Western university. He will speak on Russia's extreme measures of genocide, political terror, and cultural genocide against the people of Byelorussia, especially during the long reign of—Joseph Stalin. I present to you Mr. Andrei Orlovich.

Mr. Andrei Orlovich (Byelorussia): By the Treaty of Riga on March 18th, 1921, about two-thirds of Byelorussia was handed over to the Soviet Union; Poland acquired the rest. Russian suppression of its new conquest, however, came long before 1921. Throughout its history, Byelorussia, or White Ruthenia as it was called, has been the prey of the surrounding predatory powers.

irst, during the Portions of Poland in the later 18th century, Russia acquired all of the Byelorussian sections, which was then known as the Grand Duchy of Lithuania. The Tsars, on the other hand, eagerly suppressed all free expression of culture and even the use of the people's language in the schools.

During the first two decades of the present century, Byelorussian youths and students were active in organizing various revolutionary groups. Their purpose was not the immediate overthrow of the Tsars, but the eventual independence of their country from the Poles and the Russians. The police, however, were quick to halt any anti-Russian publications.

The Communists have not behaved much better than their royal predecessors. After the Bolsheviks were finally established in Moscow, they sent out agitators to Byelorussia to recruit members for the Communist Party. They only seem to have succeeded among the non-Byelorussian urban proletariats. In early 1919, the BSSR (Byelorussian Soviet Socialist Republic) was created, and the Communist Party declared token independence for the country. This and later attempts on the part of the Soviet Union to grant the BSSR constitutional rights were a mere facade in the face of the world.

In reality, however, Russia is the one in full control of the nation's life. Often, Byelorussia has received the brunt of Bolshevik anger when the latter has been in a good international and internal position. From 1922 to 1928, Lenin's New Economic Policy (NEP) was introduced, though armed uprisings and other anti-Russian expressions were common in the Republic at this time. The Byelorussian Communist Party membership was only 3,000. Russia had to find a way to appease its northwestern conquest. Many schools were closed, including the State University in Minsk, the nation's capital. The cultural Byelorussian forces had taken advantage of the opportunities given by the NEP to further their own good and literature, the arts and sciences had flourished.

Russia was anxious to Russify the country. The suppression of the peoples' language was only one method used in Russification. About 1929, Moscow launched its campaign of systematic genocide and political terror. Those Byelorussian officials who openly opposed Soviet colonialism were quickly ousted from their posts and replaced by Russians. The height of the terror was the forced collectivization imposed on the people, many of whom were imprisoned or exiled because of non-cooperation. They responded with acts of sabotage against the intruders by destroying homes and livestock. The arrests increased in number and frequency while the labor camps of Siberia became more and more crowded.

The 1930's witnessed three great waves of mass arrests. The concentration camps became filled with Byelorussian government officials, writers, scholars. Many were falsely accused of belonging to secret, underground anti-Communist groups, and of cooperating too closely with the rebellious Ukrainians. Death was Russia's answer to such a problem.

In the early 1930's, Moscow also caught wind of a supposedly planned revolt set in 1933 or 1934 against Russia, and promoted supposedly by the Polish General Staff and the Ukrainian National Organization to free Byelorussia. All Byelorussian intellectuals who might be linked with these plans were soon deported. Thirdly, the wave of arrests of 1936–1938 victimized many writers, and others in the arts. Many Byelorussian Communists, charged with treason, were also caught. Many of them committed suicide.

Moreover, if the accused was ever given a trial, it was a mere formality. The person charged was considered guilty from the start. Sometimes there were "Show Trials" staged for the public. These "trials" made ideal propaganda since it was the prisoner who was forced to ask for his own punishment.

It is hard to estimate the actual number of people that Russia destroyed during its reign of terror. It is known that during the short period between 1929 and 1931, the process of forced collectivization claimed one and one-half million lives; while the total number killed during the Communist rule of Byelorussia surpasses four and one-half million. This, of course, does not include those killed indirectly through famines resulting from the reduction of the natural increase by the Soviets.

When discussing Communist aggression against Byelorussia, one must also consider the campaign of cultural genocide of the 1930's. Religious works and buildings, some dating back to the 12th century, were systematically destroyed. Many fine churches, Orthodox and Catholic, as well as Jewish synagogues, lost valuable works in sculpture and paintings because of this vandalism.

Literature also received the brunt of the attack. In 1935 alone, were destroyed 10,773 listed names of books and journals numbering some 12 million copies. Among these were collections of Byelorussian folk literature and the Byelorussian archives and academic journals.

Religion, because it posed ideological problems for the Bolsheviks, had also to be eliminated. A Byelorussian priest, reporting before the U.S. Select Committee to investigate Communist Aggression, stated: "We priests were sent to Siberian slave camps or shot. By 1937 all the clergy of Byelorussia were liquidated; the churches locked or destroyed; services completely stopped. While speaking about freedom of religion in their Constitution, Communists closed all churches, approximately 2,000, at the same time in the whole of Byelorussia. All the bishops and clergy were arrested, starved to death, tortured, or lost in the slave camps of Siberia."

Another revealing fact is that of the 2,445 churches and 23 monasteries existing before World War I, there was in 1941 not a single one truly serving the religious needs of the population of the USSR. In all, the Communists were not only destroying churches merely as religious symbols, but also as national symbols. Signs of a national spirit, however, are still alive despite repeated suppressive attacks.

These same years, the 1920's and the 1930's, witnessed the establishment of numerous Byelorussian underground organizations. All these, of course, were soon liquidated by the Russian police; but their very existence created a renewal of national spirit in the people. Even the Byelorussian Communist Party was soon infiltrated by National Democrats.

The 1940's were not much more propitious for the Byelorussian people. First, there was Stalin's wave of terror; then came the Second World War resulting in the occupation of the western part of the country by the Red Army. Byelorussia is still controlled by the Russian Communists today.

What presently goes on inside Byelorussia, does not make as many international headlines as does Czechoslovakia, but the situation is similar in both countries. These people want true independence. Both people have suffered at the hands of foreigners, the Russian invaders. It is time for independence that the people declared for themselves on March 25, 1918. It is time for freedom.

Chief Prosecutor Nicholas A. Bucur: Your Honor, ladies and gentlemen of the Jury, I'm going to ask that the remaining witnesses be sure to limit their remarks to five minutes. We have quite a number to cover; and while the first one lasted a little longer because it laid the groundwork in the foundation for most of the other remarks and the context in which they will be said, I shall ask you to discuss only the high points of your evidence. In the event that the remaining witnesses do not at the expiration of five minutes finish their remarks, I will ask that the remainder of their remarks and any of the material which is supplementary to their statement plus documentary evidence and data, be offered into evidence, and accumulated at the end of the entire case, in the interest of saving time.

I call as my next witness Mr. Theodore Abjanic, on behalf of the Croatian people.

Mr. Theodore B. Abjanic (Croatia): Honorable Judges: The case of the Croatian Nation held captive under the communist regime in multi-national Yugoslavia is hereby submitted for the attention and judgment of this tribunal and the Free World.

Yugoslav communist imperialism has been patterned after the Russian communist imperialism since it was under the aegis of the Russian trained Tito and the power of the invading Red Army which established communism and all of its attendant horrors in the forcefully recreated Yugoslav state after World War II.

Whenever atrocities are mentioned today in connection with the Second World War, Americans quite naturally tend to think of the horrendous nature and scope of crimes committed by their World War II enemies. Equally abhorrent, however, were the atrocities committed by America's communist allies particularly in the aftermath of the war when power was being consolidated and centralized by the new Eastern European regimes, and to which scant attention and very little, if any, public opinion was engendered against.

In communist Yugoslavia alone, hundreds of thousands of Croations, in particular, were brutally liquidated. Widespread and indiscriminate slaughter marks the history of newly communist dominated Yugoslavia whose rivers, fields and mountain ravines tainted by unending piles of mutilated Croatian corpses, military and civilian. The plan was successfully carried out under the slogan "Croatians must die so that Yugoslavia may live".

Thus, during the immediate postwar days, *Milovan Djilas,* (the then fiery Minister of Propaganda and Provocation), together with *Koca Popovic,* one of the highest ranking members of the present Belgrade regime, and *Aleksander Rankovic,* the organizer and long time head of the infamous Yugoslav secret police, and *Mitija Ribicic,* the newly appointed Yugoslav Foreign Minister, and *Josip Broz Tito,* continuing head of the regime, were the chief order-givers to squads of order transmitters and executioners who carried out one of the bloodiest peacetime purges in the annals of civilized man.

So horrible and extensive were the killings and imprisonment that *Time Magazine* had finally alluded to them near the time they were taking place. On page 28 of the September 16, 1946 issue, *Time* reported that Tito's secret police patterned after the Russian NKVD and headed by "the able, notoriously cruel Aleksander Rankovic," together with the Partisans liquidated an estimated 200,000 people and imprisoned an estimated 100,000.

A recent article in the February 21st, 1970 issue of London *Spectator* noted that under the newly appointed Yugoslav Foreign Minister, Mitija Ribicic, thousands of anticommunist nationals were murdered in the forests of western Yugoslavia after the war. According to the documents and eye witness testimonies compiled by Croat sources and revealed in the recently published book *Operation Slaughterhouse* at least 80,000 Croats were murdered at the massacre sites attributable to "Mitija the murderer". Literally, 600,000 Croatians have been liquidated in Yugoslavia from 1945 until today. Many thousands of Croats are still imprisoned in Tito's labor and torture camps while several hundred thousands more have been fleeing Yugoslavia these many years and constitute 80% of all exiles in the free world from Yugoslavia.

The Yugoslav communist government still continues a terroristic campaign against those opposing the Yugoslav state. This has been done through deploying the Yugoslav secret police, U.D.B.A., on extraterritorial assassination operations. During the last two years, in West Germany alone, ten Croatian exile leaders were assassinated and several others were wounded in attacks by U.D.B.A. agents. Tito, himself, announced such a policy in his speeches and the official Yugoslav press has boasted about the "silencing" of the "emigres and diversionists living abroad". This was reported in the *London Times* in early November, 1969 issue and in the *Los Angeles Times* in the November 2nd, 1969, issue.

As the spokesman for Captive Croatia, I submit the above information to this Forum for consideration and judgement and further submit the following summation of facts pursuant to the Croatian position in Yugoslavia:

1. The Croatian Nation finds itself still in an oppresive dual captivity of totalitarian communism and a forcefully established state, the so-called Federal Socialist Republic of Yugoslavia.

2. The Croatian Nation has never declared itself in free elections for this nor any other Yugoslavia but that this state was imposed on Croatians through fraud and force and is being held together through the dictatorship of the League of Yugoslav Communists comprising the central Belgrade regime.

3. The central Belgrade regime is exploiting the Croatian people not only politically, socially and economically but, moreover, is deliberately destroying its national identity, its national culture, its national language and all those traits which make it a separate nation with a proud tradition, and a long heritage and history.

Therefore, having all the above stated facts in mind, in behalf of Captive Croatia, I accuse the Yugoslav communist Government of crimes against humanity through its genocide perpetrated against the Croatian Nation and through its systematic suppression of Croatian national, economic, social, religions and cultural development and demand:

1. The removal of the one-party, totalitarian, communist regime and police dictatorship in Yugoslavia through the establishment of free elections and other democratic procedures.

2. The establishment of a free, independent and democratic state of Croatia and the freedom of the other nations held captive in Yugoslavia because this is the only natural solution for a better and happier future of all these nations, and is the condition by which their peaceful coexistence in the community of the free and independent nations of the world will be assured.

Thank you.

Chief Prosecutor Nicholas A. Bucur: I call as the next accusing witness, Mr. James Kocian from the Czech community.

Mr. James Kocian (Czechs): Honorable Presiding Judge Ralph J. Perk and Honorable Members of the Jury: From 1948 to 1967 the situation in Czechoslovakia became so critical (failing economy, rigid press censorship, etc.) that the younger and more moderate forces in the ruling Community Party realized that a change in the methods of ruling the nation was necessary. After a protracted struggle in the Central Committee of the Party and its Presidium, the Stalinist, Novotny was replaced as First Secretary of the Party by the comparatively young Slovak, Alexander Dubcek (Jan. 5, 1968) who finally was also compelled to resign as President on March 5, 1969.

This change in leadership was accompanied by a restoration of freedom of speech and the press, a review of the political trials of the 1950's, the establishment of new economic reforms and an independent judiciary, and a general easing up of travel and other cultural limitations.

This whole movement from January to August 1968 has often been characterized as socialism with a "human face," and the transition from the hard-line Stalinist policies to more liberal policies took place nonviolently and almost democratically.

But, with all its liberal tendencies and humanistic facets, it must also be noted that Czechoslovakia still strongly asserted its strict adherence to the Warsaw Pact alliance. In other words, the Czechoslovak leaders wanted conditions improved internally (humanistic reforms for the people) while at the same time asserted that they would follow the Moscow Line in foreign relations.

The Soviet Union, however, soon began to take a very dim view of the course Czechoslovakia appeared to be taking. The Soviet press stepped up its criticism of the Dubcek regime, the Soviet troops were being deployed along the Czechoslovak border. The result of crucial talks with Soviet leaders, held at Cierna and later in Bratislava, was at first considered favorable to Dubcek, but proved to be abortive. The Soviets wasted little time in dispelling any doubts about their attitude to Czechoslovakia's humanistic experiment. On August 21, 1968, the USSR—assisted by Bulgarian, East German, Hungarian and Polish contingents—invaded and occupied Czechoslovakia.

A complaint was lodged at the U.N., but no action was taken. The invasion was justified according to the Soviets by the "Brezhnev Doctrine" which holds that the community of socialist states (Moscow's satellites) has the right to intervene in any single Socialist state in which internal developments are endangering the survival of socialism. In practice, of course, this amounts to an assertion of the full right of the Soviet Union to intervene in any socialist state in which there are developments disapproved by Moscow—which is utterly incompatible with the U.N. Charter (of which the Soviet Union is a party too).

The aftermath of the invasion consisted of the repression of all liberals (both inside and outside of the Party), the replacement of liberal high government and party officials by pro-Moscow hard-liners, and virtual economic collapse due to the passive resistance of the Czech population.

The new Prime-Minister, Gustav Husak, is following Moscow now, and for that reason, he is unpopular with the people. He is also being criticized by the ultra-conservative Trotskyites who want even stricter repression of any party deviates.

The end result is that the people of Czechoslovakia maintain faith in Western values (freedom and justice as interpreted by Masaryk) but have given up hope for much help from the West.

As a prosecuting representative of the free Czechs and their captive homeland, I am charging the Soviet Union in their invasion of Czechoslovakia on August 21st, 1968, with violating the territorial rights of this country, oppressing 15 million Czechs and Slovaks, damaging historical buildings, hospitals, homes and factories and killing without cause many unarmed civilians.

Also, at this time, I would like to be granted permission to call upon a witness, whose brother was killed in 1968 by the Soviet soldiers on a street of the city of Prague:

What is your name?

My name is Jindrich Gref.

Where did you come from, Mr. Gref?

From Prague, Czechoslovakia.

When and how was your brother killed?

On the way to work my brother was killed by fragments of a shell from a tank gun shot by the Soviet soldiers on August 21st, 1968 in Prague.

Thank you Mr. Gref, no further questions.

Honorable Judge and Jury: You have heard a witness of just one Soviet atrocity in Czechoslovakia. His statement will give you a clear picture of the inhumanity of the Soviets and their imperialistic deeds.

I am asking at this trial for the free world to impose upon the Soviet Union the strongest penalties possible.

This is their record in my homeland.

Chief Prosecutor Nicholas A. Bucur: Honorable Perk: At this time I should like to make this comment, that it took a good deal of courage on the part of the previous prosecuting witness, Jindrich Gref, to take the stand in the full glare of publicity and to state what happened to him and his family having full knowledge that everything that is said here can be, and is, communicated abroad.

I call as my next witness Toivo Karios on behalf of the Estonians.

Mr. Toivo Karios (Estonia): Gentlemen of the jury, Estonia is the northernmost Baltic country with a small population of one and a quarter million people and an area of about 18,000 square miles. On February 24th, 1918, Estonia proclaimed her independence as a democratic republic and was subsequently recognized by the allies and all the rest of the free world. On November 28, 1918, the Soviet Union attacked Estonia, thus violating her own declaration proclaimed on November 15th, 1918 according to which all peoples of former Tsarist Russia were declared free to secede from Russia. On February 2nd, of 1920, after having valiantly repelled the Communist invaders for 14 months, Estonia succeeded in signing a Peace Treaty with the Soviet Union, by which Russia unreservedly recognized the independence and autonomy of the State of Estonia and renounced voluntarily and forever all rights of sovereignty held by Russia over the people and territory of my country. For approximately 20 years Estonia enjoyed the fruits of democracy and proudly joined the rest of the free world nations.

But with the outbreak of the Second World War, Estonia again was placed under the sphere of Soviet influence by a treaty signed in Moscow by the Soviet Union and Nazi Germany. In September of 1939, under threat of war, a mutual assistance pact was forced upon Estonia by which the country was compelled to establish a number of Soviet naval and air force bases on its territory. The following year the Soviet Union presented an ultimatum demanding the establishment of a new government "friendly" to the Soviet Union and the granting of a free passage for additional Soviet troops to my country. On June 17th, 1940, the day following the ultimatum, the Soviet army marched into and occupied Estonia. A new government, completely subservient to the Soviet Union, was imposed on Estonia.

With these steps, my country was converted into a Soviet colony. This transition was effected in all the Baltic countries according to the same blueprint. The Sovietization of the country was effected under unprecedented terror in order to purge the country of all undesirable elements and to force the country into submission. From the very onset, the Soviets led mass arrests and executions. The arrests were usually carried out at night to heighten the sense of terror throughout the nation. During this period, the following atrocities were committed by the Soviet Union.

Arrested were almost 8,000 persons of which 1,950 were later exhumed from mass graves, most of them being shot in the neck. The remaining were never found or were sent to prison camps in the Soviet Union. In June, 1941, 10,205 persons of all ages, many of them women and children, were deported. In addition, 33,000 were recruited into the Red Army and upon retreat these men were taken into the Soviet Union. One of them was my Father. During this period, close to 60,000 Estonians, the majority of them young men and women, as well as government leaders and public servants, skilled workers and farmers, were lost by Estonia. This number represents about 5% of the total population of the country at that time.

Estonians are suppressed and exploited but will never reconcile themselves to the status of the Soviet colonies. Soviet colonialism is a strange oddity especially at a time when the principles of freedom and self-determination for all peoples in the world have found universal recognition as a guiding idea of the century and is being practiced in all parts of the world. We accuse the Soviet Union of the aforementioned atrocities and for the denial for the Estonian people freedom and self-determination.

Chief Prosecutor Nicholas A. Bucur: At this time, the prosecution calls Mr. Joseph Bauer who will speak on behalf of the East German people.

Mr. Joseph Bauer (East Germany): Your honors. With no disrespect or sympathy for other nations, whose place in the world is being dictated by the armed might of the Soviet Union, the case of Eastern Germany must certainly represent the most blatant subjugation of the people in the annals of modern history. The pages of history are often filled with the examples of Great Walls being erected as a means of protection of people inside, but one would have to look very long and hard to find an example of free people constructing a wall to imprison themselves.

Facts speak for themselves.

And because the facts so speak for themselves nowhere in the world can one find a more vivid example of complete failure of a system of government imposed by the Soviet Union upon the people as well as the complete servitude enforced by the presence of their armies. The Berlin Wall has, and should be, considered a monument—the monument for the entire free world to observe for what it really symbolizes, the complete subjection and imprisonment for the populace behind these confines as well as the complete failure of the government imposed upon the people.

Pages upon pages can be filled with examples of the ruthless and barbarian act of tyranny imposed upon the people of East Germany as I'm certain will be offered this evening by other nations within the sphere of influence of the Soviet Union. As in Czechoslovakia and Hungary, the East German people have risen and fought their oppressors with stones, fists, and yes sticks, only to be humiliated and put into place by guns and tanks and the armies of the Soviet Union. Mothers and fathers, husbands and wives, children and friends, longing only to embrace each other, speak to each other through barbed wire under the watchful eye of the armed guards with their hearts filled with despair at the sight of the loved one so close and yet in another world.

As once said by our late President, John F. Kennedy, on his visit to Berlin: "There are people who say the future belongs to Communism. Let them come to Berlin!" Yes, let the world come to Berlin. Let the world witness East Germans, including mere children, ripped apart by bullets from the Soviet Union laying in the barbed wire wall, pleading for mercy in their agony yet allowed to have their lives slowly seep from their bodies. And after witnessing such a slaughter, let us reflect as to the reason for such brutality. Are these people murderers? Spies, or thieves escaping the authorities? No. Merely men, women and children tortured to a point when a faint hope of freedom has driven them to an attempt to gain such freedom even if they're most certainly to lose their life in the attempt. These acts, above all else, are a dramatic proof of the desperation and despair of those persons residing behind the Wall.

By analogy, how many persons have tried to climb the barricades in an attempt to *enter* East Germany? All of the rhetoric, arguments, and fancy slogans ever published by the Soviet Union cannot hide the Wall. It is the symbol of their brutality and failure not only in East Germany but in the entire world. On behalf of the people behind such walls, not only in East Germany but all of the enslaved nations, let us here tonight condemn the Soviet Union and resolve her complete and everlasting destruction. Thank you.

Chief Prosecutor Nicholas A. Bucur: The prosecution calls at this time Mr. Geza Irati on behalf of the Hungarians.

Mr. Geza Irati (*Hungary*): Honorable judges. The Hungarian people accuse the Soviet Union of being the most aggressive Communist Nation in the world. After World War II, the Soviet Army induction service deported 500,000 Hungarians, civilians, as well as military, to the Soviet Union, namely in Siberia. From these, only 400,000 returned, many of them crippled and incurably sick. Since the Communist Party could not receive more than 13% of the vote in national elections, they were forced to resort to terror. They liquidated or jailed anyone who dared to resist their orders. Their main targets were churches of all denominations, all types of business, landowners and the intellectual class and their descendants.

When the Treaty of Paris took effect on September 15th, 1947, the occupation of Hungary came officially to an end but the Soviet Army remained using more than 80,000 motorized Russian infantry and several tank units. Through false accusations, they sentenced Cardinal Mindszenty to life imprisonment. This was the start of mass arrests and terror.

Non-Communist organizations were forbidden. I could call several witnesses from within the City of Cleveland who have been arrested, badly tortured, and have suffered from the inflicted sickness of the jail. In 1952, four years after I joined the Catholic Youth Group, I was arrested and sentenced to fifteen years in prison for active membership "in a philosophical conspiracy against the Peoples' Democracy". By 1952 there were 20,000 people either in state prisons or concentration camps. This was called the Big Leap Towards Communism.

Outside of the prisons the workers were denied the choice of jobs. Everybody worked in the factory to which he was assigned. The farmers have been forced into collectives. Students from the age of 14 have been assigned to different types of schools according to their parentage. College education was denied to anyone who had intellectual parentage.

In 1956, the Hungarian people revolted to regain freedom and independence. The demands came from many sources, meetings, resolutions, and radio broadcasts. The Hungarians wanted only national independence with a multi-party and a parliamentary system with free elections.

In addition, these people called for an end of their economic exploitation by international communism and terror. On October 31st, 1956, all these goals were reached. The Russians had to evacuate the country, the multi-party system was re-established, prisoners were freed, and concentration camps abolished. Freedom of press and speech was assured. After ten years of suffering, with bare hands, Molotov cocktails and revolvers, the Hungarian people gained back their national freedom, independence and self-esteem.

On November 4th, 1956, the Soviet army attacked Budapest. 300,000 troops, 2,000 tanks and the Soviet air force held the capital under siege for days, and after a valiant struggle, in which 20,000 Hungarians lost their lives, Hungary was again occupied by the Red Army. The U.N. declared the Soviet Union as an agressor against the Hungarian people. Meanwhile, the new Communist puppet government fully cooperated with their masters and reprisals against the Hungarian people began. They executed even the revolutionary Prime Minister along with several other politicians, writers, students, and Freedom Fighters. About 60,000 young *students and workers* were deported to Siberia. Many thousands are still languishing there.

The Hungarian Puppet government invited and agreed to keep 60,000 Russian troops which are stationed even today throughout occupied Hungary. The case of the one hundred and fifty Hungarian Freedom Fighters who were imprisoned and not tried for two years until they reach the age of eighteen, because the "law" did not permit death penalty under eighteen years of age created world-wide outrage. Their execution took place in May of 1958 in spite of an international press campaign. Even worse, a genocidal abortion system was introduced and encouraged in Hungary. Encouragement is a very mild word—it should be "enforced." Her natural increase has faltered and fallen to the extent of being the lowest in Europe.

Now even the cynics have to agree that there is something in the vision of a nation's slow but sure death in the middle of Europe. May I call the honorable judges' attention to something I learned when I was seventeen years old, which was taught to us in a Hungarian school. "The Soviet Union won the territory of the Soviet Union in the First World War. The Soviet Union gained half of Europe in the Second World War. In the Third World War, we will rule the world."

I hereby solemnly testify, therefore, against Soviet Russia and her agents in the Communist Party in Hungary now called the Revolutionary Workers and Peasants Party. They, and their co-conspirators, contrary to the principles of humanity, peace, and dignity, have participated singly and collectively over a period of years since 1945 in depriving the thousand-year-old independent country Hungary and the Hungarian people of their freedom and dependence. All of these acts were committed willfully against the will of the Hungarian people by using terror, unlawful methods, tricks and complete economic exploitation of the oppressed people of Hungary. Thank you.

Chief Prosecutor Nicholas A. Bucur: Your honors, ladies and gentlemen of the jury, the next witness will testify regarding oppression of minority groups within the Soviet Union. Testimony thus far has been with regard to Captive Nations. Inasmuch as the Soviet Union itself is not a Captive Nation, but is accused of being the Captor, testimony will be in a slightly different vein.

I call at this time upon Dr. Herbert Caron who will testify regarding allegations of Soviet anti-Semitism.

Dr. Herbert Caron (*Anti-Semitic*): Your honors. Members of the court. I am grateful for this opportunity to speak on behalf of 3 million Jewish citizens of the Soviet Union. These people represent one-quarter of all Jews remaining in the world after the murder of 6 million in Hitler's death camps. The Soviet Union defines the Jews as a nationality; and if so, they are truly a captive nationality. They're not newcomers in this part of the world. For example, the Jewish community of Soviet Georgia is at least 2,000 years old. These are three points to be made in the brief testimony.

First, the Soviet Union is willfully attempting to crush the Jewish sense of identity and self-respect by eliminating Jewish culture and religion. It has even deleted references to Judaism in standard encyclopedias and history textbooks.

Second, the Soviet Union has willfully slandered the Jewish people in public propaganda and is encouraging anti-Semitism among the masses of people when it publishes openly anti-Semitic books, cartoons, and newspaper propaganda.

Third, the Soviet Union has denied Jews the right to leave the country and to settle elsewhere. This is a serious deprivation in view of the intolerable conditions imposed on this Jewish community in the Soviet Union.

I'll take these points in order. First, the official crushing of Jewish identity and self-respect. Officially, Jews are a nationality in the Soviet Union; but there is no organization that represents the large Jewish community. In the last reported census, 1959, 20% of the Jewish population declared "Yiddish" or "Jewish" to be its native language; yet there's not one single Jewish school or other educational institution whether in either Yiddish, Jewish, or Russian. As recently as 1940, there were 90,000 youngsters in Jewish schools in the Soviet Union serving an estimated 20% of all Jewish youth. In 1934, there were 467 Jewish schools in the Ukraine alone. After World War II, Stalin destroyed this educational apparatus and his successors have continued this policy.

Article XXI of the Soviet Constitution guarantees that instruction in the schools be provided in the national language. There are forty-five languages of instruction in the Soviet Union, but the Jews remain an exception. Yet the 3 or 3½ million Jews are not a small or insignificant group in the USSR. They are actually the 11th largest nationality in terms of population, and they have made significant contributions to the life of the country. Yet references to them have been practically eliminated from official Soviet history. In a recent article, William Quary documents an analysis of 15 elementary and secondary school history textbooks used in Soviet schools, and I will submit this in evidence rather than read it. He points out that encyclopedias as well have seriously deleted the number of Jewish references. I'll refer to just one small section in the major Soviet encyclopedia *Bolshava*. In the 1932 edition Jews were given 117 pages; in 1952, there were only 2 pages devoted to Jewish history.

In the same way, even Jewish heroes have been removed from the published lists of medal winners, even though they were very active in the fight against the Nazis. The list only goes by nationality groups—Ukrainians, Moldavians, etc., but the Jews, although they are separate nationalities, are simply lumped under "Other Nationalities."

In this cultural deprivation, Jewish children cannot grow up with the knowledge or pride in their tradition or pride in the contributions their people have made to their country. Even the famous poet Yevtushenko was severely criticized when he published "Babi Yar" which is essentially a poem in memory of the Ukrainian Jews slaughtered by the Nazis.

On the other hand, and this is my second main point, anti-Jewish writings are praised and encouraged by the Soviet governmental agencies. The notorious anti-Jewish book by Norman Kichkov *Judaism Without Embellishment*, published in 1963, describes Jews as parasites who were taught by their religion not to work but to live off others. Anti-Semitic cartoons—I'll show you some of them here, and I'll submit these—shocked the world with their similarity to Nazi propaganda. This one for example shows a Jewish man in a prayer shawl and a long nose reaching into a till of money, presumably at a synagogue. When letters of protest were received about such provocations, the Soviet government defended them. This was called a "scientific" book and was finally withdrawn from circulation after protests by the French and Italian Communist Party. However, the author, Norman Kichkov was honored again in October, 1967. Although he has written more extreme anti-Jewish works, his works are mild compared to some of the more recent publications, particularly by Yuri Ivanov. All of these, of course, are official publications of the Soviet Union, and must be officially sanctioned. Keep this fact in mind in interpreting the charge published in the D'agastan official newspaper *Kommunist* "that Jews sold diluted Moslem blood which they drank as a holy ritual." This anti-Semitism was published in a predominately Moslem area.

Even in international broadcasts, distortion and slander can be documented. On December, 1968, the British Broadcasting Company picked up a broadcast to Arab countries and Africa indicating that a large group of Jews had received 100,000 ampules for sterilizing the Arabs, and these Jews were about to embark on a massive campaign of sterilizing Arab people. It need hardly be said, of course, that this story is entirely false—it's not even believable.

The whole picture of Soviet Jewish policy certainly shows amazing degrees of hatred and prejudice, expressing the official action of a "model nation." How can it be explained? There are various interpretations. Some, of course, tie it to the Soviet efforts to win favor with the Arabs against Israel. Others tie it to the crudity and personal anti-Semitism of the type of person who typically achieves high leadership under the Communist system. Still others tie it to the failures of Communism to provide a satisfactory life for its people. A public scapegoat is needed. The public is told "Blame all your troubles on a minority group—the Jews—and leave the government alone." This technique may have some merit—at least, it seems to work. Perhaps all three explanations are true.

In the words of the International Commission for Jurists—a party affiliated with the United Nations—anti-Semitism represents the most dangerous form of racialism in the world. No question of expediency can ever justify its use as a political, social, or economic weapon. This Commission did a detailed study of the recent wave of economic Show Trials in the Soviet Union. These Show Trials were largely directed against Jews, where 300 people were executed, 80% of them Jews. And the Commission report—and I'll put this in evidence—concludes latent anti-Semitism in the USSR, possibly being used by the Soviet authorities as a weapon to render unpopular economic offenses which appear to be rampant. This is probably the most charitable view to be taken of the apparent anti-Semitism which seems to have influenced Soviet policy. It is earnestly hoped that even if this were the dominating factor, they would continue to realize the real and grave injustices which must be dealt in such accord.

Finally, a brief word on emigration. It is almost impossible, as we all know to leave the Soviet Union. Even Jews who may have been separated from their families during the holocaust in World War II, would usually lose their jobs and homes if they emigrated. 50 Jews recently signed a statement that they would like to leave and recently we have read that many have been arrested on what is clearly a trumped-up charge of high-jacking an airplane. I think this is the first case in which the hi-jackers were clearly hi-jacked. They were not even on the plane. They were accused of having the intention of hi-jacking a plane.

In conclusion, Jews remember with sadness that in the present generation, in the present century, anti-Jewish pogroms in Russia have been second in violence only to those of Nazi Germany. The civilized world cannot tolerate the rebuilding of an atmosphere in which vicious mass hatred may again break out. A dangerous illness is incubating that may run a long and devastating course if not checked in its beginning stages. This illness is the concern of the whole world, for unchecked, it makes a dangerous precedent and destroys the security of all nationality groups. Thank you.

Chief Prosecutor Nicholas A. Bucur: At this time, the prosecution calls upon the Latvian representative Mr. Erics Ievins in the Case of Latvia and the People of Latvia Versus the Communist State, commonly known and identified as the Union of Soviet Socialistic Republics or Soviet Union.

Mr. Erics Ievins (Latvia): Latvia is one of the three states on the eastern shores of the Baltic Sea, the other two being Estonia to the north and Lithuania to the South. To the east lies Russia. Since the Soviet Union is a historical extension of the Tsarist Russian Empire, it has retained many features of Tsarist Russian regime. These include:

1. Colonial Imperialism and Expansionism.
2. Lies and Violence as instruments of policy to implement article one.
3. International Treaties used as a vehicle of and for enslavement of nations bordering Russia.
4. Exploitation and forced Russification of nations and their territories subjugated to Russian rule by deceit and/or military conquest.
5. Total terror and physical and mental torture as instruments of policy enforcement in the areas conquered.
6. Mass deportations to slave labour camps and, in conjunction with article 5, physical and mental destruction of people suspected as so called "enemies of the state". These are primarily people of non-Russian origin in the conquered territories.

The free and independent State of Latvia, all treaties to the contrary not withstanding, from the years of 1940 to 1941, and from the years of 1944 to 1945 to present, has been illegally occupied by the Soviet Union and is a victim of the policies of the Soviet Union as described and delineated in some of their major aspects in the articles preceding.

Therefore, the Latvian people in Latvia, as well as those deported by the Soviet Union to Siberia and other lands of Soviet Union, as well as those thousands of Latvians who have been brutally tortured and murdered by the Soviet Union, as well as those thousands of Latvians who are in exile in the free world seeking refuge from the atrocities of Soviet Union, as well as Americans of Latvian descent residing in numerous communities in the United States coming to the aid and defense of their ancestral homeland enslaved and held captive by the Soviet Union:

Do herewith charge and accuse the Soviet Union with the following major premeditated criminal acts of violence and aggressions against international justice and humanity in the case of the illegal occupation and detention of the free and independent State of Latvia, against the free will of the Latvian people.

Charge 1: Violation of the Treaty of Riga of 1920 in which the Soviet Union recognized the free and independent State of Latvia.

Charge 2: Violation of the non-aggression pact of February 4, 1932 which on April 4, 1934 was extended to December 31, 1945.

Charge 3: Planned and premeditated genocide of Latvian people and forced Russification of their ancestral homeland.

Charge 4: Persecution of all religious denominations and those who believe in God.

Charge 5: Violation of United Nations declaration on national rights of independence.

Charge 6: Violation of United Nations Declaration on Colonialism.

Charge 7: Violation of United Nations Declaration on Human Rights. Note on charges 5, 6 & 7: Soviet Union is a charter member of the United Nation and a signatory on the documents whose violation is cited.

Charge 8: Total denial of the basic rights and freedoms to the Latvian people.

In support of the charges concerning genocide in Latvia a volume listing the names of Latvians deported to the Soviet Union during the first year of Soviet occupation is presented for examination. This list contains over 30,000 names. The total loss of life in the first year of Soviet occupation of Latvia exceeded 34,000 out of a population of 1.9 million people. In the appendices of this list is a map showing the major slave labour camps in the Soviet Union and translations of Soviet directives concerning the mass deportations of Estonians, Latvians and Lithuanians. To date, by careful evaluation of all available intelligence data, it is calculated that approximately 200,000 Latvians have been deported to the Soviet Union and the forced Russification of Latvia continues.

The plaintiffs demand in the court of World forum that freedom and liberty must be restored to Latvia and the Latvian people and that the Soviet Union must pay reparations to the renewed free and independent state of Latvia to at least recover the massive material and economic damage caused by the Soviet exploitation and that the Soviet Union must repatriate all deported Latvians to their ancestral homeland of Latvia.

Chief Prosecutor Nicholas A. Bucur: The prosecution presents at this time Algirdas Sirvaitis on behalf of the Lithuanians.

Mr. Algirdas Sirvatis (Lithuania): In late September, 1939, the Soviet Union began to actively carry out its ambitions in the Baltic Region. It is known that the Soviet Union wanted to absorb Lithuania and the other Baltic States. Stalin himself spoke of this intention as early as 1925, five years after the Bolsheviks had signed a Peace Treaty with Lithuania, Latvia and Estonia, renouncing forever any territorial claims in the Baltic area.

Stalin's pact with Hitler in 1939, which divided eastern and southern Europe into spheres of influence, laid the groundwork for the Soviet Union's carté blanche manipulations in the Baltic area. In order to cover up their intentions, the Soviets forced on neutral Lithuania a treaty of Mutual Assistance whereby 75,000 Soviet troops were to be stationed in the country.

On October 10 of 1939 after the Lithuanian government was coerced into signing the Mutual Assistance Pact, the Deputy Commissar of the NKVD, Serov, signed a document in Moscow forshadowing a nightmarish future for the Lithuanian citizenry. The Soviet secret police (NKVD) issued order #001223 in Moscow whereby a program for a massive purge in Lithuania was put into operation. This included not only the deportation of Lithuanians into uninhabited regions of Siberia for slave labor, but also the extermination of what the Soviets considered potentially dangerous elements of the Lithuanian population. That order was supplemented later by procedural considerations—apprehending, processing, loading into wagons, and destination. NKVD officers prepared an initial list of 700,000 persons to be purged. The list included in its own words, "socially and politically dangerous elements" regardless of concrete data concerning anti-Soviet activities.

During the year of Soviet rule, from June 15, 1940, to June 22, 1941, the Lithuanian nation lost upwards of 60,000 of its people in two massive purges. One of the massacres was on the night of June 14th and 15th, 1941, a week before Germany attacked the Soviet Union. Citizens were also arrested individually throughout that year. Frequently they were never to be heard of again, although some were subsequently found in shallow graves in NKVD prison compounds.

The Soviet massacres of Panevezys, Rainiai and the labor camp in Praveniskes, merits particular mention for they are comparable to the well published Soviet massacre of Polish officers in the Katyn Forest in 1941. In Northeastern Lithuania, the entire student bodies of the Plunge Commercial School and Telsiai Latin School were mutilated and killed. NKVD's documents show that there were to have been more purges, but the German attack on Russia in 1941 spoiled those plans.

On June 14, 1940, at 11:30 p.m., Molotov, Soviet Commissar for Foreign Affairs presented to the Lithuanian Minister of Foreign Affairs, at that time in Moscow, a Soviet ultimatum with an eight hour deadline. The

Kremlin demanded prosecution of certain government officials of the Republic of Lithuania, formation of a new government, and free passage for Soviet troops through Lithuania. Even as the ultimatum was issued, an additional 350,000 Soviet troops stood at the Lithuanian border ready to invade the country.

The Lithuanian government reluctantly agreed to yield to the Soviet ultimatum. The Red Army began to invade within hours. The next day the Deputy Commissar of Foreign Affairs V. G. Dekanozov, with some Russion functionaries and the Secret Police officials, arrived in Lithuania and pieced together the so-called People's Government. It was one of the first examples of a mode of Soviet behavior which was to repeat itself many times in the next quarter century, dramatized most recently by the 1968 Soviet invasion of Czechoslovakia.

The Soviets immediately began a massive reorganization of Lithuanian political, social, cultural, and religious life exemplified by arrests and dismissal of priests, teachers, administrators, and others. All teaching having to do with the Lithuanian nation was forbidden. Songs, poems, books and prayers were banned. Private property was confiscated, with no compensation. All industries and businesses were nationalized. Farmers were forbidden to improve the land. All were warned that they would soon be living on collective farms. Production dropped and there was a panicky run on consumer goods. The Secret Police were ever present and added new victims to their lists. By their own admission, the Soviets destroyed a valuable democratically-oriented and social system. I quote: "In one year, we have knocked down what it took the Lithuanians 20 years to build," boasted a Communist official in declaring the country's salvation, from what he termed "bourgeoisie decadence."

It is no wonder then, that when the Lithuanians staged a bloody rebellion it cost them twice as many casualties in one week than two years of fighting the wars of independence following World War I. The Soviet return in 1944, disrupted the Lithuanian nation with renewed vengeance. Another reign of terror began as the Soviet secret police issued new massive purges. In the five months between August to December, 1944, 37,000 Lithuanians were deported or liquidated while tens of thousands of refugees streamed westward in search of safety. In subsequent purges, upwards of 600,000 more Lithuanians were deported or liquidated. These purges ran from 1945 until early 1951.

Aside from policies of genocide, one of the greatest signs of the arbitrary oppressive nature of the Soviet rule was the massive national resistance movement which kept Soviet forces on a war-time alert for 2 years after World War II.

The vestiges of the anti-Soviet partisan movements remained until the death of Stalin in 1953. Human bondage, both moral and physical, continues under the Soviet Lithuania today, though it is more subtle than in the previous quarter century. Education in occupied Lithuania is still aimed at Sovietization and Russification.

A decree in 1958 made the Russian language the major tool for teaching various subjects. Similarly, cultural activities of the regime are aimed subtly but consistently at inculcating Russian culture in all Soviet occupied areas.

However, the people have evolved the cultural resistance, just as they had done under the Tsarists. In order to stifle nationalistic tendencies among the Captive Nations of the Soviet Union, the regime imports large segments of the population from Lithuanian cities in hopes of washing out Lithuanian culture. Several years ago the Soviets had been reported summoning 40,000 persons from Asiatic Russia into the major Lithuanian population centers. This program of Russification was a calculated policy of cultural genocide. Forced labor continues, but it is not on the same level as the slave labor of the 40's and the 50's. About 10,000 persons per year are deported to various remote areas of Russia, including Siberia, where they stay for designated amounts of time.

The war against religion continues unabated in Soviet ruled Lithuania, a nation with a long-historical tie with Christianity. Of 1,022 parishes, missions, and other churches, less than one-half are open today. In 1940, there were 37 monastaries in Lithuania. Today, there are none! At the same time, there were 3 rabbinical academies. Now, there are none. Similarly, the Protestant theological academy is no longer in existence. Religious youth associations, having memberships in the hundreds of thousands in the pre-War days, have been banned. In their place, the Soviets have formed the Supreme Council for Atheism, which finances various anti-religious activities under the auspices of the Communist Party. According to Soviet sources, teachers are all required to give periodical anti-religious lectures. Scientists are to concentrate on destroying the value of religion, etc.

Statutes #96 and 97 provide three-year prison terms for any parent taught teaching religion to his children, and children are encouraged to report on their parents.

The other fundamental freedoms of speech, press, assembly, which we take for granted here, are non-existent in Soviet-ruled Lithuania. Lithuania, as the other Captive Nations, has experienced for the past quarter-century the Orwellian world of 1984, which we here in America view with disbelief, for indeed that world is out of tune with the spiritual and intellectual progress man has made in this modern era.

For the aforementioned reasons, including terror, purges, genocide, exploitation, suppression of human rights, and fundamental freedoms, her stifling of our nation's heritage and culture, we accuse the Soviet Union of permitting and continuing an international crime against Lithuania.

The Soviet Union has violated, and continues to violate, the United Nations Charter, the Atlantic Charter, the Convention on Suppression of Crimes and Genocide, and the Universal Declaration of Human Rights. All these documents bear the signature of the Soviet Union. We appeal to the conscience of mankind to perceive the magnitude of the injustices perpetrated upon Lithuania and to support efforts toward the restoration of liberty to Lithuania and the other Captive Nations. Thank you.

Chief Prosecutor Nicholas A. Bucur: I must ask again that the remaining witnesses confine their remarks to five minutes, and that if the remarks are over that period of time, to tender them as an exhibit to the Court. The last testimony was ten minutes. I will ask you to please bear in mind that the other witnesses had consideration for the remaining witnesses.

The next witness is Mr. Richard Jablonski for the Polish group.

Mr. Richard Jablonski (Poland): Honorable judges, representing 35 million Polish people, we submit the following accusations against Communist Russia from September 17, 1939, to the present day.

1. For signing an Aggression Pact with Hitler, and for the invasion of Poland and the stealing of Polish land from the River Bug to the eastern boundary.

2. For sending and deporting 2 million Poles in 1940 and 1941 to all parts of Russia, and especially to Siberia, where the temperatures range to 50 below 0. Making matters more unbearable, this was done in the middle of winter in cattle trains with no food or water. The weaker and hungrier the Poles got, the further the Russians sent them, hoping that death would intervene.

3. For stealing and impounding all materials, equipment, and machinery, private and government property.

4. For hunger, and for issuing the Death Sentence for the smallest infraction and for inhumane treatment of the old and sick.

5. For breaking the agreement of giving amnesty to all political prisoners, in the Autumn of 1941, and in the Spring of 1942, and for refusing to transfer Poles to Iraq and Persia after granting such amnesty.

6. For the brutal murder of 10,000 Officers, professors, doctors, and intellectuals in Katyn Forest. All evidence secured proves to this day that Moscow was responsible for this horrible act.

7. For breaking diplomatic ties with the Polish Government-in-Exile in London and for releasing propaganda against the Polish people and everything they stand for.

8. For the Warsaw Uprising in 1944. As Churchill and the Polish Government in London believed, Stalin deliberately waited until the Polish Home Army had been liquidated. As Stalin said, the Soviet troops had to wait while their defenses were strengthened because the German hold in Warsaw was too strong, but the Poles who survived the Warsaw Uprising in 1944 had no doubt as to Moscow's motives in allowing Nazi planes and tanks to destroy Warsaw. The Vanguard of the Polish Underground Movement supported the Polish Government in exile. Many Poles charge that Stalin wanted this group to be liquidated so that he could replace it with a puppet government.

9. For creating the first Communist Polish Government in Lublin, Poland, and completely ignoring the true government in London. This Lublin Government persecuted the remaining citizens in Poland which was headed by the Polish Communist Boleslav Bierut.

10. For the sell-out to Russia at the historic Conference at Yalta in 1945. On July 5, 1945, Stalin took Poland for himself. Although a diplomatic agreement it was done fictitiously and underhandedly.

11. For the imprisonment after the Yalta Agreement of the Polish Home Army, headed by General Okulicki who in turn was liquidated in Moscow. Many Poles died in Russian prisoner and labor camps.

12. For forcing the present Communist Polish Government, headed by Walter Gomulka, to approve and sanction the Russian invasion of Hungary in 1956 and Czechoslovakia in 1968.

13. Finally, for the constant creation of havoc, misunderstanding and turmoil throughout the world, especially in Viet Nam and Cambodia. We all are aware of the Russian plan which is to dominate and rule the world with Communism.

The United States, as the leader of the Free World, must be on guard and ever on the alert against the cunning tactics of Communist Russia. And as the Poles say all over the world, we must never again permit another Yalta. Thank you.

Chief Prosecutor Nicholas A. Bucur: Thank you Mr. Jablonski. The prosecution at this time calls upon Miss Ljubica Chukovic who will speak on behalf of the enslaved Serbian people in Yugoslavia.

Miss Ljubich Chukovic (Serbia): In the name of the enslaved Serbian people in Yugoslavia I accuse the Soviet Union and International Communism of enslaving the Serbian people by the Red Army in 1944, and imposing the Communist Dictatorship in the person of their puppet Josip Broz Tito, who was appointed by Moscow as Secretary General of the Communist Party of Yugoslavia in 1937.

I accuse, the drunked barbarian immoral conquerors of the Red Army for breaking the Tehran and Yalta Agreements, for committing countless murders of innocent citizens, looting, and raping, children and grandmothers.

I accuse, Yugoslav Communist leaders who were thoroughly indoctrinated, as well as fully acquainted with Soviet interests and the Party line, who had been completely trained in the Soviet Union for the mission which was assigned to them, and for committing innumerable crimes during the revolution until the present time. Thousands and thousands of Serbs of every walk of life and every age have died without trial, their remains are scattered throughout the Serbian land, in the so called "dog graveyards"!

I accuse, Tito's Communist Regime for murdering over 10,000 Serbians in Kocevje in 1945.

I accuse, the Communist conquerors of Yugoslavia for mobilizing over fifty thousand Serbian teenagers who were sent to the "Sremski Front" in 1944, barearmed, without any military training, to be crushed between Hitler's tanks and Soviet "Kacusas".

I accuse, Communist tyrants for eliminating the elite of the Serbian people, their intellectuals, political and national leaders, also the high spiritual leaders of the Serbian Orthodox Church. I accuse them for murdering General Milan Nedic, Metropolitan Joanikeje and Metropolitan Josif, numberless scholars, and especially I accuse them of sadistically murdering my God Father Bishop Varnava, who was born in Gary, Indiana.

I accuse, the Communist dictators for their political murder of General Draza Mihajlovic who was murdered on this day 1946, who was deprived the right of fair trial, deprived of the right of witnesses. Over 600 American fliers whose lives were saved from Germans by Draza's Cetniks were not permitted to testify at the so-called "trial". In expressing the gratefulness for this humane and heroic act toward the American soldiers, President Truman decorated the deceased General Mihajlovic with the highest medal given to a foreigner, The Congressional Medal of Honor.

I accuse, tireless terriorist Josip Broz Tito for active support of the bloody and "peaceful" subversive activities of the Kremlin in South East Asia, the Middle East, Africa, and South America.

I accuse, the blood-thirsty cynical Stalinistic Regime of Josip Broz Tito for the unknown number of murders of Serbian students throughout the universities in the bloody summer of 1968–1969.

At last I accuse the Communist Regime of Josip Broz Tito for torturing and murdering my father and my uncle and terrorizing my mother and other members of my family.

Due to the lack of time, for Communist crimes are immense, let me finish by quoting the Soviet author Arkadije Belikof who turned in his Soviet Writers Association Membership card in August, 1968, and said "I am turning my card in because I consider it unworthy of an honorable man to remain in the organization which with the 'faithfulness of a dog' serves the most cruel, the most inhumane, and the most unmerciful political regime human history has ever known!"

Mr. Frank Stipkala (Slovaks): Honorable judges, we Slovaks, as representatives of the great majority of our people in the city of Cleveland who are anti-communist and desire the liberation of the Slovak nation from communist tyranny and oppression in their historic homeland of Slovakia, go on record in accusing the government regime ruling Czecho-Slovakia the past quarter of a century (1945–1970) of the following crimes perpetrated against the Slovak nation:

1. The imposition of a postwar communist rule by force and violence in violation of every democratic principle of freedom, self-government and self-determination.

2. A rule of terror, imprisonment and death on a nation-wide scale since the end of World War II.

3. Wholesale persecution of the Church by the following official measures:

a. Imprisonment of hundreds of priests, nuns and Religious leaders arbitrarily.

b. Confiscation of Church properties.

c. Confiscation of monastic properties.

d. Suppression of all Religious Orders.

e. Confiscation of hospitals administered by Religious person (nuns).

f. Suppression of all private schools.

g. Disbanding all Religious Orders.

h. Interference with Church administration.

i. Prevention of candidates for admission to Religious life.

4. Economic exploitation of the country by outsiders.

5. Censorship of the news media, namely, the press, radio and television.

6. Censorship of writers, poets and playwrights.

7. Censorship of the mail.

8. Discrimination practiced against native Slovaks in government positions, industry and education.

9. Confiscation of private lands under the guise of "collectivization" accomplished by terror, force and violence.

10. A concerted and consistent anti-American propaganda campaign in compliance with the policy of the Kremlin as a long-range measure and weapon designed to destroy our effectiveness morally, and militarily.

We, therefore, accuse both the Soviet Union and its subservient ally, the government of Czecho-Slovakia, as guilty of the above-mentioned crimes before the bar of international justice and the tribunal of God.

We do not seek revenge . . . only justice . . . we are free American Slovaks who speak for fellow Slovaks who are not free in their own country in which they are victims of a tyrannical government regime imposed upon them against their volition.

United with all other nations suffering unjustly under communist domination and oppression, we dedicate ourselves to the objective we all hold in common, namely, the liberation of all these peoples whose human rights to life, freedom and peaceful existence in God's world have been trampled upon for too many years by a godless regime that respects no law either of God or man.

Chief Prosecutor Nichols A. Bucur: Your honor, we have two more witnesses remaining. At this time the prosecution calls upon Mr. Milan Zajec on behalf of the Slovenians.

Mr. Milan Zajec (Slovenia): Your honor, my name is Milan Zajec, I was born in Slovenia, Yugoslavia. I am now a citizen of the United States and live in Cleveland, Ohio.

During the last war I joined the Slovenian Home Guard Army. This Army of volunteers was organized for the sole purpose of preventing the Communist terrorist from terrorizing the Slovenian population and to prevent the reprisals by the Occupators. This army has never fought outside Slovenian territory and has in the course of the war, rescued many Allied fliers shot down over Slovenian territory. Many of its officers were arrested by the Nazis and sent to concentration camps, after their anti-Nazi activities were discovered.

In the Spring of 1945, the Red Army entered Yugoslavia, contrary to an agreement between the Allies. The Soviets brought with them Communist brigades and the Slovenian Home Army left the country to reach the Western Allies. At camp Viktring, near Klagenfurt, Austria, our Army asked for the protection of the British Army. Instead, we were forcefully repatriated to Yugoslavia and the whole Army, around 15 thousand men was massacred by the Communists within three weeks.

I too was brought to the place of massacre, but the bullet missed me and I fell in the mass grave alive. For five days I watched as hundreds upon hundreds of my friends and comrades fell dead and wounded into the grave. Finally I was lucky enough to escape and later reached safety in Italy.

I should stress that at no time during our captivity, was any of us given any kind of a trial or a chance for defense.

I, therefore, accuse the Yugoslav and Slovenian Communist Party as well as the Soviet Communist Party, of the greatest, most horrible mass murder in Slovenian history.

To support my accusation I respectfully submit for the record of this Court, copies of the White paper, written in English, describing the circumstances of the above mentioned crime, and a copy of *Bela knjiga,* a Slovenian language book, which contains the names of about a half of all the victims of the Communist revolution in Slovenia as well as the names of about six thousand members of Slovenian Home Guards, who were returned to Yugoslavia by the British and massacred by the Communists.

I beg this Court to do all in its power that the full magnitude of this crime against Slovenian people be made known to the American and world public.

Chief Prosecutor Nicholas A. Bucur: And now our last witness on behalf of the Ukrainian people, Mr. Bohdan Futey.

Mr. Bohdan Futney (Ukraine): Your honors, ladies and gentlemen of the jury, we accuse the Russian Communist Party and equally the Russian Communist Government of the following crimes against the Ukrainian people:

Armed aggression

Armed aggression against the Ukrainian National Republic, an independent and sovereign state, in 1918.

Political subjugation and persecution

A. The invasion and occupation of the Ukrainian National Republic by Russian Communist forces in 1918–20 in full violation of international treaties and solemn agreements as follows:

Treaties of Brest Litovsk (Feb. 9, 1918) and (March 3, 1918).

De facto recognition of Ukraine by France and Britain.

De jure recognition of the Ukrainian National Republic by the Russian Soviet Government, Dec. 17, 1917.

B. The invasion and occupation of Ukraine in the Second World War in 1939–1945.

C. The imposition by force of arms of a puppet Communist Government upon people of Ukraine.

D. The destruction of democratic political and social forces in Ukraine by forcibly imposing an alien, totalitarian, one party system. The Communist party became the only legal party in the new political structure and non-members of the Communist party reduced to second-class citizens.

Religious persecution

A. The destruction of the Ukrainian Autocephalous Orthodox and the Ukrainian Catholic Churches.

B. The deaths, through brutality, imprisonment or execution, of the Ukrainian Catholic and Orthodox hierarchy and clergy.

C. The closing of substantially all churches in Ukraine.

D. The closing of all Ukrainian Seminaries and religious institutions, schools, and publications.

E. Stripping of Ukrainian Churches of their religious and art treasures.

F. The destruction of many ancient and historical church buildings in Ukraine.

G. The persecution of other Ukrainian Christian denominations, Ukrainian Jews and adherents of the Islamic faith; the closing of their houses of prayer; and arrest of their religious leaders.

H. The creation of militant atheist institutions for waging a relentless war against all religions in Ukraine.

Genocide

A. Creating a famine in 1932–33 to subdue the entire Ukrainian nation and to force collectivization on the Ukrainian farmers resulting in the deaths by starvation of some seven million Ukrainians.

B. The executions of hundreds of thousands of Ukrainians for political dissent by the State Security Police (Cheka, GPU, NKVD, NVS, & KGB.)

C. The deportation of millions of Ukrainians to Asia (Khrushchev stated at the XXth Communist Party Congress in 1956 that Stalin wanted to "deport all Ukrainians").

D. The murder of 12,000 Ukrainians in Vinnytsia by NKVD between 1937 and 1939, whose mass graves were discovered in 1942.

E. Executions, imprisonment and the deportation of members of the Union for the Liberation of Ukraine (SVU), the Association of Ukrainian Youth (SUM), and Ukrainian Military Organization (UVO), the Organization of Ukrainian Nationalists (OUN) and the Ukrainian Insurgent Army (UPA).

Political murders

Murders of Ukrainian leaders by the Soviet Security Police operating in the free countries:

A. Simon Petlura, head of the Ukrainian government-in-exile, assassinated on May 25, 1926 in Paris, France.

B. Col. Eugen Konovalets, head of the OUN, assassinated on May 23, 1938, in Rotterdam, Holland.

C. Dr. Lev R. Rebet, a Ukrainian nationalist writer, assassinated on October 12, 1957, in Munich, Germany.

D. Stephan Bandera, head of the revolutionary OUN, assassinated on October 15, 1959, in Munich, Germany.

Cultural persecution and Russification

A. The waging of a relentless war against Ukrainian cultural and social institutions, and progressively limiting the number of Ukrainian language publications.

B. The down-grading of the Ukrainian language. The imposing of the Russian language upon Ukrainian schools, institutions and administration in Ukraine.

C. Denial of the enjoyment of Ukrainian cultural life to eight million Ukrainians residing in the Russian Soviet Federal Socialist Republic and other parts of the USSR by prohibiting Ukrainian schools, Ukrainian language publications and the development of Ukrainian institutions.

D. Conducting a population policy detrimental to the Ukrainians.

E. Conducting purges against Ukrainian intellectuals resulting in the death of thousands of Ukrainian scientists, writers, poets and educators.

F. The deliberate destruction of Ukrainian historical documents and records; archival treasures; and historical and ancient monuments.

Economic exploitation

A. The economic exploitation of Labor and National resources of Ukraine by the Russian Communist Government and the Russian Communist Party.

B. The Destruction of a traditional free farming system in Ukraine and imposing collectivization against the will and welfare of the Ukrainian people.

C. Taking indiscriminately from Ukraine all industrial and agricultural output with little or no return.

Secret trials 1965–70

For conducting illegal secret trials (1965–70) at which hundreds of Ukrainian intellectuals (writers, scientists, and educators) were sentenced to imprisonment or deported to slave labor camps.

Your honor, ladies and gentlemen of the jury, this is the evidence I ask for your help so that we once again may restore freedom of an individual and freedom of Ukraine. Thank you.

Chief Prosecutor Nicholas A. Bucur: Thank you Mr. Futey.

Distinguished judges, ladies and gentlemen, members of the Nationalities Movement, friends, people of the world who serve as the jury!

It has been my duty to serve as Chief Prosecutor at this forum, having been assigned this task by the American Nationalities Movement of Cleveland; and they have chosen to commemorate Captive Nations Week in this particular way, by having this World Forum for Captive Nations.

It was originally created—Captive Nations Week—by an Act of Congress on July 17, 1959, as was told to you by our Chief Judge, the Honorable Ralph Perk.

My first comment in the course of exercising my prerogative as a Prosecutor is to say to you that I am extremely grateful that men so distinguished in their vocations and their professions, genuine Judges, professors, laymen, lawyers, heads of unions, heads of newspapers, have been gracious enough to serve on our panel of judges, and that they have taken of their invaluable time to listen to the parade of witnesses who approached that microphone.

I'm grateful to the very brave witnesses who testified, because many of them have relatives in the nations of which they spoke. I'm grateful to Mr. Jack Dudek for having served as our bailiff.

And also I'm grateful to you ladies and gentlemen who came here tonight to participate in this World Forum. It isn't easy to sit and listen to a long parade of people saying many of the same things. I can't say that it gets boring, because no recital of terror, of murder, of atrocity, can ever become boring. If any of you are ever privileged to truly sit in a real trial, you will observe that it takes sometimes days merely to select a jury; it takes days sometimes just to hear one witness who is exposed to direct examination and cross examination; and you have had the privilege this evening of hearing in capsule form the life history of nations, in an hour and a half! And so you have not made a great sacrifice by coming. You have paid tribute with your presence to the courage of oppressed people who are still in the Captive Nations.

I just wonder where are the many others who could have graced this audience with their presence tonight to give further moral support to this cause, because the cause is meritorious and solemn. There are still many, many millions of people who cannot enjoy the prerogative of coming to a meeting of this kind and sitting and listening to a recital of atrocities by a government. You have seen a total of 16 witnesses, from the nations whose names I read to you as we progressed.

The obligation of a prosecutor is to review the evidence that he has presented and interpret it for the jury from his point of view. You may not agree with me, as you listen to my recital—my interpretation. You may say in your own minds that I am wrong. That is your prerogative. That is the prerogative of any jury; but it has been my function to present the witnesses who will by their testimony prove—establish by burden of proof— beyond a reasonable doubt that the accused is guilty of the charges brought against him.

That is the burden of proof in the usual criminal trial: beyond a reasonable doubt. Now whether that has been done in this case, for there's been no opportunity for the Soviet Union to cross examine (although they were *given* the opportunity to appear at this tribunal and given due notice)—it's for you to decide. When I say you, I mean not only the people sitting in this audience but the people of this land and people of this world who serve as a jury through their public opinion; because these proceedings are directed to the world that the world may know and record what we have said here!

And so—the jury—the world—will decide in its good discretion, for itself and for posterity—for history—the truth of our allegations.

In the usual criminal proceedings, there are a number of elements that have to be established; and they're talked about in a normal trial: the nature of the accusation; the nature of the offense; the defendant himself; motives; the victim or victims; injury; damage; possibility; punishment; defenses such as ignorance or mistake; lack of information; lack of capacity; alibi; rehabilitation; but above all in criminal cases, there's an interesting doctrine which is known as the Doctrine of Similar Acts, and I shall call upon you to recall that Doctrine by analogy in these proceedings, Your Honors, because if there is one thing that has stood out from the parade of witnesses before you this evening, it has been the steady pattern of brutality, of coercion, of murder, of confiscation, of deportation, of genocide, from each and every witness! Which means that we can invoke the Doctrine of Similar Acts and can say that since this pattern has occurred in all of these cases, then certainly intention, design, and plan can be demonstrated without doubt.

Therefore, it is my view, gentlemen of the panel, that we have clearly established the guilt of the Soviet Union from *direct testimony,* some of which was adduced by witnesses who spoke of their *own* particular grief and sorrow; and also by reason of *Similar Acts.*

Now we are faced with a dilemma. This World Court does not have jurisdiction over the sovereign nation of the Soviet Union. We can't even get the Ambassador to come here because we don't have the power to *compel* him to come. We don't have jurisdiction over the Kremlin Masters; and while a number of different actions may be taken, in certain world courts between sovereign nations, which mutually *consent* to submit to the jurisdiction of that particular international court, we have yet to see International Law evolve to the point where private individuals may, on their own, file petitions and bring in a sovereign nation on a petition to respond to charges. And so jurisdiction is nonexistent here, legally speaking. But we can do this. We can examine the issues; we can judge the issues; and we can submit them to the world for further action. And that is to apprise the world of the real, historical conduct of the Soviet Union in the past in order that we may better cope with the world tensions of the present.

May I say to you that no later than this have we noted with grave concern the problem of rising tensions in the Middle East of which President Nixon said in an interview with three network executives—newsmen—that the Middle East is now "terribly dangerous." It is like the Balkan area, wherein some nations are now Captive Nations a tinder-box before World War I. In the Middle East, two super powers, the United States and the Soviet Union, can be drawn into a confrontation that neither wants because of differences and conflict between much smaller powers.

And so it is our purpose here to remind ourselves and the world of the true nature of the defendant . . . the accused Soviet Union which, while it purports to support the United Nations Charter is guilty of hypocrisy in not carrying out the directives of that Charter in its historical conduct.

Our goal then is to search for truth. To strengthen ourselves for this task we unite here. We search for truth not on the basis of emotion, not on the basis of name-calling or condemnation, but objectively and dispassionately.

It would be easy to resort to name-calling, but this is not the purpose of the sponsors of this event. It is our purpose to seek—based on what you have heard here—a constructive and meaningful approach to the solution of our world problems; to seek the ways in which the Captive Nations can be free and that all people anywhere in the world may be free.

And so the question of the Captive Nations is not passe; it is not a moot point decided once and forever—done and forgotten—it is still a thorn in the side of justice!

So, people of the world, ladies and gentlemen of the jury, we cannot forget—we cannot forget the Captive Nations. We are *here to* speak for souls who cannot speak for themselves. The silent victims of tyranny, terror, oppression, still under the shackles of barbarism, cannot give voice to their agony. We are here resolved to speak for them; and that is what we are doing here and now. Let history record that on July the 17th, 1970, there was a panel of judges composed of distinguished men who sat and listened to a recital of accusations against the Soviet Union . . . that we met here—in this place—with these people for that sacred task, and let them take note of what we have said here.

The "prosecution" has the burden of proof. We believe that we have presented sufficient evidence to convince reasonable minds beyond a reasonable doubt. We have no guidelines of International Law to guide us. We could only offer you testimony in the flesh, the living proof of our witnesses.

We have a second dilemma; and that is, the dilemma of the Nuremberg Principle. Is it that the might creates right? Do the conquerors decide the guidelines for the war criminals? Are losers perforce war criminals? If we should wait until some holocaust has occurred before we record our opinion for the world, then we would be guilty of contributing to the notion that only the conquerors decide the issues; and so we have "tried" the Soviet Union here today on moral grounds, for crimes committed against humanity. We serve as a tribunal for lack of a better one, a real one and hopefully, a future one.

The day of the small nation has not passed; and the day of the empire has not come again. Are men such wretched creatures that only men like Tamerlane, Genghis Khan, Napoleon, Hitler and Stalin, shall triumph and be noted in history? Tamerlane who allegedly built a mountain of the skulls of his conquered foes in front of a city as a warning that no one may trespass there. Hitler, who murdered millions of Jews in the most horrendous and massive fashion—in the most terrible campaign of genocide in history, and Stalin, who cynically murdered millions more to seize and keep power. Are these the men who shall be recorded in history? These subjugators and brutal oppressors? Can the meek inherit the earth from such as these? Is there hope?

I remind you of the Charter of the United Nations, which says: "We the peoples of the United Nations determine to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and to reaffirm faith in fundamental human rights in the dignity and worth of the human person, and the equal right of men and women, and of nations, large and small. . . ." We are told by the founders of the United Nations that there is hope. That every human being has the right to pursue happiness; to earn his piece of bread; to enjoy the fruits of his labors, to live in a beautiful and peaceful world, and to be free. Many nations signed this noble document, including the Soviet Union!

What kind of hypocrisy is this? How can we deal with this defendant now that we've proved our case? How can the Kremlin Masters pretend to support principles of this kind and yet mount a campaign of tyranny against the Captive Nations? Against a captive people within its borders, Russian Jews?

I'm here, therefore, not only to review the evidence for you, but to suggest what should be done. As chief prosecutor, I respectfully urge you, honored judges, ladies and gentlemen of the jury, people of the world, to join in a crusade of world public opinion. We live in an astounding age. We live in an age when men have reached the moon. I appeal to your reason and good will. We live in an age when information is communicated by satellite, through television, instantaneously around the entire globe; when men and women everyday are becoming more and more enlightened—more and more self-determining. It's a question of time until all the peoples of the world can unite and with enlightenment and good will sufficiently influence their leaders—in the Soviet Union, here, everywhere—to desist from tyranny and war. Live and let live, is our cry!

Let the human spirit rise with your voices on this Blessed Oasis in space. Let not guns and bombs be substitutes for words. Let people everywhere awaken to the fact that they can change a world by using their public opinion. Let us take the path of peace, the alternative path in lieu of war for mutual recognition of mutual rights. Make our voices heard in Russia, here, in the neutral nations, everywhere; because I remind you that the men of the Kremlin are only *men*. They were born, and they *die* like any other man! It's what they do during their lifetime that men should be concerned with. They cannot ignore united world public opinion.

And so we have surely established the pattern of tyranny, imperialism, oppression and conquest. Why? Because we must know with whom we deal. Can we now believe the Soviet Union? Is the Soviet Union of the 1920's the same as the Soviet Union of today? The Soviet Union which invaded Hungary in 1956, Czecho-Slovakia in 1968, now, in July, 1970 appears ready to invade Romania? Let me digress a moment because Romania should be one of the nations to be discussed here today; but I could not take off my hat as prosecutor and walk over to the other side to serve as a witness. But I say to you that Romania today struggles to gain independence in the face of titanic odds. Some of her people have been deported to Siberia by Soviet invaders. Her resources have been looted. Though under Communist rule she seeks independence from the shackles of the Russian masters, in spite of tremendous pressure and coercive tactics. But I cannot reiterate all of the points as to each Captive Nation. You have heard them all. You will decide the issue of guilt. Having done so, enlist others to help. Let world opinion make its effect known. Let world opinion eliminate genocide. Let *world opinion* fulfill man's greatest realization of his dreams. I call upon you in the name of mankind, in the name of human compassion, in the name of survival, to declare your verdict!

Speak out, people everywhere! Join our voices in one great unified irresistible human cry which no tyranny can stifle for long. Let our voices influence our leaders so that in this world we may have no more wars, no more genocide, no more Captive Nations! Let there be freedom, justice, and peace for the Captive Nations. Freedom, justice, peace for all peoples in Russia, the Soviet Union, Europe, Asia, Africa, and here in the United States for people everywhere—freedom, justice and peace for everyone! Freedom! Freedom! Freedom!

Your honors, the prosecution rests.

Honorable Ralph Perk: On the basis of the testimony given here today, the prosecutors appeal to this panel of judges to take action. The judges have listened attentively and have formulated the following course of action.

#1. That this case be certified by this court to the United Nations and further that it be given over to the jury, which is world public opinion, for its final verdict to be recorded in history.

#2. That these proceedings be bound in a complete written record, to be prepared in book form. This publication to be made available to scholars, librarians, institutions of learning, and such parties as are interested in these matters.

#3. That an appropriate resolution be prepared and sent to the Secretary General of the United Nations, and to all persons who are interested in these proceedings. On behalf of the judges, the prosecutors, the accusers and all participants in these proceedings, the court now turns this matter over to the jury, which is world public opinion, for further deliberation and for such action as the people of the world in their good sense, in their spirit of human compassion, and in the need for survival, to decide and implement a positive and constructive action.

The court requests the following clergymen to read ecumenical prayers for world peace.

Reverend Gaide, pastor of the United Latvian Lutheran Church in Cleveland; the Very Reverend Branko Kusonjich, pastor of St. Sava Serbia Orthodox Church, and Canon Leo Telsh-Catholic Chaplain of Polish Veterans.

After the prayers, the bailiff will conclude the proceedings; so please wait for his final instruction.

We are grateful for your attendance, participation, cooperation throughout this World Forum for Captive Nations, which has not at this point come to an end; but is merely a reminder that we may now go about the business of building a better world. I call upon the reverend clergy without further introduction.

Reverend Gaide: Let us pray. Heavenly Father, Creator of all. We turn to Thee in this hour of need, as we do so often, knowing that our counsel and our strength are as nothing unless we receive Thy grace and blessings. We turn to Thee, as we remember the deadful waves of violence against free countries and millions of innocent people. We turn to Thee as we remember our brothers and our sisters, friends, and children, the ones who were taken from their homes, and their loved ones, and deported to mass slavery and mass graves in a far and unkind land. The captivity of our brothers, their sufferings and their death, then as even now, remind us again and again to ask that freedom be restored to those nations and people to whom it rightfully belongs. We turn to Thee, O Lord, to thank for the freedom we all enjoy here in this land; protect this country and its people; bless this government, by the people, for the people, of the people. Teach us to comprehend and accept Thy grace, which descends each new day upon us. Make us more mindful of *all* of the blessings we receive. Bless all those who fight for its just peace and freedom in the world. Help us to do more than to feel pity for the oppressed. Help us to keep faith for ourselves and to help others to keep it. Faith in Thee. Faith in human dignity. Faith in freedom and justice for all. Help us form the hearts of men everywhere that they exalt peace above war, service above gain, and righteousness above glory. Help us always to witness in word and deed. Help us to be witnesses of freedom, justice and peace—here and forever, Thy will be done. Amen.

Reverend Kusonjich: In the name of the Father, and the Son and Holy Spirit, Amen. O Lord, Almighty God our Father, demand Thy faith from us who are assembled here, far from the lands of Aurelian war, and successors, and who call upon Thee with all our hearts, incline Thine ear and hear our prayers. Remember, O Lord, all the territories of these lands, on which Thou hast poured forth abundant benefits, and grant them progress in all virtues. And remember, O Lord, all Thy faithful believers. Thank them and enable them to rule out and extinguish every impiety whose valour won and speedily destroyed freedom.

Remember, O Lord, our brothers and sisters enslaved in all the lands who are sentenced to hard labor in concentration camps. Protect them and strengthen them—who continue their Faith in Thee till death; but remember, O Lord, our brethren. They are to be remembered, particularly those martyrs who laid down their lives in defense of the Faith and who lie asleep in unmarked graves and repose in Thy kingdom. Remember, O Lord, the youth in slave camps. Send down into their hearts, their minds, and their lips, the spirit of wisdom, of understanding, of piety and reverence for truth, that they may become instructed in the Divine Law; and we pray that the people of the United States of America be strengthened in unity, to preserve the enlightened principles on which this country was founded. And that these nations shall continue to lead people everywhere to freedom from oppression, enslavement, and even aggression. Hear us, Oh God, the Hope of all ordained together, and show mercy upon us, sinners, and be merciful unto us. We ask this, Oh God, in the Name of your Son, Jesus Christ. Amen. (repeat "in the Name of your Son, Jesus Christ" in whatever language that you wish to use.)

Canon Leo Telsh: My prayers are taken from the liturgical book of the Catholic Church, and I need your participation. Kindly, if you don't mind, participate with its prayers since the ethnic powers have no means to solve the problems and bring your help to the Captive Nations.

Ask God Almighty to bring us all together, children of God, and bring peace condescending on all nations. In the Name of the Father and of the Son and the Holy Spirit, Amen. The grace of our Lord Jesus Christ and the love of God and the fellowship of the Holy Spirit be with you all. I am the Resurrection and the Life. He who believes in Me, even if he dies, shall live; and whoever lives and believes in Me, shall never die. God our Almighty Father raised his Son, Jesus Christ, from the dead. Let us ask Him with confidence to save His people, both living and dead. We ask this in faith. My brothers and sisters, let us join together in prayers to God for all the victims of persecution, also for the Silent Church in the Captive Nations, for the peace of the world, and for our own salvation. Let us pray to the Lord. Lord hear our prayer. That all the deceased, killed and murdered, who receive the promise of eternal life at Baptism, may have everlasting fellowship with the saints, let us pray to the Lord. (—response: Lord, hear our prayer.)

That all our brothers and sisters who died under the yoke of persecution and who were fed with bread of eternal life—the Body of Christ—may be raised to life on the last day, let us pray to the Lord. (—response: Lord, hear our prayer.) That God may welcome into the light of His presence all who died in prison with the hope in the resurrection, let us pray to the Lord. (—response: Lord, hear our prayer.) For all who suffer persecution, the love and pain of separation, that God console their hearts, and alleviate their misery, let us pray to the Lord. (—response: Lord, hear our prayer.) For those who died of violence and war, our Light of Love care that they forgive and we accept forgiveness with a contrite heart, let us pray to the Lord (—response: Lord, hear our prayer.) For the pastors of the Silent Church throughout the world, especially in Captive Nations, that their preaching may be reinforced by the example of their heroic life, let us pray to the Lord. (—response: Lord, hear our prayer.) For all who serve us in public office, that they may work for justice and the peace, let us pray to the Lord. (—response: Lord, hear our prayer.) For all who suffer pain in mind or of body, that they may *never* feel that God has abandoned them, let us pray to the Lord. (—response: Lord, hear our prayer.) For all of us gathered here in faith and unity that we may feel a share with every man the warmth and radiance of a true commitment and someday be gathered into the Lord's kingdom, let us pray to the Lord. (response: Lord, hear our prayer.) Let us pray with confidence in the Father in the words Our Savior gave us:

Our Father, who art in Heaven, hallowed be Thy name. Thy kingdom come. Thy will be done on earth as it is in heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us and lead us not into temptation, but deliver us from evil. Deliver us Lord from every evil, and grant us peace in our day. In your mercy, keep us free from sin and protect us from all anxieties as we wait in joyful hope for the coming of our Saviour Jesus Christ, for the kingdom, the power, the glory are yours now and forever. Amen.

The peace of the Lord be with you always. May Almighty God bless you—the Father and the Son and the Holy Spirit. Amen.

Bailiff Jack Dudek: Hear ye! Hear ye! Hear ye! This extraordinary session of the World Forum for Captive Nations, held and convened this 17th day of July, nineteen hundred and seventy, at St. John's College Auditorium in Cleveland, Ohio, is now in adjournment. God speed to all of you who have been here this day and to all who were not. Whoever you are, wherever you are, may you live as long as you want and never want as long as you live. God bless you.

APPENDIX

The Nationalities Movement of Greater Cleveland protest against the Lenin Centennial Resolution in the United Nations

On Thursday, April 21, 1970, a plenary session of the Nationalities Movement of Greater Cleveland was held with over 200 representatives of the 22 nationalities present. At this session the Resolution prepared by Dr. Michael S. Pap, Professor of History and Director of the Institute for Soviet and East European Studies was unanimously adopted. This Resolution was sent to the President of the United States, Richard Nixon; The Secretary General of the United Nations, U Thant; The American delegation in the United Nations; and the Ohio Senators and Congressmen. The Resolution is as follows:

The Representatives of the American Nationalities Movement of Greater Cleveland (Albanian, Bulgarian, Byelorussian, Croatian, Cuban, Czech, Estonian, German, Hungarian, Irish, Italian, Latvian, Lithuanian, Polish, Puerto Rican, Rumanian, Russian, Russin, Serbian, Slovak, Slovenian, Ukrainian) assembled on this 21st day of April 1970, the Eve of Lenin's Centenary (He was born on April 22, 1870, in Simbrsk) protest vehemently against the Resolution adopted by the United Nations Human Rights Commission at the 25th Session in March, 1969, which approved arrangements for a "Centenary of Lenin and notes the historical influence of his *humanistic ideas* and activity on the development and realization of economic, social and cultural rights."

We applaud the United States Delegation for voting against this resolution which makes a mockery of Human Rights. We are at a loss to understand the logic of the resolution passed by the United Nations Human Rights Commission for the following reasons:

1.) Lenin established in November, 1917, the most antihuman regime in Russia, using systematic terror against anyone who dared to challenge the Bolsheviks' right to impose their will on the majority of the nations of the former Russian Empire.

2.) Lenin brutally suppressed the Constituent Assembly, the only Legislative Body in Russian history elected by free, secret ballot, after only one day in session in January, 1918 (the Bolsheviks controlled only 24% of delegates).

3.) Silenced the growing opposition to his terror system by suppressing the non-Bolshevik newspapers, books and other media of information and communication. It was the "humanist" Lenin who coined the phrase: "When in doubt, liquidate."

4.) Ordered the Red Army to invade, terrorize and silence the neighboring countries, which proclaimed their independent and democratic states after the downfall of Russian Empire, known as the Prison House of Nations. With complete disregard of the Right of Nations to Self-Determination, loudly proclaimed by Lenin before the revolution, he ordered the Russian occupation of Byelorussia, Ukraine, Armenia, Azerbaidjan, Georgia, Cossackia, and Turkestan.

5.) In the name of Lenin and Leninism, Stalin extended the Soviet Slave Empire after World II by imposing brutal communist dictatorship over formerly independent states of Estonia, Latvia, Lithuania, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, East Germany, Yugoslavia, and aided communist takeover in China, North Korea and North Viet Nam; while Nikita Khrushchev, in the name of Leninism, aided Communist takeover in Cuba.

6.) It was the "humanist" Lenin who initiated the greatest hate campaign in history of mankind against liberty and democracy and divided the world into two belligerent camps—Capitalism and Socialism—and promised a bitter struggle until the Communist victory would be achieved.

7.) It was the "humanist" Lenin who made a mockery of the elementary human rights such as freedom of speech, assembly, worship, ordering his Secret Police to silence individuals and nations demanding this right.

8.) In the name of Lenin and Leninism, Stalin murdered over 20 million non-Russians and held more than 10% of the population in the dreadful concentration camps; his successors, Khrushchev and Brezhnev, insist on the validity of Leninism by silencing intellectual opposition.

9.) In Lenin's name, the Communist Parties the world over are busy undermining peace; waging guerrilla warfare; creating anarchy, lawlessness; engaging in assassinations, wholesale murders; and plotting the overthrow of the non-Communist political systems.

For these and many more reasons, we protest the United Nations resolution which makes a mockery of Human Rights for the protection of which United Nations was organized.

CAPTIVE NATIONS WEEK

The American Nationalities Movement of Greater Cleveland held a World Forum for Captive Nations on July 17, 1970, at St. John's College Auditorium, Cathedral Square, East 12th and Superior Avenue, at seven thirty in the evening.

Accusations against communist oppression of Captive Nations were presented by "accusors" on behalf of each oppressed nation.

A panel of judges presided over this World Forum representing various areas of public opinion: labor, business, science, art, politics, education and minorities.

Among the judges were: Appeals Court Judge John M. Manos, Common Pleas Judge Alvin I. Krenzler, Common Pleas Judge Perry B. Jackson, Cleveland Municipal Court Judge Norman Fuerst, Professor Michael S. Pap, Institute for Soviet Studies, John Carroll University, Professor Howard Oleck, Cleveland Marshall Law School of Cleveland State University, Mr. James Iafelice, District President of the International Association of Machinists (AFL-CIO), Attorney William Petro, Sr. and Honorable Ralph J. Perk, founder and chairman of the Movement, who acted as Chief Judge.

The chief purpose of the World Forum was to commemorate Captive Nations Week and to remind ourselves and the entire free world of the real historical conduct of the Soviet Union, marked by genocide, brutality and tyranny. The World Forum ended with ecumenical prayers for all victims of communist persecution and for world peace and freedom for all nations.

Some 500 persons were in attendance.

AGNEW'S BLACK LEADERS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. CLAY. Mr. Speaker, Mr. William Raspberry has written a most perceptive article in the Washington Post which I want to share with my colleagues. Mr. Raspberry's column entitled, "Agnew's Black Leaders" points up the fact which many people have missed; namely, "The Vice President's quarrel is not with black leaders as such; it is with those who have 'arrogated unto themselves' the role of black leadership."

AGNEW's problem, as Raspberry indicates, is that we as black leaders have not climbed the ladder which white America has set up—and the Vice President resents the fact that we have made it to the top through this so-called self-arrogation. For if we followed those rules which AGNEW favors we would undoubtedly still be at the bottom rung.

Raspberry states that AGNEW does not like this new black trend and the roots of his dislike stem from his experience as Governor of Maryland—at that time he ordered black leaders in Baltimore to end the civil disturbances which confronted that city and get the blacks back into line. "The black leaders ignored him—walked out on him, in fact, and he has been understandably unforgiving ever since."

Well, we do not intend to follow those old procedures which blacks once had to follow to get to the top. We have made it to the top with the support of the blacks in this country and we will always keep their interests at heart. If that means "complaining and carping," we will do just that. This administration, with the help of our illustrious Vice President, has demonstrated over and over that its concerns do not lie with black America. If Mr. AGNEW cannot stand the heat of our "querulous complaints and constant recriminations" he can always get out of the kitchen.

The article follows:

AGNEW'S BLACK LEADERS

(By William Raspberry)

Spiro T. Agnew is a subtle man, and it is no surprise that so many people have misinterpreted his recent criticism of "those in the United States who have arrogated unto themselves the position of black leaders."

The Vice President's quarrel—and this is the point most people missed—is not with black leaders as such; it is with those who have "arrogated unto themselves" the role of black leadership.

The acceptable way of becoming a black leader is not through self-arrogation but through ordination. No black man can lay just claim to the title "black leader" until he has gone through the proper ritual and been appointed by white folk. (The ritual, you may recall, entails a certain amount of shuffling, head-scratching and Tomming.)

The whole procedure used to be common knowledge. It didn't matter whether you were preacher, principal or supreme exalted potentate of the local lodge, you weren't a black leader until white people said so—or more specifically, until white reporters came to ask you what black folk were thinking about the latest racial controversy.

But this protocol, like so many ancient virtues, has been abandoned by the young and headstrong. Black people no longer are waiting for white ordination but are "arrogating unto themselves" the right to decide who their leaders shall be.

Mr. Agnew, who remembers the old way, doesn't like the trend. I'm not even sure he was aware of the trend until the spring of 1968 when, as governor of Maryland, he ordered Baltimore's black leaders to do something to halt civil disturbances and otherwise keep black folk in line. The black leaders ignored him—walked out on him, in fact—and he has been understandably unforgiving ever since.

Nor is that all that's bothering him. He might have been able to make the necessary adjustments, one supposes, except for another breach of protocol.

Black leaders not only are refusing to be selected by white people, but they also, Mr. Agnew observed, "spend their time in querulous complaint and constant recrimination against the rest of society."

It might as well be said right now: The Vice President was right.

Show me a black leader in the United States and I'll show you a "querulous" complainer. Mr. Agnew, being a gentleman, didn't name names, but you know who he's talking about.

Take the congressional Black Caucus, those people who have "arrogated unto themselves the position of black leaders" in spite of the fact that they were mostly elected by black, not white, people.

They engaged in "carping and complaining," to use the Vice President's words, because they sought, and were refused for 14 months, an audience with the President.

Roy Wilkins and other officers of the NAACP have been "carping and complaining" because they believe the administration is more concerned with politics than with the rights and dignity of black people.

Elijah Muhammad and the Black Muslims have been, well, querulous, because their cattle herds have been poisoned in Alabama, proving that white people won't leave you alone even when being left alone is all you want.

George Wiley of the National Welfare Rights Organization has been particularly querulous in his insistence that the country can afford to make a reasonably adequate income a matter of right.

Bayard Rustin was in town just the other day to complain, querulously and very eloquently, that the administration is inadequately committed to ending racial discrimination in housing opportunity.

And so it goes. About the only black leader who isn't behaving querulously, who in fact spends a lot of time praising the Nixon-Agnew administration, is Clay Claiborne, head of the Black Silent Majority Committee.

Since the seed money for Claiborne's organization was put up by the National Republican Congressional Committee (which is to say, white people) it appears he has taken the traditional route to black leadership.

It still isn't clear who his followers are.

A CLARIFICATION

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. VAN DEERLIN. Mr. Speaker, last month, I caused to be published in the RECORD an account of some shortcomings in the new Amtrak railroad passenger service that had been prepared by an old and cherished friend, Oliver H. Williamson, of Del Mar, Calif.

Mr. Williamson described the adventures and misadventures experienced by his wife and himself on a recent rail roundtrip from Del Mar to San Jose. In wry detail, he told of locked depots, overcrowding, hit-or-miss eating arrangements and other circumstances to test the resolve of even the most determined passenger.

In response to my RECORD entry, I have received a detailed letter from the California Railroad Association, expanding on some of the points made by Mr. Williamson, taking issues with others.

Since I do not feel the RECORD can be complete in this matter without the views of the California Railroad Association, I am including at this point their letter of July 2 to me:

CALIFORNIA RAILROAD ASSOCIATION,
Sacramento, Calif., July 2, 1971.

Hon. LIONEL VAN DEERLIN,
Congressman, 37th California District,
Cannon House Office Building,
Washington, D.C.

DEAR MR. VAN DEERLIN: Reference is made to your comments appearing in the Congressional Record of June 7, 1971. A portion of your statement is devoted to the reproduction of a letter from Mr. Oliver H. Williamson recounting the experiences and frustrations encountered during his trip from Del Mar, California to San Jose, California and return on the new Amtrak system.

It is not my purpose to answer the allegations made by Mr. Williamson nor to belabor the points he has raised, as I am sure Mr. Williamson is most sincere in relating his feelings toward the incidents he has reported. I would appreciate, however, setting forth the problems to be encountered had Southern Pacific acted in accordance with Mr. Williamson's recommendations regarding the movement at San Jose on May 30, 1971.

In his statement Mr. Williamson states as follows:

". . . Back to San Jose Sunday morning. In the absence of posted signs, we asked at the ticket counter where we should go to get aboard the Amtrak train. Track 5 was the answer—down a ramp, through a subway. Okay.

"By the time the train was due to arrive there were about 30 passengers with approximately 120 pieces of luggage lined up aside track 5. Two-thirds of these were children under 12 and women over 50. Track 5 seemed the proper one to come in on, as all other tracks in the yard were filled with San Jose-Sunday. But when the train came, the operator in the tower threw the switch to bring it in on track 1, where it could not possibly get through.

"I thought it would be a simple matter to back the train 500 feet, call the tower and get the proper switch. But no, Southern Pacific had a different idea. Send for a yard switcher to remove the commuter cars ahead . . ."

Mr. Williamson continues to relate that the passengers were required to handle their own baggage through the subway back to Track 1 to board the train.

The situation to which Mr. Williamson refers arose because an inexperienced interlocking operator erroneously lined Train 98 down the wrong track, and the Western Seniority District engine crew, which operated on the train out of Oakland, was not aware of being lined down the wrong track. The crew was not familiar with the trackage, since, under AMTRAK, the train operation was new; during Southern Pacific operation, the train originated at San Francisco and was handled by a Coast Seniority District engine crew through San Jose.

However, under the applicable provisions of the agreements between this company and the organizations representing engineers, conductors, firemen and brakemen, as interpreted by decisions of various tribunals, once a road crew has yarded its train on a yard receiving track, it is a contract violation to thereafter require it to perform any service in connection with that train, based on the conclusion that it constitutes the performance of yard service. Therefore, once train No. 98 was yarded on Track 1 at San Jose, to have required the road crew to back up said train and yard it on Track 5, as Mr. Williamson suggests, would have caused the railroad to pay each member of the road crew an additional day's pay at the yard rate.

In addition, the railroad would also have been subjected to claims for a day's pay at yard rate for the three switchmen who stood for the service on the extra list at San Jose, on the basis that they should have been used to perform the yard service involved.

Furthermore, the facts which we have developed from railroad personnel who were at the scene, including the General Yardmaster, differ considerably from what is stated by Mr. Williamson.

Mr. Williamson states that Track 1 was blocked by commuter passenger cars, while the railroad's investigation discloses that Track 1 was clear, but it was necessary to wait for a herder (switch tender) to line a switch to enable that train to enter said track. The reason for the delay was due to the fact that the herder (switch tender), who also expected Train 98 to use Track 5, after properly lining switches at the west end of the passenger yard for Train 98 to enter Track 5, had proceeded to and was at the east end of said yard lining switches in preparation for the departure of said train. Where herders (switch tenders) are employed other employees are prohibited, by union agreements, from handling switches involving the movement of trains.

Mr. Williamson states ". . . . about 30 passengers with approximately 120 pieces of luggage . . ." were waiting alongside Track 5 to board the train. The railroad was unable to ascertain how much luggage was involved, however, it is believed there were considerably fewer number of pieces because the records show that only eight passengers (Mr. Williamson, his wife, and six others) entrained at San Jose.

In connection with Mr. Williamson's remarks about handling baggage, while there is an employee assigned to handle checked baggage, there are no employees assigned to handle baggage on the platform, but there are self-service carts available for use of patrons in handling "personal" and "carry-on" type luggage.

Mr. Williamson is correct in his statement that, on his arrival at San Jose at 7:15 p.m., May 28, 1971, the ticket counter was closed, but this situation has since been corrected and the ticket counter is now manned until 7:30 p.m., after the arrival of train No. 99.

As is often the case what would appear to be a simple solution to the uninitiated is often impractical or impossible and beyond the control of the railroad. The contractual agreements between the railroad and its employee representatives allocating work to specific crafts are inflexible and often deny the railroad the efficient and logical use of its facilities.

The modernization of our outdated agreements and work rules is of prime importance to the railroad industry. The current dispute between the United Transportation Union and the railroad industry is over the very work rules which are involved in this instance. The modernization of the antiquated work rules in the railroad industry will contribute greatly to the modern, efficient form of transportation the public expects from the AMTRAK system. Mr. Williamson concluded ". . . A termite exterminator is needed. There are worms in the woodwork." Modernization of our work rules will exterminate one of the worms to which Mr. Williamson referred.

Sincerely,

LEONARD M. WICKLIFFE.

MEDIC ALERT FOUNDATION FILLS GREAT MEDICAL NEED

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. McFALL. Mr. Speaker, we all know about that proverbial pebble, which when tossed into a pool, spreads ripples to each shore.

Fifteen years ago, something in that spirit was started in the city of Turlock, Calif., by a creative physician, Dr. Marion Collins.

A daughter of the doctor needed emergency medical care and received a dose of a medicine which was toxic to her. The girl suffered immensely from the medicine, administered by a competent practitioner, who simply could not and did not know of the allergy.

Deeply concerned, not only because his daughter was involved, but because he realized that similar situations probably were happening daily across the country, Dr. Collins went to work immediately to seek and find a solution to such a widespread problem.

The result was an organization, known as the Medic Alert Foundation, located in Turlock. From its small beginnings, the Medic Alert Foundation has grown, received national attention and recognition for filling a great medical need—supplying immediate, special, and accurate medical information about its members to medical practitioners in emergency and routine situations.

For years, Medic Alert has acted as a round-the-clock information bank for hundreds of thousands of people across the Nation, and probably is responsible for saving countless lives of persons who suffer allergies to various types of medication, or who need special treatment by medical practioners.

Thus, for the information of the Members and to show the national recognition the Medic Alert Foundation has received, I insert Sylvia Porter's "Your Money's Worth" column, which appeared in the July 16, 1971, edition of the Stockton Record, in the CONGRESSIONAL RECORD:

YOUR MONEY'S WORTH

(By Sylvia Porter)

Say you're allergic either to tetanus antitoxin (as I am) or to pencillin, you're away from home and you're injured in an auto accident. Unconscious, you are rushed to the nearest hospital, where the emergency physician—unaware of your allergies—routinely orders shots of both tetanus anitoxin and penicillin. The results could be tragic.

You wouldn't get those damaging shots, though, if you had a Medic Alert identification on a neck chain or bracelet which alerted the physician or nurse about your nonobvious condition and by so doing averted the chance of error.

This weekend the summer '71 vacation travel season roars into full swing—and now the more than 40 million of us who have a hidden medical problem may be needlessly putting ourselves in danger. Our nonobvious conditions may range from the simple wearing of contact lenses to the taking of anticoagulents for a heart condition, to allergies to penicillin or tetanus antitoxin, to a long range of serious diseases.

CONSEQUENCES

Whatever the hidden condition, improper medication or treatment can have serious consequences. And whatever the problem, an American Medical Assn. study indicates that one of every five of us—possibly one member of every family—lives in constant danger that in the event of an accident or emergency our condition will not be recognized. (How many strangers would recognize your allergy?)

In familiar surroundings at home, our families or friends may be some protection. Away on a vaction or business trip—particularly if you're alone—the situation is entirely different.

Thus, a medical-financial bargain for you well may be a lifetime membership in the non-profit Medic Alert for $7, tax deductible. This provides you with a stainless steel bracelet or disc on which is engraved your medical problem, a serial number and the telephone number of Medic Alert's computerized central answering file at Tulock, Calif. You also get a wallet card with additional medical information. If the information on the disc or card is not sufficient, any physician, nurse, police officer, etc., can call the center collect 24 hours a day from anywhere in the world for additional facts.

FIFTEEN YEARS

Although I've just learned about Medic Alert, it was founded back in 1956, now has more than 425,000 members and is gaining new members at the rate of 1,000 a week.

Businessmen have become key supporters, with many companies offering paid memberships to employes as a fringe benefit. Among them: S. C. Johnson & Son, New England Life Insurance Co., IBM World Trade Corp., Scovill Manufacturing Co., Industrial Indemnity Co., Olin Chemicals. S. C. Johnson and Industrial Indemnity go a step further and extend the offer to retired employes and dependents as well.

The membership is not mostly older people, though. Among the 60,000 who joined last year, the largest single groups were 19, 20 and 21-year-olds. The reasons they joined were in order of frequency: Penicillin allergy, diabetes and contact lenses.

Also, says Dr. Marion C. Collins, founder and president of the organization, many well-known people apparently have no objections to wearing an identification disclosing a medical problem. Among them: Dan Rowan of Rowan & Martin's TV show "Laugh-In," diabetes; New York Mets manager Gil Hodges, a heart condition; pro football player Chuck Walker of the St. Louis Cardinals, contact lenses; actress Joan Fontaine, allergies; pro hockey player Bill Hicke of the California Seals, asthma.

Medic Alert's whole support, Collins says, comes from the $7 membership fee plus some contributions—and the lifetime service, he adds, is assured by the fact that part of the fee goes into a trust fund held by a Chicago bank to guarantee its continuation.

OPPOSITION TO ADR

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. VANIK. Mr. Speaker, on June 22, the Treasury announced that it had issued multibillion-dollar depreciation regulations—the ADR system—over considerable public opposition.

(See exhibit 1.)

As I have repeatedly warned the Treasury, these expensive regulations are an unlawful encroachment by the executive on the congressional taxing power. The view has been reflected in numerous editorials across the country. I introduce some of those into the RECORD for consideration by my colleagues.

(See exhibit 2.)

The unlawful Treasury action is especially disturbing because of the undemocratic and closed Treasury decisionmaking process. I personally testified at the IRS hearings on the regulations and was disturbed at the refusal of Treasury and IRS officials to consider alternatives to the issuing of illegal regulations. It would have been easy, for example, for the Treasury to propose legislation to Congress for careful consideration.

That Treasury had prejudged its decision and regarded the hearings as an unwelcome formality was clear to news reporters present. I enclose for the RECORD several accounts of the undemocratic Treasury decision process as reflected at the hearings.

(See exhibit 3.)

I urge my colleagues to join me in opposing this multibillion-dollar usurpation of congressional powers by the executive branch.

EXHIBIT NO. 1

[From the San Francisco Chronicle, June 23, 1971]

BUSINESS TAX CUT, NADER SUIT THREAT

WASHINGTON.—President Nixon's plan to spur the economy by permitting businessmen to cut their tax payments by $39 billion over 10 years was formally adopted yesterday by the Treasury Department.

An associate of consumer advocate Ralph Nader immediately said he would file a suit in an effort to convince the courts to overturn the action. He said only Congress has the authority to enact such a tax change.

The Treasury's action—final unless the courts intervene—set forth new regulations to permit businessmen to accelerate by 20 per cent the depreciation tax writeoff on machinery and equipment. The regulations are retroactive to last January 1.

The Treasury estimated the measure would reduce total business tax liabilities by 5.8 per cent.

Mr. Nixon announced the plan January 11 to stimulate business investment which would, in turn, create jobs and help combat unemployment. The jobless rate at the time was—as now—6.2 per cent, the highest since 1961.

The measure already has touched off a lively political controversy. Senators Edmund S. Muskie, Birch Bayh and George McGovern, all potential Democratic candidates for President, have denounced the plan as a giveaway to big business.

Thomas Stanton, a Washington lawyer and a Nader associate, said the Treasury's public hearings on the proposed regulations were a farce because opposition views were not considered. He said Treasury officials "had already committed themselves to the outcome" before the hearings began.

Director Randolph W. Thrower of the Internal Revenue Service conceded that the officials did not face the hearings with an open mind.

"The fundamental decision was not affected by the presentations that were made in opposition to it," Thrower said. "These were pretty well taken into consideration (and rejected) in advance."

The new regulations are amendments to a depreciation liberalization adopted in 1962 as part of an effort by President John F. Kennedy to wrench the economy out of a slump.

The 1962 regulations imposed "guideline lives" for depreciation of various types of machinery and equipment.

Mr. Nixon's plan permits a businessman to adopt any depreciation period he chooses from 20 per cent shorter to 20 per cent longer than the guideline lives. For office furniture, that would be an 8–12 year range.

EXHIBIT NO. 2

[From the Dayton (Ohio) Journal Herald, July 5, 1971]

CORPORATE TAX BREAK

(By D. J. R. Bruckner)

The Administration's new business tax rules—called the accelerated depreciation range (ADR) system—distort the tax system. Treasury put them into effect June 22. It tried to in January, but protests from members of Congress and public interest groups induced it to delay. Now some of these protesters intend to sue in an attempt to void these new rules.

ADR is really a corporate tax break, continuous and cumulative, worth $3.9 billion a year for the next decade on the average, and probably more thereafter; it is the biggest tax break of its kind in history and was instituted without congressional action. Treasury announced it, but it was mostly concocted under direction of the White House staff.

At the heart of ADR is an option allowing U.S. businesses to depreciate, or write off their assets against income for tax purposes, either 20 percent faster or 20 percent slower than writeoffs allowed under 1962 Treasury guidelines.

Those guidelines, and a set of standards called the Reserve Ratio Test, were established in an attempt by government to roughly relate depreciation to the real usable life of plant and equipment, and the actual time an asset was used by business. ADR eliminates the Reserve Ratio Test and accelerates depreciation, which is already the great bookeeping game these days.

If a business has equipment which it uses for 10 years, it can write off against income in eight, or in 12 years, as it chooses. Since tax is calculated and paid annually, a spread of four years in 10 can make a great difference in a corporation's cash flow. The White House claims this gimmick will stimulate investments and jobs, and thus the economy.

Most economists say this is nonsense; investment is undertaken with the prospect of increased sales and profits, and investment is drawn as needed from capital markets. One suspects the ADR will simply increase profits. The tax break will grow with a boom and contract with a recession, which is an effect precisely opposite the White House's claim.

Thus, corporate net income for tax purposes will always be severely understated as compared with net income for, say, a stockholders' report or any other report in which the corporation wants to look good. Treasury rulings and legal changes in the last 20 years had already introduced gaps between real income and taxable income; the ADR system challenges the very concept of a tax on the real income of business.

Treasury's statement on ADR talked at length about the difficulties of administering Reserve Ratio Tests and old guidelines; it amounts, in fact, to a confession of administrative breakdown. So, under the new rules, there will be an office of industrial economics, (OIE), to determine from tax returns and studies how guidelines, repair allowances and other tax-determining criteria can be updated.

These fellows just have to be kidding. Business has been startingly successful ever since 1954 in obtaining tax breaks from a large, stubborn, conspicuous Congress, you can just imagine what kind of influence it will be able to bring on a small, unprotected, bureaucratic OIE—which has the power to recommend rule changes, changes which mean tax savings and increased cash flow.

Thomas F. Field, director of the public interest lobby Taxation and Representation, raises some philosophical questions about all this: "We seem to have moved far from the basic concept of tax on income," he says. "Are income taxes really fair any more? Whatever happened to the idea of income tax as envisioned by the liberal reformers of the early 20th Century, the idea of the fairest, most equitable, efficient tax? Should not Congress consider present tax laws and rules in the light of that question? Or should it consider moving to an entirely different type of taxation?'

Disturbing question. Income tax still appears to be the fairest. Well, the idea looks that way. The practice looks otherwise more and more, for some privileged and influential people.

[From the New York Times, June 24, 1971]

ERODING THE TAX BASE

Despite the probability of a challenge in the courts, the United States Treasury is putting into effect its liberalized tax depreciation rules, retroactive to Jan. 1. The Treasury has sought to buttress its new rules against legal challenge by linking the useful lives of plant and equipment as claimed for depreciation purposes to the actual lives of such assets.

Meanwhile, the cost of the depreciation speed-up has been boosted; the Treasury now estimates that the revenue loss will amount to $39 billion in the next decade. So huge a tax cut to business should have been determined by Congress after a full examination of its costs and benefits in relation to the nation's urgent and growing need for funds. In the years ahead, as both the President's annual economic report and the Brookings Institution review of the 1972 budget have shown, the country is going to be strapped for funds to meet expanding social needs. Through the first half of the 1970's, Federal expenditures already in the budget will increase as fast as full-employment revenues, even assuming an end of the Vietnam war. No scope will be left for new programs unless taxes are raised. In the circumstances it is irresponsible for Congress to permit a tax cut of nearly $4 billion a year—a 5.8 per cent reduction in business taxes—to be instituted without full debate on Capitol Hill.

In the absence of such open discussion and decision by Congress, public interest groups are now seeking to sue the United States Treasury as a means of blocking this huge surrender of public resources. The court test is likely to turn on the legality of so huge a tax cut by administrative action—and on the right of public interest groups to sue the Treasury. Both are important issues. But the even more crucial issue is that of allocating funds to meet the nation's social priorities—an issue that only Congress not the courts, can resolve.

[From the New York Times, July 14, 1971]

Power of the Purse

Ralph Nader, Representative Reuss of Wisconsin, John W. Gardner's public-interest lobby Common Cause and a number of other plaintiffs have brought suit against the United States Treasury to force it to withdraw its new Asset Depreciation Range (A.D.R.) system that would reduce business taxes by an average of $3.9 billion a year over the next decade.

Each of the plaintiffs charges that his interests have been injured by the new rules, which would allow businesses to write off new capital equipment 20 per cent faster than heretofore. Representative Reuss raises the novel complaint that the Administration has undermined his fiscal responsibilities as a Congressman and thwarted his efforts to achieve "an equitable distribution of tax burdens." Others charge that the cut in business taxes would reduce revenues needed to finance Federal programs they support.

The Treasury, insisting that it has the authority to adopt the new depreciation system under the Internal Revenue Code of 1954, contends that faster write-offs will increase capital investment, raise productivity and accelerate economic growth. Hence, the Treasury argues, the gross loss of $39 billion in tax revenues over the decade may be more than offset by higher tax revenues.

Economists, using different econometric models, reach different conclusions on the probable stimulative results of the new depreciation rules, ranging from no effect at all to a strong thrust. There is general agreement, however, that liberalized depreciation is unlikely to have more than a modest impact on business investment right now because the economy is in a period of excess capacity and is recovering from a long investment boom. Many economists believe that liberalized depreciation rules are a less effective stimulant to business investment than would be the restoration of the investment tax credit, which Congress repealed at the request of the Nixon Administration in 1969 in order to damp down the capital spending boom and shift national priorities from investment to consumption.

While economic issues are not the basis of the public-interest suit before the United States District Court for the District of Columbia, they serve to emphasize the significance of the legal issue of whether the Administration has the right to adopt so huge and far-reaching a tax change without asking Congress for legislative authority.

The Administration would be well advised to ask Congress either for a new depreciation system or for restoration of the investment tax credit if it now believes that additional stimulus to investment is needed. It has only created problems for its economic program and uncertainty for the business community by circumventing the legislative process.

[From the Sacramento Bee, July 12, 1971]

Nader's Attack On Business Tax Break

Ralph Nader, the David in many a battle against Goliath interests, now has tackled the United States government over the Nixon administration's granting of a $39 billion tax break to big business by allowing business swifter tax writeoff depreciation allowances.

Nader contends—in a lawsuit in federal court which cost him only a $15 filing fee—that the administration's unilateral action, without congressional taxing-power approval, is illegal.

The accelerated depreciation tax benefit, he claims, amounts to a direct revision of the taxing structure of business and this is a power the Constitution reserves for Congress.

At the time President Richard Nixon gave business the tax break many critics contended it would not achieve his announced goal—that of stimulating business to expand its capital investment in order to juice up the economy.

That was in January and economic surveys indicate it has had no such result. The economy lags and capital investment has fallen far short of Nixon's expectations. Meantime, however, the tax concession stands as a break for business through tax savings estimated to run $3.5 billion a year for the next 10 years.

Whether Nader will be successful in his court action—in which he has been joined by Common Cause, headed by John W. Gardner, and several labor and consumer groups—remains an open question. Ticklish points of law are involved, such as whether the plaintiffs have what is called "a standing" in court with a direct economic stake. The decision on this could be historic because it would mean public interest groups do indeed have such standing.

Nader pledges to take the issue all the way to the US Supreme Court if necessary. Even if he fails, Congress still has the power to assert its taxing prerogative and by legislation overturn the President's questionable windfall to business.

[From the Washington Post, June 28, 1971]

Give Poor a Tax Break

(By William Raspberry)

Dear Mr. President: If I understand your proposal for liberalizing tax deductions for depreciation of plants and equipment—and I'm not at all sure that I do—it is a scheme for encouraging manufacturers to replace aging equipment and, thereby, increase capital outlays and quite possibly jobs.

In short, the $3 billion-a-year tax break is aimed at stimulating the nation's lethargic economy.

The trouble with your proposal, which some opponents, including Ralph Nader, have branded outright illegal, is that its direct benefits would accrue only to the rich, the owners of big companies. The rest of us would have to have faith that the big businessmen would reinvest the savings and "trickle down" to us such benefits as increased employment.

Faith being an increasingly scarce commodity, let me suggest, sir, that if you are serious about wanting to use tax breaks to stimulate the economy, you are starting at the wrong end.

Big business might well decide to reinvest the tax savings that your proposal would provide; then again it might decide to increase dividends to stockholders. That is much too "iffy" a cure for a very sick economy.

But if there is any certainty in the universe, it is that poor people will spend at least all the money they have; they really haven't a choice.

This being the case, my proposal is that you move to grant a tax break to poor folk.

The "trickle down" effect of tax breaks for big business is a matter of big business's options; the "trickle up" effect of tax breaks for the poor would be a certainty. Poor folks, if they obtained such breaks, could be counted on to buy more television sets, cars, furniture—whatever the manufacturers manufacture—and everyone would be happy.

Poor folks would be happy with their new purchasing power, and big business would be happy with its increased income. (Why should a businessman care whether his bank account grows fatter through tax breaks or through increased sales?)

Nor should there be much difficulty in working up a proper rationale for such a policy.

Your justification for the $3-billion tax break is that, since equipment purchases come out of a business's profits, it is fair to permit businessmen to deduct the cost of such purchases for tax purposes. Depreciation is simply a device for deducting such costs over a period of years rather than all at once. Your proposal would permit a businessman to shorten by 20 per cent the period over which equipment would depreciate to the point of theoretical worthlessness.

Administration spokesman acknowledge that not all equipment wears out, or becomes outdated, at the same rate. But to work out item-by-item depreciation schedules would be too burdensome, they say.

What you propose, in effect, is to let each individual businessman decide for himself his own depreciation rate. That strikes me as a little risky, but that's another question.

The justification for my own scheme is based on the common knowledge that poor people pay too much for nearly everything, whether appliances, loans, rent, groceries—or taxes. They also get the worst of governmental services: schools, police and fire protection, sanitation, and so on.

Any competent government statistician could work up figures to show by approximately what percentage poor people pay more and get less. That would furnish the basis for granting a tax abatement of 30 per cent or whatever the figure turned out to be.

The attractive feature of my scheme is that it is calculated to work itself out of existence. A poor family that got a 30 per cent tax break might soon find it possible to move to a neighborhood that offered better schools and police protection, which would reduce the need for the income tax abatement.

More important, the things they would buy with their newly available cash would lead to more production, which means more jobs. And with more jobs open to the poor, there would be fewer of them and therefore, fewer people getting the tax break.

The result would be more of everything for everybody, and more taxes for the government. If you move quickly enough to institute my scheme, it might start to show results in time for the 1972 elections.

In any case, I'll leave the timing and the details to the experts on your staff. I am, after all, just a newspaper guy.

Sincerely,

———.

[From the Baltimore Sun, July 10, 1971]

Nader Fights $37 Billion Tax Grab by the United States

He doesn't have a suite with an outer office. He doesn't have a secretary. He doesn't have a car. At 37, he doesn't even have a wife. He is Ombudsman, dedicated and self-appointed, to the American people.

Yes, Ralph Nader—son of Lebanese immigrants; he now has another little job on his hands, to stop a tax grab of $37 billion. But it is a special kind of give-away, engineered by the Nixon administration itself. It has overtones more important than the money.

They involve a constitutional point: who has the right to levy and collect taxes, any way? Congress or the White House? And there is another point likely to go right up to the Supreme Court: the right of the little man to have "standing" in a court. Traditionally you cannot bring a suit—you do not have standing—unless you have a direct, economic or similar stake in an issue, not even if you are a taxpayer and you think the government is preparing illegally to give away some of your money.

Recently courts have broadened this idea of standing. Now the thing will have a bigger test. Ralph Nader, and John Gardner's Common Cause, and a consortium of other hardheaded idealists have had the impertinence to bring suit against the United States Treasury.

Laughable, eh? That's the way General Motors felt when Ralph Nader first took out after it. He was just a whipper-snapper from Princeton and Harvard Law School, and had written his book in 1965 "Unsafe At Any Speed." GM feels differently now. GM is the world's largest industrial corporation. Its annual revenue is greater than that of any foreign country save the Soviet Union and Britain. It has around 750,000 employees and it hired as one of them a detective to investigate Mr. Nader's private life when he began to get difficult. Result: out-of-court damage settlement to Mr. Nader in 1970 of $425,000.

And he has brought the whole damn auto industry under government regulation. Also he has got major changes in meat inspection, in health, in federal regulatory agencies and is even trying to get the government to do something about enforcing its laws on coal-mine safety.

Well, so now we come to the big new chapter. The subject is so crashingly dull that just to mention it is a switch-off phrase, so I will try to creep up on it. I am closely associated with two boys, 9 and 7, who have recently been given a new walkie-talkie. What is the life expectancy of the outfit? With the judgment of sad experience I would base the rate of depreciation for tax purposes at about five days.

And now that we have got into depreciation, the government has guidelines for the assets of 50 groups ranging down from gas and electricity transmission—30 years; railways—14; mining—10; aerospace—8. As assets depreciate, taxes fall under these complicated guidelines, and steel plants are like walkie-talkies.

Last January, the administration announced it was allowing companies to depreciate their assets for tax purposes over a period shorter by as much as 20 per cent over the old 1962 guidelines. It was like telling the two small boys that a reasonable life expectancy of their walkie-talkie was four days and not five and there would be no reprimands if they made it go that long. This action meant a tax bonus to big business of something over $3 billion a year for 10 years, or a total of around $37 billion.

Ralph Nader was en route to Japan when this happened. But he has a garrison of permanent Nader's Raiders in Washington, mostly fresh out of law school and with a controlled zest for the public interest surpassing that of a Wall Street tax lawyer drooling for a half-million-dollar fee.

So Tom Stanton (who gets paid by Nader $4,500), and his colleague Sam Simon, on their own initiative immediately filed suit the same day, January 11, pointed out that the Treasury had said nothing about public hearings, which are required by law. The Treasury caught its breath, coughed and said it had merely forgotten to mention them. It was the first of several coincidences.

Mr. Nixon, in his original statement, said that it was "essentially a change in the timing, and the Treasury Secretary at that time, David M. Kennedy, said it just meant a "postponement" of tax payment.

"These statements are false," observed a Northwestern University tax expert, Robert Eisner, at the subsequent hearing. Senator Edmund S. Muskie released a confidential memo from John Nolan, deputy assistant Treasury Secretary, warning his bosses that the big tax giveaway might be illegal without consulting Congress. Mr. Nolan quickly said that he had changed his mind.

It was also shown that last September a presidential task force led by a former member of the Nixon-Mitchell Wall Street law firm explicitly said that Congressional action would be needed.

A big tax loophole for business means that others must pay more taxes. That was the argument Mr. Nixon used in vetoing the school bill a year ago he call it "painful, but necessary" to save taxes. It was peanuts compared to this, only $453 million.

[From the Rural Electric Newsletter]

CONVERSATION PIECE: NADER ON TAX REGULATIONS

(Note.—Ralph Nader, well-known for his advocacy of consumer causes, is a co-plaintiff in the suit against Treasury's new Asset Depreciation rules, along with NRECA and others (see story, page 1). Following are a portion of his remarks at a press conference held Wednesday. These comments point out the compelling reasons why all Americans have a vital stake in the outcome of the suit.)

A national tax system has a number of callings if it is to promote respect for its burdens by the citizenry and achieve its fiscal and motivational goals with equity and reason. It is clear that during the past several decades these callings—proper authority, proper procedure, proper rationale, proper administration and access—have been distorted or destroyed by the rapaciously relentless impact of special interest corporate groups on the Treasury. Similar pressures at crucial times have been exerted on the Congress which has centralized within itself decision making initiatives in tax policy in the hands of a very few members of that institution. But Congress is not as convenient a forum as the Treasury for these lobbies for a number of reasons inherent in the difference between a legislative body and a rule-making, administrative body in the Executive branch of government. Thus, there is constant pressure to widen the discretion according Treasury in its rule-making function well beyond what was provided through Congressional enactment. Treasury, with its penchant for secrecy in deliberations between itself and business groups right to the point of decision-making, if not beyond in some cases, has become an ideal access for the manipulation of the kind of administrative discretion which violates the authority accorded it by the Congress.

The Asset Depreciation Range System, promulgated without proper authority, procedure, proper rationale and, predictably, proper administration, "relieves the taxpayer of the duty to estimate any actual useful life for assets in his business" and is "inconsistent with the depreciation principle of Sec. 167 of the Internal Revenue Code, which requires that the useful life of property in the taxpayer's business be the benchmark of depreciation deductions." The main beneficiaries of this drain on the Treasury—estimated by the Treasury to be about $39 billion over the next ten years—will be large corporations. The rate of $3.9 billion a year is about $50 per individual taxpayer annually.

Given the high government deficit, this big business tax break may well affect Federal spending on important programs of alleged national priority. Last year, for example, President Nixon vetoed the Education Bill because Congress exceeded his request by $453 million, and the Housing Bill because it exceeded his request by $514 million. As the President said at the time, "My veto of these bills is painful, but necessary to hold down the high cost of living. We cannot have something for nothing. When we spend more than our tax system can produce, the average American either has to pay for it in higher prices or higher taxes. . . ." The multi-billion dollar tax break that is ADR will similarly be paid for by the ordinary taxpayer, either in higher taxes or in reduced government services.

The action taken today can be considered a challenge to a growing trend by Treasury, under special interest pressure, to usurp the prerogatives of the Congress under the U.S. Constitution and the Internal Revenue laws. From the initial challenge, last January to the present action, the process of citizen-taxpayer advocacy has raised issues relating to the Treasury Department's administration of the tax laws and its propensity to make tax law far beyond its allowable discretion which will relate to other decisions, past and present, which have been or will be made without regard for the several critical callings of an equitable and authorized tax system.

EXHIBIT NO. 3

[From the Wall Street Journal, May 4, 1971]

TREASURY'S HEARINGS ON EASIER GUIDELINES FOR DEPRECIATION BEGUN

WASHINGTON.—The Nixon administration opened three days of hearings on its proposed liberalization of depreciation guidelines for business, with the architects of the proposals sitting as judges.

Sixteen witnesses testified at yesterday's session, conducted by Internal Revenue Service Commissioner Randolph W. Thrower and his chief counsel, K. Martin Worthy; Edwin S. Cohen, Assistant Treasury Secretary for Tax Policy, and his deputy, John S. Nolan; along with several other IRS and Treasury officials.

All the witnesses reiterated previous contentions about the proposals. Supporters claimed that the earlier write-offs were essential to stimulate investment and meet foreign competition and that the Treasury has the authority to make these changes administratively. Opponents generally charged that the "tax cut" for business is economically undesirable and only could be implemented by Congress.

The treatment accorded the witnesses differed sharply, however. Critics of the administration proposals frequently were peppered with technical questions, particularly from Mr. Cohen and Mr. Worthy. But advocates of the changes often were praised for their "definitive" analyses or for being "recognized experts" on the subject and often were only asked to elaborate on the benefits of the liberalized depreciation guidelines.

Although Mr. Cohen promised yesterday that all views expressed at the hearings will be considered, the administration has repeatedly emphasized it plans to implement the changes regardless of what transpires at these sessions.

The administration proposals would create an "asset depreciation range" where businessmen could take depreciation deductions up to 20% shorter (or 20% longer) than currently allowed in the IRS' standard guidelines. The proposals also would abolish the "reserve ratio test" requiring businessmen to prove they're actually writing off equipment at about the same pace as they're replacing it, and would allow a larger deduction in the first year.

The Treasury estimates that the revenue loss from the liberalized depreciation would be about $3 billion in fiscal 1972, starting this July 1, and that through fiscal 1980 the tax loss would total about $36.8 billion.

Some critics of the proposals were visibly announced by yesterday's proceedings. "Worthy looked like he was conducting a cross-examination rather than listening to the important contributions that were brought out," charged Thomas H. Stanton, a lawyer with Ralph Nader's Public Interest Research Group. Another opponent complained that supporters of the liberalized write-offs "were thrown one lob after another" in the questioning.

The question of the Treasury's authority to administratively activate these changes also was sharply debated. Two Illinois Republicans, Sen. Charles H. Percy and Rep. John B. Anderson, strongly defended the Treasury's authority to act administratively on depreciation guidelines and said Congress wasn't being illegally bypassed.

But Democratic lawmakers, including Sen. Birch Bayh, of Indiana, Rep. Charles A. Vanik of Ohio and Rep. Henry S. Reuss of Wisconsin, argued that only Congress could make such changes. Sen. Bayh said he "strongly suspects that all of us here today merely are participating in an elaborate charade." Rep. Vanik worried aloud about "rumors" that "we're just here to celebrate a hanging that's already been decided."

Mr. Cohen insisted this wasn't the case and said he's "certain there'll be some changes before the final promulgation of new depreciation guidelines.

Others testifying against the proposals were Nathaniel Goldfinger of the AFL-CIO, Robert Eisner, a Northwestern University economist; Martin David, a University of Wisconsin economist; Richard Pollock, a University of Hawaii economist, and Bernard Wolfman, dean of the University of Pennsylvania law school, who was representing Common Cause.

The other supporters of the changes included Clifford D. Siverd of the Manufacturing Chemists Association; Dale W. Jorgenson of Data Resources Inc., testifying on behalf of American Telephone & Telegraph Co.; Norman B. Ture of PRC Systems Sciences Co.; Ernst Anspach of Loeb, Rhoades & Co.; C. Lowell Harriss, a Columbia University economist, and John Ellicott, counsel for the National Machine Tool Builders' association and the American Machine Tool Distributors' association.

[From the New York Times, May 4, 1971]

BAYH TERMS BUSINESS TAX CUT HEARING A "CHARADE"

(By Eileen Shanahan)

WASHINGTON.—The Internal Revenue Service began three days of hearings today on the Administration's plan to cut business taxes by allowing bigger deductions for depreciation—hearings that the first witness, Senator Birch Bayh, characterized as "an elaborate charade."

Senator Bayh, an Indiana Democrat, based his charge on "the repeated statements by high Treasury officials" that the proposed changes in the depreciation rules "will go into effect regardless of what is said or done at these hearings."

Assistant Secretary of the Treasury Edwin S. Cohen. responding to the same accusation when it was made by another witness, said that he could "assure" the witness that "it will be a meaningful hearing, and we will take into account your views."

WANT PLAN WITHDRAWN

Mr. Cohen added that he was "certain there will be some changes" before the new rules are promulgated.

Senator Bayh and other opposition witnesses asked, however, not just for modifications but for complete withdrawal of the proposed rule changes, which the Treasury has estimated would reduce the taxes paid by businesses by $3-billion to $5-billion annually.

There was, however, no indication from any of the Government officials who participated in the hearings—all of them officials of the Treasury Department or the Internal Revenue Service—that there was any possibility that the rule changes woud be scrapped.

Those who were questioning the witnesses—Mr. Cohen, his deputies, John S. Nolan and Joel E. Segall; Internal Revenue Commissioner Randolph W. Thrower, and others—all made clear their support for the proposed changes.

SEE BENEFIT FOR NATION

The witnesses who supported the proposed changes disputed opponents' contentions that the Administration did not have the authority to adopt the planned liberalization without asking Congress for authority. They did not, however, speak to the issue of whether the hearings themselves were being conducted improperly.

The advocates, instead, voiced their belief that shortening the period of time over which businesses could depreciate their equipment—which is the principal feature of the proposed rule changes—would benefit not only the economy but also the nation.

A typical spokesman for this viewpoint was Clifford D. Siverd, president of American Cyanamid Company, who testified on behalf of the Manufacturing Chemists Association.

Mr. Siverd said that national concern with pollution of the environment "has accelerated obsolescence in the chemical industry" to a degree that was not foreseen when the present time periods for depreciation equipment were set in 1962. He said that larger depreciation deductions were needed if the chemical industry were to have the money needed to minimize its pollution.

Opponents of the changes criticized both their legality and their probable economic effectiveness.

Dean Bernard Wolfman of the University of Pennsylvania Law School also challenged the legality of the hearing on the ground that the Treasury had never made public the economic basis for its decision to liberalize the depreciation rules. Therefore, he said, opponents were not able to make an adequate response.

[From the Washington Post, May 6, 1971]

NADER CHARGES ADR PREJUDGMENT

(By James L. Rowe, Jr.)

Consumer advocate Ralph Nader, who initiated the attack on the administration's proposed liberalization of depreciation policies, yesterday told the leading Treasury tax official that he should resign from a panel hearing testimony on the proposals.

Nader cited a newspaper article quoting Edwin S. Cohen, Assistant Secretary of the Treasury for Tax Policy as saying businessmen could rely upon the depreciation rules going into effect.

The rules—called the Accelerated Depreciation Range system—would permit businessmen to write off the cost of their investments 20 per cent faster than they can now, cutting business taxes by $3 billion next year and $37 billion over the decade.

Tuesday, Cohen refused to retract the statement while questioning one of Nader's Public Interest Group tax lawyers, Thomas Stanton.

Nader charged yesterday, "This explicit prejudgment means that the many earnest and able speakers before you have been talking into a void, whenever their comments touched upon the basic unlawfulness of the ADR regulations."

Cohen told Nader he would give the disqualification request "my every consideration." However, he said, his position was the necessary one "unless those who propose the regulations do not pass upon them." The Treasury proposed the specific regulations in March.

Cohen said he conceived of his obligation to "think these proposals through as much as possible in advance," before making them specific. He said his assurance to businessmen meant that in the hearings "nothing so fundamental will be called to our attention that will cause us to change our mind completely."

The Treasury's proposals would also abolish the so-called reserve ratio test—a test instituted in 1962 which forces businessmen to justify the length of time taken to write off investments as being the actual length of time the asset is used.

Nader cited deputy Assistant Secretary of the Treasury John Nolan's statement Monday that a large number of corporations have failed the reserve ratio test—they wrote off their equipment faster than they used it up.

Nader said, "One must wonder whether this is not a classic example of a special relationship existing between the Treasury and favored constituents. Rather than enforce the regulations to the best extent possible, the Treasury simply proposes in the ADR system to abolish the otherwise applicable law."

The Treasury claims enforcing the reserve ratio test presents unfathomable administrative problems.

The three days of hearings on the proposed regulations ended yesterday with 53 witnesses testifying either in support of, or against, the regulations.

The Treasury panel, including representatives from Treasury's tax policy branch and the Internal Revenue Service, will re-look at the proposals.

Treasury officials predict some final determination—which will probably be a modified form of the current proposals—by early next month.

There is currently legislation in both Houses of Congress to block the regulations and Nader's group has promised to fight the proposals, which it considers unlawful, in the courts.

CAN THE HEALTH CARE CRISIS BE SOLVED?

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. CORMAN. Mr. Speaker, everyone who has ever paid a doctor bill, a hospital bill, insurance premiums, and paid out-of-pocket for what insurance fails to cover knows there is a medical care crisis in the Nation. It is a crisis felt by rich, poor, and middle-income Americans alike as shortages of health personnel persist, as access to regular medical care becomes increasingly difficult, and as dissatisfaction with long waits, impersonal treatment, and high prices mounts.

The question is not whether we have a health care crisis, but whether the present health care crisis can be solved.

Mr. Speaker, I believe it can. I believe we can begin to make a quality system out of the present nonsystem of health care through enactment of the Health Security Act of 1971, which I have cosponsored along with 79 of my colleagues in the House. Apropos to this, I commend to the attention of my colleagues an excellent article by Alice M. Rivlin which appeared in the Washington Post on Sunday, July 25. The article outlines the barriers to solutions to the health care crisis, but points out that uncertainty should not be an excuse for inaction. At the very least, Miss Rivlin concludes, the Government should act to reduce the uncertainty. Had it done so 10 years ago, Miss Rivlin continues—through a vigorous program of experimentation with new forms of medical care and new types of reimbursement—we would at least be at the stage where we could ask how we can further refine our health system rather than, "Can the health care crisis be solved?"

The article follows:

OBSTACLES TO SOCIAL PROGRESS—II: CAN THE HEALTH CARE CRISIS BE SOLVED?

(By Alice M. Rivlin)

Some of the major problems of American society seem at first glance to be easily soluble if anyone really wanted to solve them. Take the medical care crisis, for example.

One would think that a nation with our technical competence—we do pretty well on telecommunications and rocket design, after all, not to mention open heart surgery—could solve the relatively simple problem of making sure that everyone gets medical care. Yet we are obviously not doing so.

Millions of poor families in cities have no access to regular medical care. They depend on the desperately understaffed emergency rooms of dismal city hospitals. Whole areas of the countryside are without any doctor at all. Moreover, one does not have to be poor to be dissatisfied with the medical care system. Long waits, impersonal treatment, high prices and the bankrupting cost of major illness have left almost everyone with a strong sense that there must be a better way to run a medical care system.

The easiest explanation of this dismal state of affairs is a villain theory. If a problem this basic is not getting solved maybe someone is preventing its solution. A typical villain theory casts the doctors as grasping insensitive clods who are not genuinely concerned about giving quality care to the poor of even the middle class. All they want is to make money and drive a Cadillac to the golf course on Wednesday afternoons. Subsidiary villains are the hospitals—how coud they have the gall to charge $100 a day for that crummy room?—and the insurance companies with their pious advertisements and their high rates that never seem to cover one's particular illness. Moreover, after watching the medical establishment veto appointments to high posts in Washington, it is not hard to believe that they have political power and that they may well be using it to prevent solutions that would provide more people with better care. Senator Kennedy voiced this view recently when he said, "The American Medical Association puts the lives and well being of American citizens below its own special interest in ordering its priorities."

The medical establishment on the other hand has its own villains. It points the accusing finger at government bureaucrats with their endless forms and hypochondriac patients who just want attention and want someone else to pay for it.

An alternative explanation—the powerlessness theory—holds that there actually are few villains on the medical stage. Doctors, nurses and other medical personnel are mostly dedicated, hard-working people, doing the best they can to serve their patients. The basic trouble is that everyone—doctors, hospital administrators, insurance executives—are caught in a system which they are individually powerless to alter and that system has a whole web of perverse incentives built into it. It offers doctors irresistible monetary rewards for practicing in the suburbs rather than in the ghetto and for entering rare specialties rather than dispensing family medicine. The fact that most people have hospital insurance rather than more comprehensive coverage encourages over-use of hospitals and emphasizes treatment rather than prevention of disease. The rules under which insurance companies and governments reimburse suppliers of medical services give the latter little or no incentive to hold costs down. The whole system is just too badly designed to deliver good care efficiently to those who need it.

So why don't we get busy and design a better system? The main reason seems to be that, although almost everyone is dissatisfied with the present set up, no one is sure what a better one would be like or how to get there.

The essential difficulty in designing a better medical care system is not so much reconciling the interests of different people, but reconciling objectives that are held by almost everyone. Most people would agree that the first objective is to ensure everyone care. The idea that medical care should be a basic right, not a luxury for the fortunate, is now widely accepted. The second objective—harder to define—is good quality care. No one wants second rate medicine. The third is reasonable efficiency. No one wants to pay the costs of wasting scarce medical resources. The real problem is that these objectives conflict and it is hard to design a system that satisfies all three of them at the same time.

An obvious first thought is to make medical care freely available to everyone either through a national health service or through a comprehensive national health insurance system. National health insurance would accomplish the first objective of ensuring everyone care, but it might endanger the efficiency objective by reducing both the doctor's and the patient's incentive to economize. If the government or some other third party is paying the bill, doctors tend to put patients in hospitals who do not absolutely need to be there and to order expensive medical tests or even surgery of less than clear necessity. Moreover, third parties have traditionally reimbursed supplies of medical services for their actual costs or customary charges without exerting much pressure to keep costs down.

One approach to controlling costs is to have the patient pay part of the bill, perhaps through a health insurance policy with deductibles and coinsurance provisions. The theory is that if the patient pays an appreciable portion of the cost both he and the doctor will be more cautious about embarking on unnecessary hospitalization, drugs, or surgery. Moreover, doctors and hospitals will try to hold their prices down because they know the patient is burdened with part of the bill. But such an approach penalizes the poor, denying care to those who need it but cannot come up with their share of the bill. Moreover, third party payment is already so widespread, and patients are at such a disadvantage in negotiating with doctors and hospitals—or even understanding what they are buying—that it hardly seems realistic to rely on the cost consciousness of patients to hold prices down.

A different approach to controlling costs is to change the way in which doctors, hospitals and other suppliers are reimbursed for their services. Third party payment need not lead to waste if the third parties give the suppliers incentives to be efficient and to give only the services the patient actually needs. The most usual suggestion for change is to reimburse doctors or hospitals for the care of a given number of patients for a specified time, rather than for particular services rendered. One version of this idea, currently being touted as a solution to the efficiency problem, is the Health Maintenance Organization (HMO), a group of doctors connected with a hospital which undertakes to provide each enrollee with needed care for a year for a single fee. Here the theory is that an organization which is paid a fixed sum for taking care of a patient for a year, regardless of the number and kind of services performed, will give the patient only what he needs and will emphasize preventive medicine lest the patient develop a more costly illness through lack of foresight.

But here one runs into the third objective: maintaining quality. Will doctors or groups of doctors give second-rate assembly-line medicine if they are being paid only on the basis of the number of patients they handle?

Enthusiasts of health maintenance organizations have two answers to the quality question: peer review and competition. They claim quality can be ensured by regular reviews of the organization's procedures by qualified professionals who do not work for the organization. Moreover, dissatisfied patients should be free, as they are now, to move to other competing health maintenance organizations or to other doctors—a threat which should encourage efforts to keep patients satisfied.

The point is not that no solutions can be found—indeed some other countries seem to do better than we do—but that the problem is complex and no solutions are obvious. At the moment it seems reasonable to hope that HMO's can deliver good care in a more efficient manner than conventional medical organizations but the reasonableness of the proposition is about all we have to go on. There is some evidence that existing HMO's, like Kaiser-Permanente in the West and Group Health in Washington deliver good care at a comparatively reasonable price and that the hospitalization rates of their patients are lower than average. But the populations served by these plans are self-selected and in some respects untypical. It is not yet clear that the results can be replicated on a wider scale or how patients and doctors would react to the spread of prepaid group medicine. Even more uncertainty surrounds the possible impact of new cost-reducing reimbursement plans for hospitals or for doctors who are not members of HMO's.

But uncertainty should not be an excuse for inaction. At the very least the government should act to reduce the uncertainty. If a vigorous program of experimentation with new forms of medical care and new types of reimbursement had been undertaken 10 years ago there would now be a body of experience to answer questions like: How do alternative systems work, what do they cost, how do patients like them, how doctors like them, and do they produce better health? The surprising thing is that not much effort is going into answering these questions even now. Maybe it is not too late.

DRUG-ABUSE CONTROL PROGRAMS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. SCHEUER. Mr. Speaker, on July 15 I submitted an incomplete compilation by the administration of Federal agencies which operate drug-abuse programs. Although still not entirely comprehensive, the following list includes additional programs in the Veterans' Administration and the National Institute of Mental Health:

LIST OF FEDERAL DRUG ABUSE CONTROL PROGRAMS COMPILED BY ADMINISTRATION OFFICIALS

DEPARTMENT OF AGRICULTURE

Prevention

The Department of Agriculture has been involved in drug abuse prevention efforts through its 4-H educational programs. These programs are underway in at least a dozen States. For a brief description of several of these programs, see attached letters. Other informational efforts are directed toward farmers and aimed at the identification and eradication of marihuana.

Treatment

No programs.

Research

No programs reported which are directly related to nonenforcement aspects of the drug abuse problems.

Training

No information available beyond what is contained in the attached prevention program descriptions.

DEPARTMENT OF DEFENSE

Prevention

Information and preventive campaign involving American Forces Radio and Television Service and wide dissemination of information including posters, handbooks for commanders, programs currently in operation for military dependents in Pacific, Atlantic, and European areas. More than nine dependents' high schools have established pilot programs involving the use of high school age students to communicate about drugs to younger students. These programs are modeled after Dope Stop in Phoenix, Arizona. Implementation of drug abuse prevention education in Overseas Dependents' Schools cost $85,472 in school year 1970–71. The Domestic Action Program of DOD can also be seen as being preventive in nature providing alternatives to youth involvement with drugs (see attached article).

Treatment

DOD reports that information to reply to this section is not available at this time. New reporting procedures will furnish this information for future reports.

Research

See DOD report for description of types of research being conducted and surveys to determine (1) percentage of hard drug users in the separated population, and (2) prevalence of drug abuse and demographic factors related to the problem.

Training

The Army, Air Force, and Marine Corps have all had personnel attend DHEW-sponsored drug abuse training programs. (Only figure reported indicating the numbers of personnel involved was 94—that many spaces were provided to the Air Force at one of the DHEW Training Centers.)

The Navy has been operating a Drug Abuse Education Specialist School since early this year. The school has a current capacity of graduating 20 students a month. Plans are underway to increase this capacity to 30 per month. An East Coast school is also contemplated. Current training capacity would then be 240 students per year. As plans are implemented training capacity could increase to 360 or double that amount if an East Coast school with identical capacity is opened.

Fifty dependents' school teachers will receive training in drug abuse educational procedures during the period June 21–June 17, 1971 in Wiesbaden, Germany. Hq. U.S. Army (Europe) has received funds from the Educational Professional Development Act for this purpose.

OFFICE OF ECONOMIC OPPORTUNITY

Prevention

The Office of Economic Opportunity is authorized to conduct a "Drug Rehabilitation Program" under Section 222 (a)(9) of the 1969 Amendments to the Economic Opportunity Act of 1964. The authority relates to discovering the causes of and providing treatment and rehabilitation for drug dependency and narcotic addiction. The major emphasis is on treatment and rehabilitation services, developing community support, and utilizing neighborhood resources and ex-addicts as staff. Community education and prevention activities take place in the context of comprehensive treatment and rehabilitation programs rather than separately, and our programs are by and large funded in such a way that they relate closely to existing OEO-funded Neighborhood Service Center and Neighborhood Health Center delivery systems. Research activities are service program oriented. Funding levels are as follows:

Fiscal year 1970	$4,500,000
Fiscal year 1971	12,800,000
Fiscal year 1972	18,000,000

(Requested budget, about $15,000,000 would be available for new programs)

TREATMENT

See Table 1, Treatment Program for Heroin Addiction and Other Drug Dependencies.

Also, in the area of treatment and rehabilitation there are two contracts for operational Integrated Addict Rehabilitation-Manpower Training Programs: one in Baltimore, Maryland, and one in New Orleans, Louisiana. Each contract will run for a 24-month period, will cost about $1,000,000, and will serve 650 addicts. (That is, the total for the two contracts will be $2,000,000 with 1,300 clients served.) The projects will utilize methadone maintenance, counseling, residential services, and supportive modalities. In addition, Department of Labor funding (about $1,500,000 for each project) will be obtained to provide job-training and employment services. This will be a major effort to develop a coordinated system of services and to open up the private employment sector to ex-addicts. Followup, evaluation, and cost effectiveness systems will be a major part of the effort. The REP is out and proposals will be due about July 15, 1971.

Research

A national evaluation contract which will provide a base for comparative drug treatment program evaluation is scheduled for completion June 30, 1971. This project is to evaluate OEO-aided Drug Rehabilitation Program, providing comprehensive analysis of relative program effectiveness including descriptions of various program components, their relationships to each other, and patterns of client-flow through various services.

Training

A grant is being made for the period 6/1/71–6/31/72 in the amount of $430,000 to the Center for Human Services to operate a National Training Institute in Washington, D.C. This will provide an intensive 6-month training program for ex-addict staff from various local projects with followup back at the local program. It will also provide shorter courses for professional staff and program administrators, especially focused on the peculiarities of an OEO-funded program in terms of its orientation toward the community and its goals of assisting clients out of poverty in addition to providing drug treatment services. There will also be a technical assistance capability to help local programs utilize ex-addict staff more effectively and to develop career ladders and certification procedures. The training project is based on a previously funded research grant which looked at present patterns of utilization of ex-addict staff, effectiveness of ex-addict staff, and current training practices. No capacity for this training endeavor was given.

TABLE 1.—TREATMENT PROGRAMS FOR HEROIN ADDICTION AND OTHER DRUG DEPENDENCIES

Locale	Period	Modality	Approximate number serviced	Total expenditures
Detroit, Mich.	July 1, 1970 to July 31, 1972	Outpatient methadone maintenance (Therapeutic community serving 50 clients to be developed)	1,200	$1,200,000 [2] (1,000,000
L.A., Calif.[3]	July 1, 1970 to Aug. 31, 1971	Drug-free outpatient with hospital detoxification, counseling, crisis intervention, job placement	800	690,000 [2] (340,000)
Washington, D.C.	July 1, 1970 to July 31, 1972	Youth program (under age 17) utilizing drug free residential treatment, outpatient counseling and family service.	300	480,000 [2] (110,000)
Chicago, Ill.	Aug. 1, 1970 to Dec. 31, 1971	Hospital detoxification, residential (halfway house), outpatient counseling and vocational services. Drug-free.	300	330,000 [2] 120,000
Boston, Mass.	July 1, 1970 to Sept. 30, 1972	Outpatient and residential services for youth (under age 16) experimenting with drugs	500	550,000 [2] (150,000)
New Jersey (Hudson, Essex, and Monmouth Counties)[3].	Aug. 1, 1970 to Aug. 31, 1971	Drug-free therapeutic community. Outpatient counseling and supportive services. Small methadone maintenance (about 50 clients) being developed.	[2] 200	1,000,000 [2] (500,000)
New York City	July 1, 1971 to Sept. 30, 1972	Part of comprehensive system involving primarily drug-free inpatient and outpatient modalities.	[6] 1,500 [7] 4,000	4,000,000 [2] (2,500,000)
Philadelphia, Pa.	July 1, 1970 to Dec. 31, 1971	Methadone maintenance (outpatient) with supportive services	200	250,000 [2] (110,000)
Atlanta, Ga.	July 1, 1971 to June 30, 1973	Methadone withdrawal, methadone maintenance (about 100 clients), drug-free outpatient and inpatient services, group therapy, counseling, crisis intervention and supportive services.	500	900,000 [2] (250,000)
El Paso, Tex.	July 1, 1971 to June 30, 1973	Community outreach, followup and counseling services. Development of contacts with existing methadone maintenance and drug-free modalities for low-income Mexican-American heroin addicts.	400	580,000 [2] (250,000)
Tucson, Ariz.	July 1, 1971 to June 30, 1973	Similar to El Paso project	300	500,000 [2] (150,000)
Southern Alameda County, Calif.	July 1, 1971 to June 30, 1973	Outpatient and residential drug-free modalities for low-income youthful drug abusers	300	550,000 [2] (150,000)
Vermont (statewide)	July 1, 1970 to Dec. 31, 1972	Drug-free inpatient and outpatient services primarily to drug abusers (nonopiate). Therapeutic community being developed.	400	550,000 [2] (150,000)
Richmond, Va.	July 1, 1970 to July 31, 1972	Therapeutic community and outpatient counseling, supportive and rehabilitative services. Drug-free modalities for heroin addicts. Also provides supportive services for methadone maintenance program.	500	730,000 [2] (220,000)
Los Angeles, Calif.	July 1, 1971 to June 30, 1973	Drug-free residential, supportive and job-placement services for incarcerate and heroin addicts.	300	590,000 [2] (300,000)
South Carolina (Statewide)	July 1, 1971 to June 30, 1973	Counseling and group therapy services for addicts and drug-dependent persons in correctional facilities coupled with supportive services in community pre-release centers.	500	830,000 [2] (250,000)
Chattanooga, Tenn.	July 1, 1971 to June 30, 1973	Methadone maintenance and therapeutic community (drug-free) services for heroin addicts.	200	350,000 [2] (100,000)
Cincinnati, Ohio	July 1, 1971 to June 30, 1973	Residential, outpatient, group therapy, counseling, and supportive srevices. Part of ex-offender halfway house system.	200	350,000 [2] (120,000)

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[1] All figures given represent annual estimates.
[2] Non-Federal unds.
[3] Funding to be assumed by NIMH.
[4] Inpatients.
[5] Outpatients.
[6] Adults.
[7] Youth.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

Prevention

OE has funded a wide variety of preventive efforts in FY 71. $6 million was appropriated for programs to be conducted in FY 72.

$2 million will go in grants to 55 State Education agencies to support continuing programs to train educational personnel.

Twenty-six comprehensive community projects will be supported for a total of $2,100,000. These projects are intended to involve a variety of community agencies and groups in a cooperative effort to deal with local drug abuse problems.

Twenty college-based projects have been funded for a total of $700,000. These are intended to serve as pilot projects. They are initiated, designed, and directed by students.

Eleven drug education projects have been initiated by local school districts using $1.3 million in ESEA Title III funds. These programs call for heavy community involvement.

Seventeen programs are being supported by the Office of Nutrition and Health Services of OE. The programs for the most part are being funded under Title I of the Higher Education Act. ESEA Title III funds are also being used as well as funds under Title IV Regional Research Program. These programs are primarily educational and informational in character, intended to involve and educate a variety of target groups including students, teachers, law enforcement personnel, hospital and nursing home staffs, and the general public regarding drug use.

For a list of 13 projects supported by the Bureau of Higher Education under Title I, HEA, see attached chart. According to the information given, these projects with two exceptions are due to be completed on or before June 1971. An estimated 11,460 persons have been or will be involved as participants in these programs which are primarily, but not exclusively, educational in character. (For other projects specifically concerned with training, see section on Training below.)

Treatment

While no OE funds have supported treatment programs per se, $197,847 from the Bureau of Adult Vocational Technical Training has been awarded to the Blackman's Development Center in Washington, D.C. for a multi-occupational training program designed to offer occupational alternatives to drug users and addicts. (According to Department of Labor figures approximately 200 drug addicts are serviced by the Blackman's Development Center.)

Research

The National Center for Education Research and Development of OE is supporting a project which is designed to study and evaluate current trends in drug abuse education. This project is being conducted by the Far West Laboratory for Educational Research and Development in Berkeley, California and is scheduled for completion late this year. It has received $44,712 in Federal funds.

Training

A total of $2 million will be expended to provide formula grants to State Departments of Education. In 1970 over one million educators and students were trained through the National Drug Education Program.

The Awareness House project will be expanded to serve as a training center for community personnel who will be trained to develop community drug abuse prevention projects. It will be funded at a level of approximately $200,000. No information on the capacity of this project is given in the OE report.

A project to train 50 teachers in schools for Department of Defense dependents in drug abuse educational procedures has been funded at a cost of approximately $100,000.

Of particular interest in a program being funded in FY 72 by the Division of College Support, under EPDA, Part E, entitled "Institute on Drug Education for Personnel of Eight Black Colleges," Alabama A&M, Huntsville, Alabama ($68,000). No estimate as to the number of participants is given.

Several of the projects being funded by the Bureau of Higher Education involve training programs. An estimated 100 persons participated in a training program entitled "The Development of Resource Personnel for Community Drug Abuse Programs" (University of Georgia). Another BHE project for FY 71 was entitled "Seminars for School Personnel on Personal Problems of Teenagers with Special Emphasis on Drug Abuse." An estimated 2,000 school personnel and youth counselors participated (Medical College of Virginia—Virginia Commonwealth University).

BHE has also funded a project entitled "Students in Community Service" involving some 500 students as participants. These students have worked under faculty direction with a community of young people at Odyssey House in Newark, New Jersey. The purpose of this project is to provide social support for the patients at Odyssey House.

Food and Drug Administration

Prevention

FDA efforts in this area are minimal.

Treatment

No programs.

Research

The Bureau of Drugs of FDA reports that its efforts in research related to narcotics and dangerous drugs are concerned with drug testing methodology and with the screening of new analgesics—defining their propensity for causing habit formation and physical dependence.

Training

No programs.

National Institute of Mental Health

Prevention

NIMH prevention activities take the form of promoting the development and dissemination of education materials. These materials and their distribution are described in the attached Fiscal Year 1971 Summary and "A Guide to Drug Abuse Education and Information Materials."

Treatment

The National Institute of Mental Health funds treatment and rehabilitation programs for narcotic addicts and drug abusers under both grant and contract mechanisms. The grant program includes staffing grants to comprehensive drug treatment centers under Part D of the Community Mental Health Centers Act and special project grants for single or separate services under P.L. 91–513, the Comprehensive Drug Abuse Prevention and Control Act of 1970. The contract program is limited to the Narcotic Addict Rehabilitation Act of 1966 (NARA).

The grant program. Currently there are twenty-three community-based grant funded programs for the treatment of narcotic addicts and drug abusers. Eighteen of these funded programs are now operational and the additional five are in the process of commencing operations (New Orleans, D.C., Pittsburgh, Miami, Philadelphia). The number of individuals treatment approaches and location for these grants are shown in the accompanying Table T_1. At the present time, it is not possible to separate funds used for treating narcotic addicts from those used for other drug abusers. The Institute is currently reviewing grant applications pursuant to section 256 of P.L. 91–513 (detoxification, institutional, aftercare services). It is anticipated that up to fifteen new programs will be funded in Fiscal Year 1971 with the $5 million appropriated under this authority.

The contract program. The contract program under NARA includes examination and evaluation services, inpatient treatment services, and aftercare services carried out in facilities other than Fort Worth and Lexington Hospitals. The majority of examination and evaluation and inpatient treatment services, however, is carried out at these two hospitals. On March 31, 1971 there were 2,074 individuals in the NARA program distributed as in Table T_2.

The FY 1971 expenditures for the NARA program are as follows:

Examination and evaluation	$276,000
Inpatient treatment	1,197,000
Aftercare services	5,721,000
Fort Worth CRC	4,805,000
Lexington CRC	6,422,000
Total	18,421,000

The number of NARA contractors by State is shown in Table T_3.

Research

The attached materials (Attachment Nos. 3, 4, 5, 6) describe grant and contract research activities of the Division of Narcotic Addiction and Drug Abuse. Although not specifically prepared for this report, they are written in a style intended to be comprehensible to a layman.

Training

The NIMH has funded three regional training centers under contract since September 1970. The centers have trained more than 600 physicians and more than 900 allied health personnel, educators, law enforcement officers, students and government officials. These centers are located in New Haven, Conn., Hayward, Calif., and Norman, Oklahoma. The total expenditure for these centers in FY 1971 is $1 million.

In addition, four drug abuse training grants have been funded in FY 1971 for a total of $292,695 as follows:

1. University of Kentucky Research Foundation Grant #T01 MH12257–01, $57,652.

To train students for careers as professional sociologists specializing in deviant behavior including drug abuse.

2. Los Angeles Center for Group Psychotherapy Grant #T15 M12319–01 $81,443.

To train 90 school counselors, probation officers and mental health professionals in group techniques appropriate for treating adolescent and young adult drug abusers.

3. Roosevelt Hospital (New York) Grant #T15 MH12320–01. $3,222.

To train physicians in the scope of the drug abuse problem and prevention and treatment techniques.

4. University of California (Berkeley) Grant #T01 MH12564–01. $150,378.

To establish a specialized drug abuse training unit in the Post-Master's Community Mental Health Program of the Department of Social Welfare.

Social and Rehabilitation Service

Prevention

SRS has supported a number of projects in the prevention area.

Examples include the Community Services Administration's support of family life education efforts in various locales and other educational programs which include a focus on drug abuse prevention among children and youth.

The Youth Development and Delinquency Prevention Administration of SRS has supported or is supporting a variety of projects in the area of drug abuse prevention. These include the recently funded project of Boston Model Cities Administration. This project focuses on an informational approach to prevention as well as providing counseling and referral services. Other projects in this area supported by YDDPA include the "Drug Use, Misuse and Abuse Education Program" conducted by the State Planning Bureau in Atlanta, Georgia; the Youth Drug Abuse Prevention Project conducted by Flight, Inc., in Rochester, N.Y.; and the "Store-Front Drug Program" conducted by the Berkshire Farm Institute For Training and Research, Inc., Canaan, N.Y.

Treatment

See Table 1, Treatment Programs for Heroin Addiction and Other Drug Dependencies.

Also in the area of treatment and rehabilitation, the Rehabilitation Services Administration is planning to stimulate and implement 15 to 20 Expansion Grant projects aimed at increasing substantially the number of drug abusers rehabilitated into gainful employment.

Research

The major emphasis of the demonstration project of the Oregon State Mental Health Division is to evaluate the effectiveness of two methods of treatment on the vocational rehabilitation of young adult drug abusers. Pre- and post-data on performance variables and psychological and social functioning will be collected and compared. This project is being supported by Division of Research and Demonstration Grants, SRS, monies.

The Division of Disability Services, Rehabilitation Services Administration, SRS, is planning to develop and initiate four to five Research and Demonstration projects designed to find new and improved methods for rehabilitating the drug abuser.

The Community Services Administration of SRS is soliciting information on whether adult public assistance recipients are known by the public welfare agency to be suffering from drug addiction.

Training

The Rehabilitation Services Administration of SRS plans to support five bi-regional training conferences for State rehabilitation agency staff in rehabilitation of the drug abuser.

The Rehabilitation Services Administration also supports a training grant program authorized under the Vocational Rehabilitation Act. This program is aimed at increasing the supply of personnel in the rehabilitation fields by helping training programs to expand and by offering aid to students. The objectives of this grant program also include working with professional groups to improve the quality of preparation; facilitating communication and working relationships among the professional rehabilitation fields; and to give workers in the rehabilitation field opportunities to improve their skills. No figures were given as to the capacity of these training efforts.

The Community Services Administration of SRS has supported a variety of training programs sponsored by State public welfare departments. The purpose of these training programs included the development of the skills and capacities of a variety of social service staff. Community Services Administration does not maintain data on the capacity of these training programs for prevention, community organization, and treatment personnel in specific problem areas such as drug abuse.

TABLE 1.—TREATMENT PROGRAMS FOR HEROIN ADDICTION AND OTHER DRUG DEPENDENCIES

Locale	Period	Modality	Approximate number serviced	Total expenditures
Washington, D.C.	Fiscal year 1971	VR services to methadone maintained	240	$112,008
Minneapolis, Minn.	do	VR services to hospital inpatient narcotic addicts	75	27,770
Nassau County, N.Y.	do	Evaluation and VR services to disadvantaged addicts	250	25,810
Hartford-Waterbury, Conn.	do	VR services and counseling	75	38,330
Tulsa, Okla.	do	Counseling and psychiatric	25	12,500
Portland, Oreg.[1]	do	Individual or group psychotherapy, detoxification and medical, vocational, social, occupational, recreational, and educational services in addition to family casework services and religion.	100 clients annually	[2]194,095
Brooklyn, N.Y.[3]	July 1, 1970–June 30, 1971	Detoxification as often as necessary under medical supervision, group treatment (Guided Group interaction model).	25 girls, ages 12 to 16	168,866
Anchorage, Alaska[3]	Not given (recently funded)	Halfway house to aid drug users in kicking their habit and reentering society	150 to 250 youths, 16 to 22.	55,414

Note: The first 5 programs are in the Division of Disability Services of SRS.

There is no data available on drug dependence or addiction treatment per se from the Office of Service Delivery, SRS.

[1] This program is in the Psycho-Social Study Section, Drug Abuse Research and Demonstration Project, SRS.

[2] 2d year, $209,000; 3d year, $207,000.

[3] These programs are funded by the Youth Development and Delinquency Prevention Administration, SRS.

DEPARTMENT OF HOUSING AND HUMAN DEVELOPMENT

HUD was unable to comply with the deadline set for receipt of information because this information is available only through its regional offices. The regional offices of the Department have been contacted and should be responding to the request for program information within a week or two. HUD will then send this information to NIMH to be collated and forwarded to the White House at the earliest possible date.

DEPARTMENT OF JUSTICE

Law Enforcement Assistance Administration

Prevention

The Prevention/Public Education program has been attended to largely in Large City/County Special Grants Program. Likewise, the Narcotics and Dangerous Drug Control Program (K-1 and K-2) have also provided a vehicle by which this area can be addressed. The major focus of prevention has been directed at the nation's youth through the development and implementation of preventive education programs in all grades of the public school system; e.g., grammar, junior high, and senior high. State and local medical, educational, and law enforcement personnel have worked jointly in the preparation and presentation of these programs. The National Institute of Mental Health and BNDD have likewise assisted in the development of informational materials for this purpose.

A second major focus of the Prevention/Public Education response to the narcotics/dangerous drug abuse problem is seen in programs developed for presentation to parents, civic groups, church organizations, and other interested citizen bodies. The intent here is perhaps three-fold: (1) to inform the adult community of the nature and extent of the problem; (2) to inform adults of what is being done; and (3) to prepare them for a possible personal confrontation with drugs as it may affect their own children.

Treatment

See Table 1, Drug Abuse Programs (Discretionary Grants Only—Action Grants Not Available) FY/71 Available Data.

Research

Information regarding only two discretionary grants involving research/data collection is available for FY 70-71. These are the Police/Community Information Program in Anchorage, Alaska funded for $40,000 and the Commission on Drug Abuse-Treatment Program and Facility, Memphis, Tennessee, funded for $75,000. The Anchorage, Alaska project involves establishing a data and information bank. The Memphis, Tennessee project involves studying and researching the causes of alcoholism and drug abuse related problems.

Training

Intensive training for the members of these special enforcement units have been emphasized throughout LEAA programs, the establishment of close liaison between local and state agencies and BNDD have been insisted upon regarding development of training programs, utilization of existing programs, and further continuous unit training. No figures representing the number of persons trained or to be trained were given.

TABLE 1.—DRUG ABUSE PROGRAMS (DISCRETIONARY GRANTS ONLY—ACTION GRANTS NOT AVAILABLE) FISCAL YEAR 1971 AVAILABLE DATA

Locale	Period	Modality	Approximate number serviced	Tota expenditures
Broward County, Fla.	Aug. 1, 1970–July 31, 1971	Detoxification, physical and psychiatric evaluation, rehabilitation through psychiatric treatment and counseling, guided group interaction therapy.	500 (30 to 40 in residential care program).	$200,000
Chicago, Ill. (drug abuse rehabilitation program—addict offenders).	Aug. 24, 1970–Aug. 23, 1971	Group and individual counseling	200 to 300 addict offenders.	200,000
Boston, Mass. (Norfolk County comprehensive interconventional drug addict treatment program).	Apr. 15, 1971–Apr. 14, 1972	Includes methadone maintenance and a self-help-type halfway house, therapy, and counseling.	No estimate given	154,318
Whitmore Lake, Mich. (serving adolescents from Detroit, Flint, Grand Rapids, and Highland Park) adolescent drug use limitation and treatment.	Aug. 15, 1970–Aug. 14, 1971	do	360 adolescents	92,475
Royal Oak, Mich. (alcohol and drug abuse treatment center).	Fiscal year 1971	No information given	No information given	101,046

Locale	Period	Modality	Approximate number serviced	Total expenditures
St. Louis, Mo. (community-based treatment and supervision of selected offenders—narcotics).	Dec. 1, 1970-Dec. 30, 1971	Prewithdrawal counseling, withdrawal under medical supervision, short-term residential accommodations, crisis intervention, varied counseling and guidance.	Estimated 200 can be handled on a post-release basis.	79,285
Trenton, N.J. (drug addiction treatment, rehabilitation, and prevention)	July 1, 1970-June 30, 1971	Includes residential treatment center (modeled after Dayton Village, New York City, with total utilization of ex-addicts as staff).	Residential center designed to serve 70.	139,600
Columbus, Ohio (preventive program for metro narcotics and drug abuse enforcement).	September 7, 1970-September 6, 1971.	Includes medically supervised withdrawal program	No information given	75,000
Memphis, Tenn. (commission on drug abuse-treatment program and facility).	August 15, 1970-August 14, 1971.	Psychological and sociological counseling included in voluntary treatment program.	22-bed facility	75,000
Travis, Texas (comprehensive treatment program for young drug users).	September 7, 1970-September 6, 1971.	Inpatient and outpatient therapy, including voluntary "walk-in" referral and crisis services.	No information given	52,470

DEPARTMENT OF JUSTICE

Bureau of Narcotics and Dangerous Drugs

Prevention

BNDD's efforts in the area of prevention include a public inquiry program which responds to requests for information on the problem of drug abuse, drugs being used, and various aspects of the drug problem as related to preventive enforcement and the problem of illegal drug use in the community. In addition, a community organizational program involving 13 pilot projects is being conducted. The emphasis of this is to promote a total community effort to prevent drug abuse, which includes law enforcement and other elements in the criminal justice system.

BNDD's preventive efforts also include a dissemination of information on drug laws and regulations to the registrants under the Comprehensive Drug Abuse Prevention and Control Act of 1970.

Other preventive efforts include stimulating program activities among the pharmaceutical manufacturers and associations. Other developmental activities in which the Bureau has been involved have recently included a conference for artists to explore means of utilizing the artistic community at the local level in providing alternatives to drug abuse. Other activities have involved the clergy, educators, law enforcement, and media people.

Treatment

BNDD has no treatment programs.

Research

See BNDD report (attachment 1).

Training

No estimate of numbers of persons who can be or have been trained through BNDD was contained in its report.

Major training efforts are conducted for professionals in the enforcement field and related areas to orient them to the need and the advantages of preventing drug abuse as opposed to concentrating only upon the enforcement aspects of the drug problem.

DEPARTMENT OF JUSTICE

Bureau of Prisons

Prevention

No programs reported on.

Treatment

Two categories of treatment programs: one functioning under the Narcotic Addict Rehabilitation Act (NARA); the other—Drug Abuse Program—treating offenders currently in the Federal prison population who have drugs as a contributing cause to their criminal behavior and who do not qualify under NARA. See Table 1, Treatment Programs for Heroin Addiction and Other Drug Dependencies.

Research

No research findings as yet to report. Collection of data in progress to help determine significant variables affecting treatment outcomes.

Training

Since NARA provides for an aftercare phase, a series of conference workshops with community agencies and probation agents have been held. (No figure is given as to the numbers of persons who have participated in these programs.)

Of some interest is the fact that several of the releases from the NARA programs have been hired by community organizations who are concerned with the "drug problem." The releasees are functioning as counselors and lecturers to various groups in the community. The Bureau of Prisons has contracted with some of these releasees to help in the continuing development of an effective treatment program.

TABLE 1.—TREATMENT PROGRAMS FOR HEROIN ADDICTION AND OTHER DRUG DEPENDENCIES

A. NARA (NARCOTIC ADDICT REHABILITATION ACT)

Locale	Period	Modality	Approximate number serviced (capacity)	Total expenditures
Danbury, Conn	Fiscal year 1971	Primarily therapeutic community approach	200	See below.
Milan, Mich	do	do	50	Do.
Alderson, W. Va	do	do	100 women	Do.
La Tuna, Tex	do	do	100—50 women	Do.
Terminal Island, Calif	do	do	100 men, 50 women	Do.
Five programs funded for				[1] $560,400

[1] Salaries, $436,200; operating costs, $124,200. Also, $525,000 in aftercare contracts have been let with community agencies, fiscal year 1971.

B. DRUG ABUSE PROGRAM (FOR THOSE NOT QUALIFIED TO RECEIVE TREATMENT UNDER NARA)

Facilities at Lewisburg, Pa.; Petersburg, Va.; Terre Haute, Ind.; El Reno, Okla.; and Lompoc, Calif., will be providing treatment in fiscal year 1972 for drug abusers who do not qualify under NARA. To date, $80,000 has been allocated for fiscal year 1971 to cover the costs of construction.

The major emphasis of the information program on drug smuggling and abuse by the United States Bureau of Customs is to stress law enforcement activities. This serves several purposes: one, it reinforces that there is a drug abuse crisis and tells the public what is being done to combat the problem; two, it asks the public to cooperate with local, state and federal authorities so that more can be done to solve the problem; and, three, it acts to deter amateur smuggling of illegal drugs into the United States.

This information program by Customs is implemented: from the speaker's platform; through news releases that generate editorials, news and feature articles; and, by use of posters, flyers, and radio and television public service announcements to inform the public of certain inconveniences they may experience because of the search for illegal drugs.

The Bureau cooperates with the travel industry and other government agencies in programs to slow drug smuggling and abuse in the United States. It has also participated in presentations by the White House for the television and radio industries on ways to curb drug abuse in America.

Additional information may be obtained from the Bureau of Customs, Office of Information and Publications, Treasury Department, Washington, D.C. 20226. Telephone 202-964-2475.

DEPARTMENT OF LABOR

Prevention

A special film and other educational materials are being developed specifically for lower class and inner city populations because of the paucity of suitable material for Job Corps training programs. Guidelines for conducting drug education and counseling have been prepared for use in Job Corps training programs.

Treatment

See Table 1, Treatment Programs for Heroin Addiction and Other Drug Dependencies.

Other efforts supported by DOL in the treatment and rehabilitation area include the VERA Institute of Justice of New York City which takes people arrested for less serious crimes and, prior to trial, gives these people (many of whom are drug addicts) an opportunity for rehabilitation and training.

Another similar program—not specifically geared to drug abusers but involving many—is Project Crossroads in Washington, D.C. This project is sponsored by the National Committee for Children and Youth and funded by the Department of Labor. It is a pretrial diversion program for youthful offenders. The program stresses career development, using employment, training, and other supportive services. Project Crossroads, like the VERA Institute of Justice program, relies heavily upon nonprofessional staff.

Research

DOL has contracted with the New York State Narcotic Addiction Control Commission to make some special tabulations from an ongoing survey of drug use among the general population of New York State in August 1970 which would show the extent of drug use among different occupational groups in the labor force. See the attached report for further specifics regarding the survey findings.

Training

A most extensive training effort has been undertaken by the Job Corps in DOL. The Job Corps organized a series of nine technical assistance seminars which could aid in the recognition of symptoms and in dealing with drug users. The first seminar was held in mid-January 1971 in Washington, D.C. Other seminars are scheduled for June 21–23 in Philadelphia. The six remaining seminars will be conducted July through September 1971. No specific information is given as to the number of persons who can participate or who have participated in each technical assistance seminar. The DOL report states that approximately 70 people in each Manpower Administration region were found to need background information and training in the drug area. This would bring the intended number of participants to no less than 630 persons.

TABLE 1.—TREATMENT PROGRAMS FOR HEROIN ADDICTION AND OTHER DRUG DEPENDENCIES

Locale	Period	Modality	Approximate number serviced	Total expenditures
Washington, D.C., Residential Manpower Center	Mar. 15, 1971	Methadone treatment (program for detoxified addicts who are physically and psychologically capable of undertaking job training).	No information given	No information given.
Baltimore, Md., Westinghouse Learning Corp	Fiscal year 1971	Job training and placement of ex-addicts	3 treatment programs but no information re-number services.	Do.[2]
New Orleans, La., New Orleans Association of General Contractors.	do	Job training and placement of ex-addicts	No information given	Do.[3]
Washington, D.C., Blackman's Development Center.	February 26, 1971	Institutional training program for rehabilitated drug addicts (training courses 26 weeks in length).	200	$325,000 (plus $198,000 from HEW).

[1] 2 other similar demonstration projects are scheduled to begin prior to the end of fiscal year 1971 at 2 other Job Corps yet to be announced.

[2, 3] On both of these projects DOL is working in conjunction with OEO. OEO plans to award operating contracts for 8 more cities in fiscal year 1972.

VETERANS ADMINISTRATION

Prevention

No programs reported on.

Treatment

The VA began a special medical program for treating drug dependent veterans in the middle of FY 1971 by establishing five drug dependence treatment units in existing VA Hospitals, which are located in these cities: Houston, Texas; Battle Creek, Michigan; New York, N.Y. (Manhattan); Sepulveda, Calif. (Los Angeles area) and Washington, D.C. Another 13 treatment units will be activated July 1, 1971. For the first five drug units in FY 1971, the VA allocated $330,000 for six months of operation. The FY 1972 budget calls for $3,060,747 for 18 units, and the FY 1973 budget is projected at $14,926,835 for 46 units. If resources permit, the VA plans to treat an estimated 9,000 drug dependent veterans in the next two years, with each center reaching a maximum caseload of 200 outpatients. Units average 15 beds for necessary inpatient care. Various treatment modalities will be used.

Research

A new approach to evaluating the effectiveness of several therapeutic modalities and of the treatment units is now being designed for inclusion in the program of each unit (also see report).

Training

VA has extensively utilized NIMH training facilities at Hayward and Yale as well as training facilities at Lexington, Kentucky and Fort Worth, Texas.

In June 1971 an administrative conference was held with representatives of each planned drug unit in attendance. Other training sessions have been held and is being encouraged. (No estimates of numbers receiving training given.)

IN COMMEMORATION OF CAPTIVE NATIONS WEEK AND THE 15TH ANNIVERSARY OF THE HUNGARIAN REVOLUTION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. ROE. Mr. Speaker, I trust that last week's observance of Captive Nations Week helped to remind all of us of our individual responsibilities to each other in renewing our devotion to the heritage of our national resolve and conveying to the long struggling, freedom-seeking peoples of the captive nations of the world our warm understanding and sympathy for their aspirations in continuing to maintain the dignity of man, restore their individual national recognition among all countries and achieve their independence.

Many of those fortunate enough to escape from the horrors of oppression and tyranny are now citizens of our own country who recall the fear as well as the fierceness of the battle. The date of October 23, 1956 will mark the 15th anniversary of the Hungarian revolution that sought free elections and the end of the Communist government that had taken control of the Hungarian people in 1947. By October 30, 1956 the revolution had succeeded but the Hungarian people's independence was shortlived and the Communists regained control the following month. It is estimated that 160,000 Hungarians fled the country and several thousand lost their lives in the fighting.

As a nation comprised of people of all nations, many of whom are descendants of or have personally experienced oppression and tyranny in foreign lands, our United States of America is deeply sympathetic to the plight of these people. We are linked by bonds of family and principle to those who love freedom and justice on every continent; our democratic process has achieved a harmonious national unity of people with the most diverse of racial, religious and ethnic backgrounds; and as a united people we recognize the natural interdependency of the peoples and nations throughout the world upon each other. In fact, it was upon this preamble that the Public Law of 1959 was enacted authorizing and requesting the President of the United States to issue an annual proclamation designating the third week in July as Captive Nations Week and inviting the people of the United States to observe this week with appropriate ceremonies and activities.

It was a distinct pleasure for me to join my colleagues in last week's highly important commemoration and to speak out in tribute to the courage, fidelity and dedication to the principles of representative democracy manifested by the pioneering efforts of the people of captive nations throughout the world. This past week gave all of us an opportunity to consider the fate of some of these countries including Hungary, Czechoslovakia, Poland, Bulgaria, Rumania, Latvia, Estonia, Lithuania, the Ukraine, East Germany and Albania. It was most reassuring to note from my participation in this solemn observance that these courageous people are encouraged and continue to provide renewed hope to their homelands that they will once again be free and I am indeed pleased to have had the opportunity to make known our deep concern for these people in order to keep alive their independent spirit and deep desire to continue their pursuit of freedom and happiness, achieve their national goal and share the just and rightful endowment of our free world which they so richly deserve.

TAKE PRIDE IN AMERICA

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a Nation.

Asked what he liked about America Bob Hope said:

> In a few paragraphs it isn't an easy assignment. America has a sense of humor. Everybody seems to want to laugh. Cab drivers, salesmen, elevator boys lean on you with the latest story.
>
> The torch on the Statute of Liberty has been my Aladdin's lamp. I rubbed it and have received bounty and blessings beyond anything I could have dreamed or asked for. I cast a few crumbs upon the water and get the whole bakery.

THE HUMAN STORY OF WELFARE

HON. MARTHA W. GRIFFITHS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mrs. GRIFFITHS. Mr. Speaker, at this time, I would like to insert into the RECORD a series of articles describing the personal lives and problems of some of our people on public assistance. The articles, which appeared in the Detroit Free Press, were written by Helen Fogel, one of the country's finest journalists. They are stories pointing out the unmet human needs of these individuals, which must be recognized if ever we are to secure effective and meaningful welfare reform.

The articles follow:

ANNA ELIZABETH, BOOTS, AND WELFARE

(Sometime this month, Congress will begin to debate the first major welfare reform with a chance of becoming law since the Social Security Act established aid programs for those who cannot work back in the '30s.

(The reform bill has at least one feature which almost all critics of the current legislation applaud: It would establish an income floor, $2,400 for a family of four, throughout the country.

(It would also make welfare primarily the business of the federal government rather than that of the states and counties.

(It probably would not decrease welfare costs. More people would be eligible for benefits than ever before because, for the first time in some states, working people would be eligible for benefits.

(Whether or not the new legislation would eliminate what the experts see as the worst evil of the present system remains to be seen. This is the denial of human dignity to those who must resort to welfare to live.

(Authorities say too that many of our ideas about welfare recipients are myths. For instance, statistics indicate that only two percent of those now on welfare could work IF work were available.

(Though there is some fraud among welfare clients, almost all of it is of the penny ante variety and administrators say it costs more to chase it down than it does to pay for it.

(Welfare can become a very impersonal thing—a matter of statistics and huge sums of tax money—to those who are not its recipients.

(But for every welfare statistic there is a human being with problems of great magnification to him or to her. To help readers keep the human being in mind as Congress debates welfare reform, the Free Press today begins a series describing incidents in the lives of some Detroit welfare clients.

(No special effort has been made to report hardship cases. The stores are about people picked at random.

(All of the names are fictitious, because in each case the person felt shame in having his identity as a welfare recipient revealed. The incidents are real, however, either witnessed or documented by staff writer Helen Fogel.)

(By Helen Fogel)

Anna Elizabeth Brown sucked her lips in thin and stared up at her teen-age son, Liberty.

On the table between them sat a shiny bright pair of new patent leather boots, ankle-bone high and narrow, with elastic insets and a loop in back to pull them on with.

"You mean to tell me," Anna said softly, "that those boots only cost you $4.50?"

"That's right, Momma," said Liberty. "They were on sale." He ran a soft finger over the boots. Then he lowered them carefully into the plain gray bag.

Anna Elizabeth continued to look up at her son, and for a moment he glanced into her direct glaze. He uttered a funny, gurgling little laugh and looked down at the table.

At 15, Liberty is Anna Elizabeth's oldest son—the closest she has to a man in the house.

Out on the streets, among his friends, Liberty is already a man, and his mother doesn't like to put him down at home.

She knows as sure as she does it too often, Liberty won't come home at all. At least now she knows where he is part of the time. She wonders where he could be when the counselors say he isn't in school.

Anna Elizabeth has been this route before.

That's how she happens to be on The Welfare.

ANNA'S GROWING UP DAYS IN INKSTER

Though she doesn't look it, Anna is close to 40 now, small and plump—a sweet, high brown woman with a merry smile.

She's the kind of lady that folks call "fine."

Recently, she's been going without a wig some, and the silver threads stand out clearly in her short, kinky black hair. But somehow her own hair makes her look even younger and softer than before.

She grew up in Inkster with her mother who did day work to support Anna and her brother.

"I haven't seen my Daddy in 20 years," she said.

Growing up, she learned how it was to be without things the other kids had and never to have enough of the things she needed. She learned how it was to have her Momma away all day, tired and cross at night—and lecturing, always lecturing.

Mothers who can't be at home to see what their children are doing sometimes try to build fences with words.

"It was a hard struggle," says Anna off handedly.

As she talks you can almost see the young Anna, full of mirth, skipping school and sneaking away from her grim and earnest mother whose sole protective stance was reproach.

Anna understands her mother better now, but then all she wanted was to laugh and dance and have fun. Anna's Momma didn't allow dancing.

"I never did make it to high school," says Anna, shaking her head.

After eighth grade, she just didn't go back to school.

Instead, she looked for the brave new life that she would control herself.

She married her boyfriend and together they moved to Chicago.

HER HUSBAND, A DRINKING MAN

Now she shakes her head and twists her face into a wry mask—another sweet dream gone astray.

As she talks about her marriage, you can tell she is still struggling with the love dream where the two pretty people marry and live happily ever after, with only the sort of problems that bring lovers closer together.

Now she chuckles heartily at her own naivete.

Only her dark somber eyes betray the pain born of a small nagging belief that it was not the dream but she who was wrong.

After all, one has to hope for something.

After 16 years of marriage I had to pack up and leave. I couldn't get along with my old man, I tried," she said.

Her eyes are soft now, and they rest gently on the narrow head of 7-year-old Daniel, the youngest of her six children. Then she glances into the living room where Liberty is sprawled on the floor in front of the television set.

"One reason, I tried to stay with my husband was I knew how it was to grow up wanting this and that," she explains.

Her husband, she says, was a drinking man. "I was afraid of him. So were the kids."

Almost defensively, she adds, "I tried to stay, but I'd get knocked around." She shows you the scars on her face.

"Finally one day, I said, 'I don't have to take this,' and I packed up everything I'd paid for and left."

That was four years ago.

She came back to Detroit and got a job as a checker in a dry-cleaning shop, and a divorce, in that order.

Her eyes crinkle up at the corners and the laughter returns to her face as she assures you the divorce is real and legal.

"That was one man I wanted to get rid of," she said.

For the first two years after she returned home, she worked first in the dry cleaners for $1.45 an hour and then as a waitress in a chain operation. As a waitress, she worked the night shift for 90 cents an hour so she could be home in the day with the kids. With tips, she usually made a little more than she did as a checker.

She worked hard—going in at 5 in the afternoon and not getting home until 4 or 5 in the morning.

"I couldn't hardly take those hours," said Anna.

But she thought she was making progress. She'd paid for her divorce, and she was working towards a separate home for her family. They had been living with her mother which made it possible for Anna's grandfather to babysit with the children.

"It was with my oldest girl the problems started," said Anna.

Suzie at 17 was having emotional problems. "She wouldn't do anything my grandfather said," said Anna. She was gone from home a lot and from school—sometimes days at a time.

The social workers thought maybe it had something to do with Anna's working.

So Anna quit work and went on welfare. After the prescribed 90 day period she was approved for Aid to Dependent Children.

She believed then that her ADC grant was a short-term expedient. She would get her family back together and go back to work. For Anna working was not so much for the money which was less than $3,700, as it was for pride.

But by now, Anna's oldest daughter was a heroin addict and the mother of a baby. The following year, Suzie had another child. She left both children with Anna who took both babies in.

"My mother told me I should find Suzie and make her take care of her children," said Anna. My little boy is in school now. I didn't need any more children.

"But what was I going to do?" she continued. Put them up for adoption? Throw them out on the street?

"I don't have the money to spare for looking for her," said Anna. "If I found her she would only leave again. She'll never take care of the babies now."

Then a year ago, Anna's next-to-oldest daughter got pregnant too. She now has a three months old child. Like her mother she's a welfare baby.

But this time Anna is making different plans. With reality as a guide, Anna will see that this daughter takes the Pill. She has begun to nag too—like her mother. She wants her daughter to go back to school.

At the same time, she's looking forward to the day when all the youngsters will be in school. Then she wants to go back to school to learn to be a nurse's aid.

Then she will have a skill.

In the meantime, she's doing the best she can to feed, clothe and house her family on an ADC grant—and to overcome the effects of their earlier demoralization in spite of the strain.

BACK TO LIBERTY AND HIS BOOTS

Her chief concern is Liberty. She's satisfied the others are making some progress.

School does not interest Liberty much, and he shrugs off all Anna's moralizing about what will happen next year or five years from now.

"I could choke him," says Anna with sudden savagery.

But Anna Elizabeth Brown is a determined woman and she hopes to win this one.

Before Liberty left for school in the morning, Anna had given him a $10 bill, all the money she had, to shop for some much needed shoes to replace his one pair—out at the sole and badly worn. She told him not to spend more than $5.

She needed the rest to buy food, a little meat and some vegetables to go with the beans. The family was out of fresh milk too.

Anna stared over at her son who looked back uneasily.

"The boots really were on sale, Momma," said Liberty.

"I believe that," said his mother. She wanted to scream and curse and hit her child hard. At least that would relieve her pain.

Instead, quietly controlled, she pursued the subject.

"What happened to the change?" she asked.

"I took the bus and bought lunch and I had some expenses at school," Liberty explained, his eyes fastened to the edge of the table.

"You had $5 worth of expenses?" asked his mother in a pleasantly terrible voice.

"Liberty," she demanded, "What happened to the change?" Liberty sighed deeply and looked up at his mother.

"There wasn't any change, Momma," he said.

And Her Despair Is Total—Honore's Crippled and Alone

(This is the second in a series that looks at the lives of some welfare clients in the Detroit area. No special effort has been made to report hardship cases. Today's story, like others in the series, is about a person picked at random. The names are fictitious, but the incidents are real.

(Contrary to popular myth, almost no one goes onto welfare rolls expecting to stay there. Almost all cases are off the rolls within five years. When this is not true, as with people who are physically unable to support themselves, despair is total. Today's installment addresses itself to such a situation.)

(By Helen Fogel)

She drops it like a small rubber ball—right into the middle of a militant dialogue about the evils of the welfare system.

"I really don't want to live any more."

For a moment, you think she's kidding.

But she sits there, eyes down, her crippled legs stretched out in front of her, and her hands, balled up in fists, scrunched in tight between them.

Before you have politely managed to conceal the horror on your face, she has seen it.

"But you asked me about my problems," she said. "This is one of the problems I have—that I'd rather go ahead and die—because I don't want to go on living this degrading life."

Honore Ryan who now receives an Aid to the Disabled grant was not always a welfare case or even a poor woman.

Her husband was in real estate, and he and Honore and their daughter lived well. They had all the things they needed and other things too, like the nice home in a fashionable affluent northern suburb.

Honore and her daughter still live in that house which has begun to look a little worn now because a welfare check doesn't stretch to property upkeep.

Several years ago, Honore's husband quit his $30,000-a-year job, his wife and his child, and went to Puerto Rico to make a new life with another woman, younger and prettier—and heathy.

HER BODY WRACKED WITH PAIN

In spite of the fact Honore manages to get around with crutches, she is severely disabled. As a child she had polio and rheumatic heart disease, which left her with a weak heart. She now suffers from rheumatoid arthritis.

Over a period of years, both before and after her marriage, she had 31 operations including three spinal fusions.

When the weather is bad, she has trouble sleeping because her body is wracked with pain.

She says, however, that she kept a cheerful face throughout her marriage, and her husband always came home to a warm meal on the table—even those nights when he came home late.

They'd had some marital problems. He didn't like her to have an allowance. When she needed food in the house or something for herself, he bought it and brought it home.

She'd argued with him about it and even seen a marriage counselor. In the end though she had relented and done things his way.

Maybe Honore was too good—too perfect to live with.

For whatever reason, her husband left for good without telling her. Since he was often away on business trips, Honore didn't know he was gone until a bill collector came to her door and told her he had left his job.

When he left, Honore had a little food in the house, but nothing else. She had no money at all.

SUBURBANITES DON'T UNDERSTAND

Honore broke off suddenly in her narrative.

"Suburbanites," she said bitterly, "Don't understand the poor. Out here people are so affluent." Her voice broke and she just shook her head.

A welfare mother from the Cass Corridor might find it hard to believe she and Honore had anything in common. Honore has her home with its spacious, though somewhat seedy back yard. There's even a little patio in the building—made from used brick scrounged from building sites well after dark.

Poverty is a relative thing, and Honore believes it is harder for her to manage at the poverty level than it is for people who have been poor all their lives.

At one time, she was used to having nice things, and she has a richer set of neighbors to keep up with.

But she had to turn to welfare because she had no alternative.

STILL SICK OVER VISIT

She remembers the first time the social worker came to her fine home. She still feels sick about that first visit.

The worker, a middle-aged hard-bitten man, went over all her precious possessions—her paintings, her grand piano, her furniture—even her lace-edged underwear.

Each time he came upon something new, he said, "You'll have to sell this. You know you're on welfare now."

"My daughter was 11 at the time, thought her world was falling apart," said Honore. "First her father was gone and then there was this."

"Besides," she continued angrily, "He lied. You don't have to sell your personal possessions."

Honore believes the worker was intentionally trying to humiliate her—kick her when she was down.

She acknowledges that people have asked her why she continues to live in an affluent suburb "where no one understands."

She explained her house payments have been less than what she would have had to pay for an apartment. Now that may change too, because taxes are going up . . .

The other things—furniture, paintings and clothing were already paid for.

Honore has plenty of room in the house now, and she'd like to take in a boarder. If she did, she'd have to report the income and it would be deducted from her welfare check which hardly makes the work worth the trouble.

ONE OUTFIT OF CLOTHING

During his first visit, the worker explained in some detail to Honore and her child, those things they might have even though they were now on welfare.

"He said my child could have one pair of underwear, one slip and one dress. I asked him when I would wash these things, and he told me they could be washed on the weekend."

"He wanted to make me feel small and worthless," Honore continued. "The more he tried, the more the dander in me came out."

She and her daughter learned to cope.

Her daughter learned to sew, and would vary her wardrobe by taking her old clothes apart, washing the material, and making new skirts and dresses.

As bitter as Honore is about the welfare system, she saves her special venom for the church and a society that calls itself Christian.

She is particularly angry with those who tell her her predicament is "God's will."

Irish to her toes, Honore is a gut Catholic—practicing, believing—a real moral nag.

"God does not will that her children suffer," she fumed. "God loves you."

"Senator Eastland gets welfare," she declared.

"Farmers who don't plant crops get paid for not planting them. That's welfare," Honore charged.

"Our Michigan legislators wanted to vote themselves a dental care plan. On Aid we don't get money for dental care."

The legislators, she said, do not understand the moral nature of the decisions they make.

Honore believes in the equality of all souls, and does not believe God rewards the Good with affluence and punishes the Bad with poverty.

But she also understands that many of the assumptions that Americans have about the poor derive from the Calvanistic doctrine.

So she continues to make a nuisance of herself with churchmen.

When she sees a church yard being paved or a new building being raised, she makes a point of seeing the clergyman of the parish and asking him what the church had done for the poor in its congregation—before it had started construction.

As she described her conversations with the clergy, her eyes began to twinkle, and her laughter bubbled out. You realize that calling a hypocrite by his real name is one of the few pleasures Honore Ryan can afford.

Other than that, she has her daughter.

Most of her family acquaintances deserted along with her husband and the $30,000-a-year income.

The few that stuck, she considers friends, and she has joy in them.

In complete innocence, she admits that what she misses most about being rich was her freedom to be Lady Bountiful.

But what really worries her is the situation with her daughter.

She wants the girl, who has been a welfare child for nine years, to be free when she gets through school. She does not want her to be chained to caring for a sick mother.

So, daily, she sits alone in her unheated home and mulls over what she can do to insure her daughter's freedom from the welfare bureaucracy.

At night, when the pain is too much for sleep, she gets up and slowly paces the floor on crutches thinking over and over again how she must send her daughter away and never see her again.

As things are now, that is the only way Honore can save her daughter from having to support her when she has graduated and found a job. The state insists on relatives who are able supporting a member of the family who is disabled.

But Honore has not really discussed these matters with her child, and she does not know if the girl will go, even if Honore insists.

So when she is alone or the pain is to great, though every fibre of her body screams, "sin," she considers a darker alternative.

For Joseph—No Jobs, Not Even Sweeping

(It is harder for a man to accept public assistance than it is for a woman. Common belief in a woman's social role in the home protects the woman on welfare to some extent from public scorn.

(Take for instance the story told in this third installment of a series telling the human side of Detroit's welfare problem.

(Society considers a man inferior, a bum, if he does not work. Increasingly, however, men are unable to get work and so far the Work Incentive program—a program designed to give welfare clients enough skills to find basic jobs—hasn't even scratched the surface.)

(By Helen Fogel)

Joseph stared glumly out of the car window into the bright blue day.

"I'm not proud of what I do," he murmured, "but I will do anything to see my children do not starve."

He had just finished explaining how he answered newspaper ads offering free pets to good homes, how he lied to get the pets, and how he took the animals and sold them to buy milk for his children.

"It is not that I do not love animals," he explained carefully. "It is only that I love my children more."

Joseph feels bad about the animals. He described one of them, a beautiful dog, lovingly in great detail. He would like to have such a pet himself.

He also feels bad—but less so—about the batteries and hubcaps he stole from autos parked in an area of west Detroit.

These too, he sold to make money for food for his five young children.

Joseph was a skilled tradesman until a drunken driver plowed into his car at an outstate intersection. The accident left him with permanent back injuries which made it impossible for him to do the heavy lifting which was part of his job.

So Joseph became an unskilled worker and one with a disability upon which industrial personnel people didn't want to take a chance.

He couldn't even find a job as a sweeper.

Joseph is a proud man with all the entails to one of Mexican-American descent.

He's painfully aware of his wife's middle American background and his own minority status. Even now he can't tell her family of their problems.

He did not want to go to the County for money to support her.

He believes now the pride which kept him from the welfare rolls while the food in the house dwindled to nothing and his children went hungry, was false pride.

He sold everything he had—the home furnishings, his tool box, his wife's jewelry—even her wedding rings, until he had nothing left to sell.

It was not until even his infant son had nothing but sugar water to drink, and there was no prospect of buying more sugar or anything else that he turned to welfare.

Like all people who seek welfare, he first went to the county for emergency and general assistance. He was eligible for Aid to Dependent Children of Unemployed Fathers (ADC–U) and if everything worked as it should, he would have received it within 90 days after he began receiving general assistance.

But as it often does, the welfare system failed. His application for ADC–U was delayed more than 18 months leaving him to fend with the County staff which everyone acknowledges is overburdened, overworked and sometimes mean.

(It is little wonder the County assistance workers seem callous. They are expected to deal with at least 40 cases during their 8-hour day—40 cases of tragedy each day.)

Joseph and his family live in the bottom half of a duplex on one of the most wretched blocks of Detroit's inner east side where the dingy houses in their dusty, littered yards tilt at small crazy angles as though they were trying to avoid one another.

When a visitor knocks, his wife moves the curtain ever so slightly, then quickly opens the door enough to permit entry. As quickly, she closes and locks the door. Joseph's wife is afraid of the neighborhood she lives in.

She is a small, sweet-faced woman with long blond hair.

Her face is incredibly young, but her compact, broad-hipped body in the old apron-covered pink sleeveless dress moves in harried starts and jerks. Her bare feet are shoved into worn scuffs. She peers at you with nervous eagerness through thick glasses.

She is happy to have company, and you can understand why.

Their home is a crush of four tiny, hot rooms where her four older children (the oldest is five) play. Her youngest, a five-month old infant, is crying in the crib.

Not many people come to see the family, and the children are excited by the novelty, too. In the excited running back and forth, the toddler, barely a year old, cracks his head against the corner of a table, and he begins to cry too—bedlam in the four close little rooms that smell of bug poison.

Joseph's wife flies, first after this child, then that. She picks up the crying infant and rubs the head of the crying toddler.

She smiles an apologetic "I don't know what's got into them," and turns angrily to the older children. "Your Daddy's going to get you," she hisses.

She seems childishly vulnerable, sitting on the edge of her chair in her little locked-in rooms, surrounded by her children. She looks like a little girl playing at being Mama in a cruelly infinite game of House.

Joseph and his wife believe it is unsafe for her and the children to venture outside unless he is with them. So, though the day is sunny and bright, they stay in their self-imposed prison. She keeps a long kitchen knife on the ledge of the locked window beside the door.

She points out that the dope house down the block, raided the day before, is already back in business. There are others she says, that haven't been touched at all.

Besides that, there are the street attacks she has heard about, and the break-ins. So even when people come to her door. she doesn't open it unless she knows them.

A neighbor woman drops by to say a jitney will be leaving some food on the neighbor's steps. Joseph's wife scolds her for letting it sit out without watching.

She returns to perch once again, on the edge of her chair, and once again she assaults your emotions with that bright, expectant look.

Mostly she talks about the horror experiences the family has had as general assistance clients.

How she was refused admittance to a hospital when she was in labor because she hadn't been to their clinic and how she was sent into the night with a drunken ambulance driver to Wayne County General.

How the doctor found her anemic and refused to let her nurse the child, but how the welfare worker denied Joseph money to buy baby bottles and a sterilizer saying, "If your wife weren't so lazy, she'd nurse the child," so her husband sold blood to get the money.

How the rats jumped out of the stove when Joseph opened it to light it; and how the rats kept jumping at him until they were killed, and the family was sure the rats must have been rabid.

How the County delayed in replacing the glasses which were stolen off her face and she couldn't see and tripped over a chair and dropped her infant son.

How when Joseph decided he must get a vasectomy, the County denied him funds, but offered to finance a sterilization for his wife.

Though she tells her story unemotionally, the anger is there.

You can feel it when she declares that she will make sure her kids "know how it was so they will never treat others the way we have been treated."

And there is defiance in her statement, "My husband and I are not going to let the welfare people put us down."

But there are other things too.

There is fervent love and respect.

"I am so proud of my husband," she said. "Other men would have walked away from things like this. He could have walked out anytime. I wouldn't have blamed him."

And they have hope.

They have finally qualified for ADC–U, and they expect to find a better place to live.

If financially troubled Wayne County Community College manages to stay open, Joseph is going to school to learn a new way to make a living. His tuition will be paid by scholarship.

"I know when he finishes school, he will get a good job," said his wife.

All things being equal, there will be no more children. Joseph obtained a privately financed vasectomy. His wife, just to be sure, is taking the Pill.

And they are making happy plans for the children. they do have. This one will be a pilot—that one, a doctor.

Joseph's wife is calmly confident when she says, "Their sights will be higher than ours have been."

Meet a Victim of Poverty Paranoia

(Most people who come fresh into the welfare system, the victims of bad fortune, still have a feeling of their intrinsic worth as human beings.

(Trying to survive, they are shattered by the message they get from the massive, overburdened welfare machinery:

("To us you are just another case. Nothing so special about that."

(Self-preservation makes some persons adopt a state of mind which may be called poverty paranoia.

(It's easier for that person, trapped in the inertia of welfare bureaucracy, to believe he is the victim of persecution, than it is for him to admit he is so unimportant and impotent that he cannot even move another human being when he is screaming for help.

(Such a victim of poverty paranoia is described below in the fourth of a series on Detroit welfare clients. The name is fictitious, but the incidents are real.)

(By Helen Fogel)

There's an echo of the World War II era in Elinor Faltroni's self-conscious the-show-must-go-on style.

You can almost see her, as a kid, modeling herself after the big movie stars of the day. Back in 1949, her efforts were rewarded when she was named Miss DSR. That moment is still with her.

Now, head erect and shoulders firm, she walks into an unknown future with a tight little wiggle, a bright smile poignantly pasted under the little-girl eyes in her heavily pancaked face.

She is Betty Grable dancing through a hundred heartaches, and spunky Betty Hutton chasing the wolves from her little sister's door.

But for some who do not see her as she sees herself, she is a damn nuisance.

She is a woman who will not stay in her place at the end of the bread line. She demands her rights—and some of her wrongs too.

Those who would put her down, she threatens with her connections—the Ku Klux Klan, a cop she dates, newspaper reporters, the governor of Michigan.

Like many women, she has come to welfare by way of the divorce court. She is currently receiving General Assistance and is in line for Aid to Dependent Children.

Her divorce has been one where, though the decree has been granted, the bitter fighting continues—over payment of child support, over visitation rights, over custody of the children.

In a few short years, in her frantic attempts to get people to do things her way, she has alienated the Friend of the Court workers, the police, the sheriff's deputies, her own attorneys, her case worker, and the judge.

As this story is written, she is facing a long-delayed custody hearing. Her two beautiful children have been removed from her care by the court and placed in a children's home.

VICTIM OF A PLOT

She says to one and all who will listen that she is the victim of a plot instigated by her ex-husband whom she suggests has sinister underworld connections.

Her story is filled with references to drug-addicted teenage hustlers, pushers with long conviction records, late night visits by men who break her windows, and possible syndicate men who pose as welfare workers to gain entry to her home.

Judges, police, social workers—everyone—maybe even her own attorney, she says, are in league against her—under the influence of her husband's underworld connections.

She has her story haphazardly documented in a big black notebook filled with records of convictions of those whom she says wish to destroy her. There are records of court appearances and letters from a variety of officials to certify she has been to see them or talked to them about the case.

The collection ends triumphantly with reports from two psychiatrists which indicate she is neither emotionally unstable nor incapable of caring for her children.

She shows the collection to anyone who evidences sympathy.

She mutters how the Klanner men from her southern Ohio family would know how to handle her ex-husband's intransigence.

After she finishes her well-knit narrative, you have only one question: "Why wasn't some one who was that great a threat to the underworld powers done away with long ago?"

No answer.

It takes quite a lot of calm reassurance to talk Elinor out of one of her flights of fancy and into a state where she can act in a realistic frame of mind.

SHE MUST STOP NAGGING

Her attorney you assure her is working very hard in her behalf. She is very lucky to have such a high type, well qualified attorney. Not all people in her position do.

She must stop calling and nagging him about her case—demanding, demanding. He'll throw her out. He's already done it once, and she has had to get someone less qualified and she lost her kids as a result.

He'll get them back if she just stays cool.

She mustn't call and threaten the people at the home where her children are. They'll put her back in jail.

Her welfare case worker is just a welfare case worker, you explain. He wants to be her friend. She's very lucky to have one who is really sympathetic to her cause.

WHERE ARE GRANDCHILDREN?

Then, Elinor's aged mother who has been sitting in the corner of the shiny white kitchen of the far eastside home listening to you and Elinor talk, begins to weep.

"Where are my grandchildren," she sobs. "What have they done with them? Why can't I see them?" Her voice gets thinner and higher and she snuffles like a child, and wipes her nose with the back of a thin-skinned, blue-veined hand.

"I brought my children up to do right. Why did they take our children. We have always been God fearing people."

She is really crying hard now, and her old body shakes with the great sobs and the tears flow in rivers down the loose skin of her wasted face.

"Why," she begged, "Why are they doing it to our children."

MEET MICHAEL, A CLIENT-ORIENTED SOCIAL WORKER

(The Welfare World is a Grimms' fairy tale place with the case worker cast as the hateful stepmother humiliating clients, denying them basic necessities, making them wait hours or days, even months for a check to pay the gas bill or have an aching tooth removed. That is the client's perspective. In today's story, the sixth of a series examining the human scene in Welfare, we get a welfare worker's point of view.)

(By Helen Fogel)

Michael Murphy doesn't look like a Gothic figure. He looks like the kid in the second row, left, at a Steppenwulf concert.

His tall, lanky, jean-clad frame is topped by a luxuriant mane of shining hair that falls well below his shoulders. He does not sit in a chair as much as, with unconscious grace, he drapes himself over it.

Though he looks like a Grosse Point rebel, he's a veteran of the welfare wars. A welfare child himself, he's grown up to become a welfare case worker.

He freely admits that wasn't the way he planned it, but that is the way it happened. In his own way, now, he's dedicated to making the best of what he believes is a very bad scene.

You may not have recognized him right away, but Michael Murphy has appeared in these stories before. He is the man whom Elinor Faltroni believed might be a syndicate spy gaining entry to her home by saying he was from the welfare department.

Murphy shrugged his shoulders at the story.

"Nobody trusts a person who doesn't give them what they need," he said. "We case workers don't trust our administration."

He gives you a long searching are-you-going-to-laugh-at-me-if-I-say-this look and plunges on.

"In fact, I have this assumption," he said. "They are effectively keeping us so confused, there is no way we can get together and say we have to stop this madness."

The Department, he explained is undergoing reorganization. Divisions are moving about. All-important papers get lost.

Non-degree people are being hired to do the massive intake work which, hopefully, will free the social workers to do social work—make home calls and seek services for their clients.

However Murphy said, the new system will have some built in hang-ups.

Intake work, dealing with whether people are eligible for welfare benefits, is among the most complex of the many duties the department performs.

Eligibility for welfare in general and each benefit specifically is determined by as dazzling and complete a set of rules and regulations as was ever created by legislative or administrative **fiat.**

Almost every day brings a memo eliminating an old rule or adding a new one.

With more than three years experience in the Department, Murphy believes he could spend his entire working day trying to keep on top of what the newest regulations are on eligibility.

In addition to that, intake workers are the welfare clients' first contact with the Department of Social Services. The new workers will be the least experienced and least paid members of the staff.

"Clients think they're getting taken now," Murphy groaned. "Just wait, in a couple of weeks, all hell is going to break loose around here."

And, of course, the number of cases each worker will be responsible for will be increased, because, theoretically, at least, the work load is being decreased.

Now Aid to Dependent Children workers may handle as many as 100 cases. The new intake workers will be expected to keep track of the eligibility of 250 cases—each one a person with needs as great as any we have written about, each one a person down so low, the Department of Social Services looks like up to him.

IT'S MORE THAN A JOB

Murphy considers himself, like his clients, a victim of the misery business the welfare system has become. Rationally, he knows he is better off than his clients because he is making a regular income which is well above the poverty level (though not above the moderate income level) from the system.

Rationally, he knows, if he picks his companions carefully, at the end of the workday, he can leave the misery business behind him and think of other things. His clients must live with it all the time until they find a way to become self-supporting.

But, says Murphy, he doesn't manage to get away from it.

He is one of the group of case workers in the department called "client oriented."

For them, their work is more than just a way to make a living.

They sympathize with the client's problems. They understand his point of view, and try to make the system work to his benefit.

For such "client-oriented" social workers, the welfare system is a source of endless frustration.

Murphy wraps it up in a succinct sentence.

"You do the state's work first, then the client's work."

The state's work includes paperwork in multiple copies for every request, it includes the regular checks on current client's eligibility. It includes more paperwork because regulations require several documents to justify each expenditure.

HOW TO GET TEETH FIXED

For instance, getting teeth fixed for a welfare client is a little like getting an automobile repaired by an insurance company. The client must go to the dentist and get cost estimates and an estimate on whether the bad teeth are undermining his health.

The social worker collects the estimates and certification of necessity and requests an expenditure for the service. He sends it on its way.

Along the way, it must get signatures of approval from each supervisor on the line, each of whom may send it back to the social worker for more information and documentation, and the process starts all over again.

If final approval comes, it takes several months.

Murphy says it is practically impossible to get an approval for repair of teeth. Most welfare clients with tooth problems have the teeth pulled.

"A client must be practically without teeth and starving from inability to eat before the Department will approve bridgework," said Murphy.

All requests for expenditure must go the same route and get all supervisors signatures before the checks are disbursed. It's a hassle that can last weeks.

Now because of the reorganization, papers sometimes get routed to the wrong place and may lie on someone's desk for weeks before they get properly rerouted.

Murphy has his favorite story.

An ADC client of his, living in a west side neighborhood where rats abound was having a problem with her children.

The kids would wake at night screaming either from the reality of rats or from terrible nightmares caused by the presence of rats in their yard and alley.

The house was shabby and in poor repair, so Murphy requested a strong rat wall be put up to keep the rats outside.

Such a request is fairly routine, he explained. It is justified and usually gets prompt attention. No one in the department wants a child injured by rats as the result of delay.

So Murphy sent the request along with great faith. Weeks went by, and he didn't hear from it. He began to check the stops the request would make along the route. No one knew where it was.

He was about to start the process all over again when he stopped to visit a friend in another division of the department. As he sat and chatted with his friend, his friend's supervisor called out "Does anyone know anything about——?" He gave the name of Murphy's client.

Murphy yelled and ran for the office.

There it was, neat as a pin—the authorization for his client's rat wall, completely off its prescribed routing pattern.

It's one of Murphy's few happier-ever-after tales, and he tells it with obvious gratification.

THEY TRY OTHER WAYS

Many workers with Murphy's commitment to the client simply do not last in the Department. Unable to deal with their own frustrations, they quit and look for other ways to do what they think the department should be doing.

Murphy quit once too. He had taken his college degree in speech and drama. He tried to make it in radio and TV but didn't.

He looked for other jobs, but jobs were scarce. He lived for a while on credit. Unfortunately, he says, his credit was good. In the end, he built up such a string of bills, he had to take the only job available. So he went back to the Department of Social Services.

He believes he has learned to handle his frustration better now.

"It's odd," he mused, "How you can get used to people needing furniture—beds. You're just past it all."

Now, he said, he works on the assumption that when his clients need something, there is someplace he can get it—if not through the Department of Social Services, somewhere else.

In each case of need, he goes the route of every public or private resource he has learned of in his years of trying to provide for people who can't pay.

He does everything he can to teach his clients to take advantage of all the workings of the system to get what they need. Then, if everything fails, he is at least satisfied he has done his part to make it work. That way, he explained, he escapes the bitterness of acknowledging personal failure.

FRUSTRATION FOR ALL

All Department social workers, he said, suffer in some degree from his own sense of frustration, whether they are "client-oriented" or not.

"Even those who are just here to do the job," he said, "want to be able to do a decent job. Nobody wants to be a bad guy."

"I'm very pessimistic," he said. "It's going to get so much worse."

He reminisced briefly about his growing up as a welfare child—his inability to keep up with his schoolmates in clothes and style. He spoke of the high school teachers who took him aside and worked with him to raise his sights. Because of their extra time and work, he went on to college—the only child in his family to do that.

He doesn't believe many welfare kids in the Detroit schools get that kind of break.

He spoke of how he came into the welfare system to work, aware of the social worker's pitfalls—having seen them from the other side of the fence. He knew what he didn't want to be.

But he shook his head at the terrible, final futility of all his good intentions.

"I find myself," he said, "doing the things that were done to us."

WE CAN CLEAN UP THE WELFARE MESS

(By Helen Fogel)

Generally, we learn of the horror of our nation's welfare mess through statistics.

We learn that 6.3 percent of the population, or 13.5 million persons, are receiving welfare payments that cost the nation $14.2 billion last year and that next year's cost will be even greater.

We learn that nationally seven out of 10 of the people on welfare are white, that in Michigan a family of four on welfare receives $3,720 a year for personal and household needs compared with the Bureau of Labor Statistics lowest standard budget of $4,922 a year.

We learn that the average time spent on welfare is 2.1 years.

If we would let them, the figures would tell us that we have failed.

We have failed both the poor and the taxpayer. Those who must foot the bill for the skyrocketing welfare costs are not getting results for their money.

Over the past five days, the Free Press has tried to present the welfare story in a different way—through the experiences of welfare recipients and case workers.

None of the four people, whose stories we have written, is on welfare because he or she wants it that way.

Anna, an ADC mother, had family problems and had to quit her job to care for her children. She had no marketable skills, and could not make a living wage if she went to work.

Honore is totally disabled. Joseph no longer has a trade and is unable to find an unskilled job.

Elinor, who was a computer punch-card operator, didn't work while she was married and now must get a training brush-up before she can get a job.

Michael Murphy, the welfare worker, explained the dilemma of the case worker, the middlemen in the mess. Pressured, hassled, overworked, some of them react by taking their frustrations out on the welfare clients. Almost all of them have to turn themselves off to the din of misery stories they hear constantly in order to function at all.

In the cases of Anna and Honore, we see the pressures poor families must cope with in a society where affluence is the norm. In the case of Elinor we see how much deprivation can effect a person's ability to function rationally.

If we are sensitive and thoughtful people, we know their problems are our problems because we have created a society where material things are a badge of worth and poverty is a badge of shame.

We have created a society where minorities and women do not have the same opportunities to learn and earn as white men. We have created a society which worships the young and the strong and would like to ignore the infirm, like a careless housewife sweeping the dirt under the rug.

Our poor come predominantly from these classifications, the old, the infirm, women and minorities.

It is unfair at this point to blame the poor for the monster, we, as a people, have created.

As philosopher cartoonist Walt Kelly wrote, "We have met the enemy and they is us."

The question must not be "Should we do something?"

The question must be "What will we do and how?"

The welfare system should not be reformed. It should be replaced.

We must design a system that is not a welfare system at all. We must design a system that is an income maintence system as President Nixon's Family Assistance Plan (FAP) is at its best.

The only eligibility requirement should be lack of income at a certain level. The suggested FAP level is $2,400 which critics say is too low.

The government should become an employer of last resort—provide work for those unemployed who are able to work, but such work should be paid at the minimum wage, not at the $1.20 an hour suggested in current legislation-either FAP or the plan designed by Wilbur Mills.

To force the poor to work at less than the minimum wage is the rankest sort of discrimination and punitive action.

Besides it doesn't do the job. Even workers making the minimum wage are poor. They do not make in a year of 40-hour weeks more than the Social Security Administration's poverty line figure of $3,960.

We must change the welfare system, because it's right that we do—because it is our mess and we have created it, and because it is our country and our future which is at stake.

PRIVATE BROADCASTERS UNDER ATTACK

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. RARICK. Mr. Speaker, another incident in the series of concerted attacks which seem to be designed to undermine the public confidence in free enterprise broadcasting occurred July 22, 1971.

A tax-free grant supported institution calling itself the Stern Community Law Firm has petitioned the FCC to force broadcast stations to disclose heretofore private yearly financial statements. Profit to people like the Sterns is immoral.

The next logical step is to force these broadcasters to disclose all of their activities, connected with broadcasting or not.

Such activities that follow the pattern established by the contrived uproar over the congressional attempt to cite CBS for contempt can only result in a public cry for nationalized broadcasting systems—one of the last steps that this country must take to reach total socialism.

I ask that a related news article detailing the filing of this petition by a firm operating under a $150,000 tax-free grant from the Philips M. Stern Family Fund be inserted in the RECORD.

The article follows:

[From the Washington Star, July 22, 1971]

Force Disclosure of Broadcasters' Funds, FCC Urged

(By Stephen Aug)

A Washington public-interest law firm has urged the Federal Communications Commission to force broadcast station owners to disclose their heretofore private yearly financial statements.

The Stern Community Law Firm requested in a petition filed late yesterday at the FCC that the commission amend its rules to make annual financial reports public.

At the same time it proposed that the FCC also require broadcasters to state just how much money they are spending on various types of public service programing.

The firm argues that only through such information can the public determine whether a broadcaster is devoting adequate resources to operating his station in the public interest.

The proposed rule, which is likely to be strongly opposed by the broadcast industry, would also require each broadcaster to list separately programming expenditures for news, public affairs, locally produced programs and other non-entertainment programs.

OTHER GROUPS INVOLVED

The Stern Community Law Firm—which has been operating about a year largely through a $150,000 grant from the Philips M. Stern Family Fund—filed the petition in its name and on behalf of the National Citizens Committee for Broadcasting and The Citizens Communications Center, both Washington-based organizations involved in broadcast research, the media problem and activities at the FCC which include obtaining greater citizen participation in broadcasting.

In justifying the proposal, the petition notes that both the FCC and the courts have said that a broadcast station's performance should be measured at license-renewal time in substantial part by the extent to which it reinvests its profits and resources in locally oriented programming.

"Nevertheless, the commission rules have placed the financial information it receives in confidential status, hidden from public view," the petition says.

IMPORTANT YARDSTICK

As a result, community groups which want to evaluate the performance of their local stations at renewal time are told that one important yardstick of past performance is the station's dedication of profits and revenues to community-oriented programming.

"Yet, at the same time, they are told that the financial information by which that decision is measured is unavailable to them," the petition argues.

The FCC has made financial information available in the past, but only when it was convinced there were persuasive reasons for making it available. However, the Stern group notes that when this information "is occasionally and reluctantly released, it is provided in a form which does not reveal the actual extent to which stations devote their resources to specific programming catagories—such as news, public affairs and other community service programs."

PREVIOUS REQUEST

The proposal follows by less than a week a request by the Stern firm for permission to inspect the annual financial reports of three major television stations in Albuquerque, (New Mexico)—KOB–TV, KOAT–TV, and KGGMTV.

In the New Mexico matter, the Stern firm is representing with out charge the Alianza Federal de Pueblos Libres, a New Mexico group whose stated aim is to eliminate discrimination against Mexican-Americans. It represents more than 3000 families, of whom more than half earn less than $3 thousand a year—the national poverty level minimum.

The move to seek the financial statements is likely in preparation to file petitions urging the FCC to deny license renewals to nearly every broadcast station in New Mexico. The Alianza believes that Albuquerque broadcasters in particular have not devoted enough of their time or resources to the problems of the Mexican-American population, the largest single minority group in New Mexico.

LEGISLATION TO AID SPONSORS OF NONPROFIT HOUSING

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. FAUNTROY. Mr. Speaker, I am introducing today legislation designed to provide the District government the tools to mount an attack on the severe housing crisis facing this city.

One of the most pressing problems facing the District of Columbia is the need for decent, safe, and sanitary housing for persons of low and/or modernate income. It has been estimated that over 100,000 families—one-third of the households of this city—live in dilapidated, overcrowded, or overpriced housing, of whom 51,600 consist of low- or moderate-income families that would qualify for housing construction under existing federally aided programs. The housing need in this city is not less than 10,000 new or rehabilitated housing units per year. Anything less than that will be inadequate because it will mean that in 10 years this city will still not have an adequate number of housing facilities. Right now, over 30,000 families are within the range of public housing which has a waiting list of over 5,000 applicants.

The Washington metropolitan area will need 270,000 units within the next 10 years if it is to meet the rise of population. There has been no progress toward that goal. Unless progress is realized, people will continue to live in overcrowded and substandard housing. At least 10 percent of the District's housing is overcrowded with more than 100,000 children growing up here under housing conditions which create psychological, social, and medical impairments that render home life all but absolutely intolerable.

The difficulty that has been faced in attempts to develop additional housing units for low- or moderate-income families under existing Federal mortgage programs has been the inability of potential nonprofit sponsors of such housing to obtain needed funds prior to construction so that such organizations can move forward with worthwhile housing plans. This legislation would create a revolving housing seed money fund from which nonprofit sponsors could borrow, with no interest, to defray preconstruction costs.

This city's housing crisis cannot be overstated. The development of new housing through nonprofit sponsors could make a significant contribution toward alleviation of the distressing housing conditions of many moderate-income persons and families. By establishing the proposed revolving fund to provide preconstruction capital—"seed money"—for these sponsors, a beginning would be achieved in the direction of meeting these urgent needs.

I have set forth below a detailed analysis of the bill which was transmitted in a letter from the District government to the Speaker:

THE DISTRICT OF COLUMBIA,
Washington, D.C., January 26, 1971.

The SPEAKER,
U.S. House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: The Commissioner of the District of Columbia has the honor to submit herewith a draft bill "To establish a revolving fund for the development of housing for low and moderate income persons and families in the District of Columbia, to provide for the disposition of unclaimed property in the District of Columbia, and for other purposes."

The proposed legislation is composed of two titles.

Title I, to be cited as the "District of Columbia Housing Seed Money Act", establishes a revolving fund consisting of appropriated monies, monies repaid to the fund, and sums from any other source, including monies from unclaimed intangible property in the custody of the District Government. These monies would be loaned to nonprofit housing sponsors for planning purposes. A more detailed summary and justification of this title of the bill is attached.

Title II, to be cited as the "District of Columbia Unclaimed Property Act", would adopt for the District of Columbia the Uniform Disposition of Unclaimed Property Act now effective in eighteen States. The legislation would make the Government of the District of Columbia the custodian of unclaimed intangible property in the District. A more detailed summary and justification for this title is also attached.

For the reasons stated in the attached justification the Commissioner of the District of Columbia urges the enactment of the bill by the Congress. The District of Columbia Council has expressed its support for this legislation.

Sincerely yours,

GRAHAM W. WATT,
Assistant to the Commissioner.
For: WALTER E. WASHINGTON,
Commissioner.

SUMMARY AND JUSTIFICATION OF PROVISIONS OF THE DRAFT BILL "TO ESTABLISH A REVOLVING FUND FOR THE DEVELOPMENT OF HOUSING FOR LOW- AND MODERATE-INCOME PERSONS AND FAMILIES IN THE DISTRICT OF COLUMBIA, TO PROVIDE FOR THE DISPOSITION OF UNCLAIMED PROPERTY IN THE DISTRICT OF COLUMBIA, AND FOR OTHER PURPOSES"

TITLE I—DISTRICT OF COLUMBIA HOUSING SEED MONEY ACT

One of the most pressing problems now facing the District of Columbia is the need for decent, safe, and sanitary housing for persons of low or moderate income. An approach to providing such housing showing significant promise for alleviating the housing shortage for those most in need is through existing federally aided mortgage programs which enable nonprofit organizations to enter the housing development field. To some extent there has been encouraging activity in the District of Columbia on the part of nonprofit groups which indicates that through private initiative much can be accomplished in meeting these needs. Nevertheless, there is clearly an urgent demand for many additional housing units to be developed under the sponsorship of nonprofit organizations. It has been estimated that approximately 51,600 households in the District consist of low or moderate income families that would qualify for housing constructed under existing federally aided programs. However, the difficulty that has been encountered in attempts to develop additional housing units for low or moderate income families, under the existing federal mortgage programs, has been the inability of potential nonprofit sponsors of such housing to obtain needed funds prior to construction so that such organizations can move forward with worthwhile housing plans. This inability to obtain so-called "seed money" frequently frustrates attempts to develop this vitally needed housing.

Section 101 of title I of the draft bill provides for a short title. Section 102 contains definitions.

Section 103 of title I establishes the District of Columbia Housing Revolving Fund. It provides for the payment into the fund of monies appropriated for that purpose; monies repaid to the fund by those receiving advances from the fund; and any sums made available for the fund from any other source. It also authorizes the Commissioner to deposit into the fund monies received pursuant to the proposed District of Columbia Unclaimed Property Act (title II of the bill). Such monies from dormant accounts are expected to provide a significant source of revenue for the proposed District of Columbia Housing Revolving Fund. Although no information is available at this time with respect to the amount of revenue such dormant accounts might produce, it is believed that they may provide sufficient sums for deposit in the revolving fund so that appropriations for the fund may not be necessary.

Section 104 authorizes the Commission to make noninterest bearing short-term advances to nonprofit housing sponsors for housing projects. Such advances may be used only to defray the preconstruction costs of such projects.

Section 105 authorizes the District of Columbia Council to make rules, regulations, and orders to carry out the purposes of the title. The final section of the title authorizes appropriations to carry out its purposes, to the extent there is need for such appropriations.

The housing crisis in the District cannot be overstated, and the development of new housing nonprofit sponsors under existing federally aided mortgage programs could make a large contribution toward alleviating the distressing conditions of law and moderate income persons and families. By establishing the proposed revolving fund to provide the preconstruction capital for such sponsors, a major step would be achieved in the direction of meeting these urgent needs.

TITLE II—DISTRICT OF COLUMBIA UNCLAIMED PROPERTY ACT

Enactment for the District of Columbia of the 1966 revision of the Uniform Disposition of Unclaimed Property Act approved in 1955 by the National Conference of Commissioners on Uniform State Laws, and by the American Bar Association, already in effect in eighteen States either in its original form, or in the revised form, would provide a fair and adequate basis for dealing with the troublesome problem of unclaimed intangible property, such as dormant bank accounts, unclaimed funds held by life insurance companies, deposits and refunds held by utilities, undistributed dividends and distributions of business associations, property of business associations and banking or financial organizations held in the course of dissolution, property held by fiduciaries, property held by the courts and by public officers and agencies, and miscellaneous personal property held for another person. This title also deals with the matter of multiple liability on the part of a holder of unclaimed property over which two or more jurisdictions seek to assert a claim. Finally, the title makes it possible for those persons who have unclaimed property in their possession to close out the account relating to it, thereby relieving themselves from maintaining a current record of the property.

The foregoing is not to say, however, that the owner of any such property would be deprived of his rights in it. The Uniform Disposition of Unclaimed Property Act is custodial in its nature, and its operation does not result in the loss of the property rights of the owner of the unclaimed property which is made subject to the provisions of the Act. Under title II, the District of Columbia would, after a specified period of time, take custody of the property and remain the custodian in perpetuity. This means, of course, that the District would have to keep a record of the property on a permanent basis, so that if the owner of the unclaimed property should present a claim for it, his claim would be honored. In this respect, the proposed legislation differs from the escheat type of statute, under which the right of the owner of the property is foreclosed.

Title II consists of thirty sections, the first two of which respectively provide for a short title and define terms. These are followed by sections defining and describing the circumstances under which various classes of property are to be presumed abandoned under the title. Separate sections deal with property held or owing by banks or other financial organizations, insurance corporations, public utilities, other business associations, trustees in corporate dissolution proceedings, fiduciaries, and courts and other public agencies. Section 210 is an omnibus section covering all other items held or owing "in the ordinary course of the holder's business." Section 211 is the key section of the title, for it contains the provisions which preclude the possibility of multiple liability being imposed upon the holder of unclaimed property against which two or more jurisdictions seek to assert a claim. The remaining sections of the title deal principally with procedural matters, including the reporting of unclaimed property, the giving of notice to owners, delivery of property into the custody of the District, and various provisions pursuant to which the owner may subsequently present his claim to the District and recover his property.

The proposed Uniform Disposition of Unclaimed Property Act, if enacted for the District of Columbia by the Congress, will serve to protect the interest of owners; relieve the holders of such property from annoyance, expense, and liability; preclude multiple liability on the part of the holders of such property; and give the District the use of considerable sums of money that otherwise will remain dormant and unproductive.

SUBVERSIVE ACTIVITIES CONTROL BOARD FUNDING EXAMINED

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. EDWARDS of California. Mr. Speaker, I would like to call to the attention of my colleagues an editorial which recently appeared in the Washington Evening Star. This analysis of the Subversive Activities Control Board is worthy of every Member's attention and I believe it would be advisable for all to consider the arguments contained in this editorial before deciding on this important issue tomorrow. It follows:

FUNDED AND IMPOTENT

The Senate has come up with a masterpiece of illogic in its plans for the future of the Subversive Activities Control Board. First, by a vote of 47 to 40, the senators defeated an amendment that would have killed the board by cutting off its funds. Then, by a vote of 51 to 37, they opted against expanding the board's powers as requested by President Nixon. This means, if the Senate has its way, that the board will continue to exist for at least one more year, that its five members will continue to draw $36,000 salaries, that it will have $450,000 to spend and that it will have nothing to do.

The legislators should have adopted the suggestion of Senators Proxmire and Ellender. They should have let the bureaucratic anachronism fade away along with the other memories of the witch-hunt years. But they didn't. And so the conference committee must now choose between the Senate version of the appropriation bill and the administration proposal, accepted by the House, that would expand the board's duties and responsibilities. Given those dismal alternatives, the committee should go along with the Senate.

That means that the taxpayers will be shelling out close to half a million dollars a year to maintain an organization that is approximately as effective as a stuffed dinosaur. On the other hand the alternative proposal of bringing the beast back to life is even less appealing.

The President's move to expand the board's activities to the investigation of all suspected subversive groups was an acknowledgement that times have changed since the days when Joseph McCarthy held the Senate and nation in thrall. Today there are other things to worry about in addition to Reds. There are nutty right-wing organizations, too, and some whose goal appears to be disruption and destruction without any discernible ideological alternative to the present system. But a witch hunt is not made more acceptable by adding demons and goblins to the game.

Subversion is now and always has been a threat. There are those who believe that bombing is a proper way to redress a grievance, that revolution and violence are the logical means of effecting change, that the rights of others are expendable. But there are laws. And there are law enforcement agencies on the local and federal levels that are trained and equipped to take action when specific laws are violated.

The surest way to fan the spark of revolution and violence is to over-react to the threat, to curb constitutional liberties in an attempt to maintain the status quo, to lose faith in the due process of law, to establish bureaucratic vigilante committees to inquire into the thoughts, the words and the associations of citizens of the United States.

AMENDMENT TO BE OFFERED TO LABOR-HEW APPROPRIATIONS BILL FOR DEVELOPMENTAL DISABILITIES FACILITIES CONSTRUCTION

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mrs. ABZUG. Mr. Speaker, mental retardation is one of our most neglected national problems, and the lack of trained personnel in this area keeps thousands of retarded children from achieving meaningful education and training for the difficult life which lies ahead of them.

The Labor-HEW appropriations bill, H.R. 10061, which will be considered on the floor tomorrow, contains no money for the construction and operation of new university affiliated facilities for the mentally retarded, despite the fact that it is there that the best, most modern training can be obtained. Mrs. Mink, Mr. Ryan, and I intend to offer an amendment to the bill which would provide, in fiscal year 1972, $10 million for operation and $5 million for construction of such facilities.

Retarded children are a heavy financial burden on their families and on society. Compassion requires that we assume some responsibility for them. Our amendment, whose text I will include in the Record at the conclusion of my remarks, is designed to help insure that there will be adequate facilities to train the personnel who can educate these children to take care of themselves and to assume a productive role in society. We hope that you will give it your full support.

The amendment follows:

H.R. 10061

Amendments to Title II to be proposed by Mrs. Abzug:

Page 12, line 9: delete "$266,704,000", insert "$281,704,000."

Page 12, line 20: after "90–457)", add "; $5,000,000 shall be available without fiscal year limitation for grants for construction of public and other nonprofit facilities for persons with developmental disabilities which are associated with a college or university, pursuant to section 121 of the Developmental Disabilities Services and Facilities Construction Act (42 U.S.C. 2661); $10,000,000 shall be available for grants to cover costs of administering and operating demonstration facilities and interdisciplinary training programs for personnel needed to render specialized services to persons with developmental disabilities, pursuant to section 122 of the Developmental Disabilities Services and Facilities Construction Act (42 U.S.C. 2661a)"

WICKES CORP. SHARES IN A UNIQUE INTERNATIONAL BUSINESS ENTERPRISE

HON. JAMES HARVEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. HARVEY. Mr. Speaker, it is with great pleasure that I bring to the attention of all Members a most unique business enterprise involving an American company, the Wickes Corp., with headquarters in our Eighth Congressional District, Saginaw, Mich., the Blood Indians of southern Alberta, Canada, and the Canadian Government. Formal dedication of a new housing plant at Standoff, Alberta, took place on July 10 with Prime Minister Pierre Elliott Trudeau and Alberta Premier Harry Strom participating in the ceremonies, along with Wickes Board Chairman and Chief Executive Officer Daniel M. Fitz-Gerald; Chief Jim Shot Both Sides, chief of the Blood Indians; and Roman Catholic priest, Father Denis Chatain, industrial development coordinator for the unique project.

I intend to include at the close of my remarks a newspaper article by Business Editor John D. Tucker of the Saginaw News, Saginaw, Mich., of July 18, which provides all the details on the Kainai Industries Plant on the Blood Reserve. The plant will employ 250 when in full production and produce three sectional houses per day.

The uniqueness of this project is not that it just involves an American company, the Blood Indians and the Canadian Government, but that labor actually hired management.

Officially, Red Crow Developments is the corporation representing the 4,500 Blood people on the 352,000-acre reserve. They are part of the Blackfoot Confederacy. The agreement was signed with HaiCo Manufacturing of the nearby community of Lethbridge, a Wickes subsidiary. Red Crow Developments financed and owns the fixed assets of the $1.4 million plant and HaiCo provided the $1 million of operating capital. Together they formed Kainai Industries.

Canadian governmental agencies, both on the Federal and Provincial levels, the Department of Regional Economic Expansion and the Department of Indian Affairs and Northern Development provided incentive grants and loans to Red Crow Developments to complete a joint effort.

I also share the comment made by Mr. Fitz-Gerald who said that the project could be the forerunner of other self-help projects in both Canada and the United States. I have taken the liberty of writing to Secretary of the Interior Rogers C. B. Morton to determine if this type of cooperative venture could be applicable for our own American Indians residing on reservations.

The complete article follows:

[From the Saginaw (Mich.) News, July 18, 1971]

Wickes, Indians New Plant Links

(By John D. Tucker)

Formal dedication of a new plant at Standoff, Alta., has focused attention on a unique agreement between Saginaw-based Wickes Corp. and the Blood Indians of southern Alberta.

Highlighting the recent event was the presence of Prime Minister Pierre Elliott Trudeau and Alberta Premier Harr Strom.

Kainai Industries plant at Standoff is on the Blood Reserve. It covers 80,000 square feet, is owned by the Blood people and employs 100 Indians in the manufacture of sectional housing. It will employ 250 when in full production and provide Standoff and the area a $1 million annual payroll.

Production, now at one house a day, is expected to exceed three a day later this year. All production has been sold for the next three years.

Officially, Red Crow Developments is the corporation representing the 4,500 Blood people on the 352,000-acre reserve. They are part of the Blackfoot Confederacy. The agreement was signed with HaiCo Manufacturing of nearby Lethbridge, a Wickes subsidiary. Red Crow Developments financed and owns the fixed assets of the $1.4 million plant and HaiCo provided the $1 million of operating capital. Together they formed Kainai Industries.

More importantly, and what makes the operation unique, labor hired management.

The Department of Regional Economic Expansion provided $876,000 in the form of a regional incentive grant to Kainai Industries and Blood people also provided a loan of $410,000 to Red Crow Developments for financing the plant. The Department of Indian Affairs and Northern Development provided a loan of $694,000.

The Kainai board is made up of three representatives of Red Crow Developments and three from HaiCo. Manufacturing, Todd Haibeck, president of Haico Manufacturing, Ltd. is also president of Kainai.

The Blood People provided the initiative for the plant through establishment of an Economic and Industrial Development Committee. The committee hired a Roman Catholic Priest, Father Denis Chatain, as industrial development coordinator.

Said Father Chatain, "We have many places in Canada where manufacturing plants have been established on reserves but this is the first time where the Indian people will own the fixed assets and are in effect hiring the management of the plant."

In working with HaiCo, the Bloods are dealing with a firm whose parent company, Wickes, has been in business for more than 100 years. Wickes has mobile home manufacturing plants in seven states and is the largest distributor of building material in the world.

Since Kainai went into production, a supermarket has been opened by the Blood people on the reserve and the Bank of Nova Scotia has opened a branch at Standoff, the first on an Alberta Indian reserve.

Prime Minister Trudeau, making his first visit to the area, received an enthusiastic welcome by the several thousand spectators who swarmed about his helicopter as it landed in the prairie country.

The prime minister toured the plant before making his way to the speakers' platform in front of the plant. He greeted workers as he made his way through the sectional home assembly line, stopping to ask questions and taking time to commend the individual Blood Indians at their jobs.

Speaking without a prepared text, the prime minister congratulated the Bloods for their initiative. He termed it a demonstration of cooperation among the people, the government and industry.

He delighted the group with his informal speech and a keen sense of humor. When Fr. Chatain made the inevitable adjustment of the microphones, the prime minister turned to him with a smile and asked, "Are you trying to hide my face?"

Earlier, while donning a hard hat for the factory tour, he took the hat from an Indian and commented, "Perhaps I should have a feather in it."

Chief Jim Shot Both Sides, who has headed the Blood people for 14 years (his father was chief for 42 years) called Kainai Industries "a wonderful reality".

He said, "It demonstrates that there are many ways for us to become masters of our own destiny. It has given new life to many Blood Indians and deeply affected the lives of all of us. It has also affected the lives of Indian groups across Canada because if we can do it, so can they."

Kainai did more than give the reserve a plant. Because of Kainai, basic services were brought to Standoff—water, sewer, industrial power, natural gas, telephones. What's more, 35 new homes have been completed, there is a new recreation center, a kindergarten is under construction and an elementary school is planned. There are also the supermarket, the bank, a post office and snack bar.

This fall a shopping center will be built. It will also house new tribal administration offices, a public health clinic, a medical-dental clinic, a restaurant, Blackfoot Radio and Kainai News for the Indian news media and a junior department store.

Chief Jim Shot Both Sides said, "we seek out companies who are willing to provide management training and expertise while we maintain ownership and control. Kainai Industries is totally owned by the Blood

Tribe. Management is provided by contract with HaiCo. As our people acquire management skills, HaiCo Manufacturing will phase out. This is not a vague promise. It is the very basis of our management agreement with HaiCo.

"We are proud", the chief said, "of our association with the business world. Together we have opened new doors. We are proud to call you our friends."

Premier Strom also commended the project.

Wickes Board Chairman and Chief Executive Officer Daniel M. Fitz-Gerald also spoke.

"Although we represent two sides of a national border," he said, "our interests are the same—the success of Kainai Industries."

He said the operation at Standoff served a social as well as economic need.

"The initiative exhibited by the Blood Indians in this enterprise indicates, even at this early date, that this kind of project is practical, that it is meaningful and that it will succeed.

"This enterprise is unique in Canadian and United States industrial history. The transition by the Blood Indians from welfare to employment has resulted in, what Father Chatain has very aptly called, a 'positive revolution of hope.' "

Fitz-Gerald said Kainai Industries had a third partner in the Federal and Provincial governments, "without whose dedication and cooperation we would not be here today."

He said the project could be the forerunner of other self help projects in both Canada and the U.S.

Kainai is also unusual in that it offered a working situation to people who had never had one before; men in their 50's having a work situation for the first time in their life.

Philip Aberdeen, who checks on training and on absenteeism, also a Blood, attributes most absenteeism to drinking.

"Monday is bad," he said. "On an average Monday, absenteeism will average 10 with the highest hitting 19."

He thinks the plant is "really good. It is very bad for us people with our education, but we have young people getting more schooling . . . our aim is to cut down on welfare. We have to do it."

Aberdeen feels alcoholism is more prevalent among the younger Bloods who feel hopeless. "They feel," he said, "they are nothing, no schooling, no training."

Larry Rabbit, 28, is an electrician apprentice. Both he and his wife, Patsy, work for Kainai. She runs the cafeteria.

"It is a great opportunity for us," said Rabbit. "Me, I've got a trade going."

He said the plant was something the Blood people needed.

"It is my feeling," he said "it is the best thing that ever happened."

Rabbit has his own home. He paid $12,000 for it about five years ago.

"I have 20 years to pay for it," he said. He is grazing 80 head of cattle with his father. Rabbit has two sections of land while his father, Bill Rabbit, farms more than 300 acres.

His children go to school at Fort McLeod although the youngest—5 years old—went half days to Cardston, some 45 miles from home.

"It was pretty rough on a 5 year old," he said, "and in the winter she only went about twice a week. This year she goes fulltime, making the 90 mile round trip daily.

Mrs. Florence Scout, a home vistor employed by Kainai, visits the wives of employes and looks for domestic problems.

"I think the plant is great," she said. "It gives the guys a chance to get a job. We have more than 100 employes and they are building nice homes."

Mrs. Scout has two children and her husband, Wallace, farms 270 acres. They also have a half section of grassland for haying.

Sturdy, friendly 70-year old Eli Walter from a nearby Hutterite colony has high praise for the new industry.

"I know half the Indians," he said. "They are all good. That Plant is all right."

His colony of 99 people occupies 10,000 acres. All goods are owned in common.

GEORGE H. BLACK

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. MIZELL. Mr. Speaker, at this time I would like to bring to my colleagues' attention yet another installment in the continuing saga of George H. Black, the world's foremost brickmaker and one of my most famous constituents.

As many Members of this House will recall, Mr. Black made a name for himself several months ago when CBS News correspondent Charles Kuralt found him, at age 92, busily at work behind his house in Winston-Salem, making bricks.

Mr. Black's unusual talent was the subject of a feature on the CBS Evening News, and the gentleman was shortly thereafter summoned to the White House by President Nixon.

The President offered Mr. Black a diplomatic mission to the developing nation of Guyana, and George Black became Ambassador Black, brickmaker extraordinaire. He was given the job of helping the Guyanese learn the art of brickmaking as part of their growing development program.

As I reported to my colleagues some time ago, Mr. Black's diplomatic assignment was a complete success. He won the respect of thousands of Guyanese and dined regularly with that nation's Prime Minister.

Back in the United States now, Mr. Black continues to pile honor upon honor. The North Carolina Brick & Tile Service, Inc., last month inducted Mr. Black as an honorary life member of their organization in ceremonies in Winston-Salem.

I know my colleagues in this Chamber wish to join me in congratulating Mr. Black for this latest of many awards, and we wish for him continued success in his notable endeavors.

At this time, I insert in today's Record an article from the June 25, 1971, edition of the Winston-Salem Journal, reporting on Mr. Black's recent award and on his future plans. The article follows:

Winston-Salem's Best-Known Brickmaker Gets New Honor

George H. Black, Winston-Salem's 92-year-old brick-maker, says more pictures have been made of him recently than "anyone in the world." And another was made yesterday as he received another award.

The North Carolina Brick and Tile Service, Inc., a clay products promotional organization, inducted Black as an honorary life member at a luncheon meeting at the Holiday Inn North.

Black was given a plaque and certificate of membership. The man who has shaken hands with President Nixon and dined regularly with the prime minister of Guyana thanked the group and said he would like to see them in heaven.

"You folks have treated me with no mind about black and white, and that's what I think heaven will be like," he said.

He and his granddaughter, Miss Evelyn Abrams, watched as a CBS News film narrated by Charles Kuralt was shown. The film shows Black at his brickyard behind his home on Dellabrook Road, Black walking by buildings in Old Salem made with his bricks, and Black explaining how he and his brother walked from their home in Liberty to Winston-Salem in 1889.

Kuralt spent a week with Black in Guyana and filmed a second story on the South American trip which probably will be shown as a half-hour special this summer.

Black's fame has grown so in the last year that orders for bricks have begun pouring in to Winston-Salem. One prominent colonial-style architect has requested several thousand bricks for his next building.

Black talked about his goodwill mission to Guyana, sponsored a few months ago by the Agency for International Development. "I never seen a place that needs more bricks," he said. "And the women learned how to make bricks faster than the men."

Black, his granddaughter and two assistants spent March and April in the tiny banana republic on the north coast of South America. The country builds its buildings with lumber, and Black and his helpers supervised the building of one brick works and picked the sites for two more.

Black and his assistants are repairing his mud mill which has not been used for about a year, because four men from Guyana will be coming to Winston-Salem in a few weeks for more training in the art of brickmaking.

Black uses a cane to walk, but his desire to travel has never been bigger.

"I might go back to Guyana next December," he said. "It don't get cold down there, and I can help the people learn brickmaking all winter long."

THE NORTHERN IRELAND SITUATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. BIAGGI. Mr. Speaker, the situation in Northern Ireland continues to serve as an insult to free people the world over. The denial of basic rights to the minority in Northern Ireland must stop. I have introduced a resolution expressing the sense of Congress in support of a plebiscite of all Irishmen to permit them to determine their own future.

I am inserting at this point in the Record an article from the Irish Independent dated July 19, 1971. I know my colleagues will find the information reported therein most shocking:

"A Campaign of Terror"

(By Martin Brennan)

Residents in Catholic areas in Derry are locking their doors in fear of the soldiers of the Royal Scots Regiment who have been accused of "carrying out a carefully-calculated campaign to outrage the Catholic community."

Last night S.D.L.P. M.P. Mr. Ivan Cooper, attacked the troops of this regiment for their vicious conduct and language.

The first daylight searches of houses the Creggan area began over the weekend and these were followed by angry confrontations between the soldiers and residents.

Eye witnesses said they saw soldiers spitting at Catholics and there were numerous complaints that the soldiers used vulgar, foul and filthy language against the residents, the Pope and girls living in the estate.

Mr. Cooper, who has a dossier of complaints and has visited all the searched houses, said last night that as many as 20 homes were searched and at least one house was damaged. Articles were taken from other houses.

He accused them of driving their Saracen armoured cars and Landrovers recklessly through the streets of the Creggan estate without care for playing children.

He also demanded to know if, in fact, the soldiers were out of control, and recalled that early yesterday a stone was thrown at him by a British soldier.

Since the "Jocks" arrived in Derry, a double line of fortifications has been strung around the Bligh's Lane Army post and with their base secure from attackers the troops are now patrolling the streets carrying rifles and sub-machine guns.

Mr. Cooper has called for the evacuation of the Bligh's Lane post by the British Army.

"This is a planned campaign on the part of the Army or else the troops are out of control," he said.

"Yesterday morning workers entering the Essex factory at Bligh's Lane were stoned again by the Scots.

"This is nothing, other than provocation and I have got the impression that the British soldiers are trying to provoke another Sharpville."

At the weekend when Mr. Cooper, Father M. Rooney, the priest in charge at Creggan, and leaders of youth clubs and tenant associations in Creggan, went on a deputation to the Army they were refused a hearing and told to make their complaints through the proper machinery—the R.U.C.

The complaints have now been reported to a Chief Superintendent of the R.U.C. in Derry.

FEDERALIZING STATE JUVENILE COURTS

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1971

Mr. RARICK. Mr. Speaker, judicial tyranny under the guise of "judicial reform" in this country has taken another giant step down the road to absolute Federal control of independent State judicial systems through a dialog leading to a uniform code of laws and standardized judicial procedures for juvenile courts.

The implications of the announcement of the creation of a "justice" panel that would "seek to formulate national standards of justice for those under 18 years of age" are shocking.

The problems faced by the youth of New York City are not the same as those faced by the young people of a small country town. To attempt to impose a "national standard of justice" through uniform codes of law and standardized judicial procedures on young people from which such radically different environments is absurd unless we are ready to admit our children are no better than robots.

I include a news article from the New York Times on Monday, July 26, 1971, at this point in the RECORD.

TWENTY-SEVEN APPOINTED TO JUSTICE PANEL: TO ADVISE ON A 1-YEAR U.S. STUDY OF JUVENILE COURTS

The names of the 27 persons—judges, lawyers, public officials and others—who will serve on an advisory committee for a one-year study of juvenile justice to be coordinated by the Institute of Judicial Administration were made public yesterday.

The project was announced in June by Attorney General John N. Mitchell, who said it would seek to formulate national standards of justice for those under 18 years of age. It will be financed by a $164,341 grant from the National Institute of Law Enforcement and Criminal Justice.

The institute, in announcing the names of the advisers, said in a statement:

"Recidivism among juveniles is discouragingly high. According to one source, 74 per cent of juveniles found guilty of an offense will later be rearrested. Critics of the present juvenile system argue that rather than rehabilitating youthful offenders, the system is creating future criminals."

"BASIS FOR MODEL CODES"

The statement noted that "public concern about crime and the availability of Federal funds make this an excellent time to start significant reforms in court proceedings as well as such important related areas as police and correctional practices." It went on:

"The standards which result from this project would provide the basis for model codes and administrative guidelines for such diverse topics as the selection and training of judges and other criminal justice personnel, the role of prosecutors and defense attorneys, probation and parole procedures, diversion of cases for nonjudicial treatment, and correctional programs."

The chairmen of the advisory committee are Roger M. Blough, the president of the institute of Judicial Administration, and Judge Irving R. Kaufman of the United States Circuit Court of Appeals for the Second Circuit.

The other committee members are:

Judges Florence Kelley and Nanette Dembitz of the New York Family Court;

Deputy N.Y.C. Police Commissioner Theresa Melchionne;

Arthur Zitrin, a professor of psychiatry at New York University;

Nocholas deB. Katzenbach, former United States Attorney General and now the general counsel to the I.B.M. Corporation;

Allen Breed, director of the California Youth Authority;

Justice William H. Erickson of the Colorado Supreme Court;

Judge William Fort of the Oregon Appeals Court;

William T. Gossett of Detroit, former president of the American Bar Association;

Erwin N. Griswold, United States Solicitor General;

Patrick Healy of Chicago, the executive director of the National Association of District Attorneys;

John Irving, the director of the Illinois Law Enforcement Commission;

Jacob Isaacs of New York, the chairman of the American Bar Association's section on family law;

Judge Norman H. Johnson of the Superior Court of the District of Columbia;

Norman Lefstein, the deputy director of the District of Columbia public defender agency;

Judge James Lincoln of the Detroit Probate Court;

Richard Lindsey, the chairman of the Pennsylvania Board of probation and parole;

Judge Sam P. McKenzie, of the Georgia Superior Court;

Monrad Paulsen, dean of the law school of the University of Virginia;

Cecile Pool of San Francisco, chairman of the American Bar Association's section on individual rights;

Milton Rector of Paramus, N.J., executive director of the National Council on Crime and Delinquency;

Mrs. Margaret Rosenheim, professor of social service administration at the University of Chicago;

Ivan Scheier, a psychologist, of Boulder, Colo.;

Daniel Skoler of Washington, the staff director of the American Bar Association's commission on correctional facilities and service;

Robert Switzer, a psychiatrist at the Menninger Clinic, Topeka, Kans.;

Mrs. Patricia Wald, a lawyer and a member of the Center for Law and Social Policy, Washington.

HOUSE OF REPRESENTATIVES—*Tuesday, July 27, 1971*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

My soul, wait thou only upon God: For my expectation is from Him.—Psalm 62: 5.

Eternal God, our Father, who art the source of wisdom, power and love, whose mercy is over all Thy works and whose will is ever directed to Thy children's good, grant that with increasing faith in Thee we may find light to lead us, strength to sustain us and spirit to steady us in the midst of the swiftly moving scenes of these days.

Bless thou our country with the power of Thy presence—our leaders in church, in state, in court, in business, in labor, and all our people that we may stand before the world as a nation devoted to righteousness and justice, to truth and good will.

In the mood of the Master we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4762. An act to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans Affairs to establish and carry out a program of exchange of medical information.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9020. An act to amend the Egg Products Inspection Act to provide that certain plants which process egg products shall be exempt from such act for a certain period of time.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1139. An act to amend the Federal Crop Insurance Act, as amended, so as to permit certain persons under twenty-one years of age to obtain insurance coverage under such act.

PERMISSION TO FILE A CONFERENCE REPORT ON H.R. 9417, DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1972

Mrs. HANSEN of Washington. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 9417, the Department of Interior and related agencies appropriation bill for the fiscal year 1972.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Conference Report (H. Rept. No. 92–386)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9417) "making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1972, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 23, 26, 29, 38, and 40.

That the House recede from its disagreement to the amendments of the Senate numbered 7, 8, 12, 13, 17, 24, 27, and 39, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$71,035,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$273,787,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$42,315,500"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$361,500,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$29,652,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,488,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$130,400,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$48,700,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,126,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$56,457,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$19,092,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$238,678,300"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$153,027,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,400,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$54,210,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$20,750,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$44,701,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 5, 6, 15, 18, 19, 21, 28, 31, and 32.

Julia Butler Hansen,
John J. Flynt, Jr.,
David R. Obey,
Sidney R. Yates,
Nick Galifianakis,
George Mahon,
Joseph M. McDade,
Wendell Wyatt,
Del Clawson,
Frank T. Bow,
Managers on the Part of the House.

Alan Bible,
John L. McClellan,
Robert C. Byrd,
Gale W. McGee,
Joseph M. Montoya,
Allen J. Ellender,
Charles H. Percy,
Milton R. Young,
J. Caleb Boggs,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9417), making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1972, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF THE INTERIOR

Bureau of Land Management

Amendment No. 1: Appropriates $71,035,000 for management of lands and resources instead of $76,080,000 as proposed by the House and $69,930,000 as proposed by the Senate. The increase over the amount proposed by the Senate includes $350,000 for the North Alaska Land Use Plan and $755,000 for Alaska pipeline inspection.

The managers agree that in addition to the funds provided in this appropriation account for the North Alaska Land Use Plan, the State of Alaska shall contribute not less than 50 per cent of this amount to be used for development of the Plan. The contribution may be in dollars or kind, but shall be made available not later than the latter half of fiscal year 1972.

Bureau of Indian Affairs

Amendment No. 2: Appropriates $273,787,000 for education and welfare services instead of $273,487,000 as proposed by the House and $274,662,000 as proposed by the Senate. The decrease below the amount proposed by the Senate includes $25,000 for law and order work on the Wind River Reservation, Wyoming; $350,000 for adult vocational training; and $500,000 for emergency housing for California rural Indians.

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with an amendment providing $71,226,000 for resources management instead of $71,866,000 as proposed by the House and $71,667,000 as proposed by the Senate. The decrease below the amount proposed by the House includes $540,000 for fire suppression and emergency rehabilitation, and $100,000 for tribal operations. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Of any funds becoming available that will not adversely affect other budgeted soil and moisture conservation programs, priority shall be given to additional funding for the Anadarko Area, Oklahoma.

Amendment No. 4: Appropriates $42,315,500 for construction instead of $37,206,000 as proposed by the House and $43,055,500 as proposed by the Senate. The decrease below the amount proposed by the Senate includes $175,000 for continuation of construction on the Indian irrigation project, Duck Valley Indian Reservation, Nevada; $100,000 for advance planning of a day school, Fort Totten Reservation, North Dakota; $440,000 for additional school facilities, Rocky Boy Indian Reservation, Montana; and $25,000 for a temporary gymnasium, Busby, Montana.

The managers agree that the allocation of Federal funds for the East Charles Mix School District 102, Wagner, South Dakota shall be in the same ratio as the number of Indian children to the non-Indian children projected to be enrolled for the first school year following essential completion of construction.

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with the language as proposed by the Senate.

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with an amendment providing $608,000 for construction of additional school facilities on the Rocky Boy Indian Reservation, Montana. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 7: Appropriates $25,600,000 for road construction (liquidation of contract authority) as proposed by the Senate instead of $25,000,000 as proposed by the House.

Bureau of Outdoor Recreation

Amendment No. 8: Appropriates $3,949,000 for salaries and expenses as proposed by the Senate instead of $3,999,000 as proposed by the House.

Amendment No. 9: Appropriates $361,500,000 for the Land and Water Conservation Fund instead of $350,000,000 as proposed by the House and $366,000,000 as proposed by the Senate.

Amendment No. 10: Appropriates $29,652,000 of land and water conservation funds for the Forest Service instead of $19,652,000 as proposed by the House and $32,652,000 as proposed by the Senate.

Amendment No. 11: Appropriates $3,488,000 of land and water conservation funds for the Bureau of Sport Fisheries and Wildlife instead of $1,988,000 as proposed by the House and $4,988,000 as proposed by the Senate.

Office of Territories

Amendment No. 12: Provides a limitation of $395,000 for the Office of Territories as proposed by the Senate instead of $233,000 as proposed by the House.

Amendment No. 13: Appropriates $21,699,000 for administration of territories as proposed by the Senate instead of $21,537,000 as proposed by the House.

The managers agree that the President's personal representative and his staff for the purpose of negotiating the future status of the Trust Territory shall not be financed by the Department of the Interior.

Geological Survey

Amendment No. 14: Appropriates $130,400,000 for surveys, investigations, and research instead of $130,000,000 as proposed by the House and $131,175,000 as proposed by the Senate. The increase over the amount proposed by the House includes $500,000 for expanded geothermal energy activities, $400,000 for an earth resources observation systems data center; and a reduction of $500,000 for urban pilot studies.

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with language proposed by the Senate for the use of the Government-owned site donated for the Earth Resources Observation Systems Data Center for lease construction at Sioux Falls, South Dakota.

Bureau of Mines

Amendment No. 16: Appropriates $48,700,000 for conservation and development of mineral resources instead of $49,000,000 as proposed by the House and $47,700,000 as proposed by the Senate. The reduction below the amount proposed by the House includes $300,000 for initiation of studies on subsurface waste disposal.

Amendment No. 17: Appropriates $74,630,000 for health and safety as proposed by the Senate instead of $73,630,000 as proposed by the House.

Office of Coal Research

Amendment No. 18: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with an amendment providing $25,530,000 for salaries and expenses instead of $21,880,000 as proposed by the House and $20,080,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The increase over the amount proposed by the House includes $2,600,000 for operation and maintenance of a pilot plant at Cresap, West Virginia; $1,000,000 for the clean coke and fuels project; and $50,000 for research on low grade coal use as soil conditioners.

Bureau of Sport Fisheries and Wildlife

Amendment No. 19: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with an amendment providing $65,184,000 for management and investigations of resources instead of $64,794,000 as proposed by the House and $65,180,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The increase over the amount proposed by the House includes $70,000 for fishery management assistance, Wind River Reservation, Wyoming; $65,000 for the Northern Prairie Wildlife Research Center, North Dakota; $140,000 increased funding for the enforcement staff; $120,000 increased funding for cooperative fishery units which will also provide $55,000 for the cooperative wildlife research unit at the University of Wisconsin, Madison, Wisconsin; $95,000 for increased funding for cooperative wildlife research units which will also provide $54,000 for the cooperative fishery unit at the Tennessee Technological University, Cookeville, Tennessee; and a reduction of $100,000 for Alaska Pipeline investigation.

Amendment No. 20: Appropriates $7,126,000 for construction instead of $6,225,000 as proposed by the House and $7,890,000 as proposed by the Senate. The increase over the amount proposed by the House includes $213,000 for rehabilitation of the White Sulphur Springs National Fish Hatchery, West Virginia; $198,000 for a flood control structure, Lake Ardoch National Wildlife Refuge, North Dakota; $540,000 for additional facilities, Green Lake National Fish Hatchery, Maine; $60,000 for two residences at Jones Hole National Fish Hatchery, Utah; $150,000 for a feasibility study of means to control water quality, Salton Sea, California; and reductions of $65,000 for the relocation of the fish control laboratory at La Crosse, Wisconsin; and $195,000 to complete the master plan and begin construction on Muscatatuck Wildlife Refuge, Indiana.

National Park Service

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with an amendment providing $70,895,000 for management and protection instead of $71,077,000 as proposed by the House and $70,961,000 as proposed by the Senate. The decrease below the amount proposed by the Senate includes $66,000 for Voyageurs National Park. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 22: Appropriates $56,457,000 for maintenance and rehabilitation of physical facilities instead of $56,230,000 as proposed by the House and $56,507,000 as proposed by the Senate. The decrease below the amount proposed by the Senate includes $50,000 for repair of Harpers Ferry streets, West Virginia.

Amendment No. 23: Deletes language proposed by the Senate to appropriate $50,000 for reconstruction of certain streets in Harpers Ferry, West Virginia.

Amendment No. 24: Appropriates $39,307,000 for construction as proposed by the Senate instead of $37,849,000 as proposed by the House.

Amendment No. 25: Appropriates $19,092,000 for parkway and road construction (liquidation of contract authority) instead of $18,500,000 as proposed by the House and $19,204,000 as proposed by the Senate. The decrease below the amount proposed by the Senate includes $112,000 for planning of roads, North Unit, Theodore Roosevelt National Park, North Dakota.

Amendment No. 26: Appropriates $8,325,000 for preservation of historic properties as proposed by the House instead of $8,205,000 as proposed by the Senate.

Amendment No. 27: Provides $100,000 as proposed by the Senate for transportation of children in nearby communities to and from any unit of the National Park System used in connection with organized recreation and interpretive programs of the National Park Service, instead of $50,000 as proposed by the House.

Office of Saline Water

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with the amendment of the Senate providing $27,025,000 for saline water conversion.

Office of the Secretary

Amendment No. 29: Restores language deleted by the Senate to appropriate $500,000 for research under the special foreign currency program.

TITLE II—RELATED AGENCIES

Department of Agriculture

Forest Service

Amendment No. 30: Appropriates $238,678,300 for forest land management instead of $238,718,000 as proposed by the House and $236,178,300 as proposed by the Senate. The increase over the amount proposed by the House includes $164,000 for watershed treatment, Murry Canyon, Humboldt National Forest, Nevada; $6,300 for administration of ski trail expansion, Colorado; and a reduction of $210,000 for wildlife habitat management and stand improvement, Clark National Forest, Missouri.

Amendment No. 31: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with an amendment providing $54,325,000 for forest research instead of $54,208,000 as proposed by the House and $51,685,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The increase over the amount proposed by the Senate includes $1,000,000 for aerial fire suppression techniques; $350,000 for urban forestry; $400,000 for watershed management, Beaver Creek

Project, Arizona: $650,000 for forest sciences research, Corvallis, Oregon; $40,000 for the LaGrande Range and Wildlife Habitat Laboratory, Oregon; and $200,000 for research on logging residuals.

The managers are in agreement that $200,000 provided in the bill for shrub genetics research shall be allocated among the laboratories at Reno, Nevada; Corvallis, Oregon; and Provo, Utah. It is further agreed that the $250,000 added by the Senate shall be for watershed management in Hawaii.

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with an amendment providing $35,291,200 for construction and land acquisition instead of $31,858,000 as proposed by the House and $31,821,200 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The increase over the amount proposed by the Senate includes $951,000 for Timberline Lodge, Oregon; $300,000 for recreation facilities, Lava Lands Complex, Deschutes National Forest, Oregon; $125,000 for the Robert S. Kerr Memorial Arboretum and Nature Center, Oklahoma; $89,000 for Roby Lake, Texas County, Missouri; $1,680,000 for a Southern forest fire laboratory, Macon, Georgia; $140,000 for Redwood Research headquarters, Arcata, California; $110,000 (planning) for a forest science laboratory at Auburn, Alabama; and $75,000 for land acquisition, Institute of Forest Genetics, Rhinelander, Wisconsin.

Department of Health, Education, and Welfare

Health Services and Mental Health Administration

Amendment No. 33: Appropriates $153,027,000 for Indian Health Services instead of $147,404,000 as proposed by the House and $158,293,000 as proposed by the Senate. The decrease below the amount proposed by the Senate includes $486,000 for community health representatives; $250,000 for increased dental care (of the amount provided, $25,000 shall be allocated to the small tribes of Western Washington); $500,000 for establishment of a pilot transportation project; $3,000,000 for contract medical care; and $1,030,000 for additional personnel for the increased sanitation facilities program.

Amendment No. 34: Appropriates $30,400,000 for Indian health facilities instead of $20,289,000 as proposed by the House and $36,400,000 as proposed by the Senate. The reduction of $6,000,000 below the amount proposed by the Senate is for additional sanitation facilities. The additional funding for sanitation facilities over that proposed by the House will provide $6,800,000 for existing homes; $1,700,000 for new units in Alaska, and $500,000 for existing housing at locations of new units in Alaska.

National Foundation on the Arts and the Humanities

Amendment No. 35: Appropriates $54,210,000 for salaries and expenses instead of $54,460,000 as proposed by the House and $53,460,000 as proposed by the Senate.

Amendment No. 36: Provides $20,750,000 shall be available to the National Endowment for the Arts instead of $21,000,000 as proposed by the House and $20,000,000 as proposed by the Senate.

Smithsonian Institution

Amendment No. 37: Appropriates $44,701,000 for salaries and expenses instead of $45,259,000 as proposed by the House and $44,681,000 as proposed by the Senate. The increase over the amount proposed by the Senate is for public service programs.

Amendment No. 38: Appropriates $1,300,000 for the Science Information Exchange as proposed by the House instead of $1,400,000 as proposed by the Senate.

Amendment No. 39: Appropriates $695,000 for the Woodrow Wilson International Center for Scholars as proposed by the Senate instead of $565,000 as proposed by the House.

National Council on Indian Opportunity

Amendment No. 40: Appropriates $275,000 for salaries and expenses as proposed by the House instead of $300,000 as proposed by the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1972 recommended by the Committee of Conference, with comparisons to the fiscal year 1971 total amount, the 1972 budget estimate, and the House and Senate bills for 1972 follows:

	Amount
New budget (obligational) authority, fiscal year 1971	$2,034,220,900
Budget estimates of new (obligational) authority, fiscal year 1972 (as amended)	[1] 2,194,594,035
House bill, fiscal year 1972	2,159,508,035
Senate bill, fiscal year 1972	2,226,023,035
Conference agreement	[1] 2,223,980,035
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1971	+189,759,135
Budget estimates of new (obligational) authority, fiscal year 1972 (as amended)	+29,386,000
House bill, fiscal year 1972	+64,472,000
Senate bill, fiscal year 1972	−2,043,000

[1] Includes $27,025,000 for Office of Saline Water (H. Doc. 92–15) and $3,000,000 for Indian Health Services (S. Doc. 92–20), which were not considered by the House.

Julia Butler Hansen,
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Managers on the Part of the House.

Alan Bible,
John L. McClellan,
Robert C. Byrd,
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Joseph M. Montoya,
Allen J. Ellender,
Charles Percy,
Milton R. Young,
J. Caleb Boggs,
Managers on the Part of the Senate.

INVOCATION BY REV. GEORGE CLEMENTS BEFORE THE CONGRESSIONAL BLACK CAUCUS

(Mr. COLLINS of Illinois asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Illinois. Mr. Speaker, on June 18, 1971, the congressional black caucus was honored with the presence of one of Chicago's most outstanding clergymen, the Reverend George Clements, who gave the invocation of what was to be the most historical affair of the year.

Reverend Clement's invocation set forth a challenge to the members of the caucus that also, in my opinion, is a challenge for each Member of this House. I was so impressed by this prayer that I thought I would share it with you. With your kind indulgence, may I read this prayer to you?

Lord, make the Congresional Black Caucus instruments of Your peace.

Where there is hatred, let August Hadkins and Walter Fauntroy sow love.

Where there is hatred, let August Hawkins and Robert Nix bring pardon,

Where there is doubt let Shirley Chisholm restore faith,

Where there is despair let Ronald Dellums bring hope,

Where there is darkness let Charles Diggs bring light and where there is sadness let William Clay bring joy.

O Divine Master, grant that John Conyers may not so much seek to be consoled as to console;

That George Collins may not so much seek to be understood as to understand;

That Louis Stokes may not so much seek to be loved as to love;

For it is in giving that Parren Mitchell receives,

It is in pardoning that Ralph Metcalfe is pardoned;

And it is in dying that the Congressional Black Caucus is born to eternal life.

I would hope that each of us would accept this challenge, and in behalf of the Members of this 92d Congress, I would like to extend Godspeed to the Reverend George Clements.

BILL TO REDESIGNATE THE RESERVOIR AND DAM ON THE SAVANNAH RIVER NOW KNOWN AS TROTTERS SHOALS AS THE "RICHARD B. RUSSELL DAM AND RESERVOIR"

(Mr. LANDRUM asked and was given permission to address the House for 1 minute.)

Mr. LANDRUM. Mr. Speaker, I have today, with the cosponsorship of the gentleman from South Carolina (Mr. Dorn), introduced a bill to redesignate the reservoir and dam on the Savannah River now known as Trotters Shoals as the "Richard B. Russell Dam and Reservoir."

A similar bill is being introduced today by Senator Talmadge in the other body.

PERMISSION FOR COMMITTEE ON RULES TO FILE SUNDRY PRIVILEGED REPORTS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file sundry privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MAKING IN ORDER CONSIDERATION OF A JOINT RESOLUTION TO MAKE FURTHER CONTINUING APPROPRIATIONS, 1972

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order any day after today to consider a joint resolution making further continuing appropriations for the fiscal year ending June 30, 1972.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE FLIGHT OF APOLLO 15

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker many of us had an opportunity to witness the most spectacular launch in the Apollo program to date at Cape Kennedy yesterday. Apollo 15 lifted off at 9:34 a.m. yesterday, precisely as scheduled, with Astronauts Scott, Irwin, and Worden aboard. The flight is going well and is now 27½ hours into the mission, en route to the moon.

One problem has arisen, which is now being studied by the experts at the Mission Control Center at Houston. Yesterday afternoon the computers noted that apparently two valves controlling the propulsion system for the engine in the service module appeared to be open, which could cause a malfunction of the service module engine.

The problem as isolated thus far appears to be a loose wire.

The Mission Control Center proposes to ask the astronauts to operate the service module engine at approximately 2 o'clock this afternoon. Assuming that the engine functions properly, the mission will continue as planned, with lunar landing scheduled for 6:15 p.m. Friday, July 30.

In the event there is any question as to the capability of this engine to function, an alternate mission will be programed, which would involve experimentation in lunar orbit and return to the earth without landing on the moon.

I have been assured by NASA headquarters that the safety of our astronauts is not in jeopardy as a result of this malfunction.

PERMISSION FOR SPEAKER TO DECLARE A RECESS TOMORROW

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that it may be in order on tomorrow for the Speaker to declare a recess at the pleasure of the chair.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, do I understand that this recess would be for the sole purpose of carrying out certain ceremonial business in the rotunda of the Capitol and for no other purpose?

Mr. BOGGS. That is correct, and for no other purpose. There is scheduled for tomorrow afternoon at 2 o'clock a ceremony for the unveiling of paintings. That is the purpose. It is to permit Members who so desire to attend.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

CONFERENCE REPORT ON H.R. 9270, AGRICULTURE - ENVIRONMENTAL AND CONSUMER PROTECTION PROGRAMS, 1972

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 9270) making appropriations for the agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1972, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 22, 1971.)

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The gentleman from Mississippi is recognized for 1 hour.

Mr. WHITTEN. Mr. Speaker, we bring before you today the conference report on appropriations for agriculture-environmental and consumer protection programs for fiscal year 1972.

The bill totals $13,276,900,500. Its impact on America is far greater than this sum would indicate. For it is this bill that provides for enhanced farm income which, in turn, helps those whose products farmers buy. It is this bill that encourages farmers to invest in good conservation practices through matching programs such as REAP and the Great Plains program which benefit us all. It is this bill which provides funds to encourage communities to invest in water and sewer systems and resource development. It is this bill which assures safe and wholesome food through research, food and drug, and agriculture inspection. And it is this bill that provides better nutrition to children and people who cannot afford a good diet. The bill is divided into four parts to help this body and everyone to understand its effect.

AGRICULTURAL PROGRAMS

Title I includes programs of principal benefit to agriculture totaling $654,299,500, exclusive of $4,213,331,000, which is for full reimbursement of the net realized losses of the Commodity Credit Corporation.

This title is $10,659,700 over the President's budget and about $10,853,000 below the Senate bill.

These increases in this section over the budget were principally for research, extension, and statistical work, where it is clearly evident that failure to maintain these services to Agriculture will endanger the supplies of food and fiber in the years ahead. One million dollars is included specifically for research and control of the dread Venezuelan horse disease; in addition, I should add, the Secretary is using certain emergency funds which will enable him to do all that is necessary.

I would also like to point out the conference language rejecting further limitation of payments in an appropriation bill:

Amendment No. 15: Deletes the language pertaining to the further limitation of payments inserted by the House.

This was one of the major items of controversy.

It is to be noted that, under the various laws passed by the Congress and signed by the President, a commitment was made to make payments under certain terms and conditions at not to exceed $55,000 per person or corporation per crop. These payments really serve the purpose of enabling the processors to buy farm commodities, including cotton, at world prices while the producers in turn must pay American prices for all machinery, equipment, supplies, and so forth, while leaving out of production a part of their land.

It is apparent that American agricultural producers are dependent upon a stable return and that stability is directly related to the various Federal programs to stabilize production.

At any rate, this is a commitment at the present time.

These payments, whether it be wool, sugar, wheat, or cotton, come because of a law—a law passed by the Congress and signed by the President. The conferees have agreed to carry out the good faith commitment made to the American agricultural producer. After all, we must—for it is the consumer for whom they produce and industry and labor which is dependent upon what they buy.

People are quitting the farms at a rate of 400,000 to 600,000 per year, and have done so for 6 straight years. In 25 years farm producer income as a percentage of investment has dropped 50 percent which to a great degree explains why farmers are quitting the farm. Perhaps they need to but consumers cannot afford to have them do so.

I recall that I was asked some time ago why some payments were large with regard to wool, sugar, wheat or cotton. I was asked this by the manager of a motel. I told him, "I just paid you $16.50 for a room. How many rooms do you have?" He said, "200." I said, "Well, can I pay you for all of them?" He said, "Sure." I said, "Can I get the whole 200 rooms for $16.50?" He said, "Oh, no. It would be that much per unit."

Mr. Speaker, this explains the large payments. The recipients have "200 rooms." Thus, large payments go to those who have large production capacity and investment and who produce in large quantities and sell at world prices but pay American costs of production, with all the built-in labor and other costs that go into the retail price of tractors, combines, chemicals, and other expensive U.S. items.

Perhaps we should term this a bill to stave off financial depression and disaster, for it has been a drastic break in farm income, with the resulting break in purchasing power, which has led to every depression.

After all, the farm program was passed not as a relief program for farmers, but to restore farm purchasing power that the general economy might recover, and it did.

It would be well to review the great depression of the later twenties and early thirties, the seeds for which were sown in the 1920's following World War I when the Government announced the price of wheat would not be supported. The wheat which had brought $2.94 a bushel in July 1920 brought $1.72 a bushel in December 1930, and 92 cents a year later. Cotton fell to a third of its July 1920 price and corn by 62 percent. The value of agricultural products dropped from $18,328,000,000 in 1920 to $12,402,000,000 in 1921; 453,000 farmers lost their farms, all reflected by failures of local banks.

In 1928 these prices were: wheat, $1; cotton, 18 cents; and corn, 84 cents. By 1931 wheat was 38 cents; cotton, 5.5 cents; and corn, 32 cents. The Dow-Jones stock price averages followed by declining from a high of 381.2 in September to a low of 41.2 in July of 1932.

It has been said that there were more suicides during this period among those that did not know what a farm was as a result of the breakdown in farm or commodity prices—which had led to a fall in prices and values throughout the economy—than in any other period in our history.

I repeat—farm income, and resulting real purchasing power, has already dropped more than 50 percent on the farmer's investment since 1940, from 7.1 percent to 3.10. The warning signs are out.

Now, why cannot we get this story over? Perhaps too few are willling to study history; or perhaps it is because the news media is focused on the 95 percent of nonfarmers.

Whatever it is, the story must be gotten over, for the sake of all.

RURAL DEVELOPMENT

Title II includes programs for rural development totaling $943,943,000. This title is $272,076,000 above the budget and $19,039,000 below the Senate bill.

The bill includes rural electrification and telephone loans totaling $669,100,000, to be repaid with interest. These programs, vital to rural development and widely supported in the Congress, are raised $221,900,000 above the budget.

Other loans programs include operating loans at $350 million, insured housing loans at $1.6 billion, and insured water and waste disposal loans of $300 million. The bill also includes provision for rural water and waste disposal grants at $100 million. This amount provides $44 million in new authority above the budget, but is the same amount as the Congress approved last year.

The conference agreement includes $20,867,000, which is $6 million over the budget for R.C. & D. projects, and provides funds for the Rural Community Development Service recently established to coordinate rural development efforts.

ENVIRONMENTAL PROTECTION

Title III includes programs for environmental protection at $3,490,477,500, which is $573,813,500 above the budget and $14,884,500 below the Senate bill.

The major increase above the budget included in the bill:

A $500 million appropriation, plus reappropriation of $200 million, for a total of $700 million for the HUD water and sewer grant program. Only $150 million was spent in 1971, although the Congress appropriated $350 million.

An increase of $55,500,000 for the full $195.5 million for the rural environmental assistance program. The House has also directed that all 1970 practices shall be available to be matched by the local farmers.

An increase of $7,483,500 for the environmental programs of the Soil Conservation Service. The following table shows the total funds provided for the Soil Conservation Service and the increased funds available above last year.

SOIL CONSERVATION SERVICE

	1972 conference action	1972 amount above 1971
Conservation operations	$154,734,000	+$15,574,000
River basin surveys and investigations	10,091,000	+334,000
Watershed planning	6,740,000	+153,000
Watershed and flood prevention:		
Watershed projects	105,411,000	+27,061,000
Flood prevention projects	26,688,000	+4,704,000
Subtotal, watershed and flood prevention	132,099,000	+31,765,000
Great Plains conservation program	18,113,500	+1,884,500
Resource conservation and development	20,867,000	+5,914,000
Total, Soil Conservation Service	342,644,500	+55,624,500

This title includes $2,448,400,000 for the many functions of the Environmental Protection Agency, including $2 billion for waste treatment facilities. This total also includes an additional $7.5 million above the budget for solid waste disposal.

I wish to call the attention of the House to the following provision in the conference report on the need for a balanced approach in assessing the environment:

The conferees believe it most important that the various agencies of Government and the Congress, in the review and appraisal of Federal Government programs, projects, and activities, have full information available not only as to the impact upon the environment but also the significant economic impact on the public and the affected areas and industries.

The conferees, therefore, direct that, in addition to the environmental effects of an action, all required reports from departments, agencies, or persons shall also include information, as prepared by the agency having responsibility for administration of the program, project, or activity involved, on the effect on the economy, including employment, unemployment, and other economic impacts.

The conferees expect the agencies involved to spend such additional sums as may be necessary, out of general funds available, to cover any additional costs of preparing such statements.

This requirement will apply primarily to the environmental impact statements required under section 102 of the Environmental Quality Act, and the reports required under the permit dumping programs based on the Refuse Act of 1899.

CONSUMER PROTECTION

Title IV includes $2,974,849,000, which is $315,537,000 above the budget and $300 million below the Senate bill.

Major increases above the budget include: $104 million for the special milk program, which has been extended in keeping with the wishes of Congress. An additional $198,816,000 for the food stamp program, for a total of $2.2 billion in 1972. This level, together with carryover funds, should be adequate to fully meet the needs for fiscal year 1972 and provide some program expansion into additional counties who have made application to enter the program. The conferees also agreed that no authorization exists for exchange of stamp for cash. An additional $13 million for a total direct appropriation of $25 million for the school breakfast program.

The bill also provides $32 million for the nonschool food program which, together with $17 million provided in House Joint Resolution 744, will make available about $33 million for the summer recreation-type programs and about $16 million for the full year preschool programs.

The following table indicates the program expansion in the food programs over the past 4 years:

FOOD ASSISTANCE PROGRAMS OF THE U.S. DEPARTMENT OF AGRICULTURE

[Program level—in thousands of dollars]

Program	Fiscal year				
	1969 actual	1970 actual	1971 estimated	1972 budget	1972 conference action
Child nutrition program:					
1. Cash to States:					
(a) School lunch (sec. 4)	$162,034	$168,023	$225,018	$225,018	$225,018
(b) Free and reduced price lunches	42,039	132,560	356,400	356,400	390,175
(c) School breakfast	5,557	10,877	15,000	15,000	28,000
(d) Nonfood assistance	10,261	16,715	16,110	16,110	16,110
(e) State administrative expenses	544	1,722	3,500	3,500	3,500
(f) Nonschool food program	3,244	7,258	20,775	20,775	[1] 32,000
(g) Nutritional training			750	750	750
Total, cash grants	223,679	337,155	637,553	637,553	695,553
2. Commodities to States	292,107	276,219	232,548	366,355	333,355
3. Federal operating expenses	3,995	6,194	7,099	8,081	8,081
Total, child nutrition programs	519,781	619,568	877,200	1,011,489	1,036,989
Special milk program	102,677	102,124	104,000		104,000
Total, child feeding program	622,458	721,692	981,200	1,011,989	1,140,989

Program	Fiscal year: 1969 actual	1970 actual	1971 estimated	1972 budget	1972 conference action
Family feeding program:					
1. Food stamp program	250,982	578,222	1,670,000	2,001,184	2,200,000
2. Direct distribution to families:					
(a) Sec. 32 commodities	190,282	173,180	155,163	167,766	155,766
(b) Financial assistance to States	4,154	6,026	19,700	19,700	19,700
(c) Federal operation	3,936	3,539	4,363	3,566	3,566
(d) Sec. 416	79,278	74,274	70,706	91,723	91,723
3. Nutrition supplement	8,067	13,667	16,136	16,136	16,136
Total, family feeding	285,717	270,686	266,068	298,891	286,891
Direct distribution to institutions	32,227	21,436	19,418	27,480	27,480
Nutrition education program	9,948	29,876	50,249	50,249	50,249
Total, food assistance program	1,201,332	1,621,912	2,986,935	3,389 793	3,705,609

[1] An additional $17,000,000 was provided by Public Law 92-35, approved June 30, 1971, for the summer feeding programs, thus making a total of $49,000,000 for the nonschool food program in 1972.

In short, then, this bill is $1.172 million over the President's budget.

It is over the budget by $544 million for urban and rural water and sewer grants with their important contributions to community growth and pollution control.

It is over the budget by $221 million for electric and telephone loan programs, again so important to balanced growth and at a time when the power needs of this country are in danger.

It is over the budget by $326 million in the people programs—food stamps and milk for children.

I would say, then, that this bill is large but clearly in keeping with the objectives of Congress and the people, and I urge that the conference report be adopted.

The following table shows the effect of the conference agreement in detail:

COMPARATIVE STATEMENT OF CONFEREE RECOMMENDATIONS AND NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971—BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE HOUSE AND SENATE BILLS FOR 1972

TITLE I—AGRICULTURAL PROGRAMS

Agency and title	New budget (obligational) authority enacted to date, fiscal 1971	Budget estimates of new (obligational) authority, fiscal 1972	New budget (obligational) authority recommended in House bill, 1972	New budget (obligational) authority recommended in Senate bill, 1972	New budget (obligational) authority recommended by conferees	Increase (+) or decrease (−) Conferee recommendations compared with—			
						1971	1972 budget	1972 House bill	1972 Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DEPARTMENT OF AGRICULTURE									
Departmental management									
Office of the Secretary	$6,382,000	$6,912,000	$6,932,000	$6,912,000	$6,912,000	+$530,000		−$20,000	
Office of the Inspector General	13,461,000	14,354,000	14,054,000	14,354,000	14,354,000	+893,000		+300,000	
Transfer from food stamp	(3,685,000)	(3,777,000)	(4,077,000)	(4,077,000)	(4,077,000)	(+392,000)	(+$300,000)		
Total, Office of the Inspector General	($17,146,000)	($18,131,000)	($18,131,000)	($18,431,000)	($18,431,000)	(+$1,285,000)	(+$300,000)	(+$300,000)	
Office of the General Counsel	6,147,000	6,525,000	6,525,000	6,525,000	6,525,000	+378,000			
Office of Information	2,355,000	2,378,000	2,378,000	2,378,000	2,378,000	+23,000			
Office of Management Services	3,724,000	3,867,000	3,867,000	3,867,000	3,867,000	+143,000			
Total, departmental management	32,069,000	34,036,000	33,756,000	34,036,000	34,036,000	+1,967,000		+280,000	
SCIENCE AND EDUCATION PROGRAMS									
Agricultural Research Service:									
Research	161,633,000	169,422,000	169,532,000	180,183,000	173,479,500	+11,846,500	+4,057,500	+3,947,500	−$6,703,500
Transfer from sec. 32	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)				
Plant and animal disease and pest control	104,119,750	98,479,650	99,654,650	100,154,650	100,154,650	−3,965,100	+1,675,000	+500,000	
Special fund (reappropriation)	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	−2,000,000			
Scientific activities overseas (special foreign currency program)	5,000,000	10,000,000	10,000,000	10,000,000	10,000,000	+5,000,000			
Total, Agricultural Research Service	272,752,750	277,901,650	279,186,650	290,337,650	283,634,150	+10,881,400	+5,732,500	+4,447,500	−6,703,500
Cooperative State Research Service	69,533,000	76,434,000	82,034,000	83,784,000	82,934,000	+13,401,000	+6,500,000	+900,000	−850,000
Extension Service	160,966,600	171,629,000	171,779,000	174,629,000	172,279,000	+11,312,400	+650,000	+500,000	−2,350,000
National Agricultural Library	3,973,750	4,060,750	4,060,750	4,060,750	4,060,750	+87,000			
Total, Science and Education Programs	507,226,100	530,025,400	537,060,400	552,811,400	542,907,900	+35,681,800	+12,882,500	+5,847,500	−9,903,500
Agricultural Economics									
Statistical Reporting Service	19,069,800	19,702,800	20,500,000	21,430,000	20,980,000	+1,910,200	+1,277,200	+480,000	−450,000
Economic Research Service	16,148,000	16,252,000	16,500,000	16,252,000	16,252,000	+104,000		−248,000	
Total, Agricultural Economics	35,217,800	35,954,800	37,000,000	37,682,000	37,232,000	+2,014,200	+1,277,200	+232,000	−450,000
Marketing Services									
Commodity Exchange Authority	2,729,000	2,799,000	2,799,000	2,799,000	2,799,000	+70,000			
Packers and Stockyards Administration	3,853,650	3,954,650	3,954,650	3,954,650	3,954,650	+101,000			
Farmer Cooperative Service	1,818,000	1,866,000	1,866,000	1,866,000	1,866,000	+48,000			
Total, Marketing Services	8,400,650	8,619,650	8,619.650	8,619,650	8,619,650	+219,000			

COMPARATIVE STATEMENT OF CONFEREE RECOMMENDATIONS AND NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971—BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE HOUSE AND SENATE BILLS FOR 1972—Continued

Agency and title	New budget (obligational) authority enacted to date, fiscal 1971	Budget estimates of new (obligational) authority, fiscal 1972	New budget (obligational) authority recommended in House bill, 1972	New budget (obligational) authority recommended in Senate bill, 1972	New budget (obligational) authority recommended by conferees	Increase (+) or decrease (−) Conferee recommendations compared with— 1971	1972 budget	1972 House bill	1972 Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
International Programs									
Foreign Agricultural Service	24, 998, 000	26, 036, 000	25, 036, 000	26, 036, 000	25, 536, 000	+538, 000	−500, 000	+500, 000	−500, 000
Transfer from sec. 32	(3, 117, 000)	(3, 117, 000)	(3, 117, 000)	(3, 117, 000)	(3, 117, 000)				
Total, Foreign Agricultural Service	(28, 115, 000)	(29, 153, 000)	(28, 153, 000)	(29, 153, 000)	(28, 653, 000)	(+538, 000)	(−500, 000)	(+500, 000)	(−500, 000)
Public Law 480	702, 500, 000	1, 320, 400, 000	1, 320, 400, 000	1, 320, 400, 000	1, 320, 400, 000	+617, 900, 000			
Total, International Programs	727, 498, 000	1, 346, 436, 000	1, 345, 436, 000	1, 346, 436, 000	1, 345, 936, 000	+618, 438, 000	−500, 000	+500, 000	−500, 000
Commodity Programs									
Agricultural Stabilization and Conservation Service:									
Appropriation	161, 000, 000	165, 086, 000	165, 086, 000	165, 086, 000	165, 086, 000	+4, 086, 000			
Transfer from CCC	(70, 072, 000)	(77, 256, 000)	(77, 256, 000)	(77, 256, 000)	(77, 256, 000)	(+7, 184, 000)			
Total, expenses, ASCS	(231, 072, 000)	(242, 342, 000)	(242, 342, 000)	(242, 342, 000)	(242, 342, 000)	(+11, 270, 000)			
Sugar Act program	83, 600, 000	86, 000, 000	86, 000, 000	86, 000, 000	86, 000, 000	+2, 400, 000			
Cropland adjustment program	77, 800, 000	69, 800, 000	69, 800, 000	69, 800, 000	69, 800, 000	−8, 000, 000			
Dairy and beekeeper indemnity programs	4, 050, 000	5, 500, 000	2, 500, 000	2, 500, 000	2, 500, 000	−1, 550, 000	−3, 000, 000		
Federal Crop Insurance Corporation:									
Administrative and operating expenses	12, 000, 000	12, 000, 000	12, 000, 000	12, 000, 000	12, 000, 000				
FCIC fund (premium income)	(3, 209, 000)	(3, 451, 000)	(3, 451, 000)	(3, 451, 000)	(3, 451, 000)	(+242, 000)			
Total, administrative and operating expenses, FCIC	(15, 209, 000)	(15, 451, 000)	(15, 451, 000)	(15, 451, 000)	(15, 451, 000)	(+242, 000)			
Subscription to capital stock		10, 000, 000	10, 000, 000	10, 000, 000	10, 000, 000	+10, 000, 000			
Total, Federal Crop Insurance Corporation	12, 000, 000	22, 000, 000	22, 000, 000	22, 000, 000	22, 000, 000	+10, 000, 000			
Commodity Credit Corporation:									
Reimbursement for net realized losses:									
Appropriation	3, 363, 155, 000	4, 213, 331, 000	3, 613, 331, 000	4, 213, 331, 000	4, 213, 331, 000	+850, 176, 000		+600, 000, 000	
Liquidation of contract authority	−697, 886, 000	−659, 818, 000	−659, 818, 000	−659, 818, 000	−659, 818, 000	+38, 068, 000			
Total, reimbursement for net realized losses	2, 665, 269, 000	3, 553, 513, 000	2, 953, 513, 000	3, 553, 513, 000	3, 553, 513, 000	+888, 244, 000		+600, 000, 000	
Limitation on administrative expenses	(36, 500, 000)	(40, 200, 000)	(40, 200, 000)	(40, 200, 000)	(40, 200, 000)	(+3, 700, 000)			
Bartered materials for supplemental stockpile	25, 000					−25, 000			
Total, Commodity Credit Corporation	(2, 701, 794, 000)	(3, 593, 713, 000)	(2, 993, 713, 000)	(3, 593, 713, 000)	(3, 593, 713, 000)	(+891, 919, 000)		(+600, 000, 000)	
Total, commodity programs	3, 003, 744, 000	3, 901, 899, 000	3, 298, 899, 000	3, 898, 899, 000	3, 898, 899, 000	+895, 155, 000	−3, 000, 000	+600, 000, 000	
Total, title I, agricultural programs	4, 314, 155, 550	5, 856, 970, 850	5, 260, 771, 050	5, 878, 484, 050	5, 867, 630, 550	+1, 553, 475, 000	+10, 659, 700	+606, 859, 500	−10, 853, 500
TITLE II—RURAL DEVELOPMENT									
DEPARTMENT OF AGRICULTURE									
Rural Development Service		$250, 000	$230, 000	$250, 000	$250, 000	+$250, 000		+$20, 000	
Resource conservation and development	$14, 953, 000	14, 691, 000	15, 691, 000	25, 421, 000	20, 867, 000	+5, 914, 000	+$6, 176, 000	+5, 176, 000	−$4, 554, 000
Rural Electrification Administration									
Loan authorizations:									
Electrification	337, 000, 000	329, 000, 000	545, 000, 000	545, 000, 000	545, 000, 000	+208, 000, 000	+216, 000, 000		
Contingency reserve	(..........)	(..........)	(25, 000, 000)	(25, 000, 000)	(25, 000, 000)	(+25, 000, 000)	(+25, 000, 000)		
Telephone	128, 800, 000	118, 200, 000	118, 200, 000	130, 000, 000	124, 100, 000	−4, 700, 000	+5, 900, 000	+5, 900, 000	−5, 900, 000
Total, loans (authorization to spend debt receipts)	465, 800, 000	447, 200, 000	663, 200, 000	675, 000, 000	669, 100, 000	+203, 000, 000	+221, 900, 000	+5, 900, 000	−5, 900, 000
Rural Telephone Bank		30, 000, 000	30, 000, 000	30, 000, 000	30, 000, 000	+30, 000, 000			
Salaries and expenses	15, 763, 000	17, 706, 000	16, 706, 000	16, 706, 000	16, 706, 000	+943, 000			
Total, Rural Electrification Administration	481, 563, 000	493, 906, 000	709, 906, 000	721, 706, 000	715, 806, 000	+234, 243, 000	+221, 900, 000	+5, 900, 000	−5, 900, 000
Farmers Home Administration									
Direct loan account:									
Operating loans	(275, 000, 000)	(275, 000, 000)	(350, 000, 000)	(350, 000, 000)	(350, 000, 000)	(+75, 000, 000)	(+75, 000, 000)		
Soil conservation loans	(8, 700, 000)	(8, 700, 000)	(8, 700, 000)	(8, 700, 000)	(8, 700, 000)				
Total, direct loan account	(203, 700, 000)	(283, 700, 000)	(358, 700, 000)	(358, 700, 000)	(358, 700, 000)	(75, 000, 000)	(+75, 000, 000)		
Rural Housing Insurance Fund									
Reimbursement for interest and other losses	334, 000	23, 663, 000	23, 663, 000	23, 663, 000	23, 663, 000	+23, 329, 000			
Direct loans	(19, 000, 000)	(10, 000, 000)	(10, 000, 000)	(10, 000, 000)	(10, 000, 000)	(−9, 000, 000)			
Insured loans	(1, 463, 000, 000)	(1, 605, 000, 000)	(1, 605, 000, 000)	(1, 605, 000, 000)	(1, 605, 000, 000)	(+142, 000, 000)			
Total, Rural Housing Insurance Fund	(1, 482, 334, 000)	(1, 638, 663, 000)	(1, 638, 663, 000)	(1, 638, 663, 000)	(1, 638, 663, 000)	(+156, 329, 000)			
Emergency Credit Revolving Fund	65, 000, 000					−65, 000, 000			

Agency and title (1)	New budget (obligational) authority enacted to date, fiscal 1971 (2)	Budget estimates of new (obligational) authority, fiscal 1972 (3)	New budget (obligational) authority recommended in House bill, 1972 (4)	New budget (obligational) authority recommended in Senate bill, 1972 (5)	New budget (obligational) authority recommended by conferees (6)	Increase (+) or decrease (−) Conferee recommendations compared with— 1971 (7)	1972 budget (8)	1972 House bill (9)	1972 Senate bill (10)
Agricultural Credit Insurance Fund									
Reimbursement for interest and other losses		37,192,000	37,192,000	37,192,000	37,192,000	+37,192,000			
Insured real estate loans	(287,600,000)	(372,000,000)	(372,000,000)	(372,000,000)	(372,000,000)	(+84,400,000)			
Insured water and waste disposal loans	(230,000,000)	(300,000,000)	(300,000,000)	(300,000,000)	(300,000,000)	(+70,000,000)			
Total, Agriculture Credit Insurance Fund	(517,600,000)	(709,192,000)	(709,192,000)	(709,192,000)	(709,192,000)	(+191,592,000)			
Rural water and waste disposal grants	100,000,000		44,000,000	44,000,000	44,000,000	−56,000,00000	+44,000,000		
Unobligated balance available from previous years		(42,000,000)	(56,000,000)	(56,000,000)	(56,000,000)	(+56,000,000)	(+14,000,000)		
Total, rural water and waste disposal grants	(100,000,000)	(42,000,000)	(100,000,000)	(100,000,000)	(100,000,000)		(+58,000,000)		
Rural housing for domestic farm labor	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000				
Mutual and self-help housing	775,000	2,000,000	2,000,000	2,000,000	2,000,000	+1,225,000			
Self-help housing land development fund	400,000					−400,000			
Salaries and expenses	92,450,000	97,665,000	97,665,000	106,250,000	97,665,000	+5,215,000			−8,585,000
Transfer from Agricultural Credit Insurance Fund	(2,250,000)	(2,250,000)	(2,250,000)	(2,250,000)	(2,250,000)				
Miscellaneous transfer	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)			
Total, salaries and expenses	(95,200,000)	(100,415,000)	(100,415,000)	(109,000,000)	(100,415,000)	(+5,215,000)			(−8,585,000)
Total, Farmers Home Administration	261,459,000	163,020,000	207,020,000	215,605,000	207,020,000	−54,439,000	+44,000,000		−8,585,000
INDEPENDENT AGENCIES									
Farm Credit Administration: Limitation on administrative expenses	(4,443,000)	(5,238,000)	(5,200,000)	(5,200,000)	(5,200,000)	(+757,000)	(−38,000)		
Total, title II, rural development	757,975,000	671,867,000	932,847,000	962,982,000	943,943,000	+185,968,000	+272,076,000	+11,096,000	−19,039,000
TITLE III—ENVIRONMENTAL PROTECTION									
INDEPENDENT AGENCIES									
Council on Environmental Quality and Office of Environmental Quality	$1,500,000	$2,300,000	$2,300,000	$2,300,000	$2,300,000	+$800,000			
Environmental Protection Agency									
Operations, research, and facilities	299,904,000	433,900,000	425,100,000	458,900,000	441,400,000	+141,496,000	+$7,500,000	+$16,300,000	−$17,500,000
Construction grants	1,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	+1,000,000,000			
Scientific activities overseas (special foreign currency program)	3,500,000	10,670,000	7,000,000	7,000,000	7,000,000	+3,500,000	−3,670,000		
Total, Environmental Protection Agency	1,303,404,000	2,444,570,000	2,432,100,000	2,465,900,000	2,448,400,000	+1,144,996,000	+3,830,000	+16,300,000	−17,500,000
National Commission on Materials Policy	50,000	500,000	50,000	500,000	500,000	+450,000		+450,000	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
Grants for basic water and sewer facilities	$350,000,000		$500,000,000	$500,000,000	$500,000,000	+$150,000,000	+$500,000,000		
Unobligated balance available from previous years	(..............)	($100.000,000)	(200,000,000)	(200,000,000)	(200,000,000)	(+200,000,000)	(+100,000,000)		
Total, facilities	(350,000,000)	(100,000,000)	(700,000,000)	(700,000,000)	(700,000,000)	(+350,000,000)	(+600,000,000)		
DEPARTMENT OF AGRICULTURE									
Soil Conservation Service									
Conservation operations	139,160,000	154,646,000	150,146,000	154,743,000	154,734,000	+15,574,000	+88,000	+$4,588,000	
River basin surveys and investigations	9,757,000	10,091,000	10,091,000	10,091,000	10,091,000	+334,000			
Watershed planning	6,587,000	6,107,000	6,740,000	6,740,000	6,740,000	+153,000	+633,000		
Watershed and flood prevention operations [1]	100,334,000	127,599,000	132,099,000	127,599,000	132,099,000	+31,765,000	+4,500,000		+$4,500,000
Great Plains conservation program	16,229,000	15,851,000	16,229,000	19,998,000	18,113,500	+1,884,500	+2,262,500	+1,884,500	−1,884,500
Total, Soil Conservation Service	272,067,000	314,294,000	315,305,000	319,162,000	321,777,500	+49,710,500	+7,483,500	+6,472,500	+2,615,500
Agricultural Stabilization and Conservation Service									
Rural environmental assistance program:									
Advance authorization (contract authorization)	195,500,000	140,000,000	195,500,000	195,500,000	195,500,000		+55,500,000		
Liquidation of contract authorization	(185,000,000)	(150,000,000)	(150,000,000)	(150,000,000)	(150,000,000)	(−35,000,000)			
Water Bank Act program		10,000,000	10,000,000	10,000,000	10,000,000	+10,000,000			
Emergency conservation measures	5,000,000	5,000,000	12,000,000	12,000,000	12,000,000	+7,000,000	+7,000,000		
Total, Agricultural Stabilization and Conservation Service	200,500,000	155,000,000	217,500,000	217,500,000	217,500,000	+17,000,000	+62,500,000		
Total, title III, environmental protection	2,127,521,000	2,916,664,000	3,467,255,000	3,505,362,000	3,490,477,500	+1,362,956,500	+573,813,500	+23,222,500	−14,884,500

Footnotes at end of table.

COMPARATIVE STATEMENT OF CONFEREE RECOMMENDATIONS AND NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971—BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE HOUSE AND SENATE BILLS FOR 1972—Continued

TITLE IV—CONSUMER PROTECTION AND SERVICES

						Increase (+) or decrease (−) Conferee recommendations compared with—			
Agency and title (1)	New budget (obligational) authority enacted to date, fiscal 1971 (2)	Budget estimates of new (obligational) authority, fiscal 1972 (3)	New budget (obligational) authority recommended in House bill, 1972 (4)	New budget (obligational) authority recommended in Senate bill, 1972 (5)	New budget (obligational) authority recommended by conferees (6)	1971 (7)	1972 budget (8)	1972 House bill (9)	1972 Senate bill (10)
INDEPENDENT AGENCIES									
Office of Consumer Affairs [2]	$810,000	$1,609,000	$1,400,000	$1,410,000	$1,410,000	+$600,000	−$199,000	+$10,000	
National Commission on Consumer Finance	500,000	625,000	625,000	625,000	625,000	+125,000			
DEPARTMENT OF AGRICULTURE									
Consumer and Marketing Service									
Consumer protective, marketing, and regulatory programs	162,476,000	178,548,000	178,468,000	178,468,000	178,468,000	+15,992,000	−80,000		
Payments to States and possessions	1,675,000	1,600,000	1,600,000	1,600,000	1,600,000	−75,000			
Total, Consumer and Marketing Service	164,151,000	180,148,000	180,068,000	180,068,000	180,068,000	+15,917,000	−80,000		
Food and Nutrition Service									
Child nutrition programs	301,974,000	350,876,000	350,876,000	363,876,000	363,876,000	+61,902,000	+13,000,000	+13,000,000	
Transfer from sec. 32	(238,358,000)	(232,043,000)	(232,043,000)	(232,043,000)	(232,043,000)	(−6,315,000)			
Total child nutrition programs	(540,332,000)	(582,919,000)	(582,919,000)	(595,919,000)	(595,919,000)	(+55,587,000)	(+13,000,000)	(+13,000,000)	
Special milk program	104,000,000		104,000,000	104,000,000	104,000,000		+104,000,000		
Food stamp program	1,670,000,000	2,001,184,000	2,001,184,000	2,500,000,000	2,200,000,000	+530,000,000	+198,816,000	+198,816,000	−$300,000,000
Total, Food and Nutrition Service	2,075,974,000	2,352,060,000	2,456,060,000	2,967,876,000	2,667,876,000	+591,902,000	+315,816,000	+211,816,000	−300,000,000
Department of Health, Education, and Welfare									
Food and Drug Administration	85,621,000	99,681,000	99,681,000	99,681,000	99,681,000	+14,060,000			
Federal Trade Commission	22,200,000	25,189,000	25,189,000	25,189,000	25,189,000	+2,989,000			
Total, title IV, consumer protection and services	2,349,256,000	2,659,312,000	2,763,023,000	3,274,849,000	2,974,849,000	+625,593,000	+315,537,000	+211,826,000	−300,000,000
RECAPITULATION									
Title I—Agricultural Programs	4,314,155,550	5,856,970,850	5,260,771,050	5,878,484,050	5,867,630,550	+1,553,475,000	+10,659,700	+606,859,500	−10,853,500
Title II—Rural Development	757,975,000	671,867,000	932,847,000	962,982,000	943,943,000	+185,968,000	+272,076,000	+11,096,000	−19,039,000
Title III—Environmental Protection	2,127,521,000	2,916,664,000	3,467,255,000	3,505,362,000	3,490,477,500	+1,362,956,500	+573,813,500	+23,222,500	−14,884,500
Title IV—Consumer Protection and Services	2,349,256,000	2,659,312,000	2,763,023,000	3,274,849,000	2,974,849,000	+625,593,000	+315,537,000	+211,826,000	−300,000,000
Total, new budget (obligational authority)	9,548,907,550	12,104,813,850	12,423,896,050	13,621,677,050	13,276,900,050	+3,727,992,500	+1,172,086,200	+853,004,000	−344,777,000
Consisting of									
1. Appropriations	8,885,607,550	11,517,613,850	11,565,196,050	12,751,177,050	12,412,300,050	+3,526,692,500	+894,686,200	+847,104,000	−338,877,000
2. Reappropriations	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	−2,000,000			
3. Contract authorization	195,500,000	140,000,000	195,500,000	195,500,000	195,500,000		+55,500,000		
4. Authorizations to spend from debt receipts	465,800,000	447,200,000	663,200,000	675,000,000	669,100,000	+203,300,000	+221,900,000	+5,900,000	−3,900,000
Memoranda									
1. Appropriations to liquidate contract authority	882,886,000	809,818,000	809,818,000	809,818,000	809,818,000	−73,068,000			
2. Appropriations, including appropriations to liquidate contract authority	9,768,493,550	12,327,431,850	12,375,014,050	13,560,998,050	13,222,118,050	+3,453,624,500	+894,686,200	+847,104,000	−338,877,000
3. Transfers from sec. 32	256,475,000	250,160,000	250,160,000	250,160,000	250,160,000	−6,315,000			
4. Transfer from CCC	70,072,000	77,256,000	77,256,000	77,256,000	77,256,000	+7,184,000			

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[1] Combines into a single appropriation the former Watershed works of improvement and Flood prevention appropriations.

[2] Includes funds for the Consumer Products Information Coordinating Center.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. BOW. Mr. Speaker, I thank the gentleman for yielding.

It will be noted in the conference report that I did not sign the conference report. All other members did. But I should like to point out to the House that this conference report comes to us $1,172 million over the budget—$1,172 million over the budget request.

Now, this is not the only bill to come in here over the budget. There is one coming in this afternoon that is now $321 million over the budget and I understand there will be an effort made to increase that bill another $230 million.

Now, Mr. Speaker, these are good programs, but I wonder where we are going to get the money, what is going to happen with reference to inflation and what is going to happen to the financial situation of this country if we continue by just simply saying that these are good programs and must be funded, without any knowledge of where the money is coming from and no knowledge as to what the actual fiscal situation is.

Mr. Speaker, there are some who complain about some funds being impounded. There are some who complain that we are spending too much and that we have not followed a sound fiscal policy.

Therefore, Mr. Speaker, I wanted to point out why I did not sign this conference report. I am concerned about inflation, our fiscal situation and our budgetary situation. It seems to me that we should stop, look and listen and see just exactly what has happened on these budgets.

Again, I point out the fact that this conference report is 1,172 million over the budget. I do not complain that these increases are not for good programs. But I wonder how we are going to finance them and where we are going to get the money.

Mr. Speaker, some years ago there was a Member from Pennsylvania who used to open each session by asking, "Where are we going to get the money"? Some of these committees have come in and stated that these various programs are fiscally sound. But, again, I ask the question, when are we going to stop this kind of spending?

I thank the gentleman for yielding to me. I admire the gentleman and his committee and I know of the hard work they have done, but I cannot resist at least stating my position as to why I did not sign this conference report.

Mr. WHITTEN. May I say to my friend, the gentleman from Ohio (Mr. Bow), that I appreciate his sincerity and his viewpoint, and I too have a whole lot of the same feelings. I do think that in most instances here these budget requests should have been sent down to keep the committee from being in the position it was, but I do think in reality we were faced with decisions that, in the absence of agreeing on these amounts, we would have been faced with a greater amount being placed in the bill. So I think that the committee has done a fine job under all the circumstances.

Mr. ANDREWS of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague, the gentleman from North Dakota (Mr. ANDREWS) a member of the committee, and the ranking minority member on the subcommittee.

Mr. ANDREWS of North Dakota. Mr. Speaker, I thank the gentleman from Mississippi for yielding to me. I am sure that all the Members feel the concern of the gentleman from Ohio for the deficit problems with which we are faced, but I also appreciate the fact, Mr. Speaker, that my colleague from Ohio pointed out that these are important programs. Nothing is more basic and more important to this Nation than food and our environment. Therefore, Mr. Speaker, I rise in support of the conference report.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I am happy to yield to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I want to thank my colleague, the gentleman from Mississippi (Mr. WHITTEN) for yielding to me. I just want to express my disappointment at the House conferees for caving in on the $20,000 limitation which the House passed.

As I said on the floor of the House, I am a practical politician, and I realize when I have had a setback, but as I said earlier last week we have lost the skirmish, but we have not lost the battle. I will be back next year.

Mr. Speaker, there is one further point I wish to make. There has been a lot of loose talk to the effect that by passing the 3-year farm bill we did a year ago with its ceiling of $55,000 per crop, the Congress made some sort of a "commitment" not to reduce it further. My own minority leader even tried to make this point, claiming a lower ceiling would be "breaking faith" with the farmers in these programs.

Such an argument is absolutely without foundation. By its adoption of my amendment on June 23, 1970, the House demonstrated it is groundless. If there has been any breaking faith it has been on the part of these giant farmers who have used every legal trick in the book to evade the present ceiling.

This argument is as fallacious as the claim that, because Congress has authorized certain funds, it is bound to appropriate that amount. All of us know this is absurd.

But, because this point, however groundless, has been made, let me serve notice now on the Secretary of Agriculture and all farmers in this program that it is my intention to offer a $20,000 ceiling amendment on the Agriculture appropriations bill for fiscal 1973. Let no one claim there has not been fair warning to all concerned. Let the Secretary of Agriculture and his staff know that this will be done.

To go further, I am convinced that the House will again adopt my amendment. And perhaps it may take an election year to do it, but I also believe the other body will see the light next year.

Mr. DINGELL. Mr. Speaker, I would take this occasion to remind my colleague and the Members of the House that on June 23, in response to a point of order I raised with regard to two items in H.R. 9270, language was stricken from the House version of the bill which is again before us, as involving legislation on an appropriations bill. The CONGRESSIONAL RECORD of June 23, 1971, at pages 21641 and 21642 records the points of order, the discussion I had with the gentleman from Mississippi (Mr. WHITTEN), and the rulings of the chair sustaining the points of order.

The conference report now before us refers to similar obligations on the part of the Administrator of the Environmental Protection Agency—to deal separately with the economic implications of activities regulated under the National Environmental Policy Act of 1969—Public Law 91–190.

If it was improper to legislate in this fashion last month, it is equally so today. The record should show that the language in the report, to which I have reference here, does not provide any new authority or direction to the Administrator of EPA. If, under preexisting authority, he can and wishes to develop this information, we cannot prevent him from so doing. But any efforts in this direction must be entirely apart from his obligations under NEPA, and the guidelines that have been developed to provide detailed directions on how that act, and others applicable to EPA shall be administered.

One of the simplest and most fundamental of legislative interpretations is that statutes which are clear on their face need not and indeed may not be interpreted by allusion or reference to other documents and items of legislative history.

Hence, the requirements of the National Environmental Policy Act are crystal clear and may not be amended by subsequent nonlegislative actions of the Appropriations Committee or conferees composed of representatives of the two Appropriations Committees of the House and Senate.

I wish to make it most plain in the legislative history of this day's activities that the language of the conference report does not in any fashion amend, alter or change the clear language or the requirements of the National Environmental Policy Act with regard to the filing of section 102(2)(C) environmental impact statements.

Mr. QUIE. Mr. Speaker, the new grouping of programs into the three areas of agriculture, environmental, and consumer protection provides a much more accurate view of the purposes for which the funds are appropriated.

It also should prove helpful in striking down the all too prevalent notion that the entire Agriculture Department budget is some kind of a huge subsidy to the farmer. This grouping makes it plain that many other groups are benefiting from such programs as food stamps, child nutrition, meat inspection, and extension service activities.

My chief disappointment with this conference report, however, was the decision of the conferees on amendment No. 33.

That decision means that for at least another year farmers will be limited to a $2,500 ceiling on Federal cost sharing for expensive feedlot improvements needed to combat pollution from animal wastes.

The other body adopted language which I had suggested to raise the ceiling to $5,000 for this particular practice. That language was developed too late for consideration when this bill originally was before the House.

Instead of accepting the Senate amendment, which would not have cost the taxpayers any additional money for the rural environmental assistance program—REAP—administered by the Agricultural Stabilization and Conservation Service—ASCS—the committee directed the department to study the need for such an adjustment.

The amendment simply meant that the cost-sharing arrangements worked out over the years would remain the same for normal conservation practices in the public interest, such as soil-building and tree-planting measures. It would have increased by $2,500 the limit for helping farmers meet the extremely high cost of pollution abatement facilities they now are being required to install on feedlots as part of the Nation's environmental protection program.

In my State the cost of hard-surfaced feedlots, 6-month concrete holding tanks, and other such improvements has been running between $8,000 and $12,000 per farm.

The pollution of our streams is a matter of grave national concern, and I do not feel the farmer should be made to bear a disproportionate share of the cost of such environmental protection when he is eligible for 50 percent or more cost sharing for other conservation practices in the national interest.

Right now the burden of making such feedlot improvements fall only on the larger operators, those feeding 1,000 or more steers or 700 dairy cows on confined feedlots.

It was my feeling that the added incentive offered by the Senate amendment would have encouraged many smaller operators to construct such improvements and thus would have made a much more positive contribution to the problem of cleaning up our lakes and streams.

Instead, the conferees directed the Agriculture Department "to make a thorough review of the need for such adjustment" lifting the ceiling for this one practice to $5,000.

Had Agriculture Department officials had sufficient notice in which to testify on this suggestion, I am confident they would have endorsed it strongly, as they have in conversations with my office.

The department lacks the authority to take this action on its own. It needs language such as I had suggested, so that means it probably will be at least a year until farmers can get this added help in meeting their environmental responsibilities. Once they become aware that increased cost sharing for pollution abatement practices involving feedlots is in the offing, many will delay their plans.

To me the amendment was so basically just and so much in tune with the current national effort to combat water pollution that I see no reason for this additional delay. I am sorry that the conferees decided on this study. I hope it does not mean that the suggestion will be put out of sight and out of mind as so often happens when studies are commissioned.

In that study, I hope the Department will consider the question of whether feedlot operators can qualify for a higher ceiling, such as the $5,000 I have suggested, for feedlot pollution abatement practices while also qualifying for cost sharing for the traditional conservation practices under REAP, formerly known as the agricultural conservation program—

At this point, I include an illustration of the manner in which the Senate amendment would be applied to the program if it had been adopted:

	Example 1		Example 2		Example 3		Example 4	
	Computed	Payable	Computed	Payable	Computed	Payable	Computed	Payable
Practices other than animal waste pollution abatement	$3,000	$2,500	$3,000	$2,500	$500	$500	$1,000	$1,000
Animal waste pollution abatement practices	2,000	2,000	3,000	2,500	5,000	4,500	3,000	3,000
Total	5,000	4,500	6,000	5,000	5,500	5,000	4,000	4,000

I do hope the Department will expedite its consideration of the study called for in this conference report. Feedlot operators—particularly in the Northern States with long winters—are very much in need of this added assistance.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BOW. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 230, nays 162, not voting 41, as follows:

[Roll No. 204]

YEAS—230

Abbitt
Abourezk
Addabbo
Alexander
Anderson, Calif.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Arends
Aspin
Badillo
Baring
Barrett
Begich
Belcher
Bergland
Bevill
Biester
Blanton
Blatnik
Boggs
Bolling
Brademas
Bray
Brinkley
Brooks
Brown, Ohio
Broyhill, N.C.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Cabell
Caffery
Camp
Carney
Casey, Tex.
Cederberg
Chappell
Clancy
Clark
Clausen, Don H.
Corman
Culver
Daniel, Va.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Denholm
Dent
Dingell
Dorn
Dowdy
Downing
Drinan
Duncan
Eckhardt
Edmondson
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Fuqua
Galifianakis
Gettys
Gibbons
Gonzalez
Grasso
Gray
Green, Oreg.
Griffin
Griffiths
Hagan
Hamilton
Hammerschmidt
Hanna
Hansen, Wash.
Harsha
Hathaway
Hébert
Henderson
Hicks, Mass.
Hicks, Wash.
Hillis
Holifield
Horton
Hull
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kazen
Kee
King
Kluczynski
Kuykendall
Kyl
Landrum
Latta
Leggett
Lennon
Link
McClory
McCloskey
McClure
McCollister
McCormack
McDade
McDonald, Mich.
McFall
McKay
McMillan
Mahon
Martin
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Michel
Miller, Calif.
Miller, Ohio
Mills, Ark.
Mink
Mitchell
Mizell
Mollohan
Monagan
Moorhead
Morgan
Mosher
Moss
Murphy, N.Y.
Myers
Natcher
Nichols
Obey
O'Hara
O'Konski
O'Neill
Passman
Patman
Patten
Perkins
Pettis
Peyser
Pickle
Podell
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Pryor, Ark.
Pucinski
Purcell
Quillen
Railsback
Randall
Rarick
Rees
Reid, Ill.
Reid, N.Y.
Rhodes
Roberts
Robison, N.Y.
Rodino
Rooney, N.Y.
Roush
Roy
Runnels
Ruppe
Scherle
Schwengel
Sebelius
Seiberling
Shipley
Shoup
Shriver
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Springer
Stafford
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steiger, Ariz.
Stephens
Stuckey
Symington
Taylor
Teague, Tex.
Terry
Thompson, Ga.
Thomson, Wis.
Thone
Udall
Ullman
Waggonner
Wampler
Watts
White
Whitten
Wilson, Bob
Wilson, Charles H.
Winn
Wright
Young, Tex.
Zion
Zwach

NAYS—162

Abzug
Adams
Anderson, Ill.
Archer
Ashbrook
Baker
Bell
Bennett
Betts
Biaggi
Bingham
Boland
Bow
Brasco
Broomfield
Brotzman
Brown, Mich.
Broyhill, Va.
Buchanan
Burke, Fla.
Byrne, Pa.
Byrnes, Wis.
Carey, N.Y.
Celler
Chamberlain
Chisholm
Clawson, Del
Clay
Cleveland
Collins, Ill.
Conable
Conte
Cotter
Coughlin
Crane
Daniels, N.J.
Davis, Wis.
Dellenback
Dellums
Dennis
Derwinski
Devine
Dickinson
Diggs
Dow
Dulski
du Pont
Dwyer
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Ford, Gerald R.
Ford, William D.
Frelinghuysen
Frenzel
Frey
Fulton, Pa.
Fulton, Tenn.
Gaydos
Green, Pa.
Gross
Grover
Gubser
Gude
Haley
Hall
Halpern
Hanley
Hansen, Idaho
Harrington
Harvey
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hogan
Howard
Hunt
Hutchinson
Jacobs
Jonas
Keating
Keith
Kemp
Koch
Landgrebe
Lent
Lloyd
Long, Md.
Lujan
McEwen
McKevitt
McKinney
Macdonald, Mass.
Madden
Mailliard
Mann
Metcalfe
Mikva
Mills, Md.
Minish
Minshall
Morse
Murphy, Ill.
Nedzi
Nix
Pelly
Pike
Pirnie
Poff
Quie
Rangel
Riegle
Robinson, Va.
Roe
Rogers
Roncalio
Rosenthal
Rousselot
Ruth
Ryan
St Germain
Sandman
Sarbanes
Satterfield
Scheuer
Schmitz
Schneebeli
Scott
Smith, Calif.
Smith, N.Y.
Steele
Steiger, Wis.
Stokes
Stratton
Sullivan
Talcott
Thompson, N.J.
Tiernan
Vander Jagt
Vanik
Veysey
Waldie
Ware
Whalen
Whalley
Whitehurst
Widnall
Wiggins
Williams
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Young, Fla.
Zablocki

NOT VOTING—41

Abernethy
Ashley
Aspinall
Blackburn
Byron
Carter
Collier
Collins, Tex.
Colmer
Conyers
Delaney
Donohue
Edwards, La.
Esch
Gallagher
Garmatz
Giaimo
Goldwater
Goodling
Hosmer
Hungate
Jones, Tenn.
Kyros
Long, La.
McCulloch
Montgomery
Nelsen
Pepper
Poage
Reuss
Rooney, Pa.
Rostenkowski
Roybal
Saylor
Sikes
Sisk
Stubblefield
Teague, Calif.
Van Deerlin
Vigorito
Yatron

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Sikes for, with Mr. Giaimo against.

Mr. Abernethy for, with Mr. Gallagher against.

Mr. Montgomery for, with Mr. Conyers against.

Mr. Jones of Tennessee for, with Mr. Yatron against.

Mr. Blackburn for, with Mr. Esch against.

Mr. Nelsen for, with Mr. Hosmer against.

Mr. Rooney of Pennsylvania for, with Mr. Goldwater against.

Mr. Carter for, with Mr. Halpern against.

Mr. Kyros for, with Mr. Reuss against.

Mr. Colmer for, with Mr. Ashley against.

Until further notice:

Mr. Sisk with Mr. Teague of California.

Mr. Stubblefield with Mr. Collins of Texas.

Mr. Aspinall with Mr. Saylor.

Mr. Rostenkowski with Mr. Goodling.

Mr. Pepper with Mr. Collier.

Mr. Edwards of Pennsylvania with Mr. Roybal.

Mr. Garmatz with Mr. Donohue.

Mr. Van Deerlin with Mr. Vigorito.

Mr. Delaney with Mr. Byron.

Messrs. CELLER, BIAGGI, BROWN of Michigan, McKINNEY, HUTCHINSON, McEWEN, STEIGER of Wisconsin, and BOLAND changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 4: Page 6, line 7, insert "and $950,000 shall remain available until expended for plans, construction, and improvement of facilities without regard to limitations contained herein:".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$70,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendent No. 34: On page 38, line 9, strike out "$1,400,000, of which $450,000 shall be transferred to the Consumer Products Information Coordinating Center for necessary expenses, including services authorized by 5 U.S.C. 3109" and insert: "$960,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$1,410,000, of which $450,000 shall be transferred to the Consumer Products Information Coordination Center for necessary expenses, including services authorized by 5 U.S.C. 3109".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 38. Page 41, line 21, strike out "$12,000,000" and insert "$25,000,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 38 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$25,000,000 (of which $6,500,000 shall be placed in contingency reserve to be released on determination of need)".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and that I may revise and extend my remarks and include certain tables.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 9272, DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1972

Mr. ROONEY of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROONEY of New York moves to take from the Speaker's table the bill (H.R. 9272) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1972, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

Mr. ROONEY of New York. Mr. Speaker, on June 24, 1971, the House passed the State, Justice, Commerce, the judiciary, and related agencies appropriation bill by a vote of 337 yeas to 10 nays. It thereafter passed the Senate on July 19.

I heard on the radio this morning that there will be a motion to instruct the House conferees to accept the amendment of the Senate numbered 35 which would restrict the work of the Subversive Activities Control Board. The amount of money—to wit, $450,000—which this Board is to receive has been approved by both Houses and is not in conference. The Senate amendment would prohibit the use of these funds "to execute any of the additional functions, duties or powers which Executive Order 1605, dated July 2, 1971, purports or undertakes to confer on the Board."

For several years now complaint has been made that this Board did not have enough to do. By adopting the Senate amendment this Board would be stopped from carrying out additional duties under the Executive order.

Furthermore, this amendment as written is legislation on an appropriation bill, and should have no place in it. It belongs with the House Judiciary Committee.

I submit that the House conferees should not be bound by any such instruction.

In the event a motion to instruct is offered, I shall be constrained to offer a preferential motion to table that motion.

The following is the Executive order referred to:

EXECUTIVE ORDER 11605

Amendment of Executive order No. 10450 of April 27, 1953, relating to security requirements for Government employment

By virtue of the authority vested in me by the Constitution and statutes of the United States including 5 U.S.C. Sections 1101 *et seq.*, 3301, 3571, 7301, 7313, 7501(c), 7512, 7532 and 7533; and as President of the United States, and finding such action necessary in the best interests of national security, it is hereby ordered that Executive Order No. 10450[1] of April 27, 1953, as amended, is hereby further amended as follows:

1. Paragraph (5) of Section 8(a) shall read: "(5) Knowing membership in, or affiliation or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons (hereinafter referred to as organization) which is totalitarian, Fascist, Communist, subversive, or which has adopted a policy of unlawfully advocating the commission of acts of force or violence to deny others their rights under the Constitution or laws of the United States or of any State, or which seeks to overthrow the Government of the United States or any State or subdivision thereof by unlawful means.

2. Section 12 shall read:

"(a) Executive Order No. 9835 of March 21, 1947, as amended is hereby revoked.

"(b) The head of each department and agency shall be furnished by the Attorney General with the name of each organization which shall be or has been heretofore designated under this order. Except as specifically provided hereafter, nothing contained herein shall be construed in any way to affect previous designations made pursuant to Executive Order No. 10450, as amended.

"(c) The Subversive Activities Control Board shall, upon petition of the Attorney General, conduct appropriate hearings to determine whether any organization is totalitarian, fascist, communist, subversive, or whether it has adopted a policy of unlawfully advocating the commission of acts of force or violence to deny others their rights under the Constitution or laws of the United States or of any State, or which seeks to overthrow the government of the United States or any State or subdivision thereof by unlawful means.

"(d) The Board may determine that an organization has adopted a policy of unlawfully advocating the commission of acts of force or violence to deny others their constitutional or stautory rights or that an organization seeks to overthrow the government of the United States or any State or subdivision thereof by unlawful means if it is found that such group engages in, unlawfully advocates, or has among its purposes or objectives, or adopts as a means of obtaining any of its purposes or objectives.—

(1) The commission of acts of force or violence or other unlawful acts to deny others their rights or benefits guaranteed by the Constitution or laws of the United States or of the several States or political subdivisions thereof; or

(2) The unlawful damage or destruction of property; or injury to persons; or

(3) The overthrow or destruction of the government of the United States or the government of any State, Territory, district, or possession thereof, or the government of any political subdivision therein, by unlawful means; or

(4) The commission of acts which violate laws pertaining to treason, rebellion or insurrection, riots or civil disorders, seditious conspiracy, sabotage, trading with the enemy, obstruction of the recruiting and enlistment service of the United States, impeding officers

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[1] 3 CFR 1949–1953 Comp., p. 936; 18 F.R. 2489, 26 F.R. 6967.

of the United States, or related crimes or offenses.

"(e) The Board may determine an organization to be 'totalitarian' if it is found that such organization engages in activities which seek by unlawful means the establishment of a system of government in the United States which is autocratic and in which control is centered in a single individual, group, or political party, allowing no effective representation to opposing individuals, groups, or parties and providing no practical opportunity for dissent.

"(f) The Board may determine an organization to be 'fascist' if it is found that such organization engages in activities which seek by unlawful means the establishment of a system of government in the United States which is characterized by rigid one-party dictatorship, forcible suppression of the opposition, ownership of the means of production under centralized governmental control and which fosters racism.

"(g) The Board may determine an organization to be 'communist' if it is found that such organization engages in activities which seek by unlawful means the establishment of a government in the United States which is based upon the revolutionary principles of Marxism-Leninism, which interprets history as a relentless class war aimed at the destruction of the existing society and the establishment of the dictatorship of the proletariat, the government ownership of the means of production and distribution of property, and the establishment of a single authoritarian party.

"(h) The Board may determine an organization to be 'subversive' if it is found that such organization engages in activities which seek the abolition or destruction by unlawful means of the government of the United States or any State, or subdivision thereof.

"(i) The Board may further determine, after consideration of the evidence, that an organization has ceased to exist. Upon petition of the Attorney General or upon petition of any organization which has been designated pursuant to this section the Board after appropriate hearings may determine that such organization does not currently meet the standards for designation. The Attorney General shall appropriately revise or modify the information furnished to departments and agencies consistent with the determinations of the Board.

"(j) The Board shall issue appropriate regulations for the implementation of this section."

RICHARD NIXON.

THE WHITE HOUSE, *July 2, 1971.*

[FR Doc. 71-9765 Filed 7-7-71; 12:01 p.m.]

I also include the release by the Department of Justice issued on Wednesday, July 7, 1971:

The Department of Justice today proposed legislation to Congress to amend the Subversive Activities Control Act of 1950 in connection with changes instituted by the President in the government's personnel security program.

An Executive Order, sent to the Federal Register today, authorizes the Subversive Activities Control Board to hold hearings to assist the Attorney General with his responsibility of providing department and agency heads with a list of organizations considered to be subversive.

Membership in these organizations is a factor in determining whether the employment of a particular individual is inconsistent with the interest of national security.

Prior to the change, the Attorney General had the sole responsibility for determining whether an organization seeks to overthrow the government or unlawfully advocates violent acts to deny others their constitutional rights.

The new order assures certain rights to participants, including public hearings, an accurate stenographic record, the right to counsel, and the right to cross examination.

In addition to these "due process" features, an aggrieved party also shall have the right to petition the United States Court of Appeals for the District of Columbia to have the Board's finding set aside.

The proposed legislation would make the subpoena and contempt authority of the board applicable to its new fact-finding functions as well as change its name to the Federal Internal Security Board.

In letters of transmittal to the Vice President and the Speaker of the House, Attorney General John N. Mitchell said the enactment of the legislation would provide a "sounder basis" for updating the Attorney General's list of subversive organizations.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., July 7, 1971.

The SPEAKER,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: There is attached for your consideration and appropriate reference a draft bill to amend the Subversive Activities Control Act of 1950, as amended.

In order to update the list of organizations which have been designated by the Attorney General, the President in accordance with his constitutional and statutory powers, has amended Sections 8 and 12 of Executive Order 10450, to permit the Attorney General to petition the Subversive Activities Control Board to conduct appropriate hearings to determine *inter alia* whether an organization is one which seeks to overthrow the Government of the United States or any state or sub-division thereof by unlawful means or unlawfully advocates the commission of acts of force or violence to deny others their rights under the Constitution or laws of the United States or of any state. This would permit the Board to make an appropriate determination with respect to violent-action oriented organizations.

The proposed legislation would amend Section 12 of the Subversive Activities Control Act of 1950, by renaming the Subversive Activities Control Board the Federal Internal Security Board. In addition the draft bill provides that subsections (c) and (d) (1), (2) and (3) of Section 13 and Section 14, of the Subversive Activities Control Act of 1950, as amended, shall apply to proceedings conducted pursuant to Section 12 of Executive Order 10450, as amended.

Misbehavior in the Board's presence is a punishable offense under Section 13(d)(3). Section 13(c) provides the Board with the power of subpoena. Section 13(d)(1) assures certain respondent rights by requiring public hearings, an accurate stenographic record, the right to counsel, and the right to cross examination. In addition to these "due process" features, Section 14 specifically provides that an aggrieved party shall have the right to petition the United States Court of Appeals for the District of Columbia to have the Board's findings set aside. The findings of the Board must be supported by the preponderance of the evidence.

The enactment of this legislation will also provide a sounder basis for updating the Attorney's General's list of organizations designated pursuant to Executive Order 10450. The last consolidated list of such organizations was issued on November 1, 1955 and many of the organizations listed thereon are currently defunct.

The early enactment of this legislation is recommended as a necessary complement to the recently issued amendment to Executive Order 10450 mentioned above, since the Executive Order cannot confer subpoena or contempt powers on the Board.

The Office of Management and Budget has advised that enactment of this legislation is consistent with the objectives of this Administration.

Sincerely,

JOHN W. MITCHELL,
Attorney General.

H.R. —

A bill to amend the Subversive Activities Control Act of 1950, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 3(11) of the Subversive Activities Control Act of 1950 is amended by deleting the words "Subversive Activities Control Board" and inserting in lieu thereof the words "Federal Internal Security Board."

(b) Section 12(a) of the Subversive Activities Control Act is amended by deleting the words "Subversive Activities Control Board" and inserting in lieu thereof the words "Federal Internal Security Board."

(c) The caption to Section 12 of the Subversive Activities Control Act of 1950 is amended to read "Federal Internal Security Board."

Section 2. The provisions of subsections (c) and (d) (1), (2) and (3) of Section 13, and Section 14 of the Subversive Activities Control Act of 1950, as amended, shall apply to proceedings conducted pursuant to Section 12 of Executive Order 10450, as amended.

Under the permission heretofore granted, I include the following memorandum submitted to the committee by the Subversive Activities Control Board:

MEMORANDUM

On July 19, 1971, following the defeat of Senator Proxmire's amendment to delete the appropriation for the Subversive Activities Control Board previously approved by the House, the Senate passed an amendment introduced by Senator Ervin reading as follows:

"Providing however, that none of the funds appropriated in this paragraph shall be made available for the Board to execute any of the additional functions, duties, or powers which Executive Order 11605, dated July 2, 1971, purports or undertakes to confer on the Board."

The result of the passage of this amendment does not in any way curtail Board activities under existing law. The Board still has the power to hear cases presented by the Attorney General on Communist-action groups, Communist-front groups and Communist-infiltrated groups.

Executive Order 11605, signed by President Nixon on July 2, is basically an amendment and refinement of Executive Orders 9300, 9835, and 10450, issued respectively by Presidents Roosevelt, Truman, and Eisenhower in 1943, 1947, and 1953, for the purpose of establishing loyalty-security criteria for Government personnel employment. These orders have been the basis for the compilation of the Attorney General's list of so-called "subversive" organizations. Pursuant to these orders, Attorneys General Francis Biddle, J. Howard McGrath, Tom Clark, and Herbert Brownell cited almost 300 organizations in the United States as falling into one of the following six categories:

1. Totalitarian
2. Fascist
3. Communist
4. Subversive
5. Advocating force and violence to deny others their constitutional rights.
6. Seeking to change the U.S. form of Government by unconstitutional means.

Under the above-mentioned executive orders, affiliation with groups on the Attorney General's list has been a possible bar to Government employment. The head of each Government agency has had the responsibility of investigating the circumstances of affiliation to determine whether it was of such nature as to make a person unfit for Government service on loyalty or security grounds.

The courts have repeatedly upheld the constitutionality of Attorneys General compiling such a list pursuant to Presidential directive and also their utilization in the Federal Personnel Security Program.

President Nixon's Executive Order 11605 makes the following basic changes in the compilation of the list:

1. It establishes criteria which must be met for a finding that a group falls into one of the six kinds of organizations on the list—something no previous executive order has done.

2. It specifies that affiliation or membership in any such group must be "knowing" before it can be weighed as a negative factor in considering a person's fitness for Government employment (under previous executive orders mere membership or affiliation of any kind, whether knowing or not, was considered.)

3. It bars the Attorney General from placing any organization on the list unless, after a public hearing, the SACB finds that the organization in question, as charged by the Attorney General, falls into one of the above-mentioned categories. (In 1955, the courts held that the Attorney General had to grant a group a hearing before placing it on the list. This new provision not only conforms with this court decision, but goes beyond it by bringing in an independent, quasi-judicial body as the hearing agency.)

4. A stricter definition is provided for the sixth type of group on the list. The previous executive order referred to groups which seek to "alter the form of Government" of the U.S. by "unconstitutional" means. The new order requires that the organization must actually seek to "overthrow" the U.S. Government by "unlawful" means.

In addition, the President has sent to Congress legislation that would make certain parts of Section 13 and all of Section 14 of the Subversive Activities Control Act apply to Board hearings held pursuant to the executive order. If enacted, this means that in all such hearings, the accused organization will have the right to representation by counsel who can present witnesses in its behalf, cross examine adverse witnesses, etc. Further, that a finding of the Board can be appealed to the United States Court of Appeals for the District of Columbia and, upon certiorari, to the Supreme Court (this legislation has already been introduced by Senators Eastland and Hruska and by Representative John M. Ashbrook).

In summary, the recently issued executive order not only gives the SACB additional duties but introduces into the method of placing groups on the Attorney General's list much stronger constitutional guarantees and due process procedures than have existed under any previous order.

Senator Ervin challenges the constitutionality of the President's assigning to the congressionally-created SACB a responsibility previously exercised by the Attorney General.

Title III, United States Code, Section 301, is the general authorization for the President to delegate functions. It reads, in part, as follows:

"The President of the United States is authorized to designate and empower the head of any department or agency in the executive branch, or any official thereof who is required to be appointed by and with the advice and consent of the Senate, to perform without approval, ratification or other action by the President (1) any function which is vested in the President by law, . . ."

Rejecting a challenge to the constitutionality of the Attorney General's list, the District of Columbia Court of Appeals has held:

"It is the President's duty to take care that the laws are faithfully executed (Article II, Sec. 3 of the Constitution). It is his right and his duty to protect and defend the Government against subversive forces which may seek to change or destroy it by unconstitutional means." (JAFRC v. Clark, 177 F. 2d 79)

In view of the above and the fact that the Subversive Activities Control Board is an executive branch agency, it would appear that Senator Ervin's position is open to question. In addition, there are many precedents for Presidential executive orders that transfer functions of executive branch agencies:

Executive Order 8843 of August 9, 1941, authorized the Board of Governors of the Federal Reserve System to establish consumer credit controls. These controls included licensing system and administrative hearings for revocation of licenses.

Executive Order 11423 of August 16, 1968, delegated authority for granting permission for certain facilities at U.S. borders. Ultimate authority is placed in the Secretary of State, but he is directed to request the views of the Interstate Commerce Commission on such matters.

Executive Order 10530 of May 10, 1954, authorized the Federal Power Commission to conduct hearings and issue permits for the construction and operation at U.S. borders of gas and electric transmission facilities.

The same Executive Order delegated to the Federal Communications Commission the power of the President to issue and revoke licenses concerning submarine cables and states the delegation to be made under the authority of Title 3, United States Code 301.

The above citations of precedent are not to be considered all-inclusive. Many other such delegations of authority under Executive Order exist but are not cited here for reason of brevity.

A substantial amount of Government regulation is delegated under Executive Order, most recently and particularly in the civil rights field in the area of equal rights for minority groups. To allow Senator Ervin's amendment to stand, restricting the activities of an independent executive agency under its legally delegated authority from the President, would subject to charges of illegality that substantial part of the Government's operations conducted under similar Executive Orders.

Most criticism of the Board during the past five years has been based on the small number of cases and workload given it by the Attorneys General. Since Congress did not grant the Board the power to investigate or initiate cases, the Board could do nothing to correct the situation.

Executive Order 11605 will correct it by giving the Board work that will materially assist the national security. Testimony of government officials before congressional committees has indicated weaknesses and gaps in the personnel security program due to the fact that the Attorney General's list is outdated, no groups having been added to it for 16 years. Board hearings under the Executive Order will update the list and make it representative of subversive groups operating today. This will close existing loopholes in the security program.

Assistant Attorney General Robert C. Mardian told the Senate Appropriations Committee on July 6, 1971, that there were 25 organization cases presently under study by the Department of Justice for submission to the Board for findings warranting their inclusion on the list. This, by the way, is nearly as many organization cases as the Board has heard since its inception in 1950. Secondly, Mr. Mardian testified that they had approximately 260 organizations to refer to the Board for removal from the list. This would provide more cases for the Board than it has had in its 21-year history.

In the event the Ervin amendment stands, however, the Board will be restricted in its workload to the two cases on which it has been holding hearings and to any others the Attorney General may submit the fiscal year.

I shall also include the following communications received concerning this issue.

Mr. Speaker, I move the previous question on my motion.

DISABLED AMERICAN VETERANS,
July 22, 1971.

Hon. JOHN J. ROONEY,
House of Representatives,
Washington, D.C.

DEAR MR. ROONEY: I am writing to advise that the Disabled American Veterans supports the concept of expanding the duties and responsibilities of the Subversive Activities Control Board.

We, as a Veterans Organization, firmly believe that an extension of the Board's power to investigate all suspected groups in these critical times is imperative for our Nation's internal security.

We urge your support in this crucial matter.

Sincerely,

CECIL W. STEVENSON,
National Commander.

JULY 22, 1971.

To: All Members of the U.S. House of Representatives.

From: Herbert R. Rainwater, Commander-in-Chief, Veterans of Foreign Wars of the United States.

The Veterans of Foreign Wars and its two million members urge you to kill Ervin amendment to Subversive Activities Control Board appropriation. Investigations and hearings on revolutionary and violent action groups long overdue. Support Subversive Activities Control Board appropriation without restriction on conferees.

HERBERT R. RAINWATER.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
New York, N.Y., July 23, 1971.

DEAR CONGRESSMAN: As veterans who have fought overseas and who are constantly aware of the meaning of the dangers that can disrupt a Democracy, we urge you to support the appropriation for the effective functioning of the Subversive Activities Control Board, and to vote against the emasculating Ervin amendment.

We remind you that the function of the SACB is to provide open public hearings on matters affecting our country and that the SACB is the only agency that provides factual reports on these stressing subjects to the President of the Senate and Speaker of the House as well as the Executive Branch.

As veterans, we are deeply opposed to any secret or Star Chamber proceedings just as we are opposed to the self-seeking subversive elements who are diverting our youth. With this as our principle, we ask you to reject the Ervin amendment and to support the full appropriation for the SACB.

Sincerely yours,

HEYMAN ROTHBART,
National Council Member.

Hon. JOHN J. ROONEY.

DEAR JOHN: Thanks again for all you have done and continue to do for all of us. I would have sent telegrams but Western Union is tied up. We all wish you the best.

Cordially,

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

MOTION OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. EDWARDS of California moves that the managers on the part of the House in the conference on the disagreeing votes of the two Houses on the bill (H.R. 9272) be instructed to agree to the amendment of the Senate numbered 35.

Mr. EDWARDS of California. Mr. Speaker, I regret that by his privileged motion the gentleman from New York (Mr. ROONEY) has made it impossible for the House to debate this important issue. Many Members wanted to discuss it. It is indeed a shame that this House, referred to as the world's greatest deliberative body, is not allowed to debate a vital constitutional question.

Mr. Speaker, the issue involved in my motion to instruct is not whether or not the Subversive Activities Control Board should exist. Both the Senate and the House have voted to fund the Board for this year.

The issue is much larger. It has to do with the usurpation of legislative power by the President. That is why the Senate by a vote of 51 to 37 approved the Ervin amendment. That is why the House should support the Ervin amendment.

Let me repeat the timetable. This bill passed the House on June 28. It included $450,000 for the SACB.

Ten days later—July 8—the President published Executive Order No. 11605, increasing the jurisdiction of the Board far beyond any jurisdiction contemplated by Congress. Briefly, it would give the SACB authority over what is called the Attorney General's list, a list which has been dormant for 15 years.

The Senate rebelled at this point and on July 19 it added the Ervin amendment barring the use of any of the appropriated funds to carry out any of the new duties in the Presidential order.

Senator ERVIN pointed out to the Senate that:

> 1. The Executive Order is legislation, in violation of Section I, Article I of the Constitution which vests all legislative power in Congress.
>
> 2. Congress cannot abdicate its legislative responsibilities. If the President desires to increase the Board's jurisdiction, normal legislative channels must be used. (Indeed, S. 2294 so provides and was introduced on July 15, 1971 at the request of the Administration by Senators EASTLAND and HRUSKA)
>
> 3. The Executive Order is clearly unconstitutional as a violation of the First Amendment.

Today the bill is about to go to conference and the House has had no opportunity whatsoever to consider this broad new jurisdiction assigned to the SACB by the Presidential order. If we do not accept the Ervin amendment we are ratifying, unread, the Presidential order. We will be saying that it is perfectly all right for the Board to have these new duties and we are not interested in having hearings, witnesses or any of the normal legislative procedures that should be used. By not going along with the Ervin amendment we are avoiding our legislative responsibilities and we are saying to the White House that it is all right with us if the President does our legislative work.

Now as to some background about the SACB: It was created in 1950 with five Commissioners. It now has 10 clericals in addition. It has been in existence more than 20 years, spent $7½ million, yet this past year, as in previous years, these five $36,000 per year Board members and their 10 well-paid staffers have literally had nothing to do except question three witnesses.

The use of the Executive order to amend the law raises at least three questions:

First. How can the Internal Security Act be amended? It would appear that the standard way is by the Congress, the legislative branch of Government not by the Executive. If the Board's power is to be expanded, it should be by legislative action.

Second. Does this expansion of the Board's jurisdiction remove any of the problems raised by constitutional challenges? No! It would appear that the problems which gave rise to the 1969 Boorda against SACB decision still exist, namely, that the action of the Board is an infringement of the freedom of association guarantee of the first amendment.

Third. Is this expansion of the Board's authority consistent with the other provisions of the Internal Security Act? No; it is not. By giving the Board jurisdiction over groups which would deny constitutional rights by violence, we will be substantially extending the Board's powers beyond just those who advocate the overthrow of the Government. The "clear and present danger" exception to freedom of speech applies only to the overthrow of the Government and does not encompass the broader category. Therefore, the Board's new jurisdiction not only is in violation of the freedom of association, but also of the freedom of speech.

I would conclude by reminding you that while it would be more appropriate to let this anachronism die, we are faced with the simple choice of accepting the Presidential legislative fiat which would expand unconstitutionally the Board's duties and responsibilities or of supporting the Senate version and Senator ERVIN's amendment. We are faced with an unconstitutional attempt to curb constitutional liberties. The thought of shelling out all of this money to a ghost of bygone eras is bad enough but to sanction the President's move to expand the Board's activities to the investigation of all suspected subversive groups and return to the days of Joseph McCarthy is to lose faith in the due process of law and in our existing agencies, such as the Department of Justice and the Federal Bureau of Investigation.

Mr. ICHORD. Mr. Speaker, probably the committee which I share is the real cause of this issue coming before the House because the House Committee on Internal Security for the past several months has been conducting oversight hearings into the operations of SACB and related employee security matters. Insofar as SACB is concerned I have very straightforwardly stated that SACB should be put to work or it should be abolished. I have told the Department of Justice that it is time to fish or cut bait and I find it exceedingly difficult to oppose the position of the Department of Justice on this issue. Why? Because this is the first time in the 11 years that I have been in Congress that I have seen any recommendation coming from the Department of Justice relating to subversion. I agree with the gentleman from North Carolina (Mr. PREYER), the Chairman of the subcommittee, the Department of Justice has made a mistake in proceeding as they did.

This is one of those questions where you never get to the real issues. The real issues are submerged in a maze of past mistakes, complicated rules and regulations, court decisions and parliamentary procedures. For this reason, I believe that the only proper vote on this matter is to support the chairman of the subcommittee (Mr. ROONEY) even though my position on the Ervin amendment is the same as the gentleman from California but for different reasons.

Unfortunately, the question involved here insofar as the public is concerned by the time the news media finished with trying to relay the issues to the people is one of whether you are in favor of trying to control subversive groups or in favor of giving them a free rein. I do not question the sincerity or the integrity of the gentleman from California. His positions on these matters, I believe, are quite predictable. Granted, he has the same objectives as the majority of the Members of the House. But, Mr. Speaker, the problem we face in this field, in my opinion, will never be solved by the approach of the gentleman from California. Simply put, the problem is how to effectively control subversive groups within the Nation who could destroy our free society without destroying or infringing upon the basic constitutional rights of the individual—that entity who constitutes the cornerstone of our free society. If the House chooses to follow the general philosophy of the gentleman from California in these matters it is my sincere belief that the destruction of our free society at sometime in the future is well assured. We must take affirmative steps to protect our free society from such groups and I believe that we can take such affirmative steps while still protecting the rights of the individual.

The Ervin amendment provides as follows:

> *Provided, however,* That none of the funds appropriated in this paragraph shall be made available for the Board to execute any of the additional functions, duties, or powers which Executive Order 11605, dated July 2, 1971, purports or undertakes to confer on the Board.

The effect of the adoption of this amendment would be to authorize the SACB to perform only those duties required of it under the Subversive Activities Control Act of 1950 but would prohibit it from performing additional duties recently sought to be conferred upon it pursuant to an Executive Order (E.O. 11605) promulgated by President Nixon on July 2, 1971.

Let me briefly explain my position.

Under the Subversive Activities Control Act, the Board has the function, upon petition of the Attorney General, to make determinations with respect to the character of certain Communist organizations, defined as Communist-action, front, and infiltrated. It is essentially a public disclosure statute, although there are certain collateral consequences set up under the act not solely related to its disclosure function.

On the other hand, the Executive order of July 2, 1971, is not intended as a public disclosure statute. It is offered to assist in the execution of the personnel security screening program established under Executive Order 10450, which was promulgated by President Eisenhower in 1953. The duties which would be imposed upon the Attorney General and the Board under the Executive order would to some extent overlap those now imposed upon it by the Subversive Activities Control Act with respect to the designation of certain Communist organizations, but would otherwise be increased with respect to many other organizations which are defined in the Executive order as totalitarian, Fascist, Communist, subversive, and two other categories described as organizations which have adopted a policy of unlawfully advocating the commission of acts of force or violence to deny others their rights under the Constitution and laws of the United States, and organizations which seek to overthrow the Government of the United States, or of any State by unlawful means.

The principal complaint against the Board's appropriation has been the failure of its workload. It is suggested by the administration that the new Executive order will serve to increase the workload. The Board is a quasi-judicial agency the Executive order would serve to increase that workload, but the fact is that the Board has no control over its workload. The board is a quasi judicial agency which moves into action only on petition of the Attorney General. Both under the act and under the new Executive order, the Attorney General remains in control of the Board's work. The fact remains that the Department of Justice has not given the Board any work to do. I must raise the question as to whether there is any reason to suppose that the Department of Justice will operate with any greater zeal in instituting cases authorized under the Executive order?

It seems to me that we must first look seriously into the question why Attorneys General have not given the Board any work to do. I believe we should examine the issues and the facts before we permit the work of the Board under the act to be diverted to purposes other than for which it was originally established, and before we permit it to be assigned additional duties under an obviously hastily drawn and patchwork Executive order which may never be seriously enforced, or capable of enforcement.

Indeed, the Committee on Internal Security which I chair has oversight responsibility of the Subversive Activities Control Act and the loyalty and security program, and we have, during the past year, addressed ourselves to these serious issues. The administration and operation of the Subversive Activities Control Act of 1950, and the related Federal civilian employee loyalty-security program, which the Executive order is intended to support, have been the subject of intensive investigation and inquiry by the committee in this Congress, through a subcommittee chaired by the distinguished gentleman from North Carolina (Mr. PREYER). The committee has already published two volumes of its hearing record, and the third is going to print. The subcommittee chairman, formerly a distinguished Federal district judge, has conducted several days of hearings and has heard the major departments and principal agencies of the Government, with the exception of the Department of Justice.

During the course of the subcommittee's investigation over a year ago, in the 90th Congress, and now in the 91st Congress, we had repeatedly requested the views of the Department of Justice and solicited the attendance of its representative to attend upon the committee and to inform it of the position of the Department. It is only within the last 2 weeks that the Department has agreed to let us have their views, or to appear. They are scheduled for this Thursday, July 29. So it appears that my committee may be responsible for the Executive order. I have stated that the Board should either be given work to do or it should abolished.

Under the circumstances it is not clear to me why the Department has not made its proposals in the course of the committee hearings so that the matter could be dealt with in a regular way. The result has been that the House has not been prepared to give the Department's proposal necessary study and consideration, and this committee of the House which is charged with oversight responsibilities on this subject has not been able to advise the House fully on the issues.

Meanwhile, pending the completion of the committee's study, we have the Ervin amendment before us. The gentleman from California suggests that this amendment should be supported on three grounds:

First, that the Executive order is legislation and intrudes on the legislative power; second, that Congress should not abdicate its responsibilities—if the Board's jurisdiction is to be extended, this should be done through normal legislative channels; and third, that the Executive order is clearly unconstitutional as a violation of the first amendment. While I wholly disagree with the latter conclusion—it is not supported in the pronouncements of the Court on the subject—there is some merit to the first two grounds.

I seriously doubt that the executive can do what it seeks to do. Certainly the order has no real effect in and of itself because no subpena power can be conferred upon the Board by Executive order. The duties sought to be conferred upon the Board cannot be carried out without subpena power. I truly cannot see why the executive chose to proceed as it did.

However, I do not believe that we should instruct our conferees, because Mr. ROONEY has never had the opportunity to examine all the underlying issues. This matter has never been before his committee. These underlying issues can not be properly examined under this motion to instruct.

I would point out that the Ervin amendment does not save one dime, and this motion merely binds the House to the Senate's position. It is my belief that the Ervin amendment will be accepted by the House conferees for the reasons I have previously mentioned; however, I would not want to bind them without giving them the opportunity to examine all the underlying issues.

Mr. RYAN. Mr. Speaker, I support the motion to instruct the House conferees to accept the Senate amendment to H.R. 9272—providing fiscal year 1972 appropriations for the Departments of State, Justice, Commerce, and related agencies—concerning the Subversive Activities Control Board.

This Board—the SACB—is a body inimical to the freedom of association protected by the first amendment. This is the major indictment to levy against it. But, on a lesser level of concern, I would note that this is a body without purpose. It is largely a sinecure for purposeless bureaucrats, serving no function save the filling of empty jobs.

What makes the issue of continued survival of the SACB particularly relevant at this time is the issuance on July 8 by the President of Executive Order No. 11605. By virtue of this order, the jurisdiction of the Board is broadened; that extension occurs, needless to say, at the expense of the first amendment. Moreover, this expansion of authority has been created by Executive fiat, whereas clearly it constitutes legislative action solely within the authority of the Congress.

Fortunately, the Senate adopted on July 19 an amendment offered by Senator ERVIN barring the use of any of the funds appropriated by H.R. 9272 to carry out the new duties assigned in the Executive order.

While it is unfortunate that the amendment offered by Senator PROXMIRE striking all funds for the SACB was defeated, at the least it is imperative that the Ervin amendment be accepted by the House conferees.

Executive Order No. 11605:

> Transfers to the SACB the responsibility for conducting hearings and making determinations, on petition of the Attorney General, concerning certain organizations which he believes should be considered for designations on the Attorney General's list.

This transfer of authority to the SACB to list organizations on the so-called Attorney General's list is an attempt to resurrect the SACB by giving it the authority and responsibility to undertake investigations which are wholly outside the scope of its Congressional mandate. This attempt is premised on the fact that by virtue of the Supreme Court decision, Albertson against SACB, the Board was rendered in effect powerless. That decision, combined with the 1969 decision, Boorda against SACB, has left this body moribund. Its only function now is to expend Federal taxpayers' dollars for salaries for unneeded employees.

The waste of taxpayers' dollars is a serious matter. That alone justifies final dissolution of this body. But what is the damning factor which makes this body anathema? It is that the Board constitutes an institution whose very existence has been an affront to the 1st amendment. That has been made clear by the courts.

Now, the President has sought to compound that affront by turning over to the Board authority to make investigations concerning so-called subversive political activity. In so doing, the Executive order provides criteria for the Board in its consideration of—

> Whether an organization unlawfully advocates force or violence to deny others their constitutional or statutory rights.

It also provides criteria for the Board—

> When it considers whether an organizations seeks to overthrow the government of the United States, or any State or subdivision thereof, by unlawful means.

Without going into the criteria provided, it appears clear to me that the Executive order in no way mitigates the objections which have always existed concerning the functions of the SACB—the action of the Board is an infringement of the freedom of association guaranteed by the first amendment.

Moreover, the text of the Executive order embodies the fatal flaw of condemning the advocacy of ideas. No matter how obnoxious a thought, the first amendment is clear: speech is protected. That is the essence of our very society. Advocacy of ideas is embraced within the ambit of the Constitution. We have made the choice between suppressing speech and fostering it. We have opted for the latter.

That is immutable, and no Executive order can undo that choice. But, Executive Order No. 11605 seeks to cast a chill upon exercise of that speech.

Instead of relegating this obnoxious body to the realm of past history, the Congress has allowed it to survive. And now, the President seeks to reinvigorate it by expanding its powers. In so doing, not only does he thereby sustain an agency inimical to the first amendment. He also extends himself clearly beyond his constitutional authority.

Article I, section 1 of the Constitution is very clear:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

That word "all" is pretty conclusive. It leaves no nooks or crannies for the President to legislate. Yet, in fact, Executive Order No. 11605 constitutes executive legislation. The SACB was created by the Internal Security Act of 1950. It was given no mandate, no authority to compile the so-called Attorney General's list. The Executive order proposes now to give the SACB authority concerning anyone who might allegedly threaten security. Thereby, the Executive order clearly invades the province of the Congress, as laid out by the Constitution itself.

That kind of assault on the Constitution was laid to rest by *Youngstown Steel and Tube Co.* v. *Sawyer*, 343 U.S. 579. There, as here, a Presidential action was at issue. As Mr. Justice Black said:

> The President's order does not direct that a congressional policy be executed in a manner prescribed by Congress—it directs that a presidential policy be executed in a manner prescribed by the President.

And, as Mr. Justice Black also said in Youngstown:

> In the framework of our Constitution, the President's power to see that the laws are faithfully executed refutes the idea that he is to be a lawmaker. The Constitution limits his functions in the lawmaking process to the vetoing of laws he thinks bad. And the Constitution is neither silent or equivocal about who shall make the laws which the President is to execute. The first section of the first article says that "All legislative powers herein granted shall be vested in a Congress of the United States."

In brief, the Ervin amendment—barring the use of any funds appropriated for the SACB for carrying out the duties assigned by Executive Order No. 11605—should be accepted by the House conferees.

Mr. PREYER of North Carolina. Mr. Speaker, I support the Ervin amendment to H.R. 9272 and therefore voted against the motion to table. I regret that we were unable to have a full discussion of the motion as some important questions are involved. In purporting to enlarge the duties of the Subversive Activities Control Board, Executive Order 11605 represents legislation. The President by Executive order cannot give to a board created for one purpose a function which Congress did not authorize. Under the Constitution, the President's mandate is to ensure that laws are faithfully executed; he is not a lawmaker. His function in the lawmaking process is limited to the recommending of legislation which he considers wise and to the vetoing of measures he considers unwise. The consideration and enactment of legislation is clearly the proper function of Congress, not the President.

As authority for the President's action, the administration relies upon a provision at 3 U.S.C. 301 which allows the President to delegate certain of his functions to the "head" of any department or agency. This provision, however, does not allow the delegation of presidential power to boards, commissions or independent groups and there is nothing to indicate that Congress intended to allow this.

I am presently serving on a subcommittee of the House Internal Security Committee which is studying the Federal personnel security program. Providing for the integrity of Government employees is a serious and complex subject and one to which we have devoted many hours of hearings and research. Because membership in certain organizations can preclude Federal employment in some situations, such changes as set forth in Executive Order 11605 would be not only an improper utilization of Executive order, but also a most untimely action.

No one has an unqualified right to a job with the Federal Government. The difficult question is: What constitutes legitimate qualifications for Government employment? Should loyalty to the principles and goals of an organization—in this instance, the Government—be required of persons in clerical or nonsensitive positions? Loyalty would seem to have a bearing on efficiency, certainly in sensitive positions and, arguably, in nonsensitive positions as well. And is not efficiency a legitimate end in the Government as well as in any other organization?

At this date in history I assume that few would question the outright denial of a sensitive job to a Communist. But what about a member of a non-Communist but disloyal group such as the SDS? Should SDS members hold non-sensitive positions? How can the line be drawn as to where in Government employment a member of the Black Panthers may be tolerated? Should it be drawn between clerical and routine posts and supervisory or policymaking decisions? Can Panthers be tolerated even in clerical or routine positions? Wherever the line is drawn, should not it be drawn openly, by code, and not secretly?

Our committee will make recommendations to Congress on these questions. Our committee will also make recommendations on the role, if any, which the SACB should have in the Government personnel security program. Perhaps we can find a less controversial and more effective way to fight subversion than to continue to use the SACB, which has been so seriously discredited by its 20-year history of ineffectiveness and its "witch-hunt" image—deserved or not.

There will be differences of opinion on our committees' recommendations, but these differences should be resolved by the Congress, not by Executive fiat.

Mr. DRINAN. Mr. Speaker, I rise in support of the motion of my colleague from California (Mr. EDWARDS), instructing House conferees to accept the Ervin amendment to H.R. 9272, the Departments of State, Justice, and Commerce appropriations bill. The Ervin amendment would prevent the expansion of the jurisdiction of the Subversive Activities Control Board.

I take this stand for three principal reasons, each of which would by itself be conclusive. First, this Board, the maintenance of which has cost the taxpayers $5,598,000 in the 20 years of its bizarre and fruitless existence, has produced absolutely nothing by way of work product. As a trustee of the taxpayers' money, I cannot in good conscience support additional funding for this Board. Second, in my judgment and the judgment of many others, the President's July 2, 1971, amendment to Executive Order 10450, which purports to expand the jurisdiction of the Subversive Activities Control Board, contains provisions which are patently unconstitutional. I cannot support the unlawful expansion of activities of a Government agency. Third, the President's July 2 Executive order is an improper exercise of power, which, like other recent Executive encroachments into the legislative area—including vital foreign policy, essential changes in the system of taxation, and refusal to spend appropriated funds—must be stopped. The executive branch must not be allowed to expand the purpose and scope of a board created for specific and limited purposes by the Congress. In my judgment, our acquiescence in this encroachment on the central prerogatives of the Congress would gravely compromise our system of government, which is founded on the principle of separation of powers.

I would also add, Mr. Speaker, that in my capacity as a member of the House Internal Security Committee, and otherwise, I have observed the accelerating attack, under the imprimatur of Government agencies and committees, upon freedom of association. The revival in our time of guilt by association is one of the most ominous and horrible trends in Government. I urge each of my colleagues to oppose appropriations which would enable this Board to persecute individuals who fall within the unconstitutionally vague standard set forth in the July 2 Executive order:

> Membership in any organization which is totalitarian, facist, Communist, subversive, or—has adopted a policy of unlawfully advocating the commission of acts of force or violence to deny others their rights. . . .

The full text of the July 2 order may be found at page 25892 of the July 19, 1971, CONGRESSIONAL RECORD.

Mr. Speaker, the peculiar history of the President's order is instructive. On July 6, a week after House passage of H.R. 9792, Mr. John W. Mahan, Chairman of the Subversive Activities Control Board, admitted at a hearing of the Senate Appropriations Committee that the Board has virtually nothing to do. He admitted that in its more than 20 years of existence the Board has not registered anyone, notwithstanding its legislated function as a registry for subversives. He admitted that the decisions of the Federal courts, including the Supreme Court, have held the central functions of the Board to be unconstitutional.

Two days after these incredible admissions, there appeared in the Federal Register the Executive order whose expansion of the unconstitutional functions of the Subversive Activities Control Board is the subject of this motion.

In essence, Mr. Speaker, what we are presented with today is the baldest attempt by the executive branch to substitute its power for the proper role of the Federal judiciary and the Congress. A vote against this motion is a vote to further erode the role of the Congress.

I have noted the abiding desire of many of my colleagues to prevent featherbedding in all areas. Even where the need has been great for additional funds, many of my colleagues have declined to expand the Federal payroll. Only last week, a very substantial number of my colleagues—with whom I did not agree—voted to withhold funds to provide a critically needed administrative assistant for the Chief Justice of the United States.

No Member of this House who truly believes in fiscal responsibility, can vote an increase in funds for a Board which has had, and can have, nothing whatever to do. No Member of this House who is opposed to wasting money, should be intimidated by the discredited and shameful ploy that he is "soft on communism."

Every loyal American opposes subversion. In neither its prior, nor its proposed incarnations is the Subversive Activities Control Board necessary or even relevant to the fight against subversion. If the U.S. Department of Justice is not competent to locate, prosecute, and convict subversive individuals, then there is something gravely wrong with the administration of justice in this country.

Each of us is a free man who loves his country. Free men must know that subversion appears in many shades and forms. Suppression of political enemies within—be they real or imagined—is as insidious a form of subversion as support of external enemies and alien ideologies. I support this motion in the name of fiscal responsibility, political freedom, and human rights.

PREFERENTIAL MOTION OFFERED BY MR. ROONEY OF NEW YORK

Mr. ROONEY of New York. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

> Mr. ROONEY of New York moves to lay on the table the motion of the gentleman from California (Mr. EDWARDS).

The SPEAKER. The question is on the preferential motion offered by the gentleman from New York (Mr. ROONEY).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EDWARDS of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 246, nays 141, not voting 46, as follows:

[Roll No. 205]

YEAS—246

Abbitt
Alexander
Anderson, Ill.
Andrews, Ala.
Andrews, N. Dak.
Archer
Arends
Ashbrook
Baker
Baring
Belcher
Bell
Bennett
Betts
Bevill
Bow
Bray
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Collins, Tex.
Colmer
Conable
Coughlin
Crane
Daniel, Va.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Denholm
Dennis
Derwinski
Devine
Dickinson
Dorn
Dowdy
Downing
Dulski
Duncan
du Pont
Edmondson
Edwards, Ala.
Erlenborn
Eshleman
Evins, Tenn.
Fish
Fisher
Flood
Flowers
Flynt
Ford, Gerald R.
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Fulton, Pa.
Fuqua
Galifianakis
Gettys
Giaimo
Gonzalez
Gray
Green, Oreg.
Griffin
Gross
Grover
Hagan
Haley
Hall
Hammerschmidt
Hansen, Wash.
Harsha
Harvey
Hastings
Hébert
Henderson
Hicks, Mass.
Hillis
Hogan
Horton
Hull
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, N.C.
Kazen
Keating
Kee
Keith
Kemp
King
Kluczynski
Kuykendall
Kyl
Landgrebe
Landrum
Latta
Lennon
Lent
Lloyd
Lujan
McCollister
McDade
McEwen
McFall
McKevitt
McKinney
McMillan
Macdonald, Mass.
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Mathis, Ga.
Mayne
Michel
Miller, Calif.
Miller, Ohio
Mills, Ark.
Mills, Md.
Minshall
Mizell
Morgan
Myers
Natcher
Nichols
O'Neill
Passman
Patman
Patten
Pelly
Pettis
Peyser
Pike
Pirnie
Poff
Powell
Price, Tex.
Purcell
Quie
Quillen
Railsback
Randall
Rarick
Reid, Ill.
Rhodes
Roberts
Robinson, Va.
Rogers
Rooney, N.Y.
Rooney, Pa.
Roush
Rousselot
Runnels
Ruppe
Ruth
Sandman
Satterfield
Scherle
Schmitz
Schneebeli
Scott
Sebelius
Shipley
Shoup
Shriver
Sikes
Skubitz
Slack
Smith, Calif.
Smith, N.Y.
Snyder
Spence
Springer
Stafford
Staggers
Stanton, J. William
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stratton
Talcott
Taylor
Teague, Tex.
Terry
Thompson, Ga.
Thomson, Wis.
Thone
Ullman
Vander Jagt
Veysey
Waggonner
Wampler
Ware
Watts
Whalley
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wright
Wyatt
Wydler
Wylie
Wyman
Young, Fla.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—141

Abourezk
Abzug
Adams
Anderson, Calif.
Anderson, Tenn.
Annunzio
Ashley
Aspin
Badillo
Barrett
Begich
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Brooks
Burke, Mass.
Burton
Byrne, Pa.
Carey, N.Y.
Carney
Celler
Chisholm
Clay
Collins, Ill.
Conte
Corman
Cotter
Culver
Daniels, N.J.
Danielson
Dellums
Dent
Dingell
Dow
Drinan
Dwyer
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Findley
Foley
Ford, William D.
Fraser
Fulton, Tenn.
Gaydos
Gibbons
Grasso
Green, Pa.
Griffiths
Gude
Halpern
Hamilton
Hanley
Hanna
Hansen, Idaho
Harrington
Hathaway
Hawkins
Hays
Hechler, W. Va.
Helstoski
Hicks, Wash.
Holifield
Howard
Jacobs
Karth
Kastenmeier
Koch
Leggett
Link
Long, Md.
McCloskey
McClure
McCormack
McKay
Madden
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mikva
Minish
Mink
Mitchell
Mollohan
Monagan
Moorhead
Morse
Mosher
Moss
Murphy, Ill.
Nedzi
Nix
Obey
O'Hara
O'Konski
Perkins
Pickle
Podell
Preyer, N.C.
Price, Ill.
Pryor, Ark.
Pucinski
Rangel
Rees
Reid, N.Y.
Reuss
Riegle
Robison, N.Y.
Rodino
Roe
Roncalio
Rosenthal
Roy
Ryan
St Germain
Sarbanes
Scheuer
Schwengel
Seiberling
Stanton, James V.
Stokes
Sullivan
Symington
Thompson, N.J.
Tiernan
Udall
Vanik
Waldie
Wilson, Charles H.
Wolff
Yates

NOT VOTING—46

Abernethy
Addabbo
Aspinall
Blackburn
Blanton
Brasco
Carter
Collier
Conyers
Delaney
Diggs
Donohue
Edwards, La.
Esch
Gallagher
Garmatz
Goldwater
Goodling
Gubser
Heckler, Mass.
Hosmer
Hungate
Jones, Tenn.
Kyros
Long, La.
McClory
McCulloch
McDonald, Mich.
Montgomery
Murphy, N.Y.
Nelsen
Pepper
Poage
Rostenkowski
Roybal
Saylor
Sisk
Smith, Iowa
Stephens
Stubblefield
Stuckey
Teague, Calif.
Van Deerlin
Vigorito
Whalen
Yatron

So the motion to table was agreed to.

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Gubser.
Mr. Jones of Tennessee with Mr. Carter.
Mr. Aspinall with Mr. Saylor.
Mr. Addabbo with Mr. Esch.
Mr. Sisk with Mr. Teague of California.
Mr. Delaney with Mr. Goldwater.
Mr. Garmatz with Mrs. Heckler of Massachusetts.
Mr. Rostenkowski with Mr. Collier.
Mr. Pepper with Mr. Hosmer.
Mr. Montgomery with Mr. Blackburn.
Mr. Yatron with Mr. Goodling.
Mr. Stuckey with Mr. Nelsen.
Mr. Smith of Iowa with Mr. Hungate.
Mr. Blanton with Mr. McClory.
Mr. Stubblefield with Mr. Edwards of Louisiana.
Mr. Brasco with Mr. McDonald of Michigan.
Mr. Gallagher with Mr. Whalen.
Mr. Van Deerlin with Mr. Conyers.
Mr. Vigorito with Mr. Diggs.
Mr. Abernethy with Mr. Kyros.
Mr. Stephens with Mr. Donohue.
Mr. Long of Louisiana with Mr. Roybal.

Mr. O'NEILL changed his vote from "nay" to "yea."

Mr. BROOKS changed his vote from "yea" to "nay."

Mr. GIBBONS changed his vote from "yea" to "nay."

Mr. DENHOLM changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints the following conferees: Messrs. ROONEY of New York, SIKES, SLACK, SMITH of Iowa, FLYNT, MAHON, BOW, CEDERBERG, and ANDREWS of North Dakota.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the motion that I previously offered and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REQUEST FOR PERMISSION TO FILE CONFERENCE REPORT ON H.R. 9272 DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1972

Mr. ROONEY of New York. Mr. Speaker, I ask unanimous consent that the Managers may have until midnight Wednesday, July 28 to file a conference report on the bill (H.R. 9272) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1972, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. HALL. Mr. Speaker, reserving the right to object, do I understand that my distinguished friend, the gentleman from New York, chairman of the subcommittee on appropriations, is asking permission to file a report for the conferees who have just been appointed within the last few minutes?

The SPEAKER. The request is that the Managers on the part of the House may have until midnight Wednesday, July 28, to file the conference report.

Mr. ROONEY of New York. That is correct, Mr. Speaker.

Mr. HALL. Under the circumstances, Mr. Speaker, I must object.

Mr. ROONEY of New York. Mr. Speaker, will the gentleman withhold or reserve his right to object?

Mr. HALL. Mr. Speaker, I will be delighted to withhold my objection.

Mr. ROONEY of New York. Mr. Speaker, will the distinguished gentleman yield?

Mr. HALL. I am glad to yield to the gentleman, my friend from New York.

Mr. ROONEY of New York. For about a week we have had an engagement for 10 o'clock tomorrow morning. When I say "we," I mean the conferees on the part of the House and the chairman of the conferees on the part of the other body. I am a trusting soul. I think the other body will yield to us on most of the items because we shall make a good case. If that is so, why not let us get this matter behind us and file a report by midnight tomorrow and then take the conference report up at the first available time? We shall then be finished with another big appropriation bill.

Mr. HALL. Mr. Speaker, I will say to my distinguished friend, in answer to his query, that only the Lord knows whether those conferees will be alive at 10 o'clock in the morning or not.

Second, the gentleman can ask unanimous consent any time tomorrow to file by midnight tomorrow night, if and when the conferees have met, in fact.

Third, the real reason for my objection is because this violates the Reorganization Act of 1970, which states that a conference report shall be in the hands of the Members for 3 days before it is taken up for consideration, and I know from the history and the tradition of the action of this House, that the next request will be for unanimous consent to take it up before this weekend whether it has laid over and been in the hands of Members 3 days or not.

I renew my objection, Mr. Speaker.

Mr. ROONEY of New York. Mr. Speaker, will the gentleman briefly yield further?

The SPEAKER. Objection has been heard. Does the gentleman from Missouri continue to reserve his right to object?

Mr. HALL. Mr. Speaker, I will be glad to continue to reserve my right to object and yield to the gentleman from New York.

Mr. ROONEY of New York. I should like to point out to the distinguished gentleman from Missouri, my friend, Dr. HALL, that this is a situation where, if those conferees are not there tomorrow morning, as he suggests, we will not have it filed by midnight tomorrow. We do not intend to bring up the conference report for consideration tomorrow. What we would like to do is to get it printed as soon as we can, and in the hands of all the Members so they can see what is in it. Usually the distinguished gentleman cooperates in this regard.

Mr. HALL. That is exactly correct, and, Mr. Speaker, I will, if the request is renewed tomorrow, knowing that the conference has met. For the reasons enumerated above, I continue to object.

The SPEAKER. Objection is heard.

PERSONAL EXPLANATION

Mr. ADAMS. Mr. Speaker, on rollcall No. 200 on the motion to recommit H.R. 4354, I am recorded as paired against. I wish to make a statement that this is incorrect. If I had been present I would have voted for recommittal and against passage of the bill.

PERSONAL EXPLANATION

Mr. TERRY. Mr. Speaker, on Tuesday, July 20, I am recorded as not voting on Rollcall No. 297 concerning House Resolution 424 on the rule for House Joint Resolution 3, which established a Joint Committee on the Environment. I was unavoidably detained, due to a meeting on small business conditions in my district and the Nation as a whole. Had I been present, I would have voted aye on the resolution then before the House.

CONFERENCE REPORT ON H.R. 7109, NASA AUTHORIZATION OF APPROPRIATIONS, 1972

Mr. MILLER of California. Mr. Speaker, I call up the conference report on the bill (H.R. 7109) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 21, 1971.)

Mr. MILLER of California. Mr. Speaker, the managers on the part of the House bring back a conference report on H.R. 7109 to authorize appropriation for fiscal year 1972 for the National Aeronautics and Space Administration. This conference action reconciles differences in authorization for research and development, construction of facilities, and research and program management and for other purposes.

The bill passed the House on June 3, 1971, and passed the Senate on June 29, 1971. In acting on the bill, the Senate struck all after the enacting clause and substituted new language.

The committee of conference agreed to accept the Senate amendment with certain substitute amendments and with certain other stipulations insisted upon by the managers on the part of the House.

There were 10 items in disagreement all involving amounts to be authorized for appropriations and there were two other items of legislative language to be reconciled.

A summary of the substitutes agreed upon by all members of the committee of conference is as follows:

For fiscal year 1972, the National Aeronautics and Space Administration requested $3,271,350,000.

The House bill authorized $3,433,080,000.

The Senate version authorized $3,280,850,000.

As a result of the conference, the total amount to be authorized was adjusted to $3,354,950,000. This is $79,830,000 less than the House approved and $83,600,000 more than the NASA budget request.

In total, the Committee of Conference has agreed to authorize research and development programs totaling $2,603,200,000, construction of facilities totaling $58,400,000, and $693,350,000 for research and program management.

The conference report contains a detailed listing of the program areas and projects and the amounts to be authorized for each as recommended by the Committee of Conference.

The conference report contains a more detailed listing of construction of facilities items resulting from an agreement to a Senate modification to section 1(b) of the bill which requires NASA to specify the individual construction project at each NASA center covered by the budget request. Each major construction project therefore will be listed in the authorization bill rather than a consolidated total amount for each center covering a number of projects as has been done in the past. The House conferees agreed with this language change since it facilitates the oversight of new construction by the committee. Also the activity of NASA should be carried out in a deliberate, planned manner in the future without the need for the haste, reprograming and modifications that were necessary in the early stages of the space program.

Specific limitations were placed on the use of funds for the nuclear rocket program and for research and program management. The Committee of Conference agreed to the Senate increase of $43 million for the Nerva nuclear rocket program, making the total amount available for this program $58 million. However, the language included in the bill restricts this amount for use only for this nuclear rocket development.

In the research and program management item, the NASA request was reduced by $4 million. And further, the amount available for personnel and related costs was limited to $529,916,000. This constitutes a reduction of $1 million for personnel costs in addition to the planned reduction of 1,500 personnel included in their budget submission.

Briefly, other highlights of the conference action resulted in a reduction of $10 million to the NASA request for the lunar and planetary exploration program. The committee of conference agreed that NASA should examine the concepts currently planned for the outer planets missions with the view of designing a less sophisticated and less expensive spacecraft for the grand tour missions.

The conference also agreed to increase the aeronautical research and technology item by $12,500,000. These funds are for use in solving pressing problems of aircraft noise abatement, traffic congestion, safety, and the need to attract new, younger scientific personnel into aeronautical research.

Mr. Speaker, we consider that the committee of conference has agreed to a good conference report and represents one that can be supported by our Members for the fiscal year 1972 authorization.

Mr. FULTON of Pennsylvania. Mr. Speaker, the amount of the original House authorization bill, $3,433,080,000, was simply a 5-percent increase over the authorization of last year. This was to take care of the inflationary costs which are being incurred. This year's increase would mean the budget would be just about the same as last year's budget without the inflation.

Some of my colleagues ask what this conference agreement will do to the budget. The budget in the report adds $83.6 million to the NASA request; it is 2.6 percent above the 1972 administration budget. However, the conference report is $78.13 million below the House figure.

I have been asked to report on the present Apollo 15 and the status and safety of the astronauts. I shall be glad to give a report.

At 2: 06 p.m., E.D.T., which will be about 10 minutes from now, on July 27, NASA will begin a detailed status check of the signal light which has been causing the trouble. This signal light indicates a problem in the main propulsion engine system. This system does not affect the security of the astronauts, because the main propulsion engine will not be used until lunar insertion.

The decision of whether or not to perform lunar insertion will then come by Thursday, July 29, at the scheduled time for lunar insertion. The insertion into lunar orbit is planned for 4: 06 p.m. eastern standard time. We must determine whether the fault is in this signal light or switch or some other more critical component in the main propulsion engine.

If the problem is serious such as a pressure valve malfunction, then, in order to avoid what happened to the three Soviet cosmonauts, we will have to protect our astronauts and bring them back before going into moon orbit.

What will happen if NASA decides to bring the mission to a halt is about the same that occurred with respect to Apollo 13. Apollo 13 made a half orbit around the moon. We call it a gravity turn. Apollo 15 will simply go around back of the moon, just as Apollo 13 did, and then the astronauts will return.

On the return course we will perform the separation. We must have the separation of the command and service module prior to the descent and the atmospheric reentry. The lunar module must be jettisoned.

I will place in the RECORD the schedule of the Apollo 15 mission as it was originally planned. This schedule would have brought the astronauts back to earth for Apollo 15 splashdown in the South Pacific at 4: 46 p.m. E.D.T.

TIMELINE OF APOLLO 15 MISSION EVENTS

Event	Time from liftoff (hr/min)	CDT/date
Launch		8:34 a.m. July 26
Earth orbit insertion	00:12	8:46 a.m.
Trans lunar injection	2:50	11:24 a.m.
Lunar orbit insertion	78:31	3:05 p.m. July 29
Descent orbit insertion	82:40	7:14 p.m.
Spacecraft separation	100:14	12:48 p.m. July 30
Lunar landing	104:42	5:15 p.m.
Stand up EVA	106:10	6:43 p.m.
EVA 1	119:50	8:24 a.m. July 31
EVA 2	141:10	5:44 a.m. Aug. 1
EVA 3	161:50	2:24 a.m. Aug. 2
Lunar liftoff	171:38	12:12 p.m.
Spacecraft docking	173:30	2:04 p.m.
Trans earth injection	223:44	4:18 p.m. Aug. 4
Trans earth EVA	242:00	10:34 a.m. Aug. 5
Pacific Ocean splashdown [1]	295:12	3:46 p.m. Aug. 7

[1] 26° N. lat. 158° W. long.

As far as the day Apollo 15 may land if the mission is shortened, when Apollo 13 was abbreviated, it returned 5 days from date of launch. By Thursday, however, we will have the final decision as to whether to go into moon orbit or complete the half orbit around the moon, and then return. We have hopes, though, that we can fix this switch and this pressure control of the main engine before Thursday. We still have the time to do it, and NASA experts are working on it. But there will be no trial and error type of experimenting. We can bring them back to earth with equipment that we have, and the equipment will not be used for any other purpose but that which it was designed for. So the astronauts will be safe. There is no doubt that NASA will not put Apollo 15 in a lunar orbit if there is any question of the pressure switch on the main engine. As I said before, we will be risking the same eventuality that unfortunately occurred with the Russian astronauts.

I would also like to explain that it has been quite positively settled that it was the lack of pressurization on the return which killed the cosmonauts. When the astronauts enter the atmosphere they encounter the equivalent of a 500-pound shock. This caused the trouble to the U.S.S.R.'s Soyuz flight and caused the death of the cosmonauts.

Mr. Speaker, there is one point that should be made with regard to the moon exploration. Amazingly we have found that the bacteria which is the greatest killer on earth, is affected by the materials we find on the moon. The material in the core of the moon that has been brought back and on contact with the staphylococcus bacteria either kills or inhibits the staphylococcus. We may have discovered an entirely new antibiotic advance.

Likewise we have reached a point where we may have an agricultural revolution. We now find ordinary earth vegetables growing twice as fast and often twice as large in moon soil as they do in earth soil. We do not know the reason why, as yet, but the fact is that the moon soil, acting as a fertilizer, may be one of the big advances in the moon program for our agriculture people.

Finally, there is the field of miniaturization. In Pennsylvania we have been able to have heart pacers put into almost 18,000 people through a simple operation. Previously, implantation of a pacer required a full operation, which was a major operation at that. Now, because of the miniaturization which has been accomplished in the space program, it is simply a matter of inserting the heart pacer with a very simple slice in the flesh. Furthermore, the pacer will last for 3 or 4 years.

As chairman of the Pennsylvania heart fund, I am glad to report that we have now decreased the national rate of heart deaths through many of the space procedures which have been developed since the space program began in 1958. Our space work has advanced the Nation tremendously, not only in terms of peacetime benefits, but in terms of the national security of this country.

Mr. Speaker, what we are doing in our committee on the peaceful use of space and what we have accomplished has a direct effect on the security of every one of our cities and municipalities, as well as our military installations. We should progress in space because any nation, or groups of nations, which gets overwhelming superiority in any strategic area will be able to assume total global control without the firing of a shot.

This is why our space program is so important and why I ask for the same support on the conference report that we received on the bill when it was being considered by the House.

The bill passed the House on June 3 by a vote of 302 to 64. That is a ratio of about 5 to 1 in favor of the program. Further, we are only 2.5 percent above last fiscal year's budget figure.

Mr. Speaker, I wish to compliment the chairman of the committee and the conferees because it has taken hard work. Our work is a small reflection of the fine work of the many engineers and scientists in our NASA organization. We have come to a reduction of 1,600 employees in NASA, 100 employees more than the administration recommended. We are cutting down on personnel, we are cutting down on costs and still we continue to make real progress.

Mr. Speaker, I support the conference report on H.R. 7109 which authorizes appropriations to the National Aeronautics and Space Administration for fiscal year 1972. There is unanimous agreement on the conference report by the Senate and House conferees. The final report which we present is the result of the most careful consideration by all conference members. I wish to commend the conferees of the House on the competent work they have done on the fiscal year 1972 NASA authorization.

The committee of conference agrees to a final fiscal year 1972 NASA authorization level of $3,354,950,000. The House on June 3, 1971, by a vote of 302 yeas to 64 nays on final passage of H.R. 7109, originally authorized a budget level of $3,433,080,000 which represents an increase of $161.73 million above the 1972 fiscal year NASA administration request of $3,271,350,000. The figure agreed upon by the Conference Committee represents a reduction of $78.13 million from the initial House NASA authorization, but represents an $83.6 million increase in the 1972 fiscal year NASA budget above the administration request.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION BUDGET PLAN SUMMARY

[In thousands of dollars]

	Fiscal year—		
	1970	1971	1972
Obligational authority:			
Research and development	3,110,427	2,555,000	2,517,700
Construction of facilities	50,112	24,950	56,300
Research and program management	702,178	688,579	697,350
Total	3,862,717	3,268,529	3,271,350
Proposed supplemental for Government-wide civilian pay act increase		+29,854	
Total budget plan	3,862,717	3,298,383	3,271,350

The $83.6 million added to the NASA 1972 fiscal year request corresponds to a dollar increase of 2.6 percent. Congress must recognize the budget, with present inflation, that we are recommending is at a minimal level. This is a budget that delays or defers programs which are in the national interest and which should progress at a faster pace. I refer to a faster pace not only in terms of providing quicker practical return for the tax dollars which have been invested, but also in terms of meeting the competition of the important advances being made by other members of the international space community.

I believe that the recent advanced programs of the Soviets in space, particularly in manned operations, makes it clear that space is no longer a place for simple exploration, but a place to utilize and to progress in many useful fields. Many other countries of the world press on with vigorous and expanding space programs. The United States must continue in its pursuit of space at a level which is balanced between costs and space benefits and practical results.

The resources and the people the United States is committing to the U.S. space program have declined from past levels. The annual NASA budget has dropped from its peak in 1965 of $5.2 million to this year's $3.7 million. The numbers of NASA personnel have dropped from a peak in July 1967, of 34,126 to less than 29,850 at the end of fiscal year 1971. We can be satisfied that the NASA program for this year does preserve our capabilities in the most essential areas.

The final dollar figure which is agreed upon by the conferees for research and development is $2,603,200,000. This figure is $85.5 million above the administration's request of $2,517,700,000. In the program category of construction and facilities, the final budget level agreed to was $58,400,000, or $2,100,000, above the administration's request of $56,300,000. Within the third major program category of research and program management—new name is administrative expenses—the Conference Committee agreed to a figure of $693,350,000. This figure represents a reduction of $4,000,000 below the original administration request of $697,350,000. The bulk of the dollar increases are within the research and development category. This is money oriented to specific programs.

The research and development figure contains four of the major dollar additions to the administration's request. These changes are in the area of space flight operations. The original budget request of $672,775,000 is increased by $30,000,000 to a final figure of $702,775,000. The two programs for which this money is earmarked are the Skylab, the orbiting space laboratory, and the space shuttle, the reusable space transportation system.

The $15 million additional which is authorized for the Skylab program is designated for providing a Skylab rescue capability. The Skylab mission, beginning in April 1973, involves sending three teams of three astronauts each to the orbiting laboratory for periods ranging up to 56 days. It is incumbent upon our Government, particularly after the tragic experience of the U.S.S.R. with the Soyuz 11 program, to provide for a rescue capability in the event an emergency requires an immediate return of the astronaut team to earth. We are spending this money for insuring the safety and protecting the lives of our U.S. astronauts.

The remaining $15 million of the total $30 million added to the administration's request for space flight operations is designated for the more rapid development of long lead time systems within the space shuttle program. The space shuttle is the reusable space transportation system designed to furnish airline type accessibility to space at very low operational cost. Today's space program requires an entire series of seven different expendable different boosters to place payloads in earth orbit at a minimum cost of approximately $1,000 per pound. By use of the shuttle, satellites can be placed in earth orbit at a cost less than $100 per pound—a 90 percent reduction in price.

Each shuttle is being designed for 100 or more flights with a minimum of ground maintenance over the vehicles' estimated 10-year lifetime. Space payload transportation thus approaches commercial airline practice. The vehicle can carry a varying payload of satellites, passengers, and cargo. In a passenger mode, 10 people plus a crew of two can be accommodated. Passengers and crews on shuttle launches do not require space suits. This will permit more in-orbit activity. Average people in good health will be able to fly into space without extensive flight training.

Once developed, the space shuttle will

replace all present launch vehicles except for the very small Scout class vehicle and the massive Saturn V. With the low operational cost and the versatility of the shuttle, the vehicle can accomplish a variety of missions. These include delivering or retrieving satellites from low earth orbit, visiting orbiting satellites for regular servicing in orbit, delivering propulsive stages and payloads destined for deeper orbits, supporting short duration science and application missions, serving as an in-orbit research laboratory. Transporting personnel and cargo to manned space stations is also one of the major advantages.

The additional $15 million for fiscal year 1972 will support a more intensive development of the pacing vehicle development tasks, the thermal protection system, and the vehicle structure. The shuttle is one of the most important programs being pursued by NASA in terms of both future utilization of space and national security and this program should proceed with efficiency and speed.

The third major effort to which additional funding was provided is the space nuclear power and propulsion program. I originally proposed by my amendment the increase in the budget for this program in the House authorization bill. My proposal was to add $39.9 million to the original NASA request of $27.72 million. My recommendation made the revised figure $67.62 million. The action the Senate took on the House bill for the nuclear power and propulsion program was to add $43 million to the NASA request. In the conference committee, all conferees unanimously agreed to raise the funding for this very important program to the higher Senate figure of $70.72 million.

The funding under this program will be directed to the further development of the NERVA, which is an abbreviation for nuclear engine for rocket vehicle application. The NERVA is a transportation system designed to complement the capability of the space shuttle vehicles in transporting space cargoes from close earth orbit, where there will be no danger of fallout, through completion of final mission. In operation, a space payload will be coupled to, or picked up by, the NERVA propulsion system once the payload has reached an altitude of a few hundred miles above the surface of the earth.

The NERVA system is important because of the improved versatility, flexibility, and economy it offers over competing advanced propulsion systems. As an example, NERVA doubles the payload and mission capabilities of the Saturn V launch vehicle in terms of maneuvering payloads in earth orbit, for landing payloads at any point on the moon's surface, and for sending probes into deep space. In other words, for such missions the payload capability of the Saturn V will be increased by as much as 100 percent. This represents a major advance in efficiency and economy in space operation.

The NERVA system is capable of being stored in orbit for unlimited periods of time. Chemical propulsion systems are greatly effected by the varying temperatures in space. Temperature differences of as much as 500°—+240° F. to —240° F. are encountered. The NERVA system is not effected by these varying temperatures. This means that with the orbiting of the NERVA system, the United States would have the capability, in terms of a space transportation system, to carry out virtually any type of mission to any location in our universe, at any time.

The NERVA system can also be completely ground controlled. Furthermore, the NERVA can be operated at varying power with no loss in efficiency such as that now encountered in the operation of our existing chemical engines. The 50,000 miles per hour speed of the NERVA permits it to go to the moon in approximately 5 hours. In addition, the system can be started, stopped, and restarted an indefinite number of times. I would also add that the system thus far has had one of the most successful test records of any system ever developed by NASA. The system test is performed at the Nuclear Rocket Development Station in Nevada.

Under the level of funding originally requested by the administration, the NERVA program would have been required to drastically curtail effort and to cutback program manpower. With the increased funding provided by the Conference Committee, the program will be permitted to proceed in an orderly fashion, and, in addition, avoid the needless and expensive disassembly of the entire NERVA team.

I feel the NASA and contractor personnel participating on the NERVA program are among the most dedicated personnel in this Nation's entire space program. Furthermore, the system they are engaged in developing is destined to be a keystone to this Nation's future space program.

The fourth major program within the research and development category to which substantial money was added was the aeronautical research and technology program. NASA had originally requested $110,000,000 to which the conferees added $12,500,000. This increase is designed to deal with a number of serious problems in aviation including noise abatement, safety, the need for short takeoff and landing aircraft systems, and the need for new and younger individuals in the field of aeronautics research and development. While the Senate limited its initial authorization to the administration requested figure, the Senate did agree with the intent of the House authorized funds and the necessity to pursue effort in this area on a more intensive basis. The Senate, therefore, agreed in the conference committee meeting to adding $12.5 million to the NASA request.

Within the second major category of the total NASA budget, construction of facilities, $2.1 million was added to the original NASA request of $56,300,000. The final budget level for construction of facilities as agreed to by the conference committee is $58,400,000. The $2.1 million was authorized to modernize and expand the existing Visitors' Information Center at Cape Kennedy. This facility is provided to serve the needs of the general public and to offer a means by which Cape Kennedy visitors, primarily tourists, are able to learn more about and to experience firsthand the activities of our national space program.

I emphasize that this facility is a profitmaking undertaking. In fact, the distribution of gross profits from the present Center based upon operation between May 1, 1968, through April 30, 1971, resulted in direct payment to the Treasury of the United States of $163,403. The present facility is inadequate to handle the number of persons visiting the Cape area. The existing facility was designed to accommodate 3,000 persons on a daily basis. By contrast, the daily average visitor load to the information center in 1970 was 5,500 people. In fact, the peak for a single day was 15,000 persons which represented a severe strain on the center.

With the opening of Disney World East in 1971 and its being located only 50 miles to the west of the Space Center, the Center is expected to attract a minimum of 5 million people annually. The visitor load is therefore expected to reach between 12,000 and 15,000 persons per day in 1972. To meet this anticipated increase in visitor load a new and expanded facility will be required.

The last major category of the NASA program concerns research and program management. The House had originally increased the administration request of $697,350,000 for this activity by $9,500,000 for a total budget authorization of $706,850,000. The Senate, however, had recommended a reduction of $16,000,000 in the administration request for a final authorization of $681,350,000. Furthermore, the language within the Senate bill established a limitation that not more than $517,916,000 could be authorized for personnel and related costs. The administration request had provided for a reduction of 1,500 personnel throughout the NASA organization over the 1972 fiscal year. This cutback would have reduced the existing NASA work force from 32,150 to 29,150.

The intent of the House increase was to reduce this 5-percent personnel reduction by limiting the cutback to 1,000 personnel. In contrast, 3,000 NASA personnel would have been cut back by the Senate proposed budget level. This would be a reduction in force in 1 year of greater than 10 percent.

By virtue of the stand taken by the House conferees, the Senate dropped its insistance on its originally proposed cutback and agreed to a total amount of $693,350,000. The conference report further stipulates that not more than $529,916,000 can be utilized for personnel and related costs. This ceiling will nonetheless require NASA to reduce its work force by approximately 5 percent, or some 1,600 total personnel.

This, in summary, highlights the major areas of disagreement between the House and Senate of NASA authorization bills. There were a total of 10 items in conference which involved amounts to be authorized for appropriations.

There were also four other areas of disagreement; two involving changes in legislative language and two involving conforming amendments.

In conclusion, the conference committee has drawn up a good bill and one which deserves your support. The committee has worked diligently in arriving at the final recommended level for our space program for the coming year. In conclusion, I strongly urge the passage of this conference report as it offers this country the means by which to preserve its preeminence in space.

Mr. Speaker, I thank the distinguished gentleman from California for yielding.

Mr. MILLER of California. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FULTON of Pennsylvania. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. FULTON of Pennsylvania. Mr. Speaker, I withdraw my point of order.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING APPROPRIATIONS TO THE ATOMIC ENERGY COMMISSION

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9388) to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, with Senate amendments thereto, and consider the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, H.R. 9388, the AEC's fiscal year 1972 authorization bill, which passed the House on July 15 with amendment, was considered in the other body on July 20. At that time six amendments were offered to the bill as passed by the House, of which four were accepted by the other body. The first three are included in amendment No. 1 as transmitted by the Senate.

The net effect of the amendments adopted is to increase the total amount authorized to be appropriated by $4 million as follows:

First, increase by $500,000 the authorization for research on the nuclear cardiac pacemaker;

Second, increase by $2,300,000 the authorization for research relative to nuclear safety; and,

Third, increase by $1,200,000 the authorization for research relative to development of controlled thermonuclear reactions—fusion.

This represents an increase of less than two-tenths of 1 percent over the amount provided for in the bill as reported by the Joint Committee and as approved by the House.

On July 15, when the House considered this measure, the gentleman from New York (Mr. BINGHAM) offered an amendment somewhat similar to a combination of the amendments adopted by the other body relative to increased funding for safety and fusion research. The amendment offered in the House would have increased funding for these two programs by $5.4 million and it was rejected. The combined increase in authorization under the Senate amendments for these programs will be $3.5 million, $1.9 million less than that proposed by the gentleman from New York.

SENATE AMENDMENTS

The SPEAKER. The Clerk will report the first Senate amendment.

The Clerk read as follows:

Senate amendment No. 1: Page 1, strike out lines 7, 8, and 9, and insert:

"(a) For 'Operating expenses', $2,029,571,000, of which not less than $31,000,000 shall be available for controlled thermonuclear fusion research and development, and of which not more than $116,400,000 shall be available for operating costs for the high energy physics program category."

MOTION OFFERED BY MR. PRICE OF ILLINOIS

Mr. PRICE of Illinois. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PRICE of Illinois moves to concur in Senate amendment No. 1.

The motion was agreed to.

The SPEAKER. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Senate amendment No. 2: Page 3, line 10, after "$3,500,000" insert ", except that no funds shall be obligated or expended for the acquisition of a fee simple interest in land, or any other interest in land which exceeds three years from the date of enactment of this Act, until an advisory council appointed by the President of the United States reports to the Congress that construction and operation of such project and the transportation of waste materials to the project can be carried out in a manner which assures the safety of the project, the protection of public health, and the preservation of the quality of the environment of the region".

MOTION OFFERED BY MR. PRICE OF ILLINOIS

Mr. PRICE of Illinois. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PRICE of Illinois moves to concur in the second Senate amendment with an amendment as follows: In lieu of the Senate amendment insert ": *Provided*, That—

"(A) Except as provided in subparagraph (E), no funds shall be obligated or expended (i) for the acquisition of a fee simple interest in land or for the acquisition of any other interest in land which exceeds three years from the date of enactment of this Act, or (ii) for or in connection with the burial of radioactive materials at the proposed site other than for experimental purposes, including demonstrations, and then only when and if such materials are fully retrievable throughout such three year period.

"(B) The President of the United States shall appoint an advisory council which shall be composed of nine members at least three of whom shall be from Kansas. The advisory council may report to the Congress from time to time.

"(C) The Atomic Energy Commission (acting directly or by contract) shall conduct laboratory and other tests and research (whether onsite or elsewhere) relating to the safety of the project, the protection of public health, and the preservation of the quality of the environment before any high level radioactive waste material is placed in salt mines at the proposed site except as provided in subparagraph (A).

"(D) No high level radioactive materials shall be buried or used, other than as provided by clause (ii) of subparagraph (A), at the proposed site until the advisory council reports to the Congress that construction and operation of such project and the transportation of waste materials to the project can be carried out in a manner which assures the safety of the project, the protection of public health, and the preservation of the quality of the environment of the region.

"(E) The limitations provided by subparagraph (A) shall not apply after the expiration of 60 calendar days of continuous session of the Congress after the date on which the advisory council submits its report under subparagraph (D). For purposes of the preceding sentence, continuity of session is broken only by an adjournment of Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period."

Mr. PRICE of Illinois. Mr. Speaker, amendment No. 2 involves no change in funding. Offered by the Senators from Kansas, it imposes a limitation in the AEC relative to the acquisition of the site to be developed for the demonstration nuclear waste repository in Lyons, Kans. This limitation would preclude the AEC from acquiring title to the site or any other interest in the site for a period greater than 3 years from the date of enactment of this act. That restriction would be eliminated when an advisory council, to be appointed by the President, reports to the Congress that construction and operation of the project and transportation of nuclear waste materials to the project can be carried out in a manner which assures the safety of the project, the protection of public health, and the preservation of the quality of the environment of the region.

The substitute amendment which I have sent to the desk represents clarification and refinement of the language of the amendment as passed by the Senate but substantively includes the same restrictions on acquisition of title to the land. This substitute amendment has been cleared with the House members of the Joint Committee and the Members of the Kansas delegation from both Houses. We, therefore, recommend that the House accept the substitute amendment.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Speaker, I desire to take a moment to express my thanks to the gentleman from Illinois (Mr. PRICE) for his gracious courtesy—in permitting all of us time to work out a satisfactory conclusion of the provision covering the authorization for an atomic waste repository in Kansas.

He has been the soul of cooperation—and I want the record to show that all of us—the entire House delegation from Kansas—and I am sure my two colleagues in the other body as well—are grateful to him.

A word about the revised language of the Senate amendment.

It is the end product of the concern of the Kansas Members of Congress. Its objective was to produce legislative language that would result in the greatest possible protection for Kansas and its people—for the health and welfare of human beings and the protection and preservation of their environment.

I would want the record to show that although I have been a concerned Member of Congress about this atomic waste depository—there is no pride of authorship involved here.

What is now before this House for approval is merely a refinement and clarification of the original Senate amendment.

The circumstances required that amendment to be handled under great time pressure—resulting in perhaps somewhat looser language than any of us thought desirable in these circumstances.

Now—with the cooperation of the staff of the Joint Committee on Atomic Energy—who gave of their time last weekend and yesterday—we have an amendment which I am sure all will agree carries out what was the original intent of the Senate amendment.

I feel that perhaps I owe one bit of personal explanation in that the new language permits the temporary and experimental burial of high level wastes.

I have assented to that against my own instinct and the position of the Kansas scientific community—that all the necessary and essential tests and experiments can be carried out without burying high level wastes.

The AEC has felt otherwise—and strongly so.

I believe the conditions under which such burial can now take place are so controlled and constrained that Kansas is protected.

I, therefore, wish to commend the AEC for accepting such constraints.

Finally—may I say that I would like to again congratulate and thank individually Senators Pearson and Dole and Congressmen Shriver, Winn, Sebelius, and Roy—each of whom supported the necessity of protecting Kansas interests—and all of whom participated in making the pending amendment a more meaningful bit of law.

I cannot close without also paying a tribute to the chairman of the joint committee, the Senator from Rhode Island (Mr. Pastore), who from the very earliest stage of the hearings on this issue has shown a warm consideration for Kansas problems—and for the concern of the Governor and myself.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman from Missouri.

Mr. HALL. Mr. Speaker, I appreciate the gentleman from Illinois yielding to me.

I wonder if there are copies of this bill, or the Senate amendments to the House amendments thereunto, available in the House?

Mr. PRICE of Illinois. Mr. Speaker, the gentleman from Missouri I am sure recognizes that there was a committee report, and we have had copies of the committee report, but the bill, of course, has been returned to the House during the past week, and has been available. This is the bill that was passed by the House except for these few changes.

I might recite to the gentleman from Missouri the differences in the bill.

First, the amendment about which we have just been talking, dealing with the salt mine project in the State of Kansas, has been worked out to the satisfaction of the Kansas delegation. In addition, there was an increase in authorization that provided an increase of $500,000 for research incident to nuclear cardiac pacemaker, and there was an increase of $2.3 million for authorization for research relative to nuclear safety.

There is another increase of $1,200,000 for research relative to the development of controlled thermonuclear reactions.

That is the difference in the bill.

Mr. HALL. Mr. Speaker, if the gentleman will yield further, I feel it is fair to assume that he is going to recommend we take the papers which have been returned from the other body with these amendments and concur with the amendments, and thereby make it in order to submit this to the White House for signature into law.

Mr. PRICE of Illinois. That is the intention. The bill now, of course, will have to be returned to the Senate because we are amending one of the Senate amendments.

Mr. HALL. So that it might still be subject to a future conference report, if the other body does not accept our amendment?

Mr. PRICE of Illinois. If they disagree, yes. But my understanding is that that will not be the case.

Mr. HALL. Of course, Mr. Speaker, this is just one more way of evading the spirit and fact of the Reorganization Act of 1970. If the gentleman will yield for one further question, can the gentleman advise us whether or not the Members on the minority side have been consulted and concur in this procedure?

Mr. PRICE of Illinois. Yes; they have been fully informed on this and they have been working and cooperating with the chairman and the Kansas delegation on this matter.

Mr. HALL. I think it is obvious they have been working with the Kansas delegation, but I do not see the ranking minority Member on the floor, and that is what prompted the question.

Mr. PRICE of Illinois. That may be, but it was anticipated that sometime this afternoon we would call up the bill.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, I would like to commend the distinguished chairman and the joint committee for approving the increased expenditures in nuclear safety research and in the development of fusion—a pollution-free energy source for the future. I am especially gratified and reassured by this action as the two increases constitute the substance of an amendment which I offered during House consideration of this bill 2 weeks ago.

Most gratifying to me is the committee's acceptance of a restoration of the funds cut by the President's Office of Management and Budget in reactor safety research. By restoring this $2.3 million, as proposed in my amendment, this Congress will clearly demonstrate its concern that the Atomic Energy Commission should give a high priority to the swift development of a scientifically proven emergency core cooling system. I have long been a proponent of atomic energy, but I cannot overemphasize the necessity of predicating all future expansion in the nuclear industry upon absolute guarantees to public safety. Tests to date on the emergency core cooling system cannot offer to the public such an absolute guarantee, and yet it is this emergency system which stands between the public and horribly poisonous pollutants in the event any nuclear plant suffer a loss-of-coolant accident.

My amendment also called for increasing fusion-research funding by $3.1 million, a sum I believe to be small in light of the incredible promises fusion holds out to the American people and to the world. The potential payoff from successful fusion research and development is unlimited electrical energy, safe and virtually pollution free, plus a fusion torch which could convert garbage and other solid waste back into its constituent atoms for reuse. The amount I called for would have constituted only a 10-percent increase over expenditures on fusion research last year. The $1.2 million increase now provided for research in this important field represents an increase of only 4 percent. Nevertheless, the fact that Congress will put into effect this small increase over and above the amount recommended by the OMB is an indication of congressional interest in this essential field.

Mr. PRICE of Illinois. Mr. Speaker, I thank the gentleman from New York.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman.

Mr. HECHLER of West Virginia. Mr. Speaker, the gentleman has been a long time friend of the development of coal, and I wonder why so many billions of dollars are spent on the development of atomic energy and such paltry amounts for coal?

Mr. PRICE of Illinois. The gentleman is aware of the fact that this committee has no jurisdiction at all in the area to which he refers although I am sure almost every member of our committee certainly would support any funds that might be appropriated or authorized by the Congress for coal research.

Mr. HECHLER of West Virginia. I thank the able gentleman from Illinois. Although atomic energy has always received strong Federal funding, apparently because of its "glamor boy" status is something sensationally new, we are going to have to rely on coal to power a substantial portion of our energy and we therefore ought to support coal research at a comparable rate at least.

The SPEAKER. The question is on the

motion offered by the gentleman from Illinois (Mr. PRICE).

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1972

Mr. FLOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10061) making appropriations for the Departments Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes; and pending that motion I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Illinois (Mr. MICHEL) and by myself.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10061, with Mr. HOLIFIELD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Pennsylvania (Mr. FLOOD) will be recognized for 1 hour, and the gentleman from Illinois (Mr. MICHEL) will be recognized for 1 hour.

The Chair recognizes the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, as you know, we have already completed congressional action on the Office of Education appropriation bill for 1972, and it has been signed by the President. That bill contained a total of $5,146,311,000, the largest appropriation for education in history.

The bill that we bring to the House today covers the balance of the programs, authorized at the time when the committee concluded its hearings, for the Departments of Labor, Health, Education, and Welfare and the related agencies.

This is the bill dealing with the kind of things that are about as close to you and your people as you can possibly get. I know about your mail because we see a great deal of it. But keep in mind, and I am sure you know, for every letter you get, we receive a thousand.

Some of the things in this bill will be useful in your TV reports, your radio reports, your newsletters, and, with the help of God, we are going home on recess early next month, and you will be talking in fire houses, chambers of commerce, and whatnot. These are the things that people will stop you on the street to talk about. So certain pages of this report I really think you should tear out and put in your pockets.

This bill contains a total of $20,364,746,000. Now, hear this. This is $321,750,000 above the budget. If and when you hear amendments offered, when Members break a lance here for God, country, and Yale, keep that in mind. The amount is $321,750,000 over the budget, and it is $2,878,523,500 above the amount appropriated for 1971.

We feel the increase over the budget is a very reasonable compromise. Between those who would hold to the budget, or below, and those who reportedly feel the budget should be increased by up to $1 billion. I think both are unrealistic.

With respect to the increase over 1971, I would like to point out that $14.9 billion of the total appropriations of $20.4 billion carried in this bill is for programs over which the Congress and the executive branch exercise little or no control through the annual appropriation process. There is the large uncontrollable appropriation for grants to States for public assistance programs, payments to the social security trust funds and to the railroad retirement funds, unemployment compensation for Federal employees and ex-servicemen, and special benefits for disabled coal miners.

The total uncontrollable appropriations in this bill amount to an increase of $2,200,000,000 above the appropriations for exactly the same things in fiscal year 1971. Thus, of the total increase over the 1971 level of approximately $2.9 billion, over 75 percent is in this uncontrollable category.

As has been the policy of the subcommittee for the past several years, it did not act on budget requests for activities that were not authorized at the time the subcommittee finished its hearings. We have always done that. A table of budget requests not considered is included on page 5 of the report. This table totals over $3.5 billion, most of which is accounted for by the economic opportunity and health manpower programs, for which authority expired last June 30, and the recent request for $1 billion for the Emergency Employment Act.

One other thing I would like to call to your attention regarding the overall aspects of this bill is the table on page 3 which reflects the total appropriations for Labor, Health, Education, and Welfare programs for 1971 and proposed for 1972. As you will note, when permanent appropriations for the trust funds are included, the grand total is over $83 billion.

Let me add something there. I serve on the Appropriations Subcommittee for the Department of Defense. I have been on that subcommittee since it was formed some 25 years ago. I have heard down through the years about Defense, how Defense is eating up all the taxpayers' dollars, how we are sacrificing the welfare of our people for defense, for missiles, airplanes—the whole story. You have read it and heard it.

This I do not believe you know. The budget for Labor, Health, Education, and Welfare programs is going to be $83 billion plus action which will undoubtedly be taken subsequently on the $3.5 billion of deferred items. So before the end of this session of Congress this total will be $86 billion for Labor, Health, Education, and Welfare, or more. It will be billions of dollars more than the appropriation bill for the Department of Defense. Did you know that?

This bill has not been simple enough to deal with, item by item, in a presentation of this kind since Frank Keefe was chairman in the 80th Congress. I have given you some overall statistics and I will highlight some of the changes from the January budget, but I will not attempt to cover all of the important activities for which there are appropriations in this bill. That would take all afternoon. Of course, the 71-page report you have deals in some detail with all of the appropriation items in the bill.

I think most of us will agree that the budget for the Department of Health, Education, and Welfare that was sent to Congress last January was deficient with regard to several programs. The fact that the President has sent budget amendments to Congress increasing the January budget for 12 of the Department's programs indicates that the President himself recognized certain deficiencies. The fact that Members have received an unprecedented volume of mail telling why items should be increased is also an indication that the budget was tighter than usual. We have a section in the report on pages 3 and 4 under the heading "items of special interest."

This outlines the committee's recommendations with regard to some of those programs that have generated the bulk of our mail on this bill. Let me go through these with you.

For psychiatric training, in the National Institute of Mental Health, which the budget aimed to phase out completely over a period of a few years, the bill includes $6,750,000 over the budget. This will restore the program to the 1971 level.

For the construction of community mental health centers neither the 1971 nor the 1972 budget requested any funds. The bill includes $10 million to keep this program alive.

For staffing of community mental heath centers the bill includes an increase of $30 million over the budget. This will enable the Department to fund all approvable applications regardless of how construction was funded, and in the report we tell the Department to reverse its current policy of refusing staffing grants to community mental health centers that were constructed with non-Federal funds. In other words, if your people back home were able to raise local funds in order to construct these centers, they could not get any Federal staffing aid. Can you imagine anything that ridiculous? Well, we stopped that.

For the new mental health of children program authorized in Public Law 91-211, the budget contains no funds. The bill includes $10 million to initiate this program.

For the new alcoholism prevention and control legislation, that passed Congress by a huge majority last year, the budget contains no funds for formula grants to States which is certainly an important component of that legislation. The bill includes $25 million.

The largest budget amendment the President sent to Congress that affects this bill was $67 million to initiate HEW's part of a comprehensive drug abuse control program. The committee applauds the President and has approved the full amount of the request.

For venereal disease control and vaccination assistance programs the President submitted a budget amendment for $10 million. The committee recommends an increase of another $10 million and has earmarked $16 million just for venereal disease control which is the exact amount of additional funds estimated by the director for the center for disease control to be necessary to initiate an effective program in 1972.

For rat control the original budget reduced the project grant program to zero. It is my guess that it was largely as a result of critical questioning by the subcommittee during the hearings that a budget amendment was later sent to Congress restoring this program to its 1971 level of $15 million. The subcommittee has, of course, included that amount in the bill.

I am sure you have all received letters concerning the lead-based Paint Poisoning Prevention Act for which the original budget included no funds. Again a budget amendment was sent to Congress, this time in the amount of $2 million. In the opinion of the committee the estimate was extremely conservative. Your committee is recommending $5 million.

For hospital construction—the old Hill-Burton program—the budget continued the policy of last year's budget in asking for very little in the form of grants, but depending almost entirely on the interest subsidy program. The bill includes the funds for the interest subsidy program, but has also restored the reduction of $87.2 million below the 1971 appropriation level in the grant program.

For the National Institutes of Health the only institute that received a true increase above the program level of 1971 was the Cancer Institute, and this resulted from the special $100 million request for a new conquest of cancer program. The committee has added $87,841,000 to the NIH budget. This is the amount necessary to bring up to the 1971 program level all research and training grant and contract programs that were cut below that level in the budget.

You have all received correspondence concerning the cut in the budget for rehabilitation and social work training. The committee has fully restored that reduction.

It is a relatively small item, but has generated a considerable amount of interest—the Developmental Disabilities Act formula grants to States. The budget includes $11,215,000 which many experts in the field consider to be inadequate. The bill includes an increase of $5 million over the budget.

It varies by State, but some States have really put on a campaign against the limitation proposed in the bill language which would not allow any State to receive more than a 10-percent increase in 1972 in funds for services, staff training, and administrative expenses in connection with the public assistance program—generally referred to as the 110 percent limitation. The subcommittee has not included this language in the bill.

So much for the items of special interest.

I am sure most of you are aware of the fact that the report contains nine pages of separate views of a few members of the committee. I wish you all had time to read these views. They seem to agree with the action of the committee more than they disagree. Of course, they come to the conclusion that the bill is too low, but they are very generous in their commendation of the committee. I appreciate such remarks as, "the members of the Flood subcommittee did a very creditable job in reviewing the very difficult and complex HEW budget," and "the committee is to be commended in its increases in the programs of the National Institute of Mental Health and the regional medical programs." One of the members of the staff told me there are eight such commendations of the committee and I want my friends who signed these separate views to know that the committee and I, personally, appreciate their kind remarks very much.

Mr. Chairman, I do not know if there will be an amendment or amendments to increase this bill. I hope there will not. This is a good bill. We sincerely believe that. But if there are amendments to increase the bill I hope Members will forget about the January budget which, as I commented earlier, most people will agree was deficient, and recognize this bill for what it is. The President has sent budget amendments to Congress containing program increases totaling $151,310,000 for the activities covered by this bill, and the committee has included increases over the amended budget totaling $321,750,000. Mr. Chairman, this bill is already almost half a billion dollars over the January budget. We hope Members will keep that in mind if they are called on to vote on amendments to increase it.

Mr. Chairman, these are my concluding words. This bill is already almost half a billion dollars over the January budget. Please keep that in mind.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in quick capsule form, we bring this bill to you with increases over the budget in appropriated amounts totaling $321,750,000.

There was a provision, section 208, in the budget presentation that would have limited grants to the States for public assistance in the fiscal year 1972 to 110 percent of those in 1971. The deletion of that section will for all practical purposes, add another $244 million to the budget. So, we are really talking about a bill that comes to you at a level of $565,750,000, over the budget.

In addition to these figures, you should be aware that there will very likely be a supplemental request for health manpower totaling $541 million, and another for health maintenance organizations—HMO's—in the amount of $42 million, which in the health field gives us a total in expected supplementals of $583 million. And while on the subject of supplementals, brace yourself for another $1 billion or thereabouts in grants to the States for public assistance.

Mr. Chairman, before discussing the specific details of our committee's recommendations for health, I think it is important to summarize the extent of the Federal commitment directed at conditions of ill health and disease and designed to improve the health of all of our citizens.

In the briefest of terms, the Federal Government's involvement in health programs has grown significantly during the past decade, and now affects all aspects of the Nation's medical- and health-related activities. This includes extensive support for biomedical research, the development of new approaches to the delivery of health care, the safety, quality and effectiveness of food, pharmaceuticals and other consumer products, and medicare and medicaid.

Since 1960, Federal spending for the health activities of the Federal Government has risen from $3.5 billion to the $22.2 billion that is requested in the 1972 budget. The 1972 budget represents an increase of more than $5.6 billion for health programs since the Nixon administration took office.

The issue of increasing amounts of moneys is often overestimated. We have grown too accustomed to viewing health care needs within the narrow confines of specific categorical problems—problems caused by a certain disease or problems afflicting certain population groups.

In contrast, the most basic and widespread problems contributing to the "health care crisis" are systemic; further categorical and piecemeal efforts, with a few exceptions, are very likely to exacerbate rather than ameliorate the problems.

The administration's national health strategy as outlined in the President's health message of February 18, 1971, is designed to come to grips with the basic problems in the system of delivery of health care.

In that message, the President observed that—

> We are investing more of our Nation's resources in the health of our people but we are not getting a full return on our investment.

For this reason, the President called "not only for new programs and not merely for more money but for something more—for a new approach."

We have considered the President's proposal and we believe that the recommendations in this bill are responsive both to his approach and to the commitment the Congress has made to the American people.

Our committee recommendations are based on an assessment of our greatest health needs, but are also consistent with priorities of the administration's national health strategy. They recognize as well the concerns of the health and biomedical research communities and concerned citizens.

Our committee bill provides the following specific increases: A major commitment to mental health through—

Provision of the full budget request for research.

Restoration of the $6.7 million in psychiatric residency training.

Provision of $10 million for construction of community mental health centers.

A $30 million increase over the budget for community mental health staffing grants—this amount will fund all anticipated approved grants through June 30, 1972.

An additional $10 million to fund the previously unfunded part F provisions of the Community Mental Health Centers Act concerned with the mental health of children.

An increase of $25 million over the budget for formula grants to States for alcoholism as authorized by Public Law 91–616—this in addition to allowing the full budget request for project grants—a 150-percent increase over the amount available in 1971.

Provision of the entire budget request of $67 million for the administration's major initiative in drug abuse.

An increase of $16 million for project grants for venereal disease and $4 million for other communicable diseases in the partnership for health.

The full budget request to establish Family Health Centers—$15 million.

The full budget request to implement the Emergency Health Personnel Act—$10 million.

The full budget request for continuation of the rat control program—$15 million.

The full budget request for family planning services and research, including—

An increase of $52 million for family planning services—an increase of over 100 percent.

An increase of $10 million for family planning research—an increase of over 25 percent.

An increase of $30 million in budget authority for the regional medical program combined with the $10 million in the second supplemental of 1971—this $10 million remains available through June 30, 1972—would provide funds for an obligational level of $115 million for RMP grants in 1972.

An increase of $87.2 million to restore the 1971 level for the Hill-Burton hospital construction grant program in addition to allowing the full budget request for the administration's guaranteed loan program. The amount of loan authority available through June 30, 1972, is $1 billion.

An increase of $87.8 million for the research institutes at NIH to restore reductions in the perinatal and aging research programs, and maintain all programs at the 1971 level by allowing a 6-percent cost-of-living increase. This is in addition to allowing the full budget request which provided increases for sickle-cell anemia, dental caries, and environmental health and family planning research. The $100 million for cancer research was included in the second 1971 supplemental in order to make these funds available as promptly as possible.

An increase of $800,000 for the National Library of Medicine.

The committee did not consider the budget for health manpower because legislative action on the authorization has not been completed.

The committee was assured that a budget amendment will be transmitted to insure continued operation of the PHS hospitals if the administration's proposal to transfer these facilities to community control and use require more time.

Mr. Chairman, I would like to take just a minute to touch on the perpetual problem we have in the appropriations process trying to determine just how much money a department or agency really had to spend during the past fiscal year. Part of the problem stems from the fact that when the budget is being prepared, the Federal Government is not even halfway through the current year, so the estimates in many cases are little more than educated guesses.

Another difficulty is that as new authorizing legislation is enacted by Congress, programs change, and funds that were appropriated for one purpose must sometimes be rechanneled or reprogramed—sometimes even transferred to another agency entirely. Then, there are pay raises, which must be added in, and other types of budgetary changes which affect spending levels.

So, as your Appropriations Committee considers the budget, the prior-year budget figure is continually shifting and changing. Even now, almost a month into the new fiscal year, the final 1971 figures are not yet available because of the enormity of the task of collecting and compiling them.

For someone trying to obtain an exact spending figure for a specific program or project, this state of affairs can be incredibly frustrating. This also makes it extremely difficult to prepare any accurate comparative tables to show the difference between last year's budget and the one recommended for this year. However, there are several ways of approaching this particular challenge.

One approach is that used in our committee report—taking last year's basic appropriation figure and adding in the pay increases, then comparing that with the recommendation for 1972. This is a very sound approach and avoids the confusion of fund transfers, but its drawback is that it does not completely reflect the amount of funds actually available to an agency, or the amount actually spent.

This drawback can be partially overcome by using what is called the comparative budget, which takes into account all budgetary changes of any kind that have the practical effect of increasing or decreasing funds which can actually be spent by a particular agency.

So, the comparative budget tells us what was actually available for obligation. But, this method has a drawback, too, in that the figures can change almost overnight as budgetary changes, transfers, and so forth occur.

Because each of you has a copy of our committee report analyzing the Labor, Health, and Welfare budget by the other method, I think it might be helpful as I discuss these individual items to give you the comparative figures as well. You will then have information on not only what was actually appropriated for each agency last year, but also on just how much of that appropriation was available for obligation by each agency—how much they had available to spend. Then, that should give you a more complete picture of the impact your committee's recommendations have for 1972.

TITLE I—DEPARTMENT OF LABOR

Manpower development and training activities within the Department received $886,962,000 in 1971. This year the amount requested was $748,799,000. This amount has been allowed by the committee and is a reduction from the fiscal year 1971 appropriation of $138,163,000. The primary reason for the reduction in the bill below the 1971 level is the absence of $132 million for the summer youth employment program which was included in a supplemental for 1971; no funds were requested in the 1972 budget or included in the bill for this program. It is quite possible that in the spring of 1972 there will again be a supplemental appropriation for the youth program. In addition, the committee has deferred action on the part of the budget that was for programs authorized by the expired Economic Opportunity Act.

The committee has again earmarked funds for the important activities of the Veterans' Employment Service to the amount of $2,474,000, an increase of $290,000 above the fiscal year 1971 appropriation for this activity.

An important development for the department in fiscal year 1972 will be the increased capability of the job bank system. They expect to go from 100 job banks as of July 1, 1971, to having the entire country covered in fiscal year 1972. Also the job matching will be coming up fast. This exciting system could enable a person to have five jobs matched to his personal qualifications with the job matching machine indicating which it believes to be the best match. At the present there is a pilot project in Madison, Wis., in operation. A tremendous amount of work is being done on this pilot in 13 other areas that have one form or another of job matching system. To clearly illustrate the distribution and impact of MDTA funds, I would like to insert the following figures:

DEPARTMENT OF LABOR MANPOWER ADMINISTRATION

MANPOWER TRAINING SERVICES PROGRAMS AVAILABLE TO INDIVIDUALS BY AGE

Program	14 to 21 years—Job Corps	14 to 21 years—Neighborhood Youth Corps in school	14 to 21 years—Neighborhood Youth Corps summer	16 to 21 years—Neighborhood Youth Corps out of school	16 years and over—OJT
Program description	Provides a residential rehabilitation program for disadvantaged youth from culturally deprived environments.	Provides opportunities to enrollees to earn funds to remain in school while receiving useful work experience through part-time jobs in schools and other public agencies.	Provide funds for poor students of high school age to return to school in the fall through summer employment.	Work experience, training, and supportive services to enable enrollees to return to school or improve their employability.	State-administered training in conjunction with national unions and trade associations.
Type of program	Vocational training with basic education, recreation, work experience, and room, board, and clothing.	Work experience with source of income and supportive services.	Work experience and a source of income with supportive services.	Work experience, skill training, and supportive services.	Occupational training with remedial education, trainee allowance, and supportive services.
Eligibility requirements	Disadvantaged. School dropouts.	Disadvantaged. Students from low-income families; grades 9 to 12.	Disadvantaged. Students from low-incoma families, grades 9 to 12.	Disadvantaged. Unemployed. High school dropouts.	Disadvantaged/nondisadvantagad. Unemployed/underemployed. School dropouts.
Obligations:					
1971 appropriations	$156,200,000	$59,100,000	$270,700,000	$127,000,000	$60,000,000.
1972 request	196,127,000	69,800,000	165,700,000	127,000,000	60,000,000.
Enrollment opportunities:					
1971	23,100	94,700	609,300	36,800	60,000.
1972	26,200	94,700	414,200	36,800	60,000.

Program	17 years and over—Institutional training	18 years and over—JOBS	18 years and over—PSC	18 years and over—CEP	22 years and over—Operation Mainstream
Program description	Provides occupational training in areas where critical skill shortages exist.	On-the-job training in the private sector with Federal compensation to the employees for hiring and training costs.	Training and permanent employment in the public sector within merit staffig principles.	Coordinates and concentrates various Federal manpower efforts to aid severely unemployed persons in certain target areas.	Provides projects especially in rural areas and small towns which will improve social and physical environment of the community.
Type of program	Occupational training with remedial education, trainee allowances, and related supportive services.	Vocational training with health and social services and remedial education.	Occupational training with supportive services.	A system of packaging and delivering manpower services in priority areas having serious unemployment and underemployment problems.	Job creation and work training program augmented by necessary supportive services for chronically unemployed poor adults with permanent employment as objective.
Eligibility requirements	Unemployed/underemployed. Head of household. 1 year experience in gainful employment.	Disadvantaged. Unemployed/underemployed. School dropouts. Handicapped.	Disadvantaged. Unemployed/underemployed.	Unemployed/underemployed. Resident of target area. Member of poor family. School dropout. Handicapped.	Chronically unemployed/underemployed. Have annual family income below poverty line. Be unable to secure appropriate employment or training assistance under other programs.
Obligations:					
1971 appropriation	$268, 084, 000	$200, 000, 000	$126, 800, 000	$177, 900, 000	$38, 800, 000.
1972 request	266, 084, 000	200, 000, 000	125, 800, 000	172, 800, 000	38, 800, 000.
Enrollment opportunities:					
1971	148, 600	76, 900	66, 800		12, 100.
1972	146, 600	76, 900	66, 800		12, 100.

For the Manpower Administration, salaries and expenses, the Department has requested $63,515,000 from general funds. The committee allowed $37,568,000 from general funds and $25,847,000 from the unemployment trust fund for a total allowance of $63,415,000. The $100,000 decrease from the request was taken from the planning, evaluation, and research activity. The committee bill is an increase of $9,050,900 for MA salaries and expenses over fiscal year 1971. This level of funding will allow for mandatory cost increases and program increases.

The Bureau of Apprenticeship and Training in the Manpower Administration asked for and was allowed in committee $8,150,800, an increase over the 1970 appropriation of $742,114 due to mandatory items. Our committee has been pleased with the accomplishments of this bureau. At the same time we realize that the need for the number of apprenticeships, particularly in the minority and veteran communities, is still a crucial problem. This, combined with the fact we are still falling far short of meeting the need for trained people in the apprentice occupations, creates a situation requiring continued and greater accomplishments. At this point I would like to insert figures which, I believe, give a complete picture of the distribution of registered apprentices by industry and occupation.

DISTRIBUTION OF REGISTERED APPRENTICES BY INDUSTRY AND SELECTED OCCUPATIONS[1]

	1968	1969	1970	1971	1972
Construction	164, 441	181, 719	197, 580	219, 785	228, 260
Brick, stone, and tile workers	11, 944	13, 265	14, 423	16, 044	16, 663
Carpenters	34, 946	37, 434	41, 492	46, 155	47, 935
Electricians	34, 409	35, 435	38, 528	42, 858	44, 511
Ironworkers	10, 329	11, 448	12, 448	13, 846	14, 380
Plumbers-pipfitters	33, 247	34, 345	37, 343	41, 539	43, 141
Sheetmetal workers	17, 069	18, 172	19, 758	21, 979	22, 826
Manufacturing—Metal	58, 956	79, 109	76, 960	72, 354	75, 144
Machinists	23, 711	28, 442	27, 706	26, 047	27, 052
Tool and diemakers	26, 249	31, 644	30, 784	28, 942	30, 058
Patternmakers	2, 886	3, 164	3, 078	2, 894	3, 006
Manufacturing—Nonmetal	18, 496	21, 184	22, 570	24, 507	25, 452
Compositors	5, 661	5, 932	6, 320	6, 862	7, 127
Pressman	4, 742	5, 296	5, 643	6, 127	6, 363
Lithographers	3, 079	3, 601	3, 837	4, 166	4, 327
Public utilities and transportation	13, 294	9, 597	10, 730	12, 059	12, 524
Electrical workers (P. & L.)	640	991	1, 105	1, 242	1, 290
Linemen	3, 116	2, 422	2, 704	3, 039	3, 156
Carmen	835	1, 321	1, 481	1, 664	1, 728
Trades, services, and miscellaneous	30, 923	36, 079	59, 200	56, 405	58, 580
Auto mechanics	10, 010	12, 458	16, 102	16, 923	17, 574
Auto body builders	2, 623	3, 226	4, 144	4, 907	5, 096
Maintenance mechanic	7, 729	9, 020	14, 208	15, 060	15, 641
Butcher	4, 761	5, 237	5, 979	6, 543	6, 795
Draftsmen	3, 519	3, 935	5, 920	6, 205	6, 444
Mining	2, 601	2, 979	3, 330	3, 501	3, 636
Total	289, 000	331, 000	370, 000	389, 000	404, 000

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[1] Selected occupations are listed under industry in which the majority of apprentices are employed and the figures represent the number of apprentices in training during the year (number at the beginning of the year plus accessions during the year).

An item over which we have no control in the Department is Federal unemployment benefits and allowances. This activity provides for payments to Federal employees, payments to ex-servicemen, and trade adjustment assistance. For fiscal year 1972 the Department has requested and the committee has approved $274,500,000 for this program. This figure is $42,568,000 below the appropriation for 1971. However, as has become the rule, the budget estimate is far below the amount currently estimated to be needed for this service in fiscal year 1972. The Department has stated that it may be as much as $250 million to $275 million short.

Grants to States for unemployment compensation and employment service; administration has requested $806 million. The committee has allowed this amount an increase over 1971 of $62,500,000. These funds will again be derived from the employment security account of the unemployment trust fund. The increase is largely mandatory, with an increase of $29 million in the contingency fund.

LABOR-MANAGEMENT SERVICES ADMINISTRATION

Next we have the Labor-Management Services Administration. The request of $22,798,000 for this activity was approved over last year's appropriation of $4,809,000. The majority of the increase over last year is for the implementation of the standards-of-conduct provisions of Executive Order 11491 which vests in the Assistant Secretary for Labor-Management very broad responsibilities in the field of Federal labor-management relations.

The committee allowed the full request of $81,391,000 for the Workplace Standards Administration, an increase over the 1971 level of $23,170,000. Of the increase approximately $2.7 million is for mandatory costs; by far the largest part of the increase is approximately $14.8 million for implementation of the Occupational Safety and Health Act which became effective last April 28. Therefore, 1972 will be the first full year of operation. This $14.8 million can hardly be considered an optimal level of funding, however, when one considers that this appropriation will provide for a maximum of 1,082 employees, administrative and supervisory as well as compliance officers, and there are 4.1 million workplaces estimated to be covered by the act.

The Department requested $90 million for Federal workmen's compensation benefits which the committee allowed, however the Department indicated this is another uncontrollable budget item that is seriously underestimated in the budget. The committee was told that an additional $50 million will quite possibly be required to cover all expenses during fiscal year 1972.

The Bureau of Labor Statistics requested $37,636,000 an increase of $9,540,000 above the fiscal year 1971 level. The committee allowed the Bureau $35,500,000 a reduction of $2,136,000 below the request and an increase over 1971 of $7,404,000. The Bureau proposed a budget amendment of $2,625,000 but gave no specific explanation for the amendment, therefore, the committee allowed only a small increase included in the bill of $489,000.

Of the increase for the Bureau of Labor Statistics, $2,676,000 is for the revision of the Consumer Price Index to bring it up to date with changing buying patterns and other factors to improve its accuracy. Also, the committee will expect the highest priority be given to statistics having to do directly with the construction industry where there is a clear need for more data.

Moving on to the Bureau of International Labor Affairs, the Bureau requested and received from the committee an increase over the 1971 appropriation of $356,000 for salaries and expenses bringing their 1972 bill to $1,996,000. The increase is for mandatory salary costs.

The special foreign currency, which comes under the Bureau of International Labor Affairs, requested $525,000 for fiscal year 1972 an increase over 1971's level of $450,000. The committee allowed the Bureau for this activity $100,000 a reduction from the request of $425,000. The committee was not favorably impressed with regard to the value of activities that were proposed to be funded by the increase. The committee did, however, increase the 1971 appropriation by $25,000.

The Office of the Solicitor requested $7,851,000 for fiscal year 1972. The committee bill includes $7,694,000 from general funds and authorizes a transfer of $157,000 from the unemployment trust fund, which in essence brings the committee bill to the level requested by the Department. The 1972 bill for this activity is an increase of $1,295,000 over 1971. The increase is for mandatory expenses and an additional 12 positions in the field offices.

Finally we come to the last section of the Department of Labor, the Office of the Secretary which has requested $11,082,000, the committee bill allows for $10,567,000 from general funds and authorizes a transfer from the unemployment trust fund of $615,000 which brings the total allowance of the committee to $11,182,000. An increase over the Department's request of $100,000 and an increase over the 1971 level of $166,000. The $100,000 increase is earmarked for the President's Committee on Employment of the Handicapped which is funded in this appropriation.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Under title II of H.R. 10061, we have appropriations for the Department of Health, Education, and Welfare. Your committee has tried to fund every worthwhile project here, while keeping the overall budget picture in perspective.

HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

MENTAL HEALTH

The $581,201,000 we have provided for mental health under the health services and mental health administration item is an increase of $192,629,000 over the comparable 1971 appropriation—a 50-percent increase over last year.

The original budget request was amended by the administration to include $7 million for programs to combat alcoholism, and $67 million for the new drug abuse control initiative, and to this your committee added additional increases amounting to $81,750,000. These increases I will identify as I discuss the individual mental health items.

MENTAL HEALTH RESEARCH

For mental health research, your committee provided $120,459,000, the amount of the budget request. This is an increase of $3,286,000 over the comparable 1971 appropriation.

Of the $120 plus million for research, $92,400,000 will go into the grant program, an increase of $1.8 million over last year.

There are two major types of grants in this program: regular research grants, and hospital improvement grants.

The regular research grants are awarded for behavioral, clinical, psychopharmacology and applied research as well as clinical research centers and areas of special interest such as alcoholism, drug abuse, violence, early child care, minority studies and services development research.

The hospital improvement program provides grants to State mental hospitals for projects which provides immediate improvement in the care, treatment, and rehabilitation of patients.

In both programs, the grants go to investigators affiliated with hospitals, academic and research institutions, and other nonprofit organizations in the United States. Under very special circumstances, grants may be awarded to foreign institutions for research in areas of top priority.

Small grants limited to a maximum of $6,000 may be awarded for a period of 1 year for pilot studies or for exploration of an unusual research opportunity.

In fiscal year 1971, 1,527 regular research grants and hospital improvement grants were supported with special emphasis given to research into the causes and prevention of alcoholism, narcotic addiction, and drug abuse.

MENTAL HEALTH MANPOWER DEVELOPMENT

The budget request for mental health manpower development was $3,050,000 below the comparable appropriation level for 1971. Reflecting reductions in general practitioner and psychiatry training grants and fellowships.

Your committee, however, disagreed with the administration's proposal to discontinue the psychiatric training program, and restored $6,750,000 to this budget item, making its total figure $126,415,000. This is $4,233,000 more than the comparable 1971 appropriation, and $6,750,000 more than the budget request.

Although the committee did restore these funds, I personally feel that the administration's arguments have a great deal of merit. The National Institute of Mental Health has provided, for many years, grant support to public and private nonprofit institutions to assist in the establishment, expansion, and improvement of programs to train physicians to be psychiatrists. Grants provide funds to defray teaching costs and supply trainee stipends for residents enrolled in the training programs. Funds were first made available for the training of psychiatrists in 1947 and 22 grants were made, providing for 69 residency stipends. A large number of psychiatric residents not on NIMH stipends have also benefited from the institutional support of the teaching costs included in the residency training grants. Initially all NIMH residency support was for basic residency. As specialized programs in child psychiatry developed, support for this emerging subspecialty was included in the basic grant.

The NIMH also makes grants to medical schools, hospitals, and clinics approved for psychiatric residency training, for support of research training programs designed to increase the number of research psychiatrists. This program, begun in 1959, was intended to develop a greater number of psychiatrist investigators capable of conducting basic and clinical research in biological and psychological spheres which may lead to more effective treatment of mental illness and a better understanding of the underlying factors in mental health.

The 1972 budget's proposed decrease of $6,700,000 for psychiatric residency training represented what the administration termed "the first step in reforming the present system of Federal support for manpower training efforts." They told us that the wide array of unrelated and narrowly targeted programs would be streamlined to provide Federal grant support in a way that would add greater stability and flexibility to the training effort by providing future support on an institutional capitation basis. Through this effort, they said, the medical community would be able to establish priorities and provide training on the basis of national need.

Psychiatric residency training, we were reminded, is the only federally funded clinical residency program—the only one—and it was initiated to provide an incentive for physicians to enter this field when there were only 3,000 phychiatrists in the country. The goal of the program at that time was 12,000 psychiatrists—today there are 25,000. This is not to say, of course, that these 25,000 completely fill the need, or that it is not necessary to train more. It is to say, however, that we can justifiably ask if this type of residency training can or should any longer uniquely qualify for Federal support.

I think my colleagues might be interested in what Dr. Bertram S. Brown, Director of the National Institute of Mental Health, had to say about this during our hearings in April:

> Dr. BROWN. Let me give the rationale that has to be dealt with on this issue.
>
> When the program to support psychiatric trainees and residents was first started, we had a situation in this country in which psychiatrists were called "alienists," not even called psychiatrists and there were less than 3,000 of them. We now have 26,000 psychiatrists, well over half of whom received direct Federal assistance.
>
> The question is whether or not this program has seen its time, or whether we have actually trained enough psychiatrists.
>
> Secondly, no other medical specialty receives Federal support for residency training. You do not get this for internists, surgeons, orthopedists. This is the only speciality so favored.
>
> Third is a very important thing which is very much like the question you asked me, sir, on the construction funds. It is very serious. As more funds become available for general health training, we hope that psychiatry and mental health will get their fair share. Now that they have grown up and are of age, we hope that resources will become available through more generalized institutional support on an enrollment basis.
>
> The last reason given is that we are using Federal funds to train many men who go out into private practice. It is a fair question to ask whether or not Federal funds should be used to train people who then go into the private sector and do quite well financially, as you know. Those are the reasons for the reduction, sir. (Page 134, Part II.)

MENTAL HEALTH STATE AND COMMUNITY ASSISTANCE—COMMUNITY HEALTH CENTERS

The administration's budget request for this item was $105,100,000 for staffing grants, $5 million over the comparable 1971 appropriation. However, no funds were requested for construction grants.

Staffing grants are awarded to assist in the establishment and operation of community mental health centers in areas designated by State mental health authorities as "catchment areas"—geographical areas containing between 75,000 and 200,000 people among whom there is to be a coordinated, comprehensive system for providing mental health care. Grants are awarded on a project basis to eligible centers for partial support of staffing costs of professional and technical personnel. They are, at the same time, awarded on a matching basis with the percentage of Federal support varying, depending on whether the catchment area has been designated a "poverty" area.

These grants provide assistance to enable the community to initiate new or improved mental health services and make them available while longer term sources of financial support are being developed. With the 52 new staffing awards made in 1971, the number of funded centers stands at 450, serving an estimated population of 61 million people. Staffing grants are made on an 8-year basis at a decreasing Federal matching percentage with special higher rates for the poverty areas.

During the hearings on this item, the Department outlined their policy of making grants of staffing funds only to those centers that have received Federal funds for construction. This policy is unfair to communities which have constructed facilities with their own funds. In my own State of Illinois, for example, we have gone ahead with construction of community health centers on our own initiative, using non-Federal money, and to restrict staffing grants as the administration proposed would, in effect, penalize our people who have had enough concern to go ahead on their own.

The administration's budget would have provided funds for 42 new staffing grants in 1972, but your committee was advised that there are some 65 centers which have been approved for such grants, and have raised the required matching money at the non-Federal level. Therefore, your committee has included in this bill an increase of $30,000,000 above the budget for staffing grants, and have specified that we expect these funds to be made available to all eligible centers without regard to how their construction was financed.

As to construction grants, we were advised by administration spokesmen during the hearings that the policy decision of more than 2 years ago to phase out this program had not changed. Hill-Burton funds for construction are available under title VI of the Public Health Service Act, we were told, and no funds from previous years would carry over into 1972 for the construction grant program, as happened last year. Some 34 new construction awards were made in fiscal 1971 with the $27.7 million available from 1970.

Your committee, however, decided to keep this program going in fiscal 1972 with an appropriation of $10,000,000.

MENTAL HEALTH STATE AND COMMUNITY ASSISTANCE—NARCOTIC ADDICTION AND ALCOHOLISM PROGRAMS

For narcotic addiction and alcoholism programs, the committee bill provides $70,193,000, which is $25 million over the budget request, and $48,598,000 over the comparable 1971 appropriation.

These funds go for grants and contracts, for training, development of materials relating to drug abuse, for detoxification services and for support of community treatment facilities. The amount provided will support 16 centers in operation last year and will establish seven new centers. In addition to these funds, of course, is the $67 million budget amendment for programs to combat drug abuse, which I will discuss in more detail in a moment.

In the budget request, the administration asked for money to fund all aspects of last year's Comprehensive Alcohol Abuse Act except for the formula grant provision. The funds they requested provided a $21 million increase for alcoholism programs. The committee approved the request, and in addition, provided an extra $25 million to be used specifically for formula grants.

During the hearings, Dr. Brown, the director of NIMH, provided for our hearing record a statement which I felt did a good job of outlining the Institute's efforts and the impact of the new law. He said:

> IMPACT OF THE COMPREHENSIVE ALCOHOL ACT
>
> (PUBLIC LAW 91-616)
>
> Alcohol abuse and alcoholism are problems of immense and tragic proportions in the U.S. today. It is estimated that there are 9 million alcoholics and problem drinkers in the Nation. A total of 36 million Americans or approximately 1 in every 6 is adversely affected. Alcoholism and alcohol related problems cause more than 85,000 deaths annually. More than 50 percent of persons age 15 and older killed on the highway each year have alcohol in their blood at the time of the accident. One-third of all deaths reported as suicide are known to be alcohol related, and one-half of all homicides are also alcohol related. In conservative economic terms alcoholism costs the Nation over $15 billion per year, $10 billion in lost work time; $2 billion in health and welfare costs; $3 billion in traffic accident costs.
>
> In response to the enormity of the alcoholism problem in the U.S., Congress passed the Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment and Rehabilitation Act of 1970 (Public Law 91-616),

which established a National Institute on Alcohol Abuse and Alcoholism (NIAAA) within the NIMH to deal with alcohol-related problems. For the most part this act incorporates into one legislative authority previously authorized programs. The one exception is part A of title III which authorizes for the first time, formula grants to States. This legislation creates a new national interest and heralds the beginning of a more meaningful Federal effort in the field of alcoholism.

The NIAAA will serve as a focal point for all DHEW activities in the field of alcoholism, pulling together existing programs and combining them with new undertakings into one coordinated effort. The various NIAAA programs and legislative authorities are:

(1) Using the authority of the Community Mental Health Centers Act as amended by P.L. 91–616, the NIAAA will continue to provide Federal support on a matching basis for staffing grants to local communities to develop and expand services for the prevention and treatment of alcoholics. Funds will also be provided for initiation and development grants, and direct grants for special training, field trials, and demonstration projects.

(2) The Public Health Service Act (sec. 301) serves as the basis for the award of *research grants in the area of alcoholism*. Through these grants, NIAAA seeks answers to a range of questions about the nature of alcoholism and the implementation of these findings in treatment and prevention programs.

(3) The Public Health Service Act (sec. 303) also provides authority for a *training grants program* under which the NIAAA endeavors to increase the supply of skilled personnel in the field of alcoholism.

(4) The *direct operations* budget of NIMH provides for the salary and related costs of the staff who administer the programs outlined above, and for contract awards to finance surveys, field trials, and developmental projects aimed at seeking alternatives to the current methods of coping with the problems of alcohol abuse.

(5) In addition to establishing the NIAAA and amending the Community Mental Health Centers Act, the Comprehensive Alcohol Abuse and Alcohol Prevention, Treatment and Rehabilitation Act of 1970 authorized *a new program of formula grants to States* to assist them in planning and establishing programs for the prevention and treatment of alcohol abuse and alcoholism. This new act also authorizes grants and contracts to public and private non-profit agencies to conduct demonstration projects, to provide education and training and to provide programs and services for the treatment of alcoholism in cooperation with schools, courts, penal institutions, and other public agencies.

In terms of impact, the increased alcoholism effort outlined above is intended to improve treatment services for alcoholics in States and communities; treat and rehabilitate employees with drinking problems in Government and private industry; modify public attitudes toward alcoholism through education and public information; train professional personnel; and conduct research on the causes and prevention of alcoholism.

In summary, the Institute's new alcoholism efforts represent a comprehensive, integrated program under various legislative authorities.

MENTAL HEALTH STATE AND COMMUNITY ASSISTANCE—MENTAL HEALTH OF CHILDREN

As is noted in our committee report, the last Congress overwhelmingly passed legislation authorizing a program for child mental health services. In order to initiate this important new effort, we provided an appropriation of $10 million which we trust will be put to good use during the new fiscal year.

MENTAL HEALTH STATE AND COMMUNITY ASSISTANCE—DIRECT OPERATIONS

This activity supports the staff which administers the alcohol community assistance programs, the community mental health centers program, the hospital improvement and hospital staff development programs, and the Mental Health Study Center. For these purposes, the committee bill provides $6,459,000, the amount of the budget request, and $2,981,000 above the 1971 comparable appropriation.

This increase in funds was requested primarily for 45 new positions to administer an expanded alcoholism program, funds for contract awards to finance surveys, field trials, and developmental projects aimed at seeking alternatives to current methods of coping with alcohol abuse.

MENTAL HEALTH STATE AND COMMUNITY ASSISTANCE—DRUG ABUSE INITIATIVE

As part of the program the President announced in his omnibus drug control message, the committee has provided the full budget request of $67 million for an expanded effort to combat drug abuse.

Basically, the drug abuse initiative would be used as follows:

First, research: $12 million for research activities concerned with understanding how drugs work in the human system and to develop improved means of treatment, such as long-acting substitutes for narcotics and other kinds of agents that could be used to "block" the effects of narcotics.

Second, manpower development: $4 million to establish two regional training centers to produce a broad spectrum of people especially equipped to handle problems of drugs and drug addicts. The funds will also be used to develop educational materials for use in these centers and elsewhere.

Third, community assistance: $50 million to provide a broad variety of narcotic addiction and drug abuse treatment services to meet the general and particular needs of communities across the Nation. Emphasis in the first year would be placed on extending opportunities for treatment and rehabilitation to those drug abusers and addicts, particularly heroin addicts, who have a strong motivation for recovery, but for whom community services are not available. Existing mental health and health delivery systems, such as community mental health centers and general hospitals, would be supplemented to include narcotic and drug abuse facilities where needed, and in the absence of systems which could be supplemented to meet these needs, independent narcotic and drug abuse facilities would be created.

Treatment facilities in all cases would be established with a view toward maintaining maximum flexibility by tailoring the range of services and the methods employed to the carefully assessed needs of the communities to be served. Within this basic framework, there would be, for example, a special effort to provide treatment services in areas where there is a heavy concentration of heroin usage among youth.

Fourth. The balance of $1 million is for necessary staff related to this effort.

MENTAL HEALTH—REHABILITATION OF DRUG ABUSERS

Here your committee has provided $21,323,000, the amount of the budget request and $739,000 over the comparable 1971 figure.

This activity provides support for the NIMH staff who administer the narcotic addiction community assistance grant program and funding for the treatment and rehabilitation of narcotic addicts under contract arrangements with community agencies and in the clinical research centers at Fort Worth, Tex., and Lexington, Ky.

The increase here is mostly built in—that is, pay costs—along with some adjustment resulting from transfer of the Fort Worth Hospital to the Department of Justice.

MENTAL HEALTH—PROGRAM SUPPORT

This activity includes funds for the National Institute of Mental Health regional staff, and consists entirely of pay and expenses. The committee has provided the full request of $14,252,000, which is $792,000 above the comparable 1971 figure.

ST. ELIZABETHS HOSPITAL

The committee bill provides for $23,144,000, the amount requested by the Department. This brings the total obligation for fiscal year 1972 to $49,709,000, an increase over 1971 of $4,382,000.

Of the $4,382,000 increase requested, $2 million is built in. The other $2,382,000 is requested for 300 new permanent positions said to be needed for necessary programmatic changes including the initial implementation of the unit system of organization which has been widely adopted by other psychiatric hospitals, and for some equipment replacement.

HEALTH SERVICES RESEARCH AND DEVELOPMENT

For health services research and development the committee has allowed the request of $62,070,000, an increase of $4,322,000 above the amount appropriated for 1971. The request includes an increase of 16 positions, three for management and 13 for increased program effort in the development of community-wide health services data systems.

The bulk of the net requested increase—$4,392,000—would go for grants and contracts—$3,600,000—of which $1,600,00 would be used to support R. & D. leading toward a cooperative Federal-State-Local Health Services Data System to be carried out in cooperation with the National Center for Health Statistics.

This request would also support research and development of up to 24 health maintenance organizations—$2 million.

Health maintenance organizations concentrate on keeping people healthy through emphasizing preventive medicine, early detection and treatment, and educating the public to apply health maintenance principle. During the hearings, Dr. Sanazaro, Director of the National Center for Health Services Research and Development had this to say about HMO's:

> In the administration's commitment to HMO's there are a number of unanswered problems which most people in the field are very much aware of. For example, we are

depending upon the HMO to draw in private capital as a way of energizing the expansion of the HMO movement so that more people will get services. This, therefore, has to be documented to see whether in fact private money will be attracted by the HMO so there will not be continuing dependence upon the public sources.

There is question as to whether HMO's will enroll populations that give them an unfair economic advantage. This has to be monitored over time. There will be the question as to how appropriately one can request information from basically private oragnizations that will reflect upon the quality of the care they are providing. . . . There are legal and market factors that need to be investigated. The assumptions that have been made about the incentives to the public to join them, public satisfaction, all of these are matters that require deliberate investigation. That is the reason for our request, (of $2,000,000 to enable monitoring of up to 24 HMO's.)

COMPREHENSIVE HEALTH PLANNING AND SERVICES

The total amount in the bill includes $312,753,000 and authorization to transfer $4,519,000 from the social security trust funds. This amount is $10,000,000 above the budget request for direct appropriations and the same as the budget request with regard to trust fund transfers, an increase of $61,077,000 above the amount appropriated for 1971.

The committee has specified that $16 million of this increase shall be for the new venereal disease control program proposed by the Director of the Center for Disease Control. The committee has included in the bill language, citation to the Communicable Disease Control Amendments of 1970—section 317 of the PHS act—so that there will be no doubt that the increase for project grants is within the authorization cited in this paragraph of the bill.

At this time I would like to submit the committee report breakdown for comprehensive health planning and services.

CHPS—PARTNERSHIP FOR HEALTH—PLANNING GRANTS

There are two kinds of grants under planning grants—formula grants and project grants.

Activity	1971 comparable appropriation	1972 budget estimate	1972 bill
Comprehensive health planning and services:			
1. Partnership for health:			
(a) Grants:			
(1) Planning	$22,000,000	$25,000,000	$25,000,000
(2) Formula	90,000,000	100,000,000	90,000,000
(3) Project	108,813,000	133,713,000	153,713,000
Subtotal	220,813,000	258,713,000	268,713,000
(b) Direct operations	8,234,000	10,919,000	10,919,000
Subtotal	229,047,000	[1] 269,632,000	279,632,000
2. Migrant health	$15,062,000	$18,101,000	$18,101,000
3. National Health Service Corps	3,000,000	[2] 10,000,000	10,000,000
4. Medical care standards and implementation	6,691,000	7,068,000	7,068,000
5. Program direction and management services	2,395,000	2,471,000	2,471,000
Total	256,195,000	307,272,000	317,272,000
Less trust fund transfer	−4,519,000	−4,519,000	−4,519,000
Total appropriation	251,676,000	302,753,000	312,753,000

[1] Includes $15,000,000 budget amendment for family health centers, $15,000,000 budget amendment for rodent control, and $10,000,000 budget amendment for VD and measles.

[2] Budget amendment.

PARTNERSHIP FOR HEALTH FORMULA GRANTS

Partnership for health formula grants are awarded to assist States in establishing and maintaining adequate public health services, The grants provide support for development and expansion of health services to meet the health needs of the citizens of each State in accordance with priorities and goals established by the States.

Grant allocations are based on a State's population and per capita income with the restriction that States make available at least 15 percent of the funds for the support of mental health activities, and at least 70 percent for the provision of health services at the local level. The Federal share ranges from one-third to two-thirds.

I am inserting a table showing what each State would receive in 1972 formula grants.

The committee allowed $90,000,000 for formula grants, a decrease from the request for this activity of $10,000,000. This $10,000,000 decrease was shifted to project grants to be used for the new venereal disease control program.

PARTNERSHIP FOR HEALTH PROJECT GRANTS

Project grants are awarded to assist public or nonprofit private agencies to identify health needs of an area, inventory resources, establish priorities and goals, and recommend courses of action. Federal funds ordinarily comprise 50 percent of the project with remaining funds coming from the local area. However, Federal funds may go as high as 75 percent if the area is all or partially designated as one of poverty.

During 1970 and 1971, the number of areawide agencies increased from 93 to 137. The number of agencies which have finished organizing and have launched active planning programs has increased to 36 and was expected to reach 93 by the end of the fiscal year, June 30.

COMPREHENSIVE HEALTH PLANNING AND SERVICES

ALLOCATIONS OF GRANTS FOR COMPREHENSIVE PUBLIC HEALTH SERVICES [1]

	1970 actual	1971 allocation	1972 estimate
Alabama	$1,831,500	$1,787,800	$1,723,400
Alaska	388,900	388,100	394,100
Arizona	930,900	918,600	933,600
Arkansas	1,179,100	1,143,500	1,111,900
California	6,581,200	6,539,900	6,662,100
Colorado	1,019,800	1,030,300	1,063,300
Connecticut	1,232,600	1,233,000	1,237,600
Delaware	474,200	476,200	477,700
District of Columbia	550,200	543,600	530,700
Florida	2,572,200	2,561,700	2,675,100
Georgia	2,099,300	2,074,400	2,023,400
Hawaii	565,000	569,000	555,100
Idaho	573,800	580,200	572,900
Illinois	3,849,000	3,839,900	3,845,300
Indiana	2,065,300	2,062,300	2,077,000
Iowa	1,270,100	1,278,200	1,284,600
Kansas	1,109,300	1,111,700	1,090,500
Kentucky	1,598,800	1,569,700	1,599,200
Louisiana	1,791,000	1,774,700	1,743,800
Maine	674,100	670,400	673,700
Maryland	1,566,700	1,540,500	1,580,100
Massachusetts	2,104,300	2,081,400	2,139,800
Michigan	3,258,200	3,213,600	3,223,600
Minnesota	1,585,900	1,587,000	1,610,800
Mississippi	1,388,300	1,365,200	1,302,400
Missouri	1,965,300	1,938,500	1,951,800
Montana	559,000	557,000	557,600
Nebraska	809,200	811,400	812,600
Nevada	448,700	446,200	452,600
New Hampshire	549,400	551,900	559,500
New Jersey	2,611,600	2,597,300	2,597,100
New Mexico	703,000	689,600	693,200
New York	6,151,900	6,063,300	6,011,200
North Carolina	2,359,800	2,337,200	2,272,700
North Dakota	547,300	536,900	533,900
Ohio	3,981,300	$3,949,000	$3,921,000
Oklahoma	1,266,300	1,263,400	1,264,800
Oregon	1,013,900	1,009,000	1,026,300
Pennsylvania	4,387,300	4,360,800	4,351,000
Rhode Island	611,200	607,300	617,500
South Carolina	1,440,600	1,422,200	1,364,500
South Dakota	554,300	546,900	551,600
Tennessee	1,911,400	1,887,800	1,846,800
Texas	4,430,700	4,389,800	4,376,200
Utah	699,500	698,300	702,500
Vermont	455.600	458.700	461.600
Virginia	2,010.700	1,995,300	1,979,200
Washington	1,389,700	1,428,500	1,442,500
West Virginia	1,041,600	1,042,200	1,017,200
Wisconsin	1,776,700	1,767,800	1,822,700
Wyoming	$412,400	$413,300	$418,700
Guam	324,900	351,500	307,700
Puerto Rico	1,565,500	2,063,300	2,109,500
Virgin Islands	265,700	265,700	265,700
American Samoa	265,700	265,700	265,700
Trust Territory of the Pacific Islands	320,100	443,300	453,400
Total	89,100,000	89,100,000	89,100,000
Evaluation Amount [2]	900,000	900,000	900,000
Grand Total	90,000,000	90,000,000	90,000,000

[1] Allocations are awarded to States based on population and per capita income with a minimum program requirement.

[2] Authorized by Public Law 91-296.

The committee bill for project grants is $153,713,000, an increase over the budget request of $20,000,000. And an increase over the 1971 appropriation of $44,900,000.

Providing the additional funds requested will mean that there will be approximately 151 areawide agencies with 24 in the organizational stage and 127 fully engaged in planning the organization and delivery of health services in their communities during this fiscal year.

A third type of assistance under this program consists of project grants for training, studies, and demonstrations for health planning. In 1971, grants to public and nonprofit organizations were used to train 388 students in 21 graduate programs to develop health planning skills, and to support 10 continuing education programs aimed at "retreading" individuals already involved in health planning.

In 1972, training grants will support over 400 students in 18 graduate programs, plus 10 education programs reaching 600 individuals in health planning, as well as consumer education programs to reach 1,500 people.

Of the $20 million increase provided

for project grants, $16 million is earmarked specifically for the new venereal disease control program designed to prevent or treat a million cases of venereal disease in the next 2 years.

Under this program, it is proposed that:

First. Assistance to be awarded to the States and large cities to provide, for the first time, support for a nationally coordinated gonorrhea control program which will permit utilization of emerging technology in the management of this disease, and enable the States to carry out, at the optimum level, proven measures for the diagnosis, treatment, and prevention of syphilis;

Second. Immediate steps to be taken to insure that all federally supported programs providing health care adopt a policy of routine detection and treatment of patients with venereal disease;

Third. States be urged to adopt legislation requiring prenatal examinations for the presence of gonorrhea; and

Fourth. States be urged to implement measures to assure complete reporting of venereal disease by physicians and reporting of reactive tests for venereal disease by laboratories.

Support of an adequately financed venereal disease control program has been strongly advocated by the Association of State & Territorial Health Officers, the American Venereal Disease Association, the American Public Health Association, the American Legion, the National Congress of Parents & Teachers, and the General Federation of Women's Clubs. The American Social Health Association has long supported increased appropriations for gonorrhea and syphilis control.

I cannot say I am altogether reluctant in taking pride in being so visible year after year in the matter of trying to bring the rate of venereal disease down.

Two years ago, when we marked up our bill, I offered an amendment to add a half million so we could get going on this whole program. Last year we had to put in $400,000 just to bring it up to what we had in 1970.

So, we have come an awfully long way to get to the point where we can earmark $16 million for a program of such real value, and we hope to see the Department move quickly to really get this operation moving.

CHPS—MIGRANT HEALTH

The committee allowed the Department's request for migrant health of $18,101,000, an increase over 1971 of $3,039,000.

Projects supported under this activity provide family health services to migrant agricultural laborers, seasonal farmworkers and their families. The grants finance a wide range of personal health services.

There are currently 131 ongoing migrant health projects. The $3 million increase would provide $2,400,000 for the support of five new projects and $600,000 for expansion funds for the seven new comprehensive projects funded in 1970.

Completed reports from the last migrant season show an increase in the total number of medical visits over last year ranging from 18 percent in one region to 56 percent in another with a mean increase of about 30 percent.

CHPS—NATIONAL HEALTH SERVICE CORPS

The bill includes $10,000,000 for the National Health Service Corps. This is an increase over the 1971 appropriation of $7,000,000. The request is for 660 positions to carry out the provisions of the Emergency Health Personnel Act of 1970, Public Law 91–623. This act authorized the assignment of personnel to areas with critical health manpower shortages to provide care as well as to encourage health personnel to practice in areas where shortages of such personnel exist.

CHPS—MEDICAL CARE STANDARDS AND IMPLEMENTATION

The committee bill allows the Departments request for medical care standards and implementation of $7,068,000, an increase over the 1971 level of $377,000. The increase is requested to cover built-in items.

The Community Health Service serves as the professional health resources of the Social Security Administration in the medicare program and provides the mechanism for defining and applying standards of quality for providers of service under title XVIII of the Social Security Act. These standards are coordinated with title XIX—Medicaid—to assure the programs are consistent.

During 1972, Bureau of Health Insurance and Community Health Service review teams will evaluate State medicare certification operations, and encourage improved techniques for assessing provider performance. A health facility survey improvement program will also be undertaken. Efforts to correct deficiencies in facilities which receive medicare and medicaid reimbursements will continue.

Maternal and child health—formula grants—$119,650,000: This figure is a $1.8 million change since 1971. This is what was requested in the budget, and the committee did not change it. These grants will be used to first, reduce infant mortality, and second, treat crippled or handicapped children. One-half of the amount goes to States on a population formula and half is reserved for special project grants. The $1.8 million increase will be used for treatment of crippled children.

Maternal and child health—project grants—$90,380,000: This figure is a $7,030,000 increase since 1971. This is the budget figure. The purpose of this program is to provide comprehensive health care to poor and near-poor mothers and children, and the grants are awarded on a 75-percent Federal, 25-percent matching basis. The increase requested will go largely for maintaining the 56 comprehensive maternity and infant care centers at the 1971 level, and for the "Children and Youth" health care services in low-income areas, as well as to expand services in the dental care program.

Maternal and child health—research and training—$21,106,000: This is an increase from the 1971 level of $4,171,000 and is the budget figure. These programs are designed to improve health and medical services to mothers and children through applied research and through training of personnel involved in providing health care and related services for mothers and children, particularly mentally retarded and multiple-handicapped children.

This is under title V, section 511–512 of the Social Security Act and the primary effort under section 511 has been given to support of training in university-affiliated centers for the mentally retarded.

Through section 512, research grants and contracts are made with public and nonprofit institutions of higher learning and private agencies and research groups.

New funds are requested to initiate training for 150 nurse-midwife pediatric nurses and other physicians' assistants—$1,500,000. New funds would improve staffing levels for the existing 19 university-affiliated centers.

Maternal and child health—program direction and management: This section includes a committee figure of $4,477,000, an increase of $394,000 over 1971. This is the budget figure.

This activity provides staffing resources and operating funds essential to implementing program requirements of the Maternal and Child Health Service.

Of the increase requested, $199,000 will be used for child health experts to assist in an expanded review and development effort, and $195,000 is built-in.

As a part of the President's expanded Indian health effort, $750,000 of the total request—$4,477,000—will support project contracts for delivery of health services to Indians.

Maternal and child health—family planning services: Most of the increase under maternal and child health is a $57,763,000 increase for family planning activities. It is expected to fund 131 continuing and expanding projects, compared with 76 last year. It will also support 80 OEO family planning projects to be transferred from that agency, as well as some 127 new project grants, compared with 50 last year.

Approximately 1,560,000 women will be served by all projects funded through 1972 when they are fully operational—this compares with an estimated 700,000 in fiscal 1971.

As part of the President's expanded Indian health effort, the National Center for Family Planning Services will also support project contracts totaling $625,000 in both 1971 and 1972 for the delivery of family planning services to Indians.

For fiscal year 1972, the $57-plus million is intended to provide resources for the National Center for Family Planning Services to carry out its expanded responsibilities under the Family Planning Services and Population Research Act of 1970. This authority was not in effect for fiscal year 1971.

Of the new moneys: $11 million will be for continuation of existing projects; $15 million will be for expansion of well-developed projects; more people can be included; $10 million reflect transferred projects from OEO; $17 million for new activities. Remaining is for increased training, education, and services delivery improvement contracts, training grants program, and for new positions.

In summary, the bill includes in total $326,651,000, for Maternal and Child Health, the amount of the budget request, which is $64,659,000 above the amount appropriated in 1971.

REGIONAL MEDICAL PROGRAMS

The bill includes $82,771,000, an increase of $30,000,000 above the request and a reduction of $28,837,000 below the amount appropriated for 1971. The $30 million increase recommended by the committee, plus the carryover of funds from 1971, will make $115,104,000 available for obligation for regional medical programs.

The regional medical program has accomplished a number of things during the last year or two:

First. National Clearinghouse for Smoking and Health reports that this program has resulted in a substantial reduction in cigarette smoking by adults from 49 million in 1966 to 44,500,000 in 1970 despite the growth of the population. Continued reductions afford the prospect of reducing the total level of medical care needs which now tax our resources.

Second. Approximately 750,000 people in a 15-county area in western North Carolina now have available to them, in their communities, coordinated programs for comprehensive and continued care of stroke patients.

Third. More than 200 operational projects are for patient-care demonstration projects concerned with coronary and other intensive-care activities, expansion and improvement of ambulatory care in neighborhood health centers, clinics' outpatient departments, and the expansion and improvement in extended- and home-care activities benefiting 240,000 patients.

Fourth. This year an estimated 30,000 physicians, or 10 percent of all practicing physicians in the country, will be involved in regional program medical supported training activities.

Fifth. It is estimated that 1,470 hospitals presently participate in or benefit from regional medical programs. This represents 25 percent of all short-term, non-Federal hospitals.

Sixth. Treatment of kidney diseases has made great progress through the program and is operating in targeted areas to achieve maximum geographic area benefit with the least amount of investment.

In addition to the aforementioned basic regional medical programs, this appropriation funds the activities "Technical Assistance and Disease Control." There was an increase of $72,000, which was the request.

This program provides assistance in planning, development and operation of the 55 regional medical programs, and supports work in the areas of kidney disease and smoking. Fund for 1972 would be distributed as follows:

Regionalization (+$33,000)	$2,576,000
Smoking and Health (+17,000)	2,189,000
Kidney Disease (+22,000)	4,118,000

The committee made it imminently clear that it expects the pediatric pulmonary program to be continued in 1972 at not less than the 1971 level.

DISEASE CONTROL

The bill includes $94,425,000, an increase of $3,000,000 above the request. This appropriation covers a broad range of activities in connection with the prevention and control of communicable diseases, including the Foreign Service Quarantine Service.

LABORATORY IMPROVEMENT

The committee funded this item at the budget request of $7,788,000 which provides training, consultation, reference services, et cetera, to upgrade clinical laboratories. Last year the licensure program included some 450 clinical laboratories and it is hoped that an additional 150 laboratories which are engaged in interstate commerce can be included this year.

OCCUPATIONAL HEALTH

The committee allowed $25,216,000 for this item as requested in the budget.

This program provides research and technical service to reduce the high economic and social costs of workers illness and injury through prevention and control of occupational hazards and disease.

The budget amendment of $8,435,000 would provide minimal funding for implementation of the Occupational Safety and Health Act of 1970, Public Law 91-596. Research grants are awarded to universities and nonprofit institutions on a 95-percent Federal, 5-percent grantee matching basis. Training grants, with no matching requirement, are also awarded.

In 1971 approximately 90,000 underground coal miners received medical examinations by the Public Health Service and its contractors under provisions of the Federal Coal Mine Health and Safety Act of 1969.

With funds for 1972, medical examination of the 25,000 surface coal workers will be completed, and final development and refinement of the special supplementary examinations given to 10,000 coal workers will be completed.

RADIOLOGICAL HEALTH

The committee met the budget request of $11,574,000 for radiological health, an increase of $1,197,000 over 1971. The main purpose of the program is identification and reduction of unnecessary radiation through standard setting and enforcement, and through research and training programs. The studies include such items as microwave ovens, colored televisions, X-rays, et cetera. Beginning in fiscal year 1973, the program will be transferred to the Food and Drug Administration.

COMMUNITY ENVIRONMENTAL MANAGEMENT

This item totals $8,875,000. Included in the budget request was a $2,000,000 item to carry out the provisions of the Lead-Based Paint Poisoning Prevention Act. The administration intends to implement this Act in fiscal year 1972 through several means.

This amount will be used to make a more concerted effort to define the nature and extent of the national problem of lead-based paint poisoning.

Through contracts with local governments, the Bureau of Community Environmental Management will: conduct screening of a statistically valid sample of children for lead intoxification, examine dwelling units for lead-base paint and improve medical screening methodologies as well as nondestructive methods for detection of lead-based paint.

A total management effort will be pilot-tested in three communities including: first, education intended to communicate the health hazard among children to parents, educators, and local officials; second, large scale screening of potential victims; third, marshaling of health service resources; fourth, follow-up of identified cases; fifth, detection of lead-based paint on surfaces of dwelling units, and sixth, development of a policy that affords to the extent possible the training and employment of the residents of lead-belt communities.

The Bureau will also carry out the provision of the act under title IV which prohibits the use of lead-based paint in dwellings constructed or rehabilitated with Federal assistance.

The Department will also continue to give support to ongoing projects under existing legislation in Chicago, New York, New Orleans, and Norfolk, totaling approximately $150,000.

Since the committee recognizes that it is difficult to estimate just what a new and innovative program like this will cost, it appeared to the committee that the Department's estimate was a conservative one and it added another $3,000,000 to the bill for this program.

MEDICAL FACILITIES CONSTRUCTION

The bill provides $266,704,000 or an increase of $41,350,000 over 1971 and an increase of $127,827,000 over the budget request. The committee restored a number of items to 1971 levels though the budget proposed decreased amounts. Distribution of the funds requested for construction grants in the administration's budget would be as follows, compared with the 1971 budget:

[In thousands of dollars]

	1971	1972	Subcommittee
Hospitals and public health centers	16,400		16,400
Long-term care facilities	20,800		20,800
Outpatient facilities	70,000	70,000	70,000
Rehabilitation facilities	15,000	15,000	15,000
Modernization	50,000		50,000
Total	172,200	85,000	172,200

The 1972 budget proposed grants for outpatient and rehabilitation facilities because they are first, most critically needed, and second least able to cover construction costs through fees and third-party payments. The 1972 budget request, together with unused funds carried over from 1971, will provide loans to generate $1 billion worth of hospital construction in 1972. Largely through the guaranteed loan program.

The committee restored a total of $87,200,000 for hospitals and public health centers, long-term care facilities, and for modernization but exact allocation of these funds among these three programs is left up to the administration.

The committee agreed with the department that funds for direct loans be maintained at the 1971 level of $30,000,000. Construction of health care facilities owned by public agencies which are precluded by local laws from borrowing mortgage funds from commercial lenders, is supported by this program.

The Director of Health Care Facilities Service testified during the hearings—part 2, page 59—to the effect that it is appropriate that capital financing of inpatient facilities utilize private investment funds through loans with Federal loan guarantees. Hospitals and other inpatient facilities generate, through user charges and third-party payments, income to be used for operating expenses and capital improvements. Some of these facilities, however, are owned by public agencies which are precluded by State or local laws from borrowing capital funds commercially. In order to provide these institutions with financing supported and subsidized in a manner similar to that available to private nonprofit facilities, loans would be made by HEW in exchange for commitments in the form of bonds or mortgages. Concurrent with the transactions between HEW and the public agency, the bonds would be sold by HEW to the Federal National Mortgage Association and other investors. Proceeds from these sales would be used by HEW to provide funds for the direct loans. No appropriation of Federal funds is required; however, it is necessary that contract authority of $30 million be authorized.

MEDICAL FACILITIES CONSTRUCTION—INTEREST SUBSIDIES

Under the redirected Hill-Burton program, Federal support for construction of inpatient health facilities such as hospitals and long-term care centers would be available through guaranteed loans with interest subsidies for private, nonprofit hospitals and direct loans for facilities owned by public agencies.

The committee included the request for this item of $20,300,000, an increase of $15,300,000 over 1971. The committee feels that if this program gets started, the amount in the bill plus a $5,000,000 carryover from 1971 will support interest subsidy payments on up to $1 billion worth of mortgage loans.

MEDICAL FACILITIES CONSTRUCTION—DISTRICT OF COLUMBIA MEDICAL FACILITIES

The committee also included $40,627,000 for District of Columbia medical facilities though no request was made for funds in the 1972 budget request. This reflects an increase of $25,627,000 over the 1971 appropriation.

The District participates in the guaranteed loan and interest subsidy Hill-Burton programs. In view of this and the great need for aid in areas such as California after the earthquake, the administration felt it was not rational to ask for special moneys for a particular area such as the District of Columbia when we had this great balance of demands across the country.

However, as the committee report says on page 17:

> The unique problems of the District of Columbia in raising funds for such things as medical facilities are widely recognized. Among them is the lack of industrial growth that has occurred in most cities the size of Washington and the fact that so many of its people have legal residences elsewhere and make most of their charitable contributions there. There is no doubt of the need for more funds for many of Washington's hospitals. Members of the Committee are personally acquainted with serious problems at Providence, Rogers, Children's and Georgetown U. hospitals. The Committee has added to the bill the full amount of the remaining authorization which will at least partially alleviate these situations.

The District of Columbia Medical Facilities Construction Act authorized the appropriation of $40,052,000 for grants and $40,575,000 for loans. The remaining authorization, after deducting appropriations already made, is $24,052,000 for grants and $16,575,000 for loans.

PATIENT CARE AND SPECIAL HEALTH SERVICES—PUBLIC HEALTH SERVICE HOSPITALS

Included in the bill is $71,682,000, the amount of the request, and a reduction of $14,223,000 below the amount appropriated for 1971. This reduction was based on a proposal to transfer some or all of the hospitals and clinics for other use. This proposal would effect eight hospitals and 30 outpatient clinics.

However, a continuing resolution will permit the hospitals to continue operation in 1972, and a budget amendment of up to $19.5 million will be transmitted to insure operation until successful transfer of facilities to communities can be effected.

The existing hospitals are serving a declining patient load and a substantial number of military dependents and retired Armed Forces personnel. After hospital transfers, medical care for primary beneficiaries would be maintained through contractual arrangement with local providers of health care.

NATIONAL HEALTH STATISTICS

The committee agreed to the budget request of $15,900,000 which is an increase of $5,557,000 above the amount appropriated for 1971.

Of the requested increase, $446,000 is built in.

$700,000 is requested to begin field work on the national family growth survey initiated in 1971.

An increase of $501,000 is asked to make operational the national family planning reporting system currently in the developmental stages.

An increase of $1,201,000 is requested to provide funds to reduce the existing delays of up to one and a half years in making national vital statistics available to users at local, State, and Federal levels.

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

The committee is providing an indefinite appropriation of $23,196,000, an increase of $3,695,000 over 1971. The increases are built in.

Regarding actual retirement pay, a net increase of 115 officers will result in an estimated total of 1,198 retired officers at the end of fiscal year 1972.

It is estimated that there will be a total of 72 annuitants under the survivors' benefits program as of June 30, 1972.

The dependents' medical care program is designed to provide care to an estimated 118,200 eligible beneficiaries, an increase of 2,800 over 1971. The level of funding requested will allow delivery of health care to this larger beneficiary population. Currently they are anticipating in contract hospitals an average daily patient load of 261, outpatient claims of 8,690, and handicapped cases of 117.

BUILDINGS AND FACILITIES

Unobligated balances from previous year appropriations will be used to complete construction of new facilities, conduct miscellaneous improvements and repairs necessary.

No additional money is being appropriated.

OFFICE OF THE ADMINISTRATOR

The $12,359,000 included in the bill provides for $467,000 in built-in increases. That amount is the same as the budget request.

NATIONAL INSTITUTES OF HEALTH

The comparable 1971 appropriation base for NIH research is $1,166,260,000. The administration's budget estimate for 1972 is $1,291,841,000. The committee bill provides $1,379,722,000—including $100,000,000 for the special cancer research initiative. The committee also added $87,881,000.

The so-called coalition for health figures for 1971 and 1972 were not adjusted for comparability and do not include any of the President's health initiatives.

RESEARCH GRANTS AND CONTRACTS

The committee bill includes $534,117,000 for research project grants, an increase of $29,093,000 over the budget request and $47,456,000 over the 1971 level.

For general research support grants, the bill includes $47,185,000, an increase of $6 million over the budget and $1 million over the 1971 level.

For other special research grant programs, the budget includes $146,000,000, an increase of $7 million over the budget request and $12 million over the 1971 level.

The bill provides $195,171,000 for research contracts, an increase of $8,413,000 over the budget request and $12,178,000 over the 1971 level. These increases are in addition to the $100 million increase for cancer research which has already been enacted as part of the 1971 Supplemental Appropriation Act.

NIH—DIVISION OF BIOLOGICS STANDARDS

The committee bill provides $8,956,000 for this Division, the budget figure. This is an increase of $231,000 over 1971. The Division is responsible for establishing and maintaining standards of quality and safety of all biological products that come within the jurisdiction of the Public Health Service. These products include all vaccines, antitoxins, therapeutic serums, allergenic products, and human blood for transfusion, as well as products prepared from human blood. There are presently 263 biological products licensed, all of which are under constant surveillance and study by the DBS.

The major program objectives of this Division are to keep abreast of the latest research advances and to maintain progress in testing and control techniques. The attainment of these objectives is essential to assure the safety, purity and potency of biological products used for the prevention, diagnosis, and/or treatment of human disease.

The control of hepatitis remains a major challenge in medical virology. In the field of biologics, the disease constitutes a serious risk in the administration of blood and blood products. Transfused blood is known to cause more than 30,000 cases of overt hepatitis and 1,500 to 3,000 deaths every year in the United States.

RUBELLA

Rubella virus vaccine became generally available in the United States in June 1969, and by October 1970, approximately 28 million doses had been distributed in this country. Practical experience with the vaccine since licensure supports investigative data pertaining to vaccine safety and effectiveness.

NIH—NATIONAL CANCER INSTITUTE

The committee bill provides $237,531,000, an increase over the budget of $3,193,000. This is an increase over 1971 of $7,069,000.

Included in the 1971 Supplemental Appropriation was a additional $100 million requested by the President for the Special Cancer Research Initiative, making the total available to the National Cancer Institute in fiscal year 1972 $337,531,000.

HIGHLIGHTS OF PROGRESS IN RESEARCH—CANCER

Several milestone discoveries of 1970, achieved by scientists working with the aid of National Cancer Institute funds, offer the hope of understanding and eventually controlling cancers in man.

The first complete synthesis of a gene was announced in June 1970 by Dr. H. Gobind Khorana at the University of Wisconsin after 10 years of grant support. If, as many scientists believe, cancer is a disease of cells caused by a faulty gene or genes, Dr. Khorana's findings may eventually permit the replacement or alternation of such genes, thus correcting the genetic error that is cancer.

In September 1970 Dr. Robert J. Huebner of NCI and his colleagues proposed that an inherited cancer gene present even before birth could also be a growth factor in the developing embryo.

In 1969 Dr. Huebner and Dr. George J. Todaro had first presented their theory of the tumor gene, suggesting that an inherited cancer gene is present from conception throughout life, even though inactive as a cancer-causing agent. According to the concept, its genetic activity is somehow "switched off" for cancer at an early age; it lies dormant until it may be "switched on" again by the aging process or environmental agents.

During 1970, research on drug treatment of cancer continued to be a major thrust in the Institute's effort to control cancer.

We were told that 1,000 chemicals and 20 or 30 materials can produce cancers in animals.

Development of new drugs—and of techniques to use established drugs more effectively—were goals actively sought. Almost 14,800 compounds, including 8,500 synthetic chemicals and 6,300 natural products from fermentation, plant and animal sources, were tested as potential anticancer agents during 1970.

A drug named BCNU has been shown to be useful in the treatment of advanced Hodgkin's disease—a cancer of the lymph system. Some degree of anticancer activity was also reported for BCNU in treating gastrointestinal cancer, melanoma, lung cancer and brain tumors.

Procarbazine, a new drug that is a close chemical relative of a rocket fuel component, has also been found useful in treating advanced Hodgkin's disease.

A promising new approach to cancer therapy is to apply to the skin small quantities of chemicals that produce an inflammatory reaction of the delayed hypersensitivity type. In working with 50 patients for more than 5 years, the immunotherapy resulted in resolution of more than 95 percent of multiple superficial basal cell cancers tested.

It was interesting to learn that 110 different kinds of viruses have been found that cause cancer.

The areas of greatest promise in cancer research are: first, viruses as probable human cancer causative agents; second, chemical agents that induce cancer; and third, treatment of cancer, particularly drug therapy.

And finally, Mr. Chairman, of the 100 or more different kinds of cancer, about 10 have been shown to be curable by means of drugs.

Mr. Chairman, cancer research should not be viewed as an isolated—or isolatable—activity. The most important reason for keeping the cancer conquest program within the family of the National Institutes of Health is that cancer research is inescapably intertwined with various aspects of the research missions of the other Institutes. The complex questions to which biomedical research must address itself and the work that goes into their solution are almost never unique to a particular disease or confined to single scientific disciplines.

The present excitement about the role of viruses in causing cancer—illustrates the way in which progress in one field of research depends on work being done in another. Virologists, who for years have been mainly concerned with unraveling the mysteries of infectious diseases, such as the common cold, for which viruses are thought to be responsible, have provided the leads and are now doing much of the work in viral carcinogenesis.

As for a breakthrough in cancer research, Dr. Marston, Director of the National Institutes of Health, said:

> We are probably talking about decades and we are talking about different kinds of cancer. We will make progress in some cancers and we will not make progress at the same rate in other cancers.
>
> At the same time we are improving our ability to diagnose and treat and prevent cancer, we are putting new chemicals out into the enviroment, many of which undoubtedly will have the ability to cause cancer. We need to be able to identify those hazards.
>
> We propose to add $100 million to cancer research because cancer is a very major health hazard and because the scientific opportunities to use that money effectively do, indeed, exist. This must not be interpreted, however, as meaning that this field is ready for a moon-shot approach—we are very far from being in the position of the Apollo program of merely having to exploit existing scientific knowledge for the accomplishment of a difficult and dramatic task. In cancer, as in most of biomedical research, the even more difficult but less dramatic task is to acquire the basic scientific knowledge which will make dramatic clinical achievements possible.
>
> Separating cancer research from other medical research activities—in a way, putting it in competition with other medical research—would, I think, do real damage to all of medical research including cancer research itself. To put it bluntly, from a scientific point of view, it makes no sense.

Dr. Baker, head of the Cancer Institute, said in our hearings:

> Although the nature of the cancer problem does not permit even an informed forecast of solutions within a definite time limit, it is altogether reasonable to expect that an intensified effort will move us toward the ultimate goal at an accelerated pace.
>
> I should like to re-emphasize a key point. We should not look too soon for extraordinary results from a suddenly expanded major endeavor to conquer cancer. The time frame of accomplishment in the cancer field is quite different from that associated with the control of poliomyelitis, for instance. Significant research advances or cures in the cancer area cannot be predicted with accuracy, but what we can expect to see is a quickening of pace in the whole cancer area through a larger, carefully coordinated effort.

Further, Mr. Chairman, the following exchange took place between Dr. Baker and me:

> Mr. MICHEL. The article I read in yesterday's paper indicates that the distinguished medical scientists around the country representing medical schools are in accord with our making this big push and effort through the established Institutes of Health rather than setting up some independent autonomous unit that would itself take this on.
>
> Dr. BAKER. Yes, sir. I think most of the medical schools and professional societies have gone on record to that effect. Also, the federated professional societies, the basic scientists, have all backed the need for serious and accelerated research in the cancer area and, in many instances, have come out quite strongly against separating the support and administration of cancer research from the support and administration of other areas of research.

OTHER GOVERNMENT RESEARCH ON CANCER

Aside from research going on in the National Institute of Dental Research, National Institute of Allergy and Infectious Diseases, there are several other Government agencies supporting limited research on cancer. They are: the Atomic Energy Commission; Regional Medical program, Health Services and Mental Health Administration; the Armed Forces Institute of Pathology; and the Veterans' Administration.

NIH—NATIONAL HEART AND LUNG INSTITUTE

The committee bill provides $211,624,000 for this Institute, which is an increase over the budget figure of $16,132,000. This is $19,997,000 over 1971.

This Institute supports research on diseases of the heart, lungs, and vascular systems in its own laboratories and clinics in Bethesda and through grants and contracts to universities, medical schools and other institutions. Three areas of major concern: heart attacks, diseases of the blood, and diseases of the lung. Emphasis is placed on heart attacks because they represent the Nation's No. 1 killer. The Institute also has plans for studies in the prevention of heart disease through control of high blood pressure.

Research has been going on for possible substitutes for blood. Sickle cell anemia is a very serious disease which is common with Negroes; it rarely occurs elsewhere. An interesting hypothesis about why sickle cell anemia occurs among black people: it has been shown that the presence of a sickle cell trait increases the body's ability to cope with malaria. Certain types of malaria are prevalent in Africa, and it is believed that the persistence of this trait in the black population has been due to a selection for an increased survival of those people with sickle cell anemia, that is, malaria is more likely to kill those people who did not have the trait than those who do, and consequently to increase the fraction of the people who have the trait.

ARTERIOSCLEROSIS

Nearly one-fourth of initial nonfatal heart attacks may not be recognized by the patient or his physician, data from the NHLI Framingham study indicate. However, these "silent" heart attacks appear to pose the same threat of recurrent attacks and death as do those with more dramatic onset.

Of 188 documented first heart attacks occurring in the Framingham study population during 14 years of surveillance, 44 were unrecognized at the time they occurred. The attack was verified only when the unsuspecting victim subsequently reported for his routine biennial examination and ECG.

HYPERTENSION

Norepinephrine, released into the blood from the adrenal glands during exertion or emotional stress, is a powerful heart stimulant and blood vessel constrictor. Dr. William B. Kannel and coworkers of the NHLI Framingham study, report that hypertension appears to be the most common and most potent factor increasing risk of stroke and that control of hypertension appears to be central to stroke prevention.

During the current year new specialized centers of research in four important areas—arteriosclerosis, hypertension, thrombosis, and pulmonary diseases—are being established.

In the past year, with the new attack on lung disease, the Institute has experienced a doubling of the request for research grants in emphysema. They have also implemented a new pulmonary academic award program in order to teach physicians, both in the undergraduate sense and also in the continuing and specialty sense, the problems related to emphysema and other forms of chronic lung disease. Awards will be given for 10 specialized centers of research which will focus on chronic lung disease.

Heart and lung transplants: There have been 171 heart transplants with 168 recipients, and, as of spring 1971, the longest time that a functioning graft had remained viable in support of the life of the recipient was 31 months; 23 surviving. There have been 25 lung transplants with 25 recipients. The longest time that one of those survived was 10 months and, as of spring 1971, no lung transplant was continuing to function.

Because of the rejection factor, research has also been going on to find an artificial heart. So far it has only been tried on animals, and results look promising.

While they are not on the verge of any dramatic breakthroughs, Dr. Cooper says: "I think the opportunity for significant reduction in the number of premature deaths of arteriosclerotic heart disease, hypertension, and thrombosis is at hand. In our promise of detection of chronic lung disease, we may be on the upswing as well."

NIH—NATIONAL INSTITUTE OF DENTAL RESEARCH

The committee has provided a figure of $41,828,000 for this institute, which is an increase over the budget of $2,999,000. It is an increase over 1971 of $7,125,000.

The dental institute conducts and supports a broad range of laboratory, clinical, field, and epidemiologic studies directed toward improved therapy, control and ultimate prevention of oral problems through application of advancing and new knowledge.

The area of knowledge where the institute stands closest to the point of application is in tooth decay or dental caries. The most conspicuous research progress made recently involves an adhesive sealant. A 2-year study, in which the grinding surfaces of children's teeth have been painted with a clear plastic, has shown an outstanding degree of protection against decay.

For the first time this year, the institute has begun research in the field of "pain control," a long neglected area of research. They are also studying the administration of anxiety-reducing agents and general anesthesia to the ambulatory dental patient.

Their budget request for 1972 is $38,829,000, an increase of $4,126,000 over the 1971 operating level of $34,703,000. It reflects an increase of $2,900,000 for the national caries program and $1,500,000 for dental research institutes.

Largely through the efforts of scientists working in the National Institute of Dental Research as well as grant-supported investigators, they have learned that dental caries is truly an infectious disease and is transmissible.

Their approach to the study of dental caries falls into three general categories. First, protecting the susceptible tooth either through adhesive sealants, by alternative measures of fluoridation application, and by making the tooth substance more resistant to bacteria; second, diet—exploring better sugar substitutes, since sucrose seems to be the principal culprit; third, combating the bacteria themselves.

There are 53 dental schools currently operating. Two will be closing, and six new ones will be opening soon. All of them, to some degree, receive support from the National Institute of Dental Research.

In the area of periodontal disease, the statistics show that over the age of 35 years, approximately two out of three people in this country have one or more teeth lost as a consequence of this disease.

In the area of finding new adhesives, the institute has even been investigating the lowly barnacle. It is believed that adhesive secretions from barnacles, mussels, and other common marine animals might be effective because they stick to a variety of surfaces under water, and remain adherent for many years.

Preliminary success with a new plastic coating for the tooth's grinding surface has been reported. Treated surfaces of children's teeth remained free of decay for 1 year after the plastic sealant was applied. If clinical tests now underway bear out its initial promise, the coating could take a place beside water fluoridation, which mainly protects the tooth's smooth surfaces, as a preventative of decay on chewing areas.

Dr. Leonard Shulman, Harvard School of Dental Medicine, reports progress in extending the life of dental transplants. Even though transplanted teeth are eventually rejected, Dr. Shulman believes they could be practical replacements if they could be made to last for an average of 8 years instead of the approximate 4-year survival period now expected.

Plastic tooth replicas have also been tested.

Large amounts of phosphates, continuously available in drinking water or food, have protected animal teeth against decay. The work suggests that topical fluoride applications may reduce human cavities further if combined with this phosphate solution.

Dr. H. C. Slavkin has been doing basic research into the oral cancer field and his discoveries should help researchers trying to stop uncontrolled growth in cancer and to initiate growth for regenerating tissues and organs.

NIH—NATIONAL INSTITUTE OF ARTHRITIS AND METABOLIC DISEASES

The committee figure for this Institute is $148,204,000, which is an increase over the budget of $12,771,000. This figure is an increase over 1971 of $13,779,000.

This institute seeks to control disease and promote health through research. Essential to this objective is a broad-scale fundamental scientific approach to the mysteries of health and illness and a marshaling and developing of results for research attacks on specific disease problems. To accomplish this objective the Institute acquires new biomedical information in the main through scientists supported by about 2,000 research grants at some 400 institutions across the country.

Progress against cystic fibrosis—CF is a grave disease of children and young adults caused by an inborn error of metabolism. The basic chemical defect is not yet fully understood, but it is known to be genetically transmitted. In addition to the research being conducted in the Bethesda laboratories, this Institute provides grant support to many cystic fibrosis research projects at medical centers and institutions across the country. Among promising new findings this past year is the demonstration that skin of patients with cystic fibrosis is deficient in a specific enzyme that is linked to salt secretion. This finding should help pinpoint the molecular defect in this metabolic disorder.

Early diagnosis and prompt institution

of therapeutic regimens are of utmost importance both in forestalling and delaying development of such serious complications of cystic fibrosis as irreparable lung damage. Several significant advances in diagnostic and therapeutic techniques have been reported this year.

The Institute has communicated diagnostic and therapeutic developments in CF to practicing physicians and research workers throughout the country. One particularly effective means of communication has been the new comprehensive scientific exhibit on CF presenting the latest findings. This exhibit has been brought to the attention of thousands at medical meetings and conferences this past year.

ARTHRITIS

Over 17 million Americans suffer from arthritis, a group of diseases characterized by inflammation and impairment of the joints. Of the many forms of rheumatic disease, rheumatoid arthritis is the most serious and crippling. It is a major subject of study supported and conducted by the National Institute of Arthritis and Metabolic Diseases. Although the primary cause of this disorder is as yet unknown despite an intensive research effort, early diagnosis and proper treatment benefit 9 or 10 such patients, and 7 of 10 are enabled to avoid severe disablement.

As for progress against arthritis, Dr. Whedon has said: "Evidence is accumulating concerning the possibility that a transmissible, infectious agent is involved in rheumatoid arthritis."

While the primary cause of rheumatoid arthritis is still unknown, present research is endeavoring to discover whether an infectious process, or an autoimmune reaction, or possibly a combination of both processes are the mechanisms by which the disease develops. Institute grantees are continuing to gather data on the possible role of microbial organisms and viruses which have recently been recognized as potential pathogens.

Another area of concern of the institute is diabetes. According to the American Diabetes Association, one American in 20 is either an actual or a potential diabetic. A complicated disease, for which there is no known cure, diabetes ranks eighth on the list of diseases causing death in the United States. It has been known for some time to be a hereditary disorder. Continued advances against diabetes depend upon further knowledge of the disease and its complications; of genetic factors; of how insulin is made in the pancreas; how it is transported and how it works. Progress in these areas, now under intensive scrutiny, should contribute substantially toward amelioration of diabetes and its consequences.

One of the areas of research to alleviate diabetes is the possibility of an artificial pancreas. This idea is not to transplant pancreatic tissue but to set up a mechanical pancreas, a mechanical system which could be worn by the patient all the time. The system would involve a sensor in the blood which would electronically indicate what the blood sugar level was and when it got too high, there would be a means of telling the reservoir of insulin which would be carried by the patient that it should deliver more insulin into the blood.

In the area of gastrointestinal bleeding, a research advance will permit physicians in the future to determine the site of gastrointestinal bleeding in a patient without subjecting him to overly complex and uncomfortable diagnostic procedures.

Also in the area of artificial kidneys, the Institute has now reached the phase in which many improved, lifesaving artificial kidneys are being developed, while others are passing their final clinical tests or will soon be coming off the assembly line.

NIH—NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND STROKE

The committee bill provides $108,590,000 for this Institute, which is an increase over the budget figure of $12,069,000. This is $9,108,000 over 1971.

This Institute is concerned with a variety of diseases which afflict the brain and sense organs. Disorders such as cerebral palsy, epilepsy, multiple sclerosis, muscular dystrophy, parkinsonism, and deafness result in long-term disability, while stroke is the third largest cause of death in this country.

The diseases that this Institute seeks to eliminate are important both because of number of people they kill, stroke being the third most prevalent cause of death, and because these diseases severely handicap their victims often for an entire lifetime. The financial burden to the victims' families and to the community, and the prolonged anguish that these crippling diseases cause, are unusually great.

Parkinson's disease is a vivid example of a long-term neurologic disability. It afflicts more than 1 million of our citizens. A year ago L-dopa had not yet been released to the public. Now that clinical trials have been completed it is available to all who need it. Three of the large treatment centers have reported that over 70 percent of patients with Parkinson's disease are benefited; about 25 percent spectacularly so. Thus if all who are afflicted obtain treatment, about 700,000 sufferers will be able to lead much more normal lives, and of these perhaps 200,000 will appear to be almost completely cured.

Strokes kill over 200,000 people a year in this country; another 2 million are disabled in varying degrees. The Institute has worked for many years with the Veterans' Administration and the regional medical centers of the Health Service and Mental Health Administration. Recently a careful study by the VA dramatically confirmed the suspicion that, if blood pressure is controlled by regular drug therapy in people who are otherwise hypertensive, the chances of their having strokes are decreased.

Head and spinal cord injuries have become a major health problem due to increases in automobile and sporting accidents. Over 70 percent of auto accident victims suffer head injury. Over 100,000 persons in the Nation are paralyzed in the arms, legs, or both, due to spinal cord injury. Therefore, increased research upon the acute phase of spinal cord injury is urgently needed. During 1971 the Institute funded two research centers for research and treatment of acute spinal cord injury. They are currently reviewing application for six research grants. In 1973, they expect to make two or three of these centers fully operational.

Virus research: The delayed effects of virus infection have been shown in recent years to be responsible for an increasing number of diseases. Possibly multiple sclerosis, parkinsonism, and a variety of degenerative diseases of the nervous system may be caused by slowly acting virus infections.

Since 1957 the Institute's slow virus program has succeeded in transmitting two human neurological diseases to chimpanzees and from them to three species of smaller monkeys, proving without question that we are dealing with an infectious agent. Attempts are now underway to purify and isolate this agent so that means may be found to combat it.

Collaborative perinatal study: The Institute has spent about $100 million on this program since it was initiated 10 years ago. The goal of this large-scale study was to monitor a group of women during their pregnancy, labor, and delivery and to relate various factors present to the outcome of the pregnancy and the future development of the children, especially concentrating on neurological damage. Sixty thousand pregnancies have been studied and the program is expected to be completed in 1974. The children are monitored until they reach the age of 8.

The study has already shown that certain viruses in the mother, once thought to be harmless, can lead to neurological damage in the newborn; that several drugs when taken during pregnancy can cause congenital malformations and stillbirth; that a lack of oxygen any time during fetal development plays a major role in causing cerebral palsy; and that diabetes in pregnancy is related to the frequency of congenital malformations in the offspring.

The data bank on this project is recognized to be unique in the world by those scientists familiar with its breadth and completeness.

HEARING DISORDERS—NINDS

IMPLANTABLE HEARING AID

An experimental model of a permanently implantable hearing aid, designed to last a lifetime, has been tested in animals by Institute grantees at the University of Oregon Medical School. The tiny crystal, less than one-half inch long and ten-thousandths of an inch in diameter, is attached to a small wire probe, and implanted in the middle ear. It picks up sound, in the form of electrical impulses, which causes it to vibrate and send these impulses to the brain.

Research at the Central Institute for the Deaf show exposure to intense noise can indeed cause damage to the inner ear. Their findings indicate that—

> Moderately intense sound can gradually destroy, bit by bit, . . . the ability to hear.

NIH—NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

The committee's figure on this Institute is $106,662,000, which is a $7,320,-

000 increase over the budget and $8,538,000 over 1971.

This Institute conducts and supports broadly based research on the causes, characteristics, prevention, control, and treatment of diseases believed to be caused by infectious agents, including bacteria, fungi, viruses, and parasites—or by abnormalities in the body's immune mechanisms such as allergies.

This Institute has done considerable research on the effect of the environment on human health, earlier with the living areas and the control of vectors of infectious diseases, and, more recent, with factors that can trigger allergic conditions.

In the area of asthma, use of an experimental drug has helped open up a new approach to treatment of this severe disease.

The Institute is establishing a limited number of allergic disease centers this year where clinical aspects of allergic disorders can be studied in conjunction with existing superior programs in immunologic research. They will be directing their efforts primarily at the diagnosis, prevention and treatment of asthma, hay fever, skin allergies, and food sensitivities.

Organ Transplant Immunologic studies: Institute-supported scientists continue to build on basic immunologic findings related to organ transplantation and the rejection phenomenon.

NIAID is investigating the immune mechanisms of the body with regard to cancer.

NIAID: Prostaglandins are a family of hormone-like chemicals which occur naturally throughout the human body. Their remarkably wide spectrum of biological activity ranges from nasal congestion to induction of uterine contractions. The list of possible therapeutic applications reads like the label on a bottle of old-fashioned patent medicine. It includes control of blood pressure, prevention and treatment of blood clots and of stomach gastric ulcers, correction of male infertility, and control of asthma.

Infections: The "killer" diseases related to this Institute's program are those caused by viruses, bacteria and other micro-organisms. Although the classic epidemic infectious diseases—such as smallpox, bubonic plague and typhoid fever—no longer threaten our country, approximately 100,000 Americans die each year from various infections.

Pneumonia vaccine: Three years ago the Institute began a program to produce a safe bacterial vaccine capable of preventing most pneumonia cases. Compounding the problem is the fact that there are about 14 types of pneumonococcus that are the most common causes of pneumonias. As data from trials accumulate, a single combined vaccine will be formulated to protect against the dozen or so predominant types of the pneumococcus bacteria. Although there have been unexpected technical problems, the Institute plans that mass vaccination trials could begin within the next 2 years.

Common cold studies: Almost all colds are believed to be caused by viruses, but only one-half of these illnesses can be blamed on a specific organism. In fact, there are now at least 89 officially recognized rhinoviruses—34 more than were reported last year—and some 23 corona viruses, all demonstrated as causes of the common cold.

Since there are so many viruses that cause the common cold, it is extremely unlikely that scientists could find a vaccine.

One promising area of research, however, is the study of an antiviral substance that the body produces naturally—interferon. New methods are being sought to stimulate, artificially, the body's ability to produce large amounts of interferon when it is needed.

Scientists are also studying factors which affect susceptibility to colds. Using volunteer subjects, the scientists showed that chilling, exposure, or overheating apparently has little effect on the development or seriousness of a cold. If a rhinovirus or coronavirus infects the body, a cold usually develops, and the importance of other factors has not been demonstrated.

NIH—NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

The committee's figure for this Institute is $168,490,000, which is an increase over the budget of $18,090,000 and an increase over 1972 of $13,963,000.

Judged to be both urgent and ripe for study at this time is the exciting area of human genetic disease. In summary, there is a very large number of diseases—about 2,000 now tabulated—which are caused chiefly or entirely by errors in the substance or in the transmission of genetic information from parent to offspring.

For over a hundred years, scientists, using peas, flies, molds, bacteria, and viruses, have studied the nature of storage and transmission of genetic information. In no field of science has more rapid progress been made in the past 15 years. Today we are able to study these processes as they occur in mammals by the use of mammalian cells grown outside the body in tissue culture. We know that genetic information is stored in microscopically visible structures of the cell nucleus, chromosomes and more specifically in the molecules of DNA, contained in these chromosomes.

The present status of treatment of these diseases is quite unsatisfactory. For the most part, treatment is limited to the corrections of symptoms as these develop, as in the use of antibiotics to control lung infections encountered in cystic fibrosis. Prevention by genetic counseling has been of limited use, and interuterine diagnosis followed by abortion has to date had only limited application. However, early diagnosis by amniocentesis, which involves drawing off a small amount of fluid surrounding the fetus and culturing the cells for chromosomal and biochemical analysis, has been helpful in diagnosing the presence of Tay-Sachs disease and also cystic fibrosis, as well as a number of other genetic diseases.

The problem of genetics of disease is "ripe" today. This Institute proposes to establish the study of genetics and genetic diseases as a formal program. They are conducting at present a critical and highly professional review of the entire field. Already in fiscal year 1971 they have provided nearly $30 million in research grant support and $6 million in training and fellowship support in these areas of medical science. In addition to the all-important continuance of support for the study of basic genetic processes, they propose certain areas for initial targeted concern: first, to stimulate research directed toward the identification of the so-called heterozygote carrier—the apparently well individual who carries in his genetic stock a defective gene which might lead to serious disease in his offspring.

Second, to proceed with the all important but laborious task of "mapping" the human chromosomes. We have barely begun to locate the thousands of known genes in human chromosomes. It has been said that the mapping of the 23 human chromosome pairs, which contain all the necessary information to the structure and function of the body, is surely more challenging and more relevant to human welfare than is the mapping of the moon.

Genetics will be their main thrust in the coming year, but they also have programs in other basic medical sciences: pharmacology-toxicology, trauma, automation of diagnostic laboratory instruments, the clinical subjects of diagnostic radiology and anesthesiology.

Last year this committee increased the Institute's budget request by $17,696,000. The committee earmarked $10 million for a special program in genetics.

Approximately 159 awards will be made against the funds which were provided. They are distributed among six Institutes. They all relate to problems of genetics and genetic chemistry. There are 111 awards totaling $5,632,297 to general medical sciences; 21 awards to allergy and infectious diseases; 10 to arthritis and metabolic diseases; 13 to child health and human development; three to cancer and one to the Neurological Institute.

They are budgeting $38,828,000 for genetics research and training in 1972.

There are over 1,000 different diseases which are believed to be genetically transmitted or in which genetic mechanisms appear to have a highly significant role.

The Institute continues to provide support for the advancement of the field of biomedical engineering. Its objective is to support the effective introduction of engineering into fundamental and applied biomedical research and quality research training in the area. Its present and planned program represents an effort to improve laboratory functions through specific research grants and contracts in the areas of first, development and automation of new and more reliable analytical tools for the clinical laboratory; second, development of appropriate computer hardware for identification and control; third, development of proper laboratory standards to assure the validity and uniformity of clinical laboratory's measurements.

Long-range plans include first, the establishment of 10 to 12 genetics research and training centers at major medical schools. Second, the creation of approximately 15 clinical research and demonstration centers in teaching hospitals; third, additional funds for individual research project conducted by qualified investigators in genetics. Fourth, provision of centralized services and resources for use of scientists and clinical investigators. Fifth, development of multidisciplinary attacks on the problems of genetic disease by the provision of additional postdoctoral and special fellowships.

Studies in pediatric pharmacology have revealed: First, nearly all drugs taken by the mother pass to the fetus through the placenta; second, drugs that pass through the placental barrier can be identified in the infant at birth on two or three drops of blood from the umbilical cord; third, certain drugs frequently taken by mothers during pregnancy are highly toxic to the infant.

NIH—NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

The committee's figure for this Institute is $109,668,000, an increase of $6,436,000 over the request and $15,992,000 over 1971.

This Institute conducts and sponsors research on human biology encompassing the entire lifespan. Program emphasis for 1972 will be in population research and in child health.

Institute-supported investigators have reported that at least one-fifth of all births in the United States between 1960 and 1965 were unwanted. Thus prevention of only unwanted births during those years would have reduced the U.S. population growth by 4.7 million.

For 1972 the President's budget includes $37,718,000 for the support of population research and training, an increase of $9,600,000 over the 1971 level.

For the population and reproduction program there are increases of $6,100,000 under research grants, $1 million under the laboratory and clinical research, and $2,500,000 under collaborative research and development.

In 1971 we have $28.1 million for all population research. For 1972 it is $37.7 million, an increase of $9.6 million.

The Institute's plans for 1972 include increasing support for the Center for Population Research. Institute supported studies have shown that in the United States an estimated one out of 5 million women have neither adequate information about nor access to family planning. The Federal Government's policy is that every child should be a wanted child and that every couple has the right to information and services necessary for planning their families. Achieving this policy requires that information, services, and more nearly perfect means of contraception than presently exist be available to all.

During 1972 the contraceptive development program will begin concentrating on new or approved practical approaches and by 1973 it will include many phases of drug development, from syntheses through clinical testing, involving close cooperation with the pharmaceutical industry.

Center for population research currently supports a number of studies in the area of prostaglandin research. Prostaglandins are hormone-like substances that have a remarkably wide range of effects. At the present time, there are 14 known prostaglandins which are widely distributed in mammalian tissues in very small amounts. These are among the most potent chemicals ever discovered; one-billionth of a gram produces marked effects. On the horizon are many potential medical uses.

In the area of population research, these include induction of labor, therapeutic abortion, contraception and treatment of male sterility. Prostaglandins could be of tremendous use in widespread fertility control.

CONTRACEPTIVE METHODS

No currently available contraceptive method is fully satisfactory and the Institute is directing research efforts to develop new ones. To date, the contraceptive development program at the Institute has consisted primarily of directed fundamental research relevant to the eventual production of new agents useful as contraceptives. During 1972 this program became more product oriented, and by the end of 1972 it will include many phases of drug development from synthesis through clinical testing. Our goal is to develop several new methods of fertility regulation before the end of this decade.

According to a study conducted by the Institute, there are about 8½ million women using the pill, which would make about 20 percent of women in the reproductive age. About 2 million loops are in use.

In the area of population control, preliminary findings would seem to indicate that humanity is midstream in a revolutionary change in its processes of reproduction. This is a transition from wastefully high death and birth rates to a more efficient and humane reproduction with much lower death and birth rates. This "demographic transition" suggests some optimism for the future rates of world population growth.

Research on aging should be intensified, the committee feels. Twenty million people are over the age of 65, but two-thirds of our medical expenditures were for those persons over the age of 65. The Institute continues to support research on aging by scientists at universities, hospitals, and research institutions.

NIH—NATIONAL EYE INSTITUTE

The figure for this Institute decided on by the committee is $36,022,000, which is $3,383,000 over the budget request. It is an increase of $5,616,000 over 1971.

The National Eye Institute was created in 1968 to conduct and support basic and applied research on disease problems of the eye.

This past year has been marked by significant and exciting advances in research, most notably in the field of diseases of the retina, which accounts for 40 percent of all blindness in the U.S.

Two Institute grantees have shared Nobel prizes for their work in studying the visual system.

Research is also helping to find better ways of treating retinal detachment. NEI grantees have explored the use of cryosurgery, intense cold, in reattaching the retina. Several studies indicate that cryosurgery may enable the treatment of some retinal detachments on an outpatient basis without need for hospitalization.

Research progress on cataracts.—Although cataract surgery has become a safe and satisfactory practice, technical improvements in the procedures are still being achieved. A 5-year evaluation has shown that a suction technique is superior to conventional surgery for removing cataracts in infancy, childhood and adolescence and may also be used successfully in older patients.

The Institute will also support the development of better instruments and techniques for microsurgical repair of eye wounds, such as the laser beam. A further area of emphasis will be on biomedical engineering investigations to develop reading and mobility aids for the blind and near blind.

NIH—NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

The committee's figure for this Institute is $26,436,000, which is an increase of $1,165,000 over the request and $6,446,000 over 1971.

This Institute has progressed remarkably during its first 5 years of existence, and many major strides have been made.

The mission of this Institute is to provide a scientific foundation to assist the control agencies in their efforts to resolve environmental health problems. They seek to identify and better understand the chemical, physical and biological factors in the environment which are most likely to affect man's health. For agencies like the newly created Environmental Protection Agency, this knowledge will form the basis for establishing effective control measures.

There are many problems associated with developing chemicals to satisfy the conflicting demands of the American housewife for clean clothes on one hand and the guardians of public health and conservationists who wish to preserve our ecological balance on the other hand. This Institute had a notable part to play in the resolution of this dilemma during the past year.

The detergent industry developed a compound known as NTA in the hope of using it as a substitute for the troublesome phosphates traditionally used. They did tests on NTA and said it would dissolve and would be nontoxic. They envisioned use of more than 1 billion pounds of the chemical by 1975. This Institute was asked by the Water Quality Administration to test it for sure, and found that, while it was nontoxic by itself, when combined with other chemicals usually found in water, it was in fact toxic. The detergent industry then voluntarily modified its plans for immediate use of NTA.

Another problem this Institute has investigated relates to the nitrate-nitrite exposure. In collaboration with their university-based Environmental Health Sciences Centers, they have explored and delineated the extent of diseases from nitrite exposure. Specifically, these investigations indicate that current levels in baby food in the United States present no health problem.

There are presently six of these Environmental Health Science Centers. Total funding for the centers this next year will be $3.1 million. They vary in size and program, and range in funding from a quarter of a million dollars to $900,000.

This Institute is primarily concerned with the effect on human health of environmental pollutants from any sector. They are working closely with EPA.

This will mark the first year that this Institute will have enough research space to permit the establishment of the full range of required laboratory programs. Since the beginning of this Institute in 1966, resources have permitted the initiation of programs in only a few of the many areas which need investigation. The amounts requested for 1972 will permit extension of investigations into the actual and potential effects on human health brought about by a rapidly changing environment. In addition to the intramural research activities, there is an extramural program which includes grants, fellowships, et cetera.

The Institute awards grants to public and private nonprofit institutions covering a broad range of research activities in the fields of environmental health.

Institute-supported scientists continue to investigate a broad spectrum of known and potential environmental hazards. Pesticides constitute a large segment of this effort. Efforts continue toward the isolation, identification and testing of airborne gases and particulates to determine the toxic effects of chronic low-level exposure to these contaminants.

NIH—RESEARCH RESOURCES (GENERAL RESEARCH SUPPORT GRANTS)

The committee has provided $71,948,000 for research resources, which is $3,879,000 over the budget and $5,517,000 over 1971. This division also administers the general research support grants, along with their own division, for a grand total of $127,160,000. The committee's figure for general research support grants is $55,212,000, which is an increase over the budget of $6,012,000 and $1,012,000 over 1971. They receive this $55,212,000 from other Institutes as shown below.

The following table shows the estimated amounts to be provided by each of the contributing appropriations:

	1971 estimate	1972 estimate	Committee bill
National Institutes of Health:			
National Cancer Institute	$5,901,000	$5,275,000	$6,052,000
National Heart and Lung Institute	8,127,000	7,267,000	8,325,000
National Institute of Dental Research	1,028,000	908,000	1,040,000
National Institute of Arthritis and Metabolic Diseases	8,123,000	7,243,000	8,301,000
National Institute of Neurological Diseases and Stroke	5,027,000	4,481,000	5,136,000
National Institute of Allergy and Infectious Diseases	5,044,000	4,494,000	5,149,000
National Institute of General Medical Sciences	6,978,000	6,218,000	7,126,000
National Institute of Child Health and Human Development	$3,909,000	$3,475,000	$3,980,000
National Eye Institute	1,551,000	1,381,000	1,585,000
National Institute of Environmental Health Sciences	485,000	431,000	491,000
Subtotal, NIH	46,173,000	41,173,000	47,185,000
Health Services and Mental Health Administration: National Institute of Mental Health	8,027,000	8,027,000	8,027,000
Total	54,200,000	49,200,000	55,212,000

To a large extent, general research support grants provide funds for the younger investigator, the investigator who needs a small amount of support while he is obtaining baseline data prior to submitting a grant application to the NIH. This, along with the biomedical sciences support grants allow institutions to quickly redress the kinds of imbalances that are likely to develop where relatively well-established investigators get the large amounts of research support. Using general research support money an institution can initiate the upgrading of neglected areas through the purchase of modern equipment and the recruitment of new research personnel. These funds are also valuable in the stabilization of high quality, ongoing research which may be floundering through underfunding.

GENERAL RESEARCH SUPPORT GRANTS

In 1972, these grants will be awarded to approximately 333 institutions—schools of medicine, dentistry, public health, pharmacy, veterinary medicine, and nursing, hospitals, nonacademic research institutes, and State and municipal health departments. Over one-half of the funds will be distributed to schools of medicine. With few exceptions these grants may be spent for the direct costs of research and research training at the discretion of the recipient institution. Such costs include salaries, student stipends, research equipment, and supplies and numerous other needs.

In September 1970, in keeping with the expressed intent of this committee, the Division of Research Resources was reorganized out of the Bureau of Health Manpower Education and was established as a free-standing research Division of the NIH. This status will provide a clearer picture of the Division's programs of support of research resources and general research support and how they complement and undergird much of the research project grant support of the categorical institutes.

The animal resources program is an important part of this Division. Their objectives are to first upgrade institutional laboratory animal medicine research and care; second, maintain specialized animal models; and third, develop the national resources of seven primate research centers that seek to extend studies on primates to the diseases of many by providing sources of healthy primates in the United States and the proper environment needed to undertake such studies.

All major medical research and educational institutions require a comprehensive animal resources program. Over half of the biomedical research effort in NIH grant-eligible institutions is dependent on the use of animals.

Scientists utilizing DRR-supported animal resources are also working actively in the area of child development. A group of specially trained researchers in a primate center have completed a comprehensive study of normal fetal development in monkeys.

This division participates directly and indirectly in the total NOH effort to find a cure for cancer. Also, a significant portion of the funds allocated to the division are utilized for the conduct of research on the causes and cure of heart disease. For example, during the past year, a team of researchers at a general clinical research center developed a new simple method of diagnosing diseased arteries.

A GRS funded pilot project led to the development of a rechargeable nickel cadmium battery for use as an implantable cardiac pacemaker. This rechargeable pacemaker, one-third the size of conventional models, was cited as one of the 100 most significant inventions of 1970.

NIH—JOHN E. FOGARTY INTERNATIONAL CENTER FOR ADVANCE STUDY IN THE HEALTH SCIENCES

The committee's figure for this item is $3,763,000, which is an increase over the request of $444,000 and over 1971 by $81,000.

The John E. Fogarty International Center for advanced study in the health sciences is designed to facilitate and expand the continuing effort of the National Institutes of Health and the U.S. Government to broaden the knowledge base of the biomedical sciences. The center serves as the focal point for the international activities of the NIH and is responsible for the administration of the international postdoctoral fellowships program, the Fogarty scholars-in-residence program, the conference and seminars program, International Visitors Center and the special foreign currency program, Public Law 480.

The U.S. contribution for the Gorgas Memorial Laboratory was transferred in fiscal 1971 from the appropriation of the National Institute of Allergy and Infectious Diseases to this appropriation.

This laboratory, located in Panama, provides the highest level of scientific and technical support in: virology, parasitology, malariology, serology, bacteriology, pathology, hematology, and medical entomology. The world problems of today have reemphasized the continuing public health importance of malaria, viral infection, intestinal parasites, and other diseases common to tropical areas. Our contribution to this laboratory is $500,000, set by law.

This Institute is developing its capacities to emphasize and encourage interaction within the medical and scientific community of the world through several ongoing programs, such as conferences and seminars and the Fogarty scholars-in-residence. Among other elements of cooperation and advanced study is an organized program of bilateral cooperation and a newly designed effort to obtain useful scientific information from a variety of foreign countries, including Eastern Europe. In addition, they are continuing the administration and management of the international postdoctoral fellowship program, the International Visitors Center and the special foreign currency program, where, as a result of the increased allocation of foreign currencies, they have enlarged research abroad in those selected countries where Public Law 480 funds are available.

NIH—NATIONAL LIBRARY OF MEDICINE

The committee's figure for this item is $22,781,000, which is an increase over the request of $800,000. It is $1,271,000 over 1971.

The National Library of Medicine appropriation consists of 12 separate items and activities, many of which are not what one would expect in your ordinary, everyday library—but, then, the National Library of Medicine is anything but an ordinary, everyday library.

The administration recommended $1 million to fund the library's training grant program for 1972. This program is authorized by the Medical Library Assistance Extension Act of 1970, and is intended to help meet the Nation's need for medical librarians and other medical information specialists. The funds would allow support of 11 such grants for an estimated 100 trainees.

Special scientific project grants are intended to support outstanding scholars in full-time analysis and documentation of major advances in the health sciences, the results to be published as monographs on advances in biomedicine. For 1972, the $95,000 recommended for this program would provide support for three projects by highly qualified scholars.

A research grants program, to develop methods of processing and making accessible the rapidly growing body of biomedical information, would be funded at $600,000, permitting the support of 14 noncompeting continuation grants and three new awards in this area.

Library research grants would be funded at $2,105,000. The purpose of this program is to provide financial assistance and incentive for improving the basic materials, equipment, and services of medical libraries, such as acquisition of books, cataloging, binding, new equipment, and the like. This level of funding will support 165 continuing grants and 241 new ones.

The regional medical libraries grants program is intended to develop a system of regional medical libraries with the scope and depth necessary to supplement significantly the services of local medical libraries in each region. A funding level of $2,002,000 will allow continuing support of the 10 active regional libraries.

Publications support grants assist in the development of useful, selected publications to help American health professionals digest and utilize the tremendous output of new information in the biomedical sciences. The request of $290,000 will provide support for 14 projects.

The Lister Hill National Center for biomedical communications provides a mechanism for the transfer of computer and communications technology to improve biomedical research, medical education, and health care delivery. Last year, the center demonstrated the utility of on-line bibliographic access in more than 30 hospitals, libraries, and medical research facilities. The center has experimented with satellite communications for voice, data facsimile, and analog signals and has planned a major experiment with Alaska to test this new communication modality. The requested funding for 1972 of $1,398,000 will allow this test and the development of the initial portions of a network in Vermont and New Hampshire. It will provide augmented in-house staff for the center to meet the growing demand for managerial and technology transfer functions.

The National Medical Audiovisual Center administers programs to improve the quality and use of biomedical audiovisuals in schools of the health professions and throughout the biomedical community. The proposed funding level of $2,127,000 will allow expansion of these activities.

An appropriation of $8,125,000 would provide for continuation of the basic operations of the library itself, and the request of $1,237,000 for the toxicology information program would allow the library to further develop and refine this information system.

Support for staff review and approval of grants would total $704,000 in 1972, and $2,298,000 is provided for program direction, which includes direct operating expenses for the office of the director office of administrative management, the office of public information and publications management, and payment to NIH for centrally furnished services.

The committee increase of $800,000 is not included in the above amounts, but would be added to the library's extramural programs.

NIH—BUILDINGS AND FACILITIES

The committee's figure for this item is $3,565,000, which is the same amount requested.

Two million dollars of the amount provided by the committee would go for the design of the first phase of permanent facilities at Research Triangle Park, N.C., for the National Institute of Environmental Health Sciences, which is now housed in temporary leased quarters.

Replacement of the incinerator at the Rocky Mountain Laboratory Hamilton, Mont., will take $325,000 of the funds, and $1,240,000 is for repair and improvements to the existing NIH plant.

NIH—OFFICE OF THE DIRECTOR

The committee's figure is $11,442,000 for this item. It is the same amount as the budget request and $556,000 over 1971.

This increase is to cover uncontrollable costs such as within-grade salary increases, and to provide two new positions to expand program evaluation activities.

NIH—SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)

The committee's figure for this program is $25,545,000, which is the budget figure. It is $3,449,000 less than 1971.

The request for 1972 provides for an estimated 75 new projects and additional support for approximately 30 on-going projects. Research in the fields of population and family planning; nutrition; and the organization and delivery of health services, particularly in the area of maternal and child health, will be emphasized. The programs of biomedical research and health communications will be strengthened.

This program is supported entirely by foreign currencies owned by the U.S. which have been determined by the Treasury to be in excess of normal U.S. needs in the countries. Payments are made for necessary expenses for conducting research and other activities, as authorized by law.

WELFARE—SRS—GRANTS TO STATES FOR PUBLIC ASSISTANCE

Mr. Chairman, the largest single item in this bill is for grants to the States for public assistance. It accounts for 56 percent of the total amount in this bill. Except for $46 million for child welfare grants and $687,000 for assistance to repatriated U.S. Nationals, the entire amount represents a computation of the share of State and local expenditures for welfare and medical assistance which the Federal Government will be required to pay in 1972 under the provisions of the Social Security Act.

Members may recall that earlier this year we had a supplemental request on this item of $1.047 billion. In fiscal year 1970 this amount was in the amount of $8 billion plus. This past year it was over $9.6 billion, and matched by some $7 billion of State money. In this bill we have $11,411,693,000, and as I said, we will probably expect a supplemental in the neighborhood of $1 billion. This has to be the fastest growing and most alarming expenditure of not only the Federal Government, but our State governments as well, and signals the real need for reform.

It may be of interest to know that the 1972 programs will provide social services for 14,773,000 persons.

As of May 1971, a total of 9,452,000 persons were on our AFDC rolls. This is indeed a shocking figure. And unfortunately it is a noncontrollable expenditure from our point of view.

If we would have retained in our bill the section 208 that would have limited expenditures in this field this fiscal year to 110 percent of what was spent last year, we could save $244 million, but unfortunately, the big industrial States that cause us most of the problem, such as my own State of Illinois, would be seriously hurt by this kind of limitation. And I do regret that we could not be in a position of imposing some kind of restraint on this program at this end.

GRANTS TO STATES FOR PUBLIC ASSISTANCE, ASSISTANCE TO REPATRIATED U.S. NATIONALS

The request was for $687,000, which the committee provided.

GRANTS TO STATES FOR PUBLIC ASSISTANCE, MEDICAL ASSISTANCE

The request was for $3,827,619,000, provided by the committee.

This is $611,477,000 over 1971.

Federal financial participation in medicaid payments varies from a minimum of 50 percent to a maximum of 83 percent depending upon the per capita income of the State. Federal program requires that eligible recipients include, as a minimum, all persons receiving or eligible to receive maintenance payments under the Social Security Act and eligible children under 21 who are not in families. In addition, States may elect to cover certain medically needy persons who are eligible for help only with their medical bills and hence do not receive maintenance payments for food, clothing, and shelter.

The reorganization of the Medical Services Administration, begun in 1970 and completed in 1971, has expanded the Federal role to provide more health services to eligible recipients. New regulations and guidelines on utilization of hospitals and nursing homes, and new management information systems are being devised to improve the States' ability to manage and control their costs.

Administrative initiatives are being taken to generate savings of $70 million to be applied to reduce the fiscal year 1971 supplemental budget request. These initiatives consist of a more critical review of the utilization of medical services in order to reduce hospitalization and substitute nursing home or outpatient care for hospitalization. In addition, the requirement for prior authorization for extended stays in hospitals and nursing homes, the establishment of fee schedules for doctors and dentists, and improved surveillance of claims processing will yield additional savings.

SRS—GRANTS TO STATES FOR PUBLIC ASSISTANCE, SOCIAL SERVICES

The request was for $838,200,000, which the committee provided.

This is an increase over 1971 of $81,314,000.

Services are provided to recipients of aid to families with dependent children, and to the adult categories of recipients under old age assistance, aid to the permanently and totally disabled, and aid to the blind. Grants are made to States based upon a rate of Federal financial participation of 75 percent for AFDC and either 75 percent or 50 percent for the adult programs.

During 1971, 43 States have separation of services from the determination of eligibility to some extent, including 29 with some experience in all categories, and 14 with some experience in only one category. More than 810,000 families and 2,128,000 children are receiving one or more social services under the AFDC program. Some of the major services with respect to AFDC are homemaker, counseling, family planning, family-life education, assistance in child rearing, home and financial management, day care, in-home child care, help in obtaining and utilizing health services, legal, housing, self-support, education, and programs to maximize the educational and social development of children.

It is expected that adult services will be extended to all States and that the quality of services will be improved. The number of adults being provided protective services is expected to increase from 101,000 to 125,000. The number of clients being provided services in helping them to leave institutions and preventing unnecessary institutionalization by helping them to remain in their own home—"in-home" services—is expected to increase from 65,900 to 115,000. New services will be developed for 50,000 adults living in community-based housing and other social care institutions.

GRANTS TO STATES FOR PUBLIC ASSISTANCE, STATE AND LOCAL TRAINING

The budget request for $43,866,000 was provided by the committee.

This is a decrease from 1971 of $1,204,000.

Under the 1962 amendments to the Social Security Act, Federal financial participation at the 75-percent rate is available to States for costs of training public assistance staff or persons preparing for employment in public assistance agencies. The 1967 amendments require States to provide for the training and effective use of subprofessionals as community service aides and of volunteers.

This program enables State and local public assistance agencies to provide educational leave for employees, stipends for individuals preparing for employment, agency in-service training programs for employees, and educational and training grants or contracts for services.

WELFARE—SRS—GRANTS TO STATES FOR PUBLIC ASSISTANCE, MAINTENANCE ASSISTANCE

The budget request for this item was $6,665,321,000, which the committee provided. This is $1,038,032,000 over 1971.

SRS—GRANTS TO STATES FOR PUBLIC ASSISTANCE CHILD WELFARE SERVICES

The committee provided the budget figure of $46 million, which is no change from 1971.

Child welfare services are authorized under title IV–B of the 1967 amendments to the Social Security Act. The purpose of this program is to provide essential child welfare services to children in their own homes, or in foster homes or institutions.

Children referred for child welfare services by other welfare agencies, courts, schools, police, and neighbors to public child welfare agencies are not limited to the poor. These services are extended to children in need of such services without regard to financial need, legal residence, race, or religion. Each State receives a uniform grant of $70,000 and an additional grant which varies directly with child population under 21 and inversely with average per capita income. The basic statute establishes a rate of between 33⅓ to 66⅔ percent Federal financial participation. However, due to budget constraints, the Federal financial participation was 8 percent of total costs—$563 million—in 1970 with a projected decrease each year thereafter.

More than 338,000 families and 611,000 children are receiving services under this program. State welfare departments are continuing their efforts to reorganize and coordinate the family and child welfare services programs as required by the social security amendments of 1967. Most have also started the process of separating the staff functions of determining eligibility for financial and medical assistance from the delivery of social services. During 1971, State and local funds will make up approximately 93 percent of the total funds expended, with Federal financial participation being 7 percent.

WELFARE—SRS—WORK INCENTIVES AND TRAINING

The committee's figure for this item is $181,136,000 which is $16 million below the amount requested. This is $109,356,000 over 1971.

The 1967 amendments to the Social Security Act authorized a work incentives program designed to encourage and promote the employment, work experience, and training of public assistance recipients receiving support from the aid to families with dependent children program. This training and incentives activity of the program is funded by HEW and administered by the Department of Labor.

The grants go to State agencies to provide individuals with concentrated amounts of manpower and training service essential to insure that they are eventually placed in full-time employment. Grants are made to manpower agencies based upon an 80 to 20 percent matching basis—the Federal share being 80 percent and the State giving 20 percent.

WELFARE—SRS—WORK INCENTIVES—CHILD CARE

The committee's figure is $78 million which is the amount of the request, and $51,600,000 over 1971.

The 1967 amendments to the Social Security Act require that child care services be provided to all WIN participants who need such services. These services begin at the time the Employment Service is prepared to enroll the parent, until other satisfactory arrangements can be made.

Child care is provided on a full-time basis for preschool children and on an after-school basis for older children. This is designed to permit WIN participants to take full advantage of the programs offered. Grants are made to States based upon a 75 to 25 percent matching rate—the Federal share being 75 percent and the State giving 25 percent.

WELFARE—SRS—REHABILITATION SERVICES AND FACILITIES

BASIC STATE GRANTS—SECTION 2

The committee's figure on this item is $518 million, which is the budget request. It is $15 million over 1971.

The Vocational Rehabilitation Act provides for allotment of Federal funds among the States on the basis of need as measured by a State's population and its per capita income, Federal funds requested for 1972 will match State funds of $134,683,463.

In 1971 an estimated 130,000 public assistance recipients were provided vocational rehabilitation services and of this number approximately 37,500 were rehabilitated during the year. It is estimated that for each public assistance recipient removed from the welfare rolls, that the resultant annual savings to welfare will amount to approximately $850, not counting the humanitarian benefits, productive contribution to society in earnings and finished products, and taxes. Approximately 300,000 persons now on welfare rolls are estimated to have a disability and rehabilitation potential.

In 1972, an estimated 51,000 recipients will be rehabilitated under this program.

In addition to these individuals, basic State grants will provide funds to rehabilitate others in the following categories:

Social security disability insurance beneficiaries	21, 200
Correctional rehabilitation	18, 700
Alcoholics	16, 700
Narcotic addicts	1, 200
Mentally ill	83, 800
Mentally retarded	40, 300
Blind and visually impaired	24, 300
Deaf, hard of hearing, and speech impaired	17, 500
Heart disease, cancer, and stroke	11, 800
Spinal cord injuries	300

WELFARE—SRS—REHABILITATION SERVICES AND FACILITIES

REHABILITATION SERVICE PROJECTS

The committee's figure is $52,210,000, which is the budget request. It is $24,560,000 over 1971.

This is a priority initiative to expand the States' capability to rehabilitate welfare recipients, and the increase requested for fiscal year 1972 will support special expansion projects in which States will serve an additional 45,000 public assistance recipients and of this number rehabilitate approximately 14,000 within the first full year.

The 1965 amendments to the Vocational Rehabilitation Act authorized the expansion grant program. Federal grants are made to State vocational rehabilitation, other public, or private, nonprofit agencies of up to 90 percent of the cost of projects to expand beyond normal growth the number of disabled persons being rehabilitated.

WELFARE—SRS—REHABILITATION SERVICES AND FACILITIES

VOCATIONAL REHABILITATION FACILITIES

The committee's figure is $3,051,000, which was not requested. It is $1,750,000 on 1971.

Grants are made for the construction of new buildings, acquisition, expansion, remodeling, alteration, and renovation of existing buildings, and for initial equipment. The cost of construction may include the cost of architectural fees and acquisition of land.

These grants are made to public or other nonprofit rehabilitation facilities. The Federal matching rate ranges between 33⅓ and 66⅔ percent.

In 1971, one grant will be issued to the Rehabilitation Institute of Chicago for the next phase of the project. The total Federal share of this project is estimated to be $8 million, of which $3,750,000 has been appropriated through 1971.

WELFARE—SRS—REHABILITATION SERVICES AND FACILITIES

GRANTS FOR THE DEVELOPMENTALLY DISABLED: FORMULA GRANTS

The committee's figure is $16,215,000, which is $5 million over the request and an increase of $5 million over 1971.

This program provides formula grants for planning, provision of services and construction and operations of facilities for persons with developmental disabilities. This new act—Developmental Disability Services and Facilities Construction Amendments of 1970—Public Law 91–517—was being implemented during the last half of fiscal year 1971, and it is expected that in 1972, promulgation of regulations, policies and procedures for full implementation will be completed. Approximately 15 construction projects will be approved.

Because of the late program startup, nearly all of the 1971 funds will be available for program purposes in 1972, providing a program level of about $22 million.

WELFARE—SRS—REHABILITATION SERVICES AND FACILITIES

GRANTS FOR THE DEVELOPMENTALLY DISABLED: SERVICE PROJECT GRANTS

The committee provided for $23,575,000, which is no change for either 1971 or 1972.

The highest priority of these programs is to reorient and restructure the patterns of services to be more individualized and therapeutic and to design community oriented approaches to help reduce the dependency of the developmentally disabled.

Projects supported under this activity provide part of the cost to improve care in mental retardation institutions; to initiate and expand community programs; for the habilitation and rehabilitation of the mentally retarded and other handicapped individuals; and for concomitant specialized training.

Initiation of services and projects is facilitated by Federal project grants made to States, public, and other nonprofit agencies and organizations, universities and to local communities. Matching rate varies with different types of grants.

The 1971 program will support 63 new projects and 119 projects previously approved. These projects provide service to 32,476 individuals, and training for 14,220 individuals at a cost of $8,300,000.

Funds available in 1971 will support 72 new projects and 82 projects previously approved. These projects provide service to 6,660 and training for 389 individuals at a cost of $5,500,000.

Funds available in 1971 will support continuation of 359 projects previously approved. These projects make possible the provision of services to 93,340 individuals at a cost of $9,775,000.

The 1972 funding request will support the continuation of 130 projects previously approved providing services to 25,416 retardates and staff training for 9,006 members at a cost of $6,500,000.

WELFARE—SRS—SPECIAL PROGRAMS FOR THE AGING

The total funding request for this item was $33,700,000, which the committee provided. It is $5,850,000 higher than 1971.

SPECIAL PROGRAMS FOR THE AGING—STATE PLANNING AND SERVICE GRANTS

The request was for $18,200,000, which the committee provided. This is $3 million more than in 1971.

This item consists of three programs: First, community programs; second, areawide projects; and third, planning and operations.

The community programs would be continued in 1972 at the 1971— $9 million—level. Authorized by title III of the Older Americans Act of 1965, this program allocates funds on a formula basis to States having an approved State plan. Local communities provide 25 percent of the cost the first year, 40 percent the second, and 50 percent for the third and subsequent years. During 1970 and 1971, about 700 community programs were supported, food and nutrition programs are an important part of this activity.

Authorized by the 1969 amendments to title III of the Older Americans Act, the areawide model program is directed toward reduction and elimination of barriers which prevent older people from living independently and participating meaningfully in community life. In 1971, 10 areas were selected for funding for a total of $2,200,000, the $5,200,000 requested for 1972 would provide for continuation of these projects and the initiation of several new ones.

Planning and operations funds would remain at the 1971 level—$4 million.

The budget originally proposed a reduction in funding for the community programs—$3,650.000—but a budget amendment restored this.

Authorizations: Community programs, $30 million; planning, $5 million; and areawide projects, $10 million.

SPECIAL PROGRAMS FOR THE AGING—FOSTER GRANDPARENTS

The requested figure is $10,500,000, which is no change from 1971. The committee provided this amount.

Effective July 1, 1971, this program was transferred to the new action agency.

Authorized by title VI of the Older Americans Act of 1965, this is a project grant program which provides opportunities for low income—$1,900 for an individual and $2,500 for a couple—older persons to contribute to their community in the retirement years. The program focus is on a 1-to-1 relationship between a mature adult and a child with special needs.

Foster grandparents serve children in State and private institutions and day-care centers; in general and pediatric hospitals; in institutions for the mentally retarded, mentally ill, and emotionally disturbed; and in inner-city day-care, preschool, and school settings.

Foster grandparents receive a stipend of $1.60 an hour and generally serve 4 hours a day, 5 days a week. Over 80 percent of the total cost of the program is received as direct benefits by the foster grandparents. These benefits include stipends, transportation, meals, medical examinations, workmen's compensation, and social security.

In 1965, the initial year of the program, 21 demonstration projects were funded. There are currently 68 individual programs in 40 States and Puerto Rico. There are 183 participating institutions in which about 4,200 foster grandparents serve over 8,400 children on any given day and over 20,000 children during a year.

The budget originally proposed a 30-percent reduction from 1971, but a budget amendment was submitted to provide funding at the 1971 level for 1972.

SPECIAL PROGRAMS FOR THE AGING—RETIRED SENIOR VOLUNTEER PROGRAM

The requested figure is $5 million, which the committee did not change. It is an increase of $4,500,000 over 1971.

This program is authorized by title VI of the Older Americans Act of 1965, as amended, and was created on September 17, 1969, when the 1969 amendments to the Older Americans Act became law.

The RSVP program is authorized at $15 million, and the $5 million requested for 1972 will provide opportunities for approximately 29,200 volunteers, compared with 3,000 volunteers in 1971. It would permit the funding of the 10 programs begun in 1971 for their second year of operation and allow for the initiation of 80 new programs.

RSVP structures useful roles for older persons as volunteers providing needed services in or through community agencies. Many of the volunteers are recruited, trained, and assigned in groups to public or private nonprofit agencies and organizations in their own or nearby communities. The primary focus of the services provided is on direct social services to people. However, for those older persons unable or unwilling to engage in this type of activity, other needed services will be developed in the volunteer projects such as sewing, repair of recreation equipment, and so forth, not requiring direct involvement with the beneficiaries.

The social services include visiting with aged, ill, or handicapped persons; assisting ill or aged persons with personal shopping; working as tutors with underachievers in schools; assisting in providing recreational activities for the aged and the institutionalized of all ages; assisting rehabilitation agencies in activities to rehabilitate the mentally and physically disabled; counseling older persons on good consumer practices; and giving individualized care and attention to hospitalized children. All services rendered will be in addition to, not a duplication, services being performed by employed workers.

WELFARE—SRS—RESEARCH AND TRAINING

The committee's figure is $92,465,000, which is $23,315,000 over the budget request. This item includes a budget amendment of $2,150,000 to maintain the research and training efforts for the aging at the 1971 level. The entire increase over the budget request is to be applied to the rehabilitation and social work training programs, to maintain them at the level of the 1971 appropriation.

RESEARCH AND TRAINING—RESEARCH: SOCIAL AND REHABILITATION PROJECTS

The budget request was for $24,125,000, the figure provided by the committee.

RESEARCH AND TRAINING—RESEARCH: INCOME MAINTENANCE PROJECTS

The budget request for $11 million was provided by the committee, unchanged. It is a $2 million increase over 1971.

This entire amount is requested to fund research projects initiated in prior years. Approximately $7,200,000 will be used to cover the cost of operations for the Seattle-Denver experiment and $3,500,000 for the Gary experiment. The remaining $300,000 will be used to continue a project with the Urban Institute for the provision of technical assistance and research related to the experiments.

It is currently estimated that the income maintenance projects will be completed in 1974.

HEW money to date:

	Millions
Fiscal year 1970	$8
Fiscal year 1971	9
Total	17
Request for fiscal year 1972	11

The Gary project is estimated to have a total cost of $11 or $12 million. There is no such estimate for the Seattle-Denver project.

RESEARCH AND TRAINING—RESEARCH: SPECIAL CENTERS

The committee provided $12,375,000, the budget request. This is a cut of $2,543,000 from 1971.

Funds requested will provide for continuation of the Research and Training Special Centers at the 1971 level, in such research area as "flotation therapy," mental retardation in impoverished areas, outreach programs, drug and alcohol addiction, and so forth.

The decrease of $2,543,000 results from the nonrecurring construction cost for the National Center for Deaf/Blind, and reduced continuation cost of regional research institutes.

RESEARCH AND TRAINING—TRAINING: REHABILITATION

The committee provided $33,065,000, which is an increase of $18,415,000 over the budget request and maintains the 1971 level.

RESEARCH AND TRAINING—TRAINING: COMMUNITY SERVICES

The committee provided $8,900,000, which is the 1971 figure, and $4,900,000 over the budget for 1972.

RESEARCH AND TRAINING—TRAINING: AGING

The committee provided $3 million, no change from 1971.

The original estimate for 1972 for this item was $1,850,000. However, a budget amendment raised the amount to the 1971 level.

The justification says:

> For the Title V training grant program an additional $1,150,000 will permit the continuation of the 15 aging training programs at current levels of operation. The number of long-term and short-term students supported will remain at approximately 415.

SOCIAL AND REHABILITATION ACTIVITIES OVERSEAS—SPECIAL FOREIGN CURRENCY PROGRAM

The committee provided $8 million, which is a decrease from the budget request of $2 million, but an increase over 1971 of $4 million.

The 1972 increase of $5,775,000 would provide for an incerase of 61 new projects in nine foreign countries in which currencies in excess of the normal requirements of the United States are available. This request will also provide travel funds for an increase of nine American and foreign nationals to participate in the interchange of experts program over the 121 travelers in 1971.

WELFARE—SRS—SALARIES AND EXPENSES

The committee provided $39,537,000, which is an increase over 1971 of $3,655,000. It is $944,000 below the budget request.

Some of the requested increase is built in, but 100 new positions and $1,894,000 are requested as a program increase.

Thirty additional positions are requested to strengthen program control efforts over community service programs and to provide better financial control over formula grant programs.

Included in the estimates is $375,000 for contract support of the increased efforts to reduce the incidence of fraud and incorrect payments in the public assistance caseload.

The 70 additional positions are requested for regional operations to provide greater technical assistance and leadership to the States in improving their control over the community services and medical assistance programs and to provide for better surveillance over these programs to insure that expenditures are necessary for proper and efficient administration of State plans.

SSA—PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

The total requested was $2,465,297,000, which the committee provided. This is a reduction from 1971 of $134,589,000.

The amount of funds required for Federal matching of premiums paid by or for individuals in the voluntary medical insurance program is dependent on the number of persons enrolled in the program and the premium rate which has been promulgated by the Secretary of Health, Education, and Welfare for the fiscal year for which funds are appropriated.

Appropriation estimates for payments to the trust funds for the cost of hospital insurance for the uninsured, noncontributory military service credits, and retirement benefits for certain uninsured persons aged 72 and over are based on benefits paid or to be paid to individuals protected by these provisions of law and the related administrative and interest costs.

During fiscal year 1971, the average number of enrollees in the supplementary medical insurance program is estimated at 19,500,000. Of these, 9,500,000 are expected to receive reimbursed medical services and over $2 billion in benefits is expected to be paid. Uninsured persons eligible for hospital insurance benefits will number 1,700,000 during 1971, and benefits for this group are estimated at $576 million.

Federal fund payments made to the trust funds in 1971 for hospital insurance for the uninsured, military service credits, and retirement benefits for certain uninsured persons helped put the trust funds in the same position they would have been in had these various provisions not been in effect.

The average number of enrollees in the supplementary medical insurance program is expected to grow to 19,800,000. The standard monthly premium rate and the Federal matching payment will be increased from $5.30 to $5.60 effective July 1, 1971, essentially for increases in the utilization and cost of covered services. Approximately 9,800,000 individuals will receive reimbursed services and $2.3 billion in supplementary medical insurance benefits will be paid. In 1972 approximately 1,600,000 uninsured persons—100,000 less than in 1971—will be eligible for hospital insurance and an estimated $602 million in benefits will be paid for this group.

SSA—PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

MATCHING PAYMENT FOR SUPPLEMENTARY MEDICAL INSURANCE—MEDICARE

The budget request was for $1,376,400,000, which was provided by the committee. This is $131,118,000 over 1971.

In the voluntary medical insurance plan for those persons 65 and over—medicare—about 95 percent of those eligible have chosen to enroll. This covers the costs of physicians' services, home health services not covered under the hospital insurance program, outpatient services, and certain other medical costs, subject to certain deductible and coinsurance amounts. Medical insurance benefits are financed from payments of monthly premiums by enrollees and by dollar for dollar matching Federal contributions.

The average number of enrollees in the supplementary medical insurance program is expected to grow to 19,800,000 during 1972 from an estimated 19,500,000 during 1971. At a standard premium rate of $5.60 per month, 1972 premium collections are estimated at $1,341 million. These must be matched with Federal funds, adjustments for underfinancing of 1971 costs—$13,500,000—and of 1970 costs—$15,900,000—make the total of $1,376,400,000 required for 1972.

The amount of payments to be made derives from the exercise by individuals of their rights under the law and is not subject to administrative control.

SSA—PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

HOSPITAL INSURANCE FOR THE UNINSURED—MEDICARE

The budget request was for $503,351,000, which the committee provided. This is $375,337 less than 1971.

The Social Security Act also provides a hospital insurance plan to pay, for most individuals age 65 and over, the costs of hospital and related post-hospital services subject to certain deductibles and coinsurance requirements. Coverage extends to all persons entitled to social security or railroad retirement benefits and to practically all others age 65 and over not entitled to benefits under those systems.

It is estimated that during fiscal year 1972 the number of uninsured individuals on the hospital benefit rolls will decline to an average of $1.6 million from the average of $1.7 million in fiscal year 1971. The resulting decrease in benefit outlays is partially offset by increases in the cost and utilization of covered services.

Funds for this item must be provided by law, and are not subject to administrative control.

SSA—PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

MILITARY SERVICE CREDITS

The committee provided $235 million, the budget request. This is $130 million over 1971.

The Congress provided men in the Armed Forces free wage credits toward social security before there was a regular social security coverage of the Armed Forces. They were granted $160 a month credit. At that time no reimbursement was provided for the trust funds. Later, the law was changed so that the trust funds would be made whole. The Social Security Administration is required to estimate how much in equal annual installments it would take to cover the cost in benefits provided, plus interest. For several years this request has been $105 million. A new estimate is required every 5 years, and one has been made to cover the next 44 years beginning in 1972—$235 million.

Social security benefits are now higher, and the new estimate has been made for a shorter period than before—44 years instead of 50—so this is why the new annual installments will be higher.

SSA—PAYMENTS TO SOCIAL SECURITY TRUST FUNDS; RETIREMENT BENEFITS FOR CERTAIN UNINSURED PERSONS

The committee provided $350,546,000, the budget request. This is $20,370,000 below 1971. Benefits were provided in Public Law 89-368 to afford some protection to certain persons or their surviving dependents, who retired before the enactment of social security legislation or before their occupations were covered by social security. To be eligible an individual must have less than three quarters of coverage and have attained age 72 before 1968. The benefit was first paid in November 1966 and amounted to $35 a month for an individual plus $17.50 for an eligible wife. It was increased effective February 1968 to $40 and $20, respectively, and again in 1969 to $46 and $23, effective January 1970. The number of persons receiving benefits under this provision reached a peak of 734,000 in December 1967, and since then has been gradually decreasing as the size of the aged population meeting the eligibility requirements decreases.

SSA—SPECIAL BENEFITS FOR DISABLED COAL MINERS

The committee provided $644,249,000, for 1972.* On December 30, 1969, the President signed the Federal Coal Mine Health and Safety Act of 1969, Public Law 91-173. The act established nationwide health and safety standards for the coal mining industry. In addition, title IV provided for the payment of cash, benefits to coal miners who are totally disabled due to coal workers' pneumoconiosis—black lung—and to widows of coal miners who died from this condition. Pneumoconiosis, for the purposes of these benefits, is defined as a chronic dust disease of the lung arising out of employment in the Nation's underground coal mines. Under the act, the Secretary of Health, Education, and Welfare is responsible for the processing of claims filed prior to January 1, 1973. Most claims filed after December 31, 1972, will be handled by the Department of Labor and the State workmen's compensation agencies.

By the middle of fiscal year 1971, 250,000 claims had been received and about 150,000 determinations had been made of which 90,000 were awards. By the end of fiscal year 1971, an estimated 292,000 had been received and about 284,000 of these will be processed, including 141,000 awards.

Expenditures

1970 actual	$10,381,000
1971 estimate	241,194,000
1972 estimate	384,000,000
Total	635,575,000

The expected caseload for 1972 is 37,000 considerably less than previous. Therefore, it is reasonable to assume that the increases in expenditures will stabilize somewhat now that the backlog has been taken care of. Another indication of this is the reduction in personnel for this activity from 601 in 1971 to 205 in 1972. A decrease of 396 positions.

SSA—SOCIAL SECURITY ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)

In fiscal year 1971, the Social Security Administration had no program of research financed with excess foreign currencies. It requests an appropriation for such a program for fiscal year 1972. Comparative research projects abroad will assist in the evaluation of the old-age, survivors, disability, and health insurance provisions of the social security program.

Beneficiaries receiving checks outside the United States: 230,000 to 235,000.

The request was for $750,000, but the committee did not fund it.

SSA—LIMITATION ON SALARIES AND EXPENSES; TRUST FUND

The budget request was for $1,134,640,000, which was provided by the committee. This is an increase over 1971 of $89,932,000. This is part of the total SSA figure.

The request for an annual "limitation on salaries and expenses" is a request for the Social Security Administration to use the social security trust funds to meet its annual administrative expenses in carrying out the social security programs of retirement, survivors, disability, and health insurance.

In fiscal year 1972, the cost of administering old-age and survivors insurance is expected to increase by $6,159,464; disability insurance by $23,207,445; hospital insurance by $13,694,249; and supplementary medical insurance by $21,870,242; making a total increase in administrative expenses of $64,931,400.

This adds up to a total obligation figure of $1,109,640,000. Provision for a $25,000,000 unobligated contingency reserve brings the total appropriation request to $1,134,640,000.

SSA—LIMITATION ON CONSTRUCTION: TRUST FUND

1971 enacted	1972 request	Committee bill	Change from 1971	Change from 1972
($2,800,000)	($18,194,000)	($18,194,000)	(+$15,394,000)	No change.
($20,357,000)[1]	(13,314,000)	(13,314,000)	(−7,043,000)	Do.

[1] Obligation.

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*The 1972 request and recommended appropriation includes $6,734,000 for payments made in FY 1970 and $252,900,000 for payments made in 1971. Remainder of $384,615,000 is for 1972 payments.

Comments: The 1971 appropriation provides $2,800,000 for the acquisition of sites and the design of district office buildings in 30 selected cities. The 1972 appropriation request for $18,194,000 in budget authority will provide for the acquisition of sites and the design of buildings to house four of the six payment centers operated by the Social Security Administration. Funds for construction of these facilities will be requested in a subsequent year.

THE OFFICE OF CHILD DEVELOPMENT

For the Office of Child Development, the bill includes $14,251,000, a reduction of $2,000,000 from the budget request and an increase of $4,434,000 over the comparable 1971 appropriation.

As noted in our committee report, the funds requested for the Headstart program, amounting to $376,817,000 are not included in the bill because the authorization for this program, which is contained in the Economic Opportunity Act has expired and has not yet been extended.

The Office of Child Development was initially established in 1969 to assume responsibility for operating Headstart and to continue those functions of the Children's Bureau as mandated by the act of 1912. Located in the Office of the Secretary, OCD encompasses two Bureaus—the Bureau of Headstart and Child Service Programs, and the Children's Bureau. The Office serves as a focal point for developing and leading DHEW efforts to improve and expand the scope of programs and services designed to improve the quality of life for children and youth throughout the Nation.

CHILD DEVELOPMENT—RESEARCH AND DEMONSTRATIONS

The administration request for research and demonstrations was $13,500,000, an increase of $8,000,000 over the comparable 1971 level.

The purpose of this program is to provide financial support for special research or demonstration projects in the field of child welfare which are of regional or national significance; and special projects for the demonstration of new methods or facilities which show promise of substantial contribution to the advancement of child welfare services. Grants may be made at 95 percent cost to the Federal Government to public or other nonprofit agencies and organizations engaged in research or child welfare activities. Grantees are required to provide at least 5 percent of total direct costs.

Funds provided in 1971 supported the following projects:

Development of a multimedia course in child care for high school students;

Design of alternative mechanisms for child advocacy at the local level;

Demonstrations of methods to bring about change in institutional care of children;

Demonstration of training programs for foster parents;

Development of a parent education program for mothers using public pediatric clinics; and

Development of curriculum and certification procedures for new career child care workers.

For this program for 1972, your committee provided $11,500,000, which is $2,000,000 below the budget request, but $6,000,000 over the comparable level for 1971. This is more than a doubling of funds for this program, and the increase will enable work in areas such as demonstration of different models of day care; impact of television on young children; demonstrations to provide a male identity for fatherless boys; child development programs for children from varied socio-economic backgrounds; and demonstrations to increase the adoption of hard-to-place children.

High priority in 1972 will be placed on demonstration and evaluation of different models for day care.

CHILD DEVELOPMENT—WHITE HOUSE CONFERENCE ON CHILDREN AND YOUTH

For this budget item, your committee has provided the amount of the budget request—$304,000—which is $2,237,000 below the comparable figure for last year.

Once each decade since 1909, the President has convened a White House Conference on Children and Youth. Traditionally, the conference has consisted of a single event for both children and youth, but the 1970 conference was split, with the Children's Conference held in December 1970, and the Conference on Youth held in the spring of this year—1971.

The funds will provide for follow-through on both these conferences and phasing out of the operation.

CHILD DEVELOPMENT—SALARIES AND EXPENSES

Salaries and expenses other than those not related to administration of the Headstart program were not considered by the committee. For non-Headstart S. & E. activities, the committee provided the budget request of $2,447,000, an increase of $671,000 over the comparable 1971 appropriation.

OFFICE FOR CIVIL RIGHTS

The committee bill provides $10,830,000, the budget request, for the Office for Civil Rights, an increase of $2,137,000 over the comparable 1971 figure.

The Office for Civil Rights is responsible for administering title VI of the Civil Rights Act of 1964 which prohibits discrimination as to race, color, or national origin in programs and activities which receive Federal financial assistance. Additionally, this office insures compliance with Executive orders on equal employment opportunity at universities, hospitals, and other institutions holding Government contracts.

This appropriation provides funding of salaries and expenses for staff of the Office for Civil Rights, both at headquarters and field.

Compliance enforcement: To date 2,300 colleges and universities receiving Federal assistance have been surveyed; 1,100 have been selected for compliance reviews with 470 such reviews completed. To date 36 State health and social service departments have been reviewed for compliance with onsite visits to aproximately 2,650 local agencies and facilities, including about 1,100 hospital and nursing homes. To date, 680 contract compliance reviews have been conducted. It is anticipated that approximately 2,103 nonconstruction and 600 construction projects reviews will be completed during fiscal year 1971.

In the area of education, OCR will carry out a stepped-up compliance program emphasizing national origin minority discrimination and investigate compliance status of those districts applying for funds for assistance in desegregation. In the area of health and social services, the Office for Civil Rights plans to complete State agency reviews still outstanding and to continue providing training to State agency staffs responsible for making onsite reviews. OCR plans to complete 5,900 compliance reviews of contractor facilities by the end of fiscal year 1972.

DEPARTMENTAL MANAGEMENT

This budget item includes funds for the following activities of the Department of Health, Education and Welfare: executive direction, public information, community and field services, legal services, financial management, facilities engineering and construction, administrative management, and surplus property utilization.

The budget request for departmental management for fiscal 1972 was $58,400,000, and the committee bill provides this amount. This represents an increase of $3,297,000 over the comparable 1971 appropriation figure.

TITLE III—RELATED AGENCIES

Turning now to the related agencies, your committee did not consider budget requests for several of them because authorizing legislation for them for fiscal 1972 had not been enacted, or because the requests were included in budget amendments which were received too late for consideration.

These agencies are Cabinet Committee on Opportunities for Spanish Speaking People, Commission on Marihuana and Drug Abuse, Commission on Railroad Retirement, National Commission on Libraries and Information Science, and Office of Economic Opportunity.

NATIONAL LABOR RELATIONS BOARD

The budget request for this agency was $48,468,000 and your committee recommends the full amount, which is $6,641,000 above last year.

The funds are requested to enable the agency to process the anticipated 38,600 unfair labor practice and representation cases to be filed in this fiscal year. This is a total increase of 12 percent in unfair labor practice work, and 5 percent in representation work in 1972. They believe these estimates to be on the conservative side.

NATIONAL MEDIATION BOARD

For the National Mediation Board, the committee bill provides $2,796,000, the amount of the request and $342,000 over the 1971 level. As stated in the committee report, the major portion of the requested increase is to raise the rate of compensation of neutral members of adjustment boards.

RAILROAD RETIREMENT BOARD

The committee bill includes $20,757,000, the amount of the request and $788,000 over last year. As noted in our report, this appropriation is to pay the eighth of 10 yearly installments on the amount due the railroad retirement account for creditable military service by railroad workers through June 30, 1963.

FEDERAL MEDIATION AND CONCILIATION SERVICE

This agency would be funded at a level of $10,289,000, the amount of the request and an increase of $563,000 over the 1971 level. The increased funds will be used primarily for increased pay costs and for increased travel incidents to training programs for mediators.

U.S. SOLDIERS' HOME

The U.S. Soldiers' Home under this bill, would receive a trust fund appropriation of $11,353,000 for operation and maintenance. This is the amount of the request and $796,000 over the 1971 appropriation. The bill also includes $80,000, the amount of the budget request, for capital outlay. This is $48,000 below last year.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

Finally, the Occupational Safety and Health Review Commission would be provided $400,000 under this bill—the amount of the request and $325,000 over last year. The Commission was started this spring and is made up of three members appointed by the President. Its function is the adjudication of occupational safety and health enforcement actions initiated by the Department of Labor which are contested by employers, by employees, or by representatives of employees.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, did I understand the gentleman on the levels of the President's recommendations? I was under the impression the committee disregarded most of them and went over the President's recommendations by over $100 million.

Mr. MICHEL. That is true. There are changes which are in prospect if we will give them an opportunity to be enacted. We have several pieces of legislation which are currently languishing, but which hopefully will soon be considered by the Congress. Hopefully we would like to see those enacted into legislation so we can see those improvements in this area.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Iowa.

Mr. GROSS. Would the gentleman, before he leaves the text before him, give me again the figures and the years with respect to the increases—from $3 billion to what was the amount?

Mr. MICHEL. I was saying the Federal Government is getting more and more involved in this whole business of health. Since 1960 when the Federal Government was involved to the extent of $3.5 billion, to the point where now we see a figure of $22.2 billion this year in this whole health field. So we have been doing a considerable amount in the past several years particularly.

Mr. GROSS. I thank the gentleman.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Indiana.

Mr. DENNIS. What is the anticipated total budgetary deficit for this year at the present time?

Mr. MICHEL. As the gentleman well knows, there was a planned deficit of something like $11.2 billion. In view of the add-ons to appropriation bills thus far, and revenues not meeting those projected earlier in the year, I would not be suprised to see a deficit in the current fiscal year in excess of that for 1971, so it would have to be in excess of $22 billion or $23 billion.

That is why we are making the point here today. Even though we have added $321 million to the bill we would hope the Members of the Committee of the Whole would stand by our recommendations and not add an additional $230 million or more that will be proposed in a package amendment.

Mr. DENNIS. I would say to the gentleman I certainly concur. I even wonder whether we ought to add $321 million or, as the gentleman has pointed out, really $565 million to the budget, under those circumstances.

Mr. FOUNTAIN. I thank the gentleman for yielding. Does the $14 million-plus which the gentleman referred to as being on public assistance rolls take into account title IV of the Social Security Amendments of 1971 which recently passed the House?

Mr. MICHEL. You mean the so-called welfare reform?

Mr. FOUNTAIN. Yes.

Mr. MICHEL. I am talking about a total figure including old-age assistance, disabled, and those on AFDC.

Mr. FOUNTAIN. Will we not have that figure, more than $14 million, whether or not title IV of the Social Security Amendments of 1971 finally becomes law?

Mr. MICHEL. I am just saying——

Mr. FOUNTAIN. I am talking about the guaranteed annual wage provision described as the family assistance plan of the bill we recently passed here in the House.

Mr. MICHEL. Right. Of course, there was no question but during the course of the debate on this in the first few years we were going to have an additional expenditure, but it seems to me over the long haul, after a 4- or 5-year period of time, if the work incentives portion of that legislation is really effective, we may still have some opportunity for eating into this ever-increasing number of individuals who are simply drawing benefits without working.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MICHEL. I yield myself 5 additional minutes.

Mr. Chairman, I would like to turn now, if I may, to address myself specifically to those additional views expressed by the gentleman from Illinois (Mr. YATES) and several other members of the full committee.

These separate views, as they appear in our report, are fraught with all kinds of discrepancies and misstatements of fact.

The separate views said that "the administration requested trimming activities for the National Institutes of Health for 1972 to $1,283 million." The actual request was nearly $9 million higher, as can be noted in the table appearing on page 66 of our report.

In the $100 million cancer initiative, if it is included, that amount is almost the same as that enacted last year and not "significantly below last year's budget," as my colleagues state.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I will in just a moment. Let me make a couple of other points, and then the gentleman can ask his questions.

This is not the whole story, for when you look at the appropriation for the research Institutes on a comparable basis, the administration's budget represented a real increase of more than $25 million over the 1971 level. And, when you look at the NIH research budget on a 2-year basis, the total increase in this bill plus the increases added last year represent a 35 percent bigger NIH research budget over 1970—an additional $348 million.

My colleagues charge that four Institutes were cut sharply below last year's budget level by the administration. This is simply not the case. Two of them were cut by a total of $7 million—out of a total budget of $1.48 billion—and these two were more than restored by our committee. Besides restoring everything to the 1971 level, we added approximately 6 percent for a cost-of-research increase, and approved all the increases recommended by the administration.

With respect to the Cancer Institute, the additional views of the gentleman from Illinois and his colleagues say that "the administration's 1972 budget recommended a further cut in NCI funds below the fiscal year 1971 level." This is simply not true. There was an increase, though quite modest, in addition to the much-heralded $100 million increase.

Now would the gentleman like me to yield to him at this point?

Mr. YATES. I thank the gentleman for yielding.

The gentleman continually turns back to the 1971 level. Does not the gentleman think that we ought to look forward and not backward in looking at our appropriations? Why does the gentleman use a level like 1971 when admittedly the appropriations for health were at a low level. The high point of the NIH appropriations was in 1969. In 1970 and 1971 those fiscal year appropriations were lower than that year generally. Now we are looking at the 1971 budget. The percentages that the gentleman speaks about of increase I do not think confound the points that we made in our separate and dissenting views. The fact is that the increases made by the administration over 1971 were woefully inadequate and the committee did not add significantly to those inadequate levels.

Mr. MICHEL. The gentleman is certainly entitled to his opinion, but I want to go on and point out a few other discrepancies in the remarks of the gentleman, because it is quite obvious that these views were taken in no small part from the so-called coalition for full funding, whatever that is, and a good deal of their information was outdated.

I think I should make the point here that the approved unfunded backlog for the National Cancer Institute is $21.3 million.

The increase of $104 million that is being provided in 1972 is more than sufficient to fund this backlog, if this is determined to be the most productive approach. The Director of NIH has repeatedly stated that they would not fund the lowest priority approved research grant applications without additional review and consideration.

Now, if I might turn to the National Heart and Lung Institute, our committee has provided a $16 million increase over the budget which actually represents a $20 million increase over the comparable figures for fiscal year 1971. To keep this whole thing in perspective, I should point out and would remind you that in fiscal year 1971 the Heart and Lung Institute received a $35 million increase over fiscal year 1970.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MICHEL. Mr. Chairman, I yield myself 5 additional minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 additional minutes.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield to me to make a little announcement about the flight that is in progress?

Mr. MICHEL. I yield to the gentleman from California for that purpose.

FLIGHT OF APOLLO 15

(By unanimous consent, Mr. MILLER of California was allowed to speak out of order.)

Mr. MILLER of California. I hope I do not destroy the line of thought of the gentleman from Illinois, but I know you are all interested in knowing that the test that was made earlier, around 2 o'clock this afternoon, was very successful and the vehicle is on its way proceeding in a normal fashion toward the moon.

Mr. MICHEL. That is good news, I will say to the gentleman from California.

Now, Mr. Chairman, the gentleman from Illinois (Mr. YATES), my dear friend, and his colleagues charge that "restrictive budgets have compelled the Heart Institute to cut back on a number of its major research projects." And they say that "the famous Framingham study of the causal factors contributing to heart disease has been terminated for lack of funds."

Again, my colleagues are in error. The Framingham study, far from being terminated, is being continued through the combined support of a National Institute of Neurological Diseases and Stroke grant to investigators at Boston University, National Heart and Lung Institute funds and private capital.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. YATES. Is the gentleman saying that the Framingham report is going to continue on the same high level of funding as it has been in the past, or is it being eliminated?

Mr. MICHEL. It is not being eliminated.

Mr. YATES. Is the gentleman telling the House that the Framingham study is going to be continued?

Mr. MICHEL. It is quite obvious that it has not been terminated at this particular point and will go on in so long as it is effective.

Mr. YATES. Is it not being liquidated?

Mr. MICHEL. Not insofar as I know.

Mr. YATES. It is my information that it is being liquidated because of lack of adequate funding.

Mr. MICHEL. It is being continued through the combined support of the National Institute on Neurological Diseases and Stroke at Boston University. If the gentleman is being told one thing and we are being told another, that is something else.

My colleagues say that "the projected long-term diet-heart study, which has been highly recommended by heart experts, has not been launched because of a lack of funds." Contrary to this statement, a large institutionalized human population is under study right now to ascertain if dietary modification can prevent the occurrence of heart attacks.

Mr. YATES. How large a study?

Mr. MICHEL. I cannot tell the gentleman how much it is in money, but we have to take the word of the people out at the National Heart Institute who do not seem to know what the gentleman is talking about when the gentleman makes that charge. I called them and asked them about this and they wondered what study you had in mind.

Mr. YATES. It is the study that has been underway for some time which has not been funded.

Mr. MICHEL. Well, there are all kinds of people who want all of this Federal money around here coming in with all kinds of requests under the sun. This may be a friend of yours who did not get what he thought he ought to have.

Mr. YATES. Maybe the gentleman and I ought to visit the Heart Institute together and perhaps we would come out with the same understanding.

Mr. MICHEL. I will say to the gentleman from Illinois that the heart cooperative drug study is currently underway at 53 clinics with 8,300 patients enrolled. Our subcommittee was told that patient recruitment was completed in June of 1969 and the clinical phase of the project will be completed in 1974, by which date all patients will have completed a 5-year period of carefully supervised study. This does not sound as though the study was in any serious trouble, but even so, our committee has provided more than enough funds to keep it on schedule.

My colleagues refer to the cardiovascular research centers, stating that 14 are ready to go into operation, but lack funds. Here they are wrong again. The committee bill and the budget provide $16.4 million for the cardiovascular centers in 1972. And in fact, the Institute has just announced the establishment of 34 centers in the following areas: arteriosclerosis, 13; chronic lung disease, 11; hypertension, five; thrombosis, five.

Turning to the National Institute of Neurological Diseases and Stroke, our committee did provide an increase of $12 million above the budget recommendation. Mr. YATES and the rest of his group have charged in their views with respect to the collaborative parinatal project that "research will have to be cut back on 50 percent of the children who have been studied. . . ."

Here again my colleagues are in gross error. In the first place, our committee instructed that $1.5 million be put back specifically in this program and there is more than enough in the overall increase we have provided to restore the full $2.1 million that showed up as a reduction in the budget.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MICHEL. Mr. Chairman, I yield myself 5 additional minutes in order to conclude my presentation.

Mr. Chairman, it might be well to take just a moment to tell you that this project has been going on now for over 10 years, and has cost over $100 million so far with 60,000 pregnancies having been studied. The project is a very ambitious one, following these children from conception through 8 years of age. Our data collection is nearing completion, and the last children in the study will reach the age of 8 in 1974. Analysis of a very large volume of data is well underway.

During our hearings we were advised that Secretary Richardson had made a study of the program and had determined that it could take a cut of $2.1 million and still accomplish its main objectives. Had the cut been sustained, it would simply have stretched the data processing and analyzing time, and would in no way have endangered the basic research effort.

Mr. YATES, and others, contend that the budget as originally sent to us was insufficient for stroke, mental retardation, cerebral palsy, and so forth, but I would simply point out that many HEW programs are directed at these problems, and the budget for any one disease cannot be associated with any one HEW organization. For example, in the area of mental retardation, a number of agencies in HEW deal with the problem from their own special perspective. Not only is the NIH involved, but the Office of Education, the Social and Rehabilitation Service, the Social Security Administration, the Health Service, and the Mental Health Administration. The budget for mental retardation was not reduced for fiscal year 1972, but rather increased by $27 million.

It is my understanding, Mr. Chairman, that in this $100 million proposed increase for NIH the author of the amendment is thinking of a breakdown that would earmark an additional $25 million for the Heart and Lung Institute, $25 million for General Medical Sciences, $20 million for neurological diseases and stroke, $18 million for child health and $12 million for the National Institute of Arthritis and Metabolic Diseases.

In the latter item, our committee has added nearly $13 million over the budget, bringing this Institute up to an appropriation level of over $148 million.

In the Institute of General Medical Sciences your committee added some $18 million over the budget, bringing that

Institute up to a funding level for fiscal year 1972 of $168.4 million.

Now, as for the Institute of Child Health and Human Development, in fiscal year 1970 we appropriated $75.5 million for this Institute. In fiscal year 1971 it was funded at a level of $93.6 million.

The 1972 budget came to us with a $10 million increase and our committee added another $6.4 million to that, bringing us to a total of $109.6 million. That is a whopping 50 percent increase since 1970.

In the additional views expressed on the subject of alcoholism, our colleagues leave the impression that the administration is not attuned to the gravity of the problem and that our committee was too tight-fisted in providing only $25 million in formula grants for the Alcoholism Abuse Act.

By way of quick review, in 1970 HEW programs to curb alcoholism were funded at a level of $30 million.

In 1971 the outlay was almost $42 million and in this bill for fiscal year 1972 with the additional $25 million added by our committee, funds for all HEW alcoholism programs will total more than $94 million. The National Institute of Mental Health alone will be responsible for more than $60 million of this amount.

I should point out that the formula grant funds provided in the committee bill are in addition to the estimated $34.5 million requested by the Social and Rehabilitation Service that would be distributed in formula grants for the rehabilitation of alcoholics.

Mr. YATES' amendment proposes to add $50 million to the Hill-Burton hospital construction. Our committee has more than doubled the budget on this item, bringing it up to $172.2 million for construction and sufficient funds to guarantee $1 billion in loans with a 3-percent interest subsidy in the fiscal year 1972. Conceivably these loan guarantees could provide us with 21,000 new beds. I think it is inconceivable to think that we would meet all of our hospital construction requirements in 1 year's time, and it is highly impractical to take the position that hospitals are not going to be built except with Federal grants of so-called free money.

The critical need throughout the country is for outpatient facilities. Many cities actually have an excess of acute care beds. Outpatient facilities have the least capability to repay a construction loan and therefore need grant support. And we do have sufficient funds in this bill to meet this particular need. In fact we are meeting full authorization on this item.

Hospitals receive a facility depreciation allowance as part of their regular payment under medicare which will exceed $400 million this year. These funds are available to repay guaranteed loans.

Previous estimates of the backlog in hospital construction—including HEW's—ignore recent and planned changes in the delivery of health services. A hospital is a long-term resource which we should not build on out-dated priorities and approaches to health care delivery.

The President's strategy for health delivery deemphasizes the acute care hospital bed and emphasizes outpatient and preventive care which is better and less expensive: HMO initiative, family health centers, emphasis on production of primary care physicians and physicians' assistants, medicare, and medicaid reimbursement for outpatient services.

With respect to the $30 million in the package for communicable disease, the President's budget request already included: $33.6 million in the diseases control appropriation for communicable disease programs; $19.3 million in the comprehensive health planning and services appropriation for rubella immunization and venereal disease project grants; $10 million budget amendment in the comprehensive health planning and services appropriation for venereal disease and immunization programs.

The committee bill shifts the $10 million increase from formula grants to project grants and added $10 million for a total of $20 million for communicable disease project grants. This $20 million, that has been added since the President's budget was submitted last January, equals the amount which the Director of the National Center for Disease Control indicated could be effectively utilized in fiscal year 1972 in problems of communicable diseases. Additionally, HEW reprogramed $6 million in 1971 funds for the purchase of polio, measles, and measles/rubella vaccines.

On the subject of the $20 million asked in the package as an addition to maternal and child health, the administration will request $22 million to support HMO's in rural and center-city areas as soon as the authorizing legislation passes. These are the areas where maternal and child health is the poorest and the infant mortality rate highest.

The budget request and the committee bill under comprehensive health include a $15 million increase for family health centers to serve rural and center-city areas where maternal and child health is the poorest. This is in addition to $98 million in ongoing comprehensive health service programs.

The NIH research grant budget includes $9.4 million for perinatal biology and infant mortality.

As for the $10 million Mr. YATES and others request for patient care, HEW has told the subcommittee repeatedly that it will request additional funds if and when they are necessary to provide the same high quality care to all its beneficiaries as was provided through PHS hospitals and clinics in 1971. This amendment is premature.

The solution to the problem of lead-based paint poisoning is one that will require considerable support from State and local governments, as well as involvement of interested community groups and voluntary organizations. It is clear that a high level of cooperation and integration of effort is essential.

Efforts to eliminate the source of the problem—the presence of lead-based paint in dwellings—will require an increased level of enforcement of housing codes, dissemination of health information to parents and heads of households, and most importantly, bringing the attention to landlords of the dangers of lead-based paint. Limited experience in Philadelphia and Washington, D.C., showed that in a majority of cases the landlord has deleaded his apartments—once informed of the potential dangers to child occupants—without resorting to legal action. To use Federal resources to methodically inspect and delead every one of the 4 million dwellings estimated to have lead-based paint would be enormously expensive.

The level of funding recommended by the committee—$5 million—will allow the Department: First, to screen approximately 550,000 children; second, provide treatment to those who have been diagnosed as experiencing lead poisoning. In providing treatment on a continuing basis, communities will be encouraged to marshal existing resources, both local and Federal; for example, using neighborhood health care centers. This is in keeping with provisions of title I of the act which requires 25 percent contribution on the part of participating communities; third, provide title II grants to communities for detection of sources of lead in residential housing on surfaces commonly exposed to children. Communities will be encouraged and supported to develop programs of individual self-help, neighborhood organizations for voluntary action, community action in the development and enforcement of housing codes in attacking the problem of residential deleading; fourth, to evaluate the results of its new method of testing for lead poisoning, "microdot" blood testing which only requires a fingerprick sample. This new technology needs to be assessed carefully before it is employed on an expanded basis; fifth, to support a total management effort in 8 to 10 communities. As of July 1971, 13 States and cities—not 50, as contended by Mr. YATES, and others—have actually submitted proposals to the Department. We believe that communities should assume a greater part of the initiative and a major role in developing programs suited to their local needs; sixth, carry out the provision of the act under title IV which prohibits the use of lead based paint in dwellings constructed or rehabilitated with Federal assistance. The Department is developing a set of rules and guidelines to implement this provision. In the meantime, informal communication has been made with local and State officials to make them aware of this provision. Further, other Federal agencies have been alerted to the impact this provision will have on their responsibilities.

HEW's strategy to implement this act takes into account the need to establish close working relationships with various groups, governments, and organizations; allow us time to learn from experience to devise the most effective method of attacking this problem; and recognizes that the development of such an approach must be done within available Federal resources.

I would certainly hope that when the Members of this body vote on the increases which will be proposed on the floor today that they will bear in mind these facts that I have cited.

Mr. YATES. Mr. Chairman, would the gentleman yield?

Mr. MICHEL. I will be happy to yield.

Mr. YATES. The gentleman has made a very eloquent presentation of the increases in the appropriations that have been made by the administration, and by the committee.

Yet, I refer the gentleman to the hearings of the committee on page 572, to the interrogation by the distinguished gentleman from Iowa (Mr. SMITH), who asked Dr. Marston to put in the record a list of the projects that have been approved and have not been funded.

The committee went over the administration's budget by $83 million for all the Institutes of Health. The number of projects, according to the table that appears on page 573—the number of approved projects for all the Institutes—is $143 million and so the committee is $60 million at the very least—$60 million shy of taking care of the needs of all the Institutes.

Mr. MICHEL. It is the gentleman's view that every application we receive ought to be just automatically funded?

Mr. YATES. It is the gentleman's views that if you have a very able committee reviewing projects and deciding they ought to be funded, yes—they ought to be funded.

Mr. MICHEL. If they have not been funded within a year or two, I suppose you say they ought to be at the same level of priority depending on medical advances, of course?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MICHEL. Mr. Chairman, I yield myself 2 additional minutes.

Mr. YATES. Is it the gentleman's view that they should be overseen and should be surveyed and examined every year? I would assume, if a project is not looked at every year or two, some committee will decided whether or not a project ought to be continued and so far as I know this list that has been put into the RECORD at the request of the gentleman from Iowa (Mr. SMITH) is certainly up to date.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to my friend, the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Chairman, I would like to ask my friend at the microphone why it is with all the generosity of the committee that the committee has failed to increase the appropriation under social and rehabilitation services insofar as it relates to child welfare services. This sum has been $46 million for the past 3 years. It relates to the most disadvantaged children in America and, yet, the committee has not seen fit to increase that amount despite the fact that this administration promised to increase it and your committee also has promised to increase it, but it still stays stagnant at the figure of $46 million.

Mr. MICHEL. I do not know that merely adding Federal dollars to some of these particular programs is going to be the entire answer. You know that in this thing the local communities are putting up 93 percent of the money and there is only 7 percent of Federal money here.

Mr. BURKE of Massachusetts. That is what I am getting at. Why should the Federal Government discriminate against the most disadvantaged children in America and contribute 75 to 83 percent to children under the AFDC program and then only contribute 7 percent toward the upkeep of these children who have no parents, no guardians, and who are the wards of the State and who are being sent out to rural areas to work in the fields and on the farms. This amount has only been $46 million, when the House Committee on Ways and Means 3 years ago increased the authorization up to $110 million a year, which would bring the Federal Government's contribution up to approximately 19 or 20 percent. Why has the committee and why has this administration failed to keep their word and the promise it has made in the past 2 years that they would increase this sum at least up to the authorized figure?

Mr. MICHEL. Actually, the social security—and, of course, the gentleman serves on the Committee on Ways and Means—actually, the amendments of 1967 on the Social Security Act have for the first time included child welfare services along with aid to families with dependent children.

Mr. BURKE of Massachusetts. But these are the facts.

Mr. MICHEL. I would like to answer the gentleman's question, if I may.

Let me make several points:

First, H.R. 1 contains a provision which would authorize a special program of foster care and adoptions. It would authorize $150 million in 1972 for this purpose. This would be requested in a later supplemental appropriation, after H.R. 1 is passed.

Second, another aspect of child welfare services—day care—is adequately covered by other initiatives in the budget and legislative programs. For example, child care under WIN would reach $78 million under the committee bill, an increase of $51.6 million over 1971. Day care services would be substantially expanded under H.R. 1.

Third, child welfare services are essentially State and local programs. There is little evidence to show that an increased Federal appropriation would actually result in an increased level of services. More than likely, Federal funds would simply be substituted for State funds.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MICHEL. Mr. Chairman, I yield myself 2 additional minutes.

Mr. BURKE of Massachusetts. The Committee on Ways and Means increased the authorization to $110 million. But your committee has kept the sum frozen at $46 million.

Mr. MICHEL. We go on the basis of the kind of testimony we get before our particular committee.

The gentleman, of course, has made this eloquent case year after year. He is exceptionally bugged about it. But we do not seem to be getting the same kind of reaction around the country. I do not recall having received one letter from the people back home telling me that they are being shortchanged on this subject.

Mr. BURKE of Massachusetts. Three of the largest child welfare agencies in the country—the Jewish philanthropic group, the Protestant group and the Catholic group—have written to every Member of the Congress year in and year out. The facts are that these children have no political muscle. They have no political muscle and there is no voice being raised about their problem. There is a failure on the part of this administration and this committee to recognize these poor, disadvantaged children who have no voice in this Government. I say there is a moral responsibility on the part of the Congress to recognize this scandalous condition that exists in America where young children are being raised and sent into society with no education, very poor nutrition, and under the worst conditions imaginable, living as badly as they do in Bangkok and India. Yes, that is how badly they live.

If any Member can go home tonight and put his head on his pillow and go to sleep with a clear conscience knowing that these youngsters, 650,000 of them in America, over 300,000 of them black, are living in these conditions, maybe we might be able to do something about it. I do not know. But I say we have a responsibility to these children. They are the future citizens of America. This administration has not kept their word as they gave it to me that they would put in these funds, and I am going to offer an amendment to do so. I hope the gentleman will support it.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. MICHEL I yield to the gentleman from Michigan.

Mr. CEDERBERG. The gentleman talks about "this administration." Were these the 1967 Social Security Amendments?

Mr. BURKE of Massachusetts. Yes.

Mr. CEDERBERG. How much was put in by the administration in 1967?

Mr. BURKE of Massachusetts. The last administration was just as lame as this one on this matter.

Mr. CEDERBERG. Very well.

Mr. BURKE of Massachusetts. Most of the political leaders on both sides of the aisle have been very lame in this matter because these children are the voiceless children of America.

Mr. CEDERBERG. The gentleman is saying that the Democratic administration was negligent in this area and it has not been corrected by the present administration.

Mr. BURKE of Massachusetts. I am saying both administrations and the Committee on Appropriations have been negligent in this matter. They have ignored the plight of these children because the children have no political power.

Mr. MICHEL. If I may make a further observation before I conclude, on the strength of the gentleman's very eloquent presentation here today, certainly we will have to take this record into account when we come up this coming year in the hearings to get more specific information that might either corroborate or dispute what the gentleman has said. We are funding here today what we think is reasonable in this area, and to say that we are completely ignoring the poor groups in this country by what we are appropriating in this bill is an erroneous impression to leave with Members of this House.

Mr. FLOOD. Mr. Chairman, I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, the amendment I intend to offer today contains three basic features:

First, it would increase from $518 to $575 million funds available under section 2 of the Vocational Rehabilitation Act, the basic State-Federal formula grant program. As a corollary of this increased appropriation, the amendment would also change the allotment base— a formula used for distribution, but not itself an appropriation—from $530 to $600 million. In this section, I have also specifically earmarked funds for rehabilitation facility improvement and have increased those funds by $5 million.

Second, this amendment would increase from $16.2 to $30 million the State-Federal formula grant funds necessary to implement the Developmental Disabilities Services and Construction Act passed by the Congress in 1970.

Finally, this amendment would restore to fiscal year 1971 levels the funds for research and development in rehabilitation, increasing the $24 million recommended to $31 million.

The total cost of these proposals would be $82.5 million, but those familiar with rehabilitation programs know that the total savings are far greater.

First, a report of the Subcommittee on Economy in Government of the Joint Economic Committee in February 1970 showed that vocational rehabilitation had a cost-effectiveness ratio more than twice that of any other program in the general manpower or manpower-related fields.

Second, a study published in 1969 showed that disabled persons rehabilitated in a year through the State-Federal program had dramatically increased lifetime earnings, a conservative estimate showing $8 increased earnings for each dollar of the social cost of the rehabilitation services. Taxpayers obviously share in this kind of successful program, not only through increased taxes paid by rehabilitants but also in the reduction in tax supported maintenance payments. Rehabilitation Services Administrator Dr. Edward Newman, in testifying before the Labor-HEW Subcommittee—point 4, page 14—noted that:

> The most important savings stem from sustaining individuals as productive and taxpaying members of society instead of dependent on public support, from the preventive role of rehabilitation in keeping people off the welfare rolls and lessening entry into publicly supported institutions.

Third, as the gentleman from Kentucky (Mr. NATCHER) pointed out in those hearings, some States will receive less money in fiscal year 1972 than they did in fiscal year 1971. It was noted that the appropriation necessary just to maintain current efforts in all States—that is to assure that no State would receive less than it had in 1971—is $552 million, in contrast to the $518 million in the bill and the $575 million my amendment proposes.

Fourth, as was further noted in the hearings, the people well served under tion program are still a small fraction of those who could profitably use rehabilitation programs. Dr. Newman said his guess was that between 6 and 8½ million people could use such services, while less than a million will do so next year. As Mr. Shriver said, "we have a long way to go."

Fifth, the States are quite capable of meeting and are willing to meet increased formula commitments from the Federal Government, sensing perhaps, as many Members of this House have, that this is a self-help, dependency-fighting program. In its budget justification—hearings, part 4, page 295—the administration states that:

> Estimates of state funds available by fiscal year 1972 reflect the enthusiastic support being given by the states to vocational rehabilitation and to the possibilities for program expansion and improvement of services available under the Vocational Rehabilitation Act.

Sixth, my amendment proposes to specifically earmark funds for rehabilitation facility improvement—now part of the budget but not of the bill—and to increase those funds by $5 million, by way of beginning to render more livable and pleasant the facilities within which rehabilitation programs take place.

Finally, Mr. Chairman, it should be noted that some $23 million placed in this bill for rehabilitation of public assistance recipients is innovative funding, but in no way compensates for de facto cuts in rehabilitation programs supporting other handicapped people.

Public assistance recipients have, in fact, been rehabilitated in the past under the existing, proven, State-Federal program. In fiscal year 1969 there were 24,475 persons receiving public assistance at the time of their acceptance into rehabilitation programs, at an annual cost of $36 million. At the time these individual cases were evaluated, 14,032 persons were still receiving public assistance, at an annual rate of $19 million—a reduction of $17 million in welfare payments, which should, for proper evaluation, be added to the $53 million in improved earnings those individuals had in their first year after rehabilitation.

In sum, rehabilitation for public assistance recipients is fine, and is even done well under the current program. While the $23 million in project grants proposed by the administration in conjunction with H.R. 1 is innovative, it does not substitute for ongoing rehabilitation programs.

DEVELOPMENTAL DISABILITIES

Last year Congress enacted the developmental disabilities services and facilities construction amendments. In this move, Congress expanded the former Mental Retardation Facilities Construction Act in three ways: First, the scope of the former program was broadened to include not only the mentally retarded but also persons suffering from other handicaps originating in childhood, such as cerebral palsy, epilepsy, and other neurological diseases. Second, the program was expanded to include support for a full array of service programs as well as construction of community facilities. Finally, States were granted greatly increased responsibility for planning and implementing a comprehensive network of services under a new formula grant program.

While the fiscal year 1972 authorization level for these programs is $105 million, $11.2 million was requested in the budget. The Labor-HEW Subcommittee and the full Appropriations Committee, recognizing the inadequacy of that figure, has added $5 million to the budget for developmental disabilities programs, and I wish to compliment the committee on that action. The $16.2 million called for in the committee bill, however, still falls far short of the amount needed to mount an effective formula grant program. In addition, the figure recommended by the committee is less than that amount appropriated by Congress for construction of community facilities alone in fiscal year 1968.

In other words, Congress has increased sharply the number of persons potentially eligible for assistance and also has broadened the program to include support for services as well as construction, and yet is considering appropriating less funds in 1972 than in 1968.

In asking whether or not there is a need for such funds, the gentleman from Kentucky (Mr. NATCHER) received the following response from Dr. Newman:

> There is no question on the first assessment that we are going to find there are an awful lot of unmet needs and that there are going to be some bonafide proposals which will be coming into the State planning agencies in order to have these needs taken care of.

Dr. Newman further elaborated in noting that:

> The administration has felt because of fiscal constraints that this is all the money that might be available at this time, but in answer to your question about the state capabilities for expending moneys for the purposes for which they were intended, I would say that the states will have a thoughtful list of projects to which they could address these resources. (pg. 253, 254).

Further evidence to the need for increased funding for developmental disability programs lies in this budget justification narrative—page 311:

> Almost all public institutions are overcrowded, many seriously understaffed, and administered under outdated theories. Yet, nearly every state has a long list of individuals waiting for admission to such residential facilities.

In sum, Mr. Chairman, there are known needs and working programs to meet those needs in the field of developmental disabilities. A modest funding increase, still not approaching that $105 million authorized, will demonstrate congressional intent to help the disabled help themselves, perhaps even more convincingly than the unanimous votes by which this legislation was passed.

Finally, Mr. Chairman, my amendment proposes to hold the line on research and development expenditures in the field of rehabilitation—restoring projected cuts to the fiscal year 1971 level. No justification for the $7 million cut planned has been presented, although the obvious result is that few, if any, new research or demonstration programs would be approved in fiscal year 1972. We have seen the result of such cuts in other expensive health fields—innovation stops, research teams disband, false economies are made. It would take years to recover from such an event in rehabilitation, and mere restoration of fiscal year 1971 funds will help avoid that.

(Mrs. GRASSO, at the request of Mr. Giaimo, was granted permission to extend her remarks at this point in the Record.)

Mrs. GRASSO. Mr. Chairman, insufficient, inadequate and generally unreliable health care are widespread realities in our land.

We are a nation of wealth and technology. At this moment, we are transporting three men through the void of space to the moon. Yet, our system of transporting patients and delivering health services is in shambles.

Our Nation has the highest standard of living and per capita income in the world. Yet, we rank the 13th in infant mortality, and countless numbers of families are financially ruined by health catastrophies every year.

Our Nation leads the world in medical technology and surgical techniques. Still, we have been unwilling to provide adequate funds to save and rebuild lives as we can and must.

The action of the committee in regard to funding, while commendable in some respects, is inadequate. Funds have been added, but are not sufficient. The committee's actions do little more than restore previous cuts, and are a far cry from promoting solutions to our health crisis.

The amendments before us today begin to reorder priorities. They at least recognize that this Nation faces a health crisis and not a minor problem.

The amendments offered by my distinguished colleague from Connecticut would add a total of $82.4 million to provide services for the handicapped. These rehabilitation services are desperately needed, and we must act now. Even with this amendment, the appropriation is below the amount authorized; but the amendment at least provides the minimum funding necessary to carry on a viable rehabilitation program.

The amendment offered by the gentlemen from Massachusetts and Illinois would provide funds for seven programs presently in need of more money. The amendment would add $30 million for communicable disease control, a program the administration has chosen to ignore; $50 million would be added to Hill-Burton grants to help meet the crying need for more health facilities. In total, the amendment adds $230 million to the committee recommendation. This amendment is the first step toward improving our deteriorating health care system.

The amendment offered by my distinguished colleagues from New York and Hawaii would add $15 million for training of personnel in the field of mental retardation as well as funds for the construction and operation of new university affiliated facilities for the mentally retarded, another area neglected by the committee bill.

The amendments offered today would increase funds for the National Institutes of Health, patient care, maternal and child care, alcoholism programs, vocational rehabilitation, personnel training and other purposes. It has been argued by some that to increase funding in this area would be inflationary. Yet, strangely, farm subsidies for the rich, and needless defense appropriations, are not considered inflationary by many of the same people. The money these amendments would appropriate are minimal in relation to total Federal appropriations. If we do nothing extra, and let the health care situation deteriorate further, even more money will be needed in the future. The time is now if we seriously intend to attack this problem.

In a nation where entire areas of States are without doctors, where the handicapped are denied dignity and training, where even the wealthy cannot find treatment—not to take action when we have the ability is a crime with few historical precedents. I urge adoption of these amendments, not as a solution to the health crisis, but to demonstrate our determination to attack and conquer this monstrous problem.

Mr. FLOOD. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. Boland).

Mr. BOLAND. Mr. Chairman, I support the recommendations of this subcommittee. Of course, all of us would like to have more money to fund all the programs that are carried in this bill. I know the subcommittee worked long and hard on the bill. There are hundreds and hundreds of pages of testimony taken in the many hours of hearings on all these programs.

I believe that in substance and in general the committee came out with a fair bill. Last year I offered the package amendment to this bill. It amounted to $360,500,000. We did not prevail. I am not buying the package this year. Mr. Chairman, I am not buying the package because the committee in its recommendations for the various programs that we attempted to more fully fund last year has funded them to an extent greater than the amount of funding provided in the package amendment which was offered last year. I think this committee has dealt fairly with these programs. We would all like to see more money appropriated for them. But this subcommittee under the chairmanship of Mr. Flood and ably assisted by the ranking minority member, Mr. Michel and the other members of the committee have done a good job in bringing this bill to the floor. As on all appropriation bills, there must be some reliance on the work and the judgment of those who have heard the witnesses—departmental and otherwise—who seek to justify the amounts for specific programs funded in this legislation.

Mr. Chairman, the bill as it relates to the Department of Health, Education, and Welfare recommends a total of $18,959,690,000. This amount is $350,930,000 above the amount recommended in the budget. It is $3,024,429,000 over the 1971 enacted bill. I need not remind the members of the committee that these figures will not be the same when this legislation comes back from the Senate. All of us know that there will be substantial increases and the final recommendations will have to be worked out in conference.

But I do say, Mr. Chairman, that this subcommittee has not skimped on this budget and we ought to be grateful for what it has done. Experienced and dedicated people across the field of health and welfare are all interested and concerned—and rightfully so—about dollars allocated to their particular activities. No one blames them for seeking every penny they sincerely believe necessary to carry out the responsibilities and activities that this bill funds. But there is a corresponding responsibility of the Congress to insure that the funds are adequately and wisely spent. This, I submit, is what this subcommittee has done. This, too, is the responsibility that all of us carry in this Congress.

Mr. Chairman, I include, at this point, a table indicating the action of the subcommittee with reference to the Department of Health, Education, and Welfare:

	1971 enacted to date	1972 estimates	1972 bill	1972 bill compared with—	
				1971 enacted	1972 estimates
Department of Health, Education, and Welfare:					
Health Services and Mental Health Administration	1,501,669,000	1,620,279,000	1,872,856,000	+371,187,000	+252,577,000
National Institutes of Health	1,257,670,000	[1] 1,358,374,000	[1] 1,447,055,000	+189,385,000	+88,681,000
NIH Research Institutes	(1,191,800,000)	[1] (1,291,841,000)	[1] (1,379,722,000)	(+187,922,000)	(+87,881,000)
Social and Rehabilitation Service	10,518,595,000	12,445,160,000	12,457,582,000	+1,938,987,000	+12,422,000
Social Security Administration	2,599,886,000	3,110,296,000	3,109,546,000	+509,660,000	−750,000
Office of Child Development	7,992,000	16,251,000	14,251,000	+6,259,000	−2,000,000
Departmental management	49,449,000	58,400,000	58,400,000	+8,951,000	
Total HEW	15,935,261,000	[1] 18,608,760,000	[1] 18,959,690,000	+3,024,429,000	+350,930,000

[1] Includes $100,000,000 advance appropriation for fiscal year 1972 for the National Cancer Institute contained in the Second Supplemental Appropriation Act, 1971 (Public Law 92–18).

I am particularly interested in the program to which the gentleman from Connecticut (Mr. GIAIMO) will offer an amendment. He will seek to amend that section of the bill dealing with rehabilitation services and facilities. I intend to support his amendment when the bill is read. It is one of the few items in the bill with which I am not in agreement with the committee recommendation. It deals with vocational rehabilitation and is one of the major and useful activities of the Department of Health, Education, and Welfare. Mr. Chairman, the programs under this activity produce payoffs that are incalculable in dollars, to say nothing of the tremendous benefits that inure physically, socially, and morally to those who are the beneficiaries of these vocational rehabilitation programs.

As so many Members of this House know, Mr. Chairman, the late, beloved, great Member of this House and chairman for so many years of this particular Appropriations Subcommittee, the Honorable John E. Fogarty of Rhode Island, nursed and guided this program in giant strides to achieve the great success that it now enjoys.

Mr. Chairman, I want to congratulate the Appropriations Subcommittee on Labor-HEW and its chairman, Congressman DANIEL J. FLOOD, for the legislation now before us.

This appropriations bill recognizes the country's needs in the field of health—needs that now approach the point of desperation.

I have talked to Chairman FLOOD about many of the health programs in this bill. And we agree wholly on their urgency.

DRUG ABUSE

I want to talk first today about drug abuse—a problem that has taken on all dimensions of an epidemic.

The committee seeks heartening new increases in many of the drug control programs scattered throughout HEW.

What is particularly promising, however, is the $67 million appropriation for programs created by the new Drug Control Act.

The need for ample funding of such legislation hardly merits mention here.

Even a cursory glance at the statistics make it plain.

One study shows that more than 50 percent of our young people—yes, more than 50 percent—have experimented with drugs.

Marihuana has spread everywhere in our society.

And hard drugs like heroin and cocaine, once confined to the ghetto, are not far behind.

Addiction rates creep upward year by year, enslaving millions of Americans.

Like everyone else in this Chamber today, I am happy that the Congress is beginning to answer this threat.

ALCOHOLISM

Alcoholism poses a comparable threat.

Indeed, it is probably the singlemost crippling drug problem in the United States today.

Directly or indirectly alcoholism darkens the lives of more than 36 million Americans.

It is responsible for countless traffic deaths, countless hours of lost production, countless broken homes, countless ruined lives.

The Comprehensive Alcohol Abuse Act, the legislation that would help prevent alcoholism and help salvage the millions already addicted, authorizes a $100 million budget for fiscal 1972.

More than half of this budget—60 percent, in fact—is meant for formula grants to the States.

The administration did not request funds for this vital grant program—recommending no funds whatsoever for it.

The committee is asking for $25 million to put this program into action.

VENEREAL DISEASE

Venereal disease is still another special problem that demands major new congressional action.

Like drug abuse and alcoholism, it has defied solution for too long now.

VD rates are almost exploding among the country's young people, reaching levels that even the most cheerless observer could not have envisioned a generation ago.

Gonorrhea and syphilis—the two major veneral diseases—are astonishingly commonplace.

Estimates of the increase in VD rates over the past few years range as high as 100 percent.

The Director of the Disease Control Center, warning that VD's growing virulence may soon make it resistant to treatment, asked for a $16 million increase in the VD control program this year.

This increase, I want to emphasize, was considered merely adequate.

Yielding to outcries from the medical community, the administration submitted a budget amendment calling for a $10 million increase.

The committee doubled this to $20 million.

LEAD-BASED PAINT POISONING

Chairman FLOOD's committee more than doubled the budget for lead poisoning programs.

Ghetto children, already the principal victims of our tainted environment, are most vulnerable to this disorder.

Chronically malnourished, they eat the paint they find flaking and peeling on the walls around them.

The paint is often lead based, an obsolete kind found chiefly in the old and rotting tenements of city ghettos.

It even tastes good, something like lemon drops.

But even a tiny dose of such lead is toxic, attacking the central nervous system in much the same way as mercury.

Larger doses can be lethal.

Hundreds of children die each year.

Thousands more are left blind, retarded, even paralyzed.

Yet the administration sought only $2 million for the lead-based Paint Poisoning Act—a comprehensive program aimed at treating lead poisoning and eliminating its sources.

The committee, I am happy to report, suggests $5 million for this program.

COMMUNITY MENTAL HEALTH CENTERS

On still another front, the committee is trying to hasten the administration's laggardly pace in promoting mental health.

The community mental health centers program has been a striking success ever since it was established in 1963.

It offered psychiatric services to millions of Americans, giving them an alternative to the prohibitively high cost of private treatment and to the grim State hospitals that are often little more than human warehouses.

In the last 2 years, however, the administration has approached this problem timidly.

Indeed, the administration has all but abandoned it.

The fiscal 1971 and 1972 budgets sought no funds for construction of new centers.

And, just as alarmingly, it adopted the regulation prohibiting any staffing grants to centers constructed without Federal funds.

This arbitrary regulation threatens scores of centers built largely through community initiative.

The committee has redressed these injustices, calling for $10 million in new construction funds and $135 million in staffing grants for all centers.

The administration has also shunned the children's mental health program enacted by the last Congress.

In fiscal 1971, and again in this fiscal year, the administration wordlessly pushed this program aside, requesting not even a token appropriation.

There is a clear need—in fact, a conspicuous need—for treating the mental disorders of children.

The committee has recognized it, proposing $10 million to get this program started.

The psychiatric training budget is still another case in point.

The budget suggested just $113 million for training grants, an alarming $4 million decrease from the fiscal 1971 level, and called for a total phasing out of the psychiatric residency program.

This comes at a time when the need for more mental health personnel, urgent for more than a decade, has reached its peak.

The committee proposes an increase of almost $7 million to restore this program to its fiscal 1971 level.

Finally, Mr. Chairman, I want to talk about cancer—the Nation's second leading killer and its most dreaded killer.

The committee recommends $237.5 million for the National Cancer Institute, more than $3 million above the amount requested.

This sum—when added to the $100 million appropriation made in the second supplemental bill earlier this year—will give the institute about $104 million more than it had last year.

Medical and scientific leaders, citing promising new breakthroughs in cancer research, have convinced the committee of the need for a dramatically expanded cancer program.

I, too, am convinced.

The new research programs sought here today may ultimately control cancer.

Mr. Chairman, I briefly mentioned what this bill seeks to do about the shocking growth of alcoholism and its devastating effects upon the Nation and our people. It is not a matter that can be dealt with solely and simply by Federal officials and Federal dollars alone. Dedicated people interested in the commonweal have joined in many areas of this country to join the fight against the constant and continuing rise in alcoholism.

I noted and place in the RECORD an article from today's New York Times, July 27, 1971. R. Brinkley Smithers of New York City has contributed $10 million to fight alcoholism. I congratulate him and I know the Members of this House join me in expressing the gratitude of this Nation for his generosity. For years, Mr. Smithers has been deeply concerned and interested in the problem of alcoholism. For years, he has been doing something about it. He climaxes those efforts with today's announcement. I commend it to the attention of every Member of this House:

$10 MILLION GIVEN TO AID ALCOHOLICS—WALL STREET BANKER DONATES FUND TO ROOSEVELT HOSPITAL

(By Edward C. Burks)

Roosevelt Hospital has received a gift of $10-million for the treatment and rehabilitation of alcoholics, H. Whitfield Carhart, the president of the West Side institution announced yesterday.

The gift was made by R. Brinkley Smithers, a special partner in a Wall Street investment banking house and a philanthropist who for years has been especially interested in combating alcoholism.

The hospital described Mr. Smithers's gift as the largest single grant ever made by any individual or agency, including the Federal Government, to fight alcoholism.

The money is to be used to establish the Smithers Alcoholism Treatment and Training Center as an "integral part" of the hospital, providing detoxification, rehabilitation and professional training.

In a statement accompanying the announcement of the gift, Mr. Smithers said alcoholism ranked among the nation's major health problems, along with cancer and heart disease.

"In spite of the staggering toll taken by this disease in terms of human lives and resources, relatively little is being done to combat it because of public and professional misunderstanding," he said.

Earlier this year the New York Council on Alcoholism reported that "alcoholism is four times as widespread as other forms of addiction and results in six times as many deaths."

The council's report said a large number of alcoholics also used other addictive drugs. It cited a special survey showing that 60 per cent of the alcoholics tested were also using barbiturates and amphetamines and that 35 per cent were using heroin and opium.

MORTALITY RATE CITED

Underscoring the seriousness of alcoholism as a major health problem here, the Health Services Administration has reported a steady rise in the mortality rate from cirrhosis of the liver—from less than 1,500 in 1949 to more than 3,400 in 1969.

Mr. Smithers, who is 63 years old and a son of one of the founders of the International Business Machines Corporation, is also president of the Christopher D. Smithers Foundation, named for his father. In the last 15 years the foundation has made grants totaling $5-million to treat alcoholism.

Since 1968, when Roosevelt Hospital started an alcoholism service described as the only such program in a private nonprofit hospital in Manhattan, Mr. Smithers has been giving $60,000 a year to the inpatient and outpatient programs of that service.

VAST EXPANSION SEEN

Dr. LeClair Bissell, an internist and an attending physician at the hospital with dual appointments in medicine and psychiatry has been coordinator of that service.

A hospital spokesman said that Dr. Bissell could be expected to coordinate the vastly expanded program that will be made possible by the new gift from Mr. Smithers.

There were no details announced yesterday on exactly how the money would be spent, although a spokesman said additional facilities through lease, purchase or construction would be necessary.

Mr. Smithers said the success of the existing alcoholism program at Roosevelt "prompted him to make the $10-million grant. He noted that more than 100 patients were admitted to the hospital and about 325 outpatients were treated last year, but, he added, "What impresses me most, is that an additional 4,000 patients who were admitted for other reasons were found to have alcoholism."

Mr. Smithers, a resident of Locust Valley, L.I., was actively connected with I.B.M. and Wall Street investment banking houses prior to 1952, when he decided to devote his time to charity while remaining as a special partner in the family's brokerage firm, F. S. Smithers and Company.

Mr. FLOOD. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, I had a very interesting interchange with the gentleman from Illinois (Mr. MICHEL) a few moments ago on what the administration had done in terms of advancing the cause of medical research in the National Institutes of Health. He said I was wrong. I say he is wrong. The best testimony in support of my position is stated by the committee itself in its report on page 19. I read from that page:

> Official testimony on the estimates for the Institutes and research Divisions of NIH represented the budget as marking the beginning of a new and more vigorous phase in Federal support for medical research and expressed the hope that it will re-establish lost momentum in the research area. Even a cursory inspection of the budget justifications quickly dispels this optimistic view.

If that is not an answer to the statements by the gentleman from Illinois, I do not know what is. The testimony brought out by the distinguished gentleman from Iowa (Mr. SMITH) which appears in the hearings for the National Institutes of Health, is proof too that even the committee did not go far enough in providing funds for the various Institutes of Health.

Mr. Chairman, I will offer an amendment later with the sponsorship of the distinguished gentleman from Massachusetts (Mr. CONTE) to provide an additional approximately $200 million appropriations for the various activities of the Department of Health, Education, and Welfare. I think it is essential that we provide the funds that are necessary to keep this Nation moving toward better health for the people of this country.

Six years ago, in 1965, the Appropriations Committee celebrated its centennial year. The distinguished chairman of the committee, the gentleman from Texas (Mr. MAHON), inserted in the RECORD a statement which is well worth remembering as we consider the amendment which I will offer today. The chairman quoted a noted man who wrote in the 19th century that—

> If our Republic were blotted from the earth and from the memory of mankind, and if no record of its history survived, except a copy of our revenue laws and our appropriation bills for a single year, the political philosopher would be able from these materials alone to reconstruct a large part of our history, and sketch with considerable accuracy the character and spirit of our institutions.

Surely, that century-old statement is as relevant today as it was at the time it was spoken. There are few more accurate measures of our national character than the way this Congress chooses to spend funds from the public's treasury.

I noticed a study the other day, Mr. Chairman, of what the costs of the war in Vietnam will approximate, going into the next century. A professor from the University of Idaho estimated that the costs will exceed $400 billion, including veterans' benefits. The record of those appropriations has been written. But what will history record about this Congress? What will it say about our record in the field of health? What are we doing to make our people healthier and to make the people of the world healthier?

I think that the administration's record in allocating funds for health care has been very dismal. As a result of retrenchment by the administration in this field the morale of the researchers has fallen, concern and worry has arisen, the institutions cannot plan rationally for the future.

The graduate students and postdoctoral fellows have become alarmed. Those who contemplate entering fields of research wonder whether their future careers will be sustained by adequate appropriations to permit them to research into the cause and cure of the killers of mankind, the diseases that are still present among us.

The committee recommendation for NIH, though an improvement over the budget, represents at best a standpat approach to medical research that looks backward to last year's funding rather than forward to next year's progress in combating disease.

Mr. MICHEL. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas (Mr. SHRIVER), a member of the subcommittee.

Mr. SHRIVER. Mr. Chairman, the appropriations bill we are considering today for the Departments of Labor and Health, Education, and Welfare represents the largest funding bill for fiscal 1972. When the General Treasury funds and the trust funds in this bill are added up, the total is more than $78 billion. Taken together with the education appropriations enacted earlier by the Congress, the total appropriations for human resources programs under the jurisdiction of our subcommittee is in excess of $83 billion. This is about $7 billion more than has been requested for national defense.

In addition to this enormous sum, our subcommittee will later consider budget requests for $3.5 billion for programs which were not authorized when hearings were held on this bill. Included is the $1 billion for the New Emergency Employment Act for which hearings have been scheduled tomorrow. I intend to support early and full funding for this much needed program.

Also in addition, as pointed out in the committee report, substantial amounts will be necessary in later supplemental appropriations for many of the mandatory programs because of statutory requirements.

As a part of reducing the requirements for national defense and the reduced requirements for Southeast Asia, and the reordering of priorities, our committee believes that a major portion of such reductions and shifts should be channeled into programs to improve the health of the Nation.

This attempt is probably best demonstrated in the recommendations for the National Institutes of Health. The committee has included funds for all increases for NIH requested by the administration. In addition, we have calculated and recommended increases for each of the institute's research and training activities to insure that none would be funded at less than the fiscal 1971 operating level. This is the necessary first step toward future expansion of these efforts.

All of us are now well aware of the promising leads which have appeared in cancer research. Congress earlier appropriated an extra $100 million for the President's cancer conquest program, and $237.5 million is in this bill for the regular 1972 National Cancer Institute appropriation.

At the same time, we were impressed during the lengthy hearings at the significant advances being made by the other institutes, and we have included selective program increases to further these efforts.

Heart attacks continue to be our Nation's No. 1 killer. The bill appropriates $212 million for the National Heart and Lung Institute, an increase of $16 million over the budget request and nearly $17 million over the 1971 funding level. We expect that continued progress will be made in determining better prevention and treatment methods for heart and pulmonary diseases.

The National Institute of Dental Research is pursuing a vigorous effort to eliminate dental cavities completely during this decade. The committee is encouraging the Institute to expand its activities in the field of pain prevention and control.

Several new leads are being followed in the treatment and cure of arthritis, cystic fibrosis and kidney disease by the National Institute of Arthritis and Metabolic Diseases. The committee has recommended $148 million, an increase of $13 million over the budget, to stimulate concentrated research in these areas.

Many other advances were described during the hearings in the areas of multiple sclerosis, Parkinson's disease, allergies, asthma, hay fever, pneumonia, genetic disorders and others. It is important to point out that these research activities are progressing—that we are receiving valuable returns on these NIH expenditures. The committee will continue to investigate any such breakthroughs and to redirect appropriations accordingly.

Of course, these research advances are meaningless until they are made available to the public at large.

Primary Federal responsibility for this task rests with the health services and mental health administration.

The committee recommends an appropriation of $1,873 million for health delivery activities—an increase of $253 million above the budget and $371 million over 1971. A major part of the increase is for medical facilities construction.

The committee has included $87.2 million for the construction and modernization of health facilities, the same amount as appropriated in 1971. This has been a very successful and very popular program around the country, and the committee insists that it be continued. This amount plus what we have put in for the District of Columbia brings the amount to an increase of $127,827,000.

Substantial increases are also proposed for the increasingly effective regional medical programs and comprehensive health planning and services. These are key Federal efforts in the field of health care delivery, and they have received enthusiastic support on the part of the medical profession and laymen alike. Together with carryover funds and trust fund transfers, the bill includes $432 million for these programs.

The committee is recommending an increase of $192 million over last year for mental health programs. We heard extensive testimony, including that from representatives of the community mental health centers in my home city of Wichita, Kans., concerning the need for additional staffing funds for such centers.

At a time when Congress has declared as a national priority more effective treatment of mental health in children and adults, it makes no sense to cut back the services of these community centers. In addition, certain communities, including Wichita, were actually being penalized for taking the initiative in providing mental health facilities without the help of the Federal Government.

The committee has ordered a halt to this discrimination and has called for a $40 million increase for the construction and staffing of these centers.

Additional funds are also included to prevent and treat alcoholism and to initiate the President's omnibus drug abuse control program.

By far, the largest amount of money in this bill is for the social and rehabilitation service—$12.5 billion. This is an increase of nearly $2 billion over last year, most of which is for welfare payments. Fifty-six percent of the money in this bill is for these welfare payments. This reflects the increase of nearly 2 million persons who will receive assistance this year. Under present law, the increase is mandatory.

In one effort to try to control such increases in welfare payments, the bill includes $259 million for an expanded work incentives program. Of equal importance, $11 million is directed to further research into income maintenance—or guaranteed income—experiments. The results from similar experiments in the past have been mixed, with no conclusive determinations obtained. In my opinion, this question of whether guaranteed income encourages or discourages work needs to be looked into much deeper before Congress sets up any massive welfare reform program based on the concept.

The bill includes $613 million for rehabilitation services and facilities, an increase of $43 million over the 1971 appropriation. These are longstanding and successful manpower programs in our country. It has been shown that the returns, both economic and in human terms, from these vocational rehabilitation programs are the highest of any Federal investment in human resources. State, local, and private participation continues to be enthusiastic.

We have included $16.2 million for the initial implementation of the Developmental Disabilities Act for the treatment of the mentally retarded, and persons with epilepsy, cerebral palsy, and other neurological conditions. This has been a neglected area, and much more needs to be done for these handicapped people. We expect that in future years, this amount will grow with the program.

Mr. Chairman, as our time is limited, I have covered only a few of the highlights of this bill. Our subcommittee held hearings over a period of 4 months, with time out for the education appropriations.

These hearings compiled almost 6,000 pages of testimony. The House, and indeed the country, owes a debt of gratitude to our very fair and able chairman, DAN FLOOD, the ranking minority member, BOB MICHEL, and in fact to the entire subcommittee and its capable staff for the extensive yet expedient way which this bill has been handled. It may be that changes will be made here or in the other body later. However, after hearing almost all of the testimony presented during these hearings, I am convinced that we have reported out a good bill.

Huge sums are involved here, and we must be especially watchful that these funds are effectively used.

Mr. FLOOD. Mr. Chairman, I yield for the purpose of a few questions to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, at the time of the debate last June on the supplemental appropriation there was a discussion concerning the supplemental appropriation request for alcoholism research and treatment. The chairman at that time recommended that the supplemental appropriation not be approved because he pointed out that the appropriation for this fiscal year was coming up soon and that he anticipated there would be an amount of at least $70 million in the appropriation bill for alcoholism. I find that the committee report does not clearly tabulate the total amount that would be appropriated for alcoholism. I wonder if the chairman would clarify this point.

Mr. FLOOD. Yes. Mr. Chairman, that is a perfectly proper question.

I direct your attention to page 501 of part 1 of the hearings where you will find a reference to programs against alcoholism. The total request that came to us in the January budget was $62,185,000 as shown on that page. Since this was printed the President sent up a budget amendment in the amount of $7 million. To this, as you heard me say in my earlier remarks, the committee added $25 million. So the total of the bill is $94,185,000.

Mr. SEIBERLING. Mr. Chairman, I certainly commend the committee for this very substantial increase having to do with a problem which has been with us for a long time without the amount of attention it should have received.

Secondly, I would like to ask the chairman if he could clarify the total amount that is being appropriated for drug abuse, because the committee report refers to an increase of $67 million over the January budget but does not give the total amount of the drug abuse control program.

Mr. FLOOD. This is also a perfectly proper question. I direct the gentleman's attention to page 474 of part 1 of the subcommittee hearings where the gentleman will find the original request was for $76,140,000. The budget amendment was for $67 million. The total, therefore, is $143,140,000.

Mr. SEIBERLING. I thank the gentleman very much. Would the chairman yield for one further question?

Mr. FLOOD. Yes.

Mr. SEIBERLING. I notice that the amount of $25 million is appropriated for operations under the New Occupational Health and Safety Act. This is the same as the administration requested?

Mr. FLOOD. Yes.

Mr. SEIBERLING. And I assume that the committee feels this is an adequate amount, but because of the importance of this program to people who are engaged in hazardous occupations, and that includes a great many in my own district, I wonder if the chairman would confirm that the committee does feel that the appropriation request by the administration is adequate.

Mr. FLOOD. I will say to the distinguished gentleman that coming from where I come, the coal fields of Pennsylvania, no one appreciates more the merits of occupational health and safety. We believe this will be adequate for the time being but that it will surely be increased in the future. We are satisfied with this figure for the present. However, we were deeply concerned about the problem and I know of no one who is a stronger advocate of support for this program than I.

Mr. SEIBERLING. I thank the gentleman very much.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from New York (Mr. RYAN) for an inquiry.

Mr. RYAN. Mr. Chairman, I want to commend the distinguished chairman of the Subcommittee on Labor-HEW of the House Appropriations Committee (Mr. FLOOD) and the distinguished members of that subcommittee for their work in bringing before the House H.R. 10061, the fiscal year 1972 appropriation bill for the Departments of Labor and Health, Education, and Welfare. I know personally that they have labored long and hard to bring out this bill, and it is a credit to their work.

H.R. 10061 appropriates $20.4 billion in total. Of this amount, $1.3 billion is provided for the Department of Labor and $18.9 billion for the Department of Health, Education, and Welfare. Everyone of the programs funded by H.R. 10061 is desperately needed. This bill addesses the human needs of our country—needs which are continually short changed.

H.R. 10061 does not adequately answer all of these needs. That is clear. But it does move in the right direction. And because of that, H.R. 10061 must be supported. But, because it does not move far enough, I intend to support the omnibus amendment to be offered later today which will increase health funding by $230 million, as well as the other amendments to be offered to increase funding.

I do want to particularly direct attention to one item in this bill. By doing so I do not mean to thereby discount all the other items therein. As I said, they represent the funding of essential programs. However, because of the efforts I have expended to obtain funding for the Lead-Based Paint Poisoning Prevention Act, Public Law 91-695, I want to particularly stress the appropriation for this act.

Before addressing the funding of the Lead-Based Paint Poisoning Prevention Act, however, I want to briefly note some of the programs funded by H.R. 10061.

This bill includes an increase for psychiatric training of $6,750,000 over the administration budget to restore this program to the 1971 level. It is indeed unfortunate that the administration has sought to gut this program. Rather, it should have sought a vast expansion. Because of its negative posture, this program winds up being only sustained at last year's level. This is clearly the least that could be done. In fact, much, much more must be done.

The administration budget request asked no funds for "Title IV—Mental Health of Children." This title is contained in Public Law 91-211. Fortunately, the committee has reported out a bill containing $10 million to initiate this program.

The administration sought to reduce the funding of rehabilitation and social work training to $21.65 million—more than $23 million below last year's funding. H.R. 10061 raises funding to $44.965 million.

The administration originally requested no funds for the rat control program. Due to strenuous efforts on the part of many of us, we succeeded in inducing the administration to submit a budget amendment for $15 million. This $15 million is included in the bill before us today.

H.R. 10061 includes $16 million over the original budget and $9 million over the amended budget to initiate a concerted effort to control venereal disease, a massive national problem.

I would also note that the bill includes an increase of $30 million over the budget to fund all approvable applications for the staffing of community mental health centers.

Another program which the administration sought to completely shortchange, and which the committee, despite this resistance, responded to, is alcoholism control. The bill provides $25 million.

In addition, the committee acted to add to the administration budget request more than $87 million for the National Institutes of Health institutes and divisions. This still only brings funding up to last year's level for all research and training grant and contract programs. Again, administration resistance was a stumbling block, deterring the large increases over 1971 funding which we should have.

I do want to particularly call attention to the $67 million provided in H.R. 10061 for drug abuse control. This is a belated assault on a massive and disastrous peril. I expect an amendment to be offered later today to add an additional $40 million for this assault, and I intend to strongly support that measure.

I also want to call particular attention to the committee concern—which I share—regarding unemployment among veterans. I want to quote from the committee report—House Report 92-374—at page 5, and add my second to that statement:

> (T)here is something drastically wrong when there is a higher percentage of veterans unemployed than the percentage of unemployed non-veterans in the same age groups. The Committee will expect the Department (of Labor) to make a much stronger attack on this problem. No problem with which the Department deals should have higher priority.

I would note, also, that H.R. 10061 provides $748,799,000 for manpower training services. I think much more is needed. I also think that much more is needed in terms of quality administration of the manpower programs. The great promise they have held out has not been met. In many respects, they have not produced anywhere near the results they should have. Thus, not only is ample funding essential, so, too, is good administration.

CHILDHOOD LEAD POISONING

I want to now turn to one particular item in the bill before us today. This is the funding for the Lead-Based Paint Poisoning Prevention Act, Public Law 91-695. The bill provides $5 million. This is just one-fifth of the authorization.

I commend the committee for responding to the problem of childhood lead poisoning, which Public Law 91-695 attacks. It has done so in the face of administration obduracy and resistance with which I am all too familiar—being the author of this legislation and consequently—having followed daily the twists and turns of the Department of Health, Education, and Welfare in its attempts to consign this program to the backroom.

However, while I commend the committee, which has provided funding 150 percent in excess of the administration request of $2 million —a request, I would note, which came in the form of a belated amendment to the original fiscal year 1972 budget request and a request which, I am told by officials within HEW, was a direct response to my testifying last April before the Senate Appropriations Committee in support of full funding—it is clear that $5 million can do little more than open the door to fighting childhood lead poisoning.

Later today, an omnibus amendment will be offered by our distinguished colleagues from Illinois (Mr. YATES) and Massachusetts (Mr. CONTE). Together with them, I have arranged for the inclusion in that omnibus amendment of an additional $5 million to fund the Lead-Based Paint Poisoning Prevention Act, Public Law 91-695. This will produce, if passed, a total of $10 million.

Whether or not that amendment succeeds, it is clear that the other body must provide the full funding, so that a larger amount will be provided in the bill eventually sent to the President. I have already testified twice in the last 3 months before the Subcommittee on Labor and Health, Education, and Welfare of the Senate Appropriations Committee in support of funding of the Lead-Based Paint Poisoning Prevention Act. I know the Senate subcommittee appreciates the problem and I hope the subcommittee will convert this understanding into dollars—$25 million.

This past April, I first appeared before the Senate subcommittee in support of funding for the Lead-based Paint Poisoning Prevention Act for fiscal year 1971. I was very much gratified that the Senate Appropriations Committee subsequently reported out, in the Second Supplemental Appropriation bill for fiscal year 1971—H.R. 8190—an appropriation of $5 million.

Unfortunately, that funding was deleted in conference, and thus the act received no funding for fiscal year 1971. However, the fact that the distinguished Senate subcommittee, and the full Senate committee, perceived this problem as sufficiently severe to warrant funding of $5 million for just the last two months of the past fiscal year encourages me to hope that for the full fiscal year of 1972, of which more than 11 months still remain, the full $25 million will be provided.

In this regard, I would quote the Senate Report—Senate Report 92-107—on the Second Supplemental Appropriation bill, at page 34:

> Thousands of small children throughout the Nation today are victims of lead-based paint poisoning. The effects of the disease are devastating—mental retardation, cerebral palsy, convulsive seizures, blindness, learning defects, behavior disorders, kidney diseases, and even death. The actual number of children poisoned is impossible to know; there are few adequate screening programs in communities and most communities are currently unaware of the full nature and extent of the problem. Even so, the limited surveillance programs to date indicate that 225,000 children between the ages of one and six are victims of lead-based paint poisoning.
>
> Yet the striking fact is that this disease—which Congressional testimony has revealed is more disastrous to children than either rubella or polio before the advent of modern vaccines—is completely preventable. . . .

There is much that I want to say about childhood lead poisoning. The points which I would particularly stress are these:

Childhood lead poisoning is a disease whose victims number in the thousands every year, and almost all of them are children under the age of 7.

Childhood lead poisoning is preventable. We know what to do and we know how to do it, to end this crippler and killer.

Childhood lead poisoning can be ended, provided we have the funds. You have the ability to provide these funds.

Let me briefly run through the statistics. Numbers often serve more to obscure than to enlighten, but I am sure that we can all appreciate that each number represents a small child. This past May, the Department of Health, Education, and Welfare issued its report entitled "Toward a Comprehensive Policy for the 1970's: A White Paper." This report gives the hard, cold numbers of tragedy:

> Paint with lead in it poisons about 400,000 children (predominantly poor) annually. It is estimated that 16,000 of these children require treatment, 3,200 incur moderate to severe brain damage, and 800 are so severely brain damaged that they require care for the rest of their lives . . . (page 30)

The report omits mentioning the 200 children for whom there is no future—even the vegetable-like existences of an institution for the hopelessly brain damaged. These 200 children will die. Two hundred each year.

These are the figures which mark childhood lead poisoning's toll—a toll taken by means of blindness, cerebral palsy, kidney impairment, brain damage, and death. So, that is a point I want to stress. Childhood lead poisoning is not some rare malady. It is, and here I quote the language of the implementation plan prepared by the Bureau of Community Environmental Management, the division within HEW designated to implement Public Law 91-695:

> More prevalent than the polio problem before the advent of the Salk vaccine . . . (and it) leaves more children permanently impaired than did German measles prior to the extensive measles vaccination programs. (Page 1)

This disease is not the exclusive blight of New York City. Nor is it even confined just to the cities of the Northeast. Childhood lead poisoning is a national problem, and I know no better way of emphasizing this point than to list some of the cities which already have made preliminary application requests to the Department of Health, Education, and Welfare for grants under Public Law 91-695: Bangor, Maine; Cincinnati, Ohio; Denver, Colo.; Evanston, Ill.; Kansas City, Mo.; Milwaukee, Wis.; Nashville, Tenn.; New Orleans, La.; Omaha, Nebr.; Pittsburgh, Pa.; Saginaw, Mich.; San Antonio, Tex.; San Francisco, Calif.; Toledo, Ohio.

There are many more requests. And there will be still more, once the Lead-based Paint Poisoning Prevention Act is funded.

So, a second fact that I want to stress is this: Childhood lead poisoning is a national plague.

How does this disease arise? Its genesis lies in the congruence of two factors. The first is the high incidence among small children of pica—an appetite for nonfood items such as dirt, paper, paint, and plaster. The second is the presence of lead-based paint on the walls and ceilings of older dwellings. As the sweet-tasting lead-tainted paint and plaster chips fall within the reach of the children living in these dilapidated dwellings, they are picked up and eaten. Gradually, the child ingests lead into his system. It has been estimated by Dr. Julian Chisolm of Baltimore, a leading expert, that the ingestion of a few small leaded paint chips a day, no longer than the size of an adult's thumbnail for about 3 months or longer can produce clinical symptoms of lead poisoning.

So we have a man-made disease, of enormous proportions and of a national scope, which goes largely unabated. This is unconscionable, because this disease is preventable. Let me quote Dr. Jane S. Lin-Fu, of the Department of Health, Education, and Welfare, who has written in an article entitled "Childhood Lead Poisoning—An Eradicable Disease," which has been reprinted for public distribution by the Department:

> In the history of modern medicine, few childhood diseases occupy a position as unique as lead poisoning. It is a preventable disease. The etiology, pathogenesis, epidemiology, and symptomatology have all been well defined. Methods for screening, diagnosis, and treatment have long been available. In the past three decades, concerted efforts to conquer infectious disease have resulted in the development of vaccines for such viral diseases as polio and measles, the discovery of many antibiotics for bacterial and other infections, and the systematic application of these therapeutic agents, but little has been done to eradicate lead poisoning. Yet this man-made disease exists in epidemic proportions in many cities.

I should like to repeat two of these sentences written by Dr. Lin-Fu. The first is "It is a preventable disease." And, second, "this man-made disease exists in epidemic proportions in many cities."

I think the basic facts are clear. Childhood lead poisoning is a disease of massive proportions. It is a disease which is preventable. The Congress recognized these facts by passage of the Lead-based Paint Poisoning Prevention Act. It recognized the need to enact a specific law to mount a focused, coherent federally assisted assault on childhood lead poisoning, with specific Federal funds authorized for this assault, rather than leaving childhood lead poisoning as the possible stepchild of general grant programs.

The act, signed into law by the President on January 13, 1971, contains five titles. Title I authorizes grants by the Secretary of Health, Education, and Welfare to units of general local government to assist in developing and carrying out detection and treatment programs. Title II authorizes grants for developing and carrying out programs to identify high-risk areas, and then to develop and carry out elimination programs. Title III authorizes the Secretary of Housing and Urban Development to carry out a demonstration and research program to determine the nature and extent of the problem, and the methods by which lead-based paint can be most effectively removed.

By virtue of title V, funds authorized but not appropriated for fiscal year 1971 are available to be appropriated for fiscal year 1972. Consequently, the authorized funding for these HEW grant programs totals $25 million for fiscal year 1972.

The issue remaining is that of funding the Lead-based Paint Poisoning Prevention Act. The President submitted no request for funds for fiscal year 1972. In cognizance of this omission, 45 members on April 23 wrote to Secretary Richardson, of the Department of Health, Education, and Welfare, urging that his Department request funds to implement the Act. Secretary Richardson responded to our letter on May 28, informing us that the President would transmit an amendment to the 1972 budget requesting $2 million. Specifically, Secretary Richardson's letter reads:

> (T)he budget transmitted on January 29 did not include any new funds for implementing the Lead-based Paint Poisoning Prevention Act.
>
> Since the current fiscal year is nearly over, we will not request a 1971 supplemental. However, the President will shortly transmit an amendment to the 1972 budget requesting $2 million to expand out program to attack the problem of lead-based paint. We would use the additional funds to make a more concerted effort to define the extent of the problem and support model demonstration projects in three communities.

Let me be blunt and say that much, much more is needed. Moreover, the stated intended use for the $2 million to be requested—three demonstration projects for defining the problem—is also unacceptable.

Let me take these two points in reverse order. First, the matter of demonstration projects. The fact is that there is no need for such projects. As I noted earlier, Secretary Richardson's own employee—Dr. Lin-Fu—has made very clear the point that, and I quote again:

> The etiology, pathogenesis, epidemiology, and symptomatology have all been well defined. Methods for screening, diagnosis, and treatment have long been available.

I would also point to the October 12, 1970, report by the Surgeon General, another official within the HEW structure. In this report, entitled "Medical Aspects of Lead Poisoning," the Surgeon General sets national guidelines for attacking childhood lead poisoning. Again, I think this demonstrates that the problem is well identified.

In addition, I want to refer to an internal HEW document which I have received, which I think equally as well demolishes any argument that demonstration projects are needed at this point. This document is entitled "Implementation Plan to Carry Out the DHEW Responsibilities Under the 'Lead Paint Poisoning Prevention Act of 1971'—Public Law 91-695." It was prepared in March of this year by the Bureau of Community Environmental Management, the division of HEW which was delegated responsibility for implementation of the Act by the Assistant Secretary of Health, Education, and Welfare on March 5.

I would like to quote from pages 3-4 of this document, which is the work product of the professional experts within HEW designated to implement the childhood lead poisoning program. It makes very clear that we are long past the state of demonstration projects:

> The problem of lead poisoning is completely controllable with existing technology. Techniques for the control of the problem are developed and tested. Program activities have generated a widespread awareness of the problem and an eagerness to initiate or expand local lead control efforts with minimum "seed money" from Federal sources.
>
> The Public Health Service through the Bureau of Community Environmental Management had done much to define the problem, bring the problem to professional and public attention, and to facilitate and encourage local control programs. An intradepartmental committee prepared an HEW policy statement defining levels of lead poisoning and recommending treatment and control techniques. On October 12, 1970, the Surgeon General issued his policy statement on "The Control of Lead Poisoning in Children." Procedural guidelines for assisting communities in carrying out lead control programs have been developed by B.C.E.M. and distributed widely. The application and effectiveness of these guidelines have been demonstrated in Norfolk, Virginia.
>
> Simple, inexpensive and rapid methodologies for the determination of blood lead levels have been developed and are being tested by B.C.E.M. in the cities of New Orleans and New York. These micro-techniques require only one-hundredth the amount of blood, and cost one-fourth as much as former methods. Thus, it is now practical and economically feasible for communities to carry out the massive screening programs recommended by the Surgeon General. There is a minimal need for further research.
>
> The necessary information to eliminate the problem is known. The time for action is now and now is the time for effective action programs at the community level.

This is not political rhetoric. These are the conclusions of trained professionals. Let me, for emphasis, quote again these words:

> There is a minimal need for further research. The necessary information to eliminate the problem is known. The time for action is now and now is the time for effective action programs at the community level.

I think it is clear: the problem has been identified. What we need now are action programs.

Finally, as one last point, I would stress that some local programs do exist now, and that fact rebuts any contention that we need demonstration projects to ascertain how to run a program. Baltimore has had a program since 1935; Chicago since 1966; New Haven since 1968; Rochester, N.Y., since 1969. Currently New York City also has a program.

Now let me turn to the other matter at issue, aside from whether just three demonstration programs are the appropriate answer to a disease more prevalent than was polio prior to the advent of the Salk vaccine. I know of no organization save the higher echelon at HEW which believes that anything but many millions of dollars are needed. Within HEW itself, the professionals are calling for full funding. Thus, in the Bureau of Community Environmental Management Implementation Plan, it is stated:

> Inaction on this problem would be an economic and human disaster . . . Based on the extent of the valid need evidenced to date—based on pilot screening programs already undertaken—the Bureau is convinced that the full funding authorized under the law for 1971 can be effectively utilized in the current fiscal year to carry out the types of community programs as outlined above . . . In FY 1972 a budget amendment is requested to continue and expand these important activities.

There is no question that all the funding authorized can be used. Prior to hearings on the authorizing act, the Bureau had received requests from 38 communities for technical and financial assistance in conducting local lead control programs. The dollar volume of these requests was over $30 million. Currently, the Bureau—that is, HEW—has requests from at least more than 50 States and communities, including the following:

Albuquerque, N. Mex.; Baltimore, Md.; Bangor, Maine; Binghamton, N.Y.; Boston, Mass.; Buffalo, N.Y.; Chester, Pa.; Chicago, Ill.; Cincinnati, Ohio.

Cleveland, Ohio; Dayton, Ohio; State of Delaware; Denver, Colo.; Detroit, Mich.; East St. Louis, Ill.; Evanston, Ill.; State of Illinois; Kansas City, Mo.

Los Angeles, Calif.; Louisville, Ky.; State of Maryland; State of Massachusetts; Milwaukee, Wis.; Mobile, Ala.; Nashville, Tenn.; New Haven, Conn.; New Orleans, La.; New Rochelle, N.Y.

New York, N.Y.; State of New York; Newark, N.J.; Norfolk, Va.; Omaha, Nebr.; Orange, N.J.; Paterson, N.J.; Philadelphia, Pa.; Pittsburgh, Pa.; Plainfield, N.J.; Poughkeepsie, N.Y.

Providence, R.I.; Puerto Rico; Rochester, N.Y.; Sacramento, Calif.; Saginaw, Mich.; St. Louis, Mo.; San Antonio, Tex.; San Francisco, Calif.; Syracuse, N.Y.; Toledo, Ohio; and Washington, D.C.

More applications will no doubt be forthcoming.

I would also like to mention some of the organizations which recognize the need and are supporting large funding of the Lead-based Paint Poisoning Prevention Act. They include:

American Association on Mental Deficiency, American Academy of Pediatrics, American Association of Colleges of Osteopathic Medicine, American Association of Colleges of Pharmacy, American Association of Dental Schools.

American Dental Association, American Heart Association, Inc., American Nurses Association, American Optometric Association, American Public Health Association.

Association of American Medical Colleges, Association of Schools of the Allied Health Professions, Association of Schools and Colleges of Optometry, Association of State and Territorial Health Officers, Association of Teachers of Preventive Medicine.

Association of University Program in Hospital Administration, Committee of Hospitals of Brooklyn to Eradicate Lead Poisoning, Environmental Action, Friends of the Earth, National Association for Retarded Children.

National Committee Against Mental Illness, National Council of Community Mental Health Centers, National Paint, Varnish, and Lacquer Association, Inc., National Tuberculosis and Respiratory Disease Association, Planned Parenthood—World Population, Sierra Club.

The issue is, as it so often ends up, one of funds. This Nation has many needs, and all of these needs must in some way be balanced. But, if we must talk strictly in money terms—and I have no brief to deal with children's lives in such callous terms—then the conclusion still remains inescapable: the Lead-based Paint Poisoning Prevention Act must be funded.

Let me run through the figures. Each moderate case of brain damage requires approximately 10 years of special instructions and other care, averaging $1,750 per child annually. So, each year, the 3,200 children who do suffer moderate to severe damage produce costs for care alone of $5.6 million. The 800 children who annually experience severe brain damage require lifetime institutionalization, at a cost of $4,000 per year each, or $3.2 million annually. Thus, the current annual cost for the damage to these small children totals $8.8 million. Add to that the medical and other expenses for the 200 small children who die annually. Add to that the incalculable millions for loss of productive lives. Add to that the incalculable amounts for grief and suffering.

The figures are devastatingly damning. They are also economically dispositive. So long as we fail to spend money to end the blight of childhood lead poisoning, we will continue to expend far more money patching up the sins which have been committed against our children by allowing them to fall victim to this manmade, yet preventable, disease.

The distinguished chairman of the subcommittee and the members of the subcommittee have recognized the problem, and the bill before us (H.R. 10061) provides the sum of $5 million to combat childhood lead poisoning, which is commendable in view of the fact that the administration itself refused at first to ask for any money but then finally submitted a belated request for $2 million.

Unfortunately, however, the $5 million recommended in the bill is only one-fifth of the authorization. I would hope that this action is only a beginning. I hope that the Senate, as it did in the fiscal year 1971 supplemental, will increase the funding, so that the fully authorized amount may be available to combat this dreadful disease.

Mr. FLOOD. I might say this, Mr. Chairman. The gentleman from New York appeared before the committee and testified on this matter and, on the weight and value and knowledge of his testimony, we did take this action.

Mr. MACDONALD of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. I would like to compliment the gentleman and his committee for the monumental task that it has undertaken and for the fine job that it has done.

I would just like to ask the gentleman from Pennsylvania if in this proposed measure there are funds for the Galludet College, whether such funds for that school are included?

Mr. FLOOD. Mr. Chairman, in response to the inquiry of the gentleman from Massachusetts, let me state that those funds are in the education bill, which is a separate bill, and which was recently signed by the President. I might add that there were no objections and no quarrels with the funds included in that bill.

Mr. MACDONALD of Massachusetts. I thank the gentleman.

Mr. FLOOD. Mr. Chairman, I have no further requests for time.

Mr. MICHEL. Mr. Chairman, I yield 10 minutes to the distinguished gentlewoman from Illinois (Mrs. REID).

Mrs. REID of Illinois. Mr. Chairman, as a member of the Subcommittee on Labor-HEW Appropriations, once again I want to pay my respects to my chairman, the gentleman from Pennsylvania (Mr. FLOOD) and the ranking minority member, the gentleman from Illinois (Mr. MICHEL). Under their leadership, our subcommittee has worked diligently in bringing this bill to the floor.

Mr. FLOOD. Mr. Chairman, will the gentlewoman yield?

Mrs. REID of Illinois. I yield to the gentleman from Pennsylvania (Mr. FLOOD).

Mr. FLOOD. Mr. Chairman, we are advised that the gentlewoman from Illinois (Mrs. REID) has been named to a great national commission by the President, and has been confirmed by the Senate. The gentlewoman can be assured that her years of service in our committee have greatly helped to contribute to its efficiency, and I am sure that I can speak for the other members of the committee and state that I am sure they can show the gentlewoman how they feel by applauding the gentlewoman from Illinois with their hands, but that also a little bit of their heart goes with it also.

Mrs. REID of Illinois. Mr. Chairman, I thank the gentleman for his kind remarks.

Mr. Chairman, the legislation before us today—H.R. 10061—includes appropriations totaling $20.3 billion for all program activities of the Departments of Labor and Health, Education, and Welfare and various related agencies—with the exception of the Office of Education which was covered in a separate bill. As the six volumes containing over 5,700 pages of printed hearings indicate, our subcommittee conducted a very thorough investigation and review of the budget requests and individual views brought before us. Representatives from the executive agencies, as well as those outside of the Federal Government, made excellent presentations—and, of course, I welcome the great interest that has been expressed in the form of letters and other communications. I am sure all of us are aware not only of the growing needs in the field of health manpower, disease control, social and rehabilitation services, and welfare activities, but also the necessity to place these needs in a realistic framework of priorities in view of budgetary limitations.

It has been pointed out that this is the largest of the appropriation bills excluding defense. However, when we take into consideration the funds carried in other bills for health, education, welfare, and services to individual Americans, the spending in fiscal 1972 for human resources will again exceed defense expenditures for the second straight year.

Naturally, in an appropriation bill of this size—and dealing with matters which are related so closely and directly to people—there are bound to be honest differences of opinion regarding specific amounts for various programs. I certainly have great sympathy for the needs in health care and have found much of the testimony regarding research in the causes and cures of some of the dreaded diseases to be encouraging. In this regard, we have given priority in the allocation of our limited resources to those areas which show the greatest promise for results and where additional funds could be spent effectively. As a result of our hearings and deliberations—as well as the unusual amount of interest expressed about a number of programs since the 1972 budget was released—we have recommended increases totaling $321.7 million over-the-budget estimates.

The major items in the bill have been covered thoroughly by the chairman (Mr. FLOOD) and the ranking minority member (Mr. MICHEL), but there are several matters of particular interest to me and many others on which I would like to comment briefly.

For mental health, the bill includes $581.2 million—an increase of $81.7 million above the budget request. There has been much concern expressed about the proposed reduction in funds for psychiatric training grants and I am pleased that the committee restored this program to the 1971 level. In the hearings we received voluminous testimony from both administration and public witnesses as to the disastrous impact of alcoholism upon our society. As a result, we have included $25 million for formula grants to the States to close the gap in a comprehensive program to attack this problem. We also approved the full increase of $67 million included in the budget amendment of the President for drug abuse control. In addition, the committee provided an additional $30 million above the budget for staffing grants for community mental health centers.

While cancer is the second leading killer, it is our No. 1 national health concern because it is the disease most dreaded by the majority of Americans. The bill, as reported, includes a total of $237.5 million for cancer research. With the extra $100 million funded in the Second Supplemental Appropriations Act of 1971, the National Cancer Institute will have $104.4 million more available in 1972 than it had in 1971. The proposal for a greatly expanded cancer research program is based on the expert advice of a large number of scientific and medical leaders who presented convincing evidence that recent research advances and leads are sufficiently promising to merit a major national commitment to a cancer conquest program. In my opinion, the investment of substantial funds in this effort is very worthwhile and is certain to meet with wide public approval.

Heart attacks continue to be the Nation's No. 1 killer and in view of the critical need for more research in this area—particularly in regard to prevention—the committee has increased appropriations by $16.1 million over the request to a total of $211.6 million for the National Heart and Lung Institute. We received impressive testimony about new research regarding the effectiveness of diet and drugs in preventing heart attacks but much more study needs to be done in this whole area.

There has been much concern expressed, also, about the continuation of the medical facilities construction program. I have long felt that this is one of the most successful Federal-State programs in existence, but the goal of increasing hospital beds and public health centers is even more critical today than it was when the program was instituted. Therefore, our committee gave this matter top priority by recommending an appropriation of $266.7 million—an increase of $127.8 million above the request. These funds will include money also for long-term care facilities and modernization of existing facilities.

In my judgment, one of the most important programs funded by this bill is vocational rehabilitation—the restoration of persons who have been disabled in one way or another to useful lives. For this purpose we have recommended $613 million, an increase of $8 million over the budget request and $42.6 million over the appropriation for 1971. It is estimated that 980,000 disabled persons will be served by the State-Federal programs in 1972 and 288,000 will be rehabilitated. The committee has also added $5 million over the budget request—making a total of $16.2 million—for the Developmental Disabilities Act. This is a new program, enacted in the last Congress, providing for the treatment of the mentally retarded, and persons with epilepsy, cerebral palsy, and other neurological conditions.

Since this is a new program, it is somewhat difficult to ascertain how much money could be spent effectively at this time. However, I was impressed with the testimony which showed the great need for improved services and facilities for these people and hope the Department will move swiftly in putting the program into effect.

It is obvious that I have mentioned only a small percentage of the items in this bill. But I do feel it is important that our taxpaying citizens know that much is being accomplished in these important fields. It has been said that health is real wealth. Not only is health more important than economic wealth, it is also its foundation—and our entire society has a direct stake in the health of each and every person.

In my opinion, H.R. 10061, the bill before the House, is a good compromise in that we have made every attempt to establish priorities among those programs which have proven their worthiness for the health and welfare of our people. Our committee's task was not easy because of our limited budget resources and the great needs that exist—and I am hopeful that the Committee of the Whole House will reject amendments which will add millions of dollars to the bill and will approve our committee's recommendations which were reached after intensive hearings and after considering each item with much concern and compassion.

Mr. MICHEL. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, in assuming my position on the Labor-HEW Subcommittee this year, I was forced to relinquish a combined total of 24 years of seniority on two other appropriations subcommittees: Treasury-Postal Service and Foreign Operations. Because of the vital programs that the subcommittee deals with however, I was not only willing but eager to pay this price.

I would like at this time to commend the hardworking chairman of the subcommittee, the distinguished gentleman from Pennsylvania (Mr. FLOOD). And the conscientious ranking minority members, the distinguished gentleman from Illinois (Mr. MICHEL) for their efforts on this bill. The courtesy and assistance extended by them, as well as by my other colleagues on the subcommittee, were most appreciated.

Funds for many important programs were reduced in the budget request for this year and the committee is to be congratulated for restoring some of these cuts.

I was particularly gratified that the bill includes an increase of $6.7 million over the budget to restore the National Institute of Mental Health's psychiatric residency training program to the 1971 level. Psychiatric manpower needs in this country are enormous and programs in the community mental health centers, in alcoholism, in drug abuse, in the Indian service, and in the Bureau of Prisons require large numbers of competently trained psychiatrists. The committee's action will help to meet this requirement.

I also applaud the committee's recommendation to restore the budget for rehabilitation and social work training to last year's level of $44.9 million. The proposed budget cuts for this activity would have seriously affected the ability of institutions devoted to social work education to prepare properly qualified persons in sufficient numbers to provide essential services for the aged, the ill, the unemployed, the disabled, and the mentally ill.

In total, the committee increased the budget request for these and other programs operated by the Department of Health, Education, and Welfare by $350.9 million.

It is to be commended for this action, but, to my mind, this simply is not enough if we are to make a conscientious attempt to achieve the goal of making our Nation the healthiest in the world. There can be no question that we are faced with a health crisis of alarming proportions.

Consider these sobering statistics: The United States ranks 13th among industrialized nations in infant mortality, 11th in life expectancy for women, and 18th in life expectancy for men. Moreover about 150 counties in the Nation are without a single doctor, and another 150 have but one physician.

Twice as many black infants die in the first year of life as whites. The poor suffer four times as many heart conditions and six times as much mental illness, arthritis, and high blood pressure as their more affluent neighbors. Across the country, there is a shortage of 50,000 physicians, 150,000 medical technicians, and 300,000 nurses.

These figures demonstrate the very clear need, I believe, for expanding our commitment at the Federal level to improve both the quality of our health care and the methods of providing that care. In many instances, the committee recommendations constitute little more than restorations of budget cuts below the fiscal 1971 levels, with an addition of approximately 6 percent to allow for inflation. This is clearly inadequate if we are to make a realistic attempt to move America's health programs forward.

At the appropriate time, the distinguished gentleman from Illinois (Mr. YATES) and I will offer an amendment to increase the total appropriations for the Department of Health, Education, and Welfare by $200 million. The details of that amendment will be elaborated upon then.

I would like, before closing at this time, to discuss one program for which that amendment would provide increased funds. Last year Congress unanimously passed and the President signed into law the Comprehensive Alcohol Abuse and Alcoholism Prevention Act. The legislation authorized $300 million over a 3-year period for formula grants to the States and project grants in the field of research, training, and education to finance a major offensive against the problem of alcoholism—one of the most widespread, destructive, and costly health problems facing our country today. This disease adversely affects the lives of some 36 million Americans, or one out of every six persons in the United States. Nine million persons are alcoholics and their ranks swell by another 200,000 persons each year. An annual death toll of 87,000 is caused by alcohol related problems. Furthermore, alcoholism accounts for a $15 billion yearly drain upon our economy. This includes $10 billion in lost worktime of employed alcoholics, $2 billion in health and welfare costs incurred by them and their families, and $3 billion in property damage and other costs associated with traffic accidents.

To counteract this devastating problem, I offered an amendment to the second supplemental appropriations bill for fiscal year 1971 on May 11, which would have provided an initial $10 million to get this program off the ground. Unfortunately I was unsuccessful then. Now the committee is allotting only $25 million despite the fact that preliminary aplications from the States far exceed the $60 million that is authorized for formula grants in 1972. Our amendment would increase this allotment to a minimally acceptable level of $40 million.

We have been warned by the American Psychiatric Association that if we do not begin an adequately funded program for the prevention and treatment of alcoholism now, we will have 12 million alcoholics to contend with by the end of the decade.

Later today I will discuss other items in the bill that I believe are deficient and outline what additional increases are needed to meet the health crisis which is now hard upon us. Suffice it now to point out that the right to good health care is as fundamental as the right to an education, an adequate diet, and decent housing.

Thank you, Mr. Chairman.

Again I wish to commend the chairman and the ranking Republican member of the committee for doing a commendable job on the bill. It is a good bill. But when this House, only a few hours ago, passed an agriculture bill which was $1.2 billion over the budget, and passed it by a substantial majority, giving $3.5 billion to farmers across this land for subsidies, I think the House can afford $200 million extra for the health care of our citizens.

Mr. ROONEY of Pennsylvania. Mr. Chairman, there are 9 million of our citizens whose destiny is particularly related to a portion of the bill now before us. An additional 36 million of their family members have a vital interest in the legislation. I am speaking of persons who suffer the tragic problems of alcoholism in our country; problems which exact massive and inexcusable human loss, create a $15-billion annual loss to our economy, and are related to at least 87,000 deaths annually. Our present inadequate treatment facilities are overwhelmed by almost 1,000 new cases of alcoholism daily. We will have 12 million alcoholics to contend with by the end of the present decade if a program of prevention and treatment of alcoholism is not undertaken immediately. I will not take the time for a further repetition of the sad and depressing statistics which describe the magnitude and scope of alcohol abuse and alcoholism problems. The plain fact before us now is that positive action by the Congress is required if our Nation is to become capable of reducing the tragedy of this national blight.

The New York Times announced this morning that a gift of $10 million has been made by R. Brinkley Smithers, a special partner in a Wall Street investment banking house, to the Roosevelt Hospital in New York for the treatment and rehabilitation of alcoholics. Mr. Smithers' gift is the largest single grant ever made by any individual or agency, including the Federal Government, to fight alcoholism.

Yet Congress enacted legislation last year which authorized substantial sums of money to be appropriated for this purpose. The Comprehensive Alcohol and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, Public Law 91–616, authorized $300 million over a 3-year period for formula and project grants for the support of research, training, and public education in the area of alcoholism. Several weeks ago I appeared before the Appropriations Subcommittee to request $40 million to carry out the provisions of this act. The administration budget request did not even recognize the enactment of this important public law.

I am aware that existing programs currently administered by the Department of Health, Education, and Welfare are somewhat related to the purposes of this new act. These programs are important, especially those which are to be administered by the new National Institute on Alcohol Abuse and Alcoholism. But the funds which have been requested are not adequate, nor do they pursue directly the directives of our new legislation. The provisions of Public Law 91–616 are directly responsive to the challenge of providing prevention and treatment of alcohol abuse and alcoholism, and they should be implemented with appropriations which are adequate to meet the goals and objectives of the enlightened national policy which has been set by this new legislation. I urge my colleagues to support the appropriation of adequate funds to make our national policy something more than words and to enable our Government to launch the programs necessary to reduce the human suffering and other serious consequences of alcohol abuse and alcoholism. We cannot brush this problem under the table any longer.

Even though I consider the $25 million appropriated today as a less-than-adequate response to this most urgent problem, I want to thank my distinguished colleague from Pennsylvania, the able chairman of the subcommittee (Mr. FLOOD) for his most sympathetic and sincere response. I certainly understand the political realities with which the distinguished chairman must contend.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I reiterate my longstanding view of the vital importance of basic biomedical research.

As I have emphasized on many occasions in this body, the entire structure of America's health care is based upon the strength of our basic biomedical research programs. If we do not achieve our full potential here, all applied medicine will suffer and suffer greviously.

The Congress must acknowledge the necessity of continued support for basic biomedical research. We in the Congress have a special responsibility through the appropriations process for the future progress of science in America.

Our leadership in medicine and the physical sciences is inseparable from our investment in scientific research. Our investment in this pure research is not an investment in a luxury but in an absolute essential to our continued growth and development.

The increased attention to the problems caused by environmental pollution further emphasize the need for increased attention to basic research.

Technological protection against the hostile environment, heat against cold, light against darkness, pesticides for crop protection, preservatives for food, drugs to combat disease, all in their turn create their own problems.

For man's survival it becomes now increasingly important to know all that there is to know about his reactions to the environment and to manmade environmental hazards. Biomedical science continues to take on new significance for the survival of man.

It is most essential that this country avoid any discontinuity in the support of knowledge-building through biomedical research and in the development of both clinical and research manpower.

The two most recent appropriations bills for the Departments of Labor and Health, Education, and Welfare were not finally enacted into law until more than half of the fiscal year had passed by. This kind of delay is particularly harmful to programs of biomedical research that rely as they do on the development and maintenance of research teams and for continuity in their support. I hope enactment of this bill comes much more promptly this year.

Mr. HANLEY. Mr. Chairman, I rise today to relate to you and my colleagues the sad story of one small program funded under one small section of this very large bill. Although the program is small, it has accomplished a great deal to improve the health care of the 1,850,000 residents of central New York. Its story illustrates the meaning of impounded funds for the average man on the street in the cities and rural areas of our Nation, and points to the special responsibility of the Congress to strive to improve health care in our Nation.

The program I speak of is the central New York regional medical program. The program, founded in 1967, serves 17 counties in central New York and northern Pennsylvania. It is funded by the regional medical programs service of the Department of Health, Education, and Welfare. The central New York program has been funded for $729,091 in direct costs for the period October 1, 1970, to September 30, 1971. This does not seem to be an unreasonable sum for an organization which is engaged in 19 separate projects serving a 17,000 square mile area.

In addition, the program was operating a mobile stroke rehabilitation unit which had provided training to over 5,500 doctors, nurses, and relatives of stroke victims in techniques for rehabilitation of stroke victims. The mobile unit had conducted instruction sessions at over 140 health care facilities in the 17 county area. The mobile unit, as well as teaching badly needed skills, was highly visible and played an important part in the processing of gaining the confidence and support of local health care personnel. This contribution should not be underestimated, for without the confidence of local health vendors the regional medical program cannot effectively serve the residents of the area. The total cost of the unit, which employed physical therapists, occupational therapists, speech therapists, and a bracemaker, was just under $200,000 a year.

For fiscal 1971 Congress appropriated $104,798,000 for the operation of the regional medical program service. The administration impounded $34,500,000 of these funds, one-third of the total appropriation. The Appropriations Committee was amazed by this action. The committee report states that:

> In order that there would be no mistake with regard to the feelings of Congress in this matter, the Congress appropriated an additional $10,000,000—in the second supplemental appropriation bill, 1971.

The administration callously added these funds to its reserves.

Following the first impoundments in March 1971, the regional medical programs service informed the central New York program that it would have to cut $59,507 from its existing $729,000 operating budget and that it would have to terminate the stroke mobile program, effective March 31. The central New York program made the cuts, including 40 percent of the funds to train nurses and patients in the use of dialysis machines, which clean the blood of patients with chronic kidney failure, and 40 percent of the funds from a learning resources center which provided videotapes, films, audiotapes and projection equipment for use by health care personnel in the 17 county area.

The Federal Government achieved the magnificent saving of $95,000 in fiscal 1971 by cutting off funds for the stroke mobile. Mrs. Ruth Jamison, legislative chairman of the State University Hospital Auxiliary of Syracuse, N.Y., commented on the loss of the stroke mobile:

> At a time when health care needs are urgent and ever-increasing, when dedicated professional personnel are in great demand and when cooperation between national, regional, and local agencies is essential—indeed, the announced objective of the present administration—the elimination of this particularly vital program of patient rehabilitation is incomprehensible.

Alas, the sad story of the central New York regional medical program was not over. In late April, after the administration impounded the $10 million from the second supplemental appropriation, the regional medical programs service directed the central New York program to make $24,000 in additional cuts from the fiscal 1971 budget. This was accomplished, although it meant a 7-percent reduction in a program to provide inservice training for licensed practical and registered nurses and a 15-percent cut in a program of inservice training for physicians engaged in family practice.

The total budget reductions saved the administration $178,000; but they cost the people of central New York dearly in terms of badly needed health services which could not be provided in local hospitals in many of the rural counties served by the program. Furthermore, the reductions cost those engaged in providing health care to the residents of central New York valuable experience in regional cooperation. By working together, health care professionals in central New York can provide care far superior to that presently being offered. To do this they must form effective professional relationships and gain confidence in each other. This confidence is one of the most important products of the central New York regional medical program.

Assistant Secretary of Health, Education, and Welfare Duval, last week held out hope for health maintenance organizations as an improved method for delivery of health services in rural areas. However, the administration persists in robbing funds from regional medical programs which will have to be the vital lifelines among health maintenance organizations.

The hatchet wielders in the Office of Management and Budget do not seem to realize that the health-care crisis is here and now and that it is not going to subside if they continue to impound the funds appropriated for every imaginative and innovative program.

Mr. Chairman, I believe in economy in Government. We as Representatives have no greater responsibility than to make sure that our constituent's tax dollar is wisely used. If we are to carry out this responsibility, we must understand what the figures on the budget sheets mean to the people living in this great country. In my opinion, when we take time to see what the cuts in the budget of the regional medical programs service mean to the people of central New York, we will realize that the full appropriation would have been funds wisely used. That is why I support the appropriation of the full $82,771,000 recommended by the committee. These funds, together with the funds impounded last year, will provide $115,104,000 in obligational authority for regional medical programs in fiscal 1972. I sincerely hope that none of these funds are impounded.

In testimony before the Subcommittee on Labor-Health, Education, and Welfare, chaired by our beloved and respected colleague, Congressman FLOOD, Dr. Harold Margulies, director of the regional medical programs service, said that the purpose of the program was—

> To improve the availability of and access to high quality health care to all Americans.

Certainly, Mr. Chairman, few programs have purposes more worthy of our support.

Mr. BROOKS. Mr. Chairman, I want to congratulate the distinguished chairman of the Appropriations Committee, my colleague from Texas (Mr. MAHON) and the able and dedicated chairman of the Labor and HEW Appropriations Subcommittee, the Honorable DANIEL FLOOD, along with the esteemed members of the committee, for including in this appropriations bill funds for the continued operation of the Public Health Service hospitals.

The legislation as reported by the committee includes $71,682,000 for patient care and special health services for fiscal year 1972. While this amount is admittedly not sufficient to cover expenses for the Public Health Service facilities for the entire year, I note that the appropriations committee, on page 18 of its report, has assured the Congress that a supplemental appropriation to cover other expenses will be considered at a later date.

The Public Health Service hospitals around the country provide valuable and essential medical services to thousands of people. The largest of these is located in Galveston, Tex., in my congressional district. The absence of this facility would impose a severe hardship upon the residents of my district and an intolerable strain upon other medical facilities located in the area. It would be a tragic mistake to close these hospitals.

The Federal Government has a legal and moral obligation, not only to keep these hospitals in operation, but to make certain that they provide the best health care possible. Instead of attempting to close these vital facilities, we should be modernizing and improving them, and supplying them with the most up-to-date equipment. I would hope that the Congress will leave no doubt that it wants these hospitals to remain in operation and to be remodeled, rehabilitated, and expanded in order that they can continue to provide the finest medical services available.

I commend the committee for its favorable action on this provision and urge the Congress to endorse these funds along with the promise of additional funds when needed.

Mr. LEGGETT. Mr. Chairman, I take this time to commend Chairman FLOOD for bringing to the floor a realistic appropriation for health care. He has augmented the budget about 11 percent.

In particular, I commend the committee for the supplemental funds—$30 million for regional medical programs and the supplemental funds for animal research.

I personally would support a further very substantial program of health research and expenditure that would rather radically reorient American priorities.

I support the amendments of Mr. YATES and Mr. GIAIMO, and others, therefore, to increase the health budget another 11 percent.

I do not believe in general revenue sharing. I do believe in specific program assistance. Our retarded facilities, nationwide, are a disgrace. There are specific good exceptions.

In my home district we have the Vallejo-Benicia Council for Retarded Children doing good work, but our teachers need the training only the amendments to this bill can provide.

I urge the support, therefore, of all amendments to enlarge the scope of this bill.

Mr. PATTEN. Mr. Chairman, I want to take just a few moments this afternoon to speak on a subject of critical importance—health. As a member of the Labor-HEW Appropriations Subcommittee, I have deplored the callousness of the Nixon administration in making cutbacks in vital health programs. But that is just part of the story.

We have lived through a miraculous era in medical research. What was once the horrible fear of contracting polio simply does not exist today. Diphtheria, typhoid fever, whooping cough, and rheumatic fever are no longer among the common risks of life. Indeed, we have come a long way.

But, there are miles to go before we can rest easily. The two leading killers: heart disease and cancer are like modern plagues on our House. Cancer will take the lives of 335,000 Americans this year while heart disease will account for three times that many deaths.

Once considered to be under control, venereal disease has roared back in epidemic proportions. Similarly, some estimate that as many as 50 percent of the residents of some inner city neighborhoods have tuberculosis.

Hippocrates once said:

> Healing is a matter of time but it is sometimes also a matter of opportunity.

There is a vaccine for German measles and yet thousands of pregnant women bear deformed children as a result of this dreaded disease. Even though we have made great strides in curbing infectious disease with antibiotics, venereal disease and tuberculosis are very much a part of American life. Plainly enough, the health of the American people is lagging behind the great advances of medical science.

Medical programs must advance on two levels. We have to make greater strides to eliminate disease through medical research and, at the same time, extend the medical breakthroughs of yesterday to all of the American people today. Good health is the greatest of all blessings.

This can be the Congress that brings a new era of medical progress to all of our citizens. Why not make the 92d Congress the health Congress?

Mr. VANIK. Mr. Chairman, I support the bill before the House, the Department of Labor and Department of Health, Education, and Welfare appropriations bill for fiscal year 1971. I commend the committee for its excellent work in reporting out a bill which restores many of the budget cuts requested by the administration. But the health crisis facing this Nation is so severe that I must also support the series of health improvement amendments which will be offered to this bill.

Half a year after he was inaugurated, President Nixon stated that—

> We face a massive crisis in—the health—area and unless action is taken, both administratively and legislatively, to meet that crisis within the next 2 to 3 years, we will have a breakdown in our medical care system, which could have consequences affecting millions of people throughout this country.

That "massive crisis" is already upon us. Nationwide, there is a shortage of 50,000 doctors, 150,000 medical technicians, and 200,000 nurses. Although we are the richest Nation in the world and pride ourselves on being the most advanced, we rank 13 among the industrialized nations in infant mortality, 11 in life expectancy for women, and 18 in life expectancy for men. There are 150 counties in America without a single doctor in residence and 150 more with only one physician.

The frontier of American health research lies in the collection of organizations known as the National Institutes of Health. The real and ultimate hope for improving the health prospects of this Nation rests in the continued advance of the biomedical sciences which has been spearheaded by the National Institutes. Official testimony on this year's budget for the Institutes and their research divisions heralded this year's budget as "marking the beginning of a new and more vigorous phase in Federal support for medical research." As the committee report indicates—

> Even a cursory inspection of the budget justifications quickly dispels this optimistic view.

It is true that the National Cancer Institute is receiving an additional $100 million, largely as a result of congressional support for the Conquest of Cancer Act, of which I am proud to have been a cosponsor.

The administration's requested appropriation for the other nine Institutes and the three research divisions is an increase of only $21.7 million over last year—a growth of 2.3 percent. Four institutes—neurological diseases and stroke, allergy and infectious diseases, arthritic and metabolic diseases, and general medical sciences, are cut below last year's levels. The National Heart and Lung Institute, which concentrates on research on heart attacks—the Nation's No. 1 killer—received no increase over last year's appropriation. This, despite the fact that the Office of Science and Technology estimates that the cost of medical research rises 15 percent each year because of new and more sophisticated technology, increased personnel costs, and so forth.

Because of the importance of the Institutes in improving American health, the committee has added funds to each of the Institutes' appropriations request so as to bring the amount available this fiscal year up to the amounts available in the fiscal year which ended June 30, 1971. In addition, the committee has added a cost-of-living increase of approximately 6 percent to each of the Institutes. Yet the committee action is not enough to utilize the medical knowledge which we now have or are on the threshold of development. For this reason I am supporting the amendment of the gentleman from Massachusetts (Mr. CONTE) and Illinois (Mr. YATES) to add $100 million to the budget of the Institutes. This amendment, being offered by members of the Appropriations Committee itself, is supported by 20 major health organizations.

To better appreciate the need for this increased funding, it is worth looking at some of the activities of the various Institutes.

The National Cancer Institute deals with probably the most dreaded disease in the world and the second largest annual killer of Americans. Under the committee action and the amendment, research on this disease will be able to expand significantly. This is important because a large number of scientific and medical leaders have testified that recent advances and research clues are sufficiently promising to justify a major national commitment to a cancer conquest program. There are now over 100 viruses which are known to cause cancer. It is probable that when these viruses are identified and grown in the laboratory, it will be possible to develop preventive medicines for the control of these forms of cancer.

The Institute also needs to—and plans to—place increased emphasis on cancers caused by chemicals. Each year there are approximately 500 new chemicals entering our environment. In the past, we have found that some chemicals are very carcinogenic—cancer-causing. It is vital that more of the chemicals which we are constantly in contact with be tested and evaluated for cancer-causing properties.

The National Institute of Arthritis and Metabolic Diseases needs additional funds to take advantage of recent medical developments in this area. These disorders afflict some 71 million Americans a year, at an estimated cost to the economy in lost work, et cetera, of $4 billion annually. But recently, the search for the cause of rheumatoid arthritis has found that it is possibly a transmitted disease. "This demonstration provides a promising clue to the infectious and/or immunologic basis of rheumatoid arthritis" and brings us closer to finding a cure.

The National Institute of Allergy and Infectious Diseases needs additional funds to provide research on the allergies which afflict some 31 million Americans. In addition, private research should continue—and be expanded—on a number of basic infectious diseases. It is generally thought that pneumonia is no longer a major problem, yet it has just moved from sixth to fifth place as the leading disease killer of Americans. Pneumonia, despite the antibiotics we have today, killed 70,000 people in the United States last year.

The National Institute of Environmental Health Sciences is designed to identify the environmental factors that adversely affect man, find out what diseases these pollutants cause, and develop cures for them. As the committee report states—

> It is obviously impossible to wage an effective national campaign on pollution without a full knowledge of the composition and chemistry of the pollutants which are its cause.

Increased efforts are needed in this area.

The amendment which I am supporting will help all these Institutes to undertake the research so necessary to the health of all of us.

The health amendment will also provide an extra $50 million for Hill-Burton hospital construction assistance. HEW has indicated that the present time we need 91,000 new hospital beds and the modernization of 227,000 others. The amount of hospital obsolescence grows each year and is now estimated at $15 billion nationwide. Despite this fact, no more money is being provided in fiscal year 1972 than was provided in the last fiscal year. If our medical plant continues to deteriorate at the present level, it will be next to impossible to avoid an accelerating breakdown in health services. Even the extra money provided by the amendment is inadequate, but it is a step in the right direction.

The health amendment will also provide badly needed funds to improve the communicable disease control program—a program designed to eliminate such diseases as German measles which when contracted by a pregnant mother, often results in death or deformity to the child. Programs to provide alcoholism treatment centers, to meet the problem of death and mental retardation caused by lead paint poisoning, and other important health needs will all be helped by the passage of the health package amendment.

Finally, in the area of the Department of Labor appropriation, I am disappointed that the committee deleted all funds for summer employment for next year. The committee report states that—

> If conditions which prompted the supplemental appropriation for this purpose in 1971 still exist next Spring, it is quite possible that there will again be a supplemental appropriation for this purpose.

Summer employment for youth is a constant problem that is always with us. We always treat it as a crisis problem, with the result that the program is usually late in getting started, inadequate numbers of youths are employed, and the services which they provide to local governments and parks delayed. I recently surveyed the results of the Federal Government's youth hiring efforts in Cleveland for this summer. The results were shocking. In this year of unconscionable unemployment when it is almost impossible for youth and needy college students to find employment, the Federal Government has hired fewer young people than in any year since the summer program has been in effect. An appropriation should have been provided now so that planning could begin now to provide a good program next summer.

Mr. MINISH. Mr. Chairman, the Labor-HEW appropriations bill for fiscal year 1972 would allocate $20.4 billion. This sum exceeds the President's budget request by $322 million and is $2.9 billion above last year's appropriation.

Despite these overall increases and the adequate funding of numerous worthwhile programs, the legislation still falls woefully short in many important areas, particularly with reference to vital health care and assistance programs.

Therefore, I shall support the amendments to be offered today by Mr. CONTE and Mr. YATES and by Mr. GIAIMO. I urge my colleagues to do likewise.

The Conte-Yates amendment would add a total of $230 million to the committee bill for the following seven health programs: National Institutes of Health, patient care, communicable disease control, Hill-Burton grants, alcoholism State formula grants, lead-based paint poisoning prevention, and maternal and child care grants.

The Giaimo amendment would add $82.4 million to the committee's recommendation for the following rehabilitation services programs: State-Federal vocational rehabilitation services, rehabilitation facility improvement, research and demonstration, and developmental disabilities.

These "package" amendments, for the most part, simply restore cuts which were made by the administration from fiscal year 1971 spending levels. The Conte-Yates amendment is strongly supported by the coalition for health funding—an organization made up of more than 20 health groups including the Association of American Medical Colleges, the National Council of Community Mental Health Centers, and the American Public Health Association. Among the supporters of the Giaimo amendment are the National Easter Seal Society, the National Rehabilitation Association, and Goodwill Industries.

On two issues of particular concern to me, I am disappointed that the committee has seen fit to include only $5 million for lead paint poisoning elimination. Even if the Conte-Yates amendment prevails, funds for this vital program will still amount to less than half the fiscal 1972 authorization. A recent article from the Elizabeth Daily Journal, which follows my remarks, outlines the pressing need for adequate funds to end the scourge of lead paint poisoning.

On the other hand, I was gratified that the full amount has been approved for rat control. Originally, the administration had requested no funds for this program. However, this position was revised and $15 million, the amount contained in the committee bill, was requested. Discontinuance of the rat control program at this stage would have represented a sharp setback to our cities' efforts to improve the quality of life for their people.

Mr. Chairman, our Nation is in the midst of a health-care crisis. We are the richest country in the world, yet we are failing to provide all our citizens with adequate health care. One small step on the path to better health for all Americans would be realized through the passage of an appropriations bill which truly reflects a commitment by the Congress to respond affirmatively to our Nation's health needs.

I include the following:

(From the Daily Journal, Elizabeth, N.J., July 8, 1971)

LEAD-POISONING FIGHT WAGED—PEELING WALLS DEAL DEATH

(By Stephen Franklin)

One morning last summer as N. Peter Garcia walked into Newark's Martland Hospital on his way to work, he saw a small child stretched out on a large table—dead of lead poisoning.

Three hundred youngsters were treated last year in Newark for lead poisoning, but it was the first time that Garcia, a social worker in the pediatric service, had ever seen a child killed by it.

In Plainfield, where the overcrowding and rundown housing problems are much less severe than Newark, it was a shock when a 17-month old child died of lead poisoning last year at Muhlenberg Hospital.

Since then, John Kunze, Plainfield's health officer, realized the need for a program to find all of those homes with children where lead-based paint is peeling from cracked or worn walls.

Like most persons involved in the fight against lead poisoning, he knows that it is a killer that could be eliminated easily but claims more children's lives annually because of the public's lack of awareness.

"We simply don't have the staff to survey homes for cracked or peeling walls," Kunze explained, adding that prevention programs would probably greatly reduce the chances of children's lead poisoning.

For some time Kunze hoped that Plainfield would qualify for a $5,000 grant to purchase a lead paint detection machine under the federal Lead Based Poisoning Prevention Act.

In the mail recently, however, he received a letter from Washington explaining that although the President signed the bill Jan. 14, Congress has not appropriated any money for it.

For the program's first two years, there was supposed to be $30 million spent, but Secretary of Health, Education and Welfare Elliot Richardson never requested the money. After Congress killed a $5 million proposal initiated by several of its members, Richardson submitted a $2 million program in May. It has not yet been voted on.

"It's clear that we are concerned about this problem," claimed a HEW spokesman in Washington, who admitted that his office was not sure how far the $2 million would go.

"There's no real good reason for allocating such smaller funds, except that when revenue sharing starts there will probably be more funds for screening and home correction," said Dr. Roger Challop of the Public Health Service in Cincinnati.

But the number of children whose lives are touched annually by lead poisoning is not a small figure. Last year in the nation 400,000 children received treatment, 3,200 suffered permanent brain damage, 800 went blind or required hospitalization and 200 died because of lead poisoning.

Health officials can identify lead poisoning victims by vomiting, fatigue and loss of weight, he explained, but added that "We really have no idea about the number of children who eat lead paint and show no symptoms."

The detection odds for these children, Dr. Challop remarked are poor since there are few lead-detection programs in the nation and communities the size of Plainfield cannot afford the cost of their own programs. Government figures also are not exact since only seven major cities in the nation require all reporting of lead poisoning cases, he claimed.

"It's quite likely many of the problem children in the nation's classrooms are suffering from lead poisoning," Dr. Challop continued. "If there's no screening of homes or housing program, then you might as well forget these children."

Of the first seven cities that applied for the non-existent funds of the Lead Based Poison Prevention Act, their requests totalled more than four times the proposed $2 million allocation, according to a spokesman for Rep. William Fitts Ryan of New York.

"The money the administration has requested is hardly enough for postage stamps. It simply means that 200 children will die this year because they are waiting for revenue sharing which will never come to life," said the spokesman for Rep. Ryan, who sponsored the bill with Sen. Edward Kennedy.

With three children's deaths recorded in New Jersey last year from lead poisoning, Democratic Assemblyman Jorn F. Fay Jr. of Colonia said that he was "upset" over the political "dealing" it took in Trenton to have a bill approved.

Not long after Fay submitted legislation banning lead paint from any furniture or goods that might come in contact with children and giving local health officers the power to force repairs by landlords. Republican Sens. Farleigh Dickinson and James H. Wallwork presented an almost identical bill.

Even though the GOP-sponsored bill passed both houses and now awaits the governor's signature, Fay says that he will remain skeptical until he sees local officials begin its enforcement.

For John N. Surmay, Elizabeth's director of health, welfare and housing, the lead poisoning prevention problem has been kept at a minimum since housing inspectors and public health nurses have concentrated on warning people of this dangers.

Just after the GOP-sponsored bill passed both houses, however, Garcia wrote to several legislators, asking why no funds were proposed to enforce the law.

"Unless this bill is backed up with muscle in terms of dollars," he warned, "this law will have little effect on the problem."

To help the Trenton lawmakers gain a feeling for the problem. Garcia invited them to look over the admission record of his hospital which shows that 105 children were brought in between January and May for lead poisoning.

Each admission for lead poisoning treatment, he went on, means 60 injections stretched out over a five-day period at a cost of about $500, which the state usually pays.

Once a child completes the treatment, there's no guarantee that he will not return to the same apartment to pick at the still peeling chips of lead paint, Garcia added.

Each time a 1- or 2-year-old returns to the hospital social workers there witness the child's slow, painful progression towards mental retardation, which occurs in a third of all lead poisoning cases, he said.

Last summer Garcia decided that he had to write to state legislators and do all he could to beat the killer that can be stopped with only a little more concern and some dollars.

If several legislators came to Martland Hospital to see what lead poisoning does to children, Garcia thinks they might spend the dollars needed to keep children alive.

Mr. BUCHANAN. Mr. Chairman, in connection with our consideration today of legislation providing fiscal 1972 appropriations for the Departments of Labor, Health, Education, and Welfare, and related agencies, I rise to call particular attention to funds included in H.R. 10061 which are of critical importance in the fight against cancer.

The horrifying dimensions of this terrible disease in the United States certainly need no additional delineation and the commitment to do everything possible to combat cancer is unquestionably shared by all of us.

In my judgment, however, the House Appropriations Committee is to be especially commended for the strong commitment which it has made to the fight against cancer by providing an additional $3,193,000 in funds over the amount requested for the National Cancer Institute. With these additional funds the total amount provided for the National Cancer Institute in H.R. 10061 is $237,531,000. As the committee report on H.R. 10061 points out, furthermore, with the $100 million cancer funding already appropriated in the Second Supplemental Appropriations Act, 1971, the National Cancer Institute will have $104,371,000 more available in fiscal 1972 than it had in 1971.

I am particularly gratified by the recognition evidenced in the committee's report on H.R. 10061 of the need for a major cancer research center in the Southeastern part of the United States. On page 23 of this report the committee noted the major role which cancer research centers, supported by the National Cancer Institute, have played "in the conduct of intensive, highly specialized and coordinated clinical and laboratory research relating to the prevention, diagnosis and treatment of cancer in man."

In the same paragraph the report contains the statement that—

> The committee was particularly impressed with testimony concerning the lack of any such center in the entire Southeastern part of the country, and was pleased to be informed of the planning that is now being done for such a center. It will be expected that the development of this center be given high priority under the 1972 budget.

The critical need for a cancer research center to serve the Southeast and the extensive planning toward such a center already underway at the University of Alabama in Birmingham was brought out in subcommittee hearings on this legislation by the Alabama congressional delegation and by Dr. John R. Durant, professor of medicine, cancer planning director and director of the cancer research and training program at the University of Alabama in Birmingham.

During the subcommittee hearings we pointed to the widely recognized value of regional cancer research, training, and treatment centers and the fact that with the nearest such cancer institutes over 700 miles away, the State of Alabama and the Southeast are largely without these vital services.

We also indicated our strong conviction that the University of Alabama in Birmingham represents the most logical and beneficial location for the development of a regional cancer center to serve the Southeastern United States. The university already possesses what are generally recognized to be the requirements for the operation of a first-rate cancer program. Such a program requires the availability of a broad range of resources including laboratory sciences, basic research sciences, and the spectrum of the clinical sciences. The already well-developed plans for the proposed Lurleen B. Wallace Memorial Hospital and Tumor Institute provide for the integration of a statewide cancer program and its facilities into the other outstanding programs of education, research, and service activities of the University of Alabama in Birmingham.

The citizens of Alabama are justifiably proud of the outstanding medical programs and facilities of the University of Alabama in Birmingham and its medical center. The advances in medical technology there have received worldwide acclaim, and with the center's rapid expansion—both physically and educationally—it promises to become one of the Nation's most outstanding medical complexes. As I indicated in my testimony to the subcommittee on this matter, furthermore, the University of Alabama Medical Center was cited in the October 30, 1967, issue of the American Medical Association Journal as the "fastest-rising medical center" among southern medical schools.

These fine qualifications are also true of the university's work in the field of cancer. For a number of years the university's medical center has gradually been recruiting a nucleus of physicians and scientists with special interest in the various problems of cancer. This has resulted in the development of an informal cancer program at the medical center, with an increasing number of cancer patients being referred to the center each year.

In early 1969 the Alabama Comprehensive Health Planning Agency, the Alabama regional medical program, and the Alabama Division of the American Cancer Society formally approved a plan for a statewide cancer program calling for a major cancer center located in the University of Alabama's medical center with cooperating cancer management facilities located throughout the State.

The cancer program at the University of Alabama in Birmingham has also been visited by representatives of the National Cancer Institute and has received a planning grant of approximately $225,000 for the purpose of developing a regional cancer research, training, and treatment center. Accomplishments to date toward the establishment of this center include the recruitment of outstanding professional personnel in the cancer field, the beginning of a network of radiation therapy centers and a telephonic consultation service, the development of a formal tumor program, the enlargement of the medical center's experimental clinical programs, plans for a building to house the cancer program, and the development of details for the projects of the cancer program.

The fine people of my State have also indicated their strong commitment to the development of a major cancer center in Birmingham by contributing nearly $5 million to it in the largest public fund drive in the State's history.

Mr. Chairman, I am extremely gratified by the committee's approval of over $3 million in additional cancer funds and its expression of support for the development of a major cancer center in Southeastern United States. I urge my colleagues in the House to uphold the committee's action in this regard and profoundly share the committee's expressed hope that the development of this center will be given high priority in the National Cancer Institute's fiscal 1972 budget.

Mr. DENNIS. Mr. Chairman, this is, I believe, the first time I have voted against the appropriation bill for the Department of Health, Education, and Welfare, and I would not normally do so in view of the many important, desirable, and ongoing programs which are included in this measure.

Our country, however, is in a very precarious situation. It is anticipated that the budgetary deficit for the fiscal year

1972 will run in the neighborhood of $25 billion, and some predictions make it more likely $35 billion. If we continue the course we follow here today these predictions seem likely to be realized.

Inflation is still spiraling upward in this country. Strikes and ever-increasing wage settlements beset us. The news of the day includes information that reserves of all kinds behind our currency are at an all time low, and that the price of gold is being bid upward in London and other world markets, due in substantial part to international views as to the weakness of the dollar. Knowledgeable economists are mentioning possible devaluation.

In this situation the committee brings in a bill which is $321,750,000 above the President's budget and $2,800,000,000 over last year's appropriation without counting some $244 million of added expense which will be incurred by repealing the provision in the budget presentation which limited grants to the States for "services, staff training, and administrative expenses" in connection with public assistance to 110 percent of the grants for fiscal year 1971. Consequently we are really talking about a bill that comes in here at $565,750,000 over the budget.

In addition, the Giaimo and Rogers amendments add $83 million and $14 million, respectively, for an additional $97 million, so that with these amendments we have a bill carrying $418,750,000 above the budget request; or, taking account—as we should—of the $244 million added by repealing or omitting the limitation on public assistance grants to the States, we have a bill appropriating $662 million more than the budget request.

Earlier today, in adopting the conference report on the Agriculture and Independent Agencies appropriations, we exceeded the budget by $1.172 billion, and topped that bill, as passed by this House—and which I supported—by over $853 million.

By our actions today, therefore, we add some $1,834 million to the budget—a budget already in the red by around 25 billions of dollars.

Mr. Speaker, if we defeated this measure today would all these good programs, which are covered in this bill, fall by the way? Of course not.

Defeat of this measure would simply mean that the Committee on Appropriations would come back into the House with a bill which, while still generous in amount, would pay more realistic heed to the by no means niggardly budget requests of the administration which has to carry out the provisions of the bill. We would still have an appropriation—in the strictly controllable appropriated items—of around $20 billion for the various programs and objectives of this bill, and of course the "uncontrollable" items, such as social security payments, which are appropriated through the mechanism of this bill, are obligations of the Government which have to be, and would be, provided for in any case.

Mr. Speaker, it is not easy to vote against the type of desirable program represented by many of the things funded by this measure. I have voted for these appropriations in the past; I would vote for reasonable, and even for generous, appropriations for many or most of these objectives today. But, Mr. Speaker, I believe it is our duty, as responsible representatives of the people and in the circumstances in which we now find ourselves, to exercise some restraint.

I do not believe, that under these circumstances, we should decide to spend something like half a billion dollars more than the Government itself says that it needs in order to carry out the programs provided for in this bill.

We know, too, that no matter at what level we start, the U.S. Senate—star-studded with popularity-seeking presidential aspirants as it is—will add millions of additional dollars to whatever sum we here may appropriate. This is but one more reason for us to set what can only be the initial figure at a somewhat realistic and reasonable level.

Many of the programs included in this bill and which we all wish to continue, under a prosperous Government which will remain financially able to continue them, are most worthwhile and desirable programs.

But as our distinguished colleague, the gentleman from Ohio (Mr. Bow) says, "Where is the money coming from?"

The answer, of course, is that it is going to come out of taxes earned by the sweat of the brow of Americans you and I represent—and, I fear, also out of the sweat of the brows of their descendants, including those yet unborn.

I fear also that it may come at the expense of a solid national financial structure and a sound national currency.

Mr. Speaker, when our day's work is done, I walk out of this historic building, and I see our flag flying high. By that sight I am always sobered and impressed. It is my hope that my service here, and the votes I may cast here, will not contribute to the financial instability of our Government, and to the misery of our people, which such instability will, in the end, inevitably exact. It is in that spirit that I cast my vote against this bill today.

Mr. FLOOD. Mr. Chairman, I have no further requests for time.

Mr. MICHEL. Mr. Chairman, I have no further requests for time.

Mr. YATES. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 206]

Abernethy
Abourezk
Anderson, Tenn.
Ashley
Baring
Blackburn
Blatnik
Burlison, Mo.
Carter
Celler
Clark
Clay
Conyers
Culver
Diggs
Donohue
Dorn
Edwards, La.
Esch
Evins, Tenn.
Foley
Ford, William D.
Garmatz
Goldwater
Goodling
Gray
Griffiths
Gubser
Hanna
Hébert
Hosmer
Hungate
Jones, Tenn.
Keith
Koch
Kyros
Long, La.
McCulloch
McEwen
McKinney
Martin
Montgomery
Morse
Nelsen
Pickle
Poage
Rees
Rosenthal
Roybal
St Germain
Saylor
Seiberling
Sisk
Stubblefield
Teague, Calif.
Van Deerlin
Vigorito
Whitehurst
Yatron

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOLIFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 10061, and finding itself without a quorum, he had directed the roll to be called, when 374 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time the quorum was called, all time had been expended. The Clerk will read.

The Clerk read as follows:

MENTAL HEALTH

For carrying out the Public Health Service Act with respect to mental health and, except as otherwise provided, the Community Mental Health Centers Act (42 U.S.C. 2681, et seq.), the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (Public Law 91–616), and the Narcotic Addict Rehabilitation Act of 1966 (Public Law 89–793), $581,201,000, of which $55,193,000 shall remain available until June 30, 1973, for grants pursuant to parts A, C, and D of the Community Mental Health Centers Act.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 9, strike lines 5 through 15 and insert in lieu thereof, the following paragraph:

"For carrying out the Public Health Service Act with respect to mental health and, except as otherwise provided, the Community Mental Health Centers Act (42 U.S.C. 2681, et seq.), the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (Public Law 91–616), and the Narcotic, Addict Rehabilitation Act of 1966 (Public Law 89–793), $596,201,000, of which $55,193,000 shall remain available until June 30, 1973, for grants pursuant to parts A, C, and D of the Community Mental Health Centers Act; for carrying out, except as otherwise provided, sections 301, 311, and title X of the Public Health Service Act and title V of the Social Security Act, $346,651,000: *Provided*, That any allotment to a State pursuant to section 503(2) or 504(2) of such Act shall not be included in computing for the purposes of subsections (a) and (b) of section 506 of such Act an amount expended or estimated to be expended by the State; to carry out, to the extent not otherwise provided, sections 301, 308, 311, 315, 317, 322(e), 325, 328, and 353 to 369 of the Public Health Service Act with respect to the prevention and suppression of communicable and preventable diseases (including the introduction from foreign countries and the interstate transmission and spread thereof), occupational safety and health, community environmental sanitation, and control of radiation hazards to health; the functions of the Secretary, except title IV under the Federal Coal Mine Health and Safety Act of 1969; the Lead-Based Paint Poisoning Prevention Act (Public Law 91–695) except section 301; and sections 6–8 and 18–27 of the Occupational Safety and Health Act of 1970; including care and treatment of quarantine detainees pursuant to section 322(e) of the Act in private or other public hospitals when facilities of the Public Health Service are not available; insurance of official motor vehicles in foreign countries when required by the law of such countries; licensing of laboratories; and purchase, hire, maintenance, and operation of aircraft;

$129,425,000; to carry out title VI of the Public Health Service Act, and, except as otherwise provided, for administrative and technical services under parts B and C of the Developmental Disabilities Services and Facilities Construction Act (42 U.S.C. 2661–2677), the District of Columbia Medical Facilities Construction Act of 1968 (Public Law 90–457), and the Community Mental Health Centers Act (42 U.S.C. 2681–2687), $316,704,000; of which $222,200,000 shall be available until June 30, 1974 for grants pursuant to section 601 of the Public Health Service Act for the construction or modernization of medical facilities; $50,300,000 shall be for deposit in the fund established under section 626, and shall be available without fiscal year limitation for the purposes of that section of the Act, of which $30,000,000 shall be available for direct loans pursuant to section 627 of the Act; $24,052,000 shall be for grants and $16,575,000 shall be for loans for nonprofit private facilities pursuant to the District of Columbia Medical Facilities Construction Act of 1968 (Public Law 90–457): *Provided*, That there are authorized to be deposited in the fund established under section 626(a)(1) of the Act amounts received by the Secretary and derived by him from his operations under part B of title VI of the Act which shall be available for the purposes of section 626(a)(1): *Provided further*, That sums received by the Secretary from the sale of loans made pursuant to section 627 of the Act shall be available to him for the purposes of that section; for carrying out, except as otherwise provided, the Act of August 8, 1946 (5 U.S.C. 7901), and under sections 301, 311, 321, 324, 326, 328, 331, 332, 502, and 504 of the Public Health Service Act, section 1010 of the Act of July 1, 1944 (33 U.S.C. 763c) and section 1 of the Act of July 19, 1963 (42 U.S.C. 253a), $81,682,000, of which $1,200,000 shall be available only for payments to the State of Hawaii for care and treatment of persons afflicted with leprosy: *Provided*, That when the Health Services and Mental Health Administration establishes or operates a health service program for any department or agency, payment for the estimated cost shall be made by way of reimbursement or in advance for deposit to the credit of this appropriation; for expenses, not otherwise provided for, necessary to carry out title IV, part B, of the Public Health Service Act, $236,624,000; for expenses necessary to carry out title IV, part D, of the Public Health Service Act with respect to arthritis, rheumatism, and metabolic diseases, $160,204,000; for expenses necessary to carry out, to the extent not otherwise provided, title IV, part D of the Public Health Service Act with respect to neurology and stroke, $128,590,000; for expenses, not otherwise provided for, necessary to carry out title IV, part E of the Public Health Service Act with respect to general medical sciences, including grants of therapeutic and chemical substances for demonstrations and research, $193,490,000; to carry out, except as otherwise provided, title IV, part E, and title X of the Public Health Service Act with respect to child health and human development, $127,668,000."

Mr. YATES (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the Record.

I have furnished copies of the amendment to both the majority and minority sides of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, I offer an amendment to the paragraph just read, that is, the paragraph on lines 5 through 15 on page 9, as a simple substitute to several paragraphs of the pending bill, and I hereby give notice that if the amendment is agreed to I will offer a motion to strike out the several paragraphs appearing as follows: the paragraph on page 10, lines 18 through 26; the paragraph on page 11, lines 5 through 25; the paragraph beginning on line 1 of page 12 and extending through line 2 on page 13; the paragraph on page 13, lines 3 through 17; the paragraph on page 14, lines 16 through 19; the paragraph on page 15, lines 1 through 5; the paragraph on page 15, lines 6 through 11; the paragraph on page 15, lines 17 through 22; and the paragraph on page 16, lines 1 through 6.

Mr. Chairman, this amendment, which is sponsored by Mr. Conte and me, proposes to correct the deficiencies in the appropriation bill. Progress in the Nation's health requires that additional moneys be made available for certain HEW programs.

Two years ago, on July 10, 1969, President Nixon walked into the rose garden and held a press conference in which he said:

> I realized when the administration came in, in January, that we had a major problem with regard to health care, that the problem was primarily one of enough doctors, the quality of the doctors, enough hospital beds to take care of the massively increasing demands in this field.

The President continued:

> The report that I have received from Secretary Finch and Dr. Egeberg indicates that the problem is much greater than I had realized. We face a massive crisis in this area and unless action is taken, both administratively and legislatively, to meet that crisis within the next 2 to 3 years, we will have a breakdown in our medical care system which could have consequences affecting millions of people throughout this country.

And the President concluded:

> I don't think I am overstating the case.

Mr. Chairman, these are resounding words that the President uttered. It is unfortunate that the President did not follow through on what seemed to be a commitment to do something about the massive health crisis by providing adequate funding for the purpose.

The budgets he presented for fiscal years 1970 and 1971 and for this year 1972 were most inadequate to meet the massive health crisis, with the lone exception of the $100 million the President has allocated for the drive against cancer. The allocation of this amount, however, does not mean that research upon the great number of other health problems must stop. The fight against other diseases that cripple and kill mankind must go on.

I have offered, Mr. Chairman, a composite amendment which will include the following items.

For the National Institutes of Health there is a composite sum of $70 million for all the institutes. I have reduced this amount from the amount I had stated we had prepared in our minority views by $30 million, to make it accord with the hearings before this subcommittee and with the testimony that was brought out by the distinguished gentleman from Iowa (Mr. Smith). If Members will look at page 572 of the hearings, of part 3, Members will note that in response to a question by the gentleman from Iowa (Mr. Smith), Dr. Marston stated that there were $143 million of approved requests, of research requests, that were above the budget that had been submitted by the President.

This committee did not grant the $143 million Dr. Marston said was needed. This committee granted $83 million above the budget. My amendment proposes to take care of the difference.

The amendment also includes $10 million for patient care to take care of the public health service hospitals throughout the country which are threatened with closing by the administration.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. Yates was allowed to proceed for 3 additional minutes.)

Mr. YATES. Mr. Chairman, the amendment also includes $30 million for the control of communicable diseases, to take care of the growing problem of venereal disease, or the fight against rubella, of the suddenly rising threat of tuberculosis. All of these diseases are once again becoming dangerous.

The amendment also includes $50 million for Hill-Burton grants, $15 million for alcoholism, $5 million for lead-poisoning, $20 million for maternal and child care grants; a total of $200 million.

I should like to call your attention—time does not permit me to address myself to each of these items, but I want only to point out with respect to one item, the item with respect to the Hill-Burton program, that the committee's allocation has again been most deficient. Emphasis is placed by the committee on providing subsidies for interest so that hospitals can modernize themselves with a 3 percent subsidy by the Federal Government; but with a rate of interest that is at least 8 or 9 percent in most places in the country hospitals will not undertake the financial burden necessary in order to meet their modernization requirements. Moreover, guidelines have not been approved. Hear this—not one application for a loan has been approved by HEW for hospital modernization in the last 18 months.

There is an inadequate amount presented here for grants as well for the construction of hospitals. The amount of $50 million is, in my judgment, a very minimal amount to take care of this program.

There is a $16 billion obsolescence factor in the hospitals of this Nation, and this committee has not given the subject the attention that it deserves.

Finally, Mr. Chairman, we believe that in order to advance the health care of this Nation we must approve of the amounts in this amendment. As a noted historian, Will Durant, once observed from a vantage point of 40 years of study of the history of the Nation:

> The health of the nation is more important than the wealth of the nation.

Mr. Chairman, I urge support of my amendment.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am glad to yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, I rise in support of the Yates-Conte amendment which contains an increase in the funding for the lead-based paint elimination program from $5 million in the pending bill to $10 million. The Lead-Based Paint Poisoning Prevention Act of 1971 of which I was the author would provide grant assistance to local communities to assist them in eliminating the causes of lead-based paint poisoning and would provide assistance to local public health agencies in treating children who have ingested lead paint. Two hundred children a year are dying of this dreaded manmade disease. We have an opportunity here to provide much needed funds to a program which will go a long way to eliminate this disease which is plaguing most of our large central cities. The whole problem of lead-based paint poisoning in children has been widely discussed both here in the Congress and in the cities over the past year. I will not at this point go into a long discussion concerning this childhood disease.

I would like to compliment my distinguished colleague from Pennsylvania, Daniel Flood, who is chairman of the Appropriations Subcommittee on Labor—Health, Education, and Welfare, and who, through sheer persistence, managed to convince the administration to finally fund this program. The administration originally requested no funds for the lead-based paint poisoning prevention program and only after the distinguished subcommittee chairman persisted did they then request a meager $2 million. I was pleased that the committee increased this figure to $5 million although it still is far too little to begin to meet the problems that lead-based paint poisoning is inflicting to our children in our large central cities. My own city of Philadelphia could use the total $5 million that is appropriated in this bill alone. The Yates-Conte amendment increases the appropriation to $10 million, which is only a first step.

The Lead-Based Paint Poisoning Prevention Act authorized a total of $30 million over a 2-year period. I believe that Congress should appropriate the full amount, but knowing the realities of the situation, I am supporting a $10 million appropriation figure.

Mr. Chairman, this problem is too important to be put off for another year. We in Congress must see that we take the steps to attack this dread disease now.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, here we go again. Year after year. Ai-yai-yai! Of all people, I find myself standing here in the well of this House opposing another large, what we have come to call, package amendment.

Of course, you in your good judgment have usually supported the committee and undoubtedly will again, but it seems that no matter how much your committee recommends we are bound to face an attempt and a bona fide one—be sure about that—to raise it. These people are not frauds. This is bona fide which makes it worse.

Now, I am very uncomfortable in this role. I have played some good roles in my time—and bad ones. I would never have tried out for this one.

Now, I am not considered and I do not consider myself to be one who is opposed to increased Federal appropriations for such things as the control of alcoholism, medical research, the control of communicable diseases, maternal and child health, and so on and so on and so on. And, neither are you.

Now, it would be much, much easier for me to be a knight in shining armor riding forth to battle for truth and beauty in the pages of the Congressional Record. Instead, I have to sit through 6 months of the hearings on hundreds and hundreds of programs—you know that—funded in this bill, trying, from our hearts, as I am sure it is true with you, to reach a judgment as to the level for each program, in a fair and reasonable manner.

This is the appropriations process. You know that. We went through this on the education bill. The President, thank goodness, signed the bill. We are doing precisely the same thing at this time.

Now, this bill is $560,572,000 over the appropriation for fiscal year 1971 for health programs, and $341,258,000 over the budget request. Is there something the matter with that? We do not think so. I do not think that any reasonable person—and this is no reflection upon anyone—none—any reasonable person who reads our report carefully could possibly come away with the conclusion that this committee has been insensitive to the health needs of this Nation.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. Flood was allowed to proceed for 5 additional minutes.)

Mr. FLOOD. I might not use all of that time, but I probably will.

Let me repeat for the purpose of emphasis that this bill—now, hear this—this bill provides an increase of over one-half billion dollars over last year's level—one-half billion dollars for the health programs, and an increase of $340 million over the budget request. And, these figures, by the way, exclude medicaid about which you know and medicare, which amount to over $12 billion. You have not heard that mentioned. Well, here it is.

Now, with reference to NIH. No one is more concerned about NIH than this committee; no one, and never will be. We have approved every increase contained in the budget and on top of that we have added to the budget for every institute without exception. For the research institutes the total 1972 funding level would be $1,379,722,000 which is $188,000,000 above the 1971 level and $88,000,000 more than the budget request.

For control of communicable diseases, we have provided some $20,000,000 over the original budget request of which $16,000,000 is earmarked for control of venereal disease.

For Hill-Burton grants, we added $87,200,000 over the budget to maintain the 1971 level. The bill also includes $30,000,000 for direct loans and $20,300,000 for interest subsidies which should finance $500,000,000 worth of construction.

For alcoholism, we added, in addition to the very substantial amounts already included in the budget, $25,000,000 for formula grants to States.

For lead poisoning, we included $5,000,000 in the bill which is $3,000,000 over the budget request.

For maternal and child health, the bill includes $326,651,000 which is an increase of $64,659,000 over last year.

The amendment also includes $10,000,000 for the operation of the Public Health Service hospitals. We did not think it necessary to put these funds into the bill in view of the assurances which have been given to Congress that these hospitals will not be closed without further discussion with interested members and committees of Congress. As we state in the report, we know that a supplemental appropriation will be necessary for the hospitals for fiscal year 1972, and we expect to deal with it a later date.

Mr. Chairman, no Member of this House needs to think that he must vote in favor of this amendment in order to demonstrate his concern for the Nation's health. I urge that the amendment be defeated.

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record.)

Mr. KOCH. Mr. Chairman, I rise in support of the Conte-Yates health amendment which provides $200 million to the Labor-HEW appropriations for fiscal year 1972. These funds are recommended for seven health programs, all vital. I would like to single out one of the programs for special comment because of my familiarity with it; namely, the maternal and child care grants. The Conte-Yates amendment will increase the appropriation for this program and its various components under title V of the Social Security Act by $20 million.

Even with this proposed increase, the appropriation for these maternal and infant care and children and youth health programs falls far short of the level needed to maintain adequate funding. Certainly, our colleagues should support the Conte-Yates amendment since it is the best appropriation we have in the House for these critically needed funds. Hopefully, the amount will be increased by the Senate.

Fiscal year 1972, is the last scheduled funding year for project grants for children and youth and maternal and infant care projects. I have introduced legislation which provides Federal funding to continue these project grants for an additional 5 years. These programs serve over one-half million children across the country of lower socioeconomic groups delivering comprehensive health care to children in central cities and rural areas. These projects represent one of the major reservoirs of experience in comprehensive health care today, especially to the poor children of the country.

The bill, H.R. 7657, as amended, has at this time 87 cosponsors in the House and 17 in the Senate. To give our colleagues an insight into these programs, I am including information from the Association of Children and Youth Directors.

I also want to add my voice in support of the other increases requested. The amounts provided for treating alcoholism, communicable diseases including stopping the spread of venereal disease, and attempting to eradicate lead poisoning which affects our children living in slum tenements in the great cities of this country are far too meager, but at least this amendment will provide some additional and indispensable funds for these vital programs.

The special material provided by the directors of the children and youth programs follows:

THE NATIONWIDE CHILDREN AND YOUTH HEALTH PROGRAM

A nation is only healthy if its young has been given the appropriate nurturing from birth. The concern about the quality of the health care and the extent of the health care for children and youth of this country has been present for some time. However, it was the report of the Ways and Means Committee in the mid-sixties which led to the introduction of legislation, that provided grants for the organization of health programs for children and youth. For the first time programs were to be funded which were mandated to deal with the total health of the child rather than the continuance of acute episodic care. It was the recognition of the fact that the maintenance of a state of well-being, not merely the treatment of disease, determines the health of the individual and the nation.

The Comprehensive Health Services was established in 1965 under P.L. 89–97, the 1965 amendments to the Social Security Act. The pertinent new provision was section 532 of Title V, Part 4 of the Social Security Act and reads in part as follows:

"In order to promote the health of children and youth of school or pre-school age, particularly in areas with concentrations of low-income families . . ." grants may be approved ". . . to pay not to exceed 75 percent of the costs of projects of a comprehensive nature for health care and services for children and youth of school age for pre-school children (to help them prepare to start school). No project shall be eligible for a grant under this section unless it provides (1) for the coordination of health care and services provided under it with, and utilization (to the extent feasible) of, other State, or local health, welfare and education programs for such children, (2) for payment of reasonable cost (as determined in accordance with standards approved by the secretary) of inpatient hospital services provided under the project, and (3) that any treatment, correction of defects or aftercare . . . is available only to children who would not otherwise receive it because they are from low-income families or for other reasons beyond their control; and no such project for children and youth of school age shall be considered . . . of a comprehensive nature . . . unless it includes . . . at least such screening, diagnosis, preventive services, treatment, correction of defects, and aftercare, both medical and dental, as may be provided for in regulations of the Secretary." The purpose of the Federal grant is to increase the availability and to improve the quality of health care services, not to replace or reduce State or local community funds.

So specified the legislation as to what these grants should do in trying to improve the health care for children and youth. Cognizant of the intent of the legislation the guidelines that were established for the application for and administration of these programs include the following:

To increase the quantity of needed services and make them more readily available to the population being served;

To better coordinate and more efficiently administer the health care given to low-income children of the areas;

To guide families to community resources which are appropriate to the need of their children;

To reduce preventable illness and disability among children in the project area and to ameliorate chronic conditions amendable to treatment;

To offer an opportunity to develop, test and apply new methods of providing care to children.

Over the nation there are now 67 projects. The grantee agencies include an existing health department, medical school or teaching institution. The third major force along with the federal government and provider institution is the community. The government, as sponsor of the program, designates the broad limits; provision of free comprehensive care to children and youth. The resources it offers comes in the form of grants to certain provider institutions which in turn impose their own limitations due to their unique organization and method of operation. Institutional resources come in many forms, including matching funds and services, and types of personnel available. The community imposes its particular limitations due to demographic characteristics, specifically, its size, population density, socio-economic character and health status. At the same time the community holds various resources which can be utilized, including possible personnel, decision-making activities based on community experience and the resources available from other sites of health provisions located in the area.

The limitations imposed and resources available from these three major forces combine to become the specified context for each Children and Youth project.

With the development of such comprehensive care programs, it was important to have some consistent method of collecting data so that the vast amount of experience which would accrue could be logically and objectively examined. Therefore, the Systems Development Project of the University of Minnesota the research and reporting arm of the Children and Youth Program, formulated a quarterly reporting system which exacted similar information from each project in a standardized or uniform reporting method and also allowed for the individuality of each project in its non-uniform reporting. The total concept of comprehensive care then had to be broken down into component parts and the accompanying diagram shows diagrammatically what is called the comprehensive care cycle. By understanding the cycle of care one can follow the course of the child as he enters the program. The program in turn can look at its data and understand where difficulties might lie in putting a child through the complete cycle. The philosophy is that a child is never lost to care and the provider assumes the responsibility of not only care but knowing who and where the population of children are at any given time. One of the crucial differences that existed between the usual method of encounter care or episodic care and comprehensive care was the concept of a planned and supervised flow of services.

As noted there are 67 projects throughout the nation varying in size range from one block to 6373 square miles, size will depend upon population density and resources available. The hospital project serves a median area of 2 square miles, and health department serves a median area of 18 square miles.

The largest ethnic group among project geographic area populations is white and the second largest is black. However, the position of these groups is reversed in registrant population. The other ethnic groups, American Indian, Spanish-speaking, Oriental and other show less difference between their proportion of representation in the geographic and registrant populations.

The outcomes to date have been very interesting and contribute strongly to the need for these programs to be continued under the present authorization status.

These programs have become for the areas in which they are located, the service programs of care. They are no longer demonstrations, models, etc. they are the health services which are available to that low-income population which they serve. Moreover, because of the effectiveness of these programs in the educational aspect of helping families understand the need for health supervision, the expectations of the community residents for care is much different than it was prior to the Children and Youth Program.

Since one of the mandates of the Children and Youth programs was to furnish the health care for the family and to coordinate with other agencies if their involvement is needed, the families using Children and Youth services now expect that health care will include not only attention to their medical needs but also to their environmental and social health wants, and that if the program itself does not do this, the program will coordinate with another agency to have this need attended to. For the first time Health programs have taken the complete responsibility for health care which is consistent with the recommendation made in the editorial in the American Medical Association News entitled "Healthy Babies", which said "The physician must be given control of the social conditions."

For the first time in many instances there was the real experience of team care where professionals and non-professionals represented in the various programs the new health careers people who are being trained in increasing numbers and whose incorporation into the health system makes for more effective health care delivery. Very often these workers are from their respective communities and represent a group who understand the culture and mores of that particular area and population. The involvement of team care also caused a re-examination of the professionals in regard to their responsibilities so that medicine, nursing and social work had need to re-examine their functions in light of appropriateness and best utilization of skills.

These programs attracted over the country highly motivated personnel who were willing to grapple with the objective of improvement of health care delivery and innovation of new methods. There is now over the country a group of people who have accumulated experience and knowledge over the past few years; it takes a while for programs to tool up and work through many of the problems that exist both within program and within the community. To discontinue support of these programs now would be to dissipate all that experience and knowhow that has been assembled only to have to resurrect it sometime in the future. The Children and Youth programs do represent a nucleus upon which a broader health care delivery system could be developed in the future if some of the national thinking about health care is to materialize.

The data collected shows that in many programs there is an increasing number of well children under health supervision indicating that early detection of disease and preventive application of health care has resulted in a healthier population under supervision. In other programs there has been a decreasing infant mortality rate for that particular area. Programs located in some of the larger urban areas have either instituted or cooperated with the city health department in large surveys for detection of lead poisoning. Programs have added components to their projects which are particularly relevant to their community needs. These include programs to work with drug addicts, special considerations for the teenage members of their programs, particularly the unwed teenage mother. Programs have either started or work closely with the day care centers in their community. Some programs have extensive outreach health education program in the community which include the incorporation of a health component in the training programs of the school for family or teaching assistants.

Because of the total health family orientation of the Children and Youth programs, the schools in the areas where these programs are located have for the first time been able to have a referral source which attends to total needs and in this way many school suspension have been averted because of the mutual planning of the school and health agencies. Recognition that early cognitive stimulation is important for a healthy functioning achieving child, has caused some of the programs to promote special activities for cognitive stimulation for infants and mothers.

The high identification of the patients with their Children and Youth programs has been demonstrated through several interview surveys done by some of the programs. There is no longer the former anonymity of the patient who attended a clinic; there is a warm, personal relationship between the family and the health program, with a high degree of identification by name of the particular personnel responsible for the care of a child and family. There is a growing trust between the program and the community. For some of the programs, their operation began when there was great tension in the community between the members of the community and the public institutions including schools and hospitals. In most cases there has been meaningful exchange and the Children and Youth program has become part of that community. Community input in Children and Youth programs has taken different forms depending upon the nature of the community and program, for most there has been community input. Part of this acceptance has been the recognition that the Children and Youth program is the way that the community wishes to have its health care provided for its children.

Curtailment of federal authorization at this time would be the end of Children and Youth programs in most communities. Restrictive budgets in most cities and states, precarious financial situations of most hospitals would make it impossible for these programs to survive. Once again hundreds of thousands of children would be returned to episodic care if any.

The Children and Youth programs are the prototypes of health care delivery which must be envisioned for all Americans young and old in this country.

Dr. Mildred Moorehead stated in a paper "Comparison Between OEO Neighborhood Health Centers and Other Health Care Providers of Ratings of the Quality of Health Care," presented at the American Public Association in Houston, Texas 1970, "Children's Bureau Children and Youth programs received a total rating for pediatric care that was 60 percent higher than the average of the hospital out-patient departments. Their ratings were considerably higher than the average of the hospital out-patient departments. Their ratings were considerably higher in all areas than those of the other programs reviewed. The OEO centers, the well-baby clinics of the health departments and the group practices received ratings above that of the hospitals but the differences were not as marked."

In its final report to the President, the National Advisory Committee on Health Facilities, appointed by President Lyndon B. Johnson on October 6, 1967, emphasized the need for a thorough reappraisal of the existing patterns of health care delivery in the United States. "The Nation must concentrate upon organizing health facilities and other health resources into effective, efficient, and economical community systems of comprehensive health care available to all." Their assessment of the existing health care system, including a survey of the evaluation of national health policy during the past three decades, led the Commission to conclude that: "Health activities in the United States have progressed to a point that the Nation can realistically work toward developing *systems* of comprehensive health care-*systems* of high quality that emphasize both initial and continuing care, and-*systems* which are accessible and available to the entire population."

Above all else Children and Youth Programs across the nation have fulfilled the needs of availability, acceptability and accessibility.

The Federal government had the foresight to recognize the need for the establishment of such programs. It can only be hoped that the accomplishments will not wither because of failure to continue the authorization for such programs. The goal for each child should be achievement not merely survival, adequate health care supervision is a vital must if achievement is to be realized for the children of the nation who grow up to be its leaders.

Summary Impacts of the Children & Youth Program

(By Vernon E. Weckwerth, Ph.D.)

The Children and Youth program is unique by legislative design and has demonstrated its effectiveness in organizational impacts on care delivery, effective implementation of planned, continuous, complete care which by a certain number of measures have produced healthier children. The program is also characterized by the existence of having an information system which not only can measure performance and costs of care on an ongoing basis but *predict* these as well.

For the program as a whole, the 69 service delivery projects have over 490,000 registered children and youth out of a maximum residing in these geographical service areas of 3.4 million children and youth. These children are from the least well, lowest income, most health-service deprived populations across the nation.

MAJOR IMPACTS

1. For the first time, health departments, teaching hospitals and medical schools became directly involved, as both grantees and deliverers, in both preventive and curative services for large populations of children. As a result medical school curricula were changed and additionally, organizational capacities to deliver care created for the first time in most grantees.

2. The disease distribution of presenting conditions were changed as children move from encounter care services to supervised care. Conditions believed to be preventable have in most cases dropped in prevalence among the registrants. Most dramatic are the rising rates of "well children" upon subsequent assessment for those who have been under planned service programs.

3. By reorganizing and experimenting critical interchange and substitution of lower cost, local health workers can do the job in lieu of non-available and higher cost personnel.

4. Service linkages to the polyglot of other purveyors have been established, and a coordinated service system is now operational in many projects with good progress being made in most others.

5. Because of its management information system, the C & Y Program is the only health program that can give quarter by quarter data on measures of continuity, completeness and costs of care as well as future trend data on delivery and costs. Such measures as backlogs of services, terminations, retention, changes in health status, hospitalization and cost measures provide a self-correcting data base for administrative decision making.

SELECTED FINDINGS

1. Rates of hospitalization have fallen to about one-third of what they were three years ago.

2. Costs of care per child year have dropped by over 30% during the last 2½ years—this in spite of national trend of nearly the reverse magnitude. The numbers reflect actual dollar costs, unadjusted for inflation, but including all federal and matching funds.

3. All services, not just medical and hospital care but full dental services, nursing, nutrition, speech and hearing, social service, physical and occupational therapy are included for all children who need them. Many of these services are provided on a family basis because individual case care would not solve the problem. Even with these complete and continuous services, the costs per child year range from a regional high average of about $375 per child per year to a national average of $130 per child per year. As compared to the national average of some $350 per man, woman and child in the nation, these projects are performing at unanticipated low costs—particularly considering that these children are drawn from the least healthy areas in the nation.

CONCLUSION

Without doubt, not all of the answers are available to all questions, but more is known for decision- and policy-making purposes about the C & Y program, and more results are demonstrated for this program than for any other federally sponsored health care program. These projects are living evidence of 69 unique ways of demonstrating that care can be delivered effectively to the most deprived parts of our populace on a complete, continuous, planned, quality basis, and yet at a cost which this nation not only can afford, but more importantly, cannot afford not to continue. This evidence of diversity in delivery to match local idiosyncracies yet with national review and assessment is critically important as a policy consideration as well—lest we once again make the mistake and produce one uniform program which on the average fits the nation as a whole, but individually fits nowhere within the country.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment. Time is limited so I will briefly discuss some of the items that are included in the increase we are proposing. I have already discussed the additional funds that are needed for the fight against alcoholism.

Turning to the National Institutes of Health, I would first point out that our ultimate hope for modifying the health prospects of the Nation lies in the continued advance of the biomedical sciences. This program, in turn, is dependent upon the level and direction of support for research and training provided through the programs of the NIH.

Over the past 4 years, there has been no real increase in the funds for the research and training activities of the various institutes. Furthermore, the Office of Science and Technology estimated several years ago that the cost of medical research rises 15 percent each year because of new and more sophisticated technology, increased costs for personnel, and other data. Thus by these standards, research and training funds have not merely been standing still but indeed have regressed at an intolerable rate.

In 1971 alone, research and training projects amounting to $163 million were approved by the institutes. But unfortunately a lack of funds prevented their implementation.

When we examine the actual figures, we find that the bill would make approximately $1.38 billion available for the research institutes in 1972, including the $100 million special cancer research funds that were contained in the 1971 supplemental. However, if these special funds are excluded, the increase over last year amounts to only $113 million. Thus the committee increase, commendable as it is, falls short of what is desperately needed in this area. Our amendment would help meet this need by providing $100 million for the research and training programs of the institutes.

For patient care and special health services, our amendment would allocate an increase of $10 million. Despite the fact that health care costs have increased dramatically over the past several years, the bill recommends only $71.6 million—a slash of more than $14 million from last year's appropriation. The $10 million increase will permit the public health service to continue to meet the health needs of its beneficiaries in 1972 and would insure the continued operation of PHS hospitals in Baltimore, Boston, Galveston, New Orleans, Norfolk, San Francisco, Seattle, and Staten Island.

We are urging a $30 million increase for the control of communicable diseases. Since the vaccination assistance act expired in 1968, the rate of immunizations against polio, measles, and diphtheria has declined markedly and there are definite indications of a resurgence of these preventable diseases. Likewise, because of inadequate funding, the campaign against rubella is disappointingly short of expectations, with less than 50 percent of the target populations vaccinated. And the reported cases of measles in 1970–71 will probably exceed the number of cases reported in any year since the drive to eliminate measles began in 1966. The funds that would be added by our amendment would go far toward reversing this alarming trend.

Turning to the Hill-Burton hospital construction program, we are advocating an increase of $50 million. Despite the fact that we face a backlog of $15 billion in needed construction and modernization of hospital facilities, the bill recommends only $266.7 million for this program. This sum, if allowed to stand, would freeze the hospital construction and modernization grant program at the lowest point in the past decade. Clearly a more realistic sum is required to reduce this huge backlog and also to manifest the solid support that Congress has shown for this program by renewing it last year at a level close to $3 billion.

To assist local communities in their efforts to eradicate childhood lead poisoning, we are urging an additional $5 million. This preventable disease affects 400,000 children annually, 90 percent of whom are under 3 years of age. Each year 4,000 children suffer permanent brain damage and another 200 die from this menacing disease. The economics of this issue are no less compelling than the humanitarian aspects. This Nation is currently paying approximately a quarter-million dollars to treat and provide lifelong care to each severely brain-damaged child. How wiser it would be to invest a portion of this cost into prevention. Our amendment would allot a total of $10 million for the program which has a 1972 authorization level of $20 million.

Finally, for maternal and child health care, we are advocating an increase of $20 million which would be divided into $10 million in formula grants and $10 million in project grants to permit States to reach a greater number of mothers, infants, and crippled children. Some States have reported that their funds for these programs were exhausted as early as March of this year. This has resulted in a cutback or total elimination of vitally needed services.

To cite one example of the work that is carried on under this activity, the worst German measles epidemic in U.S. history—1963–65—resulted in more than 20,000 babies born with birth defects. The children affected by this epidemic are now of school age and some are exhibiting signs of brain damage and have learning problems. The crippled children's program is providing follow-up care for a large number of these handicapped children. The added funds we are proposing would permit this invaluable care to continue.

To conclude, I will readily concede that our amendment represents a large sum of money. But I will not concede this point: It is as impossible to provide a Nation proper health care with inadequate funding as it is impossible to fund a cure for cancer with inadequate research. The time has come for this Nation to realize that support of health care is not an economic burden. Rather it is a measure of social advance.

Thank you, Mr. Chairman.

AMENDMENT OFFERED BY MR. SCHEUER TO THE AMENDMENT OFFERED BY MR. YATES

Mr. SCHEUER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHEUER to the amendment offered by Mr. YATES:

In the matter proposed to be inserted on Page 9, strike out "$596,201,000" and insert "$636,201,000."

Mr. SCHEUER. Mr. Chairman, this amendment would add $40 million to the $84.3 million appropriation for parts D and E of the Community Mental Health Centers Act as amended, administered by the National Institute of Mental Health. It would increase by 47 percent the Institute's funds to develop and conduct comprehensive treatment, rehabilitation, education, addiction treatment manpower training programs for the prevention and treatment of drug abuse.

These programs were initially authorized on October 15, 1968, when Congress enacted the alcoholic and narcotic addict amendments to the Community Mental Health Centers Act. They were amended by the Comprehensive Drug Abuse Prevention and Control Act of 1970 and the Community Mental Health Centers Amendments of 1970.

These programs are the bulwark of the Federal Government's effort to treat the causes and effects of drug abuse. The Community Mental Health Centers Act provides for $30 million in fiscal year 1972 for special project grants to public and nonprofit private agencies to meet part of the costs for detoxification services, or institutional services—including medical, psychological, educational or counseling services—and community based aftercare services. Awards made under this program are for a period of 8 years and are on a matching basis with declining Federal support. This program was funded at only $5 million last year, even though over $26 million in applications were received. The funds provided in this amendment would be used for full funding of the $30 million authorization for these programs.

The act also authorizes $12 million in fiscal year 1972 for drug abuse educational programs to develop materials and curricula, to train professionals and others to work in this field, to coordinate all Federal programs dealing with the health aspects of drug abuse education, and generally to serve as the focal point for dissemination of information about drug abuse. My amendment would increase the funds available under this section.

Finally, my amendment would also increase the funds available for training drug treatment and rehabilitation personnel, and for establishing programs that utilize new or relatively effective treatment and rehabilitative methods.

Mr. Chairman, these are all vital programs. There can be no doubt that the country is facing an epidemic of drug abuse. As the President has said:

> The problem has now assumed the dimensions of a national emergency.

The Federal Government must meet its responsibilities and provide sufficient funds for the programs which we have enacted over the years to fund drug education, treatment and rehabilitation programs.

The Committee on Appropriations has approved the total fiscal year 1972 budget request for drug abuse control programs, including a $67 million increase requested by the President on June 21. But the gross inadequacy of the current funding is apparent. The stark fact is that there are no treatment or rehabilitation slots of any kind for well over 90 percent of the Nation's hard drug addict population.

The fiscal year 1972 budget contains some $381 million in funds for drug abuse programs distributed among some 14 Federal agencies. About $176 million of these funds are for treatment, rehabilitation, education, and training. This is a commendable increase over last year's level of funding, but it is still far from meeting the crying need for these programs all over the country.

The New York State Narcotic Addiction Control Commission has testified before congressional committees to the effect that it alone could easily utilize $50 million in new Federal funds this year and still not reach every addict in the State. New York State clearly has the most severe drug abuse problem in the country, but it is making a greater effort than any other State, and, in many cases, greater than the Federal Government. As a result, they have not received the Federal funds they could clearly use in combating drug abuse.

This is not to imply that only New York can use additional funds. Dozens of communities across the country from Los Angeles to Boston, from Atlanta to Chicago, are starving for resources to fight this pandemic. Yet the proposed increase in the NIMH budget we are considering today will be used primarily to fund only 10 new narcotic treatment centers. My amendment, though modest, will allow the Federal Government to reach out to a far larger number of communities which are struggling to cope with an ever-increasing rise in drug addiction.

Mr. Chairman, I commend the subcommittee for approving the full budget request for drug abuse programs. The bill before us today demonstrates the understanding and concern of every subcommittee member for mounting a broad scale attack on the problems of drug abuse. However, the administration has dragged its feet in responding to this crisis. The President did not submit his amendment, increasing the Federal budget for drug abuse control programs until the subcommittee had concluded its hearings on the fiscal year 1972 Labor-HEW appropriation bill, thus denying the subcommittee a chance for careful evaluation of the adequacy of the President's proposals.

It is quite evident that additional hundreds of millions of dollars could be efficiently spent in fiscal year 1972 by the Federal Government to control drug abuse. Every dollar spent is repaid many times by reducing human suffering, and cutting back the billions of dollars lost each year in narcotic related crimes that are spreading pervasive fear and terror in our cities.

The $40 million this amendment adds to NIMH's treatment, rehabilitation, and education programs can be effectively spent. I urge all my colleagues to support this amendment.

Mr. FLOOD. Mr. Chairman, I rise for the purpose of opposing the amendment. I repeat again what I said a few minutes ago and a few hours ago. What my friend from New York has just said about the subject I could not possibly have said better myself. To try would be gilding the lily. But that is all.

These are the figures concerning funds to combat drug addiction in the appropriation for the National Institutes of Health: for 1970, $38,833.000; for 1971, $64,068,000; in the original 1972 budget it was $72,167,000, and then a budget amendment was sent to Congress to add another $67 million.

Mr. Chairman, the total for this ugly thing in the 1972 budget for the Institute is $139,167,000. This bill includes the whole amount of the $139,167,000. This is $75 million more than last year. It will be over twice as much as last year. It is over 3½ times the amount appropriated for 1970.

The amendment to the amendment should be defeated.

Mr. RYAN. Mr. Chairman, I might point out, as I did earlier in the session this afternoon, that the Yates-Conte amendment does include an additional $5 million for the antilead poisoning program.

I support the omnibus amendment offered by our distinguished colleagues from Illinois (Mr. YATES) and Massachusetts (Mr. CONTE). I do so not because I do not believe that the Subcommittee on Labor-HEW of the House Appropriations Committee, chaired by our distinguished colleague from Pennsylvania (Mr. FLOOD), has done a commendable job. In many respects, the subcommittee—which is responsible for H.R. 10061—has acted very well, I believe. Faced with a budget request from the administration which clearly shortchanged urgently needed domestic programs, the committee has exceeded that request by $322 million. It has done this in the face of expectable administration opposition.

However, in some respects the bill which the committee has reported out is very severely inadequate, and in others there is much room for improvement. Consequently, I support the omnibus amendment now being considered.

The amendment provides a total of $230 million for seven health programs:

National Institutes of Health—up $100 million, from $1.4 billion to $1.5 billion;

Patient care—up $10 million, from $71.7 million to $81.7 million;

Communicable disease control—up $30 million, from $16 million to $46 million;

Hill-Burton grants—up $50 million, from $87.2 million to $137.2 million;

Alcoholism State formula grants—up $15 million, from $25 million to $40 million;

Maternal and child care grants—up $20 million, from $326.6 million to $346.6 million; and

Lead poisoning prevention—up $5 million, from $5 million to $10 million.

I want to point out the irony, at the outset, of the fact that we must so vigorously debate the merits of this omnibus amendment. Yesterday, we launched a ship to the moon. The total cost of that one effort—the Apollo 15—comes to $445 million. That is $445 million to send three men to the moon, while here in our own country millions of people are in desperate need of health services; medical research is underfunded; and disastrous diseases plague us.

I will not dwell long on this amendment. My position is clear. I would just like to briefly explain some of the programs which it funds.

An increase of $30 million is provided for communicable disease control. In 1970 the Congress passed the Communicable Disease Control Act, authorizing $75 million for fiscal year 1971 and $90 million for fiscal year 1972 for control programs to halt the spread of communicable diseases such as polio, measles, German measles, diphtheria, and tetanus.

The administration has refused to request any funds under the act, urging that the immunization activities authorized should compete with other health programs for funds under the Partnership for Health Act. Thereby, these important programs would have to establish their priorities within a multitude of competing health efforts on the State level. This spells disaster, as demonstrated by the fact that since the expiration of the Vaccination Assistance Act in 1968, the rate of immunizations against polio, measles, and diphtheria has declined markedly. The campaign against rubella, or German measles, is inadequate. Measles is on the rise. Funding to fight tuberculosis has declined.

Consequently, it is essential that the Communicable Disease Control Act be funded, as it is under the omnibus amendment before us. Even with this funding, there is still an appropriation-authorization gap of $44 million. So it is clear that more could be done. The $30 million added by the amendment is the least that should be done.

The Yates-Conte amendment also provides an additional $50 million for Hill-Burton grants. These grants are used for hospital construction; to explain their purpose is virtually to explain the merits of added funding. Recent figures released by the Department of Health, Education, and Welfare indicate a requirement for the construction of 91,000 new hospital beds and the modernization of 227,000 beds. We desperately need hospital construction, and the amendment before us supports that.

The amendment provides an additional $15 million for alcoholism State formula grants. Last year the Congress unanimously passed the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. Yet, despite the urgent need to begin a long overdue federal effort aimed at alcoholism, the administration has seen in this new law another candidate for rejection. The committee has resisted that by providing $25 million. This is only barely enough, and the amendment before us provides an additional $15 million, making a total of $40 million, to fight a health problem which Dr. Vernon Wilson, Administrator of the Health Services and Mental Health Administration, has described as "one of the most widespread, destructive and costly health problems facing our country."

The omnibus amendment—which I should note is supported by at least some 21 major health organizations—also provides an additional $20 million for maternal and child care grants. The importance of these grants can be demonstrated, I believe, by looking at the child and youth project—No. 645—conducted through Roosevelt Hospital, in New York City, and which serves a portion of the district which I represent.

Since 1968, this program has been attempting to meet the health needs of the children and youth of the west midtown area of Manhattan. In 3 years, total visits have increased from 18,336 in 1968, to 30,986 in 1969, to 37,654 in 1970. It is predicted that in 1971 visits will be in excess of 50,000. While these are numbers, and numbers sometimes become just abstractions, I think it clear that this record indicates a tremendous outreach service which is providing desperately needed care for the children and youth of Manhattan. I strongly support the $20 million embodied in the amendment before us, and would only have wished that this amount of increase were far, far more.

Finally, I want to direct attention to the fact that $5 million additional is incorporated in the Yates-Conte amendment to increase funding of the Lead-Based Paint Poisoning Prevention Act, Public Law 91–695, making a total of $10 million for fiscal year 1972. Last week, I worked closely with the sponsors of the amendment to assure inclusion of added funds for this act. We all well recognize that even an additional $5 million is insufficient, and were the administration less obdurate, far more would be included.

However, in assessing the situation in the House today, it was concluded reluctantly, to limit the additional amount for fighting childhood lead poisoning—the target of the Lead-Based Paint Poisoning Prevention Act—to the $5 million. I fully hope that the Senate will provide full funding, so that the bill which finally reaches the President's desk for signature, and which expresses the will of both Houses of the Congress, will contain much increased funding over the $5 million provided in the bill reported out by the House committee and presently being considered for amendment.

I am not going to review the problem of childhood lead poisoning, or of our efforts to force the administration into action, or of our efforts to obtain funds within the Congress after it became all too clear that the administration has no desire or commitment to mount a meaningful assault on this terrible, yet preventable disease. I have already done this earlier today, during general debate on H.R. 10061. I would only say this. There simply is no excuse—absolutely none—for the outrage which this Nation continues to perpetrate on the children of its inner cities. These children are the victims of lead-based paint poisoning. Every one of them who develops this disease—and the Department of Health, Education, and Welfare itself estimates the annual count at 400,000 annually—is a witness to the war being waged upon them by an unconcerned, uncaring society. I for one have been fighting to end that war for a good long time. I claim no credit for that, because there is no credit due. When one sees an outrage, one is compelled to oppose it.

But I do say now to every mother and every father of a lead poisoned child, and to every child—"You are owed a debt." And I do say to them and to their child, "You must demand that that debt be paid." Today, we have the opportunity to make a down payment—a bare, minimal down payment—on that debt. We had better make that payment. Why else do we serve in this Chamber?

Mr. BIAGGI. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. YATES) which would add an additional $230,000,000 to the Labor-HEW appropriations bill for health programs.

The health of our Nation is steadily declining. We are witnessing one of the most unfortunate incongruities in our country's history of health care. On the one hand, the space age technology has brought forth new firsts in solving health problems to the point where we are transplanting human hearts. Yet, on the human level, our health delivery system is still in the horse and buggy era with little of these technological miracles reaching the people who need it most.

Heart disease is still the Nation's No. 1 killer. Cancer still threatens the lives of millions of Americans. Arthritis, brain diseases and poor child health development are common occurances.

The first part of the amendment offered would provide an additional $100 million for the National Institutes of Health so that these and other serious health problems can be solved and put to work helping people get well.

Additionally, this Nation is facing one of its most serious crises in the delivery of health care. Hospitals have become a richman's health spa. Health insurance premiums, while skyrocketing, are covering less of the costs of serious illnesses.

Congress has wisely authorized many substantive programs to help improve the health delivery system and correct special social health problems like alcoholism and lead based paint poisoning.

Yet once again this body is shown as a paper tiger—all words and no funds to back up the promises. The second part of this amendment will appropriate funds for the control of communicable diseases, for improved patient-care programs, for additional Hill-Burton grants for the construction of sorely needed new hospitals, for alcoholism treatment and prevention programs, for control of lead based paint poisoning and for maternal and child health programs.

What good is a nation that can boast of the strongest defense establishment, the greatest space achievements, the most advanced technological feats; but looks inward to find a populace sick with disease and unable to cure itself. This amendment deserves approval.

Mr. RYAN. Mr. Chairman, I support the amendment offered by our distinguished colleague from New York (Mr. SCHEUER) to H.R. 10061, the Labor-Health, Education, and Welfare appropriations bill for fiscal year 1972. This amendment proposes to add a badly needed $40 million to the appropriation for NIMH drug research, education, treatment and rehabilitation programs.

The addict population in this country is now conservatively estimated to be 250,000, over half of them in New York City. Due to the epidemic of drug abuse in Vietnam, another tragic consequence of that wasteful and futile war, the number will be substantially increased by the end of fiscal year 1972. We must have facilities immediately available to treat these men.

Although the administration has recognized the critical nature of the drug abuse problem, and has taken steps to consolidate and enlarge the Federal drug control effort, it has not followed through with adequate funding to implement desperately needed programs for treatment and rehabilitation of addicts. The President amended his original budget request to include an additional $67 million for drug abuse control. However, this would increase NIMH treatment funds to a mere $21 million; New York City alone could use $50 million.

Although the additional funding the amendment provides does not meet the full need for drug treatment programs, it would enable many addicts throughout the country to find help in overcoming their addiction.

Mr. OBEY. Mr. Chairman, last year Congress gleefully overrode a presidential veto of the Hill-Burton program.

A lot of people made grand speeches about the need for more modern hospitals. Now we have a chance to see how many of those speeches were just so much wind.

The administration this year asked for not one dime for Hill-Burton grants for the construction of long-term care facilities and for modernization. The committee restored the grant fund to the 1971 levels, but this is still $230.3 million less than the amount so many in the House were calling for in our veto override action of last year. House voted 279–98 to override.

The committee will tell you that we do not need these funds any more because of the new guaranteed loan program. If any of you really believe that, check back home in your own districts.

The problem is that State Hill-Burton agencies report that 140,000 general hospital beds and 48,000 long-term care facility beds need to be built or modernized in the next 2 fiscal years, in addition to 317 outpatient facilities, 113 rehabilitation facilities and 162 public health centers. The estimated cost of constructing these is $9.3 billion.

Mr. Chairman, I do not apologize for trying to add $50 million for this program. I only apologize because the amount we are trying to add is so small.

The amendment would also add $30 million for communicable disease control, recognizing that the rate of immunization against polio, measles and diphtheria has declined markedly since the expiration of the Vaccination Assistance Act in 1968.

Reported cases of measles increased 46 percent from 1968 to 1970. This year they are up 56 percent more and it is estimated—based on the experience of the first 4 months of 1971—that 83,000 cases will be reported this year. The total of 439 cases of diphtheria reported last year was the highest for any year since 1962. In 1964 more than 87 percent of the children in this Nation age one to four had been protected against polio, but as of last year the immunization level for children in this age group had fallen to 65.9 percent.

These immunization levels have dropped to epidemic thresholds especially among the urban and rural poor. Let us do something about it.

The amendment would also add $15 million to cope with what many consider our costliest and most extensive disease—alcoholism. The budget request included no funds for formula grants to States for comprehensive planning and start-up for services to alcoholics. While the committee has recommended $25 million to close what it calls an important gap, this amendment would close it further.

Mr. Chairman, there are few people in this House who do not expect some substantial revamping of our health care delivery system in the next 5 years.

We can either try to prepare ourselves for that prospect by developing enough manpower and enough facilities to meet the coming demand or we can try to minimize it by boosting funds for disease prevention—or we can continue a business-as-usual health care budget and find ourselves 5 years from now wondering how we let ourselves get into such a mess.

The trouble with this bill and even with the amendment is that it will hardly give us a start. I urge your support of the amendment.

Mr. HARRINGTON. Mr. Chairman, I wish to rise in support of the amendment offered by my colleagues, Mr. YATES and Mr. CONTE, to increase health funding for the fiscal year 1972.

The shortcomings of America's health-care system have been detailed by so many, upon such numerous occasions, that I hesitate to indulge in further criticism for fear of inducing a narcotic lull. We have become inured to indignity—few rage at the indecency of the remark by a former editor of the AMA Journal, that—

> Our infant mortality rate is nothing to be crying about.

We rank 13th, Norway is first. Our infant mortality rate for nonwhite babies is twice that for white babies.

But unfortunately, the 80,000 parents of children who would not have died, had they lived in Norway, do cry.

The time has long since come to halt our efforts to balance the budget at the expense of our health. To this end, the Coalition for Health Funding has been formed. It is composed of 18 major health groups, among them medical college associations, the American Public Health, Dental, Nurses, and Heart Associations, the National Committee Against Mental Illness, and Planned Parenthood-World Population. The AMA is not a member. The coalition seeks to increase the President's appropriation for the National Institutes of Health and the Health Services and Mental Health Administration by $632,500,000. In doing this, they speak for the powerless Americans who are regularly victimized by an unfeeling Congress.

The mentally ill are unorganized. They have no lobbies to exert pressure for them in Washington. Their spokesmen do not show up on the chic late night talk shows. They are largely faceless, hidden away, and nobody seems to want to know their names. Congress regularly treats them with deference—then casts them aside. Yet despite their near invisibility, the mentally ill are not few and scattered. Fully 10 percent of our population is suffering from some form of mental or emotional disease, right now.

The history of mental health programs has shown cycles of reform and decay, of promises made and expectations unfulfilled. Yet the community mental health centers program, funded through the National Institute of Mental Health, has been able to generate a diversity of clinical services, community activities, and complex administrative arrangements with general hospitals, health agencies, and social welfare programs. In 1969, for the first time in history, admissions to community mental health centers exceeded first admissions to State hospitals. In fiscal 1970, the largest annual drop in the number of patients confined in State hospitals, 32,000, was achieved. The overall total has been reduced by almost a quarter of a million over the past 15 years—totally apart from the alleviation of human suffering and the mending of broken lives, this reduction has enabled the public mental hospital system to save billions of dollars in construction and operation costs—the local centers not only keep patients out of the State hospitals, but they also hold in the community countless numbers of patients who have been discharged from State hospitals and would be forced to return to them but for the availability of treatment in their home areas.

Now all of this is threatened. Despite their record of achievement, for the second simultaneous year, the administration has refused to authorize any money for the construction of new mental health centers. The legislative authorization for construction of mental health centers is $90 million. A recent survey of State mental health centers has disclosed a backlog of more than $50 million in this area. The Appropriations Committee has put in $10 million for this construction. This is $10 million short of what the coalition had asked for, and this additional money is crucially needed.

The staffing needs of these centers are even more critical. The administration has arbitrarily limited staffing moneys to those centers which have received previous Federal construction funding. This is a direct "slap in the face" to those communities which have used their own resources to construct centers. Coming from an administration whose rhetoric readily proclaims, "turn the power back from Washington and return it to the people," this action is indeed shocking. The National Institute of Mental Health estimates that by June 30, 1972, there will be a shortage of $44.3 million necessary to meet the Federal contributions for approved, but unfunded, staffing grants. Simply put, 88 centers, around the country, will not open their doors.

The mentally ill of this Nation do not need buildings constructed as monuments to their leaders' concern; they desperately need the help, treatment, and care that has been promised them. It is obscene to give people hope, to erect these centers, and then have them stand unstaffed, targets for the pigeons. As Jung noted:

> . . . Where power predominates, love is lacking.

An increase of $50 million in the administration's request of $105.1 million is the smallest possible sum which can meet the needs for new staffing and for the expanded mission Congress has decreed—the development of mental health centers in the inner city and in poverty areas, and services for emotionally disturbed children.

Finally, and perhaps most baffling, is the administration's appropriation for the training activities of the National Institute of Mental Health. The budget, as amended, includes $113.3 million for training grants, a reduction of $3,050,000 from the 1971 level of funding. Despite the desperate shortage of psychiatrists in our mental hospitals and mental health centers, the administration has planned a $6.7 million cut in training programs for psychiatrists and intends to phase out the psychiatric residency program. This will result in the loss of approximately one-third of the medical students now being trained in psychiatry. In fiscal 1972 alone, this cut would result in 140,000 patients going untreated, most of them in low-income areas. The Appropriation Committee's report would restore $6.75 million to this program, returning it to the 1971 level of funding.

While I support this move, I hope that more funds will be appropriated to provide for a small amount of money designed to train neighborhood mental health workers and other kinds of subprofessionals and to cover cost-of-living expenses for other mental health professions.

In fiscal year 1971 we appropriated $338,104,000 for the National Institute of Mental Health. For fiscal year 1972, the Coalition for Health Funding recommended an appropriation of $629,451,000. The administration requested an appropriation of $499,451,000. This bill, for which I will vote, increases that appropriation to $581,201,000.

An additional $48,250,000 would be, in our vast Federal budget, a small amount; but, instead, it is Congress which today is so small. We must change our perception, our way of thinking about the mentally ill. We must stop treating their presence as shameful and spiriting them away. In a world where "normal" men have killed perhaps 100 million "normal" men in the past 50 years, any sense of superiority must appear laughable. We must try to reach the mentally ill with love and understanding and never forget that none of us is immune.

Rock bottom funding for desperately needed programs is not the answer.

Some may wonder why I have not introduced legislation to increase mental health funding. It is because I am convinced that such legislation would not stand a chance of passage in this body. The House, as presently constituted, lacks the compassion to actually institutes a humane program of mental health care. I have little hope that this situation will be remedied in the future, but I intend to continue raising my voice. In the words of R. D. Laing:

> If I could turn you on, if I could drive you out of your wretched mind, if I could tell you I would let you know.

Mrs. HICKS of Massachusetts. Mr. Chairman, I support the amendment offered by Congressmen CONTE and YATES to the Labor-HEW appropriations bill for fiscal year 1972 which recommends an additional $100 million for the National Institutes of Health, $10 million for patient care, $30 million for communicable disease control, $50 million for Hill-Burton grants, $15 million for alcoholism State formula grants, $5 million for lead-poisoning prevention and $20 million for maternal and child care grants.

I also support the amendment offered by Congressman RYAN and Congresswomen ABZUG and MINK which recommends an additional $15 million to train personnel working with the mentally retarded and the amendment offered by Congressman GIAIMO which will result in the rehabilitation of an additional 25,000 handicapped individuals in 1972.

This issue of expenditure of funds is not one of money, but of priorities. Failure to provide funds now will mean tremendous expenditures for rehabilitation projects in the future. Each project has great merit and is most worthy of the expenditure of the funds requested.

The problem of lead-based paint poisoning is so grave in the 9th Congressional District of Massachusetts, which I represent, I urge the passage of the amendment to add additional funds to the detection and treatment of this disease. It is well known that children are its cruelest victims. Lead-based paint has a deceptively sweet taste and children eat the peeling paint which is found on walls of old buildings located in tenement housing. Lead-based paint poisoning inflicts permanent brain damage on thousand of children in America annually and often results in death.

Increased technology has produced a blood testing program that enables doctors to detect the disease simply and inexpensively. A report prepared by HEW professionals stated that—

> Inaction of the lead-based paint poisoning problem would be an economic and human disaster.

The time for action is now.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise at this time to strongly urge the adoption of this amendment to increase funding for our Nation's health programs. Particular commendation is due my distinguished colleagues, SIDNEY YATES and SILVIO CONTE, for having the foresight to propose this vital amendment. Mr. Chairman, at a time when the country is becoming increasingly aware of the monumental problems in our health care services, it seems inconceivable to me that the national administration would want to cut expenditures in this field. The committee took a step in the right direction by returning the funds to their 1971 level but I am firmly convinced that health is one area where we must increase our support to insure the continuation of progress in our fight to foster a healthy America. Those who criticize the increase as inflationary lose sight of the fact that the moneys we spend to prevent Rubella in expectant mothers and lead-paint poisioning in our young is far less than that needed to rehabilitate the victims of these tragic illnesses. The resulting mental retardation caused in these infants often costs large amounts in terms of State-supported treatment. But, far more important is the battle to prevent the personal, human tragedy that strikes these youngsters and their families. An increase of $230 million in a budget of over $200 billion seems a reasonable price to pay for such urgently needed programs.

Mr. Chairman, this amendment will provide for increases in seven important programs. The programs already initiated in our urban areas with these funds desperately need to be continued and expanded. The appropriations for communicable disease control must be increased in light of the recent decline in immunizations against polio, diphtheria, whooping cough, and measles. This decline in immunizations is most pronounced in the urban poverty areas where the vaccination level is roughly only 50 percent. Further difficulties are presented by the rapidly increasing epidemic of venereal disease. How can we relax in our efforts when the rate of syphilis increased by 18 percent over the past year? The point is, these diseases are preventable and we would be grossly remiss in our duty if we failed to fund the programs that are capable of having a marked effect in controlling them.

One program that has proved effective in our large cities is the maternal and child care grants. In my city of Chicago, the infant mortality rate has declined significantly since the inception of this program. Here again is an opportunity to support initiatives that are having a considerable effect. Our commitment to these efforts to promote infant care pays dividends in terms of a healthier population, able to share more fully and contribute more productively to our society.

So, Mr. Chairman, I would urge my colleagues to look with concern at the health problems of our constituents; look with compassion at the diseased, the alcoholic, the poisoned infant—and find fit to vote for this amendment. It will not be a magic cure for these ailments in our society, but it will enable us to continue and improve our efforts to provide a better, healthier life for all Americans.

Mr. PRICE of Illinois. Mr. Chairman, the health of the American people in both the present and the future demands passage of the Yates amendment and the Giaimo rehabilitation amendment to the Labor-HEW appropriations bill—H.R. 10061. Failure to accept these proposals can only lead to a further deterioration of our already ailing health care system.

Although President Nixon warned in July, 1969 that administrative and legislative neglect of America's medical system would invariably precipitate a breakdown in this system, he has not chosen to exert the leadership needed to avert this type of a catastrophe. Thus, the President's budgetary request for health care for fiscal year 1972 is inadequate. This executive request is concrete evidence that this administration's commitment to remedying the health care crisis is decidedly weak.

The fundamental reason which the administration has given for its substandard budget request is that increased funding would exacerbate the inflationary problems of the economy. In my opinion, this argument is unacceptable on a monetary as well as a social basis. With hospital construction costs rising at an 11 percent rate annually, expenditures now for Hill-Burton grants would result in an ultimate savings. In addition, adequate expenditures for disease research, prevention, and rehabilitation programs would keep many citizens from becoming tax burdens and enable many currently handicapped individuals to become fully productive members of society.

The social aspects of this issue, however, supersede the economic considerations in importance. Americans must recognize that health care advances bolster rather than drain the strength of our society.

The Committee on Appropriations is to be commended for the foresight which it showed in recommending an increase of $322 million over the President's budget request for the Labor-HEW appropriations bill. The increased spending in the field of medical care which would result from acceptance of the Yates and Giaimo amendments would assist this committee in its desire to improve our health system.

The Yates amendment which would add a total of $230 million to the committee's recommendations and the Giaimo rehabilitation amendment which would increase the appropriation for rehabilitation programs by $82.4 million represent realistic assessments of America's health condition. Because of the seriousness of our current health problems and the prospect for easing these problems that is offered by the proposals, I urge passage of these amendments.

Mr. CORMAN. Mr. Chairman, we have been asked today, "How can we vote for the Conte-Yates amendment—which adds $230 million to the Appropriations Committee's recommendations for health programs—when to do so would add to inflation in the country?"

It is a question that deserves an accurate answer. And the answer is that it is the vote against this amendment that would contribute to inflation, not the vote for it.

With hospital construction costs going up 11 percent annually, it is the further delay in meeting the Nation's health crisis that would be inflationary.

It is the money we will have to spend on rehabilitation tomorrow that adds to inflation, not the money we spend today to prevent disease. Looked at from sound economics alone—aside from the human suffering involved—the health research that enables the ill or potentially ill to become productive taxpayers instead of handicapped tax burdens can hardly be defamed as inflationary. Indeed, we have indisputable evidence that the Federal Government has gained far more in taxes from persons whose lives have been prolonged by better health knowledge than it has appropriated for all the research leading to this better knowledge.

Mr. Chairman, let us look at the facts:

Fact: The combined income of the 554,000 wage-earners whose lives were prolonged in 1967 as a result of modern biomedical research was $13.8 billion, out of which they paid $1.7 billion in income and excise taxes. The Federal appropriation for all of the National Institutes of Health, for that same year, was below this tax total—only $1.4 billion.

Fact: Six million people are afflicted with mental retardation. Seventy-five to eighty-five percent of these people are capable of becoming self-supporting, independent citizens both economically and socially if they receive adequate services and early medical diagnosis and treatment. While we are currently spending only $38.8 million for research to find answers to mental retardation, mental retardation costs the Nation some $14.2 billion a year in maintenance and construction of public facilities and special programs for the mentally retarded.

Fact: Blindness costs the Nation $2.7 billion a year in wages lost because of inability to work and in direct aid to the blind. Yet a relatively small investment in research could eliminate much of this cost. For example, a $50,000 investment in a study supported by the National Institute of neurological diseases and stroke has eliminated retrolental fibroplasia, a disease that used to afflict nearly 2,000 persons each year. The saving in lifetime support of these victims, which are prevented early, is approximately $121 million.

Fact: The direct cost to the Nation for the education, management and compensation of victims of hearing impairment is $410.5 million a year. Yet we know that many thousands of cases of hearing impairment could have been eliminated or reduced if there were greater effort to identify victims early, reduce prenatal virus infection—including German measles, and provide obstetrical techniques to help prevent children from receiving injuries at birth which will lead to hearing handicaps. The fact is, we spent a paltry $9.7 million last year to support the programs for prevention and control of hearing loss.

Fact: The Nation now spends about $683 per cancer death annually, or $227 per case under treatment; but only $4.19 per American now alive who will have cancer unless cures or preventive measures are found. Looked at another way, if all of the working victims of cancer who died in 1967 had been able to work even 1 additional year, they could have earned over $406 million and paid taxes to the Federal Government on this income totaling over $48 million. Contrast this to the estimated $15 billion it cost the Nation by 1969 resulting from direct care and treatment of cancer victims plus the indirect costs represented by their loss of earning power and productivity.

Fact: Mental illness cost the Nation approximately $21 billion in 1968, of which over $9 billion was borne by the public. This $9 billion includes additional taxes in order to offset the reduction in tax revenues caused by the decline of income among the mentally ill and to provide them with maintenance and treatment. Alcoholism alone costs industry $2 billion annually. Compare these figures with our annual research investment to combat this toll: less than 1 percent of this cost, and only 8 percent of the yearly maintenance costs of our State and county mental hospitals.

Fact: 1.2 million Americans died of infectious diseases in 1968—which include influenza and pneumonia; bronchitis, emphysema, asthma; kidney infections; tuberculosis; and meningitis. If those of working age had lived just one extra, healthy year they could have earned $215 million in that 1 year alone. And the Federal Government could have gained at least $25 million in income tax revenue on those earnings. Infectious diseases caused more than 50 percent of all days lost from work due to acute illness, for a total loss in income in 1968 of nearly $4 billion. Add to this the $1.6 billion that year for medical treatment of diseases, and we see how tragically deficient is the $79.9 million spent in 1968 for research in infectious and allergic diseases.

Fact: the digestive diseases—including disorders of the stomach, intestines, biliary passages (gall bladder) liver and pancreas—are the leading cause of inability to work due to illness. The latest figures available are that the economic loss to the Nation from these diseases was $8 million yearly, as of 1963. Yet we are spending less this year for research under the National Institute of Arthritis and Metabolic Diseases than was spent 5 years ago—$12,408,000.

Mr. Chairman, I think the facts speak for themselves.

Mr. MITCHELL. Mr. Chairman, earlier this session we voted $100 million in special cancer research funds. I supported that bill. But I know that some of that money will go to waste: It is impossible to run a $100 million crash research program without some waste somewhere. At the very least, we will wind up funding people with only peripheral expertise in the cancer problem because there are not enough cancer specialists around to soak up that kind of money.

But a little waste is not the ultimate crime. As long as they get the job done. That appropriation made sense: If it was part of a broad-gage commitment to improve the State of medical knowledge and our ability to deliver health care to the American people. If we choose to expand our whole medical research effort, then $100 million this year is not too much for cancer.

But it is clear from the ludicrous budget for the National Institutes of Health submitted to us by the President that he has no intention of mounting a serious health-research effort. Discounting for inflation, the 1972 requests represent a net cutback for everything except cancer. Instead of launching this Nation on a new round of health-science advances, the administration has apparently chose to score cheap political points from the American people's justifiable dread of cancer, while weakening the rest of our medical research program. Even for this administration, even for this President, this surely represents a new low in raw cynicism and emotional manipulation.

The Appropriations Subcommittee, under the very able leadership of the gentleman from Pennsylvania (Mr. FLOOD), has rejected the policy of the Scrooge-Marley administration, and written a substantially better bill, one which is reasonable where the other is absurd, adequate where the other is grossly inadequate. They propose a 6 percent increase across-the-board to allow maintenance of present program outlays.

But even 6 percent is a very conservative estimate of research inflation: The soaring cost of instrumentation makes 15 percent a more accurate figure.

Certainly the committee's proposals will not bring our other research programs into line with our expanded war against cancer.

The minority package includes an additional $100.7 million for the national institutes of health. This money can be usefully expended, in many cases on currently funded programs which would be cut otherwise, like the collaborative perinatal project.

It should not be supposed that the amendment would give truly generous support to health research. No one proposes to provide our medical scientists with the sort of open-ended, fat-ridden budget we routinely approve for the military. All this amendment would provide is a small increase in the present research effort. NIH has spent its money well; it can use more.

As a cosponsor of H.R. 7657, which would extend the authorization for the children and youth and maternal and infant care projects under title V of the Social Security Act, I wish to make particular mention of this line in the appropriation. These 56 projects in 35 States are providing comprehensive community-based care to poor people in the cities and in rural America. The preventive approach emphasized in these projects has been a singular success, improving both the ability of people in the target areas to obtain health care and the quality of the care provided.

The bill before us leaves a $90 million shortfall from the amount authorized.

The $20 million in additional funds provided for in the amendment before us is not fully adequate, but it is an improvement. It is time for us to stop starving our successful programs.

I urge a vote for the amendment.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of the amendment which would increase funding for the Public Health Service hospitals and outpatient clinics to $81.7 million.

As you know, Mr. Chairman, the administration has suggested the closing of the eight Public Health Service hospitals and 30 outpatient clinics. Last year, Congress rejected the administration's attempt to close the facilities and appropriated $87.8 million for their continuation. Again this year, the administration has suggested the phasing out of the Public Health Service hospitals and clinics.

Mr. Chairman, I am appalled at any suggestion to close down the hospital and clinic program, especially at a time when the health care service in the United States is at a critical low. Such proposals are incongruous in light of the increasing workloads which hospitals and clinics are bearing, the ever-escalating costs for doctors, drugs, and hospital care, and the critical need for such services in many areas.

Instead of curtailing services, every effort should be made to augment and expand health services and take positive steps toward providing meaningful, comprehensive, and professional health care for all citizens.

I protest the plans to close any of the existing Public Health Service hospitals or clinics. The PHS hospital system was established in 1798 as a means to provide medical care for merchant seamen. This system not only provides medical care for seamen but it protects our Nation against disease catastrophes. Further, it has introduced and maintained a public service concept that benefits the medical profession, and our Nation, as well as the seamen and other recipients of such hospital and medical care. The proposal to terminate this public service concept of medical care is shocking.

It is even more incomprehensible when we consider the total service which the Public Health Service hospitals provide. At one time there were 30 PHS hospitals. Today, there are eight PHS hospitals along with 30 clinics—one of the clinics is located in my district in San Pedro, Calif. These facilities provide care to merchant seamen, Coast Guardsmen and their dependents, and active and retired military personnel and their families.

The contributions which these hospitals make are truly of great magnitude. Each facility is an integral part of the health-care system of the community in which it exists and is helping to meet the rising demand for quality health care. It serves as part of the training forum for badly needed medical personnel. There are 500,000 beneficiaries of the Public Health Service program. In short, the PHS hospital system provides much-needed service and should be expanded—not eroded.

For example, in the Public Health Service clinic in San Pedro, Calif., in a 3-month period—July–September, fiscal year 1970—there were 26,777 outpatient visits. This workload average, of over 8,500 outpatient visits a month, was handled by a staff of 54 people.

As a matter of fact, the Comptroller General of the United States, Elmer Staats, on February 25, 1971, rendered a legal opinion indicating that the Department of Health, Education, and Welfare does not have the authority to close the Nation's Public Health hospitals. At that time, I thought that the Comptroller's opinion would put an end to the doubts and anxieties concerning the future of these invaluable health facilities.

I have mentioned the need to expand our Public Health Service facilities. Congress overwhelmingly passed the Emergency Health Personnel Act of 1971, which was signed into law by the President last New Year's Eve. Under this act, the role of the Public Health Service is expanded beyond its present beneficiary group to help meet health needs in urban and rural poverty areas that are presently underserved. Why would the administration approve a law to expand services, and, then, with the other hand, advocate the closing of the hospitals and clinics?

To rely on the Veterans' Administration hospitals to take over the PHS caseload, as suggested by Secretary Richardson, appears not to be properly accounting for the already overburdened condition of these facilities. The Veterans' Administration cannot handle PHS beneficiaries in addition to the VA's own patients.

Mr. Chairman, as a supporter and cosponsor of the House concurrent resolution expressing the sense of Congress to continue these hospitals and clinics; as a member of the House Merchant Marine and Fisheries Committee which has conducted hearings on this matter; as a person concerned with the escalating costs for doctors, drugs, and hospital care that now cost Americans some $70 billion a year—a 16-percent rise last year, far greater than our general inflationary trend in the United States; as an American concerned about the poor state of the Nation's health, I appeal to all concerned persons to help in our efforts to expand and modernize our existing health care facilities and not erode or elimiate the Public Health Service.

Even with this amendment which appropriates $81.7 million for the Public Health Service hospitals and clinics, I feel that we are far short of the $100 million which is necessary for the PHS to operate at full efficiency. Thus, I am anxious for the committee to present us with a supplemental appropriation to fully fund these hospitals and clinics in the very near future.

I urge that all efforts be made toward building, and not destroying, the Public Health Service hospital system.

Mr. FRASER. Mr. Chairman, I want to indicate my support for the Conte-Yates amendment to H.R. 10061.

The appropriations measure before us today provides for the expansion of several key health and welfare efforts. I feel, however, that the bill as approved by the committee falls short of meeting our Nation's ever-increasing health needs.

The $230 million Conte-Yates amendment, if approved by this body, will represent a more adequate response by Congress to the current health crisis.

I would like to draw attention to several of the more significant provisions in the amendment.

One hundred million dollars for the National Institutes of Health. This amount will only enable NIH to maintain its present level of activity. NIH should lead our country in its attack upon illness and disease.

Thirty million dollars for the communicable disease control program. Prevention of disease saves millions of dollars in health care, wage losses, disability payments and death. Our much heralded program against polio is now dangerously sliding downhill. Last year only 66 percent of the children between the ages 1 to 4 were vaccinated. After mass immunization against measles in 1966, 22,231 cases were reported in 1968. Last year there were over 47,000 cases. Estimates for this year are reaching past 70,000. Last year the number of diphtheria cases doubled. Investing a total of $46 million is not too much.

Fifteen million dollars for alcoholism prevention. Alcoholism in this country is responsible for the death of 87,000 Americans, it drains $15 billion yearly from our economy. It has been estimated that 36 million people are adversely affected by alcoholics. Secretary Richardson has testified that half of all traffic fatalities are associated with alcohol. Certainly this problem demands more than just our attention. It needs the funds for treatment cure, and prevention.

Twenty million dollars for material and child care grants. The States are in desperate need for continuance of all programs under material and child health including children and youth projects and the crippled children services. These additional funds will allow for little more than just maintaining them at their present levels. At this time I would like to submit for the RECORD a statement by Arnold S. Leonard, M.D., Ph. D., associate professor of surgery, head, pediatric surgery, University Hospitals, Minneapolis, Minn., citing the need for expanding the material and child health program:

EXPANDING THE MATERNAL AND CHILD HEALTH PROGRAM

(By Arnold S. Leonard, M.D.)

I am speaking for the budget for Maternal and Child Health Services of the Health Service and Mental Health Administration of the Public Health Service. There is a critical need for emergency funding through the Maternal and Child Health Services for regional facilities in the United States to decrease infant mortality, especially in the rural and outlying communities.

Statistics from the Public Health Service in 1967, demonstrate we are 14th in the world in infant mortality under one year of age (Chart 1: At 20.7 deaths per 1,000 live births). These statistics were compiled by the Statistics Bureau of Health, Education, and Welfare, and represent collections by the World Health Organization.

Although one may question, especially in the number of countries which we do not have control of, the method of collection of statistics, we should take cognizance of the problem in our own country. We are not doing the best job. It is more important, therefore, to consider the problem in any given state, city, or region, where statistics are significant. The outlying regions, or poor indigent areas within cities, carry mortalities of 30 and 35 per 1,000 in contrast to regional areas where most modern standards of care are available; the mortality has decreased to 12–15 per 1,000. Funds are necessary to establish centers, therefore, where transportation, communication, and excellent intensive care facilities can be instituted in order to handle this problem.

Certainly infant mortality is reflected also by prenatal care and maternal delivery standards. However, once the infant is conceived and born, the problem exists, and therefore one must deal with the situation at hand in the most efficient manner. Multiple congenital abnormalities, prematurity, and irreparable cardiac defects account for a portion of mortality which in many instances cannot be salvaged. However, there is an important treatable, critical, factor that has led to significant life gain, and that is the prevention of the deterioration phase of that infant from the time it is born with a salvagable condition to the time it reaches a regional facility for proper care. The hypothermia or low temperature, shock, respiratory distress, that progresses in inadequate, small, understaffed facilities can be treated in a majority of instances today if proper care is instituted within the first seventy-two hours of life.

To study this problem, in the last three years at the University of Minnesota we have instituted a transportation communication system and a computerized intensive care facility for the five-state region. We have extended an arm to the border areas and outlying communities and rural areas where the physician cannot handle the newborn infant with special problems. It is the lack of oxygen in the newborn, the untreated shock from the shift of fluids that occurs; for example, during blockage of the intestine from various abnormalities, and infections in the breathing system, that cause the main problems. We have found after the transfer of over 200 infants, from rural and outlying communities, in the last year and one-half, that those individuals who are transferred immediately had the best chance for survival and complete cure. Where disintegration of the condition occurred after a 72-hour period, when the infant's system became acidotic and was severely damaged, then the salvage was poor. Early communication with the local physician and transportation thus were instrumental in preventing deterioration. Our system is programmed so that a physician may call from the outlying area and within 30 minutes a plane with an intern and special equipment is sent to the region. The intern accompanies the physician to the local hospital where special preparation of intravenous catheters, intestinal suction, etc. are instituted before flight. Then the infant is flown back to our specialized care unit. This service is extended in our area to North Dakota, South Dakota, Wisconsin, Montana, Minnesota, and portions of Iowa. The transportation portion is available to the entire area for acute pediatric emergencies at no cost to the family. This system is funded in the most part by private resources which, as has happened elsewhere, is dwindling. Help, therefore, is requested from the Government.

It is interesting as a side note, that recently a so-called "Haste" transportation system was funded by the Government for $200,000. Twenty or so patients were handled by this system and this amounted to approximately $10,000 per patient. Inefficiency was the key. Our emergency services can be handled on the basis of a charter service with a plant that is not actually hired full time by the Government, as was the latter system. We can go to the border of other states for less than $200 per patient. In other words, in one year to handle the emergencies in our entire region, we could get along nicely on $30,000 to $40,000. If one figures the salvage rate per year and the work years (70–80) for these infants, this certainly justifies the cost on this basis.

Besides the transportation system itself, another very critical problem again is the funding for these very sick infants in intensive care. Infant intensive care costs approximately $300 per day. Because of the specialized nursing paramedical personnel, the amount of equipment, and tests that are necessary on a minute-to-minute basis for salvage of these tiny infants, this treatment process becomes the most expensive medical care today. Yet we are dealing for 70 to 80 years of life with these babies so we feel that it is well worthwhile.

We have a computerized system for measuring output of the heart, cardiograms, regulation of respirations, temperature, and microchemistry systems where small quantities of blood can measure vital chemistries in the body. These intensive care systems like the transportation-communications program, have been expensive but have been instrumental in salvage of these infants. The cost of the computer hardware and software has been funded by Health Care Technology as a pilot project at a cost of $250,000.

There is, however, only $450,000 appropriation for the entire country for intensive care facilities for the next year's budget to include all of the modalities mentioned. I feel this should be increased on the basis of the demonstration of this regional program for several regional projects in the country. This is not a large budget, for it takes care of only a few intensive care units in the country. Judging the way money is spent on other projects, I feel that more money should be placed in this type of appropriation for salvage of these infants for this integrated approach. We should remember we are not salvaging just sick infants, we are actually curing many of these infants by this regional emergency health delivery system for special care problems so that they may become good citizens.

Financially, there is another important problem. The Crippled Children's Services have alerted the physicians in our area to our project. However, we all know that our Crippled Children's money usually runs out in January, so that only emergency services for only the very critical can be paid for on the present allocation. The large cost of extended care of this nature attests to the financial problem. It is not uncommon for infants with severe respiratory distress, cardiac, or severe congenital abnormalities to have bills in the range of $20,000 to $40,000. Funding however, is also necessary to maintain children with non-emergency conditions such as elective cardiac, orthopedic, cleft lips and palates, etc. These children must wait their turn every year while deterioration physically and psychologically occurs. More appropriations must be allocated for a smooth and integrated approach.

In summary, it takes an integration of several services to fund operations for both the critically ill and the crippled children smoothly throughout an entire year. We feel that we have demonstrated in the past three years a better infant salvage rate of the 200 infants we have transported from the region with critical problems, so that regional areas can and should be set up and funded in order to gain significant man years for our population.

The alternative is leaving sick infants in their local communities deteriorating and susceptible to hypoxia or decreased oxygen to the brain of these individuals. They end up then in mental institutions unfit for work in the community and for citizenship and a significant financial burden.

In closing, we would ask for:

1. Transportation-communication system funding
2. Intensive care facility funding
3. Increased allocations for Crippled Children's Services
4. Patient funding for critical special problems

I would like to extend my thanks to the Armed Forces, especially to the Air Force, who when the weather systems were severe, came with their jets to help transfer these infants.

I am pleased to note that the committee has restored funds cut from several key programs and has added funds in other areas. The budget, as submitted, did not take into consideration the demand for more mental health personnel. Across this country there is an increase in the use of drugs and alcohol. Yet the administration advocated a $3 million reduction in training grants. Also, the administration proposed a three-step phaseout of the psychiatric residency training program by reducing this program by $6.7 million. The committee restored this program to its 1971 level.

The committee also added $30 million to the request for regional medical programs. Last year the administration impounded $34,500,000 of the funds. They did this not by clearing any deadwood from the program if it needed it, but by applying the meat-ax across the board on all projects. With the carry over of these impounded funds, the total amount available this year will be $115 million. The administration must regard this appropriation as Congress' intent to have these programs continue their necessary work on an expanded basis.

I also want to lend my support to the effort by Mr. GIAIMO to increase the rehabilitation services appropriation by $82.4 million. Dr. Newman, commissioner of rehabilitation services administration states that the total increase in lifetime earnings of rehabilitated individuals is from six to 20 times the dollars spent for their rehabilitation. The Social Security Administration estimates that during the last 4 fiscal years over $45.2 million has been saved because of the rehabilitation of 25,045 beneficiaries.

The Giaimo amendment increasing funds from $518 million to $575 million in the basic State grants will enable 25,000 more people to be included in this program.

One of the intangible, but most important results of this rehabilitation is the return of the self-worth and esteem of the individual who can again become a productive member of our society. Many people who would have had to rely on others are now able to become independent and self-sustaining individuals. They have more control of their lives, something we all reach out for. To deny additional funds to this program will directly result in less people being able to become a real part of our world.

Gov. Wendell Anderson of Minnesota and the president of the Minnesota Association for Retarded Children, Inc., Dr. Thomas Swallen, have both expressed their support for this amendment. I would like to submit these statements for the RECORD at this point:

STATE OF MINNESOTA,
OFFICE OF THE GOVERNOR,
St. Paul, Minn., July 23, 1971.
Hon. DONALD M. FRASER,
Longworth House Office Building,
Washington, D.C.

DEAR DON: It is my understanding that the House will be debating the Giaimo amendment to the Labor-HEW appropriabill next Tuesday, July 27.

Our Vocational Rehabilitation Program would be seriously curtailed without the increased funding.

I urge your support of this amendment.

Sincerely,
WENDELL R. ANDERSON.

MINNESOTA ASSOCIATION FOR
RETARDED CHILDREN, INC.,
Minneapolis, Minn., July 26, 1971.
Hon. DONALD M. FRASER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FRASER: I highly recommend that you support Representative Giaimo's amendment to the HEW Appropriations Bill. It would aid our programs for retarded persons considerably.

Sincerely yours,
THOMAS O. SWALLEN, M.D.,
President, Minnesota ARC.

I commend the committee for recommending the increases in health funds to meet the growth of our population. I believe, though, that the Government has a responsibility for a greater commitment to health. What we do will either hasten our social progress or hinder and disintegrate the progress that has been made thus far. Today as we cheer our astronauts on to further heights in man's conquest of space surely we should try to conquer the unknown in disease, illness, and death with a level of support that will spur these searches on to further heights. Surely, too, our health system should be delivered with space-age equipment, methods, and training. To market health with horses and buggies while man travels to such extraordinary summits in space, is placing our responsibilities on the wrong rungs of the ladder of progress.

Mr. HORTON. Mr. Chairman, I rise in support of the amendment offered by Mr. CONTE and Mr. YATES to increase the total appropriations for the Department of Health, Education, and Welfare by $230 million.

Despite the enormous wealth of our country, we simply are not providing adequate health care for our people. Statistically, we rank 13th among the world's industrialized nations in infant mortality. In life expectancy, we rank 11th for women and 18th for men. The picture is even more appalling when we consider that the poorer members of our society generally suffer far higher incidences of illness than our affluent citizens. We must face the fact that we are not providing all our citizens the quality of health care commensurate with our resources.

I was very hopeful that the present administration would meet this challenge. There were signs that it would. A little more than 2 years ago, the President held a press conference on the state of the Nation's health. He said, and I quote—

> We face a massive crisis in this area and unless action is taken, both administratively and legislatively, to meet that crisis within the next two to three years, we will have a breakdown in our medical care system which could have consequences affecting millions of people throughout this country.

The President concluded—

> I don't think I am overstating the case.

Unfortunately, the administration's budget requests have not reflected this sense of urgency. Thus, it is incumbent upon the Congress to meet the crisis and expand the Federal commitment to health care.

While the Appropriations Committee has acted commendably by increasing the fiscal year 1972 budget request in several key areas, I cannot accept these increases alone as an adequate Federal commitment. In many instances, the committee's increases constitute little more than restorations of budget cuts below the fiscal 1971 levels, with an addition of approximately 6 percent to allow for inflation. The chief sponsors of the amendment before us have stated that this is clearly inadequate if we are to make a realistic attempt to move America's health programs forward. I am in complete agreement.

The progress of medical science depends in large part on the support we in Congress give the research and training programs of the National Institutes of Health. Thus, it is imperative that the budget request for the research institutes be subjected to the most careful scrutiny. The Appropriations Committee did so and concluded the following in its report on H.R. 10061:

> Official testimony on the estimates for the Institutes and Research Divisions of NIH represented the budget as marking the beginning of a new and more vigorous phase in Federal support for medical research and expressed the hope that it will re-establish lost momentum in the research area. Even a cursory inspection of the budget justifications quickly dispels this optimistic view. Of the total budget increase of $125.6 million for the research programs of NIH, $103.9 million is for the National Cancer Institute and this amount includes the $100 million for the new Cancer Conquest Program which was included in the Second Supplemental Appropriations Act approved May 24, 1971. The requested increases for the other nine Institutes and the three research Divisions therefore total only $21.7 million, or 2.3 percent higher than estimated obligations in 1971. This falls far short of offsetting even the lowest estimates of the effects of inflation on the cost of doing research. The budget is thus a step backward for research on all the diseases and disabilities that afflict man, except cancer.

Not one of my distinguished colleagues in this Chamber is more committed to the conquest of cancer that I. Yet, I don't believe that the resources we allocate to conquer cancer must be at the expense of research on other health problems. The Appropriations Committee shared this viewpoint and added approximately $59 million to the NIH appropriations. The amendment before us will add an additional $100 million for the research and training programs of the Institutes.

Another budget item that is of particular concern to me is the appropriation for combating lead poisoning. HEW's own white paper issued in May 1971, revealed with shocking statistics the magnitude of the problem of childhood lead poisoning:

> Paint with lead in it poisons about 400,000 children (predominantly poor) annually. It is estimated that 16,000 of these children require treatment, 3,200 incur moderate to severe brain damage and 800 are so severely brain damaged that they require care for the rest of their lives.

My own community of Rochester has pioneered in the identification and treatment of lead-based paint poisoning in children. One of our most active citizen groups involved in this effort is the School-Parent Advisors of the Neighborhood (SPAN), led by Mr. David Anderson.

Groups trained by and under the general coordination of the medical school's department of preventive medicine and community health and SPAN have been checking homes in the inner city. Their results are being confirmed by a special team of inspectors supervised by Mr. Willis Smith of the department of buildings and property conservation. The department of buildings follows this confirmation with an emergency order requiring the landlord to begin correcting the violation in 5 days. Of the nearly 400 dwellings surveyed, about 37 percent contain leaded paint, putty, or plaster in a peeling, cracking, flaking condition. In every fifth such dwelling, there are one or more preschool children. These families have been referred to medical facilities expressing a capability for testing children suspected of lead poisoning.

Those engaged in this door-to-door effort include SPAN workers, Lewis Street center volunteers, a high school science teacher, three high school students, five medical students, community education center workers, youth workers, a registered nurse, and so forth.

The results of the blood tests on children are slow in coming in—based on our limited access to the laboratory services; however, within the month of May, three children have already been hospitalized for acute lead poisoning.

The Congress expressed its intent that antilead poisoning programs be undertaken by passage of the Lead-Based Paint Poisoning Prevention Act, which authorized $10 million for fiscal year 1971 and $20 million for fiscal year 1972. The administration, however, requested only $2 million for fiscal year 1972. The Appropriations Committee has raised that figure to $5 million, but this simply is not enough if we are to make a conscientious attempt to eventually eliminate childhood lead poisoning. The additional $5 million contained in the amendment will significantly increase the number of States and cities which can receive Federal help.

Mr. Chairman, I will not take the time to delineate all the critical increases in appropriations offered in the package amendment we are deliberating. Mr. CONTE and Mr. YATES have made a compelling case for each of the additions and I want to express my personal gratitude to these gentlemen for the leadership they have provided us today.

We have before us an opportunity to begin, in earnest, a more vigorous phase in Federal support for health care, and I urge in the strongest terms that the Conte-Yates amendment be met with our full support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SCHEUER), to the amendment offered by the gentleman from Illinois (Mr. YATES).

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. SCHEUER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. YATES).

TELLER VOTE WITH CLERKS

Mr. YATES. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. YATES. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered; and the Chairman appointed as tellers Messrs. YATES, FLOOD, CONTE, and MICHEL.

The Committee divided, and the tellers reported that there were—ayes 169, noes 215, not voting 50, as follows:

[Roll No. 207]

[Recorded Teller Vote]

AYES—169

Abourezk
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Aspin
Badillo
Barrett
Begich
Bergland
Biaggi
Biester
Bingham
Blanton
Blatnik
Bolling
Brademas
Brasco
Brinkley
Broomfield
Buchanan
Burke, Mass.
Burton
Byrne, Pa.
Byron
Caffery
Carey, N.Y.
Carney
Celler
Chisholm
Clark
Clay
Cleveland
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
Dellums
Dingell
Dow
Drinan
Dulski
du Pont
Eckhardt
Edmondson
Edwards, Calif.
Eilberg
Fascell
Foley
Ford, William D.
Fraser
Fulton, Pa.
Fulton, Tenn.
Galifianakis
Gallagher
Gaydos
Giaimo
Gibbons
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gude
Halpern
Hamilton
Hanley
Harrington
Harsha
Harvey
Hastings
Hathaway
Hawkins
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks, Mass.
Horton
Howard
Jacobs
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Leggett
Lent
Link
Long, Md.
McCormack
McDonald, Mich.
Macdonald, Mass.
Madden
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mikva
Minish
Mink
Mitchell
Mollohan
Moorhead
Mosher
Moss
Murphy, Ill.
Nedzi
Nix
Obey
O'Hara
O'Konski
Pepper
Perkins
Podell
Preyer, N.C.
Price, Ill.
Pryor, Ark.
Pucinski
Randall
Rangel
Rees
Reid, N.Y.
Reuss
Riegle
Roberts
Rodino
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Roush
Roy
Ryan
St Germain
Sarbanes
Scheuer
Seiberling
Shipley
Stanton, James V.
Stokes
Stratton
Stuckey
Sullivan
Symington
Thompson, N.J.
Tiernan
Udall
Ullman
Vanik
Waldie
Watts
Whalen
Wilson, Charles H.
Wolff
Wright
Wydler
Yates
Zablocki

NOES—215

Abbitt
Anderson, Ill.
Andrews, Ala.
Archer
Arends
Ashbrook
Aspinall
Baker
Belcher
Bell
Bennett
Betts
Bevill
Boggs
Boland
Bow
Bray
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burke, Fla.
Burleson, Tex.
Byrnes, Wis.
Cabell
Camp
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Collier
Collins, Tex.
Colmer
Conable
Crane
Daniel, Va.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Derwinski
Devine
Dickinson
Dorn
Dowdy
Downing
Duncan
Dwyer
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flood
Flowers
Flynt
Ford, Gerald R.
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Fuqua
Gettys
Griffin
Gross
Grover
Hagan
Haley
Hammerschmidt
Hansen, Idaho
Hansen, Wash.
Hays
Henderson
Hicks, Wash.
Hogan
Holifield
Hull
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, N.C.
Keating
Kee
Keith
Kemp
King
Kyl
Landgrebe
Landrum
Latta
Lennon
Lloyd
Lujan
McClory
McCloskey
McClure
McCollister
McDade
McEwen
McFall
McKay
McKevitt
McKinney
McMillan
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Mathis, Ga.
Mayne
Michel
Miller, Calif.
Miller, Ohio
Mills, Ark.
Mills, Md.
Minshall
Mizell
Monagan
Morse
Myers
Natcher
Nichols
O'Neill
Passman
Patman
Patten
Pelly
Pettis
Peyser
Pike
Pirnie
Poff
Powell
Price, Tex.
Quie
Quillen
Railsback
Rarick
Reid, Ill.
Rhodes
Robinson, Va.
Robison, N.Y.
Rooney, N.Y.
Rooney, Pa.
Rousselot
Runnels
Ruppe
Ruth
Sandman
Satterfield
Scherle
Schmitz
Schneebeli
Schwengel
Scott
Sebelius
Shoup
Shriver
Sikes
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Snyder
Spence
Springer
Stafford
Staggers
Stanton, J. William
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Talcott
Taylor
Terry
Thompson, Ga.
Thomson, Wis.
Thone
Vander Jagt
Veysey
Waggonner
Wampler
Ware
Whalley
White
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wyatt
Wylie
Wyman
Young, Fla.
Young, Tex.
Zion
Zwach

NOT VOTING—50

Abernethy
Anderson, Tenn.
Ashley
Baring
Blackburn
Brooks
Burlison, Mo.
Carter
Conyers
Culver
Dent
Diggs
Donohue
Edwards, La.
Esch
Garmatz
Goldwater
Goodling
Griffiths
Gubser
Hall
Hanna
Hillis
Hosmer
Hungate
Ichord
Jones, Tenn.
Kuykendall
Kyros
Long, La.
McCulloch
Montgomery
Morgan
Murphy, N.Y.
Nelsen
Pickle
Poage
Purcell
Roybal
Saylor
Sisk
Smith, N.Y.
Stubblefield
Teague, Calif.
Teague, Tex.
Van Deerlin
Vigorito
Whitehurst
Yatron

The CHAIRMAN. The Chair will announce that under the precedents and rules of the House any Member that is in the Chamber after the 12 minutes has expired is allowed to vote, if he is attempting to vote.

PARLIAMENTARY INQUIRIES

Mr. BOW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BOW. If a Member comes in from the lobby into the well of the House, is that Member permitted to vote after the time has expired?

The CHAIRMAN. The Chair will state in response to the parliamentary inquiry that the Chair would have to hear the individual request.

Mr. LANDRUM. Mr. Chairman, I voted the green card in error thinking I was voting in the negative. I intended to vote in the negative. Is it permissible for me to change my vote?

The CHAIRMAN. The gentleman will be allowed to correct his vote.

Mr. BROOKS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BROOKS. Mr. Chairman, can I record my vote as "no," having just walked in and not having time to vote?

The CHAIRMAN. The Chair will state in response to the parliamentary inquiry of the gentleman from Texas that according to the precedents the gentleman was not in the Chamber at the time the time limit had expired.

So the amendment was rejected.

GENERAL LEAVE

Mr. YATES. Mr. Chairman, I ask unanimous consent that all Members may be given leave to revise and extend their remarks on the so-called Yates-Conte amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

MEDICAL FACILITIES CONSTRUCTION

To carry out title VI of the Public Health Service Act, and, except as otherwise provided, for administrative and technical services under parts B and C of the Developmental Disabilities Services and Facilities Construction Act (42 U.S.C. 2661–2677), the District of Columbia Medical Facilities Construction Act of 1968 (Public Law 90–457), and the Community Mental Health Centers Act (42 U.S.C. 2681–2687), $266,704,000; of which $172,200,000 shall be available until June 30, 1974 for grants pursuant to section 601 of the Public Health Service Act for the construction or modernization of medical facilities; $50,300,000 shall be for deposit in the fund established under section 626, and shall be available without fiscal year limitation for the purposes of that section of the Act, of which $30,000,000 shall be available for direct loans pursuant to section 627 of the Act; $24,052,000 shall be for grants and $16,575,000 shall be for loans for nonprofit private facilities pursuant to the District of Columbia Medical Facilities Construction Act of 1968 (Public Law 90–457): *Provided*, That there are authorized to be deposited in the fund established under section 626(a)(1) of the Act amounts received by the Secretary and derived by him from his operations under part B of title VI of the Act which shall be available for the purposes of section 626 (a)(1): *Provided further*, That sums received by the Secretary from the sale of loans made pursuant to section 627 of the Act shall be available to him for the purposes of that section.

AMENDMENT OFFERED BY MRS. ABZUG

Mrs. ABZUG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ABZUG:

Page 12, line 9: delete "$266,704,000", insert "$281,704,000".

Page 12, line 20: after "90–457)", add "; $5,000,000 shall be available without fiscal year limitation for grants for construction of public and other nonprofit facilities for persons with developmental disabilities which are associated with a college or university, pursuant to section 121 of the Developmental Disabilities Services and Facilities Construction Act (42 U.S.C. 2661); $10,000,000 shall be available for grants to cover costs of administering and operating demonstration facilities and interdisciplinary training programs for personnel needed to render specialized services to persons with developmental disabilities, pursuant to section 122 of the Developmental Disabilities Services and Facilities Contribution Act (42 U.S.C. 2661a)"

Mrs. ABZUG. Mr. Chairman, mental retardation is one of the most shamefully neglected of our national health problems. This bill, as reported from the committee, omits funding for an important program in this area and, along with the gentleman from New York (Mr. RYAN) and the gentlewoman from Hawaii (Mrs. MINK), I am offering an amendment to correct this omission.

This amendment has two purposes. First, it would provide $5 million for the construction of new university-affiliated facilities, as the existing 19 facilities are not enough; second, it will provide $10 million for interdisciplinary training programs and expansion of training at the university-affiliated facilities.

The existing law authorizes Federal aid to various types of facilities for the developmentally disabled, including State facilities, community facilities, and university-affiliated facilities. All three of these facilities provide clinical services, but only the university-affiliated facilities, which are covered by part B of the Developmental Disabilities Services and Facilities Construction Act—to which this amendment is addressed—are offering teaching facilities.

The bill before us today provides funds for the construction of only State and community facilities; it does not provide anything for the construction of the university-affiliated teaching clinics, which are essential for training personnel to work with 6 million Americans afflicted by mental retardation.

The more severely retarded require intensive and expensive care; yet with the proper techniques, they can often be trained and educated to take care of themselves and to assume a productive role in society. Doing this requires various types of specially trained personnel. That there is a severe shortage of such personnel was attested to by various witnesses before the committee.

The committee, in providing appropriations for State and community mental retardation programs, has not made provision to secure properly trained manpower for these programs. To carry out a balanced attack on the problems of mental retardation, and to make these local programs more effective, we need the training and demonstration programs for which the amendment would provide.

The programs of the university-affiliated facilities have taken very serious cognizance of the need to reduce costs of services to the mentally retarded. These programs emphasize training of less expensive personnel, including paraprofessionals, parents, community workers, and so on, to take on some of the responsibility and to free professionals to use their time in the most efficient possible way. They also train professionals from various disciplines in dealing with the very special problems of the developmentally disabled. Their emphasis is on training people to work in teams, to allow for effective differentiation of functions.

They are presently developing a number of new and more efficient strategies for helping the retarded. At the University of Kansas, for example, a group is developing a program called Achievement Place. Teaching-parents are trained to serve as house parents of delinquent, retarded children who have done poorly in school, who have gotten into serious trouble with the law, and who have been referred by the juvenile courts. The parents are not highly trained graduate students, but interested and stable people who are learning to manage homes which can help delinquents move back to school, family, and the community.

It is financially wise for us to see to it that modern techniques are used in working with the retarded, so that as many as possible can be made self-sufficient.

University affiliated facilities are in painfully short supply, and even the existing ones are understaffed, underequipped and unable to move ahead with full-scale training programs. Money to do the job absolutely is just not available from other sources.

I urge the Members of this body to support this amendment so that mental retardation programs may be operated with fully trained staff and with maximum effectiveness, and so that as many as possible of the retarded can take their places as productive and contributing members of society.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as of this moment chivalry is dead. I must oppose the amendment offered by the gentlewoman from New York.

Now there is already a substantial amount of money in the bill for the mentally retarded.

We are providing in this bill $16,215,000 for formula grants to the States under the developmental disability act which together with the funds carried over from the fiscal year 1971 will provide a total of $27 million for the programs for the mentally retarded and other disabled persons. Under the law, the States may use up to 50 percent of these funds for construction.

The bill includes $13,400,000 for staffing grants and training in the 19 university-affiliated centers for the mentally retarded that have already been established with Federal funds, and four new ones have just been opened. This is an increase of $2,300,000 over the 1971 amendment.

Mrs. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. Yes.

Mrs. ABZUG. Is it not correct that the $13 million to which you referred provided for health and health-associated disciplines but not for the nonmedical disciplines which participate in the program?

Mr. FLOOD. I do not know if that is so, but let me tell you this, Mr. Chairman. This subcommittee has fostered, nurtured, and instigated the great university programs in paramedics. This subcommittee believes unanimously in the tremendous importance of what we call paramedics. This bill provides $13 million for staffing grants and training in the institutions that I mentioned.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Indiana.

Mr. MYERS. It is my understanding that there are four States that have mental retardation training centers already constructed. They are Alabama, Kansas, Washington State, and Indiana.

Mr. FLOOD. There will be more.

Mr. MYERS. I am familiar with Indiana University. The facility has been completed about 3 years. Would we be safe to draw the conclusion or make the assumption that those four States will be the four that are cited here as additional to the 19 already established?

Mr. FLOOD. This is an appropriation bill. We do not grant by individual project. That kind of detail would rest entirely with the Department.

Mr. MYERS. If the gentleman would yield further, I fully recognize that at Indiana University the physical plant is already there, but the staffing money has not been there. I have read the language that the gentleman referred to which States there will be four additional sites provided.

Mr. FLOOD. You can be sure that what I said was so.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RYAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I know and we all know that the gentleman from Pennsylvania is always chivalrous indeed. I support the amendment because I believe the gentlewoman from New York addressed herself to a very important problem.

The amendment offered by our distinguished colleague from New York (Mrs. ABZUG), and of which I am a cosponsor, provides $15 million—$10 million for administration and operation and $5 million for construction—of new university affiliated facilities for the mentally retarded. Few problems in America command such urgent and immediate attention of all of us as does the devastating problem of mental retardation.

Today, some 275,000 people live in the Nation's public and private residential facilities for the mentally retarded. Thousands more are on waiting lists to enter these facilities. Thousands more live with their families, friends, or alone. So much must be done in the face of the awesome numbers of mentally retarded children and men and women.

First, we must assess the causes. Some of them we know. Then, we must determine how to avert mental retardation. Some of the answers we already know. We must continue to expand research to find more answers and more methods of helping those afflicted. And we must devise training and jobs for the mentally retarded so that they, blighted by tragedy, may live with dignity and fulfillment. Likewise, we must expand training for those who work with the mentally retarded. Above all, we must make the public aware that mental retardation, while a tragedy, is not a matter of shame. It is an affliction, yes. But most of the people whom it afflicts can live meaningful and rewarding lives. Even those hopelessly retarded are individuals, to whom no shame or stigma can be attached.

Too many Americans still fail to realize these facts.

The amendment before us today offers steps in the right direction. I therefore gladly have cosponsored it. But there are other steps which must be taken as well. For example, we know that malnutrition and undernutrition are major causes of impaired human mental development.

The 1970 Report of the President's Committee on Mental Retardation makes this very clear. Yet, today, in America, more than 25 million people live on incomes of less than $3,300 a year for a family of four, and half of these—including some 5 million children—live in households having an income of $2,200 or less. Clearly, for them, adequate nutrition is a desperate need—and a need which is beyond their grasp to fulfill themselves.

Lead-based paint poisoning accounts for 6,000 to 8,000 cases of mental retardation annually. Yet, the administration still resists mounting a Federal assault on this devastating, yet preventable, disease.

Prenatal disorders account for many cases of mental retardation. Some of these disorders can be averted. For this, research and medical care, once the answer is found, are necessary. For example, research has made it possible to prevent nervous system damage in the Rh positive child of an Rh negative mother. Besides the well-known exchange blood transfusion technique, there has been developed an immunization that prevents the build-up in the mother's system of sensitizing antibodies that react on the child. It is clear that medical research does produce results. Thus, research must be expanded.

Employment is another devastating problem facing the mentally retarded. The fact is that mentally retarded individuals can be trained and educated to perform useful and meaningful work in our society. The problem is that too few facilities are provided for training, and too few employers are willing to employ the mentally retarded.

Still another massive problem facing the mentally retarded and their families lies in the educational system in this country, which simply does not cope adequately with mentally retarded children. An enormously disturbing element of this problem is the fact that so many school systems now program education training for children solely on the basis of so-called intelligence quotient tests, and other supposedly tangible factors which label the child who, once labeled, is consigned to inadequate training and help.

Dr. James E. Allen, Jr., former Commissioner of Education, has very pointedly stated the problem:

> We know that many children living in ghetto neighborhoods would score low on intelligence tests, but we doubt that all such low scores reflect retarded intellectual ability.
>
> Recent definitions of mental retardation do not seem to imply so much a continuing but something more like a case of pneumonia, suggesting that a diagnosis is valid only at the time and under the circumstances existing when it is made.
>
> It is possible that the term (mental retardation) is no longer of any value to an educator? Do we need to find a new concept of education for children with special needs—one which does not carry with it surplus meaning which is threatening to parents and detrimental to children.
>
> In sum, mental retardation, one of the truly devastating problems of this nation, is a problem which indeed can be considerably relieved with adequate funding, which in turn will be used for research, training, and education.

Mr. MICHEL. Mr. Chairman, I rise in opposition to the amendment for several reasons.

Through fiscal year 1971, 19 university-affiliated centers for the mentally retarded have been established. The Department provides operational funds for these centers from the appropriation for maternal and child health in the Health Services and Mental Health Administration, even though construction funds were provided from the appropriation for rehabilitation services and facilities in the Social and Rehabilitation Service.

In 1972, $13.4 million was budgeted by the Department and approved by our committee for staffing grants and training activities in the 19 existing centers. This is an increase of $2.3 million over 1971. The major factor in this increase is the fact that four new centers will become operational this fiscal year.

The budget does not request any funds specifically earmarked for the construction of university-affiliated retardation facilities. The formula grants for carrying out the Developmental Disabilities Act are for preparing and implementing comprehensive State plans for programs for the developmentally disabled. Insofar as university-affiliated facilities fit into such a State plan, they would be supported. The funds available can be used for both construction and operations. The important factor here is that the decision to construct a new university affiliated facility will rest with the State.

The committee bill provides $16.2 million in formula grants for developmental disabilities, an increase of $5 million over the President's budget request. In addition, the $11.2 million appropriated in 1971 have not yet been obligated by the States and will be available to support programs in 1972 as well. This would make $27 million available to the States in fiscal year 1972. This should be adequate to support meritorious proposals for new university-affiliated facilities.

Mr. MORSE. Mr. Chairman, mental retardation is one of the most serious, and unfortunately, most neglected problem facing this Nation today. Of the some 6 million retarded children and adults in the United States, only a handful are receiving the medical, educational, and rehabilitation services they need. Much of the reason for this is the critical shortage of trained personnel who can educate these children to take care of themselves and to assume a productive and contributing role in society, and the lack of adequate facilities to train this personnel.

The care and treatment of the developmentally disadvantaged, requires the training of highly competent individuals in a number of disciplines, including pediatrics, neurology, social service, psychology, speech and hearing, nutrition, special education, physical and occupational therapy, and vocational rehabilitation, to mention but a few. The prevention, amelioration, and eradication of the multidimensional causes and conditions of mental retardation, moreover, will demand a corps of professionals and paraprofessionals prepared to assume positions of responsibility in schools, community and residential agencies, clinics and hospitals.

The need for such manpower cannot be denied. Without it, the treatment which we propose to provide and the hope which we offer to the mentally retarded can never be fulfilled. To help meet the need for trained personnel and adequate facilities to train them, my distinguished colleague from New York, Congresswomen ABZUG, has offered an amendment to the Labor-HEW appropriations bill before us now, which would provide $10 million for the operation and $5 million for the construction of university affiliated facilities. I enthusiastically support this amendment.

The university affiliated facilities program was authorized by Congress in 1963 to help provide settings which would train professionals in the variety of disciplines necessary for the care and treatment of the mentally retarded. These university affiliated facilities, of which there are now 20, are designed to develop and implement improved, interdisciplinary approaches to the problems of the mentally retarded, integrating all aspects of necessary services and disciplines. New and innovative approaches to the training of professionals and paraprofessionals, and to educating and supporting the handicapped, at lower costs to society, are being developed at these facilities, and the 91st Congress, recognizing their contribution recently extended funding for the construction of these facilities, for training and demonstration programs, and for operation funds, to 1973. Thirty-seven million dollars, moreover, was actually authorized for fiscal year 1972.

Despite the authorization, no funds for the construction and operation of new facilities were included in the Labor-HEW appropriations bill reported to the House. While $13.4 million of the funds appropriated for maternal and child health will be available for the university program, these moneys can only be used to support the medical aspects of existing programs. It does not support the operation of the nonmedical disciplines that participate in the interdisciplinary program, such as the special service in vocational rehabilitation, or the operation of new facilities.

Over the years, we have recognized the pressing need to provide services to the mentally retarded and their families. We have recognized the need to improve our approaches to the problems of mental retardation. And we have recognized the need for continuing Federal support of community mental health programs. We have also, I am sure, recognized the critical need for trained manpower and adequate training facilities if these services are truly to be provided.

And yet, while the university-affiliated facilities have developed exciting and highly valuable strategies to meet the need for a large group of better-trained personnel able to provide more effective services, Congress has failed to appropriate funds for the construction of desperately needed new facilities since 1968. If this program is not supported, however, the progress which has been made to date is apt to be lost, and we may well see a return to the apathy which once before greeted the plight of the disabled. I hope the House will take the steps necessary to help prevent this, and approve the amendment before it.

Mrs. MINK. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague (Mrs. ABZUG) to appropriate $15 million to train personnel working with the mentally retarded. H.R. 10061, as reported by the committee, omits funding for one of the most important national health programs. There are 6 million retarded children and adults in the United States.

In 1963, the university-affiliated facilities program was authorized under Public Law 88–164 and was continued under the Development Disabilities Act, Public Law 91–517, to furnish trained professionals in various disciplines to meet the technical and professional manpower shortages in the field of teaching the mentally retarded. Part B of the Development Disabilities Act provides a framework for university-affiliated clinical facilities that would carry on interdisciplinary training of professionals and paraprofessionals; $37 million was authorized under the act for the construction and operation of these facilities. However, the committee has joined the administration in eliminating the appropriations for these programs. May I urge you to appropriate at least $15 million of the $37 million authorized.

I do not deny the fact that retarded children pose perplexing problems to all of us. But we must not shirk our responsibilities in facing this problem; $15 million will aid us in training the personnel needed to help many of these children to take care of themselves and to assume a contributing role in society.

This goal requires highly competent and specially trained personnel in an interdisciplinary approach including pediatrics, neurology, psychiatry, social service, psychology, speech and hearing, nutrition, nursing special education, physical and occupational therapy, and vocational education to mention a few. Presently there is a severe shortage of the needed personnel to serve in special schools, community clinics, hospitals, and institutions.

Although the committee has provided appropriations for State-based and community programs for mental retardation, it is questionable whether properly trained personnel will be available to implement these programs. It is imperative to supply the trained personnel so that these local programs can be more effective and balanced.

The university-affiliated facilities are acutely aware of the need to put emphasis on the training of personnel including paraprofessional, community workers and so on, while at the same time encouraging them to work as teams. This would relieve some of the duties of the professionals so that optimal usage of their time could be achieved.

University-affiliated facilities exist in 20 States. These programs are encouraging, however, the deplorable shortage of personnel prevents them from forging ahead with full-scale training programs, despite the fact that they have assiduously sought various sources of funding.

I urge my colleagues to vote for this amendment, so that all those who are mentally retarded will be given the chance to be productive members of society.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Mrs. ABZUG).

The amendment was rejected.

Mr. FLOOD. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment and to points of order at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Are there any points of order to the bill?

GENERAL LEAVE TO EXTEND

Mrs. ABZUG. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks on my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

AMENDMENTS OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Chairman, I offer amendments.

The portion of the bill to which the amendments related is as follows:

Social and Rehabilitation Service

GRANTS TO STATES FOR PUBLIC ASSISTANCE

For carrying out, except as otherwise provided, titles, I, IV, X, XI, XIV, XVI, and XIX of the Social Security Act, and the Act of July 5, 1960 (24 U.S.C. ch. 9), $11,411,693,000, of which $46,000,000 shall be for child welfare services under part B of title IV *Provided*, That such amounts as may be necessary for locating parents, as authorized in section 410 of the Social Security Act, may be transferred to the Secretary of the Treasury.

For making, after June 15 of the current fiscal year, payments to States under titles I, IV, X, XIV, XVI, and XIX, respectively, of the Social Security Act, for any period during the last fifteen days of the current fiscal year (except with respect to activities included in the appropriation for "Work incentives"); and for making, after April 30 of the current fiscal year, payments for the first quarter of the next succeeding fiscal year; such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under each of such titles to be charged to the subsequent appropriations therefor for the current or succeeding fiscal year.

In the administration of title I, IV (other than Part C thereof), X, XIV, XVI, and XIX, respectively, of the Social Security Act, payments to a State under any such titles for any quarter in the period beginning April 1 of the prior year, and ending June 30, of the current year, may be made with respect to a State plan approved under such title prior to or during such period, but no such payment shall be made with respect to any plan for any quarter prior to the quarter in which such plan was submitted for approval.

Such amounts as may be necessary from this appropriation shall be available for grants to States for any period in the prior fiscal year subsequent to March 31 of that year.

WORK INCENTIVES

For carrying out a work incentive program, as authorized by part C of title IV of the Social Security Act, and for related child care services, as authorized by part A of title IV of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the Act, $259,136,000.

REHABILITATION SERVICES AND FACILITIES

For carrying out, except as otherwise provided, the Vocational Rehabilitation Act, sections 301 and 303 of the Public Health Service Act, and parts C and D of the Developmental Disabilities Services and Facilities Construction Act, $613,051,000; of which $518,000,000 shall be for grants under section 2 of the Vocational Rehabilitation Act; $38,660,000 for section 4(a)(2)(A), to remain available through June 30, 1973; $3,051,000 for construction grants under section 12, and $16,215,000 for grants under part C of the Developmental Disabilities Services and Facilities Construction Act, to remain available until June 30, 1974: *Provided*, That there may be transferred to this appropriation from the appropriation, "Mental health" an amount not to exceed the sum of the allotment adjustment made by the Secretary pursuant to section 202(c) of the Community Mental Health Centers Act.

Grants to States, next succeeding fiscal year: For making, after May 31, of the current fiscal year, grants to States under section 2 of the Vocational Rehabilitation Act, for the first quarter of the next succeeding fiscal year such sums as may be necessary, the obligations incurred and the expenditures made thereunder to be charged to the appropriation therefor for that fiscal year: *Provided*, That the payments made pursuant to this paragraph shall not exceed the amount paid to the States for the first quarter of the current fiscal year.

SPECIAL PROGRAMS FOR THE AGING

To carry out, except as otherwise provided, the Older Americans Act of 1965, $33,700,000.

RESEARCH AND TRAINING

For carrying out, except as otherwise provided, sections 4, 7, and 16, of the Vocational Rehabilitation Act, sections 426, 707, 1110, and 1115 of the Social Security Act, titles IV and V of the Older Americans Act of 1965, and the International Health Research Act of 1960 (74 Stat. 364), $92,465,000.

SOCIAL AND REHABILITATION, AND SOCIAL SECURITY ACTIVITIES OVERSEAS

(SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the Social and Rehabilitation Service, and the Social Security Administration, in connection with activities related to research and training by the Social and Rehabilitation Service, and the Social Security Administration, as authorized by law, $8,000,000, to remain available until expended: *Provided*, That this appropriation shall be available, in addition to other appropriations to such Service and Administration for payments in the foregoing currencies.

SALARIES AND EXPENSES

For expenses, not otherwise provided, necessary for the Social and Rehabilitation Service, $39,537,000, together with not to exceed $400,000 to be transferred from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as provided in Section 201(g)(1) of the Social Security Act.

Social Security Administration

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance, the Federal Disability Insurance, the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g), 228(g), 229(b), and 1844 of the Social Security Act, and sections 103(c) and 111(d) of the Social Security Amendments of 1965, $2,465,297,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Coal Mine Health and Safety Act of 1969, including necessary travel incident to medical examinations, reconsideration interviews, or hearings for verifying disabilities or for review of disability determination, $644,249,000: *Provided*, That such amounts as may be agreed upon by the Department of Health, Education, and Welfare and the Postal Service shall be used for payment, in such manner as said parties may jointly determine, of postage for the transmission of official mail matter by States in connection with the administration of said Act.

Benefit payments after April 30: For making after April 30 of the current fiscal year, payments to entitled beneficiaries under title IV of the Federal Coal Mine Health and Safety Act of 1969, for the last two months of the current fiscal year, such sums as may be necessary, the obligations and expenditures therefor to be charged to the appropriation for the succeeding fiscal year.

LIMITATION ON SALARIES AND EXPENSES

For necessary expenses, not more than $1,134,640,000 may be expended as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That such amounts as are required shall be available to pay the cost of necessary travel incident to medical examinations, reconsideration interviews or hearings for verifying disabilities or for review of disability determinations, of individuals who file applications for disability determinations under title II of the Social Security Act, as amended: *Provided further*, That $25,000,000 of the foregoing amount shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), only to the extent necessary to process workloads not anticipated in the budget estimates and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of title XVIII and section 221 of title II of the Social Security Act, and after maximum absorption of such costs within the remainder of the existing limitation has been achieved: *Provided further*, That such amounts as may be agreed upon by the Department of Health, Education, and Welfare and the United States Postal Service shall be used for payment, in such manner as said organizations may jointly determine, of postage for the transmission of official mail matter in connection with the administration of the social security program by States participating in the program.

LIMITATION ON CONSTRUCTION

For construction, alterations, and equipment of facilities, including acquisition of sites, and planning, architectural, and engineering services, and for provision of necessary off-site parking facilities during construction, $18,194,000 to be expended as authorized by section 201(g)(1) of the Social Security Act, as amended, from any one or all of the trust funds referred to therein, and to remain available until expended.

Office of Child Development

CHILD DEVELOPMENT

For carrying out, except as otherwise provided, section 426 of the Social Security Act and the Act of April 9, 1912 (42 U.S.C. 191) including partial support of a White House Conference on Children and Youth, $14,251,000.

Department Management

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, $10,830,000, together with not to exceed $1,049,000 to be transferred and expended as authoried by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein.

DEPARTMENTAL MANAGEMENT

For expenses, not otherwise provided, necessary for departmental management, including $100,000 for the National Advisory Committee on Education of the Deaf, $47,570,000, together with not to exceed $5,926,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein; and not to exceed $29,000 to be transferred from "Revolving fund for certification and other services," Food and Drug Administration.

WORKING CAPITAL FUND

The Working Capital Fund of the Department of Health, Education, and Welfare shall hereafter be available for expenses necessary for common personnel support services in the Washington area.

General Provisions

Sec. 201. None of the funds appropriated by this title to the Social and Rehabilitation Service for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any States which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

Sec. 202. The Secretary is authorized to make such transfers of motor vehicles, between bureaus and offices, without transfer of funds, as may be required in carrying out the operations of the Department.

Sec. 203. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount equal to as much as the entire cost of such project.

Sec. 204. None of the funds contained in this Act shall be used for any activity the purpose of which is to require any recipient of any project grant for research, training, or demonstration made by any officer or employee of the Department of Health, Education, and Welfare to pay to the United States any portion of any interest or other income earned on payments of such grant made before July 1, 1964; nor shall any of the funds, contained in this Act be used for any activity the purpose of which is to require payment to the United States of any portion of any interest or other income earned on payments made before July 1, 1964, to the American Printing House for the Blind.

Sec. 205. Expenditures from funds appropriated under this title to the American Printing House for the Blind, Howard University, the National Technical Institute for the Deaf, the Model Secondary School for the Deaf and Gallaudet College shall be subject to audit by the Secretary of Health, Education, and Welfare.

Sec. 206. None of the funds contained in this title shall be available for additional permanent Federal positions in the Washington area if the proportion of additional positions in the Washington area in relation to the total new positions is allowed to exceed the proportion existing at the close of fiscal year 1966.

Sec. 207. Appropriations in this Act for the Health Services and Mental Health Administration, the National Institutes of Health, and Departmental Management shall be available for expenses for active commissioned officers in the Public Health Service Reserve Corps and for not to exceed two thousand eight hundred commissioned officers in the Regular Corps; expenses incident to the dissemination of health information in foreign countries through exhibits and other appropriate means: advances of funds for compensation, travel, and subsistence expenses (or per diem in lieu thereof) for persons coming from abroad to participate in health or scientific activities of the Department pursuant to law; expenses of primary and secondary schooling of dependents, in foreign countries, of Public Health Service commissioned officers stationed in foreign countries, at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools available in the locality are unable to provide adequately for the education of such dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; rental or lease of living quarters (for periods not exceeding 5 years), and provision of heat, fuel, and light, and maintenance, improvement and repair of such quarters, and advance payments therefor, for civilian officers and employees of the Public Health Service who are United States citizens and who have a permanent station in a foreign country; not to exceed $2,500 for entertainment of visiting scientists when specifically approved by the Surgeon General; purchase, erection, and maintenance of temporary or portable structures; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Public Health Service Act, at rates established by the Surgeon General, or the Secretary where such action is required by statute, not to exceed the per diem rate equivalent to the rate for GS–18.

Sec. 208. None of the funds contained in this title may be used for any expenses, whatsoever, incident to making allotments to States for the current fiscal year, under section 2 of the Vocational Rehabilitation Act, on a basis in excess of a total of $530,000,000.

The Clerk read as follows:

Amendment offered by Mr. Giaimo:

On page 21, line 22, strike out "$613,051,000" and insert in lieu thereof "$688,836,000";

On page 21, line 22, strike out "$518,000,000" and insert in lieu thereof "$575,000,000";

On page 21, line 25, after the semicolon insert "$15,000,000 for rehabilitation facility improvement under section 13;";

On page 22, line 1, strike out "$16,215,000" and insert in lieu thereof "$30,000,000";

On page 23, line 3, strike out "$92,465,000" and insert in lieu thereof "$99,163,000"; and

On page 31, line 5, strike out "$530,000,000" and insert in lieu thereof "$600,000,000."

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Chairman, this amendment deals purely and simply with vocational rehabilitation. There are many programs in the United States designed to cure many of the social ills which affect us as a people, but I will submit that of the many programs dealing with drugs, dealing with poverty, dealing with sickness, dealing with education, and dealing with the whole gamut of social afflictions facing us an urban people, there is no program in my opinion and in the opinion of many of my colleagues which has the unenviable record of success that the social and rehabilitation service has in the United States and that vocational rehabilitation has performed throughout the years.

This is a tried and true and demonstrated program of success. It has taken people who have been handicapped, who have had one affliction or another, who have needed rehabilitation, and it has in fact rehabilitated them and has returned them to the work force of the United States and in fact, by all the estimates and all the statistics and by all the measures, has had a favorable benefit to cost ratio, in that these people, by having been rehabilitated, have been enabled to go back to gainful employment and have made contributions both by their work and by the taxes which they have paid to this Nation, instead of continuing on the unemployment rolls and on the afflicted rolls and instead of continuing consequently to derive additional stipends and payment from the many welfare programs we have to help people who have for one reason or another been unable to work.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Indiana.

Mr. BRADEMAS. I want to commend very warmly the able gentleman from Connecticut for having offered this very significant amendment and I want to go on record as supporting his amendment to increase funds for vocational rehabilitation. Everyone who has studied the vocational rehabilitation program concludes that it is the most effective program we have designed to help physically and mentally handicapped individuals become employable. The program is uniformly regarded as one of the most effective illustrations of State-Federal cooperation in working toward achievement of a national goal. In this case, the goal is to seek to assure that physically and mentally handicapped people have as nearly as possible equality of opportunity with others. This year, several of us who serve on the Committee on Education and Labor have introduced legislation to further improve and expand vocational rehabilitation services in the United States. The subcommittee which I have the honor to chair will conduct the hearings on this legislation. We have, however, been delayed in getting underway because the administration has not presented its own proposals for the future of the vocational rehabilitation program. The program authorization expires on June 30 of this coming year.

Mr. Chairman, I am sure that all members of the House Committee on Education and Labor will be looking for ways to make it possible for the vocational rehabilitation program at both State and Federal levels to make an even greater contribution to meeting the needs of severely handicapped individuals. Contrary to what many people think, the total number of seriously disabled people is increasing from year to year.

Mr. Chairman, although we are learning how to save lives, we have not been equally adept in preventing disability. Thus, the cardiac whose life is saved is likely to become a cardiac cripple. The victim of an automobile accident, who once would have died, now lives, but with a broken back. Clearly we must intensify our efforts to prevent accidents and diseases, but we must also do far more than we have done to meet the needs of those who have become disabled.

The vocational rehabilitation agency is the principal agency in the country to serve the needs of handicapped adults. I might here observe, Mr. Chairman, that our Select Education Subcommittee has recently reported unanimously and favorably this comprehensive child development bill, which would provide significant improvement in the way in which services for children are provided in our country. It seems to me, Mr. Chairman, that the agencies serving children under the child development bill and the agencies providing vocational rehabilitation services for adults under vocational rehabilitation legislation should be regarded as companions in providing services to handicapped youths and adults.

The amount recommended in Mr. Giaimo's amendment is by no means too much. I hope the amendment passes.

Mr. GIAIMO. I thank the gentleman.

Mr. Chairman, it can be easiest thing in the world to come down here into the well and to suggest an increase in moneys for many of these programs in the Labor-Health, Education, and Welfare appropriation bill. But we must be prudent—we must respect the judgment of a distinguished subcommittee, we must be careful in suggesting these increases, in view of the budgetary restraints upon us. We cannot go wild; we must act with restraint.

I submit that this amendment of mine today is no wild—it is not a spendthrift amendment. This is what it portends and does in fact do.

There is a basic program of Federal-State rehabilitation grants for rehabilitation services, 80 percent Federal money and 20 percent State money. There are great rehabilitation centers, such as the one which I have in my hometown and which many Members have in their hometowns throughout America.

We are saying, "Increase the basic grants to the States from the committee amount of $518 million to $575 million."

One may ask me, Why that figure? It is because of the testimony of the Department itself, as shown on page 245 of the hearings. The Department testified that in order for the rehabilitation program, the basic State-Federal program, to stay at last year's level we have to give them $552 million. The $518 million which the committee gave is not sufficient even to stay at last year's level, bearing in mind the inflationary escalation of costs and prices of 6 percent. We must bear in mind the natural desires of all of us, since this is an excellent program, to expand it, so that it can have a modest expansion and take in more people than it has in the past. Normal growth plus escalation implies some more moneys than it had to stay at last year's level.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. Mr. Chairman, there is $57 million additional for that, to bring it to $575 million.

Then we are asking $5 million additional for rehabilitation facilities. This is for additional training service grants to support rehabilitation facilities, to improve their operations, and to expand technical assistance to rehabilitation facilities.

We are asking for an additional $7 million for research and development. Why another $7 million? It is merely to bring it to the level for research and development of the year before. The present bill does not even have enough money in it to keep it at the level at which research and development was conducted the year before.

One other item is included in this amendment—the developmental disabilities program. We are increasing that to $30 million from the $16 million, which the committee gave in the bill. Whereas the administration asked for $13 million, the committee recommended $16 million. I say let us go to $30 million. Why? This is a new program that Congress passed last year. The authorization is over $100 million. With the amount asked for by the administration for the mentally retarded and for the epileptics and for those affected with neurological diseases, the amount in the administration bill of $13 million, even with the additions put in by the committee, would come to roughly $100,000 per State on the average. That is hardly enough, hardly enough to get a decent mental retardation program in operation.

There has been delay in getting this program into operation. I know that Congress by an overwhelming vote voted for the developmental disabilities legislation. I know that the mandate was to get this program in operation. I think $30 million as opposed to $16 million is a modest amount which will do an effective job in starting this program of curing our mentally retarded people. I think we cannot afford to delay it any longer.

The total of all these amendments as enumerated comes to $82 million. I think this is money well spent. The testimony of the administration's witnesses bears out that the main reason why they did not put more money into the developmental disabilities portion of this legislation was because of fiscal constraints. The testimony also indicates that the department did in fact ask for more money but that they were turned down, as are so many departments, by the Office of Management and Budget.

Mr. Chairman, as I say, this is money well spent, and I urge your favorable consideration of this amendment.

Mr. BIAGGI. Mr. Chairman, I rise in

support of the amendment and to commend the author, my colleague from Connecticut (Mr. GIAIMO) not simply for the advocacy of a noble and humane cause but for taking a very moderate approach and for the persuasive arguments that he has made. In my own judgment, there can be no greater cause than this.

The addition of $82.4 million to the committee recommendations for four rehabilitation services programs is a bare minimum. Our mental institutions today are no better than the facilities provided in the 1800's. They are living graveyards for those whom we as a society wish removed from our midst.

Likewise, our concern for the physically disabled in most cases ends with a "Tsk, Tsk" or "how unfortunate." We let the handicapped live dependent on others for basic needs.

The saddest aspect of this national shame is that many of those in mental institutions can be rehabilitated and trained to lead productive lives. Similarly many who have physical handicaps can be shown how to live independently.

What is needed is the commitment of funds for authorized programs—a commitment that will pay dividends in returning people to society as useful members and in the knowledge that we have helped fellow human beings realize a greater respect for themselves.

This amendment would first provide increased funds for the Vocational Rehabilitation Act which in terms of cost-benefit ratios has been twice as successful as any other program seeking to accomplish similar goals. It has given a new lease on life to countless millions of disabled Americans.

To compliment this program, additional funds are included in this amendment for research and development and facilities improvement—necessary programs if we are to further expand our services to the disabled.

A fourth section would increase funds for the Developmental Disabilities and Construction Act. Here, too, promises have been many but results few. This additional funding will mean—many new facilities and expansion of old ones to better serve the needs of the disabled American.

While I would favor additional appropriations for the university-affiliated facilities section of this act, I am hopeful that some of the grant funds allocated the States under this section will be channeled into university-affiliated programs.

Improved vocational rehabilitation programs for the mentally and physically disabled are urgently needed. By helping these dependent Americans become independent, we are at the same time building a better America. By giving to these people pride of accomplishment and self-esteem, we are developing a stronger society. These programs should and must be expanded and I urge adoption of the amendment.

Mr. BOLAND. Mr. Chairman, I rise in support of the amendment offered by my colleague from Connecticut, Congressman ROBERT N. GIAIMO. His amendment holds out new hope for thousands of handicapped and disabled Americans, giving them an opportunity for meaningful lives. It calls for major budget increases in three programs vital to the needs of the handicapped and disabled.

First, it would add $58 million in new funds to section II of the Vocational Rehabilitation Act, bringing fiscal 1972's budget for this section up to a full $575 million.

Within the same field, Mr. Chairman, the amendment would expand the program's allotment base from $530 million to $600 million.

And, in still another effort to shore up this program's lagging budget, the amendment explicitly earmarks funds for improvement of rehabilitation facilities and makes $5 million more available for such improvement.

Second, Mr. Chairman, it would almost double the budget for the new Developmental Disabilities Services and Construction Act, increasing the budget from $16.2 million to $30 million.

Third, it would add $7 million to the budget for research and development in rehabilitation work, restoring it to the fiscal 1971 level of $31 million.

The need for such increases is more than obvious.

Scores of thousands of the handicapped now lead bleak and desolate lives, shut up in their homes or forgotten in institutions.

The cost in lost production alone is staggering.

The cost in human suffering alone is beyond calculation.

These people can be helped. They can be put to work. And, they do go back to work.

New techniques in rehabilitation—and newer techniques still that might stem from the Giaimo amendment—promise to make most of the handicapped happy and productive members of our society.

The cost is small.

Indeed, it is trifling compared to the enormous benefits that will flow from adequate funding of these rehabilitation services and facilities.

Mr. Chairman, I urge the passage of the Giaimo amendment.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

The bill already includes $518 million for basic vocational rehabilitation grants to States. Did you hear that? This is a group of niggardly people with whom I am associated? No, no. This will provide for services to 980,000 handicapped or disabled persons, which is 8,000 more than were served by last year's appropriation. This committee made sure of that. Ten times we made sure of it.

In addition to the basic grants to the States the bill includes $38 million for what is known as expansion grants. That is an increase of $23,500,000 over last year. It will be used to rehabilitate disabled persons who are on the welfare rolls. You have heard about that. We wanted to be sure that that was so. It is so. This increase will also go to the States and will be used to rehabilitate an additional 45,000 welfare recipients over and above those that would be reached through the basic grant program.

This bill also includes $16,215,000 for formula grants to the States for the developmentally disabled. This is an increase of $5 million over the budget request and the 1971 appropriation.

This committee is for it 1,000 percent—for this new program. This is going to be a great program. This is going to go on to become one of the great programs in this entire field.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. FLOOD was allowed to proceed for 1 additional minute.)

Mr. FLOOD. Mr. Chairman, I think that we have adequately funded the rehabilitation programs, since the bill provides an increase of approximately $43 million over the 1971 level. We felt this was proper. We feel under the circumstances that we know this is adequate, or this committee would have added more.

Mr. GUDE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to commend my colleague, BOB GIAIMO, on the leadership he has taken in recognizing the need of additional funding for the Social and Rehabilitation Services above the amounts requested by the administration or recommended by the Appropriations Committee.

We talk about tightening our belt in the Congress. We talk about reducing Federal spending. Some of my colleagues are saying that we have to hold the line somewhere. I would ask my colleagues, then, "Why not hold Federal spending in areas where it is proved that we do not get a return for our tax dollars? Why not hold the line in those so-called rathole areas where the more money poured in the larger the hole gets?" Why hold the line on programs which more than repay to society the meager appropriations we give them? Why hold the line on programs which transform members of our society from public charges to self-sufficient productive citizens?

Mr. GIAIMO's amendment today is not asking us as Members of this body to fritter away any of the taxpayers' money. He asks for an investment—an investment toward rehabilitating people who are capable of being contributory taxpayers.

Additionally, I would like to point out that this same Congress just last year passed the Developmental Disabilities Services and Construction Act to replace the old Mental Retardation Facilities Construction Act. And, in so doing the Congress authorized $105 million to carry out the new act's programs.

I wonder, has the need which was recognized by this Congress less than a year ago diminished? Or, has the state of our economy become so disastrously critical in 1 year that we can now justify appropriating $68.8 million less than we authorized? Or have we just lost sight of the fact that the development disabilities program is serving 3 million more people than the program it replaced was serving.

Can we really believe that it is realistic to appropriate only $16.2 million to be divided among the 50 States to serve the needs of over 9 million people in our country? I think not, Mr. Speaker, and it is for this reason that I intend to vote in favor of Mr. Giaimo's amendment, and I urge my colleagues to do likewise. Thirty million dollars is still a far cry from the authorized $105 million, but at least it is more realistic than the recommendation of $16.2 million which we have been offered.

Mr. KOCH. Mr. Chairman, I wish to voice my support for the Giaimo amendment to H.R. 10061. The vital needs of the handicapped, and particularly the mentally retarded, neglected shamefully in the past, cannot even be minimally served without this amendment which unfortunately does little more than maintain programs at existing levels.

I am particularly concerned because I know of a project in Manhattan which provides sorely needed dental care for the mentally retarted. Drs. Vincent Mazzoe and Murray Ross of Columbus Hospital are providing a program of comprehensive dental care to mental retardates in New York City, and they are operating on severely limited funds. This is one of the few programs of its kind in the country. It is especially important that it be continued and indeed expanded due to the number of patients who have never had treatment before and are in dire need of dental care.

Without the amendment, this program, limited as it is, and many others like it across the Nation will be restricted by a lack of funds, at a time when real progress is just beginning to be made in this area of need.

Mr. DANIELS of New Jersey. Mr. Chairman, I rise to support the Giaimo amendment to increase appropriations for vocational rehabilitation and developmental disabilities. I am proud of the fact that the vocational rehabilitation legislation of 1965 bears my name. It was an enlightening experience to me in 1965 and since to participate in hearings, become acquainted with many handicapped individuals as well as with the professional workers in rehabilitation, and to gain insights into how the vocational rehabilitation program works and the effect it has in the lives of handicapped individuals.

My conclusion is that I do not believe we have any better human service program than vocational rehabilitation. It simply would not do to have this program, which Congress has supported loyally throughout the years, come to a standstill at this time, when the need for vocational rehabilitation services is greater than it has ever been. I have always been a supporter of new efforts and new initiatives proposed by this administration and previous administrations to relieve human need. In so doing, however, it has never been my intent that such programs would in any way be a substitute for the tried and true programs which have provided effective service to needy people. Particularly is this true in vocational rehabilitation, which has shown itself to be extremely flexible in adjusting its services to changing conditions and has made a magnificent contribution in the development and application of new approaches to solving old problems.

I am well acquainted with the vocational rehabilitation program in my home State. Vocational rehabilitation has been, indeed, a pioneering program in New Jersey. It has found a way to work effectively with all other State agencies which share its responsibilities for meeting human needs and with the voluntary agencies which play a most significant role in providing rehabilitatation and related services. So far as I know, there has never been any criticism of the administration of this program.

In New Jersey, vocational rehabilitation is administered by the Department of Labor and Industry. As such, it has come to be an integral component in a total manpower program, a leader and an inspiration to other agencies and their programs. The ability of this agency, under broad and comprehensive legislation, to provide almost any kind of service that will result in enabling a handicapped individual to become employable has enabled the agency to fill many important gaps in existing services, as well as to provide total services to many individuals.

The accomplishments of handicapped people have been truly great, and many of these handicapped individuals owe their opportunities to vocational rehabilitation. The policy of Congress has been to encourage the expansion of this program to the point that it may be able to serve the total annual increment of handicapped people by 1975. The increase in funds provided by this amendment will make possible an orderly expansion of services designed to meet this goal. Anything less than this would be tragic in this time of great need. I repeat, we must provide the resources needed to enable vocational rehabilitation to perform its mission. I appreciate the fact that our colleague, Mr. Giaimo, has called this to our attention by introducing this amendment.

GENERAL LEAVE

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all Members may revise and extend their remarks following the comments of the gentleman from Maryland (Mr. Gude) on the pending amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, inasmuch as I am sure that a good many of our colleagues may be persuaded in part by the vigorous arguments of the proponents of this particular amendment, let me give you a few other facts and figures to supplement what our good chairman, the gentleman from Pennsylvania (Mr. Flood) has said.

Mr. Chairman, first of all let me say that this basic grants to the States item was increased by $15 million from a level of $503 million in 1971 to $518 million this year. The amount of each State's grants is determined by a formula based on population weighted by per capita income. The Federal share being 80 percent and the States' share 20 percent.

While the gentleman's home State of Connecticut is not in any way adversely affected by the level of funds carried in the bill this year, there are 12 States that would receive a very small reduction in 1972 because of changes in their per capita income and population, but not as a result of the level of appropriation request.

In fact, in order to restore the level of these 12 States, all other States would have to receive more than their fiscal year 1971 level under the application of the formula. In other words, in order to help 12 States which, because of changes in population and income, are really not entitled to such help, $2.4 million could be used conceivably. But under the formula those States can only receive that $2.4 million if we increase the appropriation by $57 million.

Secondly, I would like to make the point that rehabilitation of public assistance recipients has been given first priority. In order to target rehabilitation activities toward this population, there has been a substantial increase from $27.7 million to $52.2 million requested for rehabilitation service projects. Most of this increase is for expansion grants which is being used to reflect this high priority. The appropriation, therefore, has provided a substantial increase of $24.5 million in expansion grants, rather than adding more money to basic State grants. But the same recipients will benefit—although not by formula distribution, and this will permit the highest priority needs to be met.

It may be of interest to know that in fiscal 1971, an estimated 130,000 public assistance recipients were provided vocational rehabilitation services and of this number, approximately 37,500 were rehabilitated during the year. It has been estimated that for each public assistance recipient removed from the welfare rolls, the resultant annual savings to welfare will amount to approximately $850, not counting the humanitarian benefits, productive contribution to society in earnings, finished products and taxes. Moreover, there are approximately 300,000 persons now on welfare rolls who have a potential for rehabilitation, and we estimate that better than 51,000 will actually be rehabilitated under the program.

Now, in addition to these individuals, the basic state grants will provide funds to rehabilitate many others, as follows:

Social Security disability insurance beneficiaries	21, 200
Correctional rehabilitation	18, 700
Alcoholics	16, 700
Narcotics addicts	1, 200
Mentally ill	83, 800
Mental retardation	40, 300
Blind and visually impaired	24, 300
Deaf, hard of hearing and speech impaired	17, 500
Heart disease, cancer, and stroke	11, 800
Spinal cord injuries	300

Now, Mr. Chairman, as for adding additional money for developmental disabilities, there has been a delay in getting this program started and the delay is the result of problems in getting regulations promulgated and State plans approved.

The full 1971 appropriation of $11.2 million and the House allowance of $16.2

million will be available for expenditure in 1972. In other words, we're going to have a program level of $27.4 million, and it would be absolutely ridiculous for us to pile on more money until we have some good evidence of how effectively the dollars are actually going to be spent.

Now, as for the item having to do with the proposed increase in research and demonstration funds, our bill restores the budget's proposed decreases in training. This is the area of major concern to the schools of social work and the other welfare R. & D. clientele.

HEW has for the past year been engaged in a rigorous review of its welfare research—its objectives, methodology and the individual projects. HEW is convinced that a pruning job is called for and that the 1972 budget is sufficient to fund all ongoing projects which merits continued support. Furthermore, there will be a substantial amount left over for new projects which should be funded and which will permit some new and innovative work to be undertaken. If the money in the amendment is added, it could prevent a much needed pause for some toughminded evaluation, and—unless the money is withheld from obligation—lead to the funding of some pretty low priority research.

I urge you to vote down the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Connecticut (Mr. GIAIMO).

TELLER VOTE WITH CLERKS

Mr. GIAIMO. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. GIAIMO. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered; and the Chairman appointed as tellers Mr. GIAIMO, Mr. FLOOD, Mr. BOLAND, and Mr. MICHEL.

The Committee divided, and the tellers reported that there were—ayes 236, noes 153, not voting 45, as follows:

[Roll No. 208]

[Recorded Teller Vote]

AYES—236

Abourezk
Abzug
Adams
Addabbo
Albert
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Begich
Bell
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Brinkley
Broomfield
Brotzman
Broyhill, N.C.
Buchanan
Burke, Mass.
Burton
Byrne, Pa.
Byron
Caffery
Carey, N.Y.
Carney
Celler
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Collins, Ill.
Corman
Cotter
Coughlin
Culver
Daniel, Va.
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Dellums
Denholm
Dent
Dingell
Dorn
Dow
Downing
Drinan
Dulski
Duncan
du Pont
Dwyer
Eckhardt
Edmondson
Edwards, Calif.
Eilberg
Fascell
Foley
Ford, William D.
Fountain
Fraser
Frenzel
Frey
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Gaydos
Gettys
Giaimo
Gibbons
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gude
Hagan
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Wash.
Harrington
Harsha
Harvey
Hathaway
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks, Mass.
Hicks, Wash.
Horton
Howard
Ichord
Jacobs
Jones, N.C.
Karth
Kastenmeier
Kazen
Keating
Kee
Kemp
Kluczynski
Koch
Leggett
Link
Long, Md.
Lujan
McCloskey
McCollister
McCormack
McDade
McDonald, Mich.
McFall
McKevitt
McKinney
McMillan
Macdonald, Mass.
Madden
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mikva
Miller, Calif.
Mills, Ark.
Minish
Mink
Mitchell
Mizell
Mollohan
Monagan
Moorhead
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
Obey
O'Hara
O'Konski
O'Neill
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Preyer, N.C.
Price, Ill.
Pryor, Ark.
Pucinski
Purcell
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Reid, N.Y.
Reuss
Riegle
Roberts
Rodino
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Roush
Roy
Runnels
Ryan
St Germain
Sarbanes
Scheuer
Seiberling
Shipley
Spence
Stafford
Stanton, James V.
Steele
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Sullivan
Symington
Taylor
Thompson, N.J.
Thone
Tiernan
Udall
Ullman
Vanik
Veysey
Waldie
Wampler
Whalen
White
Wilson, Bob
Wilson, Charles H.
Winn
Wolff
Wright
Wydler
Yates
Young, Tex.
Zablocki
Zwach

NOES—153

Abbitt
Abernethy
Anderson, Ill.
Andrews, Ala.
Archer
Arends
Ashbrook
Aspinall
Baker
Belcher
Bennett
Betts
Bevill
Bow
Bray
Brooks
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Burke, Fla.
Burleson, Tex.
Byrnes, Wis.
Cabell
Camp
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clawson, Del
Collier
Collins, Tex.
Colmer
Conable
Crane
Davis, Wis.
Delaney
Dellenback
Dennis
Derwinski
Devine
Dickinson
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flood
Flowers
Flynt
Ford, Gerald R.
Forsythe
Frelinghuysen
Goodling
Griffin
Gross
Grover
Gubser
Haley
Hall
Hansen, Idaho
Henderson
Hogan
Holifield
Hull
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Keith
King
Kyl
Landgrebe
Latta
Lent
Lloyd
McClory
McClure
McEwen
McKay
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Mayne
Michel
Miller, Ohio
Mills, Md.
Minshall
Morgan
Myers
Natcher
Nichols
Passman
Pirnie
Poff
Powell
Price, Tex.
Reid, Ill.
Rhodes
Robinson, Va.
Robison, N.Y.
Rooney, N.Y.
Rooney, Pa.
Rousselot
Ruppe
Ruth
Sandman
Satterfield
Scherle
Schmitz
Schneebeli
Schwengel
Scott
Sebelius
Shoup
Shriver
Sikes
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Snyder
Springer
Stanton, J. William
Steed
Steiger, Ariz.
Stubblefield
Talcott
Terry
Thompson, Ga.
Thomson, Wis.
Vander Jagt
Waggonner
Ware
Watts
Whalley
Whitten
Widnall
Wiggins
Williams
Wyatt
Wylie
Wyman
Young, Fla.
Zion

NOT VOTING—45

Anderson, Tenn.
Baring
Blackburn
Blanton
Burlison, Mo.
Carter
Clark
Conte
Conyers
Diggs
Donohue
Dowdy
Edwards, La.
Esch
Garmatz
Goldwater
Griffiths
Halpern
Hastings
Hébert
Hillis
Hosmer
Hungate
Jones, Tenn.
Kuykendall
Kyros
Landrum
Lennon
Long, La.
McCulloch
Montgomery
Morse
Nelsen
Pickle
Poage
Roybal
Saylor
Sisk
Staggers
Teague, Calif.
Teague, Tex.
Van Deerlin
Vigorito
Whitehurst
Yatron

So the amendments were agreed to.

AMENDMENT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

PATIENT CARE AND SPECIAL HEALTH SERVICES

For carrying out, except as otherwise provided, the Act of August 8, 1946 (5 U.S.C. 7901), and under sections 301, 311, 321, 322, 324, 326, 328, 331, 332, 502, and 504 of the Public Health Service Act, section 1010 of the Act of July 1, 1944 (33 U.S.C. 763c) and section 1 of the Act of July 19, 1963 (42 U.S.C. 253a), $71,682,000 of which $1,200,000 shall be available only for payments to the State of Hawaii for care and treatment of persons afflicted with leprosy: *Provided*, That when the Health Services and Mental Health Administration establishes or operates a health service program for any department or agency, payment for the estimated cost shall be made by way of reimbursement or in advance of deposit to the credit of this appropriation.

The Clerk read as follows:

Amendment offered by Mr. ROGERS:

On page 13, line 9, strike the figure "$71,682,000" and insert in lieu thereof "$85,700,000".

The CHAIRMAN. The gentleman from Florida is recognized for 5 minutes in support of his amendment.

POINT OF ORDER

Mr. FLOOD. Mr. Chairman, I make a point of order against this amendment. This section of the bill has been passed.

The CHAIRMAN. The gentleman's point of order comes too late, in view of the fact that the bill has been considered read and open to amendment at any point

Mr. FLOOD. Mr. Chairman, as I recall my request, I very distinctly said, "the remainder of the bill." That is why I made the point of order.

The CHAIRMAN (Mr. HOLIFIELD). The Chair is informed that this part of the bill had not been read when the gentleman made his request as to the remainder of the bill.

The point of order is overruled.

Mr. ROGERS. Mr. Chairman, if I may have your attention for just 1 minute, I will make this very quick.

This amendment will simply restore a cut of $14 million to the Public Health Service hospitals and clinics all over this country. We are not asking in this amendment that you add anything to what was appropriated last year but simply that you restore the cut to what was appropriated last year.

The intent of this reduction is to begin to phase out these hospitals and clinics all over this Nation. Right now the order has already gone to Fort Worth, Tex., where they treat narcotic addicts, only one of two such facilities in the Nation, that they are to accept no more narcotic addicts for treatment, just at a time when we are trying to mount a campaign against drug abuse.

All of you know that there was no money for these facilities in the budget at first—they were just going to close them down—but when the Subcommittee on Public Health started looking into it they said, "We will change our mind and keep them open and try to transfer them to various communities." Now they come in with some more money but reduced the budget level of 1971 by $14 million. They do not want to do even what they did last year. So the process of trying to close these facilities down has already started.

They will tell you that they will come back in with a supplemental, but that will be in December and it will be too late. The Public Health Subcommittee has already passed a resolution saying that they want these hospitals kept open. We hope this House will have this legislation before it next week. The Senate has already passed a similar resolution. The appropriations committee report itself says this:

> It is therefore obvious that the amount in the budget and in the bill is going to be insufficient to maintain an adequate level of service during fiscal year 1972.

Then it goes on and says that hopefully a supplemental will come in.

This amendment will only restore $14 million to keep the Public Health Service hospitals open in this country and to keep the drug addict clinic going. We need your support.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield to me?

Mr. ROGERS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I want to support the gentleman's amendment wholeheartedly. I think it will leave the entire section of the country in which this important hospital is located without the kind of care that it affords for addicts. I hope the amendment offered by the gentleman will be adopted. If the President really intends to conduct a war on narcotics as public enemy No. 1, then it is a definite mistake to close this facility.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the amendment offered by the gentleman.

Mr. ROGERS. I thank the gentleman.

Mr. TIERNAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Rhode Island.

Mr. TIERNAN. Mr. Chairman, I want to congratulate the gentleman for a very fine and strong statement in support of his amendment. This is not the time to cut back, but instead we should be increasing our support of the Public Health Service hospitals and clinics. I strongly support the gentleman's amendment and urge all Members to do the same.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I am happy to yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I rise in support of the amendment offered by the gentleman.

The Nixon administration wants to wash its hands of some of its direct health care business by transferring its control of Public Health Service hospitals and clinics to the communities in which they are operated.

So the budget proposed by the administration for fiscal 1972 substantially reduces funds and personnel for the PHSHS—Public Health Service hospital system—and relates funds to the phasing out and conversion of these hospitals and clinics, arguing that these hospitals are underutilized, badly in need of renovation, but too costly to modernize.

Currently HEW is conducting a survey to see what the possibilities of such a conversion or transference are. If the survey shows that they are neither transferable nor convertible, then the executive branch will do what it can to close them down.

But are the hospitals underutilized? Such is not the case in the Galveston unit. The Galveston Public Health Hospital, serving all the ports of the vast Texas gulf coast with its many merchant seamen and Federal employees, also provides health care to patients in underserved areas of its community. It admits an average of 2,550 patients annually and serves about 47,000 outpatients a year. The associated outpatient clinics in Houston and Port Arthur serve approximately 32,000 patients yearly. The occupancy rate is 80 percent.

Secretary Richardson has suggested that beneficiaries be transferred on a contract basis to private and Veterans' Administration hospitals should the PHS facilities be abandoned. If the Government does not have enough money, as Secretary Richardson says, to enlarge and modernize our PHS facilities, where is the money coming from to send PHS beneficiaries to private hospitals? A private hospital demands $100 a day per patient. This $100 figure does not include doctors' fees, X-rays, laboratory work, or drugs while the $47-a-day-per-patient cost, at which the Galveston hospital operates, includes all of the above mentioned.

As to transfer to the veterans hospitals the hard fact is that our VA hospitals are already shockingly overcrowded and overburdened. Mr. Leo Brissette, Chief of Medical Administration at Houston's VA hospital, advised me of the crowded conditions at that hospital and confirmed that it could not handle any additional patients. It presently operates at an occupancy rate of 93 percent, and it is well known that no hospital can properly and efficiently operate completely full. While over 100 patients apply per normal workday for hospitalization at the VA hospital, only 48 percent of these applications can be accepted. The day I spoke with Mr. Brissette, 375 patients were on the waiting list, some having waited for some 3 months. I am advised that at the Galveston Hospital no applicant is turned away.

On June 30, 1971, the Senate passed a concurrent resolution expressing the sense of the Senate that these PHS facilities should be kept open through fiscal year 1972 during which time an investigation of how these facilities can best be used will be made.

On July 21, I supported a similar resolution in the House Interstate and Foreign Commerce Committee, House Concurrent Resolution 370, which also expresses the need to have the drug treatment centers in Fort Worth and Lexington maintained for use in the treatment of civilian drug addicts. The amendment was passed in committee and is ready for House floor action. (The administration wishes to have these latter transferred to the Bureau of Prisons for use in the treatment of criminal drug addicts.)

In a health care crisis, the last thing that our Government should do is to ignore those in need by not providing them decent medical care.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I am glad to yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I very strongly support the amendment offered by the gentleman from Florida and congratulate him on offering it.

Mr. Chairman, the gentleman from Florida (Mr. ROGERS) is completely correct. Surely this is no time to close hospitals which treat drug addiction. The Department ironically seems intent on closing the only U.S. Public Health Service hospital anywhere west of the Mississippi River. This hospital has a trained staff and the capacity to treat at least 750 narcotics victims simultaneously. It has in fact treated as many as 1,100 at one time during World War II. In view of the current drug epidemic, it would be folly to close this institution, and I urge my colleagues to support this amendment.

Mr. ROGERS. Mr. Chairman, I appreciate what the gentleman from Texas has said.

I may say I have the authorization of another gentleman from Texas (Mr. TEAGUE), the chairman of the Committee on Veterans' Affairs, to say that he also supports this amendment.

I yield to the gentleman from Missouri.

Mr. SYMINGTON. Mr. Chairman, I thank the gentleman for yielding.

The gentleman has mentioned the study of the Public Health Subcommittee, on which I serve. We visited these installations. We heard the agonies of the communities they serve or could serve. And we heard hospital administrators testify particularly with respect to what could be done concerning drugs and drug abuse in the Public Health Service hospitals. We heard enough to know they should not be closed.

I congratulate the gentleman, and support his amendment.

Mr. ROGERS. I thank the gentleman.

Mr. JAMES V. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Ohio.

Mr. JAMES V. STANTON. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Florida (Mr. ROGERS).

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, on Friday afternoon I visited the Mental Health Drug Rehabilitation Center at Lexington, Ky., and found 350 empty beds, if you can believe that over one-half of the available beds are unused. On Friday morning I visited Fort Worth, Tex., the Maximum Security Mental Health Rehabilitation Center and I only found 140 beds filled out of a possible 600 beds available. At the Public Health Service Hospital on Staten Island there are 250 empty beds and the utilization rate is a low 60 percent.

Mr. Chairman, with the hundreds of thousands of addicts, heroin addicts, and other varieties in this country, I think we must support this amendment if we are going to have any kind of Federal expertise in the programs designed to rehabilitate them.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to amendment.

Now, this committee knows about these public service hospitals. We have forgotten more about them than some of you will ever know. We have been dealing with this same type of problem since Mrs. Hobby was Secretary. We did not like it then and we do not like it now. And, something funny happened on the way to the forum downtown. They got the message from us; they really got the message. They are reexamining their proposal. Do you think there is not going to be a supplemental request for these hospitals? Of course there is, and that is why we did not put a little more money in this bill. We would like to get the request and study it and come up with a better figure than we can here this afternoon.

Mr. Chairman, this amendment at this time under these circumstances is not the way to meet this problem.

Mr. ROY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I, like the gentleman from Florida, have visited the Fort Worth hospital and I have visited the Staten Island hospital.

A number of other members of our committee have visited other hospitals. We have talked with the people who operate these hospitals. We realize that if these hospitals are not adequately funded that their health care teams are going to be disbanded and they cannot be easily reassembled. We are asking about $14 million to raise this appropriation to the level of support of the hospitals the past year. We are told by the gentleman from the Committee on Appropriations, Mr. FLOOD, that this can wait, it can wait for certain reexaminations. We agree that the mission of these hospitals should be reevaluated, but we do not feel that this mission should be reevaluated in this brief time, but in an adequate manner, and for this reason our subcommittee, as the gentleman from Florida (Mr. ROGERS) has stated, voted for a reevaluation of these facilities over a period of the next year. But as I just said, if we do deny them the appropriation at this time then the health care teams in these hospitals will be disbanded, and it will be impossible to put them back together again.

These hospitals, as I am sure the members of the committee know, are in San Francisco, New Orleans, Baltimore, Boston, Staten Island, Galveston, Norfolk, Seattle, and Fort Worth.

Some of the public health hospitals and clinics have already been closed over the past 20 years. These are the best of the hospitals and the best of the clinics that remain open. To attack them in this circuitous manner when hospitals are so badly needed, is both unfair and unwise.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. ROY. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I want to join the gentleman from Kansas (Mr. ROY) in his remarks, as well as the remarks of the gentleman from Florida (Mr. ROGERS).

Mr. Chairman, I happen to represent a district that is less than 300 miles from the Fort Worth Hospital, and I can tell you that we have had a situation with respect to the drug addiction problem, and that we have a vital need for this hospital, and to maintain this hospital.

Again I compliment the gentleman for his determination in this matter today.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. ROY. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Chairman, I thank the gentleman from Kansas for yielding, and I wish to state that in my district we have a Public Health hospital facility there, and I have had all types of calls recently from those who would buy the hospital, and the Boston newspapers have been carrying stories about this, and that the hospital is going to close.

Just this last Sunday I saw an extremely interesting program that showed a private clinic in a community of Boston which is black, and they said that because there were no Government funds public subscription was asked. It showed people being inoculated, that is, the black people were being inoculated for a disease called sickle-cell anemia. The television announcer said that President Nixon had asked for $5 million, and that there was no money in the bill for a program of this type, and that there were no facilities available.

Mr. Chairman, we have a growing black population in the city of Boston. It seems to me that there is a clear cut and vital need for this hospital to remain open. It could handle programs as this.

At this time, Mr. Chairman, I would ask the gentleman from Pennsylvania, the chairman of the subcommittee (Mr. FLOOD) whether there is any money in the bill for sickle cell anemia.

Mr. FLOOD. Mr. Chairman, if the gentleman will yield, there is money in the bill for this. We know about this problem, I can say to my friend, the gentleman from Massachusetts. We know how bad it is. We know that it affects many black people. We know that it afflicts as many as 1,000 babies a year, but you do not take care of this with mere dollars, but we are aware of the problem, and there are funds in this bill to work on it.

Mr. O'NEILL. Mr. Chairman, if the gentleman will yield further, I cannot accept the argument of the gentleman from Pennsylvania, and I agree with the gentleman from Kansas (Mr. ROY), and will vote for the amendment offered by the gentleman from Florida.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. ROY. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, there is $6 million in this bill for research on sickle cell anemia, and it is set forth in our hearings; there is no question about it. This is a fivefold increase over the amount available for this purpose in 1971.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. ROY. I yield to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I wish, along with the gentleman in the well, that I could share the fine confidence which the manager of the bill, the distinguished gentleman from Pennsylvania (Mr. FLOOD) has, that the money will be restored for these hospitals. But as recently as last week Secretary Richardson was writing to the Members of this House advising them that, as of October 1, this one hospital, the only U.S. public health hospital west of the Mississippi River that treats drug addicts, would be closed. Surely the gentleman from Florida (Mr. ROGERS) can be supported in this amendment he has offered to simply put in an amount that will take care of this situation.

Mr. BOGGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I commend the chairman and the members of the Appropriations Committee for reporting a bill which renews our commitment to improve the health of the American people.

At the same time, however, I must deplore the nearsighted economizing which has characterized the administration's contribution to this effort.

In the recent past, we have been told that we face a "massive crisis" in health care, and this is true.

Yet, despite the resounding rhetoric of its press releases, when the day of reckoning came—when the time arrived to submit its budget requests—this administration chose to turn its back on the health needs of our people.

In category after category, the administration's budget requests failed even to include cost of living increases. Programs which have suffered cutbacks in past fiscal years are being permitted to wither. Valuable research momentum is being lost. Highly skilled and carefully recruited research personnel at the National Institutes of Health are being dispersed.

At a time when all available resources should be applied to meet our health needs, the administration proposes to maintain the status quo, to cut back existing programs, or even worse, to do nothing at all.

The committee report speaks volumes about this administration's concern for the health of our people:

At a time when the mental health professions are suffering from a critically short supply of personnel, the administration proposes that we fund psychiatric training programs at substantially below the 1971 level. The committee added $6,750,000 to restore the program to the 1971 level.

At a time when community mental health centers are needed throughout our country, the administration requests no funds to continue their construction and little to staff them. The committee included $10 million to continue the construction of community mental health centers and another $30 million to staff them.

At a time when alcoholism has become one of the most serious health problems confronting our pepole, the administration requested no funds for formula grants to States. The committee has wisely included $25 million.

At a time when a hospital bed shortage is a crisis already upon us, the administration budget included no funds for construction grants for hospitals and public health centers. Fortunately, the committee has included $87,200,000 to build hospitals.

At a time when childhood lead poisoning afflicts an estimated 400,000 youngsters, the administration first requested no funds at all to carry out the provisions of the Lead-Based Poisoning Prevention Act. Later, a budget amendment of $2 million to fund this vital program was submitted. The committee has recommended $5 million to get this important program off the ground.

Mr. Chairman, the reduction of funds for the patient care and the special health services represents another backward step on the part of the administration and the Office of Management and Budget. They have proposed to turn their backs on statutory responsibility to provide services to more than a half million Americans.

The eight public health hospitals, two addict treatment centers, and 30 outpatient clinics gave services to more than 500,000 people last year. These people are guaranteed health service by law.

But the proposed cut of $14 million is an obvious step in reducing this care and the efficiency of these hospitals and clinics. The administration now is trying to give these facilities away. In the face of alarming inflation in the area of health services, we find a philosophy developing that would have us abandon these facilities and contract out the patients to hospitals which on the whole are probably 20 to 30 percent more expensive.

Mr. Chairman, because of the concern of the Congress toward this ruinous philosophy, the Senate has passed and I hope the House will soon pass, a resolution stating that the sense of the Congress is that these facilities should remain open and under the control of the Public Health Service. I hope this legislation will reach the House floor before the recess.

We should not be moving backward in this very important area. We should be moving forward. By cutting the authorization and, indeed, reducing the level of funding below last year's, we are sanctioning this backward slide and condoning this giveaway program.

Mr. Chairman, I, of course, am reluctant to take a position contrary to the chairman and some of the members of this distinguished subcommittee. But this is a matter about which I have some rather personal knowledge. I know that the subcommittee has done a magnificent job under very trying conditions. In a whole series of needed programs, the subcommittee has had to increase the recommendations of the Office of Management and Budget and the suggestions of the administration in order to keep alive our health programs and our community mental health centers, our hospital construction programs, and our program against alcoholism and so forth.

But there are involved here eight hospitals, 30 clinics, outpatient clinics, and the only two hospitals that are maintained by the Federal Government dealing with narcotics addiction.

For years I was chairman of a subcommittee dealing with narcotics addiction. I went to Fort Worth, Tex., and to Lexington, Ky. I saw those facilities. They may not be the best in the world but they are the only ones we have. The idea of closing down the Fort Worth installation to me makes no sense whatsoever, when the President goes out and brings a special man in here from Illinois to carry on the antinarcotics program. Nor does it make any sense to close down eight Public Health Service hospitals, when the Committee on Ways and Means will soon be busily engaged on a whole program of health programs.

These hospitals have performed a unique service for well over 100 years in this country.

I was told that the Public Health Service hospital in New Orleans might be consolidated with the Veterans' Administration hospital. Well, there is not a bed empty in the Veterans' Administration hospital and there are 500 beds in the Public Health Service hospital.

In addition to that, the Government has gone to the expense of buying property to build a new facility. Just as the gentleman from Texas (Mr. WRIGHT) a moment ago said that he was unable to get any satisfaction out of the Department of Health, Education, and Welfare, I have had the same experience. I think the gentleman from Florida (Mr. ROGERS) has had the same experience. I think the gentleman from Massachusetts (Mr. O'NEILL) has had the same experience, and the gentleman from Maryland (Mr. LONG) has had the same experience.

So I would just say to my colleagues on both sides of the aisle, that to operate these hospitals on $15 million less than they got in 1971, with the current rate of inflation, particularly in hospital costs, would be absolutely impossible. It seems to me that the Department of Health, Education, and Welfare is trying to do by indirection what it cannot do by direction; namely, to close these hospitals down and take the patients out and then say the hospitals are old and antiquated and there is no use for them.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I am happy to yield to the gentleman.

Mr. LONG of Maryland. Is it not true that one of the reasons why it is important for us to act here today is because the Public Health Service hospitals are losing their staffs very rapidly, and if we do not move fast the hospitals are not going to be able to function no matter how much money is made available later on.

Mr. BOGGS. The gentleman is absolutely correct. These are trained doctors, many of whom have made a career in the Public Health Service. Under the present conditions, they do not know whether they are going to be there for 1 month, 5 months, 6 months, or what the future holds for them.

I hope the Members will adopt this amendment which will cost $14 million—a relatively small sum of money—but which will make the difference as to whether or not these institutions remain open.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. ROGERS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BURKE OF MASSACHUSETTS

Mr. BURKE of Massachusetts. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

SOCIAL AND REHABILITATION SERVICE

GRANTS TO STATES FOR PUBLIC ASSISTANCE

For carrying out, except as otherwise provided, titles I, IV, X, XI, XIV, XVI, and XIX of the Social Security Act, and the Act of July 5, 1960 (24 U.S.C. ch. 9), $11,411,693,000, of which $46,000,000 shall be for child welfare services under part B of title IV: *Provided*, That such amounts as may be necessary for locating parents, as authorized in section 410 of the Social Security Act, may be transferred to the Secretary of the Treasury.

The Clerk read as follows:

Amendment offered by Mr. BURKE of Massachusetts: Page 20, lines 6 and 7, strike out "$46,000,000" on line 6 and insert "$110,000,000".

On line 6 strike out "$11,411,693,000" and insert "$11,539,693,000".

Mr. BURKE of Massachusetts. Mr. Chairman, this is a very simple amendment. It merely asks for an increase in the appropriation for Child Welfare Services, which has lain stagnant for the past 4 years in the amount of $46 million, and raise it up to the authorized sum of $110 million.

I would like to tell you a little story. One day prior to 1967 I was standing in the chamber at the Cherokee Strip talking to a former colleague of ours, the late John E. Fogarty. We heard thousands of words of praise and eulogy for this great man.

The amendment that I am offering today is a John E. Fogarty amendment. John Fogarty asked me to get the authorizing funds through the House Ways and Means Committee to improve the lot of children in America who are deprived. He pointed out the dire conditions that then existed. He said they were the most scandalous conditions in the country.

He said:

> Jim, do you know who we are dealing with? We are dealing with thousands of youngsters who are in the institutions throughout the nation, little kids with big noses or big ears, blemished skins, youngsters who are deformed, that no one will adopt and that the State must take care of until they reach maturity.

On looking into the problem I found that the Federal Government with all of its expenditures overseas, with its expenditures for the Penn-Central Railroad, and with an appropriation coming up here for Lockheed, has not increased the appropriation for child welfare 1 penny in the last 3 years. Not 1 penny. And I have had commitments from the former Secretary of the Department of Health, Education, and Welfare under the Johnson administration that they would get the additional funds. Yes, I have had commitments and promises from the Secretary of the Department of Health, Education, and Welfare of this administration that they would get additional funds. And on the floor of the House, in this Chamber, just 1 year ago the Appropriations Committee committed itself to securing additional funds.

Those children are voiceless. They have no political muscle—none whatsoever. But they are the most disadvantaged children in America. I cannot see how the U.S. Government, the executive department, or the Members of this Congress can go home at night, put their heads on their pillows and go to sleep realizing that this great magnanimous Government of ours is contributing less than 70 cents a week to the upkeep of these children.

I hope that my amendment is adopted today.

I recall a meeting we had in the Cannon Building when almost every member of the New York delegation appeared at the meeting with representatives of the various welfare societies of the State of New York, and Republicans and Democrats all got up and pledged their full and complete support for an increase in this appropriation. So this is what the amendment is about today.

If you respect the memory of John E. Fogarty—and I am looking at his good friends that he told me he had—Ed Boland, Dan Flood, on this committee giving him support—that they could get this type of appropriation if we could get the authorization through. The authorization has been through for almost 4 years, and now the time has come to vote. I hope the House has the courage and the integrity, the moral integrity, to give these children the money they deserve. I hope the amendment is adopted.

Mr. FLOOD. Mr. Chairman, I commend my friend, the gentleman from Massachusetts (Mr. Burke) for his long interest in the program. We went through this last year.

The child welfare program has been funded at the level of $46 million for several years, and we did not increase it this year. Let me tell the Members why.

There are large amounts of money in other programs in this bill which are specifically directed at the health and welfare of the children. We go through these items very carefully year after year.

For instance, this bill includes—now hear this—$326,651,000 for maternal and child health. That is an increase of $64,659,000 over last year's appropriation for that purpose. The bill includes $14,251,000 for the Office of Child Development. What do Members think that deals with? That is an increase of $6,259,000 over last year.

This bill also includes $109,668,000 for the National Institute of Child Health and Human Development. That is an increase of $14,908,000 over last year. Under the work incentives program, about which the Members have heard so much, we provide $78 million for child care. That is an increase of $51,600,000 for child care over last year's appropriation.

Under public assistance, the bill includes $3,700 million for aid to families with dependent children, and it also provides $838 million for social services, of which a substantial amount will go to the care of children. Furthermore, this committee added $10 million over the budget for the National Institute of Mental Health for a brand new program relating to mental health of children.

I should mention an addition—we left this out of the bill, and the gentleman knows why—because it is not yet authorized. It will be authorized. It will probably be in the Senate bill, and there is no doubt in my mind that we will accept it. That is $376 million for the Headstart program, which we know will be appropriated. Those are the figures, those are the facts on some of the things this bill provides for children.

Mr. CAREY of New York. Mr. Chairman, I move to strike the requisite number of words. I want to pay my respects to the chairman of the subcommittee for the illustrative generosity stated. The gentleman from Pennsylvania has just gone down the list to indicate how in each case they have increased the funds for child development, for maternal and child health, for aid to dependent children.

I am in accord with the amendment of the gentleman from Massachusetts, because what this points up is that they have taken care of all the classes of children except those poor, distressed children who are in State institutions.

Maternal and child health does not go to those children. The Child Development Act does not relate to those children. The day care for mothers does not relate to those children. Those are children at home.

The class of children to which the amendment is addressed, to which the Burke amendment is addressed, is the class of children who are in distress in State institutions, who get no help from families and who get no help from outside. These are the most neglected children.

That is exactly why these children should be moved ahead at the same pace as other children are supported in the bill. That is why I support the amendment offered by the gentleman from Massachusetts. I believe the best case for this amendment was made by the chairman of the subcommittee, who pointed out how many other ways other children are helped.

Why should we not help these children in State institutions, who have not been adopted, who have no friends unless we become their friends?

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CAREY of New York. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. I want to thank the gentleman from New York for his support. I do not believe there is a more informed Member of the House on this problem.

The whole confusion in the Committee on Appropriations is that they do not recognize child welfare. These children are under the care of the State. This is a revenue-sharing amendment I offer today. The States pay 93 percent of the support for these children and the Federal Government picks up only 7 percent.

Mr. TIERNAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts (Mr. Burke).

For the past 4 years, the appropriation for child welfare services has remained at $46 million. We are spending 10 times that amount on one trip to the moon. Can we really expect to assist the 611,000 children and the 338,000 families who receive child welfare services on this pittance? This is like giving a cookie to a starving child.

Let me also point out that the statute which originally authorized child welfare services established a rate between 33⅓ percent and 66⅔ percent for Federal financial participation. In 1970, the Federal participation was 8 percent. This year it will be only 7 percent unless this amendment is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Burke).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. FLOOD. Mr. Chairman, out of an abundance of caution, I demand a division.

The question was taken; and on a division (demanded by Mr. Flood) there were—ayes 162, noes 148.

TELLER VOTE WITH CLERKS

Mr. GERALD R. FORD. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. GERALD R. FORD. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered, and the Chairman appointed as tellers Messrs. Burke of Massachusetts, Flood, Carey of New York, and Michel.

The Committee divided, and the tellers reported that there were—ayes 185, noes 201, not voting 48, as follows:

[Roll No. 209]

[Recorded Teller Vote]

AYES—185

Abourezk
Abzug
Adams
Addabbo
Albert
Alexander
Anderson, Calif.
Anderson, Tenn.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Baring
Begich
Bennett
Bergland
Biaggi
Biester
Bingham
Blanton
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Brinkley
Burke, Fla.
Burke, Mass.
Burton
Byrne, Pa.
Cabell
Caffery
Carey, N.Y.
Carney
Celler
Chisholm
Clausen, Don H.
Clay
Collins, Ill.
Conte
Corman
Cotter
Culver
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Dingell
Dorn
Dow
Drinan
Dulski
Eckhardt
Edmondson
Edwards, Calif.
Eilberg
Fascell
Foley
Ford, William D.
Fraser
Fulton, Pa.
Fulton, Tenn.
Galifianakis
Gallagher
Gaydos
Giaimo
Gibbons
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gude
Halpern
Hamilton
Hanley
Hanna
Hansen, Wash.
Harrington
Hathaway
Hawkins
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks, Mass.
Hicks, Wash.
Horton
Howard
Jacobs
Johnson, Calif.
Jones, N.C.
Karth
Kastenmeier
Kazen
Kee
Kluczynski
Koch
Leggett
Link
McCormack
McKay
Macdonald, Mass.
Madden
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mikva
Miller, Calif.
Mills, Ark.
Minish
Mink
Mitchell
Mollohan
Moorhead
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
Obey
O'Hara
O'Konski
O'Neill
Patman
Pepper
Perkins
Pike
Podell
Preyer, N.C.
Price, Ill.
Pryor, Ark.
Pucinski
Randall
Rangel
Rees
Reid, N.Y.
Reuss
Riegle
Roberts
Rodino
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Roush
Roy
Runnels
Ryan
St Germain
Sarbanes
Scheuer
Seiberling
Smith, Iowa
Stanton, James V.
Stokes
Stratton
Stuckey
Sullivan
Symington
Thompson, N.J.
Tiernan
Udall
Ullman
Vanik
Waldie
Watts
White
Wilson, Charles H.
Wolff
Wright
Wydler
Yates
Young, Tex.
Zablocki

NOES—201

Abbitt
Abernethy
Anderson, Ill.
Andrews, Ala.
Archer
Arends
Ashbrook
Aspinall
Baker
Belcher
Bell
Betts
Bevill
Bow
Bray
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burleson, Tex.
Byrnes, Wis.
Byron
Camp
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clawson, Del
Cleveland
Collier
Collins, Tex.
Colmer
Conable
Coughlin
Crane
Daniel, Va.
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
du Pont
Dwyer
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Findley
Fish
Fisher
Flood
Flowers
Flynt
Ford, Gerald R.
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Fuqua
Goodling
Griffin
Gross
Grover
Gubser
Hagan
Haley
Hall
Hammerschmidt
Hansen, Idaho
Harsha
Harvey
Hays
Henderson
Hogan
Holifield
Hull
Hunt
Hutchinson
Jarman
Johnson, Pa.
Jonas
Jones, Ala.
Keating
Keith
Kemp
King
Kyl
Landgrebe
Latta
Lennon
Lent
Lloyd
Long, Md.
Lujan
McClory
McCloskey
McClure
McCollister
McDade
McEwen
McFall
McKevitt
McKinney
McMillan
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Mathis, Ga.
Mayne
Michel
Miller, Ohio
Mills, Md.
Minshall
Mizell
Monagan
Mosher
Myers
Natcher
Nichols
Passman
Patten
Pelly
Pettis
Pirnie
Poff
Powell
Price, Tex.
Purcell
Quie
Quillen
Railsback
Rarick
Reid, Ill.
Rhodes
Robinson, Va.
Robison, N.Y.
Rooney, N.Y.
Rooney, Pa.
Rousselot
Ruppe
Ruth
Sandman
Satterfield
Scherle
Schmitz
Schneebeli
Schwengel
Scott
Sebelius
Shipley
Shoup
Shriver
Sikes
Skubitz
Slack
Smith, Calif.
Smith, N.Y.
Snyder
Spence
Springer
Stafford
Stanton, J. William
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stubblefield
Talcott
Taylor
Terry
Thompson, Ga.
Thomson, Wis.
Thone
Veysey
Waggonner
Wampler
Ware
Whalen
Whalley
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wyatt
Wylie
Wyman
Young, Fla.
Zion
Zwach

NOT VOTING—48

Barrett
Blackburn
Burlison, Mo.
Carter
Clark
Conyers
Diggs
Donohue
Dowdy
Edwards, La.
Esch
Evins, Tenn.
Garmatz
Gettys
Goldwater
Griffiths
Hastings
Hébert
Hillis
Hosmer
Hungate
Ichord
Jones, Tenn.
Kuykendall
Kyros
Landrum
Long, La.
McCulloch
McDonald, Mich.
Montgomery
Morse
Nelsen
Peyser
Pickle
Poage
Roybal
Saylor
Sisk
Staggers
Stephens
Teague, Calif.
Teague, Tex.
Van Deerlin
Vander Jagt
Vigorito
Whitehurst
Whitten
Yatron

So the amendment was rejected.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I voted "nay" by mistake. I want to be recorded as voting "aye," and ask unanimous consent that my vote be corrected accordingly.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

AMENDMENT OFFERED BY MR. THOMPSON OF GEORGIA

Mr. THOMPSON of Georgia. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

DEPARTMENTAL MANAGEMENT

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, $10,830,000, together with not to exceed $1,049,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of Georgia:

On page 26, line 25, strike $10,830,000 and strike $1,049,000 and substitute in lieu thereof $8,581,000 and $947,000 respectively.

Mr. THOMPSON of Georgia. Mr. Chairman, I offer this amendment for the purpose of removing from the bill that portion of the appropriations for the Office of Civil Rights which on page 640, volume 4 of the printed committee hearings, J. Stanley Pottinger said would be used in effect to implement the Swann decision of the Supreme Court.

This returns the budget for the Office of Civil Rights back to what it was last year.

For those of you who have not been as interested in the Swann decision as have I, that was the Charlotte-Mecklenburg County decision by which the Supreme Court OK'd busing in order to achieve racial balance within school districts.

We in the South have had a tremendous upheaval in recent years in our school system. We have in many areas deteriorated in the system of public education in order to achieve integration, or balance, or whatever you may wish to call it.

School bonds votes have been failing and the public in the South, and possibly throughout the entire Nation, are losing their confidence in the public school system. They are no longer in my area voting for the bonds needed actually in order to keep our schools at the high level we desire to keep them.

One of the main reasons for this is people, the citizens, are becoming somewhat disturbed that the sociologists are using our school system for social experimentation.

Now I happen to believe in equal rights and equal opportunities. I happen to be one Member from the South who voted for the Civil Rights Act of 1967.

I voted for equal opportunities. That is what I believe in. But, I do believe we have gone too far when we are going to completely upset all of the work that has been done in the past few years and review all of the cases in the South to see we had in school desegregation, to see whether or not they comply with the criteria as set in the Swann decision on school busing.

Some people say that this should be done, but we in the South have more integration than in the North.

President Nixon stated he was opposed to busing for racial balance purposes. When the Supreme Court announced their decision, he said:

> It is the law and I am going to obey it.

I certainly agree that it is the law. I happen to have introduced a constitutional amendment and I am making an effort by this to change the interpretation of the Constitution because I think that is the proper way to handle it—through a constitutional amendment.

Wherever the courts are involved, the Swann decision, of course, must be considered. However, this approximately $2.5 million additional money is going to allow HEW to go into areas in which there are not court cases now pending. If there is a court case, yes, the courts must consider that. But if it is not in the courts, we should not appropriate additional money merely to review schools in this area. That is the reason I offer the amendment. It would return the appropriations back to the level of last year.

Mr. RARICK. Mr. Chairman, I have an amendment at the desk on this same section of the bill, except my amendment would strike the entire appropriation dealing with the Office for Civil Rights.

Testifying at the hearings before the Appropriations Subcommittee, J. Stanley Pottinger, Director of the Office for

Civil Rights, and Assistant to the Secretary for Civil Rights, outlined the purposes for which he sought funding of almost $11 million plus additional authority to spend $1,049,000 from social security trust funds.

In elementary and secondary education, the Director of the Office for Civil Rights testified, volume 4, page 640, that in fiscal year 1972, we will be focusing attention on the following areas of enforcement:

> 1. Renegotiation where necessary of Title VI, voluntary desegregation plans now in effect which do not meet the principles enunciated by the Supreme Court in *Swann* vs. *Charlotte-Mecklenburg Board of Education*, a landmark decision handed down on April 20, 1971.
>
> 2. Provide assistance to the Office of Education on questions of eligibility and civil rights compliance in administering the Administration's proposed $1.5 billion Emergency School Aid Act, if and when the legislation is enacted by Congress.
>
> 3. Continue the program of compliance reviews of school districts throughout the country and investigate cases of possible inschool discrimination, including alleged discriminatory treatment of black teachers.
>
> 4. Enforce the May 25, 1970 memorandum and its policies of non-discrimination in districts with national origin group minorities.

But most important to my people and yours was the explanation of enforcement of the Swann decision. The *Swann* case was the latest Supreme Court decision to torture liberty by ordering the busing of schoolchildren to achieve some mystical and theoretical proportions of racial balance in public schools. In other words, we are not only being asked to approve of the Supreme Court busing decision, but put up the money to enforce that judicial fiat.

Without even commenting on the legal gymnastics the Supreme Court went through to arrive at its legislation of busing to achieve racial proportions. I can honestly say that I have never received a letter from any of my constituents of any shade or color who agreed with the decision or indicated that they wanted to spend any of their hard-earned tax money to be whipped into line by additional busing directed by the Office for Civil Rights. No one wants this busing of schoolchildren. The parents and taxpayers are growing weary of financing the destruction of their community school systems. What will they now think when they learn their social security trust funds are also being considered as funds to bus their children across town to a neighborhood that they don't choose to live in.

The cities are already wailing about financing woes from racial experimentation. This section would further aggravate the situation by requiring the cities to finance massive numbers of buses and additional employees. I find nothing in this bill which would finance the crises that it would create.

Certainly the Members of this body who were so laudatory in praise of the Civil Rights Act of 1964 recall that definition (b) of 42 U.S.C. 2000 C reads:

> Desegregation means the assignment of students to public schools and within such schools without regard to their race . . . but desegregation shall not mean the assignment of students to public schools in order to overcome racial imbalance.

This portion of the civil rights bill has never been declared unconstitutional, although the matter has been to the Supreme Court; therefore, it is the law of the land as provided in the Constitution, article VI:

> This Constitution and the Laws of the U.S. which shall be made in pursuance thereof . . . shall be the supreme law of the land.

I also remind the Members that in the appropriation hearings, the Civil Rights Director also announced his intent to use these funds to extend the busing concept to higher education, thus, even denying to some college students the right to seek his or her campus.

To support in excess of $11 million of which an undivided portion is sought to break the laws of the land is a breach of the oath of office voluntarily assumed by each Member of this body to support and defend the Constitution.

To approve of this busing appropriation, knowing in advance that the taxpayers' dollars will be used in carrying out the de facto busing laws of the Supreme Court in direct contravention of the law of the land is not only a breach of our oath, but ridicules the existing laws already enacted.

I am reminded of Thomas Jefferson's Bunker Hill analogy on the "independence of the judiciary" trampling on the "independence of the legislature." If the States and Congress were to defy the Constitution, who then if not the Supreme Court, would defend it? The answer is most obvious—the people. The people can get at legislators who defy the basic law on each election day and replace them. But there is no election day for the Supreme Court. The more serious dilemma arises, "Who will defend the Constitution if the Supreme Court abuses it?" This answer is obvious. The power of the purse rests with us here in Congress to delete all funding of the Office of Civil Rights until its unelected bureaucrats determine that they will obey the laws of this legislative body and the Constitution, not de facto laws enacted by raw judicial power. This is the solemn responsibility of each of us who believes in maintaining the "independence of the legislature."

After all, with the maverick members now serving on the Supreme Court, there is no need for an Office of Civil Rights.

I urge support for this amendment—for the independence of this legislative body—and to prevent massive forced busing of schoolchildren this fall.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment and to this kind of amendment. What my friend has just said was not to debate the appropriations bill. He did not discuss its merits. But he made a plea, and not very impassioned, by the way, as they usually are, that the Supreme Court of the United States has made a bad decision. The gentleman does not like it. What is the matter with that? Can you imagine how many Supreme Court decisions I do not like? Can you imagine how many you do not like?

But to try to negate it in this bill, you are flying in the face of the Constitution of the United States, no matter what you think of that Court's decision. Under no circumstances could you support such an amendment and leave the Hall of Representatives with a proper face.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. THOMPSON of Georgia. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

> DEPARTMENTAL MANAGEMENT
>
> For expenses, not otherwise provided, necessary for departmental management, including $100,000 for the National Advisory Committee on Education of the Deaf, $47,570,000, together with not to exceed $5,926,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein; and not to exceed $29,000 to be transferred from "Revolving fund for certification and other services," Food and Drug Administration.

The Clerk read as follows:

> Amendment offered by Mr. GONZALEZ: On page 27, line 7, after "Deaf," strike out "$47,570,000" and insert "$37,570,000".

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. GONZALEZ. Mr. Chairman, my amendment would reduce the funds for HEW departmental management by $10 million.

The committee has complained that despite personnel ceilings imposed by the Office of Management and Budget, the HEW folks keep asking for more people. In other words the ceiling is really a sort of floor, and what seems to be a maximum number of people in the bureaucracy is really a minimum. The committee is right to be concerned about this.

I cannot reconcile that with the fact that the committee is asking to approve more money for HEW management. It seems to me that if the concern is well founded, we ought to make that concern not merely known, but also felt.

I think that we ought to apply the rule of gross bureaucracy here. There are too many people in Government who are serving mere decorative roles. We need more Indians and fewer chiefs.

Today it takes 15 whole pages of the Congressional Directory just to make a listing of the big chiefs of HEW. That compares to 11 pages for the Department of State, which we all know is a classic study in weighty bureaucracy. HEW has nearly as many big wheels as the Department of Defense, which requires 20 pages to list them. But I confess they are not as overweight as the Department of Agriculture, which needs 18 pages worth of superchiefs to run their programs.

I believe that the weight of the HEW bureaucracy is excessive. One way to achieve the desired increase in management efficiency might be to cut the funds available to the managers, so that they can make clear-cut choices between expanding their own offices and putting people into the field to run programs.

My amendment would reduce the gross weight of HEW, and I hope that the result will be an organization that is lean and hungry. They tell me that a lean man runs faster and generally enjoys better health than a fat man. I am suggesting that we adopt a weight reducing program for HEW.

Mr. FLOOD. Mr. Chairman, naturally, I oppose such an amendment. This is patently, obviously punitive. I have not the faintest idea why. This ruins the effectiveness of the Office of the Secretary of Health, Education, and Welfare. Why? Obviously, this kind of thing should not even be presented here.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GONZALEZ).

The amendment was rejected.

Mr. FLOOD. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendations that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. HOLIFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10061) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes, had directed him to report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered on the bill and all amendments thereto to final passage.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. DELLENBACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 372, nays 25, not voting 36, as follows:

[Roll No. 210]

YEAS—372

Abbitt
Abernethy
Abourezk
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Aspinall
Badillo
Baker
Baring
Barrett
Begich
Belcher
Bell
Bennett
Bergland
Betts
Bevill
Biaggi
Biester
Bingham
Blanton
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Bray
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton
Byrne, Pa.
Byrnes, Wis.
Byron
Cabell
Caffery
Carey, N.Y.
Carney
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Collier
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Culver
Daniel, Va.
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellums
Denholm
Dent
Dickinson
Dingell
Dorn
Dow
Downing
Drinan
Dulski
Duncan
du Pont
Dwyer
Eckhardt
Edmondson
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Gaydos
Gettys
Giaimo
Gibbons
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Gubser
Gude
Hagan
Halpern
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Harvey
Hathaway
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hogan
Holifield
Horton
Howard
Hull
Hunt
Hutchinson
Ichord
Jacobs
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kazen
Keating
Kee
Keith
Kemp
King
Kluczynski
Koch
Kyl
Landrum
Latta
Leggett
Lennon
Lent
Link
Lloyd
Long, Md.
Lujan
McClory
McCloskey
McClure
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKay
McKevitt
McKinney
McMillan
Macdonald, Mass.
Madden
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills, Ark.
Mills, Md.
Minish
Mink
Minshall
Mitchell
Mizell
Mollohan
Monagan
Moorhead
Morgan
Morse
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Konski
O'Neill
Passman
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Peyser
Pike
Pirnie
Podell
Poff
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Pryor, Ark.
Pucinski
Purcell
Quie
Quillen
Railsback
Randall
Rangel
Rees
Reid, Ill.
Reid, N.Y.
Reuss
Rhodes
Riegle
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarbanes
Satterfield
Scherle
Scheuer
Schneebeli
Schwengel
Scott
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Springer
Stafford
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Sullivan
Symington
Talcott
Taylor
Terry
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Udall
Ullman
Vander Jagt
Vanik
Veysey
Waggonner
Waldie
Wampler
Ware
Watts
Whalen
Whalley
White
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Young, Fla.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—25

Archer
Ashbrook
Bow
Brinkley
Camp
Collins, Tex.
Colmer
Crane
Dellenback
Dennis
Derwinski
Devine
Edwards, Ala.
Flynt
Griffin
Gross
Grover
Haley
Hall
Landgrebe
Mathis, Ga.
Rarick
Rousselot
Schmitz
Thompson, Ga.

NOT VOTING—36

Blackburn
Burlison, Mo.
Carter
Conyers
Diggs
Donohue
Dowdy
Edwards, La.
Esch
Garmatz
Goldwater
Griffiths
Hastings
Hébert
Hillis
Hosmer
Hungate
Jones, Tenn.
Kuykendall
Kyros
Long, La.
McCulloch
Montgomery
Nelsen
Pickle
Poage
Robison, N.Y.
Saylor
Sisk
Teague, Calif.
Teague, Tex.
Van Deerlin
Vigorito
Whitehurst
Whitten
Yatron

So the bill was passed.

The Clerk announced the following pairs:

Mr. Burlison of Missouri with Mr. Kuykendall.
Mr. Teague of Texas with Mr. Goldwater.
Mr. Garmatz with Mr. Esch.
Mr. Jones of Tennessee with Mr. Carter.
Mr. Kyros with Mr. Hastings.
Mr. Montgomery with Mr. Blackburn.
Mr. Sisk with Mr. Hosmer.
Mr. Van Deerlin with Mr. Diggs.
Mr. Vigorito with Mr. Conyers.
Mr. Yatron with Mr. Hillis.
Mr. Pickle with Mr. Nelsen.
Mr. Hébert with Mr. Robison of New York.
Mrs. Griffiths with Mr. Saylor.
Mr. Dowdy with Mr. Teague of California.
Mr. Whitten with Mr. Whitehurst.
Mr. Hungate with Mr. Long of Louisiana.
Mr. Donohue with Mr. Edwards of Louisiana.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed and include extraneous matter.

The SPEAKER pro tempore (Mr. GIAIMO). Without objection, it is so ordered.

There was no objection.

BUDGET INCREASED TODAY

(Mr. BOW asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BOW. Mr. Speaker, I think the RECORD should show what the House has done today.

In two appropriation bills that we have acted upon, we have increased the budget by $1,833 million.

I am wondering what they are going

to say about inflation now. I wonder whose responsibility it is going to be.

It is about time that we began to stop, look, and listen when it comes to expenditures of this kind.

CONFERENCE ON THE PENTAGON PAPERS

(Mr. DOW asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DOW. Mr. Speaker, yesterday the chairman of the House Republican Conference charged a group of Congressmen with playing politics by conducting a conference on the Pentagon papers.

As chairman of the conference, I say it is not our objective to place the onus of the Vietnam war on any particular administration. Published reports to that effect are misleading.

As Members of Congress, it is our responsibility to look into the decisionmaking process at the Pentagon.

Our conference and its record will be open to the public. A wide variety of authorities representing a gamut of political thinking and party affiliation have been invited to participate.

All Members of Congress, including my colleague from Illinois, were invited to attend. Our conference should be judged after it has been held, not before.

History will judge the Pentagon papers. For us, it is vital to weigh this data promptly; draw the lessons necessary to conclude our Vietnam involvement now; and to avoid such entanglements in the years directly ahead.

I append a schedule of the conference as planned:

SCHEDULE OF EVENTS DURING CONFERENCE ON PENTAGON PAPERS, JULY 27–30

TUESDAY, JULY 27

2141 Rayburn, 1:00 p.m. till 3:30 p.m., Opening session of conference on Pentagon Papers. John Dow, as chairman, will give brief opening remarks. He will then introduce outside participants who in turn will each give brief statements. Conference will then proceed as an informal discussion. First session will probably focus on the actual content and historical significance of the Pentagon Papers.

Participants from outside the Congress: Fred Branfman, Noam Chomsky, Tran Van Dinh, Cynthia Frederick, Ernest Gruening, Melvin Gurtov, Ngo Vinh Long, David Marr, David Truong, General Nguyen Chanh Thi, and Tony Russo.

3:30 p.m. till 3:45 p.m.: Press will be able to question any participants.

WEDNESDAY, JULY 28

1:00 p.m. till 4:00 p.m.: Second session of conference will take place. It is expected that conference will move into more current considerations and will examine the implications of the Papers in terms of present policy.

Participants from outside the Congress: Robert Anson, Ramsey Clark, Tran Van Dinh, Ernest Gruening, Melvin Gurtov, Ngo Vinh Long, David Marr, Jonathan Mirskey, Bishop Paul Moore.

4:00 p.m. til 4:15 p.m.: Press will be able to question any participants.

THURSDAY, JULY 29

1:00 p.m. till 4:00 p.m.: Final session of conference. Focus will probably be on the present and future course of our involvement in Southeast Asia, with discussion touching on such points as the coming Vietnamese elections, the Presidential trip to China and the seven-point peace proposal in Paris.

Participants from outside the Congress: Robert Anson, Melvin Gurtov, Mortimer Halperin, Ngo Vinh Long, Don Luce, David Marr, Jonathan Mirskey, Marcus Raskin.

4:00 p.m. till 4:30 p.m.: Outside participants will be free to answer any questions from press.

FRIDAY, JULY 30

10:00 a.m.: The seventeen Congressional sponsors will hold a press conference to talk about what they consider to be the results of the three-day conference.

(NOTE.—List of outside participants is subject to additions or deletions.)

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. DOW. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, does the gentleman in the well here and now publicly repudiate the agenda for July 7 which was published in the Washington Post on July 25?

Mr. DOW. That was hearsay, I will say to the gentleman from Illinois here and now, and I never saw it before it appeared in the Washington Post.

THE WAR AND THE PENTAGON PAPERS

(Mr. RYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RYAN. Mr. Speaker, yesterday, the gentleman from Illinois (Mr. ANDERSON) took the floor to accuse Members of this body who are sponsoring this week's conference on the Pentagon papers of "playing politics with the war" and "plotting to undermine President Nixon's Vietnam policies and force acceptance of the Vietcong peace proposal—all for narrow partisan purposes."

The remarks of the gentleman from Illinois (Mr. ANDERSON) are both a gross misstatement as to the purpose of our conference and a personal affront to those Members of the House sponsoring it.

The value of history is as a teacher. By evaluating the lessons of the past, we may know a little more about the present and the future. The Pentagon papers present us with that kind of opportunity. The light they shed on the Vietnam war, and this Nation's involvement in it, may well serve to aid us in understanding the present course of that conflict and help us to resolve it.

The gentleman from Illinois well knows of my personal opposition to American involvement in the Vietnam war from the very beginning of that conflict under a President of my own party. He knows that I have cast my vote against every appropriation to sustain that conflict and have supported every effort to bring it to an end. I believe that the administration's policy of Vietnamization contemplates a continued American presence in Southeast Asia to prop up the repressive Saigon regime. This is basically a continuation of past policy.

The seven point proposal at Paris offers an opportunity to negotiate a settlement by setting a fixed date for withdrawal and the release of all American prisoners of war.

I urge the gentleman from Illinois to join me in calling upon the President to instruct our negotiators in Paris to negotiate seriously on the seven points.

That is the way to forge a lasting peace rather than engage in partisan attacks upon those of us who believe that the revelations of the Pentagon papers may help to bring about a change in the administration's Vietnam policy.

AGENDA FOR A MEETING ON JULY 7

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, it has never been my practice in the 10 years I have served in this body to impugn the personal integrity of any Member on either side of the aisle. If the gentleman from New York (Mr. DOW), assures me, as he did a minute ago, that he never saw the published agenda that appeared in the press of July 25, I certainly am willing to accept his word.

I would repeat, however, certain quotes—and it does appear in quotation marks—from the agenda for the meeting of this group on the 7th of July, which made it clear that the purpose was to undermine the present policies of the administration and to obtain a democratically sponsored action forcing the acceptance of the Vietcong proposal.

This is what I wanted to call to the attention of the House. If the gentlemen in that group now want to repudiate that agenda, I would be only too happy to have them do it.

Mr. RYAN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from New York.

Mr. RYAN. If the gentleman heard me a minute ago, I said it is time to change the present policy of this administration, time for this administration to start negotiating seriously on the seven points at Paris. I again urge the gentleman from Illinois (Mr. ANDERSON) to join me in calling upon the President to do so.

CATCHING UP WITH THE ADMINISTRATION ON VOLUNTARY TRADE RESTRAINTS

(Mr. FULTON of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FULTON of Tennessee. Mr. Speaker, last week I took occasion to note in the RECORD the administration's latest public relations flip-flop. This instance happened to relate to the role which our distinguished Ways and Means chairman, the gentleman from Arkansas (Mr. MILLS), has played in paving the way for voluntary export agreements on textiles by the Japanese and on shoe exports by the Italians.

On textiles the administration feigned surprise while doing a not-too-discrete slow burn by being upstaged by Mr.

Mills after its bureaucratic legions had fumbled their lines and entrance. On shoes, the administration, through one of its public relations second stringers, tried to claim all the credit when, once again, our chairman had moved ahead to open the door for a voluntary agreement which was taken by the Italians, not negotiated by the administration. The next day, however, the tune was changed.

This latest public relations flip-flop has been noted and appropriately commented upon in the July 23, 1971, Nashville Tennessean in an editorial entitled "Mr. Mills Seems To Give White House Bad Dreams."

Mr. Speaker, it seems to me that the administration would learn to tread a bit more lightly in the future. It is all right to whistle when you walk by the cemetery but, in the words of the venerable Satchel Paige:

> Don't look back 'cause they might be gaining on you.

As far as the public is concerned the administration has been caught on this one. I insert the Nashville Tennessean editorial in the Record at this point and commend it to the attention and consideration of my colleagues.

Mr. Mills Seems To Give White House Bad Dreams

The Nixon administration's nightmare must be that it will wake up some morning and find that Rep. Wilbur Mills has single-handedly settled the Vietnam war.

It has to be such a recurring nightmare to explain the administration's strange and transparent elephant walk in pubic relations when Mr. Mills hands it a victory on a silver platter.

Earlier this year, and after the Nixon administration had made a game of charades of its effort to come to some agreement with Japan on textiles, Congressman Mills stepped in and persuaded Japan to accept voluntary restrictions on synthetic and wool textile exports to the U.S.

The White House reacted as if somebody had purloined all its comic books. It went into its elephant walk and before it was done everybody was chuckling at what was obvious: Mr. Mills had easily pulled off what it had been trying to convince everybody was a near impossibility.

Last week there came another piece of exceedingly good news—and quite favorable to the White House: voluntary restraints by Italy upon its shoe exports to the U.S. The news brought cheers from the domestic footwear industry and from organized labor and others who fear the tide of imports is threatening domestic industry.

Instead of making a forthright and candid announcement of the news and giving credit where credit was due, the White House instead invited selected reporters to Mr. Herbert Klein's office where they were given a "background briefing" on the good news about Italy's export decision.

The same day in a speech before a conference of organized labor, dealing with the job problem, Mr. Mills pointed out Japan's voluntary restrictions on textiles. And, in an aside that was neither boastful nor an attempt to claim credit, he said he had helped arrange a similar limitation on Italian footwear.

Asked later by a newsman to amplify, he said he had been approached by U.S. firms to try to arrange such a deal, found it possible through Italian sources and then turned it over to the White House.

Suddenly, the White House went silent. It hadn't mentioned Mr. Mills' role at all. The next day another "news leak" conference was called, then canceled. But "unofficial sources" were scrambling around trying to get over the idea that the shoe import restriction really was the result of long and hard bargaining by the administration's man in Rome.

The White House still doesn't want to admit Mr. Mills was helpful, but it also doesn't want to antagonize him, for the Arkansas Democrat holds in his hand the future of a great deal of Nixon administration legislation. It would have been easy enough for the White House to have given Mr. Mills credit, announced the news and had a victory. Instead it appeared both inept and ungrateful.

WHAT DO YOU DO WITH $235 MILLION?

(Mr. NIX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NIX. Mr. Speaker, some weeks ago the Congress eliminated funds in the administration's budget request to continue the development of a supersonic transport prototype. The particular sum involved was $235 million.

Now I am not entirely sure what happens to a sum this large which has been deleted but I would hope that it means we have $235 million to apply for critical public purposes.

I would like to believe that part of these funds, which was to have gone to aid one form of transportation, can now be applied to another—specifically assistance to cities to develop urban mass transportation. Anyone who commutes within any metropolitan area in this country is familiar with the detrimental effects on our environment and to our health brought about by heavy automobile traffic.

Cities are desperately attempting to develop alternative means of intercity and intracity transportation and, we all know, alternative means means money.

I have accordingly introduced a resolution, House Concurrent Resolution 372, which expresses the sense of the Congress that the President include in the budget for fiscal year 1972 an additional $235 million for urban mass transportation and public housing to replace his original budget request of that amount for the supersonic transport.

It seems like such a logical step to take; a step which was suggested to me in a letter from the Governor of Pennsylvania, the Honorable Milton J. Shapp.

I am well aware, Mr. Speaker, that the present administration has withheld, unconstitutionally I might add, more than $12 billion appropriated by this Congress for urban, health, and education programs. Of this fantastic sum in appropriated moneys—the administration is not known for its lack of temerity—are some $200 million which were to go to urban mass transit and $973 million for public housing purposes.

These funds were authorized and appropriated because they were necessary. They were necessary many months ago and yet remain unspent. The additional funds of which I speak, the $235 million, can be applied to meet part of the need for new public housing starts and public transportation above and beyond the $12 billion appropriated by the Congress.

It appears that the administration is suggesting that we just sit back and wait for some politically advantageous time for it to release the $12 billion. I, for one, do not intend to respond to such imperious suggestions nor do I propose to become a party to the myopic affliction affecting the administration's domestic economists.

ANOTHER FINANCIAL CONGLOMERATE IN TROUBLE?

(Mr. MADDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MADDEN. Mr. Speaker, the Congress this week and for the past several weeks, has been devoting a great deal of time to debating the President's request to give about $250 million of the taxpayers' money to Lockheed Corp. The news media reports that the administration also wants to add to the Lockheed "bailout" about $1.75 billion of the taxpayers' money to help industrial misguided financial conglomerates who have been having a field day juggling Government and defense contracts in recent years.

I am including with my remarks a letter I have received from Mr. James N. Anogianakis, of 4510 East 10th Avenue, Gary, Ind., regarding the financial manipulations of Gulf & Western Industrial Products Co., who has also been having a field day with Government contracts. Mr. Anogianakis is one of the officers of Local 1231, International Brotherhood, Iron Ship Builders, Blacksmiths, Forgers, and Helpers. I am asking the Defense Department to give me a complete report on why the Gary plant of Taylor Forge, a defense production industry under the control of this company, has been one of the 10 other companies which the Gulf & Western has accumulated in their corporate conglomeration and are now in financial difficulties. Maybe if Congress follows the administration's recommendation on Lockheed, the taxpayers will have to "bail out" the officials of the Gulf & Western conglomerate and, who knows? Maybe others.

The letter follows:

Gary, Ind.
July 21, 1971.

Hon. Ray J. Madden: I have put off writing to you the past several weeks in hopes of seeing you personally while in Gary, but since this has not come about I am putting it in writing.

Several weeks ago we were told that the Board of Directors of Gulf & Western had decided to close the Gary plant of Taylor Forge and we, members of Local 1231, International Brotherhood, Iron Shop Builders, Blacksmiths, Forgers & Helpers, were disturbed very much. It is not only the closing of this plant, in which we are employed, but also the closing of ten (10) other plants which, put together, has a very disturbing effect on the National Economy.

Why does the Government allow conglomerates such as Gulf & Western to buy up a number of small plants then after operating them for a year or so close them?

This evening we were informed that the Bargaining Committee had a meeting with company officials for tomorrow, but was canceled due to the company officials having a meeting with the Air Force. The hammers, boring mills, heat treat furnaces (about 1 year old), rotary furnaces, etc. are all property of the Air Force, and we feel that this conglomerate has been making money with our money (as taxpayers) and now they tell us "We are not making enough money so we are closing your plant." I feel that such an organization does not deserve nor does it merit to have another Government contract. In the speech that the plant manager of the Cicero plant gave his workers he stated that they were quoting on an order with the Atomic Energy Commission which would total $4,000,000 over the next 2 or 3 years, they are also quoting on 6 million dollars worth of business for the Silent Sub Program and in view of their inability to properly maintain and operate the other plants that they have swallowed up they should not be considered for this vital Government work. Why???????? They acquired the Gary Plant of Taylor Forge with all of this Government equipment and they can't make it go, how can they properly supply the above two projects????????

In going back to the closing of plants here they are:

1. Bay Casting in Holland, Michigan.
2. E. W. Bliss Company's foundry in Hastings, Michigan.
3. Scott's Inc. in Holland, Michigan.
4. Chase Manufacturing Company in Douglas, Michigan.
5. Grand Rapids Brass Plant of the Crampton Division.
6. Good Roads Machinery Div. of the E. W. Bliss Company in Minerva, Ohio.
7. Michigan Plating of Detroit.
8. Furniture City Plating of Grand Rapids.
9. Industrial Products at Grand Rapids.
10. Kamis Engineering in Pennsylvania.
11. Taylor Forge, in Gary, Indiana.

The above plants are part of the Gulf & Western Industrial Products Company alone and do not include other plant closings which have recently taken place in other Gulf & Western Groups.

They built a 3 million dollar Lab & office building and an Etch house which will make for a substantial tax write off, which should be looked into.

Mr. Madden, in closing, I and many of our local 1231 members who have read this letter, hope that you can take some action directly or indirectly that something can be done with these GIANT OCTOPUS' that have been condoned by the Government up to now. Would like to have you come, if possible, to our next scheduled union meeting, on Sunday, August 8, 1971 at the Union hall on the southwest corner of 6th and Massachusetts.

Respectfully yours,
JAMES N. ANOGIANAKIS.

UNFULFILLED PROMISES: HOUSING FOR MIGRANT FARMWORKERS

(Mr. BADILLO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BADILLO. Mr. Speaker, I want to call to the attention of our colleagues a program designed to benefit migrant farmworkers, but which is failing to achieve its objectives.

An amendment to the Housing Act of 1949 established in 1961 a program of insured loans at 5 percent interest for farmers, associations of farmers, nonprofit organizations, and States and their subdivisions for the construction or repair of housing for seasonal and migrant farmworkers and their families.

In 1965 Congress provided for grants to States and their subdivisions and to nonprofit organizations for up to two-thirds of the cost of rental housing for farmworkers.

Through June 1971, $32.1 million—$17.6 million in loans and $14.5 million in grants—has been obligated. This represents approximately 25 percent of the available loan funds and 70 percent of the available grant funds. Since the funding for the program has been running at little more than 20 percent of authorized levels, these data indicate the program has not been particularly well-implemented by FMHA.

This can be seen in another way. Through June 1971, only about 200 of an estimated 550 applications for loans and grants had been approved. The funded projects have provided about 4,000 units to house families and just over 3,300 to house individual farmworkers. According to the Rural Housing Alliance, this meets about 2 percent of the need for farm labor housing.

Sixteen organizations—six private, nonprofit organizations, and 10 public housing authorities—received grants between 1965 and early 1970. Only three received the maximum allowable grant—two-thirds of the project cost—and only two others received over 50 percent. The decision largely to limit grants of 50 percent resulted from FMHA's deference to the stated wishes of the House Appropriations Committee.

This policy has meant higher rents to the tenants of housing built with FMHA grants. The Rural Housing Alliance places the average rent at over $50 per month plus utilities and reports at least one project that rents at $85 per month plus utilities.

The case of Florida illustrates how ineffective this housing program has been since its inception 10 years ago. Florida received more FMHA money than any other State—$14 million or 51 percent of all loans and grants made between 1961 and 1970. This resulted in 2,000 family units—about 50 percent of the nationwide total.

Yet, housing for seasonal and migrant farmworkers in Florida remains totally inadequate. The State health department says 40 percent of 406 private farm labor camps housing 30,000 seasonal workers are unacceptable under the State code. The Florida State Office of Economic Opportunity reports 332,403 substandard houses in the State and 17 counties where substandard housing comprises 40 percent of all housing.

An independent survey of 9,000 Florida migrants conducted by a University of Miami professor drew the following profile of migrant housing facilities in Florida: 5 percent had no electricity; 31 percent had no working sink; 18 percent had no screens; 41 percent had no functioning toilet; and 42 percent had no shower or tub.

The study found the average migrant family had five members and lived in a three-room unit.

It is evident that the program of farm labor housing grants and loans is not working. Only $1.2 million was obligated in all of fiscal 1971, five grants totaling $736,000 and 13 loans for a total of $474,000.

Unfortunately the program enjoys low priority—its operation represents about one-half of 1 percent of the agency's expenditures—and FMHA is understaffed to handle the program. The FMHA limits program eligibility to public bodies, ignoring its statutory authority for grants to broad-based nonprofit organizations. Moreover, the application process is unnecessarily lengthy and complex and the grants are made on an ad hoc basis without adequate knowledge of need. The power lies with local county officials as well as local individuals and organizations, and farmworkers are effectively excluded from the process.

A very significant problem with the program is that the subsidy is not deep enough to make it attractive or worthwhile. Congress recently lowered the interest rate to 1 percent and increased the allowable grant to 90 percent of project cost in hopes of stimulating greater use of the program by growers and grower organizations. Congress must recognize, however, that the terms upon which funds are available coupled with the necessity of local initiative means that housing is unlikely to be provided for migrant farmworkers who are different culturally and ethnically from the rest of the community.

This is a program that has not lived up to its potential and that has raised false hopes and expectations among migrant farmworkers. Before we start adding new programs to old ones, let us make old ones effective.

Let us get the necessary data to make realistic funding decisions; let us staff the FMHA so that it will have the capability to carry out actively and aggressively the program goals; let us require that truly broad-based private bodies which include migrant farmworkers be eligible to build or repair housing for migrants; and let us face the possibility of a still deeper Federal subsidy if adequate housing for farmworkers is to become a reality.

RICHARD B. RUSSELL DAM AND RESERVOIR

(Mr. DORN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DORN. Mr. Speaker, I have today joined my colleague from Georgia, Congressman PHIL LANDRUM, in introducing a bill to name the Trotters Shoals project the "Richard B. Russell Dam and Reservoir."

Mr. Speaker, Richard B. Russell played a significant role in the development of the Savannah River. Senator Russell was born, reared and lived—throughout his lifetime—in the area of this great river. The Savannah River has one of the largest annual flow of water of the rivers of the United States and is fed by the highest annual rainfall in eastern North America. Senator Russell realized early the urgency of harnessing and utilizing this tremendous natural resource of pure mountain water for the progress and development of the Southeast. He had a passion for preserving this water for future generations.

Senator Russell supported the Flood Control Act of 1944 with subsequent approval and construction of Clark Hill Dam and Reservoir, one of the largest man-made lakes in the world. He also supported construction of Hartwell Dam further upstream, and when construction of Hartwell Dam was halted by President Eisenhower, Senator Russell played a key role in assisting the late Paul Brown and me in working out an arrangement to build protecting dams and canals at Clemson so that work could be resumed.

Later, when further development of the Savannah River was hopelessly deadlocked in controversy, Senator Russell and my colleagues Congressmen LANDRUM and STEPHENS supported the compromise I offered which authorized a dam at Trotters Shoals and a Duke Power Co. dam at Middleton Shoals. This compromise arrangement made possible the fabulous Duke Keowee-Toxaway project in South Carolina on the tributaries of the Savannah.

Approval of Trotters Shoals was especially due to the perseverance, persistence, and determination of Senator Russell. I do not believe anyone is more aware of this fact than I am as a member of the House Public Works Committee. All of the entire Nation and indeed the Free World is aware of Senator Russell's statesmanship, leadership, and skill as a parliamentarian. They know of his contributions to the military power of the United States and the cause of freedom and constitutional government. I can testify today to his devotion to the progress and development of our area, once referred to by President Franklin D. Roosevelt as the "Nation's No. 1 economic problem." That area today, due in no small part to Senator Russell, is the Nation's No. 1 area of opportunity. Mr. Speaker, it is timely, fitting, and proper that the new project at Trotters Shoals be named "Richard B. Russell Dam and Reservoir" in honor of this great and good man—one of the greatest statesmen in the modern history of the world.

SENIOR CITIZENS TRANSPORTATION ACT

The SPEAKER pro tempore (Mr. GIAIMO). Under previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 60 minutes.

Mr. CORMAN. Mr. Speaker, Arthur Fleming of the White House Conference on Aging has reported that transportation ranks second only to nutrition as being the most important need of senior citizens. In an effort to relieve that need, I am pleased to introduce a bill today which would allow elderly persons 65 and older to travel in interstate commerce for half fare during non-peak periods.

There are currently more than 20 million senior citizens in the United States who are physically and financially less mobile and who need public transportation more than any other age group. Only 1 percent of those Americans over age 65 crossed a State line last year. While the majority of our senior citizens are being forced to remain at home on fixed incomes as transportation fares continue to rise, our transportation industry continues to falter.

The major airlines, operating with load factors of less than 50 percent are experiencing massive layoffs and expect to lose between $150 and $200 million in profits this year if traffic does not pick up before the year ends. Senior citizens make up only 5 percent of the airlines' customers.

The railroads which have recently come under Federal control are operating at only 60–65 percent of their maximum capacity. Though senior citizens have expressed a preference for traveling by rail, Department of Transportation figures show that the elderly account for only 4 percent of the tickets sold in the northeast and southern corridors and rail service continues to be decreased.

The airlines currently offer discounts of 33 to 50 percent to young passengers between 12 and 22 encouraging young people to get into the habit of flying. There are also special rates for servicemen, clergy and families but nothing for the elderly.

On our Nation's railroads and buslines the blind and handicapped travel at reduced rates as do their attendants. But again there are no allowances made for the elderly.

Aiming directly at the person who has never flown, Continental Airlines offered rides for $10 on selected routes during the month of May. Under the program a would-be traveler did not know until 24 hours before the flight where he was going. All he knew was that it would not be more than 1½ hours away and that he would have to return on the next flight that returned to his home base. Continental carried 23,559 passengers during the month, 63 percent of which had never flown before.

Another example of the airlines' attempt to recruit business is Eastern Airlines' adoption of a new kind of travel called leisure class. Rather than flying either coach or first class, a passenger can choose to fly leisure class which is similar to flying on a stand-by basis. A leisure class passenger must wait to board the plane until the regular paying passengers have boarded and then he will be seated if there are vacant seats remaining. If first class seats are vacant, the leisure class passenger can fly first class at coach fares. If the plane is completely filled, the leisure class passenger must then wait to take the next plane but is allowed to fly free of charge. According to Eastern's advertisement in today's New York Times, Eastern would rather fly you free than with empty seats.

As this type of promotion indicates, there is not a carrier in the transportation industry which could not use the extra business my bill would stimulate. I suspect that substantial fare reductions could be successful in encouraging the elderly to travel more often and could be significant in relieving the loneliness of old age by allowing the elderly a greater opportunity to visit both family and friends. Approximately one-fourth of our senior citizens are living below the poverty level and do not have the means to travel but there are still some 15 million senior citizens which my bill could benefit directly—a sizable market which remains virtually untapped by the transportation industry.

Under the provisions of this legislation, elderly persons, 65 and older, would be allowed to travel in interstate commerce on planes, buses, and trains during nonpeak hours for half-fare. Unlike the present system of airline youth fares, senior citizens would be able to make reserved seat reservations and would not be required to travel space available.

Should a carrier be able to show that it incurred an economic loss during any calendar year, because of the reductions offered to senior citizens, the carrier will be able to apply to the Federal Government for financial assistance. The Federal agency responsible for tariffs of the carrier involved would be authorized to repay the carrier for his loss in accordance with the formula specified within the bill.

Another important provision of the Senior Citizens Transportation Act is which would give preference for financial assistance to State and local bodies whose mass transit systems adopt these specially reduced rates during nonrush hour. Under this provision, a city which provides bus service at half-fare for the elderly would receive financial assistance under the Urban Mass Transportation Act before a city which does not provide the same reduced fare service.

Though there are important efforts being made in Congress to relieve the financial plight of our senior citizens through reforms in our social security, tax, and medicare programs, I believe the enactment of the Senior Citizens Transportation Act will be a significant step toward reassuring our senior citizens that they truly are not the "forgotten Americans."

Mr. VAN DEERLIN. Mr. Speaker, I am glad to have this opportunity to join our colleague, JIM CORMAN, as a cosponsor of the Senior Citizens Transportation Act.

As Mr. CORMAN has pointed out, the bill would cut rates for interstate travel by persons 65 and over, and also would assign preferential status, in the allocation of Federal aid, to State and local transit authorities which have pioneered in reducing fares for the elderly.

In my home area, the publicly owned San Diego Transit Corp., established special rates 4 years ago for senior citizens riding its buses, and would, under this proposal, probably qualify for Urban Mass Transportation aid ahead of systems which have not cut rates for the elderly.

In San Diego, women 62 and over and men who are at least 65 can ride anywhere for 25 cents during nonrush hours. Other passengers pay a minimum of 40 cents for the first two zones plus 10 cents for each additional zone.

Last month, 110,257 of the 1,006,353 passengers using the San Diego system were senior citizens traveling at the special rate. The reduced fares thus account for more than 10 percent of all fares, a remarkable proportion particularly when it is remembered that the reduced rates are not available during the peak periods of 6 to 9 a.m. and 3 to 6 p.m.

I am delighted this program has proven so successful, and happy to support this bill which would recognize the special effort made by companies such as San Diego Transit.

Likewise, I applaud the features of the legislation that would cut in half the costs of interstate travel by the seniors on board trains and airliners, as well as buses.

These provisions are practical as well as humane. For in addition to giving many more of our senior citizens the opportunity to travel, they would generate new business for the carriers during otherwise slack periods. And even if the opposite proved to be the case, and a common carrier could show losses as a direct result of cutting tariffs for the elderly, relief could be obtained through the appropriate Federal agencies.

In view of all the benefits it would confer, this legislation merits early and positive action by this Congress.

Mr. WILLIAM D. FORD. Mr. Speaker, today I am joining my friend and colleague from the State of California, Mr. CORMAN, in cosponsoring a bill which would require common carriers engaged in interstate commerce to offer half-fare rates to senior citizens during nonpeak hours. This bill would cover travel in buses, trains, and planes.

There are several reasons why this legislation is necessary. First, most of our Nation's senior citizens are living on fixed incomes and cannot easily afford the full travel fares. Secondly, since most senior citizens are retired, they are able to travel during nonpeak hours when many common carriers travel with less than full capacity loads. This legislation would increase the number of passengers traveling during these hours and would increase the revenues of the carriers as well.

Legislation such as this would allow senior citizens and retirees the opportunity to get away from their daily routines and it would enable them to visit their friends and relatives who, in many cases, are scattered throughout the entire country.

There is unquestionably a great demand for this type of legislation. During the past few weeks I have received letters from many senior citizens in my own congressional district in Michigan urging me to support a Senate bill.

While I certainly am in basic agreement with the general thrust of the Senate bill, I do feel that the stronger bill, which we are introducing today, is essential if we are going to enact a truly meaningful law in this area. Today I would like to point out to my colleagues the basic differences between these two bills.

There are basically four major differences. First, our bill would actually prohibit common carriers from charging more than half the normal fare to persons 65 and older traveling during nonpeak periods. In other words, our bill actually assures that senior citizens would receive reduced rate privileges. On the other hand, S. 2055 merely authorizes reduced fare transportation. It contains nothing that would actually guarantee the lower fares to senior citizens. I would therefore like to emphasize that our bill is much stronger in this key area—our bill guarantees lower rates, the Senate bill does not.

A second basic difference is that our bill would enable senior citizens to obtain reservations in advance for this reduced fare travel. The Senate bill provides only for travel on a standby space-available basis. I feel that our bill is quite superior in this respect, since it would avoid the possibility of a senior citizen having to wait around indefinitely in a bus or airlines terminal in hopes of obtaining a vacant seat.

A third significant difference is that our bill would authorize the head of each Federal agency involved to establish a commission of elderly persons to advise him in carrying out the provisions in the act. This is particularly desirable since it would enable senior citizens to participate in formulating policies which would affect them.

Finally, our proposal also contains a section providing that special preference shall be given to State and local transportation agencies applying for Federal aid through the Urban Mass Transportation Act if the agencies adopt special reduced rates for the elderly during nonrush hours. Since the Federal Government cannot legislate directly with respect to State and local agencies, the intent of this last section is to encourage and assist local agencies who voluntarily adopt the reduced rates for the elderly.

The Senate bill does not contain any provisions comparable to these third and fourth points. It does not authorize the establishment of the senior citizens' advisory commission and its does not encourage or assist the local agencies to enact reduced rates.

Mr. Speaker, it is obvious that the legislation which we are introducing today is superior in all respects to the Senate bill, S. 2055. It guarantees the reduced rate fares and it provides for advance reservations while the Senate bill does neither. Overall, our bill provides for a comprehensive plan to assure senior citizens the most complete and convenient reduced-fare plan possible.

I would hope that my colleagues will give this bill their most prompt and favorable consideration. At this point I would like to insert the text of the bill into the RECORD:

H.R. —

A bill to prohibit common carriers in interstate commerce from charging elderly people more than half fare for their transportation during nonpeak periods of travel, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, this Act may be cited as the "Senior Citizens' Transportation Act of 1971".

TRANSPORTATION IN INTERSTATE COMMERCE

SEC. 2. (a) Notwithstanding any other provision of law, no common carrier for hire transporting persons in interstate commerce shall, during nonpeak periods of travel, charge any eligible elderly person more than half the published tariff charged the general public in connection with any transportation which is requested by any such person.

(b) In any case in which a common carrier can show that it incurred an economic loss during any calendar year solely because of the requirement imposed by subsection (a), such carrier may apply to the head of the Federal agency having jurisdiction over the filing and publishing of the tariffs of such carrier for Federal financial assistance with respect to all or part of such economic loss. The head of any such Federal agency is authorized to pay any such carrier (1) an amount not exceeding one-half the difference between the published tariff and the tariff charged elderly persons during the calendar year covered by the carrier's application, or (2) an amount not exceeding the aggregate of the economic loss of the carrier claimed under such application, whichever is less.

(c) The head of each such Federal agency is authorized to prescribe such regulations as he may deem necessary to carry out the provisions of this section, including but not limited to the defining of nonpeak periods of travel and regulations requiring uniform accounting procedures.

(d) The head of each such Federal agency is authorized to establish a commission of elderly persons to advise him in carrying out the provisions of this section.

(e) As used in this section, the term "eligible elderly person" means any individual sixty-five years of age or older who is not employed full time.

TRANSPORTATION IN INTRASTATE COMMERCE

SEC. 3. Section 3 of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following new subsection:

"(d) In providing financial assistance under this Act, the Secretary shall give preference to applications made by States and local public bodies and agencies thereof which will adopt (or require the adoption of) specially reduced rates during nonrush hours for any elderly person in the operation of the facilities and equipment financed with such assistance, whether the operation of such facilties and equipment is by the applicant or is by another entity under lease or otherwise. As used in this subsection, the term 'elderly person' means any individual sixty-five years of age or older."

GENERAL LEAVE TO EXTEND

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of the Senior Citizens Transportation Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CHOU VOWS AGAIN TO DEFEAT UNITED STATES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 10 minutes.

Mr. CRANE. Mr. Speaker, a short item in the Sunday, July 25, 1971, Washington Post, datelined Hong Kong, reads as follows:

CHOU VOWS AGAIN TO DEFEAT U.S.

(Reuter)

HONG KONG.—Chinese Premier Chou En-lai today reiterated a pledge to defeat U.S. aggressors in a message to mark the 19th anniversary of the Cuban sports day, Radio Peking reported.

The message, addressed to Cuban Prime Minister Fidel Castro, said:

> The Cuban people's struggle has provided great support to the Chinese people and people of the world in the struggle against U.S. imperialism and its running dogs.

It added:

> The Chinese government and people will as usual fight shoulder to shoulder with the Cuban people, help each other and learn from each other, and to defeat U.S. aggressors through to the end.

Mr. Speaker, I think news items such as this are a clear warning to us that President Nixon's proposed trip to Communist China must be viewed in the perspective of China's history since the Communists came to power in 1949, and particularly with regard to Chinese policy and official statements within the past few months, the so-called era of "ping-pong diplomacy."

I wish to emphasize that my own opposition to a softening of American policy toward Communist China has not developed only since the President's dramatic announcement of July 15. I have voiced my concern on repeated occasions.[1]

Since it took power 22 years ago, the Chinese Communist regime has murdered between 10 and 50 million of its own citizens. It has invaded three countries, Korea, Tibet, and India, and has been condemned as an international outlaw by the United Nations. It planned, supported, and almost accomplished the overthrow and mass assassination of the Indonesian Government, which was at the time its leading non-Communist ally. It has fomented and supported guerrilla rebellions not only in South Vietnam, but in India, Thailand, Laos, Burma, Malaysia, the Philippines, and in black African countries too numerous to list.

At the very moment when we discuss a lessening of tensions between ourselves and the Chinese Communists, His Holiness Tenzing Gyatso, the 14th Dalai Lama of Tibet, now living in exile in India, reported in the New York Times that:

> The Chinese have launched a veritable reign of mass terror. Tibetans of all classes are beaten, humiliated, tortured or killed on such flimsy trumped-up charges as harboring subversive designs against the regime, possessing religious objects or collaborating with and helping "reactionary elements."

Mao Tse-tung, as I am sure President Nixon fully understands, operates on the basis of an ideological perception of the world and of China's role in it. In October, 1967, Mao loudly declared in his "Great Strategic Deployment" that the mainland of China would remain as an arsenal as well as a political-military and technological center of the "world revolution," that his regime would continue to openly supply the various countries of the world with weapons marked "made in China," thereby making it possible for the people to carry on their armed struggles.

Again in April 1969, Lin Piao made it clear in his political report to the Ninth National Congress of the Chinese Communist Party that the Maoist regime would continue to commit itself fully to a foreign policy of "three antis"—"against the U.S. imperialism," "against the Soviet revisionism," and against "the reactionaries of all countries." Stated specifically was their "support for the Vietnamese people in carrying on their war of resistance against U.S. aggression and for national salvation to the end."

More recently, on May 20, 1970, Mao made a statement calling on people of the world to rise and fight for the overthrow of the United States. This was followed immediately by the launching in all mainland provinces of an uninterrupted series of anti-U.S. mass movement and demonstrations. Mao declared his desire to "bury U.S. imperialism and capitalism."

As President Nixon and Dr. Kissinger well know, the Maoist regime has long been a major source of chaos and tumult in Asia. This was confirmed in Mao Tse-tung's memorandum—"The Program of World Revolution"—which Chou En-lai brought to Moscow and submitted in person to Stalin in 1953.

In this memorandum Mao stressed:

> Asia is a direct target for the furtherance of internal revolution and effective infiltration, an area that can be paralyzed or subjugated by intimidation, an area where we can achieve fruitful results by this strategy. After liberation of South Asia and Southeast Asia, it would be possible to organize in Asia an armed might of 20 million well-trained combatants that could be immediately put into operation, thereby compelling the capitalist countries to embark on the road of economic bankruptcy as a result of steady increases in defense expenditures and at the same time forcing the ruling cliques of the countries being liberated to give in. It is necessary to give the greatest amount of aid to our comrades and friends in Indochina.

Referring to the "ultimate victory" of the "world revolution," Mao went on to stress in his memorandum:

> After the liberation of Indochina, communism would triumph in Burma, Thailand, and Indonesia. In these circumstances, England would reconcile itself to defeat and withdraw from the Malay peninsula. In dealing with Japan, a display of armed might is enough to place this country under subjugation and in the grip of peaceful resolution. India can be won over by peaceful means.

In an article entitled "Long Live the Victory of the People's War" written in September 1965 in commemoration of the 20th anniversary of the victory of the Chinese people's war of resistance against Japanese aggression, Lin Piao made it amply clear to all that Mao's regime was and would continue to be fully committed to the "world revolution" approach.

In this article, Lin Piao, the defense minister, stressed Mao's old adage that "Political power grows out of the barrel of a gun," that "U.S. imperialism and Soviet revisionism are all paper tigers," that "war can reform the world," and that "nuclear weapons are not dreadful at all."

More recently, at the very time of the allegedly conciliatory gesture of "ping pong" diplomacy the Chinese Communists reiterated their determination to achieve world revolution. The Peking Review for May 21, 1971, includes the following statement on pages 4 and 5:

> Following Chairman Mao's teachings, the Chinese people uphold proletarian internationalism, forever stand on the side of the people of all countries, resolutely oppose U.S. imperialism's policies of aggression and war and firmly support the people of all countries in their revolutionary struggles. This stand of ours is firm and unshakable. We will further strengthen the militant unity with the proletariat and the oppressed people and nations of the world and further unite with all the peace-loving countries and people subjected to U.S. imperialist aggression, control, intervention or bullying in the common struggle to thoroughly defeat the U.S. aggressors and all their running dogs.

It is difficult to find in this statement, made only 2 months ago, any change from the traditional aggressive posture of the Chinese Communists. Even more recently, on June 23, 1971, Premier Chou En-Lai said that the security screen the United States had erected around the island of Taiwan was a key obstacle to the establishment of diplomatic ties with the United States.

The Chinese determination to continue world revolution, and to destroy the Nationalist Chinese Government on Taiwan has been forcefully reiterated at the very moment when President Nixon has announced his forthcoming trip to China.

President Nixon's views on China are well known. Speaking during the 1968 campaign on WITI–TV in Milwaukee, Wis., he said:

> Any American policy toward Asia must come urgently to grips with the reality of China. This does not mean, as many would simplistically have it, rushing to grant recognition to Peking, to admit it to the United Nations and to ply it with offers of trade—all of which would serve to confirm its rulers in their present course. . . .
>
> Only as the nations of non-Communist Asia become so strong—economically, politically, and militarily—that they no longer furnish tempting targets for Chinese aggression, will the leaders in Peking be persuaded to turn their energies inward rather than outward. . . .
>
> For the short run, then, this means a policy of firm restraint, of no reward, of a creative counter-pressure designed to persuade Peking that its interest can be served only by accepting the basic rules of international civility.

Just 3 short years ago President Nixon declared that:

> I do not believe we should recognize Communist China now or admit it to the United Nations because that would be in effect putting the seal of approval on Communist China's present very aggressive course against India and against our forces, in Vietnam, and against all of its neighbors.

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[1] May 27, 1971, CONGRESSIONAL RECORD, Page 17296, "Dialog With Peking."

June 14, 1971, CONGRESSIONAL RECORD, Page 19781, "Judd Rejects Appeasement of China."

June 17, 1971, CONGRESSIONAL RECORD, Page 20716, "Chou En-Lai Spreads Propaganda."

June 21, 1971, CONGRESSIONAL RECORD, Page 21158, "Firmness Urged on China."

June 24, 1971, CONGRESSIONAL RECORD, Page 22132, "China's U.N. Admission Opposed."

July 13, 1971, CONGRESSIONAL RECORD, Page 24849, "Which China at the U.N.?"

July 26, 1971, CONGRESSIONAL RECORD, Page 27196, "China's Aggressiveness Is Unchanged."

President, Nixon was, of course, elected because people had faith that he would fulfill his campaign promises. The American people have justifiably become concerned over the question of credibility in Government. They feel that if the man they support and elect is in no sense obligated to pursue the policies which caused his election, then the people do not in fact rule, or control their own Government.

Unless President Nixon is clearly reversing his own campaign promises, and since we know that he understands both communism and the aggressive policies pursued since its inception by the Chinese Communist Government, we can only assume that he has information available to him, which is not available to us.

The public record shows only a reiteration of its previous support for world revolution by the Chinese Communists. On the basis of what we, as informed citizens and observers, can know and understand, Communist China's policy has not changed, while our own policy seems to be changing. If President Nixon's trip is based upon some private understanding that the Chinese Communists will cease aggression, and that the security and integrity of Taiwan will be maintained, we must hope that the President will share this information with the American people and our Asian allies at the earliest possible moment.

If our allies in Asia feel betrayed, if the American people feel that we are approaching an aggressive and militant Communist China in the spirit of appeasement with which the British faced an aggressive and militant Nazi Germany in the 1930's, then the President's trip will not bring an era of peace, but an era of increased tension and conflict. Beyond this, the American people will support the President's trip only if they believe that he knows something which they do not with regard to China's world posture. On the basis of the record itself, China proclaims itself to be unchanged, to be interested in the domination not only of Taiwan but of all of Asia.

In fact, the Chinese Communists published a list of 32 slogans for May 1, International Labor Day, 1971. These slogans give clear insight into their unchanged public programs and objectives. Some of these slogans are:

> Hail the great victory of the Great Proletarian Cultural Revolution.
>
> The danger of a new world war still exists, and the people of all countries must be prepared. But revolution is the main trend in the world today. People of the world unite, and defeat the U.S. aggressors and all their running dogs!
>
> Firmly support the Arab peoples in their struggle against colonialists and neo-colonialist aggression, subversion, intervention.
>
> Heighten our vigilance, defend the motherland! Be ready at all times to destroy the enemy intruder. We are determined to liberate Taiwan.

The Communist leadership has made no attempt to conceal their determination to conquer Taiwan, which they call an intrinsic part of Chinese territory. An article in the Peking Review of May 7, 1971 declares that:

> Taiwan is part of Chinese territory from time immemorial . . . The Chinese people will never permit the U.S. Government to play with the plots of "two Chinas" or "one China, one Taiwan." When and how the Chinese people liberate Taiwan is entirely China's internal affairs, and no foreign government has any right to intervene.

Only if Mr. Nixon knows something we do not know, can a meeting at this time produce the peace we desire.

It is difficult to believe that the President would alter our historic opposition to the tyrannical regime of Mao Tse-tung, and justify this de facto recognition of the regime, without concrete concessions in exchange. And in view of the President's overriding concerns in the international arena, namely the release of America prisoners of war and the end of the war itself, it would seem logical that these are the concessions that have been promised. The President, of course, cannot make such concessions public until they materialize. If such concessions have, in fact, been secured, and if China has ceased its aggressive world goals, then the President is to be commended for his initiatives.

If such concessions do not materialize, however, and if our policy changes and weakens while the Chinese policy remains the same, our country will be in a desperate position in Asia, and our allies will feel betrayed and our people deceived. I am confident that President Nixon understands all of these things, and it is on the basis of this understanding that we must all hope for success in this matter.

Mr. Speaker, on the morning of July 15, the date of President Nixon's announcement that he would visit Communist China, I contacted the State Department to ask for clearance to visit Communist China next month. I am anxious to learn if the Communist China regime, which supposedly is softening its stand on America, will allow an American who has been critical of it to visit China.

Will they permit me to talk with the Chinese people, will they permit me to travel freely, to take pictures and to determine for myself if there has indeed been a thaw and a change in Chinese policy that would indicate that Communist China is ready to subscribe to the United Nations' principles of peace, freedom, and human dignity? The answer should prove interesting.

Finally, Mr. Speaker, I would like to read the remarks which I made last week in rebuttal to an editorial broadcast on WBBM television in Chicago:

> WBBM television, in its recent editorial endorsing President Nixon's planned visit to Communist China, cautions us not to expect too much from the visit and, at the same time, endorses our recognition of Red China and her admission to the United Nations.
>
> I think it is important for us to recognize one very significant point in considering the expectations of the trip.
>
> I am totally convinced that the administration has secured from Red China concrete concessions which include a release of American prisoners-of-war and an end of all hostilities in Vietnam by the President's May, 1972, deadline.
>
> I do not think the President would so radically depart from our traditional policy toward Red China and grant "de facto recognition" except in exchange for something that is so essential in the minds of all Americans.
>
> In view of Red Chinese policies of the past 20 years, there would be no justification for the President's visit without these concessions.
>
> Nor has there been any sign of change in Communist China's policies which would justify recognition of her and her admission to the United Nations.
>
> The recent report of the Lodge Commission on Red China said there is no basis for admitting her to the U.N. unless and until the world has evidence that she truly intends to subscribe to the principles of peace, freedom and human dignity. To date, there has been no such evidence.
>
> Nothing would be better calculated to bring the United Nations into total disrepute than the admission of a gangster nation that is committed to the overthrow and destruction of every principle upon which it is founded, a nation whose policy has been one of promoting aggression world-wide, of suppression of her own people and a genocidal policy toward her neighbors.
>
> Communist China has systematically exterminated between 10 and 50 million of her own people and, in one recent month, there were more refugees who took flight out of Red China than who took flight over the Berlin Wall in one 10-year period.
>
> These practices do not, I submit, categorize Communist China as a nation fit to be welcomed into the community of civilized nations.

TAKE PRIDE IN AMERICA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio (Mr. MILLER), is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a Nation. As reported in "Geography for Today" the United States produces almost 50 percent of the world's wealth. The average American has twice as much to eat as the average person elsewhere in the world, and the average American can expect to live 2½ times as long as the average citizen of Southern Asia."

THIRD ANNIVERSARY OF SOVIET INVASION OF CZECHOSLOVAKIA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York (Mr. HALPERN) is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, on August 21, of this year, we in this free and proud land must join with all other free men, throughout the world, and mark with sadness the third anniversary of the Soviet invasion of the then free and independent nation of Czechoslovakia. This invasion smothered the new breath of freedom that the Czechoslovak people were beginning to enjoy after almost 30 years of Nazi or Soviet terror.

These proud people, the Czechs, the Slovaks, and other groups within the country, have once again been squashed under the tyrannical heel of an imperialistic invader. These poor, unfortunate people have once again been enslaved.

While the Czech leaders were attempting to give their people a greater degree of freedom, a freedom mixed with a workable socialist economy, an economy of their own choosing, their neighbor to the east, the Soviet Union, invaded.

The Soviets, acing under the guise of the quasi-legal Brezhnev doctrine, a doctrine not recognized as being legal by the United States, or customary international law, invaded and interfered with the domestic affairs of a sovereign state.

The Czechoslovak people attempted to repel this invasion, but the greater strength of the Soviet Union prevailed, and once again this state had become a captive nation, ruled by a dictatorial power.

The leaders of this reform movement, this movement toward freedom, have since either been removed from all offices or have been demoted to the lowest level possible. As for the reforms they tried to initiate, they too have gone down the drain, with the injustices common to states occupied by Soviet Russia. All the freedoms of 1968 have been lost.

The actions of the Czech people, as exemplified by the self-sacrifice of Jan Palach and the crowds of mourners at his funeral, show that the people of Czechoslovakia are not content under this new form of occupation. The people of this nation have showed that they do want to return to the freedoms of the spring of 1968.

Our freedom, which we in this country hold most dear, is tied to the freedom of people throughout the entire world; we must be conscious of their needs as well as of ours. Mr. Speaker, as August 21 approaches, we must not and cannot forget the people of Czechoslovakia. They must be remembered.

NATIONAL RURAL DEVELOPMENT CENTER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Kansas (Mr. ROY) is recognized for 5 minutes.

Mr. ROY. Mr. Speaker, I am today introducing legislation which provides for the establishment of a National Rural Development Center. This legislation is long overdue. This center would conduct research programs—both basic and applied—aimed at broadening our understanding of all aspects of the rural community, as well as providing a clearinghouse for all information on rural development.

There are only about one-half as many farms today as in 1950. Over this period, farm population dropped from 23 to 9.7 million; from 15.2 percent of the total population to 4.7 percent. More than 20 million people have abandoned farms and small towns for the city since World War II. Seventy percent of this Nation's population now lives on 2 percent of the land.

Some of this migration is assuredly the result of technological innovations which have allowed us greater productivity for each man-hour. But much of this migration must be attributed to the relative unattractiveness of farming as an occupation and as a way of life. Many family farms are sold, because none of the children want to remain on the farm and live the lives their parents lived, with low income, long hours, and few of the luxuries of life. The average age of farmers today is over 50 years old. A 1967 survey indicated that over one-fifth of urban adults had a rural childhood background.

Until recently, the rural to urban migration has been seen as possibly desirable, and even, in fact, inevitable. During the past few years, however, there has been much discussion about the desirability, indeed the necessity, of not only curbing the migration to urban areas, but of attempting to reverse it. The National Rural Development Center would be a significant step in the direction of achieving this very important aim.

This legislation is vital because successful rural development efforts will help slow the migration from rural areas and thereby help to reduce the increasingly complex pressures on urban centers; more effective use of the resources of the rural areas of America will contribute to a stronger and more stable national economy; and it is essential to the national interest to stimulate the economic and social development of the rural areas, including farm communities and the smaller towns and cities.

The center would conduct basic and applied research programs; collect, analyze, and disseminate relevant information on rural development and facilitate the exchange of such information; conduct or cause to be conducted short-term educational programs for the personnel of public and private agencies of rural areas or serving the interests of such areas; and design and conduct, or cause to be conducted, experimental projects and provide technical assistance to public officials and rural areas.

The center would be governed by a board of trustees appointed by the President. Five members of the board would be appointed from officials of Federal, State, and local public agencies concerned with some significant aspect of rural development; five from among individuals who are engaged in educational, research, or other scholarly work relating to the development of rural communities; and five from among individuals from the general public who by virtue of their residence, interest, or vocation are specially qualified to serve on the board. In making the appointments, the President is requested to give due consideration to the appointment of individuals who, collectively, will provide appropriate regional, interest, organization, and political balance on the board.

One of the most important charges of the center would be to conduct research programs with respect to: A further understanding of the dynamics of the economic and social development of rural areas in the United States and their interrelationship with urban areas; the formulation and effectiveness of National, State, and local policy concerning rural development; the development of new techniques in science and technology to the problems of rural areas.

Lack of information is not the only problem in the field of rural development research. Availability and knowledge of other research done in the area is also a barrier. The center would serve as a clearinghouse for the exchange of information among individuals, institutions, national, State, county, and local governments, and the like. Access to information is the key here. Our citizens, institutions, and Government officials will know where to go if they need information; the existence of the center should also act as a catalytic agent for research by other institutions. Because of the centralized responsibility for information on rural development, limited research funds will not be wasted by duplicate research projects.

Equally important, the center may design and conduct experimental field projects to test their basic research findings.

The center would have the authority and resources to carry out programs, to make grants and contracts so as to stimulate additional activity in other public and private institutions. It would also have the authority to—and be encouraged to—receive grants from private sources.

Another important aspect of the center's research effort would be the development and application of scientific and technological advances to make rural life more attractive. Transportation and communication technology can eliminate the disadvantages of distance and population scarcity. Improvement of health care delivery systems can make rural life more attractive for physicians and more healthy for rural citizens. Technologies may be developed and applied to make the small- and medium-sized farms more viable and competitive with large-scale operations. The number of worthy projects is overwhelming.

I am sure you are aware that this concept is in existence in several other important areas. There are clearinghouses for information about education; there is much research and coordinated study in the area of urban problems and urban affairs. As important as agriculture is to this Nation, we must not continue to treat it as a neglected stepchild—we must not continue to treat our farmers as second-class citizens.

IN MEMORY OF THE LATE CONGRESSMAN MICHAEL J. KIRWAN

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio (Mr. CARNEY) is recognized for 10 minutes.

Mr. CARNEY. Mr. Speaker, I rise to remember my friend and predecessor, the Honorable Michael J. Kirwan, who died 1 year ago today after serving nearly 34 years in the House of Representatives.

I rise to remember a great Congressman and a good and decent gentleman.

Congressman Kirwan will best be remembered for his efforts to protect our environment. Long before it became fashionable, Mike Kirwan was making untiring efforts to preserve our country's soil and water. As chairman of the House Appropriations Subcommittee on Public Works, Congressman Kirwan was a vital force behind Federal conservation efforts, including national parks, dams, reservoirs, and other public works projects.

The most significant tribute we, his friends and colleagues, can pay to the memory of Mike Kirwan would be to carry on the vital conservation programs to which he devoted his life.

I am sure Mike's spirit lives on in this Chamber he loved so well. His spirit will continue to inspire the hearts of those who have pledged themselves to dedicated public service in the Congress of the United States.

His many friends and colleagues in Washington, D.C., and around the Nation sorely miss him and think of him on this day.

THE SHARPSTOWN FOLLIES—XXI

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas (Mr. GONZALEZ), is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, the Assistant Attorney General, Mr. Will Wilson, proclaims that all the illegal acts of Frank Sharp took place after he left the employ of that gentleman. But the record shows otherwise. The record shows that a great many questionable deals consumated by Frank Sharp took place while Wilson worked for Sharp in various capacities. These were deals that he should have been acquainted with, and deals that he would have had a part in if he had been performing the job that Sharp was paying him to do.

For example, the 1968 annual report of Sharp's National Bankers Life Insurance Co. was falsified in that it showed as an asset a $2 million item that was in fact a note that has not been paid to this day. It was a note that was generated by an insider, self-dealing transaction that Wilson played a key role in setting up. Wilson knew that the deal was questionable, he knew that the assets claimed by the insurance company were shaky, and he knew that the insurance company's annual report was false with respect to that item, which represented some 7 or 8 percent of the total assets of that company.

This supposed asset of National Bankers Life was in truth and in fact a loan from the insurance company, which Sharp owned, to the Sharpstown Realty Co., which Sharp also owned, secured by stock in Sharp's bank, Sharpstown State Bank. This $2 million loan from Sharp to Sharp, secured by Sharp, is supposed to have been a great asset of the insurance company that made the loan. But that loan has never been paid and never will be.

Wilson was general counsel of the Sharpstown State Bank, general counsel of Sharpstown Realty, and general counsel of National Bankers Life when that loan was made. He could not have been ignorant of this blatant self-dealing. Wilson was general counsel of the insurance company when its doctored annual report for 1968 appeared, reflecting this deal. He can hardly say that he was not around when all that took place.

Wilson was also in Frank Sharp's employ when Sharp magically increased the capitalization of his bank by some $3 million through the device of lending that same amount from the bank to the Jesuit Fathers, who then turned about and loaned the money to Sharpstown Realty, which invested in capital accounts of Sharp's bank. Wilson could not have been unaware of this deal. Surely the general counsel of the bank would have been aware that suddenly his bank was worth a tremendous amount more one day than the day before, thanks to the investment made by the realty company for which he was also general counsel, thanks to the loan which the bank had made just a few days earlier to the local Jesuit order, which not long before had been a beneficiary of a great gift of the bank's stock.

There were other deals, of course.

Wilson helped set up the deal whereby the Sharpstown State Bank loaned $3 million to Frank Sharp's son-in-law, who then bought an insurance company.

Wilson was also around when another Sharp company, Dallas Bank and Trust, loaned $320,000 to Nashwood Co., which then bought First Financial Life Insurance Co. Sharp's National Bankers Life issued a guarantee to cover this loan, much as it issued the guarantee that resulted in the loss of $550,000 in National Bankers Life assets to cover another bad loan from another Sharp bank. This latter deal was plainly and simply criminal conversion of corporate assets, and I have very little doubt that it is identical to the one that Wilson participated in, and which I have just described.

Wilson cannot say that he was not around when all this happened. He cannot say that he was not around when other rotten deals were made by Sharp and his pals.

I do not see how any man could deny the truth that Wilson was around, that he was in Sharp's employ, that he held key positions in Sharp's companies—he does not deny that himself. Yet he says that all the crooked deals took place after he left. The deals I have described, and there are others—all took place while Wilson was a hired hand of Frank Sharp's. He knew of them, knew of their illegality and questionable legality, knew and took part in them despite all that. Can we seriously say that such a man as that, who knowingly took part in the greatest scandal and conspiracy in Texas history, is fit to be in charge of the criminal division of the Department of Justice?

FINANCIAL PROBLEMS OF THE OVER-65 AMERICANS

The SPEAKER. Under a previous order of the House, the gentleman from New York, (Mr. BIAGGI) is recognized for 10 minutes.

Mr. BIAGGI. Mr. Speaker, on Tuesday, Wednesday, and Thursday of last week I discussed some of the many financial problems experienced by our elderly Americans. I also discussed three tax reform bills and three medicare reform bills that I have introduced and am presently circulating for cosponsorship. Today, I would like to discuss two social security reform bills that complete the package of eight measures to aid our over-65 Americans.

As I have pointed out previously over half of the 3 million elderly Americans are living on incomes under $5,000. Approximately 25 percent are living on incomes below the poverty level. Most of these people were not in dire financial straights until they retired.

One of the most discriminatory and deleterious provisions of the social security law is the restriction on a person's outside income while receiving social security. Most people do not get more than $2,000 dollars a year. Even if they earn the $1,680 allowed, they are not above the poverty line.

The result is that many have to go into State institutions for the elderly, go on welfare or die a slow death of malnutrition. This is the "reward" for years of hard work and contributions to the social security retirement fund.

The law becomes even more discriminatory against the hard working wage earner since only wages are included in the earnings test. That is, if a person gets $50,000 a year from stock dividends, interest and other investments—but earns no wages—he can still receive social security benefits.

Thus it makes no sense to continue to penalize those who must work to survive even at the expense of forfeiting their social security payments. Morever, it makes no sense to deny those who would like to supplement their meager social security payments after retirement their right to work.

My bill, H.R. 7018, which calls for the elimination of the outside earnings limitation, would eliminate this inequity in our social security laws. I am presently engaged in gathering signatures all over the country in support of this bill. I must say, the response is overwhelming. While the House Ways and Means Committee in H.R. 1 has raised the limitation to $2,000, I am hoping the Senate Finance Committee will eliminate the limitation altogether.

The second bill I want to discuss today is H.R. 8238, which would increase the social security lump sum death benefits payment to $750.

This provision has not been changed in 20 years despite the fact that the average funeral costs have gone up almost 200 percent in the same period. The $750 payment will give those covered by social security a basis which will provide some protection against adverse financial setbacks because of funeral costs.

The social security lump sum death benefits payment is presently set at three times the monthly benefits payment up to a maximum of $255. The present minimum monthly check is $70; thus, most receive the maximum benefit.

I would like to include at this point in the RECORD a table of the average prices for adult funerals selected in the years 1958 through 1969 and projected figures for 1970 and 1971:

1958	$661
1959	697
1960	708
1961	738
1962	755
1963	763
1964	757
1965	790
1966	820
1967	850

1968	879
1969	926
1970 (projected)	975
1971 (projected)	1,050

These average prices are for regular adult services and do not include funerals for infants, children, or indigents.

The figures include the charges of the funeral director for his professional services and those of his staff, for the use of the facilities and equipment he has available, and for the casket selected.

These figures do not include the cost of the vault, cemetery, or crematory expenses, the price of the monument or marker or any miscellaneous costs such as an honorarium for the clergyman, flowers, additional transportation charges, burial clothing, or newspaper notices.

The simple fact is that if $255 was considered a fair sum in 1951, it cannot possibly be a fair sum now. In fact, the rising costs of funerals have been the subject of numerous investigative stories and documentaries in the mass media. Yet this body has never addressed itself to changing that portion of the social security law.

The number of death benefits recipients have been fairly constant in the last several years, varying between 1.2 and 1.3 million annually. In 1970, 1,258,000 lump-sum death benefits checks were paid out by the Social Security Administration.

Mr. Speaker, the urgent need for these reforms is clear. Our elderly Americans deserve better than we have given them in the last two decades. I hope that the 92d Congress will go down in the history books as the Congress that reached out to help the elderly. My colleagues can make a start in that direction by cosponsoring these two bills with me this Thursday. Again, they are:

H.R. 7018: A bill to eliminate the outside earnings limitation for recipients of social security benefits.

H.R. 8238: A bill to provide for an increase in the lump-sum death benefits payment to $750.

EQUAL RIGHTS FOR MEN AND WOMEN AMENDMENT

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, I have received hundreds of letters and resolutions from responsible and concerned women and women's groups all over the United States. I would like to share a few of them now with all my colleagues to further emphasize the critical need and concern felt by American women and men for the enactment of the equal rights for men and women amendment without any amendments whatsover.

AMERICAN ASSOCIATION
OF UNIVERSITY WOMEN,
Augusta, Ga., July 22, 1971.

Hon. DON EDWARDS,
House Judiciary Committee,
House Office Building,
Washington, D.C.

DEAR MR. EDWARDS: We of American Association of University Women voted at our recent biennial convention in Dallas to strongly support the Equal Rights Amendment, *without* crippling amendment.

As Division Legislative Program Chairman for Georgia, I want to express the views of the Division: we appreciate your voting against the Wiggins amendment and urge your continued support in reporting the ERA out of the House Judiciary Committee without any amendment. We feel that an amendment will weaken the ERA.

Yours sincerely,

MRS. BOB SIDEMAN,
Legislative Program Chairman.

WOMEN'S BAR ASSOCIATION OF ILLINOIS,
July 19, 1971.

Hon. DON EDWARDS,
House of Representatives, House Judiciary Committee, U.S. Congress, Washington, D.C.

DEAR REPRESENTATIVE EDWARDS: The Women's Bar Association of Illinois urges your support for the Women's Equality Act for 1971, H.R. 1961, and its underlying principles. Enactment of this bill will be a significant step toward erasing existing discriminatory inequities in the fields of employment, housing and public accommodations and achieving the goal of full legal equality for women—a task that was begun over a century ago.

As both lawyers and women, we deem it a national disgrace that federally protected rights assured for other classes of citizens are denied to women as a group. We seek to enlist your aid in ensuring that this important bill is reported out of your Committee and ultimately enacted into law.

Very truly yours,

STEPHANIE W. KANWITT.

OFFICE OF THE MAYOR,
San Francisco, Calif., July 16, 1971.

Hon. DON EDWARDS,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN EDWARDS: At the request of the Mayor and Board of Supervisors of the City and County of San Francisco, I am pleased to forward for your attention the attached resolution which opposes H.J.R. 208 in its amended form and endorses S.J.R. 8 and S.J.R. 9 which provide for an amendment to the Constitution relative to equal rights for men and women.

Sincerely,

ROBERT E. JOSTEN,
Washington Representative.

Enclosure.

OPPOSING H.J.R. 208 IN ITS AMENDED FORM, AND ENDORSING S.J.R. 8 AND S.J.R. 9 PROVIDING FOR AMENDMENT TO THE CONSTITUTION RELATIVE TO EQUAL RIGHTS FOR MEN AND WOMEN

RESOLUTION NO. 367-71

Whereas, Three constitutional amendments have been introduced before the Congress, H.J.R. 208, S.J.R. 8 and S.J.R. 9, providing that equality of rights under the Law shall not be denied or abridged by the United States or by any State on account of sex; and

Whereas, Prior to referring H.J.R. 208 to the floor of the House, the Chairman of the Judiciary Committee caused the Bill to be amended to permit individual States to perpetuate discriminatory laws which would have as their purpose the barring of women from certain occupations and the establishment of different working conditions for them; now, therefore be it

Resolved, That the Board of Supervisors of the City and County of San Francisco does hereby express its strenuous opposition of H.J.R. 208 in its amended form and urges the members of the California delegation to take whatever action is necessary to eliminate said amendment; and be it

Further resolved, That this Board of Supervisors does hereby call upon Senator John Tunney and Senator Alan Cranston to urge the Chairman of the Senate Judiciary Committee to set early hearings for the consideration of S.J.R. 8 and S.J.R. 9 and to recommend enactment of said Bills without amendments thereof; and be it

Further resolved, That copies of this resolution be forwarded to his Honor, the Mayor for transmittal to the Federal Legislative Representative with the direction that he disseminate this resolution to the State's representatives and Senators for all action consonant with the intent of this resolution.

I hereby certify that the foregoing resolution was adopted by the Board of Supervisors of the City and County of San Francisco at its meeting of June 28, 1971.

PHILIP P. ENGLER, *Acting Clerk.*

Approved: June 30, 1971

JOSEPH L. ALIOTO, *Mayor.*

July 5, 1971.

AMERICAN ASSOCIATION OF
UNIVERSITY WOMEN,
Washington, D.C., July 21, 1971.

Hon. DON EDWARDS,
House of Representatives,
Washington, D.C.

DEAR MR. EDWARDS: At its national convention last month, in Dallas, the American Association of University Women adopted by an overwhelming majority a resolution to support the Equal Rights Amendment to the United States Constitution. The convention voted equally strongly to ask that the amendment be passed "without crippling amendments."

The AAUW, established in 1882, is an organization of 170,000 members, organized in about 1,700 local branches throughout the United States. It is dedicated to the education and advancement of women, to the development of equal opportunities for all citizens and the elimination of all forms of discrimination.

We urgently ask your continued support of the Equal Rights Amendment and of reporting it out of the House Judiciary Committee without amendment of any kind. We shall be grateful for your interest and support.

Sincerely,

ALICE L. BEEMAN.

JULY 16, 1971.

To: Members of the Judiciary Committee, United States House of Representatives
From: MRS. EMILY P. MARTIN
Re: H.J. Res. 208

Over eight hundred women of the Indiana Federation of Business and Professional Women's Clubs, Inc., assembled at their annual convention, adopted a resolution requesting your immediate assistance in approving H.J. Res. 208 without change.

(MRS.) EMILY P. MARTIN,
1970–71 State President.

SUNNYVALE, CALIF., *July 8, 1971.*

DEAR MR. EDWARDS: I learned of the regrettable amendment which has been added to the Equal Rights legislation, H.J. resolution 208. This amendment vitiates the intent and purpose of the legislation, crippling it and rendering it useless.

The unamended legislation serves a valuable and useful purpose, in that it removes a legal obstacle to the full participation of women in the mainstream of American society. It redresses an inequity which works to the detriment of both men and women.

I urge you to support the unamended proposed legislation, in your capacity as chairman.

Sincerely yours,

RHODA FREIER.

NATIONAL ORGANIZATION FOR WOMEN,
San Rafael, Calif., July 19, 1971.

The Hon. DON EDWARDS,
United States House of Representatives,
Washington, D.C.

DEAR MR. EDWARDS: In behalf of the Marin County, California, Chapter of the National Organization for Women, I wish to extend our most sincere appreciation for your favorable vote for the Equal Rights Amendment (H.J. Res. 208) recently.

It is a tremendous encouragement and relief that some members of the Congress, yourself included, are actively working for the civil rights of all the people, knowing that an improvement in justice for one group is an improvement for our entire society.

We heartily support your efforts.

Sincerely,

ELIZABETH SMITH,
President.

GREECE: ABOLISHING DEMOCRACY OUTRIGHT

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, while others were silent or misled, journalists Rowland Evans and Robert Novak steadily and often brilliantly provided an insight into Greek political affairs and U.S. policy on Greece. They have pointed out since 1967 the unfortunate tendency of many American officials to work comfortably with dictatorships abroad. This has damaging consequences both in the short and long term.

Woodrow Wilson, a long time ago, expressed an old, noble, and very practical idea when he said:

> America is not ahead of other nations (merely) because she is rich. Nothing makes her great except her thoughts, her ideals. . . .

And in another time, the Younger Pitt told the House of Commons that it is wise for a democracy to "hold out a prospect to other nations . . . of what the exertions of a free people can effect." In short, it is in our best interests that we live up to our democratic ideals in the conduct of U.S. foreign policy. We have not done so in the case of Greece.

Under leave to extend my remarks, the timely and important Evans-Novak column, which appeared in the July 26, 1971, Washington Post, is set forth below:

PARADOX FOR GREEK DICTATORS

(By Rowland Evans and Robert Novak)

ATHENS, GREECE.—George Rallis, a hard-right conservative who used to be minister of interior during the old days of Democratic government in Greece, finally got his passport and took a four-week trip to Europe last winter, stopping off to see King Constantine in Rome and former Prime Minister Karamanlis in Paris.

When he went to the airport to leave Greece for a second trip abroad, the police refused to stamp his passport, thus blocking his departure. When all appeals were rejected, Rallis, one of Athens' leading lawyers brought a daring legal suit against the police for a violation of the constitution. He sued before the public prosecutor of the court of misdemeanors in Athens.

Rallis lost his case, but the reason he lost tells much about justice and civil liberties under the dictatorshp of the army colonels, led by Prime Minister George Popadopoulos, who seized power in the 1967 coup d'etat. Rallis lost because the court accepted as fact a charge by the Greek intelligence service that was utterly unprovable.

The charge: That Rallis, in private conversations during his winter trip abroad, "came into contact will political personalities of the Common Market, NATO, with former Prime Minister Karamanis and King Constantine, journalists, etc." during which he discussed "matters pertaining to the overthrow of the established order" (the colonels' dictatorship).

That testimony of the Greek intelligence service was accepted carte blanche by the court of misdemeanors. The charge of conspiracy, in other words, was sustained by the court without a single shred of evidence. The court was told:

"By various ways, which cannot be disclosed here, the security services have established that, during these sessions, matters concerning" the overthrow of the military junta were discussed. No evidence, no witnesses.

The Athens' press, ostensibly uncensored, was afraid to print the record of this trial. Rallis finally found a commercial printer who said he would publish the documents and Rallis paid him in advance. The next day, the money was returned with apologies. The printer said he would not take the risk.

What happened to Rallis is the barest tip of the iceberg of thought control by which the dictatorship maintains its tight grip on the country. By conservative estimate, at least 50,000 counter-subversion agents, many of them in the military services, keep the lid tightly clamped on public criticism of the regime.

This is done by well-publicized case examples: A three-month jail sentence for a village peasant who complained out loud about inadequate pensions; the surveillance of prominent politicians; the elaborate spying system, which is reported to have put police informants in most back-country villages, in all schools and universities, and in several hundred Athens taxicabs.

The calculated result: To convince opponents that the regime has eyes and ears everywhere and that they risk prison if they speak out, thus preventing any serious conspiracy against the regime from getting organized.

Accordingly, one can only make a vague estimate of how much support the dictatorship really has. With criticism smothered by the fear psychosis exploited by the regime, accurate measurement is impossible.

High officials who talked to us claim with some justification that many of Greece's 10 million citizens were disillusioned by the admittedly squalid partisan wars in the old days of parliamentary government. It is said they enjoy a new sense of confidence and security under Papadopoulos. Thus, George Geogelas, the former Communist who is the regime's chief propagandist as minister of information, told us that "the large mass of the people, without all being necessarily enthusiasts, are satisfied today."

Why, then, does the regime not lift martial law and hold elections? Answer: The people have not yet developed sufficient discipline to risk a return to democracy.

In short, to instill discipline to enable the Greeks at some future date to enjoy the blessings and responsibility of parliamentary government, it is necessary to abolish democracy outright—a Delphic paradox which has now convinced all but incurable optimists that the dictatorship will never voluntarily restore true parliamentary government.

PUERTO RICAN CONSTITUTION DAY

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, July 25 marked the 19th anniversary of the adoption of the Puerto Rican Constitution of 1952, providing commonwealth status for a land of extraordinary capacity and notable attainment. It is fitting that we mark this occasion, for it marks our tribute to the Puerto Rican people, wherever they may be, including the hundreds of thousands residing in the United States, and in my own city of New York.

The story of Puerto Rican progress is remarkable in every detail. Known until very recently only as the land of the sugarcane, the coffee-bean, and overwhelming poverty, Puerto Rico has advanced—within one generation—to a position of economic stability unrivaled in the Latin American community. Symbolic of this development, above all other factors, is the Puerto Rican Constitution, which we hail on this occasion.

The struggle for success and human dignity on the shores of Puerto Rico has been long and arduous. In 1897, following several decades of impassioned political protest, the "Charter of Autonomy" was secured from Spain, only to be set aside when the United States took over the following year. Under American authority, the people had only the barest measure of home rule for many years. Added to this political deprivation was the stark lack of economic opportunity on the local level. Foreign investors profited from Puerto Rican goods sold abroad, but the Puerto Rican people derived little from any such transactions. Despite dramatic developments in the sugar industry, a broadening of the public education system, and the beginnings of a comprehensive public health program, Puerto Rico remained in a state of stagnation, both economic, and political. Rising population, without corresponding industrialization, led to serious unemployment.

Throughout the first three decades, virtually all the Governors of Puerto Rico filled their official reports and public statements with statistics on mounting trade, favorable balances, increasing members of schools, telephones, and miles of roads constructed. In the meantime, however, the people were suffering to the point of desperation. Slow starvation was everywhere in evidence. Health conditions were disgraceful: malaria, tuberculosis, and gastrointestinal diseases were exacting a dreadful toll. Poverty was endemic.

Responding to this situation, in the 1930's came the New Deal program of President Franklin D. Roosevelt, implemented largely by the Puerto Rican leader, Luis Muñoz Marin, and Rexford G. Tugwell, the American Governor. With the aid of the Puerto Rican Relief Administration, work was begun on the redistribution of land, rural resettlement, governmental regulation of labor relations between sugar producers and their employees, establishment of cooperatives, extension of rural electrification, the beginnings of local industrialization, and the construction of various university laboratories to aid in the training of Puerto Rican technicians.

After a stormy but effective start, overriding the protests of the sugar interests, the Puerto Rican Relief Administration settled down to a long existence as a Federal agency for spending Federal funds. In 1954, it was liquidated as such. The PRRA accomplished much, but was succeeded by something far better—the resounding emergence of Puerto Rico, under the direction of the remarkable Lius Muñoz Marin.

In 1940, a liberal political organization headed by Marin, called the Popular Party, secured its first limited success at the polls, campaigning on a platform calling for "Bread, Land, and Liberty." Successful in its initial programs, the Popular Party attained political ascendancy. In the first popular election of a Governor, in 1948, Luis Muñoz Marin was nominated by his party and elected with an overwhelming majority.

Riding the wave of popular satisfaction generated by the successes achieved by the Luis Muñoz Marin administration, the people of Puerto Rico adopted their own constitution on July 25, 1952. Under its provisions, an elected legislature now passes and provides for the enforcement of all Puerto Rican laws. These, in turn, are subject to review by the Federal courts, the same as the laws of all the States. But to a great extent the operation of Puerto Rico rests now in the hands of its people.

Significant strides have been made. The Puerto Rican economy has diversified. Education and health care have greatly improved. Yet the successes which have been accomplished, and which we note in commemorating the 19th anniversary of the adoption of the Puerto Rican constitution, cannot obscure the problems which remain.

Much discussion and controversy has occurred regarding the ultimate status of Puerto Rico. That is an issue which the people of Puerto Rico should themselves resolve. Meanwhile, these people are citizens—valued citizens—of the United States. Thus, the disabilities under which they suffer must not be allowed any longer.

While Puerto Rico has enjoyed economic growth, the current per capita income there is still only $1,426 annually. This is far below the statistics for any of the 50 States. Four out of every five Puerto Rican families earn less than $3,000 annually; one-half receive less than $1,000 annually. Unemployment is at a level of 33 percent of the potential labor force. At the same time, the cost of living is extremely high.

It is clear that, while we can look with gratification on the economic progress of Puerto Rico, there is still very far to go. And it is the responsibility of this Congress and of this Government to assure that those further steps are taken.

Thus far, these steps are not being taken. Currently, Puerto Rico is specifically excluded by Federal law from at least eight Federal programs. These include a portion of the social security program and the school milk program. In addition, Puerto Rico is discriminated against by virtue of arbitrary ceilings or formulas embodied in other Federal laws and based on the low per capita income. Thus, residents of Puerto Rico not only suffer the burden of a per capita income figure far below that in the 50 States, they are also subjected to lessened eligibility for Federal programs because of this low per capita income, thereby compounding the misery.

It is clear, then, that, while we can proudly commemorate the 19th anniversary of Puerto Rico's adoption of its constitution, we must do so not only to honor the determination of a proud people, but also to affirm our determination that existing inequities be eliminated and that the island of Puerto Rico shall indeed be a land of plenty for all her citizens.

FEDERAL EMPLOYEES' COMPENSATION ACT

(Mr. DANIELS of New Jersey asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DANIELS of New Jersey. Mr. Speaker, since 1916, the Federal Employees' Compensation Act has stood as the finest example of compensation for injury statutes in our country. It was the forerunner of many of State laws on this subject. Federal employees view with pride the consideration extended to employees and their families who experience disability or death from job-related causes.

The most recent revision of the Federal law occurred in 1966. Those amendments represented an updating of the statute in terms of changes in the needs of Federal workers and the desire of the Government to continue its preeminent position in this field of employee benefits.

Quite appropriately, then, the 92d Congress should consider further revisions of the statute to insure the posture of the Federal Government as a model employer in this area. The need for additional amendments is demonstrated by four developments.

In the interim since 1966, many State compensation laws have been liberalized.

Benefits for Federal workers have been improved in many respects. As an example, substantial revisions of the Civil Service Retirement Act were approved by the 91st Congress.

Dollar values have changed dramatically since 1966. A keystone of the compensation law is a guarantee to disabled workers that they and their families will have income related to their wages when they suffer on-the-job injuries.

Finally, Congress has enacted numerous laws in recent years aimed at alleviating the social and economic hardships encountered by either our entire population or segments of it.

These changes justify a thorough review of the Federal Employees' Compensation Act by the 92d Congress for the purpose of equating its benefits with the realities faced by injured workers today and in keeping with an enlightened personnel policy by the Federal Government as an employer.

For these reasons, I have introduced a bill designed to assure injured employees that the compensation statute will continue as an example for other jurisdictions to emulate.

In summary, the bill proposes these revisions in the Federal Employees' Compensation Act—

The present statute permits a widower of a deceased Federal worker to receive benefits only when he is wholly dependent on her because of physical or mental disability. Similarly, a husband can be considered a dependent for determining the rate of compensation a disabled female employee will receive only if he is totally dependent on the injured worker because of physical or mental disability.

Our pattern of social thinking has changed dramatically in the United States in recent years. No longer can a husband be viewed in all cases as the sole breadwinner of the family. In many instances the family's standard of living and the education and welfare of children are based on the combined income of husband and wife.

In my own experience with the House Committee on Post Office and Civil Service, we have acted to erase the artificial differences between the entitlements of husbands and wives that is based on a concept no longer considered valid.

The bill allows a widower to receive benefits because of the demise of his Federal employee spouse, if he lived with her or was dependent on her at the time of her death, or if living apart for good reason or because of the desertion of the husband by his wife. Also, the bill allows an injured female worker to obtain the extra 8⅓ percent augmented compensation for dependents if she has a husband who is a member of the same household, receiving regular contributions for his support, or if she has been ordered by a court to contribute to his support. In essence, the bill treats husbands the same as wives.

Under existing law, an injured worker may receive medical service in U.S. facilities, such as Public Health Service and Veterans' Administration hospitals, and by designated private physicians and hospitals. However, the latter can be utilized only when Federal Government sources are not available or practicable.

Employees should be given greater discretion in selecting the physician or institution to provide treatment. The Department of Labor has advocated free choice of physicians by the injured employee in their recommendations to the States for upgrading compensation laws. More than 20 States have incorporated this concept in their statutes.

The bill would permit Federal workers to use physicians or medical facilities from a list approved by the Secretary of Labor. It would include, of course, existing Federal facilities.

The present law requires a reduction in the compensation received by an injured employee if his disability changes from total to partial. Stated another way, if a partially disabled employee is unable to return to the job he held at time of injury, then the Secretary of Labor must determine the earning capacity of the partially disabled employee—and reduce his compensation—on the basis of the applicable 66⅔ or 75-percent compensation rate—to the difference between the employee's pay on the date of injury and his new earning capacity. While this is considered a reasonable practice in the field of workmen's compensation, it works a hardship on those who either are in, or would like to enter, an approved vocational rehabilitation program at the time of a change in disability from total to partial.

The bill would permit the Secretary of Labor to continue compensation at the total rate as an inducement for partially disabled employees to remain or enter into an approved program designed to rehabilitate them vocationally—and would in all likelihood create a savings in future compensation benefits in virtually all cases.

Compensation awards for loss of an arm, leg, foot, hand, eye, and so forth, are specified in the present law by the part of the anatomy and the number of weeks involved. Loss of an internal organ or the permanent loss of use of a worker's back cannot be compensated in this manner.

If an employee suffers this kind of loss attributable to an on-the-job injury, justice and logic require that he receive at least the same type of benefit as those who lose an external member.

The bill authorizes the Secretary of Labor to provide compensation for such losses, not to exceed 350 weeks of compensation benefits.

At least three States permit schedule awards for this type of disability—North Carolina for permanent loss of use of the individual's back or internal organs, and Minnesota and South Dakota for loss of use of the back.

Some Federal employees become totally helpless because of the injury they have experienced to the extent that they require the constant service of an attendant. Under the existing statute, they are entitled to an additional monthly allowance not exceeding $300, established in 1966.

The bill recommends increasing that maximum monthly allowance to $400. General increases in wages for this type of service account for the proposed figure.

Injured workers who participate in vocational rehabilitation may be paid a maximum of $100 monthly for maintenance while participating in the program.

Increases in the cost of these items since the $100 figure was established—in 1960—justify advancing this figure to $200, as recommended in the bill.

For example, an injured worker may receive the maximum each month for several months toward food and lodging costs incurred while undergoing a training course in another city; or he may receive only $70 per month for carfare and lunch expenses while engaged in a different type of course within the city in which he resides. The allowance is used also to defray the cost of supplying uniforms and their maintenance, tools, and books related to this training.

A requirement that the Bureau of Employees' Compensation review an individual's case when he reaches age 70 to determine whether his wage-earning capacity has declined is found in the present law. If a determination is made that his earning ability has deteriorated, his compensation may be reduced.

For a worker whose injury is job related to experience reduction in benefits due solely to age, portrays the Government as a callous employer. Any step to curtail his benefits is unwarranted from both the economic and social standpoints.

The bill proposes to repeal this provision of the law.

The existing statute generally prohibits compensation payments and veterans' benefits or military retirement or retainer pay for military service simultaneously.

If a Federal worker incurs a job-related injury, which is compensable, it is inequitable to deprive him these benefits solely because he is entitled to payments from other sources for different purposes. His ability to realize compensation payments should be based on the merits of his claim and its compliance with the law governing his injury as a civilian employee.

For this reason, the bill permits compensation payments, regardless of any Veterans' Administration or military retirement or retainer pay which may have been authorized.

Other bills applicable to accomplish this change insofar as military retirement or retainer pay is concerned, have been introduced in the current session.

Unless an individual's injury results in a disability which continues for more than 21 days or the original disability becomes permanent, he may not receive compensation for the first 3 days of disability under the current law.

As a matter of equity, a worker should not have to forgo any compensation benefit, if his condition is work related. In effect, the present statute requires those who do not meet the conditions described above to underwrite the compensation law.

The bill reduces this period to pay loss on the fractional part of the date of injury that follows the injury or on the date disability begins. Fractional parts of a day would be covered only if the disability continues for more than 3 days or becomes permanent. Of course, medical treatment would be available from the time the injury occurs. In actual practice, most Federal agencies provide full pay on the date of injury or the date disability begins—thus virtually no employee would be forced to underwrite the law.

One of the problems experienced by injured Federal employees is the lapse in time between the injury, their assertion of a claim, the receipt of claim forms by the BEC, and the commencement of payments. Much of this problem revolves around the processing of papers by agencies to the Bureau of Employees' Compensation. While some improvement can be achieved by the Bureau in expediting adjudications, the worker is unaware that the problem exists principally at the employing agency level.

He is aware only that he has experienced an injury, has taken all necessary steps to present his claim, yet must utilize his annual or sick leave, if available, or is in a leave without pay status. In the absence of compensation payments, the worker is not receiving the attention his plight deserves under the compensation law.

To alleviate this problem the bill authorizes Federal agencies to continue payment of an injured worker's salary for no more than 90 days at the applicable 66⅔- or 75-percent compensation rate. The interest of agencies would be protected because they would be required to pay only in instances where they do not disagree with the claim. They would be able to controvert the claim and thus subject it to processing by the Bureau of Employees' Compensation.

The rationale of the 90-day period is that it would dispose of a majority of noncontroversial claims by the agencies subject, of course, to review by the Bureau of Employees' Compensation. Employees would receive payments promptly, thus avoiding justified complaints about delays now encountered.

To make certain that the interest of all parties—the Government and the employee—are safeguarded, this provision would be administered only after promulgation of necessary regulations by the Secretary of Labor.

Generally speaking, claim for compensation on account of injury or death must now be made within 1 year. Failure to file within 1 year may be waived by the Secretary of Labor if filed in 5 years and the Secretary finds first, that the failure to comply was due to circumstances beyond the control of the individual claiming benefits; or second, that the individual claiming benefits has shown sufficient cause or reason in explanation of, and material prejudice to the interest of the United States has not resulted from, the failure.

Congress amended the statute in 1968 to permit local law enforcement officers to qualify for Federal Employees' Compensation Act benefits under certain specified circumstances involving a crime against the United States. Claims for injury or death in these situations may be made within 5 years after the occurrence.

A small numer of meritorious claims of Federal employees are not paid because of the existing 1-year requirement. Rescinding the present 1-year time limit will provide parity between Federal workers and local law enforcement personnel in this regard, and will permit consideration of the limited number of justified claims which are now denied because of the rather stringent 1-year limit.

The maximum funeral allowance for deaths attributable to job-related injuries was fixed at $800 in 1966. Since that time the average cost of funeral services have risen, just as other items in the economy.

One State has established $1,250 as the maximum available for burial of fatally injured employees. Seven others have designated $1,000 for this purpose.

These developments have resulted in increasing from $800 to $1,250 the allowance for this cost item in the bill.

When the price index maintained by the Bureau of Labor Statistics rises at least 3 percent and maintains or exceeds that rate for 3 consecutive months, compensation beneficiaries are entitled to a corresponding adjustment in monthly benefits under the Federal Employees Compensation Act. The bill adds 1 percent to that adjustment to account for the delay between the determination that cost of living has advanced to or surpassed the 3-percent figure and reflection of this development in monthly checks.

A similar provision was enacted by

Congress in 1969 for retired civil service employees.

Agencies are now required to reimburse the employees' compensation fund for expenditures for compensation received by their employees. The practice is known as a "chargeback." It was included in the 1966 amendments to the Compensation Act on the theory that it would make Federal agencies more aware of the need for eliminating conditions which would cause injuries to employees.

When hearings were undertaken by the House Education and Labor Subcommittee considering the legislation, vigorous opposition was voiced by employee representatives. They maintained that introduction of the chargeback would encourage agencies to repress justified compensation claims because of the impact on their budgets.

Since the enactment of the provision, Federal agencies have complained that it requires inclusion of compensation costs in their budget requests, thereby creating additional budgetary planning and execution problems. Further, many agencies maintain and compare their records with the charges levied by the Bureau of Employees' Compensation, thereby creating further administrative expenditures.

The present statute prohibits payment of administrative expenses from the compensation fund—except for certain specialized legal services relating to subrogation of claims involving third parties. Consequently, the Bureau of Employees' Compensation receives funds for salaries and expenses through the normal appropriation process. This process, which involves continued justification of basic program items, takes up the time of the administration, the Bureau, and of course, the Congress.

A far more efficient system, somewhat like that used to administer the Civil Service Retirement Act, would permit the Bureau to plan to spend for administrative matters within the ceiling of 6 percent of the annual authorized compensation benefits. The bill so authorizes.

The figure of 6 percent is considerably lower than comparable expenditures in the private insurance field, yet it is believed to be sufficiently high to permit flexibility. Bureau expenditures for salary and expense at this point in time are between 4.5 and 5 percent.

In all compensation statutes, there are provisions for benefits to surviving widows and widowers and children of workers who die due to job related injuries. This is true in the Federal service also; and the bill increases the percentages payable to survivors of Federal employees to agree more with those States that have adopted higher benefits.

The present law limits the maximum level of benefits to surviving widows and widowers and children to 75 percent of the employee's earnings. We have retained this principle in the proposed legislation. At the same time, the percentage of salary payable has been generally raised by 10 percent and the division of benefits between a child or children and the surviving parent has been changed to provide more for the parent as the party responsible for the welfare of the children.

With this background, there follows a comparison of present benefits and those changes incorporated in the bill:

[In percent]

Survivors	Present total	Proposed total
1. Widow or widower, no child	45	55
2. Widow or widower, 1 child	55	65
3. Widow or widower, 2 children	70	75
4. Child alone	35	55
5. 2 children	50	65
6. 3 children	65	75
7. 1 parent[1]	25	35
8. 2 parents[1]	40	60
9. Wholly dependent brother, sister, grandparent, or grandchild[1]	20	30
10. 2 or more wholly dependent brothers, sisters, grandparents, or grandchildren[1]	30	50
11. 1 or more partially dependent brother, sister, grandparent, or grandchild[1]	10	10

[1] Compensation may not exceed 75 percent after payments to widow or widower and children.

Finally, the bill proposes to "make whole" the Federal worker who is disabled by a job-related injury and later recovers to the point where he can resume Federal employment. The philosophy of workmen's compensation involves a commitment by the employer that an employee disabled because of conditions beyond his control should receive financial and medical assistance to protect himself and his family.

As a corollary, his tenure and status as a Federal employee should not be impaired, if he is able to return to work.

Therefore, the bill preserves all civil service rights of workers who recover from disabling injuries. Included are restoration to the same or equivalent position prior to the injury, entitlement to general salary adjustments and within-grade increases occurring during his absence from the job, and maintenance of retention rights, health, and life insurance coverage, promotions, and tenure.

As indicated above, the purpose of these provisions is to insure that the employee will incur no loss of status, rights, or benefits as a result of his work-related injury.

VICE PRESIDENT'S UNJUSTIFIED ATTACK ON AMERICA'S BLACK LEADERS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I would like to take this opportunity to join with several of our colleagues to express my personal indignation over the recent verbal attack made by Vice President AGNEW against the black leaders in America. Having swept into his proscription "most" black leaders without naming any of them, he has, in effect, condemned them all, since none can say who was and who was not his intended target.

I can think of no figure in our national life in recent years who has done as much to debase the level of public discussion as our peripatetic Vice President. It was bad enough when he roamed around the United States using his office as a platform from which to hurl new forms of insults, threats, and intimidations against those whose policies and positions did not conform to his political philosophy or self-interest. Following his lead in the 1970 political campaign, many of his party's candidates adopted personal vilification as a prime element of their campaign strategy. Happily, the voters in most instances indicated their displeasure with AGNEW-type tactics by electing the candidates who had been subjected to such abuse.

Undaunted, Mr. AGNEW has moved to the world stage to continue his diatribe against Americans in public life who happen to have incurred his displeasure. It used to be said that "politics stops at the water's edge." Whether this was ever desirable as a basis for national policy, it is obviously no longer realistic. But, surely it goes beyond the bounds of propriety and common sense for an American in public office to use an official trip abroad as a forum for public attacks on fellow Americans.

In so doing, and particularly in his calculated insult against the leaders of the millions of Americans of African ancestry, Mr. AGNEW has not only undermined the ability of all black American leaders to represent this country in dealing with the nonwhite majority of the world's population, but has demonstrated to all the world his authoritarian instincts, his narrowness of vision and his shortcomings as a statesman.

It is ironic that one sent abroad as a "goodwill ambassador" has managed so dramatically to project an image of ill will. He has thereby done a grave disservice to the America of Martin Luther King and Whitney Young, of Abraham Lincoln and Franklin Roosevelt, and of the many living leaders, in and out of Government, who have dared to act to make real at home the creed that our Nation first proudly proclaimed to all the world, "that all men are created equal."

How unfortunate, how tragic that America's second highest elected official should so unmask his own failure to understand what America is all about.

ADDRESS OF HON. ROBERT F. KELLER, ASSISTANT COMPTROLLER GENERAL OF THE UNITED STATES TO THE 1971 COMMENCEMENT EXERCISES OF BENJAMIN FRANKLIN UNIVERSITY, WASHINGTON, D.C.

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, it is with a good deal of pleasure that I bring to the attention of my colleagues in the Congress a thoughtful and enlightening address recently delivered by the Assistant Comptroller General of the United States, the Honorable Robert F. Keller, at the commencement exercises of Benjamin Franklin University, here in Washington, D.C., held on June 24, 1971.

I know that General Keller's address will be of interest to all Members of the House and the Senate not only because of the importance of the position which he holds, but also for the sound, good sense and the positive, constructive approach of the message which he brings to the members of the under-30 generation.

The address follows:

"THE CHALLENGES TO CREATIVITY"

(Commencement address by Robert F. Keller)

A few days ago at one of our universities here in Washington, the commencement address was given by a newspaper columnist whose specialty is humor. I understand his remarks drew a good many laughs. Let me state at the outset: I am neither a columnist nor a humorist. You cannot look forward this evening to a searing commentary in the guise of humor on those who occupy positions of responsibility in the present Administration. Neither am I a Bob Hope. Some of you may recall the occasion a few years ago where Hope, speaking to a graduating class, said: "My advice to those of you who are anxious to go out into the world is—reconsider, and don't do it." But Bob Hope has had a change of heart. This year in speaking at a college graduation he had this advice: "To you people who are graduating—who are about to go out and make this a better world—all I can say is: HURRY! There is a lot of work to be done." And there is.

Not long ago I read in the papers about a new and big machine that can chew up a large tree into chips, from trunk to branch tips, in a matter of minutes. This example of modern technology and its threat to the environment is said to be the answer to the developer who has a heavily wooded area to clear so that he can build new houses. It takes 30, 50, 70 years to grow trees, depending on the size and kind; yet here is a machine that can make an entire tree *disappear* in minutes. Obviously, a machine of such devastating power must be used with extreme care.

Since we, in this country, often seem too ready to poke fun at our leaders and institutions, thereby chipping away at the public's confidence in society, this is another area where extreme care is always needed. Not that political and other leaders should be immune from ribbing and criticism. But there is a time and place for everything.

I have spent most of my working life in the Federal service, at the General Accounting Office—where we work closely with the Congress, its committees, and members, year in and year out—and I know how fragile and precious a thing public confidence is. Like the trees, it takes generations to build a viable society. Just because someone does like a particular administration or a particular public figure does not excuse those who—in that time-worn but apt phrase—seem all too ready to throw out the baby along with the bath water.

I came onto the job market in the 1930's. This was at the bottom of what was rightfully called the Great Depression. The ratio of unemployed to the total available work force was far higher than today's 6 percent. The economics of the depression pushed my generation off the campus into all kinds of experiences, few to our own choosing. Perhaps it was a good thing. We were forced to learn to swim even if the water was frigid.

Then along came World War II and most of us were directly affected. World War II was different from our involvement in Vietnam. But that is not the point; the point is that then, as today, forces were at play which drastically altered our personal lives and our career aims.

But these events had their plus side. They forced us to grow and develop. We wouldn't have planned it that way but, given those circumstances, most of us managed and emerged the better for it all. And that is why I do encourage you today to go out into the world with conviction, courage, and with one other quality that is indispensable—as much common sense as you can bring to bear upon your experiences and adventures.

I am seconded in these thoughts by one of our great scientists, now a senior citizen, Dr. Vannevar Bush who for 60 years participated in, and helped to shape, the events of his lifetime. In a book of reminiscences published this year called "Pieces Of The Action," Dr. Bush has something of importance to say to us here today.

Dr. Bush says: "In every civilization, at some time, there has been confusion, with young men doing foolish things, with the great body of the public inert or yearning to be led somewhere, anywhere . . . Yet always there has been a small minority, intelligent, comprehending the current political system, scorning both the flightly radical and the protesting reactionary groups . . . It is this central core that ruled our last generation, its business, its churches, its government. Amid the tumult, we have today a group that understands and that will rule in the next generation. I am not saying that this outstanding group has always ruled us well in the past, or will rule as well in the future—I merely say there is a group that will rule. We do not need to worry too much about the ones that harass us with their insanities; as they become older they will be controlled. But we need to think more about the solid, keen, presently undemonstrative youths who will build our system of government and industry of the future, and who will build it not as we dictate, but as we transmit to them, as best we may, the wisdom to do it well."

What kind of a world *are* you going out into? Today's generation knows a lot more about the world than mine did when we were where you are now, so I hesitate to answer that question. Instead I suggest a sort of quantum jump to some 29 years ahead. Why 29 years? Because we are that close to a new century, the year 2,000 a.d.

This gets me to some extent into the business of making predictions on serious matters. Perhaps you have heard the nuclear physicist's definition of an optimist—"someone who still believes the future is uncertain"?

Toward the close of Thomas Jefferson's life—I am going back many generations now to 1825—about 10% of our people lived in cities and towns. By 1960—some 135 years later—some 70% of the population lived on 1% of the land—in cities and towns. The remaining 30% lived on 99% of the land. By 2000 a.d. 90% of the American people will live in urban areas on less than 2% of the land (excluding the new state of Alaska). Fortunately, much of the Nation will still be relatively open area. The chief effect of these changes will continue to be, as it is now, the necessity to adjust to mass living in large urban areas.

In 1935 the population of the United States was approximately 127 million. Now we are a nation of some 200 million. In the year 2000—if present trends continue—we may have a population of more than 340 million. The economic and social consequences of our population growth will multiply our responsibilities for providing food and shelter and by geometric progression.

There will be heavy concentrations of people on the Atlantic and Pacific coasts within 50 to 100 miles of the oceans. The population of the Atlantic seaboard today from Boston through Washington is upwards of 27 million. Bureau of Census projections show an increase to over 60 million along this 400 mile strip by 1990. An equally massive metropolitan area is foreseen for the 200 mile Pacific coast zone from Santa Barbara to Los Angeles to San Diego and the Mexican Border. The area from Chicago to Pittsburgh and north to include Detroit, Toledo, Cleveland, Akron, Buffalo and Rochester will likely contain more than one eighth of the U.S. population.

These three areas will contain nearly one half of the total United States population, including the overwhelming majority of the most technologically and scientifically advanced, and most prosperous and creative elements.

Accompanying, and contributing to, the expansion in population and urbanization have been spectacular increases, in productivity—on the farm and in the factory, in transportation and communication, and in health and recreation. We have contrived to produce the products required to meet the needs of our society through the skillful application of resources and inventions and through the liberal use of the raw materials of the world. Today 5% of our people grow more than enough food for all the rest.

Much of the society that we know is a product of the scientific revolution which is in full tide over much of the world: in communications, nuclear power, medical care, increased production of food, and a seemingly limitless number of additional achievements.

In the United States both the number and production of professional manpower made up of scientists, engineers, and technicians is larger than ever before. In the 1960's they numbered nearly two millions; in the 1970's their number will climb to four milion, or more.

But these figures do not tell the whole story. It is, and will be, the role of the scientists and engineers to discover and develop; it is, and will be, the role of others—no doubt most of you in this room—to understand the implications of these developments for both public and private benefit.

That is the challenge, as Dr. Jerome B. Weisner, of the Massachusetts Institute of Technology, has said in his words, and I quote:

"Although most of us appreciate the individual creations of science for what they permit us to do, we do not fully comprehend the fundamental change that the scientific revolution has brought about. . . . Our only hope lies in understanding the forces at work, and then trying to guide the evolutionary process more to our liking."

In commenting on today's high standard of life in the United States and in words singularly appropriate to this occasion, Dr. Weisner has also said:

"I'm not sure we're all that much happy for having this degree of affluence. It may very well be that the young will teach us something about this; it is one of their sermons to us. There are other things in life."

If I were asked—what is the central aspect of concern today and tomorow—I would say it is the change in the scale of movements and the sweep of events. This change of scale goes right across the board: from the pace of population growth to the increase of new inventions and new products, to communications to weaponry.

Unfortunately, the relentless drive to improve our material standard of living at a time of rapid growth in our population accelerates the repletion of our natural resources and increases the pollution of our environment. Resource depletion and pollution, in turn, have been important factors in increasing business costs.

The most careful planning, the highest degree of cooperation between business, government and labor, and the greatest ingenuity of our scientists and engineers will be necessary to resolve these and the many related social, environmental, and economic problems.

Our future will turn on reassessing and redefining our national priorities. You will live increasingly in an economy of priorities and of agonizing choices between public purposes and private preferences. Unless some magic step is taken to achieve a national concensus as to our paramount purposes and goals the challenge of priorities will be one of the greater historical tests of our political machinery.

We must close the gap between the two cultures, the scientific and the humanistic. We can no more leave science entirely to the scientists than we can leave Government entirely to the politicians. We must comprehend the scientific environment. We must find ways to make science and public policy compatible, not merely as to national purpose, but particularly as to a working compatibility.

How else shall we make a contribution in the fields of weapons control and disarmament? In eliminating environmental pollution? In harnessing our energy sources for both human and industrial needs? In understanding the requirements of education and vocational motivation? In meeting the requirements of an exploding population at home and abroad? In providing the rising nations of the world with gifts of technology?

These are the questions that face you now as well as in the next 29 years and probably beyond. But I believe that no problem is more directly related to the future of our democratic society than the necessity of attracting the best talent available for the public service: That is where you come in.

While a democratic society's Government is not expected to have a monopoly of the most able people produced by that society, it can ill afford to provide for the public service an iota less than its full share of talent. And this applies to all our Governments: Federal, State, and local.

High on the list of the requirement for unusual talent is the accountant. As some of you may know, my organization in Government—the General Accounting Office—is observing its 50th anniversary this month. The law creating GAO came into being June 10, 1921 and GAO opened for business the following July 1. Between the time that GAO started and World War II, many circumstances profoundly affected the environment in which the accounting profession developed. The depression of the 1930's had forced the Federal Government out of its more neutral role in American society of earlier years. It began to grow. Its policies now began to affect economic, social, scientific, and other forces for improvement.

With World War II, the discovery of nuclear fission, and the cold war, the Federal Government grew even more rapidly. The policies of the Federal agencies as they became more involved with the private sector gave impetus to the accounting profession for developing higher standards of accounting, auditing, and reporting, and the development of expertise in related fields. Someone said recently: "The accountant should bow to Washington three times each morning because its laws and regulations have made the profession what it is." I don't buy that completely but it has had its effect.

Having become the biggest business in the world, the Federal Government looks at accounting as a great deal more than just recordkeeping. Today the needs of the Congress, agency heads, and the public requires that accounting be used not only as a tool for recordkeeping and for the evaluation of recordkeeping, but also as a tool for management and for the evaluation of management. Top management in the Government, including the Congress, had previously emphasized how well the agencies controlled and spent their appropriations. It is now equally, or even more, interested in knowing how efficiently the managers perform. Are programs achieving their objectives? Are better alternatives available? Because of this emphasis on more efficient management and program evaluation staff members of the GAO have increasingly developed their capability in these fields.

I believe that there will be even greater challenges to creativity in the future than there have been in the past and that these challenges will include a need by the accountant for a greatly expanded body of knowledge. This will be true for all accountants—those in the Federal Government, in State and local governments, in private industry, in public accounting, and in the teaching professions.

The accountant is no longer a bookkeeper, a write-up man, or a tax preparer; he is a professional evaluator of and an adviser to management. As a professional, he must first obtain, usually from a formal educational process, a common body of knowledge. You have reached this point. But, throughout his life, he must—like doctors, engineers, scientists, and lawyers—continually learn and apply new knowledge as it is discovered.

In a society that is moving more and more toward placing human values above the physical and material; in a profession that increasingly uses automation and electronics in a great deal of its physical work; in organizations that now use teams of specialists to measure and evaluate performance in rapidly shifting circumstances, it seems clear that you will be called upon to be far more innovative and far more creative than those who have come before. It seems clear, in short, that the challenges to your creativity will be almost endless.

We are standing on the outer edge of that new world of auditing. You will soon be deep within it. Do you need any further encouragement from me? I don't think so. I think most of you are prepared to cope with the unforesen and the unforeseeable.

I was concerned in preparing for this occasion. I wondered if I could communicate a message to you. In case I have not let me try once more. Appropriate to all I have said—and much more concise—are these words by the historian Elting Morison:

"How to give individual men the evidence they need to make sensible judgments about the kind of world they want to live in, and

"How to give them the power to make their judgments stick,

"That is the unfinished business of the next third of a century."

Thank you very much and my sincere congratulations to each and every one of you.

SACB APPROPRIATION

(Mr. GERALD R. FORD asked and was given permission to extend his remarks at this point and to include a memorandum.)

Mr. GERALD R. FORD. Mr. Speaker, I would like to request permission to insert in the RECORD a memorandum that should put to rest some of the issues raised during the debate today on the motion to table the motion to instruct the conferees regarding the SACB appropriation. I am placing in the RECORD a legal memorandum that addresses itself to the principal legal issues that have been raised in connection with the issuance of Executive Order 11605. I believe this memorandum will document the legality and constitutionality of that order and I hope that all Members who have been concerned with these problems will read the memorandum and feel assured of the full justification for the issuance of the Executive order.

MEMORANDUM ON LEGAL ISSUES RAISED IN CONNECTION WITH EXECUTIVE ORDER 11605 AND THE SACB APPROPRIATION

Last year the Congress approved the appropriation for the Subversive Activities Control Board for fiscal 1970. It was well aware at the time that recent court decisions had prevented the resources of the Board from being utilized to full advantage. Plans by the Attorney General to give the Board specific duties were then on the drawing boards and Congress therefore appropriated sufficient funds to keep the Board in business. These plans have been completed and the Board has been assigned specific and important functions, consistent with the other work previously delegated to it. We are met, however, with the paradox that the Senate is now willing to continue the Board's appropriation only on the condition that it remain essentially inactive. This, indeed, is the result created by the Senate's vote on Monday, July 19, which amended this year's appropriation bill so that the SACB will not have funds to carry out the duties assigned to it by the President pursuant to Executive Order 11605. See 117 Cong. Rec. 25898 for text of the Senate amendment.

In general, E.O. 11605 amended section 12 of E.O. 10450 to assign to the SACB the function of holding hearings, on the application of the Attorney General, to determine whether organizations fall into certain designated categories. It should be noted that the categories are virtually the same as those which existed previously. Within this general framework, however, criteria have been added designed to meet vagueness or due process problems and, as explained below, to insure that the order does not infringe on First Amendment rights. E.O. 11605 does not give the Board the power to hold hearings determining the rights of individuals.

Unfortunately, the Senate debate on the appropriation bill was marked by a number of statements which reflected basic misunderstandings of the authority for and scope of the order.

The function of designating organizations was previously conferred on the Department of Justice by the President by Executive Order. See E.O. 10450, section 12 (1953); E.O. 9835, Part III, para. 3 (1947). The list of organizations is prepared for the information of federal employees and for the convenience of persons completing applications for federal employment. Membership in or affiliation with a designated organization is one factor to be considered in connection with the employment or retention of individuals in federal service.

The order is therefore essentially an exercise of the of the President's authority, specifically conferred by Congress, to prescribe regulations for the employment of individuals as will best promote the efficiency of the Civil Service and to ascertain the character and ability of applicants for that service. 5 U.S.C. 3301. The validity of the listing power has been confirmed by the courts. *National Lawyers Guild* v. *Brownell*, 225 F. 2d 552, 556 (D.C. Cir. 1955), *cert. denied*, 351 U.S. 927 (1956); *Joint Anti-Fascist Refugee Committee* v. *Clark*, 177 F. 2d 79, 84 (D.C. Cir. 1949), *reversed on other grounds*, 341 U.S. 123 (1951).

Congress has given the President the power to delegate functions vested in him by law in addition to any general right that he may also have. 3 U.S.C. 301, 302. The number of orders accomplishing such delegations are legion. During the debate on the appropriation some suggestion was made that the President cannot expand the functions of an agency after they have been specified by Congress. But that is, after all, no more than the President does whenever he uses his delegation power. The quasi-independent status of the SACB dos not preclude such delegation. The memorandum submitted to the Senate Appropriations Committee (117 Cong. Rec. 25901) demonstrates that such delegations have been made without objection to agencies which may be characterized as independent or quasi-judicial such as the FPC (E.O. 10485); the FCC (E.O. 10530); the

Federal Reserve Board (E.O. 8843) and the ICC (E.O. 11423).

This is not therefore, as has been alleged, a case of the exercise of inherent power. Since the President has acted, pursuant to statutory authority conferred on him by Congress, citation by opponents of the appropriation to *Youngstown Sheet & Tube Co.* v *Sawyer*, 343 U.S. 579, (117 Cong. Rec. 25889, and 25896), where President Truman seized the steel mills without statutory authority, is not apposite.

Allegations have also been made that E.O. 11605 would violate the right of free speech guaranteed by the First Amendment. This allegation is without foundation in that the order fully protects these rights. The case of *Boorda* v. *SACB*, 421 F. 2d 1132 (D.C. Cir. 1969), *cert. denied*, 397 U.S. 1042 (1970) overturned the SACB's statutory listing procedure, noting that it failed to distinguish, where feasible, between those engaged in constitutionally protected activities and those who are not. The present order complies with the rule of the *Boorda* case and provides for listing of organizations only when they engage in designated *unlawful* activities which are not sanctioned by the First Amendment. All the categories of groups which may be listed specify that the organization must act unlawfully. See section 12(d), (e), (f), (g), and (h) of E.O. 11605. The emphasis is on violation of specified laws, including commission of acts of force or violence to deny others their rights guaranteed by the Constitution or laws of the United States. See section 12(d) (1)–(4).

Any reference to advocacy in E.O. 11605 includes the proviso that such advocacy must be unlawful. The order is thus consistent with *Yates* v. *United States*, 354 U.S. 298, 321, quoted during the Senate debate (117 Cong. Rec. 25900), since it allows for the distinction between incitement and mere "doctrinal justification." The Supreme Court has, of course, continued to refine this distinction on a number of occasions, e.g., *Brandenburg* v. *Ohio*, 395 U.S. 444, and the order is drafted so that the Board can take into account the First Amendment standards articulated by the Court as they develop.

By no stretch of the imagination would the order cover activities cited in the Senate debate such as placing peace symbols on cars, reading certain newspapers or filing petitions (117 Cong. Rec. 25574). Nor, as suggested could it include Senators opposing the appropriation. (*Ibid.*)

The request for an appropriation for the Board to enforce E.O. 11605 was therefore constitutional and legally justified.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. SAYLOR of Pennsylvania (at the request of Mr. GERALD R. FORD), on account of illness.

Mr. JONES of Tennessee (at the request of Mr. BOGGS), for today and tomorrow, on account of illness.

Mr. NELSEN (at the request of Mr. GERALD R. FORD), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FRENZEL), to revise and extend their remarks and to include extraneous matter to:)

Mr. CRANE, today, for 10 minutes.

Mr. MILLER of Ohio, today, for 5 minutes.

Mr. LENT, on July 28, for 5 minutes.

Mr. KEMP, on August 4, for 30 minutes.

Mr. HALPERN, today, for 5 minutes.

(The following Members (at the request of Mr. RUNNELS), to revise and extend their remarks and to include extraneous matter:)

Mr. ROY, today, for 5 minutes.

Mr. CARNEY, today, for 10 minutes.

Mr. GONZALEZ, today, for 10 minutes.

Mr. BIAGGI, today, for 10 minutes.

Mr. COTTER, on July 28, for 60 minutes.

Mr. CAREY of New York, on July 28, for 30 minutes.

Mr. ECKHARDT, on July 28, for 30 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PASSMAN, and to include extraneous matter.

Mr. KOCH, to revise and extend his remarks made today.

Mr. MICHEL (at the request of Mr. ANDREWS of North Dakota), immediately following his remarks on the agricultural conference report today.

Mr. QUIE, to revise and extend his remarks immediately prior to the vote on the conference report on the agricultural appropriation bill.

Mr. ROONEY of New York, to follow the motion he offered today and to include extraneous matter.

Mr. TIERNAN, immediately prior to the vote on the amendment offered by Mr. BURKE of Massachusetts in the Committee of the Whole today.

Mr. RARICK to extend his remarks following Mr. THOMPSON of Georgia in debate in Committee of the Whole on his amendment.

Mr. RYAN, to extend his remarks prior to vote on Scheuer amendment today.

(The following Members (at the request of Mr. FRENZEL) and to include extraneous matter:)

Mr. STEELE in 10 instances.
Mr. FRENZEL.
Mr. MILLER of Ohio in two instances.
Mr. BURKE of Florida.
Mr. HALPERN in two instances.
Mr. RIEGLE in two instances.
Mr. ESCH.
Mr. ROBISON of New York.
Mr. HALL.
Mr. ERLENBORN.
Mr. MCCLORY in two instances.
Mr. HASTINGS.
Mr. WYMAN in three instances.
Mr. SCHMITZ in four instances.
Mr. PELLY in three instances.
Mr. GUBSER.
Mr. ANDERSON of Illinois in two instances.
Mr. KEITH.
Mr. EDWARDS of Alabama.
Mr. TERRY.
Mr. DELLENBACK.
Mr. BROTZMAN.
Mr. ZWACH.
Mr. SCHWENGEL in two instances.
Mr. BOB WILSON in two instances.
Mr. MAYNE.
Mr. MORSE.
Mr. MIZELL.
Mr. FRELINGHUYSEN.
Mr. DERWINSKI in two instances.
Mr. RAILSBACK.
Mr. KUYKENDALL.
Mr. HARVEY in two instances.
Mr. KEATING.
Mr. CONTE.
Mr. ASHBROOK in two instances.
Mr. DU PONT in two instances.
Mr. LANDGREBE.

(The following Members (at the request of Mr. RUNNELS) and to include extraneous matter:)

Mr. KARTH.
Mr. BURTON in two instances.
Mr. BADILLO in six instances.
Mrs. HICKS of Massachusetts in two instances.
Mr. HARRINGTON in three instances.
Mr. HAGAN in three instances.
Mr. CARNEY.
Mr. JONES of North Carolina in two instances.
Mr. WALDIE in eight instances.
Mr. RYAN in five instances.
Mr. MURPHY of New York in five instances.
Mr. O'NEILL in two instances.
Mr. WRIGHT in two instances.
Mr. BRINKLEY.
Mr. UDALL in 10 instances.
Mr. MURPHY of Illinois in five instances.
Mr. STEPHENS in two instances.
Mr. LONG of Maryland in three instances.
Mr. STOKES.
Mr. GONZALEZ in three instances.
Mr. RARICK in five instances.
Mr. BINGHAM in five instances.
Mr. ROSENTHAL in five instances.
Mr. GIBBONS in two instances.
Mr. ANDERSON of California in three instances.
Mr. LEGGETT in two instances.
Mr. PICKLE in five instances.
Mr. SYMINGTON.
Mr. DOW.
Mr. JOHNSON of California in two instances.
Mr. MIKVA in eight instances.
Mr. EDWARDS of California in two instances.
Mr. ROONEY of Pennsylvania.
Mr. BURKE of Massachusetts.
Mrs. MINK in two instances.
Mr. BIAGGI.
Mr. BEGICH in two instances.
Mr. CULVER in five instances.
Mr. ROGERS in five instances.

SENATE BILL REFERRED

The bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1139. An act to amend the Federal Crop Insurance Act, as amended, so as to permit certain persons under twenty-one years of age to obtain insurance coverage under such act; to the Committee on Agriculture.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS, from the committee on House Administration, reported that that committee did on July 26, 1971, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 1892. For the relief of Stephen C. Yednock.

H.R. 1907. For the relief of Arnold D. Smith.

H.R. 2110. For the relief of the estate of Julius L. Goeppinger.

H.R. 2246. For the relief of Charles C. Smith.

H.R. 3344. To authorize the Administrator of Veterans' Affairs to sell at prices which he determines to be reasonable under prevailing mortgage market conditions direct loans made to veterans under chapter 37, title 38, United States Code.

H.R. 3753. For the relief of Sgt. Ernie D. Bethea, U.S. Marine Corps (retired).

H.R. 6217. To amend the peanut marketting quota provisions of the Agricultural Adjustment Act of 1938.

H.R. 7271. To authorize appropriations for the Commission on Civil Rights.

H.J. Res. 714. Designating the week of August 1, 1971, as "American Trial Lawyers Week."

ADJOURNMENT

Mr. RUNNELS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 14 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 28, 1971, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

995. A letter from the Chairman, U.S. Water Resources Council, transmitting the Council's report on a comprehensive program for water and related land use in the Ohio River Basin, pursuant to Public Law 89–80 (H. Doc. No. 92–148); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

996. A letter from the Tulsa Regional Solicitor, U.S. Department of the Interior, transmitting a copy of the decision on appeal in the matter of the heirship determination of Julie Gonvil Pappan, deceased halfbreed Kaw allotee, pursuant to Private Law 90–318; to the Committee on the Judiciary.

997. A letter from the Secretary of Commerce, transmitting the second in a series of interim reports stemming from the U.S. Metric Study, prepared by the National Bureau of Standards, pursuant of Public Law 90–472; to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZABLOCKI: Committee on Foreign Affairs. House Joint Resolution 1. Joint resolution concerning the war powers of the Congress and the President; (Rept. No. 92–383). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 561. Resolution providing for the consideration of H.R. 9922, a bill to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965; (Rept. No. 92–384). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 562. Resolution providing for the consideration of H.R. 10090, a bill, making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian Regional Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1972, and for other purposes, (Rept. No. 92–385). Referred to the House Calendar.

Mrs. HANSEN of Washington: Committee of conference. Conference report on H.R. 9417; (Rept. No. 92–386). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEGICH:

H.R. 10091. A bill to preserve and stabilize the domestic gold mining industry on public, Indian, and other lands within the United States and to increase the domestic production of gold to meet the needs of industry and national defense; to the Committee on Interior and Insular Affairs.

By Mr. BELL (for himself and Mr. Hawkins, Mr. Forsythe, Mrs. Chisholm, Mr. Badillo, and Mr. Quie):

H.R. 10092. A bill to assist school districts to meet special problems incident to desegregation, and to the elimination, reduction, or prevention of racial isolation, in elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

By Mr. BERGLAND:

H.R. 10093. A bill to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data; to the Committee on Interior and Insular Affairs.

By Mr. BIAGGI:

H.R. 10094. A bill to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is disabled; to the Committee on Ways and Means.

By Mr. COUGHLIN:

H.R. 10095. A bill to extend to hawks and owls the protection now accorded to bald and golden eagles; to the Committee on Merchant Marine and Fisheries.

By Mr. DANIELS of New Jersey:

H.R. 10096. A bill to amend chapter 81 of subpart G of title 5, United States Code, relating to compensation for work injuries, and for other purposes; to the Committee on Education and Labor.

H.R. 10097. A bill to limit the sale or distribution of mailing lists by Federal agencies; to the Committee on Government Operations.

By Mr. DOW (for himself, Mr. Dellums, Mr. Roe, Mr. Sabranes, and Mr. Seiberling):

H.R. 10098. A bill to authorize and direct the Administrator of the General Services Administration to prescribe regulations with respect to the amount of recycled material contained in paper procured or used by the Federal Government or the District of Columbia; to the Committee on Government Operations.

H.R. 10099. A bill to authorize and direct the Secretary of Defense and the Administrator of the General Services Administration to insure the procurement and use by the Federal Government of products manufactured from recycled materials; to the Committee on Government Operations.

By Mr. DOW (for himself, Mr. Denholm, Mr. Garmatz, Mr. Nedzi, Mr. O'Neill, Mr. Reid of New York, Mr. Riegle, Mr. Roe, Mr. Schwengel, Mr. Sebelius, Mr. Vanik, and Mr. Ware):

H.R.10100. A bill to amend chapter 9 of title 44, United States Code, to require the use of recycled paper in the printing of the Congressional Record; to the Committee on House Administration.

By Mr. DUNCAN:

H.R. 10101. A bill to prohibit the alteration of coins in use and circulation for any purpose; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 10102. A bill to establish a joint Committee on Classified Information; to the Committee on Rules.

By Mr. HALPERN:

H.R. 10103. A bill to amend title 10 of the United States Code to provide for appointments to the service academies of sons of State and local policemen and firemen killed in line of duty; to the Committee on Armed Services.

H.R. 10104. A bill to amend the Merchant Marine Act, 1936, to provide for the appointment to the Merchant Marine Academy of sons of State and local law enforcement officers and firemen killed in line of duty; to the Committee on Merchant Marine and Fisheries.

By Mr. HANLEY:

H.R. 10105. A bill to amend the Job Evaluation Policy Act of 1970 to extend for 6 months the existence of the organizational unit within the Civil Service Commission preparing a comprehensive job evaluation plan for Government employees; to the Committee on Post Office and Civil Service.

By Mr. HENDERSON (for himself and Mr. McCormack):

H.R. 10106. A bill concerning legal counsel of recipients of loans under programs administered by the Department of Agriculture; to the Committee on Agriculture.

By Mr. KOCH (for himself, Mrs. Abzug, Mr. Anderson of Illinois, Mr. Anderson of Tennessee, Mr. Bingham, Mr. Burton, Mr. Eckhardt, Mr. Edwards of California, Mr. Eilberg, Mr. Esch, Mr. Fulton of Pennsylvania, Mrs. Grasso, Mr. Halpern, Mr. Harrington, and Mr. Helstoski):

H.R. 10107. A bill to amend title 23 of the United States Code to authorize construction of exclusive or preferential bicycle lanes, and for other purposes; to the Committee on Public Works.

By Mr. KOCH (for himself, Mr. Howard, Mr. Mann, Mr. Mikva, Mr. Morse, Mr. Pepper, Mr. Rangel, Mr. Rhodes, Mr. Rosenthal, Mr. Ryan, Mr. Sarbanes, Mr. Schwengel, Mr. Tiernan, and Mr. Waldie):

H.R. 10108. A bill to amend title 23 of the United States Code to authorize construction of exclusive or preferential bicycle lanes, and for other purposes; to the Committee on Public Works.

By Mr. KOCH (for himself, Mr. Harrington, and Mr. Hogan):

H.R. 10109. A bill to amend the act of March 3, 1899, commonly referred to as the Refuse Act, relating to the issuance of certain permits; to the Committee on Public Works.

By Mr. KYL (for himself, Mr. Don H. Clausen, and Mr. Terry):

H.R. 10110. A bill to provide for increases in appropriation ceilings and boundary changes in certain units of the National Park System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LANDRUM (for himself and Mr. Dorn):

H.R. 10111. A bill to provide that the project referred to as the Trotters Shoals Dam and Reservoir on the Savannah River, Ga. and S.C., shall hereafter be known and designated as the Richard B. Russell Dam and Reservoir; to the Committee on Public Works.

By Mr. PEYSER:

H.R. 10112. A bill to grant child care centers status as educational institutions, and to assist such centers in raising capital by permitting donation of surplus Federal property for their use; to the Committee on Government Operations.

By Mr. PEYSER (for himself and Mr. Mikva):

H.R. 10113. A bill to provide additional Federal assistance for State programs of treatment and rehabilitation of drug addicts; to the Committee on Interstate and Foreign Commerce.

By Mr. RUNNELS:

H.R. 10114. A bill to provide for the construction and improvement of a certain road on the Navajo Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON of Georgia:

H.R. 10115. A bill to regulate the dumping of material in the oceans, coastal, and other waters, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. THOMSON of Wisconsin:

H.R. 10116. A bill to amend chapter 9 of title 44, United States Code, to require the use of recycled paper in the printing of the Congressional Record; to the Committee on House Administration.

H.R. 10117. A bill to amend section 734 of title 44, United States Code, to require the Public Printer to furnish recycled material for the official use of the Senate and the House of Representatives; to the Committee on House Administration.

By Mr. THONE:

H.R. 10118. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mr. UDALL (for himself and Mr. Waldie):

H.R. 10119. A bill to amend the Postal Revenue and Federal Salary Act of 1967 and certain provisions of title 5, United States Code, relating to retirement of Members of Congress, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Florida:

H.R. 10120. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mrs. ABZUG (for herself, Mr. Edwards of California, Mr. Koch, and Mr. Mikva):

H.R. 10121. A bill to prohibit any instrumentality of the United States from using as a prefix to the name of any person any title which indicates marital status, and for other purposes; to the Committee on the Judiciary.

By Mr. BEGICH:

H.R. 10122. A bill to amend the Fish and Wildlife Act of 1956 to authorize the Secretary of Commerce to make loans to associations of fishing vessel owners and operators organized to provide insurance against the damage or loss of fishing vessels or the injury or death of fishing crews, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BENNETT:

H.R. 10123. A bill to amend title 10, United States Code, to provide that the retired pay of retired officers of the uniformed services shall not be reduced because of certain employment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROOMFIELD:

H.R. 10124. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. CONYERS:

H.R. 10125. A bill to amend the Federal Aviation Act of 1958 and the Interstate Commerce Act to authorize reduced-fare transportation on a space-available basis for certain persons who are 65 years of age or older; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. Dent, Mr. Dow, Mr. Edwards of California, Mr. Edwards of Louisiana, Mr. Eilberg, Mr. William D. Ford, Mr. Fraser, Mr. Halpern, Mrs. Hicks of Massachusetts, Mr. Hogan, Mr. Metcalfe, Mr. Miller of California, Mr. Morse, Mr. Nix, Mr. Riegle, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Roy, Mr. Roybal, Mr. Sarbanes, Mr. Van Deerlin, and Mr. Charles H. Wilson):

H.R. 10126. A bill to prohibit common carriers in interstate commerce from charging elderly people more than half fare for their transportation during nonpeak periods of travel, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN:

H.R. 10127. A bill to prohibit the manufacture or importation of coin replicas unless such replicas are manufactured in accordance with standards prescribed by the Secretary of Commerce, and for other purposes; to the Committee on Banking and Currency.

By Mr. FINDLEY:

H.R. 10128. A bill to amend the Internal Revenue Code of 1954 to provide for the continuation of the investment tax credit for small businesses, and for other purposes; to the Committe on Ways and Means.

By Mr. HALPERN:

H.R. 10129. A bill to establish an Independent Consumer Council as an independent nongovernmental organization to represent the economic interests of consumers of goods and services made available to them through the trade and commerce of the United States before Federal departments and agencies, to receive complaints and arbitrate voluntary adjustments thereof, to gather and disseminate information for the benefit of consumers, to authorize governmental assistance and support, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. HECKLER of Massachusetts:

H.R. 10130. A bill to amend title 38 of the United States Code to provide equality of treatment for married female veterans; to the Committee on Veterans' Affairs.

By Mr. HENDERSON:

H.R 10131. A bill to provide for the acquisition of career status by certain temporary employees of the Federal Government serving under overseas limited appointment; to the Committee on Post Office and Civil Service.

H.R. 10132. A bill to provide a uniform administrative workweek for all employees of the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. KEATING:

H.R. 10133. A bill to provide benefits to survivors of firemen killed in the line of duty; to the Committee on the Judiciary.

By Mr. KEATING (for himself, Mr. Broyhill of North Carolina, Mr. Harrington, Mr. Mosher, Mr. Powell, Mr. Burke of Florida, Mr. Railsback, and Mr. Riegle):

H.R. 10134. A bill to restore the income tax credit for investment in certain depreciable property; to the Committee on Ways and Means.

By Mr. McMILLAN (by request):

H.R. 10135. A bill to amend section 11 of the District of Columbia Alcoholic Beverage Control Act to except beer driver-salesmen from the requirement of obtaining a solicitor's license under that act; to the Committee on the District of Columbia.

By Mr. NICHOLS:

H.R. 10136. A bill to amend the Small Business Act to authorize assistance to small business concerns in financing structural, operational, or other changes to meet standards required pursuant to certain Federal or State laws; to the Committee on Banking and Currency.

By Mr. PUCINSKI:

H.R. 10137. A bill to amend the Federal Aviation Act of 1958 in order to provide for more effective control of aircraft noise; to the Committee on Interstate and Foreign Commerce.

By Mr. ROY:

H.R. 10138. A bill to provide for the establishment of a National Rural Development Center, and for other purposes; to the Committee on Agriculture.

By Mr. THOMPSON of New Jersey:

H.R. 10139. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small businesses; to the Committee on Ways and Means.

By Mrs. ABZUG (for himself Mrs. Dwyer, Mr. Edwards of California, Mr. Koch, Mr. Mikva, and Mr. Ryan):

H.J. Res. 808. Joint resolution designating August 26 of each year as "Women's Equality Day"; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.J. Res. 809. Joint resolution to repeal the Formosa resolution; to the Committee on Foreign Affairs.

By Mr. HOGAN:

H.J. Res. 810. Resolution to authorize and request the President to proclaim the period September 12, 1971, through September 20, 1971, as "Myasthenia Gravis Week"; to the Committee on the Judiciary.

By Mr. TALCOTT:

H.J. Res. 811. Joint Resolution to establish the Congressional Medal of Valor and to authorize its award to certain next-of-kin of servicemen missing in action or prisoners of war in Indo-China by the President with the advice and consent of the Congress; to the Committee on Armed Services.

By Mr. THOMPSON of New Jersey:

H.J. Res. 812. Joint Resolution to authorize the Secretary of the Interior to participate in the planning and design of a national memorial to Franklin Delano Roosevelt, and for other purposes; to the Committee on House Administration.

By Mr. HANNA:

H.J. Res. 813. Joint Resolution authorizing the President to issue a proclamation designating 1971 as the "Year of World Minority Language Groups"; to the Committee on the Judiciary.

By Mr. HARRINGTON (for himself and Mr. Mazzoli):

H. Con. Res. 381. Concurrent resolution to establish a select joint committee to be known as the "Committee on Freedom of Information"; to the Committee on Rules.

By Mr. MANN:

H. Res. 563. Resolution to express the sense of the House of Representatives that the United States maintain its sovereignty and jurisdiction over the Panama Canal Zone; to the Committee on Foreign Affairs.

By Mr. ROUSSELOT:

H. Res. 564. Resolution establishing a Special Committee on the Captive Nations; to the Committee on Rules.

By Mr. THOMPSON of New Jersey:

H. Res. 565. Resolution to abolish the Committee on Internal Security and enlarge the jurisdiction of the Committee on the Judiciary; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM:

H.R. 10140. A bill for the relief of Ivan Augustus Palmer; to the Committee on the Judiciary.

By Mr. COLLINS of Illinois:

H.R. 10141. A bill for the relief of Michele Biundo; to the Committee on the Judiciary.

H.R. 10142. A bill for the relief of Emilia Ruffolo; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 10143. A bill for the relief of Eileen Catharine Gordon; to the Committee on the Judiciary.

By Mr. HOGAN:

H.R. 10144. A bill for the relief of William E. Parrish; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 10145. A bill to provide that a gold medal be presented to the widow of the late Louis Armstrong; to the Committee on Banking and Currency.

SENATE—*Tuesday, July 27, 1971*

(Legislative day of Monday, July 26, 1971)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. DAVID H. GAMBRELL, a Senator from the State of Georgia.

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, we beseech Thee to look with favor upon our Nation and our people. Though undeserved, Thou hast given us a great and good land rich in resources, both natural and human.

Manifest Thy presence in our lives, O Lord, giving us grace to fulfill Thy precepts, binding our diverse elements into a spiritual unity, guiding us in the establishment of full justice for all, and using us in the service of all mankind.

By Thy Spirit, lead the Members of this body to the highest truth and the best resolution of their waiting tasks.

May goodness and mercy follow us all our days, that we may abide with Thee forever. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. ELLENDER).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 27, 1971.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DAVID H. GAMBRELL, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

Mr. GAMBRELL thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, July 26, 1971, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 292, 293, 294, and 295.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REFERRAL OF A BILL TO THE COURT OF CLAIMS

The resolution (S. Res. 46) to refer the bill (S. 634) entitled "A Bill for the relief of Michael D. Manemann" to the Chief Commissioner of the Court of Claims for a report thereon, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. RES. 46

Resolved, That the bill (S. 634) entitled "A bill for the relief of Michael D. Manemann", now pending in the Senate, together with all the accompanying papers, is hereby referred to the Chief Commissioner of the Court of Claims, and the Chief Commissioner of the Court of Claims shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–299), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed resolution is to refer the bill S. 634 entitled "A bill for the relief of Michael D. Manemann," now pending in the Senate, together with all the accompanying papers, to the Chief Commissioner of the Court of Claims. The Chief Commissioner of the Court of Claims shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

STATEMENT

The facts of the case on the bill S. 634 which, by this resolution, is being referred to the Court of Claims are found in the departmental report on an identical bill (S. 557) of the 91st Congress, and are as follows:

From the records available to the Air Force, it appears that on January 16, 1962, as a result of a routine skin test for tuberculosis which had proven positive, Mr. Manemann was given a chest X-ray at a U.S. Air Force dispensary in Taiwan. The Air Force physician who analyzed the X-ray film reported it as negative, i.e., as showing no sign of tuberculosis. The medical records do not show any further action in Taiwan after this "negative chest" report.

On March 25, 1965, Mr. Manemann underwent a routine medical examination for entrance into the military service. This medical examination included a chest X-ray which proved abnormal, showing an infiltrate and a cavitary lesion in the left lung. As a result, on March 26, 1965, he was admitted to the Fitzsimons General Hospital, Denver, Colo., for treatment. X-rays at Fitzsimmons, taken that date, revealed a nodular infitrate throughout the left lung with a thin-walled cavity in the left upper lobe. The diagnosis was advanced tuberculosis.

By July 22, 1965, the infiltrate was cleared, through drug therapy, and some reduction of the cavity was also accomplished. However, surgery was eventually required. Mr. Manemann underwent lung operations on November 4, 1965, and again on November 29, 1965, at Fitzsimons General Hospital. The postoperative hospital course was satisfactory and Mr. Manemann was discharged from the hospital on February 17, 1966. He was placed on prescribed medication, to be followed at the Fitzsimons Outpatient Tuberculosis Clinic. He visited the clinic monthly for the following year, during which time no symptoms or signs of the disease reappeared. At the time of the January 1967 visit, it was reported that he was employed in fairly heavy work and tolerating it well. His last visit to the Fitzsimons Clinic was on February 9, 1967, at which time it was understood that Mr. Manemann would have periodic checkups at a local county clinic. It has since been reported that Mr. Manemann has progressed satisfactorily, that there has been no residual disability, and that he is presently employed as a mechanic for an automobile agency. Pulmonary function studies of Mr. Manemann's lungs, conducted at Fitzsimons General Hospital, September 18, 1968, resulted in a finding of "mild obstructive defect with normal vital capacity."

In 1966, Mr. Manemann filed a suit against the United States under the so-called Federal Tort Claims Act. The suit was based upon the same allegation of negligence as contained in S. 557. The case was dismissed on the basis of the foreign country exception in the Federal Tort Claims Act (*Manemann* v. *U.S.;* C.A. Colo. 1967, 381 F2d 704) which, without regard to the question of negligence, provides that the United States may not be sued for torts of its officers or employees allegedly occurring outside the United States.

A remedy was available to Mr. Manemann, however, in that he could have filed a claim under the so-called Military Claims Act (10 U.S.C. 2733) any time within the 2-year statute of limitations prescribed by that act, that time having expired on March 25, 1967. However, the Department of the Air Force has no record of a claim having been filed.

There having been no trial on the merits and no claim filed, there was no occasion for investigation of Mr. Manemann's case until presentation of S. 3188, 90th Congress, in 1968, that bill being the predecessor of S. 557, 91st Congress. No statements were taken from the doctor who administered the skin test or the doctor who interpreted the X-ray in Taiwan, and they cannot now be identified. On the limited facts available, however, all from the medical records, the Department of the Air Force cannot deny the probability of error on the part of the doctor who interpreted the X-ray.

Physicians (radiologists) in the Office of the Surgeon General, USAF, have reviewed the original X-ray film of January 16, 1962, for the purpose of reporting on S. 557, and have determined that the film shows slight changes (from normal) in the apex of the left lung. They report further that, if suspicion of disease persisted, especially in the light of the positive skin test, good medical practice would have required additional tests and X-rays before tuberculosis could have been properly ruled out. However, the film could not have been interpreted as indicating advanced tuberculosis (as stated in S. 557), since the film shows only a slight change from normal, which could have consisted of harmless scar tissue or a minor inflammatory process. The film itself could not have indicated an unequivocal diagnosis of tuberculosis—it could have only raised the index of suspicion. Additionally, there is no record of any subsequent complaint, from the time of the 1962 X-ray until discovery of advanced tuberculosis in March 1965, which could have been attributed to tuberculosis. Medical records show that during this period Mr. Manemann sought treatment at Air Force medical facilities on two occasions, one an outpatient visit relating to a back ailment in March 1963, and the other an outpatient visit relating to a minor eye injury in May 1963.

From the foregoing it appears that (1) the positive skin test, administered in 1962, indicated the presence of tuberculosis; (2) the chest X-ray taken at that time was erroneously reported by an Air Force Physician as normal (i.e., negative) when in fact is was not; (3) in view of the X-ray and the positive skin test, further tests should have been administered; and (4) no such tests were administered. Therefore, it is concluded that the Air Force medical personnel failed to sufficiently examine Mr. Manemann so as to conclusively establish—or rule out, as the case may be—the presence of tuberculosis, and that in view of his condition in 1965, it is possible that he was suffering from tuberculosis at the time of his medical examination by the Air Force in 1962.

If the committee considers that the circumstances of this case, including the failure to file a timely claim under the Military Claims Act, warrant favorable consideration of S. 557, the Air Force believes that any award should take into consideration not only the fact that every effort has been made to restore Mr. Manemann to his previous condition of good health, but also the medical opinion that he has suffered no residual disability. In addition, there is no indication of any hospital or medical expenses incurred by Mr. Manemann, nor of any diminution in his future earning capability.

If this case were considered under the damages criteria employed in adjudicating claims under the Military Claims Act, the Air Force has determined that the award to Mr. Manemann would not exceed $7,500. This figure was reached by allowing $2,500 for possible pain and suffering and $5,000 for loss of earnings. In connection with this latter amount, it should be noted that since the only information the Air Force has about Mr. Manemann's employment prior to his hospitalization is that he held jobs as a janitor and stock clerk for indeterminate periods, it has been necessary to calculate his loss of earnings using the wages he earned as an auto mechanic after hospitalization, coupled with an assumption that he was employed continually during the period in question.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

The committee agrees with the sponsor that a report from the Chief Commissioner of the Court of Claims is necessary in this case because of the complexity of the factual situation. Therefore, the resolution is recommended favorably.

DENNIS YIANTOS

The bill (S. 65) for the relief of Dennis Yiantos, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 65

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitation, or bar of laches, or any proceeding heretofore had in the United States District Court for the District of South Carolina, Charleston Division, jurisdiction is hereby conferred upon the United States District Court for the District of South Carolina to review any final decision of the Secretary of Health, Education, and Welfare with respect to the claim of Dennis Yiantos against the United States for disability insurance benefits under title II of the Social Security Act, alleged to be payable as the result of an incapacitating spinal injury incurred on or about December 30, 1957, at a time when the said Dennis Yiantos was apparently eligible for such benefits. The court may, at any time, on good cause shown, order additional evidence to be taken before the Secretary.

Sec. 2. Suit under this Act may be instituted at any time within six months after the date of enactment of this Act. Except as otherwise provided herein, the proceedings in such suit shall be in accordance with the provisions of section 205(g) of the Social Security Act, as amended (42 U.S.C. 405(g)).

Sec. 3. Nothing in this Act shall be construed as an inference of liability on the part of the United States.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 92–298), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of the bill is that, notwithstanding any statute of limitation or any prior civil proceedings, jurisdiction shall be conferred upon the U.S. District Court for the District of South Carolina, to hear and render judgment on any claim filed by Mr. Yiantos against the United States for social security disability benefits alleged to be payable as a result of a spinal injury incurred on or about December 30, 1957. The bill also provides that suit upon any such claim may be instituted at any time within 6 months after the date of the enactment of the bill and that such shall be heard de novo under the procedures applicable to the Federal Tort Claims Act (28 U.S.C.A. 1346(b)).

STATEMENT

The facts of the case as contained in the report of the Department of Health, Education, and Welfare on a similar bill (S. 1681) of the 91st Congress, second session, are as follows:

Under present law, an individual may obtain a review by a U.S. district court of any final decision of the Secretary of Health, Education, and Welfare if the review is requested within 60 days of the Secretary's decision or within such additional time as the Secretary may allow. The findings of the Secretary as to any material fact, if supported by substantial evidence, are conclusive and there is no trial de novo as to the facts of the case, except that a court may order provisions, grant a reasonable opportunity to an applicant to initiate action to appeal any final decision of the Secretary. Mr. Yiantos took no steps to pursue his claim for social security disability benefits for about 8 months following the final decision of the Secretary, and an extension of time to file a civil action was not requested until 11 months after the end of the 60-day period. Since good cause had not been established for Mr. Yiantos' failure to pursue the matter the extension was denied. Enactment of S. 1681 would extend to Mr. Yiantos a special advantage that is denied to other persons in similar situations. Moreover, enactment of the bill would tend to subvert existing administrative procedures, in particular, the substantial evidence rule. We believe that such a result would be inequitable and procedurally undesirable and we therefore recommend against the enactment of the bill.

The committee has received information from the sponsor that the claimant was unable to speak or understand English, and for this reason, he did not understand that he had to pursue his legal remedies within the statutory period. In view of this, the committee believes that the bill, S. 65, is meritorious and recommends that it be passed.

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, COLORADO

The bill (S. 1939) for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1939

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with the opinion, findings of fact, and conclusions of the review panel of the commissioners of the United States Court of Claims in Congressional Reference Case Numbered 5–69, Southwest Metropolitan Water and Sanitation District, Colorado, against the United States, filed May 6, 1971, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriate to the Southwest Metropolitan Water and Sanitation District, Colorado, the sum of $246,239, representing the amount to which that district is equitably entitled for compensation for the adverse consequences resulting from the action of the United States in taking lands within that district for the Chatfield Dam and Reservoir project.

Sec. 2. No part of the amount appropriated in this Act in excess of 20 per centum thereof shall be paid or delivered to or received by any grant or attorney on account of services rendered in connection with this claim, and the same is unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 92–300), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of the proposed legislation is to authorize the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to the Southwest Metropolitan Water and Sanitation District, Colorado, the sum of $246,239, representing the amount to which that district is equitably entitled for compensation for the adverse consequences resulting from the action of the United States in taking lands within that district for the Chatfield Dam and Reservoir project. The amount set out is that recommended in a congressional reference case by the Chief Commissioner of the Court of Claims.

STATEMENT

The bill, S. 1939, was introduced in accordance with the recommendations of the opinion rendered in congressional reference case No. 5-69, filed on May 6, 1971, to-wit: *Southwest Metropolitan Water and Sanitation District, Colorado* v. *The United States.*

The matter had originally been referred to the Chief Commissioner of the Court of Claims by Senate Resolution 239 of the 91st Congress, first session. That resolution referred the bill, S. 2807 of that Congress, to the Chief Commissioner in accordance with the congressional reference case procedures of sections 1492 and 2509 of title 28 of the United States Code. The recommendations and facts of the matter are found in the opinions and findings of fact filed in the congressional reference case which is made a part of this report. The opinion and findings of fact are as follows:

[BEFORE THE CHIEF COMMISSIONER OF THE UNITED STATES COURT OF CLAIMS, IN CONGRESSIONAL REFERENCE, CASE NO. 5-69 (FILED MAY 6, 1971)]

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, COLORADO V. THE UNITED STATES

(Report to the United States Senate)

Robert J. Flynn, attorney of record for plaintiff.

Howard O. Sigmond, with whom was *Assistant Attorney General Shiro Kashiwa,* for defendant.

Before DAVIS, *Presiding Commissioner of the Review Panel,* SCHWARTZ and WOOD, *Commissioners.*

OPINION

BY THE REVIEW PANEL: BY S. RES. 239, 91st Cong.: 1st Sess. (1969), the United States Senate referred S. 2807, a bill for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado, to the Chief Commissioner of the Court of Claims pursuant to 28 U.S.C. §§ 1492 and 2509 (Supp. V, 1965–69). The Chief Commissioner referred the case to Trial Commissioner Mastin G. White for proceedings in accordance with the rules, and designated the above-named members of the Review Panel to consider the trial commissioner's opinion on the merits of the plaintiff's legal or equitable entitlement to recover.

After trial on the merits, Commissioner White, in an opinion filed January 29, 1971, concluded that the plaintiff had no legal remedy but did have an equitable claim against the United States, and that there is equitably due the plaintiff from the United States the sum of $246,239.

Both the United States and the plaintiff filed a notice of intention to except to Commissioner White's opinion, and, on March 15, 1971, the plaintiff timely filed its exception to a portion of the said opinion. On April 15, 1971, however, the parties filed a joint motion to withdraw "all appeal documents heretofore filed," asking that the Review Panel adopt Commissioner White's opinion and conclusions and submit the same to the Chief Commissioner for transmittal to the United States Senate.

Accordingly, and without oral argument, since the Review Panel unanimously agrees with Commissioner White's opinion, findings of fact, and conclusions as hereinafter set forth, the Panel adopts the said opinion, findings of fact, and conclusions as the basis for its recommendation that the plaintiff has an equitable claim against the United States, and that there is equitably due the plaintiff from the United States the sum of $246,239.

This determination is hereby submitted to the Chief Commissioner for transmittal to the United States Senate.

OPINION

WHITE, Commissioner: Pursuant to 28 U.S.C. § 1492, the Senate on December 11, 1969, referred S. 2807, 91st Cong., 1st Sess., to the Chief Commissioner of the Court of Claims.

The legislative proposal in question, S. 2807, was entitled "A bill for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado." It proposed that the Congress enact legislation authorizing and directing the Secretary of the Treasury to pay to the Southwest Metropolitan Water and Sanitation District "a sum of money, in an amount to be substantiated, representing the amount to which the district is equitably entitled for the cost of designing and constructing certain water and sewer facilities for a planned industrial park located within the district, such facilities no longer being required after a major portion of the land within the industrial park was condemned by the United States for the Chatfield Dam and Reservoir project * * *."

The reference of S. 2807 to the Chief Commissioner of the Court of Claims was accomplished by means of S. Res. 239, 91st Cong., 1st Sess. This resolution directed that proceedings be conducted in accordance with 28 U.S.C. § 2509 and that, at the conclusion of such proceedings, the Congress be informed regarding "the nature and character of the demand (of Southwest Metropolitan Water and Sanitation District) as a claim, legal or equitable, against the United States, or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant."

The petition of the Southwest Metropolitan Water and Sanitation District ("the claimant") was filed with the Clerk of the Court of Claims on March 18, 1970; and the answer of the United States ("the respondent") was filed on May 15, 1970. Thereafter, the case was tried on its merits at Denver, Colorado, on September 14, 1970. An extensive stipulation of pertinent facts was entered into by the parties and was made a part of the trial record. The filing by the parties of their post-trial briefs and requested findings of fact was concluded on December 21, 1970.

The claimant concedes that it does not have a legal claim against the United States. Therefore, the basic question in the case is whether the claimant has an equitable claim against the United States—i.e., a claim which the United States ought to pay as a matter of moral responsibility (*Froman* v. *United States,* 157 Ct. Cl. 661 669 (1962)).

On the basis of the facts established by the evidence in the record, as summarized in this opinion and set out more fully in the findings of fact, I believe that the claimant has an equitable claim against the United States and that there is equitably due the claimant from the United States the sum of $246,239.

The claimant is a quasi-municipal corporation of the State of Colorado. It was organized on April 25, 1961, in accordance with the laws of Colorado. The claimant is authorized to construct, maintain, and operate water and sewer facilities within the geographical boundaries of the claimant's district; and in performing such functions, the claimant has the power to fix water and sewer tap fees, to levy taxes, and to issue bonds (as well as to do other things that are not pertinent to the present proceeding).

The lands within the claimant's district, at the time of its organization, included approximately 6,000 acres located in the Counties of Jefferson, Arapahoe, and Douglas, all within the State of Colorado. These lands formed an unincorporated area south and west of Littleton, Colorado, which is a suburban community located approximately 10 miles south of Denver, Colorado. The area was regarded as being suitable principally for residential development. Only a very small portion of the area originally within the claimant's district was regarded as having an industrial potential.

The "industrial park" referred to in S. 2807 is commonly known as the Blakeland Industrial Park. It was not part of the claimant's district at the time when the claimant was organized in 1961.

In 1959, approximately 2 years prior to the organization of the claimant, the Rio Grande Land Company (a subsidiary of the Denver & Rio Grande Western Railroad) assembled a 475-acre parcel of land in Jefferson and Douglas Counties, Colorado, to be developed as an industrial site. The site was given the name of Blakeland Industrial Park; and lots within it were to be platted for resale to the public.

The Blakeland Industrial Park was located on the east bank of the South Platte River, at a point below the junction where Plum Creek enters the South Platte River. The South Platte River flows north from this point through the cities of Littleton, Englewood, and Denver up to Greeley, Colorado, where it turns east to join the North Platte River in Nebraska. The two rivers then form the Platte River, which ultimately flows into the Missouri River.

In order to utilize the Blakeland Industrial Park as an industrial site, it was necessary to have water and sewer facilities available. The Rio Grande Land Company first approached the city government of Littleton and requested that it provide water and sewer services to the Blakeland Industrial Park. However, the municipal authorities referred the Rio Grande Land Company to the claimant (which had been organized by that time) for the provision of the desired services. The claimant was willing to provide water and sewer services to the Blakeland Industrial Park; and as a result of negotiations between the Rio Grande Land Company and the claimant, the Blakeland Industrial Park, became part of the claimant's district and the claimant's original plans for the development of the district were changed so as to provide for water and sewer services to be furnished by the claimant to the Blakeland Industrial Park. The claimant redesigned its proposed water and sewer facilities in order to provide the contemplated services to the Blakeland Industrial Park.

The Rio Grande Land Company spent between $800,000 and $1,000,000 in developing and grading sites within the Blakeland Industrial Park for sale. Two sales of industrial sites were made—one of 36.6 acres to the International Pipe and Ceramics Corporation in 1963 and another of 9.75 acres to the United States Rubber Company in 1964.

In order to finance the construction of water and sewer facilities to serve property owners within its district, including property owners in the Blakeland Industrial Park, the claimant in November 1961 issued and sold to the public 5-percent bonds in the principal amount of $1,460,000. The circular which advertised the bonds for sale stressed primarily the fact that the Blakeland Industrial Park was to be developed within the district, inasmuch as the industrial properties would be able to carry the highest potential assessment for tax purposes. The circular estimated that when the development of the Blakeland Industrial Park was completed, the valuation for tax purposes of the properties within the industrial park would be approximately $21,000,000.

The claimant and the purchasers of its

bonds relied primarily on the tax potential of the Blakeland Industrial Park as providing assurance that the claimant would be able to pay off its bonded indebtedness. In this connection, it was anticipated that, by virtue of the high valuation of the properties within the Blakeland Industrial Park, the claimant would be able to operate successfully and pay off its bonded indebtedness on the basis of a tax rate of approximately 10 mills. This was an important factor, because it is generally considered that the tax rate for water and sewer services should not exceed a maximum figure of 10 mills. For example, the FHA and the Veterans Administration will not approve loans on properties within special service districts (such as the claimant's district) where the tax rate for water and sewer services is in excess of 10 mills. Thus, the imposition by a district of a rate higher than 10 mills has the effect of inhibiting the development of lands within the district for residential or industrial purposes, as well as imposing a heavy burden on property owners within the district (the average tax rate, by districts similar to the claimant, for water and sewer services ranges between 4 mills and 8 mills).

After the claimant's bonds were sold, the claimant constructed water and sewer lines to serve property owners within its district, including water and sewer lines along the South Platte River from Littleton down to Blakeland Industrial Park to serve that area. The construction was completed in December of 1962.

Although S. 2807 referred to both "water and sewer facilities for a planned industrial park * * * [as] no longer being required after a major portion of the land within the industrial park was condemned by the United States," it is only the sewer line which the claimant constructed from Littleton to the Blakeland Industrial Park that is actually involved in this proceeding. The water line that was constructed along that route has been relocated at no cost to the claimant; and the claimant does not assert any claim with respect to such water line.

In connection with the construction of the sewer line from Littleton to the Blakeland Industrial Park, the claimant applied for and received from the U.S. Department of Health, Education, and Welfare the sum of $243,304 as a grant-in-aid. The net cost to the claimant of constructing the sewer line amounted to $575,908.71.

The condemnation by the United States of most of the lands within the Blakeland Industrial Park was occasioned by a severe flood which occurred in 1965 as the result of heavy rainfall on the watersheds of Plum Creek and the South Platte River. Even before 1965, the South Platte River was subject to occasional flooding. In 1933 and 1942, the river flooded, causing extensive property damage in the city of Denver. Accordingly, plans were undertaken as early as 1942 to protect Denver from future floods on the South Platte River. In the Rivers and Harbors Act of 1950 (64 Stat. 163, 175), Congress authorized the construction by the Army Engineers of a dam to be known as the Chatfield Dam on the South Platte River immediately downstream from the point where Plum Creek flows into the river. However, no funds were appropriated by Congress for the construction of the dam in 1950 or during a 16-year period thereafter. The plans for the construction of the Chatfield Dam and Reservoir project were referred to in the Army Engineers' annual reports as being in an active status from 1950 to 1956; but thereafter, until 1965, such plans were carried in the annual reports of the Army Engineers as being in an inactive status.

The 1965 flood, previously mentioned, was the most devastating flood in the recorded history of the South Platte River. It inundated the area within the Blakeland Industrial Park, except for the properties of the International Pipe and Ceramics Corporation and of the United States Rubber Company, which were located in the higher portion of the industrial park; and it caused millions of dollars worth of damage in the portions of Denver and its suburbs lying within the flood plain of the South Platte River.

Following the 1965 flood, Congress appropriated funds in 1966 for the construction of the Chatfield Dam and Reservoir project; and construction of the project was started in 1967.

After funds were appropriated for the construction of the Chatfield Dam and Reservoir project, a proceeding to condemn lands needed for the project was instituted by the United States in the U.S. District Court for the District of Colorado. The condemnation suit involved, and resulted in the taking by the United States of, a major portion of the Blakeland Industrial Park (420 acres out of a total acreage of 475) and 655 additional acres of land located within the claimant's district.

The taking by the United States of most of the lands within the Blakeland Industrial Park had the following adverse consequences insofar as the claimant was concerned:

(1) It resulted in the removal of such lands from the public tax rolls.

(2) It deprived the claimant of the major tax source upon which the claimant relied in planning and constructing the sewer line from Littleton to the Blakeland Industrial Park.

(3) It deprived the claimant of most of the potential users that the claimant expected to serve when it planned and constructed the sewer line in question.

(4) It depleted the collateral supporting the claimant's bonds.

(5) It resulted in the market value of the claimant's bonds being reduced approximately 40 percent to 60 percent below their face value.

(6) It impaired the claimant's ability to pay its bonds on time.

(7) It necessitated an exceedingly high tax rate on those lands within the claimant's district that still remain on the public tax rolls.

With respect to point (7) mentioned in the preceding paragraph, the claimant's tax assessment is determined after the annual cost of operating the claimant's district is fixed (and such cost includes the bond requirements for both principal and interest). The amount of the expected revenues from sources other than taxes (principally tap fees charged for making water and sewer connections with new structures) is deducted from the total operating cost; and the remainder, which represents the net operating cost, is divided by the valuation of the properties within the district that are on the public tax rolls. This produces a tax rate in mills to be charged each taxpayer on the valuation of any property that is on the tax rolls. Subsequent to the removal of the Blakeland Industrial Park lands from the tax rolls as the result of such lands being condemned by the United States for the Chatfield Dam and Reservoir project, the tax rate within the claimant's district has gone up markedly, to where it was 34.5 mills in 1969, 32.5 mills being assigned to the payment of bond principal and interest. The tax rate was expected to be 37 mills in 1970; and the rate by 1982 may reasonably be expected to reach a figure somewhere within the range of 250 to 297 mills.

Even the claimant's present tax rate imposes a hardship on property owners within the claimant's district. Furthermore, the development of properties within the district is being substantially inhibited by the high tax rate, since it is difficult, if not impossible, to secure financing on any property bearing such a high tax rate for water and sewer services. Unless the claimant is able to obtain relief in some way, the situation will be virtually intolerable by 1982, since the tax rate at that time will be 250 mills or more, and a 10-mill figure is regarded as being the maximum rate that a district such as the claimant can feasibly impose.

If the claimant's tax rate could be reduced to 10 mills, it is reasonable to conclude that the development of the residential areas within the district would be stimulated, and soon the increased valuation of such lands on the tax rolls would provide a sufficient tax base to permit the claimant to recover its financial position.

Since the United States is responsible for the claimant's unfortunate situation, it is my opinion that the United States is under a moral obligation to provide some relief to the claimant. If the United States had not taken most of the lands within the Blakeland Industrial Park, it is reasonable to infer that the industrial park would have been fully developed within a 25-year period; that such properties would have had a valuation for tax purposes of approximately $21,000,000; and that such valuation would have been sufficient to permit the claimant to operate successfully and to pay off its bonded indebtedness on the basis of a tax rate which would not have exceeded 10 mills. In this connection, it is true that the lands within the Blakeland Industrial Park that were taken by the United States had been flooded in 1965. However, the evidence in the record warrants the inference that the development of the lands within the Blakeland Industrial Park would not have been prevented by the possibility of a subsequent flood, if the Chatfield Dam and Reservoir project had not been constructed by the United States.

As indicated in finding 33, the parties are in agreement that there are four alternative methods that can be used in evaluating the effect on the claimant of the taking by the United States of lands within the claimant's district for the Chatfield Dam and Reservoir project, and the removal of such lands from the public tax rolls. It is my view that the second method is the preferable one, since it is concerned with the taking of industrial lands only—which is the crucial issue in this proceeding—and it takes into account an annual income which the claimant can obtain from the city of Littleton in connection with the use of the sewer line that runs between Littleton and the Blakeland Industrial Park to serve an industrial plant that is located outside the claimant's district.

Under the second method, it is estimated that, in the absence of the taking by the United States of lands within the Blakeland Industrial Park, the claimant's district would have included a total of 525 acres that could have been developed for industrial purposes; that such development would have been accomplished within a 25-year period; that the claimant's total income from such industrial lands during the 25-year period, in the form of taxes and tap fees, would have amounted to $1,559,480; and that the present discounted worth of such income would be $642,443. It is further estimated that after the taking by the United States, only 14 percent of the lands within the claimant's district having an industrial potential remain on the public tax rolls; that the present discounted worth of the claimant's anticipated income from such remaining industrial lands during the 25-year development period is $89,942; that the discounted worth of the claimant's income from the industrial lands, within its district has thus been reduced from $642,443 to $89,942, or by the net amount of $552,501, as the result of the taking by the United States; and that 60 percent of such reductions, or $331,500, should be allocated to the sewer facilities. When the anticipated income of $15,000 per year to the claimant from the city of Littleton for a sewer connection to serve the property of the Gates Rubber Company (located outside the claimant's district) is taken into account, with an adjustment because of the cost to the claimant of providing an additional sewer line extension, the $331,500 should be reduced by a net amount of $85,261, thus leaving a remainder of $246,239 as representing the estimated damages to the claimant.

According to this method, therefore, the damages to the claimant arising from the taking by the United States of industrial lands within the claimant's district amount to $246,239. Consequently, I believe that this is the amount which is equitably due from the United States to the claimant.

FINDINGS OF FACT

1. (a) Pursuant to S. Res. 239, 91st Cong., 1st Sess., S. 2807 was referred to the Chief Commissioner of the United States Court of Claims.

(b) The text of S. Res. 239 is as follows:

"*Resolved,* That the bill (S. 2807) entitled 'A bill for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado', now pending in the Senate, together with all the accompanying papers, is hereby referred to the Chief Commissioner of the United States Court of Claims; and the Chief Commissioner of the United States Court of Claims shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States, or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant."

2. (a) S. 2807, 91st Cong., 1st Sess., is entitled "A bill for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado."

(b) The text of S. 2807 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Southwest Metropolitan Water and Sanitation District, Colorado, a sum of money, in an amount to be substantiated, representing the amount to which the district is equitably entitled for the cost of designing and constructing certain water and sewer facilities for a planned industrial park located within the district, such facilities no longer being required after a major portion of the land within the industrial park was condemned by the United States for the Chatfield Dam and Reservoir project, and by reason of the inundation of, or other adverse effects upon, certain other facilities and properties located within such district in connection with the said Chatfield Dam project.

SEC. 2. No part of the amount appropriated in this Act in excess of 20 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1.000.

3. (a) On December 29, 1969, the Clerk of the United States Court of Claims served a "Notice of Docketing" in Congressional Reference Case No. 5–69 upon the claimant and the respondent, and of the filing of S. 2807, S. Res. 239, and accompanying papers.

(b) The claimant's petition was filed with the Clerk of the United States Court of Claims on March 18, 1970.

(c) The respondent's answer was filed with the Clerk of the United States Court of Claims on May 15, 1970.

(d) A "Stipulation of Uncontroverted Pertinent Facts" was filed with the Clerk of the United States Court of Claims by counsel for the claimant and for the respondent, and was admitted into evidence on September 14, 1970.

(e) The case was tried on its merits at Denver, Colorado, on September 14, 1970.

(f) The filing by the parties of their post-trial briefs and requested findings of fact was concluded December 21, 1970.

4. (a) The Southwest Metropolitan Water and Sanitation District ("the claimant") is a quasi-municipal corporation of the State of Colorado, having been organized pursuant to a decree of the District Court, First Judicial District, State of Colorado, in Case No. 15486 on April 25, 1961, in accordance with Colorado Revised Statutes, 1963, 89–5 *et seq.*, as amended.

(b) The claimant, pursuant to Colorado laws, may sue, be sued, enter into contracts, and construct, build, maintain, and operate water and sewer systems and appurtenances. It has the power to exercise rights of eminent domain, fix water and sewer tap fees and rates, borrow money, issue and reissue bonds, conduct elections, and levy taxes, all in accordance with the pertinent statutes of the State of Colorado.

5. (a) The lands within the claimant's district, at the time of its organization, included approximately 6,000 acres located in the Counties of Jefferson, Arapahoe, and Douglas, all within the State of Colorado. These lands formed an unincorporated area south and west of Littleton, Colorado, which is a suburban community located approximately 10 miles south of Denver, Colorado.

(b) The lands referred to in paragraph (a) of this finding do not consist entirely of contiguous tracts. Generally speaking, the lands within the claimant's district which are located in the central part of Jefferson County may be considered suitable for residential development primarily, the lands within the district which are located in Douglas County border on the South Platte River and relate primarily to the Blakeland Industrial Park area (see finding 8), and the lands within the district which are located in Arapahoe County are primarily located along the banks of the South Platte River downstream from the location of Chatfield Dam (see finding 24).

6. It was the claimant's original plan to serve a residential area located in the central section of Jefferson County and west of the South Platte River, in Sections 22, 23, and 28, Township 5 South, Range 69 West, Jefferson County, Colorado, with later development to include the lands just north of the South Platte River.

7. Areas outside the corporate limits of cities in Colorado counties are unable to provide services such as fire, water, sewer, and recreation. Services of the sort mentioned are supplied through special service districts.

(8) (a) In 1959, the Rio Grande Land Company, a subsidiary of the Denver & Rio Grande Western Railroad, assembled a 475-acre parcel of land in Jefferson and Douglas Counties, Colorado, to be developed as an industrial site. The site was given the name of Blakeland Industrial Park, and lots within it were to be platted for resale to the public.

(b) The Blakeland Industrial Park is located on the east bank of the South Platte River, at a point below the junction where Plum Creek enters the South Platte River. The South Platte River flows north from this point through the cities of Littleton, Englewood, and Denver up to Greeley, Colorado, where it turns east to join the North Platte River in Nebraska. The two rivers then form the Platte River, which ultimately flows into the Missouri River.

(c) In order to utilize the Blakeland Industrial Park, as an industrial site, it was necessary to have water and sewer facilities available. The Rio Grande Land Company first approached the city of Littleton and requested that it provide water and sewer services to the Blakeland Industrial Park, but Littleton referred the Rio Grande Land Company to the claimant for the provision of the desired services.

(d) The claimant was willing to provide water and sewer services to the Blakeland Industrial Park. Accordingly, as the result of negotiations, the land within the Blakeland Industrial Park became part of the claimant's district; and the claimant's original plans for the development of the district was changed so as to provide for water and sewer services to be furnished by the claimant to the Blakeland Industrial Park. The claimant redesigned its proposed water and sewer facilities in order to provide the contemplated services to the Blakeland Industrial Park.

9. (a) The Rio Grande Land Company spent between $800,000 and $1,000,000 in developing and grading sites within the Blakeland Industrial Park for sale.

(b) Two sales of industrial sites in the Blakeland Industrial Park were made, *i.e.*, 36.6 acres to the International Pipe and Ceramics Corporation in 1963 and 9.75 acres to the United States Rubber Company in 1964.

10. The claimant relied upon the tax potential of the Blakeland Industrial Park (1) in redesigning its facilities in order to serve the Blakeland Industrial Park, (2) in establishing the feasibility of the claimant's bonds with respect to sale and repayment, and (3) in ultimately constructing the system.

11. (a) The claimant approached Boettcher and Company to determine if financing could be arranged to secure the necessary funds with which to construct the sewer and water facilities, as planned. Income out of which to pay the interest and debt charges would come from tax assessments and from charges for water and sewer taps.

(b) Boettcher and Company employed Blaine B. Chase to make an appraisal of the property included within the claimant's district to determine if a bond issue would be feasible.

12. Feasibility studies conducted by the claimant, Boettcher and Company, United States Fidelity and Guaranty Company, Connecticut General Life Insurance Company, and Blaine B. Chase attributed a multimillion-dollar tax base to Blakeland Industrial Park, such tax base being of sufficient amount to justify a $1,460,000 bond sale.

13. (a) Based on Blaine B. Chase's appraisal made in 1961 (see finding 11). Boettcher and Company published an offering circular which advertised the sale of a bond issue in the amount of $1,460,000 by the claimant to finance the construction of sewer and water lines to serve property owners within the claimant's district. The report primarily stressed the fact that the Blakeland Industrial Park was to be developed within the district, since the industrial property would be able to carry the highest potential tax assessment, thus assuring the ability of the claimant to pay off its bonded indebtedness.

(b) The offering circular pointed out that the Rio Grande Land Company had spent $860,000 in site development, exclusive of railroad spurs; and estimated that when the Blakeland Industrial Park was completed, the valuation for tax purposes would be approximately $21,000,000.

(c) The potential development of residential properties within the claimant's district was discussed in the offering circular, and the fact that there was a potential growth was mentioned, but no specific estimate of future valuation was given.

14. Blaine B. Chase, in making his appraisal (see finding 11), estimated that with the availability of sewer and water services, the residential potential in the claimant's district would increase markedly. He estimated that the average homes to be constructed in the area would be evaluated at

$25,000 each; that there would be a density of approximately two homesites per acre; and that there would be approximately 250 new housing construction starts per year in the residential area of the claimant's district, extending over a 35-year period.

15. (a) The claimant issued and sold General Obligation Water and Sewer Bonds having a face value of $1,460,000, and a 5 percent interest rate, under the date of November 1, 1961, to finance the construction of water and sewer facilities.

(b) The claimant's charter authorized a bond issue of $2,300,000.

(c) The bonds having a face value of $1,460,000, mentioned in paragraph (a) of this finding, were sold to the United States Fidelity and Guaranty Company, Connecticut General Insurance Company, and Monarch Life, all of them being industrial investors. United States Fidelity and Guaranty Company bought $750,000 worth of the issue; Connecticut General Insurance Company bought $585,000 worth of the issue; and Monarch Life bought the remainder of the issue.

(d) The investing companies relied on the development of the Blakeland Industrial Park as a strong assurance that there was sufficient potential income to pay off the debt.

(e) The bonds are exempt from federal income taxes.

(f) The bonds are not a lien on the lands within the claimant's district. Each current year's obligation is provided for as a tax assessment, and the tax assessment for the current year only becomes a lien.

16. (a) Generally, special service districts with the power to levy taxes, such as the claimant in this case, do not issue bonds which are a lien on the land.

(b) In a special service district, part of the annual assessment is for service rendered during the year. On the other hand, special assessment districts, such as districts constructing streets and sidewalks, with the power to levy assessments but without the power to tax, issue bonds which are a lien on the land. In such a case, the owner of land adjoining the street or sidewalk can pay off the full assessment against his land.

17. The claimant and the purchasers of the claimant's bonds relied upon the tax potential of the lands within the Blakeland Industrial Park areas in determining the economic feasibility of the claimant's project and the claimant's ability to repay the indebtedness. Such reliance influenced the purchasers' decisions to acquire the claimant's bonds.

18. The bonds referred to in finding 15 were refunded by the claimant in an outstanding issue of General Obligation Water and Sewer and Refunding Bonds under the date of November 1, 1965, in a principal amount of $1,440,000.

19. (a) After the bonds mentioned in previous findings were sold, the claimant constructed sewer and water lines to serve part of the central area of Jefferson County, Colorado; and the claimant constructed sewer and water lines along the South Platte River from Littleton down to the Blakeland Industrial Park to serve that area.

(b) Only the sewer line from Littleton to the Blakeland Industrial Park is involved in the present proceeding. The related water line along that route was later relocated at no cost to the claimant; and the claimant does not answer any claim with respect to such water line.

20. (a) The claimant constructed a sanitary sewer outfall line, generally adjacent to the South Platte River, from the Littleton Sewage Treatment Plant to the Blakeland Industrial Park, a distance of 28,346 lineal feet, in anticipation and reliance upon the fact that the projected development of the Blakeland Industrial Park would supply major users of the claimant's water and sewer facilities, together with an adequate tax base to enable the claimant timely to retire its bonded indebtedness incurred in the construction of water and sewer facilities upon normal mill levies.

(b) The sanitary sewer line was sized at 48 to 33 inches in diameter.

(c) The sewer line constructed by the claimant to the Blakeland Industrial Park was designed to be used by other areas in the claimant's district as a major outfall collection line.

(d) The construction was completed in December of 1962.

21. (a) The claimant applied for and received from the United States Department of Health, Education, and Welfare the sum of $243,304 as a grant-in-aid to assist in the cost of constructing the sanitary sewer outfall line extending from the Littleton Sewage Treatment Plant to the Blakeland Industrial Park.

(b) The costs of construction were as follows:

Contract construction costs	$767, 163. 92
Engineering costs	42, 174. 71
Administration and legal costs	8, 164. 60
Less sales tax refund	(6, 490. 22)
Total	811, 013. 01
Less Federal participation	243, 304. 00
Total	567, 709. 01
Add easement costs	8, 199. 70
Total construction costs to claimant	575, 908. 71

(c) The sewer line constructed by the claimant from the Littleton Sewage Treatment Plant to the Blakeland Industrial Park cost the claimant a net sum of $575,908.71.

22. There was no intermediate user between the Littleton Sewage Treatment Plant and the Blakeland Industrial Park at the time of the construction of the outfall sewer line to serve the Blakeland Industrial Park. The sewer line was constructed primarily for the Blakeland Industrial Park.

23. (a) Interest paid up to September 14, 1970, by the claimant on the $575,908.71 referred to in finding 21(c) amounted to $205,200.

(b) Interest to be paid by the claimant subsequent to September 14, 1970, and during the term of the bonds mentioned in findings 15 and 18, will amount to $518,400.

24. The South Platte River is subject to occasional flooding. In 1933 and 1942, the river flooded, causing extensive damage to property in the city of Denver. Accordingly, plans were undertaken as early as 1942 to protect Denver from future floods on the South Platte. House Document 669, 80th Cong., 2d Sess., was prepared in 1948 as a feasibility report, proposing the construction of a dam, to be known as the Chatfield Dam, immediately downstream from the point where Plum Creek flows into the South Platte River. This feasibility report was approved and construction of the Chatfield Dam was authorized by Congress in the Rivers and Harbors Act of 1950 (64 Stat. 163, 175), but no funds were made available for the construction of the dam. The plans for the construction of the Chatfield Dam were referred to in the Corps of Engineers' annual reports as being in an active status from 1950 to 1956. Thereafter, until 1965, the construction of the Chatfield Dam was carried in the Corps of Engineers' annual reports as being in an inactive status.

25. (a) In 1965, there was a severe flood resulting from heavy rainfall in the Plum Creek and South Platte River watersheds. This was the most devastating flood in the recorded history of the South Platte River. It inundated the lands within the Blakeland Industrial Park, except for the properties of the International Pipe and Ceramics Corporation and of the United States Rubber Company (see finding 9(b)), which were located in the higher area of the Blakeland Industrial Park. The 1965 flood caused millions of dollars worth of damage to the portions of Denver and its suburbs lying within the flood plain of the South Platte River.

(b) The areas adjacent to the South Platte River that sustained flood damage in 1965 were not abandoned, but were subsequently rebuilt.

26. (a) After the flood of 1965, Congress appropriated funds for the construction of the Chatfield Dam and Reservoir project.

(b) Hearings on the matter of an appropriation for the Chatfield Dam and Reservoir project were held by the Subcommittee on Public Works of the Committee on Appropriations, United States Senate, in April of 1966. The claimant informed that subcommittee of the claimant's possible loss and damage of the project was constructed at the location then under consideration.

(c) The claimant, in its presentation to the subcommittee, recognized the damage suffered by property owners in the community as a result of the flooding, and endorsed construction of the Chatfield Dam and Reservoir project, but asked that an appropration be made to relieve the claimant "from unusual burdens and economic stress," since the claimant had invested a large sum of money in facilities to serve the Blakeland Industrial Park area and would lose the tax base and anticipated tax income from such area if the project was constructed at the proposed site. Congress did not take any action for the relief of the claimant.

(d) The Chatfield Dam and Reservoir project was funded in 1966, and construction was started in 1967.

27. (a) After funds were appropriated for the construction of the Chatfield Dam and Reservoir project, a condemnation proceeding entitled *United States* v. *425.69 Acres, More or Less, in Douglas and Jefferson Counties, State of Colorado, and Rio Grande Land Co., et al.*, Civil No. 67-C-346, was filed in the United States District Court for the District of Colorado. The condemnation suit involved a major portion of the Blakeland Industrial Park (420 acres out of a total acreage of 475) and 655 additional acres of land located within the claimant's district.

(b) Title to the lands referred to in paragraph (a) of this finding was acquired by the United States subject to "existing easements for public roads and highways, public utilities, railroads, and pipelines."

(c) The claimant petitioned to be made a party to the condemnation proceeding mentioned in paragraph (a) of this finding, so that the claimant could participate in the award. The claimant's motion was opposed by the Rio Grande Land Company. By an order dated June 23, 1969, the District Court denied the claimant's application to be joined as a party, since the lands were acquired by the United States subject to easements for public utilities and pipelines, and the claimant could establish no other ownership of land in the area. The District Court observed that the taking of lands in the Blakeland Industrial Park would reduce the tax base of the lands within the claimant's district and would reduce the number of potential water and sewer taps within the district, thus causing the remaining lands in the district to carry a greater tax burden, but said that such results were not considered compensable as a matter of law.

28. The taking by the United States of most of the lands within the Blakeland Industrial Park had the following adverse consequences insofar as the claimant was concerned:

(a) It resulted in the removal of such lands from the public tax rolls.

(b) It deprived the claimant of the major tax source upon which the claimant relied in planning and constructing the outfall sewer line from the Littleton Sewage Treatment Plant to the Blakeland Industrial Park.

(c) It deprived the claimant of most of the potential users that the claimant expected to serve when it planned and constructed the sewer line mentioned in paragraph (b) of this finding.

(d) It depleted the collateral supporting the claimant's bonds.

(e) It resulted in the market value of the claimant's bonds being reduced approximately 40% to 60% below their face value.

(f) It impaired the claimant's ability to pay its bonds on time.

(g) It necessitated an exceedingly high tax rate on those lands within the claimant's district that still remain on the public tax rolls (see findings 29 and 30).

29. (a) The claimant secures its revenue from two sources. One is the fee charged for making water and sewer connections with new structures, called a tap fee. The other source is a tax assesment. The tax assessment is determined after the annual cost of operating the claimant's district is fixed, which includes the bond requirements for both principal and interest, less the amount of the expected revenues from sources other than taxes, and dividing the net operating cost figure by the valuation of the properties within the district. This produces a mill rate to be charged each taxpayer on the valuation of property on the tax rolls.

(b) It is usually considered that the mill rate for water and sewer services should be no more than 10 mills. The FHA and the Veterans Administration refuse to approve loans for federal purposes within districts where the mill rate for water and sewer services is in excess of 10 mills.

30. (a) The development of the properties within the claimant's district is being markedly inhibited by the high mill rate. It is difficult, if not impossible, to secure financing on property bearing such a high tax rate, and the property owners protest the burden.

(b) If the claimant's mill rate could be reduced to 10 mills, it is reasonable to conclude that the development of the residential areas within the district would be stimulated, and soon the increased assessed value on the tax rolls would supply a sufficient tax base to retain a low mill rate assessment, and the claimant would recover its financial position.

(c) It was anticipated at the time when the offering circular which advertised the claimant's bonds for sale was published (see finding 13) that the mill rate be approximately 10 mills. After the Blakeland Industrial Park lands were removed from the tax rolls, the mill rate within the claimant's district has gone up markedly, to where it was 34.5 mills in 1969, 32.5 mills being assigned to bond and interest payments; and it was expected to be 37 mills in 1970. Because the retirement of $1,425,000 worth of the claimant's bond issue is reserved until 1982–85, the mill rate in 1982 may reasonably be expected to reach 250 to 297 mills.

(d) The present high mill levy of the claimant to pay bonds and interest is a hardship on homeowners within the claimant's district.

31. The average water and sewer mill levy of districts similar to the claimant is 4 to 8 mills.

32. An industrial area is being developed in Section 33, north of the location of the Chatfield Dam and near the South Platte River. It is referred to as the Gates Rubber Company property. The property lies immediately east of the boundary line of the claimant's district, in Arapahoe County. It is essential for Gates Rubber Company to receive sewer service. The company is not willing to be included within the claimant's district because of the high mill rate. The city of Littleton, in order to serve the Gates property, has offered to pay the claimant $115,000 a year for the privilege of connecting its service line from the Gates property to the claimant's sewer line that was placed along the bank of the South Platte River to serve the Blakeland Industrial Park.

33. (a) Blaine B. Chase (see findings 11–14) was engaged by both the claimant and the United States to make an evaluation of the effect that the taking of lands within the claimant's district for the Chatfield Dam and Reservoir project, and the removal of such lands from the public tax rolls, will have on the claimant. Mr. Chase, acting for both parties, used four alternative methods or approaches in making such evaluation; and the results indicated in the succeeding paragraphs of this finding were reached when the respective methods were applied.

(b) Under the first method, it was estimated that, in the absence of the taking of lands within the claimant's district by the United States, the total area would have been fully developed for residential and industrial purposes within a 35-year period; that during such period the claimant's tax income from the lands within its district would have totaled $8,596,558; that $5,157,935 of this total tax income would have been attributable to the sewer facilities; that the ultimate tax income of $5,157,935 from the sewer facilities would have a present discounted worth of $1,654,318; and that the ratio between the cost of the sewer facilities and the tax income from such facilities would be 1:3.6. It was then estimated that, with the elimination from the tax rolls of the lands within the claimant's district that were taken by the United States, the claimant's total tax income during the 35-year period would amount to $5,570,970; that the portion of such tax income attributable to the sewer facilities would be $3,342,582; that the present discounted worth of the ultimate tax income attributable to the sewer facilities would be $1,015,385; and that the ratio between the cost of the sewer facilities and the tax income attributable to such facilities would be 1:2.28. The difference between the "before" tax income of $1,654,318 and the "after" tax income of $1,015,385 would represent estimated damages in the amount of $638,933. Also, the difference between the "before" cost-income ratio of 1:3.6 and the "after" cost-income ratio of 1:2.28 would represent a 37% reduction in the cost-income ratio; and if this percentage were applied to the $1,440,000 representing the principal amount of the claimant's bonds that are outstanding (see finding 18), the result would be estimated damages in the amount of $532,800. However, if the anticipation income to the claimant from the city of Littleton for a sewer connection to serve the property of the Gates Rubber Company [see finding 32] is taken into account, with an adjustment because of the cost to the claimant of providing an additional sewer line extension, the respective damage figures of $638,933 and $532,800 should each be reduced by a net amount of $85,261 to $553,672 and $447,539 under the first method of computation.

(c) Under the second method, it was estimated that, in the absence of the taking by the United States of lands within the Blakeland Industrial Park, the claimant's district would have included 525 acres that could have been developed for industrial purposes; that such development would have been accomplished within a 25-year period; that the claimant's total income from such industrial lands during the 25-year period, in the form of taxes and tap fees, would have amounted to $1,559,480; and that the present discounted worth of such income would be $642,443. It was further estimated that after the taking by the United States, only 14% of the lands within the claimant's district having an industrial potential remain on the public tax rolls; that the discounted worth of the anticipated income from such remaining industrial lands during the 25-year development period would amount to $89,942; that the discounted worth of the claimant's income from the industrial lands within its district would thus be reduced from $642,443 to $89,942, or by the net amount of $552,501, as the result of the taking by the United States; and that 60% of such reduction, or $331,500, should be allocated to the sewer facilities. When the anticipated income to the claimant from the city of Littleton for a sewer connection to serve the property of the Gates Rubber Company is taken into account, with an adjustment because of the cost to the claimant of providing an additional sewer line extension, the $331,500 should be reduced by a net amount of $85,261, thus leaving a remainder of $246,239 as representing the estimated damages to the claimant under the second method of computation.

(d) Under the third method, the prices paid during recent years for lands situated within the claimant's district were compared with prices paid for comparable lands in the same general area but outside the district boundaries. It was concluded that lands within the claimant's district have a market value approximately 40% less than comparable lands situated outside the district's boundaries, and that this difference is attributable to the high mill tax levy forced upon the claimants as a result of the acquisition of lands within the claimant's district by the United States for the Chatfield Dam and Reservoir project. When this percentage factor is applied to the $1,440,000 representing the principal amount of the claimant's outstanding bonded indebtedness, the result is a figure of $576,000 representing the claimant's damages under the third method.

(e) Under the fourth method, the present market value of the claimant's outstanding bonds was estimated, and it was concluded that such bonds could be sold in the open market to knowledgeable buyers at a price somewhere between 40% and 60% of their face amount. Therefore, since the claimant's outstanding bonds have a total face value of $1,440,000, the claimant's damages, consisting of the loss in valuation sustained by the claimant's bonds, would range between a minimum of $576,000 and a maximum of $864,000 under the fourth method.

34. At the trial of this case, representatives of the claimant testified that in the event the Congress should make an award to the claimant, the funds would not be used to pay off the principal of the bonded indebtedness, but would be invested in a fund to be used over a period of time to pay the claimant's current bond and interest obligations only, in an effort to reduce the mill levy to 10 mills, with the hope that new interest could be stimulated in the development of the residential areas within the claimant's district, and that there would be a sufficient development of the residential areas to increase the assessed valuation of such areas to the point where a 10-mill levy on the residential areas would enable the claimant to pay its obligations.

CONCLUSIONS

1. The claimant does not have any legal remedy with respect to the adverse consequences resulting from the action of the United States in taking lands within the claimant's district for the Chatfield Dam and Reservoir project.

2. The claim asserted by the claimant in the present proceeding is not legal in its nature or character.

3. The claimant has an equitable claim against the United States, and there is equitably due the claimant from the United States the sum of $246,239.

Certified, a true and correct copy, this 7th day of May, 1971, at Washington, D.C.

MARION T. BENNETT,
Chief Commissioner, United States Court of Claims.

In agreement with the opinion of the Court of Claims, the committee recommends the bill favorably.

EXCHANGE OF MEDICAL INFORMATION

The bill (S. 2288) to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans' Affairs to establish and carry out a program of exchange of medical information, was announced as next in order.

Mr. CRANSTON. Mr. President, on

July 23 I had the honor to report from the Committee on Veterans' Affairs the first bill which this new Senate committee has ever reported to the Senate. I am most grateful to the chairman of the committee, who introduced the bill, for giving me this opportunity. The bill in question, S. 2288, of which I am a cosponsor, would extend the current authority of the Administrator of Veterans' Affairs to make pilot project grants to medical schools, hospitals, medical centers, and individual members of the medical profession for the free exchange of medical information and techniques. The legislation amends 38 U.S.C. 5055 (c) to provide an authorization of such sums as may be necessary for the next 4 fiscal years.

The bill was unanimously reported from the Veterans' Affairs Committee and was requested and is supported by the administration.

The authority to enter into these agreements was initially enacted by Public Law 89-785, approved November 7, 1966. An appropriation of not to exceed $3 million annually for each of the first 4 years following the fiscal year of enactment was authorized. The authorization expired on June 30, 1971.

The exchange of medical information has become part and parcel of the development of ongoing VA programs for patient care, research, and education in medicine. The specific exchange of information activities authorized by current law have contributed to the quality of Veterans' Administration's medical care.

Exchange of medical information activities have served to strengthen programs at hospitals not affiliated with medical schools and located at remote distances from medical teaching centers, as well as to foster the widest possible cooperation and consultation among all members of the medical profession whether within or outside of the Veterans' Administration.

The purposes of this program are being accomplished through exchange of the most advanced medical and other scientific information and techniques between the Veterans' Administration and medical schools or other institutions of higher learning. These activities use a wide range of methods of information, including closed-circuit television, single-concept films, and other advanced media.

Implementation of these programs promotes an environment of academic medicine at more remote Veterans' Administration hospitals which helps such hospitals to attract and retain the services of qualified members of the medical profession. This environment, in turn, aids in achieving the ultimate purpose of making available the best and most up-to-date medical care for veteran patients at the nonaffiliated Veterans' Administration facilities.

Mr. President, many examples of the types of programs carried out under this authority could be cited. I will mention just three as illustrative of how this legislation benefits those members of medical-scientific communities located considerable distances from medical teaching centers, with a resultant improvement in VA medical care for disabled veterans.

First. In 1968, the University of Oklahoma and the Veterans' Administration entered into an exchange of medical information agreement which authorizes the university to plan, direct, and conduct a program of educational enrichment and assistance at the VA hospital at Muskogee, with the concomitant objective of improving the provision of health services at that hosptial. This is being accomplished in coordination with the University of Oklahoma Medical Center and the VA hospital at Oklahoma City.

Educational activities, involving computer-assisted programed instruction and extensive staff exchange between the university medical center and the Muskogee VA Hospital, have also been instituted. That hospital is thus becoming an academic center for continuing education of community physicians and the training of medical students and residents from the University of Oklahoma Medical School. Also, assisted by this program a baccalaureate degree project in the training of physicians' assistants has been established at the Muskogee VA Hospital. This will result in graduating a class of 15 physicians' assistants beginning in 1972. This is a program I plan to follow very closely.

A second example: A cartridged film, guest lecture program was also begun in 1968 with the medical media network of the University of California. This program now reaches 90 VA hospitals throughout the country, all of which receive 18 programs directed primarily to physicians and nurses on 8-millimeter cartridge film and three lecturers each over a period of 36 weeks. The 18 films deal with medical and nursing subjects of current interest to the professional staffs at each installation and surrounding medical and nursing communities.

The subjects of the live lectures are coordinated with those of the films, thus providing the basis for extended interchange between staff members, guests, and lecturers. In order to further insure that this program provides opportunities for active and individualized learning experiences, as opposed to passive viewing of films, comprehensive study guides are prepared for the programs. These guides include bibliographies for further study, self-testing devices, outlines of key program points, and other useful hints for more effective utilization of the material presented. The interest in this program on the part of Veterans' Administration staff and health professionals in the communities surrounding the participating hospitals has been extensive. The number of individual viewings for the 1970 program, which included only 60 VA hospitals, was approximately 158,000.

A third example: In April 1970, the Veterans' Administration established a two-way television link between the Massachusetts General Hospital and the Veterans' Administration Hospital at Bedford, Mass., 18 miles away. The system is named "Teleconsultation."

This electronic health information exchange highway has clearly established the ease and effectiveness of virtually any type of patient-oriented transaction between professionals by the use of two-way television. Teaching from either site—sometimes with elaborate aids, sometimes with none at all—is readily carried out. The transmission of previously recorded video tapes followed by an active interchange between professionals at each site adds a new dimension to teaching. Intensive psychiatric therapy and patient support at either hospital site is also possible.

A variety of patient-oriented exchanges between nurses, social workers, psychologists, dieticians, and others are carried out routinely.

At the Massachusetts General Hospital, telepsychiatry, with particular application to crisis intervention of the ambulatory neurotic or psychotic patient, has been especially impressive. In fact, one of the most brilliant facets of telemedicine has proven to be telepsychiatry. I am extremely interested in the potential of this method to increase the availability of the psychiatrist and utilization of his full potential. This innovative program of interactive television can point the way to similar advances in mental health programs everywhere.

Early experiences with another innovation in the providing of health care, based at the Massachusetts General Hospital and identified at telecounsel, show that effective counseling services can be delivered to troubled adolescents, in or out of school, and to their involved teachers, guidance counselors, and court probation officers.

Interactive television circuitry based upon the emerging concepts and practice of "telemedicine" extends the usefulness of the physician, increases his availability, and continues to focus health care programs around his skill, his resources, and his knowledge.

The teleconsultation link between Massachusetts General and the Bedford VA Hospital is being used for more than psychiatric consultation or treatment. Any hospital activity at either end that can be better communicated by telephone, mail, or physical presence of the person is being exchanged. A Massachusetts General speech therapist gives weekly training to Bedford patients. A Bedford physical therapist observes and discusses and applies the therapy daily, thus reinforcing therapy as well as himself becoming trained in speech therapy.

Mr. President, the extension of TV links between various institutions and smaller satellite units in the city and countryside seems to provide one part of the answer to the shortage of professionals and the increasing demand for medical care. Interactive television, along with some other changes in medicine, encourages the allocation of tasks between the physician and other professionals and paraprofessionals who care for the patient. This technological advance may lead the way to revolutionary change in medical practice.

Mr. President, the Veterans' Administration in its report urging early and favorable consideration of S. 2288 estimated that the cost for fiscal year 1972 would amount to approximately $2 million.

The committee report recommends, and it is my hope, however, that this program should be funded at a $3,000,000 level for fiscal year 1972; and perhaps higher thereafter. I believe such an appropriation of $3 million for this fiscal year will be acceptable to the Appropriations Committee, since the distinguished chairman of the Housing and Urban Development, Veterans' Space, Science Subcommittee of that committee (Mr. PASTORE), on the floor July 20 during consideration of H.R. 9382 indicated he would support such an amount in the first supplemental appropriation bill once this authorization is enacted.

Mr. President, it has been agreed that we will postpone indefinitely S. 2288 in order to take up and pass H.R. 4762, an identical bill, which passed the other body on July 19.

I wish to express my appreciation to the chairman of the Veterans' Affairs Committee, the Senator from Indiana (Mr. HARTKE), for giving me the honor of reporting this inaugural bill, which falls within the jurisdiction of my Health and Hospitals Subcommittee of the full committee. I also wish to thank the distinguished majority and minority leaders for their cooperation in expediting consideration of this legislation so it can be sent to the President right away and the necessary appropriations can be made as quickly as possible.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 4762. I would note that this bill is identical to Calendar No. 295, S. 2288.

The ACTING PRESIDENT pro tempore laid before the Senate H.R. 4762, an act to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans' Affairs to establish and carry out a program of exchange of medical information, which was read twice by its title.

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the immediate consideration of the bill.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the bill (H.R. 4762) was considered and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 295, S. 2288, be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar, under New Report.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination on the Executive Calendar, beginning with New Report, will be stated.

DEPARTMENT OF THE INTERIOR

The second assistant legislative clerk read the nomination of John W. Larson, of California, to be an Assistant Secretary of the Interior.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

Mr. SCOTT. Mr. President, I yield back my time.

EMERGENCY LOAN GUARANTEE ACT

The ACTING PRESIDENT pro tempore. The Chair now lays before the Senate S. 2308, which the clerk will state.

The second assistant legislative clerk read as follows:

S. 2308, to authorize emergency loan guarantees to major business enterprises.

The Senate resumed the consideration of the bill.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MANSFIELD). Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, yesterday I called up an amendment to S. 2308. The reasons for the amendment are obvious. The bill is for the benefit of the Lockheed Aircraft Corp. The bill purports now to be a generic bill, yet it is tailor made for Lockheed. Among other things, the bill provides that all loan guarantees will be subject to the right of Congress to disapprove, except for guaranteed loans made before October 1. In other words, the bill now provides that all future loan guarantees will be subject to congressional approval except for one, the guarantee to Lockheed.

The amendment I have offered merely eliminates that exemption for Lockheed. It eliminates the special treatment for just one corporation. It also has the effect of giving Congress an opportunity to vote up or down on two important issues.

The bill in its present form is not generic. It is not a private bill. It is neither fish nor fowl. It is a hybrid.

In its present form, it is impossible for the Senate to work its will on the first issue, and in many ways the more important issue: Whether Congress should interfere in the orderly processes of a free marketplace to bail out corporations in failing circumstances merely because they are big. That is the first question Congress and the Senate will not have an opportunity to vote up or down on, if the bill remains in its present form.

The other question is simply the loan guarantee to Lockheed. At least two Senators in the course of debate yesterday indicated that they would like to vote for a generic bill. They wanted to do so without being forced to vote in favor of a loan to Lockheed.

Mr. President, I would suggest that every Member of the Senate ought to have the right and the opportunity to vote up or down on each of these important issues. This amendment would, as I say, have the effect of separating those issues and affording the Senate an opportunity to work its will on each. It would eliminate the special treatment for Lockheed, the favoritism that is a discrimination in its favor. It would have the effect of requiring that after Congress considers the generic question and passes a bill permitting loan guarantees by the Federal Government, then Lockheed, like all other corporations, would have to come back before Congress to afford the elected representatives of the people in each of the Houses of Congress an opportunity to approve or disapprove the proposed loan guarantee.

The procedures are substantially the same as those set out in the Defense Production Act.

It was only about a year ago that the Senate voted 75 to nothing to require that the loan guarantees under the Defense Production Act be submitted to Congress for approval. If Lockheed were seeking now a "V" loan guarantee under the Defense Production Act, it would have to submit to congressional approval. In this case it is not seeking financing for a defense project. It is seeking financing for a commercial project, the development of a commercial aircraft.

This bill in its present form says in effect that in the case of projects related to the national security and the national defense, Congress reserves the right to approve. But in the case of this loan to the Lockheed Corp. for a commercial aircraft, it is not going to reserve the right to disapprove.

I suggest, Mr. President, that this commercial project simply is not that important. It is unrelated to the national defense. There is no reason on earth, if this is a meritorious claim upon the credit of the United States, why Lockheed could not come back later and seek and obtain the approval of Congress. The procedures for affording approval or disapproval in Congress are expeditious.

Congress will reserve only 20 days in session. If neither House passes a disapproval resolution within that time, the Board created by this legislation could go ahead and guarantee the $250 million loan. That 20-day period would not include the August recess, meaning that Congress would not act on the guarantee proposal until some time in September.

It has been argued here that Lockheed would suffer, that it needs the money right away. By Lockheed's own figures, its own cash flow estimates, it would need only about $25 million in additional liquidity to tide itself over until such time as Congress could act on the loan guarantee.

Mr. President, there has been offered no sound explanation as to why that $25 million could not be available from banks. The banks have a distinct interest in keeping Lockheed going and obtaining permanent and longer term financing for Lockheed that could tide Lockheed over during that short period and at no undue risk. If Lockheed has the collateral with which to secure Government interest in $250 million loan, surely it has the collateral with which to protect the banks' interest in a $25 million loan for only a matter of a couple of months.

If this financing is as important to the public welfare as its supporters claim, Lockheed could obtain the financing from the Federal Reserve Board. It has the authority under section 13-3 of the Federal Reserve Act to make such short-term financing available, and at this rate the banks could be protected against any risk through the pledge of collateral by Lockheed. Instead, what has been suggested is that Congress pass this legislation, give this special treatment to Lockheed, and then give carte blanche to Lockheed, to the banks, and to the Board to make a deal providing for loans of up to $250 million for a long period of time to Lockheed. All of this would be done without affording Congress any opportunity to review the details of that deal, the provisions with regard to mergers, the sale of assets by Lockheed, or provisions governing the identity of the management of Lockheed. Nor do we know what the provisions are governing those rights to declare dividends.

Congress is asked in this bill to give the Board carte blanche to let the bankers and Lockheed work out their arrangements and then guarantee the obligations of Lockheed to the banks. Under this bill in its present form Congress would also deprive itself of any opportunity between now and the time of the guarantee to review and evaluate the underlying assumptions about the adequacy of $250 million to tide Lockheed over and get the Tri-Star project off the ground.

Congress would deprive itself of any further opportunity to evaluate the assumption that there will be a sufficient market for this type of aircraft to sustain the Tri-Star project. There is evidence to indicate that that market is softening. As a matter of fact, I have asked the Treasury to contact the airlines and review their present estimates of their needs for this type of aircraft.

In passing separately on the Lockheed guarantee, Congress will have an opportunity to get the latest estimates of what the market will bear, and whether there will be enough business to make the Tri-Star project a viable one. As it stands now, there is grave doubt whether $250 million would be enough. If that is the case, we could expect Lockheed to come back to Congress for another guarantee. It could very well be, too, that Lockheed could default on its loans, and the banks would look to the taxpayers to make good on their guarantee of $250 million.

Mr. President, I do not know the justification for this special treatment. I know of no reason why Lockheed cannot keep going during the short period until the resolution of disapproval would be acted upon. Perhaps opposition to my amendment reflects an obscure interest in the British Government. For some reason, the British Government, in its May 10 Rolls-Royce contract with Lockheed, requires not only a loan to Lockheed in the amount of $250 million, but a loan guaranteed by the U.S. Government by August 8. I do not know what the interest of the British Government is in that guarantee. On the surface one would think it would not matter to Rolls Royce or the British Government where Lockheed got the funds for the development of the Tri-Star project.

The British insist on a guarantee. Perhaps that is because they want to involve the Government so that should the $250 million not be enough the Government would be tempted to make more funds available to Lockheed, perhaps through the guarantee of still more loans to this corporation.

I do not understand why the British Government insists on a guarantee by August 8.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. STEVENSON. I yield for a question.

Mr. TOWER. I would like to point out that the $250 million is actually an outside figure. The Treasury estimates probably no more than $150 million will provide the guarantee. So $250 million is an outside figure.

Mr. STEVENSON. I thank the Senator from Texas. I am glad to hear it. As a matter of fact it is estimated that by the end of September only $25 million of the $250 million would be needed for Lockheed.

But I do not understand why the British Government insists upon not only $250 million, or the assurance that $250 million will be available, but also that the loans of that sum or sums up to $250 million are guaranteed by the U.S. Government.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

Mr. TOWER. And I do not know the answer. I have not seen any documentation that shows the British Government insists on a government guaranteed loan.

Pursuing the debates in Hansard, the government, in the person of the Prime Minister, made no specific reference to a loan guaranteed by the Government of the United States. It is just that they want a guarantee or assurance that the funding would be available.

But if the Senator knows of any documentation or if he can cite some specific source for his contention that they must have a U.S. Government guaranteed loan, I hope he would cite it.

Mr. STEVENSON. The requirement of a U.S. guarantee of the loans to Lockheed is contained in article 40 of the May 10 agreement between Rolls Royce and Lockheed. That agreement not only requires the U.S. guarantee of the loan, but it also requires the U.S. Government to make to the British various assurances about the sufficiency of the $250 million to finance the completion of the Tri-Star project. It also requires the U.S. Government to give the British certain assurances that there will be a sufficient market to guarantee the success of the Tri-Star project.

In committee hearings I questioned representatives of the Treasury about these rather unusual provisions and I was told they were only estimates required under the contract. It does not seem to me to matter much what one calls them, the fact is the British are relying on these assurances: The adequacy of $250 million, and sufficiency of the market to guarantee success of the Tri-Star, and in reliance of those assurances the British Government is investing substantial amounts of money in Rolls Royce.

I have a letter from the British Ambassador saying they are relying on those assurances. It goes on to point out their reliance would not be a legal claim by the British against the United States, but they are relying in good faith on these assurances in the contract that are called for by the contract between Rolls-Royce and Lockheed.

Apparently the reliance of the British Government on those assurances of the United States would not create any legal claim against the United States, but they might create a moral obligation on our part. The British could argue that having relied to their detriment to the tune of many millions of pounds upon these estimates, and then the $250 million turns out to be insufficient and they lose much of their investment in Lockheed.

I submit that is the reason for the August 8 date, and that is the reason for the assurances required of the United States in the contract. The British quite understandably are endeavoring to create a moral obligation, at the least, on the part of the United States, so that there will be more pressure on us to bail out Lockheed again if those estimates prove to be as inaccurate as much of the evidence now indicates they will be.

Mr. President, I yield to the Senator from Virginia.

The PRESIDING OFFICER. Does the Senator ask unanimous consent to yield to the Senator from Virginia without losing his right to the floor?

Mr. STEVENSON. I ask unanimous consent that I may yield to the Senator from Virginia without losing my right to the floor.

Mr. TOWER. Mr. President, reserving the right to object, for what purpose does the Senator propose to yield to the Senator from Virginia?

Mr. STEVENSON. I yield to the Senator from Virginia for the purpose of enabling the Senator from Virginia to make a 15-minute statement on the Lockheed issue.

Mr. TOWER. I would not object.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 15 minutes.

Mr. BYRD of Virginia. Mr. President, I thank the Senator from Illinois for yielding to me at this point.

There are many aspects of the pending legislation, namely emergency loan guarantees to major business enterprises, which require attention.

The legislation under consideration would grant authority to the Federal Government to provide emergency loan guarantees to major business enterprises when failure of such enterprises would result in serious damage to the economy or employment of the Nation or a region of the Nation.

The bill would establish an Emergency Guarantee Board consisting of three members, the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the President of the Federal Reserve Bank in whose district the prospective borrower is located.

The legislation provides a $2 billion authorization and specifies that guarantee loans for any one enterprise be limited to $250 million.

This legislation results from the request of the Nixon administration that the Congress authorize the Government to guarantee loans for the Lockheed Aircraft Corp. to the extent of $250 million. The Government contends that without such a loan guarantee, Lockheed will go into bankruptcy and substantial unemployment will result.

The Senate Banking Committee held lengthy hearings on this proposal and concluded to recommend legislation, now pending, which could guarantee loans not only to Lockheed but to other major business enterprises as well. In other words, the Lockheed loan guarantee would be a precedent for other companies to seek similar Government support.

I have kept an open mind on this legislation until I could give full consideration to the facts and implications.

Most certainly there would be repercussions if Lockheed were unable to make adequate financial arrangements.

But is the fact that a large corporation is in financial difficulties justification for the Government guaranteeing $250 million in loans?

One of the foremost reasons advanced for passage of this legislation is that it will save jobs. But the real guarantee of jobs, in the long run, is the economic viability of a company. Government-backed loans cannot be a substitute for the good judgment and wise managerial practice which makes a company truly viable.

The national defense effort is not involved. Deputy Secretary David Packard testified before the Senate Armed Services Committee that whether or not Lockheed is able to continue its L-1011 Tri-Star commercial transport program would have no appreciable effect on Lockheed's military contracts with the Government.

Arthur F. Burns, Chairman of the Federal Board, in testifying before the Senate Banking Committee on June 15 declined to say whether he thought the adverse impact of Lockheed's difficulties would be so adverse as to justify saving the company. He did say "the Federal Reserve is not interested in saving big business as much as we are interested in preserving the national economy."

The legislation the Senate is now considering, by its nature, is confined to big business. As the committee report makes clear, it provides emergency loan guarantees "to major business enterprises." The same report emphasizes the major "aspect" by further stipulating that the loans could be utilized only when the failure of such enterprises would result in serious damage to the economy or employment. Few firms would qualify under such criteria.

The amendment offered by the distinguished Senator from Illinois would seek to give the Senate an opportunity to pass judgment on the two questions involved, one question being whether a $2 billion loan guarantee fund should be established, and the other question being whether a loan guarantee of $250 million to Lockheed should be made available to that company. I expect to support the Stevenson amendment.

The proponents of the pending legislation have said that Lockheed Aircraft Corp. has had a lot of hard luck. The testimony of Mr. Daniel Haughton, chairman of the board of Lockheed, seems to bear out this point. Not every company loses large sums on defense contracts, nor does every company suffer from the unexpected bankruptcy of a seemingly solid firm such as Britain's Rolls Royce. But the fact that Lockheed contracted with a foreign firm—to the detriment of U.S. companies—is a reason for questioning whether U.S. funds should be utilized in this case.

And as for the loss on defense contracts, there is some justification for believing that Lockheed underbid in order to get the contracts—with the belief that the Government would later authorize the cost overruns, as has been customary in recent years.

I am glad to say that the new Secretary of Defense and the Deputy Secretary of Defense, Mr. Laird and Mr. Packard, have been addressing themselves to this problem, but it has been the custom in recent years for the Government to more or less automatically take care of these huge cost overruns for the purchase of military equipment. I feel that there is justification for the belief that Lockheed, in bidding on some of these Government contracts, like the C-5A, took a similar view that the cost overruns would be automatically approved.

Twenty-four banks have loaned Lockheed a total of $400 million to build the L-1011 Tri-Star air bus. They now say they can lend no more without a Government guarantee. Testimony indicates that there is no assurance that a $250 million loan guarantee would prove sufficient to rescue Lockheed.

Undoubtedly, Lockheed is in bad shape financially.

But the point we in the Congress must decide is whether the plight of Lockheed justifies setting up a Government-guaranteed kitty of $2 billion to bail out large corporations which have become victims of either economic reverses or mismanagement, or both.

I have found it difficult to reach a conclusion that tax funds—funds obtained from the sweat of the wage-earners—should be used to rescue huge private enterprise corporations.

It seems to me, too, that loan guarantees could subsidize certain large companies at the expense of their competitors.

I am impressed with the comment of the Senator from Ohio (Mr. TAFT) in his Individual Views, appended to the committee report on this legislation. The distinguished Senator from Ohio makes this observation:

> The free enterprise system needs the carrot of success *and* the stick of failure.

Business failure always is unfortunate where the enterprise involved is a legitimate and honest one. But I think we are treading on dangerous ground if we attempt to abolish failure by legislation.

Will not productivity of American industry suffer if companies and management which find themselves in difficulties are bailed out by the taxpayers?

Deputy Defense Secretary Packard has said that he is dedicated to the task of improving performance on defense contracts and reducing or eliminating the huge cost overruns that have characterized defense production in recent years.

I think we might well be undermining this commendable effort, were we to approve legislation providing Government-backed loans for faltering corporations.

It seems to me that removal of the fear of failure could only reduce the incentive of defense and other industries to operate with the efficiency required to improve performance and cut costs.

Just as the free enterprise system is based on profit potential so, too, are business failures and bankruptcy a part of the competitive enterprise system.

And where do we draw the line if we start bailing out ailing companies?

Last year, 11,000 businesses went bankrupt in the United States. The resulting losses are estimated at $1.9 billion.

Is the Government now to embark on a program to end bankruptcy—and if not, where do we draw the line between companies worthy of Government loans and those not worthy?

Do we try to help 10 of those failing businesses; or 20; or 200?

Last year the Penn Central Railroad got in trouble. Congress and the administration's answer was to authorize the Government to guarantee loans totaling $125 million—not just to Penn Central but to any railroad facing bankruptcy.

Today the taxpayers are called upon to bail out the Lockheed Aircraft Corp., and possibly other "major" corporations.

What will it be next year, or the year after?

Most certainly the approval of this legislation would be establishing a precedent.

The fact is that if Congress approves this legislation, there is no real bar to establishing the principle of Federal assistance to any and all failing companies. How can it be argued that the Government can bail out only "major" companies?

This legislation would make the Federal Government a kind of mechanic, charged with keeping regional and national economies in order with Government-backed loans as the tools for the job.

I submit that the Government's record of financial acumen is open to question. Its deficit in Federal funds will run at least $30 billion this year, and it was more than $25 billion for the fiscal year that ended last month.

What does this record say for the Government's management skill? And with the Government itself in such bad financial shape, is this the time to be going into new projects?

Incidentally, the press reports yesterday pointed out the fact that the total assets of the Federal Government at the end of June, this past month, were the lowest since 1938—down to $13.5 billion. The total assets of the Federal Government.

Mr. President, I believe that the pending legislation would end by substituting Government aid for business judgment.

That is contrary to the most basic principles of the free enterprise system which has given this Nation the highest standard of living the world has ever known.

Therefore, I must oppose S. 2308.

Mr. President, in the New York Times of July 25, there appeared an excellent article by Mr. Alan Greenspan on the subject of the pending proposal to create a business loan fund.

Mr. Greenspan, a professional economic consultant, was an adviser to President Nixon in his 1968 campaign.

The article by Mr. Greenspan, who testified on this bill before the Senate Committee on Banking, Housing and Urban Affairs, forcefully makes the point that the legislation now under consideration could create a dangerous precedent.

I ask unanimous consent that the text of Mr. Greenspan's article, "Opening Pandora's Box," be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Opening Pandora's Box—New R.F.C. Could Reach Staggering Dimensions

(By Alan Greenspan)

The proposal currently being debated before the Congress to initiate a "Reconstruction Finance Corporation" type guaranteeing agency threatens to open a Pandora's Box, which it would be extremely difficult to close.

The implicit expectation of the proponents of this legislation is that it would be a minimum program designed to help out a few special cases. The cost to the taxpayer, it is argued, would be small and the benefits large. Faltering companies in key industries or key areas essential to the national interest, it is maintained, could be supported, thereby fending off potentially cumulative bankruptcies with their associated deleterious effects on jobs and business confidence.

But it is just not credible that such a foot-in-the-door program can be kept on a limited basis. The number of candidates that would emerge for such guarantees could reach staggering dimensions. Who would be the final arbiter of so vague a standard as what serves the "national interest?" Can one realistically imagine the rejection of a petition of a company in a key Congressman's district cited by him as being in the national interest?

More than 20 years ago the Hoover Commission with the history of the Reconstruction Finance Corporation in mind noted that "direct lending by the Government to persons or enterprises opens up dangerous possibilities of waste and favoritism . . . it invited political and private pressures, or even corruption."

To place the Federal Government in a position where it can pick and choose which particular private enterprises should or should not be allowed to slip into bankruptcy must inevitably lead to subsidization of the least efficient concerns in an industry. We often lose sight of the tremendous churning that goes on in a free, competitive economy—of the way in which concerns, vying for profitability, attempt to marshal their resources in the most productive manner.

It is the very threat of bankruptcy that often jolts concerns, large and small, from inefficient practices in their utilization of labor and capital and in their methods of financing and marketing. To have the possibility of falling back on a guarantor of last resort must inevitably remove this very valuable prod. To institute such a mechanism could only impair the viability of our free enterprise system and slow the growth of American living standards.

Moreover, it is important to remember that when the Federal Government guarantees private credit, it does not add to the total financial resources available. It only moves one borrower up in the credit rating queue at the expense of other borrowers who are not fortunate enough to have such a guarantee.

While the quantity of long-term savings flowing into the capital markets does vary from year to year, it is not an unlimited source of funds. Government loan guarantees, direct and indirect, necessarily single out certain areas of the economy for special treatment. At present, it is primarily housing, via Government-guaranteed mortgages. Presumably, in the future we shall be seeing other areas where the financing requirements are met by "set-asides" in the market through the guarantee mechanism. Government loan guarantees tend to reduce the size of the pool of long-term savings available for nonguaranteed private borrowing.

This is because the availability of Government guarantees increases the effective credit demand at any given interest rate, and inasmuch as the aggregate supply of savings is limited, it acts to raise the interest rates to nonguaranteed borrowers.

Thus, Government guarantees to some companies could have the effect of depriving funds at reasonable cost to other private borrowers. Or worse, in order to prevent this unhappy consequence the Federal Reserve could be pressured to accommodate the increasing demand for funds through an expansion of the money supply. This in turn would act to feed the very inflationary forces that have been instrumental in bringing a number of companies to the verge of bankruptcy and would thereby accelerate the number of petitioners for Government loan guarantees.

Such a vicious circle would be difficult to break once we begin moving toward ever more extensive uses of Government guarantees.

The inevitable secondary consequence of the development of a broad loan guaranteeing authority would be a move, sooner or later, by the Federal Government to increase its regulatory control over the private-enterprise system. Someone is bound to argue (with some validity) that if the Government is the guarantor of last resort for a certain class of business enterprise, it should also oversee the operations of such corporations.

A standby guarantor could reasonably be expected to require the regulation of, for example, pricing and marketing prices, debt-equity ratios and dividend payouts. In fact, it might want to regulate anything that, if mishandled, could lead to the necessity of a loan guarantee—that is—almost every important business decision.

We cannot look upon Government loans or guarantees as a temporary expedient pending a return to prosperity. In fact, the types of problems that have now led to the call for Government guarantees are structural and threaten to be long-standing.

Although our level of activity by any historic standard is high, profit margins have only just emerged, and then by the narrowest of margins, from their lowest levels since the nineteen-thirties. The debt burden of our business structure has risen sharply. As a result, interest charges, loan amortizations and other legally fixed obligations have now reached the point where a substantial number of large, as well as smaller, business enterprises are barely able to meet their commitments at the present depressed levels of cash flow.

Unfortunately, the current outlook suggests that the problem of subnormal corporate profitability and attendant financial difficulties is apt to persist to some extent throughout this decade. So long as this condition prevails, increasing demands will be heard to substitute Government guarantees for private financial worthiness.

The solution to our corporate financial malaise, however, is not the symptom-fighting Government-guarantee mechanism, inasmuch as this must surely lead to new problems that are likely to be far worse than our current economic disease. The only viable long-term solution is to remove the inflation bias from our economic system. This has acted as a damper on productivity increases and exacerbated an already difficult collective bargaining process.

It is difficult to envisage, even under the best of circumstances, a return to the higher profit margins and cash flow of five or 10 years ago. Nonetheless, sufficient gains can be achieved to substantially ease the financial burden currently confronting American business.

To solve today's financial difficulties by introducing a new wedge of Government into our economic system could only trade far greater difficulties for our free enterprise system in the future for beguiling short-term solutions to today's problems.

Mr. BYRD of Virginia. Mr. President, I thank the Senator from Illinois for yielding.

Mr. GAMBRELL. Mr. President, will the Senator from Illinois yield to me for the purpose of addressing a question to the Senator from Virginia?

Mr. STEVENSON. Mr. President, first I commend the Senator from Virginia for his perceptive remarks. He speaks eloquently of the grave consequences which could flow from this precedent. He speaks very convincingly of the dangers of the Government interfering in the free play of our marketplace by rescuing one inefficient manufacturer at the expense of its more efficient competitors.

I thank the Senator, and would just add, before yielding the floor, Mr. President, that I would hope this debate over the amendment I have offered would not have to go on much longer. The amendment yields rather easily to explanation. I think it has been explained adequately already yesterday and today; so I hope that we can bring the debate to a close today, or certainly no later than tomorrow.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois yields the floor. The Senator from Georgia is recognized.

Mr. GAMBRELL. Mr. President, I wanted to address the Senator from Virginia in reference to his remarks.

I might say that in my brief experience in the Senate, I have gained a great deal of respect for the Senator's judgment, particularly in fiscal and financial matters. He is certainly a true conservative, in the sense that he advocates a great deal of retraint, care, and caution in respect to the commitment and use of the resources of our Government. It is no surprise to me that he should evidence a great deal of concern about any proposal to commit a great portion of the Nation's resources, particularly to support the free enterprise system, in which he believes.

However, he has advanced, in his remarks, a proposition which I think lies at the heart of the difference of opinion which we share about this matter, and that is that the purpose of this bill is to support a large business enterprise, a large company as distinguished from a small company, or that the purpose of the bill is to aid some company in and of itself.

The express purpose of the bill is to furnish assistance to major business enterprises whose collapse might work some serious harm on the national economy. In the Lockheed case, there is a good example of what we are talking about. The terms of the arrangements that are being made, or are proposed to be made, would not be of any benefit to the Lockheed company itself, the stockholders and the management. It does not save Lockheed any money; it just keeps the company from collapsing.

What it primarily saves is a large program. There is no way to build an L–1011 airplane without having a large program. In fact, the investment of a lot of other people, small businesses as well as other large businesses, in this program, is much greater than that which Lockheed itself has in the program. If there is a bailout such as we have been talking about—and this is the term used to describe Federal financial assistance—it is the bailout of a program, the L–1011 program.

I would be inclined to say that if the L–1011 program were not worth saving, the aid should not be extended. I would say this loan guarantee board, to be established by the bill if it were reviewing this proposal and found the L–1011 program to be inefficient or undesirable, or not to be useful as an element of our national commercial aviation capacity, if it were an undesirable instrumentality, if it did not work, or could not add anything, or was going to be damaging or harmful to someone else, I would say, "No, we should not offer any assistance."

But the problem we are dealing with here is that we are constantly faced with the argument that we are bailing out some fat cat, some big interest, when the truth of the matter is that we are talking about aiding or offering a lifeline to a program which involves many, many small people. We have talked about the stick of failure. Yes, I am sure the management of Lockheed and the stockholders of Lockheed will feel that lash of failure for whatever inefficiencies or problems they may have encountered. But, actually, this stick is being laid much harder on many other people who simply went along with Lockheed on the assumption that this was a good and valid program. The FAA, the CAB, and all those concerned with commercial aviation seem to think it is a good program.

So what do we do in our national economy when the stick of one company's failure is laid on hundreds and thousands of other large and small business enterprises and hundreds and thousands of innocent employees who have been connected with and working with a single program for 6 or 8 months?

We are not talking about a large company which manufactures small things and just did not know how to do it and went broke. We are talking about the L–1011 program, the three planes sitting on the ground in California, waiting to be financed into further production.

I suppose if this company goes broke, we ought to submit a resolution to buy one of them for the Smithsonian Institute and hang it up next to the Spirit of St. Louis, as symbolic of what we have done with aviation in this country.

It concerns me to be faced continually with the charge that we are doing something for big business, when big business is the only way we can get programs such as this developed. When we talked about the stick of failure being laid on some fat cats, actually the stick of failure is being laid on hundreds of thousands of innocent people who went along with a program that they thought—and everybody still thinks—is a valuable and viable program for this country's commercial aviation.

I wonder whether the Senator would comment on the matter when viewed from that point.

Mr. BYRD of Virginia. I first want to say that the effective presentation made during the past few days by the distinguished Senator from Georgia and the distinguished Senator from Texas, and their eloquence, have caused me to find it difficult to arrive at a decision on this important matter. I concur that it is not all black or all white.

As I mentioned in my remarks, I withheld judgment on the program. I felt that good arguments had been presented on both sides. So I am not one of those who feel that there is not some merit to the proposal.

Where the Senator from Georgia and the Senator from Virginia differ is on a matter of policy or philosophy. I suppose one would say it is more a matter of policy than philosophy, because I do not think we differ on philosophy. It is a matter of differing on policy as to what should be done in cases of this type.

The Senator makes the point that the L–1011 airbus has been adjudged a good program, and I assume it is. I certainly do not say that it is not a good program. But many business enterprises have gone into many programs of a worthwhile nature and have found, for one reason or another, that they have not been able to succeed.

The question that I needed to decide, it seemed to me, in trying to determine how to vote with respect to the proposed legislation, was whether the Government would be justified in initiating a new program, at this time in our fiscal history, for the benefit of or to help companies which get themselves in financial difficulties, whether they be large companies or small companies.

This particular measure deals only with large companies. I do not believe that our Government is now in a position to go into any new programs of this type. I am not sure that we should do it even if we were in a financial condition to do it.

The Government is in even worse shape than Lockheed. The Government is in amazingly bad condition financially, and one of these days the whole financial mess of our Government is going to blow up in the face of the people and in the face of Congress, and the people are going to suffer the most.

So I looked at this matter from two points of view: first, as to whether, assuming the program is sound, this is the time for the Government to be going into a new program; and, second, whether it is logical and wise for the Government to undertake to correct the hardships which some of our major companies may face, or, for that matter, companies which are not so major may be facing.

I reach a conclusion that this is not a time to be going into new programs. I reach a conclusion, too, that it would be unwise to establish a precedent of coming to the rescue, so to speak, of large major companies—to use the language of the committee report—which find themselves in financial difficulties.

Incidentally, it is my understanding that this is the position of the Deputy Secretary of Defense, Mr. Packard. His objection to the bill in question is that it establishes a precedent. He favors, as I understand it, a guaranteed loan to Lockheed; but he does not favor the establishment of a $2 billion fund which could be utilized by other companies as well as by Lockheed.

I have a very high regard for Secretary Packard. He is well versed in the matters of big business. He developed, on his own, a large and highly successful business enterprise. Certainly, he is not unsympathetic with respect to companies that find themselves in difficulty. But, during the 2½ years he has been in the Defense Department, he has also noted the fact that many large Government contractors have—I want to choose the word carefully—perhaps taken advantage of the Government.

He has also noted that the companies competing on Government contracts have apparently underbid in order to get contracts, and then have come back to the Government and said, "We have these huge cost overruns, but you have always taken care of them in the past, and we expect you to continue to take care of them in the future." I have the feeling that that is the situation with regard to the Lockheed C-5A contract.

I cannot prove it, but last year, or the year before—I lose track of time, it goes by so fast; I guess it was the year before last—when Lockheed officials testified before the Committee on Armed Services on C-5A cost overruns, I got the very distinct impression that Lockheed had deliberately underbid the contract in order to get it, with the expectation that they would subsequently be taken care of on the cost overrun.

All of that entered into my thinking; but I will say again to the distinguished and able Senator from Georgia (Mr. GAMBRELL) that I think he makes good points in regard to the legislation under consideration. It is not a black-or-white question.

I can understand the Senator's viewpoint and his thinking; I happen to disagree with the policy of the legislation. That is my basic reason for opposing it.

Mr. GAMBRELL. Mr. President, I thank the Senator from Virginia. I share the feeling that it is not a clear-cut decision that is easy to arrive at, certainly without the benefit of all the testimony and information that was brought directly before us in committee.

I am also impressed by the observations of Mr. Packard. It had occurred to me that if the Board is constituted, it might be well to invite Mr. Packard to be the administrator of the program, because he obviously reviews such corporation matters with a businesslike approach. I might say that the evaluation of this program, in my opinion, has not matured by a long shot; that is to say that the principle or the policy of the legislation is certainly not altogether clear. It is the emergency brought on by the Lockheed situation that I think justifies the fairly rapid consideration which has been given to the matter. But with that in mind, the committee itself put in the 2-year limit on the bill, with the idea that a certain amount of experience in how these things might go would be gained in that period of time, and that certainly the Government should not set the precedent of saying no, because it is big business, we are not going to give any credit assistance, although we do give credit assistance to the extent of $142 billion in Federal resources to small business, to home buyers and persons who deposit money in banks, in savings and loan associations—all these small people get Federal credit assistance, but big business we are going to establish a precedent that we do not give any credit assistance to such programs.

The committee, I think, felt that there is so much of the economy tied up in big business, whether we like it or not. It might be well if we went back to horse and buggy days, and let everything be done by small businesses, and we would not be setting any precedent by having to be concerned with big business. But that is the way the economy is run, and we cannot lend viable, credit assistance to the economy if we do not do something with reference to big business, if we allow big business to function in a dog-eat-dog atmosphere and offer credit assistance only to small people. If we did that, we would not be able to produce the L-1011 airplanes. That is the plain fact of it.

It concerns me that we are telling people all over the country who in good faith apply for jobs with large corporations, "Look, if your large business enterprise gets into trouble, we will let you go down the drain, but if you put in to go to work for a small company, they can go to the SBA and get a loan there, and your job may be protected in that way."

This, to me, is a precedent we cannot afford to set, that we say success or failure will depend on who happens to be standing around the big guy, that the big guy's failure will carry down a lot of small people, but we are not concerned with that. That is the kind of precedent that concerns me in such a bad situation, and which I think concerned the committee in its deliberations.

What the committee has reported to the floor of the Senate is the result of a careful investigation, and that for at least a period of 2 years we should try a program of this kind and if it proves to be unmanageable, then let it expire. If it needs to be improved upon, then let us improve on it; but let us not try to decide here, in a period of time, what the permanent public policy of the U.S. Government should be. We have had two or three cash crises—credit crunches—in the past several years and many people have failed, certainly. Many more will fail. Many more will fail if Lockheed fails. So what the committee has reported is that we have under consideration a number of ways of using the resources of the Federal Government to encourage the economy, to increase confidence among the people in the economy.

I, myself, in the first meeting that I attended of the Banking, Housing and Urban Affairs Committee, asked Dr. Burns whether he had any plans, studies, or any legislation which would be of benefit to the small businessman, to the person engaged in the home construction market, or some way in which we could avoid the crushing impact of the credit squeeze. Dr. Burns replied that, yes, he did have a study and he was about to make a report of it available by the end of the summer.

I have twice asked him to hurry it up so that we can do something for small businessmen, because that is where the impact on the economy will hurt the most.

Now we have before us another program, yes, and admittedly it relates to big business, but not for the benefit of big business but for the benefit of the people who are associated with it, as well as for the benefit of the viability of the national economy itself. But we say, "No, that is a bad precedent. No, in spite of the fact that we have $142 billion worth of Federal credit assistance outstanding today, we are not willing to consider the experimentation—it is an experiment, mind you, Mr. President—but not a permanent program with the possibility of lending similar credit assistance to large business enterprises whose failure might carry down a lot of small people with them."

That is what concerns me. It is the precedent of nonaction. It is what we tell people who get involved in large programs. We tell them, "No, if you hang around with a big company, you are liable to get washed up and go down the drain." In the committee meetings I used the expression, "throwing the baby out with the bath water."

I do not know the exact figures, but Lockheed has several hundred million dollars invested in the L-1011 program, but the subcontractors, the suppliers, the banks, the airlines, and other people, have nearly twice as much invested in the program as Lockheed has. Many small companies are faced with failure if the program fails.

Mr. PROXMIRE. Mr. President, will the Senator from Georgia yield?

Mr. GAMBRELL. I yield to the Senator for a question.

Mr. PROXMIRE. May I ask the Senator from Georgia whether he can explain to the Senate why his side will not agree to a unanimous-consent limitation on debate on the Stevenson amendment. My understanding is that the Senator from Illinois is anxious to do so. I also understand that the Senator from Georgia and the Senator from Texas oppose the amendment and will not permit a vote on the Stevenson amendment today. This shocks and surprises me, in view of the fact that if we want to move on with this legislation, we would like to have action at a reasonable time. It is one thing if a Senator wants to debate, his own amendment at greater length, but the Senator from Illinois the author of the amendment made it clear that he asked for a unanimous-consent limitation last night, and the Senator from Texas, as I understand, objected. This is a most unusual situation. We are accused of filibustering but the actual filibustering is coming from the side of those in favor of the bill.

Mr. TOWER. Mr. President, will the Senator from Georgia yield?

Mr. GAMBRELL. I would like to respond to that and then I will yield to the Senator from Texas.

I have been sitting here listening to the proceedings. The Senator from Illinois made his presentation and then he yielded to the Senator from Virginia (Mr. BYRD) to make a statement on the merits of the bill. I am simply responding to that statement. Now the Senator from Wisconsin has introduced another question into the matter and I yield to the Senator from Texas to respond to that.

Mr. TOWER. Mr. President, if the Senator will yield to me for a brief response on this matter, I would ask if the Senator from Texas, the Senator from Georgia, or any of us who are proponents of this bill would agree to voting at a time certain on the Stevenson amendment, whether we could then assume that the Senator from Wisconsin and the Senator from Illinois would vote for cloture tomorrow.

Mr. PROXMIRE. I do not know. I cannot speak for any other Senator. The

Senator from Illinois may vote for cloture. But many other Senators would like to debate the matter. I do not know what any other Senator would do.

The Senator from Texas is exercising a very interesting and arbitrary position. He states that they can delay the consideration of the Stevenson amendment and 20 other amendment—the Bayh amendment, the Taft amendment, and the Humphrey amendment. The Humphrey amendment is very far reaching and complicated. It would extend unemployment benefits for the entire country an additional 26 weeks. It is a very detailed amendment. It ought to be debated at great length. The Javits amendment is a complicated amendment. The Senator from Virginia (Mr. BYRD) has a critically important amendment.

The Stevenson amendment as we know is also critical. It should be debated and given consideration at some length. So, for me to say that I would be willing to cut off debate and vote on the bill on a day certain if the Senator would agree on a vote on the Stevenson amendment, it would seem to me, would be foolish.

Frankly, on my own amendments, I would like to take as much as the Senator is taking on the amendment of the Senator from Illinois.

Mr. TOWER. In other words, the Senator will not vote for cloture.

Mr. PROXMIRE. I will certainly not vote for cloture at this point. The Senator from Texas knows that.

Mr. TOWER. Would the Senator agree to vote for cloture on the bill and on all amendments?

Mr. PROXMIRE. The Senator from Wisconsin will not. However, it is interesting that the Senators who have been pressing for a vote on the bill and some of his friends have—but the Senator from Texas has not—accused the Senator from Wisconsin of filibustering. The Senator from Texas is now delaying.

Mr. TOWER. The Senator from Wisconsin is filibustering.

Mr. PROXMIRE. He is not. We are willing to permit a vote on the Stevenson amendment this morning.

Mr. TOWER. I think the Senator from Texas has a responsibility to Senators on this side of the aisle who would like to have an opportunity to vote on the amendment to let them do so. The Senator from Wisconsin asked for controlled time on the Stevenson amendment but does not want to have controlled time on any other amendment.

Mr. PROXMIRE. The author of the amendment, the Senator from Illinois, has asked for controlled time on his amendment. It seems to me that the Senator from Illinois should be allowed that courtesy, especially when the Senator from Texas is trying to get rapid action on the entire bill.

Mr. TOWER. The question of controlled time is something that the Senator from Texas, the Senator from Georgia, and the Senator from Alabama, the distinguished manager of the bill, should get together on. I certainly do not want the door shut on controlled time.

Mr. PROXMIRE. I thank the Senator from Texas. Let me point out that ever since 5 o'clock last night the Senator from Texas and other Senator have made it clear in the RECORD that they will not permit a unanimous-consent agreement on the Stevenson amendment and would not permit it to come to a vote.

If we are being charged with delaying the bill, let the record show that from 5 p.m. last night, and filibuster has been occurring on the other side.

Mr. TOWER. Let the record be perfectly clear that the Senator from Wisconsin said he would not vote for cloture.

Mr. GAMBRELL. Mr. President, let me make the record perfectly clear that we wanted to have controlled time on the bill. We will sit down and talk about controlled time on the bill.

The Senator has mentioned amendment. If the Senators who want to call up their amendments want to have controlled time on the entire matter, I think the people in charge of the bill would be happy to do so. However, I do not see why we should have controlled time on the Stevenson amendment and not on the others. The amendment of the Senator from Illinois involves a matter of principle. It threatens to dispose of Lockheed completely.

I am sure that there are those here who would like to have that effect. That is why this is the crucial amendment in the whole matter.

If this amendment passes, we understand that the whole record demonstrates that the whole case involving being able to bring this whole problem before Congress would go out the window.

This is what disturbs me. As I see it, it is the precedence of inaction.

When I went over to Hawaii several years ago, I was taken on a motorboat tour of Pearl Harbor. We saw there the battleship *Arizona* turned over on its side. That was a memorial to the inaction of the United States when it failed to properly defend itself.

I was wondering if this bill fails to pass if we are going to have a memorial to its failure. I wonder if one of these three planes would be placed in the Smithsonian as a memorial to the inaction of Congress to point out to the public that this particular aircraft became a martyr to the inaction of Congress. It would be stated that though the Congress finally passed a bill, it took action which permitted that plane to go down the drain.

That is why I think this amendment deserves thorough consideration and debate. That is why we should go ahead. If we can get controlled time on the whole proposition, and get controlled time on this amendment and all other amendments and the bill itself, we can get on with the business of the Senate.

However, if we are going to have controlled time on a measure that would gut the bill and yet not have controlled time on the bill itself, it seems to me that we are going backward and not forward.

Mr. PROXMIRE. Mr. President, the Senator from Texas wants to have a lengthy discussion on this amendment. He wants to talk day after day on this amendment. He delayed a vote on it yesterday. He is delaying it today. He apparently wants to delay it tomorrow. However, when it comes to everything else, he just wants to shut off debate and shut us up.

The Senator from Texas and the Senator from Georgia want to shut us off our talk, but they do not want to be shut off on theirs. I can understand that. However, they argue the principle that we should sit down and shut up and that we should not have a chance to discuss our amendments. But they want to delay this amendment where they do not have the votes.

How ridiculous it will be on tomorrow if we go into a cloture vote to shut off debate at a time when those who are pressing for cloture are filibustering and delaying the Senate. They are keeping us from debating any other aspects of the bill.

The Senator from Illinois has an amendment dealing with a very important part of the bill. I think it is a very significant amendment and deserves substantial discussion. But the Senator from Texas and the Senator from Georgia want to prevent us from getting a vote on the amendment.

Mr. GAMBRELL. Mr. President, I reject that contention. It seems to me that the reason we are discussing the matter at this length is because we cannot get an agreement on controlled time on the whole subject. It seems to me that if the Senator from Wisconsin really wants to get on with the business of the Senate, that we can get an agreement on controlled time.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. GAMBRELL. I yield to the Senator from Virginia.

Mr. BYRD of Virginia. Mr. President, I do not want to get in the middle of a controversy between the Senator from Texas and the Senator from Georgia and the Senator from Wisconsin as to who is responsible for the entire filibuster. However, I want to set the record straight as to today.

There has been no filibuster this morning. The Senate has been in session for a little over an hour. The Senator from Illinois explained his amendment. Then the Senator from Georgia spoke in opposition to the legislation, which he has a perfect right to do.

There has been no filibuster today. I think we ought to set the record straight.

Mr. PROXMIRE. Mr. President, I did not charge that there was any filibuster. I stated that there was deliberate delay in objection to the unanimous-consent agreement on the Stevenson amendment.

Mr. GAMBRELL. Mr. President, I thank the Senator from Virginia for explaining the procedure to date. I thank him also for the excellent point he made.

I think for the benefit of the Senator from Wisconsin and the Senator from Illinois, if we can sit down and evaluate the proposition of limiting debate, I think we would save a lot of the time of the Senate and of the country and get on with the business of the Senate.

Mr. President, I yield the floor.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield to permit the Senator from Wisconsin to make a parliamentary inquiry?

Mr. TOWER. I will let the Senator from Wisconsin have the floor.

Mr. PROXMIRE. No, I do not want the floor. I want to make a parliamentary inquiry if the Senator will permit me to be recognized for a parliamentary inquiry.

Mr. President, are we under the germaneness rule at the present time?

The PRESIDING OFFICER. Yes, until 1:03 p.m.

Mr. PROXMIRE. A further parliamentary inquiry. Does that mean that any discussion has to be on the amendment that is pending, or can it be applied to any part of the bill that is pending?

The PRESIDING OFFICER. Under the rule, it would have to pertain to the specific question before the Senate, which would be the amendment.

Mr. PROXMIRE. The amendment. So any discussion would have to relate to the Stevenson amendment. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. I thank the Chair.

Mr. TOWER. Mr. President, I would assume that any discussion of the bill in general would be considered germane.

The PRESIDING OFFICER. The Senator from Texas says that he thinks it could refer generally to the bill. An amendment amends the bill, so the Chair does not see how a Senator can discuss the amendment without discussing the bill itself. The amendment must necessarily consider the bill itself. The Chair has never seen a specific question arise dividing the bill from the amendment.

Mr. TOWER. In other words, the distinguished occupant of the Chair would interpret the rule rather liberally?

The PRESIDING OFFICER. Rather accurately, under the rule as it relates to the specific question.

Mr. PROXMIRE. Mr. President, would the Senator yield along that line?

Mr. TOWER. I yield.

Mr. PROXMIRE. I thank the Senator for clarifying the matter.

It may be helpful to Senators later in the debate on the bill. As I understood the Presiding Officer, one does not have to confine his discussion to the Stevenson amendment. He can talk on any aspect of the bill, because the Stevenson amendment is an amendment to the bill, and any discussion of the amendment would relate to a discussion of the bill.

Mr. TOWER. The Senator from Texas took no position. It was the ruling of the Chair, and the Senator from Texas will abide by the ruling of the Chair, whatever it is.

QUORUM CALL

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Hollings). Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to exceed 30 minutes, with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Gambrell) laid before the Senate the following letters, which were referred as indicated:

SAN ANGELO RECLAMATION PROJECT, TEX.

A letter from the Assistant Secretary of the Interior submitting, pursuant to law, his determination on deferment of the 1971 construction payment due the United States from the San Angelo Water Supply Corp. in connection with the San Angelo Reclamation Project, Tex.; to the Committee on Interior and Insular Affairs.

REPORT OF THE WATER RESOURCES COUNCIL

A letter from the Chairman of the U.S. Water Resources Council submitting, pursuant to law, a report on a program for water and related land use in the Ohio River Basin (with accompanying report); to the Committee on Interior and Insular Affairs.

INTERIM REPORT OF THE COMMISSION ON RAILROAD RETIREMENT

A letter from the Chairman of the Commission on Railroad Retirement transmitting, pursuant to law, its interim report summarizing its progress since its initial meeting (with accompanying report); to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following report of a committee was submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, with amendments:

S. 1483. A bill to further provide for the farmer-owned cooperative system of making credit available to farmers and ranchers and their cooperatives, for rural residences, and to associations and other entities upon which farming operations are dependent, to provide for an adequate and flexible flow of money into rural areas, and to modernize and consolidate existing farm credit law to meet current and future rural credit needs, and for other purposes (Rept. No. 92–307).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TALMADGE (for himself, Mr. Gambrell, Mr. Hollings, and Mr. Thurmond):

S. 2347. A bill to provide that the project referred to as the Trotters Shoals Dam and Reservoir on the Savannah River, Georgia and South Carolina, shall hereafter be known and designated as the Richard B. Russell Dam and Reservoir. Referred to the Committee on Public Works.

By Mr. INOUYE:

S. 2348. A bill to increase the penalties with respect to the commission of a crime of violence in the District of Columbia while armed with a firearm. Referred to the Committee on the District of Columbia.

By Mr. TUNNEY (for himself, Mr. Mansfield, Mr. Scott, Mr. Baker, Mr. Bayh, Mr. Burdick, Mr. Cranston, Mr. Eagleton, Mr. Hart, Mr. Kennedy, and Mr. Randolph):

S. 2349. A bill to implement the 26th amendment to the Constitution of the United States, establish standard durational residency requirements for congressional elections, improve opportunities for absentee registration and voting for Federal office, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. CURTIS (for himself and Mr. Hruska):

S. 2350. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the North Loup division, Missouri River Basin project, Nebraska, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. HATFIELD:

S. 2351. A bill to establish the Federal Medical Evaluations Board to carry out the functions, powers, and duties of the Secretary of Health, Education, and Welfare relating to the regulation of biological products and drugs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HATFIELD (for himself and Mr. Kennedy):

S. 2352. A bill to provide for a contribution by the United States to the United Nations Relief and Works Agency. Referred to the Committee on Foreign Relations.

By Mr. HATFIELD (for himself, Mr. Allen, Mr. Allott, Mr. Anderson, Mr. Baker, Mr. Bayh, Mr. Beall, Mr. Bellmon, Mr. Bennett, Mr. Bible, Mr. Boggs, Mr. Brooke, Mr. Buckley, Mr. Burdick, Mr. Case, Mr. Cook, Mr. Cooper, Mr. Cranston, Mr. Curtis, Mr. Dole, Mr. Dominick, Mr. Fannin, Mr. Fong, Mr. Goldwater, Mr. Gravel, Mr. Griffin, Mr. Gurney, Mr. Hansen, Mr. Hartke, Mr. Hollings, Mr. Hruska, Mr. Hughes, Mr. Humphrey, Mr. Javits, Mr. Jordan of Idaho, Mr. McClellan, Mr. Mansfield, Mr. Mathias, Mr. Miller, Mr. Nelson, Mr. Packwood, Mr. Pearson, Mr. Percy, Mr. Prouty, Mr. Schweiker, Mr. Scott, Mr. Sparkman, Mr. Stevens, Mr. Symington, Mr. Tower, Mr. Tunney, Mr. Weicker, Mr. Williams, and Mr. Young):

S.J. Res. 142. A joint resolution establishing a commission to consider and formulate plans for a permanent memorial to Herbert Clark Hoover. Referred to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND RESOLUTIONS

By Mr. TALMADGE (for himself Mr. Gambrell, Mr. Hollings, and Mr. Thurmond):

S. 2347. A bill to provide that the project referred to as the Trotters Shoals Dam and Reservoir on the Savannah River, Georgia and South Carolina, shall hereafter be known and designated as the Richard B. Russell Dam and Reservoir. Referred to the Committee on Public Works.

Mr. TALMADGE. Mr. President, in January of this year, as the new Congress was organizing, the U.S. Senate lost one of its most valuable and revered Members. With the death of Senator Richard Brevard Russell, Georgia lost a leading citizen and favorite son. The Nation lost a patriot. We all mourn his passing and miss the wisdom of his leadership in the Senate.

History will record the many contributions Dick Russell made to his beloved State and to his country. His 50 years of public service, 38 of which were spent in the Senate of the United States as one of its all-time most effective and influential Members, is without equal in American history.

The people of Georgia will always cherish the memory of the late Senator Russell. We will eternally honor him as a great statesman and pay tribute to the credit Senator Russell brought our State.

Mr. President I introduce today a bill to provide that the project referred to as the Trotters Shoals Dam and Reservoir on the Savannah River, Georgia and South Carolina, shall hereafter be known and designated as the Richard B. Russell Dam and Reservoir.

I offer this legislation on behalf of my colleagues, Senator GAMBRELL, and the Senators from South Carolina, Senator STROM THURMOND, and Senator ERNEST F. HOLLINGS.

It is especially fitting that this dam and reservoir be named for the late Senator Russell. I know of no other man in the history of Georgia who has done more to develop the State's waterways and water resources than the late Senator Russell. The dam and reservoir at Trotters Shoals will stand as a permanent monument to his work in this area.

The Trotters Shoals project was authorized for construction by the 1966 Flood Control Act. Located on the Savannah River about 16 miles southeast of Elberton, Ga., it will be the third multipurpose project to be built in the Savannah River basin.

The project is expected to be completed in 1978.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in honor of the late Richard B. Russell, and in recognition of his long and outstanding service as a member of the United States Senate, the Trotter Shoals Dam and Reservoir, Savannah River Georgia and South Carolina, shall hereafter be known and designated as the Richard B. Russell Dam and Reservoir, and shall be dedicated as a monument to his distinguished public service. Any law, regulation, map, document, or record of the United States in which such Project is referred to shall be held and considered to refer to such Project by the name of the Richard B. Russell Dam and Reservoir.

By Mr. INOUYE:

S. 2348. A bill to increase the penalties with respect to the commission of a crime of violence in the District of Columbia while armed with a firearm. Referred to the Committee on the District of Columbia.

Mr. INOUYE. Mr. President, today I am introducing a bill relating to the District of Columbia which is designed to make minimum sentences mandatory for employing a firearm in the commission of a crime of violence.

There are numerous bills pending before both Houses of Congress dealing with the registration of firearms and the imposition of stringent penalties. Many relate to the Gun Control Act of 1968. Others, national in scope, deal with Federal felonies or interstate trade. I endorse these multifaceted approaches simply because the gravity of the situation merits many and ambitious endeavors both at the national and State levels.

At the national level, I am a cosponsor of S. 831, the Personal Safety Firearms Act of 1971. Essentially that bill would restrict the availability of guns by calling for the registration of every civilian-owned gun in the country and further require all gun owners to pass stringent qualifying procedures to legally possess a gun. Upon passage, the bill would greatly curtail the funneling of firearms into the hands of convicted felons, drug addicts, and mental defectives. In a country where we license automobiles, beauticians, radio stations, dogs, and marriages, I have no legal, moral, or political inhibitions in requiring the licensing of the primary instrument of crime and violence.

At the local level, I am introducing this bill which is applicable only to the District of Columbia. The need of a law to deter persons from committing crimes with guns manifests itself in the daily press, the monthly crime index, and in the annual toll of criminal homicides, rapes, robberies, and aggravated assaults.

I am neither a criminologist nor a penologist. But anyone perusing the papers and police reports could ascertain that even while the District of Columbia government has registered nearly 40,000 guns in the past 3 years, and while the statistics indicate an overall decline in criminal offenses, there are marked increases in rapes, robberies, and aggravated assaults. Within the past 12 months the Nation's Capital city has experienced 228 reported criminal homicides, 421 reported forcible rapes, 4,079 reported aggravated assaults, and 11,565 reported robberies. In light of these shocking figures, it is quite apparent that the registration and restricted sale of guns is not the wholesale or simple solution.

With the passage of the measure which I now introduce, and the broad publication of it, everyone in this city will know that if he uses a gun in committing a crime, he will spend at least 5 full years in prison. This applies to a college president and professional criminal alike. Even those who presently flaunt the registration law will be assured of ample time in prison to reflect upon their acts if found guilty of committing a violent crime. This bill provides that the imposition of 5 years' imprisonment is in addition to the sentence for the crime itself. Under this bill, there would be no suspended sentences, no probation, no parole, and no concurrently running sentences.

Some schools of jurisprudential thought have reservations about mandatory minimum sentences. However, I have grave consternation over the several tragic incidents or recent weeks.

Some judges may decry that this bill would deprive them of their traditional exercise of judicial discretion. I strain to hypothesize a situation where a violent crime is committed with a gun employed where the person should not have been deterred from such action and should not be restrained and rehabilitated.

None can argue that this is solely gun legislation. This is gunman legislation. The punishment imposed is positive and it is prolonged. And those who derive their power over persons and property by use of a pistol are soon to learn that they have no such right to interfere with the rights and freedom of another.

Mr. President, I request that the bill be referred to the appropriate committee for consideration and am hopeful for prompt positive action.

By Mr. TUNNEY (for himself, Mr. MANSFIELD, Mr. SCOTT, Mr. BAKER, Mr. BAYH, Mr. BURDICK, Mr. CRANSTON, Mr. EAGLETON, Mr. HART, Mr. KENNEDY, and Mr. RANDOLPH):

S. 2349. A bill to implement the 26th amendment to the Constitution of the United States, establish standard durational residency requirements for congressional elections, improve opportunities for absentee registration and voting for Federal office, and for other purposes. Referred to the Committee on the Judiciary.

VOTING RIGHTS ACT AMENDMENTS OF 1971

Mr. TUNNEY. Mr. President, it is long past time that all Americans, particularly our young people, be given the opportunity to register and vote for all Federal officials.

It is, therefore, with particular pleasure that I rise today with 10 of my colleagues, Republicans and Democrats together, to introduce the Voting Rights Act Amendments of 1971.

This bill is the product of the combined efforts of Senators MANSFIELD, SCOTT, BAKER, BAYH, BURDICK, CRANSTON, EAGLETON, HART, KENNEDY, and RANDOLPH.

The bill is designed to implement the 26th amendment so that our young people might fully participate in our political system.

The bill has a much broader purpose, however, for it is designed to put an end to the biennial disenfranchisement of millions of American citizens of all ages who, because they are away from home or have recently moved, are unable to register and vote for their Congressmen and Senators.

This bill represents a clear commitment by Republicans and Democrats to the basic principle that no citizen should be denied the opportunity to register and vote simply because he is one of the millions whose job or education or vacation takes him away from his place of residence.

In order to implement that goal, the bill provides for a simple and easy process by which persons who are away from home can register and vote in a manner designed to assure maximum opportunity to participate in the political process.

In pursuing the goal of maximum participation, the bill establishes a national standard durational residency requirement of 30 days for registration to vote for Senator and Representative. This time period is specifically chosen in recognition of legitimate local interests in such residency requirements without placing undue and unreasonable burdens on the right of every citizen to cast his ballot.

Finally, to implement and enforce the guarantees of the newly enacted 26th amendment, this bill prohibits the use of any discriminatory requirement based upon age, occupation or student status against the right to vote by any citizen who has attained the age of 18.

Mr. President, the need for this legislation is evident to us all. In the 1968 election, the most recent year for which figures are available, over 9 million Americans 21 years of age or over were unable to register because of failure to meet residency requirements, absence from home during registration, or other reasons. With the addition of 11 million new voters between the ages of 18 and 21 years of age, the number of persons unable to register will undoubtedly be increased tremendously by the many young persons whose education or jobs involve moving from one place to another.

The impact of this disenfranchisement is particularly disturbing because there has been a continuing increase in recent years in the number of persons unable to register. In 1963, the President's Commission on Registration and Voting Participation estimated that residence requirements had disenfranchised 4 million adults in 1950, 5 million in 1954, and 8 million in 1960.

Last year the Congress took a dramatic first step to reverse this trend by enacting the Voting Rights Act Amendments of 1970. That law abolished residence requirements entirely for presidential elections and required that every citizen be given the opportunity to register and vote for President and Vice President by an absentee process. The passage of the 1970 law, in fact, laid the foundation for the bill which we introduce today. Through the fine work of many of our colleagues, including particularly the thorough and incisive efforts of Senator GOLDWATER, Congress has taken the initial steps toward guaranteeing to all Americans the opportunity to vote in presidential elections.

This bill now takes up the work left to be done to assure maximum effectiveness of the rights granted in the 1970 act. It extends the same rights to elections for Senator and Representative and assures that the millions of new voters enfranchised by the 26th amendment will not lose that right by restrictive procedures.

I. DURATIONAL RESIDENCE REQUIREMENTS

ANALYSIS

Section 402 establishes a 30-day standard durational residency requirement in connection with any primary or any election for Senator or Representative. It permits those persons who move from one place to another within a particular State after the 30-day limit to vote for Senator at their old residence in person or by absentee ballot. It also permits persons who move from one place to another within a particular congressional district to vote for Representative within that district at their old residence in person or by absentee.

DISCUSSION

The 1970 Voting Rights Act Amendments abolished completely residency requirements to vote for President and Vice President on the grounds that the right to vote for such offices is a right of national citizenship and that the State has no interest in demanding residence within its boundaries as a condition of voting for national office.

The bill which we propose today does not completely abolish such residency requirements for Senator and Representative for the basic reason that there are different interests to be weighed. While a State has no interest in requiring residence for a specific period in presidential elections, it may well have a legitimate interest in requiring that prospective voters have some attachment to and familiarity with the particular jurisdiction in senatorial and congressional races.

The bill, therefore, selects 30 days as an appropriate and reasonable period for residency requirements. This time period will provide adequate time for intelligent consideration of the particular campaigns and candidates in progress, and, at the same time, allow sufficient time for administration of the mechanical process of registration and voting. After all, while there are unquestionably areas of purely local concern in which Senators and Congressmen act, the character of the large majority of decisions which will be made by such officials are essentially national ones.

Imposition of a durational residency requirement of any length greater than that needed for simple administrative purposes raises serious questions of undue restrictions on the constitutionally guaranteed right of any citizen to travel from one State to another. Challenges to overly restrictive residency requirements are already underway in the courts, and in fact a number of courts Court has invalidated the 1-year residency requirement for welfare benefits in On much the same grounds the Supreme Court has invalidated the 1-year residency requirement for welfare benefits in *Shapiro* v. *Thompson*, 394 U.S. 618 (1969).

The key question is whether the State has any compelling State interest in requiring residence longer than 30 days for registration and voting for Federal officials. It is our belief that there is no such compelling interest. Measured against the needs of a tremendously mobile electorate, measured against the fact that education and employment opportunities may compel a person to move his residence and measured against the cold reality that a slumping economy may in fact dictate a move through loss of a job, we can no longer afford to penalize our citizens by denying them the most basic right of choosing those who will govern them.

II. ABSENTEE REGISTRATION

ANALYSIS

Section 403 establishes a simple absentee registration procedure to allow anyone who is temporarily absent from his voting residence to register by absentee means. It requires that States allow persons who are absent for any reason—education, employment, or whatever—to complete a simple statement attesting to the same information which would be required for registration in person and to mail that form to the appropriate State or local registration official. These forms must be available at post offices and substations, draft boards and educational institutions and wherever else the State may provide.

The section also provides that educational institutions shall not be required to make registration forms available for any jurisdictions other than those from which they draw students.

Finally, in order to shorten and simplify the process of registering and voting by absentee ballot, it requires that a short form to apply for an absentee ballot be included with the registration application which can be retained and used at the appropriate time to get an absentee ballot.

DISCUSSION

This section is designed to make maximum opportunity to vote available to persons of all ages and occupations without becoming hopelessly entangled in the controversy now raging in the courts over where a person's voting residence should be. This bill makes a major step toward assuring that no person will be disenfranchised regardless of the outcome of current court cases. It states simply that no matter where a State fixes a person's residence for voting purposes, it must allow that person to register to vote in that jurisdiction even though he may happen to be physically absent when the registration rolls are open.

The advantages of this approach are particularly significant both in terms of benefits gained and problems avoided.

The essential point in this section is that legitimate State interests are fully protected while the right of the individual citizen to register and vote is assured. The bill does not override legitimate State interests in determining what constitutes "residence" for voting purposes. It does not attempt to require that college students be declared eligible voters in the congressional district where they attend school. It leaves that decision to the State legislature or courts to decide. What the bill does say is that a person must be allowed to register at whatever his voting residence is determined to be by a simple process which does not require his physical presence.

A person need only walk into a local post office, draft board or college office, pick up the registration form, fill it out and mail it. Similarly, a construction worker or a traveling salesman or a vacationer or any other person who is away from home could walk into the same location, pick up a registration form, complete it and mail it and thereby qualify to vote for his Senator and Congressman.

The need for such a procedure has never been more obvious. Of the 48 States which require registration to vote, only 19 have provisions which allow civilian voters generally to register absentee. Those States are Arizona, California, Hawaii, Idaho, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, New Mexico, New York, Oregon, South Dakota, Tennessee, Texas, West Virginia, Wisconsin, and Wyoming. The remainder either combine absentee registration to certain limited categories, such as the ill or physically disabled or prevent such registration entirely. Yet, at the same time 47 States allow servicemen either to register absentee or be registerd automatically.

Mr. President, we are long past the time when we can continue to allow citizens of any age to be disenfranchised by virtue of work or study or travel which takes them away from home. The case is particularly important for our young people, however. We have told them to be responsible to work within the system, to exercise the right to vote which we have given them. Yet we continue to allow these same young people to be denied that right to vote by forcing them to run the gauntlet to the polls. We find State and local officials telling them they cannot register at school, when at the same time, they are prevented from registering at home by the lack of procedures for absentee registration. It is no wonder that we find our young people skeptical of the system when it seems to give with one hand and take with the other.

This bill will construct a truly major bridge over the gap between the promise and the reality of the rights granted by the 21st amendment in a way which will provide the same benefits to people of all ages and without interfering with legitimate State interests.

III. ABSENTEE VOTING

ANALYSIS

Section 404 requires that anyone who is physically absent from his voting residence for a primary or election for Senator or Representative be allowed to vote by absentee ballot as long as he applies for it 7 days or more prior to the election. This provision is similar to that established for President and Vice President by the 1970 act and contains the same time period and operative language.

It also prohibits the imposition of any undue burden on the exercise of this right, such as complicated procedures designed to discourage persons from voting by absentee, and requires that a simple application for an absentee ballot be made available at post offices, draft boards and educational institutions.

DISCUSSION

The purpose of these provisions is to assure that every citizen who is absent from his district on election day has an opportunity to cast a ballot. It extends a simple procedure already adopted in the 1970 law for presidential elections to the logical extent of full coverage for all elected Federal officials, and it provides a simple mechanism to carry out its mandate.

It has the added benefit, however, of streamlining and simplifying what has often been a multistep maze of absentee procedures which had the effect of preventing all but the stouthearted from voting by absentee. Through the combined provisions of the sections 403 and 404 of this bill a voter can at one time and in one place obtain all of the requisite forms and applications to accomplish completely the goal of registering and voting by absentee.

Thus, for example, the prospective registrant could walk into a post office and obtain the registration form for his home State. Included with the form would be a short application or post card to apply for an absentee ballot. The person would complete the registration form and mail it to the election official designated by the State at an address specified on the form. At the same time he would retain the application card for absentee ballot.

In this way, the citizen can accomplish registration and obtain a ballot with a minimum of inconvenience or complication and without an endless stream of letters and papers back and forth between him and election officials.

This procedure is similar or identical to procedures already in force in States which presently permit absentee registration. Such States typically require the prospective registrant to complete an "Affidavit of Registration" and mail it to his hometown. Thus many States have in fact already provided for the registration form required by this bill.

IV. PROHIBITION OF DISCRIMINATION ON THE BASIS OF AGE, OCCUPATION OR STUDENT STATUS

ANALYSIS

Section 405 of the bill prohibits the use of special voting requirements designed to circumvent the right to vote granted by the 26th amendment. The language tracks closely a similar section of the Voting Rights Act of 1965 and prevents States from imposing special restrictions on the opportunity to register or vote on the basis of age, occupation, or attendance at an educational institution.

DISCUSSION

This section states simply that the standards of residence or other qualifications for registration applied by any state must treat all voters equally. In other words, a State may not construct special restrictions which would make it impossible for a particular segment of voters to register. Thus, for example, the mere fact that a person is 18 years old may not be made the basis for requiring him to register at his parents' home. The State must apply it normal tests for determining residence, and the young person must be allowed the same opportunities and presumptions which are available for any other age group.

It is my personal belief that attempts to discriminate against young voters will be overturned in the courts on the basis of the 26th and 14th amendments. Enactment of this section, however, will provide a readily available and concise standard upon which to judge discriminatory State action.

The advantage of this section is that it does not interfere with legitimate State interest in voter residence and qualifications; but it assures that all voters will have an equal opportunity to establish residence and fulfill such qualifications.

V. LESS RESTRICTIVE STATE LAW

ANALYSIS

Section 406 allows any State or local jurisdiction to adopt or retain any less restrictive voting practices which they may deem appropriate.

DISCUSSION

For example, if a State determines that a shorter residency requirement is sufficient for administrative and policy purposes, it is free to adopt or retain such a provision. Similarly, if a State wishes to provide even greater opportunities for absentee registration or voting than the minimum prescribed by this bill, it is free to do so.

The language of this section is identical to the 1970 act.

VI. ADMINISTRATION AND ENFORCEMENT

ANALYSIS

Section 407 sets forth procedures for enforcement of the act by the Attorney General which parallel the enforcement provisions of the 1970 law. It also incorporates the same criminal penalties for false registration and other fraudulent acts which are contained in the 1965 and 1970 laws.

Finally, it authorizes the Attorney General to enter into appropriate agreements to assist in making registration forms and applications for absentee ballots available pursuant to sections 403 (d) and 404(c).

DISCUSSION

Under this section, anyone who knowingly or willingly gives false information as to his name, address, or period of residence in the voting district for the purpose of establishing his eligibility to register or vote, or conspires with another individual for the purpose of encouraging his false registration to vote or illegal voting, or pays or offers to pay or accepts payment either for registration to vote or for voting is liable for a fine of up to $10,000 and imprisonment up to 5 years.

In addition, the section authorizes the Attorney General to enter into appropriate agreements to assist in making registration forms and applications for absentee ballots available. Under the act, States have the right and responsibility to establish the requisite application forms. This section authorizes the Attorney General to assist in making forms available as required by the act, including, for example, arrangements with the Postmaster General and the Director of the Selective Service System to supply appropriate forms from the States.

Similarly, in the event that one or more States desired to establish a uniform application, the Attorney General could provide assistance and, in fact, would be encouraged to do so.

Mr. President, this legislation is essential. For too long we have permitted citizens, young and old alike, to be deprived of the most essential right of our democracy—the right to vote. It is indeed ironic that while we consider ourselves the most democratic Nation in the world, we continue to make it harder to register and vote in this country than in many of the countries of Western Europe.

Democracy is very fragile. It is a tenuous balance of freedom and order and one of its most basic foundations is the ideal of participation. This bill seeks to make this ideal a reality. It seeks to open up our process of government and allow millions of people to indulge in the most basic concept of a free society—voting.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD, together with section-by-section analysis which I have prepared, and a study of State absentee registration and voting laws entitled "Absentee Registration and Voting" prepared by the Legislative Reference Service of the Library of Congress.

There being no objection, the bill and other material was ordered to be printed in the RECORD, as follows:

S. 2349

A bill to implement the twenty-sixth amendment to the Constitution of the United States, establish standard durational residency requirements for Congressional elections, improve opportunities for absentee registration and voting for federal office, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voting Rights Act Amendments of 1971."

SECTION 2. The Voting Rights Act of 1965 (79 Stat. 437; 42 U.S.C. 1973 et seq.) is amended by adding at the thereof the following new title:

"TITLE IV—RESIDENCY FOR CONGRESSIONAL ELECTIONS, AND ABSENTEE REGISTRATION AND VOTING FOR FEDERAL OFFICES

"DECLARATION

"SEC. 401. (a) Congress declares that in order to secure and protect the rights of citizens under the Constitution, to enable citizens better to obtain the enjoyment of such rights and to enforce the guarantees of the fourteenth, fifteenth, and twenty-sixth amendments, it is necessary (1) to establish a standard durational residency requirement with respect to voting for United States Senator or Representative, (2) to establish nationwide standards relative to absentee registration and absentee balloting in Federal elections, and (3) to abolish all registration requirements which discriminate among eligible voters on the basis of age, occupation or student status.

"RESIDENCE REQUIREMENTS FOR VOTING

"SEC. 402. (a) No citizen of the United States who is otherwise qualified to vote in any election for United States Senator or Representative shall be denied the right to vote in any election for such offices because of the failure of such citizen to comply with any durational residency requirement of any State or political subdivision thereof, the length of which is in excess of thirty days immediately prior to such election.

"(b) For the purpose of this title each State shall provide by law for the registration or other means of qualification of all duly qualified residents of such State who apply, not later than thirty days immediately prior to any election for Senator or Representative, for registration or qualification to vote in such election.

"(c) If any citizen of any State who is otherwise qualified to vote in any State or congressional district in any election for Senator or Representative has changed his residence within such State or congressional district after the thirtieth day next preceding such election and for that reason does not satisfy the registration requirements applicable to such State or congressional district he shall be allowed to vote

"(1) for Senator in such election in person or by absentee ballot pursuant to section 404(b) of this title at his former residence within such State if he has been a resident of such State for the thirty-day period prescribed in section 402(a) of this title; and

"(2) for Representative in such election in person or by absentee ballot pursuant to section 404(b) of this title at his former residence within such Congressional district if he has been a resident of such Congressional district for the thirty-day period prescribed in section 402(a) of this title.

"ABSENTEE REGISTRATION

"SEC. 403. (a) No state or political subdivision thereof may refuse to register any person who is otherwise qualified to register in that State or political subdivision to vote in any election by reason of that person's temporary absence, in connection with academic or vocational training, employment, or other lawful pursuit, from such State or political subdivision.

"(b) For purposes of this title, registration may be accomplished by

"(1) personal appearance,

"(2) sworn statement as provided in subsection (c) of this section,

"(3) such other additional means as such State or political subdivision shall adopt consistent with the purpose of this section.

"(c) For the purposes of this title, any otherwise qualified person may register or qualify to vote by attesting to the information which would be required of such person for registration or qualification by personal appearance in the place of his permanent residence. Such sworn statement shall be on a form prescribed by the State and may be delivered in person or by certified mail to the appropriate state or local offical at an address specified on such form.

"(d) Forms prescribed by any State pursuant to subsection (c) of this section shall include a simple and concise application form which the prospective registrant may retain for use in applying for an absentee ballot pursuant to Section 404(b) of this title, and shall be readily available in a conspicuous place in each office or substation of the United States Postal Service, at each local board office of the Selective Service System, and at secondary and post secondary educational institutions in kind and number appropriate to the residence location of students in attendance at such institutions.

"ABSENTEE VOTING

"SEC. 404. (a) No citizen of the United States who is otherwise qualified to vote in any State or political subdivision thereof in any election shall be denied the opportunity to vote by absentee ballot on account of his physical absence from such State or political subdivision at the time of such election nor may such person be subjected to any undue burden in exercising the right to vote by absentee ballot.

"(b) Each State shall allow any otherwise duly qualified resident of such State who may be absent from his election district or unit in such State on the day such election is held to vote by absentee ballot if such person has applied for an absentee ballot not later than seven days immediately prior to such election and has returned such ballot to the appropriate election official of such State not later than the time of closing of the polls in such State on the day of such election.

"(c) For the purpose of this title, a simple and concise form of application for absentee ballot shall be readily available in a conspicuous place in each office or substation of the United States Postal Service and at each local board office of the Selective Service System, and at secondary and postsecondary educational institutions in kind and number appropriate to the residence locations of students in attendance at such institutions.

"PROHIBITION OF DISCRIMINATION BASED ON AGE, OCCUPATION, OR STUDENT STATUS

"SEC. 405. No voting qualification or prerequisite to voting, or standard, practice, or procedure shall be imposed or applied by any State or political subdivision to deny or abridge the right of any citizen of the United States eighteen years of age or older to vote on account of age, occupation, or attendance at any educational institution.

"LESS RESTRICTIVE STATE LAWS

"SEC. 406. Nothing in this Act shall prevent any State or political subdivision from adopting less restrictive voting practices than those that are prescribed herein.

"ADMINISTRATION AND ENFORCEMENT

"SEC. 407. (a) (1) In the exercise of the power of Congress under the necessary and proper clause of section 8, article I of the Constitution, section 2 of the twenty-sixth amendment, section 5 of the fourteenth amendment and section 2 of the fifteenth amendment of the Constitution, the Attorney General is authorized and directed to institute in the name of the United States such actions against States or political subdivisions, including actions for injunctive relief, as he may determine to be necessary to implement the purpose of this title.

"(2) The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this title, which shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28 of the United States Code, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

"(b) The Attorney General is authorized to enter into appropriate agreements to implement the provisions of section 403(d) and 404(c) of this title.

"(c) The provisions of section 11(c) of the Voting Rights Act of 1965 shall apply to false registration under this title and other fraudulent acts and conspiracies committed in connection with this title.

"(d) Whoever denies or attempts to deny any person any right secured by this title shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"DEFINITIONS

"SEC. 408. As used in this title, the term—

"(1) 'State' means each of the United States and the District of Columbia;

"(2) 'election' means a primary election held for the purpose of nominating a candidate for election to Federal office, or a general or special election held for electing an individual to such office; and

"(3) 'Federal office' means the office of President, Vice President, Senator, Member of the House of Representatives, and Delegate to the Congress."

VOTING RIGHTS ACT AMENDMENTS OF 1971
SECTION BY SECTION ANALYSIS

DECLARATION

Section 401.—Congress declares that in order to secure the rights granted by the fourteenth, fifteenth and twenty-sixth amendments it is necessary to adopt a 30 day standard durational residency requirement for Senator and Representative, to adopt a minimum standard for absentee registration and absentee balloting for federal office and to abolish voting restrictions which attempt to discriminate among otherwise eligible voters on the basis of age, occupation or student status.

RESIDENCE REQUIREMENTS FOR VOTING

Section 402.—This section establishes a 30 day standard durational residency requirement in connection with any primary or any election for Senator or Representative.

The bill permits those persons who move from one place to another *within* a particular state after the 30 day limit to vote for Senator at their old residence in person or by absentee ballot. It also permits persons who move from one place to another *within* a particular Congressional district to vote for Representative within that district at their old residence in person or by absentee.

This procedure is similar to that adopted by the Congress in the 1970 Voting Rights Amendments for President and Vice President and would prevent persons who move within a particular State or Congressional district from being disenfranchised by reason of that move.

ABSENTEE REGISTRATION

Section 403.This section establishes a simple absentee registration procedure to allow anyone who is temporarily absent from his voting residence to register by absentee means. It requires that states allow persons who are absent for any reason, education, employment or whatever, to complete a simple statement attesting the same information which would be required for registration in person and to mail that form to the appropriate state or local registration official. These forms must be available at post offices and substations, draft boards and educational institutions and wherever else the state may provide.

The section also provides that educational institutions shall not be required to make registration forms available for any jurisdictions other than those from which they draw students.

Finally, in order to shorten and simplify the process of registering and voting by absentee, it requires that a short form to apply for an absentee ballot be included with the registration application which can be retained and used at the appropriate time to get an absentee ballot.

ABSENTEE VOTING

Section 404.—This section requires that anyone who is physically absent from his voting residence for a primary or election for Senator or Representative be allowed to vote by absentee ballot as long as he applies for it seven days or more prior to the election. This provision is similar to that established for President and Vice president by the 1970 Act and contains the same time period and operative language.

It also prohibits the imposition of any undue burden on the exercise of this right, such as complicated procedures designed to discourage persons from voting by absentee and requires that a simple application for an absentee ballot be made available at post offices and substations, draft boards and educational institutions.

PROHIBITION OF DISCRIMINATION BASED ON AGE, OCCUPATION OR STUDENT STATUS

Section 405.—This section prohibits the use of special voting requirements designed to circumvent the right to vote granted by the twenty-sixth amendment. It would prevent states from imposing special restrictions on the opportunity to register or vote solely on the basis of age, occupation or attendance at an educational institution.

LESS RESTRICTIVE STATE LAW

Section 406.—This section allows states and local jurisdictions to adopt or retain any less restrictive voting practices which they may deem appropriate. The language is identical to the 1970 law.

ADMINISTRATION AND ENFORCEMENT

Section 407.—This section tracks generally the enforcement section of the 1970 Act dealing with the eighteen year old vote. It also authorizes the Attorney General to enter into appropriate agreements to assist in making registration forms and applications for absentee ballots available pursuant to Sections 403(d) and 404(c). Under the Act, States have the right and responsibility to establish the requisite application forms. Under this section the Attorney General would be authorized to assist in making forms available as required under the Act. Similarly, if one or more states desired to establish uniform applications, the Attorney General could provide assistance if so requested.

DEFINITIONS

Section 408.—This section limits the applicability of the bill to elections for federal office.

ABSENTEE REGISTRATION AND VOTING: DIGESTS OF MAJOR PROVISIONS OF THE LAWS OF THE FIFTY STATES AND THE DISTRICT OF COLUMBIA

(By Elizabeth Yadlosky)

ABSENTEE REGISTRATION

Civilian

All but two States, Alaska and North Dakota, require civilian voters to preregister as a condition of voting. In 1970, Alaska will also require voters to register—(Secs. 15.07.010 to 15.07.200).

Of the forty-eight States which require registration, nineteen States permit civilian voters generally to register absentee: Arizona, California, Hawaii, Idaho, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, New Mexico, New York, Oregon, South Dakota, Tennessee, Texas, West Virginia, Wisconsin (if more than 50 miles from home) and Wyoming.

Twenty States do not permit civilians generally to register absentee: Alabama, Colorado (but may be registered by member of family), Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, Montana, Nevada, New Hampshire, North Carolina, Ohio, Oklahoma, South Carolina, Vermont, Virginia and Washington.

Ten States and the District of Columbia permit certain civilians, as those ill or physically disabled, to register absentee or at home: Arkansas, Illinois, Maine, Maryland, Massachusetts, Montana, New Jersey, Pennsylvania, Rhode Island, Utah and the District of Columbia.

Military (and their dependents and Federal employees overseas)

Two States do not require preregistration by anyone: Alaska and North Dakota.

Nine States do not require servicemen to register: Kansas, Missouri, New Jersey, Ohio, Oklahoma, Rhode Island, Texas, Virginia and Wisconsin.

Thirty-eight States and the District of Columbia permit servicemen to register absentee: Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wyoming, and the District of Columbia.

Two States do not permit servicemen to register absentee: Alabama and Louisiana.

ABSENTEE VOTING

Primary Elections

Civilians

Forty States and the District of Columbia permit absentee voting in primary elections by civilians: Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the District of Columbia.

Eight States do not permit civilians to vote absentee in primary elections: Connecticut, Massachusetts, Mississippi (except those in transportation industry), New Hampshire, New York, North Carolina, Rhode Island and South Carolina.

Alabama permits absentee voting in primaries by a limited group of civilian voters. Delaware has no direct primary.

Military (and their dependents and Federal employees serving overseas)

All but the following four States permit military personnel to vote absentee in primary elections: Connecticut, Massachusetts, New York, Rhode Island; (Delaware has no direct primary).

General Elections

The District of Columbia and all but the following four States permit absentee voting by civilians in general elections: Alabama (permits only certain persons to vote absentee, e.g. those who are ill, away at school, at sea), Mississippi (but certain persons who will be absent on election day may vote early), and South Carolina.

All States and the District of Columbia permit absentee voting by military personnel.

State	Civilians: Register absentee	Civilians: Vote absentee: Primaries	Civilians: Vote absentee: General election	Military-dependents-Federal employees: Register absentee	Military-dependents-Federal employees: Vote absentee: Primaries	Military-dependents-Federal employees: Vote absentee: General election
Alabama 1958 Recomp. Code of 1940 and 1967 Supp. T. 17.	No (§ 28).	Only those persons listed in next column. (Supp. § 64(16)).	Only those confined to home or hospital because of physical disability (Supp. § 64(23)); student away at college (Supp. § 64(23)); disabled veterans in veteran facilities (Supp. § 64(16)); seamen, sailors, deep-sea fishermen (Supp. § 64(24g)).	No (Supp. § 27(1)).	Yes (Supp. §§ 64(16), 64(23)).	Yes (Supp. §§ 64(16), 64(23)).
Alaska Michie Stats. and 1969 Supp.	Registration not required until 1970 primary (§ 15.07.020) when registration is required it may be made by mail (§§ 15.07.040; 15.07.050).	Yes (§ 15.20.010).	Yes (§ 15.20.010).	Registration not required.	Yes (§ 15.20.010).	Yes (§ 15.20.010).

State	Civilians			Military-dependents-Federal employees		
		Vote absentee			Vote absentee	
	Register absentee	Primaries	General election	Register absentee	Primaries	General election
Arizona Rev. Stats. Ann. and 1969 Supp.	Yes (Supp. § 16 –108)	Yes (Supp. §§ 16–1101; 16–1101.01)	Yes (Supp. 16–1101 A. B)	Yes (Supp. § 16 –108)	Yes (Supp. §§ 16–1101; 16–1101.01)	Yes (Supp. §§ 16–1101; 16–1101.01)
Arkansas Stats. Ann. 1947 1956 Rep. and 1967 Supp.	Only those unable because of illness to appear in person (Const. Amend. No. 51, § (e)).	Yes (§ 3–1101)	Yes (§ 3–1101)	Registration not required (Const. Amend. No. 51, § 9(f))	Yes (§ 3–1101)	Yes (§ 3–1101).
California West Election Code and 1968–69 Supp.	Yes (§ 213: Supp. 313(1))	Yes (§ 14630)	Yes (§ 14620 (Supp. §§ 14662, 14800))	Yes. Application to register may be made at same time as application for absentee ballot. (§ 213)	Yes (§ 14630)	Yes (Supp. § 14662).
Colorado Rev. Stat., 1963 1966–1968 Sess. Laws checked.	No. But elector known to county clerk may register members of his family (§ 49–4–2)	Yes (§ 49–14–1)	Yes (§ 49–14–1)	Yes. Application to register may be made at same time as application for absentee ballot. (49–4–14–).	Yes (§§ 49–14–1, 49–14–2)	Yes (§§ 49–14–1, 49–14–2).
Connecticut Gen. Stats. Ann. and 1969 Supp.	No (Supp. §§ 9–16, to 9–20)	No (§ 9–377)	Yes (Supp. § 9–135)	Yes (Supp. § 9–26)	No (§ 9–377)	Yes (§ 9-134).
Delaware Code Ann. T. 15 and 1968 Supp.	No (Supp. § 1105)	No direct primary	Yes (Supp. §§ 5501, 5503)	Yes. Application to register may be made at same time as application for absentee ballot. (Supp. §§ 1901–1909)	No direct primary	Yes (Supp. § 5501).
District of Columbia Code 1967 ed. and Supp.	No except physically disabled (Supp. § 1–1107)		Yes (§ 1–1109)	Yes. May register simultaneously for both Primary and General election. (Armed Forces Voting Information 1964-D.O.D. Gen. 6 p. 9)		Yes (§ 1–1109).
Florida Stats. Ann. and 1969 Supp.	No, except Federal employees outside U.S. can register by mail. (Supp. §§ 97.041, 97.064).	Yes (Supp. § 101.62)	Yes (Supp. § 101.62)	Yes. Application to register may be made at same time as application for absentee ballot. (Supp. §§ 97.063, 97.064).	Yes (Supp. § 101.691).	Yes (Supp. § 101.691).
Georgia Code Ann. and 1968 Supp.	No, except Federal employees outside U.S. can register by mail. A relation may apply for application card. (Supp. §§ 34–609, 34–619).	Yes (Supp. § 34–1401)	Yes (Supp. § 34–1401)	Yes. A relative may apply for a military registration card. (Supp. §§ 34–609, 34–619).	Yes (Supp. § 34–1401).	Yes (Supp. § 34–1401).
Hawaii Rev. Stats. 1968 ed.	Yes (§ 11–5)	Yes (§ 14–2)	Yes (§ 14–2)	Yes (§§ 11–4; 14–4)	Yes (§ 14–13)	Yes (§ 14–2).
Idaho Code and 1967 Supp.	Yes (§ 34–815)	Yes (§ 34–1101)	Yes (§ 34–1101)	May register the same time as voting absentee ballot by completing the registration and voting certificate on the back of ballot envelope. (§34–815).	Yes (§ 34–1128)	Yes (§ 34–1128).
Illinois Smith-Hurd Ann. Stats. 1965 ed. Chap. 46, and 1969 Supp.	No, except disabled persons (§ 5–9, Supp. § 5–5).	Yes (Supp. § 19–1)	Yes (Supp. § 19–1)	Not required (§ 20–1)	Yes (§§ 20-2, 20-3)	Yes (§§ 20-2, 20 3)
Indiana Burns Stats. Ann 1969 Rep. and 1969 Supp.	Yes (Supp. §§ 29–3408; 29–3409).	Yes (Supp. §§ 29–4901, 29–4902; 29–4903).	Yes (Supp. §§ 24–4901, 24–4902, 24–4903).	Yes. Application to register may be made at same time as application for absentee ballot. (Supp. § 29–3412).	Yes (Supp. § 29–4903).	Yes (Supp. § 29–4903).
Iowa Code Ann. and 1969 Supp.	Yes (§§ 53.28)	Yes (Supp. § 53.1)	Yes (Supp. § 53.1)	Yes, execution of affidavit on absentee ballot constitutes registration (Supp. § 53.38).	Yes (Supp. § 53.39)	Yes (Supp. § 53.39).
Kansas Stats. Ann. 1964 ed. and 1968 Supp.	Yes (Supp. § 25–2309)	Yes (Supp. § 25–1119)	Yes (Supp. § 25–1119)	Registration not required (§ 25–1215).	Yes (Supp. §§ 25–1122, 25–1220).	Yes (Supp. §§ 25–1122, 25–1220).
Kentucky, Baldwins K.R.S. and 1968 Cum. Issue.	No (§ 126.145)	Yes (Supp. § 126.140)	Yes (Supp. § 126.140)	Yes (Supp. § 126.145)	Yes (Supp. § § 126.140).	Yes (Supp. § 126.140).
Louisiana, Rev. Stat. 1950 and 1969 Rev., T. 18.	No (§ 233)	Yes (§ 1071)	Yes (§ 1071)	Yes (§ 233) (Amend 1968)	Yes (§ 1071)	Yes (§ 1071).
Maine, Rev. Stats. Ann. 1964 and 1968–69 Supp. Title 21.	No, except special provisions for disabled (§§ 72; 102).	Yes (§§ 1–1 & 2; 1251)	Yes (§§ 1–1, 2; 1251)	Yes (§ 1302)	Yes (§§ 1–2; 1307)	Yes (§§ 1–2; 1307).
Maryland, Ann. Code Art. 33 and 1968 Supp.	No (Supp. § 3–6); except physically disabled (Supp. § 3–7).	Yes (Supp. §§ 21–1; 27–3)	Yes (Supp. §§ 27–1; 27–3)	Yes. Registration is automatic when the executed oath on absentee ballot envelope has been accepted by the Board of Supervisors of Elections.	Yes (Supp. §§ 27–1; 27–5).	Yes (Supp. §§ 27–1; 27–5).
Massachusetts Gen. L. Ann. and 1969 Supp.	No, except for physically disabled persons. (ch. 51 Supp. §§ 42, 42A, 42B).	No (Supp. ch. 54 § 86)	Yes (ch. 54 Supp. § 86)	Yes. Registered automatically when application for absentea ballot received. (Supp. § 103D).	No (Supp. ch. 54 § 103B).	Yes (ch. 54 Supp. §§ 86, 103B–103J).
Michigan Comp. L. Ann. and 1969 Supp.	Yes (§ 168.504)	Yes (§ 168.758)	Yes (§ 168.758)	Yes (§ 168.759)	Yes (§ 168.758)	Yes (§ 168.758).
Minnesota Stats. Ann. and 1969 Supp.	Yes (§ 201.20)	Yes (§ 207.02)	Yes (§ 207.02)	Yes (§ 207.19)	Yes (§ 207.19)	Yes (§ 207.19).
Mississippi Code of 1942 and 1968 Supp.	No (Supp. § 3212)	No, except those employed in transportation service may vote early. (Supp. § 3203–11).	No. Certain persons who will be absent on election day may vote early. (Supp. § 3203–11).	Yes. Registration must be effected four months before general election to vote in primary and general election.	Yes (§ 3196–01)	Yes (§ 3196.01).
Missouri Vernon's Ann. Stats. (1966 Rev.) and 1968–69 Supp.	No (§§ 116.040, 117.300, 118.260) except for physically handicapped. (Supp. § 118.245)	Yes (§ 112.010)	Yes (§ 112.010)	Registration not required. (§ 112.310)	Yes (§ 112.300)	Yes (§ 112.300).
Montana Rev. Codes and 1969 Supp.	No, if infirm may be registered at home. (Supp. § 23–3007)	Yes (Supp. 23–3701)	Yes (Supp. § 23–3701)	Yes (Supp. § 23–3719)	Yes (Supp. § 23–3706).	Yes (Supp. § 23–3706).
Nebraska Rev. Stats. 1943 Reissue of 1968.	Yes (§§ 32–221; 32–824)	Yes (§§ 32–803, 32–820)	Yes (§ 32–820)	Yes. May register when they vote by absentee ballot. (§§ 32–221; 32–824).	Yes (§ 32–803)	Yes (§ 32–803).
Nevada Rev. Stats. T. 24	No (§ 293.517)	Yes (§ 293.313)	Yes (§ 293.313)	Yes, when applying for ballot. (§§ 293.320; 293.553).	Yes (§ 293.313)	Yes (§ 293.313).
New Hampshire Rev. Stats. Ann. & 1967 Supp.	No (§§ 55: 10–55:14)	No (§ 60:1)	Yes (§ 60:1)	Yes, automatic when application for absentee ballot is accepted by election board. (§ 60:23).	No (§ 60:1)	Yes (§ 60:1).
New Jersey N.J. Stats. Ann. & 1968–69 Supp.	No, except for physically disabled persons. (§ 19:31–6).	Yes (§ 19:57–15, Supp. § 19:57–19).	Yes (Supp. §§ 19:57–2, 19:57–3).	Registration not required. (Supp. § 19:57–25).	Yes (Supp. §§ 19:57–2, 19:57–3).	Yes (Supp. §§ 19:57–2, 19:57–3).

State	Civilians			Military-dependents-Federal employees		
		Vote absentee			Vote absentee	
	Register absentee	Primaries	General election	Register absentee	Primaries	General election
New Mexico Stats. 1953 and 1969 Supp.	Yes (Supp. §§ 3-4-5; 3-4-7).	Yes (Supp. § 3-6-2 F as amended 1969).	Yes (Supp. § 3-6-3).	Yes, automatic when application for absentee ballot is accepted (Supp. §§ 3-6-2; 3-6-5).	Yes. U.S. Representatives but not State, County or local official (§ 3-6-2).	Yes (§ 3-14-20).
New York McKinney's Election Law 1964 Rev. and 1968-69 Supp.	Yes (§ 153-a, & Supp. § 153-a).	No (§ 117).	Yes (§ 117).	Yes, automatic when application for absentee ballot accepted by election official. (§ 305).	No (Supp. § 302).	Yes (Supp. § 303).
North Carolina Gen. Stats. and 1969 Supp.	No (Supp. §§ 163-65; 163-67; 163-68).	No (Supp. § 163-226).	Yes (Supp. § 163-226).	Yes, automatic when application for absentee ballot accepted by election official. (Supp. § 163-245).	Yes (Supp. § 163-245).	Yes (Supp. § 163-245).
North Dakota Century Code and 1969 Supp.	Registration not required. (Supp. § 16-04-26).	Yes (Supp. § 16-18-01).	Yes (Supp. § 16-18-01).	Registration not required.	Yes (Supp. § 16-18-11).	Yes (Supp. § 16-18-11).
Ohio Page's Ohio Rev. Code and 1968 Supp.	No (Supp. § 3503.11).	Yes (Supp. § 3509.01).	Yes (Supp. § 3509.02).	Registration not required. (Supp. § 3511.02).	Yes (Supp. § 3511.01).	Yes (Supp. § 3511.01).
Oklahoma Stats. Ann. T. 26 and 1968-69 Supp.	No (Supp. §§ 93. 7-103.5).	Yes (Supp. § 326).	Yes (§ 326).	Registration not required. (Supp. § 345.1).	Yes (Supp. § 345.1).	Yes (§ 345.1).
Oregon Rev. Stats.	Yes (§ 247.111).	Yes (§ 253.010).	Yes (§ 253.010).	Yes, not required in advance. Is automatic when the executed oath on the absentee ballot return has been accepted by election officials. (§ 253.600).	Yes (§ 253.510).	Yes (§ 253.510).
Pennsylvania Purdon's Pa. Stats. Ann. and 1969 Supp. Title 25.	No, except persons with physical disability. Bedridden veterans not required to register. (Supp. § 951-18.2).	Yes (Supp. § 3146.1).	Yes (Supp. § 3146.1).	Yes (Supp. § 951-18. 1).	Yes (Supp. § 3146.1).	Yes (Supp. § 3146.1).
Rhode Island Gen. L. and 1967 Supp.	No, except for shut-ins (because of age, disability, illness) (Supp. § 17-9-10).	No (Supp. § 17-20-1).	Yes (Supp. § 17-20-3).	Registration not required. (Supp. § 17-21-2; Independents see Supp. § 17-9-11; for members of Peace Corps see Supp. § 17-9-25).	No (Supp. § 17-21-40).	Yes (Supp. § 17-21-40).
South Carolina Code 1962 and 1968 Supp.	No (Supp. §§ 23-63; 23-449.1).	No (Supp. § 23-442).	No, except students away at school (Supp. §§ 23-441; 23-442).	Yes (Supp. § 23-444).	Yes (Supp. § 23-449.8).	Yes (Supp. § 23-442).
South Dakota Comp. Laws 1967, T. 12 and 1969 Supp.	Yes (Supp. § 12-4-7).	Yes (§ 12-19-1).	Yes (§ 12-19-1).	Yes, may apply at same time as apply for absentee ballot (§ 12-19-18).	Yes §§ (12-19-15: 12-19-16).	Yes (§§ 12-19-15; 12-19-16).
Tennessee Code Ann. and 1968 Supp.	Yes (Supp. § 2-306).	Yes (Supp. §§ 2-1601; 2-1602).	Yes (Supp. § 2-1602).	Yes (Supp. § 2-1704).	Yes (Supp. § 2-1704).	Yes (Supp. § 2-1704).
Texas Vernon's Texas Election Code and 1968-69 Supp.	Yes (Supp. Art. 5.02).	Yes (Supp. Art. 5.05).	Yes (Supp. Art. 5.05).	Nor required (Supp. Art. 5.05 sub 2a).	Yes (Supp. 5.05 sub 2a).	Yes (Supp. Art. 5.05 sub 2a).
Utah Code Ann. 1953 and 1969 Replacement.	No, except if physically disabled. (§ 20-2-7).	Yes (§ 20-6-1).	Yes (§ 20-6-1).	Yes, automatic when the executed affidavit on the back of the absentee ballot envelope has been accepted by election officials. (§ 20-17-8)	Yes (§ 20-17-7).	Yes (Supp. § 20-17-7).
Vermont Stats. Ann. and 1969 Supp. T. 17.	No (§ 68).	Yes (§§ 121, 126).	Yes (§ 121).	Yes, may execute Freeman's Oath and Oath of Allegiance at the time the affidavit on the back of the ballot envelope is executed.	Yes (§ 147).	Yes (§ 147).
Virginia Code 1950; 1969 ed.	No (§ 24-67).	Yes (§ 24-319).	Yes (§ 24-319).	Registration not required. (Supp. § 24-231).	Yes (§ 24-345.2).	Yes (§ 24-345.2).
Washington Rev. Code Ann. and 1968 Supp.	No (§ 29.07.060).	Yes (§ 29.36.010).	Yes (§ 29.36.010).	Yes. by signing affidavit on preaddressed ballot return envelope. (§§ 29.39.110, 29.39.140).	Yes (§ 29.39.090).	Yes (§ 29.39.090).
West Virginia Code 1961 and 1969 Sess. Laws.	Yes (§ 3-2-23).	Yes (Supp. § 3-3-2).	Yes (Supp. § 3-3-2).	Yes (§ 3-3-1).	Yes (§ 3-3-1).	Yes (§ 3-3-1).
Wisconsin Stats. Ann. and 1969 Supp.	Yes, if more than 50 miles from residence or ill. (§ 6.30).	Yes (Supp. § 6.85).	Yes (Supp. § 6.85).	Registration not required. (§ 6.22).	Yes (Supp. § 6.85).	Yes (Supp. § 6.85).
Wyoming Stats. 1957 and 1969 Supp.	Yes (Supp. § 22-157).	Yes (Supp. § 22-118.122).	Yes (Supp. § 22-118.122).	Yes. On receipt of executed ballot election official will register if qualified from information in affidavit on back of ballot envelope. (Supp. §§ 22-118.130, 22-118.132).	Yes (Supp. § 22-118.122).	Yes (Supp. § 22-118.122).

By Mr. HATFIELD:

S. 2351. A bill to establish the Federal Medical Evaluations Board to carry out the functions, powers, and duties of the Secretary of Health, Education, and Welfare relating to the regulation of biological products and drugs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

CREATING A FEDERAL MEDICAL EVALUATIONS BOARD

Mr. HATFIELD. Mr. President, my concern for the present state of new drug evaluation in this Nation, as currently practiced by the Food and Drug Administration is well known to Members of this body. As an outgrowth of my interest in the plight of the experimental drug dimethyl sulfoxide—DMSO—I have come to the determination that nothing outside a total reorganization of our methods for evaluating potential medicines can effectively serve the public in its best interest.

DMSO is a simple organic chemical developed from lignin, the cement substance of trees, and having the ability to penetrate human tissues. Its medical applications sprang from collaboration in the early 1960's—when it was hailed publicly as the "New Wonder Drug"—between Robert Herschler of the Crown Zellerbach Corp., in Oregon, and Dr. Stanley Jacob who was working out of the University of Oregon Medical School.

Dr. Jacob has said:

Like antibiotics and cortisone, DMSO cuts across disease lines. The principle of DMSO is that it provides a relatively easy method of using the skin for an avenue for curing ills affecting the body generally. DMSO is rapidly absorbed and will influence a disease process elsewhere in the body . . . DMSO is available as a prescription drug in many other countries. My own research and the scientific literature, of which there are more than 1200 publications, show DMSO to be effective and safe treatment for many diseases for which there is no other known treatment. It also possesses special potential in the treatment of diseases as serious as heart attacks and cancer.

Despite the evidence of safety and efficacy of this agent, the FDA has kept this drug in an investigational stage for almost a decade, at one point even banning it entirely. Finally, last summer, DMSO was approved for use on horses. This was the first positive action to market the drug taken by the Food and Drug Administration on DMSO.

Mr. President, I have received many hundreds of letters from Oregonians and people across the Nation appealing to me as a Member of Congress to work to get DMSO available to people as a prescription drug. Many describe first hand encounters with DMSO and seemingly miraculous relief from various disorders. Earlier in this Congress, I introduced a resolution to have the question of DMSO for human use placed before the National Academy of Sciences. Subsequently, Commissioner of the Food and Drug Administration, Dr. Charles Edwards, announced that this action would be taken. Commissioner Edwards' announcement was made during the hearings of the Consumer Subcommittee of the Commerce Committee on May 21 of this year. Reaction across the country, in the press and in the mail I have received, has been overwhelmingly favorable and voluminous.

The FDA action was precedented by the earlier request made by FDA in 1966 that the National Academy of Sciences evaluate for safety and efficacy all drugs approved prior to 1962 and still on the market. This was done because the FDA was already too overburdened to undertake the job itself.

My investigation into the single case of DMSO led me to find that it is not alone. I discovered many more cases where the FDA's procedural maze and purported lack of scientific competence, along with a striking political sensitivity and self-protectiveness have led to great inequities in the evaluation of drugs. Such crticisms are made in literally hundreds of articles that have appeared in the last few years in medical trade papers, scientific magazines and publications of general interest. Eminent authorities in the field of medicine and pharmacology have called for FDA reform.

It is evident, from the number of cases that have come to my attention, that simple internal reform is not enough to alleviate the inadequacies of the overburdened Food and Drug Administration. Scientific judgments must be made by people of high scientific competence and in an atmosphere conducive to thoughtful and earnest consideration.

Therefore, I send to the desk a bill to establish the Federal Medical Evaluations Board to carry out the functions, powers, and duties of the Secretary of Health, Education, and Welfare relating to the regulation of drugs and biological products.

The purposes of the bill are to—

Provide for a maximum of professional competence and swift, thorough review in the evaluation of biological products and drugs, so that the highest standards of protection for the public are maintained, yet so the medical products which have shown proven efficacy and safety shall be made available to the public without undue delay;

Centralize and upgrade the evaluation of medical products, and to cut down the expense of overlapping jurisdictions and duplicative efforts in this field;

Assure medical products of a fair, swift, and highly professional evaluation in terms relevant to protection of the public;

Provide for an independent appeals mechanism in cases where there may be an honest dispute over the safety or efficacy of a medical product or a decision of the Board; and

Separate evaluation, primarily a professional scientific and clinical judgment from enforcement powers in the regulation of medical products.

The bill provides for—

The establishment of a 15-member Federal Medical Evaluations Board, to be composed of highly qualified eminent scientists, physicians, and clinical researchers to be appointed by the President;

The jurisdiction of the Board to encompass evaluation of medical products, including drugs and antibiotics, and regulatory authority over the same;

The appointment by the Board of an executive director and a highly competent medical staff to aid the Board in its evaluations;

The use by the Board of advisory panels to be called in cases where the Board may deem more professional expertise is necessary to making evaluative judgment;

The mandatory establishment by the Board of ad hoc independent advisory appeals panels in cases where there may be a disagreement over the decision or judgment of the Board; and

Mr. President, it is a primary concern of mine that the functions of judge and prosecutor relating to new drugs have been consolidated in the Food and Drug Administration. I am pleased to offer this bill and ask that the full text be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2351

A bill to establish the Federal Medical Evaluations Board to carry out the functions, powers, and duties of the Secretary of Health, Education, and Welfare relating to the regulation of biological products and drugs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FEDERAL MEDICAL EVALUATIONS BOARD ESTABLISHMENT

SEC. 101. There is established in the executive branch of the Federal Government the Federal Medical Evaluations Board (referred to hereafter as the "Board").

MEMBERSHIP

SEC. 102. (a) The Board shall be composed of fifteen members appointed by the President by and with the advice and consent of the Senate. Members of the Board shall be selected from persons in private life who because of their experience, position, or training in the fields of general medical practice, clinical research, or the relevant basic sciences are eminently qualified to carry out the functions of the Board. Members of the Board shall be appointed in such a manner as to provide a balanced representation of such fields on the Board. A vacancy in the Board shall be filled in the same manner as the original appointment was made.

(b) (1) Except as provided in paragraphs (2) and (3), members of the Board shall be appointed for terms of three years.

(2) Of the members first appointed—

(A) five shall be appointed for terms of one year,

(B) five shall be appointed for terms of two years, and

(C) five shall be appointed for terms of three years, as designated by the President at the time of appointment.

(3) Any member of the Board appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(c) The Board shall have a Chairman and a Vice Chairman who shall be elected by the members of the Board from among their number for a term of one year. Except for the first two chairmen of the Board, the Chairman of the Board shall be selected from members of the Board who will have served for at least two years as a member of the Board before assuming the office of Chairman. Except for the first two vice chairmen of the Board, the Vice Chairman of the Board shall be selected from members of the Board who will have served at least one year as a member of the Board before assuming the office of Vice Chairman. The Chairman and Vice Chairman of the Board shall, during the period of their service in such positions, be full-time officers of the United States.

(d) The basic pay of the Chairman and Vice Chairman of the Board shall be at the rate prescribed for level III of the Executive Schedule by section 5314 of title 5 of the United States Code. Each other member of the Board shall be paid at the rate of $200 for each day such member is engaged upon the work of the Board, and shall be allowed travel expenses, including a per diem allowance, in accordance with section 5703 (b) of title 5 of the United States Code.

(e) The Board shall meet monthly and at such other times as the Chairman or Vice Chairman shall direct. Seven members of the Board shall constitute a quorum for the carrying out of the functions, powers, and duties of the Board.

EXECUTIVE DIRECTOR AND STAFF OF THE BOARD

SEC. 103. (a) (1) The Board shall appoint an Executive Director and fix his basic pay at the rate prescribed for level V of the Executive Schedule by section 5316 of title 5 of the United States Code. The Executive Director shall serve at the pleasure of the Board.

(2) The Board may delegate to the Executive Director such of its functions, powers, and duties (other than those relating to the making, amending, or repealing of regulations) as it deems appropriate.

(b) With the approval of the Board, the Executive Director may appoint and fix the basic pay of such additional personnel as may be necessary to carry out the functions, powers, and duties of the Board.

TRANSFERS TO BOARD

SEC. 104. (a) There are transferred to and vested in the Board the functions, powers, and duties of the Secretary of Health, Education, and Welfare—

(1) to make, amend, and repeal regulations under (A) section 351(d) of the Public Health Service Act (B) sections 506, 507, 510, and 511 of the Federal Food, Drug, and Cosmetic Act, (C) section 701 of such Act (but only to the extent necessary to carry out the functions, powers, and duties transferred to and vested in the Board by this section), and (D) subsections (l) and (n) of section 512 of such Act; and

(2) under sections 501, 502, 503, 505, 508, and 707 of the Federal Food, Drug, and Cosmetic Act and under those subsections of section 512 of such Act not referred to in paragraph (1).

(b) So much of the positions, personnel, assets, liabilities, contracts, property, records, and unexpended balances of authorizations, allocations, and other funds, which the Director of the Bureau of the Budget determines (1) were employed, held, used, or available or to be made available in connection with the functions, powers, and duties transferred by this section, or (2) arose from such functions, powers, and duties, shall be transferred to the Board.

ADVISORY EVALUATION PANELS

SEC. 105. (a) The Board may, from time to time, establish advisory evaluation panels to advise it with regard to the exercise of any of its functions, powers, and duties (other than those with respect to which an advisory appeals panel is established under section 106). Members of a panel shall be drawn from persons specially qualified in the subject matter to be referred to the panel and shall be of adequately diversified professional background.

(b) The size of any panel shall be determined by the Board, except that there shall be no fewer than three members and no more than ten members. Members of a panel shall receive as compensation for their services a reasonable per diem, which the Board shall by regulation prescribe, for time actually spent in the work of the panel, and shall in addition be reimbursed for their necessary traveling and subsistence expenses while so serving away from their places of residence. The members shall not be subject to any other provisions of law regarding the appointment and compensation of employees of the United States. The Board shall furnish each panel with adequate clerical and other assistance, and shall by regulation prescribe the procedure to be followed by each panel.

ADVISORY APPEALS PANELS

SEC. 106. (a) The Board shall, upon request of any applicant under section 505 or 512 of the Federal Food, Drug, and Cosmetic Act, establish an advisory appeals panel to review and advise the Board with respect to any order of the Board refusing, withdrawing, or suspending approval of the application of such applicant filed under such section 505 or 512. An advisory appeals panel established by the Board shall in accordance with regulations prescribed by the Board review the applicable order and application and any other materials and information the panel considers relevant to its inquiry and shall report to the Board its recommendations.

(b) The Board shall make regulations prescribing the time and manner in which a request for the establishment of a panel shall be made. The Board shall also prescribe regulations requiring that an applicant for an advisory appeals panel shall pay (either in advance or by way of reimbursement) one-half of the costs to the Board for the establishment and operation of an advisory appeals panel.

(c) Members of an advisory appeals panel shall be drawn from persons specially qualified in the subject matter to be referred to the panel and shall be of adequately diversified professional background. No person who served as a member of the advisory evaluations panel which considered the application to be reviewed by an advisory appeals panel may serve on such advisory appeals panel.

(d) The size of any panel shall be determined by the Board, except that there shall be no fewer than three members and no more than ten members. Members of a panel shall receive as compensation for their services a reasonable per diem, which the Board shall by regulation prescribe, for time actually spent in the work of the panel, and shall in addition be reimbursed for their necessary traveling and subsistence expenses while so serving away from their places of residence. The members shall not be subject to any other provisions of law regarding the appointment and compensation of employees of the United States. The Board shall furnish each panel with adequate clerical and other assistance.

SAVINGS PROVISIONS

SEC. 107. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective (A) by the Secretary of Health, Education and Welfare in the exercise of duties, powers, or functions which are transferred under this title, or (B) by any court of competent jurisdiction upon review of such action by the Secretary, and

(2) which are in effect on the date of the enactment of this title,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Board (but only in the exercise of any function, power, or duty transferred to and vested in it by section 104 of this title) by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this title shall not affect any proceedings which are pending on the date of the enactment of this title before the Secretary of Health, Education, and Welfare and which relate to functions, powers, or duties transferred by this title; but such proceedings shall be continued before the Board.

(c) (1) Except as provided in paragraph (2)—

(A) the provisions of this title shall not affect suits commenced prior to the date of the enactment of this title, and,

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted. No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health, Education, and Welfare shall abate by reason of the enactment of this title. No cause of action by or against the Secretary of Health, Education, and Welfare or by or against any officers of the Department of Health, Education, and Welfare in his official capacity shall abate by reason of the enactment of this title. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Board, as may be appropriate, and, in any litigation pending on the date of the enactment of this title, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date of the enactment of this title, the Secretary of Health, Education, and Welfare or any officer of the Department of Health, Education, and Welfare in his official capacity, is a party to a suit which relates to a function, power, or duty transferred by this title, then such suit shall be continued by the Board (but only in the exercise of any function, power, or duty transferred to and vested in it by section 104 of this title).

(d) With respect to any function, power, or duty transferred by section 104 of this title and exercised after the date of the enactment of this title, reference in any other Federal law to the Secretary of Health, Education, and Welfare in connection with a function, power, or duty transferred by this title shall be deemed to mean the Board.

EFFECTIVE DATE

SEC. 108. This Act shall take effect on the date of its enactment except that the provisions of sections 104 through 107 shall take effect ninety days after the members of the Board first appointed take office or on such prior date after the date of the enactment of this Act as the President shall prescribe and publish in the Federal Register.

By Mr. HATFIELD (for himself, Mr. ALLEN, Mr. ALLOTT, Mr. ANDERSON, Mr. BAKER, Mr. BAYH, Mr. BEALL, Mr. BELLMON, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BROOKE, Mr. BUCKLEY, Mr. BURDICK, Mr. CASE, Mr. COOK, Mr. COOPER, Mr. CRANSTON, Mr. CURTIS, Mr. DOLE, Mr. DOMINICK, Mr. FANNIN, Mr. FONG, Mr. GOLDWATER, Mr. GRAVEL, Mr. GRIFFIN, Mr. GURNEY, Mr. HANSEN, Mr. HARTKE, Mr. HOLLINGS, Mr. HRUSKA, Mr. HUGHES, Mr. HUMPHREY, Mr. JAVITS, Mr. JORDAN of Idaho, Mr. MCCLELLAN, Mr. MANSFIELD, Mr. MATHIAS, Mr. MILLER, Mr. NELSON, Mr. PACKWOOD, Mr. PEARSON, Mr. PERCY, Mr. PROUTY, Mr. SCHWEIKER, Mr. SCOTT, Mr. SPARKMAN, Mr. STEVENS, Mr. SYMINGTON, Mr. TOWER, Mr. TUNNEY, Mr. WEICKER, Mr. WILLIAMS, and Mr. YOUNG):

S.J. Res. 142. A joint resolution establishing a commission to consider and formulate plans for a permanent memorial to Herbert Clark Hoover. Referred to the Committee on Rules and Administration.

Mr. HATFIELD. Mr. President, I am introducing today a joint resolution establishing a commission to consider and formulate plans for a permanent memorial to Herbert Clark Hoover.

On August 10, 1974, our country will mark the 100th anniversary of the birth of its 31st President, Herbert Clark Hoover. More than any other American leader of this century, President Hoover exemplifies for us a humanitarian commitment to the needs of people not only in our Nation but throughout the world.

The religious convictions of President Hoover and a request from President Wilson caused him to relinquish a successful, worldwide business career to devote his tireless energies before, during, and after World War I to easing through European relief activities the suffering weighed upon million of victims of that conflict.

President Hoover continued his efforts in the domestic sphere as Secretary of Commerce for Presidents Harding and Coolidge, and committed those convictions to the improvement of conditions in the fields of child labor and collective bargaining.

President Hoover began this modern success story as an orphaned boy in West Branch, Iowa, was raised by relatives in Newberg, Oreg., and worked his way through high school in Salem, Oreg., as well as through Stanford University in California.

Turned from office by worldwide economic conditions which no man could control, President Hoover offered us not bitterness but continued service to shape our Nation and the world into a better place in which to live.

Among those contributions he gave us were reform proposals written for President Truman increasing governmental efficiency and accountability, including the first all-encompassing general reorganization plan for National Government which continues to benefit us today. Through his efforts to make the organization of Government responsive to the people it is built to serve, President Hoover's name has become synonomous with modern management practices both in government and in business.

Mr. President, throughout his life President Hoover sought only a chance to serve his fellow man, and was granted a life and a career as a Presidential counselor and adviser for which all Americans can be thankful. He has truly earned a special niche in our history as a man of achievement and compassion, deserving the respect of his fellowmen.

ADDITIONAL COSPSONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1659

At the request of Mr. FANNIN, the Senator from Texas (Mr. TOWER), and the Senator from Utah (Mr. BENNETT) were added as cosponsors of S. 1659, to amend the National Labor Relations Act to strengthen and reform certain provisions thereof.

S. 1960

At the request of Mr. EAGLETON, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 1960, a bill to allow a credit against Federal income tax for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65.

S. 1986

At the request of Mr. HOLLINGS, the Senator from Montana (Mr. METCALF), the Senator from Hawaii (Mr. INOUYE), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1986, the National Oceanic Act of 1971.

S. 1991

At the request of Mr. MANSFIELD, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of S. 1991, a bill to assist in meeting national housing goals by authorizing the Securities and Exchange Commission to permit companies subject to the Public Utility Holding Company Act of 1935 to provide housing for persons of low and moderate income.

S. 2097

At the request of Mr. PERCY, the Senator from Oklahoma (Mr. BELLMON), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 2097, a bill to establish a Special Action Office for Drug Abuse Prevention in the Executive Office of the President.

S. 2223

At the request of Mr. TALMADGE, the Senator from Alaska (Mr. GRAVEL), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 2223, to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes.

S. 2327

At the request of Mr. FANNIN, the Senator from Arizona (Mr. GOLDWATER), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2327, a bill to provide for strike ballots in certain cases.

SENATE JOINT RESOLUTION 79

At the request of Mr. HARTKE, the Senator from Maine (Mr. MUSKIE), and the Senator from Michigan (Mr. HART) were added as cosponsors of Senate Joint Resolution 79, the Equal Rights Amendment.

SENATE JOINT RESOLUTION 129

At the request of Mr. FANNIN, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of Senate Joint Resolution 129, proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President and action by the Congress to provide revenues to offset Federal funds deficits.

SENATE RESOLUTION 157—SUBMISSION OF A RESOLUTION RELATING TO THE 50TH ANNIVERSARY OF THE DISABLED AMERICAN VETERANS

(Referred to the Committee on the Judiciary.)

FIFTY YEARS OF SERVICE TO AMERICAN VETERANS

Mr. HARTKE. Mr. President, for myself and Mr. THURMOND, I submit a resolution recognizing the 50th anniversary of the founding of the DAV.

We humans have a tendency to close our eyes to the things we do not want to see. And to close our minds to the things we do not want to remember. And to turn away from anything unpleasant that might interfere with our pursuit of happiness.

It is a human frailty and—since we have all been guilty of it at least once or twice in our lifetimes—it is one I suppose we can all forgive.

But certainly, it is not one we can condone—especially when it means turning away from the plight of our disabled veterans.

Yet it was just such a situation as this that led to the birth of the Disabled American Veterans 50 years ago. They were spawned in a sea that was just as polluted as the air we breathe today—and every bit as dangerous. Only the elements were different. It was a sea of apathy and disinterest, that engulfed the Nation after World War I and almost succeeded in drowning the "better world" our men fought and died for, the "better world" our disabled veterans thought they were returning to.

We wanted to forget the agonies of the Argonne, the mustard gas that filled the trenches at Chateau-Thierry. We turned away from the unhappy sight of a man with no legs or arms, as if, by closing our eyes and our minds, we could make the unpleasant memories go away. We put our wounded in the hospitals—what few we had—and then tried to forget—as if, by ignoring them, they would cease to be.

But the men who were maimed and disabled—those who were blinded and doomed to live out their lives in eternal night—those who were gassed and would spend the rest of their lives fighting for every breath they took—these men could not close their minds and make the unhappy memories go away. They could not close their eyes and open them to find their bodies whole and healthy again. These men had to learn to live with their memories—and their wounds, no matter how painful.

And they wanted to live with dignity—the kind that comes from standing on one's own two feet—regardless of whether or not the feet are still there—by earning a living with one's own two hands—regardless of whether or not the hands are gone.

And so they fought the noxious fumes of apathy. And they flailed away at the disinterest. And they refused to let us sit complacent and secure and forgetful in our own little world of comfort. They grew and matured. And we should all be grateful that they did.

Because, through the past five decades, not only have they set an example of determination and courage equal to none, they have done something else. They have proved to us that handicapped is not synonymous with helpless.

By their example, they have helped countless other Americans born with disabilities or crippled by disease gain the courage—and the know-how—to lead full and satisfying lives.

They have proved to us that a man does not need two arms to embrace life. He does not need two legs to stand tall amongst his fellow men. He does not need two eyes to see the truth and follow it. A man does not need any of these. All he needs is guts.

And these men have guts.

They demonstrated this on the battlefields, they demonstrated it in the hospitals, and they have demonstrated it every day since. They have caused me, many times, to say fervently, "Thank God they are Americans. Thank God they are on our side."

Mr. President, I give you the Disabled American Veterans—50 years old this year.

We gave them a congressional charter in 1932, and now, as they embark on their second half century of dedicated service to the Nation, I am privileged to submit Senate Resolution No. 157, which reads as follows:

Whereas, the year 1971 brings to a close the 50th anniversary of the founding of the Disabled American Veterans; and

Whereas, this congressionally chartered Organization is dedicated solely to the rehabilitation of service-connected and service-incurred disabilities of veterans who have served in our Nation's wars; and

Whereas, the Disabled American Veterans over its half century of life has processed hundreds of thousands of claims of service-connected veteran, wives, widows, and children; and

Whereas, these claims have been processed in the interest of the individual without regard to membership in the Organization; and

Whereas, the Disabled American Veterans in its 50-year history has emphasized: (1) the need for proper medical care and treatment of veterans with service-connected disabilities; (2) adequate compensation for such disabilities; (3) training and or education to restore the employability of disabled veterans; and (4) adequate compensation to widows, minor children, and dependent parents of service-connected disabled veterans; and

Whereas, the Disabled American Veterans has its own scholarship fund to aid the children of disabled veterans; and

Whereas, the Disabled American Veterans has a special program for handicapped Boy Scouts to aid them in achieving their full potential; and

Whereas, the Disabled American Veterans has established its own disaster fund to provide clothing, shelter, food and other necessities of life to those DAV members who have suffered loss as a result of hurricanes, floods, tornadoes and other natural disasters; and

Whereas, the Disabled American Veterans has been keenly aware of its civic and public responsibilities; and

Whereas, the Disabled American Veterans has been devoted to the highest type of patriotism: Now, therefore, be it

Resolved, That the Senate of the United States commends the Disabled American Veterans and its thousands of members on the occasion of achieving the half century mark of service to deserving veterans and their dependents; and commends the Organization for its ideals of service, responsibility, and patriotism.

Mr. THURMOND. Mr. President, it is a pleasure for me to join Senator HARTKE in submitting this resolution paying tribute to the Disabled American Veterans on their 50th anniversary. I am proud to be a life member of this great organization.

The history of the DAV is the history of our people. The condition of these veterans is the result of our own action.

Because the scars they live with today are the wounds they suffered yesterday fighting America's battles—we owe them, not only our gratitude, we owe them our very existence. Where would our Nation be today without the sacrifices of these men.

Mr. President, their history is our history. Our young men marched with strength and pride down the streets of New York. They boarded the ships for overseas and returned—those who were not left in fields like Flanders—and 300,000 of them were sick and maimed and wounded.

We were a young Nation—young in the sense we had not yet had to cope with this kind of tragic consequence of war. Our hospitals were few—and in those we had, conditions were so crowded, the disabled and sick veterans were sleeping on the floor. Doctors and nurses worked around the clock. There were not enough hands or enough hours to do the job that needed to be done.

Mr. President, here in Washington, we hastily set up plans and formed bureaus and, in our hurry to get things done, we made more confusion. The disabled veteran, bewildered by redtape, wandered from Government bureau to Government bureau. He enrolled in vocational training programs, only to be given a certificate of completion or "rehabilitation" before the programs were a week old. He applied for benefits that were never seen. He pleaded for medical aid that was never forthcoming.

Out of this chaos came the Disabled American Veterans organization. Its stated purpose was, and still is, "service to disabled veterans by disabled veterans." Its objectives have remained the same:

> To advance the interest and work for the betterment of all wounded, injured and disabled veterans, their widows and dependents . . . to cooperate with all federal and private agencies devoted to the cause of improving and advancing the conditions, health and interest of wounded, injured or disabled veterans.

Mr. President, in 1921, at the first national convention in Detroit, Mich., the DAV initiated its national service program. Since its beginning 50 years ago, this program has handled more than 8 million cases for disabled veterans and their dependents. The 150 DAV national service officers, located in every State in the Union, comprise the largest field staff of any of the veterans' organizations.

During the second national convention in 1922, the DAV auxiliary was formed by the wives, daughters, and mothers of wartime disabled veterans. This group has contributed significantly to the success of the DAV program.

The years 1928–29 saw the formation of the National Service Fund Foundation which was to raise money and ensure the successful continuation of the service program.

Mr. President, 1932 was another significant year, for on June 17, Congress recognized the DAV's outstanding service to disabled veterans and its devotion to the cause of the war disabled, and granted a Federal charter to the organization, as "the official voice of the Nation's wartime disabled."

Other years stand out as milestones in the DAV's struggle for maturity.

The life membership fund was started in 1939. This program, where a member could buy a lifetime membership for a stated amount, has now grown to 125,155 life members.

In 1941, the DAV issued the first idento-tags, miniature license plates, to American motorists. This program was to become the financial backbone for the DAV program of service.

Mr. President, the DAV charter was amended in 1942 to admit members of World War II and of any future wars.

In 1944, the national service officers formal training program was begun at American and Catholic universities. This program includes courses in counseling, guidance, legislation, adjudication, law, physiology, psychology, and presentation of medical evidence.

In 1966, two dates stand out as especially significant: June 17, when Congress held a "DAV Day on the Hill," in recognition of the organization's 34th anniversary of the granting of its Federal charter; and November 11, when the DAV dedicated its new modern national headquarters building in Cold Spring, Ky.

In 1968, the DAV set up a national scholarship fund to help defray college expenses of members' children and also created the disaster fund to help members who were victims of natural disasters.

And 1969 saw the Boy Scouts of America and the DAV begin a joint program of scouting for handicapped boys. Nothing is more natural than for men who have overcome the disabilities of war to teach boys who have natural handicaps how to overcome them.

This brings us to the year 1971, which marks the completion of the first half century of DAV service.

Mr. President, in view of the service these men have rendered our Nation, both on the battlefield and here at home, I think it is especially fitting that we take time out to salute them on their golden anniversary—and to wish them an even more successful and productive half century to come. I am proud to join my colleague in sponsoring this resolution.

SENATE RESOLUTION 158—SUBMISSION OF A RESOLUTION RELATING TO THE GENEVA PROTOCOL

(Referred to the Committee on Foreign Relations.)

THE GENEVA PROTOCOL: A PATHWAY TO RATIFICATION

Mr. BROOKE. Mr. President, recent months have witnessed important contributions to the goal of controlling chemical and biological weapons. President Nixon has won wide appreciation in the Senate and in the country for a series of constructive initiatives in this field, particularly his decision to end American work on biological weapons. At the same time, the President has resubmitted to the Senate the Geneva Protocol of 1925, the principal international agreement limiting the use of poison gas and bacteriological weapons. After almost half a century, during which time most other nations have ratified the protocol, it is a matter for serious concern that the United States is not yet a party to this treaty.

Yet, as Members of the Senate appreciate, significant disagreement has developed over the scope of the protocol, and that disagreement now threatens to delay still further U.S. adherence to the pact. The distinguished chairman of the Foreign Relations Committee has written the President stating the committee's view that the protocol should be construed to prohibit the use of herbicides and riot control agents, a view which the Secretary of State has opposed. In his letter and in his remarks to the Senate on June 8, Senator FULBRIGHT made clear his hope that the issue can be resolved and that ratification of the protocol will not be needlessly jeopardized. The chairman expresses "considerable doubt that the Protocol could now receive the advice and consent of the Senate on the terms laid down by the Secretary of State."

I ask that Senator FULBRIGHT's letter to the President of April 15, 1971, appear in the RECORD at the conclusion of my remarks.

I believe we can and should find a way out of this impasse. I am confident that a majority of the Senate and the administration are anxious to do so. It is with that objective in mind that I rise today to suggest a procedure for breaking this deadlock and opening the way to constructive action on the protocol by the Senate and the President.

Let me distinguish at the outset two issues, the question of U.S. policy regarding herbicides and riot control agents, and the question of a proper interpretation of the protocol itself. My proposal, which I shall offer as a Senate resolution, addresses both issues.

So far as policy is concerned, I believe that the testimony before the Foreign Relations Committee, along with other evidence now available, will persuade most Senators that the United States should refrain from using herbicides and tear gas in warfare. Such agents have proved to be of dubious military value. Indeed, the administration has already ordered a termination in the use of herbicides in Southeast Asia and is tightly constraining the use of tear gas. Agents of the latter type had come to be used in tandem with lethal weapons; for example, as devices for flushing suspected Vietcong into the open, where they could be shelled and bombed. In such use, the nonlethal character of tear gas itself is of no significance, since the effect is actually to enhance the deadliness of other weapons. There is, of course, no valid comparison between that kind of employment of tear gas in combat and the customary riot control applications of such agents in certain civil disorders.

In weighing the use of tear gas in warfare, strictly as a matter of policy, one must recognize the hazards posed for us if some potential adversary should use these materials against our troops in the future. Use by both sides would deprive either of any advantage, and more importantly, such use could open the door to the employment of other gases and chemicals. Further experience in Southeast Asia has made clear that riot control agents are of no value militarily against adequately equipped troops. Since North Vietnamese and Vietcong soldiers have acquired gas masks, the initial utility of tear gas in Vietnam has declined to near zero. These facts are forceful reminders that the U.S. interest lies in discouraging the military use of such materials, rather than facilitating it. Clearly, the advantages of retaining the option to use tear gas in warfare are outweighed by the disadvantages of risking such use against ourselves and of eroding the barriers against gas warfare in general.

The administration has continued to evaluate these issues. I think it is fair to say that, as implied by Secretary Rogers, the administration is open to persuasion with regard to future policy in this area. An expression of Senate opinion could well be influential in shaping the administration's own conclusions.

The administration's review of this issue has been complicated by the special situation in which it has found itself. The United States has used herbicides and tear gas in Southeast Asia. The Government is understandably reluctant to invite charges that it has violated international law by doing so. One surmises that concern on this point has had substantial bearing on the administration's reluctance to interpret the Protocol as banning the use of these agents.

One may offer several comments on this point. To begin with, since the United States is not presently a party to the protocol, even if the agreement is interpreted to ban tear gas and herbicides, this country could not properly be charged with an actual violation. Secondly, and more significantly, the protocol is quite ambiguous on these issues. Until it is clarified, either through appropriate judicial interpretation or a declaration of understanding by our own Government, no one could reasonably conclude that the United States has violated the provisions of the agreement. While some unfriendly states may choose to exploit these awkward circumstances politically, the United States need not and should not feel that its activities in Southeast Asia bind it to a relatively narrow interpretation of the protocol for the future.

On the merits, I believe that the administration and the Senate are gravitating toward a common policy position; namely, that there are no decisive military advantages in the use of tear gas and herbicides, that such use adversely affects our efforts to establish international controls over chemical and biological weapons, and that such agents should be prohibited for use in warfare.

There are, however, major questions as to how we might best approach this policy objective, and here we need to deal carefully with the issue of a proper interpretation of the protocol. Even those who agree that the right policy is to ban the use of tear gas and herbicides may well disagree as to whether the protocol was actually intended to prohibit them. Most students of the matter acknowledge, as does the Foreign Relations Committee, the profound ambiguity of the protocol on this point. Herbicides were not in widespread use at the time it was drafted and there is divided legal opinion as to whether the signatories intended to cover various kinds of nonlethal riot control agents.

Under the circumstances the United States and other members of the international community badly need an agreed interpretation of what the protocol actually proscribes. The United Nations General Assembly has already expressed the view, in an 80 to 3 vote, that tear gas and herbicides should be prohibited by the Geneva protocol. I have considerable sympathy for the procedural objection which led the United States to oppose that Assembly resolution: a political body is not usually the appropriate forum for an objective judicial interpretation of a legal contract. Nevertheless, the Assembly's action does indicate overwhelming support among the signatories of the protocol for the policy goal of banning such materials.

Long reflection has convinced me that our present dilemma affords the United States an opportunity to advance both the policy goal of controlling chemical and biological weapons and the procedural goal of building viable institutions of world law. It can do so, in my judgment, by seeking through U.N. channels an interpretation of the Geneva protocol by the International Court of Justice. This might take the form of an advisory opinion to the General Assembly.

In soliciting the Court's opinion on whether herbicides and tear gas are actually within the purview of the protocol, the United States should make clear that it is prepared to accept the Court's finding as authoritative and binding prospectively with regard to other States which offer similar undertakings. Since the Court would be examining an admittedly ambiguous and uncertain aspect of the protocol, the United States would in no way be acknowledging any violations for actions in Southeast Asia. Indeed, the best measure of our good faith in this matter would be our very initiative in seeking clarification from the International Court. Furthermore, and I consider this an important reason for proceeding in this manner, resort to the Court would be a helpful contribution to strengthening the infant institutions of world order. This would be entirely compatible with existing U.S. policy which reserves to this country any decisions regarding the issues on which it will accept the Court's jurisdiction. Since we would be involved in seeking an advisory opinion, rather than presenting an actual case before the Court, the U.S. reservation of rights under the so-called Connally amendment would in no way be affected.

If the Court interprets the protocol to cover herbicides and riot control agents, the United States will have made clear its willingness to abide by the standard in the future and on a reciprocal basis. If the Court rules against this interpretation, then it will be apparent that further negotiations are required if effective prohibitions are to be extended to these agents. Either way the unfortunate ambiguity of the protocol on this point will be resolved and all parties will have a solid foundation on which to gauge their adherence to it and their activities under it.

The resolution I am offering today will permit the Senate to fulfill its obligation to tender advice and consent in a timely and beneficial way. It will enable the majority of the Senate to make known its policy recommendations, namely that herbicides and tear gas should be banned in warfare, and to recognize that the disputed provisions of the protocol deserve precise judicial interpretation. The text of the resolution is largely self-explanatory:

S. RES. 158

Whereas there is a vital need to establish effective international controls over agents and weapons of chemical and biological warfare; and

Whereas the United States has recently taken important and constructive initiatives to deal with this problem; and

Whereas the United States has not yet ratified the Geneva Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare; and

Whereas further delay in ratifaction by the United States of this Protocol may impede other negotiations concerning matters vital to national security and international order; and

Whereas certain issues of interpretation of the Protocol are in dispute within the international community and the United States; and

Whereas law and order among nations can be enhanced by resort to international judicial institutions; Now, therefore be it

Resolved, That it is the sense of the Senate that the issues of whether chemical herbicides and riot control agents are included within the limitations and prohibitions of the Geneva Protocol should be submitted to the International Court of Justice for an advisory opinion, to be accepted by the United States as binding prospectively with regard to any other States adhering to the Protocol and accepting the Court's interpretation; and

Resolved further, That, in the event that the International Court of Justice finds either or both types of agents not to be included within the purview of the Geneva Protocol, the Government of the United States should seek expeditious international negotiations to prohibit the use of such agents in warfare; and

Resolved further, That the President of the United States is respectfully urged to take appropriate steps to obtain early action by the International Court of Justice and to continue his efforts to achieve comprehensive international prohibitions on chemical and biological warfare, including specifically the use of chemical herbicides and riot control agents.

Mr. President, if, as I have some reason to believe, the administration is prepared to consider this plan, Senate approval of the proposal could pave the way to early ratification of the protocol. Once we have provided for an agreed mechanism to define the scope of the protocol and for an explicit indication that the policy goal is to prohibit the use of herbicides and tear gas, either through court interpretation or subsequent negotiations, there will be no need to postpone action on the protocol.

For my part, I think we should act expeditiously. Other negotiations on chemical and biological weapons are in progress, and U.S. failure to adhere to the one outstanding agreement in this field could impede these efforts. Other countries may well be skeptical of our attitude on these matters. There could be no better affirmation of our devotion to genuine and effective arms control in this area than our prompt endorsement of the protocol and our vigorous participation in the current discussions to expand and update limitations on such weapons.

In summary, this resolution is an attempt to chart our way out of the present disagreement over the protocol. Reasonable men can and do disagree on these questions of interpretation, and an advisory opinion by the International Court of Justice would be a practical device for resolving them. By proposing that the question be referred to the Court and by making clear our policy objective of prohibiting the use of tear gas and herbicides in warfare, the Senate will be able to make a significant contribution to the development of international judicial machinery and to the cause of arms control. A responsive attitude on the part of the executive branch should then make it possible for the Senate to lend its advice and consent to the protocol. This is a pathway to sensible accommodation and sound policy. I trust that the Senate and the President will give this suggestion their sympathetic consideration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 15, 1971.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Committee on Foreign Relations has recently completed hearings on the Geneva Protocol of 1925 which you submitted to the Senate on August 19, 1970. At its last business meeting the Committee discussed the testimony which had been heard and reviewed the possible courses of action open to it. The Members decided that before the Committee gave further consideration to the Protocol I should privately communicate to you certain views which many of us now hold concerning United States adherence to the Protocol.

At the outset let me express the Committee's strong approval of the initiatives which you have already taken in revising U.S. policy with regard to chemical and biological weapons. Your decisions to renounce altogether biological and toxin warfare, as well as the first use of lethal and incapacitating chemical weapons, were a major contribution toward a more secure future for mankind. All of us appreciate the difficulties which confronted you in taking these steps and in deciding to resubmit the Geneva Protocol to the Senate.

There is no question of the Committee's strong support for the objectives of the Geneva Protocol. Indeed it is because we attach such great importance to the Protocol that many of us are reluctant to proceed further toward its ratification on the basis of the understandings and interpretations which have been attached to it by the Secretary of State.

I believe it accurate to say that when our hearings began few of the Members had firm views on the question of tear gas and herbicides. Having heard a number of expert witnesses on all aspects of the Protocol, many Members now consider that it would be in the interest of the United States to ratify the Protocol without restrictive understandings, or, if that is not possible at this time, to postpone further action on the Protocol until it is.

The Secretary of State's position on tear gas and herbicides appears to rest primarily on the grounds that the Protocol was not intended to prohibit their use. Having heard the legal testimony on both sides of this issue, many Committee Members conclude that an adequate legal argument can be made either for or against that interpretation. Given the Protocol's acknowledged ambiguity, we tend to agree with the view expressed in testimony by Mr. George Bunn, former General Counsel of the Arms Control and Disarmament Agency, who said that "any future interpretation of the Protocol should depend less on the negotiating history than on a realistic appraisal of the pros and cons—military, diplomatic and arms control—of the use of these agents in the future."

In this connection, we note that the use of herbicides in Vietnam is now being discontinued. It would appear that their actual utility in Vietnam has been marginal and that the crop destruction program may well have been counterproductive. Furthermore, the more we learn about the impact of the herbicide warfare on the ecology of Vietnam, the more disturbing are its implications for the future. As Dr. Arthur W. Galston, an eminent biologist from Yale, reminded the Committee, "If man makes conditions unsuitable for vegetation on this earth, he thereby makes conditions unsuitable for his own existence."

Testimony on the question of tear gas also raised considerable doubt in the minds of many Members as to the desirability of its future use in war by the United States. Dr. Matthew Meselson of Harvard, who testifield before the Committee and who has made a careful study of the military use of tear gas, presented the following conclusions:

1. The military value of riot gas is very low.

2. Our overriding security interest in the area of chemical and biological weapons is to prevent the proliferation and use of biological and lethal chemical weapons.

3. Our use of riot gas in war runs directly counter to this fundamental interest.

Dr. Meselson's view coincides closely with that expressed by another highly qualified witness, Dr. Donald G. Brennan of the Hudson Institute, a military strategist who last testified before the Committee in support of the Safeguard Anti-Ballistic Missile System. After a skeptical critique of many of the familiar arguments against tear gas and herbicides, Dr. Brennan concluded that the military cost of giving up tear gas and herbicides appeared relatively low and that the United States position could therefore properly "be dominated by 'decent respect for the opinions of mankind' and accept the interpretation that the Protocol embraces harassing agents and herbicides."

The latter point leads to another consideration which troubles many Members of the Committee. This is the fact that the overwhelming majority of the nations of the world already agree, as evidenced by an 80–3 vote in the U.N. General Assembly, that tear gas and herbicides should be prohibited under the Geneva Protocol. If, at this late date the United States adheres to the Protocol but in so doing places its weight behind a restrictive interpretation, this cannot help but weaken the effect of the Protocol. The Committee finds it difficult to believe there would be any positive moral force to our becoming a party to the Protocol only on condition that we reserve the right to keep on doing as we wish despite the fact that most other nations believe it undesirable. Furthermore, I sense a reluctance on the part of Committee members to give advice and consent to an international agreement in the face of a virtual certainty that our interpretation will be challenged or rejected. It will not suffice, as the Secretary of State suggested, to ratify now, and work out the problems later.

We believe that these arguments are, of themselves, sufficiently compelling to warrant the Committee's request that you give further consideration to the tear gas and herbicide question. In addition, as you know, there are now several studies in progress on the use of tear gas and herbicides in Vietnam, including one requested by you as a basis for examining the implications and consequences for U.S. policy of their future use in war. It seems to us that all of these studies, but in particular the latter, should be available before any final action is taken with regard to ratification of the Protocol.

Although we would agree that the Protocol should long ago have been ratified by the United States, it is perhaps unfortunate that it comes before the Senate at a time when the United States is at war and actively employing chemical weapons which most nations consider to be prohibited by the Protocol. Possibly by the time the results of these additional studies are available the war in Indochina will be ended, or at least the level of conflict there will have been reduced to a point where our further use of either tear gas or herbicides will be unnecessary. This alone would make it easier for all concerned to make a dispassionate assessment of the issues involved.

As a practical matter I have considerable doubt that the Protocol could now receive the advice and consent of the Senate on the terms laid down by the Secretary of State, i.e. that you might not ratify the Protocol if the proposed understandings are modified by action of the Senate. At present the prospects for the Protocol are clouded by strongly held views on both sides and I personally would not wish to see it risked a second time under such circumstances. The Committee asks therefore that the question of the interpretation of the Protocol be reexamined considering whether the need to hold open the option to use tear gas and herbicides is indeed so great that it outweighs the long-term advantages to the United States of strengthening existing barriers against chemical warfare by means of ratification of the Protocol without retrictive interpretations. If the Administration were to take the longer and broader view of our own interests, I cannot imagine any serious opposition to that decision either here at home or abroad. On the contrary, I personally believe that were you to take this initiative your action would be regarded as truly courageous and possessed a real moral force.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 70

At the request of Mr. HOLLINGS, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Resolution 70, calling for publication of the National Nutrition Survey.

EDUCATION AMENDMENTS OF 1971—AMENDMENT

AMENDMENT NO. 337

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

Mr. HUMPHREY submitted an amendment intended to be proposed by him to (S. 659) a bill to amend the Higher Education Act of 1965, the Vocational Educational Act of 1963, and related acts, and for other purposes.

ANNOUNCEMENT OF HEARINGS ON RECYCLED PAPER

Mr. JORDAN of North Carolina. Mr. President, I wish to announce that the Committee on Rules and Administration has scheduled an open hearing on Tuesday, August 3, 1971, in room 301 of the old Senate Office Building, at 10 a.m. on two measures referred to the committee to require the use of recycled paper for the printing of the CONGRESSIONAL RECORD and to make recycled paper available for other uses by Members of Congress.

The use of recycled paper as one means to combat solid waste problems has interested me for some time. If it is possible and feasible for Congress to use paper produced in large measure from the fibers of waste paper and other waste products, we would not only help solve some of our solid waste problems which are mounting at such a rapid rate, but we would also be conserving our tree resources.

I think Congress should take the lead in the effort to attain both these goals, and that is why I have called this hearing before the recess and such a short time after the bills were introduced on July 14. I think we should move as quickly as we can to determine what is possible and feasible, both in terms of the state of the art and the printing paper requirements of the Government.

The specific measures scheduled for the hearing are:

S. 2266 (by Mr. Moss, et al.)—To amend section 734 of title 44, United States Code, to require the Public Printer to furnish recycled material for the official use of the Senate and the House of Representatives, and

S. 2267 (by Mr. Moss, et al.)—To amend chapter 9 of title 44, United States Code, to require the use of recycled paper in the printing of the CONGRESSIONAL RECORD.

Any Member desiring to testify should contact the Committee on Rules and Administration no later than Monday, August 2, 1971.

ADDITIONAL STATEMENTS

THE J. P. STEVENS & CO. REDUCES PRODUCTION

Mr. TALMADGE. Mr. President, I was notified today that J. P. Stevens & Co. is discontinuing weaving and finishing operations at its plant in Milledgeville.

Approximately 400 jobs will be lost by this action. In a city of 11,600 population the effect of 400 people suddenly thrown out of work can be severe indeed.

Company officials blame this cutback in production on low-wage imports of foreign fabrics and apparel.

Mr. President, the flood of textile imports into the United States cost Americans some 100,000 jobs a year. Georgia alone lost some 7,000 jobs in the textile and apparel industry last year.

The toll has been tragic. People are being thrown out of work. They are losing the means for supporting and feeding their families. All this is happening at a time when the American economy already is seriously depressed and unemployment dangerously high. I bring this action by J. P. Stevens & Co., which is just another in a long series of mill closings and cutbacks, before the Senate with this thought in mind; how long are we going to permit cheap foreign imports to drive Americans out of work? How long is the American Government going to export jobs and our resources to foreign countries that are already outproducing, outtrading, and outmaneuvering us at every turn?

I say, Mr. President, as I have said in the Senate many times before, that the time has come to draw the line on textile imports.

We have depended upon our trade negotiators and upon the good faith of other nations, principally Japan and the Far East, to no avail. Reasonable voluntary agreements have not been forthcoming. I see nothing to indicate that they will be.

Therefore, Congress must act to protect the citizens of this country. I submit that if we continue to sit idly by and fail to look after the interests of the American workers and the American taxpayers, then we will be derelict in our duties.

I bring a news release issue today by J. P. Stevens & Co., to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

MILLEDGEVILLE, GA.—J. P. Stevens & Co., Inc. Tuesday announced manufacturing changes in its Milledgeville Plant which will mean a substantial reduction in personnel over the next few weeks. Weaving and finishing operations at the plant will be discontinued because of continuing weak market conditions directly attributable to imports of foreign fabrics and apparel. Approximately 400 people will be affected by these changes, a company spokesman said.

Yarn production and package dyeing operations will continue. The conversion of the remainder of the plant to other products is under study looking toward the time when the plant will again be operating at full capacity.

This plant is a fine manufacturing facility and the personnel unexcelled. The outstanding performance of these fine employees through the years made this decision particularly difficult. The Milledgeville Plant is another victim of low wage imports particularly from the Far East, the company said.

SUPPORT FOR A DEPARTMENT OF NATURAL RESOURCES

Mr. PERCY. Mr. President, impressive support continues to be demonstrated for a Department of Natural Resources—DNR—as proposed by S. 1431, of which I am pleased to be the chief Senate sponsor on behalf of the administration. The DNR is one of four new Departments proposed by the President in his major executive reorganization plan.

The need for such a new Department is truly urgent. A rapidly growing population demands recreational space. At the same time the increased use of our natural recreation areas threatens to spoil them and make them unattractive. Vastly increased use of energy of all forms puts heavy demands on our energy resource allocation and utilization. These problems cannot be solved by the confused and fragmented departmental organization that exists now.

For example, responsibility for management of onshore Federal lands is divided among at least five agencies. The Bureau of Land Management has jurisdiction over 475 million acres; the Forest Service, over 187 million acres; the National Park Service, over 30 million acres; the Bureau of Sport Fisheries and Wildlife, over 30 million acres; the Bureau of Reclamation, over 9 million acres; the Defense Department and other agencies, over 35 million acres.

The Department of Natural Resources will bring together into one agency most of the numerous natural resource and physical environment programs which currently are scattered throughout the Federal Establishment. It will provide the essential governmental capabilities required to plan, weigh alternatives and priorities, establish policies, and operate programs to meet our needs for recreation, environmental protection, pure water, and abundant energy.

Mr. President, I am pleased that organizations concerned with conserving our natural heritage and with improving our energy resource base are supporting establishment of the proposed Department of Natural Resources.

On May 16, the Sport Fishing Institute's board of directors adopted a resolution strongly endorsing establishment of a Department of Natural Resources. On May 19, the board of directors of the American Fishing Tackle Manufacturers Association similarly endorsed the DNR. And in May the annual conference of the American Public Power Association adopted a resolution endorsing establishment of a Department of Natural Resources. These organizations and their members are to be commended for their forward-looking stands in support of the DNR.

I ask unanimous consent that the resolutions of each of the three organizations be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

SPORT FISHING INSTITUTE DIRECTORS RESOLUTION

At its recent regular Annual Meeting, held May 16, 1971, at the Pfister Hotel, Milwaukee, Wisconsin, the Board of Directors of the Sport Fishing Institute adopted two resolutions dealing with some currently urgent conservation issues of national significance, as follows:

FEDERAL DEPARTMENT OF NATURAL RESOURCES

Whereas, there is a substantial fractioning of effort, with resulting lack of coordination and attendant waste of limited resources, in the present multiplicity of agencies concerned with various aspects of conservation of natural resources and environmental affairs, which are scattered throughout several federal departments of the government; and

Whereas, the need for concentration of purpose by and maximum coordination of effort among these natural resources and conservation agencies is very urgent, in the interest of protecting and maintaining an acceptable level of environmental quality, yet exceedingly difficult of attainment in the present circumstances of administrative diffusion;

Now, therefore, be it resolved, that the Board of Directors of the Sport Fishing Institute, meeting in regular Annual Session at Milwaukee, Wisconsin, this 16th day of May, 1971, does herewith endorse and support the proposed creation of a comprehensive new Federal Department of Natural Resources, by gathering together in the proposed new conglomerate, from the Departments of Interior, Agriculture, Commerce, and Army, as well as several other related Officials and Programs, the principal resource conservation and development agencies and activities, possibly excepting the independent Environmental Protection Agency, that significantly affects the quality of the land and water environments and the well-being of the living organisms they support and produce.

AMERICAN FISHING TACKLE MANUFACTURERS ASSOCIATION RESOLUTION

Whereas there presently exists a multiplicity of federal agencies concerned with the control and administration of this country's natural resources, the conservation thereof, and related environments; and

Whereas there is an obvious need to eliminate the duplication and overlapping of the various federal agencies to more clearly define and attain the maximum simplicity and control in the preservation of our land, water and air, as well as the quality of the environment;

Therefore, now be it resolved that the Board of Directors of the American Fishing Tackle Manufacturers Association, assembled in Milwaukee, Wisconsin, at their annual meeting the 19th day of May, 1971, herewith endorses and supports the proposal to create a Federal Department of Natural Resources that will combine the activities, responsibilities, and jurisdiction of various federal agencies presently administering and affecting the natural resources and the environment so that this proposed Federal Department of Natural Resources in conjunction with the recently created Environmental Protection Agency will have sole responsibility to protect our natural resources and maintain maximum quality in the levels of the environment.

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D.C., June 11, 1971.

Hon. RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you know, the American Public Power Association represents more than 1,400 local publicly-owned electric utilities in 47 States, Puerto Rico, the Virgin Islands, and Guam. As purchasers of wholesale power from Department of the Interior power marketing agencies, as customers for U.S. Army Corps of Engineer hydroelectric power, and as purchasers of oil, coal, gas, and uranium for generation of electricity, APPA members have a great interest in development of this Nation's natural resources.

At our annual Conference this May, the APPA membership adopted the attached resolution endorsing establishment of a Department of Natural Resources, in order to consolidate energy and natural resources functions in a single agency in the interest of efficient government. Because of your advocacy of such a proposal, I thought you would be interested in receiving a copy of this resolution.

Sincerely,

ALEX RADIN.

DEPARTMENT OF NATURAL RESOURCES

Whereas, numerous federal departments and agencies deal with related functions regarding energy and natural resources, and

Whereas, it is in the interest of more efficient government to consolidate such similar functions in a single agency;

Now, therefore be it resolved: That the American Public Power Association supports establishment of a Department of Natural Resources which will efficiently coordinate Federal natural resources and energy programs.

DIRECT LOANS TO VETERANS

Mr. HUGHES. Mr. President, the Senate has passed H.R. 3344 to authorize the Administrator of the Veterans' Administration to sell direct loans made to veterans at reasonable prices on the mortgage market.

This legislation was requested by the Veterans' Administration after numerous protests to the VA over the interruption of the direct home loan program for veterans. Direct loans could be made available to veterans without the legislation, but the VA has requested it before they will change their present policy.

Most veterans are eligible for a Government guarantee on their home loan under the popular GI loan guarantee law. But in most counties where commercial credit is tight, veterans are eligible for a direct loan from the Government if private financing is not available for the GI bill guarantee. The Veterans' Administration makes these loans from a revolving fund in which there is presently about $560 million available for further lending.

This program is not costly for the taxpayers and, in fact, the revolving fund has shown a profit of nearly $250 million since its inception under legislation passed in 1950. I have heard a report that some veterans were informed that the reason this direct loan program has been interrupted was the lack of appropriated funds due to congressional inaction. Let me emphasize that the funds for this program are not appropriated each year but are available in a revolving fund which is repaid by the veterans who have already received loans.

About 20 percent of the veterans in our country live in credit-tight areas and are therefore eligible for the direct loan. No one from the Veterans' Administration adequately explained to me why this program was interrupted last March.

In hearings before the Subcommittee on Housing and Insurance—Committee on Veterans' Affairs—which I have the honor of chairing, the Chief Benefits Director of the Veterans' Administration described the efforts which began in March to utilize the supply of private capital in banks and savings and loan associations to meet the housing credit needs of veterans. A complicated and complex referral system was set up which involved sending the veteran's application for a direct VA loan from the regional office to the VA central office here in Washington, and then to the Federal Home Loan Bank Board with a request for information on any possible credit sources. I have been informed that somewhere along the way the Office of Management and Budget was included in the referral process for reasons that were never fully explained.

I do not doubt the effort which VA regional officials extended, for example, in Des Moines in my own State of Iowa, in trying to find private sources of credit for these veterans. But I am critical of the decision by the administration to allow long delays for veterans who qualify for the direct loans and who are awaiting an answer.

I have been informed that about 30 percent of the applications referred to Washington have been funded by private lenders. But apparently there are still over 2,000 direct loan applications which have not been financed, with the veterans left with no information on when an answer might be received.

I can only conclude that this kind of treatment will discourage these young men from even attempting to participate in other available veterans' programs. The money is in the revolving fund and the Veterans' Administration could have been making these loans every week since March.

Statements were made by VA officials at the hearing July 13 that no loan applications sent to Washington have been rejected. Apart from some severely disabled paraplegics, and the wives of men who are prisoners of war or listed as missing in action, no direct loans were approved.

This means that there are veterans around the country who are qualified for a direct loan, are aware of the existence of the program, and are awaiting an answer; but their applications are gathering dust in some file here in Washington. Many veterans withdraw their application after weeks of delay. The reasons are not clear but there are probably some who find that the house has been sold to another buyer, and others who give up in frustration after weeks and even months without an approval or a rejection.

Officials from the Veterans' Administration assured the subcommittee that there will once again be a viable direct loan program just as soon as H.R. 3344 is passed. Let me assure the Veterans' Administration that I have directed my staff to maintain close contact with this program and to inform me if there are unwarranted delays for applications which are backing up in the pipeline.

The legislation itself will authorize the Administrator of the Veterans' Administration to sell loans on the commercial mortgage market at reasonable prices. This amends section 1811(g) of title 38, United States Code, which requires that sales by the Administrator of direct loans in connection with the veteran's loan program be made at a price which is not more than 98 percent of par—the unpaid balance—plus interest. The Veterans' Administration has recommended enactment of H.R. 3344 because in general, present mortgage market conditions have precluded the sale of loans at prices which would conform with the law. This legislation will allow the Administrator more discretionary authority to establish prices at which he may offer and sell direct loans. This change in the law requires that the sales prices be maintained at reasonable levels which take into account the overall interests of the Government, and the approval by the Secretary of the Treasury adds another safeguard.

This legislation passed in the House of Representatives on July 6 and its approval in the Senate on July 23 clears the way for enactment into law. I am confident that the Veterans' Administration will begin again its direct home loan program just as soon as this legislation is signed into law.

TRIBUTE TO EDGAR EISENHOWER

Mr. THURMOND. Mr. President, America was deeply saddened at the recent death of Edgar Eisenhower, older brother of our late President. This distinguished lawyer, a longtime resident of Tacoma, Wash., was devoted to his lifelong goal of service to mankind. Those who were closest to him said that he viewed the practice of law as a means to that end.

Edgar Eisenhower was a great man in his own right. He was a respected attorney and citizen of Tacoma, long before Dwight Eisenhower became a famous general. He maintained an active interest in the welfare of his country, and did not hesitate to speak out when he felt the issue justified it. He once openly criticized President Eisenhower for advocating a budget which exceeded levels promised during the campaign. The President responded good-naturedly:

> Edgar has been criticizing me since I was five years old.

A conservative in political philosophy, Edgar Eisenhower served as Washington State honorary chairman of the Goldwater for President Committee. He also served as a trustee for Americans for Constitutional Action.

Mr. President, I join the millions of Americans who mourn the loss of this man. His family has contributed so much to the rich heritage of our Nation.

I ask unanimous consent that the following material be printed in the RECORD: An article by Ellen Hoffman entitled "Edgar Eisenhower, 82, Lawyer, Dies," published in the Washington Post of July 13; an article by Dwight Jarrell entitled, "E. N. Eisenhower Laid to Rest in Land He Loved," which appeared in the July 17 issue of the Tacoma, Wash., News Tribune; an editorial published in that newspaper on July 14; and an article entitled "Eisenhower Rites Set for Thursday," which appeared in the Tacoma newspaper on July 13.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 13, 1971]

EDGAR EISENHOWER, 82, LAWYER, DIES

(By Ellen Hoffman)

Edgar N. Eisenhower, 82, brother of the late President Dwight D. Eisenhower, died last night in Tacoma, Wash., nine days after being hospitalized for arteriosclerosis that a doctor said caused severe brain damage.

A son-in-law said Mr. Eisenhower had worked at his law office until being hospitalized July 3 after suffering a speech disability.

Edgar Eisenhower once publicly accused his brother of breaking a campaign promise.

"I can't for the life of me understand what persuaded Dwight to go for that big budget this year. All of his campaign speeches and promises were for decreased government spending," Mr. Eisenhower told a reporter while visiting the President in Washington in April, 1957.

The budget proposal in question called for an expenditure of $71 billion, the highest on record in peacetime.

"Edgar's been criticizing me since I was 5 years old," the President replied, when told about his brother's remarks.

President Eisenhower's older brother was a tax lawyer who was once described by his political ally, U.S. Sen. Barry Goldwater, as "a wonderful man (who is) even rightwing of me."

The second oldest of seven sons, Mr. Eisenhower was the first of the family to be nicknamed "Ike."

"When Dwight (a year younger) came along to school the boys began calling me 'Big Ike' and him 'Little Ike,'" Mr. Eisenhower reminisced.

Born in Hope, Kan., he graduated from high school in Abilene. His brother Dwight helped finance his first year in college while awaiting appointment to the U.S. Military Academy. In 1914, Mr. Eisenhower graduated from law school at the University of Michigan.

He moved in Tacoma, Wash., the same year and established the law practice he conducted there for more than 50 years. While his brother was President, Mr. Eisenhower came to Washington several times to attend White House social events.

Mr. Eisenhower expressed dissatisfaction with government policies several times during his brother's administration, speaking out against Social Security, high taxes and the decision to send federal troops to enforce desegregation of the schools on Little Rock, Ark.

The President must have received "some bad legal advice . . . the authority for enforcing a court decree rests with federal marshals, not troops," Mr. Eisenhower suggested.

In 1959 Mr. Eisenhower became a trustee of Americans for Constitutional Action, which described itself as a new organization dedicated to opposing the government's "spendthrift and inflationary policies."

Five years later Mr. Eisenhower served as honorary chairman of the Washington State Goldwater for President Committee.

Despite their verbal sparring over financial and political policies, Mr. Eisenhower and his brother Dwight never abandoned their friendly relationship.

"I want to make it plain that there are no differences between my brothers and me. We can differ on a friendly basis and no rancor is involved . . . The country probably doesn't understand the absolute warmth of the Eisenhower family," Mr. Eisenhower explained.

Of the seven Eisenhower brothers, only Milton, interim president of Johns Hopkins University and head of the presidential commission on violence, survives.

Paul died in infancy. Roy, who died in 1942, was a pharmacist in Junction City, Kan. Arthur, who died in 1958, was a Kansas City banker. The former President died in 1969.

Earl, a publicist for a Chicago area printing and publishing company, had served in the Illinois House of Representatives. He died in 1968.

[From the Tacoma News Tribune, July 17, 1971]

E. N. EISENHOWER LAID TO REST IN LAND HE LOVED

(By Dwight Jarrell)

Memorial services were held here Friday in the flower-filled Valley Chapel of Mountain View Funeral Home for Edgar N. Eisenhower.

The body of the brother of the late President Dwight D. Eisenhower rested in a simple, bronze, closed casket covered with a blanket of blossoms.

The graceful chapel at the bottom of rolling foothills was filled quickly to its capacity of 300 long before the 11 a.m. rites. Among those present were Milton Eisenhower, brother of the 82-year-old attorney who had practiced law here nearly 60 years. He died Monday evening following a stroke July 3.

Others of his immediate family present were his daughter, Mrs. William (Janis) Causin, of Tacoma, and two grandchildren, Jean Nadine Causin and William Eisenhower Causin.

"This day is a befitting occasion to meditate upon the meaning of this great person, a friend and loved one of many," said Dr. Michael D. Anderson, pastor of University Place Presbyterian Church, in his simple eulogy, "A Memorium to Mr. Eisenhower."

"This day when the great mountains of the Northwest are dressed in the brilliant hues of dazzling sunlight on snow, rocks and trees, a day when there is a mysterious depth to the beauty of Puget Sound waters lying between mighty Cascades and the elusive pantheon of the Olympics. Mr. Eisenhower loved this land.

"In the kaleidoscope of personal reflections," Dr. Anderson had begun, "we see the many impressions of Edgar Newton Eisenhower. Jean Nadine Causin said the 'understanding' comprehends the lasting qualities of her grandfather. Janis Causin spoke of the extraordinary willingness of her father 'to spend time with people,' all persons. William Eisenhower Causin said that his grandfather 'lacked nothing' in personal qualities. He was the 'man for all seasons' whom children, youth, students and adults deeply enjoyed. William Causin said that 'insight into people' was an appropriate theme depicting Mr. Eisenhower's personhood. Milton Eisenhower said that his brother 'saw law as a way of helping other people.'

"We must see," said Dr. Anderson, "the childhood experience of this great person to know of his manhood. 'Every child comes with the message that God is not yet discouraged of Man,' Tagore wrote. In the spontaneous faith and confidence in goodness, work and trust, we see the attitudes which formed around this person, Mr. Eisenhower.

"The salient character of the pioneer mentality learned in that Westward-Ho! family made its lasting impression: The search for true individual religion, accessibility to expansive horizons, and trust in the reward of honest work. You can take the boy out of Abilene but you can never take all of Abilene out of the boy. Mr. Eisenhower's later successful practice of law was highlighted with the comely incidents that a boy from Abilene could fully appreciate. Scores of persons were indebted with gratitude to this outstanding lawyer for his services which represented for them new life and hope.

"From this home," continued Dr. Anderson, "there was bred into him a 'certain independence and a determination to rise above' humble beginnings. Through his father. Ed learned of the Fatherhood of God and the dignity, independence, and equality of men who had a common sonship! This attitude became a determining presupposition of his philosophical stance and world-view.

"Ed Eisenhower," Dr. Anderson said in his conclusion, "has finished the race. He ran hard, he ran well, he ran competitively, he ran justly, he ran proudly."

There were no pallbearers and cremation followed the brief services. Interment will be in Mountain View Memorial Park in a family plot.

[From the Tacoma News Tribune, July 14, 1971]

EDGAR NEWTON EISENHOWER

Edgar N. Eisenhower was a big, friendly, hard-working, hard-playing Western type of man—just the kind that will be missed so much by his community and the very many who knew and loved him.

Although known across the nation as elder brother to a President of the United States, he was a leading citizen of Tacoma long before Dwight Eisenhower was a general in the Army. Here he practiced law 57 years. On this community he spent his considerable energies. Here his integrity, his ability, his stature shone; his precept was that practice of the law has but one real purpose—service to one's fellow men.

A man's nature is shown in his play as well as his work; it was characteristic of Mr. Eisenhower that since he was 69 years old he shot his age or better at golf 11 times, and enjoyed the game thoroughly until his death at 82.

Something we read of Mr. Eisenhower must be related here. He was interviewed by Bela Kornitzer in preparation of the book "The Great American Heritage," which was the story of the five Eisenhower brothers.

"From his office windows," wrote that author, "Edgar can see Mount Rainier, one of the tallest mountains in the United States. He often seems to be looking at it when he is making decisions. Other windows look out over Puget Sound, a body of water connected with the world's largest ocean, the Pacific. One gets the impression that something of the largeness of these two views, the mountain and the sea, has entered into the very fiber of Edgar's being—that he is a large man inwardly as well as outwardly."

That scene and that conclusion so well expressed is the same known to many Tacomans over the years. It is the Edgar Eisenhower they knew. He was a man who, although materially very successful, never forgot he once was poor, and whose long professional career followed a goal that was not materialistic but was dedicated to personal service to others, particularly those in trouble.

[From the Tacoma News Tribune, July 13, 1971]

EISENHOWER RITES SET FOR THURSDAY

The funeral of Edgar N. Eisenhower, 82, prominent Tacoma attorney and brother of the late President Dwight Eisenhower, will be at 11 a.m. Thursday at Mountain View Funeral Home's Valley Chapel. He died Monday evening.

Milton Eisenhower, younger brother of Edgar, was in Moscow early Tuesday en route to London and Tacoma after learning of his brother's death. He was at a Soviet-American conference in Kiev.

Edgar Eisenhower suffered a stroke July 3 and had been hospitalized since then, suffering from brain damage and loss of speech as a result of what his doctor described as "general arteriosclerosis."

Because of his younger brother Dwight's fame as a general in World War II and later as President, Mr. Eisenhower received considerable attention nationally. At one point his name, as well as that of Milton, was mentioned as a possible 1964 presidential candidate.

Described locally as an "ultraconservative," he accepted the honorary Washington State campaign chairmanship for Barry Goldwater's unsuccessful presidential campaign in 1964. He also was mentioned in 1962 as a possible candidate to run against Sen. Warren G. Magnuson.

The attorney preferred that he should never be the subject of a news story unless it was for his ability as a golfer. In this regard he won the Washington State Seniors Golf Association tournament in 1948, 1949, 1950 and 1952, and in 1953 he was invited to play in the Bing Crosby Pro-Amateur tournament at Monterey, Calif.

Eisenhower was born in Hope, Kans., but grew up in Abilene, Kans., the second of seven boys. He attended public school in Abilene and obtained a law degree from the University of Michigan. In 1914 he moved to Tacoma and opened a law office. In 1959 the University of Michigan awarded him an honorary doctor of law degree.

As a boy, however, his desire for an education was not as evident. He refused to repeat the eighth grade and went to work instead. However, he relented when "I suddenly realized my little brother, Dwight, had gone into high school and gotten ahead of me." He returned to school and graduated with the former president.

Edgar Eisenhower was 21 months older than Dwight.

He had a son and a daughter by his first wife before their marriage ended in divorce. His second wife died in 1948. In 1952 he married his secretary, Lucy Dawson. They were divorced in 1967.

A practicing attorney in Tacoma for nearly 60 years, Mr. Eisenhower was a member of the American Bar Association, Tacoma Bar Association, Washington Bar Association, Elks Lodge, Tacoma Club, Tacoma Country and Golf Club and the Rainier Club of Seattle.

He had also served on the board of directors of St. Regis Paper Co., Washington Steel Products, Inc., E. L. Bruce Co. and Vancouver Plywood Co.

His survivors include a daughter, Mrs. William (Janis) Causin, of Tacoma, and his brother, Milton, who is interim president of Johns Hopkins University in Baltimore.

The family has requested that memorials to Edgar Eisenhower be sent to the Eisenhower Memorial Hospital, Palm Desert, Calif.

A SOUND OCEANS PROGRAM

Mr. HOLLINGS. Mr. President, Sunday a week ago an article by Flora Lewis in the Washington Post asked, "Should we turn from space to oceans?" Answering "Yes," Miss Lewis stated:

> If only Americans and Russians could agree to leave the next chapter in space to their children and grandchildren, and turn their yen for bold search and high excitement to the hidden seas, it would not only release an enormous lot of resources to improve life on solid ground, but would almost certainly bring unimagined rewards.

It is clear, Mr. President, that the United States is already reordering its priorities as we cut back sharply in military and aerospace spending. But what remains is national drift, not national direction. No bold, challenging programs fill the vacuum created by those cutbacks. And one result is our sagging economy and increasing joblessness. Only now can we begin to see that one of the vast costs of the space program may have been the channeling away of funds from a sound oceans program. At the rate the competition from Russia and Japan is developing in the oceans, the cost of ignoring the oceans may be far vaster than we ever imagined.

Miss Lewis spoke of the munificent, unimagined rewards to be reaped from the seas. She is absolutely right. And the rewards are not just in science, technology, and rich resources. A comprehensive, well-funded oceans program can be more than the economic palliatives being offered now. Such a program could reach the roots of our economic plight, and not simply treat the symptoms.

Let me just give one example. A soundly financed oceans program would take qualified unemployed people off relief and would place them in jobs. For each scientist and engineer that we place in a program of advanced technology, the National Academy of Sciences reported recently that 12 others are directly employed. And the impact extends beyond—to subcontractors, suppliers, and to still other levels throughout the economy. New products and services would result from an advanced oceans program; foreign trade would be enhanced. The effects of a soundly financed oceans program would resound through the life of the United States. The multiplying effect of employing scientists and engineers in an oceans program would be enormous. We must mobilize the vast pool of our trained talent, engage their creative energies, and then send them into the worldwide competition in the oceans.

The rewards of an oceans program will include work in a time of soaring joblessness; direction, challenge, and opportunity in a time of national drift; national security in a time of rising international competition on the high seas; innovation and renewal in a time of diminishing technological superiority.

Mr. President, Flora Lewis has written eloquently. I ask unanimous consent that her article, "Should We Turn From Space to Oceans?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 18, 1971]

SHOULD WE TURN FROM SPACE TO OCEANS?

(By Flora Lewis)

The Russians have not yet revealed precisely what went wrong to cause the death of their three cosmonauts. Their announcement, so far, said only that a leak in the reentry capsule brought a sudden, disastrous drop in atmospheric pressure leading to nearly instant death.

For the moment, at least, they say they plan to go ahead with their manned space station program. They evidently believe the fault in the system can be repaired without too much trouble. But it is to be hoped that they are also making as thorough a study as possible of the physical effects of the longest space sojourn yet made.

As one of their scientists said while Soyuz II was still in orbit, each day aloft beyond the previous record of 19 days was "a step into the unknown."

Somehow, the unknown of space has seemed the most alluring, the most challenging man has ever faced, worth not only the lives of the adventurous but the effort of thousands and the resources of millions of people. But the sad mysterious death of the three Russians should be the moment to pause and review the urgency of that challenge.

It seems to be more or less inevitable that if the Soviets push ahead with an intensive space program, so will the United States and vice versa. There is not only rival prestige to spur both on, but the deep fears of overwhelming military advantage which would be gained if one superpower won control of the emptiness which cradles the earth.

There have been many suggestions that the two join in at least some part of space research and exploration. The first step came shortly before the Soyuz tragedy when Russian astronauts visited Houston.

Certainly that would provide large savings and possibly a shade less mutual suspicion, although neither side is likely to reveal anything it considers of military value. The Soviet economy, in a much different way from the American economy, is also strained by huge space expenditures which could be put to far more productive use.

Of course, much more would be saved for both countries if, instead of just holding back the space race, they could agree to hold back the race into space. This is a time to consider proposing an agreement for both to concentrate for awhile or further theoretical and laboratory research. The current generation has made its voyage of discovery. It is a time to consider leaving the effort to occupy space to a future generation, by mutual consent.

The rewards of what has been done so far are meager, compared to the vast cost. Meanwhile, a pittance has been spent on exploiting the oceans which wash our panel, though we know the rewards are likely to be munificent and to come quickly.

Oceanography is still in its earliest development, about where Columbus was in advancing the art of navigation. Beneath the seas, too, if the TV cameras could only penetrate (and with a little more research they could), is extraordinary adventure, a vast and challenging unknown. To plumb its secrets would take a small fraction of what space mission costs, with infinitely greater benefit for all the rest of us who will spend our lives fixed firmly to this earth.

A wayward accident in October, 1968, turned out to give a fascinating example of how much vital knowledge can be extracted from the seas, and how little we know about them. Alvin, the tiny submarine operated by the Woods Hole Oceanographic Institution, was preparing for a dive 135 miles southeast of Woods Hole, Mass.

All the equipment was aboard, including box lunches for the three submariners who man the deep-dive craft, when a cable broke, with its hatch open. Alvin sank to the bottom, a depth of 5,140 feet. No one was hurt. In September, 1969, almost a year later, Alvin was retrieved and brought to the surface.

The box lunches and two thermos bottles filled with bouillon were sea-soaked but otherwise almost perfectly preserved. At the same temperature under refrigeration, they would have spoiled in a few weeks. So the discovery was made that deep enough under the sea something stops bacterial decay and biodegradation. Laboratories are studying the phenomena now. Their hunch is that the answer is pressure.

If they prove it, it will have fantastic implications for the science of preserving food, and perhaps for medicine. It may also have dreadful implications about the ultimate effect of pollutants dumped in the sea. In any case, there is a new and unsuspected principle to be discovered here, and it is likely to have immense effect.

Little Alvin is as a tricycle to a space capsule in cost and sophistication, but it may have brought knowledge of far greater value than the moon rocks.

If only American and Russians could agree to leave the next chapter in space to their children or their grandchildren, and turn their yen for bold research and high excitement to the hidden seas, it would not only release an enormous lot of resources to improve life on solid ground, but would almost certainly bring unimagined rewards.

And then perhaps, in a generation or two, it might be easier to turn back to space from a less tormented world, less divided and less hostile in itself.

SEX DISCRIMINATION IN THE STATE DEPARTMENT

Mr. CASE. Mr. President, discrimination against individuals because of their sex is wrong. The lack of an adequate employee grievance system within the State Department is wrong.

And today I would like to talk about a case which combines these two wrongs: the case of Alison Palmer, a woman Foreign Service officer.

Miss Palmer has had an outstanding career in the State Department. She received national acclaim for her heroic activity in the midst of upheavals marking the early years of the Congo's independence.

Yet, Miss Palmer claims that she was denied positions in three American embassies in 1965 because of her sex. She submitted a formal complaint to the Equal Employment Opportunity Office of the State Department in October 1968, and on August 8, 1969, that Office found that Miss Palmer had indeed been discriminated against because of her sex. Mr. Frederick D. Pollard, the Office Chief, recommended:

> That Miss Palmer's personnel file be documented to show that her career has been affected by prejudice against women officers.

In concurring with this and other recommendations, the State Department's Legal Adviser's Office wrote:

> The finding of discrimination on the basis of sex is supported by adequate evidence contained in the investigatory report.

One would have thought that once such a clear-cut finding had been made, the State Department would have taken action to make amends to Miss Palmer.

But incredibly, Equal Employment Chief Pollard felt it necessary to warn Miss Palmer of further adverse effects that might result to her career if she insisted on following through on her complaint. Mr. Pollard wrote:

> People knowledgeable in how the Foreign Service selection [promotion] system works, including Director of Personnel Howard Mace, have expressed apprehension that your career prospects could be damaged by inclusion of reference in your file to this grievance procedure.

There would seem to be little point in having an office to guarantee equal employment if findings that fundamental rights have been denied serve to injure further the career of the individual who has already been discriminated against.

However, the State Department is almost unique among Government agencies in that it does not have an independent grievance and appeals system.

The State Department, at least at its top levels, seems to feel that the very people in management who might be the subjects of employee complaints should also be the same people who rule for or against the complaining employee. Thus, the State Department has petitioned to be exempted from the Executive order governing management-employee relations in the Federal Government. And in Miss Palmer's case, one of the men who was found to have discriminated against her, Ambassador John Burns, later became the head of the personnel system which was asked to act on her complaint. Then, that same personnel system tried to prevent Miss Palmer's case from being referred to the Civil Service Commission and even told the Commission on several occasions that Miss Palmer had withdrawn her complaint although that was not true. When Miss Palmer requested that Deputy Under Secretary of State Macomber be called as a witness in her case, he declined on grounds that—

> It would not be appropriate for Mr. Macomber to be a witness in a case in which he has responsibility for the final decision.

An employee has little chance to correct an injustice under such a system and that is why Senators BAYH, COOPER, HUMPHREY, and SCOTT have introduced S. 2023 which would establish a rational grievance and appeal system at State. I have joined them as a cosponsor, for I believe that procedures must be established in the State Department for the fair treatment of all employees.

The State Department has moved recently to correct and improve its procedures in the personnel area, and I ask unanimous consent, Mr. President, to include in the RECORD a description of these efforts as described in the latest Department of State Newsletter.

I also ask unanimous consent that several newspaper articles and documents pertaining to Miss Palmer's case be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Department of State Newsletter, July 1971]

DEVELOPMENT OF A GRIEVANCE SYSTEM FOR THE FOREIGN SERVICE: A STATUS REPORT

State, AID and USIA are jointly committed to establish a new formal grievance system for their Foreign Service employees.

This was made clear in the employee-management relations proposal which was submitted by Deputy Under Secretary William B. Macomber, Jr., to the Federal Labor Relations Council in June on behalf of the three Agencies.

Mr. Macomber is also on public record as favoring an amendment to the Foreign Service Act which would insure that all members of the Foreign Service have access to a grievance procedure.

The AFSA Board and AFGE have also strongly supported the creation of a new formal grievance procedure. AFSA established a working group which developed a very detailed proposal in this regard. Subsequently, the AFSA proposal was introduced into the Congress as a proposed amendment to the Foreign Service Act by Senators Bayh, Scott and others.

The Agencies have now developed an interim grievance procedure. In preparing this grievance system they took into account the AFSA proposals and also benefited from informal consultations with the AFSA working group and with AFGE local and national officials. The Agencies' system and AFSA's proposals agree in many significant respects but differ on certain points. This will be fully explained when the Agencies' interim system is circulated for comment to all members of the Foreign Service.

The Agencies believe that when a new employee-management system is approved by the Federal Labor Relations Council the first important business should be the development of a definitive grievance system. When this is completed the Agencies believe it will then be appropriate to support legislation incorporating the principles of the grievance system that has emerged. Until this process has been completed, however, the Agencies strongly believe that legislation on this subject should be deferred.

Unfortunately, it will not be possible to get a new employee-management relations system actually operating until some time this fall. The Agencies first have to obtain both the Federal Labor Relations Council's and the President's approval of a new Executive Order, setting up the system and then elections will have to be held for the designation of representative employee organizations.

In view of this delay, and in order to provide a grievance system in the intervening period, the three Agencies have decided to institute as an interim measure the grievance machinery which they have now developed.

At the same time the Agencies, in an airgram to the field and in a notice to Foreign Service employees in Washington, will solicit individual comments on the interim procedures. These comments will be given careful consideration in the development of a definitive grievance procedure which will emerge in final form through the new employee-management system when it is put into effect.

[From the Washington Evening Star, July 15, 1971]

UNUSUAL BIAS CASE EMERGES FROM STATE DEPARTMENT

(By Joseph Young)

A most unusual case has cropped up in the State Department, which can hire, promote and fire employes virtually at will.

The case has arisen at a time when State is trying to bring its civil service employes under the Foreign Service System. It involves Alison Palmer, a 39-year-old Foreign Service officer with a brilliant record who charges she has been discriminated against in her career because she is a woman.

Key documents that would have helped Miss Palmer's case mysteriously disappeared.

In this respect, her case recalls the recent suicide of a Foreign Service officer who was denied promotion and subsequently was "selected out" when certain documents that would have been favorable to him were withheld.

State finally furnished data for Miss Palmer after two year's wait only when the Civil Service Commission's equal employment opportunity office and the American Federation of Government Employes intervened.

Meanwhile, Miss Palmer says she has received "threats" that it would be against her best interests if she insisted on a grievance hearing concerning her discrimination charge.

Miss Palmer's charge of discrimination was upheld by an Inspector General's Office representative who filed a report stating that she had been the victim of bias in being rejected for promotion to posts in Dar es Salaam, Tanzania, and Addis Ababa, Ethiopia.

On Aug. 28, 1969, the legal office, in a memorandum, found that State's personnel office had in fact acted illegally and it recommended that "Miss Palmer's personnel file be documented to show that her career has been affected by prejudice against women officers—this documentation can best be done by placing a copy of this memorandum in her file."

But the key parts of memorandum were not placed in her file. It was kept secret in the personnel office.

Missing was the fourth and last page of the finding that the personnel office had acted illegally.

Finally last month the necessary papers were given to Miss Palmer, State's excuse was that they had been misplaced "inadvertently."

Miss Palmer's case is now before the Civil Service Commission which has jurisdiction because it involves a charge of discrimination.

Miss Palmer's career in the Foreign Service was marked by a rapid rise—to a certain point. She was graduated cum laude from Pembroke College with a B.A. in English and earned her M.A. in African Affairs at Boston University.

She spent two years each with the Christian Science Monitor and the New York Times. She joined the Foreign Service in 1956 in Ghana and remained on that assignment until 1958. She also served as vice consul in Leopoldville and consul in Georgetown, British Guiana in 1963–65. Her most recent foreign assignment was as an assistant political adviser in Vietnam.

Meanwhile, State's move in bringing civil service positions into Foreign Service is being challenged in the federal courts by the American Federation of Government Employes which charges it would deprive civil servants of their job protection and due process rights.

Should know better—Walter Trohan, the veteran Washington columnist of the Chicago Tribune, has been around this town too long to write such nonsense about federal employes as he recently did.

Trohan made the wild and unfounded charge that "the great majority of employes are overpaid and do little work." But where Trohan really flipped his lid was when he added that federal employes need their annual and sick leave "for the most part in nursing hangovers. After all Washington has the highest per capita rate of alcohol consumption in the nation."

Nathan Wolkomir, president of the National Federation of Federal Employes, points out that Washington has no fair trade law and consequently its liquor prices are the lowest in a wide area. The result is that many Virginia and Maryland residents buy their liquor here. And many of the millions of tourists who visit here each year take advantage of the lower prices to take a bottle or two home with them.

As for Trohan's charge that federal employes "do little work", Wolkomir wonders if he means the doctors and nurses in veterans hospitals, the research scientists in the National Institute of Health, the people who carry the mail, operate the space program, the men and women who provide essential support services at the Defense Department, process social security benefits, the federal employes who conserve our national parks, fight forest fires, guard our borders, are employed in security functions such as the FBI and Secret Service, inspect our foods, provide essential services for business and labor, combat insect pests, trace down drug pushers, aid farmers, operate the nation's air facilities and flight operations do the vital statistics and clerical work at headquarters, etc.

Of course, it should be obvious that if federal employes were not doing their jobs properly the government would come to a virtual halt and the country would collapse. The vital public services, benefits and protections that Americans depend on in their daily lives would cease. The result would be chaos and disaster for all of us—Trohan included.

But unfortunately, articles such as Trohan's are read by many people—the Chicago Tribune, for example, has a substantial circulation not only in Chicago but throughout the entire Midwest. Other federal unions should follow the NFFE's lead in not letting false and unsubstantiated charges go unchallenged.

[From the Des Moines Register, July 2, 1971]

GOVERNMENT SECRECY CITED IN SEX DISCRIMINATION CASE

(By Clark Mollenhoff)

WASHINGTON, D.C.—For two years the State Department Personnel Office kept secret a finding that the Personnel Office had acted illegally in discriminating against Miss Alison Palmer, a 39-year-old Foreign Service officer.

Miss Palmer said Thursday she had received "threats" that it would be against her best interests if she insisted on a grievance hearing on her complaint that she was discriminated against because of sex.

In three weeks of hearings before an outside hearing officer, Andrew B. Beath, an Equal Employment Opportunity appeals examiner, Miss Palmer has forced the State Department to produce the records that demonstrated the following:

1. As early as Feb. 9, 1969, an Inspector General's Office representative filed a report stating that Miss Palmer had been discriminated against through a rejection to posts in Dar es Salaam, Tanzania, and Addis Ababa, Ethiopia. Ambassador John H. Burns, then in Dar es Salaam, was later to become director general of the Foreign Service.

2. On Aug. 8, 1969, the legal office, in a memorandum, found that the personnel office had in fact acted illegally, and it recommended that "Miss Palmer's personnel file be documented to show that her career has been affected by prejudice against women officers—this documentation can best be done by placing a copy of this memorandum in her file."

3. That memorandum was not placed in Miss Palmer's file, and it was in fact kept secret in the Personnel Office under the direction of Ambassador Burns, now the director general of the whole Foreign Service, and Howard Mace, director of personnel for the State Department.

4. On Nov. 26, 1969, Miss Palmer received the letter she considers the "threat" that "your career prospects could be damaged by inclusion of reference in your file to this grievance procedure."

It was not until June 23, 1971, that Mace, in a memorandum to Miss Palmer, noted that the memorandum of "Aug. 8, 1969, was inadvertently not included in your file."

"I have requested that the missing four and last pages (containing the finding that the personnel office had acted illegally and recommending that the whole memorandum be placed in the file) be included," Mace noted.

Miss Palmer said she felt "fortunate that I have been able to get a hearing before an outside hearing officer."

"It is only in these cases involving discrimination that one can get a hearing by someone outside of the Foreign Service system." Miss Palmer said.

During the hearing before Equal Opportunities examiner Beath, Miss Palmer was able to bring Mace into the hearing for questioning, and he insisted that the last page of the memorandum, had been misplaced "inadvertently."

Miss Palmer sought to have Deputy Under Secretary William Macomber called to give testimony on why her rights had not been protected in a more satisfactory manner in the two-year period he had been "Equal Opportunity officer" for the State Department.

Macomber declined to testify because "he has not been personally involved in this case and has formulated no opinion," J. Edward Lyerly, the legal officer for personnel matters wrote to Miss Palmer.

Miss Palmer declared that she plans to ask that Macomber be disqualified from assuming his final authority, because "All of this whole record of hiding of findings of illegal action, the long coverup and the threats have taken place under his jurisdiction."

Miss Palmer was graduated cum laude from Pembroke College with a B.A. in English in 1953. She won her M.A. in African Affairs, in 1970, at Boston University.

After she was graduated she spent two years, 1953–1954, with the Christian Science Monitor, and 1954–1955 with the New York Times. She joined the Foreign Service in 1956 in Ghana and remained on that assignment until 1958, when she was returned to personnel in the State Department. Although she was rejected by ambassadors for some service as a political officer, she did serve as vice consul in Leopoldville in the 1960–62 period with Ambassador Clare Timberlake and consul in Georgetown, British Guiana, 1963–1965.

Her most recent foreign assignment has been in Vietnam where she has been an assistant political adviser.

[From the Washington Daily News, July 3, 1971]

Boy, Is She Ever a Diplomat!—Africa Expert Fights Sexist Apartheid

(By Dan Thompson)

The State Department has been backed to the wall by a 5-foot, blue-eyed strawberry blond who contends she was denied important diplomatic assignments solely because of her sex.

She is Miss Alison Palmer, 39, a middle-echelon Foreign Service Africa expert with impressive academic credentials and service in British Guiana, the Congo, Ethiopia and Vietnam.

Miss Palmer's case is a dramatic example of the kind of personnel practices and system inequities that have produced growing unrest among the Foreign Service's younger officers and threatened a morale breakdown in the 3,000-member U.S. diplomatic corps.

And Miss Palmer's story may prove embarrassing to some of the State Department's top officials including William Macomber Jr., deputy under secretary of state for administration; Ambassador John Burns, former director general of the Foreign Service, and Howard Mace, Foreign Service director of personnel who is soon to be named as ambassador to Sierra Leone if he can win Senate clearance.

FINDING IGNORED

A Civil Service Commission grievance panel recently took Miss Palmer's case under advisement after three weeks of hearings which showed, among other things, that Mr. Mace and Mr. Burns apparently ignored for nearly three years a legal finding in her favor by the Department's Equal Employment Opportunity Office.

The reason, Miss Palmer charges, is that Mr. Burns, when ambassador to Tanzania in 1965, was one of three ambassadors to reject her assignment to their embassies as political officer because she is a woman. The other two were Olcott Deming, when he was ambassador to Uganda, and Edward Korry, when ambassador to Ethiopia.

After being rejected for three different assignments in 1965, Miss Palmer threatened to carry her story to Congress. The department responded by sending her to Ethiopia, where Mr. Korry relented and assigned her as his assistant. There, she says, she ran errands for his wife, among other things.

"I was a glorified secretary," she recalls. "It was a fine assignment for some one schooled in African affairs and being paid at the rate of a Foreign Service officer 5—$15,000 a year."

In 1968 while serving in the pacification effort in South Vietnam, she appealed the earlier rejections of assignment to the equal employment office. And in August of 1969, after an extensive investigation, the office stated in a memorandum:

"The documents in the investigative file clearly show that Miss Palmer was discriminated against because of her sex and that her career was adversely affected."

It recommended that Miss Palmer's personnel file be documented to show her career had been affected "by prejudice against women officers," and added: "This documentation can best be done by placing a copy of this memorandum in her file."

The entire legal office concurred. But Idar Rimestad, who then held Mr. Macomber's job, ruled that Mr. Burns and Mr. Mace would have to sign it also for it to be valid.

REFUSED TO SIGN

When she returned from Vietnam in 1970, Miss Palmer met with Mr. Mace and he said he wouldn't sign the memo because he didn't agree with it. He did, however, promise to put it in her file. This he apparently did minus the fourth page which carries findings, recommendations and signatures. He later told the grievance panel that the fourth page was inadvertently dropped.

Mr. Burns never did sign the memo. But Mr. Mace pledged during the final day of grievance hearings that he would sign it.

Initially Miss Palmer asked only that her record show that her career had been affected by sex discrimination and that steps be taken to prevent this from happening to other women.

Now, her demands to the Civil Service Grievance Board are considerably stronger, including that Mr. Mace, Mr. Burns, Mr. Deming, Mr. Rimestad, and others be reprimanded, that the equal employment office operations be investigated and that a full-page story vindicating her be carried in the State Department's monthly newsletter.

"Hell hath no fury," one State Department official commented.

New Crisis on Foggy Bottom

(By Edith Kermit Roosevelt)

WAHINGTON.—A bright young woman Foreign Service Officer is becoming a major public relations embarrassment to William B. Macomber, Jr., the State Department's Deputy Under Secretary for Administration.

Following mounting criticism of personnel practices in the Foreign Service, Macomber has for months been personally involved in efforts to improve the public image of the Department of State. His latest move was to issue a special glossy supplement to the June 1971 issue of the State Department News Letter praising his proposals for a new "employee-management relations" system in the Foreign Service.

But scarcely had Macomber's puff piece reached the desks of news reporters when FSO Alison ("Tally") Palmer revealed in a grievance hearing on employment-management relations involving discrimination against her because of sex, that Macomber had refused to appear to answer the charges that she had leveled against him.

Macomber's refusal to appear coincided with a bombshell in Miss Palmer's hearing which implicated Howard Mace, Director of the State Department's personnel systems, in suppressing a page in a document essential to her case. The material suppressed contained an admission by the State Department's legal division that Miss Palmer's career had in fact suffered due to discrimination.

After Mace was confronted with the facts in the hearing, he agreed on June 23, 1971 to place the complete document signed by himself in Miss Palmer's personnel file as well as to furnish her with a copy of it containing the missing page.

Mace is already under serious attack in the Congress for his role in withholding information from legislators regarding Charles Thomas, the Foreign Service Officer who committed suicide a few weeks ago after a fruitless two-year effort to win a State Department hearing on his case.

Another scandal haunting the State Department involves the case of John D. Hemenway, a former Foreign Service Officer, who charged in a grievance hearing on June 11, 1971 that Mace only permitted him to examine his personnel files after there was "some official root through the files to remove anything that could be helpful to me."

The public record of the cases of Thomas; Otto F. Otepka, a former State Department Security chief, and Stephen A. Koczak, a former Foreign Service Officer, contains evidence that such manipulation of personnel files frequently occurs on instructions from the top.

Apparently, the State Department counted on intimidating Miss Palmer after she sought redress Under the Executive Order of 1968 which bars discrimination on the basis of sex. In a letter to her by Frederick D. Pollard, Jr., Director of the State Department's Equal Opportunity Program, Miss Palmer was warned that her "career prospects could be damaged" if she went ahead with her hearing.

However, the pint-sized blonde FSO, who made headlines in 1960 for rescuing three American journalists and two government officials from a rampaging and murderous Congolese mob, does not scare easily. With the support of the American Federation of Government Employees (AFL–CIO) as well as admiring male colleagues, who are also victimized by the system, she is proceeding bravely ahead.

Miss Palmer, who has had a demonstrably outstanding record and commendations in the hardship posts to which she has been repeatedly assigned, has accused the following persons of blocking her promotion and professional opportunities:

John H. Burns, Director General of the Foreign Service and a former Ambassador to Tanzania; Olcott Deming, a former Ambassador to Uganda; and Edward Korry, currently Ambassador to Chile.

Miss Palmer has copies of protest letters from Korry to the State Department objecting to her assignment as a Political Officer to Ethiopia while he was Ambassador there on grounds that she might meet some foreigners who could be sexually dangerous.

DEPARTMENT OF STATE,
Washington, D.C., August 8, 1969.

To: O—Idar Rimestad.
From: O/EP—Frederick D. Pollard, Jr.
Subject: Complaint of Alison Palmer (FSO-4) with Respect to Discrimination on the Basis of Sex—Action Memorandum.

BACKGROUND

In a letter dated October 15, 1968, Miss Alison Palmer, FSO-4, currently assigned to Viet-Nam, formally submitted a complaint to O/EP alleging that she had suffered discrimination on the basis of sex and that her career had been adversely affected by prejudice against women officers. Specifically the complainant stated that panelled assignments as Political Officer to Dar es Salaam and to Kampala were cancelled because of her sex, and that a third assignment as Political Officer to Addis Ababa was objected to by the Ambassador for the same reason. In the face of her determination to oppose the third turndown, she was assigned to Addis Ababa as Political Officer, but upon arrival was given the title and duties of the Executive Assistant. Little by little she assumed the duties of a Political Officer while serving as Executive Assistant and with the departure of the Ambassador from the post was assigned full-time to the duties of a Political Officer.

Miss Palmer states that her purpose in presenting her complaint is twofold:

"(1) I would like to have documented in my personnel file the fact that my career has been affected by prejudice against women officers;

"(2) I would like to have some steps taken to prevent this happening in the future, either to me or to any other woman FSO."

In accordance with the procedures outlined by the U.S. Civil Service Commission on "Investigating Complaints of Discrimination in Federal Employment," Miss Palmer designated Ambassador Clare H. Timberlake as her representative. O/EP requested of Ambassador Fraser Wilkins that Mrs. Gladys P. Rogers, a Foreign Service Inspector and FSO-1, be assigned to conduct the investigation of Miss Palmer's allegations.

DISCUSSION

Mrs. Rogers conducted her investigation between December 30, 1968, and January 24, 1969. During that time she consulted with Ambassador Timberlake to assure Miss Palmer's interests were protected. Mrs. Rogers and Ambassador Timberlake also met with me and Miss Odris Rossell, my deputy to discuss the report and findings. Discussions also took place on actions which should be taken to protect Miss Palmer in particular and women in general from future discriminatory acts because of their sex.

Mrs. Rogers' "Report of Investigation" and the summary remarks to me are attached.

The investigation was confined, for the most part, to an examination of the files which relate to her assignment as Political Officer. The pattern of discrimination covered the period from August 1965 (when her first assignment was cancelled because of her sex), through September 1967 when she was able to assume the duties of Political Officer.

The documents in the investigative file clearly show that Miss Palmer was discriminated against because of her sex and that her career was adversely affected.

The lapse of time between the initial discrimination (August 1965) and Miss Palmer's complaint (October 1968), makes it difficult to reconstruct the events, climate, and the extent of the bias which existed at the time the discrimination took place.

For example, while discrimination on the basis of sex has been prohibited for years, the Department's regulations specifically prohibiting discrimination on the basis of sex were not issued until January 3, 1967. These regulations were strengthened on February 14, 1968, subsequent to the issuance of E.O. 11375, which prohibits discrimination on the basis of sex. Revised EEO regulations have been issued by the Civil Service Commission, effective July 1, 1969. A strong policy statement dealing with discrimination against women did not exist then, nor does it now.

The frank statements contained throughout the documents in the investigative file show that discrimination based on sex not only was practiced, but also condoned at all levels during the period Miss Palmer alleges discrimination.

The investigative report deals with discrimination against one woman Political Officer, in only one phase of the personnel process (assignment), in only one regional bureau. Left unanswered are questions such as whether discrimination existed in the assignment of other women officers, in other phases of the personnel process, or in other parts of the Department.

As part of the "Action Program" required by the Civil Service Commission regulations on women, we are gathering general statistical data on the Status of Women in the Department. Analysis of this data will enable us to identify problem areas and seek corrective action.

A number of officers identified in the attached report are not aware of the investigation. These individuals have not been informed of the details of the Complaint as it concerns them, nor given an opportunity to respond.

The experience gained in handling Miss Palmer's complaint has been helpful in drafting our new Equal Employment Opportunity regulations. We are revising our procedures to provide more rapid and thorough handling of complaints.

RECOMMENDATIONS

(1) That Miss Palmer's personnel file be documented to show that her career has been affected by prejudice against women officers—this documentation can best be done by placing a copy of this memorandum in her file. Copies of the investigation itself and the summary will be maintained in my office.

(2) That you or the Director General address a letter to all Principal Officers emphasizing the Department's policy of prohibiting discrimination on the basis of sex and soliciting the cooperation of Chiefs of Mission to ensure equal opportunity for female members of their staffs.

(3) That the Deputy Assistant Secretary for Personnel instruct Assignment Panels in their responsibilities with regard to assuring equal opportunity for women in assignments; and if instances of apparent prejudice in the proposed assignment of women officers occur, they be brought to the attention of O/EP for resolution.

(4) That the Department's continuing efforts to eliminate discrimination on the basis of sex be brought to the attention of all officers and employees through appropriate notices and articles.

DEPARTMENT OF STATE,
Washington, D.C., November 26, 1969.
Miss ALISON PALMER,
CORDS Nhatrang,
San Francisco, Calif.

DEAR MISS PALMER: In response to your letter of October 20, I want to fill you in on where consideration of your complaint stands at present. The investigation of your complaint, and the recommendations stemming from it, have received high-level consideration. As you certainly would be aware, however, implementation of any measures in such a delicate area must be done with extreme care lest the results fall far short of what is desired.

A number of moves are either in process or being considered which would provide more discipline in the assignment process. These moves will aid in the elimination of a variety of potential inequities, not just the one which was the subject of your complaint.

With specific regard to your request that your personnel file be documented concerning the effect of prejudice in your career, I would offer a bit of counsel. People knowledgeable in how the Foreign Service selection system works, including Director of Personnel Howard Mace, have expressed apprehension that your career prospects could be damaged by inclusion of reference in your file to this grievance procedure. The employee, of course, has the right to include anything he wishes in his file, and this is not meant as any attempt to dissuade you from having the file documented. What I would suggest is that you hold your decision in abeyance on this until your return to Washington early next year, at which time you can discuss the matter thoroughly with those most knowledgeable on the workings of the selection system, and then decide whether and what to put in your file.

One thing I wish to make clear is that this letter is in no way intended as an effort to dissuade you from contacting Senator Smith. If you feel she should be interested in this matter, that is entirely between you and the Senator and the Department would not wish in any way to intervene.

I will look forward to seeing you after the first of the year when you return to Washington; I understand that you have been assigned to INR/AF in a position in which you had previously expressed interest.

Sincerely yours,
FREDERICK D. POLLARD, Jr.,
Director,
Equal Employment Opportunity Program.

P.S.—For your information, I received a copy of the attached memo after this letter was typed.

DEPARTMENT OF STATE,
Washington, D.C., June 14, 1971.
Mr. ANDREW B. BEATH,
Equal Employment Opportunity,
Appeals Examiner,
Washington, D.C.

DEAR MR. BEATH: Reference is made to Miss Alison Palmer's request for a number of witnesses including Deputy Under Secretary of State for Administration William B. Macomber, Jr., to testify in her discrimination hearing.

The Deputy Under Secretary for Administration informs me that he is aware that this discrimination case has been filed and that in accordance with Regulations a hearing is in progress. Deputy Under Secretary Macomber has further informed me that he has not personally been involved in this case and has formulated no opinion.

Mr. Macomber became the Department's Equal Employment Opportunity Officer when he assumed his present position in October, 1969. Since this case was brought under the Department's pre-July 1969 Regulations, which places the responsibility for the final decision on a complaint in the Equal Employment Opportunity Officer, it would not be appropriate for Mr. Macomber to be a witness in a case in which he has the responsibility for the final decision.

Sincerely yours,
J. EDWARD LYERLY,
Deputy Legal Adviser for Administration.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., December 15, 1970.
Mr. FREDERICK D. POLLARD, Jr.,
Director, Equal Employment Opportunity Program, Department of State, Washington, D.C.

DEAR MR. POLLARD: Civil Service Commission regulations on equal employment opportunity require that certain reports be submitted to the Commission from departments and agencies. One of these, the Disposition of Complaints Reports, is to be submitted to the Civil Service Commission within 10 calendar days of the closing of a complaint.

The Department of State Equal Employment Opportunity Complaint Processing Reports for April and June 1970 indicate the complaints of Miss Alison Palmer and Mr. Willie D. Walters, respectively, were closed in those months. In response to our recent telephone request for disposition reports on these two cases, you provided us with status reports on each case as of November 30, 1970.

So that we are both in compliance with the regulations I would appreciate receiving from you the proper Disposition reports on the Palmer and Walters cases. In this regard enclosed for your guidance in submitting the required reports, is a copy of Appendix C of FPM Chapter 713 which details the information required in the various reports. Section C-4 covers reporting disposition of complaints.

Thank you for your cooperation in this matter.

Sincerely,
JAMES FRAZIER, Jr.,
Director.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., January 20, 1971.
Mr. FREDERICK D. POLLARD,
Director, Equal Employment Opportunity Program, Department of State, Washington, D.C.

DEAR MR. POLLARD: This has reference to the complaint of discrimination which Miss Alison Palmer filed with the Department of State on October 15, 1968.

Miss Palmer, through her representatives, the American Federation of Government Employees, has been in contact with the Civil Service Commission requesting information and assistance in connection with the processing of her complaint.

In April, 1970 the Department of State reported to us that Miss Palmer had withdrawn her complaint during that month and that the Department considered the case closed. However, Miss Palmer alleges, and the Department has since confirmed, that she has not withdrawn her complaint.

Your office has informed us by telephone that although the Department considers Miss Palmer's complaint closed, it has not yet issued a written decision in her case. Our Office of Federal Equal Employment Opportunity requested by telephone on December 8, 1970 that the Department issue its written decision in this matter to Miss Palmer, granting her the right to appeal the decision to the Civil Service Commission's Board of Appeals and Review. To date our request has gone unanswered. Our request of December 15, 1970 for a proper disposition report on the complaint is also unanswered as of this date.

I am sure you will agree that failure to process discrimination complaint cases expeditiously and in accordance with applicable regulations can result in a negative image of the Federal Government's efforts in equal employment opportunity and also vitiate progress made under affirmative action program activities.

I would appreciate your immediate issuance of a written decision to Miss Palmer, if the case is actually closed. If the matter is still open, please expedite processing of the complaint in accordance with applicable regulations. Please send me a copy of your written decision in this matter, giving Miss Palmer appeal rights to the Commission, or a report on the current status of her case and the steps you are taking to expedite its processing.

I appreciate your cooperation in this matter.

Sincerely yours,
Nicholas J. Oganovic,
Executive Director.

EAST PAKISTAN EXAMPLE OF GENOCIDE TODAY

Mr. PROXMIRE. Mr. President, those who delay the ratification of the Genocide Treaty cannot ignore the tragedy taking place 8,000 miles from our shore in East Pakistan. Since March, the Pakistan Army apparently has been ravishing the country, massacring thousands of men, women, and children whose only crime is being Hindu.

Through the eyes of journalists leaving that country we have seen the slaughter of old men and infants, poor peasants, people who have never had any connection with the rebel army. I quote an article published in the London Sunday Times, June 13:

> West Pakistan's Army has been systematically massacring thousands of civilians in East Pakistan since the end of March. This is the horrifying reality behind the news blackout imposed by President Yahya Khan's government since the end of March. This is the reason why more than five million refugees have streamed out of East Pakistan into India, risking cholera and famine.

Mr. President, this article is entitled simply "Genocide." That word describes what is taking place in East Pakistan.

I quote again from an article entitled "Why the Refugees Fled," also published in the London Sunday Times of June 13:

> The bone-crushing military operation has two distinctive features. One is what the authorities like to call the "cleansing operation:" a euphemism for massacre. The other is the "rehabilitation effort." This is a way of describing the moves to turn East Pakistan into a docile colony of West Pakistan. These commonly used expressions and the repeated official references to "miscreants" and "infiltrators" are part of the charade which is being enacted for the benefit of the world. Strip away the propaganda, and the reality is colonization—and killing.

Genocide is not a thing of the past. Just look at what is happening right now in Pakistan. How much longer can we delay in acting on the genocide convention?

Mr. President, I ask unanimous consent that an article entitled "Hindus are Targets of Army Terror in an East Pakistan Town," published in the New York Times, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, July 4, 1971]

Hindus Are Targets of Army Terror in an East Pakistani Town

(By Sydney H. Schanberg)

Faridpur, Pakistan.—The Pakistani Army has painted big yellow "H's" on the Hindu shops still standing in this town to identify the property of the minority eighth of the population that it has made its special targets.

Members of the Moslem majority—who, though not exempt from the army's terror, feel safer, than the Hindus—have painted on their homes and shops such signs as "All Moslem House."

The small community of Christians, mostly Baptists, have put crosses on their doors and stitched crosses in red thread on their clothes.

Compared with some towns in East Pakistan, Faridpur, which sits in the central part of the province 85 miles by road and ferry west of the capital, Dacca, suffered only moderate physical damage when the army struck here in April. The attack was part of the offensive begun March 25 to crush the Bengali autonomy movement.

Though a number of shops, most of them belonging to Hindus, have been razed in Faridpur, most of it is physically intact. But every other aspect of life has been shattered, and the hate and terror and fear that wrack the town make it typical of virtually every community in this conquered province of 75 million people.

EASED UP ON EXECUTIONS

Only about half of Faridpur's 35,000 people have returned, although the flow has been growing. Recently the army eased up on its executions and burning of villages in an attempt to demonstrate that normality has returned. The change in tactics began in mid June, just before the central Government announced that it was allowing foreign newsmen back into the region.

An undetermined number of Faridpur's 10,000 Hindus have been killed and others have fled across the border to predominantly Hindu India.

Some Hindus are returning to Faridpur, but it is not out of faith in a change of heart by the army but rather out of despair. They do not want to live as displaced persons in India and they feel that nowhere in East Pakistan is really safe for them, so they would rather be unsafe in their own town.

A Hindu barber said that he was still in hiding but that he sneaked into Faridpur every day to do a few hours' work to earn enough to eat. "I come into town like a thief and leave like a thief," he said.

Those Hindus who have slipped into town keep guards posted at night. "None of us sleep very soundly," a young carpenter said. "The daylight gives us a little courage."

THIS IS OUR HOME

A 70-year-old Hindu woman who was shot through the neck said that as bad as conditions were and as frightened as she was, "this is our home—we want to stay in golden Bengal."

On April 21, when the army rolled into Faridpur, the old woman and her 84-year-old husband ran to seek refuge in a Hindu village. Bodidangi, about three miles away. The next day the army hit Bodidangi and, reliable local reports say, as many as 300 Hindus were massacred.

The old woman stumbled and fell as she tried to flee Bodidangi, she related, and two soldiers caught her. She said they beat her, ripped off her jewelry, fired a shot at point-blank range into her neck and left her for dead.

She and her husband had owned a small piece of property on which they rented out a few flimsy huts. Only the dirt floors are left, she said.

The campaign against the Hindus was—and in some cases still is—systematic. Soldiers fanned through virtually every village asking where the Hindus lived. Hindu property has been confiscated and either sold or given to "loyal" citizens. Many of the beneficiaries have been Biharis, non-Bengali Moslem migrants from India, most of whom are working with the army now. The army has given weapons to large numbers of the Biharis, and it is they who have often continued the killing of Hindus in areas where the army has eased off.

Hindu bank accounts are frozen. Almost no Hindu students or teachers have returned to the schools.

ASSURANCES BY YAHYA

President Agha Mohammad Yahya Khan has appealed to the Hindus to return from their hiding places and from India—possibly four million of the six million Bengalis who have fled to India are Hindus—and has assured them of an equal role in East Pakistani life. However, army commanders in the field in East Pakistan privately admit to a policy of stamping out Bengali culture, both Moslem and Hindu—but particularly Hindu.

Although thousands of "antistate" Bengali Moslems have been killed by the army, the Hindus became particular scapegoats as the martial-law regime tried to blame Hindu India and her agents in East Pakistan for the autonomy movement.

In Faridpur—and the situation was much the same throughout East Pakistan—there was no friction to speak of between Hindu and Moslem before the army came.

The army tried to drive a wedge between them. In April, as a public example, two Hindus were beheaded in a central square in Faridpur and their bodies were soaked in kerosene and burned. When some Hindus trying to save their lives, begged to convert to Islam, they were shot as unworthy nonbelievers (in some cases, however, converts are being accepted).

The army also forced Moslems friendly to Hindus to loot and burn Hindu homes; the Moslems were told that if they did not attack Hindus, they themselves would be killed. Most of the Hindu houses in the region around Faridpur—some say 90 per cent—were burned as a result.

Still, there is no sign of a hate-Hindu psychology among the Bengali Moslems. Many have taken grave risks to shelter and defend Hindus; others express shock and horror at what is happening to the Hindus but confess that they are too frightened to help.

Many Bengalis, in fact, feel that the army has only succeeded in forging a tighter bond between Hindu and Moslem in East Pakistan.

TRIBUTES TO THE LATE CONGRESSMAN L. MENDEL RIVERS BY THE NORTH CHARLESTON BANNER

Mr. THURMOND. Mr. President, immediately after the death of Congressman L. Mendel Rivers last December, tributes to his memory poured forth from our State and across the Nation. Newspaper accounts of his life and death and editorials praising his public service were printed in many publications.

Since that time a handsome volume has been prepared containing the memorial addresses and printed tributes to Congressman Rivers which were included in the Congressional Record.

Mr. President, it has come to my attention that the December 30, 1970, accounts of the North Charleston Banner, North Charleston, S.C., about Mr. Rivers were not included in the Record at that time. Since these accounts from Mendel Rivers' home community had not been called to our attention at that time, I commend them to the Senate now.

Mr. President, I ask unanimous consent that the North Charleston Banner articles of December 30, 1970, entitled, "People He Served Said It Best: 'A Tragic Thing,'" "L. Mendel Rivers Never Forgot North Charleston," "Mendel Rivers Returns Home to Charleston," and an editorial entitled, "L. Mendel Rivers," be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

PEOPLE HE SERVED SAID IT BEST: "A TRAGIC THING"

In the end, the people Mendel Rivers served in life described best what everyone felt upon his death.

The housewives, barbers, druggists, clerks and cab drivers put in simple words the grief and shock at the death of Rivers, chairman of the powerful House Armed Services Committee, early Monday at the age of 65, several days after undergoing major heart surgery at a Birmingham, Ala., hospital.

W. J. Britton, a postal clerk who lives at 781 Jordan Street, called Rivers' death "a tragic thing for the entire community." His two sons and all servicemen, Britton said, "have benefitted by the things he has accomplished."

A housewife, Mrs. Ed Rolfe of 1023 Riverview Dr., expressed "great shock and sorrow."

"It is a great loss to my family, all of South Carolina and the whole country. I know he was a really great man," she said.

At Charleston Air Base Monday afternoon, the "little people" turned out to pay their respects to the fallen leader, a man who had championed the cause of the enlisted man and who had provided so many jobs for "his people" back home.

They stood glumly in groups of three or four as Rivers' flag-draped coffin was taken from a gleaming Air Force jet. Some wiped away tears. Air Force privates stood shoulder-to-shoulder with colonels and majors to get a last look at some vestige of the man who had become a legend in his own time in Charleston County.

While politicians and civic leaders were high in their praise of Rivers and expressed deep sadness at his passing, it was the man in the street who seemed to mourn most.

"It was a great blow to everybody in Charleston," said cab-driver Larry Daniels of 115–B Russelldale. "He was a man who took care of all of us."

"It was a sad, sad thing," said Mrs. C. E. Infinger, a housewife of 219 Victoria Ave. "The people of Charleston will really miss him. He was a good man."

A retired civil service employe, Harold F. Hardin of 1009 Dennis Dr., Hanahan, said: "He was a good man, and we needed him. His loss will have a grave effect on the economy in this area."

Mrs. R. D. Varner, a housewife of 3049 Chicora Ave., said she attended school with Rivers.

"It's a sad thing. It's the Lord's will," she said. "He will be missed all over the world."

"This is one of the saddest things that could happen to South Carolina and the whole country," said Mrs. V. T. Roseborough, a saleslady. "He will be greatly missed."

Albert Jacobs, the manager of a drug store in Moncks Corner, said he was "deadened by the news."

"I had been praying for him," said Jacobs. "I wonder now what the future holds for the economy in this area. He always looked out for us."

The Rev. Walter Hickman of Yeaman's Park Presbyterian Church said Rivers' death was a "big loss to the community and the country—in fact, the world. No one was really prepared for it."

Dr. Gordon Stine, chairman of the Charleston County Democratic Party, admitted that it was probably Rivers' intervention in 1968 that brought about a landslide for local Democratic candidates. Rivers went on television in the closing weeks of the campaign to plug personally for "my people."

"He was instrumental in the landslide victory in 1968," Stine said. "I don't think he would have done it unless he had been behind it in his convictions. Needless to say, we all loved him dearly. It will be a real loss. The real loss, of course, will be felt by the servicemen throughout the world. He did so much for them."

Robert W. Turner, former state representative from North Charleston and presently head of the State Pollution Control Authority, doubted that Rivers would ever be replaced.

"He was one of the strongest men in Congress," Turner said. "You can't replace him. "He was from our part of the country, and he was extremely dedicated to the job. He lived his job; he lived it for his people. He was the kind of man you needed so badly in Congress. I had been extremely worried about him, but it was still a shock when I learned he had died."

John Bourne, former head of the Charleston County Republican Party, said Rivers' death represented "a great loss to the community, the state and the nation. I'd been fearful he would not survive, but I still can't fully believe it."

State Sen. Allen R. Carter of North Charleston said the community had lost a friend and "a man who was tremendously interested in the peace and well-being of the country."

"He was just an awfully good friend," Carter said. "I'd known him for many years but more intimately, I guess, in the last four. He came by my office one Saturday morning, just stopped by. He was traveling around. What amazed me so much later on was that he was in such bad health and never said a word about it, even in private conversation. I don't think we can even begin to assess the amount of the loss now."

Rep. Arnold Goodstein said Rivers would "leave his mark on the people of this country for a long time."

"He is a man who spent his lifetime working for the people of his district and in Charleston County," Goodstein said. "The Democratic Party has lost a greater leader, and Charleston County has lost its most accomplished citizen."

L. MENDEL RIVERS NEVER FORGOT NORTH CHARLESTON

Though he became a world figure later in life, L. Mendel Rivers never forgot North Charleston, and North Charleston never forgot him.

Rivers moved from St. Stephen to North Charleston in the second grade when the community was little more than a few homes and fewer streets. He worked at different jobs in the community to help pay his way through school and played semi-pro baseball here as a young man.

North Charleston helped the young attorney attain the largest margin of victory ever posted by a local politician in 1934 when Rivers won a state House seat with 18,000 votes. North Charleston gave Rivers 85 percent of its votes that year. North Charleston went for Rivers by large margins for the remainder of his career.

Though the chairman of the House Armed Services Committee subsequently moved to the West Ashley area and maintained another home in Virginia, he remembered his boyhood home.

Though people were fond of joking that the peninsular city would sink into the ocean if another military facility located in the area, there was never any danger of that, because most of the military facilities were being located and expanded in North Charleston.

Rivers obtained a $7 million appropriation in 1954 to pump now life into a flaggin Charleston Air Force Base and ultimately turned the base into one of the service's largest airlift facilities. One of the chief backers of the C-5 aircraft, the congressman also arranged for the local base to be one of two Military Airlift Command bases to house the first operational C–5 planes.

Charleston Naval Base became a sprawling complex under Rivers' benevolent gaze, and he also arranged for the Navy's Atlantic fleet Polaris operations to be based near Goose Creek. When large-scale employment cutbacks hit the local bases in the wake of the Vietnam standdown, Rivers was able to cushion the blow to the local economy by switching other armed forces organizations to the local military complex.

One of the largest military appropriations for the Charleston area was a $12 million outlay for a new naval hospital. Construction is well underway in North Charleston.

While he was insuring a large military presence in North Charleston, Rivers also was careful to appeal to industry to settle in the area. Avco Lycoming, Lockheed-Georgia and General Electric were a few who invested large sums of money locally to begin new operations.

Through his 30 years' service in Washington, Rivers' name was memorialized time and again in the North Area, giving him the unusual distinction of having things named for him in life instead of only in death.

In 1948, North Charleston's busy "main street" was renamed Rivers Avenue. It had been known as the "dual lane" until then.

When a new Post Office annex was built in North Charleston, it was named "Rivers Annex."

Rivers took an active interest in servicemen's housing, and in 1963 he dedicated the new Men-Riv Park, a $6.5 million modern housing subdivision for servicemen and dependents at Goose Creek.

In 1965, a bronze bust of Rivers was unveiled adjacent to the Cooper River Memorial Library. Today, its steady gaze oversees the booming construction of the new naval hospital just across Rivers Avenue.

Rivers also announced a $750,000 federal grant to the Baptist College at Charleston in 1968. That money was used to construct a $1 million library on the budding North Charleston campus, and just a few weeks ago evangelist Billy Graham and trumpeter Al Hirt joined to honor Rivers on the occasion of the college's new facility being named the "L. Mendel Rivers Library."

MENDEL RIVERS RETURNS HOME TO CHARLESTON

Congressman L. Mendel Rivers came home Monday.

More than 200 people crowded the flight line at Charleston Air Force Base to pay their respects as the congressman's flag-draped coffin was delivered by Air Force jet from a Birmingham, Ala., hospital, where the 65-year-old chairman of the House Armed Services Committee died earlier in the day following heart surgery.

They were Mendel Rivers' people. Air Force enlisted men stood grimly with colonels. Housewives looked on solemnly. On the roof of a building not far from the flight line, two civilian workers in hard hats stood silently watching the tableau.

The crowd was very small at 2 p.m., but it had grown in size by the time the shiny, white Air Force KC–135, number 24130, landed and pulled slowly up to the parked hearse and Air Force honor guard decked out in chrome helmets.

A short time before the plane's arrival, a small group of newsmen arrived on the scene and were told the Rivers family had requested no press coverage, no pictures. They divested themselves of cameras, but no one left. They remained to pay their respects.

As the crowd began to grow in size, an Army enlisted man asked one newsman what was going on and was told that Rivers' body was due to arrive shortly.

"Oh, oh, I see," the young soldier mumbled, and he walked over to join the mourners.

When the plane rolled up to the waiting hearse and honor guard, there was absolute silence among the spectators, who had grown in number by now to over 200 in the immediate area. Many others stood in front of buildings, their hats removed, far down the dual-lane street leading to the flight line.

The gaping side door of the plane opened, two Rivers' aides walked down the stairway, and a truck then backed up to the cargo door. A hydraulic pump lifted the truck bed to the level with the cargo hatch, and the flag-decked coffin was placed on the truck. The bed was lowered, and Air Force pallbearers stepped forward, grasped the coffin and then proceeded between the honor guard to the hearse.

As the coffin was placed in the hearse, the Air Force personnel snapped to attention, but there were no salutes.

Finally, the hearse and its police escort pulled away. A woman stood nearby as if rooted to the spot, her hands held up to cover her mouth, the tears welling in her eyes.

Congressman L. Mendel Rivers had come home.

L. MENDEL RIVERS

We feel, it seems, an extra measure of grief, of loss, of sadness upon the death of a very few great Americans. We felt is for John Kennedy and Robert Kennedy and Dwight Eisenhower. We feel it today for L. Mendel Rivers.

L. Mendel Rivers has been described as probably the third or fourth most-powerful man in the United States because of his chairmanship of the House Armed Services Committee, but that is not the reason we accord him a special place in our hearts. Congressman Rivers was also the most powerful political figure in Charleston, but that is not the reason, either, for our special feeling of loss. Nor will we miss him for his single-handed work at making the Charleston area one of the largest military complexes in the world.

Ultimately, we all will miss L. Mendel Rivers because he never forgot us.

He remained a humble politician—in a day, it seems, when politicians with power forget their beginnings—despite his 30 years' service in the House and the fact that he was unbeatable in his district.

"Rivers Delivers" was a factual and, therefore, powerful slogan which served to make us remember and appreciate the congressman, but we prefer to remember another slogan which truly described the man. It was a two-word description used on his political billboards some months ago during the Democratic primary: "Your Congressman."

When Mendel Rivers, then an unknown attorney, first ran for his congressional seat in 1940, he faced harsh odds. He had little money to finance a campaign, and he faced an opponent backed by strong local forces. Mendel Rivers won the election in November of that year by waging a door-to-door, hand-to-hand campaign in the rural areas of the district which his opponent had taken for granted. In the years after that campaign, Rivers returned almost annually to the little courthouses and tiny general stores in scores of small villages across the district to meet his constituents face-to-face and hear their problems. He never forgot the little man and the fact that he was, in the final analysis, "our congressman."

The North Charleston Banner became personally acquainted with this remarkable quality over a period of time. A small, struggling newspaper would not, it seems, have warranted much attention from a man of Rivers' stature. So we were astounded at the ease with which we could contact the man in his Washington office and the unhesitating cooperation he displayed in helping out with a news story. Mendel Rivers, apparently, made no distinction between the New York Times and the North Charleston Banner, a fact which amazed us at first but which we slowly grew to accept as a mark of the man.

And so we mourn his death today. We mourn it not because of his position in the nation and not because of the physical improvements he brought to our community. We do not mourn him, either, for the material aid he granted in the past.

We mourn his death because we were among "his people" he cared about so much.

PERMANENT WAGE-PRICE CONTROLS

Mr. BENNETT. Mr. President, Prof. John Kenneth Galbraith came out the other day for permanent wage-price controls of the economy. Such a statement is not surprising from Mr. Galbraith. He is one of those academics-turned-administrators who have never quite recovered from their World War II experience of regulating the Nation's economy. It matters not to them that the regulation did not work. They forget the economy was stifled and that free initiative, which is at the heart of our prosperity, was smothered.

Professor Galbraith's economic advice is not surprising to us, but it is surprising that his fellow Democrats should continue to take him seriously. Mr. Galbraith, alone for 30 years, has been one of the chief economic advisers of the Democratic Party. He was a member of President Kennedy's administration which maintained a level of unemployment considerably higher than anything experienced in this administration. He is now a member of the Democratic Policy Committee and judging from recent statements by Senators MUSKIE, HUMPHREY, KENNEDY, JACKSON, BAYH, HARRIS, and Mr. McCarthy, his views are still held in high esteem in the leading councils of the Democratic Party.

These gentlemen, of course, are not as open in their advocacy of wage-price controls. They use words like temporary and short term to describe the controls they would institute. But they know as well as Professor Galbraith does, that short-term controls would rob the economy of its dynamism and lead to demands for more and more Government intervention in the economy, until it was turned into a semipublic corporation.

Perhaps the most unacceptable aspect of the Democrats' plan to socialize our economy either gradually or in one fell swoop—is that they are advocating it—with the usual accompaniment of gloomy predictions of imminent collapse—at just the time the economy is turning around and beginning a sustained recovery. All signs point now to steady progress toward full employment without runaway inflation. The GNP increased $19.7 billion in the second quarter of 1971 to a seasonally adjusted annual rate of $1,040.5 billion. This jump represents the third largest real increase in history. In real dollars, it is the second largest increase since the third quarter of 1969. When coupled with the first quarter increase, it means that GNP has grown by a recordbreaking $52.5 billion in the first 6 months of this year.

It is also clear that unemployment has begun to drop. Historically, unemployment begins to drop 6 months after the low point in an economic cycle is reached. The low point in the current cycle was reached last December when unemployment rose to 6.2 percent. In June, just 6 months later, the unemployment rate made the most dramatic drop in 20 years—a .6 drop to 5.6 percent. At the same time, average weekly working hours among manufacturing employees rose to a full 40 hours—traditionally the sign that companies are gearing up for full production schedules and will soon begin new hiring. Average weekly overtime among manufacturing employees is even up now to a full 3 hours.

Inflation has slowed as well. When President Nixon took office, the rate of inflation was high and going higher. It continued to rise until the beginning of last year. At that time, the upward movement in the inflation rate was arrested at a dangerously high point—the consumer price index was then going up at a rate of 6 percent a year. Since then, the rise in the index has declined steadily. While June was a disappointment, the last 12-month period declined to about a 4.5-percent rate. While this is not tolerable yet, it is worth noting that of 22 nations belonging to the Organization for Economic Cooperation and Development, only three had lower rises in their consumer price indexes during the last 12 months than did the United States.

The indications that the economy is now on the upswing have been clear to practically everyone. Consumer spending has increased dramatically. Nondurable consumer spending increased a sharp $7.5 billion in the last quarter, the largest quarterly increase in 3 years. During the first quarter, durable consumer spending made the largest single jump in history. Housing starts in the first 6 months of this year were 48 percent above the rate a year ago. And at the same time, personal savings has increased steadily, indicating the economy will have the resources to continue expanding over the next year or more.

The signs of economic progress are clear to everyone—business, labor and the consumer. Everybody, that is, but certain elements in the Democratic Party. But, this inability to see what's going on is nothing new. These same Democrats, after all, were responsible for the extravagant spending in the Johnson-Humphrey years which left the economy in shambles by the time President Nixon took office. Now, to compound the disaster they created, they would have us institute wage-price controls at a time when inflation is being reduced and the dynamism of our economy is shifting into high gear.

At just the point when our free system is beginning to show what it can do when not shackled by the irresponsible policies of President Nixon's predecessors, the Democrats would have us destroy that competition with wage-price controls. The President, thankfully, will not listen to their advice. Nor thankfully, will the public. For the President and the public believe in the free and competitive spirit which has built this country. And they can see how it is working in the economy today.

MORE WHO HELPED ON FOREST RESEARCH LAB

Mr. McINTYRE. Mr. President, when the Senate passed the appropriations bill for the Department of Interior and related agencies I stated my pleasure that this legislation included funds for the construction of the Forest Service Research Laboratory on the grounds of the University of New Hampshire at Durham, N.H.

In the course of my remarks I paid tribute to several individuals who have worked for a long time to bring this vital laboratory to fruition. In some manner, which I cannot explain, some of my remarks about individuals were not included when the CONGRESSIONAL RECORD appeared.

I would like to correct this immediately by adding the names of Theodore Natti, director of the State of New Hampshire Department of Resources and Economic Development, G. Allen Holmes, president of the New Hampshire Farm Bureau Federation, and Tudor Richards, executive director of the Audubon Society of New Hampshire as being among those who have spoken for both themselves and in behalf of their organizations in behalf of this laboratory.

Mr. President, I want to pay tribute to these persons as I did earlier to the others. They made a fine contribution to this successful effort.

AMERICA'S POSITION IN WORLD TRADE

Mr. FANNIN. Mr. President, the deterioration of America's position in world trade continues although there are some hopeful signs that the Nation is starting to understand the seriouness of the problem.

On the radio this morning there was a report that the workers at one American shoe factory had agreed to forego wage increases for the next 2 years so that their plant could remain in operation. Because of competition from Italian imports, the factory was in danger of being closed.

But in too many cases, the unions are adamant in their wage demands. They blindly seek pay increases far in excess of productivity increases. This is bound to result in disaster for American firms trying to compete at home against foreign imports as well as in the other world markets.

The tragic result is an export of jobs that we can ill afford to lose.

Mr. President, a column in today's newspaper comments on this problem. I ask unanimous consent that the column, by Marquis Childs, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LABOR RELATIONS: A LESSON FOR U.S.

(By Marquis Childs)

The President of a New York bank, who is also a director of the Japanese Sony Corporation, recently visited Japan. Escorted through one of Sony's big plants manufacturing electronic equipment, he noted that on two assembly lines workers were wearing red arm bands.

He asked the reason. They are on strike, the plant manager said. Observing how they were working with the same ant-like industry of those without arm bands, the banker exclaimed in astonishment. But naturally they're working, the manager said, and when the strike is settled and if there is a grant of higher wages they will get their increased back pay.

The banker, who once took, on the whole, a liberal view of the American trade union movement, tells this as another piece of evidence of how Japan is able to forge ahead of the rest of the world, including the United States.

The United States is pricing itself out of world markets. This is the threat that faced Britain when in the early years of this century the flourishing British textile industry was faced with cheap European competition. The British threw up tariff barriers, with the result that Britain was left with a small highly specialized share of the market.

A study not yet released by the Labor Department shows that during the five years 1965–70 Japan's output per man-hour increased at the rate of 14 per cent a year. The U.S. rate was two per cent a year. European countries—Belgium, Switzerland, the Netherlands—were closer to Japan with rates between six and eight per cent. Productivity per man-hour is, of course, the key to industrial output.

The centerpiece at the moment is steel. The choice is between a strike, with its serious impact on production, and a price increase at least equal to that granted aluminum workers. President Nixon has on his desk an order extending the agreement with Japan limiting imports of Japanese steel to six million tons a year. The agreement was reached when Japanese steel began flooding the American market. Steel is the cardinal example of what is happening to American industry in the worldwide cost-price squeeze.

Rebuilding their steel plants shattered in World War II, the Japanese increasingly bought American technology. Today 80 per cent of their basic steel is the oxygen process, a notable advance. In contrast, only 48 per cent of American steel is produced with the advanced technique.

Older plants have been kept in operation as American companies followed a conservative policy of capital investment. So, in price and volume, the Japanese began to outpace American producers. Add to this the wage differential, perhaps as great as 80 per cent, and you have the explanation of why the demand for a limit on imports was irresistible.

What haunts knowledgeable leaders in the labor movement is the multinational corporation. A good example is electronics. An American company, Ampex, found it could not compete in tape recorders with Japanese manufacturers. Today Ampex buys 90 per cent of the parts that go into Ampex tape recorders from Japan. Moreover, Ampex bought 48 per cent of a leading Japanese electronics maker.

Not only in electronics, but in autos and a half-dozen other fields, American corporations are buying into Japanese corporations. This is their protection as imports of television sets and small cars increase at an astronomical rate. But this is no protection for the jobs of American workers, which is why the multinational spread causes such acute pain in labor's council chambers.

From both the State Department and the White House come ominous rumbles of a trade deficit with Japan up to $2 billion for 1971. And that will be reflected in the overall grade surplus, which is nearing the vanishing point. So the word is get tough. But it is hard to argue with the grim facts of the troubled American economy.

NAACP RESOLUTIONS ADOPTED AT 62D ANNUAL CONVENTION

Mr. HUMPHREY. Mr. President, recently it was my great pleasure to greet the delegates of the 62d annual convention of the National Association for the Advancement of Colored People, held in Minneapolis, Minn., on July 5–9, 1971.

My association with the NAACP over the years has been a source of great personal satisfaction. The outstanding work of this national organization has been of the highest importance in moving this Nation from promise toward fulfilment of equal justice and equal opportunities for all our people.

Through a continuing, reconciling, and uniting effort, the NAACP has challenged the conscience of America to wash this land clean of the stain of racial discrimination. Never satisfied with rhetoric and pronouncements, it has repeatedly called for specific actions at all levels of Government, in the private sector, and among its own membership to bring into reality the purpose and demand of its theme, "All Together—Now."

This effective strategy is clearly exemplified in the resolutions adopted at the 62d annual convention of the NAACP. Mr. President, I ask unanimous consent that the text of these resolutions be printed at this point in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

NAACP 62D ANNUAL CONVENTION, RESOLUTIONS APPROVED BY THE CONVENTION AND ADOPTED

I. PREAMBLE

The theme "All Together—Now!" has not only defined a challenge to the 62d Annual NAACP Convention but has also set its mood. It is the summons on a proud and self-confident organization, renewed in strength and firm in conviction, for all men and women of good will to link arms and move ahead in genuine unity.

The turmoil, conflict, cross-purpose, and divided counsel of the past decade are coming to be seen in their true perspective: not as the blueprint for a future of violence and withdrawal, but as the understandable byproducts of transition, of re-evaluation, and of regrouping of forces. Those who thought or claimed to see chaotic repudiation of the NAACP's historic mission are now learning that our people are not so easy to deceive or mislead.

There is a continuity in the organized action of men and women against evil, and that continuity breeds strength. It also requires of us that we not waste time, either in endless self-congratulation or in scorn for those whom we have proven wrong; they are our brothers and sisters, and their comradeship is needed and welcome. There is no better way of expressing continuity, reconciliation and togetherness in the NAACP mandate than by recalling the closing paragraph of the 1970 Preamble. We concluded our work in Cincinnati last year with these words: "We call together with us men and women of good will and serious intent from every walk of life, of every color, of every faith and nationality. In the strength of unit, and in the rejection of despair, we shall hear no sound but victory."

II. EMERGENCY RESOLUTIONS

A. Equal Employment Opportunity Commission

The Hawkins-Reid bill (H.R. 1746) to strengthen the Equal Employment Opportunity Commission embodies concepts long supported by the NAACP: strong enforcement through the grant of cease and desist authority to EEOC; extension of coverage of the law to protect governmental employees; federal, state and local; and consolidation of enforcement of employment discrimination prohibitions in one agency by transferring to EEOC the functions of the Office of Federal Contract Compliance and the right to bring suits against patterns and practices of employment discrimination.

Be it resolved:

1. This Convention calls upon the House Rules Committee to favorably report the bill as reported by the House Committee on Education and Labor, and calls upon the House of Representatives to pass it without weakening amendments.

2. We call upon our delegates and membership to express their support for this bill to the members of the House Rules Committee and to all members of the House of Representatives.

B. South African sugar quotas

The NAACP has consistently opposed our government's support of the racist government of the Union of South Africa.

Legislation has passed the House of Representatives and is now pending before the Senate Finance Committee that would bolster the economic standing of the Union of South Africa by assigning to it sugar quotas.

Congressman Charles C. Diggs, Jr., Chairman of the Subcommittee on African Affairs of the House Foreign Affairs Committee, has led the Congressional opposition to this action that would give aid and support to this racist South African government.

Therefore, be it resolved:

1. This Convention vigorously opposes the allocation of these quotas to the Union of South Africa.

2. We call upon our delegates and all our membership to contact the members of the Senate, and in particular the members of the Senate Finance Committee to express opposition to the granting of those quotas.

3. We commend Congressman Diggs for his role in opposing our government's support of racism in this legislation.

C. School desegregation legislation

The Senate has passed legislation to authorize expenditure of $1.5 billion to aid school districts in implementing school desegregation plans, to solve the problem of racial isolation, and to promote quality integrated schools. This legislation contains elements of bills proposed by Senator Walter Mondale (D., Minnesota) and the Administration. It has wide bipartisan support. It would establish a broad, federally supported program to advance school desegregation.

Be it resolved:

1. This convention supports the Senate passed school desegregation bill and opposes any amendments designed to weaken it.

2. We call upon the House Subcommittee and the full Committee on Labor and Education to consider this bill without delay and to approve it without weakening amendments, and upon the House of Representatives to pass it.

3. We call upon our delegates and members to convey their expressions of support for this legislation to members of the subcommittee, the full committee and the membership of the House of Representatives.

D. Voter registration in Mississippi

Whereas more than thirty counties in Mississippi have required registration of all voters, and

Whereas, the NAACP Legal Department is convinced that this action is illegal under the 1965 Voting Rights Act, and

Whereas, potential registrants and persons conducting registration campaigns in Mississippi have been subjected to violence and other types of harassment, and

Whereas, the 26th Amendment was approved a few days prior to the closing of registration and registrars in many instances delayed, frustrated young people seeking to register and denied them registration, and

Whereas, registration books have been closed in Mississippi pursuant to state law, but it is still possible to continue registration if the Attorney General will authorize appointment of federal examiners under the Voting Rights Act,

Therefore be it resolved, This convention calls upon the Attorney General of the United States to authorize the appointment of voting examiners in all counties of Mississippi and to file suit to extend the time for registering.

E. Demand for desegregation action in Kalamazoo, Mich.

Whereas approximately three years ago the Michigan Civil Rights Commission analyzed the public school system of Kalamazoo, Michigan and determined the many iniquities particularly relevant to specifically black people, and

Whereas the Illinois Institute of Technology, at the request of the Kalamazzo School Board, made an indepth "Desegregation Proposal" of the Kalamazzo Public Schools (approved and adopted by the Kalamazoo School Board) that was considerably meaningful to the Black community of Kalamazoo, and

Whereas the "new" Kalamazoo School Board of July 6, 1971 decided to postpone consideration for implementation of the "Desegregation proposal" for one year, and

Whereas we of the NAACP can no longer tolerate the mental crippling of particularly black children by iniquities of education as exist in Kalamazoo,

Let it be known that we of the NAACP propose the immediate implementation of direct action and consideration of litigation that will involve the Kalamazoo NAACP Branch, the Michigan NAACP State Conference, and the National Office of the NAACP.

F. General Mills Corporation

Whereas it has been observed that the Corporate Headquarters of General Mills in Minnesota has a small number of black employed actually 23 out of a total 1,600 or 1.3%, and

Whereas the General Mills Corporation has a total of about 16 thousand employees in its parent company and subsidiaries with a black employee percentage of 10.4, and

Whereas blacks throughout the nation purchase General Mills products, and

Whereas despite the presence of 23 million blacks in this country in addition to others, the Betty Crocker a composite picture of the All American homemaker is lily-white,

Region III express its dissatisfaction of the small number of blacks in the corporate headquarters in Minnesota and the general low profile of blacks in the employees of the company,

Therefore be it resolved that Region III leadership ask each branch to make a survey of the G.M. Corp. and Betty Crocker, concerning the above mentioned matters and ask the other Regions to do the same, and that these findings be reported to the entire Association through the CRISIS magazine.

G. Bi-centennial celebration

The announcement on Wednesday, July 7, to the effect that a Commission has been formed to plan the Celebration of the 200th Anniversary of the founding of the United States is of great significance to 23 million black Americans whose contributions to the growth and development of our great nation must be called to the attention of all who are involved in this historic occasion.

Therefore be it resolved by the 62nd Annual Convention that the National Office insure black participation and inclusion in the bicentennial and that the National Office establish a committee composed of its education department and historians throughout the country to ascertain this documentation and participation.

H. Shifting of mail from the large cities to the suburbs

Whereas, the unemployment rate of blacks in the larger cities of our nation has reached crisis proportions;

Whereas, the post offices of these cities furnish employment to a large segment of blacks and have been sources of economic stability to the inner cities;

Whereas, this area of employment is threatened by the planned removal of much of this mail to the suburbs by the United Postal Service;

Whereas, transportation to these facilities is expensive, difficult, and in some cases nonexistent in terms of public transportation;

Whereas, low and medium income housing is not available to blacks in many of these areas;

Therefore, Be it Resolved, that the NAACP in convention assembled, go on record as opposing this move and make opposition known to Post Master General Winton Blount, Congress and the President of the United States. Also, the National Alliance of Postal and Federal Employees and the National Association of Letter Carriers.

I. U.S. treaties with American Indians

We are deeply concerned about the national obligation to honor our treaties with other nations and peoples. We take note of the fact that the American Indian movement nationally faces opposition from the government of the United States which is not honoring the 389 Indians treaties made by the Congress of the United States and we recognize that American Indians have a right to insist upon performance of the obligation in these treaties, and we therefore place that 62nd National Convention on record supporting the American Indians in their legitimate demands.

J. South Africa

We re-affirm our opposition to the racist apartheid policy of South Africa, the most discriminatory policy in the world and call upon American industries with financial holdings in this nation, including General Motors, to use their influence to pressure South Africa into a recission of its racist policies or to withdraw their financial investments and franchise arrangements from that country. We note further the continued refusal of South Africa to admit American athletes of color such as Arthur Ashe, internationally known tennis star, although our nation continues to invite such sports stars as Gary Player in golf, and Cliff Drysdale in tennis and others who participate in lucrative contests and through their winnings are enabled to take home a considerable share of wealth.

In view of South Africa's continued promotion of segregated sports while black Americans are denied equal opporunity for admission to and participation in South Africa sports and native South Africans are likewise denied an opportunity to participate in international competition,

Therefore be it resolved that we call on our Branches to engage in peaceful protests against the invitation and participation of South Africans in American sports competition.

We call on our members to withhold economic support from such companies doing business with the Union of South Africa where those companies do not accede to our request that they use their good offices to bring about a favorable change in the apartheid policies in South Africa.

III. CIVIL RIGHTS

A. Revenue sharing

Whereas, President Nixon has proposed a revenue sharing plan making United States funds available to states and cities without any Federal restrictions as to the use of these funds, and

Whereas, the practice of granting Federal funds for education and other purposes to states without any requirements as to how the funds are to be distributed and utilized has resulted in gross discrimination against Negro citizens in funds allotted to meet their needs, therefore be it

Resolved that the National Association for the Advancement of Colored People shall call upon the Congress to reject any revenue sharing plan which fails to provide workable safeguards against discrimination based on geography population and/or race in the distribution and utilization of public funds, and be it further

Resolved that the text of this resolution be sent to the leadership of both parties in both Houses of Congress and the President of the United States.

B. Representative William McCulloch

We note with deep regret that Congressman William McCulloch of Ohio, who is the ranking Republican member of the House Judiciary Committee, will not seek re-election in 1972.

We commend him for his consistently courageous and successful efforts to build bipartisan support for all civil rights laws enacted in the period from 1957 to 1970. We urge his colleagues to follow his example in working for the full equality of all America.

C. Withholding funds for state departments of police

Whereas funds for state police are augmented by Federal funds, and

Whereas many state departments of police are segregated and/or without affirmative action programs for desegregation,

Therefore be it resolved that the NAACP calls upon the Federal Department of Transportation to withhold funds for highway construction from any state until the highway patrol of such state is integrated.

Be it further resolved that our branches, youth and college chapters and state conferences support a policy of federal denial of funds to any state department of police which is not integrated, instituting legal suit, to accomplish this purpose, where necessary.

D. Police community relations

Whereas, there is an increasing deterioration in police community relations due in large part to unprovoked assaults and killings of citizens by police and by unjustified arrest, and

Whereas, police throughout the country have repeatedly demonstrated an appalling unfamiliarity with the bill of rights, and

Whereas, much of this can be traced to the failure to properly screen applicants for police work to assure that existence of antisocial and biased attitudes are not present in them, and the failure to properly train police officers in matters regarding constitutional rights and human relations, and

Whereas, the political exploitation of the widening cleavage between some communities and those charged with their protection is escalating the deterioration of relations between police and community in critical areas, and

Whereas, the Federal government is supplying large sums of money through the law enforcement Assistance Administration to the states for the improvement of law enforcement without adequate protections against the flagrant misuse thereof,

Therefore be it resolved that we call upon all our country's law enforcement agencies to establish comprehensive recruiting and testing procedures which would assure the selection of stable competent and unbiased officials.

Be it further resolved that a thorough understanding of the Bill of Rights be a requirement for police service, and

Be it further resolved that we call upon the law enforcement assistance administration to require that sufficient funds be allocated for human relations training for police departments to require strict adherence to all federal non-discriminatory guidelines and to insist on the inclusion of blacks and other minorities as community and other representatives, and

Be it further resolved that the law enforcement Assistance Administration mandate that out of the allocated funds a separate agency be established which is in no way dependent on or related to law enforcement agencies to prepare and administer the test and pass upon the qualifications of the applicants, and

Be it further resolved that the law enforcement officers who are members of the NAACP be asked to meet during 1971 for the purpose of determining how they can assist branches when called upon, regarding discrimination in police departments, recommendations for training programs of police officers, etc., and where problems exist between the police department and the community.

Be it finally resolved that we call upon all public officials and candidates for public office to denounce the exploitation of police community tensions for political purposes.

E. Administration of juvenile justice

Whereas, there has been increasing evidence throughout the United States that individuals who are legally defined as juveniles when confronted with the throes of the law are not accorded simple due process of law, equal protection of the law and in many instances not provided with any vehicle to vindicate themselves, including but not limited to the right to counsel, the right to bail, the right to a jury of their peers and the right to a speedy and public trial,

Whereas, we have received an abundance of evidence that juveniles are required to make unintelligent waivers of those diminutive rights which they have,

Whereas, the nation generally is placing increased responsibility upon those legally defined as juveniles both for their actions and results of their actions,

Whereas, there are enumerable individual Americans who are legally defined as juveniles today,

Whereas, the increasing evidence of mistreatment of juveniles by officials of the law is a blight on our legal character and cause for alarm among those who hold "law and order" dear, and

Whereas, the juvenile detention centers and jails have clearly demonstrated their incapacity to rehabilitate and reshape individuals,

Therefore be it resolved, that national priority be given to the correction of blatant inequities existing in the treatment of juveniles,

Be it further resolved, that the Executive, Judicial and Legislative branches of the Federal Government and State Government give immediate and special attention to the methods and procedures which are currently in use with respect to the treatment of juveniles who are involved in legal action against them.

Be it further resolved, that we call upon NAACP units both seniors and youth to investigate and monitor the treatment of juveniles as they are faced with the law and take any steps to rectify the existing inequities.

F. Angela Davis

We are appalled at the obvious effort to deny the presumption of innocence and thereby convict Miss Angela Davis of murder long before the first witness has been called. We are deeply concerned that the American judicial system provide a fair trial for a young, black American woman who admits to being a member of the Communist Party.

At this moment, we express no view as to her innocence or guilt simply because the evidence has not been presented. Miss Davis has not asked our help but we demand, and will take every lawful step available to us to guarantee that Miss Davis shall not be denied any of the safeguards of the American judicial system. We call on all other Americans, black and white, to join us in assuring a fair and impartial trial for Miss Davis.

IV. CONSUMER PROTECTION

A. Rights of the consumer

Congress must address itself to legislation to further enhance consumer protection. Whereas, that age-old expression, "Caveat emptor" ("Let the buyer beware") has no rightful place in even a "free" society; and

Whereas, in these United States, the wealthiest of nations, millions of citizens are still easy prey for merchants, businessmen, and loan sharks.

Therefore be it resolved, that we specifically call on the U.S. Congress to initiate and pass legislation which will:

(1) Make mandatory the listing of unit prices on multi-unit packages of consumer goods;

(2) Make mandatory the dating of perishable goods in order to safe-guard consumption;

(3) Outlay deficiency judgments;

(4) Provide that the language of warranties, contracts, etc., be couched in terms that the average citizen can understand; and

(5) Provide that the Office of Economic Opportunity continue the establishment and funding of credit unions in low income areas.

B. Consumer programs

Whereas, the 61st Annual Convention established a Branch Standing Committee on Consumer Protection by Constitutional Amendment.

Therefore be it resolved, that we urge our branches to develop consumer programs in order to assure both the protection and enforcement of consumer rights.

V. ECONOMIC ADVANCEMENT

Transportation

Since 1952 two hundred and fifty-eight transit systems in the United States have been abandoned. The poor particularly are victims of the decline of public transportation. Of all of those families with an income of less than $3,000 a year, only forty-six per cent own cars, a very low figure considering that many of the people live in areas where the car is the sole means of transportation.

The nation's present over-emphasis on the private automobile and highways as the primary means of transportation has resulted in a loss of equality in the movement of people, particularly the poor.

The Urban Mass Transit Administration of the Department of Transportation has a budget of four hundred million dollars while the Federal Highway Administration has a budget of over five and one half billion dollars. This is all part of a pattern of extensive subsidies for road construction, and minimal subsidies for mass transportation and transportation planning.

We affirm the right to mobility as a basic human right. We believe that everyone has a right to safe, efficient, economical comfortable, and clean transportation systems. We urge a national reevaluation of transportation policy at all levels of government and encourage citizens to become involved in the setting of this policy. In a country where eighty percent of the people live on one percent of the land space, public transportation is not only a right, it is a social necessity.

Black Entrepreneurship

Fifty percent of Black entrepreneurs involved in an economic venture have failed primarily due to lack of sufficient capital.

The majority of Black business are under programmed, under financed and under staffed mainly because of inadequate preparation. Therefore a serious plan of activity should be set up to obtain financial assistance.

Be it resolved that the NAACP use whatever means necessary to obtain this assistance through the establishments of organizations, foundations, etc. to provide grants in aids, training in management assist, and other resources to assist all Black businesses in their economic mergence in American life.

Be it further resolved that the NAACP support black trade organizations in their efforts to get the Federal Government to set aside a certain number of contracts for black-controlled businesses.

VI. EDUCATION

A. Basic policy statement

We again reaffirm the historic commitments of the NAACP to the elimination of racial segregation in all forms in public education—de jure, de factor, or combinations of both—based on the principle of the May 17, 1954 U.S. Supreme Court decision that racial segregation *per se* in public education is inherently discriminatory and unconstitutional.

At the same time, we recognize that the vast majority of Negro children continue to attend racially separate public schools maintaining low educational standards and low teacher-administrator expectations. The devastating educational damage has been documented over and over again. There is no choice, then, between the urgency of ending all forms of segregated education and the urgency of providing high educational standards and accountability of the schools for effectively teaching Negro children. Both objectives must be pursued vigorously.

We call upon the NAACP units in every part of the country to initiate now actions to achieve the basic objectives set forth here and in the standing Resolutions on Education adopted by the National NAACP conventions in 1968, 1969, and 1970.

B. School opening, September, 1971

We call upon all NAACP branches and youth councils in all parts of the country to monitor the opening of public schools in September, 1971, focusing on: (1) continuing segregation—de jure, de facto or both; (2) ineffective school desegregation plans; (3) segregation and discrimination within desegregated schools; (4) discrimination affecting black teachers and administrators; (5) racially biased curricula; (6) discriminatory student suspension practices.

We further call upon all NAACP units to initiate new community and legal actions wherever necessary to end these and other discriminatory school practices.

C. School desegregation, student teachers, administration and building sites

We demand that in all instances desegregation of administrative and teaching staffs accompany student desegregation and the reassignment, promotion, demotion, retention, or dismissal be determined not by the subjective judgment of school boards and school officials but on the basis of performance and objective tests free from racial bias. We further insist that principals or teachers who may have been demoted or dismissed due to reduction in staff should be rehired or restored to former levels of responsibility, as the case may be, before new personnel are engaged.

D. Accountability of the schools

The quality of education affecting Negro children, especially Negro children from poor families, has long been of deep concern. We have consistently rejected the concept of "the culturally disadvantaged" or "the culturally deprived" child when it has been offered as an excuse for the underachievement of Negro students or as an excuse for the failure of the schools to teach children. Instead, we have attempted to hold the public schools—school boards, administrators, counselors and teachers accountable for the academic achievements of their students.

We now urge all NAACP branches to promote this concept of accountability of the schools and to press for new school policies and practices to ensure administrator-teacher accountability for student performance, especially as expressed in student reading and speaking skills.

Whereas, it has been reasonably sustantiated that there is the nefarious practice on the part of teachers in integrated schools to pass black students who are slow learners, on and out to rid the school of such students,

Therefore, be it resolved that the NAACP go on record as deploring such practice and make it known to administrative agencies that such practices are crippling such students and that such practices be halted immediately.

E. The voucher plan

The voucher plan, whereby parents of all income levels may apply federally subsidized payments in the form of vouchers for the admission of their children to public schools or private schools of their choice, is now being funded on an experimental basis by the U.S. Office of Economic Opportunity. Despite value assurances that the voucher plans will not be used to further segregation, there is grave reason to fear that greater racial, ethnic, and socio-economic segregation will indeed result and that it will be a new deadend for black and poor children.

We therefore reaffirm our opposition to the voucher plan and we call upon the local branches and the National Office and Local NAACP Branches to take necessary actions opposing the voucher plan.

F. Performance contracts

One of the current controversial issues in public education is performance contracts whereby the public schools contract a private firm to teach children and to be paid on the basis of student achievement. Subject to further experience, we support performance contracts on a limited, experimental basis in the belief that they may offer meaningful competition in the public schools for effectively teaching children, especially black children from poor families. We urge that performance contracts include a penalty provision for a premature termination.

G. Enforcement of P. L. 91–230

Whereas P. L. 91–230 (91st Congress) provides in its Title I for educational services to bring cultural enrichment and remedial and support services to students needing such services, and

Whereas, this provision of the law is being disregarded or violated in most school district throughout the nation, and

Whereas, millions of children are therefore deprived of services Congress intended to be supplied to them, and

Whereas, the present administration has not yet given unqualified and aggressive support to the enforcement of Title I of P. L. 91–230, and

Whereas, the further provisions of this law calling for maximization of parental and community involvement have too frequently been evaded or emasculated in operation, thus further tending to negate congressional intent, now therefore

Be it resolved that the Congress be urged to take immediate appropriate steps to insure compliance of Federal agencies, State and local governments and school and educational authorities at all levels with legislative intent, and

Be it further resolved that Federal funds be withheld from any school district which fails to comply forthwith to the provisions of Title I of Public Law 91–230.

H. Public library services to white academies

Whereas, many local communities are circumventing the intent of Congress and the meaning of the Constitution by establishing private academies for whites only in order to evade integration in the public schools, and

Whereas public libraries are, in many instances, providing books and services to these academies, therefore

Be it resolved that we commend the Black Caucus of the American Library Association for their efforts to end practices in public libraries and school libraries which are discriminatory, and call upon the American Library Association to act switfly and vigorously on the findings of the ALA Black Caucus, and

Be it further resolved that the National Office call on all Federal and other public agencies to withdraw funds immediately from any public or school library which supplies books or services to all-white private academies.

I. Internal Revenue Service and tax-exemption of private academies

The National Office, acting on information received from NAACP branches, has called upon the Internal Revenue Service to investigate the tax exemption status of more than 100 newly established all white, private "academies" in nine southern states. We strongly urge the IRS to act swiftly on these complaints and on other possible violations of IRS policy of July, 1969 to withdraw federal tax-exemption from lily-white, private schools established to evade desegregation of the public schools.

J. Fair and equal representation on public library boards of trustees

Whereas, a fair and inherent right to fair and equal representation at the policy making level is a basic right of all citizens served by public libraries and

Whereas, equal and fair representation is not practiced in the appointment of citizens to represent the total community on State and local library boards of trustees, and

Whereas, since the public library is one of the important non-school agencies which contribute to the educational and informational needs of all citizens from pre-kindergarten to post-graduate, and since black and other minority Americans are in too many instances ignored, not included, and in too many instances are not appointed in sufficient number to represent a fair representation of the population be it hereby

Resolved that the National Association for the Advancement of Colored People vigorously supports fair and equal representation on boards of trustees of public libraries which will make for fair and equal representation of the total public served, in the composition of all public library boards, and that this communication be sent to all branches of the Association as stated policy and further, that the National Education Director communicate this position to all known state and local officials who are responsible for appointments to public library governing boards.

Be it further resolved that NAACP units urge use of political participation to achieve this goal.

K. "Black" English

Resolved that we support the following editorial in the CRISIS (April 1971) by taking specific action to have the course removed from Brooklyn College or any other college.

The new cult of blackness has spawned many astounding vagaries, most of them harmless. Some of them intriguing and others merely amusing. One which has recently gained a measure of academic and foundation recognition is not only sheer nonsense but also a cruel hoax, which, if allowed to go unchallenged, can cripple generations of black youngsters in their preparation to compete in the open market with their non-Negro peers.

The New York Times and the Daily News report that New York City's Brooklyn College has enrolled some 50 Negro students in a course in "black English"—taught as their native language by Mrs. Carol Reed, described by the News as a "young linguist who heads the language curriculum research project at Brooklyn College". The project is financed by a $64,000 Ford Foundation grant.

It appears that Miss Reed (and she is not alone in this fantasy) is trying to transform a venacular which is more regional than racial, i.e., more southern than Negro, into a full-fledged distant language which the college offers as a course. This language is merely the English of the undereducated with provincial variance in accent and structure from locale to locale throughout the English-speaking world. One might as well call the cockney of the London East Enders or the speech patterns of the Appalachian whites separate languages. The so-called black English is basically the same slovenly English spoken by the South's undereducated poor white population.

What our children need, and other disadvantaged American children as well—Indian, Spanish-speaking, Asian, Appalachian and immigrant Caucasian—is training in basic English which today is as nearly an international language as any in the world. To attempt to lock them into a provincial patois is to limit their opportunities in the world at large. Black children can master Oxonian English as well as any Wasp child of the English Midlands, but each has to be taught the language. No one is born speaking "black, cockney, pidgin, standard or white" English. Children learn to speak what they hear and are taught. Let our children have the opportunity and be encouraged, to learn the language which will best enable them to comprehend modern science and technology, equip them to communicate intelligently with other English-speaking people of all races, and to share in the exercise of national power.

Black parents throughout the nation should rise up in unanimous condemnation of this insidious conspiracy to cripple our children permanently. It is time to repudiate this black nonsense and to take appropriate actions against institutions which foster it in craven capitulation to the fantasies of the extreme black cultures and the pale and spineless sycophants.

Let the black voice of protest resound thunderously throughout the land.

VII. HOUSING

A. The national housing crisis

Whereas, the Congress of the United States has repeatedly affirmed the national policy of eliminating unsafe and unsanitary housing conditions for families of low-income and has also established "a national goal of a decent home and a suitable living environment for every American family."

Whereas, in the passage of the 1964 Civil Rights Act, Congress affirmed that "no person shall be denied the benefits of any federally assisted program on the ground of race, color or national origin."

Whereas, in the 1968 Civil Rights Act, Congress mandated that "it is the policy of the United States to provide against discrimination in the sale and rental of housing," and

Whereas, the Act further ordered that "all executive departments and agencies shall administer their programs and activities relating to housing and urban development in a manner affirmatively to further the purposes of fair housing."

Whereas, past and present housing policies and practices of national, state and local governments or the lack of policy, has either caused, supported or aggravated the crisis of our cities, the flight of industry to suburbia, the creation of segregated residential neighborhoods across the nation, as well as being the chief underlying cause of rioting and racial confrontation.

It is hereby resolved that:

1. The Federal government should undertake the development of housing and related facilities as a last resort where no other public agency or private developer is meeting the need in an area for low-and-moderate income housing.

2. The NAACP goes on record as encouraging federal programs of home ownership. This includes cooperative and condominium ownership of multi-family private and public housing.

3. The choices of home ownership or rental housing, of or city, suburban or country living cannot be limited by race, color, religion or national origin. Further, the constitutional rights of the poor must not be abridged nor denied in providing equal housing opportunities.

4. State and local public bodies should be prohibited from discriminating through legislative or administrative action against housing that is subsidized. We strongly urge that suits should be filed by interested parties, as well as the federal government, to enjoin such discrimination.

5. We strongly urge federal pre-emption of local zoning upon a finding of discriminatory intent or effect by the courts or the government.

6. We support the use of federal grants to municipal and public agencies to cover impact costs of providing educational, health and other services which result from the location of housing developments in an area.

B. Achieving a stabilized racial balance and preventing segregation in housing

It has been over three years since the Fair Housing Act of 1968 was signed into law. The U.S. Department of Housing and Urban Development has established a nation-wide program for compliance with the statute through education and conciliation. The Department of Justice has initiated lawsuits alleging patterns and practices of discrimination in the sale and rental of new and existing housing. Notwithstanding these and related efforts by state and local agencies, public and private, racial ghettos have continued uninterrupted expansion.

Patterns formed by years of racial discrimination must be changed if the objectives of fair housing are to be achieved. In the interest of achieving stable, integrated housing, there must be affirmative posture and positive planning by owners and managers of housing.

Now therefore be it resolved, we support issuance of regulations by the U.S. Department of Housing and Urban Development, the Veterans Administration and the Farmers Home Administration, that will permit the taking of race into account for the purpose of achieving increased housing opportunities for racial minorities, and

For the prevention of further racial segregation in federally-assisted housing developments of five or more units—provided, however, that integration plans to accomplish these objectives shall, in no way result in any unconstitutional refusal or denial of housing.

Developers and managers of housing developments must be required to submit plans of affirmative action for each proposed project. These plans must include programs and efforts providing in detail for specific steps that will assure equal housing opportunity keyed to the problems and needs of minority groups. When there are deficiencies, the determination of minimum goals and timetables for the prompt achievement of full and equal opportunity must be required as a condition of approval. The appropriate federal agency must establish standards, taking into account location, price range, number and size of units, and social and recreational facilities.

Branches and other units of the Association must be prepared to examine all plans proposing to establish goals of racial occupancy to assure that such plans will actually increase housing choice throughout metropolitan areas and will not serve to deny housing to members of minority groups.

C. Presidential policy on equal housing opportunity

Mr. Nixon on June 11, 1971, released his long-awaited Statement on Federal Policies Relative to Equal Housing Opportunity. Ostensibly its purpose was to clarify existing policies and provide direction to the nation (during his administration) to meet housing needs of the economically disadvantaged and racial minorities.

The Policy Statement contains an accurate history of racial discrimination in housing and its dehumanizing effects and a recitation of the laws-of-the-land, all of which indicated a complete understanding of the problem. On the other hand it contains limiting phrases such as:

"This administration will not attempt to impose federally assisted housing upon any community."

". . . individual local land-use policies are not appropriate for federal determination. . ."

"It is important to remember, however, that the terms 'poor' and 'black' are not interchangeable."

Solutions to the problems the President has so eloquently described will not be found if the limiting phrases are followed in the field of housing.

Since the President's message was announced, the Department of Justice has filed suits against certain discriminatory housing practices and the Department of Housing and Urban Development has proposed guidelines and procedures based on its interpretation of the policy stated by the Chief Executive. We will make a good faith effort to see that these actions of the Departments of Justice and Housing and Urban Development produce constructive results. However, we wish to make clear that NAACP has its own standards which we believe must be met.

Therefore be it resolved that:

1. The NAACP rejects the restrictions the President has unnecessarily placed upon the Executive Branch of Government. We call upon the President to adopt a new national policy supported by the full force of his moral leadership and utilizing all of the powers of his office to ensure open communities throughout this nation without regard to race, creed, color, religion or economic status.

2. In accordance with Executive Order 11063 and Title VIII of the 1968 Civil Rights Act, we call upon the President to immediately schedule a White House Conference on Equal Housing Opportunity.

Further in support of this call for action, we invite all other civil rights and fair housing organizations to join wth the NAACP in a united effort to convince the President and the nation that such a conference is urgently required to find solutions to the current dilemma facing our country.

3. We recognize that President Nixon possesses the most powerful single weapon in government—the power to withhold or cancel government contracts with municipalities and private firms. We call upon the President to make clear that he will not hesi-

tate to use this power to eliminate discrimination against needed subsidized housing because of race.

We demand the immediate cancellation of all such contracts in accordance with existing laws and executive orders, and the withholding of all federal subsidies and government guarantees.

D. Rights of housing tenants

Whereas, Public Law 91–609 Sec. 21 Sub. Section 1g, the U. S. Housing Act g 1937 as amended 1970 added the following "it is the sense of the Congress that no person should be barred from serving on the Board of Directors or similar governing body of a local Housing Agency, because of his tenancy in a low rent housing project," and

Whereas, subsequent HUD regulations have not opposed such policy and has in such principle issued HUD Administrative letter 7—095 subject creation of tenant advisory councils for guidance, leadership and services to tenants, and

Whereas, some 20 city housing authorities have publicly threatened to band together to thwart the HUD administrative directive in regard to development of tenant councils for the stated reason that such activity will ultimately lead to the selection of militant black tenants to Housing Boards,

Be it resolved that the resources of the NAACP be made available to housing tenants whose rights to representation, participation in policy and decision making in housing projects are abridged because of race or economic station.

VIII. HOSPITALS, HEALTH AND WELFARE

A. Welfare Reform

The NAACP believes that welfare reform is vital to the well being of our country and calls for:

1. Elimination of categories and establishment of a unified federally administered and federally financed system based solely on need (the job rights of state and city employees should be fully protected during the transition from state to federal administration.)

2. Benefit levels.

a. Minimum benefits for individuals and families beginning at the government-defined poverty level, with appropriate adjustments to meet variations in the cost of living;

b. Federal supplements to assure that benefits are maintained at least up to present assistance levels.

3. Protections as to both suitability and wage standards on all job or training programs. Wage rates should equal the federal or state minimum or the prevailing rate, whichever is higher.

4. Exemption of mothers of pre-school and school-aged children from all job or training requirements: establishment of day care centers with adequtae standards and other supplementary services to enable mothers who choose to accept employment to do so.

5. We expressly call attention to those governors and welfare executives who have announced or instituted across the board percentage cuts to establish welfare grants which will ultimately result in hunger, sickness and death of poor persons. We are particularly distressed about the policy change in New York State which has moved from a beacon of progress and activity in this regard to the leading example of the stated wrongdoing.

Therefore be it resolved, that this convention and its branches and its proper associated staff pay particular attention to the serious publicity of the mistreatment of the poor which are black, and to lend the resources of the Association for corrective action.

B. Sickle cell anemia

Whereas Sickle cell anemia is a major killer among students of the world.

Whereas little or no research has been made by government or private institutions to focus attention on the causes and cures of this dread disease, and

Whereas this disease primarily strikes the young who are the future of mankind,

Therefore be it resolved that the NAACP call on the federal government to assign the highest priority to the task of setting up a program of research and therapy which will attack and eradicate this killer.

C. Presidential veto of public works acceleration bill S. 575

The veto of Public Works Acceleration S 575, if allowed to stand, would kill a chance to give more than 400,000 unemployed Americans good jobs in building construction and related occupations. It would deprive communities all over the country of such badly-needed projects as waste treatment plants, water and sewer plants, and hospital and public health centers. We therefore call upon all members of Congress to override the President's veto when the matter comes up for vote next week.

D. Food program

Whereas food and money are available from the United States Department of Agriculture to undertake programs by non-profit groups to feed the poor, elderly and invalids, and

Whereas many of our poor, elderly and invalids are in need of nutritious meals and reside in black ghetto enclaves,

Whereas there exist in your local communities and branches equipment, facilities and personnel who could effectively implement such a program.

Be it resolved that this convention call upon NAACP units to become knowledgeable about the program by obtaining information from the national office NAACP and the Department of Agriculture to conduct feeding programs in their local communities.

E. Drugs

Whereas, the NAACP youth of the 62th Convention reaffirmed our stand on drug addiction in the Resolution on Drug Abuse passed by the 61st Convention in Cincinnati, Ohio, and

Whereas, there has not been sufficient study on marijuana and evidence to establish that marijuana is unharmful to the well-being of the individual, we feel that the youth cannot afford to experiment with unknown drugs,

Now therefore be it resolved that the Youth and College Division opposes the legalization of marijuana until the exact nature of its effect is known.

Be it further resolved that we commend the Medical Associations for taking strong positions against indiscriminate prescription of drugs which when used in excess can be harmful.

IX. INTERNAL AFFAIRS

A. Communications

The 62nd Annual Convention notes with concern a continuing problem of communications between professional staff and local NAACP units in the failure to keep NAACP units advised of staff visits and speaking engagements in local communities.

We call on the National, regional and state offices to apprise all units in advance of dates of visits and/or speaking engagements within the jurisdiction of the NAACP unit, whether NAACP engagement or not so that the nearest NAACP unit will be knowledgeable about staff's presence and mission.

We also call upon the individual volunteer units of the association to advise other NAACP units of official visitations into the jurisdictional area of another unit.

We call upon the Director of Branches to notify branch presidents of the names of the presidents and secretaries of branches within each region.

B. Drug abuse

Whereas, the pandemic proportions that drug abuse has assumed endangers and critically threatens the most valuable resource of this nation, our youth.

Whereas, there was no significant public outcry against the spread of drug abuse as long as it was confined to the poor and black communities; and

Whereas, it is clear that the traffic in illegal drugs could not exist and flourish to the extent that it does without the passive or active participation of law enforcement agencies; and

Whereas, the Federal Government has not taken any significant steps to halt the importation and smuggling of drugs into the country by using the resources available to it.

Now, therefore be it resolved, that the convention demands that the Federal Government bring into play all of its available resources to halt the importation of drugs into this country, including the steps already taken between the U.S. and Turkey; and

Be it further resolved, that the national office, recognizing the gravity of this menace engage the services of an expert as addition to the national office staff to disseminate information on available programs, materials and sources of funds, both public and private, to enable branches to set-up effective drug abuse programs in their communities, where no real program exists. This expert would also initiate and formulate additional programs and assist local branches and other units of the association in the implementation of these programs.

C. Publication & reporting procedure for further study resolutions

Whereas, the largest annual gathering of members of the Association takes place at the Annual Convention; and

Whereas, it is the constitutional right, indeed the responsibility of this body to determine the policy on which the programs of the Association are based as well as the procedures and rules under which the Association will function; and

Whereas, the very size of this body at times requires that details, clarification and review of items put before it be referred to the National Board as is provided for in our National Constitution (Blue Book); and

Whereas, the business of the Association can best be implemented at all levels when the membership is informed and aware;

Therefore be it now resolved, that as a matter of routine all resolutions passed at this and any future Annual Convention of the Association and then referred to the National Board or Committee for further study and/or review be published in the Crisis and then be reported to and at a plenary session of the following Annual Convention regardless of and in addition to any other gathering or meeting of the Association where it is reported or discussed.

National internship program for youth

Whereas, the annual influx of students and graduates into the labor market comes this year in the face of a national unemployment rate among youth of approximately 20%; and

Whereas, the unemployment rate of black youth exceeds this national average by far; and,

Whereas, this percentage reflects the impact of the lack of economic prosperity among this age group at the beginning of their future economic and productive development, and this percentage has a direct relationship to the unrest in our community; and,

Whereas, we deplore the national administration's lack of commitment in providing jobs for youth in face of the enormous unemployment rate,

Now therefore be it resolved that the NAACP Youth and College Division call upon the NAACP National Youth Work Committee to sponsor a national internship program to acquaint high schol and college students with the new career opportunities in government and private industry which will give them practical experience in these careers and provide jobs as well.

NAACP special contribution fund

The 62nd Convention of the National Association for the Advancement of Colored People commends the Board of Trustees of the Special Contribution Fund and the National staff for effective work in augmenting the resources of the NAACP, and,

Recognizing that misunderstandings sometimes arise, particularly with reference to *tax exempt status* of a gift as it relates to a particular purpose.

We call upon the National Office to prepare and distribute to all NAACP units a comprehensive statement explaining the purposes and processes of the Special Contribution Fund, including the ways in which gifts intended for use within the framework of the Internal Revenue Service regulations may be made.

We also call upon the National office to set up some method for crediting branches for those funds so received.

X. PUBLIC RELATIONS

A. Branch program and activities

Whereas, programs and activities carried out by one branch or region may be of benefit to and may be used successfully by other branches or regions if the details were made known to them, and

Whereas, there is an urgent need to strengthen the membership rolls of all of our branches,

Be it resolved that all regions and local branches forward to the national office all news articles and feature stores of the region and branch published in local or regional papers and all copy carried on local radio and TV stations for the purpose of giving suggestions and ideas to other branches, creating a cohesiveness of program and strengthening of the various branches.

Be it further resolved that all local branches forward to the regional offices and/or to the national public relations department all published materials concerning branch in order that the director of branches or public relations department can evaluate it and distribute it to other branches for their information and use.

B. Guidelines for public service time

Whereas, there is a need among branches, particularly the smaller branches and youth councils, for guidelines on the development of an effective program of public relations, and

Whereas most branches would welcome suggestions on how to improve the relationship between the NAACP and the news media,

Whereas in many cities, radio stations and television stations are willing to make available public service time for NAACP branches, if suitable material is supplied them,

Be it resolved that the national public relations staff develop a comprehensive program and/or a set of guidelines for the use of ragional, state and branch offices.

Be it further resolved that such guidelines be directed particularly along such lines as will attract younger members of our communities to the NAACP, and that they be directed to young people at both college and secondary levels.

C. NAACP image

Whereas, the national staff, the regional office staffs, state conferences and local branches through the use of newsletters, news articles in the daily and weekly press throughout the country, through radio and television are endeavoring to keep the public well informed on the various activities of NAACP branches and members, and

Whereas, the image of the NAACP in the eyes of the general public over a long period of years has been reasonably good, and

Whereas, a perusal of weekly black newspapers around the country will give evidence to a large amount of space devoted regularly to the activities of the NAACP,

We therefore recommend the branches, states conferences and regional offices and national office staff for the good work that they are doing on very limited budgets and urge that they continue to keep the NAACP and its work and activities before the public through continued use of all printed and broadcast media.

CONSEQUENCES OF REPRESSION IN EAST PAKISTAN

Mr. SAXBE. Mr. President, the repression in East Pakistan is deeply alarming not only because of the senseless human slaughter but also because of the grave implications for the United States. At the moment we find ourselves on the same side with China in continuing arms shipments to Pakistan. Yet, only China can gain from this inharmonious relationship.

A Bengali recently asked, "The cradle of democracy America, and great revolutionary China are allies giving aid to the Pakistan army, which is supressing our freedom and slaughtering our people. Why is this?"

If West Pakistan successfully represses East Pakistan it will be indebted to China. These two totalitarian countries have much in common, both in callous regard toward human life and hatred toward democratic India. On the other hand if China can sustain West Pakistan's efforts over a long period of time, the leadership of the moderates will slip under Communist influence. By continuing to supply aid to the central Government of Pakistan, the United States is increasingly coming to be viewed as an enemy by the Bengali people.

The Government of Pakistan tells us that the refugees are welcome to return from India to East Pakistan and yet in today's New York Times we see refugees begging on their knees to be allowed to return to their villages, only to be sent to camps. If the Government of Pakistan is sincere in its avowed promises of safe passage home to the refugees, it must prove it.

Mr. President, I am discouraged that United States-India relations have reached a new low. India has not created the problem: It was dumped in its lap. India must be commended for its nonwar position. Yet I fear this nonwar position may not last very long. Guerrilla camps are springing up along the border where reportedly 30,000 Begalis are training to recapture their homeland. The guerrillas may provide the spark which would start a major war between the two countries. In the alternative the guerrilla force "Mukti Bahini" may be taken over by Communist elements that would be detrimental to the long-term interests of the United States.

Mr. President I ask unanimous consent to have some articles on Pakistan inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 27, 1971]

A NATION DIVIDED: EAST PAKISTAN IS SEEN GAINING INDEPENDENCE, BUT IT WILL TAKE YEARS; BENGALIS INCREASINGLY VIEW THE UNITED STATES AS THEIR ENEMY; LEARNING TO BE GUERRILLAS; WELL-FED ARMY, ILL-FED PEOPLE

(By Peter R. Kann)

DACCA, EAST PAKISTAN.—An independent East Pakistan seems to be one of those ideas whose time is coming.

Travels across the ravaged land and talks with military participants in the civil conflict, its innocent sufferers and its diplomatic observers leave the distinct impression that someday East Pakistan and West Pakistan will be separate legally as well as ideologically.

How soon Bengla Desh, or Bengal nation, comes to pass—and the diplomatic assessments tend to be in terms of years, not months—depends on many factors. These include the degree of support India is willing to give the liberation forces, the weight of economic pressures on West Pakistan, the severity of future famine in East Pakistan and perhaps the policies of America and other world powers.

For the moment, both the Pakistan Army and the Bengali independence movement seem to be overly optimistic about their capabilities and prospects. The army, currently running East Pakistan as a kind of reconquered colony, says everything is under control and is rapidly returning to normal. But all around is evidence of social chaos, economic collapse, public hostility, and gradually mounting guerrilla opposition.

GUERRILLA WARFARE AND PATIENCE

Bengali liberation forces still talk of massive offensives that will "liberate" the land as early as this fall, or of the Indian army coming to their aid, or of the Pakistan army simply tiring and going away. But the Pakistan army, tough and tenacious, seems determined to hold on here at all cost. The Indians, while aiding the Bengali resistance, seem anxious to avoid full-scale war. Many Bengalis don't seem to comprehend that guerrilla war, which they are beginning to wage with some effectiveness, is their only hope and that it requires much time and patience.

The fighting began March 25 with attacks by the Pakistan army on civilians in Dacca. The amount of blood that has been spilled in East Pakistan since then appears to rule out any sort of political compromise. Diplomats say that a minimum of 200,000 and perhaps as many as a million people have been killed in four months, most of them Bengali civilians slain by the Pakistan army. Six million refugees have fled to India, and millions more are displaced persons still hiding within East Pakistan.

In the view of nearly all observers here, much more blood will flow, many more villages will be destroyed and many more people will be uprooted before the conflict ends.

If the war does result in Bangla Desh, America may be in trouble. By continuing to supply aid—and particularly arms—to the central government of Pakistan, the U.S. is increasingly coming to be viewed as an enemy by the Bengali people. Moreover, the longer the Pakistan army is able to maintain its hold on East Pakistan, the more likely it is that the Bengali independence movement will slip under Communist influence.

A PROGRAM FOR INDIA

This is one of the worries that lead some Indian policy makers to favor war with Pakistan. The odds are still against a full-scale war, but artillery exchanges erupt daily along the border. Presidential adviser Henry Kissinger, during recent meetings with American officials in Islamabad, the national Pakistan capital located in the West, is said to have called the odds for an Indo-Pakistani war better than one in three.

The scope of the Pakistan army's military problem here can be seen in a comparison with Vietnam. There, a million-man South Vietnamese army plus American troops and massive firepower must try to control a population of 17 million, many basically sympathetic to the government. Here, only 60,000 West Pakistani troops are trying to control a thoroughly hostile population of 75 million. East Pakistan, moreover, is surrounded on three sides by India, which is giving sanctuaries and supplies to the guerrillas. And the Pakistan army's supply routes from West Pakistan to the East must circumvent, by sea and air, 1,200 miles of India.

Of course, the Mukti Bahani, or liberation army, isn't the Vietcong. For one thing, the guerrillas aren't Communist. For another, they are not—or are not yet—very effective fighters. They have been at it for less than four months, and organization and discipline don't come naturally to most Bengalis.

LEARNING TO BE GUERRILLAS

But they are learning. In recent weeks they have been concentrating on disrupting the Pakistan army's lines of transportation; bridges are being dynamited and railroad tracks sabotaged. The key railroad line from Chittagong, East Pakistan's major port, to Dacca, its capital, has been put out of operation, and almost all supplies must move inland by riverboat. Electric power facilities in Dacca and elsewhere have been blasted. The guerrillas also are concentrating on assassinations of local people who collaborate with the army.

The Mukti Bahani enjoys some big advantages, though it is far from ready to benefit fully from them. Much of the land, outside the towns and off the main roads, is a vacuum that 60,000 soldiers can never hope to fill. At night the Pakistan army withdraws into military camps, but if and when the guerrillas learn how to use mortars and rockets, these camps could become traps rather than refuges.

The Pakistan army's crude and bloody tactics, while cowing most Bengalis, have been solidifying public support behind the independence movement and have left the Mukti Bahani with a sea of sympathizers in which to swim. A severe famine this fall or next, which Western economists consider likely, could possibly produce from the peasant sympathizers great waves of desperate and angry activists. "A nation with a well-fed army and an ill-fed people cannot survive," a Bengali professor says.

A clandestine meeting with a Mukti Bahani unit leader at a Moslem village deep inside East Pakistan provides some insight into guerrilla operations. It is early morning, and the leader is sitting in front of a peasant hut where he has been sleeping the past several nights. He is a former noncommissioned officer in the Pakistan army who, like almost all Bengali soldiers and policemen, joined the revolutionary movement in late March. (Some were subsequently killed, others fled to India.)

He leads a group of 37 men, armed mostly with old Lee-Enfield rifles. But they also have one or more light machine guns, grenades and dynamite. Some of the arms as well as the ammunition are supplied by India, to which this unit fled for several weeks in April. The unit isn't short of weapons or bullets, the leader says.

It doesn't receive any direct orders but reports on its operations by runner to higher Mukti Bahani headquarters near, or across, the Indian border. The unit depends for food and lodging on local villagers, some of whom are paid and others of whom make "voluntary contributions."

The unit has launched two attacks in this area in the past few weeks, one a raid on a police station in which 11 weapons were captured. It also blew up a bridge along the road. When Pakistan army troops reached the site, they were ambushed by another unit of Mukti Bahani. The Pakistan army is said to have suffered at least a dozen casualties. This 37-man unit hasn't had any casualties to date, nor have any of the men quit the unit.

The leader thinks the Mukti Bahani will soon win the war because the people are behind it and because, he says, 300,000 Bengalis are getting miiltary training in India. The statement about public support is probably accurate. But the claim about military training, according to more reliable sources, is probably a tenfold exaggeration. And believing in quick victory is both naive and dangerous.

LITTLE REALISM ON THE OTHER SIDE

The Pakistan army, however, is hardly more realistic. A Pakistan general in Dacca flatly states that all guerrillas in the area where the Mukti Bahani leader and his unit are operating have been eliminated. The general says army casualties in all East Pakistan are averaging only five a day; diplomats estimate them at more like 50.

Army morale still seems to be generally high. But the conflict's initial stage, in which the army ruthlessly recaptured rebel-held towns in a spree of killing, looting and raping, has been over for three months, and the new stage of guerrilla warfare will be much more grueling. Many Pakistan soldiers came to East Pakistan thinking they would be here for only a month or two of combat, not as a semipermanent occupation army. The flat, marshy riceland of East Pakistan is misery to soldiers from the dry hills of West Pakistan. Scattered reports say that some West Pakistan military officers—including a senior navy commander and an air-force general—are opposing the army's brutal tactics and slaughter of the civilian population.

The Pakistan army, however, doesn't appear to be cracking under any present strain. To most of the military men this is a kind of holy war for the preservation of Pakistan and the purity of the moslem religion. And if Pakistan's president, Yahya Khan, comes under political pressure in West Pakistan, it is more likely to come from hawks calling for even tougher measures than from doves. "West Pakistan will let itself be drained before it gives East Pakistan up," a European diplomat in Dacca says.

To help control the Bengali population, the army has been setting up a network of peace committees superimposed upon the normal civil administration, which the army cannot fully rely on. Peace-committee members are drawn from East Pakistan's non-Bengali minority (called Biharis) and from the membership of small, conservative religious-political parties like the Moslem League and the Jamaat-I-Islami. The peace committees serve as agents for the army, informing on the civil administration as well as on the general populance. They are also in charge of confiscating and redistributing shops and lands from "enemies of the people," like Hindus and pro-independence Bengalis. The peace committees also recruit razikars, or armed vigilantes. Many of them are common criminals who have thrown their lot with the army. "Biharis, Bengali opportunists, louts and thugs"—that's the capsule definition offered by one diplomat.

While the general Bengali population is terrified—and terrorized—by these local army collaborators, the collaborators also live in fear.

Dozens of peace committeemen have been assassinated by Mukti Bahani or by Bengali neighbors. In one town a peace-committee official sleeps on the floor of his house with three razikars lying on each side of him. In another town the peace-committee chairman has paid $625 protection money to the Mukti Bahani to prevent, or postpone, assassination.

In one roadside village a peace committeeman who two days before had turned several Bengalis over to the army was routed out of his bed at night by Mukti Bahani. He was given an hour to say good-bye to his mother. Then a "people's court" was convened in his front yard with neighbors summoned as jurymen. He was convicted and executed, and his body was left in the road as a warning to other collaborators.

Then there was this encounter by two reporters with a small-town peace committee. The Mukti Bahani had made a small foray into the town the previous night, firing a few stray bullets, destroying a telephone at the railroad station and robbing the station safe of about $3.00. The attack could hardly have been less effectual.

But to listen to the peace committee it had been an epic assault. "Forty Mukti Bahani came armed with automatic weapons," the committee chairman, an elderly Bihari, says. A half-hour later the tale had escalated into an attack by 100 Mukti Bahani men carrying machine guns. "What could we do?" he asks. "The razikar have only four rifles, the army is stationed 10 miles away, maybe there will be more attacks." The committeemen know that they themselves are targets. Death shrouds have been left at night on their doorsteps as a sign that they are marked men.

Like the army, the peace committee blames all troubles on miscreants and goodas (criminals), Indian infiltrators and a few misguided individuals—all of whom are lumped together under the term "antielements." All townspeople support the army and the peace committee, these committeemen say. As they talk to the two reporters, several score townspeople stand around, silently listening.

The reporters leave, turning a corner out of sight of the committeemen. The townspeople follow and rush up to them.

"The man talking was a non-Bengali. . . . No one agrees with what he says. . . . The peace committee is a trap for the people . . . We cannot talk or we will be reported to the army. . . ."

The civil fighting has had calamitous economic effects. The immediate sufferers, of course, are the Bengalis, whose already desperately poor and overcrowded land has been rendered even poorer. Transportation is disrupted, commerce has collapsed, factories lie idle, public-works programs are at a standstill and crops go untended. One result, Western economists believe, could well be a severe famine late this year.

The rice crop will be affected because farmers have fled their paddies or fear to go out of their homes to tend the crop. Last year the food-grain harvest was 11.5 million tons; this year it will be no more than 9.5 million. East Pakistan's food-grain requirement is 13 million tons, and the deficit traditionally has been made up by imports, much of it through purchases for local currency of American surplus-food stocks. But now, because of the conflict, the distribution system can't handle the import load while the reduced crop makes the need greater.

One economist estimates that the distribution system would have to handle 300,000 tons of imports a month, whereas, even in normal times, it has never been able to carry more than half that amount. America already has stopped new food-grain shipments because rice is backed up on the docks of Chittagong. One reason, of course, is that to the Pakistan army administration, rice rates a lower priority than military supplies.

A LAND OF LITTLE HOPE

Even if famine can be averted both this fall and next, the economic punishment of this conflict will be felt for years, probably decades, and will cripple the land even if independence comes. In a sense it's like crippling a leukemia patient, for East Pakistan—with or without war—is a land of little hope.

Already, 75 million people are packed within its frontiers, and the population will double in 25 years. People will then be living more than 3,000 to the square mile, and no one knows what they will live on.

But the economic situation here is also serious for West Pakistan. The West has always treated East Pakistan as a kind of economic fiefdom, pocketing foreign exchange from the export of East Pakistan's raw materials like jute and tea while using East Pakistan as a captive market for low-quality West Pakistani finished goods.

The main East Pakistan export is jute. Last year the jute crop was seven million bales. This year, Western economists say, the maximum will be 5½ million. But with the trading and transportation systems disrupted, much of it may never reach the mills. Even then, the mills are barely functioning: Only 36% of the jute-mill output in June was only 20% of normal. Economists say if that situation continues for several more months, overseas jute buyers will begin turning to other suppliers.

Commerce is almost at a standstill in many areas. Most towns are reduced to a fraction of their former population; a majority of their people are dead, have fled to India or are hiding in the countryside. Retail trade in Dacca is only 35% of normal and in other towns considerably less. Even where shops are open, people have little money to spend and no inclination to spend it.

Western economists in Dacca say the economic crisis already is starting to spread to West Pakistan, where factory laborers are beginning to be laid off. West Pakastini goods that were sold in the captive market of East Pakistan aren't very competitive in other countries.

All this, plus the loss of East Pakistan tax revenues and the added costs of maintaining an army of occupation in East Pakistan, will have reduced Pakistan's foreign-exchange reserves to a critically low level by October, the economists here say. Whether foreign-aid donors will help bail out the Pakistan government remains to be seen.

America's aid program to Pakistan is in a state of considerable confusion, especially to the people here. Officials in Washington say economic aid is continuing to both West and East Pakistan on a case-by-case basis. But, in practice, this means the East is getting little help. The Nixon administration says it isn't granting any new military assistance to the central government of Pakistan. But goods contracted for prior to March 25 are still being sent, although the administration contends that these are generally sales of such things as communications equipment, not arms.

All this has left the Bengalis confused and angry, and it is awkward to be an American visitor in East Pakistan these days. Those few Bengalis who risk arrest by talking to a stranger invariably ask why America continues to ship supplies to the Pakistan army.

"We hear on Pakistan radio that two American ships are bringing ammunition to the army. But the Canadian people support our cause. We are grateful to the Canadian people," a teacher says, trying to be as polite as possible. "We understand that you must make money by selling guns to Pakistan, but please sell us rifles, too," a lawyer pleads.

A student says: "At Kent State you lost four students and the whole world protested. Here thousands of students have been killed by the army, but does the world care? You supply guns to the army. If we were European, you would care."

China, for short-term national reasons rather than long-term ideological ones, is the only other important power supporting Pakistan. "The cradle of democracy, America, and great revolutionary China are allies giving aid to the Pakistan army, which is suppressing our freedom and slaughtering our people. Why is this?" a college instructor asks.

During his meetings in Islamabad, Mr. Kissinger was pressed by some Dacca-based diplomats critical of America's friendly relations with the Pakistan government. Mr. Kissinger responded with a question. Would a change in American policy make East Pakistan independence likely in two years or five years rather than 10 years? There was no definitive answer. But whether Bangla Desh comes to pass in two, five, or 10 years, its citizens are likely to have long—and not very fond—memories of America's role in their revolutionary war.

[From the New York Times, July 27, 1971]

REBELS TELL EAST PAKISTANIS TO FLEE DACCA

(By Malcolm W. Browne)

DACCA, PAKISTAN, July 26.—Handbills prepared by Bengali separatist guerrillas appeared in Dacca today warning the population to begin evacuation of the city in preparation for a terrorist campaign against the Pakistani Army in East Pakistan.

The handbills were distributed in the Maghbazaz District of the city a few blocks from the International Hotel.

The warning, signed by the Mukti Bahini (Liberation Army), advised residents to move out by 6 P.M. local time.

The public was also warned that vehicular traffic, including taxis and rickshaws, should be off the streets at night from July 28 onward, and that the entire city should be evacuated after Aug. 1.

Bombs have exploded in Dacca every night for the last two weeks, and gunfire often accompanies the explosions. Detonations heard last night could not be immediately explained.

Actions have included the mining of roads in the outskirts of Dacca and bombing attacks against power stations, the city gas supply, homes of persons regarded by the guerrillas as enemies, army installations, bridges and communications.

ARMY REACTS SWIFTLY

Reaction by the Pakistani Army is generally rapid and forceful and there have been many arrests of suspects. There also is a steady flow of casualties, according to witnesses, although no estimates of numbers are available.

Army patrols move constantly through Dacca and its environs and military guards are stationed at most important buildings.

Despite this, guerrillas have caused considerable dislocation of essential services since their campaign began two weeks ago and have killed a number of persons.

The Mukti Bahini guerrillas are believed to have been trained in camps in India since March 25, when Pakistani troops attacked in East Pakistan to quell an autonomy movement.

The Pakistan Army is made up mainly of officers and troops from the Punjab in West Pakistan who speak Urdu. Many Bengalis regard these troops as outsiders and even foreigners.

[From the New York Times, July 27, 1971]

UNITED STATES-INDIA RELATIONS: A NEW LOW; NEW DELHI REGARDS AID TO PAKISTAN AS A BETRAYAL

(By Sydney H. Schanberg)

NEW DELHI, July 26.—"There's no place to go but up," said one pro-American Indian the other day, referring to the depths into which relations between India and the United States have recently plunged.

The newspaper disclosure last month that American arms shipments to Pakistan were continuing despite a previously announced embargo stung Indians as a personal betrayal. The disclosure came just as the Indian Foreign Minister, Swaran Singh, returned home from a Washington visit during which, he said, he had been assured by the State Department that no new arms would be sent to the Pakistani military regime.

Since then, scarcely a day has passed when the United States has not been vilified in Parliament and the press. The Government of Prime Minister Indira Ghandi—though rejecting Opposition party demands for refusal of United States aid, confiscation of American assets in India and recall of the Indian Ambassador in Washington—has repeatedly denounced the Nixon Administration in Parliament.

The Government charged again Monday that the supply of military assistance to the Pakistanis after March 25—the day Pakistan began her military offensive against the Bengali secession movement in East Pakistan—"amounts to condonation of genocide in Bangla Desh and encouragement to the continuation of atrocities by the military rulers of Pakistan."

"Bangla Desh," meaning "Bengal Nation," is the name adopted by the East Pakistani autonomy movement.

The continuance of shipments of military goods "also amounts," Foreign Minister Singh said, "to intervention on the side of the military rulers."

Further, Indian officials have drawn a pointed contrast between the United States policy and that of the Soviet Union. Moscow has stated that no Soviet arms have gone to Pakistan since April of last year.

Henry A. Kissinger's secret flight from Pakistan to Peking after a two-day visit in India has only exacerbated Indian-American relations. Indian officials and private citizens feel that Mr. Kissinger's short stopover in New Delhi—described as a fact-finding visit—was merely a "cover" and a "stage-prop" for his visit to Peking.

This view was buttressed by the White House acknowledgment that the timing of the Peking visit influenced the scheduling of the rest of the Kissinger trip—which included stops in South Vietnam, Thailand, India, Pakistan and France.

Moreover, since Pakistan maintained secrecy on Mr. Kissinger's movements, facilitated his flight to Peking and might have been instrumental in arranging his meeting with Premier Chou En-lai, Indian public opinion believes this may explain the continuance of United States military aid to Pakistan and the refusal of the Nixon Administration to issue a public denunciation of the military repression in East Pakistan.

PEKING ARMS AID REPORTED

Indian officials are also now drawing attention to the similarity of American and Chinese policy regarding the East Pakistani crisis. Peking has supported the Islamabad regime and is reportedly supplying sizable arms aid.

Washington's current tattered relations with New Delhi are a very tender subject at the United States Embassy here. Embassy officials are obviously unhappy, but they are not talking. Other Americans and United Nations officials, who clearly reflect the embassy mood, are not similarly inhibited.

"Our credibility will be zilch for some time," said one such American. 'This has set us back just as things were beginning to look up."

"It doesn't mean our relations are damaged for all time," said another, "but the longer the Bangla Desh thing drags on, the longer it will take us to come out from under."

The Indian resentment over the arms shipments is intense.

The East Pakistani upheaval—which has driven seven million Bengali refugees into India and raised the possibility of another Indian-Pakistani war—has revived for Indians all the searing images of the bloody religious rioting that accompanied the partition of the subcontinent in 1947 into Pakistan as a Moslem homeland and India as a secular but predominantly Hindu nation.

MORAL QUESTION SEEN

For the Indians, it has become a moral question of good versus evil—a Bengali people seeking freedom and a military regime suppressing them with bullets. The Americans, in the Indian mind, have lined up with evil.

"It's Armageddon to the Indians," said one American. "It wouldn't matter if the arms consisted of only one nut or one bolt or one armature for a weapon."

In this atmosphere, Washington's argument that the amount of the current arms aid is insignificant and that its continuation is necessary if the United States is to be able to exert any private leverage on Pakistan for a peaceful settlement in East Pakistan has made no impression on New Delhi.

With emotionalism high in India, a national debate is raging, largely in private circles over whether to go to war against Pakistan. But the debate is still mostly rhetorical and there is no war hysteria.

NO TOP OFFICIAL URGES WAR

While many in the Indian intelligentsia talk constantly of teaching the Pakistanis a lesson—and some even use the argument that a war would be less costly than supporting the millions of Bengali refugees—no one at the top in the Indian Government is recommending a war, and no war preparations are visible.

Still, with the prevailing tinder-box tension, officials acknowledge that war remains a real possibility.

Mrs. Gandhi is reported to view war as a last resort and has said her Government would not "embark on any adventurist policies." But both she and the Pakistani President, Gen. Agha Mohammad Yahya Khan, have declared that if a war were forced on them, they were fully prepared to fight.

INDIAN SHELLING REPORTED

KARACHI, PAKISTAN, July 26.—The Indian armed forces today shelled the town of Comilla on the eastern border of East Pakistan, killing several civilians and injuring many more, it was officially announced today in Islamabad, the capital of Pakistan.

[From the New York Times, July 27, 1971]

FOREIGN AID IMPROVED—AND DELAYED

The $3.4-billion foreign aid bill approved by the House Foreign Affairs Committee last week is inadequate and unbalanced but it is still an improvement over aid proposals belatedly submitted by the Administration in April.

The committee put aside a Presidential plan for breaking up the existing Agency for International Development into separate developmental loan and technical assistance institutions. By authorizing all aid categories for two years instead of one, the committee extended the life of A.I.D. and probably effectively shelved a potentially disruptive reorganization move at least until after next year's Presidential election.

The committee bill retains, however, an Administration proposal creating a coordinator of security assistance in the State Department. This should serve to strengthen the role of State in an area where the Pentagon has too often assumed foreign policy-making functions through its control over military assistance programs.

It is remarkable that no item was cut heavily and there were significant additions of $100 million for population programs and another $100 million for East Pakistan refugees. The committee did vote to suspend military assistance to Greece unless the President finds that it is vital to United States security interests and to ban economic aid for Pakistan pending a political accommodation and the resettlement of refugees there. These restrictions are clearly warranted by current conditions in those two countries.

The final authorization—$1.43 billion for development assistance and $2.01 billion for military assistance, including supporting assistance—clearly reflects the imbalance between economic and military aid in the United States program. It confirms the continuing retreat of this country from its initial leadership role in the international development effort, a retreat that has placed the United States close to the bottom of the list of donor nations in terms of the percentage of gross national product devoted to foreign economic assistance.

However, the Foreign Affairs Committee's action in sustaining the existing aid structure more or less intact and in supporting in general the Administration's funding requests does offer some hope that the low point has been reached. This token of Congressional sentiment should encourage the President to abandon his plan to dismantle the much-abused aid agency and to seek instead to strengthen and enlarge its vital role in helping to build a more stable and peaceful world.

An important facet of President Nixon's foreign aid policy, which in the past has received strong encouragement from some members of Congress, has been the effort to channel more American assistance through multilateral institutions such as the World Bank. The use of international aid agencies serves Mr. Nixon's objective of lowering the United States profile abroad while encouraging other advanced nations to share more fully the burden of promoting international development.

These aims cannot be achieved, however, if the United States is laggard in providing funds. Currently important United States contributions to the World Bank's International Development Association (IDA), the Inter-American Bank and the Asian Development Bank are bottled up in a House subcommittee.

While some nations already have voluntarily advanced their own contributions to IDA in order to keep it in business, further Congressional delay could seriously handicap the work of this vital soft-loan agency and might in time encourage other countries to back away from their commitments. Failure of the United States to fulfill its own commitments to the Inter-American and Asian Banks could have a serious adverse impact on American relations with countries in these two regions and on constructive development efforts which serve American as well as world interest.

[From the New York Times, July 24, 1971]

VAN DER HEIJDEN'S REPORT ON PAKISTAN

To the Editor:

Excerpts from the World Bank mission report published on July 13 show that some World Bank representatives have allowed themselves to be so duped by anti-Pakistan propagandists that they have stepped well outside the limits of their own professions and of the World Bank's nonpolitical charter and joined the ranks of these propagandists.

I am taking exception in particular to the exaggerations and distortions contained in Hendrik van Heijden's report on conditions in the western area of East Pakistan. He visited this area between May 30 and June 11. I visited most of the same area on June 12 and 13. In this time gap of a few days not even an army of construction workers could have given Jessore, Khulna and Phultala face lifts that would have hidden from a Bengali like me, who knows these towns well, the scars of devastation Mr. Heijden describes.

I can understand Mr. Heijden's difficulties in communicating through interpreters with Bengali-speaking people but I cannot overlook his visual inaccuracies. Reporting on Jessore, he says that more than 50 per cent of the shops have been destroyed without specifying whether he is talking about the whole town or of a part of it. The impression he leaves is that 50 per cent of Jessore's shops have been destroyed. This is absolutely untrue because on June 12 I saw scores of shops in various areas not only open but doing business. If Mr. Heijden is referring to a block of shops on the roadside, from the airport to the town, then I would fault his estimate by about half.

Mr. Heijden also says 20,000 people were killed in Jessore and he implies that this was part of the army's punitive action. No one knows exactly how many died in Jessore, but I was told by local Bengali political leaders that a reasonable estimate would be a few thousand, with non-Bengalis making up the larger proportion.

About Khulna Mr. Heijden is also off the mark. He says less than 7 per cent of the Platinum Jubilee jute mill's permanent labor force is back at work. Local political leaders and trade union leaders told me in Khulna that 80 per cent of the labor had returned.

I also visited Phultala shortly after Mr. Heijden saw its "bewildered" people. My impression certainly does not tally with Mr. Heijden's, who says Phultala's agricultural development has been set back by at least five years. I found the Phultala people purposeful and full of demands; the most persistent being that more paddy seed be rushed to the area so that not a single acre of land should remain fallow. I conveyed this demand to the authorities in a press statement published in Pakistan about a month ago.

For over six months now distortions about Pakistan are being projected as facts. Mr. Heijden's report, under the seal of the World Bank, will have a very uncalled-for, adverse reaction.

MAHMUD ALI,
Vice President, Pakistan Democratic Party.
DACCA, PAKISTAN, *July 14, 1971.*

[From the Washington Star, July 26, 1971]

DANGEROUS GAME: INDIA NURTURES PAKISTAN REBELS

(By Henry Bradsher)

CALCUTTA, INDIA.—India is deep into a dangerous game of supporting—in fact, of making possible—an effort to overthrow the rule of West Pakistan over East Pakistan.

While justifiably complaining about the immense financial burden of refugees from East Pakistan, India has also taken upon itself the burden of financing the exile "Bangla Desh" government of East Pakistan and its guerrilla force.

India is arming and training the guerrilla "Mukti Bahini" (Liberation Army) and providing it with sanctuaries along East Pakistan's borders. Sources vary on the size of the force being armed and trained. One of the best informed Indian sources says the plan is to have 20,000 well trained hard-core guerrillas supplemented by 10,000 or more militia supporters. The latter would spread clandestine propaganda in East Pakistan and occasionally toss bombs.

Much of the training in camps established along Pakistani borders is done by East Pakistan soldiers who escaped the crackdown by the army which is predominantly from the northwest frontier regions of West Pakistan. But the Indians have been needed to teach some things in which easterners are not trained, according to sources. There are at least four reasons for India's becoming so deeply involved in a neighbor's internal affairs.

One is hope that Mukti Bahini can force the Pakistan army to give up the eastern part of the divided country and leave Bangla Desh free so that 7 million refugees now burdening India will return home. How realistic this hope is remains to be seen.

Another reason is the Bangla Desh exile government and Mukti Bahini have a conservative middle class outlook which India finds congenial. It fears that failure of this group, based on the Awami League party of East Pakistan, to amount an effective guerrilla challenge to the Pakistani army would mean growth of influence for the Pakistani Communist guerrillas. The third motive is simply sympathy with the Bengali people of East Pakistan. They are closely tied by culture and tradition to India's own 40 million Bengalis whereas various West Pakistani peoples are mostly distinct people from any major Indian group.

There also is the motive of traditional antagonism between India and Pakistan since the two countries were created out of British India in 1947. They have fought two wars since then and never have been good neighbors.

Off and on for years, reaching a peak almost a decade ago, Pakistan armed and trained Naga and Miz tribesmen from eastern India. They have conducted smoldering rebellions against the Indian government in hopes of obtaining independence.

Pakistan's objective seemed to be simply to create a nuisance for its enemy. There never was any prospect of Nagas or Mizos obtaining independence.

What India now is doing could be viewed as a reply in much stronger terms.

India has had some experience with this. In 1961–2 it mounted a guerrilla campaign of ousted Nepali democrats against Nepal's King Mahendra without success. Since its 1962 Himalayan war with China it has maintained a force of Tibetan guerrillas.

But now stakes are higher and so is the level of effort.

COULD REIGNITE KASHMIR

The Indian government realizes that the logical Pakistani reply to Mukti Bahani activities would be another effort to start a guerrilla war inside the Indian part of the disputed Kashmir state. It was such a Pakistani effort to wrest Kashmir away from India by guerrilla warfare that touched off the 1965 war between the two countries. The home ministry in New Delhi which is responsible for internal security has warned that trouble in Kashmir is likely. Its police forces and also the Indian army are strengthening defenses in Kashmir.

There has been a lot of speculation in both countries in recent months on the chances of war.

Some usually sober and responsible Indians have even advocated war with Pakistan to liberate East Pakistan and turn it over the friendly Bangaldesh government.

Calcutta's most important Bengali language newspaper asked Prime Minister Indira Gandhi in a front-page letter seven weeks ago: "Why can't you send in troops to end the humiliation of humanity, strangulation of democracy, shooting of unarmed people, and ravaging of women? Why not war? For fear of huge expenses?

"Aren't expenses on account of refugees double the amount needed for war?"

Supporting refugees is now costing India about $4½ million a day and the number of refugees is still growing. The 1965 war cost India roughly $525 million, according to advocates of action now. They contend another war would be cheaper than feeding refugees forever.

ARMY BELIEVED PREPARED

Well informed Indian sources say the Indian army has drawn up plans and made some preparatory moves for the invasion of East Pakistan and from other sources there are reports of army talk of not stopping short of total defeat of Pakistan if there is another war, unlike the inconclusive 1965 clash which United Nations pressure halted.

But those Indians in a position to know say military planning and moves are only a contingency effort in case Pakistan touches off a war. They say Mrs. Gandhi is firmly opposed to war.

Instead India will go on helping Mukti Bahini in hopes it can do the job.

PRESERVING THE SENATE'S AMENDMENT ON THE SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. ERVIN. Mr. President, last Friday I addressed a letter to each Senator on the matter of the Subversive Activities Control Board. The object of my concern is the possibility that the conference committee on H.R. 9272, the State, Justice, and Commerce appropriations bill, will not retain the amendment I proposed on July 19 prohibiting the use of any of the $450,000 appropriation to carry out the new duties which the President has purported to assign the Board by Executive order.

Senators will recall from the debate that the Justice Department, by the testimony of Robert Mardian, Assistant Attorney General for Internal Security, told the Senate Appropriations Committee on July 6 of the new powers the President proposed to give the Board. Naturally, he was not specific because the Executive order he was disclosing had not yet been issued, and was not issued for another 2 days.

The new Executive order purports to assign responsibility for the "Attorney General's subversives' list" to the Board. It does this despite the fact that the Internal Security Act of 1950, which created the Board, gives it different powers and duties.

When the chairman of the Appropriations Subcommittee (Mr. McCLELLAN) asked how the President could unilaterally change and amend statutes passed by Congress, Mr. Mardian said the President had "constitutional statutory powers." Senator McCLELLAN was dubious about the existence of this newly invented legislative power of the President. So am I. So was the Senate, which adopted my amendment 51 to 37.

Despite the fact that the Senate adopted my amendment repudiating this so-called Presidential "constitutional statutory power," the House may well not agree to the amendment, and there is the possibility that it will be deleted in conference. For that reason, I have written to each Senator seeking their support for sending back to conference any report which does not contain the Senate amendment.

The issue is quite clear. The Justice Department has invented yet another "inherent power" in the executive branch. This time it is the power to legislate. My copy of the Constitution says that all legislative power is given to Congress. The President has none. His responsibility is to "faithfully execute" the laws, not amend them as the Justice Department sees fit.

Each Senator takes an oath to support the Constitution. If we are to be true to that oath and to the Constitution, we must stand against any attempt by the Executive to usurp the functions assigned to the Congress.

We cannot mutely stand by and leave this issue to the courts. Our oath makes it our responsibility to decide constitutional issues of this kind. In this case our responsibility is doubly clear since the Justice Department has announced it will regard approval of the money bill as an express approval of this new doctrine of Presidential legislative power to amend statutes by Executive orders.

The offensiveness of this doctrine is heightened by the fact that the order in question was not published until 2 days after the Senate hearings and 10 days after the House passed the bill. The Justice Department apparently feels that Congress will be accepting in advance and in ignorance the exercise of Executive legislation merely by appropriating money.

Underlying this controversy is, of course, the issue of the Subversive Activities Control Board itself and the fact that it has done nothing with the $7,500,000 in funds it has spent these 20 years of its life. Unemployment is up and so is inflation. Yet, we give $36,000 a year to five men who do nothing to earn money.

Many of us, of course, would rather see the Board get paid for doing nothing than to see it try to carry out its functions. The idea of an official blacklist of Americans who express views the Government finds distasteful is repugnant to the Constitution. The first amendment guarantees free speech and free association. It is designed to make Americans intellectually, politically, and spiritually free.

That includes the right to express ideas no matter how unwise, how foolish, how outrageous. Americans have this right so long as they do not incite to violence or commit unlawful acts. Mere advocacy is protected by the Constitution even if it is displeasing to the Board or the Attorney General.

This Board is charged with blacklisting those who merely advocate. It also can blacklist those who are associated with groups that commit violence, even if the violence is committed by a small faction of the group and the person does not approve of these acts. "Sympathetic association," another sin, could encompass even nonmembers of these fringe political groups.

The Attorney General's list, now to be given to the Board for updating, is used to disqualify persons who seek employment in the Federal Government. Yet, even Federal employees have constitutional rights. The theory of this order is that the Justice Department can examine the thoughts and views of each American for their ideological purity because one day he may seek a job with the Government. Thousands of Americans have been denied employment and made to suffer economically, politically, and socially because of this official blacklist.

Many Senators, I know, disagree with my views on the constitutionality and need for the Subversive Activities Control Board. Yet, no Senator should permit an unconstitutional usurpation of power by the executive branch to pass unchallenged. The 51 Senators who supported the amendment last week are divided on the first amendment issue, but not divided on the usurpation issue.

I urge the Senate conferees to stand by the Senate amendment. In the event that the amendment is not retained, I will oppose the conference report and move to instruct the conferees to insist on the new language. I hope that I will have the support of the Senate should this become necessary.

Mr. President, I ask unanimous consent that the letter I have addressed to Members of the Senate be reprinted in full in the RECORD. For the instruction of the Senate, I ask that the full transcript of the testimony by the Justice Department on this matter also be printed at this point.

There being no objection, the letter and transcript were ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON THE
JUDICIARY, SUBCOMMITTEE ON
CONSTITUTIONAL RIGHTS,
Washington, D.C., July 23, 1971.

DEAR SENATOR: I am writing to solicit your support to preserve the amendment to the State, Justice and Commerce appropriation bill which I proposed last Monday and which the Senate adopted 51–37. This amendment provides simply that the mere appropriation of money to the Subversive Activities Control Board shall not be taken as Congressional approval of the attempt to confer by Executive Order new powers not assigned to the Board in its legislation.

Over and above the very serious First Amendment issue represented, there is also the question of the President's power to alter the content of legislation duly enacted by Congress. Whatever one's views on the Board and the desirability of the Executive Order itself, it is clear to me that contrary to the assertion of the Justice Department, the President has no so-called "constitutional statutory powers." The Constitution gives all legislative powers to Congress, and none to the President.

The Senate amendment is now before the conference committee. I would appreciate your taking advantage of any opportunity you might have to express to the committee members your feelings on the necessity of retaining the amendment in conference. In the event that the Senate amendment is deleted, I intend to oppose the conference report. I hope that you will join in the fight to reject the report and return the bill to conference with instructions to preserve the Senate language.

Basic constitutional questions are involved, which should not be passed on before the Senate has a chance to consider them thoroughly. The new Executive Order purporting to expand the Board's power was not published until July 8, two days after Appropriation Committee hearings, and a full 10 days after the House initially passed the bill.

A vote against a conference report which does not contain the Senate amendment will manifest the devotion of the Senate to the Constitution which gives to Congress all legislative powers and none to the President. But it will not deny the President his right to submit legislation for the consideration of the Congress designed to accomplish what he thinks desirable in this field.

With kindest wishes.

Sincerely yours,

SAM J. ERVIN, JR.

STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATIONS FOR FISCAL 1972

Tuesday, July 6, 1971

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE
ON APPROPRIATIONS,
Washington, D.C.

The Subcommittee met at 10:00 a.m., pursuant to recess, in room S–128, The Capitol, Senator John L. McClellan (chairman of the subcommittee) presiding.

Present: Senators McClellan, Ellender and Smith.

STATEMENT OF JOHN W. MAHAN, CHAIRMAN, ACCOMPANIED BY: BERNARD J. WATERS, GENERAL COUNSEL, MRS. MARGARETTE B. BURGESS, ADMINISTRATIVE OFFICER

Senator MCCLELLAN. The committee will please come to order.

This morning the committee will first consider the appropriations for the Subversive Activities Control Board.

The 1972 budget request was $467,000. The House allows $450,000, a reduction of $17,000 but an increase of $48,600 over the 1971 available funds.

The Board has advised that they are satisfied with the House allowance.

All right, Mr. Mahan, you may proceed with your justification of the 1972 fund requirements of the Board.

What do you want to tell us? You are satisfied. That is good news. How much do you want to reduce it over the House?

Mr. MAHAN. I don't think we can reduce it. Last year we were able to absorb about $17,000 in pay increases without asking for any more.

Senator MCCLELLAN. Tell us about this. We might as well get right down to the crux of it. You are going to have opposition to your appropriation. First tell us what you are doing and demonstrate the need for it.

Mr. MAHAN. First, the Attorney General, following the hearing last June, Mr. Chairman, sent two cases to us.

Senator MCCLELLAN. A little louder.

Mr. MAHAN. There are two Communist Front cases which have been sent to the Board, one is the Marxist case and the other is the Young Workers Liberation League. We are holding hearings on those two cases. Those are two cases that we have. Of course they have never done anything with the Dubois case, which is the third case we have had.

Senator MCCLELLAN. Dubois? Do you have that before you?

Mr. MAHAN. Yes. We have never held hearings on this because they declared that they went out of existence. When they went out of existence they formed the Young Workers Liberation League. That is the case we have been holding hearings on.

Senator MCCLELLAN. You are in effect holding hearings on both, aren't you?

Mr. MAHAN. That is correct.

Senator MCCLELLAN. The style of the case is not against Dubois but against its successor.

Mr. MAHAN. That is correct.

Senator MCCLELLAN. Let me ask you something. You have been holding hearings on these how long?

Mr. MAHAN. For the last six months.

Senator MCCLELLAN. When do you ever get through?

Mr. MAHAN. We get through when the Justice Department informs us that they have no further witnesses that we can use in those cases.

Senator MCCLELLAN. You have to wait on the Justice Department to supply your witnesses?

Mr. MAHAN. That is correct.

Senator MCCLELLAN. You mean the Board has no power to seek out witnesses?

Mr. MAHAN. No, the Justice Department has to bring the witnesses before the Board and they do it when they are ready to release an informer. When they are ready to release an informer we set a hearing for that particular person at a particular time.

Senator MCCLELLAN. You don't have enough work then to keep you busy all the time?

Mr. MAHAN. We can try more cases, Mr. Chairman.

Senator MCCLELLAN. What is the reason the Justice Department doesn't send you more?

Mr. MAHAN. That is a question that I am afraid you will have to ask the Attorney General.

Senator MCCLELLAN. I have always supported this Board and I think it can perform a great service if it has the cooperation of the Congress and the other agencies of Government. I think there is an area of interest there that should be looked after. What I don't understand, and what is going to determine whether this agency survives or not, is whether the Justice Department is going to give it the work to do.

Mr. MAHAN. That is correct.

Senator MCCLELLAN. I think we ought to find out why it is not giving you more work.

Make a note of that, Mr. Clerk, and let us find out. I want you to call down there and have somebody come up here and testify on this.

You are going to be under attack, there is no question about it. If you are not going to have anything to do, if they are not going to give you any work, there is no use keeping the Board. I think we are entitled to know why the Justice Department is not giving you more. If there is no more than what you have then there is a question of whether the Board is justified. I think we ought to get to the root of this thing and make a determination once and for all.

I have supported the Board, I will support it, because I think there is a job to be done but I don't think the job is being done as it should be done. If we can't get the cooperation from other agencies to get this job done, then we ought to find out why they are not cooperating and what the true picture is.

Mr. MAHAN. Mr. Chairman, as you know, the Board can't do anything until the Attorney General files a petition. He also brings in the witnesses and prosecutes the case.

Senator MCCLELLAN. It is like instituting the proceeding in court. They take the responsibility for instituting it and also for prosecuting it.

Mr. MAHAN. That is right. The Board hopes that they will send us a lot more cases. We think the disclosure to the American people of these dissident groups is healthy for the country, and necessary.

Senator MCCLELLAN. You say dissident groups. You certainly have reference to those that advocate violence and overthrow of the Government of the United States and anything like that, not because anybody dissents from the policies of Government?

Mr. MAHAN. No, sir. I meant only those who wish to overthrow the Government by force and violence.

Senator MCCLELLAN. How far are you along on these cases?

Mr. MAHAN. They told us that they had other witnesses and they would release them in the next month.

Senator MCCLELLAN. They have a problem too about when they release the witness, that witness is through. So far as any undercover work in the future.

Mr. MAHAN. That is correct. We have one witness who has been a member of the Communist Party for 25 years and they have released him. Another was a member for 17 years. We have young boys, we had one young boy in New York a month ago who volunteered to testify before the Board who had never been an undercover agent for the

FBI. That shocked them tremendously when they found out he wished to testify.

Senator McClellan. Did he testify?

Mr. Mahan. Yes, he did.

Senator McClellan. Are these hearings all secret.

Mr. Mahan. No, they are all public.

Senator McClellan. All public hearings?

Mr. Mahan. All public. The last one we had in New York when this young boy volunteered to testify, he also testified before a Congressional Committee, they created such a riot situation threatening the boy that it was necessary to even call the police to quell the disturbance.

Senator McClellan. Do you have the power to put them under protection?

Mr. Mahan. All we have is the power, when they do cause a riot situation, to ask the District Attorney, the district in the area we are in, for an indictment against them for that purpose.

Senator McClellan. What about protective custody? I am talking about the person threatened.

Mr. Mahan. The FBI protects them when they are undercover agents.

Senator McClellan. Are there any questions?

Chairman Ellender. How many witnesses did you hear this year?

Mr. Mahan. We have heard three so far in relation to these two cases.

Senator McClellan. Only three?

Chairman Ellender. That is all you have done?

Mr. Mahan. Two who were informants.

Chairman Ellender. What do you do the rest of the time?

Mr. Mahan. The rest of the time——

Chairman Ellender. Sit around?

Mr. Mahan. No. As the Senator knows, I have spent some time, as much as possible, in the House and Senate trying to correct the laws so they will work more efficiently and effectively. I give advice when they ask for it in an attempt to get this law through——

Chairman Ellender. That is not your job. You are doing that to kill time. You have heard only three witnesses in twelve months?

Mr. Mahan. We do not have employment for our time, that is correct, Senator.

Chairman Ellender. What is the size of your Board?

Mr. Mahan. There are five Presidential appointees and ten employees.

Chairman Ellender. Ten employees.

Mr. Mahan. That is correct.

Chairman Ellender. These Board members get how much a year?

Mr. Mahan. By law, $36,000.

Chairman Ellender. $36,000?

Mr. Mahan. That is right.

Chairman Ellender. Couldn't maybe two do that instead of five?

Mr. Mahan. All five do it, Senator.

Chairman Ellender. I know, but if you are not occupied it is just a waste of money and time.

Mr. Mahan. They all want to be occupied.

Chairman Ellender. What is that?

Mr. Mahan. They all wish to be occupied.

Chairman Ellender. I know they wish to. Mr. Chairman, I don't see why we should continue this Board, frankly. I am beginning to think that Senator Proxmire was right.

Senator McClellan. I have always supported it but the Administration and the Justice Department has got to be the aggressor and the moving power behind it. If it doesn't file the cases, make the charges, the Board can do nothing. Since we always have this controversy I am trying to get at the bottom of it.

Senator Smith. Do I understand then that your Board is only a hearing committee under the direction of the Justice Department?

Mr. Mahan. Not under the direction of the Justice Department, we are a quasi-judicial body. When the District Attorney brings the case and he prosecutes the case we are the hearing body for the case, that is correct.

Senator Smith. The five membership of the Board is set up by law?

Mr. Mahan. That is correct.

Senator Smith. So if there is to be a change there has to be a change in the law.

Mr. Mahan. That is correct.

Senator Smith. What does the $16,000 cut do to you?

Mr. Mahan. It was in travel. So it made no difference.

Senator Smith. In travel.

Mr. Mahan. That is correct.

Senator Smith. Do you do a lot of travel?

Mr. Mahan. No, not with the case load that we have. If we had the proper case load we would travel more, and we should. If the Attorney General gave us the cases the chairman has always told me I was welcome to come back here. I have not had to come back here. I wish I could have come back.

Senator Smith. Is it any different now than it has been through the years?

Mr. Mahan. I think it is better because the Attorney General gave us two front cases. That is the first time we have had a front case since——

Senator McClellan. What kind of case?

Mr. Mahan. Communist front case. That is the first time we have had a front case since back before Robert Kennedy was Attorney General. Before we had individual cases. The Circuit Court of Appeals ruled that it was against the First Amendment as it is now written. We have to amend the law to give us the authority to try individual cases again. I hope Congress does.

Senator McClellan. Whom do you work with down in the Department of Justice?

Mr. Mahan. Bob Mardian is the Assistant Attorney General in charge of Security.

Senator McClellan. If we don't hear him today we will hear him later.

Chairman Ellender. Over how many days have you heard the three witnesses?

Mr. Mahan. We have sat ten days in hearing.

Senator Smith. Is that 1971 or the fiscal year?

Mr. Mahan. This is the last 12 months.

Chairman Ellender. What would you do if you had cases? What could you do about it? Some kind of grand jury?

Mr. Mahan. No, we are not a grand jury. Our purpose is to disclose to and inform the American people from witnesses what these conspiracies are all about, what these groups——

Chairman Ellender. Yours is simply to expose?

Mr. Mahan. Expose and disclose.

Chairman Ellender. How do you disclose?

Mr. Mahan. Disclosure through open trials and records.

Chairman Ellender. Do you try them?

Mr. Mahan. We sit and issue the orders, yes, sir.

Chairman Ellender. Could you punish them?

Mr. Mahan. No. Nobody goes to jail under this law.

Chairman Ellender. All you do then really is expose?

Mr. Mahan. That is correct.

Chairman Ellender. Insofar as punishment is concerned, that is left to the courts?

Mr. Mahan. Senator, the courts don't punish in this field unless they commit a criminal act. Of the 26 front cases we have heard in the history of the Board, there are only three who are still in existence. So the exposure has done away with the fronts that we heard the case on. So in my opinion I think the Board has been successful.

Senator McClellan. Did the Dubois group disband because of expected exposure or apprehension?

Mr. Mahan. The Dubois Club dissolved in my opinion——

Senator McClellan. When you get after them they disbanded?

Mr. Mahan. That is correct.

Senator McClellan. But they went into another?

Mr. Mahan. That is correct.

Senator McClellan. Which you are now investigating?

Mr. Mahan. That is correct.

Senator McClellan. You can only proceed as the Department of Justice moves?

Mr. Mahan. That is correct. It is a deterrence to these groups to start because once he files on them they usually go out of existence.

Senator McClellan. Thank you very much.

Mr. Mahan. Thank you, Mr. Chairman.

DEPARTMENT OF JUSTICE, STATEMENT OF ROBERT C. MARDIAN, ASSISTANT ATTORNEY GENERAL, INTERNAL SECURITY DIVISION, ACCOMPANIED BY: ROBERT L. KEUCH, CHIEF APPELLATE AND CIVIL LITIGATION, JAMES W. ZIGLAR, SPECIAL ASSISTANT TO THE ATTORNEY GENERAL, INTERNAL SECURITY DIVISION

Senator McClellan. Mr. Mardian, whom do you have accompanying you?

Mr. Mardian. Robert Keuch and Mr. Ziglar of our staff.

Senator McClellan. The question has come up here this morning that gave this committee some concern. We have had the Subversive Activities Control Board before us. They have five members of the Board down there drawing $36,000 a year. That is about $175 to $180 thousand, nearly $200,000.

I understand that they have had only two cases referred to them by the Justice Department since the Board was somewhat revitalized, since this Administration came in, I would say, because the other Administration had ceased to give the Board any business, to submit any cases to it.

Now, as we understand it, the Board cannot initiate cases. It is a hearing body. It conducts hearings on cases that the Justice Department refers to it. It can only proceed with those hearings as the Justice Department makes available to it the witnesses that it wants to present to substantiate the charges of subversion, and so forth.

Now, that Board is under attack, has been, and will be again, not only on the Senate floor, but in this committee before it gets on the Senate floor.

What has given us some concern, who have been supporting this Board, and who believe there is a need for it, is the lack of interest, or the lack of something on the part of the Justice Department, possibly a lack of business to refer to it. For some reason, this Board is not working. Now, their time is not being consumed, its usefulness is not being employed, if it is useful.

It comes right back to the Justice Department. We would like to have you comment on these things, and tell us what the real situation is, and what the prospects are in the future.

This is not criticism. This is trying to meet our responsibilities. We do not want to keep the Board and have people sit there and do nothing. If the Commission is not needed, we want to stop it now.

Mr. Mardian. Mr. Chairman, I first would like to apologize for lack of preparedness.

Senator McClellan. I appreciate that. We are trying to move along with this. We will permit you to submit any supplemental statement after you have had time to weigh it.

I support the Board. In fact, I think there is a need for it, but it is not working, for some reason. Is it the fault of the Justice Department, or where is the fault? Why is it not functioning as it should?

Mr. Mardian. Let me say at the outset that one of the greatest deterrents to our submitting cases to the SACB has been the decision in the Boorda versus the SACB case, which largely inhibited hearings before that Board insofar as they relate to the designation of individuals who fall within the prescribed classifications.

Since the decision in Boorda, the activities of the SACB as well as the Internal Security Act of 1950 and Executive Order 10450, issued by the President of the United States, have been under intensive study, and I can inform the committee today that the President has signed an amendment to Executive Order 10450, in accordance with his constitutional statutory powers.

This amendment to 10450 amends Sections 8 and 12 of the Executive Order 10450 to permit the Attorney General to petition the Subversive Activities Control Board to conduct appropriate hearings to determine inter alia whether an organization is one which seeks to overthrow the Government of the United States, or any State or subdivision thereof, by unlawful means or unlawfully advocates the commission of acts of force or violence to deny others their rights under the Constitution or laws of the United States.

Senator McCLELLAN. To do what? To prevent others from violating the rights of others? We are getting into civil rights now.

Mr. MARDIAN. To deny others their rights under the Constitution or laws of the U.S. or of any State.

Senator McCLELLAN. Does that not get into purely a civil rights issue?

Mr. MARDIAN. No. It will permit, for instance, the Subversive Activities Control Board to investigate, upon petition of the Attorney General—

Senator McCLELLAN. It is not an investigating agency. I thought it was a hearing board.

Mr. MARDIAN. I am sorry.

To permit hearings of the Subversive Activities Control Board into activities presented by the Department of Justice for instance in connection with terrorist activities, which are on the increase in the U.S. today.

Senator McCLELLAN. Like bomb throwing?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. Threats?

Mr. MARDIAN. Yes, sir.

The amendment will serve a two-fold purpose. It will permit the SACB to hear these cases on petition of the Attorney General, and it will remove the fact-finding function of the Attorney General, which he now has, in designating subversives under 10450, and will thus separate the prosecutive and judicial functions which the Attorney General now has and place the judicial function in the SACB.

This will largely pertain—I should not say "largely," but will pertain to the existing unused authority of the Attorney General under 10450 with respect to personnel security in the U.S. Government.

Senator McCLELLAN. What does all of this mean? When was this Executive Order amended?

Mr. MARDIAN. The Executive Order was signed by the President within the past two days. I cannot tell you at this hour when it was signed.

Senator McCLELLAN. It has been signed in the last day or two, this amendment?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. In your interpretation of it, or your evaluation of that, maybe your assessment of it would be better terminology, does that mean that there will be more work for this Board to do?

Mr. MARDIAN. Yes, sir, there will be a great deal more work for the Board.

Senator McCLELLAN. Well, it has not had very much to do, and it will need a great deal more in relation to what it has now to justify it.

Mr. MARDIAN. It will undertake the function imposed by 10450 on the Attorney General, a function which has been unused I believe since 1956 in making determinations of the character described for personnel security reasons within the Government.

Senator McCLELLAN. You mean you can present evidence to this Board to make a determination about whether a man in Government, in a position in Government, is—

Mr. MARDIAN.—violating the proscribed elements now contained in Executive Order 10450.

Senator McCLELLAN. You cannot do that now?

Mr. MARDIAN. No, sir. Under Executive Order 10450, that entire function is reposed in the Attorney General.

Senator McCLELLAN. Do you have cases of that kind now to submit?

Mr. MARDIAN. At this point I would not like to give you a fixed number. I am not prepared, Senator.

Senator McCLELLAN I am not asking for figures. Do you have cases of that kind to submit?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. Did you so advise the President and counsel with him in getting that amendment to the Executive Order so that this Board might have jurisdiction of these cases?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN Is that one of the reasons why the President amended the Order?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. Can we have a copy of that for the record, that Executive Order?

Mr. MARDIAN. Yes. Within a matter of 24 hours the President will transmit to the Speaker of the House of Representatives in addition a proposed amendment to the Internal Security Act of 1950 which will in effect dovetail 10450 with the Internal Security Act, so that they can be construed together and will represent——

Senator McCLELLAN. Does the President have the power to issue this regulation? Is there any question about that?

Mr. MARDIAN. Not as to the Executive Order, no, sir.

Senator McCLELLAN. He does not have the power to issue the Executive Order?

Mr MARDIAN. He does have that power. I think that power is unquestioned with respect to the Executive Order.

Senator McCLELLAN. And the Board can operate under that Order, perform the functions that this Order provides?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. Without legislation?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. Does the legislation creating the Board do that, give the President that power?

Mr. MARDIAN. There was testimony, I believe, before this committee last year with respect to the additional duties or functions which might be reposed in the SACB in connection with its appropriation hearing last year. It was in light of this testimony, I believe, that the appropriation was passed.

Chairman ELLENDER. The question is: can the President by Executive Order broaden the work of a Board created by Congress?

Senator McCLELLAN. Unless the statute, itself, authorizes it.

Chairman ELLENDER. That is what you are doing.

Mr. MARDIAN. The President is transmitting legislation to the Congress. It is my understanding, sir, that where the appropriate committee having jurisdiction is advised of the function, additional functions, which the Commission is granted, and the Congress acts upon that appropriation with that knowledge, that that, as in this case, the SACB would have the authority to engage in that type of hearing activity.

Chairman ELLENDER. Would it take congressional action of any kind?

Mr. MARDIAN. We will transmit, I believe tomorrow, additional amendments to the Internal Security Act of 1950.

Chairman ELLENDER. So that the Executive Order cannot become effective until Congress acts?

Mr. MARIDIAN. I think that if the Congress acts on the appropriation which is now pending for the SACB, with the knowledge that additional functions are to be given to the SACB, that, based upon custom, usage, and I think existing law, the SACB may upon petition of the Attorney General make recommendations to the Attorney General for additions to the list.

Senator McCLELLAN. I cannot follow you. Here this Commission exists by reason of a statute. The statute defines its functions, what it can do, and what it cannot do.

Now, as I understand the President's amendment, it would undertake to broaden that power beyond what the statute now prescribes.

Mr. MARDIAN. No.

Senator McCLELLAN. It does not? The statute may vest the President with certain powers, I do not know, we will have to check that, but unless it does, I do not see how the President by Executive Order can give to a Board created for one purpose by the Congress, with its powers and limitations prescribed, give to it a function which the Congress did not authorize.

Mr. MARDIAN. It does not propose to give it any additional powers, sir. It proposes that the Attorney General petition the SACB to conduct hearings in connection with the obligations of the Attorney General under Executive Order 10450, and make recommendations.

Senator McCLELLAN. Does this Board now have the power, under the statute, to conduct the kind of investigation that this Order would authorize?

Mr. MARDIAN. I believe it has the power to conduct identically this type of investigation.

Senator McCLELLAN. If it does, it is all right, but I suggest, then, with these questions that we are raising here, that the Department prepare and submit us a memorandum on it for the record. I think we had better do that, now.

Again, as one who believes here is a problem that ought to have attention, I would regret to see the Board abolished, unless it is not going to function, we are not going to use it, and the money is just being thrown away. I am apprehensive over the fact that there are many organizations, many groups, and so forth, too many, who are more or less subversive, and would be subversive. I just hate to see it abolished.

But if we are not going to use it, and if there is not the backlog of need for it that I think exists, the quicker we abolish it, the better it will be.

Mr. MARDIAN. That, of course, is a determination for the Congress.

Senator McCLELLAN. Yes, but we need facts upon which to act judiciously or wisely in the interest of our country. That is what we are looking for.

Chairman ELLENDER. We ought to have from you whether or not the President with an Executive Order can expand the duties of this commission which was created by a legislative Act. In my opinion, if you go beyond the Act creating that commission, you will be in trouble.

Mr. MARDIAN. We will prepare a legal memorandum for the committee, and we will do it as promptly as possible.

Chairman ELLENDER. Can you do it this week?

Mr. MARDIAN. I am sure we can do it this week.

I would like to make clear: nothing in the Executive Order purports to expand the authority of the SACB.

Senator McCLELLAN. It may have the authority under the statute. I have not examined it. I want to clear that up.

One other thing. I want you to show, if you can, now, the need for the continuation of this Board.

Mr. MARDIAN. We will try to cover that.

Senator McCLELLAN. Well, show it. Do you propose to let it sit there a year or two and do nothing?

Mr. MARDIAN. No, sir.

Chairman ELLENDER. Evidently we have. They have had three witnesses and 10 days work. These Board members are being paid $36,000 a year to warm seats only.

Senator McCLELLAN. We had the Chairman of the Board right here this morning.

I have supported it because I felt there is a need for it. There either is no need, or if we are not going to use it, like the last Administration did not use it, let us find out, because it has to be settled and resolved on the basis of reality on the basis of facts. I am not prejudiced either way.

Very well. Thank you, sir.

OLDEST VISTA VOLUNTEER WORKING IN ST. LOUIS

Mr. EAGLETON. Mr. President, recently it came to my attention that the oldest VISTA volunteer, 90-year-old Edgar Slater, is serving in St. Louis.

Mr. Slater is assigned to the Voluntary Action Center, an agency funded by OEO and the Health and Welfare Council. VAC in turn has assigned him to the Older Adults Special Issues Society where he is supervising the remodeling of an old hotel into apartments for the elderly. Prior to his assignment in St. Louis, Mr. Slater served for 2 years as a VISTA volunteer on an Indian reservation in Montana.

There are thousands of older people like Mr. Slater who are not content to retire to a rocking chair and are anxious to use the skills and experience developed during their younger years.

I am hopeful that the new ACTION agency will give high priority to the development of additional service opportunities for older Americans.

Mr. President, I ask unanimous consent that there be printed in the RECORD an article about Edgar Slater, "Success Story: Tomorrow Is Another Day," from the June 1971, issue of the OEO publication "Opportunity."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOMORROW IS ANOTHER DAY

Edgar Slater, at age 37, was too old to serve in World War I. Now at 90 years of age, he is too young to retire. He is currently serving his third year as the country's oldest VISTA Volunteer.

"I've led a fairly active life," said Slater, who was a self-taught mechanic before the turn of the century. Since then he has either taught or worked as an industrial engineer on everything from tractors to airplanes, mostly in the Midwest. "That's only half of it," he said. "Tomorrow is another day."

Today Slater is assigned to the Voluntary Action Center, VAC, in St. Louis, Mo., which is funded by OEO and the Health and Welfare Council, a private, non-profit agency. VAC, which was founded in early 1969 by ex-VISTA Richard Garbell, develops citizen volunteerism for anti-poverty programs, charities, hospitals and the Better Business Bureau. The center assigns about 2,000 volunteers a year to work at least a few hours a week for 250 programs.

Slater is delegated by VAC to the Older Adults Special Issues Society, OASIS, a private, non-profit corporation of senior citizens' clubs in the St. Louis metropolitan area. He is supervising the remodeling of ten floors in an old hotel to be used for apartment units leased at cost through OASIS to elderly people. Utilizing his engineering knowledge, Slater is drawing new blueprints for the floors and studying the electrical, air conditioning, plumbing and water systems for future renovation. Except for being hard of hearing, he is fit and functioning excellently on this monumental task.

Slater, whose hearing started to go when he was working on large bomber engines during World War II, has never had any serious physical disabilities, other than a few temporary ones due to accidents. "I've never known sickness, except for my stomach," he said. "It bothers me three times every day and the only cure is beef and potatoes."

Born on October 15, 1880, on a farm near Hiawatha, Kansas, Slater was "just a farm boy with a wonderful grandfather who was one of the old time millwrights. Now he would be called a structural engineer. He could build anything and he started teaching me his trade when I reached his knee. I grew up experimenting with his tools. That's where I got my lead," he said.

His grandfather drilled the importance of education into him. "Get as much schooling as you can get. You can carry it around without wearing your shoe soles out," he told young Slater, who had a rough time in those days carrying out this advice. "There was no such animal then as high school," said Slater, who studied mechanical engineering by mail order while repairing farm machinery in a small shop for six years to save money for college.

"From then on I fought my way up," said Slater, who finally got to the Armour Institute of Technology at the age of 24 in 1904. While studying engineering there, he was inspired to go into teaching by two instructors. "One was the head of the engineering department, an old grouch who rode me unmercifully," he said. "He didn't bother students who weren't working hard and one day I asked him why. 'Suppose I'd ever spend my breath on them? You can't teach a fellow who isn't interested,' he answered. That's a great point for a teacher."

After a couple of years at Armour, Slater had to quit college because of ill health in his family and go back to work in the repair shop. While home, he took time out to marry Rosa E. Mosser, a maid who worked for a customer of his. Slater, who fathered three sons, all but one of whom are still living, finally embarked on a long career in industrial education around 1908. He taught industrial arts at Lakewood High School in Cleveland, Ohio for three years before he was appointed supervisor of industrial education for the city's general public school system.

When World War I began in 1917, he registered for the draft, but was told he was too old to serve. Nevertheless, he registered again the following year and was sent to an Army training school at the University of Illinois as a visiting instructor. He spent about a year teaching "tools, math, whatever was needed," and then the week of Armistice Day he was transferred to Iowa State College to retrain wounded soldiers. He also taught at Texas A & M, South Dakota University and Kansas College in the training program, which ended in 1924.

He then taught drafting and mechanical engineering for five years at Iowa State College, where he finally received his AB degree in industrial education. In 1929, he left the college to become supervisor of apprenticeship training in engineering in seven factories in Dubuque, Iowa. "I worked with drop-outs and misfits," he recalled. "It gave me an opportunity to share in the development of a much needed phase in our educational system. It was very successful until the depression knocked out everything but the bare essentials in the factories."

In the spring of 1932, the apprenticeship training program was dropped and Slater was out of a job." For the next three years, he went from farm to farm, town to town, wherever he could find an odd job and earn an honest nickel. Fortunately, he owned a six-room duplex house which he and his son had built in Dubuque, Iowa, so at least he and his family had a roof over their heads.

He finally got a job in 1935 with the Oliver Tractor Company in Charles City, Iowa. At first he did everything from assembly line work to instructing new engineers at the plant, which built tractors from start to finish. He ended up as assistant to the chief designer and between them, they designed the first fully electrically equipped tractor ever produced.

Slater retired in the fall of 1939 because of his wife's ill health, but it didn't last long. His wife, who died ten years later, couldn't stand him "steaming around the house looking for things to do." She insisted that he find a job, and he ended up as an aircraft engineering instructor at Fairfax Aviation School the following spring.

"I didn't know too much about airplane engines," said Slater, who had never worked on aircraft. "But I had studied up on them since the Wright Brothers flew the first self-powered airplane at Kitty Hawk around 1903. I got along all right." In 1944, he went to Pratt & Whitney in Kansas City, where he was an instructor in the assembly and testing of large bomber engines until the end of World War II.

After the war, he worked nine years as a development engineer for a Kansas City manufacturer of blowers and other air moving equipment for mine and cooling towers. Here he developed a new method of forming certain parts of fans by explosion. Years before this, Slater was a boiler inspector for Iowa. He remembered seeing steel 5/8th of an inch thick wrapped around a three-inch bar after an accidental boiler explosion. By adapting this method to sheet metal, he devised a valuable manufacturing short cut for the company. "I wrote a thesis on this for my master's degree," he said. "But I didn't get it. One of the judges thought the method was too simple."

He retired again at age 74, but "couldn't take just loafing around." It was easy for Slater, who was "fairly well known in the manufacturing world," to find another job, this time designing and developing space heaters, tools and dies for the Ruhl Products Company in Dallas, Texas. He did this for two or three years, when an architect friend of his asked for his help on a construction project in a small mountain community in Puerto Rico.

"This was the first time I was directly involved in any kind of community service," said Slater, who spent a year helping to reconstruct a community center that "was full of so many mistakes, it wouldn't pass the building code in the area. I didn't learn Spanish, but I saw a good many things there while getting the center shipshape."

In 1959, Slater returned to Iowa where he did church work for four years. "I helped out wherever I was needed; lecturing, teaching the Bible, organizing church groups, whatever they wanted me to do. The poverty I saw in Puerto Rico may have had something to do with this. In any event I was serving a felt need," he said.

"It's been a great old life. I've done some interesting things, and it all came from a felt need," he continued. "What's wrong with the loafers in the country today is that they don't have it. I don't understand it, because to me the very fact of life itself is need. You feel it first when you become conscious you are hungry. If you didn't chances are you'd never eat. Even the beasts have this, although they don't think of tomorrow in terms of yesterday. Only man can project his need for any distance."

Slater realized another felt need when he heard about VISTA in 1965. He figured his training and skills could be useful to others in need and became a Volunteer at age 85. His two years' service was mostly with Crow Indians on a reservation near Lodge Grass, Montana, where he taught tribal members "to make better wigwams."

"It was shameful the way some contractors skinned those Indians. You could pick apart some of the concrete work they did with a tooth pick," said Slater, who taught a group of Indians blueprint reading and home construction from the foundation up. "I made up a loose leaf text explaining how to build each piece of a five to seven room concrete and lumber house. I also showed them the way the 'cheapee' builder cuts corners and what results from this. Then I showed them the right way to make a building that will stand. They were building seven houses when I left in 1968."

Slater loafed around Kansas City for a couple of years before VISTA picked him up again and put him to work for OASIS in St. Louis. When he finishes directing the remodeling of the old hotel, he'll probably look forward to another demanding job. "I'm not dead yet," he said. "I know there is something now and something in the future I can do. After all, tomorrow is another day."

ERECTION OF A MONUMENT TO THE LATE L. MENDEL RIVERS

Mr. THURMOND. Mr. President, a movement has been started by admirers of the late Congressman L. Mendel Rivers to erect a monument in his honor in Charleston, S.C.

A distinguished group of citizens, headed by Gen. Mark W. Clark, president emeritus of the Citadel and one of the greatest generals our country has produced, is spearheading the drive to commission the preparation of the monument and raise funds to pay for it. Recently, all members of the South Carolina General Assembly signed a statement attesting to the greatness of our former congressional colleague. At the same time, each made a contribution to the monument fund, and I am pleased to join them in this worthy undertaking. Undoubtedly, many of Congressman Rivers' friends in the Senate and the House would like to contribute to this fund. Such gifts may be mailed to Rivers Monument, Charleston, S.C. 29401. A formal nationwide solicitation of gifts for the monument will be made later this summer.

Mr. President, General Clark has recently said—

> We want all who admired this great American to have an opportunity to contribute to the monument.

It is to be a bust of Mr. Rivers on a substantial but simple pedestal. It will be the only monument in a small park in the heart of old Charleston.

Other members of the monument committee are Joseph J. Riley, vice chairman; Theodore S. Stern, secretary-treasurer; William Harold Butt; Edward Kronsberg; Delacy Shuman; Y. W. Scarborough F. Julian LeaMond; Richard E. Seabrook; Dr. John A. Hamrick; and Rear Adm. Herman Kossler.

Mr. President, I highly commend the movement to erect a monument to our late friend and colleague and urge support for it from Members of Congress and admirers and supporters throughout the Government. It is also fitting and proper that such a monument be erected to L. Mendel Rivers as I know of no person during my 17 years in the Senate who has contributed more to national defense than Congressman Rivers.

GOVERNMENT FINANCING OF PRIVATE ENTERPRISE

Mr. HART. Mr. President, pithy wisdom, captured in thoughts which have now become cliches, is worth pondering when measures like the pending bill are before the Senate. We are all familiar with thoughts like, "history repeats itself," and "the roots of the present lie deep in the past." For some reason the seed of wisdom contained in those thoughts often is not nurtured and put to good use. If it were otherwise, we would not be considering repeating a mistake Great Britain is now in the process of renouncing.

The British Government created an Industrial Reorganization Corporation, a government financed project with much the same purpose and authority as that proposed by the pending bill. The net result of interfering in the competitive process is documented in an article by the industrial editor of the Times of London, Maurice Corina. The article appeared in the business section of the New York Times for Sunday, July 25, 1971.

Mr. President, I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

It is my hope that the Members of the Senate and the House will read and study this article with care. It examines practical experience with an analogous proposal in Britain and clearly shows that socialism for the rich is not even in the best interests of the rich—let alone the free enterprise system and the bulk of society.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 25, 1971]

HOW BRITAIN QUIT RESCUES

(By Maurice Corina)

LONDON.—Not so many weeks ago, John Davies, the British Government's first ministerial "overlord" for industry, found an official report in his "in" tray that must have caused a wry smile. A group of leading industrialists had made public its belief that companies should have continuing access to the Exchequer when the financial services of the City of London appeared inadequate.

The report was submitted at the same time that a Conservative Government was being forced to nationalize prestigious Rolls-Royce, Ltd., rescue the financially distressed British Steel Corporation and reorganize Liverpool's port authority. In between, Mr. Davies faced the collapse of a major insurance company and the dilemma of saving two big shipbuilding companies, Harland & Wolff and Upper Clyde Shipbuilders.

Most of the industrialists arguing that government aid ought to be available to private enterprise were old friends. Mr. Davies, named by Prime Minister Heath to high Cabinet office without any previous parliamentary experience, had upset them by killing the Industrial Reorganization Corporation, their golden goose. For five years the I.R.C. had apparently defied the natural laws of business by aiding ailing companies, often intervening in competitive situations.

Mr. Davies, Britain's Secretary of State for Trade and Industry, was keeping a Conservative pledge in ending the I.R.C., which had been started by a Labor Government. He believes passionately in the traditional concepts of marketplace competition. This is not surprising, for he was at one time managing director of Shell-Mex and British Petroleum and, before entering political life, director general of the Confederation of British industry.

Ailing companies, Mr. Davies said on assuming office, must manage without the aid from the Exchequer that sheltered them from the reality of tough competition.

The I.R.C.'s office was located discreetly among the clubs of Pall Mall, close to St. James's Park, where more than a few tycoons have no doubt paused to contemplate their business worries while strolling to their clubs, the Reform, the Royal Automobile or Oxford and Cambridge. Whether their companies were ailing or not, the records show that hundreds of directors of many well-known concerns could not resist stopping into the I.R.C. headquarters, where the staff had $360-million in Government funds to lend or invest.

The I.R.C. had a short but eventful life during which more than $240-million of the taxpayers' money was put into British industry. More than 90 individual company projects—many involving mergers in which the I.R.C. acted as a marriage broker—received aid from the corporation.

The I.R.C. was established to stimulate a fundamental reconstruction of British industry, supplementing the City's renowned merchant banking services and giving the Government a direct influence on company organization. The Labor Government did not want to advocate nationalization or to be seen extending state control beyond the bounds of electoral acceptance.

The I.R.C. was given a part-time board of top industrialists and paid executives who were able to use public funds at any time in reorganization projects. Former Prime Minister Harold Wilson's Cabinet cabal of industrial ministers gave the team its head. The team was to include such names as Lord Kearton of Courtaulds, Michael Clapham of Imperial Chemical Industries, Sir Maurice Bridgeman of British Petroleum, Sir Joseph Lockwood of Electric and Musical Industries and Lork Stokes of British Leyland. Others included Lord Goodman, a top lawyer, and the late Sir Leslie Cannon, former chief of the Power Workers Union.

Just to make sure the Government did not lose control, the big decisions had to be approved by appropriate ministers. Parliament also passed an industrial expansion act to enable the ministers to dabble in other reconstruction projects, such as funding three giant aluminum smelters.

There is no doubt the impact of the I.R.C. was profound. Direct state intervention enabled British Leyland to merge with the British Motor Corporation and the resulting B.L.M.C. still holds a $60-million unsecured public loan. Rootes Motors was taken over by the Chrysler Corporation, with the I.R.C. taking a share to remain as a watchdog.

Two mighty electrical combines, Associated Electrical Industries and English Electric, were in turn annexed with the I.R.C.'s support in complex take-over struggles mounted by Britain's General Electric Company, which was led by a brilliant accountant, Sir Arnold Weinstock. Sir Arnold subsequently hired I.R.C.'s first chief executive, Sir Ronald Grierson, for his own boardroom.

The I.R.C. cut across the work of other state agencies, including even the Monopolies Commission, whch seemed powerless to intervene as giant mergers resulted under the corporation's interventionary policies. Companies stood in line to get funds often denied to them by their bankers or stock market situations.

Variety was the spice of the I.R.C.'s exhilarating life. Bowater and Reed Paper, two deadly rivals in the paper industry, got together to borrow $4.8-million for a joint mill project. Clarke Chapham obtained a similar unsecured loan to lubricate moves toward a merger of boiler makers. More than $21.6-million of government funds were used in a three-way merger of British ballbearing companies into Ransome Hoffman Pollard—a move that led to protests from Sweden and apprehension among American competitors.

Many of the great names of British industry can be found in the list of I.R.C. investments—Plessey, Joseph Lucas, the Weir Group, Qualitex, British Oxygen, British Nuclear Design and Construction, Brown Bayley and Allied Textiles.

Industries that felt the hand of I.R.C. influence in one form or another were numerous. Engineering of all kinds, pumps, machine tools, textiles, nuclear power, computers, cables, steel, electronics, fishing, mining, vehicles and paper are examples of the diversity.

A loan here or a merger there seemed enough to set off a chain reaction. British industry between 1966 and 1970 experienced a take-over and merger boom the likes of which had never been seen before in the country's long commercial history.

Businessmen never knew where intervention might come. Exchanges between companies and the I.R.C. staff at Pall Mall were frank and confidential. Quite often, managements seeking help would be turned away empty handed—and resentful. The feelings of industrialists about all this activity were mixed.

It will be some years before the results can be judged, but, meanwhile, the casualties of reorganization were leading to a general questioning of government intervention. Fears about monopoly behavior and other questions coincided with an event that might be seen as a turning point in the I.R.C.'s activities.

The I.R.C., the eyes of many in the City, began overstepping its authority when it decided to enter a normal stock market take-over struggle. An independent instrument company, George Kent, was publicly supported against the mighty Rank Organization, which had made a seemingly generous offer for a rather sleepy company, Cambridge Instrument.

A Rank take-over just did not suit the I.R.C.'s plans for a realignment of the electronic instrumentation industry. The involvement of the I.R.C., which had access to large sums of public money, in frustrating the normal forces of the marketplace was just too much for the City's financial community.

There was no doubt about the willingness of the corporation to get deeply enmeshed in complex situations. Indeed, at one point in the formation of an all-British ballbearing consortium, its chief executive flew to Sweden in an attempt to tell the Skefco organization, a rival threatening to disrupt the Ransome Hoffmann Pollard merger, to keep its nose out.

All this coincided with the Conservative party's search for a coherent industrial policy. One of the most interesting features of British politics has been the way in which the main parties have devoted so much attention to the need to modernize industry to withstand both American and European competition. The Labor party believed in direct intervention and now the Conservatives were proclaiming disengagement, urging that cold blasts of competition were the best forces for change. The I.R.C. was slated to be disbanded, which followed the Conservatives' and Mr. Heath's gaining power.

The final words of the I.R.C.'s board in its valedictory annual report sent to Mr. Davies were that the members "would not have agreed to serve the corporation if they had not considered it had an important role in promoting the efficiency of British industry and thus promoting the national interest." They added: "Nothing had occurred to cause them to alter their opinion."

By its mistakes and its enthusiasm, however, the I.R.C. put itself into a position where its being disbanded was inevitable. The brash ways of a team of young men recruited from merchant banks, journalism and other sources had created antagonisms and resistances that made constructive work difficult. While experienced industrialists served on the board, the groundwork and reports were the responsibility of the young I.R.C. tigers, who readily cut across City traditions and British industrial methods.

Yet, on the death of the I.R.C., there are now emerging doubts. Many of the mistakes had been overcome by the I.R.C. and businessmen now realized that spectacular business failures and the strain of a long period of tight finance had indicated that the City's services were not sufficient. As a result, efforts are now under way to see if the principle of deploying more public funds in private industry can be retained.

The crash of Rolls-Royce, which the I.R.C. could not prevent, and other recent shocks to the system have shown that government cannot always stand aside. The lesson of the I.R.C. in Britain is that there is still a requirement for a vehicle that under conditions of trust and confidence can create a bridge between public finance and industry. Some specialized institution is still needed to channel a proportion of the taxpayers' money into activities that do not show an immediate profit but which for reasons of overriding national interest are judged necessary.

Any successor operation will need to be conducted in professional and less flamboyant way to build up long-term confidence, provide independent advice and clearly identify with the objectives of the private sector. Industrialists have been appearing recently before a Parliamentary committee suggesting a new agency or perhaps reviving a little used authority called the Industrial Finance Corporation, which was set up after World War II by the Bank of England in association with the clearing banks.

Whatever is decided, one merchant bank, N. M. Rothschild & Sons, has gained from the I.R.C.'s dramatic intervention on the British business scene. Mr. Davies has given N. M. Rothschild the task of administering, on a commission basis, the investments and the dispersal of the I.R.C.'s huge portfolio of $277,440,000 in shares and loans. The fact that so much money had been committed is evidence enough that private industry felt the principle of access to public funds was acceptable.

THE FARM CREDIT ACT OF 1971

Mr. HATFIELD. Mr. President, the Committee on Agriculture and Forestry has approved and reported the Farm Credit Act of 1971, S. 1483, which I cosponsored.

The bill will greatly help the farmers of Oregon and the Northwest, and we are very grateful for the committee's interest in moving it to the floor of the Senate. It involves absolutely no appropriations or Government funds in any way, but rather offers the farmers an improved system for obtaining their own farm-loan funds. As approved by the committee, it is a strong bill, designed to help farmers while making a modest contribution in the area of rural development.

There is considerable interest in and support for this bill among farmers, farmer-cooperatives, farm organizations, and the members of the farm credit system. The bill was not written and submitted to Congress by the administration, but was the result of 2 years of study and consideration by members of the farm credit system. It has been carefully examined by the Committee on Agriculture and Forestry, under the leadership of the Senator from Georgia (Mr. TALMADGE), who introduced the bill. Now the ball is in our hands.

Mr. President, in the interest of helping one of the pillars of modern American agriculture, and to assure our farmers that we are deeply concerned about the terribly difficult burdens they are forced to bear, I urge that we take action on S. 1483 as soon as possible. It would be my hope that we can complete action on it before the August recess. It is a worthwhile measure, one in which I believe we can all take pride.

TRIBUTE TO THE JUNIOR CHAMBER OF COMMERCE OF GREENVILLE, S.C., FOR SPONSORING THE MISS SOUTH CAROLINA PAGEANT

Mr. THURMOND. Mr. President, one of the truly "big events" in my State of South Carolina is the annual Miss South Carolina Pageant. This pageant has become especially meaningful to me since my wife, the former Nancy Moore, was named Miss South Carolina a few years ago.

This year's pageant was another high success, thanks to the skillful promotion of the Junior Chamber of Commerce of Greenville, S.C., who sponsored the event this year. The Greenville Jaycees under the able direction of their president, Henry W. Davis, repeated the fine performance that has characterized them in recent years. I wish to commend them for their efforts.

It is no small honor to win this pageant. Not only is the winner entitled to represent South Carolina in the Miss America contest, but she receives a valuable scholarship and the opportunity for personal appearances throughout the State and much of the country.

This year's Miss South Carolina is Miss Pamela Ruth Inabinet of Columbia. This Columbia College student won over 55 other contestants and is already preparing to represent the Palmetto State in Atlantic City on September 8.

Mrs. Thurmond joins me in commending her and expressing to her our wishes for great success in the Miss America Pageant.

An account of her winning the South Carolina title appeared in the July 19 issue of the Greenville News of Greenville, S.C. The article also reflects the efforts of the sponsoring Greenville Jaycees.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Greenville News, July 19, 1971]

STATE'S NEW QUEEN WILL BE BUSY, SHE WILL MISS COLLEGE ROOMMATES

(By Mike Bowen)

The girl who calls herself the "old maid" of the Miss South Carolina pageant is going to be very busy for the next few months.

Pamela Ruth Inabinet, a bright-eyed, 21-year-old Columbia College student majoring in drama, won the title of Miss South Carolina over 55 other contestants Saturday night and is already looking toward the Miss America pageant in Atlantic City Sept. 8.

"Of course," Pamela said, "the first question anyone asked Sunday morning was how I felt about winning. I can't explain it," she laughed. "I feel happy and stunned. It is like awakening from a dream and finding it is real."

She admitted that she would miss her college work for the year of her reign, but smiled and said, "Some of my friends there have already told me they would do my homework for me." Her greatest disappointment, she said, was that she would not be with her roommates for the coming year. "They are like sisters to me," Pamela explained.

Her ambition for the next year is to "represent South Carolina in a dignified manner in Atlantic City in keeping with the dignity of the state itself," the poised, green-eyed brunette said in a press conference following an awards breakfast for the contestants Sunday at Furman University.

For the Atlantic City competition, Pamela will select a wardrobe furnished by a $500 wardrobe scholarship from the S.C. Jaycees, sponsors of the state contest, and $500 from national sponsors.

Her first official appearance as Miss South Carolina will be at the Pageland Watermelon Festival, but most of the time between now and Sept. 8 will be devoted to preparations for her appearance in the Miss America Pageant.

She said she was undecided yet whether she will use the rhythem tap routine to "Puttin on the Ritz" which helped her win the South Carolina title.

"You work so hard for the Miss South Carolina crown," she said, "and after you get it, it is like starting all over again."

Looking beyond the next year, Pamela, who represented Columbia in the pageant, said there is no one waiting in the wings for her to finish her reign. "I don't have a boyfriend. I refer to myself as the old maid of the 1971 Miss South Carolina pageant," she smiled.

Her career plans include graduate study in dance, with the idea of teaching, particularly modern dance, on the college level when she finishes her education.

And she will be well qualified. She has studied ballet for 14 of her 21 years, tap dancing for 16 years and jazz and modern dancing for five years.

One of the more humorous moments in the awards banquet Sunday was the presentation to Pamela of a $135 scholarship for dancing lessons from a major national dance studio. But she gracefully said, "I have always wanted to study ballroom dancing. I am very excited about receiving this opportunity."

In addition to her mother and father, Mr. and Mrs. G. W. Inabinet Jr. of Swansea, she has a younger brother. "He is 11," she said, "and he was thrilled about me winning. He said he had a cheering section at the contest Saturday night."

Pamela and her parents were briefed Sunday on her schedule for the coming year, including her contract and official appearances as Miss South Carolina. She will be accompanied by a chaperone to all official functions where she will appear, but she was also told that she could date at any time except during the Miss America pageant and at any function where she appears officially as Miss South Carolina.

Glen Jeffcoat, business manager for Miss South Carolina, said the chaperones will be chosen from two or three women chosen by the queen and her hometown Jaycee chapter. There will be a chaperone chairman and the person to accompany her will be decided on for each individual appearance.

In addition to the $300 scholarship which she won in the Miss Columbia pageant and numerous scholarships and wardrobe allowances, sources with the Jaycees said that she can expect to receive from $10,000 to $12,000 from appearance money for her year as Miss South Carolina. Part of the money will be used for wardrobe items and to pay her expenses for the year. It was said Sunday that Claudia Turner, the 1971 Miss South Carolina, was able to almost triple this estimated income by virtue of her position as first runner-up in the Miss America pageant last year.

It appeared Sunday that Pamela Ruth Inabinet, 1972 Miss South Carolina, will not have a great deal of time for her hobbies of acting, sketching, cooking and writing poetry for at least a year.

THE PRESIDENT SHOULD HELP TO END THE RAILROAD STRIKE

Mr. CHURCH. Mr. President, today I call upon President Nixon to use the influence of his high office to help to achieve a settlement in the current railroad strike which has idled the Union Pacific Railroad in my State of Idaho, causing serious hardship to our farmers and livestock producers as well as our mining and lumber industries.

The President has available to him not only considerable powers, but also the moral influence of his office. I would hope that President Nixon would take a personal hand in helping to end this dispute.

I ask unanimous consent, Mr. President, that the text of a press release I intend to issue on this subject be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

FROM THE OFFICE OF SENATOR FRANK CHURCH

WASHINGTON, July 27.—Senator Frank Church today urged President Nixon to use "the influence of his high office" to help achieve a settlement in the rail strike which has brought the Union Pacific to a standstill in Idaho.

"This dispute is causing serious hardship to Idaho farmers and livestock producers, as well as to our mining and lumber industries," Church said.

"The railroads in this country run a national monopoly on shipments of vast amounts of farms products. Whenever rail service is interrupted in a state like ours, the general economy is threatened."

Noting that labor-management negotiations have failed to break the impass to date, Church called on President Nixon to directly intervene in the dispute in order to expedite a settlement.

"The President has available to him not only considerable powers, but also the moral influence of his office. I would hope that President Nixon would take a personal hand in this matter, utilizing his leadership to the fullest extent in helping to work out a settlement of this strike," Church said.

THE SOVIET INVASION OF CZECHOSLOVAKIA

Mr. PERCY. Mr. President, on August 21, freedom-loving peoples throughout the world will recall the Soviet invasion of Czechoslovakia 3 years ago. It will be a day of mourning for the loss of a limited amount of liberty and a day of prayer for national redemption.

We, in the United States, who have enjoyed our freedom without lapse since the birth of the Republic cannot fully appreciate the catastrophic consequences of a foreign invasion and continuing occupation. Yet I submit that the American people have an obligation to study what has befallen the Czechs and Slovaks, so that they can understand—really understand—the depressing situation in Czechoslovakia.

We cannot afford to be dilettantes about events in which national sovereignty is ignored and foreign domination is imposed. We must understand, at long last, what so many millions of our human brothers must endure in Czechoslovakia and other lands which are forcibly denied their rights of self-determination.

I call upon the Senate to take note of the third anniversary of the invasion of Czechoslovakia and in this way to promote public understanding of the tragic subjugation of the Czechs and Slovaks.

SENATOR MUSKIE'S PERSPECTIVE ON MAINE

Mr. EAGLETON. Mr. President, recently I placed in the RECORD a number of speeches by Senator MUSKIE regarding the problems we face as a nation. As an aid to those who might wish to make further reference to the Senator's views, I ask unanimous consent that a list of those speeches and the page numbers at which they appear in the CONGRESSIONAL RECORD be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SPEECHES OF SENATOR MUSKIE

(NOTE.—Pages referred to appear in the RECORD of July 19, 1971, beginning at 25943 and ending at 25972.)

1. "Election Eve," Cape Elizabeth, Maine, November 2, 1970, p. 2.
2. "A Pilgrimage Home," Closing Remarks, Maine Senatorial Campaign 1970, Lewiston, Maine, November 1, 1970, p. 3.
3. "Vietnam: The Way Out," Connaissance Lecture, Univ. of Pa., Philadelphia, Pa., February 23, 1971, p. 4.
4. "To Restore America's Trust," Comments on the Pentagon Papers, Eugene Nickerson Testimonial Dinner, Garden City, New York, June 20, 1971, p. 5.
5. "A Job for Every Worker," Detroit Economic Club, Detroit, Mich., May 24, 1971, p. 6.
6. "The Forgotten American Farmer," Wisconsin State College, Stevens Point, Wisc., May 16, 1971, p. 7.
7. "A Coalition of Interests: Black and White Together," Chicago NAACP Dinner June 4, 1971, p. 8.
8. "Reflections on Death of Joetha Collier," Rivier College Commencement, Nashua, N.H., May 30, 1971, p. 9.
9. "The Fifth Freedom," Four Freedoms Award Dinner, New York City, May 20, 1971, p. 10.
10. "A Medical Bill of Rights," Albert Einstein College of Medicine, New York City, May 27, 1971, p. 11.
11. "Health Care for Older Americans: A Right, Not a Privilege," Opening Statement, Subcommittee on Health, Los Angeles, California, May 10, 1971, p. 13.
12. "Cities of Hope—A Chance for the New South," LQC Lamar Society, Atlanta, Georgia, April 30, 1971, p. 13.
13. "Rebuilding Urban Government,"

American Jewish Committee, New York City, May 14, 1971, p. 15.

14. "Revenue Sharing," House Ways and Means Committee, June 9, 1971, p. 16.

15. "Beyond Urban Survival," U.S. Conference of Mayors, Philadelphia, Pa., June 14, 1971, p. 17.

16. "A War Against Heroin," N.H. Bar Association, Bretton Woods, N.H., June 18, 1971, p. 19.

17. "Law and Order: Beyond the Code Word," Summary 1971, p. 20.

18. "The Right to Know and the Right to be Let Alone," National Magazine Editors Award Luncheon, New York City, April 26, 1971, p. 21.

19. "Arms Control: A Step Toward Survival," Town Meeting, World Affairs Council Meeting, Philadelphia, Pa., April 6, 1971, p. 22.

20. "A Strategy for Peace in Europe," U.S. Senate, May 18, 1971, p. 23.

21. "Israel's Survival and America's Security," Denver, Colorado, June 25, 1971, p. 24.

22. "The American Role in Africa's Future," African-American Dialogue, Lagos, Nigeria, March 8, 1971, p. 25.

23. "An Alliance for Survival," Conference on International Organization and the Human Environment, New York City, May 21, 1971, p. 27.

24. "Toward a More Democratic Party," Wisconsin State Democratic Convention, Madison, Wisconsin, June 19, 1971, p. 28.

25. "The Heritage of Maine," Narraguagus Regional High School Commencement, Harrington, Maine, June 11, 1971, p. 29.

THE FUTURE OF OUR AEROSPACE INDUSTRY

Mr. INOUYE. Mr. President, a few weeks ago, Congress—and the Senate—agonized over the fate of the supersonic transport program and, more specifically, the Boeing Co., and moved to kill the program. The result is well known to all of us, both in headlines and Labor Department statistics as unemployment in California and Washington skyrocket.

We have agonized over the future of the Lockheed Co., which is involved in a severe financial crisis; and, once again, unemployment is a frightening specter in the wings.

Now we appear to be training our guns on yet another of our major producers—the Grumman Co.—who, among other things, built the lunar module for the Apollo program and the F-14 fighter for the U.S. Navy.

I cannot help but wonder—with some uneasiness—who is going to be next.

The aerospace industry represents one of the largest and finest pools of scientific, technical, and managerial expertise to be found anywhere in the world. I think the industry's record of achievement, from such things as Lindbergh's Spirit of St. Louis to Jim Lovell's lunar module Aquarius, speaks for itself. In brief, I believe that any industry that has bridged the technological gap from man's first crude powered flight to interplanetary travel, in less than seven decades, has to be one of the most capable and dynamic industries ever developed.

As for potential—a far more important point—I believe that the widely diversified capabilities which exist in the industry today are ready for application to nearly every major problem we presently face—whether they be in the transportation, housing, ecological, defense, space, or management fields, if we have the foresight to apply them properly.

It is, in its collective ability, one of America's most precious resources, and yet the record is full of statistics which attest to the industry's decline. Sales fell off $5 billion between the end of 1968 and the end of 1970, and it is estimated that 1971 will see a further drop of nearly $2 billion.

Nearly 300,000 jobs were sacrificed in 1970, and it looks like another 65,000 to 70,000 skilled workers will be released before next December. The industry's unemployment picture is catastrophic—not only economically, but because it is also being forced to sacrifice a substantial percentage of the talented team of workers it has taken so long to organize and train—an important percentage of which may never return to the industry. This is bound to have a very detrimental effect upon our gross national product; upon our tax revenues; upon our ability to compete in foreign markets; and hence, upon our gold flow and balance of payments.

As chairman of the Subcommittee on Foreign Commerce, I find this most disturbing. We are talking of competing with foreign aerospace producers, but we appear to be preparing to do so by making sure that some of our finest aerospace companies go under. Somehow, I fail to see the logic in that sort of preparation.

Most of the attacks directed at the industry have come from those who are concerned with the cost of aerospace products rather than with the capabilities or performance of those products.

This concern over the cost of defense products underlies the most recent attack on the Navy's new F-14.

Grumman entered into that contract during the "hey-day" of Defense Secretary McNamara and—under the procurement system of that time—was compelled to agree to prices and delivery schedules 6 to 8 years in advance of production commitments by the Government.

Today, as we view the situation, one of the most important forecasts under which the contract was signed has changed drastically—that is, the estimated rate of inflation. Even the best economists of that time were unable to foresee the inflationary spiral we have been witnessing. As a result, the company has requested a restructured contract and adjustments in costs. How has the Government reacted? In essence, we have told Grumman that we think we can force them to fulfill the contract as it stands, even though we know we will be pushing them down another difficult financial path which in another 2 or 3 years could lead them to request financial assistance. In effect, we are telling them that we do not care—we want those airplanes. We should thank God that we have a defense producer like Grumman with the financial integrity and guts to put us on notice well in advance of any crisis.

Grumman, on its part, is saying that they want to be part of the defense team; that they want to produce our aircraft, but under a contract which recognizes the quality of the product and provides for the realities of our present-day economy.

Should we, the Government, knowingly try to force another American company into crisis without regard to its national contributions? We should be aware of the effect such action will have upon its thousands of employees and stockholders—and the indirect effects that will certainly impact our economy as more unemployment appears among its hundreds of associates in more than 40 States of the Union.

It seems to me that any American company which is doing a credible job for our Government is entitled to an opportunity to earn a fair and equitable profit from its endeavors; and that as a nation, we will be more than repaid in terms of continued employment; in increased tax revenues; increased gold flow; and, hence, a more stable economy. But—most important of all—we will benefit from the production of capable weapon systems for the defense of our country.

We have heard a great deal of talk from those who claim that a cheaper, smaller aircraft than the F-14 or F-15 will meet the present Soviet threat; and, that, as an alternative, the modification of the F-4 which was developed in 1955 will suffice to meet our current and projected needs. There is no more logic in that sort of approach than there would be in attempting to compete at Indianapolis in 1972 driving a 1955 automobile. The aerospace industry—and Grumman in particular—carefully planned for a far more advanced and capable answer to the threat in designing and developing the F-14 and F-15 and Grumman, in particular, is prepared to produce a fighter in the F-14 which offers twice the range and the combat performance of the latest model of the F-4.

Those who believe that yesterday's fighters will survive in the present-day environment of the Soviet's Foxbat are deluding themselves through their exaggerated concern with cost. That concern has also caused them to view the aerospace industry as the culprit to blame, and has resulted in a search for unreal solutions to very real problems.

Like most Americans, I cherish peace. However, unlike many of those who appear to be willing to sacrifice the capability of our defenses on altars of cost considerations, I am not yet ready to abrogate our Nation's security.

It is interesting to note that our Constitution charges Congress with the power to "provide for the common defense," among other things; and I find it somewhat ironic that we are trying to meet that responsibility by weakening a great industry, and providing our military with obsolete weaponry.

Although my remarks thus far undoubtedly give the impression that I am for the aerospace industry—right or wrong—that is certainly not my stand. I am speaking—as I stated at the start, in defense of what I believe is a most valuable national asset or resource—the capability of that industry.

Nor do I mean to imply that dollar costs are of no consequence in the purchase of the industry's products. I believe, however, that dollar problems are "fixable" problems having solutions a great deal easier to find than the kind that will be required if the industry is destroyed.

Surely all of us realize that there is fault in the current situation on both sides of the Government/aerospace industry fence, and neither party can really claim that it has done its utmost to anticipate and rectify the problems that now confront us. By the same token, I refuse to believe that any of us are convinced that these problems cannot be solved through intelligent dialog, legislation, and revision of the kind of obsolete procurement procedures that have caused a large share of today's defense problems.

Now is the time for mature and statesmanlike action to be directed toward solution of the problems of our ailing aerospace industry. It has often been said that the politician looks forward to the next election, and the statesman to the next generation. It is the next generation, and those which will follow—with their unique, and certainly more complex problems—that we must also consider. And, while we ponder, we must, I believe, provide the means for this industry's survival. It may also mean our Nation's survival.

I ask that we embark on an all-out effort to solve the difficulties confronting us in this situation. Let us seek more constructive answers than those which currently range between annihilation and economic despair, and find ways in which we can protect and propagate the industry's technological resources which we do desperately need, while achieving the economically efficient levels at which we can continue to produce and advance.

In brief, let us concentrate our collective efforts on fixing the problem rather than in a continued, futile attempt to fix the blame.

U.S. CHAMBER OF COMMERCE STATEMENT ON ADVERTISING

Mr. McGOVERN. Mr. President, the national chamber of commerce recently released new guidelines for the Nation's advertisers which reflect the rising concern for the right of consumers to know more about the goods they are buying. The guidelines call for truthful, accurate, informative advertising, and recommend that advertisers have data available to substantiate their claims in response to queries by consumers. The chamber also suggested that advertisers act to provide more standardized consumer product information, stressing items relevant to consumer health and safety.

This statement by America's leading business association should encourage those who have been working to give the consumer an even break in the marketplace. Further, it demonstrates the reasonableness of the requirements that S. 1461, the Truth-in-Advertising Act, would establish for advertising. Intelligent businessmen all over the country are learning that providing consumers with information is worth the effort in order to avert the lack of trust in products which depresses sales.

But guidelines from the chamber of commerce will not by themselves achieve the open, complete system of disclosure of product information which consumers are demanding. Only enactment of the truth-in-advertising bill will insure the consumer the reliable information in advertising which the commercial world recognizes is necessary. I hope that, after hearings in the Senate Commerce Consumer Subcommittee, the Senate will speedily enact S. 1461.

I ask unanimous consent that the advertising statement of the chamber of commerce be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NATIONAL CHAMBER PUSHES FOR INCORPORATION OF NEW GUIDELINES IN NATION'S ADVERTISING

WASHINGTON, July 11.—Adoption and adherence by all of the nation's advertisers to a five-point set of recommendations was urged today by the Chamber of Commerce of the United States.

Announcing a formal "Statement on Advertising" approved by the Board of Directors, the National Chamber said they called for the following:

1. Truthful, accurate, informative advertising, relevant to present standards of good taste and proper values.

2. Effective industry self-regulation systems permitted by law.

3. Data available to substantiate factual advertising claims prior to publication, and in response to reasonable inquiries.

4. Better consumer guidance through studies of standardized information systems.

5. Added emphasis on information relating to consumer health and safety.

Adoption of the Statement by the National Chamber's 63-man Board came on recommendation of its Consumer Affairs Committee, headed by William K. Eastham, executive vice president, S. C. Johnson & Son, Inc., Racine, Wisc.

The consumer has an inherent right to quality and integrity in the marketplace, the Chamber's Statement reiterates, and "when advertisers use tactics and appeals which impeach the good standing, repute and credibility of the business world," the consumer stands to lose just as the business community does.

Arch N. Booth, executive vice preident of the National Chamber, pledged action by the National Chamber to encourage adoption of and adherence to the Statement by the organization's more than 5 million underlying membership.

STATEMENT ON ADVERTISING

Advertising is a principal medium used by businessmen to communicate information about themselves, their products and services. It also serves to communicate the appropriate desirability of products in the many instances where consumers already have sufficient information. It is a major influence in shaping the public's image of business.

Moreover, advertising is the consumer's principal source of information about products and services. The business community and consumers alike are the losers when advertisers use tactics and appeals which impeach the good standing, repute and credibility of the business world. In this sense, advertising is a critical element in assuring the consumer's right to quality and integrity in the marketplace—which is so basic to the Business-Consumer Relations Code propounded in 1970 by the Chamber of Commerce of the United States.

In furtherance of this right and the Code, we offer the following propositions concerning advertising:

1. The National Chamber believes that advertising in the spirit of the consumer's right to quality and integrity in the marketplace will possess certain fundamental characteristics: truthfulness . . . accuracy . . . informativeness . . . and relevancy to contemporary standards of good taste and proper values.

2. The National Chamber supports the principle of an effective, voluntary industry system of self-regulation of advertising to achieve the above characteristics through vigorous efforts within the full scope permitted by law.

3. The National Chamber urges all advertisers to have on hand prior to publication appropriate substantiation of factual advertising and to make such substantiation voluntarily available in response to reasonable inquiries.

4. The National Chamber encourages increased business efforts to expand consumer product information. Serious consideration should be given to systems of standardized information in appropriate product categories to facilitate consumer comparisons of important product features. In addition, trade associations should undertake information programs designed to inform consumers of the factors and considerations to be taken into account in selecting products or services.

5. The National Chamber believes added emphasis should be given to information relating to consumer health and safety. Particularly important, we believe, is the development of new concepts in advertising which draw consumers' attention to cautionary instructions on the product label.

Advertising is a tool of incalculable value to our marketing system. It has contributed enormously to the nation's economic growth and prosperity . . . to increased aspirations for all Americans . . . and to the ability of an overwhelming and growing majority of consumers to share in the fruits of economic affluence.

Advertising is also the source of information most relied on by consumers to discover the existence of new products and services, to find out about the characteristics of the various wares offered in the marketplace, and to learn how and where those wares can be obtained. Advertising thus benefits consumers as much as business.

By taking the steps proposed here, industry groups and individual advertisers will have demonstrated anew their contributions to the further assurance of quality and integrity in the marketplace.

MARSHALL M. REDDISH

Mr. McGOVERN. Mr. President, many tragedies have resulted from this country's policy in Southeast Asia, but one of the most dismaying products of the Vietnam war has been the dissension engendered among our own citizens. Angry protesters against our policies have clashed time and again with those who feel that support for the Nation is the only proper attitude in wartime. Americans who have tasted the agony of seeing those they love fight and die for a devalued goal have grown embittered.

Marshall Reddish, a Denver attorney and former State commander of the American Legion, has responded to the strife tearing at this Nation by calling for an end to the war and a beginning of the task of reuniting America. We need the best efforts of men like Mr. Reddish to put an end to the carnage of Vietnam, to build anew a nation where principle and patriotism are one.

I ask unanimous consent that the article by Mr. Reddish, appearing in the Rocky Mountain News of May 1, 1971, which addresses the problem of bringing together a divided country, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NO-WIN WAR CALLED VIOLATION OF SPIRIT

(By Marshall M. Reddish)

Demonstrators against the Vietnam war apparently agree with Hamlet, who thought that a play (demonstration?) might "catch the conscience of the king."

The Constitution of the United States gives everyone the right to assemble peacefully to petition for the redress of grievances. We must protect that right regardless of how distasteful we may think the cause for which the petition is made.

However, violent assembly and violence in petitioning are unconstitutional, illegal, and cannot be tolerated. No one may be allowed superior rights to infringe upon the rights of others just because he declares himself a revolutionary.

But let's not get sanctimonious. Let's not block our vision by wrapping ourselves in the folds of the American flag.

I know how easy it is, because I have done it, for veterans of wars previous to Korea and Vietnam to beat their breasts like the Pharisees and call attention to the guilt of the youth. We participated only in popular wars, the old type, the glamorous wars, where the entire country was mobilized in spirit.

KOREAN WAR BEGINNING

Beginning with the Korean War, we have permitted an assault upon the patriotism of our youth. In previous wars, the American people have had a declared intention to win, not to defend some inconsequential parallel of latitude, some highly doubtful and nonviable regime, not to get bogged down in a land war in Asia against the limitless Asian hordes.

It is a complete violation of the American spirit to force our youth to go through a sausage grinder of a war we say we are not trying to win. If we don't have the guts to win it, then let's have the courage to get out of it. What a refreshing of the American spirit would occur if we announced: We have done all we can afford to bring peace and freedom to Indochina. We are pulling out every one of our troops! If they are attacked while withdrawing, or you fail to release American prisoners, then we will take out one of your cities with hydrogen bombs, and if you don't cooperate in our withdrawal then we will take out another and another! We should have bands playing as our boys leave and when they arrive home.

But to return to sanctimony. Are peaceful demonstrators against the Vietnam War unpatriotic? Are the ladies at the bridge table unpatriotic when they say happily that their sons will not have go to Vietnam, because of flat feet, punctured eardrum, a nervous condition or college deferment? And are fathers patriotic when they carefully steer their sons into a noncombat situation in the National Guard or a military Reserve unit? Are the military services themselves patriotic when they persuade men to re-enlist and promise them they will be given noncombatant assignments?

Recently, I talked with an exceptionally fine young man from a family with a military heritage, a Reservist on active duty taking flight training. He said his record in training was good enough that he was allowed to choose his specialty. He plumped for prop-jets. Why? Because prop-jets are not used in Vietnam.

Are we patriotic when we permit a system of military induction which results in our fighting being done largely by the poor, the underprivileged, and the minorities?

I say, let's talk with these protesters. Let's find the ones who would be good citizens and good leaders if we would listen to them and show them that we really care, not just parrot patriotic cliches at them. Let's try to tell them that we understand their frustrations, that we know this is a lousy war, that we got into it with good democratic, American intentions, that we have tried to make a stand, within our lights, in defense of human freedom, that we think we have accomplished something, that we will not continue to tolerate the sacrifice of our youth to save our Asiatic face or any other type of face maintaining in which those not exposed to danger may safely indulge.

AMERICAN COMMITMENT

Let's tell them that we are getting the hell out, that they must believe that, that we are making a commitment of the American people to do that, and that we are thankful to them for fighting a thankless war.

After we have established a dialogue, let's explain why public disorder is so self-defeating, that it cannot be permitted, that the infringement of the civil rights of others just won't do. Let's tell them that they have caught, not the conscience of the King, but the conscience of the American people. Let's say to them that we are responsive to the young, the underprivileged and the minorities.

Perhaps we might even paraphrase William Jennings Bryan in his famous "Cross of Gold" speech. "We, the American people will no longer press down upon the brow of our youth this crown of thorns. We shall not crucify the American spirit to save face."

There will always be a struggle to be made for America and what it has meant to the world. Let's ask the peaceable demonstrators to join us.

RETIREMENT OF COL. JOSEPH O'LEARY

Mr. SCHWEIKER. Mr. President, at the end of this month, Col. Joseph E. O'Leary retires from the U.S. Army after 29 years of service. He began his Army career in 1942, after being graduated from Texas A. & M. University, where he had served as a major in the ROTC. Soon thereafter, he graduated first in his class at the infantry OCS and received his commission. Within 3 years, he had completed both the advanced infantry officers' course at Fort Benning and the command and general staff college course at Fort Leavenworth.

After serving with the 41st Infantry Division in the southern Philippines campaign, he was assigned to the 24th Infantry in Japan and served there 2 years as aide-de-camp to the commanding general. As a captain in Japan, he married Miss Rosemary Walker, daughter of Col. and Mrs. I. G. Walker, and is now the father of four children. One son, Joseph E. III, now serves as a first lieutenant with the 172d Infantry; the other, Michael, attends school in Alexandria. Daughter Terry married David Dittman, and now lives in Anchorage, Alaska, the mother of two children, Danny and Dana. Kathleen, a high school senior, is an employee of Senator MIKE GRAVEL.

After finishing his tour in Japan as a battalion commander in the 19th Infantry Regiment, Colonel O'Leary returned to the United States to instruct the junior ROTC program for the high schools of St. Joseph, Mo. The outbreak of the Korean war saw a return to combat duty, where he served as an adviser to the Korean Army for 2 years, participating in six campaigns with the 30th Regiment, and serving as director of the Korean Infantry Officer Candidate School. Following Korea, he spent 3 years at the Pentagon in the Office of the Assistant Chief of Staff G–2. In 1955, he moved to Paris, attached to the intelligence division of the Supreme Headquarters, Allied Powers Europe. Upon returning to the United States 3 years later, he served with distinction as an instructor at the Command and General Staff College, winning an award as outstanding instructor from Maj. Gen. Harrold K. Johnston.

Colonel O'Leary was again cited for his command of the 16th Infantry Division. His service with the 1st Division came during the reinforcement of U.S. troops in Western Europe and Berlin. In 1964, he received orders for Vietnam, where he became senior adviser to the province chief of Go Cong Province in the Mekong Delta. Again, his service was exemplary; after 8 months, Vietcong control of the area had been reduced from 95 to 60 percent. For this he received a citation from Gen. William Westmoreland. He was then assigned to Saigon, and again received a citation in the Office of J–3.

In 1966, he earned a masters degree in international relations from George Washington University. In July of 1967, he assumed command of the 172d Infantry Brigade at Fort Richardson, Alaska, and during 1967 and 1968 he served as the G–3 officer, operations, for Alaska. He received citations for outstanding performance in both capacities.

In July of 1969, he became the chief of the Senate liaison, Office of the Chief of the Legislative Division, and has served in that position since. After his resignation, he intends to remain in the Washington area as a consultant.

During his distinguished career, Colonel O'Leary was awarded the Legion of Merit with cluster, the Bronze Star, the Air Medal, the Army Commendation Medal, the American Campaign Medal, the Asiatic Pacific Campaign Medal, the Korean Service Medal, the Armed Forces Expeditionary Medal, the Combat Infantryman's Badge, the Republic of Korea Presidential Unit Citation Badge, the Chungmu Military Service Medal with Gold Star, the Distinguished Military Service Medal from the Korean Army, the Vietnamese Medal of Honor, first class, the Vietnam Service Medal, and the Vietnam Campaign Medal.

His record speaks for itself. For over a quarter of a century, Colonel O'Leary has served his country with dedication and distinction. I am sure the Army joins me in regretting his retirement, and in congratulating him on his service.

THE NEBRASKA AIR NATIONAL GUARD

Mr. CURTIS. Mr. President, a very important birthday was commemorated in the State of Nebraska recently. It was the 25th birthday of the Nebraska Air National Guard.

Some of the top officers of the Nebraska Air Guard, including the commander, Col. Fred H. Bailey, are in the Washington area this week participating in an aerospace education field trip and attending to other business.

It is thus fitting that we in the Senate salute this outstanding Air Guard unit and the service it has performed to the Nation as well as the State of Nebraska. It is a very outstanding unit which has won many awards.

To tell the story of the 25th birthday celebration and also to cite the awards and accomplishments of this organization, I read an editorial broadcast by radio station KFOR at Lincoln, Nebr., on July 17, 1971:

Twenty-five years of service to Nebraska citizens is the birthday being observed this weekend by the Nebraska Air National Guard. And it's quite a history. It began in 1943, 27 years ago with the wartime activation of the 401st Fighter Squadron in Massachusetts. The men won the distinguished unit citation the next year in Germany. Then it was inactivated, and reactivated in Nebraska in 1946 . . . the second Air National Guard in the Nation to receive federal recognition. Since that time the men from Nebraska have won many citations and honors for service and competitive action. In 1955 the Gwin Trophy as the 132nd Fighter Wing's outstanding Tactical Unit . . . the Wing Support Trophy also in 1955. The 10th Air Force Outstanding Unit Award in 1958 . . . the Winston P. Wilson Trophy as the Air National Guard's Outstanding Fighter Interceptor Unit in 1959, and again 4 straight years in the 60's. The Spaatz Trophy, the Ricks Trophy and others designating Nebraska's Air National Guard as one of the top in the Nation. Their frequent fly-overs remind Lincolnites of their outstanding readiness and extensive training that makes them one of the organizations of Lincoln of which we can all be very proud. KFOR congratulates the Nebraska Air National Guard, and thanks the men who have served us so well for 25 years.

AMERICAN-FATHERED VIETNAM WAR BABIES

Mr. MOSS. Mr. President, on June 15, I introduced a bill to provide for the care, housing, education, training, and adoption of American-fathered children in Vietnam—the child who is the offspring of an unwed Vietnamese mother and an American father. The bill has since been consponsored by 11 of my colleagues—Senators Stevenson, Hartke, Ribicoff, Cranston, Case, Javits, Church, Mondale, Muskie, Humphrey, and Magnuson.

In the last few weeks, the tragic circumstances of these Vietnam war babies has been the subject of a growing number of news stories and magazine commentaries. The most recent reference to them is contained in an article which appeared on the front page of the New York Times yesterday, July 26, indicating that the U.S. Embassy in Saigon has called the children's plight to the attention of the U.S. State Department. I ask unanimous consent that the New York Times article be printed in the Record.

I press again for early hearings on my bill (S. 2071) so that the Congress can begin to determine what America's responsibility is to these tragic young children, and what we should do to help them.

There being no objection, the article was ordered to be printed in the Record, as follows:

Embassy in Saigon Calls Babies of GI's A "Serious Concern"

(By Tad Szulc)

Washington, July 25.—The United States Embassy in Saigon has informed the State Department that "responsibility for American-fathered illegitimate children" in South Vietnam "has become a matter of serious and continuing concern."

A major concern, it said, is the illegal but "lucrative" practice of allowing some of these children to be adopted in foreign countries without protection for them or their families.

The Embassy's message to the State Department on July 14 emphasized the problem of children of American black men and Vietnamese women, noting that "the black child may have a more difficult time growing up in Vietnam than other children, either in Vietnamese homes or orphanages."

The Embassy noted that "there is no accurate way to estimate how many illegitimate children in Vietnam" had been fathered by Americans or other foreigners. It said, however, that a recent survey found a total of 350 to 400 such children living in 122 orphanages throughout South Vietnam.

"The magnitude of children living with mothers or close relatives outside of institutions is more difficult to estimate," it added.

In a memorandum on July 9, the South Vietnamese Ministry of Social Welfare estimated that there were 10,000 to 15,000 "racially mixed children" living at home, mainly offspring of Americans.

The Embassy said it was encouraging the passage by South Vietnam of a "modern, up-to-date adoption law" that would allow children born out of wedlock to be adopted by persons in the United States while protecting "the rights of children and adopting families."

The present South Vietnamese policy on adoption, according to the Social Welfare Ministry, is that "if a racially mixed child is recognized and requested by his parents to be reared abroad, our Ministry sees no objection because it is not prohibited by the Vietnamese laws."

The Ministry said that "if the racially mixed orphan is not recognized by anybody, and in case a foreigner wants to adopt him, this man must process paperwork following current procedures and regulations."

According to the Embassy, however, "In practice the Government has acquiesced in permitting children to be adopted by foreigners usually through proxy arrangements with private Vietnamese lawyers working with Vietnamese orphanages."

"This has resulted," that "more than 100 children each year for the past two years may have been sent to the United States for adoption, most of them under private auspices."

THE VICE PRESIDENT AND BLACK LEADERS

Mr. MONDALE. Mr. President, I was saddened, as many Americans were, to read of the Vice President's recent attack on black leaders in this country.

That attack needs no extensive rebuttal here. It bears so little relationship to reality, and reveals such a shocking misunderstanding of the people now at work in black communities all over America.

But those words were not only an affront to the dignity of Americans. The Vice President's remarks were equally insulting to millions of Africans, and therefore in the long run damaging to the interests of the United States in Africa.

For in attacking the black leadership of the United States, the Vice President ironically chose to extol some of those leaders in Africa who least represent the future of that continent and the hopes of its peoples.

Emperor Haile Selassie may be a longtime client of the United States. But to the Ethiopian people, who must bear his retrograde authoritarian rule, he has long been an obstacle to social progress and authentic economic development. The Vice President may regard the Emperor as an effective ruler, but that would be a cruel joke to the students at Haile Selassie University who have known brutal repression, or the people of Eritrea who have suffered unspeakable atrocities at the hands of the Emperor's troops, or the terrorized democratic opposition in Ethiopia, who have long been deprived of any voice or role in the rule of their country.

The Vice President found much to praise in Col. Joseph Mobutu of the Congo. He seems to have forgotten the unsavory and undemocratic origins of this man's rule, the Sten-gun dictatorship with which he now runs the Congo, and the absence of any genuine democratic election in that country since the advent of his regime.

Then the Vice President lauded President Kenyatta of Kenya. Certainly Kenya has had better and more representative government than Ethiopia or the Congo. Jomo Kenyatta can claim a distinguished place in the history of African independence. But while age has now dimmed his leadership, he has held unyieldingly to power, and the record has been tarnished. Kenya has seen the grotesque irony of racism in reverse with the exclusion of Asian residents, the extra-legal imprisonment of political opposition, and undiminished political exploitation of tribal divisions—hardly examples to be followed.

The sad truth is that all of these men so glibly commended by the Vice President belong to Africa's autocratic past rather than its hopes for a freer and richer future.

It is regrettable, to say the least, that the Vice President ignored those African leaders truly worthy of emulation—Julius Nyerere of Tanzania, or Kenneth Kaunda of Zambia, or Sir Seretse Khama of Botswana.

Those men represent the future of the continent, and not its past.

Those leaders, in their commitment to progressive, democratic, nonviolent development, are truly models for people everywhere who seek genuine change.

Even so, I wonder if black Americans really have to look beyond our shores for examples to follow. Quite the opposite, a tradition built by Martin Luther King and Whitney Young and so many other giants seems to me worthy of admiration and imitation by Americans and our friends abroad.

We can only hope when this administration chooses again to comment on the quality of either black leadership in this country or leadership in black Africa that it will be better informed and more sensitive about both.

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAVEL). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for an additional 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M.

Mr. MANSFIELD. Mr. President, am I correct in stating that when the Senate adjourns tonight, it will adjourn to meet at 10 o'clock tomorrow morning—is that the present order?

The PRESIDING OFFICER. Ten-thirty a.m. is the present order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in adjournment until the hour of 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY LOAN GUARANTEE ACT — UNANIMOUS CONSENT AGREEMENT ON STEVENSON AMENDMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a half hour on the pending amendment, the time to be equally divided between the distinguished Senator from Texas (Mr. TOWER) and the author of the amendment——

Mr. TOWER. Mr. President, would the distinguished majority leader amend that request and have the time on this side controlled by the chairman of the committee, the Senator from Alabama (Mr. SPARKMAN)?

Mr. MANSFIELD. Yes; I will change my request accordingly; and the other half of the 30 minutes to be under the control of the distinguished Senator from Illinois (Mr. STEVENSON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield? Reserving the right to object—and I do not intend to object—I would like to clarify this matter. It means that we will not have a chance to vote on the Stevenson amendment today.

Mr. MANSFIELD. That is correct.

Mr. PROXMIRE. It means we will have to wait until tomorrow to vote on the Stevenson amendment.

Mr. MANSFIELD. That is correct.

Mr. PROXMIRE. It is my understanding that the author of the amendment is very anxious to proceed to a vote on his amendment. He was willing to have a vote on the amendment yesterday. He is willing to have a vote on his amendment any time this morning or today. But the vote has been put off until tomorrow because the opponents of the amendment want more time.

Mr. MANSFIELD. The Senator is correct when he says the Senator from Illinois wanted a vote yesterday, today, and is willing to vote tonight.

Mr. PROXMIRE. That is the position of the opponents of the bill. There has been no delay on their part, much less a filibuster. There have been no delays and no long quorum calls. I hope the RECORD will show that.

Mr. MANSFIELD. I am delighted to have that information. Depending on the outcome of the vote tomorrow, I would expect the Senate to expedite its work considerably.

Mr. TOWER. Mr. President, reserving the right to object, and I do not intend to object, I might note that the Senator from Texas is pleased to vote for cloture at any time on this matter. He trusts the Senator from Wisconsin has had a change of heart and that he will vote for cloture tomorrow.

Mr. PROXMIRE. Mr. President, may I briefly reply by saying I think there is a great difference between having a vote on cloture and having the opportunity to pick and choose when amendments will be voted upon. The vote has been put off for 48 hours on this particular amendment because the Senator from Texas is trying to rally his forces and trying to get the Senate to vote as he wants it to.

Mr. TOWER. Precisely.

Mr. PROXMIRE. When we get around to considering our amendments, we want an opportunity to discuss them. The Senator wants to invoke cloture and let the railroad go through, with no time to discuss those amendments. Once the Senate votes on the Stevenson amendment, the Senator would have us cut off debate so that Senators can have no explanation of the amendments when they come to vote on them.

Mr. TOWER. Mr. President, I shall not detain the Senate any longer by answering that statement, but I will answer it later.

Mr. MANSFIELD. Mr. President, to continue with my unanimous-consent request, the time to be equally divided between the manager of the bill and the author of the amendment, the time to begin at the hour of 10 o'clock, at the conclusion of the remarks by the distinguished Senator from Missouri (Mr. EAGLETON), and, of course, to put the Senate on notice, there will be a rollcall vote at the conclusion of that half hour, and there will be no motion to table.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none and it is so ordered.

The unanimous-consent agreement reads as follows:

> *Ordered further,* That on Wednesday, July 28, 1971, at 10 a.m. debate on the pending amendment (No. 317) by the Senator from Illinois be limited to 30 minutes to be equally divided and controlled by the Senator from Illinois (Mr. STEVENSON) and the Senator from Alabama (Mr. SPARKMAN). Provided, That no motion to table shall be in order. (July 27, 1971.)

Mr. MANSFIELD. Mr. President, I think that is about it for the time being.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, it is my understanding that the unanimous consent agreement will not permit us to come to a vote on the Stevenson amendment until tomorrow morning. We have been prevented from proceeding to that part of the bill until that time because the opponents have decided they would not let us come to a vote yesterday or today.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, may we close the morning business?

The PRESIDING OFFICER. Is there further morning business? If not, the morning business is closed.

Mr. PROXMIRE. Mr. President, it was my understanding that the morning business had been closed. I beg the Chair's pardon.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the con- my understanding that the morning business had been closed. I beg the Chair's major business enterprises.

Mr. PROXMIRE. Mr. President, as I was saying, it is too bad that the Senate cannot proceed to consider these other amendments, but that we have to delay the proceedings of the Senate in order to permit the opposition to marshall their forces and plan their strategy in opposing the Stevenson amendment, and to permit those who represent the interests of Lockheed to redouble their pressure on the Senate.

But I take this opportunity to tell the Senate what has happened in my State, because in my judgment it is unprecedented. I have been a Member of this body for 14 years, and never before has there been a concerted effort to intimidate me, change my vote, or change my position on a measure by threatening to boycott the products of my State. That is exactly what is happening now, because of the fact that I have opposed this loan guarantee.

One aspect of this campaign of fear and intimidation has been a boycott of Wisconsin products organized by aerospace workers in California and Georgia. Lockheed Aircraft employees in these States have written to Wisconsin firms and have taken out ads in Wisconsin papers threatening a boycott of Wisconsin products unless I change my position on the Lockheed loan guarantee.

Mr. President, this is an extraordinary position. It is one thing if you are voting somehow to persecute people in a State, or to take some kind of action that would be against their rights. But this is intimidation in order to force this Senator—and I presume other Senators—to give Lockheed a loan guarantee, in effect a subsidy, as if they had a right to a subsidy or any group has a right to get a subsidy from our Government. It is a weird and strange position.

Mr. President, I have confidence the people of Wisconsin will not be swayed by the campaign of intimidation being waged by the aerospace workers. The people of Wisconsin as well as the people of California and Georgia are concerned about the Federal Government giving an unfair advantage to one company against its competitor by loan guarantees. They are concerned about what happens when big business is bailed out and saved from the consequences of their mistakes by the Federal Government.

For example, one attorney from Georgia wrote to me as follows:

> I want you to know that all citizens of Georgia are definitely not in favor of our government guaranteeing a $250 million loan to Lockheed. Mostly it is only those that will receive a personal gain. If a vote could be taken I am sure a majority of Georgians are like I am, strongly and emphatically opposed to this dangerous precedent of our government granting welfare to a giant private corporation.

The letter continues:

> I live within 25 miles of Lockheed's Marietta plant and I personally have known several employees there and I have personally heard most of them remark about the waste and mismanagement that went on there! . . . I beg with all my heart, as an interested taxpaying citizen, that you redouble your efforts to do all within your power to defeat this unwise move. . . . I just wish my two Senators were more like you in their thinking about the war and the military-industrial complex.

Now, Mr. President, I should like to read from an editorial that appeared recently in one of the outstanding newspapers in my State, the Racine Journal-Times. The editorial is entitled "State Is Target of Blackmail," and it reads as follows:

> An ill-founded conspiracy by aerospace workers to boycott Wisconsin products is described in a letter to the editor being published today.
>
> The boycott in western states is being used as a weapon against Sen. William Proxmire, a leader of the forces that shot down the Supersonic Transport boondoggle and an outspoken critic of waste in defense spending.
>
> Some aerospace workers are telling the citizens of Wisconsin they will not buy this state's products until Proxmire either retreats from his position or is removed from office.
>
> This is nothing but sheer blackmail. The citizens of Wisconsin have the right to vote for and select whom they want to represent them without financial pressures being exerted from outside the state.
>
> Furthermore, Proxmire not only represents the people of Wisconsin, he is a United States senator who has a right and responsibility to take an active part in deciding all national issues without economic sanctions being applied to his constituency.
>
> Neither Proxmire nor the people of Wisconsin should be intimidated by this shoddy attempt at blackmail.

Mr. President, the Wisconsin boycott is described as a spontaneous reaction by aerospace workers concerned about their jobs. However, there is some evidence that the boycott is really a callous and cynical attempt by the top management of Lockheed and its suppliers to save their own necks by exploiting the legitimate fears of their employees. For example, I have received mail indicating that the boycott material is being circulated by the management of a California company to their employees.

The top management of Lockheed needs a scapegoat to cover up their mistakes. How does the management of a large corporation explain to their thousands of employees that the company is on the brink of insolvency because of mismanagement. It is much easier to find a scapegoat, to point the finger at the Senator from Wisconsin and blame him for all of the companies' difficulties. Such an explanation diverts attention from those who are really responsible for the plight of the company—Lockheed's top management.

Mr. President, there is another reason for believing the Wisconsin boycott is being engineered by Lockheed's management. Many of the letters urging a Wisconsin boycott are coming from workers in the State of Georgia. These workers are concerned that a Lockheed bankruptcy will cost them their jobs. If such were the case, I can understand why they would be concerned.

But Mr. President, someone has badly misinformed the Georgia Lockheed workers about the consequences of bankruptcy. According to a table printed on page 28 of the hearing record, Lockheed shows 17,900 workers in the State of Georgia as of June 1, 1971. However none of these workers are working on the L–1011. I repeat—none of the 17,900 Lockheed workers in the State of Georgia are employed on the L–1011. These are not my estimates. These are not the Treasury's estimates. These are not some newspaper's estimates. These are Lockheed's own figures. Now it is true that there are 55 workers—not 55,000, not 5,500, not 550, but 55—employed by Lockheed's subcontractors in the State of Georgia working on the L–1011. However, these jobs are an infinitesimal part of the Georgia labor force.

I might point out, Mr. President, that the State of Wisconsin has 64 people working on the L–1011 for Lockheed subcontractors. Thus, Wisconsin has more to lose if the L–1011 is canceled than Georgia has, and there is not any question that if the Lockheed firm goes into bankruptcy, the only project that will be affected is the L–1011. We have been assured repeatedly by the top people in the Defense Department, including David Packard, that the Government has been protected in the event of bankruptcy, and its defense programs will continue and the jobs will not be lost.

So the L–1011 is the only labor issue here, and from that standpoint, as I say, Georgia will lose less employment than Wisconsin will lose. We will lose 64 jobs, and they will lose 55.

Mr. President, it is crucial to distinguish between L–1011 employment and defense employment at Lockheed. Only the L–1011 workers are potentially in danger of losing their jobs and there are good reasons for doubting this contention. But even accepting the argument that a Lockheed bankruptcy would spell the end of the L–1011, it is clear that practically no one in the State of Georgia would lose their job, other than Lockheed's top management.

The Under Secretary of Defense has assured the committee that all the Lockheed defense contractors would be continued under bankruptcy. The Secretary of the Treasury, a strong proponent of this legislation—an enthusiastic proponent—has also admitted that a bankruptcy would not terminate Lockheed's defense work.

Why, then, are the Georgia Lockheed workers so fearful about losing their jobs? I can only conclude that someone must be giving them false information.

That is not all, Mr. President. The Georgia workers were given wrong information about those who would be laid off if Lockheed went bankrupt. But what about the workers in California, where work on the L–1011 is done? Do they not have a legitimate reason for protesting the loss of their jobs?

Mr. President, I deeply sympathize with the plight of unemployed or potentially unemployed aerospace workers in California and elsewhere. Too many people are unemployed today.

However, Mr. President, once again, someone has been misinforming the California L–1011 workers. A Federal loan guarantee will not save their jobs. Here is why. If Lockheed does not get the guarantee and goes into bankruptcy, the trustees would take a close look at the L–1011 project.

If it were viable, if it would be a sound project, if it would go, the project would be continued. The project would be canceled only if the trustees determined that the L–1011 were commercially unviable—that future costs would exceed future revenues.

If the project is commercially unviable, if it will not sell, if it cannot return a profit, a Federal loan guarantee will not save jobs; it will only postpone the inevitable crash. Indeed, the loss of jobs will be much greater if an unviable project is permited to go ahead.

Thus, from the point of view of the average aerospace worker, there is no benefit to be derived from a Federal loan guarantee. If the L-1011 is viable, a guarantee is unnecessary. If the L-1011 is unviable, a guarantee merely postpones, and indeed increases, the ultimate job loss.

But their are those who would benefit from a guarantee. If the L-1011 can be kept going for a year or two before being canceled, Lockheed might be able to avoid bankruptcy. Thus, even though 20,000 to 30,000 workers would then lose their jobs, the jobs of the top Lockheed executives would be safe. Also, the airlines who deposited $250 million on the L-1011 might be better off if the project can be kept alive for a year or so, in order to permit the recovery of their deposits. Also, the bank would be better off if Lockheed stayed alive, since they could collect on their outstanding loans of $400 million.

Thus, the guarantee will benefit the banks, the airlines, and the top executives of Lockheed. But it does nothing for the engineer, the technician, or the man in the assembly plant. It does nothing for the workers. All the arguments have been that this would save the jobs of the workers. Very little argument has been made that we ought to guarantee this loan to save the bankers or the Lockheed top management or the airlines. But they are the ones who would benefit.

Mr. President, is it possible that Lockheed's executives are trying to save their own necks by deliberately manipulating the fears of their employees? I have received letters from some Lockheed employees who say they were pressured by their supervisors to write letters to their Congressman in support of the loan guarantee. I have no idea how widespread this pressure has been. But it strikes me as somewhat odd that Lockheed's workers would go to such unusual lengths as organizing a Wisconsin boycott to protest my opposition to the loan guarantee when the workers receive practically no benefit from the guarantee. Someone must have misled them, Mr. President. I would not be at all surprised to find that it is the Lockheed management behind the Wisconsin boycott.

Mr. President, I sometimes wish that I were as influential and powerful as the backers of the Wisconsin boycott allege. They apparently believe that I alone can stop the loan guarantee bill from passing Congress. Actually, as every Senator knows, the loan guarantee bill will be defeated only if a majority of Senators are opposed to the guarantee. Does this mean that a boycott will be organized against their States?

I do not challenge the right of workers to organize a boycott, although I do resent the obvious attempt at intimidation. As almost everyone knows, threats and intimidation rarely work. I certainly will not be intimidated by the Wisconsin boycott, which has been notably ineffective in its objectives. As a matter of fact, I am even more determined to work against the Lockheed bailout, not because of anger or resentment, but because an important principle is at stake. A U.S. Senator should determine his position not on the basis of pressure or threats but on the basis of what he believes to be good for the country. Once a Senator begins to let threats and high-pressure tactics influence his position on important issues, we have lost a vital part of the democratic process.

I hope that other Senators will take note of the Wisconsin boycott, because an important principle is at stake. In a real sense, the issue now before the Senate transcends the Lockheed loan guarantee. The issue is whether high-pressure tactics such as boycotting the products of one State are to be permitted to influence the actions of the greatest deliberative body in the world.

Mr. President, this is not just something that one or two people who have unusual ideas thought of. This is an organized, well-financed campaign, involving ads in the newspapers of my State, ads that cost hundreds of dollars, involving scores and scores of letters to newspapers in Wisconsin. That is why I say that in a very real sense, the prestige of the Senate and Congress is at stake. Make no mistake—if the Lockheed bailout is approved, the same scare tactics and high pressure politics will be used on other legislation. Other Senators who take strong positions on controversial issues could find boycotts organized against the products of their States.

Those who criticize the cigarette industry might become the target of a boycott by tobacco workers. Those who take on the drug industry might find their homestate products being discriminated against by the employees of the drug companies. Other industries under congressional review, such as the oil industry, might be encouraged to organize similar boycotts. Where does it end?

Mr. President, I say the place to end it is right here, by defeating the Lockheed loan guarantee. Let us demonstrate once and for all that the U.S. Senate does not respond to unfair boycotts or similar scare tactics. Let us reject the Lockheed loan guarantee proposal.

I invite the attention of the Senate to one of the advertisements to which I referred. It reads:

AN OPEN LETTER TO THE CITIZENS OF WISCONSIN

> DEAR CITIZENS: This letter is addressed to you by the workers of the aerospace industry. What you are about to read, you won't like. It grieves us that such a letter is necessary but we in the aerospace industry find no other recourse.
>
> You the good citizens of Wisconsin have seen fit to elect Senator Proxmire as your representative. When you did, you started a chain of events that took food from our mouths and money from our pockets. Senator Proxmire has been instrumental in leading a movement against the industry, making the United States second to Europe and Russia in the production of international saleable products (aircraft), and has placed the entire aerospace industry in jeopardy across the United States.
>
> We can understand that Wisconsin citizens would have minimum concern over this development as Wisconsin doesn't build airplanes, but you have a machine tool industry which is a major supplier to the aerospace industry. However, Mr. and Mrs. Citizen, thousands of aerospace workers are already walking the streets looking for jobs and are unable to buy Wisconsin products. We know of only one method of making you realize the seriousness of putting such a man in office and that is to have the citizens of Wisconsin share some of the effects of his action, that is, to reduce your income, because of the dogmatic position taken by Senator Proxmire.
>
> There is now underway an active campaign throughout the aerospace industry in the various states to be selective in the items purchased by aerospace workers. Wisconsin products are being identified and to the degree possible, these products will remain on the shelves unsold. Your competitor's products will be bought in preference and where you have no competitors, we will do without. We are an estimated 1,000,000 persons strong and we intend to pursue this course of action until such a time as Senator Proxmire is either removed from office or has changed his position regarding the aerospace industry.

Then they say:

> Following is a preliminary list of Wisconsin products Senator Proxmire is forcing us to stop buying. More will be added as they are identified:
>
> 1. All cheese and Dairy Products From Wisconsin.
> 2. Meats, Oscar Mayer.
> 3. Electric Controls, Cutler Hammer, Inc.
> 5. Beer, Pabst Brewing Co.
> 6. Beer, Schlitz.
> 7. Motorcycles, Harley-Davidson Mtr. Co.
> 8. Tools & Auto Testing, Snap-On Tools Corp.
> 9. Pressure Cookers, National Presto Industries.
> 10. Gas Engines and Automotive, Briggs & Stratton Corp.
> 11. Pens and Pencils, Parker Pen. Co.
> 12. Tractors and Hardware, Allis-Chalmers Mfg. Co.
> 13. Outboard Motors and Marine, Chrysler, Johnson, Evinrude and Mercury Outboards and Stern Drive Manufacturers.
> 14. Paper-Cellulose Products, Kimberly Clark.
> 15. Toys and Plastic Pools, Doughboy Industries.
> 16. Tape Recorders and Equipment, Telecom Inc.
> 17. Paper and Paper Products, Various Wisconsin Mfgrs.
> 18. Heavy Machinery for Industry, Kearney & Trecker Corp.
> 19. Automobiles, American Motors.[1]
> 20. Workman's Compensation Insurance, WAUSAU.
> 21. Plumbing and Kitchen Equipment, Kohler Co.
> 22. Ovens, Infratrol Oven Corp.
> 23. Any product with a Wisconsin label of origin.

Then it goes on to say:

> Thousands of copies of this letter are being provided to aerospace workers and to merchants that normally handle your products (so they may see what to expect and why this move is necessary).
>
> Wake Up Citizens of Wisconsin! Help us fight this battle and we'll come back to your products; some of your products are the finest in this country.
>
> National Association for Preservation of American Aerospace Industry, P.O. Box 187, Marietta, Georgia 30060.

Mr. President, this kind of insulting intimidation should not only be beneath the dignity of the Senate but I am sure it is bound to be counterproductive. I have talked with a number of Senators and they agree with the observation of Mr. Greenspan when he appeared before the committee that, with the exception of the Lockheed management, the Lockheed banks, the Lockheed suppliers, the Lockheed customer airlines, no one else really supports this loan guarantee.

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[1] One of American Motors Autos a few years back was the SST model.

Mr. Greenspan is an active man, one of the top consultants of the administration, and widely conversant with the views of people in big business. He says that except for those with a vested interest in Lockheed no one is for the guarantee. The overwhelming majority of the people in this country, not just in my State, but in all the country, are against it.

I am convinced that if we could have a referendum in California this would be overwhelmingly defeated.

Certainly in Georgia, if they realized the fact that they have exactly 55 jobs at stake, which is less than we have in Wisconsin in the L–1011 program, the people of Georgia would be opposed to the guarantee. The people of Georgia would be opposed to the guarantee even if they felt they had many of their jobs at stake, if they had the opportunity to pass on it. There is an overwhelming sentiment in this country against bailing out big corporations. That has been recognized repeatedly.

Where we have a situation where the banks and the airlines are hiding behind the specter of unemployment, which I have already documented, there is no question about the fact that the workers will be hurt and not helped by the guarantee.

Mr. President, I want to say that I am not antiaerospace when I oppose the Lockheed bailout.

Here is what McDonnell Douglas says about it:

> The break-even points of the 747 and the DC–10 have been forced out years in time. The ability of the industry as a whole to gain sufficient earnings to launch the required future programs necessary to hold the traditional dominant United States position in commercial aircraft has been severely crippled.

Mr. President, let me emphasize that, because what I am talking about is the effect the approval of the Lockheed guarantee would have on the DC–10 and the 747:

> The break-even points of the 747 and the DC–10 have been forced out years in time. The ability of the industry as a whole to gain sufficient earnings to launch required future programs necessary to hold the traditional world position in commercial aircraft has been severely crippled.

To continue:

> The giant step towards heavy government subsidization or even nationalization has been set in motion by financially reckless Lockheed action.

Mr. President, I repeat, the reason I am making this point is that the last quotation is not what the Senator from Wisconsin says, it is not what some Wisconsin newspapers say. This is not someone outside the aerospace industry. This is what the aerospace industry itself says. I do not think we can say that Lockheed has more knowledge or competence in the area of aerospace than McDonnell Douglas or Boeing, and this is what McDonnell Douglas has said. They say that the aerospace industry will be severely crippled if this bill is passed, yet it is the workers in the so-called aerospace industry—actually a front for the management of the Lockheed Corp.—which has been boycotting Wisconsin products because I have had the temerity to stand up and oppose the guarantee.

Mr. President, the Milwaukee Journal has the justly esteemed reputation of being one of the outstanding newspapers in the country. It is repeatedly listed in the top 10 in America, not just because it is a successful newspaper but because of the thought and care that go into its editorials. The strongest part of the newspaper—and it has many strong features—is its editorial page. They have seven highly capable men who do nothing but write editorials. They travel and investigate. They know what they are talking about. It is a newspaper that wears no man's collar. It has been critical of labor, business, farmers, and other groups. It is a newspaper that calls it the way it sees it.

This is what this newspaper had to say about the boycott of Wisconsin products:

> The rationale behind the boycott of Wisconsin products, proclaimed in a recent ad in The Journal, is difficult to understand. Sponsored by disgruntled aerospace workers, its admitted aim is to punish the people of this state for electing Sen. Proxmire. The workers blame Proxmire and his opposition to the supersonic transport and federal help for the ailing Lockheed Co. for the industry's depression and resulting high unemployment.
>
> This is a simplistic approach to a complicated problem. The aerospace workers are not victims of Proxmire. They are victims of a nation whose priorities are changing. They are victims of an industry that pushed an environmentally questionable and uneconomic product in the SST and, in the instance of Lockheed, got into financial trouble much of its own making. Proxmire raised the issues, but would have gotten nowhere unless a majority of his colleagues in both houses of Congress agreed with him.
>
> Wishing away Wisconsin's senior senator will not end aerospace industry troubles or restore lost jobs. Neither will a boycott of Wisconsin products. It makes about as much sense as Wisconsinites boycotting goods from California because it got more defense contracts than this state. And if each state shunned another's products or built barriers against them because of passing grievances we would soon have a federal union that wouldn't work. It was just such a situation that caused the founding fathers to turn away from the Articles of Confederation and construct the present federal system.

Mr. President, a number of newspapers in my State have often very strongly opposed me.

One of them is the Marinette Daily Herald, a paper that is ably edited and has a solid reputation. The Marinette Daily Herald says:

> For at least the second time, and possibly oftener than that, California has been the source of boycott movements to try to force an issue. Earlier, Cesar Chavez promoted a nationwide boycott of table grapes to force growers to accept a union contract which many of the vineyard workers themselves did not want. Chavez eventually won a contract.
>
> Aerospace workers currently are trying to drum up a boycott of Wisconsin products to punish this state's voters for having elected Sen. William Proxmire to Congress. The reason: Proxmire vigorously exposed shoddy management and unreliable products of the aerospace industry in connection with federal contracts. He also opposed a proposed $250 million loan to Lockheed Corporation, contending that it would subsidize continuation of inefficient and extravagant management.
>
> It is obvious that aerospace workers are suffering from a slackening of defense contracts but this could have been expected long before it came. Industries in Marinette have had to adjust to a similar shift in emphasis in federal contracts. There is no denying that the impact on aerospace industries has been much more severe than it has been here. And there have been other factors in Lockheed's distress, for instance. One of these was bankruptcy of Rolls Royce Corporation in England, supplier of motors for one of Lockheed's most ambitious recent undertakings. An adjustment has been made by the British government which will permit Rolls to fill the Lockheed contract. There are other issues too, not related to Proxmire for which the aerospace workers should seek answers within the industry and perhaps in their own union organizations.
>
> Boycotts are more vicious than strike, if that is possible, in their heedless impact on companies and employes innocent of the grievance the boycott promoters profess. They could smirch the good name of a company and its product long after the boycott is lifted. In the case, such a result would be particularly unwarranted because the companies involved are not guilty of electing Proxmire and, in fact, many probably opposed him.

I think that is a particularly telling point. It is very hard to blame Wisconsin concerns, the top management of which, in many cases opposed me for reelection to the Senate. Yet, through no fault of theirs, their products are being boycotted because I happen to be a Senator from the State of Wisconsin.

The editorial continues:

> The boycott the aerospace workers proclaim is a blow at fellow unionists in Wisconsin, who probably more than any other group are responsible for keeping Proxmire in the Senate.
>
> *The Eagle-Star* has supported Proxmire only when it felt that he was serving his constituency well and in this instance it feels that he assisted in a necessary exposure of gross over-expansion of manufacturing costs and yet the industry found itself in distress as soon as brakes were applied to defense spending.
>
> As to whether the government should let Lockheed go down the drain in bankruptcy, that's an issue that deserves careful deliberation in view of the company's deep involvement in defense production. It might impair the country's defense posture if closing of the company's plants should scatter its important aggregation of scientists and technicians who have been working as a team on countless projects important to this country's security.

I think that we have laid that ghost to rest completely. There is not any question in the hearings, in the debate, and in the testimony of David Packard that the defense aspect of Lockheed Corp. would continue.

The editorial continues:

> If the government does help, however, it should insist on a thorough overhaul of the whole sprawling, extravagant Lockheed system.

Mr. President, I have one other editorial from the Fond du Lac Commonwealth-Reporter, a paper which has both opposed and supported me at various times. It is a paper which by and large supports Republican candidates, although at various times it has supported Democratic candidates. It is a middle of the road paper. This editorial reads:

> The more active members of the aerospace industry have mailed hundreds, perhaps thousands, of letters to newspapers, radio and TV stations, businessmen and industrialists throughout Wisconsin.
>
> "What you are about to read," the letters say, "you won't like, it grieves us to present this letter but we in the aerospace industry find no other recourse."
>
> They're angry at Sen. William Proxmire over his successful efforts to squelch the production of the U.S. supersonic transport (SST).
>
> So they're boycotting products with Wisconsin labels, including Mercury outboards from Fond du Lac, beer from Milwaukee, Parker Pens from Janesville and many other items.
>
> "Those of us who are still working find ourselves more and more resentful of the Wisconsin senator and naturally citizens who elected him," the coercive letters declare. "We know of only one method of making you realize the seriousness of putting such a man in office and that is to have the citizens of Wisconsin share some of the effects of his actions, that is to reduce your income as Sen. Proxmire has done to ours."
>
> The letter continues: "We intend to pursue the course of action cited above until such time as Sen. Proxmire is either removed from office or has changed his position regarding the aerospace industry . . . Wake up citizens of Wisconsin! Turn Proxmire off or out, and we'll come back to your products."
>
> We're quite certain Wisconsin residents are not easily intimidated and it appears that Sen. Proxmire will remain in office for a considerable time.
>
> And the longer he's there, of course, the longer those aeropspace workers will have to get by without any of that famous Wisconsin cheese.

Mr. President, I am sure that there will only be a very few and, I hope, no aerospace workers who have to forgo that delight. The product is a joy to eat, especially if consumed in combination with Wisconsin beer.

Mr. TOWER. Mr. President, I want to say for the record that I went home last night and had a delicious wedge of Wisconsin cheese. I am not about to boycott it.

Mr. PROXMIRE. I thank the Senator from Texas. I think that there are few actions he has taken in the past weeks that are more worthy of commendation.

Mr. President, in all seriousness, the Senator from Texas is a fine Senator. He has led a very strong and vigorous fight. I only regret his action, because the Wisconsin cheese will give him more strength and vigor and ability to combat the Wisconsin Senator.

I am sure there is only a handful of people among the aerospace workers, management, or employees or management people in the banks that would be rescued by the pending bill who think they can intimidate the Senator from Wisconsin or his constituents by boycotting the products of his State.

I have taken time to go into this action, because I think it is extraordinary. Instead of permitting this matter to be argued on its merits, these supporters of the bailout feel the way they can win is to intimidate and to threaten, to tell this Senator and the constituents who support him that as long as he has the temerity to take the position he takes on a controversial issue they are going to boycott products of his State.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE). Without objection, it is so ordered.

MARKET FOR TRIJET AIRCRAFT

Mr. TOWER. Mr. President, Lockheed Aircraft Corp. in materials submitted to the committees considering the emergency loan guarantee legislation has estimated that in the coming decade there is a world market for 1,375 trijet aircraft. Of this number it is estimated that 775 will be basic trijet aircraft and another 600 will be long-range aircraft.

All available evidence on the market for the trijet would confirm Lockheed's estimates and if anything, Lockheed's estimates are on the conservative side. Mr. Floyd Hall, chairman of the board of Eastern Airlines testified before the Senate committee on June 14 that the market for the trijet is so large that there should be no real doubt on this score. In the course of his testimony, Mr. Hall made the following remarks concerning the future market of the trijet:

> In weighing whether Lockheed is to be enabled to go forward, it is very important to focus on the future market for the tri-jet. As I have said, it is an unusually versatile airplane with an unusually broad spectrum of applicability and pronounced cost advantages. It will move squarely into the top and middle ranges of our present fleet in terms of size by replacing both the DC-8s and our 75 original model 727s. The only 727s it will not tend to displace at least for a number of years, are the subsequently developed so-called long-bodied or "stretched" version of the 727. The tri-jet, because its flexibility makes its fleet "displacement capability" probably greater than any aircraft that has been built in years, will replace all of our large four-engine planes plus three-fourths of the medium-sized units in our fleet. Because this will probably apply to the fleets of a great many other airlines of the world, the potential sales of the wide-bodied tri-jet are very large indeed. We conclude that, by a considerable margin, it will be the predominant transport aircraft type that will be built during the next ten or perhaps fifteen years.

McDonnell Douglas' estimates for the trijet world market likewise fall in the range estimated by Lockheed. For example, for the period 1970 through 1980 McDonnell Douglas estimated last year that there is a market for the trijet of 1308[1] aircraft. Of this amount 490 would be represented by basic trijet aircraft; 442 would be long-range aircraft; and 376 would be stretch long-range aircraft. It is also significant to note that for the period 1981 through 1984 McDonnell Douglas estimates a market for an addition 314 aircraft consisting of 160 advanced medium-range trijets and 154 advanced long-range trijets. The advanced versions are simply modifications of earlier aircraft with higher engine thrust and modified airframes.

The Honorable John Volpe, Secretary of Transportation, in testimony prepared for the House Banking and Currency Committee on July 20 also spoke to the future market for the trijet aircraft. He noted for instance that in the decade ahead the FAA has forecasted a vigorous rate of growth in commercial air transportation. As the economic climate improves, scheduled revenue passenger miles carried by U.S. certified airlines are expected to increase by 3½ times in the next 10 years. Secretary Volpe also observed that for the period between 1971 and 1982 U.S. international traffic is expected to grow at an annual rate of almost 13 percent. Secretary Volpe stated that the projections clearly indicate—

> The need for new large-capacity commercial transport aircraft—particularly those like the Lockheed Tristar L-1011—to meet the anticipated passenger demand, to help alleviate the resulting airways congestion and to provide a higher standard of safety, efficiency, and comfort for the public.

As to the market for trijet aircraft by U.S. air carriers, Secretary Volpe stated a recent FAA demand forecast showed a demand for trijets of about 760 aircraft. Lockheed's estimate with respect to this demand for both the basic and long-range trijet by U.S. carriers was 755. The FAA forecast would thus confirm Lockheed's projections on this market.

Closely related to the projected markets for the trijet is the consequences which would flow if Lockheed were permitted to fail and the market were left to one manufacturer. For purposes of illustration, if you take the market in the next decade to be 1,000 aircraft and the average price during that decade to be $20 million, you are talking about a $20 billion market—perhaps the largest single monopoly market in the world. The airlines, the Air Transport Association, Secretary Volpe, and others have expressed their concern with respect to the damaging effects on the competition in the industry which would result from the termination of the L-1011 program. Secretary Volpe had the following comment to make on this point in his testimony on July 20:

> In connection with the projected forecasts for the wide-body jets, I wish to express concern over the damaging effects on competition within this industry which would result from the termination of the L-1011 program. I definitely feel that it would be in the public interest to preserve the L-1011 aircraft since its absence will reduce competition in the market for wide-body tri-jets—a domestic market that is estimated to exceed approximately $20 billion over the next ten years. Competition between manufacturers should prove desirable in terms of both cost and performance.

So the weight of evidence militates heavily against arguments raised in this Chamber that there is not an adequate market to keep more than one airframe manufacturer in business producing the trijet. It is anticipated that there will be great demand that will allow both

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[1] This information appears in DAC C1-304-1901 long-range support document table 13 June 1970.

McDonnell Douglass and the Lockheed Corp. to flourish in that market for many years to come.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9270) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1972, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 4, 34, and 38 to the bill and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

The PRESIDING OFFICER. The Senator from California is recognized.

(The remarks of Mr. Tunney when he introduced S. 2349, dealing with voting rights, are printed in the Record under Statements on Introduced Bills and Joint Resolutions.)

Mr. TUNNEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY LOAN GUARANTEE ACT

The Senate resumed the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

Mr. HARTKE. Mr. President, I am appalled that the Senate appears to be willing to embark this Nation, which we like to think is based on the principles of free and competitive enterprise, on a course of corporate welfare for those businesses which are able to combine bigness with failure. It is hard to believe that the Senate will dramatically reverse its policy toward corporate flops within just a few months. But if the Senate passes the Lockheed giveaway bill reversal of policy is precisely what will occur.

I want to remind the Senate of what we did with the Penn Central last year. The principles followed in drafting that legislation were basically two in number: any legislation should be severely limited in scope; and we did not wish to set a precedent of financial relief to failing businesses. Let me remind the Senate that the committee was extremely reluctant to approve any legislation. I submit, however, that if the Senate is now ready to put failing big corporations on welfare, we should follow the pattern used in that bill, the Emergency Rail Services Act of 1970. I firmly believe that the same principles used in that measure should be applied to Lockheed and its problems. After all, who can claim that Lockheed is any more important to the welfare of this country than the Penn Central?

Let us take a look at what was done with the Emergency Rail Services Act of 1970, Public Law 91–633.

First. Under the Emergency Rail Act, bankruptcy is a condition precedent.

Under the Lockheed Act, bankruptcy is not required.

The significance is simply this: Under the Rail Act, because bankruptcy is a prerequisite, the corporation is under the control of a Federal court. Consequently, the old management; that is, the management that probably created the problem, would reap no benefits. The company would be open to public scrutiny.

Need I remind my colleagues of the evidence of mismanagement, self-dealing, and ineptitude which led to the Penn Central's collapse? Little of this information came to light until after the railroad entered bankruptcy. Only then were the managers unable to cover their tracks. How can we know, how can the taxpayers know, how our assistance is being used unless the corporation is subject to the direction of a bankruptcy? How else can we be assured that Federal assistance is being used to advance the public's purposes?

The Lockheed bill, S. 2308, loses all the advantages of bankruptcy—a change in management, replacing those who have proven to be failures; a chance to dispose of unprofitable assets; and an opportunity to delay debt payments for a substantial period of time. Although S. 2308 allows the Emergency Loan Guarantee Board to require a management change, none is required, or, in the case of Lockheed, probable. To the extent that bankruptcy law is a tool for creating conditions for future profitable operation, S. 2308 inhibits economically sound reform, and what is worse, the taxpayer foots the bill.

Congress should not protect a company from the cleansing action of bankruptcy, we should welcome it.

Second. Under the Emergency Rail Act, an imminent threat to public welfare must be demonstrated.

Under the Lockheed bill, there must only be a finding of adverse and serious affect upon the economy or employment.

The difference is great. Under the Rail Act it is necessary to show that the public welfare would be endangered by cessation of essential transport services and the threat must be imminent. Termination of Penn Central services would be a blow to an entire 17-State region, America's industrial and population center. Services protected were those that were essential to that entire area. The Lockheed bill is concerned with very vaguely described adverse effects on the economy or employment. The closure of Lockheed would have a very limited effect on a rather small area.

Third. Under the Emergency Rail Act, there must be no other practical means of obtaining funds available, so that no loan is possible without a guarantee. But under the Lockheed bill, the provision is merely that credit is not otherwise available under reasonable terms or conditions.

The Penn Central had to show that no private lender would provide a loan at any rate, reasonable or not, without a Federal guarantee. The rail bill was described in the report as "a matter of last resort, not another means of financing corporate empires." In the Lockheed case we are apparently about to do precisely what we forbade the administration to do in the case of the Penn Central. The Federal Government can come to the rescue under S. 2308 with as little showing as the simple fact that interest rates are not reasonable or conditions are not reasonable. But when a company flops, why should private creditors be reasonable? More important, why should the U.S. Government be reasonable? But that is exactly what is called for in the next breath by S. 2308.

Fourth. Under the Emergency Rail Act, the United States is protected by requirements: first, that probably the asset value provides reasonable protection to the United States, and second, that the United States will receive the highest lien except for creditors of equipment purchases.

Contrast that to the Lockheed bill, under which the United States is protected by assurance that the company will be able to repay the loan and afford reasonable protection, secured by sufficient property to collateralize the loan fully.

In short, the United States will protect the financial failures which suffer from unreasonably poor financial condition from unreasonable rates but in return obtains as protection only reasonable assurance.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HARTKE. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Indiana for the statement he is making. It is most appropriate that he should speak on this matter, as I understand he is chairman of the Surface Transportation Subcommittee of the Senate Commerce Committee; is that correct?

Mr. HARTKE. That is correct.

Mr. PROXMIRE. And in that capacity, he had occasion to go into great detail on the recent difficulties of the Penn Central railroad, and their situation

Mr. HARTKE. No question about that. I might point out that if we had followed the administration's request, which was similiar to what is requested today, Mr. Wirtz, in his testimony, indicated that the taxpayers would have handed out $350 million in the Penn Central situation, and the net result would have been that they would still have been short exactly the same amount of money which we later authorized in the loan of some $100 million. Even though the money itself would have come from the taxpayers, all of the money would have gone to the creditors and the banks, so it was a bank bailout bill, just as the Lockheed bill is.

Mr. PROXMIRE. The original administration proposal with respect to Penn Central, as it turned out, based on our experience, would have been very costly to the taxpayers?

Mr. HARTKE. It would have cost the taxpayers at least $350 million, for which they would have gotten exactly nothing, except to make the bankers happy. The original bill in that case was very similar to the administration draft of the Lockheed bill.

Mr. PROXMIRE. And in urging the passage of that Penn Central measure, the administration indicated there was little risk involved if Congress went ahead and provided that loan to the Penn Central Corp.; is that correct

Mr. HARTKE. They indicated there would be no risk. They came in and asked for the authority to guarantee loans on the basis of the simple fact that the transportation company was in dire need of cash at that time, and could not meet its bills. But there was no requirement for them to go into bankruptcy first; there was no requirement that management be changed; there was no requirement that the Government have a guarantee of its repayment; and there was no requirement in the original bill that outside financing must not be available from other sources.

As a matter of fact, the Penn Central in their situation went into bankruptcy, and since that time things have somewhat turned around. In fact, I have begun to hear good things about Penn Central.

Mr. PROXMIRE. So the judgment of the administration in the case of Penn Central was wrong?

Mr. HARTKE. It was not only wrong, it would have been disastrous. It would have cost us $350 million. The trustees have said it was wrong, and since we have seen them go into bankruptcy, there has come to light some of the self-serving dealing, the deception, and some rather unpleasant items concerning the management of Penn Central.

Mr. PROXMIRE. The Senator, as I understand him, is telling the Senate that if we adopt the administration proposal with respect to the Lockheed loan guarantee, we might very well be in the same position as we would have been if we had gone ahead with the Penn Central bailout?

Mr. HARTKE. I think we are in exactly the same position. But let me point out something rather significant, in totality:

Congress and the committee were rather reluctant to act, even under the severe conditions on Penn Central. If we are going to provide this type of assistance to Lockheed, I think we ought to repeal the Emergency Rail Service Act and provide the same type of loan to Penn Central. Why should that company be put through such a stiff wringer to make sure the public interest will be protected, if we will not require the same conditions of a corporation which does not affect to nearly the same degree the national interest?

Mr. PROXMIRE. Is it not also true that this bill as originally drafted goes far beyond the Penn Central, so far that even the Defense Department officials are concerned about it, because it provides a total fund of $2 billion, so that the Federal Reserve Board and the Treasury Department would be in a position to guarantee loans up to $250 million without any action taken by Congress or any congressional oversight, provided that those loans be made before October 1? After October 1, Congress is given a veto power, though not an opportunity to act positively; but this is something that would not only relate to Lockheed, but could relate to many other large corporations, at great cost to the taxpayer.

Mr. HARTKE. The Senator states the case exactly right. I had hearings before the Service Transportation Subcommittee this morning, and Under Secretary Beggs of the Department of Transportation said it was possible that Penn Central could qualify as a potential borrower under the present Lockheed bill without the restrictions of the old act, and other railroads which are in a difficult financial situation are also potential borrowers under this law, without the same restrictions put on Penn Central; that the airlines were lining up right behind, and we might end up with the whole private sector of the American economy financed by the Government.

Mr. PROXMIRE. One aspect that troubled me very much as a member of the Banking Committee was that if we passed this bill, a number of ailing railroads might then go before this board under similar circumstances. Not Penn Central, necessarily; they might be one, but other railroads might go before them and be eligible for loans. Is that the impression of the Senator from Indiana?

Mr. HARTKE. Let me say to the Senator from Wisconsin, not only that, but they would not have to go into bankruptcy, as required of the Penn Central. All the other railroads could come in, and all they would need to show was that they needed some cash. There are about 15 major railroads in the United States today which are not considered in good financial condition.

Mr. PROXMIRE. Every one of the 15, it seems to me, would meet the very broad general criteria of the bill. The only requirement in the bill is to show that if the firm goes into bankruptcy there could be serious economic repercussions to the region. There would surely be serious economic repercussions if any one of those 15 major railroads went into bankruptcy, especially in a given region. Every one of them, I presume, would have a serious impact in the particular region in which it is located.

Mr. HARTKE. There is no question but that the Senator is exactly right. Under Secretary Beggs again this morning, when asked that question, said not only that it was possible, but that there was no reason why not, if they made application and made a proper showing. They would probably be in line to get such a loan.

Mr. PROXMIRE. I thank the Senator. I think his remarks are some of the most important we have had with reference to the necessity of providing more debate on this issue and a more critical examination of it, so that we can understand the full implications before we vote on it.

Mr. HARTKE. I thank the Senator from Wisconsin.

The U.S. taxpayer deserves nothing less than the best protection available. In the Rail Act the United States obtained the highest lien except for those creditors which made loans for the purchase of equipment necessary to provide service to the public. Why in the case of Lockheed must we settle for less? I should remind my colleagues that Congress in 1958 passed an act designed to help railroads purchase equipment and required—just as in the Lockheed bill—"reasonable assurance" that loans would be repaid. This did not in any way prevent defaults—there were several. I will talk about the experiences under that act in a later statement I intend to make upon this bill. Having a security interest will not necessarily guarantee full compensation—as any banker knows. Having to collect on the liquidation of specific security is not nearly as sound as being given a priority position as was given the United States in the Emergency Rail Act. In the latter event, the United States will be paid first ahead of nearly all others. But if Lockheed fails, the United States must get in line with all other creditors.

Fifth. Under the Emergency Rail Act, Federal assistance and other revenue required to be used to promote the continuation of essential transportation services.

Under the Lockheed bill no restrictions on use of funds.

If they wanted to use it for an expense account at the Waldorf Astoria, I would imagine there would be no reason why such a party could not be held in full swing.

Under the Rail Services Act, we restricted the moneys derived therefrom to the purpose of providing services of great importance to the public. Nothing in the Lockheed bill would prevent the management from squandering the money on any manner of ventures, some of which could possibly be adverse to the public's interest.

There are other differences in these measures worthy of note. For example, under the Rail Act the General Accounting Office is provided authority which would give Congress an independent evaluation of the corporation. For Lockheed we will be required to rely upon the Secretary of the Treasury and the Federal Reserve Board of Governors.

Congress should not be stampeded into counteracting the forces of the marketplace by artificially propping up a company which has found that it cannot function in the competitive world with others.

The result of the passage of the Lockheed bill could well be the extension of Government aid to all manner of businesses.

I was in Indiana this weekend and talked with farmers, and they are worried about the corn blight. I said to one farmer that I could see no reason why he should be denied a Government loan to take care of his corn blight while we give money to Lockheed to take care of their particular difficult situation.

The subsequent elimination of competition will bring the end of efficiency in business and will make service to the public inconsequential. Whenever a business can turn to the Government for help, management can avoid the hard decisions necessary to become a better competitor. I am afraid that this bailout would do more to bring us close to socialism than any assistance we could possibly give to the poor or to the unemployed. To preserve our free enterprise system, we must refuse to protect this company from the tests of the marketplace.

Before ending this statement, I want to ask one question: Can the Penn Central qualify under this act? Because if it does not, it certainly should. If Congress has decided to make it easier for big business failures to tap the Federal Treasury than we made it in the Emergency Rail Act, then I think we should make sure that the Penn Central is covered. Penn Central, in my opinion, is much more important to this Nation than Lockheed—or, at least, it is no less important. The most one can say about the loss of Lockheed is that there might be some limited unemployment. There are certainly enough defense contractors and aerospace companies around to pick up the defense-oriented functions of Lockheed. In contrast, there is no adequate replacement for the Penn Central at the present time. The 17 States served by Penn Central would feel the effects of a shutdown immediately; shortages of coal—and therefore electricity—and other raw materials and food would be evident from the first.

I certainly hope that we do not pass this legislation; but if that is Congress' desire, let us include those corporations most vital to the functioning of this country. And let us improve the bill by requiring applicants first to be in bankruptcy, by requiring that there be an imminent threat to the public welfare, by requiring a finding that no other assistance is possible, by requiring that the interest of the U.S. taxpayers are adequately protected, and by requiring that assistance go toward the advancement of an important public purpose. The U.S. taxpayer deserves no less in return for his money.

But if that is not the will of Congress, then we ought to repeal the Rail Service Emergency Act and not make Penn Central do something that we will not require Lockheed to do.

Mr. PROXMIRE. Mr. President, I am today releasing the text of a letter to me from Adm. H. G. Rickover accusing the Lockheed Aircraft Corp. of grossly overstating a defense contract claim against the Government.

The letter from Admiral Rickover, which is in response to a written request for information about Lockheed's claims, also charges the firm with delaying submission of the claim for a year, threatening to stop work on the program unless its demands were met, and refusing to provide detailed cost breakdowns to substantiate individual items in the claim.

This case typifies Lockheed's arrogant attitude toward the Federal Government and the American taxpayer.

The original contract in this instance amounted to $11 million for the production of certain structural components needed in Admiral Rickover's nuclear propulsion program.

Under the contract, the Government was to deliver some material produced by other firms to Lockheed. Because of delays by the other firms the deliveries to Lockheed were late.

To compensate Lockheed for the late deliveries, it was agreed to increase the price of the Lockheed contract and a request was made for prompt substantiation from Lockheed so that a price adjustment could be made.

But Lockheed did not supply prompt substantiation for its claim. It delayed the submission of its claim for a year.

The claim it finally submitted amounted to $12 million over and above the $11-million contract. The claim, in other words, was more than 100 percent greater than the contract price.

Lockheed's delay had the effect of locking in the Government. By the time the claim was received it was too late for the Government to go elsewhere for completion of the contract within the available time.

To make matters worse, after withholding the details of the claim for a year, Lockheed then insisted on its prompt acceptance and it went so far as to threaten to stop working on the program unless the Government gave in to its demands.

Only Admiral Rickover's personal intercession prevented stoppage of the work, considered vital to the Nation's security.

Further complicating the Government's problem with the Lockheed claim was the refusal of the company to provide detailed cost breakdows to substantiate individual items in the claim, a task that would have been greatly facilitated had Lockheed not taken so long to submit it.

Lockheed commingled its costs in its books and records, making it virtually impossible for Government auditors to identify the charges fairly chargeable to the Government.

Ultimately, a 9-month exhaustive examination of Lockheed's inadequate financial records exposed the claim as grossly overstated by approximately 75 percent. In the process of settling it, 20 months and thousands of Government man-hours have been consumed so far.

While the sums of money involved here are not large by Lockheed or Pentagon standards, the situation does illustrate the small regard that this contractor has for the public interest and the taxpayers' dollars.

This claim should be seen within the context of Lockheed's total claims against the Government. The shipbuilding division of Lockheed alone now has about $160 million in claims pending against the Navy.

Claims that are unsubstantiated and overstated are simply cost overruns that a contractor is trying to pass along to the taxpayer.

I ask unanimous consent that the text of the letter from Admiral Rickover be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., July 21, 1971.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Your letter of July 9, 1971 referred to my recent testimony before the Joint Economic Committee concerning claims against the Government by defense contractors and asked me to advise you as to my experience with contract claims by the Lockheed Aircraft Corporation. You pointed out that, with Congress currently deliberating a loan guarantee for Lockheed, it is important for members of Congress to know whether the company has been reasonable and responsible in its dealings with the Government on matters such as contract claims.

As stated in your letter, Lockheed has filed a number of large claims against the Government on defense contracts. In addition to the C5A dispute, Lockheed's shipbuilding division has submitted claims totaling about $160 million. It is my understanding that the Navy considers Lockheed to be entitled to less than half the amount claimed. Since these claims do not involve nuclear powered ships, I have no first-hand knowledge of their details or validity, nor of the proposed settlements.

My own experience with Lockheed is limited. I have had only one production contract with Lockheed, and it resulted in a large claim. In 1968 the Knolls Atomic Power Laboratory placed a fixed-price type contract with Lockheed Propulsion Company to obtain certain structural components needed in my program. The contract was awarded to Lockheed based on competitive bids from four qualified firms. Under the terms of the contract, the Government was to furnish Lockheed certain materials which were being produced by other firms. However, some deliveries of material from these firms were late and some items did not meet all of the specification requirements.

The Knolls Atomic Power Laboratory agreed to increase the price of the Lockheed contract as a result of the late and deficient materials. The company was requested to provide a properly supported quotation so that the price adjustment could be promptly settled. Lockheed, however, delayed a year before submitting a complete quotation. The company then submitted a $12 million claim on this $11 million contract. Lockheed also requested that the contract be changed from a fixed-price type to a cost-type contract.

Delaying its quotation a year permitted Lockheed to see how it was going to make out in performing the contract before it settled on a price adjustment. By the time the price quotation was received, only Lockheed could complete the contract within the available time. This delay foreclosed the Government's option of cancelling the contract and procuring the equipment elsewhere.

After the claim was finally submitted, the company then insisted on its prompt acceptance. At one point the company even threatened to stop all work unless the Government agreed to the company's demands. Even though it had a DX rating—the Nation's highest defense priority—I had to intercede personally with the Chairman of Lockheed's Board of Directors to prevent stoppage of work.

The company's claim consisted of two large volumes of lengthy technical and legal arguments. It included not only costs attributable to Government-furnished materials but also claims for numerous additional items allegedly due Lockheed because of deficiencies in the contract specifications and the Government's acts or failures to act. All of Lockheed's manufacturing delays were attributed to late or faulty Government-furnished materials or to faulty specifications—none to the company's own performance, even though Lockheed was responsible for delays far greater than those due to Government-furnished materials.

Lockheed would not provide detailed cost breakdowns to substantiate individual items in the claim. It had commingled costs in its accounting records so that it was not possible to segregate those charges fairly attributable to the Government. Ultimately, because of the company's inadequate financial records, it was necessary to base a settlement on engineering estimates and judgments of amounts due. Nine months of fact finding and negotiations revealed that Lockheed's claim was overstated by about 75 percent.

The Knolls Laboratory and Lockheed recently reached agreement on a contract price adjustment at an amount which the Laboratory considers equitable for the delay and additional work required of Lockheed. The settlement retains a fixed-price type contract with a maximum price to the Government. Overall, this settlement has taken over 20 months and required thousands of man-hours of effort by the Government and the Knolls Atomic Power Laboratory.

This claim demonstrates how defense contractors can overstate claims by intermixing unwarranted charges with valid changes and claims. Since defense contractors are not presently required to segregate and account properly for costs on Government contracts, much effort is required in evaluating claims to determine which cost items are fairly allocable to the Government. In many cases it is not possible to determine the Government's proper share of a contractor's claim from the contractor's records. This situation obviously encourages excessive claims by defense contractors. That is why I stated in testimony before your Committee that defense contracts today are binding on the Government alone not on the contractor.

As I testified to your Committee, I believe we must make fundamental changes in our defense procurement practices if we are adequately to protect the Government against excessive and exorbitant contractor claims. I have already given several specific recommendations in this regard to your Committee.

I hope the information I have provided will be of assistance to you.

Respectfully,

H. G. RICKOVER.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7109) entitled "An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes."

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9272) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1972, and for other purposes,"; and agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ROONEY of New York, Mr. SIKES, Mr. SLACK, Mr. SMITH of Iowa, Mr. FLYNT, Mr. MAHON, Mr. BOW, Mr. CEDERBERG, and Mr. ANDREWS of North Dakota were appointed managers of the conference on the part of the House.

AMENDMENT OF THE SUGAR ACT OF 1948

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senate proceed to the consideration of Calendar No. 296, H.R. 8866.

The PRESIDING OFFICER (Mr. TUNNEY). The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 8866) to amend and extend the provisions of the Sugar Act of 1948, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Sugar Act Amendments of 1971".

SEC. 2. Section 101 of the Sugar Act of 1948, as amended, is amended—

(1) by striking out "the Virgin Islands" in subsection (j);

(2) by amending subsection (o) to read as follows:

"(o) The term 'continental United States' means the States (except Hawaii) and the District of Columbia."; and

(3) by adding at the end thereof the following new subsection:

"(p) The term 'mainland cane sugar area' means the States of Florida and Louisiana."

SEC. 3. Section 201 of the Sugar Act of 1948, as amended, is amended to read as follows:

"ANNUAL ESTIMATE OF CONSUMPTION IN CONTINENTAL UNITED STATES

"SEC. 201. (a) The Secretary shall determine for each calendar year, beginning with 1972, the amount of sugar needed to meet the requirements of consumers in the continental United States and to attain the price objective set forth in subsection (b). Such determination shall be made during October of the year preceding the calendar year for which the determination is being made and at such other times thereafter as may be required to attain such price objective.

"(b) The price objective referred to in subsection (a) is a price for raw sugar which would maintain the same ratio between such price and the average of the farm prices paid index (1967=100) and the wholesale price index (1967=100) as the ratio that existed between (1) the simple average of the monthly price objective calculated for the period September 1, 1970, through August 31, 1971, under this section as in effect immediately prior to the date of enactment of the Sugar Act Amendments of 1971, and (2) the simple average of such two indexes for the same period.

"(c) For purposes of subsection (b)—

"(1) The term 'farm prices paid index' means the Index of Prices Paid by Farmers for Commodities and Services, including Interest, Taxes, and Farm Wage Rates, as published monthly by the Department of Agriculture.

"(2) The term 'wholesale price index' means such index as determined monthly by the Department of Labor."

SEC. 4. (a) Section 202(a) of the Sugar Act of 1948, as amended, is amended to read as follows:

"(a)(1) For domestic sugar-producing areas, by apportioning among such areas 6,910,000 short tons, raw value, as follows:

"Area:	*Short tons, raw value*
Domestic beet sugar	3, 406, 000
Mainland cane sugar	1, 539, 000
Hawaii	1, 110, 000
Puerto Rico	855, 000
Total	6, 910, 000

"(2) To or from the sum of 4,945,000 short tons, raw value, of the quotas for the domestic beet sugar and mainland cane sugar areas there shall be added or deducted, as the case may be, an amount equal to 65 per centum of the amount by which the Secretary's determination of requirements of consumers in the continental United States pursuant to section 201 for the calendar year is greater than or less than 11,200,000 short tons, raw value. Such amount shall be apportioned between the domestic beet sugar area and the mainland cane sugar area on the basis of the quotas for such areas established under paragraph (1) of this subsection in effect immediately prior to the date of enactment of the Sugar Act Amendments of 1971.

"(3) Whenever the production of sugar in Hawaii or Puerto Rico in any year results in there being available for marketing in the continental United States in any year sugar in excess of the quota for such area for such year established under paragraph (1) of this subsection, the quota for the immediately following year established for such area under such paragraph shall be increased to the extent of such excess production, except that in no event shall the quota for Hawaii or Puerto Rico, as so increased, exceed the quota which would have been established for such area at the same level needed to meet the requirements of consumers under the provisions of this subsection in effect immediately prior to the date of enactment of the Sugar Act Amendments of 1962. Whenever sugar produced in Hawaii or Puerto Rico in any year is prevented from being marketed or brought into the continental United States in that year for reasons beyond the control of the producer or shipper of such sugar, the quota for the immediately following year established for such area under paragraph (1) of this subsection and the preceding sentence shall, within the limitations of the preceding sentence and section 207, be increased by an amount equal to (A) the amount of sugar so prevented from being marketed or brought into the continental United States, reduced by (B) the amount of such sugar which has been sold to any other nation instead of being held for marketing in the continental United States.

"(4) Beginning with 1973 or as soon thereafter as the quota or quotas can be used, there shall be established for any new continental cane sugar producing area or areas a quota or quotas of not to exceed a total for all such areas of 100,000 short tons, raw value, subject to the requirements of section 302 of this Act."

(b) Section 202(b) of such Act is amended to read as follows:

"(b) For the Republic of the Philippines, in the amount of 1,050,000 short tons, raw value."

(c) Section 202(c) of such Act is amended—

(1) by striking out paragraph (2);

(2) by amending paragraph (3) to read as follows:

"(3) For individual foreign countries other than the Republic of the Philippines, Ireland, and Bahamas, by prorating the amount of sugar determined under paragraph (1) of this subsection, less the amounts required to establish quotas as provided in paragraph (4) of this subsection for Ireland and Bahamas, among foreign countries on the following basis:

"(A) For countries in the Western Hemisphere:

"Country	*Per centum*
Cuba	50. 00
Dominican Republic	8. 85
Mexico	7. 93
Brazil	7. 75
Peru	5. 26
West Indies	2. 74
Ecuador	1. 06
Costa Rica	. 98
Argentina	. 90
French West Indies	. 86
Nicaragua	. 86

“Country—Cont.	*Per centum*
Columbia	.82
Venezuela	.82
Guatemala	.80
El Salvador	.59
Panama	.54
Haiti	.41
British Honduras	.20
Honduras	.09
Bolivia	.08

“(B) For countries outside the Western Hemisphere:

“Country	*Per centum*
Australia	3.25
Republic of China	1.36
India	1.29
South Africa	.96
Fiji	.71
Mauritius	.29
Thailand	.24
Malagasy Republic	.15
Swaziland	.12
Southern Rhodesia	.12”;

and

(3) by amending paragraph (4) to read as follows:

“(4) For Ireland, in the amount of 5,351 short tons, raw value, of sugar; and for Bahamas, in the amount of 10,000 short tons, raw value, of sugar. The quotas provided by this paragraph shall apply, in the case of each such country, for any calendar year only if the Secretary obtains such assurances from such country as he may deem appropriate prior to September 15 preceding such calendar year that the quota for such year will be filled with sugar produced in such country.”

(d) Section 202(d) of such Act is amended—

(1) by striking out “that are members of the Organization of American States” in paragraph (1)(A)(ii);

(2) by striking out “quotas then in effect for such countries” in paragraph (1)(B) and inserting in lieu thereof “percentages stated therein”;

(3) by striking out “the Bahama Islands, Bolivia, Honduras, and” in paragraph (3) and inserting in lieu thereof “Bahamas and”;

(4) by striking out “August” and inserting in lieu thereof “June” in paragraph (4); and

(5) by striking out “1965” each place it appears in paragraph (6) and inserting in lieu thereof “1971”.

(e) Section 202(e) of such Act is amended by inserting “or under section 408(c)” after “subsection (d)(1) of this section”.

(f) Section 202(f) of such Act is amended to read as follows:

“(f) Whenever any quota is required to be reduced pursuant to subsection (e) or because of a reduction in the requirements of consumers under section 201 of this Act, and the amount of sugar imported from any country or marketed from any area at the time of such reduction exceeds the reduced quota, the amount of such excess shall, notwithstanding any other provision of this section, be charged to the quota established for such country or domestic area for the next succeeding calendar year. Sugar from any country which at the time of reduction in quota has not been imported but is covered by authorizations for importation issued by the Secretary no more than five days prior to the scheduled date of departure shown on the authorization shall be permitted to be entered and charged to the quota established for such country for the next succeeding calendar year.”

(g) Section 202(g) of such Act is amended to read as follows:

“(g)(1) the Secretary is authorized to limit, on a quarterly basis only, the importation of sugar within the quota for any foreign country during the first quarter of 1972 if he determines that such limitation is necessary to achieve the objectives of the Act.

“(2) The Secretary is not authorized during the last three quarters of 1972 and the full year 1973, or in any year thereafter except as provided herein, to limit the importation of sugar within the quota for any foreign country through the use of limitations applied on other than a calendar year basis.

“(3) In order to attain on an annual average basis the price objective determined pursuant to the formula specified in section 201 of this Act, the Secretary shall make adjustments in the determination of requirements of consumers in accordance wih the following provisions: (i) the determination of requirements of consumers shall not be adjusted whenever the simple average of the prices of raw sugar for seven consecutive market days is less than 4 per centum above or below the average price objective so determined for the preceding two calendar months; (ii) the determination of requirements of consumers shall be adjusted to the extent necessary to attain such price objective whenever the simple average of prices of raw sugar for seven consecutive market days is 4 per centum or more above or below the average price objective so determined for the preceding two calendar months; and (iii) the determination of requirements of consumers for the current year shall not be reduced after November 30 of such year, but any required reduction shall instead be made in such determination for the following year. If in the twelve-month period ending October 31 of any year after 1972 the average price of raw sugar is less than 99 per centum of the price objective determined pursuant to the formula set forth in section 201 (except in the twelve-month period ending October 31, 1973—97 per centum) then, with respect to each subsequent calendar year, the Secretary is authorized after November 30 of the preceding year to limit, on a quarterly basis only, the importation of sugar within the quota of any foreign country during the first or second quarter, or both, of such subsequent year if he determines that such limitation is necessary to achieve the objectives of the Act.

“(4) The Secretary is not authorized to issue any regulation under this Act restricting the importation, shipment, or storage of sugar to one or more particular geographical areas.

“(5) The imposition of limitations on a quarterly basis under this subsection shall not operate to reduce the quantity of sugar permitted to be imported for any calendar year from any country below its quota for that year.”

(h) Section 202 of such Act is amended by adding at the end thereof the following new subsection:

“(i)(1) In the case of any foreign country listed in subsection (c) which is permitted to supply sugar during any calendar year to a member of the European Economic Community under the common market production quota of such member, the proration of such country under subsection (c) for such year shall apply only if, prior to September 15 preceding such year, such country enters into an agreement with the Secretary providing that, in the event such country has a common market deficit for such year, it will pay to the United States, with respect to sugar imported from such country into the United States during such year (to the extent that the quality so imported does not exceed its common market deficit for such year) an amount equal to the amount, as determined by the Secretary, by which (A) the New York market price of United States quota raw sugar, duty-paid and delivered, exceeds (B) the sum of the world market price of raw sugar at the port of loading plus 1 cent per pound. If for any calendar year any such country fails to enter into such an agreement, the proration for such country shall be zero per centum and the prorations for the countries listed in paragraph (3)(A) of subsection (c) (other than any country whose proration is zero per centum) shall be increased on the basis of the percentages stated herein. If for any calendar year any such country fails to pay the amount required under such an agreement, the proration for such country for the following calendar year shall be zero per centum and the proration for the countries listed in paragraph (3)(A) of subsection (c) (other than any country whose proration is zero per centum) shall be increased on the basis of the percentages stated therein.

“(2) For purposes of paragraph (1), the common market deficit of any country for any year is the amount by which—

“(A) the total quantity of sugar supplied by it during such year to a member of the European Economic Community under the common marked production quota of such member, is less than

“(B) that quantity of sugar which is the same percentage of the common market production quota of such member for such year as the percentage which the quantity of sugar supplied by such country to such member under the common market production quota of such member during 1970 was of the common market production quota of such member for 1970.”

SEC. 5. Section 204(a) of the Sugar Act of 1948, as amended, is amended—

(1) by striking out the first sentence and inserting in lieu thereof “The Secretary shall, at the time he makes his determination of requirements of consumers for each calendar year and on December 15 preceding each calendar year, and as often thereafter as the facts are ascertainable by him but in any event not less frequently than each sixty days after the beginning of each calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any area or country will not market the quota for such area or country.”;

(2) by striking out "If" in the second sentence and inserting in lieu of thereof “Whenever” and by striking out “will be unable to” in such sentence and inserting in lieu thereof “will not”;

(3) by amending the first proviso in the second sentence to read as follows: “: *Provided*, That any deficit resulting from the inability of a country which is a member of the Central American Common Market to fill its quota or its share of any deficit determined under the foregoing provisions of this subsection shall first be allocated to the other member countries on the basis of the quotas determined pursuant to section 202 for such countries:”;

(4) by striking out “will be unable to” in the third, fifth, sixth, and eighth sentences and inserting in lieu thereof “will not”;

(5) by striking out the tenth and eleventh sentences and inserting in lieu thereof the following: “In determining and allocating deficits the Secretary shall act to provide at all times throughout the calendar year the full distribution of the amount of sugar which he has determined to be needed under section 201 of this Act to meet the requirements of consumers.”;

(6) by striking out the last sentence;

(7) by striking out “quotas then in effect” wherever it appears and inserting in lieu thereof “quotas determined pursuant to section 202”; and

(8) by striking out “47.22” wherever it appears and inserting in lieu thereof “40.04”.

(b) Section 204 of the Sugar Act of 1948, as amended, is amended by adding at the end thereof the following new subsection:

“(c) Notwithstanding the foregoing provisions of this section and section 211(c), if the Secretary determines that Hawaii or Puerto Rico will be unable to fill its quota established under section 203 for marketing for local consumption on a day-to-day basis, he shall allocate a total amount of sugar not in excess of such deficit to the domestic beet sugar area or the mainland cane sugar area, or both, to be filled by direct consumption or raw sugar, as he determines to be required for local consumption."

Sec. 6. Section 205(a) of the Sugar Act of 1948, as amended, is amended by striking out the third sentence and inserting in lieu thereof the following: "The Secretary is authorized in making such allotments, whenever there is involved any allotment that pertains to a new or substantially enlarged existing sugar beet processing facility serving a locality or localities which have received an acreage allotment under section 302(b)(3) or that pertains to a sugar beet processing facility described in section 302(b)(9), to take into consideration in lieu of or in addition to the foregoing factors of processing, past marketings and ability to market, the need for establishing an allotment which will permit such marketing of sugar as is necessary for reasonably efficient operation of any such sugar beet processing facility during each of the first three years of its operation."

Sec. 7. Section 206 of the Sugar Act of 1948, as amended, is amended—

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) If the Secretary determines that the prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico of any sugar-containing product or mixture of beet sugar molasses will substantially interfere with the attainment of the objectives of this Act, he may limit the quantity of such product, mixture, or beet sugar molasses to be imported or brought in from any country or area to a quantity which he determines will not so interfere: *Provided*, That the quantity to be imported or brought in from any country or area in any calendar year shall not be reduced below the average of the quantities of such product, mixture, or beet sugar molasses annually imported or brought in during such three-year period as he may select for which reliable data of the importation or bringing in of such product, mixture, or beet sugar molasses are available.

"(b) In the event the Secretary determines that the prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico, of any sugar-containing product or mixture or beet sugar molasses will substantially interfere with the attainment of the objectives of this Act and there are no reliable data available of such importation or bringing in of such product, mixture, or beet sugar molasses for three consecutive years, he may limit the quantity of such product, mixture, or beet sugar molasses to be imported or brought in annually from any country or area to a quantity which the Secretary determines will not substantially interfere with the attainment of the objectives of the Act. In the case of a sugar-containing product or mixture, such quantity from any one country or area shall not be less than a quantity containing one hundred short tons, raw value of sugar or liquid sugar."; and

(2) by adding at the end thereof the following new subsection:

"(d) Notwithstanding the foregoing provisions of this section, the Secretary shall each year, beginning with the calendar year 1972, limit the quantity of sweetened chocolate classified under item 156.30 (relating to chocolate, sweetened in any form other than bars or blocks weighing ten pounds or more each) and items 157.10, 157.20, and 157.40 (relating to candy and other confectionery not specially provided for) of, part 10, schedule 1, of the Tariff Schedules of the United States in effect as of December 1970, or their equivalents in any subsequent revision thereof, which may be imported into the United States for consumption therein. The quantity to be so imported during any calendar year shall be determined in the fourth quarter of the preceding calendar year and the total amount thereof shall be equivalent to the larger of (i) the average quantity of the products entered for consumption under the foregoing items of the Tariff Schedules of the United States, or their equivalents in any subsequent revision thereof, for the three calendar years immediately preceding the year in which such quantity is determined or (ii) a quantity equal to 5 per centum of the amount of sweetened chocolate and confectionery of the same description of United States manufacture sold in the United States during the most recent calendar year for which data are available. The total quantity to be imported under this subsection may be allocated to countries on such basis as the Secretary determines to be fair and reasonable, taking into consideration the past importations or entries from such countries. For purposes of this subsection the Secretary shall accept statistical data of the United States Department of Commerce as to the quantity of sweetened chocolate and confectionery of the United States manufacture sold in the United States."

Sec. 8. Section 207 of the Sugar Act of 1948, as amended, is amended—

(1) by striking out "such year" in subsections (a) and (b) and inserting in lieu thereof "the preceding year"; and

(2) by striking out subsection (c).

Sec. 9. Section 209(a) of the Sugar Act of 1948, as amended, is amended by striking out "from Hawaii, Puerto Rico, the Virgin Islands, or foreign countries," and inserting in lieu thereof "from any foreign country or any other area outside the continental United States."

Sec. 10. Section 211(a) of the Sugar Act of 1948, as amended, is amended by striking out "continental United States" and inserting in lieu thereof "United States, including Puerto Rico,".

Sec. 11. Section 212 of the Sugar Act of 1948, as amended, is amended by striking out "sugar or" in clauses (1) and (2) and inserting in lieu thereof "direct consumption sugar or".

Sec. 12. Title II of the Sugar Act of 1948, as amended, is amended by adding at the end thereof the following new sections:

"LIMITATIONS ON FOREIGN COUNTRY QUOTAS

"Sec. 213. (a) Except as provided in subsection (b), the total quantity of sugar which may be prorated and allocated under this Act to any foreign country shall not exceed—

"(1) in the case of the Republic of the Philippines and Cuba, 1,500,000 short tons, raw value, and

"(2) in the case of any other country, 800,000 short tons, raw value.

"(b)(1) The provisions of subsection (a) shall not apply with respect to the quota for Cuba during any period during which such quota, or any part thereof, is withheld under section 202(d)(1)(A). During any year during which only a part of the quota for Cuba is withheld under such section, the total quantity of sugar (other than sugar described in subparagraphs (A), (B), and (C) of paragraph (2)) which may be imported from Cuba shall not exceed 1,500,000 short tons, raw value.

"(2) The provisions of subsection (a) shall not apply to—

"(A) sugar authorized to be imported under section 202(d)(2),

"(B) sugar apportioned under the fourth and seventh sentences of section 204(a), or

"(C) sugar allocated under section 607(b)(3).

"(c) If the total quantity of sugar which would (but for this section) be prorated under or allocated under this Act to any foreign country cannot be so prorated or allocated because of the application of this section, the remaining quantity shall be allocated under section 204(a), in the same manner as if the Secretary determined that such country would not fill such remaining quantity, to other countries to which such allocation can be made under this section.

"DETERMINATION OF WEIGHT OF IMPORTED SUGAR

"Sec. 214. (a) The determination for purposes of this Act of the weight of any shipment of sugar imported into the United States shall, except as provided in subsection (b), be made by a person who is not controlled, directly or indirectly, by the importer of such sugar.

"(b) In the case of any person who, on the date of the enactment of the Sugar Act Amendments of 1971, is engaged in weighing imported sugar and is controlled by a person engaged in importing sugar, subsection (a) shall not apply with respect to the determination by such person of the weight of sugar imported by such importer."

Sec. 13. (a) Section 302(b) of the Sugar Act of 1948, as amended, is amended—

(1) by adding at the end of paragraph (1) the following: "In establishing proportionate shares for farms in the mainland cane sugar area, the Secretary may establish separate State acreage allocations, may determine and administer the proportionate shares for farms in one State by a method different from that used in another State, may include in such State allocation an acreage reserve to compensate for anticipated unused proportionate shares, may make conditional allocations to farms from such reserve and establish conditions which must be met in order for such allocations to be final, may make an adjustment in a State's allocation in any year to compensate for a deficit or surplus in a prior year if the actual amount of unused proportionate shares in such State for such prior year was larger or smaller than such anticipated amount of unused proportionate shares, and, in establishing State allocations and farm proportionate shares, may use whatever prior crop year or years he considers equitable in his consideration of past production."

(2) by adding at the end of paragraph (2) the following: "The personal sugar beet production history of a farm operator who dies, or becomes incapacitated, shall accrue to the legal representative of his estate or to a member of his immediate family if such legal representative or family member continues within three years of such death or incapacity the customary sugar beet operations of the deceased or incapacitated operator. If in any year during this period sugar beets were not planted by such legal representative or member of the family, production history shall be credited to such year equal to the acreage last planted by the deceased or incapacitated farm operator.";

(3) by amending paragraph (3) to read as follows:

"(3) In order to make acreage available for growth and expansion of the beet sugar industry, the Secretary, in addition to protecting the interests of new and small producers by regulations generally similar to those heretofore promulgated by him pursuant to this Act, shall allocate as needed from the national sugar beet requirements established by him, during 1972, 1973, and 1974, the acreage required to yield not more than a total of 100,000 short tons, raw value, of sugar for localities to be served by new or substantially enlarged existing sugar beet processing facilities. Allocations shall be for a period of three years and limited for any one processing facility to the acreage required to yield a maximum of 50,000 short tons, raw value, of sugar and a minimum of 25,000 short tons, raw value, of sugar. The acreage so allocated shall be distributed on a fair and reasonable basis to new and old sugar beet farms to the extent that it can be utilized without regard to any other acreage Secretary. At the time the Secretary allocates acreage for a new or substantially enlarged existing sugar beet processing facility for any year, which determination shall be made as far in advance of such year as practicable, such allocation shall thereby be committed to be in effect for the year in which production of sugar beets is scheduled to commence or to be substantially increased in the locality or localities determined by the Secretary to receive such acreage allocation for such year, such determination by the Secretary shall be final, and such commitment of acreage allocation shall be irrevocable upon issuance of such determination of the Secretary by publication in the Federal Register; except that if the Secretary finds in any case that the construction of new or the substantial enlargement of existing sugar beet processing facilities and the contracting for processing of sugar beets has not proceeded in substantial accordance with the representations made to him as a basis for his determination of acreage allocation, he shall revoke such determination in accordance with and upon publication in the Federal Register of such findings. In determining acreage allocations for a locality or localities serving new or substantially enlarged existing sugar beet facilities and whenever proposals are made to construct new or to substantially enlarge existing sugar beet processing facilities in two or more localities (where sugar beet production is proposed to be commenced or to be substantially increased in the same year), the Secretary shall base his determination and selection upon the firmness of capital commitment, the proven suitability of the area for growing sugar beets and the relative qualifications of localities and proposals under such criteria. If proportionate shares are in effect in either of the two years immediately following the year for which such initial acreage allocation is made in any locality, the Secretary shall adjust the initial allocation in the same proportion as the State's acreage is adjusted from its acreage of the year in which such initial allocation was made.";

(4) by amending paragraph (4) to read as follows:

"(4) The allocation of the national sugar beet acreage requirement to States for sugar beet production, as well as the acreage allocation for new or substantially enlarged existing sugar beet processing facilities, shall be determined by the Secretary after investigation and notice and opportunity for an informal public hearing.";

(5) by striking out "in any local producing area" in paragraph (5);

(6) by amending paragraph (9) to read as follows:

"(9) The Secretary is authorized to reserve from the national sugar beet acreage requirements established by him for the 1972, 1973, and 1974 crops of sugar beets the acreage required to yield 25,000 short tons of sugar, raw value, for any sugar beet processing facility which closed during 1970, if he is satisfied that such facility will resume operations and will be operated successfully and that the area which will serve such facility is suitable for growing sugar beets. The Secretary shall allocate the acreage provided for in this paragraph to farms on such basis as he determines necessary to accomplish the purposes for which such acreage is provided under this paragraph."; and

(7) by adding at the end of such subsection a new paragraph as follows:

"(10) The Secretary shall credit to the farm of any producer (or to the producer in a personal history State) who has lost a market for sugar beets as a result of (i) the closing of a sugar beet factory in any year after 1967; (ii) the complete discontinuance of contracting by a processor after 1970 in a State; or (iii) the discontinuance of contracting by a processor after 1970 in a substantial portion of a State in which the processor contracted a total of at least 2,000 acres of the 1970 crop of sugar beets, an acreage history (or production history) for each of the next three years equal to the average acreage planted on the farm (or by the producer) in the last three years of such factory's operation or processor's contracting, and any unused proportionate share shall not be transferred to other farms (or producers)."

(b) Section 302(c) of such Act is amended to read as follows:

"(c) In order to enable any new cane sugar producing area to fill the quota to be established for such area under section 202 (a)(4), the Secretary shall allocate an acreage which he determines is necessary to enable the area to meet its quota and provide a normal carryover inventory. Such acreage shall be fairly and equitably distributed to farms on the basis of land, labor, and equipment available for the production of sugarcane, and the soil and other physical factors affecting the production of sugarcane. The acreage allocation for any year shall be made as far in advance of such year as practicable, and the commitment of such acreage to the area shall be irrevocable upon issuance of such determination by publication thereof in the Federal Register, except that, if the Secretary finds in any case that construction of sugarcane facilities and the contracting for processing of sugarcane has not proceeded in substantial accordance with the representation made to him as a basis for his determination of distribution of acreage, he shall revoke such determination in accordance with and upon publication in the Federal Register of such findings. In making his determination for the establishment of a quota and the allocation of the acreage required in connection with such quota, the Secretary shall base such determination upon the firmness of capital commitment and the suitability of the area for growing sugarcane and, where two or more areas are involved, the relative qualification of such areas under such criteria. If proportionate shares are in effect in such area in the two years immediately following the year for which the sugarcane acreage allocation is committed for any area, the total acreage of proportionate shares established for farms in such area in each such two years, shall not be less than the larger of the acreage committed to such area or the acreage which the Secretary determines to be required to enable the area to fill its quota and provide for a normal carryover inventory."

SEC. 14. Section 303 of the Sugar Act of 1948, as amended, is amended by striking out "which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing areas,".

SEC. 15. Section 307 of the Sugar Act of 1948, as amended, is amended by striking out "Puerto Rico, and the Virgin Islands" and inserting in lieu thereof "and Puerto Rico".

SEC. 16. Section 404 of the Sugar Act of 1948, as amended, is amended by inserting before the period at the end of the first sentence the following: "and, except as provided in sections 205 and 306, to review any regulation issued pursuant to this Act in accordance with chapter 7 of title 5, United States Code".

SEC. 17. Section 408(c) of the Sugar Act of 1948, as amended, is amended to read as follows:

"(c) In any case in which a nation or a political subdivision thereof has, on or after January 1, 1961, and before July 21, 1971, (1) nationalized, expropriated, or otherwise seized the ownership or control of the property or business enterprise owned or controlled by United States citizens or any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens or (2) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this Act) not imposed or enforced with respect to the property or business enterprise of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States or (3) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this Act), or has taken other actions, which have the effect of nationalizing, expropriating or otherwise seizing ownership or control of such property or business enterprise or (4) violated the provisions of any bilateral or multilateral international agreement to which the United States is a party, designed to protect such property or business enterprise so owned or controlled, and has failed within six months following the taking of action in any of the above categories to take appropriate and adequate steps to remedy such situation and to discharge its obligations under international law toward such citizen or entity, including the prompt payment to the owner or owners of such property or business enterprise so nationalized, expropriated or otherwise seized or to provide relief from such taxes, exactions, conditions or breaches of such international agreements, as the case may be, or to arrange, with the agreement of the parties concerned, for submitting the question in dispute to arbitration of conciliation in accordance with procedures under which final and binding decision or settlement will be reached and full payment or arrangements with the owners for such payment made within twelve months following such submission, the President may withhold or suspend all or any part of the quota under this Act of such nation, and with respect to any part of such quota not so withheld or suspended, the President shall, under such terms and conditions as he may prescribe, cause to be levied and collected at the port of entry an impost on any or all sugar sought to be imported into the United States from such nation in an amount not to exceed $20 per ton, such moneys to be covered into the Treasury of the United States into a special trust fund, and he shall use such fund to make payment of claims arising on or after January 1, 1961, and before July 21, 1971, as a result of such nationalization, expropriation, or other type seizure or action set forth herein, except that if such nation participates in the quota for the West Indies, the President may suspend a portion of the quota for the West Indies which is not in excess of the quantity imported from that nation during the preceding year, until he is satisfied that appropriate steps are being taken, and with respect to any part of such portion not so suspended, he shall cause to be levied and collected an impost in an amount not to exceed $20 per ton on any or all sugar sought to be imported into the United States from such nation for the payment of claims as provided herein. Any quantity so withheld or suspended shall be allocated under section 202(d)(1)(B) of this Act. With respect to any action taken during 1961 in any of the categories set forth in this subsection, the requirements of this subsection relating to levying and collecting an impost shall apply only if the President so determines."

SEC. 18. (a) Section 412 of the Sugar Act of 1948, as amended, is amended to read as follows:

"TERMINATION

"SEC. 412. The powers vested in the Secretary under this Act shall terminate on December 31, 1974, or on March 31 of the year of termination of the tax imposed by section 4501(a) of the Internal Revenue Code of 1954, whichever is the earlier date, except that the Secretary shall have power to make payments under title III—

"(1) under programs applicable to the crop year 1974 and previous crop years, if the powers vested in the Secretary otherwise terminate on December 31, 1974, or

"(2) under programs applicable to the crop years preceding the calendar year in which the tax imposed under section 4501(a) of the Internal Revenue Code of 1954 terminates, if the powers vested in the Secretary otherwise terminate before December 31, 1974."

(b) Section 4501(b) of the Internal Revenue Code of 1954 (relating to termination of tax on manufactured sugar) is amended by striking out "June 30, 1972" each place it appears therein and inserting in lieu thereof "June 30, 1975, or June 30 of the first year commencing after the effective date of any law limiting payments under title III of the Sugar Act of 1948, as amended, whichever is the earlier date".

SEC. 19. The Sugar Act of 1948, as amended, is amended by adding at the end thereof a new title as follows:

"TITLE VI—TERMINATION AND SUSPENSION OF QUOTAS OF COUNTRIES WHICH CONFISCATE PROPERTY OF UNITED STATES CITIZENS

"DEFINITIONS

"SEC. 601. For purposes of this title—

"(1) The term 'Commission' means the United States Tariff Commission.

"(2) The term 'United States person' means (A) a citizen of the United States and (B) a corporation, partnership, or association which is controlled and is substantially owned, directly or indirectly, by one or more United States citizens.

"(3) Each country in the West Indies which imported sugar into the United States during 1971 under the quota for the West Indies shall be treated as a separate foreign country listed in section 202(a)(3)(A), and the proration of each such country under such section shall be determined by the Secretary on the basis of past importations of sugar and such other factors as he deems appropriate.

"VIOLATIONS BY FOREIGN COUNTRIES

"SEC. 602. For purposes of this title, a foreign country listed in section 202(c) shall be considered to be in violation of the provisions of this section if, after July 20, 1971, such country, or any political subdivision thereof—

"(1) nationalizes, expropriates, or otherwise seizes ownership or control of property or a business enterprise owned or controlled by one or more United States persons,

"(2) imposes upon or enforces against property or a business enterprise so owned or controlled discriminatory (A) taxes or other exactions, or (B) restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quotas provided by this Act) not imposed or enforced with respect to the property or business enterprises of a like nature owned or operated by its own nationals or the nationals of countries other than the United States.

"(3) takes any action described in paragraph (2), or takes any other action, which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property or a business enterprise so owned or controlled, or

"(4) violates the provisions of any bilateral or multilateral international agreement to which the United States is a party, designed to protect property or business enterprise so owned or controlled,

unless, within six months thereafter, such country takes appropriate and adequate steps to remedy such situation and to discharge its obligations under international law to the United States person or persons involved by (A) the prompt payment of adequate compensation for the property or business enterprise so nationalized, expropriated, or otherwise seized, (B) relief from such taxes, exactions, conditions, or breaches of such international agreements, as the case may be, or (C) arranging, with the agreement of the parties concerned, for submitting the question in dispute to arbitration or conciliation in accordance with procedures under which final and binding decision or settlement will be reached and full payment or arrangements for payment will be made within twelve months following such submission.

"DETERMINATION OF VIOLATIONS

"SEC. 603. (a) Upon—

"(1) the filing of a petition by one or more United States persons alleging that, with respect to property or a business enterprise owned or controlled by such person or persons, a foreign country listed in section 202(c) has violated the provisions of section 602, or

"(2) the receipt of a resolution adopted by the Committee on Agriculture of the House of Representatives or the Committee on Finance of the Senate setting forth information with respect to an alleged violation of the provisions of section 602 by a foreign country listed in section 202(c),

the Commission shall immediately conduct a complete and thorough investigation to determine whether or not there has been a violation of such provisions by the foreign country. A petition filed under paragraph (1) shall set forth complete information with respect to the alleged violation, including the value of the property or business enterprise which is the subject of the alleged violation and the amount of compensation, if any, paid or offered by the foreign country. The determination of the Commission under this subsection shall be made within six months after the date on which the petition is filed or the resolution is received, as the case may be, and shall be published in the Federal Register as soon as possible after being made.

"(b) If, with respect to any petition or resolution under subsection (a), the Commission determines that the foreign country has violated the provisions of section 602, the quota of such country under title II shall (unless such quota has been terminated by this section) terminate on the 90th day after the date of publication of such determination, unless the Commission determines and publishes in the Federal Register, prior to such 90th day, that such violation has ceased.

"(c) If, with respect to any petition or resolution under subsection (a), the Commission is unable to make a determination within six months after the date on which such petition is filed or such resolution is received that the foreign country has or has not violated the provisions of section 602, it shall, on or before the last day of such six-month period, publish such fact in the Federal Register, together with the reasons for its inability to make such determination. Effective on the day after such publication, the quota of the foreign country under title II shall (unless such quota has been terminated by this section) be suspended and shall remain suspended (1) for the remainder of the calendar year in which such day occurs and (2) for each calendar year thereafter which begins before the Commission makes and publishes a final determination under subsection (a).

"(d) The Commission shall give priority to investigations conducted by it under this section, and in conducting such investigations the Commission shall afford all interested persons an opportunity to present evidence and give testimony. Determinations by the Commission under this section shall not be subject to review.

"DETERMINATIONS OF ADEQUATE COMPENSATION

"SEC. 604. (a) In any case in which there has been a determination under section 603 that a foreign country has violated the provisions of section 602, the Commission shall, at the time of making such determination or as soon thereafter as possible, further determine the amount due United States persons to provide adequate compensation for such violation. The Commission shall certify the amount so determined to the Secretary of the Treasury, unless the Commission determines and publishes in the Federal Register under section 603(b) that such violation has ceased.

"(b) The determination of adequate compensation under subsection (a) shall be made in each case by the members of the Commission who voted in such case for a determination that the foreign country had violated the provisions of section 602, and the determination of such members shall be considered to be the determination of the Commission.

"(c) For purposes of this section, all interested persons shall be afforded an opportunity to present evidence and give testimony with respect to the amount of compensation due United States persons. Determinations by the Commission under this section shall not be subject to review.

"ESTABLISHMENT OF SPECIAL FUND; PAYMENTS OF COMPSENSATION

"SEC. 605. (a) There is established in the Treasury of the United States a special fund to be known as the Sugar Act Fund (hereinafter referred to as the 'Fund').

"(b) All fees received by the Secretary pursuant to agreements entered into under section 607(c) shall be deposited in the Fund, except that, in the case of agreements entered into with respect to prorations of a suspended quota, fees received pursuant to such agreements for sugar imported during the first 90 days of the period of suspension of the quota shall be deposited in the general fund of the Treasury. A separate account within the Fund shall be maintained with respect to each foreign country whose quota is prorated under section 607(a).

"(c) The Secretary of the Treasury is authorized and directed to pay, out of the Fund, the amounts of compensation certified by the Commission to be due to United States persons under section 604. Such amounts shall be charged to the account of the foreign country determined to owe such compensation and in the event the moneys in such account are insufficient to pay the compensation due to all such United States persons, payments shall be made on a pro rata basis as determined by the Secretary of the Treasury.

"(d) In the case of fees received under agreements entered into under section 607(c) with respect to prorations of a suspended quota, if the Commission determines that the foreign country whose quota was suspended has not violated the provisions of section 602, the Secretary of the Treasury shall transfer all such fees from the Fund to the general fund of the Treasury upon the conclusion of the period of suspension of such quota.

"(e) Any moneys in the Fund not needed to make payments under subsection (c) shall be invested by the Secretary of the Treasury in the same manner as moneys in the Highway Trust Fund.

"ASSISTANCE BY OTHER AGENCIES

"SEC. 606. Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Commission, such information and other assistance as the Commission deems necessary to carry out the duties and functions imposed on it by sections 603 and 604.

"PRORATION OF TERMINATED AND SUSPENDED QUOTAS

"SEC. 607. (a) Subject to the provisions of subsection (c) and of section 213, whenever the quota of any foreign country listed in section 202(c) is terminated or suspended by section 603, such quota shall, if such country is listed in paragraph (3)(A) of such section, be prorated to the other countries listed in such paragraph on the basis of the percentages stated in such paragraph; if such country is listed in paragraph (3)(B) of such section, be prorated to the other countries listed in such paragraph on the basis of the percentages stated in such paragraph; and if such country is listed in paragraph (1) or (4) of such section, be prorated to the countries listed in paragraph (3) of such section on the basis of the percentages stated in such paragraph.

"(b)(1) In the event that any country listed in paragraph (3)(A) of section 202 fails to enter into an agreement under subsection (c) with respect to the total quantity prorated to it under subsection (a), such deficit shall, subject to the provisions of subsection (c) and of section 213, be further prorated to the other countries listed in such paragraph on the basis of the percentages stated in such paragraph; and if the countries listed in such paragraph do not enter into agreements under subsection (c) with respect to the total amount of such deficit, the remainder of such deficit shall be prorated to the countries listed in paragraphs (3)(B) of such section on the basis of the percentages stated in such paragraph.

"(2) In the event that any country listed in paragraph (3)(B) of section 202(c) fails to enter into any agreement under subsection (c) with respect to the total quantity prorated to it under subsection (a), such deficit shall, subject to the provisions of subsection (c) and of section 213, be further prorated to the other countries listed in such paragraph on the basis of the percentages stated in such paragraph; and if the countries listed in such paragraph do not enter into agreements under subsection (c) with respect to the total amount of such deficit, the remainder of such deficit shall be prorated to the countries listed in paragraph (3)(A) of such section on the basis of the percentages stated in such paragraph.

"(3) If, after the application of paragraphs (1) and (2) of this subsection, agreements under subsection (c) have not been entered into with respect to the total quantity of the deficit of any country, the remainder of such deficit shall be allocated in such amounts as the Secretary may determine to foreign countries which enter into an agreement under subsection (c) with respect to the amount so allocated.

"(c) A proration or allocation shall be made to a foreign country under subsection (a) or (b) only if the foreign country agrees that there will be paid to the Secretary a fee, determined at the time of importation of sugar under such proration or allocation, equal to one-half of the amount by which (1) the New York market price of United States quota raw sugar, duty-paid and delivered, exceeds (2) the sum of the world market price of raw sugar at the port of loading plus one cent per pound.

"(d) For purposes of this section—

"(1) the quota of any foreign country for the calendar year in which such quota is first terminated or suspended by section 603 shall be treated as being that portion of such quota which is unfilled on the first day of such termination or suspension;

"(2) if the quota of a foreign country is terminated by section 603 while such quota is suspended by such section, no proration of such quota shall be made under subsections (a) and (b) for the calendar year in which the date of termination occurs; and

"(3) in prorating under subsections (a) and (b) the quota of any foreign country whose quota is terminated or suspended by section 603, the percentage stated in section 202(c)(3) for any other foreign country whose quota has been terminated by section 603 shall be treated as being zero per centum, and the percentage stated in section 202(c)(3) for any other foreign country whose quota is suspended by section 603 shall, during the period of suspension, be treated as being zero per centum.

"(e) In case the quota for Cuba is terminated or suspended by section 603 during the period during which such quota is withheld under section 202(d)(1)(A)—

"(1) the provisions of the preceding subsections shall not apply, and

"(2) a quantity of sugar equal to such quota shall be prorated each year in the manner provided by clauses (i) and (ii) of section 202(d)(1)(A)."

SEC. 20. The provisions of this Act shall become effective on January 1, 1972, except that the amendments made by sections 3, 4, and 5 of this Act shall become effective on the date of enactment of this Act for purposes of actions relating to 1972 and subsequent years, and the amendment made by section 19 shall become effective on July 21, 1971.

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, the time for debate on this bill is limited.

Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that no time be taken out of the bill for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BROCK). Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that Mr. Andrew Carl Schuman be permitted the privilege of the floor during the debate on the so-called sugar bill and during rollcall votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, with reference to debate on the bill, the time in opposition thereto be controlled by the distinguished Senator from Oklahoma (Mr. HARRIS).

This has been discussed with the distinguished senior Senator from Utah (Mr. BENNETT), and he approves of the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time consumed not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, H.R. 8866 would extend the Sugar Act for an additional 3-year period. The committee bill, like the House bill, would make certain changes in the act to increase domestic sugar production and would base foreign quotas primarily on performance and capacity to serve the U.S. market in times of need.

Before getting into the details of what the committee did with respect to this legislation, I think it is important to explain our sugar program and to dispel the myths that have developed with rsepect to it. First of all, let me say that the sugar program has worked very well since 1934. It has not only protected the welfare of the U.S. sugar industry, but has also provided U.S. consumers with ample sugar at reasonable and stable prices.

BASIC AIMS OF U.S. SUGAR PROGRAM AND HOW IT WORKS

Let me say that the U.S. sugar program is not unique in its objective. The governments of nearly every sugar-producing country—both importers and exporters—exercise controls over the production, refining, marketing, and importing of sugar. As a matter of fact, sugar is the most thoroughly regulated commodity in the world.

The U.S. Sugar Act has six major features:

First. The quantity of sugar needed to maintain adequate supplies at reasonable prices for U.S. consumers is determined for each year by the Secretary of Agriculture.

Second. This yearly sugar requirement is divided among specified domestic and foreign producing areas through quotas assigned to each.

Third. Within domestic quotas, allotments are established for domestic processors, when needed, in order to keep sugar marketing channels on an orderly basis.

Fourth. Domestic farm production is limited, as needed, within acreage provided to produce the sugar needed to meet domestic quotas and maintain inventories.

Fifth. Payments are made to growers to augment farm income. These payments are financed out of the general funds of the Treasury. However, it should be noted that this program more than supports itself: sugar taxes—an excise tax of ½ cents per pound on all sugar marketed—provide funds for the Treasury which more than offset the costs of the program. In fact, over the life of the program the funds collected exceed the sugar program expenditures by $634 million.

Sixth. Under the Sugar Act, payments and benefits are equitably divided among sugarbeet and sugarcane growers, farmworkers and processors.

Under the program established in 1934, farm income has increased from an average of $2,300 a year to over $23,000 a year; workers' real wages, in terms of purchasing power are up 450 percent and minimum wage rates are 1,200 percent higher, while the consumer is paying only about 7 cents more per pound for sugar than he or she paid in 1934.

I ask unanimous consent to have printed in the RECORD, after the completion of my remarks, excerpts from the committee report describing the sugar program from the standpoint of the industry, the farmer, the worker, and the consumer.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

CONSUMER EFFECTS

Mr. LONG. Mr. President, world sugar production prices are extremely volatile. They fluctuate widely and, like other primary commodities, they depend on such sensitive, and uncontrollable, factors as favorable weather conditions.

In relation to other foods, the price of sugar in the United States has actually declined over a period of years. The price of sugar is now lower than it was during the 1860's and 1870's and the years immediately following World War I. In relation to 1957–59, the retail price of sugar has increased by only 11 percent, while all foods have increased by 32 percent.

Consumers in the United States enjoy lower prices than the consumers in most countries of the world. For example, as of January 1971, the retail price of sugar in the United States was 13.4 cents per pound. In Italy, the retail price was 18.4 cents; in Japan, 18.4 cents; in Western Germany, 17.7 cents; and in Sweden, 14.8 cents. The U.S. price is lower than the average price paid by all importing countries, and also lower than the average prices paid by consumers in both importing and exporting countries.

INDUSTRY PROFILE

Now, let me turn to our domestic sugar industry. It is unlikely that any significant amount of sugar would be grown in the Continental United States if American producers had to compete in the open world market with sugar produced with cheap tropical labor or under subsidy in other countries. That is an economic fact of life. However, for defense and strategy reasons, it has long been the policy of the United States to promote, within our own country, the ability to produce a substantial portion of our sugar requirements. As a result of our long-established sugar program, about 28,000 domestic farms produce sugarcane or sugar beets and in doing so, utilize about $1.25 billion of invested capital annually. Sugar produces employment for about 150,000 farm workers and many others who work in the 58 beet sugar factories, the 92 raw cane sugar mills, and the 28 refineries who convert sugar crops into refined sugar. Sugar beets are produced in 24 States from Maine to California, while sugarcane is grown only in three States, Louisiana, Florida, and Hawaii. The State of Hawaii is importantly dependent on the production of sugar for its income and hence—education, health, and other services.

LABOR STANDARDS

Under our sugar program the average income per farm from sugar crops has grown from $2,300 to more than $23,000 in a 30-year period. Sugar laborers have profited substantially, also. Under the 1966 amendments to the Fair Labor Standards Act, field workers in the production of sugar crops are the only agriculture workers covered by minimum wage legislation. The Jones-Costigen Act of 1934 first extended wage protection to workers, and successive enactments have continued this feature. As a result, levels of living and working conditions have steadily improved and present minimum wage rates under the Sugar Act are more than 1,200 percent over what they were when the act was originated. This has outstripped the increase of food and clothing, the increase in producers' income, and the increase in the consumer price index over this period. I know there is the allegation that sugar workers within the United States and other countries are exploited and live under conditions that are not desirable. However, as far as the United States is concerned, the facts indicate that their standard of living has improved remarkably under the program.

THE MAIN FEATURES OF COMMITTEE BILL

Now, let me get to the specific features of this bill. First, the committee bill agreed with the House in transferring 300,000 tons of the present Puerto Rican and Virgin Island quota allotments to domestic cane growers. The domestic cane area has the capacity to greatly increase its production, while Puerto Rican production is declining sharply, and the Virgin Islands have ceased sugar production altogether. The administration, the Comptroller General of the United States, as well as all interested parties—including the domestic beet industry—support this transfer to the domestic cane area. I might note that this transfer not only will allow the domestic area to fill more of its statutory entitlement, but also will improve our balance of payments by a minimum of $47 million a year.

CRITERIA FOR ALLOCATING FOREIGN QUOTAS

With respect to the allocation of foreign quotas, the committee adopted a procedure which generally would base the allocations on the performance of these countries in shipping sugar to the United States during the years of the last extension of the act; that is, 1966 to 1970. The result of this formula is to allocate a higher percentage share to countries in the Western Hemisphere as is shown in table 7 of the committee report. In this respect, let me say that the Caribbean countries offer the best source of foreign supplies for the United States not only because of their proximity, but also because of climate and other factors. These countries have the capacity to supply us with sugar in good times and in bad. In fact, this has been the case particularly since shipments from Cuba were effectively suspended after the Castro regime took over.

All other Latin American countries will receive their present act quota distribution, less whatever percentage shortfall they incurred over the previous 5 years. Let me say that this will not necessarily involve a cutback because most of these countries have not been able to ship us the sugar they have been assigned under the previous act.

With respect to countries in the Eastern Hemisphere, the committee allocation formula provided them with quotas based on their 5-year average exports.

The Philippines quota was established at 1.3 million tons, which is substantially equal to what that country shipped us in 1970. The quota allotment for the Philippines is nearly 25 percent of all foreign quotas, and is substantially higher than the 890,000-ton quota provided in our treaty obligations to the Philippines. Moreover, if we had given the Philippines the formula provided for all other countries in the Eastern Hemisphere, the Philippines' quota would only have been 1,171,000 tons. The committee, acting on the advice of the executive, allocated the Philippines 40 percent of all deficits which, in addition to a statutory quota of 1,050,000 tons, gives the Philippines a total quota for 1972 of 1.3 million tons.

Besides the Philippines, the only exception to the Committee formula was Venezuela. Venezuela received an increase of 32,000 tons above its 5-year average imports, in order to make that country's quota more comparable to other countries in the hemisphere. This action is in consonance with the intent of Congress as specified in the Statement of Managers accompanying the 1965 Conference Report on the Sugar Act which had requested the President to increase Venezuela's entitlements up to that comparable to other countries in the vicinity. The executive did not allocate the deficits intended by Congress, and so the committee determined that Venezuela should receive this statutory increase.

THE SOUTH AFRICAN ISSUE

Let me now turn to the question of South Africa, which is a highly emotional issue and which will be voted on by the Senate. My statement is not intended to defend the internal political system of many other countries who supply us with sugar and who steal American property, or impound our fishing vessels, or who fail to provide for the needs of their own people. If we were to base our sugar program on whether we like or dislike the internal policy of the Government of any particular supplying country, it would create havoc with the program. There are governments throughout the world who are unresponsive to the needs of their people, but this is not the stuff on which international trade is based.

Let me point out some facts, however, with respect to the South Africa sugar industry. First of all, it is entirely privately owned, with no connection to the South African Government. Second, it has fulfilled its sugar obligation under the act and demonstrated an ability to supply its quota and furnish additional sugar on demand. Third, two-thirds of the benefits of sugar quota in the United States are paid to South Africa cane growers and are distributed equally to all growers irrespective of color. Fourth, the United States has a favorable balance of trade with South Africa of $275 million per year, and South Africa buys and pays for over $70 million worth of agriculture products annually. South Africa's total imports in 1970 from the United States exceed $560 million as against exports of $288 million to the United States. I find it somewhat ironic that some of the same people who are interested in expanding trade with Romania or China, in order to encourage these countries to liberalize their political structure, are calling for an embargo on South Africa. South Africa's economy is dependent on gold, not sugar, and I have not heard of anyone who wants to embargo South Africa's gold sales to the West because of apartheid. Finally, we would not be punishing South Africa by denying them a sugar quota, and certainly we would not change the internal structure of that country. The net result might be to sharply reduce the income of 4,398 black growers of sugar in South Africa, who depend importantly on our market.

The theory of our committee bill is performance, not politics. On that basis, and on the basis of other equally objective criteria, South Africa deserves a continuation of the quota we gave them. Nonetheless, I think the Senate should vote on it and decide whether proven performance should be overridden because a Senator does not like their policy with regard to other matters.

EXPROPRIATION AMENDMENT

Finally, let me explain the committee's new approach to the matter of expropriation without payment of compensation. First, it is an accepted principle in international law that when you seize the private property of another person you must pay for it. Any sovereign has the right to take property for the common good, but it also has the obligation to pay the owner the fair value of the property taken. If the payment issue is in dispute, it could be arbitrated by an independent third party. This is well understood under the eminent domain doctrine, as well as the principles of international law.

The committee feels strongly that a quota privilege should not be enjoyed by those countries who expropriate U.S. property and fail to pay U.S. citizens adequate compensation. Since 1962, the law has given the President direction to suspend quotas for countries who fail to pay U.S. citizens adequate compensation for the property they have taken. Unfortunately, the law has not been faithfully administered because the Department of State always finds "foreign policy considerations" to supersede considerations of law, commercial equity, and reciprocity.

As a result of the inadequacy of present law, the committee has adapted a new procedure under which U.S. persons whose property has been expropriated would have an opportunity to bring a case to an independent agency of the Government—the U.S. Tariff Commission—after sufficient time has elapsed to make it abundantly clear that the negotiation and arbitration procedures of current law do not work. The Tariff Commission would investigate the claim and reach a decision within 6 months. If the decision were positive; that is, that there was an expropriation without the payment of adequate compensation, the offending country's quota would terminate within 90 days and be reallocated to other nations within the hemisphere subject to a fee provision, which I shall shortly describe. If the Tariff Commission determines that it was not expropriated without adequate compensation, the case would be closed.

If the Commission could not reach a decision within 6 months, it would continue its investigation but the country's quota would be temporarily suspended, and reallocated to other nations within that hemisphere subject to the fee provision. This should encourage the Commission to reach prompt findings and settle the matter one way or another within the statutory period and avoid the foot-dragging and procrastination which has married the record of the Executive in faithfully carrying out the intent of Congress under the previous act.

The fee provision would work as follows: That amount of sugar which has been reallocated would be subject to a fee equal to one-half of the difference between the U.S. domestic sugar price and the world market price. This fee would be placed in a special fund and generally would be used to pay compensation to those persons whose property has been expropriated. In other words, those countries which pick up this additional sugar would receive half the benefit that they would normally receive in the premium U.S. market, and the aggrieved parties would receive the other half.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an article entitled "U.S. Taking Second Look at Seizures by Latins," which was written by Jeremiah O'Leary.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. LONG. Mr. President, this concludes my remarks on the committee's action with respect to our sugar program. I think it is a well-balanced bill, which should be approved by the Senate. I ask unanimous consent to include in the RECORD tables 1 and 2 of the committee report which detail the domestic and foreign quota allocations.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 3 and 4.)

EXHIBIT 1

GENERAL STATEMENT

(NOTE.—Figures referred to not printed in the RECORD.)

A. Operation of the Sugar Act

The Sugar Act of 1948 is designed to protect the welfare of the domestic sugar industry, to provide adequate supplies of sugar for consumers at fair prices, and to promote international trade. These three objectives are achieved through the adjustment of the supplies of sugar that may be marketed in the United States.

It is unlikely that a significant amount of sugar would be grown in the continental United States if American producers had to compete on the open world market with sugar produced with cheap tropical labor or under subsidy in other countries.

Therefore, for many years, it has been the policy of the U.S. Government—for defense and strategic reasons—to promote within the United States the ability to produce a substantial portion of our sugar requirements. Sugar is a vital food needed by American consumers, the supply of which worldwide has been alternately scarce or in surplus.

Until 1934 protection was afforded to our sugar producers solely through the tariff. The tariff (formerly 2.5 cents per pound but now 0.625 cent per pound) did assist the domestic producers, but it still left them exposed to price fluctuations of the world sugar market. Moreover, it increased the price of sugar to consumers without assuring them adequate foreign sources of supply.

A quota system which prorated domestic consumption among producers in the United States and a number of foreign countries was enacted into law in 1934. This quota was revised in 1937 and again in the Sugar Act of 1948.

A tax of 0.53 cent per pound is imposed on all sugar manufactured in, or imported into, the United States. Payments from the proceeds of this tax are made to domestic producers of sugarcane or sugar beets at a rate which ranges from 80 cents per hundredweight of recoverable sugar produced on small farms to as little as 30 cents per hundredweight of production in excess of 30,000 tons on large farms. To qualify for payments under the program, producers must comply with production restrictions, pay fair wages to workers, and not employ child labor and, if they are also processors, pay fair prices for sugarcane or sugar beets. Revenue from the tax on sugar has exceeded payments to domestic growers during each of the years under the program. Since 1937 the excess has totaled about $634 million.

Payments are made with respect to a farm as defined by the Secretary in accordance with criteria contained in the Act. Small producing units receive payments at a rate substantially higher than the tax assessed on their sugar, while large producers receive payments at a rate less than the tax assessed against their sugar. Because of the economies of scale, there are more instances of large farms being combined into still larger ones than there are of attempts to reorganize large ones into several small ones as a means of qualifying for a higher rate of payment. Thus, the payment scale-down provisions continue to have the desired effect of granting additional benefits to small producers.

Also, the Sugar Act payments provide a convenient means of assuring compliance, and in turn of assuring that the benefits of the program are shared by workers, farmers and manufacturers.

There is no price fixing in the program, but the U.S. price in the market place is kept within a desirable range by the management of supply in the operation of the law of supply and demand. The Secretary of Agriculture is authorized to determine how much sugar will be needed to meet continental U.S. requirements during each calendar year. The determination is made late in one year for the following year and may be revised as the needs change This determination establishes the quantity of sugar that may be marketed in the United States during the year.

After the Secretary has determined overall requirements, domestic and specified foreign producing areas supplying the United States with sugar are assigned quotas in accordance with the provisions of the act. The bill, as reported, preserves the objective of the Sugar Act of 1948, as amended, and strengthens the program by recognizing recent changes in the sugar situation and adapting the Act accordingly.

The Sugar Act has fostered increased sugar consumption while maintaining reasonable prices for American consumers. Under the program, consumption has increased from 6.6 million tons in 1934 to an estimated 11.6 million tons in 1970. Per capita consumption in the United States is three times the per capita consumption around the world. American consumers enjoy lower prices for sugar than consumers in most nations that do not produce their entire sugar needs. On January 1, 1971, the retail price of a pound of sugar in the United States averaged 13.4 cents. In Italy the retail price was 18.6 cents, Japan 18.4 cents, United Kingdom 9.1 cents, West Germany 17.7 cents, Sweden 14.8 cents, and Denmark 14.5 cents.

As can be seen in Figure 1, the index for the refined price for sugar since 1934, when the present sugar program began, has generally stayed below the general food price index, and, has been generally lower and more stable than sugar prices before the present program was initiated.

B. THE UNITED STATES SUGAR INDUSTRY

About 28,000 domestic farms produce sugarcane or sugar beets and in so doing utilize about $1.25 billion[1] of investment in land, equipment and growing crops. In addition to the farmers, about 150,000 farmworkers are required, mostly on a seasonal basis, to cultivate and harvest the cane and beets.

In 1969, 59 beet sugar factories and 92 raw cane sugar mills converted sugar crops into refined beet sugar and raw cane sugar, while 28 refiners converted raw cane sugar into refined sugar. These plants, in which about $1.4 billion is invested employed about 52,000 people.

Housewives and food processing concerns spend about $2.2 billion annually for sugar.

Sugar beets are produced in 24 States; the most important are California, Idaho, Colorado, Minnesota, North Dakota, Michigan, Nebraska, Montana, Wyoming, and Washington. Sugarcane is grown in a number of Southeastern and South Central States, but only Louisiana and Florida produce cane for the manufacture of sugar. The small quantity of cane produced in the other States is used to make sugarcane sirup. Sugarcane is also grown for sugar on the four largest islands of Hawaii and along the four coasts of Puerto Rico.

C. FARMERS

Growers' gross income per ton of sugar beets or sugarcane has increased substantially since the sugar program began in 1934. This is due in part to the addition of the Sugar Act payment and in large part to generally higher price levels. To some extent it also reflects an increase in the growers' share of sugar market returns.

Gross returns to growers per ton of sugar beets or sugarcane are dependent upon sugar prices, the quality of their beets or cane, and Sugar Act payments. Molasses prices also have a bearing and in some cases, beet pulp prices.

Processors generally have operated profitably and in some areas have passed on a higher proportion of total sugar sales returns to growers. This, they have been able to do because of improvements in manufacturing and marketing efficiency. In addition, the fair price determinations issued under sugar legislation have assured growers an equitable share of the returns from sugar and primary byproducts and have bolstered their bargaining position. In contrast to many other foods, the farmer is now receiving a larger percentage of the sugar sales dollar than he did prior to 1940.

As population has increased, the sugar market has also grown and domestic growers have received their share. Concurrently, technological developments have inevitably required larger production units. While the volume of domestically produced sugar (excluding the Philippines) expanded from about 4.1 million tons of sugar annually in the 3 years 1937–39 to 6.1 million tons in 1969, the production per farm in terms of recoverable sugar increased from about 55 tons to 210 tons (table 3). Average income per farm from sugar crops grew from $2,300 to more than $23,000 (table 4).

TABLE 3.—NUMBER OF SUGAR BEET AND SUGARCANE FARMS, TOTAL SUGAR PRODUCTION AND AVERAGE SUGAR PRODUCTION PER FARM BY AREAS, 1937–39 AND 1967–69

Areas	Farms number	Sugar production (1,000 short tons, raw value)	Sugar production per farm (tons)
1937–39 average:			
Beet area	53,700	1,646	30.7
Mainland cane	10,568	517	48.9
Hawaii	48	960	200,00.0
Puerto Rico	10,750	982	91.3
Total	75,066	4,105	54.7
1967–69 average:			
Beet area	18,590	3,017	162.2
Mainland cane	2,084	1,242	596.0
Hawaii	538	1,202	2,234.0
Puerto Rico	7,693	649	84.4
Total	28,905	6,110	211.4

Source: Vol. II, Sugar Statistics and Related Data, issued by A.S.C.S., U.S. Department of Agriculture.

TABLE 4.—NUMBER OF SUGARBEET AND SUGARCANE FARMS, TOTAL GROWER RETURNS FROM BEETS AND CANE AND AVERAGE INCOME PER FARM FROM SUGAR CROPS, BY AREAS, 1937–39 AND 1967–69

Areas	Farms number	Grower returns (thousands)	Average return per farm
1937–39 averages:			
Beet area	53,700	$70,674	$1,316
Mainland cane	10,568	22,969	2,173
Hawaii	48	37,453	780,271
Puerto Rico	10,750	41,833	3,891
Total	75,066	172,929	2,304
1967–69 average:			
Beet area	18,590	370,332	19,921
Mainland cane	2,084	137,702	66,076
Hawaii	538	106,130	197,268
Puerto Rico	7,693	69,288	9,007
Total	28,905	683,452	23,645

D. LABOR

Until the 1966 amendments to the Fair Labor Standards Act, fieldworkers employed in the production of sugar crops were the only agricultural workers covered by minimum wage legislation. The Jones-Costigan Act (1934) first extended wage protection to workers and successive sugar legislation has continued this feature. As a result, the levels of living and working conditions of fieldworkers have steadily improved, until present minimum wage rates under the Sugar Act are more than 1,200 percent of the low 1934 level which was typical for agricultural workers at that time (figure 2). (Not printed in the RECORD.) Increases in the cost of living have taken place in the intervening years but even after these are taken into account, workers' real wages, in terms of purchasing power, are about 450 percent of the 1934 rates.

It is also noteworthy that workers' hourly earnings have increased at about five times the rates of increase for either sugar prices or returns to farmers per ton of sugar crops. This has been made possible by the substantial productivity gains achieved by the sugar industry during the years of the sugar program. In recent years, workers' actual earnings have tended to exceed in somewhat greater degree, the Sugar Act minimums. Wage rates are set by collective bargaining agreements in the offshore sugarcane areas of Hawaii and Puerto Rico and also by the Commonwealth Minimum Wage Board in Puerto Rico. With the exception of Puerto Rico, both the Sugar Act minimum wage rates and actual earnings for sugar workers in all domestic areas exceed the mainland minimum rates for agricultural workers covered under the Fair Labor Standards Amendments of 1966.

While Workers' real earnings have been improving, similar advances have been made in their working conditions. Harvesting operations in the sugarbeet area are now completely mechanized and about two-thirds of the sugarcane crop is mechanically harvested. Although some hand labor is employed during the cultivation period in the beet area, mechanical aids and herbicides have made the workers' tasks easier. Hand labor in the planting and cultivating of sugarcane has largely given way to mechanical planters and cultivators, and to herbicides that keep the fields weed free. Workers have benefited from increased earnings at tasks requiring diminishing amounts of strenuous hand labor.

E. CONSUMERS

In relation to other foods, the price of sugar in the United States has declined greatly over a long span of years. After falling sharply in the 20 years immediately following the War Between the States, the price of sugar remained at moderately low levels except for the inflationary period following World War I. Since 1940 the index of the prices of all foods has been increasing at a rate greater than the price of sugar. This situation continues. For instance, in 1969, the index of the retail price of all foods was 125 percent of the 1957–59 average, while the retail price of sugar (12.4 cents per pound) was only 111 percent of the 1957–59 average price of 11.2 cents per pound (table 5).

TABLE 5.—COMPARISON OF RETAIL SUGAR PRICES AND CONSUMERS PRICE INDEX FOR FOOD ITEMS, 1955–70

	Retail sugar prices (cents per pound)	Consumer price index-food (1957–59=100)
Year:		
1955	10.42	94.0
1956	10.57	94.7
1957	11.03	97.8
1958	11.26	101.9
1959	11.43	100.3
1960	11.63	101.4
1961	11.77	102.6
1962	11.70	103.6
1963	13.58	105.1
1964	12.81	106.4
1965	11.80	108.8
1966	12.04	114.2
1967	12.19	115.2
1968	12.18	119.3
1969	12.40	125.5
1970	[1] 12.93	[1] 132.4

[1] Average through November.

Source: Bureau of Labor Statistics.

A comparison of retail prices for sugar in the United States with those in other countries for which such information is available is shown in table 6. Prices in the United States are about equal to the average for the other net importing countries and somewhat higher than the average for the net exporting countries. If price information were available for all countries, it is likely that U.S. prices would be well below the world average. The U.S.S.R. consumes more than a third of the sugar not covered by the table and it is known that sugar prices there are several times higher than ours.

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[1] At book value. Replacement cost would be substantially greater.

TABLE 6. RETAIL PRICE OF SUGAR FOR SELECTED NET IMPORTING AND EXPORTING COUNTRIES ARRANGED IN DESCENDING ORDER OF TOTAL SUGAR CONSUMPTION AS OF JAN. 1, 1966, 1967, AND 1968 AND REPRESENTATIVE PRICES FOR 1959 AND 1970

[U.S. cents per pound]

	1966	1967	1968	1969	1970	Most recent— Date	Most recent— Price
Net importing countries:							
United States	11.8	12.2	12.2	12.2	13.0	May 1971	13.5
United Kingdom	9.5	9.3	8.5	8.8	9.0	January 1971	9.1
West Germany	13.9	14.0	(1)	13.7	14.7		
Japan	17.0	15.6	16.1	16.4	16.4	January 1971	18.4
Italy	17.4	17.1	17.1	(1)	17.7	do	18.6
Canada	8.8	8.1	8.9	8.8	11.0	June 1970	11.9
Netherlands	14.4	14.7	15.6	16.8	14.7		
Yogoslavia	9.5	9.5	(1)	(1)	10.1	May 1971	10.2
Pakistan	17.2	13.9	17.9	17.8	(1)	October 1970	22.5
Sweden	12.7	13.6	13.0	13.0	13.7	May 1971	14.8
Switzerland	8.9	8.1	9.3	9.1	9.9	do	14.2
Importers simple average	12.8	12.4	13.2	13.0	13.0		14.8

	1966	1967	1968	1969	1970	Most recent— Date	Most recent— Price
Net exporting countries:							
Brazil	7.8	6.6	6.4	(1)			
India	12.0	7.9	10.1	10.0	10.0	May 1971	12.2
France	12.6	13.1	(1)	(1)	12.4		
Mexico	5.6	5.6	(1)	5.6	8.4	May 1971	8.4
South Africa	7.0	8.4	(1)	10.9	9.8		
Australia	10.2	10.0	11.7	11.7	11.7		
Belgium	14.4	16.7	15.5	(1)	17.2		
Peru	6.1	6.1	6.7	5.8	13.0		
Taiwan (China)	10.8	13.2	11.5	13.0	13.6		
Austria	11.9	11.9	11.9	12.2	12.4	May 1971	14.5
Exporters simple average	9.8	10.0	10.5	9.9	12.1		11.7
Simple average, both	11.4	11.2	12.0	11.6	12.6		14.0

[1] Not available.

Source: International Sugar Council Year Book except for most recent data.

An outstanding feature of the U.S. sugar program is the price stability it has brought to our domestic sugar market. There are fluctuations and a gradual upward price movement but the fluctuations are within a rather narrow range—reducing uncertainties and inventory problems for consumers. Industrial users of sugar need not carry excessive sugar stocks as a hedge against a sudden large price rise, nor do they fear that the value of the working stocks they have on hand will suddenly shrink. Furthermore, with respect to sugar they can budget their raw material costs with considerable confidence. Similarly, the American housewife can reach for sugar on her grocer's shelf knowing not only that it will be there but also that the cost will continue to be a negligible item in the family food budget. Both the industrial user and the housewife know that the price of sugar in the United States is not only stable, but also reasonable by any fair standard of measurement.

THE COMMITTEE AMENDMENT

The bill as amended by the Committee on Finance retains many of the important features of previous legislation and of the House bill. It provides a balanced approach to the needs of all groups affected by the Sugar Act: consumers, domestic producers, foreign suppliers, and the sugar refining industry.

A. Consumer protection

Particular attention has been devoted to the interests of consumers. First, the mainland cane producing area, with a demonstrated ability to supply more sugar, would be given a larger quota, thus assuring consumers of an adequate supply of sugar available within the country. Second, quotas would continue to be allocated to foreign countries generally on the basis of their demonstrated willingness and ability to service our market under the most trying circumstances and even in the face of financial sacrifice, and on their performance in delivering sugar to the United States over the period of the existing Act, i.e. 1966–1970. The committee believes that this method of allocating quotas is the best means of assuring the needed level of imports not only when the United States is a premium price market but also in the exceptional periods when higher prices could be obtained by selling on the world market to other countries. By fixing the bulk of foreign quotas on performance rather than other subjective criteria, the committee is convinced that our consumers are afforded the greatest possible protection in the event of future sugar catastrophes. Exporting countries would be encouraged to continue to service our market at all times because nonperformance in any year would be grounds for reducing their quota in future years.

The committee concurred with the House amendments changing the price objective for raw sugar (important because of its role in the consumption estimate which governs the quantity of sugar which may be marketed each year) from one based solely on changes in the index of prices paid by farmers to one which also recognizes changes in the wholesale price index. Under this new "corridor" mechanism formula, contained in both the House bill and the Committee amendment, whenever the actual price departs by more than 4 percent from the formula price, the Secretary would be required to raise or lower his determination of the requirements of consumers for sugar. This process would be the major tool for relating the seasonal flow of sugar supplies to the demands of the market. The Secretary could not limit the importation of quota sugar by quarters (as he does under present law) after the first quarter of 1972 unless the actual price fell below 99 percent of the formula price in 1974 or thereafter or below 97 percent in 1973. In that case, he could employ quarterly limitations in the first two quarters of subsequent years.

EXHIBIT 2

U.S. TAKING SECOND LOOK AT SEIZURES BY LATINS

(By Jeremiah O'Leary)

The wave of nationalizations against American investments in Latin America has prompted the United States to begin a reexamination of its governmental politics in regard to the property seizures, according to Assistant Secretary of State for Inter-American Affairs Charles A. Meyer.

In a rare on-the-record interview with two newsmen, made public this weekend, Meyer said:

"It seems perfectly equitable to me that at some point in this balance the United States should pause for a moment and write its rules of the game because the developing nations are looking to us for their cake while they eat it. And as each nation has it own political life, so each nation has its own political pressures and counter-pressures.

"The Latin American nations in the main have said that they cannot afford reciprocity. I disagree with that thesis, because reciprocity is not a question of us taking in this day and age the financial life blood out of Latin America, if we ever did. What I think we must recognize is that as a community of nations economic interchange is a balance. Everybody has to be served somehow. It cannot all be one way."

Meyers said understandable questions have been raised as to where "our interests begin and end in relationship to Latin American initiatives or the developing nations' thrust for a larger share of the development of their own resources, economic nationalism."

REEXAMINING RULES

"What we are going through in Washington is a re-examination of how best to arrive at our rules of the game in concert with the rules that Latin America believes important to them," Meyer said.

He recalled that President Nixon in 1969 urged the Latins to write their rules of the game in the search for economic identity and indicated the U.S. is now doing the same in the light of subsequent events.

His remarks were couched in diplomatic, often philosophical language, but Meyer's words left little doubt that the U.S. government is now involved in rethinking its posture in regard to the nationalization fever.

In the past three years, Peru and Bolivia have nationalized U.S.-owned oil properties, Chile is steadily nationalizing all major industries including those of three U.S. copper companies, and Guyana has nationalized a Canadian bauxite company.

LOAN BLOCKS DENIED

Meyer denied that the Treasury Department has acted to block projects in the World Bank and Inter-American Development Bank for countries that have been involved in nationalizations.

The U.S. abstains in the case of a Bolivian gas line loan and on a loan to Guyana for a seawall but Meyer pointed out abstention is not opposition. "If it had been opposition the outcome would have been different," he added.

The Treasury, as watchdog over U.S. resources, is saying to itself "What should a constructive attitude be towards the threat to our corporate assets or what should the formula be that would enable both interested parties to amicably arrange a transfer of ownership?", Meyer said.

But beyond divulging that the U.S. is taking a new look at cases of Latin American nationalizations. Meyer gave no hint as to what the new U.S. "rules of the game" might be. The main thrust of his words was that the present Latin-imposed rules are not satisfactory and that the U.S. may be forced into some new guidelines of its own.

The U.S. has a number of economic weapons available, including withholding of aid, loans or grants, curtailing military sales, the manipulation of commodity quotas including sugar and other tactics it could use if the expropriations continue.

In general, the U.S. up to now has used almost total restraint. Meyer seemed to be saying this cannot go on much longer.

INVASIONS RULED OUT

Meyer declared, "We are doing our level best to be responsive to Latin initiatives, to Latin American identity, and to balance the Latin American objective with our own dignity. At no point, can I see these objectives with our own dignity. . . . degree that would require the use of U.S. troops. That is an era which I believe is behind us."

In answer to a question, Meyer said he thought there would be no repetition of the Dominican intervention in Latin America short of a declared war on a pronounced threat to American lives. Not even in Panama, he added.

EXHIBIT 3

TABLE 1.—SUGAR QUOTAS, DOMESTIC PRODUCING AREAS

[Short tons, raw value]

Area	Present law	House bill	Finance Committee bill
Domestic beet sugar	3,406,333	3,406,000	3,406,000
Mainland cane sugar	1,238,657	1,539,000	1,539,000
Hawaii	1,110,000	1,110,000	1,110,000
Puerto Rico	1,140,000	855,000	855,000
Virgin Islands	15,000	0	0
Total	6,910,000	6,910,000	6,910,000

EXHIBIT 4

TABLE 2.—COMPARISON OF SUGAR QUOTA DISTRIBUTIONS, PRESENT LAW, 5-YEAR AVERAGE, HOUSE BILL AND SENATE FINANCE COMMITTEE BILL

[In short tons, raw value]

Production area	Quota distribution under present act [1] (1)	5-year average (1966-70) quota charges (2)	House version of H.R. 8866 [2] (3)	Finance Committee bill [3] (4)	Finance Committee bill compared to House bill (5)
Domestic beet area	3,406,333	3,143,611	3,406,000	3,406,000	0
Mainland cane area	1,538,667	1,190,031	1,539,000	1,539,000	0
Hawaii	1,110,000	1,189,956	1,110,000	1,110,000	0
Puerto Rico	355,000	522,816	355,000	230,000	−125,000
Virgin Islands	0	1,081	0	0	0
Total domestic areas	6,410,000	6,047,495	6,410,000	6,285,000	−125,000
Philippines	1,362,120	1,171,110	1,314,020	1,300,264	−13,756
Mexico	557,748	590,894	537,545	[4] 690,894	53,349
Dominican Republic	545,481	659,874	525,737	[4] 659,874	134,137
Brazil	545,481	577,905	525,737	[4] 577,905	52,168
Peru	435,087	407,802	418,982	[5] 391,839	−27,143
West Indies [6]	188,777	204,520	192,251	[4] 204,520	12,269
Ecuador	79,370	83,744	80,774	[5] 79,084	−1,690
French West Indies	59,384	63,868	0	[4] 63,868	63,868
Argentina	67,102	71,055	76,050	[5] 67,062	−8,988
Costa Rica	64,217	71,110	65,185	[4] 71,110	5,925
Nicaragua	64,217	53,512	65,185	[4] 64,217	−968
Colombia	57,723	61,047	73,688	[4] 61,047	−12,641
Guatemala	54,115	59,835	55,265	[4] 59,835	4,570
Panama	40,406	32,835	41,567	[4] 40,406	−1,161
El Salvador	39,682	43,964	40,151	[4] 43,964	3,813
Haiti	30,305	24,262	30,704	[4] 30,305	−399
Venezuela	27,419	29,026	36,845	[7] 61,026	24,181
British Honduras	13,752	14,874	33,527	[4] 14,874	−18,663
Bolivia	6,494	6,568	17,005	[5] 6,193	−10,812
Honduras	6,494	5,734	17,005	[4] 6,494	−10,511
Bahamas	10,000	3,999	33,537	[4] 10,000	−23,537
Paraguay	0	0	15,116	0	−15,116
Australia	203,785	196,162	206,025	[8] 196,162	−9,863
Republic of China	84,910	81,734	85,844	[8] 81,734	−4,110
India	81,514	77,973	82,494	[8] 77,973	−4,521
South Africa	60,003	57,745	60,300	[8] 57,745	−2,555
Fiji Islands	44,719	43,034	44,806	[8] 43,034	−1,772
Thailand	18,681	14,152	18,844	[8] 14,152	−4,692
Mauritius	18,681	17,761	30,150	[8] 17,761	−12,389
Malagasy Republic	9,623	9,223	15,075	[8] 9,223	−5,582
Swaziland	7,359	7,084	30,150	[8] 7,084	−23,066
Malawi	0	0	0	0	0
Uganda	0	0	15,075	0	−15,075
Ireland	5,351	5,351	5,351	[8] 5,351	0
Total foreign	4,790,000	4,747,766	4,790,000	4,915,000	−125,000
Total	11,200,000	10,795,261	11,200,000	11,200,000	0

[1] Assuming requirements of 11,200 tons and 300,000 tons of Puerto Rican quota transferred to the domestic cane area and domestic deficits of 500,000 tons.

[2] In 1973 at a consumption estimate of 11,200,000 tons and with deficits of 500,000 tons, the quota for Panama would be increased to 62,947 tons and a quota would be established for Malawi of 15,000 tons. Quotas for other countries except the Philippines would be reduced prorata to accommodate those changes.

[3] Assuming requirements of 11,200,000 tons, Philippine basic quota of 1,050,000 tons; domestic area deficits of 625,000 tons shared 40.04 percent (250,264 tons) to Philippines and balance to Western Hemisphere countries.

[4] Caribbean Area: Higher of 5-year average imports or present act quota distribution.

[5] Other Latin countries: Persent act quota distribution, lcss 5-year average percent shortfall.

[6] The West Indies include the following countries: Guyana, Jamaica, Trinidad-Tobago, Barbados and the island of St. Kitts.

[7] Venezuela: 5-year average imports plus 32,000 tons.

[8] Eastern Hemisphere: 5-year average imports.

Mr. LONG. Mr. President, I ask unanimous consent that the committee amendment be agreed to, and that the bill, as amended, be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, would the Senator yield for a few questions?

Mr. LONG. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, it is my understanding that the House committee reported and recommended the current statutory quota for the Philippines—1,126,020 tons—but the Senate committee recommends 1,050,000 tons. Which of these two figures is correct?

Mr. LONG. The committee bill figure is 1,050,000 tons. We proceeded, however, to give the Philippines a larger allocation of deficits than is provided by the House bill so as to make to the Philippines quota 1,300,264 tons.

Mr. MANSFIELD. On this basis, does the cut inflicted by the committee down to 1,050,000 tons for the Philippine quota represent the largest cut that has been made against any foreign producer both in absolute terms and in percentages?

Mr. LONG. May I say we do not feel we have made any cut at all. The Philippines have not been delivering this amount of sugar. What has happened is that there has been a big deficit in the quota of Puerto Rico, and the Philippines had the first right to fill that Puerto Rican deficit. They have not been filling it, so it has been going over to the Western Hemisphere, where the countries of the New World have been filling it in this hemisphere. So we started with that in the domestic area. Everyone seemed to think that they are entitled to supply 300,000 tons more. That comes off the Philippine quota. If we try to allocate enough sugar to satisfy everybody, we will never do it. Once we get beyond the United States, there is not enough sugar produced to satisfy everybody, so nobody can be perfectly happy.

So with what can be made available, we have done the best we could. We think that includes the Philippines, which is very close to what they actually shipped last year. Last year they shipped 1,362,000 tons even though they were entitled to ship a great deal more to us because of the Puerto Rican deficit. This year we are providing 1,300,000 tons, which is only a slight bit below—only one-half of 1 percent below—what they actually shipped last year.

Mr. MANSFIELD. 1,300,000, even?

Mr. LONG. Almost that; 1,362,400.

Mr. MANSFIELD. It is my understanding that the Philippine import quotas to this country in 1971 were set at 1,503,000, but the chairman of the committee says they could not fulfill that requirement.

Mr. LONG. They have not been able to fulfill the deficits that have been allocated to them in the past. They have indicated they will be able to fulfill it. If they fulfill it all, it will be that amount.

Mr. MANSFIELD. Is that the only difficulty in its past performance which calls for the 1,300,000 tons this year?

Mr. LONG. These quotas are based on performance, yes.

Mr. MANSFIELD. The reason I asked the question is that the Philippines, of course, is a republic to which we have a special relationship and obligation. Our two nations are closely tied by treaty and agreements. It is entitled to a preferential basis, and I believe in 1974 a new status may well go into existence because of the lapse or termination of our treaty encompassed in the so-called Laurel-Langley agreements.

Mr. LONG. We have fixed a quota well in excess of the treaty figures. We would like to do more for the Philippines, but, may I say, in fairness, the same thing would be true of our Latin American neighbors. They have done the best they could to help us with difficult problems throughout the years. I think it can well be said that, from an objective point of view—looking at it from a foreign point of view—we actually do better by the Philippines than we do by any other country as provided in this measure.

Mr. MANSFIELD. I raised this question because of the closeness of the ties, which go back a half a century, between this country and the Philippines. Because of difficulties at the present time it should be given as much consideration as possible, in my opinion, so that it might be assisted in overcoming these difficulties and achieving a degree of economic stability as it is striving to do. As I understand it the Philippines have had built a number of new sugar centrals over the past 5 years, the capacity of which would far exceed the 1.3 million allowance.

Mr. LONG. I was aware of the Senator's views about this matter. May I say that is reflected in the bill when we provide for the Philippines a lot more than it would ordinarily be entitled to on the basis on which we are allocating sugar quotas to other countries. We are considering that argument and that factor in putting the Philippine quota this high.

May I say also that it is my understanding that there is an effort by the Japanese to invest money in the Philippines, and there are impediments in the laws of the Philippines, just as there are impediments in the laws of Japan with respect to the United States investing money there. But if they can do that, the Philippines should be able to find a market for sugar in that country as well as the United States.

Mr. MANSFIELD. I thank the Senator and express the hope that any differences between the House and Senate view of the Philippine quota will be worked out equitably.

If I may raise a question about another close friend and neighbor, what is the status of the quota for Mexico under this bill?

Mr. LONG. Mexico would have a quota of 598,874 tons. That is its 5-year average of deliveries to the United States, and that is considerably higher than the House bill provides.

May I say that if we were going to depart from what we thought was an equitable formula, I for one would favor advocating more to Mexico, because Mexico is a reliable ally and has common ties with us.

Mr. MANSFIELD. I agree with the great importance which the Senator attaches to Mexican-United States ties. I want to see those ties preserved and strengthened to that end. I certainly am in accord with Mexico's equitable consideration in the provisions of the sugar quota, both as set forth by the Senate Finance Committee and the House Committee on Agriculture.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. AIKEN. Now that we are talking about neighbors, I occasionally get word from one of our small neighbors, the Island of Haiti. I understand that under existing law, and in the bill passed by the House, there is a provision whereby, if circumstances come right, their quota could be increased somewhat, assuming other countries were not using their full quota; but the Senate committee has stricken out that proviso. I do not know whether this authority to reallocate quotas was vested with the President or the Secretary but I would like to know why this change in the House bill was made.

Mr. LONG. The House bill, as a matter of fact, provides that the amount would be discretionary with the President; the Senate bill provides that the allocation would be by formula. But the matter will be in conference between the two Houses.

Mr. AIKEN. And will it be given consideration in conference?

Mr. LONG. Yes.

Mr. AIKEN. But the Senate bill provides and continues the same quota as they have had before?

Mr. LONG. I believe so.

Mr. AIKEN. It is 0.41 percent; not a large amount.

Mr. LONG. The quota now is 2 million tons a year; they are virtually identical.

Mr. AIKEN. Yes. I was just thinking of a small neighbor that is in need much of the time.

Mr. LONG. I thank the Senator.

Mr. BENNETT. Mr. President, how much time remains to the proponents on the bill itself?

The PRESIDING OFFICER. Six minutes.

Mr. BENNETT. Mr. President, I offer an amendment on page 28, line 14, of the bill, to change the quota in the domestic beet sugar program from 3,406,000 to 3,407,000.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 28, line 14, following the words "domestic beet sugar," strike out "3,406,000" and insert in lieu thereof "3,407,000."

Mr. BENNETT. Mr. President, obviously I have offered the amendment to provide an opportunity to make a statement on behalf of the minority. I intend to withdraw the amendment when the time expires.

Mr. President, I concur wholeheartedly with the remarks of the distinguished chairman of the Finance Committee with respect to the committee's action on this bill, and I want to focus my remarks on two aspects of the bill which will receive considerable attention.

The first deals with the allocation of quotas and the second deals with the expropriation amendment adopted by committee.

ALLOCATION OF QUOTAS

With respect to the allocation of domestic quotas, the committee bill is identical to the House bill. Under both the committee bill and the House bill, the present statutory allocation to the domestic beet and cane areas is maintained at 62 percent of the requirements of the continental United States. The committee bill, like the House bill, would allocate 65 percent of the total market growth above 11.2 million tons to domestic areas; 47.67 percent to the domestic beet sugar area, and 17.33 percent to the mainland cane sugar area. The remaining 35 percent of market growth above 11.2 million tons would, as in the past, be assigned to the quotas of foreign countries. In recent years, because of the decline in the Puerto Rican industry, the domestic areas were able to supply only about 55 percent of our needs. All of the Puerto Rican deficits have been assigned to the foreign countries.

The House was advised that the Puerto Rican deficit would be 800,000 tons this year; in preparing their bill they assumed a deficit of the same size for 1972. The Finance Committee was later informed by the Assistant Secretary of Agriculture that the Puerto Rican deficit would be at least 925,000 tons this year and we assumed the higher deficit would be repeated again next year—625,000 tons of this deficit has been allocated to foreign nations, and in addition 285,000 tons of the Puerto Rican quota—where production has declined—and the 15,000-ton quota for the Virgin Islands—where production has been discontinued—have been allocated to the mainland cane area.

Thus, the committee agreed with the administration recommendation and the House bill in the allocation of 300,000 tons of the Puerto Rican and Virgin Island quotas permanently to the domestic cane area.

This transfer was agreed to not only by the administration, but by all segments of the sugar industry.

The committee bill would also give the Secretary of Agriculture authority to increase acreage up to 100,000 tons for the beet sugar area for localities where new processing facilities are constructed or existing facilities expanded.

BALANCE IN PROGRAM

Mr. President, there is a balance in the program between all parties affected. The domestic beet and sugar industries are each allocated their fair share of quotas under the committee bill. The committee report explains quite clearly how the benefits of this legislation inure to the consumer, and the worker, as well as the producer, the farmer, and the housewife. The chairman has recited these benefits in his statement, I want to elaborate on, but not repeat, what he has said.

For those of you who are concerned about the welfare of sugar workers, let me refer to chart 2 on page 11 of the committee report which shows that minimum wage rates under the Sugar Act have increased by 1,200 percent and real wages in terms of purchasing power are up by 450 percent over the 1934 rates. Workers' hourly earnings have increased to about five times the rate of increase for either sugar prices or returns to farmers per ton of sugar. Working conditions have also improved. The harvesting operations of the sugar beet area are now completely mechanized and about two-thirds of the sugarcane crop is mechanically harvested. Hand labor in the planting and cultivating of sugarcane has largely given way to mechanized planters and cultivators. Workers have benefited from the increased earnings at tasks requiring diminishing amounts of hard labor.

The consumer has also benefited from the program. Tables on pages 12 and 13 of the committee report and the chart on page 7 show that the retail price of sugar has been very stable and has increased by much less than the retail price of all foods. Table 6 on page 13 shows that the retail prices in the United States are lower than the average retail prices for other importing countries and lower for the overall average of all importing and exporting countries.

In short, Mr. President, this program has worked well—much better than the tariff scheme which existed prior to 1934, which exposed both our domestic producers and consumers to wild price fluctuations on the world sugar market. I shall never forget that in 1920, the price of sugar in the United States was above 25 cents a pound.

FOREIGN QUOTAS

Let me now turn to the committee's allocations of foreign quotas. The committee bill, as indicated by the chairman, would allocate foreign quotas primarily on the basis of performance during the extension of the previous act; that is, 1966 through 1970. Within this general framework, the committee determined that the Caribbean countries which had served this market well as a secure source of supplies, offer the best assurances of dependent performance in the future. Hence, in the case of Caribbean countries, including Brazil—which for sugar marketing purposes is considered a Caribbean country—foreign quotas would be allocated on the basis of the higher of (a) their average annual shipments during the 5-year period 1966–70 or (b) what they would have received under existing law after adjustments in the domestic quotas, if existing law had been extended. Other Latin American countries—Peru, Ecuador, Argentina, and Bolivia—would receive their present act quota distribution less the 5-year average percentage shortfall. These countries are not as fertile a source of sugar as are the Caribbean countries, and, in fact, most of them have not been able to supply the sugar that they have been entitled to supply under existing law.

With respect to all other countries, except Venezuela and the Philippines, the quotas would be allocated on the basis of each country's 5-year average shipments. Recognizing the special place of the Philippines in our sugar market, and at the urging of the administration, the committee worked out a plan to bring the Philippine quota up to a level of 1.3 million tons, substantially equal to last year's shipments. The chairman has already commented on this in his colloquy with the majority leader, as well as on the Venezuelan quota.

At this point, Mr. President, I should like to inform the Senate that we had a particularly difficult problem this year, because we had about 450,000 fewer tons to allocate abroad.

Under our system, the Secretary, in 1971, had estimated a consumption quota of 12,600,000 tons. This new bill returns to reality, with a consumption quota of 11,200,000 tons—400,000 tons less of quota sugar to allocate. Sixty-five percent of this sugar came to the domestic producers.

This amount was all available last year to the foreign producers, so we had to readjust their quotas to absorb this general technical shortfall.

Mr. LONG. Mr. President, will the Senator yield at that point on my time, or on the time in opposition?

Mr. BENNETT. I yield.

Mr. LONG. If the Senator will permit me to say so, what has happened was that in view of the fact that we needed to be able to provide additional quota for the United States itself——

Mr. BENNETT. That is right.

Mr. LONG. We would have to reduce the foreign purchases, on an overall basis.

Mr. BENNETT. I appreciate the chairman's reminding me of that 300,000 tons, and I shall try my explanation again.

We reduced the total quota available to foreign countries by 300,000 tons in order to bring that to the mainland. Then we have 400,000 tons shortfall in the consumption estimate, one-third of which would have gone to foreign countries. That is 150,000 tons. Adding the 300,000 and the 150,000, we had to take 450,000 tons out of the sugar available for foreign allocation.

We ran into the problem of the Philippines, and by reestimating the shortfall in Puerto Rico, we were able to get additional tonnage, which we gave to the Philippines to bring them up to the 1.3 million tons.

Mr. LONG. Mr. President, if the Senator will permit me to say it, again after yielding on time allotted to me on the amendment, I wish to congratulate the Senator from Utah for his statesmanship in working out this measure. He has been the architect of the solution to the more controversial parts of the quota system, and if I do say so, he has done a good job of suggesting how it might be worked out. I know of no criticism of the way the committee worked out this difficult problem, with the possible exception of the fact that we will simply have to meet the emotional issue involved in South Africa.

But, aside from that, It seems to me that everybody feels, and I think they are right in feeling, that this matter has been worked out as equitably and as best we could. That does not mean that we are going to accede to any special plea of any particular country, but overall, I believe it has been worked out as well as it could be worked out; and that is due in large measure to the statesmanship of the Senator from Utah. I congratulate him for the magnificent contribution he has made in working out this difficult piece of legislation.

Mr. BENNETT. I appreciate the words of the chairman very much.

I hope that the formula we have worked out will stand up both in the Senate and in conference. Rather than try to respond to the pressure from representatives from all these countries, we tried to develop a formula which could be applied and on which we could stand, so that our approach was impersonal and did not reflect the feelings of any member of the committee toward any particular country.

May I inquire, Mr. President, how much time I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. LONG. I will yield the Senator my time, if he wishes.

MAXIMUM LIMITATION

Mr. BENNETT. Let me comment briefly on the maximum limitation on ceilings provided by the bill. Under the committee, there are ceilings set on what each supplying country can export to the United States. In the case of the Philippines—and the Cuban reserve—the limitation was established at 1.5 million tons. In the case of all other suppliers, the limitation was 800,000 tons. The committee established these limitations in order to avoid having the United States again become dependent on any one country for a disproportionate share of its imports, as we were once dependent on Cuba. This was done in recognition of the fact that a country's sugar crop would be easily destroyed either by drought or hurricane, or, as in the case of Cuba, be denied to us completely for political reasons, and that too great a dependence on any single nation might hurt our consumers rather than help them.

THE CUBAN RESERVE

One other major change from the House bill is with respect to the Cuban reserve. Under existing law, 50 percent of all imported sugar from a foreign country other than the Philippines and the Bahamas comes from a temporary allocation to foreign countries of the so-called "Cuban Reserve" which is now close to 1.6 million tons. This amount has been reserved for Cuba in the event it should again join the family of free and friendly nations. The House bill would have reduced the Cuban reserve by more than one-half and thereby reallocate 761,861 tons of sugar. The committee wanted to retain the full flexibility which is provided in the existing law with respect to the Cuban reserve. We, therefore, preserved that section of the law which does preserve all reserves. This action will have no effect on the actual quotas given to foreign nations, but they would be sharing in the Cuban reserve temporarily on a year-by-year basis by virtue of a formula provision in the bill rather than by definite quotas provided them in law.

EXPROPRIATION PROCEDURE

The chairman has given a full explanation of the committee's expropriation amendment. It should serve notice on countries that if they wish to expropriate U.S. property they must pay adequate compensation within the reasonable amount of time or face the loss of their sugar quota in the United States.

Undoubtedly, Mr. President, there is an element of foreign aid in the sugar quota. Under normal conditions, a foreign country selling sugar to us could gain a benefit as high as $60 a ton more than they could receive if they had to dispose of that sugar on the world market. Given this fact, access to our market should be enjoyed by countries who respect the recognized principle of international and domestic law that a sovereign must pay adequate compensation for the properties it has seized. We recognize that there can be a disagreement with respect to the question of adequate compensation, and the committee bill allows, in effect, up to 24 months for that question to be settled. Under existing provisions, there is a total of 18 months in the foreign country—6 months for negotiation and 12 months for binding arbitration. The committee bill would provide an additional 6 months for the Tariff Commission to investigate. If the parties cannot settle the issue within 24 months then the committee felt, and our bill so provides, that the country's quota should be suspended until the question is settled. This should be enough pressure on the two parties concerned to reach a solution to the problem through the negotiation.

Other actions the committee took are supplemented fully in the report of the committee. I recommend that report and the charts in it to the Senate for an education as to how our sugar program works and how the committee amendment affects it.

SOUTH AFRICAN QUOTA

Let me say a word about the South African quota, which I know is a highly emotional issue. The committee voted twice on a motion to strike the South African quotas from the bill and both times it was defeated by a rather substantial margin. I think the main reason for the committee's decision has nothing to do with the internal policy of the South African Government but on the basic fact that South Africa has been a secure source of sugar for the United States when we needed it. If we were to establish quotas on the basis of what we thought about the internal affairs of each country, we would have a gigantic mess on our hands. Under that criterion, we might want to embargo Brazilian sugar, Peruvian sugar, Irish sugar, or the sugar from any other country whose policy from time to time we might not agree with; or where the current government was involved in a domestic conflict.

I do not believe we can change the internal policy of the South African Government by denying them a sugar quota any more than Rhodesia's internal policy has been changed by a boycott in the United Nations, or our suspension of its sugar quota. In fact, I might note that the net effect of the Rhodesia boycott was to force us to buy magnesium chrome, a vital material, and uranium, a strategic material, from the Soviet Union rather than Rhodesia, which is a rather strange result.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield. I do not have much time.

Mr. AIKEN. I wonder if the Senator is aware that since Rhodesia has been mandated as far as we were concerned, their production of chromium and other semiprecious metals has increased, and they have no trouble in selling them; and the Senator's guess as to where they sell them is just as good as mine.

Mr. BENNETT. I appreciate that addition to my comments.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by Virginia Prewett, a noted newspaper writer on Latin American subjects. She discusses the committee's bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOLUTION FOR SUGAR QUOTAS

(By Virginia Prewett)

The Senate Finance Committee, after prolonged soul-searching over how to award foreign quotas under our new Sugar Act, has come up with a solution that is fair and eminently rational.

It happens to favor our Latin American trading partners, but this is part of its common sense. The quota system is supposed to assure the U.S. consumer a sugar supply that is steady and reliable. Latin American suppliers, mostly nearby, have proved to be so.

As did the House, the Senate committee shifted 300,000 tons from Puerto Rico's 925,000-ton deficit to domestic producers. Latin Americans will lose this, but losses will be proportionately distributed and deficits already in view will do much to replace the loss.

FORMULA FOR QUOTAS

For Caribbean countries, the Senate committee created basic quotas that were the higher of (1) the five-year average of each country's exports to us or (2) its quota under the expiring bill. Brazil and El Salvador are counted as "Caribbean" countries.

Argentina, Bolivia, Ecuador and Peru were given basic quotas equal to the average of their shipments to us during the past five years. Peru was the big loser, by 44,000 tons. An amendment cutting Peru out altogether—because it has seized U.S. properties—lost by only one vote.

The Senate solution sweeps away all the eyebrow raising special treatment found in the House bill, except for a boost for Venezuela. This will probably be cut on the Senate floor.

Paraguay, which has no quota, loses one granted by the House. Argentina, British Honduras, Honduras and the Bahamas lose House boosts.

REPRISAL FOR PROPERTIES

The Dominican Republic has deep House cuts restored, with a little over, but lost other preferential treatment. Mexico, Brazil, Costa Rica, the West Indies, Colombia, Guatemala and El Salvador got slight increases on their basic quotas. Nicaragua, Bolivia, Haiti and Panama will keep present quotas, with Panama losing a House increase set for 1973. Argentina loses a big House increase.

Like the House, the Senate committee got tough with countries that seize U.S.-owned properties and do not pay for them. Its bill would allow U.S. citizens who have thus lost properties—or even the House and Senate committees that write sugar legislation—to petition the U.S. Tariff Commission to investigate their complaint. If after six months of study, the Commission finds the complaint is justified, this will nullify the offending country's sugar quota.

When the lost quota is distributed among other countries, up to $20 a ton will be skimmed off for a fund out of which to pay for the expropriated properties.

The bill still has to pass the full Senate and be reconciled with House legislation. Its sponsors hope for action before the Congressional recess.

Mr. BENNETT. I also ask unanimous consent to have printed in the RECORD an article by another Latin American expert, Mr. Jeremiah O'Leary, on the question of expropriation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. TAKING SECOND LOOK AT SEIZURES BY LATINS

(By Jeremiah O'Leary)

The wave of nationalizations against American investments in Latin America has prompted the United States to begin a reexamination of its governmental policies in regard to the property seizures, according to Assistant Secretary of State for Inter-American Affairs Charles A. Meyer.

In a rare on-the-record interview with two newsmen, made public this weekend, Meyer said:

"It seems perfectly equitable to me that at some point in this balance the United States should pause for a moment and write its rules of the game because the developing nations are looking to us for their cake while they eat it. And as each nation has it own political life, so each nation has its own political pressures and counter-pressures.

"The Latin American nations in the main have said that they cannot afford a reciprocity. I disagree with that thesis, because reciprocity is not a question of us taking in this day and age the financial life blood out of Latin America, if we ever did. What I think we must recognize is that as a community of nations economic interchange is a balance. Everybody has to be served somehow. It cannot all be one way."

Meyers said understandable questions have been raised as to where "our interests begin and end in relationship to Latin American initiatives or the developing nation's thrust for a larger share of the development of their own resources, economic nationalism."

REEXAMINING RULES

"What we are going through in Washington is a re-examination of how best to arrive at our rules of the game in concert with the rules that Latin America believes important to them," Meyer said.

He recalled that President Nixon in 1969 urged the Latins to write their rules of the game in the search for economic identity and indicated the U.S. is now doing the same in the light of subsequent events.

His remarks were couched in diplomatic, often philosophical language, but Meyer's words left little doubt that the U.S. government is now involved in rethinking its posture in regard to the nationalization fever.

In the past three years, Peru and Bolivia have nationalized U.S.-owned oil properties, Chile is steadily nationalizing all major industries including those of three U.S. copper companies, and Guyana has nationalized a Canadian bauxite company.

LOAN BLOCKS DENIED

Meyer denied that the Treasury Department has acted to block projects in the World Bank and Inter-American Development Bank for countries that have been involved in nationalizations.

The U.S. abstains in the case of a Bolivian gas line loan and on a loan to Guyana for a seawall but Meyer pointed out abstention is not opposition. "If it had been opposition the outcome would have been different," he added.

> The Treasury, as watchdog over U.S. resources, is saying to itself "What should a constructive attitude be towards the threat to our corporate assets or what should the formula be that would enable both interested parties to amicably arrange a transfer of ownership?", Meyer said.
>
> But beyond divulging that the U.S. is taking a new look at cases of Latin American nationalizations, Meyer gave no hint as to what the new U.S. "rules of the game" might be. The main thrust of his words was that the present Latin-imposed rules are not satisfactory and that the U.S. may be forced into some new guidelines of its own.
>
> The U.S. has a number of economic weapons available, including withholding of aid, loans or grants, curtailing military sales, the manipulation of commodity quotas including sugar and other tactics it could use if the expropriations continue.
>
> In general, the U.S. up to now has used almost total restraint. Meyer seemed to be saying this cannot go on much longer.
>
> INVASIONS RULED OUT
>
> Meyer declared, "We are doing our level best to be responsive to Latin initiatives, to Latin American identity, and to balance the Latin American objective with our own dignity. At no point can I see these * * * degree that would require the use of U.S. troops. That is an era which I believe is behind us."
>
> In answer to a question, Meyer said he thought there would be no repetition of the Dominican intervention in Latin America short of a declared war on a pronounced threat to American lives. Not even in Panama, he added.

Mr. BENNETT. I read from Miss Prewett's article:

> The Senate Finance Committee, after prolonged soul-searching over how to award foreign quotas under our new Sugar Act, has come up with a solution that is fair and eminently rational.
>
> It happens to favor our Latin American trading partners, but this is part of its common sense.

Mr. President, Miss Prewett is correct. The bill does reflect a common-sense approach to the distribution of quotas favoring our Latin American trade partners and should be approved by the full committee.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LONG. I yield the Senator 5 minutes.

The PRESIDING OFFICER. Ten minutes remain.

Mr. LONG. I yield the Senator 5 minutes of the time allotted to me on his amendment.

The PRESIDING OFFICER. This Senator has already yielded that time.

Mr. LONG. How much time do I have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. LONG. I yield the Senator 5 minutes of the time remaining to me on the amendment.

Mr. BENNETT. I shall not use that time, but I should like to put in the RECORD at this point some interesting figures about the South African sugar situation.

This came to the chairman in a letter signed by Philip R. MacKnight, representing the South African Sugar Association. He says in the letter:

> The importance to Black growers of SASA's continued participation in the United States sugar program has been emphasized recently by Chief Gatsha Buthelezi, the chief executive officer of the Zululand Territorial Authority.

In a statement released after a meeting of the United Nations on July 17 of this year, Chief Buthelezi said:

> "More than half the Zulus' agricultural income from the growing of sugar cane. Any reduction in the demand for sugar would automatically affect their economic position.
>
> "On the other hand, we are hopeful that with the further expansion of the sugar industry, my people will benefit."

Some figures on the extent to which the black citizens of South Africa participate in the sugar program.

The number of black cane growers who produce 500 tons a year has doubled in the 5-year period, 1965–70.

There are 4,398 independent black growers, 1,877 Indian growers, and 2,194 white growers. Thus, in general, the blacks in South Africa are growing approximately half the sugar and are, therefore, contributing half the American quota.

If we cut it off, we will be injuring the very people that emotionally we want to help.

Mr. CURTIS. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. BROCK). Does the Senator from Utah withdraw his amendment?

Mr. LONG. I yield my remaining time to the distinguished Senator from Nebraska on the Bennett amendment.

Mr. BENNETT. Mr. President, what is the time situation. I do not want to withdraw the amendment and cut the chairman out of it.

The PRESIDING OFFICER. The Senator from Louisiana has 6 minutes remaining.

Mr. CURTIS. Mr. President, will the Senator from Louisiana yield me 6 minutes?

Mr. LONG. I yield my remaining 6 minutes to the Senator from Nebraska on the amendment.

Mr. BENNETT. I understand that, but my inquiry is is that time on the amendment or on the bill?

The PRESIDING OFFICER. On the amendment.

Mr. BENNETT. I thank the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 6 minutes.

Mr. CURTIS. Mr. President, I rise in support of the bill as reported by the committee. Before commenting, permit me to express my appreciation to Chairman LONG and the ranking minority member on the committee, the Senator from Utah (Mr. BENNETT), for their leadership and dedication that made this bill possible.

So far as the domestic sugar industry is concerned, the bill amounts to an extension of the present act.

Our basic sugar law is a good law. The consumers have always had a supply of sugar. The retail price of sugar has been reasonable. It has not risen as fast as the general price level in the country.

I can remember, years ago, when the United States experienced a shortage of sugar and we were at the mercy of foreign producers. Sugar retailed in some places in the United States for 3 pounds for $1.

As I say, this had been a good program. It has been a good program from the standpoint of the farmers who produce sugar beets and the same is true with reference to the producers of sugar cane. By that I do not mean that they are not entitled ot some improvement. I think that an increase in the price of sugar and a further increase in the price of beets would be well justified; but, at any rate, it is perhaps the best agricultural program we have. It has made a profit for the farmers.

In order to adjust in an orderly way the markets from all sources from which we get sugar, there is a process tax applied to sugar. The user of sugar pays it. That carries the expense of operating the program. There has always been a beet center. Over a period of years, substantial sums have been lent to contractors because of the Sugar Act, with reference to foreign quotas. I believe that one of the basic reasons for assigning a definite quota to an individual foreign country is for the purpose of providing an orderly sytsem of marketing in this country and providing a system that is not disruptive to the economy of the country from which the sugar comes.

I do not regard the application of a specific quota to a foreign country as giving that foreign country any vested right or any claim to a vested right, either now or in the future.

As long as we have agricultural problems in the United States, and as long as we have problems of overabundance and controlling surpluses, we should not adopt a policy that would restrain the production of any product in the United States where we do not produce our full needs. Therefore, we should look forward to increasing the domestic allocation of our total needs in the years that lie ahead.

I am happy that a substantial increase goes to cane producers in the bill. I am also pleased that there is a provision for a reserve of 100,000 tons of beet sugar for opening up new areas, or for expansion where they have an existing pattern.

There are many problems to increasing our production of sugar. It depends upon climate. It depends upon the areas. It depends upon the advances we make in technology and in the improvements of the seed, as well as the advances we make in controlling plant diseases, and many other things.

Also, the sugarbeet factory is an expensive factory. Perhaps it costs upwards of $20 million to construct a factory of the size that would be economically feasible. But we should not give the impression to any country—and they are all friendly countries—that by passage of this bill we are saying to a foreign country, "You own or have a vested right in a certain portion of our sugar market." That is not the case. In all probability, they will be able to sell us sugar for a long time to come, but basically we should reserve the right to increase the domestic portion at any time.

Mr. BENNETT. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HARRIS. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment as follows:

> On page 28, line 15, strike the figure "4,945,000" and insert in lieu thereof the figure "5,000,000".

Mr. HARRIS. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 10 minutes.

Mr. HARRIS. Mr. President, in order to conserve the time which I control in opposition to the bill, I am offering this amendment so that I may make, as has been done by the proponents of the bill, a beginning statement of my objections to the bill and the amendments which I hope will be adopted by the Senate before the bill is finally voted on. I do not intend to press this amendment seriously.

Mr. LONG. Mr. President, will the Senator from Oklahoma yield?

Mr. HARRIS. I am happy to yield to the Senator from Louisiana.

Mr. LONG. I completely agree with the Senator from Oklahoma that he finds it necessary to do this in order to protect his parliamentary rights. I would like to suggest, in view of the fact that the manager of the bill has already used 24 minutes in explaining the bill, that we merely extend the time on the bill so that instead of having 1 hour each to a side that there be 2 hours each to a side, and then we would not be required to resort to parliamentary amendments that we do not intend to insist upon, in order to explain the bill as well as to speak in opposition to it. And I certainly have no objection to that.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG. Mr. President, I ask unanimous consent that the time on the bill be extended by 1 hour, to be equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARRIS. Mr. President, I withdraw my amendment and ask unanimous consent that I may keep my right to the floor.

The PRESIDING OFFICER. The amendment is withdrawn. Without objection, the Senator's request is agreed to.

Mr. HARRIS. Mr. President, I now yield myself 15 minutes under the time allotted in opposition to the bill.

The purpose of the committee bill, as has been stated by the distinguished chairman and members of the committee is to extend and amend the specific provisions of a sugar policy dating back to 1934. The bill does not question the fundamental assumptions of our past sugar policies. I am convinced that such questioning is necessary.

Mr. President, so far as I can tell, despite the well intentioned work that has been done on the bill—and there has been a great deal of work done on the bill by the committee, by the chairman, and others—there is no basic rationale, no rhyme nor reason, for our present sugar policy.

When pressed in questioning before the Senate Finance Committee, administration officials conceded that historical precedent alone is responsible for the present course we are pursuing. This is simply not reason enough to continue a policy which:

First, in the name of protecting our domestic sugar industry procures all of our sugar from foreign suppliers at an artificially high price, well above the world market price, and which also gives direct Government subsidies to domestic producers;

Second, embodies a major, yet unsupervised foreign aid program;

Third, rewards with a valuable subsidy a nation like South Africa; and

Fourth, disregards its expressed aims of insuring that benefits to quota nations filter down to their sugar workers, and which neglects the sugar workers in our own country.

Mr. President, we are launching a frontal assault on this entire bill. Amendments will be offered by various Senators, amendments in which I join, to accomplish this purpose.

Our present sugar policy is so archaic and unwieldy that my first inclination is to scrap it in its entirety and begin anew. And undertaking of this magnitude, at the present time is not, however, feasible. This does not mean that we must, as provided in the committee bill, commit ourselves to a 3-year extension of the existing Sugar Act. There are several positive steps that we can take right away with a view toward establishing a comprehensive U.S. sugar policy for the future.

I recommend first of all that the Senate adopt an amendment, which will be offered first by the distinguished Senator from Arkansas (Mr. FULBRIGHT) and myself, to extend the current act for only 1 year, during which time a body of specialists in foreign affairs, developing economies, farm policy, consumer needs, and labor conditions could investigate the Sugar Act, measure its impact, and propose alternatives to the present system.

Any study group proposal should include operating guidelines calling for investigation of the following:

Minimum wage structures and fringe benefits programs of current and prospective quota nations, with investigation into how these structures and programs are actually administered;

Impact, in detailed breakdown, of the premium dollar on the industry and society of current and prospective quota nations, including whether continuation of the quota to a particular nation perpetuates a regressive sugar economy;

Alternatives to the current Sugar Act system of allocating quotas;

Impact of the Sugar Act and its quotas on the foreign policy of the United States and of participating nations toward the Republic of Cuba; and

The necessity and advisability of quotas to developed nations.

The sugar quota received by a nation is a form of foreign aid. The House Committee on Agriculture has made this clear by listing the following criterion as a standard for the development of foreign quotas:

> Extent to which the benefits of participation in this market are shared by factories and larger land owners with farmers and workers together with other socio-economic policies in the quota countries.

The Finance Committee issued a press release dated June 10, 1971, stating:

> Senator Long advised all representatives of foreign nations to include in their written testimony indications of how, and the extent to which the benefits of participation in the U.S. sugar program flow through to the working man and serve to improve the standard of living in the nation involved.

Lastly, the Comptroller General's report to the Congress of October 23, 1969, states:

> Commodity trade assistance—a form of foreign aid linked to imports of specific commodities—is provided by the United States Sugar Act. . . .

Unfortunately, the supervision of this foreign aid program is at best haphazard. By subjecting the Sugar Act to a comprehensive review we can at least provide some regulation to its foreign aid aspect if indeed we don't separate it altogether from what should probably be only a commercial agreement.

Regardless of whether the Senate adopts this amendment, which I feel is the key to meaningful reform of the Sugar Act, we should still adopt several amendments in the interim so as to correct the gross inequities presently contained in the Sugar Act.

The first of these additional amendments will be an amendment offered by the distinguished Senator from Massachusetts (Mr. KENNEDY), the distinguished Senator from Connecticut (Mr. RIBICOFF), and myself in regard to South Africa. We will recommend that the Senate delete from the bill the figure of 57,745 short tons of sugar representing the quota and prorations for South Africa.

The Government of South Africa has been condemned by the entire world community for its abominable practice of apartheid. The United Nations has called this policy a crime against humanity.

The United States, intentionally or not, is bestowing upon that nation a mark of our special favor in the form of a sugar quota. The most basic considerations of humanity and decency require that we show positive disapproval of the law and official policy of a nation that denies equality to the majority of its citizens because of their skin color.

Moreover, South Africa fails to meet three of the six criteria devised in standards for the development of foreign quotas.

The first criterion, calling for "friendly government-to-government relations" has been consistently violated by South African discrimination against American citizens, including Members of Congress.

Second, South Africa violates the criterion calling for consideration of the "need of the country for a premium priced market in the United States." The facts show that South Africa, which is designated as a developed country by the Agency for International Development, has a thriving economy that relies on sugar for only 2.5 percent of its total exports.

Last, South Africa flagrantly violates the criterion calling for consideration of the extent to which benefits from the sugar quota filter down to the workers of the quota nation.

According to figures for 1969, the average daily wage for all unskilled and semiskilled African laborers is $1.67 per day or $41.75 per month. This figure is $62 less per month than the poverty datum line of $103 per month set by Africans by the Johannesburg Associated Chambers of Commerce. Obviously, the U.S. sugar quota is no bonanza for African sugar workers.

American prestige in the world has never been the result of its military might, the strength of its arms. Rather, it is our moral example, the degree to which we will live up to our professed belief in the innate worth and value of every human being, that will cause us to have influence with others. We cannot without serious consequence continue to condemn the policies of South Africa on the one hand, and on the other favor that nation with a special and valuable subsidy.

Further, I will recommend that the Senate adopt an amendment granting the President the discretionary authority to levy an impost on all sugar imported into the United States under the quota of any nation in which the benefits of participation in the Sugar Act are determined not to be accruing in a substantial degree to those persons engaged in the sugar-producing industry of that foreign nation. The money collected would be placed in the Treasury of the United States under a special trust fund to be used for the financing of USAID projects beneficial to the interests of those engaged in the sugar-producing industry of the nation upon which such an impost is levied.

As long as we maintain a sugar policy constituting an enormous source of foreign aid, we have a responsibility to see that our aid reaches those people for whom it is intended.

These people are not millionaire sugar plantation owners. They are the workers who are all too often forced to work under subhuman conditions.

We cannot on the one hand complain about competition in our domestic market by foreign industries which we complain are paying their workers substandard wages, and on the other hand have a continuation of this kind of foreign aid program through this sugar subsidy without doing something or trying to do something about bringing up the standards and wages of foreign workers who are involved in this particular industry.

A statement presented before the Finance Committee this month by Prof. Joseph A. Page of the Georgetown University Law Center documents the nature of this problem with respect to the Brazilian sugar industry. Professor Page, who has had the opportunity to observe at first hand the sugar industry of Northeastern Brazil and its impact on the millions of peasants living and working there, spoke of "poverty, hunger, disease, and ignorance" as the main characteristics of life in the sugar zone. He spoke of an infant mortality rate during the first year of life estimated at 60 percent, of a nutrition study whose director has charged that "lack of proper nourishment during early years is producing a legion of mentally retarded human beings in the northeast."

He then described the sugar industry in northeastern Brazil that, with Government collusion, has "consistently demonstrated its incapacity and/or unwillingness to modernize and reform itself" in a way that would alleviate the monstrous working and living conditions of the Brazilian peasants. Only by the subsidy they receive under the Sugar Act, charges Professor Page, can the industry profitably continue "to produce sugar inefficiently, and at great human cost."

With our collusion we continue the present system without requiring some conditions so that this subsidy will get down to the workers in the sugar industry.

Lastly, the Senator from Illinois and I and others will recommend that the Senate adopt two amendments to the Sugar Act concerning our domestic sugar policy.

The first of these amendments was introduced in the Senate by the chairman of the Subcommittee on Migratory Labor, Senator STEVENSON. It would provide for several additions to the list of conditions under which a domestic sugar producer is eligible to receive Government payments. The additions are:

That the "fair and reasonable" wages provided for in the act shall constitute a decent minimum hourly wage:

That the housing for sugar workers and their dependents shall satisfy the applicable State or Federal housing and sanitation requirements, whichever are more stringent;

That the grower shall not employ nonresident alien farmworkers in his sugar beet or sugarcane operations; and

That the grower shall not have discharged or in any other manner discriminated against any employee involved in the filing of a complaint concerning the above conditions.

We have ignored long enough the miserable conditions that exist among the workers in our own backyard.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. HARRIS. Mr. President, I yield myself an additional 5 minutes.

A 1970 survey in Louisiana by the national sharecroppers fund documents some of the conditions and abuses found in the mainland sugar industry:

First. The average family of six earned $2,635 annually as of January, 1970, which is below the national poverty level.

Second. Seventy-six percent of the households surveyed had only outdoor sanitation facilities; 52 percent had only cold water inside; 62 percent had holes or gaps in the walls; and 50 percent had leaky roofs.

Third. Seventy-six percent of the households surveyed who had no company help in paying for medical expenses while 37 percent had at least one chronically ill family member.

That such conditions exist in the United States today is inexcusable. The State of Hawaii has proven that it is possible for the industry to provide decent wages and working conditions. In Hawaii, sugar workers are paid the highest agricultural wages in the world, plus fringe benefits that include paid vacations and holidays, pensions, health insurance, unemployment compensation, and workmen's compensation. It is unfortunate that the mainland sugar industry requires us to spell out in specific legislation that it follow the example of the Hawaiian industry.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HARRIS. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I may say to the Senator that I would be happy to vote for any increase in wages that the cane producers of Louisiana can pay and still compete with the cane producers of Hawaii, where they have a much longer growing season and have a more favorable climate. But I would be voting my people out of jobs if I voted for the Senator's amendment. I would be doing them a great disservice. I would love to pay them more. Is the Senator aware of the fact that we have minimum wages for sugarcane and sugar beet production, and those are the only minimum wages set by the Secretary of Agriculture? It has resulted in a 1,200-percent increase in the wages paid. I ask the Senator if that is not substantial progress when the figure is increased 1,200 percent. As indicated on page 10 of the committee report, increases in the cost of living have taken place, but even after these are taken into account, workers' real wages, in terms of purchasing power, are about 450 percent of the 1934 rates.

That is progress, is it not?

Mr. HARRIS. It is not enough progress. May I say, with all respect to the chairman of the Committee on Finance, on which committee I am pleased to serve with the distinguished Senator from Louisiana, that the argument that if we improve and bring up to some decent standard the working conditions and salaries of these particular workers, we will put them out of jobs, is an argument which always has been made and rejected every time we have had before us any legislation to improve the standards and wages of any employee.

I support the efforts—I have in the past and I do now—of the distinguished Senator from New Jersey (Mr. WILLIAMS) to provide much more decent standards of wages and working conditions for agriculture workers generally; and I hope we may yet pass comprehensive legislation, but we have a chance to do so and to take steps in the right direction in regard to these particular workers. I think we should do that because those who employ them, both growers and refiners of sugar, are enjoying, at the expense of the American consumer and the American housewife, a Federal subsidy and, therefore, we must do in this bill what we can do.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. HARRIS. I am glad to yield to the distinguished Senator from Louisiana.

Mr. LONG. Oklahoma is not a sugar-producing State. Would the Senator be willing to modify his amendment to place an equal burden on all farm employees so his farmers would bear the same burden of the employers in Louisiana, or does he want to take care of Louisiana, but not Oklahoma?

Mr. HARRIS. The Senator is right. If he will join me as a cosponsor of the Williams amendment to provide decent wages for all agricultural workers that are covered in that amendment, perhaps that should be the approach. If the Senator will join me in that amendment, I will offer it, if the Senator from Illinois, the principal sponsor of this amendment, would agree.

Mr. LONG. If the Senator will so modify his amendment, I will be happy to join him in the modified amendment, with the understanding that on the final vote on the amendment I will vote against it; but if this amendment is going to be agreed to, I would like to see the same concern given to others as to the Louisiana cane producers, because the result of this amendment is that it is not going to result in giving people jobs; it is going to result in people losing jobs. If we are going to do this for Louisiana, we should do it for Oklahoma. Much as I love Oklahoma, I love Louisiana more. I think we should do the same thing for both. This amendment proceeds on the theory that we are voting for better paying jobs, when, in reality, if we are going to do this sort of thing to Louisiana, where it will hurt our employers and workers alike, I urge that the same thing be done for Oklahoma.

Mr. HARRIS. As I understood the Senator from Louisiana, he thinks it would be fair to extend this amendment to affect similarly all agricultural workers, but, even though it is fair, he will vote against it.

Mr. LONG. I think it would be a lot fairer. Instead of imposing the burden on just the Louisiana employers, when it is not going to do any more than help put the workers out of a job, we ought to do the same thing to the producers of other commodities.

Mr. HARRIS. Will the Senator join me in pursuing that?

Mr. LONG. I will join in his modifying his amendment to do equal justice, but the Senator, with all his good intentions, is going to do something that is going to do harm. The Senator from Louisiana would have to vote to save him from his own folly when it comes to a vote on the amendment, even though I would join with him in providing equal justice.

Mr. HARRIS. The Senate is involved in a more basic question. The American dream, what we say to the American people, is that what we want them to do is provide for their own welfare by their own work. Then we turn right around and condemn millions of Americans to a life which, despite full-time work, they are working as hard as they can work, still does not enable them to provide a decent income and a decent life for themselves and their families.

With the sugar bill we give a subsidy, at the cost of the American housewives and consumers, to sugar producers and refiners so that workers will continue to be employed at substandard wages. Then we are urged to come back with H.R. 1, on which we are starting hearings today in the Finance Committee, under this Administration's recommendations, to supplement what they earn out of the Federal Treasury.

Instead of allowing the people, by their own efforts, earn enough to have a decent life, we come the other way and legislate welfare in order that they may have a decent life, and do it out of the Federal Treasury.

That is not the right way to go about it. I hope the Senator will agree with me.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HARRIS. I yield.

Mr. LONG. While there appears to be a difference in philosophy as between the two of us, our objective is the same, but we differ on how to go about it.

Mr. HARRIS. I would rather have a fellow earn his way. Had not the Senator rather that a fellow pay his own way and earn wages at a level that will provide him a decent income, rather than earn a substandard wage and then, under the administration's bill, have to get welfare for the additional necessary amount to do that?

Mr. LONG. That is not what we are talking about.

Mr. HARRIS. That is exactly what we are talking about.

Mr. LONG. Will the Senator yield to me to explain the difference between what we are talking about? The choice has to be made between two hard answers: Do you subsidize a low-paying job and help him make more, or do you put a man out of a job and put him entirely on welfare? The impression I get from the Senator's approach is that we should put the man on welfare, on the theory that it would not be a better thing to keep the man on the job, and, if need be, add something to his earnings. He would approach it on the basis that first we are going to put him out of a job and put him on welfare. It seems to me it would be better if we subsidized the man's earnings that he is presently making on the job, rather than put him out of a job and put him on welfare entirely.

Mr. HARRIS. I could not disagree more with the Senator's suggestion. What the Senator wants to do is tax the American consumer and housewife twice. He wants first to tax the American consumer and housewife——.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HARRIS. I yield myself an additional 5 minutes.

He wants first to tax the American consumer and housewife by legislating a price for sugar above the regular market price, which will mostly go into the pockets of the producers and refiners and not trickle down, as it should, to more decent wages for the farm and other workers, and then, again, he would tax the American housewife and consumer another time by a tax to pay for the welfare program to make up for the salary that the farmworker needs for a decent income.

That is not the way to go about it. That philosophy is in direct contradiction to every action ever taken by this Congress to set minimum wages and coverage. They ought to be made broader if we really mean what we say about people being encouraged and having a right to have a decent life by their own efforts.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HARRIS. Will the Senator yield himself time on his time, out of the time on the bill?

Mr. LONG. I will ask a question on my time, and the Senator can answer on his time, if the Senator will yield.

Mr. HARRIS. Yes.

Mr. LONG. We already have a bill and a law that directs the Secretary to fix wages at what the Secretary determines to be fair and reasonable after investigation and adequate notice and opportunity for a hearing. That is with regard to sugar producers. It does not apply with regard to workers producing cotton, corn, wheat, or other commodities.

It would seem to the Senator from Louisiana that before we apply this proposal to the sugar industry, which is already paying a minimum wage determined to be fair and reasonable by the Secretary of Agriculture, we ought to at least make other industries do what the sugar people are doing, pay as much as they can in terms of wages. The Senator is proceeding in the other direction. He picks out one industry that is already abiding by the minimum wage, and would impose on those employers a burden most of them cannot carry, and continue to leave exempt the other farm laborers who are not being paid a minimum wage.

Fairness and justice would seem to me to require cotton producers and other producers in Oklahoma and other States to raise their wages before a producer who already is paying a minimum wage is forced to pay an even higher minimum wage.

Mr. HARRIS. I will answer the Senator on my own time. I think we ought to have a bill requiring fair minimum standards of pay and working conditions for all agricultural workers, as is provided in the Williams' amendment, which I support. The Senate Finance Committee does not have jurisdiction over that bill. It does have jurisdiction over the sugar quota and subsidy system measure that is before the Senate.

I would be willing to join in making the Williams bill apply here and to all agricultural workers generally. But here we have before us the sugar industry, and I think we ought to move on that because we have jurisdiction over it, and then move on the rest when we can.

I am disappointed that the Senator from Louisiana is satisfied that it would be fairer to modify the amendment to so provide, but that he still would vote against it.

When I was a small boy, my family and I followed the cotton harvest as migrant workers. In West Texas we lived in abandoned houses and outside. The whole family picked cotton for a living. Later in my youth, we followed the wheat harvest to North Dakota. I was involved in that work nine summers in a row; my parents longer than that. I know firsthand, because of that experience in my own family and also because of the knowledge I have gained in public office, that all over the country the conditions of the people who earn a living working as migratory laborers and many farm laborers generally are a scandal and an outrage. That ought not to be allowed to continue in this country while we talk about the need for people to provide for their own livelihood through their own efforts. The amendment which will be offered by the distinguished Senator from Illinois, which I support, will be a large step toward rectifying that immoral condition.

In conclusion, Mr. President, of the opening remarks against this bill as reported by the committee, the amendments which we shall propose, and which I hope the Senate will see fit to add to the committee bill, would go a long way toward the reform of our sugar policy. They would not remedy immediately every inequity in that policy. What I am suggesting is that the Senate change the most glaring inequities presently contained in the Sugar Act, and at the same time create the proper framework necessary for a total revision of the U.S. sugar policy.

Mr. INOUYE. Mr. President, I rise today to express my support for H.R. 8866, the Sugar Act Amendments of 1971. I would like to commend my colleagues on the Finance Committee for the long hours they have spent in consideration of this legislation. My awareness of the complexities of this measure enables me to readily imagine the agony involved in the consideration of this bill.

The balanced structure of the sugar program is so highly sensitive that an alteration at any one point necessitates a further change in order to reestablish the original equilibrium. I call your attention to the allocation of foreign quotas to illustrate this point. It is virtually impossible to work out a division of this fixed amount of tonnage which will completely satisfy every member of the committee. The process of arriving at an acceptable compromise is long and unpleasant. Again, I wish to commend the committee members for their diligent effort to report a bill which would simultaneously preserve the mechanism of the U.S. sugar program and satisfy the Members of the Senate.

Although I am not in complete agreement with every provision of the Senate bill, I am aware that the Senate floor is not the appropriate place to surgically amend the measure. However, there is a matter which I believe deserves special consideration—the Philippine quota. I do hope that this matter will be considered in conference with the House. I would like to share with the Senate a copy of a letter which I sent to Chairman LONG expressing my feelings on the allocation of the quota for the Philippines. I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 24, 1971.

Hon. RUSSELL B. LONG,
Chairman, Finance Committe,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Because of the extreme importance of sugar to the people and the economy of the State of Hawaii, I have made every effort to familiarize myself with the intricacies and complexities of the United States Sugar Program. I am, therefore, aware of its contribution to the success of the domestic sugar industry and its importance in relation to the foreign sugar producing nations which participate in the program. It is this knowledge and understanding which prompts me to urge you to reconsider the quota allocation for the Philippines as provided in H.R. 8866. Clearly the Philippines bear an unproportionate share of the burden of quota reductions received by the five major supplying countries. Enactment of H.R. 8866 would reduce the Philippine quota by approximately 12.6% (190,000 tons) while the remaining four major suppliers receive a percentage cut of only 9.6%. Although the basic quota for the Philippines under section 202 of the Act remains unchanged the following provisions of H.R. 8866 would result in a total quota and deficit proration allocation of 1,314,018 tons as opposed to the 1,503,703 ton quota which they would receive under the present act at an estimated consumption level of 11.2 million tons:

1. The percentage rate for deficit reallocation for the Philippines is reduced from 47.22% to 37.60%.

2. The Philippines are excluded from the reallocation of 750,000 tons of the Cuban reserve to foreign producers.

3. The Philippines are denied any participation in the growth of the United States Market.

Review of both the past and present history leads me to believe that we are doing this nation an injustice by depriving them of the opportunity to continue at least their present rate of participation in the US sugar market.

Historically speaking, the United States and the Philippines have enjoyed close ties and friendly relationships. The Filipino people fought by our side in WW II and in my judgment have never been properly compensated for the loss of human lives and property that they suffered during this conflict. I am convinced that we have never properly shown these people our appreciation for the losses they incurred on our behalf.

Economically speaking, the Philippine sugar industry was virtually destroyed during WW II. The record of the recovery and revitalization of the sugar industry in this country is unquestionably admirable. At the end of WW II, the Philippines were operating only 5 mills and producing only 13,000 tons of sugar. In contrast, the crop now being harvested is approximately 2.3 million tons. When the recovery program is fully activated, Philippine sugar mills will be able to produce 3 million tons of sugar. This record is undoubtedly commendable. It is also evidence to counter any argument that the Philippine quota should be decreased because of a recent failure to fulfill their allocation. A period of severe and abnormal droughts and typhoons from October of 1967 to May of 1969 naturally resulted in a substantial decrease in crop yields. Consequently, the Islands were unable to fulfill their entire quota for 1969. The ensuing course of action was to credit a late October 1969 sugar shipment to the quota for that year, resulting in a recorded deficit for 1970. Considering both the past record of the Philippines in supplying us with sugar and the current production and shipping facilities in the area, I find it hard to convince myself that a series of natural disasters should serve as adequate rationale for a quota reduction for this supplier which would reduce their foreign exchange earnings by approximately $30 million and would put 40,000 people out of work.

I also call your attention to the fact that the Philippines more than adequately meet the five criteria for consideration of foreign quota allocation set forth by Chairman Poage of the House Agricultural Committee. After careful study of the above facts, I am convinced that a revision of H.R. 8866 to provide the Philippines with a quota which is at least equal to their current share, would be in the best interests of both the Philippines and the United States. I respectfully request your serious consideration of my comments and urge you to take action to rectify the inequity which exists in H.R. 8866 with regard to the Philippines.

Sincerely,

DANIEL K. INOUYE,
U.S. Senator.

Mr. INOUYE. Mr. President, as Senators are aware the sugar program has recently been attacked as an unnecessary burden on the American consumer and an unfair bonus for both foreign and domestic sugar producers who participate in the program. I believe that both these criticisms are unfair and unfounded and are the result of a superficial rather than an in-depth evaluation of the policy. The U.S. sugar program grew out of the realization that our country needed an assured supply of this essential commodity at a reasonable price. After several unsuccessful attempts to produce this result through both a tariff on imported sugar and a bounty to domestic producers, the Congress passed the Jones-Costigan Sugar Act of 1934. These essential features of the sugar program as it exists today are based on the 1934 act. The balance I referred to previously is the key concept in the Sugar Act. It is essential to both the operation of the program and to a proper understanding of how it works. The program operates on two main mechanisms: First, the determination and regulation of the needed supply of sugar and second, the operation of the tax-payment provisions. An explanation of the operation of both of these features clarifies what seems to be a misunderstanding of the sugar program and thereby invalidates the current criticisms of the policy.

The purpose of the Sugar Act is to assure a stable supply of sugar at a reasonable price. This goal is achieved by an application of the principle of supply and demand in the following manner:

In October of each year, the Secretary of Agriculture determines the approximate amount of sugar that will be consumed in the United States in the forthcoming year. Through a formulated allocation procedure, each individual foreign country and domestic grower participating in the program is assigned to supply a certain portion of the needed amount. Because the supply of sugar is regulated to conform to the approximated consumer demand, the price of sugar remains stable and reasonable. Contrary to recent criticisms, the American consumer pays consistently less for sugar than we would without a controlled program. The Senate Finance Committee report states that in 1969, the index of the retail price of all foods was 125 percent of the 1957–59 average, while the retail price of sugar—12.4 cents per pound—was only 111 percent of the 1957-59 average price of 11.2 cents per pound. In 1968, the average work-time needed to purchase one pound of sugar at the retail price of 12.2 cents per pound was 2.4 minutes. Therefore, assuming that the average American consumes 100 pounds of sugar annually, the wages he receives from about 4 hours of work will enable him to buy a year's supply of sugar. Clearly, the sugar program relieves the American consumer of the burden of high-priced sugar.

One further consideration which is overlooked by those who claim that the sugar program creates an unnecessarily high price for this commodity is that 75 percent of the sugar consumed in the United States is purchased by the industrial users. Critics seem to ignore the significance of an assured supply and stable price of sugar for this group. If the availability of sugar was constantly in question and the price widely fluctuating, these companies would not be able to operate either efficiently or effectively. The consumer who attacks the sugar program should consider the market which would result if these manufacturers could not depend on an adequate and consistent supply of sugar. The American housewife would feel an infinitely larger "burden" if the wide range of products manufactured by this group were subjected to a manufacturing process regulated by and geared to an unpredictable supply of sugar.

The second mechanism, the tax-payment plan, has also been on the firing line in recent months. I have noticed that the opponent's attack is always aimed at the payment rather than the tax. Although, they denounce the compliance payments as unnecessary support of large companies, they seem to have no objection to the excise tax that is paid by these large sugar producers.

This indicates to me that the principle and the workings of the plan are not understood. The mechanism operates as follows: The sugar industry pays an excise tax of 50 cents on every 100 pounds of sugar it produces. The revenue from this tax goes into the General Treasury, but is then returned to the producer who complies with certain regulations which are set forth in the act. The tax payment provision of the Sugar Act is unique and cannot be compared to any other agricultural support program. Not only is the program self-supporting but it actually contributes to the Treasury. Over the life of the Sugar Act, the revenues from the tax have exceeded the payments to the growers by $630 million. The House Agriculture Committee report on H.R. 8866 estimated that the operation of the program during the next 3 years will generate between $78 and $83 million of revenue to the U.S. Treasury. It must be understood that the tax and the payments are directly related and dependent upon each other. Consideration of one aspect alone results in a distorted view of the operation of the plan. Along the same lines, any alteration in either part of this duality without a corresponding change in the other would prohibit successful functioning of the entire program. Most importantly, in fairness to the large producers it should be noted that, although the tax is the same for large and small, the formula favors the small growers as to the payments. For example, in 1969 the largest sugar company in Hawaii, Hawaiian Commercial & Sugar Co., received the largest payment amounting to $1,275,231. That company also paid a tax of $1,925,301. Therefore, the tax payment exceeded the conditional payment by $650,000.

Due to the difference in the size of farms, the average payment in the beet sugar area is approximately 80 cents per hundredweight of sugar, while the average rate of payment in Hawaii is 44 cents per hundredweight of sugar; therefore, for the small beet grower the payment exceeds the tax by 30 cents, but for the large grower in Hawaii the tax exceeds payment by 6 cents.

As one of my colleagues has pointed out, the sugar industry in Hawaii is an example of the successful application and operation of the two mechanisms in the Sugar Act. This industry provides employment for approximately 10,000 people in Hawaii and contributes $200 million annually to the economy of the State. The workers receive an average hourly wage of $3.03 plus approximately $1.25 in fringe benefits, making them the highest paid agricultural workers in the world. Clearly the sugar program is of vital importance to the people and the economy of Hawaii and consequently, I am eager to see that the program continues to operate effectively. However, my support of this measure is a result of conviction that the policy is good not only for Hawaii but for the Nation as a whole.

Sugar is an essential commodity. We must be able to acquire sufficient amounts when needed without expending outrageous sums. The domestic sugar industry is a healthy industry providing hundreds of thousands of Americans with employment and generating billions of dollars which help to insure a viable national economy.

Mr. President, in view of the above considerations, I reiterate my support of H.R. 8866 and urge the Senate to take the appropriate action to insure the continuance of the U.S. sugar program.

Mr. YOUNG. Mr. President, first, I want to commend the chairman of the Senate Finance Committee and all of its members for the hard work and long hours they put in on this legislation to extend the Sugar Act of 1948. This is very complex legislation involving not only our domestic producers—both beet and cane—but the interests of many foreign governments as well.

The interest in sugar beet production in my area is extremely high, and there is a great need for alternative crops for our farmers to grow. With this very great interest, I deeply regret that the allocation necessary for new processing plants could not be higher than 100,000 tons. We desperately need more.

When extra production of sugar in recent years was needed, the Red River Valley area of North Dakota and Minnesota was one area where the growers expanded their sugar beet acreage. The 100,000 ton allocation for new plants provided in the Senate bill will be helpful. I am hopeful and feel sure that it will go to those areas that can best grow sugar beets and areas which have a proven interest and ability in raising this crop.

No area of the country is more ideally suited to sugar beet production than the Red River Valley. With its highly productive soils, favorable weather, and the production know-how and desire of the farmers, this is an ideal area for the expansion of sugar beet production.

As I have already indicated, there is a need for alternative crops for our farmers. We still face a problem of surplus grain producing capacity in this country. In areas such as the Red River Valley of North Dakota and Minnesota, the common practice is for sugar beets to be produced on land which was laid idle by summer following the previous year. This results in 2 acres being taken out of the production of other crops for each acre devoted to sugar beets. The sugar program not only provides a means of improving farm income, but it is of tremendous assistance as well in relieving the pressure of overproduction on the prices of other crops.

The Red River Valley has a proven history of sugar beet production. There are presently four processing plants serving the area and there are several groups of farmers and interested businessmen who have organized in an effort to establish additional processing capacity in the region. More sugar beet production and more sugar beet refineries is one of the best answers to stopping the exodus from farming areas to the big cities.

Mr. President, in closing I would like to point out the importance of the Sugar Act to the entire Nation. Sugar is so important a basic food that its ready availability at reasonable cost must be assured. The price stability provided by under the Sugar Act assures the housewife that sugar will be readily available on her grocer's shelf when she needs it. It also assures the industrial user of sugar that supplies will be readily available. This relieves him of having to carry large inventories to guard against shortages or sudden price fluctuations which could adversely affect his operation. This, in turn, lends stability to the pricing of his finished product—an additional benefit to the consumer.

Mr. TOWER. Mr. President, as we consider the proposed piece of legislation, H.R. 8866, I am hopeful that my esteemed colleagues will bear in mind the purpose of the Sugar Act of 1971; namely, that the intent of the bill is to assure our Nation of a healthy and competitive domestic sugar industry and an adequate sugar supply for consumers at a reasonable price.

The Sugar Act has in the past created a healthy situation in the sugar industry and fostered increased domestic sugar consumption at a reasonable price. Records indicate that sugar consumption has increased over 5 million tons in 36 years and that American consumers use three times as much sugar as our foreign counterparts, but at a price lower than most other nations. There are 28,000 domestic farms producing sugarcane or sugar beets which employ about 150,-

000 farmworkers. In 1969 there were 59 beet sugar factories and 92 raw sugarcane mills which refine raw sugar. These mills employ about 52,000 people and represent an investment in excess of $1.4 billion. The expenditure of sugar by housewives and processing concerns is in excess of $2.2 billion annually. Sugarbeets are produced in 24 States, but few States produce sugarcane for the manufacture of sugar. Most of the raw cane production is used for sugarcane syrup.

In Texas, as in many agricultural States, farmers are looking for additional cash crops. This new act includes a provision for an increase of domestic sugarcane allotments. My home State has a tremendous agricultural diversity with the capability of producing both food and fiber in abundant quantity. One of the most productive regions is the Rio Grande Valley. Based on a detailed study conducted by F. C. Shaffer & Associates, Inc., it was determined that the Lower Rio Grande Valley would be an excellent area for raw sugarcane production. At present, the United States is importing over 6,400,000 tons of cane sugar from offshore sources, of which 4,790,000 tons are supplied by foreign countries. Only 1,538,667 tons of cane sugar are produced in the mainland cane areas of Florida and Louisiana at present. I believe the Valley in Texas can produce the raw sugarcane needed for domestic consumption to fill the proposed 100,000 ton allotment. Although Texas did not share in the Sugar Limitation Act of 1934, the people of the Valley are eager to participate and would be proud to be a dependable source of raw sugarcane production.

I urge passage of the Sugar Act Amendments of 1971 as presented to the Senate today.

Mr. FULBRIGHT. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. FULBRIGHT. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Does the Senator request unanimous consent that the amendments be considered en bloc?

Mr. FULBRIGHT. Yes, I ask unanimous consent that the amendments be considered en bloc. I also ask unanimous consent that further reading of the amendment be dispensed with. I shall explain it, and it is very simple.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT's amendments are as follows:

On page 56, in lines 1, 7, 9, and 14, strike out "1974" and insert "1972".

On page 56, line 19, strike out "1975" and insert "1973".

At the end of the bill insert the following new section:

"SEC. 21. The President shall promptly appoint a Commission on which members from the public shall constitute a majority, and the chairman of which shall be a public member, and which shall include a body of specialists in foreign affairs, developing economies, farm policy, and labor conditions, to report back to the President no later than April 1, 1972, the recommendations of the Commission for establishing a United States sugar policy for both domestic beet and cane sugar and foreign source sugar, which recommendations shall include (1) the minimum price support necessary to provide the appropriate amount of sugar from domestic sources; (2) alternative methods of securing sugar from foreign sources, and (3) procedures to assure, to the maximum extent feasible, the stability of sugar prices to the public. The President shall, no later than May 1, 1972, submit such report to the Congress together with such recommendations as he may wish to make concerning such report."

Mr. FULBRIGHT. Mr. President, I yield myself 10 minutes.

This is a very simple amendment. It limits the extension to 1 year instead of 3 years, and then the new section 21 provides for the President to appoint a commission, of which members from the public will constitute a majority, to do the following: Report back by April 1, 1972, the report to include: First, the minimum price support necessary to provide an appropriate amount of sugar from domestic sources; second, alternative methods of securing sugar from foreign sources; and third, procedures to assure, to the maximum extent feasible, the stability of sugar prices to the public.

Mr. President, I have offered similar amendments to this bill before. One amendment, I recall, in 1965, came within five votes of passing.

This amendment, in contrast to my previous efforts, is not designed in any way to affect the domestic industry. I am quite willing to vote to support the domestic industry in an appropriate fashion, not unlike that applied to other agricultural commodities.

But there is another aspect of this bill which I think is very objectionable, one which has been true of these bills all along. This is its impact on our foreign policy and our relations with other countries, especially those in Latin America.

This bill, in effect, is part of the foreign aid program, but it is without the usual guidelines. It is not reviewed, of course, by the Committee on Foreign Relations. The Senator from Oklahoma stated a moment ago that the Committee on Labor and Public Welfare should have something to say about wages. In this case, I think the foreign aid aspects and foreign relations aspects are very important.

In 1969, the Comptroller General made a report. I shall read just a few sentences of a digest of his report to Congress. He says:

> This review was undertaken to measure the magnitude of the foreign aid provided through the operations of the U.S. Sugar Act.

Again:

> GAO estimates that U.S. sugar assistance averaged between $290 million and $340 million a year during 1965 to 1967. Inclusion of sugar assistance would increase reported total U.S. foreign economic aid by 7 to 9 percent during this period. Sugar assistance at that time was given to 31 countries. No explicit attention is paid to the use that recipient countries make of sugar assistance, despite its large magnitude. Only to the extent that sugar aid decreases traditional aid requirements is sugar aid taken into account by the Agency for International Development and the State Department.
>
> In the case of sugar, GAO recommends that AID and the State Department, in concert with the Department of Agriculture, prepare annual estimates of the amount of such aid received by each less developed country, and comprehensive plans for utilizing the aid for development purposes in each recipient less developed country. The estimates and plans should then serve as a basis for negotiating with recipient less developed countries on the uses which they make of such aid.

In short, the GAO—and I totally agree with them—says it is perfectly obvious that this assistance is a part of foreign aid, although it does not come to any committee with jurisdiction over foreign relations or foreign aid. It is in the Finance Committee, I assume, solely because it involves an excise tax, over which, of course, the Finance Committee does have jurisdiction.

The aspect of this which I object to, and which I think creates a very bad impression on foreign countries, relates to the allocation of quotas for foreign countries. This has been what I believe to be a national scandal for a long time. The procedure that is used, I think, is objectionable. It has created an impression on many foreign countries that Congress is for sale. The lobbyists who are employed by foreign countries to obtain quotas obviously must impress upon their employers the fact that they, the lobbyists, are the decisive element in the allocation of the quotas.

The lobbyists' fees have been published; and I shall ask unanimous consent to have printed in the RECORD the report from the National Journal containing these figures. These figures are obtained from the House Agriculture Committee and the Justice Department.

These lobbyists, if they abide by the law, of course, have to register with the Department of Justice, and they are supposed to report what fees they are paid, so it is not a matter of privacy, but is public material, although it is often not readily available.

The fees for various countries range from a low, I believe, of $5,000 a year for a very small place like Martinique, up to $180,000 a year for a country like Brazil, and they vary all the way in between. There are some contingencies, and also some of the arrangements provide for expenses. The lobbyists are supposed to report what those are, although they often are very lax in the details which they report.

But I am not so much interested in simply the amounts as such; everyone can read this information for himself. The effect is to create the impression, as I say, on Latin American countries, especially the poorer countries, that Congress is for sale; that if they come here and pay enough, they can get a quota. I have had ambassadors come to me and say, in the course of their conversations, that they did not get a quota, or their quota was cut, and they believed it was because they did not employ a lobbyist and pay him enough to properly influence the powers that make the allocation.

I realize that all the Members of both

Houses resent the implications of this kind of talk, but it is a fact and not a rumor.

Let me call to the attention of the Senate a recent article published in the Washington Post on June 4 of this year. I might say such articles have appeared every year since I have been in the Senate, whenever the Sugar Act is up for consideration. Again I emphasize that this has nothing to do with the domestic industry. It involves the question of the allocation of foreign quotas. This article is by Mr. Rosenfeld, and there have been many similar articles in past years. I ask unanimous consent to have the article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE SUGAR ACT: A MISUSED TOOL OF AMERICAN DIPLOMACY

(By Stephen S. Rosenfeld)

No single piece of "domestic" legislation may have a more substantial and a more corrupting impact on our foreign relations than the Sugar Act, under which the Congress secretly and arbitrarily allots to some three dozen foreign governments quotas in the immense and immensely profitable American sugar market. The three-year extension of the act reported out of the House Agriculture Committee this week confirms this sad fact.

In 1970 foreign producers supplied 5.2 million tons of raw sugar (out of 11.6 million we consumed), earning some $700 million, of which $250–$300 million was over and above what that sugar would have brought on the world market, if it could have been sold there at all. The basis of the quarter-billion dollar premium is that, to assure American cane and sugar beet growers a "fair" price and to protect them from import competition, Congress limits the amount of sugar that can be marketed. Sixty per cent plus is reserved for domestic producers, the rest for foreign.

The premium, the General Accounting Office said in 1969, is really foreign aid—it's in dollars, moreover, not in aid's usual form of chits to purchase American goods. It urged State and AID to start reviewing foreign economic activities financed by the premium, as those agencies review activities financed by conventional aid. But the agencies, and the foreign governments, have balked, and the inward-looking agriculture committees which write the Sugar Act have not made a point of it.

Perversely, Congress, though declining to use the premium feature as a development lever, has regularly itched to use sugar quotas as a political club. In foreign policy terms, this is the difference between imperialism and enlightened self-interest. The House bill, fortunately, marks some advance. It removes a previous automatic penalty against quota countries seizing American private property and, while loading up the quiver with sanctions, it gives the President discretion in shooting them. An especially offensive effort of W. R. Grace Co. to have Congress intervene in its pending dispute with Peru lost out.

It remains so that the United States, committed to reform in many of its aid policies, wields its sugar policy in a way to prop up what is often a socially backward local sugar industry. For instance, in the Philippines—at 1.3 million tons, the largest foreign quota holder—a vicious contract labor system for cane cutters erodes the legal minimum wage, itself deplorably low. This is documented in the latest issue of Solidarity, an English-language Manila monthly.

"The sugar quota," States Solidarity editor F. Sionil Jose in a 'Memo to the United States Congress,' "has not worked for the country; it has not even worked for the workers in it. It has, instead, been the source of exploitation, of the entrenchment in political and economic power of a few men known for their irresponsibility and their disregard for the aspirations of the Filipino people." If Congress will not earmark part of the sugar receipts for social projects, Jose argues, then it ought to end the Philippines' quota.

By contrast, John A. O'Donnell, Manila's sugar lobbyist, urged the House Agriculture Committee to raise his client's quota. "The future of the Philippines is largely in your hands," he declared, going on to report that among the laws protecting sugar workers was one assuring a minimum wage of 4.75 pesos a day—about 75 cents at the official exchange rate. Solidarity says workers actually draw as little as 1.5 pesos—equivalent to less than a quarter.

Here, of course, is the most conspicuous aspect of Sugar Act corruption. The spectacle of highly paid lobbyists—many of them former legislators and Agriculture Department aides—trying to parlay influence into quotas is one of Washington's most familiar political eyesores. The lobbyists, however, are hardly to blame. The Congress is: first of all for maintaining a price-support system which makes it so profitable for foreigners to sell in our market; then by regulating the system through the retrograde protectionist device of country quotas; and finally by failing to establish any standards, reasonable or otherwise, for allocation of quotas.

"It is an unfortunate fact," the State Department's witness, Julius Katz, told the House committee, "that an increase in someone's quota share must be at the expense of someone else's share. Were there some objective standard or formula by which quotas could be allocated, we would be spared the task of choosing among many worthy claims. Unfortunately, however, there is no such . . ."

The cause of the diplomat's lament is precisely the source of the politician's power: At their own discretion a small group of congressmen can make sugar-quota decisions involving annually hundreds of millions of dollars. Little wonder that rumors of venality swarm around each new allocation of quotas.

Such is the grasp in which powerful political and economic interests hold sugar policy, it is doubtful that anything less than a major assault on the system could succeed. But the administration, like its predecessors, was in no mood for that kind of battle this year, and the relatively painless and stable price any individual housewife pays for sugar works against formation of an important consumer constituency, one worthy, say, of a presidential candidate's courting. Nor can any impulse for change be expected to come from foreign beneficiaries.

Representative Paul Findley (R–Ill.) put forth in committee a series of reform proposals—to let the Executive Branch, which dispenses other kinds of aid, dispense this kind too; to require foreign governments to spend part of the sugar premium on social projects; to reduce the premium paid "foreign" producers (as was the case in Cuba, "foreign" producers are often American corporations). But Findley is the first to concede he failed.

Mr. FULBRIGHT. I shall read part of the article:

No single piece of "domestic" legislation may have a more substantial and a more corrupting impact on our foreign relations than the Sugar Act, under which the Congress secretly and arbitrarily allots to some three dozen foreign governments quotas in the immense and immensely profitable American sugar market.

* * * * *

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Mr. President, I ask unanimous consent that another article from the Washington Post of May 30, dealing with the same subject, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

SUGAR ACT: GROWER PROP OR CONSUMER SWINDLE?

(By Spencer Rich)

In the past few months, lobbyists for 38 foreign nations and thousands of American producers have trekked up to the House Agriculture Committee to plead for slices of one of the sweetest pies in American agriculture—the protected U.S. sugar market, where a seller can get nearly twice as much for raw sugar as on the world market.

The roster of lobbyists testifying before the committee, which is expected to vote out a three-year extension of the basic Sugar Act on Wednesday, reads like an old boys' club of ex-federal officials.

Harold D. Cooley, who represents Thailand at $15,000 a year and Liberia at $10,000, is a former chairman of the Agriculture Committee who himself presided over sugar legislation for 16 years. Thomas H. Kuchel (Colombia at $200 an hour) was Senate GOP Whip.

DeVier Pierson (Mauritius at $25,000 a year) was a White House aide under Lyndon Johnson. Thomas Hale Boggs Jr. (Central America at $36,000 to $50,000) worked at various government jobs, ran for Congress and is the son of the House Majority Leader. Charles H. Brown (Fiji at $2,000 a month) is a former Missouri congressman.

James H. Marshall, spokesman for the united front of all segments of the domestic sugar industry, headed the Agriculture Department's sugar division for three years. Horace Godfrey, registered as a lobbyist for the American and Florida Sugar Cane Leagues, was administrator of the department's agricultural stabilization agency, which includes the sugar program, from 1961 to 1968.

However, from the consumer's point of view, the real question isn't whether one lobbyist beats out another in which has become, since passage of the basic Sugar Act 37 years ago, a periodic struggle for legally guaranteed shares of the market.

The real question is whether the whole Sugar Act is actually a giant swindle costing the American consumer at least $500 million extra a year for sugar, as some critics claim, or whether it is—as supporters contend—a reasonable system for boosting the incomes of American sugar growers while guaranteeing an adequate sugar supply at moderate prices.

The Sugar Act, in its present general structure, was first enacted in 1934 and has been renewed or rewritten periodically without changing its basic scheme.

Essentially, the act is a device to protect the domestic sugar growers, totaling about

30,000 on the mainland, Hawaii and Puerto Rico, from being wiped out by low-cost imports. Each year, the Agriculture Department imposes strict limits on total marketings of raw sugar in the United States, with the goal of returning a "fair" price to domestic growers.

These limits keep the U.S. price for raw sugar at nearly all times substantially above the world sugar price—the former is now about 8 cents a pound, the latter about 4 cents. After counting shipping and tariff fees, the spread or "premium" is about 3 cents.

At the same time, the Sugar Act reserves about 60 per cent of the marketings for domestic producers, with specific quotas assigned to the sugar beet industry of the Western states, to cane growers in Louisiana and Florida, and to Hawaii, Puerto Rico and the Virgin Islands.

The remaining two-fifths of the U.S. market is assigned to foreign nations, with each getting a statutory quota from Congress. Cuba was once the main offshore supplier, but its quota has been temporarily redivided among other foreign nations until U.S.-Cuba relations improve. (The division of the market is based on raw sugar, before refining.)

"If the Sugar Act were terminated, the United States would be flooded with cheap foreign sugar from the world. It would drive these men out of business. The industry in the United States would be wrecked," Rep. Bob Berglund, Democrat from beet-growing Minnesota, told a witness at the committee hearings.

KEEN COMPETITION

With the supply limitations tending to sustain a relatively high price in the United States, producers from low-cost tropical countries can do extremely well—provided they can get a quota. So competition for quotas is very keen.

In 1970, foreign producers supplied about 5.2 million tons of raw sugar to the U.S. market out of an 11.6-million-ton total. With the "quota premium" at about 3 cents a pound ($60 a ton), the foreign producers pocketed about $300 million more than if they had sold at the world market price.

These economic facts were reflected in the hearings before the Agriculture Committee. Cooley asked that Liberia, now with no quota, get 50,000 tons (quota premium: $3 million), that Thailand be boosted from about 18,000 tons to 100,000. Sheldon Z. Kaplan, lobbyist for Paraguay, with no quota, asked for 20,000; ditto Blake T. Franklin for Bolivia.

Arthur L. Quinn, who with his son represents four countries, asked a doubling of Panama's quota to 75,000 tons and a substantial boost for Ecuador. Ireland, now with slightly more than 5,000 tons said hopefully that it could supply 25,000 soon. John A. D'Donnell, longtime Philippine spokesman at $3,750 a month plus bonuses, asked for a boost from 1.3 million tons to nearly 108 million. Australia, which shipped about 200,000 in 1970, said it could easily supply 400,000. Uganda sought 40,000 (from zero).

SIMILAR RING

The lobbyists' pleas all had a similar ring: Panama is deserving because it has "an excellent climate for U.S. investments" and "has never expropriated any property," and it needs the foreign exchange. Filipino farmers and laborers "need the income." Central America shares "in no other premium market" and needs the dollars. "Argentina does need the U.S. premium sugar market."

The domestic U.S. industry, for its part, successfully demanded that 300,000 tons of the Puerto Rican quota, now temporarily being filled by foreign countries because Puerto Rican production has fallen, be permanently transferred to Florida and Louisiana.

This takes 300,000 tons away from foreign producers who have been supplying it for several years—chiefly the Dominican Republic, Mexico, Brazil, Peru and the Philippines. All the losers are complaining.

Critics of the Sugar Act are fond of calculating that, if the United States lowered the import barriers and let all sugar enter at the world market price, the saving to the consumer would be enormous—approximately $60 per ton on 10 to 11 million tons, or at least $600 million. They call the act simply a handout to domestic industry, with benefits also for foreign quota suppliers.

But producer groups and defenders of the act say this is ridiculous. For one thing, said a spokesman for the U.S. Cane Sugar Refiners, the world market price is misleading. About 90 per cent of all the free world's sugar is marketed through special arrangements like the Sugar Act, and only the remaining 7 to 8 million tons a year goes onto the "world market." This, the defenders contend, is marginal sugar which few want and its price is correspondingly depressed. If the United States had to buy all its sugar overseas, they say, the world price would quickly rise and wipe out much of the putative saving.

CURRENT SYSTEM

The biggest argument for defenders of the Sugar Act, however, is that the current system, by maintaining a substantial domestic capacity and making the market attractive to foreign suppliers, guarantees a steady, uninterrupted supply at a not-unreasonable price.

Without these incentives, they argue, the United States would be at the mercy of a fluctuating world supply. Some members of the Industrial Sugar Users Group—which buys 75 per cent of all the sugar for use in soft drinks, baking, etc. (the rest ends up on your table)—have suggested taking the risk of ending the current system and depending on overseas suppliers. But they always withdraw when faced with (1) the assured-supply argument; (2) the realization that sugar growers and refiners simply have too much political clout in Congress for the system to be dismantled.

WHOLESALE PRICE

There is a strong counter-school of thought among some economists. Although the U.S. sugar producers asked for a 6-year continuation of the act, the Nixon administration agreed to only half that. In internal debate, strong voices within the administration and the Agriculture Department argued that, contrary to the contentions of the sugar industry, the nation might do well if the act were gradually dismantled or substantially modified to reduce the wholesale price.

Their reasoning: With removal of most import barriers, many high-cost U.S. producers, especially in the beet market, would be wiped out. But the Florida-Louisiana cane industry probably could survive and meet the competition, supplying perhaps 3 million tons a year.

Meantime, many foreign suppliers would boost production in order to sell in this country (Australia wasted 200,000 tons in 1970 for want of a market). Britain's entry into the sugar-growing European Common Market might make a large supply available in a few years from Commonwealth nations now selling to Britain. The world price would rise, but not nearly to the present supported U.S. level. Consumers would save a vast amount.

The House Agriculture Committee clearly is in no mood to heed such arguments. When Richard Frank, representing the Consumers Association of the District of Columbia, told the committee "consumers pay millions of dollars more for sugar than they would without a program," he was unmercifully ragged by two members. They kept asking who authorized him to speak for the group, whether the group had voted to approve his statement, and similar challenges not put to any other witness.

One issue could produce diplomatic fireworks. The committee voted to let the Foreign Claims Settlement Commission impose a $20-a-ton fee on sugar imports from any nation against which Americans had claims because of expropriation.

This was aimed squarely at Peru, which has seized not only U.S. tuna boats but also W. R. Grace Co. sugar plantations valued at $25 million. The State Department opposed this penalty provision, arguing "fish and sugar do not mix," but the committee tentatively voted 14 to 13 not to delete it.

Another issue involves the act's direct subsidy payments to sugar growers. The payments totalled $90.1 million in 1969. These subsidies are more than offset to the Treasury by a half-cent a pound excise tax on all raw sugar, domestic and foreign, marketed in the United States. Moreover, the direct-payment subsidy is peanuts compared to the price subsidy realized through the quota system.

Mr. FULBRIGHT. I agree that I am not bringing any news to the Members of the Senate, but since there are only, I think, 10 of them present, I do not suppose it makes a great deal of difference. But, in any case, I, for one, feel that this is very detrimental to the foreign relations of this country.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. FULBRIGHT. I yield myself 5 additional minutes.

Recently in the Appropriations Committee we were going over various programs which our country supports designed to improve our relations with other countries. Among others, there is the USIA, our principal propaganda agency, costing some $180 million plus. There is the Peace Corps, this year asking, I believe, for $82 or $83 million. There is Radio Free Europe and Radio Liberty that run about $36 million. There is the educational and cultural exchange program for which the Senate approved the amount of $42 million, less, of course, $4 million of excess currency, so it would come to about $38 million. But that has not been approved in conference. I do not know how much will be approved, but it is in the neighborhood of $35 to $40 million. All of this is spent to improve our relations.

One of the members of the Appropriations Committee said that in spite of all that we do, it seems that our relations are at the lowest ebb in our history; and one of the things that contributes to the low ebb of our stature in the eyes of other countries is just such business as this allocation of quotas, which they believe are bought and sold just as one buys wheat or cotton or a bushel of apples. One can see that these contingent fees, the fees related to how much a country gets, leads them to believe this. Whether or not this is true does not matter so much as the impression and the belief of the countries with whom we do business and with whom we try to establish good relations. It is what they believe that is important. Certainly I do not believe that anyone can contest the fact that, on its face, it is a very questionable looking procedure.

Therefore, the main purpose of my amendment is to extend the bill for 1 year, as it is, and ask the President to appoint a commission. It will be entirely in the President's discretion to appoint a commission composed, of course, of public members—I am assuming that many of them will be interested in the sugar industry, and I have no complaint about that; I expect them to come up with a plan for alternative ways of dealing with the foreign market for sugar. Whether or not we should buy it on the world market and discontinue altogether, or change the method of allocation, is for the commission to recommend. I am not trying to lay down all the rules. I do not pretend to have all the answers. The only thing of which I am convinced is that the present method of allocation as it has grown up over the years is bad for the interests of this country.

There are other amendments dealing with such things as the cost, and so forth. The fact that it costs the consumers a great deal of money is separate from the matter that I am particularly interested in today and in which the Foreign Relations Committee has a legitimate interest.

I have tried to fashion this amendment in the most acceptable way that I could, giving the administration an opportunity to come up with a better way to deal with foreign quotas.

The President has taken the initiative in recent weeks, of which I thoroughly approve, in his apparent change of attitude toward China and I think that the Senate should support the President by trying to enact measures which would support him in improving our relations with the other members of the international community.

We have a great deal to gain and nothing to lose by this action. How the administration would adjust the quotas is left to the discretion of the Commission.

The President would be expected to make a report next May as to the findings of the Commission. In the light of these findings, Congress could then work its will, I believe, with a better perspective in dealing with the various foreign producers.

It has been suggested by others more competent than I that only 48 percent or 52 percent of the world's sugar production is on the free world market, where the price has been very low in the past, and that practically all this sugar is allocated on a quota basis, the same as ours. Other countries have their own reasons for adopting programs of preferential treatment, particularly the British. I think that that is a result of their colonial experience. I believe that the French program was also conducted on a preferential treatment basis toward certain producers.

But our sugar program is a form of foreign aid, and it is most disreputable. It reflects poorly on us more so than any other part of our foreign aid program. I am bound to confess that our regular foreign aid program has many unfavorable features, although it has never been charged that foreign aid funds are allocated in accordance with the skills of legal lobbies. No doubt some lobbyists may have some influence; but it is not blatant, it is not obvious. I personally think it is of a minimum nature, if it exists at all. I do not know that any of the lobbyists are employed for the express purpose of getting an allocation of any AID program. There are many other considerations. There are large organizations that oversee that program, and on the whole it has been relatively free from corruption or suspicion of corruption at any time.

Mr. President, I reserve the remainder of my time.

Mr. LONG. Mr. President, one thing about which the Senator from Arkansas has been consistent is that he has always been against this Nation producing any sugar at all. I can recall that when I first came to the Senate, we used to attend meetings of rice producers. My good friend from Arkansas would make a speech in which he would say that we should not produce any sugar in the United States, that we should produce rice and sell rice to Cuba and that Cuba should produce sugar and sell their sugar here. Had we bought the Senator's argument when Castro took over Cuba, this country would have been in one serious bind for a period of time, because we would have had no sugar to rely upon until we could find someone to sell us the sugar that we had been buying from Cuba. We would have been in desperate shape, having to pay through the nose to buy sugar, if, indeed, we could get any at all. But, fortunately, we did not have to rely upon Cuba for all our foreign sugar, because we had our own sugar industry that was doing that for us.

Mr. FULBRIGHT. Will the Senator from Louisiana yield for an observation?

Mr. LONG. I yield.

Mr. FULBRIGHT. The Senator is misstating my position. I do not object to a domestic program. I state that now. I stated it before. It is only the way, particularly the allocation of foreign quotas that I——

Mr. LONG. Does the Senator's amendment refer only to foreign quotas?

Mr. FULBRIGHT. That is the only purpose, to give a year in which the Commission——

Mr. LONG. Would the Senator be willing to modify his amendment so that it is a 1-year bill on foreign quotas and a 3-year bill on domestic quotas?

Mr. FULBRIGHT. If the Senator would accept the amendment.

Mr. LONG. I am not sure I could accept it, but I could accept the modification.

Mr. FULBRIGHT. Then there is no point in doing that if the Senator continues to object to it. But that is the only purpose of it, to enable the President to find a better and a different way to allocate the foreign quotas. The only objection I have, I say to the Senator, is his stating that I am against our raising sugar, which is a complete misstatement of fact. That is all I wish to make clear.

I have never taken a position that the sugar growers of Louisiana should not grow cane sugar. I have always said from the beginning, for 20 years, that I would support a program or support a subsidy, if that is what they want, in cotton, rice, or any other program. The Senator has to admit that he is unable to cite any time that I have said that people in America should never grow sugar.

Mr. LONG. Let me see if I can remind the Senator when we went down to the Shoreham Hotel to talk to the rice producers. I made a speech then and so did the Senator. That was some years back. He said to the rice producers—this was before Cuba went Communist—I ask the Senator to move his memory back a few years ago—but the Senator's view was that we could not get the Cubans to produce enough sugar, so Cuba should sell us sugar and we should produce rice to sell to Cuba. That made good sense from a strict cost point of view.

If the Senator would modify his amendment to say that this is a 1-year act as far as foreign quotas are concerned, but a 3-year act as far as domestic producers are concerned, this Senator would be looking on this matter as a matter of no great cause for alarm. But I view it as a great cause for concern when the Senator makes it a 1-year act to apply to everyone.

If we are planting sugarcane in Louisiana, Florida, or Hawaii, it is planted on a 3-year basis——

Mr. FULBRIGHT. I know all about that. I know a great deal about sugarcane. But I have always taken the position and if the Senator is fair about it, he will go back to the date he is talking about, when the Louisiana sugar producers were originally cane sugar producers, as well as in Florida and Hawaii. What they did, under the impact of the bill, somehow, was to manufacture an artificial beet sugar industry that originally did not amount to anything but is now quite large. I am perfectly willing that, because I know I have to, and I do not wish in any way to disturb——

Mr. LONG. Mr. President, how much time do I have remaining on the amendment?

Mr. FULBRIGHT. The Senator has lots of time—30 minutes.

Mr. BENNETT. No, 15 minutes.

The PRESIDING OFFICER (Mr BROCK). Twenty-two minutes remain to the Senator from Louisiana.

Mr. LONG. Mr. President, I yield 1 more minute to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 1 minute.

Mr. FULBRIGHT. I just want to get the record straight, that the Senator is misstating my position. I have said always that the cane sugar growers in Louisiana, Hawaii, and Florida are legitimate, as are the cotton growers in the delta, but at that time, and the Senator is going back many years, because we used to sell their rice to Cuba—this was before Castro—and when the only way they paid for rice was to sell us sugar. That was about half the foreign market in sugarcane—500 million tons as I recall—I cannot remember all of the figures—but the point was that it was subsidized because the beet sugar growers were going out of business and the rice growers were already in business in a legitimate business at that time and they were not subsidized anything like the sugar beet people were. That was an old story. But the Senator is quite mistaken in saying that I do not think anyone should grow sugar in the United States.

Mr. LONG. Mr. President, I regret that I cannot yield to the Senator from Arkansas any further on my time, but will be glad to yield to him on his time.

Mr. FULBRIGHT. Do not misstate the facts and I will not ask the Senator to yield further.

Mr. LONG. Mr. President, my recollection of the Senator's position was that we should not produce sugar in this country, period——

Mr. FULBRIGHT. That is a misstatement.

Mr. LONG. That is my recollection of it. In both our States, we had both beet producers and we had cotton producers at that time.

Every acre of land in Louisiana which produces sugar is also capable of producing rice. As the Senator suggested back at that time, and if we had followed the Senator's advice, we would have been in a bad position, even if we had only beet producers, because Cuba went Communist and we could not look to them for sugar. We had to rely on someone else for sugar and, fortunately, we got it. There was a worldwide sugar shortage at that time, and this Nation would have been in very bad shape indeed had we not had our domestic industry.

The Senator has mentioned lobbyists. If he wants to suggest there is corruption in the handling of sugar quotas I do not know why he would want to insist on having it every year rather than on a once every 3-year basis——

Mr. FULBRIGHT. I do not want it every year. Just the 1 year for the study.

Mr. LONG. Let me point out that the sugar lobbyists have had less of an impact on this bill in the Finance Committee than any time in the knowledge of this Senator. This bill is based on the performance of the foreign country in providing us with sugar. Measured against this standard, the lobbyists were pitifully ineffective.

Here is a list of lobbyists—Mr. Kuchel, Mr. Boggs, and Mr. Cooley—they are all fine men, I have nothing against them. Mr. Cooley got zero in the House and zero in the Senate for his efforts. Mr. Kuchel served in the Senate here, as we all know, and he did not get anywhere. We gave his country the same 5-year average we gave the others, although he could make the equitable argument that during some of those years they did not have sugar and it should not be counted against them.

So far as the Central American countries are concerned, as represented by Mr. Boggs—and he is an honorable man—his clients got the same consideration as every other country in the Caribbean area.

I do not know how we could have treated them more fairly or more equitably than we have done.

I am not here to pass judgment on the House of Representatives. They do the best they can.

On the question of the Sugar Act being misused, the most misused provision is the fact that we have in the bill a provision on expropriation which has never been invoked in the 9 years it has been in the statute, despite numerous examples of confiscation in various countries in Latin America.

The most misused section is the fact that for 9 years we have had in the bill a provision to pay for expropriation of property where they lose sugar. We cannot get the administration to enforce that. We are trying to modify the judgment on this matter.

As I have said, in Louisiana and in Florida and in Hawaii, when we plant sugar, we plant for at least 2 or 3 years, because it does not pay to plant from year to year. We grow and we cut. We grow and we cut and we grow again. If we cannot do that for 3 years in Louisiana, then we do not go into the business at all, but stay out of it.

Even in Latin America, we ask them to produce for the American market, and we want to rely on it. It does not pay to produce sugar for the world market—only 10 percent on that basis it involves distress sugar which has no market to go to. If they can not sell it in the U.S. market or under some other trade arrangement, they would be poorly advised to plant sugar to begin with.

Here is why the administration wants a 3-year bill.

I read from what Mr. Palmby, Assistant Secretary, had to say:

> We favor this relatively short extension in view of changes in the world sugar economy which are likely to occur during that period. Recently, the United Kingdom and the Commonwealth sugar producing countries accepted the terms which in their understanding would be offered them with respect to sugar upon entry by the United Kingdom into the European Community. Additionally, the International Sugar Agreement expires at the end of 1973 and negotiations looking toward extension of the agreement will probably occur that year.

Mr. President, as I have said, when one looks at all the problems involved in guaranteeing a source of supply that is constant and when one undertakes to make sure that they will be solvent and in sound financial condition, that the farmers will be in sound financial condition, and that the saw mills will be in a position to make their investments, it makes no sense to put this bill upon a 1-year basis.

Mr. President, no one in the administration recommended that. So far as the studies are concerned, the President could always authorize a study or the Senator from Arkansas, with his Committee on Foreign Relations, could study this matter any time they wanted to. They have adequate funds.

Mr. BENNETT. Mr. President, how much time remains to the opponents of the amendment?

The PRESIDING OFFICER. The Senator from Louisiana has 15 minutes remaining.

Mr. LONG. Mr. President, I yield 5 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, there are two things about the amendment that I would like to comment on. I represent a beet producing State, and therefore the beet industry. Over the years when the Sugar Act has come up for renewal, the Senator from Arkansas has attacked the beet industry which, he said, was a hothouse industry and there was no economic reason for it.

In 1934 when the Sugar Act was passed, the cane industry produced 268,000 tons, and the beet industry produced 1,262,000 tons. It was the cane industry that was the infant. It has grown up under this program. The beet industry stood on its own feet before this program went into effect.

The other thing I would like to comment on—and I do it in kindliness—while the Senator from Arkansas is chairman of the Foreign Relations Committee, he is also a member of the Finance Committee. He shares with us the responsibility of finding ways in which to distribute these foreign quotas. Unfortunately, he was not able to get to the committee meetings when we were developing a formula on which the quotas were to be distributed.

By implication, he has attacked the integrity of the members of the committee, implying that we have responded to some kind of an improper influence exercised by people who profited by their contacts with us.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BENNETT. I yield 1 minute to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, the Senator is quite wrong. I said that I do not believe that any member of the committee has responded to any pressure. However, I do know that the lobbyists are all highly paid, as I have already mentioned. I will not go over that again. They receive as high as $180,000 a year to represent one country. They have made their clients believe that it is their function here to influence Members.

Otherwise, there is no explanation as to why they are paid such exorbitant fees and contingent fees.

We have gone over this matter before. This is a long story. I have been on this committee and offered a similar proposal in 1965. The committee rejected it. The committee was perfectly within its rights to reject it by a vote of 9 to 3. In the Senate, it lost by 5 votes. I think there is an implication.

Mr. BENNETT. Mr. President, I do not think there is an implication. How would that be an implication?

Mr. FULBRIGHT. The implication is that foreigners believe it and actually follow the practice.

Mr. BENNETT. Mr. President, if the Senator from Arkansas had been at the committee deliberations this time, he would have discovered, as the chairman has explained, that this was worked out as a formula with no attention being paid to any lobbyist acting in a supervising relationship, as a lobbyist, with foreign countries. We are acting in a responsible manner in the committee. And I personally resent the implication that because a man gets $180,000 a year from some country, that somehow makes any member, including the Senator from Arkansas, venal.

Mr. LONG. Mr. President, would the Senator yield?

Mr. BENNETT. I yield.

Mr. LONG. Mr. President, it might support the 2-year argument when I state that in some years a country has made out poorly—particularly in the House, I regret to say—because it appeared that they had no lobbyist. I recall some years ago that one particular country felt that it had no need for a lobbyist because the administration had recommended that it receive 60,000 tons. They got 2,000 in the House. In the Senate they got 60,000 tons as recommended in the administration's recommendation.

If a foreign country hires a lobbyist, for the most part they should do so on an hourly basis or a flat rate basis, and not on a contingent fee basis. Frankly, I would advise any country to put their man on pay by the hour or on a flat fee and not on a contingency basis. But that is their relationship. It is something over which we have very little control.

May I say that probably the most persuasive lobbyists, according to the article put in the RECORD, cannot give assurance that their country will get anything.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. HARRIS. Mr. President, I am pleased to be a cosponsor of this amendment which I introduced in the Senate committee. In my earlier remarks I touched upon this particular aspect and how I think the bill might be improved. I believe this amendment offers a very basic way to improve this bill.

The last time the Sugar Act was before the Senate, I was not then a member of the Senate Finance Committee. I did not focus my attention on the issue in any detail. I must say that I then found it to be a terribly confusing subject. Since that time, I became a member of the Senate Finance Committee. I am now not only confused by the subject, but I am also bewildered by it. I believe the whole sugar policy in this country is a mess. I believe that we ought to extend it for only 1 year and have a body of experts recommend a complete overhaul of it. I will touch on only one issue involved in this amendment at this time because I talked about this matter earlier. That concerns the programing of the premium sugar dollars into the hands of the foreign workers.

The current method of insuring some benefit to the foreign sugar worker through congressional quota criteria is at best haphazard. A striking example of this system at work is presented by the case of South Africa. In 1962, the registered agent for the South African sugar industry stated that the farms producing sugar cane were divided between 5,000 "nonwhite" and 1,500 "European extraction" operators.

In 1965, the same individual stated that:

> There are 3,689 Negro, 2,144 white, and 1,820 Indian independent sugar cane growers in the industry who produce over three-fourths of the cane.

In 1962 and 1965, these statements went unchallenged. No breakdown as to percent of production was requested and none was volunteered. In 1965, no questions were asked of this individual by either House or Senate Members. Not until this year did a concerned Congressman, CHARLES DIGGS of Michigan, obtain a breakdown of these figures to show that Africans and Indians produce only 7.9 percent of South Africa's cane and receive little, if any, of the benefit of U.S. premium dollar.

The pattern of the past was also broken by Professor Joseph Page's testimony regarding the plight of the Northeast Brazilian sugar worker and my own questioning of that country's registered agent. Unfortunately that was the extent of this particular Congressional criteria in this year's hearings. No other registered agent was questioned or challenged regarding statements made with reference to benefits of quota participation accruing to workers. Each registered agent, in his oral or prepared testimony, carefully described a worker's paradise in his client country. Fringe benefits abound; housing, medical care, hospitals, education, social security, paid-up pension plans, retirement plans. One can only speculate how a recently returned Peace Corps Volunteer might comment on these glowing generalities.

The working conditions described in the statements of these registered agents just do not match the conditions of a developing nation.

I believe that if the American consumer and housewife are going to continue to have to pay extra for a subsidy to the sugar industry at home and abroad, it is time we place this policy under much greater scrutiny and on a much sounder basis.

Therefore, I am pleased to be a cosponsor of the amendment to extend this act for 1 year—and not 3 years—to provide for that kind of analysis and study.

Mr. LONG. Mr. President, I yield 1 minute to the Senator from Utah.

Mr. BENNETT. Mr. President, I have been very much interested in listening to the remarks of the Senator from Oklahoma. I do not known under what law the United States can enforce its labor standards on a foreign country. I do not know how we can help the poor peasants of northern Brazil by taking away the sugar which is their livelihood.

It seems to me that is a kind of Pyrrhic victory for those people. We may satisfy the ego of an American who comes before us to describe their plight, but if the sugar quota is taken away these people have no jobs and no income.

Mr. HARRIS. Mr. President, would the Senator yield to me for 1 minute?

Mr. FULBRIGHT. My time is committed. The Senator may take the time on the bill.

Mr. HARRIS. I yield myself 1 minute on the bill.

Mr. MANSFIELD. Just a moment. Mr. President, who has control of time on the bill?

The PRESIDING OFFICER. The time on the bill is controlled by the Senator from Louisiana and the Senator from Oklahoma.

Mr. HARRIS. Mr. President, I yield myself 1 minute on the bill. I would say to the Senator from Utah what I have said to the Senator from Louisiana. It is suggested we must not interfere at all in improving conditions, working standards, or pay for workers at home or anywhere else in the world or it will put them out of work. We never would have adopted any minimum working standards or minimum salaries for workers in this country under that argument. That is an argument which has long since been discarded by Congress.

If we are going to complain about low-paid workers producing goods or products that come here to compete with the goods and products of our higher-paid workers, it seems to me we cannot turn around, then, and take the other side of the argument and oppose assuming any responsibility to help bring up the standards and the pay of those workers competing with ours.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HARRIS. I yield myself 1 minute on the bill.

We do have a responsibility here. We are charging the American consumer and the American housewife extra money for what we pay Brazil and for what we pay the Philippines and other countries around the world, including South Africa, for sugar. This is a foreign aid bill; it is a significant foreign aid bill; yet under the committee recommendation we would assume no responsibility whatsoever to try to help the downtrodden people and workers in the countries aided. We clearly have a responsibility to do so, since it is the money of the consumer and the housewife that is involved in granting this special benefit and favor to the countries involved.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, I would like to speak in favor of the amendment of the distinguished Senator from Arkansas. We had a party in Boston over tea a couple of hundred years ago, and I maintain we have a picnic in Washington every few years over sugar. There is no question that one of the strongest lobbies in Washington is the sugar lobby, and there is no question that very large fees are paid to substantial and reputable law firms to go in and plead the cases of countries for their sugar quotas. There is no question that there is a great deal of pressure behind protecting the domestic producer as well.

As I calculate in simple arithmetic, if we consume 22.4 billion pounds of sugar per year in the United States, and we impose a tax per pound of $.0053, that comes to about $118 million in taxes the consumer pays; and if we impose a tariff, as we do, that adds about $140 million. The consumer, in effect, because a tariff always raises the consumer price, is paying $258 million in order to give $90 million to the domestic producer. In addition it is a very onerous tax because it is a very regressive tax; it is a tax most heavily felt by low income families where a high proportion of the family budget goes for food.

I know it could be said that the Senator from Illinois, without a single sugar field in his State, is opposing this because he has no vested interest involved. Certainly, the Senator from Louisiana, before whom I testified on tariffs and quotas for 25 years, I guess, knows the consistency of my position; even when the issue was related to the photographic market I have consistently maintained that quota protection hits the consumer too hard and is no basic solution to our import and export problems.

There is however an Illinois interest involved—the confectionery business. We are among the largest if not the largest producer, among the States, of candy and confectionery goods in the country.

It used to be that one could take the subway and take a deep breath and know that he was on the South Side because of our stock yards, or go out north of the Loop and take a deep breath as he went by the Holloway Candy Co., and know he was in the confectionery manufacturing area. We have famous names elsewhere in the State such as the Heath Co. in Robinson, Ill.

Mr. President, one of the many objections I have to the bill before us today is the quota on confectionery items, or candies, contained in section 7.

Despite my many constituents in the confectionery business, and despite having spoken at their fine convention, this little measure to presumably protect their industry what I could call the "anti-sweet-tooth-amendment," is to me unacceptable and an unnecessary devise contrary to our long time foreign economic trade policy. In this bill the Committee on Finance adopted an amendment which would provide a quota on confectionery products beginning in 1972.

The quota would be the larger of either: first, the average quantity of sweetened chocolate and confections in each tariff classification affected which have been imported into the United States in the 3 prior years or second, 5 percent of the amount of sweetened chocolate and confections in each tariff classification affected which were sold in the United States during the most recent year for which reliable data are available.

What is good for the goose is good for the gander. If the confectioners, the candy manufacturers, can have an absolute quota so imports can go no higher than 5 percent, let us then give it to steel, let us then give it to electronics, let us give it to any other industry in my State who wants an absolute quota to protect their domestic market. Let us go back in history and restore a higher protective tariff on cameras, so we can go back into the camera business and sell them at higher prices to the American consumer.

I find this candy quota totally unwarranted on strictly economic grounds as well as on grounds of sound international economic policy.

I mention it simply because the whole idea of the bill is wrong. We ought not to extend it for more than a year and we ought to study it so that we can work ourselves out of this whole arrangement somehow.

The committee justifies the need for this quota on the "fear that foreign manufacturers, with respect to confections for export, have access to world market price sugar and to cheaper peanuts, dairy products, and so forth, which are not available to U.S. producers at low prices because of import restrictions and domestic price support programs."

Mr. LONG. Mr. President, will the Senator yield?

Mr. PERCY. I would be happy to yield.

Mr. LONG. I will yield the Senator 1 minute.

If the Senator finds the candy quota that objectionable, if he will offer an amendment to strike it out of the bill, I will be glad to vote for it.

Mr. PERCY. I am delighted to have such reassurances. I think it would save time to get this provision out in conference however. It would save the time of the Senate at a later hour. The principle is clear, however, and I think the eloquence of my distinguished colleague would be persuasive in conference and I would hope the administration would accept such a provision.

The committee is saying that because of the sugar quotas already contained in this bill, U.S. candy producers are forced to use higher priced U.S. sugar, thus making U.S. candy more expensive than it would be otherwise. Therefore, the committee argues, because we are artificially restricting sugar imports, which hurts the candy people, we should now restrict candy imports. Why not go the opposite direction and free up sugar rather than restrict candy? What the committee is actually and categorically admitting in this report is that the Sugar Act makes the U.S. consumer pay a higher price for sugar than he would if he could buy at world market prices.

In any event, the confectionery industry is healthy today. It has enjoyed 15 consecutive years of growth in sales. An article from the Commerce Department publication, Commerce Today, of July 26 states:

> In 1970, the confectionery industry shipped 3,933 million pounds of candy, less than one per cent below the 1969 total but greater than in any previous year. The value of the 1970 shipments was $1,906 million, an all-time record and two per cent greater than in 1969.

Imports of foreign candies in the 1962–69 period supplied only 2.3 to 4 percent of confectionery consumption. The ratio of imports to domestic U.S. consumption was 3.4 percent in 1969. These figures are overstated because they include the value of imported raw materials, such as nuts and chocolate.

At the same time, as in other dynamic American industries, the U.S. candy manufacturers have supplemented their own lines by themselves importing substantial quantities of candy, perhaps as much as one-half of total imports.

Those elements in the domestic candy industry that seek a quota have pointed out that raw material costs are lower for foreign manufacturers. This is, of course, the reason why we find this provision attached to an omnibus sugar quota bill. The U.S. sugar quota increases the cost of sucrose to the domestic candy industry. In this connection, it is only fair to point out that the candy industry has ready access to cheaper, U.S.-produced sources of dextrose, corn, and sorghum sweetener supplies.

Nonetheless, the higher costs of sugar imported into the United States as a result of the quota we are considering today, is a major reason for this candy quota. I submit, however, that the constantly moderate, if not insignificant level of imports in relation to domestic consumption, is adequate demonstration that these foreign costs are not substantially lower.

In fact, the evidence seems to indicate that any advantage foreign suppliers have in ingredient costs is more than offset by the cost of exporting and a total labor cost disadvantage. I understand that the U.S. candy industry is very highly productive—more than four times as efficient as foreign producers.

This factor is reflected in the costs of foreign candy sold in U.S. markets. It is generally higher-priced than U.S. candy; many of us in this body are familiar with the specially packaged, unique candies from Switzerland, Italy, Germany, Holland, and England that appear in our specialty stores. These are high cost, specialty candies. They are not directly competitive with American-made candies. When they do become a major market factor, and develop a market large enough to justify mass production by American manufacturers, the production is transferred to the United States, through imitation by a U.S. producer, direct investment by the foreign supplier, or a joint venture.

Mr. President, the Bureau of Domestic Commerce of the U.S. Commerce Department has nothing but glowing predictions for the future of the U.S. confectionary industry. In 1971 candy shipments are expected to reach $2 billion, 5 percent above the 1970 total value, a record high. There is every indication that this is a healthy, competitive industry, that does not need the protection of a quota, even though its product costs are marginally increased by the increased cost of one ingredient, sugar.

I suggest that the appropriate course is not to add yet another artificial limitation on the operation of the marketplace through a candy quota. Instead, a more appropriate course would be to move away from the sugar quota and toward lower consumer prices for sugar in the U.S. markets, thus eliminating the source and the cause of any unfair advantage the confectionery industry experiences in its raw material sales. For this reason, and for others I have cited above, I intend to vote against the sugar quota, and urge my colleagues to do likewise.

I ask unanimous consent that the article entitled "U.S. Candy Sales on the Way Up" be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Commerce Today, July 26, 1971]

U.S. CANDY SALES ON THE WAY UP

The average American's sweet tooth is expected to boost the value of candy shipments by the American confectionery industry to nearly $2 billion in 1971, an all-time high. This would be five percent above the value of shipments in 1970.

Commerce's Bureau of Domestic Commerce reports that the average American did not eat quite as much candy in 1970 as he did in the two previous years. But he ate 35 percent more in 1970 than in 1927. And he paid a bit more for his candy in 1970 than in any previous year.

The per capita consumption of candy in 1970 was 19.9 pounds as compared with 20.2 pounds in 1969 and 20.3 pounds in 1968. But except for these two years the 1970 per capita consumption was the highest since the all-time record of 20.5 pounds established in 1944. And it compared with 14.7 pounds in 1927, when the annual report on the confectionery industry began.

In 1970, the confectionery, industry shipped 3,933 million pounds of candy, less than one percent below the 1969 total but greater than in any previous year. The value of the 1970 shipments was $1,906 million, an all-time record and two percent greater than in 1969.

The Bureau of Domestic Commerce says the following factors are expected to contribute to an increase in 1971 over 1970:

A greater shift to larger-sized and higher-priced candy bars, sales of which in 1970 were 13 percent above the previous year.

Introduction of new products wrapped in new packaging materials.

Renovation and modernization of production facilities with increased emphasis on quality control.

Concentration by managements on reducing costs.

Favorable market factors of population growth and higher income levels.

Aside from candy bars priced at ten cents or higher, packaged goods retailing at 50 to 99 cents a pound accounted for the greatest increase in sales in 1970.

ALL-TIME RECORD

The average value per pounds of candy sold by manufacturers and wholesalers in 1970 was 48.5 cents, an all-time record nearly 28 percent above 1960's average value.

To produce the candy shipped in 1970, the industry spent $733 million for ingredients, which accounted for 38.5 cents of each sales dollar. Ingredients for which higher prices were paid than in 1969 included 1.3 billion pounds of sugar, 872 million pounds of corn syrup, 337 million pounds of chocolate coatings, 234 million pounds of nuts and peanuts, 30 million pounds of cocoanut meat, and a substantial quantity of milk and milk products. Corn syrup prices were up 15 percent because of short supply due to an insect-damaged corn crop. Cocoa beans, cocoa butter, and cocoa powder were down.

—*Bureau of Domestic Commerce*

Mr. BENNETT. Mr. President, the Senator from Illinois did a little arithmetic, but he came out with the wrong answer. Under the Sugar Act we collected in 1969 $119 million and paid back as payments to the farmers who produced the sugar $90 million. So the net income to the taxpayers on the tax was $20 million.

This is a program to benefit the farmers who produce it in the United States, and it is supported by a tax on the product they produce, but it does not come directly out of the Treasury. In fact, there was a residue, as I said, in 1969 of $20 million, which stays in the Treasury.

Mr. PERCY. Mr. President, may I have half a minute to answer that?

Mr. BENNETT. I yield.

Mr. PERCY. I was not implying that this cost the Treasury anything; I am saying it costs the consumer that much, because the consumer ultimately pays the tax. The consumer pays the import duty also, because every time an import duty is imposed, prices are jacked up at least by the amount of that duty.

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Arkansas has 5 minutes; the Senator from Louisiana has 6 minutes.

Mr. FONG. Mr. President, will the Senator from Louisiana yield me 2 minutes?

Mr. LONG. I yield 2 minutes to the Senator from Hawaii.

Mr. FONG. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Arkansas.

In answer to the statements made by the distinguished Senator from Illinois, I want to say that the consumer is getting a very good deal because of the Sugar Act. Japan obtains most of its sugar from the sugar dumped on the world market where prices are normally depressed, and yet as of January 1 this year, the people of Japan were paying over 18 cents a pound for sugar, whereas the American public was paying only 13 cents. West Germans were paying 17.7 cents, Italians 18.6 cents, and Swedish and Danish citizens 14.8 and 14.5 cents, respectively.

In addition to paying a low price for sugar, the American consumer is benefiting because the sugar program provides a net gain of approximately $13 million to $22 million per year into the Treasury of the United States.

If this amendment should be adopted to limit the operation of the bill to 1 year's duration, I am afraid that our growers in Hawaii will be very, very anxious. They will not know whether the provisions of the Sugar Act will continue beyond that time.

The growing of sugarcane in Hawaii takes 2 years, and every 2 years one-half of our crop is harvested. When that crop is harvested, the land is irrigated. Then there is a ratoon crop. There may be three- or four-ratoon crops. It takes 6 to 8 years for the crop to be completely plowed under and another crop planted.

So if we limit this bill to 1 year, I am afraid it will put our producers in Hawaii, who produce one-sixth of the total American production, in a very untenable position. Therefore I rise in opposition to the amendment.

Mr. FULBRIGHT. Mr. President, I yield myself 3 minutes.

I want to say again to the Senator from Utah that I certainly did not imply that he has deceived us about anything. His position has been clear. It would be absurd to infer otherwise. I referred to the gentleman who represents the Philippines and was registered under the Foreign Agents Registration Act. In the first place, he had distributed various sums to Members of Congress sent to him by the Philippine sugar industry.

This is a foreign aid bill. Take South Africa, which is going to be dealt with later. Why should we give South Africa foreign aid? It does not get it from any other source. On economic grounds alone, she is very well off. We ought to be getting aid from her, rather than giving her aid.

Take Venezuela. We do not give Venezuela any aid that I know of, certainly not under the aid program. She has the highest income of any country in South America. She is the principal supplier of petroleum to this country and is doing very well. We have sent her technical assistance, but it is a relatively minor type of activity.

Take Fiji. The sugar there, unless things have changed, belongs to Australia. I know the ownership used to be with Australia, and I think it still is. I notice the Australians have a lobbyist. It says, "on a fee to be rendered," which is an indefinite amount, on the official list. It is ridiculous to be giving Australia assistance. We might as well have Japan on our list and give Japan aid.

This is what is wrong with having an aid program that is part of a sugar bill. There is no design in it.

Take Mauritius. As far as I know, we have no aid program for Mauritius. The only reason Mauritius gets a sugar quota is that it has a good lobby.

Take Mexico. We have not given Mexico any aid for many years, because Mexico does very well. Mexico took the position a long time ago that she did not want to be one of our satellites as far as aid goes. I like the Mexicans. I like to do business with them.

But this is an aid program. That is what it is. Mexico can handle its own affairs. It handles them much better than some other people.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Not on my time.

Mr. LONG. On my time.

Mr. FULBRIGHT. I yield.

Mr. LONG. The Senator said he knew of no reason why we should send anything to Mauritius. The Finance Committee did reduce the quota for Mauritius, because we wanted to apply our formula uniformly to all countries. We cut Mauritius from 30,000, one of the highest, to 17,000. But even so, the State Department and the Department of Defense then used their best influence to keep the amount for Mauritius high, because they felt that because of the strategic location of that country and what has happened politically in that area, it was one place where we should save that quota.

Mr. FULBRIGHT. This only emphasizes how distorted the bill is. What is it doing in the Finance Committee if it is so important to foreign affairs? Why does the bill not come to the Foreign Relations Committee? It has no business being in the Finance Committee if there is some ulterior motive concerning Mauritius.

Mr. LONG. May I answer the Senator's question?

Mr. FULBRIGHT. On the Senator's time. This is all on the Senator's time.

Mr. LONG. We did not do any of the sorts of things the Senator has in mind. We did not take foreign policy questions into consideration; we put the countries on a performance basis; we allow all countries quotas on that basis of performance without taking any other consideration into mind. That is a good reason why the bill should be in the Committee on Finance.

Mr. FULBRIGHT. According to the report, the committee allowed Mauritius 30,000 tons in the current quota.

Mr. LONG. The Senator is referring to the House bill. If he will look at the article he has referred to, he will see that it refers to the House bill. In the Senate committee, we looked at what the countries actually delivered to us and what they were entitled to deliver under existing law.

Mr. FULBRIGHT. I notice that the Fiji Islands have a quota of 44,000 tons. I have looked into this more thoroughly. The Fiji Islands belong to Australia.

Mr. LONG. That quota was cut by 1,700 tons.

Mr. FULBRIGHT. That is still giving them sugar. Why should we be giving a subsidy to the Australians? The Australians are so much better off than the United States in all their financial activities. Australia is booming. We should not be giving Australia a subsidy.

Mr. LONG. We allotted quotas based on average deliveries from those countries. That includes the amount of sugar they were delivering when they were losing money as well as when they were making money.

Mr. FULBRIGHT. I want to reiterate—and I am speaking on my own time—that what I object to is the procedure by which the allocations are made. It has nothing to do with the integrity of the individual members of the Committee on Finance.

That has nothing whatever to do with it. This is a most unusual way to allocate foreign aid.

Again, I wish to reiterate the Senator from Louisiana is entirely wrong in saying I do not want anybody in America to grow sugar. My amendment would not disturb this bill.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. FULBRIGHT. Mr. President, I reserve the remainder of my time.

Mr. INOUYE. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, how much time do I have?

The PRESIDING OFFICER. One minute.

Mr. LONG. I only have 1 minute left. I yield it to the Senator from Hawaii.

Mr. INOUYE. I have listened to my colleagues suggest that the housewives and the consumers of the United States have been subsidizing foreign suppliers. However, we fail to recall that in the years 1962, 1963, and 1964, when the world price of sugar was much higher than the American price, we were able to receive consistent and constant supplies from these suppliers. As a result, the American housewife and consumer were able to appreciate and benefit from a constant level of pricing.

The major purpose of the Sugar act has been to provide our consumer an adequate supply at the lowest rate possible, and as a result of the operations of the Sugar act, this has been possible. Today the average American worker has to work about 4 hours during the period of 1 year to obtain his annual supply of sugar. I think this is not a major burden on any consumer of the United States, to set aside 4 hours during his 1-year working period to supply his annual need for sugar.

Mr. FULBRIGHT. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. FULBRIGHT. Mr. President, I would reiterate the statement of the Senator from Hawaii, but you could say the same thing about nearly any program, if you take a big country and take it bit by bit.

We have a big foreign aid bill. The House of Representatives has reported $3.4 billion in foreign aid. This bill, as estimated by the GAO, represents an additional $300 to $400 million in foreign aid. When you put it all together, it is a lot more than 4 hours. All I am saying is that in this kind of bill the foreign aspects are allocated on the wrong principle.

As a matter of fact, I would think—though I am not trying to determine that in my amendment; I leave it up to the commission—that we ought to purchase the foreign sugar—and this has nothing to do with Hawaii—on the world market. It would not affect Hawaii.

I would favor a program to support sugar in the domestic market, just as we do other products, and we are supporting a great many, as we know. I have no objection to that. I am perfectly reconciled to the beet sugar industry, as I am to any other industry. Now that it has been under these programs, it would be foolish to try to change it in any case, and I have no objection to that.

But the foreign policy aspect of jobbing out these quotas is very bad for the reputation of the United States and for the Congress itself. It is on that basis that I think this ought to be reevaluated. I think we ought to put it up to the administration to have a study made of this through an independent commission, to find an alternative way to make these allocations.

Mr. President, I ask unanimous consent to have printed in the Record an article published in the National Journal of June 12, 1971.

There being no objection, the article was ordered to be printed in the Record, as follows:

REPRESENTATIVES OF THE SUGAR INTERESTS

The House Agriculture Committee traditionally has barred foreign nations from testifying on behalf of their governments or their sugar industries during consideration of sugar legislation. The Senate Finance Committee generally has followed the same policy.

Thus, the foreign sugar interests have hired American citizens to represent them.

The sugar industry lobbyist, like others come to that profession, must be a man who seems to know his way around, especially on Capitol Hill. Almost always, he is a lawyer; often he is a former elected official or an ex-bureaucrat. He is inevitably a man with friends.

Foreign interests: Among these representing foreign sugar interests this year is former Sen. (1951–69) Thomas H. Kuchel of California, who was the Senate Republican Whip. He is representing Colombia. Fiji's sugar industry is represented by former Rep. (1957–61) Charles H. Brown, D-Mo. Edward L. Merrigan, a law partner of former Sen. (1951–69) George Smathers, represents the Venezuelan sugar industry. W. DeVier Pierson, who was the White House contact with the Agriculture Department on sugar matters as special counsel to President Johnson (1967–69), represents the sugar industry of Mauritius. Thomas Hale Boggs Jr., son of House Majority Leader Hale Boggs of Louisiana, appeared before the House committee on behalf of the Central American Sugar Council.

Sheldon Z. Kaplan, who was once a staff member of the House Foreign Affairs Committee, appeared on behalf of the sugar industry of Paraguay. Arthur Lee Quinn, who, with his father, Arthur L. Quinn, represents the sugar interests of Ecuador, the West Indies and British Honduras, was an attorney in the office of the general counsel at the Agriculture Department (1961–63).

None can rival in past influence over sugar legislation the lobbyist this year for Thailand and Liberia, former Rep. (1934–66) Harold D. Cooley, D-N.C., who was elected to the House the year the Jones-Costigan Sugar Act (48 Stat. 670) was passed and who was defeated a year after the last sugar legislation Congress has considered was approved.

Cooley was chairman of the House Agriculture Committee for a total of 16 years (1949–53; 1955–66).

Domestic interests: Some of the men who speak for the domestic sugar industry also have strategic government experience.

James H. Marshall, president of the California and Hawaiian Sugar Company of San Francisco, who spoke for all segments of the domestic sugar industry in three separate appearances before the House committee this year, was assistant director (1942–46) and subsequently director (1946–48) of the Sugar Division in the Agriculture Department before going into the sugar industry.

Horace D. Godfrey, who was administrator of the Agricultural Stabilization and Conservation Service in the Kennedy and Johnson Administrations (1961–69), is the Washington representative of the American Sugar Cane League, the organization of Louisiana and Florida cane growers.

John C. Bagwell, general counsel of the Agriculture Department in the Kennedy-Johnson years (1961–69), is vice president and Washington representative of the Hawaiian Sugar Planters Association.

Robert H. Shields, president and general counsel of the United States Beet Sugar Association, concluded his career at the Agriculture Department in 1946 as the department's solicitor. He was also president and director of the Commodity Credit Corporation.

Irvin A. Hoff, president of the U.S. Cane Sugar Refiners Association, was administrative assistant to Sen. Warren G. Magnuson, D-Wash., from 1947 to 1960.

This table lists the representatives of foreign interests concerned with sugar legislation. All of those listed, except Hugh C. Laughlin, are registered with the Justice Department, as required by the Foreign Affairs Registration Act of 1938, as amended (22 USC 611 *et seq.*).

Laughlin is not registered because he represents a U.S. firm, Owens-Illinois Inc., which owns Bahamas Agricultural Industries Ltd., operator of the Bahamian sugar estates.

References to quotas are in tons; the last column lists quotas as contained in the bill approved by the House on June 10 (HR 8866).

AGENTS, FEE, AND QUOTA INFORMATION

Country and agents	Fee	Current quota [1]	Quota requested	H.R. 8866 quota [2]
Argentina:				
William R. Joyce	$1,000 a month	70,772	150,000	75,394
Alejandro Orfila	do			
Australia: Robert C. Barnard (Cleary, Gottlieb, Steen, & Hamilton)	$8,179,87 for 1969 services	203,785	400,000	203,785
Bahamas: Hugh C. Laughlin (Owens-Illinois Inc.)		10,000	40,000	33,173
Bolivia: Blake T. Franklin (Coudert Brothers)	$10,000 a year	6,850	20,000	16,612
Brazil: Albert S. Nemir (A. S. Nemir Associates)	$180,000 a year	575,312	[3] 700,000	519,909
British Honduras: Arthur L. Quinn, Arthur Lee Quinn	$10,000 a year	14,539	50,000–55,000	33,173
Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua): Thomas Hale Boggs Jr. (Patton, Blow, Verrill, Brand & Boggs—Central American Sugar Council).	$35,000–$50,000 a year ($65,158.31 in 1970)	241,232	600,000	240,195
Colombia: Thomas H. Kuchel (Wyman, Bautzer, Finell, Rothman & Kuchel)	$2,400 a month ($200 an hour for Kuchel; $100 for others in firm).	60,880	[3] 124,000	72,650
Costa Rica: Dina Dellale	$15,000	67,728	110,000	64,607
Dominican Republic: James N. Juliana (James N. Juliana Association, Inc.)	$1,500 a month	575,312	700,000	519,909
Ecuador: Arthur L. Quinn, Arthur Lee Quinn	$25,000 a year	83,710	125,000	79,852
Fiji Islands: Charles H. Brown	$2,000 a month plus expenses	44,719	100,000	44,719
French West Indies (Guadeloupe and Martinique):				
Walter S. Surrey (Surrey, Karasik & Green)	$12,500 a year	62,782	(4)	0
Albert M. Prosterman & Associates	$5,000 a year			
Great Britain: David P. Houlihan (Daniels & Houlihan)	$18,000 a year		(5)	
Haiti: Philip F. King	Expenses only	31,962	45,000	30,489
India: Michael P. Daniels (Daniels & Houlihan)	$25,000 a year	81,514	150,000	81,514
Ireland: George Bronz	No record	5,351	25,000	5,351
Liberia: Harold D. Cooley	$10,000 plus $1,000 a month	0	50,000	0
Malagasy Republic (Madagascar):				
Walter S. Surrey (Surrey, Karasik & Green)	$25,000–$50,000 a year	9,623	45,000–50,000	15,000
Albert M. Prosterman & Association	$8,400 a year			
Malawi: Jerry Collier Trippe	$15,000 a year	0	20,000	[6] 15,000
Mauritius: W. DeVier Pierson (Sharon, Pierson & Semmes)	$25,000 a year	18,681	100,000	30,000
Mexico: Dennis O'Rourke (Sutton & O'Rourke)	$48,000 a year	588,249	[3] 672,000	531,603
Panama: Arthur L. Quinn, Arthur Lee Quinn	$18,000 a year	42,616	75,000	62,947
Paraguay: Sheldon Z. Kaplan	$500 a month	0	20,000	15,079
Peru: Edwin H. Seeger (Prather, Levenberg, Seeger, Doolittle, Farmer & Ewing)	$15,000 a year	458,881	(4)	414,691
Philippines: John A. O'Donnell (Philippine Sugar Institute)	$3,750 a month	1,503,780	1,680,000	1,314,018
Republic of China: George C. Pendleton (Culbertson, Pendleton & Pendleton)	$600 a month	84,910	[3] 85,000	84,910
South Africa: John R. Mahoney (Casey, Lane & Mittendorf)	$48,573.03 in 1970	60,003	(7)	60,003
Swaziland: Justice M. Chambers	$20,000 a year plus expenses	7,359	30,000	30,000
Thailand: Harold D. Cooley	$10,000 plus $5,000 on enactment of sugar bill	18,681	100,000	18,681
Uganda: Andreas F. Lowenfeld (Fox, Flynn & Melamed)	$16,000 a year	0	(7)	15,000
Venezuela: Edward L. Merrigan (Smathers & Merrigan)	$50,000 a year	28,918	50,000	36,417
West Indies: Arthur L. Quinn, Arthur Lee Quinn	$35,000 a year	199,579	400,000	189,926

[1] 1971 quotas computed on basis of total sugar consumption of 11,200,000 tons.

[2] Total quotas for 1972, assuming a total consumption of 11,200,000 tons, following formulas in the House bill.

[3] Approximately.

[4] Requested quotas that would yield approximately the same percentage of the foreign share of the U.S. market as under the current statute; no tonnage specified.

[5] Sought no quota; opposed confectionery quota.

[6] Malawi quota effective in 1973.

[7] Not specified.

Sources: Justice Department; House Agriculture Committee.

SUGAR QUOTA REQUESTS AND AGENTS

Country [1]	Agent	Fee [2]
Argentina	William R. Joyce, Jr., Alejandro Orfila	$1,000 per month, $12,000 per year.
Australia	Robert C. Barnard, Cleary, Gottlieb, Steen & Hamilton	Bills for services.
Bahamas	Hugh C. Laughlin	No amount listed.[3]
Bolivia	Blake Franklin, Coudert Bros.	$10,000 per year.
Brazil	Albert S. Nemir, A.S. Nemir Associates	$180,000 per year.
British Honduras	Arthur L. Quinn, Arthur Lee Quinn	$10,000 per year.[2]
Central America	Thomas H. Boggs, Jr., Patton, Blow, Verrill, Brand & Boggs	$36,000 to $50,000 per year.
Colombia	Tom Kuchel	$200 per hour (in last 6-month period reported $13,156).
Costa Rica	Dina Dellale	$15,000 per year.
Dominican Republic	James N. Juliana, James N. Juliana Associates, Inc	$3,000 per month.
Ecuador	Arthur L. Quinn, Arthur Lee Quinn	$25,000 per year.[2]
England	Daniels & Houlihan	$18,000 per year.
Guadeloupe, Martinique	Walter S. Surrey, Surrey, Karasik, Greene & Hill	$12,500 per year.
Fiji	Charles H. Brown	$2.000 per month.
Haiti	Philip F. King	Expenses only.
India	Michael P. Daniels, Daniels, Daniels & Houlihan	$25,000 per year.
Ireland	George W. Bronz	Bills for expenses.
Liberia	Harold D. Cooley	$10,000 fee plus $1,000 per month.
Malagasy Republic (Madagascar)	Walter S. Surrey, Surrey, Karasik, Greene & Hill	$25,000 per year.
Malawi	Jerry Collier Trippe	$15,000 per year.
Mauritius	W. DeVier Pierson, Sharon, Pierson & Semmes	$25,000 per year.
Mexico	Dennis O'Rourke, Sutton & O'Rourke	$4,000 per month.
Panama	Arthur L. Quinn, Arthur Lee Quinn	$18,000 per year.[2]
Paraguay	Sheldon Z. Kaplan	$500 per month.
Peru	Prather, Levenberg, Seeger, Doolittle, Farmer & Ewing	$15,000 per year.[4]
Philippines	John A. O'Donnell	$3,750 per month (does not include bonuses in recognition of services. Last reported bonus was $6,000).
Republic of China	George C. Pendleton, Culbertson, Pendleton & Pendleton	$600 per month.
South Africa	John Mahoney, Casey, Lane & Mittendorf	$20–$65 per hour (reported $48,573 receipts for past year).
Swaziland	Justice M. Chambers	$20,000 per year.
Thailand	Harold D. Cooley, former Assistant Legal Adviser in State Department	$15,000 per year.
Uganda	Andreas F. Lowenfeld, Fox, Flynn & Melamed	$16,000 per year.
Venezuela	Edward L. Merrigan, Smathers & Merrigan	$50,000 per year.[2]
West Indies	Arthur L. Quinn, Arthur Lee Quinn	$35,000 per year.[2]

[1] Includes private and Government interests.

[2] Fee includes expenses.

[3] Laughlin is not listed as a foreign agent because he represents a U.S.-owned firm. No amount was listed under his lobby registration with the House Clerk.

[4] From lobby registration filed with House Clerk.

Source: Foreign agents' registrations, Justice Department.

The PRESIDING OFFICER (Mr. BROCK). The Senator's time has expired. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from Arkansas (Mr. FULBRIGHT). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) and the Senator from Rhode

Island (Mr. PASTORE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Connecticut (Mr. WEICKER) is detained on official business.

The Senator from Tennessee (Mr. BAKER) is necessarily absent.

The result was announced—yeas 25, nays 70, as follows:

[No. 165 Leg.]

YEAS—25

Brooke
Buckley
Cannon
Case
Ervin
Fulbright
Gravel
Harris
Hart
Hartke
Hatfield
Hughes
Javits
Kennedy
Mathias
McGovern
Nelson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Stevenson
Taft

NAYS—70

Aiken
Allen
Allott
Anderson
Beall
Bellmon
Bennett
Bentsen
Bible
Boggs
Brock
Burdick
Byrd, Va.
Byrd, W. Va.
Chiles
Church
Cook
Cooper
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ellender
Fannin
Fong
Gambrell
Goldwater
Griffin
Gurney
Hansen
Hollings
Hruska
Humphrey
Inouye
Jackson
Jordan, N.C.
Jordan, Idaho
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Metcalf
Miller
Mondale
Montoya
Moss
Muskie
Packwood
Pearson
Prouty
Randolph
Saxbe
Scott
Smith
Sparkman
Spong
Stennis
Stevens
Symington
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NOT VOTING—5

Baker
Bayh
Mundt
Pastore
Weicker

So Mr. FULBRIGHT'S amendment was rejected.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER (Mr. CHILES). The Senator from Massachusetts is recognized.

Mr. MANSFIELD. Mr. President, if the Senator from Massachusetts will yield, just to let me say for the information of the Senate, it is the hope of the joint leadership that we will be able to finish the bill this evening, so this announcement is made to put Senators on notice.

AMENDMENT NO. 198

Mr. KENNEDY. Mr. President, I call up my amendment No. 198 and I would like to revise it in accordance with the technical changes required in accordance with the way the bill was reported from the committee. The amendment that was introduced and submitted to the full Committee on Finance on June 17 was in accordance with the bill reported by the House. My request at this time is to make the technical changes in my amendment to conform with the language in the pending bill.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Massachusetts will be so modified.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will report the modified amendment.

The assistant legislative clerk read the modified amendment as follows:

On page 31, in the matter following line 1, strike out the following:

"South Africa ______________________ .96"

On page 31, immediately before line 5, insert the following:

"(C) The proration for the countries named in paragraph (B) shall be increased by apportioning an additional .96 per centum to such countries on the basis of the percentages stated in such paragraph."

The PRESIDING OFFICER. The Chair inquires of the Senator from Massachusetts if this is the so-called South African amendment on which 3 hours is to be set aside?

Mr. KENNEDY. The Presiding Officer is correct.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 10 minutes.

Mr. KENNEDY. Mr. President, this amendment was offered on behalf of myself, Senators BAYH, BROOKE, CASE, COOPER, CRANSTON, HART, JAVITS, MCGOVERN, MONDALE, MUSKIE, PELL, STEVENSON, TUNNEY, and WILLIAMS. They are listed as cosponsors of the amendment.

Mr. President, for the benefit of the membership, as I understand it, there is a 3-hour limitation on the amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. And the time is to be evenly divided.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. Mr. President, I would not expect that the proponents of the measure would take a very long time to speak, I will make my opening remarks and some of the cosponsors of the measure have indicated that they would like to make some remarks. Then we hope to get to an early vote on the pending amendment.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. LONG. I join the Senator in that hope. I would hope that for the convenience of the Senate we could surrender back some time. However, I hope that it would be a mutual proposition.

Mr. KENNEDY. That will be fine.

The PRESIDING OFFICER. Would the Senator from Massachusetts ask unanimous consent that the amendments be considered en bloc?

Mr. KENNEDY. I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. Mr. President, this amendment is known as the South African amendment. It involves an issue that has been before the House of Representatives and the Senate for several months.

Other Senators have introduced similar amendments at different times. The South Africa amendment was discussed in the Finance Committee, but it was rejected in that committee by a vote of 9 to 6. We will now have an opportunity on the Senate floor to consider the amendment and to give all Senators an opportunity to express their concern about this critical moral and economic issue.

Basically, my amendment would eliminate the sugar quota for South Africa. The amendment is as simple and fundamental as that.

It does so, Mr. President, for three specific reasons. However, I think the most powerful reason is to avoid having the American taxpayers' funds go to private companies or corporations in South Africa and eventually be paid in benefits to the South African Government.

Mr. President, the apartheid policy practiced there is repugnant to all that we in this country believe in. But, in addition to the question of whether we agree on the practice of apartheid, there are three fundamental reasons why the amendment should be supported on the floor.

First of all, South Africa is not a developing country. As I understand it, one of the stated and underlying reasons for the sugar quota is to provide at least some assistance to developing nations around the world.

Mr. BYRD of West Virginia. Mr. President, may we have a little better order in the Senate?

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order. The Senator from Massachusetts may proceed.

Mr. KENNEDY. Mr. President, South Africa is not a developing nation of the world. It has an economic system which is on a sound basis.

South Africa has one of the most lucrative kind of advantages any country could be provided by reason of being allocated a sugar quota. So, if our policy under the Sugar Act is to help and assist developing nations of the world, we must realize at the outset that South Africa does not fall within that category.

Second, if one of our reasons in support of a sugar bill is the hope that any of the profit that will go to any of the countries participating in the sugar quota would go to benefit the workers in that country, we can easily see that the benefits do not trickle down to those who are doing the hard work in South Africa.

I noticed in the comments made by the chairman of the Finance Committee the indication that the benefits from the sugar quota go to South Africans, black as well as white, evenly. However, that is only to the extent that any black farmers are going to be able to derive any benefits at all from the sugar quota itself.

We know that there are some four thousand different black South African farmers that even have small plots of ground on which they are able to grow some type of sugar cane.

It is completely unreasonable to suggest that we are awarding this quota as part of an even-handed policy when we are really giving a very significant sugar quota to big South Africa sugar companies, but only a minuscule amount goes to the small grower.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. RIBICOFF. Mr. President, I think the Senator makes a very pertinent point there. In terms of ownership and management, some 15 white corporations produce 90 percent of the sugar and nonwhites produce only about 8 percent. So, whereas the blacks would be beneficiaries, the overwhelming benefits go to white corporations.

If I might ask a few questions of the distinguished Senator, perhaps he will be able to clarify some of the main points here. We are talking about some 57,000 tons of sugar. This represents a little over 6.5 percent of the South African 1-million-ton sugar crop. That is a very small proportion of the U.S. consumption. Of course, South Africa is a rich country. It is not underdeveloped.

Does the Senator see any reason why the U.S. consumer should be giving a bonus of almost $5 million to a rich country such as South Africa, to be paid for by the American consumer?

Mr. KENNEDY. I certainly cannot. I think when we look at how South Africa has benefited from this program over the period of recent years, we see that we have benefited to the amount of something in the area of $130 million since 1962. That is not an insignificant amount.

Mr. RIBICOFF. Mr. President, it is strange that the House has six criteria for allocating quotas, and the Senate Finance Committee follows their criteria, and one of the criteria provides that there is a need for economic development. I am sure that no one would classify South Africa as an underdeveloped country.

Mr. KENNEDY. Mr. President, that is certainly true.

Mr. RIBICOFF. Another one of the criteria is that a government should be friendly to the United States, including nondiscrimination against U.S. citizens.

One of the strange things is that South Africa has an apartheid policy against not only their own, but also against black Americans. I have noticed in recent years that visas have been denied to such Americans as Arthur Ashe, a great tennis player, Representative CHARLES DIGGS, and even crew members of American vessels that have docked in leave or the normal sociability that an South African ports, who cannot enjoy American sailor should have when an American ship is in a foreign port.

Would the Senator comment on that?

Mr. KENNEDY. There has been a list of persons, as the Senator pointed out, which includes Arthur Ashe, Dr. Martin Luther King, Jr., and Louis Armstrong.

Bishop William Creighton and Judge William Booth went over there to view a trial involving an Episcopal minister, and they were required to remain in their hotels and denied the opportunity to speak freely on this matter.

But the clearest example is the one referred to by the Senator from Connecticut concerning the aircraft carrier *Franklin Delano Roosevelt* that visited Capetown, South Africa, in 1967. Under the issuance of an order from the ship's captain, members of that crew were denied the opportunity to attend any function at which apartheid was going to be practiced, and, since it appeared that no function would be free from the apartheid practices, the captain decided not to permit any serviceman aboard that ship to go ashore. It was the kind of discrimination against American citizens which I think is intolerable.

The Senator put his finger not only on the fact of a developing nation but also that South Africa has refused not to discriminate against an American citizen. This is a second test, and South Africa fails to meet that requirement.

Mr. RIBICOFF. I commend the Senator from Massachusetts for his leadership.

Mr. KENNEDY. I would like to mention a point the Senator mentioned earlier about percentages.

The PRESIDING OFFICER. The 10 minutes of the Senator from Massachusetts have expired.

Mr. KENNEDY. I yield myself 10 additional minutes.

The Senator mentioned the percentages in which Africans actually participate in sugar production themselves. The white growers and millers account for 92.4 percent of all the sugar production in South Africa. The black Africans constitute only 2.3 percent. So, Mr. President, you can hardly say this is an evenhanded policy in terms of blacks and that they anticipate fully in this program, when it is seen that it is 92.4 percent of the production that the whites are contributing but only 2.3 percent from the black Africans, and 5.6 percent for Indians. Those figures place the matter in a completely different perspective as far as the benefits from the program are concerned. Of course, there is considerable evidence to show they are not. I understand the figures that are used by the State Department concerning wages paid to South African fieldworkers were supplied by the South African sugar industry itself. They supplied the figures. The State Department has taken them and here the matter has somehow been underwritten by the United States Government.

Yet, these are the only figures available to explain or describe the South African sugar situation.

For these three reasons, if for no other reason we should be willing to eliminate this benefit.

I would like to ask if the Senator agrees with me that what we are talking about here is really a sugar bonus. We are not talking about eliminating a trade arrangement. It is a type of aid program. All we are talking about is a bonus that could be of enormous help and assistance to other countries.

Mr. RIBICOFF. To me it is not just a question of a bonus; it is a gift that the American consumer is paying.

I understand the arguments for the sugar quota system. It is supposed to have worked well in keeping the price of sugar stable. One can see the way lobbyists descend on the Committee on Finance like a bunch of locusts that this is a very, very valuable quota and a very valuable bonus that they receive.

I do not believe there is any obligation on the part of the U.S. consumer to give such a bonus to a large country like South Africa, whose operations are inconsistent with the policies of the United States. In fact, I think it must be a very discouraging act toward the blacks and those few courageous whites who fight apartheid in Africa to find a country like the United States giving further aid and comfort to a country whose philosophy is inconsistent with our philosophy.

Mr. KENNEDY. Would the Senator agree we are not asking for an extraordinary measure? I understand that in 1960 President Eisenhower suspended the quota for Cuba, and in 1965 the quota was suspended for Rhodesia. We are not asking for something terribly extraordinary. These are clear precedents for the action I am seeking today.

I understand the Senator's point is something that will bring our governmental policy more in line with some of our traditions. I would be interested in the Senator's views.

If one of our efforts should be to get private corporations and companies to work within the system as structured in South Africa, to provide broader effort and vision, it would be extremely difficult to convince American corporations and firms doing business in South Africa to make any serious effort as long as the Federal Government continues to follow a program which blatantly and obviously works in a different way. Would the Senator agree with me?

Mr. RIBICOFF. I do. I think the Senator from Massachusetts makes a good point because it we have a program and a policy under the aegis of the Federal Government, Congress, and signed by the President of the United States, it ill behooves any of us or the Federal Government to ask private industry to undertake programs that have been approved as national policy, and that is what we are doing. By giving South Africa this quota we are stating a national policy which is stated by the Congress and the President, should he sign the bill.

Mr. KENNEDY. I thank the Senator.

Mr. President, I would be glad to yield to the Senator from Louisiana if he has a question. Then I would like to yield to the Senator from Kentucky.

Mr. LONG. I would ask the Senator if this is not correct. The reason South Africa has a quota to begin with is that when we needed sugar after the Cuban quota was suspended we undertook to purchase it from any country that could provide it to us. In 1962 we were able to obtain 93,000 tons from South Africa. That was under the administration of President John Kennedy. That is where it started. Then, we came up to a short year; 1963 and 1964 were years of price crisis and sugar shortages. In those years the country was doing us a big favor to ship sugar to us and they were losing money by shipping it to us. In 1963 they sold us 133,000 pounds and in 1964, 120,000. Those were years we were having difficulty getting sugar.

The quota proposed here by us would be approximately 50 percent of what those countries delivered in years when we could not get the sugar.

Would the Senator be willing to agree that the problem he is talking about—this country differing with them on their social policies—existed in 1962 when President John Kennedy thought we should buy sugar from them and trade with them? Would he agree that it existed in 1963 when there was a shortage and in 1964 when the situation was the same? I assume the Senator's attitude and the attitude of those who feel strongly about social policy would have existed in those years just as it does now. Why has that country become so much worse now than then?

Mr. KENNEDY. With respect to 1962, that development was brought about by congressional acceptance and congressional action.

But in spite of this, I do not think the case can possibly be made here on the floor that there are not African countries, or other developing countries, today that are prepared to respond if given this quota.

Would the chairman of the Finance Committee suggest that that amount apportioned to South Africa could not be distributed to other countries that fall within and live up to the other criteria which have been set by the Committee on Agriculture, and, as I understand, have been attempted to be followed by the Finance Committee? Would the Senator not agree that there are countries prepared to do this?

Mr. LONG. The Committee on Agriculture described criteria, but having done so, they did not follow them. I believe it fair to say that the criteria described by the chairman of the House Agriculture Committee were not criteria that that committee followed.

The Finance Committee followed just one criteria, and that was performance. It was based on performance when we called upon countries, in good times and bad times, to deliver. It was based on whether they did or did not come through when we called on them to help us in bad times. We then proceeded to provide those countries a quota based on their performance.

We were not looking at Australia, for example, as a less developed nation; we were looking at its performance record. The same thing was true with regard to South Africa.

So, if we put it on the basis of whether a country came through when we needed it, South Africa is being treated badly now. If we want to put the performance on the basis of how it delivered when it lost money, South Africa has a good record.

Mr. KENNEDY. Others have a good record.

Mr. LONG. I am talking about in terms of coming through when we needed it. South Africa has a good record. Based on losing twice as much as the quota being assigned to it now, I do not think the Senator will find a better record.

Mr. KENNEDY. Do the criteria which have been indicated in the Committee on Agriculture as criteria applicable to foreign quotas have any kind of meaning or standing, or is that just extra verbiage?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield myself 5 more minutes. If the Senator wants to continue, perhaps he can yield on his own time.

Is that just extra verbiage? If that is the case, and the only test is the question of performance, is it not worthwhile that we know that? I think there should have been genuine concern about exactly what the criteria were, because we have seen tremendous fluctuations from year to year as to who was getting what in these quotas. I thought the attempt by the House commitee was to establish some kind of criteria. It did establish them. I did not know that the only question was one of performance.

Mr. LONG. May I reply on my time?

Mr. KENNEDY. Yes.

Mr. LONG. I cannot speak for the House. If we take this bill to conference, they will be in a much better position to speak for themselves, but I know the chairman of the committee wrote letters and suggested he would like to know about certain matters. Those people came up and testified about these matters and gave the chairman the information he wanted. The criteria to which the Senator made reference are mentioned in that letter.

For the life of me, neither I nor anybody on our staff nor anybody on the Finance Committee has been able to demonstrate how the quotas assigned by the House meet those criteria or are even relevant to them. I assume they were taken into consideration, but I would challenge the Senator or any of the staff to take the House bill and show how it meets the criteria.

Mr. KENNEDY. I say it is a matter which should concern many of us in terms of legislation. In reading the House report, it states:

> The sugar quotas in the United States for foreign countries are established by the Congress. In the evolution of these quotas through numerous extensions and amendments of the Sugar Act the following factors have been considered by the Congress in the apportionment to individual countries of that part of our market reserved for imports.

The report sets out the criteria. I do not think it is inappropriate for us to know these criteria. If we want to repudiate the House or express ourselves in terms of our suggestions, we are not running the way the House runs in terms of evaluation when we are using only the criterion of performance. We can exercise our own will, but what I have just read is in the House report. It has been used and referred to frequently. I do not think it is inappropriate for us to try to refer to that.

Mr. LONG. Mr. President, if the Senator will yield—if the Senator needs time, I shall be glad to yield to him some of my time——

Mr. KENNEDY. Very well.

Mr. LONG. I cannot understand how one can take those criteria and arrive at the House allocation of formulas, by any stretch of the imagination.

Mr. KENNEDY. I could not agree with the Senator more, and I think there are many others who wonder about that, as well.

Mr. LONG. I am not here to challenge the House. I proceed on the assumption that Mr. Poage and every member of the committee and every Member of the House is an honorable person. I have no reason to think otherwise.

I can say how we arrived at the quotas we put in the bill, and I can defend them to anybody on the Merciful Lord's good earth.

Having asked the question, how much does this mean to our favorable balance of trade, what is being done about confiscation in Peru, what is being done about South Africa, and so forth, we then looked into this policy——

Mr. KENNEDY. Did the Senator get into how much was being spent in military expenditures?

Mr. LONG. They asked any question they wanted to ask.

Mr. KENNEDY. Did the Senator get into the question of whether they are practicing any kind of repression or taking political prisoners? Does not the Senator think it was worthwhile that we get into that question?

Mr. LONG. If we had applied the House idea, we would have had to take the quota away from Ireland.

Mr. KENNEDY. Ireland is a friendly country.

Mr. LONG. We proceeded to look into all these questions and anybody who had a question, asked it. If he did not ask it, it was asked for him. When somebody wanted a question asked, I obtained the answer to that question, whether that Senator was on the committee or not. I cannot recall the Senator from Arkansas's being present there for a day. If he spent any time there, it was very little.

We wanted to protect the Senate from the kind of smears and innuendos that have been suggested. Here was the formula. In the Caribbean, we would ask what was the 5-year average and what would the present law permit? Whichever one was more favored, that country could have it. We found that Venezuela, which had been punished because in a year when sugar was hard to get—

Mr. KENNEDY. Mr. President, I will let the Senator proceed on his own time. I want to make a comment and then I want to yield to the Senator from Massachusetts (Mr. BROOKE) and the Senator from Kentucky (Mr. COOPER).

Mr. LONG. Will the Senator yield to me on my time?

Mr. KENNEDY. I will make a few concluding remarks. Then I will yield to the Senator on his time. Then I would like to yield to the Senator from Massachusetts (Mr. BROOKE) and the Senator from Kentucky (Mr. COOPER), since it is in terms of explanation.

Mr. President, we can stand around here and go through the various gymnastics on how we have reached the figures that have been outlined here, but we cannot get away from the fact that the American housewives are subsidizing companies which are contributing to a government which refuses to allow

American servicemen to land on their own shores and be treated equally. We cannot get around that fact. And we cannot get around the fact that there is black sweat labor over there. We cannot get around that fact, whether it is in the House of Representatives print which is before the U.S. Senate or not.

Senators can use whatever criteria they want. I think those two factors are obvious and flagrant ones to Members of this body, and we ought to realize it.

Third, Senators can make their own judgments. There are those who say the question of performance is so overriding that we ought to make sure that we give the quotas to those countries that have been able to perform in the past. I would rather give it to Americans who have been producing and let them benefit from those quotas, rather than add to the general welfare and well-being of South Africa.

Mr. President, I am prepared to yield either to the Senator from Massachusetts (Mr. BROOKE) or the Senator from Kentucky (Mr. COOPER), or to the Senator from Louisiana, if he wishes to proceed on his own time.

Mr. LONG. Could I just finish with how we assigned these quotas?

Mr. KENNEDY. Mr. President, I retain the floor, and yield to the Senator on his own time.

Mr. LONG. Mr. President, I have explained this before, but let me just explain it again.

Here is the way we arrived at this quota. The architect of the theory was the distinguished Senator from Utah (Mr. BENNETT). He suggested that this was an appropriate way to arrange all foreign quotas, and it made sense to the committee. I think it was agreed to unanimously by the committee.

We agreed that in this hemisphere, we would look at those nations which are regarded as the Caribbean marketing area, and we would assign them quotas on the basis of past performance, over a 5-year period or what the existing law formula would have provided.

In the Eastern Hemisphere we gave them a 5-year average. That is also how it was with regard to South Africa. As I say, the system seemed reasonable.

I might suggest to Senators that if they wanted to take into account some other things—I have to admit we would have to put a black mark on South Africa for segregationist policies—but, on the other hand, if we look at certain other items, we would have to think well of those people. For example, how have they performed when they were doing business with us? On that basis, their record is very good.

I might say that, from the point of view of someone from abroad looking at this Nation, the United States, down through the period of its history, every man who signed the Declaration of Independence which started the Nation would have been blackballed by other trading nations, if they had used the Senator's theory. That would have been true even after the Civil War, up to the time of the Civil Rights Act of 1964. And I am not talking, now, about the time of President Kennedy. That was at the time when Lyndon Johnson was President; he was the man who put that theory on the statute books and made it stick. But until then, other countries would have been justified in blackballing this country because they did not believe in policies in force in certain parts of the United States. One can go as far as one wants to on that kind of thing.

It was the view of the majority of the committee that if we undertook to say we were not going to trade with somebody unless we agreed with their domestic policies about segregation or a number of other matters, we would find difficulty trading. May I say, that would be true even with respect to some of the more friendly African countries. Some of them have segregationist policies. And, in reverse, as to other policies one could back up and say, "If you do not do it, and the United States thinks you ought to do it, we are not going to trade with you on this or anything else."

The Senator talked about labor conditions. If the administration had undertaken to rank these nations that have been supplying us sugar in terms of labor relations, I call the Senator's attention to the fact that, among those nations, South Africa rates No. 9, way ahead of the Malagasy Republic, for example, which rates, 27, and Swaziland, rating 24. I ask the Senator, if he wants to talk about what they are doing to labor, why does he not pick on those?

We would do better to try to have some sort of across-the-board formula, and not try too much to dictate what the internal policies of a country ought to be, because basically what we will wind up doing is simply punishing, in many instances, the Negro producers of South Africa; and even the Negro workers in South Africa would be penalized if the United States discriminated against that country in its sugar policies.

Mr. KENNEDY. Mr. President, I yield 3 minutes to the Senator from Kentucky (Mr. COOPER), and then I shall yield to my colleague from Massachusetts.

Mr. COOPER. Mr. President, I rise to support the amendment of the distinguished Senator from Massachusetts (Mr. KENNEDY).

I would point out, as the Senator from Massachusetts has pointed out, that we are urging the prohibition of a special kind of benefit to South Africa which should not be made because of that country's governmental policy of apartheid.

Today, as I understand, the policy of the United States is to prohibit the shipment or transfer to South Africa of any arms, ammunition, military vehicle, or equipment, or materials for their manufacture and maintenance. There is no prohibition against normal trade or investment, and trade with South Africa, and investment in South Africa by American citizens is quite large.

As I said at the outset, we are talking today about a special grant by our Government, and, if this measure is passed, a congressional grant to South Africa to which they are not entitled by legislative criteria for sugar allotments, and to which they are not entitled, in my view, as long as it is the South African governmental policy to enforce apartheid.

There is discrimination all over the world. There is discrimination in many countries which chastise the United States for discrimination. There is discrimination in this country. But it cannot be said that discrimination in this country is supported by governmental policy. To the contrary, for years the Government of the United States, under both Republican and Democratic administrations, has been enacting very strong legislative measures to eliminate discrimination in this country. It is said that it is too slow, but considering human nature, I believe great progress has been made, and that progress will continue.

There is a great difference between the governmental outlook on practice on discrimination in this country and the South African governmental outlook on discrimination in that country. The Government of South Africa has adopted as its official policy a policy of apartheid, and it has announced again and again that it is determined to maintain that policy, to enforce, and further entrench discrimination and racism by governmental authority and power.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. KENNEDY. I yield the Senator 5 additional minutes.

Mr. COOPER. Three minutes more, I think will be sufficient.

The consequence has been that the greatest part of South Africa's population, the nonwhites, have been set aside as an inferior people, outside the political, economic, and social life of the country. In fact, in recent years, the trend in South Africa, in its legislative enactments, has been to harden the attitudes and to strengthen the restrictions against the largest segment of its population. This policy is not supported by all of the people of South Africa but, with authority and power the Government has continued to enforce these restrictions.

Even the courts are restricted.

Several years ago in 1967 or 1968, a South African law journal published an article which spoke very truthfully and carefully of the situation in South Africa, in part as follows:

> The crisp question is whether the fundamental safeguards, implicit in the Rule of Law, are at all times assured by the South African courts. The truth of the matter appears to be that the very legislation precludes the courts from assuring these rights—and the courts, by virtue of the nature of our Constitution (which lacks a "Bill of Rights"), are themselves precluded from questioning the validity of these preclusions.
>
> By reason of a variety of legislative provisions . . . our courts in certain respects have been effectively pinioned and rendered powerless to insure that no person be detained or punished without charge or trial.

I have stated the policy of our Government in regard to military aid, and that there is no prohibition on normal trade or on investment.

I point out again that what is being done in this bill is to provide a governmental largesse to the Government of South Africa, a country which unblushingly continues in a policy of government sanctions against its nonwhites.

In 1968, the distinguished Senator from Massachusetts (Mr. BROOKE) delivered a speech on this subject on the Senate floor. I shall read part of what he said. On April 29, 1969, reporting on a trip to Africa, he said:

> I believe we must make clear to South Africa that, lacking evidence of that Government's willingness to move toward social justice and equality for the African population it controls, the United States will begin to disengage from its burgeoning economic ties to that country.

In 1968, I served as a delegate to the General Assembly of the United Nations, representing our country. I was assigned the duty of representing our country on the question of South Africa. I heard from the lips of practically every delegate, not only from Africa but from Latin American and Europe, particularly the Scandinavian countries, that while they applauded our absolute adherence against the supply of military weapons, equipment, and materiel, they expressed the conviction that our economic association with South Africa deadened the hope of the effect of world opinion upon the Government of South Africa.

I understand that it is difficult to cut off, to embargo private normal trade and investment, and this amendment does not have that purpose. But if we do not accept this amendment, the Government of the United States and Congress will go far in expressing support of a government which is practicing what many have termed, and I believe to be, the most hideous example of discrimination known in modern history.

I hope the amendment will be adopted.

Mr. KENNEDY. Mr. President, I yield such time as he desires to my colleague from Massachusetts.

Mr. BROOKE. I thank my distinguished colleague from Massachusetts, and I thank the distinguished senior Senator from Kentucky for his very rich contribution to the colloquy.

Mr. President, it is a matter of deep concern to me that the measure before the Senate contains a quota of nearly 60 million short tons of raw sugar for the Republic of South Africa.

The original purpose of the Sugar Act was to protect the welfare of our domestic sugar industry, to provide adequate supplies of sugar for American consumers, and to promote international trade.

Since the passage of this act and of subsequent legislation, additional criteria have been imposed for participation in the lucrative U.S. sugar market. Nondiscrimination against American citizens by the producing state is—or should be—a particularly vital factor. Other considerations as stated in the legislation deal with the dependence of the producing country upon sugar as an export, the country's present state of economic development, and the extent to which the benefits of special U.S. prices filter down to the sugar workers. Simply stated, South Africa meets none of these criteria.

The Republic of South Africa systematically discriminates against nonwhite citizens of its own and other nations. American citizens have been refused visas, limited in their access to public accommodations and in their opportunities to converse with persons of other races, and have even on occasion been expelled from South Africa on the grounds that they have encouraged or promoted "integration." Yet, such indignities are only symptoms of the conditions which nonwhites who are native to South Africa are forced to endure in their everyday lives.

Economically, sugar accounts for only 2.5 percent of South Africa's annual exports. The republic possesses a thriving economy which is not at all dependent upon sugar as an export. Nor can the quota be justified on the grounds that it provides jobs and income for a large number of Africans. In a country where the average per capita income for whites is about $150 per month, and the poverty level is $100 per month, a job which pays a sugarworker $41.75 per month hardly seems worth saving. It certainly is not worth the cost of U.S. complicity in its preservation.

As an alternative, I would strongly recommend that South Africa's allocation under the pending legislation be removed, and the amount be divided proportionately among the black African States.

I have carefully reviewed the quotas assigned to black African States under the pending bill. All of the states in the committee report are closely linked with the West, and with the United States. All of them are in a particularly advantageous position to provide living examples of racial harmony to the socially and politically isolated nations of southern Africa. All of them are largely dependent on sugar exports for their earned foreign income. And all of them have increased their shipments of sugar to the United States over the last 5 years.

Yet, in every case, the Finance Committee has chosen to base its quota allocation on the most recent 5-year average, and consequently to reduce the quotas of these African States even below the amount they would receive under the law presently in effect. Under the committee bill, the black African States are allotted only 34,068 short tons, as compared with South Africa's 57,745 short tons.

This is an inexcusable way to treat friendly, struggling states. Coupled with the large quota allotment for the Republic of South Africa, the diplomatic signals are unmistakable. They are not the kind of signals we should be sending, either to our African friends or to our own people here at home.

Among the African States whose sugar quotas will be reduced under the pending legislation are: Swaziland, Mauritius, Malagasy Republic, and Uganda.

Swaziland is a land-locked black African State completely surrounded by South Africa. It has a population of 400,000—compared to South Africa's 21.3 million—and a gross national product of $64 million—compared to South Africa's $15.3 billion. For Swaziland, sugar exports are second in importance only to iron ore in the country's economy. In 1966, its sugar exports to this country totaled 6,700 short tons. Since that time, production has increased steadily and in 1970 sugar exports to the United States reached 7,500 short tons, with every prospect of increasing in the years ahead.

What is more, Swaziland's per capita income of $165 per year is greatly exceeded by the income of the sugar workers who average $35 per month, thus demonstrating that the benefits of the special U.S. quota do, indeed, benefit the workers. And Swaziland is a multiethnic nation which does not discriminate against American citizens or its own people on the basis of race.

Mauritius is an island republic in the Indian Ocean. Its population of approximately 800,000 people has a per capita income of over $200 per year with a gross national product of $150 million. The economy of Mauritius is dominated by one commodity: sugar. Forty percent of all the land area is devoted to the cultivation of this crop. Sugar and molasses account for 98 percent of the country's total exports. The sugar industry employs about 62 percent of the working population, with another 26 percent of the population engaged in related services and transport.

The importance of this cash crop to the economy of Mauritius was apparently recognized by the House Committee, which recommended an increase in the Mauritian quota from 18,681 short tons to 30,150 short tons. But the Senate Finance Committee, using an average over the last 5 years, reduced the quota to 17,761 short tons, thereby imposing an obvious burden upon the people of Mauritius to find alternate markets for this important crop.

The Malagasy Republic, like Mauritius, is an island strategically located in the Indian Ocean. It has a population of 6.3 million people and a GNP of $780 million. Its principal exports are agricultural products, with sugar ranking third in the spectrum. Also, like Mauritius and Swaziland, it is an economically struggling multiracial state; unlike the others, however, it is linked to the United States through the provisions of important telecommunications and space tracking facilities which have greatly enhanced the overall effectiveness of our space and communications programs.

Between 1965 and 1970, the Malagasy Republic increased its exports of sugar to the United States from 7,871 short tons to 9,740 short tons, and it is capable of supplying more. In recognition of this fact, the House Committee allocated 15,075 short tons as Malagasy's quota; but the Senate Finance Committee reduced this amount to 9,223 short tons, or considerably less than the country exported to the United States last year.

Two other states which are mentioned in the committee report, but for which no quotas are allocated, are Malawi and Uganda. Neither state presently exports sugar to the United States under the provisions of the Sugar Act; but the House committee allocated 15,075 short-tons to Uganda, and considered an equal allocation for Malawi.

Uganda has a population of more than 9.5 million people, a GNP of $699 million per year, and a per capita income of $74. Because of the recent change of government in that country, its ties with the

East African community have been weakened considerably, and this sizable trade which once bound the countries together has declined. Uganda is therefore searching for alternative markets for her agricultural exports, of which sugar is an increasingly important commodity.

Finally, Malawi, with a population of 4.2 million people and a gross national product of $217 million, suffers with a per capita income of less than $50 per year. Like Uganda, agricultural products are its chief exports and the country is capable of both increasing and diversifying its agricultural exports if the markets are available for these goods.

Every black African country which has been considered for a sugar quota by the House or the Senate meets the criteria set forth for participation in this privileged program: friendly governments which do not discriminate against U.S. citizens; dependable sources of supply; trade reciprocity with the United States; need for access to prime markets, as measured both by the relative importance of sugar in the economy, and by the country's state of economic development; an extent to which participation in the U.S. market is shared with the workers and the people of the country.

Mr. President, in my judgment it is totally unconscionable for the United States to ignore these criteria, established by our own laws, and to award a quota to the developed, discriminatory State of South Africa. To award to that country a quota which is larger than the quotas given to all of the black African States combined is unprincipled in the extreme.

It would be my recommendation that South Africa's quota either be removed entirely on the basis of that country's economic development or, like Cuba's and Southern Rhodesia's be held in escrow until such time as that country "rejoins the family of free and friendly foreign nations." Preferably, the 57,000 or 60,000, short tons presently allocated to South Africa by the Senate and House bills respectively, should be divided among the black African States. Barring that possibility, the South African quota should be divided among the remaining nations of the Eastern Hemisphere which presently qualify for quota allotments. But under no circumstances should this country subsidize segregation by continuing to allot a sugar quota to South Africa.

Mr. President, I strongly urge the adoption of the pending amendment.

Mr. LONG. Mr. President, I yield 6 minutes to the distinguished Senator from Hawaii (Mr. INOUYE).

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 6 minutes.

Mr. INOUYE. Mr. President, it has been my privilege to serve in Congress for the past 12 years. During those 12 years, I have stood up for, fought for, and spoken for human rights, human dignity, and human equality. Therefore, I am very much against the policy of racism in South Africa.

However, I wish to make a few observations on the pending amendment. I do so with some discomfort because many of my beloved comrades and colleagues support the pending amendment.

First, I think it is well to note that when this measure speaks of a quota, say to Hawaii, it is not a quota to the government of Hawaii, but a quota to the sugar producers of Hawaii; and, in the same sense, when a quota is set aside for South Africa, it is not a quota for the Government of South Africa but for the producers of South Africa.

Therefore, the pending amendment, in essence, will be penalizing the sugar producers of South Africa for the sins of their country.

At this time, I should like to read an excerpt from a statement issued by the Chief Executive Officer of the Zulu Territorial Authority, Chief Gatsha Buthelezi, in which he stated:

> More than half the Zulu's agricultural income comes from the growing of sugar cane. Any reduction in the demand for sugar would automatically affect their economic position. On the other hand we are hopeful that with the further expansion of the sugar industry my people will benefit.

Mr. President, I think we should recall that this Nation, the United States of America, called upon the producers of South Africa in 1962 to supply our consumers with much needed sugar at a time when the world price of sugar exceeded that of the United States. During the years 1962, 1963, and 1964 the producers of South Africa faithfully supplied sugar to the consumers of the United States at a rate below the world price, when they could have gone out into the world market and made a big profit. During those years our housewives were not subsidizing the producers in South Africa.

It should also be noted that today we have a favorable balance of trade with South Africa at a rate of approximately $1 million a day. If we are to stop this trade in sugar with South Africa, why not go all the way and lose $365 million in trade?

There are two other points of some significance which I think all Senators should consider.

The pending amendment, in essence, provides that any country or any producer in any country wishing to derive benefits from the Sugar Act must comply with the democratic principles of the United States which we profess to believe, in, and which we profess to practice.

Mr. President, if we insist on that requirement, I suggest that Members of the Senate go through the quota list and see how many countries would qualify to do business with us. I do not wish to name the countries, but we are dealing with dictatorships, we are dealing with countries whose prisons are filled with political prisoners.

It has been said that music is an international language, a language that all of us can understand. I wish to add another international language, the language of trade. It is on this basis that this country has been trying its best to deal commercially with friend and foe alike.

The biggest matter before this Nation today is the upcoming trip of our President to Peking. It is hoped that as a result of this journey for peace to Peking we may be able to open up our doors, and they may be able to open up their doors and conduct some commerce. We will be dealing with people that we hated for many years. We will be dealing with a country that carries out as a matter of practice principles with which we disagree. But yet I find that many of my colleagues are scrambling over each other to be the first to argue for trade with Communist China, with Communist Russia. I think we should be consistent.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. I yield the Senator 1 additional minute.

Mr. INOUYE. If we are to insist upon the application of this rule that one must comply with the democratic principles in which we profess to believe and practice, let us do so; but if we were to do so, we would find, unfortunately, that we would be almost isolated in this world. It is for these reasons that I will be voting against the amendment, even if I oppose very much the racist policies of South Africa.

Mr. KENNEDY. I yield 10 minutes to the Senator from Oklahoma.

Mr. HARRIS. Mr. President, in the Senate Finance Committee I moved the adoption of this amendment which would strike the quota of the Republic of South Africa. Had that amendment been adopted in the committee, and if it were adopted on the floor of the Senate tonight, the American housewife and the American consumer would no longer be asked to pay an additional cost above the world price for sugar to subsidize the racist policies of the Republic of South Africa.

I beg to differ with my distinguished colleagues who see this matter in another light and who are quite well intentioned and sincere in doing so.

It has been said here, Mr. President, that if we were to live by the democratic ideals which we profess, we would be isolated in this world. We would not be isolated from the people of the world; we would be isolated from a lot of dictatorships in this world and from a lot of inhumanity that is practiced in this world. It has been said that idealism is not practical in the modern world, and particularly in regard to foreign policy.

Mr. President, I suggest to the Senate that idealism is the pragmatism of our day. I propose to the Senate that we start right here in this bill to say that we are going to do the only practical thing that we can do in the field of foreign policy, or, for that matter, in the field of domestic policy, and that is to begin to live by the ideals which we have said undergirded our society and held it together, and, indeed, founded it.

I served, Mr. President, as a member of of the Kerner Commission which went about this country to look into the causes and the prevention of the terrible urban riots we saw in America in the summer of 1967. Mr. President, it was our clear finding and our clear statement that the issue of race, which has been fundamental to the history of America and is now the principal political hallmark of the American political scene, had been compromised far too long. We compromised it when our Constitution was written. We compromised it prior to the bloody days of the Civil War. We compromised it again following the first fitful starts toward reconstruction and reconciliation in this country after the Civil War, and we have compromised it ever since. We have compromised it because leaders told us compromise with our ideals on race was the only practical thing to do.

Now, Mr. President, surely all of us in this body and around America have begun to learn that compromise was the most impractical thing to do in regard to race and that those compromises in regard to race on the domestic scene have cost this country immeasurably in lives and in blood and in self-esteem.

Mr. President, the only practical thing to do with regard to racism and other kinds of immoral practices that continue to exist domestically is to practice what we profess.

Mr. President, I submit that the same is true on the international scene. Look at the messes we have gotten into by being practical.

Not long ago a Secretary of State appeared before the Subcommittee on National Security and International Operations of the Committee on Government Operations on which I served. He was called to task about some of the clandestine activities that we had been involved in, and some of the support that we had given to governments that we ought not to support. We have been in the past associated with people like Duvalier, for example. We are now associated with military dictatorships to the degree that so many people around this world—people around this world, not governments which are transitory—see us as sometimes being apparently much more comfortable with military dictatorships than we have been with democracies.

That Secretary of State said to us in effect:

> Gentlemen, we operate in all of the back alleys of the world necessarily, and our adversaries use dirty tactics.

And further:

> While we are not proud of it, we have to use some of their own tactics, tactics that we cannot even admit to our own people.

Mr. President, serious questions have been raised since this country was founded as to whether a government which depends upon the consent of the governed for its existence can operate on the world scene as a world power.

I say, Mr. President, the answer to that is a resounding no, unless we operate on the basis of our ideals and unless we can be proud enough of what we practice to reveal it not only to the world but also to our own people.

Mr. President, I say it is time we returned to idealism as the basis of foreign policy. That may be the most radical thing I have ever said in the Senate of the United States. It would certainly bring about a fundamental change on our part and in our foreign policy, and, I hope, would begin to bring about some fundamental changes in the world.

Mr. President, if there is one ideal we ought to believe in in this country, it is that downtrodden people will rise.

I once was in a country in Latin America where I said to our own Ambassador, a career officer, "Is it not true that in this country where more than half of the people are Indians—American Indians who are not in the economy and not in the dominant language and who are left powerless economically and politically—that you have a classic kind of case for Latin American revolution?"

He said, "Not at all, not at all."

He said in effect: "The Indians of this country are not like the Indians of the United States. They are docile and disorganized. They will never get together; they never have; and they have always had to be ruled."

I said, Mr. President, "That sounds very much to me like what a lot of white people in Selma, Ala., said about black people there for years, and then one day they were surprised to find that they were marching in the streets to try to make real the fundamental beliefs that this country was founded upon."

The very week that the Ambassador in the Latin American country told me what he told me, I found in a village that I visited that the Indians there for the first time since Spanish colonial days had risen up and said, "We will not work on the roads if the Ladinos"—meaning those of mixed Spanish and Indian blood—"will not work on the roads."

Within a week that had occurred in another village. Guerrilla activity became widespread. It has spread throughout that country until today the country is terribly unstable. I am sad to say that the ambassador himself has since fallen victim to assassins.

If we believe in one thing it should be that downtrodden people will rise. Our interests are not only moral but also practical. We should stand on the side of the people, not on the side of dictatorial or repressive governments.

So I should like to see us begin to live up to what we say. That would mean, for example, that we would cut off not only military but also economic aid to Pakistan, where that awful death continues. It would mean that we would stop giving increased military aid to countries like Brazil, which have practiced torture of political prisoners as a part of approved government policy—and that has been well documented internationally. It would mean that we would not give more military aid to Greece now that it is a military dictatorship than when it was a democracy.

We are not now talking of trade or diplomatic relations.

The Senator from Hawaii brought up the case of the Republic of China. Nobody is suggesting that we subsidize with a quota the sugar industry of the Republic of China. We are talking about giving South Africa a special reward out of the pockets of American consumers and housewives, even though South Africa is the only country in the world that has an official government policy for the subjugation of one race by another.

I say: Shame on us if we continue that.

Mr. BENNETT. Mr. President, will the Senator from Louisiana yield to me for 3 minutes?

Mr. LONG. I yield to the Senator from Utah.

Mr. BENNETT. Mr. President, I have listened to the last discussion with a great deal of interest. I am interested that my colleague from Oklahoma mentioned two countries, both of which have sugar quotas. Is the Senator prepared to suggest to the Senator from Massachusetts that he change his amendment to strike the quota of Haiti, which is on the black side of the mixture rather than on the white side, against 30,000 tons?

Mr. HARRIS. If the Senator will join me we will call up another amendment here in a moment that I have offered to provide for holding up the subsidy to the Philippines, Haiti, Brazil, South Africa, or any other country until it could be shown to the President's approval that such a quota and such a subsidy was getting down to the workers in those countries; and if the Senator will join me and the Senator from Illinois (Mr. STEVENSON), we will make the same assurance to the American worker.

Mr. BENNETT. In other words, the Senator will not stand on his own feet and support such an amendment, but says that he must stand with the proponents of this amendment.

Mr. HARRIS. I offered such an amendment in committee and the Senator voted against it. I will offer it again on the floor and I hope the Senator will join us.

Mr. BENNETT. Did the Senator offer an amendment to strike out Haiti?

Mr. HARRIS. I offered one on the Dominican Republic. Why not make it on Haiti?

Mr. BENNETT. There is an amendment on the floor. It is the simplest thing in the world to persuade the man who offered the amendment to add Haiti and Brazil, the two countries the Senator denounces, to have their quotas stricken.

Mr. HARRIS. I have an amendment to do that. The Senator offered a weak argument. He said that since he could not support us on the one he could not support us on the other.

The Senator from Utah is not offering support of either of the amendments.

Mr. BENNETT. The Senator has gone on the basis that any country that does not provide for its citizens the full rights of a free country should be stricken.

Mr. HARRIS. May I respond?

Mr. BENNETT. This is my time.

Mr. HARRIS. The Senator is speaking about principle.

Mr. BENNETT. I know. This is my time.

Mr. HARRIS. I ask that the Senator state the principle behind his position.

Mr. BENNETT. The Senator had all the time he wanted; do not consume my time.

The chairman has commented briefly on the other thing I wanted to comment on. The Department of Agriculture has rated the 30 countries that supplied sugar to us on two bases: One, selected economic criteria, and the other labor conditions in the sugar industry. On the combination of those two, Mexico ranks first, and South Africa ranks second.

With respect specifically to labor conditions in the sugar industry, the country of South Africa ranks ninth out of 30. My friend, the junior Senator from Massachusetts, talked about giving a quota to Swaziland. It ranks 29th on economic criteria and 24th on conditions in the sugar industry.

So we are asked to take the quota away from South Africa where working conditions are ranked very high and give them to Swaziland. We can play the numbers game.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, I yield the Senator 1 additional minute.

Mr. BENNETT. We should realize what we are dealing with is an economic problem. All day attempts have been made to tell us that this is an emotional problem and it is our obligation to solve the sugar supply on the basis of our emotional reaction to the people of the world. We are told we are just mad at the government and not the people. But as a matter of fact, the fact remains if the quota is taken away from the private industry that employs those people and those people lose their jobs, that would end up damaging the very people for whom we profess love and for whose sad condition we feel we should extend our economic policies.

Mr. LONG. Mr. President, I must congratulate the Senator for his raft-ringing oratory and his eloquence, but I can only think how much more eloquent it would have been if he stood here in 1960 in connection with cutting off the Cuban quota and advocated the overthrow of the Batista government, which did not go along with our principles of government, and favored a government which could be whatever its successor might be. A lot of people thought that sort of thing, but we ended up with Castro.

My good friend the former Senator from Florida, Mr. Smathers, pointed out that if the Batista government were overthrown they would not get an American version of government but a Communist government, and that is what happened.

It sounded to me like the Senator from Oklahoma was advocating the overthrow of Pakistan and Greece. They are friendly, but if we were able to overthrow them perhaps we would end up with a Communist government in the place of the government they have there now.

If we are going to fight communism around the world my guess is that the country which would stand with us against communism in Africa would be South Africa, as much as we disagree with their segregation policies and other policies. But based on simple trade considerations, as the Senator from Utah so well mentioned—in terms of whether they have traded with us honorably and honored their agreement—South Africa is tied for first.

Furthermore, I have analyzed the amendment to see how the South African quota would be distributed if the amendment were agreed to. I am talking about what the amendment says and not the intention in offering it.

This amendment would distribute——

The PRESIDING OFFICER. The time of the Senator is expired.

Mr. LONG. I yield myself 2 additional minutes.

This amendment would distribute the South African quota among those countries that are regarded as being in the Eastern Hemisphere substantially as follows:

Australia, approximately 23,000 tons. Australia would not be regarded as a segregated country, even though, I must say, everyone in Louisiana who cannot stand the desegregation policies being forced by the U.S. Government, is thinking about perhaps moving to Australia. Fully one-half of them who feel that way are.

China would get about 11,500 tons. We are talking about Taiwan. Much as we deplore mainland China, Taiwan is not a democracy.

India would receive 11,000.

Fiji would receive 4,300.

Thailand would receive 1,500.

Mauritius would receive 1,700.

Malagasy would receive 900.

Swaziland would receive 800.

My figures are rough, but it is a fact that the biggest recipients of the quota would be Australia, Taiwan, and India.

Mr. HARRIS. Mr. President, I yield myself 5 minutes on the bill.

The distinguished Senator from Utah talked about the principles which I and other Senators who support this amendment espouse, and he seemed to find some fault with them.

I never heard the distinguished Senator from Utah state with any clarity, when I asked him to do so—I do not think there was any attempt at all—the principles upon which his position is based. Or is it that we are not to have any principles in regard to this bill except continuing historic precedent, as the administration witnesses before the committee suggested?

Mr. President, there is a continual attempt here to get quotas mixed up with foreign trade. We are not talking about trade here. We are talking about foreign aid. Why should we choose South Africa to give a subsidy to, a special benefit, a special subsidy, at the cost of our consumers, at the cost of our housewives, when South Africa is a developed country?

But that is not the chief issue, and I never heard the distinguished Senator from Utah speak to this point. I do not believe he spoke to the point that has been made continually in this debate; that is, that as far as anybody knows, the Republic of South Africa is the only country left in the world which practices an official government policy of subjugation of one race by another. If there are other countries, we ought to add them in here.

There can be some fuzziness in regard to how we draw the exact line of morality and idealism in foreign policy, but I believe I have stated some very clear transgression of any policy based on idealism, and one of those, which it seems to me is the clearest, is by the Republic of South Africa.

There the policy is clear, and it not only involves discrimination on the basis of race against their own citizens, with our money, but it also involves discrimination against our citizens, with our money, including Members of the U.S. Congress—not only black U.S. citizens who have been either ill-treated or not allowed into that country, but also white Americans who have spoken out against this abominable philosphy of racism in that country or anywhere else in the world. Those citizens of ours—not South Africans, but our own citizens—are ill-treated and discriminated against with money out of the pockets of American housewives and consumers.

I say the line may sometimes be difficult to draw on morality in foreign policy, but it is not very difficult to draw in regard to sugar quotas for South Africa.

Te distinguished Senator from Louisiana mentioned Cuba. He asked, why was not the Senator in 1960 on the floor of the Senate speaking out against the Batista government?

Well, for one reason, Mr. President, I was not in the Senate until some years thereafter. I was not in the Senate at that time. But I have been one of those, who has said that if we had been a little less strongly in support of that dictatorship in Cuba, we might not have the kind or system of government we have there today.

I think it is time that we return both to idealism and practicality in foreign policy. We have the chance to do so now simultaneously by striking the sugar quota for South Africa from this bill.

Mr. KENNEDY. Mr. President, I yield 15 minutes to the Senator from California (Mr. TUNNEY).

Mr. TUNNEY. I thank the distinguished Senator from Massachusetts for yielding me time.

Mr. President, I think it is very clear, as the Senator from Oklahoma said, that the issue before us is whether or not the American consumer is going to benefit a government that practices, as an official policy of that government, discrimination. And the Government of South Africa has been declared by the United Nations to be guilty of crimes against humanity. I think it is very clear, no matter whether we say we are benefiting the farmers, the producers of sugar, in South Africa, as opposed to the Government of South Africa, that the real benefit is going to that state, which practices, as official policy, segregation—an abominable policy, an absolutely abhorrent policy. Two-thirds of the sugar growers in South Africa are black, and yet they produce only approximately 2 percent of the sugar that is grown in South Africa.

It is quite clear that the benefits of this quota do not filter down to them, but they benefit the large white growers who are in support of a government that has, as its official policy, discrimination.

On another level, I think that it is a slap in the face against 11 percent of the population of the United States that is black and that detests the racial policies of the Government of South Africa. When black consumers purchase sugar they are in effect contributing a small part to the quota bonanza favoring South African growers and the South African Government. To black Americans the issue is symbolic. How will they feel about the Government of the United States if the Congress goes on record as supporting a bonus, a gift to the Government of South Africa for which their dollars are helping to pay?

It seems to me that we ought to be thinking about our own people, and if we find that we do not want to make available this quota to South Africa, then there is no reason why we cannot benefit the farmers of our own country.

There are sugar-beet farmers in my State of California who are desperately anxious to grow more sugar beets, and they can grow as good sugar as can be grown in South Africa. I do not think it is necessarily a question of having to divide the South African sugar quota among other nations. There is no reason why we cannot bring it back home and give it to American farmers, most of whom are in desperate economic straits.

I could not agree more with the Senator from Oklahoma when he says it is not a question of trade with a less than friendly nation. It is not a question of trade at all. We are not talking about maintaining trade relations with South Africa. It has been suggested that perhaps we should not maintain trade relations with South Africa, but that is not the issue. It is a very simple issue. It is a simple symbolic issue. Is the Government of the United States, is the Senate of the United States, going to go on record before the American people and before the people of the world as giving a special benefit to South Africa?

And whether we may justify, in our own minds, through all kinds of processes of rationalization, that we are not giving a benefit to the Government of South Africa, that in fact we are just attempting to allow the South African Government, which has produced sugar for the United States when it needed it, a return in kind, I think it is quite clear that this vote is going to be symbolically held out in this country and around the world as a decision by the Senate of the United States to vote a bonus for the Government of South Africa, and thereby implying that when it comes to business relationships, the United States puts cash ahead of morality.

Mr. KENNEDY. Mr. President, I yield such time as he may require to the Senator from New York.

Mr. JAVITS. Mr. President, I served at the United Nations last fall as a result of my appointment by the Senate, and I know of few moral questions which so deeply move the world or a situation which so affronts the world's morality of apartheid in South Africa.

We need more effort to be selective in our disapproval. There are many things that we will do and continue to do with South Africa because they are in the interests of the world or our own. But this sugar quota is one thing we really do not have to do. This is quite gratuitous. South Africa is an extremely prosperous land, though its blacks, by and large, do not share adequately in that prosperity.

It seems to me, Mr. President, that when we have a chance at least to show our moral indignation which is so completely tied up with voluntarism on our part as the sugar quota, it is a great mistake not to show it. I thoroughly agree with my colleagues who have said this is a symbolic vote. Most of the world's population is yellow, brown, or black; and the overwhelming majority of the votes in the United Nations are from nations with people who are mainly yellow, brown, or black.

We wish to have a unified world as well as a moral world. I can see few cases more clear than this in which we can make an expression of morality on a matter which is entirely within our dispensation as a people.

I really think, considering the affront to the morality of mankind which is represented by apartheid in South Africa, this is the very minimum we ought to do in this situation, and I hope the Senate will sustain the amendment of the Senator from Massachusetts.

Mr. BROOKE. Mr. President, will my colleague yield for a question?

Mr. KENNEDY. I yield.

Mr. BROOKE. I was disturbed by the breakdown on redistribution that would ensue as a result of this amendment. According to the Senator from Louisiana I forget the actual figures he read, but Australia would get the bulk of what is now South Africa's quota, and Taiwan would get the next highest number of tons of raw sugar.

I certainly support the amendment of my distinguished colleague from Massachusetts. I just wonder if there would be a possibility of amending that amendment to provide a more equitable distribution of that sugar quota than the one which the distinguished Senator from Louisiana has indicated would result if this amendment carries.

Certainly Taiwan does not need a larger sugar quota at this time. And the amount of sugar tonnage that would go to the black African states under the pending amendment is so small, it would seem to me that we would be on much firmer ground if we agreed to increase the quota for the black African states rather than giving the quota to, say, Australia or Taiwan.

My question is, Could the Senator amend his amendment at this time to provide for a more equitable distribution of the sugar quotas?

Mr. KENNEDY. I say the Senator's point is well taken. The initial consideration in the amendment was that we thought about how, if the amendment were to be passed, the quotas should be distributed. There were those who thought we ought to try to distribute it, possibly, among the great countries in West Africa. The Senator from Oklahoma, who is not present at the moment, felt, as a member of the Finance Committee, and had an amendment to that effect, that it should be distributed pro rata, just generally across the board, rather than going to the Eastern Hemisphere countries.

I personaly preferred that we do it in terms of the developing countries of Africa themselves, and I would be glad to suggest the absence of a quorum and perhaps work out some arrangement.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. KENNEDY. I yield.

Mr. LONG. May I suggest, if we can gain unanimous consent to do so, that I was glad to give unanimous consent to offer all this en bloc, even though it involves a number of amendments, and maybe we could get unanimous consent that if the amendment is agreed to, the distribution of that quota would remain subject to further amendment. That being the case, any one could offer whatever he thinks might be an appropriate amendment in the event South Africa is not to have a sugar quota.

Mr. KENNEDY. I think that may be a pretty good answer to the question of my colleague of Massachusetts. To do the contrary would perhaps involve us in a rather prolonged discussion.

Mr. President, I suggest the absence of a quorum.

Mr. LONG. The Senator understands it will come out of his time.

Mr. KENNEDY. That is right, the time to be charged——

Mr. LONG. I object to charging it to our time.

Mr. KENNEDY. No, the time to be charged to myself.

The PRESIDING OFFICER (Mr. BURDICK). The Senator from Massachusetts has enough time remaining for a quorum call.

Mr. KENNEDY. May I ask how much time we have remaining?

The PRESIDING OFFICER. Twenty-three minutes.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CANNON). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 8 minutes remaining.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes.

Mr. KENNEDY. Mr. President, the observation made by my colleague, Mr. BROOKE, is well taken in terms of if the amendment is agreed to, that it would distribute this modest sum to other countries which have been named in paragraph B. So it is the intention of my colleague, Mr. BROOKE, and myself to offer an amendment to insure that any savings from the South Africa quota will be distributed to Mauritius, Swaziland, and the Republics of Uganda and Malaui which were included in the House bill but were stricken out by the Senate, in the percentages outlined in paragraph B. So we would be willing to present the amendment to insure that if this amendment is successful, and I hope that it will be, we can have a corresponding second vote to insure that any benefit from this amendment would be distributed to those countries.

Mr. LONG. If the Senator wishes to offer such an amendment to include black countries, why leave Liberia out of it?

Mr. KENNEDY. We will get a chance to talk to this issue at a time after this amendment is voted on.

Mr. President, I am prepared——

Mr. LONG. Mr. President, I yield myself 1 minute to say that I was willing to give consent that we vote on the amendment, but I am frank to say the more I think about it, I think that was a mistake; but we have to consider, do we want to deny South Africa the sugar quota and, if we want to do that, to whom would we like to assign the sugar?

I am frank to say that the judgment of the majority on the Finance Committee was that we should be assigning this sugar to those whom we can depend upon to supply it to us, in the event we have a real emergency and find ourselves in great difficulty getting sugar. Those of us on the committee felt that if we are going to reallocate the sugar, it would be far better to reallocate it to our Latin American friends who are close to us, where we would be assured of a supply in the event of an emergency, where it is not a matter of doing someone a favor, but they would be doing us a favor. We need to prepare for emergencies in bad times as well as good times.

If we are going to start to amend an amendment, I have an amendment at the desk that I want to offer to simply reallocate that sugar among our Latin American friends and allies. But I would still offer the Senator from Massachusetts the proposition to simply leave that matter subject to amendment, in the event his amendment is agreed to, and then we would be privileged to decide where to allocate the sugar.

Mr. BROOKE. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG. I am happy to yield.

Mr. BROOKE. What is the Senator's proposition?

Mr. LONG. I would suggest that we simply agree by unanimous consent, that if the amendment is agreed to, the countries to which the sugar would be reallocated would be subject to amendment, so that we could then vote on whether we wanted to allocate the sugar to Latin American countries, or certain other countries, or whoever we wanted to allocate it to. If we do it on that basis, we could then decide, do we want to deny South Africa a sugar quota and, having done that, then amend the amendment to reallocate the quotas in that amendment, however we want to.

Mr. BROOKE. A further question. If the Senator's amendment carries, then cannot the Senator introduce an amendment, anyway, for reallocation?

Mr. LONG. I am afraid not. I believe that if the amendment carries as it stands, it would no longer be subject to amendment.

In other words, I would ask the Parliamentarian if that is correct.

The PRESIDING OFFICER (Mr. CANNON). If specific parts were amended, they would not be subject to further amendment. However, items not amended by the Senator's amendment would be open to further amendment, or new language could be put in.

Mr. LONG. But would not this be true—that looking at the amendment and we take the sugar from South Africa and reallocate it to the following countries in paragraph (B). If we say that, then we cannot amend that part of the bill—I guess we could amend the countries in paragraph (B). But I would ask the Senator if it is correct, if it is going to do anything more than allocate countries in paragraph (B)—could the Senator take that part out and allocate countries in paragraph (A).

The PRESIDING OFFICER. The Chair will state that the language already amended could not be touched, but the Chair will not interpret the amendment.

Mr. KENNEDY. Mr. President, a parliamentary inquiry. Is there any reference to any countries in paragraph (A) in that amendment?

The PRESIDING OFFICER. Will the Senator kindly restate his parliamentary inquiry?

Mr. KENNEDY. Is there any reference to any of the countries in paragraph (A) in the amendment? None of those countries have been mentioned.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the amendment touches one country mentioned under paragraph (B) and inserts new material.

Mr. LONG. Mr. President, I understand what the parliamentary situation is, if others do not. I have made a fair proposition.

Mr. BENNETT. Mr. President, I should like to propound a parliamentary inquiry, if the Senator will yield to me the necessary time.

Mr. LONG. I yield.

Mr. BENNETT. Under the Chair's interpretation, would it be possible to strike one country out of the list in the amendment and substitute another country for it?

The PRESIDING OFFICER. Yes, that would be possible.

Mr. BENNETT. It would be possible to do that for every country in that list?

The PRESIDING OFFICER. That is listed in paragraph (A)?

Mr. BENNETT. I have not seen the amendment, so I do not know what paragraph (A) is or what paragraph (B) is.

The PRESIDING OFFICER. Paragraph (A) in the bill.

Paragraph (A) includes countries in the Western Hemisphere. Paragraph (B) includes countries outside the Western Hemisphere. The present amendment just touches one country under paragraph (B).

Mr. BENNETT. And the balance?

Mr. KENNEDY. Mr. President, in order to clarify this, if the manager of the bill and the ranking minority member of the Finance Committee would permit, I ask unanimous consent to be able to strike out any reference to any of the countries and make it refer only to striking out the South African quota which would preserve all rights of Members of the Senate to allocate that portion in any subsequent amendment.

I ask unanimous consent, Mr. President, to strike out all the words following line 3 in my amendment, beginning with "on page 31."

The PRESIDING OFFICER. Is there objection to the modification?

Mr. LONG. Mr. President, reserving the right to object, and I am not sure I do want to object, I want to be advised by a staff member precisely what that would do. I do not think I want to object to it. However, I want to see what the request is before I agree to it.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. LONG. Mr. President, I do not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 56 minutes remaining.

Mr. LONG. Mr. President, I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I want to know who owns the sugar plantations and processing plants where the working conditions are poor. Are they owned by the people of that country?

Mr. LONG. The answer is in some cases yes, and in some cases no. It all depends on the country the Senator has in mind.

Mr. AIKEN. Mr. President, if we take a quota away from some country that is paying reasonably good wages and has reasonably good working conditions and give that quota to another country where working conditions are poor, and the cost of production is less, would we be helping the people of that country or the international investors?

I have not seen many sugar plantations. I have seen some. Every one that I have seen has been owned by out-of-country investors.

It strikes me that we ought to know what we are voting for, whether approval of the proposed amendment would really raise the standards of the poor people in an underdeveloped country or whether it would raise the profits of international investors who might be in France, England, or conceivably in the United States or some other country.

Mr. LONG. Under the amendment as modified we would not know whether we would be helping international investors or laborers until we pick out the countries one by one and the situation varies on a country-by-country basis.

Mr. AIKEN. Who does the chairman of the committee think would get the benefit. Would it be the international investors or the people who need to live in those particular countries?

Mr. LONG. At this point, we do not know, because the amendment has been withdrawn with regard to the reallocation. So, we would not know to what country we would be assigning it until later.

Mr. AIKEN. I asked the Senator who he thought would receive the benefit.

Mr. LONG. My answer would be some of both. However, I am guessing as to what the Senate will do. I would say that in South Africa we have a great number of independent holdings. For example, we have 6,100 producers who are either black or Indian. They are independent producers in South Africa and would be adversely affected by this amendment.

While an effort has been made to indicate that those producers do not produce much, I notice, with respect to the Indian producers, for example—and those people came to South Africa a century ago as field workers, and they are from India and are not American Indians, but are India Indians—they produce 10,000 tons. Twenty-two of them deliver over 5,000 tons of cane. Forty-one of them deliver over 3,500 tons of cane.

While it is true that working conditions in South Africa are not high compared to the United States, compared to other nations to which the sugar would be allocated, they are higher.

Mr. AIKEN. They are much higher?

Mr. LONG. The Senator is correct. Obviously, if we cut the price of the businessman who produces sugar, and if he cannot afford to pay labor a wage that tends to make him lose money, it tends to make the price come down.

Mr. AIKEN. I was wondering whom I would be voting for if I voted to take away the quota from a country that had good working conditions and paid reasonable wages and gave it to another country where the cost of production is much less. It would seem to me that it would be benefiting the investors in that case.

Mr. LONG. That could very well work out to be the case.

Mr. AIKEN. And the investors would accept it?

Mr. LONG. I do not think they would turn it down.

Mr. CRANSTON. Mr. President, I fully support the amendment to H.R. 8866 offered by my distinguished colleagues, Senators HARRIS, KENNEDY, and RIBICOFF, to suspend the sugar quota to the Republic of South Africa.

The Republic of South Africa practices a racist policy known as apartheid, which has been repeatedly denounced by the United States through United Nations resolutions. Apartheid dehumanizes black South Africans. It denies not only economic and social equality to its nonwhite citizens, but also basic dignity and human rights.

It is a policy which requires all nonwhite citizens over the age of 16 to carry the "pass"—a document of more than 90 pages containing detailed personal data. The pass must be produced for inspection by police at any hour and in any place. Pass raids and accompanying police brutality occur frequently as police invade homes, separate families, and perpetuate terror throughout entire communities.

It is a policy which has refused visitors visas to numerous black Americans, including prominent athletes, entertainers and public officials.

It is a policy which in recent years has multiplied the legal machinery for its enforcement. There is no justice for nonwhites in South Africa.

Despite the U.S. official condemnation of apartheid, the United States has, since 1962, provided the Republic of South Africa with a special form of foreign aid—the sugar quota. In 1970 alone, South Africa received $5 million for 60,000 tons of raw sugar exported to the United States. The House-passed version of H.R. 8866, the Sugar Act Amendments of 1971, continues for 3 years the South African sugar quota of 60,003 short tons. The Senate Finance Committee has recommended only a minimal reduction in this quota—providing South Africa with a quota of 57,745 short tons of sugar for each of the next 3 years. This bonanza allows South Africa to sell more than 6 percent of its total sugar crop in a protected U.S. market at nearly twice the world price.

White-owned farms produce 92 percent of South Africa's sugar. Indian and black farms produce only 8 percent. The average fieldworker's wage in the South African sugar fields, including housing, amounts to only $1.68 per day. Clearly, the major portion of the profits received from the U.S. sugar quota contribute to the continuation of apartheid.

Mr. President, I find it morally reprehensible that the U.S. Government and the U.S. taxpayers should subsidize the sugar industry and the economy of a nation which denies fundamental human rights to black people.

If we, as a nation, truly believe in the principles of justice, freedom, and human dignity, then we must discontinue this sugar quota to South Africa. We must refuse to support economically a nation whose official policy we have condemned as immoral and unjust.

We are a freedom-loving people. We reiterate frequently and eloquently our love of justice and our support of racial equality and self-determination throughout the world. Indeed, Secretary of State William Rogers recently declared in an official policy statement on Africa:

> The United States will continue to stand for racial equality and self-determination. We will help to provide economic alternatives for the small independent states in southern Africa . . . We take our stand on the side of those forces of fundamental human rights in southern Africa.

I believe, Mr. President, that we can no longer tolerate the existence of such a glaring gap between our national pronouncements and our economic policies regarding South Africa. I, therefore, strongly urge that this amendment be approved. An overwhelming vote to suspend the sugar quota to the Republic of South Africa will put the U.S. Senate on the side of fundamental human rights in southern Africa and at home.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

Mr. LONG. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Massachusetts. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. GRIFFIN. On this vote I have a live pair with the Senator from Arizona (Mr. GOLDWATER). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from North Carolina (Mr. ERVIN), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

On this vote, the Senator from Indiana (Mr. BAYH) is paired with the Senator from North Carolina (Mr. ERVIN). If present and voting, the Senator from Indiana would vote "yea" and the Senator from North Carolina would vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The pair of the Senator from Arizona (Mr. GOLDWATER) has been previously announced.

The result was announced—yeas 45, nays 47, as follows:

[No. 166 Leg.]

YEAS—45

Beall
Boggs
Brooke
Case
Chiles
Church
Cook
Cooper
Cranston
Eagleton
Fulbright
Gravel
Harris
Hart
Hartke
Hatfield
Hollings
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mathias
McGovern
Metcalf
Miller
Mondale
Montoya
Moss
Muskie
Nelson
Pell
Percy
Proxmire
Ribicoff
Roth
Saxbe
Schweiker
Scott
Stevenson
Symington
Taft
Tunney
Williams

NAYS—47

Aiken
Allen
Allott
Anderson
Bellmon
Bennett
Bentsen
Bible
Brock
Buckley
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Cotton
Curtis
Dole
Dominick
Eastland
Ellender
Fannin
Fong
Gambrell
Gurney
Hansen
Hruska
Inouye
Jordan, N.C.
Jordan, Idaho
Long
Mansfield
McClellan
McGee
McIntyre
Packwood
Pearson
Prouty
Randolph
Smith
Sparkman
Spong
Stennis
Stevens
Talmadge
Thurmond
Tower
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Griffin, for.

NOT VOTING—7

Baker
Bayh
Ervin
Goldwater
Mundt
Pastore
Weicker

So Mr. KENNEDY's amendment (No. 198), as modified, was rejected.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BENNETT. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. MONDALE). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 60, line 22, after the word "ceased" add the following wording: "or unless the President determines that such quota termination is not in the national interest."

On page 61, line 12 after "subsection (a)" add the following wording: "unless the President determines that such suspension is not in the national interest."

On page 41, line 17 strike out all of (2) up to line 24 on page 42.

Mr. JAVITS. Mr. President, I yield myself 10 minutes, and would like to state to the Senate that I had contemplated offering two amendments, one to strike out that part of the bill which puts a quota on confectionary imports, and the other that part of the bill which makes regulations regarding expropriations following July 1971, but decided that it would be more advisable, in view of my position on both of these matters, to leave them to the conference. At this time I wish to express my views respecting them, so that the Senate may be informed and so the conferees may be advised of the existence of the sentiment in the Senate on these two matters.

First as to the confectionery amendment, the Senator from Illinois (Mr. PERCY) has already raised this point. I have traditionally fought here against quotas, and this is a quota, very unlike the sugar quota, which deals with the admissibility of a given amount of raw sugar at higher than world prices in pursuance of an understanding and traditional policy to assure adequacy of supply. This confectionery language has nothing to do with adequacy of supply. There is no question of adequacy of supply in it. It is a straight quota situation, but is brought in under the cover of the fact that most of what goes into candy is sugar and coconut; therefore, as this is a sugar bill, the confectionery quota is given a ride in this bill.

The other body does not include it. It is completely unfair to the consumer to include it. There is not even a case for the manufacturer, in that United States prices are quite stable. There has been no tremendous impact from imports. The committee report itself has to content itself with saying that it is the fear that imports may come in that induces the committee to write in this quota.

Mr. President, one could sharply dramatize this issue. The United States candy manufacturers have been very intelligent about prices. Prices have not risen materially. This quota might encourage them, or it might encourage some, and bring about the very strong denunciations of the fact that candy is being taken away from children, or words to that effect.

Mr. President, it is very ill-advised. Representative MILLS in the other body joined with Representative BYRNES in protesting it, and that is why it was left out of the bill there. It really has no basis in fact, and has no place in this bill; and, as the chairman of the committee indicated, the manager of the bill, in response to the statement of the Senator from Illinois (Mr. PERCY) upon this subject, said he certainly is sympathetic to its exclusion.

I hope very much that the House of Representatives will insist upon its exclusion, and that it will be excluded. I do not believe I wish to complicate this particular vote in the Senate by risking the fact that a significant contrary view may be expressed out of sympathetic consideration for quotas on other commodities. Indeed, that is the very reason in addition to the jurisdictional question why Representative MILLS urged the House committee to omit it, and why it was omitted.

I hope very much, therefore, that it will come out as a result of the conference between the two Houses.

The other matter to which the Senate's attention should be called is a very radical change being made in the sanctions which the United States can impose if there is an expropriation of American property owned by U.S. citizens in another country, without adequate compensation.

The Senate has dealt with this problem before, and in past sugar legislation and in the foreign aid legislation in the Hickenlooper amendment has not given the President adequate discretion to lift sanctions when the national interest required that the strict sanctions should not be applied. That was the case with the Hickenlooper amendment, and the House of Representatives began to change that practice, in this year's bill.

I point out respectfully that the committee now moves in the opposite direction, beginning with the expropriations that might take place after July 20, 1971. It now proposes to adopt a new condition and, in my judgment, possibly very embarrassing procedure to the United States, because it has automaticity. And not only has it automaticity and requires the imposition of the penalty of being deprived of a sugar quota, but it also adds a new provision which I have never seen before in legislation. Mr. President, this new provision states that if the Tariff Commission upholds the finding of expropriation without fair compensation that entitles the claimant to dip into what results from the imposition of the sugar quota in order to be reimbursed, but it provides further that if the Tariff Commission does not act, by its mere inaction, the quota is suspended automatically year after year.

This is a really novel provision that I have never seen before. It reminds me of the Marx brothers, who played musical instruments. When they were asked how much they were paid to play, they said "Ten dollars." When they were asked what they got for not playing, they said "Twenty dollars." That is the kind of provision this is.

Mr. President, it is inconceivable that we should lock ourselves in in this way. We tried with the Hickenlooper amendment. We thought we were going to get great results from it, and in the first case we came across, the Peruvian case, it appeared highly in the national interest that we would simply forgo the strict application of the law, because it would have been very much against the American interest had it been automatically applied.

I think it most unwise to lock ourselves in in this way, and I think the Senate should know this is precisely what is being done with this new and novel wrinkle, which I have described in this amendment.

Again, Mr. President, I will not call up my amendment to add the President's discretionary authority, because it is already in the House bill, and I feel it is much wiser to leave the matter to conference. But I should like to strengthen the hands of those who would like to see this provision in the Committee on Finance's bill, at the very least, made subject to the suspension and discretionary power of the President in the event that the operation of this whole title is found to be inimical to the national interest of the United States.

I ask unanimous consent that my amendments be printed in the RECORD. I further ask unanimous consent that the House provisions on these same subjects be printed in the RECORD, together with the reference in the House report and the protest to the House Committee on Ways and Means against including the confectionery quota.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXPROPRIATION AMENDMENT

One of the key changes in the Sugar Act proposed by H.R. 8866 is to give the President two new powers to deal with foreign nations which expropriate the property of American citizens without due process of law.

Under the proposed revision of Section 408(c) of the Sugar Act the President, at his discretion, could either withhold a part or all of the sugar quota of such a nation.

Either concurrently or separately the President could, at his discretion, impose a special impost of up to $20 per ton on sugar imported into the United States from nations unlawfully taking the property of American citizens subsequent to January 1, 1969. It is the clear intent of the Committee that the Presidential authority to impose this impost shall be retroactive to all claims for expropriations as described in this provision arising subsequent to January 1, 1969. Subject to such terms and conditions as the President may prescribe, payment of claims by U.S. citizens would be made from any funds collected by the special impost.

In granting these new powers the Committee recognizes the President's legal discretion to use or not use them as he sees fit. However, the Committee strongly urges the President to invoke these powers against any nation which refuses to treat Americans fairly and equitably.

CONFECTIONERY QUOTA

The Committee considered a proposal to add to Section 206 of the Sugar Act a new subsection which would impose by statute an import quota on confectionery. The contention was that since import quotas are imposed on raw sugar and on refined sugar that there should be reasonable quotas imposed on confectionery because it is a sugar-containing product. The proposal would not have embargoed confectionery imports, but would have permitted an increase not only in poundage but also as a percentage of domestic industry production. It would have permitted confectionery imports to rise from the 1969 level of approximately 3.5 percent of domestic industry production.

A substantial portion of the Committee supported this proposal and in its initial considerations of this legislation the Committee included this proposal as a new subsection of Section 206. The Committee, however, upon later consideration voted to remove it. This action came after a request to do so was made by the Chairman and the ranking minority member of the Ways and Means Committee in behalf of that Committee. Opposition was also expressed by the Administration.

HOUSE AGRICULTURE COMMITTEE WORDING

(c) In any case in which a nation or a political subdivision thereof has hereafter (1) nationalized, expropriated, or otherwise seized the ownership or control of the property or business enterprise owned or controlled by United States citizens or any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens or (2) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this Act) not imposed or enforced with respect to the property or business enterprise of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States or (3) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this Act), or has taken other actions, which have the effect of nationalizing, expropriating or otherwise seizing ownership or control of such property or business enterprise or (4) violated the provisions of any bilateral or multilateral international agreement to which the United States is a party, designed to protect such property or business enterprise so owned or controlled, and has failed within six months following the taking of action in any of the above categories to take appropriate and adequate steps to remedy such situation and to discharge its obligations under international law toward such citizen or entity, including the prompt payment to the owner or owners of such property or business enterprise so nationalized, expropriated or otherwise seized or to provide relief from such taxes, exactions, conditions or breaches of such international agreements, as the case may be, or to arrange, with the agreement of the parties concerned, for submitting the question in dispute to arbitration or conciliation in accordance with procedures under which final and binding decision or settlement will be reached and full payment or arrangements with the owners for such payment made within twelve months following such submission, the President may withhold or suspend all or any part of any quota, proration of quota, or authorization to import sugar under this Act of such nation, and either in addition or as an alternative, the President may, under such terms and conditions as he may prescribe, cause to be levied and collected at the port of entry an impost on any or all sugar sought to be imported into the United States under the quota of such nation established pursuant to this Act in an amount not to exceed $20 per ton, such moneys to be covered into the Treasury of the United States into a special trust fund, and he shall use such fund to make payment of claims arising subsequent to January 1, 1969, as a result of such nationalization, expropriation, or other seizure or action set forth herein, except that if such nation participates in the quota for the West Indies, the President may suspend a portion of the quota, or proration of the quota, for the West Indies which is not in excess of the quantity shipped from that nation during the preceeding year, until he is satisfied that appropriate steps are being taken, and either in addition or as an alternative, he may cause to be levied and collected an impost on any or all sugar sought to be imported into the United States under the quota of such nation for the payment of claims as provided herein. Any quantity so withheld or suspended shall be allocated under section 202(d)(1)(B) of this Act.

* * * * *

Mr. JAVITS. Mr. President, I withdraw my amendments.

Mr. LONG. Mr. President, if I might just——

Mr. JAVITS. Mr. President, I will not withdraw the amendment, if the Senator wishes the time.

Mr. LONG. Mr. President, in the mind of this Senator, we did the right thing when we agreed to the so-called Hickenlooper amendment. As a matter of fact, I believe it was my amendment, when we first agreed to the principle in the Committee on Foreign Relations, that it would not be discretionary with the President whether he should act when someone has confiscated our citizens' properties. It is still stealing, in my judgment. We agreed with that—that the President would not have any discretion, that it would be mandatory upon him to terminate foreign aid. Senator Hickenlooper modified it, in ways that justify his name being associated with that matter, to say that all the sophisticated ways in which they are not really confiscating it directly ought to be covered—such as charging you back taxes in an amount that exceeds your investment, or they do not let you have an import quota for raw materials necessary for your plant, or they deny you an export quota to ship your product into an international market. He was right about that.

So that we then made it mandatory upon the President. The President had been in violation of that proposal insofar as sugar was concerned, because it was my motion that put the provision in the Sugar Act that if they confiscate your property and do not give adequate compensation, he will terminate their sugar quota.

The President has been advised that other foreign policy considerations and other things are involved. Some third-party investors do not think that the law ought to be obeyed. The President just has not done it, even for other foreign policy considerations, although the law clearly requires, for example, that Peru's sugar quota would be terminated.

So far as this Senator is concerned, I felt that we would just leave it with the President to decline to enforce the law we have passed. Our only recourse is to impeach him, and we do not have that many votes. So we will say that we will leave it as we find it in the Peruvian situation, but for the future we want an independent agency that is not going to be considering anything except whether this is a confiscation, a taking without adequate compensation.

The facts of life are that under existing provisions of law the foreign country can drag this thing out and stall along for 18 months by pretending that they are considering the amount of compensation that ought to take place, or that they are going to give the man the right to appeal, or the President can appoint some appellate board. Bear in mind that the man ultimately in charge is the same fellow who confiscated the property. The final court of appeal is the man who confiscated the property.

We felt that after 18 months of dilly-dallying we ought to put this decision in an independent agency, so that the President cannot decline to enforce the law because he is afraid of how some foreign diplomat will vote on the Security Council of the United Nations, or for some other consideration, but we would simply do as we do in other matters. The Tariff Commission has a duty to make a finding if there is an unfair trade practice, such as antidumping.

What can be a more unfair trade practice than for a trading partner to steal your property and not pay you for it? So we simply say that, after all the delay, then comes the Tariff Commission, and then they have 6 months in which to make a finding. By that time, the delays that have been available to them plus the delays in the Tariff Commission may have dragged this matter out for 24 months, and at some point there should be a decision. At that point we say that if you cannot make an affirmative decision by this time—assuming that the country is or is not confiscating property—if you cannot answer by this time that they are not confiscating your property, then we ought to suspend the sugar quota, just hold it up, until such time as you can make an affirmative decision that they are not stealing your property.

It would be the same situation, in my judgment, as if you are litigating a matter and you delay the matter until you make the final decision.

But we are not saying here that the whole thing is final. We are saying that it would take 2 long years before all the recourse of the country stealing your property would require that the quota be terminated; and if Congress is not satisfied with that, looking 2 years in the future, before anything could happen, then we would suggest that Congress amend the law.

In any event, the matter is in conference, as the Senator has suggested.

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The thing I object to is the automaticity of locking ourselves into a situation such as this, without giving the President any discretionary authority to be used to further the national interest.

I yield to no one in my effort to work for an equitable division of authority between Congress and the President. I am working hard on that in respect of war powers, as everyone knows. But, at the same time, we do not want to cripple ourselves and the President by a straitjacket, and that is what this does.

Second, the provision to which the distinguished Senator from Louisiana has referred, the suspension, triggered by indecision of the Tariff Commission, is absolutely unheard of. It is a provision which could cause the United States very great difficulty and very great embarrassment, and I hope very much that it does not persist or find its way into the proposed legislation.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Chair recognizes the Senator from Illinois.

Mr. McGEE. I would like to ask the chairman of the committee about the omission from the bill of two African states that received zero quotas. One was Malawi, and the other Uganda.

The reason I ask the question is that we have been wrestling with this question on the African Subcommittee of the Committee on Foreign Relations. It had many other problems knotted in it; it was a much larger question than merely the sugar quota. Complications transcended the boundary lines, and even regions of Africa, and included other areas in the diplomatic field; and I think it would be useful for the Record if the Senator from Louisiana would explain why both Malawi and Uganda were not included.

Mr. LONG. The reason we did not do it was that we had requests from other countries that would like to have sugar quotas for the first time, and we were being compelled by circumstances to make reductions even on countries that are old and reliable suppliers. Our regular suppliers had performed faithfully and really are closer to us, and in times of emergency could be more relied upon to deliver sugar to us because of their proximity.

So we thought that if we applied a formula based upon performance in the past, we would have a formula that would be pretty well above criticism and above the sort of innuendos that the Senator has seen in the past directed toward Congress about these matters.

Therefore, we felt that we did not want to add any new countries, because it would bring into question why we added the ones we did. There is a good case advocated for those countries, of course, and that is why the House of Representatives included them. They will be in conference. If we had had more sugar quotas to be distributed, I would have been glad to make some of it available to those countries.

Mr. McGEE. That answers my question. There is great sensitivity over the question, as well as other questions, including the matter we have just had a vote on, of South Africa.

If this might represent a token, at the very least, that could be carried in on one boatload of sugar, that would be symbolic, partly because one of the republics, Malawi, however else one may characterize it, has been a very friendly, new, independent country in a very isolated part of Africa in terms of that kind of employment.

In Uganda, where there has just been a turnover of the regime, some of the same attributes also appeared. I am advised that this is being interpreted in a negative way.

It is difficult to get across to those making inquiries that this was not a rebuff or a turnaround of policy. I have made an effort to suggest that this had nothing to do with our foreign policy, that it had to do with policies that have prevailed before, and the experience with the act. We wanted countries that had performance records; we found that there had to be a cutoff place, and that to admit one or two would have meant to add others.

Mr. LONG. The Senator is correct. There was a good case made, for example, for admitting Liberia. This Nation originally made possible the independence of Liberia, I believe in the time of Thomas Jefferson or James Madison; at any rate, it was a long time ago, and we found some sympathy for its inclusion.

But if we added Liberia, there were some other countries that would feel they ought to be considered.

I can assure the Senator that the House of Representatives did put quotas in for those two countries. The House did not work out its quotas on the same basis as the Senate, and we will undoubtedly have to compromise with them in conference. It might be that we will find it necessary to accept the House provision, and it would not at all pain this Senator if that were how it worked out.

Mr. McGEE. I appreciate that comment from the manager of the bill, and I thank him for the courtesy of making the record clear on the matter, to try to separate it from some of the other diplomatic and political questions that might otherwise be present.

Mr. ALLOTT. Mr. President, I first want to take this opportunity to commend the committee and the able floor managers of this bill, the Senator from Louisiana and the Senator from Utah, for their diligent work in bringing this bill to the floor for consideration. It is a good bill in my judgment and should protect the welfare of our domestic sugar industry as well as provide an ample supply of sugar for our consumers at a fair price.

Many years ago, we recognized that if our American producers had to compete with those of foreign countries, we would have very little sugar grown in the continental United States. Our high operating and labor costs would render our producers incapable of competing with the cheap tropical labor of other nations. However, it would be naive to depend totally on a foreign supply for an essential staple. For defense and strategic reasons we must. within the United States, possess the ability to produce a substantial portion of our sugar requirement.

Experience indicates that our present quota system is superior to attempting to give our producers protection solely through a tariff system. Prior to 1934, when the quota system was first enacted, we found ourselves ill-equipped to deal with the severe price fluctuations of the world sugar market. The quota system assures consumers of an adequate and stable supply of this commodity at a fair price. In fact, American consumers enjoy a reasonable price. Of the nations that do not produce their entire sugar needs, many have significantly higher retail prices than does the United States. For example, as of January of this year, the retail price in Italy was 18.6 cents; in Japan, 18.4 cents; in West Germany, 17.7 cents; in Sweden, 14.8 cents; and in Denmark, 14.5 cents. This compares with a price of 13.4 cents here in America.

It is significant to note also, Mr. President, that the sugar program is relatively self-sustaining. During each of the years this program has been in existence, receipts from the tax of 0.53 cents per pound that is imposed on all sugar manufactured in or imported into the United States have exceeded the payments to domestic growers. In addition, Mr. President, because of the "payment scaled down provisions" contained in the act, which have the desired effect of granting additional benefits to small producers, the program plays an important role in distributing farm income and working against the trend of mass migration from the farm to the city.

Mr. President, after comparing the foreign sugar quota distributions recommended by the Finance Committee with those contained in the House passed bill, I believe the Finance Committee has done an extremely equitable job in its review. I believe the committee was wise in allocating quotas to foreign nations based generally on their delivery performance during the last extension of the act. I believe that this is in the best interests of the United States. By depending on those who have served our market well in the past, we will provide the best assurance to our consumers of a dependable performance in future years.

The Sugar Act has done an excellent job of maintaining a strong domestic sugar industry. The continued prosperity of the 28,000 farms—10 percent of which are located in my State, 2,559 sugar beet farms—that produce sugar beets and sugarcane depends on passage of this bill. One hundred and fifty thousand farmworkers depend on this industry. The success of this act is further indicated in the fact that contrary to most of our farmers, the farmer in the sugar industry is now receiving a larger percentage of the sugar sales dollar now that he did prior to 1940.

I compliment the committee for their expeditious work and urge the Senate to adopt their recommendations.

Mr. MONDALE. I would like to address myself to the section of the Sugar Act which discusses the distribution of the additional sugar beet allotment. The House version authorizes the Secretary of Agriculture to give preference to areas where a sugar beet factory has recently closed. The Finance Committee deleted this language and in its report said that such a preference may "discriminate against new areas and favor an area where the facility has already failed."

I think that both the Senate and the House versions have expressed valid concerns, but I do believe that there is a middle position which may be agreeable to both Houses. I agree with what I think is the Finance Committee's position and that is that they do not want to give any kind of preference to areas that do not have the desire, ability, soil conditions, financing or the local support to make a sugar beet plant a success.

The situation that I just described is not the case in southwestern Minnesota where the 60-year-old American Crystal Sugar Plant at Chaska, Minn., was closed. The urban growth from Minneapolis and St. Paul surrounded this plant and had made this an undesirable location for this type of activity. Furthermore this obsolete plant could not meet the pollution control standards that had been established by the State without a very large expenditure of money. These factors, along with the fact that the actual growing of the beets had steadily moved westward so that most of the growers were more than 50 miles from the plant, made this a very uneconomical plant.

The fact that the plant closed, however, is not an indication that these farmers do not want to grow sugar beets or that they cannot. The plant was closed this past January with no notice to the local growers that relied on this plant. Many of these growers had recently purchased new equipment, bought fertilizer, prepared the soil, and did other things to make them ready for the 1971 campaign. These growers were ready, willing, and able to grow beets this spring but could not proceed because the plant at Chaska had been closed. I believe that there are grounds to treat these growers differently than we would treat an area where there were poor soil conditions or where the local farmers did not desire to grow sugar beets or only desired to do so when prices for other crops had fallen. I am convinced that the Senate Finance Committee did not mean to treat these two very different situations in the same way.

I think the House probably had the Chaska situation in mind when they agreed upon the preference language whereas the Finance Committee was probably thinking along the lines of the latter situation that I described when they decided to delete this language. I would hope that the Senate conferees would agree with these distinctions and during the conference with the House an agreement recognizing these equities could be reached.

Even though the Senate Finance Committee did not adopt the preference language of the House bill they did go along with the farm history provisions which will be very beneficial to the growers in southwestern Minnesota. This provision "protects for 3 years the farm history of a producer who lost his market for sugar beets because of the discontinuance of contracting by a processor."

I am confident that the Secretary of Agriculture will look with favor upon southwestern Minnesota because of this farm history provision and the undisputed ability of the growers in this area to produce the quantity and quality of beets that are needed to justify an allotment.

SUGAR ACT STATEMENT BY THE HONORABLE PAUL FINDLEY

Mr. PERCY. Mr. President, I consider the statement on the Sugar Act made by my colleague from the 20th District of Illinois, who serves as a member of the House Agriculture Committee, the Honorable PAUL FINDLEY, so pertinent to the current debate and so penetrating in its analysis of the problem that I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON SUGAR LEGISLATION BY U.S. REPRESENTATIVE PAUL FINDLEY, BEFORE THE HOUSE COMMITTEE ON AGRICULTURE, MAY 3, 1971

Mr. Chairman, at the outset I wish to compliment Chairman Poage on the policy changes he has initiated in regard to committee consideration of sugar legislation. He gave notice early that he would not receive foreign lobbyists for private discussions, that all his contacts with foreign lobbyist would be in open hearings on the public record, and that a public record be made of foreign agent registration.

These measures, I feel, have built public confidence in the legislative process and have set a good prudent standard for others of us on the committee. As a former newspaperman, I say the best protection for the public under this program is disclosure of the facts as to who represents whom, and when and for how much.

Politics is the art of the possible. This must be kept in mind as we consider the politics of sugar in 1971.

Fundamental change is difficult to achieve even under ideal circumstances in a program as longstanding and complex as the sugar act.

Inertia is a powerful force in the law of physics and even more powerful in the law of sugar. The sugar act has been in motion for more than 37 years, and its natural tendency—like other things in the physical world which are in motion—is likewise to remain in motion.

Producers, suppliers and major users of sugar are highly organized. Witness the lobbyists who have kept this room filled through day after day of long hearings. Domestic interests are so highly organized they were able to present an unchallenged united front on specific legislative recommendations.

These varied but coordinated interests have succeeded in convincing large numbers of Representatives and Senators to accept the dubious proposition that the sugar act is much too complex, precious and delicate for even minor remodeling.

Up to this point at least, the Administration has not announced a position.

Other prospective reform advocates are few in number. Consumers and taxpayers are poorly organized. The role of sugar, while important, is not prominent in the family budget. Moreover, the complexity of the act tends to discourage such lay groups from effective attack. Sugar price advances—starting of course from a very high base—have been no more spectacular than other food items. The U.S. cartel is so neatly packaged its defenders can even make an argument—though a very superficial one—that the act makes money.

It's easy to see why domestic producers like things as they are. For all practical effect, markets and prices are fully guaranteed. Foreign competition is tightly regulated. Direct government payments are a pleasant extra for which no resource adjustment is required.

The act makes life easy for major users by providing merchandising services. Supplies are steady. So are prices, although at steadily higher levels.

Quota countries could hardly be happier. The U.S. market is highly profitable—the sweetest premium market in the world.

All this is by way of saying that change this year will not be easy. But change is needed for two main reasons: first, foreign suppliers are paid too much; second, government payments to individual domestic producers go too high.

My recommendations will deal only with these two items.

The premium foreign suppliers get when they sell sugar to the U.S. amounts to a gigantic unregulated foreign-aid program whose annual value ranges between $250 million and $350 million a year.

It differs from the traditional foreign-aid program in two most unfortunate respects: first, it is financed entirely by U.S. citizens as consumers, not as taxpayers; second, its benefits are distributed with little discrimination and with no social objective.

The very existence of the highly-paid corps of foreign sugar lobbyists is evidence that foreign quotas are a much-prized bonanza.

The degree to which the American people are fleeced by the foreign quota provisions of the act is indicated by data supplied to the Committee by Mr. Arthur L. Quinn, representing British Honduras. In testimony Tuesday of last week he stated that the F.O.B. realized return by Honduras on sugar supplied in 1970 to various markets was as follows:

15,758 tons to the United States at $136 a ton.

23,692 tons to the United Kingdom at $99 a ton.

27,194 tons to Canada at $80 a ton.

"Net realized" means after any duties and import fees are paid.

Translated, Honduras got 6.8 cents a pound from the U.S., 5 cents from the United Kingdom, 4 cents from Canada. The world price was a notch lower at 3.8 cents.

Lobbyists of course defend the prices paid for foreign sugar and insist that a lower U.S. price would be a serious if not mortal blow. This reaction is natural, perhaps, as no one welcomes income reduction.

When speaking for the West Indies, Mr. Quinn indicated his clients in recent years lost money on two-thirds of their exports (that to the U.K. system) and survive only because of the profits realized from shipments of the remaining one-third (that to the U.S.). Others have made similar allegations.

I seriously question the validity of the allegation of losses on sales to the U.K. market. But even if one accepts it, a larger question remains. Why should the United States keep itself in the curious position which, in effect, subsidizes sugar prices throughout the U.K. system?

SUPPLEMENT TO STATEMENT BY REP. PAUL FINDLEY (R-ILL.) AMPLIFIES PAGE 3 COMMENT ON "PASS-BACK" FORMULA

In fact, the "pass-back" scheme could accurately be named "pass more back," because it will yield a substantial increase for the big six—the largest of the giant sugar-producing corporations.

Under the "pass more back" formula, each will get 40 cents per hundredweight on all production compared with present sliding-scale rates which, due to varying production, range between 33.8 cents and 39.1 cents.

The extra bonanza these giants have lined up for themselves comes to an aggregate of

$517,703.72 based on 1969 production. It's a good thing for the American people the sugar industry didn't propose an even lower limit!

In that year two producers each got a payment in excess of $1,000,000. The "pass more back" formula will boost this largess, compliments of the U.S. taxpayer, by a hefty 20 percent.

Here are the details:

SUGAR INDUSTRY "PASS MORE BACK" PROPOSAL

	1969 production (pounds)	Current rate at (cents)—	1969 payment	"Pass back" at 40 cents	Inc. under "pass-back"
Hawaiian Comm. and Sugar Co., Puunene	3, 698, 732	33. 2	$1, 229, 666. 32	$1, 479, 492. 80	$249, 826. 48
U.S. Sugar Corp., Clewiston, Fla	3, 179, 767	33. 8	1, 073, 980. 08	1, 271, 906. 80	197, 926. 72
Waialua Sugar Co., Waialua	1, 472, 286	38. 2	561, 735. 90	588, 914. 40	27, 178. 50
Oahu Sugar Co., Waipahu	1, 365, 555	38. 8	529, 717. 61	546, 222. 00	16, 504. 39
South P. Rico Sugar Co., South Bay	1, 341, 498	38. 9	522, 499. 44	536, 599. 20	14, 099. 76
Lihue Plantation Co., Lihue	1, 322, 192	39. 1	516, 708. 93	528, 876. 80	12, 167. 87

Note: Net increase, $517,703.72.

The injustice in the present pricing system is also apparent when one recognizes that no foreign producer faces cost items as high as those which confront U.S. producers, yet each gets the advantage of a price based on U.S. costs.

For example, wages as little as $1.50 or $2 a day are still commonplace among foreign suppliers; $4 a day is big money. Contrast these with almost $35 a day paid to workers in Hawaii and $1.85 an hour in the sugar beet areas of the U.S.

Despite the wage differential, foreign suppliers get almost the same price in the U.S. market as domestic producers.

Somehow, this Committee must devise a way to get a better price on sugar supplied by foreign countries. Under the present arrangement the American people get hooked, and bad.

Direct government payments to some individual producers go much too high. The largest made in 1969 are listed in the Appendix.

Government payments at any level are hard to rationalize in a controlled market in which profitable market prices are virtually guaranteed. They can be justified only in social terms, that is, to meet a need for farm-family income supplement. At the level of those listed in the Appendix, payments are an absolute outrage.

An annual limitation not higher than $55,000 should be established, as under the feed grains, wheat and cotton programs. Under each of these latter programs, farmers must make substantial adjustment of resources—that is, land retirement—in order to establish entitlement. Under sugar, there is none. My own preference is a $20,000 aggregate level for all programs.

And the individual limit should be an honest one. Schemes to negate the effect of the limit, like the "pass-back 40–40" invention proposed last Friday by the domestic industry must be rejected. The "pass-back" is evasion on its face and an insult to the integrity of this Committee.

Distinguished support for the limit on individual payments comes from Dr. John A. Schnittker, Under Secretary of Agriculture from 1965–68. In a speech October 20, 1970, to the Sugar Club of New York, he said:

"Limiting direct government payments to farmers is a popular issue today; the limitation in the new farm bill is long overdue. Limiting Treasury payments to $55,000 per crop (or to $20,000, as I would prefer) will not 'destroy the farm programs.' Limiting Sugar Act payments to $55,000 will not destroy the Sugar Act, nor will it generate a sugar shortage nor threaten the security of the United States."

The payment limit provisions in the Sugar Act must be carefully drawn. It is clear that the payment limit in the Agricultural Act of 1970 applying to wheat, cotton and feed grains will effect almost no savings to the government.

The $55,000 payment limit makes sense in several ways. Provided no farm-splitting occurs, expenditures for direct government payments would be reduced about $12,441,000 a year. Second, it would serve to retard the trend toward bigness in sugar production, in that production above 27,495 tons of beets a year by a single farmer would have no entitlement for direct payment. This is the production on 1,833 acres, using 1969 crop data averages.

Conceivably the payment limit will lead to the permanent subdivision of some farm units, and if so, this would accord with the philosophy so often expressed legislatively by this Committee which favors the family structure—as opposed to the corporate structure—in American agriculture.

Reform of the administration of the present sliding scale of individual payments is also needed.

The General Accounting Office a year ago completed a study to determine the manner in which the constitution of farms under the sliding scale of payments was being administered by the Agricultural Stabilization and Conservation Service. Payments range from 30 to 80 cents cwt. depending on the size farm, with small farms favored.

In six of the seven states in which the review was conducted, GAO found that county ASCS offices had not adequately reviewed nor had state offices effectively monitored constitutions of sugar beet and sugar cane farms. GAO found instances where two or more separately constituted farms were owned and operated by the same individual or individuals. According to the USDA guidelines, such farms should have been constituted as one farm for government payment purposes. Because of the sliding scale method of payment, the farm owners received total payments in excess of what they would have received had the farms been constituted as a single farm as they should have been.

The GAO report recommends, "The Administrator, Agricultural Stabilization and Conservation Service, should establish procedures at the state and national organizational levels to provide assurance that (1) county offices and committees are making annual reviews to determine the propriety of the sugar farm constitutions and (2) determinations made by county committees are consistent with applicable regulations and instructions."

USDA currently is reviewing its farm constitution requirements in light of the GAO report. This Committee should demand that USDA move with all dispatch to implement these recommendations under any extension of the Act, and if necessary, draft directives in the Act to insure compliance.

What should be done to bring to a reasonable level the price we pay for foreign sugar?

I will list three different approaches in order of my preference:

1. Secure all foreign supplies by competitive bidding.

Under this procedure, the Secretary through the Commodity Credit Corporation would be authorized to purchase all foreign sugar requirements through contracts established by competitive sealed bidding. At least once a year, he would issue a general invitation to all foreign sugar producers to submit bids as to quantity, price and delivery and would accept those determined to be best. Contracts could be for more than one year if deemed advisable.

The Secretary would make purchases under these contracts as domestic market conditions require. He would pay the price specified in the contract, sell the sugar into domestic channels at the going U.S. market price, and deposit the difference in the general fund of the U.S. Treasury. Under this arrangement, the present import duty on sugar logically would be eliminated.

Like the other two alternatives I will mention, this approach would leave protection for U.S. producers exactly as presently.

Several advantages are obvious:

It would end all discrimination among foreign sugar producers. Each would be given an equal fair chance at supplying the U.S. sugar market.

It would take Congress out of the business of allocating high-profit business among certain favored sugar-producing nations. Neither the Executive Branch nor the Congress would have favors to distribute to foreign suppliers. These countries would have no reason to continue to employ sugar lobbyists.

It would establish for the first time in years a meaningful world price for sugar. This would be useful to the Congress in deciding future questions of domestic price policy.

The acquisition of foreign sugar supplies at long last would be on a reasonable business basis. The foreign-aid component would be completely extracted, and therefore the Congress would no longer be tempted to use sugar as a tool of foreign policy.

The change would not necessarily alter present patterns in sugar supply. Undoubtedly countries now supplying sugar to the U.S. would wish to continue and therefore would seek contracts. In evaluating bids the Secretary would of course take into account such factors as past performance, capacity, proximity as well as price factors.

The change, while of course retaining the basic elements of state-trading that now exist, would be progressive in several ways. Country quotas, and the discrimination they imply, would be ended. Prices would be determined through fair and open competition. Since U.S. foreign purchases amount to a large portion of total world trading in sugar, the shift to competition might establish a trend of reform in other cartel arrangements.

Competitive bidding would serve the public interest in another important way. It would reduce the potential for mischief that now exists in the system of raw sugar purchases.

Refiners now rarely deal with foreign suppliers through the traditional broker system. Instead they deal with what can be termed raw sugar operators, a group of five large concerns which control most of the foreign raw sugar we import. In many cases these firms buy foreign sugar and then sell it to U.S. refiners, instead of serving only as brokers. This trend toward monopoly puts in very few hands control of immense raw sugar supplies and opens unfortunate possibilities for manipulation of the U.S. market. According to one source, the largest seven suppliers to the U.S. control the following percentages of imported sugar:

	Percent
Czarnikow-Rionda Co	25–30
M. Golodetz and Co	15–20
Christman Associates	10–15
Farr, Whitlock, Dixon & Co	8–12
Amerop Corp	8–12
Cargill, Inc	8–12
Lamborn and Co	8–12

My proposal would reduce, if not eliminate, this potential for mischief.

2. Recapture to the U.S. Treasury half the difference between the world price and the U.S. price.

Based on 1970 prices this provision would have yielded $168 million to the Treasury, while leaving to quota countries a substantial bonus for serving U.S. needs. The recapture would establish the net realized U.S. price for foreign suppliers, based on 1970, at 6.5 cents, 1.5 cent a pound above the U.K. system price. It would be similar to the recapture provision which was carried out about ten years ago and, so far as I know, without complaint from GATT.

In no way would it harm domestic sugar producers. Our average U.S. sugar price in 1970 was 8.07 cents per pound duty paid at New York while the average world price was 4.88 cents per pound. We could safely recover one-half of this difference and still be sure of adequate supplies.

3. Increase the tariff on imports from its present level at .625 cents a pound to 1.5 cents, and add a provision permitting the President to reduce the tariff if the world price should rise to a point he deemed dangerous to the satisfactory functioning of the program.

Normally this would add about $53 million to the U.S. Treasury above current revenue.

Of these alternatives the competitive bidding approach strikes me as the most reasonable and fair. Each of these plans would leave the interests of U.S. producers and their refiners as surely protected as now. Likewise, each would establish prices paid to foregin suppliers at levels more fair to the American people.

Finally, I strongly urge that the Act not be extended for more than three years. This short term extension would provide a test for the change as recommended and also help to create an atmosphere for further reform.

1969 Sugar Act payments in excess of $55,000

California:	
Giffen Inc., Huron	$145, 784. 06
C. J. Shannon & Sons, Tulare	107, 040. 50
H. M. Tenneco, Bakersfield	160, 076. 13
Hausmann & House Ranches, Brawley	66, 388. 56
Heidrick Farms, Inc., Woodland	61, 300. 80
Santiaga Ranch, Bakersfield	58, 787. 04
Chew Bros., Sacramento	57, 781. 57
Florida:	
U.S. Sugar Corp., Clewiston	1, 073, 980. 08
South Puerto Rico Sugar Co., South Bay	522, 499. 44
Talisman Sugar Corp., Belle Glade	388, 061. 87
Florida Sugar Corp., Belle Glade	189, 724. 40
S. N. Knight & Sons, Inc., Belle Glade	136, 547. 10
Closter Farms, Inc., Belle Glade	131, 835. 85
Sugar Cane Farms Co., Palm Beach	130, 671. 75
New Hope Sugar Co., Palm Beach	126, 704. 86
A. Duda Sons, Inc., Oviedo	121, 801. 93
715 Farms Ltd., Pahokee	84, 656. 04
Billy Rogers Farms, South Bay	74, 189. 46
Wedgworth Farms, Inc., Belle Glade	72, 587. 87
Double D Ranch, Inc., Loxahatchee	65, 464. 50
A. F. Saunders, Inc., Belle Glade	60, 994. 82
Eastgate Farms, Inc., Orlando	58, 452. 75
Ov Land Co., Clewiston	58, 025. 19
Sam Senter Farms, Inc., Belle Glade	57, 395. 51
Hawaii:	
Hawaiian Com. & Sugar Co., Puunene	$1, 229, 666. 32
Waialua Sugar Co., Inc., Waialua	561, 735. 90
Oahu Sugar Co., Ltd., Waipahu	$528, 883. 61
Lihue Plantation Co., Ltd., Lihue	516, 683. 93
Pioneer Mill Co., Ltd., Lahaina	449, 783. 02
Kekaha Sugar Co., Ltd., Kekaha	448, 199. 61
Ewa Sugar Co., Inc., Ewa	448, 155. 87
Mauna Kea Sugar Co., Inc., Hilo	402, 366. 91
Kohla Sugar Co., Hawi	383, 958. 50
Hawaiian Agricultural Co., Pahala	366, 048. 39
Grove Farm Co., Inc., Lihue	360, 566. 41
Honokaa Sugar Co., Haina	357, 965. 45
Pepeekeo Sugar Co., Pepeekeo	354, 699. 97
Laupahoehoe Sugar Co., Papaaloa	352, 326. 64
Puna Sugar Co., Ltd., Keaau	323, 580. 68
Hutchinson Sugar Co., Ltd., Naalehu	321, 662. 97
Hamakua Mill Co., Paauilo	317, 808. 13
McBryde Sugar Co., Ltd., Eleele	313, 934. 99
Olokele Sugar Co., Kaumakani	304, 239. 84
Wailuku Sugar Co., Wailuku	290, 128 .89
Paauhau Sugar Co., Ltd., Paauhau	216, 467 .56
Kahuku Plantation Co., Kahuku	209, 905. 53
Gay and Robinson, Makaweli	181, 819. 11
Kilauea Sugar Co., Ltd., Kilauea	162, 761. 09
Idaho:	
Farm Development Corp., Boise	142, 223. 50
Louisiana:	
The South Coast Corp., Hauma	297, 981. 25
Southdown, Inc., New Orleans	186, 213. 42
Sterling Sugars, Inc., Franklin	103, 398. 71
Milliken & Farwell, Inc., Port Allen	72, 165. 79
Churchill & Thibaut, Donaldsonville	70, 200. 88
A. Wilberts & Sons L/S Co., Plaquemine	65, 535. 99
Savoie Industries, Belle Rose	57, 192. 92
Oregon:	
Skyline Farms, Ontario	56, 265. 62
Washington:	
K2H Farms, Inc., Prescott	111, 489. 80
Puerto Rico:	
Luce & Co., S en C, Aguirre	279, 575. 74
Antonio Roig Sugar, Humacao	209, 863. 13
Sucn. J. Serralles & Wirshing, Mercedita	152, 678. 53
South Puerto Rico Sugar Corp., Ensenada	135, 218. 78
Arsenio Martinez Bian, Coloso	117, 813. 62
Producer 660019587 Type 1 (No current Name & Address)	65, 887. 69
Ernesto Quinones Sambolin, San German	56, 162. 64

Mr. STEVENSON. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

At the end of the bill insert a new section as follows:

"Section 20 (a) Section 301(c) of the Sugar Act of 1948, as amended, is amended by renumbering paragraph (2) as paragraph (6), and by inserting the following new paragraphs:

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. MANSFIELD. Mr. President, I would prefer to have the amendment read, if the Senator does not mind.

Mr. STEVENSON. I withdraw my request.

The second assistant legislative clerk continued to read the amendment, as follows:

(2) That the producer shall have complied with the regulations in effect under the Act of June 6, 1933, as amended (commonly known as the Wagner-Peyser Act, 29 U.S.C. 49 et seq.), pertaining to adequate housing facilities and to adequate water and sanitary facilities in the fields which he provides or causes to be provided.

(3) That the producer shall not knowingly employ as sugarworkers persons who are not citizens of the United States or who are not aliens lawfully admitted to the United States whose employment violates the terms or conditions of their admission.

(4) That the producer shall not have charged, or permitted to be charged, directly or indirectly, any amount in excess of the reasonable cost for the furnishing to any employee board, lodging, or other facilities or services customarily furnished by such producer or producers in the area or by a crew leader or labor contractor under the producer's control.

(5) That the producer shall not have discharged or in any other manner discriminated against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding, or has served or is about to serve on a committee or panel under section 305 of this Act.

(b) Section 305 of the Sugar Act of 1948, as amended, is amended to read as follows:

"Use of Local Committees and Other Agencies—

"(a) In carrying out the provisions of titles II and III of this Act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, farm worker organizations and representative groups, State and county agricultural conservation committees, the Agricultural Extension Service, and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees, agencies, associations or other groups may be deducted from the payments herein authorized.

"(b) The Secretary shall establish for each locality a panel consisting of equal representatives of (1) producers of sugar beets or sugarcane, (2) persons employed on the farm as sugar workers, and (3) the general public. Any dispute between a producer and persons so employed on the farm concerning wages or conditions of work (including the reasonable cost of board, lodging, or other facilities or services which the producer provides or causes to be provided) shall be referred to the appropriate panel for resolution in an impartial manner. The decision of any panel shall be subject to review by the Secretary for a period of twenty days after such decision is made."

Mr. STEVENSON. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER (Mr. MONDALE). The Senator from Illinois is recognized for 10 minutes.

Mr. STEVENSON. Mr. President, in order to qualify for payments under the Sugar Act in its present form, a domestic producer must meet certain minimum wage and child labor requirements for persons employed as farmworkers in the cane and beet sugar fields.

The purpose of the amendment is to condition payments to domestic producers on certain additional and modest requirements which will improve the lot of the farmerworkers.

These amendments were, in part, considered in the Finance Committee. I should like to emphasize at the outset that they have been modified. One of the provisions in the amendments submitted to the Finance Committee included a revision in the minimum wage requirements. That provision was submitted to the committee but has been eliminated from the amendment now before us. This amendment recognizes that producers recruiting farmworkers through the U.S. Employment Service are required to provide housing for the farmworkers meeting certain minimum Federal standards. The amendment extends the standards to all farmworkers of sugar producers receiving payments under the act.

Because of the influx of aliens working illegally in the United States in competition with domestic farm workers, reduces employment opportunities for domestic workers; the amendment also requires producers to refrain from knowingly employing such illegal aliens.

The amendment requires further that only reasonable charges be made for farmworkers' board, lodging, and other facilities provided by the producers. A dispute over whether such charges are reasonable would be considered a wage dispute and would be resolved by procedures which I will discuss. They are also established by this amendment.

The amendment forbids the discharge or any other form of discrimination against employees, because they were involved in the filing of a complaint under this act, or testified in a dispute or served on a committee to adjudicate disputes under the amendments.

Sugar workers are so poverty stricken that to many the fear of losing work is a powerful deterrent to their seeking their rights. They have been easily intimidated in the past against asserting the very few rights that they do possess.

The amendment would amend section 305(a) of the Sugar Act of 1948, to authorize the Secretary of Agriculture to utilize farmworker organizations and representative groups in carrying out the application of the provisions of the act. It would require the Secretary to establish in each locality a panel composed equally of representatives of sugar producers, field workers, and the general public, to consider any dispute between the producer and the worker concerning wages or conditions of work. The conditions include reasonable cost for board, lodging, or other facilities or services which the producer provides or causes to be provided.

The decisions of the panel are then subject to review by the Secretary of Agriculture within 20 days after they are made. Currently, there is no fair or unprejudiced way for field workers to have their disputes with a producer over wages or deductions from their wages resolved. Complaints now, as the law stands, are considered by the local agricultural stabilization and conservation committee which, according to the Department regulations, is composed solely of producers or growers.

The Sugar Act offers a substantial subsidy to a private industry. The amendment does no more than to cut in, in a modest way, a long-suffering part of the public on that subsidy, with standards established by the Secretary of Agriculture. This amendment would mean a little better housing. It would mean a little more justice for the overworked and the underpaid workers in the cane and beet sugar fields of the United States.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. LONG. I yield 5 minutes to the Senator from Utah.

The PRESIDING OFFICER (Mr. BELLMON). The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, most of the changes proposed in these amendments would defeat a principal purpose of the Sugar Act: To protect the welfare of those engaged in the domestic sugar-producing industry, and would have the effect of significantly restricting the employment opportunities and sugar beet and sugarcane workers.

The suggested changes to section 301 (c)(1) concerning public hearings are accomplished under the present act. Most of the proposed changes on standards to be considered in the establishment of fair and reasonable wage rates are now considered by the Department. Regarding the proposed proviso concerning Sugar Act payments, the present act provides effective penalties for preventing abuse of the wage regulations.

Adoption of the other suggested changes concerning housing standards, illegal aliens, charges beyond reasonable costs for housing, discrimination by producers against workers, and the use of various groups or individuals in the administration of the Sugar Act would so burden and ensnarl employers and sugar program Government personnel in expensive and time-consuming administrative procedures as, first, to effectively preclude employment of a large portion of the workers who otherwise would be hired and, second, to greatly reduce the domestic production of sugar.

The present wage regulations under the act have been effective in protecting the welfare of workers as well as producers although no doubt the higher wages have reduced employment to some extent. Any further curtailment of the employment opportunities of workers, as could be expected from burdensome administrative procedures, would work additional hardship on workers.

Mr. STEVENSON. Will the Senator from Utah yield at that point?

Mr. BENNETT. I yield.

Mr. STEVENSON. I tried to explain at the outset—and I can fully appreciate the Senator's concern—that these amendments are not in the same form as those submitted to the committee. They do not, in any way at all, amend or affect section 301(c)(1).

Mr BENNETT. I appreciate the comments of the Senator from Illinois, the author of the amendment, but I am afraid that he has not had any experience with the operation of the Sugar Act. As a practical matter, in my State, we have had 35 years of experience with it. The growers and their employees, we think, have already developed a working relationship that does not need these additional restrictions.

> That the producer shall have complied with the regulations in effect under the Act of June 6, 1933, as amended (commonly known as the Wagner-Peyser Act, 29 U.S.C. 49 et seq.), pertaining to adequate housing facilities and to adequate water and sanitary facilities in the fields which he provides or causes to be provided.

Does the Senator say that is still in the bill?

Mr. STEVENSON. Yes, sir.

Mr. BENNETT. The benefits of the U.S. sugar program are divided among processors, producers, and workers. The Department of Agriculture in administering the program takes the view that workers receive their benefits in the form of cash wages, and they have. When the worker receives a fair and reasonable cash wage, he is then free to choose for himself whether to live in free housing provided by the producer or make other arrangements for himself.

I would like to ask again concerning the next section:

> That the producer shall have determined to his knowledge that his employees engaged as sugar workers are citizens of the United States or are aliens lawfully admitted to the United States whose employment does not violate the terms or conditions of their admission.

Is that still in the act?

Mr. STEVENSON. Not in that form. That is changed. The amendment in its present form requires that the producers violate the law at their peril, at the peril of losing payments. It incorporates the penalty provision that they cannot knowingly hire illegal entrants without risk of loss of payments.

Mr. BENNETT. In other words, the protection to the worker is stiffer than the penalty on the producer.

Mr. STEVENSON. No. The penalty has changed. Under this amendment if the producer knowingly violates the law by hiring an illegal entrant, he then runs the risk of losing his payments.

Mr. BENNETT. Well, is that not tougher than the present law? The substance of the proposal is the same. But it seems to me that to add that makes it tougher than the present law.

Mr. STEVENSON. Yes. As the law now stands, the producer can knowingly violate the law. He can knowingly hire illegal entrants and still be subsidized by the Government. My amendment would empower the Secretary to cut off the subsidy.

Mr. BENNETT. The provisions in the Immigration and Naturalization Act prohibit entry into the United States.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, I yield the Senator from Utah 5 additional minutes.

Mr. BENNETT. Mr. President, the provisions of the Immigration and Naturalization Act prohibit the entry into the United States of illegal aliens. A sugar crop producer should not be expected to enforce regulations under that act for which a considerable body of personnel and resources of the border patrol and other law enforcement agencies are already engaged.

I think that is a very heavy burden to impose on the producer.

Now, as to the question of charges beyond reasonable costs for housing, the proposal is:

> That the producer shall not have charged, or permitted to be charged, directly or indirectly, any amount in excess of the reasonable cost for the furnishing to any employee board, lodging, or other facilities or services customarily furnished by such producer or producers in the area or by a crew leader or labor contractor under the producer's control.

Is that still in the act? It is still in the Senator's provision unchanged.

Mr. STEVENSON. Would the Senator repeat that, please?

Mr. BENNETT. Housing and other facilities, when furnished by the producer to workers, are customarily furnished free of charge. In those cases where a charge is made for board or other services, the fee could not generally be considered excessive. When the worker considers such charges unreasonable, he has the opportunity to make other arrangements for himself. Wage determinations issued annually provide that producers may not reduce the wages provided through any subterfuge or device whatsoever. Producers who might be inclined to make excessive charges for services are confronted with this provision in the act as currently administered.

The question of discrimination by producers against workers contains this language in the amendment:

> That the producer shall not have discharged or in any other manner discriminated against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding, or has served or is about to serve on a committee or panel under section 305 of this Act.

Mr. STEVENSON. That provision remains in the act.

Mr. BENNETT. A producer must pay the worker in full for work performed whether satisfactory or not but need not retain his services under Sugar Act wage regulations. Discrimination against a worker by a producer would be extremely difficult to substantiate. This provision could engage administrative personnel to such an extent that other provisions under the act could not be properly administered.

If the Department of Agriculture had to spend some time running down every little complaint on the part of an employee with a threat that if he did not do it, he would lose benefits under the act, I think this would be an intolerable burden. At least, in my State, there are many producers who are just on the edge. They can make money producing other crops in their fields. If we load them with too many of these burdensome obligations, they would drop their sugar allotment.

Is the next proposal still in the act? It reads:

> (b) The Secretary shall establish for each locality a panel consisting of equal representatives of (1) producers of sugarbeets or sugarcane, (2) persons employed on the farm as sugar workers, and (3) the general public.

Mr. STEVENSON. Mr. President, that provision remains in the act.

Mr. BENNETT. The State and county farmer committee system has been established for the purpose of administering in the field the provisions of all the various farm programs carried out by ASCS. The appeal procedure set forth in sugar program regulations provides a workable means of resolving disputes and wage claims. Any worker dissatisfied with any determination initially made by the county committee may obtain a reconsideration of such determination by the State committee. If dissatisfaction exists with the State committee's determination, then the worker has the right to obtain a reconsideration at the national level. Establishment of and supervision of all the proposed panels in each sugar crop producing locality to handle a small portion of the work now handled by some 325 county offices in sugar localities would be bureaucratism run wild. The time required by members of the proposed panels to acquaint themselves with the regulations and with the facts in the cases would be a hardship on the members especially those that might be transient farmworkers with commitments to move to other localities.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, I yield the Senator 5 additional minutes.

Mr. BENNETT. Mr. President, here again, we have a time tested system to handle grievances and complaints. I do not see anything to be gained by setting up a kind of ad hoc system which could generate many questions about its objectivity or its responsibility.

Mr. President, I reserve the remainder of my time.

Mr. CRANSTON. Mr. President, I support the amendment offered by my colleague, Senator STEVENSON, to strengthen the provisions of the current law which protect farmworkers.

I represent the largest sugar beet producing State in the Nation. Sugar beets are grown in 31 of the State's 58 counties. The farm value of California sugar beets is over $98 million, which places sugar beets near the top on a list of the more than 200 farm commodities grown in my State. The total annual value of the sugar produced from these beets and their byproducts is about $200 million. Each year, California beet growers produced from 300,000 acres of sugar beets over 16 million 100-pound bags of refined white sugar. This is almost enough to supply the present annual sugar requirements of California's 20 million residents.

We are very proud of the California sugar beet industry and of its contribution to the welfare of the State and its citizens. Practically all of the money derived from the California sugar industry is spent by Californians in California—on the tools and equipment, materials and supplies, salaries and wages, and water and power required to maintain this important segment of California's biggest industry—agriculture.

In California, the sugar beet industry employed an estimated 15,000 workers in 1970, although probably not more than 5,000 at one time during the peak period. The harvest of sugar beets is entirely mechanized, but hand labor in the nature of weeding and hoeing is still required on each farm for several weeks out of the year.

The U.S. sugar program is the only farm program which provides some protections for the workers involved in the production of farm commodities. The law requires that the grower of sugar beets and sugarcane must meet certain conditions before he can be considered eligible to receive Government payments. The two amendments offered here today would add to these requirements the following protections for farmworkers:

First, that the housing for sugar workers and their dependents shall satisfy the applicable State or Federal housing and sanitation requirements, whichever are more stringent;

Second, that the grower shall not employ nonresident alien farmworkers in his sugar beet or sugarcane operations;

Third, that the grower shall not have discharged or in any other manner discriminated against any employee involved in the filing of a complaint concerning the above conditions;

Fourth, that only reasonable charges shall be made for furnishing workers' board, lodging, or other facilities or services; and

Fifth, and that there shall be established a disputes settlement procedure.

I wish to make it abundantly clear that I support these changes not because I feel the California sugar industry has been unfair to or mistreated its workers. To the contrary. I am sure we could muster a great deal of evidence, if necessary, to demonstrate that the California sugar industry has been forward-looking in its labor policies, and that it has even led the way in some instances for the farmworkers of other commodities. For example, sugar beet growers in California are now paying their workers $1.85 per hour, while the Federal minimum wage for agricultural labor is only $1.30 per hour.

The State of Hawaii has an even more impressive record in this area and, in fact protects its sugarcane workers in all the areas that would be covered by this amendment. In Hawaii, sugarworkers are paid the highest agricultural wages in the world, plus fringe benefits that include paid vacations and holidays, pensions, health insurance, unemployment compensation and workmen's compensation. However, there are still some States in the Nation which continue to tolerate some very substandard living and working conditions for sugarworkers. I believe we have ignored these conditions long enough and that we should seize this opportunity to move ahead in the area of agricultural labor protections.

Agricultural laborers in this country have long been denied even the most basic protections afforded virtually every other labor group in the country. They have been denied workmen's compensation, unemployment compensation and health and safety protections, to name but a few. Farmworkers have been forced to remain at the very bottom of our economic and social ladders while workers in other industries have enjoyed several decades of relative prosperity.

Mr. President, I firmly believe that the protections enjoyed by the Hawaiian sugarworkers—and to some extent by workers in California sugar—must also be extended to all other agricultural laborers. I sincerely hope that the U.S Senate will go on record today as supporting basic protections for one segment of our agricultural labor force.

Mr. STEVENSON. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. STEVENSON. Mr. President, any explanation of this amendment would speak for itself and cover the purpose. It simply says that those producers who violate the provisions of the law by providing substandard housing, housing which does not meet the standards already incorporated in the law for workers recruited through the U.S. Employment Service, will not be subsidized by the United States.

It simply says that any producer who knowingly violates the law by hiring illegal entrants and aliens in the country illegally will not be subsidized by the United States.

It says simply that those who violate the provisions of the laws, if amended, by deducting more than the reasonable amount for board, lodging, and other facilities from the wages of farmworkers will not receive subsidies.

Mr. LONG. Mr. President, would the Senator yield?

Mr. STEVENSON. Mr. President, I would be glad to yield on the Senator's time.

Mr. LONG. Mr. President, if the Senator is going to treat all of these beet sugar and cane farmers like big corporate farmers, why does he not apply the same provision to the corn farmers and the soybean farmers in his own State? They are more subsidized than the sugar farmers.

Why does he not propose treating them the same way he proposes to treat the cane farmers and the sugarbeet farmers? Why does he want to discriminate?

Mr. STEVENSON. Mr. President, I do not want to discriminate. I want to treat all farmworkers alike everywhere in the country. To my knowledge, we do not have any aliens coming across the border—perhaps illegally as happens in certain parts of the country—in my State.

I certainly think that farmworkers everywhere should be treated to adequate housing, to a chance to compete, not with illegal entrants, but with other American citizens for a fair chance when it comes to board and lodging and other facilities. With all due respect to the Senator from Louisiana, I am not sure there is another provision in our laws that is comparable to this provision for the sugar industry.

Mr. LONG. Mr. President, would the Senator yield?

Mr. STEVENSON. I yield.

Mr. LONG. Insofar as the subsidy for the sugar people, that is a subsidy the commodity bears and it is paid for by the tax on the commodity itself. But the Senator cannot say this people are being subsidized in that way. It comes out of the Federal Treasury and they are not putting up anything more than a general taxpayer would pay. Does not the Senator know that?

Mr. STEVENSON. I recognize that I do not know as much about the act as the Senator from Louisiana, but I understand many of the payments to sugar producers are, in effect, tariffs on sugar imported into this country, yet what is unique in this case is that the tariffs do not go to the Treasury but to the sugar producers.

Mr. President, I yield back the remainder of my time.

Mr. LONG. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time has been yielded back. The question is on agreeing to the amendment of the Senator from Illinois (Mr. STEVENSON). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Montana (Mr. METCALF), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 34, nays 59, as follows:

[No. 167 Leg.]

YEAS—34

Bentsen
Brooke
Case
Cooper
Cranston
Eagleton
Fulbright
Gravel
Harris
Hart
Hartke
Hatfield
Hollings
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Mansfield
McGee
McGovern
Mondale
Muskie
Nelson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Williams

NAYS—59

Aiken
Allen
Allott
Anderson
Beall
Bellmon
Bennett
Bible
Boggs
Brock
Buckley
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Chiles
Church
Cook
Cotton
Curtis
Dole
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Gambrell
Griffin
Gurney
Hansen
Hruska
Jordan, N.C.
Jordan, Idaho
Long
Magnuson
Mathias
McClellan
McIntyre
Miller
Montoya
Moss
Packwood
Pearson
Prouty
Randolph
Roth
Saxbe
Scott
Smith
Sparkman
Spong
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—7

Baker
Bayh
Goldwater
Metcalf
Mundt
Pastore
Weicker

So Mr. STEVENSON's amendment was rejected.

Mr. MILLER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MILLER. Mr. President, I send to the desk an amendment, and ask for its immediate consideration.

Mr. GRIFFIN. Third reading.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 59, line 3, insert the following after the word "payment": ", or arrangement for payment over a reasonable period of time,".

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. MILLER. Mr. President, I just want to briefly explain the amendment.

Mr. LONG. Mr. President, if the Senator will yield to me, what the Senator's amendment does——

Mr. MILLER. I yield to the Senator from Louisiana.

Mr. LONG. It is an amendment in the nature of a clarifying amendment. What it does it make very clear that which we thought was the purport of the amendment anyway, that if people are able to pay somebody for nationalized property over a period of time, that is included within the generality of the language.

That is what we intended, and we will be happy to accept the amendment.

Mr. MILLER. I understood the Senator from Louisiana is willing to accept the amendment. It merely clarifies what I think the committee intended.

I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Louisiana yield back his time?

Mr. LONG. I yield the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Iowa (Mr. MILLER).

The amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. HARRIS. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 55, after line 21, adding a new sub-paragraph (d):

"(d) In the event the President, in his discretion, determines that the benefits of participation by a foreign nation in this Act are not accruing, in a substantial degree, to those persons engaged in the sugar-producing industry of that foreign nation, he is authorized, under such terms and conditions as he may prescribe, to cause to be levied and collected at the port of entry an impost on any or all sugar sought to be imported into the United States under the quota of such nation established pursuant to this Act in an amount not to exceed the per ton difference between the average domestic market price for sugar of the year immediately previous to the year in which action under this Section is taken, and the average world market price for sugar of the year immediately previous to the year in which action under this Section is taken. Such moneys are to be covered into the Treasury of the United States into a special trust fund, and the President shall use such fund to finance United States Agency for International Development projects beneficial to the interests of those engaged in the sugar-producing industry of the nation upon which such impost is levied. Provided, however, that if such fund is not expended within one year of the last receipt into the Treasury of the United States, such fund shall revert to the payee."

Mr. HARRIS. Mr. President, I yield myself 5 minutes.

I ask unanimous consent that I may yield to the Senator from Massachusetts for a unanimous-consent request, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have an aide in the Chamber during the consideration of this amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HARRIS. Mr. President, the distinguished Senator from Massachusetts (Mr. Kennedy) and I are in the process of seeing whether or not an amendment can be drafted dealing, again, with a quota for the Republic of South Africa, that can, first of all, be presented here despite the previous vote—I am assured that that can be done—and second, to see whether or not that amendment presently—the idea is that the quota would be taken away from South Africa and allocated to domestic producers—might be able to garner sufficient additional votes to be agreed to by the Senate.

As Senators know, the previous attempt to strike the South African quota failed by only a 2-vote margin.

Another consideration involved here, Mr. President, is whether or not enough Senators are still here, if we were to vote on this amendment tonight—that is, the additional amendment in regard to South Africa. I believe, Mr. President, that this is a matter of the highest national importance in principle, and therefore I believe that if there is any chance that the Senate might agree to deny this quota, it ought to be given an additional opportunity to do so.

There is presently pending before the Senate the amendment which has just been read, one which I discussed earlier today, and I would wish to discuss it further if we are going to vote on this and the other amendments tonight. It deals, Mr. President, with giving the President of the United States a method by which he could be assured and we could be assured that if we are to subsidize a country's sugar industry, there would be some hope that the benefits of that subsidization would go to the workers themselves.

There are other amendments, including one which I have already prepared and discussed earlier, and not yet offered, which has to do with making applicable present Federal laws in regard to labor fully apply to labor in the sugar industry, and I am informed that additional amendments might be presented as well.

I would hope, Mr. President, that an additional vote on the South African quota question might be put off until tomorrow, so that all Senators who wish to vote on that issue—and I am afraid they would not be here presently—might be able to do so.

If that is not possible, I suppose we would have to go ahead and vote tonight. I just wonder if the majority leader—I know he expressed earlier a feeling that we ought to vote on this bill and all amendments to it finally tonight—might not be willing, if we could get an agreement limiting the number of any further amendments, say, to one, that is, the South Africa quota amendment—would be willing to agree to that, if we could reach a limitation on time and an agreement to a time certain to vote additionally on a South Africa quota amendment, and on the bill itself tomorrow, if it might not serve the best interests of everyone to put the final vote off until tomorrow.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield me 5 minutes?

Mr. LONG. I yield the Senator 5 minutes.

Mr. MANSFIELD. Mr. President, to say that I am distressed at the postponement request just made by the distinguished Senator from Oklahoma is to understate my feelings, personally and otherwise, on this matter.

Twice the joint leadership has informed the Senate that we would stay with this bill tonight until we finished it. It is my understanding that the distinguished Senator from Oklahoma was approached on the basis of four amendments he had considered offering and that he had stated that he was not going to offer any of them.

It was my further understanding that after the amendment offered by the distinguished senior Senator from Massachusetts (Mr. Kennedy), there would be only one further amendment, that to be offered by the distinguished Senator from Illinois (Mr. Stevenson).

The joint leadership finds itself in a most embarrassing position. But, of course, it is recognized that, regardless of what the joint leadership says to the Senate and to which there is no objection—not once, but twice—any Senator, on the basis of his own feelings, can decide otherwise.

I would hope the distinguished Senator would recognize the position in which the majority leader, at least, finds himself, and would agree to a vote on an amendment which I understand is to be offered by the distinguished Senator from Massachusetts (Mr. Kennedy), again dealing with the subject of quotas for South Africa. As the Senator, himself, has said, there is no question that an amendment of that nature can be offered at this time.

Ninety-four Senators are in attendance. 94 Senators will not be here tomorrow, because 95 were here for a while, but one has been called away because of a death in his family, and he will not be back before Wednesday or Thursday.

The Senator from Oklahoma and the Senate are aware that we are up against a deadline so far as the recess is concerned. Since January, every Senator has been informed that on August 6 the Senate would take a recess extending through September 8.

The joint leadership, with the approval of the entire Senate—with no objection from any Senator—has tried to schedule legislation in such a way that we could face up to the business at hand and get every possible appropriation bill out of the way by August 6, except four which will not have been sent over from the House.

That, in itself, may I say to the distinguished chairman of the Committee on Appropriations, the President pro tempore of this body, is the best record which has been made in many, many years. The Senator from Rhode Island, the distinguished minority leader, and all the others were able to come together on an agreement which met with the approval of every Member of the Senate.

If the South African amendment is to be offered again, I would plead with my colleagues, both of them, the Senator from Oklahoma and the Senator from Massachusetts, that it be offered tonight. We have a few Members here who should have been in bed some hours ago, but they have remained here because of the commitment made by the joint leadership, especially the majority leader, the Senator from Montana.

The Senator can force us over until tomorrow. He has that power. Any Senator has that power, because any Senator has more power than the majority leader or the minority leader, if he desires to exercise it. But one thing we have in this body is our word, and the promise we make to a Senator, individually or to the Senate as a whole, is, in my opinion, something sacred. So far as I am concerned, if circumstances will permit, I will honor any word I give to any Senator or to the Senate as a whole. But if I am forced away from keeping that commitment, I am sure that the Senate will understand.

I hope that the Senator from Oklahoma will not force me into that position tonight. He can, if he desires to do so. But with 94 Senators in attendance, the best attendance we will have this week, in my opinion, I would hope—I will not plead—that the Senator would recognize the position in which the leadership finds itself and would follow what I think is the wish of the overwhelming majority of this body, and that is that this amendment be offered tonight, that a vote be taken tonight, and that a vote be taken on final passage of the Sugar Act extension which is now before this body.

That is all I have to say.

Mr. HARRIS. Mr. President, I yield myself 5 minutes.

I understand from what the majority leader has said that he has given his word that there would be a final vote tonight. I feel that the South African quota question is an extremely important matter, far more important than the question of procedure in the Senate. I think it is a matter of rather basic principle. Senators, I know, agree and disagree on that issue.

May I say that immediately following the vote, the very close vote, on the South African quota question, I went to the cloakroom—I am certain the Senator does not know that—and had the cloakroom notify every Senator that this amendment probably would be offered again in another form. I understand that that was done by the automatic telephone system. Second, I immediately moved to notify the leadership that that was the possible plan.

Therefore, Mr. President, I think I have done what I should do as a Senator to be certain that no Member of this body would go away from the Senate thinking that this issue might not come up again.

I, for one, would hope that we could put it off until tomorrow, but perhaps that could not be done. In the meantime, I will proceed to discuss the amendment now pending before the Senate, which is an amendment that would allow the President of the United States to put into effect an import tax——

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HARRIS. I yield.

Mr. MANSFIELD. Mr. President, the Senator, of course, is acting within his rights, within the rules and regulations and procedures of this body. Would the Senator be kind enough to tell the Senate just what he intends to do tonight, so that the Senate can be informed and be able to react accordingly, in view of the circumstances which the Senator from Oklahoma may lay before us?

Mr. HARRIS. I would just state again to the distinguished majority leader that as close as the vote was, the Senate has not voted on the separate question that we are in the process of trying to draft—that is, to cut out or drastically reduce the quota for South Africa and reallocate that portion of the total quota not to foreign suppliers of sugar but to domestic suppliers of sugar. That is a novel question. It is one which the Senate has not heard, and I think it is a serious question. This is not a frivolous attempt to hold up the Senate on an issue of no importance.

As the Senator knows, there never would have been any possibility of voting on any of these questions tonight if I and the other Senators involved had not moved on our own to voluntarily agree to limitations of time. We have done that. There is no capricious intent here, just for frivolous purposes, to hold up the Senate. This is a novel matter and a serious and weighty matter. I would hope that Senators might have time to question it without, as the Senator said, being held up later than they should be. So, I would just plead with the Senate again that this is an issue the Senate is about 50-50 split on. The vote showed that. Some Senators were absent who did not vote and some who, I presume, right now, voted on the last vote that will not be here for the next vote, if this goes much further. I do not think it is too much to ask for some time, sometime tomorrow.

I am not trying to hold up the Senate. My intent is, if it can be done, in some way to recognize the importance of this issue and what is at stake here for the country and the seriousness of the matter which individual Senators can try to agree on a vote tomorrow. That is my intent.

Mr. MANSFIELD. Is it the intention of the Senator, if such an agreement is not forthcoming, to talk the remainder of the night and into the morning? I am just seeking information, so that the Senate will be able to act accordingly.

Mr. HARRIS. I do not know the answer. I am not trying to be evasive about that. I would like to talk with those interested in this amendment, about what their fears are. I do not want to be in the position of having to give up a chance to strike this quota, if there is some chance to strike it. The closeness of the vote indicates that there is such a chance. I would like to have a vote on the other amendments, or amendments which might be presented, and then in the process of, perhaps with a quorum call, discuss with those involved in this issue the matter of tactics.

As I say, I do not want to be capricious about it. I do not believe that I am, because I have been one of those who have agreed on the time limitations up to now. If the vote had been wide, and if it were not such an important question, we would not be coming back. The fact is, these conditions exist, and I would not want to give up the possibility of a chance of passing some repeal on the sugar quota for South Africa without talking with others interested in it.

Mr. LONG. Mr. President, have the yeas and nays been ordered on the Harris amendment?

The PRESIDING OFFICER (Mr. BELLMON). They have not been ordered.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, to the best of my knowledge, no one has accused the distinguished Senator from Oklahoma (Mr. HARRIS) of being capricious. That word is his own. It appears to me that it is difficult to get a direct answer from the Senator as to what he intends to do this evening.

Thus, on the basis of what he has had to say, I will have to guess that he intends to offer other amendments in addition to this amendment, and to put in a quorum call and meet with some of his associates to consider another amendment having to do with the sugar quota for the Republic of South Africa.

Therefore, Mr. President, I would like, hopefully, with the approval of the distinguished acting minority leader, and the Senate as a whole, including the distinguished Senator from Oklahoma, to suggest that, at the conclusion of the vote on the cloture motion tomorrow, there be 1 hour set aside for the amendment which will be offered having to do with the sugar quota for South Africa and that, at the conclusion of that 1 hour, a rollcall vote be taken on that amendment, to be followed by a rollcall vote on the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BELLMON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, how much time is left on the pending amendment?

The PRESIDING OFFICER. Four minutes to the proponents and 7 minutes to the opponents.

Mr. LONG. Mr. President, I want to be heard on this matter, if I may.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, so far as this Senator was concerned, I knew that the most emotionally charged issue would be the Kennedy amendment to strike the South African sugar quota. If the amendment were agreed to, I knew that Senator KENNEDY could walk out of here with South Africa under his belt. More power to him. That would be all right with me.

But now this Senator, if that amendment had been a Long amendment, or someone else's amendment, would have accepted the will of the Senate. But the vote was close, 47 to 45, and the Senator from Massachusetts and the Senator from Oklahoma should know they were not the only ones suffering from absentees.

One Member, the Senator from North Carolina, was not here at that time. That would have given us 48 votes. There might be one on the other side or there might be two absentees on our side. As a practical matter, the vote to strike the sugar quota for South Africa came after a unanimous-consent agreement, which I agreed to, that that matter would be a pure up and down vote on whether South Africa should have a sugar quota and, after that, we would then decide who got it.

If we want to go back into that again, I will have to insist on a division, so that it will be the same identical vote all over again.

So, Mr. President, I think we should have just a little rule of fair play around here. Those who came in here to plead for what we thought was fair, we would have taken our defeat and taken it on the chin and done the best we could under the circumstances. A motion to reconsider was made and then a motion was made to table. If any Senator wanted it otherwise, they should have asked for the yeas and nays and we would have had a vote on the motion to reconsider. But now we are told that we must go over tonight, so that someone can put some pressure on someone else, get some to leave town or bring some back.

I have been through this kind of thing many times before. We had it at the time of the campaign financing bill. We fought that battle for 6 weeks. Each time the vote went one way and the opposite the next. It depended on who could get the most there or get the most to go out of town. That sort of thing, of course, can go on forever and ever. I thought we had a gentleman's agreement and understanding on this; that is, no commitments, and that we would go along with the Mansfield proposal that we would have time limitations. As far as anyone's amendments were concerned, there would be one-half hour, but on the South African amendment there was 3 hours—all that for the South African matter.

If they want to vote on it again, that is all right with me. But I suggest that if the vote is put off overnight, so that somebody can put pressure on somebody else, and somebody can get somebody else who is out of town back into town, it is being done just to keep the Senate in session.

I would like to vote. There was a general understanding that there would be 3 hours on the South African amendment and a half hour on the rest of the amendments.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Louisiana has 4 minutes remaining.

Mr. LONG. I yield 1 minute to the Senator from Utah.

Mr. BENNETT. I should like to propound an inquiry to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. BENNETT. Has the majority leader put a unanimous-consent request to the Chair with respect to voting tomorrow?

The PRESIDING OFFICER. There was a unanimous-consent request, but it was objected to.

Mr. MANSFIELD. Mr. President, it is my intention, with the approval of the distinguished Senator from Oklahoma and the distinguished Senator from Massachusetts, who are interested in the amendment, and with the approval of the Senate, to propound a unanimous-consent request when this vote is disposed of; namely, that after the vote on the cloture motion tomorrow, 1 hour be set aside, the time to be equally divided between the manager of the bill, the Senator from Louisiana (Mr. LONG), and the Senator from Oklahoma (Mr. HARRIS), the sponsor of the amendment, the time to be equally divided; that at the conclusion of that time there be a rollcall vote on that amendment; and following that, a rollcall vote on the final passage of the bill.

Mr. BENNETT. Reserving the right to object, in the first place, the proponents had 3 hours on that amendment, and the ordinary amendments are limited to a half hour. I think that, under the circumstances, the most proponents are entitled to is a half hour. They should not be given additional time.

Mr. MANSFIELD. Mr. President, would the Senator from Utah lean backward in this instance?

Mr. BENNETT. I think the time should be a half hour.

Mr. MANSFIELD. Well, a half hour.

Mr. LONG. Mr. President, I yield to the distinguished Senator from Ohio.

Mr. SAXBE. Mr. President, two of us voted for the Kennedy amendment in good faith. We are going to switch our votes if the proponents go through with stringing out the debate; and I am sure there are other Senators besides the two of us who will do so.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a half hour on the amendment, the time to be equally divided.

Mr. LONG. Mr. President, there are other amendments that have been submitted; but I should like, first, to have a vote on the Harris amendment. Then if Senators want to talk about a unanimous-consent agreement, I shall be glad to talk about that.

The PRESIDING OFFICER. No unanimous-consent request is before the Senate.

Mr. TOWER. Mr. President, reserving the right to object——

The PRESIDING OFFICER. There is no unanimous-consent request before the Senate. Who yields time?

Mr. TOWER. Mr. President, will the Senator yield?

Mr. LONG. I yield the Senator from Texas 1 minute.

Mr. TOWER. I am very much interested, of course, in the loan guarantee act, which I assume we will take up tonight when we conclude whatever action we take on this bill this evening.

It is my understanding that we will then go back to the bill.

Mr. MANSFIELD. Tomorrow, yes.

Mr. TOWER. And we will follow the unanimous-consent agreement that there will be a quorum call at 12 and a vote on the cloture motion at 12:15.

Mr. MANSFIELD. The Senator is correct.

Mr. TOWER. How much more time are we going to spend on the Sugar Act tomorrow afternoon? We will not be able to get back to the Loan Guarantee Act.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, I yield 1 minute to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, the manager of the bill, when he made the request originally, said that he would not oppose it after this amendment was disposed of. And I take him at his word.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Oklahoma has 4 minutes remaining and the Senator from Louisiana has no time remaining.

Mr. LONG. Mr. President, I am not going to make one argument against the Harris amendment.

The PRESIDING OFFICER. The Senator has no time.

Mr. LONG. Mr. President, I hope that the majority of the Senate will vote as I propose to vote and vote this amendment down, because we do not agree with the procedure followed.

Mr. HARRIS. Mr. President, I yield myself 1 minute. I do not want to hold up the Senate. Therefore, I ask unanimous consent to withdraw my amendment.

SEVERAL SENATORS. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. COOPER. Mr. President, will the Senator yield me 1 minute?

Mr. LONG. Mr. President, I yield 1 minute to the Senator from Kentucky.

Mr. COOPER. Mr. President, I voted for the amendment of the Senator from Massachusetts. I will vote for a similar amendment again to deny the sugar quota to South Africa or to deny the quota to South Africa and allocate the allotment among other countries of South Africa or to domestic producers.

I have read this amendment. It is a circuitous amendment. It provides that in the event the benefits of the sugar quota to South Africa do not accrue to the nonwhites, then an allotment of money would be covered to the Treasury, then to AID for South Africa.

Can the Senator imagine the Government of South Africa would ever distribute this money to those people? I believe the Government of South Africa is the most hideous example of oppressive governmental discrimination in the world today. If I had time, I would offer an amendment to prescribe that this be denied and be given to other countries. I will not vote for such an amendment as this. It means nothing.

The PRESIDING OFFICER. An amendment is not in order at this time.

Mr. COOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry. Does the Senator intend to offer his amendment as a substitute?

Mr. COOPER. I offer it as a substitute.

The PRESIDING OFFICER. An amendment to the pending amendment would not be in order until all time is used or yielded back on the pending amendment.

Mr. COOPER. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, would the Senator withhold that request?

Mr. COOPER. I withhold the request.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. I yield 1 minute to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I want to speak on the Harris amendment. I would hope that we would vote on the pending amendment on the basis of its merit or lack of merit. I realize that we are all a little bit tired and getting somewhat out of sorts. But now is the time, I think, that we have got to pull ourselves together and act as I believe Senators should act at all times. So, I hope when Senators vote on the pending amendment, they will do so not on the basis of emotion or out of spite, but will vote on the amendment so far as they can, on the basis of its merit or lack of merit.

Mr. COOPER. Mr. President, on the statement of the majority leader, I withhold the amendment.

Mr. LONG. Mr. President, I yield back the remainder of my time.

Mr. HARRIS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Washington (Mr. JACKSON), the Senator from Montana (Mr. METCALF), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

If present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "nay."

The result was announced—yeas 14, nays 78, as follows:

[No. 168 Leg.]

YEAS—14

Case
Fulbright
Harris
Hart
Hartke
Hughes
Javits
Kennedy
Mansfield
McGovern
Mondale
Nelson
Proxmire
Tunney

NAYS—78

Aiken
Allen
Allott
Anderson
Beall
Bellmon
Bennett
Bentsen
Bible
Boggs
Brock
Brooke
Buckley
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Chiles
Church
Cook
Cooper
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ellender
Ervin
Fannin
Fong
Gambrell
Gravel
Griffin
Gurney
Hansen
Hatfield
Hollings
Hruska
Humphrey
Inouye
Jordan, N.C.
Jordan, Idaho
Long
Magnuson
Mathias
McClellan
McGee
McIntyre
Miller
Montoya
Moss
Muskie
Packwood
Pearson
Pell
Percy
Prouty
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Scott
Smith
Sparkman
Spong
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NOT VOTING—8

Baker
Bayh
Goldwater
Jackson
Metcalf
Mundt
Pastore
Weicker

So Mr. HARRIS' amendment was rejected.

PROGRAM

Mr. MANSFIELD. Mr. President, it is my understanding that there will be one further amendment offered tonight. It is minor in nature, and I believe the committee will accept it. When we get through with that, we will be approaching the end of today's session.

Tomorrow the Senate will convene at 9:30 a.m., and between 9:30 and approximately 10:05 two Senators will be speaking for 15 minutes each.

At 10:05 the Senate will proceed to the consideration of the Stevenson amendment, which will be voted on at 10:30.

At approximately 11 o'clock a rollcall as a prelude to the vote on cloture will occur, and around 12:10 the vote on cloture will take place.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after that procedure is followed, and the vote is taken on cloture tomorrow, there be a period of not to exceed one-half hour, the time to be equally divided between the manager of the bill and the sponsor of the amendment; and that at the conclusion of the half hour there be a rollcall vote.

I ask unanimous consent at this time that it be in order to ask for the yeas and nays to be taken on that amendment.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Which amendment?

Mr. TOWER. Mr. President, reserving the right to object.

Mr. MANSFIELD. The one that is going to be offered tomorrow, the amendment to the Sugar Act, which will be offered by Senators KENNEDY and HARRIS.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object, may I ask the distinguished majority leader how much time we propose to spend on the Sugar Act tomorrow after we have the vote on cloture? I mean total time on amendments and final passage.

Mr. MANSFIELD. I would say one-half hour for that amendment, because if we get the yeas and nays, which I assume we will, it will become the pending business after the vote on cloture. Then I would ask for the yeas and nays on final passage immediately following that vote.

Mr. TOWER. Mr. President, reserving further the right to object, I ask the distinguished majority leader if he would be willing to keep us in pretty late tomorrow on S. 2308, and, looking down the pike, consider the possibility of a Saturday session. the opponents of that bill have complained that they have not had enough time to debate it and require more time. So I do not think we should detract too much from the debate on S. 2308.

Mr. MANSFIELD. I agree that we will stay in session until reasonably late tomorrow. We will meet Saturday, and very likely there will be votes on Saturday, too.

Mr. LONG. Mr. President, reserving the right to object, I would like to ask the Senator a couple of questions so we understand one another. Of course, we have not seen the amendment that is to be offered, and ordinarily when we have a division of time on an amendment, an agreement to vote does not preclude those Senators who agree from making a motion to table the amendment.

Do I correctly understand that a motion to table will be in order if those opposing the amendment desire to move to table?

Mr. MANSFIELD. It would indeed.

Mr. LONG. Furthermore, I understand the amendment would involve striking the South African sugar quota. I am ready to vote on that, and I have no objection to voting up or down on that. But if the amendment contains, as I assume it will, other matters—for example, if it should seek to distribute the South African sugar quota among other foreign countries without us knowing in advance who those countries are to be—we should have a right to vote on those parts of the amendment separately, or even to substitute some other country. If it is simply a matter of distributing it to domestic producers, as I was led to believe might be the case, I would not need to insist on that, but if it involved a distribution formula to various other countries, we would have to insist on the right to amend with regard to redistributing. In the event of a separation, I assume we could then decide first whether there were sufficient votes to strike the South African quota.

Mr. KENNEDY. Mr. President, I assure the Senator from Louisiana that the amendment provides for redistribution of the quota to domestic producers.

Mr. BENNETT. Mr. President, reserving the right to object, may I ask the question of the Senator from Massachusetts, would that follow the present domestic relationship between the beet area and the cane area?

Mr. KENNEDY. It would.

Mr. TOWER. Mr. President, reserving the right to object, may I ask the distinguished majority leader whether, if indeed the vote does not go to the satisfaction of the manager of the bill, there might not be subsequent amendments offered by the manager of the bill or the members of the committee, to the extent that we could be on the Sugar Act all afternoon tomorrow?

Mr. MANSFIELD. No; it is one amendment, with a rollcall vote, followed by a rollcall vote on passage, and I think the explanation of the Senators from Oklahoma and Massachusetts has satisfied the Senator from Louisiana.

Mr. TOWER. If the Senator from Texas can be assured there will be one rollcall vote on the amendment and one on passage, he will not object.

Mr. MANSFIELD. That is it.

Mr. LONG. Mr. President, just for understanding on this, I think I am ready to agree, but I want to understand. We are talking now about an amendment to the Sugar Act, and not about something totally nongermane, that has nothing to do with the Sugar Act?

Mr. MANSFIELD. No, this amendment is germane to the Sugar Act.

The PRESIDING OFFICER. Is there objection? Without objection, the unanimous-consent request is agreed to.

The unanimous-consent agreement reads as follows:

Ordered, That, effective on Wednesday, July 28, 1971, immediately after the vote on the cloture motion, the Chair lay before the Senate H.R. 8866, an act to amend and extend the provisions of the Sugar Act of 1948 as amended, and for other purposes, and that the Senate proceed to the consideration of an amendment to be offered by the Senator from Massachusetts (Mr. Kennedy) relative to the Sugar Quota for South Africa, with the time for debate thereon to be limited to ½ hour to be equally divided and controlled by the proposer of the amendment and the manager of the bill.

Provided further, That, immediately after the conclusion of the vote on the amendment, there be a third reading of the bill and the Senate proceed to vote on the final passage of the bill.

Mr. ELLENDER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BYRD of West Virginia. Mr. President, we cannot hear the clerk.

The PRESIDING OFFICER. The Senate is not in order. The clerk will suspend until order is restored. Senators will please take their seats.

The clerk may proceed.

The legislative clerk read as follows:

On page 34, lines 11 and 17, change "four percent" to "three percent."

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I have discussed the matter of the amendment.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. ELLENDER. Two minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 minutes.

Mr. ELLENDER. As I just stated, I have discussed the amendment with the manager of the bill and the ranking minority Member, and they both agree to take it to conference.

Mr. President, the amendment which I have proposed attempts to strengthen the method of achieving the price objective which is embodied in the House bill and in the committee recommendations.

This new mechanism is very badly needed because of the obvious lack of success the administration has had with provisions in the present law in trying to achieve the price objective.

This problem has been particularly acute in Louisiana because of the short selling period and because of the desire of foreign producers to ship much of their sugar into this country as it is harvested. This happens to be at the same time that Louisiana and Florida are attempting to sell their crops and since Louisiana's harvest season is even shorter than Florida's, it affects my State in a particularly harsh fashion. Although Puerto Rico, Hawaii, and the beet sugar States are less vitally concerned about this particular problem, I know that there are situations in which they, too, need the protection of a narrower price corridor to protect them from the impact on price caused by periodic imbalances in the entry of foreign sugars into the American market.

Mr. President, as a matter of record, the price objective set forth in the Sugar Act which is now about to expire has not been achieved for a single month since late 1968. The need for change is obvious and my amendment, narrowing the price corridor from 4 percent to 3 percent deviation, is an attempt to insure that the price objectives of this act will be met and that the injustice of the past several years will be remedied.

My amendment is an attempt to bring the provisions of the bill now before us back into line with what the industry recommended both to the House and to the Senate committees. As the record will show, the industry has recommended that the Secretary be required to make an adjustment in the consumption estimate whenever the price was 3 percent above or below the target price for a period of 5 consecutive marketing days. The industrial users recommended 5 percent and 10 days.

The administration recommended in the other body a 3 percent and 5 days, but changed its recommendation when testifying before the Senate committee to conform to the House-passed bill of 4 percent and 7 days. I remind you that a difference of 5 percent, assuming a price of raw sugar of 8.5 cents per pound is equivalent to $8.50 per ton and could mean a loss of this much to sugarcane growers of Louisiana and Florida for a major portion of their sugar.

My amendment would not concern itself with the number of consecutive days during which the variance could occur without requiring action by the Secretary. That would be left at 7 days as adopted by the House and as recommended by the Finance Committee. It would merely narrow the percentage deviation allowed from 4 percent to 3 percent.

Mr. President, I firmly believe that a 3-percent deviation is as great a corridor as can properly be borne by the industry because this represents a variation of $5.10 per ton at a time when rising costs of production make this a most critical aspect of the industry's constant struggle to keep its head above water. I urge the Senate to adopt this amendment so as to provide a more equitable act for the domestic sugar industry.

Mr. LONG. Mr. President, I yield myself 2 minutes.

The Senator's amendment is one as to which his position was testified to favorably by both the cane processors and the beet processors. I regret to say that, with all the other decisions in the bill, this one simply did not receive adequate consideration. We will be glad to take it to conference and see what the House conferees think of it.

Mr. BENNETT. Mr. President, I am happy to join the chairman of the committee in that statement of his understanding.

The PRESIDING OFFICER. Is time on the amendment yielded back?

Mr. ELLENDER. I yield back the remainder of my time.

Mr. LONG. I yield back the remainder of my time

The PRESIDING OFFICER (Mr. BELLMON). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Louisiana (Mr. ELLENDER).

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, I believe, in terms of our unanimous consent agreement, we have done all the business we can do on the Sugar Act for tonight, unless someone cares to offer an amendment to be decided on a voice vote basis. We have told Senators there will be no more rollcalls.

ADDITIONAL INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. SCHWEIKER:

S. 2353. A bill for the relief of Mario Giunti. Referred to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 2354. A bill to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes. Referred to the Committee on Veterans' Affairs.

S. 2355. A bill to amend title 38, United States Code, so as to afford advanced residency-type training to medical personnel of the Veterans' Administration and other Federal departments and agencies at Regional Medical Centers established at Veterans' Administration hospitals throughout the United States. Referred to the Committee on Veterans' Affairs.

By Mr. McGOVERN:

S. 2356. A bill to provide loans to students pursuing programs of higher education in the fields of law enforcement and correctional science. Referred to the Committee on Labor and Public Welfare.

ADDITIONAL STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON:

S. 2354. A bill to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans; to provide hospitals and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes. Referred to the Committee on Veterans' Affairs.

VETERANS HEALTH CARE REFORM ACT OF 1971

Mr. CRANSTON. Mr. President, the Veterans' Administration Department of Medicine and Surgery plays a role unequaled in virtually all nations in providing American veterans with, in most instances, quality health care. The system of 165 hospitals—three soon to open—200 clinics, and 76 nursing homes with 150,000 staff physicians, nurses, and other health workers makes a good quality of medical care available to some 6 million eligible veterans.

However, there are limits on that availability of care, partly as a result of budgetary restrictions which create shortages of staff and equipment, and partly as a result of limited legislative authorities which make quality care impossible to deliver in many cases.

Mr. President, regarding the provision of adequate funds, we will shortly take up the conference report on H.R. 9382, including fiscal year 1972 appropriations for the Veterans' Administration. That bill now contains $204.1 million more than was in the President's budget request for the VA hospital and medical programs for this fiscal year. I will speak to this question further when we take up the conference report. Suffice it to say now that, with the great assistance of the Appropriations Subcommittee chairman (Mr. Pastore) and ranking minority member (Mr. Allott), and in collaboration with Chairman Teague in the other body, we have succeeded over a 2 fiscal year period in increasing VA hospital and medical appropriations by almost $360 million over the President's original request for fiscal year 1971.

Furthermore, the potential increase in veterans in need of treatment for drug addiction, combined with the general aging and concomitant experiencing of medical complications of the veterans of the Second World War, places an additional burden on the Veterans' Administration hospital and medical system in terms of staff and facilities. The rapid technological improvements occurring constantly in the medical community place an additional requirement on the Veterans' Administration which, though leading in many of these areas, must keep its staff informed, and its equipment up to date with new techniques and treatment processes, as they are developed.

In order to assist the Veterans' Administration to meet this increasing demand with up-to-date medical care and technology, I am introducing today S. 2354, the proposed "Veterans Health Care Reform Act of 1971."

This comprehensive overhaul of VA medical authorities, including especially the personnel system of the Department of Medicine and Surgery, would provide the Veterans' Administration Department of Medicine and Surgery with most of the tools it needs to repair deficiencies in its basic enabling legislation. A number of the provisions of S. 2354 are virtually identical to provisions of S. 1924, which I joined with Senators Hartke and Thurmond in introducing, by request, on behalf of the administration.

Comparable provisions of the two bills are shown on the chart that I ask unanimous consent be printed in the Record at the conclusion of my remarks prior to the printing of the bill.

In addition, S. 2354 provides for new authorities and expands and improves current ones, in a way I believe will enable the VA to attract and retain high-quality staff, to provide total health care to the veteran, and function in closer relationship to the surrounding medical community.

Many of these provisions are based on principles which I have suggested as basic guides to the VA medical program for the provision of first-quality care for veterans.

TREATING THE VETERAN AS PART OF A FAMILY UNIT

Broadening the treatment of the veteran to include a veteran's family, in certain instances, will fulfill the basic need particularly in psychiatry, of treating the individual as part of a family unit, not as an isolated individual removed from any family or social environment. Similarly, total care of a physically disabled veteran may require that his family be fully oriented on the philosophy of his rehabilitation program. The VA should be able to bring key family members to the hospital for his orientation, as is done now on a limited basis at some of the VA blind centers, with nonappropriated funds.

As a corollary of this concept, I believe the VA system should be more fully responsive to the medical needs of all veterans and their families. The bill provides full VA medical and hospital care for the dependents of totally and permanently disabled living veterans—including authority to contract for necessary services with individual physicians and health facilities—as well as hospital and medical services in VA facilities for survivors receiving disability and indemnity compensation.

These family provisions also would provide specific authority for the VA to stress home care programs for any hospitalized veteran. Although a start has been made by the VA in home kidney dialysis, much more needs to be done, especially in the psychiatric field. Most medical experts agree that institutional care is the least desirable. Alternatives could be fully explored under these provisions.

Home care—employing mobile teams to train families and conduct posthospital followup—can in many cases provide more compassionate, more effective and far more economical care.

TREATING THE PATIENT AS A "WHOLE" PATIENT

In line with the idea of total care, the bill would amend present restrictions on care for a non-service-connected condition unrelated to the condition for which a veteran was hospitalized. Clearly, a physician cannot ethically assume responsibility for only a portion of his patient's health, and the bill would authorize necessary medical care for any illness of a hospitalized veteran.

Along these same lines, the bill expands authorities for outpatient care for nonservice-connected conditions to include necessary ambulatory care to any veterans having either peacetime or wartime service, for any disability which the Administrator determines needs prompt medical attention, under regulations which the Administrator must prescribe. However, such services may not interfere with the furnishing of such services to veterans for a service-connected disability or to a veteran for a nonservice-connected disability if he has a service-connected disability.

RECOGNIZE NURSING HOME CARE AS PART OF HOSPITAL CARE

Another provision of the bill would permit veterans to apply for direct admission to a VA nursing home without prior VA hospitalization. The bill would also authorize the direct transfer of a veteran from a military medical facility to either a Veterans' Administration or a community nursing home. And the bill would also raise the present statutory minimum of 4,000 VA nursing home beds to 10,000 by fiscal year 1974. There is an unmet demand for VA nursing home beds by World War I veterans which will expand as our World War II veterans grow older. We should consider converting hospital beds not being fully utilized into VA nursing home beds. Community nursing homes are already greatly in demand among the aging nonveterans.

IMPROVED VA PERSONNEL SYSTEM

S. 2354 also would revise Department of Medicine and Surgery personnel authorities to enable the VA to compete more effectively for scarce health professionals. The VA must be able to enlarge its training program if it is ever going to make up its personnel shortages. A method authorized by S. 2354 permits the VA to pay special salary differentials for posts they are having difficulty filling, and to peg general salaries geographically to an index community hospital.

The bill would also require that every VA facility reach a comparable staff-to-patient ratio with an index community hospital within 3 years. The present disparities are shocking: 1.5 for the VA general hospital, 2.7 for the average community hospital, and 3.5 to 4.0 for the university hospital; and that means inadequate care, inadequate attention, and inadequate time for the veterans in those hospitals.

CLOSER RELATIONSHIP WITH HIGH QUALITY NON-VA MEDICAL FACILITIES

To maintain the VA hospital and medical programs in the mainstream of medical advances, authority is provided for Veterans' Administration facilities to contract for scarce medical resources with a medical school whether or not it has a hospital, and with clinics. Current law requires that the medical school have hospital facilities before any sharing agreement can be made between the medical school and the Veterans' Administration. Authority is also expanded to include contracts with any group or individual capable of furnishing scarce medical specialist services.

In addition, new authority is granted to the Administrator to make arrangements for the utilization of excess Veterans' Administration hospital beds, with supporting services, when they are not needed for the care and treatment of veterans, by other hospitals or medical schools or clinics in the community.

STRUCTURAL SAFETY OF VA FACILITIES

The tragic consequences of a number of natural disasters within recent years has pointed to the need for stricter standards in the construction of Veterans' Administration facilities. There was the loss of lives due to earthquake damage at San Fernando, Calif., closely followed by a tornado at Fayetteville, N.C. Considerable numbers of veterans lost personal effects at the veterans facilities at Gulfport and Biloxi, Miss., as a result of damage caused by Hurricane Camille. S. 2354 provides that the Administrator shall prescribe construction standards on a State or regional basis for each VA facility, such standards to be based on a survey of pertinent State and local ordinances, building codes, climatic and seismic conditions, with the purpose of assuring that all hospitals, domiciliaries, and other medical facilities of the Veterans' Administration will be fireproof, and earthquake and other natural disaster resistant. Through such measures, future tragedies can be prevented.

Mr. President, I ask unanimous consent to insert in the Record at this time, the full text of S. 2354.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2354

A bill to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans Health Care Reform Act of 1971".

TITLE I—HOSPITAL, DOMICILIARY, AND MEDICAL CARE BENEFITS

Sec. 101. (a) Subparagraph (C) of section 601(4) of title 38, United States Code, is amended to read as follows:

"(C) private facilities for which the Administrator contracts in order to provide (i) hospital care or medical services for persons suffering from service-connected disabilities or from disabilities for which such persons were discharged or released from the active military, naval, or air service; (ii) hospital care for women veterans of any war; (iii) hospital care for veterans of any war in a State, Territory, Commonwealth, or possession of the United States not contiguous to the forty-eight contiguous States, except that the annually determined average hospital patient load per thousand veteran population hospitalized at Veterans' Administration expense in Government and private facilities in each such noncontiguous State may not exceed the average patient load per thousand veteran population hospitalized by the Veterans' Administration within the forty-eight contiguous States, but authority under this clause (iii) shall expire on December 31, 1978; or (iv) hospital care or medical services for the wife or child of a veteran who has a total disability, permanent in nature, resulting from a service-connected disability."

(b) Section 601(5) of such title is amended to read as follows:

"(5) The term 'hospital care' includes—

"(A)(1) medical services rendered in the course of the hospitalization of any veteran, and (2) transportation and incidental expenses for any veteran who is in need of treatment for a service-connected disability or is unable to defray the expense of transportation;

"(B) such medical services, consultation, professional counseling, and training, including necessary expenses for transportation and subsistence, of the members of the immediate family (including legal guardians) of a veteran or a dependent or survivor of a veteran, or, in the case of a veteran or dependent or survivor of a veteran who has no such immediate family members (or legal guardian), the person in whose household such veteran, or a dependent or survivor certifies his intention to live, as may be necessary or appropriate to the effective treatment and rehabilitation of a veteran or a dependent or survivor of a veteran; and

"(C)(1) medical services rendered in the course of the hospitalization of a dependent or survivor of a veteran, and (2) transportation and incidental expenses for a dependent or survivor of a veteran who is in need of treatment for any injury, disease, or disability and is unable to defray the expense of transportation."

Sec. 102. Section 610 of such title is amended by—

(1) inserting ", including direct admission for nursing home care," immediately after "hospital care" the first time it appears therein;

(2) striking out clause (1)(B) of subsection (a) and inserting in lieu thereof the following:

"(B) any veteran for a non-service-connected disability if he is unable to defray the expenses of necessary hospital care;"; and

(3) Amending subsection (c) to read as follows:

"(c) While any veteran is receiving hospital care in any Veterans' Administration facility, the Administrator may, within the limits of Veterans' Administration facilities, furnish medical services to correct or treat any non-service-connected disability of such veteran, in addition to treatment incident to the disability for which he is hospitalized, if the veteran requests such services and the Administrator finds such services to be reasonably necessary to protect the health of such veteran."

(4) adding at the end thereof the following new subsection as follows:

"(d) The Administrator, within the limits of Veterans' Administration facilities, may furnish hospital care, including direct admission for nursing home care, to the following individuals to the extent that he determines, in accordance with regulations he shall prescribe, that the provision of such care does not interfere with the furnishing of hospital and domiciliary care under subsections (a) and (b) of this section:

"(1) the wife or child of a veteran who has a total disability, permanent in nature, resulting from a service-connected disability; and

"(2) widows and children entitled to death compensation or dependency and indemnity compensation under this title."

Sec. 103. (a) Subsection (a) of section 612 of such title is amended to read as follows:

"(a) Except as provided in subsection (b), the Administrator, within the limits of Veterans' Administration facilities, may furnish such medical services as he finds to be reasonably necessary to—

"(1) any veteran for a service-connected disability;

"(2) any veteran for a non-service-connected disability if the veteran has a service-connected disability other than a dental condition or disability which is not compensable in degree;

"(3)(A) the wife or child of a veteran who has a total disability, permanent in nature, resulting from a service-connected disability; and (B) widows and children entitled to death compensation or dependency and indemnity compensation under this title; and

"(4) any veteran for a non-service-connected disability (excluding first-aid or dispensary services for minor illnesses or injuries) which is determined to be in need of prompt medical attention under regulations which the Administrator shall prescribe—

Notwithstanding the foregoing provisions of this subsection, services may be furnished under clauses (3) and (4) of this subsection only to the extent that the Administrator determines, in accordance with regulations he shall prescribe, that such services do not interfere with the furnishing of such services to veterans under clauses (1) and (2). In the case of any veteran discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty, such services may be so furnished for that disability, whether or not service connected, for the purposes of this chapter."

(b) Subsection (f) of section 612 of such title is amended—

(1) by inserting ", by fee or contract," immediately after "services" in the material preceding clause (1); and

(2) by deleting "of any war" in clause (3).

Sec. 104. Section 620 of title 38, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(d) For purposes of this section, the term 'veteran' shall include any person who has been furnished care in any hospital of the Armed Forces and who upon discharge or release therefrom will become a veteran."

Sec. 105. Section 626 of title 38, United States Code, is amended by striking out "fire" and inserting in lieu thereof "fire, earthquake, or other natural disaster".

TITLE II—AMENDMENTS TO CHAPTER 73 OF TITLE 38, UNITED STATES CODE, RELATING TO THE DEPARTMENT OF MEDICINE AND SURGERY

Sec. 201. Section 4101 of title 38, United States Code, is amended by adding at the end thereof the following new subsections:

"(c) In order to utilize personnel within the Department of Medicine and Surgery more effectively, the Administrator shall carry out a continuing study of, and take appropriate action to implement, new and improved methods of rendering health care services through, but not limited to, reassignment of duties as between medical, allied, professional, technical or other health personnel; through the establishment of new positions such as physicians' and dentists' assistants; through the establishment of programs for continuing education (and granting of academic credit therefor) of all health personnel; by providing maximum mobility between health personnel positions; and through the use of electronic, automated, computerized, or other mechanical devices.

"(d) In order to attain comparability in the staff-to-patient ratio in Veterans' Administration hospitals with other public hospitals and with private hospitals, the Administrator shall, on a geographic or regional area basis, select as an index for such purpose any hospital (or other medical installation having hospital facilities) having an optimum staff-to-patient ratio. Within three years after the date of the enactment of this subsection, the staff-to-patient ratio at each Veterans' Administration hospital, domiciliary, and clinic shall be comparable to that of the index facility in such area at such time, taking into consideration the composition of patient population. To secure the information and statistical data necessary for the selection of such index hospital, the Administrator may make arrangements, by contract or other form of agreement, for such medical information services. The Administrator shall submit to the Congress, not more than sixty days after the end of each fiscal year, a report describing the actions taken to implement the provisions of this subsection and the extent to which such provisions have been implemented. Such report shall also include a facility-by-facility description of established staff-to-patient ratios."

Sec. 202. Section 4103(a) of title 38, United States Code, is amended—

(1) by amending paragraph (4) to read as follows:

"(4) Not to exceed eight Assistant Chief Medical Directors, who shall be appointed by the Administrator upon the recommendations of the Chief Medical Director. At least two Assistant Chief Medical Directors may be individuals qualified in the administration of health services who are not doctors of medicine, dental surgery, or dental medicine. One assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operation of the Dental Service."; and

(2) by amending paragraph (7) to read as follows:

"(7) A Director of Pharmacy Service and a Director of Dietetic Service, appointed by the Administrator."

SEC. 203. The text of section 4104 of title 38, United States Code, is amended to read as follows:

"There shall be appointed by the Administrator additional personnel as he may find necessary to carry out the functions defined in section 4101 of this title, as follows:

"(1) physicians, dentists, and nurses;

"(2) allied professional health care and scientific personnel for which the Administrator determines that a minimum of a baccalaureate degree (or its equivalent) in such a profession is required;

"(3) physicians' assistants, and dentists' assistants; and

"(4) health technician personnel, such as medical technicians, medical radiology technicians, licensed practical nurses, nursing assistants and other personnel (except clerical, administrative, and physical plant maintenance and protective personnel, and persons paid under section 5341 of title 5, United States Code) determined by the Administrator as performing services incident, subordinate, or preparatory to the services required of persons appointed under clauses (1), (2), or (3) of this section.

SEC. 204. Section 4105 of title 38, United States Code, is amended by—

(1) striking out the period at the end of subsection (a)(7) and inserting in lieu thereof a semicolon;

(2) adding at the end of such subsection (a) a new paragraph as follows:

"(8) Physicians' assistants and dentists' assistants shall have such medical or dental and technical qualifications and experience as the Administrator shall prescribe."; and

(3) striking out in subsection (b) "as a physician, dentist, or nurse" and inserting in lieu thereof "under section 4104 of this title".

SEC. 205. Section 4106 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "and nurses" and inserting in lieu thereof "nurses, allied professional health care and scientific personnel, physicians' assistants, dentists' assistants, and health technician personnel";

(2)(A) striking out in subsection (b) "(b) Such appointments" and inserting in lieu thereof "(b)(1) Appointments of physicians, dentists, and nurses", and

(B) adding at the end of subsection (b) a new paragraph (2) as follows:

"(2) Appointments of allied professional health care and scientific personnel, physicians' assistants, dentists' assistants, and health technician personnel made pursuant to paragraphs (2), (3), and (4) of section 4104 of this title shall be made without regard to those provisions of title 5 governing appointments in the competitive service and those provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Administrator shall provide by regulation for benefits equivalent to those provided by sections 5333 through 5337 of title 5.";

(3) striking out in subsection (c) "and nurses" and inserting in lieu thereof "nurses, allied professional health care and scientific personnel, physicians' assistants, dentists' assistants, and health technician personnel"; and

(4) striking out in subsection (e) "or nurse" and inserting in lieu thereof "nurse, allied professional health care or scientific employee, physician's assistant, dentist's assistant, or health technician employee".

SEC. 206. (a) Subsections (a) and (b) of section 4107 of title 38, United States Code, are amended to read as follows:

"(a)(1) The per annum full-pay scale or ranges for positions provided in section 4103 of this title, other than Chief Medical Director and Deputy Chief Medical Director, shall be as follows:

"SECTION 4103 SCHEDULE

"Associate Deputy Chief Medical Director, $36,000.

"Assistant Chief Medical Director, $37,624.

"Medical Director, $32,546 minimum to $36,886, maximum.

"Director of Nursing Services, $32,546 minimum to $36,886 maximum.

"Director of Chaplain Service, $28,129 minimum to $35,633 maximum.

"Director of Pharmacy Service, $28,129 minimunm to $35,633 maximum.

"Director of Dietetic Service, $28,129 minimum to $35,633 maximum.

"(2) The provisions of section 5308 of title 5, United States Code, shall apply to payments made under this subsection.

"(b)(1) The grades and per annum full-pay ranges for positions provided for in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $28,129 minimum to $35,633, maximum.

"Executive grade, $26,143 minimum to $33,982, maximum.

"Chief grade, $24,251 minimum to $31,523 maximum.

"Senior grade, $20,815 minimum to $27,061 maximum.

"Intermediate grade, $17,761 minimum to $23,089 maximum.

"Full grade, $15,040 minimum to $19,549 maximum.

"Associate grade, $12,615 minimum to $16,404 maximum.

"NURSE SCHEDULE

"Director grade, $24,251 minimum to $31,523 maximum.

"Assistant Director grade, $20,815 minimum to $27,061 maximum.

"Chief grade, $17,761 minimum to $23,089 maximum.

"Senior grade, $15,040 minimum to $19,549 maximum.

"Intermediate grade, $12,615 minimum to $16,404 maximum.

"Full grade, $10,470 minimum to $13,611 maximum.

"Associate grade, $9,026 minimum to $11,735 maximum.

"Junior grade, $7,727 minimum to $10,049 maximum.

"(2) Notwithstanding the foregoing, nurses shall be entitled to receive additional compensation as provided in subsection (h) of this section.

"(3) No person may hold the director grade in the 'Physician and Dentist Schedule' unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or comparable position."

(b) Subsection (c) of section 4107 of such title is amended by redesignating subsection (c) as subsection (e), and by inserting after subsection (b) of such section the following new subsections:

"(c) (1) The grades and per annum full-pay ranges for positions provided for in paragraphs (2) and (3) of section 4104 of this title shall be as follows:

"ALLIED PROFESSIONAL SCHEDULE

"AP grade 8, $28,129 minimum to $35,633 maximum.

"AP grade 7, $24,251 minimum to $31,523 maximum.

"Ap grade 6, $20,815 minimum to $27,061 maximum.

"AP grade 5, $17,761 minimum to $23,089 maximum.

"AP grade 4, $15,040 minimum to $19,549 maximum.

"AP grade 3, $12,615 minimum to $16,404 maximum.

"AP grade 2, $10,470 minimum to $13,611 maximum.

"AP grade 1, $8,582 minimum to $11,156 maximum.

"(2) Notwithstanding the foregoing, physicians' and dentists' assistants shall not be paid less than the AP grade 2 minimum.

"(d) (1) The grades and per annum full-pay ranges for positions provided for in paragraph (4) of section 4104 of this title shall be as follows:

"HEALTH TECHNICIAN SCHEDULE

"HT grade 9, $15,040 minimum to $19,549 maximum.

"HT grade 8, $12,615 minimum to $16,404 maximum.

"HT grade 7, $10,470 minimum to $13,611 maximum.

"HT grade 6, $9,493 minimum to $12,337 maximum.

"HT grade 5, $8,582 minimum to $11,156 maximum.

"HT grade 4, $7,727 minimum to $10,049 maximum.

"HT grade 3, $6,938 minimum to $9,017 maximum.

"HT grade 2, $6,202 minimum to $8,065 maximum.

"HT grade 1, $5,524 minimum to $7,180 maximum.

"(2) Notwithstanding the foregoing, licensed practical nurses and nursing assistants shall be entitled to receive additional compensation as provided in subsection (h) of this section."

(c) Section 4107 of such title is further amended by adding at the end thereof the following new subsections:

"(f) With respect to physicians appointed pursuant to section 4104(1) of this title, the Administrator, upon the recommendation of the Chief Medical Director may increase the per annum salary of a physician who performs administrative duties within the Department by an amount not to exceed 20 per centum of such salary, but in no event shall the combination of salary and allowances under this subsection exceed the salary prescribed for level V of the Executive Schedule under section 5316 of title 5.

"(g) When he finds such action to be necessary in order to obtain or retain the services of physicians, dentists, nurses, allied professional health care and scientific personnel, physicians' assistants, dentists' assistants, or health technician personnel to provide medical care and treatment for veterans, the Administrator, notwithstanding any other provision of law, shall increase the maximum rates of pay authorized under subsection (b) of this section, on a nationwide, local, or other geographic basis, for one or more grades or for one or more medical fields within the grades, to provide pay commensurate with competitive pay practices or to meet at remote stations the staff-to-patient ratios provided for in section 4101(d) of this title. Any such increase in the maximum rate for any grade may not exceed in corresponding amount, the amount provided for in the statutory range for that grade, nor exceed the rate established for Assistant Chief Medical Director under the 'section 4103 schedule' set forth in subsection (a) of this section.

"(h) (1) Pursuant to regulations prescribed by him, the Administrator shall pay nurses, licensed practical nurses, and nursing assistants (hereinafter referred to as "nurses") paid pursuant to the schedules prescribed in subsections (b)(1) and (d)(1) of this section additional pay as provided in this subsection for duty performed in the evening, at night, on Saturday, Sunday, or a holiday, or for duty performed in excess of regular daily or weekly schedules.

"(2) For the purposes of this subsection, a nurse's hourly rate of pay shall be determined by dividing her annual rate of pay by 2080.

"(3) Any nurse performing duty on the evening tour of duty or the night tour of duty which is compensable under such nurse schedule shall be paid additional pay at a rate not exceeding 15 per centum of her hourly rate of pay for the period of such duty.

"(4) Any nurse performing duty on Saturday which is compensable under such nurse schedule shall be paid additional pay at a rate not exceeding 20 per centum of her hourly rate of pay for the period of such duty.

"(5) Any nurse performing duty on Sunday which is compensable under such nurse schedule shall be paid additional pay at a rate not exceeding 30 per centum of her hourly rate of pay for the period of such duty.

"(6) When any nurse is entitled to additional pay under both paragraphs (3) and (4) or both paragraphs (3) and (5) for the same period of duty, the amounts of such additional pay shall be computed separately on the basis of her hourly rate of pay only.

"(7) Any nurse performing duty on a legal public holiday which is compensable under such nurse schedule shall be paid additional pay at a rate not exceeding 100 per centum of her basic hourly rate of pay for the period of such duty.

"(8) Any nurse performing duty compensable under such nurse schedule in excess of her regularly scheduled hours during a workday (other than a regularly scheduled holiday) shall be paid additional pay at a rate not exceeding 150 per centum of her basic hourly rate of pay for the period of such excess duty.

"(9) Any nurse performing duty compensable under such nurse schedule on the sixth or seventh day of her workweek shall be paid additional pay at a rate not exceeding 150 per centum of her hourly rate of pay for the period of such duty. Such hourly rate of pay shall include the rate of any amount of additional pay under paragraph (3) for such sixth or seventh day.

"(10) When any nurse is entitled to additional pay under paragraph (9) she shall not be entitled to additional pay under paragraph (4), (5), (7), or (8) for the same period of duty.

"(11) Any additional compensation paid pursuant to this subsection shall not be considered as basic compensation for the purposes of subchapter VI and section 5595 of subchapter IX of chapter 55, chapter 81, 83, or 87 of title 5, or other benefits based on basic compensation.

"(12) The Administrator shall, on request of a nurse, and to the extent patient care needs will permit, grant the nurse compensatory time off from her scheduled tour of duty instead of additional pay for an equivalent amount of time to which she would be entitled under paragraph (3), (4), (5), (7), (8), or (9)."

SEC. 206. Section 4109 of title 38, United States Code, is amended—

(1) by inserting "(a)" immediately before "Persons";

(2) by striking out "the Civil Service Retirement Act" and inserting in lieu thereof "chapter 83 of title 5"; and

(3) by adding at the end thereof the following new subsection:

"(b) Each physician and dentist employed in the Veterans' Administration for a period of twenty years or more shall be credited with a period of time as service for the purposes of retirement under chapter 83 of title 5 equal to the period of time determined by the Administrator to have been devoted—

"(1) by such physician to the pursuit of the degree of doctor of medicine or doctor of osteopathy, or

"(2) by such dentist to the pursuit of the degree of doctor of dental surgery or doctor of dental medicine.

Each such physician or dentist shall, in addition, be credited with a period of time as service for such purposes, equal to the time determined by the Administrator to have been devoted by such physician or dentist to a full-time internship in his profession. However, no physician or dentist may be credited with a period of more than five years under the provisions of this subsection. Further, such period shall be reduced by the period of active military, naval, or air service or other Federal service performed by such physician or dentist during the pursuit of his degree or performance of internship in his profession."

SEC. 207. Section 4111 of title 38, United States Code, is amended by striking out "paragraph (1) of".

SEC. 208. Section 4113 of title 38, United States Code, is amended by striking out "paragraph (1) of".

SEC. 209. Section 4114 of title 38, United States Code, is amended as follows:

(1) by striking out in subsection (a) (2) "paragraph (1) of";

(2) by amending subsection (a) (3) to read as follows:

"(3) (A) Temporary full-time appointments of physicians, dentists, nurses, allied professional health care and scientific personnel, physicians' and dentists' assistants, and health technician personnel may exceed ninety days only if the Chief Medical Director finds that circumstances render it impracticable to obtain the necessary services through appointments under section 4104 of this title. Temporary full-time appointments of persons who have successfully completed a full course of nursing in a recognized school of nursing, approved by the Administrator, and are pending registration as a graduate nurse in a State, shall not exceed one year.

"(B) No part-time appointments shall be for a period of more than one year, except for appointments of physicians, dentists, nurses, allied professional health care and scientific personnel, physicians' and dentists' assistants, health technician personnel, interns, and residents and other trainees in medical support programs."; and

(3) by inserting "(1)" immediately after "(b)" at the beginning of subsection (b) of such section and by adding at the end of such subsection a new paragraph as follows:

"(2) In order to carry out more efficiently the provisions of paragraph (1) of this subsection, the Administrator may contract with one or more hospitals, medical schools, or medical installations having hospital facilities and participating with the Veterans' Administration in the training of interns or residents to provide for the central administration of stipend payments, provision of fringe benefits, and maintenance of records for such interns and residents by the designation of one such institution to serve as an agency for this purpose. The Administrator may pay to such designated central administrative agency, without regard to any other law or regulation governing the expenditure of Government moneys either in advance or in arrears, an amount to cover the cost for the period such intern or resident serves in a Veterans' Administration hospital of (A) such stipends as fixed by the Administrator pursuant to paragraph (1) of this subsection, (B) hospitalization, medical care, and life insurance, and any other employee benefits as are agreed upon by the participating institutions for the period that such intern or resident serves in a Veterans' Administration hospital, (C) tax on employers pursuant to chapter 21 of the Internal Revenue Code of 1954, where applicable, and in addition, (D) an amount to cover a pro rata share of the cost of expense of such central administrative agency. Any amounts paid by the Administrator to such fund to cover the cost of hospitalization, medical care, or life insurance or other employee benefits shall be in lieu of any benefits of like nature to which such intern or resident may be entitled under the provisions of title 5, and the acceptance of stipends and employee benefits from the designated central administrative agency shall constitute a waiver by the recipient of any claim he might have to any payment of stipends or employee benefits to which he may be entitled under this title or title 5. Notwithstanding the foregoing, any period of service of any such intern or resident in a Veterans' Administration hospital shall be deemed creditable service for the purposes of section 8332 of title 5. The agreement may further provide that the designated central administrative agency shall make all appropriate deductions from the stipend of each intern and resident for local, State, and Federal taxes, maintain all records pertinent thereto and make proper deposits thereof, and shall maintain all records pertinent to the leave accrued by each intern and resident for the period during which he serves in a participating hospital, including a Veterans' Administration hospital. Such leave may be pooled, and the intern or resident may be afforded leave by the hospital in which he is serving at the time the leave is to be used to the extent of his total accumulated leave, whether or not earned at the hospital in which he is serving at the time the leave is to be afforded."

SEC. 210. Section 4116 of title 38, United States Code, is amended—

(1) by amending subsection (a) to read as follows: "(a) The remedy—

"(1) against the United States provided by sections 1346(b) and 2672 of title 28, or

"(2) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under sections 1346(b) or 2672 of title 28,

for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, nurse, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of his duties in or for the Department of Medicine and Surgery shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such physician, dentist, nurse, pharmacist, or paramedical or other supporting personnel (or his estate) whose act or omission gave rise to such claim.";

(2) by striking out the last sentence in subsection (c) and inserting in lieu thereof the following: "After removal the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the employee whose act or omission gave rise to the suit was not acting within the scope of his office or employment, the case shall be remanded to the State court."; and

(3) by adding at the end thereof a new subsection as follows:

"(e) The Administrator may, to the extent he deems appropriate, hold harmless or provide liability insurance for any person to which the immunity provisions of this section apply (as described in subsection (a)), for damage for personal injury or death, or for property damage, negligently caused by such person while furnishing medical care or treatment (including the conduct of clinical studies or investigations) in the exercise of his duties in or for the Department of Medicine and Surgery, if such person is assigned to a foreign country, detailed to a State or political division thereof, or is acting under any other circumstances which would preclude the remedies of an injured third person against the United States provided by sections 1346(b) and 2672 of title 28, for such damage or injury."

Sec. 211. The text of section 4117 of title 38, United States Code, is amended to read as follows:

"The Administrator may enter into contracts to provide scarce medical specialist services at Veterans' Administration facilities with medical schools, clinics, and any other group or individual capable of furnishing such services (including, but not limited to, services of physicians, dentists, nurses, technicians, and other medical support personnel)."

TITLE III—RELATING TO HOSPITAL AND DOMICILIARY FACILITIES; LEASING AUTHORITY OF THE ADMINISTRATOR; SPECIALIZED MEDICAL RESOURCES; USE OF EXCESS HOSPITAL BEDS; AND TELEPHONE SERVICE FOR CERTAIN MEDICAL OFFICERS

Sec. 301. (a) Subsection (a) of section 5001 of title 38, United States Code, is amended by—

(1) striking out the period at the end of paragraph (1) and inserting in lieu thereof a comma and the following: "and the Administrator shall maintain an average daily patient census in such beds of at least 84,500 patients";

(2) striking out in the first sentence of paragraph (3) "is authorized" and inserting in lieu thereof "shall", and by striking out "four thousand beds" and inserting in lieu thereof "six thousand beds, in the fiscal year ending June 30, 1972, eight thousand beds in the fiscal year ending June 30, 1973, and ten thousand beds in the fiscal year ending June 30, 1974, and each fiscal year thereafter";

(3) striking out the period at the end of the second sentence of paragraph (3) and inserting in lieu thereof a comma and the following: "except that the Administrator shall convert to nursing beds any hospital beds (in facilities over which the Administrator has direct and exclusive jurisdiction) which are not being adequately utilized for hospitalization purposes and which are located in structurally sound, functionally adequate, and fire, earthquake and other natural disaster resistant buildings, if the need for nursing beds cannot be satisfactorily met otherwise. Whenever any hospital bed has been converted to a nursing bed pursuant to this paragraph, such bed shall count against the total number of beds authorized under this paragraph and paragraph (2) of this subsection."

(b) Subsection (b) of section 5001 of such title is amended to read as follows:

"(b) Hospitals, domiciliaries, and other medical facilities provided by the Administrator shall be of fireproof and earthquake and other natural disaster resistant construction in accordance with standards which the Administrator shall prescribe on a State or regional basis after surveying appropriate State and local laws, ordinances, and building codes and climactic and seismic conditions pertinent to each such facility. When an existing plant is purchased, it shall be remodeled to comply with the requirements stated in the first sentence of this subsection. In order to carry out this subsection, the Administrator shall appoint an Advisory Committee on Structural Safety of Veterans' Administration Facilities, on which shall serve at least one architect and one structural engineer expert in fireproofing, earthquake, and other natural disaster resistance who shall not be employees of the Federal Government, to advise him on all matters of structural safety in the construction and remodeling of Veterans' Administration facilities in accordance with the requirement of this subsection, and which shall approve regulations prescribed thereunder. The Associate Deputy Administrator, the Assistant Administrator for Construction, and the Chief Medical Director, or his designee, shall be ex officio members of such committee."

Sec. 302. Section 5012 (a) of title 38, United States Code, is amended by inserting after the first sentence the following: Any lease made pursuant to this subsection to any public or nonprofit organization may be made without regard to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5). Notwithstanding section 321 of the Act entitled 'An Act making appropriations for the Legislative Branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, approved June 30, 1932 (47 Stat. 412; 40 U.S.C. 303b) or any other provision of law, a lease made pursuant to this subsection to any public or nonprofit organization may provide for the maintenance, protection, or restoration, by the lessee, of the property leased, as a part or all of the consideration for the lease."

Sec. 303. Section 5053 (a) of title 38, United States Code, is amended by striking out "or medical schools" at the beginning of the material contained in parentheses, and by inserting immediately after the close parenthesis the words "or medical schools or clinics".

Sec. 304. (a) Chapter 81 of such title is amended by inserting immediately after section 5053 a new section as follows:

"§ 5053A. Use of Excess Hospital Beds

"In addition to the authority granted under section 5053 of this title, the Administrator may, when he determines it to be in the best interest of the prevailing standards of the Veterans' Administration medical care program, make arrangements, by contract or other form of agreement, between Veterans' Administration hospitals and other hospitals (or other medical installations having hospital facilities) or medical schools or clinics in the medical community, for the use of Veterans' Administration hospital beds, with supporting services, when not needed for the care and treatment of veterans."

(b) The table of sections at the beginning of chapter 81 of such title is amended by inserting immediately after

"5053. Specialized Medical Resources."

the following:

"5053A. Use of Excess Hospital Beds."

Sec. 305. Section 234 of title 38, United States Code, is amended by inserting immediately after the words "telephones for" the words "hospital and center directors and".

By Mr. CRANSTON:

S. 2355. A bill to amend title 38, United States Code, so as to afford advanced residency-type training to medical personnel of the Veterans' Administration and other Federal departments and agencies at Regional Medical Centers established at Veterans' Administration hospitals throughout the United States. Referred to the Committee on Veterans' Affairs.

VETERANS' ADMINISTRATION CONTINUING MEDICAL EDUCATION ACT

Mr. CRANSTON. Mr. President, to maintain a high quality of medical care in Veterans' Administration hospitals and other medical facilities, there must be a continuing exchange of information and medical techniques between the staff of the VA facilities and the major medical centers and community hospitals of the Nation. S. 2355 which I introduced today as the proposed **"Veterans' Administration Continuing Medical Education Act"** will provide a means whereby this exchange can be assured and expanded.

S. 2355 authorizes the Administrator of Veterans' Affairs to designate at least four Veterans' Administration hospitals as "Regional Medical Education Centers." These centers must be geographically dispersed throughout the Nation and would provide continuing education programs and related educational pursuits to professional and other health staff of the Veterans' Administration facilities in the region. Where staff and facilities are available, these educational programs could also be offered on a reimbursable basis to medical personnel of other Federal departments and agencies and to medical personnel from the general community.

Training at these centers would thus provide an opportunity for VA staff personnel, as well as staff of other Federal agencies, and members of the surrounding medical community to participate in programs keeping them abreast of newly developed medical skills and knowledge, as well as in the use of newly developed medical technologies and equipment. To assure that each center would provide the latest and finest quality training, the chief medical director of the Veterans' Administration would be authorized to assign those individuals in the VA career service who possess outstanding qualifications in a particular medical discipline to serve as visiting instructors at the newly established regional medical education centers. He would also be authorized to contract for the services of eminently qualified medical personnel from outside the Veterans' Administration to serve as instructors at such centers, whenever he deemed it necessary for the success of the program.

A great benefit offered by these regional medical education centers will be that of providing continuing education in a clinical, residency-type setting, where the participant can obtain and apply his knowledge easily and immediately, increasing his ability to comprehend and utilize new skills, rather than, as in so many instances of continuing education programs, passively attending lectures and reviewing reading materials, and then trying to relate new knowledge to a patient at some unforeseeable time in the future. Training at a regional medical education center could thus be likened to an advanced residency program, where the participant could refresh his skills, utilizing the latest equipment, and learn new methods—procedures and techniques in providing health-care.

Participants would also be exposed to the roles that are developing—many being developed on a pilot basis at VA hospitals—for new types of health personnel, for example, the technician specializing in orthopedics, or anesthesiology, or treatment of cardiovascular conditions, the physicians' or dentists' assistant, or the nurse practitioner, and learn to work with them in a manner which would achieve the greatest coordinated utilization of the skills of all levels of the medical care team.

A corollary benefit of regional medical

education centers would be the recognition assignment to such centers can give to outstanding staff members, beyond the intellectual challenge and satisfaction involved.

This bill's intent is not to diminish the already excellent continuing education programs provided in many Veterans' Administration hospitals, but rather to build upon those programs that presently exist and to increase their availability to medical personnel both within the VA and in the surrounding medical community.

In the current fiscal year, almost 17,000 members of the Veterans' Administration medical staff will participate in continuing education programs, offered either within the VA or at medical centers. Of these, almost 8,000 received education in VA facilities. These programs are for the most part short term, highly specialized courses lasting for a week or less. The VA also sponsors an extensive lecture program, planning to present some 6,700 lectures at VA hospitals in fiscal year 1972. Participation in these programs is intensely sought, and in many cases, staff members are turned away because of the inability of the facility to provide the training to all those who seek it.

A program which has been highly successful is the so-called "Type A" post graduate in-service training program which is a highly specialized longer term—2 to 5 weeks—intensive program geared to the educational needs of an individual, and usually oriented toward specialists. These programs are offered regionally by those Veterans' Administration facilities which are affiliated with medical schools and which can offer the highest quality environment for such training. Participants are staff members of unaffiliated VA hospitals in the region.

Last year some 25 of these highly specialized refresher training programs were offered; this year the number will be doubled to 50.

S. 2355, "The Veterans' Administration Continuing Medical Education Act," will enable the VA to expand and increase such programs, and, along with the benefits which accrue to the veteran from improved treatment capability, will provide a more attractive career for members of the health and allied health professions in the career service of the Veterans' Administration. In addition, the bill will make such programs more available to members of the medical community at large.

In this way this bill complements S. 2354, the proposed "Veterans Health Care Reform Act of 1971," which I am also introducing today and which includes provisions substantially revising the department of medicine and surgery personnel benefits and system.

Mr. President, I ask unanimous consent that there be set forth in the RECORD at the end of my remarks a paper prepared by Dr. E. Grey Dimond, Provost for the Health Sciences, University of Missouri at Kansas City, in which he outlines the benefits that can accrue from continuing education programs based at Veterans' Administration medical facilities. Although Dr. Dimond's proposal goes beyond that included in S. 2355, I feel much of what he suggests is realistically achievable and have incorporated those portions in the "Veterans' Administration Continuing Medical Education Act."

I also ask unanimous consent that there be printed in the RECORD, prior to Dr. Dimond's paper, the full text of S. 2355.

There being no objection, the bill and paper were ordered to be printed in the RECORD, as follows:

S. 2355

A bill to amend title 38, United States Code, so as to afford advanced residency-type training to medical personnel of the Veterans' Administration and other Federal Departments and Agencies at Regional Medical Centers established at Veterans' Administration hospitals throughout the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Administration Continuing Medical Education Act".

SEC. 2. Chapter 73 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter II—REGIONAL MEDICAL EDUCATION CENTERS

"§ 4121. Designation of Regional Medical Education Centers

"(a) In carrying out his functions under section 4101 of this title with regard to the training of health manpower, the Administrator shall designate as Regional Medical Education Centers such Veterans' Administration hospitals as he determines appropriate to carry out the provisions of this subchapter, but in no event shall he designate less than four. The Administrator shall, to the extent feasible, designate such Regional Medical Education Centers in geographically dispersed areas of the United States.

"(b) Each Regional Medical Education Center designated under subsection (a) of this section shall provide continuing medical and related educational programs for medical and health personnel of the Veterans' Administration and, to the extent that the Administrator determines such facilities are available, for others on a reimbursable basis. Each such center shall provide [in residence,] intensive, advanced training of the very highest caliber. Such training shall be in residence and shall include, but shall not be limited to (1) the teaching of newly developed medical skills and the use of newly developed medical technologies and equipment, (2) advanced clinical instruction, (3) the opportunity for conducting clinical investigations, and (4) routine verification of basic medical skills and, where determined necessary, remediation of any deficiency in such skills.

"§ 4122. Supervision and staffing of centers

"(a) Regional Medical Education Centers shall be operated under the direct supervision of the Chief Medical Director through the Assistant Chief Medical Director for Research and Education. Each such center shall be staffed with personnel qualified to provide the highest quality instruction and training in various medical care disciplines.

"(b) As a means of providing appropriate recognition to individuals in the career service of the Department of Medicine and Surgery who possess outstanding qualifications in a particular medical discipline, the Chief Medical Director shall from time to time and for such period as he deems appropriate assign such individuals to serve as visiting instructors at Regional Medical Education Centers.

"(c) Whenever he deems it [to be] necessary for the effective conduct of the program provided for under this subchapter, the Chief Medical Director is authorized to contract for the services of highly qualified medical personnel from outside the Veterans' Administration to serve as instructors at such centers.

"§ 4123. Personnel eligible for training

"(a) The Chief Medical Director shall determine the manner in which personnel are to be selected for training in the Regional Medical Education Centers. Preference shall be given to career personnel of the Department of Medicine and Surgery. Medical care personnel from other Federal departments and agencies shall be eligible for in-residence training in the Regional Medical Education Centers, but the Veterans' Administration shall be reimbursed by such departments and agencies for providing such training. Medical care personnel from outside the Federal Government may be afforded training under this subchapter, to the extent that facilities are available, on a reimbursable basis.

"§ 4124. Consultation

"In carrying out the provisions of this subchapter at any hospital designated as a Regional Medical Center under section 4112 (a) of this title, the Chief Medical Director shall consult with and seek the advice of the advisory group established for such hospital under section 4112 of this title."

SEC. 3. (a) The table of sections at the beginning of chapter 73 of title 38, United States Code, is amended by inserting at the beginning of such table the following:

"SUBCHAPTER I—ORGANIZATION; GENERAL"

(b) Such table of sections is further amended by adding at the end thereof the following:

"SUBCHAPTER II—REGIONAL MEDICAL EDUCATION CENTERS

"4121. Designation of Regional Medical Education Centers.
"4122. Supervision and staffing of centers.
"4123. Personnel eligible for training.
"4124. Consultation.

A NATIONAL GRADUATE MEDICAL CENTER

(By E. Grey Dimond, M.D.)

Continuing or postgraduate medical education is a well-endorsed need. Voluntary health agencies (eg, the American Heart Association), professional societies (eg, American College of Physicians), and medical schools (eg, the University of Kansas School of Medicine) are involved effectively in this area. This listing is incomplete, and the American Medical Association, state medical societies, medical journals, books, and films have, of course, essential roles in the continuing education of physicians.

The influence of the Regional Medical Program in this field will be major. As each Regional Medical Program develops, not only will efforts similar to those at Kansas result, but also the teaching arena will extend out into the community hospital. The excellent, short, one- to four-day courses which are the present "style" for continuing medical education will be augmented by steady, persistent educational activities at the physician's local hospital.

These efforts, and others not mentioned, even if all operative, still leave a specific deficiency.

There remains the major self-renewal challenge which no existing mechanisms solve. Specifically, how can a busy physician obtain in-depth training, at the bedside, and learn entire new skills? The continuing education programs already existing offer him one- to five-day refresher experiences which but serve to maintain, at least in part, a current information base. Almost all continuing education is a passive, lecture-style experience. Very few programs permit active engagement by the teacher and the learner in real or live patient-care settings.

Lengthy periods of time, wearing white hospital clothes, fully carrying out the duties of a resident physician would seem the only means of learning new skills and also, after a period of several years in practice, would seem to be the only way of rechecking one's basic medical knowledge, correcting deficiencies, altering habits, and, in truth, gaining self-renewal.

There is no graduate center in the United States which is expressly operated as a health facility for the physician to obtain such in-depth training. At a few medical school hospitals, occasional residencies are filled by returned physicians. However, not only are these physcians few, but the competition is keen, with priorities given to the young men coming along the straight path from medical school.

My proposal as an antidote is the designation of one or more Veterans Administration hospitals as national graduate medical centers. These centers should be nationally and internationally publicized as institutions conceived by the VA in which the highest possible standard of medical care will be used as the basis for graduate clinical instruction and clinical investigation. At these centers, the staff would be augmented by visiting clinicians from the best US institutions. These visiting teachers would be present on a rotating, short-term basis of a few days or a few weeks. In addition, throughout the VA, the best career physicians would be invited for similar short teaching experiences. The majority of the residency positions would be designated sabbatical-leave residencies, and, through the nation's journals, the practicing physician would be alerted to the fact that here is a center especially prepared for his need and offering funded training positions of from 1 to 12 months.

The educational and patient-care program of this facility would be placed under the direct supervision of the medical director of the VA, and he in turn would appoint an advisory committee which would regulate the use of this significant facility. A basic permanent staff of career VA physicians, proved as teachers, would be assigned to the center.

In addition to the permanent staff, outstanding career VA physicians would also be invited to the center and would receive recognition and honor as visiting clinicians. This obvious stimulus to the career physician could serve as an important excitant in his professional life.

A present fault, I suggest, of the Veterans Administration as a career for the physician is the relative inability to maintain wide recognition and personal credit for his skill as a clinician. In private practice such recognition comes from the size of practice, size of income, social recognition in the community, and high officership in professional societies. These elusive but important kudos of life are denied, relatively, to the career VA physician. A widely publicized program, recognizing one's abilities as a clinician-teacher and one's invitation as a visiting clinician to the National Graduate Medical Center could be an effective antidote.

In a broader sense, the VA medical department has also suffered from anonymity. The very success of the program which has placed the VA hospital in firm relationship to medical schools has at the same time hidden the VA medical effort under the umbrella of the medical school. With no sense of criticism, but to identify a fact, I affirm that the contribution of VA medicine is one of the best kept secrets in the United States. The close liaison with the medical school should continue and increase; however, a national facility devoted to demonstrating excellence in clinical medicine, a national graduate medical center, would serve to identify, to the public and to the profession, the vigor and quality of VA medicine.

A premium residency stipend should be anticipated inasmuch as the primary objective of the program is to make it feasible for the physician to leave his practice in order to improve his ability. This will require a basic salary, at today's standards, of approximately $1,000 per month. This is not an exceptional stipend, and one must not forget that these residents will be bringing to the VA the mature medical effort of a physician fresh from a successful practice. Also, the fact that a percentage of these sabbatical-leave physicians could conceivably be recruited into a career VA position warrants an extra investment in stipend. If the National Graduate Medical Center could be developed in very close liaison to a medical school and especially to the department of medicine of a medical school, it is conceivable that senior residents in medicine could participate in a locum tenens program, coordinated with the sabbatical-leave residencies.

A small number of well-prepared foreign physicians should be selected each year for residency positions at the National Graduate Medical Center. A subcommittee at the national advisory committee could have responsibility for this selection. These should be physicians who are obligated to return to a teaching center in their own country. The advantages of their presence in the residency program are several. First, to their benefit, would be the opportunity of training at an institution which guarantees a high devotion to educational content. This should be compared to the many existing programs where the foreign physician is often used as ready, inexpensive labor. The advantage of correlating the selection of these physicians with existing overseas government programs is apparent.

Initially, one might criticize this suggestion of placing non-American physicians in a facility offering care to the American veteran. Such criticism could be overcome by pointing out that the number of overseas physicians would be small; even more important, they would be carefully selected, outstanding men, and the demonstration of outstanding clinical care would be the basic purpose of all teaching at the center.

In fact, the presence at the National Graduate Medical Center of the foreign physician should be deliberately cultivated. He would be a unique stimulus in the program. My own 25 years of graduate medicine have convinced me that an "international flavor" can be a prime factor in creating a stimulating program.

This last-named item, for which the word "atmosphere" is suggested, lends to the principal ingredient which will make such a graduate center effective. The atmosphere must be one which understands the hesitancies of the older student. The sabbatical-leave physician will have come from a busy life where he has been "in charge," secure, and relatively supreme. When he again puts on "white" and lets others challenge him, it will take a very thoughtful faculty to make him comfortable in the life of give-and-take. Here again, the foreign physician is deliberately brought into the scheme, as a partial antidote. The sabbatical-leave U.S. physician will quickly identify himself in the role as teacher to the foreign physician, and when this is done, the major step towards atmosphere is gained.

The National Graduate Medical Center would be a logical site for a major physician's assistant program. By bringing physicians from practice into an exposure to the physician's assistant concept, one could anticipate that fruitful liaisons could develop between these members of the health team. In fact, in many cases the physician would return to practice accompanied by a physician assistant, met and appreciated while the physician was in his sabbatical-leave residency.

Another value of the graduate center would be obtained if such functions could be coordinated with the biomedical communication activities of the National Library of Medicine. Specifically, the graduate center could be one of the national bases for much of the video-taped material to be distributed through the National Library of Medicine. The graduate center could be a primary "studio" for the National Medical Audiovisual Center, and seminars, panels, outpatient activities, operating rooms, ward rounds, autopsies, X-ray conferences, could all originate from this graduate center.

Ward rounds, with the finest clinician-teachers performing as visiting clinicians, could provide a ready, always current, unrehearsed, open window on medicine. Cameras and audiovisual staff would be a permanent part of the center. The National Library of Medicine and the VA already have sufficient congressional authorization to accomplish this. The National Library of Medicine and the Regional Medical Program offer the vehicle for the national distribution of filmed and taped material.

In summary and for emphasis, the present situation as the proposed program may be outlined as follows:

CONTINUING EDUCATION OF PHYSICIANS

1. There is a generally recognized shortage of postgraduate training facilities for the continuing education of the practicing physician.

2. An especial weakness of almost all present attempts in the continuing medical education field is that most teaching efforts are short-term, one- to five-day seminars, refresher courses, etc.

3. There is a real need for organized, sustained bedside- and ambulatory-care teaching programs of one month to one year duration for the practicing physician.

4. Medical schools, the AMA, the American Association of Medical Colleges, the National Library of Medicine, the National Institutes of Health, and the medical specialty colleges, although all interested and all able to make varying contributions, each and all have other primary interests and functions.

5. A medical care facility with beds and outpatients, primarily used for continuing education of physicians, does not exist in the United States.

FOREIGN PHYSICIANS IN THE UNITED STATES

1. The foreign physician is eager for U.S. medical training. Our country has become, for medicine, the Vienna of our time.

2. He has found it increasingly difficult to obtain first-class clinical training in this country.

He has often ended up as a "service unit" in a very inadequate institution.

4. Or he has been able to get to a first-class institution but has accomplished this by taking on a technical research role which serves him poorly as preparation for return to his home country.

5. Our own country suffers in the long run when the disappointed physician returns to his country, smarting under the realization that this country did not offer him the opportunity that he knows is here, and he is still unprepared for service in his own country.

6. Therefore, a formally organized, clinically oriented, well-supervised, foreign-graduate-physician program would be a major national asset.

7. Such a program would augment existing overseas efforts of both federal and private agencies.

VETERANS ADMINISTRATION HOSPITALS

1. The VA patient population is stratifying into certain chronic disease categories, and a period of stagnation and somnolence in terms of attracting and holding competent physicians seems inevitable.

2. The basic care of the veteran patient will deteriorate as the physician staff deteriorates. Therefore, a program which would improve veteran patient care would be able to gain endorsement by all interested groups.

3. The VA hospital system represents one of the best physical assets in the health field in the world.

4. It is too valuable a physical asset to permit it to be *underused*.

5. If a carefully chosen VA hospital could be designated a national graduate medical center and its effort devoted to outstanding patient care, graduate clinical instruction, and clinical investigation, I believe this could become an immediate national asset.

6. Cooperative efforts with the National Library of Medicine, the National Medical Audiovisual Center and the Regional Medical Program could, through a journal, films, video tapes, and eventually a health satellite, extend the National Graduate Medical Center's influence on clinical medicine of the entire nation. The center could become the workshop for the "university without walls."

By Mr. McGOVERN:

S. 2356. A bill to provide loans to students pursuing programs of higher education in the fields of law enforcement and correctional science. Referred to the Committee on Labor and Public Welfare.

LAW ENFORCEMENT EDUCATION LOAN ACT OF 1971

Mr. McGOVERN. Mr. President, pressure on policemen—from those who are victimized by crime, from merchants who are the victims of the rising tide of burglary and robbery, from community leaders who have seen the Government protect the rich at the expense of the poor—is a fact of contemporary life. The policeman must be able to deal with the sophisticated operations of the organized underworld, the random violence of the drug addict, the confrontations which characterize our social and political activity, and the anguish of civil disorder. The policeman is at the center of the social turbulence of the seventies.

The incredibly sensitive and complex tasks we ask of our law enforcement agencies require that we make available adequate training and education for policemen. The protection of society from its outlaws and internal dissension without infringing on the rights of individuals is a delicate job, requiring a fine sense of moderation and restrained force. The policeman, who has so many responsibilities, should be given a thorough and complete education in the role of law in society, and in the causes and results of the social phenomena he will have to deal with.

It is in the best interest of both the policeman and the society that more education be made available to the law enforcement agent.

To this end, I have introduced S. 2232, the Police Education Assistance Act of 1971, to provide a grant program to improve the training and educational opportunities of policemen. To supplement that bill, I am introducing the Law Enforcement Education Loan Act of 1971 to provide a "GI bill" for policemen. By the terms of this bill a fund would be established in the Department of Education, to be distributed to the various States, which would loan up to $2,000 a year to students in college degree programs who pledge to join a local police force or law enforcement agency on graduation. The debt accumulated would be retired by the Government at a rate of 1 year's loan for every 2 years of service. So the policeman of 8 years standing would have his entire debt retired and would be under no further obligation to the Government. The procedure would be similar to that in our military academies, where a college education is provided in return for several years of military service.

Aside from the benefits to society of an educated, well-trained police force, we must consider the debt the society owes these men who risk lives to preserve law and justice in the Nation. It would behoove this Congress to act swiftly on this measure, for the policeman's contribution to the society certainly merits the society's commitment to his education.

I ask unanimous consent that the text of the legislation I am introducing be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2356

A bill to provide loans to students pursuing programs of higher education in the fields of law enforcement and correctional science

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Law Enforcement Education Loan Act of 1971".

PROHIBITIONS

SEC. 2. (a) Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

(b) Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision or control over the organization, administration, or personnel of any State or local police force or other law enforcement agency.

(c) Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the organization, administration, or personnel of any State or local penal or correctional institution.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Trust Territory of the Pacific Islands.

(2) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of this Act, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training afforded.

(3) The term "Commissioner" means the Commissioner of Education.

(4) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(5) The term "nonprofit", as applied to a school or institution, means a school or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

LOANS TO STUDENTS OF POLICE OR CORRECTIONAL SCIENCE IN INSTITUTIONS OF HIGHER EDUCATION

SEC. 4. (a) For the purpose of enabling the Commissioner to stimulate and assist in the establishment at institutions of higher education of funds for the making of low-interest loans to students of police or correctional science in need thereof to pursue their courses of study in such institutions, there are hereby auhorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1972, $50,000,000 for the fiscal years ending June 30, 1973, June 30, 1974, and June 30, 1975, and such sums for the fiscal year ending June 30, 1976, as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1975, to complete their course in police or correctional science. Sums appropriated under this section for any fiscal year shall be available, in accordance with the agreements between the Commissioner and institutions of higher education, for payment of Federal capital contributions which, together with contributions from the institutions, shall be used for establishment and maintenance of a student loan fund.

(b) From the sums appropriated pursuant to subsection (a) for any fiscal year ending prior to July 1, 1975, the Commissioner shall allot to each State an amount which bears the same ratio to the amount so appropriated as the population of such State bears to the population of all States. The Secretary of Commerce shall be the source of all population figures for the purposes of this section.

(c) Sums appropriated pursuant to subsection (a) for the fiscal year ending June 30, 1975, shall be allotted among the States in such manner as the Commissioner determines to be necessary to carry out the purpose for which such amounts are appropriated.

FEDERAL CAPITAL CONTRIBUTIONS

SEC. 5. The Commissioner shall periodically set dates by which institutions of higher education in a State must file applications for Federal capital contributions from the allotment of such State. In the event the total requested in such applications, which are made by institutions with which he has agreements under this Act and which meet the requirements established in regulations of the Commissioner, exceeds the amount of the allotment of such State available for such purpose, the Federal capital contribution from such allotment to each such institution shall bear the same ratio to the amount requested in its application as the amount of allotment available for such purposes bears to the total requested in all such applications. In the event the total requested in such applications which are made by institutions in a State is less than the amount of the allotment of such State available for such purpose, the Commissioner may re-allot the remaining amount from time to time, on such date or dates as the Commissioner may fix, to other States in proportion to the original allotments to such States under secion 4(b) for such year. The Federal capital contribution to an institution shall be paid to it from time to time in such installments as the Commissioner determines will not result in unnecessary accumulations in the law enforcement and correctional student loan fund established under its agreement under this Act.

LOAN FUND AGREEMENTS

Sec. 6. An agreement with any institution of higher education for Federal capital contributions by the Commissioner under this Act shall—

(1) provide for establishment of a loan fund for students pursuing programs (A) which lead to either a two- or a four-year degree in police or correctional science offered by such institution, and (B) which have been approved for the purposes of this Act by the Attorney General;

(2) provide for deposit in such fund of (A) the Federal capital contributions, (B) an amount, equal to not less than one-ninth of such Federal contributions, contributed by such institution, (C) collections of principal and interest on student loans made from such fund, and (D) any other earnings of the fund;

(3) provide that such student loan fund shall be used only for loans to students in accordance with such agreement, for capital distributions as provided in this Act, and for costs of litigation arising in connection with the collection of any loan from the fund or interest on such loan;

(4) provide that in the selection of students to receive loans from this student loan fund, special consideration shall be given to (A) individuals serving on the staffs of public law enforcement or correctional agencies who are on academic leave to earn either the two- or four-year degree in police or correctional science, and (B) students in good health with a superior academic background who are preparing to enter the law enforcement or correctional field;

(5) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this Act and as are agreed to by the Commissioner and the institution.

TERMS OF STUDENT LOANS

Sec. 7. (a) The total of the loans for any fiscal year to any student made by institutions of higher education from loan funds established pursuant to agreements under this Act may not exceed $2,000 and the total for all years to any student from such funds may not exceed $8,000.

(b) Loans from any such loan fund to any student by any institution of higher education shall be made on such terms and conditions as the institution may determine; subject, however, to such conditions, limitations, and requirements as the Commissioner may prescribe (by regulation or in the agreement with the institution) with a view to preventing impairment of the capital of the student loan fund to the maximum extent practicable in the light of the objective of enabling the student to complete his course of study; and except that—

(1) such a loan shall be made only to a student who (A) is in need of the amount of the loan to pursue the course of study at such institution, and (B) is capable, in the opinion of the institution, of maintaining good standing in such course of study, and (C) has been accepted for enrollment as a full-time student at such institution, and (D) signs a declaration of intention to join the staff of a public law enforcement agency or correctional institution in the State wherein the institution of higher education is located. after completion of the two- or four-year course of study, and (E) manifests no obvious physical or other handicap which, in the judgment of the institution, would render him clearly incapable of effective service on a police force or correctional staff.

(2) such a loan shall be evidenced by a note or other written agreement which provides for repayment of the principal amount, together with interest thereon, in equal annual installments, or, if the borrower so requests, in graduated periodic installments (determined in accordance with such schedules as may be approved by the Commissioner), over a period beginning one year after the date on which the borrower ceases to pursue a full-time course of study at an institution of higher education and ending eleven years after such date, except that (A) interest shall not accrue on any such loan, and periodic installments need not be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an institution of higher education, or (ii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, (B) any such period shall not be included in determining the ten-year period during which the repayment must be completed, (C) such ten-year period may also be extended for good cause determined in accordance with regulations of the Commissioner, and (D) the borrower may at his option accelerate repayment of the whole or any part of such loan.

(3) not to exceed 100 per centum of any such loan (plus interest) shall be canceled for service as a full-time law enforcement officer on a public funded State, city, or county police force, or as a full-time staff employee in a Federal, State, or county correctional agency, in the following manner:

(A) The first two years of such service cancel any loan attributable to the first year of study;

(B) The third and fourth years of such service cancel any loan attributable to the second year of study;

(C) The fifth and sixth year of such service cancel any loan attributable to the third year of study; and

(D) The seventh and eighth years of such service cancel any loan attributable to the fourth year of study;

(4) such a loan shall bear interest, on the unpaid balance of the loan, at the rate of 3 per centum per annum except that no interest shall accrue before the date on which repayment of the loan is to begin;

(5) such a loan shall be made without security and without endorsement, except that if the borrower is a minor and the note or other evidence of obligation executed by him would not, under the applicable law, create a binding obligation, either security or endorsement may be required;

(6) the liability to repay any such loan shall be canceled upon the death of the borrower, or if he becomes permanently and totally disabled as determined in accordance with regulations of the Commissioner;

(7) such a loan by an institution for any year shall be made in such installments as may be provided in regulations of the Commissioner or the agreement with the institution under this Act, and, upon notice to the Commissioner by the institution that any recipient of a loan is failing to maintain satisfactory standing, any or all further installments of his loan shall be withheld, as may be appropriate; and

(8) no note or other evidence of such a loan may be transferred or assigned by the institution of higher education making the loan except, upon the transfer of the borrower to another institution of higher education participating in the program under this Act (or if not participating, is eligible to do so and is approved by the Commissioner for such purpose), to such institution.

(c) An agreement under this Act for payment of Federal capital contributions shall include provisions designed to make loans from the student loan fund established pursuant to such agreement reasonably available (to the extent of the available funds in such fund) to all eligible students in such institution in need thereof.

DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS

Sec. 8. (a) After June 30, 1978, and not later than September 30, 1978, there shall be a capital distribution of the balance of the student loan fund established under this Act by each institution of higher education as follows:

(1) The Commissioner shall first be paid an amount which bears the same ratio to the balance in such fund at the close of June 30, 1978, as the total amount of the Federal capital contributions to such fund by the Commissioner under this Act bears to the sum of such Federal capital contributions and the institution's capital contributions to such fund.

(2) The remainder of such balance shall be paid to the institution.

(b) After September 30, 1978, each institution with which the Commissioner has made an agreement under this Act shall pay to the Commissioner, not less often than quarterly, the same proportionate share of amounts received by the institution after June 30, 1978, in payment of principal or interest on student loans made from the student loan fund established pursuant to such agreement (which amount shall be determined after deduction of any costs of litigation incurred in collection of the principal or interest on loans from the fund and not already reimbursed from the student loan fund or such payments of principal or interest) as was determined for the Commissioner under subsection (a).

(c) Upon a finding by the institution or the Commissioner prior to July 1, 1978, that the liquid assets of a student loan fund established pursuant to an agreement under this Act exceed the amount required for loans or otherwise in the foreseeable future, and upon notice to such institution or to the Commissioner, as the case may be, there shall be, subject to such limitations as may be included in regulations of the Commissioner or in such agreement, a capital distribution from such fund. Such capital distribution shall be made as follows:

(1) The Commissioner shall first be paid an amount which bears the same ratio to the total to be distributed as the Federal capital contributions by the Commissioner to the student loan fund prior to such distribution bear to the sum of such Federal capital contributions and the capital contributions to the fund made by the institution.

(2) The remainder of the capital distribution shall be paid to the institution.

LOANS TO INSTITUTIONS

Sec. 9. (a) Upon application by any institution of higher education with which ne has made an agreement under this Act, the Commissioner may make a loan to such institution for the purpose of helping to finance the institution's capital contributions to a student loan fund established pursuant to such agreement. Any such loan may be made only if such institution shows it is unable to secure such funds from non-Federal sources upon terms and conditions which the Commissioner determines to be reasonable and consistent with the purposes of this Act. Loans made to institutions under this section shall bear interest at a rate which the Commissioner determines to be adequate to cover (1) the cost of the funds to the Treasury as determined by the Secretary of the Treasury, taking into consideration the current average yields of outstanding marketable obligations of the United States having maturities comparable to the maturities of loans made by the Commissioner under this section, (2) the cost of administering this section, and (3) probable losses.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section, but not to exceed a total of $25,000,000.

(c) Loans made by the Commissioner under this section shall mature within such period as may be determined by the Commissioner to be appropriate in each case, but not exceeding ten years.

PAYMENTS TO COVER REDUCTIONS IN AMOUNTS OF LOANS

SEC. 10. In addition to the payments otherwise authorized to be made pursuant to this Act, the Commissioner shall pay to the appropriate institution, at such time or times as he determines, an amount which bears the same ratio to the interest which has been prevented from accruing and the portion of the principal which has been canceled on student loans pursuant to clause (3) of section 7(b) (and not previously paid pursuant to this subsection) as the total amount of the institution's capital contributions to such fund.

ADMINISTRATIVE PROVISIONS

SEC. 11. (a) The Commissioner, in addition to the other powers conferred upon him by this Act, shall have power to agree to modifications of agreements or loans made under this Act and to compromise, waive, or release any right, title, claim, or demand, however arising or acquired under this Act.

(b) Financial transactions of the Commissioner pursuant to this Act, and vouchers approved by him in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such transactions shall be subject to audit by the General Accounting Office at such times and in such manner as the Comptroller General may by regulation prescribe.

ADMINISTRATION

SEC. 12. (a) The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer of the Office of Education.

(b) The Commissioner shall include in his annual report to the Congress a full report of the activities of the Office of Education under this Act, including recommendations for needed revisions in the provisions thereof.

(c) Any agency of the Federal Government shall exercise its functions under any other law in such manner as will assist in carrying out the objectives of this Act. Nothing in this Act shall be construed as superseding or limiting the authority of any such agency under any other law.

(d) No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments or loans to any individual unless such individual has taken and subscribed to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic." The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such affidavits.

ADMINISTRATIVE APPROPRIATIONS

SEC. 13. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1968, and for each fiscal year thereafter, such sums as may be necessary for the cost of administering the provisions of this Act.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1245

At the request of Mr. Moss, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1245, to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data.

S. 1620

Mr. McGOVERN. Mr. President, I ask unanimous consent that the Senator from New Jersey (Mr. WILLIAMS) be added as a cosponsor of S. 1620, the bill I introduced to exempt farm vehicles from part 2 of the Interstate Commerce Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2071

At the request of Mr. Moss, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 2071, to provide for the care, housing, education, training, and adoption of certain orphaned children in Vietnam.

S. 2240

Mr. McGOVERN. Mr. President, I ask unanimous consent that I be added as a cosponsor to S. 2240, the bill to provide for the registration of students for voting at the institutions of higher education where they are in attendance.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2266

At the request of Mr. Moss, the Senator from North Dakota (Mr. BURDICK), the Senator from New Jersey (Mr. CASE), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 2266, to amend section 734 of title 44, United States Code, to require the Public Printer to furnish recycled material for the official use of the Senate and the House of Representatives.

S. 2267

At the request of Mr. Moss, the Senator from North Dakota (Mr. BURDICK), the Senator from New Jersey (Mr. CASE), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 2267, to amend chapter 9 of title 44, United States Code, to require the use of recycled paper in the printing of the CONGRESSIONAL RECORD.

S. 2344

At the request of Mr. RANDOLPH, the Senator from West Virginia (Mr. BYRD), the Senators from New Mexico (Mr. MONTOYA, and Mr. ANDERSON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from North Dakota (Mr. BURDICK), and the Senator from Arkansas (Mr. McCLELLAN) were added as cosponsors of S. 2344, to amend the Foreign Assistance Act of 1961 to provide for international drug control assistance and to prohibit foreign assistance from being provided to foreign countries which do not act to prevent the illegal production, processing, or distribution of narcotic drugs used or intended to be used in the United States or by U.S. Armed Forces outside the United States.

SENATE JOINT RESOLUTION 106

At the request of Mr. BYRD of Virginia, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of Senate Joint Resolution 106, a proposed amendment to the U.S. Constitution requiring reconfirmation of Federal judges.

ADDITIONAL COSPONSOR OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 21

At the request of Mr. MONDALE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of Senate Concurrent Resolution 21, concerning negotiations in Pakistan.

AMENDMENT OF FEDERAL HAZARDOUS SUBSTANCES ACT—AMENDMENT

AMENDMENT NO. 338

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. SPONG. Mr. President, earlier in this session of Congress the administration requested that legislation be introduced to control toxic substances. The current regulatory framework for the control of industrial and consumer substances leaves much to be desired. One need only browse the newspapers to be confronted with the dangers of mercury and other trace metals, PCB's, and detergent additives to name a few. The administration recognizes the need to provide for the control of these and other materials and I applaud this awareness. However, in my judgment, the bill does not go far enough and I am today introducing strengthening amendments.

The administration's bill—S. 1478—provides for the establishment of test protocols for various classes and uses of chemical substances and the results to be achieved as are necessary to protect health and the environment. The bill requires that new chemical substances undergo this testing by the manufacturer prior to its commercial production. The requirement does not extend to existing chemicals.

The administration bill also gives the Administrator of the Environmental Protection Agency the authority to restrict the use or distribution of any chemical substances to the extent necessary to protect health and the environment. This would enable the Administrator to limit the amount of the chemical substance sold to different types of processors and, as I understand the bill, enable him to specify how the material may be processed industrially and how it may be used by consumers.

The amendments I am proposing today to S. 1478 would provide, I believe, a clarification of what has been proposed by the administration's bill as well as adding several important substantive provisions. These provisions are:

First. A premarket clearance requirement for all new chemical substances which are of environmental or public health significance. The administration's bill requires that certain tests be conducted, but with no premarket assurance that the tests have indeed been conducted and if they have been conducted properly. While most manufacturers comply with this requirement conscientiously the administration's bill presents no assurance that the less careful manufacturer would indeed perform his tests and perform them adequately. In addition, the preclearance mechanism would enable the Administrator to know what goes into the environment before it is introduced. The proper regulation of a chemical substance must be based on knowledge of the total amount of that substance in use. The administration's bill would rely on this knowledge from future reports which may be required of the manufacturer. Without timely knowledge of how much of the material goes into the environment it would seem very difficult to fashion proper use restrictions. The preclearance requirement would make this information available when a material is proposed for clearance rather than at some later date. Finally, a preclearance mechanism would prevent duplication of testing by different manufacturers of the same product. The administration's bill requires that all manufacturers of new chemical substances be required to complete essentially the same tests. A preclearance mechanism would provide knowledge of these tests and eliminate the necessity of all manufacturers of the same product to do the same tests.

Second. The amendments would provide for the systematic testing of existing chemical substances when there is reason to believe the substance may pose an unreasonable threat to man or the environment. Under the administration's bill, restrictions may be placed on an existing chemical substance only when the administrator is sure that the unreasonable threat exists. Many of the chemical substances now in existence have not been tested thoroughly to assess their hazard to man and the environment. The administration's bill would provide no systematic mechanism for gaining this knowledge. The proposed amendments would require that existing chemical substances which have questionable uses be specified for certification in a similar manner to new chemical substances with similar testing requirements.

Third. The amendment contains a mechanism to distribute more equitably the costs of the requisite testing. Under the amendment, it is intended that the test results required for certification would be public and available to other manufacturers wishing to certify similar chemical substances, thus preventing duplicative testing. To distribute the costs of testing the amendment provides for a tax to be assessed on all first sales of that product until the costs of testing are recovered. The revenue collected would be paid to the manufacturer who performed the tests. As his product would also be taxed, the cost of testing would be spread among those who would benefit from the testing. The same procedure would apply to existing chemical substances for which testing and certification is required. Thus, in the case of existing chemicals, the very difficult problem of specifying who among many producers would be required to test is eliminated. Only one manufacturer could test with all manufacturers of that same product bearing the cost. While this is is an untried approach, I feel it necessary to attempt to equitably distribute the costs of the required tests. I would hope we will get a thorough examination of this approach in the hearings. I am aware of the constitutional prohibition against revenue generating measures originating in the Senate. I am proposing this measure today merely to seek an examination of this concept and I have no intention of pressing for Senate action on this provision prior to House action.

Fourth. The amendment would give the Administrator the authority to recall chemical substances from the market and to exercise administrative seizure authority for chemical substances. Seizures would be made summarily only if an imminent hazard exists and after a hearing if an imminent hazard does not exist. These additional tools, although I would anticipate they would be used sparingly, would enable the Administrator to act swiftly to protect man and the environment from unreasonable risks, imminent hazards, and uncertified substances. No such authority exists in the administration's bill.

Fifth. The amendment would give the Administrator the authority to issue administrative orders to protect against imminent hazards. Under S. 1478, the Administrator must first go to the Attorney General who must petition the district court to restrain the use or distribution of this chemical substance responsible for the hazard. Imminent hazards by their very nature require swift and effective action. By requiring the Administrator to go through the Justice Department and the courts, the probability of swift and effective action is seriously diminished and may not result in the prompt action that may be required. Any such action by the Administrator under this authority would be subject to review but the order restricting the use or distribution of the chemical substance would remain in effect pending the review.

Sixth. The amendment contains a provision for citizen suits to enforce standards if the Administrator fails to act upon a mandatory duty. The citizen suit provision is very similar to those passed by the Congress last year as part of the Clean Air Amendments of 1970.

Seventh. The amendment would allow the Administrator to initiate legal action without going through the Department of Justice. I can see no valid reason in requiring the Administrator to go through the Justice Department every time he wants to bring legal action under this authority. If coordination of the legal activities of the executive branch is the goal of this provision in the administration's bill, I would think this could be done without the addition of another procedural step to hinder swift enforcement of this authority.

Eighth. Several other areas of the administration's bill have been more precisely defined and clarified by the amendment. It is made explicit that the administrator may regulate the use and disposal of consumer products. It is unclear in the administration's bill. "Imminent hazard" has been more precisely defined to mean the manufacture, use or distribution of a chemical substance that will result in serious damage to human health or the environment prior to the completion of administrative hearings or other formal proceedings. Under the administration's bill, the definition is vague and would give nearly complete discretion to the administrator to determine imminent hazards. In addition, the section relating to confidentiality of information furnished to the administrator from a manufacturer has been clarified to include only that information which is unobtainable by competitors and would lead to competitive injury to the manufacturer. The administration's bill left open the possibility that information other than that which would lead to injury could be withheld from the public. Finally, the amendment gives additional guidance to the administrator on how to design the test protocols for the various classes and uses of chemical substances, outlining five factors he should consider in making such determinations.

I introduce the amendment for appropriate reference and ask that the text of the amendment be printed in full in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 338

Strike out all after the enacting clause and insert in lieu thereof the following:

SEC. 2. (a) The Federal Hazardous Substances Act is amended by inserting before section 1 of such Act the following:

"TITLE I—HAZARDOUS CONSUMER PRODUCTS"

(b) Such Act is further amended by adding after section 18 thereof, the following new title:

"TITLE II—TOXIC SUBSTANCES

"POLICY

"SEC. 201. Whereas the American people are being exposed to a large number of chemical substances each year; and

"Whereas among the many chemical substances constantly being developed and produced are some which may be a danger to human health or the environment; and

"Whereas the effective regulation of interstate commerce in such chemicals necessitates the regulation of transactions in such chemicals in intrastate commerce as well;

"Therefore, it is the policy of the United States that—

"(1) new chemical substances and hazardous or potentially hazardous existing chemical substances should be adequately tested with respect to their safety to man and the environment; that such testing should be the responsibility of those who produce such chemicals; and

"(2) chemical substances should serve useful purposes; and,

"(3) adequate authority should exist to restrict the distribution and use of chemicals found to be harmful; and

"(4) authority over chemicals be exercised in such a manner as not to unduly impede technological innovation while fulfilling the primary purpose of this title to assure that such innovation and commerce in such chemicals does not endanger human health or the environment.

"DEFINITIONS

"SEC. 202. As used in this Act the term—

"(1) 'Administrator' means the Administrator of the Environmental Protection Agency;

"(2) 'Chemical substance' means any organic or inorganic substance of a particular molecular identity, or any uncombined chemical radical or element, except such substances which are of no public health or environmental significance as determined by the Administrator by regulations;

"(3) 'Existing chemical substance' means any chemical substance which is first produced in commercial quantities before the effective date of initial regulations promulgated pursuant to section 203;

"(4) 'Manufacturer' means any person engaged in the production or manufacture of chemical substances for purposes of sale or distribution in commercial quantities, or an importer thereof;

"(5) 'Processor' means any person engaged in the preparation of a chemical substance for distribution or use either in the form in which it is received or as part of another product, as defined by regulations of the Administrator;

"(6) 'Restrict use or distribution' means to prescribe the amount sold to given types of processors, or to limit the type of processor to whom a substance may be sold, or to prescribe the amount which may be utilized by a given type of processor, or to limit the manner in which a substance may be manufactured, used, handled, or disposed of by any person, and such restriction on use or distribution may include a total ban;

"(7) 'Byproduct' means a chemical substance produced as a direct result of the production, manufacture, processing, use, or disposal of some other chemical substance which is subject to the provisions of this title;

"(8) 'Environment' includes water, air, land, all plants and animals living therein, and the interrelationships which exist among these;

"(9) 'Animal' means all vertebrate and invertebrate species, including but not limited to man and other mammals, birds, fish, and shellfish;

"(10) 'Protect health and the environment' means protection against any unreasonable threat to human health or the environment resulting from any chemical reaction of a chemical substance taking into account the benefits of the chemical substance as compared to the risks to man or the environment;

"(11) 'District court of the United States' includes the District Court of Guam, the District Court of the Virgin Islands, the District Court of the Canal Zone, and in the case of American Samoa and the Trust Territory of the Pacific Islands, the District Court of the United States for the District of Hawaii, which court shall have jurisdiction over actions arising under this title;

"(12) 'New chemical substance' means any chemical substance which is first produced in commercial quantities after the effective date of initial regulations promulgated pursuant to section 203; and

"(14) 'Consumer' means any person who is not a manufacturer, processor, shipper, distributor, wholesaler, retailer, or commercial user of the chemical substance or its byproducts.

"TEST STANDARDS

"SEC. 203. Within one year after enactment of this title, and from time to time thereafter, the Administrator shall, after consultation with the Toxic Substances Board established under section 210, issue proposed regulations for such standards for test protocols for various classes and uses of chemical substances, and for the results to be achieved therefrom, as are necessary to protect health and the environment. In determining what is necessary to protect health and the environment under the preceding sentence, the Administrator shall consider all relevant factors including—

"(1) the effects on human health of the substance;

"(2) the effects of the substance on the environment;

"(3) the benefits of the substance for various uses;

"(4) the normal circumstances of such use; and

"(5) the availability of less hazardous substitutes.

Such test protocols may include tests for carcinogenesis, teratogenesis, mutagenesis, persistence, the cumulative or synergistic effects of other chemical substances, and other types of hazards. The Administrator shall specify in the proposed regulations the date on which such standards shall take effect, except that such standards shall not take effect prior to the 90th day after the date of issue of final regulations nor later than 18 months after such date.

"CERTIFICATION OF CHEMICAL SUBSTANCES

"SEC. 204. (a) After the effective date of initial regulations promulgated pursuant to section 203, any manufacturer of a new chemical substance shall be required to obtain a certification from the Administrator that such new chemical substance is in compliance with the testing requirements of section 203. Requests for certification shall begin by application from the manufacturer to the Administrator, who shall publish such application in the Federal Register together with his proposal to grant or deny such application and, if it is proposed to certify the applicant, any proposals to condition such certification pursuant to section 205. Thereafter, the procedures of section 222(b) governing the promulgation of regulations shall apply. Application for certification under this section shall be in such form and contain or shall be accompanied by such information as the Administrator deems necessary to carry out his functions under this Act.

(b) Existing chemical substances are exempted from the requirement of certification by the Administrator for compliance with the test regulations promulgated pursuant to section 203, except that the Administrator shall issue, within one year after enactment of this title and from time to time thereafter, proposed regulations specifying those existing chemical substances the manufacture use, or distribution of which there is reason to believe may pose an unreasonable threat to man or the environment. The Administrator shall further specify in such proposed regulations such standards for test protocols for various classes and uses of such existing chemical substances, and the results to be achieved therefrom, as are necessary to protect health and environment. The Administrator shall specify in the proposed regulations the date on which such standards shall take effect, except that such standards shall not take effect prior to the 90th day after the date of issue of final regulations nor later than 18 months after such date. After the effective date of such regulations, any manufacturer of any such existing chemical substance shall be required to obtain a certification from the Administrator.

(c) Each manufacturer may submit a request for payment of the costs of complying with the testing requirements of section 203 or subsection 6 of this section with the application for certification required under this section. The Administrator shall approve for payment to the manufacturer requesting such payment, an amount equal to the costs of the required testing. Only costs legitimately incurred by a manufacturer for the required testing of each chemical substance relating to the hazards to health and the environment shall be approved for payment by the Administrator. Such payment authorization shall not duplicate any previous payment authorization for similar tests. Thereafter, the Administrator shall pay annually to such manufacturer an amount not to exceed the annual receipts collected for the sale of such chemical substance under subchapter F of chapter 36 of the Internal Revenue Code of 1954, until such time as full payment has been made of the amount approved by the Administrator.

"RESTRICTIONS ON USE OR DISTRIBUTION

"SEC. 205. (a) If warranted by data available to him, the Administrator shall propose by regulation to condition a certification issued pursuant to section 204 of this Act (1) to restrict the use or distribution of the chemical substance to the extent necessary to protect health and the environment including such restrictions as are necessary for effective quality control; (2) to require that any or all persons engaged in the distribution of the substance so regulated give notification to purchasers of the substance of such restrictions in such form and manner as the Administrator determines is necessary to protect health and the environment including labeling requirements on consumer products containing chemical substances or their byproducts with appropriate warning provisions and directions for use and disposal; and (3) to require such other action as may be necessary to carry out such restrictions including prohibiting or restricting the sale, use or removal of such substance or a product containing such a substance and recalling such product or substance from the market. Similar restrictions and requirements shall be imposed by regulation for chemical substances for which no certification exists if warranted by data available to the Administrator.

"(b) Proposed and final regulations issued under paragraph (1) of subsection (a) of this section shall set forth findings of fact on which the order imposing restrictions is based and the relationship of such findings to the restrictions imposed. The manufacturer shall be responsible for supplying all necessary information for the Administrator to make findings under this subsection. All data relevant to the Administrator's findings shall be available to any interested party in accordance with section 213.

"IMMINENT HAZARD

"SEC. 206. (a) An imminent hazard shall be considered to exist when there is reason to believe that the manufacture, use or distribution of a chemical substance will result in serious damage to human health or the environment prior to the completion of an administrative hearing or other formal proceeding held pursuant to this Act.

"(b) If an imminent hazard exists the Administrator shall issue an order requiring all reasonable measures to protect against the threat of such serious damage. The Administrator shall simultaneously, if he has not already done so, propose any regulation which may be warranted under section 205. Any order issued under this subsection shall become effective at such time as may be necessary to protect against the threat of such damage and shall remain effective pending the outcome of formal proceedings under section 205. Prior initiation of any such proceedings under section 205 shall not prevent the Administrator from issuing an order under this section.

"SEIZURE

"SEC. 207. (a) Any chemical substance which the Administrator finds (1) is manufactured, used or distributed in violation of sections 204, 205, or 206 and (2) of itself constitutes an imminent hazard may be seized summarily by the Administrator. Anyone adversely affected by such seizure may, within thirty days from the date of seizure, file objections thereto and request a public hearing, which shall consist of the oral and written presentation of data, views or arguments pursuant to section 553 of title 5 of the United States Code. Any chemical substance so seized shall be segregated and, if no request for a hearing is made or if upon completion of any such hearing, such seizure is sustained by the Administrator, destroyed or sold at auction under the supervision of the Administrator or his representative: Except (1) such chemical substance shall not be destroyed or sold and shall be released to the person from whom seized if, prior to destruction or sale, such chemical substance is made to comply with section 204, 205, or 206; (2) no such destruction or sale shall take place until at least thirty days after such seizure is sustained following a public hearing; (3) in the event of an action for judicial review or further appeal of the seizure, no such destruction or sale shall take place pending such action or appeal or within thirty days thereafter. Any proceeds from the sale of a chemical substance under this section shall be paid into the Treasury of the United States.

"(b) Any chemical substance which the Administrator finds (1) is manufactured, used or distributed in violation of sections 204, 205, or 206 and (2) of itself constitutes an unreasonable threat to health or the environment but not an imminent hazard may be seized pursuant to the procedures of subsection (a) except that no seizure shall be made until after an opportunity for a public hearing.

"REPORTS

"Sec. 208. (a) The Administrator shall require all manufacturers of chemical substances to furnish reports to him annually and at such more frequent times as the Administrator may reasonably require containing any or all of the following—

"(1) the names of any or all chemical substances produced or imported by the manufacturer in commercial quantities;

"(2) the chemical identity and molecular structure of such substances insofar as is known;

"(3) the categories of use of each such substance, insofar as they are known to him;

"(4) reasonable estimates of the amounts of each substance produced for each such categry of use; and

"(5) a description of the byproducts, if any, resulting from the production of each such substance, and, insofar as they are known to him, from the uses thereof.

"(b) If necessary to accomplish the purposes of this title, the Administrator shall direct manufacturers of a chemical substance to provide, within a specified period of time not to be less than thirty days, the results of any tests not otherwise required by this Act of the health or environmental effects of the substance or its byproducts, which have been performed by or at the instance of the manufacturer or such results as are otherwise known to him, and any or all of the items of information listed in subsection (a).

"(c) Whenever the Administrator determines that such action would be productive and desirable to allow him to carry out his responsibilities and authorities under this title, he may by publishing a notice in the Federal Register invite and afford all interested persons an opportunity to provide in writing information respecting the health or environmental effects of the chemical substance or its byproducts.

"RELATIONSHIP TO OTHER LAWS

"Sec. 209. (a) This title shall not apply to—

"(1) economic poisons subject to the Federal Insecticide, Fungicide, and Rodenticide Act, and chemical substances used solely in such poisons, except that if a chemical substance which constitutes such a poison or such an ingredient is or may be used for any purpose which is not regulated by the Federal Insecticide, Fungicide, and Rodenticide Act, this title shall apply to such other uses.

"(2) foods, food additives, drugs, and cosmetics subject to the Federal Food, Drug, and Cosmetic Act, as amended, the Federal Meat Inspection Act, and the Poultry Products Inspection Act, and chemical substances used solely therein, and controlled substances regulated pursuant to the Comprehensive Drug Abuse Prevention and Control Act of 1970, except that if such an item or substance is or may be used for any purpose which is not regulated by such acts this title shall apply to such other uses;

"(3) any source material, special nuclear material, or by-product material as defined in the Atomic Energy Act of 1954, as amended, and regulations issued pursuant thereto by the Atomic Energy Commission;

"(4) the authority of the Secretary of the Department of Transportation to establish rules and regulations for the transportation of hazardous materials.

"(b) To the extent that such activities are subject to regulation by other Federal laws, including the Occupational Health and Safety Act of 1970 and title I of this Act, the Administrator shall not regulate the use or distribution of a new or existing chemical substance on the basis of any possible hazard to employees in their place of employment, or the hazard directly to consumers resulting from household use of marketed products which contain or might contain the substance. If it appears to the Administrator that any such substance may pose a hazard when transported, or when used on or in food or as a drug or cosmetic, or may be a hazard to employees in their place of employment, or may pose a hazard directly to consumers resulting from household use of marketed products which contain or might contain the substance, he shall transmit any data received from manufacturers or processors relevant to such hazards to the Federal department or agency with authority to take legal action if a hazard is found to exist.

"(c) The Administrator shall coordinate actions taken under this Act with actions taken to enforce the Federal Water Pollution Control Act and the Clean Air Act, and shall, where appropriate, use the authorities contained in such Acts to regulate chemical substances.

"(d) The Administrator shall consult and coordinate with the Secretary of Health, Education, and Welfare and the heads of other appropriate Federal agencies in administering the provisions of this title.

"(e) This title shall not be construed as superseding or impairing the provisions of any other law or treaty of the United States.

TOXIC SUBSTANCES BOARD

"Sec. 210. (a) There shall be established in the Environmental Protection Agency a Toxic Substances Board consisting of not more than 12 members who shall be scientifically qualified individuals. The Administrator shall appoint members of the board from a list of individuals recommended to him by the National Academy of Sciences. Such board shall include equal numbers of qualified scientists representing industry, consumer or environmental groups, and the general public. One of the members shall be designated by the Administrator to serve as Chairman of the Board.

"(b) The National Academy of Sciences, in consultation with the board, shall establish, maintain, and publish a continuing list of qualified scientists, to assist in carrying out the provisions of this section. Such scientists shall also be consultants to the Toxic Substances Board.

"(c) Before proposing any regulations under sections 203 or 204 (b) the Administrator shall refer his proposed action and the available evidence to a committee selected from members of the Board and the list of consultants to the Board. Such committee shall contain substantially equal numbers of scientists representing industry, consumer or environmental groups, and the general public. The committee shall report its views in writing to the Administrator, within a reasonable time, not to exceed ninety days, specified by the Administrator. Such time may be extended an additional ninety days if the Administrator determines the extension necessary and such committee has made a good faith effort to report its views within the initial ninety-day period. If the committee fails to report within the specified time, the Administrator may proceed to take action under this title. The deliberations of all such committees shall be open to the public and all proceedings and deliberations of such committees shall be public record. The report of the committee and any dissenting views shall be considered as part of the record in any proceeding taken with respect to the Administrator's action.

"(d) The Administrator may, at his discretion, also request the Board to convene a panel to consider other actions proposed to be taken under this Act.

"(e) The Administrator is authorized to reimburse the National Academy of Sciences for expenses incurred in carrying out this section.

"RESEARCH

"Sec. 211. The Administrator is authorized to conduct such research and monitoring as is necessary to carry out his functions under this title. Such research and monitoring shall be limited to determining proper test protocols and results to be obtained therefrom under sections 203 and 204 (b), determinations under paragraph (2) of section 202 and section 204 (b), and such monitoring of chemical substances in man and the environment as is necessary to carry out the purposes of this title. In addition, limited research may be undertaken to confirm the results of tests required by this title. To the extent possible, such research and monitoring shall not duplicate the efforts of other Federal agencies or the research required of manufacturers under this title. In order to carry out the provisions of this section, the Administrator is authorized to establish research laboratories, including the acquisition of necessary land, buildings, or facilities, and to make contracts for such research and monitoring.

"ADMINISTRATIVE INSPECTIONS AND WARRANTS

"Sec. 212. (a)(1) For the purpose of inspection, copying and verifying the correctness of records, reports, or other documents required to be kept or made under this title and otherwise facilitating the carrying out of his function under this title, the Administrator is authorized, in accordance with this section, to enter any factory, warehouse, or premises in which chemical substances are manufactured, processed, or held and to conduct administrative inspections thereof.

"(2) Such entries and inspections shall be carried out through officers or employees (hereinafter referred to as 'inspectors') designated by the Administrator. Any such inspector, upon stating his purpose and presenting to the owner, operator, or agent in charge of such premises (A) appropriate credentials and (B) his administrative inspection warrant or a written notice of his other inspection authority, shall have the right to enter such premises and conduct such inspection at reasonable times.

"(3) Except when the owner, operator, or agent in charge of such premises so consents in writing, no inspection authorized by this section shall extend to—

"(A) financial data;

"(B) sales data other than shipment data;

"(C) pricing data;

"(D) personnel data; or

"(E) research data (other than data relating to the tests described in subsection 207(b) or data otherwise required by this Act).

"(b) A warrant under this section shall not be required for entries and administrative inspections (including seizures of property)—

"(1) with the consent of the owner, operator, or agent in charge of such premises;

"(2) in situations presenting imminent danger to health or safety;

"(3) in any other exceptional or emergency circumstances where time or opportunity to apply for a warrant is lacking; or

"(4) in any other situations where a warrant is not constitutionally required.

"(c) Issuance and execution of administrative inspection warrants shall be as follows:

"(1) Any judge of the United States or of a State court of record, or any United States magistrate, may, within his territorial jurisdiction, and upon proper oath or affirmation showing probable cause, issue warrants for the purpose of conducting administrative inspections authorized by this title or regulations thereunder, and seizures of property appropriate to such inspections. For the purposes of this subsection the term 'probable cause' means a valid public interest in the effective enforcement of this title or regulations thereunder sufficient to justify administrative inspections of the area, premises, building, or contents thereof, in the circumstances specified in the application for the warrant.

"(2) A warrant shall issue only upon an affidavit of an officer or employee having knowledge of the facts alleged, sworn to before the judge or magistrate and establishing the grounds for issuing the warrant. If the judge or magistrate is satisfied that grounds for the application exist or that there is probable cause to believe they exist, he shall issue a warrant identifying the area, premises, or building, to be inspected, the purpose of such inspection, and, where appropriate, the type of property to be inspected, if any. The warrant shall identify the items or types of property to be seized, if any. The warrant shall be directed to a person authorized under subsection (a)(2) to execute it. The warrant shall state the grounds for its issuance and the name of the person or persons whose affidavit has been taken in support thereof. It shall command the person to whom it is directed to inspect the area, premises, or building, identified for the purpose specified, and, where appropriate, shall direct the seizure of the property specified. The warrant shall direct that it be served during normal business hours. It shall designate the judge or magistrate to whom it shall be returned.

"(3) A warrant issued pursuant to this section must be executed and returned within ten days of its date unless, upon a showing by the United States of a need therefor, the judge or magistrate allows additional time in the warrant. If property is seized pursuant to a warrant, the person executing the warrant shall give to the person from whom or from whose premises the property was taken a copy of the warrant and a receipt for the property taken or shall leave the copy and receipt at the place from which the property was taken. The return of the warrant shall be made promptly and shall be accompanied by a written inventory of any property taken. The inventory shall be made in the presence of the person executing the warrant and of the person from whose possession or premises the property was taken, if they are present, or in the presence of at least one credible person other than the person making such inventory, and shall be verified by the person executing the warrant. The judge or magistrate, upon request, shall deliver a copy of the inventory to the person from whom or from whose premises the property was taken and to the applicant for the warrant.

"(4) The judge or magistrate who has issued a warrant under this section shall attach to the warrant a copy of the return and all papers filed in connection therewith and shall file them with the clerk of the district court of the United States for the judicial district in which the inspection was made.

"EXPORTS AND IMPORTS

"SEC. 213. (a) Notwithstanding any other provision of this title, no chemical substance shall be deemed in violation of this title when intended solely for export to any foreign country except if the Administrator finds, by regulation, that as exported and used the chemical substance, or particular uses of the substance, will produce a significant direct or indirect hazard to human health or the environment in the United States.

"(b) The Secretary of the Treasury shall refuse entry into the United States of any chemical substance or article containing such substance offered for entry if it violates any of the provisions of this title. If a chemical substance or article is refused entry, the Secretary of the Treasury shall refuse delivery to the consignee and shall cause the disposal of storage of any substance or article refused delivery which has not been exported by the consignee within three months from the date of notice of such refusal under such regulations as the Secretary of the Treasury may prescribe, except that the Secretary of the Treasury may deliver to the consignee such substance or article pending examination and decision in the matter on execution of bond for the amount of the full invoice value of such substance or article, together with the duty thereon, and on refusal to return such substance or article for any cause to the custody of the Secretary of the Treasury, when demanded, for the purpose of excluding them from the country, or for any other purpose, said consignee shall forfeit the full amount of said bond. All charges for storage, cartage, and labor on substances or articles which are refused admission or delivery under this section shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against any future importation made by such owner or consignee.

"(c) The Secretary of the Treasury, in consultation with the Administration, shall issue regulations for the enforcement of subsection (b) of this section.

"CONFIDENTIALITY

"SEC. 214 (a) The information obtained from any manufacturer shall be confidential to the extent that it includes matters referred to in section 552(b)(4) of title 5 of the United States Code. For the purposes of this title any such information shall be confidential only if such information is unobtainable by competitors and its disclosure would lead to competitive injury to the manufacturer. Only such information as is relevant to the purposes of this title shall be disclosed to the public.

"(b) The Administrator may at his own initiative or at the request of a manufacturer or processor issue a protective order respecting the confidentiality of information referred to in subsection (a).

"(c) Information deemed to be confidential in accordance with the provisions of subsection (a) or (b) may be disclosed to other Federal officers or employees when necessary to accomplish the purposes of this title except that the provisions of section 1905 of title 18 of the United States Code shall continue to apply, and such information may be dislosed in camera when relevant in any administrative or judicial proceeding under this title. In any such proceeding, the administrative body, the Administrator, or the court shall issue such orders as may be appropriate to protect the confidentiality of the materials designated as such by the aforegoing provisions.

"PROHIBITED ACTS

"SEC. 215. The following acts and the causing thereof are prohibited—

"(1) the failure to comply with any final regulation or order issued by the Administrator pursuant to this title;

"(2) the failure or refusal to provide information or results of tests as required by section 207 of this title;

"(3) the commercial production, sale, distribution, or importation into the United States of a chemical substance without a certification under section 204;

"(4) the failure of any person, other than a consumer, who purchases or receives a chemical substance and who is required to be given notice of restrictions on use or distribution of such substance pursuant to paragraph 205(a)(2), to comply with such restrictions on use or distribution;

"(5) the knowing or willful failure of any consumer to use or dispose of a chemical substance or its byproducts in accordance with label instructions;

"(6) the failure to perform any other action required under this title.

"PENALTIES AND REMEDIES

"SEC. 216. (a) Any person willfully violating paragraphs (1), (2), (3), or (4) of section 215 shall on conviction be fined not more than $25,000 or imprisoned for not more than one year or both.

"(b)(1) Any person violating paragraphs (1), (2), (3), (4), or (5) of section 215 shall be liable to a civil penalty to the United States of a sum which is not more than $25,000 for each day of violation, to be assessed by the Administrator after notice and opportunity for hearing and after he has considered the nature, circumstances, and extent of such violation, the practicability of compliance with the provisions violated and any good faith efforts to comply with such provisions.

"(2) Upon failure of the offending party to pay the penalty, the Administrator may commence an action in the appropriate district court of the United States for such relief as may be appropriate or request the Attorney General to commence such an action.

"(c) The Attorney General or the Administrator may bring an action in the appropriate district court of the United States for equitable relief to redress a violation by any person of any provision of section 215 of this title, and the district courts of the United States shall have jurisdiction to grant such relief as the equities of the case may require.

"CITIZEN CIVIL ACTIONS

"SEC. 217. (a) Except as provided in subsection (b), any person may commence a civil action for injunctive relief on his own behalf, whenever such action constitutes a case or controversy.

"(1) against any person (including (i) the United States, and (ii) any other governmental instrumentality or agency to the extent permitted by the Eleventh Amendment to the Constitution) who is alleged to be in violation of any regulation or order promulgated under this title, or

"(2) against the Administrator where there is alleged a failure of the Administrator to perform any act or duty under this title which is not discretionary with the Administrator. The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such regulation or order or to order the Administrator to perform such act or duty, as the case may be. Nothing herein shall be construed to prevent or preempt State courts from exercising jurisdiction in such action in appropriate cases.

"(b) No civil action may be commenced—

"(1) under subsection (a)(1)—

"(A) prior to 60 days after the plaintiff has given notice of the violation (i) to the Administrator, (ii) to the State in which the violation occurs, and (iii) to any alleged violator of the regulation or order, or

"(B) if the Administrator or State has commenced and is diligently prosecuting a civil action in a court of the United States or a State to require compliance with the regulation or order, but in any such action in a court of the United States any person may intervene as a matter of right.

"(2) under subsection (a)(2) prior to 60 days after the plaintiff has given notice of such action to the Administrator, except that such action may be brought 10 days after such notification in the case of an action under this section for the failure of the Administrator to act under section 206. Notice under this subsection shall be given in such manner as the Administrator shall prescribe by regulation.

"(c) In any action under this section, the Administrator, if not a party, may intervene as a matter of right.

"(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such an award is appropriate.

"(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any regulation or order or to seek any other relief (including relief against the Administrator or a State agency).

"(f) For purposes of this section, the term 'person' means an individual, corporation, partnership, association, State, municipality, or political subdivision of a State.

"ENVIRONMENTAL PREDICTION AND ASSESSMENT

"Sec. 218. The Environmental Protection Agency shall, in cooperation with other Federal agencies, develop the necessary personnel and information resources to predict the introduction of new chemical substances into the environment and assess the environmental consequences of such introduction.

"USE OF GOVERNMENT FACILITIES

"Sec. 219. The Administrator may use, by agreement, the personnel, services, and facilities of other Federal departments, agencies, or instrumentalities, whether on a reimbursable or nonreimbursable basis.

"HEALTH AND ENVIRONMENTAL DATA

"Sec. 220. The Council on Environmental Quality in consultation with the Administrator, the Secretary of Health, Education, and Welfare, the Secretary of Commerce, and the heads of other appropriate departments or agencies, shall coordinate a study of the feasibility of establishing (1) a standard classification system for chemical compounds or related substances, and (2) a standard means for storing and for obtaining rapid access to information respecting such materials.

"STATE REGULATIONS

"Sec. 221. Nothing in this title shall affect the authority of any State or local government to restrict the distribution or use of a chemical substance or impose requirements of tests and test results for a chemical substance except that (1) if the Administrator has published proposed regulations under section 205 with respect to limiting particular uses of a particular substance a State or local government may not thereafter impose restrictions on such uses of such substance other than a total ban on such use or uses; (2) if the Administrator has published proposed regulations under section 203 or section 204(b) with respect to test standards for particular substances or uses, a State or local government may not impose test protocols or results to be achieved therefrom with respect to such substances and uses for the purposes similar to this title; (3) if the Administrator has published proposed regulations under section 205 with respect to limiting particular uses of a particular substance or if the Administrator has published proposed regulations under section 203 or section 204(b) with respect to tests for particular substances or uses, a State is not preempted from enforcing any restrictions or test protocols and results to be achieved therefrom existing at the time any such proposed regulation was published; (4) if the Administrator issues a final regulation under section 205 restricting the use of such substance, the State may not enforce any restriction of its own after the effective date of such regulation, other than a total ban on such use or uses; and (5) if the Administrator issues a final regulation under section 203 or section 204(b), the State may not enforce any test requirements of its own after the effective date of such regulations.

"REGULATIONS AND PROCEDURE

"Sec. 222. (a) The Administrator is authorized to issue such regulations as he may deem appropriate to carry out the purposes of this title and to amend them at any time.

"(b) The Administrator shall publish any regulations proposed under this title in the Federal Register at least sixty days prior to the time when such regulations shall become final. If any person adversely affected by a proposed regulation files objections and requests a public hearing within forty-five days of the date of publication of the proposed regulation, the Administrator shall grant such request. If a public hearing is held, final regulations shall not be promulgated by the Administrator until after the conclusion of such hearing. All public hearings authorized by this subsection shall consist of the oral and written presentation of data, views or arguments pursuant to section 553 of title 5 of the United States Code.

"AUTHORIZATION FOR APPROPRIATIONS

"Sec. 223. There is hereby auhorized to be appropriated to the Environmental Protection Agency such sums as may be necessary for the purposes and administration of this Act."

Sec. 3. (a) Chapter 36 of the Internal Revenue Code of 1954 (relating to certain other excise taxes) is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER F—CHEMICAL SUBSTANCES

"Sec. 4496. Imposition of tax.

"Sec. 4497. Special rule.

"Sec. 4496. Imposition of Tax.

"(a) Chemical Substances.—There is hereby imposed on the sale by the manufacturer of any chemical substance manufactured or produced under a certification issued under section 204 of the Federal Hazardous Substances Act a tax equal to — percent of the price for which such substance is sold.

"(b) Suspension of tax.—The tax imposed by this section on any manufacturer shall be suspended whenever the amount collected from that manufacturer equals the amount approved for payment to him under section 204(c) of the Federal Hazardous Substances Act. Such suspension shall remain in effect until additional testing with respect to that manufacturer is required pusuant to section 203 or section 204(b) of such Act, but shall become effective again whenever, after such testing, the manufacturer again satisfies the requirement of the preceding sentence.

"Sec. 4497. Special Rule.

Under regulations prescribed by the Secretary or his delegate, the provisions of subchapters F and G of chapter 32 and the provisions of subtitle F relating to the taxes imposed by chapter 32 shall apply to the taxes imposed by section 4496."

(b) The table of subchapters for such chapter 36 is amended by adding at the end thereof the following new item:

"SUBCHAPTER F. CHEMICAL SUBSTANCES."

NOTICE OF HEARINGS OF THE SELECT COMMITTEE ON EQUAL EDUCATIONAL OPPORTUNITY

Mr. MONDALE. Mr. President, in accordance with the requirements of section 111(a) of the Legislative Reorganization Act of 1970, I announce that the Select Committee on Equal Educational Opportunity will hold hearings on August 3, 4, and 5, 1971, at 10 a.m., in room 1224, NSOB, respectively, on urban education in the black community and the role of State education agencies in voluntary desegregation.

U.S.S. "CONSTELLATION"

Mr. MATHIAS. Mr. President. More than 175 years ago, in 1794, the Congress authorized what was then a major shipbuilding program for our fledgling Navy. Six large, high-speed sailing vessels, known as frigates, were ordered for the purpose of protecting American shipping interests both along our coast and overseas.

Two of these six ships have survived numerous naval battles, the weather, time, and the scrap heap. The older of these two, the U.S.S. *Constellation*, was launched at Baltimore's Harris Creek on September 7, 1797, and is currently anchored at pier 1 in Baltimore Harbor, undergoing restoration which is sponsored by public-spirited citizens.

Next year, 1972, will mark the 175th anniversary of the launching of the *Constellation*. The U.S. Postal Service has been requested to issue a commemorative stamp in honor of the occasion, and supporters of the *Constellation* restoration effort are working closely with the Postal Service to provide information necessary to support a decision to include the *Constellation* in next year's stamp program. These organizations include the Star-Spangled Banner House Association, the Metropolitan Civic Association, and the Ensign C. Markland Kelly, Jr., Memorial Post No. 174, American Legion.

The Sun magazine of the Baltimore Sunday Sun, July 4, 1971, published an article on the *Constellation* and her sister ship, the U.S.S. *Constitution*. Mr. President, I ask unanimous consent that the Sun magazine article be included in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

HISTORY AFLOAT: THE "CONSTITUTION" AND THE "CONSTELLATION"—ONLY THESE TWO SURVIVE OF SIX HIGH-SPEED SAILING SHIPS ORDERED BY CONGRESS IN 1794

(By Francis M. Rackemann, Jr.)

Duncan Denny, a mathematics teacher from Norfolk, Conn., spent a day with his wife and three children touring Old Ironsides.

"It needs a lot of work," he said of the Constitution, permanently berthed in the Boston Navy Yard.

Mr. Denny noticed that many of the frigate's 44 guns were British made and stamped with GR on the iron barrel. "Why not American?" he asked Mike Luthman, engineman first class and a member of the ship's crew. The dungaree-clad sailor said all of Old Ironsides's guns were reproductions, for the originals were scrapped during the war.

The Denny children said that in school they had read about the Constitution and Baltimore's historic frigate Constellation. In fact they want to visit the Constellation.

While Constitution, nicknamed after a commanding officer, "Old Ironsides" Charles Stewart in 1813, averages 3,000 visitors a day during the summer, Constellation, berthed at Pier 1, Pratt Street, is now drawing about 1,000 tourists a week.

Many visitors on both ships are school children. Old Ironsides, a government vessel, is open from the public every day from 9:30 A.M. to 4 P.M. Constellation, sponsored by the Star-Spangled Banner House Association, must charge admission fees in order to maintain the ship, meet a payroll and continue restorative work. It is open from 9 A.M. to 6 P.M. Monday through Saturday, noon to 6 P.M. Sundays. (Adults: $1; children under 12, 50 cents.)

Unlike Constellation, which needs upper masts, spars, riging, 33 more guns (the ship has three, all original), interior work and furnishings. Constitution has been completed for many years.

In 1794 Congress ordered six large high speed sailing vessels, known as frigates, to protect American shipping interests, both at home and abroad. These ships were the United States, Constellation, Constitution, President, Congress and the Chesapeake.

Only two of these six ships have survived numerous naval battles, the weather, time and the scrap heap.

Constellation, the older of the two surviving ships, was launched at Baltimore's Harris Creek on September 7, 1797. Constitution was built in Edmund Hartt's shipyard in Boston and was launched on October 21, the same year.

The 36-gun Constellation is 203 feet overall, has a 42-foot beam, displaces 1,950 tons and first sailed on June 26, 1798 with a crew of 313. Constitution had 44 guns, is 204 feet long, has a 44-foot beam, displaces 2,200 tons and first sailed on July 22, 1798 with a crew of 400 men and officers.

Leon D. Polland, Baltimore naval architect with the Maritime Administration in Washington, has devoted more than 10 years, mostly at his own time and expense, to researching the two ships. He is chief of construction and repair for the Constellation Restoration Committee.

"Although the two ships are not sisters," Mr. Polland said, "they were conceived by Joshua Humphreys of Philadelphia to be larger and faster than comparable rates (a term meaning number of guns on a ship) of European navies. David Stodder, of Baltimore, apparently altered Humphreys' design with many of his own ideas, resulting in a 'pocket battleship of unequal proportions.' "

A naval historian with the Smithsonian Institution has declared that neither of the two frigates is original. But recent research has shown that both date back to the turn of the Eighteenth Century even though more than 85 per cent of the original wood has been replaced.

While Constellation is slowly acquiring private, local and state money to continue its restoration work (the ship has a new main deck, new bulwarks, rigging on her lower masts and lower yardarms). Constitution has just been painted by the ship's crew and repairs have been made to masts and the bowsprit. Constitution has not been drydocked since 1930, needs caulking and repair to bowsprit bits.

After the War of 1812, Constitution was employed in various duties until 1830 when she was condemned as unseaworthy and destined for the scrap heap.

Public sentiment, led by Oliver Wendell Holmes' poem, "Old Ironsides," saved the ship and she was rebuilt in 1833.

While Constellation has a crew of only six men working under Mr. Polland's supervision, Constitution is maintained around the clock by a Navy crew, many of them just out of boot camp.

About a year and a half ago, the Navy Department decided to cut back on spending. Old Ironsides, a commissioned ship, was included in this cutback. For years the venerable frigate had received a quarter million dollars for upkeep. Today its annual budget is $150,000.

At the same time, Old Ironsides, noted for its polished look and guided tours in other years, has reduced its crew from 60 men to 43.

The crew is responsible for keeping the ship clean and maintaining 8-hour watches, particularly fire watches at night, and serve as guides.

Norman G. Doyle, USN, personnel man 2/C, served on Old Ironsides for 3 years before enlisting in the Naval Reserve. He is now personnel man 1/C and is stationed at the Patuxent Naval Air Station.

Petty Officer Doyle said the duty section sleeps aboard the old frigate. Sleeping quarters are next to the bilges in an area with no plumbing, a drinking fountain for the crew and steam heat in winter where the thermometer hovers around 44 degrees and "you cannot breathe because of the steam." (Some of the problems have since been corrected).

Souvenir hunters are a constant problem. Missing over the last 10 years have been 76 cannon balls, weighing 24 or 32 pounds each, 135 belaying pins, a variety of smaller objects and brass plates which designate specific areas for the benefit of visitors. The ship's crew cannot locate a half dozen or so chairs from the officer's wardroom. (Constellation as a result has anchored is belaying pins and other loose equipment.)

Eric Seidman, yeoman, of Brooklyn N.Y., was a layout artist for the New York Times before joining the Navy four years ago. A reservist, he served as secretary to the commanding officer, ship's historian and record keeper, information specialist, photographer, artist and captain's right hand man. He has since returned to the Times.

Yeoman Seidman noted that overhead tubes and visible electrical wires are not consistent with a ship over 150 years old. "What the ship needs is beauty in beams, for every line has a purpose. With today's marvels of engineering they could hide the sprinkler system. The ship needs a curator," he said.

Mr. Seidman said the two most common questions asked about the Constitution are: "Is it still floating?" and "Where's the engineroom?" The ship is floating and, like the Constellation, is turned around once a year to permit even exposure to the weather. The ship has no engine.

The yeoman explained that the average ceiling height below deck is 5 feet 6 inches, yet the Navy "sends us men who are 6 feet and over." Mr. Seidman stands 6 feet 4 inches.

Capt. Jack Loren Reifschneider is both commanding officer and curator. He said he would like to see a full-time curator attached to Old Ironsides.

"Considering her age, Constitution is in good shape, but we could use a larger crew. I wish, however, they would take out that flush toilet in the captain's quarters," he said during a tour of the ship. (The toilet has been removed.)

Old Ironsides, he said, is "not for the open sea although I'd like to see the ship taken on a tour if we had the money."

In July, 1931, Old Ironsides visited 90 ports on the Atlantic, Pacific and Gulf coasts and was seen by 4,614,762 persons.

"She's a beauty and she can inspire many young people to go into the Navy," he said, adding:

"I feel like the custodian of the birthplace of our naval tradition, and walking her decks is bound to make you love the ship."

DR. WYNONA M. LIPMAN

Mr. WILLIAMS. Mr. President, recently I attended a dinner honoring Dr. Wynona M. Lipman, who is director of the Essex County Board of Chosen Freeholders in New Jersey. Mrs. Lipman is an outstanding person who represents the best in this free, elective democracy of ours.

Mrs. Lipman spoke at that dinner and I was very much impressed with her brief remarks. She addressed herself to a most important issue—the role of politics in our American system.

Too often, the term "politics" has a slightly sinister tone to too many Americans. I think Mrs. Lipman explained more fully just what politics is all about.

I ask unanimous consent that her remarks be inserted in the Record at this point.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Testimonial Dinner—Dr. Wynona M. Lipman—June 17, 1971

I would like to express my deep appreciation to all those attending tonight's Testimonial in my honor and to extend my further thanks to those who so diligently looked after the arrangements for the Dinner. I am reminded that politics is essentially a matter of looking to the details of all those many items that help to satisfy people and their needs. Frankly, this is really what politics is all about: looking after the arrangements of society—the traditions that must be kept, the needs that must be met, the innovations and the policies that must be introduced, considered and effected.

Although some of the outside may have have the impression that politics is a dirty word, I assure you that it is anything but when considered in perspective to the benefits and the care that comes to citizens through its proper use.

Thanks to politicians, people are able to get involved in situations from which they might otherwise be forever isolated and alienated. After all, the P.T.A. is really a form of politics and so too is the League of Women Voters. It is involvement in good purpose, for without the politicians, the arrangers of society, who would look after such matters as the housing of senior citizens, the recognition of young people's rights? Who would make certain that health services are available to the ill and that hope is offered to the disfranchised? Who would maintain the roads, who would improve our schools, who would deal with crime?

A democratic government is defined as government with the consent of the people, but we all know that not merely consent but the advice of the governed is essential to democratic government. It is my feeling that when the public is adequately informed, they will adequately participate and this is what makes democratic government. For when the people are adequately informed, when they participate sufficiently, there are no better advisors to those who govern. Of course, expert consultants are needed to point to the new directions, but this expert advice must be tempered with the people's experience. With this new attitude, I am convinced that our country is on the verge of great strides in social progress. The electorate is better oriented, more responsive to the issues. This is promoting a new progressive kind of politics which, in turn, I feel, is developing more responsible, more effective elected public officials.

There is a new spirit, a new movement afoot in government, and I am both proud and delighted to be part of it. And its reflection is felt in my own appeal to you for your continued counsel, support and active participation in the functions of government. I especially want to thank you for what you have done for me, and I thank you for the trust and confidence you have given me as the nominee for the New Jersey State Senate. My appreciation will be expressed in the service I am pledged to give, and will give.

I too, have a dream of what our world can be, a world in which the old will not be forgotten and neglected and the young will be recognized and appreciated, a world of peace, brotherhood, respect and never-ending hope and universal love. In the longing for the reality of this dream, let me express my deepest thanks to all of you for the most wonderful of all evenings.

THE HEALTH CRISIS

Mr. MATHIAS. Mr. President, we are all aware of the health crisis now facing our Nation, a crisis which has been intensified for our Veterans' Administration hospitals as they attempt to serve the tremendous number of returning Vietnam veterans. Indeed, the VA hospital system is so overburdened in many places that it is turning away patients whose disabilities are unrelated to their military service. I should like to bring to the attention of my colleagues a resolution from the Disabled American Veterans from the State of Maryland—a statement which effectively presents the case for increased funding and support for our VA hospitals. I ask unanimous consent that it be included in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION NO. 8 TO PETITION OUR LEGISLATORS FOR ADEQUATE FUNDS TO OPERATE VA HOSPITALS

Whereas; The United States Congress has set by law the number of operating beds in VA hospitals in these United States, and

Whereas; In this day and age we have increasing need of hospital facilities by reason of an ever aging Veteran population, and

Whereas; New laws have granted increased benefits to veterans such as medicine and out-patient treatment, as well as recently making those veterans of peace time service over 65 years old eligible for hospitalization in VA hospitals which must be administered by the VA hospitals, and

Whereas; The Vietnam War has now numerically reached the second in size of those wars in which the United States has participated, and

Whereas; The severe disabilities of many of these Vietnam Veterans are requiring long periods of convalescence, and

Whereas; Many VA Hospitals are continually in need of repair and renovation thus closing temporarily beds otherwise in use, and

Whereas; Current fiscal apppropriations for the coming year would reduce the VA operating beds by 5500 across the nation; now

Therefore, be it resolved; That the Maryland State Convention held in Ocean City, Maryland, reaffirm the principle of this organization that the disabled veteran receive adequate medical care and that we petition our legislators for adequate funds to operate the VA hospitals at the level bed space set by statute and by the existing moral need, and

Be it further resolved; That a copy of this resolution be sent to each of the members of the United States Senate and House of Representatives of Maryland.

This Reoslution approved by the Disabled American Veterans, Dept. of Maryland's Convention July 8–11, 1971.

EMERGENCY LOAN GUARANTEE ACT

Mr. BYRD of West Virginia. Mr. President, I ask that the Senate return to the consideration of S. 2308.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which the clerk will state.

The assistant legislative clerk read as follows:

Calendar No. 264, S. 2308, a bill to authorize emergency loan guarantees to major business enterprises.

The Senate proceeded to consider the bill.

ORDER FOR ADJOURNMENT FROM CLOSE OF BUSINESS THURSDAY UNTIL 9:30 A.M. FRIDAY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business on Thursday, it stand in adjournment until 9:30 a.m. on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM THE CLOSE OF BUSINESS FRIDAY UNTIL 10 A.M. ON SATURDAY

Mr. BYRD of West Virginia. I ask unanimous consent that when the Senate completes its business on Friday, it stand in adjournment until 10 a.m. on Saturday.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD of West Virginia. Will staff personnel please take seats? There is still business to be transacted in the Senate.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I am authorized by the distinguished majority leader to make the following unanimous-consent request, after having discussed it with the Senator from Washington (Mr. MAGNUSON), who is chairman of the Appropriations Subcommittee on the HEW appropriation bill, with the distinguished ranking minority member of that subcommittee (Mr. COTTON), and with the minority leadership and other interested parties.

I ask unanimous consent that on Friday at 11 a.m., whether or not cloture has been invoked on S. 2308, or whether there is any other business pending before the Senate, it shall be temporarily put aside and the Senate proceed to the consideration of H.R. 10061, a bill making appropriations for the Departments of Labor and Health, Education, and Welfare, with time for debate on the bill to be limited to 3 hours, to be equally divided between and controlled by the majority leader and the minority leader, or their designees, and that debate on any amendment—except committee amendments, which shall come out of the time on the bill—be limited to 1 hour, to be equally divided between and controlled by the mover of such amendment and the manager of the bill; provided, further, that Senators in control of time on the bill may yield therefrom to any Senator on any amendment, motion, or appeal, with the exception of a motion to lay on the table.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I shall not object, because I was consulted in connection with this matter—a question has been raised: Suppose another cloture motion were filed tomorrow, which would ordinarily call for a vote on the cloture motion on Friday. Under those circumstances, what would be the situation?

Mr. BYRD of West Virginia. I am glad that the distinguished assistant Republican leader has asked this question.

A little earlier, I asked consent—which was granted—that the Senate meet at 9:30 on Friday morning. This would give the Senate enough time in which to conform with the requirements of rule XXII allowing 1 hour of debate, then the mandatory quorum call, and then the vote on the cloture motion prior to proceeding to consideration of the HEW appropriation bill at 11 a.m.

Mr. GRIFFIN. I thank the majority whip for that information.

Mr. BYRD of West Virginia. Mr. President, I thank the able Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

ADDITIONAL UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent—again with approval of the majority leader—that on Saturday, immediately following the recognition of the two leaders under the standing order, the Senate proceed to the consideration of the bill making appropriations for public works, H.R. 10090, and under the same conditions as were stipulated with respect to the agreement on H.R. 10061 as to cloture or other pending business—the time for debate on the bill and amendments thereto already having been agreed to under a previous order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement reads as follows:

Ordered, That effective on Friday, July 30, 1971, at 11 a.m., whether or not cloture has been invoked on S. 2308, or whether there is any other business pending before the Senate, it shall be put aside and the Senate proceed to the consideration of H.R. 10061, Labor, HEW Appropriations Bill, with time for debate on the bill to be limited to 3 hours to be equally divided and controlled by the Majority and Minority Leaders or their designees and that debate on any amendment to the bill, except committee amendments which shall come out of the time on the bill, be limited to 1 hour to be equally divided and controlled by the mover of the amendment and the manager of the bill.

Provided further, That time for debate of the bill may be yielded by the persons in control of the time on any pending amendment, motion or appeal, except a motion to lay on the table.

Ordered further, That, effective on Saturday, July 31, 1971, after the recognition of the two leaders, and under the same conditions stipulated above under the agreement on H.R. 10061, as to cloture or other pending business, the Senate proceed to the consideration of H.R. 10090, Public Works Appropriation Bill, with the time for debate on the bill to be limited to 1 hour to be equally divided and controlled by the Senator from Mississippi (Mr. STENNIS) and the Senator from North Dakota (Mr. YOUNG).

Provided, That debate on any amendment, except committee amendments on which time from the bill may be yielded, be limited to 30 minutes to be equally divided and controlled by the mover of the amendment and the manager of the bill (Mr. STENNIS).

PROGRAM

Mr. BYRD of West Virginia. Mr. President, the program for tomorrow is as follows, as well as I can state it at this point:

The Senate will convene at 9:30 a.m. Immediately following the recognition of the two leaders under the standing order, the distinguished junior Senator from Texas (Mr. BENTSEN) will be recognized for not to exceed 15 minutes, following which the distinguished junior Senator from Missouri (Mr. EAGLETON) will be recognized for not to exceed 15 minutes, upon the conclusion of which the Senate will resume its consideration of the pending business. The pending question at that time will be the Stevenson amendment, No. 317, to S. 2308. Debate on that amendment will be limited, under the agreement, to 30 minutes, to be equally divided, following which there will be a yea-and-nay vote on the amendment, the yeas and nays already having been ordered. That vote will occur at about 10:30 a.m.

Upon the disposition of the Stevenson amendment, the Senate will proceed to the consideration of the amendment No. 334 by the distinguished junior Senator from Indiana (Mr. BAYH), the final disposition of which will not occur until sometime later in the day.

At 11 a.m. tomorrow, time under rule XXII will begin running on the motion to invoke cloture. That time will be limited under the rule to 1 hour, at the close of which the Senate will proceed to an automatic quorum call.

Upon the establishment of a quorum, the Senate will proceed to a mandatory rollcall vote on the motion to invoke cloture. That vote will come about 12:15 p.m.

Under the order previously entered, following the vote on the cloture motion, S. 2308 will be laid aside temporarily and the Senate will proceed to debate the amendment to be offered by the distinguished Senator from Massachusetts (Mr. KENNEDY) and the distinguished Senator from Oklahoma (Mr. HARRIS) to the sugar quota bill. There will be one half hour on that amendment, to be equally divided, following which there will be a vote.

Mr. President, it is my understanding, with respect to the discussion that was had, that the vote will come on the amendment, that a tabling motion will be in order, and that following the disposition of the amendment, there will be a vote on final passage of the sugar quota bill.

After the sugar quota bill is disposed of, the Senate will resume consideration of the Bayh amendment to S. 2308.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. BYRD of West Virginia. When the Senate completes its business on tomorrow, it will stand in adjourment until 9 a.m. on Thursday.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 55 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, July 28, 1971, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate July 27—legislative day of July 26, 1971:

DEPARTMENT OF THE INTERIOR

John W. Larson, of California, to be an Assistant Secretary of the Interior.

EXTENSIONS OF REMARKS

SUPPORT FOR THE FUNCTIONING OF THE EMPLOYMENT GUIDANCE CENTER, JUNEAU, ALASKA

HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BEGICH. Mr. Speaker, I recently received a copy of a resolution passed by the city and borough of Juneau, Alaska, requesting continuing support for the functioning of the Employment Guidance Center.

This issue is of particular importance to the people of southeast Alaska and the Juneau area because of the high unemployment problem. This center was organized to have a direct and lasting impact on hard-core unemployment of this area. Since there are no services of this type in Juneau, this center is most important. Last year this center did, in fact, reach a major portion of the area's poorer citizens, and it would be a devastating blow to the city and borough of Juneau if it did not receive continuing support.

As you can well understand, Mr. Speaker, continued support is urgently needed and I am including into the RECORD a copy of the resolution for your consideration:

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA, SERIAL NO. 59

A resolution requesting cooperation from the United States Department of Labor and the Alaska State Department of Labor in the functioning of the Employment Guidance Center

Whereas, under the First Year Action Program of Model Cities an Employment Guidance Center was developed; and

Whereas, such Center was organized to have a direct impact on hard core unemployment through use of an employability team located in a satellite center with outreach capacity; and

Whereas, such Center also provided personalized follow-up service with employers and employees after placement to maintain acceptable employment; and

Whereas, a major goal of the Center is creation of institutional changes by working within existing frameworks to demonstrate that such an approach does in fact work, thus leading to incorporation of this approach within the official agencies charged with responsibilities for employment; and

Whereas, such services are not provided by existing agencies; and

Whereas, cooperation, both financial and administrative, with the State and Federal Departments of Labor is necessary to reach these goals; and

Whereas, during the First Action Year financial contributions were received both from the United States Department of Labor and the Alaska State Department of Labor together with the cooperation of such Departments in the program; and

Whereas, no commitments to continuing support of this project have been received from either the Alaska State Department of Labor or the United States Department of Labor.

Now, therefore, be it resolved that the Assembly of the City and borough of Juneau, Alaska urgently requests support from the United States Department of Labor and the Alaska State Department of Labor for this program which is intended to reach, and has in fact reached, a major element of continued poverty.

RECONFIRMATION OF FEDERAL JUDGES

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27, 1971

Mr. BYRD of Virginia. Mr. President, the Alabama Legislature, by joint resolution, Senate Joint Resolution 42, has endorsed legislation which I have introduced that would require reconfirmation of Federal judges every 8 years. Now, they are appointed for life and are accountable to no one.

The text of the resolution makes many excellent points concerning the usurpation of power by the Federal judiciary, and the need for making Federal judges more responsive to the people.

I ask unanimous consent that the text of the resolution adopted by the Alabama Legislature be printed in the Extensions of Remarks.

I ask unanimous consent, too, that the distinguished Senator from Alabama (Mr. ALLEN) be listed as a cosponsor of Senate Joint Resolution 106, an amendment to the U.S. Constitution requiring reconfirmation of Federal judges.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution of the Alabama Legislature, ordered to be printed in the RECORD, is as follows:

SENATE JOINT RESOLUTION 42, ENDORSING THE PROPOSAL OF SENATOR HARRY F. BYRD, JR. TO REQUIRE THE RECONFIRMATION OF FEDERAL JUDGES AT REGULAR INTERVALS

Whereas Senator Harry F. Byrd, Jr., of Virginia has introduced in the Congress of the United States a proposal to amend the United States Constitution to require all Federal judges to be reconfirmed by the United States Senate every eight years; and

Whereas when our Founding Fathers created our Government, they provided separate legislative, executive and judicial branches in order to establish a system of checks and balances and to prevent the domination of governmental affairs by any one single branch; and

Whereas, because it was thought that the judicial branch of government would be the weakest of the three branches, provision was made for justices of the Supreme Court of the United States and the judges of its inferior courts to serve for life to provide protection from political pressure and the vacillations of ephemeral public opinion; and

Whereas the Constitution of the United States provided for and established a representative republican form of government to insure the rights and privileges of the citizens of the component States; by its letter and spirit, the Constitution provided for each individual State to retain and reserve unto itself all its power and sovereignty except that part delegated, granted, and given to effect the union of the States; and by its express language, the Constitution safeguarded each individual State and its people from unauthorized interference in domestic affairs by a strong central government and from tyranny and suppression wrought by such a strong central government; and

Whereas in recent decades the Federal courts have taken unto themselves more and more additional powers under the assumption that the law of the land is whatever the court says it is; they have not only usurped the powers reserved to the States and assumed powers of the legislative and executive branches of government in the process of self-anointed omnipotence, but they have mistaken themselves for God; and

Whereas under the incessant demands of a powerful combination of subversive and minority interests, the courts have fallen into a slough of fallacious reasoning, and in attempting to extricate themselves have resorted to strangely conceived social concepts and idealistic pap in which they insist upon wallowing; and

Whereas the courts, by their arrogant, wilful and wanton use of judicial fiat and self-anointed omnipotence, but they have forced their tragically ridiculous interpretations of the Constitution and of state and federal statutes on the people of a once proud, powerful and self reliant nation to such extent that many property rights have been destroyed; voting rights have been diluted and restricted; the legislative and congressional districts of many states have been arbitrarily reapportioned without regard to similarity of interests, economic condition or consideration of desires of any groups within the states; orderly systems of public education are impossible; riots are frequent occurrences on college and university campuses; transportation is often halted; welfare cases have risen to astronomical heights; crime in the streets is uncontrolled, and fear and chaos are rife throughout the land; and

Whereas a return to a sane, strong responsible government which is supported by the vast majority of people who work for a living, pay their debts, educate their children, and, with confidence in themselves and faith in the Lord, contribute something to the communities they live in, can be achieved in large part by making federal judges responsive to the will of these people; now therefore,

Be it resolved by the legislature of Alabama, both Houses thereof concurring, That this body and the people of Alabama heartily endorse Senator Byrd's proposal to require the reconfirmation of federal judges by the Senate of the United States at intervals of eight years.

Be it further resolved, That we regard this proposal as an admirable step in the right direction and would recommend that United States Supreme Court Justices be included therein and that the intervals for reconfirmation be reduced to six years.

Be it further resolved, That copies of this resolution be sent to Senator Harry F. Byrd, Jr., to the President and Vice President of the United States, to the Speaker of the House of the United States Congress, to the Chief Justice and each Associate Justice of the United States Supreme Court and to each member of Alabama's Congressional Delegation.

STATE REPRESENTATIVE STEPHEN BURNS' REPORT OF JOINT INTERIM COMMITTEE ON FEDERAL FUNDING

HON. DURWARD G. HALL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HALL. Mr. Speaker, a friend of mine, and a member of the Missouri State Legislature, Mr. Stephen Burns, has devoted much time and study to the financing of State and local governments. He has also devoted much of this study to the role of the Federal Government in the financing of many of the State and local government programs. In this regard, he authored a report in the latest session of the Missouri General Assembly, which is entitled "Report of Joint Interim Committee on Federal Funding."

I think this report and the views contained within it, as enunciated by Mr. Burns, certainly merits the attention of the Congress.

The article follows:

REPORT OF JOINT INTERIM COMMITTEE ON FEDERAL FUNDING

During the course of the past year and a half the committee has been studying the amount of federal funds received by the various state agencies, the purpose for which they are used and the affect they have upon the general revenue of the state of Missouri.

The committee corresponded with and visited with fiscal officials, legislative and executive leaders in other states as well as with officials of the federal government.

One of the major overall conclusions of the committee is that if the state legislative branch is to maintain proper control of the purse strings of the state, the manner in which federal funds are received and expended must be brought, to a greater extent, under the control of the legislature. The present procedures for controlling federal funds has created a situation, not just in Missouri but in other states as well, where federal bureaucrats and state appointed officials use federal laws and federal money to exert undue pressure on the representatives of the people of the state to provide funds for programs never approved by anyone other than nonelected officials.

This situation has become so critical in some states, Missouri included, that the federal government presently has a grant, offered by the Department of Housing and Urban Development, to the legislatures to study the process of federal funding. Mr. Claude Gurley, Office of Economic Opportunity, Information Exchange Division, explained that in addition to the grant, the federal government was making a concerted effort to require more participation by state legislatures in the granting process.

After an investigation by the committee to determine the exact amount of federal funds received by all Missouri's state agencies, an investigation of isolated agencies and numerous studies of other states as well as this state the committee arrived at the following conclusions:

1. There is no accurate, centralized accounting system for the receipt and expenditure of federal funds.

Both the Committee on Fiscal Affairs and this committee sent out identical questionnaires to all state agencies requesting each one to submit the exact amount of federal dollars received in fiscal year 1968–69. Except for a very small, less than six, number of agencies no agency submitted the same amount on both questionnaires. It was not until the third time a questionnaire was submitted and the figures verified and corrected in the State Treasurer's office that a relatively close estimate of the dollar amount of federal funds for that year could be made.

When these figures were checked against the Annual Report issued by the Department of Revenue and the figures shown in the budget document it was discovered that in a great majority of cases all three figures for the same agency in the same year differed.

2. Federal funds, contrary to much popular opinion, have and will, under present conditions, continue to be very expensive to the general revenue of the state of Missouri.

In numerous instances federal grants are issued on a 90–10 matching basis for the first year. Additional employees are hired, office space is acquired and the initial stages of a program are complete. In ensuing years the federal government reduces their portion of the match and state revenues begin to bear the burden of numerous additional employees and expenses. When the federal grants are eliminated the treasury of the state is burdened with a program that was worthwhile only as long as the state was required to pay only ten percent of the cost.

When capital improvements are involved the consequences can be even more costly. The federal government may promise sufficient funds to construct certain facilities. When the facilities are half completed and the federal government decides to eliminate that particular program the state treasury will bear the burden of completing the project, and to maintain it indefinitely. Oftentimes the maintenance costs will exceed construction costs within eight to ten years.

Once a facility is constructed or a program is initiated it is virtually impossible for the legislature to stop the flow of state funds.

3. The legislative branch in Missouri is, for all practical purposes, unaware of the cost, extent or purposes of federal grants in this state.

The reasons for this are interrelated. First of all a great amount of federal funds are used for purposes of administration.

Persons involved therefore are comparatively high salaried employees who have a vested interest in "selling" a new or expanded federal program.

Secondly, the only information received by the legislature comes from those persons. There is no staff in the legislature that is equipped to keep track of the number of grants, their amount, their purpose or their effect. If there were such a staff there is no guarantee that the results would vary to any great degree because there is no state agency, uncovered by any committee investigation, that has an operating procedures manual that would allow an investigator to determine what the agency goals were. No state agency lists in any way but the vaguest of terms what that agency hopes to achieve in a given year and how many employees will be required to obtain these goals. Federal programs administered on the state level appear to expand to expend the money it is possible to obtain.

The members of the legislature must accept information from only one source: agencies with deeply vested interests. Although there is a state agency which ostensibly provides the function of a clearinghouse they have been unable to provide adequate detailed information concerning federal grants or even to prevent duplication among agencies receiving federal grants which are two of their primary functions.

4. The manner in which federal funds are appropriated is inconsistent with sound accounting or performance auditing principles.

In past years the legislative has appropriated federal funds on an open ended basis without any guarantee that such funds will be spent in the best interests of the state. This type of appropriation allows agency directors to deal directly with federal bureaucrats to obtain funds and initiate programs without any approval from the legislative branch. This is an authorization for nonelected officials to establish the priorities of the state.

The argument in favor of such open ended appropriations has been that if federal monies become available while the legislature is not in session the state will lose the free money. This argument is based on biennial sessions on the premise that federal funds are free: an argument not necessarily true. Beginning this year the legislature is guaranteed to meet every year and the longest period of absence will be eight months.

Open ended appropriations, as generally discussed previously, authorize agencies to initiate programs that the general revenues of the state oftentimes will be expected to continue. This is contradictory to the idea that the appropriating branch of a government is entitled to say how much money will be spent for a period of a fiscal year.

In order to bring the process under some sort of control the committee submits the following recommendations, along with the necessary enabling legislation to the members of the Seventy-sixth General Assembly of the state of Missouri as directed in House Concurrent Resolution Number 12 of the Seventy-fifth General Assembly:

1. Require all agencies to receive the prior approval of the Committee on State Fiscal Affairs to expand present programs or to initiate new ones when the general assembly is not in session.

This will keep agencies from initiating programs not desired by the legislature and will keep the legislature informed on new programs during the interim period.

2. Require that continued federal programs be approved at the end of each fiscal year.

This should make the legislature aware of federal matching programs where the state share increases and the federal share decreases.

3. Establish a trust fund for the Committee on State Fiscal Affairs and authorize withdrawal from such a fund by a majority vote of the members appointed to and serving on the committee for the purpose of assisting state agencies to receive matching federal grants made available when the general assembly is not in session.

4. Require all plans for federally funded programs, including capital improvements, to be submitted to the chairman of the House and Senate Appropriations Committees and to Fiscal Affairs. Require each such plan to includes at least the following:

(1) Amount of federal funds required;

(2) Amount of state funds required either directly or indirectly;

(3) The federal program number and its expected duration;

(4) The number of new employees required, their salaries and how paid;

(5) Schedule, both chronological and fiscal, of expenditures of state-federal funds;

(6) Highly detailed objectives of programs;

(7) The forecasted completion date of the program;

(8) A detailed performance report every three months on each program.

This will allow investigative personnel of the legislature to make some determinations as to the efficiency, success or failure of the programs.

5. Require the Committee on Fiscal Affairs to publish a compendium of federal programs.

This is a record keeping function which will point our trends in federal expenditures and the effects on state revenue.

6. Create an adjunct to or expand the present staff of Fiscal Affairs to include a section whose sole duty will be to account for federal programs and advise members of the legislature in that area.

7. Initiate an interim committee to prepare a proposal for conversion to a program budget vis-a-vis a line item budget.

Many states have already converted to this method. The object is, and it has been successful in most states, to halt numerically exploding bureaucracies and to weed out inefficient programs. Presently the general assembly can only reduce departmental appropriations without any assurance that duplicated programs or unwanted programs will be eliminated.

8. Prohibit the expenditure of state funds for joint state-federal capital improvements until all necessary federal funds have been received.

9. Close end all federal fund appropriations.

A fiscal affairs receiving fund and annual sessions should be sufficient to cover any emergency and this will allow the state, both the executive and legislative branches, to pinpoint exactly how much money will be spent this fiscal year. Also if an agency director plans programs and expenditures for a year in advance there should be relatively little need for additional federal funds. When large amounts of federal funds are received without a great deal of prior detailed planning there is a strong tendency to utilize most of the funds for administrative and experimental purposes.

10. Require agencies to include detailed planned expenditures for federal funds in all budget requests and to use the actual amount of federal funds received to date and for the past fiscal year instead of estimates as is presently being done.

The estimates and actual expenditures of federal funds appearing in the budget document do not offer an accurate picture of the amounts of federal funds received or expended.

11. The General Assembly should give full consideration to the proposal to convert to the so-called Auditor General Plan. The Committee is in agreement on the desirability of making the changes in Missouri law which will permit the adoption of an audit system comparable to the systems that are presently in effect in the states of Michigan and Colorado and supports and recommends needed changes in the law to accomplish such a goal.

In 1945 the executive branch had approximately eighteen thousand employees while the legislature had approximately four hundred including secretaries and custodians. The only professional staff was in legislative research. Today the executive branch employs approximately thirty-eight thousand persons while the legislature has added four persons to the fiscal affairs committee staff. The executive branch has almost as many department heads as the legislature has professional staff. This creates an unbalanced flow of information between the two branches.

In Michigan, each member of the Michigan legislature is given a seven hundred and fifty page detailed report on the operations of the various departments. The information is important not simply because of its bulk but because it constitutes an independent source of information to the legislature.

Over twenty-eight states have adopted this idea and in the states contacted the program has given the legislative branch a great deal more independence. Included in the bill is a uniform statewide accounting system that should improve the accuracy of all fiscal information.

This report and the recommendations contained therein were drafted by the committee secretary under the direction of the committee and the report is hereby approved by the following members:

REPRESENTATIVES

Donald J. Gralike, Chairman; Stephen Burns, Nobert J. Jasper, Henry Ross, Stan Thomas.

SENATORS

John J. Johnson, Jasper M. Brancato, Raymond Howard, A. Clifford Jones, Lem T. Jones.

INDUSTRY, SCOUTS ATTACKING WASTE PROBLEMS IN WIERTON, W. VA.

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27, 1971

Mr. RANDOLPH. Mr. President, hardly a day passes that I do not see additional evidence of the concern of the American people for the environment in which they live. I have frequently expressed my belief that our citizens not only want a clean, healthful environment, but are willing to devote their energies to creating and maintaining such a world.

I am, therefore, gratified by each instance of a community, individual, or organization showing its dedication to this cause.

As part of our efforts to improve the environment, it is essential to find and institute methods of recycling our natural resources rather than discarding materials after only limited use. Earlier this year, I participated in the beginning of an operation by the Weirton Steel Division of National Steel Corp. to recycle steel cans at its plant in Weirton, W. Va. This was a big step forward in reclamation, and I hope it will be emulated elsewhere.

The current issue of the Weirton Steel Employees Bulletin contains an article on the beginning of this new program. It also includes an article about a Boy Scout organization in the Weirton area which has responded positively to public concern by conducting a successful can collection drive.

I ask unanimous consent that both of these articles be printed in the Record.

There being no objection, the material was ordered printed in the Record, as follows:

A Lesson on Littering

The Boy Scouts gave us a lesson, now it's up to us to prove that we learned from them.

On June 5, some 1,300 Scouts and over 300 adults of the Fort Steuben Area Council participated in Scouting's Keep America Beautiful Day by cleaning up sections of Hancock and Brooke Counties in West Virginia and Jefferson County in Ohio. They collected over 45 tons of unsightly litter strewn by careless individuals along 200 miles of area highways and streams and 27 acres of parks and public lots.

The anti-litter campaign was a joint endeavor of the Scouts, the U.S. Army Reserve which supplied trucks and personnel, area governmental and law enforcement bodies, and local business and industry, including Weirton Steel.

A total of 30,000 metal cans collected on Keep America Beautiful Day was recycled in Weirton Steel's basic oxygen furnaces and the other litter picked up was taken to community landfill disposal sites.

It was, indeed, a joint effort led by the Boy Scouts as part of their 1971 Project SOAR (Save Our American Resources), but it is now our obligation and responsibility not to litter the areas they worked hard to clean.

Solid waste is as much of a problem as water and air pollution but some of us never think about litter pollution while walking or riding in a car. How easy it is to toss a piece of paper to the ground or dispose of it by flipping it out the car window. How easy it is to flip a cigarette butt out the window instead of putting it in the car's ash tray. How easy it is to toss out an empty pop or beer can instead of saving it for a waste receptacle. How easy it is to litter!

It costs American taxpayers $500 million yearly to clean up litter in public areas, but this doesn't have to be. With a little forethought and effort on everyone's part, the battle against litter can be won.

Millions upon millions of words have been written about litter, but two slogans are worth remembering about this environmental problem: "If it doesn't move and it isn't growing, pick it up;" and those words once uttered by the cartoon character Pogo, "We have met the enemy and they is us!"

The Boy Scouts gave us an anti-litter lesson by cleaning up many areas as part of conservation Project SOAR. Now, it's up to us to prove that we have learned what they were trying to teach us—that people litter and people can control litter.

Cans Are Returnable; Recycling Program Fights Litter, Conserves Resources, Benefits Youth Organizations

Nearly thirty years ago, in the bleak days of World War II, Weirton housewives saved empty cans routinely to assist in national defense.

Now, they are saving them again, only this time the enemy is—Litter!

Scrap can recycling began in Weirton in April as part of an environmental improvement effort of the Carbonated Beverage Container Manufacturers Association and Weirton Steel.

The objective is to return empty cans to the industrial flow, thereby conserving metal that would otherwise be wasted, and to reduce the amount of solid waste normally handled by community waste disposal systems.

The program also figures to reduce the quantity of metal cans that become litter. Many cans come to a bad end and are discarded along highways, beaches and in parks. Recycling now offers users—and misusers—a constructive alternative.

Details of the can recycling program for Weirton—first in West Virginia—were announced at a press conference by CBCMA and company officials.

There is nothing complex about the program.

Two collection centers are open in Weirton. Housewives and local groups are invited to deposit empty cans which are later compacted and re-introduced into the steelmaking process to be made into primary steel.

And money realized from the recycling program will be donated to the Boy Scouts, Girl Scouts and Camp Fire Girls in Weirton.

When can recycling began in Weirton, CBCMA already had similar programs under way in a number of states.

The question was, "Will the Weirton public recognize this opportunity to help reduce litter and conserve raw materials?"

Recycling has been welcomed in a big way in Weirton, based on the public response to this time.

Both can collection stations in the city have been busy areas. The big metal bins used for can deposits have been emptied several times.

Housewives find little inconvenience in supporting the recycling program. It is not necessary for cans to be crushed or flattened, but paper labels are to be removed, and the cans rinsed to avoid problems in sanitation at the collection stations.

The empty cans are compacted into large, cube-shaped bundles at Gilbert Iron and Metal Co. in Steubenville, with the bundles then shipped to Weirton Steel for recycling into primary steel in the Basic Oxygen Furnace shop.

All types of cans are accepted for recycling, including those used for food, soup, beer, soft drinks, oil, pet food, paint and other materials.

Principal supporters of CBCMA are American Can Co., Continental Can Co., and National Can Corp., the world's largest producers of metal cans.

These companies have been joined by Weirton Steel in supporting the local can recycling program.

The company established one can collection station on Main Street, and the second was opened by Continental Can Co. at its plant in the Half Moon Industrial Areas of the city.

U.S. Senator Jennings Randolph of West Virginia attended the press conference to express his support of the action program of the canmakers and the steel industry.

"Man created environmental pollution and man can end it. To do this we must stop thinking of ourselves as consumers of products which we use and then discard to pollute the environment. Rather, we must view ourselves as users of materials, most of which can be passed along for processing and continued use instead of discard," Senator Randolph declared.

"We, as individual citizens, must act to insure that this recycling program is successful. I join you in pledging not only our words, but our best energies, to this effort for a cleaner America," he added.

J. G. Redline, President of Weirton Steel, pointed to the opportunity the public has to reduce litter through recycling.

"We are working toward solutions, and the program of recycling is aimed at helping to solve one of the major environment problems—litter," he said.

"We are giving everyone who shares our concern about this problem the opportunity to help do something about it," Mr. Redline told the press conference.

Employee interest in recycling has been encouraging. And among the strongest boosters of the program are youth groups of Weirton, which collect and deposit cans regularly to express interest in ecology.

Cans are used by nearly everyone, but litter is an example of how they are misused by thoughtless people.

A survey by the Highway Research Board in 29 states disclosed that cans contribute 16% of roadside litter. While that suggests that 84% of highway litter is not cans, litter is ugly, regardless of the composition.

With can recycling programs, the empty can can be returned easily for practical use.

Now, cans no longer have to come to a bad ending. No longer is there such a thing as a non-returnable can. Weirton Steel and the canmaking companies have joined resources to change all that.

CONGRESSMAN JOHN BRADEMAS REPORTS ON THE RESULTS OF 1971 QUESTIONNAIRE TO CITIZENS OF THE THIRD CONGRESSIONAL DISTRICT OF INDIANA

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BRADEMAS. Mr. Speaker, like many of my colleagues in Congress, I have periodically mailed to my constituents a questionnaire asking their views on various issues confronting the Nation.

As Representative in Congress of the Third District of Indiana, I have always believed their responses to be most helpful in my own consideration of these issues.

In recent years, Mr. Speaker, the responses to these questionnaires from my own Indiana constituents demonstrates a strong desire for new national priorities in Federal spending.

A tabulation of the returns from my 1971 poll indicates that a high percentage of the people of the Third District of Indiana continue to favor increased funds for crime prevention, pollution control, health services, and education. On the other hand, the responses from these citizens also show that they want to cut back spending for the Vietnam war as well as for other Defense Department programs.

CHANGE WANTED

Mr. Speaker, I also conclude from the 1971 questionnaire returns that the respondents in the district I represent favor:

The establishment of a public service employment program such as the one passed by Congress and signed into law by President Nixon on July 12.

An increase in the Federal minimum wage.

Wage-price controls to fight inflation.

A strong role by the Federal Government to protect the consumer.

Strengthened programs to conserve our farmland.

And changes to make the Federal tax structure more equitable.

Opinion was more closely divided, Mr. Speaker, on such questions as ending the draft, establishing a national health insurance plan, and reforming welfare programs. That there has already been a great deal of thoughtful dialog in the country on different sides of these issues is reflected in the mixed response over the best ways to try to cope with our problems in these areas.

MESSAGE IS CLEAR

But, Mr. Speaker, there seems to be a clear mandate from the 7,200 citizens of the Third District of Indiana who responded to my questionnaire. They want to give top priority to programs designed to meet our many human needs and to spend fewer billions of our limited tax dollars on military weapons.

Mr. Speaker, I count it a high honor and a privilege to serve as Representative in Congress of the people of St. Joseph, Elkhart, Kosciusko, and Marshall counties in Indiana. These are citizens who give a great deal of thought to the important issues facing our country. Their answers to my questions will, I reiterate, prove most helpful to me during the remainder of the 92d Congress.

Because I believe this response is a significant indication of public opinion in the Third Congressional District of Indiana, I include a tabulation of the results in the Congressional Record, and I am sending them to President Nixon as well.

QUESTIONED ON PRIORITIES

Mr. Speaker, my district questionnaire was divided into two sections. The first, dealing with national priorities, listed 11 key areas of Federal spending. The respondents were asked, with respect to each category, to mark whether they felt Government spending should be increased, decreased, or held at present levels.

The results, by percentage, were:

	Increased	Decreased	Held at present
The Vietnam war	5.1	75.3	19.6
Other defense spending	10.7	64.3	35.0
Welfare programs	19.8	50.2	30.0
Space programs	13.8	49.9	36.3
Pollution control	77.5	5.7	16.8
Farm programs	22.9	36.3	40.8
Aid to education	53.7	14.3	32.0
Programs for the poor	41.4	21.1	37.5
Aid to cities	36.3	24.2	39.5
Crime prevention and control	81.9	3.8	14.3
Health programs	60.3	9.4	30.3

THE MAJOR ISSUES

The second section of the poll sought the constituents' views, through multiple choice, on 10 major issues before Congress. The respondents were asked to mark the answer which most closely represented their opinion.

The results, again broken down by percentage, were:

VIETNAM

The U.S. should:

Withdraw our forces only as fast as the South Vietnamese can assume the burden of the war	44.2
Withdraw all our forces by December 31, 1971	25.5
Withdraw all our forces immediately	18.7
Increase military operations to secure victory	11.6

ECONOMY

In order to curb the inflationary spiral there should be:

Wage-price controls	50.7
Cuts in military spending	31.9
Cuts in domestic spending	10.4
No government regulation	7.0

JOBS

Unemployment nation-wide is approximately 6 percent of the labor force. The Federal government should:

Provide public service employment opportunities	51.2
Expand job training programs	26.9
Assume no further responsibility	17.0
Increase unemployment compensation benefits	4.9

MINIMUM WAGE

The Federal minimum wage is currently $1.60 an hour. At this rate an individual working a 40-hour week would earn $3,328 a year. The minimum wage should:

Be increased to $2 an hour	39.8
Be increased to $1.80 an hour	27.0
Remain the same or be reduced	33.2

THE DRAFT

To provide manpower for our military services, Congress should:

Require all young men to give at least two years of national service in either military or public programs such as Teacher Corps, Peace Corps, Public Health Service	49.1
Create a volunteer army	36.1
Continue present draft laws	13.8

HEALTH INSURANCE

Congress should:

Set up comprehensive health insurance for all Americans, to be administered by the Federal government	44.7
Continue to depend on private insurance companies to provide coverage	38.7
Establish a Federal health insurance program to cover only the poor	16.6

AGRICULTURE

Indiana's farmers could best be helped by:

Strengthened programs to conserve the land	62.7
Additional programs to extend utilities to rural areas	12.8
Continued farm subsidies for certain crops	14.5

CONSUMER PROTECTION

On behalf of consumers, the Federal government should:

Conduct tests on products and issue public reports	65.0
Create a special agency to handle consumer complaints	25.4
Do nothing under the philosophy of "let the buyer beware"	7.8

WELFARE

With respect to welfare programs, I would favor:

Setting minimum Federal standards for all states	37.6
Abolishing the welfare program	26.6
A minimum family income plan	24.5
Retaining programs as they are at present	11.3

TAXES

I believe:

Loopholes should be closed on tax exemptions for large businesses	48.8
The personal income tax exemption should be raised to $1,000 for each dependent	33.3
Federal tax credits should be given for paying increased state and local taxes	13.8
Our present tax structure should not be changed	4.1

Mr. Speaker, in addition to the two key sections of my questionnaire, I invited comment on these or other issues in additional space allotted for this purpose. As a result, I received a large number of instructive comments from my constituents on a wide variety of issues.

Mr. Speaker, I wish to take this opportunity to express my appreciation to the many citizens of the Third District of Indiana who participated in my 1971 questionnaire. Their responses will, I am confident, be of real value to me in seeking to represent their best interests here in Washington.

REVENUE SHARING

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27, 1971

Mr. BYRD of Virginia. Mr. President, the July 7 edition of the Jackson, Miss., Clarion-Ledger included an excellent editorial on the subject of revenue sharing.

I ask unanimous consent that the text of the editorial, "Revenue Sharing Needs Budget Balancing As a Prerequisite," be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

REVENUE SHARING NEEDS BUDGET BALANCING AS A PREREQUISITE

A hassle has been going on between the executive and legislative branches in Washington as to whether there should be "revenue sharing" with the states by Uncle Sam, as President Nixon proposes.

On this burning issue, Senator Harry F. Byrd Jr., of Virginia, who like his late senatorial father has become known as a watchdog of the Treasury, has raised the question: "Where is the revenue to share?"

The painful truth is that the fiscal year which ended June 30th found the federal government with a deficit of $25 billion. By the administration's own calculations the deficit for this fiscal year which began July 1 will be $23 billion.

Pointing out these financial facts of life, Senator Byrd has reminded Congress, the White House and the American people that the federal deficit for this two-year period will be at least $48 billion.

Nor is this the worst of the matter. These deficits go back many years and it is the accumulated federal debt that plays havoc with the government's financial situation. This federal debt is now approaching $400 billion.

Taxpayers are paying $21 billion per year in interest on this national debt alone, with no provision at all for its systematic retirement. And if this debt cannot be reduced in times of peak prosperity, it certainly cannot be reduced in hard times which can come from prolonged red ink spending.

Accumulated deficits year after year are the major cause of inflation which we are experiencing today. Government cannot go on spending as it has done and not expect the dollar to be weakened further. And when the dollar is weakened more, there is more inflation—a vicious circle.

Sooner or later, the government must put its financial house in order, reduce unnecessary spending and make provision for debt retirement. It sounds great but does not seem too logical to talk about "revenue sharing" when government is running up more deficits.

FAIR HOUSING FOR ALL AMERICANS

HON. WILLIAM F. RYAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. RYAN. Mr. Speaker, on June 11, 1971, the President issued a statement concerning Federal policies relative to equal housing opportunity. Three days later, the Department of Housing and Urban Development, together with the Department of Justice and the General Services Administration, supplemented this statement by announcing several new steps in the implementation of the fair housing law.

I previously discussed the President's statement on June 30, during consideration of the bill appropriating funds for fiscal year 1972 for the Department of Housing and Urban Development. I believe my observation then still pertains:

> Affirmative action is mandated by the law. That is not what the President's housing policy statement prescribes. What it does prescribe is acquiescence to economic segregation. And in this Nation, in this day, economic segregation means racial segregation. The vast majority of blacks and Puerto Ricans and Mexican Americans and American Indians fall within the groupings of low-income and moderate-income families. It is they who need the ability to obtain decent, affordable housing in the suburbs, where living conditions are amenable and where so many jobs have migrated. The President's policy does not answer this need. It rejects it.

Since the issuance of the June 11 statement, and the subsequent actions by the Federal agencies, a major analysis of these events has been articulated by a coalition of public interest groups. This document, entitled "Response by Public Interest Groups to Administration Pronouncement on Equal Housing Opportunity," has been issued by the Leadership Conference on Civil Rights, the Center for National Policy Review, the Housing Opportunities Council, the Lawyers Committee for Civil Rights Under Law, the NAACP Legal Defense and Education Fund, Inc., the National Committee Against Discrimination in Housing, the National Urban Coalition, the Nonprofit Housing Center, Inc., the Potomac Institute, and Suburban Action, Inc.

This analysis makes four major points. The gist of all of them is the conclusion that the administration has demonstrated that fair housing is not an issue of priority, as it should be, and that the administration is not prepared to really pursue open housing for all Americans.

First, the analysis points out that:

> The Administration makes no commitment to overcome the obstacles to secure decent housing outside the ghetto for people who are poor and members of minority groups.

Second, the analysis notes that:

> While taking a few steps forward in prohibiting discrimination by housing developers, the Administration still has not utilized the authority it possesses to assure that developers, lending institutions and real estate brokers carry out their obligations under Title VIII of the Civil Rights Act of 1968.

Third, the analysis concludes that:

> Even with respect to the rules and guidelines it has adopted, the Administration still has not demonstrated a will to enforce the law vigorously, e.g., by initiating its own investigations rather than awaiting complaints.

And fourth, the analysis details the concern of the groups which prepared it—a concern I share—that:

> The Administration fails to recognize that, particularly on an issue as controversial as housing opportunity for people who are poor and members of minority groups, the major responsibility for political and moral leadership rests with the President of the United States.

I commend this analysis, which at this point I am including in the CONGRESSIONAL RECORD, to my colleagues. It very pointedly and cogently details the continuing failure of the Federal Government to assure equal housing opportunity for all Americans—a failure which morally cannot be condoned, and legally need not be allowed:

RESPONSE BY PUBLIC INTEREST GROUPS TO ADMINISTRATION PRONOUNCEMENTS ON EQUAL HOUSING OPPORTUNITY

On June 11, 1971, President Nixon issued a statement on Federal Policies Relative to Equal Housing Opportunity—which candidly recognized the consequences of ill-housing and racial segregation. On June 14, 1971, the Department of Housing and Urban Development, together with the Department of Justice and the General Services Administration, supplemented this statement by announcing several new steps in the implementation of the fair housing law, action not less welcome for the fact that they were long overdue.

We respond to the President's statement and the initiatives announced by HUD, the Justice Department and GSA in order to place these recent actions in perspective so that we may determine what they might accomplish if vigorously enforced, and to identify steps that remain to be taken if significant progress is to be made.

Our major concerns, spelled out in detail later in the statement, are as follows:

(1) the Administration makes no commitment to overcome the obstacles to securing decent housing outside the ghetto for people who are poor and members of minority groups. By creating artificial distinctions between "racial" and "economic" discrimination, the Administration has handcuffed itself in efforts to overcome the principal barrier to progress—exclusionary land use policies which are ostensibly economic in purpose but which have a racial impact.

(2) while taking a few steps forward in prohibiting discrimination by housing developers, the Administraton still has not utilized the authority it possesses to assure that developers, lending institutions and real estate brokers carry out their obligations under Title VIII of the Civil Rights Act of 1968.

(3) even with respect to the rules and guidelines it has adopted, the Administration still has not demonstrated a will to enforce the law vigorously, e.g., by initiating its own investigations rather than awaiting complaints.

(4) the Administration's statement fails to recognize that, particularly on an issue as controversial as housing opportunity for people who are poor and members of minority groups, the major responsibility for political and moral leadership rests with the President of the United States. We are particularly troubled by the denials of Federal leverage and responsibility and by the failure to deal forthrightly with the prejudices of affluent white citizens.

THE EXTENT OF DEPRIVATION AND DISCRIMINATION

We share with the President the conviction that the continued denial to the poor and racial minorities of access to decent housing in an open market is the nation's most serious domestic problem. As the President's statement recognizes, the continued confinement of racial minorities to ghetto areas is not simply a denial of decent housing. It also denies them access to jobs, to good schools, to public services and a healthy environment. It results in "wasted human potential and stunted human lives." It "engenders unwarranted mistrust, hostility and fear."

The 1970 Census figures show a dramatic increase in racially segregated housing patterns—statistics which the President calls compelling."

Growing racial isolation is evident in the 66 largest metropolitan areas which account for more than half the U.S. population. As the President cites: "the central city white population declined . . . about 2 million (5%)—while the black population increased about 3 million (35%)." These statistics reflect decades of denial and restrictions in freedom of housing choice to minorities. They represent "a history of hardship" in which the Federal government played a substantial role—through FHA sanctioned restrictive covenants; urban renewal projects which "cleared out but did not replace housing which, although substandard, was the only housing available to minorities"; and officially sanctioned segregation of public housing.

After long years of helping to establish and entrench patterns of residential segregation, the Federal government reversed course. With President Kennedy's Executive Order in 1962, the Civil Rights Act of 1964 and 1968 and the Supreme Court's decision in *Jones v. Mayer*, the law was clarified and new tools given to the Federal government to prevent discrimination.

But progress under these new laws has been infinitesimal, as the census figures on continued racial separation confirm. The Department of Housing and Urban Development, the agency chiefly responsible for implementing the laws, has been weak and lethargic in fulfilling its duties. It failed to initiate its own investigations, relying almost exclusively upon complaints of discrimination, and thereby placing the burden on individual victims. It did not set down clear standards to give content to the fair housing law. It did not require affirmative action by the housing industry to undo the effects of past discrimination. It had to be called to account by Federal Courts in several cases for failing to adopt or implement rules to avoid racial concentration in subsidized housing.

Perhaps most tragic, the patterns of racial isolation established in old programs have been carried over to new programs. New housing built for low and moderate income families in the suburbs has been occupied for the most part by whites. Black citizens, offered the hope of home membership for the first time, have often found themselves relegated to old houses in the inner city. Some of the transactions for this housing have been tainted with fraud in which the FHA has been implicated and minority citizens have been the victims. While the President speaks of "dramatic progress in increasing the supply of housing," there is increasing evidence of the creation of new ghettos and instant slums.

It is in this context that the President's statement was issued and new steps taken. In the light of this history it is imperative that the most careful scrutiny be given to what these measures are likely to accomplish. Will they "correct the effects of past discrimination" as the President desires? Will they reverse the trends of racial separation? Will there be an end to "wasted human potential and stunted human lives?"

ACTION TAKEN TO ELIMINATE DISCRIMINATORY PRACTICES BY THE HOUSING INDUSTRY

First, with respect to removing barriers traceable to industry practices, the President states: "Racial discrimination in housing is illegal, and will not be tolerated." Further, Federal policy "must be aimed at correcting the effects of past discrimination." "And it must be results-oriented so its progress toward the overall goal of increasing housing opportunities can be evaluated." Two of the chief components of the program are the "development of information programs" and "policies relating to housing marketing practices."

On June 14, Secretary Romney, Attorney General Mitchell and General Services Administrator Kunzig released announcements to amplify these general policy statements. Those pertaining to industry practices are the proposed affirmative marketing guidelines and site selection criteria for Federally subsidized housing.

The affirmative marketing guidelines seek to give content to the concept of "fair housing" by setting forth specific steps for developers to take to assure that minority homeseekers will know of and have access to housing opportunities. Although the new guidelines are a step forward, their shortcomings are substantial. One major defect is that transactions on existing housing are not covered. Thus, out of a housing inventory in excess of 60 million units, fewer than one million new FHA assisted starts will be covered each year. In addition, it is not at all clear that these projects will be monitored to insure compliance by developers or whether FHA will continue to rely almost totally on the receipt of complaints.

Furthermore, real estate brokers who play a major role in the sale and leasing of housing are not subject to the requirements of affirmative marketing criteria. If these new criteria are to have any effect in eliminating the dual market, coverage must be extended to include a far greater proportion of housing and to bring brokers within its provisions.

In addition, HUD should condition Federal assistance on satisfactory assurances from developers and brokers that they are not discriminating in any business transactions whether or not federally assisted.

To carry out the promise to develop information programs the affirmative marketing guidelines direct local FHA insuring offices to make available upon request lists of projects or subdivisions on which FHA commitments have been issued during the preceding 30 days. Although billed as a new program, this procedure was established under E.O. 11063 and is not an innovation. (In fact, these lists included repossessed housing, FHA insured multi-family housing and were not limited to projects of 25 or more units.) What is plainly needed is an information program along the lines recommended by the Civil Rights Commission in its report on the "235" housing program. Merely making this information available in local FHA insuring offices is totally unrealistic in the area of low and moderate income housing. As the Commission emphasizes, "one of the serious impediments to the successful operation of federally assisted programs that serve lower-income families has been the lack of information . . ." The Commission recommends the establishment of local offices where the people whom the program is designed to serve can be assisted and counseled. This step is essential.

While the adoption of *site selection procedures* is welcome, it should be recognized that there are limitations on what those procedures can achieve. The fundamental weakness is that they cannot compel the building of low and moderate income housing where exclusionary land use policies prevent it. Stronger measures are needed to make sites available, measures that are discussed in the next section.

Site selection policies can only assure that where developers do have sites available, HUD will give preference to those which provide the best opportunity for achieving racial and economic integration. But under the rating system established by HUD it is not at all clear that such sites will be favored. Whereas a superior rating is awarded for a site promoting racial and economic integration under the category "nondiscriminatory location" the same site may be at a disadvantage under criteria for "neighborhood environment" and "employment and utilization of employees and business in project areas." Thus it will still be possible to continue assisting housing constructed in a manner to perpetuate and exacerbate racial concentration.

Site selection is only a part of the process. Tenant and owner selection is of equal significance. Under the present system the private developer or sponsor determines who shall buy or rent a unit. He certifies their eligibility and applies his own standards for acceptance. The Commission on Civil Rights in its report on the 235 program found segregated patterns were attributable in part to the brokers and developers. No program comparable to public housing tenant selection procedures has been proposed to ensure equal opportunity to eligible families desirous of participating in the 235 and 236 programs.

It is also discouraging that no other specific measures directed at the housing and home finance industry were set forth or proposed. For example, although the President's statement refers to the responsibilities of Federal agencies that regulate lending institutions, neither President Nixon nor Secretary Romney stated that these agencies would be expected to develop an effective program, backed by sanctions, to prevent lending discrimination. Nor have these agencies made any commitment to promulgate such a program. Whether or not law suits are brought by the Department of Justice to restrain discriminatory lending practices (and none have been brought to date), it is imperative that the Federal regulatory agencies act to establish a system for collecting the necessary racial data and enforce the fair housing law with respect to their member banks and savings and loan associations.

In short, the Federal Government has not yet provided effective guarantees that minority citizens will be treated fairly at the hands of builders, brokers, and lending institutions. Even with respect to Federally subsidized housing we cannot be sure that the disgraceful pattern found by the Civil Rights Commission—blacks going into existing housing in ghetto areas, whites into new housing in the suburbs—will be terminated. The policies adopted are a small step forward, but there is much yet to be done.

EXCLUSIONARY PRACTICES OF LOCAL COMMUNITIES

While the President's statement and the new policies promulgated by Secretary Romney promise some improvement in the implementation of civil rights laws against discriminatory industry practices, one of the most formidable barriers to equal housing opportunity is that posed by the exclusionary practices of local communities, particularly zoning ordinances. It is here that the Administration's statement is most ambiguous and its policies most deficient. Federal agencies followed the President's statement with two policy steps: (1) entry into housing litigation involving *Black Jack, Missouri* and (2) the announcement of new housing criteria to be taken into account in awarding water and sewer grants to local governments (with the indication that such criteria may also be applied to other "community development" grants). These steps fall far short of what is required to make any real contribution to solving the problems of housing deprivation and racial concentration that the President so eloquently described.

In *Black Jack*, the Department of Justice, after almost seven months of study and the public declaration by a member of the President's cabinet that the situation involved a "flagrant violation of the Constitution," decided to institute a law suit. *Black Jack* is a case where neighbors of a proposed moderate income project incorporated themselves and passed a zoning ordinance for the specific purpose of preventing the construction of integrated housing. In short, the basis for Federal action was clear and powerful evidence that the exclusionary action of the newly created local government was *racially motivated*. Since it is rare to find such overwhelming evidence of racial motive (in most cases zoning ordinances existed long before efforts to construct low income housing), the question remains: what legal action will the Administration take in situations where the *effect* of zoning ordinances or other exclusionary action is racial, although there may not be available legal proof that the *purpose* was racial?

In this respect, the President's message is most discouraging, for it seeks to drive a wedge between race and poverty and to maintain an artificial distinction between "economic" and "racial" discrimination. It is true, as the President says, that "the term 'poor' and 'black' are not interchangeable" and that there are "far more poor whites in America than there are poor blacks."

But these statements, while true, are irrelevant if the issue is meeting the housing needs of people who live in the major metropolitan areas of the Nation. In these metropolitan areas, substantially more than half of the poor who are confined to the inner city poverty areas are members of minority groups. Seventy-four per cent of poor white families do *not* live in poverty areas.

This is not to say that many white poor do not have housing needs. But it is clear that in major metropolitan areas the major impact of exclusionary zoning ordinances is upon black, Puerto Rican, and Mexican American citizens. (Indeed, in its affirmative marketing guidelines, the Administration's position is that *every* subsidized housing project will be open to minority citizens. It follows that every exclusion by a suburban community of subsidized housing has a racial impact and should be opposed by prompt and vigorous Federal action.)

At one point in his statement, the President frames a proper legal test:

"If the *effect* of the [purportedly economic] action is to exclude Americans from equal housing opportunity on the basis of their race, religion or ethnic background, we will vigorously oppose it by whatever means are most appropriate—regardless of the *rationale* which may have cloaked the discriminatory act" (emphasis added).

In short, the appropriate legal test is racial effect, not racial purpose. If the government were prepared to follow the logic of its legal position, it would now be investigating many cases for the purpose of establishing the racial effect of exclusionary local actions and we would be highly encouraged. Instead the Administration continues to maintain the fiction that poverty and race are separate problems—a position which, except for a few unusual situations—will lead to continued racial concentration.

The President's statement in this connection should be compared with his statement on the same problem a little over one year ago, in his Second Annual Housing Goals Report to the Congress. In that message be pointedly stated: "Community opposition to low- and moderate-income housing involves both racial and economic discrimination . . . (I)t is difficult, if not impossible, in many communities to find sites for low- and moderate-income housing because the occupants will be poor, or will be members of a racial minority, or both. The consequence is that either no low- or moderate-income housing is built or that it is built only in the inner city, thus heightening the tendency for racial polarization in our society." The President, in that report, also requested legislation "which would prohibit states and local public bodies from discriminating against housing subsidized by the federal government, whether through legislative or administrative action."

It is quite apparent that these statements were motivated by concern that the lack of good sites for subsidized housing would severely cripple HUD's efforts to attract more highly capitalized entrepreneurs who might utilize industrialized methods of construction in the federal programs. This problem may, indeed, be the Achilles Heel of "Operation Breakthrough," widely heralded as a major administration initiative in this direction in 1969, or any other program to increase the production of housing.

The second Administration initiative is essentially a reaffirmation of existing policy, that "to qualify for Federal assistance, the law requires a local housing or community development project to be part of a plan that expands the supply of low- and moderate-income housing in a radically non-discriminatory way." The defects of this policy are (1) that the guidelines issued for water and sewer grants are inadequate to assure that an application will be funded only if there is a pledge to provide low- and moderate-income housing and (2) that the policy will be applied only to a few programs, not those which would provide real inducements to communities to meet the housing needs of the poor and racial minorities.

The first deficiency is exposed by the guidelines that Secretary Romney has issued governing water and sewer grants. These make clear that the provision of low- and moderate-income housing is only one of a great many criteria to be considered in determining whether a community will receive a grant. In fact, a locality whose application is otherwise in order many qualify for funds even if it makes no commitment to meeting housing needs. We do not find, for example, anything in the criteria which would bar such grants to *Black Jack, Missouri*.

Even if the standards are strengthened and made mandatory, however, Federal policy cannot be made effective until responsibility for meeting the housing needs of the poor and minorities is made a condition of *all* Federal assistance, not just community development projects such as urban renewal, water and sewer and open space grants.

Under present policy, communities which exclude minorities and the poor may select among the various Federal programs to meet their community's needs irrespective of the conditions and needs of surrounidng communities. They seek financial assistance for transportation services and highway construction to encourage the introduction of industry and commercial enterprises to increase their tax base. Federal money also flows for programs of economic development, health, education and environmental protection. It is only because of these substantial kinds of assistance that such communities are able to maintain and even improve their standard of living while at the same time maintaining racial and economic exclusivity. The continuation of such Federal assistance unaccompanied by civil rights standards subverts our major national housing goal—to provide a decent home in a suitable living environment for all American citizens.

In addition, industry and Federal installations are much sought after sources of revenue for many suburban communities. Why, for example, would the Federal government continue to make large contracts with, or give favorable tax treatment to, employers which locate in communities that exclude poor and black people? Suburban communities are often very anxious to attract such employers; the property taxes they pay make it possible for the community to provide adequate public services without unduly burdening their own citizens. Yet, the location of employers in restrictive suburbs frequently makes a sham of equal employment requirements. Minority workers cannot live in the community, nor do they have adequate access to the jobs. A reasonable—indeed a necessary—condition of a government contract if equal employment laws are to be meaningful is that minorities and lower income employees must be able to live in the communities in which the jobs are located.

Until 1969, availability of housing for low- and moderate-income employees was not a consideration in relocating or establishing a Federal installation. In 1969, by internal regulation and later in 1970 by Executive Order, GSA was required to consider the housing element in determination to relocate. This order was silent on nondiscrimination. The memorandum of understanding between GSA and HUD on June 14th strengthens the government's policy. It is not absolutely clear, however, that GSA is prohibited from locating in communities which housing is not available to all.

Similar requirements should be applied to all government contractors. Further, the Equal Employment Opportunity Commission should include availability of housing as a factor in determining equal employment opportunity.

On these, as on other crucial matters, the President's Housing statement is either silent or negative. It has diagnosed a cancer and prescribed aspirin as the remedy.

EXECUTIVE LEADERSHIP

Perhaps the most discouraging aspect of President Nixon's statement is its limited view of the responsibility the President and the Federal government must accept for correcting conditions which are admittedly very serious.

No one can dispute the fact that providing housing for the poor and for minorities is one of the most politically sensitive issues of our time. Mr. Nixon has recited the fears that exist in suburban communities—that poor people would "lower property values," that they would "contribute less in taxes than they consume in services," that their entry would "bring a contagion of crime, violence, drugs." But the responsibility of the President is not simply that of a good reporter (to describe prejudices that are held "rightly or wrongly") or even that of a good lawyer—but that of a political and moral leader. It is his duty to counter prejudices and fears, to make clear that the remedies are not to impose a quarantine or to reinforce the ghetto conditions that bred them in the first place; to place before the American people the hard alternatives they face in the cities; to offer programs responsive to legitimate concerns.

Nor can the Administration seek to avoid responsibility by pleading that the Federal government lacks "leverage" in the field of housing. As the statement itself acknowledges, the Federal government has been at minimum a willing partner in the development of ghettos and segregated suburbs. It is simply unacceptable for the Administration to suggest that the government, with all of the enormous resources it has at its disposal and with the detailed regulation it has employed in fields such as taxation, is powerless to correct a fundamental injustice which it has helped to create. It is particularly ironic that this Administration, so concerned with the power and influence of the U.S. *abroad*, seems content to assume the role of a "pitiful, helpless giant" at *home*, unwilling to assure equality to its own citizens.

The answer, it should be clear, is not a choice between Federal and local action, but a wise combination of both. Certainly there are "infinitely varied individual questions that arise as our thousands of local governments hammer out their individual local land use policies." No one has suggested that the Federal government impose a strict pattern of conformity on every community in the Nation. But, if the Federal government does not set down as a fundamental ground rule that the local governments in each metropolitan area must meet the needs of the poor and minorities in that area for decent housing, few localities will act on their own. Once the basic rule of equal housing opportunity is established, there can be great scope for diversity in the way that each locality fulfills its obligation.

As to the allocation of responsibility within the Federal government itself, we believe, as we have stated, that the Executive branch now possesses all of the authority necessary to surmount the barriers to providing housing for the poor and minorities throughout the metropolitan areas. If, however, the Administration determines that additional authority or assistance from the legislative branch would be useful, the President should present such legislation to the Congress promptly. It will not do for Secretary Romney to tell the mayors that *they* should seek legislation. The mayors will be regarded as special pleaders; the President speaks for all the people.

Further, the President's leadership is needed not only to create support and understanding among citizens but to mobilize the Federal bureaucracy itself. Time and again during the last decade, excellent policy statements on equal housing opportunity have been subverted by the unwillingness of the Federal housing officials to take vigorous action to implement them. Even the limited initiatives taken by this Administration will fail unless officials of the FHA and the other housing agencies are made to understand that they will have no higher responsibility than to carry out policies designed to meet the housing needs of the poor and minorities.

Finally, while we have focused principally upon the preeminent responsibilities of the President, it must be recognized that others also have an obligation to provide national leadership. It is somewhat discouraging that, on an issue as vital and controversial as this one, few political leaders have articulated a clear position. We call upon national leaders of both political parties, not simply to react to the President's statement, but to spell out their own affirmative programs for securing decent, non-segregated housing for poor and minority citizens.

CONCLUSION

While we are greatly disturbed by the negative aspects of the President's statement and the failure of the Administration to take firm steps to assure equal housing opportunity, we are not bereft of hope. The Administration has recognized for the first time the seriousness of the problem and has taken the first halting steps toward solutions. Much will depend upon its ability to enforce the policies that have been adopted and its willingness to reconsider self-imposed limitations upon the adoption of policies that would promise genuine relief.

The President has asked in this field as in others that his Administration be judged by the results it achieves. That is precisely what we shall do.

RAIL STRIKES

HON. ALAN CRANSTON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27, 1971

Mr. CRANSTON. Mr. President, the United Transportation Union struck the Southern Pacific Railroad—and Norfolk & Western—on July 24 in the second of a series of "selective" strikes. On July 30, the UTU says it will halt six more railways, including the Santa Fe.

If the July 30 strike prevails it will bring the total railroads struck to 11, halting rail shipping in 40 States and affecting 80 percent of the Nation. thirty-seven percent of the Nation's railworkers will be idled. Twenty-seven percent of America's track mileage will be closed.

We are faced with more than a series of random, isolated work stoppages. We have a rail strike of national proportions.

The strike against Southern Pacific has already dealt a serious blow to California's economy as well as to the Nation's produce shippers and consumers. The harvest of California's deciduous tree fruit, berries, cantaloupes, and other crops is at its peak. Right now, temperatures in California's Imperial and San Joaquin Valleys average in the 100's. A shipping halt of any kind spells disaster for California growers, shippers, and the thousands of farm workers who rely on the harvesting of crops for their livelihood.

The harvest of California crops continues throughout the summer. In 1970, 257,000 carloads of fresh, perishable California produce were shipped to over 40 major-market cities across the United States. Forty-one percent of shippage was by rail. Most trucking of produce occurred west of the Rockies

In terms of dollar amounts, the crisis is easily demonstrated. For 1969, total cash receipts from farm marketing amounted to $4,371,260,000, shared between crop production and livestock production. About 37 percent of California land is in farms. About 25 percent of the total farmland is in crops of various kinds. Some 263,000 people are engaged in California agriculture, more than 5.5 percent of the Nation's agricultural work force, and more than any other State in the Nation.

A second, more specific case points up the peril of a continued strike. Before the rail work stoppage, more than 22 tons per day of sugar beets alone were being shipped to markets across the country. Since the strike began, some 50 to 60 thousand tons of sugar beets, at a value to the farmers of over $1 million, are imperiled and may have been lost. A continued strike could cost the California sugar beet industry alone up to $3 million.

The national implications are clear: Last year, California exported 14,000 railcars of produce to Chicago, with only 8 percent of the carriage being by truck. To New York City, California supplied 29,000 carloads of produce by rail and less than 10 percent was shipped by truck. At harvest apex, during June and July, California ships 25,000 to 26,000 carloads. Other months drop to an average 7,000 carloads.

Mr. President, I recognize that "selective" strikes have been proposed by many as a suitable pressure-valve for the prevention of a nationwide rail tieup. But a selective strike becomes nonselective when it hits workers, management, and consumers in markets over 3,000 miles from the strike locale, becoming one in a chain of countrywide strikes. I believe we clearly have a national crisis.

Mediations by the Department of Labor are reported to have been so far unsuccessful and have adjourned without sign of resolution.

In a time of grave economic peril, neither California nor the Nation can wait. Therefore, I call on the Department of Labor—the governmental body mostly closely in touch with all facets of this dispute—to send emergency legislation to the Congress so that we may act to break this deadlock.

Mr. President, no one branch of the Government holds exclusive blame for this crisis, nor can either management or labor be identified as single culprits. The history of this and other rail conflicts is far too complicated for self-righteous fingerpointing.

The administration must demonstrate leadership in seeking emergency legislation to end this crippling strike. Congress must act wisely in developing a solution which is fair to both management and labor and which best serves the needs of the general public. The railroads and the unions must reconcile their differences in a manner compatible with sound economic railroad management and with job security and reasonable wages for the workers.

And these solutions must be found now—before more of our Nation's crops rot in the fields.

OMB RELEASES $70 MILLION FOR PUBLIC WORKS PROJECTS FOLLOWING CONGRESSIONAL PROTESTS AGAINST POLICY OF IMPOUNDING APPROPRIATIONS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. EVINS of Tennessee. Mr. Speaker, as you know, the Office of Management and Budget adopted an arbitrary policy last fiscal year of freezing, withholding, and impounding funds appropriated by Congress.

The OMB impounded funds for every project initiated by the Subcommittee on Public Works Appropriations and approved by the Congress and the President.

Mr. Speaker, I was pleased to join with you and other colleagues in protesting this excessive impoundment of funds for needed and necessary public works projects, and I have recently been advised that the OMB is releasing $70 million for planning and construction of many projects throughout the Nation.

In this connection, on June 28 last, Mr. Casper Weinberger, Deputy Director of the Office of Management and Budget, appeared before our subcommittee at my request to explain the action by OMB in singling out appropriations for public works projects by the blanket impoundment of all funds for such projects initiated by the Congress.

During this hearing I was joined by other Members in explaining to Mr. Weinberger the committee's criteria for funding needed projects, and we expressed grave concern over actions by OMB which in effect negated the work of our committee and of Congress in this vital area.

Following these hearings OMB announced the release of $70 million in funds withheld in the last fiscal year from the Corps of Engineers, the Bureau of Reclamation, Tennessee Valley Authority, the Atomic Energy Commission, and other public works agencies.

The OMB has also released $16.1 million to the Atomic Energy Commission for the Cascade improvement program to expand production of nuclear fuel needed to provide electric power.

In this connection I place in the RECORD herewith excerpts from this hearing on impoundments because of the interest of my colleagues and the American people in this subject. The excerpts follow:

PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT AND ATOMIC ENERGY COMMISSION APPROPRIATIONS

EFFECTS OF IMPOUNDMENT OF PUBLIC WORKS FUNDS

Witnesses: Caspar W. Weinberger, Deputy Director of the Office of Management and

Budget and Samuel M. Cohn, Assistant Director for Budget Review.

Mr. EVINS. Mr. Weinberger, we welcome you to the committee. We respect you, Mr. Director, and we respect the office that you hold. The committee has looked forward for some time to meeting with you to discuss problems of mutual interest and exchange ideas.

COMMITTEE ACTION ON 1971 BILL

Let me say that last year we began hearings on the Public Works Appropriations Bill on March 3 and final action was not completed until September 17.

During this 6 months' period the committee held about 3 months of hearings, including testimony of over 1,600 witnesses from throughout the Nation. They came in here by planeloads in support of funding of urgent water resource projects. Numerous Members of Congress also testified.

Despite the hundreds of unbudgeted actions requested—everybody is requesting unbudgeted actions and we all understand that—of the committee concerning urgent water and power resource items, the committee adopted a very restrictive, a rather austere policy in making its recommendations last year on the 1971 bill.

COMMITTEE MARKUP CRITERIA

The committee markup criteria were as follows:

The first priority was given to more adequate funding of ongoing projects in an effort to restore slippage in construction schedules and avoid cost escalation increases. This would serve the purpose of aiding in the prevention of inflation.

The second priority was given to funding a very limited number of new planning and construction starts with emphasis on low-cost local flood control projects.

As a result of this policy, the final bill included only 18 new unbudgeted planning starts and 31 new construction starts for the Corps of Engineers. Out of the hundreds of requests and the large unfunded backlog of projects, this was all that was modestly added.

The total cost of the 31 new construction starts for the corps was only $522 million, to be funded over a period of years, compared with 32 projects being completed during the current fiscal year involving a total cost of $863 million. Now, this is $341 million less in terms of the total cost of projects in the pipeline. So we had a very austere and very restricted policy, and out of the hundreds of requests it amounted to a total cost of $522 million for the 31 new construction starts Congress added.

This would be funded over about a 7-year period and it would average only about $70 million annually.

The purpose of this hearing, Mr. Director, in a very informal way, is to exchange ideas and let you see the point of view of this committee. We feel that we are at arm's length and I wanted to present this as the committee's picture of the situation. We felt we had a very limited number of add ons under the circumstances.

In summary, the committee expended considerable effort and after extensive analysis and discussion provided certain adjustments in the budget priorities, with a final product in which the new obligational authority approved was $25 million under the budget.

Mr. EVINS. The committee is concerned that despite all of this sincere effort by Congress its work was almost entirely negated by the placement of the funds involved in reserve. In the final analysis, the executive department determined that everything that had been budgeted was of high priority and that actions of the Congress were not.

We have now again completed, Mr. Director, over 3 months of hearings this year on the 1972 budget. We have had testimony from over 1,700 witnesses from across the country. I have never heard more urgent appeals in my 18 years on this committee from chambers of commerce, water resource people, public officials and Members of Congress. Over 150 Members of Congress accompanied their witnesses before the committee. As the committee now begins to make its recommendations on the bill for next year we are concerned that without some change in the policies and attitudes of the OMB the committee's judgments and determinations might again be nullified. So that is the reason for this hearing before the markup.

Mr. Director, let me ask you just a few questions. We have read your statement and, without objection, it will be placed in the record.

STATEMENT OF CASPAR W. WEINBERGER

Mr. Chairman and members of the committee, I welcome this opportunity to appear before you to discuss the practice of establishing reserves and deferring the expenditure of appropriated funds. I understand that you do not expect an extended statement, and I do not have one. I think, however, it would be useful to the committee if I make a few general points concerning this matter, inasmuch as there has been considerable confusion and misunderstanding in some of the recent public discussion of it. I would also like to bring the committee up to date on the amount of withheld funds.

As of June 22, 1971, the total amount of funds in reserve was just under $12.1 billion. As we characterize these reserves, over $10 billion of this amount was not being held up in any restrictive sense but merely being held for obligation at a time when projects are ready, or to meet possible contingencies, or to comply with specific congressional requirements, while the remaining $2 billion has had to be withheld in order to meet general restrictions on spending imposed by the Congress and to fulfill the President's responsibilities, including his duty to combat inflation. Within these totals, funds are being reserved in practically every major department for many different reasons peculiar to the individual programs involved.

The committee will recognize that the $12.1 billion figure is significantly different from the $12.8 billion amount which we reported as being in reserve in February. This illustrates an important point about the withholding process: Withholding is essentially a management device which is used to regulate the flow of the Government's funds in an orderly manner, not as an arbitrary obstruction to spending as some have said. The total amount being withheld fluctuates because funds are in reserve not to prevent their ever being spent but because they have to be held somewhere until all the conditions which the Congress intended to attach to their being spent are fulfilled. Specific congressional mandates limiting the money to be obligated within a certain time period must be complied with; contingencies must be guarded against; projects must be prepared and reviewed; disputes over locations must be resolved; occasionally savings are possible in certain programs; or it may not be possible to obligate all the money even if it were desired to do so, as is the case with the highway program. In any of these circumstances it may be that funds will be placed in reserve for a time. This is good management practice, adopted in order to be sure that the funds will be available for the purpose intended by the Congress when it is possible or appropriate to spend them.

As I have said, over $10 billion of the total amount of reserves are not being held in any restrictive sense but rather for these management-type reasons just referred to. Consistently over the last decade the amount of the budget in reserve has been about 6 percent of total outlays, and in fiscal 1971, at 5.7 percent, we are slightly below this level.

However, the amount withheld this year includes, in addition to those amounts withheld as a routine part of managing expenditures, approximately $2 billion which has had to be reserved in order to comply with general congressional directions concerning total spending and the public debt. I would like to say just a word about these general restrictions and their effect on the withholding process.

The President feels that the proper economic course to follow is to hold total Government expenditures down to a level that will not exceed the revenues that would be received if the economy were operating at full employment. This has been necessary in order to reduce the inflation which has been afflicting the economy as a result of excessive spending above full-employment revenues under the previous administration. To hold down spending, we believe the President would have been justified in withholding funds in addition to those in reserve for management purposes. Given the amount of spending that has been authorized, it is the only means available to him to fulfill his obligation to contain inflation. Our view is that the power to withhold is inherent in the general executive power of the President, a position for which there is ample precedent in adminstrations of both parties.

As it happens, however, this particular issue involving the separation of legislative and executive power is not of great importance in the context of fiscal 1971 because the Congress itself has required the President to use the withholding mechanism as a means of complying with a general ceiling on expenditures for the year and with the limit on the public debt.

The ceiling on expenditures for fiscal 1971 was established in the Second Supplementary Appropriations Act, 1970. While the formula for computing the ceiling is complex and requires reliance on estimates throughout the fiscal year, suffice it to say that it is a binding legal requirement on the President and there is no way of complying with it except by withholding funds unless we were to refuse to pay the Government's bills as they come due. In our budget last January, we planned on the basis of ending the year within $2 billion of the limit, which left less than a 1-percent margin for error. If the funds now being withheld had been released at the beginning of the fiscal year, we believe we would have exceeded the ceiling by several billion dollars, which would be against the law and the specific direction of Congress.

Likewise, the debt limit is a binding restraint on spending which assumes that it will be complied with by exercise of the withholding power if necessary. Thus, when the administration requested in February that the debt limit be raised to $435 billion, the request was based on a calculation of the amount of borrowing we thought would be necessary if spending followed the pattern recommended in the President's budget, which included plans for withholding funds. If the Congress wished these funds to be released, it could have granted a higher increase in the limit than requested. In fact, however, the Congress approved a ceiling of only $430 billion, apparently assuming that the funds would be withheld and actually making it impossible to release them and stay within the debt limit.

In conclusion, I would say only this: The administration regards withholding as an essential management tool, necessary if we are to have the efficient and effective control over Government expenditures we are sure Congress wishes maintained. For the most part, it is used as a management device, as the figures I have given the committee demonstrate, and it is a good one. During fiscal 1971 it has been necessary also to use withholding to resolve inconsistent legislative directives concerning total Government spending and individual appropriations bills. Perhaps there are better ways of resolving these inconsistencies: at this time, however, the withholding device is the only means available to us to comply with the congressional will.

Resumption of Testimony

Mr. Evins. We know the tenor of your statement is about the congressional limitations with which we are familiar.

OMB POLICY ON IMPOUNDMENT

As a general policy, Mr. Weinberger, did OMB reserve all congressional add-ons in other appropriation bills for fiscal year 1971?

Mr. Weinberger. Mr. Chairman, do you mean other construction?

Mr. Evins. Yes; and planning items in other bills besides the public works appropriation bill.

Mr. Weinberger. Planning and construction. Well, my understanding is—and Mr. Cohn has been with the Office a lot longer than I have and will be there long after I leave, so he will have to correct me on any mistakes I might make—that there was a continuation in fiscal year 1971 of the previously followed policy of deferring congressional add-ons in the construction and planning budgets in favor of the projects which the President himself had recommended. I noticed you said that the action had nullified the action of the committee. This, I think, is incorrect. What we did was defer it. It is our intention to release on July 1, which is less than a week from now, 3 days actually, the projects that were added by the Congress to the projects requested by the President, and the intention of doing this, Mr. Chairman, was set forth at page 114 of our budget in which we used the specific sentence: "Most of the projects added by the Congress to the 1971 budget are expected to be started in 1972."

And that sentence is correct. They will be carried out.

Mr. Evins. Mr. Director, you, in effect, negated the entire year's action of this committee by deferral of projects and when you release them on July 1 you haven't provided for any additional funds in the 1972 budget which makes for a year's delay. You have stopped them for a year. We understood last year you were talking about inflation. This year you are talking about the full employment budget.

Mr. Weinberger. We do have the problem, Mr. Chairman, and it is a serious one, of the fact that only about a third—it varies from time to time but only a third—of the total budget is in what can be called the controllable category and, unfortunately, all of the construction is in that one-third.

Mr. Evins. Mr. Director, you didn't answer our first question. As I said, as a general policy did OMB reserve all congressional add-ons in other bills? You did in ours. Did you reserve all unbudgeted items in other bills?

Mr. Weinberger. In other bills. I thought you were referring to construction only.

Mr. Evins. We are talking about other bills, planning and construction.

Mr. Weinberger. I don't think we reserved all of the congressional add-ons in all other bills for the reason that we were not allowed to do so in some. We were not able to do so.

EXAMPLES OF FUNDS NOT PLACED IN RESERVE

Mr. Evins. Let me cite examples where congressional add-ons were provided and you didn't freeze them.

General Services Administration fiscal year 1971 congressional add-ons not impounded

In fiscal year 1971 Congress added funds on six GSA projects. None of these funds were frozen. Contracts for two of the projects (see below) were awarded in the final quarter of fiscal year 1971.

BUILDING AND LOCATION	*Congressional add-on*
Courthouse and Federal office building, Frankfort, Ky	$850,000
Courthouse and Federal office building, Alton, Ill	$1,500,000

Contracts will be awarded in fiscal year 1972 for the other four fiscal year 1971 congressional add-ons. According to GSA, these contracts would have been awarded in fiscal year 1971 if the design work for the buildings had been complete. The buildings are:

BUILDING AND LOCATION	*Congressional add-on*
Post office and Federal office building, Augusta, Ga	$2,694,000
Post office and Federal office building, Houma, La	2,064,000
Post office and Federal office building, New Orleans, La	[1] 181,500
Post office and Federal office building, Providence, R.I	1,355,600

[1] Construction and alteration.

Military construction fiscal year 1971 (congressional add-ons not impounded)

PROJECT AND LOCATION	*Congressional add-on*
Lindsey Creek bypass-extension (bridge and road), Fort Benning, Ga	$2,800,000
Commissary, naval base, Charleston, S.C	2,233,000
Applied Instruction Building, Naval Construction Battalion Center, Gulfport, Miss	772,000
Enlisted Men's Club, Naval Construction Battalion Center, Gulfport, Miss	462,000

Department of the Interior and related agencies fiscal year 1971 (congressional add-ons not impounded)

PROJECT AND LOCATION	
Restoration of facilities, Fort Scott National Historic Site, Kans	$100,000
Construction of administration headquarters, Redwood National Park, Calif	75,000

Bureau of sport fisheries and wildlife

PROJECT AND LOCATION	
Meridian National Fish Hatchery Meridian, Miss	[1] $25,000
San Marcos National Fish Hatchery, San Marcos, Tex	250,000
Allegheny National Fish Hatchery, Pa	241,000
Warm Springs National Fish Hatchery, Oreg	295,000
Fishery Station, Valentine, Nebr	[1] 30,000
Water Supply Intake, Quinault Fish Hatchery	90,000
Support Facilities, Western Gulf Marine Laboratory, Port Aransas, Tex	700,000

[1] Planning.

Mr. Cohn. May I respond to that briefly, Mr. Chairman?

Mr. Evins. Yes; I wish you would.

Mr. Cohn. I don't think there was any such policy. In fact, I know there was no policy to discriminate against this subcommittee or the area that this subcommittee covers. There is one major distinction between the construction for which this subcommittee appropriates and the projects you just read off. I don't mean to take either side of that argument but let me say that the ones you read off, the construction starts, are fully funded.

Mr. Evins. We will accept your word that there is no discrimination against this committee. We will accept your word for that.

Mr. Cohn. I would like to explain that we did make an effort, Mr. Chairman, to start in the fiscal 1971 year all of the projects that had been funded prior to 1971 that hadn't been started.

PUBLIC WORKS BILL FUNDS IMPOUNDED WITHOUT EXCEPTION

Mr. Evins. But, Mr. Cohn, you didn't make an exception in this committee. You made exceptions in other committees and, therefore, this committee is concerned that you singled out the entire action of this committee and your action meant a year's slowdown and a year's stretchout and delay. Now, you have alluded to the fact that these projects are not funded all in 1 year like a Federal building, and that is true. But many of these projects, I repeat, were small and there were a number that would be completed in 1 year involving only a small amount. I feel that your subordinates didn't take a look at them selectively. Let me read you a few of these. Here is the King Cove Harbor, Alaska, a total Federal cost of $750,000. That was a small one. It would have been the complete cost in 1 year.

Mr. Weinberger. The problem, Mr. Chairman, of pulling one or two instead of having a uniform policy is that it would subject our Office to substantial criticism. We thought an overall policy was better. My understanding has been that this is not a new policy, that this is the policy that has been followed by many previous administrations.

Mr. Evins. This is the first time, Mr. Director, that the complete action of a committee of Congress has been negated. Let me read you some more of these. Here is the Little Rock, Ark., levee, $290,000, the total cost to complete the project, frozen and project delayed a year. Here is the San Joaquin River in California, total cost $720,000. Here is the Kaskaskia Levee District No. 23. Illinois, total cost $907,000. Here is the Corpus Christi Intercoastal Waterway cutoff, $200,000 to complete it.

Mr. Weinberger. I think one of the points you made earlier is important here, and that is that the total cost of the continuation projects added by the committee for the Corps of Engineers alone was half a billion dollars. Furthermore, the total cost of all the projects added, planning, land acquisition, and construction, was about $3 billion, and that is not an inconsiderable sum, even by Federal standards. We had to apply, we thought, a uniform policy with respect to deferring and stretching out the add-ons.

Mr. Evins. It has never, to my knowledge, been the policy to include planning and land acquisition items in commitment figures, only construction starts. Regarding planning, you allowed other agencies to go ahead with planning but even on planning you impounded all funds and delayed our 18 new planning starts. It takes a long time even to complete planning on a project but you stopped all planning.

Mr. Weinberger. Not all planning, Mr. Chairman; Planning that was in addition to the President's proposals.

Mr. Evins. All of the committee's priorities on planning, and that after many months of evaluation and testimony by many witnesses. The committee would say to the Congressman, State water officials and others, "Which is your highest priority? Which is the most urgent? Which is the most needed?" On a very restricted basis, we provided funding for these priorities. To impound the funds, without exception, appeared to be an arbitrary meat ax sort of approach.

Mr. Weinberger. It certainly was not that, Mr. Chairman, and I regret that any impression of that kind may have been incorrectly given.

Mr. Rhodes. Mr. Chairman, would you yield?

Mr. Evins. Yes, I yield.

Mr. Rhodes. Mr. Weinberger, this subcommittee sits on a powder keg really.

Mr. Weinberger. Oh, yes.

Mr. Rhodes. We have pressures from Members of Congress for projects that you probably—I was about to say you wouldn't believe but you would believe because you have a pressure-packed position yourself.

Mr. Weinberger. I do. I have had some

familiarity with the work this committee does because of similar work I did in California, and I respect the difficulty of the job very much, Mr. Rhodes.

Mr. RHODES. We had thought we had done a good job last year. We funded some starts which were above the budget but they were not of a major nature. Also, the pipelines of both the Corps of Engineers and the Bureau of Reclamation are going down. Even with these add-ons, the pipelines are going down and this is in dollars, not in purchasing power, so you know full well and I don't need to elaborate that if they are going down in actual dollars the purchasing power which is represented by those dollars is even less. Therefore, since we felt that we had done a good job, when the bill was signed and the President made that remark about "this was sure full of pork," it didn't sit very well with the committee.

Then to have the Office of Management and Budget take all of the congressional add-ons and without any explanation whatsoever deferring them, we just felt that our work had been held up for scorn and ridicule when we had actually done what appeared to us at least to be a creditable job.

Mr. WEINBERGER. There was no intention, I am sure of that, Congressman Rhodes, and that certainly is not my feeling and, I am sure, is not the President's. He has been part of the congressional process and is very familiar with it and understands it.

Mr. RHODES. Oh, yes.

Mr. WEINBERGER. He did have concern because of the out-year effects of the additions, $3 billion. The first year rises in geometrical progression in the out-years, and this is something he has to be concerned about because he has not only the responsibilities of looking over the work this committee does but overall responsibilities for the entire Government, and the effects of small outlays the first year can be enormous in future years.

Mr. RHODES. This is true, but I think that we have to make the point also that the areas of public works must not be neglected, particularly the flood control projects. Practically all the add-on projects were flood control projects in which the need had been demonstrated by the fact that there had been recent floods and more were expected. Even so, we certainly understand your position and the President's position, and I think your statement makes the point very well about the congressional ceiling.

What we are really asking you to do is to give our work a little more credibility than I think you did last year and to realize that we are not trying to put a lot of pork in this barrel. We are trying to do the best job possible for the country.

Mr. WEINBERGER. I don't have any doubt about that, knowing the personnel of the committee and being familiar with the legislative process myself, and I think, Congressman Rhodes, there are two problems. You have the need to make some reductions. You have the fact that because of the controllability factors all of the reductions, practically speaking, have to be in the construction area. You have the fact that the President gets advice, as he must, from his staff people and from the executive branch as to the priorities that he has put in his budget. Finally, you have, along with the urgent necessity to make some reductions, the fact that the President would feel that the priorities he had selected for his budget should come first. This does not in any sense imply any disrespect for the committee.

Mr. EVINS. Mr. Director, this is one of the points we wanted to make. We respect Rogers Morton who served in the Congress. We think he is a fine man and we welcome him to this committee. He is in charge, of course, of the Bureau of Reclamation and the power agencies of Interior. We felt he might have some standing influence with the President, and you said that the President must rely upon the advice of his associates and advisers and this is one reason why we wanted to discuss the question with you. We know you are an important man, an influential man, and you advise the President and we wanted some of the full facts to be known. We feel that you have sort of taken a one-sided point of view on some of these things and have missed some of the points of view that we have learned and have heard over the years in the committee. Maybe you can present some of these other facts, some of the planning items, some of the land acquisition items that have been stopped.

Mr. WEINBERGER. I think that is a very valid hope and assumption, Mr. Chairman. We certainly feel that we need to learn a great deal more about all of these things, and I am personally very glad indeed to have the opportunity for this hearing and to have the opportunity to present to the President the viewpoint that the committee has. I don't have any doubt at all that he will be glad to have the additional viewpoints before him and certainly would be greatly concerned, as I am, at any feeling that there is any discrimination against a particular committee of the Congress, which there certainly is not.

REVIEW OF EFFECTS ON INDIVIDUAL PROJECTS

Mr. EVINS. We accept your word on that. Let me ask you this: To what extent, Mr. Cohn, was the effect of impoundment reviewed in connection with individual projects? None at all, apparently.

Mr. COHN. During the reviews last fall and into December, Mr. Chairman, a number of alternative paths or policies of public works construction were reviewed and, as Mr. Weinberger pointed out, the decision was made then to adopt a uniform policy that did cover all the new public works starts that this committee had added.

Mr. EVINS. In other words, you didn't take a look at individual projects to see whether it was a small project or a small amount, or the degree of urgency?

Mr. COHN. It was a feeling, Mr. Chairman, that we were being impartial and the alternatives were set before the President. Mr. Weinberger and Mr. Shultz reviewed them, reviewed them with various agency heads, and this was set before the President. I was not there. But the feeling that I got during the later discussion with Mr. Weinberger and Mr. Shultz had with us was that this was really impartial because we were not picking out projects in certain districts or that were initiated by certain Congressmen.

Mr. WEINBERGER. There was a real worry about that.

Mr. COHN. We were worried if we picked and chose we would be subject to charges of discrimination and, of course, there was a tendency, and I have been there with both Republican and Democratic administrations—

Mr. EVINS. You had the criterion of priority to small projects?

Mr. COHN. We might have had that.

Mr. EVINS. Small amounts, small costs, small projects, planning only.

Mr. COHN. We discussed the possibility and it may be we came to the wrong judgment, Mr. Chairman, but having sat through Republican and Democratic administrations in approximately my same seat I know there is the tendency for advisers to the President to always push projects in districts that they are interested in. The career staff, if you will, sir, have always been warned against this, and that we should adopt a consistent policy and not pick particular projects of interest to whatever administration it is. The career staff has adopted this policy consistently.

Mr. EVINS. We can understand that point of view, but at the same time we considered primarily small projects and small costs. I note you followed a similar policy in the limited number of new starts in the 1972 budget. Let's go on with the hearing. We see your policy and you didn't get in on the top decisionmaking. You are a career man.

Mr. WEINBERGER. Mr. Cohn is saying that his recommendation saved me from having to come here this morning and defend against having released all of the California projects, Mr. Chairman.

FREEZING OF PLANNING FUNDS

Mr. EVINS. Considering the very small amounts involved and the requirement of 3 to 4 years for planning of water resource projects, why were the planning funds frozen?

Mr. WEINBERGER. The overall necessity of making reductions and the decision to do it on an overall basis for the deferral—not the nullification but the deferral—of the congressional add-ons led to projects in both categories being put into the "withheld" list, and I emphasize that most of them are being released for the fiscal year beginning in 3 days.

INCREASED PROJECT COSTS AND LOSS OF BENEFITS

Mr. EVINS. Without exception, the additions by the committee were impounded and, in general, schedules were slipped further back in the 1972 estimates. The Corps of Engineers and the Bureau of Reclamation now estimate increased project costs of over $73 million and loss of annual benefits estimated at $170 million for a total of $243 million in increased costs due to impoundment of the $63 million added by the committee. In other words, to save $63 million, not our testimony, the Corps of Engineers and the Bureau of Reclamation estimate, it will cost $73 million more in construction with a loss of $170 million in annual benefits for a total loss of $243 million. We will insert this summary tabulation in the record.

(The information follows:)

SUMMARY OF EFFECTS OF IMPOUNDMENT

	Number of projects	Amounts reserved	Estimated increase in project cost due to delay	Estimated loss of annual benefits	Total increased cost and loss of benefits
Corps of Engineers:					
Construction funds	[1] 65	$31,035,000	$62,128,000	$80,881,800	$143,009,800
New planning starts	18	2,018,000	(2)	42,364,000	42,364,000
New land acquisition starts	7	2,500,000	(2)	(2)	
Subtotal, corps	90	35,553,000	62,128,000	123,245,800	185,373,800
Bureau of Reclamation	[3] 38	27,862,000	11,286,000	46,276,000	57,562,000
Total, above	128	63,415,000	73,414,000	169,521,800	242,935,800

[1] Includes 31 new starts and $7,975,000 in reserve; balance involves congressional increases ($23,060,000) to restore schedule on 34 budgeted projects.

[2] Not available.

[3] Includes $3,020,000 for 3 new construction starts, 3 new loans, 1 planning start, and 1 new land acquisition item; balance, $19,793,000, involves congressional increase on going construction projects.

Note: The figures were prepared at committee request by the Corps of Engineers and the Bureau of Reclamation based on a review of the contracts that would have been let on each project where the funds had not been impounded.

Mr. Weinberger. Again, Mr. Chairman, it is simply a matter of trying to measure the difference between that increase—and I think the loss of benefits is always an item about which a great many arguments can be made—the difference between saving that extra cost and spending more than seems to be proper in the given fiscal year.

Mr. Rhodes. Mr. Chairman, would you yield at that point?

Mr. Evins. Yes.

FUTURE OMB POLICY

Mr. Rhodes. Mr. Weinberger, can you give us any feel for the probable action of the Office of Management and Budget with reference to congressional add-ons for the appropriation bill for fiscal 1972?

Mr. Weinberger. Well, Congressman Rhodes, I certainly could not be in the position of encouraging congressional add-ons to the President's budget.

Mr. Rhodes. No; I understand that.

Mr. Weinberger. We have not seen any final figures because very few appropriation bills have even been acted on, so we would not know anything about the necessity for withholding. It is my understanding that Congress does not plan to impose a spending ceiling in the fiscal year 1972. I don't know if this is final action or not, but it is my understanding they do not.

Mr. Evins. Mr. Director, the Congress feels that they don't want to give you a flexible ceiling which you could use as a tool to freeze and impound funds as you did in the past.

Mr. Weinberger. Well, Mr. Chairman, on that point we have asked for an inflexible ceiling that applies both to Congress and the executive branch.

Mr. Evins. We had one and, Mr. Director, you are knowledgeable in this matter as are we in the Congress. I believe your ceiling has not been given to you to provide you with another tool to use to freeze funds.

Mr. Weinberger. An inflexible ceiling that is a ceiling and is applicable to both branches would, I think, be something that the President not only has requested but would request again. Naturally we could not be in a position of encouraging add-ons to the budget which the President submitted.

Mr. Rhodes. There will be add-ons.

Mr. Weinberger. But there will be add-ons, as there always have been in the past, and the question arises as to whether the same necessity prevails in 1972 that prevailed in 1971, which led us to go into the need for overall general reductions. We certainly hope it would not. The President would like to give full expression to the intent of Congress, I am sure, at any time he feels it is consistent with his economic policy, and with the public debt limits and the other things which led us and have, incidentally, led every administration since Thomas Jefferson to find the necessity for making some withholdings.

Mr. Rhodes. I hope you will consider the pipeline. As I have mentioned before, the pipeline is going down in both the Corps of Engineers and the Bureau of Reclamation, and this, I think, is likely to be counterproductive in the years to come.

Mr. Weinberger. I think the pipeline is diminishing but the spending each year is rising. The immediate outlook and the years we have to be most concerned with, of course, are 1973, 1974, and 1975, and so on. Those immediate years show very substantial total increases based upon prior-year commitments and while the pipeline may be going down, the immediate year outlay effects that we do face are very substantial. We would ceralnly want to utilize the reservation of congressional add-ons as a last resort, and that is all that was done this year.

Mr. Rhodes. Thank you.

DIVERSION OF RECLAMATION FUNDS

Mr. Director, the committee is especially concerned that in the instance of the Bureau of Reclamation a total of $16 million which was added by Congress for eight projects was impounded and is now scheduled for release in fiscal year 1972 but is being reprogramed for other work. It is a small amount, but it is being allocated to other work, not to the items which the committee directed.

WESTLANDS DISTRIBUTION SYSTEM, CALIF.

For example, for the Westlands distribution system in the Central Valley project, California, Congress provided $8.5 million to initiate two contracts to provide water to two additional project areas. These funds are now scheduled in the 1972 budget to finance other work, thus vetoing the priorities established by the Congress.

Mr. Weinberger. Mr. Chairman, I think in that connection the problem was that the contractor worked more rapidly than he had scheduled with the Bureau: for that reason the additional funds will be used up sooner and the balance will be available for other programing. I am not sure, but that is my impression. We have had a great deal of correspondence concerning the Westlands water project.

Mr. Evins. I don't believe that was the case. You not only deferred the money we added for 1971 until 1972 but then you put it on other items in 1972, for going contracts on the Westlands project. Here is some information from this year's hearing during the testimony of Ellis L. Armstrong, the Commissioner of the Bureau of Reclamation, and I quote the record:

"Mr. Evins. I understand in some cases the funds will not be applied to the purposes for which it was appropriated. We are most concerned that such action was taken and I assume it will not occur again. Specifically, indicate these diversions of funds in the reserve table you are furnishing for the record.

"For example, $8,500,000 was appropriated for the Westlands distribution system. We understand this has been used for some other purpose than was intended by the Congress.

"Mr. Armstrong. No. It is being used for the Westlands distribution system. You supplied $8.5 million, and in the discussions accompanying the appropriation, I think you specified that would be for two new contracts. We did not have enough money to cover these additional contracts, and so it is being applied this year along with another $1.5 million, making a total of $10 million to cover ongoing work, on construction contracts that have already been let.

"Mr. Evins. You have taken the money which we appropriated for new work on the project and scheduled it for ongoing contracts. If you had not diverted the $8.5 million, you would have had to have an additional appropriation request for going contracts in fiscal year 1972?

"Mr. Armstrong. That is true."

Mr. Evins. This is the gimmick. They had ongoing contracts and used this extra money for them instead of requesting new appropriations for fiscal year 1972.

Mr. Weinberger. This is usually the Bureau's or the corps' own recommendation, Mr. Chairman, because it is very much more economic and effective in every way to complete the ongoing contract than to stop half way through that and start a new one.

Mr. Evins. We are not advocating stopping it, Mr. Director. Please understand we are not advocating stopping it. The representative of the people in the area asked for the two new contracts and this committee supplied funds for the two new contracts, and somehow the two new contracts were deferred and the funds diverted to other work.

Mr. Weinberger. I think the problem was, Mr. Chairman, that the old contract cost more than originally estimated and rather than leave the project dangling the available funds were reprogramed to complete that project. That is my understanding of the Westlands.

Mr. Evins. It is not my understanding the old contract cost more. You saved $8.5 million in the 1972 budget request by using the money appropriated by Congress for 1971 and you exercised an item veto of Congress which is unconstitutional.

Mr. Weinberger. I think we finished some existing contracts on that existing project. That one I have some small familiarity with because of the amount of discussion we had about it.

Mr. Rhodes. We ought to finish that Westlands project. The way that project has been kicked around through the years, Mr. Weinberger, is absolutely scandalous. It is badly needed. The water table is going down. They have ground subsidence. They have everything imaginable that can happen to a district that is out of water. We really ought to go ahead and complete this project.

Mr. Weinberger. Let me check on that.

CENTRAL UTAH

Mr. Evins. I am advised, Mr. Director, that the same action was taken with respect to the tunnel and the Jordan aqueduct on the Bonneville Unit of the Central Utah project. We provided money for the Jordan aqueduct. You took the money and put it on to ongoing contracts and again vetoed the action of the Congress.

Mr. Weinberger. I am not familiar with that one, Mr. Chairman, but we do give the Bureau and the corps flexibility, so that if there had been cost overruns as there nearly always seem to be on these estimates they can complete ongoing work.

Mr. Evins. These are not cases of cost overruns, Mr. Director. For years when the corps and the Bureau write a letter to this committee and state that they would like to have a transfer of funds for a project it has usually been approved.

Mr. Weinberger. I think in this case it probably was, too, Mr. Chairman, because I don't think we can move without the committee's approval and we would not want to.

Mr. Evins. It wasn't submitted. You compliment the committee, Mr. Director, by saying you don't move without considering the committee. We don't feel the committee has been given any consideration at all.

Mr. Rhodes. If you will yield, this particular item I remember well. It was not in the budget and was put in the bill over the budget at the specific request of the people of Utah.

Mr. Weinberger. This was the Bonneville project?

Mr. Rhodes. Part of the Bonneville project. It was $1,200,000 and, as I recall. There was a matter of relocation of a highway. The total project provides water for Salt Lake City. The case was made and made well that this was an emergency situation and we put the money in for that particular purpose, and it was diverted to some other purpose.

Mr. Weinberger. I have no personal knowledge of that as I did with the Westlands. I will certainly look it up and see what the current status of that is.

Mr. Evins. This is one of the matters that we wanted you to become familiar with. We feel on many of these matters you don't have personal knowledge an certainly the President doesn't have knowledge. Nobody is charging the President but it is his advisers and those around him.

Mr. Rhodes. The main point we are trying to make is that we usually do have some reason for congressional add-ons.

Mr. Weinberger. I don't have any doubt about that whatever.

OMB PRACTICE OF DIVERSION OF FUNDS

Mr. Evins. Do you believe, Mr. Director, as an individual, that it is an appropriate practice for OMB to divert funds from the purposes specified by Congress?

Mr. Weinberger. Mr. Chairman, I don't believe in diverting the funds from the purpose for which provided. I do believe completely in the necessity for the President to have the ability to manage the flow of Federal expenditures, which is all that is really involved in impounding. If there were no constraints, if we didn't have inflationary problems, if we didn't have a debt ceiling, et cetera, et cetera, we probably would not have to do that, but given the necessity and those constraints I think he does have to manage the flow. To the extent that he is not always able to release funds at the time the Congress would like to have them released, this may well involve a difference of viewpoint between the Executive and the Congress. I don't think this is diversion and I don't think the President or the executive branch engage in diversion of funds.

Mr. Evins. We certainly consider it diversion when we appropriate money for a specific project, for a specific purpose, within a time frame and that project is not only deferred for another year but a year beyond then, and then to another purpose. I can't consider it anything but diversion.

Mr. Weinberger. Well, the matters that involve other purposes, so far as I know, are usually, and I assume regularly, submitted to the committee by the corps or the Bureau which are the operating agencies. We do not deal with that particular phase of it. We do not have operational authority.

Mr. Evins. Mr. Director, we are just giving you some examples in the Bureau of Reclamation.

Mr. Weinberger. I will have to discuss them with the Bureau because my understanding was that diversion or shift of funds from programed activities as approved by the Congress did require the committee's approval, and that is the assumption under which we have been operating; but we are not an operating agency in that sense.

INDEFINITE DEFERRAL OF FUNDS

Mr. Evins. We have been talking about diversion. Now I want to talk about deferrals and reallocations. With respect to the Corps of Engineers, funds were placed in reserve for nine projects which are not scheduled for release until after 1972. We understand that one reason for this is that they were considered by OMB of low priority. Now, what criteria does OMB follow in establishing project priorities?

OMB CRITERIA ON PROJECT PRIORITIES

Mr. Weinberger. One thing that we have to be concerned with, Mr. Chairman, is when the cost estimate of the total project has very sharply risen or when we are advised by, in this case the corps, in some cases the Bureau, of changes in conditions and other matters and other factors that lead to that. We also have to be concerned with the cost-benefit ratio and we ordinarily cannot send a favorable report to the Congress—in fact, I don't know of a single instance where we have—when there is an unfavorable cost-benefit ratio.

On the deferral of projects which are necessitated by money management problems that I mentioned a moment ago and in the statement, we naturally try to select for deferral projects that the corps or the Bureau advise us have a lower priority and by definition those projects that are not included in the budget——

Mr. Evins. In other words, you are advised by either the Bureau of Reclamation or the Corps of Engineers as to what constitutes low priority?

Mr. Weinberger. Normally we would look to that, but if there is a situation in which a project's ultimate cost has very sharply increased, not by reason of calling it lower priority but because the project now needs a reexamination, we would recommend for deferral that particular project given the necessity to defer some.

DEFINITION OF LOW PRIORITY

Mr. Evins. We are trying to find out what is your definition of "low priority."

Mr. Weinberger. That is what I was trying to give you, Mr. Chairman.

Mr. Evins. You are saying that you are advised by the Bureau or the corps as to what constitutes low priority?

Mr. Weinberger. In some cases; but I question the entire use of the term "low priority."

Mr. Evins. There must be a little gap here because we get testimony before this committee of the urgency, of the importance, of high priority, and then we find a label tagged on it by OMB of low priority. So there is a gap here somewhere.

Mr. Cohn. Mr. Chairman, my recollection may be wrong, but I don't recall low priority being attached to those particular projects, the few that are deferred beyond 1972. That might be so interpreted, but I think in each of those cases, and I don't know the specific problems that were involved in each of those projects. There was some difficulty in getting water contracts signed. There was some difficulty and delay in getting cost-sharing contracts agreed to, and in each of those cases it was our understanding from the corps and the Bureau of Reclamation that these were going to take time to complete.

CHARITON AND LITTLE CHARITON, MO., PROJECT

Mr. Evins. Mr. Cohn, let me cite a few in this category. One project on which a low priority tag was placed was the Chariton and Little Chariton River flood control project in Missouri. The total cost of this project is only $7.3 million, with a benefit-cost ratio of 1.6 to 1. Congress added $400,000 to initiate construction because it was considered an urgent small flood control project with damaging floods which have occurred on an average of more than once a year for the last 50 years. They had floods in the area in May and September of this year, 1970, which caused damage estimated at $1,148,000. In other words, they had at least one flood a year for 50 years and it was of high priority, of great urgency, with a benefit-cost ratio of 1.6 to 1. I think this is probably one of our star examples, but this one was deferred because it was considered of low priority. The funds provided by Congress were frozen and are not even scheduled for release until after fiscal year 1972.

Mr. Weinberger. Let me again, Mr. Chairman, if I might interpose the statement, say that we do not defer them because of low priority.

Mr. Evins. That was the testimony of the Corps of Engineers. They cited this one among four projects "considered to be low priority and are being deferred for that reason."

Mr. Weinberger. I don't know from whom, certainly not from me, because we don't use that kind of categorization. We have to defer some. A lot of what we defer has to be in construction. In making the decisions as to which should be deferred, as you pointed out a moment ago, we deferred all congressional add-ons on the theory that the ideas that were in the President's budget represented the highest priorities stated by the Bureau and the Corps. We didn't attempt to assess further priorities, but if there have been drastic changes in the cost estimates of a project or the time for completion or other factors which change the cost-benefit ratio we would certainly recommend that that particular project be deferred until there is an opportunity to look at it again. But we do not thereby attach a low priority tag to it.

Mr. Evins. Mr. Director, in view of your multiplicity of duties on the overall budget and of the importance of your office and the lack of time for details, could you not consider as Mr. Rhodes says, the expertise and judgment of this committee and Congress in determining some urgency or high priority in the funding of certain projects? Wouldn't you give some evaluation to the work of this committee?

Mr. Weinberger. Yes, sir; I think definitely that would be done. The problem that we faced in considering that is the difficulty of choice and the problem of criticism that we have favorite districts, favorite Congressmen, et cetera, et cetera, and in order to avoid the serious problems involved in charges of discriminatory action of that kind it seemed best that, faced with the need to make some retrenchment and some deferrals, an overall policy of utilizing the recommendations that had been given to the President by the Bureau and the corps be followed and that the President's budget be followed and the congressional add-ons deferred.

Mr. Evins. You are saying that you are following the recommendations of the Bureau of Reclamation and the Corps.

Mr. Weinberger. That is how they got into the budget.

Mr. Evins. We think that you exercise great judgment in your office. We hear testimony from the corps and the Bureau, from Members of Congress and from public witnesses and we make evaluation of relative needs. We think you exercised your judgment on these matters in, I won't use the word, cavalier fashion, but I am saying that I believe we go into greater depth and greater study and we have valid reasons for our funding recommendations.

Mr. Weinberger. Mr. Chairman, there is no question about that, and the very point that I have made demonstrates that you do go into much greater depth. The point I made is that the discretion we exercise is done on a single basis, the idea that the President's budget should stand and that all of the congressional add-ons be deferred, when a deferral is necessary in this amount, rather than exercising a cavalier or an independent judgment on individual projects. We don't feel qualified to do that.

In the case of two projects for which funds were added by Congress for AEC in the 1971 bill the funds were not only placed in reserve but are being reallocated for entirely different purposes in fiscal year 1972. To what extent and under what criteria do you believe, Mr. Director, that the OMB has the prerogative to exercise item veto of congressional actions in this manner?

Mr. Weinberger. In one of those projects, Mr. Chairman, there had been a very substantial increase in the cost of the project, and whereas the $600,000 sum was asked for a start, it was not asked by the AEC. The total project would run in excess of $15 million, and guided by the AEC's budget presentation and their request to us this seemed to be an item that, given the need to defer some items, could be and should be deferred. It was on that basis that that was done.

The Cascade Improvement Program was deferred simply for an opportunity to examine more carefully the needs, alternative means of providing for these needs, and the ultimate cost, and that Cascade Improvement Program money will be released in the fiscal year beginning in 3 days.

Mr. Evins. I noted that, and I put a statement in the Record as of Friday of approval.

Mr. Weinberger. Good.

Mr. Evins. You may see it in the Record. I commend you for it. In reference to the other project, I want to reemphasize that the Joint Committee on Atomic Energy and Congress authorized this project after deliberation and much study, and the Appropriations Committee after hearings added the $600,000 for just planning on the project. You are stating by your action in reallocating the funds that "We will not approve the authorized action of the Congress. We will not approve the appropriation of Congress. We will item veto this and allocate the funds for other purposes." I think this is going too far. I think this is excessive and I think it borders on being unconstitutional if it is not unconstitutional.

Mr. WEINBERGER. I should at this point note in the record, Mr. Chairman, the Director's statement about this project that it did not seem prudent to proceed with the first stage of the project, that funding is not available within the desired outlay limit to complete the effort.

Mr. EVINS. You could have held it in reserve and not given it an item veto.

Mr. WEINBERGER. An item veto is not within the President's power, so there was no item veto.

Mr. EVINS. This committee considered additions primarily for urgent small projects, low-cost projects. This is the priority that we set. This is the level that we set.

RELATIVE PROJECT PRIORITIES

In conclusion, the general policy of OMB seems to be that any projects provided for in the budget are of higher priority while any projects provided by Congress are considered of lower priority. With that policy we strongly disagree.

Mr. WEINBERGER. I could not agree with that characterization, Mr. Chairman, because that is not the feeling that prevails in our office or I am sure in the President's mind. We do start with the necessity for some reductions. That is not a condition that prevails every year. when that condition does prevail, and given the controllability problems of the budget and the fact that construction is entirely in the controllable section, we do have to have certain guidelines and those guidelines are the ones that led us to include projects in the President's budget, in the first place.

Mr. EVINS. Mr. Director, 18 new planning starts that Congress added were frozen and the 31 new construction starts that Congress added were frozen. You did freeze some budgeted projects temporarily but later all of those were released.

Mr. WEINBERGER. The budgeted items, as I said, Mr. Chairman, are those on which the President has received guidance and recommendations and which he has concluded should be done. Given the necessity for retrenchment in some areas. I think it is inevitable that the President would feel that the items he included were items that should be released first.

RIGHT OF CONGRESS TO ESTABLISH BUDGET PRIORITIES

Mr. EVINS. Mr. Director, under what conditions would you recognize or advise the President that Congress has the right to establish priorities either in substitution for or in addition to those reflected in the budget estimates?

Mr. WEINBERGER. I am sure he is thoroughly familiar with this constitutional provision and needs no advice from me on it.

Mr. EVINS. You do advise him. You said before the budget is based on your advice to the President.

Mr. WEINBERGER. Our advice to the President is as to the original construction of his budget, and he necessarily makes up a budget based on advice from the operating agencies, the bureaus, and the Corps of Engineers. Those recommendations, as viewed and examined by us, form the basis for his budget.

DEFERRAL OF ITEMS UNTIL AFTER FY 1972

Mr. EVINS. We are told that 14 items are put over at least until 1973. Actually, we are told deferred until after 1972, but not specifically when the funds will be released.

Mr. COHN. I thought it was fewer than that. On the ones deferred we thought there were local problems, local cost sharing or things of that sort.

Mr. WEINBERGER. I should have said all of the projects about which there is no question raised by the operating agencies.

Mr. EVINS. That would be any number or all of them.

Mr. WEINBERGER. We are planning to release $41 million to the Corps of Engineers and $26 million to the Bureau of Reclamation. There are some that can't be released because of either local problems or problems with the operating agencies.

Mr. EVINS. Our committee has a total of 14 items that are deferred over beyond——

Mr. WEINBERGER. Beyond 1972?

Mr. EVINS. Yes.

Mr. WEINBERGER. Let me find out the status of those.

EXAMPLES OF EFFECTS OF FUND IMPOUNDMENTS

Mr. EVINS. We will insert in the record at this point the fact sheets covering the projects which we have discussed as examples of the serious effects of the delay caused by the impoundment of funds. There are numerous others we could include.

(The material follows:)

Little Goose lock and dam, Snake River, Wash. (*additional generating units*)

Benefit-cost.—3.9–1.

Total appropriations required.—$27 million (Future non-Federal reimbursement: $27,000,000 power revenues).

Congressional add-on.—$130,000 to initiate planning.

Urgency of project.—Load-source studies prepared by the Bonneville Power Administration show development of a precarious power shortage situation in the region. Installation of three additional power units will reduce spillage at the dam. Spillway discharge is harmful to fish as the water becomes supersaturated with nitrogen.

Effect of impoundment.—Latest cost estimate is $2 million over the previous estimate. Increase is due to higher price levels. Average annual benefits of $7,174,000 have been delayed.

Cucamonga Creek, Santa Ana River Basin, Calif. (*flood control*)

Cost-benefit.—1.6–1.

Total Federal cost.—$35,100,000.

Congressional add-on.—$190,000 for planning.

Urgency of project.—Project would protect an area where 34,000 people live. Value of lands and improvements in the area is $520,000,000. The Ontario International Airport complex is in the area and it will become second in importance to the Los Angeles International Airport. Under present conditions the flood of 1938 would cause damage amounting to $19,400,000. The flood of January–February 1969 caused $12,780,000 of damages in the area. Estimated average annual benefits are $2,379,000.

Local cooperation.—Local people have constructed $8,100,000 of flood control and drainage facilities. Board of Supervisors of San Bernardino County Flood Control District has indicated its willingness to assume responsibility for the local interests' requirements.

Effect of impoundment.—Current Federal cost estimate is an increase of $2,300,000 over latest estimate. Increase is due entirely to price level increase.

Nebraska (*Papillion Creek and tributaries*) (*flood control*)

Benefit-cost.—1.7–1.

Total Federal cost.—$38,100,000.

Congressional add-on.—$1,310,000 added to initiate land acquisition because of rapidly escalating land costs in greater Omaha area.

Urgency of project.—Flood protection is badly needed for the expanding metropolitan area of Omaha. The flood problem is expected to intensify threefold in future years because of predicted population growth and urban expansion. A flood in June 1964 cost seven lives and $4,962,000 in damages. A flood in September 1965 caused an estimated $529,000 in damages. Potential average annual flood damages are estimated at $2,332,000 (1970 prices). Ultimately, recreation development will support an annual visitors level of 1,552,000 visitor-days.

Local cooperation.—State of Nebraska has indicated its intent to sponsor recreation requirements. Reimbursement will total $2,645,000.

Effect of impoundment.—Current Federal cost estimate is an increase of $4,700,000 over the previous estimate; $4,481,000 of increase is due to higher price levels.

Gila River and tributaries, downstream from Painted Rock Dam, Ariz. (*Flood control and lowering salinity of the water*)

Benefit-cost.—3.1 to 1.

Estimated Federal costs.—$35,100,000.

Congressional add-on.—$1 million to initiate construction.

Urgency of project.—Average annual flood control benefits are estimated at $4,016,000. Project will also significantly improve the salinity problem of these waters which flow into Mexico. Representatives of the Department of State and the International Boundary and Water Commission have stated that the project is vitally needed because of its international importance.

Status of local cooperation.—Local interests have expended $525,000 for channel clearing and local protection works. The Board of Supervisors of Yuma County indicated that it will assume the obligations of local cooperation.

Effect of impoundment.—Current Federal cost estimate is an increase of $4,500,000. Increase is due to higher price levels.

Bear Creek, Jefferson County, Colo. (*Flood control*)

Benefit-cost.—2.2 to 1.

Estimated Federal cost.—$41,900,000 (Future non-Federal reimbursement: $2,030,000.)

Congressional add-on.—$400,000 to initiate construction.

Urging of project.—Bear Creek has flooded 22 times in the last 91 years. Forty-five people have been killed in these floods. Project is essential to the security of Metropolitan Denver against major floods. Estimated average annual benefits are $3,919,200.

Local cooperation.—The State of Colorado has written a letter of intent to furnish the appropriate cooperation.

Effect of impoundment.—The current Federal cost estimate is an increase of $2,400,000 over previous estimate. Increase is due to price level increases.

Minot, N. Dak. (*Flood control*)

Benefit-cost.—5.4 to 1.

Total Federal cost.—$6,200,000.

Congressional add-on.—$100,000 to initiate construction.

Urgency of project.—The 1969 flood caused damages, including flood-fighting costs, of about $10,900,000 at Minot and $1,600,000 in the rest of the Souris Valley. 11,800 persons had to be evacuated. There was another flood threat in 1970 which necessitated emergency flood protection works at a cost of $1,200,000. Had these protective measures not been taken, damages would have amounted to $8,700,000. Average annual benefits are estimated at $2,339,000.

Status of local cooperation.—On November 12, 1969, voters of Minot approved a $1,300,000 city bond issue to finance local flood protection by a 9 to 1 margin.

Effect of impoundment.—Higher price levels have caused an increase of $330,000 in the cost of the project.

Lake Pontchartrain and vicinity, Louisiana (*Hurricane protection*)

Cost-benefit.—11.6 to 1.

Estimated Federal cost.—$148,838,000.

Congressional add-on.—$3,750,000 to accelerate construction. (Includes congressional add-on in 1970 also placed into budgetary reserve.)

Urgency of project.—There have been several hurricanes in the recent past which have caused extensive damage in New Orleans and the surrounding area. Average annual benefits are estimated at $101,083,000.

Local cooperation.—Current Federal estimate is an increase of $23,913,000 over previous estimate. This change includes $12,494,000 for higher price levels.

Effect of impoundment.—If Corps of Engineers had gone forward and let contracts with the $3,000,000 congressional add-on, $4,200,000 of the level increase would have been avoided.

OMB CONSIDERATION OF 1972 BILL

Mr. EVINS. Mr. Director, as we said earlier we have just concluded months of hearings and as we go into our markup on the 1972 Public Works appropriation bill we are concerned about ground rules. Is our work again to be negated? Will OMB give consideration to the committee's actions in the evaluation it gives to the projects?

Mr. WEINBERGER. We certainly will give consideration, Mr. Chairman. I have no idea what the overall fiscal situation will be. We don't have the numbers yet for 1971 final, and we have no appropriation bills yet for 1972. But we certainly will give consideration to the actions of this committee, as indeed to all of the committees of Congress, and that will be before the President at the time any decision may be necessary, and I hope it will not be, to make specific reservations such as we had to last year.

Mr. EVINS. We hope so, too, Mr. Director, particularly in view of the full employment budget this year. We tried to give consideration to the inflation factors, and our add-ons were very limited. They were austere.

Mr. RHODES. Mr. Chairman, I have nothing really to add except to thank the Director for coming today and being candid with us, as he always is. We recognize he has his problems, and I feel sure he recognizes we have problems, too.

Mr. WEINBERGER. Yes.

Mr. RHODES. It is my hope, Mr. Director, in considering the congressional add-ons—and I am sure there will be some for 1972—that the Office of Management and Budget will take into consideration the priorities which we might express, through our hearings or in some other manner, as well as the priorities of the operating agencies. Sometimes I am not sure we agree with them.

Mr. WEINBERGER. I wonder if I might ask a question that would be helpful to us, Congressman Rhodes?

Mr. RHODES. Yes.

ESTABLISHMENT OF PRIORITIES

Mr. WEINBERGER. We have assumed, given the need for reductions and for constraints, that it was a better course to follow to withhold and defer all congressional add-ons. Does the committee submit its projects in any kind of list of its own priorities so we would not be put to the necessity of picking and choosing between Congressmen sponsors, districts, and so on? Is there any possibility that if the need to defer is there, but it is not a need to defer all congressional add-ons, anything of that kind could be done?

Other than that, we have the same kind of problem raised a moment ago with this project—I don't know what State—where we had a special representation from the Bureau of Reclamation or the corps and requested that it go a couple months ahead. If we are put to the necessity of picking and choosing between congressional add-ons, I am sure you can appreciate we will be in even more trouble than we are this morning. That is a difficulty that is a real one.

Mr. RHODES. As I am sure you are aware, we make no official list of priorities. However, I think that the actions of this subcommittee in the past would indicate rather strongly that we feel a great sense of urgency about small flood control projects.

Mr. WEINBERGER. Quite properly.

Mr. RHODES. And that would be fairly safe to assume in looking at congressional add-ons we would certainly approve of any action which gave priority to that type of project. In fact, I think you will note there are very few add-ons except for flood control projects. I doubt there would be any possibility of our giving you any official guidance along those lines except perhaps by reference in the report.

(Discussion off the record.)

Mr. EVINS. I think priority should be given to the action of this committee.

Mr. WEINBERGER. That does raise a problem we had last year and caused many of the questions this morning. It was an overall policy we adopted. We certainly would want to give full consideration and try to consider the actions of the Congress at all times.

Mr. RHODES. Again, Mr. Director, I appreciate your coming and appreciate the fine work you do. I have known you for many years and am very proud of the fine reputation you have made in the work you have done.

Mr. WEINBERGER. Thank you very much, sir.

Mr. EVINS. Mr. Slack.

Mr. SLACK. You have covered the subject matter extremely well, Mr. Chairman, and I just wish to say I agree wholeheartedly with your comments and observations, and at the same time I would want to thank the Director for his appearance here this morning.

Thank you.

Mr. EVINS. Mr. Davis.

Mr. DAVIS. I think the Director should understand we appreciate you have a problem too, and that in some years past our skirts aren't as clean as we would like to have them, too. We get sometimes pushed around in conference with the other body so that some things are put in that we don't always approve of, too. This is a part of the difficulty of the legislative process.

I don't know what the chairman would like to suggest here in the way of establishing some set of priorities that would give you some guidance as to what to do with some of these congressional add-ons. I think if I were sitting in the spot where you are sitting, I would have done exactly the same thing you did—say that here we have a situation where we had serious fiscal constraints from an overall point of view, and that in order to protect yourself from charges of political favoritism you simply used the method of simply freezing all the congressional add-ons that were made. I don't know of a better thing to advise you.

Maybe we do have a responsibility of listing add-ons in some sort of a priority for them in the event of the necessity for reserve. I think, when we sit here as the Congress and provide expenditure limitations, if we are to add things that have not been in the original budget, maybe we have a responsibility to provide a system of priority for their guidance. I don't know. I have to look at it from their standpoint as well as from our own. I am just throwing this out here as to what we could do to be of greater assistance to Mr. Weinberger.

Mr. EVINS. Judge Davis, you are very judicial and I think you will make a great judge. I do know you are familiar with the law which provides that the expenditure ceiling is adjusted upward or downward, based on actions taken by Congress in the individual appropriation bills.

Mr. WEINBERGER. That is really not the problem, Mr. Chairman. We do have a ceiling here that has several phases to it. As Congress adds appropriations, that part of the ceiling does indeed increase, but we don't have any increase in the ceiling based on possible changes in our original estimated total of expenditures. If our estimates are wrong or if the information upon which the estimates have been made vary so as to require higher expenditures, for example, public assistance grants or veterans' pensions and compensation, we have to go higher, and there is no provision in the ceiling for expansion for those items sufficient to cover the expense we have. If we had released all the money at the beginning of the fiscal year, we would have been, we were very much afraid, well over the total ceiling imposed by the Congress. So the ceiling objection is a very real one.

The other problem, and it is no one's fault, is inherent in the appropriation process because there is no one—I say this completely respectfully—there is no one in the Congress who has the opportunity at any given point to see the overall effect of what a particular appropriation bill is going to do to the whole budget. That is our job and we have to do it, and we have that opportunity, or vantage point, if you like, all the time. Congress, because it considers 13 or 14 separate appropriation bills, can't have that. There is no way on a given day such as this morning you know all that is going to have an effect on the overall total. This is another real difficulty involved in all of this. It is not an arbitrary desire to oppose Congress that leads us to make reservations. It causes us more trouble and takes more time than any single action all year, but it does have to be done. If something along the lines you are mentioning, Congressman Davis, could be proposed, it might be very useful.

SUMMARY OF COMMITTEE REACTION TO IMPOUNDMENT ACTIONS

Mr. EVINS. Mr. Director, we have given you some guidelines and some priorities, including planning items, land acquisition, construction primarily on small projects, including flood control, beach erosion, water supply, water quality, commercial navigation, and power generation. Some of the larger multi-purpose projects are urgent because of the power and water supply shortages.

I think we had an austere bill for fiscal year 1971 considering the requirements. In total it was $26 million under the President's budget. It set our own priorities within the large authorized backlog of water resource projects.

We are very concerned that every funding action of this committee, which was not budgeted, was impounded, whereas the same policy did not apply for Federal buildings of GSA, the fish hatcheries in Interior, and others. This is the one committee that was singled out for its entire action. It was a good target, a choice one, to pick on. But OMB didn't follow the same policies with respect to other bills of the Congress.

I would like to emphasize again what I think are the most serious effects of the impoundment action which was taken. As I indicated earlier, based on detailed review compiled by the agencies involved, it is estimated that there will be increases in project costs totaling over $73 million and loss of annual benefits of about $170 million. In other words, because about $63 million was frozen and the land that would be acquired and the contracts that would have been let have been delayed, we are now faced with additional costs and loss of benefits totaling about $243 million. I just do not think this is good business.

We appreciate your coming. We wanted you to understand our point of view. We understand your point of view. We don't think all of our point of view permeates your staff and certainly doesn't get through to everyone. We appreciate your coming and hope this will make for better understanding.

Mr. WEINBERGER. I appreciate very much the opportunity to testify and the very cordial reception and very penetrating questions that have been asked today. I think they have been extremely helpful.

Mr. EVINS. We respect you very much, Mr. Weinberger, and wanted to have a visit with you.

Thank you very much.

WORLDWIDE HIGHWAY DEVELOPMENT HELPING CREATE BETTER LIFE FOR MILLIONS OF PEOPLE

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27, 1971

Mr. RANDOLPH. Mr. President, we are aware of the extent to which Americans depend on motor vehicles. Our country now has more than 108 million vehicles of all types to transport people and products to every corner of the Nation. Our economy and our society rely on this form of movement and have been greatly influenced by it.

To accommodate the ever growing number of cars, trucks, and buses, the United States is pursuing an active and needed highway development program. The Interstate System is the most ambitious and obvious of our efforts, but other highway construction programs are extending and improving roadways in every section of the United States. New areas are being made more readily accessible to industry, tourists, and people searching for homes.

As we think of the United States as a motorized nation, we may tend to forget the impact of motor vehicles throughout the world. Although we are the most extensive users of highways, we have no monopoly on the internal combustion engine. Many countries are engaged in vigorous roadbuilding programs to bring the benefits of this efficient method of movement to their citizens.

Mr. President, the August issue of the Rotarian magazine contains an excellent article by W. H. Owens discussing international highway activities. So that we may be informed of highway progress in other countries, I ask unanimous consent that excerpts from this article be printed in the RECORD.

There being no objection, the material was ordered printed in the RECORD, as follows:

ROADS TO A BETTER FUTURE

(By W. H. Owens)

The road is commonly described by historians and sociologists as one of the fundamental human institutions, dating back before recorded history. Man and animal-made paths and trails predate even the invention of the wheel—to which roads are so obviously and intimately related.

"The Road moves and controls all history," wrote British historian Hilaire Belloc. "It is the channel of all trade and, what is more important, of all ideas. In its most humble function it is a necessary guide without which progress from place to place would be a ceaseless experiment; it is a sustenance without which organized society would be impossible."

Roads are ribbons of communication, channels for the back-and-forth flow of goods and services, information and ideas, language and culture. In the developing nations especially, better roads mean better living.

Over the past ten years, world expenditure on highways has more than doubled—from some $19 billion (U.S.) in 1960 to nearly $42 billion last year. An International Road Federation (IRF) forecast sees the total annual investment in roads by all countries exceeding $63 billion by 1975. It will surely go on rising throughout the last quarter of this century.

These figures are remarkable, but not really surprising. Since World War II the motor vehicle has made global impact, its numbers increasing relentlessly year by year in advanced countries and developing nations alike. Road transport today accounts for by far the greatest proportion of overland passenger and freight traffic; it has the advantages of extreme flexibility and low-cost operation.

Good roads are therefore the key to economic growth and prosperity everywhere. Robert O. Swain, IRF president, stresses that "Each international route, existing or in the planning stage, is of major economic and social significance to each of the countries connected with it."

In recent years, roads have been extended as continuous all-weather pavements across the length and breadth of continents, linking together nations and peoples, and facilitating trade between them. With today's powerful machines and scientific techniques, road builders are able at last to break through the great physical barriers of the Earth that have separated men down through the ages.

Among the world's major highway networks, some only proposed, are the Pan American Highway, European Road Network, Asian Highway System, Pan African Highway System, Middle East Road Network, the U.S. Interstate System, and the Trans-Canada Highway.

Paving the way for trade and tourism, these routes advance the urgent cause of better international understanding—and of peace.

In the developing regions of the world, where land communications are still very primitive, modern roads make the most dramatic contribution to economic advancement, helping to raise living standards for millions of people. Broadly speaking, the current highway programs in developing countries have a three-fold aim:

To establish all-weather highways between the towns and cities, and connections with the road systems of neighboring states or countries.

To provide rural feeder roads and farm-to-market routes, linking producer and consumer areas through the national network.

To provide roads required for utilization of natural resources, and establishment of primary and secondary industries in the undeveloped areas.

An increasing proportion of world highway investment, financed with loans from the World Bank and other international agencies such as the Inter-American Development Bank, is now being put to these purposes in Latin America, Africa, and Asia.

The World Bank (and its International Development Association affiliate) has made loans to more than 60 countries for highway building, at a rate which increased substantially in recent years and reached $391.6 million in 1970. The Bank's $1.1 billion loans over the recent period 1965–69, for example, helped to finance the construction or improvement of 12,000 miles of roads in developing countries, and provided maintenance equipment and technical help and training.

During the 1960's the Inter-American Development Bank (a multi-lateral institution with a membership of 22 Latin American countries and the U.S.A.) allocated some $400 million for road building in Latin America. These funds provided 4,350 miles of trunk highways and more than 17,000 miles of rural access roads on that continent. In the years ahead, the economic and social benefits derived directly and indirectly from these roads will be considerable.

Rural access roads are now recognized as a priority matter in the developing countries where the great majority of the people live in small villages without modern communications. Roads are urgently needed to facilitate the distribution of basic foodstuffs between regions with adequate or excessive production and those subject to recurring famine. Sometimes the two are not far apart as distance goes, yet remain isolated from one another due to lack of transportation.

Late in 1970, the Inter-American Development Bank approved $38.3 million in loans to help Argentina and Uruguay build a bridge which will be the first land link between the two countries. Construction of the three-mile bridge will stimulate the growth of trade and tourism in the entire River Plata basin.

Coordinating world-wide highway developments is the International Road Federation. This non-profit service organization, founded in 1948, is the only international body devoted to promoting road building, road improvement, and road transport. With headquarters in Washington and Geneva, it serves as a world clearinghouse of highway and technical information for 146 countries, and has consultative status with such policy-making bodies as the United Nations and the Organization of Economic Coöperation and Development.

In its early days, the IRF was preoccupied mainly with the formation of national road associations to foster road building in their respective countries. Its success in this field is measured by the fact that, while in 1948 there were only eight such associations, today there are over 80—all using IRF collaboration and technical assistance. Composed of business, professional, civic and agricultural leaders, the road associations actively encourage and support government officials, highway planners, and engineers in getting new roads and bridges built.

Another important IRF activity is its Fellowship Program for training young road engineers. Since the program was launched in 1948, well over 500 students from 84 nations have been granted bursaries for intensive one-year study courses at U.S. universities and advanced technical institutes. Sponsoring American firms make possible a grant of $3,000 to each student to cover all the main fees. The student's own country pay living expenses and round-trip transport.

Since 1951, the IRF has organized six World Highway Meetings—in Washington, Rome, Mexico City, Madrid, London and Montreal—and numerous regional conferences in different parts of the world. The regional meetings, bringing together leading road engineering and traffic experts, have dealt with the development, problems, and progress of regional highway projects such as the Asian Highway and the soon-to-be constructed final section of the Pan American Highway in the jungle swampland of Panama and Colombia.

The first African Highway Conference was held in 1969 at Addis Ababa, Ethiopia, attracting more than 500 delegates from 49 African states. First steps were taken towards establishing an African Highway Association to coordinate and accelerate the development of good roads throughout the African continent.

The World Highway Meetings provide a global forum for the free exchange of the most recent technical and economic information pertaining to roads from all countries. The sixth and latest World Highway Meeting at Montreal last October was the greatest ever, attended by over 4,000 delegates from 90 nations. The main discussion centered around four broad problems common to advanced and developing nations alike: Road Safety, Urban Mobility, Development and Conservation of Resources, and Roads and Environment. Conference papers and discussions ranged over virtually every aspect of roads and transportation—from basic problems of planning, designing and financing new roads; through construction methods and techniques, materials, maintenance and operation; to the place of roads and road transport in the natural, economic, and social environment.

Subjects discussed at the Montreal meeting reflected the broad scope of problems and considerations facing transportation planners as the '70s opened. Such concerns, for example, as noise and air pollution, disposal of junked vehicles, and the driving environment as an element in safety. Expressed time and again was the growing world concern over the effects of modern transportation on the human environment.

The 1970 World Highway Meeting, perhaps more than any previous conclave, highlighted the immense responsibilities and bold challenges confronting all those concerned with planning and providing roads and transportation for a world on the move in the closing decades of this fast-changing century.

CULEBRA

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BADILLO. Mr. Speaker, last week I announced my intention to offer an amendment to the military construction authorization for this fiscal year pertaining to the Navy's target practice and training on and near the island of Culebra. Unfortunately, through a misunderstanding, I was not afforded the opportunity to present my amendment.

Nevertheless, I believe the issue I intended to raise is still very valid and I plan to offer my amendment to appropriate legislation in the future.

The basic purpose of my amendment is to afford the Navy the opportunity to identify suitable alternatives, including the possible use of an artificial island, and to expedite its departure from Culebra. I believe such legislative action is necessary as the Navy is dragging its feet in undertaking what I feel are meaningful efforts to find alternatives to Culebra, even though it promised to do so more than 6 months ago. As I have mentioned on earlier occasions, we must present the Navy with a clear mandate to take positive steps to find alternatives—including the possible construction of an artificial island—and some definite timetable in which to complete such action and totally withdraw from Culebra.

Last spring the Navy completed a classified report on the Culebra issue which identifies six possible alternative locations—both within and without the Puerto Rico area. This report—"Culebra: Overview and Analysis, April 1, 1971"—clearly states that—

> An artificial island could be built in a number of places around Puerto Rico. The best location seems to be about 3½ miles east of Vieques.

However, I know of no substantive steps being taken to move forward in the direction of transferring training and bombing operations to some alternative location.

The Navy document continues by noting that the already identified alternatives make no substantial difference with respect to operations in the Atlantic Fleet weapons range area in terms of unit training, integrated training, readiness evaluation and weapon testing. In three instances combined training would reportedly suffer some loss in capability if training is moved elsewhere but this would not be the case with an artificial island. Thus, the Defense Department study reveals that an artificial island would have the ability to satisfy the Navy's minimum training and testing requirements. In addition, the safety factor is greatly improved and the unique ecological character of Culebra would not be endangered.

I remain convinced, Mr. Speaker, that no strategic military purpose is being served by the bombardment of Culebra. There are some—both within and without the military—who believe that naval gunfire is obsolete, and they seriously question the efficacy of much of the training being conducted on Culebra. I am certain, therefore, that the defense posture and military readiness of the United States would not be adversely affected if such training and target practice were moved to some other site. An artificial training facility would also have the advantage of permitting the Navy to build it to its own specifications and requirements and permit the use of more sophisticated weaponry rather than the somewhat outmoded types primarily in use on Culebra. Furthermore, other than explosive ammunition—such as electronic firing and sighting—could be utilized.

The Navy continues to claim that Culebra is the most desirable or most preferable training location. However, no one has said it is the only possible training site and that all of the training and testing now done on Culebra must be performed simultaneously or nearby. In fact, the DOD report states:

> The training now on or near Culebra includes air to ground as well as Naval gunfire. There is no reason why these two activities have to be *adjacent* to each other. They could use the same impact area . . . or they could be removed from each other.

The continued use of Culebra is clearly based essentially on convenience to the Navy. This self-serving attitude is no longer permissible, and initiatives must be undertaken at the earliest possible date to end the Navy presence on Culebra and to shift its training to other locations.

Mr. Speaker, for more than 20 years the small, 28-square-mile island of Culebra has been bombed, strafed and invaded by U.S. naval and military forces. The some 750 inhabitants—American citizens—have lived in constant fear of their own lives and safety and the well-being of their real property and livestock. The Culebran economy is vastly underdeveloped and has been stifled by the Navy's presence. The residents of Culebra have clearly suffered from this situation—their annual per capita income of approximately $700 is less than half that of the rest of Puerto Rico and their adjusted unemployment rate is approximately 52 percent. There is no industry, little tourism, and very few—21—important commercial establishments. Clearly, the economy of Culebra has great potential and, with proper planning and management, would surely flourish in the absence of the Navy's presence.

In the coming weeks I will be furnishing some additional information on the Culebra issue and will discuss the matter further. In the meantime I urge our colleagues to very careful consider this matter and, if possible, to take appropriate steps to urge the Navy and Defense Departments to take substantive action to locate alternative sites and to begin shifting the bombing operations. Seven months have already passed since the conclusion of the agreement among the Navy, the Commonwealth of Puerto Rico and the Municipality of Culebra and the most we have seen from the military is a lot of rhetoric with very little, if any, actual movement. The Congress must make it crystal clear that it is our intention that the Navy withdraw from Culebra and pursue its bombing and training at some other, uninhabited location.

SCIENTIFIC TALENT OF AEROSPACE INDUSTRY WORKERS BEING WASTED

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BOB WILSON. Mr. Speaker, many of us are deeply concerned about the present crisis in our aerospace industry, both in terms of workers unemployed and critical technology lost. The following extracts from a speech by Robert Anderson, president of North American Rockwell, was an excellent presentation of the importance of improving and strengthening our aerospace posture, rather than accelerating its decline. I know my House colleagues will find Mr. Anderson's remarks both timely and pointed:

[From the Aviation Week & Space Technology, May 17, 1971]

SCIENTIFIC STARVATION

(NOTE.—Robert Anderson, president of North American Rockwell, Inc., recently detailed his views as to present and potential effects on the current cutbacks in U.S. aerospace activity and preparedness and their impact on the American economy, the nation's ability to solve pressing ecological problems and the resultant scientific, philosophical "starvation" that is accompanying them. Mr. Anderson expressed his views in Los Angeles at a meeting of the Human Resource Allocation Symposium. Significant extracts of his speech are reprinted below—Ed.)

. . . Lt. Gen. Sam Phillips, commander of the Air Force Space and Missile Systems Organization, said recently: "Of some 12,000 new products and techniques which have come into being in the last decade, a very large percentage is directly attributable to space and missile development."

That's a productive, healthy picture. But is it translated into a positive future for the aerospace industry?

The answer is, No. We are losing something in the translation. Almost overnight the industry has lost momentum. Worse, yet, it's slipping backward.

Despite an unbroken series of major technological achievements over the past 25 years, the U.S. is confronted today with scientific starvation. . . .

This is not just a production industry—it's an innovative industry and it has been, from its inception, a problem-solving industry. . . .

Solutions to the grave problems of urban renewal, high-speed transportation, national health and air and water pollution also entail high technology expertise. Therefore, it's logical that this nation should survey aerospace and assess its material and human resources.

However, our immediate concern in aerospace . . . is not with allocating human resources, but in rescuing them. Unless that rescue is accomplished, discussion of human resource allocation becomes academic.

Three years ago there were 1,430,000 workers in the aerospace industry. About half of those were production workers.

A little more than 25% were white collar workers. The balance, 23%, were engineers, scientists and highly skilled technicians.

In 1970 alone, more than 280,000 employes were deleted from aerospace payrolls. This year, it is estimated an additional 67,000 will become surplus. . . .

Employment stands today at one million. That's a loss of one-third of the total aerospace work force in just three years . . .

The loss of any job, regardless of salary rate or title, is a personal tragedy for the one involved. But, it becomes more than a personal tragedy when engineers, scientists and highly skilled technicians must be cut from the payroll.

Somewhere between 40–45,000 engineers and scientists were deleted from aerospace payrolls during the past three years. They represented a host of sophisticated skills, in many instances, irreplaceable skills. Their departure meant the fragmenting of hundreds, even thousands, of highly specialized technical teams. . . .

A particular tragedy is that many of them may not return to the aerospace field. The double tragedy, from the human resources allocation point of view, is that most of those 40–45,000 have not been able to find a job. . . .

In the midst of all this, our young people have become disenchanted with a profession that many of them label as monstrous . . .

There is no disenchantment with the engineering profession in the Soviet Union, however.

In 1966, the latest year for which Scientific Manpower Commission figures are available, while we were graduating 38,000 young engineers, the Soviets were graduating almost four times that number—161,000. . . .

If we could do away with science and technology, according to some of the critics, we'd step across the magic threshold into paradise. This country, they exclaim, needs less growth, less knowledge, less skill, less progress.

A country that lives on that anemic diet will suffer the inevitable outcome—fewer jobs, less security, less innovation, less ability to answer the call for a universally improved standard of living. . . .

In commercial aircraft we have just abdicated to Russia, France and Great Britain, a lead we have held for 40 years.

Behind this senseless starvation of science, of course, are a host of erroneous suppositions. One of these is that money spent for the national space program should be going to human needs.

It doesn't matter that less than 1.5 cents of each national budget dollar goes for space research and technology as contrasted to 42 cents for human resources—they still clamor for the cent and a half!

Suppose we give in and abandon the national space program. Suppose we shut down the whole NASA establishment, and we leave Cape Kennedy to the swamps from which it emerged less than 20 years ago. Suppose we turn loose the engineers and scientists and technicians and wipe out hundreds of thousands of supporting jobs.

Suppose we darken all the university laboratories that support our space research and development effort. The result would be a saving of $3,270 billion a year. Add that to the $72 billion already being spent on social programs.

Does anyone seriously think that the U.S., after that drastic action, would be a better place in which to live? That the poor would be less poor? That slums would disappear? That suddenly our rivers would be clean and our air as fresh and untainted as a spring breeze?

Quite the reverse is true. More poverty, more pollution, more congested highways, a permanent cancer of high, unyielding unemployment could be the result if we were to lose this battle and wipe out the aerospace industry.

In space programs, in commercial aircraft development and in military aircraft development, this nation is faced with grave decisions. Should those decisions be wrong, the errors will haunt this nation for decades—perhaps forever.

AMERICAN BAPTIST CONVENTION OPPOSES ENACTMENT OF PRAYER AMENDMENT AS WEAKENING OF THE FIRST AMENDMENT

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. CELLER. Mr. Speaker, I have received from the American Baptist Convention a most cogent letter expressing opposition to the proposed constitutional amendment relating to prayer in the public schools. I subscribe fully to the statement in this letter that:

> The truest friends of religion and the most constructive citizens of the state are those who support those First Amendment guarantees that have made possible in the United States of America a fuller measure of religious freedom than was previously known in the world.

I am hopeful that every Member of Congress will read and study this letter and conclude as did the American Baptist Convention that:

> The founding fathers wisely established our republic in the firm confidence that religious freedom would best be served if church and state were kept separate and if political authorities did not involve themselves in the promotion of religious practices.

I believe that the arguments advanced by the American Baptist Convention against the enactment of the prayer amendment are so telling that we dare not, at our peril, dismiss them lightly.

The text of the letter follows:

AMERICAN BAPTIST CONVENTION,
Valley Forge, Pa., July 22, 1971.

Congressman EMANUEL CELLER,
Chairman, Committee on the Judiciary,
United States House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CELLER: The purpose of this letter is to thank you for the valiant fight which you have waged against efforts to legislate religion in the United States and to encourage you in your current efforts to prevent the weakening of the First Amendment. The founding fathers of our nation had good reason to affirm "that Congress shall make no laws respecting an establishment of religion or prohibiting the free exercise thereof." Their reasons for such an absolute prohibition included a fresh remembrance of horrible persecutions which tore out men's tongues and cut off their ears as governments sought to enforce prescribed religious views and practices in the Old World.

Crusaders for an amendment to cut the heart out of the First Amendment by making constitutional the legislation of religion can make their case sound deeply religious and superbly patriotic. They at times make it appear that the steadfast friends of the First Amendment are against God, country, and motherhood, but such an impression is a deception and a delusion. The truest friends of religion and the most constructive citizens of the state are those who support those First Amendment guarantees that have made possible in the United States of America a fuller measure of religious freedom than was previously known in the world.

It is understandable that many good people are tempted to yield to the idea that the church "has it made" when Congress puts God's name in the Pledge of Allegiance or prints His name on postage stamps and engraves it on coin or perhaps supports a "Christian amendment," but such a hope is really deceptive. The idea of evangelism by legislation is nothing short of a dangerous illusion. Actually, religion has been most vital where it has been most free from governmental sponsorship or governmental interference. The difference between the progress and influence of organized religion in the United States of America and that in European countries which have maintained established religions for centuries should be highly instructive. In such a comparison I believe there is no evidence whatever to support the contention that the cause of religion could be furthered by legislative action.

Moreover, it is quite clearly impossible for government to legislate religion without violating the rights of many citizens. If we get into the business of imposing governmentally sponsored and governmentally required devotions on captive audiences in publicly supported schools, whose religion will it be? Will it be Buddhism in the State of Hawaii? Or Mormonism in the State of Utah? Or a Baptist-oriented Protestantism in the State of Georgia? Or Roman Catholicism in the State of Massachusetts? Or Judaism in New York City? How could such different emphases state by state be avoided in the light of the dominant religious forces in the respective states? Manifestly the welfare of religion in a pluralistic society like ours must lean heavily upon a strict interpretation of the First Amendment. Without such an interpretation I believe that there can be no adequate protection of the rights of the many varieties of Christians, as well as Jews, Muslims, Buddhists, Mormons, and people of no religious affiliation or faith at all. Each must have the same right as all the others and none must be compelled by law to attend school and then as part of a captive audience be subjected to devotional exercises reflecting the view of the dominant religious group in the community.

The founding fathers wisely established our republic in the firm confidence that religious freedom would best be served if church and state were kept separate and if political authorities did not involve themselves in the promotion of religious practices. The late Supreme Court Justice Robert H. Jackson stated the matter eloquently in the case involving the West Virginia Board of Education in 1943, known as the Barnett Case, when he said, "The very purpose of a Bill of Rights was to withdraw certain subjects from the vicissitudes of political controversy, to place them beyond the reach of majorities and officials and establish them as legal principles to be applied by the courts. One's right to . . . freedom of worship . . . and other fundamental rights may not be submitted to vote. They depend upon the outcome of no elections."

There is a great deal of history to confirm the wisdom of Mr. Justice Jackson's viewpoint. That history includes the Spanish Inquisition in which multitudes of Jews were tortured, imprisoned, or put to death in the effort to make them conform to certain kinds of Christian beliefs and practices. A somewhat similar history was repeated in Massachusetts when the established church of the 17th Century used the government as an instrument to force Roger Williams to conform and then drove him out of the colony when he refused to surrender his conscience. John Bunyan spent twelve years in Bedford Jail for a similar reason, and Obadiah

Holmes was flogged unmercifully in Massachusetts for a like cause. Likewise a number of Free Church preachers in Virginia were imprisoned and brutally maltreated when they objected to the coercive pressures of the established church which used agencies of government to impose religious regulations and practices in violation of their consciences. It is not too much to say that the pages of history are red with the blood of valiant souls who resisted the efforts of government to invade the realm of the spirit and then paid the price of persecution, oppression, imprisonment, and even martyrdom. We must not allow this history to be obscured by the well meaning people who crusade in support of prayer by legislation.

Enclosures to supplement this letter include three documents which were issued several years ago in relation to the matter of governmentally prescribed devotions but these documents are as relevant today as when issued. They include an editorial entitled "The Court Decides Wisely" from the July 3, 1963 issue of *The Christian Century*; a news release under date of June 19, 1963 by Dr. Richard Holland, formerly the Executive Secretary of the American Baptist Board of Education and Publication; and a statement made by Dr. Edwin H. Tuller, the then General Secretary of the American Baptist Convention, in testimony before the Committee on the Judiciary of the United States House of Representatives on April 29, 1964. In that statement, Dr. Tuller called attention to the following resolution which was adopted by the American Baptist Convention at Detroit, Michigan, in 1963:

"In the light of the recent Supreme Court decisions, we affirm our historic Baptist belief that religion should not be a matter of compulsion and that prayers and religious practices should not be prescribed by law or by a teacher or public school official."

That resolution is still in effect and it is consistent with the stand which the Convention has taken many times in support of religious freedom.

The profound arguments that were embraced in the three massive volumes of testimony taken by the Judiciary Committee in 1964 with respect to "School Prayers" should put to rest permanently the illusion that the cause of religion could be advanced in our nation by weakening or repudiating the First Amendment.

I believe that I am keeping faith with resolutions adopted by the American Baptist Convention as well as with the historic commitment of the Baptist people to the principle of free and uncoerced religion when I express the hope that you will do everything in your power to defeat all efforts to weaken or evade the First Amendment.

Thanking you again for your distinguished achievements in the safeguarding of our liberties and trusting that you will have equal success in your current efforts to protect the foundations of our freedom, I remain

Sincerely yours,

W. Hubert Porter,
Associate General Secretary.

A WELFARE BILL THAT MAKES SENSE

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to share with my colleagues an article that appeared in today's Wall Street Journal. I think that the article by the distinguished journalist Mr. Robert L. Bartley concerning the welfare dilemma that confronts our country today is worthy of the attention of this distinguished body.

The article follows:

A Welfare Bill That Makes Sense

(By Robert L. Bartley)

Washington.—Last year's welfare reform bill was an exercise in camouflage—how to have welfare reform without really changing anything. This year's welfare reform bill is an exercise in administration—how to align responsibility with authority in setting benefits, determining eligibility and running work programs.

The change took place while no one was looking. The House Ways and Means Committee rewrote the bill in private sessions, and the House passed the measure because Ways and Means Chairman Wilbur Mills told it to. The extent of the change should become clearer shortly, though, as the Senate Finance Committee opens public hearings today. The Finance Committee killed last year's bill but may prove more agreeable this year.

The two bills are similar, of course, in being built on President Nixon's Family Assistance Plan, paying a minimum income to all families with children. The amount of the federal payment for a family of four remains about the same, $2,400 in cash this year versus $1,600 plus food stamps last year.

The principal effects of last year's bill remain: increased benefits in the South, wider payments to the working poor, more money for work training and day care. This expansion of welfare was, for all the tough rhetoric, the whole thrust of last year's bill. In the large industrial states, where the welfare crisis is, the bill would have left the welfare system essentially unchanged.

THE INCREASING CASELOAD

This year that thrust has been balanced by reforms that do take some notice of the real welfare crisis. As outlined in an article on this page last Thursday, the crisis is measured in the increasing welfare caseload. Aid-to-families cases have doubled in the last four years to 10 million persons, or one in twenty Americans, a rate of growth that suggests the creation of a vast unrooted class, dependent on welfare and cut off from the social bonds of the work system.

This growth may be the result of social values toward low-status jobs, and these won't easily be altered. But it has also been closely associated with unprofessional welfare administration and with grant levels so high they compete with wages. The changes written into the welfare bill by Rep. Mills' committee are designed to have a definite impact in both these areas.

The changes, in fact, show a heavy preoccupation with the question of administration. The committee is definitely interested in curbing the break-neck expansion in the welfare rolls, and tried to do so as long ago as 1967 by writing work incentive and work training provisions into the law. Most of its members believe their intent was subverted by administrators bent instead on expanding the rolls. They are now trying to reduce the discretion of administrators, and to replace them wherever possible.

In particular, the committee is upset at the result of a provision in the 1967 law allowing states to decide which recipients are "appropriate" for work or training. This year's bill intends to do nothing less than eliminate state administration of welfare. The federal payments will be administered by a new set of officials under the federal civil service. And only by turning over any state supplemental payments to federal administration with states qualify for the "hold harmless" provision protecting them against future increases in welfare expenditures.

Similarly, many members of the committee are also unhappy with the federal Department of Health, Education and Welfare, which has bent administrative pressure not toward putting recipients to work but toward higher benefits and reduced regulation. Accordingly, under this year's proposal, welfare families will be split in two groups, and all those with a potentially employable adult will come under the jurisdiction of the Department of Labor.

Nor would administrators have discretion about what recipients are "appropriate" or what jobs "suitable." The criteria for such decisions are explicit in the law. All recipients would be referred for work or training except the ill, aged, children under 16 (or under 22 for students), mothers of children under age six until 1974 and under age three subsequently. (Mothers of older children would not be required to work, however, unless adequate child care is available.) Jobs are suitable unless they involve union disputes or pay less than $1.20 an hour or the locally prevailing wage for the work in question.

Most important of all, there's at least a hope this new administrative structure will be infused with new attitudes, focusing not on adding more people to the welfare rolls but on getting them off the rolls and into a self-dependent life. HEW officials proposed, and the committee instantly rejected, bringing present state welfare workers into the new federal structure. It hopes the Federal civil service will be able to recruit a higher grade of employe, and also one who defines his job a different way.

A DIFFERENT PSYCHOLOGY

"The social work will still be left to the states; this will be determining eligibility and making payments," Rep. Mills says. When it comes to work training, he adds the Labor Department will have a "different psychology." And in any event, if rolls do continue to rise, "We've got people in the federal government we can hold responsible for the failures; that's always been difficult."

A similar clarification of responsibility is the keynote of the proposed changes affecting benefit levels. The bill would end the system under which state legislatures have been able to vote higher benefits and have the federal government pay much of the bill.

This effect has been especially pronounced because of a "sleeper" provision in the "Medicaid" law, allowing states to apply the sharing formula in that legislation to their welfare expenditures as well. Under the old welfare formula the federal government paid 50% to 65% of the cost, but federal expenses were limited to $32 per recipient per month. The Medicaid formula put the federal contribution as high as 83%, and pledged the government to contribute its share regardless of how high a state raised its benefits.

These changes allowed the states to increase benefits rapidly. Between January 1967 and October 1970, for example, "need levels" on which benefits are based were increased more than 40% in 17 states. This almost certainly played an important part in the exploding caseload, for there is considerable evidence that higher benefit levels mean higher caseloads, particularly when they get high enough to compete with wages for low-income workers.

It's important to understand, in fact, that the income distribution at low levels is an inverted pyramid, including ever more people as the income level rises toward average. This means that each step up in welfare benefits makes them competitive with wages for many more workers than the last similar step did. This effect helps explain why caseloads have mounted far more sharply than anyone anticipated.

The unanticipated caseload rise has meant heavy financial pressures on states even for their share of the costs, and in the past year several of them have in fact reduced benefits. In theory the Ways and Means bill could encourage this trend. Under its provision, the federal government will pay 100% of the $2,400 guarantee and the states must pay 100% of any supplement above this. Thus instead of splitting the savings from benefit reduction under the current sharing formula, the state would recoup all the saving from any cut in its supplements.

This theoretical "incentive" toward reduced payments still worries some liberals, but in fact it was fairly well nullified when the committee adopted the "hold harmless" provision. Under "hold harmless" the federal government will guarantee that a state will not have to spend more for welfare than it did in 1971, even if its caseload continues to increase.

The states with the highest benefits and sharpest caseload increases will find their welfare costs dependent not on benefit levels but on the "hold harmless" payment, and thus will have no incentive to cut benefits. The question will not arise in states now paying less than $2,400. Some intermediate states will be able to save money if they want to cut payments, but for the most part of the effect of the new bill would be to freeze benefit levels.

Between the abolition of the present sharing formula and the administrative changes, the Ways and Means Committee has considerably changed the thrust of welfare reform. This has been little noticed by opponents of last year's bill, though, and some fairly meaningless things are being said about welfare reform by those who pass as conservatives on the American Scene. Anyone upset because the President has proposed a guaranteed annual income, for example, ought to ask himself what the current system already is.

It's only slightly more sensible to stress the complaint that the bill expands the welfare rolls by some 14 million by including the working poor. At the rate we are going, many of these people will be added anyway. Beyond that, in terms of social consequences there is an enormous difference between supporting a non-working class with few social bonds and paying supplements to those who stick with the work system. Rep. Mills makes a point worth considering when he says, "The reason we included the working poor is to eliminate the temptation for them to become completely dependent."

That is scarcely to say there are no valid questions about the bill from the perspective of those interested in reducing welfare dependency. The surest way to slow caseload growth probably would be to reduce benefits, and a conservative can make an intelligent case that it's better to stick with the present system now that the states are starting to cut back.

Especially so since the "hold harmless" provision would concentrate an incentive to reduce not in states paying welfare benefits above the official poverty level, but in intermediate states where benefits may not effectively compete with wages. The federal government, also, is far from immune to pressure for higher benefits. There will be attempts to raise the $2,400 floor in the Senate, and it probably would not take much of an increase to send rolls upward by making benefits competitive with wages throughout the South.

Still, the current state reductions may not reflect a long-term trend, given the incentives in the current sharing formula. Also, it's one thing to say benefits should not have been raised to present levels, but another thing to be enthusiastic about a state's cutting them after it has encouraged recipients to rely on them. In principle, finally, it would be far better to support the truly needy at a more generous level, and rely on an administrative mechanism to separate them from those who ought to be self-dependent.

A KEY QUESTION

Is it possible to create any such an administration? That's the key question the Ways and Means bill poses. History would not give much comfort, suggesting the most likely outcome is that the committee will once again find its intentions undermined by bureaucrats with different ideas. If the caseload increase does result from underlying cultural values, the same values will be present in the new bureaucracy as in the old one.

Still, a 1969 study of welfare use did find that administration matters. Several students of the problem believe that hard-headed administration is the only way to cope with the fact that a level high enough to support the needy will also be high enough to compete with wages. Blanche Bernstein of the Center for New York City Affairs, for example, writes of the need for a new "administrative ambience" and "public rhetoric."

Harvard's Edward C. Banfield agrees. "I am told that welfare bureaucracies willing to perform the function I have in mind simply do not exist any more; most social workers, it is said, believe that their mission is to give as much as possible to as many as possible. Perhaps this is so, but I am not entirely convinced. I suspect that in general and within limits social workers do what is expected of them and that local welfare administrators have ways of checking indiscriminate generosity," he writes in The Public Interest. "Therefore I do not entirely despair of improving matters by using welfare bureaucracies to help strike a balance between the supply of assistance and the demand for it."

In effect, Rep. Mills and his committee are trying to do what such scholars recommend. Whatever the defects of their bill, it is based in a defensible rationale about what constitutes the welfare crisis and how it might be cured. It may not be a bill that actually succeeds in curbing the welfare explosion, but at least it's a bill that makes some sense.

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. SCHERLE. Mr. Speaker, a child asks: "Where is daddy?" A mother asks: "How is my son?" A wife asks: "Is my husband alive or dead?"

Communist North Vietnam is sadistically practicing spiritual and mental genocide on over 1,600 American prisoners of war and their families.

How long?

SENATE—*Wednesday, July 28, 1971*

The Senate met at 9:30 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, to whom all hearts are open, all desires known, and from whom no secrets are hid, in the quiet light of Thy presence, we plead forgiveness for our sins and failures.

Forgive us, O Lord, for failure to discern and to do Thy will.

For doing things we ought not to do and leaving undone the things we ought to have done.

For the buried grudge, the hidden hostility, the half-concealed enmity.

For the eager desire merely to score a point rather than to find the whole truth.

For making little things big and big things little.

For the pessimism which deprives us of peace and joy.

O God, our Father, help us to see ourselves as we are—human and finite. As far as the East is from the West remove our transgressions from us and remember them against us no more forever. Make us new by Thy redemptive touch and strengthening power. In this place bind us together by Thy grace and light up a pathway of righteous action which shall be for the healing of this Nation and the advancement of Thy kingdom on earth. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. ELLENDER).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 28, 1971.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES E. ALLEN, a Senator from the State of Alaoama, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Leonard, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. ALLEN) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 27, 1971, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be allowed to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FAITH M. LEWIS KOCHENDORFER AND OTHERS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 300, H.R. 3201.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 3201) for the relief of Faith M. Lewis Kochendorfer; Dick A. Lewis; Nancy J. Lewis Keithley; Knute K. Lewis; Peggy A. Lewis Townsend; Kim C. Lewis; Cindy L. Lewis Kochendorfer; and Frederick L. Baston, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–306), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to pay the following named individuals the amounts set opposite their names in full settlement of their claims arising from the death of Gene A. Lewis, and for property loss resulting from an aircraft accident near Cheyenne, Wyo., in 1959, which occurred when a National Guard fighter aircraft collided with a civilian airplane piloted by the decedent. The amounts set out are those recommended in a congressional reference case by the Chief Commissioner of the Court of Claims:

Faith M. Lewis Kochendorfer	$51, 133. 42
Dick A. Lewis	17, 044. 47
Nancy J. Lewis Keithley	17, 044. 47
Knute K. Lewis	17, 044. 47
Peggy A. Lewis Townsend	17, 044. 47
First National Bank and Trust Co. of Bismarck, N. Dak., as the guardian of the estate of Kim C. Lewis	17, 044. 47
Faith M. Lewis Kochendorfer, guardian of the estate of Cindy L. Lewis Kochendorfer	17, 044. 47
Frederick L. Baston	4, 500. 00

The bill, H.R. 3201, was introduced in accordance with the recommendations of the opinion rendered in congressional reference case Numbered 4–68, filed on December 30, 1970, to-wit: *Faith M. Lewis Kochendorfer; Dick A. Lewis; Nancy J. Lewis Keithley; Knute K. Lewis; Robert P. Hendrickson as Guardian of the Estates of Peggy A. Lewis, Kim C. Lewis and Cindy L. Lewis Kochendorfer; and Frederick L. Baston v. The United States.*

The matter had originally been referred to the Chief Commissioner in accordance Claims by House Resolution 1177 of the 90th Congress, 2d session. That resolution referred the bill, H.R. 4815 of that Congress to the Chief Commissioner of the Court of with the congressional reference case procedures of sections 1492 and 2509 of title 28 of the United States Code. The opinion of the review panel adopted the opinion of the trial commissioner concluding that the airplane collision in which Mr. Gene A. Lewis lost his life was caused by the negligence of one of two Air National Guard training pilots who were engaged in a training flight at the time of the accident. The opinion also concluded that the claimant had an equitable claim against the United States. The recommendations and facts of the matter are found in the opinions and findings of fact filed in the congressional reference case summarized below. The bill carries a 20 percent limitation upon attorney's fees which is the same limitation provided in section 2678 of title 28, United States Code, governing attorney's fees in administrative settlements in tort claims matters under that title.

STATEMENT

The facts of the case are contained in the opinion of the Court of Claims in Congressional Reference Case No. 4–68, filed December 30, 1970, and summarized below.

In the mid-afternoon of December 15, 1959, an F–86L jet fighter aircraft, flown by Air National Guardsman Capt. William Meckem, collided with a Beechcraft Bonanza flown by Mr. Gene A. Lewis about 4.5 miles south of the Cheyenne Municipal Airport, outside that airport's traffic pattern but within its control zone. The weather conditions at the time were excellent with only high thin cirrus clouds and a visibility of 90 miles. Lewis, the pilot and only occupant of the Bonanza, was killed. Captain Meckem was able to eject and parachute to safety although he sustained minor injuries. Both aircraft were destroyed.

Mr. Lewis was flying from Dickinson, North Dakota, to Denver, Colo. He was under a visual flight plan, and using omnirange navigation, which allows a pilot to fly with great accuracy from one ground station to another. It was this navigation method which brought Mr. Lewis within the vicinity of the Cheyenne airport although outside the flight control pattern.

Shortly before Mr. Lewis' plane approached the vicinity of Cheyenne, Captain Meckem and Lt. Howard T. Anderson took off from the Cheyenne Municipal Airport in two F–86L jet fighter aircraft. After conducting a number of maneuvers at high altitude, the two National Guard aircraft passed over airport at low altitude. The jet fighters then continued outside the traffic pattern limits in a left climbing turn. The National Guard planes closed in turn to close formation. Captain Meckem took position on Lieutenant Anderson's right wing with his aircraft slightly below the level of Lieutenant Anderson's with four to five feet wingtip separation.

At this point Lieutenant Anderson was the formation leader and Captain Meckem was the wingman. Accordingly, because formation flying requires the wingman's undivided attention to the leader, the responsibility to see and avoid other aircraft was entirely that of the formation leader. This is in accordance with Civil Air Regulations and military directives. Lieutenant Anderson stated that he clearly understood his responsibility and believed he had maintained a careful lookout for other air traffic. In his testimony he recalled stopping the turn at about 180 degrees to clear the area, particularly in the direction he intended to continue. He testified that during the last 30 seconds, he scanned the left quadrant, then straight ahead, and then the right quadrant. Lieutenant Anderson stated that at the same time he scanned, he also checked Captain Meckem's position. He stated that when he returned his vision forward, he saw an aircraft immediately in front of him and made a violent pullup to avoid it. He said it all occurred so quickly he had no time to warn Captain Meckem or even to identify the plane. Captain Meckem's attention was concentrated on the formation formup and thereafter on holding close position and that so far as the collision itself was concerned, he recalled a flash on his windscreen an instant before impact.

The Court of Claims found that the faster flying National Guard planes approached from a side-rear angle in a so-called "overtaking" situation. Under the applicable Air Traffic Rules, it was the duty of the overtaking aircraft to keep clear of the overtaken aircraft. See CFR60(14(d)).

The findings of the Commissioner in regard to actions immediately prior to the collision were (footnotes omitted):

Accordingly, I join the CAB in its conclusion from all the facts that the probable cause of this accident was that, during an overtaking situation, the jet formation leader (Anderson) failed in his duty to see the Bonanza in time to lead his wingman (Meckem) off collision course. One of the most significant facts in this record is that, only seconds before the collision, Lieutenant Anderson looked to his rear for the purpose of checking Captain Meckem's position. Had he not done so but instead had concentrated his entire visual attention to the 180-degree quadrant ahead of his aircraft, it is reasonable to surmise that, despite his high rate of speed, he would have seen the Bonanza in time to warn Meckem, and this unfortunate accident would have been avoided. The fair conclusion then is that the collision was attributable solely to the negligence of Lieutenant Anderson, the formation leader.

The ultimate finding and conclusion of the court in regard to negligence was:

The above-described midair collision was caused by the negligence of Formation Leader Anderson, who, in an overtaking situation, failed to observe the Bonanza in time to warn Wingman Meckem so that the latter could avoid collision with the Bonanza. Lewis was not guilty of any negligence contributing to this accident.

Finding negligence and an equitable claim against the United States, the court made a finding on damages as follows:

(a) According to Air Force Regulation No. 112–2, para. 18, the law of the jurisdiction where an accident occurred should ordinarily be used as a guide in determining awards for personal injury or death in the consideration of Air National Guard claims.

(b) Under Wyoming law, there is no limit on the amount of recovery which may be obtained in wrongful death actions. Under the Wyoming Code of Civil Procedure, section 1–1066, the court or jury in a wrongful death action may consider as elements of damages the amount the survivors failed or will fail to receive out of decedent's earnings, and any other pecuniary loss directly and proximately sustained by the survivors, including a reasonable sum for the loss of comfort, care, advice, and society of decedent.

(c) The amounts of money set forth in H.R. 4815 were computed on an actuarial basis, giving the decedent a life expectancy of 34 years and assuming an annual contribution by decedent toward the support and maintenance of his wife and children of $12,000. An interest rate of 4 percent was used in that computation.

(d) It is concluded and recommended that a more realistic interest rate is 6 percent and, while on this record the assumption of an average $12,000 annual contribution by decedent to the support of his family seems reasonable, his work-life expectancy of 25 years should be used in the computation instead of a life expectancy of 34 years. The present value of an annuity of $12,000 for 25 years at 6 percent interest is $153,000.27. Under the intestacy laws of Minnesota, Faith M. Lewis Kochendorfer, as widow of Gene A. Lewis, would be entitled to one-third of the aforesaid amount, or $51,133.42. Under the aforesaid Minnesota law, the remaining two-thirds ($102,266.85) should be divided equally among the decedent's six children, or $17,044.47 per child.

(e) It has been stipulated that the fair market value of Beechcraft Bonanza N 1839D just prior to the accident was $9,000 and that plaintiff, Frederick L. Baston, owned a one-half interest in said aircraft. Therefore, there is equitably due plaintiff, Frederick L. Baston, the sum of $4,500.

There may be a question as to the responsibility of Congress toward accidents arising out of National Guard activities. The committee, after examining the factual situation and recent legislative changes, believes that such responsibility does exist. While the National Guard is not a Federal responsibility and retains operating autonomy, it is strongly tied to the national defense program which furnishes it substantial financial support. In this case, the aircraft were the property of the United States and the pilots' salaries paid by the United States. Specifically, this bill is not contrary to present congressional policy. In 1960, less than one year after this accident, Congress added a new section to Title 32 United States Code concerning the National Guard. It provided that the Secretaries of the Army or Air Force, under such regulations as they proscribe, may settle and pay claims up to $5,000 for damage to property, personal injury or death caused by a member of the National Guard acting within the scope of his employment. 32 U.S.C. § 715. Subsection (d) of this section specifically states that if a claim in excess of $5,000 is meritorious, the Secretary may pay such amount and "report the excess to Congress for its consideration".

In agreement with the opinion of the Court of Claims and the action of the House of Representatives, the committee recommends the bill favorably.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized under the standing order.

Mr. SCOTT. Mr. President, I yield back my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. In accordance with the previous order, the Chair recognizes the junior Senator from Texas for not to exceed 15 minutes.

PRESIDENTIAL WAR POWERS

Mr. BENTSEN. Mr. President, nearly two centuries have passed since the birth of this still young, struggling Nation. As we look forward to our 200th birthday just 5 years hence, we cannot refrain from looking back at our brave, brash beginning—a struggling infant nation with only a 50–50 chance of survival.

Today, we wear the mantle of world leadership, and not necessarily by choice as a people. As a world leader, we are burdened with special responsibilities; the most burdensome is the responsibility of war.

Our founders came from countries where one man—the king—had the privilege of sending them and their sons into wars without consent. They sought to make sure that the new democracy which they founded would not have one man with such powers. The people's representatives were given a final choice of commitment of the people to wars—thus was fashioned the separation of powers.

Today, that issue is a major one in debate. And today, there is legislation from several in this Senate and in the other body which seeks to bring back to the Congress its rightful role, to reaffirm the authority which is the duty of the Congress.

I am one of those sponsoring legislation which would restore that role. I fully recognize the great difference today and in the days when the Constitution was written, but the principles are just as sound, the foundation just as solid, and my bill is based on these principles.

Essentially, my bill and some of the others are primarily aimed at restoring congressional authority on commitment of U.S. troops overseas.

The bill describes in broad terms the situations where the President may commit U.S. forces in the absence of a specific declaration of war, and it allows the President to deploy forces to defend against an attack on the United States. It takes into consideration the changed times, the dangers of this nuclear age.

The bill restricts the President from interpreting congressional military appropriations and authorization bills as authority to deploy U.S. forces in combat unless the bills specifically authorize use of such forces.

Under the bill, whenever the President commits troops he must promptly report to Congress his reasons for the commitment, and his justification for continued use. The Congress must then decide within 30 days whether to continue the commitment.

There is a provision for the special consideration of such a request, to prevent delays by individuals in Congress, for it would do little good to restore congressional authority for warmaking by taking it from a single individual, the President, and permit another single man, say a committee chairman or someone conducting a filibuster, to have that authority.

This is not a recrimination for the past. This is not a criticism of the actions of President Johnson, President Nixon, President Kennedy, or President Eisenhower, or anyone responsible for Vietnam. For if there is blame, this body and the entire Congress has to share it.

In this era, we are a world power. The Vietnam war, the pressures of international tensions, have brought division. As a nation, we look into a clouded future, and searchingly, we turn and look backward for precedents.

We know our 18th century forebears could not have envisioned overpopulation; the poisonous pollution of our land, air, and waters; unmanageable cities, or the vast technology of the war machine with the specter of nuclear destruction hovering over all. These realities of today would have defied their wildest dream and surpassed their deepest fears.

They left us no clear precedents for dealing with many of these realities. But they did leave us guidelines. The problems have changed, but the principles of government have not. What we need today is to work our way through the misleading maze of complexities and get back to the basic principles of democratic government which were laid down for us by the craftsmen of the Constitution. If we, as a people, are to live by our institutions, then we must have faith and confidence and continuing belief in those institutions.

Government itself is the first of those institutions which must command that faith. And fundamental to that institution is the people's belief that their government is doing their will, that it truly represents them, not just momentarily nor in rushes of recognition of a popular notion, but steadfastly, strongly, and consistently.

Mere men, not gods of wisdom, have to run this Government. It is incumbent on them, as to those chosen to lead, to maintain the institutions and oversee the conduct of government in a manner to command faith, to instill confidence, to maintain belief in the institutions of government.

The wisest decision of the men who set the guidelines for government at the beginning of this great experiment was the separation of powers, the system of balances, and the rejection of absolute power in the hands of any one man, however wise he might be.

Those strong men, who had suffered the indignities of monarchical decisions which fettered their freedoms and afflicted their lives, made sure that the decisions of life and death, of freedom, of the right to worship as they pleased, would remain in the hands of the many, not in the control of the few. And particularly was this principle of control of their destiny left to the legislative body of representatives of the people in the most urgent of national matters, that of the commitment of a nation and her people to war.

I sometimes think that the real birth of this Nation was not in the year 1776, the date which we celebrate, but in the year 1787 when the Constitution was finally adopted. There were some uncertain steps toward self-government; there were dissension, doubt, trial, error, success, and retreat. But after long and often bitter debate, the spirit of compromise prevailed and union was established in what has been called "the miracle at Philadelphia." Both Washington and Madison recognized it to have been something of a miracle and so proclaimed it in their letters.

The document they produced was indeed a miracle for its time. But even past miracles cannot forever sustain our institutions unless we work at maintaining trust in them. We must return to not only a balance of power, but a balance of trust. We are compelled to look at our own place in history, at the divisions that threaten our peaceful existence, and at our future in a world grown small through modern communications, instant and modern transportation, and dark through threats of self-destruction. We have our own miracle to produce. I believe that out of necessity, and in a spirit of compromise, we must produce that miracle and make this Nation whole again.

We are divided on many issues, but central to the survival of constitutional government is the issue of the separation of powers between the executive and the legislative branches. We know there have been encroachments from both sides from time to time, and there has been debate and recrimination. But the failure to maintain that separation has been most dramatically demonstrated in the conduct of the ill-fated struggle in Indochina.

In the climate of today's attitudes, in the poisoned atmosphere surrounding the debate on how to end this unwanted war, it is going to take unusual clarity and special insight to cut through the obfuscation of the central issue. That issue, again, is the separation of war powers, the limitation on the President to commit U.S. troops, and the responsibility of Congress to share in those fearful decisions.

This must be a true partnership, if we are really to have meaningful representation for both parties. It must be a partnership in which the independence is equal, the dependence is mutual, and the obligations are reciprocal.

Paramount to that issue are the limits to the President's power to commit a nation to war without explicit approval of the Congress, and, just as central, the responsibility of the Congress to share in the fateful decisions of war.

Why is that question raised with such passion today? One is tempted to say Vietnam. And certainly, in agonizing over our involvement in Southeast Asia, in searching for the reasons for divisiveness, in searching our national psyche, there is the overpowering temptation to lash out, to condemn, to criticize past actions.

I do not think there is much to be gained in placing blame or trying to resurrect military history. The strategy is not as important as the principle involved. And the principle of shared powers under the Constitution has been violated to the point that vast numbers of our citizens have lost faith in the institutions of government.

The divisiveness, the dissension, the turmoil, and the erosion of confidence in government is popularly blamed on the war and the frustrations of its seeming endlessness. The war itself may be the first cause for that criticism of government, but the accompanying bitterness and cynicism toward the institutions is a consequence of policy and action outside those institutions.

If Congress had exercised its rightful powers, if Congress had met its full responsibilities, if Congress had insisted on sharing the decisions and fully airing the process of decision—in short, if Congress had properly participated, I am convinced that the people's will would have been worked.

I do not suggest that the course may have led away from the Vietnam conflict, nor the direction initially altered—that is to say, Congress may have concurred from the outset. The point is, though, that if Congress had asserted itself, if the proper constitutional procedure had been followed, if the elected representatives of the people had acted by consensus, the Nation would have been provided powerful unifying forces. For it is my opinion that if blame is to be apportioned, then a fair share belongs to us in Congress. The void was allowed to develop, and power flows to the vacuum, and so do executive decisions. The institution of shared responsibility, the foundation of congressional authority to commit to war, was allowed to erode.

I do not think it was a willful violation by the Congress; it was a violation through negligence. Congress failed in its function of advice and consent. Congress abdicated its just share in the policy decisions that committed this country to conflict and sent young American men to fight on foreign shores. I believe this bill would force a decision on Congress to act, and to exercise its consensus in judgment.

We are engaged in bitter national debate over the means of ending an unwanted war. As the debate continues, it is important to analyze what happened and to set a course that will insure that responsibility for future foreign policy decisions will be shared by the executive and the legislative branches.

If democratic government "derives its just powers from the consent of the governed," momentous decisions of war and peace, life and death, must be made by the elected representatives of the people.

We do not challenge the authority of the President as Commander in Chief of the military forces. We do not challenge his constitutional right to direct the conduct of a war, once the decision to wage war has been reached through the democratic process. But we would be negligent—indeed we have been negligent—of our own constitutional obligations if we relegated to one man the decision to send our sons to war. The responsibilities of the Presidency are awesome indeed and no President should welcome or accept sole responsibility for involving the country in war. He should welcome the fact that he has a partner in that terrible decision. He should insist that Congress participate in any decision leading in that direction, and Congress, for its part, should demand its rightful role, and be equally assertive in sharing that responsibility. The people understand, even respect, differences and disagreements. But they lose that respect, and they do not understand, when momentous decisions affecting their lives and their sons' lives are made outside the representative institutions which they, by their rights, control. When they do not participate in such decisions, through their representatives, the institutions are weakened, and respect for all institutions is lost.

There has been an erosion of the power and prerogatives of the Congress in the past decade which we must now repair. We must restore the balance of power within the Government and to restore respect for the institutions of government. It is not just the balance of power that is vital to our united survival; we must restore a balance of trust.

There can and will be disagreement between the President and the Congress, but there need not be distrust. The public business must be conducted in an atmosphere of mutual respect and confidence that will in turn inspire the respect and confidence of every citizen. We must not let Congress be relegated to the position of a mere constituency of the executive branch.

As a first step in restoring the shattered confidence of the people, in restoring that balance of trust, I suggest that we assure them through our deeds, not our rhetoric, that Congress is directly responsible and responsive to the electorate; that we are prepared to meet our constitutional obligations in the formulation of foreign and domestic policy; and that we will not leave vital decisionmaking solely to the Executive, by default.

I am not interested in refueling debate over what has occurred in the past. I am interested in this Congress confronting the most significant question to emerge from the continuing debate over Vietnam—the question of who decides when and where America goes to war.

I know the constitutional arguments. I have heard the assertions of those who advocate strengthening Executive power. I am not inclined at this time to stress the constitutional question in the legal sense, because I believe that point will be debated decades into the future just as it has been debated for decades past. In studying the constitutional authority and the legal precedents, I believe the greater weight of legal argument is against unilateral presidential warmaking authority. I believe that warmaking powers were not divided but were conferred on Congress alone.

Justice Robert Jackson said this on the subject:

> With all its defects, delays and inconveniences, men have discovered no technique for long preserving free government except that the Executive be under the law, and that the law be made by parliamentary deliberations.

That is clear enough. The rule of law must not be undermined.

Said Alexander Hamilton:

> The power of the British king extends to the declaring of war and to raising and regulating of fleets and armies—all of which by Constitution under consideration would appertain to the legislature.

Disagreements susceptible to decisions by the Supreme Court have been rare. However, in 1862, the Supreme Court in a ruling declared:

> By the Constitution, Congress alone has the power to declare a national or foreign war.

That is clear enough. Congress has that power.

And Abraham Lincoln, in commenting on the Mexican War, said:

> The provisions of the Constitution giving the war-making powers to Congress were dictated, as I understand it, by the following reasons: Kings had always been involving and impoverishing their people in wars, pretending generally, if not always, that the good of the people was the object. This our Convention undertook to be the most oppressive of all kingly oppressions; and they resolved to so frame the Constitution that no one man should hold the power of bringing this oppression upon us.

Thomas Jefferson wrote:

> We have already given in example one effectual check to the Dog of War by transferring the power of letting him loose from the Executive to the Legislative body . . .

So, while legal minds may divide over the intent of our forefathers in the divisions of power, there is little question that Congress was vested with the sole right to initiate war.

The one lesson which must be learned from the Vietnam war is that never again must we allow commitment of American lives unless the representatives of the people explicitly authorize it.

The tragic miscalculations on Vietnam, resulting in the harsh divisions in this country, are the most compelling argument for returning to the principles of collective judgment. Presidential decisions—and I extend this back to Eisenhower, Kennedy, Johnson, and Nixon—have shaped the course of this war, and still shape it. The principle of sharing power has been weakened.

I have continued to support President Nixon in his efforts to extricate us from Vietnam, as has a majority of this body.

However, the principle of power to make war has to be reaffirmed. The war debate has to be removed from our deliberations on this all-important matter. Assumption of our responsibility is a burden we in Congress must pick up again. Without this, the institutions of Government will remain in disrepute.

There has to be, in whatever we resolve to do, an understanding of the changed times. In a nuclear age, a President may have to respond in defense without explicit congressional approval. There is no intent to tie his hands in these critical matters. There has to be a resolve by this Congress to insist on its share of the decisionmaking process, on retempering our institutions. That we intend to do.

The democratic process is at stake. It cannot thrive under a strong Executive with a weak legislature, any more than it can thrive with a weak Executive and a dominating legislature. They must be equal partners in this. We must strive at all times to maintain that delicate balance that preserves the interests of the people in a rapidly changing world. We can achieve that balance of power and the balance of trust if we look to the people for guidance.

George Washington recognized that necessity. He wrote, in a letter to Lafayette, in 1785:

> Democratical states must always *feel* before they can see—it is this that makes their governments slow, but the people will be right at last.

Adlai Stevenson reinforced that message a brief decade ago when he said:

> Trust the people. Trust their good sense, their decency, their fortitude, their faith. Trust them with the facts, trust them with the great decisions.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BENTSEN. I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I have listened with interest to the entire speech of the distinguished Senator from Texas, whom I have had the pleasure to know for almost two decades in both the House and the Senate. In my experience in Congress, I have never heard a better historical or more cogent analysis of the relationship which, under the Constitution, should and must exist between the executive and the legislative branches of the Government. When I speak of the executive branch, I mean the elected part of the executive branch; and when I speak of Congress, I mean the elected representatives of the people.

There are some things in the past which we would like to forget but, history being what it is, we just cannot forget. We cannot forget Vietnam, which has been a tragedy compounded, which has cost us so much in casualties, in resources, in drug addiction, in graft. It has cost us much in divisiveness, as the distinguished Senator has pointed out; it has tended to rend this Nation apart in many ways for too long a period of time at too great a price.

There are some things we should remember, too, as the distinguished Senator has pointed out, one of which is the foresight of the men who drew up the Constitution of the United States, which is probably the greatest political handiwork of man. It is still there. It still stands up. While it is subject to amendment now and again, basically it is the rock upon which this democracy stands.

The Senator has mentioned that there is no room for separatism between the executive and the legislative branches but that there is room for balance and partnership, and I agree. We are two equal branches in the Government and of the Government. Unfortunately, as again the Senator has emphasized, Congress has been derelict in retaining unto itself its responsibilities, it has allowed Presidents, notably, from the time of Franklin D. Roosevelt, to take more and more power unto their own hands—power which, once acquired, the executive branch is most reluctant to relinquish.

I commend the distinguished Senator on the resolution he has submitted, and I commend other Senators, such as the distinguished Senator from Missouri (Mr. EAGLETON), the distinguished Senator from New York (Mr. JAVITS), and the distinguished Senator from Mississippi (Mr. STENNIS), their actions indicate that at long last the Senate, at least—and hopefully the House of Representatives will follow—is facing up to its responsibilities and is trying to bring back some of the powers which it voluntarily or involuntarily relinquished.

There is no need for distrust between the administration—any administration—and Congress. But, unfortunately, in recent years, a type of adversary proceeding has sprung up by which, if an initiative is offered in this body, it tends automatically to meet with a rejection at the other end of Pennsylvania Avenue, even though the intent is to be cooperative, even though the idea is to work in tandem, and even though the objective is the national good and not political gain.

So I commend the distinguished Senator from Texas, an old friend of many years, for delivering in the Senate today a speech of such substance, such meaning, and such sound historical value. I approve every word he has said, and I am delighted that he chose this time to deliver this speech.

Mr. BENTSEN. I thank the distinguished majority leader for his comments. He is a man for whom I have the greatest respect and admiration.

Mr. EAGLETON. Mr. President, will the Senator yield?

Mr. BENTSEN. I yield.

Mr. EAGLETON. Mr. President, I, too, wish to echo the eloquent sentiments expressed by the majority leader in complimenting the Senator from Texas on his excellent presentation. As has been pointed, I, too, am deeply interested in this problem of "war powers." Along with the Senator from New York (Mr. JAVITS) and the Senator from Mississippi (Mr. STENNIS), all of us—and now the Senator from Texas—have introduced legislation dealing with this immensely vital subject of how, when, why, and where we go to war.

If I could, I would like to ask several general questions of the Senator from Texas: Would he agree with me that a sound, solid, adequate war powers resolution is the first step in reestablishing a partnership, a balance, and a participation in the decisionmaking process of how we go to war? And would the Senator agree that a second step—and I have not in my own mind even tried to define the parameters of that step—would encompass a method to insure a better flow of information to Congress?

The ACTING PRESIDENT pro tempore. At this time, under the previous order——

Mr. BYRD of West Virginia. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. BYRD of West Virginia. I thank the Chair. I ask unanimous consent that the Senator may be able to speak until his full 15 minutes have been consumed.

The ACTING PRESIDENT pro tempore. What about the time allotted on the Stevenson amendment?

Mr. BYRD of West Virginia. I ask unanimous consent that the time allotted on the Stevenson amendment remain at 30 minutes and that the vote occur at the conclusion thereof.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. EAGLETON. Does the Senator agree that a better flow of information from the executive branch to the legislative branch is necessary in order that Congress may intelligently participate in the decision to go to war and to insure that the decision is not be made in an informational vacuum? Does the Senator agree that Congress must decide the question of whether or not to go to war on an intelligent, knowing basis—cognizant of the risks involved and having the information necessary to make an intelligent decision?

Mr. BENTSEN. I would certainly agree with the distinguished Senator from Missouri on both points, particularly the second point. Our judgments are only going to be as good as the information on which they are based. Too often, the information we have received has been filtered information and directed information to carry out the policy commitments of the executive branch, without a full understanding of both sides of the background information we are provided.

I would also thank the distinguished Senator from Missouri and the distinguished acting minority leader, Mr. GRIFFIN, for their offer of extending time. The Senator from Missouri has long been concerned with this issue, and has a bill on it before the Senate. He has contributed much to the discussion and the understanding of the issue.

Mr. EAGLETON. I want to compliment the distinguished Senator from Texas once again on his excellent presentation.

Mr. BYRD of West Virginia. Mr. President, I join my colleague from Missouri in complimenting the very distinguished Senator from Texas on his provocative, eloquent, thoughtful, cogent, persuasive, and forceful speech.

As one who has served in Congress for a period of 19 years, I have witnessed our country as it gradually slipped into the quicksands of the Vietnam war. I believe that the Senator from Texas, with great vision, is providing leadership in the effort to find that very fine line, that very delicate balance that one can see only, as it were, through a glass darkly with respect to the presidential war powers as against the war powers of Congress.

I trust that this legislation will be the point of departure, whereby Congress will find again that very delicate balance which was intended by those illustrious forebears of ours who met in Philadelphia in September 1787, and promulgated that great document, the Constitution of the United States.

In so doing, I trust that we can, somehow, avoid future Vietnams. I again commend the Senator.

If the Senator is accepting cosponsors, I should like to be a cosponsor.

Mr. BENTSEN. I should be delighted to have the Senator as a cosponsor and, Mr. President, ask unanimous consent that the distinguished Senator from West Virginia (Mr. BYRD) be added as a cosponsor of the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I appreciate very much the assistance and the kind remarks of the distinguished acting majority leader.

EMERGENCY LOAN GUARANTEE ACT

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the Chair lays before the Senate the pending business, S. 2308, with the pending amendment No. 317 of the Senator from Illinois (Mr. STEVENSON), which the clerk will report.

The second assistant legislative clerk read the bill as follows:

S. 2308, to authorize emergency loan guarantees to major business enterprises.

The Senate resumed the consideration of the bill.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time consumed by the call of the quorum be charged to neither side.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

Mr. PROXMIRE. Mr. President, did the Senator ask that the time be charged to both sides?

Mr. BYRD of West Virginia. Mr. President, I object. I have to object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Who yields time? Debate is limited to 30 minutes on this amendment, with the time to be divided between the Senator from Illinois (Mr. STEVENSON) and the Senator from Alabama (Mr. SPARKMAN) or his designee, the Senator from Texas (Mr. TOWER).

Mr. TOWER. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that the time consumed be charged equally to both sides.

Mr. President, I withdraw my request.

The ACTING PRESIDENT pro tempore. The request is withdrawn.

Who yields time?

Mr. STEVENSON. Mr. President, I yield myself such time as I may require.

Mr. President, it was about 1 year ago that the Defense Production Act was amended by the Senate by a vote of 75 to 0. That amendment gives the Congress the right to approve of V-loan guarantees, where the financing of projects relates to the national defense security.

S. 2308 likewise gives Congress the right to disapprove guarantees of loans for commercial projects. The Congress has twice now, in the Defense Production Act and in the legislation pending in the Senate today, reserved to itself the right to pass on guarantees by the Federal Government of loans for both defense and commercial projects.

This legislation carries forward that right of Congress for all loans guaranteed by the Federal Government, except for loans guaranteed before October 1.

What that means is that Congress would reserve its right to disapprove loans on commercial projects and defense projects for loans of all kinds except for one, except for the loan of $250 million to one big corporation, the Lockheed Aircraft Corp.

If Lockheed were coming to the Government under the Defense Production Act now for financing of a vital defense project, it would be subject to the right of Congress to disapprove. If any other corporation were seeking a Federal guarantee of its financing for a commercial project, it would be subject to the right of Congress to disapprove.

The effect of S. 2308 in its present form is not only to favor one large corporation, but its effect is also to deprive Congress of a chance to work its will on two separate and important issues.

First is the generic issue, raising questions about the propriety of intervention by the Government in our free enterprise system, to bail out corporations simply because they are big.

The second issue is the Lockheed guarantee, the merits of Lockheed's request for this guarantee of the loan. Some Members of the Senate support the generic approach but not the loan for Lockheed. Some Members of the Senate support the loan for Lockheed but not the generic approach.

If this legislation remains in its present form, neither will have a chance to vote on either of those issues.

My amendment would simply eliminate favoritism and would give Congress a chance to vote on each issue.

It would treat Lockheed like the others, subject to disapproval by either House of Congress within 20 session days of its receipt of a loan guarantee proposal. If neither House acted within that short period of time, then the guarantee would go through. It would, in effect, be approved.

With the recess intervening, I recognize that Congress would have until late September to disapprove.

It is argued that Lockheed needs the money now and cannot wait. But Lockheed's own cash flow figures indicate that by the expiration of that period for congressional disapproval Lockheed's needs will be only $25 million.

Mr. President, Lockheed can acquire $25 million on a short-term basis without this guarantee. This corporation has over $200 million in unpledged machinery and equipment. It has over $5 million in unmortgaged land.

Mr. President, Lockheed could borrow $25 million for a couple of months, securing lenders against any risk whatsoever, borrowing this money from banks. If this financing is as important to the public interest as claimed, it could borrow this money from the Federal Reserve Board, which has authority under the present law to make short-term credit available to such corporations.

There must be some other reason for the urgency. And about the only reason I can deduce is the interest of the British Government. The British Government for some reason wants the $250 million by August 8 and wants it guaranteed by the United States. It also wants assurances from the United States that the loan will be sufficient to enable Lockheed to sell 220 Tri-Stars, receiving assurance also that the $250 million will be enough.

Mr. President, much as I sympathize with the British and respect their business acumen, there is simply no justification for subordinating in any respect our obligations to the people of the United States because of a British deadline.

If this project is as important as has been claimed, a few weeks more or less will not make any more difference to the British than to anyone else.

This provision eliminates the favoritism for one giant corporation. It also gives Congress a chance to review the deal between the banks, Lockheed, and the Board.

Under the pending legislation, Congress would give the Board carte blanche to approve whatever deal is made between the banks and Lockheed.

It also gives Congress a chance, to review the shaky assumptions that $250 million is enough; that Lockheed will not be coming back for more; and that the sum is sufficient to assure the sale of 220 planes.

The whole thing is murky and suspicious enough without requiring that all corporations who seek guarantees under the Defense Production Act and who seek guarantees for commercial production under the act are subject to approval except for one—except for one giant corporation named Lockheed.

Mr. WEICKER. Would the Senator from Illinois yield?

Mr. STEVENSON. I gladly yield 2 minutes to the Senator from Connecticut.

Mr. WEICKER. I thank the Senator from Illinois. I know that we will have additional debate in the hours ahead, but I wish to commend the Senator from Illinois on his amendment and get down to the very simple fact as to what it attempts to accomplish.

Let us be candid about it. Not everything is black and white, and the proponents of this bill are not the bad guys and the Senator from Illinois and the Senator from Wisconsin and I the good guys. I think the proponents of this bill know they have got a weak bill; there is no question about it. They are doing the best they can with a weak bill. It is a difficult situation that confronts this Nation and the Lockheed Corp., and they are attempting to correct that situation by means of this bill. I do not think any of them have their real heart in it. They did not do this under the general economic conditions of the time. They did it for Lockheed, and I think they understand that.

What the Senator from Illinois is attempting to do with his amendment is to give some measure of credibility—some measure of credibility—to the actions of this body. In effect, recognizing that the entire matter of Lockheed is a special exception, the Senator from Illinois says in his amendment that, nevertheless, this legislation which we are going to pass will have no exceptions. The congressional review procedures will apply to Lockheed.

We have a difficult issue; we really do. It is not a question of partisan politics as to one party accusing the other of a credibility gap, or accusing the administration of a credibility gap.

There is a credibility gap—make no mistake about it—as between the American people and all politicians—and that gap is only increased when we go ahead under the guise of generic legislation and write a special-interest bill.

So what the Senator from Illinois has attempted to do here is have the rules apply to one and all by eliminating the exception. If, in fact, the proponents of the bill wish to be honest about what is going on here, let them eliminate the date, and let them substitute the words that "the provisions herein contained shall not apply to Lockheed"—"the provisions herein contained shall not apply to Lockheed"; or, "notwithstanding the above, the provisions shall not apply to Lockheed." We can use any language we wish. The Senator from Illinois has done it in a simple way. He has eliminated the date so that the provisions shall apply to anyone. So, in essense, with reference to the proponents of the bill, I am not going to put their backs to the wall on this, but let us take what is a bad bill and at least make it credible, at least deal honestly in the facts with the American people.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, I believe we have 15 minutes; is that correct?

The PRESIDING OFFICER. The Senator has 4 remaining minutes. The Senator from Illinois has 3 minutes.

Mr. SPARKMAN. Mr. President, let me say this in the beginning. I appreciate the efforts of the Senator from Connecticut to delve into our inner thoughts, minds, and consciences regarding this legislation. He says we are not sincere with generic legislation.

I refer him to the fact that back in the beginning of this year I introduced a bill very much along the lines of this bill before I ever heard of any Lockheed difficulty. Furthermore, Dr. Arthur F. Burns, Chairman of the Federal Reserve Board, requested a generic bill, and that bill was before us. We were studying generic bills all the way through, as well as the individual Lockheed situation.

Let me say that, of course, the Senator from Connecticut does not have to write the language for us. Certainly we recognize the fact that the October 31 deadline was for one purpose, and one purpose only. That was to make it possible for Lockheed to be eligible for a guarantee under this legislation. Otherwise there would not have been time within the requirement that we wrote in at the insistence of some of these people who are urging this change. What we must keep in mind is that the Lockheed Corp. is faced with a deadline as a matter of fact, we may say about three deadlines. Certainly the British situation with reference to Rolls-Royce is involved, as well as other situations, because Lockheed has already made a contract to buy the Rolls-Royce engines and the frames have been developed to fit that engine. The head of General Electric—the company that is sometimes referred to as being an American competitor—testified before our committee that his engines could not fit into the L–1011 frame, that it was too late to use them.

Mr. President, I want to say this regarding the distinguished Senator from Illinois. He is one of the most diligent and effective members of our committee. I appreciate all of his efforts. By the way, this legislation contains amendments that he offered in committee. I am sorry to see him offer this amendment, although he has said that his purpose in offering it is to do the thing we all acknowledge will be done by it, and that is to take Lockheed out of consideration.

I believe the Senator from Illinois knows, as does anyone on the committee, and as does anyone in this body, that if the Lockheed Aircraft Corp. is to be assisted under the generic bill time is of the essence.

The Senator argues that according to his information Lockheed needs a cash flow of $25 million over the next several weeks and that the corporation could obtain these funds from the banks which are already creditors of the corporation or from the Federal Reserve. I know the Senator from Illinois has attended the hearings and has heard representatives of the 24-bank consortium composed of creditors of the Lockheed Corp. state very emphatically on more than one occasion that the banks would simply not advance additional funds to the corporation without a guarantee.

I think the Senator from Illinois also knows that the Federal Reserve would be under very serious criticism if it should advance funds to this corporation now, knowing that it is threatened with bankruptcy if a guarantee for that corporation is turned down by Congress.

As I said, the Senator from Illinois attended the hearings, and I am sure he knows as well as anyone else on the committee that one of the main factors involved in the situation is whether the airlines that are involved—and particularly TWA—will advance additional funds on the basis of their existing orders for the L–1011 airbus. If the airlines do not advance these funds the program is over. The airlines will not advance these funds unless they are assured of a Government guaranteed loan for the corporation to enable it to proceed with adequate cash flow.

Mr. President, to accept the amendment of the Senator from Illinois is tantamount to pushing Lockheed into bankruptcy.

Mr. President, a vote in favor of the amendment would be to preclude Lockheed from assistance under the generic bill, and if such a vote should prevail, then I would seriously question whether S. 2308 is, in fact, a generic bill simply because it would eliminate a major business enterprise from using the assistance provided by the bill.

Mr. President, there are deadlines to be met and we are trying to meet those deadlines.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield for a question.

Mr. TOWER. Speaking about deadlines, it seems that the competitors to the Tristar, McDonnell Douglas and General Electric, have set a deadline themselves, in effect, because they have said, "If you do not place your orders with us before August 15 the price goes up."

Mr. SPARKMAN. The Senator is correct. Of course, in order to carry forward Lockheed has to get going in this program and be able to keep going and they must have the cash flow.

In the course of all this debate about Lockheed's ability to make it with a $250 million guarantee loan as I recall the Lockheed statement we were told, in effect, that Lockheed was able to build and sell the 103 aircraft for which they already have firm orders, the company will be able to pay off the $250 million guaranteed loan. So there is little or no chance of the Government losing the $250 million.

Mr. President, I hope in voting on this amendment we all remember the great problems of unemployment that will be occurring all across the country, in practically every State of the Union, if we deny Lockheed the use of the program proposed by this generic bill, S. 2308. It seems to me that is one of the most serious of the matters involved here.

I wish I had a real projection of what this means in the various States of the Union by the way of unemployment that would come about because of the failure of the Lockheed Corp. The failure of the company would drive into bankruptcy and ruin a great many, if not all, the 3,500 or so subcontractors and suppliers that are operating all across the country. I might add that most of these are small businesses. Testimony before our committee left no doubt but that it would constitute a great wave of bankruptcies, closings, failures—companies going out of business—and it would reach into probably every State of the Union.

Mr. President, how much time do we have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Alabama has 4 minutes remaining and the Senator from Illinois has 3 minutes remaining.

Mr. SPARKMAN. Mr. President, I yield such time as he may need to the Senator from Texas.

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, the clear implication has been made by those who oppose this measure that we are bailing out some corporate fat cats, that Lockheed is some great, impersonal monster, when, in fact, what we are talking about is people and the jobs of people.

The chances are that the people in the upper echelons of Lockheed management that might be thrown out of jobs because of a Lockheed bankruptcy could survive it. They have probably accumulated enough of the world's goods that they probably would not have to seek employment again. But what about the 30,000 workers, the people who earn their daily bread by the sweat of their brows, by the work of their hands. These are the people we are talking about.

I reject the suggestion of the Senator from Connecticut that we are insincere. As a matter of fact, I think our side can be said to have considerable compassion because we know what the job market is for aerospace workers these days and we know that the prospects for reemployment of these 30,000 people in the aerospace industry are pretty glum, indeed. So let it be understood that the decision we make here this morning affects not just big business, it affects small business, it affects people. Think of the third and fourth tier subcontractors whose businesses will be wiped out—that is, small businesses—if we fail to defeat the amendment by the Senator from Illinois and if we fail to move to favorable action on this legislation.

It is far-reaching legislation, but it is worthwhile. I can see that it is necessary, for many reasons, that we prevent Lockheed from going into bankruptcy. Already over the world there is some question as to whether or not the United States of America is indeed the free world's first line of defense. Can you think of what effect it can have on the credibility of the American deterrent if we force our largest defense contractor into bankruptcy

Already there is a crisis of confidence in the military and industrial capacity of the United States on the part of other people in this world. We should not shake that confidence further, and we must this morning reject the Stevenson amendment that would result in the demise of the largest defense contractor in the United States.

Mr. STEVENSON. Mr. President, I would first say to the Senator from Texas and the Senator from Alabama that there is no question of sincerity before the Senate today. No such question has been raised by any member of this body. I would add to that that my deep respect and affection for the Senator from Alabama go back a long, long way—back to 1952, to be precise. I am very grateful to him for his remarks and count it a privilege to serve on the committee of which he is chairman. I regret that I have such a sharp disagreement with him on this issue.

The fact of the matter is we do not have now a generic bill before us. We do not have a Lockheed bill before us. We have a hybrid bill. The amendment which I am offering today eliminates favoritism in this bill for one giant corporation. All corporations under this bill and under the Defense Production Act seeking Federal guaranteed loans are required to submit to congressional approval except for Lockheed. This amendment would make this bill a truly generic bill.

Mr. PROXMIRE. Mr. President, the argument on behalf of the Stevenson amendment is quite simple—either we have a generic bill or we do not. If we have a generic bill designed to treat all companies alike, we should not include in it a special provision designed only for one company, the Lockheed Aircraft Corp. On the other hand, if the problems of Lockheed are so urgent that special exemptions have to be written into the law for their specific benefit, then let us stop pretending we are dealing with a general bill. Let the sponsors of the generic bill end their little farce and move to substitute the original administration bill which dealt only with Lockheed.

Make no mistake about it, Mr. President, a special exemption was written into the generic bill solely for Lockheed. The legislation now provides that loan guarantees approved after October 1, 1971, would be subject to a congressional veto but loan guarantees approved prior to October 1 would be able to avoid the congressional veto procedure. If the legislation passes, Lockheed is expected to qualify prior to October 1 if the Board approves their application for a loan guarantee. Thus the bill sets up one standard for Lockheed and a more rigorous standard for companies who may qualify after October 1, 1971.

The Senator from Georgia (Mr. GAMBRELL) made it abundantly clear that the October 1 date was intended to confer a special benefit upon the Lockheed Aircraft Corporation. If any one doubts this, let him look on page 27178 of the CONGRESSIONAL RECORD for July 26. The Senator from Connecticut (Mr. WEICKER) asked:

> Is it not true that the October 1, 1971 date was put in there for Lockheed?

The Senator from Georgia replied:

> Yes, there is no doubt about that.

Thus the record is clear that we have a special exemption that is intended to apply to only one company in a bill which supposedly treats all companies alike.

The Stevenson amendment would simply treat all companies alike. All companies who qualified for loan guarantees would be subject to the congressional veto procedure. There would be no special exemption for Lockheed or for any other company.

In that connection, Mr. President, I might point out that the Senator from Texas admitted that other companies in addition to Lockheed could be given a loan guarantee prior to October 1. On page 27179 of the CONGRESSIONAL RECORD for July 26, the Senator from Texas said that—

> Any company that came in before October 1, not just Lockheed—if there be others, and I do not know of any others—but should there be any, any company would qualify that came in before October 1 for the immunity for the Congressional approval.

Mr. President, this is a gaping loophole in the bill and is another reason for voting for the Stevenson amendment. The Board could parcel out the entire $2 billion in guarantee authority before October 1 without any congressional review whatsoever. While this is perhaps unlikely, the delegation of such sweeping authority is totally unnecessary; moreover, it sets an undesirable precedent. We should not be giving away our powers carte blanche at a time when we are trying to reassert our constitutional prerogatives.

Mr. President, in attempting to justify the Lockheed exemption, it has been argued that Lockheed has already been through a long congressional hearing and that there is no need to subject it to another congressional review. In response to this argument, may I first point out that there is nothing in the congressional veto procedure which requires another hearing or review. Congress is merely given an opportunity to exercise its right to veto the proposed guarantee within 20 days. If Congress is truly satisfied with the merits of the Lockheed case it can simply take no action and the guarantee will become automatically effective.

Second, Congress has not yet received the information on the Lockheed case which it would receive if the Stevenson amendment were approved. Section 12 (a)(1) of the legislation requires the Board to transmit to the Congress "a notification of its intention to make such guarantee together with a detailed justification therefor."

We have not received a detailed justification of the Lockheed loan guarantee from the three-man emergency guarantee board. Indeed, one member of the board, chairman Arthur Burns of the Federal Reserve, specifically told the committee he had not yet formed an opinion on the Lockheed case and he could not say whether a Lockheed failure to obtain a guarantee would adversely and seriously affect the economy of or employment in the Nation or any region thereof. Moreover, the committee never even heard from the second member of the board, the President of the San Francisco Reserve Bank.

We have received some views from the third member of the Board, the Secretary of the Treasury. However, he is only one-third of the Board. It is entirely possible the Chairman of the Federal Reserve Board and the President of the Federal Reserve Bank in San Francisco would have a different perspective on the matter. In any event, we have not heard from them and they constitute a majority. Why should they not be required to provide Congress with a detailed justification of the Lockheed loan guarantee just as they would for any other company qualifying after October 1?

In my opinion, Mr. President, the double review argument as a reason for opposing the Stevenson amendment has no merit. Lockheed should be treated the same as any other company and should not be given special favors.

Another argument against the Stevenson amendment is that Lockheed needs the loan guarantee by August 6 and cannot afford to wait until mid-September because it will be out of cash by then. This argument is absolutely false. It does not square with the cash flow projections which the company provided the Committee. For example, the company is projecting additional bank borrowing of only $25 million during August and September not the full $250 million. They obviously do not need the full $250 million at once. Moreover, the company is also projecting a cash balance of $51 million by the end of September. Thus even if the company borrowed no additional funds from the bank it would still have a cash balance of $26 million by the end of September.

Thus the company will have enough cash on hand to see it through the end of September and into October without any more borrowing according to its own projections. The argument that it will run out of cash if we do not act by the August 6 recess simply is not true.

Finally, Mr. President, it is argued that a delay might cause the British Government or the airlines to pull out of the deal if they had to wait another month or so for the guarantee to be approved. Mr. President, no one knows with certainty what the British Government or the airlines will do. But if Lockheed is so shaky that the airlines or the British Government cannot wait an additional month, then we should not be guaranteeing the loan in the first place. Once we permit large corporations or foreign governments to determine our schedule for us, we have lost much of our power and prestige.

In summary, Mr. President, the Stevenson amendment will restore equity to the generic bill. The arguments against it simply are not convincing enough.

Mr. PERCY. I intend to vote against the pending amendment, No. 317. I have two reasons for doing so. First, the amendment would have the effect of subordinating the question of a Lockheed loan guarantee to the generic loan guarantee bill. Thus the question of a loan guarantee for Lockheed would be delayed until the fall. I think that the issue has been very thoroughly discussed both in committee and on the floor. I believe that we are in a position to vote on the merits of this question, and I do not believe we should encourage further delay in making this decision. This would be the effect of the pending amendment. However, I want to establish that my vote against the pending amendment does not indicate that I will vote for the bill as it now stands.

The second reason for voting against the pending amendment and focusing the debate on the generic loan guarantee bill is that I have serious doubts about the bill as generic legislation. I am extremely reluctant to embrace the concept that the Federal Government should guarantee loans to large companies that are bankrupt or nearly so. Such a step would have very serious implications indeed for our free enterprise system. Another reason for my concern about the generic bill is the manner in which the bill is drafted. It is well known that the initial Lockheed bill was repackaged and submitted to the Senate as a "generic" bill to make it more attractive. Nonetheless, its provisions are drafted with the specific Lockheed case in mind. Thus as generic legislation it does not seem well prepared. Another factor is that the committee did not concern itself during hearings with the generic bill, but with the initial bill prepared for Lockheed. Thus, while I feel that the Lockheed loan has received adequate study and debate, I am concerned that the bill has not received adequate study and refinement in the Banking Committee.

Mr. MUSKIE. Mr. President, the amendment offered by the distinguished Senator from Illinois (Mr. STEVENSON) highlights the dilemma that confronts many of the Members of the Senate. We are concerned at the prospects of unemployment and economic dislocation that collapse of the Lockheed Corp. could cause. At the same time, we are not convinced that there are adequate safeguards to protect the public interest, and we are not satisfied that the broader program which has been shaped up around the Lockheed problem is the appropriate response to that problem.

The Stevenson amendment calls attention to the fact that the administration is asking for a double standard in providing relief under the legislation. Corporations seeking aid after October 1, 1971, would be faced with congressional review of the detailed arrangements for the Federal guarantees. Lockheed would not be subjected to such a review. But the administration claims that a long delay in making the $250 million guarantee available would make the assistance moot. I have no way to judge that this would be the inevitable result of a delay, but we must give weight to the argument if we are not going to be cavalier about the jobs of the Lockheed workers.

I doubt the utility of stringing out the question of Lockheed's status through a second congressional review. Now is the time for us to examine the Lockheed case, and now is the time for us to determine the conditions that should be imposed on any Federal action to prevent Lockheed's collapse.

Unfortunately, from my point of view, the Stevenson amendment would string out the Lockheed question without any clearer guidelines to protect the public interest under Federal guarantees. And I cannot imagine that the pressures for the Lockheed guarantee would be any smaller after the administration had arranged the loan and Federal participation subject to congressional review. In other words, the Stevenson amendment would prolong the agony without resolving the most troublesome questions of the Lockheed case. If, on the other hand, the Stevenson amendment kills the Lockheed project—as its opponents say it will—the Congress would be in the awkward position of having killed the cause of the legislation while making it possible for other corporations to enjoy the fruits of the administration's concerns.

For these reasons, I must reluctantly cast my vote against the Stevenson amendment. I shall also cast my vote against the cloture motion today.

The PRESIDING OFFICER (Mr. TALMADGE). All time on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from Illinois (Mr. STEVENSON). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. McGEE (when his name was called). Mr. President, on this vote I have a pair with the junior Senator from Minnesota (Mr. HUMPHREY). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Rhode Island (Mr. PASTORE) were necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Iowa (Mr. MILLER) is detained on official business, and if present and voting, would vote "nay."

The result was announced—yeas 35, nays 60, as follows:

[No. 169 Leg.]

YEAS—35

Aiken
Anderson
Bayh
Brooke
Burdick
Byrd, Va.
Chiles
Church
Eagleton
Ervin
Fulbright
Harris
Hart
Hartke
Hatfield
Jackson
Javits
Jordan, N.C.
Kennedy
Mansfield
McGovern
Metcalf
Mondale
Montoya
Pell
Proxmire
Ribicoff
Saxbe
Schweiker
Spong
Stevens
Stevenson
Symington
Taft
Weicker

NAYS—60

Allen
Allott
Baker
Beall
Bellmon
Bennett
Bentsen
Bible
Boggs
Brock
Buckley
Byrd, W. Va.
Cannon
Case
Cook
Cooper
Cotton
Cranston
Curtis
Dole
Dominick
Eastland
Ellender
Fannin
Fong
Gambrell
Goldwater
Gravel
Griffin
Gurney
Hansen
Hollings
Hruska
Hughes
Inouye
Jordan, Idaho
Long
Magnuson
Mathias
McClellan
McIntyre
Moss
Muskie
Nelson
Packwood
Pearson
Percy
Prouty
Randolph
Roth
Scott
Smith
Sparkman
Stennis
Talmadge
Thurmond
Tower
Tunney
Williams
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

McGee, for.

NOT VOTING—4

Humphrey
Miller
Mundt
Pastore

So Mr. STEVENSON's amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had concurred in the amendment of the Senate numbered 1 to the bill (H.R. 9388) entitled "An act to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the

Atomic Energy Act of 1954, as amended, and for other purposes."

The message also announced that the House had concurred in the amendment of the Senate numbered 2 to the aforesaid bill, with an amendment in the nature of a substitute in which the concurrence of the Senate is requested.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 9020) entitled "An act to amend the Egg Products Inspection Act to provide that certain plants which process egg products shall be exempt from such act for a certain period of time."

The message also announced that the House had passed a bill (H.R. 10061) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. 10061) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

AMENDMENT NO. 334

The PRESIDING OFFICER (Mr. BENTSEN). Under the previous order, the Chair lays before the Senate the amendment of the Senator from Indiana, which will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 1, line 9, insert the following: after the word "Chairman," insert "the Secretary of Health, Education, and Welfare,".

On page 2, line 8, delete the word "two" and insert in lieu thereof the word "three".

On page 2, line 19, after the word "loans", insert "to business and public or private nonprofit higher educational or health care enterprises".

On page 3, line 1, after the word "economy", insert "or health or welfare".

On page 3, line 6, after the word "pledged," insert "and the likelihood of Federal, State, or other public or private assistance within the loan guarantee period,".

On page 4, line 8, after the words "common stock" insert ", if any".

On page 8, line 8, after the period insert "No more than 50 per centum of all outstanding loans guaranteed by the Board shall be loans to business enterprises."

Amend the title so as to read: "A bill to authorize emergency loan guarantees to major business and public or private nonprofit educational or health care enterprises."

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, I have sent the following telegram to President Richard M. Nixon——

Mr. BYRD of West Virginia. Mr. President, the Pastore germaneness rule is operating.

The PRESIDING OFFICER. Does the Senator make a point that the statement is not germane?

Mr. BYRD of West Virginia. I ask the distinguished Senator whether the statement is germane.

Mr. CURTIS. The statement is not germane.

Mr. BYRD of West Virginia. I thank the Senator.

Mr. President, I ask for the regular order.

The PRESIDING OFFICER. Regular order is called for. The Senator from Indiana is recognized.

Mr. STEVENS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. BAYH. I yield.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. What is the time circumstance on this amendment, and when is the next scheduled vote?

The PRESIDING OFFICER. There is no time limit on this amendment. The vote on cloture will come after a quorum is established at 12 o'clock noon.

Mr. STEVENS. I thank the Chair.

Mr. BAYH. Mr. President, I feel that it would be inappropriate, inasmuch as we are limited to a time certain between now and the cloture vote, to spend a great deal of time discussing my amendment. Inasmuch as it has been brought up and has been made the pending business, I should like Senators to know what it is about. I understand that immediately following the cloture vote, we will proceed to the sugar bill and that immediately following that, the Bayh amendment, which is now the pending business, will again be before the Senate. I do not see any reason for prolonged debate, and at that time I would be glad to discuss with Senators present a reasonable time limitation so that we can vote on the amendment.

The amendment now before the Senate, which I presented to the Committee on Banking, Housing, and Urban Development, was considered in the committee. In essence, this amendment would bring into sharp focus the entire question of priorities. We have had a great deal of discussion in this country about the need to reorient our priorities and how we expend the resources of the American system. If we are going to establish a $2 billion loan guarantee fund for corporate interests that are in trouble, if we are going to insure loans to protect jobs and keep corporations functioning to employ people, it is my opinion that at least 50 percent of these loans should go to a wide number of educational and health institutions that are in dire straits.

I will go into some detail when the amendment is before us, after the vote on cloture.

The PRESIDING OFFICER (Mr. BENTSEN). The hour of 11 a.m. having arrived, and pursuant to the previous order, the time between now and 12 o'clock noon will be equally divided and controlled by the Senator from Texas (Mr. TOWER) and the Senator from Wisconsin (Mr. PROXMIRE).

Who yields time?

Mr. TOWER. I yield 3 minutes to the Senator from Georgia (Mr. GAMBRELL).

The PRESIDING OFFICER. The Senator from Georgia is recognized for 5 minutes.

Mr. GAMBRELL. Mr. President, under the automatic operation of rule XXII providing for the termination of debate, a motion for cloture having been filed in regular order, the time has now arrived under the rule for a period of 1 hour of controlled debate, after which there will be an automatic quorum call, a live quorum, and following that a vote on the cloture motion, the question there being, shall debate continue on the pending bill, the so-called Emergency Loan Guarantee Act, or shall debate be brought to a close following 100 hours of debate, 1 hour being allocated to each Senator.

Mr. President, I think there are two considerations that give rise to a vote in favor of this motion to terminate debate, one being that there has been adequate debate and consideration given to this proposal. The legislation has been before this Congress for 2 months. For at least 6 months, to my knowledge, Congress and the Nation have known of the economic disaster which is about to befall us in the event of the financial collapse of Lockheed Aircraft Corp.

The bill itself is described as an emergency measure. If, after all of this allowance for debate and discussion of the principle of the bill, and the urgencies of the situation, Congress cannot act after that period of time, we might as well adopt a rule that Congress cannot adopt any emergency legislation.

If we are about to have an emergency, or if we are having an emergency, if the economy of the country is about to suffer a serious blow, if Pearl Harbor is about to be attacked, or whatever the emergency may be, we have sent out notice that we are not able to deal with emergencies.

The PRESIDING OFFICER (Mr. BENTSEN). The time of the Senator from Georgia has expired.

Mr. TOWER. Mr. President, I yield such additional time as the Senator from Georgia may require.

The PRESIDING OFFICER. The Senator from Georgia may proceed.

Mr. GAMBRELL. The other consideration that suggests a vote in favor of this motion is directed specifically at the Lockheed Corp. itself. It has been charged on the Senate floor that this is a special bill for Lockheed. In a sense, this is so. The Lockheed situation has brought to the attention of the country, the Senate and the House of Representatives, the necessity for just such legislation as this.

It is suggested to the Banking, Housing and Urban Affairs Committee that we need to have on our books as a generic proposition some sort of credit assistance for major business enterprises so that their collapse will not destroy a lot of smaller businesses and that a lot of individual jobs will not be wiped out. What a paradox it would be if Congress enacted such generic legislation and the example which brought the problem before the people and before Congress were permitted to go down the drain.

The PRESIDING OFFICER (Mr. BENTSEN). The time of the Senator from Georgia has expired.

Mr. TOWER. Mr. President, I yield 1 additional minute to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 1 additional minute.

Mr. GAMBRELL. I will take another moment, Mr. President.

It seems to me that it would be one of the most paradoxical situations in the history of this country if that were permitted to develop. All they have in the record indicates that if this legislation is not adopted prior to the August recess, if those concerned with the Lockheed problem are forced into waiting until September or October to find out whether this country will "belly up" to its responsibilities to protect the economy, Lockheed will be precipitated into bankruptcy, and a lot of individual pieces will fall out of the puzzle, never to be retrieved. Therefore, we suggest to our colleagues that this debate be brought to a conclusion.

The legislation itself is experimental, in the sense that it is something that has not been tried before. The committee put a 2-year limit on the authorization to enter into loan guarantees of this type, recognizing that it might appear to be desirable to let the authority expire or a new form of legislation to be adopted.

What we suggest to you at this time, Mr. President, and to our colleagues, is that if we are to initiate this experiment, if we are to try out the solution of some of our economic problems by this method, we need to get on with it. The time that we have devoted to it is sufficient—more than sufficient to determine whether there is a need for such legislation.

So I suggest to our colleagues and to the Congress as a whole that we dispose of this issue this week and get it behind us and let us get on to more urgent concerns.

The suggestion has been made that there is no concern for small business. I would say that most if not all the members of the committee would like very much to have devoted this week, the previous week, and the week before that to the legislation we have been concerned with, which would afford similar assistance for smaller businesses but where we have been over here wrestling with this problem fighting against an obvious effort to destroy Lockheed—and that is all the opposition to this is—"let us shoot down a big, fat turkey." There is a lot going down the drain when one shoots a turkey like that because in fact, most of the turkey is composed of many small businesses and employees who, in good faith, attach their future to the future of Lockheed. Now they are being told, "Well, face the discipline in the free enterprise market. Bite the bullet that you have taken up for yourself."

I suggest, Mr. President, that this country cannot afford this approach to such a serious problem.

I yield the floor.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Wisconsin may proceed.

Mr. PROXMIRE. Mr. President, it is most ironic that the backers of this legislation are so insistent upon invoking cloture when they themselves have used delaying tactics against the very amendment we just voted on, against the Stevenson amendment. The supporters of the Stevenson amendment were ready to vote on it last Monday. However, I understand that an objection was raised by those who now seeks to invoke cloture and prevent us from debating our amendments. The Senator from Illinois offered to enter into a 1 hour time limitation on his amendment on Tuesday last. However, the Senator from Texas objected. The Senator from Texas on Tuesday resorted to classic filibustering tactics.

He refused to agree to a time limitation. He asked for two lengthy quorum calls, a device which has not been used by those of us who want more discussion on the bill. Yet, we are accused of conducting a filibuster and are threatened with cloture.

Mr. President, I can well understand why opponents of the Stevenson amendment would not agree to a time limitation. As a matter of fact, they were absolutely right in not agreeing to it. And what happened a few minutes ago bears that out.

There was not enough understanding of the amendment and this discussion was needed.

Although I am disappointed that the Stevenson amendment did not pass, the fact that they were able to switch a substantial number of Senators to their viewpoint, shows what free and open debate can do.

The Senator from Georgia and the Senator from Texas were obviously worried that they did not have the votes to defeat the Stevenson amendment on Monday or Tuesday. What did they do? They did not agree to an immediate vote, the way they are asking us to do on all of our amendments. They delayed the vote until they had time to educate Senators to their position.

As I say, the Senator from Texas (Mr. TOWER) and the Senator from Georgia (Mr. GAMBRELL) were well within their rights in postponing a vote on the Stevenson amendment. I have no complaint. They won fair and square. They won by a big margin—60 to 35. They turned around the viewpoints of a number of Senators.

Mr. President, I cannot understand why the Senator from Texas and the Senator from Georgia now seek to deny the same rights to those of us who want additional time in which to educate Senators to support particular amendments or to reject the bill as a whole. It seems to me that the backers of this legislation are applying a double standard. They want to take all the time they feel they need to defeat amendments—amendments they are opposed to. But they want to deny the same right to those Senators who are opposed to the bill.

Mr. President, we are told that we must act by the August 6 deadline or that Lockheed will run out of cash and be forced into bankruptcy.

Mr. President, I do not think there is any basis for that argument. As I pointed out in my remarks on the Stevenson amendment. Lockheed's financial projections indicate that it can do without any additional borrowing through the end of September. They still have $26 million in their cash account. Thus there is nothing magic about the August 6 date. If we do not finish our debate by that date, we can continue our discussion when we come back in September.

The Senator from Illinois (Mr. STEVENSON) pointed out that the vote would come no later than September 28. Lockheed will still be around according to its own projections. It will have enough cash to last well into October.

Mr. President, we are also told that we need to act before the recess, because, if we do not, the tentative agreement with the Rolls-Royce Co. will expire on August 8 and may not be renewed.

They argue that with no engine for the L–1011, Lockheed would be forced into bankruptcy.

I had hoped that the committee would have called on a representative of the British Government to testify so that we could ask questions on that point. Nonetheless, the British Embassy did send a letter to the committee. That letter was dated June 23.

While that letter indicates that the existing contract between Rolls-Royce and Lockheed will expire on August 8, the British Government made no claims that the contract could not be renewed if Lockheed had not obtained a loan guarantee by that date.

Should the U.S. Senate limit debate and cut off an opportunity to explain our position simply because a foreign government has taken the position that this is what they want?

I think it is foolish at any rate to assume that the Rolls-Royce would cancel their contract with Lockheed if Congress has not enacted the emergency loan guarantee bill into law by that time. Just think, Rolls-Royce and the British Government have already invested well over $100 million in the program. Moreover, they have 30,000 jobs at stake, plus their reputation in the jet engine field.

If the British Government causes Rolls-Royce to cancel the Lockheed contract, the British Government loses $100 million. The British economy loses 30,000 jobs. The British industry loses its position in the jet engine field.

For the same reason, it is unlikely that the U.S. airlines which have ordered the L–1011, would cancel their orders if Congress does not act by a certain date.

The airlines have already deposited $250 million in the L–1011. They cannot afford to withdraw their orders and lose their deposits merely because they are unwilling to wait for Congress to come back in early September.

Mr. President, I hope that we can complete an orderly debate on S. 2308 by the start of the recess. However, if we must go beyond the recess, I do not see any national catastrophe which would warrant the use of cloture to cut off debate.

It was not the Senator from Wisconsin who expanded the original administration bill into a generic bill. The backers of the Lockheed bill made that decision since they chose to come in with a completely new bill which would obviously require, and should require, more debate and discussion than a simple Lockheed bill. They have no one to blame but themselves for having vastly complicated the debate.

We have before us an unprecedented and far-reaching measure, a measure which in the judgment of every independent witness who testified before the committee would, in the judgment of the economists and in the judgment of the outstanding experts on antitrust, do irreparable harm to our economy.

Whatever the merits of a Lockheed bill, the generic bill now pending before the Senate is strongly opposed, as we all know, by the Under Secretary of Defense, a man who knows more than most people exactly how the private enterprise system works.

I think anyone who can read between the lines knows how pressure is brought to bear on members of the administration.

The generic bill is opposed by the Department of Defense who admit there was a difference within the administration. If the administration itself is divided on the wisdom of the legislation, why are we trying to rush it through the Senate with such uncommon haste?

The bill is strongly opposed by the business community, other than those with a direct financial stake in keeping Lockheed alive.

Virtually the entire economic profession opposes the bill. All of the disinterested witnesses who testified were against the Lockheed bailout. Indeed, some of the strongest opposition testimony was directed to the generic bill—not to the Lockheed bill, but to the generic bill.

I would estimate that the vast majority of the American people are against legislation to bail out big corporations. And one of the criteria here is that obviously if they are going to meet the criteria, they have to be big, very big.

Mr. President, I would hope that the opponents of the legislation will be given a chance to convince the Senate that this legislation can do irreparable harm to the economy, that it can destroy an essential ingredient in the free enterprise system.

There is nothing magic about the August 6 recess. There is still plenty of time to act if we cannot finish our debate by then. If necessary, let Members of the Senate go back to their States during the recess and find out what the average person really thinks about this legislation.

We know of the tremendous pressures the Senate is under to move this bill along. We know, as I have said, that all the lobbying from labor and business and the banks is entirely on one side. There is no one representing this broad principle in which those of us who are opposing the bill so deeply believe.

We are not dealing with a matter of national security. That was laid to rest by the top security officials of our Government, the Secretary of Defense and the Deputy Secretary of Defense. Nor do we have a financial emergency on our hands. If Lockheed does go into bankruptcy no one has argued this would cause a panic, a liquidity crisis, or have a domino effect on American industry. That precise question was answered by the strongest proponents of the bill who appeared as witnesses, and who said they did not think Lockheed bankruptcy would cause any serious financial emergency of that kind.

There is no danger to the public health or welfare.

The only issue is one of time. Backers of the legislation hope to rush it through the Senate before the people are alerted to its dangers. That is the real reason why I believe cloture is being attempted.

The proponents of the legislation more and more are coming down to one issue. Over and over again they hammer away at it. That one issue is that jobs are at stake. This is a very appealing issue when reference is made to unemployment. No one wants to throw workers out of work, especially workers in the aerospace industry.

The evidence is very clear that the effect of passing this bill would be to aggravate unemployment in the aerospace industry. After all, there is a finite demand for the airbus. The L–1011, the Lockheed plane which would be subsidized by this legislation, has 40 percent foreign labor content in it. It would displace the DC–10, which has about 10 percent foreign labor content in it. It is perfectly obvious that a vote in favor of this bill, on the basis of the testimony by representatives of the CAB and the FAA before the Committee on Banking, Housing and Urban Affairs, that the lion's share of the L–1011 production, which would be lost if Lockheed went into bankruptcy, would go to the DC–10. Under these circumstances, to say jobs would be lost if we do not pass this bill overlooks the obvious consequence that more jobs will be lost if we do.

I hope those Senators who are uncertain about the merits of the Lockheed bill or the generic bill will vote against cloture in order to permit the thorough and searching examination of the legislation which is so badly needed.

Mr. President, I reserve the balance of my time, and I yield the floor.

Mr. GAMBRELL. Mr. President, will the Senator from Texas yield to me?

Mr. TOWER. Mr. President, I yield to the Senator from Georgia such time as he may desire.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. GAMBRELL. Mr. President, I would like to comment briefly on the comments of the Senator from Wisconsin.

The Senator from Wisconsin made the statement that the so-called generic form of legislation was developed by the proponents of Lockheed. I think the Senator will recognize that is probably an overstatement of the situation. In fact, the Senator from Wisconsin introduced a form of generic bill in the deliberations for committee consideration. I would not say that the fact the committee rejected this plan was an indication that the proponents of Lockheed were the only ones who had a generic plan; I would say virtually everyone on the committee had some form of generic plan as a substitute for the bill proposed.

The facts are that the Senator from Wisconsin opposes any credit extension to Lockheed Aircraft Corp., whether it be specific, generic, or whatever it may be. The so-called filibuster, whether it be a real filibuster or a partial filibuster, is not being conducted against generic legislation but against Lockheed in the hope that a fat turkey will be brought down and possibly mounted as another trophy in a trophy room.

It concerns me, as I said before, that we reduced the whole thing to a question of whether we are going to make a subsidy to some large corporation that we do not make for small corporations, when, in fact, the records of the Federal Government show we offer just this very kind of credit support to the extent of $142 billion today to enterprises large and small, including the McDonnell Corp. which, when it was about to go into bankruptcy in 1967, received just such a loan guarantee as this under a generic plan for $75 million.

I have not read the record of proceedings at that time but I doubt the Senator from Wisconsin opposed such a loan on the ground it might deprive someone at Lockheed of a job or that it might unfairly create competition in the airframe business at that time.

In closing these remarks I might say that it is amazing to me that the Senator from Wisconsin and others who were here yesterday during the discussion of the Sugar Act did not mention, and I did not hear anything mentioned about the disciplines of the free enterprise system.

When we were talking about sugar, where the subsidies for sugar are much more involved than this and there are big as well as small businesses involved, there was not a single word about the disciplines for the free market in sugar. I am not sure why that was. Someone agreed to controlled time and I do not know why that is not so here. In fact, the limitation on debate which the Senator from Wisconsin is so unhappy about is not really a limitation to any less than 100 hours. There can be plenty of discussion after the vote today. Each Senator would have an additional hour and it seems to me if we are talking about emergencies that is plenty of time.

Mr. PROXMIRE. Mr. President, before the Senator yields to the Senator from Connecticut, I wish to reply to the Senator from Georgia.

First, on the sugar bill which he mentioned at the end of his remarks, we debated that bill many times over the years. It has been before this body many times since I have been in the Senate and most Senators were thoroughly familiar with it. Furthermore, as far as I am concerned, I am against the whole sugar bill; I will vote against it. I do not think it is necessary for me to speak against it. I think it is a giveaway; I agree it is unjustified interference with the free market, but it has been considered at great length.

As far as the so-called Proxmire generic bill is concerned, I was perfectly frank in the committee. I said I would not vote for the bill myself, but if we were going to have a generic bill we should have a bill that provided protections.

My bill would not permit a bailout because of bad management. One of the requisites of my bill as compared to the pending bill was that in my bill these funds would not be provided as a result of financial difficulties because of bad management.

Second, in my generic bill there would be no discrimination. The October 1 date was out of my bill, so that Lockheed and every other firm would have to come before the Congress, if any Member of Congress wanted to require a negative veto. In addition, the loans would be administered by what I think is a far more objective process—exclusively and completely by the Federal Reserve Board, and not by a political board the chairman of which was a member of the President's Cabinet.

Other provisions were in the bill but, needless to say, I think the generic bill I introduced would have provided some protections. As I have said, I would not vote for the measure anyway, and I indicated I would have voted against it if it had come to a vote on the floor of the Senate.

Mr. President, I yield the Senator from Connecticut such time as he may require.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I thank my colleague from Wisconsin for clearly stating the circumstances behind this legislation.

I would like to spend a few minutes this morning specifically addressing myself to some of the comments that have been made by the proponents of the bill. First of all, as has been mentioned by the Senator from Connecticut, I do not thing anybody in the Chamber enjoys a favored position of righteousness with regard to controlled time, filibusters, and so forth. We, the opponents of the bill, have said all along that we felt it was necessary, in order to develop the facts, that we do spend time on the bill. I think it is important to note, in the context of what people usually conceive of as a filibuster, that there has been no reading of magazines, articles, or extraneous materials. This bill is so full of holes that one could stand here for months and be absolutely germane—absolutely and strictly germane.

By the same token, yesterday, when it was necessary for the proponents of the bill to rally the troops, get the forces back in town they certainly did not want any controlled time. They made that very clear in the debate that took place then.

I think that is fair enough. I think they felt that discussion was necessary to show how that amendment would do harm to their position. I think it is also fair that those of us who oppose the pending legislation have sufficient time to expose all of this bill's deficiencies.

The Senator from Georgia mentioned agricultural subsidies, sugar quotas, and so forth. I think they are excellent examples of what happens when the Government involves itself in the free economy of this country. I think the agricultural subsidy program, overall, if looked upon objectively, has been a disaster to the agricultural community of this Nation. It has been harmful, yet we have started it, and we cannot stop it. Now we are going to go ahead and get into another area—the airframe manufacture.

Comment was made by my colleagues, the proponents of the bill, that I indicated they were not sincere in pushing for this legislation. I in no way wanted to give the impression that they were not sincere. I think they are. However, I do not think they are enthusiastic. I do not think there is any degree of enthusiasm in their having to come here and push for this type of special-interest legislation.

To show the diversity of opinions even among the proponents of the bill, I would like to quote some of the statements that were made in the bill's behalf, and I really would like to warn my colleagues who are pushing the bill not to get carried away with their enthusiasm; otherwise they will find themselves in the same overoptimistic state that Lockheed found itself in when it launched on this program. Back in the CONGRESSIONAL RECORD of July 26, the Senator from Tennessee (Mr. BROCK) made the statement that the market for this plane in the next 10 years probably will amount to 1,000 planes. That is an interesting statement, because we just got through with the statement by Lockheed of 1,400 planes when they went into pursuit of this program. That was revised downward to 779, which was very much substantiated by the banks, and now the committee, in a burst of enthusiasm, is talking about the figure of 1,000. This is exactly the same kind of enthusiasm which got Lockheed into the difficulties in which it now finds itself.

I would like to address myself to the statement of the Senator from Texas, which appears in the CONGRESSIONAL RECORD for the same date, July 26, because he confirmed my fears when he indicated that not only are we excepting Lockheed by not making it come under the provision of the October 1 deadline, but that any corporation could come in and ask for a loan and there would be no congressional review. I remember the debate was that it would be only Lockheed; that everything else would fall into line. I quote the Senator from Texas from the CONGRESSIONAL RECORD of July 26:

> Mr. President, any company that comes in before October 1, not just Lockheed—if there be others, and I do not know of any others—but should there be any, any company would qualify that came in before October 1 for the immunity for the Congressional approval.

So there will be no congressional review of this $2 billion fund prior to October 1, 1971. Is the Senate willing to have this situation exist—a Senate which has concerned itself so deeply with the proper exercise of its authority? $2 billion. It is my administration. Actually, I think that is a pretty great thing to have at its disposal. But I am not willing to set that kind of precedent here, and I would not set it for any other administration, either. But until October 1 under this bill there would be no congressional review, and there would be $2 billion to apportion as the Board saw fit.

I come from a small State. I just wonder what kind of disadvantage my State would have in the bidding to tap that fund.

Again, in the minute left to me, I can only ask our colleagues to give us the time to develop the facts—facts that, when they come forth, are hard to defend. And yet the step which this body is being asked to take is precedent-shattering.

Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, how much time do both sides have remaining?

The PRESIDING OFFICER. The Senator from Wisconsin has 3 minutes remaining; the Senator from Texas has 19 minutes remaining.

Mr. PROXMIRE. Mr. President, we will reserve our time.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, let me first say that I appreciate the fact that the Senator from Connecticut (Mr. WEICKER) is candid on the matter of delay. I am prepared to freely admit that I wanted the vote delayed until this morning so certain absent Senators could return to the Senate. I confess that. I think that the opponents of the measure should perhaps show equal candor by admitting that they simply do not have the votes to defeat the bill.

That is why they want to prolong the debate.

Mr. WEICKER. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I will not yield yet.

There is a cardinal rule in this body. Though it is not written down in the rulebooks anywhere, it is generally accepted custom around here that you do not carry on what Everett Dirksen used to call an attenuated educational dialog when you have got the votes.

The fact of the matter is that the opponents of the measure have not got the votes, and so they apparently are prepared to delay action on the measure until it is too late, so that a majority of the Senate will not have the opportunity to work its will.

Mr. President, I would be happy to yield to the Senator from Connecticut on his own time, if the Senator from Wisconsin would like to yield him time.

Mr. PROXMIRE. No.

Mr. WEICKER. Not even for a brief comment?

Mr. TOWER. I yield for a 15-second comment.

Mr. WEICKER. Mr. President, I concede to the Senator from Texas that at this point we do not have the votes, as he did not have the votes yesterday. Obviously, the eloquence of his debate managed to get the votes together, and he is willing to have it come to a vote.

I have no doubt that if he allows us to talk, our eloquence will convince our colleagues, and we will have a majority.

Mr. TOWER. Mr. President, the fact is that I eloquated very little yesterday. Most of the other people did the talking; I did not say very much. And we will never know whether we had the votes yesterday or not.

Mr. President, it is claimed that if the Lockheed loan is sound enough for the Government to guarantee, it is sound enough for the banks to make without a guarantee. This is not a valid claim.

The basic reason that the banks are unwilling to proceed with further loans without a guarantee is that they have already loaned as much as they prudently can to a company of this size and with its recent earnings history. They cannot justify participating further without a guarantee; they would feel better about forcing bankruptcy and getting back what they can on the first $400 million than to risk having to do it for $650 million.

The banks are willing, however, to yield priority to the Government on their collateral interests, in order to get the guarantee on the next $250 million of loans. What the banks get out of it is a chance for the company to survive over the long run and repay the original $400 million. In other words, under their loan-risk decision criteria, they are willing to trade prior security interests for a $250 million guarantee and a good chance that Lockheed will survive over the long run; but they are not willing to trade the additional risk on an unguaranteed $250 million for the long-run survival chance. That is a rational risk decision for a banker to make.

The Government's position in this matter differs from that of the banks. By taking over the security interests of the banks and adding some additional collateral to the pool, the Government's contingent liability is adequately covered in the event the company defaults on the $250 million loan.

I again underscore the fact that the Treasury Department has estimated that of the $250 million authority, if indeed that authority is granted, probably not more than $150 million would be used.

This full collateralization protects the $250 million contingent interest of the Government, and the absence of adequate collateralization is why the banks cannot afford to put up $650 million without a $250 guarantee.

It has been said that the banks could require additional collateral for the $250 million loan, such as the Missiles and Space Co., and thereby protect themselves on that additional money. But this course of action involves a substantial degree of risk that the additional collateral will not cover the additional loan amount, and it involves a delayed collection problem that the banks are not willing to assume. They need liquidity, and this is the whole purpose of the Government guarantee. If they did not need absolute liquidity to back up this additional money, clearly Lockheed would not have to be here undergoing this torturous process now.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, as I understand, we have only 3 minutes left.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. We cannot take any more of our time now; we will not have anything left.

Mr. GAMBRELL. Mr. President, will the Senator yield?

Mr. TOWER. I yield the Senator from Georgia such time as he may require.

Mr. GAMBRELL. I would like to be sure, Mr. President, that the record is clear on the backing of the so-called generic bill. Not only did many members of the committee, as well as the chairman of the committee, suggest generic legislation, but Dr. Burns, the Chairman of the Board of the Federal Reserve System, came before our committee and testified in support of his own bill, which he prepared and which was introduced in the Senate.

Dr. Burns testified as follows before our committee:

> In extraordinary circumstances, however, even a large, well-established, and credit-worthy enterprise may experience difficulty in obtaining needed credit, and failure to provide that credit could be extremely costly to the general public—in terms of jobs destroyed, income lost, financial markets disrupted, or even essential goods not produced. We should be able to find a way to deal with this problem without injuring the free enterprise system.

He went on to say:

> In testifying today, it is certainly no part of my purpose to suggest that Congress delay its decision about Lockheed. My aim is rather to recommend that your committee, with Lockheed fresh in mind, address itself to the question of devising more general standards and procedures to govern credit guarantees in possible future emergencies.

Mr. President, it is the hope of our committee that Congress does not wait until Pearl Harbor strikes the economy before measures are taken with reference to both large business enterprises and small business enterprises to protect the economy, to shore up the national economic condition so that all of our people, whether they be employed men, large businesses, or small businesses, will not suffer the effects of the ebb and flow of the cash market in this country.

I suggest that the record makes it clear that the head of our credit management agency in this Nation, the Chairman of the Board of the Federal Reserve System, himself, advocates such legislation.

The PRESIDING OFFICER. Who yields time?

So long as neither side yields time, the time will be charged equally to both sides.

Mr. PROXMIRE. Mr. President, I have learned a lesson in this cloture debate which I shall certainly bear in mind in the future, in utilizing my own time.

I yield my remaining 3 minutes to the Senator from Ohio.

Mr. TAFT. Mr. President, the long discussion which we have had on this bill has, I think, brought out a number of things. But it has also shown a need for further clarification of some of the issues.

Just yesterday, in a dialog with the Senator from Georgia, we got into the question of the effect of bankruptcy, and some of the provisions of the bankruptcy law. It was perfectly evident at that time that there was a misunderstanding on his part as to what the bankruptcy laws provided insofar as the avoidance of Government contracts is concerned, and I thought this was a pretty good example—I am sure the Senate generally did not have any better knowledge as to what the actual legal effect on that point was—of the complications, and the necessity for going into many, many details as to what effect this legislation might have.

For that reason, I should like to speak briefly with regard to clarifying the situation as to the effect of bankruptcy this morning.

The supporters of S. 2308 have advanced two fallacious propositions with regard to bankruptcy.

First, they have asserted that other suppliers could avoid their contracts with Lockheed, thereby greatly increasing the costs of manufacture to that company.

There is no authority whatever in the Bankruptcy Act for avoidance of contracts by suppliers. Avoidance is limited to the trustee.

Second, the converse argument has been made that the trustee could avoid certain important defense contracts with the U.S. Government thereby forcing reprocurement of those items now under contract at a greatly increased cost to the American taxpayer. This argument is similarly defective. Title II U.S.C. 516 provides:

> Upon the approval of a petition, the judge may, in addition to the jurisdiction, powers, and duties in this chapter conferred and imposed upon him and the court—
>
> (1) permit the rejection of executory contracts of the debtor, *except contracts in the public authority*, upon notice to the parties of such ocntracts and to such other parties in interest as the judge may designate.

And II U.S.C. 616 provides:

> A plan of reorganization under this chapter— * * * (4) may provide for the rejection of any executory contract *except contracts in the public authority.*

The two foregoing sections are contained within Chapter X and limit the avoidance power of the trustee—or the judge, for that matter—in such a reorganization, as I have indicated.

It is interesting to note in that regard that, apparently, even the Deputy Secretary of the Treasury, Mr. Walker, was in error as to this point. Secretary Walker, at page 921 of the hearings, attributed to Secretary Packard the statement that receivership "could increase cost on the C-5A by $100 million."

There is a firm contract on the C-5A. It is perfectly clear, under the code, that there could be no avoidance of that particular contract.

This, as I have said, is indicative of the lack of understanding and the necessity for a full discussion of the many complicated points and ramifications which are involved in this matter.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TOWER. I yield 2 additional minutes to the Senator.

Mr. TAFT. I thank the Senator for yielding.

I should like to say this about it, also: Not only with regard to this bankruptcy point but generally as well, I think there is a need for prolonged discussion on this bill in order to get public opinion thinking about this problem and to express its opinions to Members of Congress on both sides of the Capitol.

I have had a number of those meetings. I was in my State last weekend and traveled around a good deal. I was in Cleveland and talked with a large nationality group and small business people in the Cleveland area. I then went into southeastern Ohio, into Jackson County, where I met with business leaders. Yesterday, I met in the Capital with a group of 20 men, businessmen and farmers, very solid, substantial citizens, who came here to talk to the Representative from the Fifth District of Ohio, the Honorable DELBERT L. LATTA, with Senator SAXBE, and with me. The one point they made was:

> Don't vote for this legislation, because if you do, you will be bringing in Government, getting them involved in being influential in private fiscal matters, in competition between businesses.

Uniformly, I feel that all the public and the business area, except the banks, who have a good reason to be concerned, and except those companies that are directly affected by this contract, are against the proposed legislation. That word is going to come through to the people.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield myself the remainder of my time.

The claim has been made that if the L–1011 program is continued, U.S. employment will decrease because of foreign labor content. I dispute this claim. The total value of the foreign content of the L–1011 is 17½ percent of the total cost. For the DC–10, this figure is 15 percent. The 2½-percent difference is more than made up for by the loss of foreign orders for the L–1011 which would be placed with the foreign A–300B aircraft rather than the DC–10. The total effect would be, then, the opposite of what the opposition claims—we would tend to lose more U.S. jobs net if the DC–10 monopolizes the U.S. market.

Mr. WEICKER. Mr. President, will the Senator yield on that point?

Mr. TOWER. I have so little time that I would prefer not to yield.

There are presently 30 to 35 foreign orders for the L–1011, based largely on the fact that it uses Rolls engines. If Lockheed folds, most of these orders can be expected to shift to the A–300B.

Domestic orders—in addition to the foreign orders, we would lose to the A–300B if Lockheed folds, even the domestic airlines which have downpayments with Lockheed would have to cut back on orders—Eastern Airlines testified that they would cut back from 33 airbuses to 20 if Lockheed goes under. Clearly, total reliance on the DC–10 will not only cost us some foreign orders, but domestic ones as well, thereby costing further U.S. jobs in the process.

The A–300B does use GE engines, but 40 percent of those engines are built in Europe, so that the offset for that factor is considerably reduced.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. STEVENSON). The hour of 12 o'clock noon having arrived, and pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion which the clerk will state.

The second assistant legislative clerk read the cloture motion as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises:

John Tower, Alan Cranston, Robert Griffin, Hugh Scott, Glenn Beall, John Tunney.
Jacob Javits, Henry Bellmon, Charles Mathias, Marlow W. Cook, Bill Brock, David Gambrell.
Henry Jackson, Charles Percy, Howard Baker, Wallace Bennett, Richard Schweiker, Clifford Hansen.

CALL OF THE ROLL

The PRESIDING OFFICER. Under rule XXII, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 170 Leg.]

Aiken
Allen
Allott
Anderson
Baker
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Boggs
Brock
Brooke
Buckley
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Case
Chiles
Church
Cook
Cooper
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ellender
Ervin
Fannin
Fong
Fulbright
Gambrell
Goldwater
Gravel
Griffin
Gurney
Hansen
Harris
Hart
Hartke
Hatfield
Hollings
Hruska
Hughes
Humphrey
Inouye
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Miller
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Prouty
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Scott
Smith
Sparkman
Spong
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER (Mr. STEVENS). A quorum is present.

The question is, is it the sense of the Senate that the debate on the pending bill (S. 2308) to authorize emergency loan guarantees to major business enterprises be brought to a close? On this question the yeas and nays are mandatory under the rule, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Rhode Island (Mr. PASTORE), is necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), would vote "nay."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The yeas and nays resulted—yeas 59, nays 39, as follows:

[No. 171 Leg.]

YEAS—59

Allott
Anderson
Baker
Beall
Bellmon
Bennett
Bentsen
Boggs
Brock
Byrd, W. Va.
Case
Cook
Cooper
Cotton
Cranston
Curtis
Dole
Dominick
Fannin
Fong
Gambrell
Goldwater
Griffin
Gurney
Hansen
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Jordan, Idaho
Magnuson
Mathias
McGee
McIntyre
Metcalf
Miller
Montoya
Moss
Packwood
Pearson
Pell
Percy
Prouty
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Scott
Smith
Sparkman
Stevens
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—39

Aiken
Allen
Bayh
Bible
Brooke
Buckley
Burdick
Byrd, Va.
Cannon
Chiles
Church
Eagleton
Eastland
Ellender
Ervin
Fulbright
Gravel
Harris
Hart
Hartke
Hatfield
Hughes
Jordan, N.C.
Kennedy
Long
Mansfield
McClellan
McGovern
Mondale
Muskie
Nelson
Proxmire
Spong
Stennis
Stevenson
Symington
Taft
Weicker
Williams

NOT VOTING—2

Mundt
Pastore

The PRESIDING OFFICER (Mr. STEVENSON). On this vote the yeas are 59 and the nays are 39. Two-thirds of the Senators present and voting not having voted in the affirmative, the motion is rejected.

ORDER FOR STAR PRINT OF S. 2223, THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

Mr. HUMPHREY. Mr. President, I ask unanimous consent that, in order to correct certain technical errors, there be a star print of the bill (S. 2223) to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes.

The PRESIDING OFFICER (Mr. CHILES). Without objection, it is so ordered.

SUGAR ACT AMENDMENTS OF 1971

The PRESIDING OFFICER. Under the previous unanimous consent agreement, the Chair lays before the Senate H.R. 8866, which the clerk will state by title.

The second assistant legislative clerk read the bill by title, as follows:

> A bill (H.R. 8866) to amend and extend the provisions of the Sugar Act of 1948, as amended, and for other purposes.

Mr. BYRD of West Virginia. Mr. President, may we have order in the galleries and in the Chamber?

The PRESIDING OFFICER. There will be order.

Mr. BYRD of West Virginia. The time is under control and is running.

The PRESIDING OFFICER. There will be order in the Senate and order in the galleries.

Under the agreement, the Senate will now proceed to consider the amendment to be offered by the Senator from Massachusetts (Mr. KENNEDY), which the clerk will read.

Mr. KENNEDY. Mr. President, I send to the desk an amendment in behalf of myself, the Senator from Oklahoma (Mr. HARRIS), my colleague the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. JAVITS), the Senator from Kentucky (Mr. COOPER), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Michigan (Mr. HART), and the Senator from Maine (Mr. MUSKIE).

Mr. President, as I understand it, there is a limitation of 1 hour, with a half-hour accorded to each side.

The PRESIDING OFFICER. The time limitation is one-half hour, to be equally divided.

Mr. KENNEDY. Fifteen minutes to each side?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The clerk will first read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, line 18, strike out the word "sub-section" and insert in lieu thereof "sub-sections".

On page 37, after line 11, insert the following new sub-section:

"(j) recognizing that the policy of apartheid as practiced by South Africa is repugnant to fundamental human rights, the quota for South Africa is hereby suspended and a quantity of sugar equal to such quota shall be prorated among domestic sugar producing areas in accordance with their apportionments under this Act: *Provided* that, when the President of the United States in his discretion finds and determines that—

"(1) the Government of South Africa does not discriminate against any military personnel, private citizens or public officials of the United States with respect to their entry into South Africa or their freedom of movement within South Africa;

"(2) substantial benefits from the quota for South Africa will be received by field and mill workers in the sugar industry in South Africa; and

"(3) substantial progress is being made by South Africa toward recognition of fundamental human rights,

this sub-section suspending the quota of South Africa shall not apply."

Mr. KENNEDY. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I will take just a very brief moment to explain the amendment. Last evening, by a very close vote of 47 to 45——

Mr. BYRD of West Virginia. Mr. President, the Senator is entitled to be heard on his amendment. The time is rather short. May we have order?

The PRESIDING OFFICER. There will be order.

Mr. KENNEDY. Mr. President, last evening, by a vote of 47 to 45, almost an even split in the Senate, the Senate rejected the outright ban of the sugar quota for South Africa. We have attempted to modify the amendment and provide that the sugar quota would be suspended, but would be reinstated if there should be an executive determination along the following lines: First of all, if the President made a finding that there was not discrimination against American servicemen, public officials, and private citizens; second, if the President made a determination that the benefits of the sugar program were reaching the mill workers and field workers in South Africa; and, thirdly, if the President made a determination that there was substantial progress being made to afford the citizens of South Africa fundamental and basic human rights.

So what we are attempting to do is provide a suspension. The suspension could be lifted if the President were to make these findings. If the President did not make those findings and the quota was suspended, it would be distributed among domestic producers of sugar cane and sugar beets, for the benefit of people here in the United States.

Mr. President, this seems to be an eminently fair amendment and to reach many of the objections that were raised rather briefly last evening in the course of the discussion. I think, as was stated last evening, that there is only one nation in the world which, as a matter of governmental policy, believes in the separation of the races; that this is an overwhelming consideration in our policy toward that government, which not only strengthens sugar companies there, but which can also be interpreted as being in support of that government. When we are considering this bonus act, which the Sugar Act is, I think this amendment will bring the Sugar Act more in accord with our basic and fundamental traditions.

I yield 3 minutes to the Senator from Oklahoma (Mr. HARRIS) and the Senator from Massachusetts (Mr. BROOKE).

Mr. HARRIS. Mr. President, as a cosponsor of this amendment, I rise in support of it. This amendment would delete from the bill the figure of 57,745 short tons of sugar representing the full quota and prorations for South Africa.

I concur in the statement made by the distinguished Senator from Massachusetts in regard to the statement. We drafted it very carefully to provide for discretion in the President of the United States, so that this amendment would not automatically and for all time cut out the entire quota of the Republic of South Africa, but would state the findings that the President of the United States could make, and in that case provide for this amendment or this section not to be effective.

It seems to me that this treaty statement of the conditions under which the President could decide that the suspension of the South Africa quota should not be effective is a rather fundamental change that Senators should be able to agree to.

For example, we are sending our military personnel around the world. Many of them who have been drafted, like our public officials, go around the world on business, and our private citizens on business and on pleasure go around the world. I think they are entitled to respect from any country with which we have peaceful and diplomatic relations, and the assurance that they will be treated equally, without discrimination.

That presently is not the case in regard to South Africa, despite the fact that that country enjoys a special subsidy, a special benefit in the price for sugar which they receive above the world market, at the expense of our customers.

Military personnel and public officials, including black Members of Congress, have been either ill-treated or refused admission to the Republic of South Africa. That policy could be rather easily changed, and if changed, it would be easy for the change to be detected.

The President of the United States could find that that kind of discrimination no longer exists, that substantial benefits of the quota system were getting down to the field workers and millworkers, and that substantial progress was made toward the recognition of fundamental human rights. If that were done by him, within his discretion, South Africa's quota could be continued and no longer suspended.

I think that is a fair way to go about this, Mr. President, and therefore I am pleased to go forward with the amendment, and join with those who cosponsor it, and I hope that it may be agreed to.

There is neither economic nor political justification for granting a sugar quota to South Africa. More important—and I will address my remarks first to this consideration—there can be no moral justification whatsoever for granting a sugar quota to South Africa, a nation that practices racism as conscious national policy.

The issues at stake in our decision whether to continue this sugar quota are grave ones. We hear a great deal today about preserving and protecting our national image. What we do with respect to the South African sugar quota will directly affect this national image. We cannot equivocate: either we do or we do not hold to a fundamental belief in the freedom and equality of all mankind. There must be no discrepancy between our declared ideals and our national policy on this. By condemning the policy for which the South African Government stands on the one hand, and on the other bestowing upon them a special and valuable subsidy, we will once again bring the question of our morality and honesty into serious question.

I am not now suggesting that we discontinue diplomatic relations or cease to trade with South Africa. I simply maintain that we should not specially reward—as this bill would do—a country whose national policy is antithetical to the democratic ideals we share.

Mr. President, before the Senate Finance Committee on June 22, 1971, Representative CHARLES C. DIGGS, JR., Democrat of Michigan, the chairman of the House Foreign Affairs Subcommittee on Africa, gave eloquent testimony concerning the inhumane nature of the South

Africa apartheid policy. He spoke of South Africa as being—

> The only country in the world where economic, social and political discrimination is the proclaimed policy of the Government and is instituted and implemented by law.

He explained how "blacks, coloreds, and Indians" are lumped together as nonwhites in South Africa, and because of this are denied any political representation or rights.

Mr. President, I wonder whether the American people are actually aware of what life is like for nonwhites in South Africa. The facts, even when they do reach us, are often hard to believe.

In 1967, the United Nations Commission on Human Rights appointed a special rapporteur to study and report on the policy of apartheid and its effects in Southern Africa. A summary of his report, entitled "Apartheid and Racial Discrimination in Southern Africa," described a series of laws and practices of the Government of South Africa that pertain to the policy of apartheid and its implications for nonwhites.

According to his report, the Parliament of the Republic of South Africa consists of two chambers—a 170-member House of Assembly and a 54-member Senate. Membership in either chamber is restricted to Europeans. Non-Europeans, with the exception of a small group of "Coloured Persons" in Cape Province, do not have the right, if it can be called that, to vote for Europeans as their representatives in the legislature. It is the Parliament of South Africa, as that nation's supreme legislative body, that provides the foundations for the policy of apartheid.

The report of the special rapporteur states that:

> While discrimination is to be found in every sector of life in South Africa, two measures form the cornerstone of that discrimination: the classification of the population into different racial groups, and the division of the territory.

The first of these measures, officially called the Population Registration Act, was passed in 1950. The act divides the population into three categories: "white person," "Bantu," meaning any "person who in fact is or is generally accepted as a member of any aboriginal race or tribe of Africa," and "Coloured person," meaning any "person who is not a white person or a Bantu."

According to the provisions of the act, every person in South Africa must be classified, and, after the age of 16, must produce on request to any authorized person an identity card registering this classification.

In America, our ideal—though not always realized—is for every citizen, regardless of his background, to have the opportunity to determine his own future, a future as limitless as one wishes to make it. In South Africa, a person's racial classification determines his future, including where and how he may live, what type of work he may do, what type of education he will receive, what, if any, political rights he will have, whom he may marry, and generally his freedom of action, expression, and movement.

The second major policy designed to perpetuate apartheid is the division of South Africa into areas specified for the occupation of different racial groups. Of the several statutes affecting this division, the Bantu Trust and Land Act of 1936 is the major one. It designates as the area reserved for Africans 13 percent of the total area of South Africa in spite of the fact that approximately 70 percent of the 18,298,000 people living in that country are Africans.

Similar statutes designate the areas open to "Coloureds" and Asians.

Once an area has been set aside for a particular group, it is illegal for persons other than the selected racial group to occupy land in that area except by special authority.

In addition to the fundamental policies of racial classification and the division of the territory according to such classification, the European population of South Africa, has as the special rapporteur stated—

> Consented to the enactment of what must be among the most Draconian systems of security legislation ever devised.

This system curtails or denies completely, the most fundamental rights of man in any civilized society.

Freedom of peaceful assembly and association can be and is drastically restricted in South Africa, where the State President is given the sole power to ban any organization that he feels is dangerous to public safety. This power has been used mainly to prohibit African political activity. This is especially true with respect to the banning of the African National Congress and the Pan African Congress, which prior to their banning were the center of such activity.

To discourage any alliances between blacks and whites in South Africa, members of one racial group are prohibited from participating in the activities of organizations of another racial group.

Finally, in urban ghetto areas, local officials have complete control over African meetings or assemblies.

Freedom of opinion and expression is also restricted in South Africa by a number of legislative measures.

One measure prohibits the publication or distribution of any "undesirable" material.

Another makes it virtually impossible for the press to give an honest account of conditions in South African prisons.

A third restricts the news coverage of military or police matters in South Africa.

Government interference with the freedom of expression has included banning orders, detention, and deprivation of passports for many journalists.

For those who would claim these examples only represent laws on the books, and not actual government practice, I call to attention an article that appeared in the Washington Post on Tuesday, June 28—the day the Finance Committee rejected my amendment. The article, entitled "House Detention Ordered for South African Priest," reported that the South African Government served 5-year banning and house arrest orders on a 35-year-old Roman Catholic priest. His crime—to write of the primitive conditions existing in a nonwhite township.

Freedom of religion can also be a victim of South Africa's repressive system of law. Those South Africans whose religious beliefs are opposed to apartheid run the risk, if they give voice to their convictions, of being subjected to banning orders or other government sanctions.

Even the right to marry and the right of protection of family life are not sacred in South Africa.

The policy of racial classification has caused the break-up of families when one member has been given a different racial classification than another. One statute specifically voids all marriages between Europeans and non-Europeans.

Another Government policy that affects African family life permits Africans to enter white areas to work only as single men.

Because lack of job opportunities forces them to leave the reserves to seek work, African men must spend long periods of time away from their families.

The special rapporteur also described severe restrictions on the freedom of movement and residence within South Africa.

Africans, either individually or as a tribe or part of a tribe, may be moved like cattle around the countryside by order of the state president whenever he deems this to be in the "general public interest." Farm colonies, which we might call concentration camps, also exist for the purpose of relocating Africans.

Mandatory possession of identity cards, working papers, and travel permits adds to the restriction of free movement within South Africa, as do the curfews that can prevent Africans in urban areas from appearing in public places after dark.

Mr. President, I wonder if I need to continue. I know I have neglected such policies as imprisonment without trial or charge, or "job reservation"—a policy whereby Africans or other non-Europeans are excluded from the more skilled and better paid types of jobs. But the list of repressive laws and practices in South Africa is seemingly endless.

I do not think the taxpayers of our country want to continue to reward this type of government—a government whose policy of apartheid has been proclaimed by the United Nations to be a "crime against humanity."

Mr. President, I realize that it may not always be possible to draw exact lines of morality in every single international situation. But morality's tone and practice should clearly permeate our policy. And, at the very least, a clear-cut line can be drawn in respect to a government that officially forces the subjugation of one race by another.

That line must be drawn by deleting the special sugar quota for the Republic of South Africa.

If we do not take this action, if we continue to allocate a sugar quota to South Africa, we owe an explanation to the people of the world. We should tell them why our words mean one thing and our actions another.

We will also owe an explanation to the black people of South Africa, whose subjugation we help to support by our sugar quota—a point I will return to later. We will have to tell them that the United States does not care enough about their plight.

We will owe an explanation to the

black people of our own country, who might rightfully agree with Representative Diggs' statement that "support of apartheid is an insult to the 25 million black Americans."

We will owe an explanation to our children, who may be too young to understand when we tell them that our belief in the freedom and equality of all people only applies some of the time, to some of the people.

Worst of all, we will owe an explanation to ourselves. We will have to live with the knowledge that once more our ideals and hopes are being compromised.

Mr. President, there are no political or economic considerations that can compel us to overlook our moral revulsion over South Africa's apartheid policy. Indeed, these considerations intensify the demand to delete their sugar quota.

The House Committee on Agriculture has listed, in its December 31, 1970, print entitled "The United States Sugar Program" six "Criteria Applicable to Foreign Quotas." South Africa violates three of the six criteria.

First, the South African situation violates the criterion that calls for "friendly Government to Government relations, including nondiscrimination against U.S. citizens in the quota country."

United States citizens, including Members of Congress, have repeatedly been victims of South Africa's discriminatory racial policies.

Second, South Africa is in violation of the criterion calling for consideration of the quota country's economic dependence on a U.S. sugar quota.

South Africa's economy is in no need of assistance through a sugar quota. By our own standards, South Africa is recognized as a developed country. Representative Diggs, in the statement from which I quoted earlier, reminds us that South Africa—with its abundance of gold and diamonds and its highly developed scientific and engineering ability—does not depend on its sugar exports for financial stability. Sugar amounts to only 2.5 percent of its total exports. Clearly, on financial grounds alone, South Africa is not deserving of a guaranteed market and the added bonus of a premium price for its sugar.

Lastly, South Africa violates the criterion for calling consideration of the extent to which benefits from the sugar quota filter down to the small farmers and workers in the quota nations.

This last violation is so flagrant that it alone should be sufficient cause to discontinue South Africa's sugar quota.

First, let me state exactly what our sugar quota means to South Africa. During the 9 years that country has had a United States sugar quota, it has been assured of a guaranteed market for more than one and a half billion tons of its sugar, for which we have paid over $105 million. This figure is $34 million higher than what South Africa would have received from selling its sugar on the world market.

Now we must ask ourselves to what extent the financial advantages of the quota ever reach the African sugar grower.

Representative Diggs, in his statement to the Finance Committee, has provided us with some interesting information and statistics on this subject. His figures for 1969, the most recent we have, came from the South African Sugar Association, which handles that country's sugar exports.

Out of the $3.9 million quota premium paid to the South African Sugar Association in 1969, Africans got 1.5 percent and Indians 3.7 percent of the total amount, with the remainder almost equally divided among the white growers and millers. This amounts to the sum of $59,800 for 4,286 African sugar growers, $145,470 for 1,837 Indian growers, and $3,689,400 for 2,127 white growers and millers.

Carrying out the computation, Representative Diggs finds that the individual African grower in 1969 received $13.95 extra because of our sugar quota. This amounts to approximately $1.16 a month.

One other argument is sometimes made to justify a South African sugar quota: Without the quota, many African workers would not receive decent wages. The fact is African workers do not receive subsistence wages.

The average daily wage for all unskilled and semiskilled African laborers is $1.67 per day, or $41.75 per month. This figure—which is provided by the South African Sugar Association and which probably represents, as Representative Diggs has said, "the optimal view of the wage structure situation"—is $62 less per month than the poverty datum line of $103 per month set for Africans by the Johannesburg Associated Chambers of Commerce. It is obvious that the United States sugar quota is no bonanza for African sugar workers.

Mr. President, the time has come for us to make a decision on the South African sugar quota.

By our decision, let us reaffirm our belief in humanity and in the fundamental equality of all people.

Let us reaffirm our belief in the decency owed by each man to his fellow man.

Let us reaffirm our belief in justice.

Let us reaffirm our belief in ourselves—in our ideals, our hopes, our consciences.

Mr. President, I urge the Senate delete the South African sugar quota and adopt the present amendment.

The **PRESIDING OFFICER.** Who yields time?

Mr. **LONG.** Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. **LONG.** Mr. President, I have prepared a memorandum, a copy of which I have asked to have placed on each Senator's desk, including the desks of the sponsors of the amendment, explaining why, from the point of view of those of us who advocate this bill, the amendment should not be agreed to.

What the memorandum points out is that to begin with, no one really believes that this suspension is anything other than a repeal. South Africa is not going to let the United States determine what the social policies ought to be within that country, and, as a matter of national pride, they will just say "forget it."

Mr. President, what is the difference between this amendment and last night's version of the amendment? The idea is that this sugar would be redistributed among Puerto Rico, the domestic beet area, the Hawaiian area, and the mainland cane area.

Mr. President, I have here a letter from the honorable people who represent all of those areas. Without exception, knowing that this amendment was to be offered, they have sent me a letter which I ask unanimous consent to have printed in the Record. They unanimously agree that none of them want it.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 28, 1971.

Memorandum from domestic sugar industry.

To: Senator Russell B. Long, Chairman, Senate Finance Committee.

It is our understanding that an amendment may be proposed to eliminate the South African Quota and redistribute this quota to the Domestic Beet and Mainland Cane sugar areas. The Domestic Industry has consistently taken no position as to how the foreign share of domestic consumption requirements are divided among foreign countries. We are, however, interested in any proposal affecting domestic quotas.

As reported by the Senate Finance Committee, H.R. 8866, in line with recommendations of both the Administration and the Industry, provides for a 300,000 ton increase for the Mainland Cane area and also provides for a 100,000 ton expansion in new continental cane areas. The Bill further provides for continuing the present Domestic Beet area quota, and also includes provisions for further expansion of the beet area up to 100,000 tons.

The Bill continues to provide that the Domestic Beet and Mainland Cane areas will continue to receive, as under present law, their respective shares of 65% of all growth in domestic consumption.

As the witness for the Domestic Sugar Industry testified before the Senate Finance Committee, all segments of the domestic industry believe—and the view was supported by witnesses appearing on behalf of the Administration—that provisions of H.R. 8866 as reported by the Senate Finance Committee, provide equitable quotas for the continental domestic producing areas for the three-year term of the extension of the present law.

In summary, all segments of the domestic producing and refining industry are opposed to any changes in the continental area quotas provided for them in H.R. 8866, as reported by the Senate Finance Committee, but reiterate that the Domestic Sugar Industry has not taken any position with regard to the proration of quotas among foreign suppliers to the U.S. market.

For the industry:

Irvin A. Hoff, U.S. Cane Sugar Refiner's Association.

John C. Bagwell, Hawaiian Sugar Planters Association.

Wm. Requa, Association of Sugar Producers of Puerto Rico.

Horace D. Godfrey, Florida and Louisiana Sugarcane Producers and Processors.

Robert A. Shields, United States Beet Sugar Association.

Richard W. Blake, National Sugarbeet Growers Association.

Aldrich O. Bloomquist, Red River Valley Sugarbeet Growers Association.

Loren S. Armbruster, Growers of Farmers and Manufacturers Beet Sugar Association.

Malcolm M. Young, California Beet Growers Association, Ltd.

Mr. **LONG.** Why do they not want it? For the simple reason that these people all have an industry agreement. It involves the refiners, the farmers producing beets, and the farmers producing cane; and they have said, "All right, now, the bill will provide 300,000 tons for our domestic producers," which is——

Mr. KENNEDY. Mr. President, will the Senator yield? Does it involve the consumers also, this carefully worked out agreement in the industry?

Mr. LONG. Mr. President, I think I represent the consumers, and the Senator contends he represents them, so let us leave it at that.

Mr. KENNEDY. I was just inquiring about this agreement that has been worked out.

Mr. LONG. Mr. President, I think it is fair to say that the sugar bill represents the consumers, to assure that they have a dependable source and that they get it cheaper than if they had to rely upon the domestic supply alone.

The people who are supposed to benefit by the redistribution of the sugar quota do not want it. For one thing, most of them could not produce the sugar if they had it. Puerto Rico cannot fill its present quota. The beet area is producing sugar at capacity levels, and could not increase its production except at higher cost. The Hawaiian area cannot use the increased allocation since it, too, is producing sugar at capacity levels. This leaves only the Louisiana and Florida cane areas, and we do not want it.

And why? Because, Mr. President, we entered into an industry agreement, under which Louisiana and Florida are able to have 300,000 tons of additional sugar production. That is all we can use. That agreement was years in being worked out.

In some respects, the best producers had to give something, and we tried to cooperate with them. In some respects, the east coast refiners had to make room for us, and we tried to cooperate with them.

But this was an industrywide agreement, approved by the administration, the Department of Agriculture, and the State Department, and also by the House of Representatives.

Mr. President, a little 1-percent increase in the sugar we can sell is a very small price to offer men of honor to separate themselves from their honor. We did not expect it; we had no reason to think we ought to have it; we were accorded every reasonable consideration that these people were entitled to have.

Those from Louisiana certainly do not ask for it, and those who represent the Florida cane producers do not ask for it.

On an overall basis, we would be a lot better off to rely upon the honorable agreement made by those from the beet areas, those from the cane areas, those from Hawaii, and the refiners, saying this is how it should be done.

If the sugar could be bought somewhere else, it ought to be the offshore areas, and not the domestic areas.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KENNEDY. If we struck out the distribution features, and just provided for suspension, with the presidential option, would the Senator still object to it? I am sure the sponsors will be glad to ask unanimous consent to adjust our amendment to accomplish that, if that is acceptable to the chairman.

Mr. LONG. Mr. President, we gave the Senator the chance last night to modify his amendment anyway he wanted to, and he got down to the simple proposition, where he should have had the most votes, of just simply striking South Africa, and he could not even carry that. But here they are, coming back, trying again. All I am saying is, this is a worse amendment than the previous one. It asks people in the domestic areas to break their word each to the other, and they do not care to break their word to one another. It is just that simple.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BENNETT. I think some figures might be interesting.

The size of the average sugar beet farm in the United States is 60 acres. This provision would allow one-half acre additional production. The average production per farm is 135 tons. This would give each beet farmer the privilege of producing 1 more ton of sugar.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. BENNETT. I yield.

Mr. LONG. The beets are already planted, anyway, so it could not do them any good at all this year; is that not correct?

Mr. BENNETT. That is right.

The thing that the proponents of this amendment do not realize is the negative effect of the amendment on the economy of their own areas, because the sugar that comes in from South Africa is refined on the east coast, and we would be taking 57,000 tons of finished sugar away from the refineries in Boston, in New York, and in Philadelphia. This is a sizable amount, when you relate it to a few refineries, and could represent a reduction in employment in those areas.

Mr. LONG. Presumably, the people who would benefit from that would be our refineries in Louisiana and Florida. We do not want it, because we do not think it is right. We agreed that we were not going to try to do this sort of thing, and, as people of honor, we do not think we ought to break our word.

Mr. BENNETT. There is another angle, too. The Senator from Massachusetts mentioned the consumer; 57,000 tons of refined sugar will not be created on the east coast, and that vacuum must be filled by sugar which must come from the South or West at an increased freight cost. So it is making the cost of sugar more expensive, not less.

Mr. LONG. Keeping in mind that Representative ABERNETHY, of Mississippi, put in the quotas for the African countries on the House side, I read from this morning's Journal of Commerce:

> House conferees are known to be adamant on retention of the South African quota now in both bills. One observer said if the quota is cut out on the Senate floor, House conferees will press for elimination of their previous increases awarded to other black African countries, including two new quotas to Uganda and Malawi already dropped from the Senate bill.

The Senator is doing nothing for Uganda or Malawi, and he is now going to say that we will just as soon drop them back out again, since we thought the idea was that if you would respect South Africa as an honorable trading partner, we would help you with Uganda and Malawai. Now they say that does not seem right.

If the Senator is taking the view that black America should not eat white sugar, I suppose we will have to take the view that the same policy must work in reverse, also. It does not make any sense at all. It all works out to one simple thing. This is a much worse amendment than last night's version. Last night's version did not upset the industry at all, because they would not undertake to tell us from what foreign countries we ought to buy sugar, just pick and choose on any basis.

But when you take it from the foreign quota and put it into the domestic quota, you unfairly prejudice the east coast refiners, and they are honorable businessmen who have given their word to the producers of beet and cane sugar. They will keep their word in good times and bad, and they expect us to keep ours. I would be curious to know what the Boston refiners think of the amendment.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 8 minutes remaining.

Mr. KENNEDY. I yield 4 minutes to my colleague from Massachusetts.

Mr. BROOKE. I thank the Senator.

Mr. President, we have been attempting for some time now to get a distribution formula which would be equitable. I quite agree that the distinguished chairman of the Finance Committee has made a point that some of the States and countries that would benefit from the amendment are perhaps not the States and countries that we would like to benefit from this.

The chairman of the Finance Committee also makes a point of the social impact of this amendment, but we are here concerned with more than just the social impact. Certain criteria have been established for these quotas. The countries I set forth last night—Malawi, Uganda, and Mauritius—and other black African countries that are dependent upon these quotas, dependent upon their agricultural crops more than the nation of South Africa, obviously should be the countries to which these quotas would be granted. South Africa does not qualify. It does not meet the criteria that have been established. It is not a friendly government which does not discriminate against U.S. citizens. It has been said time and time again, and it is true, that South Africa does discriminate against U.S. citizens, U.S. servicemen, even Members of the U.S. Congress.

That South Africa is not a dependable source of supply is a question of argument: Trade reciprocity with the United States, need for access to prime markets as measured by the relative importance of sugar as a source of foreign exchange and by the country's own state of development, the extent to which participation in the U.S. market is shared with the workers and the people of the country.

Actually, South Africa is not dependent upon these sugar quotas, and only 2.5 percent of its export is in sugar.

The proponents of this amendment have been desirous of a division, desirous of first striking out the quota for South Africa and then distributing the quotas on a more equitable formula.

My question to the chairman of the Finance Committee at this time is whether he would agree that we could divide the present amendment and then leave it to the President, if possible, to establish the distribution formula for these quotas.

Mr. LONG. I forsook that right last night, giving the Senator the right to draft this amendment any way he wished. The Senator has drafted it, and all I can say is that he drafted one on which I had to give him unanimous consent to get out of his own trap last night, which I was willing to do, and put the Senator in the best parliamentary situation for which he could ask. It would just strike South Africa, and then the Senator could decide what he wanted to do with the sugar, after he struck out that nation.

The Senator had one chance. I foreclosed myself on that, as it is, to ask for a division, and I think the Senator ought to live by the same rulebook. I have to object.

Mr. KENNEDY. Of course, we run into that problem even if the points made by the Senator from Louisiana are well taken. If the President makes a finding that they are not discriminating and that the benefits are getting to the workers, that they are making progress, we will not have all the domestic turmoil that has been spelled out by the Senator from Utah and the Senator from Louisiana.

Mr. BROOKE. That is my understanding, and that is why I questioned the Senator from Louisiana.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield 1 additional minute.

Mr. BROOKE. I ask the distinguished chairman of the Finance Committee whether we could have a unanimous-consent agreement to amend the present amendment.

Mr. LONG. I cannot agree to that. I foreclosed myself of the right to amend last night, and that gave the Senator the right to bring this amendment in in any way he wished. I do not have the right to amend it. It gets down to the point that those who live by the sword should die by the sword. Last night I gave up my right to amend this amendment, and when the Senator agreed to the yeas and nays, he foreclosed his right to amend it.

Mr. HARRIS. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. HARRIS. The distinguished Senator from Louisiana said this amendment makes no sense.

Mr. BENNETT. Mr. President, whose time is being used?

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Massachusetts has 10 minutes remaining.

Mr. KENNEDY. Mr. President, when the distinguished chairman of the Finance Committee was speaking, was that time charged against the Senator from Massachusetts?

The PRESIDING OFFICER. The Senator from Massachusetts yielded to the Senator from Louisiana, and that period of time was charged against the Senator from Massachusetts.

Mr. KENNEDY. I yield 1 additional minute.

Mr. HARRIS. The distinguished Senator from Louisiana said this amendment makes no sense.

I ask the Senator, does it not make this kind of sense: While charging more money that housewives and other consumers must pay for sugar, to subsidize the only country in the world that practices racism as official policy, hopefully they will change their ways, and there will be no impact at all on the domestic market. It makes that kind of sense, does it not?

Mr. BROOKE. It certainly does make that kind of sense. The United Nations expressed deep concern over continuation of the sugar quota for South Africa.

The PRESIDING OFFICER (Mr. CHILES). The additional minute of the Senator has expired. Who yields time?

Mr. LONG. Mr. President, how much time remains to me?

The PRESIDING OFFICER. Six minutes.

Mr. LONG. Mr. President, there are quite a few black nations that bar white Caucasians from holding public office in their land, but we are not seeking to blackball those countries for that reason. There are some liberal Senators here who would like to trade with Red China, too.

Mr. HARRIS. We are not asking that Red China have a sugar quota.

Mr. LONG. Yon will be asking us to trade in sugar with them next. Not today, I admit. [Laughter.]

Now, Mr. President, let me read what I regard to be a roll of honor of honorable men who agreed that we were entitled to this much sugar and no more. The refiners gave their word. When confronted with the opportunity to sell their sugar they said, "Thanks, no. We gave our word and we shall keep it."

Here is a list of those men of honor:

John C. Bagwell, Hawaiian Sugar Planters Association.

Wm. Requa, Association of Sugar Producers of Puerto Rico.

Horace D. Godfrey, Florida and Louisiana Sugarcane Producers and Processors.

Robert A. Shields, United States Beet Sugar Association.

Richard W. Blake, National Sugarbeet Growers Association.

Aldrich O. Bloomquist, Red River Valley Sugarbeet Growers Association.

Loren S. Armbruster, Growers of Farmers and Manufacturers Beet Sugar Association.

Malcolm Young, California Beet Growers Association, Ltd.

Then there is Irvin A. Hoff, U.S. Cane Sugar Refiner's Association, who would be injured by this amendment.

Mr. President, may I applaud those men of honor. They made that statement and when offered the opportunity to get an advantage out of the backwash of negative racism, they said, "Thanks, no. We gave our word and we shall keep it." They did not have to be importuned into that. They came charging in with their "thanks, no."

That is how we do business in this country. I am very proud that we still have some of this old-fashioned honor and ethics, even if in some areas it has diminished in its intensity.

Mr. BENNETT. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. Mr. President, how much time do I have left?

The PRESIDING OFFICER. Three minutes.

Mr. BENNETT. Will the Senator yield me 2 minutes?

Mr. LONG. I yield 2 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 minutes.

Mr. BENNETT. Mr. President, I can understand the concern of the proponents of the amendment because time has run out on them. I should like to remind them that it was over a month ago when we began hearings on the bill. The Senator from Massachusetts appeared. The Senator from Oklahoma is a member of the committee. At that time, they were interested only in taking the quota away from South Africa without concern for the problems that would create. They have had all this time to consider the problems thus created, to decide what countries, in their opinion, should have the quota. They have had an opportunity, when we were working on this question of foreign trade, to suggest to us, if South Africa were deleted, that the quota should be so divided; but now they come in at the last minute and feel aggrieved that their time has run out and that the proposal they make to give the quota to the domestic producers who do not want it, in fact injures the other countries in South Africa whom they had hoped to help.

There will be another sugar bill in 3 years. Perhaps they will be a little more forehanded when we concern ourselves with that.

Mr. KENNEDY. Mr. President, I yield 3 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 3 minutes.

Mr. COOPER. Mr. President, I am not very much concerned as to the disposition of the quota for South Africa. That can be arranged in conference. What I am concerned about is the question of policy.

The question is, Should our Government officially provide to South Africa access to sugar allotments, when those who will produce a major part of the sugar are subject to the governmental policy of apartheid?

We have known here for many years, all about the policy of apartheid. Let me say first that I do not want to interfere in any way with private trade or investments. Our trade with South

Africa is $700 million and their trade with us, is $43 million. The United States has already acted, and has as its declared policy a prohibition upon any army equipment, ammunition, or materiel going to South Africa.

Why? Because our country wanted to show its disfavor with South Africa's policy of apartheid. We know that there is discrimination all over the world. We might even include Rhodesia, but I do not know of any other country which has officially and governmentally made discrimination its national policy. Not only has it made discrimination a policy both economically and socially, but it has passed laws to prevent the courts from adjudicating or giving due process to all its citizens.

What we are talking about today is official policy toward South Africa because of its apartheid policy and not toward private enterprise or private trade. I think the least we can do as a congressional body in disapproval of apartheid is to show in this respect of a sugar quota that we do not have to give to South Africa access to a public program of the U.S. Government. I think we can do that at the very, very minimum.

Mr. HUMPHREY. Mr. President, I support H.R. 8866, the Sugar Act Amendments of 1971. It is an improvement over previous legislation—both to domestic producers and foreign producers. My concern is primarily centered on stable prices for the consumer which depends so much on availability of supplies both from domestic and foreign sources. I am also concerned about the improvement of trade—foreign trade and in particular with countries in the Western Hemisphere. It gives recognition to the performance of our nearby Latin-American neighbors. It also gives priority to the Western Hemisphere area. This area, along with our own domestic beet and cane producing areas, offers us the best assurance of prompt delivery of accessible sugar from dependable sources. This corrects a major deficiency of the House bill, which failed to make the fullest use of the protection available to the American consumer from these nearby sources.

As good as the Finance Committee's bill is, however, one element seems to be lacking which I believe should be corrected and strengthened in conference to add further protection for American consumers. It involves a reconstitution of the "bottomless sugar bowl" theory within the Western Hemisphere in the form of sugar reserves to be maintained by major suppliers such as Brazil, Mexico, and the Dominican Republic—to be made available at any time to meet emergency demands of U.S. consumers. When Cuba—prior to Castro—gave us this protection the Sugar Act worked well in time of shortage. Prices were stable and supplies were adequate to meet U.S. needs even during the world shortages of 1951 and 1957.

We all know what happened in 1963–64 when for 15 months of world shortage U.S. prices exceeded world prices. The refined sugar price at retail increased from a level of under 12 cents per pound to as high as 16.8 cents in June 1963 and remained over 2 cents above normal. On the other hand, during the period 1951 to 1957, when the world price rose above the U.S. price, refined sugar at retail in the United States was unaffected. We learned by the 1963 experience that we had made a mistake by giving up country-by-country quota protection in favor of a global concept that failed to provide the sugar we so desperately needed in time of world shortage. The results were disastrous. We experienced the worst sugar crisis in 40 years at an unnecessary cost to the consumers of this country of more than $500 million. It is important to prevent a repetition of that situation.

It recently has been brought out by many competent sugar authorities, both private and in Government, that in the next 2 or 3 years, or during the life of this act, world sugar production will lag behind world sugar consumption, with the result that world sugar stocks could depreciate to the same dangerous percentage level that existed in 1962, prior to the 1963–64 situation when the world prices were higher than U.S. prices.

World sugar shortages seem to occur in about one out of every 6 or 7 years. However, the consumers of the United States have been protected from this changing phenomenon through the operation of the Sugar Act, which has resulted in stable prices throughout these years since 1934, with the exception of the 1963–64 period. They have every right to expect that protection to continue.

It, therefore, seems to necessarily follow that appropriate encouragement of prompt and reliable suppliers of sugar is imperative, particularly at this time and in this bill which the Senate is considering today. The bill, in permitting the established domestic cane industry additional quota of 300,000 tons to permit increased production, is a step in the right direction. Also, making provision for another 100,000 tons of domestic cane sugar production outside the established cane area and encouraging the needed expansion of domestic beet sugar production is a definite asset. Perhaps, however, the Senate bill does not go far enough in requiring that foreign suppliers, particularly Western Hemisphere countries, maintain a reserve as a backup to insuring a stable and continuing supply of sugar. If there is a weakness in the committee bill it is this. In my judgment, the bill should recognize the investment of major suppliers in maintaining stocks and the protection that such reserves offer the U.S. consumer, rewarding those countries who are willing to provide this assurance.

An important objective of the Sugar Act is the promotion of foreign trade, and it is significant that our largest Western Hemisphere suppliers are also our most important purchasers of agricultural commodities. We have much more wheat here in the United States than we can consume. It is, therefore, very important that these markets outside our borders, particularly in Latin America, be preserved. Much of our hard red winter wheat moves to these markets south of the border—over 6 million tons in the past 6 years to one country alone. Our substantial sugar purchases provide a sound trade foundation.

The encouragement and continuation of these trading partnerships are vital to each country and particularly to our own wheat farmers.

I hope, Mr. President, that our Senate conferees will give careful consideration in the conference in dealing with these matters and iron out the basic quotas between the two bills and in arriving at the Cuban reserve that the principle of adequate reserves will be recognized and preserved in order to strengthen the U.S. supply prospects for the next 2 or 3 years, correcting those provisions which could present a serious threat to the protection offered by the act to the U.S. consumer.

Mr. STEVENSON. Mr. President, this legislation extends for 3 years the system of price-fixing, quotas, and subsidies for domestic sugar producers.

In order to assure the 28,000 U.S. sugar producers of high prices and profits, the Sugar Act imposes a large but hidden tax on 200 million American consumers and hundreds of thousands of U.S. food processors. The continuation of this subsidy flies in the face of sound international economic policy and contains inflexible new expropriation procedures which could cause major foreign policy complications.

I cannot vote for a bill which retains benefits for South Africa and Haiti, but which refuses to guarantee housing and fair representation for 150,000 overworked and underpaid sugar workers. The sugar worker protection amendment which I offered would have mitigated the negative effects of the Sugar Act by spreading the benefits of the subsidy to those who need it most.

I recognize that if the Sugar Act were to be abolished today, these innocent farmworkers would suffer. For that reason, I voted for a 1-year extension which would have afforded ample time for the Government to come to grips with the problem of job loss, but I cannot justify the long-term continuation of inflationary subsidies which this bill calls for.

I also recognize that the artificially high U.S. price of sugar works to the disadvantage of U.S. confectioners and food processors, causing them to lose business and jobs to foreign competitors who pay the free market price for sugar. They should be freed from the competitive disadvantages imposed on them by the sugar subsidy.

The victory which the sugar lobby will undoubtedly win today is won at the expense of American consumers and farmworkers and grocers and food processors. I hope it is its last victory.

SUGAR ACT SHOULD BE EXTENDED

Mr. FONG. Mr. President, I urge Senators to support the passage today of H.R. 8866, Sugar Act Amendments of 1971.

Before commenting on the provisions of the bill, I want to commend most highly the distinguished chairman of the Finance Committee, Mr. LONG, and the distinguished ranking minority member of the committee, Mr. BENNETT, for their leadership and skill in writing such a carefully reasoned and balanced bill.

Without question, the sugar program is one of the most complex and far-reaching subjects on which Congress must legislate. Senator LONG and Senator BENNETT, with the help of the majority of the Finance Committee members, have done a fine job of drafting a bill that conforms with the goals of the Sugar Act: To assure American consumers adequate supplies of sugar at reasonable prices; to maintain a healthy and competitive U.S. sugar industry; and to promote U.S. export trade.

The bill before the Senate does an excellent job of reconciling the diverse concerns of U.S. sugarcane and sugar beet growers, refiners, industrial users, and housewives, together with the necessity to import sugar from other nations.

H.R. 8866 as reported by the Senate Finance Committee retains the essential elements of the Sugar Act which has operated so successfully for more than 30 years.

American consumers have had dependable supplies of sugar at fair and reasonable prices. Since 1934, when the present sugar program began, the index for the refined price of sugar has generally stayed below the overall food price index. The sugar price index has generally been lower and more stable than sugar prices in the years 1860–1934, before the Sugar Act was passed.

Since 1940, sugar prices have increased at a lesser rate than the index of retail prices of all foods. This situation continues. For example, in 1969, the retail price index of all foods was 125 percent of the 1957–59 average. But the retail price of sugar was only 111 percent of the 1957–59 average sugar price.

Compared with most other developed countries, which like the United States must import sugar, our U.S. consumers fare better.

On January 1 this year, the retail price of a pound of sugar in America averaged 13.4 cents. In Italy, the retail price was 18.6 cents; in Japan, 18.4 cents; West Germany, 17.7 cents; Sweden, 14.8 cents; and Denmark, 14.5 cents. Sugar prices in the U.S.S.R. are several times the U.S. price.

In terms of purchasing power, U.S. sugar prices are typically the lowest in the world. In the United States, it takes 2.4 minutes to earn a pound of sugar. In Japan, it takes 16.9 minutes; in Italy 14 minutes; France 8.9 minutes; West Germany 6.9 minutes; Great Britain 4.9 minutes; and Sweden 4.1 minutes.

By any standard of measurement, sugar prices to American consumers have remained fair and reasonable.

And, housewives and industrial consumers alike have been able to rely on a dependable supply. They do not have to stockpile sugar against skyrocketing prices and against production shortages. Our Sugar Act, which the pending bill would extend, provides enough suppliers to assure that the sugar needed by our people will be available year after year.

The American taxpayer also has had a good break under the Sugar Act. Over the life of the act, the U.S. Treasury has received a net gain of $634 million. The reason is that the excise of 50 cents per hundredweight of both foreign and domestic sugar refined in the United States has exceeded compliance payments to sugar beet and cane growers by $634 million.

It is estimated that during the next 3 years of the Sugar Act, as provided in the pending bill, the U.S. Treasury will benefit by a net gain of $78 to $83 million.

The sugar program is the only self-financing commodity program we have. It deserves to be extended.

I am somewhat disappointed that the Finance Committee did not extend the program for 6 years. Particularly from the standpoint of sugar cane growers, a 6-year extension of a program involving a crop that requires 2 years in Hawaii to harvest would give additional stability to this important industry.

I do, however, understand the reasons the committee decided on a 3-year extension.

Mr. President, having mentioned compliance payments to sugar producers, I would like to discuss this feature of the Sugar Act. To do so, I must also discuss the excise taxes on sugar, which though paid by the refiners, is passed back by the refiners to the growers in the form of a lesser price for the raw sugar the growers furnish.

The excise tax-compliance payment provisions of the Sugar Act are crucial in helping American sugar growers compete with low-cost, low-wage, often Government-subsidized foreign sugar. So, of course, are the quotas in the act.

In order to qualify for compliance payments, American sugar growers must pay fair wages, must not employ child labor, must agree to production and marketing quotas, and if the growers are also processors, they must agree to pay fair prices for the cane sugar and beet sugar they buy from other growers.

Sugar growers are not paid for plowing under their fields or allowing them to lie fallow.

Smaller sugar growers receive more per ton of sugar produced than large growers, under a scale-down compliance payments formula. Those producing 350 tons of sugar or less receive 80 cents a hundred pounds for their production. The payment rate decreases progressively to a minimum of 30 cents a hundred pounds on all sugar produced in excess of 30,000 tons.

The average payment is 46 cents in Hawaii, where 93 percent of the sugar produced is on large farms, to 83 cents in the beet areas where farms are generally family-size. The 700 small growers in Hawaii receive the highest payment per ton.

Keep in mind that growers bear the burden of the 50-cent excise tax on each 100 pounds of sugar refined from their output.

In my State of Hawaii, 23 sugar companies produce 93 percent of all the sugar cane grow in Hawaii. The excise tax paid on the sugar produced by most of these companies exceeds what they receive in compliance payments.

In fact, since 1937, the excise tax paid on refined Hawaii sugar, which tax the refiner passed back to Hawaii growers, totaled $334.8 milion through the 1969 crop year, the latest for which figures are available.

In this same time period, Hawaii sugar producers received a total of $306.1 million in sugar compliance payments.

Over the life of the present Sugar Act, Hawaii's sugar industry has paid $28.7 million more in taxes to the Federal Treasury than its sugar growers received in compliance payments from the Treasury.

In order to remain competitive in the marketplace with mainland beet sugar, Hawaii's sugar industry has had, through its own self-financed research and modernization programs, to increase sugar yields per acre by mechanization and irrigation and improved strains of cane. Today Hawaii's sugar industry is the most efficient and productive per acre and per man-hour in the world. At the same time, Hawaii's field sugar workers receive the highest wages in the world.

Also, more than 700 independent sugar growers in Hawaii depend upon the Sugar Act for their livelihood. The extension of the act as proposed by the pending bill is imperative.

The sugar industry in Hawaii is a mainstay of our island economy. It provides year-round employment for 10,500 Hawaii workers. It brings into Hawaii's economy $200 million a year. Using the multiplier factor, the impact on Hawaii's economy is several times greater. Hawaii's sugar industry pays more than $20 million a year in Federal and State taxes. There are 12,500 stockholders, two-thirds of whom live in Hawaii.

The extension of the Sugar Act with its tax-payment-quota provisions is crucial to Hawaii's future.

Hawaii supplies one-sixth of all the sugar produced in America. So extension of the Sugar Act is vital to our Nation, as well as to Hawaii.

We in Hawaii are grateful to the administration, to the House Agriculture Committee, to the House of Representatives, and to the Senate Finance Committee for recognizing the critical importance of the Sugar Act to the people and the economy of Hawaii. Now we ask that the Senate also approve the Sugar Act extension. Failure to extend the act would spell economic disaster for Hawaii.

The PRESIDING OFFICER. All time has now expired.

Mr. LONG. Mr. President, I yield back the remainder of that time.

The PRESIDING OFFICER (Mr. CHILES). All time has now been yielded back.

The question is on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Rhode Island (Mr. PASTORE) is necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Connecticut (Mr. WEICKER) is detained on official business.

The result was announced—yeas 42, nays 55, as follows:

[No. 172 Leg.]

YEAS—42

Bayh
Boggs
Brooke
Case
Church
Cook
Cooper
Cranston
Eagleton
Fulbright
Griffin
Harris
Hart
Hartke
Hatfield
Hollings
Hughes
Humphrey
Jackson
Javits
Kennedy
Mathias
McGovern
Metcalf
Miller
Mondale
Moss
Muskie
Nelson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott
Stevens
Stevenson
Symington
Taft
Tunney
Williams

NAYS—55

Aiken
Allen
Allott
Anderson
Baker
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Buckley
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Chiles
Cotton
Curtis
Dole
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Gambrell
Goldwater
Gravel
Gurney
Hansen
Hruska
Inouye
Jordan, N.C.
Jordan, Idaho
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Montoya
Packwood
Pearson
Prouty
Randolph
Saxbe
Smith
Sparkman
Spong
Stennis
Talmadge
Thurmond
Tower
Young

NOT VOTING—3

Mundt
Pastore
Weicker

So Mr. KENNEDY's amendment was rejected.

Mr. SYMINGTON. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. SYMINGTON. What was the vote?

The PRESIDING OFFICER. Forty-two yeas and 55 nays. The amendment fails of passage.

Mr. SYMINGTON. I thank the Presiding Officer.

The PRESIDING OFFICER (Mr. CHILES). Pursuant to the previous order, no other amendments are in order.

The question is on the engrossment of the amendment as amended and third reading of the bill.

The amendment as amended was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 8866) was read the third time.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The ayes and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Rhode Island (Mr. PASTORE) is necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The result was announced—yeas 76, nays 22, as follows:

[No. 173 Leg.]

YEAS—76

Aiken
Allen
Allott
Anderson
Baker
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Case
Chiles
Church
Cook
Cooper
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ellender
Ervin
Fannin
Fong
Gambrell
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Hollings
Hruska
Hughes
Humphrey
Inouye
Jackson
Jordan, N.C.
Jordan, Idaho
Long
Magnuson
McClellan
McGee
McGovern
McIntyre
Metcalf
Miller
Mondale
Montoya
Moss
Muskie
Packwood
Pearson
Pell
Prouty
Randolph
Scott
Smith
Sparkman
Spong
Stennis
Symington
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—22

Bayh
Boggs
Brooke
Buckley
Fulbright
Harris
Hatfield
Javits
Kennedy
Mansfield
Mathias
Nelson
Percy
Proxmire
Ribicoff
Roth
Saxbe
Schweiker
Stevens
Stevenson
Taft
Weicker

NOT VOTING—2

Mundt
Pastore

So the bill (H.R. 8866) was passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. CHILES) appointed Mr. LONG, Mr. ANDERSON, Mr. TALMADGE, Mr. BENNETT, and Mr. CURTIS conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, with the passage of H.R. 8866, Order No. 296, the Sugar Act Extension, a special note of thanks should be given to the able Senator from Louisiana (Mr. LONG) for his splendid presentation of this legislation to the Senate. His detailed knowledge, and thorough explanations to questions assured the expeditious disposition of this bill by the Senate.

The thoughtful assistance of the senior Senator from Utah (Mr. BENNETT) demonstrated once again that this Chamber can cooperate extremely well in disposing of important legislation. I wish to thank the Senator for his service to the Senate.

The various amendments offered by the different Senators today certainly assured a complete review of all aspects in this legislation. The Senator from Arkansas (Mr. FULBRIGHT) contributed greatly to the ongoing debate with his amendment. His thoughtful comments I am sure were noted by many of his colleagues. The senior Senator from Massachusetts (Mr. KENNEDY) revealed important matters that needed to be discussed. His judicious counsel is always appreciated by this Chamber, and his comments here today certainly contributed to a better understanding of some of the problems involved. Similarly, the senior Senator from New York (Mr. JAVITS) and the Senator from Illinois (Mr. STEVENSON) by offering their amendments brought forth many issues that were the concern of many people.

The comments of Senator INOUYE and Senator FONG were most helpful to a better understanding of particular parts of this legislation. The contributions of the Senator from Nebraska (Mr. CURTIS) helped remind the Senate of its vast constituency. Senator CURTIS' comments are always appreciated. Senator PERCY's experience in the business world is always helpful in discussions on the floor, and today was no exception. His comments are to be commended. Senator HARRIS and Senator RIBICOFF through their participation in the debate raise many salient points. The Senate notes with appreciation their individual contributions.

The Senate has had a most productive day today, and I wish to thank all Members for their willingness to spend long and dedicated hours in seeing that action was completed. Again, our thanks go to Senator LONG and Senator BENNETT for their work on the Sugar Act Extension. The Senate is again in their deep debt.

EMERGENCY LOAN GUARANTEE ACT

The PRESIDING OFFICER (Mr. CHILES). Under the previous order, the Senate will now resume the consideration of S. 2308, which the clerk will state.

The legislative clerk read as follows:

Calendar No. 264, S. 2308, a bill to authorize emergency loan guarantees to major business enterprises.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Is the amendment of the Senator from Indiana the pending order of business at this time?

The PRESIDING OFFICER. That is the pending question.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the pending amendment by the distinguished Senator from Indiana (Mr. BAYH) is disposed of, the next order of business be the amendment to be offered by the distinguished Senator from South Dakota (Mr. McGOVERN).

Mr. TOWER. Mr. President, reserving the right to object, is this satisfactory to the Senator from Alabama?

Mr. SPARKMAN. Yes; it is.

The PRESIDING OFFICER. The Senator from Montana has made a unanimous-consent request. The Senator from Texas reserved the right to object. Is there objection?

Mr. TOWER. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER obtained the floor.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

NASA AUTHORIZATION APPROPRIATIONS, 1972—CONFERENCE REPORT

Mr. CANNON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7109) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. CHILES). Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of July 21, 1971, pp. 26442–26445, CONGRESSIONAL RECORD.)

Mr. CANNON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a comparative tabulation showing the amounts requested by the National Aeronautics and Space Administration, the House action, the Senate action, and the conference action.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SUMMARY OF ACTION OF CONFEREES ON H.R. 7109, NASA AUTHORIZATION FOR FISCAL YEAR 1972

[In thousands of dollars]

	Budget request	House action	Senate action	Conference action
Research and development:				
Apollo	612, 200	612, 200	612, 200	612, 200
Space flight operations	672, 775	745, 275	672, 775	702, 775
Advanced missions	1, 500	10, 000	1, 500	5, 500
Physics and astronomy	110, 300	112, 800	110, 300	112, 800
Lunar and planetary exploration	311, 500	311, 500	291, 500	301, 500
Space applications	182, 500	182, 500	185, 000	185, 000
Launch vehicle procurement	146, 100	146, 100	146, 100	146, 100
Aeronautical research and technology	110, 000	134, 500	110, 000	122, 500
Space research and technology	75, 105	75, 105	75, 105	75, 105
Nuclear power and propulsion	27, 720	67, 620	70, 720	70, 720
Tracking and data acquisition	264, 000	264, 000	264, 000	264, 000
Technology utilization	4, 000	6, 000	4, 000	5, 000
Total	2, 517, 700	2, 667, 600	2, 543, 200	2, 603, 200
Construction of facilities:				
Ames Research Center	6, 500	6, 500	6, 500	6, 500
John F. Kennedy Space Center	15, 200	17, 530	15, 200	17, 300
Various locations	31, 100	31, 100	31, 100	31, 100
Facility planning and design	3, 500	3, 500	3, 500	3, 500
Total	56, 300	58, 630	56, 300	58, 400
Research and program management	697, 350	706, 850	681, 350	693, 350
Grand total	3, 271, 350	3, 433, 080	3, 280, 850	3, 354, 950

Mr. CANNON. Mr. President, the total authorization request for the National Aeronautics and Space Administration for fiscal year 1972 was $3,271,350,000. The House approved a total authorization of $3,433,080,000. The Senate in its action on the authorization bill amended H.R. 7109, approving a total of $3,280,850,000, an amount $152,230,000 less than that voted by the House. The conferees are recommending a total authorization of $3,354,950,000, an amount $83,600,000 above the NASA request, $78,130,000 below the House bill, and $74,100,000 above the amount approved by the Senate.

Mr. President, in adjusting the difference between the Senate- and House-passed versions of H.R. 7109, the conferees agreed upon $2,603,200,000 for the 12 programs in the research and development section of the bill. The Senate had authorized $2,543,200 for these programs, an amount $124,400,000 less than the House. The conference agreement therefore is $64.4 million less than provided by the House and $60 million more than provided by the Senate.

For the construction of facilities the conferees agreed to an authorization of $58,400,000, an amount $2.1 million above the NASA request and that approved by the Senate. The final agreement is $230,000 below the amount approved by the House, and adopts the identification of each facility authorized as set forth in the Senate amendment.

For research and program management the NASA requested $697,350,000. The House authorized $706,850,000 and the Senate approved $681,350,000 with a limitation of $517,916,000 on the amounts that could be spent for personnel and related costs. The conferees agreed to $693,350,000, an amount $4 million below the NASA request, $13.5 million below the House bill, and $12 million above the amount approved by the Senate. The limitation on personnel and related costs was retained by the conferees at $529,916,000, an amount $12 million above the amount included in the Senate amendment to H.R. 7109.

Mr. President, the actions taken by the conferees on the individual research and development programs and the other items included in the authorization bill are recorded in the Joint Statement of Managers accompanying the conference report—CONGRESSIONAL RECORD, July 21, page 26444. I believe that the agreement reached by the committee of conference will permit the National Aeronautics and Space Administration to carry out a good program for fiscal year 1972. The final act represents the work of many conscientious people dedicated to achieving a mutually satisfactory objective.

Mr. President, I move adoption of the conference report.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. CURTIS. Mr. President, I shall support the conference report.

I think it is significant that as Apollo XV is on its way to the moon, we in the U.S. Senate are passing an authorization act for 1 more year of activity for the space program.

Several things in this bill are worth noting. One is an improvement in the authorization language over what it has been in the past. I refer particularly to the construction. Heretofore, we have authorized, in rather block manner, construction at a certain location.

In this bill, the Senate provided for naming specific facilities to be built, modified, or improved. That view prevailed in the conference, and I believe it is a gain toward good Government and more efficient Government.

When we stop to consider that in 1966 the space program was spending almost $6 billion and that it is down now to a little more than $3 billion, we can see the benefits of annual authorizations. I regret very much that our authorization bill is not completed each year before the appropriation bill starts on its way through the House of Representatives and the Senate, because in many instances the action of the legislative committees, in a sense, is predetermined by action already taken by the appropriations committees or the House or the Senate as a whole.

During this time of retrenchment—and I believe that is in accord with what the American people want—NASA has done a good job of reducing its bureaucracy at higher echelons. I believe that much of the credit—in fact, I know that much of the credit—for this accomplishment goes to the distinguished Senator from Maine (Mrs. SMITH), and she should be commended for this.

Mr. President, I shall support the conference report, and I hope that it may have the unanimous support of everyone in this Chamber.

Mrs. SMITH. Mr. President, I would like to thank the distinguished Senator from Nebraska, who has taken over the leadership on the minority side of the Space Committee and has done an admirable job.

The chairman and Senator CURTIS could not be asked to do more than they have done to bring about results that are good for both NASA and the country.

I commend the distinguished chairman of the committee, the Senator from New Mexico (Mr. ANDERSON), for his excellent work on this bill, and the acting chairman, the distinguished Senator from Nevada (Mr. CANNON), for his effective floor management of the bill.

Mr. CANNON. Mr. President, I express my appreciation to the distinguished Senator from Nebraska, the ranking minority member of the committee, for his fine work on the bill, particularly on the construction of facilities, and to the distinguished Senator from Maine for her fine work particularly in the area of research and program management. They did much painstaking work. I also want to express appreciation to our committee chairman, the distinguished Senator from New Mexico (Mr. ANDERSON), for his outstanding work in the development of the bill.

Mr. President, I move adoption of the conference report.

The motion was agreed to.

THE FEDERAL MEAT INSPECTION ACT—A UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, will the Senator from Indiana yield to me for a unanimous-consent request only, subject to his retaining his right to the floor?

Mr. BAYH. I yield.

Mr. BYRD of West Virginia. Mr. President, I have cleared this request with the minority, and also with the leaders and interested parties on both sides of the question, and on both sides of the aisle with respect to the pending bill. I make this unanimous-consent request with approval of the distinguished majority leader:

I ask unanimous consent that debate on S. 1316—a bill on the calendar to amend section 301 of the Federal Meat Inspection Act—be limited to 1 hour, the time to be equally divided between the distinguished Senator from Nebraska (Mr. CURTIS) and the distinguished Senator from Georgia (Mr. TALMADGE); that time on any amendment thereto be limited to 20 minutes, to be equally divided between the mover of such amendment and the manager of the bill; and that Senators in control of time on the bill may yield time thereon to any Senator on any motion or appeal, except a motion to table.

The PRESIDING OFFICER (Mr. TAFT). Is there objection to the unanimous consent request of the Senator from West Virginia?

Mr. PROXMIRE. Mr. President, reserving the right to object, what bill is this?

Mr. BYRD of West Virginia. S. 1316, a bill to amend section 301 of the Federal Meat Inspection Act.

Mr. PROXMIRE. I thank the Senator.

Mr. BYRD of West Virginia. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

ORDER FOR FEDERAL MEAT INSPECTION ACT TO BE PENDING BUSINESS TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, on tomorrow, immediately following the conclusion of routine morning business, the Senate proceed to the consideration of Calendar No. 291, S. 1316, a bill to amend section 301 of the Federal Meat Inspection Act. This, too, has been cleared with all sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The unanimous-consent agreement reads as follows:

> *Ordered*, That, at the conclusion of routine morning busiess on Thursday, July 29, 1971, the Senate proceed to the consideration of S. 1316, a bill to amend section 301 of the Federal Meat Inspection Act, as amended, with the time for debate on the bill to be limited to 1 hour to be equally divided and controlled by the Senator from Nebraska (Mr. Curtis) and the Senator from Georgia (Mr. Talmadge). *Provided*, that debate on any amendment be limited to 20 minutes to be equally divided and controlled by the mover of the amendment and the manager of the bill (Mr. Curtis).
>
> *Provided further*, That, time for debate on the bill may be yielded on any pending amendment, motion or appeal, except a motion to table. (July 28, 1971)

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 10 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RAILROAD STRIKE

Mr. CURTIS. Mr. President, I have today sent the following telegram to President Richard M. Nixon:

> I again urge that action be taken to halt the railroad strike and prevent the strike from spreading. It is not only the producers and handlers of grain, livestock, and meat that are subjected to an unfair economic loss but a loss is facing many industries with resulting unemployment. The Government has acted quickly before and it can be done again. I am ready to vote for whatever legislation is necessary.

Mr. President, I have also sent the same telegram to the Secretary of Transportation John Volpe; to the Senator from New Jersey (Mr. WILLIAMS), chairman of the Committee on Labor and Public Welfare; to the distinguished Senator from New York (Mr. JAVITS), the ranking minority member on that committee; to the Honorable HARLEY O. STAGGERS, chairman of the House Committee on Interstate and Foreign Commerce; and to the Honorable WILLIAM L. SPRINGER, the ranking minority member on that committee.

Mr. President, this strike, apparently, will not end until Congress takes action to bring it to an end. It is the responsibility of everyone. I urge that it be met.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

QUORUM CALL

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. BAYH. Mr. President, I ask unanimous consent that an additional member of my staff, Mr. P. J. Mode, be permitted the privilege of the floor during debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. May I just ask the Senator a question—I do not intend to object—this would not include during the rollcall vote.

Mr. BAYH. That is why I specifically said "during debate."

Mr. BYRD of West Virginia. I thank the Senator from Indiana.

Mr. BAYH. Mr. President, the Senate has been debating this bill now for about 5 days. I personally do not think that a bill such as this—which would have great impact if it were to pass, and, according to its sponsors, great impact if it were not to pass—should be rushed through the Senate. That is why I voted against cloture to cut off debate on the bill.

I think we all need sufficient time to study it and think about it before we take any final action.

Just reading through the hearings would take many days in itself. I, for one, would not want to be in a position—and I do not think that any of us would—where we would be voting on something as important as this bill without having an adequate amount of time to go over all of the ramifications.

I have looked through the hearings and followed the debate on the floor with a great deal of interest. I am greatly troubled to find that the question which I think is most important in this whole matter has not been addressed at all.

That question is the basic question of national priorities. When I brought this question before the Senate Committee on Banking, Housing and Urban Affairs, I said that if we were to decide that what this country needed was a program of Federal emergency guaranteed loans, then I, for one, wanted to see that these emergency guaranteed loans went where the real emergencies were.

It seemed clear to me then, and it seems even more clear to me now, that there could be no better opportunity for us in the Senate to deal with the question of national priorities than now, at a time when we are being urged to have emergency financing for giant corporations.

I believe that we can—that we must—pose the question of emergency loan guarantees as a question of national priorities. Does the need for $2 billion to rescue giant corporations in distress rise to the top of the priorities list? Or are there other needs which are going unfilled in this country? Are there other institutions in this country which are just as important to the people of this Nation as giant industrial corporations, and are facing severe financial difficulties, and need the help of a federally guaranteed loan to enable them to continue to provide vital services for all?

I think that there are these other needs and that there are these other institutions that need help. They are in desperate need of help. They need emergency help, and they need it as badly as the Lockheed Corp. or any other corporate giant. I am speaking of our hospitals and our medical schools and our colleges and universities.

My amendment which was considered in the Senate Committee on Banking, Housing, and Urban Affairs, is quite simple. I appreciate the courtesy of the distinguished chairman of the committee, the Senator from Alabama, in hearing my testimony and having considered it in the committee.

The amendment does not say that we cannot or should not bail out floundering corporations. There has been significant debate on this subject. The question I discuss is one of national priorities.

What the amendment does say is that if we make the judgment that we should aid these failing corporations, we should make the same judgment about these other institutions—that they also need saving. Thus, my amendment provides that at least half of all the outstanding loans guaranteed by the Federal Government shall be loans to public or private educational or health care enterprises.

I think this kind of emergency financing could be of tremendous value to this Nation's educational and health care institutions. In fact, I would venture to say that if this amendment were to pass, and become law, that there would be a long line of hospital administrators, deans of medical schools, and college and university presidents streaming into Washington to try to get a share of these emergency loan guarantees.

The reason is that the financial crisis these institutions are now facing is an extraordinarily serious one. At a time when this country is faced with a physician shortage of 50,000, it is extraordinary that 43 of the 107 medical schools in this country are receiving what the Director of the National Institutes of Health calls "disaster grants." It is extraordinary that without millions of dollars in emergency aid from State governments—governments that are already overburdened with demands upon their inadequate financial resources—medical schools in many parts of the country would actually have to close their doors. I cannot understand how we can be aware of this kind of serious and alarming situation and not be willing to do whatever we can on an emergency basis to help these medical schools out.

And so I pose this as a question of priorities—do we feel that the extremely grave financial crisis facing this Nation's medical colleges is just as important as the serious financial difficulties in which some of our largest corporations might find themselves?

That is the question posed by this amendment.

The situation is no less disturbing with regard to hospitals. The Nation's hospitals employ more than 2.4 million workers. I have spoken with Leon J. Davis, president of the National Union of Hospital and Nursing Home Workers. The union represents more than 75,000 hospital and nursing home workers across the country. He tells me that this union is squarely behind the amendment.

I am very concerned about problems of employment, but I think it is an ancillary question. The main question concerns keeping the Nation's hospitals, medical schools, and other type of medical institutions open. The question involves the health of the country.

The purpose of the $250 million loan guarantee which we are debating is to provide employment opportunities at this particular moment for some Lockheed workers. I think we need to consider what employment opportunities will be available if the jobs are snatched away from those working in hospitals if the hospitals have to go into bankruptcy.

I particularly feel, when we are talking about the employment impact of this bill, that we ought to realize that the hospital workers in this country are among the lowest paid workers in the Nation. Probably the main reason that their wages are so low is that the hospitals for the most part just do not have the money with which to pay their people a real living wage. The operating revenue of hospitals in this country last year fell more than $662 million short of their expenses. Public hospitals alone all across the Nation incurred an aggregate operating deficit of almost $75 million last year alone; $35 million of that deficit was in New York City alone, where the loss amounts to some $25 per patient per day. In Los Angeles the operating deficit came to $15 million and in St. Louis the public hospitals lost more than $4.5 million last year.

The credit of these hospitals is terrible. I know of a hospital—one of the most prestigious in the country—located in a fashionable part of town and with generally affluent patients—that must pay the milkman each morning in cash. If they do not have the cash, they do not get the milk, because their credit rating is gone. The dairy is concerned that the hospital may not be able to pay its bills at the end of the month, so business is done not on a business as usual basis but on a day-to-day basis. I am told that if this particular hospital does not have the cash they simply do not get the milk.

Hospitals which cannot meet expenses have to cut back on services. Boston City Hospital cut back so much that it lost its accreditation last year. And when hospitals cannot afford to provide services, people die. That is the crisis we face in health care.

And so I would like to pose this too as a question of priorities. Do we feel that the health of our people is as important as the health of some of our major business enterprises?

I think we ought to take a quick look at the financial picture facing our colleges and universities as well. Professor Turner from Harvard testified at the hearing on this bill, and he referred to education as being a legitimate place for the Government to enter the market with a subsidy, because, he said:

> Society benefits enormously from having a highly educated population . . . this is an activity which society is wise to subsidize because unsubsidized it will go on at a much lower level than it should; that is to say, a level below what would confer the appropriate benefits on society.

I think it is abundantly clear that education in this country—especially higher education—needs assistance, and lots of it. The recent Carnegie Commission report indicated that 540 colleges and universities—enrolling some 21 percent of all students in the country—are presently in "financial difficulties"—and that an additional 1,000 colleges and universities, enrolling some 4 million students—56 percent of all the Nation's college students—were "heading for financial trouble."

Now that is a pretty bleak picture.

That is a pretty bleak picture for a Nation that prides itself on its technological progress. It is ironic to find us debating the need to support one of the largest corporations in America that has a work force with a high degree of technical sophistication, but they are now faced with bankruptcy—because of our great successes in providing higher education and the institutions of higher education that make this all possible are now facing financial crisis. That is discouraging. And it is equally as discouraging for public colleges and universities as it is for private colleges and universities. A Fortune survey of 20 selected private colleges projected a $45 million annual operating deficit by 1973, and $110 million by 1978. Sixty-nine public institutions are now running deficits, or have had to drastically cut back their programs to remain solvent. Penn State, which is one of our great public institutions, has had to borrow more than $8 million in the last 2 years, while the University of South Carolina has been able to avert heavy deficits only by borrowing from unrestricted endowment principal.

I do not think any of us will dispute the fact that the future of this country depends in large part on the kind of education we provide our young people. That goes without saying. Unless and until we provide permanent and large scale assistance on a regular basis to these colleges and universities we may have to resort to these emergency measures to relieve the serious financial bind that is crippling higher education in this country today.

And so higher education must also be presented as a question of priorities. Are we as willing to expend our resources on our children's future as we are to expend them on behalf of the future of some large corporation?

I put these questions, and offer this amendment, because I believe that these are profoundly important questions—questions that we should confront at every available opportunity—directly, honestly, and openly. If we do not do so, if we do not take advantage of this opportunity, then all our talk about our willingness—indeed our need—to reorder our national priorities—all our questions about the ways in which this Nation's resources are spent—becomes empty rhetoric and tired sloganeering, the kind of which we have had an excess over the last period of time.

I think we have a unique opportunity here to make the kind of priorities decision we have been talking about for so long—and make it now.

With the distinction that exists between the authority of the executive branch and those of us in the legislative branch to make broad policy decisions, and particularly the distinction that exists on the floor of the Senate and in the committee structure, where we have the authorization process on one hand to make broad, long-range policy decisions, and the appropriation process on the other, it is rarely possible for us to find a way in which we can make a determination as to which priorities are most important, or to address ourselves to the broad picture of how to invest the limited tax resources available to us in this country.

But here in this amendment on this particular bill each of us as individual Senators has a right to stand up and say, "All right, I am concerned about business strength and jobs, but I am also equally concerned about the problems of patients and hospitals, doctors and nurses in our medical institutions, and all the many millions of students throughout the country who are working toward higher education."

I would like to read a short excerpt from the hearing record, a letter from Prof. Robert Eisner of Northwestern University. I want to read part of it, as I think it pretty much sums up what I have been trying to say here this morning:

> There is much talk of reconsidering national priorities . . . I am a trustee of Roycemore School, a small independent educational institution in Evanston, Illinois. This school currently educates some 235 children. It has been struggling for several years for financial survival with substantial debts and great difficulty in obtaining credit. We indeed would like government guaranteed loans which would help us meet our current problems and enable us to develop a fine modern educational plant to educate the youth of our area . . .
>
> That is how the question of priorities comes home, both in a broad and in a very personal way. I would hope that considerations of this kind are very much in mind when the Congress acts on the proposed authorization for a federal loan guarantee to the Lockheed Aircraft Corporation. . . .

I have not had a chance to meet Professor Eisner.

I have not been to Roycemore School. I am not familiar with how this testimony got in the RECORD. But here, it seems to me, is a unique example of unsolicited concern, printed on page 1187 of the hearings entitled "Emergency Loan Guarantee Legislation"—one seemingly isolated example of the evidence that we need this type of measure—that we need to address ourselves to the reordering of our priorities in this country.

I think the question of priorities comes home to all Americans—just as it did to Professor Eisner—in a broad, and also in a personal way. And I would hope that we here in the Senate can today take the kind of action to begin to reset our goals, and reorient our priorities, and get on with the unfinished business of this Nation.

Mr. TOWER. Mr. President, has the Senator yielded the floor?

Mr. BAYH. I yield the floor.

Mr. TOWER. Mr. President, I have been listening with great interest to what the Senator from Indiana has said. He testified in the same vein before the committee on this bill.

I think we would all have to concur in the statement that the mental and physical health of our people certainly is the No. 1 domestic national priority. I do not think anyone would dispute that. I think here in the Congress we have recognized that health and education are high on the priority list, because we have passed considerable education measures to provide a better physical and mental climate for our people in this country.

I would say the only reason, probably, why we did not pursue at length the consideration of the proposal of the Senator from Indiana in the Committee on Banking, Housing, and Urban Affairs was because of the question as to whether we had the jurisdiction to do so.

I would like to ask the Senator from Indiana if there is any similar legislation pending before the Committee on Labor and Public Welfare.

Mr. BAYH. Yes, there is.

Mr. TOWER. There is, or there was, some discussion as to whether we should assert jurisdiction in the matter at the time we were considering this measure while such legislation was pending before the committee of which the Senator from New Jersey (Mr. WILLIAMS) is chairman, who is also a member of the Committee on Banking, Housing and Urban Affairs.

There is another problem involved here. May I say that I am certainly identified with much of what the Senator from Indiana has said, because I serve on the boards of trustees of two universities, Southwestern University in Georgetown, and Southern Methodist University in Dallas, and I know very well how the educational institutions are facing a financial crunch. My daughters attend private educational institutions, and it is costing me a great deal of money. I am paying through the nose. So I understand very well what the Senator from Indiana is driving at. I think there is great merit in his proposal. But I wonder if this is the appropriate vehicle for such legislation.

I am afraid that if we went to conference with the House with this provision the House conferees would insist on not taking it, because they would raise the rule of germaneness. As the Senator from Indiana knows, the House in conferences this year has been very tough on germaneness on matters that are in conference between the Senate and the House, and I wonder if they would not raise objections to this amendment on those grounds.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. BAYH. I think the Senator has raised a legitimate point. As I recall, in the dialog before the committee, the Senator from Texas has had some experience in this matter. I think he is on the board of trustees of one university——

Mr. TOWER. Two.

Mr. BAYH. Or two educational institutions, and so is familiar with the financial problems of those institutions. I think the question of jurisdiction perhaps could be raised over the pending bill if we are looking at it in a traditional, categorical sense. It would seem to me that assistance like this, to assure that a large company could continue in business, should be handled, probably, in the Commerce Committee; but it is the loan guarantee aspect that gives the Committee on Banking, Housing, and Urban Affairs jurisdiction. I respectfully suggest to the Senator from Texas that if the committee has jurisdiction over business loan guarantees, then I think the committee could certainly assert jurisdiction over loan guarantees to other institutions that are in trouble—medical and educational institutions.

The response I made relative to the bill which is now before the Committee on Labor and Public Welfare, and which I understand is meeting in conference right now, is that we are dealing here with emergency loan guarantees. We do not know what is going to come out of that conference. As I said in testifying before the committee, I think this is not the best way to address ourselves to the problem of more funds for health and educational institutions. Some of our health and educational institutions may not take advantage of this particular type of loan guarantee, because they can get loans and grants on a much more favorable basis; but neither will most of our large corporations need to take advantage of this $2 billion loan guarantee fund. What we are establishing here is a loan guarantee fund for emergency situations—emergency situations that have a unique and significant impact on society generally.

That is the only criterion—I am sure—that permits some of the strong supporters of the free enterprise system like my friend from Texas to propose that the Federal Government should get itself involved, with taxpayers' dollars, to shore up a private corporation. It is the unique quality of the situation.

I suggest that if we are going to deal with a unique situation as far as a large business corporation is concerned, we ought to deal also with the unique emergency situation which confronts some of our hospitals and medical education institutions and institutions of higher learning.

Mr. TOWER. I do not think anybody would contest the Senator on the particular point of whether we should address ourselves to the need. I think we should. The question is, Is this the appropriate vehicle for it? Could not the Senator's objective be better served in a specific piece of legislation tailored specifically to that kind of problem rather than to a piece of legislation tailored to the problem of a failing business?

Also, and I do not know the answer to this question myself, but based on experience in previous conferences with the

House, I feel that probably the House conferees might raise the jurisdictional question and raise the question of germaneness, which would mean we would reach an impasse in trying to get this bill passed.

Mr. BAYH. The Senator from Indiana would be perfectly willing to accept the judgment of the conferees. If the House raised a legitimate issue on jurisdiction that seemed credible to the Senate conferees, and this provision could not be sustained, the Senator from Indiana would be willing to accept that judgment. But for us in the Senate to anticipate this kind of jurisdictional confrontation, which may not even be reached, is to establish a strawman that I think we do not need to anticipate.

Mr. SPARKMAN. Mr. President, I have listened with a great deal of interest to the presentation by the esteemed Senator from Indiana, as I did when he testified eloquently before us in the committee.

I share with the Senator from Texas the feeling that all of us undoubtedly were sympathetic with his presentation. But I do not think we should take lightly—and the Senator knows that we raised the question in the committee hearings—the question of jurisdiction.

I do think it is a very serious jurisdictional matter. I have discussed it with the chairman of the Committee on Labor and Public Welfare, the Senator from New Jersey (Mr. WILLIAMS). I have discussed it briefly with the Senator from Massachusetts, who is chairman, I believe, of the Education Subcommittee of the Committee on Labor and Public Welfare. Both of them told me that legislation was under consideration at the present time, in one stage or another, dealing with most of these things proposed in the amendment of the Senator from Indiana.

For instance, as the Senator from Indiana has pointed out, there is a conference right now—and I believe the Senator from Massachusetts (Mr. KENNEDY) is attending that conference as one of the conferees—a bill that would provide a stable level of financial assistance to medical schools. It includes, in addition, a provision to give emergency grants to help schools which find themselves in financial distress. In other words, it is right along the line of what the Senator has been talking about. It has actually passed both Houses, and is in conference now.

Mr. BAYH. Mr. President, will the Senator yield just a moment at that point?

Mr. SPARKMAN. I yield.

Mr. BAYH. I know of no Member of this body who has been more vigorous in support of assistance to education generally and to medical schools and hospitals in particular than my friend and colleague, the Senator from Alabama. Since he did raise the subject, in connection with the bill now being discussed, and the Senator, I am sure, is familiar with all the details of this bill—are there any provisions for emergency loans as far as hospitals are concerned?

Mr. SPARKMAN. Does the Senator mean the bill now under consideration?

Mr. BAYH. The bill before the Senate.

Mr. SPARKMAN. I think that was pretty well understood in the committee discussions. But we have enacted the type of legislation the Senator is discussing, and as I say, there is a conference in progress between the House and the Senate at the present time.

Also, I am told that the Committee on Labor and Public Welfare has ordered reported a higher education bill giving new institutional support, including, among other things, a provision to make emergency grants to colleges and universities in severe financial distress.

That is one of the things the Senator from Indiana is seeking to accomplish by his amendment, and yet the Committee on Labor and Public Welfare has already ordered that bill reported to the Senate floor.

In other words, the Committee on Labor and Public Welfare, which rightfully has jurisdiction in these things, is working on it, and it does not seem to me that we ought to confuse the issue.

There was an amendment last year to the Hill-Burton Act, which included new money, both grants and loan guarantees, for modernization of hospital facilities. This will ease economic crises, and bring about more efficient care and better hospital protection.

In other words, we are acting on these matters. We are acting through the committees that have jurisdiction over them, and I do not believe we ought to undertake, in this case, to try to handle these priorities, as the Senator from Indiana has so well expressed it.

Mr. BAYH. Mr. President, I am familiar with the two pieces of legislation that the Senator from Alabama has referred to. They do, indeed, deal with the medical school problem, and they do deal with the educational problem. They do not deal sufficiently, in my judgment, with the hospital problem, and I would like to suggest, while I may be in error, that as I recall both of those bills deal with the authorization process. Is that not accurate? There is no money definitely committed, and no check written.

Mr. SPARKMAN. Oh, yes, that is correct, just as this is an authorization bill.

Mr. BAYH. I respectfully suggest that it is not an authorization bill, but that it provides for a guaranteed loan, which is much closer to solid cash than the authorization process.

Mr. SPARKMAN. No, no. The Senator knows this is authorizing legislation. It does authorize a loan guarantee, but we do not appropriate any money. We authorize, under certain conditions spelled out, the Government of the United States to make a guarantee, just as we have done in housing and so many other activities that we carry on in this country. Certainly I do not think anyone would ever characterize that as anything other than authorizing legislation.

Mr. BAYH. Am I in error, or is it possible, if this measure passes, for Lockheed to obtain loans from banks which will be guaranteed by the Federal Government, to the tune of some $250 million, with a total of $250 billion of Federal guarantees, the same as hard cash?

It may not be an appropriation, but we are establishing a vehicle.

Lockheed does not stay in business by an authorization process. They take this authorization to the bank, and the Federal Government says, "We guarantee, if you go bankrupt, that we will pay the bill. Here is $250 million."

Am I in error on that?

Mr. SPARKMAN. The Senator is splitting hairs, I think. I do not think anyone would agree with the Senator from Indiana that this is anything other than authorizing legislation. It certainly is not appropriating. It is authorizing the transaction to be undertaken, provided certain conditions are met, just as, in the case of the Federal Housing Administration, we authorize insurance to be granted, or loans to be guaranteed, in other words, on home mortgages, under certain conditions.

That is not an appropriation measure. A fee is paid that sustains the guarantee, just as a fee would be charged in this present case; and I do not think the Senator from Indiana can really be serious when he argues, if he really is arguing, that this is not authorizing legislation.

Mr. BAYH. I think we might be splitting hairs by debating the validity of the word "authorization." I think perhaps the distinction between the normal authorization process and this authorization process is the distinction between a check that has not been signed and one that has been signed.

To just try to bring the matter into proper perspective, our Committee on Public Works, during the earlier part of this session, reported an accelerated public works bill, which became the source of great controversy. I think it had about a $2 billion authorization. It was vetoed by the President.

But is it possible for that $2 billion to be spent in the same manner that it is possible for the $2 billion involved here to be spent, that is—actually to be received by the grantees?

Mr. SPARKMAN. Would the Senator mind repeating that? I did not understand his reference to the accelerated public works bill.

Mr. BAYH. Yes. The accelerated public works authorization was a traditional type of senatorial authorization, which does not give to one—I was going to say dam builder, but I shall say instead builder of a dam—road builder, or sewage and municipal disposal plant contractor, $1, in that authorization process. They have to come here and get an outright appropriation under the appropriation process of the Senate.

Mr. SPARKMAN. Yes. That is true of all legislation.

Mr. BAYH. But it is not true of this. The Senator from Indiana respectfully suggests to the Senator from Alabama that it is not true of this measure. Once this bill is passed it is possible for those who make the determination to say that company X—now, specifically, of course, Lockheed—there may be some others, at some other time—meets the criteria. And that is the same as getting $250 million from the bank out of this particular vehicle.

Mr. SPARKMAN. I do not agree with the Senator from Indiana. I find it difficult to think that any Member of the Senate would agree with the argument that is being made. It is an authorization bill, and it authorizes some action to be taken only in the event that the conditions laid down in the law are met.

The bills to which I refer here, which were reported by the Labor Committee, are the same type. They authorize loans and grants, provided certain conditions are met. It is the same with a great deal of other legislation. However, before any money can be spent, an appropriation is required, and the same would be true here.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BAYH. Let me pursue this further. Is the Senator from Indiana correct in his understanding of what the Senator from Alabama has said, that Lockheed Corporation will not be able to get the $250 million they want by the passage of this bill, but that they will have to come back to the Senate and have the passage of a $250 million appropriation?

Mr. SPARKMAN. No. I did not say that. This is authorization for a guarantee, and it does not provide a single cent to be paid to Lockheed. The money is coming from the banks, just as in the case of small business loans, where the banks make the loans and the Small Business Administration guarantees them. It is an authorization.

Mr. BAYH. The Senator from Indiana is familiar with that, but I——

Mr. SPARKMAN. I felt certain he was, and I was rather amazed that he presented this type of argument.

Mr. BAYH. The Senator from Indiana is looking at a different part of the horse than is the Senator from Alabama.

Mr. SPARKMAN. I believe that in the fable it was an elephant, was it not?

Mr. BAYH. I prefer not to use that animal, out of deference to the Senator from Connecticut and others who might feel that this was a low blow or something like that.

We have permitted ourselves, I think—and I accept the burden of the blame here—to be deterred from at least the intended focus of the amendment of the Senator from Indiana. I think it is obvious to all of us, and I think we cannot quarrel with it, that whether it is an authorization or a loan guarantee, this will make it possible for Lockheed to have $250 million of additional liquidity. It is providing for an additional $1,750 million of liquidity through loan guarantees for other corporations—$250 million for each one.

The next question we ask, of course, is, What happens if Lockheed fails and the bank that granted one of these guaranteed loans is then faced with paying the paper which the Federal Government guaranteed? At that time, the bank comes back, and the guarantee is an obligation of the Federal Government.

So it is just one step removed from the normal traditional appropriation process.

Let me make one other observation. I understand that two other Senators want to participate in this debate with the Senator from Alabama.

I think it is important for us to recognize that some of us, such as the Senator from Alabama, have been kind and generous in support of funding for hospitals and education, whether they are medical schools or other schools. The Senator from Alabama has been a leader in the Hill-Burton program that built hospitals in every community in America. But we have to face the cold fact of reality. Last year, this body passed a significant Hill-Burton hospital program, an appropriation bill. Is that right? And what happened to it? It was vetoed by the President.

Why? Because it had too much money in it.

Here we have a chance to say, "While you are going to have these moneys available for corporate interests, while you are doing that, we are going to tie in the same legislative package the requirement that you make similar dollars available to hospitals and schools and medical institutions."

Perhaps this is a pragmatic instead of an idealistic argument, but this puts the fire to the feet of those who might otherwise be inclined to veto this type of legislation.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. BAYH. I yield.

Mr. KENNEDY. I apologize for not having had a chance to study this amendment in great detail prior to coming to the Chamber a few moments ago.

As a matter of fact, I just came from a conference with the House of Representatives that broke up in matters of disagreement, subject matters which are related to the amendment of the Senator from Indiana.

With respect to the various health facilities, the health care enterprises, referred to in the Senator's amendment, does he intend to leave it completely flexible in terms of interest rates which are charged? We have seen quite clearly, even if this is included, in terms of hospitals, for example, under the Hill-Burton Act, that there has been no success in taking advantage of loans and loan guarantees. The impression I have is that medical schools are in the same situation.

In this respect, I am wondering whether there is sufficient latitude, sufficient authority, in terms of health care enterprises, to effectively underwrite completely any interest, or what the provisions would be. I think a very wide ranging impact can be gathered.

The concern I have, unless some of these matters are clarified, is that it might appear that we are doing a great deal in terms of health and educational facilities, without providing any significant assistance whatever.

Mr. BAYH. I think the point raised by the Senator from Massachusetts is a good one.

I discussed this issue in the committee, and I said I would have no objection—in fact, I would prefer—if we provided this type of flexibility to these institutions. I do not think we want to provide this type of flexibility to the traditional corporate business enterprises, but I would have no objection to including this kind of flexibility for hospitals-medical schools and colleges in my amendment. In fact, I have asked one of my staff members to sit down with a staff member of the distinguished Senator from Massachusetts and see whether this type of language can be worked out.

I know of no member of this body who has worked more arduously in pursuit of adequate funding for the health and educational institutions with which we are dealing here than has the Senator from Massachusetts.

I would prefer that the measure that the Senator from Massachusetts is now considering be passed, be agreed upon, be sufficient in size and authorization; that the problem of these institutions be dealt with in that way. But what concerns the Senator from Indiana is the issue I raised with the Senator from Alabama. If the authorization process was all that was necessary to tie these funds down to make them available for medical schools and all other institutions of higher education and hospitals, fine.

But, as the Senator from Massachusetts knows, we have been subjected to two presidential vetoes in the last year—one in the area of health, another in the area of education. So the authorization process is only one part of the program. Right here, while we have the chance, I would like to tie guaranteed emergency loan funds at a rate acceptable to the Senator from Massachusetts with the flexibility necessary. The Secretary of HEW perhaps could make that determination, but the point raised by the Senator from Massachusetts is a good one.

Mr. KENNEDY. I raise the question because, as I understand it, there are no interest subsidies in terms of this legislation. What we have seen is, if we provide loans in terms of construction, the Hill-Burton Act is the best example where hospitals have not taken advantage of the loan guarantees, as well as medical schools. It is difficult for them because they are doing so by having to pass on the increased costs to their students in terms of the cost of education. Other facilities like neighborhood health centers, area educational centers, health maintenance organizations, they will try to provide that, so that it will be a sort of new wave of the future in providing quality health. That will be difficult for them to do over a period of years, to return the high interest rates.

As debate continues, I should like to give that some thought, to see whether there may not be some opportunity to provide some kind of interest subsidies, or at least to spell out more clearly what the authority will be for the operating officials of Government in the nonprofit agencies. The situation can be somewhat more clarified because otherwise its impact, particularly in the area of health, would be extremely limited.

Could I ask the Senator, as I understand it, this would be used only for existing deficits. Would or would not the funds be available for any kind of new construction? I am thinking in terms of trying to provide more expansive health centers in local communities, the development of additional kinds of medical schools, and other facilities which may be needed.

Mr. BAYH. I appreciate the fact that the Senator raised that question. His bill, which is now in conference, deals with some of the inequities that face us in financing medical schools. I may be wrong, but I do not feel that the particular bill deals with the problem of operational expenses in hospitals. The distinguished Senator from Rhode Island (Mr. PELL) has another bill that deals with operational expenses for institutions of education.

What our bill deals with is operational not construction grants—operational funds when emergencies exist, and only when emergencies exist.

This is strictly an emergency-type situation. The proponents of Lockheed suggest that their emergency has come up in the normal course of business; that it is an emergency loan to big business so why not make an emergency loan available to hospitals and medical schools and institutions of higher learning across the board?

Mr. KENNEDY. I appreciate that response. There are a number of hospitals and other health facilities that are not nearly so well run as they should be. What we always have to be careful of is not providing just additional loans to continue poor administration of existing hospitals or other facilities, but I point out here that to a great extent the financial condition of hospitals is almost related to the awareness of their responsibilities in terms of local community needs. Time and time again we have seen that hospitals retain a balanced budget only by turning away disadvantaged people within a given community.

The hospitals running the greatest deficits are those providing the most broadly-based range of services, mostly in the inner city, and a few in the rural communities, so that the areas of greatest need in hospitals would be those in the urban areas.

Let me ask the Senator this: How would this amendment affect municipal hospitals, as this is where the great mass of primary care is being provided today; in the District of Columbia Hospital, in the Boston City Hospital, in the Denver City Hospital, in the Cook County General Hospital, all of which are run by municipalities. Would the municipality be able, through the hospital association, to be eligible for this?

Mr. BAYH. Yes, indeed. In fact, the Senator mentioned the Boston City Hospital. It has really felt the crunch. It has not closed down but is trying to stay open. It has lost its accreditation because it has had to cut down its services so much. It is a tough battle for hospitals to wage. Certainly, we would be wrong if we did not emphasize the fact that the municipal hospitals to which the Senator alluded are the ones in greatest need for this kind of assistance.

Mr. KENNEDY. The municipal hospitals themselves and the associations, they would be able to be eligible for that kind of loan, would they not?

Mr. BAYH. Very definitely, public or private.

Mr. KENNEDY. Public or private. I thank the Senator. I am interested in studying the Senator's amendment further and I appreciate his responses.

Mr. BAYH. Mr. President, I appreciate not only the concern, but the expertise that the Senator from Massachusetts brings. As chairman of the Health Subcommittee of the Committee on Labor and Public Welfare, the Senator is in a unique position to make a significant contribution.

I want to say unequivocally to the distinguished Senator from Massachusetts, and for the RECORD, as I have said earlier, that this emergency loan guarantee program is in no way designed to subvert, supplement, or take the place of the efforts that are being made by him, and others, to try to deal effectively with the great needs of our hospitals and schools. This is an emergency loan designed to deal with emergency operational problems. The Hill-Burton hospital program—the granddaddy of legislation in the hospital field—does not provide a single dollar for the operational emergencies now confronting the hospitals.

Mr. KENNEDY. As I understand it, the Senator would not be averse to providing an interest-free loan guarantee in terms of hospitals, would he? I know that is not included, but I would be enormously sympathetic to that kind of concept. I believe that is one of the problems we would be running into there, if we provided this kind of money to hospitals that have operating deficits primarily because of services. I think it really is unrealistic to expect that they would be able to pay it back.

Then, in effect, what the Senator is doing is providing additional moneys, in effect, to the various hospitals. I am extremely interested in getting more resources into the hospitals of the country, but I think this would be the result of the amendment, because there is nothing in any of the municipal hospitals, where there is the greatest need, that would provide any return on income. They, in effect, are providing services to medicare and medicaid patients and are running very sizable deficits. I think this is part of the reality—the tragedy, I might say—of the situation.

But I can see some of the logic of the Senator from Indiana when he points out that in terms of our own sense of priorities, being willing to help or assist in terms of hospitals, we may be thinking in terms of some of the other financial institutions. But this is a feature which is, I think, of importance.

I raise these two items, and I would be interested in any response the Senator from Indiana could give.

Mr. BAYH. As I said earlier, in response to the original question of the Senator from Massachusetts, I am not only willing to accept such a provision, but I would prefer it. I think we are, in a sense, a step or two away from working out acceptable language.

Mr. President, I understand that the Senator from Wyoming wishes to present a conference report.

Mr. President, without losing my right to the floor, and without causing the pending amendment to lose its germaneness, I ask unanimous consent that I might yield to the Senator from Wyoming to deal with the agricultural conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I express my appreciation to the distinguished Senator from Indiana for his courtesy.

THE AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION PROGRAMS APPROPRIATION BILL, 1972—CONFERENCE REPORT

Mr. McGEE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9270) making appropriations for the agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1972, and for other purposes.

I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. TAFT). Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 22, 1971, at p. 26656.

Mr. McGEE. Mr. President, I shall not report on the details of the conference agreement, since the full text of the conference report and the statement of the managers on the part of the House and the Senate has been printed as House Report No. 92–376.

Mr. President, the House passed this bill on June 23—the Senate on July 15. The bill as passed by the Senate contained 43 different numbered amendments, comprised of more than 60 individual differences. The conferees met and reached agreement after an all-day session on July 21.

SUMMARY TOTALS

The conference agreement on this bill totals $13,276,900,050. This is $3,727,992,500 over the 1971 appropriation and is $1,172,086,200 over the 1972 budget estimates.

Mr. President, I would inject at this point that this is the first year this subcommittee has handled appropriations for the environmental and consumer protection agencies which were added to the subcommittee's jurisdiction early this year.

The major items of increase in the bill over the budget estimates consist of $500 million for grants for basic water and sewer facilities in the Department of Housing and Urban Development; approximately $200 million for the food stamp program, and more than $200 million for the Rural Electrification Administration. The bill also exceeds the budget requests for rural water and waste disposal grants of the Farmers Home Administration by $44 million. Various programs of the soil conservation service were also increased as was the rural environmental assistance program of the Agriculture Stabilization and Conservation Service. The bill also contains $104 million for the special milk program which was an unbudgeted item and thus this entire amount represents an increase over the Department's budget estimates.

The foregoing items represent an increase over the budget estimates of more than $1.1 billion, of the total increase of $1,172,086,200.

Mr. President, before moving for adoption of the conference report, I would like to mention a couple of items of general interest. The conference agreement concurred with the action of the Senate in eliminating language from the House-passed bill which would have the effect of limiting price support payments to $20,000. The conference also concurred with the action of the Senate in fully restoring the net realized losses of the Commodity Credit Corporation.

On pages 27298–27302 of the CONGRESSIONAL RECORD of July 27, 1971, there is printed a detailed table showing comparisons of the bill as recommended by the conferees with the 1971 level, the budget estimates for 1972, and the bill as it was passed in the House and the Senate. Since this information is already contained in the CONGRESSIONAL RECORD, I shall not offer it for printing in the RECORD at this time.

Mr. President, I understand that some Senators have questions they would like to raise in regard to the report. I yield now to the Senator from Wisconsin.

DAIRY CATTLE FORAGE LABORATORY

Mr. PROXMIRE. Mr. President, I want to congratulate the Senator from Wyoming on the way in which he has handled the agriculture appropriations bill as chairman of the Agriculture Appropriations Subcommittee. The Senator from Wyoming has worked hard. He has worked long hours and has held very extensive hearings. It has been a difficult and at times a thankless job.

Mr. President, there is some language in the conference report on the bill that distresses me, however. As the Senator from Wyoming will recall, the Senate included $680,000 for the planning of a dairy cattle forage laboratory which would have been in my State and would have primarily benefited dairy farmers in the North Central region of the United States but would have had a substantial impact on dairy forage practices throughout the country.

Strong resistance to this proposal was encountered in conference because it was new construction. The point was made that existing facilities were not fully staffed, so we should not begin building new ones—as if new construction were not exactly what we need in view of the present unemployment in the building trades. Certainly it would be extremely difficult, if not impossible, to argue against the laboratory on the merits. It would return almost $100 for every dollar invested. The yearly savings to the dairy farmer would be a whopping $357 million.

The annual cost of operation would be $3.5 million. I have seen a lot of public works programs since I have been here. However, I have never seen one that has a 100 to 1 cost-benefit ratio.

Despite this impressive return coupled with an extensive 57-page study by the Department of Agriculture on the feasibility of the laboratory the conference report calls on the Department to "restudy the need for such laboratory on a smaller scale or perhaps in connection with research at other centers."

To my mind, Mr. President, this move, although it may be penny wise is most assuredly pound foolish. The laboratory would cost $8,500,000 to build. This is considerably less than one of the F–14 fighters that the Defense Department intends to acquire in great numbers. It is much less than one C–5A—in fact it would cost about one-sixth as much. Yet the benefits to the dairy farmer—helping him to meet the cost-price squeeze—are immense.

Mr. President, I ask the Senator from Wyoming if it is his understanding that the conference report merely intends to instruct the Agriculture Department to consider alternatives.

Mr. McGEE. Mr. President, the Senator from Wisconsin lost me with the talk of the C–5A's and a couple of other items.

Mr. PROXMIRE. I was trying to put this in its proper perspective. We do not have to provide billions of dollars for planes that will not work. We get turned down year after year after year on a laboratory which the feasibilities studies have overwhelmingly shown should be established.

Mr. McGEE. Mr. President, I might say somewhat facetiously, that if Lockheed were a Government corporation, we could locate it in Wisconsin and help compensate for this gap there.

Mr. President, in response to the Senator's question, he knows full well how vigorously the Senate conferees for 3 years running have battled for this project in Wisconsin. This is not because it is a Wisconsin project nor because the Senator from Wisconsin is a member of the subcommittee, but because dairy farming all over the country would benefit from it. We felt it had very great merit in the national interest. That is the reason we recommended it. At no time did we intend, in my recollection in the conference, that the language be so strict as to suggest that the proposal be reduced or that the services sought to be provided there be included somewhere else and thus, in effect, to abandon the project. We think that would be unwise.

I am prepared to accompany this dialog and the statements I have just made with a letter to the Secretary of Agriculture to make it clear what our intent is, as the Senate understands it, and what the intent was. We could not reach agreement with the House on this matter this year, but we are not through trying and therefore we want to encourage the Secretary of Agriculture "to get with it," and to have another look at this approach. Hopefully the Secretary will come up with this in his budget request for fiscal 1973.

Mr. PROXMIRE. I would like to ask if upon further study it appears that the most efficient way to deal with the problem is to follow the course proposed by the Department in 1968—the dairy cattle laboratory—is it the Senator's interpretation of the conference language that we should follow this course rather than take a 'second best' approach?

Mr. McGEE. Indeed, so. The Senator was there at the same time as I was during the conference. Our recollections are identical in that regard.

I might check with the ranking Republican member of the conference and my colleague in the entire matter.

Mr. HRUSKA. It is my understanding the Senator from Wisconsin takes exception to the language in the report.

Mr. PROXMIRE. That is correct.

Mr. HRUSKA. I would say that it was not the type of language on this subject that this Senator contemplates. It was pretty well agreed that the item could not be allowed, that it would be deleted in the overall consideration of the bill. There was no discussion. If there was, it escaped my attention. There was no acquiescence that there would be a restudy of the need for such a laboratory on a smaller scale or perhaps in connection with research at other centers.

To that extent I would take exception to the language in the report and I would say there is justification for the concern of the Senator from Wisconsin in that regard.

Mr. PROXMIRE. I thank the Senator for reaffirming my recollection. I thank the Senator from Wyoming. I hope that he and the Senator from Nebraska understand that none of this is criticism of them or the vigorous job they did in committee to try to save this amendment. I would like to say that both Senators have been most helpful and cooperative. The lack of cooperation and refusal to fund the project arose only after we took the appropriation bill to conference.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement in connection with this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT

The dairy farmer in this country, and particularly in the Midwest, continues to be faced by a cruel cost-price squeeze. As a result, the average Wisconsin dairy farm family is contributing long hours of backbreaking work at a poverty level wage.

One certain way out of this impasse is a reduction in the cost of feed—the single largest cost of milk production. This is exactly what the proposed Dairy Cattle Forage Utilization Laboratory would do according to a Department of Agriculture study made in 1968.

The cost of constructing such a laboratory would be $8,500,000 and it would cost $3,500,000 a year to operate, but its return in reduced feed costs would be a fantastic $350 million annually. In other words the project would return almost $100 in benefits for every dollar invested. This is a most efficient use of Federal funds.

The impact of improved forage practices on the small family farm, which continues to be the backbone of the nation's dairy industry, would be substantial. These farms are uniquely fitted to efficiently use grazing lands while large centralized operations have greater problems in transporting bulky forage to feeding sites and pursuing effective grazing management practices. A reduction in forage costs as a result of the efforts of the proposed laboratory thus would be of particular benefit to the family dairy farm.

Economic growth in the farm sector of the seven North Central states is particularly keyed to the effective use of forage lands.

One-third of the farmland in the area is used for forage. One-half of the farmland in my own state of Wisconsin is utilized for this purpose. By improving the production, handling, storage and use of this forage crop, the proposed laboratory would give a real boost to the seven-state farm economy.

But this is far from a regional program. The benefits from this laboratory would assist the dairy industry in every state in the Union. In fact, since dairying ranks second only to cattle production nationally in cash receipts from agriculture, this laboratory could have a significant impact on the nation's farm economy as a whole.

Finally, the University of Wisconsin's College of Agriculture is ready, willing and able to provide free land for the facility. Thus, the taxpayer would not have to spend one red cent on land acquisition.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. BURDICK. Mr. President, now that the bill is in final form I wish to commend the able Senator from Wyoming as chairman of the subcommittee and the entire committee on what I consider to be an excellent job.

The Senator referred to the increases. I want to pay particular attention to the over $200 million increase in REA funds. This is good news to rural areas. This money is needed for there is a very heavy backlog. I wish to thank the Senator for the consideration given to rural electrification.

Now, on page 43 of the report on the original bill I find the following language in regard to the Water Bank Act:

> This appropriation would enable the department to enter into agreements and would fund the cost-sharing and annual payments on these agreements for the full 10 years of the agreement term.
>
> An appropriation of $10 million is recommended, the same as the House bill and the budget estimate for 1972.

The figure of $10 million was retained? Is that correct?

Mr. McGEE. The Senator is correct.

Mr. BURDICK. My question is: What period of time does that $10 million cover?

Mr. McGEE. The $10 million was designed to cover the initial contracts for 10 years, but the law authorizes a $100 million program over the 10-year period. The $10 million does not necessarily represent the entire program but will fund for the entire 10-year period the initial contracts that will be entered into later this year.

Mr. BURDICK. I thank the Senator and again, I thank the committee.

Mr. McGEE. Mr. President, the junior Senator from North Dakota has been a real leader in this body and in committee deliberations in obtaining sufficient loan funds for the REA. I appreciate the activity of the Senator in that regard.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. TAFT. I thank the Senator for yielding.

I wish to raise a question about some of the language in the report that disturbs me considerably. The language to which I refer is found on page 6 of the conference report where it is stated very clearly in reference to Amendment No. 15 that:

> It is to be noted that, under the various laws passed by the Congress and signed by the President, a commitment was made to make payments under certain terms and conditions at not to exceed $55,000 per person or corporation per crop.

At the time the bill was before us, we debated this matter fully. I offered an amendment which was rejected to change the word "person" to "owner" to try to tighten up the administration of this provision to avoid the effect of dividing ownership and to avoid the effectiveness of a limitation that Congress intended.

Now I find language in this report which goes further, I think, than either the committee report of the House or the Senate, and it goes further than the present law, and further, indeed, than the present regulation.

The language in connection with amendment No. 15 to which I have referred is found in the third paragraph where it is stated:

> It is to be noted that, under the various laws passed by the Congress and signed by the President, a commitment was made to make payments under certain terms and conditions and not to exceed $55,000 per person or corporation per crop.

As far as I know, the words "or corporation" are novel and, I think, contrary to the intent of the regulation and the present law.

The regulation at the present time, which I quoted to the Senate when the matter was under original discussion, states that:

> § 795.7 Corporations and stockholders.
>
> A corporation (including a limited partnership) shall be considered as one person, and an individual stockholder of the corporation may be considered as a separate person to the extent that such stockholder is engaged in the production of the crop as a separate producer and otherwise meets the requirements of § 795.3, except that a corporation in which more than 50 percent of the stock is owned by the individual's spouse and minor children), or by a legal entity, shall not be considered as a separate person from such individual or legal entity. Where the same two or more individuals or other legal entities own more than 50 percent of the stock in each of two or more corporations, all such corporations shall be considered as one person.

This language, if taken literally, might indicate an intent to make exception—what I call a sieve—because it is not at all meaningful—considering corporations as separate entities, as exists under the SEC or the tax law. But nevertheless this provision included in the conference report might be interpreted as trying to broaden the present interpretation of the language of the statute referring only to persons, over and beyond the present interpretation. Both regulations in accordance with the original congressional intent, should be tightened.

Can the Senator comment on that?

Mr. McGEE. The Senator's misgivings in connection with the phrase "per person or corporation" are understandable. That certainly does not reflect the intent of the conferees. It is likewise understandable that one with legal training in the legal profession could regard this otherwise as a redundancy or expansion for some other purpose. I suspect it was spelled out to take care of the illiterates among us, like the chairman of the Senate conferees, who is not a lawyer. It was not intended as a ruse, or screen, or subversion to permit dummy corporations or other devices to be used to try to get around the law. I think this legislative record ought to make that very explicit. I assure the Senator that was not the intent, or the outcome. We will require vigilance in riding herd on its application to make doubly certain that it is not exploited to get around the intent of the law.

As the Senator will recall, we had strong language in the Senate report directed to this problem and I can assure the Senator we will follow this up.

Mr. TAFT. I appreciate that statement from the chairman. This would provide guidelines for the effective administration of the law.

Mr. BOGGS. Mr. President, will the Senator yield for a question?

Mr. McGEE. I yield.

Mr. BOGGS. I think it is clear, but a question has been raised, and I would like to have a clarification. On page 7 of the conference report, under "Environmental Protection Agency," it reads:

> The conferees agreed to provide an additional $7,500,000 for solid waste disposal grants.

As I understand it, this language refers to the House bill—that is what we are talking about in the conference report—which originally contained an appropriation of $4 million for this item and a provision to carry over an additional $4 million which was not expended during fiscal year 1971.

Am I correct in my understanding, therefore, that there will be a total of $15.5 million available for solid waste disposal grants; that is, a new appropriation of $11.5 million plus the $4 million in carryover money?

Mr. McGEE. That is correct. There was a $4 million carryover from last year. This increase was the recommendation the conferees agreed to over the figure that was included from the House side.

Mr. BOGGS. Very good. I take this opportunity to commend the chairman, the distinguished Senator from Wyoming (Mr. McGee), and the ranking minority member, the distinguished Senator from Nebraska (Mr. Hruska), for the fine job they did on the conference report and on the bill.

Mr. HART. Mr. President, a provision in the joint explanatory statement of the committee of conference on the agriculture appropriation bill has caused some concern, and I would like to address myself to it before the final vote on the conference report. The language referred to is as follows:

> The conferees believe it most important that the various agencies of Government and the Congress in the review and appraisal of Federal Government programs, projects and activities, have full information available not only as to the impact upon the environment but also the significant economic impact on the public and the affected areas and industries.
>
> The conferees, therefore, direct that, in addition to the environmental effects of an action, all required reports from depart-

ments, agencies or persons shall also include information, as prepared by the agency having responsibility for administration of the program, project, or activity involved, on the effect on the economy, including employment, unemployment, and other economic impacts.

The conferees expect the agencies involved to spend such additional sums as may be necessary, out of general funds available, to cover any additional costs of preparing such statements.

This requirement will apply primarily to the environmental impact statements required under section 102 of the Environmental Quality Act, and the reports required under the permit dumping programs based on the Refuse Act of 1899.

Mr. President, with regard to this language, I would like to express my understanding that these words will not have the force of law. In the House, the Committee on Appropriations, in the bill it reported, provided for $6.3 million for the writing of economic impact statements. On the motion of the distinguished Congressman from Michigan, Mr. DINGELL, this provision was stricken from the bill on a point of order as legislating on an appropriations bill. The Senate did not provide for any funds for such impact statements. It thus seems clear that the question of whether funds should be appropriated for this purpose was not before the conferees.

Had appropriations for this purpose been included in the conference report itself, the provision would have been subject to a point of order both on this ground and on the ground asserted by Mr. DINGELL on the House floor. While reference to economic impact information appears not in the report, but rather in the joint statement accompanying the report, it would appear that it should not be entitled to binding effect of law.

Mr. McGEE. As the Senator has indicated, the language to which he takes exception is contained in the joint statement on the part of the managers of the bill and is not contained in either the bill itself or in the official conference report. As was brought out on the floor of the other body when this matter was under consideration, this language, in my opinion, cannot serve either to expand or to restrict the basic legislative authority of the Environmental Protection Agency or other agencies involved.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

The report was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$70,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: "$1,410,000, of which $450,000 shall be transferred to the Consumer Products Information Coordination Center for necessary expenses, including services authorized by 5 U.S.C. 3109".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: "$25,000,000 (of which $6,500,000 shall be placed in contingency reserve to be released on determination of need)".

Mr. McGEE. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 4, 34, and 38.

The motion was agreed to.

Mr. McGEE. Mr. President, I ask unanimous consent that the requirement that the conference report be printed as a Senate report be waived, inasmuch as under the rules of the House of Representatives it has been printed as a report of the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, informed the Senate that the Speaker had appointed Mr. HASTINGS, of New York, as a further additional manager on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 8629) to amend title VII of the Public Health Service Act to provide increased manpower for the health professions, and for other purposes.

The message also informed the Senate that the Speaker had appointed Mr. HASTINGS, of New York, as a further additional manager on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 8630) to amend title VIII of the Public Health Service Act to provide for training increased numbers of nurses.

ORDER FOR YEAS AND NAYS ON PUBLIC WORKS APPROPRIATION BILL

Mr. BYRD of West Virginia. Mr. President, I ask for the yeas and nays on the public works appropriation bill.

The yeas and nays were ordered.

EMERGENCY LOAN GUARANTEE ACT

The Senate resumed the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

Mr. BAYH. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. BYRD of West Virginia. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question is on the amendment of the Senator from Indiana.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, speaking to the amendment of the Senator from Indiana and the discourse on it, I would like to make a few observations. Much of this is repetitive, but I think it is important to make absolutely, crystal clear what this body is being asked to do.

The Senator from Texas and I had, I thought, arrived at some kind of an agreement as to how we were going to try to portray the $250 million when the proponents were rather disturbed that others were trying to portray the $250 million as being something for the Lockheed Aircraft Corp. in cash, and the opponents were getting upset over the $250 million being portrayed as something the taxpayers had no connection with.

Let us make it very clear that the Government is not—and as an opponent of the bill I want to make it clear that the Government is not—giving $250 million to the Lockheed Aircraft Corp. But it is equally true that the Government could give $250 million to the Lockheed Aircraft Corp.

Insofar as the provisions of the bill are concerned, the figure $250 million is used. May I point out that what is being requested here is $2 billion, with the maximum loan to anyone being $250 million—a rather coincidental figure to the needs of the Lockheed Aircraft Corp. But certainly in the proper functioning of Government, as in the proper functioning of budgeting in one's home or in the finances of a town or a State, when there is the possibility of having to fork over $250 million, some provision in the budgeting process has to be made.

If any one of us is asked to cosign the note of a friend, we must be prepared to cover the amount of that note. True, we are doing nothing more than putting our signature on it, but the day might come when it would be necessary to make good the full amount of the note.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. WEICKER. I yield.

Mr. PROXMIRE. Is it not true that under those circumstances we have, in effect, backdoor financing and backdoor appropriations? The Appropriations Committee would not have any opportunity to consider it. The full faith and credit of the U.S. Government would be behind that guarantee, and no member of the Appropriations Committee, no Member of the Senate, and no Member of the House could say, "We cannot make that guarantee good. We did not mean it. We cannot afford it. We are going to take another look at it in the appropriation process." That money would be gone. As it is, it is a conditional backdoor appropriation process and this is the last time we have a crack at it. After the emergency board is created, Congress will not have anything more to say on that particular loan to Lockheed or any other loan made before October 1.

Mr. WEICKER. The Senator from Wisconsin is absolutely correct in his observation. I think it is necessary to point it out, so if the worst happens the taxpayers of the country will not throw up their hands and say, in surprise, "But we were told we were not putting out any money. We were told by the Senator from Texas and the Senator from Alabama that not one dime"—I believe was the expression used—"would be coming out of our pockets." I think, win or lose, it is necessary for men like the Senator from Wisconsin and the Senator from Indiana to point out to the American people what they are doing, and not gloss over it as just a simple matter of the Senate's passing the bill and the United States signing its name, and that is all we are liable for.

We could be liable for $250 million.

Point No. 2: In the course of the discussion by the Senator from Indiana, he indicated a deep concern over the priorities in this Nation. Certainly, this has to be in the back of many minds in this Chamber, and indeed throughout the country, and I commend the Senator from Indiana on pointing up this issue of priorities as it relates to the Lockheed loan.

There will be those who say, "Every time we get into one subject or another around here, someone raises the issue of priorities." But, Mr. President, that concern properly belongs here, as the Senator from Indiana has pointed out.

I do not agree, and I have so stated to the Senator from Indiana, that this is a proper method, on this particular bill, to introduce the issue, but he is absolutely correct in again explaining to the people of this country that the whole business of Government is the business of choosing, and when we choose to set aside $2 billion—$250 million for the Lockheed Aircraft Corp.—we have made a choice at the expense of some other possible endeavor of this Government.

The proponents of the bill have said that actually we should be happy to encourage the Lockheed Aircraft Corp. in this particular endeavor, which is civilian in nature, as compared to the defense aspects of their business. True, I think it is a wonderful thing that there is a civilian or commercial aspect to Lockheed's business. But the question here is not merely as between commercial and defense priorities. I do not particularly care to make, or have pushed down my throat, the choice of an airframe manufacturer. Undoubtedly that is a great endeavor, but compared to the rest of the needs of the country these days, it is quite far down on my list of priorities. No doubt it is within the list of our civilian needs, but in the order of our civilian priorities, airframe manufacturing does not sit high on my list.

I think, again, the point made by the Senator from Indiana is right on the button when he asks us to reexamine within the framework of all of our needs what really needs to be done. Make no mistake about it—and I repeat, because I do not wish to plagiarize, I believe it was Winston Churchill who used the words that governing is choosing, and we are making one choice among many that will come before the Senate, but it is one, and I think we should express ourselves on each one as they come along.

This is the technical point on which the Senator from Indiana and I disagree. But we will have made our choice to guarantee $2 billion, now, to major corporations, and in any event $250 million to the Lockheed Aircraft Corp.

I did want the opportunity, as I say, to commend the Senator from Indiana on, first, alerting the American public as to what it is we are signing off on, and, second, to commend the Senator from Indiana on pointing up the priorities that face the Nation at this time, and how this is a misplaced priority. I am only sorry that because of a technical matter—because I believe each one of these choices should come through by itself, and not be slapped on different bills—I find myself in disagreement with the Senator. But, as to the policy and purpose, I agree with the Senator from Indiana and commend him.

Mr. BAYH. Mr. President, will the Senator yield for a technical question that might be interpreted under the Senate rules as an observation but nevertheless is technically a question?

Mr. WEICKER. I yield.

Mr. BAYH. I appreciate the comments of the Senator from Connecticut. He certainly has put this whole question in proper perspective, in my judgment. I would like just to make the one observation that it seems to me that here, in one amendment, we have the chance to be both idealistic and pragmatic. We have the opportunity to be idealistic from the standpoint of the priorities question, but we also have the opportunity to be pragmatic by tying into one package the support of those who might otherwise be disinclined to support this additional assistance for health and education—to tie their support into this one particular measure, and then everyone is free, of course, to vote as he pleases on final passage.

But I think this is an important contribution we can make in the event this measure does pass, to say that at least we are going to distribute these funds across the board on a more realistic priority basis.

I thank the Senator for yielding.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield for a unanimous-consent request, with the understanding that the Senator not lose his right to the floor?

Mr. WEICKER. I yield for a unanimous-consent request.

UNANIMOUS-CONSENT AGREEMENTS

Mr. BYRD of West Virginia. I ask unanimous consent that time on the pending amendment be limited to 1 hour, to be equally divided between the distinguished mover of the amendment, the Senator from Indiana (Mr. BAYH) and the manager of the bill (Mr. SPARKMAN), and that time on any amendment to the amendment be limited to 20 minutes, to be equally divided between the mover of the amendment to the amendment and the manager of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAYH. Mr. President, may I make a unanimous-consent request to precede that?

I ask unanimous consent that the yeas and nays, previously ordered, be withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. ALLOTT. Mr. President, reserving the right to object, may I inquire what the previous order was? I may not object.

Mr. BAYH. The Senator from Indiana asked for the yeas and nays, and I am now asking that the yeas and nays be withdrawn from my amendment, so that, with the minimum amount of inconvenience and the minimum amount of the Senate's time, I might be permitted to revise my amendment, after which I should like to ask for the yeas and nays to be granted again.

I do not want to have to go through the rather arduous and lengthy time required by the rules for amending, but if I am required to I will.

Mr. ALLOTT. I shall not object.

The PRESIDING OFFICER (Mr. TAFT). The Chair is of the opinion that the Senator has lost the right to modify his amendment by entering into the unanimous-consent agreement.

Mr. BAYH. I am asking unanimous consent that the order for the yeas and nays be withdrawn.

Mr. BYRD of West Virginia. I ask unanimous consent, Mr. President, that the Senator be permitted to modify the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object, in what form will this modification be?

Mr. BAYH. The form will follow the general outline of the colloquy engaged in by the Senator from Massachusetts and the Senator from Indiana.

Mr. TOWER. Will the modification be germane to the Senator's amendment?

Mr. BAYH. Oh, yes, of course.

Mr. TOWER. I do not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. BYRD of West Virginia. Mr. President, I think I know the answer, but I want to be sure that the record is clear: Did the Chair put the question initially on the unanimous-consent request of the Senator from West Virginia?

The PRESIDING OFFICER. The question was put.

Mr. BYRD of West Virginia. And it was agreed to?

The PRESIDING OFFICER. By unanimous consent.

Mr. BYRD of West Virginia. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WEICKER. Does not the Senator from Connecticut have the floor? Did he not yield to the Senator from West Virginia without losing his right to the floor?

The PRESIDING OFFICER. The Senator from Connecticut is correct. But under the unanimous-consent agreement, all time for the next hour is under the control of the Senator from Indiana and the manager of the bill.

Mr. BYRD of West Virginia. Does the Senator wish time?

Mr. WEICKER. No, I was just inquiring.

Mr. BAYH. The Senator from Indiana sends to the desk a modification of his amendment.

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The legislative clerk read as follows:

"On page 3, line 20, after the period, add the following:

In the case of any loan guaranteed for any higher educational or health care enterprise, the Secretary of Health, Education, and Welfare shall provide grants to such institution for the payment of such interest. There is hereby authorized to be appropriated to the Secretary of Health, Education, and Welfare such sums as may be necessary for grants under this provision."

Mr. BAYH. Mr. President, just one word of explanation.

The PRESIDING OFFICER. Who yields time?

Mr. BAYH. I yield myself such time as I may need. Just one word of explanation for those who may not have heard the colloquy between the Senator from Indiana and the Senator from Massachusetts.

In the committee hearings, it was actually pointed out—certainly, the Senator from Indiana is aware of it—that in many instances it might be difficult for a nonprofit hospital or educational institution to take advantage of the measure, of the guarantee loan, at conventional interest rates. This amendment deals with that by alleviating the interest burden. Of course, the institution still will be required to repay the loan.

Mr. PROXMIRE. Mr. President, will the Senator from Indiana yield?

Mr. BAYH. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I should like to ask the Senator some questions about his amendment, because I think it is a helpful and interesting amendment.

As I understand, one of the provisions that remains in the amendment as modified is that the Board, the Emergency Loan Guarantee Board—which in the bill consists of the Chairman of the Board of Governors of the Federal Reserve Board, the Secretary of the Treasury, and the President of the Federal Reserve District in which the headquarters of the firm or association is located—be supplemented with the presence of the Secretary of Health, Education, and Welfare, so that it would be a four-man Board. Is that correct?

Mr. BAYH. That is accurate. We included the Secretary of HEW because, if we are going to deal with loans to the institutions that are his primary concern we feel that he should have a voice as to the criteria and the qualifications of the institutions seeking a loan guarantee.

Mr. PROXMIRE. That is logical. But the way it reads, the Board now consists of three members who are interested, concerned, and qualified with respect to the economy, with respect to its operations, and so forth, and only one member—who would be outvoted—who represents health and education, which, under the Senator's amendment, would be entitled to half of the $2 billion guarantee that is provided in the bill.

I am concerned about that, because I would think there would be some disposition, especially in view of the history of this matter, simply to provide funds for Lockheed and perhaps some other corporations and just to ignore the improvement of the bill which the Senator from Indiana has offered.

I think there still is plenty of money in here for corporations. It provides $2 billion all together, and they are asking for only $250 million.

The Secretary of the Treasury testified that they do not have any other firm in mind. I would be very much concerned about the possibility that the loans to Lockheed and other failing corporations might be the end of it. I think there is a provision here that takes care of that, but I am not sure. I read from page 2 of the amendment, line 6—

No more than 50 percentum of all outstanding loans guaranteed by the Board shall be loans to business enterprises.

I understand that, therefore, if the $250 million guarantee is made to Lockheed, they must guarantee at least $250 million to educational and health institutions. Is that correct?

Mr. BAYH. That is accurate. That question is indicative of the usual perception of the Senator from Wisconsin. This was a matter of some concern to the Senator from Indiana when we were trying to perceive how we could word this to really balance and redirect priorities. Just making 50 percent of these guaranteed loans available, did not require that the loan guarantees actually be made. So that the $250 million loan guarantee—or, indeed, a billion dollars worth of loan guarantees—could be made to businesses that were in financial difficulty with no specific requirement that $1 be guaranteed for loans to hospitals or schools.

Mr. PROXMIRE. That is very, very critical because, as the Senator well knows, the fourth member of the board, whom he has added, is the Secretary of Health, Education, and Welfare, but he is also the President's man; and, if it is the policy of the administration to use this simply to bail out big business, that is all it will be used for.

Mr. BAYH. Will the Senator just let me specifically say that the wording "50 per centum of all outstanding loans guaranteed," does, indeed, say that, if $250 million is loaned to Lockheed, the same amount must be made available to hospitals, medical schools, and other institutions of education.

Mr. PROXMIRE. All right. I am concerned about the time element. Suppose they say eventually, sometime, some year, "We will make $250 million available to educational institutions and hospitals." As I understand it, there is no precise or specific time limit specified here; and it does not say in the same calendar year, the same fiscal year, or within any limit that would make this in my view completely effective.

Mr. BAYH. I think we can make it more specific in the dialog here, and I appreciate the Senator's bringing it up so we can do so. But it would be the judgment of the Senator from Indiana that we are talking about outstanding loans; that is, at least 50 percent of those loans which have been guaranteed at any given time must be made to the institutions about which we are concerned.

Mr. PROXMIRE. If they are going to make the loan to Lockheed, and they have indicated they will if this bill is passed—say, it is passed before the recess, and they make the loan to Lockheed on August 10, and the Secretary of the Treasury has indicated that they would do this—that would mean that on the same day they would have to provide for a guarantee to hospitals and educational institutions in the same amount.

Mr. BAYH. Yes, that is accurate. And I am sure they will have many customers.

Mr. PROXMIRE. I appreciate that. I think that is a very helpful clarification. I can understand criticism of the amendment, because it is true we never get what we want. We would like to have had hearings in which the people involved—educational institutions, private educational institutions, hospitals, and so forth—could testify.

What the Senator from Indiana has done is to underline the priority considerations here. I do not see how any Senator can disagree with the argument that we should place a higher priority on health, a higher priority on education, than we place on the production of aircraft—although the production of aircraft is a highly respectable and very important industry.

I think the Senator from Indiana, both before our committee and on the floor, has provided ample documentation of the serious, urgent need of hospitals and educational institutions for exactly this kind of guarantee. The documentation is now replete with examples of educational institutions that may go bankrupt, of hospitals that may not be able to continue to provide services.

I think all of us know that we need both of those things.

The most inflationary element in our cost of living is health service. It has been true for several years, and it is almost assured to be true for the next 10 years.

Because of the very great difficulty in financing these institutions, some of them, as the Senator from Indiana has been able to demonstrate and document so well, have had to go under. We lose those facilities. This represents a far greater and more serious loss in any sense, it seems to me, than the loss of the Lockheed Corp., which can go through a bankruptcy procedure, and 90 percent of their jobs can be saved, and all of their defense contracts can be saved.

Mr. BAYH. I would just like to thank the Senator from Wisconsin for his thoughtful remarks, as well as the contribution he has brought to the debate by helping us put in sharper focus what we are really trying to do.

The PRESIDING OFFICER (Mr. Taft). Who yields time?

CLOTURE MOTION

Mr. TOWER. Mr. President, will the Senator from Alabama yield me time?

Mr. SPARKMAN. Mr. President, I yield such time as the Senator may require.

Mr. TOWER. Mr. President, pursuant to rule XXII, I send to the desk a cloture motion with 16 signatures attached thereto, and ask that it be read.

The PRESIDING OFFICER (Mr. Taft). The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read the motion as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

John Tower, Bill Brock, Henry Jackson, Alan Cranston, William Saxbe, Jacob Javits, Hugh Scott, John Tunney, Wallace Bennett, Marlow W. Cook, Clifford P. Hansen, Henry Bellmon, Charles Percy, Richard S. Schweiker, Charles Mathias, and Robert Griffin.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator such time as he may require.

Mr. BYRD of West Virginia. Mr. President, under the order previously entered, the Senate will convene at 9:30 a.m. on Friday next. The 1 hour on the cloture motion, under the rule, will begin to run at 9:30 a.m.

I ask unanimous consent that any time consumed by the two leaders under the standing order be charged against the hour, to be equally divided between both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent, further, that control of the time under the hour be equally divided between the distinguished Senator from Wisconsin (Mr. Proxmire) and the distinguished Senator from Texas (Mr. Tower).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I further ask unanimous consent—and I have not discussed this part with Senators and they may object if they wish—that all amendments at the desk at the time the vote on the motion to invoke cloture begins on Friday next be considered as having been read for the purpose of qualifying under rule XXII.

Mr. TOWER. Mr. President, reserving the right to object—and I do not intend to object—that means that at any moment prior to commencement of the rollcall vote on cloture, any Senator may file an amendment at the desk and it will be protected.

Mr. BYRD of West Virginia. The Senator is correct—at any moment prior to the time that the call of the roll is begun.

Mr. GRIFFIN. Mr. President, further reserving the right to object, this question has been asked before, but I think it is well for the information of Senators to bring it up again, that any such amendments must be germane; is that not correct?

Mr. BYRD of West Virginia. Yes. Under the rule, any such amendment would have to be germane, unless unanimous consent were to be granted otherwise.

Mr. GRIFFIN. The unanimous-consent request now proposed by the Senator from West Virginia (Mr. Byrd) does not affect that requirement.

Mr. BYRD of West Virginia. It does not.

Mr. GRIFFIN. I thank the Senator very much.

The PRESIDING OFFICER (Mr. Taft). Is there objection to the unanimous-consent request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. BAYH. Mr. President, a parliamentary inquiry—on the double-headed or triple-headed unanimous-consent request that was just accepted by the Senate a few minutes ago. Do I correctly understand that when they were finally agreed to, the yeas and nays have still to be ordered?

The PRESIDING OFFICER. The yeas and nays are ordered on the amendment as modified.

Mr. BAYH. What is the time situation, please?

The PRESIDING OFFICER. The Senator has 19 minutes. The Senator from Alabama has 27 minutes.

Mr. BAYH. Mr. President, I do not feel that it is necessary to use all the 19 minutes remaining to me, but I would like to make a summarizing statement and yield myself such time as I may require in order to do so.

I think there has been adequate discussion here relative to the problems to which we are directing this amendment to—namely, the problems that exist in our hospitals, and our medical schools, and our colleges and universities. Indeed, the principal public hospital in the home city of the distinguished Senator from Massachusetts lost its accreditation because it was forced to cut back life-saving services in order to make necessary economies. A large number of hospitals are on the verge of bankruptcy. Many may have to take similar action as the Boston City Hospital. Most of our medical schools are in deep financial trouble.

I would suggest at this time that we are trying to find a way to bring health care into every community. Indeed, the Senator from Massachusetts, the Senator from New Jersey, and other Senators have been leading the way to accomplish that goal. We are really trying to make resources available to all citizens so that everyone can pay his hospital bills and his doctor bills. But we had better not lose sight of the fact that this will not help them if the hospital closes or if they cannot find a doctor because there just are not enough doctors to go around. That is true in many areas, whether in the rural areas—such as in the State of the distinguished Senator from West Virginia, or in my own State, that have no doctors, or in the inner cities where, for all intents and purposes, there are no doctors either. We have to keep the medical schools open. We are significantly short in this area.

A third area, of course, that this would deal with, is the whole problem of education in public and private institutions of higher learning. This is another area where we would make guaranteed loans available to these institutions.

Corporate enterprises are facing financial difficulties. These are emergency loans guarantees. This is not the normal course of business. No one here is pretending that we should rush out and easily make money available to corporations like Lockheed which are in trouble. But the proponents say it is an emergency, that Lockheed needs $250 million out of the $2 billion.

The junior Senator from Indiana would suggest respectfully that if we are going to make this kind of capital available to corporate enterprises—which can—and do—get into trouble in our free enterprise system, then we are really subsidizing the stockholders—and we are taking the average citizen's money to do so. If we are going to do this, then we should give at least as much attention—at least 50 percent of the guarantee fund should be devoted to shoring up hospitals and medical schools and institutions of higher learning.

The Senator from Indiana is not unaware of the character of the vehicle which is being used. If we were dealing normally with this, the normal type of authorization procedure, the normal type of appropriation would go to the committee that had immediate jurisdiction. This Senator feels that since this is a loan guarantee, a vehicle which is providing funds in the form of guaranteed loans to large corporate enterprises, and it is in a committee which, by the way, has parent jurisdiction for similar types of loan guarantees, that it is certainly within the jurisdiction of the committee to handle the same type of loan guarantee and make it available to hospitals and medical schools and colleges and universities.

One last thought, we can stand here the rest of the afternoon and debate the distinction between an authorization and a loan guarantee. But the fact of the matter is that we are making $2 billion worth of additional liquidity available to corporations in this country that are faced wth a financial crisis. This is not an authorization process in the traditional sense. We are providing a vehicle where money is immediately available. For those of us who have been concerned about the veto in higher education, those who have been concerned about the veto of the Hill-Burton, those who have been concerned about the veto of primary and secondary education, who have been concerned about the veto of the HEW research bill, this gives us an opportunity to say, "If you are going to come up with this additional liquidity for a corporation with serious financial problems, we are going to insist that an equal amount of these moneys be spent to give additional liquidity for hospitals and schools."

Thus, it seems to me to bring to the side of those of us who feel that we ought to do more for education and more for health, some of those who, in the past, have not been so inclined.

Mr. SPARKMAN. Mr. President, may I ask how much time our side has remaining?

The PRESIDING OFFICER. The Senator has 27 minutes remaining.

Mr. SPARKMAN. Mr. President, I certainly do not intend for my part to take 27 minutes or anything like it.

I want to say to the Senator from Indiana that I have been for all of these educational measures he mentioned. I voted to override the President's veto. If I recall correctly, it was last year that we succeeded in overriding it. However, be that as it may, I have supported every single one of these measures that has come up.

I recognize the value of the suggestions the Senator has made. However, I just simply cannot accept the idea that they belong in this measure.

As I have said before, I think they are not a part of our jurisdiction. They belong to another committee, a committee that is working on these very things right now.

I regret very much to see the Senator offer this amendment. For my part, I hope that the Senate will reject it.

Mr. President, I do not know whether any other Senator desires any time on this matter. For my part, if the Senator from Indiana, is ready to do so, I shall be glad to yield back the remainder of my time.

Mr. BAYH. Mr. President, the Senator has asked if I was prepared to yield back the remainder of my time. I would like to make one observation if the Senator is through. I do not want to interrupt his discussion here.

I want the Record to show that the Senator from Indiana was the first in the early part of this discussion to point out the significant contribution of the Senator from Alabama toward all of these educational measures. Of course, I do not feel qualified to put thoughts in the Senator's mind, nor to interrupt his thoughts. However, I think I know him well enough as a colleague and as a friend to know that he believes we can do more and should do better in these areas. The Senator from Alabama is quarreling not with the need to do more for hospitals and medical schools. He questions whether this is the appropriate vehicle.

If, indeed, there are those who share this thought, I would like to point out that sometimes we have to be willing to stretch precedents a little in order to be able to accomplish worthwhile goals. I hope there are not too many in this distinguished body who are so bound up with precedents and jurisdiction that they will not take advantage of the opportunity—or refuse to recognize the opportunity that is available here—to use a vehicle which is going to have the enthusiastic support of some Senators who are enthusiastic about helping big businesses, but who have not supported efforts to override the veto of the health and education measures that we were faced with last year.

This is a unique opportunity.

I do not hesitate to use what some might call an exceptional means to deal with the problem of education and health. Having this bill before us, I respectfully suggest that it is such an exceptional means, and an exceptional opportunity.

I have been here 9 years, and I have not seen anyone come forward with a $2 billion loan fund to bail out corporations and stockholders. That is unique in itself.

If we are going to pass such a measure, let us make sure that 50 percent of the moneys contained therein go to deal with the serious problems in the area of health and education.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, I think, since we are cutting time short, that it may be well that we have a quorum call.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. I yield back the remainder of my time.

Mr. BAYH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Indiana. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Oklahoma (Mr. Harris), the Senator from Minnesota (Mr. Humphrey), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I also announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. Mundt) is absent because of illness.

The result was announced—yeas 20, nays 76, as follows:

[No. 174 Leg.]

YEAS—20

Bayh
Brooke
Burdick
Byrd, W. Va.
Church
Gravel
Hart
Hartke
Kennedy
McGovern
Metcalf
Mondale
Nelson
Pell
Proxmire
Ribicoff
Schweiker
Spong
Stevens
Taft

NAYS—76

Aiken
Allen
Allott
Anderson
Baker
Beall
Bellmon
Bennett
Bentsen
Bible
Boggs
Brock
Buckley
Byrd, Va.
Cannon
Case
Chiles
Cook
Cooper
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ellender
Ervin
Fannin
Fong
Fulbright
Gambrell
Goldwater
Griffin
Gurney
Hansen
Hatfield
Hollings
Hruska
Hughes
Inouye
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Miller
Montoya
Moss
Muskie
Packwood
Pearson
Percy
Prouty
Randolph
Roth
Saxbe
Scott
Smith
Sparkman
Stennis
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—4

Harris
Humphrey
Mundt
Pastore

So Mr. Bayh's amendment (No. 334), as modified, was rejected.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GAMBRELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, S. 2308, officially entitled "A bill to authorize emergency loan guarantees to major business enterprises," but more commonly known as the Lockheed bill, is expected to come to a vote sometime next week.

It is my intention to vote against this legislation at that time, having reached the conclusion that the people of this country stand to gain little and lose a tremendous amount if tax funds are used in the manner proposed.

S. 2308 emerged in an apparent effort to disguise the original loan guarantee bill submitted by the administration (S. 1891) which applied only to Lockheed. That bill would have guaranteed loans up to $250,000,000, exclusively for Lockheed. However, after 2½ weeks of hearings, the original bill was in serious trouble and the second bill came on the scene, providing for a total guarantee authority of up to $2 billion, effectively shoving the original bill into the background. The facts remain the same, however, and there are several reasons that I cannot justify support of the legislation.

First and most obvious is the good possibility of losing the $250,000,000 that would go to Lockheed. The bankers say they are unable to bear the risk for such a loan—although the banking industry already has some $400,000,000 in loans invested in the company—so I do not see why our taxpayers should assume such risk.

Also, the proposed legislation is grossly unfair to small business. The title says "major business enterprises" and this intent is found throughout the language of the bill. It seems to me we are trying to say big firms cannot be allowed to fail without concern for small ones. Last year more than 10,000 businesses, mostly little ones, failed with aggregate liabilities of $1.9 billion but no one rushed a bill to Congress to help them survive. It might be said we seek to practice socialism for big business and free enterprise for small business.

The legislation would likely perpetuate deceptive bidding practices used in the aerospace industry. Firms reportedly frequently bid too low in order to get a contract expecting the Government to come to the rescue when they cannot deliver at the contract price. Perhaps this is why Lockheed has "lost" some $480,000,000 on four Government contracts. Deputy Defense Secretary David Packard prepared testimony for a committee hearing in which he opposed this bill. He said:

> During the past two and a half years we have been trying to correct the procurement practices that have been followed in the past. For these reasons we in the Department of Defense don't need or want a broad loan guarantee bill that will only encourage a contribution of practices that have caused the trouble.

That this section of his testimony was withdrawn under pressure of the administration does not alter his opinion or the circumstances.

There are other considerations to keep in mind: that the TriStar project for which Lockheed wants the money is strictly commercial, not defense-oriented; that this could be a crack in the dam that could turn into a flood; that because the Government would be supporting the company, there would be an inclination to protect the guarantee by awarding "sweetheart" defense contracts; that it is very dangerous to establish a means whereby a firm may gain access to credit on the basis of political clout rather than economic merit; that the management of Lockheed has been strongly questioned and, therefore, the continued and successful operation of the company cannot even be insured by the desired loan.

The one thing that the proponents of this legislation present with which I can be sympathetic is the plight of employees of Lockheed. There is a great deal of disagreement on exactly how many will be directly affected if Lockheed does not get its loan with estimates—including subcontractors—ranging from 11,000 to 60,000. Today more than 5 million men and women are unemployed and adding to this figure—whatever the number—certainly concerns me deeply. In my home State of Florida we are feeling the deep bite of unemployment from a slowing space industry and general economic conditions.

Still, we are talking about setting a new course which would move us further away from the business system with which our country has enjoyed so much success. We should not do this in the interests of any firm. Instead, we should direct our attention to long-range solutions, to economic policies which will be conducive to general economic progress and expansion.

AMENDMENT NO. 326

The PRESIDING OFFICER. Pursuant to the previous order, the Chair lays before the Senate Amendment No. 326, offered by the Senator from South Dakota (Mr. McGOVERN), which the clerk will state.

The assistant legislative clerk read as follows:

On page 2, line 14, insert the following: "In the case of guarantees of loans to farmowners or proprietors of small businesses under section 4(a)(3), the Board may delegate its authority to consider and grant or deny loan guarantees under this Act to the Farmers Home Administration or the Small Business Administration."

On page 3, line 11, insert the following new paragraph:

"(3) The requirements of clause (1)(A) of this section shall not apply in the case of a loan guarantee to a farmowner or proprietor of a small business within the definition of section 3 (15 U.S.C. 632)."

On page 7 beginning with line 23 strike out all through line 2 on page 8 and insert the following:

"SEC. 8. The maximum obligation of the Board under all outstanding loans guaranteed by it shall not exceed at any time $4,000,000,000, except that not less than $2,000,000,000 of the foregoing authorization shall be reserved for loans to farmowners and proprietors of small businesses within the definition of section 3 (15 U.S.C. 632). In no event shall the Board guarantee loans to any one borrower in an amount greater than $250,000,000. The maximum obligation of the Board under all loans guaranteed by it during any calendar year to farmowners and proprietors of small businesses within the definition of section 3 (15 U.S.C. 632), shall not be less than the maximum obligation of the Board under all other loans guaranteed by it during such year."

The PRESIDING OFFICER. Does the Senator from South Dakota ask unanimous consent that the amendments be considered en bloc?

Mr. McGOVERN. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. TOWER. Mr. President, will the Senator from South Dakota yield to me, so that I may ask the distinguished majority leader the plans for the remainder of the day?

Mr. MANSFIELD. Mr. President, will the distinguished Senator yield to the Senator from Massachusetts, without losing his right to the floor?

Mr. McGOVERN. I yield to the Senator from Massachusetts.

Mr. MANSFIELD. Now will the Senator yield to me?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. In answer to the inquiry of the distinguished Senator from Texas, it is anticipated that there will be some discussion on the pending amendment. In the meantime, there will be at least one conference report, having to do with the National Science Foundation, which has been cleared all around, and I believe another conference report to be presented by the Senator from Wisconsin (Mr. PROXMIRE).

Mr. PROXMIRE. No; I have a brief statement.

Mr. MANSFIELD. A brief statement. It is anticipated that no action will be taken on this amendment tonight, but it will be the pending business after we come in tomorrow, after we conclude with the Meat Inspection bill, S. 291, on which there will be a 1-hour limitation, which will be taken up immediately after morning business is concluded; and we will go back to the pending question, which will be the McGovern amendment at that time.

Mr. TOWER. I thank the Senator from Montana and the Senator from South Dakota for yielding.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT OF 1972—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7960) to authorize appropriations for activities of the National Science Foundation, and for other purposes.

I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. TAFT). Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report, which reads as follows:

CONFERENCE REPORT (H. REPT. No. 92–412)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7960) to authorize appropriations for activities of the National Science Foundation, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1972, for the following categories:

(1) Scientific Research Project Support, $271,000,000.

(2) Specialized Research Facilities and Equipment, $9,300,000.

(3) National and Special Research Programs, $144,600,000.

(4) National Research Centers, $40,200,000.

(5) Computing Activities, $17,500,000.

(6) Science Information Activities, $9,800,000.

(7) International Cooperative Scientific Activities, $4,000,000.

(8) Intergovernmental Science Programs, $1,000,000.

(9) Institutional Support for Science, $28,800,000.

(10) Science Education Support, $99,300,000.

(11) Planning and Policy Studies, $2,700,000.

(12) Program Development and Management, $24,300,000.

SEC. 2. Notwithstanding any other provision of this Act—

(1) not less than $2,000,000 of the sum stipulated in section 1 for Science Education Support shall be available for the "Student Science Training" program;

(2) not less than $4,000,000 of the sum stipulated in section 1 for Science Education Support shall be available for the "Undergraduate Research Participation" program;

(3) not to exceed $59,000,000 of the sum stipulated in section 1 for National and Special Research Programs shall be available for the "Research Applied to National Needs" program.

SEC. 3. Appropriations made pursuant to authority provided in sections 1 and 5 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

SEC. 4. Appropriations made pursuant to this Act may be used, but not to exceed $5,000 for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 5. In addition to such sums as are authorized by section 1 not to exceed $3,000,000 is authorized to be appropriated for the fiscal year ending June 30, 1972, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 6. No funds may be transferred from any particular category listed in section 1 to any other category or categories listed in such section if the total if the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 1 from any other category or categories listed in such section if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(A) a period of thirty days has passed after the Director or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(B) each such committee before the expiration of such period has transmitted to the Director written notice to the effect that such committee has no objection to the proposed action.

SEC. 7. (a) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has been convicted by any court of record of any crime which was committed after the date of enactment of this Act and which involved the use of (or assistance to others in the use of) force, disruption, or the seizure of property under control of any institution of higher education to prevent officials or students in such institutions from engaging in their duties or pursuing their studies, and that such crime was of a serious nature and contributed to a substantial disruption of the administration of the institution with respect to which such crime was committed, then the institution which such individual attends, or is employed by, shall deny for a period of two years any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c). If an institution denies an individual assistance under the authority of the preceding sentence of this subsection, then any institution which such individual subsequently attends shall deny for the remainder of the two-year period, any further payments to, or for the direct benefit of, such individual under any of the programs specified in subsection (c).

(b) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has willfully refused to obey a lawful regulation or order of such institution after the date of enactment of this Act, and that such refusal was of a serious nature and contributed to a substantial disruption of the administration of such institution, then such institution shall deny, for a period of two years, any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c).

(c) The programs referred to in subsections (a) and (b) are as follows:

(1) The programs authorized by the National Science Foundation Act of 1950; and

(2) The programs authorized under title IX of the National Defense Education Act of 1958 relating to establishing the Science Information Service.

(d)(1) Nothing in this Act, or any Act amended by this Act, shall be construed to prohibit any institution of higher education from refusing to award, continue, or extend any financial assistance under any such Act to any individual because of any misconduct which in its judgment bears adversely on his fitness for such assistance.

(2) Nothing in this section shall be construed as limiting or prejudicing the rights and prerogatives of any institution of higher education to institute and carry out an independent, disciplinary proceeding pursuant to existing authority, practice, and law.

(3) Nothing in this section shall be construed to limit the freedom of any student to verbal expression of individual views or opinions.

SEC. 8. This Act may be cited as the "National Science Foundation Authorization Act of 1972".

And the Senate agree to the same.

EDWARD KENNEDY,
CLAIBORNE PELL,
THOMAS F. EAGLETON,
ALAN CRANSTON,
WINSTON PROUTY,
PETER H. DOMINICK,
BOB PACKWOOD,
Managers on the Part of the Senate.

GEORGE P. MILLER,
JOHN W. DAVIS,
EARLE CABELL,
JAMES G. FULTON,
CHARLES A. MOSHER,
Managers on the Part of the House.

Mr. KENNEDY. Mr. President, the committee of conference agreed to accept the Senate amendment with certain amendments and stipulations. The committee has recommended a total budget for salaries and expenses of $655,500,000 for fiscal year 1972. This sum will allow the National Science Foundation to continue many of its worthwhile activities, and to undertake new or expanded programs. The bill stipulates $271,000,000 for scientific research project support. Although below the Senate authorization for this item, the compromise sum will enable the agency to continue its ongoing programs, and to support additional worthwhile projects being dropped by mission-oriented agencies. The budget authorization for specialized research facilities and equipment has been increased over the original Senate figure in order to permit the Foundation to move more efficiently in the provision of facilities and equipment requiring considerable leadtime.

The program category of national and special research programs has been increased by $8,600,000; this figure is $22,000,000 below the Senate authorization.

The entire difference is accounted for within the research applied to national needs program. This is a new program, and it was thought prudent to somewhat limit its rate of growth pending further evaluation.

The Foundation's two major educational programs—institutional support for science and science education support—have been restored to essentially their full fiscal year 1971 levels, despite the Agency's proposed 40-percent reduction of those programs. Although the Senate bill contained a 2-year authorization, the conferees agreed upon a 1-year authorization, but have asked that the Agency provide Congress with a 2-year budget request and justification at the time when they will be considering the Foundation's request for funding next year.

Mr. President, I believe the final bill as agreed upon in conference will enable the National Science Foundation to continue and expand its programs of basic scientific research, research as applied to national needs, and support of education, in a reasonable and balanced way.

Mr. President, earlier this month I cosponsored an amendment to increase the appropriations for the National Science Foundation by $25,000,000. The amendment was accepted by the Senate, but later lost in conference. It was designed to enable the Foundation to support meritorious research projects dropped by other agencies which had been directed to limit their activities to mission-oriented projects. The problems of unemployment among scientists and engineers are grave, and the purpose of the amendment was to have enabled the Foundation to provide support for these projects, which the Director of the NIF estimates will reach $100,000,000 by the close of fiscal year 1972. I hope the Appropriations Committees will consider the problem of unemployed scientists and engineers when taking any supplemental budget requests into account. In conclusion, I hope we are able to deal with the problem in a more generous way in next year's legislation.

I would like to commend the members of the subcommittee for the fine work they have done on this important legislation. I would like to thank Senators PROUTY and PACKWOOD in particular for the outstanding thought, effort, and suggestions they have made in helping to bring this legislation to its final form.

Mr. President, I move the adoption of the conference report.

The report was agreed to.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

Mr. McGOVERN obtained the floor.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I thank the distinguished Senator from South Dakota.

Mr. President, yesterday I referred to a critical report on the L-1011 prepared by the McDonnell Douglas Corp. That reference to McDonnell Douglas was not correct. The report was mailed to my office with no identifying information, and we had erroneously assumed that it had been sent by the McDonnell Douglas Corp.

Since that time, my staff has been able to verify the origin of the report. It did not come from McDonnell Douglas. It came from a group of knowledgeable executives and engineers employed by a number of highly reputable aerospace firms. These executives and engineers prepared the report on their own time and at their own initiative. They have asked that their identity be withheld so that they do not lose their jobs. One member of the group said that his firm had been threatened by Lockheed's bankers not to intervene in the debate on this legislation.

This employee said he could lose his job if his employer found out that he took part in preparing the report.

Mr. President, the report raises a number of critical questions about the L-1011. While some of the material may be self-serving, it is obvious that a good deal of careful research and documentation has gone into the report. For this reason, I am inserting the entire report in the Record, so that it may be available to the entire Senate.

The main conclusions of the report may be summarized as follows:

The U.S. economy will gain $6.4 billion in GNP over the next years if the L-1011 is canceled, because of the lower foreign labor content of the DC-10.

There would be a $1.7 billion favorable impact on our balance of payments in the next decade for the same reason.

Lockheed is likely to lose as much as $2 billion on the L-1011 program, and those losses will only increase if the program is continued.

The L-1011 contains serious technical deficiencies, including inadequate engine thrust, excessive weight, and questionable design features for a commercial aircraft.

There is not enough business for the three firms in the widebodied jet field, and Lockheed's entry will severely cripple the present dominant United States position.

National employment would be increased if the L-1011 were terminated.

Short term unemployment in California as a result of canceling the L-1011 should be offset in 6 to 9 months by higher DC-10 employment.

Mr. President, I ask unanimous consent that the report be printed at this point in the Record.

Mr. GOLDWATER. Mr. President, reserving the right to object, I do not think it proper to offer material of a critical nature such as this for the Record without identifying the people who prepared the report.

I might state that I do not intend to vote for the Lockheed loan, but I do not think it is fair to castigate this company by an underhanded method of attacking aerodynamics, equipment, speed, power, and so forth, without our having the benefit of the names of the people who proposed it, and I therefore object.

Mr. PROXMIRE. That means we are going to be in session for quite a while tonight, because I intend to read the entire report into the Record. I regret that this is necessary, but I do not have any other alternative.

It is obvious why these employees and executives could not give their names. I indicated why. Their jobs were threatened. If their names have to be given, we don't get this report, we can get no benefit from their analysis. It seems to me that it makes sense for us to make this material available to all Senators.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SYMINGTON. Would the able Senator from Wisconsin tell us what companies they were involved in?

Mr. PROXMIRE. Unfortunately, they have asked that the names of the companies also be withheld.

Mr. SYMINGTON. I thought that perhaps that would satisfy the distinguished Senator from Arizona. If that cannot be done, it cannot be done.

Mr. PROXMIRE. I thank the Senator from South Dakota (Mr. McGovern).

Later this evening, I will read this into the Record.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. LONG. As one who is intrigued by the information the Senator speaks of, when it just comes from someone who is alleged to be a member of a working force of some concern and who figures he might lose his job, and so forth, it just does not shape up as a very credible document, unless the Senator can tell us that he knows who some of these people are.

Mr. PROXMIRE. This Senator knows. We verified their identity. I had this report yesterday and was anxious to use it, but we were not able to verify who they were. We tried to verify it with McDonnell Douglas, and they said it was not theirs.

We persisted all day and finally have determined who the people are, that they do work for reputable aerospace firms. I know who they are, but it is a situation in which I cannot disclose the source without prejudicing their positions.

Mr. LONG. Then, is the Senator in a position to vouch for the fact that these are credible experts, or is this just something that somebody thinks, without the Senator being in a position to give us any assurance that these people are credible or worthy of belief or that they know what they are talking about?

Mr. PROXMIRE. I certainly can vouch personally for these people, inasmuch as I know the firms for which they work. I know what their jobs are. I know that if the Senator would glance through this report, he would be very impressed by the quality of the research and the quality of the analysis and the thought that went into it.

I admit that it is self-serving. There is no question about that. These people are working for firms which would be adversely affected by the L-1011. But I think the Senate should have the benefit of what I think is a remarkably good analysis.

Mr. LONG. If any one of us makes an argument from time to time, we are prejudiced. We are as prejudiced as any lawyer who ever pleaded a lawsuit, but we have a right to ask that our evidence be heard. That is why we have courts and legislative bodies, to hear the two sides. Prejudice does not necessarily mean that what a witness says is not correct. It is a question of how good his authority is and how good his argument is.

Mr. PROXMIRE. I thank the Senator.

Mr. McGOVERN. Mr. President, I have been listening to the debate on both sides of this issue calling for guaranteed loans to Lockheed and other corporations.

I must say that the issue is not one that is black or white. Compelling arguments have been made on both sides.

Personally, no matter how I finally vote on this question, I think I am going to have some degree of regret for those who are affected on the other side of the issue. I think there are legitimate claims on both sides.

Because the proposal for guaranteed loans to major business concerns has progressed to the floor of the Senate and we will be resolving this matter soon, I am asking for some greater measure of economic justice by offering an amendment, which is the amendment now pending before the Senate, to establish an equal consideration for small businesses and for farm operators who are not presently benefited by the terms of the proposed legislation.

Just as the Lockheed Corp. faces problems, many farmers and merchants are suffering from the effects of inflation and tight credit, and every Member of the Senate knows that to be so. More than 10,000 small businesses across this country are now in danger of collapse, in this time of inflation and recession.

Far from helping the large percentage of those people—although some of them who are directly related to the Lockheed Corp. will be helped—many are not connected with that company, and granting this loan will make it all the more difficult for these other small business and farm operators to secure needed credit, for the simple reason that the thrust of this bill will be to encourage the banks to make loans to Government-protected firms of the kind benefited by the proposed legislation as it is presently drafted.

Mr. LONG. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. LONG. That point troubles the junior Senator from Louisiana. If this Government-guaranteed loan is to be made, can we, in good conscience, stand idly by while small business tells us that they are out of money and do not have enough money to go around, and that for reasons of paperwork, or redtape, or one thing and another, it cannot be arranged to make a loan for a small business which is having difficulty, although this money is available for this large concern, which of course has major economic impact in the area where it has its major plants. How do we tell a small businessman that he cannot get his loan but, fortunately, we were able to arrange a loan for Lockheed? Would not economic justice seem to suggest that it should work both ways?

Mr. McGOVERN. The Senator has made the point very well that I am trying to make. It will be hard for us, if this loan guarantee goes through, to answer the questions of the small businessman or the farmer who says, "If I could have had that kind of credit support, I would have made it this year. I could have hung on. I could have expanded my operation."

I frankly do not know how we can face the small merchants, the independent businessmen, or the farmers in our States, many of whom are in just as serious trouble as Lockheed, unless we make some provision to see that more credit is made available to them. That is the purpose of the amendment.

Mr. SPARKMAN. Mr. President, will the Senator from South Dakota yield?

Mr. McGOVERN. I yield.

Mr. SPARKMAN. I want to say to the Senator that I believe he knows I am greatly interested in small business.

Mr. McGOVERN. I surely do. I know of the Senator's long efforts in that field.

Mr. SPARKMAN. I have been working through the years and we have been able to enact a great deal of legislation to help them. It has helped lots of them. I believe that the Senator knows that I am also interested in agriculture. I was born and reared on the farm, and I am still a farmer, and I know something about their problems, particularly small, family-sized farms.

Now, I have already mentioned to the Senator, and make the suggestion that we let the amendment go over until the morning, at least that would be the plan of the leadership, to get out quite early anyhow, and in the meantime, I am hopeful that we may be able to present, let us say, a modification of the Senator's amendment which I believe he can accept, and which I believe will do what he is trying to do.

Let me say that according to my thoughts, it would not include the agricultural part, for one good reason, that there is already on the calendar now out of the Agricultural Committee and I believe out of the Senator's subcommittee——

Mr. McGOVERN. The Senator is correct.

Mr. SPARKMAN. A bill which I believe he will tell us does a very fine job toward bringing great help to farmers and particularly so to what we might call the family-sized farm or the smaller farmers. I believe that we should work our will on that committee, and I certainly hope that we will be able to develop a good program and enact it into law. But, so far as small business is concerned, the Senator from New Hampshire (Mr. McINTYRE) is chairman of the Small Business Subcommittee of our committee, and the Senator from Nevada (Mr. BIBLE) is chairman of the Select Committee on Small Business, and I would like to have an opportunity to discuss these matters with them since they are vitally concerned in such legislation. I believe we can prepare a modification that the Senator could go along with and count on his purpose being carried out.

Mr. McGOVERN. Well, the Senator knows how keenly aware I am of his concern about small business and the numerous pieces of legislation that bear his own efforts in this field. Of course I do not need any reassurance at all that the Senator will do everything he can to assist our agricultural producers. In view of what the Senator from Alabama has said, I am perfectly willing to let this matter lie overnight until the alternative proposal can be suggested and then take a careful look at it. I do not want to withdraw the amendment until I have had an opportunity to see just what the Senator from Alabama has in mind, because I think that justice demands we not move ahead on a program of this kind which is so clearly earmarked as a program to aid major business organizations. The very language of the bill limits it to companies that have almost a national impact because of their size.

Mr. SPARKMAN. I may say that, in the course of the immediate discussions, I said I was in favor of small business being included, and we finally did put in a brief clause that it was felt would make it possible for small businesses to get help, except it does not designate the small business. It could be any business, small or large, because of its having an adverse effect on the economy, not just the Nation as a whole but for the Nation as a whole or for a region thereof.

Mr. McGOVERN. I think the statement of the Senator from New York (Mr. JAVITS) which was published in the New York Times on July 11, 1971, makes the point very well.

He said:

> I think it would be a mistake for Congress to establish the principle that medium sized firms would be ineligible for extraordinary Government assistance simply because of their size.

Mr. SPARKMAN. I agree with that.

Mr. McGOVERN. So, I would be willing to listen to what the Senator has to say in the way of an alternative proposal. What I am anxious to do is not merely to get my proposal adopted but something that will guarantee that we give equal consideration to small businessmen. I want to examine what the current status of the agricultural credit legislation is, because the testimony before the committee was that the credit needs of agriculture will more than double before the end of this decade.

Mr. SPARKMAN. Is it not true that the Committee on Agriculture and Forestry is now in the process of holding hearings, not only here in Washington but all over the country. They went down to my State, for instance, and I had the privilege of testifying before that subcommittee a few days ago. They are working specifically on things that can be done for rural community developments, to take care of the small farmers and the rural areas generally.

Mr. McGOVERN. If the Senator and other members of the committee will help me with the proposal to assist small business and agriculture, this total package may reach the point where even I could see my way gladly to support it.

Mr. SPARKMAN. I think that the Senator could.

Mr. McGOVERN. I shall be interested in what the Senator has to say when we talk about this further tomorrow.

Mr. SPARKMAN. I hope to be able to submit it to the Senator before we leave tomorrow.

Mr. TOWER. Mr. President, will the Senator from South Dakota yield for a comment?

Mr. McGOVERN. I yield.

Mr. TOWER. I would like to say to the Senator that I am not insensitive to the liquidity crisis that confronts the agricultural community today. I think it is very good of the Senator from South Dakota that he has emphasized the fact that credit demands are great in the agricultural community, and that they are not being met. This is true in my area of the Southwest where we are afflicted by drought. Many of the farmers and ranchers have had to mortgage the equity in their land to try to get enough cash to continue to operate on. So I thank the Senator for his suggestion. Whether I would agree that it should be part of the legislation or not, at least his suggestion has great merit.

Mr. McGOVERN. I thank the Senator.

Mr. President, under the circumstances, I am going to reserve the remainder of my discussion on this matter until I have had an opportunity to talk with the manager of the bill and the ranking minority on the other side of the aisle. I hope that we can resume this discussion on the Senate floor tomorrow.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the amendment may be carried over until tomorrow and then become the pending business.

Mr. BYRD of West Virginia. Yes. The able manager of the bill is correct. There will be no final disposition of the amendment today and it will go over until tomorrow for further consideration at that time.

The PRESIDING OFFICER (Mr. TAFT). The amendment will be carried over until tomorrow when the Senate will turn to further consideration thereof.

Mr. PROXMIRE. Mr. President, if my understanding is correct, this is a very valuable and helpful report. I think that it is full of dynamite. I do not blame the Senator from Arizona for objecting to having it printed in the RECORD by unanimous consent. We do too much by unanimous consent. I think we ought to take our time and go into these things in detail.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BYRD of West Virginia. Mr. President, is the Senator from Arizona going to be here to listen to the report to which he objected as far as its inclusion into the RECORD is concerned?

Mr. PROXMIRE. I do not know. I would hope so. He would be very much impressed by it. I hope that he will be.

Mr. BYRD of West Virginia. Mr. President, if the Senator from Arizona is not on the floor, perhaps he does not object to the report being printed in the RECORD.

Mr. TOWER. Mr. President, the Senator from Arizona has asked me to object to having the report printed in the RECORD.

I think the Senator from Wisconsin is well aware that he can read it into the RECORD if he chooses to do so. Therefore, though I shall have to deal with the Senator from Arizona later, I will not object.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SPARKMAN. Mr. President, I would say this, that I do not object to anything being printed in the RECORD, if we just remember that it is stating that particular person's viewpoint. However, I do feel very strongly that we are entitled to know whose viewpoint it is.

Mr. TOWER. I concur in that.

Mr. SPARKMAN. Mr. President, and if my friend, the Senator from Wisconsin, will not take affront, I want to say that I am utterly surprised that he, of all people, would ask for something of this kind to be printed in the RECORD anonymously. The Senator from Wisconsin has a reputation here on Capitol Hill of going after the facts and the names and the conditions. He goes to the Defense Department and he insists that the persons, their bodies, come in and say these things and let people know. This is not a court of law.

However, everyone knows that the Constitution grants to every accused person the right to be confronted by his accusers and witnesses. However, here we have something that is anonymous. We ought to keep that in mind.

Mr. PROXMIRE. Mr. President, will the Senator yield for a minute? I said that this is from people—and there is no question about it—who work in aerospace firms which will be adversely affected. If newspapers in this country would refuse to print anything concerning which the person who provides the information does not identify himself, we would be deprived of a great deal of information we should have.

The Pentagon papers were printed. If the identity of those who made the study had been required we would not have had those papers printed. There may be some Senators who think they should not have been. However, it is my view that we are a better informed Nation because of it.

There is nothing here that will damage anyone's reputation. There is nothing here that will hurt anyone.

Mr. SPARKMAN. Mr. President, I am not talking about newspapers. I am talking about material submitted in the Senate of the United States to be used as evidence in this case, in this controversial situation that we have before us now.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I will yield to the Senator from Louisiana in a minute.

Mr. President, I have not identified where these men work. I have indicated that they are executives of top aerospace firms. I have indicated that they have a great deal of competence in this area. I asked my staff to investigate it carefully. And under these circumstances, their names and addresses cannot be identified, because if they were, they would suffer loss of employment and their firms would suffer greatly. Yet, under these circumstances and with the kind of pressure that has been exerted—in fact, the whole history of the bill has been one of intimidation and pressure in trying to ride it through the Senate without giving us an opportunity to discuss it adequately.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I will yield to the Senator from Louisiana in a minute. I have never been involved in a situation in my 14 years in the Senate in which the opposition has tried to intimidate me by boycotting the products that my State produces. They have a lot of money with which to do it. They have a big organization. They are boycotting the products of Wisconsin.

Under these circumstances, I understand why these people who would like to have the information made available to us have to be concerned about intimidation. That is why I do it.

Mr. SPARKMAN. Mr. President, may I make a comment on that before the Senator from Louisiana speaks. I have been interested in what the Senator said about pressure. I have been in Congress for 35 years. I have never paid any attention to the people who try to intimidate me. If I had threats, I threw them in the wastebasket. I did not make a great to-do about it. But let me say with regard to all of this talk about pressure, that since I have been here I have never paid any attention to pressure. I have always talked with anyone about anything. However, that does not mean that they persuade me.

Mr. PROXMIRE. Mr. President, the Senator from Alabama is a great and a courageous man. He also does not have to worry about losing his job. However, that is not true with respect to all people. I could understand how people who work for an aerospace firm find it very hard when their jobs are in jeopardy. They are very reluctant to take any action that might cost them their jobs.

Mr. LONG. Mr. President, may I say to the Senator, as one who is not committed, that I have heard the debate on this bill when I could find time to do so in addition to tending to my other duties. I am not involved in the bill. However, I have voted on each amendment as they came up. Not having been involved in it on either side, I am sure, as short tempered as some Senators are, that perhaps nerves have been rubbed raw. However, I cannot understand why anyone would object to material that a Senator wanted to have printed in the RECORD, no matter what it was, even it were just a rumor, a piece of paper. It does not insult anyone's intelligence. It is just a memorandum. If it is just a memorandum, and unsigned, even if I found it in the hall, do not know who dropped it in the hall, it makes pretty good sense to me and I would like to put it in the RECORD for what it is worth.

The point I make is why not.

If they do not let the Senator have it printed in the RECORD, he can read it anyway. And frankly, this would be a credit in the RECORD compared to some speeches I have seen in the RECORD. For the life of me, I cannot understand why anyone would want to object.

Mr. PROXMIRE. Mr. President, the reason is perfectly obvious. This report is dynamite. It gives us some answers on what is going to happen to jobs and what is going to happen if we go ahead with the guarantee for Lockheed. They want to stop me from having it printed in the RECORD. They say that it is taking an unprecedented step to put material in the RECORD under these circumstances. They do so because they are afraid of what it would reveal.

Mr. TOWER. No one has objected.

Mr. LONG. Mr. President, the last thing I would want to do would be to prevent a Senator from having something printed in the RECORD. If I objected, he could read it anyway. It would draw attention to the matter. This is like the Pentagon papers. No one had filed a lawsuit. They could have said, "Print anything you want. We have 50 barrels of that stuff up in the Pentagon. Print it."

We know that no one wants to read it anyway. But once there is objection and someone says that it must not be printed in the RECORD, everybody wants to know why not. So everybody in the press wants to know what it is. Frankly, I do myself. I would not have bothered to read it if there had not been an objection.

Most Senators do not read anything in the RECORD except their own speeches, unless there is something classified, and then they all want to read it.

Senators are getting tired. They have worked hard on this bill and are doing the best they can to work on a bill that involves a matter of national interest.

I have personally been told, and I saw an article, but I was in a hurry and did not read it, that there would be an effort to boycott Wisconsin products because a Senator of the United States made an argument and opposed a piece of legislation involving some very large American investments. Of course, it may be they have that right. It is a free country and people sometimes do some pretty unfair and brutal things.

However, I do not have any doubt that the Senator is sincere in what he is doing and I do not know of anything to cause the country to rise up against even a great corporation like Lockheed.

I am sure that the Lockheed Corp. has a fine record, although they are in bad times at the moment.

For an organization of businessmen, and I mean men involved in major industries, to boycott products—I do not care if it is only a little carton of milk—because the Senator had the intellectual honesty and the courage of his convictions to stand up and oppose a piece of legislation because he thought it was a bad piece of legislation, and a great many other people do—the New York Times does, as well as other people, what are they trying to do? Are they trying to boycott a State because a Senator is doing what his convictions suggest he should do, and destroy a State, and gag the Senator.

All that is needed is a two-thirds vote of the Senate, which they have not been able to muster.

It seems to me that some people take rash action and act out of haste, anger, or irritation of the moment and do things that calm reflection would cause them not to do.

I believe it is a good way to cause them to lose their case.

Mr. PROXMIRE. Mr. President, I want to thank the distinguished Senator from Louisiana. I deeply appreciate his remarks.

I would say that the Wisconsin boycott—there is no question in my mind—has really boomeranged insofar as its purpose was concerned. Nobody from my State has been intimidated. It was a silly and most unfortunate step to take. If that kind of action should catch on, one could imagine the havoc. We would have 49 separate countries, in effect, that would be boycotting the State of Louisiana because they did not like what the State of Louisiana voted for. They would not be buying some of their oil.

Mr. LONG. Mr. President, I would say I wish they would not buy natural gas. I wish they would boycott Louisiana natural gas; I would appreciate that. But there are a number of things we would like to sell, so I do not want a boycott on Louisiana. I must say that does seem to me to be a very misguided way of doing business. One does not persuade people to see things his way by brutality or by coercion or by trying to crucify a State because the Senator from that State is doing his conscientious duty as his conscience dictates.

My guess is that the average person in Wisconsin does not have the slightest idea what the relative arguments are on both sides.

Mr. PROXMIRE. Well, frankly, many more now have an idea of the arguments since this boycott started.

There has been a great deal more support both for me and for my position on this issue since they started boycotting our products.

Mr. BYRD of West Virginia. Will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, I thank the Senator for yielding.

May I say for the RECORD that it does not make any difference to me one way or the other whether the report is inserted by unanimous consent or whether it is read into the RECORD. The distinguished Senator has a perfect right to ask unanimous consent that it be included in the RECORD. The able Senator from Arizona had an equally perfect right to object to its insertion, whereupon the able senior Senator from Wisconsin has an equally perfect right to stand on his feet and read it into the RECORD; but when he does this, it seems to me that any Senator—I do not say this as any reflection on the distinguished Senator from Arizona at all—who wishes to object to the Senator from Wisconsin inserting the matter into the RECORD ought to be willing to remain on the floor to listen to the Senator from Wisconsin read it into the RECORD. I do think the Senator ought to be present to make his own objection.

Mr. PROXMIRE. Of course, I can imagine some Senators would regard that as cruel and unusual punishment.

Mr. BYRD of West Virginia. I just do not feel that any Senator should object to the insertion of matter into the RECORD and then leave the floor and let the rest of us who have entered no such objection have to sit here and listen to the reading of it—which I am perfectly willing to do; I am not complaining at all on my own part.

Let the Senator from Wisconsin make his request again, and if any Senator wishes to object, he will be perfectly within his right to do so, but any Senator who objects ought to be willing to stay here and listen to it, because the Senator from Wisconsin is going to read it into the RECORD and it will require well over an hour.

Mr. TOWER. Will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield to the Senator from Texas.

Mr. TOWER. The Senator from Arizona is not on the floor. If the Senator from Wisconsin would propound his request, I am sure that nobody would object, because we would like to leave.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. TAFT. I would like to point out that I had a similar experience.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield to me briefly?

Mr. TAFT. I yield.

Mr. BYRD of West Virginia. Could the Senator from Wisconsin make the unanimous-consent request first?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the report to which I have referred on the L–1011 be printed in full at this point in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

The report, ordered to be printed in the RECORD, is as follows:

(Figures and illustrations referred to in text are not printed in the RECORD.)

L–1011 MARKET POTENTIAL

The long-term forecast of any market is uncertain. Commercial air transport forecasting is even more uncertain since the replacement market is typically less than 20% of the total future market with the other 80% being fully dependent on future growth of the economy and population. As such, the gross market can easily be missed by 33% or more. The forecasted market for a specific class of commercial airplane is even more uncertain since competing air and surface systems and technical obsolescence also must be considered. Estimates, because of the many variables, tend to vary widely depending on the optimism or conservatism of the estimator and the intended end use of the estimate, i.e., is it for internal financial planning or for external purposes. The trijet market is no exception. However, past performance is still the best guide to the future. In 1967 Lockheed was publicizing a total market of 800 trijets through 1980. This was progressively escalated so that by 1970 the Lockheed estimate had grown to 1400. Now in 1971 Lockheed uses 775 as a new official number for just the medium-range trijet and largely concedes an additional long range trijet market of 600 aircraft to the McDonnell-Douglas DC–10 and/or the Boeing B–747. The current DC–10–20 and –30 long-range version aircraft have already obtained commitments from airlines representing over 40% of this long-range market.

An independent industry estimate is for a total of 500 of the current medium-range trijets with an added 500–600 in the long-range and long-range derivatives market. Accepting the assumption that the major development costs (over $500 million) of a version of the L–1011 required to compete with the B–747 and the existing long-range DC–10 is totally incompatible with a company in such dire straits, then the gross market for potential L–1011 penetration is 500 to 775 aircraft.

The attached table shows the current commitments of the 25 top airlines in the world. Approximately 63% of that prime market is either committed to the DC–10 or so influenced by contingent commitments that if a trijet is purchased, it will apparently be a DC–10. This is a four to one advantage over the L–1011's penetration. The DC–10 has announced 19 airlines, the L–1011 six airlines. The sales penetration to date predominantly favors the DC–10 with only 21% of this top 25 airlines market completely uncommitted and only 6% accessible to the current medium-range L–1011 airplane.

Viewed from a time basis, the comparison is even more weighted. After the initial Lockheed market coup of capturing Eastern Air Lines, TWA, Delta and Northwest in April 1968 by an abrupt underpricing of the competition by some $1.5 to $2.0 million per airplane, the market failure of the L–1011 has been apparent. Since November 1968 (two and one-half years ago when Air Canada ordered), Lockheed has had Northeast cancel their order and Delta place a parallel order for the DC–10. These negatives are offset only by initial commitments from Air Jamaica (an airline only 8% the size of Northeast) and Pacific Southwest Airlines (60% the size of Northeast). Two and one-half years of marketing has resulted in a net market loss. In the same time period, 15 new airlines have committed to the DC–10.

Long before the publicized Rolls Royce problem, the L–1011 became essentially unsalable. During this time, L–1011 base prices averaged over $1,000,000 an airplane below its prime competitor, the DC–10. The L–1011 problem has not been price but rather the product and the company credibility.

The L–1011 order book for using customers—as contrasted to intermediary leasing or marketing functions who recompete for the same user market—consists of 101 firm orders: 33 TWA, 37 Eastern, 18 Delta, 10 Air Canada, 1 Air Jamaica and 2 Pacific Southwest. With the current U.S. airline recession, options are of questionable significance and even firm orders can be reduced as demonstrated by United Air Lines action. The large Air Holdings "order" is only a low-cost option 100% funded by Rolls Royce, underwritten by the UK Government and accurately described by UK Minister of Aviation Supply Corfield to Commons, ". . . the 50 Air Holdings order which is little more than a bookkeeping transaction and a somewhat bogus one at that." Independent analysis of the current L–1011 customers, assuming all can be held for all their medium-range trijet requirements, indicates a total sales potential of 195 aircraft through 1980; a Detla loss would reduce this to 150 aircraft. Further customer attrition is possible—perhaps probable.

With the past record and the adverse credibility, schedule, and price impact of the last six months' disclosures, the future capture of new customers is most questionable. Nearly 80% of the 1980 market for current medium-range trijets is committed already to one or the other types of trijets by virtue of an initial airline order. This number of airlines "committed" and their eventual requirement are much more significant than the number of aircraft currently on order which is influenced by near-term factors. Only 20% or some 100–155 airplanes are left to compete for. Even a wildly optimistic ⅓–⅔ split would yield only 33 to 50 airplanes to add to the Lockheed total. A total sale over the next decade of 200 L–1011 aircraft would seem to be an upper bound; the lower bound is possibly zero.

The historic result of such low quality commercial airline production, aggravated by being stretched out over a long time period, has been financial catastrophy—witness the 102 airplane Convair 880/990 program and the 172-airplane Lockheed Electra program. Each of these programs, scaled for airplane size and escalated into 1973 dollars, indicates a loss *after* production of some $1.5 to $2.0 billion on the Lockheed L–1011.

This market rejection is the fundamental cause of Lockheed's problem—not the Rolls Royce fiasco.

TOP 25 FREE WORLD AIRLINES [1]

[Measured in revenue passenger-miles flown in 1970]

Airline	Revenue passenger-miles (millions)	Airline commitments		
		DC–10	Open	L–1011
1. United	25,281	DC–10		
2. TWA	20,023			L–1011 partial.[2]
3. Pan American	19,281		Open [3]	
4. American	18,170	DC–10		
5. Eastern	15,493			L–1011.
6. Delta	9,722	DC–10 [4]		L–1011.[4]
7. Air Canada	7,166			L–1011 partial.[2]
8. BOAC	6,733		Open [3]	
9. Air France	6,622	? [5]		
10. Continental	5,824	DC–10		
11. Japan	5,587	? [6]		
12. Braniff International	5,418		Open	
13. Northwest	5,410	DC–10		
14. Lufthansa	5,334	DC–10		
15. Western	5,159	? [7]		
16. Alitalia	4,988	DC–10		
17. Iberia	3,538	? [5]		
18. KLM	3,517	DC–10		
19. QUANTAS	3,337		Open [3]	
20. SAS	3,291	DC–10		
21. BEA	3,271		Open	
22. Caledonian	3,024		do	
23. Swissair	2,794	DC–10		
24. All Nippon	2,727	? [6]		
25. National	2,644	DC–10		
Total	194,354			
Total certains (excluding Delta)		[8] 77,253		[9] 31,842
Total including probables (with Delta and ?'s)		[10] 121,448		[9] 31,842
Total no commitment (i.e. open)			[11] 41,064	

[1] Data source: "Air Transport World" magazine, May 1971.

[2] Require long-range international (greater than 5,500 statute miles) trijets in addition to medium-range domestic trijets now on order. Routes longer than transcontinental approximate 40 percent of TWA and 45 percent of Air Canada total. For conservatism, 100 percent included in Lockheed "Certains".

[3] Almost exclusively a long-range international operator requiring very long-range trijets and hence an unlikely L–1011 customer. These 3 long-range airlines in total represent 70 percent of the open airlines in the top 25.

[4] Ordered medium range trijets from both companies. DC–10 most recent decision so Delta included in DC–10 probable totals.

[5] Member of Atlas airline group (Air France, Lufthansa, Sabena, Alitalia, and Iberia) who have made a group DC–10 decision. Air France and Iberia have not announced individually a trijet decision.

[6] Japan Air Line (JAL) announced in May a decision not to consider the L–1011 because of the Lockheed situation. All Nippon is probably bound by this also since Japanese Government policy has resulted in common equipment for their national airlines.

[7] Currently in merger process with American and therefore effectively a DC–10 customer.

[8] 40 percent.

[9] 16 percent.

[10] 63 percent.

[11] 21 percent.

LOCKHEED AS A COMMERCIAL AIRCRAFT COMPETITIVE FORCE

Lockheed must be acknowledged as having been a competitive force in the U.S. commercial aircraft manufacturing field. However, competition can be both constructive and destructive—competition for competition's sake is not automatically self justifying.

Measured by sales volume, Lockheed has not been a significant competitive factor since the 1950's and the era of propeller-driven airplanes. At that time, the Lockheed piston engined Constellation was in production, the last airplane being delivered in 1959. In aggregate, the DC–6/7 captured approximately 63% of the competitive market and the commercial Constellation program consequently was a probable financial failure.

The Constellation was followed by the Lockheed Electra which was first delivered in 1958. This propeller-driven turbine-engined airplane was a marketing failure since the high-speed jet age was simultaneously ushered in during 1958/59 by the Boeing 707 and the Douglas DC–8. In addition, major technical problems—three aircraft lost wings in airline service—helped truncate this program at 172 airplanes in 1960. At its peak in 1959, this airplane represented about 34% of the total market, but by 1960 this was reduced to less than 8%. The Electra program was a financial catastrophy with a pre-tax loss of $150–$200 million when Lockheed equity was only some $140 million.

Since 1959, Lockheed commercial airline sales have been aggregated less than 3% of the total U.S. manufacturers' sale and this has predominantly been in spares and commercial cargo derivatives of the military C–130 airplane. These estimated commercial market shares are tabulated on the attached data sheet. It is apparent that by sales measure, Lockheed has not been a significant market force for over a decade. The real question is not whether to retain Lockheed as a significant commercial market factor but whether, by government subsidy, to reintroduce Lockheed as a third competitive factor to the established two company market. There is no evidence that a profitable commercial program has existed at Lockheed since World War II, so as an independent viable economic commercial competitor, Lockheed has not and obviously does not today qualify.

Lockheed has however, created a major competitive impact with the L–1011 but the effect has been largely destructive. Lockheed, in total over the last decade, has been the number one DOD supplier and continues so today. Operating from this very large government business base, Lockheed attempted to re-enter the commercial market with the L–1011. In cooperation with Rolls Royce, the business tactic adopted, either by ignorance or by deliberate management design, was to undercut prices and terms—essentially a loss-leader competitor-breaking policy; an attempt to dominate a market by deliberately selling at a loss.

After losing the first competition—American Airlines in February 1968, a brief L–1011 marketing success was achieved. In a three day period, April 1 to April 3, four airlines were captured before forced competitive reaction could take place. This was a direct result of abruptly decreasing prices by $1.5–$2.0 million; reducing the cash advance payment terms from 40% to 33% (a reduction in cash supplied Lockheed by the airlines in advance payments of approximately a million dollars per airplane) and offering subsidized (i.e., some 2% below market interest) long term financing to the airlines using funds advanced by Rolls Royce and British banks. These funds were undoubtedly underwritten by the UK Government as a favorable British trade balance subsidy. On the 101 firm airline orders for the L–1011, these actions increased Lockheed's cash requirements by more than $250 millions—a striking coincidence with the funds now being requested.

This underpricing competitive strategy, compounded with apparent major cost miscalculations, has bankrupted Rolls Royce forcing nationalization; brought Lockheed to mandatory reorganization; lured U.S. airlines into advancing funds which may well be lost and, most important of all from a national viewpoint, largely removed the future profits from the entire commercial aircraft manufacturing industry.

Essentially all the profit in a commercial airplane program exists in the last 10–20% of the program production and sales. This is a consequence of the enormous costs of creating and placing into production such complex products and the resultant large quantity production required for cost recovery. A third weak competitor may only achieve a 10–20% market penetration but in effect, he also removes the total profit from his competitors and his own financial results are catastrophic.

The breakeven points of the B–747 and the DC–10 have been forced out years in time. The ability of the industry as a whole to gain sufficient earnings to launch the required future programs necessary to hold the traditional dominant United States world position in commercial aircraft has been severely crippled. A private enterprise SST with ecology-relieving technology to compete for the world market is one potential casualty, for example. A giant step toward heavy government subsidization or even nationalization has been set in motion by financially reckless Lockheed action.

Because of long term pricing commitments in contracts coupled with the continued fierce competition between Boeing and McDonnell Douglas and the ever-present threat of new international competition, no significant change in pricing is possible now. Hence the manufacturers are faced with a relative long bleak period with a price base set by a "loss-leader" company. Only increased volume production offers a way out.

Facing international consortiums, essentially 100% funded by their governments, this is not the time for the United States

Government to artificially force a three-way split and an accompanying national economic weakening on the U.S. commercial aircraft industry. Secretary Connally testified* that from the data shown him he did not foresee a Lockheed profit even if the L–1011 was funded by government action and built an indicated 220 aircraft but that *"this should not be a concern of the government."* A subsidized desperate competitor building aircraft at a loss where each aircraft built denies a profitable airplane to any manufacturer must be a prime national concern since it threatens the financial strength of the entire industry. Such a parochial view of Lockheed or the U.S. Government $250 million is illogical and dangerous.

The natural action of the free enterprise market by eliminating the inefficient is strengthening our national capability to compete in the world market—a strength that in the last 5 years has resulted in a net trade balance for commercial aircraft exceeding one-third of the total United States net favorable trade balance. The two company competition of the 60's demonstrated its adequacy to protect the airline customer and further the national interest. The 60's were the golden age of U.S. airlines. A third competitor is not mandatory or even healthy for the United States.

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* Aerospace Daily, June 8, 1971.

ANNUAL COMMERCIAL AIRLINER SALES SHARES

	Total dollar volume (millions)	Percent Boeing	Percent MDC [1]	Percent GD [2]	Percent Lockheed
Year:					
1956	349		58	8	34
1957	575		60	5	35
1958	449	9	57	6	28
1959	776	47	14	4	35
1960	1,161	45	44	3	8
1961	788	52	30	15	3
1962	737	54	20	21	5
1963	496	48	25	19	8
1964	852	76	16	3	5
1965	1,221	75	20		5
1966	1,715	68	27		5
1967	2,571	59	37		4
1968	3,813	56	44		
1969	3,194	54	44		2
1970	3,425	82	18		
Total	22,122	58	33	3	6
Total since 1960	19,973	62	33	2	3

[1] McDonnell Douglas Corp. (MDC) sales shown are estimated for the Douglas Aircraft Co., now a division of the McDonnell Douglas Corp.

[2] General Dynamics (GD) sales shown are estimated for the Convair division of General Dynamics

NATIONAL EMPLOYMENT IMPACT OF L–1011 TERMINATION

Much has been made of the ability of the L–1011 program to sustain employment in the aerospace industry and it's national importance. At peak employment four months ago the Secretary of the Treasury indicated a total L–1011 employment of 31,000 people—17,000 at Lockheed and 14,000 in suppliers plants. Since the total U.S. labor force is some 85,800,000 people and the total peak L–1011 employment is less than 4/100 of 1% of that, the L–1011 employment is at least marginal as a major impact classification. To classify it as so critically important that dangerous government precedents must be established appears facetious when compared with other components of the aerospace industry. The attached chart shows that the actual employment impacts at Boeing and McDonnell Douglas have already exceeded that of Lockheed by a 4 to 1 ratio even assuming an L–1011 termination. 113,600 Boeing and McDonnell Douglas employees have been laid off in the past two years as compared to 10,800 at Lockheed and a theoretical 26,000 obtained by adding an L–1011 termination effect.

On 1 June, L–1011 employment at Lockheed was stated to be 8,000—a 53% reduction from peak. The status at the complex of suppliers is unknown but the largest single supplier, AVCO, indicated that it had had 1,000 L–1011 employees of 4,000 total employees at the specific Tennessee plant building the L–1011 wing and in May the L–1011 employment was reduced by 750 people—a 75% reduction. Hence it is probable that over half of the L–1011 employees have already been laid off. Any specific impact from this first 50% layoff is impossible to find.

However any of the L–1011 employment impact numbers are misleading since they only look at the L–1011 reductions and ignore the obvious compensating increases. The L–1011 airplanes were intended to provide a certain productivity or capacity need to the airlines. This need will be filled in any event by some type of wide bodied advance technology aircraft.

There are only three types of such aircraft available as potential replacements—the Boeing B–747, the McDonnell Douglas DC–10 and the European A300B. The L–1011 design mission is a full passenger load (270–330 people) carried non-stop transcontinental which requires a practical range of some 3400 statute miles. The A300B is a short range smaller airplane with a full passenger (230 passenger) range of some 1500 statute miles. Obviously the A300B is not a practical replacement. This is confirmed by the 25 airline competitions decided to date between the DC–10 and the L–1011. In none of these cases was the A300B a contender, much less a winner. Thus far only the national airlines of France (Air Inter and Air France) and Germany (Lufthansa) have placed even a letter of intent for the A300B in the nearly four years since September 1967 when the French and German governments agreed to fund the program.

The L–1011, if terminated, will be replaced with either the B–747 or the DC–10. The B–747 is in service by 10 U.S. airlines for transcontinental and shorter domestic routes down to 250 miles. The DC–10 will start deliveries in July 1971 for this same service and since it was optimized for exactly the L–1011 mission will probably be the airlines choice. The airplanes will be built in the United States.

The L–1011 airplane has a high foreign labor content. The exact amount is unknown but a reasonable approximation will illustrate the point. The announced new base price of the L–1011 is $15.7 million. The Rolls Royce engines now have a base production price of about $950,000 each. In addition the engine nacelles, also manufactured in England cost $450,000 per airplane set. A summary of the Lockheed announced additional contracts in England for ailerons, spoilers, wing tips, main landing gear doors, navigation systems and numerous instruments, actuators, etc., amount to an additional $450,000 per airplane. These total $3,750,000 an airplane set or 24% of the total L–1011 built in the U.K. There is additional work in Canada and Japan. Therefore 24% understates the total foreign content. In effect, for every 3 U.S. workers there must be at least the equivalent of a 4th overseas on the L–1011.

Substituting either the B–747 or the DC–10 with their American engines will increase the total U.S. employment by elimination of this high foreign content. The gain will not be as dramatic as the 33% (25%/75%=33%) gain the simple analysis indicates because either Boeing or McDonnell Douglas would build the added replacement aircraft more efficiently than Lockheed with its relatively low production. Also Boeing has a few percentage points of the B–747 in foreign countries and the DC–10 has some 11% primarily in the McDonnell Douglas Canadian factory. A more sophisticated analysis indicates a net gain of 5–10% in national employment from termination of the L–1011.

Employment discontinuities would be inevitable in the interim but the major portion of this has already happened and been absorbed. With the prime L–1011 competitor, the DC–10, also being built in Los Angeles, even the regional impact should not extend over 6 to 9 months while new subcontracts are determined, facilities reorganized and the necessary added employees hired to increase production. To sacrifice the next decade's employment for such a brief interim cause is hardly a reasonable tradeoff. To risk taxpayers money for the tradeoff is unjustifiable.

EMPLOYMENT TREND COMPARISON

	Yearend, 1968	Yearend, 1969	Yearend, 1970	Decrease, 1968–70	
				Employees	Percent
Boeing	142,400	120,500	61,000	81,400	57
McDonnell Douglas	124,700	107,500	92,500	32,200	26
Lockheed	95,400	97,700	84,600	10,800	11
			[1] 69,600	[1] 25,800	[1] 27

[1] Assumes a potential net 15,000 L–1011 employee layoff.

CALIFORNIA EMPLOYMENT IMPACT OF L–1011 TERMINATION

The most probable replacement airplane for the current medium-range L–1011 airplane is the McDonnell Douglas DC–10–10 medium-range version. The short-ranged (approximately 1500 statute miles with full passenger payload) European A300B has demonstrated its non-applicability to the medium range market (approximately 3400 statute miles) served by the current Trijets by its non-appearance in the 25 Trijet competitions concluded to date. The long range (approximately 6000 statute miles) Boeing B–747 is direct competition for the DC–10–20 and –30 long-range versions but only is a very few high traffic density medium-range international markets has it become a significant competitive factor. Hence essentially all of the L–1011 replacement market will be filled by the similar sized DC-10-10 airplane.

The net employment impact of the L-1011 termination and the DC-10 replacement of these aircraft can be determined in principle by the relative amount of each airplane which is built in California. The attached data sheets detail the elements of each airplane which are done in California and the exploded view of the L-1011 serves as a rough gauge of the relative importance of each element.

In brief, the table speaks for itself. With the identicality of the first six major elements and the long additional list of added DC-10 elements in California, the higher California work content of the DC-10 is obvious. From a quantitative evaluation, the L-1011 flap structures are approximately the same work content per airplane as the last four items on the DC-10 list consisting of the various doors and the wing-fuselage fairing structures. The remainder of the items—most notably the heavy work content engine pods, pylons, and aft fuselage tail duct work—represent added work for Californians. A detail quantitative evaluation indicates a basic California work content for the DC-10 which is 10% to 15% higher than the L-1011 accounting for the greater number of elements.

Because McDonnell Douglas would build the added replacement aircraft more efficiently than Lockheed with its relatively low production, this basic work content advantage would be somewhat attenuated. However, two of the current L-1011 customers, TWA and Air Canada, would most likely buy the heavier long-range DC-10-20 or -30 airplane to replace the lighter medium-range L-1011's. This is an offsetting increase in DC-10 work. All in all, a 5% to 10% total net increase in California work content—i.e., employment—should result from an L-1011 termination and a DC-10 replacement program.

It does take time to negotiate new and additional subcontracts, reorganize facilities and hire additional people to accelerate DC-10 production. This should not extend beyond 6 to 9 months but an inevitable adverse transient employment impact will occur. In addition, local labor unions will prevent large scale migration of specific Lockheed workers into the McDonnell Douglas and suppliers plants until existing recall lists are exhausted. However, some 100 Lockheed L-1011 workers have already been hired by Douglas in some specialties and if the L-1011 is terminated promptly, the overall Douglas recall list will be exhausted by early spring 1972. Then the normal Southern California labor mobility will permit large scale hiring. Burbank and Palmdale will be hit hard although not critically since the L-1011 employment today is some ½ of the Lockheed plant employment. This will be partially offset by the rising employment on the new S-3A production program in Lockheed.

In the long term, industry, labor, and the general California economy will benefit from an L-1011 termination. A truncated and desperate L-1011 program of questionable durability, competing in price with a DC-10 program which is marginally profitable without added production quantites, hardly makes for a firm prosperious forecast for the commercial aerospace industry in California. State industrial income tax revenues will obviously be lowered and the California areospace industry's ability to compete and expand by introduction of new programs will be crippled to the long-term detriment of all.

CALIFORNIA[1] TRIJET WORK CONTENT

L-1011		DC-10[2]	
1. Final airplane assembly	Palmdale.	1. Final airplane assembly	Long Beach.
2. Fuselage nose section	Burbank.	2. Fuselage nose section	Santa Monica.
3. Fuselage barrels assembly	Burbank.	3. Fuselage barrels assembly	San Diego.
4. Fuselage underwing section	Burbank.	4. Fuselage underwing section	Long Beach.
5. Fuselage tail section assembly	Burbank.	5. Fuselage tail section assembly	Long Beach.
6. Center wing box	Burbank.	6. Center wing box	Long Beach.
7.	(Canada).	7. Fuselage tail section subassemblies	Long Beach.
8.	(Canada).	8. Tail engine duct	Long Beach.
9.	(England).	9. Wing engine pods	Chula Vista.
10.	(Texas).	10. Wing engine pylons	Santa Monica.
11.	(England).	11. Tail engine pod	Chula Vista.
12.	(Texas).	12. Main landing gear struts (1 of 2 sources)	Pamona/Burbank.
13.	(Ireland).	13. Main gear doors	Long Beach.
14.	(Canada).	14. Nose gear door	San Diego.
15.	(Japan).	15. Passenger cargo doors	San Diego.
16.	(Washington).	16. Wing fuselage fairing structure	Long Beach.
17. Flap structures	Torrance.	17.	(St. Louis, Mo., Tulsa, Okla., Baltimore, Md.).

[1] All significant elements of either airplane manufactured in California are tabulated.

[2] Exact comparability not possible since DC-10 covers a series of models ranging up to 30 percent heavier takeoff weight long range models. Hence on identically named elements there is more pounds and more work content on the average DC-10 than the L-1011.

BALANCE OF TRADE IMPLICATIONS OF THE L-1011 PROGRAM

Commercial aircraft produced in the United States have dominated the equipment fleets of the free world airlines. Boeing and Douglas built airplanes constitute 85% of the number of aircraft and 95% of the productivity of the free world's 25 biggest airlines. The favorable economic impacts of this massive export flow can be sized both in absolute dollars and as a percentage of our net exports of goods and services. Since 1965, commercial aircraft exports have totaled some $4.8 billions or approximately 26% of the total net U.S. exports. In the last three years, this percentage is 47%.

How will the L-1011 contribute to this favorable balance?

To answer this question one has to evaluate the export success of those new aircraft that are currently being introduced as "new generation airplanes". The Boeing 747, the McDonnell Douglas DC-10 and possibly the Lockheed L-1011 will transport the bulk of air passengers for the next two decades.

Present orders and options for these airplanes are divided as follows between domestic and export. The DC-10 thus far has announced commitments from 11 foreign airlines; the L-1011 from 2 foreign airlines.

	Domestic	Export	Total	Percent export
B-747	114	90	204	44
DC-10	148	91	239	36
L-1011	[1] 128	12	140	8.5

[1] Includes 5 ordered by leasing companies.

From the above tally, it is obvious that the B-747 and the DC-10 are heavily export oriented and are, therefore, highly favorable to the U.S. balance of trade while the L-1011 has had little export success.

An extremely important factor not apparent from the order book is the fact that the L-1011 has a much higher foreign cost content than either the B-747 or the DC-10.

The exact foreign content of the L-1011 is unknown without a detail breakdown from Lockheed. However, a reasonable approximation can be made. With the Rolls Royce engine now priced at some $950,000 apiece, the 3 engine nacelles at $450,000 a ship set, announced additional Lockheed subcontracts placed in the British Isles for another $450,000 per airplane and an estimated $300,000 to $400,000 in Canadian and Japanese content, a total foreign content of over $4,000,000 per L-1011 is reasonable. This is approximately 25% of the total L-1011 airplane rationing on the announced L-1011 base sales price of $15,700,000. A conservative view of the foreign content, both absolute and relative, is reached by assuming an even $4 million foreign content and an L-1011 base price of $16 million even which slightly overstates the U.S. content.

The DC-10 is the prime competition of the L-1011 and, if the L-1011 is terminated, will in all likelihood be the direct one-for-one replacement airplane. The net foreign value added to the DC-10 is approximately $1.8 million per airplane with virtually all of that being done in the McDonnell Douglas subsidiary located in Canada which assembles the wing structure of the DC-10. This predominantly Canadian content is not all lost to the U.S. economy. Thirteen percent of the Canadian Gross National Product (GNP) is spent in the United States. Using the commonly accepted conservative economic multiplier of 2.0, the dollar value added to the Canadian economy by assembly of the DC-10 wing is doubled in its GNP effect, or in practical terms, some 26% of the foreign content of the DC-10 rapidly "leaks" back in to the U.S. economy. To be conservative, this favorable "leakage" effect has been ignored for this analysis:

Balance of trade implications of the L-1011 program

The 747 airplane has a yet lower foreign content. Therefore, for a comparative trade balance study, only the DC-10 is considered as an L-1011 replacement.

The initial airplane sale and its foreign content is only part of the story. The engine is the highest major consumer of spares dollars for an airline. Typically, the engine spares to be purchased, both in the form of complete engines and engine spare parts, will aggregate over two times the initial cost of the flyaway installed engines. In contrast, the airline airframe spares would aggregate about one-fifth of the initial airframe cost to the airline. Hence the fact that some 70% of the L-1011 foreign content is accounted for by the engines makes the adverse trade balance impact of the L-1011 much more severe.

A summary analysis of the trade balance is presented in the attached chart. In brief, on a per-airplane basis, the L-1011 has a total lifetime foreign content of $10.3 million per airplane or 42% by dollar content in contrast to the DC-10 which has a lifetime foreign content of 9% or $2.2 million per airplane. In consequence, if the current L-1011 airline and lessees' order book of firm and option orders is filled with L–1011's, an adverse trade balance of $1,144 million will result. If the L–1011 is terminated and the L–1011 order book filled with DC–10's, this adverse balance would be held to only $11 million—an improvement in U.S. trade balance of over $1.1 billion. Should the British Government be successful in convincing British European Airways (BEA) to fill the Air Holdings options and add an arbitrary assumed 30 additional export aircraft to the L–1011 order book, this adverse balance is increased, not decreased. With the 30 added export aircraft, the net balance of trade favoring a DC–10 increases to $1,376 million. Added sales of L–1011's in lieu of DC–10's (or 747's) only worsens the situation. The L–1011 with its very high foreign content offers no hope of a favorable trade balance.

The above data summarizes only the more immediate direct adverse impact. The L–1011 program may well cause a long-term adverse trade balance effect far more serious than the over $1 billion direct impact. The success of Boeing and McDonnell Douglas in capturing large foreign commercial sales has been a direct result of having both the Financial strength and the technical know-how to launch programs of new superior aircraft. Because of the enormous costs of launching new commercial programs, high quantity production is required to ever deliver a total program profit. Consequently, the total program profit—the source of funds to launch the next program—is drawn from the last 10–20% of the production run. Introduction of a subsidized third competitor—even a weak one which might only capture 10–20% of the market—into the established two-company market threatens to severely reduce or eliminate the total industry profits required to produce new programs later in the 70's. With rising government sponsored international consortiums, in both Europe and Japan, financial strength of the two historic U.S. manufacturers will be mandatory to cope with the increasing international competition problem. The alternative could well be a forced nationalization or total subsidization of the industry—a step already taken by every major foreign nation. The long-term trade balance impact cannot be calculated, but the implications are clear and are serious.

In the final analysis, it is bitter irony that the U.S. government is sponsoring a bill that, at the potential expense of the U.S. taxpayers, will create an unfavorable effect on the trade balance in excess of $1 billion and simultaneously reduce the future international competitive strength of the U.S. commercial aircraft manufacturing industry.

TRADE BALANCE SUMMARY

[Constant dollars—millions]

I. PER AIRPLANE EFFECT

	U.S. content		Foreign content		Total	
	L–1011	DC–10	L–1011	DC–10	L–1011	DC–10
Original airplane sale:						
Airframe	$12.0	$11.4	$1.2	$1.8	$13.2	$13.2
Engines	0.0	2.8	2.8	0.0	2.8	2.8
Total airplane	12.0	14.2	4.0	1.8	16.0	16.0
Lifetime spares:						
Airframe at 21 percent [1]	2.5	2.4	0.3	0.4	2.8	2.8
Engines at 215 percent [1]	0	6.0	6.0	0	6.0	6.0
Total airplane	2.5	8.4	6.3	0.4	8.8	8.8
Total	14.5	22.6	10.3	2.2	24.8	24.8
Minus (percent)	58	91	42	9	100	100

II. L–1011 PROGRAM EFFECT

	If filled by L–1011	If filled by DC–10	Net difference
Current order book:			
Imports on 128 [2] airplanes	–$1,318	–$282	+$1,036
Exports on 12 [2] airplanes	+174	+271	+97
Net trade balance (millions)	–1,144	–11	+1,133
Assumed an added 30 [3] United Kingdom sales:			
Imports on 128 airplanes	–1,318	–282	+1,036
Exports on 42 airplanes	+609	+949	+340
Net trade balance (millions)	–709	+667	+1,376

[1] Based on industry estimates of spares consumptions for life of airplane—i.e., through 1989.

[2] Based on current orders and options, ignoring air holdings bookkeeping transactions.

[3] Approximate effect of a BEA buy.

LOCKHEED COST CREDIBILITY

The forecasting of cash requirements, earnings and breakeven points in the commercial aircraft business is a very difficult task, all because of the same reason. Each of these prime business measurements is dependent upon the relatively small differences between the two very large independent variables of total cost and total receipts. The total cost of the first 100 trijets is in the vicinity of $3.0 to $3.5 billion. A 20% error in cost estimating is $600–$700 millions error in cash required and program profit at that quantity. A commercial airplane contract is truly fixed price so cost overruns—unlike the government contract situation in many cases—all impact directly on cash requirements and program profits.

At best the estimating of the cost of any complex product over a 5–8 year span is extremely difficult. The actual performance of the aircraft industry testifies to that fact. The Lockheed cost estimating experience, as shown on the attached sheet is hardly one to encourage confidence in the ability to hold an actual cost to even within 20% of the original estimate.

If Lockheed can so grossly underestimate government program costs such as shown on the attached page, one must surely suspect their ability to accurately estimate the future costs of the commercial aircraft L–1011 program and therefore whether a $250 million government guarantee is but the second installment in support of Lockheed with additional installments to come. (The first bail-out was to save Lockheed from bankruptcy and assure production of the C–5A and other government programs at a cost to the taxpayer of $981 million.) Secretary of the Treasury Connally indirectly acknowledged this fundamental problem when he testified, ". . . in fact, even with the loan guarantee, Lockheed might go bankrupt in a few years."

The spokesmen for the Administration have shed some light on the consequences of a cost estimating error:

Secretary Connally disclosed that Lockheed's government business will fall from $2.7 billion this year to $1.05 billion by 1974—a 61.5 percent drop—and 33 percent below Lockheed assumptions in establishing a cost estimating labor base for overhead absorption.

Connally also disclosed that with the nominal estimates, Lockheed will not make any profit on 220 L–1011 aircraft deliveries over the next five years.

Deputy Defense Secretary Packard testified that the Defense Department estimated that Lockheed will need to sell "substantially over 300 aircraft" to break even on its TriStar airbus. (This was the result of an analysis done before the Rolls Royce announcement brought the L–1011 troubles out into the open. Since then, the breakeven has undoubtedly moved out further due to the layoffs, delay, and learning curve interruption* of the L–1011 development and production program. If this increases total costs by only $250 million, the breakeven would be moved out by roughly 75 additional airplanes.

It would appear then that Lockheed, faced with $484 million current loans and interest payments, the $100 million C–5 penalty payback, plus the $250 million government guaranteed loan, may still have to declare bankruptcy. As is obvious, considering the poor cost performance (losses) which they have demonstrated on previous Government programs, there is every reason to suspect that the current Lockheed request for a $250 million loan guarantee may just be a down payment and that they might really need an additional $500 million (200 percent over their estimate) or more.

LOCKHEED COST CREDIBILITY

1. C–5A

Lockheed originally estimated they could build a fleet of 115 C–5A airplanes for $2 billion. Current Lockheed estimate is to build only 81 airplanes for $4.585 billion. This is 230% of the original cost estimate for 34 less C–5A airplanes (a 130% cost increase or estimating error).

2. Cheyenne helicopter

Lockheed originally estimated they could develop a new helicopter under a contract with the Army which had a ceiling price of $96 million. The current estimate for the program is $261 million. This is 273% of that originally estimated (a 173% cost increase or estimating error).

3. SRAM (Short Range Attack Missile)

The original contract target price to the prime contractor, Boeing, for the SRAM missile motor was only $5 million, but following Government approved changes, the contract was raised to $23 million with an absolute ceiling of $26 million. The latest estimate for the program is at $54 million. This is 208% of the absolute ceiling agreed to with the Government (a 108% cost increase or estimating error).

Starting from updated Lockheed estimates of late 1969 and early 1970, the specific additional increased costs to the U.S. Government and taxpayers to date after all negotiation on changes, inflation, etc., has amounted to the following sums:**

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*Once having been interrupted, Boeing estimated the start-up costs for the SST to be between $500 million and $1 billion—rather than the $342 million originally needed to complete 2 prototypes.

	Million
C-5A	$758
Cheyenne helicopter	141
SRAM	20
Ship building	62
Total	981

It would appear that in a relatively brief recent interval, the Lockheed costs are essentially still out of control and hence actually unestimable.

COMMERCIAL AIRPLANE PROGRAM ECONOMICS

It is important that Congress evaluate the economic viability of the Lockheed L-1011 program before acting on the Administration's request to assist this program. The intent here is to develop a basic understanding of the economics of a commercial airplane program so that the Congress can determine for itself the prospects of financial success.

Manufacture of commercial transports is a unique financial situation. Enormous development and production start-up costs (program launching costs) result from the large highly-complex product. Cost estimating is at best an imprecise art as demonstrated on military airplane programs. Total financial exposure will typically be 2-3 times the manufacturers' total equity. Also, all early aircraft are sold for a fraction of their manufacturing cost so that early production only increases the losses. The first cash profitable airplane is usually close to the 50th airplane. Only by achieving large scale production under tight cost control can sufficient net receipts be generated to ever recover the large program launching expenditure so that a program "breakeven" point can be reached. It is undoubtedly the riskiest major industrial undertaking routinely accepted by American industry. Let's examine the major factors which determine financial success or failure for a commercial airplane program.

The manufacturer's economics of a commercial airplane program are determined by three critical criteria:

1. Controlled total cost of initially launching the program.
2. Normal production cost reduction with successive units produced ("learning curve")
3. Sufficient number of airplanes produced (market penetration).

If any of these criteria is not met, the financial results of the program are in jeopardy. If two or all three of these criteria meet with adversity, the manufacturer's financial impact ranges between major losses with smaller programs and total disaster on big programs. If the last criteria is missed, the program is doomed financially, regardless of all other factors.

Controlled total program launching cost

A true picture of total L-1011 cost spent so far would require opening of Lockheed's books as well as the books of the L-1011 subcontractors. Lockheed did indicate in early May that the total L-1011 investment to date was $1.365 billions. Even accepting that number, the estimating of costs left to go until the development is completed and the airplane certified is very difficult. Massive layoffs have been in effect now for nearly five months, skills are dissipated, program scheduling is confused and uncertain, morale is shattered, there is rebellion among the suppliers on continuing to "swallow" their increased costs, flight test is so delayed that the scope of the technical problems other than those of the current interim engine and the extreme overweight condition of the airplane are unknown, etc. No one—including Lockheed—has the ability to accurately estimate their future costs now.

However, some relative conclusions can be drawn by comparing the currently projected certification dates of the L-1011 and the McDonnell Douglas DC-10. Both these programs received management Authority to Proceed (ATP) in April 1968. Both originally projected certification dates in the fall of 1971. The latest information compares the two programs as follows:

	L-1011	DC-10
Flight test hours completed (through mid-June 1971).	250	1, 250.
Certification	April 1972. (LAC estimate).	July 1971. (committed).

Some high officials in the FAA have privately indicated that even accepting the new Rolls Royce schedule and the current Lockheed intention to certify with a non-specification interim engine, certification cannot be accomplished until mid-summer 1972 at best. The airplane with production specification engines is now scheduled to be certified in April 1973. This indicates that the L-1011 has slipped a minimum of 6 months by Lockheed estimate while the DC-10 program is beating its schedule by some 3 months. A good industry estimate is that there is almost direct correlation between cost and the time spent in development. A 6 to 9 months delay in the originally estimated time span of 42 months between start of program and initial certification is a 14% to 21% delay. A minimum program launching cost overrun of 14% to 21% on the L-1011 program is therefore highly probable.

A direct consequence of just this additional cost ($200-300 million) is that it will take at least 50 additional airplanes to now get the program to a breakeven point from that contemplated at the beginning of 1971.

Normal production cost reduction with successive units produced ("learning curve")

The industry uses mathematical "learning curves" to approximate the normal unit by unit reduction in production costs which results from learning how to build the new product. Total cost in constant dollars would typically go with an 88-90% "learning curve"—i.e., for each doubling of production quantity total unit costs would reduce 10-12%.

However this is just the estimator's tool for estimating future costs. The real phenomenon is the team learning process—the correction of engineering errors found in flight test, tooling and manufacturing planning corrections, and the learning by each worker of his unique job—all elements fully dependent on a smooth continued learning process. Interruption reverses the learning curve and a slow costly recovery period of re-learning must be gone through.

At this point in time very little is known even by Lockheed about this criteria since essentially no production units have rolled off the assembly line and any cost data obtained to date is largely invalidated by the complete derailment of the program for the past 5 months. It is obvious that production efficiency has been badly damaged. If the program could retain substantial production quantities, this adverse trend might be eventually reversed and unit costs progressively reduced back toward normal. However, a permanent cost setback exists that keeps the average unit cost up. Past commercial programs in trouble have had cost increases of at least 15%. 30% is quite possible. The program breakeven is again moved out by this production learning curve disruption.

If market quantities are reduced, then the learning rate is further reduced. In addition lowered production rates in themselves increase unit costs by necessarily greater unit absorption of the fixed costs. Hence, the quantity is doubly critical. If market penetration quantities are significantly reduced from that originally planned, then massive losses are unavoidable. Lockheed has tacitly admitted that a 50% or greater reduction has actually taken place already since the factory, tooling, and suppliers were sized to 10 aircraft per month and a new maximum scheduled rate of 4 a month is being implemented.

Sufficient number of airplanes produced (market penetration)

How many L-1011's will it take to prevent economic disaster? Lockheed officials in recent testimony used a "195-205 aircraft" as a breakeven. Under questioning this was increased to 260 aircraft with the explanation that the initial number excluded all general and administrative costs (where, for example, some $40 millions annual interest payment on the total proposed bank loan is accounted for). The 260 value was further qualified in that spares profits on 260 aircraft were included although they would be earned at a later time. The 260 number is at best a low credibility estimate. With the major reductions (1½-2 million) in sales price from the initial program plan and the large cost increases due to disruption ($350 millions increased borrowings for example to get by the 22nd airplane per Lockheed data), it implies that the initial Lockheed planned breakeven must have been only slightly over 100 aircraft—hardly a logical value in a competition for a Lockheed 1968 quoted market of 1400 aircraft.

Secretary Packard testified that the DOD breakeven analysis done before the disruption of the L-1011 program was in excess of 300 aircraft. With the simultaneous increases in development costs and unit production costs coupled with a price increase that only covers the current estimated British engine cost increase, breakeven has probably moved to at least 400 aircraft even if these were produced in a reasonable time span. It is interesting to note that the untroubled McDonnell Douglas DC-10 program will require "an awful lot" more sales than its current 228 to reach breakeven per the recent statement of Mr. Douglas in Paris.

The attached chart graphically portrays L-1011 program economic calculations under normal and abnormal situations. To be conservative, a normal program breakeven point of 350 aircraft was selected and a round estimate of 1.3 billion used as an initial program launching cost ignoring the impact of the disruption. The remainder of the data comes from standard industry mathematical learning curves. The two recent previous commercial disaster programs (Convair 880/990 and Lockheed Electra) corrected for the size of the airplane and inflated from actual losses to losses expressed in 1973 dollars are shown for reference. Obviously looking at the 102 airplane Convair jet transport program, even the so-called derailed program curve (fitted to the last Lockheed commercial adventure) is potentially optimistic.

Since industry experts now project a maximum total market of 200 L-1011 airplanes with no customer attrition, it is abundantly clear that the road ahead spells disaster if this program is continued. Remembering that the chart is based on constant 1973 dollars, if the deliveries are dribbled out through time, then losses exceeding $2 billion are quite probable. It is also clear that the least probable amount of loss will be sustained if the program were abandoned immediately—continuation will only increase the losses.

U.S. TAX IMPLICATION OF L-1011 TERMINATION

Since corporate income tax is one of the main sources of government revenues, it is in the interest of the government to promote those industrial programs and products that yield tax revenues and to advocate discontinuation of industrial programs and products that absorb tax revenues. The latter is

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** *New York Times*, 2 February 1971.

even more important if a corporation does not yield tax revenues due to the fact that taxable income from profitable programs is offset by taxable losses from unprofitable programs. The situation worsens if the unprofitability of a program is not just of a temporary nature (with subsequent years of tax yields) but has no possibility of ever recovering its early losses. The net result is a non-recoverable drain on the tax revenues of the governments, both federal and state.

In view of the fact that the Administration is presently proposing a bill to subsidize a $250 million loan for the Lockheed L–1011 commercial airplane program, the U.S. Congress must consider, among other important related factors, the tax revenue implications of a continuation or discontinuation of the L–1011 before acting on the Administration's proposal.

Due to the provisions of the Internal Revenue Code, the certain "front end" income losses of the L–1011 program will result in an at least eight-year drought on tax revenues from the Lockheed Aircraft Corporation (three years' loss carry-back and five years' loss carry-forward). Combined with losses on four military programs on which write-downs started in 1969, the three years' loss carry-back advantage has already been fully exercised by Lockheed, resulting in refunds by the Federal Government of $114 million of taxes paid by Lockheed since 1965. Hence, the five-year period (1966–1970) has already been non-revenue yielding to the government. Future tax yields by Lockheed will primarily depend on the profitability of the L–1011 program.

For the stockholders, the Security Exchange Commission and the public, Lockheed's books capitalize as an asset the very large "front end" program expenditure, commonly called "development", but in actuality covering the total cost of the first aircraft excluding only two elements. These are the sales price recovery and the general and administration (G&A) expenses. This expenditure for an L–1011 airplane program is some $500–$700 million. However for tax books, all this is an "expensed" item; that is, it is written off as incurred. In consequence, all commercial programs show large income losses in their early phases. In addition, the production tools, which in the L–1011 program should be a $200–$250 million dollar item, are usually written off over the assumed breakeven quantity which by Lockheed testimony is, for accounting purposes, 195 to 205 aircraft. With the 173 L–1011 aircraft planned for delivery through 1975 by the new Lockheed master financial plan presented to the Senate Banking Committee, essentially all the tooling costs will also be written off in the next few years. An optimistically estimated future military sales box (excluding the C–5A which has been agreed to be a cost reimbursement contract) is perhaps $1.2 billion. Secretary Packard indicated a $1.05 billion estimate by 1974 as more probable. Using historical (pre-1968) Lockheed pre-tax earnings rates of 5%, the five-year military program earnings would not exceed $300 million. Hence, if the L–1011 program is continued, with its inherent "front end" losses greatly exceeding $300 million. Hence, if the L–1011 program is continued, with its inherent "front end" losses greatly exceeding $300 million, Lockheed will not pay any income taxes from 1966 to 1976.

Industry experts currently project maximum L–1011 sales of 200 aircraft through 1980 with little additional sales beyond that. The fact that the Lockheed order book has actually declined since November 1968 while its two U.S. competitors have increased lends credence to this 200 aircraft estimate as a maximum.

U.S. tax implication of L–1011 termination

Secretary Packard indicated that a breakeven analysis done by the Department of Defense prior to the Rolls Royce disruption indicated a breakeven of "substantially over 300 airplanes." Using Lockheed's requested additional funds as a criteria of the added cost of the 6–8 months of confusion, broken continuity, stretched out production planning and reduced production rates, this impartial breakeven analysis would undoubtedly show a minimum of 400 aircraft if updated to today's knowledge. Based on these projections and standard industry learning curves, the L–1011 program will lose approximately $800–$1,000 million pre-tax by 1980.

Continuing the Lockheed government business at $1.2 billion per year and 5% pre-tax earnings rate would result in an offsetting ten-year Lockheed total pre-tax income of $600 million on government business. Arithmetic therefore indicates a ten-year aggregate Lockheed loss for the 1970's of at least $200 million in spite of the probable continued major profits on the government business base, Lockheed's traditional major product line. The Lockheed tax-exempt period, if the L–1011 is continued, may well extend from 1965 to 1980. Should the L–1011 program collapse after several years in spite of government assistance—a definite possibility admitted by the Administration spokesman, Secretary Connally—then this Lockheed tax-exempt status would certainly extend to the end of the 1970's. This would be a 15-year operation of the nation's largest defense producer with no tax liability—essentially all because of a commercial misadventure.

If the L–1011 program were terminated now, Lockheed would have an L–1011 inventory write-off of approximately $850 million. This would also exempt Lockheed from paying income tax in the next five-year period. Hence, with or without the L–1011 program, Lockheed will operate exempt of income tax for the next five years.

However, if the L–1011 is terminated, the replacement of the forecasted 200 L–1011 aircraft with McDonnell Douglas DC–10's or Boeing 747's would add this quantity to large production bases with every one of the replacement 200-aircraft being a profitable addition. It is estimated that pre-tax profits on these additional 200 aircraft (using the 500th to 700th aircraft and a standard industry total cost learning curve) will be approximately $4–$5 million per airplane or between $800 million and $1.0 billion for the same 200 airplanes on which Lockheed will lose $800 million to $1.0 billion. This is a total taxable income swing of over $1.6 billion.

Even with the certain Lockheed tax shelter which makes some $300 million of government program profits tax exempt in the 1971–76 five-year period, government tax benefits in the 1970's derived from a switch to the DC–10 or the 747 would be a minimum of $650–$850 million from the prime aircraft manufacturers. This does not count the additional tax revenues the U.S. Government would collect from the U.S. engine builders (General Electric or Pratt and Whitney) supplying Boeing and McDonnell Douglas. Over the lifetime of a commercial program, the sale of the original engines, spare engines and spare engine parts amounts to approximately 60 percent of the total initial airplane sales. Hence, with the L–1011 Rolls Royce engine obviously not being a U.S. tax revenue generator, the tax revenues from the American engines are all added U.S. government income—an amount that should approach $200–$250 million.

With a net total tax revenue loss of roughly $1 billion from continuing the L–1011 program, it is obvious that the Administration's proposal of subsidizing Lockheed with a $250 million loan guarantee for the L–1011 is not in the best interest of the U.S. economy from a standpoint of tax revenues.

L–1011 TECHNICAL STATUS

Over the past six months, all the information emphasis has been on the Rolls Royce engine for the L–1011 airplane and most of that oriented to the delivery problems and the consequent added financial problems for both Rolls Royce and Lockheed. Only passing reference has been made to engine overweight and requirements for added thrust. Nothing, beyond the usual enthusiastic pilot reports from Lockheed pilots or L–1011 customer airline pilots, has been released relative to the airplane itself. The impression of a program suddenly disrupted by Rolls Royce financial collapse drastically over simplifies the situation. The Rolls Royce financial problems merely partially opened the curtain—the play has been going on since early in 1970 when the technical problems emerged. A quick review of the major areas is in order:

1. Engine thrust deficiency

Current BR 211 engines are flying at 32000 to 35000 lb. of thrust instead of the specified 40,600 lb. promised for early 1971. Even the recently publicized new promise of 42000 lb. of thrust is misleading since it is limited to a cool day temperature of 66.5 degrees F, whereas the original 40,600 lb. was based on the more normal airline critical criteria of an 84 degrees F day. On the 84 degrees F day, the so-called 42,000 lb. is only about 38,500 lb. The engine and airplane overweight situation will require significant additional thrust increases to at least 45,000 lb. at 84 degrees F to maintain the performance originally quoted for the 40,600 lb. engine.

2. Engine fuel consumption

Rolls Royce has acknowledged over specification engine fuel consumption without stating the size of the deficiency. Trade intelligence is that it is 2% to 5% high. These low numbers are deceptive. A 2% change in fuel consumption on the transcontinental mission is 1700 pounds of fuel—roughly equivalent to 8 passengers in gross payload effect.

3. Engine overweight

Current Rolls Royce estimated weights for the 3 engines on the L–1011 are 3500 pounds over the guarantee used to sell the airlines in April 1968. To help compensate for this engine overweight, Rolls Royce has increased their promised thrust to 42,000 pounds. However, aircraft with those engines at specification temperatures cannot be certified and delivered until April 1973—a year beyond the highly publicized April 1972 date when only an interim engine is now promised. It is interesting that in November 1970, their 42,000 pound engine at 84° F was promised for November 1971—a data which now has slipped 17 months.

4. Engine pollution

In sharp contrast to modern American engines which operate at a smoke emission level roughly 60% below visibility thresholds, the L–1011 emits the traditional highly visible 3 black smoke trails as shown on the attached Lockheed Public Relations photograph. A significant added technical effort is required to eliminate these.

5. Airplane overweight

In Lockheed model specification LR 20111 dated 1 May 1968, the operational empty weight is shown as 225,491 lbs. In Lockheed L–1011–1 alternate engine presentation for the L–1011 customer airlines dated March 10, 1971, the operational empty weight for Lot 6 aircraft (about the 56th airplane) is shown as 243,246 lbs, or an increase of 17,775 lbs. However, Lot 6 aircraft have assumed 6578 lbs, of weight saving compared to initial deliveries. Initial delivered aircraft will be 24,300 lbs, heavier than the promised specification level. This, plus the added fuel required to carry the higher weight and the higher engine fuel consumption would require an increase in takeoff weight of about 33,000 lb. to maintain the 1968 range capability. Such a takeoff weight increase would require approximately 12 to 17% more engine thrust, i.e., to 45,000 lb, 84° F, to maintain 1968 airport takeoff capability and would still result in a noiser airplane than originally promised.

This existing fundamental Lockheed design error—some 11% in empty weight, with Rolls Royce being only about 1½ percentage points of that, has been well known since early 1970 and has certainly helped chill the market enthusiasm long before the Rolls Royce problem surfaced.

Should Rolls Royce not be successful in controlling increased weights with their promised increased thrust, additional total airplane overweight problems could develop. Wing flutter—a dynamics problem—is increasingly aggravated by increases in engine weight and could require major wing redesign. Only high speed flutter testing will determine this.

6. Questionable commercial design practices

The L–1011, undoubtedly influenced by the predominantly military aircraft background of Lockheed, has departed from proven safe commercial transport design in several areas.

Lockheed has chosen a military fighter type one piece horizontal tail, when the safest commercial transports in the world use conventional redundant horizontal stabilizer and elevators. Such a one piece design gives the pilot a control that can easily overstress the airplane and a system difficult to make "fail-safe". Certification for this is still unsettled within the Federal Aviation Agency.

The design of commercial airplane structure for long life is a highly specialized technology radically different from military aircraft. Lockheed has not demonstrated full knowledge of that technology. For example, the L–1011 wing-fuselage intersection design is conducive to introducing residual stresses during manufacture. The stringer-frame-skin joint creates stress concentrations. Wing carry-through structure tends to induce high loads in fuselage. All these contribute to reduced fatigue life and not surprisingly, several failures have already occurred during ground fatigue testing.

L–1011 makes extensive use of bonded structure in primary structure even though in today's operating aircraft, most corrosion problems have occurred in the bonded structure.

The certainty of airline service structural problems cannot be stated now. That remains to be seen, but it should be remembered that Lockheed has had major structural problems on their last commercial transport, the Electra, and their most recent military transport, the C–5A.

7. Inadequate testing

At present, less than 300 hours of the original planned 1695 hours of flight testing has been accomplished. Obviously the bulk of the testing is still to come and the problems to be uncovered are still unknown. Critical high speed and/or high weight testing is unaccomplished.

A modern transport airplane is a complex product and the best of engineering staffs are imperfect. The program and technical management has been changed extensively during the critical creative period of the L–1011 and the last new passenger carrying airplane that Lockheed certified was the Electra, 13 years ago. There is a sizable unknown technical risk remaining in the L–1011—perhaps one as critical as the dynamics problem which resulted in airline losses of 3 Lockheed Electras through wing failure; perhaps only a life problem like the Lockheed C–5A. Obviously such a technical risk carries with it a concurrent financial risk not in the Lockheed financial projections.

LOCKHEED AND NATIONAL SECURITY

1. The language of the Administration's suggested bill, H.R. 8432, "Emergency Loan Guarantee Act of 1971," and the accompanying documents from the Secretary of the Treasury imply that the continued operation of the Lockheed Aircraft Corporation is of major importance to the national security of the United States. In reality, the requested $250 million loan guarantee is designed to attempt to salvage a single troubled "commercial" program.

In testimony before the Senate Banking Committee, Secretary Connally stated, "I do not think it's essential for national defense that the corporate structure of Lockheed be maintained . . . it is a question of accumulation and preservation of their skills and talents. . . . " There is no fundamental reason why the skills and talents of Lockheed devoted to national security should be more than vaguely aware of the changes in top management which would result from reorganization. If anything, a positive inflow of the most talented people should result from termination of the L–1011 an end of dilution of Lockheed effort. Deputy Secretary of Defense Packard before the same committee emphasized that he regarded the issue of a loan guarantee to Lockheed as an economic rather than a defense matter. He also stated, "Our defense programs would be less troublesome if the company survives, but it isn't an absolute disaster if it goes the other way." And from his prepared statement, ". . . there is no barrier, legal or otherwise, which would inhibit our ability to contract with a firm in bankruptcy. . . ."

2. In the past decade (1961–1970) the Lockheed Aircraft Corporation was clearly established as the leading recipient of defense contracts, having received a total of $16.4 billion in prime defense contract awards. During this same period 93% of the $19.8 billion in corporate sales were accounted for by DOD, NASA and other Government contracts. (See Table 1.) Defense business has been Lockheed's primary business line and they have done very well in capturing business from the U.S. government.

This level of business generated by Government sales alone is the envy of all aerospace companies, indeed of most industrial corporations. Lockheed has been the number one defense contractor over the past decade. And diversified as it is from aircraft and shipbuilding to missiles and space, it is fully capable of continuing competitively as a "Government only" defense contractor. While the C–5A losses, etc., have been well publicized, the significant Lockheed problems all stem from its adventure into the commercial aircraft business and departure from its real field of expertise.

3. The L–1011 program is the first significant attempt to re-enter the highly competitive commercial air transport field since the abortive "Electra" program of the late 1950's. The Electra experienced technical problems and only 172 aircraft were produced, resulting in a pre-tax loss of $175–200 million. With this as an experience base and in the context of the period in which the decision was made to proceed with the much more ambitious commercial L–1011 venture, the L–1011 must be judged not only a courageous or foolhardy undertaking but as a deliberate and reckless dilution of corporate resources.

Lockheed has bid and won the huge ($2.3 billion) Air Force C–5A contract with multiple technical unknowns and the attendant financial risks. This program was to expand to over $4.5 billion with the Government paying for all but $200 million of the $2.2 billion increase. Also under contract was the development of the AH–56 armed compound helicopter for the U.S. Army, presenting an additional array of technical and financial problems, the Poseidon missile, the SCRAM missile propulsion, the S–3A antisubmarine airplane competition and all other national security programs that made Lockheed number one.

Despite these potentially overwhelming challenges to management capacity and to corporate resources, an intensive L–1011 sales campaign was initiated with the airlines in 1968. The motivation was a stated desire for less dependence on defense procurement and a belief that the two traditional suppliers of transport aircraft were otherwise too occupied to enter the competition for an identified medium range market. (Boeing with the new 747 and McDonnell Douglas with implementation of the merger between McDonnell and Douglas forced by Douglas financial problems on its new DC–9 and improved DC–8 aircraft.)

Faced with McDonnell Douglas and the DC–10 as an unexpected competitor with a greater depth of experience in the commercial arena, subsequent events have proved to be close to overwhelming. After losing the American Airlines trijet order Lockheed captured Eastern, TWA, Delta and Northeast in four days, by a dramatic drop in the base price of about $1.5 million per aircraft. In the cost/price relationships there are nagging parallels between the L–1011 program and each of the four military programs Lockheed was forced to renegotiate with the Defense Department last year (i.e., a low entering price followed by requests for additional funding by the customer as the programs matured and cost problems became apparent). (See Table 2.)

4. During the 1970 investigation the magnitude of the C–5A overrun must have seemed sufficient cause for a Lockheed cash flow crisis and the added cash requirement of the L–1011 program was never fully acknowledged by the Government. However, regular weekly 90 percent plus progress payments and special milestone payments, together with Government ownership of the plant and equipment at Lockheed-Georgia, meant that most of the investment for the C–5A was being made by the Government. This being the case, Senator Proxmire was convinced that Lockheed's problem was caused by "its commercial venture, the L–1011 aircraft. . . ." And General Glasser, Deputy Chief of Staff for Air Force Research and Development testified, ". . . I am saying that the financial straits the company (Lockheed) finds itself in are in a major way aggravated by the 1011 problem."

5. The heavy cash flow demands of the L–1011 program have unquestionably complicated Lockheed's operations and detracted from the corporation's capacity to meet its contractual requirements. Less subject to quantification is the effect of having diverted the attention of top management and the dilution of technical skills by superimposing a large new advanced commercial program on the C–5A, AH–56 and other demanding development programs. What is known, is that at its peak the L–1011 program employed over 15,000 people and certainly the key management and leading technical personnel were chosen from among the most qualified throughout the corporation. Well documented in the CONGRESSIONAL RECORD, trade journals and daily newspapers are the travels, statements and testimony of Mr. Houghton, Mr. Kotchian and numerous other senior Lockheed officials. The search for orders, funds and loan guarantees developed itineraries that included Washington, New York, London and the important capitals of Europe and Asia.

Clearly the managament of Lockheed's defense programs would have benefited from less dilution and greater attention of top management personnel. It is a fair statement to say that the U.S. taxpayers have already paid hundreds of millions to Lockheed as the result of their commercial adventure—all in the form of neglected government contracts and consequent overruns.

6. There is every reason to believe that a reorganized Lockheed, unencumbered by a large commercial program and with its man-

agement giving full attention again to its primary product lines of defense programs, could continue to provide the development and production of systems necessary for national security purposes. With the cooperation of its creditors and banks a reorganized Lockheed with a traditional "government contract" line of business could conceivably produce a cash flow level adequate to meet debt service requirements and a reduction to normal debt levels in about seven years. Under these conditions it is probable that no creditors would fail and the nation would retain a viable and better qualified defense contractor.

LOCKHEED GOVERNMENT BUSINESS VOLUME

TABLE 1

[Dollars in billions]

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	Total
Lockheed DOD contract awards	$1.18	$1.42	$1.52	$1.46	$1.72	$1.53	$1.81	$1.87	$2.04	$1.85	$16.4
Lockheed sales:											
Government	$1.358	$1,699	$1.901	$1.564	$1.749	$1.975	$2,213	$1.873	$1.840	$2,280	$18.45
Total	$1.446	$1.753	$1.930	$1.603	$1.818	$2,085	$2,336	$2,217	$2,075	$2,533	$19.80
Percent Government	94	97	98	98	96	90	95	84	89	90	93

TABLE 2

[Dollars in millions]

Program	Initial Lockheed bid	Current cost estimate	Lockheed's latest claim for increased cost	DOD settlement [1]
C-5A	2,300 (115 aircraft)	4,585 (81 aircraft)	[2] 758	558
Cheyenne	96	261	261	141
Shipbuilding	Not available	Not available	160	62
SRAM (subcontract)	5 (renegotiated to 23 M̄)	54	54	20

[1] Source: New York Times, Feb. 2, 1971.

[2] Prior overruns settled by Government at no cost to Lockheed.

LONG-TERM IMPLICATIONS OF L-1011 SUBSIDY

Before discussing the longer term implications of the proposed L-1011 loan guarantee or direct government loan, the near-term facts of the L-1011 situation should be reviewed as a data base:

1. Although there would be a transient (6-9 months) loss in aerospace jobs, thereafter the termination of the L-1011 program and its immediate replacement with other U.S. airplanes will produce 5-10% more U.S. jobs, due to the high (approximately 25%) foreign content in the L-1011. Both the Boeing 747 and the McDonnell Douglas DC-10 have very much lower foreign labor content than does the Lockheed L-1011.

The real job beneficiary in continuing the L-1011 program is Great Britain where UK government officials have stated that 40,000 jobs are dependent on U.S. government support. The U.S. government should not foster a world-wide engine competitor in the UK with U.S. taxpayers' money at the direct expense of the two U.S. engine builders who supply Boeing and McDonnell Douglas.

2. Half or more of the original L-1011 workforce has been laid off for over 4 months now without catastrophic national impact. Lockheed, with the collapse of its L-1011 market, has publicly stated that even with their optimistic market penetration forecasts they will not need to hire back all these laid off workers.

3. Employment on Lockheed government programs, which today constitute about 88% of total Lockheed employment, will not be affected. Both Secretaries Connally and Packard have testified that Lockheed and the L-1011 termination impact is not a national security problem.

4. California work content in the DC-10 is 10% to 15% higher per airplane than the L-1011.

5. McDonnell Douglas is steadily hiring ex-Lockheed employees—admittedly in small quantities so far—and is advertising for additional skilled commercial airplane workers.

6. Since the Lockheed Electra fiasco (1958-1960), Lockheed has not been a commercial aircraft competitive force. The L-1011 program has been an unsuccessful attempt after 13 years' absence to re-enter the commercial airplane market which cannot economically support 3 major U.S. competitors plus the many emerging foreign competitors as shown on the attached chart.

7. Boeing and McDonnell Douglas each have sufficient production capacity on hand at present to fill all the world market for wide-bodied aircraft. Additional production capacity is not only not required, but it is undesirable. Boeing and McDonnell Douglas in fierce competition with each other have sold 85% of the commercial transports for the free world's 25 biggest airlines, and having done so, have produced 26% of the total net U.S. exports since 1965. (In the last three years, this percentage is 47%.) Additional government-sponsored competition will only weaken the existing U.S. companies and the total industry's ability to create new products to compete in the world markets.

8. The Lockheed L-1011 with its very high foreign work content and only 11% international sales in contrast to the 35-40% export performance of Boeing and McDonnell Douglas will create an unfavorable effect on the trade balance in excess of $1 billion.

9. Continuation of the L-1011 program will cost the U.S. Government over $1 billion in tax revenues by substituting unprofitable L-1011 aircraft for profitable B-747's and DC-10's. Lockheed will pay no corporate income tax from 1965 to 1977 whether the L-1011 goes ahead or not.

10. Lockheed's poor Government program cost performance and inability to live up to contracts on the C-5A, Cheyenne Helicopter, SRAM, and ship building programs has already cost the Government and taxpayers an additional $981 million. L-1011 cost estimates are suspect.

The longer term consequences of the proposed L-1011 subsidy are almost impossible to visualize, as the very roots of our American free enterprise way of life would be changed. The subsidy would obviously set a precedent for hundreds of additional cases and for even broader appeals to the government in the future. There are over 422 of the 500 largest companies that have as many or more employees on their payrolls from the L-1011 program had in March of this year. Any one or all of these companies could take advantage of the precedent and claim area unemployment distress; and of course the smaller firms would ultimately claim discrimination and force legislational change to include government assistance to them.

Obviously, Lockheed is the precedent. Recent Congressional developments in substituting a broad base generalized bill with an Emergency Loan Guarantee Board or a National Development Bank for the specific Lockheed bill is only acknowledgment of government using the Lockheed precedent to broaden its participation in both industrial and banking industries.

Another long term implication of the proposed L-1011 subsidy, which is most difficult to discuss, is regarding the government-industry-union relationship which would develop. Probably the best illustration of the awkward, or suspicious, position the government would find itself in is represented by the UK Government-BEA (British European Airways) situation. The UK Government is going to considerable lengths trying to convince the world that they are not going to influence BEA's selection of the L-1011. Meanwhile the UK Government funds the L-1011 engine. Simultaneously, direct union political pressure is being exercised to force the state controlled BEA airline to buy the L-1011. Many new products have been brought out in many foreign countries, not because of their economic viability but because of their makework potential to satisfy the labor pressures exerted through government channels. Is this the right direction?

When a government finds itself allied with a financial interest with one company which competes with other companies not so allied, the temptations and suspicions abound. Were the competitions for future business in the government aircraft, missiles or space fields fair or were they biased? Did the regulated airline really order the L-1011 because it was a superior aircraft for their airline or were they pushed or threatened? Was the proposed merger between airlines turned down by the Civil Aeronautics Board or by the Justice Department for legitimate anti-trust reasons or because the survivor airline refused to order airplanes from the government-subsidized company? Did the union negotiation turn out the way it did because it was fair or was there Administration pressure applied to favor their business partners? The government as major customer, major regulator and potential partner in its supplier is beset by conflict of interests.

Weak, poor, or inefficient management would not be eliminated in this system and the government would find itself in partnership with those inefficient companies who cannot survive without successive capital infusions and in competition with the efficient companies who generate our tax base. How would the government force the company to quit trying to profit from non-economic products? Isn't the government forced then to enter into the management and direction of the business? To obtain government contracts and airline business in the future, to obtain low-cost loans, to obtain favorable administration pressure on unions, special tax legislation, and the other benefits of having the government as a partner, the other aerospace companies would have to invent emergencies to press for their own subsidization. Isn't the end of that road nationalization of the affected industries to solve the basic dilemma of competition between the government and free enterprise?

Most difficult of all long-term implications to assess is that one which was the Achilles' heel of the Reconstruction Finance Corporation scandal. Give a board of three people life-and-death decisions on individual companies and the temptations are massive. Putting the approval within Congress on each specific case removes most of that temptation but threatens a Congress which would be bogged down in individual company problems. The most obvious desirable step is to adopt the same $20 million limit as used on "V" loan grants on the authority of the agency and require individual specific Congressional approval of any loan or guarantee of over $20 million. This would reduce Congressional participation to the more important cases but actually does little to eliminate the very real corruption possibility on the smaller loans.

Questions have been raised on the "monopoly" aspects of an L–1011 termination. Competition in commercial transports tends to be product lines—not specific products. The Boeing 727 has no direct competition but is competing against smaller DC–9's and larger DC–8's. The Boeing 747 has no direct competition but is heavily competing against the smaller DC–10 and L–1011. Both of these two "monopoly" products have been sold to the airlines at competitive prices and are both well accepted. The L–1011 termination does not pose a long term monopoly threat—just as the B–727 and B–747 are not monopoly threats.

The U.S. commercial aircraft business has survived in the world market against nationalized or very heavily subsidized foreign industry because of the long term adverse effects of such subsidization. Quality, schedule, cost control, low product operating cost, superior service and support are all the hallmarks of the U.S. free enterprise industry. These have been the very elements hurt in our foreign competitors by the foreign government guarantees of "success" regardless of performance. Any threat to this American advantage threatens our existing world market for commercial airplanes.

It would appear that an L–1011 subsidy would not only be a very poor bargain in the near term, but it would also be extremely disruptive to the highly successful American competitive system. It is an undesirable—and unnecessary—step down the wrong road.

COMMERCIAL AIRLINE TRANSPORTS OF THE WORLD (CURRENTLY IN PRODUCTION/DEVELOPMENT)

Country and manufacturer	Designation	Number of passengers	Comments
Airbus industries:			
France: Aérospatiale	A-300B-3	261	Twin jet, wide bodied/short range.
Germany: Deutsche Airbus of Germany			
Netherlands: Fokker, VFW (European consortion)	A-300B-7	285	Twin jet, wide bodied/medium range.
Britian:			
British Aircraft Corp	BAC–111	89 to 100	Short/medium range, twin jet.
Hawker Siddeley	H.S. 748 (Andover)	40 to 58	Twin turboprop.
	Trident 3B	122	3 jets, medium range.
Concorde SST program:			
France: Aérospatiale	Concorde	144	4 jets, supersonic-Intercontinental.
Britain: British Aircraft Corp., Rolls-Royce			
France:			
Aérospatiale	Caravelle (12)	128	Twin jet, short/medium range.
Dassault	Mecure	116 to 155	Twin jets, short/medium range wide bodied.
Germany: VFW, Fokker (Germany)	VFW 614	36 to 44	Twin jet short haul.
Japan:			
NAMCO	YS–11	40 to 60	Twin turboprop, short/medium range.
Japanese consortium	YX	180 to 250	Twin jet, short range, wide bodied.
Netherlands: Fokker VFW	F–27 (friendship)	28 to 40	Twin turboprop, short range.
	F–28 (fellowship)		
United States of America:			
Boeing	707	150 to 190	4 jets, long/medium range.
	727 (100,200)	116 to 163	3 jets, medium range.
	737 (100,200)	103 to 120	Twin jet, short/medium range.
	747 (100,200)	300 to 350	4 jets, long range, wide bodied.
Fairchild-Hiller	F–27/227 (licensed by Fokker)	28 to 40	Twin turboprop, short/medium range.
	F–28 sales rep	65 to 79	Twin jet, short range.
Lockheed Aircraft	L–1011	250	3 jets, wide bodied, transcontinental range.
McDonnell Douglas Aircraft	DC–8	189–250	4 jets, long range.
	DC–9	125 to 130	Twin jet, short/medium range.
	DC–10–10–20/30	254 to 345	3 jets, wide bodied. Transcontinental and intercontinental range.
United Soviet Socialist Republic:			
Ilyushin	IL–62 (classic)	150	4 jets, long range.
	IL–86	350	Wide bodied, medium range.
Tupolex	TU–134	64	Twin jet, medium range.
	TU–144	100 to 114	4 jets, long range, supersonic.
	TU–154	158	3 jets, short/medium range.
Yakovlev	Yak–40	24 to 27	3 jets, short range.

ECONOMIC IMPACT ON THE NATIONAL ECONOMY OF L–1011 TERMINATION

A comprehensive detailed study has been conducted using the Wharton Econometric Industry Forecasting Model to evaluate the total direct and indirect economic impact on the U.S. economy should the L–1011 be terminated. The model is a representation of the functioning of the economy formulated in terms of a system of mathematical equations. It is sponsored by a group of corporations whose economists set up the assumptions for computer runs and is recognized as one of the superior models now being extensively employed throughout government and industry.

The assumptions used in employing the model has recognized the following facts:

Approximately 25% of the L–1011 is of foreign content whereas the DC–10 foreign content is about 11%.

If the L–1011 is produced, DC–10 foreign sales as demonstrated by existing sales will be approximately 3.5 times that of the L–1011.

Employment on Lockheed government programs, which today constitutes 88% of total Lockheed employment, will not be affected.

If the L–1011 is produced, corporate taxes paid by Lockheed will not commence before 1976.

Two cases were considered and compared to the most recent total U.S. economy forecast as done by the Wharton model. Case I assumes the L–1011 program will continue and that the optimistic total of 345 L–1011's would be delivered by 1980 with a breakeven of 250 airplanes as contended by Lockheed officials. In order to be conservative, the independently calculated L–1011 breakeven of some 390 aircraft as done by the Department of Defense before the latest Lockheed difficulties, was ignored. Case II assumes termination of the L–1011 program and that a total of 1,060 DC–10's would be delivered by 1980 with the attendant increase in General Electric sales of engines for the DC–10 program.

The results of the study are summarized in the charts attached. The upper chart shows a total cumulative increase in GNP of 20.486 billion in constant 1970 dollars for Case I (L–1011 program continues). The impacts on GNP for the separate programs of McDonnell Douglas, L–1011 (including the effects of Rolls Royce engine imports) and General Electric are 11.590 billion, 2.133 billion and 4.447 billion respectively. The total cumulative increase in GNP for Case II (L–1011 terminated) is 26.935 billion dollars, a net increase of 6.449 billion of constant 1970 dollars. For this Case II, the contribution to GNP by McDonnell Douglas is 19.187 billion and the contribution to GNP by General Electric is 7.740 billion. The fact that the contribution of McDonnell Douglas in Case II is larger than the sum of McDonnell Douglas plus L–1011 program in Case I can be accounted for since the 2.133 billion dollar impact of the Lockheed program reflects the negative multiplier effect of imports of the Rolls Royce engines and other foreign subcontract work.

Of significance is the result that not only is the net impact positive (six billion dollars) on a cumulative basis but that the negative transitional impact on the near term is nominal—5/100 of one percent of the total GNP.

The termination of the L–1011 program would also exert a positive effect on the balance of trade, in the order of 1.786 billions of constant 1970 dollars over the period 1970/1980 (see bottom chart). Most of this positive impact on the balance of trade stems from the fact that under Case II the engines and their life time spares, which typically equal over two times the initial engine purchase, will be manufactured in the U.S. rather than imported.

In contrast with some recent allegations citing only the Lockheed reductions but neglecting the additional favorable economic impact of McDonnell Douglas and General Electric operations, the results of this study reveal that the short-term negative effects on the U.S. economy generated by the termination of the L–1011 program are minor and are more than offset by the additional stimulus of the U.S. General Electric program together with productivity improvements of the DC–10 program.

Any consideration to risk taxpayers' money to thwart an L–1011 because of a fear of the economic consequences appears unwarranted.

Mr. BYRD of West Virginia. I thank the Senator.

Mr. TAFT. Mr. President, with regard to the point just covered by the Senator from Wisconsin and ably commented upon by the Senator from Louisiana, I should say, in regard to both points the Senator from Louisiana made, the pressures are built up the minute the Senate gets into a competitive situation, as in this bill.

Mr. President, you are starting to build up pressures, not only on this board and on other Federal officials, but officials of financial institutions and the entire structure, as it occurs when the Government comes in to save some concern.

I have had information provided to me under the same type restrictions by companies concerned not only with the loss of jobs but financing, because financial institutions are involved in the outcome of this bill and the outcome of the decision of the board and other officials.

It points out once more, and I would like to emphasize as I have throughout the debates, the tremendous pressures that can and will be brought up, the corrupting influence, and the undesirable influence that is involved the minute the Government is brought in to guarantee in these circumstances.

Mr. PROXMIRE. Mr. President, I wish to say to the Senator from Ohio that he is exactly right. Of course, the fundamental problem is that whether or not a firm survives will not be determined by the objectivity and discipline that has served America so well, but it will be determined by just plain political clout—who knows officials in the administration or the President. All of us, if we reflect on that, recognize that would be a most unfortunate consequence, but a definite consequence of passing the present bill.

Mr. President, I yield the floor.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

H.R. 9181. An act to amend the Northwest Atlantic Fisheries Act of 1950 (Rept. No. 92–313).

By Mr. INOUYE, from the Committee on Commerce, without amendment:

S. 1257. A bill to authorize an appropriation for fiscal year 1972 to carry out the metric system study (Rept. No. 92–309).

By Mr. BYRD of West Virginia for Mr. LONG, from the Committee on Commerce, with amendments:

S. 1275. A bill to amend the maritime lien provisions of the Ship Mortgage Act of 1920 (Rept. No. 93–310).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 489. A bill to authorize the Secretary of the Interior to establish the Lincoln Home National Historic Site in the State of Illinois, and for other purposes (Rept. No. 92–308).

By Mr. HUGHES, from the Committee on Veterans' Affairs, without amendment:

H.R. 943. An act to provide mortgage protection life insurance for service-connected disabled veterans who have received grants for specially adapted housing (Rept. No. 92–311).

Mr. HUGHES. Mr. President, today I file the report to accompany H.R. 943, a bill to provide for group mortgage insurance for service-connected paraplegic and quadriplegic veterans.

This legislation will provide Government financing of mortgage insurance for severely disabled and paraplegic veterans, most of whom live in specially adapted housing. In the event of the death of the veteran, the benefits of the policy would be payable to the holder of the mortgage loan, which means that the spouse and children of the veteran would receive a clear title to the house.

During hearings of the Subcommittee on Housing and Insurance—Committee on Veterans' Affairs—which I have the honor of chairing, disabled veterans described the mental anguish which these brave men suffer because they cannot purchase mortgage insurance at the same rates available to other home buyers. The reason for higher rates is the severe disabilities inflicted on these men during their military service.

One disabled veteran told me it is ludicrous to expect the widows of severely disabled veterans to pay off a costly mortgage on a house and raise their children in dignity with the meager benefits that are left after the death of the disabled veteran. I can only agree. Simple justice demands that we provide the same kind of mortgage insurance for these severely disabled veterans that is available to any other home buyer. It is not a giveaway program. The cost to the Government is only the difference between commercial rates and the extra charge levied by the insurance company because of the disability. These men have made enormous sacrifices for their country and they deserve this protection for their peace of mind. The administration opposes this legislation, but the Committee on Veterans' Affairs has decided to report H.R. 943 favorably without amendment and recommend its approval by the Senate.

The committee has reported H.R. 943, which was passed by the House on March 1, 1971. This bill is identical to S. 783, introduced by the Senator from Tennessee (Mr. BAKER), and S. 925, introduced by the Senator from Texas (Mr. BENTSEN), to provide mortgage protection life insurance for service-connected disabled veterans who have received grants for specially adapted housing.

Mr. President, these brave men deserve the protection this legislation will afford, and I am hopeful that the Senate will act favorably as soon as possible.

By Mr. EASTLAND, from the Committee on Agriculture and Forestry, without amendment:

H.R. 3146. An act to authorize the Secretary of Agriculture to cooperate with the States and subdivisions thereof in the enforcement of State and local laws, rules, and regulations within the national forest system (Rept. No. 93–312.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

William H. Timbers, of Connecticut, to be a U.S. circuit judge, second circuit;

Malcolm M. Lucas, of California, to be a U.S. district judge for the central district of California;

Lawrence T. Lydick, of California, to be a U.S. district judge for the central district of California;

Spencer M. Williams, of California, to be a U.S. district judge for the Northern District of California;

C. Stanley Blair, of Maryland, to be a U.S. district judge for the district of Maryland;

Herbert F. Murray, of Maryland, to be a U.S. district judge for the district of Maryland;

Joseph H. Young, of Maryland, to be a U.S. district judge for the district of Maryland;

Charles L. Brieant, Jr., of New York, to be a U.S. district judge for the southern district of New York;

Paul Benson, of North Dakota, to be a U.S. district judge for the District of North Dakota;

Albert V. Bryan, Jr., of Virginia, to be a U.S. district judge for the eastern district of Virginia; and

Brereton Sturtevant, of Delaware, to be an examiner in chief, U.S. Patent Office.

By Mr. MAGNUSON, from the Committee on Commerce:

Charlotte T. Reid, of Illinois, to be a member of the Federal Communications Commission;

Benjamin Oliver Davis, Jr., of Virginia, to be an Assistant Secretary of Transportation;

Zelma George, of Ohio, to be a member of the Board of Directors of the Corporation for Public Broadcasting; and

Frederic G. Donner, of New York, to be a member of the Board of Directors of the Communications Satellite Corporation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MAGNUSON:

S. 2357. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the development of a consumer information program concerning the damage susceptibility and crashworthiness of passenger cars, and for other purposes. Referred to the Committee on Commerce.

By Mr. BAYH (for himself, Mr. Bible, Mr. Burdick, Mr. Cranston, Mr. Eastland, Mr. Fong, Mr. Gravel, Mr. Hartke, Mr. Hart, Mr. Hughes, Mr. Inouye, Mr. Javits, Mr. McGovern, Mr. Miller, Mr. Stevens, Mr. Taft, and Mr. Tunney):

S. 2358. A bill to amend the Disaster Relief Act of 1970. Referred to the Committee on Public Works.

By Mr. TOWER:

S. 2359. A bill for the relief of Willard O. Brown. Referred to the Committee on Foreign Relations.

By Mr. WILLIAMS:

S. 2360. A bill to provide for a national educational campaign to combat the lack of consciousness of the public as to the danger of improper uses of motor vehicles on the highways. Referred to the Committee on Public Works.

By Mr. STEVENSON:

S. 2361. A bill for the relief of Bianca Panozza. Referred to the Committee on the Judiciary.

By Mr. HARTKE:

S. 2362. A bill to restore and maintain a healthy transportation system, to provide financial assistance, to encourage investment, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON (by request):

S. 2357. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the development of a consumer information program concerning the damage susceptibility and crashworthiness of passenger cars, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the development of a consumer information program concerning the damage susceptibility and crashworthiness of passenger cars, and for other purposes, and ask unanimous consent that the letter of transmittal be printed in the Record with the text of the bill.

There being no objection, the letter and bill were ordered to be printed in the Record, as follows:

The Secretary of Transportation,
Washington, D.C., June 16, 1971.

Hon. Spiro T. Agnew,
President of the Senate,
Washington, D.C.

Dear Mr. President: The Department of Transportation has prepared as part of its legislative program for the 92nd Congress, 1st Session, the attached draft of a proposed bill:

"To amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the development of a consumer information program concerning the damage susceptibility and crash-worthiness of passenger cars, and for other purposes."

Public concern over the safety and damageability of passenger cars has increased markedly in recent years. This concern is readily understandable in light of the fact that the passenger car is the primary means of transportation for most people and one of the most costly investments for many. The ability to differentiate between levels of safety and damage resistance in passenger cars, however, has been limited by a lack of information and objective data on these matters. For this reason, we are submitting the "Automobile Owners Information Act of 1971."

The public is aware that all new passenger cars are required to comply with all applicable Federal motor vehicle safety standards. However, the public does not know the extent to which particular makes and models of passenger cars exceed the prescribed minimum safety performance levels. Further, many consumers are not aware of the existence of differences among the various makes and models of passenger cars as to their safety and damageability.

This legislation envisions a major program to inform consumers of the damageability and safety of all major makes and models of passenger cars. To this end, the Secretary of Transportation will first undertake a study of the feasibility and best way of establishing a consumer information program that would reduce this problem of insufficient information. The Secretary would gather data and conduct the research and testing necessary to enable him to complete the study. He would submit his final conclusions to the Congress not later than July 1, 1973. If the Secretary determined that development of consumer information were feasible, he would be required to include in his report an outline of procedures for assuring the accuracy of the consumer information. If, prior to the submission of his final conclusions, he determined that development of certain kinds of preliminary consumer information was feasible, the Secretary would immediately proceed with the development of such information. However, before disseminating any information relating to the safety and damageability of a manufacturer's passenger cars, the Secretary would be required to make this information available to the manufacturer at least 30 days prior to its publication and to provide the manufacturer with an opportunity to comment on this information. Information concerning insurance companies would similiarly be made available to them prior to its dissemination. Thus, the Secretary could ensure that the information disseminated was of the highest accuracy.

If a consumer information program were commenced as a result of the Secretary's study, it would assist the consumer in selecting the make and model of passenger car that possessed the combination of safety and damageability that best suited his taste and needs. To ensure the realization of the maximum possible benefits from this program, the Secretary is directed to develop the information in a manner that is most comprehensible to the public and disseminate it as widely as possible. To carry out this directive, the Secretary would use whatever means of distribution he deems appropriate.

One of the major sources of "real life" consumer information would be accident claim data of passenger car insurers. Consequently, this legislation authorizes the Secretary to request and, if necessary, require insurers to furnish him with accident claim data, according to make, model, and model year of passenger car, relating to (1) the type and extent of physical damage and the cost of remedying the damage; and (2) the type and extent of personal injury. This data would be especially valuable in determining the safety and damageability of recent model-year passenger cars. Along with other data, engineering analysis, simulation and crash testing, the accident claim data would furnish the basis for developing consumer information relating to new passenger cars. The Secretary may also furnish the accident claim data directly to the public after having refined and analyzed it.

The consumer information would be developed by a variety of methods. This legislation authorizes the Secretary to conduct or contract for such research and testing, including the crash testing of passenger cars, as he deems necessary. A major purpose of the research and testing program would be to determine the feasibility of reducing the damageability of passenger cars without reducing their safety. Not all makes and models of passenger cars would be crash tested because the expense of such testing would be prohibitive. With respect to a group of passenger cars that were nearly identical in weight, configuration and construction, the Secretary might select part of the group for crash testing. Then, using the test results, other data, simulation and engineering analysis, he would develop the consumer information for the other passenger cars in the group.

This legislation also authorizes the Secretary to require passenger car manufacturers to furnish him with information concerning the improvements they have made in the safety and damage resistance of their passenger cars. This information would be especially useful in aiding efforts to extrapolate data relating to new passenger cars from existing data relating to older passenger cars.

In addition to assisting the consumer in making an intelligent selection of a passenger car, this legislation would also promote competition among the passenger car manufacturers in the production of safer and more damage resistant passenger cars. This legislation would accomplish this result by informing the public as to which makes and models or groups of makes and models of passenger cars were safest and most damage resistant and by inducing the establishment of passenger car insurance rates that reflect the variations in the damage susceptibility and crashworthiness of the different makes and models of passenger cars. For this purpose, the Secretary is authorized to require the insurers to furnish him with a description of the extent to which the insurance rates or premiums charged by the insurers for passenger cars are affected by the safety and damageability of the various makes and models of passenger cars. The Secretary is required to report this information annually to the Congress and, if he deems it appropriate, State regulatory agencies.

All orders establishing, amending or revoking regulations established by the Secretary under this title are required to conform with the Administrative Procedures Act. Consequently, the Secretary would issue notices of proposed rulemaking and provide opportunity for comment by interested persons before issuing any final rules.

To ensure its effective administration the legislation prohibits the failure or refusal to furnish the Secretary with the reports or information required thereunder and the failure to comply with any rules or regulations promulgated thereunder. Whoever violates these prohibitions is subject to a civil penalty to the same extent and in the same manner as a person who violates section 108 of the National Traffic Safety Act. Further, these violations are restrainable to the same extent as violations of title I of the Act are under section 110.

We strongly urge the introduction and enactment of this legislation.

The Office of Management and Budget has advised that enactment of this legislation is consistent with the objectives of this Administration.

Sincerely,

John A. Volpe.

S. 2357

A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the development of a consumer information program concerning the damage susceptibility and crashworthiness of passenger cars, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Automobile Owners Information Act of 1971".

Sec. 2. It is the purpose of this Act to provide for the publication of objective information concerning the damage susceptibility and crashworthiness of passenger cars to enable consumers to make a more informed choice in purchasing passenger cars and passenger car insurance; to promote competition among passenger car manufacturers in the production of passenger cars that are more crashworthy and less damage susceptible; and to induce the establishment of passenger car insurance rates that reflect the variations in the damage susceptibility and crashworthiness of the different makes and models of passenger cars.

Sec. 3. Section 102 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391) is amended by substituting for the word "title", wherever it appears, the word "Act".

Sec. 4. The National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381 et seq.) is amended by adding at the end a new title to read as follows:

"TITLE —CONSUMER INFORMATION

"Sec. 501. As used in this title—

"(1) 'Passenger car' means a motor vehicle with motive power designed for carrying 10 persons or less, except a multipurpose passenger vehicle, motorcycle, or trailer.

"(2) 'Multipurpose passenger vehicle' means a motor vehicle with power, except a trailer, designed to carry 10 persons or less which is constructed either on a truck chassis or with special features for occasional off-road operation.

"(3) 'Insurer of passenger cars' means any insurance company or group of insurance companies under common ownership engaged in the business of issuing passenger car insurance policies or issuing passenger car insurance that is reinsured (in whole or in part) and licensed to do business under the laws of more than one State.

"(4) 'Damage susceptibility' means the physical damage incurred by a motor vehicle involved in a crash or collision.

"(5) 'Crashworthiness' means the protection that a motor vehicle affords its passengers against personal injury or death as a result of a crash or collision.

"(6) 'Person' means any individual, association, corporation, government agency or other public or private entity.

"Sec. 502. (a) The Secretary shall gather data and conduct or contract for research and testing necessary to enable him to determine the feasibility of developing information that will inform the public as to the damage susceptibility and crashworthiness of all major makes and models of passenger cars.

"(b) The Secretary shall include in the annual report required by section 120 of this Act an account of his progress in reaching the determination required by subsection (c) of this section. Each account shall include a description and analysis of the research and testing performed pursuant to this section, the information considered by the Secretary, and any preliminary conclusions he has reached. Each account shall also describe the nature and purpose of future research and testing to be conducted to subsection (a) of this section.

"(c) The Secretary shall, not later than July 1, 1973, report to the Congress his determination of the feasibility of developing the information specified in subsection (a) of this section, together with the basis for his determination and an outline of procedures for assuring the accuracy of the information developed or to be developed and any recommendations, including recommendations for additional legislation. If the Secretary determines that the development of this information is feasible, the information shall be developed in a manner that, in the judgment of the Secretary, will best enable the public to comprehend the damage susceptiability and crashworthines of passenger cars or classes of passenger cars and shall be disseminated in a manner that, in the judgment of the Secretary, will assure the greatest possible availability to prospective purchasers.

"(d) The Secretary is authorized to conduct or contract for such research and testing as he deems necessary to carry out the purposes of this section, including but not limited to, the acquisition and crash testing of passenger cars.

"(e) The Secretary is authorized to sell or otherwise dispose of tested passenger cars and apply the proceeds of such sale or disposal to the miscellaneous receipts of the Treasury; *Provided*, That the Secretary shall inform prospective purchaser or acquirer of the crash-tested passenger cars that they have been so tested.

"(f) Any person who purchases or otherwise acquires a passenger car that has been crash-tested by the Secretary and who knows or has reasons to know that the passenger car has been so tested, shall inform in writing each prospective purchaser or acquirer of the passenger car that it has been crash-tested.

"Sec. 503. (a) Insurers of passenger cars, or their designated agents, shall, upon request by the Secretary, make such reports and furnish such information as the Secretary may reasonably require to enable him to carry out the purposes of this title.

"(b) Such reports and information shall include, but not be limited to—

"(1) accident claim data relating to the type and extent of physical damage and the cost of remedying the damage according to make, model, and model year of passenger car.

"(2) accident claim data relating to the type and extent of personal injury according to make, model, and model year of passenger car.

"(c) In determining the reports and information to be furnished pursuant to this section, the Secretary shall—

"(1) consider the cost of preparing and furnishing such reports and information;

"(2) consider the extent to which such reports and information will contribute to carrying out the purposes of this title; and

"(3) consult with such State insurance regulatory agencies and other agencies and associations, both public and private, as he deems appropriate.

"(d) The Secretary shall, to the extent possible, obtain such reports and information from the insurers of passenger cars on a voluntary basis. If the Secretary deems it necessary, he may require that such reports and information be furnished at such times and in such manner as he shall prescribe by regulation or otherwise.

"(e) The Secretary shall not, in disseminating any information received pursuant to this section, disclose the name of, or other identifying information about, any person who may be an insured, a claimant, a passenger, an owner, a driver, an injured person, a witness, or otherwise involved in any motor vehicle crash or collision, unless the Secretary has the consent of the persons so named or otherwise identified.

"Sec. 504. (a) Every insurer of passenger cars, or its designated agent, shall, upon request by the Secretary, furnish him with a description of the extent to which the insurance rates or premiums charged by the insurer for passenger cars are affected by the damage susceptibility and crashworthiness of the various makes and models of passenger cars.

"(b) The information required by this section shall be furnished at such times and in such manner as the Secretary shall prescribe by regulation or otherwise.

"(c) The Secretary shall report annually to the Congress and, if he deems it appropriate, State insurance regulatory agencies, the extent to which the insurance rates or premiums charged during the preceding calendar year to insure the various makes and models of passenger cars were based upon differences in the damage susceptibility and crashworthiness of such makes and models.

"(d) The Secretary shall ensure that information disseminated pursuant to this section shall be distributed as widely as possible so that it is readily available to purchasers of passenger car insurance.

"Sec. 505. (a) Passenger car manufacturers shall, upon request by the Secretary, furnish him with information that describes the measures that the manufacturers have taken to improve the crashworthiness and reduce the damage susceptibility of each make and model of the passenger cars they produce, and data and information relating to crashworthiness and damage susceptibility gained by the manufacturers from their testing of passenger cars.

"(b) This information shall be furnished at such times and in such manner as the Secretary shall prescribe by regulation or otherwise.

"(c) The Secretary may disclose to the public any or all of the information contained in the reports obtained under this section, except for information which is the result of a test method development program or of a test method which the manufacturer determines is not representative, accurate or reliable. The Secretary may disclose information that contains or relates to a trade secret or other matter, as defined in section 1905 of title 18 of the United States Code, only if he determines that it is necessary for protection of the public health and safety.

"Sec. 506. Not less than thirty days prior to his public disclosure of any information obtained under this Act, the Secretary shall provide such information to each manufacturer or insurer to which such information pertains, if the manner in which the information is to be promulgated will permit the public to ascertain readily the identity of the manufacturer, or insurer, and shall provide the manufacturer or insurer with a reasonable opportunity to submit comments to the Secretary in regard to the information. Upon the request of the manufacturer or insurer, the Secretary shall publish such comments or a fair summary thereof, or a statement of the manufacturer or insurer of reasonable length in lieu thereof, concurrently and in association with the disclosure of the information to which such comments or statement appertain. The Secretary shall take reasonable steps to assure, prior to his public disclosure thereof, that information from which the identity of the manfacturer or insurer may be readily ascertained is accurate. If the Secretary finds that, in the administration of this title, he has made public disclosure of inaccurate or misleading information, he shall in a manner similar to that in which such disclosure was made, publish a retraction of such inaccurate or misleading information.

"Sec. 507. The Administrative Procedure Act (5 U.S.C. 551 et seq.) shall apply to all orders establishing, amending, or revoking regulations established by the Secretary under this title.

"Sec. 508. The Secretary is authorized to issue, amend, and revoke any rules and regulations he deems necessary to carry out the purposes of this title.

"SEC. 509. No person shall—

"(1) fail or refuse to furnish the Secretary with the reports or information required under this title; or

"(2) fail to comply with any rules or regulations issued under this title.

"SEC. 510. Whoever violates section 509 shall be subject to a civil penalty to the same extent and in the same manner as one who violates section 108 of this Act.

"SEC. 511. Violations of this title shall be restrainable to the same extent as violations of title I of of this Act are under section 110."

SEC. 5. There are authorized to be appropriated such funds as are necessary to carry out the purposes of this Act.

SEC. 6. This Act shall take effect on the date of enactment.

By Mr. BAYH (for himself, Mr. BIBLE, Mr. BURDICK, Mr. CRANSTON, Mr. EASTLAND, Mr. FONG, Mr. GRAVEL, Mr. HARTKE, Mr. HART, Mr. HUGHES, Mr. INOUYE, Mr. JAVITS, Mr. MCGOVERN, Mr. MILLER, Mr. STEVENS, Mr. TAFT, and Mr. TUNNEY):

S. 2358. A bill to amend the Disaster Relief Act of 1970. Referred to the Committee on Public Works.

Mr. BAYH. Mr. President, last year Congress enacted a comprehensive new disaster relief law—Public Law 91–606—which was designed to extend and codify previous legislation and to provide a number of new programs for assistance to disaster victims. This act marked the culmination of many years' effort directed toward enlarging and making more effective the Federal role in assisting State and local governments and individuals incurring severe losses in major disasters. Those who were directly involved in its preparation and passage attempted to foresee and include provisions which would be adequate to cope with most basic needs following a natural catastrophe.

Nevertheless, the experience of a few short months indicates that some problems and contingencies have not yet been provided for by the new law. Less than 6 weeks after the President signed the new act on the last day of the year, a highly destructive earthquake occurred in the San Fernando, Calif. area on February 9, 1971. Although only moderately severe—6.6 magnitude on the Richter scale—in comparison to some others, the earthquake caused more than 60 deaths, 1,000 injuries, and an estimated half billion dollars in property damages.

Coming as it did such a short time after the new 1970 Disaster Relief Act had been adopted, the California earthquake forced a quick and difficult test of its many new provisions. I am pleased to report that 3 days of hearings held June 10–12 by the Senate Public Works Committee in San Fernando demonstrate clearly that on the whole the new omnibus act proved to be of great benefit in helping to repair and restore public services, provide essential shelter, food, and clothing, demolish unsafe structures, remove debris, and minimize personal hardships and financial losses.

To my knowledge none of the more than 60 witnesses who testified at the hearings, which I was privileged to chair, were critical of the basic provisions of the new act, although there were several suggestions for additions or amendments. While most State and local governmental officials, as well as many private citizens, expressed their satisfaction with and gratitude for the aid which Congress has authorized, certain gaps and special needs were clearly evident which give rise to my proposals today.

Some complaints were voiced about unnecessary administrative delays and redtape, insufficient coordination, lack of adequate relief personnel, slowness in processing applications for disaster loans the many weeks which elapsed before damaged buildings were inspected for safety purposes and, in some cases delays encountered in razing hazardous structures and in removing debris. I was personally very displeased to learn that the Small Business Administration appeared to be unjustifiably slow in handling disaster loan requests and did not bring into the Los Angeles area enough loan officers, especially those possessing bi-lingual ability, until some two months after the disaster occurred. Despite some deficiencies and errors, however, which might be attributable in part to the fact that this was the first major disaster under the new act, I believe General Lincoln, Director of the Office for Emergency Preparedness, Ralph Burns, the Federal coordinating officer in direct charge of all relief activities, and the many other Federal officers who participated in the San Fernando operation, should be commended for a job well done.

The San Fernando hearings conducted by the Senate Public Works Committee provided a unique opportunity to review the effectiveness of both the terms and the administration of a significant new statute little more than 6 months after its enactment. It will be recalled that the 1970 act, in addition to bringing together scattered sections of existing law, made permanent several innovations which had been adopted temporarily in 1969 and also added a number of important new types of Federal aid not previously available. On the whole these provisions functioned well in the aftermath of the California earthquake and will provide sizable new benefits, both to public agencies and to private property owners. Before suggesting a number of amendments which I believe the evidence indicates are needed to perfect the act, however, it might be worthwhile to summarize briefly some of the outstanding features of the 1970 act.

To help achieve unified direction of assistance in major disasters, the new law required the appointment of a Federal coordinating officer who would have full authority and responsibility to manage and coordinate relief activities of all governmental agencies as well as those private organizations handling or distributing Federal funds or supplies. Emergency support teams of Federal personnel, to be deployed in major disaster areas, were authorized. All disaster assistance activities were required to be carried on impartially and without discrimination on the grounds of race, color, religion, nationality, sex, age, or economic status. To the extent practicable and feasible, preference must be given to local firms and individuals in the expenditure of Federal funds for such purposes as debris clearance, distribution of supplies, and reconstruction.

For the first time the act authorized the President to use all Federal resources to help avert or lessen the effects of a threatened major disaster which he determines to be imminent. For the first time also Federal agencies were given the power to waive any administrative procedural conditions in the administration of grant-in-aid programs which might otherwise preclude the giving of assistance if a disaster should make it impossible to meet those conditions. Priority can be given to the processing and consideration of applications received from public bodies in major disaster areas under a number of Federal aid programs, including the planning, repair, and construction of public facilities and the building of low-rent housing.

Several new types of aid were made available to communities suffering serious damage in major disasters, including the establishment of emergency—but temporary—communications and public transportation services if deemed necessary by the Director of OEP. The President was also authorized to make grants to any local government which loses substantial property tax revenue because reassessment following a major disaster results in lower property tax valuations. In addition, in those areas where major sources of employment have been forced by a disaster to cease doing business, both SBA and FHA loans without limit to size can be made to enable those employers to resume operations in order to restore economic viability to the area. Most important of all, Congress last year doubled from 50 to 100 percent the amount of Federal contributions which could be made to State and local governments for the repair, reconstruction, or replacement of all public installations, such as streets, highways, buildings, sewers, disposal plants, water mains, water supply works, and flood control facilities.

The 1970 act likewise made significant increases in assistance for the private sector. Temporary housing for disaster victims can now be provided without any rental charge for up to 12 months, and emergency housing can be sold later to temporary occupants at fair and equitable prices. Mortgage or rental payments without charge were authorized to be made for individuals or families who, because of hardship caused by a major disaster, have received notice of eviction from their residence as the result of a foreclosure of a mortgage, termination of a lease, or cancellation of a contract for sale.

The amount of Small Business Administration or Farmers Home Administration disaster loans which could be cancelled was increased from $1,800 to $2,500 on that portion of any loan above $500. Such disaster loans must be made to any adult loan applicant without any consideration of age, with the interest rate fixed at an amount 2 percent less than the average market yield of U.S. bonds but in no case more than 6 percent. Any repairs, restoration, or reconstruction of residential structures with disaster loans must be done according to applicable standards of safety, decency, sanitation, and building codes. Eligibility for relocation assistance under the Housing Act is not to be denied because a major disaster might make it impossible to reoccupy property from which the owner had been displaced.

The President was authorized to make special compensation payments to persons losing jobs because of a major disaster but who are not eligible for regular unemployment compensation under the laws of their State of residence. Also, whenever a major disaster prevents low-income households from purchasing adequate amounts of nutritious food, the President is authorized to distribute food coupons and surplus commodities as long as he deems necessary. The programs authorized by the act are to be conducted by the Director of OEP with the advice of appropriate Federal agencies and State and local bar associations in order to assist low-income individuals unable to secure legal services because of a major disaster.

A number of important provisions were adopted in modified form from previously enacted legislation. Federal agencies can be directed by the President to provide equipment, supplies, medicine, food, personnel and other resources for assistance in disasters. Federal facilities may be repaired, restored, reconstructed, or replaced without delay if the President determines such action cannot be deferred until authorizations and appropriations are made by Congress. Special adjustments may be made in the terms and obligations of Veterans' Administration and Rural Electrification Administration loans. Grants can be made to States to help suppress any fire on publicly or privately owned lands which threatens to become a major disaster. Debris removal from both publicly and privately owned land and waters can be accomplished either through direct use of Federal agencies or by grants to State and local governments. The civil defense communications system may be used for warnings needed in areas endangered by imminent major disasters. Grants not to exceed an initial $250,000 on a matching basis, with subsequent grants up to $25,000 for updating and improvement purposes, can be made to States for the preparation and revision of comprehensive disaster relief plans. Finally, special precaution must be taken to guarantee that no person, business concern, or other entity receives Federal assistance or benefits for any loss in a major disaster for which there has been compensation from insurance or any other program.

As I pointed out earlier, Mr. President, those who participated most directly in the formulation and adoption of the Disaster Relief Act of 1970 intended and hoped that, except for the possibility of disaster insurance, it would fulfill most of the needs for legislation in this field for many years. The act was based substantially on S. 3619, a bill which I introduced March 20 of last year after holding extensive hearings on the tragic suffering caused by Hurricane Camille. It also relied heavily on the Disaster Relief Acts of 1966 and 1969, both of which stemmed largely from bills which I had introduced in the Senate. While there seems to be general consensus that the new law is superior to the old and provides additional worthwhile benefits, I am convinced that certain further steps should be taken.

In my opinion it is unfortunate that all private property cannot be insured against losses caused by every type of major disaster. One of the titles of the disaster relief bill which I introduced in 1970 would have provided for a Federal Government operated and subsidized system of all-risk disaster insurance unless the private insurance industry within a limited time period made such coverage available at reasonable rates. Although this title was eliminated from the bill before it was reported by the Public Works Committee, I introduced a similar measure—S. 903—on February 22 of this year and hope it will receive serious consideration.

The need for and merits of all-risk disaster insurance have been explored at length elsewhere, and there is no need for further discussion now. I cannot let this opportunity pass, however, without calling attention to the fact that the terrible earthquake in California on February 9, strengthened my conviction that some type of contributory system of insurance protection against disaster losses must be established. Economic damage caused by unexpected natural catastrophes has escalated higher and higher each year. While I have been in the forefront of those who have advocated increased public contributions to assist disaster victims, the economic cost has risen to such a high point that special thought must be given to determine how best the burden can be managed.

We must ask ourselves whether the National Government, with revenue derived from general taxation, can and should continue to absorb a significant portion of the ever-mounting property losses which always follow in the wake of major disasters. My impression is that most Americans would prefer to purchase in advance, perhaps at a somewhat subsidized rate, adequate protection for their property against disaster loss than to depend on subsequent governmental subsidies or private charity. Until such time as a workable system of all-inclusive disaster insurance has been established, however, few would question the necessity or justification for continuing and even expanding the Federal role in assisting victims of natural disasters.

Consequently, Mr. President, I am today introducing a bill which proposes a series of amendments designed to supplement and make more effective the 1970 Disaster Relief Act. Most of the changes are aimed at solving particular problems raised in the recent hearings or preventing and alleviating possible serious tragedies in the future. Let me outline them briefly one by one.

1. ECONOMIC STATUS OF DISASTER LOAN APPLICANTS

Section 235 of the act, which now prohibits the consideration of the age of any adult loan applicant in determining whether a disaster loan shall be made or its amount, would be amended to include also the factors of employment and welfare status.

The purpose of this proposal is to guarantee that SBA, FHA, and VA disaster loans would not be denied solely on the grounds that homeowners might be unemployed or on public welfare. Despite the fact that section 209 of the act specifically forbids discrimination in disaster assistance, including the processing of applications, on the grounds of "economic status prior to a major disaster," there apparently have been instances in which disaster loans were not granted because a homeowner was either not employed or was receiving public welfare benefits.

It seems to me that homeowners who happen to be unemployed, especially if the loss of a job is related to the major disaster, or those who may be recipients of public welfare, are especially in need of Federal disaster assistance. One who lacks a steady income would be far less capable personally of improving his own residence than one who is employed or has other resources. The irony is that present policy, by refusing for these reasons to award a disaster loan for the repair or reconstruction of a dwelling, would deny to many economically distressed homeowners the present $2,500 subsidy received by others who borrow more than $500. I can see no reason for continuing to penalize in this fashion those who are most needy. Without such benefits society may well be forced to assume the burden of caring for these homeowners in some other fashion.

2. DISTRIBUTION OF FOOD COUPONS AND SURPLUS COMMODITIES

This amendment would provide that the Federal coordinating officer could supervise and direct the distribution of food coupons and surplus commodities to low-income households in disaster areas where there does not exist a regular administrative system for such distribution or in those instances in which he determines that distribution has been inadequate, unnecessarily delayed or lacks coordination.

Testimony was received by the committee during the hearings in San Fernando which revealed an administrative snarl in the handling of food coupons and surplus commodities. For reasons not entirely clear, the program was very slow in getting started and never fully achieved its intended purpose. Although considerable quantity of free food was distributed by various charitable organizations and many meals were provided through mass feeding centers, food coupons and surplus commodities were not employed very extensively.

In situations of this type, or where local governments have failed to set up machinery to handle food stamps, the Federal coordinating officer should be empowered to fill this need directly, working, of course, in conjunction with the Department of Agriculture. As the one official in charge of administering all Federal assistance in a major disaster area, there should be no question about his authority to supervise or even handle this important function directly.

3. ELIGIBILITY OF PUBLIC RECREATIONAL FACILITIES FOR DISASTER CONTRIBUTIONS

Section 252 of the law authorizes the President to make contributions to State and local governments for the repair, restoration, reconstruction or replacement of all public facilities except those used exclusively for recreational purposes. I am proposing to delete this one exception so that recreational facilities will be treated equally with all other State and local facilities.

This limitation, which was not in my original bill or in the version which passed the Senate last year, was added during the conference with House Members. Although at first glance excluding recreational facilities from Federal benefits might seem to be logical, I am now convinced this was a mistake which should be rectified.

A swimming pool, tennis court, gymnasium, baseball, or football field, skating rink, golf course, or other recreational facility may in one sense be a luxury, but when it is owned and operated by a community which has been devastated by a vicious hurricane or a disruptive earthquake and which is not able to finance its return to normal use, the local citizens, young or old, who depend on that facility have suffered a grievous loss. If one assumes that providing for and encouraging public recreation is a proper function of local government, then it is difficult to argue that Federal assistance aimed at restoring a community to its predisaster status should specifically single out this one aspect of the full life for banishment.

4. ADVANCE PAYMENTS OF AUTHORIZED CONTRIBUTIONS

One of the primary needs brought to the attention of the committee in the hearings held in San Fernando was that for early release of a portion of Federal aid authorized for communities damaged by major disasters. In addition to their regular expenditures most local governments in disaster areas are confronted with many unexpected and unusual demands resulting from the emergency. Consequently, they may find it difficult to carry on necessary governmental activities and disaster relief operations simultaneously.

The 1970 disaster relief law authorizes the President to make grants to State or local governments for purposes of debris removal, supplementary payments to offset property tax losses, and repairing, restoring or replacing damaged or destroyed public facilities. Ordinarily payments for debris clearance or reconstruction cannot be made until a full and complete appraisal has been made, contracts been awarded, and the project is underway. Supplementary payments to offset property tax losses can not now be made until a reassessment of property has taken place in order to determine the exact amount of the loss.

I am proposing an amendment which would authorize the President to make advance payments of not to exceed 50 percent of the estimated amount of the total final contributions which are expected to be made for these purposes. Such advance payments could be made only after an application has been presented by the State or local government, certified as to its accuracy by the Federal coordinating officer, which sets forth a full description by competent and responsible officers of the damages incurred or the amount of property taxes lost. If the total amount of advance payments should ever exceed the total amount of the final grant to be made, which would seem to be highly unlikely because of the 50-percent limit, the amendment further provides that the State or local government would be obligated to reimburse the Treasury for any amount of overpayment.

Let me emphasize that this amendment would in no way increase the amount of Federal contribution for which the State or local government is legally eligible nor would it add measurably to administrative or other costs. Its sole purpose is to speed up the cash flow to hard-pressed communities which may be overwhelmed with abnormal demands for emergency services, overtime for personnel, new equipment, and special supplies. Officials of the cities of Los Angeles and San Fernando and of the county of Los Angeles all reported to us the tremendous cash squeeze under which they were operating because of unavoidable expenditures attributable to the earthquake. I believe it would be both reasonable and proper to permit such distressed communities in effect to draw in advance upon the credits which they have under the disaster law.

5. PRIVATE MEDICAL CARE FACILITIES

Hospitals and other medical care facilities suffered heavy damage in the San Fernando earthquake. In addition to the Veterans hospital and newly built, county owned, Oliver View Sanitorium at Sylmar, two private hospitals—Pacoima Lutheran and Holy Cross—were practically destroyed. More than 1,200 beds in hospitals with contracts to provide emergency medical services were rendered useless, and it was estimated not long after the disaster that about 95 percent of the hospital beds in the areas were occupied.

The Disaster Relief Act provides complete reimbursement for reconstruction costs of public hospitals, but there is no similar provision to assist privately owned hospitals. Permanent loss of these facilities in a disaster stricken area could create very serious health care problems. In many instances financing their replacement might prove more difficult than it would for public institutions because they have depended heavily on private associations and voluntary contributions for revenue and their resources are generally quite limited.

Therefore, I am proposing that the President be authorized to make grants for the repair, reconstruction or replacement of any medical care facility owned and operated by a private, non-profit organization which is exempt from taxation under the Internal Revenue Code and which has been damaged or destroyed by a major disaster.

This is very similar to a bill, S. 1237, which was introduced on March 12 by Senator TUNNEY with the cosponsorship of myself and some 30 other Senators. However, I am suggesting two additional provisions which were not in the original bill. First, my amendment would provide assistance for administrative and other support facilities essential to the operation of such medical care facilities, even though not contiguous thereto, such as laundry, food, or laboratory installations.

Second, the President would be authorized to make additional, supplementary grants to enable a private health care facility to resume or continue its full operations if the Federal coordinating officer determined that the normal costs of operation had been increased by the effects of a major disaster to such an extent that it had been inhibited or impeded in its ability to render needed health care services. Evidence is clear that hospital operating costs may increase dramatically because of added expenses caused solely by a major disaster; in such cases I believe supplemental assistance, without which needed health care services could not be provided, would be more than justified. This would have limited application for short duration only in those specific situations where the Federal coordinating officer found that such aid was essential.

6. EMERGENCY MEDICAL AND HOSPITAL SERVICES

The terrible devastation inflicted on hospitals in the San Fernando area by the recent earthquake, together with examples of similar damage suffered in other major disasters during recent years, has convinced me of the need for a careful study to determine the availability and adequacy of emergency medical and hospital services in potential disaster areas. In the confused and chaotic conditions which accompany most major disasters, it is of the utmost importance to have well prepared plans and arrangements which will permit use of all health care facilities.

This amendment would direct the Office of Emergency Preparedness to conduct a nationwide survey of the capability of and the needs for emergency medical and hospital services in areas which might be subjected to unexpected catastrophes. It would inquire into all phases of preparation and readiness for emergency health care during disasters deemed significant by the Director. Among other factors, the inventory should include the following: The status of emergency medical communications systems; coordination of U.S. military and veterans facilities and personnel with civilian health care resources; the availability of emergency water sources, potable water supplies, and sanitary facilities for hospitals, nursing homes, and other similar institutions; the quantity, location, and availability of portable or "packaged" hospitals, medical supplies, and equipment; problems of identification and tracing medical patients injured in major disasters; the status of local emergency medical plans and their coordination with State disaster plans; the granting of staff privileges by hospitals to nonstaff physicians during major disasters; and the need for additional funds to help support State and local emergency medical care programs.

In addition, the Director of the Office of Emergency Preparedness, working in cooperation with other relevant Federal agencies, would be authorized to prepare through each regional director of the OEP, an emergency health plan for each metropolitan district of 50,000 or more population to coordinate during major disasters the medical facilities and personnel of the Federal Government with those of State and local governments and also wish those of private health care organizations and medical associations. The plan would be aimed at achieving the greatest amount of interrelationship and reciprocity possible for all health-care personnel and facilities in the event of a major disaster, and would be related also to the disaster plans of each State.

No more than 1 year after the survey of emergency medical and hospital services has been completed, the President would be requested to report to Congress on the need for any additional legislation or funding he believed to be necessary to obtain the overall goal.

7. GRANT PROGRAM FOR HOMEOWNERS

Reliable estimates indicated that more than 1,000 homes owned by moderate- and middle-income people were severely damaged or made completely uninhabitable by the San Fernando earthquake. These residences in general are in the $25,000 to $40,000 or more price range, many of which are encumbered by sizable mortgages or other types of liens.

Even though the 1970 Disaster Relief Act did authorize Small Business Administration and Farmers Home Administration disaster loans at fairly favorable interest rates, on which a maximum of $2,500 of the principal would be canceled on loans above $500, this subsidy obviously would be comparatively little help, for example, to an owner of a destroyed $40,000 home burdened with a $25,000 mortgage. While he might be able to secure a disaster loan which would be sufficient to refinance his present obligation and reconstruct his home, the total debt of more than $60,000 could easily entail monthly payments far more than his income could bear.

The present $2,500 subsidy has its origin in the special act Congress passed in 1965 to bring relief to the victims of Hurricane Betsy. The $1,800 forgiveness feature on SBA and FHA loans, which was provided then for this one disaster, was later incorporated in the 1969 Disaster Relief Act, and in 1970 the amount was increased by $700. A subsidy of this amount is of great help to those who incur limited damage to their homes or business in many kinds of disasters, or where the property itself may not exceed $10,000 to $15,000 in value. It provides a floor of support which, coupled with the disaster loan itself, has enabled many owners to repair or rebuild their homes, and I fully support it.

Nevertheless, there is a real need for additional assistance for those who are purchasing more expensive property on long-term contracts or with sizable mortgages. With the spiraling costs of housing in the last few years many moderate income families, especially in metropolitan areas where price levels have risen rapidly, have been forced to go heavily in debt to obtain decent and livable homes. Younger couples with children especially have often committed themselves so extensively for the purchase of suitable accommodations that loss of their equity by a disaster against which insurance is unobtainable constitutes a real tragedy to their family.

In searching for a proper way in which to provide additional assistance to this group of homeowners, I joined with Senators TUNNEY and CRANSTON in sponsoring a bill—S. 1427—which would permit cancellation up to a total of $20,000 of SBA or FHA disaster loans. There is merit to this approach and it may be the most expeditious method to accomplish a desired goal. However, as now drawn it would make no distinction between those who are affluent and possess ample resources and those who have been severely squeezed by the loss of their property in a major disaster. Moreover, it would tend to intermix to a much greater degree the management of long-term loans by agencies oriented primarily toward a repayment philosophy with a purely humanitarian, nonbanking type function.

Consequently, my amendment would authorize the President to make grants for loss or damage caused by a major disaster to an owner-occupied dwelling totaling more than $3,000 and not compensated by insurance or otherwise, if such loss constitutes a severe economic hardship to the homeowner. This is a function which the President might want to assign to the Secretary of Housing and Urban Development, although my amendment would not limit the President's discretion in this matter. Grants made under these circumstances could not exceed 50 percent of the net cost of repairing, restoring, reconstructing, or replacing an owner-occupied residence as it existed immediately prior to the disaster and in conformity with applicable codes, specifications and standards, nor be in excess of a total amount of $15,000.

Returning for a moment to the hypothetical example cited before, this would mean that a homeowner faced with refinancing a present $25,000 mortgage on a destroyed home which had been valued at $40,000 prior to the disaster, would be eligible, if justified by his own personal financial circumstances for a total subsidy of $17,500. He could receive outright cancellation of $2,500 on a disaster loan above $500 plus a maximum of $15,000 from the special grant program. In addition he could refinance the rest of his total obligation with a long-term, interest-subsidized disaster loan, on which payments of both interest and principal could be deferred for as long as 3 years under present law.

I believe this extra assistance should be limited to those homeowners who can prove beyond any doubt that their own resources are not sufficient to absorb the damage to their dwellings without severe financial distress. While all of us sympathize greatly with anyone who has been caused grief and hardship in a major disaster and while everything possible should be done to provide emergency aid, the special bonus contemplated by my amendment should not be available to those whose personal fortune or large income make it possible for them to finance their own housing costs.

To those who might question the wisdom of outright grants of this type to disaster victims, let me point out that this is not a new concept. The disaster relief bill—S. 1861—which I introduced more than 6 years ago and which was adopted without objection by the Senate in July 1965, contained a very similar provision. That bill contemplated a grant-in-aid program whereby assistance would have been provided to the States to assist homeowners suffering property losses in major disasters. Under that bill, the Federal Government would have agreed to assume disaster losses up to 50 percent of $30,000 on homes if the State would have provided 25 percent of the same amount. This would have meant that a homeowner would have been eligible for a maximum of $15,000 in Federal payment and of $7,500 from the State. Although the bill passed the Senate without difficulty, the House was not willing at that time to accept the grant provision.

I am now convinced after several years experience in this field that the requirement for a 25-percent matching grant by each State might prove impracticable. Because of the varying response which might have come from the States, it could have resulted in the unfortunate situation where disaster victims in adjoining States might have been treated differently and quite inequitably by Federal law. But I would like to remind my colleagues that 6 years ago they did approve a measure which would have authorized direct grants to homeowners which would be no greater than those contemplated by this amendment.

8. SEISMIC RESEARCH AND INVESTIGATION

Experts in the field of seismology testified extensively in the hearings on the need for additional funding for research on all aspects of earthquakes. Although there was no firm agreement on the total amount required, there seemed to be a consensus that as much as $150 million to $200 million should be devoted to this purpose in the next decade. Likewise, the Proposal for a "Ten-Year National Earthquake Hazards Program," which was published in December 1968 and was prepared for the Office of Science and Technology by an ad hoc interagency working group and for the Federal Council for Science and Technology recommended a 10-year total of $220,300,000 for seismic research.

No more than a cursory examination, even by a nonexpert, of the dearth of accurate knowledge about the causes, potential locations, frequency, hazard reduction and effects of earthquakes, is necessary to convince the average person that this is a field which the United States has too long neglected. As has been pointed out, all areas of the Nation have experienced earthquake tremors and no area is truly free of potential hazard from this type of disaster. It is true that certain sections of the country are more prone to serious earthquake movements than others, but very destructive quakes have occurred not only in California and Alaska, but also in such scattered States as Massachusetts, Washington, Missouri, South Carolina, Montana, Utah, and Hawaii.

The death and destruction which could be wrought by a severe earthquake in heavily populated metropolitan areas is almost too horrible to contemplate. Yet face it we must. It makes only good sense to develop guidelines for future urban growth and possibly remove and relocate present structures of certain types in order to minimize losses from future earthquakes as much as possible. But present knowledge is not sufficient to meet this need. To mention only a few tasks, much more must be learned about the location and nature of fault lines, seismic probability and risk maps must be prepared, methods must be found which would help determine the probable time and frequency of earthquakes, and analysis should be made of the practicability of and the values to be gained from seismic zoning restrictions.

The 1968 report mentioned above made the following significant assessment:

> Anticipated earthquake damage and loss of life can be substantially reduced through more reliable information leading to earthquake prediction and through increased knowledge on how buildings with different construction and foundations and on how natural features will respond to the different ground shaking in different geologic environments when subjected to a large earthquake. Such information is vitally needed for planning purposes by the structural engineer, local governments, the insurance industry, the Department of Housing and Urban Development, the Atomic Energy Commission and the Public Utility Companies.

I believe it would be far better to invest a comparatively small sum now for the promotion of earthquake and other disaster hazard reduction than it would be to realize after some future great catastrophe that loss of life and property destruction might have been at least partially reduced by a more forward looking program in the past. Therefore, I am submitting four additional proposals to develop programs aimed at avoiding and minimizing as much as possible the potential dangers and destruction caused not only by earthquakes but other types of disasters as well.

This particular amendment would authorize a total funding for seismic research and investigation of $15 million a year for each of the next 10 fiscal years, for a total amount of $150 million. It is always difficult to estimate as much as a decade in advance the cost of on-going programs of this type, and it is possible that for various reasons this will not prove to be enough. However, it is most important that Congress authorize a long-range commitment of sizable proportions because of the highly specialized nature of the research involved and the need to develop instrumentation and to train personnel. If more financing is required later, the authorization could be increased at the proper time.

Because several Federal agencies already are engaged in or supporting a limited number of earthquake research programs, my amendment would authorize the President to allocate among those directly involved a total sum which would equal the difference between their total current annual expenditures for this purpose and the annual combined total expenditure of $15 million for each year. This would permit the President to budget varying amounts of funds as he deemed necessary to a number of different agencies interested in this problem, including the National Science Foundation, the National Academy of Sciences, the Office of Science and Technology, the National Oceanic and Atmospheric Administration, the U.S. Geological Survey, the Atomic Energy Commission, the National Academy of Engineering, and the Office of Emergency Preparedness.

9. DESIGN AND CONSTRUCTION OF NEW FEDERALLY OWNED AND LEASED BUILDINGS

In line with my comments on the previous amendment, there should be no doubt that every precaution is taken to be certain that all U.S. Government facilities in which sizable groups of people may be working or visiting are protected against unexpected natural disasters. It would be unconscionable for the national Government to be guilty of failure to do everything possible to avoid injury or death to its employees or others assembled in public buildings.

I am proposing, therefore, that in providing for the design, construction, extension, and remodeling of any federally owned or leased building regularly used by more than 50 persons, the Administrator of General Services should insure that all architectural, engineering, construction, and supervision services conform with the highest practicable standards and specifications which would help those structures withstand the destructive effects of catastrophic acts of nature. The purpose is to be certain that, in the interest of saving dollars now, no new construction would lack any structural soundness or special features which would help protect the lives and safety of all who use it.

10. STRUCTURAL SAFETY OF LARGE BUILDINGS

Perhaps even more important than guaranteeing the safety of newly built structures is the identification, demolition, and replacement of those existing ones which constitute potential hazards to life and limb during major disasters. Deaths and serious injuries were relatively small in the recent California earthquake, not only because of its location but also because it occurred very early in the morning before most people had begun their regular daily routine. Not only in the case of earthquakes but for all other types of major disasters, I believe it essential that a start should be made on a long-range program of upgrading the safety of all large buildings.

My amendment would provide for a nationwide, comprehensive survey to identify all public or private structures used by more than 50 persons, the safety of which would be in doubt during a major disaster of any type. Included in the inventory would be such gathering places as schools, hospitals, hotels, office buildings, auditoriums, theaters, gymnasiums, stadiums, and airport, railroad and bus terminals. It would, insofar as possible include an evaluation of the ability of such structures to withstand forces exerted by hurricanes, tornadoes, floods, earthquakes, and other natural catastrophes. It would also indicate which ones could be economically strengthened or protected against the type of major disasters which historically have occurred in a particular geographical section as well as those which should be demolished and replaced.

Within 1 year after the structural safety survey is completed, the President would be requested to submit a report to Congress proposing a specific program of Federal assistance to State and local governments which would help strengthen and protect basically sound, publicly owned buildings and would also help remove and replace those structures determined to be not able to withstand major disasters without endangering persons who use those facilities. At the same time State and local governments should be encouraged to take what action they can within their police powers to insist that privately owned buildings used by 50 or more persons be brought up to minimum safety standards.

11. IDENTIFICATION AND REMOVAL OF REPLACEMENT OF POTENTIALLY HAZARDOUS PUBLIC DAMS

Hasty evacuation of about 80,000 residents of the heavily populated San Fernando Valley following the partial collapse of the lower Van Norman Dam during the recent California earthquake dramatized a serious problem needing immediate attention. Scattered throughout the United States are innumerable dams, some of which are located in areas where failure of the structure during a major disaster could cause a terrible calamity. Hundreds of lives have been lost in similar situations in various parts of the world during the last few years. It is time a careful study be made of this potential hazard.

Consequently, this amendment would authorize the Office of Emergency Preparedness to conduct a nationwide survey of all publicly owned dams and reservoirs impounding water in populated areas which, if released in large quantities instantaneously because of an earthquake, heavy flood or other natural catastrophe, would endanger the life and safety of persons living or working in nearby areas. Within one year of the survey's completion, the President would be requested to present to Congress a report proposing a program for the strengthening, removal or replacement of any potentially hazardous dam owned by any agency of the U.S. Government and also a program for assistance to State and local governments for strengthening, removal or replacement of any other potentially hazardous publicly owned dam or reservoir.

12. MAJOR DISASTER DECLARATIONS APPLICABLE TO HIGHWAYS

While preparing the bill last year which led to the new comprehensive Disaster Relief Act, it was decided that there would be no need for any change in legislation dealing with Federal-aid highways. This determination was based on the fact that the law now authorizes full assistance to the States for this purpose. However, because of an unexpected and difficult to understand delay following the San Fernando earthquake in the official proclamation of a disaster with respect to highway funds, I am proposing an amendment which would help eliminate any confusion which now exists.

Present law—section 125, title 23, U.S.C.—provides that funds from the emergency fund for disaster assistance may not be expended unless the Secretary of Transportation has received an application from the State highway department and unless an emergency has been declared by the Governor of the State with which the Secretary concurs. This provision is important because it permits the Secretary to extend assistance to States during less than major disasters which the Governor believes justifies such aid and if the Secretary agrees. The power of the Secretary of Transportation to extend assistance under certain circumstances of limited disasters without waiting for a Presidential declaration is in many respects similar to that of the Secretary of Agriculture or of the Administrator of the Small Business Administration, both of whom have independent powers to authorize certain types of assistance in minor disasters.

Despite the fact that the President issued a declaration of major disaster within a few hours after the earthquake occurred on February 9 and the Federal disaster machinery began functioning almost immediately, more than 3 days elapsed before similar action was officially taken by the Secretary of Transportation. Although no real loss of any kind resulted from the delay, and even though Federal highway officials became involved very early in surveying damage and estimating needs for repairs and replacement, local citizens and officials alike could not understand why a Presidential declaration would not apply automatically to aid for highways as it did for all other types of need. It was difficult if not embarrassing to attempt to explain this incongruous situation and to reassure local authorities that Federal-aid highways were indeed eligible for disaster assistance and would be fully reimbursable.

In order to resolve this difficulty my last amendment proposes adding a sentence to section 125 of title 23 which would make its provisions effective immediately upon a declaration of a major disaster by the President. At the same time it would in no way disturb the present authority or procedure for the extension of assistance by the Secretary in less than major disasters.

Mr. President, I believe these 12 amendments would help perfect the present major disaster relief law. They would bring additional assistance to those who are truly in need and would help plan against future losses in major catastrophes. I hope that this measure will receive prompt and favorable consideration.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2358

A bill to amend the Disaster Relief Act of 1970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 235 of the Disaster Relief Act of 1970 is amended by inserting after "applicant" the following: "and whether he is employed or receiving public assistance".

(b) Section 238 of such Act is amended by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following new subsection:

"(c) In any major disaster area in which a regular system for the distribution of food stamps and surplus commodities has not been established, or in any such area in which the Federal coordinating officer determines that distribution of food stamps and surplus commodities to disaster victims is inadequate or unnecessarily delayed, the Federal coordinating officer is authorized, in cooperation with the Secretary of Agriculture, to distribute such stamps and commodities in such area as long as he deems necessary."

(c) Section 252(c) of such Act is amended by—

(1) inserting after "development" a comma and "recreation,"; and

(2) striking "system, other than one used exclusively for recreation purposes" and inserting in lieu thereof "system".

(d) Title II of such Act is amended by adding at the end thereof the following new sections:

"ADVANCE PAYMENTS OF AUTHORIZED CONTRIBUTIONS

"SEC. 255. (a) In order to provide essential funds as quickly as possible to any State or local government within a major disaster area, the President is authorized to make advance payments to such government of not to exceed 50 per cent of the estimated total amount available to such government under section 224 (relating to debris removal), section 241 (relating to supplementing property tax losses), and section 252 (relating to repairing and restoring public facilities).

"(b) An advance payment may be made under this section only upon application by the State or local government setting forth a full description of the damages incurred and providing an estimate of the expected total cost of debris removal, property tax loss, and repairing or restoring public facilities made by competent engineers, architects, and responsible local officials and certified as to accuracy by the Federal coordinating officer.

"(c) Any State or local government which receives advance payments under this section in excess of the total amount finally authorized under sections 224, 241, and 252 for such government, shall pay to the United States an amount equal to the amount by which the amount of the advance payments exceeds the total amount finally authorized for such government under such sections.

"PRIVATE MEDICAL CARE FACILITIES

"SEC. 256. (a) The President is authorized to make grants for the repair, reconstruction, or replacement of any medical care facility which is owned by an organization exempt from taxation under section 501 (c), (d), or (e) of the Internal Revenue Code of 1954 and operated to carry out the exempt purposes of such organization which is damaged or destroyed by a major disaster. Such assistance shall be made available only on application, and subject to such rules and regulations as the President may prescribe.

"(b) A grant made under the provisions of subsection (a) shall not exceed—

"(1) 100 per centum of the net cost of repairing, restoring, reconstructing, or replacing any such facility on the basis of the design of such facility as it existed immediately prior to such disaster and in conformity with applicable codes, specifications, and standards; or

"(2) in the case of any such facility which was under construction when so damaged or destroyed, 50 per centum of the net cost of restoring such facility substantially to its condition prior to such disaster, and of completing construction not performed prior to such disaster to the extent that the cost of completing such construction is increased over the original construction cost due to changed conditions resulting from such disaster.

"(c) For purposes of this section, 'medical care facility' includes, without limitation, any hospital, diagnostic or treatment center, or rehabilitation facility as such terms are defined in section 625 of the Public Health Service Act, any similar facility offering diagnosis or treatment of mental or physical injury or disease, and administrative and support facilities essential to the operation of any such medical care facility.

"EMERGENCY MEDICAL AND HOSPITAL SERVICES

"SEC. 257. (a) The Office of Emergency Preparedness shall conduct a nationwide survey of the present capability of and need for emergency medical and hospital services in areas in which major disasters reasonably may be expected to occur.

"(b) The survey shall cover, in addition to such matters as the Director of such office determines to be significant for purposes of major disasters, the current status of and requirements for emergency medical communications systems; the coordination of United States military and Veterans' Administration facilities and medical personnel with local public and private health care resources; the availability of emergency power supplies, potable water and sanitary facilities for hospitals, nursing homes, and other health care establishments; the quantity, location, and availability of portable hospital facilities, medical supplies and equipment; problems of identifying and tracing medical patients injured in major disasters; the status of local emergency medical plans and their coordination with State disaster plans; providing staff privileges by hospitals to non-staff physicians during major disasters; and the need for additional funds to help support State and local emergency medical care programs.

"(c) The Director of the such Office is authorized, in conjunction with other Federal agencies, to prepare through each Regional Director of the Office of Emergency Preparedness an emergency health plan for each metropolitan area with a population in excess of 50,000 which would coordinate the medical personnel and health facilities of the United States with those of State and local governments and with those of private medical associations or health care organizations. The Director shall report to Congress within one year after completion of the survey on needs for additional funds and legislation.

"HOMEOWNERS GRANTS

"SEC. 258. (a) To the extent that loss or damage in excess of $3,000 to an owner-occupied dwelling resulting from a major disaster determined by the President (or a disaster determined by the Administrator of Small Business Administration or the Secretary of Agriculture) is not compensated for by insurance or otherwise, the President is authorized to make grants under this section where such loss constitutes a severe economic hardship to individual homeowners.

(b) A grant made under provisions of subsection (a) shall not exceed—

"(1) 50 per centum of the net cost of repairing, restoring, reconstructing, or replacing such owner-occupied residence as it existed immediately prior to such disaster and in conformity with applicable codes, specifications, and standards; or

(2) a total amount of $15,000.

(c) No grant may be made under the provisions of subsection (a) if the owner of an owner-occupied dwelling had not contracted to purchase any applicable insurance which would have covered the loss or damage incurred in the disaster, and which was available for purchase in the area in which the property is located at reasonable rates within his economic capacity.

"SEISMIC RESEARCH AND INVESTIGATION

"Sec. 259. (a) For the fiscal year beginning July 1, 1972, and for each of the nine succeeding fiscal years, there is authorized to be appropriated an amount equal to the amount by which $15,000,000 exceeds the aggregate amount spent during the preceding fiscal year (not including any amounts made available under this section) for seismic research by all Federal agencies concerned with seismic research.

"(b) The President is authorized to make amounts appropriated pursuant to the authorization in subsection (a) available to such agencies for seismic research. Funds made available under this section shall be used primarily, but not exclusively, for the support of projects relating to—

"(1) the investigation of the causes, frequency, and effects of earthquakes;

"(2) the tracing and mapping of fault lines, particularly in heavily populated areas;

"(3) the preparation of seismic probability and risk maps;

"(4) the development of methods and data which would locate potentially dangerous earthquake areas and permit forecasting possible time and frequency of earthquakes; and

"(5) the analysis of the practicability and value of adopting and enforcing seismic zoning restrictions.

"DESIGN AND CONSTRUCTION OF NEW FEDERALLY-OWNED AND LEASED BUILDINGS

"Sec. 260. In providing for the design, construction, extension or remodelling of any Federally-owned or leased building regularly used by more than 50 persons, the Administrator of General Services shall insure that all architectural, engineering, construction, and supervision services conform with the highest practicable standards and specifications which would enable such building to withstand the destructive effects of major disasters which reasonably may be expected to occur in the area in which such building is located and to protect the lives and safety of all persons using those buildings.

"STRUCTURAL SAFETY SURVEY OF LARGE BUILDINGS

"Sec. 261. (a) The Office of Emergency Preparedness shall establish and conduct a comprehensive, nationwide survey of the structural safety for major disaster purposes of all public and private buildings used for assemblages of 50 or more persons, including, but not limited to, schools, hospitals, hotels, office buildings, auditoriums, theaters, gymnasiums, stadiums, and airport, railroad, and bus terminals.

"(b) To the extent feasible the survey shall include an evaluation of the ability of such structures to withstand any major disaster. The survey shall also indicate which buildings can be strengthened and protected against the type of major disasters which historically have occurred in the particular geographical area in which they are located and which ones should be demolished and replaced because they cannot be braced or strengthened sufficiently to guarantee that persons within them would not suffer injury or death in such a major disaster.

"(c) Within one year after the structural safety survey is completed, the Office of Emergency Preparedness shall submit a report to Congress proposing a program of Federal assistance to State and local governments designed to help strengthen basically sound public buildings and help demolish and replace those buildings found to be incapable of withstanding the effects of a major disaster without endangering life and limb of persons using such buildings.

"IDENTIFICATION AND REMOVAL OR REPLACEMENT OF POTENTIALLY HAZARDOUS PUBLIC DAMS

"Sec. 262. (a) The Office of Emergency Preparedness shall conduct a nationwide survey of publicly-owned dams and reservoirs impounding water near to populated areas which, if released in large quantities instantaneously because of an earthquake, heavy flooding, or other natural catastrophe, would endanger the life and threaten the safety of persons living or working in nearby areas.

"(b) Within one year after completion of the survey, the Office of Emergency Preparedness shall present to Congress a report proposing a program for strengthening, removal, or replacement of any potentially hazardous dam owned by any agency of the United States Government and for assistance to State and local governments for strengthening, removal, or replacement of any other potentially hazardous publicly-owned dam or reservoir.".

Sec. 2. The second sentence of section 125 (b) of title 23, United States Code, is amended to read as follows: "Except as to highways, roads and trails mentioned in subsection (c) of this section, no funds shall be so expended unless—

"(1) the highways, roads, and trails to be repaired or reconstructed are located in an area declared by the President to be a major disaster area under the Disaster Relief Act of 1970; or

"(2) the Secretary has received an application therefor from the State highway department, and unless an emergency has been declared by the Governor of the State and concurred in by the Secretary."

Sec. 3. This Act shall take effect upon the date of its enactment except that the provisions of subsection (c) of section 1 of this Act and the provisions of sections 256 and 258 of the Disaster Relief Act of 1970, as added by subsection (d) of such section, shall take effect as of January 1, 1971.

Bv Mr. WILLIAMS:

S. 2360. A bill to provide for a national educational campaign to combat the lack of consciousness of the public as to the danger of improper uses of motor vehicles on the highways. Referred to the Committee on Public Works.

AUTOMOBILE DRIVER EDUCATION ACT

Mr. WILLIAMS. Mr. President, while the tragic loss of life that accompanies the Vietnamese war is a source of concern, and rightfully so, to all Americans, there is another tragic loss of life which receives much less attention and is greeted with an almost calloused acceptance—the death toll resulting from traffic accidents.

If the danger of an epidemic that would kill 60,000 and injure 5 million Americans in 1972 were to be forecast, all possible means would be employed to stop or reduce the intensity of such an enormous catastrophe.

Such an epidemic for 1972 is forecast and the present prognosis is that it will continue indefinitely. One hundred and fifty Americans will die and more than 5,000 will sustain permanent injuries daily.

And, the killer is not a disease but the automobile or the driver of the automobile.

And while we are aware that the causes of almost 90 percent of these accidents are due to the driver and therefore could conceivably have been prevented, we have adopted, if you will permit the expression, a somewhat fatalistic attitude of resignation with regard to this daily carnage. Aside from the efforts at public education carried on by the National Safety Council and other concerned private organizations, and the rather limited activities of the National Highway Traffic Safety Administration—which had a budget in 1971 of under $43 million—only a little over what it is estimated that automobile accidents cost the United States each day—relatively little is being done to reduce this tragic waste.

The focal point of some of the more active efforts at present appears to be in the field of technological safety—the development of a stronger automobile body structure, or safety devices such as collapsible steering columns, padded windshields and air bags. It is surprising how little attention is paid to the preventive aspects of auto safety—the avoidance of the collision in the first place.

Mr. President, anyone who spends even an hour a day in an automobile, and most Americans are by now resigned to devoting at least that much time to this activity, can testify to the need for better driver education. Driving procedures and regulations have changed drastically over the last 10 years, due to the advent of multilane highways, and increased speed limits. While many accidents are caused by the reckless speeder or drunk driver, many others are caused by the mistakes of drivers who are simply ignorant of proper safe driving techniques. Very few of our States require retesting and many drivers are simply unaware of, or fail to appreciate the importance of the different procedures and/or courtesies required by modern driving conditions. High speed merges at freeway access points, the prevalence of traffic, circles, and the increased presence of motorcycle and motor bike traffic, are situations not often faced by drivers in the past, and now calling for differing responses.

Just how unfamiliar with the proper rules and regulations the average American driver is was illustrated graphically by a nationwide drivers test conducted by CBS in 1966; when 40 percent of those participating failed. This is a good indication of the ineptitude of many drivers and sufficient proof that we must take immediate steps to improve the level of the driving ability of all drivers.

While 50 percent of high school students are taking driver education courses, this, together with voluntary defensive driving courses and compulsory courses taken by our Armed Forces, comprises only a small percentage of the 115 million drivers in this country. Furthermore, pedestrian education could also prove effective in the reduction of 10,000 pedestrian deaths yearly.

It is clear that the present system of depending upon the licensing procedure to educate the driver is not adequate. The varying regulations from State to State result in driver education and testing which is far from uniform. In more than one State, the entire process of testing the applicant's knowledge of safety rules consists of little more than a series of multiple choice questions about stopping distances and traffic regulations.

Frequently, the applicant can memorize a sufficient percentage of the answers to these often obsolete and often irrevelant questions to pass the written examination without any true comprehension of traffic safety requirements.

I am also convinced that we cannot depend on the present approach of utilizing the occasional public service announcement to warn of the hazards of driving. I am therefore submitting today, along with Congressman John Murphy of New York, legislation providing for a national safety campaign of unprecedented intensity and scope. We propose a new positive approach of the use of our national media to reach all, and not a fraction of the drivers, on a continual basis with thoroughly researched, psychologically tested, expertly prepared presentations to teach, make aware and change the wrong attitudes inherent in the driving habits of many drivers.

Equally important will be the expected change in attitude of our children who will comprise the drivers of the future. The effect on children of the campaign against cigarettes is substantial proof of the positive impression our national media can make.

This legislation, called the Automobile Driver Education and Highway Safety Act, would place the responsibility of the campaign with the Secretary of Transportation.

He would be permitted to spend up to $85 million in fiscal 1972 and a sum not to exceed that for the two following fiscal years.

The Secretary would be mandated to carry on an education campaign designed to educate drivers, pedestrians and others with respect to the dangers of driving and walking on highways and to improve safety by improving driver skills, attitudes and knowledge of highway regulations.

I am hopeful that my colleagues will join with me in support of this badly needed national highway safety program. I ask unanimous consent to insert in the Record at this time, the full text of this bill.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2360

A bill to provide for a national educational campaign to combat the lack of consciousness of the public as to the danger of improper uses of motor vehicles on the highways

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Automobile Driver Education Act".

Sec. 2. (a) The Secretary of Transportation, acting through such officers and agencies of the Department of Transportation as he deems appropriate, shall carry on a national educational campaign designed to educate drivers, pedestrians, and others with respect to (1) the dangers incurred when driving on, crossing, or otherwise using the highways, and (2) improving safety on the highways.

(b) In carrying out his functions under subsection (a), the Secetary may enage in research, provide training, and engage in any other activity which will effectuate the purposes of this Act.

Sec. 3. There are authorized to be appropriated not to exceed $85,000,000, for the fiscal year ending June 30, 1972, and for each of the two succeeding fiscal years, for carrying out the provisions of this Act.

By Mr. HARTKE:

S. 2362. A bill to restore and maintain a healthy transportation system, to provide financial assistance, to encourage investment, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes. Referred to the Committee on Commerce.

INTRODUCTION OF "SURFACE TRANSPORTATION ACT OF 1971"

Mr. HARTKE. Mr. President, I have frequently expressed my concern over the growing crisis in transportation, particularly in surface freight transportation. The public spends about $100 billion a year for freight transportation—about one in every $10 of the gross national product. There are over 4 million jobs in freight transportation. One person in every 20 is engaged in the work of moving freight.

When transportation is in trouble, America is in trouble. When transportation shuts down, America shuts down.

I have been saying for months that the transportation industry is its own worst enemy. There are so many differences among the railroads, the truckers and the water carriers that we cannot make a start on solving the industry's problems. I have been saying that there has to be some unity of purpose in the transportation industry itself. We need a more modern, leaner, more efficient transport service. I have said the place to start on a program to produce improved service is with the industry itself. I have urged the railroads, the truckers and the water carriers to lay aside their differences and address themselves to a program to upgrade the ability of transportation to perform its vital public function. Improvements in freight transportation are more and more desperately needed every day.

Now the Association of American Railroads, the Water Transport Association and the American Trucking Associations have done what I asked them to do. It is long overdue; it combines the results of studies of various segments of transport as to what would really help to give the public a strengthened and improved common carrier surface freight transportation system. It is late, it is certainly not perfect; inevitably the railroads, water carriers and truckers have had to give up some of their favorite ambitions; but this proposal is in the right direction; it gives us a place to start; it gives us suggestive signposts to our goals so that a transportation system which serves the public well at the lowest possible cost can be produced.

The public has to have more efficient service out of transportation. That means greatly improved productivity, better utilization of equipment, simplification of the tariffs and above all, the use of the latest technology.

The public has to have a rapidly expanding transport plant that will keep up with the growth of the economy. We are told that transport capacity must double in perhaps 15 years. That means tremendous investment which in turn means more and better jobs.

The public has to have a safer system and one which does not pollute the air and water and which gives out tired eardrums less of a beating.

Incentives have to be provided for billions in new private investment. We have to face it; improving transportation is one big ticket item after another. Let me name a few.

Renewing railroad beds so that we can get freight cars moving faster than an average of 20 miles an hour.

Control systems for improving utilization of freight cars and trucks and barges.

More efficient and economical tugs, towboats and barges, both inland and oceangoing. The average age of the Great Lakes fleet is 44 years. That fleet has to be rebuilt and the other fleets have to be improved and expanded.

Computerization of tariffs to produce a drastic simplification of the process of finding out how much it costs to ship a piece of freight. Today, that is one of the great mysteries.

Drastic improvements in terminals. There are too many rail-freight yards in our many cities. They must be modernized and some must be consolidated. Truck terminals need major improvement and so do the ports.

All these things are going to cost money, but they are going to improve efficiency and cut costs. Building a much more efficient system is the only hope we have for containing rate increases.

Expansion and increased productivity are the goals. How does this bill meet those goals?

First. A system is proposed for Government help to faltering companies whose services are essential in the public interest. The system is modeled on the Reconstruction Finance Corporation which helped so many companies through the Depression. It will only apply if private credit is not available. It will operate in the Treasury Department, and I expect it to be staffed with tough-minded people who will rescue what is needed in the public interest and make sure we get the money back. We are not going to bail out incompetent management or keep in business branch lines no longer needed to keep trackage close enough together to serve the dictates of an age long since past. The object of this proposal is to get certain essential transport services over the hump, and on the road to financial viability. Also in the proposal is a provision for faster action by the ICC on abandonment of services.

Second. A proposal is made to determine adequate rate levels. It is aimed at providing the means for buying the new technology which will make possible drastic cost savings. Under the present system, the cash flow is not adequate to replace worn out equipment and buy better equipment, nor is it adequate to replace used-up capital at current prices. The new system would give recognition to the recent rapid price increase in equipment, facilities, and the cost of capital. It makes sense. A barge bought 5 years ago cost $60,000; a new one with exactly the same capacity cost $120,000 today. Obviously, earnings and revenues have to be sufficient to provide for replacement, improvement, and expansion at current prices. Investment funds have not been adequate for some time. This proposal suggests a remedy. Also included, is a provision of faster action on rate level adjustments.

Third. A proposal is made for two types of tax incentives. The first is the restoration of the investment tax credit for transportation. That was a highly successful device for encouraging investment for modernization and improvement. The second would permit a 5-year write-off for equipment. The railroads already have this privilege with certain restrictions. These restrictions are removed. The Great Lakes and offshore operators have a construction reserve. Only the barge lines are left out and this proposal serves to provide equity. Also included, is a provision for prohibiting discriminatory taxation of transportation property by State and local taxing authorities.

Fourth. More extensive reporting and rate filing on dry bulk commodities and regulation of motor transportation of livestock and certain other agricultural products are proposed. Certain agricultural products moving by truck after initial processing, are also proposed for regulation.

This section is bound to be one of the most controversial in the entire bill, and my introduction of it today certainly does not indicate a prejudgment on my part. But no useful purpose is served by shying away from controversy, and I believe that the Commerce Committee and the full Senate should have the benefit of a thorough airing of the arguments and counter-arguments on this proposal.

Fifth. A proposal is made to expedite the funding of grade crossing elimination where hundreds of people are killed and injured each year.

These proposals all deserve consideration and I intend to open hearings on them as soon as possible after the August recess. I want to see action this year. I need not stress that shippers and labor and other members of the public are invited to comment. I am also looking for suggestions and comments from the Department of Transportation, the Department of Agriculture, and the Interstate Commerce Commission.

I think this proposal is a helpful start. With the cooperation of all those affected, I believe we can make a breakthrough in improving efficiency and lowering the cost of transport service. Basically, what we need to do is to power the familiar cycle of private enterprise operations. Earnings result in an incentive for investment, investments result in an improved efficiency, improved efficiency shapes up the competition and produces a reaction of investment in improved efficiency on the part of the competition, improved efficiency results in better earnings, which again results in new investments. In the transport industry this cycle has slowed down—and some parts of the industry have gone bankrupt. What I want to see is a repowering of that productive cycle in transportation, a cycle which has made America the most prosperous country in the world. This proposal, in my view, provides us with a comprehensive package on which to concentrate. No doubt more is needed. I look forward to hearing the full views of all concerned.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 687

At the request of Mr. Boggs, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 687, the Opportunities Industralization Assistance Act.

S. 1064

At the request of Mr. Harris, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of S. 1064, the Youth Participation Act of 1971.

S. 1315

At the request of Mr. Harris, the Senator from Florida (Mr. Chiles), the Senator from Hawaii (Mr. Fong), the Senator from Wisconsin (Mr. Nelson), the Senator from California (Mr. Tunney), and the Senator from New Jersey (Mr. Williams) were added as cosponsors of S. 1315, the Ocean Mammal Protection Act of 1971.

S. 1874

At the request of Mr. Magnuson, the Senator from Tennessee (Mr. Brock) was added as a cosponsor of S. 1874, a bill to provide for the establishment of projects for the dental health of children, to increase the number of dental auxiliaries, to increase the availability of dental care through efficient use of dental personnel, and for other purposes.

S. 1880

At the request of Mr. Bentsen, the Senator from West Virginia (Mr. Byrd) was added as a cosponsor of S. 1880, a bill relating to the authority of the President to use the Armed Forces of the United Statees in armed conflict.

S. 1930

At the request of Mr. Harris, the Senator from Indiana (Mr. Bayh), the Senator from Iowa (Mr. Hughes), and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of S. 1930, the American Folklife Foundation Act.

S. 2037

Mr. CURTIS. Mr. President, I ask unanimous consent that, at the next printing the names of the two distinguished Senators from Arizona (Mr. Fannin and Mr. Goldwater) be added as cosponsors of S. 2037, a welfare reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2108

At the request of Mr. Cranston, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 2108, to amend chapters 17 and 31 of title 38, United States Code, to require the availability of comprehensive treatment and rehabilitative services and programs for certain disabled veterans suffering from alcoholism, drug dependence and alcohol or drug abuse disabilities.

S. 2223

At the request of Mr. Humphrey, the Senator from Indiana (Mr. Bayh), the Senator from Oklahoma (Mr. Bellmon), the Senator from Idaho (Mr. Church), the Senator from Kentucky (Mr. Cooper), the Senator from California (Mr. Cranston), the Senator from Oklahoma (Mr. Harris), the Senator from Indiana (Mr. Hartke), the Senator from Iowa (Mr. Hughes), the Senator from Washington (Mr. Jackson), the Senator from Idaho (Mr. Jordan), the Senator from Massachusetts (Mr. Kennedy), the Senator from New Hampshire (Mr. McIntyre), the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. Muskie), the Senator from Wisconsin (Mr. Nelson), the Senator from Connecticut (Mr. Ribicoff), the Senator from Virginia (Mr. Spong), the Senator from Mississippi (Mr. Stennis), the Senator from California (Mr. Tunney), the Senator from New Mexico (Mr. Anderson), the Senator from West Virginia (Mr. Byrd), and the Senator from Alaska (Mr. Stevens) were added as cosponsors of S. 2223, a bill to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes.

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Minnesota (Mr. Humphrey) I ask unanimous consent that the following Senators be added as cosponsors to S. 2223, to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes: Mr. Bible and Mr. Williams.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2318

At the request of Mr. Williams, the Senator from Minnesota (Mr. Humphrey) and the Senator from New York (Mr. Javits) were added as cosponsors of S. 2318, a bill to amend the Longshoremen's and Harbor Workers Compensation Act, and for other purposes.

SENATE JOINT RESOLUTION 62

At the request of Mr. Griffin, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of Senate Joint Resolution 62, a resolution authorizing the display of the flags of the 50 States at the base of the Washington Monument.

SENATE JOINT RESOLUTION 108

At the request of Mr. Cranston, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of Senate Joint Resolution 108, to declare a U.S. policy of achieving population stabilization by voluntary means.

SENATE JOINT RESOLUTION 142

At the request of Mr. Hatfield, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of Senate Joint Resolution 142, relating to a memorial commission to plan for a suitable memorial to President Herbert Hoover.

SENATE RESOLUTION 159—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH submitted the following resolution:

S. Res. 159

Resolved, That the Special Committee on Aging is authorized to expend from the contingent fund of the Senate not to exceed $2,000, in addition to the amount, and for the same purposes and during the same period, specified in Senate Resolution 316, Ninety-first Congress, agreed to February 16, 1970, authorizing a complete study of any and all matters pertaining to the problems and opportunities of older people.

EMERGENCY LOAN GUARANTEE ACT—AMENDMENT

AMENDMENT NO. 339

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted an amendment, intended to be proposed by him, to the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

AMENDMENT NO. 341

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted amendments, intended to be proposed by him, to Senate bill 2308, supra.

FEDERAL ELECTION CAMPAIGN ACT OF 1971

AMENDMENT NO. 340

(Ordered to be printed and to lie on the table.)

Mr. PEARSON. Mr. President, I introduce an amendment intended to be proposed by me to amendment No. 308 by Mr. Pastore to S. 382. I ask unanimous consent that the Record, as well as this amendment, indicate that the following Senators join with me in support of this amendment: Mr. Packwood, Mr. Dominick, Mr. Prouty, Mr. Baker, Mr. Moss, Mr. Stevens, Mr. Gravel, Mr. Scott, Mr. Cotton, and Mr. Hatfield.

I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 340

On page 20, strike lines 18 and 19 and insert in lieu thereof the following:

"(g) 'Commission' means the Federal Elections Commission;".

Wherever in title II of such bill, as amended by amendment 308, it appears strike "Comptroller General" and insert in lieu thereof "Commission".

Wherever in such title "he" or "him" appears with reference to the Comptroller General, strike such word and insert in lieu thereof "it".

On page 35, between lines 10 and 11, insert the following:

"FEDERAL ELECTIONS COMMISSION

"Sec. 310. (a) There is hereby created a commission to be known as the Federal Elections Commission, which shall be composed of five members, not more than three of whom shall be members of the same political party, who shall be appointed by the President, by and with the advice and consent of the Senate. One of the original members shall be appointed for a term of two years, one for a term of four years, one for a term of six years, one for a term of eight years, and one for a term of ten years, beginning from the date of enactment of this Act, but their successors shall be appointed for terms of ten years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Commission and one member to serve as Vice Chairman. The Vice Chairman shall act as Chairman in the absence or disability of the Chairman or in the event of a vacancy in that office.

"(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and three members thereof shall constitute a quorum.

"(c) The Commission shall have an official seal which shall be judicially noticed.

"(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the action it has taken; the names, salaries, and duties of all individuals in its employ and the money it has disbursed; and shall make such further reports on the matters within its jurisdiction and such recommendations for further legislation as may appear desirable.

"(e) Members of the Commission shall, while serving on the business of the Commission, be entitled to receive compensation at a rate fixed by the Director of the Office of Management and Budget but not in excess of $100 per day, including traveltime; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code.

"(f) The principal office of the Commission shall be in or near the District of Columbia, but it may meet or exercise any or all its powers at any other place.

"(g) All officers, agents, attorneys, and employees of the Commission shall be subject to the provisions of section 9 of the Act of August 2, 1939, as amended (the Hatch Act), notwithstanding any exemption contained in such section.

"(h) The Commission shall appoint an Executive Director without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, to serve at the pleasure of the Commission. The Executive Director shall be responsible for the administrative operations of the Commission and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Commission. However, the Commission shall not delegate the making of regulations regarding elections to the Executive Director.

"(i) The Chairman of the Commission shall appoint and fix the compensation of such personnel as it is deemed necessary to fulfill the duties of the Commission in accordance with the provisions of title 5, United States Code.

"(j) The Commission may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

"(k) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"'(131) Executive Director, Federal Elections Commission.'

"(l) In carrying out its responsibilities under this title, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of the General Accounting Office and the Department of Justice. The Comptroller General and the Attorney General are authorized to make available to the Commission such personnel, facilities and other assistance, with or without reimbursement, as the Commission may request."

Renumber the following sections in such title accordingly.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 238

At the request of Mr. Pearson, the Senator from New Hampshire (Mr. Cotton) and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of amendment No. 238, intended to be offered to the bill (S. 382) to establish a Federal Elections Commission.

AMENDMENT NO. 252

At the request of Mr. Cranston, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of amendment No. 252, to S. 2108, a bill to insure medical confidentiality and protect against self-incrimination with respect to information provided by veteran drug addicts or alcoholics undergoing treatment and rehabilitation.

ANNOUNCEMENT OF HEARINGS ON VETERANS' HEALTH MANPOWER AND MEDICAL CARE LEGISLATION

Mr. CRANSTON. Mr. President, I announce for the information of Senators, the scheduling of hearings by the Subcommittee on Health and Hospitals, which I am privileged to chair, of the Committee on Veterans' Affairs, on August 4, at 9 a.m. in room 6202, New Senate Office Building, on Veterans' Administration health manpower training legislation—S. 2219, S. 2355, and House Joint Resolution 748, and related bills—Senate Joint Resolution 76; Senate Joint Resolution 128, S. 2304—on Veterans' Administration medical care legislation, S. 2354, S. 1924, and related bills—S. 2340, S. 1635, S. 739, and S. 879—and on one miscellaneous bill, H.R. 481.

These bills are directed at improving health care provided by the Veterans' Administration to its beneficiaries, broadening the VA's authorities in training and education of health manpower, and strengthening and expanding the VA's Department of Medicine and Surgery affiliations with medical centers and with the medical community in general.

The primary bills under consideration have the following short and long titles:

S. 2219, the "Veterans' Administration Health Manpower Training Act of 1971", a bill to amend title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to provide certain assistance in the establishment of new public nonprofit medical, health professions, and allied health schools and the expansion and improvement of health manpower training programs in Veterans' Administration facilities and in existing educational institutions affiliated with the Veterans' Administration.

S. 2355, the "Veterans' Administration Continuing Medical Education Act", a bill to amend title 38, United States Code, so as to afford advanced residency-type training to medical personnel of the Veterans' Administration and other Federal Departments and Agencies at Regional Medical Education Centers established at Veterans' Administration hospitals throughout the United States.

H. J. Res. 748, the "Veterans' Administration Medical School Assistance and Health Service Personnel Education and Training Act of 1971", a Joint Resolution amending title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to provide certain assistance in the establishment of new State medical schools; the improvement of existing medical schools affiliated with the Veterans' Administration; and to develop cooperative arrangements between institutions of higher education, hospitals, and other public or nonprofit health service institutions, and the Veterans' Administration to develop and conduct educational and training programs for health care personnel.

S. 2354, the "Veterans Health Care Reform Act of 1971", a bill to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes.

S. 1924, the "Veterans Medical Care Act of 1971", a bill to amend title 38 of the United States Code to provide improved medical care to veterans; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery, and for other purposes.

H.R. 481, a bill to provide for the adjustment by the Administrator of Veterans' Affairs, of the legislative jurisdiction over lands belonging to the United States which are under his supervision and control.

The first witnesses will be the Deputy Administrator of the Veterans' Administration, Fred B. Rhodes, and the Chief Medical Director of the Veterans' Administration, Dr. Marc J. Musser.

Hearings will continue into the afternoon with a break from 12: 30 to 1: 30 p.m.

NOTICE OF HEARINGS

Mr. SPARKMAN. Mr. President, on Thursday, July 22, 1971, I introduced S. 2333, the proposed Community Development Assistance Act of 1971. At that time, I announced that George Romney, Secretary of the Department of Housing and Urban Development will testify on August 2 on this bill and also on S. 1618, S. 2049, and all other housing and urban development bills pending before the Subcommittee on Housing and Urban Affairs.

I should like to announce that the hearings will continue on August 3 at which time the subcommittee will hear from representatives of the U.S. Conference of Mayors-National League of Cities and the National Association of Housing and Redevelopment Officials on the community development bills pending before the subcommittee.

Since other witnesses have indicated the need for more time to prepare testimony on the above bills, subsequent hearings will be held by the subcommittee during the weeks of September 13 and 20, 1971. All persons wishing to testify during these 2 weeks should contact Miss Dorrie Thomas, room 5226, New Senate Office Building; telephone, 225-6348. In addition, the subcommittee will be pleased to accept written statements for inclusion in the record of hearings.

The hearings will commence at 10 a.m. each day and will be held in room 5226, New Senate Office Building.

ANNOUNCEMENT OF HEARINGS ON FEDERAL RESPONSE TO THE HOUSING NEEDS OF OLDER AMERICANS

Mr. WILLIAMS. Mr. President, the Subcommittee on Housing for the Elderly of the U.S. Senate Special Committee on Aging has scheduled hearings for August 2, 3, and 4 to begin at 10 a.m. and to be held in room 4232 of the New Senate Office Building. At this time we will hear from sponsors, developers, and tenants associated with projects built under section 202 and FHA section 236 of the National Housing Act. Numerous allegations have been made about the excessive cost to the Government and of the general inappropriateness of FHA section 236 and the interest subsidy mechanism as a means of providing housing for the elderly and low income individuals. As subcommittee chairman, I intend through these hearings to ascertain the facts.

The hearings on August 2, 3, and 4 will open a subcommittee inquiry into the adequacy and appropriateness of the Federal response to housing needs of older Americans.

ADDITIONAL STATEMENTS

REMARKS BY SENATOR WILLIAM B. SAXBE AT SENATE PRAYER BREAKFAST MEETING ON JULY 28, 1971

Mr. STENNIS. Mr. President, on July 28, the distinguished Senator from Ohio (Mr. Saxbe) spoke at the Senate Prayer Breakfast. His learned and philosophical remarks brought to bear the lessons of our belief on the problems we face today, as individuals and as nations.

Senator Saxbe pointed out that although the centuries have brought about profound changes in man's surroundings, and in society, man himself has remained much the same, and belief and worship remain fundamental to his nature.

Senator Saxbe's remarks clearly show that there is a need, more than ever, to follow the teachings of religious wisdom, of love and compassion, hope and faith. These remarks should be read in full by all who are concerned with today's problems, and I therefore ask unanimous consent that they be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Prayer Breakfast Talk by Senator Saxbe, July 28, 1971

Our breakfast group over the years behaves not unlike the adult classes of the churches most of us attended before coming to Washington. Our leaders change each week as they do in many other adult classes. I think it is fair to say, knowing we have a learned group, that we search for the lessons of our belief, apply them to present day people and problems and profit thereby.

The wonder is not that so many things have changed in the history of recorded time, but that so many attitudes, motivations and reactions have remained the same. Anthropologists assure us that man has grown almost a foot in physical stature during the relative short time known in history. In the western world, his whole way of living has changed. From a tribal society bound together for survival, we have changed to a layered class society dependent on and subject to external, man-made forces over which they have no control.

It is no wonder, then, that as we are separated from the phenomena of wind and water, of hostile and often catastrophic natural forces, we tend less and less to associate ourselves with an all-seeing deity. Some scholars say that the God of the Judeo-Christian ethic is the deity of an unsophisticated and primitive nomadic people struggling with a hostile environment, motivated by basic survival and overly influenced by fear, superstition and avarice.

Yet, a review of other religions attracting sizable followings in the world indicates that the charge would be the same against each. Why then has belief and worship survived when conditions have been so noticeably altered? It could be suggested that it has survived because there are still billions of unenlightened souls whose lives are still tied to conditions not unlike biblical times; another suggestion is that there is a mystical and pervading desire to believe and if there were no religion, one would be speedily invented; that man individually and collectively needs a crutch in the form of an intangible outside presence, perhaps imaginary, but necessary and critical to man's appreciation of his place in the universe.

Perhaps a more plausible thought advanced by those of us who feel called upon to defend belief and faith is that, while external pressures on man have changed drastically over the millenniums, man himself remains the same. Moreover, according to this strain of thinking, the parables, lessons and examples of the Bible are the distilled essence of history.

The escapades, derelictions, punishments and retributions of Abraham and Isaac demonstrate the strength and weakness of man today as certainly as they did the experiences and motivations of a nomadic, tribal society five thousand years ago.

Who would say that Christ with his wisdom and love would be less timely today than in another day? It follows that if we demand reason, we need only listen to the great minds of today who say that believers and non-believers alike must, to survive, follow his teaching of love and compassion. But it also follows that his teaching of love and compassion are as true for the state as they are for the individual. So, collectively, nations can overcome their self-interest and live together in the family of man. I think most of us in this room realize that nations are selfish and will be so until the end of history, but that they are also much more than selfish and have to be.

The late Protestant theologian, Reinhold Niebuhr, put it this way in discussing the selfishness of nations: "The whole art of politics consists in directing rationally the irrationalities of men."

Theology and philosophy have never been far apart. Many precepts of ancient philosophy have found their way into religious dogma. Philosophers and behaviorists alike rationalize many religious beliefs previously held by the masses as pure faith. These rationalizations establish on other than religious grounds a history of man's progress and set out systems of values based upon scientific knowledge and, more often than not, on dialectic materialism. Practically all philosophies, however, have hedged on accepting any system religious or materialist that assumes a master plan of creation. I have never fully understood why, for I don't see any inconsistency.

If man accepts the premise that religion is outmoded and only through science can he find truth, then does it follow that we are trying to practice and teach systems of values already destroyed at the roots by that very science. I think not.

A brilliant French biologist and Nobel-prize winner, Jacques Monod, has accepted just the premise and while it may be presumptious, I must say I disagree. In a recent publication, M. Monod says that man is a result of pure chance, through unpredictable mutation, and we must sweep the plate clean of all previous religions and philosophies. "Man knows at best," he says, "that he is alone in the indifferent immensity of the universe whence he has emerged by chance." He continued: "His duty, like his fate, is written nowhere. It is for him to choose between the kingdom and the darkness."

Now if this be true, and our system of values is free for us to choose, is it not likely that we could wind up with the same set of values that we have believed but followed so carelessly through most of recorded history? Again, I submit it certainly is.

To put it plainly, our religion, Christian or whatever, could be such a value system, dressed in metaphysical trappings. If it is naive to have a fundamental belief that puts us at the center of the universe, would it profit us now to discard such belief and try to manufacture, on short notice, a substitute based on science? Certainly not.

Niebuhr spoke to this very well in espousing his so-called doctrine which, in essence, accepted God and contended that man knows Him chiefly through Christ. This doctrine in its evolved form suggested that man's condition was inherently sinful, and that his original, and largely ineradicable, sin is his pride, or egotism.

"*The tragedy of man,*" Mr. Niebuhr once said, "*is that he can conceive self-perfection but cannot achieve it*".

Man should not passively accept evil. But should strive for moral solutions to his problems. The Christian faith cannot deny that our acts may be influenced by heredity, environment and the actions of others. But it must deny that we can ever excuse our actions by attributing them to the fault of others. Even though there has been a strong inclination to do this since Adam excused himself with the words, "The woman gave me the apple." In struggling for the good, institutional change is likely to be more effective than a change of heart. Mr. Niebuhr suggested.

Mr. Niebuhr objected especially to the notion that religious conversion could cure race prejudice, economic injustice or political chicanery. The remedy, he believed, lay in societal changes spurred by Christian realism. In this sense, man could be an agent in history by coming to terms with it and working to alter his environment.

A philosophy professor I once had declared it was difficult to believe in God—but that it was much more difficult not to. Isn't this where we find ourselves today?

The struggle between good and evil has fascinated man throughout history. But his power was limited. He could burn and kill only those he could reach. His worst depredations soon healed over. His empires and fortunes rose and fell on the tide. Succeeding generations found the world little changed by the goodness or evil of their predecessors.

All of this has changed. We have robbed the sun of its secret. We can unleash power we cannot control. But we must never forget that we can still decide when and when not to "unleash." In short, man can be the shaper of his death or of his life. But time is short. Hope and faith are not recognizable laboratory values, but they are the very basis of religious belief. Is it not better, then, today to try to tackle our problem with hope and faith and all the knowledge and awareness science has brought us, rather than to accept the bleakness and despair of no belief, no hope, no values?

Man is tough and resourceful. He has weathered many crises. With belief and hope, he can weather this one.

UNITED STATES-JAPANESE RELATIONS

Mr. PEARSON. Mr. President, relations between the United States and Japan may be entering their most delicate period since the end of the American occupation. The delicacy arises over the juxtaposition of economic and political controversies at a time when long-term relations between the two great democracies are in at a crossroads. Only the greatest sensitivity and statesmanship on both sides of the Pacific will prevent a disastrous confrontation damaging to fundamental interests of both nations.

The United States and Japan have a golden opportunity to firmly establish a mutually beneficial relationship in Asia and the Pacific based upon a concert of political and economic interests, but this relationship could founder in the next few months if politicians and statesmen on both sides of the Pacific do not act with the upmost restraint and responsibility.

The immediate issue which could provoke a dramatic confrontation is Senate consideration of the Okinawa Reversion Treaty signed by the President in June of this year. In this country, some may attempt to link the return of Okinawa and eventual withdrawal of American forces to changes in Japanese export practices and import restrictions. In Japan, for understandable reasons, the return of Okinawa has become a highly nationalistic issue. A failure to ratify the treaty, or to ratify with conditions relating to trade matters, could provoke potent forces of nationalism in Japan—forces which could shape United States-Japanese relations for years to come.

Confrontation now would be doubly tragic as signs of changes in Japanese policies hold out some promise for settlement of the most difficult trade problems.

At this juncture of United States-Japanese relations, it would be wise to place some of the relatively minor disagreements we have with Japan in the perspective of the overall importance of United States-Japanese relations. This is not to dismiss the serious individual problems caused by any economic dislocations resulting from Japanese imports, rather it is to measure those problems against the consequences of disruption of cordial relations with the Japanese.

It is not possible, in a short statement, to adequately examine the strategic importance of United States-Japanese relations. In brief, the Japanese will be leaders in Asia for the foreseeable future. Japan is the only Asian nation which can balance the power of the Peoples Republic of China on the small nations of Asia from Korea to Burma.

It is not difficult to imagine the leaders of the small nations of the area balancing Chinese influence and pressure against Japanese economic and political power. The independence of these small nations for which so much American blood and treasure has been expended, is undeniably important to American security.

The Japanese will, however, need American assistance to carry out this important strategic function; and provided cordial relations are maintained, will seek and receive assistance as needed. In short, the Japanese are a key to the successful operation of the Nixon doctrine in Asia.

Although they may be somewhat concerned about the establishment of diplomatic relations between Washington and Peking, it is difficult to believe that any future rapprochement with the Peoples Republic will supersede the necessity of maintaining close ties with the other Asian power, Japan.

Political and economic relations between Asian policies of the United States and Japan could be found in coordinated foreign assistance programs. A large proportion of American foreign assistance has been spent assisting Asian nations maintain political integrity and promote economic development. The continuation of these efforts is important to both the United States and Japan. While the political interests of the two allies are not identical, they are certainly in enough accord to permit the coordination of aid efforts.

This would have economic and political advantages for both nations. Economically, an increase in Japanese development loans and grants, as opposed to the export-oriented assistance now rendered, could relieve some of the balance-of-payments strains American aid now places on our economy. Relief of American balance-of-payments difficulties has definite benefits for the Japanese.

In addition to the desirability of increased grants and loans from Japan, the Japanese may well be able to operate technical assistance programs more easily than Americans. They should have a better grasp of cultural requirements of technical aid—problems which all too often limit the effectiveness of American programs—and should, as Asians, be less conspicuous and objectionable in war-ravaged Southeast Asia than Americans.

Increased Japanese efforts in the development assistance field could offset some of the American criticisms of low levels of Japanese efforts in defense spending. At this time Japan spends about 0.8 percent of her GNP on defense while the United States spends many times that amount on American forces defending Asian allies alone.

A good case can be made for the Japanese assuming a larger portion of development assistance efforts on both political and economic grounds. For reasons stated earlier, they may well be able to operate more effectively in the Asian cultures than Americans, while Americans—the only power really capable of strategic defense of the Pacific—are able to supply men and material for defense.

For domestic political reasons in both the United States and Japan, this division of labors may well be advantageous. We can all understand the reluctance on the part of many Japanese to develop military forces capable of supporting their Asian allies—forces which would be considered offensive forces. A number of small Asian nations would also be uncomfortable with such a development.

On the other hand, foreign assistance has not been unpopular in Japan. Although it has been, exclusive of war reparations, mostly on hard terms and tied to export expansion, the Japanese have indicated that they will triple their development assistance efforts in the next years. By contrast, foreign aid funds are extremely hard to come by in the United States. Congress grudgingly votes money each year, and in decreasing amounts at that. Defense funds are, however, somewhat easier to secure, especially when the administration can actually demonstrate a need.

By dividing and coordinating our efforts in aid and defense, the United States and Japan could reinforce mutually advantageous policies throughout Asia and the Pacific.

For individual Americans and Japanese, somewhat esoteric international policies do not have the direct personal impact of economic relations between the two nations. Two hundred and ten million Americans and one hundred and four million Japanese carry on a trade valued at $10.5 billion, 1970. Furthermore, this trade has been increasing at a fantastic rate for the last 5 years and the prospects for continued increases are excellent.

A great deal of verbage has been expended on trade between the United States and Japan. No one denies the fact that the United States has run a sizable deficit in bilateral trade with Japan in the last few years. It is, however, imperative to consider the implications of the return to mercantilism advocated by some as a cure for the increase of Japanese imports.

It is, perhaps, necessary to make the simple economists' point that foreign nations have to sell goods in the United States to earn the dollars to buy American goods. In more specific terms, Japanese must sell radios, cameras, and even textiles, if they are going to be able to continue to buy wheat, corn, grain sorghum, and other commodities from Americans.

Japanese as much as Americans, have a stake in seeking to restore a balance to the trade between the two nations. Japanese mercantilism is as futile as American mercantilism, it does the Japanese little good to continue to hold large foreign currency reserves especially while the dollar continues to decrease in value due to inflation. The Japanese, for their part, are evidently beginning to understand the urgent need for changes in their import regulations, export practices, investment regulations, and the value of the yen—perhaps the most important element of all.

Japan is the United States second largest single market for all export products and it is the largest market of American agricultural exports. The United States is Japan's largest foreign market. The value of U.S. exports of agricultural commodities to Japan rose to a record $1.2 billion in calendar year 1970, a 30-percent increase over 1969. This trade represented a 110-percent increase over the average value of U.S. agricultural exports to Japan during the 1965–69 period.

These statistics are cited to indicate the dangers faced by American exporters, especially American farmers, if Japanese-American trade is disrupted because of political or economic disputes. This is not to imply that Japanese import restrictions, export practices, and yen value are entirely acceptable; certainly both sides need to negotiate changes in trading practices. I do want to point out the magnitude and delicacy of the problem—especially for those whose incomes depend on exports to Japan at a time when we hear almost exclusively about those whose incomes may be jeopardized by Japanese imports.

At this time, the interests of a relatively small number of persons adversely affected by imports from Japan cannot be allowed to override the national security and economic well-being of the majority of the American people—and that is precisely the danger which could arise from attempts to use the Okinawa Reversion Treaty as a bargaining device to secure trade concessions from Japan.

We cannot, of course, ignore the serious difficulties encountered by those whose jobs and investments are threatened by foreign competition. Greater utilizatiton of adjustment assistance benefits for workers and businesses affected by increased imports is the most sensible short-term remedy available to the United States. Adjustment assistance enables the entire society to bear the costs of retraining and reinvestment of resources displaced by imports. This is only fair, as the entire society benefits from the lower costs of the imported goods. In this way we adjust to competition from abroad internally, and avoid the trade wars and other international dangers of escalating protective tariffs.

I have tried to examine, however briefly, the importance of the maintenance of cordial relations between the United States and Japan and to point out that the next few months may be an extremely critical period for the formation of long-term relations between the two nations. Both nations have too much at stake to allow relatively minor, but soluble, controversies to disrupt political and economic relations in their formative months. Now is a time when statesmen must become politicians and politicians become statesmen if we are to avoid tragic disruption of our close ties with Japan.

WOW: COMMUNITY ASSET

Mr. INOUYE. Mr. President, there is a serious lack of vocational and educational services for the growing number of women, not only in this country but throughout the world, who need to work. Here in Washington we have an organization, Washington Opportunities for Women, which has pioneered in this critical field. WOW, established in 1966, is a nonprofit organization which helps meet these special educational and vocational needs and helps employers and community agencies utilize the talents and skills of women. Reports about WOW's successful efforts in Washington have spread, and more than 100 individuals and groups in this country, Canada, Europe, and Asia have contacted WOW for advice on how to set up similar programs in their own areas.

On July 2 the Christian Science Monitor published a comprehensive report on WOW, written by Mary Shivanandan. WOW is a valuable asset to the Washington community, deserving of support, and I commend the Monitor and Mrs. Shivanandan for publishing this excellent article. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOB TALENT SERVICE: WOW! HOW IT'S GROWN IN JUST FIVE YEARS

(By Mary Shivanandan)

WASHINGTON.—Betty is in her late 40's. She has an M.A. in history and has done a lot of volunteer work. Her husband is ill, her son is in college, and she needs money. How does she find a job?

Shirley, 21, is a math major, but she is employed as a secretary. How can she find a job commensurate with her training?

Mrs. Liebman hasn't worked since 1959. A 67-year-old widow, she needs to get involved but doesn't know what her field is.

These are three out of a daily average of ten to sixteen women who search out the office of Washington Opportunities for Women (WOW) located behind the U.S. Professional Placement Center here. Trained volunteers, working from 10 a.m. to 2 p.m., Monday through Thursday, assess the home situation, the education and career goals of the applicant and advise her on jobs and/or further training. In addition, a paid staff puts in 30 to 40 hours a week developing job openings, exploring study opportunities, soliciting funds, analyzing applications, and researching the needs of women workers.

WOW was started by a group of Washington women who were looking for part-time work and didn't know where to find it. "Working out of somebody's basement," in 1966, 100 volunteers researched and compiled a book called "Washington Opportunities for Women," a guide to part-time work and study, that was published as a commercial venture in 1967.

WOW'S ACCOMPLISHMENTS

Five years later, WOW:

Operates a free information and referral service for women looking for jobs and study opportunities, for employers seeking qualified part-time help, and for community organization in search of competent volunteers.

Maintains a talent bank of approximately 400 women whose qualifications and experience place them in the GS 9 category of the U.S. Civil Service or above.

Has initiated an urban teaching project with Trinity College, to train and place 45 women as part-time teachers in District inner-city schools:

With a grant from the U.S. Department of Health, Education, and Welfare, runs an information and referral center for handicapped children:

Since September, 1970, has trained as social work assistants 30 disadvantaged men and women, with funds from the U.S. Department of Labor. Called the New Careers Program, it provides on-the-job training at St. Elizabeths Hospital and accredited instruction at Federal City College.

Mrs. Mary Janney, and Mrs. Jane Fleming, co-directors, have been with WOW from the beginning. Five years and thousands of applicants later they have strong views on the job discriminations, subtle, and not so subtle, faced by women.

"It's a great myth that women don't need to work," said Mrs. Janney. "The recent cutbacks in jobs have seriously affected women and they are angry about it." Mrs. Janney cited the case of a woman, aged 30, who had reached the GS 13 level. She was knocked down to a GS 11 and a little later fired. The woman is divorced and the sole support of three children.

A random survey of 83 women applicants to WOW in January and February, 1971, showed that more than 80 percent had a B. A. degree or above. Asked to list the obstacles in career planning and career placement, the women most frequently mentioned the attitudes of men, employers and women themselves. Employers were accused of "discriminatory hiring practices, particularly in broadcasting and journalism confining women to secretarial jobs, or refusing to hire women who might move, passing women over for promotions, not allowing them to return after maternity leave without loss of seniority" and paying unequal wages for equal work. They mentioned their own lack of confidence and societal pressures from early childhood as well as inadequate counseling in high school and college. Absence of day care facilities and inflexible hours of work or study were also listed as obstacles.

A FOOT IN THE DOOR

The fact that the women now verbalize their feelings of discrimination, Mrs. Janney sees as an advance over five years ago, and she tries to encourage the high motivation expressed by many of the young women. Above all WOW encourages them to do the right things when they are young, to get their education completed, to keep a foot in the door with part-time employment or volunteer work when the children are small.

Mrs. Fleming is appalled at the numbers who say they will be teachers. "They won't be," she emphasized. Projections by the U.S. Bureau of Labor Statistics for the 1970's forecast a continuing influx of teachers. Other traditional female occupations such as nursing and library work will not be able to absorb the growing number of women graduates. On the other hand, medicine, dentistry and engineering will need increasing numbers of workers. Women would also be well advised to look into the fields of appliances and business machine servicing and auto mechanics.

FUNDS SOUGHT

The women at WOW are continually coming up against a lack of adequate counseling in high school and college. In an effort to interest a local university in the counseling needs of women. WOW requested a graduate student to work as a volunteer. The head of the counseling department failed to understand the request. Finally the head of the rehabilitation department in charge of training the disadvantaged provided a graduate student.

WOW is now seeking funds to expand its activities. Mrs. Janney believes that their services are needed not just by college graduates, but by the whole range of women workers, particularly the disadvantaged. WOW would like to become an information and referral service for placement, refresher training, social security, legal aid, and health problems. With regard to child care, which Mrs. Fleming calls the "key" to employment for women, they would like to collect data on existing day care centers in the area and are planning their own day care pilot program. The nearby Arlington County public school system has initiated an after-school program for children of working mothers. "Women are lagging behind blacks," said Mrs. Janney, "but they have started organizing."

THE UNFINISHED REVOLUTION

Mr. MATHIAS. Mr. President, there are times, when we feel beset by the troubles of the present, that we are inclined to think of the past simply as "the good old days." We are reminded of the error of such an idyllic viewpoint in the thoughtful text of a message sponsored by station WBAL–TV in the May issue of Baltimore magazine.

I ask unanimous consent that the message, entitled "The Unfinished Revolution," be printed in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

THE UNFINISHED REVOLUTION

There is a temptation, under the onslaught of contemporary troubles, to evoke evermore-rosy images of America's past.

We sometimes think of this Nation as having been born in full flower of adulthood—in the prime of wisdom, vigor and sense of purpose.

And, so the story goes, we've been sliding downhill ever since.

Taking away nothing from the very remarkable men who founded these United States, we would like to point out that, along with the disappointments, a lot of improvements have been made since those Good Old Days.

Take 1789, the year George Washington became our first President:

The long, divisive war (opposed from the beginning by fully a third of the populace) had been miraculously won seven and a half years before.

Inflation and post-war depression had strained the public purse, temper and credulity.

After two years of debate, North Carolina and Rhode Island had yet to ratify the new Constitution and join the Union. More than thirty-five percent of all delegates at state ratifying conventions had, in fact, voted against the Constitution.

Even when ratified, what did the Constitution provide?

No guarantee of personal liberties, certainly. Our precious Bill of Rights would not be adopted until 1971—as a grudging compromise to the Nation's first protest movement, the Anti-Federalists, who feared unbridled government power.

No provision for religious freedom. In New Hampshire, Connecticut and Massachusetts separation of church and state was not to be achieved until well after 1800.

No solution to the agonizing slavery issue. It would take, seven decades later, history's bloodiest war and the loss of one out of five American men of military age to erase slavery from the land.

Nor was the right to vote guaranteed even to white males.

Every state had economic, religious or other restrictions on voting. In Rhode Island more than half of all adult white males would be disenfranchised until as late as 1843.

Women, of course, would not vote until 1920 and blacks in some parts of the country would be unable to exercise that right until a century after it was established in 1870.

Universal education, labor reforms, health laws—all were yet to rise out of nineteenth century humanitarian movements.

What the Constitution did provide was a beginning—a hard-won chance to build a Nation which, more than a century and a half later, laborer-philosopher Eric Hoffer would describe as "the only new thing in history."

The Revolution goes on. Sometimes peacefully, sometimes painfully.

And there is reason for confidence.

Ours is the first great nation, in the midst of unprecedented power and prosperity, to re-evaluate its own goals, question its own rightness and work from within to correct its injustices.

May we, as Marylanders, prove as equal to the task of doing the proper thing (if not always the most popular thing) as those first practical dreamers of the American Revolution.

Let's work together . . . Meeting the Baltimore Challenge.

THE SOKOLS

Mr. BAYH. Mr. President, on July 17, I had the honor of addressing the 25th National Slet on the Slovak Catholic Sokol. At the convention, I was especially impressed by the sense of brotherhood of the Sokols and by their pride in both their ancestry and America. Since many of us are not familiar with the origin of Sokol organizations or of the particular character the organizations give to cities like Bethlehem, Pa., I ask unanimous consent that an article entitled "Bethlehem, Pa., Is Widely Known as a Sokol City," published in the July 14 issue of the Falcon be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BETHLEHEM, PA., IS WIDELY KNOWN AS A SOKOL CITY

Bethlehem, Pa., is truly called a Sokol City for the reason that it has two Sokol Halls and the members of both organizations live in peace, harmony and true brotherly Sokol love and spirit, as advocated by the Sokol founders.

Bethlehem, Pa., Slovak pioneers settled in this "Christmas City" 91 years ago. On June 29, 1971, we recalled the 80th anniversary of the ordination of their late great leader, Father Francis C. Vlossak, whose Centennial birthday we observed in 1964. Father Vlossak was a pioneer priest of Philadelphia archdiocese, out of which was created the Allentown diocese. He assisted the well known Msgr. William Heinen of Mauch Chunk, known as the "apostle of the Slovaks" in the Lehigh Valley on account of establishing some 14 Slovak parishes.

Now what is the Sokol? It means Falcon and the Slavonic nations adopted the name to honor their heroes, who are called Sokols. The Sokol movement dates back to the boyhood of St. Methodius, who with his brother St. Cyril converted the Slovaks and the Slavs in the ninth century. It is related that St. Methodius as a boy was attached to a bird Falcon and practiced falconry, which was a popular sport among the European aristocracy.

The Slavonic poets and bards wrote about their heroes, whom they called Sokols.

But the movement was organized on February 16, 1862 in Prague, present Czecho-Slovakia by Dr. Miroslav Tyrs and his father-in-law Jindrich or Frederick Fugner for the purpose of Physical Fitness and training of members in virtues of life, also in perseverance to overcome the hardships of tyrannical governments, under which the Slavonic nations were forced to serve their oppressors.

The Sokols were known especially for their artistic banners, which were blessed by priests amid beautiful ceremonies. These banners were preserved and used in World War I., when the Czecho-Slovak Legions were organized in Russia by General Milan R. Stefanik, noted Slovak astronomer and scientist. General Stefanik was a Slovak and became a general in a French army within three years from an ordinary private. He served on General John J. Pershing's Allied Military Staff and visited the United States on several occasions. The first time in 1906 on his way to the Tahiti Island and the second time in 1917, when he was organizing Czecho-Slovak Legions with a Military Camp in Stamford, Conn.

General Stefanik wanted the Sokol (Falcon) to be the emblem of the Republic of Czecho-Slovakia and the highest decoration. Instead a lion was chosen.

A famous historian, Dr. Frantisek Rieger, exalted the Sokols over a century ago during one of their celebrations by naming them the Christian Knights of that period, who must always be ready to defend their faith.

The American Sokol took root after the Civil war in St. Louis, Mo., in 1865 and thus, in 1965 its Centennial was observed. It would have been started earlier but its leaders were occupied with the Civil War, aiding President Abraham Lincoln. For instance, on February 4, 1861, Colonel Geza Mihalotzy, born of Slovak parentage, petitioned President Lincoln for a permission to use his name for "Lincoln Riflemen of Slavonic Origin." The great emancipator "cheerfully granted the request."

However, after the Civil War, Sokol organizations began to flourish besides St. Louis, also in Chicago, New York, Iowa, New Jersey, Pennsylvania and other states.

It is noteworthy that during the Bi-Centennial of the city of St. Louis, former President Lyndon B. Johnson chose Stan Musial, noted baseball player, for his advisor on Physical Fitness for Musial, a son of a Polish father and a Slovak mother, born in Donora, Pa., received his first Physical Fitness training in the Polish Sokols, or Falcons.

The Bethlehem Slovak were also sports minded. The best proof is that way back in 1904 the young Bethlehem Slovaks organized the St. Anthony's Baseball Team. This team won 24 out of 26 games during that season under the captaincy of Charles Gostony, as reported way back in 1921 by John J. Bartos, one of the four living Sokol founders of Assembly 78 and our oldest Supreme Officer who were honored on December 5, 1970. During the same year the young Slovaks formed a football team. In 1908 they formed an Athletic Association of St. Anthony Juniors. In 1909 they formed the Athletic "Thomas" Club and a year later Assembly 78, was founded which was awarded many champion trophies by the Slovak Catholic Sokol organization.

The Bethlehem Sokols mindful of their duty for God and Nation, when World War I broke out, volunteered for the service in defense of their country. The records show that on June 9, 1917, first nine Slovak volunteered for the service of Uncle Sam. There were 93 Bethlehem Slovaks in the U.S. Army and 16 in U.S. Navy during World War I. George Silvay and John Nemcik paid the supreme sacrifice. The World War II gave a record number of young men and women to the service of their country and also during the Korean conflict and the present War in Vietnam.

And the Sokol organizations trained these men to be brave soldiers and loyal to their great country—the beloved U.S.A. Zdar Boh!

Your Editor,

JOHN C. SCIRANKA.

DEFENSE DEPARTMENT PROVIDING "SUPPORT" TO THAI TROOPS IN LAOS

Mr. CASE. Mr. President, it is more in sorrow than in anger that I report a glaring inconsistency in the administration position on the funding of Thai troops in Laos.

On July 15 I receved an unclassified letter from the State Department which says that support for Thai "irregular" troops in Laos is being supplied under our military aid program for Laos.

This admission directly contradicts testimony given by Secretary of Defense Laird on June 14 before the Senate Foreign Relations Committee.

I believe it also violates the Fulbright amendment which forbids the use of Department of Defense money for funding foreign mercenaries in Laos.

During the June 14 hearing I asked Secretary Laird:

> The military assistance program won't take care of the moneys being spent for regular or irregular Thai troops in Laos; that comes from somewhere else.

He replied:

> That is correct. The military assistance program will not fund that program.

I continued:

> In other words, you are not going to use military assistance or military credit sales in the future for mercenaries or other third-country military forces. This is not done now and you do not propose to do it in the future out of military assistance programs?

Secretary Laird answered:

> No; the military assistance program is not used for that purpose and will not be used for that purpose.

And later, Secretary Laird said:

> We can only provide excess military equipment to countries that have been approved for funding in the military assistance program.

I asked:

> They cannot be used for irregular troops?

He answered:

> That is correct; military assistance is furnished only to governments.

Yet a month later on July 15 the State Department wrote me:

> Support for these [Thai] irregulars is supplied under the Lao military aid program which, as you know, is funded through the Department of Defense budget as "Military Assistance Service Funded" (MASF).

Secretary Laird's testimony may possibly be semantically in accord with the State Department letter if one were to accept that the military assistance program refers to only that part of military assistance funded through the Foreign Assistance Act and not to "Military Assistance, Service Funded." But since all military assistance to Laos and Thailand is "Military Assistance, Service Funded," this explanation would seem a bit attenuated, especially in light of the State Department's description of it as the "Lao military aid program—funded through the Department of Defense Budget as 'Military Assistance, Service Funded.'"

I stated in a speech on May 20, 1971, that I had learned "from Government sources that there are four to six thousand Thai troops in Laos and the U.S. Government, through CIA, is paying for them."

I stand by that statement, and I am glad we now have a better idea of where the money is coming from.

But the fundamental issue remains of the public's and the Congress' right to know what is happening in the "Secret War" in Laos. After all, the U.S. taxpayer is financing activities in Laos to the tune of at least $350 million annually, not to mention the estimated $2 billion cost for the air war over that country. The North Vietnamese and their allies certainly know we are fighting them in Laos, so why can the American people who are paying for it not have the same information?

An important first step would be for the administration to facilitate publication of the Senate Foreign Relations Committee's staff report on Laos which is currently being delayed because of administration insistence that certain information, already reported in the press, be treated as classified. The administration apparently includes in this category details concerning the Thai troops in Laos, about which the State Department has just written me.

I would welcome an administration white paper which gives all the details on Laos: What it costs? Who is fighting? What agreements have been made with foreign governments; and of course most importantly, when will it all end?

Mr. President, I ask unanimous consent that my letter to the State Department on the Thai troops in Laos, a Washington Star article, and the State Department's reply be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUNE 21, 1971.

Hon. WILLIAM P. ROGERS,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I am enclosing Tammy Arbuckle's June 15 article from the *Washington Star* which reports that the Administration is planning to circumvent possible Congressional prohibitions on funds for Thai troops in Laos by supporting these troops with funds earmarked for assistance of Thailand.

I would appreciate it if you would comment on the points raised in Mr. Arbuckle's article and also answer the following questions:

1. Does the U.S. Government have any assurances from the Thai Government that assistance for Thailand will not be diverted to Laos or Thai troops serving in Laos?

2. What procedures does the U.S. Government have to insure that assistance to Thailand is not diverted to Laos or to Thai troops serving in Laos?

3. Is there any statutory basis for the Administration to authorize Thialand to divert assistance to Laos or Thai troops serving in Laos?

4. Does the Administration consider the anti-guerrilla campaign in Northeast Thailand to be another front of the war in Laos?

5. Are there any limitations on the use by the Thai Government of U.S. assistance?

Sincerely,

CLIFFORD P. CASE,
U.S. Senator.

[From the Washington Star, June 15, 1971]

OUTWITTING SENATE TO PAY THAI TROOPS

(By Tammy Arbuckle)

VIENTIANE.—The Nixon administration reportedly has a new gimmick ready to pay for Thai troops in Laos if the Senate prohibits funds for the Thais, informed sources here said.

The gimmick is to hide payment to the Thai troops serving in Laos in funds earmarked for Thailand itself.

"Formation of a force for antiguerrilla activities in northeast or northern Thailand will be announced," the sources said. "But these Thais will be sent to Laos and the money for that force will be used to pay for the Thais already serving in Laos."

The sources had no doubt this scheme would succeed. They said that although many Thai regular units were used in Laos, the Thai government as a whole was not fully informed of the situation.

The U.S. government, according to the sources, makes lump sum payments or bribes high-ranking members of the Thai army and government for the use of these units.

Some units are totally recruited from northeast Thailand, where Lao is the ethnic tongue, using the same system.

Recruiting is done there with the help of Thai military commanders. Sources gave this response to questions on feelings among Lao military officials following statements in the U.S. Senate about cutting the financing of Thai troops.

"Now you can see why the (Lao) generals are not worried," sources said on the Senate outcry.

Another Lao source said "you must understand we need the Thais."

None of the Lao generals was willing to send reinforcements to Gen. Vang Pao, the 2nd Military Region commander whose Meos have been taking the brunt of North Vietnamese attacks in north Laos.

Lao military sources said Premier Souvanna Phouma himself requested additional help for Vang Pao, who lost most of his able-bodied Meos in action.

Meanwhile, Thai troops in North Laos are taking serious casualties, now estimated at 700 killed in action, over half of them this year.

The high casualties were caused because the Thais, with some bravery, made infantry charges up the hill slopes at Ban Na on the edge of the Plain of Jars against dug-in Vietnamese machine gunners. Lao troops who did not expose themselves to fire in the same action, suffered few casualties. "We did not just charge up the hills like the Thais. We were acting independently," said a source.

Thailand's two battalions which took part in the Ban Na attack were further decimated by three accidental U.S. air strikes on them. These U.S. errors took place on April 1, April 4 and April 6 this year on Thai battalions 904 and 600.

Thirty seriously wounded Thais were taken to Udorn hospital in northeast Thailand and 40 more were treated at Long Cheng.

All told an estimated 100 Thais were killed on the slopes near Ban Na, where the incidents happened.

Department of State,
Washington, D.C., July 15, 1971.

Hon. Clifford P. Case,
U.S. Senate,
Washington, D.C.

Dear Senator Case: The Secretary has asked me to reply to your letter of June 21, 1971, enclosing a *Washington Star* article by Tammy Arbuckle concerning U.S. financial support for Thai forces operating in Laos and posing questions about the Thai use of U.S. military assistance.

Since there are no Thai regular troops in Laos, we presume reference is being made to the Thai volunteers who are operating in irregular guerrilla units in Laos under the command of the Royal Lao Armed Forces. Support for these irregulars is supplied under the Lao military aid program which, as you know, is funded through the Department of Defense budget as "Military Assistance, Service-Funded" (MASF). Under current appropriation legislation, such funds can be used to support local forces in Laos. The Royal Thai Government has no control or part in the dispensation of Lao MASF, and no equipment, supplies, or funds are provided to the Royal Thai Government for the irregular Thai volunteer units in Laos. As you may recall, I have made other comments on the subject of Thai forces in Laos in my letter of May 19, 1971 to you.

Military assistance to Thailand, both formerly under the Foreign Assistance Act, and, more recently, under service-funding (MASF), has been furnished for the purpose of contributing to the defense of Thailand, including its internal security. The limitations on the use by the Thai Government of U.S. assistance are stated in the agreements between the U.S. and Thailand respecting provision of military assistance, in particular the Agreement of October 17, 1950, TIAS 2434. The Agreement includes undertakings by the Government of Thailand to use military assistance provided by the U.S. only for the purposes for which it was furnished except with the prior consent of the Government of the U.S. and to retain title to and possession and control of any material, unless the Government of the U.S. shall otherwise consent.

The limitation in the 1950 agreement is reinforced by the Military Procurement Authorization Act of 1970. PL–91–441. Section 502, which applies to the question of the Administration's ability to consent to a transfer by Thailand of U.S.-supplied military assistance to another country. The Act provides that no defense article may be furnished to Vietnamese and other free world forces in Vietnam or to local forces in Laos and Thailand with funds authorized for use of the U.S. Armed Forces (i.e., MASF, the current basis for funding such military assistance) unless the government concerned—in this case Thailand—shall have agreed that it will not, without the consent of the President, transfer the article, permit its use by anyone not an officer of the government, or use or permit its use for purposes other than those for which it was furnished.

The Act provides that, when the article is no longer needed for the purposes for which it was furnished, it will be returned to the U.S. unless the President consents to another disposition. The Act further provides that before the President may give his consent to a transfer or new use he must provide written notice to the Speaker of the House and the President of the Senate 15 days in advance of his proposed action.

There is accordingly no statutory or international agreement authorization for Thailand unilaterally to divert assistance received under Thai MASF to the Government of Laos or to the Thai volunteers in irregular forces operating in Laos. No unauthorized or authorized diversion of Thai MASF has occurred nor are there plans for any such move. I can assure you that we do take precautions against such diversion. Military assistance to Thai forces in Thailand is carefully monitored. Requirements for military assistance are developed in the field by the MAAG in consultation with our Embassy in Bangkok and the Ambassador. These requirements are validated at CINCPAC and forwarded to Washington. In Washington they are jointly reviewed by the Departments of Defense and State before programs are finally approved. Close interdepartmental scrutiny is given to the programs.

This Administration has followed, and intends to follow, existing laws. We are concerned with effectively implementing the Nixon Doctrine which would encourage Asian regional cooperation. One example of such cooperation is the assistance which the Thai Government and Thai individuals are providing to Laos. This assistance reflects a genuine Thai interest in its neighbor. Thailand shares a 1,090 mile border with Laos and has a natural concern over the impact that developments in that country may have upon Thailand's own security.

You asked about the relationship between the anti-guerrilla campaign in Northeast Thailand and the war in Laos. The Thai counterinsurgency campaign in Northeast Thailand is an internal defense effort and not another front of the war in Laos. However, this is not to deny the obvious—namely, that the unstable situation along the porous Lao/Thai border enhances the ability of the Communists in Thailand to receive materiel assistance from outside sources and to use neighboring areas of Laos for sanctuary and training purposes. It should be noted that the Thai Communist Party is an independent entity and, as far as we are aware, does not have any organizational connections with the North Vietnamese Communist Party or its offspring, the Laos Communist Party.

I hope the above provides satisfactory answers to your questions.

Sincerely,

David M. Abshire,
Assistant Secretary for Congressional Relations.

AMERICAN FOLKLIFE FOUNDATION

Mr. HARRIS. Mr. President, on May 24, 1971, I introduced the American Folklife Foundation Act to recognize and build upon the vital role of folklife within American culture.

On July 2, Congressman Frank Thompson of New Jersey and I held hearings on this legislation. Among those testifying, all of whom were either involved in folk culture or dedicated leaders in its promotion and support, were Vine Deloria, Jr., author of "Custer Died for Your Sins," Johnny Shines, a modern blues guitarist from Alabama, and Dewey Balfa, a Cajun fiddler from Louisiana. This hearing dramatized the need to invest in our human resources, in the quality, range, and talent of Americans, much as we invest in our other natural resources. I ask unanimous consent that the text of that hearing be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

American Folklife Foundation Hearing, July 2, 1971

Senator Harris. I welcome you to this "Folk Hearing" on legislation which Congressman Thompson (D., N.J.) and I and others have introduced to create an American Folklife Foundation.

These hearings will be transcribed and printed in the *Congressional Record* for use in connection in the official hearings held in the Senate and the House.

I would first like to thank S. Dillon Ripley, Secretary of Smithsonian Institution, and other officials of the Smithsonian Institution for making it possible for us to conduct this hearing as a part of the Smithsonian Institution's 1971 Festival of American Folklife.

The bill which Congressman Thompson and I have introduced would create an American Folklife Foundation within the Library of Congress. Through this Foundation, vital public support would be lent to a wide ranging effort designed to foster both a broader and deeper understanding of this country's rich folklife. This festival, itself, may I say, is an outstanding example of an effort which the American Folklife Foundation could support.

I have a special interest in American Indians, American, English dialects and in blue grass music, but I am interested in all aspects of American Folklife culture. I am very much interested in this effort here that has been going on at the Smithsonian for several years.

Additionally, the American Folklife Foundation could support scholars and field researchers and thereby give us all a better understanding of the cultural history of America. But the purpose of this legislation is not simply to know what was and then to store it in an archive to gather dust. Rather we are interested in bringing the American folklife of 200 years ago, as well as the folklife of 20 years ago and of today, to bear on the daily lives of today's Americans. While we contemplate pure academic research in this bill, we also contemplate much more than that. We contemplate dissemination and preservation of America's folklife in such a way that it can bring understanding and perhaps even some wisdom to the decisions that our people—both individually and as a society—must make today and tomorrow.

The witnesses then we have today are people that effectively promote our folk culture, and I appreciate their willingness to participate in this hearing and their dedicated support of America's folklife.

I am Senator Fred Harris of Oklahoma and the House sponsor of this bill is Representative Frank Thompson of New Jersey who will now make an opening statement and present our first panel.

Representative Thompson. Thank you very much, Senator. I join Senator Harris in my enthusiasm for this and my gratitude to those who have agreed to testify. We shall first hear from Dr. David C. Sweet, Director of Ohio Department of Development and Ohio Supervisor of the 1971 American Folklife Festival; Reverend Mel Klokow, a minister of the Moravian Church in Ohio. His congregation will conduct a Love Feast at the festival, for which they are baking right now; and Dr. Francis Utley, Folklorist, Ohio State University. Gentlemen, we welcome you indeed and are pleased you can be with us.

The Festival of American Folklife has attracted hundreds of thousands of people in past years, and proved the widespread grassroots interest in the ethnic and folklore traditions of our nation. America has always taken pride in the diversity of its people, and the great contribution which many ethnic and racial groups have made to our culture, such as we have just seen in the Ohio exhibit. Many groups are represented. Building a strong nation does not require the sacrifice of cultural diversity and individuality. Quite the contrary, our nation will be the stronger, the more we learn to appreciate and value the many folklife traditions which shape our culture.

The bill which is the subject of this hearing is designed to develop, promote, and implement a broadly conceived national policy of support for American folklife. The definition of American folklife contained in the bill indicates the broad area of our national heritage which the bill encompasses. It reads:

(a) the term "American folklife" means the traditional customs, beliefs, dances, songs, tales, sayings, art, crafts, and other expressions of the spirit common to a group of people within any area of the United States; the term includes, but is not limited to, music (vocal and instrumental), dance, drama, lore, beliefs, language, humor, handicraft, painting, sculpture, architecture, other forms of creative and artistic expression, and skills related to the preservation, presentation, performance, and exhibition of the cultural heritage of any family, ethnic, religious, occupational, racial, regional, or other grouping of American people;

This Folklife Festival is a fine example of one type of activity which the legislation would promote and support. The bill would also provide for a number of other things, which the Senator has mentioned:

(a) research, scholarship and training in American folklife:

(b) a national Archive for the collection of creative works, handicrafts, objects of art, films, audio recordings, and other records which represent or illustrate some aspect of American Folklife:

(c) The production of films, exhibitions, and displays which represent or illustrate some aspect of American folklife:

(d) dissemination of information on folklife traditions and arts by the broadcasting of appropriate films and by loaning displays and exhibitions to museums, schools, and other groups:

(e) the production of materials specifically designed for use in classrooms, to be made available to educational institutions:

(f) the support of live performances, and workshops.

American Folklife has a fundamental impact on the beliefs and values of our people. It is appropriate, therefore, for the Federal Government to act now in developing a program of support for preserving and disseminating our folklife traditions and arts.

Now we shall hear from Dr. David C. Sweet.

Dr. David C. Sweet: Senator Harris, Representative Thompson, thank you. The Department of Development is charged with the responsibility of making effective use of Ohio's resources to achieve economic development in the state. Business and industry assess the quantity and quality of a wide variety of a state's resources in their decision to invest capital in new or expanded facilities. We have learned that the most important resource a state can possess is its human resources—the quality, range and talent of its people. Because we believe in the need to preserve and cultivate Ohio's human resources, the Department of Development undertook the support of the state's featured role in the Smithsonian's Festival of American Folklife.

The Department of Development and the entire Administration of Governor John J. Gilligan are committed to providing what we term "people-related" services—quality education, health care, welfare, recreation and a wide variety of others. Our association over the past several months with the Smithsonian has made it possible for us to provide another vital service to the people of Ohio—a knowledge and understanding of who we are—of what it means to be an Ohioan as reflected in the folkculture of our cities, towns and farms. We believe Ohio's strength and potential for future growth is rooted in the cultural diversity and richness of our folk culture.

We use the phrase "Partnership for People"—and we both have an indication of that—to describe the unique union of Ohioans that has made possible months of Smithsonian field research in the state culminating in the presentation of Ohio folk culture on the Mall this week. In addition to the wide range of Ohioans represented by the 165 participants in Washington, Ohio business, industry, foundation and private individuals and groups have contributed funds to offset Festival costs to the Ohio taxpayer. The "Partnership" will enable us to provide long term benefits for all Ohioans based on the work begun here at the Folk Festival. We will bring most of the participants to our State Fair this year—and every year. Ohio Bell is funding and creating an educational film examining the diversity of Ohio folk culture for use in the state's public schools. We believe this film will provide a lasting record of our rich cultural heritage. In addition, we hope to establish an annual folk festival in the state making it possible for large numbers of Ohioans to develop an appreciation for their own folk arts and crafts.

If Ohio's cultural heritage and diversity is to be used wisely as a resource, an effective, unified, long-term approach to the study and presentation of folkculture is essential. Such an approach is provided by the American Folk Life Foundation Act. Our experience in Ohio makes clear the need for extensive, sophisticated field research if the true quality and quantity of a state's folkculture is to be discovered. Smithsonian research in Ohio revealed a virtually untapped resource in our state.

Discovery of a resource, however, is not alone sufficient to insure its long-term value to a state's population. As in other states, we are vitally concerned with the protection and preservation of our natural resources. Ohioans demand a better quality of life and, therefore, the preservation of our air, water, trees and terrain is essential. We recognize that once a natural resource is decimated, we cannot restore it. We feel strongly that Ohio's human resources—specifically our wealth and folkculture must be preserved, protected and cherished in the same way. The Folklife Foundation Bill, as proposed, represents an effort to explore and conserve what I believe to be the most important resource for the future development of the State of Ohio and our nation. Thank you.

Reverend Mel Klokow. Senator Harris, Representative Thompson, this is a great privilege for me. I'm Reverend Klokow, and in my ministry, I have had the privilege of working among various ethnic and racial groups over the years. Inherent in my love for people is the beautiful experience that each one in terms of his past and potential is highly unique. We came to this festival as only one small segment representing what Ohio is representing in general here—its great heritage.

The life of our people in Ohio dates back to 1771 and the two instruments before me now are dated 1789 and 1804. Both of these instruments were in the works of our early Moravian missionaries among the Delaware and Muncie and Wyandotte and Shawnee Indians in the State of Ohio when it was still the Northwest territory. My own belief and love for people centers in the fact that each person is highly unique—in not only what they do but what they are as a person, whether it is music or in crafts or in some other tradition, is something we cannot afford to lose.

I have seen many groups and churches, for example, in which I am best experienced, yield their traditions and customs only to lose something that was irrecoverable. And then they enter that place where they really didn't know what to do with themselves because they had given up something that was of long standing, as much as 200 years, and had nothing ready to put in its place that had purpose and meaning.

Someone summed it up very beautifully when they passed our Moravian booth and they saw the making of the beeswax candles and Moravian stars, both of which date back nearly 200 years in our state of Ohio, and they came and said, "This is the first time I have seen a living museum." I think that is tremendous because I have been through many buildings here on the Mall before I came this time, and I intend to go through many more of them in the future. The one thing I remember and see though is that here is a tremendous Mosaic that you find in no other nation in the world. I for one would like to see that not only greatly pushed in terms of support but something that would become a forthright reality very very soon. Thank you very kindly, gentlemen.

Dr. Francis Utley. I'm Francis Utley of the Ohio State University. I have been acquainted perhaps for a long time with the third aspect of this study which we call folklore—the academic. This is the side perhaps that is the most frightful and dangerous because it might tend to freeze the nature of what we have, to emphasize the antiquarian nature of it and too often in the past it did just that. I would say that the most exciting thing that is now happening in colleges is that we are beginning to realize that these things do have immediate life in them, that they are not something which is dying—that was the old cry of the folklore—let's get it done and recorded before it is dead. The odd thing is that once we started to do that we discovered how fantastically and vigorously alive it was and how it changes, how it goes through significant process changes on all sides. Mr. Sweet has told you something about the general thrust of Ohio; Reverend Klokow has told us much about the richness of his own people's traditions; I would like to stress one or two other points.

In 1950, I, along with a number of other people, founded an Ohio Folklore Society. There was a general tendency to state, well, Ohio really doesn't have any folklore any more—or you can't get hold of it—oh, perhaps there are a few pockets down in the hills—or something like that—or a few people who spill over from neighboring states. But, there isn't much to go on thereafter. I would say that 20 years has indicated to us and this present festival how fantastically wrong that was. We have found Ohio is indeed rich or richer than many states simply because of the extraordinary diversity of its economy and of its people—a state divided very strongly by the industrial and farmland and in between a variety of each of these.

The second thing—at a similar time about as long ago as that—I was a Democrat and I was President of the American Folklore Society. The American Folklore Society at that time again was most interested in the research in the things one could put down which the country Vickers picked up in England in the 19th Century, charming things under oddities that all of us are supposed to laugh at with enthusiasm, superstitions, perhaps occasionally with a little bit of awe or respect.

As we moved on we discovered more and more how complex the whole relationship of human activity is. The basic fact which we did observe at this particular point, I suppose, was that in the United States of America and all over the world there has been a tendency towards standardization. This has gone with mass production, something very important that has brought some kind of richness to people's lives, certain kinds of material richness to people's lives, etc., and obviously it isn't something that is about to be abandoned but it has also created a kind of tradition that has bothered many of us.

I am sure that much of the trouble we are having at the present day, much of the feeling of explosion, the feeling of separateness, the feeling of alienation has come from an unconscious tendency to create everything in a uniform pattern. When many people came to this country in the first place, they attempted to Americanize themselves, and Americanization was, itself, important—learning a language was important, learning the customs, learning not to insist on being so different you couldn't get along with people, learning some way of being able to communicate and the rest of it.

So that first generation and also the second generation was fantastically concerned with uniformization. Oddly enough the third generation—we find this in every group; we find it also among white Americans and we find it among people who come from the country to the city, we find the same tendency where in the third generation—people are beginning once more to realize the importance of their heritage—trying to go back.

I spoke once to the local President of the Greek organization in Columbus, and I said tell me something about the growth of your organization. He said, "Well in 1920 we founded ourselves; we were a little bit political, and most of us were very anxious to bring everybody into the American scene and to make them as much like everybody else as possible."

"Many of us now who have come over and are fairly well to do are extraordinarily anxious to bring back to our friends our ancient Greek traditions and our whole society has changed in its tendency."

This is true of most groups and it is unconsciously true of a great many groups. I think if you watch various things over at the Folklife Festival which is merely an epitomy of what we have all over the country you will see this diversity. You saw those Gladstone elementary school little black children doing their children games and showing an extraordinary energy, an energy so fantastically, so unbelievably vigorous that you just say as you watch it, I don't want that thing to dissipate. I want that thing to remain and go into the channels that will be productive both to those people as people and to members of our American community and by recognizing their force at this point—and I am sure indeed you have done something right then and there for those eight children that will prove historically important for them in their own experience. If you see the Moravian Love Feast which Reverend Klokow has suggested to you we see another cross-section and important element, rich in all of its detail, bound together, tied together, not drawn apart, not scattered, but meaningful. And if you see the Greek singers, the Irish band, or the Irish dancers or the various people creating their own particular kinds of food—America, as far as food is concerned, has become cosmopolitan. We do know that. The two most typical restaurants by the way in the Army of Occupation in Germany, I happened to notice at one point, the two restaurants you will find in every one of them is an Italian Restaurant and the other Chinese Restaurant. Obviously if the boys want good home food they have to get either Italian food or Chinese food. They also have a third place which has hamburgers or steaks. But this type of diversity is the same that will give us ultimate, not uniformity, but an ultimate meaningfulness in our lives which will bring the groups themselves together better. If we ignore it it will scatter and destroy us. So I think perhaps with that particular statement I should end by urging the importance of such a bill, such a recognition from the United States Government, as well as from the various State Governments, private individuals, the importance, the liveliness, the life, the vigor and the future of folklife study and of its applications.

Representative Thompson. Thank you very much, for a splendid articulate statement from the distinguished authority on the subject. One might comment that the diversity seen in Ohio is undoubtedly duplicated in each of the states in different ways. Senator Harris knows more about Indians than I. And speaking of Indians I couldn't understand the Reverend identifying the Delaware Indians in Ohio. I thought they were in my area along with the Lenni Lenapes.

Reverend Klokow. They're there.

Representative Thompson. They are gone for the most part but they still exist and we inherit their culture and their traditions and occasionally learn something through their artifacts. I am delighted that Ohio as a state is here; I am delighted with the effort so many people have made to have you here. We've tasted your cheese and have eaten your sweets and we missed everything but the Love Feast so I thank you very, very much for coming, and I wish you well.

Senator Harris. We'd like next to call on others representing the Festival participants. Clydia Nahwooksy, will you come forward; Dewey Balfa, a Cajun fiddler and singer from Basile, Louisiana—he and his family will present programs of Cajun music during the Festival; Johnny Shines, a modern blues guitarist and singer from Alabama. Mr. Shines and his electric blues band will be performing throughout the Festival; Vine Deloria, Jr., a well known author and American Indian whose "Custer Died for Your Sins" has become an American classic. We're glad each of you is here. Clydia, why don't you begin.

Clydia Nahwooksy. Thank you, Senator Harris, and Congressman Thompson. American Indians today are still with us. I suppose they may not be in the Congressman's district. I know there are a lot in Oklahoma. I know there are a lot all over the nation; we aren't the vanishing Americans. We're very much here. I hope you will visit the Festival area that is Indian and know that this kind of thing that is happening at the Festival today and throughout the Festival is the kind of thing that's happening in Indian communities all over the nation. We have been sustained in so many ways in being able to retain the arts and crafts and language of our people to some extent—not nearly as much as we would like. Through these various kinds of activities we hope to acquaint visitors here, visitors in our home communities, people throughout the nation with the contributions that American Indians have made to the country. When you go to visit the home of an American Indian person you seldom come away without bringing something with you. You never go in without being offered food. You never come away without being given a song or a story or some small material thing to take with you. I feel this is the kind of contribution that we have continually made; we encourage people to recognize his whole philosophy of giving and sharing. This shows up very definitely in the kind of culture that each group of people have through their songs, through their baskets, through their paintings. We continue on in this way and with this folklife bill and the kind of support that it might give to the Indian communities through the activities they have on their own for a lot of years continued and encouraged further national support could give to the small start and the long lasting kinds of smaller things that we have been doing on our own for a lot of years. Thank you.

Senator Harris. Mr. Balfa.

Dewey Balfa. Thank you Senator. I don't really know how to start. I would like to say that Cajun is a descendant of the Acadians that left France some 250 years ago and went to Canada, Nova Scotia, and from there to the eastern states and into Louisiana and the word Cajun is a corruption of the word "Acadia." We are very proud to be here and also with some other guys, my brothers and the Art Lance family with us. I think that the most beautiful thing that ever happened was when Mr. Rinzler was scouting for the Newport Foundation and came to southwestern Louisiana where you find the Cajuns or Acadians, and the type of music that we do is very, very unique. You will find it only in this part of the country, and it was about dying out by the younger people until, as I said Mr. Rinzler came over, and I was very fortunate to be one that was chosen to go to the Newport Festival in 1964 and from there we have participated in Festivals all over the United States, in Mexico City and are very proud of our culture, our music and if you have never visited southwest Louisiana, you should come over and have some gumbo, sauce piquant and maybe a tin of fiddle dough, which is a night dance and I think that there is nothing more beautiful than to have Mr. Rinzler and all of the people affiliated with him have us start going to the Festival. It means a whole lot to us. It means very, very, very much and with this I would like to say thank you.

Johnny Shines. It is a pleasure to be here. There are so many things to be said about the modern blues which I am representing. There are so many things that are lost through the times and most of these things have been lost through success—success has caused so many of us to forget about the blues. But I have a feeling that if we forget yesterday we'll be very much unprepared tomorrow. The blues which we are playing—which we are representing—is as much a part of America as the Star Spangled Banner. These tunes we are playing were written with blood, sweat, tears. They were sealed with our bodies horizontal on the ground; they were sealed with our bodies hanging vertically from the trees; they were sealed by the grunts and the groans from men working on the railroads, highways, levees, cleaning out the rivers and many varieties of work that we, the people of the blues, had to suffer and endure. We did this. The blues were created through these activities and I hope America doesn't forget this. I think it is a privilege to be able to sing and play the blues and remember the things that have happened to us yesterday, because we forget them. We should always remember these things, and I only wish more people would consider these activities to be as important to them as I feel that they are to me. I wish that Senator Sparkman were here to speak his peace about the things we are doing, as well as George Wallace. I wish they would all try to help promote this thing and put something into it to add to it, to make it greater than what it is now. Thank you very much.

Vine Deloria, Jr. Senator, you kind of caught me off guard. I was standing in the back there. I understand the Pentagon has a secret document on the Sioux Wars and I was in town to get it from them. I feel kind of out of place here with the group of immigrants here but I see an Indian group down the road. If you would all like to pay your immigration fees over at that booth—those of you who forgot—we'd be happy to take them.

I hope, Senator, you go back to Congress and push very hard for additional Congressional support for this Folk Festival. I think all traditions and cultures and ethnic groups represented here is more representative of what America is than any of the other festivities that we have. I think Congress should really get behind it and get additional funding and resources. If they don't maybe next year we could bring in some rain dancers and keep it raining until they decide to give us some appropriations. Thank you.

Senator **Harris.** Mrs. Nahwooksy, Mr. Balfa, Mr. Shines and Mr. Deloria, thank you all very much.

Clydia Nahwooksy. Senator Harris, pardon me sir. We have been asked to bring some lay people to the Folk Festival and I wonder if there would be time to hear them. Thank you very much. We have Mrs. Rosetta Ruyle from Juneau, Alaska, a Tlingit Indian, and Mrs. Barbara Farmer from Portland, Oregon, a Klamath Indian. They are Festival participants. Mrs. Farmer is coordinating the Washington-Oregon people to the Festival this year.

Mrs. **Barabara Farmet.** I am here representing Northwest Tribes during the 1971 Festival but I would like to express my thoughts on how the Festival affects American Indians nationally. Various tribes are able to express their thoughts on problems and programs Indian people face today to the panels which are held there daily, and we are able to present to the public our lives as we live them, our traditional craft work that continue today, our dancing, our singing. We are very happy that we are able to participate in the Festival. Through this Folklife Festival we have a chance to represent our people and show how proud we are of our life and of our group.

Mrs. **Rosetta Ruyle.** If you ever come to Alaska we will greet you, noble one. I am an American, but just as important I am a Tlingit Indian from southeast Alaska. Since my grandfather is too old to come he has asked me to tell his words for him and so I speak slowly and I try to choose the words he would say if he were here. I could say that I am an acculturated Indian. I have studied your way of life and I know my way of life, and I choose to bridge the gap and take what is best of both. I believe we have many things to offer you. We, American Indians, have many things in our way of life that would be beneficial to our American society today, and I have chosen to dedicate my life in educating Americans of our way of life. We all know about Indian problems, the statistics, they are all over. Do they astound any one that we have such a high infant mortality rate; we are hardly educated; we are unemployed; nobody winks an eye at us. We accept it. I believe that we need not only educate our people but also educate you. American Indians have been considered second-class citizens. But I believe—I sincerely believe—that if American people knew the ways of our people they would not think of our people as being second-class or second-rate people. So I think this folklife festival is important in educating you, in helping us to raise our standard of living. We were not always poor people. In traditional times we were rich. I would also make one more plea that in any programs that are established for American Indians I would ask that we be consulted that our advice be asked. You have said why can't American Indians raise themselves up—you have given us welfare—you have given us many bills to help us. But yet you don't come to us and ask us, how can we do it. And I hope that when this bill is passed and I beg and I plead that it is passed that you come to us and ask for advice because we have much advice to give. I thank you very much.

Senator **Harris.** Next, we have Mrs. Pennington who has performed at the request of President Franklin Roosevelt, for George the Sixth and Queen Mary of England in 1939. It is an honor to have you here and we are honored also to have Mr. Pete France, who is Director of the Second Regiment Band of Ohio which is a band from the black community, a non-profit organization established in 1898 by Mr. J. P. France, the father of the present Director; and, of course, Mike Segar is a well known collector and performer of folk songs, his father an imminent ethnic musicologist and cultural director for music programs for the Pan American Union and worked with the Archives at the Library of Congress. We will hear first from Mrs. Pennington.

Mrs. **Pennington.** Thank you Senator. I was here in 1939 and I played for a command performance for the Queen of England and for the Roosevelts in the White House and all their distinguished guests, and it's so wonderful to come back here today—32 years later—and see this big festival going on and be a part of it. I think that's wonderful. I believe that Allen Lomax was in the Library of Congress back in those days in 1939—he was also on the program that night playing Old Chisholm Trail and we got acquainted with Allen and I believe that is one of the reasons why I'm invited to these is because of knowing Allen and his sister Bess. I'm so happy to see this festival and see it growing. They say it's only five years old but you can see there are thousands and thousands of people swarming around here and an awfully lot of interest. It is just wonderful because we grew up on these songs that we sing and it is just wonderful to have someone ask you to sing them anymore, because these rock and roll kids are just taking over—I have two in my family. They have a band, each of my boys have, and are just doing wonderful. But one of them, the drummer, is learning to pick the banjo and I'm very happy about that, and also my son-in-law and my daughter are beginning to take it up. So, I thank you and I am very happy to have testified.

Pete France. Senator, and all fellow musicians. This is one of the greatest pleasures I have ever had in my 68 years in this world and 50 years with my band which is here now. I want to thank Ralph and all of the committee who helped us—and I would like to say this—that I think our United States government doesn't realize just how close the people in the United States can get together because at this college where we are staying, Trinity, I think we have every nationality in the world together like brothers and sisters. It can be done if we tried. We had one problem when we left Columbus. I was in the hospital in May and my doctor said, Pete, you can't go. So I got on my knees—and I think all of us should do that like I said in the auditorium, thank God—that we have the United States of America where it couldn't happen any where else but here so I'm here and we have some girls here I want you to see. We have four here. I heard this lady talking about we need help. The only help we get is what we are doing now and for me I plead with you, Senator, go back to your Senate and your Congress and the President of the United States and let's take some of the money we throw other ways and give to us so we can meet back here next year so we can have a good time. Thank you and God bless.

Mike Segar. I think it is really nice to bring a little bit of the folklife of that end of the city up here. But also especially because the best people to testify in behalf of the Folklife Foundation Bill are the people who have been up here. I think they are the best people, the most articulate on this particular subject.

In my end of things I was raised on those old Library of Congress field recordings made back in the 30's, some of the best old-time American songs. They didn't have too much in the way of festivals back then. As I have since then traveled around and met all of the fine banjo players and fiddle players and have done some field work for this festival too. I have seen all the great musicians who are around. They created this music for music. They created the arts and crafts for the art and craft. Now this was done regardless of money. Quite often the only way that it will come out, I mean that it can get into the mass media, is if it makes money. We ought to remember that this music was made for the music, for the art and for the craft and I think the only people who can bring it out in festivals, who can help keep it alive is the government. Thank you.

Senator **Harris.** Thank you all very much. I am very grateful for the work you have done in helping with this festival in previous years. Also, you remind me of the fact that once Jim Hightower and others got me interested in the establishment of a Folklife Foundation we also started to set up a celebration on the anniversary of his birth, July 14, out in Okemah, Oklahoma, of a man that we feel has written some of the most patriotic songs on the market and that is my fellow Oklahoman, Woody Guthrie. Now to wind up this folk hearing in regard to the establishment of a folklife foundation I say again if many of you would like to have a transcript of this hearing which will be printed in the *Congressional Record* you can write either to me or to the principal House sponsor of the bill, Representative Thompson, and we will send you a copy of the transcript when it is printed.

I want to call on Florence Reece; El Teatro Chicano; Hilton E. Hanna; Albert K. Herling and Archie Green.

Florence Reece is a coal miner's wife from Knoxville, Tennessee. She is now 71 years old, has long been active in organizing efforts among coal miners and is a composer of the classic union song, "Which Side Are You On?" Would you pass that microphone over to Mrs. Reece. We are pleased you are here and we will be glad to hear from you at this time.

Florence Reece. Thank you. I am very proud to be here in support of this program. I think we must keep this folklife going because it proves to me this festival is something wonderful and when our children are growing up they must have this. We must not let it go by. Because it makes them happy, it makes us all happy. And they can do so many things, and if it doesn't have the festival they don't have a chance to show what we can do—no singing, no writing, no work—and it draws America closer together and makes things better for the whole country. And, so I am sure that it will pass: We must have it passed. Thank you.

Senator HARRIS. Thank you, Mrs. Reece. Mr. Hilton E. Hanna is Assistant to the President of the Amalgamated Meat Cutters and Butcher Workmen of North America. Members of this union are participating actively in this folklife festival this year. Mr. Hanna.

HILTON E. HANNA. Thank you Senator Harris. In order to keep the record straight I should make it plain that I am also Executive Assistant to the International Secretary/Treasurer, as well as the International President of this organization, which has almost 600,000 members in the United States, Alaska, Canada, Puerto Rico and even in the Panama Canal Zone.

Through this festival in which we are participating there are so many people having their eyes opened. I think this should certainly serve as a promotion piece for anyone interested in maintaining or in recording the folklore of this nation. Speaking as a member of the labor movement I have to say that I have mixed emotions because I speak as a black member of the labor movement but also as a member of the labor movement just as I am an American and a black American. And as someone was talking not long ago about naturalization papers I am a naturalized American citizen. I bought my citizenship but I feel I am as much of an American as any Native or any other people. From the standpoint of the labor movement I think whatever is recorded, and it certainly ought to be, ought to portray the picture of labor as it has been in the life of this nation from its early existence. It ought make note of the fact that labor has never been a monolithic oragnization. There never was a time when one individual spoke for all of the organized workers of this nation. This ought to go down in history. We ought to never forget the labor's contribution to the promotion of freedom of speech, and thought and assembly and to promote it with all the effort we've got whether these programs are advanced by tongue or pen.

There's a bunch of trouble going on now between the press and the government. Labor struggled through the years to save peace and to picket peacefully and to strive for a better way for himself and for his family and this represents a contribution to the entire body of politics and should be so recorded. And I want to say also while walking through these grounds and observing the operations of these craftsmen who are here representing the labor movement you may forget these other social contributions.

Many of you may not know—this is why we of labor are supporting the establishment of a Folklife Institution which will perpetuate the ideals and the programs for which the labor movement struggled. The labor movement was one of those organizations responsbile for the all united Old League of Nations. Today we have the ILO which is the sole surviving agency from that United League of Nations and that was the brain child of Samuel Gompers, the first president of the American Federation of Labor. People don't know that.

These things ought to be brought and laid on the table so everyone can know it and our children can know it. When we talk about labor's contribution to the nation most people almost tar and feather us as being people who are stark crazy.

They forget or find it convenient to ignore that thousands of contracts are negotiated annually, peacefully, representing millions of organized workers without strike and the strike is resorted to only as a means of last resort. When the record is written the whole record ought to be written—not just labor as a bad boy but labor as an integral part of this nation, and finally I should say it has become popular for many people to castigate the labor movement for its slothfulness in advocating and advancing integration. And I would be the last one to say that the labor movement should not be kicked in the shins, but I would like to say to you, though, if you look around whether you begin with Congress or with churches or with your business—take any institution you care in America—and I dare you to prove a record that surpasses or show me any record that equals that of labor in bringing us all together regardless of our creed or our nationality or our color. These are some of the facts I think this folklife festival and the institute should record and retain and perpetuate and promulgate so that the world may know that we in the labor movement have earned our rights to our share of the good life of this nation. I thank you.

Senator HARRIS. Mr. Albert K. Herling is Secretary/Treasurer of the Bakery and Confectionary Workers' International Union of America, the members of which are participating as are other representatives of the labor movement this year. Mr. Herling.

ALBERT K. HERLING. Senator Harris, thank you. I would like to correct the record immediately. I am not Secretary/Treasurer. I am Director of Public Relations and Managing Editor of our official oracle. I did not have to go through the long, hard process of earning election to office; I was appointed, and I am very proud to serve the Bakery and Confectionary Workers' International Union of America.

I want to record for myself and I believe for the labor movement as a whole our complete support for the bill to establish a Folklife Festival Foundation. I think it is extremely important for a variety of reasons. The concept of a Folklife Foundation goes far beyond the concept of folklore, because folklore includes the things we do today as well as our heritage of the past. I believe that a boldly established folklife foundation could serve to encourage a greater understanding between generations. I believe that it can go far toward generating an understanding, a respect, and an appreciation of the values and historic content of the work that the working people—men and women of this country—are engaged in today. In being present at our Bakery and Confectionary Workers' exhibit here it was interesting for me to hear the expressions from people that they didn't realize or understand what went into baking a simple loaf of bread or a simple bun or sweet cake. For the first time people are beginning to understand that the things they take for granted involve human beings who demand respect and dignity, that these people have devoted their lives to the development of skills and artistic abilities, some of them are innate and some of them had to be developed in order to serve them. I believe that as a result of this experience those who have come to observe what is being done began to understand the human being behind the things we take for granted. It is this sort of thing, I believe, that builds up a respect on the part of the general populace, I am thinking in terms of the children of our workers who may not think much of the fact that their parents, their fathers and mothers, are blue collar workers. They apologize for them. They don't want to imitate them. Our workers are not articulate enough to provide their children with the fantastic history, for example, that bread, itself, possesses. They do not have the ability to transmit the respect for the work that men do with hands and brain. It is precisely this sort of thing that I envisage, a foundation to supply. The idea of bringing us together again becomes not that simple and expedient political slogan but something with flesh and blood and bones. It is for this reason that I believe this country and the value that it should represent and can represent would be much poorer if we fail to put our muscle and our vote behind this effort to create a Folklife Foundation. I think this is perhaps one of the most important—let me not go to the extreme—I believe this is a most important piece of social legislation. I think it would help the political climate of our country as well as teach us to respect one another, to live together and to understand one another at a level that we have not yet achieved. Thank you very much for this opportunity.

Senator HARRIS. Thank you. Now, Mr. Archie Green with the AFL–CIO Labor Study Center, representative of the Building Trades Union and he is accompanied by two members of the Union. Mr. Green.

ARCHIE GREEN. Senator Harris, it is with deep humility that I thank you for permitting me to wind up this testimony on behalf of Building Trade Unionists. I thought it appropriate to bring two young building tradesmen with me. Symbolically their hats tell you much about who they are, where they are and what they are doing. It has been fashionable as you know in recent years for high persons in all these demonstrations to identify a hard hat as a person who is in some way outside of the mainstream of American life. This person is selfish; this person is destructive of our total economy as persons involved in right wing movements. That is perhaps one of the most dangerous myths that can be spread to divide Americans. You must realize as you look about you on both sides of the mall that every magnificent building flanking the mall, every bit of granite, every bit of marble, every stainless steel spandrel, every bit of terrazzo in the patio, every bit of tile on the roof was put there by the hand of a working man, a member of a trade union, particularly a member of a building trade unionist. It is very, very important to keep the element of pride alive in the young building tradesmen. It is equally important to the task of keeping black pride alive, red pride, pride of religious groups, but we must constantly remember that unless we can reaffirm the value of work in each generation, unless we can find constructive paths to honor people who built America we'll never be together as a people. It has taken us five years to bring the building tradesmen to the festival. They have a very fine spot, and I would like to end on the rhetoric, although I have been in the building trades for 32 years and now at the level, fortunately, of teaching, I would like to turn the mike over for a minute or two to two of the young journeymen who have come to demonstrate their skills on the mall—Brother Phil Ricos from the Los Angeles Iron Workers Local and Brother John Lee Peck from the Houston, Texas, local.

Senator HARRIS. Great! We would be pleased to hear from you and we're glad you're here.

PHIL RICOS. This is a chance for us to talk to the people here and explain our trade and what we do, and people seem to be fascinated to find out how we put the buildings up and how we put the cranes up and take them down. Therefore, we enjoy talking to them and it gives them a chance to get together with us. Once they speak to us they find out it is not all true. We thank you.

Senator HARRIS. Thank you.

JOHN LEE PECK. I'm very happy to be here to represent Texas and the Iron Workers at Local 84 in Houston. I really enjoyed the time to spend with the people and explain to them what I have learned as an apprentice and to show them a little bit of what we do with our trade although this is only a small part that's here. And we're really happy to be here.

Senator HARRIS. The bill which Congressman Frank Thompson and I have introduced would create a National Folklife Foundation. The hearing here will be transcribed as I said earlier and it will be very helpful in building both public and congressional support for this bill. I think that those who testified indicate the wide spectrum of support there is for preserving so much of the diversity of America. I think the important thing that comes from these hearings and from our own knowledge is that diversity is not something to be tolerated but something to be encouraged. And that is the strength of this country, and I appreciate all those who attended this hearing. I particularly thank Jim Morris and others at the Smithsonian who helped set it up. Thank you all very much. That concludes our hearing.

THIRD ANNIVERSARY OF THE SOVIET INVASION OF CZECHOSLOVAKIA

Mr. DOLE. Mr. President, last August I called the Senate's attention to a meeting in Washington of the District of Columbia chapter of the Czechoslovak National Council of America. The purpose of that meeting was to call attention to the second anniversary of the Soviet Union's brutal invasion of Czechoslovakia in 1968. That occasion was marked with dignity and solemnity, and as the third anniversary of those sad events approaches it would be well for the American people to be aware, once again, of the oppression being suffered by the peace- and freedom-loving people of Czechoslovakia. Thousands of Americans of Czech and Slovak descent will be marking August 21, 1971, as a day of Soviet shame, in remembrance of those events 3 years ago, and all men of good will in this country and throughout the world will join them in their thoughts and prayers.

I ask unanimous consent that a resolution of the Czechoslovak National Council of America be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

FREEDOM IS INDIVISIBLE

On this sad occasion of the second anniversary of the brutal Soviet-led invasion and occupation of peaceful and freedom-loving Czechoslovakia, we American citizens of Czech, Slovak and Subcarpatho-Ruthenian descent, again remind the entire world of this Soviet violation of key principles of international law incorporated into the Charter of the United Nations:

The brutal Soviet aggression and occupation:

(1) violated the sovereignty of a member state of the United Nations (Article 2, Section 1);

(2) was carried out in violation of Article 2, Section 4, which prohibits the use of military force in the relations between individual members of the United Nations;

(3) violated the principle of self-determination of peoples (Article 1, Section 2);

(4) was in conflict with Article 2, Section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state;

(5) was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with Resolution 2131 (XXI) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

The continued Soviet occupation of Czechoslovakia is another crime against the right of a small country to determine its own destiny and aspirations. The invasion was an intervention by the forces of reactionary communism to prevent the Czechs and Slovaks from establishing their own social order that did not endanger anyone and sought to contribute to the building of bridges across the discords of a divided world and to lend aid to a better understanding and cooperation among all nations on the basis of true progress and humanity.

The people of Czechoslovakia have not resigned themselves to these aggressive plans of Moscow. The day of August 21, is being commemorated in Czechoslovakia as a *Day of Soviet Shame* in a mighty and disciplined resistance against Soviet pressure. We are joining our friends in Czechoslovakia in asking the entire civilized world to support the people of Czechoslovakia in their effort to achieve "The withdrawal of Soviet Troops from Czechoslovakia."

EAST PAKISTAN

Mr. FULBRIGHT. The cataclysmic chain of events in East Pakistan not only points up the egregious misuses to which U.S. military and economic assistance can be put. It also illustrates the insensitivity of U.S. policy to changing events and the seemingly inevitable reaction to defend the status quo regardless of the context.

U.S. military assistance was furnished Pakistan to defend against communism. It was used instead to wage war on India, the world's largest democracy, and subsequently to suppress the feeble steps toward democracy taken in Pakistan itself. Despite this perversion of U.S. largess, we have now been astonished to learn that shipments of military goods are continuing, apparently in pursuit of illusory influence or "leverage" with the Pakistan Army. The shock is compounded in view of the fact that the Foreign Relations Committee had been assured by the administration that no military items had been furnished Pakistan since March 25 and none were scheduled for delivery. This is another sad case of private executive foreign policy decision-making taken without the benefit of, indeed in strict isolation from, public discussion and debate.

Economic assistance provided by the United States was misused by the Pakistan Government to subsidize unbalanced development favoring West Pakistan at the expense of the East, which in the process exacerbated the problems which have now been so graphically revealed. Yet we support the Pakistan Government, economically and militarily, despite its destruction of emerging representative government and in the face of a ruthless military campaign, largely directed against Hindus and the intellectual and leadership elements among the Bengalis, which has resulted in the deaths of hundreds of thosuands of people. This support continues in the face of a recommendation by the World Bank against further aid and in the face of contrary attitudes on the part of other aid-giving nations of the world.

It is said that we must not intervene in the internal affairs of other countries—a principle which should have been better understood in 1964, or since 1949 in China for that matter—and that we should not use economic aid for political purposes. However, supporting a government engaged in civil war with economic assistance is as much an intervention as helping the other side. It is distressing to see that, through continuation of assistance to Islamabad, the United States again finds itself actively alined with a military dictatorship pursuing policies diametrically opposed to those to which we say we are committed.

Unfortunately the implications of this civil strife are not confined to Pakistan. The refugees created by the Pakistani military actions have been driven into India where they pose a grave problem, and, indeed, it is not an overstatement to suggest that they constitute a potential danger to world peace equivalent to that created over 20 years ago in Palestine. These hapless Bengali refugees are pressed into an area of India where insurrection and instability are already widespread and the problem of grinding poverty is most acute. India simply cannot bear the burdens, in terms of food, housing, employment, and health measures, which the refugees have thrust upon it. The situation could easily lead to renewed communal rioting, accelerated revolutionary activity—which could threaten the future of India itself—or another Indo-Pakistan war.

In this situation the administration says that it is privately urging the Pakistanis to find a political solution in East Pakistan. However, the subsidy of the Pakistan dictatorship continues. AID announced on June 10 that it was providing $1 million for Pakistan to charter vessels for the purpose of distributing food in the East, a worthy purpose. On analysis, however, there are some serious questions. Earlier Pakistan was supplied with similar vessels for cyclone relief and she is reported to be using them for military purposes.

In this context, is not the $1 million for new boats simply a means of permitting Pakistan to use its existing vessels to pursue military objectives?

And what assurances do we have that Pakistan will not divert to military purposes the vessels which they will charter with the $1 million we are giving them now?

The situation in East Pakistan is intolerable, as is a foreign policy which in practice reinforces the status quo there. The United States should instead use all the influence, limited though it may be, which it can bring to bear. In this connection, steps should be taken to insure that military goods, including spare parts, are not shipped to Pakistan and the offer of F–104's, B–57's, patrol aircraft, and armored personnel carriers made last fall should be immediately rescinded. Economic assistance should be suspended until the Pakistanis, both East and West, agree upon a satisfactory political solution and until steps are taken to repatriate the refugees now in India. If the administration does not abandon its fruitless status quo course, I will support congressional action to achieve that objective.

WILLIAM J. HOPKINS

Mr. MATHIAS. Mr. President, a veteran public servant, William J. Hopkins of Silver Spring, Md., has retired after more than 40 years on the White House staff. Mr. Hopkins started as a correspondence clerk and rose to become administrative clerk and executive assistant to the President.

President Nixon honored Mr. Hopkins with the Nation's highest civilian award, the Medal of Freedom.

The Washington Post, writing of Mr. Hopkins' retirement, called him an "indispensable man." In tribute to Mr. Hopkins and the thousands of other selfless, anonymous Federal employees who make our Government work, I ask unanimous consent that the Post article on his retirement be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

An Indispensable Man Retires

(By Carroll Kilpatrick)

William J. Hopkins of Silver Spring is retiring as executive clerk at the White House. Below, he walks in his yard with granddaughters Carole, 10, Alaine 8, Cheryl (Carole's twin) and Karyn, 11, children of Air Force Maj. and Mrs. Robert E. Funkhouser, and, perhaps, better companions than presidents.

"They'll have to close the White House," a former presidential assistant said the other day when he heard that William J. Hopkins was retiring as executive clerk.

For 40 years, Hopkins has been a fixture at the White House, "the indispensable man," according to President Nixon, who honored Hopkins with the Medal of Freedom, the nation's highest civilian award.

Bill Hopkins, now 61 and living in Silver Spring, went to work in the correspondence section of the White House in October, 1931, and rose to the administrative clerk and executive assistant to the President. He served three Republicans—Hoover, Eisenhower and Nixon—and four Democrats—Roosevelt, Truman, Kennedy and Johnson.

In addition to the Medal of Freedom, Hopkins received the President's Award for Distinguished Federal Civilian Service from President Eisenhower and a Special Award for Service from President Johnson.

A native of Netawake, Kans., Hopkins came to Washington after completing high school and studying law and business administration at George Washington University and Southeastern University.

By chance in the early 1930s, he met a young major under whom he later was to serve for eight years. Hopkins' wife asked him one day to drive her to Walter Reed Army Hospital so that she could take dictation from Maj. Dwight D. Eisenhower, who was in the hospital for treatment of a tricky knee. Mrs. Hopkins was his secretary for a brief period when Eisenhower was aide to Gen. Douglas MacArthur, Army Chief of Staff.

Hopkins has nothing but good to say about the Presidents he has known, but if he has a favorite it is the Missouri Democrat, Harry S Truman, who was, he says, almost like a father to him.

"I never heard him utter an unkind word to anyone," Hopkins recalled the other day. "He is a prince of a fellow. His public image and his private image were quite different. His friendliness brought out great loyalties. I've never heard a staff member who served President Truman utter an unkind word about him."

A proud moment came one day in the early 1960s when Mr. Truman called on President Kennedy. After their conference in the Oval Office, President Kennedy suggested they stop by Hopkins' office for a chat.

On the first day JFK was in the White House he summoned Hopkins to his office and subjected him to "penetrating" questions on the White House budget, Hopkins remembers.

While Hopkins' role was different under each President, he still does not find the words to criticize the way any of them managed the presidential office. It is essential to maintain "flexibility and elasticity" in the White House, he emphasizes, so that the office can serve the President, according to the individual's approach and manner.

In fact, the office of the President is much less bound by bureaucracy and tradition than other governmental offices and agencies, Hopkins believes. He wants to to remain that way so that each President may operate "in the style most comfortable to him and most effective from his standpoint." Let each President "pattern the office to the way he operates best."

Hopkins saw some Presidents every day, others less frequently, but he always maintained management of the flow of official documents to and from the Oval Office.

All the legislation and recommendations for legislation passed under Hopkins' critical eye. At one time, he saw all presidential correspondence, but obviously not some of the sharp letters President Truman fired off to his critics. Hopkins also was the general administrative officer in charge of the White House offices on accounts, purchases, personnel, correspondence, files and records, and telephone and telegraph service.

Hopkins was well known to Presidents and their immediate staffs but to few other persons. He was the selfless, anonymous bureaucrat, shunning the limelight and working exceedingly long hours to be sure that the machinery of the White House was operating. Colleagues said he seldom worked less than 12 hours a day, six days a week.

For years, he never took a vacation, until President Truman intervened and took him along on trips to Key West, Fla., to make sure Hopkins got some rest. One day President Johnson said to him: "Get out of here and take a vacation."

Hopkins seemed to thrive on the constant pressure and long hours. "There were hectic times under all of them," he said adding that there never are enough hours in a day for a President to do all that is expected of him.

For that and other reasons, he is very defensive about Presidents and thinks that the country has been lucky in the men who have held the high office. He thinks that criticisms of them for taking frequent vacations are unfair and unjustified, because Presidents take their jobs with them wherever they go.

"The pouches go to him when he is away and he operates very much as if he were at the White House," Hopkins said. "With communications what they are he is in constant touch. All of the Presidents have been criticized for taking too many trips, but I really think that is not a valid criticism."

At a Rose Garden ceremony, President Nixon said he was honored to give Hopkins "the highest recognition that can be given to anyone who is a civilian." The citation with the Medal of Freedom appropriately called Hopkins "a selfless partisan of the presidency."

"If you were there and saw them in difficult situations you would realize that each has tried to do the best he can," Hopkins said. He added that he was not impressed by complaints that the power of the presidency is being expanded.

Now that he is retired, Hopkins will continue to live in his Silver Spring home. But for the first time in his life he will travel a bit and see some new things. His first objective is to visit the Hoover, Roosevelt, Truman, Eisenhower and Johnson libraries (and the Kennedy and Nixon libraries when they are built) to see how they are maintaining the million of papers that once passed in such volume over his desk.

AMPHETAMINE HEARINGS

Mr. BAYH. Mr. President, last week, the subcommittee to investigate juvenile delinquency, of which I am chairman, held 2 days of hearings on S. 674, a bill to tighten controls over amphetamines and other central nervous system stimulants. This proposal is identical to an amendment approved by the Senate last October when we considered the Controlled Substances Act. Unfortunately, it was deleted in conference.

During our hearings, we heard testimony from a wide range of individuals concerned about these drugs, including representatives from the administration, the drug producing companies, the medical community, and amphetamine abusers. This testimony shed considerable light on the problem of amphetamine abuse, as well as the abuse of lesser known amphetamine-like stimulants, Ritalin and Preludin.

I ask unanimous consent that the statement presented to the subcommittee by the Senator from Missouri (Mr. Eagleton) be inserted at this point in the Record. Mr. Eagleton is the chief sponsor of this important legislation and his statement provides an excellent overview of the issues raised at these hearings. I am sure that it will provide a useful guide to others in the Senate who are concerned about the problem of drug abuse.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Senator Thomas F. Eagleton's Testimony Before Subcommittee on Juvenile Delinquency of the Senate Judiciary Committee, July 15, 1971

Mr. Chairman: I am grateful to you and to the members of your Subcommittee for scheduling these hearings on S. 674, my proposal to move the central nervous system stimulants from Schedule III to Schedule II of the Controlled Substances Act.

At the outset of my statement, I want to put to rest the notion that in talking about the need for tightening controls over stimulant drugs we are "beating a dead horse." I am, of course, aware that the Justice Department has published an order moving amphetamine and methamphetamine drugs into Schedule II. On the face of it, it would appear that the increased control over the production and distribution of these drugs which Congressman Pepper and I have sought to achieve has been realized. Unfortunately, that is not so.

While I commend the Justice Department on their action—particularly in view of the Administration's previous opposition to my proposal—we must not be misled into believing the issue is closed. I believe it is essential that the people know what has in fact been accomplished by this order . . . and what in fact has been left undone. Congress has a responsibility for closing the gaps left by the Justice Department order.

Let me briefly review the ground covered rather thoroughly in the hearings and report of the House Select Committee on Crime and in the Senate debate of last October 7. I assume that a general acceptance of this data formed the basis of the Justice Department action.

The heart of the problem of amphetamine and methamphetamine abuse is overproduction by legitimate drug manufacturers. I say that knowing that "bathtub" amphetamine is easily manufactured.

Somewhere in the neighborhood of 8 billion dosage units of these drugs are produced by *legitimate* manufacturers in this country each year. Estimates range from the 2 billion figure preferred by the drug companies, to the 3½ billion figure used by Commissioner Edwards last August, to the 10 billion figure I recently noticed in a government pamphlet on drug abuse. The 8 billion figure comes from testimony before the House Select Committee on Crime. I personally see little to be gained from a continuing debate over these numbers. The inescapable point is that even the most conservative estimates far exceed any legitimate medical requirement.

According to an FDA order of August 8, 1971, labeling of amphetamines and methamphetamines must reflect that their medical usefulness is limited to three uses. These are (1) narcolepcy (a rare sleeping illness), (2) hyperkinesis (mineral brain dysfunction in children manifesting itself in hyperactivity) and (3) obesity. Prescription of amphetamines and methamphetamines for appetite control is to be limited to short term treatment.

The FDA order states that "These drugs are very extensively used in the treatment of obesity. The extent of use for such purposes as narcolepsy and minimal brain dysfunction in children is believed to be insignificant as compared with the total usage of these drugs." Within the medical profession, however, a spirited controversy is in progress as to whether these drugs should be prescribed for appetite control at all.

I regret that Dr. William Asher, Director of the Society for Bariatrics, has declined the Subcommittee's invitation to testify. Dr. Asher strongly advocates the use of amphetamines for appetite control and has expressed to me his opposition to S. 674. So that the record may reflect his views, I ask that a copy of our correspondence be inserted in the record at an appropriate point. Other medical people disagree with the position of the Bariatrics Society. The Utah State Medical Society, for example, has passed a resolution asking its members to refrain from prescribing amphetamines in the treatment of obesity, and in Huntington, Long Island, a group of physicians and pharmacists voluntarily have agreed to stop prescribing and dispensing these drugs for appetite control. Just a few weeks ago, the American Medical Association urged its members to limit prescriptions for amphetamines.

In urging the adoption of stricter controls over amphetamines, I have purposely avoided comment on the nature and extent of medical requirements. I have insisted only that production levels be tied to the actual medical needs, as determined by those with expertise in the medical field. It is clear, however, that the limited uses currently considered appropriate by the FDA, the AMA, and individual members of the medical profession do not justify the outrageous rate of production that has continued through the years.

If further evidence is necessary that production far exceeds medical requirements, it lies in the fact that *half* of the legitimately produced amphetamines and methamphetamines are diverted into *illicit* channels. Even with this massive rate of diversion, there are enough pills left to fill all the prescriptions written for them.

I will not describe in detail the serious abuse to which this high rate of production and diversion obviously contributes. I do want to remind the Subcommittee, however, that the "shooting" of high dosage "speed" into the veins is only the most severe kind of stimulant abuse; it is not the whole problem. In addition to the dilution of pills for intravenous use by the so-called "freaks," we must also recognize as dangerous abuse the unsupervised use of these drugs by housewives who need a lift, truckdrivers who try to make another fifty miles without a rest stop, and students who stay up all night at exam time.

Because of the very serious effects of totally unsupervised, high dosage "shooting" of speed, I ask that the Subcommittee accept for the record a fine statement by David E. Smith, Director of the Haight-Ashbury Clinic in San Francisco, on the nature of the "speed" scene and the very dire effects of this kind of amphetamine abuse.

A change of these drugs to Schedule II deals with the problems of overproduction, diversion and abuse in several ways. Under Schedule II:

The Attorney General is directed to set manufacturing quotas which reflect the legitimate medical, scientific, research, and reserve needs of the country.

It is illegal for any person to distribute drugs without a written order issued by the Attorney General. These written orders are already required for all narcotic drugs distributed in this country. And this procedure has reduced the diversion of legally produced narcotics into illegal channels to an irreducible minimum.

Drugs can only be dispensed by a physician with a written prescription—and a doctor's permission is required for a refill of the prescription.

It is illegal to import drugs unless the Attorney General finds it necessary to provide for the medical, scientific, or other legitimate needs of the country.

Exporting drugs is permitted only when a permit has been issued by the Attorney General. This would prevent, for example, the continuation of the current practice whereby vast quantities of "speed" pills are being shipped to Mexican border towns—and smuggled back across the border to be sold on the streets of our western cities.

Let me now turn to what I consider to be the deficiencies in the Justice Department order of July 7.

The Controlled Substances Act vests authority to effect changes in scheduling in the Attorney General. Parties who object to a proposed change may file their objections along with requests for hearing of their complaints. Not surprisingly, several drug companies did file for hearings on certain of their products following the proposed rescheduling of amphetamines and methamphetamines. One of these companies, Penwalt Corporation, has withdrawn its petition for hearing on Biphetamine and Biphetamine-T, products that account for about 15% of the amphetamine sales market. Hearings are still to be held on Eskatrol, a dextroamphetamine sulfate product of Smith, Kline and French and the largest selling diet pill in the country. Eskatrol accounts for about 20% of the amphetamine sales market, or $11–$12 million in annual sales. Mission Pharmacal Company has also filed for a hearings on a relatively small seller, Fetamin, which brings in about $100,000 in annual sales.

Leaving Eskatrol out of the rescheduling of amphetamine drugs is a loophole that threatens to swallow the order. It automatically excludes from the Justice Department order one-fifth of the amphetamine market. But even more disturbing is the likelihood that prescribing doctors will prefer to prescribe this lesser controlled drug to its more strictly regulated competitors. Conceivably, Eskatrol could grow to half the amphetamine market or more, displacing other diet pills almost entirely. Nor can we afford to overlook the high potential for abuse of this drug—a capsule whose amphetamine ingredient can be easily separated from the other components of the combination. The profit motive is a strong one and where a product earns about one million dollars every month even a delay of a few months can be worth the trouble. At some point, however, the public interest has to be thrown on the scale, too. If Smith, Kline and French chooses not to recognize it, we must help them along. Under a legislative rescheduling, Eskatrol would be moved with the other dextro-amphetamine combination diet pills.

Justice Department personnel have assured me that hearings on these products will be scheduled soon and that these drugs will be moved immediately into Schedule II should the drug companies fail to carry their burden of proof. I am concerned, however, that Justice Department regulations issued pursuant to the Controlled Substances Act fail to state explicitly that no administrative stays will be granted. I hasten to add that even if administrative stays are denied, the drug companies may appeal to the courts for stays pending judicial review of their cases . . . possibly as long as two years.

While I am on the subject of Justice Department regulations and policy, I want to mention another issue of some concern to me. It has come to my attention that over the years between 500 and 1000 amphetamine products have been excepted on a one-by-one basis from some requirements of Schedule III. These products are in Schedule III, but they need not comply with the recordkeeping, labeling and prescription requirements that apply to other Schedule III drugs. Under the July 7 order, these drugs will remain right where they are. I am hopeful that the Subcommittee can elicit from the Justice Department a commitment to review each of these exceptions with an eye to moving them into Schedule II. At the least, these drugs should be subject to all the requirements of Schedule III.

The second major deficiency of the Justice Department rescheduling order is that it fails to include two amphetamine-like central nervous system stimulants, methylphenidate and phenmetrazine. These drugs, more commonly called Ritalin and Preludin, would be moved to Schedule II under S. 674. Ciba-Geigy Corporation is the sole producer of these drugs, Ritalin being produced by Ciba Pharmaceuticals and Preludin by Geigy Pharmaceuticals.

Mr. Chairman, you may recall that Ritalin attracted considerable attention a few months ago when the news media reported that this drug was being administered to children in the public schools to "control" disruptive behavior. Following these reports, President Nixon appointed a panel of medical experts to look into the practice of prescribing Ritalin for children. The Conference on the Use of Stimulant Drugs in the Treatment of Behaviorally Disturbed Young School Children issued its report last March. They concluded that the use of Ritalin for treatment of hyperkinesis—a form of hyperactivity related to minimal brain dysfunction in children—is appropriate where certain precautions in the prescribing and dispensing of these drugs are observed.

In view of this Subcommittee's special interest in the welfare of juveniles, you may want to look into the reported use of Ritalin in the schools to determine whether it has been dispensed under proper medical supervision, with parental consent, and only in cases of hyperkinesis . . . not as a general tool for improving discipline in the classroom. I want to stress that S. 674 makes no assumptions as to the validity of this form of treatment. It would simply make available as much Ritalin as necessary for "legitimate medical needs," as determined by medical experts.

Preludin is probably less familiar to the American public, although its serious abuse abroad has brought it to the forefront of attention in other countries. It is a diet pill similar in its medical effects to the amphetamine-based prescriptions.

In Sweden today amphetamines and methamphetamines are subject to the strictest controls, available only through specially licensed practitioners. These unusual precautions came about as a result of a serious epidemic of central nervous system stimulant abuse in the 1940's and 1950's. As the abuse of amphetamines increased, the Swedish government responded with increasingly strong controls, including the treatment of these drugs as "narcotics" under Swedish law. The result was a switch by abusers to Ritalin and Preludin, subject in the 1950's to controls less strict than those imposed on amphetamines. So great was the abuse of these substances that in 1965 Preludin was taken off the Swedish drug register and Ritalin was voluntarily withdrawn by the manufacturers 3 years later.

At a Symposium on Abuse of Central Stimulants held in 1968, a Swedish health official made a statement that seems to speak directly to us today. He said:

"Developments in Sweden can well serve as a warning to those countries which have not yet understood the nature of what has been looming and still disregard trends already evident within their own borders. Unless they act quickly and with determination they will soon find themselves in the same situation as Sweden."

To move amphetamines to Schedule II without imposing similar controls over Ritalin and Preludin is to invite abuse of drugs, in my opinion. Those of us with the responsibility for protecting the public against the hazards of drug abuse cannot afford to overlook the lessons learned by governments abroad. The Swedish experience indicates beyond a doubt that Ritalin and Preludin, like amphetamines, have a high potential for abuse. Moreover, that potential grows when amphetamines become harder for drug abusers to get. The effects of these drugs are sufficiently similar to encourage a switch over to these lesser known but equally dangerous substances.

Mr. John Ingersoll, Director of the Bureau of Narcotics and Dangerous Drugs, stated in a letter to me on May 12 that, "As of this writing, this Bureau does not have sufficiently documented information as required by P.L. 91–513 to recommend additional controls for either methylphenidate or phenmetrazine . . . Although the actual abuse of these two drugs in this country has been limited, we are continuing to monitor these substances and when sufficient evidence is compiled, we will take the appropriate steps at that time."

If Mr. Ingersoll's letter says what I think it does, it says we must wait until we can document abuse of these drugs in this country on a substantial scale. But the Controlled Substances Act does not require that we wait for tragic addictions to occur. The criterion for Schedule II drugs is not "widespread abuse," but rather a "high potential for abuse," and that potential has been amply demonstrated abroad.

I confess to being somewhat confused about the Administration's position on the transfer of these stimulant drugs to Schedule II. Mr. Ingersoll has indicated that they will not support a transfer until further documentation of abuse is available. However, that position seems to be contrary to the policy espoused by President Nixon in his recent drug abuse message to Congress.

President Nixon stated, "I am submitting to the Senate for its advice and consent the Convention on Psychotropic Substances which was recently signed by the United States and 22 other nations. In addition, I will submit to the Congress any legislation made necessary by the Convention including the complete licensing, inspection and control of the manufacture, distribution and trade in dangerous synthetic drugs." Under that Convention, now pending before the Senate Foreign Relations Committee, Ritalin, and Preludin are classified with amphetamines in Schedule II. Based on the President's stated commitment to the terms of this treaty, I hope we can look forward to Administration support for a domestic rescheduling of Ritalin and Preludin.

In closing, Mr. Chairman, let me say that I feel as strongly now as I did when I first brought this issue to the Senate last October that these stimulant drugs should be brought under stricter controls. Let's not be lulled into thinking that this has already been accomplished.

WE NEED A CONSUMER ADVOCATE ON THE FEDERAL POWER COMMISSION

Mr. McINTYRE. Mr. President, I am extremely disappointed in President Nixon's nomination of another petroleum industry adviser and apologist to membership on the Federal Power Commission.

The statutory intent of all Federal regulatory agencies specifically calls for the protection and the promotion of the consumer's welfare.

The Federal Power Commission, among its several responsibilities, is charged with regulating the price of all natural gas sold in interstate commerce. Practically all natural gas is produced by oil companies.

The statutory intent of regulatory agencies in general, and the charge to the Federal Power Commission specifically, make clear the obligation to consumer welfare.

Yet for years this obligation has been ignored or undercut by the strategic placing of industry champions in those very governmental positions responsible for protecting the consumer.

The most recent example, natural gas price increases, allowed by the Commission on the basis of questionable supply estimates provided by the industry itself, may well cost the consumer an additional $4 billion a year.

Against this background, we are asked to approve Mr. Nixon's latest nominee to the Commission, Mr. Rush Moody, Jr.

Mr. Moody is a member of the Midland, Tex., law firm of Stubbleman, McRae, Seally, Laughlin, & Browder. In law directories, this firm lists "oil and gas law" among its areas of expertise and lists among its clients Mobil and Texaco, two giants in the industry.

I find it highly illogical to expect such a nominee to reorient the direction of his allegiance 180 degrees overnight, to become, in effect, a dispassionate umpire instead of an impassioned player.

And yet the charge to the agency he would serve makes it mandatory that he do just that.

I call upon the Senate, then, to insist upon the appointment of only those men who are dedicated to the public interest—not to industry's enrichment—for only in that way can we reassert and reaffirm the spirit and intent of all Federal regulatory agencies.

THE GENOCIDE TREATY AND AMERICAN POW'S

Mr. PROXMIRE. Mr. President, the International Convention on the Prevention and Punishment of the Crime of Genocide is awaiting ratification. We must act and act now to affirm before the entire world that we totally denounce the crime of genocide. We must affirm through ratification that we stand with those nations who have already signed the convention and who have stood by it in good faith.

Some have suggested, however, that in practice our accession to this treaty will force us to consent to genocide trials of our own servicemen who are now held prisoner by the North Vietnamese. Let me clear this matter up for the record.

First, it should be plain that with or without the genocide treaty, the North Vietnamese will deal with American POW's according to their own decisions or their own trumped up charges. By trying POW's for war crimes in the first place, they would already be violating the Geneva Convention on the Rules of War. Clearly, the Genocide Convention would place our POW's in no greater danger than they are already.

Second, we are not, by signing this treaty, relinquishing any jurisdiction to foreign courts in terms of trying and punishing our citizens who might commit genocide in a foreign land. Some have suggested that this is what is implied in article VI of the convention. This is simply not true. At this very moment, without the genocide treaty in force, an American accused of committing any crime in another country, including genocide, can be tried in that country without our consent.

Ratification of the genocide treaty would do nothing to alter this situation and so it would not increase the jurisdiction of foreign courts. This question was explored in detail in a special report from the distingiushed Senator from Idaho (Mr. CHURCH) written this past December.

Mr. President I ask unanimous consent to have the report printed in the RECORD.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

TRIAL OF PERSONS CHARGED WITH GENOCIDE

ARTICLE VI

"Persons charged with genocide or any of the other acts enumerated in article III shall be tried by a competent tribunal of the State in the territory of which the act was committed, or by such international penal tribunal as may have jurisdiction with respect to those Contracting Parties which shall have accepted its jurisdiction."

This article provoked considerable discussion, not because of its language but because of the means suggested for its implementation. In the view of the committee it clearly states that the courts of the nations in which genocide has occurred shall have jurisdiction over the crime. Executive branch and other testimony, however, sought to establish that the negotiating history of the convention makes it clear that the courts of the country in which the accused has citizenship can likewise have jurisdiction over the crime. This theory of concurrent jurisdiction—jurisdiction based on the site of the alleged offense and jurisdiction based on the nationality of the offender—was thoroughly explored during the hearings. It was pointed out that a number of nations, particularly colonial powers, have consistently asserted the right to try their own nationals for crimes committed outside their territory. Even the United States in certain limited areas—counterfeiting, theft of Government property, treason, antitrust violations—has exercised jurisdiction over its citizens for acts committed abroad. At this time the committee neither endorses nor rejects the concept of concurrent jurisdiction which no doubt will be closely examined during consideration of the implementing legislation.

However, the U.S. Government should make it clear to the other contracting parties that it intends to construe article VI so as to permit it to try its own nationals for punishable genocidal acts. For this reason, the committee recommends to the Senate the following understanding:

"(3) That the U.S. Government understands and construes article VI of the convention in accordance with the agreed language of the report of the Legal Committee of the United Nations General Assembly that nothing in article VI shall affect the right of any State to bring to trial before its own tribunals any of its nationals for acts committed outside the State."

The pertinent excerpt from the report referred to in the understanding follows:

"REPORT OF THE SIXTH COMMITTEE—
U.N. DOCUMENT A/760 AND CORR. 2

"[3 December 1948]

"[Excerpt]

"14. At its 131st meeting, the Committee had agreed to insert in its report to the General Assembly the substance of an amendment to article VI submitted by the representative of India, according to which nothing in the article should affect the right of any State to bring to trial before his own tribunals any of its nationals for acts committed outside the State. Following this, the representative of Sweden and requested that the report should also indicate that article VI did not deprive a State of jurisdiction in the case of crimes committed against its nationals outside national territory. After some discussion of the questions raised in this connexion, the Committee, at its 134th meeting, adopted, by 20 votes to 8, with 6 absentions, are explanatory text[1] for insertion in the present report."

It should go without saying that the United States cannot exercise jurisdiction unless the accused is found in U.S. territory.

Only brief reference needs to be made to the clause in article VI which provides that persons charged with genocide shall be tried "by such international penal tribunal as may have jurisdiction with respect to those Contracting Parties which shall have accepted its jurisdiction." No such international penal tribunal has been established and the International Court of Justice has no penal or criminal jurisdiction. That part of article VI is therefore a dead letter at this time. If a penal tribunal should be established—and there are no present plans to do so—separate action either through ratification of a treaty or enactment of a law would be required for the United States to accept its jurisdiction.

CALIFORNIA CONDORS THREATENED BY PHOSPHATE MINING

Mr. CRANSTON. Mr. President, on July 12, 1971, the Bureau of Land Management issued a draft environmental impact statement on a proposal to permit strip mining for phosphorus in the Los Padres National Forest in California. Today, 2 days of public hearings are being completed in Ventura, Calif.

The BLM environmental impact statement is noteworthy in its twofold recognition of the intent of the National Environmental Policy Act of 1969.

First, in its listing of the alternatives open to the BLM, the report specifically mentions as possibilities both the denying of the U.S. Gypsum application and the indefinite postponing of the mining permit. To my knowledge, the Interior Department has not previously said explicitly that it might take either course of action. On July 7, 1970, I sent the following letter to the BLM:

JULY 7, 1970.

Mr. EUGENE V. ZUMWALT,
Assistant Director, Bureau of Land Management, Department of the Interior, Washington, D.C.

DEAR MR. ZUMWALT: I have your July 1 letter and would like to clarify one further point regarding the proposed mining of phosphates adjacent to the Sespe Condor Sanctuary.

According to your June 10 letter you say, "Our State Director for California is not issuing any further mineral leases or permits . . . for any lands subject to such appropriation within the general area concerned." In your letter of July 1, you indicate that impact studies are being conducted. You go on to say that the prospecting permit and existing law provide that the permittee is entitled to a lease if valuable phosphate deposits are discovered. The completion of impact studies is qualified on the permittee's right to a lease. Does this mean that if the impact studies show that mining for phosphates would adversely affect such resources as water, wildlife, forage and timber the BLM has the authority to deny the permittee, in this case U.S. Gypsum, a lease?

It is my purpose in this letter only to establish clearly in my mind whether you have authority to deny U.S. Gypsum a lease under existing laws and regulations despite the fact that they may discover valuable deposits of minerals.

Thank you again for your assistance.

Sincerely,

ALAN CRANSTON.

Assistant Secretary Loesch replied as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., August 10, 1970.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your letter of July 7, 1970, in which you asked whether the Department has authority to deny the U.S. Gypsum Company a lease to mine phosphate near the Sespe Condor Sanctuary if impact studies show that the environment would be adversely affected.

Section 9(b) of the Mineral Leasing Act, as amended (30 U.S.C. sec. 211(b)), authorizes the issuance of a prospecting permit for phosphate and provides that "if prior to the expiration of the permit the permittee shows to the Secretary that valuable deposits of phosphate have been discovered within the area covered by his permit, the permittee shall be entitled to a lease for any or all of the land embraced in the prospecting permit." The Geological Survey has confirmed a discovery of a valuable deposit of phosphate by the U.S. Gypsum Company, and, consequently, provided that the permittee is not in violation of some other provision of the Mineral Leasing Act, it must be given a lease. The Department has discretion to refuse to issue a permit to the U.S. Gypsum Company, but once the permit was issued the Department had no discretionary authority to refuse to issue a lease if the permittee complied with the statutory requirements.

The statute does not prescribe all the terms of the lease, and it is therefore appropriate for the Department to consider the inclusion in the lease of reasonable provisions to protect the environment. To determine what provisions must be imposed more information is needed, and, consequently, the Bureau of Land Management, in cooperation with the Forest Service and the Bureau of Sport Fisheries and Wildlife, is now in the process of gathering information concerning the environmental impact of mineral exploration and development within the general area involved. The Bureau of Land Management will also hold public hearings in cooperation with the Forest Service at the earliest possible date following the completion of a report on environmental impact.

We wish to assure you that the environment will be given all possible protection consistent with the requirements of law.

Sincerely yours,

HARRISON LOESCH.

In light of their 1970 claim that the Secretary has "no discretionary authority to refuse to issue a lease" it is refreshing to see the BLM recognize that it must consider such a refusal in complying with the terms and intent of the Environmental Policy Act.

Second, the report clearly sets forth the environmental debacle which would result from allowing the phosphate claim to be developed.

Included in this directory to an ecological horror chamber is the removal of 100 million tons of ore which would require scraping up between 200 and 300 million tons of earth in huge strips just to get to the ore. These millions of tons of earth would sit in piles for 5 or 6 years in an area of shallow surface soils with a moderate to high erosion hazard rating. Siltation in the area's streams has already become a problem just from the road system associated with existing mining claims. Earth removal would require drilling, blasting, and bulldozers equipped with hydraulic rippers. Twenty-ton semitrailer trucks would constantly transverse the area making approximately 140 trips per day. Electric power requirements would necessitate a 14-mile aerial transmission line capable of carrying 33,000 volts. The report documents the air pollution, water pollution, and noise pollution which would inevitably accompany an operation of this magnitude. Visually, the report describes the scene as a giant football stadium, and in a classic understatement concludes:

> To most people . . . the mining operation would be less pleasing than the existing scenery.

The numerous camping, hiking, and recreational uses in the area would be substantially inhibited. The sport fishing for which the area is well-known, would be threatened by stream pollution.

And finally the report makes clear that phosphate mining and the survival of the California condor are totally incompatible.

We have a choice.

We can have Californian condors with a chance of survival. Or we can have U.S. Gypsum mining in the Los Padres National Forest.

But we cannot have both.

This area is the condor's only known breeding site. Condor population dynamics are such that interference with one nesting couple could tip the balance toward extinction. The environmental havoc created by the U.S. Gypsum operation would so substantially disrupt the condor's nesting habitat that any hope for condor survival would vanish.

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[1] The text reads as follows:

"The first part of article VI contemplates the obligation of the State in whose territory acts of genocide have been committed. Thus, in particular, it does not affect the right of any State to bring to trial before its own tribunals any of its nationals for acts committed outside the State."

I believe most Americans understand and sympathize with the struggle to save our endangered species. I have testified on a number of occasions about the varied reasons for preserving diversity in nature. Only if there is an overwhelming national interest to the contrary should there be any question about what action we should take when a species is threatened with extinction.

What then is the national interest? A 1970 Department of the Interior report on minerals states that there is no shortage of phosphorus and no reason to be concerned about phosphate supplies until the year 2000.

I think the absence of an overriding need for the development of this phosphorus find should remove any question of what the BLM should do.

By whatever device is found to be most appropriate, the U.S. Gypsum development should be stopped. Furthermore, while the California condor is the most serious and well-known example of the environmental threat strip mining poses, the BLM report amply demonstrates other environmental, scenic, and recreational damages the mine would cause.

In its report, the BLM suggests several ways in which the operation could be suspended and/or the lease denied. Two of these proposals might subject the Department to litigation, and another would necessitate Federal legislation.

I would like to assure the BLM that I would be happy to consider introducing appropriate legislation to facilitate the maintaining of the Los Padres National Forest without phosphate development.

Under any circumstances, I am opposed to allowing the phosphate development to proceed.

OREGON'S ECONOMY IS HURTING

Mr. HATFIELD. Mr. President, the economy of my State cannot take the effect of these crippling transportation strikes much longer.

My telephone is busy with calls from lumber and plywood mill operators advising me they will be required to shut down completely if the railroad and dock strikes last even a few more days.

Main street businessmen, farmers, construction employees, millworkers, housewives, and now, rank-and-file railroad employees are calling and writing me urging immediate action to resolve these crippling issues.

Mr. President, I have contacted administrative officials and union and management negotiators urging around-the-clock sessions until a satisfactory conclusion is reached.

I cannot stand by and see the economy of my State shattered just as it is showing signs of recovering from a 2-year slump.

If it becomes necessary for Congress to step in, I know that Senators will act with dispatch.

JUVENILE FATALITIES

Mr. BAYH. Mr. President, I was particularly distressed to read recently in the New York Times of incidents of attempted suicide, of suicide, and of drug overdose deaths which occurred in detention and correctional facilities for young people in New York.

The status of, and the conditions which exist in, these facilities and institutions is one of the subjects of continuing inquiry and concern of the Juvenile Delinquency Subcommittee. I am hopeful that through our efforts improvements can be effected and progress made toward eliminating or improving such institutions. Many of them unfortunately are a disgrace to any country which considers itself civilized.

In two of the three cases described in the New York Times articles, youngsters 16 years of age were involved. A 16-year-old youth at the Adolescent Remand Shelter on Rikers Island did commit suicide, while he was incarcerated there awaiting sentencing on a manslaughter conviction. This young man was the seventh suicide in New York City's prison system this year.

One young lady attempted suicide in a home for troubled and homeless girls.

It is no wonder that a person bent upon suicide can be successful at the Adolescent Remand Shelter, for that facility, designed for 900 men, now houses some 2,127 youth between the ages of 16 and 21, who are in custody either awaiting trial or sentencing.

Quite obviously, adequate supervision of inmates is impossible under the conditions of overcrowding, which prevail at the shelter.

In fact, it is a wonder that conditions are no worse than I found them to be on a recent tour and inspection of the Adolescent Remand Shelter.

Conditions there, however, are simply terrible. They certainly are not conducive to rehabilitating delinquent youth.

First of all, there are no operating programs of rehabilitation at the shelter, despite the fact that inmates are incarcerated there for substantial periods of time awaiting trial or sentencing, or both.

The manpower development job training program which once functioned at the shelter, was eliminated for 2 years, because of a cutback in Federal funds. Yet 25 percent of the program participants were criminal repeaters. It meant that a million dollars worth of job training equipment lay idle for that period of time, in spite of the demonstration that the recidivism rate of graduates was one-third that of all others released from Rikers Island.

I am encouraged to learn that the program has again begun to function, for it is this type of effort which will reap rewards for the Nation in terms of reduced criminality and recidivism.

The conditions that I found to exist at Rikers Island are not atypical of the Nation, unfortunately.

During hearings conducted earlier this year, we heard testimony about several of this Nation's training schools, detention centers, and correctional institutions.

If one thing emerged from those hearings it is the fact that we have failed the youngsters of the Nation, who have been detained in or committed to institutions, for we do little if anything to assist them in meeting their individual needs and problems. Nor do we rehabilitate them in the vast majority of cases.

The conditions that have been described to me and those which I have seen personally are appalling.

We must, therefore, intensify our efforts to restructure our juvenile corrections system, through the development of alternatives to the traditional detention center and training school, about which we have heard so much in terms that can best be described as shocking.

I believe that legislation I have recently introduced along with other Senators, to amend the Omnibus Crime Control and Safe Streets Act would go a long way toward improving the administration of juvenile justice in this country, and I am hopeful that action can be taken upon that bill soon, so that Federal funds can be made available to the States and cities to develop and implement programs of innovation in treatment and rehabilitation of youthful offenders.

Mr. President, I ask unanimous consent that the New York Times articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, July 18, 1971]

RIKERS ISLAND BOY, 16, SUICIDE; VANDEN HEUVEL RENEWS ATTACK

(By William E. Farrell)

A 16-year-old inmate, who attempted suicide twice in the last month, hanged himself early yesterday in his cell at the Adolescent Remand Shelter on Rikers Island, prison officials reported.

The youth, Wayne Robert Stuart, whose last known address was given as 30 Lincoln Avenue, Newark, was awaiting sentencing on a conviction of first-degree manslaughter. He was the seventh suicide in the city's prison system this year.

William vanden Heuvel, chairman of the city's Board of Correction, said that Stuart's death, as well as his earlier attempts to do away with himself, illustrated the "barbaric treatment" of mentally disturbed prisoners in the city's penal facilities.

"SHUTTLE TO DISASTER"

"Mentally disturbed prisoners are on a constant shuttle to disaster between the prisons and the hospitals which hold them overnight and then send them back to the depressing conditions of prison life," Mr. vanden Heuvel said.

The blame, he asserted, rested on a prison system devoid of adequate medical resources and psychiatric personnel rather than on overburdened correction officers responsible for maintaining a daily routine.

On Sunday the Correction Board assailed another city prison facility, the Rikers Island Reformatory, as a human "warehouse" where youthful offenders serving indeterminate sentences were denied training and rehabilitation and were subjected to "empty days and useless work."

Stuart was one of 2,127 inmates in the Adolescent Remand Shelter, which houses males between the ages of 16 and 20 who are awaiting trial, or, in the case of Stuart, sentencing.

DETAINED SINCE APRIL

A spokesman for the Department of Correction said that Stuart had been detained in the shelter since April 24 on a homicide charge and was convicted on June 23 of manslaughter in the first degree, which carries a maximum penalty of 25 years in prison.

Frederick J. Ludwig, chief assistant district attorney of Queens County, said that on April 1, Stuart and an accomplice, Dennis Cujdik, 20 years old, went to the apartment of Joseph Goldstein, at 42-30 Hampton Street in Elmhurst, Queens, with the intention of robbing him.

During the evening, Mr. Goldstein, who was said to be in his 60's, was stabbed "about nine times" with a nine-inch wooden-handled knife that was wielded by Stuart, Mr. Ludwig said.

At the trial, at State Supreme Court in Kew Gardens, Queens, Cujdik was convicted of manslaughter in the second degree, which carries a penalty of up to 15 years. Stuart, who was indicted for murder, pleaded guilty to manslaughter in the first degree.

MADE NOOSE FROM TOWEL

A spokesman for the Correction Department said that Stuart, who had a cell to himself, was found dead at 4:50 A.M., after fashioning a noose from strips of a terry cloth towel and draping it over a lighting fixture.

The spokesman said that Robbert Brennan, the correction officer who found the body, had seen Stuart sitting on the edge of his bed just 20 minutes earlier.

He said that Stuart had told Mr. Brennan that he was unable to sleep.

Stuart, who was white, 5 feet 11 inches tall and weighed 160 pounds, was given a psychiatric examination at Kings County Hospital in May, the Correction Department official said.

At that time, he was deemed fit to stand trial and was said not to be a drug addict although he had told the examining psychiatrist he occassionally experimented with LSD and barbiturates.

According to the department, Stuart's medical records at the Adolescent Remand Shelter showed two previous suicide attempts, one on June 26 when he slashed a forearm with a piece of glass and one on June 26 when he tried to hang himself with a rope made of mattress ticking.

On June 21, he was questioned about a noose he was making from a rope.

DEPRESSION NOT INDICATED

According to the department, on Monday night Stuart played cards with other inmates, who detected no signs that he was particularly depressed.

From the time of his detention Stuart had been seen by five psychiatrists, a department spokesman said.

Mr. vanden Heuvel said that until more prison hospital space was available for inmates with mental problems, the "shuttling" between psychiatric interviews and prison cells would continue.

On several occasions, he said, his watchdog agency discussed the problem of potential suicides with Correction Commissioner George F. McGrath.

Mr. vanden Heuvel said that he had suggested to the Commissioner that once potential suicides were identified "normal" inmates be paid the going prison rate of 3 cents an hour to be "observation aides" and monitor their comings and goings.

PLAN FOUND UNFEASIBLE

Mr. McGrath said that the city's prisons used inmates as observers "to a great extent," but that using prisoners to guard a possible suicide on a 24-hour basis was "not feasible."

While the Commissioner agreed that there were "far too many obvious psychiatric cases in our prisons," he said that overcrowded hospitals "resist taking anything but the most extreme bizarre psychotic individuals."

Commenting on Stuart's five psychiatric examinations, the Commissioner said all the psychiatrists said that the youth "was not psychotic" and could withstand the regular prison routine.

Mr. vanden Heuvel said that a meeting on prison suicides would be held at the Tombs at 3 P.M. tomorrow. At that time an attempt will be made to enlist the support of the New York City Psychiatric Association in providing more services to inmates, he added.

[From the New York Times, July 28, 1971]

SUICIDE ATTEMPT IN GIRLS' CENTER; 16-YEAR-OLD ABANDONED WHEN SHE WAS 7

(By Walter H. Waggoner)

A 16-year-old girl who was abandoned when she was 7½ and has been in child-care institutions most of her life attempted suicide on July 16 at Callagy Hall, a city-operated shelter for troubled and homeless girls.

This was disclosed yesterday by the girl's lawyer, Marcia Lowry of Community Action Legal Services, Inc., who brought suit in State Supreme Court against George K. Wyman, the state's Commissioner of Social Services, and Elizabeth Beine, director of the city's Bureau of Child Welfare.

The complaint charges that they failed to comply with an order by State Supreme Court Justice Harold Baer on June 9 to "make adequate and suitable temporary arrangements" for the care and education of the girl, Francine Timothy.

A hearing on the order to the defendants to show cause why they should not make such arrangements has been scheduled for Aug. 4 before Justice Francis J. Bloustein.

Carl Zuckerman, general counsel of the city Department of Social Services, of which the Child Welfare Bureau is a part, said: "We do not comment on a suit that is pending."

George Yamin, spokesman for the State Department of Social Services, also said that it was department policy "not to make any statement where litigation is involved until the matter is disposed of by the court."

SUICIDE EFFORT RELATED

Francine, who was committed June 16 to Callagy Hall, at 311 East 12th Street, tried to kill herself by wrapping a wire clothes hanger around her neck and swallowing pieces of a broken phonograph record, according to Miss Lowry.

The lawyer said that after the girl was transferred to Bellevue Hospital's psychiatric unit for examination, she told friends she was depressed because clothing, money and other belongings had been stolen from her at Callagy.

In her own affidavits to the court, Francine said: "I have seen girls bring marijuana and whiskey into Callagy and use them there."

"The counselors don't seem to care about it," she said, adding that there was also "a lot of homosexuality" at the hall.

WANDERING, HOMELESS

Before her last admission to Callagy, Francine was found by a policeman on the night of May 24, according to court papers, "wandering, homeless" and "trying to find friends with whom she could stay, after having been thrown out of her home by her mother," Mrs. Francina Little, of 1160 Jackson Avenue, the Bronx.

Mrs. Little was said in the court papers to have abandoned the girl, along with three other children, in 1962. There have been brief periods when Francine was with her family but according to the papers, she was last ejected from her home on May 23, eight days after being discharged to her mother's care following more than three years in Rockland State Hospital.

The girl was taken to Bellevue after she had "begged" not to be taken to Callagy because of her "terrible memories" of her first stay there in 1962.

BELLEVUE FINDINGS

At the hospital she was examined by Dr. Eugene Allen, a psychiatrist, and Yvonne Joyce, a psychiatric social worker. Both "concluded unequivocally that Francine was not in need of any kind of hospitalization" but should be placed "in a suitable foster home."

Following Justice Baer's order of June 9, Francine was removed from Bellevue to Callagy Hall on June 16. The petition by Miss Lowry, the lawyer, complained that the center was "neither an adequate nor a suitable place for any teen-ager to live, even temporarily."

Miss Joyce, the social worker, said "it is crucial that no further damage be done to this child, even by a short stay in what I believe to be a large, overcrowded warehouse for children such as Callagy Hall."

[From the New York Times, July 28, 1971]

ROCKLAND INVESTIGATES PRISONER'S FATAL OVERDOSE; COUNTY SEEKS TO LEARN HOW ADDICT OBTAINED NARCOTICS DURING BRIEF TIME IN JAIL

(By Edward C. Burks)

Rockland County authorities have undertaken an investigation to determine how a county jail prisoner could have received a fatal narcotics overdose while in jail.

Dr. Frederick T. Zugibe, the County Medical Examiner, said yesterday that a "main line" injection in the arm caused the death of 34-year-old Albert Wilson of Spring Valley, N.Y., last Friday in a cell he shared with five other prisoners.

Wilson was described by Sheriff Raymond Lindemann as a long-time addict who had escaped from a state addiction control center, where he was being treated.

He was arrested in Spring Valley last Wednesday and charged with possessing 35 "bags"—actually, envelopes— of heroin.

THE 30-DAY SENTENCE

On pleading guilty to the charge, he was sentenced to 30 days in the county jail in New City to serve his time until his return to state custody.

Dr. Zugibe's investigation and autopsy report said that Wilson had been in the county jail for 36 hours and that the overdose had been administered within 12 & 24 hours of his death.

The Medical Examiner stated yesterday that Wilson was not under the influence of drugs when he was admitted to jail late Wednesday afternoon. Before he was found unconscious about 1:30 A.M. Friday, less than four hours before death, he was "in good shape," Dr. Zugibe reported, showing no signs of drugs or withdrawal symptoms.

Commenting on the examination of the prisoner's body, which Dr. Zugibe said contained numerous sores and abscesses resulting from previous injections or "skin popping," he added: "We found a fresh needle mark on the arm."

District Attorney Robert R. Meehan of Rockland County described the case as an "extremely serious situation" and said that he will ask the county grand jury today to undertake a full investigation following that of his own office.

COMMENTS ON POSSIBLE SOURCE

Mr. Meehan said that the prisoner might have smuggled the drug into the jail himself or received it from a visitor, another inmate "or other sources."

One of the other prisoners in the cell was being held on a drug-possession charge.

Sheriff Lindemann said that the prisoners were stripped and searched prior to being outfitted with jail clothing. But he agreed with Dr. Zugibe that it was possible to secrete heroin on or within the person. According to Dr. Zugibe, enough uncut heroin to constitute a massive overdose might not take up more space than the size of a man's fingernail.

An unusual aspect of the case was that Wilson had been severely injured in an automobile accident some time ago and recently received damages, according to Rockland authorities, of more than $50,000.

He apparently acquired his drug habit after his injury and spent "about $10,000" on drugs since getting his settlement, they said.

The police did not recover any "instrument" or hypodermic needle in the jail cell.

According to Sheriff Lindemann and Mr. Meehan, inmates with trusty status do the work in the jail including preparation of food, under the supervision of the jailers. The "bullpen," or multiple bunk, cell has a single toilet, but prisoners are sometimes taken to another toilet outside the cell.

Sheriff Lindemann said that the jail physician, Dr. Henry M. Karlan, was called "a number of times" during the night after Wilson was obviously ill, that he prescribed "smelling salts and oxygen" and that he was finally "ordered" to the jail by Undersheriff Mel Matern.

When he arrived at 5:15 A.M. the prisoner was dead, the sheriff said.

PROFESSOR BICKEL, WAR POWERS TESTIMONY

Mr. JAVITS. Mr. President, the Foreign Relations Committee has been holding hearings over the past several months on the war powers bills introduced by me and other Senators. At my suggestion, Prof. Alexander Bickel of the Yale University Law School was called as a witness on July 26, 1971. Professor Bickel is one of our Nation's best known constitutional law authorities—both as a teacher-scholar and as a practicing lawyer. Most recently, Professor Bickel won another laurel by successfully defending the New York Times in the Supreme Court in the famous "Pentagon Papers" case.

Professor Bickel's appearance before the Foreign Relations Committee was, in my judgment and the judgment of others of my colleagues, one of the most illuminating, helpful, and instructive sessions which the Foreign Relations Committee has had on this historic subject—and these hearings have consistently been of outstanding quality.

In commending Professor Bickel's statement to my colleagues, I wish only to add that, in my judgment, the subsequent questioning and colloquy of and with Professor Bickel, by committee members surpassed even the high excellence of his prepared statement and I am sure that this portion of the hearings will be of especial interest to Senators when the hearings are completed and printed.

I ask unanimous consent that Professor Bickel's prepared statement be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony of Alexander M. Bickel

I appear at the invitation of the Committee, and I greatly appreciate the opportunity to express my views, in this historic forum, on the question of the proper allocation of the power to make war under our Constitution.

When the Constitutional Convention was debating allocation of the war power, George Mason of Virginia said that he was against giving the power of war to the Executive, because not safely to be trusted with it; or to the Senate, because not so constructed as to be entitled to it. He was for clogging rather than facilitating war; but "for facilitating peace." Oliver Ellsworth of Connecticut, later the third Chief Justice of the United States, expressed the same thought. "It would be more easy to get out of war," said Ellsworth, "than into it."

Not only in the policies we have permitted at least two successive Presidents to pursue, but in institutional arrangements that Congress and the people have acquiesced in for some decades now, we have managed to reverse the proper order of things. We have managed to clog peace and facilitate war. I think it is time we got back on course.

Our Founding Fathers were not so unworldly as to believe that in terms of formulating and executing the policy of a great nation, it is in fact easier to make peace than to make war. It is in fact, as Ellsworth was careful to say, harder to make peace and simpler to make war. But the Framers of the Constitution intended that our Nation's institutions and processes should be so structured and arranged as to make it more difficult to do the easy thing—get into a war, and easier to do the difficult—get out of war. For this reason, they insisted that the declaration of war not be an executive prerogative, as it had been under the British Crown. They insisted also that it not be left to the Senate, a single, less numerous chamber which they viewed as capable of more expeditious action. Rather they vested the war power in Congress, acting through both Houses, with the approval of the President.

Congress, the Constitution provides, may *declare* war. The Convention earlier had thought of using another, in many ways more comprehensive word, and of empowering Congress to *make* war. But this phrase seemed to confide to the Congress the function of conducting a war once it had started, and also possibly seemed to deny the power of the Commander-in-Chief to repel attacks against the United States. The President was to be Commander-in-Chief, and there was no intention to limit the authority implicit in that office. As commander, the President would control tactical decisions concerning the deployment of our forces in the field, and see to their safety. Congress, as the Framers knew and as Congress itself has on occasion discovered, for example during the Civil War—Congress cannot well exercise command, and should not attempt to do so. Nor was there any intention to deprive the President of the power to repel attacks, or to respond to the threat of attacks against the United States or against our forces, when speed and perhaps secrecy are of the essence.

Yet nothing can be clearer than that the power to declare war was lodged in Congress alone. No doubt the President was to have a function in making, as opposed to declaring, war. Even so, the Framers were extraordinarily wary of standing armies, and of their use by the Executive. The Framers authorized Congress, therefore, not the President, to "raise and support Armies," and then provided that no appropriation of money to raise and support armies "shall be for a longer Term than two Years." Moreover, it is equally clear that residual legislative power over the whole domain of foreign policy, and of war as an instrument of policy, was placed in Congress. The vast bulk of those powers which, as the Supreme Court said in *United States v. Curtiss-Wright Corp.*, 229 U.S. 304 (1936), "vested in the federal government," without need of explicit enumeration, "as necessary concomitants of nationality"—the vast bulk of these powers belongs to Congress. Not only was Congress empowered to declare war, to raise and support armies, to make rules for their government and regulation, and to provide for calling forth the militia and for organizing, arming and disciplining it, but in the end Congress was given the overall, comprehensive "necessary-and-proper" power.

The "necessary-and-proper" clause of Article I of the Constitution authorizes Congress, of course, to make "all laws which shall be necessary and proper for carrying into Execution the foregoing Powers. . . ." The reference is to the previously enumerated powers of Congress. But there is another portion of the necessary-and-proper clause, not so often cited, which is of the greatest consequence when it comes to issues of foreign policy and of war and peace. The clause also charges Congress to make all laws which shall be necessary and proper for carrying into execution all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

Against this roster of Congressional functions, stand the bare and summary provisions of Article II vesting the executive power in the President, declaring that he shall be Commander-in-Chief, and authorizing him, with the advice and consent of the Senate, to make treaties and appoint ambassadors. Whatever is needed to flesh out the slender recital of executive functions must be done by Congress under the "necessary-and-proper" clause. Congress alone can make the laws which will carry into execution the powers of the government as a whole, and of its officers, including the President.

The text of the Constitution and its history thus plainly limit the President. But the law of the Constitution under our system is defined not only by the text and by the history of the text, but by practice long accepted. The earliest practice conformed to the division of war-making powers intended by the Framers. But later practice, in this century, and on occasion in the 19th century, has tended to enlarge the scope of independent Presidential initiatives.

The relevant history has been reviewed in hearings held by this Committee in 1967, in connection with the Commitments Resolution, and in more recent hearings. Even against the background of this practice, the decisions discussed as early as 1964, made in the first half of 1965, and executed thereafter, to commit the moral and material resources of the Nation to full-scale war in Vietnam seem to me to mark the farthest, and really an unprecedented, extension of Presidential power. Certainly the power of the President in matters of war and peace has grown steadily for over a century. The decisions of 1965 may have differed only in degree from earlier stages in this process of growth. But there comes a point when a difference of degree achieves the magnitude of a difference in kind. The decisions of 1965 amounted to an all but explicit transfer of the power to declare war from Congress, where the Constitution lodged it, to the President, on whom the Framers refused to confer it.

I do not recur to the issue of the constitutionality of the Vietnam war—which properly enough, in my view, the courts have not adjudicated, and should not—I do not recur to this issue idly, or in search of a satisfying repository for blame. There is enough blame for wide distribution. I bring up the issue of how we got into the current war because it is an experience from which we should learn a lesson. The lesson is that something has gone wrong with our institutional arrangements, and nothing will so readily enlighten us on the rights and wrongs of abstract institutional arrangements as the wrong practical results of an institutional arrangement.

The great number of Presidential initiatives prior to the Vietnam war could, with varying degrees of plausibility, be fitted into theories that fall short of complete repudiation of the constitutional division of war-making power between Congress and the President. The decisions and actions of 1965 outran any such theories. There was no sudden attack on forces of the United States, requiring instant response, perhaps in secrecy, and thus making resort to Congress impossible if effective action was to be taken. Nor were we in any sense, as in some of our Latin American ventures around the turn of the century and after, interposing our forces in a foreign nation to protect American citizens and property, while remaining neutral with respect to conflicts there. The Korean action and the dispatch of troops to Lebanon by President Eisenhower before 1965, as well as President Johnson's intervention in the Dominican Republic later, all could at least arguably be made to fit the sudden-attack and neutral-interposition theories. But not the round-the-clock bombing of North Vietnam, which began in February, 1965. And not the sending of 50,000 troops by a single decision that President Johnson announced on July 28, 1965, commenting, "this is really war."

That was really war, and it committed, as the President had said some two weeks earlier, on July 9, "our power and our national honor"—by a deliberate decision, considered over an extended period of time, not forced by sudden events; a decision functionally and in every other way amounting to an initiative for war. If this decision was not for Congress under the Constitution, then no decision of any consequence in matters of war and peace is left to Congress.

I will not pause to discuss subsidiary justifications for the Presidential decision to go to war in Vietnam, such as the supposed SEATO obligation, or the Tonkin Gulf resolution. As for the claim that Congress ratified the executive action by appropriating monies to support and steadily enlarge it, undoubtedly Congress did so, and undoubtedly it did so in part under a misapprehension that it was in principle obliged to extend general support, even if free to make judgments on questions of detail. This is precisely the misapprehension which it is necessary now to dispel.

Few observers or even executive spokesmen deny the import of the original Constitutional arrangements. When the largest claims are entered for independent Presidential power, reliance is placed in prior practice, and in assessments of modern conditions which, it is said, require a revised conception of the original separation of powers. Thus Secretary Rogers, testifying here on May 14, 1971, said that the power to repel sudden attacks, which the Framers plainly meant to repose in the President, must in modern times have a broader rationale—that is, that in emergency situations the President has power and a responsibility to use the armed forces to protect the nation's security. Further on, the Secretary expressed his concern that any limitation on the President's ability to meet emergencies "would run the grave risk of miscalculation by a potential enemy regarding the ability of the United States to act in a crisis," and he spoke of the need to allow the President "flexibility."

I am not clear just what the Secretary had in mind. The "sudden attack" concept of the Framers of the Constitution denotes a power to act in emergencies in order to guard against the threat of attack, as well as against the attack itself, when the threat arises, for example, in such circumstances as those of the Cuban missile crisis of 1962. So long as it is determined that this is a reactive, not a self-starting, affirmative power, I have no trouble agreeing that it is vested in the President by the Constitution, that it provides flexibility, and that Congress cannot take it away. Secretary Rogers added that he did not interpret 'flexibility' as a euphemism for unchecked executive power." I don't see, therefore, why he felt that the concept of "sudden attack" needed to be broadened. Of course, the power is, in an emergency, to guard against attack or the threat of attack on the United States or lawfully deployed forces of the United States—not an attack on someone else. If, in the event of an attack on a friend or ally, there is implicit the threat of attack also on us, the President can act. If not, and if there is an adequate consensus that we should spring to the help of our friend, Congress can be persuaded to act, and act fast enough. If Congress won't act, or if our friend is devoured in a matter of hours, then I think it is evident we could not have helped effectively anyway. I should think we would have learned from the Vietnam experience that without knowing why we fight, and that we want to, we can't fight effectively, and I think friend and foe alike have learned as much about us, and know it, whatever we may say here.

Secretary Rogers also mentioned that the United States is now a world power, and that we live in a time when there is fear of nuclear war, and when deterrence is considered important. But again, if we are talking, as Justice Holmes used to say, things and not words or euphemisms, all this means is that sudden attacks and the threat of them are more distinct possibilities now than two hundred years ago, and that emergencies are more likely to be acute and dangerous. The sum of it is that the possible occasions for the use of the President's Constitutional power to repel attacks, or to deal in an emergency with the threat of attack, loom more ominously on our horizon than on that of the Framers of the Constitution. I don't see why the conclusion is drawn—the Secretary, in fact, merely implies it—that our conception of Presidential power must be broader.

It is also asserted in defense of independent Presidential action—though not by Secretary Rogers—that Congress is authorized only to declare war, and in modern circumstances, that is, after all, often not what is wanted. It is too much, and since too much is all that Congress has authority to do, it must be for the President to do anything somewhat less. The argument is altogether fallacious. There may actually be some sort of difference between the war we have waged in Vietnam and a war that Congress might have declared, although the difference, if any, is metaphysical. But there is utterly no reason to think that Congress has only the mega-power to declare war in the exact terms of the constitutional clause that authorizes declarations of war, and no intermediate power to commit the country to something less than a declared war. Congress, and Congress alone, as I have emphasized earlier, has the necessary-and-proper power, the power to do anything that is necessary and proper to carry out the functions conferred upon it and upon any other department or officer of the government. If in the conditions of our day it is necessary to carry out the power to declare war by taking measures short of a declaration of war, everything in the scheme of government set up by our Constitution indicates that Congress has the needed authority.

United States v. *Curtiss-Wright Corp., supra*, is often cited as indicating a modern development of independent Presidential power beyond what the Constitution originally intended. The case is familiar, of course, but let me take a moment to examine it. It is a rather eloquent, if not grandiloquent, opinion by a Justice (Sutherland) whose eloquence was usually reserved for decisions constricting rather than enlarging the power of the federal government. The opinion has, therefore, the impact of the unexpected. But it is really quite a limited holding. Congress had, by joint resolution, authorized the President to prohibit sales of arms and munitions to countries then engaged in a specific armed conflict in the Chaco, whenever the President found that such a prohibition would contribute to the reestablishment of peace between those countries. The President used this authority, and the joint resolution was attacked as void for excessive delegation. The Court assumed without deciding that the delegation would have been excessive if applicable to internal affairs. Whether this assumption was valid at the time is thoroughly questionable. Little more was delegated to the President than the power to establish a necessary factual condition precedent. The joint resolution closely defined what the President was to do, and where he was to do it—comparison with the terms of the Tonkin Gulf resolution is interesting! This was hardly delegation running riot. Cf. *Panama Refining Co.* v. *Ryan*, 293 U.S. 388 (1935).

At any rate, having assumed *arguendo*, without deciding, that as applied to domestic affairs the delegation would be unconstitutional, the Court declared that "within the international field [Congress] must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved. Hence the delegation was held valid. The eloquent assertions of independent Presidential power in the vast external realm," which were largely *dicta*, were restricted to statements that the President alone can "speak or listen as a representative of the nation;" that he alone negotiates treaties, and that the Senate cannot intrude, although it must give advice and consent; that the President has "plenary and exclusive power . . . as the sole organ of the federal government in the field of international relations, which in context must be taken as a restatement of his role as sole spokesman and listener, especially since the Court added that Presidential powers "must be exercised in subordination to the applicable provisions of the Constitution;" and that the President, and not Congress, has the better opportunity of knowing conditions in foreign countries, because the President has his agents, and is better able to maintain secrecy. That was all. Nothing about powers to go to war, or to use the armed forces without restriction. So far as broad delegation without standards of legislative power to the President is concerned, *Kent* v. *Dulles*, 357 U.S. 116 (1958), decided a generation later, has made clear that it will no more be tolerated in the "vast external realm" than domestically. Not that *United States* v. *Curtiss-Wright Corp.* ever held to the contrary.

Passing the question of the possible reach of independent Presidential power, one thing is surely clear. Whatever aggrandizement of Presidential power may have occurred during the past generation, whether or not Presidential initiatives taken in the absence of legislation to the contrary were constitutional, the practice of recent decades or of a century cannot have worked a reduction of Congressional power, which may in the last two or three decades have lain largely in disuse, but which is as legitimate now as the day it was conferred. As the late Justice Robert H. Jackson said in his classic concurring opinion in *Youngstown Sheet and Tube Co.* v. *Sawyer*, 343 U.S. 579 (1952): When the President acts in absence of either a Congressional grant or denial of authority, he can only rely upon his own independent powers, but there is a zone of twilight in which he and Congress may have concurrent authority, or in which its distribution is uncertain. Therefore, Congressional inertia, indifference or quiescence may sometimes, at least as a practical matter, enable, if not invite, measures on independent Presidential responsibility. . . ." However: "When the President takes measures incompatible with the expressed or implied will of Congress, his power is at its lowest ebb, for then he can rely only upon his own Constitutional powers minus any Constitutional powers of Congress over the matter".

The President alone negotiates and treats, and the Senate ratifies or not, and the Congress supports, or not, but neither Senate nor Congress negotiate and treat. And the President alone commands troops and sees to their safety. But the novel claim is now made, by Secretary Rogers among others, though perhaps somewhat more tentatively by him than by others, that the President has uncheckable independent authority to deploy forces abroad short of hostilities. To interfere with this independent authority, said Secretary Rogers, would raise a serious Constitutional issue. Yet in 1917, Congress forbade, while we were in a state of neutrality, the sending out of the jurisdiction of the United States of any vessel built, armed or equipped as a vessel of war, with an intent that it be delivered to a belligerent nation, 40 Stat. 217, 222; further restrictions on the sale of arms were added by the Neutrality Act of 1935, over vigorous executive objection, 49 Stat. 1081; and in the Selective Service Act of 1940, Congress provided that no draftees were to be employed beyond the limits of the Western Hemisphere, except in territories and possessions of the United States, 54 Stat. 885. More recently, Congress imposed restrictions on the use of forces in Laos, Thailand and Cambodia. When in 1940, President Roosevelt, in the destroyers-for-bases deal, transferred to Great Britain certain overage destroyers and small patrol boats, his Attorney General, later Justice Jackson, advised that the transfer was lawful only because he construed the acts of 1917 and 1935 as permitting it. The Attorney General also advised that a proposed transfer of mosquito boats then under construction was prohibited by the 1917 Act. 39 *Opinions of the Attorney General* 484, 496 (1940). President Roosevelt accepted the authority of Congress as exercised in the 1917 and 1935 statutes, and acted as Commander-in-Chief only within it.

The Presidency, Secretary Rogers said, has a peculiar institutional capacity for "rapid and clear decisions" based on "superior sources of information," whereas Congress is a more "deliberative, public and diffuse body." But the Secretary recognized also the institutional limitations of the Presidency, and these, in matters of war and peace, counsel I believe a redressing of the balance between President and Congress. The institution of the Presidency is, to be sure, ultimately responsive to public opinion. But the President is a single man, in many ways a distant and regal personage. The discipline of the democratic process plays on him only grossly, at wholesale. His policy-making is necessarily private, almost like that of a court. The large results become known, and on these he can be judged and held to account. But the process by which he reaches them is seldom opened to scrutiny, and consequently little open to influence. Congress on the other hand is institutionalized communication, access, participation. Here much of the decision-making process is in the open, accessible and observed. Congress is the institution where we do not merely hold our government to account, but can participate in it. It isn't always, but it can be. The Presidency by its nature rarely is.

The Congress need not fear that in resuming a fuller share of its own constitutional function, it will denude the office of President of its grandeur and its power. It will remain true, as Woodrow Wilson said, and as in just the past couple of weeks President Nixon has once again demonstrated, that the President's office is anything "he has the sagacity and force to make it." It will remain true, as Justice Jackson said, also in his concurring opinion in *Youngstown Sheet and Tube Co.* v. *Sawyer*, that the President "almost alone . . . fills the public eye and ear. No other personality in public life can begin to compete with him in access to the public mind through modern methods of communication." By his prestige and influence on public opinion, Justice Jackson added, the President exerts a leverage upon the institutions that are supposed to check and balance his power which can often cancel their effectiveness. In matters of war and peace, a succession of Presidents—well-intentioned and patriotic, to be sure—have indeed come close to cancelling the effectiveness of Congress. The result is a dangerous contradiction of the principles of democratic government, which I believe ought to be set right.

I am open to questions, naturally, concerning specific provisions in the bills the Committee has under consideration. I will say in general only—on the one hand—that I don't think the President can be deprived of his power to respond to an imminent threat of attack (as well as to the attack itself); or of his power to respond to attacks and threats against our troops wherever they may be, as well as against our territory; or of the power to continue to see to the safety of our troops once they are engaged, even if a statutory 30-day period has expired. In these respects, the Javits and Eagleton bills raise constitutional problems, which are soluble, I believe, by redrafting. I do think that Congress can govern absolutely the deployment of our forces outside our borders and that Congress should undertake to review and revise present dispositions. In this fashion, the eventuality of an attack or threat of attack against our forces can be indirectly provided for.

On the other hand, I think that a generalized, prospective delegation by Congress to the President of the power to go to war in aid of our allies pursuant to treaty commitments gives away more of its own power than Congress may constitutionally give away by so broad a delegation—or at any rate, a delegation which it is possible to construe all too broadly. In this respect, I would favor amendment of the Javits bill.

ERVIN HEARINGS ON PRIVACY (VII) TESTIMONY OF ELLIOT L. RICHARDSON

Mr. ERVIN. Mr. President, the Subcommittee on Constitutional Rights has received many letters from citizens concerned about the ever-expanding use of social security numbers by institutions of learning, credit bureaus, public utilities, unions, industry, in fact, by almost every segment of private enterprise in addition to State and local governments. It was for this reason, therefore, that I invited the Secretary of Health, Education, and Welfare to testify at the subcommittee's hearings on Federal Data Banks, Computers, and the Bill of Rights.

Mr. President, the testimony presented by the Honorable Elliot L. Richardson recognizes the concern of the American public that the social security number is fast approaching the status of a universal identifier. He points out the need for computers and the advantages to be gained by the efficient utilization of these systems. But his statement also contains a recognition of the increased risks to privacy which are occasioned by the advances in computers and communications.

I feel that Mr. Richardson's statement will be valuable to everyone interested in the effect technology is having on the quality of American life. Society must, if it is to survive, make sure that the rights guaranteed to all men by our Constitution are preserved. One of the most important of these rights is the right to privacy.

I ask unanimous consent that the statement of Secretary Richardson be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. ELLIOT L. RICHARDSON, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, FOR THE SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS OF THE COMMITTEE ON THE JUDICIARY, U.S. SENATE, 92d CONGRESS, FIRST SESSION, AT HEARINGS ON COMPUTERS, DATA BANKS AND THE BILL OF RIGHTS

Mr. Chairman and Members of the Subcommittee: I am very pleased to have this opportunity to testify at these hearings. They reflect a concern which I share about the potential for abuse which exists in what has been aptly called the cybernetic revolution: the rapid recent advance—destined to continue—in data-processing and communication technology.

Here with me today are Wilmot R. Hastings, General Counsel of the Department, and Robert C. Ball, Commissioner of Social Security.

A. CONFLICTS GENERATED BY TECHNOLOGICAL CHANGE

I know this Subcommittee appreciates the need for better statistical information about poverty, economic insecurity, illness, handicaps, inadequate education, population changes, and related social problems. The availability and analysis of information—knowledge if you will—have from the earliest history of man been the most important forces for this progress. At the same time, lack of knowledge—ignorance—has been the greatest constraint on the progress of mankind. The dramatic advances in computers and communications have given us the ability to store and use information on a scale vastly greater than earlier technology permitted. We now have a tool which will enable us to understand better the conditions in our society, develop improved solutions for the problems that these conditions reveal, and assess more accurately the performance of governmental and non-governmental institutions in carrying out these solutions. We can expect the use of data banks and information to continue to grow—it must if society is to solve the increasingly complex problems that plague it.

However—and I wish to make my position very clear on this point—nothing in the cybernetic revolution justifies unwarranted prying into or surveillance of the private lives of our citizens merely because we have acquired the technological capacity to do so. This Subcommittee deserves great credit for bringing forcefully to the Nation's attention the risks of loss of privacy and possible intrusion on constitutional rights which may be threatened by potential misuse—both intentional and careless—of the advances in computers and communications.

As citizens of a free society, we have the right to live as individuals with a high degree of independence and personal privacy. We expect that government officials, in fulfilling our needs for information, will respect that right. Government is not the owner of information on individuals, but only the trustee. As trustee it must honor its fiduciary responsibility, using the information for the benefit of society and in the manner authorized by its individual owner. We are going to express this trust concept in Department guidelines now being prepared concerning the collection of data from the public on sensitive personal subjects. As I will discuss later, safeguards have been developed to assure that our fiduciary responsibilities are met.

B. THE CASE FOR DATA COLLECTION: DHEW PROGRAM NEEDS

Against the background of these rather general observations I would like to explain to the Subcommittee how some of our program requirements have led the Department of Health, Education, and Welfare to collect and store information, how that information is used, and how we protect against the misuse of that information. I will confine my discussion to the kind of information which

I understand is relevant to the concerns of the Subcommittee—personal information about individuals.

The Department of HEW collects personal information, or causes or enables such information to be collected, for two broad purposes. The first of these is to enable the Department to administer programs and carry out other administrative functions which it is by law directed or authorized to perform. The second is to produce new knowledge on the basis of which we can acquire a more intelligent understanding of the conditions of individual and social well-being which are within the scope of the Department's concern and how those conditions of well-being may be improved.

As you know, we have forwarded to you a report responding to the Subcommittee's interest in ". . . the extent to which federal agencies may appropriately maintain law-enforcement-oriented or intelligence-type data banks on (1) persons who demonstrate or who are politically active in advocating or opposing government policies; (2) persons who no longer have dealings with the agency or department; or (3) persons who have not yet dealt with it," as requested in the Chairman's letter to me dated January 14, 1971. As I said in my letter transmitting that report, the Department of Health, Education, and Welfare maintains no such data banks.

In accordance with the Subcommittee's request communicated in the Chairman's letter to me dated November 24, 1970, we are conducting a review of the computerized data banks administered by or receiving financial support from the Department. We hope to provide the information you have requested concerning those data banks we administer by mid-April. Information concerning those for which we provide financial support is still being gathered by the Department's operating agencies. Because so many State and local governments, public school systems, colleges and universities, health and welfare organizations, and others which maintain data banks may be supported at least in part by funds received from the Department, we are not certain how soon this information can be made available to the Subcommittee. However, we will advise the Subcommittee as soon as we can estimate a date when a report on these "external" data banks may be available.

I would at this time, however, like to discuss two of our major information systems: The National Center for Health Statistics (NCHS) and the Social Security Administration's (SSA) data systems.

NCHS, a key component of the Federal statistical system, is the principal instrument for providing statistical intelligence on vital events, health, injury, illness, impairments, use of medical, dental, hospital and other health care services, and on the facilities and manpower which provide these services. The central mission of NCHS is to establish and maintain a system for producing the information needed in these fields. The Center carries out its mission by extensive operations in data collection, reduction, analysis, and publication, and is supported by a companion research-oriented program designed to improve the methodology of data processing and evaluation.

In October 1969, NCHS issued a policy statement on "Release of Data for Individual Elementary Units and Related Matters." That statement explained that it is a guiding principle of NCHS to publish as much relevant, impartial factual information on vital events, health, and related matters as resources permit, and to disseminate that information promptly to interested consumers throughout the health community. It went on to state, however, that it is an equally important principle of NCHS to maintain absolute and uncompromising protection of confidentiality with respect to data supplied by respondents as privileged communications. In other words, the reported data can be released in the form of aggregated statistics, but never in such manner that the identity of the respondent is revealed. This protection of respondent resources against harm from confiding in their government is not only a right of the citizen, but the guarantee which enables the NCHS and the government to secure needed voluntary truthful cooperation from both individual and corporate respondents. It is therefore as important to us as it is to the individual that his privacy be protected.

The data-gathering of the National Center for Health Statistics is an example of a system which gathers information on individuals, but provides access to such information only in the form of aggregate statistical figures. This type of system is markedly different from the SSA data systems, in which access is provided to individual information for purposes of program administration. Before discussing the SSA system, however, I would like to point out the immense value of both types of systems in generating new and improved programs.

In the development of the President's welfare reform proposals and of his proposals for improving the nation's health, we relied on analytical and statistical studies based on many aggregations of computerized data resources, including those of the National Center for Health Statistics and the Social Security Administration. We have attempted to shape both of these complex proposals as precisely as possible to meet specifically identified needs.

Unfortunately, despite the amount of data already collected by DHEW, we were still frequently faced not with a surplus of knowledge for our evaluation and planning, but with significant voids. For example, we did not have sufficient data about the utilization of Medicaid services to understand how the Medicaid program has affected the availability and quality of medical services in the country. This means that the determination of what health service benefits should be provided and how best to seek to assure their availability required some very difficult choices. Additional analyses of statistically aggregated information, which could be drawn from the actual experience of people without compromising individual privacy, could have facilitated these choices significantly.

As I indicated earlier, the Social Security Administration maintains data banks containing information on individuals for the purpose of administering a number of Federal programs. The banks contain only the information necessary for these programs. Nevertheless, the volume of data is substantial. In FY 1970, for instance, SSA received 375 million individual items of data on the earnings of social security number holders, over 17 million hospital bills for reimbursement under Medicare hospital insurances, and about 44 million bills for doctors' and related health services covered under the medical insurance part of Medicare. The recording and storage of all this information is, of course, accomplished with large automated data-processing equipment. So far as I am aware, no serious questions have ever been raised regarding the need or appropriateness of the information collected by SSA. As I am sure the Subcommittee is aware, SSA has developed, pursuant to statutory authority, stringent regulations dealing with access to its files, and the Department is confident that SSA's computer operations do not present a threat to individual privacy.

C. THE USE OF THE SOCIAL SECURITY NUMBER AS AN IDENTIFIER

At this point, I wish to address an issue regarding the social security system which was raised in the Chairman's letter inviting me to testify at these hearings. Let me identify the issue by quoting directly from Senator Ervin's letter.

"The Subcommittee has received a number of letters from citizens concerning the ever-increasing use of the social security number for identification purposes. Not only do almost all federal departments and agencies now use the number for their own files and computer systems, but State and local governments as well as private businesses and educational institutions also request the social security number as a universal identification code. State governments are now requiring disclosure of social security numbers in order to register to vote and to obtain driver licenses. Utilities request it to identify and chase down recalcitrant bill payers. Private industry utilizes the numbers provided by their employees, not just to report wage information, but also to run checks on their driving records.

"The Subcommittee is concerned that the social security number is rapidly becoming a means by which a person's history can be documented, labeled and followed from the moment he enters society until many long years after he is dead and could have been forgotten. The feasibility of such a program is enhanced by the technological progress our Nation has made and is still making. Our study of federal data banks indicates that already the government has both the computers and the information to compile extensive dossiers on most Americans. The adoption in each computer system of the social security number as a uniform identification code would facilitate the exchange of information among computers and enable widely scattered data to be collected with ease. This administrative advancement might lead, however, to invasions of privacy and could well have adverse effects on a person's enjoyment of his constitutional rights."

To put this issue into perspective, two facts should be kept in mind. First, whatever potential danger exists in the computerized recording, storage and exchange of information about people does not arise from any inherent characteristics of the number—whether it be the social security number or some other number—which may be used as an identifying surrogate for the individual about whom information is stored. The number itself need not reveal anything about the individual. In the case of the social security number, it reveals only the State in which the number was originally issued; it reveals nothing about the individual to whom it is issued.

Second, computerized data systems can be linked to effectuate transfers or exchanges of data even if different indexing codes are used in each of the linked systems. Of course if two or more data systems are indexed using the same numbering code, e.g., the social security number, the pooling, transfer or exchange of data among those systems can be accomplished more easily, but it can nevertheless be done by systems using different numbering index codes.

It is quite clear, therefore, that the potential for invasion of privacy or breach of confidentiality of information lies not in the use of the number itself, but rather in how the organization uses computerized collections of data which are indexed by the number.

The Subcommittee is correct in understanding that the social security number is widely used as an index-identifier outside the social security program. Within the Federal Government, all permanent identification systems for individuals are required by Executive Order 9397, issued by President Roosevelt in 1943, to utilize social security numbers. The Executive Order also requires the Social Security Administration to cooperate by issuing or validating numbers for persons required to be identified in such other identification systems. In accordance with the Executive Order, the social security number is being widely used within the Federal Government: for example, by the Internal Revenue Service to identify taxpayers; by the Civil Service Commission for personnel records; by the Federal Aviation Agency to identify pilot records; by the Veterans' Administration for the records of its hospital patients; by the Treasury Department in issuing saving bonds; and by the Department of Defense to identify military personnel. If the President's program of welfare reform is enacted, the social security number will be used to identify recipients under that program.

While the use of the social security number as a Federal data system identifier is required by Executive Order 9397, the law and regulations are silent regarding use of the number outside the Federal Government. It is not illegal for a non-Federal organization to use the social security number in its record keeping system. Such use in and of itself involves no disclosure of information, and thus does not involve a breach of Federal law or regulation. The Social Security Administration has no statutory basis for either promoting or discouraging such use nor does it have complete information about the extent of such use. It is known, however, that use of the number by State and local governments and private organizations is widespread and appears to be growing.

I think it is significant that non-Federal uses of the number have grown despite the Social Security Administration's general policy of not encouraging such uses. For instance, under current policy SSA does not propose, endorse, or initiate actions that would enlarge the extent of the use of the number outside of the Federal uses required under Executive Order 9397. Nor does SSA comply with requests from organizations for service of information that would involve use of trust fund money for non-social security program purposes or that would involve any disclosure of personal information. Nevertheless, non-Federal use of the number has grown, indicating a growing need on the part of many organizations for a universal identifier for the filing of information on a given individual.

This need has caused an increasing number of State agencies and private organizations to ask the Social Security Administration to issue additional numbers and provide verification and identification services. Lacking any clear basis for denying some requests and honoring others, SSA has consistently refused to provide assistance for non-Federal uses of the social security number which have no relevance to the conduct of its programs.

Since the policies I have described were developed, two conflicting kinds of pressures and concerns have developed. On the one hand, it is believed that the Social Security Administration's current number issuance procedures should be tightened considerably, so as to make the number more reliable as an identifier *per se*. Because of the way the numbers are now issued and because the social security card itself contains no positive means of identifying the bearer, the social security number cannot be fully relied upon as a unique individual identifier. This fact is of concern to a number of Federal agencies which use the number specifically for identification purposes. It is also a concern of the Department of Health, Education, and Welfare and of the Congress in considerations of the use of the social security number as a means of administrative control for various Federal programs including the President's proposed program of welfare reform.

On the other hand, concern is expressed about increased risks of invasion of privacy that may result from the existence of a universal identifier, particularly in computerized data exchange. Because of the increasing use of the Social Security number as an identifier, this concern has tended to focus on that number. As a result, many people are now questioning the increasing use of the number by non-Federal groups.

Because of these conflicting pressures and concerns, the Commissioner of Social Security convened a task force of high-level social security officials last year to reexamine the policies and procedures relating to the issuance, maintenance, and non-Federal use of the social security number. The Commissioner recognized that the growing use of the number as a personal identifier raises issues which are beyond the policy concerns of the Social Security Administration. Therefore, he asked that the group address itself to two tasks: first, it is to determine if there are any changes in SSA's policies that are needed or desirable and that can properly be made within the scope of the agency's present authority; second, it is to identify the issues that should be considered by a more broadly constituted group which could in turn develop recommendations for consideration by the Executive Branch and by the Congress. I have requested the Commissioner of Social Security to furnish me with the results of the task force effort at the earliest possible date. It is my intention to use the task force report as the foundation for the development of DHEW policy recommendations. I will be pleased to submit the Department's recommendations to the Subcommittee as soon as they are available.

With the Subcommittee's permission, I would like to discuss, for a moment, the possible benefits and risks inherent in a universal identifier, whether it be the social security number or some other number. There would certainly be an enormous convenience in having a single identifier for each individual. It would simplify and make more efficient the acquisition, storage and use of data needed both to provide desired social services to individuals and to generate useful statistical information. Overlap, duplication and confusion in recordkeeping could be minimized. More importantly, though, it would greatly facilitate the obtaining of needed information to fill in voids and generate the type of complete record that is required to provide an individual with comprehensive social services to improve his health, education and economic well-being.

It is this very ease of obtaining information, of course, which raises the spectre of invasion of privacy. What is needed then is the development of safeguards which will prevent unauthorized access to individual records. Before the advent of computer technology, all data had to be stored as printed material. Access was controlled by restricting the persons who could physically see the printed material. Needless to say, this approach has had its drawbacks and security of files has been a problem wherever sensitive material is stored.

Computers, on the other hand, will not reveal any information unless instructed by the proper code. Not only does the computer act as a giant combination safe, but it also can be programmed so that access to various categories of information each require a different code. In other words, information, even about a single individual, can be effectively locked in many separate combination safes.

The fact that safeguards may not now be adequate does not mean they cannot be developed and put into effect throughout society. Statutes designed to define and protect an individual's rights in computerized information storage and exchange can be enacted; systems that use the inherent capabilities of the computer to safeguard confidentiality of information can be developed. It is incumbent on all of us in government to devote enough attention to the development of adequate safeguards now, so that in future years society will not be faced with an "either/or" decision on the question of computerized data exchange versus individual privacy.

E. CLOSING COMMENTS

Mr. Chairman, members of the Subcommittee, in closing I would like to summarize some general observations about the problems raised today.

Improvements in technology have often had a way of escaping man's efforts to control their potential for harm. Our polluted air and water testify to that. We have an opportunity here, because we are foreseeing the problems at an early stage, to exercise the necessary control to prevent the potential abuse involved in the cybernetic revolution. The need to acquire and analyze vast amounts of data about individuals will continue to increase with the complexity of our society. Without the analysis of data, the Nation would move hesitantly, groping for solutions to its present problems with no assurance of success, without the means even to know if it were succeeding or failing. With the analysis of data, however, it can move forward more deliberately and confidently and better measure its successes.

There can be no question, then, of whether the data should be collected and analyzed. It must be if we are to reach the goals to which we aspire—a healthy, well-educated citizenry free from hunger and poverty. We must develop the means of controlling the potential for harm inherent in this technology. We may need to consider affirmative regulation of this technology if present judicial processes prove inadequate in protecting our privacy. We must develop procedures, both technological and administrative, to guarantee the confidentiality of information supplied by individuals, or they will be reluctant to provide it. We must make clear to individuals from whom the government seeks information on a voluntary basis that they may decline to respond with impunity. We may find it useful to distinguish sharply between the application of this technology by those organizations whose missions are to promote the health, education, and welfare of our citizens and those whose missions are to investigate, prosecute, punish, and regulate individuals.

As with most human rights, privacy is not an absolute right. A balance must be struck between society's need for information and the individual's right of privacy. But it must be struck by the active decision of the people and their leaders and not be merely the result of inattention. With care and foresight, we can use the technology of the cybernetic revolution for the benefit of mankind while minimizing the loss of privacy.

FOREIGN ECONOMIC POLICY

Mr. BROCK. Mr. President, I desire to speak today on a subject which I have followed closely during my years in Congress. The United States stands at a crossroads in its international financial affairs. America is suffering from the worst balance-of-payments deficits in two decades. The stability of the dollar, the security of our country, and the freedom of action of our Government in international affairs is being adversely affected. As a debtor nation, we will be unable to maintain a position of strength in the world. Without foreign exchange, we will be unable to continue our role in world security and economic aid expenditures. I propose to analyze our present position to date on the balance of payments, to project the possible consequences of continued deficits and to suggest remedies.

THE PRESENT POSITION

By the end of February 1971, the United States had total liquid liabilities abroad of $44.1 billion divided almost evenly between foreign official institutions such as central banks and private persons and institutions. However, our total reserve assets were $14.5 billion with $11 billion of that amount representing our gold stock. As a nation we are not sufficiently liquid. The buildup of these liquid liabilities abroad, concentrated in Europe, has troubled the central bankers of western nations, and periodically caused panic activity in the exchange market.

Excluding cosmetic financing transactions, the United States has spent more abroad than it has earned for the last two decades—excepting the year 1957 because of the Suez crisis. In studying the facts, it is clear to see that Government expenditures abroad have caused our deficits while the private sector has earned foreign exchange. U.S. expenditures for aid and military purposes abroad cause a net outflow of $4 billion on our balance of payments, while such items as private investments have returned over $4.1 billion net in 1970. The problem lies in the fact that on balance, excluding short-term and transitory flows, the Government sector was in deficit by $5.3 billion, while the private sector was in surplus, including trade, tourism, and investments, by $1.5 billion. This leaves a basic deficit for 1970 of $3.8 billion. If you include short-term, transitory flows plus errors and omissions, our deficit in 1970—liquidity basis excluding SDR's—was $4.7 billion. In 1971, the first quarter alone registered $3.2 billion deficit. Mr. President, the situation is going from bad to worse.

TRADE AND TOURISM

Our trade balance, on the balance-of-payments basis, which was in surplus by almost $7 billion in 1964, had slipped to $660 million in 1969, rose to $2.1 billion in 1970 and has slipped back to an annual rate of less than $1 billion. The facts indicate that in some commodities we have a severe internal strain from massive imports, but more importantly, the problem lies in the fact that we as a Nation have not exported enough. Although the aggregate amount of U.S. exports has risen, our share of world exports has declined from 18.2 percent in 1960 to 15.5 percent in 1970. We are losing markets, that is, we are getting a smaller piece of the increase in total world exports. To a large degree, bloc formation abroad and the trade diverting effects of such formation has had a substantial impact on U.S. exports, especially in the agricultural sector.

The European community, for example, accounted for 26.2 percent of total world exports in 1960 and 31.9 percent in 1970. This differential of 5.7 percentage points for the EEC between 1960 and 1970 might seem small, but apply that to the $164.6 billion increase in world exports during that time, and it represents the "capture" of $9.4 billion in extra business.

Our tourism account was in deficit by $2.5 billion in 1970—including transportation. With an estimated 168 million world travelers in 1970, the United States attracted less than 10 percent of them. Certainly we can do more to attract foreign visitors to our shores to increase tourism receipts.

U.S. DIRECT INVESTMENTS

U.S. direct investments abroad earn the largest net share of our foreign exchange receipts. Whereas during the last few years our net trade balance has decreased more than 11 percent annually, the net contribution—outflows versus inflows—of direct private investments abroad has increased by over 16 percent. In 1970 alone, $7.9 billion was earned by our investments abroad from royalties and fees and repatriated income. Netted against capital outflows, investments earned $4.1 billion in foreign exchange. In addition, the Commerce Department has estimated that 25 percent of all U.S. exports are to foreign affiliates of U.S. corporations from their domestic parent, approximately $10 billion in U.S. export sales.

U.S. ECONOMIC AID

The United States spent $3.96 billion in 1970 on U.S. loans, grants, and aid with the net outflows on this account being $702 million. It has been shown in public testimony that tied aid has saved $500 million in balance-of-payments costs. We should be careful not to take any action which will reverse this and cause additional foreign exchange expenditures thus increasing the outflows to over $1 billion on this account.

MILITARY EXPENDITURES

In 1970, the U.S. net military costs—expenditures less sales—abroad amounted to $3.4 billion. Of that amount, a net $1 billion was spent in the EEC representing the bulk of our NATO costs. This imbalance with regard to our defense expenditures has existed for the better part of two decades. In addition, our net cost of defense deployments in the Pacific area has given Japan a $644 million windfall in 1970. Even before the war buildup, Japan received a $300 to $350 million favorable balance from this source. These military expenditures will continue as long as the United States assumes its obligations to act as a peaceful deterrent in the free world. But other beneficiary nations should also help pay for these costs, as a minimum by correcting the effects on our balance of payments.

POSSIBLE CONSEQUENCES OF CONTINUED DEFICITS

If we continue down the road of excessive international spending, not earning enough foreign exchange, then our ability and freedom to act in both the economic and military sphere will be limited. Right now we are able to continue our deficits only because tthe Europeans have been willing to finance them by holding dollars. The recent crisis in the exchange markets indicates that foreign governments are becoming tired of holding unlimited amounts of dollars especially while the purchasing power of these funds is being eroded by inflation. Europe is being forced, by our dollar accumulations abroad, into a crisis atmosphere. The EEC countries plan to narrow the parities of their respective currencies in order to establish a de facto single currency system. Our continued deficits are acting to speed this process.

When Europe develops a de facto single currency, it may well become a world reserve monetary unit as the dollar is today. If so, and if the dollar is therefore less acceptable, the U.S. standing in the world—and not just the world economy—may be seriously eroded.

U.S. direct investments abroad, our foreign exchange breadwinner, will be restricted because expansion of these investments abroad will depend on the willingness of foreign countries to accept dollars. As a bloc, the EEC could establish two rates of exchange for the dollar. In trade, the present rate would remain with no devaluation or revaluation. No foreign country could afford to continue to finance our deficits by giving us a periodic trade adjustment advantage through currency manipulations. For investment capital, the exchange rate would be adjusted according to supply and demand. Thus, in the present situation, the dollar would be lower in value through the upward movement of other currencies, making it more expensive to invest abroad. I am not saying that this will happen tomorrow, but it could happen any time if we continue with our deficits at the present level. In fact, in a small way, Belgium has a two-tier exchange rate system; one for capital transactions and one for current transactions, and France advocates such a system for the EEC as a whole.

The European countries will certainly maintain closer supervision over the vast $60 billion Euro-currency market. At present, many international corporations from various nations freely use these funds for investments. The European governments, to insure stability in the flow of these funds will attempt to regulate them. It will be of prime importance that we as a nation insure the fair use of these funds to all nationals on a reciprocal and nondiscriminatory basis.

Since our deficits stem from relatively fixed Government expenditures abroad, any revaluation of foreign currencies—which amounts to a de facto dollar devaluation—just increases our foreign operating costs. The October 1969 revaluation of the German mark by almost 9 percent increases our military expenditures in Germany by $100 million. A revaluation of the Japanese yen would certainly have the same effect. As long as the EEC maintains variable levies on our most competitive export—agriculture—and the EEC and Japan maintain non-tariff and tariff barriers respectively, revaluations may gain us little unless accompanied by more open markets for our goods.

REMEDIES

We must earn more foreign exchange as a Nation. There are only three ways to do this: First, by selling more abroad; second, by buying less from abroad; and, third, by cutting down on all excess Government expenditures abroad. Buying less is the least acceptable option because it leads to economic isolationism behind difficult tariff barriers. Cutting excess Government expenditures abroad, unilaterally, may be difficult but certainly would be of value. Selling more abroad, in goods, services, and increasing direct investments combined with a curb on Government expenditures abroad is the best road to a stable dollar.

TRADE AND TOURISM

This Nation must push for reciprocity in all trading relationships with other countries. Our greatest asset and strength lies in our markets and access thereto. Our Government should consider all economic relationships between the United States and other nations while advancing the fairness inherent in reciprocity. This means that in economic negotiations we must include trade in goods, tourism, national, and reciprocal treatment of our direct investments, assurance of repatriation of earnings, industrial property rights, and other considerations of quantitative economic value. In those countries where we expend dollars for defense, as in Europe, the balance gained on this account must be taken into consideration. It makes little sense to agree on industrial tariff cuts that have the effect of giving everyone an even break in the trade of goods and fail to follow up by correcting the imbalance against the United States in another area such as military expenditures.

The General Agreement on Tariffs and Trade (GATT) is an international "rules of the road" for trading relationships. It was developed in the late 1940's to achieve, through multilateral action, the desired result of aiding a war torn world. It was to bring order to the international economic sphere and some of its provisions were structured to help a devastated Europe back on its feet. Well, Europe and Japan are back in the mainstream of international economic relationships. It may be time to reevaluate this agreement which so heavily influences U.S. actions in international trade, but which has never been ratified by the Congress.

Article XVI allows European nations to rebate, on export, "indirect" taxes, but we in the United States which relies more heavily on income taxes cannot rebate as much of our tax burden because income taxes are construed to be direct. Articles II and III of the GATT allow the imposition of border tax adjustments or charges on imports but only for the amount of the indirect tax applied locally. Here again the United States loses out especially when trying to compete in third country markets with the tax rebated goods of the EEC. These circumstances would warrant a careful study of alternative tax systems.

To be made to work the unconditional most-favored-nation—UMFN—principle must be applied in an international environment of full reciprocity. In this way we can have truly freer trade without hidden barriers. What sense does it make to agree on a 3-percent tariff level for auto imports into the United States, as we did in the Kennedy round tariff negotiations, allow Japan to avail itself of this low duty because of UMFN, and stand by while they maintain nontariff barriers, including an import tax which has a discriminatory impact against large automobiles? Under MFN, we must have fully reciprocal treatment from Japan if freer trade is to be achieved.

We need to explore the area of tax rate reductions for the export of goods. If we are to compete with other nations internationally, we must beat them at their own game while aggressively seeking new markets for our goods. The administration has presented to Congress an export tax deferral incentive known as the Domestic International Sales Corporation—DISC. This proposal deserves careful and favorable attention by the committees concerned.

We should do all we can to sell the United States as a tourist destination. Only in this way can we attract more foreign visitors who spend an average of $400 to $500 per trip. The Congress passed forward-looking legislation in October of 1970 to enhance the duties of the U.S. Travel Service. Known as Public Law 91–477, it authorized an increase in the Travel Service budget to $15 million to enable it to effectively seek foreign visitors. The hearings record on that act contains ample evidence that countries such as Ireland are doing more than the United States to attract foreign tourists. I urge full funding of the Travel Service so that we may close the gap in the travel deficit.

I was pleased to note that the Export-Import Bank has developed a new program to finance the export of tourism services. In particular, the Bank will offer guarantees and low-cost money to attract foreign travelers to the United States. In terms of the possible foreign exchange that we can earn from this operation, I feel this financial assistance is worth the effort. But we need to do more.

Just as this administration has proposed various tax incentives for the export of goods, there is no reason why we, as a nation, should not offer tax incentives for the export of tourism services. Tourism receipts represent earnings of over $2.7 billion in our balance of payments—including tourist transportation. We should offer some type of tax incentive to increase our service exports, that is to attract more foreign visitors to our shores. Maybe a Western Hemisphere trade corporation idea should be studied for this sector. A 14- to 20-point tax rate reduction for the foreign exchange income earned by servicing foreign visitors could go a long way in inducing more companies to seek foreign travelers to our shores. In addition, such an inducement would not violate the GATT because the GATT applies only to goods and not services.

U.S. DIRECT INVESTMENTS

We should proceed to decontrol U.S. direct investments. The controls themselves have created distortions in monetary flows causing an outflow in the first quarter of the year and an inflow in the fourth quarter, only to have another outflow in the next first quarter. All of these actions of legerdemain take place under the guise of a program to improve the balance of payments.

Corporations have been forced into heavy debt structures abroad with increased interest payments to foreigners. They have borrowed about $4 billion from 1968 through 1970 in the Eurobond market and up to $2.1 billion from banks—long term only. But of the $4 billion, only $1.7 billion was actually used for direct investment. Bank loans may have had the same utilization rate. In effect, U.S. corporations were forced into borrowing these funds against future needs to satisfy the paper balance approach of the OFDI system. Because of the controls, these excess funds, on which interest has to be paid to a foreigner, skitter from Europe to the United States and back. In addition, the export of goods on credit is considered an export of capital debited against a company "allowables."

When are we going to learn that the most productive asset we have, in terms of earned foreign exchange, is U.S. direct investments abroad? It is time to do away with OFDI controls. On June 7, 1971, I introduced legislation—S. 2019—in this Chamber to amend the "Trading With the Enemy Act" so as to do away with the controls on U.S. direct investments in allied countries.

This administration is on the record in favor of decontrolling U.S. foreign direct investments as soon as feasible. I trust that my bill will help the White House in its determination to eliminate them.

MILITARY EXPENDITURES

Given the fact that all military peacekeeping expenditures abroad cost a net $3.4 billion including a deficit in Western Europe of $1.2 billion—$1 billion of which represents expenditures in the EEC—the United States should be able to reach an agreement with our NATO allies on payment for these foreign exchange costs in their areas. I am not referring here to a financing gimmick which just bides time, but actual payments to offset these expenditures. This can be achieved by establishing an international fund into which all Western countries that receive a payments surplus on the joint defense account could contribute the amount of that surplus. The deficit countries could then be compensated out of this fund. Of course, I would envision Japan as an active member since they receive a net $644 million from U.S. defense expenditures there.

In this manner, we can have a true burden-sharing effort in the defense field.

CONCLUSION

The steps that I have outlined will increase U.S. foreign exchange earnings, thus reducing our deficits. By these actions we will be able to continue in our role as a free Nation willing to extend a helping hand to those in need. We will be able to continue economic aid, the freedom to travel, and the free access of goods, investments, technology, and currency across international borders. If we fail to correct this situation, we may find ourselves suffocated within the confines of fortress America, receding behind tariff barriers and becoming isolated from the economic world around us. Mr. President, the 1950's was called the decade of reconstruction, the 1960's the decade of development; let us make the 1970's the decade of responsibility.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 4762) to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans Affairs to establish and carry out a program of exchange of medical information.

PERMISSION FOR ORDERING THE YEAS AND NAYS ON PASSAGE OF HEW APPROPRIATION BILL

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that it be in order at any time to order the yeas and nays on the final passage of the HEW appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIMITATION OF TIME ON AMENDMENTS TO AMENDMENTS TO THE HEW APPROPRIATION BILL

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that time on amendments to amendments to the HEW appropriation bill be limited to one-half hour, the time to be equally divided between the mover of such amendment and the distinguished manager of the bill (Mr. MAGNUSON).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that on tomorrow, immediately following the conclusion of the orders recognizing Senators, there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum. I hope it will be the final quorum call of the day.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD of West Virginia. Mr. President, if the distinguished assistant Republican leader has no further statement at this time, I shall proceed to outline the program for tomorrow.

The Senate will convene at 10 o'clock a.m.

Immediately following the recognition of the two leaders under the standing order, the following Senators will be recognized, each for not to exceed 10 minutes, and in the order stated: Senators DOMINICK, BROCK, BUCKLEY, BYRD of Virginia, CURTIS, GURNEY, and THURMOND; after which the distinguished senior Senator from Indiana (Mr. HARTKE) will speak for not to exceed 15 minutes.

Following that, there will be a period for the transaction of routine morning business, with statements therein limited to 3 minutes, the period not to exceed 15 minutes.

At the conclusion of morning business, the Senate will proceed to the consideration of the Federal meat inspection bill, Calendar Order No. 291, S. 1316. Debate thereon is limited to 1 hour, the time to be equally divided, with time on any amendments to be limited each to 20 minutes, to be equally divided.

Mr. President, a rollcall vote on final passage of that measure is possible.

When the meat inspection bill has been disposed of, the Senate will return to the consideration of the pending business, S. 2308, the emergency loan guarantee bill, and the pending question at that time will be the amendment by Mr. MCGOVERN.

Rollcall votes may occur at any time on amendments to S. 2308 or on tabling motions throughout the afternoon on tomorrow.

Conference reports may also be called up. Other measures may be called up by the Majority Leader under the agreement entered into some days ago with respect to the Federal Elections Campaign bill.

When the Senate completes its business on tomorrow, it will adjourn until 9:30 a.m. on Friday.

A cloture motion was introduced today. The rollcall vote on that cloture motion will occur on Friday morning at about 10:40 a.m., after which there will be rollcall votes on the Labor-HEW appropriation bill.

There will be a Saturday session, with at least one rollcall vote—possibly more.

ADJOURNMENT UNTIL 10 A.M.

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 36 minutes p.m.) the Senate adjourned until tomorrow, Thursday, July 29, 1971, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 28, 1971:

DEPARTMENT OF LABOR

Richard Schubert, of Pennsylvania, to be Solicitor for the Department of Labor, vice Peter G. Nash.

DIPLOMATIC AND FOREIGN SERVICE

The following-named person for appointment as a Foreign Service officer of class 1, a consular officer, and a secretary in the diplomatic service of the United States of America:

Raymond L. Garthoff, of Connecticut.

For appointment as a Foreign Service officer of class 2, a consular officer, and a secretary in the diplomatic service of the United States of America:

John V. Hedberg, of Maryland.

Now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consular officers of the United States of America:

Daniel O. Newberry, of North Carolina.
Grover W. Penberthy, of Maryland.

For appointment as Foreign Service officers of class 3, consular officers, and secretaries in the diplomatic service of the United States of America:

Royal E. Carter, of California.
Arthur E. Goodwin, Jr., of Florida.
Clinton Thaxton, of Kentucky.

For appointment as Foreign Service information officers of class 3, consular officers, and secretaries in the diplomatic service of the United States of America:

Philip A. Benson, of Illinois.
Joseph L. Dees, of Maryland.
Wallace E. Gibson, of Virginia.
Edward M. Harper, of Idaho.
Walter A. Kohl, of Washington.
Donald R. Newman, of Maryland.
Miss Saerale A. Owens, of New York.

For promotion from a Foreign Service information officer of class 5 to class 4:

James B. Carroll, of Illinois.

For reappointment in the Foreign Service as a Foreign Service officer of class 4, a consular officer, and a secretary in the diplomatic service of the United States of America:

Robert T. Grey, Jr., of Connecticut.

For appointment to Foreign Service officers of class 4, consular officers, and secretaries in the diplomatic service of the United States of America:

Andrew Andranovich, of Connecticut.
Chester E. Norris, Jr., of Maine.
S. Richard Rand, of Connecticut.
Arthur J. Reichenbach, of Connecticut.
James H. Savery, of New York.
A. Stephen Vitale, of Pennsylvania.
Mrs. Rose P. Wong, of Hawaii.

For appointment as Foreign Service information officers of class 4, consular officers, and secretaries in the diplomatic service of the United States of America:

Jack C. Brockman, of Maryland.
Carl D. Howard, of the District of Columbia.
Millard L. Johnson, Jr., of California.
Edward C. McBride, of Georgia.
Ronald P. Oppen, of Florida.
Carl R. Sharek, of the District of Columbia.
Gerald A. Waters, of Illinois.

For promotion from Foreign Service officers of class 6 to class 5:

Wayne R. Appleman, of Washington.
Edward E. Archer, of California.
Jim D. Mark, of Georgia.
Dan E. Turnquist, of Colorado.

For promotion from a Foreign Service information officer of class 6 to class 5:

Miss Margaret A. Eubank, of Maryland.

For reappointment in the Foreign Service as a Foreign Service officer of class 5, a consular officer, and a secretary in the diplomatic service of the United States of America:

Lowell Richard Jackson, of Missouri.

For appointment as a Foreign Service officer of class 5, a consular officer, and a secretary in the diplomatic service of the United States of America:

Miss C. Rita Lema, of Louisiana.

For appointment as Foreign Service information officers of class 5, consular officers, and secretaries in the diplomatic service of the United States of America:

Melvin I. Cariaga, of Hawaii.
Anthony B. Chillura, of Florida.
Robert R. Gosende, of Massachusetts.
Robert N. Minutillo, of Massachusetts.

For promotion from Foreign Service officers of class 7 to class 6:

Edward Gordon Abington, Jr., of Florida.
Wayne Thomas Adams, of Maine.
Jack Aubert, of New Jersey.
Robert Thomas Banqué, of California.
John S. Boardman, of Ohio.
John V. Brennan, of Oregon.

Raymond F. Burghardt, Jr., of New Jersey.
George A. Chester, Jr., of California.
Miss Donna Jean Downard, of Washington.
Michael J. Duffy, of Virginia.
Miss Lynne Bray Foldessy, of Pennsylvania.
W. Douglas Frank, of Indiana.
Lloyd R. George, of Pennsylvania.
James R. Goeser, of Illinois.
Hilton L. Graham, of Oregon.
John Randle Hamilton, of North Carolina.
Mahlon Henderson, of Virginia.
Cameron R. Hume, of New York.
John David Isaacs, of New York.
Miss Anne D. Jillson, of Connecticut.
Gilbert Matthew Johnson, of Michigan.
Sandor A. Johnson, of California.
David I. Kemp, of New York.
John Kriendler, of New York.
William J. Kushlis, of the District of Columbia.
Howard H. Lange, of Washington.
Luciano Mangiafico, of Connecticut.
Ray A. Meyer, of New Hampshire.
Richard W. Ruble, Jr., of California.
Paul I. Schlamm, of New York.
Miss Amelia Ellen Shippy, of New Mexico.
Raymond F. Smith, of Pennsylvania.
Michael P. Strutzel, of Mississippi.
David Roger Telleen, of Michigan.
David M. Winn, of Texas.

For promotion from Foreign Service information officers of class 7 to class 6:

Miss Alison Arsht, of Delaware.
Razvigor Bazala, of Virginia.
Robert Bemis, of the District of Columbia.
James W. Findley, of Virginia.
David F. Fitzgerald, of Massachusetts.
Edward S. Ifshin, of Florida.
Miss Kathryn L. Koob, of Iowa.
John A. Madigan, of Massachusetts.
Donald J. Planty, of New York.
Harry L. Ponder III, of the District of Columbia.
John A. Swenson, of Wisconsin.
Richard C. Tyson, of California.

For appointment as Foreign Service officers of class 6, consular officers, and secretaries in the diplomatic service of the United States of America:

J. Brian Atwood, of Massachusetts.
Miss Dolly Ann Johnson, of Missouri.
Charles A. Kennedy, of California.
Francis J. Nelson, of New York.
Robert E. Park, of California.
Miss Mary A. Ryan, of New York.
Miss Julia Welch, of Missouri.

For promotion from Foreign Service officers of class 8 to class 7:

Alan Whittier Barr, of California.
Karl K. Jonietz, of Massachusetts.
George A. Kachmar, of New Jersey.
Jonathan E. Kranz, of New York.
Theodore Eugene Strickler, of Pennsylvania.
Miss Susan J. Walters, of Connecticut.

For promotion from Foreign Service information officers of class 8 to class 7:

Miss Barbara Joan Allen, of Missouri.
Brian E. Carlson, of Virginia.
Miss Paula J. Causey, of Virginia.
Miss Betsy A. Fitzgerald, of Connecticut.
Miss J. Alison Grabell, of New Jersey.
Gerald E. Huchel, of Illinois.
Miss Judith R. Jamison, of the District of Columbia.
Charles C. Loveridge, of Utah.
Michael D. Zimmerman, of North Carolina.

For appointment as Foreign Service officers of class 7, consular officers, and secretaries in the diplomatic service of the United States of America:

L. Stuart Allen, of Mississippi.
Robert S. Ayling, of Virginia.
Michael T. Barry, of Texas.
Robert M. Beecroft, of Pennsylvania.
Charles Henry Blum, of Virginia.
George T. Boutin, of California.
Ray L. Caldwell, of the Canal Zone.
Thomas C. Dawson II, of Maryland.
Gilbert J. Donahue, of Maryland.
Richard W. Erdman, of New Jersey.
Patrick M. Folan, of California.
Richard M. Gibson, of California.
Jack L. Gosnell, Jr., of South Carolina.
James L. Halmo, of Washington.
Mark G. Hambley, of Illinois.
Ferris Richard Jameson, of Michigan.
David H. Kaeuper, of Michigan.
William C. Kelly, Jr., of New Jersey.
John H. King, of New Jersey.
Jacques Paul Klein, of Illinois.
C. Michael Konner, of New York.
Robert J. Kott, of New York.
Douglas Langan, of New Jersey.
Gary E. Lee, of Ohio.
Anthony Leggio, of New York.
Ronald Dean Lorton, of New York.
Michael M. Mahoney, of Massachusetts.
Frederick C. McEldowney, of Michigan.
Martin McLean, of New Jersey.
Phillip J. Metzler, of Kansas.
Robert A. Millspaugh, of New York.
William C. Mims, of Georgia.
Malachy T. Minnies, of Virginia.
Carlos F. J. Moore, of North Carolina.
Stanley T. Myles, of Georgia.
John U. Nix, of Alabama.
Terrell R. Otis, of Maryland.
Kenneth W. Parent, of Illinois.
John A. Purnell, of Arkansas.
Ross S. Quan, of California.
David P. Rawson, of Ohio.
Donald A. Roberts, of Minnesota.
Andrew Michael Shields, of California.
Eric E. Svendsen, of Connecticut.
William C. Veale, of New York.
David C. Warheit, of California.
Eric R. Weaver, of Maryland.
Charles C. Weber, of Michigan.
John Hurd Willett, of New York.
Harry E. Young, Jr., of Kansas.
Richard H. Zorn II, of Illinois.

For appointment as Foreign Service information officers of class 7, consular officers, and secretaries in the diplomatic service of the United States of America:

G. Whitney Azoy, of New Jersey.
Bruce K. Byers, of Maryland.
Albert W. Dalgliesh, Jr., of Michigan.
Howard E. Daniel, of New Jersey.
Miss Lucille R. Di Palma, of New York.
Miss Emily J. Drake, of Massachusetts.
Miss Paula J. Durbin, of Hawaii.
David V. Gehle, of Ohio.
Miss Lezetta J. Johnson, of Massachusetts.
Alan M. King, of Tennessee.
Ray V. McGunigle, Jr., of Pennsylvania.
Joseph Daniel O'Connell, Jr., of Maryland.
William T. Peters, of Virginia.
Miss Mary K. Reeber, of California.
Stanley N. Schrager, of Illinois.
James D. Settle, of Virginia.
Mrs. Lois M. Sherman, of Tennessee.
Michael G. Stevens, of Connecticut.
Arthur A. Vaughn, of Maryland.

For appointment as Foreign Service officers of class 8, consular officers, and secretaries in the diplomatic service of the United States of America:

Leslie M. Alexander, of New York.
John Thomas Basek, of New York.
Miss Barbara K. Bodine, of California.
Kevin C. Brennan, of California.
Richard H. R. Bull, of New York.
Peter P. Carrico, of Washington.
Michael Thomas Dixon, of New Jersey.
John M. Evans, of Virginia.
Gale N. Grable, of California.
Joseph E. Hayes, of the District of Columbia.
Miss Ruth Miles Henderson, of Maryland.
Rex L. Himes, of Washington.
J. Aubrey Hooks, of North Carolina.
Michael S. Lucy, of Massachusetts.
Michael K. Lyons, of New York.
Robert J. McSwain, of Florida.
Peter Robert Reams, of Nevada.

For appointment as Foreign Service information officers of class 8, consular officers, and secretaries in the diplomatic service of the United States of America:

M. Franklin Keel, of Oklahoma.
Cornelius C. Walsh, of Connecticut.

Foreign Service Reserve officers to be consular officers of the United States of America:

Caspar Dunham Green, of Ohio.
Hans J. Jensen, of California.

Foreign Service Reserve officers to be consular officers and secretaries in the diplomatic service of the United States of America:

Richard Allocca, of New Jersey.
Fisher Ames, of California.
Miss Sallybeth M. Bumbrey, of Texas.
Daniel J. Calloway, of Virginia.
Philip Cherry, of Maryland.
Robert James Chevez, of California.
Adrian B. Ciazza, of Maryland.
Timothy J. Desmond, of Massachusetts.
David H. Dewhurst III, of Texas.
Thomas B. Doolittle, Jr., of Florida.
William W. Douglass, of Virginia.
Robert T. Dumaine, of Maryland.
Charles T. Englehart, of Ohio.
George F. Forner, of Washington.
Robert M. Fulton, of Virginia.
Frank A. Gerardot, Jr., of Missouri.
Jay K. Gruner, of California.
Robert W. Hiatt, of Hawaii.
Rufus A. Horn, Jr., of Florida.
John H. Hoskins, of Maryland.
Keith C. Johnson, of Montana.
Clement Don Jones, of Florida.
Thomas J. Kennan, of Virginia.
Franklin J. Kline, of Virginia.
Allan M. Labowitz, of Maryland.
Ryan L. Lenox, of Virginia.
John H. Lewis, of Pennsylvania.
Lee G. Mestres, of New Jersey.
Stavis J. Milton, of New Jersey.
Val Moss, Jr., of Wisconsin.
John S. Nolton, Jr., of Virginia.
Arthur J. Olsen, of the District of Columbia.
Thomas T. Orum, of Michigan.
Pierre C. Pingitore, of New Hampshire.
Albert P. Raynor, of Maryland.
Miss Yvonne Robinson, of the District of Columbia.
William F. Rooney, of Virginia.
Joseph M. Segars, of Pennsylvania.
Frederick W. Silva, of Michigan.
Waldimir Skotzko, of Maryland.
Joseph E. Skura, of Virginia.
Donald M. Sladkin, of Pennsylvania.
Edward J. Smith, of Minnesota.
Miss Joyce A. Smith, of Tennessee.
Frank F. Sommers, Jr., of Maryland.
Alfonso G. Spera, of Maryland.
Fred D. Stephens, of California.
Rufus Stevenson, of Georgia.
Linus F. Upson, III, of the District of Columbia.
David D. Whipple, of Virginia.
Mrs. Gertrude W. Williamson, of Virginia.
Gene Wojciechowski, of Illinois.

Foreign Service Reserve officer to be a secretary in the diplomatic service of the United States of America:

Michael H. B. Adler, of the District of Columbia.

Foreign Service Staff officers to be consular officers of the United States of America:

Frank R. Anderson, of Illinois.
Gordon D. Barnes, of New York.
Vincent M. Cannistraro, of Massachusetts.
Paul F. Carlton, of California.
Lemuel D. Coles, of the District of Columbia.
Graham E. Fuller, of Connecticut.
Marvin D. Green, of Wisconsin.
Mrs. Beatrice J. King, of New York.
Harold P. Kline, of Texas.
Roberto R. Munoz, of Texas.
Thomas A. Pence, of Florida.
James W. Roodhouse, of Colorado.
Layton R. Russell, of Ohio.
Roland S. Sunderland, of Oregon.
Mrs. Patricia D. Thurston, of California.

AMBASSADOR

Philip C. Habib, of California, a Foreign Service officer of class 1, to be Ambassador

Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

U.S. CUSTOMS COURT

Nils A. Boe, of South Dakota, to be judge of the U.S. Customs Court, vice Samuel M. Rosenstein, retired.

IN THE AIR FORCE

The following persons for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title X, United States Code, with a view to designation under the provisions of section 8067, title X, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

DENTAL CORPS

To be captain

Adan, Cirilo L., Jr., [redacted].
Tuchten, Alan R. [redacted].

To be first lieutenant

Hallmon, William W., [redacted].
Hickory, John E., Jr., [redacted].

MEDICAL CORPS

To be first lieutenant

Lentz, Carl W., III, [redacted].
McDowell, Russell V., [redacted].
Williams, Robert A., [redacted].

The following Air Force officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title X, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be first lieutenant

Aanstad, William L., [redacted].
Abate, Nicholas, [redacted].
Abbott, Milton E., [redacted].
Abramson, David, [redacted].
Acree, William A., [redacted].
Agnew, Robert T., Jr., [redacted].
Alber, Steven C., [redacted].
Alberti, Kerry B., [redacted].
Alcala, Gabriel J., [redacted].
Aldrich, Kenneth H., [redacted].
Alexander, William D., Jr., [redacted].
Alford, William P., [redacted].
Allen, Charles L., [redacted].
Alley, William F., Jr., [redacted].
Allshouse, William N., [redacted].
Alsbrooks, John H., Jr., [redacted].
Anderson, Charles E., [redacted].
Anderson, Jon G., [redacted].
Anderson, Ronald A., [redacted].
Anderson, William W., [redacted].
Andes, Randy T., [redacted].
Andrews, David G., [redacted].
Anthony, Michael D., [redacted].
Applewhite, Jim R., [redacted].
Arden, Jerry A., [redacted].
Arkfeld, Gerald L., Jr., [redacted].
Armington, Judie A., [redacted].
Amour, Harold M., Jr., [redacted].
Armour, James, [redacted].
Armstrong, Danny R., [redacted].
Armstrong, Donald J., Jr., [redacted].
Arnold, John W., Jr., [redacted].
Ashley, William H., Jr., [redacted].
Ason, John S., [redacted].
Au, Patrick A., [redacted].
Ayen, William E., [redacted].
Babcock, Richard R., Jr., [redacted].
Bachrach, William, [redacted].
Bagby, Richard C., Jr., [redacted].
Baggett, Roy G., [redacted].
Bailey, Edward L., Jr., [redacted].
Bailey, James H., [redacted].
Bailey, James S., [redacted].
Ballantyne, William B., [redacted].
Ballard, Laurence L., Jr., [redacted].
Ballew, William L., [redacted].
Balmer, James G., [redacted].
Balthun, Wayne E., [redacted].
Banks, Carl R., [redacted].
Barclay, Robert L., [redacted].
Barker, Henry H., [redacted].
Barrett, Donald E., [redacted].
Barrett, Ewing D., Jr., [redacted].
Barrows, Donald K., [redacted].
Bartanowicz, Robert S., [redacted].
Bartlett, Michael D., [redacted].
Bass, Karen, [redacted].
Bates, James M., [redacted].
Bauer, David O., [redacted].
Bauer, George C. III, [redacted].
Bauer, Robert P., [redacted].
Bauer, Stephen A., [redacted].
Baxa, Jon E., [redacted].
Baxter, Raymond A., [redacted].
Bays, John F., Jr., [redacted].
Becker, Michael R., [redacted].
Belcher, Kenneth A., [redacted].
Bell, Anthony G., Jr., [redacted].
Bellizzi, John J., Jr., [redacted].
Belomo, Joseph P., [redacted].
Beneville, John P., [redacted].
Benson, David A., [redacted].
Bentley, Bedford T., Jr., [redacted].
Berard, Douglas C., [redacted].
Berg, Stephen R., [redacted].
Bergstedt, Robert C., [redacted].
Berkeley, Alfred R. III, [redacted].
Bernott, Michael J., [redacted].
Berry, Edward Y., Jr., [redacted].
Bertini, Francis A., [redacted].
Berven, Wynn M., [redacted].
Bessom, Roger A., [redacted].
Birkenstock, Jesse, [redacted].
Bishop, Harold T., [redacted].
Blaha, James L., Jr., [redacted].
Blamey, John T., [redacted].
Blanchard, John P., [redacted].
Blau, Frank M., Jr., [redacted].
Bloom, Richard L., [redacted].
Blunck, Gary A., [redacted].
Bofinger, George W., Jr., [redacted].
Bordenave, Robert J., [redacted].
Borell, Steven C., [redacted].
Borman, John G., [redacted].
Bossart, Roger A., [redacted].
Botta, Joseph E., [redacted].
Bowen, Gordon H., [redacted].
Bowermaster, Jon P., [redacted].
Bozich, Anthony T., III [redacted].
Bradford, Napoleon F., [redacted].
Bradley, James C., [redacted].
Braley, Howard J., [redacted].
Brandt, Stewart B., [redacted].
Brauer, Harold E., [redacted].
Breeden, Herbert O., [redacted].
Breese, David L., [redacted].
Brewer, Donald R., [redacted].
Brewer, Edward G., [redacted].
Brewer, Gordon L., Jr., [redacted].
Brewer, Richard R., [redacted].
Brezina, Gerald W., [redacted].
Briggs, Duncan E., [redacted].
Briggs, Harlen, L., Jr., [redacted].
Briscoe, Lawrence W., [redacted].
Broas, Michael J., [redacted].
Brobst, Robert W., [redacted].
Brock, Ronald O., [redacted].
Brooker, Eugene A., [redacted].
Broome, William M., [redacted].
Brower, Richard C., Jr., [redacted].
Brower, Stephen A., [redacted].
Brown, Douglas J., [redacted].
Brown, Doyle D., [redacted].
Brown, Norman E., [redacted].
Brown, Vicki K., [redacted].
Brummert, Kenneth L., [redacted].
Brundick, Harry C., [redacted].
Bruner, Richard E., [redacted].
Brunson, Richard L., [redacted].
Bryan, Joseph T., Jr., [redacted].
Bryan, Oscar V., Jr., [redacted].
Bryan, Richard T., [redacted].
Bryden, James F., [redacted].
Bryer, Elias, Jr., [redacted].
Buckmelter, James R., [redacted].
Buffington, William P., III, [redacted].
Burger, William A., [redacted].
Burke, Thomas L., Jr., [redacted].
Burkett, James R., [redacted].
Burnham, John M., II [redacted].
Busby, Thomas D., [redacted].
Busch, William W., [redacted].
Buzbee, John M., [redacted].
Buzbee, Paulette J., [redacted].
Byrum, Phillip R., [redacted].
Caldwell, Al J., [redacted].
Calhoun, Charles G., [redacted].
Callahan, James P., [redacted].
Calliham, Thomas S., [redacted].
Campany, Richard C., Jr., [redacted].
Campbell, Clifford E., [redacted].
Cancellieri, Robert, [redacted].
Capella, William L., [redacted].
Carlson, Steven L., [redacted].
Carlton, James A., [redacted].
Carney, John M., [redacted].
Carpenter, Francis E., [redacted].
Carpenter, Gary E., [redacted].
Carreras, Gilbert D., [redacted].
Carrizales, Arthur, [redacted].
Carroll, Sammy R., [redacted].
Carruthers, Robert D., [redacted].
Carson, Charles A., Jr., [redacted].
Carter, Robert E., [redacted].
Carty, John R., [redacted].
Carvell, Frank J., [redacted].
Casto, Dorvin W., [redacted].
Chamberlain, George E., [redacted].
Chase, Malcolm P., Jr., [redacted].
Chelchowski, Richard D., [redacted].
Chenard, Wayne P., [redacted].
Chervenock, Robert A., [redacted].
Cherye, Rick A., [redacted].
Chipman, John C., [redacted].
Chipman, Robert C., [redacted].
Chisolm, Lelan D., Jr., [redacted].
Christensen, David A., [redacted].
Christian, Bobby G., [redacted].
Christian, Joseph C., [redacted].
Christiansen, Jeffery C., [redacted].
Christianson, Douglas L., [redacted].
Ciletti, Michael D., [redacted].
Clark, Clifford D., [redacted].
Clark, David C., [redacted].
Clark, George L., [redacted].
Clark, Janes R., [redacted].
Clark, Raymond W., [redacted].
Clarke, Stephen F., [redacted].
Claussen, Carl D., [redacted].
Claussen, Dale E., [redacted].
Cleator, Robert K., Jr., [redacted].
Clem, Donald R., [redacted].
Clemons, George B., [redacted].
Clifford, Arthur S., Jr., [redacted].
Clough, David N., [redacted].
Clover, William H., [redacted].
Coates, Donald R., [redacted].
Cochran, Michael R., [redacted].
Cockburn, Robert N., [redacted].
Cody, Oliver T., III, [redacted].
Coe, Charles E., [redacted].
Coey, Donald W., [redacted].
Coker, Stanley D., [redacted].
Collins, Orville M., [redacted].
Collins, Ronald M., [redacted].
Coman, Robert L., [redacted].
Commins, Ernest A., [redacted].
Conley, Christopher J., [redacted].
Conrad, Edward E., Jr., [redacted].
Converse, Larry E., [redacted].
Cooke, Damon L., [redacted].
Cooley, Kenneth R., [redacted].
Cooper, Donald R., [redacted].
Cooper, Floyd L., Jr., [redacted].
Cooper, Harold W., [redacted].
Cormany, Timothy P., [redacted].
Cornelison, Kenneth R., [redacted].
Costello, John J., [redacted].
Covert, Robert L., [redacted].
Cowan, Ronald D., [redacted].
Cowart, Eddy D., [redacted].
Cox, William M., [redacted].
Cozza, Charles S., [redacted].
Cramlet, John B., [redacted].
Creech, Wayne E., [redacted].
Crockett, Ray A., [redacted].
Croft, Douglas D., [redacted].
Cronig, Jeffrey A., [redacted].
Crosby, Michael W., [redacted].
Culhane, John F., Jr., [redacted].
Culver, William R., [redacted].
Cummings, James A., [redacted].
Cunningham, Mell G., [redacted].
Curatola, Carl, [redacted].
Cusack, George M., [redacted].
Cutts, William B., [redacted].

Daniels, Roger G., [redacted].
Darby, Thomas A., [redacted].
Dargitz, Darryl B., [redacted].
Davidson, William A., Jr., [redacted].
Davis, Raymond W., [redacted].
Days, Lloyd A., Jr., [redacted].
Dean, David J., [redacted].
Dean, Hugh P., [redacted].
Deane, Leslie F., [redacted].
Debruhl, Claude M., [redacted].
Decomminges, Nahida, [redacted].
Dehaven, Glenn R., [redacted].
Dekok, Roger G., [redacted].
Delaney, Richard M., [redacted].
Delfino, Joseph J., [redacted].
Deneen, Joseph J., Jr., [redacted].
Denman, James C., Jr., [redacted].
Denton, Stuart E., [redacted].
Deraad, Robert G., [redacted].
Derego, Rodney P., [redacted].
Derito, Lawrence E., [redacted].
Desiderio, John R., [redacted].
Desrosiers, Ronald J., [redacted].
Detemple, Lothar P., [redacted].
Devenny, Thomas J., [redacted].
Dick, Richard J., [redacted].
Dietrich, Jerome W., [redacted].
Dinwiddie, Duane E., [redacted].
Dionne, Eugene R., [redacted].
Diorio, Dan J., [redacted].
Dipalma, Felix C., Jr., [redacted].
Dipoma, Larry R., [redacted].
Dixon, Jackie D., [redacted].
Dodds, Robert E., [redacted].
Dolce, Leroy, [redacted].
Dolske, John H., [redacted].
Domingo, Leslie J., [redacted].
Dooher, John C., [redacted].
Doret Stanley A., [redacted].
Doyle, William J., III, [redacted].
Drayden, Timothy Jr., [redacted].
Driggers, Allen E., [redacted].
Duck, David A., Jr., [redacted].
Dumont, Robert J., [redacted].
Dunham, James W., [redacted].
Durham, Marcus O., [redacted].
Dushan, Joseph D., [redacted].
Duva Nicholas R., [redacted].
Early, Stephen B., [redacted].
Eaton, William D., [redacted].
Eckel, John S., [redacted].
Ecton, George R., [redacted].
Edwards, Howard T., III, [redacted].
Egizii, James A., [redacted].
Elliott, Robert S., [redacted].
Emrick, Joseph T., [redacted].
Engbrecht, Keith L., [redacted].
Engstrom, Peter J., [redacted].
Erhard, Alexander, [redacted].
Erickson, John E., [redacted].
Erickson, Steven R., [redacted].
Erikson, Jon F., [redacted].
Estelita, Thomas A., [redacted].
Evans, Mary K., [redacted].
Fagan, Thomas A., III, [redacted].
Falzgraf, Randall B., [redacted].
Farless, Gerald L., [redacted].
Faulkner, Roger A., [redacted].
Feinberg, Lewis A., [redacted].
Ferrill, Jess B., [redacted].
Field, John M., [redacted].
Files, Leonard N., [redacted].
Filipek, Walter L., [redacted].
Fisher, Gary R., [redacted].
Fitzgerald, Glenn R., [redacted].
Fly, Edward L., Jr., [redacted].
Folsom, Charles P., [redacted].
Fontana, David C., [redacted].
Forehand, Richard A., [redacted].
Forman, James B., III, [redacted].
Francis, Robert G., [redacted].
Fratto, John A., [redacted].
Freeburger, Michael E., [redacted].
French, Marvin R., [redacted].
Frey, Robert C., [redacted].
Fribley, Michael L., [redacted].
Frice, Lawrence A., [redacted].
Frick, Brenda L., [redacted].
Friedman, Jack S., [redacted].
Friedman, Joseph B., [redacted].
Frits, Donald R., [redacted].
Fritz, Karleton W., [redacted].
Frost, Alan P., [redacted].
Fruehwirth, John J., [redacted].
Fryman, Joseph D., Jr., [redacted].
Fujita, James N., [redacted].
Fuller, John C., [redacted].
Fulton, Robert L., [redacted].
Gaeth, William D., [redacted].
Gage, Robert L., [redacted].
Gahr, William F., Jr., [redacted].
Gandy, Lynell W., [redacted].
Garber, John B., Jr., [redacted].
Gardner, Charles M., [redacted].
Gardner, John H., [redacted].
Garfinkel, Bernard M., [redacted].
Garnto, Ira W., [redacted].
Garrett, William A., Jr., [redacted].
Gasperini, Edward G., [redacted].
Geesey, Arthur P., [redacted].
Ghigliotti, Gary H., [redacted].
Giampaolo, Anthony, [redacted].
Gibbs, Harold D., [redacted].
Gibbs, Paul J., [redacted].
Gibson, Eugene T., [redacted].
Gibson, James N., [redacted].
Gilbert, Jeffrey A., [redacted].
Gillespie, Kenneth R., [redacted].
Givens, Robert W., [redacted].
Gladski, William M., [redacted].
Glow, Gerald T., [redacted].
Goers, Philip R., [redacted].
Going, Patrick E., [redacted].
Gould, Robert A., [redacted].
Gravenhorst, Ronald K., [redacted].
Graves, Gary L., [redacted].
Gray, David L., [redacted].
Gray, Stephen F., [redacted].
Graybill, Donald J., [redacted].
Green, John W., [redacted].
Greenberg, Melvyn B., [redacted].
Greenfield, Ronald H., [redacted].
Greenlaw, Gail A., [redacted].
Greenway, Milford K., Jr., [redacted].
Grellman, John R., Jr., [redacted].
Griffin, Betty L., [redacted].
Grover, Allen C., [redacted].
Grover, Frank H., II, [redacted].
Grubiak, Michael J., [redacted].
Grummitt, Terry P., [redacted].
Guarino, David J., [redacted].
Guarre, James S., [redacted].
Guinn, Nathaniel, [redacted].
Guyitt, Dennis A., [redacted].
Haase, Dieter, [redacted].
Hachadourian, Edward L., [redacted].
Haley, Charles W., [redacted].
Hall, Bruce M., [redacted].
Hancock, William A., [redacted].
Hanes, Eugene G., [redacted].
Hanes, Richard M., [redacted].
Hansen, David W., [redacted].
Hansen, Howard W., [redacted].
Hardwick, Harold L., Jr., [redacted].
Hardy, Bernard L., Jr., [redacted].
Harkins, Michael L., [redacted].
Harlan, Raymond C., [redacted].
Harmon, David C., [redacted].
Harraman, Albert L., [redacted].
Harrington, David G., [redacted].
Harris, Dickie A., [redacted].
Harris, Michael, [redacted].
Harris, Warren L., [redacted].
Harrison, Herbert S., Jr., [redacted].
Hartford, John A., Jr., [redacted].
Hartman, Andrew P., Jr., [redacted].
Harvey, Michael A., [redacted].
Haselberger, Lawrence J., Jr., [redacted].
Hatcher, William L., [redacted].
Hatcher, William W., [redacted].
Hathaway, Char D., Jr., [redacted].
Hawkins, Neil L., [redacted].
Hay, Jerry E., [redacted].
Hayes, Robert J., [redacted].
Haynes, Ralph R., [redacted].
Head, James H., [redacted].
Hedberg, Ralph N., [redacted].
Helton, Donald L., [redacted].
Henderson, Harold R., [redacted].
Henderson, Lykes S., Jr., [redacted].
Henderson, Robert B., [redacted].
Hennessey, Susan M., [redacted].
Henry, Lawrence B., Jr., [redacted].
Henz, John F., [redacted].
Hepfner, Gary R., [redacted].
Herr, Deborah J., [redacted].
Heuser, William H., Jr., [redacted].
Hicks, Cecil L., [redacted].
Hicks, Wilbert C., Jr., [redacted].
Hightower, John D., [redacted].
Hill, James B., III, [redacted].
Hill, Kenneth L., [redacted].
Hilliard, Cary S., [redacted].
Hobson, Calvin J., III, [redacted].
Hodges, Richard L., [redacted].
Hoem, Duane A., [redacted].
Hoffmann, Robert A., [redacted].
Hogge, Charles B., [redacted].
Holloran, David C., [redacted].
Hodd, Donald G., [redacted].
Hosack, Harold W., Jr., [redacted].
Houtkooper, Jon C., [redacted].
Howell, Bisco R., III, [redacted].
Howell, James E., [redacted].
Hrare, Melinda R., [redacted].
Hubbard, Roger A., [redacted].
Hudson, Robert A., [redacted].
Hudson, William R., [redacted].
Hufnagel, Wayne P., [redacted].
Hunches, Gene P., [redacted].
Hunt, James W., [redacted].
Hunter, Robert O., Jr., [redacted].
Hunter, Terry G., [redacted].
Hurst, Arnold E., [redacted].
Hutchison, James D., [redacted].
Hutt, Edward C., Jr., [redacted].
Immerman, Perry M., [redacted].
Inverso, Anthony C., [redacted].
Isaacson, Ronald A., [redacted].
Jacobsen, Douglas L., [redacted].
Jacobson, John M., [redacted].
Janezic, Joseph R., [redacted].
Janousek, Richard J., [redacted].
Jasch, James E., [redacted].
Jasper, William A., [redacted].
Jefferies, William J., [redacted].
Jensen, Robert W., [redacted].
Jeske, James C., [redacted].
Johns, Frank J., [redacted].
Johnson, Daniel N., [redacted].
Johnson, Dennis P., [redacted].
Johnson, Donald E., [redacted].
Johnson, James D., [redacted].
Johnson, James R., [redacted].
Johnson, John L., [redacted].
Johnson, Robert E., [redacted].
Johnson, Stephen D., [redacted].
Johnston, John H., [redacted].
Jones, Charles D., [redacted].
Jones, Claude R., [redacted].
Jones, Gary B., [redacted].
Jones, Parker T., III, [redacted].
Jones, Rickey D., [redacted].
Jones, Rodney P., [redacted].
Jorgenson, Loren W., [redacted].
Kane, Frank J., III, [redacted].
Kane, John J., [redacted].
Karcewski, Donald J., [redacted].
Karlebach, Allen H., [redacted].
Kearns, Brian D., [redacted].
Kelly, Michael J., Jr., [redacted].
Kemp, Arthur D., Jr., [redacted].
Kennedy, Robert C., Jr., [redacted].
Kettlehut, Allan J., [redacted].
Kimple, Peter C., [redacted].
Kipp, Ronald C., [redacted].
Kirkham, Donald D., [redacted].
Klaus, Harold F., Jr., [redacted].
Klein, Henry, [redacted].
Klein, Robert J., [redacted].
Klimas, Thomas A., [redacted].
Koermer, James P., [redacted].
Kohn, Brian J., [redacted].
Koontz, Bert W., [redacted].
Kraemer, Steven R., [redacted].
Krammer, Steven L., [redacted].
Kroekel, Paul R., [redacted].
Krueger, Allan J., [redacted].
Kudrna, Don E., [redacted].
Kuennen, George G., [redacted].
Kuhn, Frederick J., III, [redacted].
Kulac, John J., Jr., [redacted].
Kulis, Robert B., [redacted].

Kunze, Kurt K., [redacted]
Kuss, John A., [redacted]
Ladewig, Timothy D., [redacted]
Lain, William D., [redacted]
Laird, James L., [redacted]
Landry, Terry F., [redacted]
Lang, David L., [redacted]
Lange, David F., [redacted]
Latchaw, John H., [redacted]
Lazear, Walter D., [redacted]
Leaming, Harold L., [redacted]
Leard, Terry R., [redacted]
Leaumont, William F. [redacted]
Lee, Dennis H., [redacted]
Lee, Roy R., [redacted]
Lee, Thomas S., [redacted]
Leen, Brian D., [redacted]
Lemire, Jean M. E., [redacted]
Lengyel, Susan E., [redacted]
Lesniak, Ronald W., [redacted]
Levine, Robert J., [redacted]
Lewis, Gordon E., Jr., [redacted]
Lien, John A., [redacted]
Lindsay, Charles T., [redacted]
Lindsey, James T., Jr., [redacted]
Lippincott, Robert L., Jr. [redacted]
Litman, Joel M., [redacted]
Little, John P., [redacted]
Lobb, Michael L., [redacted]
Logan, Gregory L., [redacted]
Logan, William J., [redacted]
Luisi, Thomas, [redacted]
Luna, Gordon S., [redacted]
Lutz, Robert M., [redacted]
Lynch, Jon K., [redacted]
Lynn, Haskell I., Jr., [redacted]
Lynn, Rockwood J., [redacted]
Machado, Laurence, [redacted]
MacIntosh, Clayton R. [redacted]
MacLeod, Harley J., [redacted]
MacPherson, David R., [redacted]
Macy, John R., [redacted]
Madden, Richard J., [redacted]
Maggi, Joseph C., [redacted]
Maines, John H., [redacted]
Mance, George F., [redacted]
Mank, Courtney H., [redacted]
Mannheimer, David M., [redacted]
Manning, Mary S., [redacted]
Manz, David S., [redacted]
Marcy, Marvin L., [redacted]
Marr, Gregory P., [redacted]
Marston, Edwin W., [redacted]
Marteeny, Daniel R., [redacted]
Martin, Craig S., [redacted]
Martin, George E., Jr., [redacted]
Martin, Gilbert L., [redacted]
Martin, James R., [redacted]
Martin, Norval D., [redacted]
Martin, Rick A., [redacted]
Martin, William T., [redacted]
Martinko, Stephen J., Jr. [redacted]
Maschue, Stephen G., [redacted]
Masters, Harry R., [redacted]
Matesky, Joel B., [redacted]
Matheny, Raymond F., [redacted]
Mathews, Steven L., [redacted]
Matley, Bernard, [redacted]
Matter, Francis J., [redacted]
Matthews, Ronald T., [redacted]
May, Frederick J., Jr., [redacted]
May, Thomas E., [redacted]
Mazander, James L., [redacted]
McAndrews, George R., [redacted]
McCachren, Gary S., [redacted]
McClish, Paul S., [redacted]
McCord, Michael F., [redacted]
McCormick, Frank R., [redacted]
McDonald, William F., [redacted]
McCutcheon, Crandell C., [redacted]
McDonald, William F., [redacted]
McDonough, John C., [redacted]
McDowell, Robert K., [redacted]
McGregor, Marion W., [redacted]
McGuffee, Robert W., [redacted]
McGuffie, Glenn A., [redacted]
McIntire, Harold D., [redacted]
McKinney, Peter C., [redacted]
McKinnon, Robert G., [redacted]
McLean, Jon D., [redacted]
McLendon, Samuel L., [redacted]
McNeil, Joseph L., [redacted]
McPartlin, Dan A., [redacted]
McQueeney, Robert J., [redacted]
McRorie, Carl C., II, [redacted]
Meader, David J., [redacted]
Medford, Allen L., [redacted]
Medinger, Joseph D., [redacted]
Mehal, Rebecca A., [redacted]
Meigs, Daniel K., Jr., [redacted]
Meilstrup, Ronald V., [redacted]
Meines, William H., [redacted]
Merritt, Jerome E., [redacted]
Meschberger, Ronald E., [redacted]
Mestyanek, Lawrence M., [redacted]
Miller, David H., [redacted]
Miller, Elvon J., [redacted]
Miller, Jack D., [redacted]
Miller, Mark W., [redacted]
Miller, Michael D., [redacted]
Miller, Stephen A., [redacted]
Mills, Bruce D., [redacted]
Minze, Larry D., [redacted]
Mitchell, Darrell D., [redacted]
Mitzel, Marvin E., [redacted]
Mize, Marshal D., [redacted]
Moman, Joseph R., [redacted]
Monaghan, Michael, [redacted]
Montgomery, Robert D., [redacted]
Mooney, William T., [redacted]
Moore, Thomas L., III, [redacted]
Moran, Martin P., [redacted]
Morasca, Samuel, Jr., [redacted]
Morgan, Stanley, [redacted]
Morrison, William F., [redacted]
Morrissette, Raymond F., [redacted]
Morton, Paul F., [redacted]
Moser, Richard W., [redacted]
Mueller, David J., [redacted]
Mull, Ronnie J., [redacted]
Muller, William P., III, [redacted]
Mundell, Richard L., [redacted]
Murphy, Donald P., [redacted]
Murray, Clifford K., [redacted]
Nason, Frank G., [redacted]
Neely, David E., [redacted]
Neff, Jerry E., [redacted]
Neugent, Harry W., [redacted]
Nevins, Thomas L., [redacted]
New, Jon R., [redacted]
Nichols, Byron G., [redacted]
Nix, Everett F., Jr., [redacted]
Noble, Stephen C., [redacted]
Norton, John W., [redacted]
Novak, Frederick V., [redacted]
Nowacki, John A., [redacted]
Oates, Robert P., [redacted]
O'Connell, Patricia E., [redacted]
Ogan, Guy D., [redacted]
Olah, Charles, [redacted]
Oliver, John R., [redacted]
Olsen, Arthur M., Jr., [redacted]
Olson, David L., [redacted]
O'Neal, John M., [redacted]
Orsborn, James T., [redacted]
Osborn, Brian L., [redacted]
Ose, Alan J., [redacted]
Osterberg, Lloyd N., [redacted]
Overgaag, Richard H., [redacted]
Owen, Ronald H., [redacted]
Oxford, Richard B., [redacted]
Pacella, Hugh W., II, [redacted]
Palmer, Leroy R., III, [redacted]
Palumbo, Gerald J., [redacted]
Pamerleau, John D., [redacted]
Panell, Paul, [redacted]
Pansiera, Terry A., [redacted]
Parker, Glynn E., [redacted]
Parsons, Lawrence S., [redacted]
Partain, Philip M., [redacted]
Parton, George P., III [redacted]
Parzianello, Luciano V., [redacted]
Patterson, John H. [redacted]
Paul, David J., [redacted]
Payne, Elmer H., [redacted]
Pearce, William W., [redacted]
Pearson, Paul M., [redacted]
Pellicano, Saverio R., [redacted]
Perez, Charles H., [redacted]
Perrine, James L., Jr., [redacted]
Pesapane, John, [redacted]
Peterson, Robert E., [redacted]
Phalen, Richard M., [redacted]
Phillip, John R., [redacted]
Phillips, James A., [redacted]
Phillips, Robert C., [redacted]
Phillips, Suzanne L., [redacted]
Pierre, Ronald L., [redacted]
Pinker, Robert W., [redacted]
Pizzi, Robert E., [redacted]
Plotts, David W., [redacted]
Plowden, William E., Jr., [redacted]
Poohajecki, Michael L., [redacted]
Poff, William R., [redacted]
Poindexter, Dennis F., [redacted]
Pollack, Lawrence S., [redacted]
Pottberg, James W., [redacted]
Potts, Donald L., [redacted]
Powell, Frank M., [redacted]
Powell, Patrick W., [redacted]
Powell, Philip A., [redacted]
Preslar, Kenneth B., [redacted]
Prewitt, Frank J., [redacted]
Priest, Robert G., [redacted]
Pritchett, John D., [redacted]
Procaccini, Paul R., [redacted]
Prugh, Thomas L., [redacted]
Psaros, Perry, [redacted]
Puffer, Dennis B., [redacted]
Pytlik, William F., [redacted]
Raddin, James H., Jr. [redacted]
Ramsay, Alan O., [redacted]
Rauh, Ronald E., [redacted]
Rausch, Arnold C., [redacted]
Ray, John R., Jr., [redacted]
Reader, William R., [redacted]
Reed, Russell W., [redacted]
Rees, Thomas B., Jr., [redacted]
Rehm, Randolph R. [redacted]
Reid, James H., [redacted]
Reid, Richard S., Jr., [redacted]
Reiner, Troy D., [redacted]
Rennard, Robert W., [redacted]
Renninger, Warren H., III [redacted]
Resio, Ronald A., [redacted]
Rhode, Charles G., [redacted]
Rickeard, Russell D., [redacted]
Rippell, Wayne L., [redacted]
Roach, Randall B., [redacted]
Roberton, Donald J. [redacted]
Roberts, Daryl E., [redacted]
Roberts, Dennis C., [redacted]
Robertson, James H., [redacted]
Robertson, John V., [redacted]
Robinson, Edwin B., [redacted]
Robinson, Robert J., [redacted]
Rockwell, Blaine M., Jr., [redacted]
Roddy, William E., [redacted]
Rodgers, Edward L., III, [redacted]
Rohde, David L., [redacted]
Rohmann, Richard E. [redacted]
Romino, Leonard A., II, [redacted]
Roof, Charles T., [redacted]
Rose, Robert K., [redacted]
Rosen, Harry W., [redacted]
Roske, Vincent J., Jr., [redacted]
Ross, Cecil F., III, [redacted]
Ross, Patrick C., [redacted]
Rossbach, Paul R., [redacted]
Rote, William J., Jr., [redacted]
Roth, Benjamin S., [redacted]
Rothgeb, Harold L., Jr., [redacted]
Ruggiero, Francis X., [redacted]
Ruh, Robert E., [redacted]
Rupprecht, Hugh J., [redacted]
Rusin, Thomas A., [redacted]
Russo, Robert H., [redacted]
Sack, Thomas L., [redacted]
Saliba, Nasseem F. G., [redacted]
Salisbury, Daniel S., [redacted]
Sander, Edward F., [redacted]
Sandlin, Larry F., [redacted]
Santiago, Hector F., [redacted]
Santiff, William F., [redacted]
Santos, Bradford R., [redacted]
Sarachene, John A., [redacted]
Saukko, Wayne K., [redacted]
Saunders, James W., [redacted]
Saunders, Raymonds C., III, [redacted]
Savage, John E., [redacted]
Schafrik, Robert E., [redacted]
Scherbarth, James C., [redacted]
Schmidt, James C. C., [redacted]
Schoegler, Thomas D., [redacted]

Schreeder, George R., [redacted].
Schuerman, Kenneth E. [redacted].
Schuetze, Paul L., [redacted].
Schultz, David A., [redacted].
Schulz, Bryon L., [redacted].
Schunk, Dale H., [redacted].
Schwandt, Roland L., Jr. [redacted].
Scott, Glenn I., [redacted].
Seale, Thomas B., [redacted].
Sefchek, Paul A., [redacted].
Seibel, Richard M., III, [redacted].
Selman, Hugh P., [redacted].
Selves, Michael D., [redacted].
Seres, Frank E., [redacted].
Sgro, Charles A., [redacted].
Shaffer, John T., [redacted].
Shanahan, Joseph R. [redacted].
Shannon, Raymond P. [redacted].
Shelton, Percy L., [redacted].
Shipman, Robert H., Jr. [redacted].
Shirk, Larry R., [redacted].
Shirley, Michael O., Jr. [redacted].
Sholl, Howard G., Jr., [redacted].
Shook, John B., [redacted].
Shulhan, Ilko P. [redacted].
Sieland, Thomas E. [redacted].
Sigmen, Alan J., [redacted].
Silverman, Michael B. [redacted].
Simmons, Donald E., [redacted].
Sindoni, Frank J., Jr. [redacted].
Skaggs, Chalmers V., [redacted].
Skees, Alline M., [redacted].
Skinner, Robert E. [redacted].
Skousen, Ervin M. [redacted].
Sliper, Myron I., [redacted].
Sloan, Robert W., [redacted].
Smith, George D., Jr., [redacted].
Smith, Ivan T., II [redacted].
Smith, Jeffrey M., [redacted].
Smith Jerry J. [redacted].
Smith, Robert D. [redacted].
Smith, Robert P. [redacted].
Smith, Robert W. [redacted].
Smythe, Sharon A. [redacted].
Snider, Richard L. [redacted].
Snook, William A., [redacted].
Snyder, William M., [redacted].
Soles, Allen H., Jr., [redacted].
Sortor, Ronald E. [redacted].
Souther, Thomas J. [redacted].
Spain, Robert S. [redacted].
Speers, John M., [redacted].
Spivey, William Z., [redacted].
Spretz, Garland W. [redacted].
Stafford, Russell G., [redacted].
Stapleford, Frederick H., Jr. [redacted].
Stauffacher, Chester C. [redacted].
Stefle, William N., Jr., [redacted].
Stelter, Ernest E., III [redacted].
Sterns, Charles R., [redacted].
Stevens, Terry D., [redacted].
Stewart, Todd I. [redacted].
Stiles, John B. [redacted].
Stilley, John F. [redacted].
Stilson, Charles H., Jr. [redacted].
Stine, Homer E., [redacted].
Stirling, Stan O. [redacted].
Stolte, Robert J., Jr. [redacted].
Subilia, Maurice H., Jr. [redacted].
Suedkamp, Lee E., [redacted].
Summa, William J. [redacted].
Sutliff, Richard C. [redacted].
Sutton, Stephen W. [redacted].
Swanson, Richard C. [redacted].
Sykes, Norman J., Jr. [redacted].
Syster, Thomas E., [redacted].
Talbott, Carlos M., Jr. [redacted].
Taylor, Craig P., [redacted].
Taylor, Kenneth R. [redacted].
Taylor, Thomas F., [redacted].
Teague, George T., [redacted].
Tews, Michael W., [redacted].
Thelen, Thomas S. [redacted].
Thomas, Horace F. [redacted].
Thomas, Kent [redacted].
Thompson, William A. [redacted].
Thornton, Thomas H. [redacted].
Thrower, James H. [redacted].
Tiggemann, Robert L. [redacted].
Tiley, William D., [redacted].
Timmons, Pryor B., Jr. [redacted].
Tison, Thomas S., [redacted].
Todd, William B., [redacted].
Toler, Donald L., [redacted].
Toler, Ray E., [redacted].
Tookey, Charles V., [redacted].
Towner, Timothy N., [redacted].
Townsley, Tyler M., [redacted].
Traywick, Wayne E., [redacted].
Tredick, Trafton, Jr. [redacted].
Trennepohl, Gary L. [redacted].
Trost, Ralph M., [redacted].
Troyer, John E., [redacted].
Turkington, William R. [redacted].
Turner, Richard W. [redacted].
Turner, Thurman L. [redacted].
Ulven, Jerrold C., [redacted].
Valentine, Stephen H. [redacted].
Valois, Rudolph J., [redacted].
Vanbemmel, Gary L. [redacted].
Vancleve Earl E., [redacted].
Vandyke, Thomas J. [redacted].
Vanevery, Harry P., [redacted].
Vanguilder, Robert M., [redacted].
Vanhuss, Ronald E., [redacted].
Varacalli, Francis R., Jr. [redacted].
Vaughnes, Ricki, [redacted].
Venden, Darwyn L., [redacted].
Vesely, Anton J., [redacted].
Vetter, Kenneth G. G. [redacted].
Volluz, Michel A., [redacted].
Vouri, Francis A., [redacted].
Waaland, Arthur D. [redacted].
Wade, George T., [redacted].
Wade, Robert W., Jr., [redacted].
Waggoner, Ronald W., [redacted].
Wagovich, Joseph M., [redacted].
Wagstaff, David L., [redacted].
Wall, Richard J., [redacted].
Wall, Walter L., Jr., [redacted].
Wallace, John W., [redacted].
Wallman, Delyle, J., [redacted].
Wanders, John M., [redacted].
Wannall, Richard L., [redacted].
Warner, John K. [redacted].
Watchorn, Robert G. [redacted].
Weeks, Benjamin F. III [redacted].
Wehner, Clement E., Jr., [redacted].
Weimer, Thomas L., [redacted].
Westcott, Robert A., [redacted].
Wetzler, Gerald E., [redacted].
Whipple, William S., [redacted].
Whitcher, Robert G. [redacted].
Whitcomb, John G., [redacted].
White, James M., [redacted].
White, Richard S., [redacted].
Whiteley, John A., [redacted].
Whiteman, James F., [redacted].
Whitfield, Daniel A., [redacted].
Whitley, Samuel J. [redacted].
Whitney, Christopher D. [redacted].
Wicker, Harvey L., [redacted].
Widmer, Dennis A., [redacted].
Wiebking, Stephen A., [redacted].
Wilda, Chester V., Jr., [redacted].
Wildman, Thomas J. III [redacted].
Wilkerson, Gerald W., [redacted].
Wilkinson, John L., [redacted].
Willard, Thomas V., [redacted].
Williams, Charles R., [redacted].
Williams, Donald C., [redacted].
Williams, Gary L., [redacted].
Williams, Gordon D., [redacted].
Williams, Johnny W. [redacted].
Williams, Joseph D., [redacted].
Williams, Melvin F., Jr. [redacted].
Wilson, Jared B., [redacted].
Wilson, Leon A. Jr., [redacted].
Wilson, Thomas C., [redacted].
Wilson, Warren K., [redacted].
Winzeler, Kenneth A., [redacted].
Wisniewski, Charles R., [redacted].
Witt, David E., [redacted].
Wojciechowski, Richard T., [redacted].
Woodruff, Terrence D., [redacted].
Woosley, James R., Jr. [redacted].
Worcester, Craig R., [redacted].
Working, William W., [redacted].
Yahner, James F. [redacted].
Young, Paul W., [redacted].
Youngstrum, Daryl R. [redacted].
Zagrocki, Richard C., [redacted].
Zeer, James L., [redacted].
Zimmerman, Michael J. [redacted].
Zinsmaster, James A., [redacted].
Zirkle, Barnett J. [redacted].
Zorich, David R., [redacted].

To be second lieutenant

Abbey, Robert D., [redacted].
Albert, Donald J., [redacted].
Alexander, Michael D., [redacted].
Alford, James A., [redacted].
Allen, John C., [redacted].
Almond, Edward E., Jr. [redacted].
Altadonna, Lynn P. [redacted].
Altiere, Michael P., [redacted].
Anderson, Glen M., [redacted].
Anderson, William F., [redacted].
Andrychowicz, John J., Jr. [redacted].
Aramanda, Michael G., [redacted].
Ard, Billy C., [redacted].
Armbrust, John S. [redacted].
Armstrong, Bill L., [redacted].
Armstrong, Leonard D., [redacted].
Arneson, Paul S., [redacted].
Austin, James R., [redacted].
Bailey, Bryson R., Jr., [redacted].
Balander, Charles D., [redacted].
Ballard, Buddie C., [redacted].
Balsiger, William D., [redacted].
Bastian, Walter M., III [redacted].
Batsell, Michael L., [redacted].
Batt, Kenneth R., Jr. [redacted].
Baughn, Donald T., [redacted].
Baxter, Robert B., [redacted].
Bell, Edwin M., Jr., [redacted].
Bell, William H., [redacted].
Bennett, Winfield S., III [redacted].
Benton, Richard D., [redacted].
Berndt, William L., [redacted].
Bevilacqua, Robert, [redacted].
Bitner, Charles B., [redacted].
Blake, Thomas M., [redacted].
Blitch, William M., [redacted].
Bolalek, Philip J., [redacted].
Boland, Thomas R., [redacted].
Bonitz, William A., [redacted].
Booth, Richard T., [redacted].
Boston, Robert C., [redacted].
Bowles, Robert J., [redacted].
Boyd, Richard R., [redacted].
Brackin, William W., [redacted].
Brandimarte, Alfred P., Jr. [redacted].
Bras, Victor D., [redacted].
Brasch, Randolph R., [redacted].
Breshears, George C., [redacted].
Bricker, James C., [redacted].
Broadstreet, Ralph E. [redacted].
Brown, Herbert R., III, [redacted].
Brown, James T., [redacted].
Bruton, Calvin M., Jr., [redacted].
Bryan, Cephas W., [redacted].
Burkhold, Michael B., [redacted].
Burrill, Michael J., [redacted].
Burton, Charles D., Jr. [redacted].
Bushee, Grant S., [redacted].
Butt, Edward L., [redacted].
Cappelmann, Claude M., Jr. [redacted].
Caraco, Thomas B., [redacted].
Carano, Stephen A., [redacted].
Cardiff, Robert S., [redacted].
Carestio, Robert M. [redacted].
Carl, Douglas M., [redacted].
Carr, Philip L., [redacted].
Carter, William A., [redacted].
Charot, Gary A., [redacted].
Chambers, Richard C., [redacted].
Chaplin, Joseph M., Jr. [redacted].
Chevalier, Jimmy E., [redacted].
Christopherson, James E. [redacted].
Clark, Donald A., [redacted].
Comas, Carol A., [redacted].
Constantine, Steven [redacted].
Cooper, Oliver P., Jr., [redacted].
Cooper, Stephen E., [redacted].
Corbitt, James M., [redacted].
Cotney, Arnold D., III, [redacted].
Countryman, Tommie G. [redacted].
Courter, Robert J., Jr. [redacted].
Cox, James F., Jr., [redacted].
Creech, Robert M., Jr., [redacted].
Crouch, Edwin M., [redacted].
Crowder, Earl S., [redacted].

Cruger, Frederick [redacted].
Cullen, Michael G. [redacted].
Culpepper, Donald W. [redacted].
Curtis, Robert A. [redacted].
Cwelich, James R. [redacted].
Cyr, Henry L., Jr. [redacted].
Danielson, David C. [redacted].
Davidson, Kenneth D. [redacted].
Davis, Arthur P. [redacted].
Davis, Jimmie R. [redacted].
Dean, James W. [redacted].
Deibler, Lynn L. [redacted].
Detuccio, George A. [redacted].
Dilorenzo, Richard A. [redacted].
Dodds, Jerry L. [redacted].
Dodge, Allan W. [redacted].
Donohue, Peter E. F. [redacted].
Dorfman, Samuel L. [redacted].
Dow, Ronald E. [redacted].
Downing, Richard S. [redacted].
Drowne, Richard A. [redacted].
Dugan, William R., Jr. [redacted].
Dunn, Edward C., Jr. [redacted].
Dyer, Billy L. [redacted].
Eastis, Joseph F. [redacted].
Eaves, James C., Jr. [redacted].
Edison, Thomas R. [redacted].
Edwards, Jerry R. [redacted].
Egbert, Lynn J. [redacted].
Ehorn, Thomas A. [redacted].
Ehrlich, Frederick T. [redacted].
Epting, James R. [redacted].
Ersfeld, Thomas P. [redacted].
Evans, Stephen O. [redacted].
Fairchild, Larry J. [redacted].
Farrington, Dale A. [redacted].
Fenlon, John T. [redacted].
Fick, Michael H. [redacted].
Fish, Andrew J., Jr. [redacted].
Fisher, Donald L. [redacted].
Fisher, John A. [redacted].
Fitton, David E. [redacted].
Fitzpatrick, Joseph E. [redacted].
Flanders, Paul M. [redacted].
Fleury, Philip A. [redacted].
Flynn, Charles R. [redacted].
Folz, James J. [redacted].
Foster, William R., II [redacted].
Fowler, Joseph R. [redacted].
Fox, Peter E. [redacted].
Frank, Wallace B., Jr. [redacted].
Fredell, Donald J. [redacted].
Friedrich, Gary E. [redacted].
Fujimoto, Thomas K. [redacted].
Fulton, Darrell N. [redacted].
Galantowicz, Edward P., Jr. [redacted].
Gambrell, Melvin B., Jr. [redacted].
Gant, Gary D. [redacted].
Garrett, Barry M. [redacted].
Gaskill, William H., III [redacted].
Gaskin, Joseph B., III [redacted].
Gaskin, Ralph J. [redacted].
Gaston, Ronny D. [redacted].
Gebler, Arnold F., III [redacted].
Geron, Harry J. [redacted].
Giampetro, John J. [redacted].
Gillean, Jerry W. [redacted].
Gilliland, Gregg D. [redacted].
Gilmore, Burton W., Jr. [redacted].
Gipson, John M. [redacted].
Gleason, William R. [redacted].
Goetz, Robert E., Jr. [redacted].
Golnitz, Marlin H. [redacted].
Gould, James F. [redacted].
Grassman, Eric D. [redacted].
Graves, Sidney W. [redacted].
Greenwold, Richard C. [redacted].
Greer, Willie B. [redacted].
Gregory, Dorothy A. [redacted].
Gregory, Robert A. [redacted].
Gruchalla, Michael E. [redacted].
Guidu, Melvin L. [redacted].
Hall, Kenneth J. [redacted].
Hall, Randall S. [redacted].
Hall, Stephen C. [redacted].
Hammond, Gordon R. [redacted].
Hammond, John B. [redacted].
Hammond, William L. [redacted].
Hammonds, Donald G. [redacted].
Hamrah, Ronald M. [redacted].
Hanscom, Leslie C. [redacted].
Hardin, William G., III [redacted].
Harding, Alan G. [redacted].
Harms, Paul G. [redacted].
Harris, Louis R., Jr. [redacted].
Harris, Robert L. [redacted].
Hattas, David J. [redacted].
Head, Philip D. [redacted].
Hebert, Armand R. [redacted].
Hegler, Carla J. [redacted].
Hengle, James E. [redacted].
Heroux, Albert L. [redacted].
Hess, Arthur, II [redacted].
Hickey, John R. [redacted].
Hill, Gary L. [redacted].
Hines, William W. [redacted].
Hoecherl, Arnold L. [redacted].
Hoffman, Michael P. [redacted].
Hohman, Thomas D. [redacted].
Holden, Larry O. [redacted].
Holder, Frank O., Jr. [redacted].
Hollenbeck, James D. [redacted].
Holliday, Charles R. [redacted].
Hollums, Gary F. [redacted].
Holmes, Daniel B. [redacted].
Hooks, Floyd A. [redacted].
Hoot, Jerry W. [redacted].
Hoover, Larry E. [redacted].
Hosch, William, Jr. [redacted].
Huck, David E. [redacted].
Huff, Jimmy L. [redacted].
Hugli, Wilbur G. [redacted].
Hukari, Dale O. [redacted].
Hunt, John C. [redacted].
Hynes, Francis X., Jr. [redacted].
Irons, John P. [redacted].
Jack, Abram F. [redacted].
Jacobs, Leo R. [redacted].
Jaggers, Gerald H. [redacted].
James, Richard K. [redacted].
James, Robert E. [redacted].
Janofsky, William C. [redacted].
Jarosz, Stanley M. [redacted].
Jasknolka, Chester W. [redacted].
Johnston, Clifford, [redacted].
Johnson, Patricia E. [redacted].
Johnson, Wilma C. [redacted].
Johnston, Francis E. [redacted].
Jones, Carol E. [redacted].
Jones, Lafayette, J., Jr. [redacted].
Jones, Robert M. [redacted].
Jones, William C. [redacted].
Justice, Joseph C. [redacted].
Juul, Kenneth A. [redacted].
Kaczmarski, Stanley A. [redacted].
Kaiser, Donald F. [redacted].
Kallansrud, Carl N., III [redacted].
Keeler, Francis W., Jr. [redacted].
Kelley, Charles A. [redacted].
Kelley, Sheryl G. [redacted].
Kelly, John A. [redacted].
Kennedy, James E. [redacted].
Kent, Jesse G. Jr. [redacted].
Kilbaugh, Ronald L. [redacted].
Kirchner, Randal R. [redacted].
Knarr, Charles R. [redacted].
Kneece, John E. [redacted].
Knitt, David A. [redacted].
Kozak, David C. [redacted].
Kraus, Walter R. [redacted].
Krebs, Larry C. [redacted].
Kuenzler, Howard W. [redacted].
Lapinski, Robert F. [redacted].
Largent, Robert E. [redacted].
Larned, Robert E. [redacted].
Larsen, Peter H. [redacted].
Latimer, Lawrence R. [redacted].
Larson, Julius C. Jr. [redacted].
Laurenzi, John F. Jr. [redacted].
Laursen, Michael N. [redacted].
Lawrence, Joseph A. [redacted].
Legge, Theodore W. [redacted].
Leleux, Calvin J. [redacted].
Lewis, Gene W. [redacted].
Lewis, Monte R. [redacted].
Liberda, James K. [redacted].
Ligon, Johnnie B. [redacted].
Lilius, Bryan E. [redacted].
Lingo, James F. [redacted].
Livingston, John R. [redacted].
Lobdell, Phyllis M. [redacted].
Lofstedt, John P. [redacted].
Loftus, Mary P. [redacted].
Lohse, John A. [redacted].
Lord, Jethro D. III [redacted].
Lurie, James B. [redacted].
Lutolf, Robert E. [redacted].
Lydon, Malcolm W. [redacted].
Macellaro, James C. [redacted].
Maddux, Fred T. [redacted].
Malsam, James H. [redacted].
Marini, Ronald J. [redacted].
Marr, William G. [redacted].
Marshall, Richard H. L. [redacted].
Martinez, Candelario S. [redacted].
Matheson, John C. [redacted].
Matles, Ronald, [redacted].
Maxwell, Robert E. [redacted].
May, Michael, [redacted].
Mayfield, Bobby J. [redacted].
Mayfield, Wayne, [redacted].
McAllister, Donald C. [redacted].
McCarty, Richard G. [redacted].
McDermott, Wayne D. [redacted].
McDowell, Robert L. [redacted].
McElwee, Frank D., Jr. [redacted].
McGill, Scott D. [redacted].
McGrath, John C. [redacted].
McGregor, Ronald A. [redacted].
McGregor, Roy S. [redacted].
McMahan, Jesse T. V. [redacted].
McQuinn, Nancy K. [redacted].
Melvin, Gary L. [redacted].
Mengelson, William G. [redacted].
Mercer, Michael P. [redacted].
Merlin, Richard H. [redacted].
Mervosh, Ted N. [redacted].
Metz, Paul A. [redacted].
Metzinger, Gary D. [redacted].
Miller, George W. [redacted].
Miller, Glenn R., Jr. [redacted].
Miller, Lawrence, [redacted].
Miller, Michael J. [redacted].
Mitchell, Zebulon V., Jr. [redacted].
Mobley, Robert L., Jr. [redacted].
Mode, Jimmie R. [redacted].
Moonan, John F. [redacted].
Mooney, Timothy A. [redacted].
Morgan, Michael, [redacted].
Moritko, Michael K. [redacted].
Morrell, Jimmey R. [redacted].
Moulthrop, Rosco E., III [redacted].
Moynihan, Joseph C. [redacted].
Muldrow, Lee J. [redacted].
Murphy, Katherine [redacted].
Nakamura, Russell Y. [redacted].
Nastrom, Gregory D. [redacted].
Neier, Thomas D., Jr. [redacted].
Neish, Joann C. [redacted].
Nelson, Lester N. [redacted].
Nelson, Michael A. [redacted].
Nelson, Robert D. [redacted].
Nelson, Robert H. [redacted].
Nelson. Sharon J. [redacted].
Nelson, William H., Jr. [redacted].
Newcomb, Jerry L. [redacted].
Newman, Dennis K. [redacted].
Normington, William E. [redacted].
Norsworthy, John D. [redacted].
North, Robert G. [redacted].
Nystrom, John F. [redacted].
Oakley. William H. [redacted].
O'Brien, David S. [redacted].
Oglietti, Anthony R. [redacted].
Olander, Ross R. [redacted].
Olsen, Charles C. [redacted].
Olson, Steven T. [redacted].
Olsson, Eric H., Jr. [redacted].
Openhym, Paul A. [redacted].
Orlando, Donald P. [redacted].
Osborn, Harold L. [redacted].
Ovalle, Nestor K., II [redacted].
Overbaugh, Gary R. [redacted].
Packard, Cynthia L. [redacted].
Palmer, David S. [redacted].
Pandolfo, Michael A. [redacted].
Parker, Frederick R. [redacted].
Parrott, Edward N. [redacted].
Pauling, Dennis L. [redacted].
Payne, Richard J. [redacted].
Pearson, Dale T. [redacted].
Pennington, Kenneth W. [redacted].
Perkins, Edward W. [redacted].
Perrin, Donald R. [redacted].

Perry, John T. [redacted].
Perry, Richard E. [redacted].
Persons, Dale A., [redacted].
Phelps, Kenneth D., Jr. [redacted].
Phillips, Jeff J. [redacted].
Phillips, William J. [redacted].
Picanso, Richard F. [redacted].
Pinkerton, Laurence L. [redacted].
Pittman, Donald W. [redacted].
Plantholt, Warren J. [redacted].
Pohlman, Randolph A. [redacted].
Pomeroy, Don A., III, [redacted].
Pool, William F., [redacted].
Post, Philip N. [redacted].
Potter, Diana D. [redacted].
Priddy, Nathern B. [redacted].
Raguskus, Andrew G. [redacted].
Rainbolt, Harold E. [redacted].
Redigan, John P. [redacted].
Reid, Kendrick E., II, [redacted].
Reinoso, Jorge E., [redacted].
Richards, Stevan B. [redacted].
Richardson, Barry H. [redacted].
Richardson, James W. [redacted].
Ricks, James V., [redacted].
Riess, Jack A., Jr., [redacted].
Rightmyer, Charles W., Jr. [redacted].
Rispoli, James A., [redacted].
Ritchey, Joseph L. [redacted].
Rodgers, Richard R. [redacted].
Rodriguez Torres Cristobal [redacted].
Roggio, Robert F., [redacted].
Roloson, Diane E., [redacted].
Rosander, Glenn M., [redacted].
Rossbach, Dennis R. [redacted].
Roux, Armand R., Jr. [redacted].
Rucker, Dale M., [redacted].
Ruffenach, Gayle A. [redacted].
Rush, Arthur L. [redacted].
Sakai, Jack T. [redacted].
Sample, William A., Jr. [redacted].
Savena, James R. [redacted].
Schafer, David J. [redacted].
Schaff, Gary C., [redacted].
Schaible, Brian W. [redacted].
Schmidt, Richard W. [redacted].
Schroeder, Douglas R. [redacted].
Schwartz, Thomas R. [redacted].
Schween, Robert E. [redacted].
Scott, James J. [redacted].
Scritchfield, Michael J. [redacted].
Sharp, Harold W. [redacted].
Shuckstes, David V. [redacted].
Simms, Ernest H. [redacted].
Simonson, Joseph W. [redacted].
Simpson, Robert L. [redacted].
Sipes. James R. [redacted].
Sipes, Ronald L., [redacted].
Skelton, Ronald J. [redacted].
Smith, Bruce R. [redacted].
Smith, Gene C. [redacted].
Smith, Hugh E. [redacted].
Smith, James D. [redacted].
Smith, Michael R. [redacted].
Snyder, Allen T., [redacted].
Sorrow, Ronald T., [redacted].
Sotkovsky, Russell A. [redacted].
Spencer, Robert N. [redacted].
Spivey, Glenward L., [redacted].
Spruill, Stephen E. [redacted].
Stamp Dannie L. [redacted].
Starnes, Robert L. [redacted].
Stensvad, Bruce J. [redacted].
Stephenson, James F. [redacted].
Stewart, Jay M. [redacted].
Steyer, Terrance F. [redacted].
Stickel, John L. [redacted].
Stinger, William A., [redacted].
Stoddard, Forrest S. [redacted].
Stringer, George T. [redacted].
Suarez, George L., [redacted].
Sunde, Robert J., Jr. [redacted].
Sutton, William G. [redacted].
Symonds Thomas E., II, [redacted].
Sypert, Richard L. [redacted].
Tapp. James B. Jr. [redacted].
Tarascio, John R. [redacted].
Taylor, David M., [redacted].
Thomas, Roy E., [redacted].
Thrasher, Milton H. [redacted].
Thrift, Peter A. [redacted].
Tice, Larry G., [redacted].
Tillar, David B., [redacted].
Trammell, Douglas E., [redacted].
Trithart, Ronald K. [redacted].
Trunzo, Samuel E. [redacted].
Tsoucalas, Gregory A., [redacted].
Turnbull, Duane E. [redacted].
Tyree, Robert E., [redacted].
Ulich, William L. [redacted].
Vanduyn, Larry D., [redacted].
Vanschoyck, Nicholas R., [redacted].
Vejcik, Steve, Jr., [redacted].
Velez, Manuel A., [redacted].
Viscasillas, Rafael A., [redacted].
Vonflotow, Charles S., [redacted].
Wadleigh, Stuart A., [redacted].
Wallace, Arthur M., [redacted].
Wallace, Howard R., Jr., [redacted].
Warburton, John D. [redacted].
Warejko, Michael D., [redacted].
Warner, Charles H., [redacted].
Watkins, Warren S. [redacted].
Weber, Warren E., [redacted].
Weeks, Edward R., [redacted].
Weeks, William A., [redacted].
Weidl, George F., III, [redacted].
Weiss, Howard S., [redacted].
Welle, Allen H., Jr., [redacted].
Wenrick, Steven C., [redacted].
Westemeier, Edward P., [redacted].
Westfall, Charles G. [redacted].
Westgate, Robert A., [redacted].
White, David L., [redacted].
White, Thomas S. C., [redacted].
Whitman, Walter J. [redacted].
Whitson, William F. [redacted].
Whittenburg, William M. [redacted].
Wigton, Norman P., [redacted].
Wiley, Jerold W., [redacted].
Willey, Scott A., [redacted].
Williams, Mary P., [redacted].
Willingham, Frank M., Jr. [redacted].
Wilson, Bascombe J., [redacted].
Wilson, Zelmer C., Jr., [redacted].
Winter, Doris K., [redacted].
Winters, David W., [redacted].
Wohltman, John W., Jr. [redacted].
Wolchina, Kenneth G. [redacted].
Wolochowicz, Francis J., [redacted].
Wood, Wendall E., [redacted].
Worsley, Kenneth L., Jr. [redacted].
Wylie, Jackie L., [redacted].
Yagmin, Deborah B. [redacted].
Young, Alvin L., [redacted].
Youngblood, Francis G., Jr. [redacted].
Zauner, Frank G. [redacted].
Zimmerman, Bradford R. [redacted].
Zuelsdorf, Gary A., [redacted].

HOUSE OF REPRESENTATIVES—*Wednesday, July 28, 1971*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be not overcome of evil, but overcome evil with good.—Romans 12: 21.

O Thou who art ever speaking to Thy children and seeking to enter their lives speak to us now and come to new life within us as we bow before the altar of prayer. Give to us a fresh sense of the privilege which is ours to lead our Nation in right paths, along good ways, and by peaceful means. Save us from the subtle sins of self-seeking and self-importance; and bestow upon us the high happiness which comes to those who work for the welfare of our Nation and the prosperity of our people.

By Thy grace may we be consistent in faith and practice; not slothful in business; fervent in spirit; serving the Lord; rejoicing in hope; patient in tribulation; continuing steadfastly in prayer; and overcoming evil with good.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Arrington, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 65. An act for the relief of Dennis Yiantos; and

S. 1939. An act for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

The SPEAKER laid before the House the following communication from the chairman of the Committee on Interstate and Foreign Commerce, which was read and, together with the accompanying papers, referred to the Committee on Appropriations:

WASHINGTON, D.C.
July 21, 1971.

Hon. CARL ALBERT,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of Section 301(a) of the National Traffic and Motor Vehicle Safety Act of 1966, as amended, the Committee on Interstate and Foreign Commerce has approved the enclosed resolution for a compliance test facility at the Ohio Highway Transportation Research Center, East Liberty, Ohio.

Sincerely yours,
HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.

PRINTING OF CEREMONIAL PROCEEDINGS HAD DURING RECESS TODAY

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the ceremonial proceedings to be had in Statuary Hall, relating to the unveiling of portraits of the Honorable Clarence Cannon and the Honorable John Taber, to be held during the recess of the House today, may be printed in the RECORD immediately following the conclusion of the recess.

The SPEAKER. Is there objection to

the request of the gentleman from Texas?

There was no objection.

TRIBUTE TO A DEDICATED EDUCATOR: THE HONORABLE CLARENCE BLAIR

(Mr. PRICE of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE of Illinois. Mr. Speaker, on July 30, my good friend Clarence Blair retires after serving 32 years as superintendent of St. Clair County's educational service region.

Holding the position longer than any man in the history of the county, Superintendent Blair has been responsible for guiding the development and expansion of education services in an area that has changed from a largely rural base to an urban sector of the St. Louis metropolitan area. During this period of change, Clarence Blair has exercised resolute and determined leadership to see that the people of St. Clair County have received the best possible education.

Having been elected to eight successive 4-year terms, Clarence Blair has amply demonstrated his willingness to deal with difficult problems and to make decisions that have been in the best interests of the public he has served so well. Clarence Blair has left his mark on education in St. Clair County. He has bequeathed a rich legacy of sound leadership.

St. Clair County will miss this dedicated public servant. Fortunately, his contributions will remind us of the debt we owe this distinguished gentleman.

INVASION OF PRIVACY BY EXECUTIVE ORDER 11611

(Mr. RYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RYAN. Mr. Speaker, in today's copy of the Federal Register, an Executive Order No. 11611, issued by the President on July 26 is published. This order authorizes the House Committee on Internal Security to inspect any income, excess profits, estate or gift tax returns for the years 1950 to 1971.

Once again privacy is cast to the winds as the Executive, in conjunction with the Internal Security Committee, has contrived to open up to that committee's scrutiny the tax returns of every individual and business in the Nation. This invasion of privacy cannot be condoned. It cannot be condoned because the committee to whose snooping curiosity these documents have been opened serves no legitimate purpose. Its sole purpose is to cast a chill on the exercise of constitutional freedoms as it searches out imagined dangers which are in fact created by the suspicion of its own peculiar perception of the world.

Mr. Speaker, I include the Executive order with my remarks; it is another example of the administration's assault on civil liberties.

EXECUTIVE ORDER 11611

INSPECTION OF INCOME, EXCESS-PROFITS, ESTATE, AND GIFT TAX RETURNS BY THE COMMITTEE ON INTERNAL SECURITY, HOUSE OF REPRESENTATIVES

By virtue of the authority vested in me by section 55(a) of the Internal Revenue Code of 1939, as amended (26 U.S.C. (1952 Ed.) 55(a)), and by section 6103(a) of the Internal Revenue Code of 1954, as amended (26 U.S.C. 6103(a)), I do hereby order that any income, excess-profits, estate, or gift tax return for the years 1950 to 1971, inclusive, shall, during the Ninety-second Congress, be open to inspection by the Committee on Internal Security, House of Representatives, or any duly authorized subcommittee thereof, for the purpose of carrying on those investigations authorized by clause 11 of Rule XI of the Rules of the House of Representatives. Such inspection shall be in accordance and upon compliance with the rules and regulations prescribed by the Secretary of the Treasury in Treasury Decisions 6132 and 6133, relating to the inspection of returns by committees of the Congress, approved by the President on May 3, 1955.

RICHARD NIXON.

THE WHITE HOUSE, *July 26, 1971*.

[FR Doc. 71-10864 Filed 7-27-71; 9:30 am]

THE NEW INDEPENDENT U.S. POSTAL SERVICE

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, I take this time to direct the attention of the Members to the smooth implementation of the new and independent U.S. Postal Service which we all hope will deliver the mail efficiently, economically, and promptly.

While the new Postal Service has the power to set rates, determine wages, and streamline operations, it will need more than power if it is to function effectively with a minimum of difficulty. It will need the wholehearted cooperation of management, employees, and patrons.

The American people, who, in their dual capacity as postal patrons and taxpayers, will be required to pay more for postage and finance higher wages for postal employees, have the right to insist upon constantly improved service.

A point that must be stressed, Mr. Speaker, is that the Post Office administrators and the officials of the postal unions worked out a noninflationary, responsible contract which was the first of its kind in Federal Government management-employee relations. Under the conditions that we provided by law in establishing the new Postal Service, employees do not have the right to strike but have the alternative of binding arbitration, and the leadership and progressive attitude exhibited by management and the leaders of the postal unions are a credit to all parties concerned and are in the interest of the mail users and taxpayers of our Nation.

Even though this new Postal Service is a uniquely independent Federal Government entity, we in the Congress retain legislative oversight over its operations. I am pleased that the House Post Office and Civil Service Committee is actively scrutinizing developments in the Postal Service, and that it maintained a keen interest in the negotiations which produced the labor contract to which I have referred.

THE AGRICULTURE APPROPRIATION BILL

(Mr. FRENZEL asked and was given permission to address the House for 1 minute.)

Mr. FRENZEL. Mr. Speaker, yesterday when the House passed the $13.3 billion agriculture appropriation, I voted no. I had supported the passage of the bill when it originally passed the House at $12.4 billion. At that time it contained the $20,000 per crop limit.

When the bill returned from conference committee, it had picked up $900 million and had lost the $20,000 limitation. My final vote had to be against a bill costing $1.2 billion—10 percent—over the budget and $3.7 billion—nearly 40 percent—over last year's expense.

Agriculture is enormously important to our country, and my own State's largest industry. It must also be conceded that certain consumer and food stamp programs have been expanded. Nevertheless, without expectations of more effective programs or new approaches, I could not support such vast increases in Federal expenditures for agriculture in a time of continuing deficits and continuing inflation.

TRIAL OF EIGHT PERSONS ARRESTED ON CAPITOL STEPS

(Mr. HUNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNT. Mr. Speaker, I note by the edition of the Washington Post this morning that the trial of eight persons arrested for their conduct on the Capitol steps has resulted in an acquittal. I simply call this to the attention of Members, because the trial of the eight persons downtown involved many aspects of the thing we have been seeking to do in this country; that is, to restore law and order.

It becomes pretty rough for a police department to take nude people off the steps, people who have been using spray cans of paint to write obscene four-letter words on the steps, people who have expectorated against the policemen's vehicles, while the police were making the arrests, and then to have a jury acquit them for these ridiculous actions, even though they were warned 10 minutes in advance by Chief Powell that unless they desisted they would be arrested.

I believe it is about time the people of this Nation began to realize we can no longer be passive in this respect, and that citizens now assert their rights and demand commonsense in the halls of justice. We are not getting it today. The violators of the law and their vocal supporters appear to have thwarted general good order once more. The police of Washington, D.C., can hold their heads high—they performed their duty well.

WHAT THE WASHINGTON POST DID NOT PRINT ABOUT YESTERDAY'S AD HOC COMMITTEE HEARING ON THE PENTAGON PAPERS

(Mr. GUBSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUBSER. Mr. Speaker, this morning's Washington Post carried a story concerning an ad hoc hearing which was staged yesterday afternoon in the Rayburn Building with respect to the Pentagon papers.

The Post story reported on the statements of a succession of witnesses who had nothing good to say about the United States of America, and then it concluded with a list of the 17 Congressmen who sponsored the hearing.

There was one omission in the Washington Post story. I appeared yesterday afternoon at the hearing and said somewhat as follows:

> I commend this group in its search for truth but I remind them that the full truth about the Pentagon papers, all 47 volumes, is in this building and are available to all Members of Congress.
>
> To this date only 14 Congressmen have been interested enough to go down and see the full text of the Pentagon papers.

These gentlemen are:

Mr. McClory of Illinois.
Mr. Reid of New York.
Mr. Peyser of New York.
Mr. Reuss of Wisconsin.
Mr. Montgomery of Mississippi.
Mr. Hungate of Missouri.
Mr. Whitehurst of Virginia.
Mr. Randall of Missouri.
Mr. Stratton of New York.
Mr. Pucinski of Illinois.
Mr. Talcott of California.
Mr. Steiger of Wisconsin.
Mr. Anderson of Illinois.
Mr. King of New York.

That is the list of Congressmen who were interested enough in the Pentagon papers to take the time to even look at their full text. It is interesting that the list does not include even one of the people who sponsored the hearing yesterday afternoon. Not a one.

ADMINISTRATION'S POWERPLANT SITING BILL

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, with the three-way pulling contest between the Atomic Energy Commission, the Environmental Protection Agency, and the Federal District Court, the Calvert Cliffs, Md., nuclear-power electric plant, when completed may resemble the "House That Jack Built." A solution to hodgepodge, after-the-fact planning of atomic and fossil fuel plants is the legislation recommended by President Nixon of which I am a sponsor. The administration's powerplant siting bill would provide for advance planning and advance public hearings wherein environmental factors involved with powerplants would be well investigated years beforehand. With the President's legislation we can avoid environmental damage, and we can guarantee adequate electric power for all Americans before the lights go out.

PROPOSED FEDERAL LOAN GUARANTEE FOR LOCKHEED

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WILLIAMS. Mr. Speaker, I want to take sharp exception to the Member of the other body who asked his colleagues if they were "men or spineless errandboys for finger-snapping fat cats" in reference to the proposed Federal loan guarantee for Lockheed.

The bankruptcy of Lockheed could mean the loss of 60,000 jobs, both of Lockheed employees and employees of their subcontractors. These are 60,000 working people. These are 60,000 American working people who will go on unemployment compensation and, probably, will eventually wind up on welfare.

Does the Member of the other body who referred to "finger-snapping fat cats" think that the 60,000 American working people are fat cats? Does he not understand the importance of 60,000 jobs to our economy and to our people.

The fact is that the Federal Government will not advance 1 penny but will simply guarantee a $250 million loan to Lockheed and the loan will be made by the banks that have already loaned Lockheed $400 million.

This loan will be a first lien on the assets of Lockheed and the banks have agreed to subordinate their $400 million in loans to the Government-guaranteed loan. The fact is that during the period of 1961 through 1968, Lockheed paid $328.9 million in taxes to the Federal Government, and this does not include the additional millions of dollars paid in income taxes by their employees.

It is obvious that the important thing in the Government-guaranteed loan program, we are talking about jobs for our working people, taxes for our Federal Government, and not fat cats.

WATER STORAGE IN WYOMING

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, today I am introducing legislation to authorize the Secretary of the Interior to engage in a feasibility study for the modification of Seminoe Dam, on the North Platte River, Pick-Sloan Missouri River Basin project, Wyoming.

The feasibility study would examine the possibilities of raising the Seminoe Dam by about 15 feet and thereby providing an increased storage capacity of about 300,000 acre-feet. It is estimated that this addition to the Seminoe Dam would cost about $2,300,000—a modest cost of $6.80 per acre-foot of space.

Two factors justify the enlargement of the Seminoe Dam:

First, in the spring-thaw months in Wyoming the Seminoe Dam is generally at peak capacity, and the lowland areas are flooded. While no critical flooding has yet developed, there is the constant threat of sudden destruction should a heavy rain fall on the melting snowpack. At the present time, this dam has no flexibility and no capacity for unexpected moisture; and

Second, a North Platte River pilot project is now being initiated under the Bureau of Reclamations' atmospheric water resources management program to increase precipitation and runoff in the river basin. Preliminary analysis indicate that as much as 140,000 acre-feet of additional runoff could result from inducing precipitation on the North Platte River above the Seminoe Dam. The enlarged capacity of Seminoe Dam would ideally serve the purposes of this pilot study and the added water could be used for irrigation, municipal and industrial purposes, and generate significant amounts of additional power in the North Platte power system.

A feasibility study of the enlargement of Seminoe Dam has been deemed justifiable by the Bureau of Reclamation, and would require 3 years of study at a cost of about $400,000. I am hopeful this $400,000 can be authorized so the project can get underway.

AMENDING EGG PRODUCTS INSPECTION ACT

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill—H.R. 9020—to amend the Egg Products Inspection Act to provide that certain plants which process egg products shall be exempt from such act for a certain period of time, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

> Strike out all after the enacting clause and insert:
>
> That section 15 of the Egg Products Inspection Act (84 Stat. 1629) is amended by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:
>
> "(b) The Secretary shall, by regulation and under such procedures as he may prescribe, exempt any plant located within noncontiguous areas of the United States from specific provisions of this Act where, despite good faith efforts by the owner of such plant, such owner has not been able to bring his plant into full compliance with this Act: *Provided*, That in order to provide at least minimum standards for the protection of the public health, whenever processing operations are being conducted at any such plant, continuous inspection shall be maintained to assure that it is operated in a sanitary manner. No exemption under this subsection shall be granted for a period extending beyond December 31, 1971."

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

Mr. GROSS. Mr. Speaker, reserving the right to object, may I ask the gentleman from Hawaii if the amendment provides a permanent exemption or a temporary one?

Mr. MATSUNAGA. It is a temporary exemption, to December 31 of this year.

I might say to the gentleman that the bill as amended has been cleared with the minority leaders of the House and of the Agriculture Committee. The Senate amendment made to the original House bill is of a technical nature and recommended by the Department of Agriculture, I am informed.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOGGS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 211]

Abourezk
Alexander
Baring
Blackburn
Byrnes, Wis.
Carter
Celler
Chappell
Chisholm
Clark
Clay
Davis, S.C.
Dellums
Diggs
Donohue
Downing
Dulski
Eckhardt
Edwards, La.
Esch
Foley
Ford, Gerald R.
Galifianakis
Gallagher
Hagan
Hosmer
Howard
Hungate
Jones, Tenn.
Lennon
Long, La.
McCulloch
McKinney
Madden
Mailliard
Melcher
Montgomery
Murphy, N.Y.
Pickle
Poage
Rees
Reid, N.Y.
Riegle
Rosenthal
Sarbanes
Saylor
Scheuer
Teague, Calif.
Teague, Tex.
Thompson, N.J.
Van Deerlin
Yatron

The SPEAKER. On this rollcall 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF ADDITIONAL CONFEREE ON H.R. 8629 AND H.R. 8630

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that one additional conferee be appointed on the bill—H.R. 8629—to amend title VII of the Public Health Service Act to provide increased manpower for the health professions, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferee: Mr. HASTINGS.

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that one additional conferee be appointed on the bill—H.R. 8630—to amend title VIII of the Public Health Service Act to provide for training increased numbers of nurses.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferee: Mr. HASTINGS.

PERMISSION FOR COMMITTEE ON RULES TO FILE A PRIVILEGED REPORT

Mr. SISK. Mr. Speaker, on behalf of the Committee on Rules, I ask unanimous consent that the committee may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PAY SYSTEM FOR GOVERNMENT PREVAILING RATE EMPLOYEES

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 553 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 553

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9092) to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Nebraska (Mr. MARTIN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 553 provides an open rule with 2 hours of general debate for consideration of H.R. 9092, the pay system for Government prevailing rate employees.

The purpose of H.R. 9092 is to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government. Also covered by the legislation would be prevailing rate employees paid from nonappropriated funds of the Armed Forces and the Veterans' Canteen Service.

A Federal Prevailing Rate Advisory Committee will be established to replace the present Coordinated Federal Wage System Advisory Committee. It would consist of 11 members, one of whom would be full-time chairman. He shall be appointed by the President and may not hold any other Federal office.

A five-step wage schedule is provided to replace the present three-step schedule.

Automatic step advancements are provided after 26 weeks in step 1, 78 weeks in step 2, and 104 weeks in each of steps 3 and 4. Step 5 will be 112 percent of the prevailing wage.

A pay differential of 7½ percent is provided, nationwide, for scheduled nonovertime work during the 3 p.m. to midnight shift and 10 percent for the 11 p.m. to 8 a.m. shift.

Two years saved pay is provided for employees reduced in grade.

The legislation will become effective 90 days after date of enactment and the cost for fiscal year 1972 is estimated at $76.8 million.

The cost for fiscal year 1973 is estimated at $115.3 million and, because of the additional cost of the fifth step, the cost for the next 4 fiscal years is estimated at $181.3 each.

Mr. Speaker, I urge the adoption of the rule in order that H.R. 9092 may be considered.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, as the gentleman from California has explained, House Resolution 553 provides for an open rule with 2 hours of debate on H.R. 9092.

I would like to call to the attention of the Members of the House the fact that a similar bill was passed by the House and the other body last year. However, it was vetoed by the President.

This bill which we have before us today goes even further than the bill which was vetoed by the President.

Mr. Speaker, this legislation should be rejected by this body.

The present system of paying the so-called rate employees was established back in 1862 to place it on a comparable basis with wage rates paid by private industry. It has worked successfully for over 100 years. Now, however, the Committee on the Post Office and Civil Service comes out with legislation placing the wage rates in a straitjacket and proposing to pay more than private industry. This is completely wrong, it is completely unfair and it is not proper for the Congress to enact legislation requiring that Government employees be paid more than private enterprise employees.

In fiscal year 1969, Mr. Speaker, these employees covered by the bill—and there are approximately 850,000 of them—received increases of 9.5 percent versus an increase in cost of living of 4.8 percent. In fiscal year 1970—and this is under present law—these employees received increases of 8.9 percent versus a 6-percent increase in the cost of living.

What does this bill propose to do? Instead of the three steps that we have in the current law that has been in effect for many, many years, it provides for two additional steps or increases, five steps in all. Employees in the third step, as at present, would receive a 4-percent bonus over and above the prevailing wage scale in that particular area. But step 4 goes further, and increases this to 8 percent over the wage rate paid to private employees in the free enterprise system. Step 5 goes to 12 percent over the prevailing wage rate.

Then, in addition to this, the committee has thought of everything to increase the wages of these employees. The bill provides, on a mandatory basis, that employees working the swing shift, the second shift, shall be paid 7.5 percent above the basic wage, and those working from midnight to 7 or 8 o'clock in the morning would receive a bonus of 10 percent.

The total cost is estimated, when this legislation would be fully implemented, at $181 million a year at the taxpayers' cost.

There is no logic, there is no justification why Federal employees should be paid more than employees in private enterprise. It creates undue competition for labor, and it contributes to the inflationary spiral, because private enterprise on a competitive basis for labor is going to have to pay more for their labor in order to come up to the Federal wage scales.

In view of the fact that the President vetoed a bill which only went to four steps last year, this one goes to five steps—and it is a worse bill. In view of the fact that the legislation faces a probable veto by the President again this year, I hope that the House of Representatives will reject this legislation today.

Mr. Speaker, I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HENDERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9092) to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. HENDERSON).

The motion was agreed to.

The SPEAKER. The Chair designates the gentleman from Texas, Mr. BROOKS, to preside as Chairman of the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9092, and requests the gentleman from California (Mr. SISK) to kindly take the chair pending the arrival of the gentleman from Texas.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9092, with Mr. SISK (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the rule, the gentleman from North Carolina (Mr. HENDERSON) will be recognized for 1 hour, and the gentleman from Iowa (Mr. GROSS) will be recognized for 1 hour.

The Chair recognizes the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, I rise to request favorable floor action on H.R. 9092, a bill to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government and for other purposes.

The purpose of this legislation is to establish statutory policy for setting the pay of the Federal Government's 810,000 prevailing rate employes. Of these prevailing rate employees, 670,000 are paid from appropriated funds. They are commonly referred to as wage board or blue collar workers. They are laborers, craftsmen, and tradesmen; as for example: truckdrivers, welders, aircraft mechanics, carpenters, and tool and diemakers.

The definition of "prevailing rate employee" is amplified by this bill to include 140,000 employees of nonappropriated fund activities of the armed forces and employees of the veterans' canteen service.

The bill before us today, H.R. 9092, with a few minor changes is the same as the prevailing rate bill, H.R. 17809, which was passed by the House last September by a substantial vote of 231 to 90.

This bill, H.R. 9092, has two major purposes:

One, enacts into law the long-established principles and policies for setting the pay of prevailing rate employees.

Two, makes the following changes in the current operating system and procedures:

a. Establishes a Federal prevailing wage advisory committee to replace an advisory committee currently established by administrative action to guide the coordinated Federal wage system. The Committee currently has six representatives from management and five from employee groups. The proposed legislation requires one of the 11 members to be a full-time Chairman, who shall not hold any office in the Federal service, and shall be appointed by the President.

b. Provides that the new wage schedules have five pay steps instead of the present three steps. The present third step is 104 percent of the prevailing wage. The fourth step would be 108 percent. The fifth step, as proposed, would be 112 percent but would not become effective for 2 years.

c. Provides automatic step advancements after 26 weeks work in step 1; 78 weeks in step 2; and 104 weeks in each of steps 3 and 4.

d. Provides for 7½ percent pay differentials, nationwide, for nonovertime work during the second sift—3 p.m. until midnight—and 10 percent for the third shift—11 p.m. until 8 a.m.—currently the premium pay depends on the prevailing custom of each labor market area.

e. Provides "saved pay" for 2 years for prevailing rate employees who are reduced in grade. General schedule employees now have this, but prevailing rate employees, who must take a general schedule position due to reduction-in-force, do not.

f. Brings the employees of nonappropriated fund activities of the Armed Forces and employees of the Veterans' Canteen Service under the provisions of the prevailing rate system.

BACKGROUND INFORMATION

About 80 percent of the Federal Government's 810,000 prevailing rate employees work for the Department of Defense. Other leading employers are the Veterans' Administration, General Services Administration, and the Department of Interior.

In 1862 Congress authorized the Secretary of the Navy to establish the rates of pay of blue collar employees. The only existing legislation relating to these employees is found in 5 U.S. Code, Sections 5341, 5342, and 5343. These sections briefly relate to a policy for setting the pay of prevailing rate employees.

During all these years the pay for wage board workers has been based on a survey of a sample of private industry firms in the local labor market area, generally within a 50-mile radius of the Government activity.

Since July 1968, the Federal Government has had a coordinated wage system, insuring like pay for like work in the same labor market area. This was not necessarily true prior to 1968. The coordinated Federal wage system was established by Civil Service Commission regulations as the result of presidential memoranda of November 16, 1965; one to the Civil Service Commission and the other to the heads of agencies, requiring equitable coordination of wage board practices.

PUBLIC HEARINGS

The Manpower and Civil Service Subcommittee, of which I have the honor to serve as chairman, held extensive public hearings during the past several weeks on wage board pay policies and problems. The chairman of the Civil Service Commission and the Assistant Secretary of Defense for manpower appeared before the subcommittee. They were specifically opposed to having five pay steps and also to bringing the nonappropriated fund employees under the provisions of the coordinated wage system.

These administration officials indicated their support of H.R. 7691, introduced by Chairman DULSKI at the request of the chairman of the Civil Service Commission, in preference to the provisions as found in H.R. 9092.

The administration bill, H.R. 7691, made no provision for specific wage steps or for uniform pay for second and third shift work. Likewise, nonappropriated fund employees were not included in the administration bill.

Members took testimony from the heads of five national employee organizations representing over 350,000 wage board employees. All strongly endorsed the need for legislation.

COSTS

Since the legislation would not become effective until 90 days after date of enactment, it is estimated that the cost of this legislation for fiscal year 1972 will not exceed $76.8 million. This is based on an annual cost of $109 million for the fourth pay step and $6.3 million for night differential pay.

The cost for fiscal year 1973 should be approximately $115.3 million.

After 2 full years of operation, there would be an additional annual cost of $66 million, representing the additional cost of the fifth pay step. This would make the annual cost for the next 4 fiscal years $181.3 million. These costs do not vary from the cost date submitted by the administration.

The current annual wage board payroll is approximately $4 billion. The legislation before you represents at the most when fully operational, in 2 years, a modest 4.5 percent pay raise. This comparison with the 6-percent across-the-board pay raises earlier this year for the white collar civilian Federal employees and for our military personnel becomes even more striking when we recognize the recent postal workers pay compact with the new postal corporation for a raise of $2 billion over a 2-year period for about the same number of workers.

NEED FOR LEGISLATION

Mr. Chairman, I would get right to the arguments now pertaining to the need and necessity for this legislation. I think five questions quickly come to mind.

The first question will be—why should this bill become law?

Second, why should nonappropriated fund activities be covered by the bill?

Third, why should there be five steps?

Also, covering the cost of the legislation very briefly.

In answer to the question—why should the bill become law? I would point out to the House that this is the same bill which passed the House last year with an overwhelming majority vote. It is true that through its passage in the other body and conference thereafter, the bill was amended and was vetoed by a pocket veto and, hence, we are back today with practically the same legislation that was presented to the House last year.

Now, who are wage board employees? These are the little people who work for the Federal Government with their hands. Forty percent—or 225,000 of these wage board employees receive top wages in excess of $8,000 a year. Thirty-five percent are paid approximately $6,000 a year. These are the workers for whom we are legislating for today.

The charges, I am sure, will be made that this bill is inflationary. Well, to the extent that it expends Federal money, I am sure that argument is valid. But I would like to ask the question, Why should these blue collar Government workers be the only ones in this Nation who are deprived of a living wage, if they have reasonable employment? Certainly, we know that organized labor both within and without the Federal Government have received large pay increases, and many of them very recently.

This is because in my opinion big business, and our top Government managers are personally interested in the pay increases. Certainly, those pay increases are far more inflationary than those contained in this bill.

I would point out that if the administration and those of us in the Congress want to offset inflation, and if we want to get at that problem as it pertains to Federal employment, we should reduce the number of employees and not attempt to just hold down the pay of those employees who are on our payrolls.

Now with regard to the second question, Why should nonappropriated fund employees be covered?

I point out that this provision of the bill will not cost the Federal taxpayers 1 penny, because the cost will come from the profits of operating the nonappropriated fund activities. But, as we have studied this subject, we have found that over one-third of the employees on the military installations, they being the primary employer, one-third of them are military dependents. The primary purpose of the nonappropriated fund activity is to benefit through the profit device the military in their recreational activities. So one-third of these employees could thus be benefited certainly by coverage under the bill.

At the present time these employees have only the Federal minimum wage protection. It seems to me that they are entitled to more than that, and especially at a time that very serious consideration is being given to an increase in the Federal minimum wage law.

I would point out that for purposes other than pay the nonappropriated fund activity employees are covered by Federal law.

I would like next to answer the question, why five wage steps? The blue collar workers, first of all, need the guarantee of the system to determine their wages. At the present time they have what I would prefer to refer to as one step, because the so-called third step is 4 percent above the prevailing rate. I would point out that the classified employees working under the Federal service have 10 steps. The supervisors of the wage board employees have five steps. The Foreign Service employees have step increases. We all know that our military get longevity pay, so everybody in the Federal service gets some longevity pay at the present time. But these wage board employees that would be covered by this bill now have only one step above the base pay and that is 4 percent.

We might compare that with what industry in the United States does. The Civil Service has recently written to the chairman of our full committee and in sum and substance it is my conclusion from what they say that they do not know exactly what industry does, but we think, and there is some evidence to substantiate the fact that blue ribbon industries do pay for longevity. It is my opinion that the U.S. Government should be a blue ribbon employer. We know that where the Government contracts for labor, and exactly the same labor in the blue collar area, it is a common and accepted practice that the contractor receive 12 to 15 percent profit. This bill would pay that to the worker, not to the "flesh merchant."

Very briefly, I would like to move to the cost of the bill. In fiscal 1972 the cost will be $76.8 million. For the fourth step contained in the bill there will be a cost of $108 million. For the night differential the cost will be $6.3 million. This is substantially below the costs that we gave to the House last year as the bill passed, and this is because the administration through its management has been able to reduce the amount of the night differential, and they should be commended for this very fine manpower action on their part.

For the fiscal year 1973, the second year the bill would be effective, the cost would be $115.3 million, and for the fifth step as contained in the bill the cost would be $66 million.

Let me relate this cost to figures that I think I can better understand, and hopefully some of you. There are 670,000 wage board employees throughout the Federal Establishment today. The cost of the fourth step in this bill is $76.8 million. This is an average pay increase of less than $120 a year, less than $10 per month for the Federal blue collar workers covered by this bill.

The fifth step when it becomes effective 2 years after the enactment of the bill will give these employees less than $100 a year additional pay.

What has been our recent history in other negotiations affecting both the Government workers and perhaps those outside I am sure all Members are familiar with the recent rounds in the new Postal Service. My understanding is that there will be a one-shot bonus of over $300 in that settlement. There will be increases over a 2-year period equaling or approximating 30 percent for those employees. As I understand it, the current steel negotiations anticipate the workers will receive and are demanding 30 percent over a 2-year period. This is based on their success in prior negotiations with the aluminum or the can industry.

So I think this bill is a very modest and a very reasonable bill. It is the same bill that passed the House last year. I certainly think the Members that voted in favor of the bill last year should ask very probing questions and find answers that I have not been able to find before they would change their position and vote otherwise.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman has consumed 10 minutes.

The gentleman from Iowa is recognized.

Mr. GROSS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I note that my friend, the gentleman from North Carolina, has said this is the same bill that was considered last year. I would like to remind my friend, and the Members of the House that it is not the same bill. It is a worse bill, in my opinion, than that which the President vetoed last year.

Mr. Chairman, I oppose the enactment of H.R. 9092 because it is completely unnecessary, because it is dangerously inflationary, and because its enactment would completely destroy the area wage system that has operated so successfully for many years.

First of all, it must be emphasized that a uniform Government-wide pay system for the Federal Government's so-called blue collar employees has existed and operated successfully for nearly 100 years.

The existing coordinated Federal wage system operates under a rather simple policy enactment by Congress which directs the agencies to set the pay of their employees on the basis of prevailing rates of pay in local private industries. This system operates very well; it assures the wage board employees of full pay comparability with their counterparts in local private industries and it operates with no congressional involvement.

The existing wage system is flexible, it can immediately respond to changing local labor market conditions, and it can conform to any changes that may be necessary in order to adapt to local prevailing wage prices.

An example of the effectiveness of the operation of the present wage board system is the fact that in fiscal year 1969 wage board employees received pay raises averaging 9.5 percent in comparison to the Consumer Price Index which rose 4.8 percent, and in fiscal year 1970 these employees received pay raises averaging 8.1 percent while the price index rose 6 percent.

In general, what this bill proposes to do is write into law a rigid, cumbersome, and inflexible set of rules, procedures, and policies which will then become both the floor and ceiling as far as any future improvements and benefits are concerned.

The bill effectively locks into statute every conceivable procedure and system for pay setting purposes. Any future adjustments so-called "fine-tuning" of the system will require endless future enactments by the Congress. While the immediate effect of enactment of the bill will be to give most Federal wage board employees a pay raise, the long range effect will be to deprive them of a sound pay system that is flexible enough to immediately respond to every employee need as that need may arise.

H.R. 9092 begins with a fine sounding policy statement relative to the pay of prevailing rate employees; it elaborately defines prevailing rate employees; and then it proceeds to shatter the entire concept of prevailing rates. The bill writes into law a five-step longevity pay schedule with the so-called prevailing rate at the second step. The third step is 4 percent higher, the fourth step is 8 percent higher and the fifth step is 12 percent higher than the prevailing rate. In other words, an employee who remains under the system for 6 years will automatically receive 12 percent of the prevailing rate of pay in his area.

On the date of enactment of this bill, a great majority of blue collar workers will automatically go into the fourth step and be paid 8 percent higher than the prevailing rate and 2 years after the date of enactment all of these employees will go into the fifth step and be guaranteed 12 percent higher pay than the prevailing rate. It is quite apparent that for all intents and purposes the whole concept of paying Federal employees in a local wage area the same rate as that paid by private industry is to be abandoned by the bill.

Since recent studies show that Federal employee pay in many areas of the country is now higher than local industry pay, and that the Federal Government is unfairly competing in local labor markets, enactment of this bill would further compound an already bad situation. There is simply no justification for enacting a bill, such as this, which abandons the comparability and prevailing rate concepts for paying Federal employees and which forever guarantees that blue collar Federal employees in every local wage area in the country would be paid 12 percent more than the prevailing local industry rate.

Mr. Chairman, there are additional provisions contained in this legislation which in themselves are reasons enough to defeat the bill. They are not only costly but are also in complete variance with existing prevailing wage practices and they will create serious inequities and unbelievable administrative problems.

The first, as I have already indicated, is the creation of a pay system with five pay steps. A recent survey conducted by the Civil Service Commission shows that most private companies pay their employees a single rate. The present wage board system, which has three pay steps, is already more liberal than most private industries. The five steps required in this bill will not only add an additional $190 million per year to the existing $4 billion blue collar payroll, but it will also have a pronounced inflationary effect on local wage markets.

The bill will write into law nationwide percentage pay differentials of 7½ percent for evening work and 10 percent for night work. The differentials paid in local private industries vary throughout the country according to local pay practices. They are seldom paid in percentages but instead are paid in fixed sums of money of so many additional cents per hour. Ironically, some Federal wage board employees currently are being paid higher differentials than those called for in this bill. Enactment of this bill could actually reduce their total take-home pay.

Another extremely unsound provision contained in H.R. 9092 is the inclusion therein of the so-called non-appropriated-fund employees. These employees are not Federal employees and there is no conceivable reason why they should be blanketed into a pay system that is designed exclusively for Federal civil service employees. These people, who are employed principally by the Department of Defense in PX's, service clubs, bowling alleys, et cetera, are not in the competitive civil service. They have none of the obligations, responsibilities, or commitments of Federal employees.

The bill not only brings these non-Federal employees into a Federal wage system but it will also guarantee them the five-step pay system, the nighttime differentials, and the premium and holiday pay.

The five-step pay systems in the bill would guarantee that most of these people would be paid 12 percent more than their counterparts in local private industries. This again automatically inflates local wage rates requiring local merchants, hiring similiar personnel, to continuously raise their rates of pay in order to compete with the Federal Government. In addition, since all of these people work in programs involving the morale of military personnel, the prices of goods and services made available to service personnel will have to be increased appreciably in order to pay for the inflated wage rates of the employees involved. The entire idea of the commissary—post exchange system—of providing low-cost goods and services to servicemen—whether right or wrong—could be destroyed.

At the same time, they will remain out of the civil service retirement system, and Federal employees' health benefits and life insurance programs. If the Congress is to deal legislatively with these employees, it should come to a clear-cut decision on their Federal status. This bill opens the door for a prolonged series of proposals to "correct inequities" of employees of nonappropriated fund activities.

Mr. Chairman, in every possible respect this is exteremly bad legislation. The bill is much worse than H.R. 17809, which was enacted in the last Congress, and which was vetoed by the President.

I sincerely urge that H.R. 9092 be defeated; otherwise, I am confident that the President will have no other recourse than to veto it.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I yield myself 2 additional minutes.

Mr. McCLURE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Idaho.

Mr. McCLURE. Mr. Chairman, I rise in opposition to the bill and endorse the statement that the gentleman in the well has made and commend him for his leadership in this field.

Mr. Chairman, during the years I have been in Congress, I have firmly supported the principle that our Federal employees should be paid salaries and wages comparable to those being paid in private industries. People who work for the Federal Government should not be required to suffer financially for doing so.

However, I simply must oppose enactment of the bill now before us if for no other reason than it completely violates the so-called pay comparability principle.

For nearly 100 years, the class of people who work for the Government in the crafts and trades, otherwise known as blue-collar employees, have been assured of full pay comparability in their localities. The present law requires that they be paid the "prevailing rate" of pay for that locality based upon continuing wage surveys of local businesses.

The coordinated Federal wage system which the Civil Service Commission has implemented nationwide, throughout the Government, is working exceedingly well and it is assuring that this class of Federal employees keeps pace with local pay scales. In fact, blue-collar Federal employees, by reason of the operation of the existing system, received pay raises in 1969 averaging 9.5 percent and in 1970 of 8.1 percent.

Additionally, the present pay system adopted by the Civil Service Commission contains three pay steps while most private industries have only one pay step, and most Federal blue-collar workers in any local wage area are now receiving an average 4 percent higher rate than exists on the local labor market.

While H.R. 9092 proposes in its policy statement to continue paying prevailing rates, the bill, in setting up a 5-step pay system with the fifth step paying 12 percent more than local wages, actually destroys the prevailing rate concept. It guarantees that these Federal employees will continuously be paid 12 percent more than local wage rates.

So really, Mr. Chairman, the bill in itself is a deception. It abandons the prevailing rate system which has worked so effectively for so many years and it adopts instead a policy of paying higher wages to Federal employees than are paid to private industry employees.

However, the drastic change in pay policy is actually the least of the problems involved in this bill. The real, very serious problem is inflation. That will be the result of its enactment, with its mandate that Federal salaries be priced out of the local industry market.

The recent jump in the cost-of-living index in June certainly indicates that inflation is a matter of serious national concern. It simply does not make good sense, at a time when the administration is being urged to institute a policy of wage restraints, for the Congress to be enacting a bill such as this with built-in inflationary pressures.

Enactment of this legislation could cause a wage spiral throughout the country that would be next to impossible to control. The Federal Government, by setting Federal wages 12 percent higher than local wages in every area throughout the country, would be inviting inflated pay demands from every trade, craft, and union nationwide.

Mr. Chairman, there are a number of excellent reasons why this legislation should be defeated. Most of them have been adequately discussed here this afternoon. The bill is not a good bill, it does nothing to improve Federal wage administration, it is not needed, and certainly, if enacted, it could raise havoc with our national economy.

I sincerely urge that we defeat this legislation.

Mr. HENDERSON. Mr. Chairman, I yield such time as he may consume to the chairman of the full Committee on Post Office and Civil Service, the gentleman from New York (Mr. DULSKI).

Mr. DULSKI. Mr. Chairman, H.R. 9092 was ordered reported by the Post Office and Civil Service Committee by a vote of 21 to 3.

This bill is very similar to H.R. 17809 which was approved by the House last September.

The final version approved by the 91st Congress was vetoed by President Nixon last New Year's Day.

The main purpose of the pending bill is to establish a long-needed statutory system for fixing and adjusting the rates of pay for prevailing rate employees of the Federal Government.

As of December 30, 1970, there were approximately 670,000 full- and part-time prevailing rate employees on the rolls of the Government. About 80 percent of these employees, who are more commonly identified as wage board or blue collar workers, are employed by the Department of Defense.

The other major employers of prevailing rate employees are the Department of the Interior, the Veterans' Administration, and the General Services Administration.

Prevailing rate employees are laborers, craftsmen, and tradesmen who occupy various positions such as truckdriver, carpenter, painter, welder, and airplane mechanic.

The definition of prevailing rate employee has been expanded in this bill to include approximately 140,000 employees of nonappropriated fund activities of the Armed Forces and approximately 3,200 employees of the Veterans' Canteen Service.

At the present time, the pay of most of the 800,000 employees who would be covered by this legislation is fixed by administrative action in accordance with regulations prescribed by the Civil Service Commission.

While we have no quarrel with the regulations of the Commission, the obvious disadvantage of such a system is that the Government's prevailing rate employees—unlike most other Federal employees—are subject to continuing uncertainty about the rules and policies under which their pay is fixed.

There is no justification for giving these employees less stability on their pay checks than other Federal employees.

To remedy this unfavorable situation, H.R. 9092 proposes to enact into law the established principles and policies for fixing and adjusting the pay of prevailing rate employees.

In addition, the bill proposes to make certain needed changes in the existing pay system for these employees. These include: Requiring an independent, full-time Chairman for the Pay Advisory Committee; providing that each nonsupervisory wage schedule shall have five steps instead of the present three steps; and providing for uniform night differentials of 7½ and 10 percent for second and third shift work.

Mr. Chairman, our Subcommittee on Manpower and Civil Service has studied this matter very thoroughly, and I commend the gentleman from North Carolina (Mr. HENDERSON) and his subcommittee for their excellent work.

I urge the passage of this proposal. Action is long overdue.

Mr. GROSS. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, H.R. 9092 is to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees—commonly called blue collar workers—of the Federal Government. It provides a statutory pay system for wage board employees rather than a system based on executive memoranda.

This bill makes four major changes in blue collar wage setting policy: First, it provides for five steps in each wage grade, as opposed to three ingrade steps under the current system; second, it provides for a nationwide 7.5 and 10 percent differential for second- and third-shift nightwork; third, it requires appointment of a neutral chairman of the Federal Prevailing Rate Advisory Committee; and fourth, it includes nonappropriated fund employees, who are not now included under the Federal wage system.

First. Five ingrade steps: This is the most important change in former policy. U.S. Postal employees have 12 in-grade steps and civil service employees have 10 in-grade steps. Why should not Federal blue-collar workers—those in the craft, trades, and labor forces—have at least five steps, to insure fuller comparability with like employees in private industry.

Increasing the number of ingrade steps assures greater incentives for wage employees who are locked into a wage grade by job classification. The American Federation of Government Employees reports that 90 percent of Federal blue collar workers are now in their top grade step.

Under the present system, a worker can rise from 96 percent of the average prevailing rate to 100 percent, to 104 percent, but that is it. After many years of accumulating experience and seniority, should he not be rewarded by more than an 8 percent increase in pay?

It must also be remembered that the 100 percent, or prevailing rate level, is based on the average amount paid in private industry. Should not a man who has been on the job 20 years and performs his job well receive a little more than just 4 percent more than the average worker in that field? This proposed legislation would allow Federal blue-collar workers to earn up to 12 percent above the average, if they have proved themselves through experience.

Second. H.R. 9092 also provides for a nationwide 7.5- and 10-percent differential for regulatory scheduled second- and third-shift nightwork, whereas local area wage practices are now followed in this regard. However, there may be no other industry in an area working a night shift, so there is nothing to compare night wages with. Certainly night work is equally odious to a Federal employee in California as to one in Nebraska—should they not receive equal pay differentials for this?

Third. Neutral Chairman: By providing for a full-time Chairman on a 4-year basis, this legislation assures deliberations by the Committee will be fair.

Fourth. Nonappropriated fund employees: Nonappropriated fund employees, of which there are an estimated 160,000, are neither man nor beast under present law. Although they work for the Federal Government and are subject to most policies regarding Government employees, they have no job security or pay equity assurances. Many of these individuals work for the Department of Defense. The proposed bill would assure pay based on prevailing rates in private industry—a right they do not now enjoy.

Mr. HENDERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. ABBITT).

Mr. ABBITT. Mr. Chairman, I appreciate this opportunity, and appreciate very much the courtesy of the chairman of the subcommittee in yielding to me. I wholeheartedly support this legislation, H.R. 9092.

Mr. Chairman, I listened with interest to one of the Members who just preceded me, and in his statement he referred to the bill as being worse than the bill we had last year. I would say that that would depend upon whose eyes are looking at the bill. To my mind, and to the people in my district, this is a little better bill than it was last year, but the bill does not go nearly as far as some Members wished it to go.

Mr. GROSS. Mr. Chairman, will my friend, the gentleman from Virginia, yield?

Mr. ABBITT. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I thought that the bill applied to the blue-collar workers of Congress.

Mr. ABBITT. It does not, but we could make it that way if the gentleman from Iowa offers the right amendment.

Mr. Chairman, I want to commend particularly the chairman and members of the subcommittee and the chairman of the full committee. They have worked long and hard on this legislation.

Mr. Chairman, as I said earlier, this legislation does not go nearly as far as many Members of this body wished, but it is a realistic bill, it is moderate, and it will bring some relief to these much deserving workers in the very near future if we can get the bill enacted into law.

It sets up by statute a Federal Prevailing Wage Rate Committee, and this for the first time would have an independent Chairman. Heretofore we have had a Committee appointed by Executive order, which had a Chairman who was a representative from management. Under this bill it would mean that the Chairman would be independent, and he would have no other functions or duties with the Federal Government.

In my opinion this bill will go a long way toward bringing necessary relief and an adequate pay system to our blue-collar workers.

The five steps that the bill sets up in place of the three steps is going to also be of tremendous benefit.

I feel that our blue collar workers are among the most loyal workers we have in America. They have needed relief for a long time. They needed this relief last year but, as has been pointed out by those who have spoken heretofore, the bill last year was vetoed. However, I believe that this is such a modest and moderate bill that even if the Executive were to veto it, this body and the entire Congress would pass it over his veto, but I cannot imagine it being vetoed, as suggested by one of the former speakers.

Mr. Chairman, I commend the bill wholeheartedly to the membership of the House, and I hope that it will pass overwhelmingly.

I feel that H.R. 9092 is a "must" piece of legislation, in view of the failure of our efforts last year. It was most unfortunate that the administration saw fit to recommend a veto of our bill in the closing hours of the last session—and I am, therefore, strongly of the opinion that we need to guard against any action which would further delay this badly needed relief for our blue collar workers.

As one of the original sponsors of this legislation, I feel that we have a good bill. Obviously, it does not go as far as some would like, and I personally would like to see further provisions approved; but I believe this is a bill which we can pass and one which the President should sign. If the administration chooses to follow last year's course, I believe that we can override a veto.

It is perfectly apparent that the present administration is not willing to adequately compensate the Government's blue-collar workers for the services they are rendering. It is likewise obvious that the administration is not willing for Congress to enact the legislation to provide the necessary adjustments. The Chairman of the Civil Service Commission, in his testimony before the Manpower Subcommittee of the House Post Office and Civil Service Committee, clearly indicated that he endorse a status quo condition for the wage board employees. This is not good enough. It is not fair and it is not a sound policy for the Government to follow. Our blue-collar workers have been discriminated against for many years and, in my opinion, there will be no relief until Congress gives it.

H.R. 9092 is a first step toward equal treatment for the wage board employees. Personally, I favor a 10-step pay system but it is obvious that to get a bill enacted into law, we have to take a realistic approach. The five-step bill now before us would right many of the wrongs which now exist and, in addition, would boost the morale of the blue collar workers. Many of these workers feel—and rightly so—that their Government has forgotten them. They did not understand why their bill was vetoed while at the same time the administration approved raises for classified employees and the military.

I urge the House to give overwhelming approval of this legislation in recognition of the fine work which the wage board people are doing. Many of them are convinced that relief is going to come to them only through legislative action by Congress and past experience has clearly indicated that this is true.

This bill would put into law the basic policies of setting the pay of the Federal production workers. It would also correct obsolete pay procedures and would bring a number of nonappropriated fund employees into the same wage-fixing authority used for the 750,000 appropriated fund blue collar employees.

I am personally familiar with the situlation confronting many of the blue collar workers in the Tidewater area of Virginia, whom I have the privilege of representing. Many of these people are having a great deal of difficulty meeting the rising cost of living and have waited patiently for the benefits which this bill would provide. They are disappointed that the treatment they have received would seem to indicate that the administrative branch considers them in somewhat of a lesser category than it does the classified employees.

Thousands of our production workers are loyal, hard-working Government people who have responded magnificently to the country's need for maximum production, but they have begun to wonder if their work is really appreciated. These are the people who build the ships, overhaul the planes, load shells, maintain Government facilities, and perform hundreds of other important functions for the Government, often in an unheralded way. Theirs is no bureaucracy but it is they who keep things moving. Theirs is a vital role in keeping our defenses at a top-flight state of readiness and in supplying our forces overseas. The hundreds of jobs which they perform cannot and should not be taken for granted. They should be on a par with the status accorded the white collar workers who are on a classified basis.

I count it a real honor and privilege to represent a large group of the Nation's blue-collar employees and I wish to assure them of my continued support for their cause. The relief provided in this bill is not only well deserved but it is long overdue.

Mr. GROSS. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland (Mr. HOGAN).

Mr. HOGAN. Mr. Chairman, I rise in support of H.R. 9092, to provide an equitable system for fixing and adjusting pay rates for wage board employees. I have sponsored an identical bill, H.R. 9164.

While I give my wholehearted support to the measure before us as a long step in the right direction, I would have preferred to go even farther toward equitable treatment for wage board employees. In this regard, I had originally introduced H.R. 2481 which I offered in full committee as a substitute for H.R. 9092. H.R. 2481 included some features which, in my opinion, are preferable to H.R. 9092 from the employee's standpoint. Primarily, instead of the five steps in the bill before us H.R. 2481 would have provided a 10-step pay system, as the classified employees now have. These 10 steps would be achieved over a period of 17½ years of service. The bill would also have provided for a clear, orderly, legal mechanism for participation by blue-collar representatives in the pay-setting process. Unfortunately, this substitute measure—which had the support of the major Government employee unions—went down to defeat in committee.

However, with the choice before us today of either supporting or defeating H.R. 9092, I urge approval of the measure before us.

This legislation includes a five-step prevailing wage rate system which offers progression from the lowest grade to the top grade in 6 years of service. The fifth step would become effective following 2 years of service in step 4. Most employees already qualify for the fourth step, which translates into a 4-percent salary increase, and the fifth step is 12 percent above the starting pay for that grade.

Mr. Chairman, the Congress last year approved an equitable pay system for general schedule, or white collar, employees of the Federal Government. We should do no less for the wage board employees. This major provision of H.R. 9092 will go a long way toward assuring that these employees of the Federal Government are in a position comparable with their counterparts in private industry.

In addition, H.R. 9092 also provides a 7.5-percent pay differential, nationwide, for scheduled nonovertime work during the second shift—3 p.m. to midnight—and 10 percent for the third shift—11 p.m. to 8 a.m. Currently, the premium pay depends on the prevailing custom of each labor market area. The bill provides "saved pay" for 2 years for prevailing rate employees who are reduced in grade. General schedule employees now have this protection. Prevailing rate employees who must take a general schedule position, due to reduction in force, do not.

Finally, Mr. Chairman, the legislation

before us establishes a Federal Prevailing Rate Advisory Committee to replace the advisory committee currently established by administrative action to guide the coordinated Federal wage system. This bill requires one of the 11 members of the new committee to be a full-time chairman, who shall not hold any other office in the Federal service, and shall be appointed by the President of the United States. The primary function of the committee will be to study the prevailing rate system and advise the Civil Service Commission of their views. The committee would also be required to make an annual report to the Commission and the President for transmittal to the Congress.

Mr. Chairman, in urging my colleagues to support this legislation, I would like for a moment to quote from a very telling letter which I received from a fellow Marylander. This lady, who, I might add is not one of my constituents, expresses very simply and directly the feelings of the great majority of wage board employees.

She writes:

> I notice on your letterhead that you are on the civil service committee. Could I prevail upon you to consider our plight? My husband is a blue collar worker—federally employed and civil service. Recently our President saw fit to give increases to the white collar Federal employees but when it came to the skilled worker, he said it would be inflationary to grant increases to the blue collar workers. Why is it only inflationary to one grade—the wage board grade—and not the salary grade? It costs us the same amount for the same amount of food and today that is our prime concern—food.

These words, Mr. Chairman, can be multiplied a hundredfold in my congressional district alone, where thousands of wage board Federal employees reside.

It is my opinion, Mr. Chairman, that this upgrading and revision of the prevailing rate system is long overdue, and necessary if the Federal Government is going to be in a position to compete with private industry for top-flight laborers and tradesmen.

This bill is realistic, equitable, and just, and will provide necessary guidelines for the wage board rates for many years to come.

Therefore, in addition to urging the support of my colleagues for this necessary measure, I sincerely hope that President Nixon has reconsidered his action earlier this year when he vetoed a similar wage board bill passed by the 91st Congress and that he will give this legislation his approval.

Mr. HENDERSON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BROOKS, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 9092) to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes, had come to no resolution thereon.

RECESS

The SPEAKER. Pursuant to a previous order of the House, the Chair declares the House in recess until 2:50 p.m., this afternoon.

Accordingly (at 1 o'clock and 40 minutes p.m.), the House, under its previous order, stood in recess until 2 o'clock and 50 minutes p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock and 50 minutes p.m.

A CEREMONY FOR THE UNVEILING OF THE PORTRAITS OF CHAIRMAN CLARENCE CANNON AND CHAIRMAN JOHN TABER—THE COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, THE U.S. CAPITOL—2 P.M., JULY 28, 1971

Mr. MAHON. Dr. Latch, Chaplain of the House of Representatives, will open this ceremony with the invocation. Dr. Latch.

(The President, Members of Congress, and guests rose for the invocation.)

The Chaplain of the House of Representatives, Rev. Edward G. Latch, D.D., offered the following prayer:

O God, our Father who hast made of one spirit all nations of men to dwell upon the earth and who didst send thy Son to bring peace to the world and to establish good will among men, we pause in Thy presence invoking Thy blessing upon us as we unveil the portraits of Chairman Clarence Cannon and Chairman John Taber.

We thank Thee for these men who so faithfully and so truly lived—for their integrity of spirit, for their courage to stand firm for what they believed, for their willingness to adventure along high and noble ways, for their unflagging devotion to our country. May these portraits serve to remind us of their loyal and devoted service in handling the appropriations of the House of Representatives.

We unveil these portraits in their memory, for the good of our country, and to the glory of Thy holy name. Amen.

Mr. MAHON. Mr. President, Mr. Speaker, distinguished officials of the Executive and Legislative Branches, honored guests, ladies and gentlemen: It is especially appropriate today that we meet here in this historic Chamber, steeped as it is in history, because our business is to unveil the portraits of two men who earned a permanent place in the history of the House of Representatives. Many of us here served with these two distinguished men, and one of us here took the oath of office in the House at the same time these two men took the oath of office.

We are especially honored to have with us the President of the United States, who served in the House of Representatives during a portion of the chairmanship of both Clarence Cannon and John Taber.

Thucydides, a warrior of ancient Greece, concluded his career and achieved fame as the father of history by writing about the active role he played in the great events of his lifetime.

Clarence Cannon began his career by reading and teaching history, and then—as if what he read and taught did not quite meet his standards—he turned to a life of action. And it is in the world of affairs that Clarence Cannon achieved his fame—as a shaper of policy, as a maker of history.

The national legislative branch of government was his field of action. His mentor, Speaker Champ Clark, from Missouri's "Mark Twain Region" taught that "no man is a born Congressman," and Clarence Cannon energetically set himself to the task of excellence in his chosen field. He studied the House. He mastered its ways. He absorbed its spirit.

As a legislative craftsman he had a tremendous impact on democratic government. He wrote about the House, conveying a full appreciation of the stabilizing virtues of its customs, its traditions, and its precedents. Which one of us here assembled has not consulted his practical handbooks on House procedure? What serious student of the House has not drawn from his scholarly works?

Chairing the Committee on Appropriations, he championed the preeminence of the House in money matters and forcefully advocated constructive economy in public expenditure. For decades all Washington knew that when fiscal prudence prevailed as policy, Clarence Cannon had probably earned some pride of authorship.

He was known to all as a tireless, disciplined public servant, driven by a strong spirit, and anchored by a will of iron. He was famous for vigorously promoting his strong convictions about what he thought was right for this country, and for holding to them defiantly when they came under attack.

But Clarence Cannon was something more than an awesome figure casting lightning bolts from the center of power. Those of us who served with him for so many years knew him and loved him as a broad-ranging man with an impressive knowledge of history and literature—as a courtley and thoughtful friend, a man of great compassion.

We honor him today as a brilliant champion of the House and a great servant of the American people.

Clarence Cannon and John Taber, although of opposite political persuasion, being tireless advocates of economy, often found themselves pulling in the same harness. Inevitably, the Chairman and the ranking minority Member of a committee can be more effective if they work together.

I have had the privilege of sharing a most agreeable working relationship with the statesman from Ohio, the gentleman from Ohio (Mr. Bow) the ranking minority Member of the Committee on Appropriations, whom I now present, Mr. Bow.

[Applause.]

Mr. BOW. Mr. President, Mr. Speaker, Mr. Minority Leader, Mr. Chairman of the Committee, and Mr. Speaker McCormack—we are delighted you are with us today—I should like to quote John Taber. Like the prophet Isaiah, he held high a standard for the people of his day, which he frequently expressed in these words—and I quote John Tabor:

> I appreciate that mine is perhaps a lone voice in the wilderness, but I am expressing the sentiment and issuing a warning that I believe needs to be issued to all America at the present time. That warning is to balance our budget or face disaster.

John Taber had an abiding philosophical attachment to the proposition of limited Central Government and was an apostle of economy in public expenditures—an enemy of unneeded frills and embellishments in Government programs—all of his days in Congress. This was the life he led. It was his belief that the House of Representatives is the supreme guardian of the people's liberties and that the power of the purse is the weapon through which to assure their preservation.

Those were his principles, his deep convictions. And for close to half a century John Taber was one of the real leaders of the House on behalf of those principles. It was said during his chairmanship that there were three Houses of Congress—the House of Representatives, the Senate, and the House Committee on Appropriations. Courage and integrity were among his most outstanding attributes. He was as solid as a rock. With a determination typical of the best in his upstate New York background, he defended his fiscal views.

Not everybody always agreed with where John Taber stood, but everybody, bar none, admired the courage and forthrightness with which he expressed his point of view and the fairness he extended to others in the expression of their own. Honesty, integrity, and sincerity went right along with the characteristic vigorous pursuit of his high calling to public service. In the eyes of all he earned the highest accolade one politician can bestow upon another: He was a man of his word.

First and foremost, he was a legislator and political leader who had a profound influence on the financial affairs of this country over a period of two decades. He was a legend in his own time for the depth and breadth of his fiscal knowledge. He was variously known as the "Fiscal Vigilante," "John Cash and Carry Taber," or more ironically as "Generous John."

But perhaps he would want to be remembered here today by the title earned by Thaddeus Stevens, the first chairman of the Committee on Appropriations, and coveted by all of those who have followed: The "Watchdog of the Treasury."

[Applause.]

Mr. MAHON. Mr. Frank de Bruin Valerius, the distinguished artist who did Mr. Taber's portrait, is unable to be with us today. Mr. Charles J. Fox, the famous artist from New York City who painted Mr. Cannon's portrait, is here. And I should like for him to stand.

[Mr. Fox stood, to applause.]

Mr. MAHON. Thank you.

I had a conversation on the telephone with Mrs. Cannon. She still retains that same charm as of yesterday. She said she regretted she could not be here today for this ceremony. But the two daughters of Mr. and Mrs. Cannon are here; Mrs. William I. Pixley, the former Ida Lee Cannon, and Mrs. Harry Hackethorn, the former Linda Cannon.

We are also pleased to have the niece of Mr. Taber, Mrs. Ann Taber Hassett, here.

Mrs. Pixley, will you unveil the portrait of Mr. Cannon?

[Mrs. Pixley unveiled the portrait of Chairman Clarence Cannon, to applause, the President, Members of Congress and guests rising.]

Mr. MAHON. And now, Mrs. Hassett, will you unveil the portrait of Mr. Taber?

[Mrs. Hassett unveiled the portrait of Chairman John Taber, to applause, the President, Members of Congress, and guests rising.]

Mr. MAHON. Thank you.

Ladies and gentlemen, the Speaker of the House of Representatives.

[Applause, the President, Members of Congress, and guests rising.]

Mr. ALBERT. Mr. President, Mr. Speaker—once a Speaker, always a Speaker—Mr. Chairman, Mr. Minority Leader, Mr. Ranking Minority Member, Reverend Latch, ladies and gentlemen: On March 3, 1923, more than 48 years ago, three of the most remarkable men ever to serve in the House of Representatives came to Congress. One of them was the Honorable EMANUEL CELLER of New York, who is still with us. The other two were the Honorable Clarence Cannon and the Honorable John Taber, who have passed on.

Some 23 years later one of the largest freshmen classes in history—I was among them—stood in awe in the presence of such greatness. Another one is at my left today, the President of the United States.

[Applause.]

That these men were unique among their fellows is evident from their illustrious careers. Both were tireless watchdogs of the Treasury. John Taber, it has been said, was the "fiscal vigilante" of the century.

I remember one day, as though it were yesterday, sitting in the Speaker's lobby wih former Speaker Rayburn, during the first Eisenhower Administration. Mr. Taber was Chairman of the Committee on Appropriations, and was walking down the corridor when Mr. Rayburn stopped him. He said, "John, one of the Cabinet officers says that you are applying the meat ax too hard to him." Mr. Taber replied—Mr. Rayburn almost rolled out of his chair with laughter when he said—"Sam, I have got to keep them squealing; otherwise they won't appreciate what I am giving them."

Clarence Cannon was tough and unrelenting. The new Member who did not know how he could finesse would wake up suddenly to find out that his pet project might have been discarded from the Public Works appropriation bill. Clarence Cannon, however, was a man of many great qualities. He was a scholar, perhaps the greatest in the House of his time. He was a great parliamentarian. He became a student of history and a master of English rhetoric.

Mr. President and Mr. Chairman, I join with you and others in saying that it was an honor to serve with these extraordinary men and to observe the skill with which they went about their daily work. They were great Congressmen; they were good men; they were statesmen of high caliber. They were what we would all like to be; they were good men.

Thank you very much.

Mr. MAHON. Thank you, Mr. Speaker.

It would be a wonderful experience to those of us here if in this sacred place we might hear many of our colleagues who come back to be with us today; if we could hear from members of the Cabinet who are here, and others; if we could hear from Speaker John McCormack, who could say so many interesting things about these two men. That is impossible under the circumstances, but it is heartwarming to have them with us on this occasion.

Now, ladies and gentlemen, the Minority Leader of the House of Representatives, the Honorable GERALD R. FORD.

[Applause, the President, Members of Congress, and guests rising.]

Mr. GERALD R. FORD. Mr. President, Mr. Speaker, Mr. Chairman, Speaker McCormack, distinguished guests: A little over 6 years ago I was kicked off the Committee on Appropriations when I assumed some different responsibilities, but let me say that I look back with wonderful thoughts and a great deal of nostalgia about the 14 years that I was privileged to be a Member of the House Committee on Appropriations.

During all the time I served on the Committee either Mr. Taber or Mr. Cannon chaired that great committee.

Let me say without any hesitation or qualification that I am today a better Member of the House and of the Congress because of the personal experiences that I had in my association with Clarence Cannon and with John Taber. And I think that is true of every Member of the House who had a similar association with these two giants either on the committee or in the House as a whole—and I suspect it is also true of some Members of the other body who from time to time met both of them in conferences on appropriation bills.

But, more importantly, the Committee on Appropriations is a better committee today because of the things that John Taber and Clarence Cannon stood for in their long and distinguished service on that committee.

Let me briefly relate an experience I had with Mr. Taber in January of 1953. I had served 2 years' apprenticeship on the committee at the very, very bottom of the committee—when the Republicans came into the majority. John Taber was looking for some new Members from our side to serve on certain subcommittees. In those days, the Defense Subcommittee was broken up into three panels—Army, Navy, Air Force—and I was fortunate to be made a Member of the Army panel. Mr. Taber was looking for someone to head that subcommittee and he looked at me one day on the floor of the House and said, "What branch did you serve with in World War II?" And I proudly said that I had been in the Navy for 4 years. He said, "You will make a good chairman of the Army Subcommittee."

[Laughter.]

I think the House of Representatives is better now, as it was then, because John Taber and Clarence Cannon were leaders in the handling of those important appropriation bills.

There is no doubt that the Congress as a whole during their service was better because of their participation.

I would say without any qualification that America then—and America now—is better because of the long years of devoted service by those two giants of the Congress.

We could all mention unforgettable experiences we had with them individually or together. I was a spectator in the "fisticuffs" between Mr. Taber and Mr. Cannon. It was an interesting battle. I have seen them fight in the committee room by word and by action; but the two, despite occasional differences, were close personal friends.

I was privileged to see them plot in behalf of a President, Democrat or Republican. I saw them plot in opposition to a President, Democrat or Republican. And they usually were successful, whether they were for a President or against a President.

But, despite their images, they were the kind of people that we all love. Mr. Cannon could almost walk out of one of Dickens' novels as sort of a Scrooge, but when you got to know him you could not help but feel the warmth and friendship he really gave to everybody with whom he was associated. The image of John Taber was rough, inflexible, stern, uncompromising. The truth is John Taber was a warm, friendly, flexible person who could and did give more than he expected, whether it involved the President or a freshman Member of the House of Representatives.

They both made an indelible impression on me and I am sure all with whom they served. They both made an indelible impression on the Congress.

[Applause.]

Mr. MAHON. Thank you, Mr. FORD.

And now it is my high privilege and very great honor to present the President of the United States.

[Applause, Members of Congress and guests rising.]

President NIXON. Mr. Speaker, Speaker McCORMACK, Mr. Chairman, Congressman FORD, Congressman Bow, and all of the distinguished guests on this occasion:

In a room like this, at a time like this, we think of the history of this country and of the men who helped to make it and the women who helped to make it. We think of this room, up until about the year 1850, being the room in which the House of Representatives met.

We think, for example, of Henry Clay and Abraham Lincoln speaking in this room. Then we move on into this century and we go back 25 years, or 20 years, as the case might be, to think of two of the giants of the Congress. We do not see the giants of our own time. No one knows at the time who really is a giant.

But as the years pass, we look back and we realize who the great men were. Two of them we honor today, Clarence Cannon and John Taber. Everything has been said about them, by those who served with them, so eloquently that I will not try to add, except to say that I was privileged to be a Member of the House of Representatives and to have known both of them as a Member of the House and then as a Member of the Senate and as Vice President of the United States.

I can certainly endorse everything that has been said so generously about them and so well by others who have appeared on this program.

I do know, too, that the Appropriations Committee of the House of Representatives is an enormously important committee, and that whoever is the chairman of that committee is a very important and powerful individual.

Now, I have to be very careful at this point, because I realize that represented in this room are chairmen of other committees, and men who serve on other committees as well, so I will choose my words very carefully.

As I looked over the record of those who have been chairmen of the Appropriations Committee, going back to the year 1865 when it was first set up, I found that some went on to be Speaker of the House; a few, very few. Some went on to be Governors. Only one became President, James Garfield.

Yet I can stand here, looking back over my own public service, and also looking back over the history of this country, and say, as has already been implied by other speakers, that the hardest working committee in the House of Representatives is probably the Appropriations Committee, because of its workload; that the most powerful committee in the House of Representatives, because of its control of the money that is spent, is the Appropriations Committee; and then third, that potentially the most unpopular committee in the House of Representatives is the Appropriations Committee, because the Appropriations Committee members and its chairman and its ranking minority member have responsibilities that go beyond the committees, the very important ones on the legislative side.

They meet, they determine what is in the public interest as far as their views are concerned. They submit that legislation to the Congress. They get it passed. And then the question is: Should the money be appropriated for the purpose of carrying out those spending programs that the legislative committees have approved? It is here that the unpopularity comes in.

I was studying recently a poll that was taken by a group of business executives with regard to national attitudes in this country on spending. The business executives were terribly disappointed by the results of the poll because they thought it would come out strongly against Government spending, but I was not surprised, and anyone who is a sophisticated observer of Government would not be surprised to find that a great majority of the American people, when asked about spending for almost any program in the domestic area, are for it, whether it is for billions for education, for health, or housing, or in the field of agriculture, or any other area.

If an individual is asked, "Do you favor more Federal money spent for this program?" the answer is "Yes." So you can see, therefore, that if an individual really is seeking popularity, the thing is to get on a committee where he can vote yes for that program and go back and say to his constituents, "I was for what you wanted."

But there was another interesting result at the bottom of this poll, and here is where the Appropriations Committee came in. The great majority of the people who voted for every one of the spending proposals listed on the domestic front, when they were asked, "Do you favor higher taxes?" said "No"; "Do you favor higher prices?" "No."

That is where the Appropriations Committee comes in, because the Members of this committee must take these tremendously popular programs, they must examine them, they must cut out all the waste to be sure that is taken out, and then they must see whether or not all of them put together, no matter how desirable individually, whether all of them put together will be so much that they will raise taxes. Then they must say no, or, when they are put together, they will have the effect of causing inflation and raised prices, and then they must say no.

That is why men and women who serve on this very important and powerful committee are not necessarily always the most popular Congressmen or Congresswomen in the country.

But on the other hand, they are absolutely essential to responsible government, because there must be at some point along the line those people in government who will look at the whole picture and rather than representing this interest or that interest or the other interest, will represent the interest of all the American people. Every American is interested in how high his taxes are. Every American is interested in how high his prices are. That is why the Appropriations Committee, more than any other committee in the House of Representatives, speaks for all of the American people.

That is where these two men come in. That is where, also, the men who are seated on this platform, the Chairman of this committee, GEORGE MAHON from Texas, a Democrat, the ranking Republican, FRANK Bow from Ohio, where they come in.

I have been trying to think of an appropriate way to describe what they are. We often hear, when we hear of politicians in either the House or Senate who have reached high ranks, labels of certain favorite terms. One will be called "Mr. Republican." Another may be called "Mr. Democrat." And somebody will be called "Mr. Conservative." Someone else will be called "Mr. Liberal." The main thing is to be sure you call them the same thing at the right time and the right place.

So the real question then, and that is what it seems to me the unveiling of these portraits brings to mind, is what would one call the Chairman of the Appropriations Committee or the ranking member of the Appropriations Committee. I would not call him "Mr. Republican" or "Mr. Democrat." I know that both George Mahon and Frank Bow will speak up to any President, Democrat or Republican, that they speak up to any partisan, Republican or Democrat, that they look upon their role as being bigger than Party, as big as all America itself, because they represent all of the American people.

No, I would not call the Chairman of this committee or his colleague, the ranking member, "Mr. Republican" or "Mr. Democrat," "Mr. Liberal," or "Mr. Conservative." I would call him "Mr. Responsible." Responsibility may not be popular always, but it is enormously necessary, absolutely indispensable for the future of this country.

So, this gives me the opportunity to express on behalf of all the American people our thanks to the people through the years who have served on this committee that have kept us on a steady course, that have seen to it that those things that should not be funded are not funded, to see to it that money that should not be wasted is not wasted, and to see to it that our policy, whether it is under a Democrat or a Republican President, to the greatest extent possible, will be one that will not raise the taxes of the people unless the people are in a position where they want them raised, and they usually do not, and will see to it that our policy will not have the effect of raising our prices by reducing the value of their money.

I would simply close this by saying that I remember only two things that have not been mentioned up to this point about the descriptions of John Taber and Clarence Cannon. When John Taber in the 80th Congress was cutting budgets, they said he was "Taberizing" the budget and Clarence Cannon "Cannonized" the budget after that.

I would say in tribute to George Mahon and Frank Bow that they are trying to bring the budget back to earth again.

[Applause, Members of Congress and guests rising.]

Mr. MAHON. Will everyone remain in his place until the President has left the Chamber. Thank you.

[Applause, Members of Congress and guests rising.]

Mr. MAHON. The ceremony is concluded. Thank you very much.

PAY SYSTEM FOR GOVERNMENT PREVAILING RATE EMPLOYEES

Mr. HENDERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 9092), to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 9092, with Mr. Brooks in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose, the gentleman from North Carolina (Mr. Henderson) had 43 minutes remaining, and the gentleman from Iowa (Mr. Gross) had 39 minutes remaining. The Chair recognizes the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. Nix), chairman of the Subcommittee on Postal Facilities and Mail.

Mr. NIX. Mr. Chairman, as a cosponsor of H.R. 9092, I want to offer my support today to the chairman of the Manpower and Civil Service Subcommittee of the House of Representatives, Congressman Henderson, to whom we all owe a great deal for bringing this legislation to the floor. It is through his persistence and the hard work of his subcommittee that the groundwork has been laid for the enactment of this legislation.

It is good legislation because it supplies a congressional compensation policy for blue collar workers as the Congress has done in the past for white collar workers and military personnel.

This legislation is necessary to insure equality of treatment for blue collar workers. The wage board system which is based on an area wage idea has begun to breakdown after a successful history. It needs shoring up and this legislation will do it, and I would remind the House that we supported such legislation during the last Congress by a vote of 231 to 90.

Besides creating a Federal Prevailing Wage Advisory Committee by statute rather than administrative action, the bill provides that new wage schedules should have five pay steps within a grade rather than three. This will, in effect, provide a much needed pay raise for blue collar employees. The bill will provide much needed pay differential for second and third shift or nightwork.

This legislation, in addition, corrects by statute an inequity which has existed for a long period of time. The PX system of the Armed Forces is the biggest retail store operation in the world. Yet, its employees do not receive the benefits of decent pay. This bill will bring them into the wage board system so that they can receive like pay for like work in the communities in which they are employed.

There may be some who will describe this legislation as costly, I believe, to fail to pay adequate wages is in itself costly because it tears down employee morale. Such a short sighted policy destroys efficiency and is, in fact, in the long run wasteful.

Once again, I want to congratulate the chairman of the committee, I would like at the same time to congratulate Mr. John Griner, president of AFGE, who has worked so long and hard on this legislation. The foresight and dedication of these men will finally end an oversight in congressional policy and make the Government of the United States once again the best employer in the United States.

Mr. HENDERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. Sikes).

Mr. SIKES. Mr. Chairman, first, let me congratulate the distinguished gentleman from North Carolina (Mr. Henderson) and the distinguished members of his committee for their sterling efforts in bringing this bill to the floor. They have worked long and hard and the bill they are now presenting is a happy solution to a long-standing serious problem. It will apply to a deserving and large group of Federal employees whose real interests have been overlooked much too long. In this bill the Congress now has an opportunity to correct a serious inequity. Of course, I refer to the proposed new wage system for Federal blue collar workers and those paid from nonappropriated funds. But let me state also that through the leadership of Mr. Henderson and his committee, Congress has not been indifferent to this problem. In fact, we passed a measure last year which would be law today had it not been the victim of a presidential veto. Now we must perform our task again even to the point of overriding a veto.

There are nearly 800,000 such workers on the Federal payroll today and almost without exception they are being discriminated against when it comes to receiving a fair wage for a day's work. As things now stand, prevailing rate workers earn on an average of about 30 percent less than classified white collar workers, and 16 percent less than workers in the postal field service. Their work also is responsible and essential. This is a regrettable situation and Congress should take the necessary steps to correct it.

These workers comprise 27 percent of those paid exclusively from appropriated funds. Additional thousands of workers are included in the nonappropriated list. For long years these workers have not only been patient with the situation, they also have demonstrated beyond doubt they are among the most loyal of employees; this despite the obvious inequities under which they work.

I am confident the additional money this bill will cost the taxpayers will be repaid in improved spirit, in higher morale and in greater productivity. This result is, of course, essential. There is a threat of contact employment which consistently hangs over all of this large group of employees. We in the Congress do not want these workers to be deprived of employment. We count on them by their cooperation and contributions to justify the additional costs which will be generated.

I hasten to congratulate those who are capably representing the workers covered in this bill and who have striven in such a conscientious manner to help bring about today's action by the Congress. They are representative of our own constituents from throughout the Nation.

I have supported this proposal from its inception. I am a cosponsor of the bill now before us. It is only right and proper that the Congress provide the machinery for orderly wage adjustment for these hundreds of thousands of deserving workers.

The fact a similar bill was vetoed during the last session should not deter us from again passing this measure. That bill, you will recall, passed the House by a vote of 272 to 89 and the Senate by voice vote. Due to the lateness of the veto, no attempt to override was possible.

This time is must be different. The Congress should pass this measure promptly and override a veto should one be forthcoming.

I urge speedy and affirmative action on this bill.

Mr. HENDERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, the bill we are considering today will provide, for the first time, a legally established system for determining the pay of some 775,200 Federal employees, who have had to consider themselves as stepchildren under the Federal pay system.

They have a system for determining their pay, but it is subject to administrative whim. This bill will give legal sanction to the system of determining wages that are comparable to those being paid for the same type of work in the surrounding area. The employees affected are the so-called Federal blue-collar employees, laborers, craftsmen, and tradesmen.

The bill establishes a Federal prevailing wage advisory committee and establishes guidelines for its determination of prevailing wages.

Our committee also felt an obligation to bring under this same wage determining system some 138,000 employees of the Defense Department and the Veterans' Administration, who are paid from nonappropriated funds. These are employed principally at post exchanges, service clubs, veterans canteen services, and similar organizations where the employees are paid from the income of the establishments, rather than from appropriated funds.

Our committee heard considerable testimony over the past few years that many of these employees were paid disgracefully low wages, sometimes well below the minimum wage. A good many of these employees are wives, or other dependents, of enlisted men whose salaries are simply not enough to maintain a satisfactory family income. This bill will assure them pay comparable to others doing similar work in the area.

Our committee felt that the laborers and craftsmen employed by the Federal Government deserve the assurance that, if they perform their services well, they can rely upon pay increases if they remain in the Federal service. We compared the pay and fringe benefits in private industry, and in the classified service, and we are recommending a five-step pay system instead of the current three-step system.

To reach step 2, an employee must perform 6 months of service in step 1—then a year and a half in step 2, and 2 years each in steps 3 and 4. After 6 years of satisfactory service, an employee has become highly valuable and will be paid 112 percent of the prevailing wage determined under the law. We believe this incentive will be of great importance in upgrading the performance of Federal workers.

Another incentive, bringing the prevailing-wage employees more in line with other Federal employees, offers special incentive pay for night work—7½ percent for the second shift and 10 percent for the third shift.

Mr. HENDERSON. Will the gentleman yield?

Mr. WHITE. I am happy to yield to the chairman of the subcommittee.

Mr. HENDERSON. Mr. Chairman, I commend the gentleman for his contribution as a ranking member of the subcommittee on this legislation. I know of one specific amendment that he offered to the legislation that will be very helpful, and I commend him for his deliberation on this matter and for his painstaking efforts in this regard.

Mr. WHITE. I thank the gentleman very much.

To adjust an existing inequity, this bill provides "saved pay" for a prevailing-rate employee who is transferred to a general-schedule position paying less money. Under the present system, if he is transferred to a lower grade as a prevailing-wage employee, he retains his previous pay during a 2-year adjustment period. This is not true if he transfers to a general-schedule position. The bill we are considering today removes that inequity.

The amendment that the chairman of the subcommittee speaks of I did offer in the committee, and it is a part of the bill. It provides that each prevailing-wage employee appointed within the several States or the District of Columbia shall be either a U.S. citizen or a bona fide resident of the United States, unless the Secretary of Labor determines that a U.S. citizen or bona fide resident is not obtainable. This is a problem we have had in different parts of this country and certainly including my area along the border.

Although not specifically stated in the bill, your committee felt, as stated in the report, that, in connection with the employment of personnel at any U.S. installation outside of the United States, a policy should be adopted that no person shall be denied employment in a prevailing-rate position solely on the basis that such person is a citizen of the United States.

Mr. Chairman, I believe this bill fills an important gap in our legislative authorization for Federal employees. It is, in nearly all respects, similar to the bill which this House passed by a large majority last September. The need is still there, and three-fourths of a million Federal employees are looking to us to remove inequities and give them the statutory assurance they need that their work is appreciated and that good service will be properly rewarded.

Thank you.

Mr. HENDERSON. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the House Committee on Science and Astronautics, the gentleman from California (Mr. MILLER).

(By unanimous consent, Mr. MILLER of California was allowed to speak out of order.)

THE FLIGHT OF APOLLO 15

Mr. MILLER of California. I want to thank the chairman of the committee for yielding this time to me. I asked for it merely so that I could report to the House that the Saturn missile now on its way to the moon is functioning perfectly and it is on target, and should land on the moon next Friday.

Mr. HENDERSON. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Chairman, I rise in support of H.R. 9092, a bill to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate Federal employees.

I am proud to be a cosponsor of this legislation and feel that now is the time for the House to assist these 800,000 workers who are: laborers, truck drivers, mechanics, carpenters, aircraft mechanics and include some 140,000 employees in nonappropriated fund activities in the military departments.

The employees, often called blue-collar workers, have a wage setting procedure that is almost entirely based on administrative authority. The many wage board employees who have contacted me want some form of congressional policy that has a guarantee that administrative changes must conform to certain basic principles now. This is only proper. We have such principles now for military personnel pay, for white-collar employees, and for foreign service personnel.

H.R. 9092 merely puts into law basic policies for setting the pay of our wage board employees. By enacting this legislation we, as Members of Congress, indicate to the taxpayers as well as to the heads of departments and agencies our continuing interest in the pay fixing policies of a large segment of the Government's workforce.

Mr. Chairman, I am happy to join my subcommittee chairman, Hon. DAVID N. HENDERSON of North Carolina in active support of our bill H.R. 9092, for 800,000 blue-collar workers.

Mr. GROSS. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. I yield to my colleague from Virginia.

Mr. WHITEHURST. I thank the gentleman for yielding and I rise in support of this legislation. I had the pleasure of testifying in its behalf before the distinguished committee chaired by the gentleman from North Carolina (Mr. HENDERSON). I was disturbed last year when the President vetoed this bill while he signed another bill for general service employees and military personnel which was considerably in excess of this type of legislation because it was called inflationary. The President vetoed the wage board bill but signed the other one.

Mr. Chairman, I join with my colleagues in support of H.R. 9092, the pay system for Government prevailing rate employees.

On September 9, 1970, the House passed H.R. 17809, a bill almost identical to the one which we are considering today. One day later, the Senate passed its version of the bill. There were to be two additional House actions, with final consideration coming on December 17, before it was ultimately vetoed on January 1, 1971. I certainly hope that the legislation we are considering today does not fall victim to similar action.

The purpose of H.R. 9092 is to bring equity and stability to the pay system of prevailing rate employees. For too many years, these employees, who make up the crafts, trades, and labor forces in the Federal Government, have been under a pay system that at best has been unresponsive and subject to administrative inclination. This situation has been going on for more than 140 years, since the time in 1830 when naval production workers led the fight to obtain a 10-hour workday for Federal production workers. This had long been available to employees in the private sector of the economy.

In 1840, President Van Buren signed an Executive order establishing this measure for Government production workers. This was the first Executive order ever signed for wage board employees.

This was followed in 1861 by Congress' passing a law calling for the employees of Navy yards to receive pay equivalent to that received by their counterparts in the private sector of the economy located in the immediate vicinity of the respective yards. It is this system that these employees are still under today.

Many inequities have arisen since that first congressional action. Some have been corrected, but more often than not, each alteration or wage survey has uncovered additional difficulties, and the cycle, in effect, starts all over again.

I am reminded of the story of the employee in the Norfolk Naval Shipyard during the war. He was being given an award for a record number of consecutive welds. The award was ostensibly for his welding, but in reality it was a testimonial to his many years of experience and hard work, and the effort it had taken for him to reach such a high level of proficiency. During the ceremony, he remarked that the award was appreciated and gratefully received, but that wage equity would be more in order.

He proceeded to point out how a young man, standing not too far away, had been employed in the yard for about 3 years and was already receiving the same income as the recipient of the award. This story may represent an extreme situation, but it is the kind of thing that takes place all too often, and it points up one of the greater inequities existing in the current wage board system.

Mr. Chairman, the time has come for the almost 800,000 "forgotten men and women" comprising the wage board employees of the Federal Government to receive comparability with those doing the same work in the private sector of the economy. We have been debating this point, not just a few hours, or a few weeks, but for many years. It is time to act.

Thank you, Mr. Chairman.

Mr. SCOTT. Mr. Chairman, I rise in support of this measure.

H.R. 9092 provides that prevailing rate employees, also referred to as wage board or blue collar workers, will have their compensation based on the principles of equal pay for equal work. There will be pay differences based on substantial or recognizable differences in work, and the rates of pay will be maintained with prevailing rates of comparable work in private industry, so that the rates will attract and retain qualified employees.

The legislation establishes a new Federal Wage Advisory Committee with the chairman appointed by the President for a 4-year term. It will have five agency representatives and five from employee organizations, representing under exclusive recognition of the Government, the largest numbers of prevailing rate employees.

There will be five steps in each grade, instead of the present three step scale, with the steps at 96, 100, 104, 108, and 112 percent, respectively, of the prevailing rate. Employees with satisfactory work performance will be automatically advanced to the next higher step within grade, following 26 weeks of service in step 1, 78 weeks in step 2, and 104 weeks each in steps 3 and 4.

Differentials are provided for duty involving unusually severe working conditions or unusually severe hazards. In addition, 7½ percent and 10 percent differentials are provided for regularly scheduled nonovertime work where a majority of the hours occur between 3 p.m. and midnight, and 11 p.m. and 8 a.m. respectively.

"Saved" pay for a period of 2 years is also provided for employees who are reduced in grade. This is similar to that now provided for employees under the General Schedule.

I do have reservations concerning the inclusion of nonappropriated fund employees, previously not covered by the prevailing rate system. Of course, they too, should be fairly treated but not lumped together with regular Government employees.

However, Mr. Chairman, the Government has been much more attentive to the needs of white collar workers over the years, and fairness requires approval of this bill. Therefore, I urge the adoption of the measure and I am hopeful that, upon reconsideration, the President will approve the bill rather than veto it as he did a similar measure last year.

Mr. HENDERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Chairman, I strongly support the enactment of H.R. 9092, of which I am a cosponsor and which would provide an equitable system of setting and adjusting the pay for prevailing-rate employees of the Federal Government.

As the membership of the House well remembers, this body passed similar legislation last September, by the convincing vote of 231 to 90. Despite the compromise nature of that bill, the President saw fit to veto it. I commend the members of the Post Office and Civil Service Committee, particularly the distinguished gentleman from North Carolina, chairman of the Subcommittee on Manpower and Civil Service, Mr. HENDERSON, for having acted so expeditiously to give this measure another chance for enactment.

There is, Mr. Chairman, virtually universal agreement on the need for some legislation in the area covered by the pending bill. Even the administration has submitted a proposal. The approximately 810,000 prevailing-rate employees of the Government, including 11,000 who work in Hawaii, deserve immediate attention. Their pay is determined by administrative regulation, subject to change when administrations change, when a different bureaucrat succeeds to a particular job, or when an administration decides to change its policies. The basic thrust of H.R. 9092 is to enact into law the present procedures used to determine and adjust wages for these workers.

The major provisions of H.R. 9092 are familiar, I am sure, to most Members, for they are very similar to those of the bill vetoed by the President last year. There is established a five-step within-grade schedule, as contrasted with the present three. The bill sets up a revised Federal Prevailing Wage Advisory Committee; provides a 7½- and 10-percent differential to workers on the second and third shifts, respectively; allows "saved pay" for 2 years for prevailing-rate employees who are reduced in grade; and includes for the first time in the definition of "prevailing rate employees" those persons who work for veterans canteens and for non-appropriated-fund activities of the Armed Forces such as post exchanges and movie theaters.

Mr. Chairman, it has been estimated that more than 90 percent of all wage board employees are in the third and last step of each grade. Most of them took just 2 years of satisfactory service to reach that point. Where is the incentive in such a system for an employee to continue performing at his best when the chances for advancement without a promotion in grade have been completely foreclosed?

Although my own bill proposed a 10-step, 27-percent range schedule, making it more generous than the pending bill, I am realistically supporting the 5-step proposal as being much more readily acceptable. There is little doubt that the present 3-step, 8-percent range schedule is grossly inadequate. The administration tacitly admits this by maintaining a 5-step system for wage board supervisors. The logic which allows a 5-step system for supervisors, yet condemns exactly the same system for rank and file workers, is incomprehensible, to say the least.

For more than 100 years, Mr. Chairman, Congress has recognized that the Federal Government's blue collar employees should be paid wages comparable to those prevailing for employees in private industry in the regional labor market. Increasingly, governmental pay has not been comparable to that of private industry. The results have been both inequity to the employees involved, and a lack of ability to compete on the part of the Federal Government, in the skilled manpower market. Both the employees and the Government need the protection of a statutory, realistic, and actually comparable system for setting and adjusting these wages. H.R. 9092, at the very least, represents movement toward such a system.

I urge its speedy and overwhelming passage.

Mr. GROSS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the bill. I will offer an amendment at the appropriate time to reduce the within grade pay steps in order to achieve some minimum economy here this afternoon. But as I watch the flow of outstanding orators in the well supporting this bill, I can see a bandwagon rolling. I have been here long enough to know that.

I feel like the little Dutch boy with his finger in the dike with the whole wall about to come apart. But, nevertheless, the truth, and at least some emphasis on the poor downtrodden taxpayer requires that I make a few comments to set forth a position which I believe the record will sustain.

First, may I remind the Members that we went through this exercise approximately 1 year ago, and there is a bit of legislative history on this bill.

A year ago the union which has been lobbying for this bill had a convention scheduled in Honolulu, a far away place, where the cost of living is low and where they can afford to take their delegates at the expenses of rank and file members. It was assumed that this bill would have passed the House, and that certain members of the Committee on Post Office and Civil Service could rush out to Honolulu like conquering heroes with the goodies.

They ran out of time. The result was that all they managed to do was to pass a rule for the bill and then they had to come back after recess to finally pass the bill. I mention this as a matter of political history since this afternoon we had a 1-hour delay on this piece of legislation while we took a recess to hear the President so for 1 hour the taxpayer was spared the extra cost that this bill will bring.

I also would suggest to the Members that they pay special attention to the fact that we have in the bill before us 17 corrections—17 technical errors. Unanimous consent was granted in committee to introduce a clean bill to clean up those errors. This would lead you to believe that we have a very, very complex and very technical bill before us—since 17 technical mistakes in a bill this brief should not develop. I submit to you that the bill is not that technical. What really happened was that there was very sloppy drafting by the lobbyists supporting the bill and a very sloppy review by the staff of the subcommittee—and therefore the 17 technical errors in the bill were understandable.

I would not be too surprised if there were other errors. I would certainly hope that the organizations supporting this bill have a careful review by the Senate staff in case the language is written so that they will not wind up with a pay decrease rather than a pay increase. I say that as a friend of all concerned.

Mr. Chairman, as one of the three members of the Post Office and Civil Service Committee who signed the minority views recommending against the enactment of H.R. 9092, I want to reemphasize a single thought expressed by the minority: H.R. 9092 is even worse legislation than H.R. 17809 which was similarly pressured through in the last Congress and which was wisely vetoed by the President on January 1, 1971. Again this year there remains no need for the bill.

A careful reading of the majority report itself supports this position. One of the major provisions of the bill, according to the report, is that:

> It enacts into law the long established principles and policies for setting the pay of prevailing rate employees.

And, on page 7 the report confirms that:

> Since July 1968, the Federal Government has had a coordinated wage system, insuring like pay for like work in the same labor market area.

If this is so, why do we need the legislation?

On page 11, the report says:

> Section 5343(a), with the committee amendment, states the well-established principle that the pay of prevailing rate employees shall be fixed and adjusted as nearly as is consistent with the public interest in accordance with prevailing rates.

On page 14, the report in its explanation of the hazardous pay differentials says:

> It is the intent of the committee that such environmental differentials will be regarded as part of base pay, as is the current practice under the Federal Coordinated Wage System.

And in discussing overseas wage schedules, on page 12, the report says:

> Most likely (but not necessarily) such rates of pay will be based upon the average of appropriate rates paid to prevailing rate employees within the several states as is the current practice under the Coordinated Federal Wage System.

This being the case, what is the purpose of this legislation? The purpose is, of course, to establish by law the policy of paying wage board employees not "prevailing rates" but instead rates of pay which are 12 percent above the prevailing rates of local private industry.

In view of the current economic trends, I would hope the Congress would think twice before charging ahead with a legislative package that has "inflation" written all over it.

There are other disturbing features of this legislation as well, Mr. Chairman. For example, this bill, H.R. 9092, was a so-called "clean bill" reported from the subcommittee in lieu of the originally introduced bill. Yet, as can be noted from the first five pages of the committee's report there have already been 17 "technical and clarifying" amendments added to the bill.

Of particular interest is the so-called technical amendment which removes from the coverage of the bill the employees of the Bureau of Engraving and Printing. When the Treasury Department learned that these employees were covered by the bill, it fired off a letter to Chairman DULSKI, which is found on page 31 of the report, pointing out that:

> It would not be possible either to continue the present 15% night differential for E&P employees or to set their pay rates in accordance with comparisons with comparable industry and Government pay scales.

The surprising fact, Mr. Chairman, is that the Treasury Department finds the bill will not permit them to set the rates of pay for their employees "in accordance with comparisons with comparable industry in Government pay scales." It is my understanding that this is what this entire bill is supposed to be about—that it is supposed to permit agencies to pay comparable pay rates. If the Treasury Department has problems with this bill, I wonder what kind of problems all the other departments and agencies are going to have.

I am confident, Mr. Chairman, that there are enough built-in problems in this legislation to keep the Congress busy for the next 10 years.

The worth of this legislation has not been shown. Its defects are mostly evident—for I am sure there are defects that are yet undiscovered—and its inflationary effect is obvious.

Despite the pressure tactics that have moved this legislation this far along, it is nevertheless vulnerable to Presidential veto. It is, in my estimation, a piece of legislation that unquestionably deserves the disapproval of the Congress and the President.

But I wish to reemphasize that I recognize a bandwagon when I see it. I know this by the great interest that so many Members have displayed and from the statements which are already in the RECORD that we are doomed to be rolled over in this effort to save the taxpayers. I am very philosophical about it, but I do hope that before final passage that all other technical problems in this legislation will be corrected.

Mr. HOGAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Maryland.

Mr. HOGAN. I merely wish to assure the gentleman in the well that there is no way he would ever be confused with the little Dutch boy.

Mr. DERWINSKI. Will the gentleman make his point again? It went over my head.

Mr. HOGAN. When the gentleman began his remarks, he said that he felt like the little Dutch boy who plugged the dike. I just wished to assure the gentleman that that confusion would never take place.

Mr. DERWINSKI. I take that as a compliment. I yield back the balance of my time.

Mr. HENDERSON. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. DOWNING).

Mr. DOWNING. Mr. Chairman, I am happy to rise in support of H.R. 9092, a bill to provide an equitable system for fixing and adjusting the rates of pay for blue collar employees of the Federal Government; and I am especially honored to support my esteemed colleague from North Carolina, the most able chairman of the Manpower Subcommittee of the House Post Office and Civil Service Committee, DAVID N. HENDERSON. I commend him and the other members of the committee most highly for bringing this bill to the floor of the House.

Thousands—actually thousands of my constituents say that the time is long past due for this legislation. I am in complete agreement with them. During the past several years, thousands upon thousands of laborers, aircraft mechanics, carpenters and the many other occupations in the wage board category have witnessed Congress improve the salary scale of other Government employees again and again. Rightfully they have asked the question: Why cannot Congress give us fair pay? If any of us had been in their place, we would have asked the same question and I doubt seriously if we would have been content to sit and wait like they have.

I have reviewed H.R. 9092 and this bill does give proper recognition to our productive employees. This will give them fair pay. Additional wage steps are provided and these in turn give added incentive to the employees.

I am happy to note that the Henderson bill provides assistance to our more than 100,000 non-appropriated-fund employees. These are the employees of post exchanges, hobby shops, and so forth. They are the forgotten employees in the Federal service. This bill brings them under the wage board pay system and guarantees them step raises that previously had been denied to them.

Mr. Chairman, this is sound legislation. It deserves the support of all the Members. To do otherwise would deny the Federal blue-collar worker the basic right of every American citizen—his and her right to equal pay for equal work.

Mr. HENDERSON. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL. Mr. Chairman, President Nixon has spoken on numerous occasions about the forgotten American. H.R. 9092 deals with the plight of the forgotten members of our civil service—the laborers, craftsmen, and tradesmen—the blue collar workers. This bill extends to these employees of the Federal Government the same rights and procedures that already belong to other members of the Civil Service.

Yet last year, when H.R. 17809, which differs from this bill only in a minor way, was passed by the Congress, President Nixon saw fit to veto it. Its $130 million price tag was termed too inflationary by the President. Yet the very next day he signed into law a 6 percent pay raise for white collar workers that cost $2.5 billion. The only explanation for this inconsistency on the part of the President can be the fact that the forgotten blue collar workers of the civil service are not part of the President's great silent majority.

We cannot expect these individuals to remain passive and silent much longer if we continue to treat them as second class members of our civil service. There are specific and comprehensive laws dealing with the pay and perquisites of every other kind of Federal employment. The saved pay protection extended to prevailing rate employees under H.R. 9092 in the event that a worker is forced to take a lower grade job because of reductions in the work force is in effect for all other civil servants. The need to apply this safeguard to blue collar employees is made evident by the fact that of the 73,114 workers laid off by the Federal Government from July of 1969 to July of 1970, all but 1,629 were blue collar employees. In fact one third of the currently employed blue collar workers of the Federal Government are living at or below the poverty level. This is inexcusable.

All other Federal employees have their salary schedule set by the Congress. To fail to do so in this instance will exacerbate the difficulties the Government faces in retaining prevailing rate employees in the face of higher wages paid by private industry. By establishing a Federal Prevailing Rate Advisory Committee, on which employee organizations will be represented, H.R. 9092 has extended to the prevailing rate employee the rights and benefits that accrue to the members of all other labor organizations.

The estimated cost of this legislation for fiscal year 1972 is $76.8 billion. That is far from being inflationary. I urge my colleagues and President Nixon as well to support this bill.

Mr. BROYHILL of Virginia. Mr. Chairman, I rise in support of H.R. 9092, to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Federal Government.

After a number of years during which most of us recognized the need for this legislation, we finally succeeded last year in reaching a barely acceptable compromise measure with our colleagues in the Senate only to have the President veto the bill. He did so partly, I feel, because he was poorly advised about the inequities which have always plagued our federally employed laborers, craftsmen and tradesmen, and even more adversely affected our often forgotten nonappropriated fund employees.

I supported the bill as it passed the House last September, even though I felt then as I feel now that it might be more fair if we allowed for more ingrade step increases as are provided for in my own bill, H.R. 5810. By the time the bill reached the President, these within grade promotions had been reduced still further, a reduction which I am pleased has been eliminated by our committee colleagues today. But the main thrust of the legislation both last year and this, the statutory establishment of an equitable pay system, and inclusion thereunder of nonappropriated fund employees would have been accomplished had the bill not been vetoed, and I urgently hope the White House advisers will have reconsidered their opposition when the legislation is sent downtown this year.

Mr. Chairman, in many instances the system now in operation, of determining the pay of wage board employees by attempting to set salaries comparable to those paid by private industry for similar work in a labor market area, has proven most inequitable. I have had many cases in my office where employees doing identical work for one agency are paid less than those in another agency just down the street. While an effort to create a coordinated wage system has been underway for some time, it is still far from perfect and, as our colleagues know, a large number of employees of support services for the Armed Forces are not even included in the system.

Certainly there is equity in increasing the number of within grade step increases for our prevailing rate employees. Promotions within the ranks of laborers, craftsmen, and tradesmen are far too few to force loyal and capable employees to wait for grade promotions for any advancement beyond the present three steps, while their white-collar contemporaries are provided 10-step increases over 17 years. They are also entitled to special compensation when assigned regularly to less desirable hours, and I believe the committee is to be commended for providing a 7½-percent pay differential for the 3-to-midnight shift and 10 percent for the 11 to 8 in the morning. Even more important is the provision for "saved pay" for 2 years for employees reduced in grade, which has been provided for classified employees for some time now.

Finally, I think it is most important that we include in the system we create the thousands of nonappropriated employees, working mostly in supply depots, post exchanges, and clubs operated for service personnel, many of whom have suffered grave inequities both with regard to compensation and to other benefits available to wage board and classified employees. While the Civil Service Commission has long expressed concern about the manner in which their pay is fixed and administered, the extent of differences between their pay and that of other employees doing similar work, we have yet to receive a recommendation from the commission that we guarantee them the same employment rights other Federal employees enjoy. I believe we should bring them into the system without delay.

Mr. Chairman, I believe H.R. 9092 is sorely needed and long overdue, and I urge its enactment.

Mr. CHAPPELL. Mr. Chairman, I rise in support of H.R. 9092, a bill to establish fair and equitable pay procedure for the Federal Government's 670,000 appropriated fund blue collar employees and the 140,000 nonappropriated fund employees.

The basic thrust of this bill before us today is to enact into law basic policy procedures used to determine and adjust the wages for our laborers, craftsmen and tradesmen.

There is a universal agreement that legislation is necessary. We have today practically no congressional guidance for handling the pay of this group of 800,000 employees. During our pay hearings, which lasted over a period of several days earlier this year, the committee, time and again, heard employee representatives urge legislation so that they would have some kind of guarantee for future pay plans.

The administration submitted a proposal, but it lacked specifics. There was no guarantee in the administration's proposal as to future pay steps. There was no comment concerning saved pay or uniform pay for overtime work. In fact, the 140,000 very much neglected nonappropriated fund employees were not even mentioned in the administration's proposal.

H.R. 9092 before us today, stipulates that there shall be five pay steps; it indicates that there shall be 7½ percent to 10 percent differential for night shifts. This bill also establishes an 11-member advisory committee within the Civil Service Commission to see that the principles of this legislation are properly carried out. Similarly, this bill brings into the coordinated wage system of the Federal Government, the 140,000 nonappropriated fund employees who work at the post exchanges, golf clubs, officer clubs, and related activities.

In my own State of Florida, there are more than 20,000 of these wage board employees. We must protect these men and women from vague and inconsistent practices.

Mr. Chairman, I urge favorable consideration by the Congress of this legislation.

Mrs. MINK. Mr. Chairman, I rise in support of H.R. 9092, legislation to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Federal Government.

Adoption of this bill will benefit some 800,000 Federal blue collar and nonappropriated fund employees, whose salaries have fallen seriously behind equitable levels because of the great amount of time now required for promotion to higher grade levels. The bill before us would offer progression from the lowest to the highest of five grades in 6 years of service, thereby allowing these employees to derive more adequate incomes from their years of service to the Government.

The bill is similar to H.R. 17809 which passed the House by a vote of 231–90 in the last Congress but was vetoed by President Nixon on January 1, 1971. I certainly hope that after this bill is enacted by Congress, President Nixon will realize the error of denying our deserving employees a more equitable pay system.

In addition to its much-needed five-grade feature, the bill provides for a 7.5 to 10 percent night differential; has a save pay formula; and provides for an 11-member Federal Prevailing Rate Advisory Committee with a fulltime chairman not in Federal service. I feel these benefits will go far toward improving our present inadequate system.

Prevailing rate supervisors are also included in the legislation, so that a coordinated and workable pay relationship of all prevailing rate employees can be achieved. The bill continues the present system of basing blue-collar pay on a sampling of private industry pay in the local labor market area, and requires that the Civil Service Commission define the wage areas for non-appropriated fund employees.

The bill sets forth the general policy of the Congress that the rates of pay of prevailing rate employees shall be fixed and adjusted in accordance with prevailing rates and shall be based on principles that, first, there will be equal pay for substantially equal work; second, there will be relative differences in pay within a local wage area when there exist recognizable differences in duties, responsibilities, and qualification requirements among positions; third, the level of rates of pay will be maintained in line with prevailing levels for comparable work within a local wage area; and fourth, rates of pay will be maintained so as to attract and retain qualified prevailing rate employees.

I feel these principles are deserving of our support, and urge the adoption of H.R. 9092 to correct the longstanding inequities borne by our loyal Federal blue-collar workers.

Mr. GONZALEZ. Mr. Chairman, the Congress ought to bring under the protection of this act employees of private contractors who are engaged in maintenance, overhaul, and repair-type activities for the Government.

Under existing procedure these employees are subject to the most extreme kinds of exploitation.

This situation works to the disadvantage of contractors and employees alike. It creates problems for the Government, and should not be tolerated.

Under existing statutes a contractor who pays decent wages will find that when contract renewal time comes around he will be underbid by a competitor who is in a lower wage area, or who is not union organized, or who simply has no obligations to his employees. A man who has a contract today and who pays his employees on the basis of seniority, or even at terms commensurate with their skills and productivity will find that at contract renewal time he is underbid, because his competitor does not have seniority to recognize, does not have obligations to these employees, and whose greatest interest is to obtain the lowest possible wage rate and still get the job done.

Under this system it is possible—and I have seen it happen—for a contractor to pay just a few cents above the Federal minimum wage and still be underbid. Under this system—and I have seen it happen—a highly skilled man may earn $6 an hour under one contract only to see his employer lose the contract to somebody who pays $4 an hour. That employee may end up working in the same shop at the same job, but for a 20 or 30 percent reduction in wages.

This situation results in chaotic conditions for employers and employees alike. It results in destructive exploitation of labor. It results in great waste and losses to the Government.

We need to assure that employees engaged in work for the Government would at least be assured of uniform wages within a given labor market. This would end the exploitation of labor in Government contract work, would assure that competition among contractors is on some basis other than low wage rates, and would bring order and sanity into the contracting system.

To put it simply, we have the Service Contract Act.

That act assured that contract employees would at least get the minimum wage. We need to perfect the Service Contract Act by making its benefits and protection available to all contract employees regardless of the location and nature of their work, regardless of the size of the job.

Mr. HANLEY. Mr. Chairman, I rise in strong support of H.R. 9092—a bill which provides long-needed changes in the wage board system.

I am firmly convinced that H.R. 9092 is urgently required to provide equity and justice for the hundreds of thousands of Federal employees who work under a prevailing wage system as well as for those now employed under nonappropriated fund activities.

Fundamentally, the bill sets into law the coordinated wage system which now relies on the whim of an Executive order. By providing for a balanced membership on the Federal Prevailing Rate Advisory Committee with an impartial chairman, we can insure that the voice of Federal employee representatives will be heard. In the past, some problems have arisen because of a 6-to-5 split against employee representatives on the advisory council.

H.R. 9092 also makes important and necessary changes in the salary structure for wage grade employees. The creation of a five-step schedule, rather than the present three, will give employees in "dead end" jobs some added recognition for increased performance due to length of time on a job. The provisions for uniform swingshift and night differentials will provide a common and equitable system for all prevailing rate employees throughout the country. And the new "saved pay" provisions merely give the prevailing rate employees the same salary protection in reductions in force enjoyed by their General Schedule counterparts.

Finally, Mr. Chairman, H.R. 9092 takes a great step forward by including nonappropriated fund employees. For years, these employees have been the stepchildren of the Federal Government. Suffering from low wages, these employees have had nowhere to turn because they technically are not Federal employees. Now, we will guarantee that they, too, will receive an adequate, living wage.

Congress passed a similar measure last year, only to face an unjustified and unnecessary Presidential veto. I would urge the House, with the interest of an efficient, dedicated Federal service at heart, to pass H.R. 9092, as a piece of just and equitable legislation.

Mr. BRASCO. Mr. Chairman, I rise in support of H.R. 9092.

Because of a Presidential veto, blue-collar employees, unlike white-collar employees, are still not covered by any statute which governs the procedure for setting their base pay. For this reason they still suffer difficulties in obtaining their proper wages. This is especially unjust because they are the employees most subject to loss of their jobs through budget cuts as well as the Government practice of contracting out work. On top of these disadvantages, the way the Government sets their pay, the prevailing-rate system, combined with the three-step within-grade pay structure keeps many wage-grade employees at or below the poverty level. This deprives them of pay comparability with private enterprise employees. Justice and equity are, indeed, long overdue for these men and women.

Last year we passed H.R. 17809. Although not providing as much as the bill I have introduced this year, H.R. 17809 was still undeniably a step in the right direction. However, H.R. 17809 met its demise in a Presidential veto. One of the reasons given for the veto was cost. The President said H.R. 17809 would have "fueled" the "fires of inflation." This argument was contradicted by administration actions within the weeks immediately following this veto. The President took actions increasing annual costs by $5.5 billion, or $1 billion more than the total blue-collar budget. The first action, costing $2.5 billion, increased the pay of military and Federal white-collar personnel; the second, costing annually about $3 billion, authorized a depreciation allowance on machinery by colossal industrial enterprises.

Cost obviously was not the excuse for denying wage-grade employees their due.

Because of the three-step, blue-collar employees are the victims of an inequitable pay structure. The range of pay in their three-step system between the bottom and the top is only 8 percent. Federal white-collar workers have had a 10-step system since 1941. This 10-step system has a range of pay between bottom and top of 30 percent. Surveys show that ranges of pay in blue-collar private enterprise communities are even greater than 30 percent. Furthermore, today more than 90 percent of all wage board employees are in the third and last step of each grade. It took many of them only 2 years of satisfactory service to reach this last step. In a three-step system there is no higher step for them to go. Thus, a man with 20 years of service can be frozen into the same step and receive the same pay as a man with only 2 years' experience. This demoralizing and discriminatory situation must be changed.

In order to provide true equity and justice, we must pass a bill which includes at least three essential elements. First, it should provide for an orderly, legal means for blue-collar participation in the pay-setting process. Through the 11-member Federal Prevailing Rate Advisory Committee of the Civil Service Commission, labor representatives will have a voice in studying, advising, and recommending to the Civil Service Commission actions on the prevailing-rate system and other matters pertinent to the establishment of prevailing rates. Second, there must be a five within-grade step system to give blue-collar employees the same career ladder that white-collar workers and private enterprise blue-collar workers have. Third, there should be a 7½-percent differential for second-shift work and a 10-percent differential for third-shift work. The bill before us does contain these essentials.

Now is the time to act for these 800,000 forgotten Federal employees and I urge the committee to pass H.R. 9092.

Mr. NICHOLS. Mr. Chairman, regarding this wage board legislation, I wish to associate myself with remarks of the Honorable DAVID HENDERSON, distinguished subcommittee chairman, in support of H.R. 9092. Our wage board employees are the forgotten ones. They are hardworking Federal service employees with the same rights and privileges as postal workers and other civil service employees yet they have been passed over, neglected and turned away when their time for pay increases has come up.

I supported last year's wage board bill, H.R. 17809, which of course was vetoed by the President on January 1 and I have introduced a companion bill to this pending legislation in behalf of our wage board employees who are most deserving of increased benefits.

In my own congressional district I have many wage board employees and when I use the term "forgotten people" I am thinking of the dedicated wage board employees at the Anniston Army Depot, one of the finest depots in the entire country, who has consistently placed No. 1 in the Nation in repairing and overhauling Army materiel at the lowest dollar cost to the Federal Government. These wage board employees at the Anniston Army Depot have waited, with considerable patience, for the implementation of the Monroney amendment, granting minimal changes in hourly rates of pay in keeping with the prevailing rates being paid for comparable work in the civilian sector. The Monroney amendment was signed by the President on October 12, 1968—almost 3 years ago and is retroactive to that date. Despite the fact that the Monroney amendment is now almost 3 years into law, the Civil Service Commission and the Department of Defense are still working on implementation of this law and as this bill is being debated, these wage board employees are continuing to turn out the best repair work in the Nation and are patiently awaiting that tomorrow when the wage policy committee might make some decision and implementation might be forthcoming.

Mr. Chairman, I undertsand that problems do arise when trying to equitably compare one type job to another, but when our Federal Service Employees are being deprived of passed legislation since 1968, hopefully they might feel some relief through this new legislation, not only to help them financially but to restore their faith in the federal system.

I say this increase is most essential and we must act fairly and justly in the treatment of our blue collar employees as we do all other areas of Federal service. This five step plan would definitely be a great asset to the many who have devoted their lives to maintaining and upgrading this country of ours, therefore, I would respectfully urge each Member of the House to act compassionately and with clear conscience in voting to suport this worthy legislation.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 9092, a bill to establish by law an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the government of the United States.

This legislation would:

First, establish a Federal Prevailing Rate Advisory Committee;

Second. H.R. 9092 would provide for a five-step wage schedule instead of the present three steps. The present third step is 104 percent of the prevailing wage. The fifth step, as proposed by the bill, would be 112 percent.

Third, this measure provides automatic step advances after 26 weeks in step 1, 78 weeks in step 2, and 104 weeks in each of steps 3 and 4.

Fourth, it provides for a 7½ percent pay differential. Nationwide, for scheduled, nonovertime work during the second shift, and 10 percent for the third, or "graveyard" shift.

Fifth, the bill would provide "saved pay" for 2 years for prevailing rate employees who are reduced in grade. This protection is now afforded to general schedule employees.

Last, H.R. 9092 brings the 140,000 employees of nonappropriated fund activities of the armed forces and the employees of the Veterans' Canteen Service under the provisions of the prevailing rate pay system.

Mr. Chairman, the need for this legislation is evident. Presently, over one-third of the wage board employees earn less than $6,000 a year.

We must establish, by law, an equitable pay system whereby a Federal government employee would receive equal pay with those employed by private industry for comparable duties and responsibilities.

Mr. GRIFFIN. Mr. Chairman, I rise in support of H.R. 9092, which will give legal and statutory authority for the establishment of a Federal Prevailing Rate Advisory Committee.

Federal employees working as craftsmen, tradesmen, and in other similar capacities, are now being paid at rates largely determined by the Coordinated Federal Wage System which was the result of a 1965 Presidential memorandum. Since July 1968, the Federal Government has operated under a coordinated wage system insuring like pay for like work in the same labor market. This system is now working quite satisfactorily, I believe though it is not working with the benefit of statutory authority, but only with the authority conferred by a Presidential decree.

I support H.R. 9092, Mr. Chairman, because I believe it will provide substantial security for Federal workers by establishing legislative and statutory authority for those principles now working well.

Other major provisions of the bill are that it will authorize a full-time Chairman for the Federal Prevailing Rate Advisory Committee. The Advisory Committee will be composed of the Chairman, five management representatives, and five employee representatives.

It will revamp the existing three-step wage schedule that now allows a maximum wage of 4 percent more than the prevailing rate at its third, and highest, level. The replacement will be a five-step schedule allowing a maximum wage of 12 percent above the prevailing rate at its fifth, or top, level.

Also, it will bring automatic advancement up the wage level schedule after specified terms at each level.

It will create uniformity in overtime and night pay rates whereas such pay now depends on regional customs.

Further, it will prevent unfair reductions in pay to employees who suffer grade reduction through reductions in force for up to 2 years.

This measure will clearly bring necessary security to our hard-working Federal employees in the equitable adjustment and fixing of their wages. It does not require extensive rebuilding of existing governmental mechanisms but only replaces, with a few minor changes previously mentioned, the Presidentially proclaimed authority for the mechanism with a legislative base.

I urge all our colleagues, Mr. Chairman, to vote for this most worthwhile measure.

Mr. WILLIAM D. FORD. Mr. Chairman, I rise in support of H.R. 9092, a bill long overdue to eliminate the inequities in the system for establishing the pay for more than 800,000 Federal employees. I am proud to be a cosponsor of this legislation.

For years, the Federal Government has had specific legislation outlining the manner in which the pay of our white-collar employees, postal workers, and employees of the foreign service are to be paid. But the blue-collar employees have not had this protection. Their pay has been based on administrative practices.

The purpose of this bill is to replace the inconsistencies in the present administrative system with a workable, unbiased coordinated wage system. Included in this bill are: First, a provision that the new wage schedules have five pay steps with automatic step increases instead of the present three steps. Second, a provision for premium pay for second- and third-shift work; and third, provisions to bring under the provisions of the prevailing rate system the more than 140,000 employees of nonappropriated fund activities who have had little or no voice in their pay and have been grossly underpaid for many years.

Mr. Chairman, the wage board employees deserve to have the inequities in their present pay schedules corrected. H.R. 9092 corrects these inequities and gives some form of uniform guarantee to a large group of loyal and dedicated Federal employees.

Mr. GROSS. Mr. Chairman, I have no further requests for time.

Mr. HENDERSON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter IV of chapter 53 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER IV—PREVAILING RATE SYSTEMS

"§ 5341. Policy

"It is the policy of Congress that rates of pay of prevailing rate employees be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates and be based on principles that—

"(1) there will be equal pay for substantially equal work for all prevailing rate employees who are working under similar conditions of employment in all agencies within the same local wage area;

"(2) there will be relative differences in pay within a local wage area when there are substantial or recognizable differences in duties, responsibilities, and qualification requirements among positions;

"(3) the level of rates of pay will be maintained in line with prevailing levels for comparable work within a local wage area; and

"(4) the level of rates of pay will be maintained so as to attract and retain qualified prevailing rate employees.

"§ 5342. Definitions; application

"(a) For the purpose of this subchapter—

"(1) 'agency' means an Executive agency; but does not include—

"(A) a Government controlled operation;

"(B) the Tennessee Valley Authority;

"(C) the Alaska Railroad;

"(D) the Virgin Islands Corporation;

"(E) the Atomic Energy Commission;

"(F) the Central Intelligence Agency;

"(G) the Panama Canal Company;

"(H) the National Security Agency, Department of Defense; or

"(I) the Bureau of Engraving and Printing, except for the purposes of section 5349 of this title;

"(2) prevailing rate employee' means—

(A) an individual employed in or under an agency in a recognized trade or craft, or other skilled mechanical craft, or in an unskilled, semiskilled, or skilled manual labor occupation, and any other individual, including a foreman and a supervisor, in a position having trade, craft, or laboring experience and knowledge as the paramount requirement;

"(B) an employee of a nonappropriated fund instrumentality described by section 2105(c) of this title who is employed in a recognized trade or craft, or other skilled mechanical craft, or in an unskilled, semiskilled, or skilled manual labor occupation, and any other individual, including a foreman and a supervisor, in a position having trade, craft, or laboring experience and knowledge as the paramount requirement; and

"(C) an employee of the Veterans' Canteen Service, Veterans' Administration, excepted from chapter 51 of this title by section 5102 (c)(14) of this title who is employed in a recognized trade or craft, or other skilled mechanical craft, or in an unskilled, semiskilled, or skilled manual labor occupation, and any other individual, including a foreman and a supervisor, in a position having trade, craft, or labor experience and knowledge as the paramount requirement; and

"(3) 'position' means the work, consisting of duties and responsibilities, assignable to a prevailing rate employee.

"(b)(1) Except as provided by paragraphs (2) and (3) of this subsection, this subchapter applies to all prevailing rate employees and positions in or under an agency.

"(2) This subchapter does not apply to employees and positions described by section 5102(c) of this title other than by—

"(A) paragraph (7) of that section to the extent that such paragraph (7) applies to employees and positions other than employees and positions of the Bureau of Engraving and Printing; and

"(B) paragraph (14) of that section.

"(3) This subchapter, except section 5348, does not apply to officers and members of crews of vessels excepted from chapter 51 of this title by section 5102(c)(8) of this title.

"(c) Each prevailing rate employee employed within any of the several States or the District of Columbia shall be a United States citizen or a bona fide resident of one of the several States or the District of Columbia unless the Secretary of Labor certifies that no United States citizen or bona fide resident of one of the several States or the District of Columbia is available to fill the particular position.

"§ 5343. Prevailing rate determinations; wage schedules; night differentials

"(a) The pay of prevailing rate employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates. Subject to section 213(f) of title 29, the rates may not be less than the appropriate rates provided by section 206(a)(1) of title 29. To carry out this subsection—

"(1) the Civil Service Commission shall define, as appropriate—

"(A) with respect to prevailing rate employees other than prevailing rate employees under paragraphs (B) and (C) of section 5342(a)(2) of this title, the boundaries of—

"(i) individual local wage areas for prevailing rate employees having regular wage schedules and rates; and

"(ii) wage areas for prevailing rate employees having special wage schedules and rates;

"(B) with respect to prevailing rate employees under paragraphs (B) and (C) of section 5342(a)(2) of this title, the boundaries of—

"(i) individual local wage areas for prevailing rate employees under such paragraphs having regular wage schedules and rates (but such boundaries shall not extend beyond the immediate locality in which the particular prevailing rate employees are employed); and

"(ii) wage areas for prevailing rate employees under such paragraphs having special wage schedules and rates;

"(2) the Civil Service Commission shall designate a lead agency for each wage area;

"(3) subject to paragraph (5) of this subsection, and subsections (c)(1)–(3) and (d) of this section, a lead agency shall conduct wage surveys, analyze wage survey data, and develop and establish appropriate wage schedules and rates for prevailing rate employees;

"(4) the head of each agency having prevailing rate employees in a wage area shall apply, to the prevailing rate employees of that agency in that area, the wage schedules and rates established by the lead agency, or by the Civil Service Commission, as appropriate, for prevailing rate employees in that area; and

"(5) the Civil Service Commission shall establish wage schedules and rates for prevailing rate employees who are United States citizens employed in any area which is outside the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands.

"(b) the Civil Service Commission shall schedule full-scale wage surveys every 2 years and shall schedule interim surveys to be conducted between each two consecutive full-scale wage surveys. The Commission may schedule more frequent surveys when conditions so suggest.

"(c) The Civil Service Commission, by regulation, shall prescribe practices and procedures for conducting wage surveys, analyzing wage survey data, developing and establishing wage schedules and rates, and administering the prevailing rate system. The regulations shall provide—

"(1) that, subject to subsection (d) of this section, wages surveyed be those paid by private employers in the wage area for similar work performed by regular full-time employees, except that, for prevailing rate employees under paragraphs (B) and (C) of section 5342(a)(2) of this title, the wages surveyed shall be those paid by private employers to full-time employees in a representative number of retail, wholesale, service, and recreational establishments similar to those in which such prevailing rate employees are employed;

"(2) for participation at all levels by representatives of organizations accorded recognition as the representatives of prevailing rate employees in every phase of providing an equitable system for fixing and adjusting the rates of pay for prevailing rate employees, including the planning of the surveys, the drafting of specifications, the selection of data collectors, the collection and the analysis of the data, and the submission of recommendations to the head of the lead agency for wage schedules and rates and for special wage schedules and rates where appropriate;

"(3) for requirements for the accomplishment of wage surveys and for the development of wage schedules and rates for prevailing rate employees, including, but not limited to—

"(A) nonsupervisory and supervisory prevailing rate employees paid under regular wage schedules and rates;

"(B) nonsupervisory and supervisory prevailing rate employees paid under special wage schedules and rates; and

"(C) nonsupervisory and supervisory prevailing rate employees described under paragraphs (B) and (C) of section 5342(a)(2) of this title;

"(4) for proper differentials, as determined by the Commission, for duty involving unusually severe working conditions or unusually severe hazards;

"(5) rules governing the administration of pay for individuals employees on appointment, transfer, promotion, demotion, and other similar changes in employment status; and

"(6) for a continuing program of maintenance and improvement designed to keep the prevailing rate system fully abreast of changing conditions, practices, and techniques both in and out of the Government of the United States.

"(d)(1) A lead agency, in making a wage survey, shall determine whether there exists in the local wage area a number of comparable positions in private industry sufficient to establish wage schedules and rates for the principal types of positions for which the survey is made. The determination shall be in writing and shall take into consideration all relevant evidence, including evidence submitted by employee organizations recognized as representative of prevailing rate employees in that area.

"(2) When a lead agency determines that there is a number of comparable positions in private industry insufficient to establish the wage schedules and rates, such agency shall establish those schedules and rates on the basis of—

"(A) local private industry rates; and

"(B) rates paid for comparable positions in private industry in the nearest wage area that such agency determines is most similar in the nature of its population, employment, manpower, and industry to the local wage area for which the wage survey is being made.

"(e) (1) Each grade of a regular wage schedule for nonsupervisor prevailing rate employees shall have 5 steps with—

"(A) the first step at 96 percent of the prevailing rate;

"(B) the second step at 100 percent of the prevailing rate;

"(C) the third step at 104 percent of the prevailing rate;

"(D) the fourth step at 108 percent of the prevailing rate; and

"(E) the fifth step at 112 percent of the prevailing rate.

"(2) A prevailing rate employee under a regular wage schedule who has a work performance rating of satisfactory or better, as determined by the head of the agency, shall advance automatically to the next higher step within the grade at the beginning of the first applicable pay period following his completion of—

"(A) 26 calendar weeks of continuous service in step 1;

"(B) 78 calendar weeks of continuous service in step 2; and

"(C) 104 calendar weeks of continuous service in each of steps 3 and 4.

"(3) Under regulations prescribed by the Civil Service Commission, the benefits of successive step increases shall be preserved for prevailing rate employees under a regular wage schedule whose continuous service is interrupted in the public interest by service with the armed forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"(4) Supervisory wage schedules and special wage schedules authorized under subsection (c)(3) of this section may have single or multiple rates or steps according to prevailing practices in the industry on which the schedule is based.

"(f) A prevailing rate employee is entitled to pay at his scheduled rate plus a night differential—

"(1) amounting to 7½ percent of that scheduled rate for regularly scheduled nonovertime work a majority of the hours of which occur between 3 o'clock post-meridian and midnight; and

"(2) amounting to 10 percent of that scheduled rate for regularly scheduled nonovertime work a majority of the hours of which occur between 11 o'clock post-meridian and 8 o'clock antemeridian.

A night differential under this subsection is a part of basic pay.

"§ 5344. Effective date of wage increase; retroactive pay

"(a) Each increase in rates of basic pay granted, pursuant to a wage survey, to prevailing rate employees is effective not later than the first day of the first pay period which begins on or after the 45th day, excluding Saturdays and Sundays, following the date the wage survey is ordered to be made.

"(b) Retroactive pay is payable by reason of an increase in rates of basic pay referred to in subsection (a) of this section only when—

"(1) the individual is in the service of the Government of the United States, including service in the armed forces, or the government of the District of Columbia on the date of the issuance of the order granting the increase; or

"(2) the individual retired or died during the period beginning on the effective date of the increase and ending on the date of issuance of the order granting the increase, and only for services performed during that period.

For the purpose of this subsection, service in the armed forces includes the period provided by statute for the mandatory restoration of the individual to a position in or under the Government of the United States or the government of the District of Columbia after he is relieved from training and service in the armed forces or discharged from hospitalization following that training and service.

"§ 5345. Retained rate of pay on reduction in grade or reassignment

"(a) Under regulations prescribed by the Civil Service Commission, and subject to the limitation in subsection (b) of this section, a prevailing rate employee—

"(1) who is reduced in grade or reassigned to a wage schedule position having an established maximum scheduled rate of pay which is less than the employee's then existing scheduled rate of pay;

"(2) who holds a career or a career-conditional appointment in the competive service, or an appointment of equivalent tenure in the excepted service;

"(3) whose reduction in grade or reassignment is not (A) caused by a demotion for personal cause, (B) at his request, (C) effected in a reduction in force due to lack of funds or curtailment of work, or (D) with respect to a temporary promotion, a condition of the temporary promotion to a higher grade;

"(4) who, for 2 continuous years immediately before the reduction in grade or reassignment, served (A) in the same agency and (B) in a grade or grades higher than the grade to which demoted; and

"(5) whose work performance during the 2-year period is satisfactory or better; is entitled to basic pay at the scheduled rate to which he was entitled immediately before the reduction in grade or reassignment (including each increase in scheduled rate of pay granted pursuant to a wage survey) for a period of 2 years from the effective date of the reduction in grade or reassignment, so long as he—

"(A) continues in the same agency without a break in service of one workday or more;

"(B) is not entitled to a higher scheduled rate of pay by operation of this subchapter; and

"(C) is not demoted or reassigned (i) for personal cause, (ii) at his request, or (iii) in a reduction in force due to a lack of funds or curtailment of work.

"(b) The scheduled rate of pay to which a prevailing rate employee is entitled under subsection (a) of this section with respect to each reduction in grade or reassignment to which that subsection applies may not exceed the sum of—

"(1) the minimum scheduled rate of the grade to which he is reduced or reassigned under each reduction in grade or reassignment to which that subsection applies (including each increase in scheduled rate of pay granted pursuant to a wage survey); and

"(2) the difference between his scheduled rate immediately before the first reduction in grade or reassignment to which that subsection applies (including each increase in scheduled rate of pay granted pursuant to a wage survey) and the minimum scheduled rate of that grade which is three grades lower than the grade from which he was reduced or reassigned under the first of the reductions in grade or reassignment (including each increase in the scheduled rate of pay granted pursuant to a wage survey).

"(c) Under regulations prescribed by the Commission, a prevailing rate employee who is reduced in grade or reassigned to a wage schedule position from another local wage area, or from another wage schedule, or from a position not subject to this subchapter, is entitled to a retained scheduled rate of pay.

"(d) The Commission may prescribe regulations governing the retention of the scheduled rate of pay of an employee who together with his position is brought under this subchapter. If an employee so entitled to a retained rate under these regulations is later demoted to a position under this subchapter, his scheduled rate of pay is determined under subsections (a) and (b) of this section. For the purpose of those subsections, service in the position which was brought under this subchapter is deemend service under this subchapter.

"§ 5346. Job grading system

"(a) The Civil Service Commission, after consulting with the agencies and with employee organizations, shall establish and maintain a job grading system for positions to which this subchapter applies. In carrying out this subsection, the Commission shall—

"(1) establish the basic occupational alinement and grade structure or structures for the job grading system;

"(2) establish and define individual occupations and the boundaries of each occupation;

"(3) establish job titles within occupations;

"(4) develop and publish job grading standards; and

"(5) provide a method to assure consistency in the application of job standards.

"(b) The Commission, from time to time, shall review such numbers of positions in each agency as will enable the Commission to determine whether the agency is placing positions in occupations and grades in conformance with or consistently with published job standards. When the Commission finds that a position is not placed in its proper occupation and grade in conformance with published standards or that a position for which there is no published standard is not placed in the occupation and grade consistently with published standards, it shall, after consultation with appropriate officials of the agency concerned, place the position in its appropriate occupation and grade and shall certify this action to the agency. The agency shall act in accordance with the certificate, and the certificate is binding on all administrative, certifying, payroll, disbursing, and accounting officials.

"(c) On application, made in accordance with regulations prescribed by the Commission, by a prevailing rate employee for the review of the action of an employing agency in placing his position in an occupation and grade for pay purposes, the Commission shall—

"(1) ascertain currently the facts as to the duties, responsibilities, and qualification requirements of the position;

"(2) decide whether the position has been placed in the proper occupation and grade; and

"(3) approve, disapprove, or modify, in accordance with its decision, the action of the employing agency in placing the position in an occupation and grade.

The Commission shall certify to the agency concerned its action under paragraph (3) of this subsection. The agency shall act in accordance with the certificate, and the certificate is binding on all administrative, certifying, payroll, disbursing, and accounting officials.

"§ 5347. Federal Prevailing Rate Advisory Committee

"(a) There is established a Federal Prevailing Rate Advisory Committee composed of—

"(1) the Chairman, who shall not hold any other office or position in the Government of the United States or the government of the District of Columbia, and who shall be appointed by the President for a 4-year term;

"(2) one member from the Office of the Secretary of Defense, designated by the Secretary of Defense;

"(3) two members from the military departments, designated by the Chairman of the Civil Service Commission;

"(4) one member, designated by the Chairman of the Civil Service Commission from time to time from an agency (other than the Department of Defense, a military department, and the Civil Service Commission);

"(5) an employee of the Civil Service Commission, designated by the Chairman of the Civil Service Commission; and

"(6) five members, designated by the Chairman of the Civil Service Commission, from among the employee organizations representing, under exclusive recognition of the Government of the United States, the largest numbers of prevailing rate employees.

"(b) In designating members from among employee organizations under subsection (a) (6) of this section, the Chairman of the Civil Service Commission shall designate, as nearly as practicable, a number of members from a particular employee organization in the same proportion to the total number of employee representatives appointed to the Committee under subsection (a) (6) of this section as the number of prevailing rate employees represented by such organization is to the total number of prevailing rate employees. However, there shall not be more than two members from any one employee organization nor more than four members from a single council, federation, alliance, association, or affiliation of employee organizations.

"(c) Every 2 years the Chairman of the Civil Service Commission shall review employee organization representation to determine adequate or proportional representation under the guidelines of subsection (b) of this section.

"(d) The members from the employee organizations serve at the pleasure of the Chairman of the Civil Service Commission.

"(e) The Committee shall study the prevailing rate system and other matters pertinent to the establishment of prevailing rates under this subchapter and, from time to time, advise the Civil Service Commission thereon. Conclusions and recommendations of the Committee shall be formulated by majority vote. The Chairman of the Committee may vote only to break a tie vote of the Committee. The Committee shall make an annual report to the Commission and the President for transmittal to Congress, including recommendations and other matters considered appropriate. Any member of the Committee may include in the annual report recommendations and other matters he considers appropriate.

"(f) The Committee shall meet at the call of the Chairman. However, a special meeting shall be called by the Chairman if 5 members make a written request to the Chairman to call a special meeting to consider matters within the purview of the Committee.

"(g) Members of the Committee described in paragraphs (2)–(5) of subsection (a) of this section serve without additional pay. The Chairman is entitled to a rate of pay equal to the maximum rate currently paid, from time to time, under the General Schedule. Members who represent employee organizations are not entitled to pay from the Government of the United States for services rendered to the Committee.

"(h) The Civil Service Commission shall provide such clerical and professional personnel as the Chairman of the Committee considers appropriate and necessary to carry out its functions under this subchapter. Such personnel shall be responsible to the Chairman of the Committee.

"§ 5348. Crews of vessels

"(a) Except as provided by subsections (b) and (c) of this section, the pay of officers and members of crews of vessels excepted from chapter 51 of this title by section 5102(c) (8) of this title shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates and practices in the maritime industry.

"(b) Vessel employees of the Panama Canal Company may be paid in accordance with the wage practices of the maritime industry.

"(c) Vessel employees in an area where inadequate maritime industry practice exists and vessel employees of the Corps of Engineers shall have their pay fixed and adjusted under the provisions of this subchapter other than this section, as appropriate.

"§ 5349. Prevailing rate employees; legislative, judicial, Bureau of Engraving and Printing, and government of the District of Columbia

"(a) The pay of employees, described under section 5102(c) (7) of this title, in the Administrative Office of the United States Courts, the Library of Congress, the Botanic Garden, the Government Printing Office, the Office of the Architect of the Capitol, the Bureau of Engraving and Printing, and the government of the District of Columbia, shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates and in accordance with such provisions of this subchapter, including the provisions of section 5344, relating to retroactive pay, and section 5345, relating to retention of pay, as the pay-fixing authority of each such agency may determine. Subject to section 213 (f) of title 29, the rates may not be less than the appropriate rates provided for by section 206(a) (1) of title 29. If the pay-fixing authority concerned determines that the provisions of section 5345 of this title should apply to any employee under his jurisdiction, then the employee concerned shall be deemed to have satisfied the requirements of paragraph (2) of section 5345(a) of this title if the tenure of his appointment is substantially equivalent to the tenure of any appointment referred to in such paragraph.

"(b) Subsection (a) of this section does not modify or otherwise affect section 5102 (d) of this title, section 305 of title 44, and section 180 of title 31.".

(b) The analysis of subchapter IV of chapter 53 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER IV—PREVAILING RATE SYSTEMS

"5341. Policy.
"5342. Definitions; application.
"5343. Prevailing rate determinations; wage schedules; night differentials.
"5344. Effective date of wage increase; retroactive pay.
"5345. Retained rate of pay on reduction in grade or reassignment.
"5346. Job grading system.
"5347. Federal Prevailing Rate Advisory Committee.
"5348. Crews of vessels.
"5349. Prevailing rate employees; legislative, judicial, Bureau of Engraving and Printing, and government of the District of Columbia.".

SEC. 2. Section 2105(c) (1) of title 5, United States Code, is amended by inserting "(other than subchapter IV of chapter 53 and sections 5550 and 7154 of this title)" immediately following "laws".

SEC. 3. Section 5337 of title 5, United States Code, is amended—

(1) by striking out the words "to which this section applies" wherever they appear in subsection (b) and inserting "to which that subsection applies" in place thereof; and

(2) by adding at the end thereof:

"(c) Under regulations prescribed by the Civil Service Commission consistent with the provisions of subsections (a) and (b) of this section, an employee who is reduced to a grade of the General Schedule from a position to which this subchapter does not apply is entitled to a retained scheduled rate of pay.".

SEC. 4. Section 5541(2) (xi) of title 5, United States Code, is amended to read as follows:

"(xi) an employee whose pay is fixed and adjusted from time to time in accordance with prevailing rates under subchapter IV of chapter 53 of this title, or by a wage board or similar administrative authority serving the same purpose, except as provided by section 5544 of this title;".

SEC. 5. The first sentence of section 5544(a) of title 5, United States Code, is amended to read as follows: "An employee whose pay is fixed and adjusted from time to time in accordance with prevailing rates under section 5343 or 5349 of this title, or by a wage board or similar administrative authority serving the same purpose, is entitled to overtime pay for overtime work in excess of 8 hours a day or 40 hours a week.".

SEC. 6. Subsection (a)(1) of section 6101 of title 5, United States Code, is amended to read as follows:

"(a) (1) For the purpose of this subsection, 'employee' includes an employee of the government of the District of Columbia and an employee whose pay is fixed and adjusted from time to time under section 5343 or 5349 of this title, or by a wage board or similar administrative authority serving the same purpose, but does not include an employee or individual excluded from the definition of employee in section 5541(2) of this title, except as specifically provided under this paragraph.".

SEC. 7. (a) Section 6102 of title 5, United States Code, is repealed.

(b) The analysis of chapter 61 of title 5, United States Code, is amended by striking out—

"6102. Eight-hour day; 40-hour workweek; wage-board employees.".

SEC. 8. Section 7154(b) of title 5, United States Code, is amended by striking out "subchapter III of chapter 53" and inserting "subchapters III and IV of chapter 53" in place thereof.

SEC. 9. (a)(1) Except as provided by this subsection an employee's initial rate of pay on conversion to a wage schedule established pursuant to the amendments made by this Act shall be determined under conversion rules prescribed by the Civil Service Commission. Service by an employee in a grade of a wage schedule performed before the effective date of the conversion of the employee to a wage schedule established pursuant to the amendments made by this Act shall be counted toward not to exceed one step increase under the time in step provisions of section 5343(e)(2) of title 5, United States Code, as amended by the first section of this Act.

(2) In the case of any employee described in section 2105(c), 5102(c) (7), (8), or (14) of title 5, United States Code, who is in the service as such an employee immediately before the effective date, with respect to him, of the amendments made by this Act, such amendments shall not be construed to decrease his rate of basic pay in effect immediately before the date on which such amendments become effective with respect to him. In addition, if an employee is receiving retained pay by virtue of law or agency policy immediately before the date on which the first wage schedule applicable to him under this Act is effective, he shall continue to retain that pay in accordance with the specific instructions under which the retained pay was granted until he leaves his position or until he becomes entitled to a higher rate.

(b) The amendments made by this Act shall not be construed to—

(1) abrogate, modify, or otherwise affect in any way the provisions of any contract in effect on the date of enactment of this Act pertaining to the wages, the terms and conditions of employment, and other employment benefits, or any of the foregoing matters, for Government prevailing rate employees and resulting from negotiations between Government agencies and organizations of Government employees;

(2) nullify, curtail, or otherwise impair in any way the right of any party to such contract to enter into negotiations after the date of enactment of this Act for the renewal, extension, modification, or improvement of the provisions of such contract or for the replacement of such contract with a new contract; or

(3) nullify, change, or otherwise affect in any way after such date of enactment any agreement, arrangement, or understanding in effect on such date with respect to the various items of subject matter of the negotiations on which any such contract in effect on such date is based or prevent the inclusion of such items of subject matter in connection with the renegotiation of any such contract, or the replacement of such contract with a new contract, after such date.

SEC. 10. (a) Subchapter V of chapter 55 of title 5, United States Code, relating to premium pay, is amended by adding at the end thereof the following new section:

"§ 5550. Pay for Sunday and overtime work; employees of nonappropriated fund instrumentalities

"A 'prevailing rate employee' described in paragraph (B) of section 5342 (a) (2) of this title—

"(1) if his regular work schedule includes an 8-hour period of service, a part of which is on Sunday, is entitled to additional pay at the rate of 25 percent of his hourly rate of basic pay for each hour of work performed during that 8-hour period of service;

"(2) is entitled to overtime pay for overtime work in excess of 8 hours a day or 40 hours a week, computed in accordance with paragraph (1), (2), or (3), as applicable, of section 5544(a) of this title.

However, any such employee who regularly is required to remain at or within the confines of his post of duty in excess of 8 hours a day in a standby or on-call status is entitled to overtime pay only for hours of duty, exclusive of eating and sleeping time, in excess of 40 a week.".

(b) The table of sections of subchapter V of chapter 55 of title 5, United States Code, is amended by adding at the end thereof—

"5550. Pay for Sunday and overtime work; employees of nonappropriated fund instrumentalities."

SEC. 11. Paragraph (2) of section 8704(d) of title 5, United States Code, is amended to read as follows:

"(2) a change in rate of pay under section 5344 or 5349 of this title is deemed effective as of the date of issuance of the order granting the increase or the effective date of the increase, whichever is later, except, that in the case of an employee who dies or retires during the period beginning on the effective date of the increase and ending on the date of the issuance of the order granting the increase, a change in rate of pay under either of such sections shall be deemed as having been in effect for such employee during that period.".

SEC. 12. (*a*) Section 5548(a) of title 5, United States Code, is amended by striking out "sections 5544 and" and inserting in lieu thereof "section".

(b) Section 5548(b) of title 5, United States Code, is amended by striking out "section 5545(d)" and inserting in lieu thereof "sections 5545(d) and 5550".

SEC. 13. (a) All laws or parts of laws inconsistent with this Act are hereby repealed to the extent of such inconsistency.

(b) Subsection (a) of this section does not repeal or otherwise affect section 5102 (d) of title 5, United States Code, section 305 of title 44 of such Code, or the provisions contained in section 180 of title 31, United States Code.

SEC. 14. (a) The last sentence of section 4(a) of the Act of January 8, 1971 (84 Stat. 1952; Public Law 91-656) is amended to read as follows: "Such rates, limitations, and allowances adjusted by the President pro tempore shall become effective on the first day of the month in which any adjustment becomes effective under such section 5305 or section 3(c) of this Act.".

(b) Paragraph (1) of section 5(a) of the Act of January 8, 1971 (84 Stat. 1952; Public Law 91-656) is amended to read as follows:

"(1) effective on the first day of the month in which such pay adjustment by the President is made effective as described above, shall adjust—".

SEC. 15. (a) The provisions of this Act are effective on the first day of the first applicable pay period which begins on or after the ninetieth day after the date of enactment of this Act, except that, in the case of those employees referred to in section 5342(a)(2) (B) and (C) of title 5, United States Code (as amended by the first section of this Act), such provisions are effective on the first day of the first applicable pay period which begins on or after the one hundred and eightieth day after such date of enactment or on such earlier date (not earlier than the ninetieth day after such date of enactment) as the Civil Service Commission may prescribe.

(b) A wage survey conducted by an agency before the effective date (with respect to employees covered by that wage survey) of this Act, for a wage schedule which becomes effective after that effective date, is deemed to meet the requirement in this Act for a survey by a lead agency.

Mr. HENDERSON (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 3, line 8, strike out "(A)".

On page 3, line 15, immediately following the semicolon insert the word "and".

On page 3, strike out lines 16 through 24 inclusive.

On page 4, strike out lines 1 through 10 inclusive.

On page 4, line 19, strike out "paragraphs (8) and (14)" and insert in lieu thereof "paragraph (8)".

On page 5, line 18, strike out the comma and the word "but" and insert in lieu thereof a semicolon, and strike out lines 19 through 25 inclusive.

On page 6, strike out lines 1 through 8 inclusive, and renumber the remaining subparagraphs accordingly.

On page 7, strike out lines 17 through 23 inclusive and insert in lieu thereof "full-time employees;".

On page 8, line 16, immediately following the semicolon, insert the word "and".

On page 8, line 19, immediately following the semicolon, strike out the word "and".

On page 8, strike out lines 20 through 22 inclusive.

On page 23, strike out lines 3 through 6 inclusive and redesignate the succeeding sections accordingly.

On page 25, strike out line 24 and insert in lieu thereof "5102(c)(7), or (8) of title 5, United"

On page 26, strike out lines 18 through 25 inclusive.

On page 27, strike out lines 1 through 17 inclusive, and redesignate the succeeding sections accordingly.

On page 29, line 10, strike out the word "Act" and all that follows down through the period in line 18, and insert in lieu thereof "Act.".

Mr. GROSS (during the reading). Mr. Chairman, this amendment is rather lengthy, but it has only one purpose and that is to strike out the nonappropriated fund activities employees. It is necessary for the amendment to be at some length because of the repeated references to nonappropriated employees, so I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The gentleman from

Iowa is recognized for 5 minutes in support of his amendment.

Mr. GROSS. Mr. Chairman, the amendment I have offered strikes from the bill all the provisions relating to the so-called nonappropriated fund employees and employees of the Veterans' Administration Canteen Service.

The bill, as now written, includes these two groups of employees within the definition of prevailing rate employee.

There are a number of compelling reasons why my amendment should be adopted.

First of all, they are not Federal employees and are not in the competitive civil service. They are primarily employed by the Department of Defense in post exchanges, service clubs, bowling alleys, golf clubs, and so on. They have none of the obligations, responsibilities, or commitments now imposed upon Federal employees and they certainly should not be included in a pay system that is designed for Federal employees.

If we blanket these nonappropriated fund employees into a Federal pay system, the next logical step will be to include them under the Federal employees' retirement program and the life and health insurance programs. The bill, as written, opens the door for a prolonged series of proposals to correct inequities of employees of nonappropriated fund activities.

The provisions of the bill not only guarantee them the benefits of the Federal pay system but they would also be guaranteed a five-step pay system, the night time differentials and premium and holiday pay.

The five-step pay system automatically guarantees that nonappropriated fund employees in any given local area throughout the country would eventually be paid 12 percent higher pay than people performing similar duties in local private businesses.

This causes several very serious problems. First of all, it automatically inflates local wage rates requiring local merchants hiring similar personnel to continuously raise their rates of pay in order to compete on the labor market with the Federal Government.

Second, since all of these people work in programs directly involving the morale of military personnel, the prices and services made available to the servicemen will have to be increased appreciably in order to pay for the new inflated wage rates. The entire concept of the commissary-post exchange system, of providing low-cost goods and services to servicemen—whether right or wrong—could be destroyed.

And, I must emphasize this point—for every dollar that the pay of a nonappropriated fund employee is increased a dollar is taken out of the pocket of a serviceman. In other words, the total cost of including nonappropriated fund employees in this bill, which is estimated by the Department of Defense at $59.9 million, will be paid for entirely by service personnel and their total take home pay will be reduced accordingly.

Mr. Chairman, there may be some legitimate complaints concerning the past pay and personel policies for nonappropriated fund employees. However, the Department of Defense is at the present time implementing a total personnel management system that will cover all phases of the nonappropriated fund work force. The system will insure that these employees will receive full pay comparably, it will provide for fringe benefits, and it will effectively correct any problems that may exist.

I submit that if we do not adopt my amendment and if we include these employees under coverage of this bill, we will be creating many serious problems and many more inequities than we can ever possibly solve. I sincerely urge the adoption of my amendment.

Mr. HENDERSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the provisions in the bill H.R. 9092 that cover the nonappropriated fund employees are a basic and very vital part of this legislation. It was contained in the bill that passed this House last year. And now what do we see? As the gentleman from Iowa pointed out, the Department of Defense this year came back before our committee and said that they were going to implement and inaugurate a new system for the nonappropriated fund employees that would do what the House-passed bill last year would have done and what the present bill before the committee would do.

I asked the Assistant Secretary of Defense for Manpower that, if that was the case, the enactment of the legislation really would not require anything of the Department of Defense that they had not testified they were going to do anyway. His answer was in the affirmative.

Again this illustrates the need and the reason for the request of the employees that they be given some assurance as to how their pay will be set.

Mr. Chairman, what is the nonappropriated fund activity all about? The clearest example is in the Department of Defense and in the various military installations as they operate post exchanges and commissaries for the benefit of the servicemen.

Now, mind you, if these were operating at a break-even point and if they were getting the merchandise and food and clothing and many other items that even border on luxuries at a break-even or at the cheapest prices, the arguments against this coverage would be far more valid than they are. But, this is big business and this is profit business.

Mr. Chairman, I do not object to the nonappropriated activities making a reasonable profit because that is used for the recreation and welfare of the servicemen themselves and is a very laudable purpose. But, last year over $2.1 billion in goods were sold in the Department of Defense exchanges.

The net profits of $112 million and the increases in pay that would result by the enactment of the provisions in the bill that the gentleman from Iowa would strike will come out of these profits and it will not cost the American taxpayers one penny.

Mr. Chairman, as I pointed out in the general debate over one-third of the employees are in the nonappropriated fund activities and are the dependents of the military themselves.

So, Mr. Chairman, it was not until our committee, year after year, brought this to the attention of the Department of Defense, and not until we had enacted a bill in this House did the Secretary of Defense take routine action to assist these employees. I would point out to the House that the other body expanded the provisions for nonappropriated fund beyond what we did in a direction that was far more objectionable to the Department of Defense than the House-passed language.

So, this is what we did last year. As a result of that the Department of Defense says they are going to improve the pay system, but the provisions in this bill will not require them to do anything they have not said they are going to do if the amendment does not stay in the bill.

Mr. Chairman, I urge the defeat of the amendment and the passage of the bill in its present form.

The CHAIRMAN pro tempore (Mr. BROOKS). The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 26, noes 23.

TELLER VOTE WITH CLERKS

Mr. HENDERSON. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. HENDERSON. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered; and the Chairman appointed as tellers Mr. GROSS, Mr. DERWINSKI, Mr. HENDERSON, and Mr. DULSKI.

The Committee divided, and the tellers reported that there were—ayes 147, noes 232, not voting 55, as follows:

[Roll No. 212]

[Recorded Teller Vote]

AYES—147

Abernethy
Anderson, Ill.
Andrews, N. Dak.
Archer
Arends
Ashbrook
Ashley
Baker
Belcher
Betts
Biester
Bow
Bray
Broomfield
Brotzman
Brown, Mich.
Broyhill, N.C.
Buchanan
Burke, Fla.
Burlison, Mo.
Byrnes, Wis.
Camp
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Collins, Tex.
Colmer
Conable
Conte
Coughlin
Crane
Daniel, Va.
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
Dowdy
du Pont
Dwyer
Edwards, Ala.
Erlenborn
Eshleman
Findley
Fish
Flynt
Ford, Gerald R.
Frelinghuysen
Frenzel
Frey
Goodling
Gross
Grover
Gubser
Haley
Hall
Hammerschmidt
Hastings
Heckler, Mass.
Hunt
Hutchinson
Jacobs
Jarman
Johnson, Pa.
Jonas
Keating
Keith
Kemp
King
Kuykendall
Kyl
Landgrebe
Landrum
Latta
Leggett
Lent
Lloyd
Lujan
McClory
McClure
McCollister
McDonald, Mich.
McEwen
McKevitt
Mailliard
Mann
Martin
Mayne
Michel
Miller, Ohio
Mills, Md.
Minshall
Mizell
Mosher
Myers
Nelsen
Pelly
Peyser
Poff
Powell
Price, Tex.
Rarick
Reid. Ill.
Rhodes
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio
Rousselot
Ruth
Scherle
Schmitz

Schneebeli
Schwengel
Scott
Sebelius
Shoup
Smith, Calif.
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Sullivan
Terry
Thone
Vander Jagt
Veysey
Wampler
Ware
Whalley
Widnall
Wiggins
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Young, Fla.
Zion
Zwach

NOES—232

Abbitt
Abourezk
Abzug
Adams
Addabbo
Albert
Alexander
Anderson, Calif.
Andrews, Ala.
Aspin
Aspinall
Badillo
Barrett
Begich
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanton
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Brinkley
Brooks
Brown, Ohio
Broyhill, Va.
Burke, Mass.
Burleson, Tex.
Byrne, Pa.
Byron
Cabell
Caffery
Carey, N.Y.
Carney
Casey, Tex.
Celler
Chamberlain
Chappell
Chisholm
Clark
Clay
Collins, Ill.
Corman
Cotter
Culver
Daniels, N.J.
Danielson
Davis, Ga.
de la Garza
Delaney
Dellums
Denholm
Dingell
Dorn
Downing
Drinan
Dulski
Duncan
Eckhardt
Edmondson
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Fisher
Flood
Flowers
Foley
Ford, William D.
Forsythe
Fountain
Fraser
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Garmatz
Gaydos
Gettys
Giaimo
Gibbons
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gude
Hagan
Halpern
Hamilton
Hanley
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Harvey
Hathaway
Hawkins
Hays
Hechler, W. Va.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hillis
Hogan
Holifield
Horton
Howard
Hull
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Kastenmeier
Kazen
Kee
Kluczynski
Koch
Kyros
Link
Long, Md.
McCloskey
McCormack
McDade
McFall
McKay
Madden
Mahon
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Metcalfe
Mikva
Miller, Calif.
Mills, Ark.
Minish
Mink
Mitchell
Monagan
Moorhead
Morgan
Morse
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Konski
ONeill
Passman
Patten
Perkins
Pettis
Pirnie
Podell
Preyer, N.C.
Price, Ill.
Pryor, Ark.
Pucinski
Quie
Quillen
Railsback
Randall
Rangel
Rees
Reid, N.Y.
Reuss
Roberts
Rodino
Roe
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ryan
St Germain
Sandman
Sarbanes
Satterfield
Scheuer
Seiberling
Shipley
Shriver
Sikes
Sisk
Slack
Smith, Iowa
Stafford
Staggers
Stanton, James V.
Steed
Steele
Stratton
Stubblefield
Taylor
Thompson, Ga.
Thomson, Wis.
Tiernan
Udall
Ullman
Vanik
Vigorito
Waggonner
Waldie
Watts
Whalen
White
Whitehurst
Whitten
Williams
Wilson, Bob
Wright
Yates
Young, Tex.
Zablocki

NOT VOTING—55

Anderson, Tenn.
Annunzio
Baring
Blackburn
Burton
Carter
Conyers
Davis, S.C.
Dent
Diggs
Donohue
Dow
Edwards, La.
Esch
Evins, Tenn.
Goldwater
Hanna
Hébert
Hosmer
Hungate
Ichord
Jones Tenn.
Karth
Lennon
Long, La.
McCulloch
McKinney
McMillan
Macdonald, Mass.
Mathias, Calif.
Melcher
Mollohan
Montgomery
Moss
Patman
Pepper
Pickle
Pike
Poage
Purcell
Riegle
Saylor
Skubitz
Springer
Stephens
Stokes
Stuckey
Symington
Talcott
Teague, Calif.
Teague, Tex.
Thompson, N.J.
Van Deerlin
Wilson, Charles H.
Yatron

Mr. WIDNALL. Mr. Chairman, on this vote I voted "no." I ask unanimous consent to change my vote to "aye."

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HANNA. Mr. Chairman, on this vote I voted "no." I have my card indicating such a vote.

The CHAIRMAN. The gentleman is not qualified. The tellers have already reported.

So the amendment was rejected.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendments: On page 4, line 14, strike out "paragraph (2)" and insert in lieu thereof "paragraphs (2) and (3)".

On page 4, strike out lines 17 to 23, inclusive, and insert in lieu thereof the following:

"(2) This subchapter does not apply to employees and positions described by section 5102(c) of this title other than by—

"(A) paragraph (7) of that section to the extent that such paragraph (7) applies to employees and positions other than employees and positions of the Bureau of Engraving and Printing; and

"(B) paragraph (14) of that section.

"(3) This subchapter, except section 5348, does not apply to officers and members of crews of vessels excepted from chapter 51 of this title by section 5102(c)(8) of this title."

On page 5, lines 1 to 5, inclusive, strike out—be a bona fide resident of one of the several States or the District of Columbia unless the Secretary of Labor certifies that no bona fide resident of one of the several States or the District of Columbia is available to fill the particular position.

and insert in lieu thereof—

be a United States citizen or a bona fide resident of one of the several States or the District of Columbia unless the Secretary of Labor certifies that no United States citizen or bona fide resident of one of the several States or the District of Columbia is available to fill the particular position.

On page 5, strike out line 14 and all that follows down through the semicolon in line 8 on page 6 and insert in lieu thereof the following:

"(1) the Civil Service Commission shall define, as appropriate—

"(A) with respect to prevailing rate employees other than prevailing rate employees under paragraphs (B) and (C) of section 5342(a)(2) of this title, the boundaries of—

"(i) individual local wage areas for prevailing rate employees having regular wage schedules and rates; and

"(ii) wage areas for prevailing rate employees having special wage schedules and rates;

"(B) with respect to prevailing rate employees under paragraphs (B) and (C) of section 5342(a)(2) of this title, the boundaries of—

"(i) individual local wage areas for prevailing rate employees under such paragraphs having regular wage schedules and rates (but such boundaries shall not extend beyond the immediate locality in which the particular prevailing rate employees are employed); and

"(ii) wage areas for prevailing rate employees under such paragraphs having special wage schedules and rates;

On page 6, line 9, strike out "(3)" and insert "(2)" in lieu thereof.

On page 6, line 11, strike out "(4)" and "(6)" and insert in lieu thereof "(3)" and "(5)", respectively.

On page 6, line 12, strike out "(C) (1)–(3) and (4)" and insert in lieu thereof "(c) (1)–(3) and (d)".

On page 6, line 16, strike out "(5)" and insert "(4)" in lieu thereof.

On page 6, line 22, strike out "(6)" and insert "(5)" in lieu thereof.

On pages 10 and 11, strike out the word "continuous" where it appears in line 24 on page 10, and in lines 1 and 3 on page 11.

On page 25, lines 16 and 17, strike out "immediately preceding" and insert in lieu thereof "before".

On page 26, strike out lines 14 to 17, inclusive, and insert in lieu thereof the following:

(b) The amendments made by this Act shall not be construed to—

(1) abrogate, modify, or otherwise affect in any way the provisions of any contract in effect on the date of enactment of this Act pertaining to the wages, the terms and conditions of employment, and other employment benefits, or any of the foregoing matters, for Government prevailing rate employees and resulting from negotiations between Government agencies and organizations of Government employees;

(2) nullify, curtail, or otherwise impair in any way the right of any party to such contract to enter into negotiations after the date of enactment of this Act for the renewal, extension, modification, or improvement of the provisions of such contract or for the replacement of such contact with a new contract; or

(3) nullify, change, or otherwise affect in any way after such date of enactment any agreement, arrangement, or understanding in effect on such date with respect to the various items of subject matter of the negotiations on which any such contract in effect on such date is based or prevent the inclusion of such items of subject matter in connection with the renegotiation of any such contract, or the replacement of such contract with a new contract, after such date.

On page 26, lines 22 and 23, strike out "and the Veterans' Canteen Service".

On page 26, line 25, strike out "or (C)".

On page 27, in the matter immediately after line 17, and before line 18, strike out "and the Veterans' Canteen Service".

On page 28, line 7, insert "(a)" immediately after "Sec. 12.".

On page 28, immediately after line 9, insert the following:

(b) Section 5548(b) of title 5, United States Code, is amended by striking out "section 5545(d)" and inserting in lieu thereof "sections 5545(d) and 5550".

Mr. HENDERSON (during the reading). Mr. Chairman, I ask unanimous consent that the reading of the committee amendments be dispensed with and that they be printed in the RECORD and be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DERWINSKI: On page 10, line 6, strike out "5" and insert in lieu thereof "4";
>
> On page 10, line 13, immediately following the semicolon, add the word "and";
>
> On page 10, line 15, strike out "rate; and" and insert in lieu thereof "rate.";
>
> On page 10, strike out lines 16 and 17;
>
> On page 11, line 4, strike out "each of steps 3 and 4" and insert in lieu thereof "step 3".

Mr. HENDERSON (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes in support of his amendment.

Mr. DERWINSKI. Mr. Chairman, I hope not to take the 5 minutes, since the Members seem very familiar with this issue, but I would direct to the attention of Members, especially those who may not have been on the floor during the general debate, that in addition to the issues involved, we also had to go through the technical exercise of accepting 17 committee amendments to perfect the bill.

My amendment is a bit more than a technical amendment. What it proposes to do is to save $66 million annually by removing the fifth step from the provisions in the bill, and in support of this amendment may I make the following points?

The bill as written provides that the fifth step would be 112 percent of the prevailing local wage. I emphasize that to the Members: 112 percent, or 12 percent above the prevailing local wage—and this does not take into account the value of the fringe benefits which civil service employees enjoy.

Also, Mr. Chairman, I should like to point out from a copy of a letter I have just received from the Chairman of the Civil Service Commission, Mr. Robert E. Hampton, the following quotation which refers to a study that was reported previously to the Subcommittee on Manpower and Civil Service as being in process. Mr. Hampton's letter states as follows:

> Our study shows that, in the companies which we surveyed during the last two years, 64 percent of all nonsupervisory blue collar employees are paid a single rate.

Mr. THOMPSON of Georgia. Mr. Chairman, a point of order. We cannot hear the gentleman. I would appreciate being able to hear the gentleman.

The CHAIRMAN. The point of order is well taken. The House will be in order.

Mr. DERWINSKI. Mr. Chairman, I thank the Chair and I thank the gentleman.

I am about to come to the punchline in this letter which obviously will produce a sufficient number of votes to carry my amendment.

In his letter Mr. Hampton points out:

> Thirty-six percent of the employees are paid a range of rates and of these only 28 percent are paid at specified step rates. Thus 92 percent of all employees in our study are paid at specifically identified rates—either a single rate or from a range within specified step rates.

The study also indicates there is no justifiable basis to increase the number of step rates in the Federal wage system above three. My amendment would provide for four steps. In other words, my amendment is far more liberal than the system advocated by the Federal Civil Service Commission.

Mr. Hampton goes on to say—

> I am greatly disturbed at the action taken in the Committee on Post Office and Civil Service in reporting out H.R. 9092 which provides for a five-step rate system. The existing coordinated Federal wage system already provides for more liberal treatment of step rates for Federal wage employees than is found in private industry.

Mr. Chairman, I feel this amendment is in order. I feel it is a necessary step that we must take in order to hold down inflationary wage increases. It still leaves the Federal blue collar employee better off than his counterpart in private industry.

The existing Coordinated Federal Wage System, which contains three pay steps, already provides for more liberal treatment of Federal wage board employees than is found in private industry.

As indicated earlier, a survey by the Civil Service Commission shows that most blue collar employees in private industry have a single pay rate.

This bill, as written, contains five pay steps, with the two additional pay steps added at the top. The pay line at 100 percent is at the second step, the third is 104 percent, the fourth is 108 percent and the fifth step is 112 percent of the prevailing local wage.

The singular effect of adding two steps at the top is to give immediate pay raises for most wage board employees. Also, the two additional steps automatically insure that eventually most Federal blue collar workers in any local wage area will be paid 12 percent more than local private industry pay rates. The additional two steps will not only cost the Government an additional $175 million per year, but it will also force massive personnel reductions in the Department of Defense, and have serious inflationary consequences on local private industries.

While I would prefer to see the present system of three pay steps continued, the amendment I have offered simply reduces the number from five to four, with a consequent dollar saving of approximately $70 million. It would also reduce the pay differential from 12 percent above local wage rates to 8 percent of local wage rates.

I sincerely urge adoption of my amendment.

I believe this amendment would also do away with any fear anyone might have of a veto by the White House.

On that constructive closing note, I offer this amendment.

Mr. HENDERSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment would knock out this fifth step provided for in the bill, but the bill provides that the fifth step will not become effective for 2 years after the enactment of the bill. It will cost $66 million after 2 years, so the present administration will have no budgetary problems whatsoever. It can be budgeted in the future and certainly it has no immediate budgetary impact.

What will this amendment, if it is to be in the bill, provide? $66 million for 67,000 wage board employees or less than $100 a year per employee. That will be effective 2 years in the future.

Certainly I do not believe that the House would take this acion when we realize that all Federal employees today have pay steps based on longevity. The classified services employees have 10 steps. These wage board employees have only one, and that is 4 percent above the prevailing rate. The fourth step in the bill would provide a second step or 8 percent above, and the fifth step, 2 years from now, will provide for 10 percent.

Mr. MARTIN. Will the gentleman yield?

Mr. HENDERSON. In just one moment.

We all know that in the military we pay for longevity. The Foreign Service people are paid in steps. This fifth step is not unreasonable. In fact, it is very modest.

I am now delighted to yield to the gentleman from Nebraska.

Mr. MARTIN. I would like to call attention to the fact that one of the gentleman's statements was in error. You stated the total cost of step 5 would be approximately $66 million and that we have approximately 66,000 employees in this category. That would be $1,000 an employee and not $100, as the gentleman stated.

Mr. HENDERSON. I stand corrected there are 670,000 wage board employers. The gentleman is right.

Mr. Chairman, this is an important benefit for the employees. I think the majority of this House would prefer that this increase be effective immediately. I think the case has been made for the immediate increase, but we took into account the problems of budgeting the additional pay increases and—this is a great tribute to the Federal employees in the blue collar area—we feel confident that they will continue to perform and to produce for the Federal Government with the assurance that they will get the 4 percent 2 years from now. They feel that they are entitled to it now in the light of the history of the other Federal employees' increases, to say nothing of those in the private sector.

Mr. Chairman, I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BROOKS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 9092) to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes, pursuant to House Resolution 553, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROSS moves to recommit the bill H.R. 9092 to the Committee on Post Office and Civil Service.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H.R. 9092 and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CONFERENCE REPORT ON H.R. 7960, NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT OF 1972

Mr. MILLER of California submitted the following conference report and statement on the bill (H.R. 7960) to authorize appropriations for activities of the National Science Foundation, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 92–412)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7960) to authorize appropriations for activities of the National Science Foundation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1972, for the following categories:

(1) Scientific Research Project Support, $271,000,000.

(2) Specialized Research Facilities and Equipment, $9,300,000.

(3) National and Special Research Programs, $144,600,000.

(4) National Research Centers, $40,200,000.

(5) Computing Activities, $17,500,000.

(6) Science Information Activities, $9,800,000.

(7) International Cooperative Scientific Activities, $4,000,000.

(8) Intergovernmental Science Programs, $1,000,000.

(9) Institutional Support for Science, $28,800,000.

(10) Science Education Support, $99,300,000.

(11) Planning and Policy Studies, $2,700,000.

(12) Program Development and Management, $24,300,000.

SEC. 2. Notwithstanding any other provision of this Act—

(1) not less than $2,000,000 of the sum stipulated in section 1 for Science Education Support shall be available for the "Student Science Training" program;

(2) not less than $4,000,000 of the sum stipulated in section for Science Education Support shall be available for the "Undergraduate Research Participation" program;

(3) not to exceed $59,000,000 of the sum stipulated in section 1 for National and Special Research Programs shall be available for the "Research Applied to National Needs" program.

SEC. 3. Appropriations made pursuant to authority provided in sections 1 and 5 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

SEC. 4. Appropriations made pursuant to this Act may be used, but not to exceed $5,000, for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 5. In addition to such sums as are authorized by section 1, not to exceed $3,000,000 is authorized to be appropriated for the fiscal year ending June 30, 1972, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 6. No funds may be transferred from any particular category listed in section 1 to any other category or categories listed in such section if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 1 from any other category or categories listed in such section if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(A) a period of thirty days has passed after the Director or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(B) each such committee before the expiration of such period has transmitted to the Director written notice to the effect that such committee has no objection to the proposed action.

SEC. 7. (a) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has been convicted by any court of record of any crime which was committed after the date of enactment of this Act and which involved the use of (or assistance to others in the use of) force, disruption, or the seizure of property under control of any institution of higher education to prevent officials or students in such institution from engaging in their duties or pursuing their studies, and that such crime was of a serious nature and contributed to a substantial disruption of the administration of the institution with respect to which such crime was committed, then the institution which such individual attends, or is employed by, shall deny for a period of two years any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c). If an institution denies an individual assistance under the authority of the preceding sentence of this subsection, then any institution which such individual subsequently attends shall deny for the remainder of the two-year period any further payments to, or for the direct benefit of, such individual under any of the programs specified in subsection (c).

(b) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has willfully refused to obey a lawful regulation or order of such institution after the date of enactment of this Act, and that such refusal was of a serious nature and contributed to a substantial disruption of the administration of such institution, then such institution shall deny, for a period of two years, any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c).

(c) The programs referred to in subsections (a) and (b) are as follows:

(1) The programs authorized by the National Science Foundation Act of 1950; and

(2) The programs authorized under title IX of the National Defense Education Act of 1958 relating to establishing the Science Information Service.

(d) (1) Nothing in this Act, or any Act amended by this Act, shall be construed to prohibit any institution of higher education from refusing to award, continue, or extend any financial assistance under any such Act to any individual because of any misconduct which in its judgment bears adversely on his fitness for such assistance.

(2) Nothing in this section shall be construed as limiting or prejudicing the rights and prerogatives of any institution of higher education to institute and carry out an independent, disciplinary proceeding pursuant to existing authority, practice, and law.

(3) Nothing in this section shall be construed to limit the freedom of any student to verbal expression of individual views or opinions.

SEC. 8. This Act may be cited as the "National Science Foundation Authorization Act of 1972".

And the Senate agree to the same.

GEORGE P. MILLER,
JOHN W. DAVIS,
EARLE CABELL,
JAMES G. FULTON,
CHARLES A. MOSHER,
Managers on the Part of the House.

EDWARD KENNEDY,
CLAIBORNE PELL,
THOMAS F. EAGLETON,
ALAN CRANSTON,
WINSTON PROUTY,
PETER H. DOMINICK,
BOB PACKWOOD,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7960) to authorize appropriations for activities of the National Science Foundation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managersand recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause in the House bill and substituted new language. The Committee of Conference agreed to accept the Senate amendment with certain amendments and stipulations proposed by the conferees.

For Fiscal Year 1972, the National Science Foundation requested authorization in the amount of $619,000,000. This figure is exclusive of $3,000,000 to be made available in excess foreign currencies. The latter brought the total request to $622,000,000.

The House approved a one-year authorization for Fiscal Year 1972 in the amount of $622,000,000. The Senate approved a two-year authorization which included $706,500,000 for Fiscal Year 1972 and $907,000,000 for Fiscal Year 1973.

The Committee of Conference recommends $655,500,000 for Fiscal Year 1972. No amount was authorized for Fiscal Year 1973. To this sum the Managers on the part of the Senate and of the House agreed. The amount agreed to by the Committee of Conference is $33,500,000 more than authorized by the House, $51,000,000 less than authorized by the Senate for Fiscal Year 1972 and $958,000,000 less than authorized by the Senate for fiscal years 1972 and 1973.

Specific action taken by the conference was as follows:

(1) For *Scientific Research Project Support*, the budget request of the National Science Foundation was $257,800,000. The House authorized $246,100,000. The Senate authorized $292,800,000. The conferees approved $271,000,000. This amount is $13,200,000 above the Administration request and will permit the Foundation to assume much quality basic research which is being terminated by mission-oriented agencies.

(2) For *Specialized Research Facilities and Equipment*, the Foundation requested $5,800,000. The House provided $9,300,000, while the Senate approved the Foundation's requested figure of $5,800,000. The purpose of the increase of $3,500,000 by the House, concurred in by the Senate, is to permit the Foundation to move more efficiently in the provision of facilities and equipment requiring considerable lead time.

(3) For *National and Special Research Programs*, the Foundation's request was $166,600,000. The House approved $136,000,000, while the Senate approved the full amount requested. The entire difference of $30,600,000 involved the program "Research Applied to National Needs" (RANN), for which the Foundation requested $81,000,000. The conferees agreed upon $59,000,000 for RANN, which is $8,600,000 more than approved by the House and $22,000,000 less than approved by the Senate. This action of the conference brings the total authorization for the category National and Special Research Programs to $144,600,000.

(4) For *Institutional Support of Science*, the Foundation's budget request was $12,000,000. The House increased this request to $28,800,000. The Senate further increased the request to $34,500,000. Both the Senate and House feel that the rapid reduction in this program from Fiscal Year 1971 by the Foundation was unwarranted, the rate of decrease being almost 70%. The conferees agreed on the House figure of $28,800,000.

(5) For *Science Education Support*, the amount requested by the Foundation was $77,300,000. The House approved $99,300,000 for this category and the Senate increased the figure to $104,300,000. Here again, both the Senate and House feel that the elimination of or reduction in a number of valuable education programs would be unwarranted and short-sighted. The Senate accepted the House figure of $99,300,000, which is $22,000,000 above the Foundation's request.

(6) While the Senate concurred in a one year authorization rather than two years, the conferees agreed to the following: The Committee of Conference requests the National Science Foundation to provide the Congress with a two year budget projection, including justification for same, covering the fiscal years 1973 and 1974; such projections should be made available to the Senate Committee on Labor and Public Welfare and the House Committee on Science and Astronautics during the period in which they will be considering the Foundation's request for funding.

(7) The bill as passed by the House contained a line-item budget with a provision that no funds could be transferred from one category to another without appropriate notification in advance to the Senate and House. The Senate amendment authorized the Foundation's 1972 budget in a lump sum, earmarking specific amounts for Institutional Support for Science and Science Education Support. Conferees agreed to retain the line-item budget and the requirement for advance notice of transfers. They further agreed that such notice need not be given if the amount to be transferred into or out of any category of the line-item budget is 10% or less of that category.

(8) The bill as pasesd by the House contained provisions that (a) not less than $2,000,000 of the Science Education Support category should be available for the "Student Science Training" program, (b) not less than $4,000,000 of the sum authorized for Science Education Support should be available for the "Undergraduate Research Participation" program, and (c) no funds in excess of $50,400,000 could be utilized for the RANN program. The Senate amendment contained no such provisions. Conferees agreed to the House provisions, but, as noted in the foregoing (3), increased the RANN ceiling to $59,000,000.

(9) The House authorized the Director of the National Science Foundation $2,500 for official consultation and extraordinary expenses. The Senate amendment increased this amount to $7,500. Conferees agreed to approve $5,000 for this purpose.

(10) The bill as passed in the House contained a provision that no funds appropriated pursuant to this Act could be used for any program which had not been presented to or requested of the Senate Committee on Labor and Public Welfare and the House Committee on Science and Astronautics without proper notification and a 30-day waiting period. The Senate amendment contained no such provision. Conferees agreed with the Senate amendment and this provision was deleted.

(11) The bill as passed by the House contained a provision relating to restraints to be applied to persons attending or employed by institutions receiving funds thereunder who violate the law or the regulations of the institution. The Senate amendment contained no similar section. Conferees agreed to retain the provision as passed by the House, which is similar to others enacted in connection with major Federal programs of higher education.

George P. Miller,
John W. Davis,
Earle Cabell,
James G. Fulton,
Charles A. Mosher,
Managers on the Part of the House.
Edward Kennedy,
Claiborne Pell,
Thomas F. Eagleton,
Alan Cranston,
Winston Prouty,
Peter H. Dominick,
Bob Packwood,
Managers on the Part of the Senate.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT AND APPALACHIAN REGIONAL DEVELOPMENT ACT EXTENSIONS

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 561 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 561

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9922) to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, and all points of order against section 208 of said bill for failure to comply with the provisions of clause 4, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 9922 it shall be in order in the House to take from the Speaker's table the bill S. 2317 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 9922 as passed by the House.

The SPEAKER. The gentleman from Texas (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. Quillen) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 561 provides an open rule with 1 hour of general debate for consideration of H.R. 9922, the purpose of which is to extend the Public Works and Economic Development Act—EDA—and the Appalachian Regional Development Act. All points of order are waived against section 208 of the bill for failure to comply with the provisions of clause 4, rule XXI—appropriation in a legislative bill. The bill will be read for amendment by titles instead of by sections and, after passage, it shall be in order to take S. 2317 from the Speaker's table and move to strike all after the enacting clause and amend the Senate bill with the House-passed language.

EDA provides Federal financial and technical assistance, in cooperation with the States, for the creation of new jobs.

Grants are authorized for public works and development facilities conducive to the development and operation of private enterprise.

New criteria is established for designating so-called special impact areas which would be eligible for financial assistance and requirements for a long-range program are waived.

Eight hundred million dollars is authorized for grants and supplementary grants for public works and development facilities for each of the fiscal years 1972 and 1973. Any unused authorization for which appropriations are not made in 1972 may be appropriated in fiscal year 1973.

Not less than 25 percent nor more than 35 percent of appropriations for fiscal years 1972 and 1973 shall be spent in special impact areas to assist the Secretary in maintaining a proper balance between projects that are necessary for long-term development programs and projects to assist in providing urgently needed employment.

Special impact area projects would include those providing immediate work for unemployed and underemployed persons. In those areas grants-in-aid for local public works involving local cost sharing can be made to cover up to 80 percent of the costs, with a proviso that a 100-percent grant can be made if the State or local government has exhausted its effective taxing and borrowing capacity for such purposes.

It is my understanding that the bill is $1½ billion less than S. 575, which was vetoed, and does not include the Public Works Acceleration Act provisions which were in title I of that bill.

Mr. Speaker, I urge the adoption of the rule.

Mr. QUILLEN. Mr. Speaker, I rise in support of House Resolution 561 which makes in order for consideration of H.R. 9922 with an open rule and 1 hour of debate.

The purpose of the bill is to extend for 2 years the Economic Development Act, and to extend the Appalachian Regional Development Act for 4 years, and that act's highway program for 5 years.

The bill is a substitute for S. 575, which contained a $2 billion accelerated public works program as well as the extension of the two acts. That bill was vetoed on June 22 and an effort to override failed.

Title I of the bill extends the Economic Development Act for 2 years and authorizes $800 million for each of fiscal 1972 and 1973. This is an increase of $500 million above S. 575 over the 2-year period. Funds would be available for public works construction grants throughout the country. Business loans and technical assistance grants are also available. The bill provides that in each fiscal year not less than 25 percent or more than 35 percent of the funds appropriated shall be expended in special impact areas, areas defined as those with high unemployment. These earmarked funds are to be used on projects which will quickly provide jobs for the unemployed of the area.

Language in the bill provides that for projects in financially distressed areas 80-percent grants shall be made, and that in communities which have exhausted their taxing and borrowing capacity, 100-percent grants may be made.

Title II extends the Appalachian Regional Development Act for 4 years, through June 30, 1975, and the regional highway program for 5 years. Programs for which grant assistance will be available, in addition to highway construction include, airport improvements, filling of abandoned mines and reclamation of strip mine areas, land acquisition or construction projects for industrial development and expansion.

Mr. Speaker, I was one of the original supporters of the Appalachian program when it was initiated in 1965 and I heartily support its continuation. I would like to dwell on some of the accomplishments of the Commission and look to the future, as well as describe one of the Appalachian Regional Commission's projects in my own district in Tennessee.

The Appalachian Regional Commission itself is unique. From the moment of its inception and throughout its 6 years of operation the Federal Government and the Appalachian States have worked in tandem to bring to the people of Appalachia a better way of life and to make the citizens of that area healthy, productive Americans rather than allowing them to be doomed forever to an endless cycle of welfare checks.

One of the finest examples of how the Appalachian Regional Commission serves the people of Appalachia recently occurred in a small community called Big Springs in Hancock County in Tennessee's First District—my home district.

Through the coordinating efforts of the Commission—and I would like to take this opportunity to say that Federal Cochairman Donald W. Whitehead was instrumental in assisting in the Big Springs project and I think he is a credit to the program—the 163 residents of Big Springs now have a direct link to their county seat of Sneedville with the construction of a bridge over the Clinch River. For over 100 years these people were isolated from the outside world and were forced to drive 36 miles out of their way through Virginia to reach their county seat.

The schoolchildren of Big Springs who before the approval of the bridge had to cross the Clinch River in the dead of winter in a leaky wooden boat, now will have a bridge that their school bus can cross. This could not have been done without the fine catalytic effect of the Appalachian Commission's unique mechanism.

This mechanism can be very simply stated—cooperation. Cooperation and coordination at all levels of government, Federal State, and local, has been the hallmark of the Commission's operations. And that model has furnished impetus for the President's plan to revitalize the rural parts of America.

Each planning and development district and each State in the 13-State Appalachian region prepares and yearly updates an overall development plan. This document serves to structure the development of the region, insuring that all relevant factors such as economic, social, environmental, and geographical problems are fully and adequately considered. From these plans, which areas develop themselves—that is the local governmental and civic and health leaders—that the work of the Commission and the States is organized.

The Commission was instrumental in assisting with construction of the Carter County Memorial Hospital in Elizabethton, Tenn. Unicoi County owes much to the Appalachian program for the splendid assistance, both technical and financial, for the Unicoi County Area Vocational Education School. These are just a few examples of the effectiveness of the Appalachian Regional Commission in my district.

The impact of the Commission's vocational education program has been substantial. The National Advisory Council on Vocational Education in its fifth report dated June 21, 1971, stresses the need for career education. This report is also critical of the low budgetary priority that is given to vocational education.

Both of these criticisms do not apply to the Appalachian Regional Commission. In fact, the report's recommendation on what should be done at the national level, is being done in the Appalachian region. Although the vocational education program is limited to construction and equipment purchase, the Commission has insisted that the school systems receiving Appalachian Commission assistance operate only those courses which lead to jobs that currently exist in the job market. As for budget priority, the vocational education program of the Commission has expended more money in vocational education than any other area of its activities with one exception.

The Commission's goal for the region has been to have within the early 1970's facilities to permit 50 percent of the 11th and 12th grade students to enroll in job-relevant vocational education courses. This goal is based on a related objective that the region can attain the national average of 50 percent of high school students going to college. The Commission has come close to meeting this goal and is moving to further improve course offerings and to use its vocational education funds to improve technical and post-high school vocational opportunities.

Mr. Speaker, the legislation many of my colleagues and myself voted for in 1965 is beginning to become a reality and I feel that the passage of H.R. 9922 will help this dream for Appalachia be fulfilled.

Much yet remains to be accomplished but much has already been done. In his veto message on S. 575, the first extension passed by the Congress, the President indicated in no uncertain terms that his reasons for sending the measure back to the Senate were not related to the Appalachia program. We now have the opportunity to breathe new life into this worthwhile program. And, I say worthwhile because the Appalachian Regional Commission uses only 1.25 percent of its total funds in administering the program—the rest of the funds go for improving the lot of the Appalachian people I am pleased to be closely associated with this fine bill and offer it my wholehearted endorsement.

Cost estimates totaling $3,992,500,000 are as follows:

Title I.—Economic Development Act

1972	$1,222,750,000
1973	1,222,750,000

Title II.—Appalachian Regional Development Act

1972	$152,350,000
1973	162,350,000
1974	338,650,000
1975	343,650,000
1976	185,000,000
1977	185,000,000
1978	180,000,000

This is a committee estimate; no agency or department submitted any figures. The vetoed bill authorized $5,500,000 over the same time period.

Mr. Speaker, I have no further request for time, but I reserve the balance of my time.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9922) to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9922, with Mr. SLACK in the chair.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Minnesota (Mr. BLATNIK) will be recognized for 30 minutes and the gentleman from Ohio (Mr. HARSHA) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. BLATNIK).

Mr. BLATNIK. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I appear before this distinguished body in support of H.R. 9922 as reported by the Committee on Public Works. This bill is substantially titles II and III of S. 575 which the President recently vetoed. Although the President disagreed with title I which contained the Public Works Acceleration Act Amendments of 1971 he concurred with the titles II and III of S. 575.

I hope that H.R. 9922 will be signed by the President for we have gone a long way in attempting to meet the objections stated in his veto message.

There should be no doubt in anyone's mind that we need this legislation. It extends the basic authority for two important economic development acts which have demonstrated their value to many of the Nation's distressed areas. It also provides funds for the construction of public facilities in areas especially hard hit by recent unemployment. While the amount of construction grant funds is not as large as some of us believe to be necessary, they will permit a start in providing useful work to some of our unemployed who are now on unemployment compensation or welfare.

I should first like to express my appreciation to my colleagues on both sides of the aisle for their assistance and cooperation in developing the bill now before you. I would particularly like to commend my colleagues BOB JONES of Alabama, and ED EDMONDSON of Oklahoma and the ranking minority member of the House Public Works Committee, the Honorable WILLIAM H. HARSHA of Ohio. I might say there is complete agreement that H.R. 9922 is vitally needed economic development legislation which will have an important impact on the economy and should be passed promptly.

I would like now to comment briefly on changes proposed in the Public Works and Economic Development Act of 1971 amendments—title I—of H.R. 9922 compared with S. 575 passed by this House on June 15, 1971.

Title I will extend the Public Works and Economic Development Act of 1965 through June 30, 1973. Title II will extend the Appalachian Regional Development Act through June 30, 1975, except in the case of the highway provision which is extended through the fiscal year 1978. These programs were continued beyond their expiration date, June 30, 1971, by a temporary resolution which will terminate upon the enactment of the appropriation bill for the Department of Commerce. Because this could occur shortly it is important that the legislation be enacted quickly.

Title I includes additional amendments to the Public Works and Economic Development Act of 1965 that go beyond those contained in S. 575 by providing additional authority and funds to assist so-called special impact areas confronted with serious employment and underemployment problems. The major changes are:

First. The authorization for public works grants and supplementary grants is increased from $550 million for each of the fiscal years 1972 and 1973 to $800 million for each year. This means that the bill will make available a total of $500 million for the 2 year period over that originally proposed.

Second. Provides that at least 25 percent and not more than 35 percent of the public works grants appropriations would be available annually for so-called special impact areas. This is intended to maintain a proper balance between projects that are necessary for long term economic development and projects that are undertaken to assist in providing urgently needed employment.

Special impact areas are communities which are confronted with one of the following conditions: Have been affected by an actual or threatened abrupt rise in unemployment; are rural in nature, with substantial out-migration; have large concentrations of low-income families, and have substantial unemployment.

The criteria for designating a special impact area are identical to those in S. 575. These areas would not however be required to have an overall economic development program. The waiver of an overall plan should expedite getting this program underway quickly once funds have been appropriated.

Assuming the full amount is appropriated, and I find it hard to believe otherwise because of the severe unemployment problem, somewhere between $200 and $280 million could be used in each of the fiscal years 1972 and 1973 to provide immediately useful work in special impact areas. This would include the type of projects that we expected would be constructed under the Accelerated Public Works Act amendments, had they been approved by the President, such as sewers, water treatment, nursing homes, and other community facilities. However, they would not necessarily be limited to those which are directed toward long-term economic development for the area. The overriding construction requirement is that they must provide useful and immediate work for the unemployed and underemployed persons in the area.

Third. Permits the Secretary to make 100-percent grants in special impact areas where the community is confronted with serious financial problems affecting their ability to raise 20 percent of the funds. This is identical to language used in the Accelerated Public Works Act amendments contained in 575.

This language will correct one of the serious weaknesses revealed by our experience with the Accelerated Public Works Act of 1962 when we found that some communities that had the greatest need for construction grants were not able to finance their share. Undoubtedly some of the special impact areas may need this type of financial assistance. However, we would expect that it would only be used when there is a demonstrated need and the evidence shows no other recourse to be available.

I should like to emphasize, as the committee report clearly states, that we expect that local contractors will be used to the fullest extent possible and projects selected would be of small and medium size particularly those employing substantial amounts of local labor. This is to insure that such projects would have an immediate effect on areas having high unemployment.

Title II which extends the Appalachian Regional Development Act is identical to that contained in S. 575. I think no further explanation on my part is required.

The total authorizations contained in the bill amount to $3,992,500,000. I am inserting in the RECORD a statement showing the cost of each section of the bill.

In closing I should like again to call attention to the fact that we have almost 5 million unemployed persons. The $250 million of additional funds included in this bill for each of the fiscal years 1972 and 1973 for the Public Works and Economic Development Act of 1965 should assist in providing needed construction work in some of our most seriously affected unemployment areas. I sincerely hope that the employment situation will improve. However, if early in the next session of Congress unemployment were to remain at existing levels the House Public Works Committee will reexamine this legislation to determine whether the proposed authorization of $800 million for public construction grants should be increased. I hope that this will not be necessary but the decision will depend on how successful the administration has been in using the economic tools which the Congress has provided.

I should like to call the Members' attention to certain typographical errors in the committee report accompanying H.R. 9922.

On the first page, second paragraph, under the heading "Background" the second reference to the Public Works and Economic Development Act Amendments of 1971 should have been a reference to the Appalachian Regional Development Act Amendments of 1971.

On page 2, under the heading "Committee Action" on the fifth and sixth lines, the words "retailed not redesignation" should read "retained but redesignated".

Under that center heading, any reference to "5575" should be a reference to "S. 575".

AUTHORIZATIONS OF H.R. 9922

[In thousands of dollars]

TITLE I.—THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Section of—		Amount
103	Grants and supplementary grants:	
	Fiscal year 1972	$800,000
	Fiscal year 1973	800,000
	Total	1,600,000
104	Public works and business loans Maximum for:	
	Fiscal year 1972	170,000
	Fiscal year 1973	170,000
	Total	340,000
105	Technical assistance and research:	
	Fiscal year 1972	50,000
	Fiscal year 1973	50,000
	Total	100,000
108	Assistance for economic development centers and 10 percent bonus for districts:	
	Fiscal year 1972	$50,000
	Fiscal year 1973	50,000
	Total	100,000
109	Assistance for title V regions, fiscal year 1972 and 1973	305,000
110	Planning, Alaska Federal Field Commission, fiscal year 1972 and 1973	500
	Total of title I	2,445,500
	TITLE II—APPALACHIA REGIONAL DEVELOPMENT ACT OF 1965	
202	Commission expenses:	
	Fiscal year 1972 and 1973	$2,700
	Fiscal year 1974 and 1975	3,300
	Total	6,000
204	Development highways, access roads:	
	Fiscal year 1973	[1]10,000
	Fiscal year 1974	180,000
	Fiscal year 1975	185,000
	Fiscal year 1976	185,000
	Fiscal year 1977	185,000
	Fiscal year 1978	180,000
	Total	925,000
205	Appalachian airport safety improvements: Fiscal year 1972, 1973, 1974, 1975	40,000
212	Nonhighway programs:	
	Fiscal year 1972 and 1973	282,000
	Fiscal year 1974 and 1975	294,000
	Total	576,000
	Total of title II	1,547,000
	Title I	2,445,500
	Title II	1,547,000
	Total authorizations in H.R. 9922	3,992,500

[1] Increase.

Mr. PERKINS. Mr. Chairman, will the distinguished gentleman yield?

Mr. BLATNIK. I am pleased to yield to the distinguished gentleman from Kentucky, whose friendship I have valued for many years, he is a great leader as chairman of the Committee on Education and Labor.

Mr. PERKINS. I take this opportunity to compliment the distinguished gentleman from Minnesota for the perseverance that he has manifested in the handling of this legislation. To my way of thinking, the accelerated public works program was the best program for providing an immediate solution to the problem of hard core unemployment the Congress has ever enacted. I am happy the principle of the program is retained in the bill. On another point this legislation you have brought before this body is necessary if the Appalachian area is ever going to catch up with the rest of the Nation from the standpoint of economic development. It is a great piece of legislation, and I certainly want to associate myself with the remarks of the gentleman and again compliment him and the members of his committee for attending to their duties and bringing this bill to the House in this manner.

Mr. BLATNIK. I thank the gentleman very much.

Mr. TAYLOR. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the distinguished gentleman from North Carolina.

Mr. TAYLOR. Mr. Chairman, first, I wish to extend my compliments to the House Public Works Committee and to its very able chairman (Mr. BLATNIK) for the expeditious manner in which it has acted on the legislation before us here today. I am convinced that the members of this committee recognize, just as I do, the value of the Appalachian program and benefits which will be realized by extending its life.

The congressional district which it has been my privilege to represent in the House for more than a decade is located in the Appalachian section of North Carolina. I have witnessed firsthand the great progress which has already been made and can report that the people of this area have developed great faith in the Appalachian program. We cannot afford to terminate a program which has already demonstrated its ability to lift people out of their economic isolation. Throughout my district, young people and adults by the thousands are enrolled in new technical training institutes built with the aid of funds from the Appalachian Regional Commission. These must be permitted to move forward if Appalachia is to realize the lofty educational levels which have been envisioned.

From the standpoint of my own observations, the Appalachian program is meeting the special needs which prompted Congress to establish the program in 1965.

Quite frankly, I was alarmed earlier this year when President Nixon recommended that funds currently being allocated to the Appalachian program be folded into his proposed revenue-sharing plan. Certainly, this valuable asset to our Nation should not be engulfed by a program which might tend to overlook the special problems of Appalachia. Too, when Congress established the program, it made a very real commitment to the people of the Appalachian area. The Government has completed only about one-half of the program and bears an obligation and responsibility to carry it to full completion.

That is why, Mr. Chairman, that I wholeheartedly support a 4-year extension of the Appalachian Regional Commission itself and a 5-year extension of the Appalachian highway and local access road program, as recommended by the committee. I am pleased that the President has carefully reconsidered his earlier recommendations and, as I understand it, now favors extension of both the Public Works and Economic Development Act and the Appalachian Regional Development Act.

I feel that the Appalachian program has made more progress per dollar spent in the 11th Congressional District of North Carolina than any other Federal program.

Out migration from the Appalachian area has been reduced from 2.2 million between 1950 and 1960 to 1.4 million between 1960 and 1970. We want to stop this outflow of young talent from the Appalachian area and ease the problems of our large cities by providing opportunities for work and a good life available right at home. Many of our city problems have been created by people being forced by cruel economic necessity to leave areas such as Appalachia to seek employment in overcrowded urban areas.

This program is one of the Nation's best examples of teamwork by Federal, State, and local units of government. In my opinion, it is the best administered program in Washington. Its strength in part lies in its adaptability from State to State, using it to solve its own problems and to meet its own needs. Improvement programs originate locally, are matched by local funds, are approved by the Governor of the State and brought by the Governor or his representative to the Appalachian Commission for approval.

The Appalachian program has been one of the Nation's best demonstrations of how States and local units of government can make effective use of shared Federal revenue.

The Appalachian program must be extended in order to complete the task for which this State/Federal partnership was created.

Mr. BLATNIK. I thank the gentleman.

Mr. Chairman, I reserve the balance of my time.

Mr. HARSHA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of this legislation. It is a substantial improvement over S. 575, which the President vetoed. This bill is cosponsored by all the minority members on the committee. We worked this compromise out with the distinguished chairman of the Public Works Committee. Those of us on both the minority side and the majority side are vitally interested in continuing the effective programs provided by the Economic Development Administration and the Appalachian Regional Commission.

We previously continued these programs so that there would be no gap in the service to the people in Appalachia and in the economically depressed regions of the country.

In H.R. 9922, we substantially increased the flexibility of the Economic Development Administration to deal with specific special impact areas where there are instances of high unemployment or underemployment due to present economic conditions.

This is a very acceptable compromise. It continues vitally needed programs, vitally effective and successful programs. It recognizes the economic situation of the country. Those of us who were concerned with the inflationary impact of a $2 billion accelerated public works program, and those of us who thought a program of that magnitude could not reach the present-day unemployed because of the differences in the unemployed of today as opposed to several years ago, as well as other problems we saw that were commensurate with a vast, accelerated public works program, worked out this compromise bill which recognizes these problems.

On the other hand, there were those who had a very honest difference of opinion. We have something in this bill that will meet their needs. I think I can assure my colleagues the administration will sign this bill.

In this connection, the President, in his veto message on S. 575, with clear foresight, expressed his concern over the inability of title I to accomplish the ends intended. At the same time, he endorsed titles II and III, the extensions of the Public Works and Economic Development Act and the Appalachian Regional Development Act, urging Congress to act immediately "to insure that there is no gap in service to the people in Appalachia and in the economically depressed areas served by EDA."

The committee, in this bill, not only extends these vitally needed economic development programs, but also substantially improves the ability of the Economic Development Administration to deal with emergency-type unemployment problems wherever they exist throughout the Nation.

The Public Works and Economic Development Act of 1965, as stated in the report accompanying that legislation—House Report 539, 89th Congress, first session—was based upon three acts—the Area Redevelopment Act, the Public Works Acceleration Act, and the Appalachian Regional Development Act, which had recently been approved by the Congress. In its report the committee declared that the proposed legislation combined:

> The best features of two programs which have already proved to be effective ones and of a program which it believes will be as successful.

If, in the creation of the Public Works and Economic Development Act, any tool which could be used to combat unemployment was inadvertently omitted, it would have to be the flexibility of solving short-term emergency unemployment needs.

The bill before us would add this flexibility. It does so by liberalizing section 401(a) of the act to require that so-called special impact area projects provide "immediate useful work to unemployed and underemployed persons in that area." The amount of $500 million is added to the EDA authorization over the next 2 fiscal years to enable it to carry out such "special impact" projects. It should be noted, however, that even with this half billion dollar increase, because of the elimination of the $2 billion accelerated public works program, H.R. 9922 represents a net reduction in authorizations of $1½ billion.

I understand that the conferees are meeting today on the State-Justice-Commerce appropriation bill which contains an item of $293,409,000 for all EDA and title V regional programs for fiscal year 1972. This figure itself, is not in conference so it is presumed that this will be the amount appropriated. The legislation before us would authorize for EDA and the title V regions $2,445,500,000 for fiscal years 1972 and 1973. A prorated authorization for fiscal year 1972 would then be $1,222,750,000 or $929 million more than the proposed appropriated amount.

Fortunately, the committee-reported bill contains a provision which, in the case of public works grants and supplementary grants, including those to the "special impact" areas, would allow authorizations unappropriated in fiscal year 1972 to be available for appropriation in fiscal year 1973.

The Appalachian Regional Development Act instituted a regional concept to economic development in this country. The act defined the Appalachian area on the basis of physical and sociological characteristics. Appalachia, with its natural beauty and wealth in natural resources, had long suffered from a declining economy and population outmigration. The objective of the act was to provide a stimulus and give life to this lagging section of the Nation.

The key to the Appalachian Regional Commission work is local involvement. Local people and the States determine where the block grant money will be spent. This requires vigorous participation and a heavy commitment by local citizens to carry out these projects.

Since its inception, the Appalachia Regional Development Act has helpe to transform this region from an are dependent on only a few resource oriented industries to one employing a variety of labor skills and production techniques.

Tied to the objective of expanding the economy of the Appalachian region are programs for health improvement and vocational and technical training. Assistance to 260 vocational and technical educational centers and 231 health facilities to improve the quality of human resources in the area have been approved.

In its implementation, the Appalachian Act has concentrated commercial development investments in areas of high growth potential. Such areas are selected by the individual States themselves. The Appalachian Regional Commission believes that this strategy maximizes the impact and benefits of its economic programs.

I firmly believe that the record of accomplishment of the Appalachian Regional Development Commission proves that State and local governments can and do have the capacity to make the Federal-State-local partnership work.

The programs administered under the Economic Development Administration, the Appalachian Regional Development Commission, and the so-called title V regions, are now operating under a continuing resolution. I urge all my colleagues to join with me in voting for the extension of these vitally needed, grassroots programs.

They are essential to the balanced economic development of our Nation.

Mr. ZWACH. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Minnesota.

Mr. ZWACH. Mr. Chairman, I thank the gentleman for yielding. I associate myself with his remarks and with the remarks of my colleague, the gentleman from Minnesota. In the Upper Great Lakes region I am fully aware of the wonderful work that has been done in this entire area. I wholeheartedly support passage of this bill.

Mr. HARSHA. Mr. Chairman, I yield to the distinguished gentleman from North Carolina, a cosponsor of this legislation.

Mr. MIZELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it is with great pride and optimism that I rise at this time to urge my colleagues to vote for passage of H.R. 9922, a bill to extend the Appalachian Regional Commission, the Economic Development Administration and the title V regional commissions.

I speak with pride because I have the honor of cosponsoring this legislation.

I speak with optimism because I know of the great works these programs are capable of producing. Great works have characterized the past endeavors of the Appalachian Commission and its companion programs, and great works are sure to distinguish their future efforts.

I am especially excited by the prospect ing the Appalachian Regional mission for another 4 years. As I e often said, in this chamber and where, I can think of no program, out of more than 1,100 throughout the Federal Government, in which money is better spent, in which people are more directly benefited or consulted, or in which the Government assistance concept is better applied than the program conducted by the Appalachian Regional Commission.

Its influence can be readily seen in the vast array of facilities that have become symbols of progress in the Fifth District of North Carolina, which I am privileged to represent, and throughout the Appalachian region.

One need only look at the ever-growing network of Appalachian development highways, or the primary and secondary access roads throughout the region, or the new hospitals, vocational schools, community colleges, regional health centers, water and sewage treatment plants, airports, and other facilities that have spurred development of this region to see that, in a relatively short time, the Appalachian Commission has distinguished itself as an agent of change and a sorely needed instrument of progress.

And it is for this reason that I am so gratified to see this legislation brought again to the floor for our approval.

The Senate has already voiced its approval for the extension measure, and we at last have the opportunity to join that body in an overwhelming expression of support for this worthwhile program.

After only 6 years' involvement in such a massive venture as that undertaken by the Appalachian Regional Commission, it is hard to say how great an effect its existence has had or will have on the vast Appalachian region.

I believe the program has won the right to be continued, so that we may better see the results of the regional development concept, and so that we may hopefully see more fruits of a great labor.

I urge my colleagues to vote with me for passage of this extension legislation.

Mr. HARSHA. Mr. Chairman, I yield to the distinguished gentleman from Tennessee, another cosponsor of this legislation.

Mr. BAKER. Mr. Chairman, I rise in support of H.R. 9922. I am pleased to be a cosponsor of this new bill because it confines itself to the extension of those programs which have been tested and have proved their worth in pumping new life into those areas of the country where for one good reason or another there has been a slackening of the economic pace.

We all know the circumstances under which this particular legislation comes to the floor for debate. I supported the President's veto of S. 575 because of the provision to revive the Public Works Acceleration Act of 1962 and commit $2 billion to WPA-type jobs. There are pockets of unemployment in the country and they need attention, but the kind of jobs provided under the public works umbrella would not help the aerospace jobless or those in defense-oriented industries adversely affected by the winding down of the war.

I commend the wisdom of drafting new legislation which eliminates the objectionable WPA feature and, instead, extends the Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965. Both of these extensions are urgent. We need to keep these programs ongoing and viable.

Mr. Chairman, all 10 counties of the Third Congressional District of Tennessee are in Appalachia. I have seen firsthand what the implementation of these special programs can do to upgrade communities and promote greater economic activity.

Three of the counties of the Third District have qualified for full assistance under the Economic Development Act in the past, and just last month EDA designated a 10-county area of southeast Tennessee as an economic development district of which Chattanooga in Hamilton County and the Cleveland-Athens corridor in Bradley and McMinn Counties will be growth centers.

This is the Southeast Tennessee Development District and encompasses these counties of the congressional district I represent: Bledsoe, Bradley, Hamilton, McMinn, Marion, Meigs, Polk, Rhea, and Sequatchie. Four of these counties—Bledsoe, Meigs, Rhea, and Sequatchie—have been designated as a redevelopment area and are eligible for full EDA assistance, including public works grants and loans, business loans, planning grants, and technical assistance. The most tangible benefit to this area will be 10 percent bonus from EDA to each of the special redevelopment area counties for funding and staffing qualified EDA projects.

It is evident that this area of Tennessee is depending upon the special assistance which can be channeled through these pipelines. Since the inception of the Appalachian Regional Development Commission and the Economic Development Act, the Third District has received $5.5 million in funds for public facilities such as the Athens State Area Vocational Facility, the Bradley County area vocational educational program, and Chattanooga's new Orange Grove School. These vocational and technical schools are helping meet more than 40 percent of the region's manpower need. A similar contribution is being made through health facilities such as the Meigs County Public Health Center and Bledsoe County Hospital in Pikeville which I recently helped dedicate.

I can be forgiven, I am sure, for concentrating on the benefits to the congressional district I represent, but I am aware of what has gone on in the entire Appalachian region.

When one views the great progress of the Appalachian experiment in the last 5½ years, he can easily be astounded: 233 health facilities; 260 vocational and technical schools; 157 higher education facilities; 185 water pollution control facilities; 85 libraries; 49 airports; 37 grants for school equipment; and 71 other public improvements have benefited from Appalachian program dollars. These accomplishments represent an awesome response by the participating State and local jurisdictions to the opportunites offered by the Appalachian Act. Likewise they represent an enormous commitment of time, energy, and very scarce resources by those governments and by the districts.

Mr. Chairman, the bill we have before us today is necessary to carry on projects in economically depressed areas in many States. Because I am intimately familiar with what it has done in Tennessee and neighboring States, I can make a strong recommendation for the passage of H.R. 9922 so that these extensions can be made. I urge my colleagues to act favorably on this legislation.

Mr. HARSHA. Mr. Chairman, I reserve the balance of my time.

Mr. BLATNIK. Mr. Chairman, I yield to the gentleman from South Carolina (Mr. DORN), another cosponsor of the legislation, such time as he may consume.

Mr. DORN. Mr. Chairman, I rise in support of this bill.

Mr. Chairman, I commend my distinguished chairman for the outstanding job he has done in bringing this bill to the floor. I can fully and enthusiastically recommend this legislation.

Mr. Chairman, the Appalachian program has been the most successful and dynamic example of economic development legislation during my 23 years in the Congress. I urge the House to pass this bill by an overwhelming majority in order that its final approval will be assured and so that it will be signed into law at the earliest possible moment.

The Appalachia program has been a grassroots initiative program, Mr. Chairman. And the Appalachia concept is truly "revenue sharing" in action, because local planning has been complemented by Federal financial assistance.

There is a spirit of hope and progress in Appalachia, due in no small part to this dynamic program. The Appalachia program has been responsible for the planning and partial completion of an essential system of development highways, such as the fabulous South Carolina Route 11 which will provide access to the billion-dollar development at Keeoway-Toxaway. Appalachia is truly on the move, with the construction of many new medical and education facilities through assistance of this great program.

Mr. Chairman, again I wish to commend our dynamic leader, Chairman JOHN BLATNIK for the skillful and expeditious manner in which he has handled this legislation and brought it back before the House at the earliest opportunity. In view of the current state of the economy and in view of the long-range necessity of fully developing our economy, this is timely and most urgent legislation.

Mr. BLATNIK. Mr. Chairman, I yield to the distinguished gentleman from Texas (Mr. ROBERTS) another cosponsor of the legislation, such time as he may consume.

Mr. ROBERTS. Mr. Chairman, the issue before us today does seem familiar, since in other forms twice this year this House has debated the merits of the Economic Development Act and the Appalachian Regional Development Act, and whether or not they should be extended. On both occasions the House overwhelmingly approved those proposals. However, the previous legislation contained a provision calling for an accelerated public works program. This met with disapproval within the Executive, which resulted in a veto, which the other body failed to override.

Today H.R. 9922, which we are now considering, is practically the same bill as S. 575, sans the Accelerated Public Works Act amendments. If the extension of EDA and Appalachia was considered so favorably before then, today it should be approved by even a greater margin, since the conditions we discussed at that time still exist, and in some cases have worsened. Others have discussed just what this bill contains in the way of assistance, grants, loans, and other criteria. Others have made the point that administration did not oppose titles II and III of S. 575, which are now titles I and II of H.R. 9922, with some modifications.

This is urgently required economic development legislation which will assist communities from one end of the Nation to the other. It will bring into being many sorely needed public works projects, while at the same time returning many of the unemployed to gainful employment—employment not of the "make work" type, but that which will show an end product in each case; public health facilities, sewer systems, water treatment systems, improvement of airports, and similar projects. It will be a great boon to those communities suffering extremely severe economic distress and a high percentage of unemployment than others.

I cannot urge you too strongly to stand up for H.R. 9922 and vote it into law today.

Mr. BLATNIK. Mr. Chairman, I yield to the gentleman from West Virginia, who has played a big role in development of this bill and who is also a cosponsor of this legislation.

Mr. KEE. Mr. Chairman, I thank the great and distinguished chairman for yielding.

Mr. Chairman, last week I returned from an inspection visit in my capacity as chairman of the Subcommittee on Conservation and Watershed Development, Committee on Public Works. With other members I visited several projects which were constructed under Public Law 83–566. In one area, in my home State of West Virginia, we ran into an interesting economic fact of life. One community had qualified under Public Law 566 for a watershed. At the time this project was approved the community had become economically stagnated. It seemed as if that town was faced with eventual doom, since no adequate municipal or industrial water supplies were available. An economic miracle was wrought when the new watershed made both systems a reality. Since that time that town has grown and today enjoys a booming economy—for the first time in a century. Industries have relocated there and the prosperity of the community is evident in banking statistics for the current year. Placed beside those of 10 years ago, today's financial reports show a remarkable upswing in local wealth.

Now but 9 miles distant is another community which did not benefit from this nearby watershed since relocation of a section of a Federal highway reduced the benefit-cost ratios below that permitted by law. This small town today is even smaller than a decade ago. Not only does it not have adequate water for industry, it is eventually faced with the depletion of its municipal water supply if something is not done to prevent this from happening. Should the water shortage currently envisioned become a reality that town shall die. I would deeply regret to see Bluefield, W. Va., my hometown—a jewel among towns—wither away as have so many communities in this Nation.

I am just as sympathetic to other areas faced with similar threats to their well-being, rest assured. I use my own hometown as an example because I know what is going to happen, if something is not done for it. Under the provisions of H.R. 9922 this sword hanging over the heads of the people of Bluefield could conceivably be removed, with a municipal water system being authorized for the area. Hopefully, such a system would provide enough water so that small industries would relocate in the area; and others would stay that now are faced with moving away. That is what this bill would do. Parochial as this problem may be, I remind you that others have the same problem staring them in the face.

As a member representing one of the most economically deprived areas in the whole of Appalachia I realize the staggering problems with which we are faced. I know that our problems will not be overcome tomorrow, next month or next year. But I do know that progress is being made. We cannot, for 1 minute, afford to let that progress come to a stop. Now, at long last, those people in an area stretching from the Northeast to the Southeast and elsewhere in this Nation are beginning to see the benefits of the Economic Development Act, as well as those of the Appalachian Regional Development Act. To deprive them at this critical juncture, when those results are offering them the hope they have never had in their lives, of these programs would be cruel indeed. No one would blame them if they accused us of preventing them from receiving the benefits they so justly deserve.

Even though this help should continue, let me remind you that such help is not wasteful. It is not draining the Treasury of funds for boondoggling projects that mean little or nothing to the future. What will be built from these moneys will be necessary public works projects which the communities, were they financially able, would build on their own without outside help. They just cannot possibly do so without our help. And with our help they will be able to reestablish—or in most cases establish for the first time ever—an economic base which will return to the United States many more dollars in tax payments than they will have taken to establish that economic base.

In closing, I feel compelled to bring to your attention that portion of H.R. 9922 which calls for upgrading the safety of Appalachian airports. You all recall, I am sure, the horrible disaster of last fall when the Marshall University football team, its coaches, and supporters died in a crash that took 82 lives. This was at an airport which does not have adequate safety equipment. Just last week another crash, the cause for which has not been determined, took four more human lives. Under this provision something can be done to make the airport at Huntington, W. Va., more safe. Others are sadly in lack of even minimum equipment to permit them to be operational under the least hint of bad weather. Last week, returning to Washington by air, we had to overfly Pulaski, Va., merely because of a little fog. This, in an era when Apollo 15 is en route to the moon.

This is a most necessary bill. It must pass overwhelmingly if we in the Congress are to continue to fulfill our sacred obligation of public responsibility.

Mr. BLATNIK. Mr. Chairman, I yield to my able and respected colleague, the gentleman from California (Mr. JOHNSON), also a cosponsor of the bill.

Mr. JOHNSON of California. Mr. Chairman, as one who has consistently backed both the Economic Development Act and the Appalachian Regional Development Act I once again rise in support of the new legislation before us today. I call it "new," although but for one deletion, and one addition, it is almost the same bill we have been passing in this House since April. On both occasions the legislation passed by wide margins. Similarly the other body has realized the merits of these proposals and has seen fit to put its stamp of approval thereon—the latest vote being 88 to 2. We cannot but do likewise.

All over the country there are pockets of poverty that have existed even through times of plenty for the rest of the Nation. We must eliminate these chronic areas of underemployment and unemployment if all our citizens are to share in the wealth of the United States. No better legislation has yet to come forth than that of 1965 on the two subjects. Studies by the executive agencies charged with the responsibility for the management of the programs have shown that they are working; that progress is being made; communities are beginning to see a brighter economic future.

While successes have been scored, and in some cases dramatically, during the short 6 years of these programs, we still have much, much more to do if we are to see these matters through. Now, of all times, would be the worst possible moment to halt such remarkable progress. All too many people have lost hope. We cannot possibly permit even others who now feel they are not doomed to poverty for the remainder of their lives—as it was for their fathers before them—to throw up their hands in despair—to be left with the feeling that no one cares. We do care, all of us. Some might feel there are other ways in which our objectives may be met. If there are other ways, I have not seen them nor heard them proposed before this body. Until better solutions are found to the continuing problems of these areas we must go on with these programs. We cannot delay, since the temporary authority which has permitted them to continue pending extensions may expire at any time. Once an ongoing program comes to a halt history has proved that the results are almost catastrophic. The resulting actions that take place to wind down a particular activity are many—but to attempt to start them up again is costly and time consuming; even self-defeating in some cases.

I will vote for passage. I ask you, each and everyone of you, to do likewise.

Mr. HARSHA. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN), a cosponsor of the bill.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the legislation. I think it is the kind of compromise that has the support of the full committee. There were no changes under the Appalachian section, wherein I had a partial responsibility along with my distinguished chairman, the gentleman from Alabama (Mr. JONES).

Mr. JAMES V. STANTON. Mr. Chairman, I rise in support of the legislation and in support of the distinguished chairman of the Committee on Public Works.

Mr. Chairman, most, if not all of us, are agonizing these days as to what can be done to assist those unfortunate persons and communities suffering from what can only be called perpetual poverty. Daily we read of the distress of even more of our citizens. Just how can we do something for them is a recurring question to me. No one suffers the illusion that solutions are easy; that anything we do will immediately make everything fine once against. But, something must be done—and when matters such as H.R. 9922 come before us we realize that something is being done.

For the past 6 years progress has been made in overcoming the continuing economic woes of various segments of our society. These problems are not those that are besetting the entire Nation today, such as an unusually high unemployment rate, coupled with inflationary factors. Almost everyone who has studied our economic growth since our beginnings considered these to be but passing conditions that will eventually correct themselves, as they have in the past.

No, we are addressing ourselves to people who have never known the security of continuous employment, with retirement plans and fringe benefits. Many have made so little money that even social security seems to be but a myth to them. An example of what I am talking about is not too far from us. It wasn't until Harpers Ferry was revitalized as a national park, and restored to almost what it was in the days of John Brown, that most people in that small West Virginia town ever knew anything but continuing, grinding poverty. Today, as one of the major tourist attractions in America—and a spot that Thomas Jefferson described as one of the most beautiful in the world—Harpers Ferry is enjoying economic liberation. Maybe the trains do not stop there as often as before, but the thousands of automobiles filled with moneyspending tourists certainly do. While the rebuilding project of the town, which has brought it onto the 20th century economic plane, does not come under this legislation, I use it as an illustration of what can be done when money is wisely placed in a needy area. Other communities are also enjoying similar gains through participation in programs contained in the Economic Development Act and the Appalachian Regional Development Act. Revived areas are income-producing, tax-paying communities which can meet their financial obligations, returning more to the Federal Treasury than we will spend on them.

So while not solving the entire range of domestic problems, we can, by passing this bill, help a large part of the country seek a higher economic level on a continuing basis.

Mr. MELCHER. Mr. Chairman, when the bill extending the economic development program was previously before the House, before the veto, I inquired of the gentleman from Oklahoma whether it included authority to establish the Upper Missouri Basin Regional Economic Development Commission. I was assured that it did. To maintain the record, I want to make note that I have been given the same assurances as to the bill now before us.

All the Governors, Senators, and Representatives from the five Upper Missouri Basin States, from both political parties, have been petitioning for the establishment of such a Commission for nearly 3 years now. We appreciate the support that our colleagues in both parties in the Congress have given us, and continue to give us in the act now pending.

Mr. WOLFF. Mr. Chairman, I rise in support of H.R. 9922, which would extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

While there are many legitimate reasons to support this legislation, I am especially interested in its potential impact in the area of Long Island, N.Y., where my congressional district is located.

Nassau and Suffolk Counties, on Long Island, are in the midst of an unemployment crisis with almost 7 percent of the area working force unemployed at the present time. Moreover, there has been an extended period of high unemployment in the bicounty region.

However, Federal assistance for areas of high unemployment has heretofore been issued on the basis of statistics for standard metropolitan statistical areas. Thus Nassau and Suffolk Counties have been lumped together with all of New York City and surrounding communities. The effect of this has been to disguise the severe unemployment in the two counties and prevent the issuance of urgently needed special Federal assistance.

Now the Public Works Committee, under the vigorous and enlightened leadership of the gentleman from Minnesota (Mr. BLATNIK) has redefined, in H.R. 9922, the eligibility criteria for redevelopment areas.

Under the criteria proposed in H.R. 9922 an area could qualify simply by the presence of "substantial unemployment" regardless of "political or other subdivisions or boundaries." Clearly Nassau and Suffolk Counties would qualify for designation under the foregoing definition.

It is rewarding to me to realize that Long Island, which has been so hard hit by unemployment, will be eligible for a portion of the $800 million authorized by this bill for both fiscal years 1972 and 1973.

This is an important piece of legislation for which the Chairman and the Committee deserve to be commended. I intend to vote for it and I urge my colleagues, to do likewise.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in strong support of H.R. 9922, to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

In my judgment, this legislation, of which I am a cosponsor, represents an excellent compromise position and, in fact, would seem to be superior to that which was recently vetoed by the President.

During the process of hearings on the original bill, I recognized that an expansion of the already proven Economic Development Administration programs and Appalachia could provide the country's depressed areas with the kind of economic revitalization that was needed. To that end, I introduced H.R. 6588, which was designed to expand and enlarge on EDA's program objectives. The legislation we are considering today is quite similar to that which I proposed in March of this year.

The bill now being considered would, in my judgment, due to the language included, provide EDA with the kind of flexibility necessary to handle short-term emergency unemployment needs. With the extension of the programs provided by this legislation, new jobs and new opportunities can be created for millions of Americans.

In addition, the legislation provides for a proper balance between long-term economic development programs and the aforementioned short-term unemployment or underemployment, the latter two of which would include the so-called special impact areas, where sudden and unexpected loss of job opportunities has virtually wiped out the economics of many small- and medium-sized communities.

In these "special impact" areas, the Secretary would have the authority to assist those communities where the borrowing and taxing powers have been exhausted by providing grants-in-aid for local public works projects of up to 100 percent of the project cost. These projects could include, under these special conditions, community facilities not designed to improve the long-term economic development of the area, such as community centers, and so forth.

Mr. Chairman, our hearings clearly demonstrated the need for additional employment opportunities, as well as graphically demonstrating the viability of the EDA and Appalachia programs. I, therefore, strongly urge passage of the legislation now before us.

Mr. JONES of Alabama. Mr. Chairman, I rise in support of H.R. 9922.

I would first like to commend our chairman of the Committee on Public Works, the gentleman from Minnesota (Mr. BLATNIK) for the leadership he has given to the Congress and his expeditious handling of this legislation.

This legislation has previously been before the House and considered by this body when it considered S. 575 on June 15 of this year. The House vote on this legislation at that time was more than 2 to 1 in favor of its passage. The President subsequently on June 29, vetoed this legislation because of his objections to title I which was a continuation of the accelerated public works program. The U.S. Senate, on July 14, failed to override the Presidential veto on this legislation by five votes. Last week, on July 21, the U.S. Senate passed an almost identical bill to the one being considered today by an overwhelming vote of 88 to 2.

Today, I would like to confine my remarks to title II of H.R. 9922, which contains the amendments to the Appalachian Regional Development Act of 1965. The amendments in this bill are identical to title III of S. 575 previously passed by the House. This title of the bill basically extends the Appalachian development highway and access road program for an additional period of 5 years through fiscal year 1978. The other Appalachian programs have been broadened and extended for a period of 4 years through fiscal year 1975.

The Appalachian program has enjoyed remarkable support during the past 6 years. It has the support and approval of the Governors of the States in Appalachia, both Houses of the Congress, and the President. The reason for this support and success can be attributed to a great extent to the partnership that has been established between the Federal and State Governments. In addition, the enthusiasm demonstrated by the Governors and local authorities and the people themselves has brought about the success of the program.

It is essential to the future of the region that the basic commitments made in the Appalachian Act in 1965 be continued until completed. It is particularly critical that the development highway network as established early in the program be completed. The remarkable efforts which have been started to improve the basic levels of health and education in the region must be carried forward. To stop these efforts in midstream would be to waste millions of dollars in unfinished programs.

I would like to highlight and comment briefly on the substance of this legislation and discuss the significant changes recommended as follows.

The 1965 Appalachian Act authorized a development highway system and access road program to open up the region to commerce. Since that time, however, new Federal highway safety standards, new Federal relocation assistance requirements, and continuing inflation have all combined to increase the estimated cost of this system. Appropriations through fiscal year 1971 have totaled $820 million. Construction on about 500 miles of the system have been completed and construction is underway on another 367 miles of the little more than 2,500 miles requiring construction. It is now estimated that an additional authorization of $890 million is needed to complete the construction of this system.

The total new authorization of $925 million is provided to permit the completion of the system and to provide $35 million to continue the local access road program. The highway program has been extended for 5 more years through fiscal year 1978.

A new section is added to the Appalachian Act which establishes a program for safety improvements for Appalachian airports. Grants would be made by the Secretary of Transportation and are limited to upgrading safety facilities at existing public airports. Improvements relating to safety would be eligible for funding including removal of hazards, acquisition of safety equipment, navigational aids, and the acquisition of any land, easements, or airspace rights necessary for the project, including site preparation for navigation aids. Federal participation would not exceed 90 percent of the project cost except for navigation aids which are eligible for 100 percent assistance. The Secretary would have obligational authority to make grants which would later be liquidated by appropriations, up to a total of $40 million for the fiscal year period ending June 30, 1975.

Under the present demonstration health program the Secretary of Health, Education, and Welfare is authorized to make grants for planning constructing, equipping, and operating multicounty demonstration health, nutrition, and child-care projects approved by the Commission, including hospitals, diagnostic and treatment centers, health facilities and services. This legislation amends the health program to allow combining funds for child development services under the Social Security Act without requirements of a statewide program. It also permits a combining of Appalachian funds with other Federal funds for planning grants for projects.

The mining area restoration program has been broadened to permit grants for controlling or abating mine drainage pollution. The section has also been amended to make it clear that the reasonable value of donated land, materials, and services may be included in the computation of the local share of cost in this program. The existing 75–25 Federal-State cost-sharing ratio for restoration projects is continued.

The act provides a program to stimulate the construction of housing for low- and moderate-income families of the region by providing seed money, loans and grants for planning and other preliminary expenses of housing projects under sections 221 and 236 of the National Housing Act. This section has been rewritten and amended to permit mortgage payments as provided under section 235 of the National Housing Act and grants up to 10-percent of cost for site development and offsite improvements in order to assist in the high cost of land development caused by the Appalachian topography. The Commission has also been given direct authority to provide or contract for technical assistance in the implementation of this section.

The act now authorizes the Secretary of Health, Education, and Welfare to make grants for the construction of school facilities and for the equipping of existing and new facilities to provide vocational education in areas of the region where it is not presently available. This program is amended to permit planning, construction and operating grants for vocational demonstration projects to public nonprofit institutions.

The act presently authorizes supplemental grants to enable the States, local governments, and other eligible applicants to take full advantage of Federal grant-in-aid programs enacted on or before December 31, 1970, which assist in the construction or equipment of facilities, or the acquisition of land. This section has been amended to permit "first money" grants when funds are unavailable under the basic grant-in-aid program. Supplementary grant assistance under this section has now been made available for grant-in-aid programs enacted prior to December 31, 1974.

The act presently authorizes grants for administrative expenses of local development districts and for investigation, research, studies, technical assistance, and demonstration projects in furthering the purposes of the act. This section has been amended to permit the use of funds for construction projects when necessary to carry out research and demonstrations.

No one who visits the Appalachian region can fail to note how the junk cars mar its beautiful landscape, but a 1967 Bureau of Mines report documents the magnitude of this problem. For example, the report estimated that, excluding junk dealer inventories and scrap yards, there was one junk car for every 21 persons in the rural area of Knox County, Tenn.

Some Appalachian States have already started removing abandoned cars and other durable wastes from the roadsides, residential areas, and other places of casual dumping. More effort is needed in this area before the problem can be resolved. Five million dollars is recommended in the general authorization for the purpose of permitting pilot waste clearance demonstration projects for the purpose of developing feasible methods of clearing the countryside of this debris.

The bill authorizes administrative expenses of $2,700,000 for the fiscal years 1972 and 1973 not to exceed $525,000 for the expenses of the Federal Cochairman, his alternate, and his staff. In addition, it authorizes $3,300,000 for the fiscal years 1974 and 1975, not to exceed $575,000 for the expenses of the Federal Cochairman, his alternate, and his staff.

For the programs other than highways, airport safety, and administrative expenses, the bill authorizes $282,000,000 $294,000,000 for the fiscal years 1974 and 1975.

Consistent with the extensions provided in the bill, changes are made to extend the authority of the commission to lease office space for 4 additional years and extends the termination date of the act for other than the highway program for 4 more years.

The total new authorization for the Appalachian programs is $1,547,000,000.

Mr. ANDERSON of California. Mr. Chairman, as a coauthor of H.R. 9922, I rise in strong support of this legislation which would aid localities that are especially hard hit by unemployment.

This measure authorizes $845 million over the next 2 years in order to assist localities through public works, business loans, and technical assistance. In addition, this bill authorizes an additional $1.6 billion for public works projects—such as hospitals, schools, water and sewage treatment plants, and nursing homes—of which up to $280 million is to be used for accelerated public works projects in areas of high unemployment.

Mr. Chairman, the Los Angeles area, with unemployment approaching 8 percent, is in desperate need of, first, jobs for the unemployed and, second, funds to begin or continue urgently needed projects.

The bill, H.R. 9922, provides up to 80 percent Federal funds for areas, such as Los Angeles, which have substantial unemployment, so that they may undertake needed projects. Thus, jobs will be created and funds will be provided.

Today, we are spending over half a billion dollars a month on unemployment benefits and close to $1 billion a month on welfare—public assistance.

It seems to me that it is far more productive to provide Federal funds for areas of substantial unemployment so that they may construct essential facilities, instead of sitting on our hands and letting the unemployment and welfare rolls continue to grow.

Mr. GRAY. Mr. Chairman, I wish to commend my friend the distinguished chairman of the Committee on Public Works, the gentleman from Minnesota, JOHN BLATNIK, and the members of the forward-looking Committee on Public Works for bringing before us today H.R. 9922, one of the most important pieces of legislation to be debated in this House during this session. Once again we have the opportunity to show my people in southern Illinois and the United States that we do care about their well-being, in the areas of both health and economics. This bill will result in the construction of badly needed facilities throughout the Nation. Persons who have long since, in despair, given up hope for work will be put to use in a productive manner to create the projects authorized by this act. The committee has carefully studied the veto message of the President and has eliminated those provisions which the administration felt would not serve the purpose or the intent of previously passed bills, thereby putting before us extensions of the Economic Development Act and the Appalachian Regional Development Act, which are considered vital to our Nation by both the legislative and executive branches.

History has shown that these progressive acts have worked as Congress intended. Many communities in the Appalachian area, long suffering from depressed economies, even while the rest of the Nation enjoyed prosperity never dreamed of in this world, are now beginning to realize a revitalization process which promises to give them hope for a brighter future. It would be lamentable if we were to not extend these two titles, extend them as offered today, and continue the programs that have been made so far.

None of the features of H.R. 9922 can be called giveaways. Every dollar expended will go toward construction of highways, airport safety upgrading, sewer systems, water treatment plants, water supplies, public health facilities, and the like. The other body realized the wisdom of this legislation when it passed a similar bill by an 88-to-2 margin. They had previously failed to override the veto, so their latest vote underscores the importance of what we consider today. I urge all my colleagues in the House to support this important proposal and I urge the EDA officials to promptly carry out the provisions by approving the projects that are now pending.

Mr. BROYHILL of North Carolina. Mr. Chairman, I rise in support of H.R. 9922, to extend the Appalachian Regional Commission. I speak in favor of the extension of this act, because I have personally seen the impact this program has made on this region of the country and specifically on North Carolina and my congressional district. After watching closely the advances and directions the Commission has taken in the past 5 years, I have been impressed with its efficiency and administration. Today, I want to give my enthusiastic support to this program.

At one time or another, I have represented 11 counties which are included in the designated Appalachian area. In these areas, I have seen Appalachian funds make possible additional construction for a number of hospitals, which had previously been inadequate to meet the health needs of the community. These funds have helped to alleviate the severe shortage of trained medical personnel in this area. The improved medical facilities while making possible a greater degree of medical care for the residents, has also presented brighter opportunities so that better trained professionals might be attracted to this area.

Appalachian funds have been used to expand and to construct new vocational-education facilities in my district. These facilities have made it possible for a large number of young people to acquire marketable skills and to find employment. This training combined with the construction of miles of highways through the mountainous terrain have enabled countless young people to reach new levels of employment; thus providing them and their families with a better standard of living and an improved quality of life.

New libraries, emergency communication systems, and home health programs throughout this region are all identifiable ways to measure the accomplishments of this program. Each of these projects financed, at least in part by Appalachian moneys, have helped to bring a new dimension to the lives of the Appalachian people.

Since the inception of this program, more than 500 miles of highways have been completed, another 400 are under construction, and an additional 1,000 miles with engineering and right-of-way acquisition are in progress at this time. When completed, the 2,500 mile Appalachian highway system, along with interstate highways, will do much to end the region's crippling isolation.

A closer look at the progress of the Commission over the entire 13-State region indicates that it has been responsible for 233 new health facilities, 312 new vocational and technical education facilities, or 7,071 units of low- and moderate-income housing.

The Commission is to be commended for its role in improving job training, highway construction, medical care, and educational opportunities for the millions of residents of the Appalachian area. This bill would enable it to continue to provide assistance in these areas and it would expand the Commission's authority to provide assistance for the improvement of airport safety and housing.

We are all aware of the critical housing shortage which this Nation faces. Despite the magnitude of this problem on the national level, the degree of substandard and inadequate housing is even greater in this area. Past years of poverty and record unemployment rates have forced residents of this area to live in shacks without water, heat, or, in many cases, shelter from the weather. This bill gives the Commission the authority to work with the Department of Housing and Urban Development in making a concerted effort to see that these people have a decent place in which to live. We can afford to offer these people no less.

In addition to these tangible results of the Commission to which I have called your attention, I support the Appalachian Regional Commission because of the gains it has made in fostering a viable program of cooperative government. I have talked with people who have been served by the Commission, as well as county and municipal officials who have played a role in making the Appalachian program work. I have been favorably impressed by their comments indicating an improved attitude toward cooperative government action, as a result of their contact with the Appalachian program.

The Commission has helped to establish a meaningful partnership in government. Federal, State, and local governments are working cooperatively to plan and initiate development of a diversified economy, to provide much needed public facilties, to educate and train young people to become productive members of the labor force, and to alleviate the desperate shortage of health care services. Generating this unique spirit of cooperation among different levels of government is in itself a laudable accomplishment for which the Appalachian Regional Commission deserves credit.

It is for these reasons, that I favor an extension of the Appalachian program. The task that the Commission has undertaken is a difficult one. It has made visable progress toward this task—but the job is not complete and it will require our continued support, if it is to succeed.

Mr. HOGAN. Mr. Chairman, I rise in support of H.R. 9922 which would extend both the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

Now that we have before us a clean bill which does not include the Public Works Acceleration Act amendments, vetoed by the President earlier this year, I am hopeful that this necessary legislation will be approved speedily.

As a member of the Maryland Delegation in this Congress, I am particularly concerned with section 204 of title II—the Appalachian Regional Development Act amendments. This provision would increase the 1973 fiscal year authorization for construction of the Appalachian highway and local access roads from $170 million to $180 million. It would also extend the program for 5 more years through fiscal year 1978 by authorizing $180 million for fiscal year 1974, $185 million for fiscal year 1975, $185 million for fiscal year 1976, $185 million for fiscal year 1977, and $180 million for fiscal year 1978.

I doubt very much, Mr. Chairman, whether any of our colleagues here today will quibble with the economic importance attached to completion of this national freeway from the Ohio River Valley to the Port of Baltimore. The Appalachian region is one of the most economically depressed areas in the United States today. While our urban areas have been coping with the influx of thousands of new bodies each year, West Virginia is suffering from a population exodus.

There is no doubt but that completion of this major artery will facilitate the flow of manpower and goods to and from this rural heartland of the Eastern United States.

It is my understanding, Mr. Chairman, that West Virginia is making excellent progress on completion of her portion of the highway. In addition, Maryland is in the process of contracting for completion of the highway from Cumberland west. This would leave a major gap in the road between Hancock, Md., and Cumberland, Md. Such a large gap would greatly minimize any of the benefits expected to arise from its use.

The funding schedule in the legislation before us would authorize a sum of money wholly sufficient to fund the Federal share of the construction costs of this highway from Hancock to Cumberland. Thus, the Appalachian region would be assured of having a completed and modern road in the foreseeable future.

Mr. Chairman, I urge my colleagues to support H.R. 9922.

Mr. PRICE of Illinois. Mr. Chairman, I rise in support of the bill H.R. 9922, extending the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

Action is still needed, and additional steps must be taken in the fields of unemployment and Appalachian area development. The bill we are discussing today takes that needed action, not only by extending the existing public laws, but also by providing new measures to meet the pressing needs.

H.R. 9922 sets new criteria for "special impact" areas so that they can get financial assistance if they need it. This is one of the strong parts of the bill, I think, that it focuses its effects specifically into the areas that need the most assistance. It does this in redevelopment areas by authorizing the Secretary of Commerce to determine whether or not the communities in question are eligible for aid. The Secretary may authorize assistance to any areas that have—first, a large concentration of low income persons; second, substantial out-migration from the rural regions; third, substantial unemployment; or fourth, an actual or threatened rise of unemployment due to the closing or curtailment of a major source of income. This is the approach I have been advocating for some time.

H. R. 9922 also provides for an annual review of eligibility, so that no extra funds will be spent on areas where the economy has been stabilized. Where long-range economic development is not the goal, but a short-range boost is, this bill provides that between 25 percent and 35 percent of Economic Development Act appropriations must go toward assisting "special impact" areas. This gives the Secretary assistance in maintaining a balance between projects for long-term economic planning and projects for short-range economic betterment, such as assisting in unemployment.

St. Clair County, Ill., is eligible under title IV of the Public Works and Economic Development Act of 1965. The people of St. Clair County look to this legislation as a means of alleviating the unemployment crisis. I must concur with the committee's belief that emphasis should be shifted to local contractors and a selection of small and medium size projects, so that there is an immediate effect on St. Clair County and other areas having high unemployment. Projects such as sewer, water, and recreational facility work can be used to improve area conditions directly, while at the same time providing economic betterment and employment.

In areas of special need H.R. 9922 allows that the Federal grant-in-aid can cover up to 80 percent of the project's cost, with an added provision that it can cover the entire cost under demonstrated critical conditions where the evidence clearly shows no other reasonable resource available to the State or local government. This gives the needed flexibility to help the depressed communities which might not have the ability to cover even 20 percent of the cost.

H.R. 9922 also deals with the Appalachian area's particular problems through special projects, such as demonstrative health projects, mining area restoration, highway systems development, and assistance for planning and other preliminary expenses of proposed low- and moderate-income housing projects.

This bill authorizes $800 million per fiscal year for grants and supplementary grants to public works and development programs as compared with $550 million per year in the old law. Mr. Chairman, this increase in apportionments and the extension of time through fiscal year 1973 are urgently required. This Congress must do what is necessary to meet the challenges of unemployment and the Appalachian situation. I therefore fully agree with the committee and urge my colleagues in this Chamber to vote in favor of this legislation.

The CHAIRMAN. There being no further requests for time, under the rule, the Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Sec. 101. This title may be cited as the "Public Works and Economic Development Act Amendments of 1971".

Sec. 102. (a) Paragraph (1) of subsection (a) of section 101 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131) is amended by striking out "and" at the end of subparagraph (B), by striking out the colon at the end of subparagraph (C) and inserting in lieu thereof the following: "; and", and by adding at the end thereof the following:

"(D) in the case of a redevelopment area so designated under section 401(a)(6), the project to be undertaken will provide immediate useful work to unemployed and underemployed persons in that area.".

(b) Subsection (c) of section 101 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131) is amended by inserting immediately following the first sentence thereof the following: "In the case of any State or political subdivision thereof which the Secretary determines has exhausted its effective taxing and borrowing capacity, the Secretary may reduce the non-Federal share below such per centum or may waive the non-Federal share in the case of such a grant for a project in a redevelopment area designated as such under section 401(a)(6) of this Act.".

Sec. 103. Section 105 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3135) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and not to exceed $800,000,000 per fiscal year for the fiscal years ending June 30, 1972, and June 30, 1973. Any amounts authorized for the fiscal year ending June 30, 1972, under this section but not appropriated may be appropriated for the fiscal year ending June 30, 1973. Not less than 25 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending June 30, 1972, and June 30, 1973, under authority of the preceding sentences shall be expended in redevelopment areas designated as such under section 401(a)(6) of this Act."

Sec. 104. Subsection (c) of section 201 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

Sec. 105. Section 302 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3152) is amended by striking out "and June 30, 1971" and inserting in lieu thereof "June 30, 1971, June 30, 1972, and June 30, 1973".

Sec. 106. Section 401 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161) is amended as follows:

(1) Paragraph (2) of subsection (a) is amended by striking out "40 per centum" and inserting in lieu thereof "50 per centum".

(2) Paragraph (6) of subsection (a) is amended to read as follows:

"(6) those communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) which the Secretary determines have one of the following conditions:

"(A) a large concentration of low-income persons;

"(B) rural areas having substantial outmigration;

"(C) substantial unemployment; or

"(D) an actual or threatened abrupt rise of unemployment due to the closing or curtailment of a major source of employment. No redevelopment area established under this paragraph shall be subject to the requirements of subparagraphs (A) and (C) of paragraph (1) of subsection (a) of section 101 of this Act. No redevelopment area established under this paragraph shall be eligible to meet the requirements of section 403(a)(1)(B) of this Act:

"(7) those areas where per capita employment has declined significantly during the next preceding ten-year period for which appropriate statistics are available."

Sec. 107. The first sentence of section 402 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3162) is amended by striking out "thereof" and all that follows down through and including the period at the end of the sentence and inserting in lieu thereof the following: "of such reviews shall terminate or modify such designation whenever such an area no longer satisfies the designation requirements of section 401, but in no event shall such a designation of an area be terminated prior to the expiration of the third year after the date such area was so designated."

Sec. 108. Subsection (g) of section 403 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3171) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

Sec. 109. Subsection (d) of section 509 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3188a) is amended by striking out the period at the end of the first sentence thereof and inserting in lieu thereof a comma and the following: "and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed $305,000,000."

Sec. 110. Section 512 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3191) is amended by inserting immediately after "1971," the following: "and $500,000 for the two-fiscal-year period ending June 30, 1973,".

Sec. 111. Section 2 of the Act of July 6, 1970 (Public Law 91–304) is amended by striking out "1971" and inserting in lieu thereof "1972".

Sec. 112. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance under the Public Works and Economic Development Act of 1965.

Mr. BLATNIK (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: page 3, line 8, strike out "sentence" and insert in lieu thereof "sentences".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. BEGICH

Mr. BEGICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Begich: On page 5, strike out lines 19 through 23 inclusive and insert in lieu thereof the following:

Sec. 110. Section 512 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3191) is amended to read as follows:

"Sec. 512. There is hereby authorized to be appropriated not to exceed $500,000 for the two-fiscal-year period ending June 30, 1973, to continue the Federal Field Committee for Development Planning in Alaska for the purpose of planning economic development programs and projects in Alaska in cooperation with the government of the State of Alaska. Nothing contained in this section shall be construed as precluding the establishment of a regional commission for Alaska.".

The CHAIRMAN. The gentleman from Alaska is recognized for 5 minutes in support of his amendment.

Mr. BEGICH. Mr. Chairman, the amendment that I have just sent to the desk has the unanimous support of all the Members of the Committee. The purpose of this amendment is to conform the bill that the House is now considering to the one that the Senate passed. This amendment was adopted on the Senate floor. It makes a minor change dealing with the Alaska Field Committee.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. BEGICH. I am happy to yield to the distinguished chairman of the committee.

Mr. BLATNIK. Mr. Chairman, I want to congratulate the gentleman for calling our attention to this amendment in committee and on the floor. The House version the House agreed with the other body on funding for the Alaska Field Committee. We provide $500,000 for 2 fiscal years for the Alaska Field Committee. The other body added the words "to continue" to the language dealing with the Alaska Field Committee. We can accept this language to expedite action on the bill.

I would like to ask the ranking minority member of the committee if he will agree to accept the amendment of the gentleman from Alaska as a committee amendment.

Mr. HARSHA. I have no objection to that.

Mr. Chairman, I would like to inquire, if we accept this amendment, will that preclude us from the necessity of going to conference?

Mr. BLATNIK. That is right.

Mr. HARSHA. Mr. Chairman, I agree to accept the amendment.

Mr. BLATNIK. One side believes the amendment is agreeable and accepts it as a committee amendment.

Mr. BEGICH. I thank the chairman of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alaska.

The amendment was agreed to.

Mr. O'KONSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to congratulate the members of the committee and especially the distinguished chairman for reporting this valuable bill out.

I rise because I would like to ask a few questions as to how this bill will affect my area.

If I may have the attention of the chairman of the committee, in certain sections of my area, as the gentleman well knows, since he is a neighbor of mine, there are acutely distressed areas which need a new vocational school facility in order to develop them.

I would like to ask the chairman of the committee if they will qualify for loans and grants under this program, a vocational school?

Mr. BLATNIK. Under the criteria in the bill they would be required to apply for a grant and could qualify for at least part of a grant for construction of a vocational school.

Mr. O'KONSKI. Another question concerns an area in my district where they need hospital facilities.

Mr. BLATNIK. They would clearly be eligible for the hospital facilities. Under the bill where there is substantial unemployment priority would be given to those projects such as hospitals. This would also include projects which affect our environment such as sewage treatment plants.

Mr. O'KONSKI. I thank the gentleman and I again congratulate him for bringing out this very valuable and important piece of legislation.

The CHAIRMAN. If there are no further amendments to title I, the Clerk will read.

The Clerk read as follows:

TITLE II—APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Sec. 201. This title may be cited as the "Appalachian Regional Development Act Amendments of 1971".

Sec. 202. The second sentence of subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $2,700,000 for the two-fiscal-year period ending June 30, 1973 (of such amount not to exceed $525,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff), and not to exceed $3,300,000 for the two-fiscal-year period ending June 30, 1975 (of such amount not to exceed $575,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff).".

Sec. 203. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "1971" and inserting in lieu thereof "1975".

Sec. 204. Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended to read as follows:

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $175,000,000 for the fiscal year ending June 30, 1971; $175,000,000 for the fiscal year ending June 30, 1972; $180,000,000 for the fiscal year ending June 30, 1973; $180,000,000 for the fiscal year ending June 30, 1974; $185-000,000 for the fiscal year ending June 30, 1975; $185,000,000 for the fiscal year ending June 30, 1976; $185,000,000 for the fiscal year ending June 30, 1977; and $180,000,000 for the fiscal year ending June 30, 1978."

Sec. 205. There is inserted after section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) a new section as follows:

"APPALACHIAN AIRPORT SAFETY IMPROVEMENTS

"SEC. 208. (a) In order to provide a system of airports in the Applachian region which can accommodate a greater number of passengers in safety and thereby increase commerce and communication in areas with developmental potential the Secretary of Transportation (hereinafter in this section referred to as the 'Secretary') is authorized to make grants to existing airports for the purpose of enhancing the safety of aviation and airport operations.

"(b) Such airport safety improvement projects may include (A) approach clearance, the removal, lowering, relocation, and marking and lighting of airport hazards, navigation aids, site preparation for navigation aids, and the acquisition of adequate safety equipment (including firefighting and rescue equipment), and (B) any acquisition of land or of any interest therein, or of any easement through or other interest in airspace which is necessary for such projects or to remove or mitigate or prevent or limit the establishment of, airport hazards.

"(c) Grants under this section shall be made solely from funds specifically made available to the President for the purpose of carrying out this Act in accordance with the provisions of this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provisions of law.

"(d) Except as context otherwise indicates, words and phrases used in this section shall have the same meaning as in the Airport and Airway Development Act of 1970 and the Federal Aviation Act of 1958, as amended.

"(e) Federal assistance to any project under this section shall not exceed 90 per centum of the costs of the project, except for assistance for navigation aids which may be 100 per centum.

"(f) The Secretary is authorized to incur obligations to make grants for airport safety improvement projects, in a total amount not to exceed $40,000,000 during the period ending June 30, 1975. There are authorized to be appropriated to the President such sums as may be required for liquidation of the obligations incurred under this section."

SEC. 206. (a) The third sentence of subsection (c) of section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended by striking out "health services" and inserting in lieu thereof the following: "health and child development services, including title IV, parts A and B, of the Social Security Act. Notwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approved by the Commission, such State shall be considered as meeting such requirement".

(b) Subsection (d) of such section is amended by adding at the end the following: "The Federal contribution to such expenses of planning may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal or Federal grant-in-aid programs. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by this subsection."

SEC. 207. (a) The first sentence of subsection (a)(1) of section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended by inserting before the period at the end: "; and to control or abate mine drainage pollution."

(b) Subsection (b) of such section is amended to read as follows:

"(b) Notwithstanding any other provision of law, the Federal share of mining area restoration project costs carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. For the purposes of this section, such project costs may include the reasonable value (including donations) of planning, engineering, real property acquisition (limited to the reasonable value of the real property in its unreclaimed state and costs incidental to its acquisition, as determined by the Commission), and such other materials and services as may be required for such project."

SEC. 208. (a) The catchline for section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended to read: "ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED LOW- AND MODERATE-INCOME HOUSING PROJECTS".

(b) Subsections (a), (b), and (c) of such section are amended to read as follows:

"(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or public bodies, for planning and obtaining federally insured mortgage financing for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221, 235, or 236 of the National Housing Act, in any area of the Appalachian region determined by the Commission.

"(b) No loan under subsection (a) of this section shall exceed 80 per centum of the cost of planning and obtaining financing for a project, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, application and mortgage commitment fees, legal fees, and construction loan fees and discounts. Such loans shall be made without interest, except that any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for an insured or guaranteed loan for such project. The Secretary shall require payments of loans made under this section, under such terms and conditions as he may require, upon completion of the project or sooner, and except in the case of a loan to an organization established for profit, may cancel any part or all of such a loan, if he determines that a permanent loan to finance such project cannot be obtained in an amount adequate for repayment of such loan under this section.

"(c)(1) Except as provided in paragraph (2) of this subsection, no grant under this section shall exceed 80 per centum of those expenses, incident to planning and obtaining financing for a project, which the Secretary considers not to be recoverable from the proceeds of any permanent loan made to finance such project, and no such grant shall be made to an organization established for profit.

"(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant shall exceed 10 per centum of the cost of such project."

(c) Subsection (e) of such section is amended by striking out "The Secretary is further authorized to" and inserting in lieu thereof "The Secretary or the Commission may".

SEC. 209. (a) The catchline for section 211 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 211) is amended by adding at the end "AND VOCATIONAL AND TECHNICAL EDUCATION DEMONSTRATION PROJECTS".

(b) The first sentence of subsection (a) of such section is amended by inserting "and operation" after "equipment".

(c) Section (b) of such section is amended to read as follows:

"(b)(1) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping, and operating vocational and technical educational projects which will serve to demonstrate areawide educational planning, service, and programs. Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this Act and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

"(2) No grant for the construction or equipment of any component of a vocational and technical education demonstration project shall exceed 80 per centum of its costs.

"(3) Grants under this section for operation of components of vocational and technical education demonstration projects, whether or not constructed by funds authorized by this Act, may be made for up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such component is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of vocational and technical education demonstration projects shall be made after five years following the commencement of the initial grant for operation of the project. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3134), an education-related facility constructed under title I of that Act may be a component of a vocational and technical education demonstration project eligible for operating grant assistance under this section.

"(4) No grant for expenses of planning necessary for the development and operation of a vocational and technical education demonstration project shall exceed 75 per centum of such expenses.

"(5) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.

"(6) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal share in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection."

SEC. 210. (a) Section 214(a) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended to read as follows:

"(a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, or for which there are insufficient funds available under the Federal grant-in-aid Act authorizing such programs to meet pressing needs of the region, the President is authorized to provide funds to the Federal Cochairman to be used for all or any portion of the basic Federal contribution to projects under such Federal grant-in-aid programs authorized by Federal grant-in-aid Acts, and for the purpose of increasing the Federal contribution to projects under such programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal grant-in-aid program is proposed to be made under this subsection, no such Federal contribution shall be made until the responsible Federal official administering the Federal grant-in-aid Act authorizing such contribution certifies that such program or project meets the applicable requirements of such Federal grant-in-aid Act and could be approved for Federal contribution under such Act if funds were available under such Act for such program or project. Funds may be provided for programs and projects in a State under this subsection only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act, for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this subsection. Funds provided pursuant to this Act shall be available without regard to any limitations on areas eligible for assistance or authorizations for appropriation in any other Act. Any findings, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program."

(b) The first sentence of subsection (c) of such section is amended by striking out "December 31, 1970" and inserting in lieu thereof "December 31, 1974".

SEC. 211. Subsection (a)(2) of section 302 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 302) is amended to read as follows:

"(2) to make grants to the Commission for investigation, research, studies, evaluations, and assessments of needs, potentials, or attainments of the people of the region, technical assistance, training programs, demonstrations, and the construction of necessary facilities incident to such activities, which will further purposes of this Act. Grant funds may be provided entirely from appropriations to carry out this section or in combination with funds available under other Federal or Federal grant-in-aid programs or from any other source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share, as the Commission determines appropriate."

SEC. 212. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"SEC. 401. In addition to the appropriations authorized in section 105 for administrative expenses, in section 201 for the Appalachian Development Highway System and Local Access Roads, and in section 208 for Appalachian Airport Safety Improvements, there is hereby authorized to be appropriated to the President, to be available until expended, to carry out this Act, $268,500,000 for the two-fiscal-year period ending June 30, 1971; $282,000,000 for the two-fiscal-year period ending June 30, 1973; and $294,000,000 for the two-fiscal-year period ending June 30, 1975."

SEC. 213. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "1971" and inserting in lieu thereof "1975".

SEC. 214. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or actively receiving Federal financial assistance under the Appalachian Regional Development Act of 1965.

Mr. BLATNIK (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McFALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as a cosponsor of H.R. 9922, I wish to express my full support of this legislation, which will extend the Public Works and Economic Development Act for 2 years and the Appalachian Regional Development Act for 4 years.

Both acts have served their purposes well and the need for them continues.

In particular, I wish to commend the House Public Works Committee and its distinguished chairman, Mr. BLATNIK, for their quick action to bring this measure back to the House following the regrettable veto of similar legislation.

I especially wish to commend Mr. BLATNIK and his committee for inserting in title I, section 103, of the bill, an increase from $500 million to $800 million in annual authorizations and a provision that not less than 25 percent or more than 35 percent of the total authorization will be used for short term relief in areas that are experiencing extremely high rates of unemployment.

This wisely proposed increase in title I funds will serve to fill to some limited degree, the vacuum created by the veto of the original bill which contained the accelerated public works proposal.

The Nation still is experiencing a sluggish economy; inflation has not been curbed; and unemployment remains severely high. This measure will aid communities which are stagnating and revitalize public works projects that have been on the shelves for lack of adequate financing.

It is my hope that the Congress will approve the bill and that we will have both the approval and the cooperation of the administration.

I hope that the Congress will move with dispatch to appropriate the necessary funds, so we can move ahead in this effort to curb unemployment and strengthen our Nation's economy.

Mrs. ABZUG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to indicate my strong support of this bill, especially the economic development section which is so tremendously important to alleviating our unemployment situation. I wish to compliment the chairman of the committee for having so expeditiously brought this bill back to the House for a vote.

Mr. Chairman, it is with great pleasure that I rise to express my support of this bill. In a way, of course, I am sorry that it is necessary—we passed an even better bill than this one only 3 months ago, but the President, more concerned with protecting his image as a fiscal conservative than with providing jobs for those whom his economic policies have forced into unemployment, refused to approve it.

This bill extends and improves two important long-range programs attacking poverty and unemployment—the Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965. Both programs have been with us for 6 years, and both have proven to be excellent investments.

The Economic Development Act which is extended for 2 years by title I of the bill, combines public works grants, loans, and technical assistance to our major areas of unemployment. I am pleased to note that it does so at an increased level of funding—250 million more dollars per year than was provided in S. 575, the original bill passed by the House and Senate in April of this year. But more importantly to me—representing as I do the lower east side of Manhattan, one of the most economically needy areas in the Nation—there are two significant changes in H.R. 9922 with regard to "special impact" areas that I wish to call to your attention:

First. The qualifications for designation as a "special impact area" are broadened and simplified to deal more directly with the immediate and urgent problems faced by those areas of the country hit most severely by the mounting crisis in unemployment and economic depression. These areas in applying for such designation, already possessed by the Lower East Side, need not under H.R. 9922 develop projects with long-term economic prospects nor need they spend a long year developing an Overall Economic Development Plan—a struggle which I am most intimately connected—to qualify for funds under this provision of the Economic Development Act. This is a welcome change and will be very significant to those areas containing large numbers of low-income persons or high ratios of unemployment and whose situation is desperate.

Second. The other provision I want to point out, that is a new addition in H.R. 9922, and a very strong point in its favor, is that not less than 25 percent of the funds authorized under title I of the act shall be expended on these special impact areas—these areas most critically affected in this time of increasing economic depression. Not less than 25 percent and not more than 35 percent will be so spent to achieve, as the committee report attached to this bill points out, a "proper balance between projects that are necessary for long-term economic development and projects that are undertaken to assist in providing urgently needed employment."

I would also like to direct your attention to the antisex discrimination provision contained in both titles of this bill. The bill which was vetoed by the President, S. 575, contained several amendments which it had been my privilege to offer when the legislation was considered by our Committee on Public Works.

These amendments prohibited any and all discrimination on account of sex in the administration of these programs.

These amendments have been retained in the bill which is before us. They are needed to give women the same status under these programs—the same right to jobs, employment, and other benefits—as men. They will give women participating, or seeking to participate in these two programs the same protections that minority group members have with respect to all federally assisted programs under title VI of the Civil Rights Act of 1964.

House Report 92-92, which accompanied the legislation which was vetoed, discussed the enforcement aspects of these amendments as follows:

> With respect to the anti-sex discrimination provision of this bill, the Committee expects that enforcement of the provision will be through agency procedures and rules established by Title VI of the 1964 Civil Rights Act. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a discriminatee.

That language appeared on page 11 of the report and referred specifically to title I of that bill. Unfortunately, the report's descriptions of the identical language in the other two titles of that bill—Economic Development and Appalachian titles—erroneously referred to the legal remedies available to "one who discriminates,"—an error which I pointed out in debate on the floor April 21. The language of these antidiscrimination provisions clearly indicates their intent to provide relief for parties against whom discrimination is directed, and I want to make that point crystal clear.

I am especially grateful for the efforts of the Chairman of the Committee on Public Works (Mr. BLATNIK) in bringing this bill before us so soon after the veto of the original legislation. It is desperately needed, and I urge its passage.

Mr. EDMONDSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to join my colleagues in commending our chairman of the Committee on Public Works, the gentleman from Minnesota (Mr. BLATNIK) for his leadership and persistence in getting to the Congress this new bill H.R. 9922. He has reacted promptly to the President's veto of our previously passed bill, S. 575. In an effort to deal with the growing unemployment problem in this country I earnestly hope that the House will overwhelmingly approve this new bill and that the President will sign it and make it possible for us to get on without further delay, with the urgent problem of dealing with massive unemployment in our country.

Mr. Chairman, I support the legislation in H.R. 9922. I would like to comment briefly on the amendments to the Public Works and Economic Development Act of 1965 as contained in this bill. Except for the changes as stated by our chairman, Mr. BLATNIK, which incorporate some of the features of the accelerated public works program in title I to be administered by the Secretary of Commerce, the amendments to the Public Works and Economic Development Act have remained the same as they were in the previously passed bill, S. 575.

Generally, the amendments provide for a 2-year extension of the EDA programs. Except for the authorizations for grants and supplementary grants for public works facilities which have been increased to an annual authorization of $800 million from its existing authorization of $500 million, the programs administered by the Economic Development Administration have been extended at their existing authorized amounts.

The purpose of the Public Works and Economic Development Act is to provide Federal assistance, in cooperation with the States, to help communities, areas and regions in the United States which are suffering from excessive unemployment or underemployment by providing financial and technical assistance needed for the creation of new jobs. The EDA programs emphasize long-range planning and programing for economic development. Its objective is to establish stable and diversified local economies. This is accomplished by developing and expanding new and existing public works, providing loans for businesses, and giving technical assistance necessary to create directly or indirectly new opportunities for long-term employment and economic growth.

Title I of the Public Works and Economic Development Act authorizes a grant program for public works and development facilities needed to create a climate conducive to the development and operation of private enterprise. The supplementary grant program enables the States and other entities to take advantage of other grant-in-aid programs which, because of their condition of high unemployment, cannot supply the required matching share.

This bill will authorize the continuation of the grant program for public works and development facilities needed for economic growth. The annual authorization has been increased in this bill to $800 million for the fiscal years 1972 and 1973. Not less than 25 percent nor more than 35 percent of the funds appropriated under this section will go to the special impact areas designated by the Secretary as previously discussed by our chairman, Mr. BLATNIK. The remainder of the funds appropriated under this section will be devoted to projects approved under the regular EDA program for long range economic development.

The business loan program under title II of the act authorizes loans up to 100 percent of project cost to assist in financing public works and development facilities and authorizes business development loans up to 65 percent for the purchase and development of land and facilities. Working capital guarantees are authorized up to 90 percent of private working capital loans made in connection with direct loan projects.

Under this bill the public facility loans and industrial and commercial loan programs are extended at the existing annual authorization of $170 million for fiscal years 1972 and 1973.

Title III of the act provides for a broad range of technical assistance that is useful in alleviating or preventing conditions of excessive unemployment or underemployment where the Secretary of Commerce finds there is substantial need for such assistance. The program includes a wide variety of projects designed to meet two basic needs: first, to enable a community to find solutions to problems that retard industrial growth and a generation of new jobs; and second, to help pay for the expertise needed to plan, implement, and coordinate local development programs.

This bill extends the technical assistance program at its existing annual authorization of $50 million for the fiscal years 1972 and 1973.

The economic development district program as contained in title IV of the act has provided a new approach in creating job opportunities and providing alternatives to the relocation of the unemployed or underemployed to large urban areas. Evaluations conducted by the Economic Development Administration found that the strategy was most effective when growth centers were located within commuting distance or redevelopment areas.

This bill extends the $50 million annual authorization for grant and loan assistance for economic development centers and the 10 percent bonus for projects in redevelopment areas within designated economic development districts for the fiscal years 1972 and 1973.

The amendments also provide for a 2-year extension of the regional commissions authorized by title V of the act. Five regional commissions have thus far been established: the Ozarks Regional Commission, New England Regional Commission, Upper Great Lakes Regional Commission, Four Corners Regional Commission, and the Coastal Plains Regional Commission.

The form and responsibilities of these regional commissions were patterned after those of the Appalachian Commission. Their purpose includes the preparation and coordination of long-range overall economic development programs for such region including the development of a comprehensive long-range economic plan.

Each of the commissions have developed their long-range comprehensive development plans and are now in the process of having them approved and finalized.

In my own area, the Ozarks Regional Commission has been developing a broad-based program which should provide long-range benefits to the people of the region as well as the entire Nation.

A total of $305 million is authorized for the next 2 fiscal years for these commissions. This is the same authorized amount that was contained in the previously passed bill (S. 575) for these commissions.

This bill also authorizes $500,000 for the 2-fiscal-year period ending June 30, 1973, for the Federal field committee for development planning in Alaska for the purposes of planning economic development programs and projects in Alaska, in cooperation with the government of the State of Alaska.

In addition to those changes in the criteria for "special impact areas", as previously discussed by our Chairman, Mr. Blatnik, the bill liberalizes and adds to the criterion for the designation of redevelopment areas. Presently, areas having a median family income 40 percent or less of the national median, as determined by the most recent available statistics, would qualify for designation. This is amended to increase from 40 percent to 50 percent of the national median, the maximum median family income under which an area can qualify. Available information indicates that there is a close relationship between income levels and outmigration. Thus, by raising the income cutoff level from 40 percent to 50 percent of the national median family income, the Economic Development Administration can deal with more areas experiencing severe outmigration problems.

A new criterion is added which permits areas where per capita employment has declined significantly during the next preceding 10-year period for which appropriate statistics are available to be eligible for designation. Such areas are not now eligible. The purpose of using the new per capita employment criterion is to expand eligibility to a number of additional counties overlooked by present designation procedures. Unemployment rate statistics are the only criteria now in the act that now attempts to identify structurally declining areas. For certain kinds of places, however, unemployment rates, alone, are an unsatisfactory measure of this condition.

The provision pertaining to the annual review of redevelopment areas has been amended to provide that designated areas may not be terminated in less than 3 years from the date of designation. This amendment avoids the problems resulting from year to year shifts in unemployment rates, which although temporary, can now result in an area being designated and shortly thereafter being redesignated. In addition, the amendment passed in 1970 which provided that no redevelopment area would have its designation terminated or modified after May 1, 1970, and before June 1, 1971, unless the local governing body of the county qualified or requested such action, has been extended for 1 additional year.

The total amount of the authorization for the extension of the Public Works and Economic Development Act of 1965 in title I of this bill is $2,445,500,000.

Mr. ADAMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this bill and particularly the sections which have been added to give special impact aid to those areas with a sharp rise in unemployment. Our area has suffered with this problem and we are glad that the committee has brought out this bill. We know it will be very helpful to us and we congratulate the committee for having brought it back to the floor for its early and favorable consideration.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair (Mr. SLACK), Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 9922) to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, pursuant to House Resolution 561, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. HARSHA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 376, nays 27, not voting 30, as follows:

[Roll No. 213]

YEAS—376

Abernethy
Abourezk
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Aspinall
Badillo
Baker
Baring
Begich
Belcher
Bell
Bennett
Bergland
Betts
Bevill
Biaggi
Biester
Bingham
Blanton
Blatnik
Boggs
Boland
Bolling
Bow
Brademas
Brasco
Bray
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Byrne, Pa.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Carey, N.Y.
Carney
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Collier
Collins, Ill.
Colmer
Conable
Conte
Corman
Cotter
Coughlin
Culver
Daniels, N.J.
Danielson
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Devine
Dickinson
Dingell
Dorn
Dow
Dowdy
Downing
Drinan
Dulski
Duncan
du Pont
Dwyer
Eckhardt
Edmondson
Edwards, Ala.
Edwards, Calif.
Eilberg
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Garmatz
Gaydos
Gettys
Giaimo
Gibbons
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Grover
Gubser
Gude
Hagan
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Harvey
Hastings
Hathaway
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hillis
Hogan
Holifield
Horton
Howard
Hull
Hunt
Hutchinson
Ichord
Jacobs
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kazen
Keating
Kee
Keith
Kemp
King
Kluczynski
Koch
Kuykendall
Kyl
Kyros
Landrum
Latta
Leggett
Lent
Link
Lloyd
Long, Md.
Lujan
McClory
McCloskey
McClure
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKay
McKevitt
McKinney
McMillan
Macdonald, Mass.
Madden
Mahon
Mailliard
Mann
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mikva
Miller, Calif.
Miller, Ohio
Mills, Ark.
Mills, Md.
Minish
Mink
Minshall
Mitchell
Mizell
Mollohan
Monagan
Moorhead
Morgan
Morse
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Hara
O'Konski
O'Neill
Passman
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Peyser
Pirnie
Podell
Poff
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Pryor, Ark.
Pucinski
Purcell
Quie
Quillen
Randall
Rangel
Rees
Reid, Ill.
Reid, N.Y.
Reuss
Rhodes
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarbanes
Scherle
Scheuer
Schneebeli
Schwengel
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Springer
Stafford
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Sullivan
Symington
Talcott
Taylor
Teague, Tex.
Terry
Thompson, Ga.
Thomson, Wis.
Thone
Tiernan
Udall
Ullman
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Wampler
Ware
Watts
Whalen
Whalley
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H.
Winn
Wolff
Wright
Wyatt
Wylie
Wyman
Yates
Young, Tex.
Zablocki
Zion
Zwach

NAYS—27

Abbitt
Archer
Ashbrook
Collins, Tex.
Crane
Daniel, Va.
Dennis
Derwinski
Erlenborn
Findley
Gross
Hall
Landgrebe
Martin
Michel
Pike
Railsback
Rarick
Robinson, Va.
Roncalio
Satterfield
Schmitz
Scott
Sebelius
Wiggins
Wydler
Young, Fla.

NOT VOTING—30

Barrett
Blackburn
Brooks
Carter
Conyers
Davis, S.C.
Diggs
Donohue
Edwards, La.
Esch
Fraser
Halpern
Hébert
Hosmer
Hungate
Jones, Tenn.
Lennon
Long, La.
McCulloch
Montgomery
Nichols
Pickle
Poage
Riegle
Saylor
Staggers
Teague, Calif.
Thompson, N.J.
Van Deerlin
Yatron

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Halpern.

Mr. Pickle with Mr. Riegle.

Mr. Davis of South Carolina with Mr. Yatron.

Mr. Staggers with Mr. Esch.

Mr. Hébert with Mr. Hosmer.

Mr. Brooks with Mr. Teague of California.

Mr. Barrett with Mr. Saylor.

Mr. Nichols with Mr. Carter.

Mr. Jones of Tennessee with Mr. Hungate.

Mr. Lennon with Mr. Blackburn.

Mr. Fraser with Mr. Conyers.

Mr. Van Deerlin with Mr. Diggs.

Mr. Montgomery with Mr. Edwards of Louisiana.

Mr. HORTON and Mr. SHOUP changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. BLATNIK. Mr. Speaker, pursuant to the provisions of House Resolution 561, I call up for immediate consideration the bill (S. 2317) to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. BLATNIK

Mr. BLATNIK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BLATNIK moves to strike out all after the enacting clause of S. 2317, and insert in lieu thereof the provisions of H.R. 9922 as passed, as follows:

TITLE I—THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 101. This title may be cited as the "Public Works and Economic Development Act Amendments of 1971".

SEC. 102. (a) Paragraph (1) of subsection (a) of section 101 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131) is amended by striking out "and" at the end of subparagraph (B), by striking out the colon at the end of subparagraph (C) and inserting in lieu thereof the following: "; and", and by adding at the end thereof the following:

"(D) in the case of a redevelopment area so designated under section 401(a)(6), the project to be undertaken will provide immediate useful work to unemployed and underemployed persons in that area.".

(b) Subsection (c) of section 101 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131) is amended by inserting immediately following the first sentence thereof the following: "In the case of any State or political subdivision thereof which the Secretary determines has exhausted its effective taxing and borrowing capacity, the Secretary may reduce the non-Federal share below such per centum or may waive the non-Federal share in the case of such a grant for a project in a redevelopment area designated as such under section 401 (a)(6) of this Act.".

SEC. 103. Section 105 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3135) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and not to exceed $800,000,000 per fiscal year for the fiscal years ending June 30, 1972, and June 30, 1973. Any amounts authorized for the fiscal year ending June 30, 1972, under this section but not appropriated may be appropriated for the fiscal year ending June 30, 1973. Not less than 25 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending June 30, 1972, and June 30, 1973, under authority of the preceding *sentences* shall be expended in redevelopment areas designated as such under section 401(a)(6) of this Act."

SEC. 104. Subsection (c) of section 201 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

SEC. 105. Section 302 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3152) is amended by striking out "and June 30, 1971" and inserting in lieu thereof "June 30, 1971, June 30, 1972, and June 30, 1973".

SEC. 106. Section 401 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161) is amended as follows:

(1) Paragraph (2) of subsection (a) is amended by striking out "40 per centum" and inserting in lieu thereof "50 per centum".

(2) Paragraph (6) of subsection (a) is amended to read as follows:

"(6) those communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) which the Secretary determines have one of the following conditions:

"(A) a large concentration of low-income persons;

"(B) rural areas having substantial outmigration;

"(C) substantial unemployment; or

"(D) an actual or threatened abrupt rise of unemployment due to the closing or curtailment of a major source of employment. No redevelopment area established under this paragraph shall be subject to the requirements of subparagraphs (A) and (C) of paragraph (1) of subsection (a) of section 101 of this Act. No redevelopment area established under this paragraph shall be eligible to meet the requirements of section 403(a)(1)(B) of this Act:

"(7) those areas where per capita employment has declined significantly during the next preceding ten-year period for which appropriate statistics are available."

SEC. 107. The first sentence of section 402 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3162) is amended by striking out "thereof" and all that follows down through and including the period at the end of the sentence and inserting in lieu thereof the following: "of such reviews shall terminate or modify such designation whenever such an area no longer satisfies the designation requirements of section 401, but in no event shall such a designation of an area be terminated prior to the expiration of the third year after the date such area was so designated."

SEC. 108. Subsection (g) of section 403 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3171) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

SEC. 109. Subsection (d) of section 509 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3188a) is amended by striking out the period at the end of the first sentence thereof and inserting in lieu thereof a comma and the following: "and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed $305,000,000."

SEC. 110. Section 512 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3191) is amended to read as follows:

"SEC. 512. There is hereby authorized to be appropriated not to exceed $500,000 for the two-fiscal-year period ending June 30, 1973, to continue the Federal Field Committee for Development Planning in Alaska for the purpose of planning economic development programs and projects in Alaska in cooperation with the government of the State of Alaska. Nothing contained in this section shall be construed as precluding the establishment of a regional commission for Alaska.".

SEC. 111. Section 2 of the Act of July 6, 1970 (Public Law 91-304) is amended by striking out "1971" and inserting in lieu thereof "1972".

SEC. 112. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance under the Public Works and Economic Development Act of 1965.

TITLE II—APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

SEC. 201. This title may be cited as the "Appalachian Regional Development Act Amendments of 1971".

SEC. 202. The second sentence of subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $2,700,000 for the two-fiscal-year period ending June 30, 1973 (of such amount not to exceed $525,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff), and not to exceed $3,300,000 for the two-fiscal-year period ending June 30, 1975 (of such amount not to exceed $575,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff).".

SEC. 203. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "1971" and inserting in lieu thereof "1975".

SEC. 204. Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended to read as follows:

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $175,000,000 for the fiscal year ending June 30, 1971; $175,000,000 for the fiscal year ending June 30, 1972; $180,000,000 for the fiscal year ending June 30, 1973; $180,000,000 for the fiscal year ending June 30, 1974; $185,000,000 for the fiscal year ending June 30, 1975; $185,000,000 for the fiscal year ending June 30, 1976; $185,000,000 for the fiscal year ending June 30, 1977; and $180,000,000 for the fiscal year ending June 30, 1978."

SEC. 205. There is inserted after section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) a new section as follows:

"APPALACHIAN AIRPORT SAFETY IMPROVEMENTS

"SEC. 208. (a) In order to provide a system of airports in the Appalachian region which can accommodate a greater number of passengers in safety and thereby increase commerce and communication in areas with developmental potential, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to make grants to existing airports for the purpose of enhancing the safety of aviation and airport operations.

"(b) Such airport safety improvement projects may include (A) approach clearance, the removal, lowering, relocation, and marking and lighting of airport hazards, navigation aids, site preparation for navigation aids, and the acquisition of adequate safety equipment (including firefighting and rescue equipment), and (B) any acquisition of land or of any interest therein, or of any easement through or other interest in airspace which is necessary for such projects or to remove or mitigate or prevent or limit the establishment of, airport hazards.

"(c) Grants under this section shall be made solely from funds specifically made available to the President for the purpose of carrying out this Act in accordance with the provisions of this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provisions of law.

"(d) Except as context otherwise indicates, words and phrases used in this section shall have the same meaning as in the Airport and Airway Development Act of 1970 and the Federal Aviation Act of 1958, as amended.

"(e) Federal assistance to any project under this section shall not exceed 90 per centum of the costs of the project, except for assistance for navigation aids which may be 100 per centum.

"(f) The Secretary is authorized to incur obligations to make grants for airport safety improvement projects, in a total amount not to exceed $40,000,000 during the period ending June 30, 1975. There are authorized to be appropriated to the President such sums as may be required for liquidation of the obligations incurred under this section."

SEC. 206. (a) The third sentence of subsection (c) of section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended by striking out "health services" and inserting in lieu thereof the following: "health and child development services, including title IV, parts A and B, of the Social Security Act. Notwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approved by the Commission, such State shall be considered as meeting such requirement".

(b) Subsection (d) of such section is amended by adding at the end the following: "The Federal contribution to such expenses of planning may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal or Federal grant-in-aid programs. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by this subsection."

SEC. 207. (a) The first sentence of subsection (a)(1) of section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended by inserting before the period at the end: "; and to control or abate mine drainage pollution."

(b) Subsection (b) of such section is amended to read as follows:

"(b) Notwithstanding any other provision of law, the Federal share of mining area restoration project costs carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. For the purposes of this section, such project costs may include the reasonable value (including donations) of planning, engineering, real property acquisition (limited to the reasonable value of the real property in its unreclaimed state and costs incidental to its acquisition, as determined by the Commission), and such other materials and services as may be required for such project."

SEC. 208. (a) The catchline for section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended to read: "ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED LOW- AND MODERATE-INCOME HOUSING PROJECTS".

(b) Subsections (a), (b), and (c) of such section are amended to read as follows:

"(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or public bodies, for planning and obtaining federally insured mortgage financing for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221, 235, or 236 of the National Housing Act, in any area of the Appalachian region determined by the Commission.

"(b) No loan under subsection (a) of this section shall exceed 80 per centum of the cost of planning and obtaining financing for a project, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, application and mortgage commitment fees, legal fees, and construction loan fees and discounts. Such loans shall be made without interest, except that any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for an insured or guaranteed loan for such project. The Secretary shall require payments of loans made under this section, under such terms and conditions as he may require, upon completion of the project or sooner, and except in the case of a loan to an organization established for profit, may cancel any part or all of such a loan, if he determines that a permanent loan to finance such project cannot be obtained in an amount adequate for repayment of such loan under this section.

"(c) (1) Except as provided in paragraph (2) of this subsection, no grant under this section shall exceed 80 per centum of those expenses, incident to planning and obtaining financing for a project, which the Secretary considers not to be recoverable from the proceeds of any permanent loan made to finance such project, and no such grant shall be made to an organization established for profit.

"(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant shall exceed 10 per centum of the cost of such project."

(e) Subsection (e) of such section is amended by striking out "The Secretary is further authorized to" and inserting in lieu thereof "The Secretary or the Commission may".

SEC. 209. (a) The catchline for section 211 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 211) is amended by adding at the end "AND VOCATIONAL AND TECHNICAL EDUCATION DEMONSTRATION PROJECTS".

(b) The first sentence of subsection (a) of such section is amended by inserting "and operation" after "equipment".

(c) Subsection (b) of such section is amended to read as follows:

"(b)(1) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping, and operating vocational and technical educational projects which will serve to demonstrate areawide educational planning, services, and programs. Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this Act and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

"(2) No grant for the construction or equipment of any component of a vocational and technical education demonstration project shall exceed 80 per centum of its costs.

"(3) Grants under this section for operation of components of vocational and technical education demonstration projects, whether or not constructed by funds authorized by this Act, may be made for up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such components is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of vocational and technical education demonstration projects shall be made after five years following the commencement of the initial grant for operation of the project. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3134), an education-related facility constructed under title I of that Act may be a component of a vocational and technical education demonstration project eligible for operating grant assistance under this section.

"(4) No grant for expenses of planning necessary for the development and operation of a vocational and technical education demonstration project shall exceed 75 per centum of such expenses.

"(5) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.

"(6) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal share in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection."

SEC. 210. (a) Section 214(a) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended to read as follows:

"(a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, or for which there are insufficient funds available under the Federal grant-in-aid Act authorizing such programs to meet pressing needs of the region, the President is authorized to provide funds to the Federal Cochairman to be used for all or any portion of the basic Federal contribution to projects under such Federal grant-in-aid programs authorized by Federal grant-in-aid Acts, and for the purpose of increasing the Federal contribution to projects under such programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal grant-in-aid program is proposed to be made under this subsection, no such Federal contribution shall be made until the responsible Federal official administering the Federal grant-in-aid Act authorizing such contribution certifies that such program or project meets the applicable requirements of such Federal grant-in-aid Act and could be approved for Federal contribution under such Act if funds were available under such Act for such program or project. Funds may be provided for programs and projects in a State under this subsection only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act, for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this subsection. Funds provided pursuant to this Act shall be available without regard to any limitations on areas eligible for assistance or authorizations for appropriation in any other Act. Any findings, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program."

(b) The first sentence of subsection (c) of such section is amended by striking out "December 31, 1970" and inserting in lieu thereof "December 31, 1974".

Sec. 211. Subsection (a) (2) of section 302 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 302) is amended to read as follows:

"(2) to make grants to the Commission for investigation, research, studies, evaluations, and assessments of needs, potentials, or attainments of the people of the region, technical assistance, training programs, demonstrations, and the construction of necessary facilities, incident to such activities, which will further the purposes of this Act. Grant funds may be provided entirely from appropriations to carry out this section or in combination with fund available under other Federal or Federal grant-in-aid programs or from any other source. Notwithstanding any provision of law limiting the Federal share in any such other prorgam, funds appropriated to carry out this section may be used to increase such Federal share, as the Commission determines appropriate."

Sec. 212. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"Sec. 401. In addition to the appropriations authorized in section 105 for administrative expenses, in section 201 for the Appalachian Development Highway System and Local Access Roads, and in section 208 for Appalachian Airport Safety Improvements, there is hereby authorized to be appropriated to the President, to be available until expended, to carry out this Act, $268,500,000 for the two-fiscal-year period ending June 30, 1971; $282,000,000 for the two-fiscal-year period ending June 30, 1973; and $294,000,000 for the two-fiscal-year period ending June 30, 1975."

Sec. 213. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "1971" and inserting in lieu thereof "1975".

Sec. 214. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or actively receiving Federal financial assistance under the Appalachian Regional Development Act of 1965.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 9922) was laid on the table.

GENERAL LEAVE

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 9272, DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1972

Mr. ROONEY of New York. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill, H.R. 9272, making appropriations for the Departments of State, Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1972.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. HALL. Mr. Speaker, reserving the right to object and I shall not object—in view of my objection yesterday I appreciate the gentleman from New York (Mr. Rooney), my friend, advising me that the conferees on the part of the House and the other body have met and will be ready to file the report. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Conference Report (H. Rept. No. 92–414)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9272) "making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1972, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 14, 18, 28, 29, 30, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 10, 11, 12, 13, 19, and 33, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,750,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$152,864,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,100,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$40,500,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,500,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,630,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,917,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$183,067,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$108,215,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$29,120,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,000,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$300,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$22,650,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,186,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 20, 21, 22, 23, 24, 25, 26, and 27.

John J. Rooney (except as to amendment No. 31),
Robert L. F. Sikes,
John M. Slack,
Neal Smith,
John J. Flynt, Jr.,
George Mahon,
Frank T. Bow,
E. A. Cederberg,
Mark Andrews,
Managers on the Part of the House.
John L. McClellan,
Allen J. Ellender,
Ernest F. Hollings,
J. W. Fulbright,
Margaret Chase Smith,
Roman L. Hruska,
Hiram L. Fong,
Milton R. Young,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9272) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1972, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF STATE

Administration of Foreign Affairs

Acquisition, Operation, and Maintenance of Buildings Abroad

Amendment No. 1: Appropriates $18,750,000 instead of $18,000,000 as proposed by the House and $19,000,000 as proposed by the Senate.

International Organizations and Conferences

Contributions to International Organizations

Amendment No. 2: Appropriates $152,864,000 instead of $152,774,000 as proposed by the House and $160,680,000 as proposed by the Senate and deletes language proposed by the House relative to the use of excess foreign currencies.

Funds to provide for payment of dues to the International Center for the Study of the Preservation and Restoration of Cultural Property as proposed by the Senate are included.

No funds have been provided for payment of dues to the International Labor Organization. The conferees have not the slightest intention of ever abandoning our membership in the I.L.O.

We do not lose our voting rights until we are two years in arrears. The conferees recommend that no payment at all be made at this time pending further improvement of our position.

Missions to International Organizations

Amendment No. 3: Appropriates $4,793,000 as proposed by the House instead of $4,815,000 as proposed by the Senate.

International Commissions

International Boundary and Water Commission, United States and Mexico

Amendment No. 4: Appropriates $6,280,000 for "construction" as proposed by the Senate instead of $4,500,000 as proposed by the House.

International Fisheries Commissions

Amendment No. 5: Appropriates $3,100,000 instead of $2,900,000 as proposed by the House and $3,318,000 as proposed by the Senate.

Educational Exchange

Mutual Educational and Cultural Exchange Activities

Amendment No. 6: Appropriates $40,500,000 instead of $40,000,000 as proposed by the House and $42,000,000 as proposed by the Senate.

Amendment No. 7: Provides that not less than $4,500,000 shall be used for payments in excess foreign currencies instead of $5,800,000 as proposed by the House and $4,000,000 as proposed by the Senate.

Center for Cultural and Technical Interchange between East and West

Amendment No. 8: Appropriates $5,630,000 instead of $5,260,000 as proposed by the House and $6,000,000 as proposed by the Senate.

TITLE II—DEPARTMENT OF JUSTICE

Legal Activities and General Administration

Salaries and Expenses, Community Relations Service

Amendment No. 9: Appropriates $5,917,000 instead of $5,250,000 as proposed by the House and $6,585,000 as proposed by the Senate.

Federal Prison System

Amendment No. 10: Appropriates $59,801,000 for "Buildings and facilities" as proposed by the Senate instead of $57,842,000 as proposed by the House.

Bureau of Narcotics and Dangerous Drugs

Amendment No. 11: Provides for the purchase of not to exceed one hundred and sixty passenger motor vehicles as proposed by the Senate instead of one hundred and twenty eight as proposed by the House.

Amendment No. 12: Provides for not to exceed $375,000 for payment for accommodations in the District of Columbia in connection with training facilities as proposed by the Senate instead of $300,000 as proposed by the House.

Amendment No. 13: Appropriates $65,089,000 for "Salaries and expenses" as proposed by the Senate instead of $57,089,000 as proposed by the House.

TITLE III—DEPARTMENT OF COMMERCE

U.S. Travel Service

Salaries and Expenses

Amendment No. 14: Appropriates $6,500,000 as proposed by the House instead of $7,500,000 as proposed by the Senate.

National Oceanic and Atmospheric Administration

Salaries and Expenses

Amendment No. 15: Appropriates $183,067,000 instead of $180,000,000 as proposed by the House and $186,134,000 as proposed by the Senate.

Research, Development and Facilities

Amendment No. 16: Appropriates $108,215,000 instead of $100,000,000 as proposed by the House and $116,430,000 as proposed by the Senate.

Satellite Operations

Amendment No. 17: Appropriates $29,120,000 instead of $27,500,000 as proposed by the House and $30,739,000 as proposed by the Senate.

Patent Office

Salaries and Expenses

Amendment No. 18: Appropriates $59,250,000 as proposed by the House instead of $59,450,000 as proposed by the Senate.

National Bureau of Standards

Research and Technical Services

Amendment No. 19: Appropriates $47,000,000 as proposed by the Senate instead of $46,000,000 as proposed by the House.

Maritime Administration

Ship Construction

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment appropriating $229,687,000.

Operating Differential Subsidies

(Liquidation of contract authority)

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment appropriating $239,145,000.

Research and Development

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment appropriating $23,750,000.

Salaries and Expenses

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment appropriating $22,210,000.

Maritime Training

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment appropriating $7,513,000.

State Marine Schools

Amendment No. 25: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment appropriating $2,200,000.

TITLE IV—THE JUDICIARY

Courts of Appeals, district courts, and other judicial services

Salaries of Supporting Personnel

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating $68,654,000 instead of $69,296,000 as proposed by the Senate and inserting amended salary limitations. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Fees of Jurors

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment providing that not to exceed $100,000 shall be available for liquidation of obligations incurred in prior years.

Travel and Miscellaneous Expenses

Amendment No. 28: Appropriates $9,600,000 as proposed by the House instead of $9,660,000 as proposed by the Senate.

TITLE V—RELATED AGENCIES

Commission on American Shipbuilding

Salaries and Expenses

Amendment No. 29: Appropriates $450,000 as proposed by the House instead of $550,000 as proposed by the Senate.

Equal Employment Opportunity Commission

Salaries and Expenses

Amendment No. 30: Provides not to exceed $1,500,000 for payments to State and local agencies as proposed by the House instead of $2,000,000 as proposed by the Senate.

Amendment No. 31: Appropriates $23,000,000 instead of $22,000,000 as proposed by the House and $27,620,000 as proposed by the Senate.

National Commission on Fire Prevention and Control

Salaries and Expenses

Amendment No. 32: Appropriates $300,000 instead of $400,000 as proposed by the Senate.

National Tourism Resources Review Commission

Salaries and Expenses

Amendment No. 33: Appropriates $300,000 as proposed by the Senate.

Small Business Administration

Salaries and Expenses

Amendment No. 34: Appropriates $22,650,000 instead of $22,300,000 as proposed by the House and $23,000,000 as proposed by the Senate.

Subversive Activities Control Board

Salaries and Expenses

Amendment No. 35: Deletes language proposed by the Senate restricting use of funds.

Tariff Commission

Salaries and Expenses

Amendment No. 36: Appropriates $5,186,000 instead of $5,036,000 as proposed by the House and $5,336,000 as proposed by the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1972 recommended by the Committee of Conference, with comparisons to the fiscal year 1971 amount, the 1972 budget estimate, and the House and Senate bills for 1972 as follows:

New budget (obligational) authority fiscal year 1971	$3,823,352,300
Budget estimates of new (obligational) authority (as amended), fiscal year 1972	[1] 4,216,802,000
House bill, fiscal year 1972	[2] 3,684,183,000
Senate bill, fiscal year 1972	4,098,083,000
Conference agreement	4,067,116,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1971	+243,763,700
Budget estimates of new (obligational) authority (as amended), fiscal year 1972	− 149,686,000
House bill, fiscal year 1972	+ 382,933,000
Senate bill, fiscal year 1972	−30,967,000

[1] Includes $11,805,000 in budget amendments not considered by the House.

[2] Reflects deletion of $352,615,000 on House floor due to points of order.

JOHN J. ROONEY (except as to amendment No. 31),
ROBERT L. F. SIKES,
JOHN M. SLACK,
NEAL SMITH,
JOHN J. FLYNT, Jr.
GEORGE MAHON,
FRANK T. BOW,
ELFORD A. CEDERBERG,
MARK ANDREWS,
Managers on the Part of the House.
JOHN L. MCCLELLAN,
ALLEN J. ELLENDER,
ERNEST F. HOLLINGS,
J. W. FULBRIGHT,
MARGARET CHASE SMITH,
ROMAN L. HRUSKA,
HIRAM L. FONG,
MILTON R. YOUNG,
Managers on the Part of the Senate.

PERSONAL EXPLANATION

Mr. WHALEN. Mr. Speaker, during rollcall No. 205, on the motion to table the motion to instruct the House conferees on H.R. 9272 to agree to the Senate amendments regarding additional duties for the Subversives Activities Control Board, I was unavoidably detained in my office. Had I been present, I would have voted against the motion.

SURFACE TRANSPORTATION ACT OF 1971

(Mr. ADAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADAMS. Mr. Speaker, I introduce for appropriate reference the "Surface Transportation Act of 1971." This bill will, I believe, begin the process of restoring this country's surface transportation system—a revitalization necessary for a healthy interstate commerce and a strengthened American economy.

Although this bill pertains to surface transportation, I hope that it will serve as a good beginning in the attempt to revive the entire transportation system. I fully understand and expect that its full consideration in the legislative process will lead to modification and alteration, with perhaps pertinent additions for air transportation. I hope that this bill will launch such consideration.

I have urged the railroads, the truckers, and water carriers to lay aside their differences and to develop a program improving the ability of transportation to carry out its essential public function. Now the Association of American Railroads, the Water Transport Association, and the American Trucking Associations have laid aside those differences and done what I requested they do. This bill is the product of their best efforts.

It is my belief that the present weak transportation system retards economic growth throughout the country, feeds inflation, unnecessarily increases production costs, and handicaps the Nation's ability to compete in foreign markets.

This bill itself contains seven titles affecting various facets of the surface transportation system.

Title 1 would provide financial assistance to surface transportation companies by creating a new program similar to the Reconstruction Finance Corporation of the 1030's and 1940's. Established within the Department of Treasury would be a division authorized to provide a maximum of $5 billion in outstanding commitments for loans, guarantees, and other kinds of financial assistance. No single company would be eligible for more than 15 percent of the authorized financial assistance.

Title II contains provisions affecting rate standards prescribed by the Interstate Commerce Commission and discriminatory State taxation of transportation property. The latter provision would prohibit the future assessment of such property at a higher ratio of true market value than the ratio used in the assessment of all other property. The State taxation legislation is similar to a bill passed by the Senate in the 91st Congress.

Title III is concerned with extension of ICC regulatory authority concerning the water transportation of dry bulk commodities, the motor transport of livestock and certain agricultural products, and the abandonment of nonproductive facilities. The first provision makes clear that the actual rates at which transportation of dry bulk commodities is performed must be made public by filing with the ICC. The second provision extends regulation of for-hire truck transportation to livestock, processed poultry, imported and cooked fish, and other agricultural commodities. The third provision provides expeditious procedures for the abandonment of light density rail lines.

Title IV, pertaining to grade-crossing safety, would amend existing law so as to require that 5 percent of the total of all Federal funds apportioned to a State for highway purposes shall be used for rail-highway grade-crossing safety purposes.

Title V restores the investment tax credit for surface transportation equipment, expands the 5-year amortization provisions formerly applicable only to railroad rolling stock to other surface transportation equipment, and eliminates the minimum tax on 5-year amortization. The investment credit, in particular, is a proven economic stimulant and results in greater productivity and more efficient service coupled with expanding business and employment.

Title VI makes the Interstate Commerce Commission independent of the Office of Management and Budget by giving it the budgetary status of other agencies, such as the General Accounting Office and the Supreme Court of the United States. This provision should calm the growing fears both inside and outside of the Congress that the supposedly independent agencies are being subverted by the budgetary ax of the executive branch.

Title VII specifies that the effective date of the act would be the date of enactment.

Mr. Speaker, I am under no illusion that this bill will solve all of our transportation ills. But I believe it will make an effective beginning. I hope that each Member of Congress concerned about the future of our transportation system will have an opportunity to review and consider this legislative proposal.

MARINE SANCTUARIES

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. LENT) is recognized for 5 minutes.

Mr. LENT. Mr. Speaker, tomorrow when we consider the adoption of H.R. 9727, the Marine Protection, Research, and Sanctuaries Act of 1971, I intend to offer an amendment to title III of that bill, which deals with the establishment of marine sanctuaries.

I would like to say first, however, that I believe the Committee on Merchant Marine and Fisheries has reported an important measure to control ocean dumping of waste materials which is excellent in nearly every respect and I commend the committee for its fine efforts.

I firmly believe, however, that one significant environmental safeguard must be added to the bill which the committee discussed in its hearings on H.R. 9727 but neglected to address in the legislation as reported.

As my colleagues are aware, H.R. 9727 is basically a bill which will regulate the dumping of harmful substances into our Nation's coastal and other waters.

Title III of the bill, however, authorizes the establishment of a system of marine sanctuaries in our oceans, coastal and other waters designated by the Secretary of Commerce on the basis of preserving or restoring such areas for their conservation, recreational, ecological, or esthetic values. These marine sanctuaries, which would be analogous to the wilderness areas in our national parks system, would be out of bounds to the dumping or disposal of harmful wastes.

One activity which has long been at the forefront of the argument concerning the preservation of our Nation's coastlines, estuaries, wetlands, and beaches is the offshore drilling of oil. Mr. Speaker, oil pollution has numerous times despoiled our beaches and contaminated our nearshore waters which are the key to the survival of most marine animals that are taken for man's food. Over a long period of time, this persistent pollution may interfere with the normal life processes of the organisms—as well as killing them outright at high concentrations.

The result is the progressive disappearance of usually abundant fish, shellfish, birds and assorted creatures of the sea. Surviving organisms of food value to man may be permanently contaminated with petroleum hydrocarbons that could be hazardous to health.

Studies undertaken of numerous incidents of oil rig blowouts and tanker spills have underlined the costly and damaging fact that oil slicks unleashed on our coasts are in no way whatever compatible with any of the purposes of this title.

My amendment, Mr. Speaker, will mandate that the Secretary of the Interior impose a moratorium on the issuance of all new leases for extraction of oil in those offshore areas under consideration for designation, or actually designated, as marine sanctuaries.

I want to assure my colleagues that the amendment will in no way affect licensing for ongoing exploration for petroleum reserves off our coasts or the renewal of existing leases for drilling. It will simply bar new drilling operations in those areas designated as marine sanctuaries or under study for possible designation.

I realize that there are going to be those of my colleagues who will be a bit squeamish about the intent of this amendment, and I want to make perfectly clear that my intent is not to impose unreasonable standards upon one industry.

My intent, Mr. Speaker is to prevent the inevitable, yet hopefully isolated, occasions of further contamination of those select areas which the Merchant Marine and Fisheries Committee has seen fit to accord special status in this legislation because of their noteworthy conservation, recreational, ecological and esthetic values.

It does not seem at all unreasonable to me that at this moment, when we have a real opportunity to prevent damage to these special areas from the outset, we should grasp that opportunity now rather than having to come back to this Chamber at some future time, after the mistakes have been made and irreparable damage has been done, to rectify this legislation.

I would hope that a majority of my colleagues can readily see the necessity for my amendment if we are to address these environmental dangers realistically rather than in a piecemeal fashion.

I might add that my distinguished colleague, the gentleman from California (Mr. Teague), a veteran Member of this body, has seen fit to join in support of my amendment because of his firsthand experience with the tragedy of an oil rig blowout in his own district in Santa Barbara, Calif.

I will certainly welcome any and all support from those of my colleagues who feel as I do about the potential dangers of oil drilling in our marine sanctuaries.

NEW MEDICAL-DENTAL MILITARY ACADEMIES: A PROPOSAL TO SUPPLEMENT THE SUPPLY OF DOCTORS AND DENTISTS

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. Cotter) is recognized for 60 minutes.

Mr. COTTER. Mr. Speaker, as I began to understand the dimensions of what is termed our health care crisis, I undertook to study some of the complex problems that contribute to our current health dilemma.

One of my major concerns was the current shortage of physicians and dentists. Instead of this situation improving, it is reliably estimated by the National Institute of Public Health that by 1980 we will be short 24,000 physicians and 56,000 dentists.

These figures, I submit indicate one reason why our Nation labors under a very costly medical system, a medical system that has been seriously challenged as inferior to that of other less affluent nations. The best medical indicators confirm this judgment. The United States ranks 13th among industrial nations in infant mortality, 11th in life expectancy for women, and 18th in life expectancy for men.

These figures indicate that much remains to be done in our health care system. These figures can be better understood when we realize that it is virtually impossible to secure a doctor in the inner city or in many rural areas.

The effect of the physician and dentist shortage can be felt by most citizens in the increasing cost of doctor's visits and the increasing refusal of doctors to make house calls because of the demand on the doctor's time, et cetera. The cost of medical care rose 125 percent from 1946 to 1967 and the cost for health care will approach $200 billion by 1980. Since 1965 physician's fees have averaged a 7-percent increase annually.

Necessary efforts to streamline medical training although imperative, did not appear to fill the physician-dentist shortfalls. The only means to increase medical manpower is to construct new medical schools.

As I studied the problem of new medical-dental schools, I was struck by the costs of construction and initial planning. Of these factors, construction was by far the most prohibitive. Although it is difficult to find an accepted formula for construction costs, the Association of American Medical Colleges estimates that is costs $250,000 per entering student.

It seemed practical then to use existing facilities to cut down cost. Since again there are no set criteria for establishing medical or dental schools, I reason that access to a large well-equipped hospital facility would be the most cost-effective approach.

There are, fortunately, such facilities existant. The large military hospitals are not being used effectively for teaching hospitals and I am proposing that some of these hospitals be the bases of three new Medical-Dental Military Academies for the Army, Air Force and the Navy.

Although there is no established size for teaching hospitals, the Army alone currently has three 1,000 bed operational hospitals: Walter Reed, 1,355; Brooke, San Antonio, 1,038; Fitzsimmons, Denver, 1,085. The Navy has five medical hospitals with near or over 1,000 beds: Bethesda, 902; Oakland, 1,150; Philadelphia, 1,164; Portsmouth, Va., 1,412; St. Albans, N.Y., 1,208. The Wilford Hall Air Force Hospital at Lackland Air Force Base has over 1,000 beds.

The bill I am introducing today with the support of some of my distinguished colleagues establishes these three new Army, Navy and Air Force Medical-Dental Military Academies.

This bill is specifically designed to serve two inter-related goals: increase the supply of physicians and dentists, and accomplish this in the most cost-effective manner.

This is accomplished by establishing three new medical-dental schools and by using existing military hospitals as the centers of training.

This proposal has other advantages. It will be the first all governmental medical education program. This feature could open the entire field of medicine to socioeconomic groups that have been largely excluded from medicine by the high cost of medical education.

For example, it is estimated by the Department of Health, Education, and Welfare that it costs as much as $100,000 to educate one medical student for 1 year. For dental students yearly costs are as high as $15,000 per year. Admittedly, there are Federal and State programs which assist the student, but for the student from modest and low-income families, the cost of a medical or dental education is prohibitive.

This new proposal establishes application procedures similar to those used for West Point, Annapolis, and Colorado Springs. This allows applicants to compete freely and openly for Congressional or Presidential nominations.

Therefore, with the establishment of the new Military Medical-Dental Academies, students will be able to be judged not on their socioeconomic background but on their intellectual capability, the qualities found in every social strata but only too infrequently encouraged in the lower and middle classes.

Finally, this bill provides for alternative service. Should the graduates of these military medical-dental academies not be needed in the armed services, the Secretary of Defense working with the Secretary of Health, Education, and Welfare can establish alternative service in medically deprived areas.

As I pointed out, the American medical crisis is caused by a number of factors. In proposing these new Medical-Dental Academies, I believe that they will have a significant effect on a major cause of the current crisis: the shortage of physicians and dentists.

I am proud to be joined in presenting this novel legislation by the Honorable Ella Grasso, Frank Horton, Frank Brasco, John Dent, Seymour Halpern, and Fred Rooney.

TRIBUTE TO DR. FRANK ROSENBLATT

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. CAREY) is recognized for 30 minutes.

Mr. CAREY of New York. Mr. Speaker, I take this time during the passage of the 92d Congress to call attention to an event which had an element of tragedy attached to it, in that a man whom we might call a universal citizen was called to his eternal reward at a very early age.

I refer to the recent death, on July 11, of the distinguished member of the New York academic community, Dr. Frank Rosenblatt, who was a most gifted human being. Dr. Rosenblatt had made his entire life a contribution to mankind. Close by to the Capitol here, during a period of recreation, he suffered a boating accident which took his life. In this brief episode, we saw the ending, at least for this time, of a career of dedication and devotion in the field of the academic and in the field of human resources.

Dr. Rosenblatt's career as scientist, inventor, and as a professor and leader at Cornell University in the great State of New York, marked him as a most dedicated citizen, and it brings to mind, as I said, the concept which we always try to understand of the universal man.

Dr. Frank Rosenblatt was known to many communities, including the world of politics. He was strong in his sense of devotion and dedication to mankind, strong in the field on the side of activities for lasting peace, and for more understanding among nations and among people.

Members of Congress in this body who knew him well and worked with him in his various endeavors share, I know, a deep sense of loss.

The memorial services at Cornell University on July 16 were moving and poignant and I think should be widely appreciated.

I therefore include as a part of my remarks some of the comments that were made during the course of that ceremony. I think they represent a most sensitive appraisal of this significant young person whose mind and character we cherish.

Dr. Frank Rosenblatt's spirit will, I hope, endure through others who will be inspired to follow in his footsteps, because throughout his life he gave freely and generously to young people who were in his classes and in his company and, in fact, he made his life a total inspiration to the young people around him.

We all know many of Dr. Rosenblatt's associates in the academic community who have worked in the political arena, and those of us in Washington are, of course, very keenly aware of the many activities carried on by Dr. Rosenblatt's brother, a distinguished citizen of Washington and New York, Mr. Maurice Rosenblatt, and his sister, Mrs. Bernice Evans. Maurice Rosenblatt, who is known to many of us, is one who, in the tradition of that family, a great New York family, has worked very earnestly to improve politics in our country, and therefore to improve our country through better politics. Maurice Rosenblatt has served as national chairman of the National Committee for an Effective Congress, and I know his sense of loss must be very great in that his young brother has left the field and left it, in a sense, much richer for his major contribution in the field of cognitive systems research programs and in intellectual pursuits in advancing our understanding of the thinking mechanism of man, not being content to confine his research to pure science, but to apply the science of the understanding of man to his everyday activities in the world.

We who are in the world today have lost, indeed, a rich resource in that Dr. Frank Rosenblatt is no longer with us, but I think the articles of eulogy which I shall put in the RECORD at this point particularly and deeply demonstrate the mark he made upon the community in which he lived.

The article and the eulogies referred to are as follows:

[From the New York Times, July 13, 1971]

DR. FRANK ROSENBLATT DIES AT 43; TAUGHT NEUROBIOLOGY AT CORNELL

EASTON, MD., July 12—Dr. Frank Rosenblatt, associate professor of neurobiology at Cornell University, died here yesterday in a boating accident. It was his 43d birthday. He lived in Brooktondale, N.Y., an Ithaca suburb.

An originator of perceptive theory, he had developed an experimental machine that could be trained to identify automatically objects or patterns such as letters of the alphabet. The instrument was an electromechanical device consisting of a sensory unit of photo cells that viewed the pattern shown at the machine, association units that contained the machine's memory and response units that displayed visually its pattern-recognition response.

EDUCATED AT CORNELL

The son of the late Dr. Frank Rosenblatt and Katherine Rosenblatt, the scientist was born July 11, 1928, in New Rochelle, N.Y. He obtained his A.B. from Cornell in 1950 and his Ph.D. in 1956. He then went to the Cornell Aeronautical Laboratory in Buffalo, where he was successively research psychologist, senior psychologist and chief of the cognitive systems section.

In 1959 Dr. Rosenblatt went to Cornell's Ithaca campus as director of the cognitive systems research program and as lecturer in psychology. Seven years later he joined the section on neurobiology and behavior within the newly formed division of biological sciences and became an associate professor. At his death he was acting chairman of the section.

Dr. Rosenblatt's research interests were broad. One aspect dealt with models of brain function. In 1958 he described what he called a Perceptron, an electronic device constructed on biological principles that showed an ability to learn. He developed the concept in a book, "Principles of Nerodynamics," and gave a course in brain mechanisms and models.

STUDIED BEHAVIOR TRANSFER

In 1966, he investigated the transfer of learned behavior from trained to naive rats by the injection of brain extracts and published extensively in this area.

Dr. Rosenblatt was also interested in astronomy. At his death he was trying to develop a new method for the detection of satellites.

He is survived by a sister, Mrs. Bernice Evans of New York, and a brother, Maurice of Washington.

A memorial service will be held at Cornell in Ithaca at date to be announced.

MEMORIAL SERVICE FOR FRANK ROSENBLATT, JULY 16, 1971, CORNELL UNIVERSITY

Father David Conner: All of us are here today to share the mourning and also to celebrate the life of a person whom we loved: a colleague, a friend, a brother to anyone who had the privilege to know him. At the request of those who knew him best, and loved him most deeply, the memorial service for Frank Rosenblatt will be simple and honest. Everyone who's here by rights could speak, and should. Because there are many overflowing words and silences that we would like to share with everybody. Those who do speak, will speak from their own personal recollections, and after we've shared this memorial service we will all go to his house if you want to, to talk to each other, to console and to be close with those who loved him. The person who will speak to us first is Dr. O'Brien, head of the Division of Biological Sciences, and a very close friend of Frank.

Dr. Richard O'Brien: It was my privilege to know Frank for something like ten years, and when someone who's been close to one for this length of time is suddenly taken from us, it's a time when we look back on that knowledge, that relation. And especially when it's an unusual man, as in Frank's case, we try to ask ourselves what it is that was unusual about him, and about the relationship. And in the last days, in casting my mind back, to try and think why he was a special man, it seemed to me that it comes back to the question of what university professors are all about. Most of us are rather schizoid individuals: we have two kinds of lives. One is that of the scholar, and the teacher, and the seeker after truth, and the sort of person you think of when you think of groves of academe and ivory towers, who is not concerned with self, or with self-interest, or with his own personal rewards, but only with pushing back the understanding of the universe. But most of us also live on a second plane, and a relatively selfish plane, which is concerned with things like rank, and income, and tenure, and promotions, and numbers of square feet of laboratory space, and numbers of grants, and things of this kind. And most of us do a reasonably good balancing act between these two kinds of personality. And I think the strange thing about Frank was that he lived almost exclusively in that first world, and he was always totally unconcerned with his own welfare and with practical things. He didn't care how he dressed, or how he rode in his car, and in the several years in which I had the pleasure of being his Chairman, he never came to speak to me about secretaries and footages, and how to get another grant, but always about science and the discoveries in his laboratory the day before. He was, I would say, not a prudent man, he didn't take advantage of things for himself, nor look out for himself. For instance, it was only a few years ago that he enjoyed hundreds of thousands of dollars a year in research grants, from agencies that thought his work was worth doing, and he was a victim of the Mansfield amendment, and within a few years that money melted like summer snow and soon he had very little left in the last few months.

And yet all these sort of drastic happenings had remarkably little effect upon Frank, he was sorry for his colleagues and for his students, who were put out by these situations, but somehow it didn't impinge on him emotionally, as it would for many people. And this imprudence, which was sort of a lovable character of his, extended in so many different aspects of his life. For instance, I well remember the place when his tenure came up. As you know, when a university grants tenure, it declares it will support a man for the rest of his life, and for most professors this is a terribly serious time in life, and one they think about a great deal, and try and make sure that the omens are favorable and everything works out well, and when some five to six years ago Frank's tenure came up I found it impossible to move him in prudent directions. I pleaded with him to make sure his research was published in respectable journals, and he couldn't understand me, because it was available in libraries, and people could read it if they wanted it, and what any tenure committee thought about it mattered nothing to him. At the very time when his tenure was about to come up, he came up with an imaginative, and entirely out of place proposal to look for a life from outer space, by studying coherent light, received from the universe. And I begged him not to put such an imprudent proposal at such a delicate time, because I said there were many people . . . your character is disputatious, Frank, there are those who will say this is just another mark of how you're not a solid citizen. And needless to say, Frank couldn't understand me. He said, "But that's nothing to do with it, it's a good idea and it's a good proposal, I'm going to put it forward." And he did. This imprudence extended to his selection of all his research career. He would never do, as prudent professors do, pick out some small aspect of the physical universe which could be studied, and could reasonably be expected to produce solutions in a year or two so that someone could come up with a sensible reputation. Instead, he would reach out and grasp the biggest problems that he could see, and apply himself, *throw* himself into the study of them, without any recognition of the fact that if he made bad choices, or if he chose, as he usually did, problems which were not likely to yield a solution within ten or twenty years, that this would redound to his disadvantage. He never worked that way.

He built up, in fact, two research reputations. One grew out of his invention, more than ten years ago, of an instrument called a Perceptron, an electronic device that was able to learn the recognition of patterns, and there was a good deal of publicity about it at the time, which stressed the utility of this, and how it had led to the possibility of making machines which could do things like scan radar screens, and do practical useful things like that. And of course the real basis of that research was nothing of the kind, his intention was to find out the fundamentals of how brains work, he wanted to ask himself: what are the minimum number of things that a brain has to have physically in order to perform the amazing things it does, particularly in the area of recognition, and memory and learning, and those related events. And so for years, he wrote and researched in this whole area of artificial intelligence, and we still don't know whether in fact he was on the right track, or whether it was a false track. What we do know is that the years of research there that he and colleagues built up, open up to us, make clear to us, that the understanding of this very important biological phenomena, were things that one could study, one could research for, one could think about, one could analyze. And whether or not brains turned out to be wired up, the way Perceptrons are, is less important than the fact that he lifted the veil and enabled us to examine all these possibilities and see that ideas like this were within human grasp.

And then five years ago, he was also very imprudent in that he became fascinated by a report that if one trained rats in particular tasks, you could transfer some of that training to another rat, by injecting brain extracts of the first. Now we know these days that in fact those early reports were probably wrong, they made extravagant claims. And yet Frank devoted several years, the last years of his life, to that, and to my mind showed convincingly that whoever allowed the initial reports of larger effects were indeed wrong, there is indeed a small but extremely important effect; and the devotion with which he pursued this, the care and the scientific acumen he brought to pursuing this tremendous task, which couldn't conceivably be finished within a decade or two, were also tributes to the sort of mind he had, and the sort of person that he was. And in this too he was widely recognized, he built a new international reputation in the second area, and only a few months ago was in Budapest giving lectures in international symposium on this work.

Finally, I must say that quite outside these relatively narrow spheres, his mind knew no limits, quite literally, and in February he published, *Neurobiologist* published a proposal for the detection of satellites to stars from outside the solar system. The paper, which I read over again just yesterday I think characterized Frank so clearly, because it showed that sort of great grasp of the greater picture, the looking for events outside this very world, in fact, and then went on cooly and calmly to evaluate the details to describe the precise way that you would go about it: he had a system of three telescopes that would scan 9,000 stars each night to see if they had satellites, and calculated the probability that one might find something useful out of all this data. And it seems to me that that kind of mixture of the astronomically large view that that he had, and the overview of the world, and that ability to bring it down into the realities so that we could grasp it with our own hand really characterized him. And you would have to say that beneath his exceptionally mild and quiet manner there was really a ferociously active intelligence which reached out to grasp great things. We are hoping that we will provide some sort of memorial which will be associated with these sorts of activities of Frank's, which made up such a great part of his life. And yet not all of his life, as other speakers here today will say. There were aspects of his life entirely outside those which I've touched upon, which demonstrated the amazing breadth of his mind and of his sympathy and understanding. The fact that that great intellect and that generous mind has been snatched from us suddenly makes us all very much the poorer. Professor Howland will say something about Frank next.

Professor **Howard Howland.** Frank Rosenblatt was not only a teacher and researcher, but also a man who was deeply concerned with the welfare of the university, its ideals and its reality. In that capacity he also served the Cornell community well. It was part of Frank's genius that he was acutely sensitive to the political events around him, that he grasped their deeper implications more rapidly than other men, and that he responded to them with forthright action. Thus in the Spring of 1969, when Cornell was shaken by great political upheaval, it was not surprising that he actively engaged in attempts to restructure and restore the governance of the university. Frank's was a selfless devotion to rational governance, and because of that selflessness, he was one of its most able defenders. Many of us recall how, in the most emotional of public debates, Frank would rise and in calm and measured tones lay the alternatives before his listeners, and bring the discussion back on the path of constructive action. This same selfless devotion meant for Frank that no task and its defense was too small or menial for his attention. He attended endless meetings, and participated in innumerable discussions. He was a good listener and a good advisor, and above all he could be counted on to do the next necessary thing no matter how bleak the outlook of success. After playing a major role in guiding the proposal for the constituent assembly both through the university faculty and the Barton Hall meetings, Frank went on to serve on that constituent assembly. He was chairman of the summer research committee, on the relationship of the university to minority groups, and compiled its report on the university and the disadvantaged. In the introduction to that report he summarized his humanitarian view of the obligations of the university. He wrote, "The university has a moral obligation to help provide equality of education, equality of educational opportunity, for those who have been deprived of it by virtue of race, poverty, or social circumstances. This includes making potential students aware of the possibility of a university education, making it possible for them to enter, making it feasible for them to stay, economically and socially, and providing studies relevant to their needs and interests. This applies to foreign students as well as to Americans." Such was his idea of the university. Late in the Fall, long after the excitement of the Spring had passed, when the constituent assembly had almost exhausted its strength in its attempt to provide a viable senate proposal, Frank again lent his full energies to the construction of a successful document which became the constitution of the Cornell Senate. Frank Rosenblatt was no stranger to the thrill of the larger political arenas, or the sweet taste of professional success. The fact that he gave so generously of his abilities to his university when it needed him is a testimony to its embodiment of a dream of a rational and equitable society for which he strove. We are all the richer for his example.

Rod Miller. I'm Rod Miller. I met Frank when I was a Freshman, and didn't know him very well during that year. At the end of the year I was busted for smoking pot, and I was put off going to see Frank for two or three days because I thought—that was the only faculty member I knew at all—and he'd say, "Tough luck, kid." And I went to him finally, and I was really surprised and shocked to find that I still had a friend in Frank. And in the next years I was a biology student and couldn't understand why Frank didn't have a wife and kids. I was interested in evolution, perpetuating self, and such. And I talked to Frank and he made me see that there's so much more in terms of the culture, ethic, ideals that you can pass on. And I lived at his house and he used to read to us after dinner. We read *Canticle for Liebowitz, Alice in Wonderland, Through the Looking Glass,* the Ring Trilogy, *The Once and Future King,* and many others. *The Wind in the Willows.* One chapter Frank came to and he said, "This chapter's about me." And it's about Mr. Toad, who had wanted to get a bright shiny red motor car, and he was obsessed with this idea, and Frank identified with Mr. Toad, and he had many shiny red motor cars: projects. At the house, he'd get involved in interstellar communication, painting, sculpture, mountain climbing, and we'd all say, "Frank doesn't know anything about that," and two weeks later, Frank knew something about it, and two months later he knew an awful lot about it. He'd work away at his desk computer, sometimes twenty hours a day, scribbling notes on napkins, on the back of check stubs, anything that was white. And he was a father to all of us, I guess. And in a sense we were a father to him. Frank was an absent-minded professor, I guess. He had to have an appointment made for him at Browning and King to get a suit, because he'd never get around to doing it himself. And he had to be reminded that the stop light had turned green two times now. When we found out at the house, somebody sort of summed it up . . . said that she thought we'd all be dead from cancer, or something else before Frank, before anything ever happened to Frank, because Frank was the center of so many people's lives, and seemed to be the only stable thing around. And his house was like . . . students flowed through it . . . there'd always be Frank with another shiny red motor car.

Father Connor. I first got to know Frank during the time of the years of crisis, I guess we could call that '67 until 1971. There were many professors that turned up, but there was never one who was so omnipresent as Frank. When everyone else was exhausted, and the cause seemed lost, Frank would still come to the meeting, and speak his heart, and encourage us. The reputation that he got, that I understood, was as someone who couldn't say no to anyone. I don't think there's probably anyone on campus who's ever had him refuse him anything that he's asked. And because of that particular quality, he had the most incredible groups of friends, associates, people crashing into his apartment, wayward youngsters. And it was always intriguing to me to see a man, who was doing such important work, with such an incredible mind, to have the personal touch, to always take time from his work and turn to someone in need. He was more than a teacher and a professor. He was a man who taught with everything he did, who had his personal life run into his work. He allowed himself to let people get close enough to hurt him, or to heal him. He was a man of deep compassion, and his mind, which showed him how institutions work, which gave him all the reasons the rest of us have for cynicism, also allowed him to be a man who believed. He believed in the individual, he believed in each person who came to him. And that's why so many people are here today who have come back. They've come back because they couldn't do anything else during this period, because the shock which they all felt, whether they read it in the New York *Times*, or someone phoned them, or someone told them, made them stop everything else just as he stopped everything else when they needed it. I can't give any greater tribute to a human being than to say that he was a man who loved, and the faith that he put in people, which more prudent members of the community would say: Frank, you believe too much in them, always brought fruit. The second, the third, the fourth chance that he gave someone let them become that which they could become, let them rise to the stature that he glimpsed in them with his incredible insight. And I guess what he's planted in each one of us, that we might call inspiration, or hope, will never be stifled, it will live and grow. All those who are here today, who would like to, are welcome to come to the house. If you haven't seen the house, it's beautiful. I never knew when I first met Frank that he wasn't married, because he was always talking about his kids. And I understood when I met them that they weren't his kids, and yet they were his kids, in the way that Rod described it. One of the most imprudent things that Frank ever did happened in 1968, when he interrupted his life for three months because he saw a vision, because a man inspired him, gave him a hope, that there could be indeed a moral politics, there could be in the dearth of charismatic and insightful leadership, someone who the people could call to authority and to power. So he set aside his research, his teaching; he set aside many of his own needs, to go from New Hampshire to California and to put his particular insights and talents to use. So that that charismatic man could lead the people of this country away from the death and destruction, the racism and the hatred. The man that inspired Frank and many of us here is with us today. Senator Eugene McCarthy.

Senator McCarthy. I am here today not so much to participate in a memorial to Frank Rosenblatt as to pay testimony and tribute to him. I could say very little of my direct and personal experience with him, or my direct knowledge of what he has done and what he has been to people. I speak of him from what I know of him principally through his influence on other people. And so in my case, as I sense from what some of those who've spoken before me have said, his having died does not so much leave me feeling a loss as it has brought me to realize what a presence he was, and to look forward to a continuation of that presence. I've tried to reflect on what his character was, and I've come to two conclusions, in a way. That it was almost as though he was a different order of being. I hesitate to use the word angelic, as we're inclined to think of angels as rather soft and uncommitted people, but we take some of the harder definitions, and it involves a very firm and complete commitment of intellect, to whatever the problems the angels have to face. And the disposition not to pass moral judgment, as if having made a great moral decision at some point, he was rather free from the obligations which some of us seem to carry through life, making moral judgments on most everyone who passes by. It was as though Frank had decided, that at least as far as he was concerned, that he would try to eliminate all the evil and all the distress that comes from ignorance and from lack of knowledge, and following that decision his commitment was very complete. Along with that, he was if anything, it seems to me, a kind of universal brother, brother to the members of his family, to the members of the faculty who knew him, to the students who have spoken here, and I think in a sense to all of us. The nature of his affection was a brotherly one, and as he became more and more his own person a brother to the land, and a brother to the youth of this nation, a brother to all the simple things of our existence, a brother truly to the universe itself. So in that conception, a man pure in spirit and fully committed in intellect, a brother to all things, I'm here with his own family and his almost universal family to pay tribute and to give testimony to his life and to his influence.

Rabbi Morris Goldfarb. There are times when our own words are inadequate to express all that we feel within, and to bring to fore those emotions, those thoughts which are present in our hearts, and so we look to the past, to the pages written by sages who might bring a word of consolation and hope for us. And these words, from the book of Ecclesiasticus, perhaps might serve in that capacity:

Fear not death, we are all destined to die; we share it with all who ever lived, with all who ever will be; bewail the dead, hide not your grief, do not restrain your mourning, but remember that continuing sorrow is worse than death; when the dead are adrift let their memory rest and be consoled when the soul departs; seek not to understand what is too difficult for you; search not for what is hidden from you; be not over-occupied with what is beyond you: you have been shown more than you can understand; as a drop of water in the sea, as a grain of sand on the shore, are man's few days in eternity; the good things in life last for limited days, but a good name endures forever.

At the graveside, Father Conner read the following poem by Frank Rosenblatt:

COURAGE

Courage is to smile
When the doctor jabs the needle
Into frightened flesh, thinking
(But not saying) "Look, Mother,
How brave I am!"
Courage is to see dreams crumble,
And then shaking out the dust,
To dream again; to apprehend
The ambush hidden in the path
And still go forward; to explore
Within the hidden craters
Of your own desires; to submit
The working and creations of your mind
For public judgment.
And courage
Is to hope
When others have surrendered.
And courage
Is to face surrender
When others hope.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. CAREY of New York. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I thank the distinguished gentleman from New York for yielding, and also thank him for making it possible for some of us who were Dr. Frank Rosenblatt's friends to give expression to that thought. I had not known Frank Rosenblatt long, but he was a man of that intensity of intellect, that warmth of spirit that made me feel I knew him intimately. I was privileged to share his family's response when I first expressed my condolences. The family response, both philosophic and poignant, was—

> We had the comfort of having had him for 43 years.

From what I know from friends, and what I have observed from a lamentably short experience, there would have been from year to year a deeper pleasure from being in his company.

The expressions of some of these friends was contained in the memorial services for Frank Rosenblatt on July 16, 1971, at Cornell University, which the gentleman has placed in the Record. These express more eloquently than I can, being from those who were close friends, many of whom were of great prominence in the academic and political communities, the feelings which I also share.

Mr. Speaker, I thank the gentleman again for this opportunity.

Mr. THOMPSON of New Jersey. Mr. Speaker, I am honored to join in this tribute to Dr. Frank Rosenblatt whose untimely death has removed from the scene one of the towering intellects of our time. Others much more qualified than myself will speak of Dr. Rosenblatt's immense contributions to the science of learning, particularly, his research into the function of the brain. I would wish to say just a few words as to his contribution to the university that he served so well during those turbulent days when Cornell University was meeting its most serious challenge.

Those who worked with Dr. Rosenblatt in those trying times have given eloquent testimony to his patience, his concern for the sensibilities of his students and colleagues, and above all, his deep sense of undertanding of the issue and emotions involved. We have lost in his passing a gifted humanist and a remarkable scientist. Seldom are such qualities met in one man. I know that I express the sense of all our colleagues when I extend my sympathies to his brother, Maurice, and his sister, Mrs. Bernice Evans.

GENERAL LEAVE

Mr. CAREY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CONGRESSIONAL SUPPORT FOR YIDDISH BROADCASTS BY THE VOICE OF AMERICA TO SOVIET JEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. BUCHANAN) is recognized for 5 minutes.

Mr. BUCHANAN. Mr. Speaker, together with my colleague from New York (Mr. RYAN), and 20 additional House cosponsors, today I am reintroducing a resolution urging the Voice of America to undertake broadcasts in the Yiddish language into the Soviet Union. The introduction of this measure brings the total number of House Members sponsoring this resolution to 99.

I am pleased to report, furthermore, that 22 Members of the U.S. Senate have expressed their support for this worthwhile endeavor through sponsorship of identical legislation in that body.

The mounting evidence of discrimination against its Jewish population by the Soviet Government makes this significant demonstration of congerssional support for Yiddish broadcasts of particular importance at this time. The Soviet Government's campaign against its Jewish population has aroused considerable indignation and sympathy throughout the world. With Soviet press censorship, however, the 3 million Soviet Jews can only learn of such world reaction through external news sources such as the Voice of America.

According to the latest data available—the 1959 Soviet census—some 2,267,000 persons in the Soviet Union speak Yiddish. While the Voice of America currently broadcasts in 34 foreign languages, however, it does not broadcast in Yiddish. There are, furthermore, several Voice of America target populations smaller than the total of Soviet Jewry. Voice of America broadcasts, for example, are transmitted to the following groups in their native tongues: Estonian, 1.3 million; Slovenian, 1.8 million; Latvian, 1.9 million; Lithuanian, 2.73 million; Albanian, 2.74 million; Georgian, 2.83 million; and Armenian, 2.94 million.

While most Soviet Jews probably understand and speak the Russian language, the small act of recognition which would be provided through Yiddish broadcasts by the Voice of America into the Soviet Union would, in my judgment, provide a tremendous spiritual uplift to the members of this oppressed minority. In this connection it is important to remember that the primary aim of the Soviet Government's campaign of oppression against its Jewish citizens is apparently the destruction of their Jewish cultural and religious identity. VOA broadcasts in the language which is such an important aspect of this cultural identity would, therefore, be an important symbolic expression of our support.

The resolution which is being reintroduced in the House today and which urges the Voice of America to undertake broadcasts in the Yiddish language to the citizens of the Soviet Union, reads as follows:

RESOLUTION

Whereas the House of Representatives deeply believes in religious and cultural freedom for all persons and is opposed to infringement of these freedoms anywhere in the world; and

Whereas abundant evidence has made clear that the Government of the Soviet Union is persecuting Jewish citizens and imposing restrictions that prevent the reuniting of Jews with their families in other lands; and

Whereas many of the three million Jewish citizens of the Soviet Union speak the Yiddish language; and

Whereas the Voice of America does not broadcast in the Yiddish language to the peoples in the Soviet Union, although it does broadcast to several population groups in the Soviet Union whose numbers are less than the total Jewish population; and

Whereas the broadcasting by the Voice of America in the Yiddish language would bring to the Soviet Union's Jewish citizens knowledge of the worldwide sympathy for their plight and of the worldwide support for their being allowed religious and cultural freedom, as well as freedom to emigrate; and

Whereas the broadcasting by the Voice of America in the Yiddish language would constitute for the Soviet Union's Jewish citizens an act of great psychological support: Now, therefore, be it

Resolved, That the House of Representatives urges the Voice of America to undertake broadcasts in the Yiddish language to the citizens of the Soviet Union.

In a further effort to obtain Voice of America broadcasts in Yiddish, several sponsors of the above legislation wrote to USIA Director Frank Shakespeare on May 24 urging his favorable consideration of this matter. Unfortunately, however, Director Shakespeare responded on June 14 that the USIA was not at this time prepared to inaugurate such a service.

A meeting to discuss this matter further and to urge reconsideration of the above negative response was subsequently held on July 14 between interested Members of Congress, Assistant Secretary of State for European Affairs Martin Hillenbrand, and Acting Director of the USIA Henry Loomis. That meeting provided an informative exchange of ideas as well as the agreement by Messrs. Hillenbrand and Loomis to meet with the Congressmen again in 60 days to continue the discussion.

It is my profound hope that the significant show of congressional support for the above legislation will result in a reversal of the USIA's expressed position on this matter.

TAKE PRIDE IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a nation. Eighty percent of America's nearly 10,000 newspapers are weeklies serving rural, small town, and suburban "hometown" communities. Less than 4 percent are metropolitan dailies. Three-fourths of the 1,754 dailies are published in cities of less than 25,000 population, keeping Americans informed about local, national, and international events.

HAS RED CHINA CHANGED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 60 minutes.

Mr. ASHBROOK. Mr. Speaker, the image making process has commenced and is in high gear. Soon we will be lulled into believing that Communist China has given up its brutal, tyrannical ways, and can be counted on to work for peace. It is entirely inappropriate for the White House to ask that criticism of the impending China visit be held back. They have not changed, there is no reason to cease our legitimate criticism of their regime. If Red China has changed in any significant way it would be one thing but there is no indication of this in any way, shape or form.

Any policy regarding Red China should be based on whether that regime seeks to establish justice and insure domestic tranquility and whether it seeks to secure the blessings of liberty for the people of Red China. The answer is obvious: The Red Chinese Government presides over a slave state, just as cruel and brutal as the government of Nazi Germany and any attempt to appease the Red Chinese leaders will eventually result in similar, disastrous consequences.

What many of us fear is the Red Chinese not only have not changed but that they give no real indication of change. In his visit to Red China, President Nixon has all but signalled the fact that the United States will change its policies whether Red China does or not. Let us examine whether or not the Red Chinese have changed and, of course, I am referring to the oppressive leaders when I use the term Red Chinese, not the enslaved people of China.

Here are the slogans which were used on International Labor Day, May 1, 1971—note that, this year—by official Red broadcasts on Radio Peking:

People of the world, unite and defeat the U.S. aggressors and all their running dogs!

We warmly congratulate the people of the three countries of Indochina on their great victories in the war against U.S. aggression and for national salvation!

We firmly support the heroic Korean people in their just struggle against U.S. imperialist aggression and for the peaceful unification of the fatherland!

We firmly support the Arab peoples in their struggle against U.S. imperialism and Zionism!

We firmly support the Cuban people in their struggle to oppose U.S. imperialist aggression and safeguard national independence and state sovereignty!

> We firmly support the just struggle of the American people against the U.S. Government's policies of aggression and war and racial discrimination!

All right, you say, this is just propaganda. Yes, this is their propaganda line but their government policy line is still one of terror and repression. The ping-pong players who returned a few months ago seemed to be impressed with the China they saw. One of the youths indicated he was impressed by the "austerity and discipline" of the Chinese people. These same Americans will be the first ones to yell about poverty and repression in the United States but call real poverty and real repression "austerity and discipline" in Red China. This is but one of the not-too-subtle propaganda exploitations of the liberal news media in our country which is touting a Red China accommodation.

The murdering of upwards to 20 million Chinese does not seem to put the Red government in bad stead with the liberal community in our country. The Communists' "Three Anti" and "Five Anti" campaigns of the early 1950's, the Hundred Flowers, the Great Leap Forward, the Red Guards, the Cultural Revolution indicate that their policy of repression and extermination was not one limited to the 1949–50 era but has continued up through the present. All of these have been fully documented for anyone who wants to study Red China tyranny. The cult of making a god out of Chairman Mao should be repulsive to Americans who have any sensibilities at all. The murderous background of Chou En-lai must sicken all decent Americans who think of our President sitting down to dinner with him.

One has to be reminded of Chamberlain and others who wrongly assessed tyranny. Has the desire for peace become such an obsession that it is necessary to paint a new picture of our adversaries in order to make peace with the Red Chinese more plausible? What one basic principle have the Red Chinese changed or offered to change to give us any cautious hope they can be trusted? You can search the record and find nary a change. We are changing. We are softening our guard. We are backing away from our position of world leadership of the free world.

THE CHINESE DRUG MERCHANTS

The American people have finally become aware of the dangers of narcotic drugs to our young people. While I have seen justifiable press criticism of some of our allies for their failure to regulate the drug traffic, I have not seen any comparable press exposure of the Red Chinese role in the production and distribution of heroin.

On September 13, 1964, radio Moscow, in the course of its criticism of the Red Chinese regime, revealed that Red China was involved in a large-scale production of opium, and the distribution of the opium derivatives, morphine and heroin. According to the Soviets, Red Chinese profits on illegal drug distribution in Japan alone amounts to $170 million a year.

A secret convention was held in Peking in December 1952, at which it was decided by the Red Chinese Government to increase its production and distribution of narcotics to help finance worldwide Communist operations. Shortly after the meeting the production of narcotics by Red China increased 400 percent. Part of the work in processing the drugs is done by the inmates of the Red Chinese slave labor camps.

Mr. Speaker, I believe the American people have a right to know about these activities of Red China. I think that the press has a duty to inform the people. I do not consider the Soviets a good source for criticizing Red China but these charges are adequately borne out in the evidence that our Government has concerning the Red Chinese part in the international drug traffic. They are prime promoters of the illicit drugs which traffic in our Nation. Will the President talk to the Reds about their drug traffic?

THE NIXON TRIP

The proposed visit to Red China by President Nixon is a serious blow to the security of the free nations of Asia. The dangers to the freedom of the Chinese on Formosa is obvious, but there are also dangers to the freedom of the South Koreans, the South Vietnamese, Laotians, and Cambodians.

On July 5, 1971, the high-ranking Chinese Communist functionary Kuo Mo-jo granted an interview with two correspondents of the Tokyo newspaper Asahi. The interview was printed on July 8, the day before President Nixon's envoy, Henry Kissinger, arrived in Peking. I have a translation of that newspaper story prepared by the American Embassy in Tokyo, which I obtained from the Library of Congress.

This is the Chinese Red's answer to a question concerning China-United States relations:

> The Taiwan question is the key to the U.S.-China question. Since 1955, this question has been discussed at the U.S.-China ambassadorial level talks. At these talks, we have been asserting toward the U.S. side the following points: (1) The United States' recognizing the Peking Government as the sole legitimate government representing China; (2) Its recognizing that Taiwan is one province of China, and that in what form it will be liberated is an internal matter for China; and (3) The withdrawing of U.S. forces from the Taiwan Straits. I am sure you recall what Chairman Mao said to Edgar Snow. Chairman Mao mentioned U.S. President Nixon in his conversation with Snow. Nixon is not satisfied with the Warsaw talks (U.S.-China ambassadorial level talks) alone, and he is saying that he wishes to visit China himself. Nixon has two daughters, and it is said that they want to visit China on their honeymoon. Also, Mrs. Nixon is expressing the wish to visit China. Mrs. Nixon recently attended a gathering of women, on two occasions. She discussed the question of sending a women's delegation to China on that occasion. She even said that "when you send a women's delegation to China, please do not forget me." If that is the situation, then the entire Nixon family will be visiting China.
>
> Chairman Mao says that apart from when and in what form Nixon will visit China, his visit is welcome. It is said that President Nixon has two aspirations. One is to be reelected. The U.S. Presidential election will be held in November of next year. If he is elected, his term of office will last until 1976. July 1976 will be the 200th anniversary of the founding of the United States. President Nixon is said to be desiring to have the honor of being the President to celebrate its 200th anniversary.
>
> Nixon's other wish is said to be that he wants to become a President whose name will be recorded in the history of the U.S. by creating opportunities for having dialogues with the world of communist nations.
>
> If he were to visit China, with the hope of becoming a President whose name will be recorded in U.S. history, it will mean that he will come to have talks on important questions. It will not be just to drink a few cups of mao-tai wine in Peking. In that case, the Taiwan question will be the important question. Whether Nixon comes himself, or whether a special envoy comes, there is no difference in the importance of the Taiwan question. However, whether such talks will be successful or not is unknown. If Nixon wants to have his name recorded in history, he will have to make a big decision. We are watching.
>
> Going back to the question of the Japanese Government, the best thing for the Government is to recognize the Komei Party's five principles. Of course, it is too much to expect the Sato Cabinet to ask Nixon to change his policy of occupying Taiwan. However, in the final analysis, you cannot go against the tide of the people's sentiments, and I think the Sato Cabinet will come to a time where it will have to make a big decision. The Sato Cabinet will have to withdraw its ambitions toward Taiwan. At least, it must refrain from putting forward obstructions when the time comes for the U.S. and China to have talks on the Taiwan question. It is said that the business circles' investments in Taiwan amount to as much as 90 million dollars. They should withdraw their hands in this field (investments), too. As for the people of Japan, I think an absolute majority will support the Komei Party's five principles.

It is apparent from this that days before Kissinger's visit to Red China the arrangements had been made to invite President Nixon. It is also apparent that the Chinese Communists expect Taiwan in payment for allowing a United States-Red Chinese rapprochement.

This cynical assessment of President Nixon gives us cause for alarm. If it is generally shared by the Red leaders in Peking, it means that they look upon our President as a man who would sell other people's liberty for the opportunity to be reelected in 1972. No reasonable American could accept this cynical evaluation of President Nixon, but the Red Chinese may be remembering the lessons of the Owen Lattimore, John Peyton Davies, John Stewart Service, John Carter Vincent years when the United States failed to preserve freedom in Asia.

The free Chinese on Taiwan have spoken out against the proposed Nixon visit. They know that if America abandons our friends in Asia they will quickly fall victim to Communist aggression.

Kissinger's visit to China was July 9 to 11. On July 4, the Red Chinese and the North Vietnamese signed a new agreement on additional military aid from Red China to the North Vietnamese aggressor forces fighting in South Vietnam. Chou En-lai, who cordially received Presidential envoy Kissinger, also cordially received the North Vietnamese Gen. Tran San on July 4. Chou praised the military feats of the North Vietnamese army and reaffirmed Red Chinese military and political support for the North Vietnamese.

While Kissinger was in Red China on July 10, a North Korean Communist delegation arrived. They were greeted at the airport by an organized group of Chinese Communists who chanted in unison:

> U.S. imperialism get out of South Korea! Get out of Taiwan! Get out of Indo-China! Get out of Asia! The Korean people are sure to triumph in their cause of unification of the fatherland! The Chinese people are determined to liberate Taiwan!

The Korean Communist delegation then attended a banquet with Chou En-lai.

On the same date a letter was sent to Kim Il-Song, the North Korean Communist dictator. It was signed by Mao Tse-tung, Lin Piao, the Red Chinese army leader, and Chou En-lai. The letter said in part:

> If the U.S. and Japanese reactionaries dare to impose a war of aggression on the Chinese and Korean people, the Chinese people will, as in the past, resolutely unite with the Korean people, fight shoulder to shoulder with them, and thoroughly defeat the aggressor.

The danger in Korea, of course, is not that anyone will attack North Korea but that North Korea will repeat its 1950 invasion of South Korea. In his report to the November 1970, Korean Communist Congress, Kim Il-Sung boasted that the people of his country "have been placed under arms and the whole country fortified."

A background article on North Korea prepared by the Communist Journalist Wilfred Burchett for Prensa Latina, the Castro Cuban press service, revealed that the North Koreans are ready to renew their aggression. Burchett quoted Deputy Prime Minister Pak Chung Sul as saying:

> In reality we are in a pre-war situation and we don't know at what moment war may break out.

Burchett concluded from his conversations with the North Korean leadership that the war could take place this year. The North Koreans revealed to their fellow Communist, Burchett, that they expected only to fight South Korean forces on the ground, that the United States would supply only air and naval support to the South Koreans, but would not intervene with ground forces. The North Koreans said that they drew this conclusion from the American operations in support of the South Vietnamese in Laos.

Mr. Speaker, I have indicated here what anyone who is knowledgable on communism knows—the very man that Henry Kissinger met to secure the invitation for President Nixon, Chou En-lai, was directly involved in the supplying of additional arms to the North Vietnamese aggressors in South Vietnam, Laos, and Cambodia. The same man promised military support to the North Korean Communists should they renew their aggression against South Korea. The same Chou En-lai has a background fitting the leader of the bloodbath that exterminated 20 million of his countrymen, a murderer as shown by such a periodical as Life magazine in 1954.

I believe, Mr. Speaker, that President Nixon's planned trip to Red China can serve no useful purpose for the people of the United States or the free people of Asia. It will only serve to encourage the aggressive intentions of the Red Chinese and their client regimes in North Vietnam and North Korea. Like the U.S. diplomatics of Russia in the early 1930's, it will give the Red Chinese Communists a respectability that on the record, they do not deserve. The record is clear for anyone who will study it.

TWO NEW ALASKA PIPELINE DOCUMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin, Mr. ASPIN is recognized for 60 minutes.

Mr. ASPIN. Mr. Speaker, today I am placing in the CONGRESSIONAL RECORD two new Interior Department documents on the proposed trans-Alaska pipeline which cast very grave doubt on whether the Interior Department is making an honest attempt to evaluate the environmental effects of the Alaska pipeline. These two documents were the subject of a recent article by Jack Anderson.

As you know, the Interior Department released its draft environmental impact statement on the proposed 800-mile Alaska pipeline in January. Environmental impact statements on projects involving the Federal Government are required under the National Environmental Policy Act of 1969. Public hearings were held in Washington and Alaska on the draft impact statement in February. It became quite clear from those hearings that the draft impact statement was deficient in many respects. Since then I have released four secret reports—one from an Interior Department official critical of the pipeline; one from the Alaska Corps of Engineers also critical of the pipeline; one from the Alaska State Housing Authority which concluded that the Alaska pipeline could hurt the economy of Alaska more than it would help; and a report from the Alaska Department of Economic Development that a Canadian pipeline would benefit the economy of Alaska more than would the Alaska pipeline.

The Interior Department is expected to issue the final impact statement on the Alaska pipeline within the next month or two. Every indication is that the Interior Department will approve the permits for the building of the trans-Alaska pipeline.

Many groups and individuals, including almost every major conservation group in the country, have argued that the Interior Department should not grant permits for the Alaska line because of unacceptable environmental risks. Many of us have argued that a Canadian pipeline route would be far preferable because, unlike the Alaska route, it would not go through large earthquake zones or require the use of tankers to transport the oil. Oil from the trans-Alaska pipeline would be shipped by tanker to west coast ports. Oil from a Canadian pipeline route would be transported totally overland to a Midwest destination.

Today I am placing in the RECORD a report and a memo written by the Alaska Director of the Bureau of Sport Fisheries and Wildlife, which is part of the Interior Department. The B.S.F. & W. report was written in October 1970 before the Interior Department's draft environmental impact statement on the Alaska pipeline was published. The report was written for the purpose of being included in the draft impact statement. And much of it was. But there were some very important and significant sections, paragraphs and sentences in the Alaska B.S.F. & W. report which were omitted from the Interior Department impact statement—including its conclusion that the proposed Alaska route would cause far more environmental damage than the draft statement later admitted.

The Alaska B.S.F. & W. memo, written after the Interior Department draft statement was published in January, maintained that the draft statement omitted many of the ecological concerns discussed in the October B.S.F. & W. report. "As the statement now stands, it is difficult, if not impossible to defend," Gordon Watson, Alaska Director of the B.S.F. & W. wrote in his memo to Kenneth Roberts, who heads the B.S.F. & W. in Washington.

The Alaska B.S.F. & W. report, written for the draft impact statement, concluded that "from an environmental standpoint, the Alaska-Canadian pipeline would be by far the preferred route." That very important statement did not appear in the draft impact statement.

These two documents are particularly disturbing because they demonstrate in a most graphic fashion, beyond any doubt, that the Interior Department deleted or substantially altered many observations and statements contained in the original Alaska B.S.F. & W. report, not because they were not relevant or important enough or were inaccurate, but because they discussed many of the expected environmental effects of the trans-Alaska pipeline in a much too direct and candid fashion.

Below are just a few excerpts of the October Alaska B.S.F. & W. report, which were not included in the draft impact statement:

> The Alaska-Canada pipeline would not require marine transportation with its danger of massive catastrophic oil spills and certainty of persistent and chronic pollution and would remove the threat of extensive loss to the rich fish and wildlife resources of Prince William Sound and the tank ship route to West Coast ports. From an environmental standpoint, the Alaska-Canadian pipeline would be by far the preferred route.
>
> The pipeline project has far greater potential for long term irreversible environmental impact in areas not covered by Interior stipulations than in areas that are.
>
> Irreversible losses can be prevented only by keeping oil out of the water altogether. ... With the tremendous amounts of oil to be handled in Alaska, tank ship operations under present standards is a commitment of fish and wildlife resources to an inevitable downward trend.
>
> Oil pollution from the pipeline itself would have a tremendous impact on major segments of fish and wildlife resources of tremendous Alaskan significance. Marine pollution from terminals or vessels could be so severe as to have overwhelming, irreversible impact on birds, marine mammals, and fish resources of national and international significance.

The permittee (Aleyeska, the pipeline company) has already demonstrated his willingness to circumvent the stipulations wherever it is advantageous to do so. The same attitude no doubt applies to the transportation of oil.

Mr. Speaker, the question of when and how we should use the huge amount of oil discovered in the North Slope of Alaska is an extremely important one not only for Alaskans but for Americans, and Canadians as well. How we use and transport this oil has significant national implications both ecologically and economically. All indications so far, however, are that the Interior Department will not discuss in its final impact statement the possibility of a Canadian pipeline from the North Slope to some Midwestern point as an alternative to the proposed Alaska pipeline. Incredibly, this seems to be the case even though various Interior officials, Government agencies, almost all conservationists, and many economists have urged the possible Canadian pipeline routes be fully studied before any permits are issued for the Alaska pipeline. What these two Alaska B.S.F. & W. documents demonstrate is that the ecological effects of the Alaska pipeline will be far greater than either the Interior Department or the oil companies have admitted. I urge my colleagues to carefully read these important documents, which follow:

OCTOBER 26, 1970.

To: Director, BFS&W, Washington, D.C.

From: Area Director, BFS&W, Anchorage, Alaska.

Subject: Environmental Impact Statement—Pipeline.

This is the rough draft of the fish and wildlife portion of this statement as it was submitted to the State Office of the Bureau of Land Management. A more polished draft will be sent after an interagency review of the whole statement next week.

An additional summary, not part of the draft, and rough drafts of the National Marine Fishery Service's contributions are also included.

GORDON W. WATSON.

ENVIRONMENTAL IMPACT ON FISH AND WILDLIFE RESOURCES

Alaska's fish and wildlife resources are together a priceless and irreplaceable national heritage. The destiny of these resources is inextricably bound up in the retention of the quality of Alaska's lands and waters.

The present and potential value of Alaska's water, land, and fish and wildlife resources, if used wisely, far exceeds that of Alaska's fossil fuels—as valuable as these are. We must use judgment and balance the value of these renewable resources against that of the oil which, once extracted and used, is gone. If this fact is recognized and preventative measures are developed accordingly, the development of Alaska's oil reserves can be undertaken with a minimum of unnecessary damage to renewable resources.

IMPACT

1. Fresh Water Fishery Resources

The resources

The fishery resources that could be affected by the proposed pipeline are of tremendous magnitude. More than 350 streams will be crossed, the majority of which support resident and/or anadromous fish populations. The species present and their abundance varies with the season, location, and type of stream. Of 103 streams along the route classified on the basis of productivity by the Alaska Department of Fish and Game, *39 were rated as having a productivity rating of I, 30 as II, 30 as III, and 4 as II or III depending upon species or time of year.

There are four drainage systems involved—the Sagavanirktok River, Yukon River, and the Copper River as well as the Lowe River and other streams flowing directly into Prince William Sound.

Sagavanirktok Drainage

The primary fish species of the Sagavanirktok Drainage are the grayling and Arctic char. Little is known of the life history or population dynamics of either species in these waters. Populations are high in certain areas and in these the angling is excellent. The char range up and down the Sagavanirktok and many congregate at the mouth of the river. Important spawning and rearing areas occur in the drainage. The primary value of the fishery is for sport as there is presently no commercial or subsistence fishing in the area.

The airplane has been the primary means of access to the area and the larger lakes have provided the base for most air operations. The lake trout in these lakes have already been fished heavily enough that fishing quality has deteriorated.

Yukon River Drainage

The Yukon River system with a drainage area of 330,000 acres, one-third of which are in Canada, dwarfs all other Alaskan drainages.

The tributaries flowing directly from the Brooks Range contain whitefish and grayling. Those farther to the south have less gradient and generally contain a greater variety of species.

The Tanana River is fairly typical containing whitefish, grayling, northern pike, burbot, inconnu, and chinook, coho and chum salmon. Streams farther to the south in the watershed are generally less suitable for fish. The Delta River though turbid still contains grayling, burbot, and whitefish. Its tributaries are often fed directly by glaciers, have a steep gradient, and contain few if any fish.

In the Fairbanks area many excellent streams are accessible to the angler. The Chena River alone is sport fished approximately 25,000 fisherman-days annually.

Commercial and subsistence fishing on the Yukon has yielded a catch of 392,000 to 620,000 salmon per year during the 1965-to-1969 period. Many more are caught before they enter the Yukon.

Chinook and chum salmon migrate to the headwaters of the Yukon drainage. Chinook have been found more than 2,000 miles upstream from the mouth; coho salmon spawn as far up as Fairbanks. Each of these salmon represent unique and irreplaceable races of their species. Sockeye and pink salmon, smelt and lampreys are important food fishes of the lower Yukon.

Copper River Drainage

The Copper River contains some of the most valuable fish producing waters crossed by the pipeline. Resident fish populations include grayling, whitefish, burbot, rainbow trout, lake trout and Dolly Varden; the anadromous fish species sockeye, chinook, and coho salmon and steelhead trout.

Gulkana River is the most important one in the Copper River Basin with good access, clear water, and great natural beauty. An 80-mile section of this stream is part of the Alaska Canoe Trail System.

The Gulkana is the spawning area for approximately 100,000 sockeye and 15,000 chinook salmon. It supports an excellent sport fishery for these salmon and rainbow trout. Paxson and Summit Lakes receive considerable pressure from anglers after grayling and lake trout.

The other tributaries of the Copper River such as the Tazlina, Klutina, and Tonsina support runs of sockeye, chinook, and coho salmon and steelhead trout. Resident fish species are grayling, Dolly Varden, burbot, and lake trout. The Little Tonsina River, an important recreational stream, supports a resident population of Dolly Varden and grayling and a run of chinook and coho salmon.

Sport-fisherman usage is very high in the Copper River system due to its quality and accessibility. The commercial and subsistence fishery consisted of 694,000 to 1,151,000 salmon each year in the 1965-to-1969 period. The commercial clam fishery in the tidal flats of the mouth of the Copper River has declined in recent years due to a toxicity problem, but the harvest was 26,887 pounds in 1969.

Lowe River and Other Streams Flowing Directly into Prince William Sound

The Lowe River system has a resident population of Dolly Varden and is important as a producing area for sockeye, pink and chum salmon.

Other streams flowing into Prince William Sound are primarily important as producing areas for pink and chum salmon. These are typically small streams and several are precipitous, which limits upstream movements of fish. The spawning areas are primarily in the lower reaches of these streams or in the gravels in the intertidal zone.

The impact

The impact of the proposed oil pipeline and road will depend on a number of factors, some of which are unresolved at this time. Unresolved are plans for land development, which would affect homesteading or squatting and the possible posting of lands and waters along the route. Some of the detrimental effects will be of short duration and will cause no permanent damage if proper construction practices and the stipulations are carefully followed. Others will probably happen unless considerable additional studies, foresight and implementation is carried out. Still other effects are unavoidable regardless of precautions taken and will be permanent. Part of these will affect the aesthetic values more than the fishery itself, part will not be noticeable to the casual observer but will have a tremendous impact on the fishery. The gross amount of the construction and operation of the proposed oil pipeline and road will cause four major changes to the fishery resources or their environment.

Physical Changes

Erosion and siltation will cause the most widespread physical damage to the aquatic habitat caused by the construction of the pipeline and road. Bank cuts, regardless of slope or protection given, will require a period of time for stabilization. Cuts through permafrost will result in some thawing and bank sluffing. The removal of protective vegetation and cover to build temporary roads is already degrading portions of some watersheds and has in one case progressed to the point of changing natural drainage patterns. No stream or lake that is crossed can avoid at least a temporary increase in silt load and turbidity. Some of the streams carry naturally heavy silt loads periodically but the gradient is sufficient to maintain clean, silt free gravel beds. If the increases in the silt load are not excessive it is probable that no serious damages will result. However, lakes and those streams with a lower gradient and less flushing action, which are generally the best grayling waters, are extremely vulnerable to siltation and serious damages could result to spawning areas, benthos and plankton production would be lowered, and any eggs or larvae in the gravel could be killed.

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* Rating of I indicates low productivity, II indicates fair to moderate productivity, and III indicates good to excellent productivity.

Gravel removal from stream beds, or any other operation that changes the gradient, channel location, or velocity of the current can have far more than just local effects. Any of these changes will reduce stream bed stability and accelerate erosion and are detrimental to the fish populations.

Temporary or permanent barriers to fish movement could be created unless special precautions are taken. Since all of the major fish species involved perform migrations of some type, any type of barrier is undesirable. Permanent barriers would be created by improper culvert installations or stream crossings where the stipulations are not followed. This type should be eliminated by proper surveillance and enforcement. The majority of the barriers created will exist only for short periods during the construction phase in individual streams. These will not result in serious damages to the fishery unless a migration is in progress. Coordinating construction in key areas with time of fish movement should mimimize damages caused by this type of barrier. Another type of barrier that could be formed are chemical ones caused by oil or other pollutants. It is anticipated that this type would occur in case of a massive spill and possibly in the immediate area of a lower level of chronic pollution.

The heated pipeline could cause serious thermal problems. Thawing of the permafrost and thermal erosion are the most dramatic and could have the greatest overall effect, but warming of surface and subsurface waters exposed to the pipe will also occur. All major fish species involved are relatively intolerant of high water temperatures and any significant increase could have serious effects in local areas.

Oil and Domestic Pollution

Once the proposed pipeline is in operation, the greatest direct threat to the fishery resources is the possibility of a massive oil spill. The degree of possible damages to the fishery resources would depend on the amount spilled, location and time of year, but there is no location along the route of the proposed pipeline or time of year that a massive oil spill would not be detrimental. Effects could range from slight to the complete elimination of the fish population and the destruction of many of the spawning areas in a watershed. There are several good streams that would be particularly vulnerable to a catastrophe of this kind. Included is the Gulkana River and its annual run of 100,000 sockeye salmon, and its most valuable tributary, Fish Creek, which accommodated over 20,000 sockeye salmon that spawned in Fish Lakes in 1969. There are four major ways to protect the valuable resources such as the Gulkana River: (1) not developing the oil field; (2) rerouting to less valuable areas; (3) reducing the probability of a spill by building in every conceivable precaution and then over designing on these; or (4) using alternative means to transfer the oil (some of which could be more detrimental to the fishery resources than the pipeline).

The large number of construction workers, maintenance personnel and a general increase in the number of people will require some type of sewage and waste treatment. If inadequate, domestic pollution and unsightly garbage dumps will result; if adequate, eutrophication will result. Experience elsewhere has demonstrated that low levels of enrichment will increase production (although not always in the form of desirable sport or commercial fishes), but too much can be very undesirable by increasing plant growth excessively and BOD. The amount of nutrients that can be tolerated without degrading the aquatic habitat in the arctic area is unknown at present.

2. The Habitat—Alaska's lands are vast. The area of the land actually used for the construction of the pipeline and its appurtenant facilities will be infinitely small by physical comparison. The chains of events set in motion by the construction of the pipeline are, however, vastly out of proportion to the physical size of the project.

Alaska's annual water crop constitutes a third of the nation's output. If this were stated in terms of water of acceptable quality, the proportion would be vastly greater. Of the 800 million acre feet in Alaska's annual output of water (150 million coming from Canada), some portion of 215 million acre feet are in danger of degradation resulting from accidents along the trans-Alaska pipeline. The future of a large portion of Alaska's fishery resources is bound up with the future quality of this water.

The three main river systems affected by the pipeline are the Sagavanirktok drainage, the Yukon basin, and the Copper River basin. Each of these systems has a personality of its own and needs to be given individual attention.

Also affected will be the Beaufort Sea, Lowe River, and Prince William Sound and the numerous salmon producing streams which drain into it.

The pipeline route from Prudhoe Bay to the south foothills of the Brooks Range runs through a zone of perennially frozen ground. In most of this area, with the exception of the beds of larger streams and lakes, the ground never thaws for more than a few inches. This ground is insulated by a relatively thin and easily damaged layer of tundra vegetation. Low subshrubs dot the tundra of the coast; and, as the elevations increase, willows and alders appear along the stream courses. Along the larger streams, balsam poplar appear.

The Brooks Range is characterized by rugged topography and much bare rock. The permafrost is often of the dry type and less vulnerable than the wet permafrost of the lowland tundra.

From the southern foothills of the Brooks Range to Prince William Sound, except for the larger river valleys and the mountain passes in the Alaska Range and the Chugach Mountains, the terrain is rolling and vegetated by the spruce-birch interior forest. Along the river valleys the interior forest takes on a more diversified aspect, with more deciduous species included. The mountain passes are similar in aspect to those of the Brooks Range. Areas of discontinuous and sporadic permafrost continue through much of the route and influence the vegetation locally.

The open tundra and the sparser spruce forests are the home of Alaska's great caribou herds. The high mountain passes support the magnificent Dall sheep and, in the south, the mountain goat. The Alaska moose is distributed throughout most of Alaska along the route. He varies from very scarce to abundant, depending on the composition of the vegetation. Bear, wolverine, and many smaller animals have a fairly cosmopolitan distribution along the route as well.

There will be a large amount of damage to the vegetation from the construction of the pipeline, but it is probable that the total damage to the habitat through improved access will be far greater.

Vegetation will be removed with the spoil to clear working areas for the construction of camps, river fords, pipeline, materials sites, the haul road, and the access road. This is damage which can be controlled and mitigated.

The disturbance of ice lenses will result in their degradation. Vegetation on top of these degraded areas will be lost in the resulting slumps and again by the inundation of vegetation downslope from these slumps.

The potential of wildfire occurring in areas along the route of the pipeline is greatly enhanced because of the activity and increased numbers of the people using the adjacent areas. Fire is one of the facets of ecological impact which has positive as well as negative aspects. Wildfire in timber areas will alter the succession and actually benefit moose, while it will alter the species composition of tundra vegetation in less desirable ways.

Construction activity within the active flood plain of streams with braided channels will probably accelerate the changes within these flood plains. Instead of a fairly static base of active movement, the increased hydraulic activity may involve stabilized bars and their vegetation.

The species composition of tundra vegetation is easily altered by changing the texture of the soil. This can be seen along habitually used fox trails. Cross-country travel by all-terrain vehicles will compact the soil and alter the species composition. In many instances, repeated transit will destroy the vegetation by liquifying the soil underneath. The subsequent thaw of permafrost will expand the damage scars.

Channeling caribou migrations will very probably result in trampling and destruction of vegetation in the same way that excessive vehicle traffic will.

3. Big Game—Eleven big game species are found along the proposed route of the pipeline. They provide partial subsistence for native peoples and are extremely valuable for the recreation and meat they provide to sportsmen, and lovers of nature.

If the environmental stipulations are applied adverse effects from the construction should be minimal. There will be unavoidable losses of habitat. Better access will result in increased harvest. Without better regulations and stricter enforcement this increased harvest can be disastrous to some species such as wolves, wolverine, grizzly and polar bear.

The four bear species are attracted to supplies of human food and poorly handled wastes. Where adequate precautions are not taken or where well-intentioned people feed bears, human-bear confrontations cannot be avoided. Polar bear will also be vulnerable to marine oil pollution.

Moose, caribou, and bison will be subjected to the hazard of open ditches during construction of the pipeline. This problem can be avoided if the pipe is laid quickly after the ditch is opened and the excavation backfilled immediately.

Caribou migrations may be disrupted by construction activities and the presence of a hot pipe. Local movements of bison, caribou and moose will be affected. The channelizing of these movements may cause alteration of the plant species and considerable erosion in local areas.

Disturbance due to construction and maintenance activities will cause most animals to move out of the immediate area of the pipeline thus placing additional pressure on their remaining range. Caribou have traditional calving areas which may be the focal point of the range of each herd. Disturbance near these areas may affect the use of their entire range. Human activities may be very disturbing to Dall sheep, especially during the lambing period in areas such as Atigun Canyon. Construction in these critical areas must be properly timed.

Without proper precautions the presence of a hot pipe in certain areas may result in the entrapment of moose, bison or caribou in quagmires of melting permafrost.

4. Small Game and Furbearers—Small game mammal, upland game bird, and furbearer populations are relatively resilient and as a general rule they will adjust to the impact despite an increased harvest. Directly adjacent to the pipeline their numbers will decrease in direct proportion to the habitat lost.

Red fox and arctic fox will be affected by man's presence. Direct conflicts with man will develop around field camps where waste disposal is inadequate or where animals are fed by the uninformed. Concentrations of these animals brought together in this way will be destroyed during rabies scares.

The biggest single disruptive factor affecting the fox is the pre-emption and destruction of their denning areas. The vegetative cover is being removed from the sand dunes where the fox build their dens and these are rapidly eroding away.

The present and potential value of the animals and birds in this broad group is great.

5. Migratory Birds—Alaska's avifauna is rich, including some 321 species attracted from a third of the earth's surface, and numbered in the millions. In the upper latitudes waterbirds are far more numerous than the land forms. The water areas of the Arctic are numerous and support a large breeding population of many species of waterfowl, shorebirds, and other waterbirds. The cold marine waters produce, in season, a greater biomass of plankton quart per quart than do warmer seas thus attracting and supporting a greater quantity of bird life. The Gulf of Alaska and the southern edge of the Beauford Sea are areas where large numbers of waterbirds, marine mammals and fish concentrate. Many of these species have a high commercial, sport or subsistence value. All have intrinsic values in their unique gene pools that would be impossible to replace and could well be beneficial to future generations of mankind. The tragedy of the loss of the dodos and passenger pigeons and the rehabilitation of the buffalo and sea otter are cases in point.

The area of major concern for birds is the inevitable spillage of oil. Uncontained oil and birds are not, and never will be, compatible. Oil floating on water almost invariably dooms any birds that come in contact with it and man's efforts to help have always failed. Oil has toxic inclusions which, though not apparent, continue to kill even when visual fractions are not visible.

We do not yet have adequate information on the relationship of birds to oil polluted waters, nor can the individual vulnerability of each of the 321 separate species be predicted.

Numerous instances have been cited of heavy mortality of sea birds resulting from oil spills. Many North American populations are declining, probably as a result of repeated spills. The history of oil transportation is replete with examples of disasters resulting in massive oil spills. It is realized that improvement in equipment and procedures are being made and will continue with a resultant cut in accident rates.

As many as 40 percent of the continent's swans and a like percent of the game ducks that winter in California pass through Prince William Sound and the Gulf of Alaska during migration and could also be eligible for extermination in Alaskan waters.

Numerous other possibilities could be cited but all are speculative until a break or spill occurs and we can answer the questions—where, when, and how much.

6. Raptors—Eagles, hawks, falcons, and owls are important in the avifauna along the proposed pipeline route. Bald eagles, rough-legged hawks and peregrines nest in the cliffs along stream courses—the eagles in areas wtih a good supply of fish and the peregrines with a good supply of birds. Peregrines and rough-legs will be most vulnerable during the initial construction period where blasting and helicopter use are common in their nesting areas. Bald eagles are common in Prince William Sound and they concentrate along the Lowe River during salmon runs and it is then that they will be most vulnerable.

Gyrfalcons and golden eagles nest in the high mountain passes and their actual contact with the pipeline will be limited. The biggest impact on the gyrfalcons will be as it will be with the peregrines from the improved access to their breeding areas. Egg collectors and falconers are a far greater threat than construction activities.

The hawks, accipters, and owls which nest in the interior forest will be affected only to the extent that their habitat and food is disturbed. In most cases they will simply move back from the construction areas.

7. Human Use—In the minds of many people, a most distressing aspect of the impact of the pipeline on northern Alaska is the loss of wilderness quality. This quality has been under great stress since the use of the aircraft became commonplace. The improved access by all terrain vehicles and snowmobiles which will accompany the construction of the pipeline will assure its complete loss from all but the most remote areas of the Brooks Range since the route will cut in half the largest remaining semi-wilderness in the United States.

One man's loss is another's gain in this instance because there are people who welcome the opening of the Arctic. It means greater utilization of caribou from the two large Arctic herds for example. There will be increased revenues resulting from increased use of the area for recreation.

Long established patterns of use will be disrupted and new ones will be developed.

In addition to the recreationist who comes to enjoy the area there will be "pioneers" who come to hold segments of this land for themselves. These squatters will attempt to inhibit the use of "their" area by other people. Miners and prospectors will increase in number also.

The larger lakes have always been, and will continue to be, foci for access to the north. Further eutrophication of these lakes is inevitable. Debris and litter will collect in these areas of heavy use unless strong "take it with you" regulations are developed and enforced.

Cross-country travel will tend to concentrate in certain areas and open sores of disrupted vegetation and degradated permafrost will result. Oil drums, abandoned equipment, and trash already painfully evident will accumulate at an accelerated rate.

Game species such as bear, moose, wolf, and wolverine are extremely vulnerable to hunting in the open country of the Arctic. Easier access will affect the Dall sheep and caribou as well. Harassment of these game animals by aircraft is already commonplace. Only the caribou is sufficiently numerous to resist this impact for any length of time. The immediate implementation of better regulations and increased law enforcement are absolutely essential.

UNAVOIDABLE ADVERSE EFFECTS

If the environmental and technical stipulations are followed meticulously, few major unavoidable adverse effects need result from the construction of the pipeline and its appurtenant facilities. However, along the segment of road already constructed a number of things have occurred which the environmental stipulations were designed to eliminate. This construction has been on state selected land and it points out the Achilles heel in the safeguards. The permittee has already demonstrated his willingness to circumvent the stipulations wherever it is advantageous to do so.

The same attitude no doubt applies to the transportation of oil.

Any relaxation of attention to safeguards will result in the spillage of oil. As has been pointed out above the history of the transport of oil has been a history of disastrous oil spillage.

The foreseeable results of carelessness have been detailed above in relation to fish and birds.

Even if a massive spill never occurs, a certain level of oil pollution is inevitable. Sources include the careless draining of oil from equipment, procedures at the oil wells themselves, and the ballast treatment facilities at the Valdez terminal. It is estimated that 50 barrels of oil per day will be released into Prince William Sound after ballast treatment when the line is operating at its anticipated full capacity. This amount of chronic pollution will have a number of detrimental effects on all aquatic organisms in Valdez Arm and perhaps to the entire Prince William Sound. Of direct concern to the fish will be the effect on food organisms, intertidal spawning areas and an oily taste imparted to the fishes in the area that would lower their food value.

Tundra vegetation will be destroyed by vehicular traffic. The removal of this insulation will result in permafrost degradation.

The destruction of Atigun Canyon bottom will result from pipeline construction through it. This will destroy to a large extent its usefulness as a Dall sheep lambing area.

Construction of the road and pipeline will cause most birds and animals to move out of the immediate area. The altered terrain and presence of pumping stations and the pipe itself will keep some from returning. This reaction will cause a loss of utilization of habitat near the route and greater pressure on the remaining range. Species near their carrying capacity may actually decline in number.

ALTERNATIVES

The following alternatives to the pipeline from Prudhoe Bay to Valdez have been proposed:

1. Humble Oil developed an experimental icebreaking tanker, the "Manhattan", which run tests on the feasibility of surface transport of oil from Herschel Island across the Canadian Arctic to east coast ports.

2. An alternate pipeline route running east to Canada and southeastward to Central U.S. and Canadian markets.

3. Rail transportation along the Alyeska pipeline route, or elsewhere.

4. Submarine transportation under the ice.

Surface marine transportation of oil has a history of pollution, even in temperate seas. Although the "Manhattan" tests were considered successful by some, the vessel encountered severe ice problems and sustained hull damage. Although the behavior of oil spilled on Arctic seas is unknown, it is believed that it would drift in and under the ice for extended periods.

A major spill along the "Manhattan's" route would decimate major populations of sea ducks which provide subsistence to natives at Barrow and along the coasts of western Alaska and the Canadian Arctic, as well as the north Atlantic coast. Large numbers of brant, Canada geese, blue and snow geese, pintails, whistling swan and other waterfowl would be subject to heavy mortality as would countless other water birds. Seals, whales, and polar bears would also be disastrously affected. The distribution of such fishes as char and whitefish in Alaska and Canada and the Atlantic salmon in Canada is poorly known as is the effect of oil on them. A large spill, however, would decimate populations of these species which have actual or potential subsistence, sports, and commercial value.

With the anticipated slow breakdown of oil in Arctic seas, even the relatively small spills commonly associated with tankship operation would have catastrophic cumulative effects. By the time their effects became known, they would probably be irreversible.

Shipment of oil across the Arctic would cause extensive damage by routine spills. The strong possibility of major disasters spread across the Arctic coast of Alaska and Canada and into the north Atlantic make the environmental impact far greater than that of the Alyeska Pipeline. The strong possibility that some species of North American birds may be eliminated and others severely reduced along with important fish and mammal populations make this alternative most undesirable from an environmental standpoint.

The second alternative that has been proposed would be a pipeline route, to lead eastward to the Mackenzie River and thence to Central U.S. markets. Assuming equal controls, and neglecting problems of international agreement, this line would have essentially the same environmental impact as the overland portion of the Alyeska pipeline proposal.

An important difference lies in its effect on the Arctic National Wildlife Range. One version of this proposal would cut across the northern lowland portion of the Range, using the rationale that this is not a scenic area. This, however, does not consider the major objective of the Range which is to preserve intact a representative example of Arctic Alaska. The lowland portion is no less essential to this objective and to the ecologic integrity of the Range than the more scenic mountain areas. Construction and operation of a major pipeline would be entirely incompatible with the objectives for which the Range was established.

Another version of this proposal would lead the line eastward towards Canada skirting south of the Wildlife Range and would avoid this major conflict.

The Alaska-Canada pipeline would not require marine transportation with its danger of massive catastrophic oil spills and certainty of persistent and chronic pollution and would remove the threat of extensive loss to the rich fish and wildlife resources of Prince William Sound and the tankship route to west coast ports. From an environmental standpoint the Alaska-Canadian pipeline would be by far the preferred route.

Yet another version of this proposal involves an offshore pipeline from Prudhoe Bay east to a point where it would continue south through Canada. Not enough is known at this time to evaluate possible hazards of such an offshore buried pipeline.

The third alternative proposal of rail transportation along the route of the Alyeska pipeline would, if economically feasible, require a constantly moving line of rail cars to match the capacity of the 48-inch pipe. Although this method might reduce the number of catastrophic spills, it would appear certain to have repeated major and minor accidents and incidents which would be cumulatively more damaging than spills from a well constructed pipeline.

If rail crossings were elevated, the impact on streams would be less. The need for gravel would, however, probably be greater and would probably deplete streams. The train could be periodically interrupted to provide big game crossings.

Scenic impact would certainly be greater than even an elevated pipeline.

A properly constructed pipeline would certainly be preferable to rail transportation from an environmental standpoint.

A fourth proposal would be submarine transport. This could conceivably reduce some of the ice and collision problems encountered by ice breaking tankers, but would almost certainly be beset by others. Because General Dynamics feasibility studies of undersea oil transport are unavailable, no evaluable can be made. The comments regarding the "Manhattan" proposal could, however, probably be applied to submarines.

RELATIONSHIPS OF SHORT-TERM USE TO LONG-TERM PRODUCTIVITY

The critical relationship to be considered is the relatively short-term production and use of Prudhoe Bay oil to the long-term values of the environment.

Historically, production and transportation of oil have been generally incompatible with maintenance of the environment in its optimum condition. Recent experience in Cook Inlet, where oil operations are only loosely regulated, has demonstrated the validity of this statement. Operations on the Kenai National Moose Range, however, are more stringently regulated and indicate that there is hope that at least some degree of compatibility can be achieved.

Three levels of decision-making will determine the impact of the Trans Alaska Pipeline on the environment. The first—that the oil will be produced and transported to market, has already been made. The second—that this will be done with minimum impact on the environment, has been made also. The third—the extent to which equipment, procedures, land use laws, regulations and enforcement procedures will be modified to meet the present challenge, has yet to be made.

The pipeline project has far greater potential for long-term irreversible environmental impact in areas not covered by Interior's stipulations than in areas that are. For instance, Government's involvement with the technology, engineering and performance standards for pipeline construction can be only partial under present laws and regulations.

Industry still makes many of the design decisions. The greatest stakes of all are held by those who plan to load and transport oil on salt water. Except at the Valdez terminal itself, no special regulations, procedures, or equipment are anticipated that would provide extra safeguards for the massive amounts of oil that are to be moved. This movement provides the greatest threat to the environment in the area where the most important fish and wildlife resources and their habitat are at stake. For example, decisions made by Government must consider such far reaching problems as:

1. Decisions on methods of transportation—should the oil go aboard tankers, or should it be shipped to market entirely by pipeline?
2. If tankers are used, will they be completely redesigned to provide maximum pollution protection?
3. Will industry be required to meet criteria of training and equipment established to provide maximum protection?
4. Will land use laws be re-examined and necessary measures taken to make best use of lands "opened up" by the project—or will they be allowed to go the way of other unmanaged lands?

Until such decisions are made and implemented the relationship will not have been established that will provide adequate protection for the environment.

History has shown that persistent pollution can be expected at loading terminals. Illegal pumping of ballast will be a continuous problem and major catastrophic accidents will occur from time to time. The rate of occurrence of these incidents will depend on the volume of oil to be moved and on the care with which it is handled. The volume of oil to be moved from Alaska is such that if handled according to presently acceptable standards, fish and wildlife losses will be immense for a few years—until their numbers dwindle. When the animals are gone, of course, oil can be spilled all over without additional killing.

Irreversible losses can be prevented only by keeping oil out of the water altogether. The design of facilities, operating procedures, laws and regulations and enforcement procedures should all be directed at complete elimination of all oil pollution. Any decision to permit pumping of oily ballast in any form whatsoever in any place, any failure to achieve less than 100% cleanup is a decision to sacrifice fish and wildlife resources. With the tremendous amounts of oil to be handled in Alaska, tankship operation under present standards is a commitment of fish and wildlife resources to an inevitable downward trend. Marine shipment of oil has a potential for irreversible impact on fish and wildlife and their habitats far greater than any other operations connected with the transportation of oil from Prudhoe Bay.

Complete elimination of oil pollution in marine habitats could be achieved only by drastic action including, but not limited to, the following: 1. Oil should, whenever possible, be transported in securely constructed pipelines. 2. Where tankships must be used, only double hulled vessels must be permitted in Alaskan waters—all ballast waters must be stored separately from cargo tanks. 3. Cargo tanks must be sealed so that they cannot be pumped at sea. 4. Navigation aids must be improved. 5. All tankships must be required to carry a specified minimum of navigational equipment and their crews to meet minimum standards of competence. 6. Loading areas must be separated from open water by oil impervious booms.

In terms of overall impact to resources in Alaska, the effects of construction and operation of the pipeline "per se" are minor. The impact of unplanned land use on lands affected by the pipeline north of the Yukon River is of major importance to human enjoyment and use of a major area of the United States. Oil pollution from the pipeline itself would have a tremendous impact on major segments of fish and wildlife resources of tremendous Alaskan significance. Marine pollution from terminals or vessels could be so severe as to have overwhelming irreversible impact on birds, marine mammals and fish resources of national and international significance. The impact may be felt not only in the immediate area of Valdez arm, Prince William Sound, or an arctic terminal in the Beaufort Sea but could be exerted throughout the sea lanes from the point of loading to the point of unloading and in the enormous areas used by species that migrate through the shipping lanes.

IRREVERSIBLE COMMITMENTS OF RESOURCES

Oil is not a renewable resource. Once it has been extracted from the oil bearing strata of the Arctic it cannot be replaced there.

The loss of wilderness quality is a definite commitment of a resource which cannot be reclaimed.

The Arctic Ocean is slowly pushing back its low lying southern shore by degradation of the permafrost and erosion of the released soil materials. The fragile nature of the tundra surface near the sea insures that it is going to be damaged by increased traffic and use. Human initiated degradation close to the shore could accelerate the natural process. Even if it occurs in only minor increments there will be a definite irreversible loss.

The habitat losses through destruction of a major portion of the Atigun Canyon floor cannot be compensated for.

The aesthetic values will be lowered along the entire route in the immediate area of the proposed pipeline, in the oil fields, and at the terminal site. The natural setting is usually preferable to one altered by man's activity. Of particular concern to the fisherman from the aesthetic standpoint will be stream crossings, gravel or borrow pits, areas where the pipeline is in or adjacent to streams or lakes, erosion and siltation, and pollution. Special care must be taken to minimize change, restore the natural appearance, and to minimize, or preferably eliminate, oil pollution.

There are many subtle commitments of resources which will not be appreciated except from the vantage of hindsight.

FEBRUARY 5, 1971.

To: Director, BSF&W, Washington, D.C.

Attn: Mr. Kenneth Roberts.

From: Area Director, BSF&W, Anchorage, Alaska.

Subject: Environmental Impact Statement—Trans Alaska Pipeline.

Our staff has reviewed the January draft of the Environmental Impact Statement on the pipeline and have compared it closely with the draft of December 18. We have a number of comments to make. Specific comments in this memorandum relate to the January draft unless otherwise designated.

Page 116. This section discusses impacts on fish and wildlife resources. These impacts will not be limited to the vicinity of the pipeline right-of-way, as stated in the new draft. They could effect entire water sheds or entire ranges of such species as caribou and will have their greatest effects in marine areas. Reference made in the December draft to the relationship between fish and wildlife resources and wilderness also has been deleted from this section. The statement made by our Bureau in the December draft that stipulations would not alleviate all problems does not appear in the January draft and should be reinserted. The discussion in the December draft concerning the disturbance of wildlife on the Beaufort Sea has been deleted also. The Bureau of Sport Fisheries and Wildlife statement that widespread occurrence of local losses of oil over the North Slope fields would have cumulative impacts on fish and wildlife of the coastal waters of the Beaufort Sea has been deleted. There remains in the January draft no discussion of the attraction to garbage of bears and other animals and the adverse effects thereof. The effects of increased harvest of fish and wildlife, as well as effects of sewage pollution, are treated inadequately in the new draft. This entire section on impacts has been weakened unrealistically.

The section that treats effects of possible oil pollution on page 121 of the January draft has been reworded and differs significantly from the December draft. It no longer treats in detail the possibilities for major spills. For instance, we referred in the December draft to the fact that block valves were to be placed in unspecified intervals. This has been deleted. In actual fact these valves would not be operable from a remote source and would not have a significant function during period of severe weather conditions.

The top paragraph on page III–B7 of the December draft contains a reference to large populations of migratory waterfowl and other birds, as well as marine mammals, in the Beaufort Sea that would be vulnerable to oil spills. This has been replaced by a statement that some oil losses could occur on federal lands on the North Slope, but that it seems questionable that they would reach the Beaufort Sea. This might be a true statement if the state selects all oil-producing lands, but does not reflect the impacts of the project on fish and wildlife.

The third paragraph of page III–B7 of the December draft discussed the effects of oil pollution in Prince William Sound. Some of this has been deleted, but the item with which we are most concerned is the statement on page 146 of the January draft that effects will be minimized by the rigorous control measures to be required of the operator. We know of no such measures except that effluent from ballast treatment facilities may contain as much as 10 parts per million of oil. In actual fact, we don't believe that significant control measures would be required for tankers, which we believe will be the source of most of our pollution problems. We suggest that such measures should be required and should include as a minimum:

1. The requirement that tankers to be loaded at Valdez must meet certain minimum standards such as:

a. Construction that would not permit ballasting in cargo tanks (they possibly should be doubled hulled).

b. Competence requirements for officers and crews.

c. Navigational equipment which must be aboard in operable condition.

2. Special navigation equipment in Prince William Sound, Valdez Arm, and Port Valdez that would minimize such navigational accidents as occurred recently in San Francisco Bay.

3. Requirements for tugs to assist with navigation in Valdez Arm and Port Valdez.

4. Requirements that tankers cease operations when conditions become adverse, such as during periods when winds exceed a certain velocity. At the present time (January and February 1971) tankships are being encouraged to operate in Cook Inlet in hazardous ice conditions in order to keep the oil (and the dollars) moving. We believe this movement demonstrates lack of regard for pollution problems.

5. Removal of obstacles that constitute a hazard to navigation.

Page 169 of the January draft contains a section on land use patterns similar to the discussion in the December draft, except that references in wilderness values that would be lost and to the reduction of esthetic values that would occur have been deleted. We are happy with the deletion of the last sentence of this paragraph from the December draft, however, which stated that wilderness in Alaska is not lacking.

Page 169 contains a statement on commitment of fish and wildlife resources that has been weakened by the claim that the commitment would occur only in the immediate vicinity of the pipeline—an untrue statement. The rewrite of the last paragraph of this section has become much too optimistic and we do not agree that the activity would have little impact.

Page 174 contains a discussion of irreversible and irretrievable commitments. The discussion in the December draft of the effects of a pipeline break has been eliminated, however, as have the last four lines of that page where long-term effects were discussed. The elimination of the first paragraph is a substantial change and we believe it should be reinserted. The last paragraph of III–E3 of the December draft that discussed the effects of stipulations has been eliminated also. Although this is not a serious loss, the entire section on irretrievable impacts has been weakened by the rewrite.

In summary, the January draft appears somewhat more smoothly written, but where fish and wildlife resources are concerned, we should much prefer to go back to the December draft, which, in itself, was much too weak, having been written under the unrealistic assumption that all applicable stipulations and regulations would be 100% effective. For the most part, the rewrite has obscured the perspective of the impact of the pipeline on fish and wildlife resources and the relative importance of the Beaufort Sea, the pipeline route and Prince William Sound. Numerous other comments have been made and appear on the enclosed pages of the January draft.

We are particularly concerned that the public, as well as members of other Federal and state agencies, hold the Bureau responsible for the material in this impact statement that relates to fish and wildlife. As the statement now stands, it is difficult, if not impossible to defend. We hope that every possible action will be taken to restore the balance of impacts on fish and wildlife that is completely lacking in the January draft.

GORDON D. WATSON.

THE SHARPSTOWN FOLLIES—XXII

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, I suppose that if the Department of Justice were to bring charges against Frank Sharp for all his crimes, that gentleman would be facing trial and possible sentences in the hundreds of years. In fact, the Justice Department has brought a 44-count indictment against a small-time banker out in Waco, and that gentleman, if he is convicted might be assessed sentences totaling 145 years. By contrast, Sharp was allowed to confess guilt on two little charges that could have brought him a maximum of 10 years in jail—and the sentence of course was for a 3-year suspended sentence. Now there is a world of difference between the actions of the Justice Department on these two cases, though the crimes involved are remarkably similar. I am intrigued at the difference between the zeal displayed in one case and the astonishing inaction in the Sharp case, even though Sharp's empire managed to harm numerous banks, savings and loan associations, insurance companies, and other businesses, not to mention subvert and besmirch a good part of the whole government of Texas.

Of course one defendant, the one facing charges bearing 145 years in penalties, never had Will Wilson for a lawyer. Frank Sharp did. Now that Wilson has a high position the Government seems hugely disinterested in seeing that justice is done in the Sharp case, though the public has an immense stake in the matter. After all, people are not blind. They can see that the Justice Department is not doing its job in this matter. They have every right to believe that the Department of Justice is not too terribly interested in seeking out justice when that might embarrass its own high officials.

I have detailed how Wilson, acting for Sharp, arranged the purchase of the National Bankers Life Insurance Co.

Well, that was not the only insurance company that Wilson arranged for Sharp to buy.

In the spring of 1968 the Olympic Life Insurance Co., headquartered at Fort Worth, Tex., came into the control of W. D. Haden II. Mr. Haden bought 54 percent of the Olympic stock at a total consideration of $2.6 million. Will Wilson handled the legal details for Haden.

W. D. Haden is Frank Sharp's son-in-law.

The money that Haden used to acquire Olympic Life came from the Sharpstown State Bank.

In truth, Olympic became through this deal just another satellite in the galaxy of Sharp companies.

Just as he was to do later on, Will Wilson handled the details for Sharp. In this case, as in so many others, Sharp was taking money from his bank to buy himself another toy. As he did in so many other cases, he looted the company and played games with its stocks.

Wilson played a key role in the acquisition of Olympic. Part of the deal involved placing Wilson's law partner, Joe Osborn, on the board of Olympic. When Osborn resigned a few months later, Wilson's other law partner, Joe Ridings, became a member of the board.

Although Wilson seems not to have been the general counsel of Olympic, as he was for Sharp's realty company, his bank, and his National Bankers Life Insurance Co., his junior law partner, Ridings, was retained by the company for its legal representation. So the old pattern holds true: Sharp buys himself a company, using as money funds borrowed from his bank. Wilson sets up the deal, and Wilson's firm gets the handsome legal retainer plus a seat on the company board.

When one considers how close Will Wilson was to the wheeling and dealing of Frank Sharp, and the role that he played in those deals, it is reasonable enough to conclude that Wilson might today be embarrassed to have all this known. Maybe that accounts for the odd situation we find, wherein Wilson's prosecutors are all zeal and fire in one case, and in fact in any number of other bank cases, but strangely paralyzed in the Sharp case.

INTRODUCTION OF LEGISLATION TO AMEND INTERNAL REVENUE CODE OF 1954 TO PROVIDE AN EXCLUSION FROM GROSS INCOME FOR STATE AND LOCAL LAW ENFORCEMENT OFFICERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. HAGAN) is recognized for 10 minutes.

Mr. HAGAN. Mr. Speaker, in view of the increasing crime problems across the Nation and the problems of recruiting law enforcement personnel, I am again introducing a bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income for State and local law enforcement officers which I believe will be one way of helping in our recruitment efforts.

This measure calls for a total Federal tax exemption for all officers who earn at the rate of $6,000 or less a year or $200 per month exemption for those who earn more than $6,000 per year. This bill would apply to full-time law enforcement officers in all States, the District of Columbia, and U.S. possessions.

Our law enforcement men work long, hard hours and often under very difficult circumstances. They are not among the well paid public servants and because of this we have an increasing number of vacancies in our country's police departments today. Recruiting for this increasingly dangerous work is not easy and I believe an incentive such as the one in my bill would be helpful in attracting qualified personnel.

There is no getting around the fact that we cannot hope to make even a dent in the rising crime rate until our law enforcement departments are well staffed and on the job. Realistic salary incentives can help find qualified men who can give full time to their work and not have the pressure of seeking second jobs to supplement their income. We are all aware of the need for law and order, it is time we stopped talking about it and do something about it.

THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, the President's announcement of the $23.2 billion deficit today confirms the fears of those who worry about the direction of American economic policy. Up to the present time, the 1971 deficit has been one of the most highly guarded secrets of the administration.

The unreliability of Federal revenue estimates creates a serious handicap in Federal operations. The Congress and the American people must not be misled on this vital issue. In this age of computerization, it is incredible that this Nation should be operated on sheer prophecy.

At the time we considered the debt ceiling in the Ways and Means Committee, I raised the issue of the revenue shortfall and the likelihood of substantial refinancing of the Federal debt above the administration's request. At that time, it was indicated that adequate revenue would be available and that refinancing would not be necessary. If there is as much error in this fiscal year's estimate of the Federal accounts as there were in the estimates of 1971, there is a great probability that the debt ceiling must again be increased in this fiscal year.

The deficit is already incurred; the money has been spent. It is now incumbent upon the American people to determine the wisdom of those public expenditures and the resulting expansion of the public debt.

The President is in a dreadful dilemma in regard to the economy. In my opinion, the path and direction he has chosen to solve the dual problems of inflation and unemployment have been wrong. The declared policy of solving inflation through unemployment over the past 18 months has been a disaster. Unemployment snowballed, decreasing demand for consumer goods—creating severe additional unemployment. Reduced demand, created higher unit costs and fueled inflation.

At the same time, the President announced that Federal spending would proceed as though there was full employment. The $23.8 billion deficit for fiscal year 1971 which resulted did not create jobs. The President established priorities of Federal spending which did not stimulate employment—or recovery.

The President froze expenditure of almost $13 billion in job-creating public works projects, health, education, and pollution control. In addition, he vetoed congressional legislation to create jobs in vital sectors of the economy. It can only be concluded that the "freeze" and "vetoes" were designed to carry these job-creating funds into 1972—a political vintage year.

Instead of stimulating employment, the administration used its fiscal strength to "prop-up" badly managed companies with billions of dollars of taxpayers' money. With a single stroke of his pen and in defiance of Congress, the President granted corporations over $3 billion in tax concessions to reward lethargy in business management. Instead of stimulating consumer demand by accelerated tax relief for the average taxpayer, the accelerated depreciation range created new billions of cash flow for acquisitions and foreign investments.

As a result, billions of dollars of American capital are flowing overseas, drying up American enterprise. The Okinawa Transfer Treaty is a prime example. The conditions for transfer were apparently conditions on investment opportunities for American automobile manufacturers in Japanese automobile companies. This expanded opportunity for American capital investment. Exports of American capital abroad reduced American employment opportunities at home.

On the inflation front, the administration's priorities are not much wiser. Neither business nor labor have ever been convinced or concerned about the President's intention to hold the line. While I applaud his efforts in the steel industry, the power of the Presidency has not been brought to bear generally on the issue of wages and prices. Wage and price authority has already been granted by the Congress for the second time. A conscientious White House effort at jawboning would appear to be a necessary step—it is long overdue.

UNITED STATES-ISRAELI DESALINATION PLANT

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, 30 Members of Congress have now joined me in sponsoring legislation funding the construction of a prototype water desalination plant in Israel. I have previously introduced this legislation as H.R. 9666, H.R. 9963 and H.R. 9964.

The construction of such a plant is authorized by the Foreign Assistance Act of 1969, Public Law 91-175. Section 104 of that act, which creates a new section 219 of the Foreign Assistance Act of 1961, provides that the United States may enter into a cooperative agreement with Israel to construct the prototype plant. Thus far, no such agreement has been reached. Yet, the construction of the plant would benefit significantly both the United States and Israel.

Insofar as the United States is concerned, we would derive both political and economic benefits. Assistance in construction of the desalination plant would constitute a forthright act of friendship toward a beleaguered nation which continues to struggle for survival.

In economic and technological terms, the construction of this plant would also be most beneficial to the United States. This was made clear by then Assistant Secretary of Interior Max N. Edwards, who stated in a letter to the Congress on January 17, 1969:

> While the project is vital to Israel in terms of water supply and power, its significance to the United States is the opportunity to improve and advance science and technology in the field of saline water conversion and to contribute materially to development of low cost desalination processes. We believe we should take advantage of this opportunity.

By virtue of legislative language, the United States would bear costs of no more than $20 million or 50 percent of total costs, whichever is less.

Israel's need for the prototype plant is obvious. By 1980, her fresh water supply will be almost completely developed. The appropriation of funds to begin construction of the prototype dual-purpose power generating and desalting project marks a particularly beneficial opportunity to use the foreign assistance program for a project of peace, to be constructed within the borders of a longtime and loyal friend of this Nation.

An added factor which makes participation in this joint project particularly worthwhile is the opportunity to demonstrate to Israel's hostile neighbors the benefits which our foreign aid program—given a peaceful setting—could achieve.

The 30 Members who have joined me in introduction of legislation appropriating funds for the joint United States-Israeli desalting plant are Mrs. Abzug, Messrs. Adams, Anderson of Illinois, Badillo, Bell, Brasco, Cleveland, Corman, Collins of Illinois, Dellums, Drinan, Eilberg, Frenzel, Fulton of Pennsylvania, Mrs. Grasso, Messrs. Halpern, Harrington, Hathaway, Koch, Kyros, Lent, Mikva, Podell, Rangel, Rees, Rosenthal, Sarbanes, Scheuer, Vanik, and Waldie.

PCB'S AND POULTRY CONTAMINATION

(Mr. RYAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, on Monday I brought to the attention of this body the fact that a significant proportion of poultry in a 12-State area have been contaminated with a potentially deadly chemical—polychlorinated biphenyl—PCB.

The results of that contamination are now becoming tragically apparent. A report in this afternoon's Washington Evening Star states that one of the Nation's largest chicken producers—Holly Farms of Wilkesboro, N.C.—has already had to destroy 77,000 chickens due to PCB contamination, and that millions of other chickens have been contaminated.

At this time there is no way of fully knowing the extent of this contamination nor the total number of poultry and hogs that have been subjected to it. But the potential danger is staggering.

The real tragedy of this occurrence, however, is that it was totally preventable. For the past 2 years I have been attempting to get the appropriate Federal agencies to take the necessary steps to protect the public from the hazards of PCB's. Yet, in an almost unprecedented display of disregard for the public health and welfare, that administrative action has not been forthcoming.

Therefore, I have introduced legislation—H.R. 10085—to insure that our health and welfare are safeguarded from the menace of this dangerous chemical. That legislation would prohibit the distribution or introduction for distribution of interstate commerce of PCB.

Hopefully, the Congress will now act to prevent a recurrence of the present tragedy inflicted by PCB's. Given the unconscionable failure of Federal agencies to live up to their responsibilities to protect the health of our citizens, we have no other choice.

At this point I include in the Record an article from the July 28 Washington Evening Star, detailing the necessary slaughter of PCB-contaminated chickens in North Carolina:

Millions of Chickens Are Tainted—Feed Recalled—U.S. Checking Hogs, Turkeys

(By James Welsh and John Fialka)

Because of one leaky piece of equipment at a processing plant in North Carolina, millions of chickens raised and marketed in the Eastern United States apparently have been contaminated by an industrial chemical.

Department of Agriculture officials are hurrying tests at chicken slaughter houses in the Southeast that regularly process to the market some 35 million broilers a week.

They are conducting the same kind of tests at 25 to 30 swine slaughter houses suspected of marketing animals raised on food that was contaminated. And they are afraid that other fowl, such as turkeys, may also be affected.

The chemical is polychlorinated biphenyl, called PCB. Similar in some respects to DDT, it carries no immediate danger to human beings. But, in experiments on mice, repeated dosage has shown PCB to cause birth defects and liver damage.

Fish meal, used in chicken feed and containing high levels of PCB, was distributed over a period of 2½ months to some 65 firms throughout the Southeast, including Virginia.

These firms, and the tests now being conducted, are confined to a 10-state area. But Agriculture officials are aware that some of the contaminated fish meal may have been retailed beyond that area and that the animals raised on food made with the meal were marketed and sold well beyond that.

Under supervision of the Food and Drug Administration, much of this fish meal is now being recalled.

Up to 800,000 tons of chicken feed could be affected.

If half of it was used, it would be enough to feed 350 million chickens through their entire growing period.

But according to FDA and Department of Agriculture officials, hundreds of thousands of tons of chicken feed including the contaminated fish meal probably already has been used for chickens and apparently swine.

KILLED 77,000

Holly Farms, the nation's largest chicken producer, destroyed 77,000 broilers after finding higher than tolerable levels of PCB in its chickens.

USDA is trying to mount a testing program at dozens of other chicken-producing firms in addition to the swine slaughter houses.

"Chances are that the (chicken) contamination is very widespread," Dr. Clayton Yeutter, chief of Agriculture's Consumer and Marketing Survey, said today.

The number of chickens affected, he said, "is bound to be in the millions."

He said that no chickens are now being sent to market without first being tested.

But no one is able to assess the extent of contamination of chickens sold and consumed in recent weeks, he said.

CONSUMERS NOT TOLD

The Agriculture Department has known of the problem for at least a week. It decided not to warn consumers to avoid buying chicken.

This would have been "unfair" and would have been "a quick way to invite lawsuits," said Yeutter.

He noted the quick turnover of poultry in stores and supermarkets, adding that it would have been impossible to determine quickly which stores were handling chicken suspected of contamination.

Agriculture officials were told of the problem by FDA, which learned of it late on Friday, July 16, from Monsanto Chemical Co., the nation's sole producer of PCB.

FDA ran tests that weekend at the processing plant, East Coast Terminal, in Wilmington, N.C.

It discovered that the fish meal ready to be shipped contained 15 to 20 parts per million of PCB. The FDA level of safe consumption for the chemical is 5 parts per million.

The plant then was closed down. The next week, officials of its parent firm, South Pacific Proteins, of Darien, Conn., began recalling shipments.

SIXTEEN TONS GOT OUT

According to R. E. Duggan, deputy assistant commissioner for compliance at FDA, the industrial chemical had been leaking from a heat exchanger into the processed fishmeal at East Coast Terminal during a period from April 30 to mid-July.

During that time, he said, some 16,000 tons of the meal, which is imported from Peru, had been processed and shipped.

Generally, said Duggan, fish meal comprises 2 percent of chicken feed.

This means that the contaminated product could have become part of some 800,000 tons of chicken feed.

Exactly how much of the meal went into chicken feed and how much of this chicken feed was used is still under study, said Duggan.

The fish meal went to firms, some of them big poultry producers like Holly Farms. Other customers for the fish meal were feed mills and brokers who in turn retailed it to other customers.

"It's a very complex situation," said Duggan.

"One of the unknowns is the amount of leakage over the 2½-month period. We don't know whether it was continuous.

"The contamination could have been much lower, or much higher, than what we found in the fish meal ready for shipment 10 days ago."

The extent of possible contamination in the Washington area was not clear.

Holly Farms, which turns out more than 1 million chickens a week, is the supplier for both Safeway and Consumers supermarkets in the Washington area.

These stores may well have sold chicken containing higher than advised levels of PCB. But Agriculture staffers said today that because of stringent measures taken in recent days by Holly Farms, the poultry now sold in these stores is safe for consumption.

Most of the chickens shipped to the Washington area come from either Maryland's Eastern Shore, or producing areas in Southern Virginia and North Carolina.

A spokesman for Perdue Foods, Inc., of Salisbury, Md., one of the shore's larger producers, said that most of the Maryland firms get their fish meal from a Baltimore plant and not from the Wilmington plant where the PCB leakage occurred.

WE WERE LUCKY

George Heitz, general manager of the Rockingham Poultry Marketing Cooperative in Broadway, Va., said that his firm received one shipment of the tainted feed before switching to another feed outlet.

"Our problem was that some of the eggs didn't hatch, that's all. In some of our flocks it knocked the hatchability 5 or 10 percent, in some it was a little more than that. But that was all the damage we had. We were pretty lucky," Heitz said.

His problem—egg production—is what led others to discover the PCB.

According to Agriculture's Yeutter, the

problem still might be going, and growing, were it not for tests conducted by Holly Farms.

"They're the good guys in this story," he said.

Yeutter said Holly Farms, located in Wilkesboro, N.C., discovered something wrong with the way its chickens were hatching.

The firm's researchers traced the problem to the feed and eventually to the fish-meal plant.

Monsanto, the PCB supplier, was then consulted, after which the giant chemical firm notified FDA.

So far, said FDA officials, about 1,000 tons of the fish meal has been returned to the North Carolina plant, and more is on its way.

But they estimated that probably most of the 16,000 tons of contaminated fish meal shipped out over the ten-week period, less than half will be found unused.

One large customer of the plant reported that of 15 rail carloads of the meal he had purchased during that period, only two remained for recall.

AMERICA IS A GROWING COUNTRY

(Mr. ASPINALL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ASPINALL. Mr. Speaker, Fred Smith, an associate of Laurance Rockefeller, is a well known and effective worker in the fields of conservation and outdoor recreation. He has given of his many talents and served on Presidential, legislative, conservation boards, and commissions. Recently he has released an article which is so meaningful in its treatments of the needs of our country and its people in today's world that I recommend its ready and careful study to my colleagues.

P. I. Prentice, former president and publisher of Time, director of the National Pollution Control Foundation, and many other well-known organizations dedicated to the well-being of our citizens, has this to say of Fred Smith, the author of "America Is a Growing Country":

Long before environmentalism became fashionable and long before the ecology became a household word Fred Smith earned wide recognition as a pioneer in the war for conservation.

His long leadership in the crusade to end pollution makes this eloquent plea for a little more caution and a lot more common sense doubly significant.

Protecting the ecology requires realism as well as enthusiasm, intelligence as well as devotion. No people can live on air, water, and scenery alone; no nation ever grew great by not making good use of its natural resources.

Today's problems are tomorrow's opportunities. Protecting the environment and minimizing the enormous waste caused by pollution brings us far more than the burden of enormous costs; it brings us also the challenge to meet those costs in a way that will create savings even greater than the costs.

This is the challenge Fred Smith presents on the pages that follow—a challenge to make our response relevant to the realities of America's unstoppable growth.

Mr. Speaker, Mr. Smith's article follows:

America Is a Growing Country

Twenty years ago Harold J. Laski, the famous British political scientist wrote a book about America and the Americans.

He described us as an ambitious, determined, optimistic clan. "They might be poor;" he wrote, "they would not remain poor. They might be out of work; a job was waiting around the corner. They might be half-literate; their children would go to college. They might be foreign-born; in the fullest sense of the term their children born in America would inherit the tradition in all its amplitude." Laski epitomized us by referring to "the majestic figure of Abraham Lincoln, lonely, aloof, tragic, who grows from the illiteracy of a home where there is little but failure and poverty to impose himself not merely on the mind of America, but on the mind of all civilization."

Gunnar Myrdal, the Swedish economist, who is as able an authority on Americans as anyone, says the average American is "a believer and a defender of the faith in humanity . . . It is a relatively important matter to him to be true to his own ideas and carry them out in actual life."

The Philosopher George Santayana suggested that "to be an American is of itself almost a moral condition, an education and a career."

William James, the most American of Americans, was convinced that Americans can work together effectively to solve any problem, to eliminate war, pestilence, ugliness, and all the other evils humanity has permitted to develop. Three other thorough and wise observers—Tocqueville, Bryce and Brogan—each delineating the American character at fifty-year intervals, arrived at essentially the same general description.

It is founded upon a philosophy that there will always be a better tomorrow, that progress is inevitable and eminently to be desired, that achievement is in our blood, that in strength there is freedom, that teamwork solves everything, that prejudice is sinful, that all pepole are created equal, and anybody can grow up to be President—either of the United States or of a corporation like General Motors. It is a dream of sorts, etched deeply by time and tradition into the consciousness of every generation. More important, it represents the ultimate in Common Sense as the American sees it, and, as William James has said, "Only the minds debauched by learning . . . ever suspect common sense of not being absolutely true."

At various times and in many places, there have been mavericks, to be sure, and sometimes the mavericks temporarily take over. Cataclysmic events and passing public passions have caused men to lose faith in the Dream and inspired them to look elsewhere for something to cling to. But these are temporary aberrations.

We had such a time in the late 20's and early 30's, as many will recall. The great economic machine that monumentalized the American Dream collapsed without warning. Visions of financial security for every family, which seemed so close to realization, lay broken, smashed, and smelling of infamy.

This exploded the Dream, as well it might. There was no place to turn—except to those who had always discounted the validity of the Dream; and for a long stretch of years they, the contemporary infidels, had a field day, led by the propagandists and advisers of Franklin D. Roosevelt.

"None of Roosevelt's speeches caught up more poignantly the intellectual moods of the early depression," Arthur Schlesinger, Jr., reported, "than the one made to the Commonwealth Club of San Francisco. After a brilliant historical account of the background of American democracy, Roosevelt suggested that the age of expansion had come to an end."

John Dewey, the nation's leading intellectual, was quick to jump aboard. Private enterprise, he insisted, never could be "responsible," because social responsibility and "an exclusively pecuniary-profit industry" are incompatible. Reinhold Niebuhr, the eminent theologian, announced categorically that capitalism was dead, and it was good riddance. He saw no hope for the future. "There is nothing," he said, "to support the thesis that a dominant class ever yields its position or its privileges in society because its rule has been convicted of ineptness or injustices."

Roosevelt added fuel to the fire:

"Our industrial plant is built;" he said, "the problem now is whether under existing conditions it is not overbuilt. Our last frontier has long since been reached . . ."

Certainly this would sound reasonable enough to those disillusioned men who had no jobs, those whose pay had been cut to five dollars a week, those who sold apples on the street, those who saw nothing, nothing at all up ahead.

"Our task now is . . . the soberer and less dramatic business of administering resources and plants already in hand," Roosevelt continued, "of adjusting production to consumption, of distributing wealth and products more equitably, of adapting the existing economic organization to the service of the people."

"Prosperity," Mr. Hoover announced from the White House, "is just around the corner." Nobody believed him. He had become a living monument to ruptured ambitions and spent hopes. In his final broadcast appeal before the election he warned against "false gods arrayed in the rainbow colors of promises." He denounced the fragmentation of society which the group action and sectionalism inspired by Roosevelt's propagandists was creating. Nobody listened. Roosevelt had caught the whole population on the rebound, victimized by unrequited love for the dream that had saturated their souls from Day One of the nation. "I have looked into the faces of thousands of Americans," Roosevelt confided to a friend, "they have the frightened look of lost children."

The old American philosophy of stubborn self-determination was in full retreat. Nobody ever said, anymore, that America was a great, growing country filled with opportunity for the alert; that its best years lay ahead of it. Any real inspiration for the future had been undermined; all hope for individual achievement was expunged. The moving, growing, aspiring environment had been washed away in a sea of words.

II

Today we are reliving that old experience: we've been this way before.

Our system has let us down, we are hearing; industry is wrong-headed, worthless, and endlessly damaging to society; and we need to shift gears. Do away with growth, curb technology, they say, or our world will self-destruct in two generations. Obscure scientists bask in front-page publicity by describing disasters that might occur; politicians hail themselves as defenders of the environment against industrial polluters and crafty consumer exploiters, even while the government in their charge remains one of the most pervasive and most immovable polluters of all; and the consumer, as taxpayer, is horrendously exploited. Lawyers, acting in what they choose to call the public interest, indulge in a kind of publicity-rich legal guerilla warfare to put a stop to anything anybody doesn't like, anything that makes a profit and smells of progress. As a result, the confused public is once again ready to believe anything that sounds reasonably logical, especially if it also sounds frightening.

We are scared again. But this time our

fears seem to have grown out of a distrust of our affluence, not the threat of starvation. Our consciences rather than our stomachs are giving us a hard time. We are dusting off all the old villains—condemning them this time for giving us what we demanded—more goods, more services, more conveniences at the minimum cost.

It gallops across our destiny on a black horse, a hired killer with a big notch in his gun to memorialize the murder of the unspoiled world we once had.

It is widely held these days by environmentalists and by many frightened by environmentalists, that we've "got to get off this growth kick"—that's the new cliche—*get off this growth kick* if we are to survive. We are told we've got to put a stop to "progress." No more power plants, especially nuclear power plants. No SST. No increase in the Gross National Product. No more great technological advances. Curtail the use of energy. If industrial plants pollute, shut them down. If they might present a problem, don't build them. If this throws men out of work, let them find other jobs. Let single-minded officials set ultimate anti-pollution standards and demand instant adherence, whether or not there are yet practical ways to do it. Put a stop to the mining of coal, prevent the drilling of oil wells, curtail highway construction. Go to court and delay anything that purports to be essential to growth of any description. This, they say, is the only way to preserve the world we live in.

But at what cost?

A substantial factor of growth and a continuing need for technological advance is built into our system, just as surely as a progressive increase in our population is inescapable. Being necessary does not make progress desirable—it only makes it unavoidable, and no amount of rhetoric can change this fact of life.

It is difficult—even impossible—at this point to estimate the cost of stopping growth—or even seriously delaying it—in money, in unemployment, in energy shortages, in essential government programs that cannot be funded because of income depletions and decimated tax receipts. What the emotional extremists are really demanding is a curtailment in the generating of wealth and an increase in its expenditure. This obviously is a self-defeating process.

And who has considered the plight of the disadvantaged, who will wind up, as they generally do, paying the highest cost of all?

Not long ago I was in a meeting where a highly respected citizen was discoursing on the subject of progress, suggesting (we often hear it these days) that too much attention to material progress is bad for the human race: it diverts them from more important things. "It isn't good for people," he was saying.

Next to me sat an elderly colored woman, a delightfully intelligent human being. Quietly, almost inaudibly, she protested: "But how about the poor people? Are they to be locked into poverty? Is progress so bad for them?"

She was scarcely heard, much less answered. If she had been, the answer no doubt would have been that "the poor would be taken care of." For one thing, if progress stops and wealth isn't generated, there will be no resources to take care of the poor. For another—and most important—the poor don't want to be taken care of—they want that chance the American tradition promised them, a promise they often cherish more deeply even than the affluent who have made it. As Myrdal pointed out:

"With one part of themselves they actually believe that the creed [of equal opportunity] is ruling America."

It grew out of the affluence of the great middle-income group, swollen in our time to incredible size. Millions who are well fed and well housed and have a minimum of one automobile seem to have discovered that all this was not enough, that they lacked some important element in their lives, and whatever it was, it could not be bought at the corner store with a credit card.

At precisely the right time, along came the popular myth that their world had once been pristine and beautiful, and a rewarding place in which to live, and it isn't any longer, and *that* was what was wrong. They began to believe that the old refreshing earth could be recreated if only all those *other people* would let it alone. This *"other people"* complex is important. The environmental thrust has thrived mightily on an all-too-human desire to pass the buck, to point the finger, to find a culprit. And the media have not helped: they have sought out controversy and nourished it at every turn. It makes news. It captures readers and fascinates listeners. It sells papers and increases audiences. *But it doesn't help solve anything.*

Some of us who were pioneers in the war for conservation, the early environmentalists, have a horrible premonition that this lovely little lady can't, for long, be ignored. The answer will come with such vehemence that environmental progress can be set back ten years. The extremists, the exploiters and the opportunists who now hold the center stage seem intent upon hamming it up beyond all reason. The play will bomb out, the show will close, and the restless audience will go looking for some other intellectual diversion. The great point—the absolutely essential conviction—that we must preserve the Quality of Life at every possible juncture can get lost in the shuffle. Nothing is quite so repugnant as yesterday's passion.

All environmentalists are not unreasonable transcendentalists with incurable tunnel vision—nor is every industrialist a stereotype profit-monger with distain for the public interest. It is the *extremists* who are dangerous; the environmentalists who demand instant cures, and the industrialists who won't budge.

I have had a considerable amount of first-hand experience with industry and industrialists during this environmental era, and by and large I would give them good marks. Most of them are as much concerned about pollution, for example, as the most adamant environmentalists. Most want to move as fast as technology and economic feasibility permit. But because their destinies are determined by consumers, they are more sensitive to the effects of cost than the affluent environmental enthusiast who says, "Do as I say, whatever it costs, and raise your prices if necessary. The people will pay!"

But will they? *Should* they have no choice?

The typical industrialist spends his life developing technologies and perfecting methods to bring down the cost of what he makes to the point where more and more people can afford to buy, and in buying contribute to the flow of funds that creates more jobs and makes higher pay levels possible. Whether anybody likes it or not, that is what our economy is all about. That is why the number of poverty-level people has shrunk from 350 per thousand population in Roosevelt's time to about 125 today. That is how poor people get bailed out. In the end, it is the only way. And they know it. They *will* be heard from; and when this happens, our politicians will start talking out of the other side of their mouths—some already are. They will run in the other direction—too fast and probably too far.

III

Is it already too late to establish ground rules that can save us from backlash?

How can me insure that we can retain the good that has already come from the recognition that we need more quality in our lives? Isn't there some way that extremists can be curbed and cooperation encouraged? Can't we demonstrate that the American tradition of progress, of moving ahead, of aspiring, is not really all that incompatible with the protection and enhancement of the environment?

It is immensely difficult, of course, to effectively counsel thought and cooperation and teamwork in the storm center of an emotional upheaval. In times like these there is a distrust of all the old faces and all the old words. It would appear that only the pallbearers of the apparently expired American Dream can get a responsive audience.

Yet in 1939, while the faithless were still riding high, there did burst upon the scene a man with a different message who found a massive audience and made an immense impression. It was a new face, but the message was as old as America.

"You have told us that our day is finished," he said, "that we can grow no more, and that the future cannot be the equal of the past. But We, the People, do not believe this, and we say to you: give up the vested interest you have in depression, open your eyes to the future, help us build a new world."

Now these were fine words, as fine as those used by Roosevelt himself, and the media and the world-oriented leadership took hold of them eagerly, and the dispirited business community pricked up its ears. Hope was not really dead after all, it was only moribund, deep in a ten-year sleep, like the fairy tale princess awaiting the prince to bring her back to life.

Willkie gathered together in one brief, eloquent statement all the traditional convictions that had been distorted by propaganda and circumstances. He repaired them, reconstituted them, and soon they rained down on the citizenry in a torrent, providing solace to the America which Myrdal explains "is continually struggling for its soul."

In the few months before the confusion of politics swallowed up the voice, Wendell Willkie inspired a very large section of jaded people, including Roosevelt, who himself learned a new way of getting at things. It was, of course, simply the old way of doing things. New frontiers were sighted, new resources developed, plants expanded, and the free enterprise system was back in business at the old stand. The economy spurted ahead, and the poor and discouraged began again to move up the economic ladder under their own steam. Hope was reborn. *The clouds blew away, and there again was the future, bulging with promise.*

The $100 billion GNP of Roosevelt's day mounted ten-fold, and our new frontiers extended all the way to the moon. The resilience of our supposedly defunct system enabled us to win the most extensive and sophisticated war in history and to rescue a war-scarred world from the aftermath.

Willkie accused the New Dealers of nurturing a static philosophy of defeat. "We need a new outlook, a new way of getting at things," he said, reminding them that in America there is always an opportunity for a constructive approach.

Such an opportunity is open to us today, too.

We can set up machinery—preferably at the state level—to investigate thoroughly all major environmental controversies, consider all the positions and claims, and then settle controversies out of court, with full power to enforce the decision. We can discourage resorting to the already overburdened courts to resolve problems that can be far more constructively resolved by negotiation. We can encourage the media and politicians to spend less time fanning the fires of controversy and more time assessing the economic, social, and long-range ramifications of important environmental questions. We can encourage opinion leaders and activists generally to develop the assets of our society, which are many, instead of embellishing and exploiting its weaknesses, which also are many. We can and certainly *should* oppose the very considerable efforts that are in vogue to discourage technological advances on the basis that there might be in them some hidden or latent danger.

. . . yet this illustrates the current trend. We can be conscientious about investigating the economic ramifications of environmental action—and vice versa, because the environment and the economy both are too important to be used either to promote actions that shouldn't be taken, or to excuse nonaction when action should be taken.

In short, we can work together intelligently, constructively, effectively, and systematically to solve the environmental problems that we all know must be solved; and we can do it without, in the process, fatally wounding the Goose that Lays the Golden Eggs.

Industry, commerce, technology—these are our tools, as well as our problems—and proper use of them is the only possible means by which a Quality of Life can be built in a nation of 200 million people—and growing. We can be assured that the era of quantity at any environmental cost is past; that the era of reverence for the environment is here to stay. Under these circumstances, to echo Roosevelt's 1932 admonition that the time has come for the nation to stop growing and learn to live on what it has is to doom society to eventual extinction for no particular purpose.

What Americans hungered for and needed in 1939 and what they hunger for and need now is inspiration. They want to feel confidence coursing through their veins. And this won't be easy to provide. It will be difficult to fire up enthusiasm in the face of all the frustrations, doubts, distrust, and disbeliefs that have accumulated. It will be difficult to restore to the battered American a faith in the future. He won't be easy to convince that in this best of all currently possible worlds he has a good chance of living a full life and getting his money's worth. And, on a broader perspective, it will be difficult to make him see that in spite of the dozen or more popular crises the world is supposed to be facing, there will, in all likelihood, be a tomorrow, and it won't be nearly as bad as it looks.

It will be easier to get this message across when the American spirit returns, and that day will come as it always has. Laski wrote: "The power of a tradition to endure depends upon its capacity to command a continuing faith; and this, in its turn, depends upon its power to evoke hope and exhilaration from the masses." The spark still lives in the minds of most Americans. What we have known in our hearts for nearly three hundred years, we still know, and we are not likely to forget for long. The American character, as I said in the beginning, at its deepest roots is as fixed and predictable as the tides. It ebbs and flows.

It will flow again, and soon, and in the meantime, we will have achieved some very badly needed reforms on the environmental front and on several other fronts in the bargain. Society will have taken a few important but difficult steps forward.

In the long run, these upheavals are good. In the short run, they are murder.

UNFULFILLED PROMISES: MEDICAL SERVICES FOR MIGRANT FARMWORKERS

(Mr. BADILLO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BADILLO. Mr. Speaker, I want to call to the attention of our colleagues another program which is supposed to benefit migrant farmworkers, but which has failed to achieve its objectives.

The Migrant Health Act of 1961 has been in operation for nearly 10 years, yet migrant farm workers and their families still do not enjoy adequate medical services and they suffer the consequences in terms of poor health and physical deterioration. The statistics are truly shocking:

Migrant life expectancy is 25 years less than the national average.

Infant and maternal mortality is 125 percent higher than the average.

The death rate from influenza and pneumonia is 200 percent higher.

The death rate from TB is 250 percent higher.

The accident rate is 300 percent higher.

Hospital care for acute illness and accident victims is often unavailable to migrants. The New York Times recently reported that in August 1970 two men having compound fractures with bones protruding and three men suffering from pneumonia with very high fevers were denied access to six hospitals even for out-patient treatment.

As of fiscal 1971, 36 States and Puerto Rico had funded projects under the Migrant Health Act. These projects supposedly provided general medical care, immunization, prenatal care, nursing services, dental services, sanitation services, health education, and evening health service clinics in some migrant camps. Most of these projects have been entrusted to State and local health departments which are neither inclined, equipped, nor technically capable of delivering comprehensive medical care to migrant farmworkers. A 1970 amendment requires migrant participation in planning and implementing projects, but little has been done to put this into operation.

Why has this program failed in its goal of insuring that "migrant workers and their children . . . share the health protection and services generally available to other U.S. citizens?" In the first place, far too little money has been invested in the program. The Department of Health, Education, and Welfare has spent an average of $15 per migrant per year compared to the national average of $300 per person per year on medical expenses.

Second, the very limited funds that are available are spread too thinly by supporting too many individual county projects. The result is that many migrants receive inferior medical services rather than a few receiving comprehensive health services. Ironically, even given the propensity to fund several small projects instead of a few large ones, the migrant health program reaches on a temporary basis only about one-third of the total migrant population.

Thirdly, the local health departments or allied agencies that run these projects are not very eager or lack the necessary resources—in terms of facilities, personnel, and funds—to serve migrants who reside in the area only a short time each year and who have a different cultural and ethnic background from the area's residents.

Finally, the failure of the program also results from the absence of program standards and evaluation mechanisms. Without objective standards by which to judge individual programs, it becomes virtually impossible to defend or terminate any project. This has been the pattern since the outset of the program.

A more detailed example, presented in testimony last year before the Senate Migrant Labor Subcommittee by Migrant Legal Action, Inc., may illustrate some of the problems with this program.

Another instance where local opposition has prevented a substantial improvement in migrant health care programs is that of Hidalgo County, Texas (a county in the lower Rio Grande Valley with an estimated migrant population of 40,000). For the past five years, the local health department of Hidalgo County has operated a migrant health project that even it admits is totally inadequate. Not only is the program underfunded, but the health department lacks the technical capability to deliver good quality health care. It has neither sufficient manpower nor equipment, and has no direct ties to the migrant population.

Dr. Ramiro Casso, a doctor in general practice in McAllen, Texas, described the public health activities in Hidalgo County as follows:

"At present, these activities are limited to tuberculosis detection, follow-up on contagious diseases, and immunization of children. The inadequacy of our immunization program was pointed out during the past two months when in Hidalgo and Cameron Counties, we (uncovered) suspected (cases of) poliomyelitis."

(In carrying out an evacuation of the adequacy of the Migrant Health Program in Hidalgo County) doctors found that: "These people are hungry for care. They are dying for want of it." Yet the Dallas regional office of HEW has been content to let the migrant health program in Hidalgo County continue to operate at its present level.

A few facts about health conditions in the Valley should suffice to illustrate the total inadequacy of the present migrant health program. Hidalgo County has more cases of tuberculosis than any other county in the country. It also presently has a polio epidemic, in which 3 children have died, and at least 11 more are suspected of having contracted the disease. Dr. John Copenhaver, Director of the migrant health projects for Hidalgo and Cameron Counties, criticized the (evaluation team's) reports as inaccurate because of their shock over uncovering a case of leprosy. The local newspapers have reported Dr. Copenhaver as asking "What's wrong with one case of leprosy? I know there are at least a hundred in the Valley."

Although Valley-wide inoculation efforts have been undertaken by the public health authorities in an effort to halt the spread of polio, outreach efforts are proving ineffective in reaching the persons who most need the vaccine, many of whom live in outlying areas and neither own radios nor read the newspaper.

This past year, there was an opportunity to dramatically increase migrant health services to this area. Major efforts were initiated by the Washington office. It sought to develop ties with a local community organization (Colonias del Valle), to bring together community and provider groups, and to provide them with sufficient money to operate a comprehensive health care center. HEW had reserved the funds and actively encouraged the funding of such a project; the consumers were interested; the health department was prepared to cooperate; and Dr. Love, the newly elected president of the local medical society, was prepared to cooperate.

It should have been the task of the regional office to develop and cement a program in this depressed area. Rather than aiding or participating in any of these efforts, the regional office simply sat back to await proposals and made no affirmative efforts to coalesce a program. It ultimately selected the health department proposals, which it acknowledged to be completely inadequate. Finally, rather than accepting a $400,000 grant for one project, the regional administrators persuaded HEW to divide the money in two $200,000 grants and later halved it again. In effect, through lack of interest, uninspired leadership, responsiveness to local political pressures and general bureaucratic inertia, the regional administrators induced HEW to reproduce the traditional inadequate and nonresponsive health project in the place of what had been a promising beginning for comprehensive, consumer-oriented health care.

This program can be made to work by doing the following things: Develop objective standards for program evaluation; rigidly apply these standards; fund the program at a more realistic level; redesign the program to emphasize a smaller number of projects, but ones providing comprehensive medical services to all migrants within a given radius, including the provision of transportation to and from the clinic for those without their own means; and implement the 1970 amendment specifying migrant input in program planning and execution.

DIAMOND ANNIVERSARY YEAR OF UTAH'S STATEHOOD

(Mr. McKAY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McKAY. Mr. Speaker, inasmuch as Congress was not in session on July 24, I have waited until today to give my speech commemorating 1971 as the diamond anniversary year of Utah's statehood and July 24 which is Pioneer Day.

One hundred and twenty-four years ago on July 24, Brigham Young led the first company of Mormon pioneers into the Salt Lake Valley. Standing on a mountain ridge above the valley floor, the pioneer leader declared, "This is the place." This day and this declaration signify the beginning of a great pioneer heritage for the State of Utah. Today I am reminded of this humble, yet noble heritage and its great contribution to the spiritual and political origins of our State.

In thinking about the accomplishments of Utah, I remembered that when the pioneers entered Salt Lake Valley it was totally barren. In 1847 only a few trees dotted the valley which was otherwise devoid of vegetation. By way of contrast in 1971 you can stand at the "This is the Place Monument" and look out across a valley which is now a monument to the industry of those early pioneers and their posterity. Homes, churches, schools, parks, roads, businesses, and even trees all indicate the changes and the progress which have occurred since 1847. This scene is a tribute to the men and women who made this "desert valley blossom like a rose." Suddenly I realized how important the physical qualities of Utah actually were. Therefore, I would like to discuss briefly a few of these unique qualities.

Utah's excellence in the field of education heads the list of important characteristics about the State. For Utah is second to none by many standards of educational strength. Utah spends more per capita than any other State on education. It also has more college graduates per citizen than any other State. It has nine colleges and universities including the Nation's largest private university.

The number of tourists attracted to Utah each year is indicative of the State's natural appeal. From her majestic mountains and clear streams to the stark beauties of her deserts, Utah contains as much natural beauty as any other State in the Nation. Each year, millions of visitors journey to Utah to see the famous Temple Square. Utah also is unique in that it contains the largest inland salt sea in the world.

Utah's achievements in the arts cannot be overlooked. The Mormon settlers established theaters and musical organizations almost before they had built their own cabins. Today, the Utah Symphony Orchestra, recently returned from a successful tour of Latin America, is one of the 10 best in the Nation and the Mormon Tabernacle Choir is perhaps the most famous choir in the world.

Unlimited opportunities in both spectator and participation sports exist in Utah. Utah is world renowned for its fine powder skiing and is a fishing and hunting paradise.

Utah is also the home of the Utah Stars, the 1971 ABA basketball champion, as well as the Golden Eagles professional hockey team. Its many colleges and universities continue to produce some of the most exciting spectator sports in this country. Utah is perhaps unexcelled in the availability of outdoor recreational facilities. With lakes, mountains, wild game, and a varied climate, the opportunity for every kind of outdoor recreation is unlimited.

Finally, I would like to extol the wonders of Utah's vast stores of natural resources which abound in Utah. Utah produces 20 percent of the Nation's copper and development in oil shale research may reveal that Utah has virtually untapped petroleum sources.

But these physical features tell only half of Utah's story. There are certain human qualities of the people themselves which have given Utah a firm foundation on which to develop its physical and human resources. It is more difficult to dwell on this subject because it is abstract and a little elusive—but nonetheless real. It is the spirit of Utah. When those Mormon pioneers entered Salt Lake Valley on the 24th of July in 1847, they brought with them more than just their meager belongings and a desire to forge for themselves a new life. They brought with them an attitude about themselves and their relationship to their Government which has continued to prevail. And now, after 75 years of statehood and 124 years since the first pioneers entered Utah, I still recognize this as the source of Utah's greatness.

This spirit has several aspects to it. One thing it has to do with is the idea that man creates his government and is not a creature of it. The Mormon pioneers even believed that government was instituted by God for the benefit of man. Thus, Utahans have never been satisfied to sit back and let public affairs run their course contrary to the will of the people. Moreover, Utahans have always had a great respect for government. I am confident that the absence of any serious riots over the last 10 years when most parts of the Nation have faced numerous disruptions, is due in part to the pattern set by that early Mormon pioneer belief that they should be "subject to Kings, president, rulers, and magistrates," and should obey and sustain and uphold the respective governments in which they reside, while protected in their inherent and unalienable rights by the laws of such governments.

An interesting corollary to this fundamental attitude toward government is that these early settlers earnestly believed in self-reliance. Men were expected to do all in their own power to improve their personal lot in life and to rely on their own individual resources to do so. The function of government was to protect man's natural right to pursue "the good life," not to provide it for him. In this sense, the concepts of self-reliance and individual responsibility run deep in the political philosophy of Utah's citizens.

A second pioneer virtue that has left its beneficial mark on Utah is the notion that political success cannot be separated from private virtue. Certainly this principle was not unique to the pioneers. Toqueville recognized that the greatness of America was related to the quality of her citizens and George Washington stated that "foundations of our national policy * * * are laid in the pure and immutable principles of private morality." But though not unique to the pioneers, this principle has remained alive in Utah perhaps more than most other States due to the strength of the pioneer heritage.

A third portion of that heritage has to do with relations between nations. Utah has always been international in her outlook. Utah churches, Mormon, Protestant, and Catholic, are responsible for sending thousands of missionaries into foreign lands each year. There are, as one of the results of that, more Utahans per capita with native skill in foreign languages than in any other State. Utah has sent hundreds of her citizens to foreign countries to share their technical knowledge about irrigation, land management, dairy production, forage crops, animal husbandry as well as a host of other scientific and technical subjects. Somewhat related to this is the still prevailing belief among Utahans that all international relations ought to be founded on the principles of good faith, justice, and benevolence.

Finally, Mr. Speaker, I would like to call your attention to a fourth characteristic of the spirit of Utah which was instituted by those pioneers whom we recall on Pioneer Day and which, though not as widespread in Utah nor in the Nation as it should be, was still responsible for many of the qualities of Utah life. This final principle has to do with the place of religion and mortality in political life. The Mormon pioneers believed that America was a special land destined for leadership and greatness. But that destiny depended on the righteousness of the inhabitants of the land. These early settlers, themselves the victims self-serving and ambitious political leaders in other States, believed that righteous leaders marked by humility and dependence on divine guidance were the only solutions to political ills. It may be one of the great tragedies of American political development that we have tended to think that a man's personal, moral, and ethical qualities were not too great importance as long as he could "get the job done." Just last month a former presidential advisor published an article in a national magazine calling for "amorality in foreign affairs." The pioneer tradition would reject both this attitude and the other extreme of zealotisms and substitute for both the pragmatic and persistent efforts of righteous political leaders.

In conclusion, these four aspects of the heritage of Utah could well be remembered by all who desire sound political progress. The Utah experience suggests that people who, motivated by proper goals, were willing to sacrifice all of their material possessions, leave established communities where they were certain of a good life, and forge for themselves a new State in the desolate deserts of Western America have left us more than a heritage which can be identified on a map. They have left America and the world some ideals and beliefs which are widely accepted and may lead us out of some of the national dilemmas in which America finds herself in the 1970's.

NEW CHALLENGE OF LATIN AMERICAN INVESTMENT

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, it is my privilege to call to the attention of our colleagues a most informative and deeply thoughtful address by the distingiushed director of the University of Miami's Institute for Inter-American Legal Studies, Dr. Rafael C. Benitez.

In a speech entitled "The Challenge of International Trade and Investment in the Seventies," which Dr. Benitez delivered to the third annual international business symposium sponsored by the South Florida Regional Export Expansion Council in Miami, this outstanding observer of the business climate of the Western Hemisphere emphasized the changing investment picture in Latin America. He discusses both the rising tide of state intervention in the economies of Latin American countries and the "aloofness" which characterizes the current policy of our own Government toward U.S. investment in this vital part of the world.

I strongly recommend this address to my colleagues and request that the text be printed in the RECORD at this point:

THE CHALLENGE TO UNITED STATES INVESTMENT IN LATIN AMERICA—PROSPECTS FOR THE '70'S

(By R. C. Benitez)

The subject of United States investment in Latin America is the current favorite of speakers in inter-American affairs. Conferences, symposia, and institutes have probed at depth the problems of the United States investor in Latin America and yet, the subject continues to present a perplexing economic problem with significant social and political overtones.

It is regretful, but nevertheless true that United States investment in Latin America has become a major issue in inter-American affairs. It not resolved, it can precipitate another hemispheric crisis, and leave in its wake a negative and lasting impact on the economic, social and political future of this hemisphere.

As more than interested parties in the future of Latin America we have a personal stake in the matter. But, our concern should be of a more fundamental nature for more than business and personal interests are at play.

I submit to you that the fundamental challenge is to our basic economic and political institutions. In issue, therefore, is not only the future of United States enterprises in Latin America, but our economic and political orders which—in spite of their imperfections—offer the greatest hope to the peoples of this hemisphere.

A brief review of the scope and impact of United States investment in Latin America is in order. The present book value of U.S. direct investments in Latin America approximates $14 billion dollars. U.S. business reputedly pays one fifth of all taxes, produces one third of all exports, and employs directly over one and a half million persons in Latin America. One billion dollars is often cited as the profits repatriated yearly to the United States.

These indicators reflect the magnitude of the forces at play, and it is obvious that economic factors of such scope can influence—positively or negatively—the future of Latin America.

And, the United States can not ignore the future of Latin America in spite of serious domestic preoccupations with social conflicts, urban growth, and law and order, nor, in spite of other grave international concerns such as Vietnam, the Middle East, and its relations with Soviet Russia.

Mr. Rockefeller expressed it this way:

"Our national interest requires the maintenance of our special relationship which should have as its goal the creation of a community of self-reliant, independent nations linked in a mutually beneficial regional system, and seeking to improve the efficiency of their societies and the quality of life of their peoples."

I submit that in recent times the U.S. investor has done his share to accomplish Mr. Rockefeller's objective in Latin America. Leaving aside the unscrupulous promoter—found in every society—the U.S. businessman has been conscious of his social responsibilities when entering into a Latin American venture. His recent record can stand scrutiny provided such scrutiny is carried out objectively, dispassionately and by the fair minded. American business habits abroad have undergone a marked change, and it serves little purpose—at this stage—to inquire why the change came about. The undisputable fact is that American companies today are generally sensitive to local conditions, and have become "responsible citizens" of those states which have granted them operating privileges.

This responsible citizenship, when taken together with the obvious benefits of foreign investment such as increased employment, purchasing power, tax revenues and improved standards of living should have resulted in an improved climate for U.S. investment in Latin America. Regretfully, such has not been the case. On the contrary, recent events manifest a deterioration in the investment climate which—in the long run—could dash the hopes for successful economic and social development in Latin America.

Beginning with the Cuban confiscations in the early 1960s, the U.S. investor has experienced—directly or indirectly—an undeserved hostility not in tune with his willingness to behave responsibly and to abide by the conditions under which he undertook his Latin American operation.

It is true that changed circumstances in a dynamic environment call for new approaches, but new governmental concepts and directions should benefit the body politic and not one segment of a society at the expense of the others.

The recent events in Peru, Bolivia and Chile are of serious concern to U.S. investors in all Latin American countries. The ultimate objective of these nations—social justice and the improvement in the quality of the lives of their peoples—cannot be challenged, but the manner in which the objective is being pursued is, in my opinion, open to question. I ask you to consider if in the long run the means being used to achieve a most laudable and humanitarian objective are in the best interests of Latin America.

In addition to the events in Peru, Bolivia and Chile two other developments have given the United States investor cause for alarm. I refer to the foreign investment rules of the Andean Subregional Common Market, and, and to the most recent Venezuelan legislation on banking and on taxes relating to the oil industry.

First, the Andean Foreign Investment Code. I shall not deal with the specifics of the Code as I am sure that this particular subject will be covered repeatedly during the day. I merely wish to emphasize that regardless of the feelings of its proponents, the Code has put a damper on U.S. investment in Latin America. The Council of the Americas conducted a survey among its members early in the year and the results revealed that eighty-four U.S. private investments were being held in abeyance in the five countries of the Andean bloc because of the fear generated by the Code. Subesquently, representatives from 240 North American companies met in South America and announced the suspension of investment in the Andean countries. This apprehension on the part of the U.S. investor should be a cause for concern, if, in fact, there is need for foreign private capital in Latin America.

Secondly, the Venezuelan legislation. In December 1970, Venezuela stunned the foreign business community with a new Banking Reform Law and a rise in petroleum profits taxes. Promises to seek additional controls on other industrial sectors added to the concern of the foreign businessman.

The Banking Law provides for at least 80% Venezuelan ownership of all foreign banks, limits the amount of their deposits, their dealings in foreign exchange and their loans to foreign corporations. Additional restrictive measures affect the issuance of certificates of deposit and of saving accounts.

With regard to the petroleum industry, the basic tax was raised from 52 to 60% which, together with royalties and other taxes raised the effective governmental share of profits from 70 to 80%. Of equal, if not more concern, was the pronouncement that henceforth the Government would set "reference prices" on which taxes are based. In essence, the Government now controls the profits of foreign oil companies.

Rumblings concerning nationalization of the natural gas industry and to "reform" foreign automobile investments also served to rock the boat. The above took place with dramatic suddeness in a country which until a few months ago openly welcomed the foreign investor and offered an investment climate second to none in Latin America.

The two developments just mentioned reflect the mood for change and the desire to transform, in a very short period of time, the economic structure of Latin America. In some of the countries the change is deep and radical, and the clear objective is transformation into a socialist society in which the State will predominate—overwhelmingly—in the economy of the country concerned. This position is at one end of the spectrum; that other positions reveal more muted shadings but their hues are sufficiently discordant to upset and repel the foreign investor.

What is the meaning of the above? What in essence is it that Latin America is no longer whispering but shouting to the foreign investor? The message is unmistakably clear—Latin America wishes to shake off economic dependence and to control its own economic destiny.

A point previously made bears repeating. It has been stated, to the point of boredom, that Latin America is not a homogenous unit, i.e., that in spite of the fact that all but a few of the countries share a common language, history and culture, there are fundamental differences between the individual countries, and even between regions in the Hemisphere. Thus, different countries are following different policies in the area of foreign investments. Let me cite the case of Mexico as an example.

In December, 1970, President Echeverria met with a group of prominent Mexican and foreign businessmen and among, other things, stated that Mexico did not have an expropriation mentality and that the country welcomed those foreign investments prepared to associate with Mexican enterprises in joint ventures oriented to produce goods for the Mexican market and for export. He added that Mexico has a need for advanced technology and for substantial investments—both local and foreign—and he recognized the need for a return on capital invested and the repatriation of dividends and interest. The Mexican President pledged free convertibility and no restrictions on the flows of capital or profit remittances; he affirmed that his would be a regime of guarantees.

But it is not the economic philosophy of nations like Mexico which seriously concern the U.S. investor, but the philosophy of those countries which attempt—through the revolutionary process—to resolve overnight the many contradictions which exist in their societies. These contradictions should be resolved, but I respectfully submit that the solution to the grave social problems faced by the Latin American governments should not be one which will inevitably lead to the destruction of a vital segment of their societies, nor put to flight those who, in my opinion, have a key role to play in the attainment of true social justice in this hemisphere. I refer specifically in my last statement to the private sector, but particularly to the foreign investor and his role in the process of economic development.

A caveat is here in order. We in the developed nations are inclined to think that foreign investment *per se* is a good thing, and we may be right. We believe that foreign investment has played a significant role in the growth of modern society, and that its "commitment and imagination can be harnessed to formulate and implement programs dedicated to human progress." We can, without too much trouble defend our position with some very convincing arguments, but we tend to overlook that there are many who feel that foreign investment has been detrimental to the developing nations. Weighty arguments are also advanced to support this point of view, and the issue has been joined frequently on the relative merits of technology, managerial know how, exports, substitute imports, controlling interest, monopolies, and marketing techniques, among others.

It appears, advisable, therefore, to undertake in-depth economics studies to determine the merits, or the lack thereof of foreign investment. Freed from political passions and nationalistic urgings, impartial economists—if necessary on an individual country basis—should be able to put to rest many of the misconceptions which now surround the subject. This, in my opinion, is essential if we are to reason together and to establish the climate in which meaningful decisions will be reached.

But, vital as the result of these studies may be to the future, they are not essential to the decision making process of the present. The reason is that almost without exception the nations of Latin America have stated that they need substantial inputs of foreign capital to promote their economic development. The warmth with which foreign investment is received, and the conditions under which it is allowed to come in vary, but I believe that it is well to establish that the Latin American nations—willingly or unwillingly—have expressed the need for foreign investment.

Admitting the need for foreign investment on the part of the Latin American nations, is the U.S. investor willing to assume the risks inherent in a Latin American operation? In the past the answer was in the affirmative and the reasons given were not very different from those which prompted investment in the United States and other areas of the world.

These reasons are still valid today, but the enthusiasm of the U.S. investor has been greatly dampened by the economic and social policies of some Latin American governments. In his search for an answer how best to proceed under present day circumstances, the U.S. investor has naturally sought the position of his own government. It is well to consider what that position is.

The euphoria generated by the Alliance for Progress has dissipated. I do not believe that we should strike off the Alliance as an exercise in futility, as advocated by its detractors. Much has been accomplished under this program and today the lot of many in the Americas is better because of it. The consensus is not of total failure, but of a failure to meet overoptimistic and unreal expectations in an unrealistic short period of time. It is said that the Alliance has lost its way . . . that it is a shattered dream. This may or may not be the case, but there is no denying that the U.S. Government's involvement in Latin America contemplated under previous administrations is not the involvement of the present administration.

The present approach is one of low profile. The mood is one of disengagement based on the premise that the United States cannot undertake—in the measure once anticipated—the correction of the existing social and economic ills of Latin America. The new policy affects indirectly the U.S. investor because if the trend is to disengage he will also feel its effects. For this reason the United States businessman operating or intending to operate in Latin America will do well to face reality and accept the fact that in a large measure he is now on his own in Latin America.

It is of interest to note, however, that within the context of its official position, the United States Government advocates a greater role for private investment in the development process. This is to be accomplished through the newly established Overseas Private Investment Corporation which is charged under the Foreign Assistance Act of 1969 to expand previous AID incentive programs so as to stimulate United States private enterprise in development projects abroad.

Yet, in spite of the encouragement to the private sector to invest abroad, the U.S. Government's position to play it cool in Latin America appears firm at this time. To the U.S. investor the message is clear—do not rely too much in the protection of the U.S. government. I submit that this is not altogether bad.

Self reliance is a desirable trait and a strong point in the character of North Americans. Perhaps this new chill of loneliness may lead the U.S. businessman to face up to the new realities, to formulate new concepts, and to advance new ideas on which to base the solutions to the problems which now face him in Latin America. For the good old days—if they ever existed—are gone, and the regenerative process calls for the abandonment of old formulas in favor of new mixes whose ingredients must be found in the fertile and imaginative minds of the U.S. investor.

Thus, the issue is clear, and so is the present attitudes of the U.S. government and of the governments of Latin America. Accordingly, I believe it would be naive on the part of the U.S. investor—in spite of an existing favorable investment climate in any country of Latin America—to venture forth believing that the situation could not change to his detriment. The winds of change are blowing too strongly for him to believe otherwise, and the question to me is not whether there will be more restrictions, but their timing and their extent. For the foreseeable future I see an irreversible trend in favor of economic nationalism; a trend of varying strength and duration depending upon the degree of political maturity and economic independence of the countries of Latin America.

The risks are great, and the future, at best, cloudy. Whether in any particular instance the return is worth the risk must, of necessity, be a subjective decision reached by individual North American corporations. The decisions to be made are of major import, but perhaps not so difficult now that the elements entering into the decisionmaking process are—although unfavorable—at least clearer.

And unfavorable as the climate appears to be now and in the foreseeable future, I predict that the U.S. investor will continue to seek a modus operandi in Latin America. I base my prediction on his character and on his history which is not one of timidity but of courage, not one of passivity but of resourcefulness, not one of pessimism but of optimism.

His flexibility under trying conditions is already in evidence. In Colombia he has "associated" with the Government's Petroleum Corporation and other foreign oil companies for the exploration of oil in that country. The "association" is a far cry from the business ventures of the past, but it is a new way of doing business and of preserving an economic interest in Colombia. Similar associations or variants thereof, I predict will be surfacing in the near future as the U.S. investor, aware of the business dangers which await him, sharpens his business and diplomatic skills to meet a challenge he can no longer ignore.

Now, given the necessity for foreign investments on the part of Latin America, and the desirability of continuing investments on the part of the U.S. investor—what should be done to bring opposing factions closer to each other.

There is no pat answer, but I submit that if there is to be a future it lies in a change in the attitudes of all the interested parties. This change of attitudes, is to me essential.

The attitude of the U.S. investor must, above all, be realistic. Want it or not he must accept the fact that the rules of the game have been radically changed. The intervention of the State in the economic area and its creeping incursion in areas long the province of the private sector are now firmly established. The basis for such intervention is the sovereign right of states to control their economic destinies and this right cannot be challenged as long as the nation state remains the cornerstone of our international order. This change of direction on the part of Latin American government is at the root of the problem and the conflicting economic philosophies are self evident.

It is a fact, however, that conflicting points of view can be reconciled through compromise, and in relation to our particular problem, the parties involved must look upon compromise not as a sign of weakness, but as a necessary accommodation to achieve an objective which transcends individual gain. In this connection, I believe the burden is more on foreign governments than on the U.S. Investor because upon the former falls the choice of setting forth the conditions under which foreign investment will take place.

It is naive, of course, to ignore the political and social pressures upon governments, but I submit that it is not too much for the foreign investors to ask that foreign investment guidelines be clearly established, that obligations once undertaken be observed and that just compensation be given for property expropriated.

In this area, Senator Javits of New York has made an interesting proposal. He has urged the formation of an international body such as GATT to assure fair treatment of foreign investment. The Senator's proposal has merit and should not be ignored by those earnestly and sincerely seeking a solution to the foreign investment problem.

A sincere desire to reach compromise does not, in my opinion, constitute any loss of sovereignty or diminution of the stature of governments, but a realization that in this highly interdependent world in which we live, nations should exercise their soveign powers in a non-discriminatory manner so as to protect and encourage all the elements of their societies—domestic and foreign—to contribute effectively to the commonwealth.

And . . . isn't this what the foreign investor is really seeking, and is this too much to ask from responsible and full fledged members of the family of nations? The fulfillment of treaty obligations (*pacta sunt servando*) is a basic principle of international law which governs the conduct between States, but its underlying philosophy of abiding by agreements made in good faith, is no less applicable between States and individuals.

And, if in the history of a nation it becomes necessary in the interests of its people to modify agreements with other states or with individuals, impartial tribunals should be called upon to determine the equities absent a satisfactory understanding between the parties in conflict. Sovereign rights are not weakened, but strengthened by the rule of law. Thus the desirability of a hemispheric tribunal to settle investment disputes for which precedent already exists in the Center for the Settlement of International Investment Disputes of the World Bank.

The U.S. investor, in the difficult and tortuous path which lies ahead should not have to travel alone. In his quest for a new way of life in Latin America, I believe he has a right to seek the understanding and aid of the Latin American businessman who, in many instances, has remained aloof to the plight of his brother investor. The winds of competition may be chilling, but the freeze imposed by a pervasive, omnipresent and powerful government—deadly. The Latin American private investor should understand that his long range destiny is linked to that of the foreign investor, and that the fate of the latter today may well be his fate in the future.

The U.S. Government also has a responsibility towards its nationals investing in Latin America which may best be discharged, not by aloofness but by involvement and by positive contributions to the solution of a problem in which the national interest is involved. This calls for the most skillful diplomatic tight rope walking to avoid the charge of "Yankee influence", but is there anyone here who believes that the solution to the problem does not call for the highest statesmanship, both at the business and governmental levels. In the U.S. governmental area the desirability of expanding the Guarantee Programs should not be overlooked but the foreign investor should keep a watchful eye on the Overseas Private Investment Corporation to determine if, in truth, there is now a *new* agency, or if we have merely added another floor to our ever growing bureaucratic structure.

Not one, therefore, but all the parties concerned must seek the climate of understanding within which meaningful investment relations can be established. Consequently, no opportunity can be missed to promote the interchange of ideas between governments, between investors, and between governments and the private sector. The process of education must be continuous in order to avoid the provincial thinking which has existed for so long in the field of foreign investment. Conferences such as this one are obviously important. Likewise, educational institutions have a major role to play in this area, and governments and private industry should support those educational efforts which seek to explore, research, and find solutions to the problems resulting from investment in the developing nations.

Raul Prebisch had this to say on the subject:

"Complete mutual understanding has not been reached as yet in Latin America. To achieve it, dialogue is a pressing and indispensable requirement. A dialogue must be maintained with men concerned in politics, economics and trade union organizations, with men who move in other spheres of thought and action, especially those who belong to the new generations. Dialogue of this kind can and must lead to the discovery of a common ground, to a pragmatic consensus of opinion conducive to the action that will accept no further delay."

Understanding begets wisdom and wisdom of the highest order is called for in the troubled days that lie ahead for the U.S. investor in Latin America. But in spite of the troubled waters in which he must navigate, I am hopeful that he will reach port safely, battered and weather beaten perhaps, but so much stronger for having sailed in a wild and stormy sea.

SOVIET UNION IN CUBA

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I wish to call to the attention of my colleagues a very relevant address by Dr. Manolo Reyes, Latin American news editor of television station WTVJ in Miami, which he gave before the Key West Council of the Naval League of the United States.

Dr. Reyes is a distinguished journalist and commentator on events in Cuba. I have personally found him extremely knowledgeable on the activities of the Soviet Union in regard to Cuba, and I wish to afford the other Members of this Congress an opportunity to read his account of the efforts of the Soviet Union to make Cuba a military stronghold in the Caribbean.

The address follows:

SPEECH BY DR. MANOLO REYES

In this the Twentieth Century, man has made his greatest technological and scientific discoveries and advancements. At the same time, civilization has created its greatest means of self-destruction.

The Second World War was an irrefutable example of how great devastation by naval and aerial power can be. In the last decade with the marvels of technology and precision, man has reached the Moon. Also during this decade, the unsuspectable limits of nuclear power have increased, incrementing the possibility of self-destruction with the development of the intercontinental offensive missile system.

I believe that the decade which is beginning with this year 1971, will have as a common denominator, man's submarine power. To support this theory is the fact that the United States, always in search of world peace, is trying to achieve on the highest level, a treaty to ban "submarine weapons."

By submarine weapons, I understand them to include the fixed nuclear missile silos on the ocean floor as well as the nuclear submarines themselves.

Perhaps to those who do not fully comprehend this matter, it might sound illogical to place nuclear weapons on the ocean floor, but this does present several high-low ranges. At 160 to 200 feet of depth a nuclear missile silo could be placed on a submarine platform without being detected by reconnaissance planes.

Precisely a few months ago on the 26th of February of this year, I read something which caught my attention. The prestigious newspaper "La Prensa" of Buenos Aires on page three, printed a cable received from United Press International, stating:

"In Mexico the Soviet Union announced that they are helping Cuba in their search for petroleum in the Caribbean. The announcement made in a news bulletin of the Russian Embassy in Mexico states that a group of specialists of this nationality are building a platform to be used in primary exploratory experiments in Cuban waters. A representative of the Russian Embassy declined to point out the exact location where these experiments will be carried out, or how many technicians are taking part in said affair."

This has filled me with doubt. It is apparently submarine work and the decade which is beginning is one to be dominated by those with submarine power. And Cuba (well-named the key to the Americas) is now more than ever the key to submarine power for the present and future of the Western Hemisphere.

Lamentably, Cuba is today the first colony of the Soviet Union in the American Continent. But, I trust that it will be the first and last. It is inconceivably threatening to imagine a collective Soviet force in the heart of the Americas.

On the 7th of August, 1962, we were the first to alert of the presence of 5,000 Russian soldiers in Cuba. At first we were not believed. Twelve weeks later the missile crisis of October 1962 occurred.

The 28th of April, 1969, we again announced the Russian military buildups in Cuba. Three months later, July 26th, a Soviet naval squadron visited Cuba for the first time in the history of Cuba and the American Continents.

During the last year we have personally gone on four occasions to the floor of the Congress of the United States and once to the Special Commission for the Security of the Organization of American States to denounce the Russian military presence in Cuba.

This month, only a few days ago, we went before this Commission of the Organization of American States to denounce the presence of Russian nuclear submarines in Cuban waters.

I would like to make clear . . . as I have always . . . that I am not an expert, much less a technician on naval or military matters. But I have received, and continue to receive, many reports from the Cuban Patriotic Resistance whose members risk their lives so that the free world may know the true situation inside the martyr island of Cuba.

They were my source of information when I reported the presence of a Russian nuclear submarine, displacing 5,000 tons and approximately 390-feet long, in Cuban waters last May. This type of nuclear submarine, the analysis indicated, was equipped with eight rockets or missiles called "Shaddock", (with a range of 500 miles). These rockets are surface-to-surface type.

Precisely one of the modern weapons which is of greatest expense is the nuclear submarine. There are those who have estimated their cost of construction at approximately eighty-million dollars. Hence, care and mainenance are very important.

In this sense, essential to the care of the nuclear submarine is a change of crews. We have learned that the training of a nuclear submarine crew lasts no less than three years. The selected personnel are hand picked for particular traits. It appears that if hostilities break loose among the men, the nuclear submarine rarely will come to surface. Thus the importance of a change and rest for the crew of a nuclear submarine is great.

The United States has three known bases in the world for their nuclear submarines. Officially, the Soviet Union has none. I maintain my opinion that, according to the reports from my fellow patriots, the Russians do now have a base in Cuba.

Their base is in a Russian naval complex on the southern part of the island of Cuba, bounded by the Bay of Cienfuegos, Key Largo, Playa Giron and the Island of Pines.

The Bay of Cienfuegos, or Jagua Bay, discovered by Christopher Columbus in 1494, is 370 miles from the Bay of Guantanamo. Admiral Mahan, one of the greatest strategists of the United States, noted in a statement published in "Commercial Cuba" in New York in 1898, that the Bay of Cienfuegos was the most important strategic point in the Caribbean.

Alcatraz Key, in the southeast portion of the Bay of Cienfuegos, is small, but larger than an aircraft carrier. The Russians have diligently been building for the last few months on its surface. The Cuban Resistance informed us that much of the material used in Alcatraz Key was pre-fabricated and brought from Russia.

Six Russian naval squadrons have been in Cuba since July of 1969. Many of the units of these squadrons have been to Cienfuegos, mainly at Alcatraz Key.

Precisely there were two large barges stationed there for quite a while. The Cuban Patriotic Resistance reported that in September 1970, there was a small leak of radioactive contaminated water from one of the Russian barges which caused the death of thousands of fish.

The area of Alcatraz Key has been taken-over totally by the Russians. Almost three-quarters of Cienfuegos Bay is in Russian hands and the Cubans have been removed from there. They are not even allowed to visit or fish in the area.

The buildings built in Alcatraz Key in the last months are two very long barracks and the Resistance reports that Russian sailors and military personnel are lodged there. There is also an area for the Russian officers to live.

In the center of Alcatraz Key there is a great recreation field, probably for playing football or soccer. The Resistance calculates the field as about one hundred meters long.

According to information received from the Resistance, Alcatraz Key has an enormous dock situated to aid in the unloading of nuclear submarines. In the surrounding area, there are storage warehouses for rockets or missiles. These warehouses are close to the northern coast of Alcatraz Key. It is common knowledge that submarines must have calm water for loading or unloading missiles. The calm waters of the Bay of Cienfuegos are exceptionally suited for this.

Alcatraz Key is not the Russian naval base. Alcatraz Key is for logistic support of the Russian nuclear submarines and the Soviet Navy. It is there, according to Cuban Resistance reports, that the submarine units undergo mechanical checks and repair, and the Soviet crews can be based for change or rest and relaxation.

The true Russian Naval Base is located in the southeast of Cienfuegos, in Key Largo. Since 1960, Key Largo has been in Russian hands. The presence of Cubans, or their sailing nearby, is prohibited.

Over there is a Russian Naval High Command. The northern coast of Key Largo was dredged a few years ago by the Russians and readied for nuclear submarines. On the Eastern Coast, running water installations have been built. A large road crosses Key Largo from one side to the other. There is a vast airport on the western section and great installations used for the embarking and disembarking of the Russians at the Key. The Caribbean waters surrounding Key Largo are very deep and the Resistance states that submarines can enter and leave, and it is very difficult to be detected there.

To end this exposition, I wish to publicly announce two reports received from the Cuban Patriotic Resistance.

First, it is very probable that the Fidel Castro Regime is awaiting the arrival in Cuba of a new Russian naval squadron—apparently larger than the former ones—for a display of naval force on the 26th of July.

We understand this second report to be of greater importance too. The Resistance states that the Russian military and naval presence in Cuba continues to increase. The Russians are penetrating all levels of life. Previously, their presence was felt only in the national order. But during the year of 1971, they have been appearing in groups in local life in the villages and small towns on the island.

Work especially directed for submarine base by the Russians continues throughout the island. The most recent activity being on the northern coast of Oriente, in a place known as Saetia, near Nipe Bay and in the province of Pinar del Rio on the peninsula of Guanacabibes.

All of this has led the Resistance to believe that if there were a confrontation in Cuba (on the exterior or interior), it is probable that the Russians would retreat as they did in the missile crisis of October 1962.

But the Resistance leads us to understand that if a year and a half more were to pass without a confrontation, and the Russians continue to become militarily and navally strong particularly with their submarine installations—then they might not back down.

Therefore, the time for dramatic balance is now!

DISTINGUISHED PROTECTOR OF INDIVIDUAL RIGHTS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the distinguished senior Senator from North Carolina (Mr. Ervin) has been a longtime defender against the invasion of personal privacy. Extensive hearings before his Constitutional Rights Subcommittee have documented violations of individual privacy, and his reputation is so well established in this area that he receives complaints and statements from individuals on this subject every day.

Senator Ervin is the author of a comprehensive bill, S. 1438, the Federal employee bill of rights, which has 50 Senate cosponsors. Today's Christian Science Monitor presents compelling evidence of the need for such a bill. Statements received by Senator Ervin from Government employees describe coercion to attend a program of "training sessions." The sessions often included mandatory, person-to-person revelations on a number of subjects of a deeply personal and private nature. After examining these complaints, Senator Ervin stated:

> The scope of this program and the techniques used in it amount to economic coercion of the individual to submit to official attempts to control his thoughts and emotions in ways completely uncalled for in the employment relationship.

I want to pay special tribute to this distinguished Member's tireless efforts to protect the privacy of all Americans.

The article from the Christian Science Monitor appears below:

U.S. Staff Feels Pinch on Privacy

(By Robert P. Hey)

Washington.—Widespread series of training sessions for government employees have brought charges here of grave invasions of employees' privacy.

The sessions have a worthy aim—rooting out discrimination within federal agencies, to ensure that equal opportunity exists for all employees, especially minority-group members. They are being conducted for employees of numerous federal agencies; at this point no one knows how many. But it is known that some 2,000 employees of the Department of Health, Education, and Welfare and another 2,000 from the Department of Agriculture have attended various sessions.

Sen. Sam J. Ervin Jr. (D) of North Carolina, long known as a protector of government employees' rights, for the past few months has been receiving complaints from government employees. Several have protested that they were required to attend sessions against their wishes.

COERCION CHARGED

Others have complained that during their sessions they were required to reveal to all present—including fellow supervisors—their innermost thoughts on themselves, loneliness, and sex—in addition to race relations.

Senator Ervin, who is investigating the dimensions and content of the sessions, charges that from what he already has found out "the scope of this program and techniques used in it amount to economic coercion of the individual to submit to official attempts to control his thoughts and emotions in ways completely uncalled for in the employment relationship."

The complaints of privacy invasion and required attendance dribbled in to Senator Ervin's office early this year. Many of them have been from HEW employees, which led the Senator to write a concerned letter to Secretary Elliot L. Richardson this spring.

In it the Senator said that "even the soundest professional supporters of such techniques have emphasized the need for voluntary, enthusiastic participation by the individual. From the reports received by the subcommittee, it appears that there is not even a gesture toward voluntarism in the government program.

Senator Ervin gave an indication of the scope of the program by quoting from a Nov. 2, 1970, directive of the Public Health Service:

"All headquarters, regional, and field program managers and supervisors shall participate in intensive training and working conferences designed to develop the racial and cultural awareness and skills necessary in applying EEO [equal employment opportunity] policies, goals, and practices to their own immediate circumstances. All designated staff shall have participated in such training programs by the end of the fiscal year."

Senator Ervin also alluded to other complaints that several letter writers voiced: that in some sessions leaders took "great glee" in provoking racial confrontations between races, rather than conducting the sessions dispassionately; and that some leaders refused to cite their qualifications when asked by participants, instead accusing their questioners of showing race prejudice by asking the question.

The Senator now is about to ask each government and agency for a full report on all its equal-opportunity training sessions: whether they're mandatory, how they're conducted, and so on. He expects that on this issue, as so often in the past on other issues, the mere existence of congressional scrutiny will result in closer high-level department control over the programs.

The Senator's probe comes at a time when numerous psychologists and psychiatrists are having serious doubts about the value of many group encounter sessions, similar to some that have been conducted for federal employees.

In answer to the Ervin questions HEW Secretary Richardson has had his department's equal-opportunity program reviewed. He wrote the Senator in response that in the past conferences have been voluntary for nonsupervisory personnel, but mandatory for managers and supervisors. In the future, he wrote, they will be voluntary.

"MY WEAKEST POINT IS . . . "

Secretary Richardson said in his letter that his department's training sessions "cannot reasonably be considered 'sensitivity training.' "

The most shocking complaint came to Senator Ervin from a federal employee in Chicago (not in the Department of HEW). He told of a session in February, "compulsory for all supervisors," in which people were paired off, and sat facing each other. They were given a list of 58 partial sentences to complete, to reveal their feelings. These included:

"The emotion I find most difficult to control is . . ."

"My weakest point is . . ."

"I love . . ."

"Right now I'm feeling . . ."

"I believe in . . ."

"I am most ashamed of . . .'

"Interracial dating and/or marriage make me feel . . ."

"Premarital or extramarital sex . . ."

"Right now this experience is making me feel . . ."

Senator Ervin wants to find out how many similar sessions federal employees have been subjected to.

Most of all, he wants such sessions stopped.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. RIEGLE (at the request of Mr. GERALD R. FORD), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HILLIS) to address the House and to revise and extend their remarks and include extraneous matter:)

Mr. BUCHANAN, for 5 minutes, today.

Mr. MILLER of Ohio, for 5 minutes, today.

Mr. BROYHILL of North Carolina, for 30 minutes, on Thursday, August 5.

Mr. MIZELL, for 30 minutes, on Thursday, August 5.

Mr. MIZELL, for 1 hour, on Monday, August 2.

Mr. ASHBROOK, for 1 hour, today.

(The following Members (at the request of Mr. DENHOLM) to revise and extend their remarks and include extraneous material:)

Mr. ASPIN, for 60 minutes, today.

Mr. GONZALEZ, for 10 minutes, today.

Mr. HAGAN, for 10 minutes, today.

Mr. VANIK, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. JONES of Alabama and to include a magazine article.

Mr. THOMPSON of New Jersey (at the request of Mr. CAREY of New York) to extend his remarks on the subject of Mr. CAREY of New York's special order.

(The following Members (at the request of Mr. HILLIS) and to include extraneous material:)

Mr. ROBISON of New York in three instances.

Mr. HORTON.

Mr. LLOYD.

Mr. DERWINSKI in two instances.

Mr. ZWACH.

Mr. MILLER of Ohio in four instances.

Mr. SCHMITZ in two instances.

Mr. CONTE.

Mr. McCLORY in three instances.

Mr. BROYHILL of Virginia.

Mr. VEYSEY.

Mr. CHAMBERLAIN.

Mr. DU PONT.

Mr. MORSE.

Mr. DON H. CLAUSEN.

(The following Members (at the request of Mr. DENHOLM) and to include extraneous matter:)

Mr. FISHER in four instances.

Mr. FRASER.

Mr. TEAGUE of Texas in eight instances.

Mrs. HICKS of Massachusetts in two instances.

Mr. DINGELL in five instances.

Mr. SCHEUER in three instances.

Mr. ROY in two instances.

Mr. ANDERSON of Tennessee in two instances.

Mr. ANDERSON of California in four instances.

Mr. DOW in three instances.

Mr. GONZALEZ in two instances.

Mr. RARICK in three instances.

Mr. BINGHAM in two instances.

Mr. PEPPER.

Mr. DELLUMS in five instances.

Mr. WILLIAM D. FORD in three instances.

Mr. VANIK in two instances.

Mr. COTTER.

Mr. RODINO.

Mr. HAGAN in three instances.

Mr. FOUNTAIN in four instances.

Mr. KLUCZYNSKI in two instances.

Mr. O'NEILL in two instances.

Mr. HAMILTON.

Mr. BEGICH in two instances.

Mr. NIX.

Mr. JACOBS.

Mr. PURCELL in two instances.

Mrs. ABZUG in 10 instances.

Mr. DULSKI in six instances.

Mr. GALLAGHER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 65. An act for the relief of Dennis Yiantos; to the Committee on the Judiciary.

S. 1939. An act for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado; to the Committee on the Judiciary.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4762. An act to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans Affairs to establish and carry out a program of exchange of medical information.

ADJOURNMENT

Mr. DENHOLM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p.m.), the House adjourned until tomorrow, Thursday, July 29, 1971, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

998. Under clause 2 of rule XXIV, a letter from the Chairman, Commission on Railroad Retirement, transmitting the interim report of the Commission as of July 15, 1971, pursuant to section 7(g) of Public Law 91-377, as amended, was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BENNETT: Committee on Armed Services. S. 751. An act to authorize the disposal of industrial diamond crushing bort from the national stockpile and the supplemental stockpile (Rept. No. 92-387). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 752. An act to authorize the disposal of vegetable tannin extracts from the national stockpile (Rept. 92-388). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services: S. 753. An act to authorize the disposal of thorium from the supplemental stockpile (Rept. No. 92-389). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 755. An act to authorize the disposal of shellac from the national stockpile (Rept. No. 92-390). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 756. An act to authorize the disposal of quartz crystals from the national stockpile and the supplemental stockpile (Rept. No. 92-391). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 757. An act to authorize the disposal of iridium from the national stockpile (Rept. No. 92-392). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 758. An act to authorize the disposal of mica from the national stockpile and the supplemental stockpile (Rept. 93-393). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 759. An act to authorize the disposal metallurgical-grade manganese from the national stockpile and the supplemental stockpile (Rept. 92-294). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 760. An act to authorize the disposal of manganese, battery grade, synthetic dioxide from the national stockpile (Rept. 92-395). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 761. An act to authorize the disposal of diamond tools from the national stockpile (Rept. 92-396). Referred to the Committee of the Whole House on the State of Union.

Mr. BENNETT: Committee on Armed Services. S. 762. An act to authorize the disposal of chromium metal from the national stockpile and the supplemental stockpile (Rept. 92-397). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 763. An act to authorize the disposal of amosite asbestos from the national stockpile and the supplemental stockpile (Rept. 92-398). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 765. An act to authorize the disposal of antimony from the national stockpile and the supplemental stockpile (Rept. 92-399). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 767. An act to authorize the disposal of rare-earth materials from the national stockpile and the supplemental stockpile (Rept. 92-400). Referred to the Committee of the Whole House on the State of the Union

Mr. BENNETT: Committee on Armed Services. S. 768. An act to authorize the disposal of chemical-grade chromite from the national stockpile and the supplemental stockpile (Rept. No. 92-401). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 769. An act to authorize the disposal of industrial diamond stones from the national stockpile and the supplemental stockpile (Rept. No. 92-402). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 770. An act to authorize the disposal of columbium from the national stockpile and the supplemental stockpile. (Rept. No. 92-403). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 771. An act to authorize the disposal of selenium from the national stockpile and the supplemental stockpile (Rept. No. 92-404). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 772. An act to authorize the disposal of celestite from the national stockpile and the supplemental stockpile (Rept. No. 92-405). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 774. An act to authorize the disposal of vanadium from the national stockpile (Rept. No. 92-406). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 775. An act to authorize the disposal of magnesium from the national stockpile (Rept. No. 92-407). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 776. An act to authorize the disposal of abaca from the national stockpile (Rept. No. 92-408). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 777. An act to authorize the disposal of sisal from the national stockpile (Rept. No. 92-409). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. S. 778. An act to authorize the disposal of kyanite-mullite from the national stockpile (Rept. No. 92-410). Referred to the Committee of the Whole House on the State of the Union.

Mr. FISHER: Committee on Armed Services. S. 2296. An act to amend sections 107 and 709 of title 32, United States Code, relating to appropriations for the National Guard and to National Guard technicians, respectively (Rept. No. 92-411). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee of conference. Conference report on H.R. 7960. (Rept. No. 92-412). Ordered to be printed.

Mr. COLMER: Committee on Rules. House Resolution 566. A resolution providing for the consideration of H.R. 8432. A bill to authorize emergency loan guarantees to major business enterprises (Rept. No. 92-413). Referred to the House Calendar.

Mr. ROONEY of New York: Committee of conference. Conference report on H.R. 9272. (Rept. No. 92-414). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS:

H.R. 10146. A bill to restore and maintain a healthy transportation system, to provide financial assistance, to encourage investment, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes; to the Committee on Ways and Means.

By Mr. BURKE of Florida:

H.R. 10147. A bill to require the suspension of Federal financial assistance to colleges and universities which are experiencing campus disorders and fail to take appropriate corrective measures forthwith and to require the suspension of Federal financial assistance to teachers participating in such disorders; to the Committee on Education and Labor.

H.R. 10148. A bill to provide for the issuance of a commemorative postage stamp in honor of the veterans of the Spanish-American War; to the Committee on Post Office and Civil Service.

H.R. 10149. A bill to help prevent pollution which is caused by litter composed of soft drink, beer, and alcohol containers, and to eliminate the threat to the Nation's health, safety, and welfare which is caused by such litter, by imposing a tax on such containers (subject to refund in certain cases) when they are filled and sold on a no-deposit, no-return basis; to the Committee on Ways and Means.

By Mr. FRASER:

H.R. 10150. A bill to amend the Federal Water Pollution Control Act, as amended, and for other purposes; to the Committee on Public Works.

By Mr. FULTON of Pennsylvania:

H.R. 10151. A bill to amend section 620 of the Foreign Assistance Act of 1961, to suspend in whole or in part, economic and military assistance and certain sales to any country which fails to take appropriate steps to prevent narcotic drugs, produced or processed, in whole or in part, in such country from entering the United States unlawfully, and for other purposes; to the Committee on Foreign Affairs.

H.R. 10152. A bill to amend the Internal Revenue Code of 1954 so as to permit certain tax-exempt organizations to engage in communications with legislative bodies, and committees and members thereof; to the Committee on Ways and Means.

By Mr. KARTH:

H.R. 10153. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 10154. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

By Mr. MATHIAS of California (for himself, Mr. Anderson of California, Mr. Bell, Mr. Don H. Clausen, Mr. Del Clawson, Mr. Corman, Mr. Danielson, Mr. Dellums, Mr. Edwards of California, Mr. Goldwater, Mr. Gubser, Mr. Hawkins, Mr. Hosmer, Mr. Leggett, Mr. McCloskey, Mr. McFall, Mr. Mailliard, Mr. Rees, Mr. Roybal, Mr. Sisk, Mr. Talcott, Mr. Teague of California, Mr. Van Deerlin, and Mr. Veysey):

H.R. 10155. A bill to provide for the establishment of the California Desert National Conservation Area; to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS of California (for himself, Mr. Waldie, Mr. Wiggins, Mr. Bob Wilson, and Mr. Charles H. Wilson):

H.R. 10156. A bill to provide for the establishment of the California Desert National Conservation Area; to the Committee on Interior and Insular Affairs.

By Mr. MIKVA:

H.R. 10157. A bill: Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

H.R. 10158. A bill to limit recovery in State and Federal courts under judgments rendered by courts in certain foreign countries; to the Committee on the Judiciary.

By Mr. MINSHALL:

H.R. 10159. A bill to amend the Public Health Service Act so as to establish a conquest of cancer agency in order to conquer cancer at the earliest possible date; to the Committee on Interstate and Foreign Commerce.

H.R. 10160. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. RONCALIO:

H.R.10161. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation for the modification of Seminoe Dam; to the Committee on Interior and Insular Affairs.

By Mr. ROYBAL:

H.R. 10162. A bill to provide for a study and evaluation of the ethical, social, and legal implications of advances in biomedical research and technology; to the Committee on Interstate and Foreign Commerce.

By Mr. RYAN (for himself, Mr. Bell, Mr. Brasco, Mr. Halpern, and Mr. Mikva):

H.R. 10163. A bill making appropriations to the President for the development of a prototype desalting plant in Israel; to the Committee on Appropriations.

By Mr. St GERMAIN:

H.R. 10164. A bill to amend section 403(b) of the Federal Aviation Act of 1958 to require reduced-rate air transportation for elderly people; to the Committee on Interstate and Foreign Commerce.

H.R. 10165. A bill to amend title 38 of the United States Code so as to permit the Administrator of Veterans' Affairs to provide medical and hospital care to the widows and children of persons who died of service-connected disabilities and to wives and children of persons who have service-connected disabilities rated as total; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas (by request):

H.R. 10166. A bill to amend chapter 35 of title 38, United States Code, to permit eligible wives and widows to pursue a program of education through correspondence courses; to the Committee on Veterans' Affairs.

H.R. 10167. A bill to amend chapter 23, United States Code, so as to provide that where death occurs in a State home, the Administrator shall pay the actual cost (not to exceed $250) of the burial and funeral, and transport the body to the place of burial in the same or any other State; to the Committee on Veterans' Affairs.

H.R. 10168. A bill to amend chapter 34 of title 38, United States Code, in order to increase the educational assistance allowance, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 10169. A bill to amend chapter 31, United States Code, so as to increase the monthly subsistence allowance, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 10170. A bill to amend title 38, United States Code, to repeal the restrictions on dependency and indemnity compensation payments in cases involving inservice waiver of Government life insurance premiums; to the Committee on Veterans' Affairs.

H.R. 10171. A bill to amend title 38, United States Code, to provide that payments made to a hospitalized incompetent veteran will not be terminated unless his estate exceeds $2,000, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of Georgia:

H.R. 10172. A bill to amend the Fair Labor Standards Act of 1938 to require employees of certain Federal contractors and concessionaires to observe the minimum wage and overtime provisions of such act; to the Committee on Education and Labor.

By Mr. VANIK (for himself and Mr. Eilberg):

H.R. 10173. A bill to provide localities with financial assistance to meet their responsibilities and increasing fiscal problems by providing for a general grant of Federal revenue which shall be allocated on the basis of need; to the Committee on Ways and Means.

By Mr. ANDERSON of California:

H.R. 10174. A bill to amend chapter 9 of title 44, United States Code, to require the use of recycled paper in the printing of the Congressional Record; to the Committee on House Administration.

By Mr. BELL:

H.R. 10175. A bill to facilitate voting in the District of Columbia by persons who have been convicted of a felony and have been pardoned or have served their sentence imposed for that felony; to the Committee on the District of Columbia.

By Mr. COTTER (for himself, Mrs. Grasso, Mr. Rooney of Pennsylvania, Mr. Dent, Mr. Horton, Mr. Halpern, and Mr. Brasco):

H.R. 10176. A bill to establish three Medical and Dental Military Academies for the U.S. Navy, the U.S. Army, and the U.S. Air Force; to the Committee on Armed Services.

By Mr. GALLAGHER:

H.R. 10177. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

By Mr. HAGAN:

H.R. 10178. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income for States and local law enforcement officers; to the Committee on Ways and Means.

By Mr. KYROS:

H.R. 10179. A bill to provide certain new transportation services to elderly persons, to authorize studies and demonstration projects for the improvement of transportation services to the elderly, and for other purposes; to the Committee on Banking and Currency.

By Mr. LENT:

H.R. 10180. A bill to provide for the management, protection, and development of the national resources lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOLLOHAN:

H.R. 10181. A bill to authorize the Secretary of the Army to investigate, plan, and construct projects for the control of streambank erosion; to the Committee on Public Works.

By Mr. ROYBAL:

H.R. 10182. A bill to authorize the establishment of the Desert Pupfish National Monument in the States of California and Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RUNNELS (for himself, Mrs. Chisholm, Mrs. Hicks of Massachusetts, Mr. Aspin, Mr. Goldwater, Mr. Burton, Mr. Fisher, Mr. Abourezk, Mr. Collins of Texas, Mr. Daniel of Virginia, Mr. Danielson, Mr. Davis of South Carolina, Mr. Dent, Mr. Fulton of Pennsylvania, Mr. Halpern, Mr. Helstoski, Mr. Lujan, Mr. O'Konski, Mr. Railsback, Mr. Schwengel, Mr. Spence, Mr. Waldie, Mr. Yatron, and Mr. Young of Florida):

H.R. 10183. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain social security taxes; to the Committee on Ways and Means.

By Mr. WAGGONNER:

H.R. 10184. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for social security paid by employees and by the self-employed; to the Committee on Ways and Means.

By Mr. BURKE of Florida:

H.J. Res. 814. Joint resolution providing for creation of a joint committee to study and make recommendations concerning establishment of a national college student congress; to the Committee on Rules.

By Mr. FISH:

H.J. Res. 815. Joint resolution asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day"; to the Committee on the Judiciary.

H.J. Res. 816. Joint resolution to create a select joint committee to conduct an investigation and study into methods of significantly simplifying Federal income tax return forms; to the Committee on Rules.

By Mr. McCLORY:

H.J. Res. 817. Joint resolution proposing an amendment to the Constitution of the United States to permit voluntary participation in prayer in public schools; to the Committee on the Judiciary.

By Mr. MICHEL:

H.J. Res. 818. Joint resolution: Stable Purchasing Power Resolution of 1971; to the Committee on Government Operations.

By Mr. ULLMAN:

H.J. Res. 819. Joint resolution proposing an amendment to the Constitution of the United States regarding the election of the President and Vice President and the nomination of candidates for the Presidency; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.J. Res. 820. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

By Mr. BUCHANAN (for himself, Mr. Ryan, Mrs. Abzug, Mr. Bell, Mr. Blackburn, Mr. Brasco, Mr. Carney, Mr. Collins of Illinois, Mr. Davis of Georgia, Mr. Fisher, Mr. Forsythe, Mr. Hogan, Mr. McClory, Mr. McKevitt, Mr. Moss, Mr. Peyser, Mr. Sarbanes, Mr. Stokes, Mr. Stratton, Mr. Thone, Mr. Vanik, and Mr. Young of Florida):

H. Res. 567. Resolution calling upon the Voice of America to broadcast in the Yiddish language to Soviet Jewry; to the Committee on Foreign Affairs.

By Mr. MIKVA:

H. Res. 568. Resolution expressing the sense of the House that administration pursual of current proposals at peace talks in Paris is a matter of utmost urgency; to the Committee on Foreign Affairs.

By Mr. PERKINS (for himself, Mr. Quie, Mr. Dent, and Mr. Erlenborn):

H. Res. 569. Resolution to provide additional funds to the Committee on Education and Labor to study welfare and pension plan programs; to the Committee on House Administration.

EXTENSIONS OF REMARKS

TWO CANADIANS PAY "DEBT" TO AMERICA

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HASTINGS. Mr. Speaker, may I take this opportunity to call the attention of the House of Representatives to an article which appeared in one of the newspapers covering the area which I represent. The story speaks for itself.

Although the brothers involved here do not reside within the 38th District of New York, I felt that the refreshing attitude which these two young men display is worthy of special note by all Members, and I urge them to take a few minutes to read it:

Two Canadians Pay "Debt" to America

(By H. Katherine Smith)

Donald J. Giroux and his brother, Richard J., both Canadian citizens, enlisted in the United States Army and served in Vietnam because they believe they owe this country much.

Born in Ottawa, they moved to Western New York in boyhood. Their father, Maurice Giroux, came here to join the staff of the Buffalo Aeronautical Corp. Currently, he is associated with Bethlehem Steel Co.

Donald and Richard Giroux are graduates of St. Mary's High School of Lancaster. Both earned the Army rank of Spec 5. Both were helicopter repair crew chiefs. The two are making the most of the opportunity offered by the GI Education Bill as students of electronics. Richard is studying in Columbus, Ohio, where he and his wife make their home. Donald is a student at Erie Community College, which he terms "one of the best schools for electronics in the entire country."

Donald Giroux served in Vietnam from July, 1967, until August of the following year. His brother was there during much of that time but the two were unable to meet. Richard crashed in a helicopter and was burned severely. He still is 30 per cent disabled.

In addition to repairing helicopters, Donald Giroux served as door gunner on a copter. He was a member of the 117th Assault Helicopter Company.

"The military ought to be allowed to run this war—not the politicians," Donald told this writer. "We had to get special permission to recover a craft downed in Cambodia. Again, special permission had to be obtained to fire on certain bunkers that we suspected were occupied by the enemy. That's no way to win a war."

In Vietnam, Donald Giroux worked 15 hours a day for a seven-day week. During his service there he lost 40 pounds.

He flew over most of South Vietnam. He deems the country beautiful and took many photos that prove it. In Thailand, where he enjoyed an R and R leave, he also took many photographs. After his return to the United States, he finished serving his three-year term of enlistment at Ft. Sill, Okla.

Although U.S. citizenship would be easily obtainable, the veteran continues a Canadian citizen.

"Canadians are more subdued—less prone to violence—than Americans," he said. "I am proud of the land of my birth."

In August, he will marry Mary Paula Marracino of West Seneca. She is a graduate of West Seneca Senior High School.

Sports and travel interest Donald Giroux. Recently, he visited Nova Scotia. He also spent a summer touring England where he met a number of his mother's relatives.

At St. Mary's High School he played hockey and football. He enjoys watching sports car races and is the proud owner of a classic 1956 Mercedes 190 S.L.

STUDENT "INCENTIVE" EXPERIMENT IS DANGEROUS

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BROYHILL of Virginia. Mr. Speaker, my friend and constituent, columnist Herbert B. Berkowitz of Arlington, Va., has made available to me a copy of his column in the Manchester, N.H. Union Leader of July 13, 1971, which cites the plan presently underway to pay would-be school dropouts in the District of Columbia to go to school, as a dangerous experiment.

As I believe all who read this Record will benefit from Mr. Berkowitz' comments, I insert the full text of his article at this point in the Record:

Summer School "Fun Money" Scheme Perverts Education Traditions: Student "Incentive" Experiment Is Dangerous

(By Herbert B. Berkowitz)

Washington, D.C.—Abuse of government funds by the social charlatans has become so commonplace that it hardly raises an eyebrow anymore.

This is particularly true here in the nation's capital, where social wonderworkers seem to outnumber cars.

It is in this spirit that the federally funded D.C. Model Cities Commission has been able to so pervert the tradition of free public education that education has become secondary, if not altogether extraneous.

Whatever the reasons, graduates of the D.C. public school system generally are as ill-equipped academically as many in the country. The drop-out rate is painfully high, and the number of students advanced a grade just to remove them from students very much their juniors is astounding.

Not a few employers in the Washington area have been taken aback to find that the high school graduates they just hired can barely read.

The remedy the D.C. Model Cities Commission has come up with is seemingly obvious:

Give those students who would normally drop out, and those who are absent too often to benefit from school, the incentive they need to stay.

As a result, some 1,000 youngsters will receive $40 a week just to attend summer school this year.

The D.C. program is just an experiment. But we all know what too often happens with social experiments.

At least one nationally prominent educator, Dr. Edward T. Ladd of Emory University's Division of Educational Studies, already has suggested that public schools everywhere provide these "alternatitive incentives." Where it will end is anybody's guess.

An experiment this year in the nation's capital could be a model plan nationwide next year.

The D.C. program, according to commission staff planner Thomas Wooden, originated in the "community." The students chosen for the program are from model cities neighborhoods only, and they were supposedly selected based on need.

The funds are federal model cities funds. And according to commission officials, the expenditure has been approved by the Department of Health, Education, and Welfare.

FRIGHTENING PROSPECT

We sympathize with program officials, but their approach to a very difficult problem is the worst possible. The possibility that the D.C. experiment will be copied is frightening indeed.

Having to go through a summer without pockets full of spending money admittedly might be a real drag, but hundreds of thousands of teenagers have dragged by before. Some even got part time jobs, after school or on weekends—which seems to require an effort not to be expected of D.C. students.

Others have learned to go without.

Certainly the D.C. students too could work part time or do without.

Let's remember, the plan the commission is talking about is federally funded. Taxpayers everywhere have a stake. Forty dollars a week to bribe some underachievers to attend summer school may sound like a good idea to the "community," to the commission, to HEW, and to the lucky students who will be pulling in the easy money, but the move is a hard one to take as a taxpayer already consuming hundreds of similarly well-intended social betterment programs that are leading nowhere.

To put what the Model Cities Commission is talking about in another light, it should be noted, and not too lightly, that the typical family of four on public assistance receives less than $200 per month for the entire family, for everything.

The commission wants to give 1,000 students $40 a week in fun money.

If this is what the tradition of free public education has degenerated to, we are all in trouble. This plan, and others like it, can only fail.

They may put money in the pockets of potential dropouts, and may even keep them in school, but when the students get out and open their palms to the real world, they will find out the hard way about something for nothing.

LEST WE FORGET

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. MILLER of Ohio. Mr. Speaker, in a land of progress and prosperity, it is often easy to assume an "out of sight, out of mind" attitude about matters which are not consistently brought to our attention. The fact exists that today more than 1,550 American servicemen are listed as prisoners or missing in Southeast Asia. The wives, children, and parents of these men have not forgotten, and I would hope that my colleagues in Congress and our countrymen across America will not neglect the fact, that all men are not free for as long as one of our number is enslaved. I insert the name of one of the missing.

Lt. Comdr. John Darlington Peace III, U.S. Navy, 613862, Akron, Ohio. Married and the father of one child. A 1957 graduate—with distinction—of the U.S. Naval Academy. Officially listed as missing December 31, 1967. As of today, Lieutenant Commander Peace has been missing in action in Southeast Asia for 1,303 days.

VOTING RECORD OF CONGRESSMAN BILL FRENZEL TOGETHER WITH LEGISLATION HE HAS INTRODUCED

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. FRENZEL. Mr. Speaker, I strongly believe that to be credible any governmental institution must be visible. It is essential that the electorate have as much information concerning its elected officials as is possible.

For this reason, I am today submitting a copy of my voting record for this session through June 30 together with a resume of bills which I have sponsored:

LEGISLATION INTRODUCED BY BILL FRENZEL

(January 22 to June 30, 1971)

ENVIRONMENT

1. H. Res. 191. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on the Environment. To the Committee on Rules, February 3, 1971.

2. H.J. Res. 280. Joint resolution; designation of the 3rd week of April of each year as "Earth Week." To the Committee on the Judiciary, February 4, 1971.

3. H.J. Res. 349. A joint resolution to establish a joint committee on the Environment. Referred to Committee on Rules, February 18, 1971.

4. H.R. 5075. A bill to amend the National Environmental Policy Act of 1969 to provide for citizens' suits and class actions in the United States District Courts against persons responsible for creating certain environmental hazards. Referred to Committee on Merchant Marine and Fisheries, February 25, 1971.

5. H.R. 5446. A bill to consent to the Interstate Environment Compact. Referred to Committee on the Judiciary, March 3, 1971.

6. H.R. 5973. A bill to establish an Environmental Financing Authority to assist in the financing of waste treatment facilities, and for other purposes. Referred to Committee on Public Works, March 11, 1971.

7. H.R. 8642. A bill to amend the Federal Aviation Act of 1958 in order to provide for more effective control of aircraft noise. Referred to Committee on Interstate and Foreign Commerce, May 20, 1971.

8. H.R. 9385. A bill to authorize and direct the Secretary of Defense and the Administrator of the General Services Administration to insure the procurement and use by the Federal Government of products manufactured from recycled materials. Referred to Committee on Government Operations, June 23, 1971.

9. H.R. 9386. A bill to authorize and direct the Administrator of the General Services Administration to prescribe regulations with respect to the amount of recycled material contained in paper procured or used by the Federal Government or the District of Columbia. June 23, 1971.

WATER POLLUTION

1. H.R. 4360. A bill to amend the Act of August 3, 1968 to protect the ecology of estuarine areas by regulating dumping of waste materials. Referred to Committee on Merchant Marine and Fisheries, February 17, 1971.

2. H. Con. Res. 176. Concurrent Resolution expressing the sense of the Congress with respect to the pollution of waters all over the world and the necessity for coordinated international action to prevent such pollution. Referred to the Committee on Foreign Affairs.

3. H.R. 5050. A bill to regulate the discharge of wastes in territorial and international waters. Referred to Committee on Merchant Marine and Fisheries, February 10, 1971.

4. H.R. 4719. A bill to prohibit the discharge into any of the navigable waters of the United States or into international waters of any military material or other refuse without a certification by the Environmental Protection Agency approving such discharge. Referred to Committee on Merchant Marine and Fisheries, February 22, 1971.

5. H.R. 5223. A bill to amend the Federal Water Pollution Control Act to establish standards which must be met by all synthetic detergents and to ban from detergents all phosphates and those synthetics which fail to meet the standards by June 30, 1971. Referred to Committee on Public Works, March 1, 1971.

6. H.R. 5961. A bill to amend the Federal Water Pollution Control Act, as amended. Referred to Committee on Public Works, March 11, 1971.

7. H.R. 5965. A bill to amend section 8 of the Federal Water Pollution Control Act, as amended, and for other purposes. Referred to the Committee on Public Works, March 11, 1971.

8. H.R. 5969. A bill to amend the Federal Water Pollution Control Act, as amended. Referred to the Committee on Public Works, March 11, 1971.

9. H.R. 6487. A bill to amend the Federal Water Pollution Control Act, as amended, and for other purposes. Clean Lakes Act of 1971. Referred to Committee on Public Works March 22, 1971.

10. H.R. 7539. A bill to amend section 274 of the Atomic Energy Act of 1954 to allow the imposition by a State of more restrictive standards relating to the discharge into the navigable waters of the United States of radioactive materials. Referred to Committee on Atomic Energy, April 20, 1971.

SOLID WASTES

1. H.R. 5451. A bill to discourage the production of one-way containers for carbonated and/or malt beverages so as to reduce litter, reduce the cost of solid waste management, and to conserve natural resources. Referred to the Committee on Ways and Means, March 3, 1971.

2. H.R. 6652. A bill to encourage States to establish abandoned automobile removal programs and to provide for tax incentives for automobile scrap processing. Referred to Committee on Ways and Means, March 22, 1971.

CONSERVATION AND RECREATION

1. H.R. 4262. A bill to amend section 4182 of the Internal Revenue Code of 1954. .22 Caliber ammunition. Referred to the Committee on Ways and Means, February 10, 1971.

2. H.R. 5778. A bill to authorize insurance in connection with loans for the preservation of residential historic properties. Referred to Committee on Banking and Currency, March 9, 1971.

3. H.R. 7134. A bill providing for the conveyance of certain real property to the State of Minnesota for park and recreation purposes. Fort Snelling. Referred to Committee on Government Operations, April 1, 1971.

4. H.R. 8060. A bill to amend the Communications Act of 1934 as to provide for the regulation of the broadcasting of certain major sporting events in the public interest. Referred to Committee on Interstate and Foreign Commerce, May 4, 1971.

CONSUMER PROTECTION

1. H.R. 4541. A bill to establish an Office of Consumer Affairs in the Executive Office and Bureau of Consumer Protection. Referred to Committee on Government Operations, February 18, 1971.

TAX LEGISLATION

1. H.R. 4219. A bill to give all unmarried individuals tax benefits of income splitting. Referred to Committee on Ways and Means, February 10, 1971.

2. H.J. Res. 662. To create a select joint committee to conduct an investigation and study into methods of significantly simplifying Federal income tax return forms. May 25. 1971.

GOVERNMENTAL REORGANIZATION AND REFORM

1. H.J. Res. 198. Joint resolution proposing an amendment to the Constitution of the United States extending the right to vote to citizens 18 years of age or older, to the Committee on the Judiciary, January 22, 1971.

2. H.R. 3135. A bill to provide that the fiscal year of the United States shall coincide with the calendar year, to the Committee on Government Operations, February 1, 1971.

3. H.R. 3994. A bill to amend the Legislative Reorganization Act of 1946 to provide for annual reports to the Congress by the Comptroller General concerning certain price increases in Government contracts and certain failures to meet Government contract completion dates. February 9, 1971.

4. H.R. 4188. A bill to restore balance in the Federal system of government. Revenue sharing. Referred to the Committee on Ways and Means, February 10, 1971.

5. H.R. 6141. A bill to provide for the District of Columbia and elected mayors, an elected city council, and for other purposes. Referred to Committee on the District of Columbia, March 16, 1971.

6. H.R. 8853. A bill to provide Federal revenues to State and local governments and afford them broad discretion in carrying out community development activities and to help States and localities to improve their decision making and management capabilities. Referred to Committee on Banking and Currency, June 2, 1971.

7. H.J. Res. 717. Joint resolution to limit the tenure of office of Senators and Representatives, and to provide an age limit for Senators and Representatives. Referred to the Committee on the Judiciary, June 16, 1971.

8. H. Res. 499. A resolution to provide for equitable and effective minority staffing on House standing committees. Referred to the Committee on Rules, June 22, 1971.

CIVIL RIGHTS AND LIBERTIES

1. H.J. Res. 325. Joint resolution; equal rights for ladies; constitutional amendment. February 10, 1971.

2. H.R. 5640. A bill to protect the political rights and privacy of individuals and organizations and to define the authority of the Armed Forces to collect, distribute, and store information about civilian political activity. Freedom from Surveillance Act of 1971. Referred to the Committee on Armed Services, March 4, 1971.

3. H.R. 5693. A bill to amend Title 18, United States Code, to prohibit the establishment of emergency detention camps and to provide that no citizen of the United States shall be committed for detention or imprisonment in any facility of the United States Government except in conformity with the provisions of Title 18. Referred to the Committee on the Judiciary, March 8, 1971.

4. H.R. 6361. A bill to amend the Economic Opportunity Act of 1964 to authorize a legal services program by establishing a National Legal Services Corporation, and for other purposes. Referred to the Committee on Education and Labor, March 18, 1971.

5. H.R. 7665. A bill to amend Title 28,

United States Code, to prohibit Federal judges from receiving compensation other than for the performance of their judicial duties, except in certain instances, and to provide for the disclosure of certain financial information. Referred to the Committee on the Judiciary, April 22, 1971.

6. H.R. 8602. A bill to amend Title 5, United States Code, to provide that individuals be apprised of records concerning them which are maintained by Government agencies. Referred to Committee on Government Operations, May 20, 1971.

CRIME AND JUDICIAL REFORM

1. H.R. 6471. A bill to prohibit assaults on State law enforcement officers, firemen, and judicial officers. Referred to Committee on the Judiciary, March 22, 1971.

2. H.R. 7351. A bill to amend Title 18 of the United States Code by adding a new chapter 404 to establish an Institute for Continuing Studies of Juvenile Justice. Referred to Committee on the Judiciary, April 7, 1971.

EDUCATION

1. H.R. 3610. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education. Referred to the Committee on Ways and Means, February 4, 1971.

2. H.R. 5099. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for gifts or contributions made to any institution of higher education, to be cited as, "The Higher Education Gift Incentive Act of 1971." Referred to Committee on Ways and Means, February 25, 1971.

3. H.R. 6233. A bill to authorize a White House Conference on Education. Referred to Committee on Education and Labor March 17, 1971.

4. H.R. 7344. A bill to provide a comprehensive child development program in the Department of Health, Education, and Welfare. Referred to Committee on Education and Labor, April 7, 1971.

5. H.R. 7397. A bill to provide a comprehensive child development program in the Department of Health, Education, and Welfare. Referred to the Committee on Education and Labor, April 7, 1971.

6. H. Res. 427. A resolution to provide for two additional student congressional interns for Members of the House of Representatives, the Resident Commissioner from Puerto Rico, and the Delegate from the District of Columbia. Referred to Committee on House Administration, May 5, 1971.

7. H.R. 8937. A bill to amend the Elementary and Secondary Education Act of 1965, to provide for administration of programs of Indian education by a National Board of Indian Education in the United States Office of Education, and for other purposes. Referred to the Committee on Education and Labor, June 4, 1971.

FOREIGN RELATIONS/DEFENSE

1. H. Con. Res. 164. Concurrent resolution to create an Atlantic Union delegation. Referred to Committee on Foreign Affairs, February 17, 1971.

2. H. Con. Res. 194. Concurrent resolution expressing the sense of Congress that our NATO allies should contribute more to the cost of their own defense. Referred to the Committee on Foreign Affairs, March 3, 1971.

3. H. Con Res. 252. A concurrent resolution to express the sense of the House with respect to peace in the Middle East. Referred to the Committee on Foreign Affairs, April 1, 1971.

4. H. Con Res. 258. A concurrent resolution urging review of the United Nations Charter. Referred to Committee on Foreign Affairs, April 5, 1971.

5. H.R. 8660. A bill to provide a procedure for the exercise of Congressional and Executive powers over the use of any Armed Forces of the United States in military hostilities, and for other purposes. Referred to the Committee on Armed Services, May 24, 1971.

SOCIAL SECURITY AND AID TO DISADVANTAGED

1. H.J. Res. 120. A resolution to create a Select Committee on Aging. Referred to the Committee on Rules, January 22, 1971.

2. H. Con Res. 181. A concurrent resolution to declare the sense of the U.S. Congress with respect to the Federal administration of Indian Affairs. Referred to the Committee on Interior and Insular Affairs, February 23, 1971.

3. H.R. 6020. A bill to amend the Social Security Act to authorize a family assistance plan providing basic benefits to low-income families with children with incentive for employment and training to improve the capacity for employment of members of such families, to achieve more uniform treatment of recipients under the Federal-State public assistance programs and otherwise improve such programs, and for other purposes. Referred to Committee on Ways and Means, March 15, 1971.

4. H.R. 6021. A bill to amend Title II of the Social Security Act to provide increases in benefits, to improve computation methods, to raise the earnings base under the old-age, survivors, and disability insurance system, and for other purposes. Referred to Committee on Ways and Means, March 15, 1971.

SOVIET JEWRY

1. H.R. 6385. A bill for the relief of Soviet Jews. Referred to the Committee on the Judiciary, March 18, 1971.

2. H. Con Res. 221. A concurrent resolution requesting the President of the United States to take affirmative action to persuade the Soviet Union to revise its official policies concerning the rights of Soviet Jewry. Referred to Committee on Foreign Affairs, March 22, 1971.

3. H.R. 6698. A bill for the relief of Soviet Jews. Referred to the Committee on the Judiciary, March 24, 1971.

4. H. Res. 460. A resolution calling upon the Voice of America to broadcast in the Yiddish language to Soviet Jewry. Referred to the Committee on Foreign Affairs, June 2, 1971.

POW/MIA

1. H.J. Res. 21. A joint resolution to authorize the President to designate the period beginning March 21, 1971, as "National Week of Concern for Prisoners of War/Missing in Action." Referred to the Committee on the Judiciary, January 22, 1971.

2. H. Con Res. 113. A concurrent resolution calling for the humane treatment and release of American prisoners of war held by North Viet Nam and the National Liberation Front. Referred to the Committee on Foreign Affairs, February 3, 1971.

BUSINESS/JOBS

1. H.R. 5063. A bill to provide incentives for the establishment of new or expanded job-producing industrial and commercial establishments in rural areas. Referred to the Committee on Ways and Means, February 25, 1971.

2. H.R. 6371. A bill to amend the Small Business Act by striking out "$2,200,000,000" and inserting in lieu thereof $3,100,000,000. Referred to the Committee on Banking and Currency, March 8, 1971.

3. H.R. 6688. A bill to authorize the National Science Foundation to conduct research, educational, and assistance programs to prepare the country for conversion from defense to civilian, socially oriented research and development activities, and for other purposes. Referred to the Committee on Science and Astronautics, March 24, 1971.

4. H.R. 7414. A bill to amend the State Technical Services Act of 1965 to make municipal governments eligible for technical services under the Act, to extend the Act through fiscal year 1974, and for other purposes. Referred to Committee on Interstate and Foreign Commerce, April 7, 1971.

HEALTH

1. H.R. 4413. A bill to amend Section 620 of the Foreign Assistance Act of 1961 to suspend economic and military assistance to countries which fail to take appropriate steps to prevent narcotic drugs produced in such country from entering the United States unlawfully. Referred to Committee on Foreign Affairs, February 17, 1971.

2. H.R. 6019. A bill to amend Title 39, United States Code, as enacted by the Postal Reorganization Act, to prohibit the mailing of unsolicited samples of cigarettes. Referred to Committee on Post Office and Civil Service, March 15, 1971.

3. H.R. 6808. A bill to require the Secretary of Transportation to prescribe regulations requiring certain modes of public transportation in interstate commerce to reserve some seating capacity for passengers who do not smoke. Referred to Committee on Interstate and Foreign Commerce, March 25, 1971.

4. H.R. 7120. A bill to establish the Office of Drug Abuse Control within the Executive Office of the President. Referred to Committee on Interstate and Foreign Commerce, April 1, 1971.

5. H.R. 7765. A bill to amend the Public Health Service Act so as to provide for new health manpower educational initiatives, increase the level of financial assistance to health professions schools and other institutions training health personnel, improve the distribution and increase the supply of health personnel, and for other purposes. Referred to Committee on Interstate and Foreign Commerce, April 27, 1971.

6. H.R. 8093. A bill to amend Section 620 of the Foreign Assistance Act of 1961 to prohibit foreign assistance from being provided to foreign countries which do not act to prevent narcotic drugs from unlawfully entering the United States. Referred to the Committee on Foreign Affairs, May 5, 1971.

7. H.R. 8742. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for the development and operation of treatment programs for certain drug abusers who are confined to or released from correctional institutions and facilities. Referred to the Committee on the Judiciary, May 26, 1971.

8. H.R. 8861. A bill to establish drug abuse control organizations in the Armed Forces, and for other purposes. Referred to the Committee on Armed Services, June 2, 1971.

9. H.R. 9123. A bill to amend the Social Security Act to require employers to make an approved basic health care plan available to their employees, to provide a family health insurance plan for low-income families not covered by an employer's basic health care plan, to facilitate provision of health services to beneficiaries of the family health insurance plan by health maintenance organizations, by prohibiting State law interference with such organizations providing such services, and for other purposes. Referred to Committee on Ways and Means, June 15, 1971.

10. H.R. 9213. A bill to provide comprehensive treatment for servicemen and veterans who suffer from abuse of, or dependency on, narcotic drugs, and for other purposes. Referred to the Committee on Armed Services, June 16, 1971.

11. H.R. 9231. A bill to amend the Controlled Substances Act to move amphetamines and certain other stimulant substances from Schedule III of such Act to

Schedule II. Referred to the Committee on Interstate and Foreign Commerce, June 17, 1971.

12. H.R. 9426. A bill to make it unlawful in the District of Columbia to intentionally promote or facilitate illegal drug trafficking by possession, sale, or distribution, of certain paraphernalia, and further to make it unlawful for a person to possess an instrument or device for the purpose of unlawfully using a controlled substance himself. Referred to the Committee on the District of Columbia, June 24, 1971.

TRANSPORTATION

1. H. Res. 324. A resolution to make mass transportation a national priority. Referred to Committee on Interstate and Foreign Commerce, March 17, 1971.

2. H.R. 9088. A bill to amend the Railway Labor Act to provide more effective means for protecting the public interest in national emergency disputes involving the railroad and airline transportation industries, and for other purposes. Referred to the Committee on Interstate and Foreign Commerce, June 14, 1971.

URBAN AFFAIRS/HOUSING

1. H.J. Res. 165. A joint resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on Urban Affairs. Referred to the Committee on Rules, January 29, 1971.

2. H.R. 9331. A bill to consolidate, simplify, and improve laws relating to housing and housing assistance. Referred to the Committee on Banking and Currency, June 22, 1971.

MEMBER'S INDIVIDUAL VOTING RECORD, 92D CONG., 1ST SESS. (HON. BILL FRENZEL)

Roll No.	Date	Page in Daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
1	Jan. 21, 1971	H1	Call by States	Present			428
2	Jan. 21, 1971	H2	Election of Speaker	Ford			
3	Jan. 21, 1971	H6	Call of the House	Present			396
4	Jan. 21, 1971	H6	Call of the House	Present			381
5	Jan. 22, 1971	H57	Call of the House	Present			373
6	Jan. 22, 1971	H60	Call of the House	Present			375
7	Jan. 22, 1971	H66	H. Res. 5 (on prev. question)	Nay	134	254	
8	Jan. 22, 1971	H68	H. Res. 5 (on prev. question)	Nay	213	174	
9	Jan. 22, 1971	H69	H. Res. 5 (on amendment)	Yea	234	153	
10	Jan. 22, 1971	H70	H. Res. 5 (on agree to res.)	Nay	226	156	1
11	Feb. 2, 1971	H 362	Call of the House	Present			320
12	Feb. 4, 1971	H 428	Call of the House	Present			306
13	Feb. 4, 1971	H 434	H. Res. 193 (on prev. question)	Nay	259	32	42
14	Mar. 2, 1971	H 1100	H. Res. 264 (on agree to res.)	Not voting	292	63	
15	Mar. 3, 1971	H 1144	Call of the House	Present			364
16	Mar. 3, 1971	H 1173	H.R. 4690 (on passage)	Yea	228	162	
17	Mar. 10, 1971	H 1379	Call of the House	Present			369
18	Mar. 10, 1971	H 1391	H.R. 4246 (on passage)	Yea	382	19	
19	Mar. 10, 1971	H 1398	H.R. 5432 (on passage)	Yea	393	5	
20	Mar. 16, 1971	H 1585	H.R. 4690 (agree to con. rept.)	Yea	360	3	1
21	Mar. 16, 1971	H1589	H.J. Res. 465 (on passage)	Yea	355		
22	Mar. 17, 1971	H1630	Call of the House	Present			351
23	Mar. 17, 1971	H1630	Call of the House	Present			321
24	Mar. 18, 1971	H1715	Call of the House	Present			384
25	Mar. 18, 1971	H1748	H.J. Res. 468 (Yates amendment)	Yea	216	203	
26	Mar. 23, 1971	H1819	Call of the House	Present			378
27	Mar. 23, 1971	H1856	H.J. Res. 223 (agree to Joint resolution)	Yea	401	19	
28	Mar. 24, 1971	H1937	H. Res. 339 (on agree to res.)	Yea	366	26	
29	Mar. 24, 1971	H1959	H.R. 7 (on passage)	Nay	269	127	
[1]30	Mar. 03, 1971	H1173	H.R. 4690 (Patman amendment)	Nay	180	212	
[1]31	Mar. 18, 1971	H1748	H.J. Res. 468 (agree to amendments)	Yea	217	204	
32	Mar. 29, 1971	H2072	H. Res. 349 (consideration of)	Yea	324	6	
33	Mar. 29, 1971	H2077	Call in committee	Present			332
[1]34	Mar. 29, 1971	H2077	S.J. Res. 55 (on amendment)	Nay	143	183	
35	Mar. 30, 1971	H2123	Call in committee	Present			371
36	Mar. 31, 1971	H2221	Call of the House	Present			355
[1]37	Mar. 31, 1971	H2249	H.R. 6531 (on amendment)	Nay	62	331	
[1]38	Mar. 31, 1971	H2258	H.R. 6531 (on amendment)	Yea	198	200	
39	Apr. 1, 1971	H2332	Call of the House	Present			372
40	Apr. 1, 1971	H2343	Call in committee	Present			367
[1]41	Apr. 1, 1971	H2345	H.R. 6531 (on amendment)	Yea	132	242	
[1]42	Apr. 1, 1971	H2359	H.R. 6531 (on amendment)	Nay	122	260	
[1]43	Apr. 1, 1971	H2370	H.R. 6531 (on amendment)	Nay	96	278	
[1]44	Apr. 1, 1971	H2371	H.R. 6531 (on amendment)	Yea	170	200	1
45	Apr. 1, 1971	H2388	H.R. 6531 (on passage)	Yea	293	99	2
46	Apr. 6, 1971	H2463	Call of the House	Absent			346
47	Apr. 6, 1971	H2478	Call in committee	Present			336
48	Apr. 6, 1971	H2492	H. Res. 356 (on agree to res.)	Nay	182	177	
49	Apr. 6, 1971	H2495	Call in committee	Present			311
[1]50	Apr. 6, 1971	H2502	H.R. 5981 (on pref. motion)	Yea	193	115	
51	Apr. 7, 1971	H2560	Call in committee	Present			364
[1]52	Apr. 7, 1971	H2588	H.R. 7016 (on amendment)	Nay	188	191	1
[1]53	Apr. 7, 1971	H2605	H.R. 7016 (Conte amendment)	Yea	149	206	
54	Apr. 7, 1971	H2611	H.R. 7016 (on passage)	Yea	355	7	
55	Apr. 19, 1971	H2661	H.R. 1535 (susp. rules and pass)	Yea	192	84	
56	Apr. 20, 1971	H2697	Call of the House	Present			340
57	Apr. 20, 1971	H2708	Call in committee	Present			344
58	Apr. 20, 1971	H2711	H.R. 4724 (on passage)	Yea	360	11	
59	Apr. 21, 1971	H2755	Call of the House	Absent			357
60	Apr. 21, 1971	H2756	Call of the House	Absent			334
61	Apr. 21, 1971	H2761	Call of the House	Absent			352
62	Apr. 21, 1971	H2762	Call of the House	Absent			336
63	Apr. 21, 1971	H2762	Call of the House	Absent			336
64	Apr. 21, 1971	H2771	Call in committee	Absent			318
65	Apr. 22, 1971	H2883	Call of the House	Present			367
66	Apr. 22, 1971	H2897	H.R. 5376 (motion to recommit)	Nay	128	262	
67	Apr. 22, 1971	H2898	H.R. 5376 (Tiernan amendment)	Yea	319	68	
68	Apr. 27, 1971	H2985	Call of the House	Present			361
69	Apr. 27, 1971	H2991	H.R. 2598 (motion to recommit)	Nay	76	303	
70	Apr. 27, 1971	H2998	H.R. 6417 (on passage)	Nay	178	200	
71	Apr. 28, 1971	H3138	Call of the House	Present			365
72	Apr. 28, 1971	H3159	H.R. 6444 (on passage)	Yea	379		
73	Apr. 29, 1971	H3204	Call of the House	Present			361
74	Apr. 29, 1971	H3223	H. Res. 274 (on amendment)	Nay	257	129	
75	Apr. 29, 1971	H3224	H. Res. 274 (motion to recommit)	Nay	104	275	
76	Apr. 29, 1971	H3225	H. Res. 274 (on agree to res.)	Yea	300	75	
77	May 3, 1971	H3301	Call of the House	Present			307
78	May 3, 1971	H3315	H.R. 6283 (motion to suspend)	Yea	301	20	
79	May 4, 1971	H3449	S. 531 (on passage)	Not voting	241	124	
80	May 5, 1971	H3486	H. Res. 422 (on agree to res.)	Yea	380		1
81	May 5, 1971	H3490	H. Res. 423 (on agree to res.)	Yea	381		
82	May 5, 1971	H3496	H.R. 4604 (on passage)	Yea	383		
83	May 6, 1971	H3571	Call of the House	Present			318
84	May 6, 1971	H3576	H. Res. 412 (on agree to Res.)	Nay	156	172	
85	May 10, 1971	H3660	H.R. 5638 (on passage)	Yea	312		
86	May 11, 1971	H3734	Call of the House	Present			369
[1]87	May 11, 1971	H3772	H.R. 8190 (Giaimo amendment)	Yea	170	219	
88	May 12, 1971	H3836	Call of the House	Present			381

MEMBER'S INDIVIDUAL VOTING RECORD, 92D CONG., 1ST SESS. (HON. BILL FRENZEL)—Continued

Roll No.	Date	Page in Daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1] 89	May 12, 1971	H3855	H.S. 8190 (Boland amendment)	Nay	201	195	2
90	May 12, 1971	H3861	H.S. 8190 (Boland amendment)	Nay	201	197	
91	May 17, 1971	H3955	H.R. 7271 (motion to suspend)	Yea	262	67	
92	May 17, 1971	H3959	H.R. 5257 (motion to suspend)	Yea	332		
93	May 17, 1971	H3973	H.R. 56 (motion to suspend)	Yea	305	18	
94	May 17, 1971	H3977	H.R. 5060 (motion to suspend)	Yea	307	8	
95	May 17, 1971	H3980	H.R. 2587 (motion to suspend)	Yea	293	10	
96	May 18, 1971	H4036	Call of the House	Present			362
97	May 18, 1971	H4038	Call of the House	Present			365
98	May 18, 1971	H4047	H. Res. 437 (on prev. question)	Nay	182	210	
99	May 18, 1971	H4048	H. Res. 437 (on amendment)	Yea	210	177	
100	May 18, 1971	H4048	H. Res. 437 (on agree to res.)	Yea	350	34	
101	May 18, 1971	H4050	Call of the House	Present			311
102	May 18, 1971	H4093	S.J. Res. 100 (on 3d reading)	Yea	265	93	
103	May 19, 1971	H4107	Call of the House	Present			348
104	May 20, 1971	H4202	H.R. 8190 (on agree to report)	Yea	264	28	
105	May 20, 1971	H4204	H.R. 8190 (on motion to concur)	Nay	118	156	
106	May 24, 1971	H4240	H. Res. 415 (on agree to res.)	Yea	201	88	
107	May 25, 1971	H4290	Call of the House	Present			321
108	May 25, 1971	H4319	H. Res. 411 (on agree to res.)	Nay	131	224	
109	May 26, 1971	H4379	Call of the House	Absent			323
110	May 26, 1971	H4398	H. Res. 155 (on agree to res.)	Nay	128	218	
111	June 1, 1971	H4462	Call in committee	Present			276
112	June 2, 1971	H4498	Call of the House	Present			370
[1] 113	June 2, 1971	H4530	H.R. 3613 (Esch amendment)	Yea	182	204	
114	June 2, 1971	H4538	H.R. 3613 (motion to recommit)	Yea	184	202	
115	June 2, 1971	H4538	H.R. 3613 (on passage)	Nay	245	141	
116	June 3, 1971	H4587	H. Res. 452 (on agree to res.)	Yea	357	4	
117	June 3, 1971	H4627	H.R. 7109 (on passage)	Nay	303	64	
118	June 4, 1971	H4704	Call in committee	Present			285
119	June 4, 1971	H4714	H.R. 8825 (on passage)	Yea	259	26	3
120	June 7, 1971	H4757	H.R. 8011 (motion to suspend)	Not voting	309		
121	June 7, 1971	H4762	H.R. 1161 (motion to suspend)	Not voting	298	13	
122	June 7, 1971	H4784	H.R. 7960 (on passage)	Not voting	319	8	
123	June 8, 1971	H4859	Call of the House	Absent			368
124	June 8, 1971	H4862	H. Res. 465 (on agree to res.)	Not voting	336	41	
125	June 9, 1971	H4896	Call of the House	Absent			368
126	June 9, 1971	H4913	H.J. Res. 617 (motion to recomm.)	Not voting	166	215	
127	June 9, 1971	H4914	H.J. Res. 617 (on passage)	Not voting	225	158	
128	June 10, 1971	H4988	Call of the House	Present			357
129	June 10, 1971	H4999	H. Res. 471 (on prev. question)	Nay	213	166	
130	June 10, 1971	H5020	H.R. 8866 (on passage)	Yea	229	128	
131	June 14, 1971	H5085	H.R. 8794 (on passage)	Yea	311	1	
132	June 15, 1971	H5161	Call of the House	Present			365
133	June 15, 1971	H5165	Call of the House	Present			338
134	June 15, 1971	H5180	S. 575 (on agree to conf. rep.)	Yea	275	104	
135	June 16, 1971	H5185	Call in committee	Present			341
136	June 16, 1971	H5267	Call in committee	Present			384
[1] 137	June 16, 1971	H5284	H.R. 8687 (Leggett amendment)	Nay	129	267	
[1] 138	June 16, 1971	H5293	H.R. 8687 (Pike amendment)	Nay	97	307	
[1] 139	June 16, 1971	H5297	H.R. 8687 (Stafford amendment)	Yea	135	258	
[1] 140	June 16, 1971	H5300	H.R. 8687 (Aspin amendment)	Yea	118	278	
141	June 17, 1971	H5338	On motion to adjourn	Nay	30	369	2
142	June 17, 1971	H5339	H.R. 7016 (preferential motion)	Yea	228	182	1
[1] 143	June 17, 1971	H5398	H.R. 8687 (Mink amendment)	Nay	82	327	
[1] 144	June 17, 1971	H5399	H.R. 8687 (Nedzi amendment)	Yea	158	255	
[1] 145	June 17, 1971	H5410	H.R. 8687 (Pepper amendment)	Not voting	147	237	
146	June 17, 1971	H5414	H.R. 8687 (on passage)	Not voting	331	58	1
147	June 18, 1971	H5449	H. Res. 434 (on agree to res.)	NVA [2]	183	119	
148	June 18, 1971	H5454	H.R. 7736 (on passage)	Not voting	299		
149	June 21, 1971	H5510	H.R. 5237 (on passage)	Yea	340	8	
150	June 21, 1971	H5517	S. 1538 (suspend rules, pass)	Yea	336	24	
151	June 21, 1971	H5519	H.R. 3146 (suspend rules, pass)	Yea	361	2	
152	June 21, 1971	H5536	H. Res. 487 (on prev. question)	Yea	200	172	
153	June 22, 1971	H5586	Call in committee	Present			368
154	June 22, 1971	H5608	Call in committee	Present			381
155	June 22, 1971	H5630	Call in committee	Present			397
[1] 156	June 22, 1971	H5716	H.R. 1 (Ullman amendment)	Nay	187	234	
157	June 22, 1971	H5717	H.R. 1 (on passage)	Yea	288	132	
158	June 23, 1971	H5738	Call of House	Present			393
[1] 159	June 23, 1971	H5774	H.R. 9270 (on amendment)	Yea	214	198	
[1] 160	June 23, 1971	H5804	H.R. 9270 (on amendment)	Yea	129	278	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NO. 160)

	Yeas/nays	Quorum calls	Recorded tellers	Grand totals
Number of calls or votes	76	57	25	158
Present responses (yea, nay, present, present-paired for or against)	65	47	24	136
Absenses (absent, not voting, not voting paired for or against)	11	10	1	22
Voting percentage (presence)	85.5	82.4	96.0	86.0

[1] Indicates recorded teller vote.

[2] Not voting (paired against).

SCHOOL JUSTICE, VIOLENCE, AND DESPAIR

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HALPERN. Mr. Speaker, seldom does a Member of this body rise to make an appeal on behalf of justice to one individual. Seldom is such an appeal necessary in the legislative halls of this Nation for justice is normally dispensed in the courts and administrative bodies of our Federal, State, local or military governments.

But occasionally, perhaps more often than we would prefer to admit, the normal bureaucratic and judicial processes fail us. Then the only recourse is let the people know that such a failure has occurred and warn them against similar failures in the future.

Such is the case of Brad Humphrey.

Brad Humphrey is a fairly typical American teenager who committed one major "crime." His "crime" was that he tried to work within the Establishment to settle a grievance and the Establishment failed to work. You and I would not characterize such an action to be a "crime," but an ever-growing segment of the youth in this Nation would so characterize it.

We see daily evidence of more teenagers, who have grown disenchanted with the failure of a society and its institutions to meet and fill their basic needs. And we see ever more evidence of these same youth—often the brightest and best of their generation—dropping out of society. These dropouts may go into a drug culture or commune. More often they simply retreat within themselves, try for a simple job that is now impossible to obtain, and stop communicating in any meaningful way with their friends and parents.

But Brad Humphrey, disillusioned by the incredibly inept ability of the Establishment to respond fairly to a just grievance, has dropped out in a different fashion—he simply left the country that treated him so shabbily to seek other societies where basic justice can be obtained.

I want to insert Brad Humphrey's story, written in his own words, at the conclusion of my remarks, but first let me give you a brief description of his experience.

Brad was attending an overseas high school that is financed in large part by State Department funds. He was a star athlete and popular student, so much so that his friends asked him to run for class president. He did so and won handily on the first ballot, getting a majority of votes in a three-way election. But the student election committee made up of the sister and backers of the chief runnerup, ruled this a primary election and called for a runoff election. The runnerup in the first election was announced the winner in the runoff election—in which the votes were counted by the same election committee— despite results of a subsequent poll of students showing that Brad had won it as well.

Student supporters of Brad urged him to back a demonstration against such tactics, but Brad insisted on going through channels—in this case, an appeal to the student court. However, the first elected court was declared unconstitutional by the same election committee, which then reformed the court so that it was composed largely of backers of Brad's opponent and members of the same election committee. Moreover, under special rules of this court, Brad would need four votes to win and only two votes to lose. Also, he was informed that he would have to waive all rights of appeal. Finally, he was not permitted to argue and present his own case—his opponent's campaign manager was to have that privilege.

Let me ask you, as ladies and gentlemen who have all run in political campaigns, would you ever make an election challenge under these circumstances?

Brad chose not to. School officials labeled him a "bad sport" for failing to go before this "stacked" court; and Brad's subsequent appeals to the State Department, indeed to the White House, have all resulted in the same conclusion: "You should have appealed to the student court." Yes, Brad has even sought and received the very able assistance of Members of Congress in this case. But always, the congressional inquiry ends with the same form letter from the State Department—undoubtedly written by the same person in all instances—saying that he should have appealed to the student court and that they have no jurisdiction over the school.

Is it any wonder that we are turning off the cream of our younger generation? Is it any wonder that our students are attacking our schools, the administrators and teachers who enforce these rules? Is it any wonder that our youth—fed up with the redtape of Government and the futility of Congress to unravel it—should drop out?

This is not a case of national prominence. A just decision at this time—more than a year after the fact—would not change anything. But I am devoting my time and this space in our RECORD to review the case, because I believe it reflects a wider malady that is sweeping across our younger generation. And I only hope that we have the wisdom and foresight to do something before we have lost our future leaders.

Without objection, I insert Brad Humphrey's own story, in somewhat abbreviated form, following these remarks:

A STUDENT'S LETTER TO THE PRESIDENT REGARDING SCHOOL JUSTICE, VIOLENCE, AND DESPAIR

FAIRFAX, VA.

The PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: At Nebraska, you assured us, "Those who have believed the system could not be moved, I urge you to try it . . . the door is open."

Would that apply to my case? I have tried every other possibility from the local School Board to the U.S. Congress. In addition to the national issue involved, my good name is at stake. Yet, I have been unable to get a fair hearing and judgment. I have refused all offers of help from demonstrations.

Would it be possible to ask one of your advisors on schools and education to glance through these few pages and determine if a national problem is involved that is worthy of more careful consideration?

Sincerely yours,
BRAD HUMPHREY,
Brad (with the assistance of Susan, Galen and Bob) Humphrey.

A U.S. GOVERNMENT SUPPORTED HIGH SCHOOL

Many, many parents of my friends in three States and one overseas country have told me that the situation involved in my case is neither new, nor atypical. But it is rather extreme, and it involves a school that is not typical. It has a much closer connection to the U.S. Government than most high schools. This school is located in Thailand. It is heavily subsidized by U.S. tax money, run by American educators under U.S. State Department guidance, and accredited in the States in order to make certain that the thousands of U.S. dependent children in Southeast Asia receive a good education.

THE BASIC FACTS

In a high school election for the sophomore class presidency these were the results:

For me	137
First opponent	89
Second opponent	36
Total	125

The school constitution governing elections read:

ARTICLE XIII. ELECTIONS

Section 1. "All candidates for the Student Council, Class Offices, or Homeroom Offices shall be elected by a *simple majority* of the votes cast by the respective constituencies at the respective elections. In the event that a simple majority is *not achieved* by any one candidate, *a run-off* shall be held between the two leading candidates."

According to the Constitution, clearly I had won the presidency.

THE FIRST BALLOT RESULTS CONCEALED

The four Student Council Officers (the Student Election Committee) and the administrative election supervisor, Director of Activities Mr. G. Wright, did not reveal the results of the election's first ballot.

Rather, they held a run-off between my first opponent and me on the day following the first ballot.

THE SECOND BALLOT

In violation of all the rules, my opponent's sister collected the ballots. (She was on the Election Committee, a Student Council Officer.)

Results:

For my opponent	156
For me	116

This was a landslide defeat of 40 votes just 24 hours after I had defeated this opponent by 46 votes.

To obtain such a result, my opponent would have had to—

1. Keep all 89 of his first ballot votes;

2. Take all 36 of the 3rd entry's first ballot votes;

3. Get all 12 of the new votes cast on the 2nd ballot; and

4. Get 19 of those who voted for me in the 1st ballot to switch.

Statistically, practically, and politically, for all of these prerequisites to have occurred is impossible or highly improbable.

THE ADMINISTRATION'S REACTION

By chance I learned of my victory on the first ballot. I asked the Director about it, about my opponent's sister collecting the ballots, and about the surprising vote switch in 24 hours.

He lectured me on sportsmanship. I went to Dean J. Wartgow. He lectured me on Sportsmanship, I went to Dr. R. Durmas, the Principal, and finally to the Superintendent, Dr. S. Phillips . . . he also lectured.

STUDENT SURVEY

I conducted a survey of the sophomores to see how they remembered voting on both ballots. According to their memories, I won on the second ballot too. My parents would not approve revealing publicly the evidence of fraud on the second ballot. They feared a dangerous despondency on the part of a student who might be wrongly suspected. I agreed; but I took the survey to the school administration officials. They would not look at it nor conduct their own.

(Homeroom teachers had supervised, collected and turned in my survey results to the office. My opponent helped me tabulate the results until he saw it was not going in his favor. I still have the survey results on the original questionnaire papers.)

TOTAL REPRESSION

My survey of the sophomore class caused talk on the campus.

(1) The Student Council Officers, (the Election Committee) and the "School Authorities", issued a denunciation of my survey. In a memo to the Sophomore Class, they stated, "It is the position of the Student Council Election Committee and *school authorities* that the election was conducted fairly and impartially. . . ."

(2) We tried to get the case up before the Student Council, but the Student Council

Officers (the Election Committee) would not let it be discussed.

(3) We tried to get the issue into the school paper. Not a word was allowed in until four months later, after I had left school and promised to bring the issue back to Congress.

OUTSIDE THE SYSTEM

1. Friends appeared offering help through the underground press, but that meant dirty talk, and I did not approve.

2. The softball team (I was J.V. Captain) offered to support me "all the way". That meant demonstration, and I did not agree.

INSIDE THE BIGGER SYSTEM

I wrote to the ex-Student Council President, who had written the constitution the previous school year. He responded:

"Dear Brad: Clearly the Student Council Officers have violated the Constitution . . . It seems to me to be very bluntly and flagrantly a violation of the Constitution . . .

"(Signed) Mr. Kwongping Ho."

I took the letter to the school Superintendent. He refused to read it.

I went to a downtown law firm. They said the case was a scandal, but that a school constitution had no status in court. We discussed a release to the public press.

THE STUDENT SUPREME COURT

The School Constitution called for a Student Supreme Court, but one had not been elected. There were to be five judges; four were to be elected and the fifth was to be the Student Council Vice President. The Vice President was one of my opponents on the case since she was also a member of the Election Committee. Still, in desperation, I asked that a court be elected so I could take my case before it.

My best friend was elected as one of the court judges. The student council officers immediately had the court declared unconstitutional. Through control of the nominations they selected and elected a bench of judges considered unfriendly to my efforts. One was one of my defeated opponents; one was the son of an administrative officer, and they insisted that the Vice President be allowed to remain on the court as the chairman even though I had shamed them into deciding that she could not vote.

Finally, they made up a special set of Supreme Court rules for me. Here were the most oppressive items:

Article II, Section 1, Clause 2: The plaintiff shall sign an affidavit (including) the promise to accept in good faith the court's decision. (I had to sign an oath not to appeal a bad decision.)

Article III, Section 2, Clause 4: A ⅘ majority vote shall constitute a Court decision." (I had to get four votes to win, but two would defeat me.)

Still, I did not think that the student judges would dare decide against me and still try to live on the campus. So I prepared my court or case brief in multiple copies and took it to the Vice President, the Student Court Chairman. She refused it saying that the Director of Activities was handling the case. (He was my chief opponent on the case. He had supervised the improper election, and he had helped my election opponent with his campaign.)

PEACEFUL STUDENT AID

Some of the more daring and secure students agreed to act as my lawyers. Meanwhile, I was trying to persuade the school administration that my opponents should not sit on the bench in judgment of their own acts. Also, the local English language press carried a headline story of the case. They saw it as a case of probable impropriety on the part of the school. (*Bangkok World*, Dec. 6, 1969)

The school Principal called my student lawyers and I into his office and threatened us all with suspension if we did not go immediately to the packed court for a secret hearing of the case, and I still had to sign the oath against an appeal.

I released my lawyers and refused to go to the obviously intended whitewash.

VIOLENCE, WITHDRAWAL, OR WHAT?

My father consulted the school Superintendent about the unfair court. For after the four months of hopeless struggle, I mentioned to dad that I would most likely be incited to spontaneous violence against one of the administrative officers quite soon. Dad asked the Superintendent not to let my opponents sit on the court. The Superintendent said that it was unfair to them if they were not allowed to sit. With that, dad let me return to the States and to a state-side high school.

It was very difficult to leave home (my family), a lovely girl friend, and all of my boy friends in the mid-year of school at the age of sixteen. But despite the fact that I was a top student and athlete, I understand now that there are times when a student *must* either use violence or else drop out of a school. In the absence of justice and truth from the administrative officers, there are no other alternatives.

THE SCHOOL BOARD

After I left school, my brother visited key school board members and I wrote to them. They would not discuss the issue. They just got angry. The Chairman, Mr. J. M. Ahrens of the Bank of America, wrote me a long letter lecturing me on how I should have gone to court because I had a perfectly good right of appeal. I sent him the Supreme Court rules made up for my case depriving me of the right of any appeal. He ignored it.

(In fairness to the school board members, one can't blame them much. Each had children in the school. The children of any school board members who questioned the administrators would simply have "had it." It is not the major wrong to the student that is so destructive, it is the daily, petty insults, deprivation of little honors, and pressure to give in to the bigger wrong that finally drives you to violence or withdrawal.)

THE EDUCATORS

While I was still in school, the administration fought the case by:

Publicly declaring there was nothing questionable about the case.

Publicly declaring that I was hurting the school by questioning the case.

Privately delaying my efforts to fight the case legally.

Privately whispering that I was a poor sport.

Privately whispering that if any election was to be questioned (and would be if I did not stop) it was the one for the presidency of the Jr. High School. My kid brother had won it. (Finally, he resigned in protest of the dishonesty in my opposition.)

I sent letters to the thirty or forty high school teachers to give them the facts of the case. Several whispered their support for me by around-about channels. One told her class that I should be assisted in my effort. One advised her class that she did not approve of such efforts. None of the others mentioned the case in class. Yet, soon after my letter, a sizable group of these teachers marched on the Superintendent's office in protest of a wrong to them.

Newsweek named a few professors who were seeking peaceful solutions to the troubles on the college campuses. I wrote to them. Professor Seabury of California answered. Of all of the scores of adults, he was the only educator and one of only three men who were willing *to go out of their way* to speak up regarding the issues. (The other two were a newspaper editor in Bangkok, Mr. Horgan, and a congressional staff official, Mr. Vagley.) (Some Congressmen and Senators have tried to help too; but this was more in the nature of routine business.)

THE STATE DEPARTMENT

In response to Professor Seabury, a Deputy Assistant Secretary, Mr. J. Richardson, and his assistant, looked at the evidence in the case. They expressed disbelief. We were allowed to talk with two officials from the Department of Overseas Schools, Dr. E. Mannino and Dr. G. Parsons. Both were on a first name basis with the Superintendent of the Bangkok school. That was not promising. In fact, one of the men was or seemed hostile toward us: but the other, Dr. Parsons, was jolly and friendly. He promised to investigate the case thoroughly. He took our list of questions about the wrongs in the case plus the proof of those wrongs. Guided by that list, he was to investigate. He went to Bangkok that weekend. It was the last we ever heard from him.

In response to a letter from my Congressman, the U.S. Ambassador in Bangkok, Hon. L. Unger, agreed to investigate the case.

THE EMBASSY "INVESTIGATION"

An Embassy official, Mr. M. Trout, not the Ambassador, collected letters of rebuttal from the four administrative officials of the Bangkok school, and letters from three members of the packed court. These letters contained character references for one another plus assertions that I had always been treated fairly and that I should have taken the case before their court.

They still refused to discuss any of the facts in the case, but they did surprise me with a new damaging assertion if I could not prove it false. Instead of the Director of Activities, sitting as advisor to the court over his own acts, the Superintendent said that he had agreed to let three teachers act as advisors. Fortunately, as usual with each of the school's new, quick defenses, it was easy to prove it false. According to the student government constitution, it would have been illegal to use teachers rather than administrative officials. (There were other administrative officers, i.e., in addition to the ones involved in covering up the wrongs in the case.)

The Ambassador sent these letters and asked my Congressman if that could close the "investigation." Later, I was tipped off from friends in Bangkok that the Embassy official who conducted that so-called investigation is on the school board. The school board had already helped cover up the wrongs.

THE SENATE AND CONGRESS

I sent my case documents to three of my congressional representatives. One asked several of his student assistants to study the documents to make certain the case was sound. All concluded that it was and wrote to the school asking for explanations. The Superintendent wrote back refusing to discuss the issues, but presented procedural defenses. In each case I provided documents that conclusively proved the defensive assertions to be knowingly false. I was surprised and disappointed to find that the staff officers of the congressmen accepted these obvious falsehoods philosophically. They seemed to feel that there was nothing more a Congressman could do. (In fairness, it was never the Congressman or Senator, himself, to whom I talked. It was always one of his chief staff members.)

EMBASSY COP-OUT

The staff officer for one of my congressmen, one of the tougher ones, did write back to the Ambassador notifying him that somehow his "investigation" had missed the point. With that, another Embassy official, Mr. G.

Newman, sent back the most extreme procedural defense of all. "In the Ambassador's absense," he wrote, "I feel I should tell you *this is not really an American school.*" (Underlines mine.)

THE U.S. NATIONAL CHARACTER OF THE SCHOOL

The school is the International School of Bangkok. It is a Thai school about to the same extent that the American Embassy is Thai simply because it is located in Thailand.

1. Thai children are not even allowed to attend the school.
2. Ninety per cent of the students are American.
3. Most of the teachers and main administrative officials are American.
4. The U.S. State Department provided over a million dollars for the schools new buildings.
5. About two million dollars of U.S. tax money goes to the school each year in tuition for U.S. dependent children.
6. The Senate Committee on Foreign Relations and House Committee on Foreign Affairs approve these overseas schools programs.
7. The House and Senate Appropriations Committees appropriate the funds.
8. The State Department administers the programs.
9. The House Committee on Education checks the school to make certain that the American children receive proper quality education for the money.

Here are two quotes that reveal the official connection between the school and the U.S. Government:

1. (From the caption under a picture in the school's 1970 Yearbook, page 255.)

"On campus, Dr. Phillips discusses ISB's bright future with U.S. State Department Representative for Schools, Mr. Mannino."

2. (From the School's newspaper):

Members of the House Education Committee confer with the Board of Directors of the Bangkok International School Association. The Committee is interested in the progress of American students in overseas schools and the quality of education they receive. (ISB Newspaper, Jan. 30, 1970)

The question that is highlighted by my case is this. What does quality education mean? Does it mean just proper standards of reading, writing, and math? Or does it include minimum standards of honesty by school administrators in student affairs, and minimum respect for democratic principles in student government, and an example of honesty when dealing with our top U.S. Government officials?

A CONGRESSIONAL COMMITTEE

We wrote to each member of one of the congressional committees. Only three members responded. One said the school is too remote. (It is not considered too remote for committee member trips to the school.) Another passed it off as insignificant: "Will it still matter ten years from now?" he asked. But a rather young, key staff member invited me in to present the evidence. He was properly incensed. His reaction was the most reassuring thing I had seen about the hope for America as it faces the "youth and school" problem. On behalf of a congressman he wrote to the State Department Director of Overseas Schools. Here are the outstanding items from his long, straight-forward letter:

1. "Humphrey should have been declared the sophomore class president. . . ." (from the first ballot majority vote).

2. "The 'general election' results . . . are questionable (in reference to the evidence of ballot-stuffing on the second ballot).

3. (The Supreme Court) "appeal procedures . . . were obviously biased . . . as to render their ultimate utilization predictable."

4. (He concluded his letter with the first show of *courage* that is, *self*-commitment, that any adult had shown.)

"If . . . responses are not pertinent to the question of the alleged unconstitutionality . . . I will become outspoken against a continuation of U.S. Government assistance to the school."

Finally, *it appeared*, there would be justice inside the system. I had proven that demonstrations are not necessary.

POWER POLITICS?

I sent the congressional letter to the Embassy in Bangkok because the cutting off of school funds alarmed me. If it came to that, it would hurt the students more than the wrong-doers. But I knew the letter would produce a serious response. for a change, from the Embassy. It did.

The Ambassador wired right back. The school Superintendent was flying to Washington immediately. He would talk to the Congressman and to me. The Superintendent accompanied by a State Department officer visited the congressional office at 3:30 p.m., March 4, 1971. I was invited into the office at 4:00 p.m.

VERDICT: The smiling faces of the Superintendent and the State Department officer told me the verdict. The congressional representative announced apologetically: "You probably should have stayed in school and gone to that court, Brad."

In my surprise, disgust, and anger, I was not able to think or say much, especially when I saw the State officer laughing. I did manage to ask if they meant that I should have signed that oath against an appeal. The congressional officer said, "No, I wouldn't have done that." "Then how could I have gone to that court?" I asked. There was no answer.

Soon, the Superintendent and the State official announced that they were leaving. The congressional official asked my brother and I to stay a moment. "YOU MUST FIGHT ON" he insisted. We left amazed and totally disgusted with the American system. What had happened?

THE ANSWER BY RUMOR

We have received an answer by rumor only, from Bangkok.

1. After the Embassy white-washed the first investigation, they had to make certain there was not a real one. Just one or two men were involved in the cover-up.

2. The message they brought back in order to persuade Congress not to probe further was that it would embarrass Thai-American relations. They were seizing on the far-out pretense that the school is a Thai school. In order to make certain I did not rebutt the pretense successfully, they classified it.

After two years of struggle, the system, at least short of the very top, has beaten me. According to the rumor, those who had done wrong are also laughing at Bangkok cocktail parties about how they also "handled" Congress.

THE POINT

MY DEAR MR. PRESIDENT: In closing, I want to admit that I am not nearly as objective about this case as these pages may sound to me on rereading them. I was depressed to the depths when I first learned that they had cheated me. I was then stunned to despondency when I realized that school officials including two Ph.D's would try to ruin my name rather than admit the mistake. (It would have been easy for them at first before they got so deeply involved in the cover-up.) Of course, I am over the shock now, but I am nonetheless disillusioned. Rather, I am almost completely disillusioned by what the State Department officials have done to continue the cover-up. I now understand perfectly well why it is that some of the better students often become the drop-outs or the leaders of demonstrations. But those are not the more important points.

The real point involved is honesty and integrity in the schools. Students, soon to be American adults, are taught *by example*, that cheating, dishonesty and deception pay. In school student-government, they learn that democracy is a mockery. In general, they become disillusioned with high principles and America. The results are with us now, and growing. But the trend can be reversed. Judging from my contacts with students from almost every state in the U.S.A. over this case, if we can win justice *without demonstrations* in just one case, they will be surprised but they will see and believe that we can do it in others.

If there is a door to student justice at the White House, have I adequately exhausted other possibilities to justify entrance into that door for consideration of this case?

Again,

Sincerely yours,

BRADFORD HUMPHREY.

ADDENDUM

On this day, June 15, 1971, I have given up all hope that I shall ever receive a full hearing in this matter. A letter from the Vice President, dated May 7, 1971, indicates that he has relied on the same letter writer in the State Department to draft his reply. A subsequent meeting in the White House with one of Mr. Robert Finch's summer interns, at which I was represented by my brother, resulted in the intern berating the school officials for even permitting student self-governance to the extent they had. These were my "hearings" and the above letter to the President no longer has any meaning.

Instead, I am addressing this letter to anyone who possesses the courage, the sense of principle, and the knowledge of an available approach to anyone of appropriate authority, who could arrange a fair and honest hearing.

Sincerely,

BRAD HUMPHREY.

BICYCLE USE SHOULD BE ENCOURAGED

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. WALDIE. Mr. Speaker, I have today joined in sponsoring legislation which would allow States and communities to use the highway trust fund moneys for the development of bicycle lanes or paths. The bill would also provide that such funds could be used for the construction of bicycle shelters and parking facilities and for bicycle traffic control devices.

In my own State of California there are many areas in which bicycle traffic is almost as important as automobile traffic—and, I might add, contribute a good deal less to air and noise pollution. If encouraged, I am sure they could become a major mode of transportation in many areas of the country and not just another form of recreation.

I have noted with approval a recent statement by Secretary of Transportation Volpe in which he, too, encouraged the use of bicycles as a serious mode of transportation. This bill would assist Secretary Volpe in his proposal.

EMERGENCY PUBLIC INTEREST PROTECTION ACT ENACTMENT URGED BY CONGRESSMAN MAYNE

HON. WILEY MAYNE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. MAYNE. Mr. Speaker, I was pleased to have the opportunity to appear before the House Subcommittee on Transportation and Aeronautics today and to testify on behalf of the Emergency Public Interest Protection Act, with certain amendments. In view of the urgency of the need for congressional action to meet the crises arising from current and impending transportation stoppages, I include in the RECORD my remarks in the subcommittee hearings:

STATEMENT OF CONGRESSMAN WILEY MAYNE

Mr. Chairman and Members of this distinguished subcommittee, I sincerely appreciate your affording me this opportunity to appear before you and testify on behalf of the earliest possible reporting and enactment into law of "The Emergency Public Interest Protection Act."

I cosponsored the introduction of this legislative proposal, requested by President Nixon, in the 91st Congress. On the opening day of the 92nd Congress, I reintroduced the language of that bill, updated for this Congress, as H.R. 901. President Nixon renewed his request for this legislation, with slight modifications, before the present Congress, and I joined in cosponsoring H.R. 3639 and H.R. 4116, identical to H.R. 3596 which was introduced by this Subcommittee's parent Committee chairman, Congressman Staggers, with cosponsorship by ranking minority member Congressman Springer. I am pleased that the Subcommittee is holding hearings on this legislation, and I urge this Subcommittee to expedite its consideration and enactment as soon as possible.

The nation is again faced with actual and potential disputes between labor and management in practically every segment of the transportation sector of our economy. Transportation stoppages have vicious effects upon the whole economy, not only of a region directly affected but also of the entire nation. Nothing so dismays me, and my constituents, as to see bountiful harvests of corn and soy beans piled high in the middle of Iowa streets, exposed to deterioration, as local, regional or national transportation labor disputes prevent the normal flow of commerce. I am sure it is equally frustrating to feed-deficient areas that they cannot obtain delivery while abundant supplies are spoiling in the great feed-grain producing areas of the land. Who would not be dismayed by the sight of fresh produce—fruit, milk, eggs, vegetables, rotting despite the efforts to can, dry or freeze all that can reasonably be processed, for failure of our transportation system to do the job, while millions in our cities face climbing prices and in some cases an actual insufficiency of food. Billions, in welfare payments, food stamps, strikes checks and unemployment benefits, mean little if there is no food to buy.

Iowans are not easily discouraged. The Iowa farmer may seem a die-hard pessimist as he grumbles about prices, and most particularly about the weather—and certainly there is indeed much to grumble about in both cases—but come spring, the real nature of the Iowa farmer as an incurable optimist shines through as the farmer once again prepares the soil and plants anew. Our Iowa businessmen do not easily give up, either. It takes a lot of hardship to force an Iowan to admit he is licked—but gentlemen, many Iowans, operating firms big and small, have been forced by the series of transportation stoppages in recent years into abrupt cutbacks in their business operations and with increasing frequency to bankruptcy.

We have a number of small plants in Northwest Iowa who have built up their businesses through developing a good quality product, and a market for that product; with many orders and the labor force and capital goods to meet those orders. During the so-called local truckers' strike in Chicago, they could not get parts or raw materials needed for production or to assure delivery. Many Northwest Iowans called me during the Chicago truck strike and during the various railroad strikes which paralyzed our Northwest Iowa economy to a very great extent. They were desperate for materials and were being forced to lay-off employees or to close their doors. Many survived only through massive lay-offs in the end, or were forced into bankruptcy or into forced fire-sales to big outside corporations. Each dislocation of transportation channels through strikes and lockouts has taken its toll in the economy of Northwest Iowa.

Much has been said about the reasons for the deterioration of American railroads and the plight in which they are today—but in my mind the greatest factor in more and more Americans turning from railroads to trucking—especially their own trucks, as evidenced in the substantial increase in farm-to-market trucking by farmers, for example—has been the increasing inability of farmers and businessmen to have confidence in railroads delivering the goods on schedule because of the danger that delivery will be disrupted by still another labor-management dispute. It is not good economics and may in time produce a sort of anarchy within our transportation system, but many businesses feel forced to acquire and operate their own trucks to insure reliability of transportation for their raw materials and products, even though those trucks are used perhaps only a few hours or days each week or only occasionally during the year.

It is ridiculous for this nation to tolerate continued transportation disputes so disruptive and injurious to our national interests, and indeed detrimental to the short and long-run interests of transportation labor and transportation management alike. I do not contend the "Emergency Public Interest Protection Act of 1971" offers an immediate panacea, but it does in my estimate provide our best hope for legislative remedies capable of enactment during this session of the Congress.

We have seen that the emergency strike provisions of the Railway Labor Act which now govern railroad and airline disputes do not effectively protect the national interest in obtaining minimum dislocation of transportation. The "Emergency Public Interest Protection Act of 1971" abolishes the emergency strike provisions of the Railway Labor Act which now govern railroad and airline disputes and instead builds upon the solid foundation of the Taft-Hartley Act, providing additional procedures for transportation industries including railroad, airline, maritime, longshore and trucking, where existing procedures have too often failed to induce the parties to resolve their differences.

This legislative proposal strives for procedures which both reduce the number of disputes reaching critical proportions and offer the Government greater flexibility in dealing with those labor-management disputes that persevere despite settlement pressures. The proposed procedures hopefully will discourage parties from thinking that they might profit from governmental intervention. The procedures should also ensure that governmental action, when unavoidable, is not precipitous and is not more than the minimum essential to protection of the public interest.

The President would have three major new procedures or options for dealing with transportation disputes not settled within the 80-day "cooling-off" period authorized by the Taft-Hartley Act. These include extending the "cooling-off" period for up to 30 days, the appointment of a special board of three impartial persons to determine under what conditions partial operation of the affected transportation industry is possible and feasible, and the appointment of an impartial panel to select and make binding the most reasonable final offer submitted by a party to the dispute. These are most workable and most likely to promote a favorable climate for the continuance of collective bargaining.

As Under Secretary of Labor Laurence H. Silberman stated in an address on March 18th before the Industrial Relations Research Association in New York City, the bill would allow only one of these three alternative procedures—extended cooling-off; partial operation; or final offer selection—to be chosen. "No pyramiding would be allowed." I submit that the bill would be substantially improved by giving the government even greater flexibility in dealing with emergency disputes, by enabling the President to use one, two, or all three of the options, in such order as he may choose and without use of any one option being a prerequisite to the use of one or both of the other options. Certainly the President should not be forced to use the final offer selection alternative immediately upon expiration of the 80 day cooling-off period just because his choosing either the additional 30 day cooling off period or the partial operation alternative would foreclose his utilizing the final offer selection alternative when the other two options prove unsuccessful. All three options should be kept open by amending Page 4, line 16 of the bill to delete ", but only one,". In any case, the possibility of the President choosing to exercise his option for final offer selection should remain despite his previously resorting to the additional cooling off period or the partial operation alternative. Otherwise failure of those two options to accomplish settlement may result in major transportation stoppages through strikes and lockouts, with the Congress again having to step in to legislate on an ad hoc basis. That's no way to run a railroad or a country. Usually the legislative action merely postpones a strike or lockout deadline, and within weeks another strike over the same issues which precipitated the last one looms as a distinct possibility.

The American people can not, and will not, any longer tolerate government by crisis—and they should not be asked to do so.

Gentlemen, I further submit that the "Emergency Public Interest Protection Act of 1971" would be improved if amended to authorize the same procedures in the cases of *regional emergencies* caused by strikes or lockouts in the transportation industry as would be authorized in national emergencies. The Chicago truck strike was principally in Chicago and a few other truck terminal cities last year, and was not a national strike—yet this strike had adverse affects throughout the nation and forced many businesses throughout the middle west into dire straits, some into bankruptcy. I am especially concerned in view of recent decisions regarding so-called "selective strikes", which conceivably could paralyze substantial areas of this nation without falling under the definition of "national emergency disputes" as limited by N.L.R.B. rulings and court decisions.

Mr. Chairman, the latest "Analysis of

Work Stoppages" available from the U.S. Department of Labor's Bureau of Labor Statistics is for the calendar year 1969—yet in that year 38,300 workers were idled for 117,400 man-days through 11 major railroad transportation work stoppages. 18,900 workers lost 346,800 man-days during 73 strikes involving local and suburban transit and interurban highway passenger transportation. 13,400 workers did not work for 139,500 man-days in motor freight transportation and warehousing because of 73 disputes in that segment of the transportation industry. 56,300 employees lost 561,500 man-days in 14 major air transportation strikes. 14,100 workers in water transportation were idled by 33 disputes in that field, losing 1,936,000 man-days. 1,100 workers engaged in transportation services lost 9,200 man-days in 1969 through 9 strikes in that industry. I am sure the statistics for 1970 and 1971, when finally compiled and published, will show even further loss of man-days in the transportation industry, a loss to our national economy and to the individual workers and employers involved that to a considerable extent could have been avoided had the "Emergency Public Interest Protection Act" before the Committee been enacted earlier. These statistics do not take into account the millions of Americans idled because of inability of their employers to obtain raw materials and parts necessary for continuation of manufacturing processes employing them, or by the inability of their employers to move products to would-be customers because of transportation stoppages.

Mr. Chairman, Mr. Paul Beck of Sioux City, Iowa, a resident of the Sixth Congressional District of Iowa which I have the honor to represent in this Congress, and the Chairman of the Board of Sioux Transportation Company, has been a serious student and observer of the transportation stoppage crisis. He has prepared a statement for this Subcommittee which I respectfully request be made part of the record of these hearings and be considered by the Subcommittee.

Mr. Chairman, the eleven States which make up America's heartland—Arkansas, Colorado, my own Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota and Texas—joined in establishing the "Mid-America Governors' Transportation Council. The Council has taken responsibility in transportation matters of concern to its members. Collectively, the States represented by the Council have 34.4% of the nation's railroad mileage, 27.8% of its public airports, and 34% of its surfaced roads and streets mileage. The Council was established in recognition of the common interest in, and concern with, transportation as a major factor in the economic future of the member Mid-America States.

John P. Doyle, Chairman of the Mid-America Governors' Transportation Council, a widely recognized expert in the field of transportation, had hoped to be able to appear and present detailed testimony analyzing the legislation before the Committee. He is unable to attend these hearings, and has asked that I submit to the Subcommittee and insert a copy of the resolution of the Mid-America Governors' Transportation Council. I herewith respectfully request that the Council's resolution be inserted in the record of the hearings and that the views expressed by the Council be given the Subcommittee's consideration.

Mr. Chairman and Members of the Subcommittee, in closing I believe the "Emergency Public Interest Protection Act" with the amendments I suggested would greatly support and strengthen free collective bargaining in this nation. It provides an effective approach which will provide for a minimum of government interference with free collective bargaining and yet provide a range of options which the President could pursue in protecting the Nation's health and safety. I urge that the Subcommittee take prompt and favorable action on this legislation, assigning it highest priority.

STATEMENT IN SUPPORT OF H.R. 901, H.R. 3639, AND H.R. 4116 BY PAUL BECK, CHAIRMAN OF THE BOARD, SIOUX TRANSPORTATION COMPANY, INC., SIOUX CITY, IOWA, SUBMITTED TO THE HOUSE SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, WASHINGTON, D.C., JULY 27, 1971

Gentlemen: I want to thank the Honorable Wiley Mayne and you for making it possible for me to make this statement to you. The matter of strikes by labor unions in general and more specifically unions controlling all of the transportation industry has become the nation's greatest deterrent to progress, and the prime reason for the continued higher inflation in the face of a deepening depression.

Congress itself must accept the principal blame for the attitudes that prevail in organized labor, first by their falling into the trap set by President Johnson, the 41% Congressional salary increase, which set the pattern for the unreasonable demands of the unions, and second, by failing up to this time to enact strong meaningful, effective legislation to curtail the power of organized labor. This, gentlemen, is the opportunity you face right now, the opportunity to correct your past mistakes, the opportunity to save the economy of the nation and the welfare of the working man from the devastation created by big unions to the economy of the nation.

The recent admission by Paul W. McCracken, Chairman of the Council of Economic Advisors, that it would be "irresponsible" for the administration to reach its original economic growth goals for 1971, only points out the cost of Congress' failure to accept its responsibility to put effective restraints on excessive union demands.

What is generally known by every one, but is very rarely ever spoken aloud, is the fact that excessive union demands are usually backed up by union violence, which is either frequently overlooked by local law enforcement agencies, or if the culprits are apprehended, dragged on interminably through the courts, with punishment eventually watered down or actually eliminated. But never, or very rarely is any action taken against a union, and damages collected. H.R. 901 or H.R. 3639, or H.R. 4116, should be amended to provide that any act of violence committed during a labor dispute should be accepted by any court, as prima facia evidence as being committed by the union and damages should be collected from the union, because most acts of violence are planned, and some are committed by the officers of the unions involved, while all the time they publicly deny any connection with the violence.

These bills, H.R. 901, H.R. 3639, and H.R. 4116 are all basically good bills as far as they go, but I strongly feel that the bill that is finally adopted should contain another amendment and that is to incorporate Senator Jack Miller's S. 3852 introduced May 19, 1970 into this bill to make it apply on a regional basis. The disastrous truck strike of last year makes such an amendment an absolute necessity as the entire country suffered losses going into the billions of dollars in this strike even though the strike was principally in Chicago and a few other truck terminal cities. This Chicago strike was felt adversely nationwide and as the result, businesses as far away as Winston-Salem, North Carolina and other distant places were forced into bankruptcy. We damn near became a casualty of that strike ourselves, and haven't yet recovered from its effects.

One other amendment that should be put into the bill that you adopt, is to make all unions subject to the anti-trust laws. With the bigness of many unions, the multibillion dollar resources they control, they pose a greater threat to the American Economy and the American way of life than does any monopoly of business. The working man is aware of what the union bosses are doing to him by taking as much money out of his pocket by inflation and dues as the new contracts are putting in, plus the time he is losing during strikes promoted by the union bosses, (our Chicago drivers lost nearly $7000 each in the 3 month Chicago strike), plus the added taxes he is paying on his income and everything he buys and I am sure that in most cities that the union bosses can't and don't control the vote of their members, and their members, your constituents, would be glad to have you come out publicly in support of controls on their union bosses. Some politicians might lose some financial backing by some unions, but the rank and file would still support the man who will try to save the nation, and the jobs that support the nation. This has been proven in areas where the unions have spent millions to defeat a candidate, only to lose the election.

H.R. 901, H.R. 3639 and H.R. 4116 are particularly important because of the fact they relate to transportation, the one service that really effects the costs of every last item that everyone uses, and this is the reason that is so important to get a bill with the above provisions enacted into law, now!

I sincerely hope you will favorably consider the suggestions I have made and I want to again thank you for permitting me to be a part of this record.

Respectfully yours,

PAUL BECK.

RESOLUTION

Whereas the trend of several years in transportation labor disputes has been to substitute congressional action for collective bargaining; and,

Whereas the Congress is ill-equipped to resolve specific labor disputes on an ad hoc basis, in the heat of the controversy, with fairness and objectivity to all concerned, especially to the general public; and,

Whereas the national economy and the interest of the member states of this Council are irreparably damaged by transportation work stoppages; therefore,

Be it resolved: That the Mid-America Governors' Transportation Council considers imperative the enactment of permanent legislation to prevent interruptions of interstate transportation service incident to strikes or lock-outs in the transportation industry by mandating some form of compulsory arbitration; and further,

That a copy of this resolution be transmitted to each member of the Congressional delegation of the member states; to the Secretary of Transportation; to the Secretary of Labor; and to the President of the United States.

VILLAGE OF MAPLEWOOD, MINN., GOES ON RECORD AGAINST CONTINUING WAR IN SOUTHEAST ASIA

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. KARTH. Mr. Speaker, since 1966 I have expressed my opposition to U.S. armed intervention in Indochina and have urged the withdrawal of our forces from that area. It is gratifying to me that my position is receiving wide support from the people of the Fourth District. I am pleased to include in the Record at this point an excerpt from the minutes of the Village Council of the Village of Maplewood, a very large community in our district, which has officially requested our Government "to bring the war in Southeast Asia to a conclusion with all due haste." The portion of the minutes follows:

Regular Village Council Meeting

Pursuant to due call and notice thereof, a regular meeting of the Village Council of the Village of Maplewood, Minnesota, was duly called and held in the Council Chambers in said Village on the 15th day of July, 1971, at 7:34 P.M.

The following members were present: Mayor Axdahl, Councilwoman Olson, Councilmen Greavu, Haugan and Wiegert.

The following members were absent: None.

Mayor Axdahl introduced the following resolution and moved its adoption: 71-7-134:

Whereas, the United States has been involved in a war in South East Asia for over a decade; and

Whereas, continuation of this war levies an awesome burden on the United States society and economy.

Now, therefore, be it resolved, we the Council of Maplewood, Minnesota, a Village of over 25,000, urge the Commander-in-Chief to do all possible to bring the war in South East Asia to a conclusion with all due haste, to conserve lives and to redirect the money and talents there being consumed to solution of our critical domestic problems.

Seconded by Councilman Wiegert. Ayes—all.

State of Minnesota, County of Ramsey, Village of Maplewood,

I, the undersigned, being the duly qualified and appointed Clerk of the Village of Maplewood, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the Village of Maplewood, held on the 15th day of July, 1971, with the original on file in my office, and the same is a full, true and complete transcript therefrom insofar as the same relates to the war in South East Asia.

Witness my hand as such Clerk and the corporate seal of the Village this 19th day of July, 1971.

Lucille E. ———,
Village Clerk, Village of Maplewood, Minn.

GET THE GUNS OFF THE STREETS

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. MIKVA. Mr. Speaker, the toll continues to climb. Over the week-end, more people were shot and killed, more people were shot and wounded—shot with hand guns. Others were frightened or intimidated or robbed by criminals brandishing hand guns, imbued with a false sense of bravado by the piece of lethal metal in their hands.

The need for effective hand gun legislation has never been more immediate. I urge my colleagues to take note of the growing number of hand gun victims and to take note of the growing determination on the part of citizens to see Congress take action on this matter.

WMAL-TV, channel 7 in Washington, has been broadcasting a series of editorials calling for hand gun control. They point out that Congress has the power to do it. The transcript of the first in the series follows:

Get the Guns Off the Streets

A Navy Commander and his 19-year-old son are shot dead at a traffic light near their home in Annandale. Gunned down in front of their family after an outing to celebrate this nation. A Silver Spring man, who survived World War Two, is shot dead in front of his mother. Gunned down in a cheap holdup in the land of freedom. Near the U.S. Capitol, two coeds are raped repeatedly at gunpoint. After an outing to a waterfront landmark, a Prince Georges County wife is raped and murdered. What these violent crimes have in common is that they were all committed with the aid of guns. This community is living in a shadow of terror, created by the fear that any life may be interrupted by a senseless shooting. *The menace is the gun on the street.* With a gun, any punk finds himself with power of life-and-death over the unprotected citizen. *Let's get the guns off the streets.* Congress has the power to do it. You, the people, can make Congress act right now. As broadcasters serving this community, we will continuously and aggressively fight to "Get the guns off the streets." Starting today and continuing daily, we will report crimes committed with the aid of a gun. Each day we will urge you, the citizens of this community, to write a member of Congress demanding that Congress "Get the guns off the streets." We'll give the name and address of a member of Congress each day. For example, if you live in Virginia, you can write Senator William B. Spong Jr., U.S. Senate, Washington, D.C. Tell him to get the guns off the streets.

FEDERATION OF AMERICAN SCIENTISTS POLICY STATEMENT ON THE UNDERSEA LONG-RANGE MISSILE SYSTEM (ULMS)

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. FRASER. Mr. Speaker, on May 3, Dr. Herbert Scoville appeared before the Senate Armed Services Committee to testify concerning the Department of Defense budget. The testimony he submitted included a position paper on ULMS approved by the executive committee of the Federation of American Scientists, and by its strategic weapons committee.

Mr. Speaker, the ULMS idea is a good one. It must not become another compulsive reaction to an exaggerated or imaginary threat which never materializes or appears in an unanticipated form. The federation's recommendations are good ones:

(1) The commencement of a construction and deployment program for ULMS is not required at this time by any foreseeable risk to the U.S. POLARIS-POSEIDON deterrent force. To do so now might only result in expensive outlays for a system optimized against the wrong threat.

(2) Research and development should be continued on advanced missile submarine systems on a broad front so that the U.S. would be able to deal with any specific threat if it should develop. This should include small, as well as large, submarines. The proposed $110 million FY 1972 budget item for ULMS should be reviewed in detail to see if it is warranted in the light of the lack of requirement to construct new submarines in the near future.

An alert and frugal Congress will heed these recommendations.

The complete statement follows:

Federation of American Scientists Policy Statement on the Undersea Long-Range Missile System (ULMS)

(Prepared for Submission to the Senate Armed Services Committee, May 3, 1971)

In Fiscal 1971, the Defense Department funded $45 million for the development of a new Undersea Long Range Missile System, ULMS. $110 million is in the FY 1972 budget for this same project, which is to provide the option to augment or eventually modernize the sea-based portion of our missile forces. The $110 million is slated to be primarily for continued technical trade-off studies, preliminary submarine and facilities design, and design work on the power plant and navigation, guidance, fire control and launcher systems. Since ULMS will be a new strategic system which, when developed and deployed, could eventually cost tens of billions of dollars, it is important to evaluate this program before commitments are made which would prove difficult to retract.

I. NATURE OF THE DETERRENT

At the present time, U.S. strategic security depends on maintaining a secure deterrent force which is capable of producing unacceptable damage in retaliation after any possible first strike. This deterrent now consists of the invulnerable POLARIS fleet of 41 submarines—656 missiles, supported by 1,054 ICBMS in hardened silos and about 500 intercontinental bombers. While the ICBMs and bombers cannot now be destroyed in a first strike, they could appear to become vulnerable in the future as the Soviets deploy accurate MIRVs on their missile forces. Therefore the sea based force is the cornerstone of our deterrent. There is no foreseeable threat to POLARIS short of a large nationwide Soviet ABM, and this would be countered by the replacement of the POLARIS missile by POSEIDON to provide a total of more than 5,000 warheads. A sufficiently restrictive ABM limitation agreement at SALT could, of course, completely eliminate this risk.

II. POSSIBLE LONG-RANGE THREATS TO POLARIS

At the moment, the precise nature of the potential long term threat to POLARIS is unknown since there is no foreseeable technology which could neutralize this deterrent force. However, if a danger arises, it could come from two general developments, ABMs and ASW. For an ABM to be able to cope with POSEIDON, it would have to be able to deal with a minimum of several thousand warheads which could be concentrated on a few Soviet targets. It would be a tremendous problem for the defense to overcome such simple saturation tactics. Other countermeasures would undoubtedly also be effective.

In principle, the ABM might be designed to destroy the POSEIDON missile and its warheads shortly after launch and before the individual warheads had time to separate. But this, too, presents awesome problems since the defense interceptor would have to destroy its targets within a few minutes of their launch and as far away as 2,500 miles from the Soviet Union. Even if technically feasible, such a system would be extraordinarily expensive and would require long lead times for development and deployment, thus providing ample opportunities to develop countermeasures.

The problems in creating an ASW system which could neutralize the POLARIS-POSEIDON system appear extremely difficult for the Soviets. These submarines can operate over millions of square miles of open ocean on all sides of the Soviet Union. It might be feasible for the Russians to locate and track a single submarine and destroy it coincident with a coordinated attack on the U.S. continent. But it seems an almost inconceivable task, with foreseeable technology, to destroy about 30 submarines simultaneously; this is the number which might be found on station at one time. The United States has over many years spent tens of billions of dollars on ASW and does not even approach such a capability. The Soviets are well behind the U.S. in this field and have for geographic reasons alone a much more difficult task. The Russians do not control the land masses adjacent to many ocean areas, thus complicating tremendously the deployment of a detection and tracking system.

Even if by some technological breakthrough it were possible to make the oceans transparent so that submarines could be continuously located, and this is most unlikely, it would be necessary to have some mechanism for destroying all the submarines at a given moment. After all, the atmosphere is transparent to radar, but no one has any idea of how to destroy bombers on air alert or how to build an ABM system which could provide protection to the populations. For the Soviets to deploy attack submarines or surface craft so that they could destroy all these U.S. submarines at a specific instant would seem virtually impossible. A wide variety of countermeasures against such tactics would be available to U.S. forces. Furthermore, the Soviets cannot rely on killing POLARIS submarines with ballistic missiles since the subs could, at normal crusing speeds, move out of the lethal area around the aiming point during the time of flight of the missile. All these factors combine to lead to the inescapable conclusion that our POLARIS deterrent fleet will not be threatened in the coming decade and probably not in the next as well. The Soviets might develop a partially effective ASW defense in the restricted waters in the neighborhood of the U.S.S.R., but not in the open oceans. The United States would have ample warning to take counteraction if it saw such a capability developing.

III. ULMS DESIGN OPTIONS

Nevertheless, since the SLBM force is the cornerstone of the U.S. deterrent, and since submarine missiles tend to stabilize the strategic balance, it is prudent to carry out research on new submarine systems which might have decreased vulnerability in the event that such technological breakthroughs occurred in the distant future. However, at the moment, the nature of the threat is still unknown so it would certainly be premature to build any actual submarines. We do not even know whether the new system should be designed to overcome ABM or ASW or both. The design criteria could vary radically for one or the other. For example, if it were ABM, then the number of missiles and warheads and their inflight invulnerability to nuclear explosions are the critical factors. If it were ASW, multiplicity of submarines, quietness, reduced acoustic reflectivity and the ability to operate over wider ocean areas and at great depths and rest on the bottom appear most important. These latter factors argue for smaller, perhaps faster submarines, with fewer but longer range, lower payload missiles, while the former argue for bigger submarines with many large payload missiles. Even if the decision were that the ULMS design should be optimized against an ASW threat, which would seem likely since there are other ways of dealing with ABMs than building new submarines, there will be many trade-offs depending on the nature of the developing ASW threat, which is presently only a speculation in the eyes of U.S. planners.

IV. RECOMMENDED ULMS PROGRAM

Clearly it is premature to freeze on an ULMS design in the near future. The potential threat neither requires such speed nor permits firm decisions on the nature of the system. The administration proposal for trade-off studies would seem to recognize this, but the budgeting of $110 million for FY 1972 and the reference to submarine and facility design might indicate a freezing on the nature of the system which would not be warranted at this time. This fear is further supported by Secretary Laird's statements over the past year on the need to make "tough" and "expensive" decisions within the next 12 months. There are reports that ULMS will be one and a half times as large as POLARIS and carry 50% more large missiles with MIRVs. It is hoped that the Navy is not prematurely extending its outdated and costly philosophy of large battleships and large carriers to large submarines. ULMS could become another example of rushing into costly programs to react to an imaginary threat just because more advanced submarine technology is available. Instead of deploying new submarines, we should prosecute research and development on a broad front, small submarines as well as large, so that if a threat should actually develop we would be in a better position to deal with it instead of one which never arises. Any new longer range missile should be compatible with existing platforms in the event that no new model submarine is required.

V. SUMMARY

(1) The commencement of a construction and deployment program for ULMS is not required at this time by any foreseeable risk to the U.S. POLARIS-POSEIDON deterrent force. To do so now might only result in expensive outlays for a system optimized against the wrong threat.

(2) Research and development should be continued on advanced missile submarine systems on a broad front so that the U.S. would be able to deal with any specific threat if it should develop. This should include small, as well as large submarines. The proposed $110 million FY 1972 budget item for ULMS should be reviewed in detail to see if it is warranted in the light of the lack of requirement to construct new submarines in the near future.

THE MEANING OF THE FOURTH OF JULY

HON. HASTINGS KEITH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. KEITH. Mr. Speaker, in these days when all we hear is what is wrong with our country, I thought that the following article, dealing with negative criticism. would provide some real "food for thought." I am pleased to call to the attention of my colleagues this editorial which appeared July 1, 1971 in the Anchor newspaper of the diocese of Fall River, Mass.:

FOURTH OF JULY

Most people are quite happy to greet holidays because they mean an added day from work or a welcomed long weekend. The forthcoming Fourth of July holiday is no exception. There will be, of course, the accompanying accidents and tragedies that follow in the wake of these. And that is a most unfortunate aspect of every holiday.

But this Fourth of July weekend should be a time when Americans rededicate themselves to the service of their country. It is not a matter of an unreasonable and unreasoning defense of everything that the United States has ever done. But it is a matter of accepting—and happily—that we are citizens of this country, that it has been and is a great nation, that each citizen has the obligation of strengthening the nation in the good that it sets out to do.

Negative criticism, a tearing down of the nation, the desire to overturn its institutions, these are the actions not only of a poor citizen but of an unthinking person. Let destruction have its way and all that is left will be a vacuum. And into this vacuum will flow disorder and confusion and chaos. And one who seeks after disorder and confusion and chaos is a sick person, indeed.

EFFECTS OF INSECTICIDES

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. OBEY. Mr. Speaker, one cannot study the subject of DDT and other chlorinated hydrocarbons long before coming across the name of Charles Wurster, a professor of environmental sciences at the State University of New York at Stony Brook.

For a number of years Dr. Wurster has attempted to bring to public attention the problems associated with an endless use of insecticides. He recently summarized the work he and other scientists have done in this field in a paper on the "Effects of Insecticides" which was presented a few weeks ago at an international conference in Finland.

In that paper Dr. Wurster discusses the properties of chlorinated hydrocarbons, their effects on birds, fish, and humans, their human health implications and the alternative available to their use—namely, integrated control techniques.

Mr. Speaker, Dr. Wurster concludes that—

> The current excessive dependence on insecticides, especially persistent chlorinated hydrocarbons, seems filled with troubles for Man.

He explains why in this excellent paper which ought to be reviewed by all those concerned about the degradation of our environment:

EFFECTS OF INSECTICIDES

INTRODUCTION

World opinion has been awakening to a variety of man-made environmental problems during the past few years, and few of these have received more public debate than "the pesticide problem." Strong emotions are evoked in people when they get the idea that they or other animals are being poisoned, regardless of whether the threat is real or imagined. "The pesticide problem" is by no means a single problem, but instead consists of a host of individual and highly diverse problems depending on the pesticide and circumstances involved. In considering the effects of pesticides on non-target organisms, I propose to organize my remarks into several categories, touching only on those aspects of pesticides that seem most important, and omitting much that appears less critical in my view.

The word "pesticide" is generally applied to any chemical that is used to kill pests, but I shall restrict myself to insecticides. The various herbicides, fungicides, rodenticides, and nematocides, certainly introduce problems of their own, but it is my impression that they are generally less serious and widespread than are the insecticide problems. In any event, I cannot discuss these other pesticides with any real competence, and will therefore leave their consideration to others (Moore, 1967).

NONPERSISTENT INSECTICIDES

The insecticides can roughly be divided into two large groups—those that are stable (persistent) and those that are not. The non-persistent insecticides currently in use are mainly organophosphates and carbamates (O'Brien, 1967). Being chemically unstable, they do not retain their original identity and associated biological activity sufficiently long to permit them to be transported to distant regions. Most of them break down rapidly into non-toxic products. The effects of these non-persistent insecticides are therefore primarily restricted to the treated areas, and their residues do not accumulate extensively in the biosphere.

This is not to suggest that organophosphates and carbamates do not pose problems, however. Some of the organophosphates, such as Parathion, Systox, and TEPP, are extremely toxic, making them potentially hazardous to farm personnel and other non-target organisms that may be present in the vicinity of the application (U.S. Department of Health, Education & Welfare, 1969). Other organophosphates, including Malathion, Chlorthion, Dibrom, Ronnel, and Dipterex, have lower acute toxicities to vertebrates than has DDT, and DDT is not an especially toxic material when compared with most pesticides.

Another major problem with some non-persistent insecticides in common with many other insecticides, is their tendency to be disruptive within insect communities, often aggravating, rather than alleviating, insect control problems (Bosch, 1970; Huffaker, 1971). By destroying beneficial insects that are natural enemies of the pests, and by eliminating the susceptible individuals, use of insecticides may generate outbreaks of insecticide-resistant, injurious insects that are far worse than those which existed prior to the treatment. The solution to most of the problems with non-persistent insecticides involves careful regulation and wise usage when necessary, rather than a complete prohibition of their use.

However severe the effects of non-persistent insecticides may be, they are principally restricted to the vicinity and time of application. They cannot become a world problem by contaminating or affecting non-target organisms in areas that are remote in distance or in time from the treated areas. In this regard they contrast dramatically with the persistent insecticides, and I will therefore accord primary attention to the latter in this paper.

PERSISTENT CHLORINATED HYDROCARBON INSECTICIDES

Stability or persistence confers an entirely new dimension on an insecticide because its unintended effects can, and sometimes do, extend thousands of miles and many years beyond the area and time of application, thereby involving a wide variety of non-target organisms. The persistent chlorinated hydrocarbon (CH) or organochlorine insecticides have thus become one of the world's most serious pollution problems, involving many nonagricultural interests and values. This family of insecticides includes DDT, Aldrin, Dieldrin, Isodrin, Endrin, Chlordane, Telodrin, Heptachlor, Strobane, Toxaphene, Mirex, and a few others.

Of this group, DDT has been by far the most widely manufactured and applied; nearly 3 thousand million (10^9) pounds (1.36×10^9 kg) of DDT has been produced in the United States alone since 1944 (Fig 1, U.S. Department of Agriculture, 1970). Production was 123 million pounds (55.8×10^6 kg) in 1969 (the latest year for which data are available), which is just under the average rate of 145 million pounds (65.8×10^6 kg) produced annually during the 1960s. The world's largest DDT manufacturing plant, and now the only one in the United States, is that of the Montrose Chemical Corporation in Los Angeles. The data in Fig. 1 further show that, except in one year (1967), more DDT has been and continues to be produced annually in the United States than the total for Aldrin, Chlordane, Dieldrin, Endrin, Heptachlor, Strobane, and Toxaphene, combined. Although we read that DDT is being "restricted" and "phased out" in many countries, it continues to be used in greater quantities than any other insecticide.

As we continue to add to the 3 thousand million (10^9) pounds of DDT already released into the environment, and with some unknown fraction of it still circulating in the biosphere, it should hardly be surprising that DDT poses by far the most serious of our persistent pesticide problems. I believe that DDT has had a greater impact on non-target organisms and ecosystems than has any other pesticide, and possibly a greater one than all other pesticides combined. For these reasons, and to bring the issue up to date and correct misinformation, I shall discuss the CH insecticide problem in some detail, with primary emphasis on DDT (C. F. Wurster, 1969*a*). The polychlorinated biphenyls (PCBs), a mixture of CH compounds of industrial origin (used as plasticizers, flame retardants, insulating fluids, adhesives, etc.) that are widespread in Nature and exhibit environmental behavior which is similar to that of the persistent insecticides, may also represent a serious environmental hazard (Peakall & Lincer, 1970). The PCBs are another example of the large-scale release of a material into the environment before adequate research on their potential environmental impact had been performed.

Properties of the chlorinated hydrocarbons

To appreciate the environmental behaviour of the CHs, along with the associated hazards which they pose to various non-target organisms, it is necessary to understand their properties. Their behaviour results from the combination of the following four properties:

1. *Mobility.* CHs unfortunately do not remain where they are applied. By various mechanisms they enter the air and surface waters, to be dispersed over great distances within world circulation patterns (C. F. Wurster, 1969*a*).

Although these materials have very low vapour pressures, volatilization is an important mechanism whereby they pass into the air (Edwards, 1966). Codistillation with water facilitates their passage into air from wet surfaces (Bowman *et al.*, 1964), and CHs adsorbed to particulates, especially soil particles, and existing as suspensions, are also dispersed to remote regions by the winds (Risebrough *et al.*, 1968).

Exceptionally low water solubilities do not prevent these compounds from being transported in very dilute solution by flowing water, but the transport capacity of water is greatly increased by the tendency of CHs to form suspensions in water and to adsorb to particulates, all of which pass downstream within watersheds (Bowman *et al.*, 1964; Edwards, 1966).

These dispersal mechanisms transport CHs to most parts of the world after they have been released into the environment, thus explaining their presence in remote, untreated regions such as Antarctica (Peterle, 1969; C. F. Wurster, 1969*a*).

2. *Persistence.* The persistence of the CHs varies with the compound and the conditions DDT is slowly converted to DDD, then to other metabolites, and eventually to the non-toxic DDA, by various conditions and organisms (O'Brien, 1967). DDT is also converted to DDE, which is very stable though not very toxic, but which shows a variety of environmentally important enzyme effects. DDE is the most widespread of all CHs in the environment. DDT, DDD, and DDE, are commonly called "DDT residues", and these biologically active materials remain in the biosphere for many years and probably decades after their use (Edwards, 1966; Nash & Woolson, 1967).

In the environment, Aldrin and Isodrin are gradually converted into Dieldrin and Endrin, respectively, both of which are very persistent (Nash & Woolson, 1967). Mirex appears to be unusually stable (Valin *et al.*, 1968).

3. *Solubility Characteristics.* Being typical non-polar organic compounds, CHs have extremely low solubilities in water, but high solubilities in lipids or fatty tissues. Water is saturated with DDT at only 1.2 parts per thousand million (10^9) (ppb), Mirex is evidentally still less soluble; Aldrin and Dieldrin have somewhat higher (but still very low) solubilities of 27 and 186 ppb, respectively (Park & Bruce, 1968; C. F. Wurster, 1969*a*). Since all living organisms contain lipids, CHs are much more soluble in living tissues than in water, and the partition coefficient strongly favours accumulation and retention of CHs by the tissues of living organisms.

The solubility properties explain why CHs are not "lost" by dilution in the inorganic components of the environment—the water, air, and soil. Instead, CH residues, especially DDT, have become nearly universal in animal tissues in most regions of the world. Birds, fish, and mammals, including Man, are almost invariably contaminated.

4. *Broad Biological Activity.* The toxicity and biological activity of the CHs are by no means limited to the target species of insect, but instead can affect a great variety of animals, including all classes of vertebrates; furthermore, they can operate by several different mechanisms. They are nerve poisons—an effect that can be lethal (O'Brien, 1967). In addition, most are inducers of hepatic enzyme systems and inhibitors of certain other enzymes (Conney, 1967; Kupfer, 1967; Peakall, 1970*b*). DDT and Aldrin have oestrogenic activity (Welch *et al.*, 1969), and several CHs inhibit photosynthesis, possibly by inhibiting electron transport (C. F. Wurster, 1968; Menzel *et al.*, 1970). DDT, Aldrin, Dieldrin, Heptachlor, Strobane, and Mirex, are carcinogenic in rodents (U.S. Department of Health, Education & Welfare, 1969), and DDT has shown mutagenic activity as well (M. S. Legator, in preparation). Although effects are by no means predictable, contamination of non-target organisms with compounds that have such a broad spectrum of biological activity clearly carries the potential for affecting those organisms. The realization of that potential is the major topic of this paper.

Biological concentration

When CHs are absorbed into food-chains, they tend to remain in them because of their solubility characteristics. Each organism feeds on many organisms from the next-lower trophic level; food organisms are metabolized and excreted, but the CHs are retained, thus leading to a higher concentration of CHs in the predator organism than was present in the food organism. Concentrations of CHs thereby increase with each step in the food-chain, reaching the highest values in carnivores at the ends of long food-chains. This biological or trophic concentration causes CHs to reach levels that are many thousands or even millions of times higher in organisms than are found in the surrounding inorganic environment (Woodwell *et al.*, 1967; Korschgen, 1970). Analyses of soil, water, or air, showing only minute quantities of CHs to be present, can therefore be misleading indicators of environmental quality, because they ignore the importance of these highly efficient biological concentrating mechanisms. Analyses of predatory organisms that are high in the food-chain are a more relevant measure of environmental contamination with CHs.

Significance of these properties

In summary, the CHs can travel great distances from application sites, are sufficiently stable to retain their identity for years, are accumulated by non-target organisms because of their solubility characteristics, reach the highest levels of contamination in carnivores, and are hazardous to these organisms because they have a broad spectrum of biological activity. CHs are therefore inherently uncontrollable materials after they have been released into the environment. Few major, widespread environmental pollutants combine these properties.

Effects on birds

It has long been known that CHs can cause extensive mortality among birds. Bird mortality following attempts to control Dutch elm disease with DDT has been documented on numerous occasions (D. H. Wurster *et al.*, 1965), and other CHs, especially Dieldrin, have frequently killed birds following their use (Rudd, 1964; Stickel *et al.*, 1969). Rather than being restricted only to treated areas, mortality of certain raptors has sometimes resulted from general environmental contamination with CHs. Deaths of Bald Eagles (*Haliaeetus leucocephalus*) from Dieldrin poisoning in the United States is an example (Mulhern *et al.*, 1970). It is hard to know just how extensive direct mortality among carnivorous birds from general environmental contamination might be; it may be far more important than is immediately obvious. The available evidence suggests, however, that the sublethal effects of CHs on avian reproduction have a greater overall impact on bird populations than does acutely lethal direct mortality, even though a bird-kill may seem more spectacular.

The effects of DDT residues on avian reproduction have only recently become well understood, and the many years of research that developed this knowledge make a fascinating and alarming science detective story (C. F. Wurster, 1969*b*; Peakall, 1970*a*). By 1967 it had become clear that extensive and widespread declines in populations of many species of carnivorous birds and DDT contamination of these birds were correlated, but only in the past four years have cause-effect relationships been confirmed and mechanisms of action partially clarified.

DDT contamination inhibits avian reproduction by causing the birds to lay abnormally thin-shelled eggs, which break prematurely in the nest and therefore do not produce chicks (Peakall, 1970*a*). Additional symptoms include late ovulation and nesting, abnormal behaviour, hatching failure, and failure to lay eggs. The thinning of the eggshells may be caused by inhibition of carbonic anhydrase, an enzyme that is essential to the formation of calcium carbonate eggshells in the shell gland of the oviduct (Peakall, 1970*b*). DDE, the most widespread CH pollutant that was considered to be *innocuous for many years, is an inhibitor of this enzyme*. This explanation has recently been challenged, however (Dvorchik *et al.*, 1971). Jefferies & French (1971) recently suggested that the thin eggshells result from a hypothyroidal condition caused in the birds by DDT.

DDT residues, as well as most other CHs, are inducers of hepatic hydroxylating enzymes that metabolize steroids, including sex hormones (Conney, 1967; Kupfer, 1967; Peakall, 1970*b*). Enzyme induction by DDT thus reduces the level of circulating endogenous estradiol, which is partially responsible for various secondary sex characteristics and breeding behaviour in female birds (Peakall, 1970*a*, 1970*b*); this apparently explains the additional symptoms mentioned above. Evidently by simultaneously affecting different *organs* in different ways, contamination with DDT residues can reduce the reproductive success in wild bird populations to only a small fraction of what is normal.

Abnormally thin-shelled eggs have become commonplace among populations of many species of carnivorous birds in recent years (Blus, 1970; Ratcliffe, 1970; Cade *et al.*, 1971). Controlled experiments have shown that the levels of contamination with DDT residues regularly found in wild populations cause the thin-shelled eggs and other symptoms of reproductive failure that have now become typical of those populations (Wiemeyer & Porter, 1970). As a consequence of these phenomena, DDT has suppressed or even extirpated some populations of many species of birds of prey and sea-birds in the United States, including the Bald Eagle, Peregrine Falcon, Prairie Falcon, Sharp-shinned Hawk, Cooper's Hawk, Marsh Hawk, Black-crowned Night Heron, Double-crested Cormorant, Osprey, Common Murre, Brown Pelican, Ashy Petrel, and Common Egret.

The role of CHs other than DDT in avian reproduction is less clear, partly because they are much less widespread in the environment and partly because they have been studied less. Various evidence does not indicate that complacency about them is justified, however. Dieldrin also causes birds to lay thin-shelled eggs (Lehner & Egbert, 1969); it inhibits carbonic anhydrase (Verrett & Desmond, 1959), is a powerful hepatic enzyme inducer (Peakall, 1970*b*), and was evidently the major factor in the low reproductive success of the Golden Eagle in Scotland (Ratcliffe, 1970). Since Dieldrin is very widespread in Nature, it is presumably a contributor to the above problems.

Effects on fish

CHs have long been known to be highly toxic to fish. Widespread mortality of Salmon (*Salmo salar*) resulted from spraying of the coniferous forests of New Brunswick with DDT in the 1950s (C. F. Wurster, 1969*a*), and large, spectacular fish-kills resulted from the application of Dieldrin to the Florida salt-marsh and the discharge of Endrin into the Mississippi River (Harrington & Bidlingmayer, 1958). As with birds, however, it is probable that acutely lethal effects of CHs on fish are less important to fish populations than are the less obvious sublethal effects.

CH has inhibited reproduction in fish, but the mechanism is quite different from that which inhibits avian reproduction. Macek (1968*a*) showed, by controlled experiments, that concentrations of DDT in the diet that are sublethal to adult fish may be lethal to fry after they hatch from contaminated eggs. The DDT is passed into the egg-yolk; the embryo develops and hatches and, after hatching, at the stage of final yolk-sac absorption, the fry will die if the concentration of DDT in the yolk is sufficiently high. This form of reproduction failure has occurred several times in Nature, has sometimes been severe, and is probably more widespread than published accounts indicate. Reproduction of Lake Trout (*Salvelinus namaycush*) in Lake George and other New York lakes has failed completely for the past dozen years, with 100 per cent mortality of the fry occurring annually (Burdick *et al.* 1964). Similar, though less severe, fry mortality has involved in Coho Salmon (*Oneorhynchus kisutch*) in Lake Michigan (Johnson & Pecor, 1969), trout (several salmonids in Alberta and New Zealand, and Spotted Sea-trout (*Cynoscion nebulosus*) in the Gulf of Mexico (Butler *et al.*, 1970). Since the concentrations of DDT at which fry mortality has been shown to occur both under controlled and field conditions are now being approached or equalled in some freshwater and marine fisheries. It is hard to escape the conclusion that these fisheries are threatened by contamination with DDT (Risebrough, 1969). Unfortunately, few data are available on the possible effects of CHs on the reproduction of marine fish, so it is hard to know what might be happening to marine fishery resources.

CHs have other sublethal effects on fish. A few ppb of DDT in the water upset the temperature-regulating mechanism of young Salmon (Anderson & Peterson, 1969), and controlled experiments by Macek (1968*b*) showed that the stresses of falling temperature and starvation killed most Brook Trout (*Salvelinus fontinalis*) that were subjected to sublethal amounts of DDT, whereas very few of the control fish died. DDT-induced susceptibility to stress presumably explains the delayed salmon mortality in New Brunswick that coincided with colder weather several months after the DDT application and initial fish-kill (C. F. Wurster, 1969*a*). Sublethal exposure to Toxaphene and DDT also affects the behaviour of fish (Anderson & Peterson, 1969).

Chlorinated hydrocarbons and photosynthesis

Recent studies have shown that a few ppb of DDT, Dieldrin, Endrin, or PCBs, in the water, decreases photosynthesis, as measured by ^{14}C uptake, in certain species of marine phytoplankton—an effect that could result from inhibition of electron transport by these material (C. F. Wurster, 1968; Menzel *et al.*, 1970). I do not, however, subscribe to the theory frequently advanced in the public media that these findings indicate that DDT will ultimately eliminate oxygen production in the oceans, thereby greatly diminishing the oxygen supply in the atmosphere.

This effect of CHs on Algae appears to be highly selective, affecting certain susceptible species and not others. Selective poisoning of some algal species in areas near sites of CH application could lead to an undesirable imbalance within the flora, and a bloom of the resistant species might then occur. An alteration in species composition of phytoplankton communities could have profound ecological consequences, but too little research has yet been done on these phenomena to draw any conclusions.

Effects on ecosystems

Many of the activities of Man tend to simplify ecosystems by reducing species-diversity. An agricultural ecosystem generally contains fewer species of organisms than the ecosystem it replaced, and the same is usually true of cities, towns, and the human environment generally. Fire, ionizing radiation, a variety of pollutants including pesticides, and other forms of human disturbance, all tend to degrade and simplify the structure of ecosystems in a somewhat similar manner. They tend to favour small, rapidly reproducing ordganisms that are low in the food-chain at the expense of larger but more slowly reproducing carnivores that are higher in the food pyramid. These processes have been articulated with unusual clarity by Woodwell (1970).

The effects of persistent CHs on ecosystems are beter understood than are those of most other pollutants. For a variety of reasons, their maximum impact tends to involve organisms that are high in the food-chain (Moore, 1967; Harrison *et al.*, 1970). Biological concentration subjects predators to the greatest dosages of CHs, and by virtue of their fewer numbers and slow rates of reproduction the predators are less capable of sustaining increased mortality than are the smaller, more rapidly reproducing organisms further down in the food pyramid. The latter can quickly develop populations that are resistant to CHs, whereas the predators cannot afford the mortality that is always the price of resistance.

The effects of CHs on predators is apparent in a number of instances (Moore, 1967). The large predatory fish are diminished by decreases in reproductive success, and declines in populations of carnivorous birds for the same reason are even more obvious. Perturbations among other components of the ecosystem inevitably follow decreases of predators.

Losses of predators and parasites following the use of insecticides is especially marked among insect communities, a phenomenon that has been well documented (Ripper, 1956). Phytophagous (plant-eating) insects are well equipped for chemical warfare, but entomophagous (insect-eating) insects are not so endowed (Krieger *et al.*, 1971). Losses of predatory and parasitic insects frequently cause enormous outbreaks of phytophagous insects, an effect that may be highly detrimental to agriculture (Huffaker, 1971). The strategy of attempting to control insects by inflicting mortality with broad-spectrum, persistent poisons would appear to be counterproductive over the long term because it is ultimately beneficial to populations of phytophagous insects and other herbivores, and deleterious to many higher, non-target organisms—thus degrading the structure, diversity, and stability, of ecosystems.

HUMAN HEALTH IMPLICATIONS OF CHLORINATED HYDROCARBON INSECTICIDES

Apparently all human beings carry residues of DDT in their tissues, and most of them contain Dieldrin and other CH residues as well (U.S. Department of Health, Education & Welfare, 1969). What is the significance of these residues to human health? After several decades of using these materials there is still no adequate answer to this question.

Humans are very poor experimental animals. They tend not to volunteer for experiments that terminate with their sacrifice and dissection; yet such experiments must be done to evaluate the biological effects of a chemical or drug. Laboratory animals therefore "volunteer" their services in these experiments, and most of our knowledge of these subjects depends on their dedication and self-sacrifice. Mice and rats are not men, but their similarities to Man are greater than their dissimilarities. In actual practice, the correlation between findings in laboratory animals and those in Man is quite high. Results in animals therefore indicate the *probability* that Man would react similarly. Often we have no choice but to accept results on experimental animals, and prudence dictates that we base our actions on these experiments where experimentation with human subjects is inadequate or lacking. Studies on laboratory animals suggest at least four areas in which human populations may be affected by current levels of exposure to CHs, especially to DDT residues.

Behavioural effects

CHs are nerve toxins (O'Brien, 1967). At concentrations well below those producing obvious toxic symptoms, a variety of behavioural changes are known to occur in experimental animals (Desi, *et al.*, 1966; Anderson & Peterson, 1969; C. F. Wurster, 1969*a*). At the concentrations of CHs which are present in the tissues of the general human population, such effects would be extremely difficult to detect, especially in the absence of controls, in the presence of a host of other variables, and with inadequate testing procedures. We do not know whether or not a threshold exists—a concentration of CH above which effects occur but below which they do not. Nevertheless, until better evidence is available, we should assume that behavioural changes in laboratory animals are indicative of comparable effects within the human population. Such changes could be of great importance to human society, but they have not been studied. The absence of knowledge, however, is not evidence of safety.

Hepatic enzyme induction

Most CHs are enzyme inducers, i.e. they induce a substantial increase in the synthesis of relatively non-specific hepatic enzymes that hydroxylate steroid hormones and various other substrates (Conney, 1967; Kupfer, 1967; U.S. Department of Health, Education & Welfare, 1969; Peakall, 1970*b*). The effect has been noted in experimental animals at dietary levels of a few parts per million—concentrations that are legally permissible in some human foods in the United States. Enzymes induced by DDT have reduced the concentration of endogenous oestrogen in the blood of birds—an effect that causes a variety of behavioural and reproductive changes (Peakall, 1970*a*, 1970*b*). Induction of these enzymes has been shown to occur in men who had been occupationally exposed to DDT and Endrin (Jager, 1970; Poland *et al.*, 1970). In Man it is possible that these enzymes can reduce the level of circulating steroid hormones sufficiently to affect behaviour and other parameters that are influenced by these steroids, and to affect various drug interactions—including the function of oral contraceptives containing steroids—and other biochemical processes. Furthermore, it is not known whether there is a threshold concentration for CHs below which these effects would not occur. But, once again, the absence of knowledge is no indication of safety, and animal experimentation suggests that hepatic enzyme induction by CHs, especially by DDT residues, may be a human health hazard.

Cancer

The evaluation of chemicals, drugs, and pesticides, for carcinogenic activity in humans, presents numerous inherent difficulties. These include (1) the inability to use human subjects, necessitating the employment of laboratory animals as substitutes, (2) the presence of cancer from numerous other, usually unidentified, causes within the human population, and (3) the difficulty of testing at environmental exposure-levels and attaining statistical significance when those levels might produce only a single tumour in thousands of individuals. Detection of carcinogenesis at environmental concentrations would require enormous and unmanageable numbers of animals to demonstrate a statistically significant increase in the frequency of tumour induction (Epstein, 1970). Nevertheless, induction of cancer in the general population at a rate of 1 in 10,000 individuals would involve about 20,000 persons in the United States alone—a number that would clearly be of major public-health significance.

Some technique must be employed to increase the sensitivity of the testing procedure so that smaller, more practical numbers of test animals can be used. One way of doing so is to increase dosage levels, thereby also increasing the incidence or frequency of tumour formation. There is no evidence that an increase in dosage converts non-carcinogenic materials into carcinogens. Carcinogenesis is a specific, relatively rare biological event and the ability to induce it is possessed by few chemicals. The standard procedure for evaluating carcinogenesis involves high dosage-levels with both positive and negative controls in laboratory animals, usually rodents (Epstein, 1970). This procedure shows a remarkable degree of concurrence. . . between chemical carcinogenesis in animals and that in Man where it has been studied closely (U.S. Department of Health, Education & Welfare, 1969). In the absence of better techniques, prudent public policy should be based on results obtained in this way.

Four different laboratory experiments on mice, rats, and trout, have shown an elevated rate of carcinogenesis by DDT, while Aldrin, Dieldrin, Mirex, Strobane, and Heptachlor, proved carcinogenic to mice (U.S. Department of Health, Education & Welfare, 1969). Carcinogenicity thus appears to be rather common among CH insecticides. Cancer induction in these animals indicates a high probability, but not a certainty, that these chemicals are also carcinogenic to humans. Evidence is lacking that there is a threshold or safe tolerance-level for carcinogens, above which they cause cancer and below which they do not. The frequency or incidence of cancer induction by such chemicals may fall to zero only at a zero concentration of the chemical concerned. In the United States the Food, Drug and Cosmetic Act prohibits the presence of carcinogenic additives in human foods, but the federal government has not enforced this law adequately.

A further suggestion that DDT and Dieldrin are human carcinogens is found in two studies showing that victims of terminal cancer contain substantially elevated concentrations of DDT and Dieldrin residues in their adipose tissues, as compared with the general population (Casarett *et al.*, 1968; Radomski *et al.*, 1968). These elevated CH levels did not correlate with, and are therefore not explainable by, the loss of weight in these people prior to death. The presence of these elevated CH residues does not prove that they caused the cancers, but the findings are certainly consistent with the hypothesis that they did, and also with the results obtained with test animals.

One must conclude, based on the standard procedures for evaluating carcinogenesis, that these CHs represent a significant cancer hazard in the human environment.

Mutagenesis

Genetic toxicity of a chemical can manifest itself as carcinogenesis, mutagenesis, or teratogenesis, depending on the location and maturity of the damaged cell, and often two or three of these phenomena may be caused by the same chemical (Legator, 1970). In addition to being a carcinogen, DDT has been shown to be a mutagen as well, as indicated by recent studies by the U.S. Food and Drug Administration using the dominant lethal test in rats (M.S. Legator, in preparation). The argument regarding mutagenesis is similar to that for carcinogenesis: mutagenesis in rats indicates a high probability, though not a certainty, that DDT is a human mutagen. The present level of contamination of human tissues with DDT could mean that future generations of human beings will be burdened by an increased incidence of genetic defects.

The ubiquity of CH residues in the human environment, together with the above-cited evidence of genetic toxicity at least of the most prevalent of these chemicals, rather strongly suggests that Man has, during the past quarter-century, increased the burden of genetically toxic agents throughout the entire human population of the Earth. But although thousands or millions of people may be affected, a cause-effect relationship may remain unproven for many years, if, in fact, it can ever be proven. The logistic difficulties of such experimentation with humans may be insurmountable.

Several studies of the physiological effects of DDT, Aldrin, Dieldrin, and Endrin, have involved human subjects (Jager, 1970; Hayes *et al.*, 1971). These studies are deficient in experimental design, failed to study the most relevant parameters, and were more concerned with levels of CH storage than with physiological or biochemical effects. They establish only that under current environmental conditions, excluding accidents and suicides, members of the general population are not dying of acute CH insecticide poisoning, nor are they suffering overt, toxic symptoms. Long-term, chronic effects were inadequately studied.

To be more specific, the investigations by Hayes *et al.* (1971) and those conducted in the Shell laboratories (Jager, 1970) had only men in their samples; women, children, and infants, were not studied. The small numbers of men involved were completely inadequate to evaluate biological events (such as carcinogenesis or mutagenesis) that may occur once in many thousands of individuals. Periods of exposure were too short to detect biological effects involving induction periods that may be many years or decades. Emphasis was given to reviewing the men's attendance records at work, and many of the other simple blood and other routine tests performed were largely irrelevant. When 2 of 22 men who were being fed high dosages of DDT became severely ill after months of this diet, they were dropped from the experiment and excluded from the data with the conclusion that "at no time was there any objective finding to indicate a relationship between illness and DDT storage" (Hayes *et al.*, 1971).

It is unlikely that these tests on men could have detected behavioural changes, hepatic enzyme induction, carcinogenesis, mutagenesis, or other effects that might be anticipated in Man because they occurred in experiments with laboratory animals. The authors concluded, nevertheless, that exposure to these CH insecticides involved no ill-effects on human health—a conclusion that has been widely quoted by the pesticide industry. It seems remarkable that, although hundreds of millions of people have been exposed to these substances for more than two decades, their effects have been so inadequately tested by such primitive studies on such a small number of men!

INSECT CONTROL WITH CHLORINATED HYDROCARBONS

The introduction of the CH insecticides during and shortly after World War II was accompanied by the optimistic belief by some people that these "miracle" substances would eliminate our insect pest problems. These dreams proved naive. Although the control of insect populations is a fundamentally ecological problem, these materials were developed and introduced by chemists and medical authorities with almost no ecological sophistication (Smith & Bosch, 1967). The CH insecticides are ecologically crude, powerful, and highly disruptive poisons within insect communities, so it is hardly surprising that problems soon appeared among populations of such rapidly reproducing and adaptive organisms.

The following are among the more serious problems that have occurred following the use of these materials in an attempt to control insect populations.

1. *Resistance.* When a high rate of mortality is inflicted by a poison on an insect population, a few insects survive because they have certain traits (detoxifying enzymes, behavioural mechanisms, less permeable cuticles than the others, etc.) that protect them from the poison (Brown, 1961). These survivors repopulate the region, and so the protective traits become more prevalent. Repeated insecticide applications further the process, resulting in heavy selection for those traits with survival value. The population soon consists of insects that can no longer be killed by the original insecticide at the original dosage. Insect resistance to CHs is now widespread, rendering these insecticides far less effective than they once were.

2. *Pest Resurgence.* Even in the "monocultures" of modern agriculture, insects live in complex communities containing hundreds of different species (Smith & Bosch, 1967). Most of these species are maintained under biological control, so that only a very few achieve pest status, do economic damage, and require human intervention. The potential pest species are phytophagous (plant-eating) ones, and primary among their control agents are the entomophagous insects—the insect parasites and predators of other insects.

Most CH insecticides destroy phytophagous and entomophagous insects alike because they are broad-spectrum, highly toxic poisons to all arthropods (Ripper, 1956). The entomophagous insects cannot recover, for lack of food or hosts, until after recovery of the phytophagous insects, which may vigorously rebound with an ample food-supply (the crop), less intraspecific competition, and the absence of biotic pressure from their natural enemies. The pest insects may thus resurge to much greater proportions and numbers than were present before the insecticide was applied, thereby making the pest problem worse and creating the apparent need for more insecticide (Ripper, 1956; Smith & Bosch, 1967; Huffaker, 1971).

3. *Creation of New Pests.* A phytophagous insect species that was not previously present at pest densities may be elevated to pest status by the resurgence in numbers that follows destruction of its natural enemies by broad-spectrum toxins such as the CH insecticides (Smith & Bosch, 1967).

In many instances, then, the use of certain insecticides aggravates the insect pest problems that they are intended to solve, or creates new ones. Without realizing what has happened to him, the farmer may find himself with nightmarish insect problems such as he has never known before. Farmers sometimes get "addicted" to this insecticide treadmill, just as a person becomes addicted to drugs. The farmer, the consumer, and the environment, all suffer while the insecticide manufacturer benefits. Since insect control is an ecological problem, it requires the employment of ecological principles and techniques to achieve a long-range, satisfactory solution for the agricultural community and the environment.

THE ALTERNATIVES: MODERN INTEGRATED CONTROL

In contrast with the purely chemical approach to insect pest problems, modern integrated control employs an ecological approach to pest management by combining and integrating biological, chemical, and other effective measures into a single, unified pest-management system. Insecticides are used only when and where necessary, and in a manner that is least disruptive to beneficial regulating agents in the environment (Smith & Bosch, 1967). Crop yields and farmers' profits are thereby generally increased, and environmental damage is minimized or eliminated. Integrated control is not a dream for the distant future, but is already available in many instances and can readily be developed in most other cases (Bosch, 1970; Huffaker, 1971). Most CH insecticides are incompatible with integrated control and, in fact, they destroy its operation.

Modern agriculture must adopt effective, economical, and ecologically sound, integrated insect pest management systems to avoid the numerous shortcomings, hazards, and high costs, of complete reliance on insecticides. An increasingly hungry and polluted world can ill afford to continue on its present course; if it does, the adaptable insects will be the ultimate winners.

CHOICES FOR THE FUTURE

The current excessive dependence on insecticides, especially persistent CHs, seems filled with troubles for Man. CH residues, particularly those of DDT, are diminishing the richness and diversity of the human environment by causing widespread declines in populations of many species of carnivorous birds—in some cases to very low levels or extinction. These residues threaten freshwater and marine fisheries by inhibiting the reproductive success of the larger predatory fish, thereby threatening an important source of proteins. They exhibit genetic toxicity to experimental animals, and are therefore probably adding to the existing burden of cancer and mutations within human populations. And finally, these materials are frequently counterproductive in achieving their intended objective of controlling insect populations.

Man can choose to continue these trends by maintaining current pesticide practices, with further deterioration indicated. Or he can choose to reverse them by adopting ecologically sound insect pest management using modern integrated control systems. These choices may seem simple, but they are less simple than they appear. It will not be easy to reverse the momentum of current policies, to adopt existing knowledge, to seek new knowledge via imaginative and unbiased research, and to reeducate a whole new generation of people who believe that insecticides represent the only approach to insect control. The adoption of new approaches will be resisted by many, and will be actively opposed by powerful economic interests; the faint-hearted will not prevail over these forces. Ecological pest-control without environmentally dangerous materials is essential, however, if we are to preserve the integrity of the biosphere as we know it.

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J. EDGAR HOOVER LAUDED

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HOGAN. Mr. Speaker, in recent months the Federal Bureau of Investigation has been under almost constant attack. The Agency's Director has also been subject to much abuse by his critics.

Because Mr. Hoover's career with the FBI has been one of hard work and devotion to duty, it disturbs me that, instead of bestowing gratitude on him for a life dedicated to public service, some are more inclined to criticize him without justification.

It was refreshing to note that the board of directors of the Chamber of Commerce of the United States chose to honor J. Edgar Hoover and the FBI with a resolution of commendation.

The July 12, 1971, Washington Report carried an article on the presentation and, because of my high regard for Mr. Hoover and the FBI, I ask that the article be inserted in the RECORD at this point.

[From the Washington Report, July 12, 1971]

CHAMBER BOARD COMMENDS FBI, HOOVER FOR "UNIQUELY DEDICATED WORK"

The National Chamber's Board of Directors has by resolution commended the Federal Bureau of Investigation and its director, J. Edgar Hoover.

The action was prompted by growing attacks on the FBI which in some instances are aimed at the very existence of the organization.

In a rare instance during the Chamber's 59-year history, the Board has singled out one federal agency for "outstanding performance in discharging responsibilities as prescribed by law."

In expressing appreciation of the Chamber's "strong support," Mr. Hoover said it is "becoming increasingly obvious that law enforcement throughout our country is under most serious attack by forces bent on its destruction."

Alluding to FBI critics, he asserted it is "impossible to effectively do our job without making some enemies."

The Board also said:

Created in 1924, the FBI has developed a reputation for professionalism, integrity and effectiveness. It has established laboratories, investigative services and aided state and local police efforts, and generally raised the level of training throughout the police profession.

The FBI has made immeasurable contributions to the protection of society from both domestic and foreign enemies.

Over the past years, the FBI has generated the respect of the citizenry and the public should perceive a debt to the "uniquely dedicated and creative work of the FBI."

POLICEMEN AND FIREMEN KILLED IN LINE OF DUTY

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HALPERN. Mr. Speaker, in the past few years there has been a drastic increase in the number of police and fire officers who have given their lives in the line of duty. In 1970 there were 146 deaths of police officers, and 55 deaths of fire officers, and the figures for firefighters are only partial. This tragic increase needs to be dealt with, so that we can improve the quality of life in the towns, cities, and States, throughout our Nation.

As you well know, there are at present many bills before this House, that would help to reverse this trend. These bills in general would make it a Federal crime, to assault or interfere with a police or fire officer while he is carrying out his assigned duty. These bills are important, but we must also concern ourselves with the living, with the families, the wives, and children of these dead heroes.

Without the heads of their family, these widows and orphans face a life of extreme hardships. Pensions, insurance, and other death benefits, cover some of the costs that these families must face, but without their bread-winner, there are many other costs that become difficult to meet.

In order to help these families, I am today introducing a bill, that would allow the sons of police and fire officers who have lost their lives in the line of duty, to enter the service academies of the United States—if otherwise qualified—without the regular congressional appointment.

This bill, in helping the families of police and fire officers, would show the greatful recognition that we in Congress and throughout the entire United States have for these dedicated civil servants.

The bills follow:

H.R. 10103

A bill to amend title 10 of the United States Code to provide for appointments to the service academies of sons of State and local policeman and firemen killed in line of duty

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4342(a) of title 10, United States Code, is amended by adding immediately after paragraph (9) thereof the following new paragraph:

"(10) 80 cadets selected in order of merit as established by competitive examinations from sons of State or local law enforcement officers and firemen who lost their lives in line of duty. The determination of any State or local agency that a law enforcement officer or fireman died in line of duty is binding upon the Secretary of the Army."

SEC. 2. Section 6954(a) of title 10, United States Code, is amended by adding immediately after paragraph (9) thereof the following new paragraph:

"(10) 80 cadets selected in order of merit as established by competitive examinations from sons of State or local law enforcement officers and firemen who lost their lives in line of duty. The determination of any State or local agency that a law enforcement officer or fireman died in line of duty is binding upon the Secretary of the Navy."

SEC. 3. Section 9342(a) of title 10, United States Code, is amended by adding immediately after paragraph (9) thereof the following new paragraph:

"(10) 80 cadets selected in order of merit as established by competitive examinations from sons of State or local law enforcement officers and firemen who lost their lives in line of duty. The determination of any State or local agency that a law enforcement officer or firemen died in line of duty is binding upon the Secretary of the Air Force."

SEC. 4. The amendments made by this Act shall apply with respect to classes initially entering the service academies after 1971.

H.R. 10104

A bill to amend the Merchant Marine Act, 1936, to provide for the appointment to the Merchant Marine Academy of sons of State and local law enforcement officers and firemen killed in line of duty

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 216(a) of the Merchant Marine Act, 1936 (46 U.S.C. 1126(a)) is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this subsection, after 1971 the Secretary of Commerce shall each year appoint to the Academy in order of merit established by competitive examinations 80 qualified candidates from among sons of State and local law enforcement officers and firemen who died in line of duty and the determination by any State or local agency that a law enforcement officer or fireman died in line of duty shall be binding upon the Secretary."

THE BEAUTY OF THE OREGON DUNES

HON. JOHN DELLENBACK

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. DELLENBACK. Mr. Speaker, I take a few brief moments to commend two perceptive and able young people in my congressional district.

I have recently introduced legislation to preserve the beauty of the Oregon Dunes, located on the Oregon coast, as a national recreation area. The subcommittee of the Interior Committee with jurisdiction has held field hearings on this bill and I am hopeful it will pass the House this year. It is important if this gorgeous area is to be saved.

But some of the beauty of the dunes has already been caught and preserved by two Reedsport high school students, Michael Lee and Michael Long. These two young men used the dunes as a science laboratory, studying and photographing botanical specimens. The resulting pictorial history of their study, developed into a book and featured in publications, testifies to the great natural beauty of the plantlife and the shifting moods of the unique dunelands.

I commend the two Michaels for their imaginative and delightful project. It is my hope to have their work available to show the subcommittee when it holds its Washington hearings on my bill after the August recess.

THE VICE PRESIDENT'S DENUNCIATION OF BLACK LEADERSHIP IN AMERICA

HON. WILLIAM F. RYAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1971

Mr. RYAN. Mr. Speaker, I am pleased to join the distinguished gentleman from Michigan (Mr. DIGGS), who is chairman of the congressional black caucus, in this special order.

Vice President AGNEW's gratuitous affront to the black leadership in America reflects a total lack of understanding of the needs and aspirations of the American people.

His remarks, made while en route to join the celebration of over 30 years of dictatorial rule by General Franco, are an affront to all those who have striven to make some reality out of "all men are created equal."

For the past 300 hundred years, there has been a great deal of rhetoric in this country about "equality." Yet, even today millions of Americans are denied a full life, for their skins are not white. Discrimination will not just fade away. It is no good thinking that, if we just keep ambling along at the same old pace, somehow the ills of our society will work themselves out. Ours is a fatal pace. This pace must be changed.

In the past few years, we have witnessed the emergence of black leaders who have sought to change that pace—not only for the sake of black Americans but for the sake of all Americans. Their efforts have been untiring; their dedication inspiring.

Yet the Vice President is unable to perceive the significance and contribution of these leaders. Rather, he degrades them.

More than just affront, the Vice President's words are indicative of the total insensitivity of this administration to the needs of black America and its quest for civil rights.

This insensitivity was evidenced by the nomination to the Supreme Court of two men whose records demonstrated such a gross disregard for the cause of equality that the Senate—which generally exercises great tolerance of Presidential nominees—rejected them.

It was evidenced by the President's disavowal of what he terms "forced integration," a catch phrase which obscures the real issue—the continued bars which are raised to prevent blacks and other minority groups from obtaining housing in the white suburbs which surround our decaying, and increasingly black, urban areas.

It was evidenced by the administration's national campaign in 1970—a campaign based on feeding fear, hate, and prejudice, a campaign deliberately designed to widen the gaps between black and white, rich and poor, young and old.

And it is evidenced by this administration's total failure to use the full power of Government and the moral leadership of the White House to insure the civil rights of all Americans.

A century ago, President Lincoln was not absolutely sure that this Nation would accept in practice the concept of black-white equality. His Act of Emancipation was thus in some degree an act of faith. We are still redeeming Lincoln's act of faith. As a people—North as well as South—we are still learning by experience and suffering to live the truth of racial equality.

This administration has talked a good deal about its record in civil rights. More deeds, not talk, are what are needed. We must gather our strength, and our determination, to act boldly to lift from all of our citizens the hypocritical burdens of intolerance, bigotry, and discrimination.

It is time to unearth the buried truism that in this Nation all citizens have the inalienable right to live side by side with one another—equal in opportunity, equal under the law, equal in respect.

It is time to make a living, breathing force of the word "equality" and insure that its synonymity with the word "America" is not neglected.

"WANDERING WHEELS" COMPLETE 2,500 MILE TRIP

HON. G. ELLIOTT HAGAN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HAGAN. Mr. Speaker, chalk up another wholesome achievement for our ingenious American youth.

An heroic and exciting youth project ended on the sands of Tybee Island, Savannah Beach, Ga., July 20 at noon, when 34 weary but enthusiastic young people completed the last leg of an ocean-to-ocean bicycle trip of 2,500 miles which began in San Diego, Calif., on June 14, 1971.

The "Wandering Wheels"—19 girls and 15 boys were from Taylor University, Upland, Ind. They chose to make their summer worthwhile by keeping busy and serving others through their Christian witnessing along the way. Trail Boss Bobby Canada stated their purpose:

> For sharing and for growing in their relationships with Christ and with each other. A cross-country trip like this is a magnification of everyday life—a magnification physically, spiritually, and emotionally.

He continued:

> Before we started it was a challenge. It has proved to be a real sharp learning experience.

The group's motto was "Teaching Christ Through Bikes." They held worship services along the route and threw their sleeping bags on the floor of a church meeting hall or high school gymnasium. They averaged 13 miles an hour for 7 hours a day.

CAPTIVE NATIONS WEEK

HON. THOMAS E. MORGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1971

Mr. MORGAN. Mr. Speaker, we commemorate once again the week devoted to the Captive Nations.

On the 13th anniversary of legislation proclaiming our national will to remember these countries until they are again free, we have the somber but proud duty to recall and to reaffirm the dedication of the American people to the cause of peoples of east and central Europe who hope and strive for freedom despite years of subjugation.

Just 3 years ago we witnessed the brutal power of Soviet military forces crushing the enlightened and brave movement in Czechoslovakia seeking political and intellectual freedom. That was a setback in the struggle of all the east and central European peoples for independence and human dignity.

Especially tragic, Mr. Speaker, is the continued suppression of religion in the captive nations. We have today ample witness that renewed hostility to religion motivates the Soviet Union's persecution of its Jewish people.

Political freedom, intellectual liberty, and the opportunity to demonstrate faith in God have been denied. But the courage and perseverance of the eastern and central European peoples will continue to prevail. Persecution and terror, in whatever form, will not succeed in stamping out their will and their determination to achieve finally the freedom with which Americans and other peoples of the world are so blessed.

Americans believe in independence and self-determination for all nations of the world and not just for themselves.

In my own State of Pennsylvania, there are many thousands of citizens who through nativity or ancestry share the vibrant cultures and heritage of liberty of the peoples of Europe who must now live under the yoke of communism.

On this anniversary of our original dedication in Congress to the restoration of freedom in the Captive Nations, we pay tribute to the undaunted spirit of their peoples. We also affirm again our support and admiration for their unconquerable quest to win liberty.

I include below, Mr. Speaker, those eloquent words extracted from the legislation which originated this commemoration:

EXCERPTS FROM PUBLIC LAW 86-90 ADOPTED BY THE U.S. CONGRESS IN JULY 1959

Whereas the submerged nations look to the United States, as the citadel of human freedoms for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedom, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitute a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a Proclamation designating the third week of July, 1959, as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similiar proclamation each year until such time as freedom and independence shall have been achieved for all captive nations of the world.

POLYGRAPH TESTS: INVASION OF PRIVACY

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. KOCH. Mr. Speaker, today's New York Times reports another invasion of one's right of privacy through the use of lie detector tests.

The Times story states that "polygraph interviews" have been administered to about 30 employees of a Manhattan department store. Although store officials maintain that this was only "an experimental step" and a "test of the test," and that participants were "volunteers," employees recognized the threat to privacy posed by such action. As one woman aptly put it:

> It's like trying to prove you are innocent.

Two weeks ago, I introduced, with 17 other Congressmen, H.R. 9449, which would prohibit such unwarranted invasions of privacy. The bill was originally introduced in the Senate by Senator SAM ERVIN, and includes in its coverage both

Federal agencies and businesses engaged in interstate commerce. It would prohibit:

A job applicant from being required to take a polygraph test as a condition of employment, and

The denial of employment, the denial of promotion, or the discharge of an individual for his refusal to submit to such a test.

Polygraph tests undermine the individual's right against self-incrimination, as guaranteed by the fifth amendment. Furthermore, courts have refused in most jurisdictions to admit polygraph tests as evidence because of the unreliability. The tests' inaccuracy rate is 25 percent. Ten States now protect job applicants and employees from having to submit to polygraph tests.

I welcome cosponsorship of H.R. 9449.

The article from the New York Times appears below:

BONWIT TELLER TESTS USE OF LIE DETECTORS

(By Laurie Johnston)

"Polygraph interviews," or lie-detector tests, have been administered to about 30 employes of Bonwit Teller, the Fifth Avenue specialty store, as an "experimental step" in the fight against pilferage by store personnel.

The company said yesterday that most of those who took the tests were management-level "volunteers," although the men's department sales staff also participated, and that no further tests were planned "at this time."

But a majority of the sales people and stock clerks who commented on the tests—despite objections from some of their superiors—expressed indignation, ranging from "It's an outrageous invasion of privacy" to "I just might have some skeletons in my closet."

One young woman employe said that "I would refuse to take such a test—it would be like having to prove you were innocent."

A middle-aged salesman of women's shoes asked, "How would you feel if your employer showed that little faith in you?"

Several personnel executives of other department stores said it was the first use of "polygraph interviews," to their knowledge, in stores here.

Mrs. Marjorie Downey, administrative assistant to William Fine, the Bonwit Teller president, said any decision on whether the tests would be used more widely would have to await Mr. Fine's return from Europe. So far, she said, the store is mainly interested in "testing the test, not the employes."

QUERIED ON DRUGS

A polygraph test measures fluctuations in such physical reactions as blood pressure, pulse rate, respiration, perspiration, salivation and skin temperature, on the principle that the emotional stress of lying produces changes in these processes. A Bonwit employe said salespeople in the mens department had been asked "while the diodes were on their hands about their use of drugs.

Losses last year from "inventory shrinkage, or disappearance of stock, at the four Bonwit stores in the New York area have been reported at nearly $2-million, or about 4 per cent of total sales. This included shoplifting as well as pilferage and other internal thefts. About three-fifths was from the Manhattan store, at Fifth Avenue and 56th Street.

A few years ago such losses stood at about 1.5 per cent of total sales.

TEMPTATION AREAS

Mrs. Downey said much of this loss was from spots that were "temptation areas" for employes as well as shoppers—fitting rooms or counters with exposed merchandise—as well as from stock rooms.

John Ruel, director of employe relations at Bloomingdales, said that although "pilferage is an increasing problem, I'm a little surprised at this Bonwit thing—I didn't know it was that critical."

Joseph Douglas, executive personnel interviewer at Macy's, said he considered lie-detector tests "kind of an extreme measure" and a "probably unwarranted" practice.

Their use in connection with employment is now illegal in about 10 states, but a ban on them passed in Albany by the State Legislature was vetoed by Governor Rockefeller. The Retail Clerks International Association has obtained clauses against them in some labor contracts.

Bonwit sales personnel are not represented by a union and have no employes association.

THE WAY TO REALLY END WAR

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. LANDGREBE. Mr. Speaker, I am confident that there is no Member of this or the other body who wishes to see an end of war more than I. All of us long for the day when the sound of shots fired in anger is only a memory.

But I submit, Mr. Speaker, that unilateral disarmament is not the way, nor is what appears to be the present trend of simply allowing our own strategic armaments to deteriorate. This is a risk we cannot afford to take as long as world communism continues its policy of expansionism through the export of revolution, subversion, and outright aggression.

Peace without freedom is a hollow mockery. The peoples of Czechoslovakia or Hungary or Poland can tell you all about the kind of "peace" they have. I am sure that they would prefer war if it meant the end of the tyranny that now enslaves them.

I agree with those who say we should reorder our priorities. First priority must be given to ending the Communist threat to liberty. Then we can bring a true and lasting peace to the world.

Mr. Speaker, the eminent Washington corresponding emeritus of the Chicago Tribune, Walter Trohan, wrote a most excellent and perceptive column yesterday on this very subject. I ask unanimous consent to insert that column at this point in the RECORD.

The column follows:

10 STRATEGY STEPS TO DEAL WITH WAR

(By Walter Trohan)

SAN FRANCISCO—Disarmament is a consummation devoutly to be wished, but it cannot be merely wished into being. This point is made by Gen. Thomas A. Lane in his book, "America on Trial."

The volume is the finest defense this commentator has seen of the military establishment and places the blame for wars, including the one in Viet Nam, squarely where it belongs: on the shoulders of the politicians. Lane served on the staff of Gen. Douglas MacArthur in the Pacific during World War II.

Lane makes one proud of the older generation of military men, whose first aim was to end the slaughter of men under their command. He has no praise for the new school of military men, who bootlick politicians for advancement and pay.

"The military services have in recent decades undergone a drastic transformation," Lane concludes. "Standards of professional conduct, which before World War II were firmly established, have since that war been abandoned. Instead of conceiving a responsibility for the military security of the nation, for the lives of men committed to battle, military leaders now conceive only an obligation to obey the ruling political administration. They have shed all traces of moral responsibility by blaming political leaders for the course of policy."

Lane blames politicians for the endless wars of the 20th century, for vacillation in Korea, and for the fiasco in Viet Nam. The general offers 10 stages of strategy. These are:

1. To recognize the war we are in and tell the truth about the known purposes, actions and intentions of the Communist enemy.

2. When we have identified the enemy we can prepare to handle him; he is not a people or a country but a clique of ruthless dictators.

3. Form an alliance with the Russian and Chinese peoples against their dictators.

4. Show them our commitment to freedom is honest and productive, and extend the hand of friendship.

5. Encourage them to recover their freedom.

6. Honor and comfort their exiles and supply assistance to the freedom underground.

7. Attack tyrants in the United Nations and condemn their rule.

8. With such encouragement the people will throw off the yoke of tyranny. Not even a Communist dictator can hold power for long against the people.

9. Only the hopelessness of freedom's cause behind the Iron Curtain demeaned the human spirit so as to make resistance to tyranny unthinkable. We must fight for the right.

10. The task of defeating the Communist dictators thru internal revolution, of restoring freedom in all lands, of banishing war and beating weapons into plowshares is neither big nor difficult if we change our own thinking.

In a foreword to Lane's book, Gen. Albert C. Wedemeyer, United States wartime supreme commander in China, says that it is generally accepted that a nation should never resort to military force unless all other available measures have failed.

But when President Kennedy resorted to force in Viet Nam "there should have been no vacillation—no halfway measures in the commitment to achieve victory" so that we would not be in the impasse in which the nation finds itself today and from which President Nixon is trying to extricate our forces.

GEORGE WILEY REPLIES TO ROY WILKENS ON THE FAMILY ASSISTANCE PLAN

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. CLAY. Mr. Speaker, there has been much dialog both pro and con surrounding passage of the welfare reform bill—commonly called the family assistance plan. When this legislation came before the House for consideration, the congressional black caucus issued a statement discussing the detrimental effects inherent in the measure and the result it would have on the poor and blacks in our country.

Roy Wilkens, executive director of the NAACP, took exception with the position set forth by the black caucus. In an open letter to Wilkens, George Wiley, executive director of the National Welfare Rights Organization, has vividly documented the repressive nature of the welfare bill. Wiley endorses the black caucus' position and supports our effort in having attempted to block passage of this harmful legislation on the House floor. In his letter to Wilkens, he states:

> The Congressional Black Caucus was responding to the voices of organized poor people across the nation who have condemned this legislation and were seeking its drastic modification or defeat.

Much of Wiley's letter contains an in-depth discussion of the negative features of the family assistance plan. Wiley concludes with a call for unity in an effort to work together for a real welfare reform measure.

I commend to my colleagues' attention Wiley's letter to Wilkens. The letter follows:

An Open Letter to Roy Wilkins,
July 23, 1971

Mr. Roy Wilkins
Executive Director, NAACP,
New York, N.Y.

Dear Mr. Wilkins: I was deeply disappointed to read in your column of July 6th of your support for President Nixon's so-called Family Assistance Plan, and your attack on the Congressional Black Caucus for their determined effort to block this repressive legislation on the floor of the House of Representatives. The Congressional Black Caucus was responding to the voices of organized poor people across the nation who have condemned this legislation and were seeking its drastic modification or defeat.

The issue was not so much that the $2400 floor was inadequate, but that it actually undermined the present benefit levels of 70 to 90 percent of the welfare families who live in 46 states where combined benefits for welfare and food stamps were already above that level. 70 to 90% of welfare families could very likely suffer drastic cuts in their already meager subsistence allowances. It is a measure of the unity of organized poor people that recipients from the southern states that might have benefitted from this plan joined with their brothers and sisters in the rest of the country for its defeat.

In addition to the question of undermining benefit levels, the Nixon plan would have severely restricted the rights of recipients. Rights that poor people have fought for over the past five years. Rights that have permitted millions of Black people as well as whites and other minorities some measure of dignity that they had not previously been accorded. These restrictions of rights included an unconstitutional residency requirement, a partial bringing back of the onerous Man-in-the-House rule and greater difficulty in appealing if one is unfairly treated by the welfare administration. The Nixon plan also included enforced work provision which required able bodied recipients including mothers, to accept work, any work, at $1.20 an hour, just $48.00 a week, with no protection as to suitability, job safety standards or the like. There has not been such an onerous forced work requirement in the welfare system since slavery was abolished in 1863. In addition, current need would no longer be the basis for receiving benefits; therefore a person who lost his job could go as long as six to nine months before becoming eligible for Family Assistance.

It is for these reasons that the Congressional Black Caucus took the only course open to it—to oppose passage of the Family Assistance Plan since it was brought to the floor under a closed rule which prohibited amendments to directly correct the substantial defects. The strategy was to force Mills and the administration to withdraw the legislation and take it back to the drawing boards in order to secure Black Caucus and liberal support. This strategy was successful in forcing Mills to call a special committee meeting the day of the final vote which resulted in the addition of an amendment which would require states to maintain their present benefit levels unless there is a specific meeting of the State Legislature to make cuts. In the earlier version, benefits would automatically have been cut to $2400 in every state unless specific actions were taken to *maintain* them at the present level. The caucus might have won even greater concessions from Mills and the Administration had more liberals supported their position. As it was, 31 liberal Congressmen voted to defeat the Family Assistance Plan. The Black Caucus and their liberal allies served notice on the Administration, the liberals in the Senate, and the country that there is something wrong with the Nixon welfare proposal.

As one who has long respected your record in the civil rights field, I hope that voice might be added to those who cry out against the repressive bill and urge real reform since the issue affects so many of our people. For fully one quarter of our population must bear the indignity of our present welfare system. More than two-thirds of our population do not have adequate income to meet the basic necessities of life. It was to these needs that the Congressional Black Caucus spoke when they introduced the Adequate Income Act of 1971 that would insure a family of four a $6500 basic level of subsistence. As "unrealistic" as you say this proposal is, the most reliable surveys available, those of living costs made by the Bureau of Labor Statistics reveal that this amount of money is the minimum necessary to sustain life in dignity and decency in the United States today. I am sure there are those who thought it was unrealistic when the NAACP started its campaign to strike down the doctrine of "separate but equal." Realism is to set your sights on what is needed and set a course to achieve that objective. What is needed today as never before is unity in the Black community. Unity around the goals of full citizenship which you and the NAACP have so ably championed for so many years. I hope we can all work together for a real welfare reform.

Sincerely yours,
George A. Wiley,
Executive Director, NWRO.

TRIBUTE TO REV. MACK ANTHONY

HON. G. ELLIOTT HAGAN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HAGAN. Mr. Speaker, on July 18, 1971, a family and church-related saga of 140 years ended when Rev. Mack Anthony, native of Savannah and a retired United Methodist minister died at Valdosta, Ga. Reverend Anthony, his father, Rev. Bascom Anthony; and his grandfather, Rev. J. D. Anthony, served their church with distinction for an unbroken period of 140 years in the South Georgia Conference of the United Methodist Church. All three held high offices in the church in addition to their pastoral duties.

Reverend Anthony, age 70, was retired in 1963, having served as superintendent of the Macon Methodist Church for 6 years, and 4 years as pastor of the First United Methodist Church, Valdosta, Ga. Earlier pastorates were in Colquitt, Brooklet, Blackshear, Thomasville, Americus, Columbus, and Macon. He is survived by his widow and three sons.

A family history of such devotion to the church and society is rare and worthy of permanent record.

CAPTIVE NATIONS WEEK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1971

Mr. MURPHY of New York. Mr. Speaker, the Captive Nations Week was established in July of 1959 by the enactment of a joint congressional resolution which was followed by a presidential proclamation. In the resolution and in the proclamation both Congress and the President were implementing the wholehearted wishes of the people of this Republic. For many years—for nearly two decades—a large number of nations in Europe had been trapped behind the Iron Curtain, had been robbed of their freedom, and were being enslaved under Communist totalitarianism. These nations constituted the Captive Nations.

These nations, having almost a third of Europe's population—some 100 million in all—and occupying areas in Central and Eastern Europe, extending from the Baltic to the Black Sea regions, had been living freely, under their independent status, before the last war. Most of them had regained their freedom and sovereign statehood after World War I, and all of them had become valued members of the world community of free nations. For a while, especially during the late 1930's many of them were living in fear of losing their freedom, and at times in terror, but perhaps none of them envisaged the sad fate that was to be theirs at the end of the last war.

Soon after the outbreak of that war the freedom of these nations was in jeopardy. One of them—Czechoslovakia—was already dismembered and had lost its independent existence before that war. In the course of that world catastrophe all these nations—Estonians, Latvians, and Lithuanians, Poles, Hungarians, Bulgarians and Rumanians—were engulfed in the war. All of them, and numerous other nations, suffered immeasurably during the war under totalitarian tyrannies, both Communist and Nazi variety. But all of them went through the ordeal and hoped for their eventual freedom. At the end of the war, however, the onrushing Communist tide swept over their homelands and literally swallowed all these helpless peoples. This startling and shocking event took western democracies by surprise; and their leaders were rudely shocked when the grasping hand of communism, supported by the overwhelming might of the Red Army, was out to cripple and choke off all vestiges of freedom and independence in all these countries, including East Germany, Poland, Albany, and Yugoslavia.

Since those tragic days more than a quarter of a century has gone by, and all these peoples—except those of Yugoslavia, who discarded the Soviet overlordship in 1948, but still live under their own brand of communism—remain enslaved under Communist tyranny. All their efforts to free themselves have been of no avail, and any move on their part to rise against Soviet-imposed tyranny has ended in veritable blood-baths, as in Hungary in 1956. The efforts of the free world leaders to bring about some betterment of the lot of these peoples have been fruitless, because Soviet authorities do not admit the validity of any negotiation on this matter. But the government of this Republic is still doing its utmost to secure the freedom of these people on a daily basis. It shows its strong intent on keeping the issue alive by observing annually the Captive Nations Week.

AMERICA'S DETERIORATING DEFENSE POSTURE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. CRANE. Mr. Speaker, the facts concerning America's decline in strategic arms strength and military preparedness is shocking. Many Americans still hold the view that we possess military superiority, that we are able to defend ourselves and our allies from attack and coercion. The facts which are now unfolding, however, show that this superiority has been lost. It has been lost over a period of time because we have been unwilling to make the necessary sacrifices and implement the necessary programs. It has been lost because no one has told the American people the truth about our defense posture. Now, finally, the truth is becoming known.

In an important article in the Spring, 1971 issue of Modern Age, Anthony Harrigan, an expert on military matters, points out that—

> Today—less than a decade after the Cuban missile crisis—the United States no longer is the first military power in the world . . . in terms of overall military capability the Soviet Union is ahead of the United States. Where the Soviets are now on a basis of parity with the U.S., they are moving ahead rapidly.

Mr. Harrigan notes that at the present rate of Soviet missile deployment, the U.S.S.R. should have 2,500 ICBM launchers by 1975. He states that—

> Unless dramatic action is taken this year, the United States will still have only 1,054 missile launchers four years from now.

In addition, while the Soviets are expanding their missile submarine force at a rapid rate, no U.S. missile-firing submarines have been built in more than 2 years. None are definitely announced for the future.

Despite these facts, and others which Mr. Harrigan sets forth in this article, many in our own Government speak of SALT talk agreements as if we were superior to the Soviet Union, or at least on a parity with them. In his 1968 campaign Richard Nixon declared that:

> Within a year the Soviet Union will catch the United States and, if we don't get a change in leadership and policy in Washington, will pass us in deliverable nuclear capacity.

Well, we did get a change and it appears that the Soviet Union has passed us.

Mr. Nixon also stated at that time that:

> I do not believe that the United States can afford to accept the concept of parity . . . the Soviet Union's goal in the world . . . is still in an expansionist stage. Our goal in the world is defensive . . . . And at any kind of negotiation when one side wants to expand and the other side to defend, make sure that the side which is in the defensive position has more strength than the other side.

All those who somehow believe that the current SALT negotiations will produce a world situation in which the chances for peace and security will be improved, should consider the startling facts and figures in Mr. Harrigan's article.

I wish to insert this article into the RECORD at this time:

AMERICA'S DETERIORATING DEFENSE POSTURE

(By Anthony Harrigan)

The Armed Forces of the United States have been the shield of the Republic in the strife-torn years since the end of World War II. Nuclear armaments in the U.S. arsenal have deterred the Soviet Union from starting a third world war—a massive strike against the Western nations. The conventional armed forces of the United States have been busily employed in the quarter-century past in fighting limited wars against communist aggression and in checking Soviet and Red Chinese advances in many parts of the world. In the Cuban missile crisis of 1962 America's nuclear superiority and supremacy on the high seas prevented the Soviets from establishing domination over the free world.

Today, however—less than a decade after the Cuban missile crisis—the United States no longer is the first military power in the world. In a few areas such as the design of multiple warhead (MIRV) missiles the U.S. is technologically more advanced than the Soviet Union. But in terms of overall military capability the Soviet Union is ahead of the United States. Where the Soviets are now on a basis of parity with the U.S., they are moving ahead rapidly.

The American people have heard the facts from Secretary of Defense Melvin Laird and from the Joint Chiefs of Staff. But the full significance of the erosion of American military strength seems to have escaped the public. In Congress the weight of opinion is on the side of reducing U.S. military expenditures. Those national legislators who press for dramatic action to restore America's strategic superiority are in a minority. The facts they recite fail to impress many key legislators and large and influential segments of public opinion.

Yet facts are facts. The most ominous of these relate to the comparative strength of U.S. and Soviet nuclear forces. In 1965 the Soviet Union's strategic missile force consisted of approximately 220 missile launchers. The missiles were comparable to the first generation of American ICBM's. At that time the U.S. missile force consisted of 880 ICBM's. We not only had the advanced land-based Minuteman missile but we had absolute supremacy in sea-based Polaris missiles.

Today the Soviets possess—in addition to their original 220 ICBM's—more than 800 missiles with the capabilities of the American Minuteman, plus 200 giant SS-9 missiles with a capability far exceeding anything in the U.S. arsenal. In terms of land-based missiles the Soviets have a 20 percent numerical advantage. Their megatonnage lead is on the order of 200 percent.

That is only part of the story; the United States has stabilized its missile force, whereas the Soviets are pushing ahead with construction of new land-based and sea-based missiles. At the present rate of Soviet missile deployment, the USSR should have 2,500 ICBM launchers by 1975. Unless dramatic action is taken this year, the United States will still have only 1,054 missile launchers four years from now. This dangerous imbalance is the result of the doctrine of nuclear "parity" developed by former Secretary of Defense Robert S. McNamara and continued under the Nixon administration under the guise of nuclear "sufficiency." Other nations, with no need to resort to euphemisms, will see this nuclear situation in terms of alarming U.S. weakness.

If the nuclear balance situation is gloomy now, it will be even less cheering in the future. Consider the situation with respect to missile-firing submarines. No U.S. missile-firing submarines have been built in more than two years. None are definitely announced for the future. The only significant change in the U.S. missile submarine force is in installation of advanced missiles in submarines conceived in the 1950's. There is talk and study of an ULM (underwater long-range missile) submarine class, but no firm plans for construction.

The Soviets, meanwhile, are expanding their missile submarine force at a rapid rate. Adm. Elmo R. Zumwalt Jr., USN, Chief of Naval Operations, told the Society of Naval Architects and Marine Engineers last fall that the Soviet strategic naval forces take the form of the modern "Yankee" class nuclear powered ballistic missile submarines similar to our Polaris boats. They currently have 13 of these submarines in operation and another 15 under construction, a clear indication of their desire to back up their land-based missile systems with a powerful strategic naval force.

Gen. John C. Meyer, Vice Chief of Staff of the Air Force and an expert in missiles, has cited the long-range effects of this submarine construction program, saying that if they continue at their present rate, the Soviets will match the U.S. sea-launched ballistic missile inventory by 1974 or 1975. The Soviets also are testing a new, longer range submarine-launched ballistic missile.

The situation with respect to manned bombers—another factor in strategic deterrence—is equally discouraging. In 1965, the United States had two and one-half times as many bombers as the Soviet Union, consisting of B-52's and B-58's. Today, the American bomber force has been reduced from about 750 to 450. All of the very fast B-58's have been retired from service. The proposed B-1 bomber, designed as a replacement, is receiving only token development funding. It is doubtful whether this weapons system will materialize. The FB-111 fighter-bomber, built on orders of former Secretary of Defense Robert McNamara over service objections, has been a disaster. These bombers have been grounded because of severe technical difficulties. They cannot be considered part of the U.S. strategic deterrent. Meanwhile, the Soviets are developing a new variable sweep-wing bomber. Their older bombers are being used in increasingly bold fashion in penetrating Atlantic and Pacific air defense zones.

Another element in strategic deterrence is aircraft and missile defense. A limited antiballistic missile defense was authorized by the Congress—after the most difficult of struggles, but the Soviets are well along on building a strong ABM defense system. While SALT talks were in progress last year, the Soviets started construction of giant ABM radar units. Dr. M. B. Schneider, writing in *Ordnance*, has reported that "about a half dozen are operational or nearly so." Dr. John S. Foster Jr., director of Defense Research and Engineering in the Department of Defense, has warned that these radars "can in the near future provide the same radar coverage which we will have some eight years from now if all the Safeguard ABM program is completed." Dr. Foster noted that the "vast network of Soviet radars and defense sites, whether antiaircraft or antimissile, has already complicated the problem of arms control of ABM to the point where it may not be practical." It is estimated that the Soviets have more than 1,000 surface to air missile sites. The United States has one-tenth this number of SAM's and no ABM radars operational today. Moreover, U.S. surface to air missiles are Bomarc and Army missiles developed in the 1950's. The Soviets have had wide experience with operational SAM's in both North Vietnam and in the Suez area.

The tactical fighter forces still have an important role in air defense against bombers armed with nuclear weapons. Here again, the United States is at a marked disadvantage. The Soviets have 3,600 jet aircraft. The United States tactical fighter strength is about 1,600 aircraft. Moreover, the Soviets have a qualitative edge. In the last decade, they introduced nine new fighter aircraft. In the same period, the U.S. failed to develop a single new aircraft for the air-to-air combat role. The new military realities are evident in Europe where the Soviet Air Force is now using the new supersonic strike version of the MIG-23 fighter in large numbers. This fighter, labeled "Foxbat" by the NATO command, is faster than comparable aircraft used by American forces. Its reported speed is Mach 3—three times the speed of sound—compared with a speed of Mach. 2.2 for the F-4 fighter.

All of these situations with respect to diminishing inventories of American weapons reflect an alarming decline in research and development—the elimination or cutback of defense programs leading to advanced weapons systems. Existing U.S. armaments date back to programs launched 10, 15, or even 20 years ago. In many cases, there is nothing in the mill to replace them. The studies undertaken during the McNamara years proved sterile. New weapons simply were not authorized. For example, the Soviet Union's new blue-water fleet is superbly equipped with surface-to-surface rockets. The United States has yet to develop such a naval missile, though the uniformed professionals have cited the need for years.

The deterioration of America's combat strength is especially apparent in the U.S. Navy. Failure to start a major naval construction program in the 1960's lead to today's sharp curtailment of U.S. naval strength.

During the sixties, the United States depended on warships built to fight the Japanese and the Germans in the 1940's. They were patched and repaired, but replacements were not authorized. These ships have reached the end of their useful lives and are being decommissioned in large numbers. Severe budget cuts in the last two years have forced decommissioning of other ships which still have combat capability. Adm. Zumwalt is on record as noting that "the budget cuts that have been taken in the last two years have been in the field of sea control forces. As a result we have, during the last two years, come down on the order of 35 percent of these forces. We can go no further without great risk."

Robert D. Heinl Jr., a leading authority on naval affairs, has said that the U.S. Navy in 1971 is likely to reach the point at which it was 1936 in numbers of ships in commission.

America's overseas presence in crisis situations is almost exclusively a naval presence. In the most recent Mid-East crisis, the practical symbol of U.S. intervention capability was the augmented carrier task force hurriedly assembled in the Mediterranean. But moves to strengthen the Navy's carrier forces are repeatedly frustrated. Work on another nuclear-powered aircraft carrier has been held up pending results of another study of carrier effectiveness. Such studies have contributed heavily to the current decline of U.S. military strength. They are "holder-uppers" in the language of the Pentagon. Indeed, prior to the last Mid-East crisis, there was widespread talk that the current level of 15 operational carriers could and should be reduced.

Control of the seas depends on a complex of naval weapons systems: carriers, submarines, destroyers, intelligence-gathering ships, mine sweepers, and service ships. The United States has need of new ships in all of these categories. The naval shipbuilding program is grossly inadequate to meet accumulated needs of many years. For example, under the fiscal year 1971 defense appropriations bill, only one new nuclear guided missile frigate was approved, only one fast combat support ship, only two general assault ships, and so forth. Great need exists for an entirely new class of fast, surface-to-surface missile armed, small destroyers. Nothing was done to provide such vessels. No funds were allocated even for research and development of the concept. Yet with the end of the draft in sight, the Navy's manpower situation will become critical in the mid-1970's and small, heavily armed ships will be more important than at any time in recent decades.

Throughout the 1960's, U.S. naval forces went unchallenged, except for a brief torpedo boat incursion in the Tonkin Gulf. In the 1970's, there may be many direct and indirect challenges. The Soviets have powerful naval forces in the Mediterranean. They have used them in daring and dangerous ways, including collision-course tactics with U.S. warships. Soviet naval vessels frequently operate in the Caribbean and apparently will have access to a base in the south Cuban port of Cienfuegos, regardless of rumblings from Washington. With the installation of a Marxist regime in Chile, it seems inevitable that the Soviet Navy shortly will have access to the port of Valparaiso. Thus the Soviets will be in position to menace the Panama Canal from both the Pacific and Atlantic.

To see Soviet naval growth and operations in perspective it is necessary to survey the decade past. In 1960 the Soviets were engaged in major naval construction. High seas operations were rare. The first Soviet exercises in the Norwegian Sea were held in 1961. The next year saw new operations by Soviet maritime aircraft and the Cuban crisis, in which the USSR learned a lesson in the importance of sea power. In 1963 a pattern of biannual naval exercises in the Iceland-Faroes Gap was established. The Soviet Navy introduced missile-carrying warships in 1964 and the Soviet Mediterranean Squadron was established. By 1965 the Soviets were holding numerous large exercises in the North Atlantic. The year 1966 marked the maturing of the Soviet high seas fleet. Adm. V. A. Kasatonov, first Deputy Commander in Chief of the Soviet Navy, said: "The USSR Navy flag can be seen in all parts of the world's oceans." In 1967 the Soviet fleet stepped up all its activities. A Soviet-built Komar rocket boat, operated by Egypt, sunk an Israeli destroyer, impressing on the world the power of new Soviet naval weapons. In 1968 the Soviets deployed their helicopter carriers in the Mediterranean for the first time. The next year saw large-scale relief of the Mediterranean forces by the Soviet Northern Fleet and deployment of a task force to the Caribbean. The fleet was being used to "show the flag" on a worldwide basis. In 1970 the Soviets conducted major naval maneuvers in the Atlantic and Pacific and vastly extended their Indian Ocean operations.

It is against this backdrop of Soviet military and naval activity in many parts of the world that the visible decline of U.S. strength must be viewed. In many areas, such as the Persian Gulf, the U.S. has only token forces. And many of the task units are aging vessels which compare unfavorably with the new, heavily armed Soviet fleet units in the same areas. For example, the Soviets have dispatched rocket-armed destroyers to the Persian Gulf where the commander of the U.S. Middle East Force flies his flag from an antique seaplane tender with no combat capability. The occasional U.S. destroyer in the area usually is an old gun ship built during World War II. In the 1950's American naval forces often could be buttressed by land-based air forces. But the United States has relinquished or been compelled to leave many key air bases throughout the world, such as Wheelus Air Base in Libya. Indeed America's tactical air power is locked out of North and Central Africa and the Middle East.

While the U.S. has retreated from air bases in Libya, Morocco and elsewhere, the Soviets bridging the zone between the Mediterranean and the Indian Ocean and providing a jumping-off point for Central and Southern Africa and Indian Ocean lands.

U.S. Rep. Michael A. Feighan of Ohio has summed up the character and importance of this Soviet Middle East bastion, noting:

In the Middle East the Soviets have established a vast complex of sophisticated weaponry scattered in a 50-mile belt extending from Alexandria, Egypt, southward 180 miles to the Gulf of Suez. Stationed here are the most advanced surface to air missiles manned by Soviet crews, amphibious equipment and 8-inch artillery.

The Soviet objective in this region seems comparable to the Japanese objective, prior to World War II, in creating secret naval and military bases in the South-Central Pacific mandated islands: a launching site for major operations. The Soviets are aiming at a new short route to the Persian Gulf, the Indian Ocean, the strategic islands and rich lands of Southern Africa and the Pacific beyond. In short, they seek total domination of the virtually unprotected Indian Ocean world.

Today the Soviet Indian Ocean fleet consists of approximately 15 warships including missile-armed ships. At times this force has numbered as many as 30 vessels, however. The Soviet ships call at ports around the rim of this 28 million square mile ocean, showing the flag and impressing weak nations with the growing naval power of the Soviet Union. The Soviets enjoy repair and fueling facilities in India, whose navy has been given four Soviet submarines, and the strategic island of Mauritius has become another frequent and important port of call for the Soviet squadron.

Another aspect of the Indian Ocean situation that should be more widely understood in the United States is the movement of Soviet and East Bloc ships through the area. In 1969 more than 3,900 Soviet flag ships rounded the Cape of Good Hope en route to African, Middle Eastern and Asian ports. Soviet merchant vessels have to be regarded as an arm of the Soviet fleet. Many of these ships have a military potential or carry military goods to client states of the USSR.

While the Soviet Union is engaged in the same kind of naval buildup in the Indian Ocean that it carried out in the Mediterranean, the United States has not made any attempt to provide a counter force—except for an occasional fleet visit by ships from the 7th Fleet in the Pacific. More than a decade ago, Adm. Arleigh Burke, then Chief of Naval Operations, cited the strategic importance of the Indian Ocean. Adm. John McCain, Commander in Chief Pacific, also has stressed the U.S. security interest in the Indian Ocean in many speeches and writings. But the failure to modernize the U.S. Navy has resulted in inaction with respect to that vital global region. The wrong-headed approach of many foreign policy planners on African questions has resulted in the exclusion of land-based U.S. airpower from the area. Action in this area is long overdue. The influential Washington *Evening Star* noted last December "the necessity of our maintaining at least modest naval forces in the Indian Ocean on a permanent basis."

If the U.S. government acknowledges this necessity, it also will have to recognize the central importance of naval and air command and control facilities at the Cape of Good Hope. This is the one point from which all Soviet and East Bloc naval and merchant traffic in the Indian Ocean—entering from the Atlantic—can be kept under surveillance. Indeed the dimension of the growing Soviet naval threat suggests Soviet naval activities throughout the southern hemisphere, particularly in the South Atlantic and the Indian Ocean. Computerized ship and aircraft tracking facilities at the Cape of Good Hope are imperative, therefore. More than that, however, U.S. policy planners need a new awareness of the importance of turning the southern tip of the African continent into a counter-force bastion to the vast fortified base area that the Soviet Union is establishing between the Mediterranean and the Horn of Africa. Unless there is a counterforce region to the south, communist power seems destined to flow down the African continent and across the Indian Ocean. Perhaps the most significant item in the entire Soviet Middle East buildup is the fact that Soviet armed forces now are based on the island of Socotra 600 miles east of Aden. It is an ideal command center for Soviet forces aimed at South-Central Africa, Arabia and the Indian Ocean islands to the south and east. Soviet strategists are well aware of the colossal prizes in that global region, chiefly the enormous mineral wealth and industrial power located in Southern Africa. Indeed the African subcontinent—from the Congo to the Cape—is of vastly greater strategic and economic importance to the Western nations than the countries of Southeast Asia which are deficient in resources and industrial facilities.

The focus of military confrontation by the mid-1970's is likely to be the Indian Ocean world. Thus if U.S. interests are to be protected, it is essential that American defense planning be geared to the specific challenges likely to emerge in the Indian Ocean area.

First of all, the U.S. forces need military hardware for strategic deterrence: land and sea-based missiles, associated missile defense systems, and aircraft. Beyond that, however, the United States needs sea control, air control and ground control forces oriented towards the developing danger areas in the mid and late 1970's. Development of these forces has to be related to alliance systems and to the availability of bases. Given the enormous cost of new weapons and military manpower, not to speak of the difficult economic situation in the United States, it would be impractical today to suggest establishment of major U.S. bases in the Indian Ocean, although the proposed joint U.S.-British "austere naval communications facility" on the Diego Garcia atoll, 1,200 miles south of the Indian subcontinent in the British Indian Ocean territory, is a small step in the right direction. A more economical approach to military needs in this area would be a plan of cooperation with the free world powers in the area. The Malagasy Republic, on the island of Madagascar—250 miles east of the African continent, is well-located to provide a base to cover the western Indian Ocean. Under a special agreement, France has the right to maintain air and naval bases in the country. The French, because of their assistance to South Africa in obtaining armaments, also are welcome at the Simonstown naval base near Cape Town—the key base in Southern Africa. South Africa's new French-built submarines will be based at Simonstown. Durban, South Africa's major port, has facilities for major ship repairs and an excellent airfield for large jets. Use of Malagasy, French and South African air and naval facilities by U.S. forces seems the most economical and efficient way to build up an Indian Ocean counter-base to the Soviets in the decade ahead. The British make regular use of South African naval facilities. Since the closing of Suez in 1967, an average of one hundred Royal Navy warships have called at South African ports each year. If the United States adopted a more realistic policy towards defense of Africa, and reached an understanding for use of available defense facilities in the area—at least in emergency situations, the elements of a strong deterrent force in the Indian Ocean would be put together in effective manner.

Even as we prepare for new military challenges in remote global regions where the U.S. has not been involved in the past, our people must bear in mind the importance of the technological challenge posed by the Soviet Union. It is not enough for a nation to have a strong will to win or a grasp of global strategy; a country determined to remain free must appreciate the extent to which an effective defense depends on investment in research and engineering. There is not any technological plateau to which the United States can climb and rest comfortably thereafter. New advances in nucleonics, radar, surveillance systems, metallurgy—all have a direct bearing on America's national security. Nothing is more mistaken than the notion that the U.S. is safe against attack because it has a large stock of nuclear weapons. The element of surprise is still a key element in warfare—as much as it was at Pearl Harbor in 1941. And the enemies of freedom are constantly seeking technological means of gaining the advantage of surprise—the advantage of a first strike that would eliminate the possibility of a retaliatory strike by American forces. To deny the enemy the advantage of surprise means technological effort and vigilance on the part of the United States and this, in turn, means substantial, continuing investment in defense research and development.

To augment America's defenses in any way is extremely difficult these days. As Adm. Zumwalt has noted, "there is a tremendous disenchantment with the military, and a disinclination on the part of many of our countrymen to be concerned." There is no similar disenchantment on the part of the enemies of the United States. On the contrary, the Soviet Union's traditionally aggressive foreign policy is now wedded to the most aggressive military policy in the country's history. The Soviet leadership has set its sights on the acquisition of supremacy in every military field—on land, sea and air. The Kremlin is busily establishing a global military presence to advance both the Soviet political system and to secure national strategic objectives.

In the main the American people—or a very large segment of our population—do not want to hear about the Soviet Union's military buildup, its drive towards supremacy in all areas, any more than the French people in the late 1930's wanted to hear about Germany's rearmament. The American people seem tired of sustaining the defense effort—even though that effort has given them a generation free of direct enemy assault. The American people are preoccupied with social issues and with domestic expectations of one sort or another. They long to see an even more comfortable and strife-free existence at home. They respond to warnings about Soviet military expansionism with the counterstatement that there is not any real threat or that increasing Soviet military capabilities do not reflect dangerous intentions on the part of the USSR. It is very difficult to deal with such denials of reality or to reach those who persist in arguing that national danger is nonexistent. Thus defense budget levels are not in accord with national requirements. The capability of the U.S. armed forces to deal with threats to the nation is being reduced year by year.

The problem of maintaining a moderately strong defense establishment, let alone augmenting its strength to deal with new Soviet threats, may worsen in the year ahead as the Vietnam war winds down. In the past, the end of conflicts in which the U.S. has been engaged has produced hasty dismantling of essential armed forces. This was the case at the end of World Wars I and II. The U.S. Army may face the brunt of the demands for "economy" in defense spending. Certainly, the shape of the Army will have to change after the Vietnam war engagement is ended. But the Army must not be sacrificed. On the contrary, the Army will need to be re-equipped for missions elsewhere on America's strategic frontiers. For instance, U.S. forces in Europe have been allowed to run down, or have been cannibalized in order to support the effort in Southeast Asia. The deficiencies of the Army in Europe and elsewhere must be remedied.

No one can deny that it will be expensive to refashion the Army, to undertake new commitments in the Indian Ocean and elsewhere, and to provide new offensive and defensive nuclear systems. But since when has freedom been obtained at a cutrate price? The British people maintained their freedom in World War II only at a staggering price in national treasure, not to speak of lives. There is no suggestion that the British are sorry they paid the price. Today the captive peoples of Eastern and Central Europe unquestionably would be willing to pay any price to be free of the Soviet yoke. If the American people, possessing the greatest amount of wealth in the world, are unwilling to make the necessary financial sacrifice for their own safety and national survival, the freedom and security they now enjoy will elude them in the future. The American people are truly fortunate in that they can, with good management, afford *both* guns and butter—missiles and desirable public services.

The principal need today—even before military hardware—is to renew the American people's understanding of the vital importance of strong national security forces. These forces are not unreasonable burdens, as some citizens insist, but an opportunity to preserve freedom. Great peoples are willing—eager, in fact—to bear heavy burdens in order to ensure their freedom. In totalitarian countries ruling elites simply commit the nation. The people have no voice on defense issues. The American people, however, must understand the issues. They must acknowledge the need for a strong national defense and give their consent to expenditures for this purpose. It would be tragic beyond words if the American people, in their period of greatest prosperity and comfort, failed to understand the necessity of defense and refused to approve the essentials. Attempting a shortcut around a strong national defense would lead to the humiliation and destruction of the United States.

BIG BUS BILL

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. SCHWENGEL. Mr. Speaker, the July 26 issue of the New York Times carried an editorial concerning the big bus bill, H.R. 4354. The editorial is so eloquently written, that it would be presumptuous for me to comment further on it. I would merely insert it in the Record at this point, and call it to the attention of my colleagues, both here in the House, and in the other body:

An Inch Is a Ton

Almost since Congress began the interstate highway system in 1956, the trucking interests have been lobbying for a change in the law to permit wider trucks. A wider truck is also a heavier and therefore more profitable vehicle. But not even a highway built to interstate standards can sustain the wear and tear of heavier trucks pounding over its surface day after day. Inevitably they mean a shorter life for the highway and a bigger highway repair bill for the taxpayer. Thus, the plea for a wider truck limit is not an innocuous request. It is really a disguised raid on the public treasury by the trucking interests.

A wider truck can also mean a shorter life for ordinary motorists. Trucks create a visual hazard because they block a view of the road ahead. Their mass moving past smaller vehicles at high speed also creates a "blast effect" which can disrupt the motorist's control of his own car. These economic and safety arguments explain why limits on the width and weight of trucks and buses are written into Federal highway legislation.

Since the trucking lobby has repeatedly failed to get the law amended, its allies in the House Public Works Committee devised a bill covering only buses. Despite pious protestations on all sides that buses and nothing but buses are in the minds of the bill's sponsors, everyone well knows that the bus bill is only a dry run for a truck bill. The humble and politically popular bus passenger is, so to speak, carrying the legislative freight for the arrogant and unpopular trucker. Once buses have breached the existing limit and established a precedent, it will be much easier to enact a significantly wider limit for trucks.

Even if the bill were not a precedent-maker for something worse, it would be a bad bill on its own merits. Heavy buses also wear out the highways, obstruct the vision of other drivers, and when traveling above the speed limits—as intercity buses habitually do—they create the same dangerous "blast effect."

The bill would permit buses to be 102 inches wide instead of the present limit of 96 inches. The gain for the bus passenger would be trivial. Each of the four seats would be an inch wider and the aisle would be two inches wider. But in terms of the overall weight of the bus, the change would be startling. Representative Schwengel of Iowa pointed out in the House debate the other day that if this bill becomes law, a major bus line plans to increase the length of its buses to 40 feet, their height to 12 feet, and their weight from approximately 29,000 pounds to 42,000. In other words, every inch wider means a bus that is a ton heavier.

The bus-and-truck interests prevailed in the House. But if the Senate has concern for the nation's taxpayers and motorists, this is a bill that deserves to be flagged down and waved to the side of the road.

DETROIT BISHOP COMMENTS ON THE VIETNAM WAR

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. WHALEN. Mr. Speaker, several weeks ago I came across an article in the Detroit News written by the auxiliary bishop-vicar general of the Roman Catholic Archdiocese of Detroit, Thomas J. Gumbleton.

Bishop Gumbleton discusses the moral question of the Vietnam war. I believe his comments will be of great interest to the Members of the House. Therefore, I insert his statement at this point in the Record:

[From the Detroit News, July 9, 1971]

An Urgent Moral Question—Can U.S. Justify the Vietnam War?

(By Thomas J. Gumbleton)

The military involvement of the United States in Southeast Asia is more than a hotly debated political issue. "Vietnam" is an urgent moral question demanding an examination by all thinking Americans.

That war is always a moral matter should be clear enough. Political and military policies which provide soldiers and weapons for the purposes of death and destruction require a moral judgment of the individual citizens with whose tax money and, in some cases, very lives those policies are implemented.

A citizen is untrue to his human dignity as an intelligent, compassionate person if he surrenders his conscience to his government in time of war. In their collective pastoral letter of Nov. 15, 1968, the American Catholic bishops expressed the hope that "in the all-important issue of war and peace, all men will follow their conscience."

And prior to this, Pope John XXIII in "Pacem in Terris" had indicated that conscience today might require a new attitude toward war. "Therefore, in an age such as ours which prides itself on its atomic energy, it is contrary to reason to hold that war is now a suitable way to restore rights which have been violated."

We may think of this as a new attitude toward war. In fact, it is a moral position which links up with the earliest Christian tradition in regard to war.

For three centuries Christians generally refused service in military campaigns, rejecting killing as an immoral means to an end. Strong statements of men such as St. Justin, St. Clement of Alexandria, St. Cyprian and others show the common Christian attitude in regard to the morality of war.

Obviously, for one who would follow the earliest Christian tradition, supporting the Vietnam war is morally unthinkable. But even if one were to base his conscientious judgment of the Vietnam war on the "just war" doctrine, I believe his conclusion could only be that continuing American military involvement in Southeast Asia is gravely immoral.

This doctrine is based on the obvious enough premise that war is an unspeakable physical evil. Like other physical evils, it sometimes cannot be avoided.

In certain circumstances a doctor—and the patient also—would accept the need to amputate an arm or leg. Similarly, the evil of war is "justified" in certain circumstances. Otherwise it is immoral.

One condition is that war must be waged by a legitimate public authority for the common good.

Is it really serving the common good to fight an undeclared war thousands of miles away against an enemy that poses no threat to the United States? And does congressional approval of funds to equip American forces sent to Vietnam under questionable circumstances (Gulf of Tonkin resolution) constitute a legitimate declaration of war?

A second condition is that a just cause is required. One will demand clear and cogent reasons before he will accept the amputation of his arm. To "justify" war requires no less.

Here the obvious question is: what is the cause for which American forces are fighting in Southeast Asia? Millions of Americans can be excused for having no clear answer to that question. We have been given so many different reasons, even to the point where we are told it is simply to uphold American prestige rather than accept the humiliation of defeat.

We may be excused for not knowing the reason for the war. We cannot be morally excused for participating without sure knowledge that the reason is sufficient.

A final consideration is that to be "just" the war must be fought within the limits of what is called the "principle of proportionality."

In 1968 the American bishops asked: "Have we already reached, or passed, the point where the principle of proportionality becomes decisive? How much more of our resources in men and money should we commit to this struggle? Has the conflict in Vietnam provoked inhuman dimensions of suffering?"

Without even considering the death and destruction in Laos and Cambodia, can we find any "justifying proportionality" in what we are doing in this war?

Whether we judge this war in the light of the earliest Christian tradition on war or according to the "just war" doctrine, I can reach only one conclusion: our participation in it is gravely immoral.

When Jesus faced His captors He told Peter to put away his sword. It seems to me He is saying the same thing to the people of the United States in 1971.

PROFILE: IBT'S FRANK E. FITZSIMMONS

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. PUCINSKI. Mr. Speaker, the International Brotherhood of Teamsters met in Miami Beach earlier this month and elected one of the world labor movement's foremost leaders as its president.

Frank E. Fitzsimmons heads the largest union in the world—more than 2,100,000 active members who represent almost 11 percent of organized labor and better than 2½ percent of every person now earning a paycheck in the United States.

The IBT has doubled in size since 1957, expanding at the rate of about 100,000 new members each year.

These men and women know that collective bargaining and their participation in a union have earned for them wages and benefits that have drastically improved their standard of living. The men who lead the labor movement—men like Frank Fitzsimmons—are aware of the faith of millions of people who depend on them to help them achieve a life of dignity and honest work.

Frank Fitzsimmons has earned the respect of management and labor the world over. He is a quiet, loyal, humble man who prefers to win arguments at the bargaining table and not on the front pages of the Nation's newspapers. He is heart and soul for every man and woman in the Teamsters Union and will be an outstanding leader of this diverse and ever-expanding union.

Following is an article which appeared in a recent issue of "American Labor" concerning Mr. Fitzsimmons. I insert it in the RECORD today with the hope that my colleagues will find it as compelling a statement of the real integrity of this man as I have found. Mr. Speaker, the article follows:

[From the American Labor, October, 1970]

PROFILE: IBT'S FRANK E. FITZSIMMONS

When one begins an analysis of the extraordinary complex the full name of which is the International Brotherhood of Teamsters, Chauffers, Warehousemen and Helpers of America—known generally as the IBT or simply as "The Teamsters" the problem is not where to begin but where to end. It's just that all-encompassing.

Its over-the-road driver-members, who carry every conceivable product in the economy from (a)lmonds to (z)inc and all the merchandise in the alphabet in between, comprise only about a third of the IBT's membership. And that's only the beginning.

A reading of its roster of locals points up a spectrum of workers job titles that cuts across practically every other facet of employment as well; an incredible fusion of seemingly unrelated manpower welded somehow into a homogenous whole.

Broadcast employees are covered by Local #1 out of Philadelphia; Brewery, Syrup, Yeast & Grain Workers make up Local #4 out of Newark, New Jersey; Scholastic Technical Services Employees come under the jurisdiction of Local #8 in Pennsylvania; in San Francisco, Local #9 bargains for the International Telegraph Employees; in Puerto Rico, the union represents hotel workers, the telephone company and perhaps two dozen other categories of labor. In Massachusetts, IBT has the United Paper and Allied Workers; in Rhode Island, it represents the Allied Production and Precision Workers; in Trenton, New Jersey, and Seattle, Washington, its membership includes automobile salesmen, garage and parts employees.

A partial listing of still other segments of the labor force within its sphere of influence includes such divergent occupations as: marine officers, citrus, cannery and food processors, industrial and allied employees, public service employees, wholesale and retail aluminum and building specialties workers, dairy plant and clerical employees, workers in frozen foods, in ice, storage, scrap metal and grain warehousing . . .

It represents Western Union International Telegraph Employees; employees of toll roads, bridges and tunnels in the state of Massachusetts; mail order retail department stores and warehouse employees; amusement park workers; commission, bakery, milk and ice cream salesmen; state, county and municipal workers (in Michigan); a paper tube converters union; phosphate workers, freight checkers, traffic clerks, chauffeurs, taxicab and bus drivers; firemen, oilers and maintenance men; vending machine service employees; inside winery and soft drink workers; dental, optical and instrument technicians; manufacturing and processing employees; grocery and candy workers; gas station attendants, construction, building material, coal, and laundry dry cleaning workers, embalmers, funeral directors, plastic and textile printing workers, steel, metals, alloys and hardware fabricators, drug, chemical, cosmetic and affiliated industries warehouse employees . . . and much more.

WORLD'S LARGEST UNION

Under the jurisdiction of its 870 odd locals is an aggregate membership that presently totals some 2,100,000 persons, representing almost 11 percent of organized labor and better than 2.5 percent of every individual (union and nonunion) now drawing a paycheck in America. Its collective bargaining efforts involve more people than are employed by AT&T, General Electric, General Motors, Ford, R.C.A. and the next top dozen blue chip companies combined. It is by far the largest individual labor organization in the nation and overwhelmingly the largest single union in the world.

Since its expulsion from the AFL–CIO in 1957 the growth of the IBT has been nothing short of phenomenal. It has almost doubled in size, and, over the past half decade alone, its rate of expansion has averaged in the neighborhood of 100,000 new members every year. It leads in all representation elections at the NLRB. (See box on page 27.) And if one more statistic is needed to set the picture in its most dramatic perspective: of the total organized workforce in the country, whose activities have proliferated some 2,400 unions both in the Federation and out of it (approximately that many reported last year under the Labor-Management Reporting Act) *better than one out of every ten persons covered by union contracts in the United States belongs to the International Brotherhood of Teamsters.*

At a time when membership has been growing slowly in a number of Internationals as a result of technology and automation, the IBT has *enlarged its roster* by better than 900,000 people.

ON FITZSIMMONS HIMSELF

The man who currently heads this massive complex—General Vice President Frank E. Fitzsimmons—is a quiet spoken veteran of the labor scene who assumed direction of the International in March, 1967, a time when the challenges of the office seemed almost insurmountable. How well he has handled these challenges is as good a picture of both the character and strength of that individual as can be found.

Frank Fitzsimmons is a study in contrasts. In an industry where every move generates headlines because of its potential effect on the economy, he, himself, actually shies away from publicity. Where one might expect an extrovert, one sees instead, the complete opposite—a reserved and seasoned administrator whose objectives are far more wrapped up in the progress of his union than in personal glory. Low key in his responses, he seems as much the analyst as the planner, the thinker as the doer—a combination of generally antipodal attitudes generated, perhaps, by the very tenuous position he was chosen to occupy.

But there is a kind of quiet humor in his make-up that punctures an overlay of reserve and though he never loses the latter, the former seasons much of his conversation and gives it a character all its own.

Because of this quiet manner and the quality of reserve in his conversation, Fitzsimmons might easily be underestimated by some at first. That would be a massive mistake. The General Vice-President of the IBT is as able a labor leader and as practical and farsighted a negotiator as any in the business. The record, itself, is ample testimony to that. The union he heads is stronger now than when he first took over the "temporary" reins, has solidified itself on a number of fronts, expanded its activities in others and looks for "another million" members by the end of the decade.

If one judges by the track record to date, the figure seems conservative enough and certainly lends credibility to Fitzsimmons' confidence.

ON THE EXPULSION

Though the IBT has grown more rapidly than any other union since it became an independent, Fitzsimmons feels that the challenges which face all labor cannot be resolved by fractionalism, but by the concerted efforts of all unions (in and out of the Federation) working in harmony towards common goals.

"We must spend more time fighting what has to be fought," he said, "rather than waste our energies fighting among ourselves. We have cordial relations with almost every union in the AFL–CIO and we hope to keep them that way."

On the prospects of reaffiliation with the AFL–CIO, Fitzsimmons was equally succinct: "My firm belief is that the house of labors should be united," he said.

On "how" and "when" and "under what conditions" reaffiliation might be considered, Fitzsimmons became a bit more expansive.

"We were expelled from the AFL–CIO for reasons they thought were valid and it is only natural that I should oppose that kind of thinking," he began. "Before that drastic step was ever taken my feeling was—and still is—that the executives of our international union should have been given an opportunity to tell their side of the story, to analyze whatever complaints, and if some things were wrong—to be given a reasonable amount of time to correct them. But that wasn't the case. They saw fit to expel."

Asked what the next step might be, Fitzsimmons made his own position clear: "Speaking for myself, I have never been contacted, nor has any suggestion ever been made to me by the Executive Council of the AFL–CIO relative to reaffiliation. As for our union—I think our record speaks for itself. We have been cooperative with AFL–CIO unions, based on practical situations all through the years.

"We did not ask to leave," he continued, "nor have we been asked to come back. And *certainly*—we are not standing at the door with our hat in our hand. If we ever do reaffiliate, it will be after an honest, factual determination that will protect—in every aspect—the rights of our membership."

Expressing the opinion of the largest union in the nation, Fitzsimmons certainly speaks from strength—a strength he has helped in many ways (over his 33-year tenure as a member) to build.

In retrospect, its expulsion from the AFL–CIO is seen by some observers as more of a boon than a bother to the IBT. Once outside of the Federation, it is true the IBT was freed from certain previously held obligations—such as the "no raid" provision in Article 20. However, the IBT continued to cooperate at the local level and, in fact—to this day—has mutual and "no-raid" pacts with several AFL–CIO International Unions.

THE OVER-THE-ROAD CONTRACT

The most recent piece of this "history" revolves around the contract negotiated with the Trucking Industry for the Teamsters' 450,000 over-the-road drivers—a settlement that involved (among other benefits) a wage increase of $1.85 an hour—the largest such IBT settlement ever achieved.

Interestingly enough, when the smoke had cleared, it proved to be not only a great dollar victory for the drivers but perhaps an even greater personal victory for the man who had chairmanned the negotiations from their inception—Fitzsimmons, himself.

In a sense (such are the curious and ironic twists of circumstance) the final settlement figure *was—and yet was not*—all of his doing. Some of the credit (if one can call it that) for the additional cash in the final stipulation, must go to the circumstance through which local 705 and 710 (for certain workers) do not participate in national bargaining contracts.

Recapping the highlights briefly: In his early talks with the Truckers, Fitzsimmons, deeply enmeshed in the economics of the situation, sensed the enormous need of keeping the wheels of industry turning if at all possible. A national strike—as he saw it—would paralyze the total economy which was having troubles enough of its own; unemployment, already at 5 percent, would skyrocket; billions of dollars would be involved, perishable cargo would rot, and the cry of "recklessness" would be hurled at the Teamsters from "critics" of every form in all media in the nation.

Facing this, Fitzsimmons chose for responsibility—both to the industry as well as to his membership. The 39-month package the Teamsters had settled for originally (at $1.10 an hour) was one he felt was the maximum the Truckers could absorb without asking for rate increases and one—that for his own industry—would not be labeled as "another round of inflation."

But that same sense of overall responsibility was apparently not felt by the Chicago membership, which did not see it his way at all, and demanded $1.65 for its own members—an action which brought a large part of the mid-western trucking industry to a standstill.

On the face of it, it looked as if Fitzsimmons might have settled for too little. Certainly, there were some who accused him of it. Though he had stated openly at the time that from IBT's research, and from the Executive Board's good judgment there was "no more in the wood" and that a larger demand would *have* to result in an increase in trucking rates that would only add further fire to inflation, some of his own union members didn't buy that concept either, and wildcat strikes—which the International immediately denounced as such—sprang up in several areas supplementing the major one in Chicago.

Criticized by these striking locals, the IBT leader waited patiently for the end of ACT II. When the Chicago Truckers settled for $1.65, he played his trump card.

THE AFTERMATH

What was not generally known to the public at the time was that, in its initial bargaining, the Teamsters had negotiated an "escape clause" codicil which stated—in essence—that if the Chicago unit (for which, naturally, the IBT did not negotiate) received a higher settlement, the door would then be reopened automatically for a second round of talks.

It was a protective measure that—as a practical negotiator—Fitzsimmons knew he had to have. When that second round of bargaining came down to signatures, the Teamsters gained 75¢ an hour more over the 39-month contract than they had settled for originally and 20¢ more than the Chicago settlement which had caused the work stoppage in the first place.

Commenting on the situation, Fitzsimmons stated the premise which had guided his original thinking:

"Our business is different and it has to be looked at in that light," he said. "Perhaps some of our younger members don't quite understand the structure or maybe some of them find it difficult to accept. But it exists and we have to live with it.

"You take a manufacturer of hats," he continued. "He has a level of costs. When a union negotiates a wage increase that goes much above that level, the manufacturer has the option to change his pricing structure. He doesn't have to account to anyone no matter *what* he chooses to charge for his merchandise. The only thing that guides him is the law of supply and demand.

"But it's another ball game in the trucking industry," he explained. "A trucker just can't *automatically* raise his rates because of any increase in labor or equipment costs—no matter how great. There's a governing body involved. Before a trucker can make any change at all, he first has to file for a tariff increase with the Interstate Commerce Commission, show the necessity and then—wait. And he has no security that he's going to get everything he wants or thinks he needs—or even anything at all!

"A union with a sense of responsibility to the public, has to take all that into consideration. And if you keep that in mind, it brings a different set of conditions to the bargaining table. We have to predicate our demands on a formula that can still keep the trucker competitive with other types of transportation—that can keep them rolling on the roads—or all we'd be doing would be putting our own men out of jobs. It does no one any good to have the best contract in the world if there are no jobs."

Reports to the ICC, as Fitzsimmons explained it, are generally provided by the truckers in June and cover the previous 12 months of business.

"Our last contract ended in March," said Fitzsimmons, "and in the new one—to help them in their fiscal-year bookkeeping, the truckers asked us if we would extend our present three-year contract from March of 1973 to June. Our Executive Board agreed—which is how we wound up with a 39-month agreement. Management's price for the 39-month agreement was an added 20 cents per hour.

ON 1973

The move, in a sense, is a fortuitous one for both. The Chicago Independent has only a 36-month contract and will probably have completed its negotiations before the IBT must finalize its own position—thus placing it in a much better bargaining spot than before.

As far as the American Trucking Association was concerned, a spokesman for that organization stated: "We thought Fitzsimmons handled himself very well. His concept was reasonable and responsible. If it wasn't for Lou Peick's problem in Chicago, we might have had a lot less trouble than we did."

The statement needs explanation. Louis Peick, Secretary-Treasurer of IBT's Local 705, who allegedly had some working "arrangement" with Ed Fenner, president of the Chicago Independent, refused to accept the IBT's original settlement and went out on strike with the Independent for the wage increase package of $1.65: Peick, apparently, had little choice. His men never would have held still for any agreement which might be lower than the Independent's. So he was damned if he did and damned if he didn't.

As to how this new contract would affect rate increases, the ATA stated (at ALM's press time) that the economic impact of the new wage structure had been costed out by the truckers, that they had petitioned the Interstate Commerce Commission, and that they were looking for an 8 to 12 percent increase "depending on geographic areas."

Questioned on whether it was not the usual custom to ask for more and settle for less, the spokesman laughed and said that "traditionally" the ICC cuts down the trucker's request by about 25 percent, but that this time "in the face of the extraordinary raise" there was "very little fat" in the costing and that the "economic necessity" of the situation might change the percentage figure.

SOME EARLY HISTORY

Like many other labor leaders in his age bracket (he was born April 7, 1908) Frank E. Fitzsimmons got more of his education out of school than in it. A native of Jeannette, Pennsylvania, the fourth child of five children given to Ida May Stahley Fitzsimmons and Frank Fitzsimmons, Frank Jr. was forced to leave high school at 17 to help support the family after his father had suffered a stroke.

The family had moved to Detroit by then and young Frank found his first job (as a time clerk) at Ternstedt Manufacturing Company, a firm that made automotive hardware. Salary—25 cents an hour. His first experience in the industry that was to become his life's occupation began about eight months later when he became a bus driver for the Detroit Motor Bus Co. handling the old double-deck buses so popular a generation ago. He was about 18 at the time, "but I told them I was 21," said Fitzsimmons, "I guess they must have needed drivers because they were perfectly willing to believe it."

He worked for the motor bus company "until I almost did reach 21," Fitzsimmons recalled with a smile, "at which time the city of Detroit took over the company and I was out of a job."

Picking up stakes, "Fitz" moved to New York and went to work for the Brooklyn-Manhattan Transit Company "as an instructor and driver"—at which spot he remained for almost a year. But family ties uprooted him once more and he returned to Detroit—this time to work with the National Transit Corporation. "You never really knew what you were going to do," he said. "Some days you'd work on the docks, others, as a city driver and on still others you'd be driving over the road at night. They had the old shape-up system then," he continued. "I used to get there at 3 o'clock in the morning—rain or shine—with about 20 to 50 other men and wait for the dispatcher to assign the jobs. Then we'd work the length of the particular job and sign out. You might have to put in as many as 14 hours to make $2.00 a day."

JOINS TEAMSTERS

Somewhere in that period (shortly before the Wagner Act became law) Fitzsimmons joined the Teamsters. "But you had to keep the union button on the inside of your coat back then," he said. "Detroit—in my opinion—was the greatest anti-union city in the country at the time."

After a couple of years at National Transit Fitzsimmons switched to the 3C Highway Co., driving on the road between Detroit, Dayton and Cincinnati. "We got $7.00 for the round trip which took 2 days—and you had to pay for your own room. You couldn't sleep in the truck. If we went to Cincinnati—we got $11.00."

To indicate the change that has taken place since that time: "When I worked for 3C, the drive from Detroit to Toledo (60 miles each way) paid $2.00," said Fitzsimmons. "Today—for that same run, the driver gets $35.25."

The trucks move along a lot faster today, he acknowledged, and the roads are much better. "But in '35—120 miles was a long trip."

In 1937, which he was 29, Fitzsimmons' abilities came to the attention of Jimmy Hoffa who, that year—at only 24—had been elected president of Detroit's famed Local 299. It was the beginning of a friendship that has lasted better than three decades.

It was Hoffa who selected him as business agent for that local which had 200 members at the time and which now numbers in excess of 19,000. It ultimately led to his election as vice president of 299 in 1940, to his appointment as Secretary-Treasurer of the Michigan Conference in 1943, to the vice presidency of Joint Council 43 in 1960, to his election as an International Vice President in 1961 and to his election as General Vice President in 1966. In 1967—in Hoffa's absence—he was appointed Acting President.

SINCE 1967

In broad figures, the International is composed of some 100,000 over-the-road drivers, about 350,000 people in local cartage, about 50,000 in car hauling, which includes yard people, mechanics, etc. and the rest are in the multiplicity of divergent industries listed before.

Speaking of Hoffa, "I've known him since the very early days in Detroit," said Fitzsimmons. "I have worked with him and been his friend for over 33 years. He's one-of-a-kind. Sure, he made enemies but he's made a million more friends who'd give their right arm for him.

"Outside of the union, his whole life was his family. As for his wife 'Jo' (Josephine Hoffa) her whole life is wrapped up in his."

Any simultaneous comparison of the two men would be unfair to either; they're two completely different personalities—which is perhaps why they got along so well together. Hoffa is the aggressive dynamo; Fitzsimmons is the cool and extremely able man behind the scenes. He took over his present office when the 1967 talks with the National Truckers were already well underway. Coming, thus, into the middle of things—and with Hoffa's own history of remarkable achievements to face, his was a peculiarly uncomfortable position at the time. No matter which way the final settlement came out, as he put it, "If it was good people would say Hoffa would have done better. If it was poor—It never would have happened if Jimmy were there."

As things turned out, Fitzsimmons proved his mettle under fire with a contract that was hailed as the best ever attained to that date. Since that time, he's been very much on his own and the judgments of his initiatives are less and less circumscribed by comparison.

ALLIANCE FOR LABOR ACTION

One of these initiatives was the partnership he formed with Walter Reuther now known as the Alliance for Labor Action. It was, in a sense, Fitzsimmons' official notice that he intended to steer the future fortunes of the Teamsters as he—in his own conscience—believed would be in their best interests.

At an Eastern Conference meeting held in Montreal in August of 1968, he explained his reasoning this way:

"The Alliance is, I think, the acceptance of our responsibility as leaders among men . . . let me assure you that the International Brotherhood of Teamsters has not bargained away any of its independence or autonomy. Nor have we in any way established a competing federation with the AFL–CIO. . . . What we did was take a new look at the total community, assessing its present problems and needs and formed an alliance to put the Teamsters in the mainstream of life as it exists today and offer our resources and talent towards the solutions of these problems."

The AFL–CIO, through its Executive Council did not see it quite that way. They visualized the new organization more as a threat to their own federation and when one of their internationals, the Chemical Workers Union, decided to move in with the ALA, they expelled it. The move may have been a statement of principles, but some observers—some even on the floor of the AFL–CIO Convention held a year ago—questioned its practicability.

The ALA has moved ahead with a number of organizing campaigns—particularly in the South—in keeping with its pledge of "a massive program in social and community action" aimed at improving incomes, race relations, education, urban housing and many of the other ills that plague 20th century civilization.

Asked about its progress to date, "ALA was born of necessity," the Acting President of the Teamsters replied, "And by its own degree of success is, I believe, head and shoulders above any labor organization in the country."

RE REUTHER

On Reuther—Fitzsimmons' comment—wrapped up in some 30 years of association was sensitive and warm.

It stimulated this writer to recall some of the remarks of the late UAW leader, delivered at the ALA Founding Convention, held in Washington, D.C., in late May of 1969.

Said Reuther, speaking of his early days:

"When I left Wheeling, West Virginia back in 1927 at the age of 19, I made my way back to Detroit. Back in 1927 I had a great deal more energy than I have today, and so I joined the "Y" there in Detroit so I could get access to the swimming pool and the gymnasium so that I could give my excess energy an outlet.

"Back in those days when you joined the "Y" in Detroit, you were obliged to fill out a long questionnaire. It asked many questions: your formal education, your church affiliation, and questions of that nature which I answered quite readily. But the final question was a very difficult one for me at the age of 19. The question was, 'What do you want to do with your life?' And so I pondered that question, and I put down two answers. I said, 'I want to be a labor leader or a chicken farmer,' and I have been told by leaders in the American Labor Movement and in industry that I would have made a damn good chicken farmer."

"And he made a damn good labor leader, too," said Fitzsimmons. One of the greatest this country ever had. His tragic death was a great shock to me personally. We won't see his equal in a long, long time."

ON POLITICAL ACTION

On many of the critical problems of the day which have to be solved if society, as one knows it in America today, is to survive, Fitzsimmons believes the ballot box must be the ultimate answer.

"Labor organizations," he feels, "are not only essential to the maintenance of freedom but must work actively to preserve that freedom." And he urges that workers can best protect the institutions they cherish by actively participating in the political arena to guarantee that they are truly represented and that their needs and aspirations are placed in the hands of the legislators who understand them best.

"The time has come," he said, "when labor must dedicate itself to the political fight with the same vigor that we have given to battles on the picketline."

Lacking that, he saw a dismal future for the right of the work force "to join together in collective bargaining."

The Alliance for Labor Action, he felt, was one of the vehicles that would help achieve the workers' goals. "We've been working in this area independently for a long time," Fitzsimmons said. "The ALA is a kind of formalization of our basic commitment to the total welfare of the community. And we hope it will become a constructive vehicle for political action that will help every worker in the nation."

Taking issue with a number of the laws on the books that govern the management of labor organizations, Fitzsimmons pointed out what he believed to be some of the wasteful side effects they engendered. "Unions can't run themselves, today." he stressed. "The government runs the unions through its restrictions and reporting provisions."

Arguing their cases "with those who seek to destroy the unions," as Fitzsimmons put it, and providing the mountains of attendant paper work, eats up time that could be much more gainfully employed in developing programs for the membership and for the community at large. A strong supporter of labor's community involvement, he believes commitment by union members "serves to bring the quality of the community up to the level it should have", not only for workers' families but also for those who may be less fortunate.

In its long history as a labor organization, the International Brotherhood of Teamsters has had only four presidents to date. As time ticks on, there are those who believe that Frank E. Fitzsimmons seems the likeliest candidate to become the fifth.

MEMORABILIA

Memorabilia is man's contact with yesterday—his tactile association with the past. It is out of such material that history is molded and the lost years are colored with the fresh excitement of rediscovery. In the office now occupied by the Teamsters' General Vice President Frank E. Fitzsimmons, memorabilia is everywhere; memorabilia of its former resident, James R. Hoffa. On the paneled wall behind the leather chair in which Fitzsimmons now sits are a pair of 10″ by 12″ pictures of Hoffa's grandchildren. On the desk, itself, stands a wooden plaque placed there by Hoffa, bearing the inscription: "Illegitemi non carborundum" ("Don't let the bastards wear you down")—an ironic thought now in the light of his present travail and one that must be constant in the mind of the charismatic Teamster president these days. On the wall to the left hangs a sizable oil painting of J.R.H. Framed quotations from Abraham Lincoln and others—all, the property of the volatile little giant who dominated his union—hang there, too, exactly as they hung before. Fitzsimmons has disturbed nothing since he moved out of his own office in Detroit to the one in Washington. The only thing he has added is a large framed photograph of Hoffa (placed now between the grandchildren) which he brought with him when he came. A warm touch, indicative of his affection for the man he has known for over 33 years.

The explanation for the lack of change is simple enough but the telling of it holds a tragedy all its own. When Fitzsimmons was appointed General Vice President following the Hoffa trial and conviction, the original thought was that this would be an "interim" assignment pending the president's return. So—since it was still the president's office, nothing was altered. Most of the executive board as well as the membership believed, at the time, that Hoffa would return long before the next election which was to be held in 1971 and that when he did, his re-election was assured. With the passage of time, however; with the persistent negative attitude of the courts to hold for any of Hoffa's appeals; with the curious refusal of the Pardon Board to release him under the same rules that it applies for any other prisoner and with the Chicago charges still hanging over his head, the likelihood of that return becomes increasingly conjectural. Whether the man was railroaded or not has been argued in print too often to bear recapping. What must be faced now is that—though the punishment does not seem to fit the crime—time seems to be running out and the pragmatic issue of choosing a successor begins to confront the membership. Hoffa—like Napoleon at Elba—is waiting out his destiny and nobody really knows what that will be. With less than a year to go the odds grow larger every day. Unions, nevertheless—like life itself—must go on. Fitzsimmons' own review of the situation is compassionate and clear. "As far as Hoffa is concerned," he said, "he's a political prisoner. For a man to remain behind bars without any cause and for such a length of time without a pardon is horrendous and inhuman. As far as my own position is concerned, since 1967, I have represented this union—independently—to the best of my abilities and in its best interests as my conscience has dictated. I have had no contact with Hoffa. They won't even allow me to write to him."

He said that he hears from Mrs. Hoffa and Hoffa's son and that he sincerely hopes the court will reconsider its position before the next convention. "There's never been a union leader in United States' history who has achieved for his members as much as Hoffa has," he said. "If he is discharged and available to run at the next convention, he will have my unqualified and absolute support." And if he is not?

"If he is not," Fitzsimmons replied quietly, "I am a candidate for the office of General President."

THE TEAMSTER LABOR INSTITUTE

Under the aegis of General Vice President Frank Fitzsimmons, the Teamster Labor Institute was opened last year. Because of the scope and the very "personalizing" of the project, several aspects of it are worthy of note.

"The guts of a local union program," as the Teamster booklet states, "has been organizing the unorganized and negotiating contracts." These objectives are still top priorities but the changing characteristics of the workforce and the increasingly sophisticated operations evolving in the overall collective bargaining process, makes refresher courses mandatory. A review of procedures and techniques is a "must" for every union official engaged in this sphere of activity.

Differing from the formal industrial and management relations courses offered by universities, the TLI concentrated study programs take a little different tack. Working with professionals (organizers and union officials) they concentrate not so much on theory as on the practical application of that theory to specific Teamster problems. In addition, they concentrate on how the solutions can be turned to the expansion of Teamster influence as it may relate to the total good of the community.

Located in Miami, Florida, the building that was chosen has been completely renovated and redesigned to meet classroom and administrative needs. A staff of top professional educators has been hired, with William Goode serving as Educational Director and Kenneth A. Silvers as liaison agent between the General Executive Board and TLI. Subject matter is designed to better equip local-union leaders and full-time Teamster representatives for the variety of problems that face them today: (1) the problems of the newer entrants in the labor force as they relate to the generation gap, (2) problems relating to wages, hours and working conditions and (3) community relations objectives designed to provide better communities in which to live and enjoy the fruits of their labors.

The TLI teaching approach is three-pronged and cataloged under three broad headings: (1) local skills, (2) administrative skills and (3) community skills.

The first division encompasses public speaking and parliamentary procedures, the development of skills which make for better communication with the membership. Under the second broad category, instruction involves such areas as "psychology of union membership," pinpointed principally to the development of a deeper grasp of the generation gap, and the factors that may enlarge or diminish it; also, such subjects as the changing nature of the work force, minority group aspirations and how to help achieve them; female workers and equal pay, etc.

Labor law, too, is an essential subject here as well as an overall analysis of the psychology of work. The third catagory (community skills) covers political action and public relations programs as they relate to the Teamsters on a community-by-community basis.

The curriculum also permits the student to become more conversant with the economics of collective bargaining, the methods of analysis of a company's financial standing and the refinement of skills in this overall area.

The Institute is fully aware that a two-week "cram" course such as it offers—no matter how intensive the study nor how dedicated the student—can only serve as a beginning. Repeat attendance is seen as the answer to greater union sophistication and once all Teamster representatives have attended, the plan is to upgrade and revise the courses to the experience of the first year of operation and offer a new curriculum on some sort of annual or bi-annual basis.

The entire cost of the Institute (maintenance, administration, etc.) is underwritten by the International which also provides each student with a rent-free room and the money for breakfast and luncheon as well. The individual locals need provide only the round-trip transportation for its people and the cost of the evening meal. In the assembling of its classes, the Institute tries "as nearly as possible" to recruit 25 students from each area conference to each class.

"It started out as an idea stemming from a steward's seminar we ran in Detroit in 1968," said Fitzsimmons. "That one worked so well that the International decided to take it on as a major project. The school was opened formally in 1969 and to date we've put through over 700 people."

HAULING OUT SOME TRUCKING FIGURES

Better than 17 million trucks, ranging from the farmer's pick-up to the big twin-trailer units, rolled on the highways of America last year. The aggregate distance traveled totaled a staggering 205 billion miles. And that figure is for the over-the-road traffic alone. There is no universe for in-city traffic because merchandise may be moved five or six times after it hits a central warehouse before it reaches its final destination and no one has been able to compute it to date.

The industry consumes 22.3 billion gallons of fuel and 1.5 billion quarts of oil a year making it by far the largest purchaser in America. It employs over 8 million people—second only to agriculture. It eats up 1,050,000 tons of rubber annually—enough to outfit all the armed forces in boots and shoes for the next 935 years. It buys enough copper annually to mint 9 billion pennies. It wears out 21 million tires, 15 million tubes, buys 55 million pounds of aluminum and 34 million square feet of glass, and enough paint to cover over a million homes.

In dollars—the latest annual expenditures were $68.8 billion. Of this, $55 billion went for labor, $5.3 billion for fuel and oil and some $8.5 billion for trucks, trailers and accessories.

Ninety-four percent of all the gravel in the United States is moved by truck; 69 percent of all the crushed stone; 60 percent of the hard coal; 42 percent of all refined petroleum and gas. Trucks move 94 percent of all the beef in the nation, 99 percent of the hogs, 95 percent of the sheep and lambs. Last year, the incredible total city-to-city haulage figure alone was 400 billion ton miles. If to this, one adds a like amount for in-city trucking (which is conservative) and tops it with the tonnage carried by buses, taxis, funeral cars, etc., under the aegis of the International Brotherhood of Teamsters, the aggregate might reach the astronomical total of a trillion ton miles a year.

NLRB ELECTION RESULTS

	1967	1968	1969
ALL UNIONS 1967-69			
Total elections held	7,758	7,714	7,805
Total elections won	4,616	4,355	4,339
Percent elections won to those held	59.5	56.2	55.6
Total employees eligible to vote	616,450	574,525	552,710
Total employees eligible in units won	355,488	297,399	257,333
*Average size of units won, all unions	77	68	59
IBT 1967-69			
Total elections held	2,359	2,338	2,344
Total elections won	1,342	1,252	1,202
Percent elections won to those held	56.9	53.6	51.3
Total employees eligible to vote	95,012	96,250	104,405
Total employees eligible in units won	42,740	42,868	42,983
*Average size of units won, IBT	32	34	36
Percent IBT elections held to total held	30.4	30.3	30.0
Percent IBT elections won to total won	29.1	28.7	27.7
Percent eligible employees in IBT elections won to eligible employees in all unions	12.0	14.4	16.7

* The organizing philosophy of the IBT is nowhere more graphically expressed than in the comparison of the 2 figures pointed up by asterisks.

"Size of unit" means the number of members involved in the union—and in this lies the philosophy. Whereas most unions tend to shy away from organizing tiny units because it is uneconomic, "We work on the principle," said an IBT spokesman, "that if people want to be organized, we will help them achieve those aims. It's expensive, but we feel that every worker deserves that right.

"Our contract runs 32 pages and it's a costly document," he continued, "Yet I don't know how many thousand times we have bargained for, negotiated and signed contracts when the total manpower involved was a single driver working out of a furniture store."

MR. LOGAN LOVES US

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ESCH. Mr. Speaker, recently one of the outstanding educators in Michigan announced his retirement. At a time when many of us are searching for ways in which we can develop a more effective educational system in the United States, we do frequently forget that the most significant variable in providing for effective leaders is the component of the teacher himself. This was brought home personally once again when one of the outstanding educators in Michigan announced his retirement.

To me Harold Logan was the epitomy of the "good man, teaching well". I personally knew Mr. Logan, not only in our professional relationship, but also as a principal for my daughter.

I take the liberty of calling attention to Harold Logan's contribution through reprinting an article that was recently published in the Ann Arbor News:

MR. LOGAN LOVES US

(By Dave Friedo)

"By my example and my teaching I could help my students to become good American citizens, to find their plan in life and to be happy," said retiring Pioneer High teacher Harold Logan, as he summed up his philosophy of teaching the other day.

As he sat in his chair, he crossed his legs and talked easily. While he talked the photographer snapped pictures and then, puffing his pipe, Logan caught himself:

"Oops, I almost forgot. Let me put my pipe down. It wouldn't be good if the kids saw me with my pipe. I never smoke in front of them."

This may not surprise many, yet it does represent Logan's deep commitment to his philosophy of teaching. And from all accounts, this philosophy worked extremely well. He has won several teaching and administration awards and in addition has won the love and respect of fellow teachers and students.

"I wasn't an iron-fisted person but the kids knew I could handle myself," Logan said. "The kids knew that if I didn't care for them I wouldn't punish them." Logan then told a classic ball-through-the-window story which revealed the firm but gentle hand of Mr. Logan, the principal.

"Tony stood in front of Slauson School and threw a hard ball to the catcher who crouched in front of the main door. The catcher couldn't handle the ball and it went through the expensive window in the door.

"I was standing behind Tony the whole time and after the ball went crashing through the glass I went up to him and tapped him on the shoulder, as if I crawled out of the woodwork, and said,

"It was a beautiful slider but you better get a catcher who can hold you. That'll cost you $18 bucks. You know it's less expensive to pitch out there in back of the school on the playing field.' "

Harold Logan was born April 8, 1908, in Niles, near South Bend, Ind. He was an outstanding student at Niles High School and received a $600 college scholarship from the high school upon graduation in 1926. Next he attended Alma College where he majored in history and chemistry. In addition to working part-time, Logan was a second string football player and continued to excel academically.

A popular fellow, Logan was president of his senior class, yet with his many extracurricular activities he managed to graduate in 1930 at the top of his class—summa cum laude ("with highest praise"). And, he won a state fellowship to the University of Michigan and did graduate work here in history. He received his master's degree from the University in 1931.

Logan's first teaching job was at Hastings High School near Grand Rapids where he taught journalism, history and English literature for five years. 1936 was a good year for Ann Arbor and Logan because that is the year he began teaching here, and that is the year he married his wife, Zatae. She works as a public health counselor for the Kellog Foundation and they have two daughters, Nancy and Martha. Both are trained teachers.

When Logan first came to Ann Arbor he taught at Mack School for a few months and then went to Slauson as soon as it was completed. In addition to teaching social studies, he kept up his interest in sports and helped Lou Hollway start the football program there. In the summer of 1937, he went to Harvard to study social studies and guidance, and in later summers did work in administration, guidance, education and communication here at the University.

In 1941, Logan was named principal of Slauson School and remained in that position until 1968. He described the faculty at Slauson in glowing terms:

"The faculty at Slauson was terrific. The most important things in a school system are the teachers and the kids."

In 1962, at the suggestion of the Slauson faculty, Logan was named the nataional Secondary Principal of the Year, an award given by Croft Publications. Also in that year, the Board of Education recognized him as "One of the best loved and highly respected members of our staff."

After his term at Slauson, Logan returned to classroom teaching at Pioneer High and in the 1968–69 school year he promptly won the "My Favorite Teacher" award given by the Detroit News. Logan, who earlier was twice elected president of the Michigan junior high school principals' organization, told of his experiences at Pioneer:

"I just loved teaching at Pioneer. In fact I was so anxious to get there in the morning I always arrived a half-hour early. But I do want to say this. You know there has been talk of young people being this and that and I want to say it has been a thoroughly enjoyable experience at Pioneer. The kids were really great."

Asked if he detected any differences between kids today and those of years past, Logan said:

"The difference in today's kids is they are knowledgeable, but they have no more horsepower."

Thad Carr, principal at Pattengill, and Ted Rokicki, former Pioneer principal, described Harold Logan as a real humanitarian.

Carr: "I've known Harold since 1945 when he was the principal at Slauson School. Harold was the kind of person that made everyone feel welcome. He made the students feel good about themselves and he made them feel important.

"I remember when data processing was being instituted in the schools and Harold just couldn't accept it. He said it was an impersonal treatment of the kids. He's one of the few principals who could step into teaching and have the love and respect of teachers and students right up until the time he retired."

Rokicki: "I came to the system in 1958 and taught English under Logan at Slauson. I was hired by Logan and he encouraged me to go into administration. It was quite ironic that in 1968 our jobs were reversed: I was the principal and he was a teacher.

"Logan was a junior high principal for 27 years—one of the real humanitarians. He had great respect from teachers, students, friends and the community.

"At graduation I said that because of his tremendous contribution to this community and to the youth of this community, the Board of Education should give consideration to naming the sixth junior high school after Mr. Logan. Before I could ask him to stand, everyone spontaneously stood up and clapped, leaving him the only one sitting down."

Behind Logan's gentle but firm guiding hand and his example lies a simple philosophy. A student once summed up this philosophy in these few words:

"Mr. Logan loves us."

THE UNDECLARED WAR ON THE NATION'S FIREMEN

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. KEATING. Mr. Speaker, several weeks ago I joined my Republican colleagues on the Judiciary Committee in cosponsoring a bill that would give $50,000 to families of police officers who are killed in the line of duty. Today, I have introduced a bill that will extend the same benefits to firemen.

Parade magazine printed a story that told of the increasing number of attacks on firemen. I am inserting this story and hope that my colleagues will consider this very important matter. It is my hope that the House will act on both the police and fireman bills. The article follows:

The Undeclared War on the Nation's Firemen

(By Sid Ross and Herbert Kuferberg)

"Every time I go out on the engine I feel like a sitting duck," says a fireman in Cincinnati.

The fact is that all over the nation, firemen are under siege. In big cities a war is being waged against them by residents of ghetto areas with rocks, bricks, bottles—even gunfire. So intense has this barrage become that firemen are wearing bulletproof vests and face shields, putting sheet metal and Plexiglas around engine cabs, and recruiting armed guards to protect them while they go about their job of extinguishing fires.

"The most popular sport in some sections of this town is pulling the box and waiting for the firemen to come so they can throw stones and bottles at them," says Capt. Wendell L. Shingler of Engine Co. 30 in the nation's capital.

Attacks have reached such a stage that some fire fighters are threatening not to go into areas where there is a repeated pattern of hostility and harassment. Bridgeport, Conn., last year officially adopted a "let it burn" policy for outdoor fires that do not endanger lives or property, after a dozen firemen had been hit with missiles while fighting junk fires apparently set deliberately near a low-income housing project.

Teenagers and older youths often lure firemen into ghetto areas with false alarms, according to fire authorities, who stress, however, that only a tiny minority of residents are involved.

"The false alarms are pulled to set you up for an ambush or attack," charges Lieut. Dave Marshall of Pittsburgh, vice-president of Local 1, International Association of Fire Fighters. "It's not all blacks, either. In some parts of town you get white young punks attacking with rocks and bottles."

BLACKS ABUSED, TOO

Although black firemen are relatively few in number, some of them have been abused, too. When one Negro fireman remonstrated with a crowd of Boston blacks who were taunting and throwing stones at him, he was told: "You represent the Establishment. Whitey owns the fire department."

Even women and children are getting into the violence act. "It's a helluva note to see little kids 6 and 7 flinging rocks at you," says a Cleveland fireman. "There's a lot of urban renewal going on around the east side of town, so there's plenty of loose ammunition to bomb us with." Sometimes, too, children will step on the hose purposely to cut the water flow.

Another Cleveland fire fighter, stationed in the run-down Hough area, told of a recent incident: "We were operating the pumps at a garage fire. There were maybe 100–150 kids gathered around. All of a sudden they started heaving rocks at us. One man got hit four or five times; I got hit, too. Then they started with bricks and flattened tin cans they scaled at us. We turned the pressure up and sprayed them with the water to keep them away a bit. Luckily, nobody got hurt real bad.

"Afterward we talked to a couple of those kids. They were grinning and laughing. They didn't deny throwing rocks at us—they acted like it was all good, clean fun."

In Washington, according to a report filed by one engine company platoon, "a group of ladies" was waiting at the scene of a garbage fire to greet the fire fighters with "obscene words" and a volley of stones and bottles.

CHILDREN JOIN IN

Comments Cleveland's Capt. James P. Neelon: "It's a relief to get only verbal abuse, and we just take it. Like not long ago a little 4- or 5-year old kid started taunting us: 'You're chicken because you're white.' There were 20 or 25 teenagers hanging around to see how we'd react. We just swallowed it—we don't let harassment interfere with our job."

In some cities, public officials have tended to "play down" or not report assaults on firemen in hopes of quieting the situation, but many firemen feel that full disclosure of such incidents and seizure of the guilty parties is the best way to prevent recurrences.

In Pittsburgh, as elsewhere, booby traps have been set for firemen engaged in battling blazes. "Holes have been cut in floors, and steps removed from stairways," says Dave Marshall. "We've had firemen injured this way to the point where they've had to retire."

Also in Pittsburgh, harassers stretched nylon cables between light poles on opposite sides of the street, hoping that a fire engine would run into them. In another instance, a porch roof's supports were cut to give way when firemen went up a ladder.

WAIT ALONG ROUTE

Says Deputy Chief James M. Finn of Boston: "Most attacks are planned. They know the route the equipment will be taking. They're lined up waiting for you with bricks and bottles and anything they can lay their hands on. Yes, we've had injuries—fortunately not serious ones. But it's a hell of a note—you're going in there to save lives, and this is how you're greeted."

The guerrilla warfare has been carried right into the firehouses themselves. Engine Co. 29 in Cleveland wryly calls itself "Fort Apache." Recently Kenneth Paganelli of Engine Co. 9 left the station to buy a quart of milk. On his way back he was attacked from behind by two youths wielding a heavy wooden slat. He almost lost an ear; 61 stitches had to be taken in it.

In Cincinnati last year, 15 shots from an automatic rifle were fired into a firehouse, severely wounding two men inside. Guns have also been fired at engines in Cairo, Ill.; Harrisburg, Pa.; Fort Lauderdale, Fla.; Chicago, Pittsburgh and Cleveland. Two firemen were killed during the Detroit riots, another in the Watts riots and still another in Newark, N.J.

As a result of the Cincinnati firehouse attack, whose perpetrators have never been caught, Fire Chief Bert A. Lugannani announced that off-duty firemen would "ride shotgun" on all fire equipment answering calls in parts of the city considered "dangerous." These guards, all of whom received overtime pay, wore plain clothes, crash helmets and face shields—and carried riot guns. After about six weeks they were withdrawn, but the department stands ready to use them again.

In the meantime, Cincinnati is equipping its engines with steel protective sheathing, and has turned at least three fire stations into fortresses by bricking up some windows, putting iron mesh over others, and erecting protective walls. Baltimore has installed plastic bubbles and steel roofs over its engines after repeated harassments.

"FLAK VESTS" USED

Street attacks on firemen have created a booming business for manufacturers of bulletproof vests. These "flak vests," some of which weigh about 35 pounds and can range to more than $50 apiece in cost, are cumbersome, uncomfortable, and hard to work in, but they're becoming a normal item of fire equipment in several cities, along with plastic face guards and similar devices.

Capt. Alfred Benway of New York's Uniformed Fire Officers reports that harassment in New York is "getting worse all the time," with an enormous increase in false alarms. From 1968 through April, 1971, New York fire officials report a total of 2589 recorded harassment incidents in which 659 firemen were injured. Like many other fire authorities, Benway would rather see increased protection from the police than have firemen carry guns. In Washington, D.C., the firemen's union has been vigorously campaigning for better police protection, as well as for a Congressional bill that would make it a Federal felony to assault a fireman performing his duty in the District of Columbia.

But as important as it is to capture and punish those responsible for the attacks on firemen, many public officials—and some of the fire fighters themselves—believe it's equally important to get at the underlying causes of the assaults. To many authorities, they are basically a symptom of frustration and anger over living conditions. "Firemen offer a convenient, vulnerable and highly visible target for a ghetto kid who feels the world is against him," says one New York government official.

BURN CARS AND GARBAGE

It's significant, says this official, that many of the ghetto fires are deliberately set in piles of street garbage and abandoned cars by residents who think they're getting less in sanitation and other municipal services than more affluent sections of the city. In Brooklyn's low-income Williamsburg section last month, a mob of 200 men, women and children dumped uncollected refuse into the street and set fire to it. When firemen and police rushed into the area they were pelted with bottles and bricks. At a similar incident in the Bronx, where a garbage fire was also set, firemen were showered with missiles and debris from rooftops and windows.

New York has also seen a vast increase in fires set in vacant, abandoned buildings. One police officer with good contacts in the neighborhood has been told that the "decent people there don't want the fires put out in those empty buildings, which are a hiding place for dope addicts, perverts, muggers and others who prey on the community—that's why they impede the firemen." Nevertheless, such fires cost New York City an estimated $23 million a year to combat, and such places often are booby-trapped, with the flooring deliberately loosened and steps cut away.

"Even if these people do have legitimate gripes," objects a member of the Pittsburgh Bureau of Fire, as the department there is called, "why should firemen be made to pay for the sins of society?"

Another factor sometimes cited for the attacks is the relative lack of Negroes in the ranks of the fire-fighting organizations. The International Association of Fire Fighters is sensitive to charges of discrimination in the hiring of blacks, Puerto Ricans and Mexican-Americans.

IAFF President Howie McClennan insists that his organization is trying to get more minority group members into the nation's fire departments. But recruitment efforts do not seem to be producing the desired results. Boston began such a program in 1964 in its ghetto area. Only 26 blacks expressed an interest, five actually went through the course, and two passed the civil service exam held in 1966. Today, of 1900 Boston firemen, 21 are black.

WILKINS' STATEMENT

Asked by PARADE to comment on attacks on firemen, Roy Wilkins, executive secretary of the National Association for the Advancement of Colored People, said: "The NAACP is today, as it always has been, opposed to efforts to obstruct public servants in the proper performance of their assigned duties. The harassment of firemen by certain elements in a community is inexplicable. Firemen are employed to save lives and property. A community which permits interference with the performance of that duty is harming itself."

Many fire departments are going out into the community to improve relations between the firemen and the people they are trying to serve. In Philadelphia, for example, fire representatives regularly visit schools and neighborhoods to build understanding. In Los Angeles County, Fire Fighters Local 1014 sends firemen out in a campaign to recruit candidates for training among blacks and Mexican-Americans and runs a "community involvement program" in which the heads of the union consult regularly with neighborhood leaders.

THE HOT SEASON

But despite such efforts, the nation's fire fighters are keeping their fingers crossed this summer of 1971. "The long hot summer" traditionally is the time when false alarms reach their peak and street disturbances flare up, and the firemen are bracing themselves for the attacks that may come any time they race to answer an alarm in a ghetto or slum area practically anywhere in America.

Says McClennan: "Fire fighters resent the harassment by misguided people in the inner cities. It's more than resentment—it's the knowledge that death or serious injury may result. Fire fighting is the most hazardous job in America. When you've got a fire at your front and a gun or a club at your back—that's more than a fireman can cope with. We like to say, and we believe: "Fire fighters fight fires and help people." That's why we are embittered when some persons choose us as the symbol of the Establishment and try to kill or maim us in our job of protecting the community."

ROOFTOP ASSAULTS

Adds a spokesman for New York's Uniformed Firefighters Association: "We've had everything thrown at us, even refrigerators from rooftops. We've been shot at with guns and peashooters. The men are bitter about it. Some of our guys wanted to carry guns and we had quite a job to cool them down. Yet with all the harassment, we still go out there and do our job. I think, that from all indications, we're in for a tough summer, tougher than any we've ever had."

And grimly sums up a fireman in the Homewood section of Pittsburgh: "I'm getting more jittery as the weather gets warmer. Whenever I ride the pumper through this area I get a funny feeling between my shoulder blades. I don't know whether I'm going to get a brick or a bullet in my back."

SENATOR PERCY INTRODUCES LEGISLATION TO ESTABLISH A SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. RAILSBACK. Mr. Speaker, the problems of drug abuse and dependence are rampant in our society today. To counter this dilemma, President Nixon presented the Congress last month with a comprehensive message urging an all-out assault on this national menace. Among other things, the President's proposal calls for the establishment of a White House office to provide overall planning and policy, as well as direction, management, and funding allocations for all Federal drug abuse training, education, rehabilitation, research, prevention, and treatment programs—excluding law enforcement activity. Pending statutory establishment, the President has created that office by Executive order. The President deserves the highest commendation for these efforts and the American public deserves expeditious congressional action on the drug abuse measures it has before it.

On the Senate side, Senator CHARLES H. PERCY, of Illinois, has introduced S. 2097 to establish a Special Action Office for Drug Abuse Prevention to accomplish the aims the President seeks. In an excellent statement on July 7, 1971, before a joint session of the Subcommittee on Executive Reorganization and the Subcommittee on Intergovernmental Relations, Senator PERCY observed that—

> The Federal government today is neither organized nor oriented for a concerted drive against the factors which nurture drug demand. Over the years, efforts to reduce drug demand have been appended, almost as an afterthought, to programs aimed at mental illness, poverty, and crime . . .
>
> Dispersed responsibility among several agencies has meant no responsibility for program failures. Federal drug efforts that supposedly have had different purposes have literally worked at cross-purposes. Comparative analysis for related programs in separate agencies has produced non-comparative data, making impossible any rational budget decisions.
>
> State and local authorities all too often are at a loss as to which Federal agency to turn to for needed help. Resources for drug control efforts are inefficiently channeled in the absence of central direction. How much of the duplicative projects of BNDD and NIMH might have been avoided? How much of the needed research has gone unexplored? Finally, programs of training, rehabilitation, research, education, treatment, and prevention are commonly subordinated to primary agency mandates in terms of management direction, highest calibre personnel, and funding.

Because the text of Senator PERCY's testimony merits the attention of my colleagues and also addresses itself to the excellent drug abuse program that is presently being conducted in the State of Illinois, I would like, Mr. Speaker, to have Senator PERCY's remarks reprinted, as follows:

TESTIMONY OF SENATOR CHARLES H. PERCY

Mr. Chairman, I appear this morning not to tell you we are faced with a crisis involving wholesale use of hard drugs in this country, but to beseech this Committee to take quick action toward arriving at a solution. The critical importance that the President himself attaches to this matter is underlined by his comprehensive message to Congress just two weeks ago and by the personal intervention of his office in helping to arrange for his morning's distinguished panel consisting of Attorney General John Mitchell, Secretary of Health, Education, and Welfare Elliot Richardson and Under Secretary of Defense David Packard.

S. 2097—which I was pleased to introduce on behalf of the Administration; of which you, Mr. Chairman, are the principal cosponsor; and which 21 of our esteemed colleagues have joined in co-sponsoring, including most of the members of these two subcommittees convening today—would establish a Special Action Office for Drug Abuse Prevention in the Executive Office of the President to concentrate the resources of the nation in a crusade against drug abuse. I am pleased to see that this joint session is also taking up S. 1945, introduced by Senator Muskie, Chairman of the Intergovernmental Relations Subcommittee, which would create an office similar to that envisioned by S. 2097. I am certain that the differences in language and jurisdiction contained in these two bills are negligible when compared to the wide consensus that you, Mr. Chairman, Senator Muskie, and all of us here share: that addiction must now be overcome.

I noted last week that the Bureau of Narcotics and Dangerous Drugs estimates that at the end of 1969—over one and one-half years ago—there were as many as 330,000 narcotics addicts in the United States, 95 per cent of whom were addicted to heroin. It would hardly be presumptuous to suggest that the number of heroin addicts—in our cities and in suburban and rural areas—has accelerated alarmingly over the past year. Almost three out of five addicts are under the age of 30; eight per cent are under 21. In 1969 and 1970, new addicts under 18 years of age increased at a rate of three and one-half times that which was experienced in the preceding three years.

According to a recent estimate from the provost marshal's office in Saigon, there are between 30,000 and 40,000 American servicemen in Vietnam who are heroin users—close to 15 percent of the troops stationed there. One study showed that the average age of the addicts included in the survey was only 20.5 years and the length of time addicted 5 months. With plenty of cheap heroin available in Vietnam, the servicemen have no trouble supporting their habit. But when they return to this country, their habit becomes more expensive—and most will have to steal to pay for it. They are sentencing themselves to lives of crime.

Heroin addicts need from $20 to $150 per day to support their habit. If New York City's approximately 100,000 addicts spend an average of $35 per day on heroin, the total exceeds $3.5 million per day or $1.3 billion per year. Most turn to crime to get the money to pay for the heroin, since they ordinarily are unable to earn enough to pay for it. One survey in New York City showed that only 2 percent supported their habit through gainful employment; 98 percent were involved in criminal activity. If addicts steal goods, they must steal five times the cost of their habit, since stolen merchandise brings only 20 percent of its value when fenced. On a yearly basis, an addict must steal $90,000 worth of merchandise.

To offset this vicious cycle of addiction, S. 2097 proposes the establishment of a central authority within the Executive Office of the President to have overall responsibility for all major Federal programs of drug abuse prevention, education, treatment, rehabilitation, training, and research programs. The authority will be designated as the Special Action Office of Drug Abuse Prevention and will be headed by a Director accountable to the President.

Because of the emergency nature of this problem, the President has already established this Office by Executive order, pending passage by the Congress of specific enabling legislation.

I am deeply gratified to see that the President has appointed Dr. Jerome H. Jaffe, director of drug abuse control program of the State of Illinois, to head this new office in the temporary capacity of Special Consultant to the President for narcotics and dangerous drugs. Dr. Jaffe left yesterday for Vietnam but will appear before us immediately upon his return.

Dr. Jaffe has pioneered in developing innovative techniques for the treatment of heroin addiction as part of the Illinois Drug Abuse Program.

That program offers treatment and rehabilitation to drug abusers, concentrating on persons addicted to heroin, but also providing facilities for young people who abuse other drugs.

Abusers either volunteer for the program, or are referred by the courts. They are admitted to special clinics where treatment begins. There are no bars or guards, and people are not forced to enter or to stay. Yet the program, through many flexible features, tries to keep people in voluntarily because they continue to see the benefits of the program.

A variety of methods are used and abusers are allowed to move from one method to another until each arrives at one that works best for him. Not only are abusers' medical needs served, but also their larger social needs—through counseling, legal, vocational and recreational services, and work activities.

The program is operated by the Illinois Department of Mental Health in cooperation with the University of Chicago Department of Psychiatry. Financing is provided through the Department of Mental Health and by a five-year grant from the National Institute of Mental Health to the University of Chicago.

Cognizant that several methods might be effective, persons operating the program originally tried the following treatment procedures:

Use of methadone, a substance which prevents withdrawal symptoms and eliminates the craving for heroin.

Total abstinence while living in a residential community.

Hospitalization for withdrawal, followed by therapy in a clinic.

After withdrawal, abusers could be treated with a drug called cyclazocine, which blocks the effects of heroin.

At first the program was an experiment, because no one know which method would be most effective for Illinois, and particularly Chicago—the initial target area. Beginning in January 1968 with one patient, one bottle of methadone and one office, the program grew quickly. By July 1971 there were 2,002 individuals in treatment—15 percent in residence, and 85 percent outpatients—and 24 facilities.

Of these 2,002 individuals, 1673 are receiving methadone; 329 are drug free, 157 of whom are in abstinent residential communities, and 172 of whom had gone through withdrawal and were receiving care in clinics. No individuals were using cyclazocine, but the possibility of using such an agent remains—pending development of a longer-acting form. Also 118 young non-heroin drug users were receiving treatment.

Today the program is no longer an experiment. Initial treatment methods remain intact with the exception of replacing hospital withdrawal with residential withdrawal. The program has evolved from individual clinics using only one treatment method to some clinics which use all methods. Clinics can be divided into those that are solely residential, those that are both residential and outpatient, and those that are outpatient only. Initially concentrated on the South Side of Chicago (where the immediate need was greatest), clinics are now on the North Side and the far South Side of Chicago and at several locations throughout the state.

One of the most important facets of the Illinois Drug Abuse Program centers about the epidemiologic activity being conducted under the direction of Dr. Patrick Hughes. That activity focuses on the natural settings where drug users spend most of their time. Field teams are assigned to heroin-distribution or "copping" areas over a period of six months to a year to observe and collect information from addicts who regularly appear at that location. Dr. Hughes observes:

"Through this approach, we have been able to go beyond simple head counts of active addicts meeting at a given location. We are able to study the complex social system developed by heroin addicts to protect themselves from arrest. The roles elaborated by these local distribution networks are substantially more complex than the usual dichotomy of "user" and "pusher". The dealer cannot stand on the street corner with bags of heroin in his pocket because of heavy police pressure at these sites. In one Black copping community observed for a period of one year, we found that 125 different heroin addicts regularly bought or sold drugs there. We found that 6% occupied the role of "big dealers" or local wholesaler, 6% were street dealers, 15% were part-time dealers who sold only enough to support their own habits, and 6% were bag followers or touts who carried out liaison functions to protect dealers from direct exposure to the consumer and risk of arrest. A third of this distribution network, or copping community, maintained their heroin habits by performing dealership functions. Two-thirds were consumers, 38% being hustlers (usually thieves or prostitutes) and the remaining 28% held at least part-time legitimate jobs. The data are interesting in several respects. For example, of the 34% occupying dealer roles we found only 2 non-addicted dealers motivated purely by profit."

Although it is too early to completely evaluate the Illinois Drug Abuse Program, several criteria preliminarily point up the effect of treatment. These are a decrease in cost to the community as a result of decreased antisocial activity on the part of patients, an increase in the number of patients employed, and a reduction in illicit drug usage.

Follow-up study of outpatients indicates that arrest rates have fallen dramatically; that about two-thirds of those who are medically able to work are gainfully employed; and that in any given week, use of illicit drugs—as determined by analysis of urine samples—is limited to less than 20% of all outpatients and less than 10% of all patients in treatment.

Additionally, the program has shown:

That it is possible to develop a multimethod treatment system within a single administrative structure.

That such a system can reduce or eliminate the inefficiency and rivalry which often stymie the operations of single-method treatment programs.

That where vested interests have not developed and treatment of abusers has not become politicized, people with widely different philosophies can not only talk together, but can actively cooperate. For the future, the program expects to expand into other Illinois communities as funds and trained staff become available, so that no one need wonder whether death or some other catastrophe will occur before someone takes an interest.

At the federal level, we now know that effective law enforcement, by itself, cannot yield a solution to the problem of drug abuse so long as the demand for drugs persists. Yet, the Federal Government today is neither organized nor oriented for a concerted drive against the factors which nurture that demand. Over the years, efforts to reduce drug demand have been appended, almost as an afterthought, to programs aimed at mental illness, poverty, and crime. The focus of these efforts has been tainted as a result. Thus, we have examined demand factors within particular subcultures or geographic areas, but have not addressed ourselves to the pervasive conditions in our society as a whole which give rise to what has become a nationwide demand—and for that reason a national tragedy.

For example, only residents of specific inner-city areas qualify for Model Cities-funded treatment programs; only individuals with poverty-level incomes are eligible for O.E.O. education and treatment programs. Middle class communities or communities which suffer from non-opiate drug abuse problems frequently fund themselves without any prospect of Federal assistance.

Dispersed responsibility among several agencies has meant no responsibility for program failures. Federal drug efforts that supposedly have had different purposes have literally worked at cross-purposes. Comparative analysis for related programs in separate agencies has produced non-comparative data, making impossible any rational budget decisions.

State and local authorities all to often are at a loss as to which Federal agency to turn to for needed help. Resources for drug control efforts are inefficiently channeled in the absence of central direction. How much of the duplicative projects of BNDD and NIMH might have avoided? How much of the needed research has gone unexplored? Finally, programs of training, rehabilitation, research, education, treatment, and prevention are commonly subordinated to primary agency mandates in terms of management direction, highest calibre personnel, and funding.

By establishing an Office directly under and reporting to the President and by vesting that Office with direct responsibility for all major Federal programs of drug abuse prevention, education, rehabilitation, training and research, S. 2097 would go a long way toward correcting the organizational impediments to an effective Federal approach.

* * * * *

Mr. Chairman, I do not know all of the reasons that cause this Nation to experience the intensity of its present drug crisis. But in the course of these hearings and in our private deliberations, I think that we should begin to reexamine some of the underpinnings of our way of life. We tend to blame the war in Vietnam, and the restlessness and alienation it has wrought. Surely the war is a factor and an important one, but not an explanation. We have had other unpopular wars before. Ending the war would relieve many of the tensions that beset this nation and would enable us to redirect our energies. But I suspect that the problem that brings us together today would remain.

And so, I ask myself—Why?—Why now? What is it about our society, about our life, about our values that leads so many of our citizens, such a large segment of our youth and our G.I.'s to turn-on, tune-in, drop-out and in so doing, risk physical and psychological dependence, disease, and death?

If these hearings can shed any light on those larger issues, we shall have done the Nation a great service. "Why?" is the question I shall put to every one of the distinguished witnesses that have been scheduled to appear before us in the course of these sessions.

BANKERS' VIEWS ON GUARANTEED LOAN TO LOCKHEED

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ANDERSON of California. Mr. Speaker, as the loan guarantee for the Lockheed Corp. is due for consideration on Friday, July 30, I thought my colleagues would be interested in the timely comments and recommendations of a few of the bankers in the Los Angeles area.

The Lockheed loan is an extremely controversial and complex matter and, thus, the comments of those in the financial community should be given due consideration.

At this point, Mr. Speaker, I place in the Congressional Record letters from various bankers in my area giving their views on the pending action which would authorize the Federal Government to guarantee a loan to the Lockheed Corp.:

Bank of America,
Gardena, Calif., July 20, 1971.

Hon. Glenn M. Anderson,
Congress of the United States,
House of Representatives,
Washington, D.C.

My Dear Mr. Anderson: This letter refers to your letter fo July 13, 1971 addressed to me as manager of the Bank of America, Normandie-Redondo Beach Blvd. Branch, Gardena, California concerning the hearings to be held relative to a $250,000,000.00 guarantee in bank loans on behalf of Lockheed Aircraft Corporation.

As you already know, the bank has already stated in direct testimony to both the Senate and the House of the position they take on this matter. Therefore, I am writing this letter and expressing an opinion as a private citizen.

The California economy in general has suffered economically because of the cutbacks in the Aerospace Industries and allied affiliates. As I understand the Lockheed situation, there has already been invested over $1,250,000.00 in the project. It would seem to me that for the lack of an additional $250,000,000.00, we would be wasting a huge investment. Not only that, this would directly affect tax revenue the Government would receive if the project were completed.

Secondly, if the funds are not made available, then the economic loss to California would seriously compound the problem that already exists. Everyone seems to assume that the Government is going to pay out these funds directly to Lockheed whereas the truth of the matter is the Government's endorsement is the item in question.

From all the information I have read, the amount of $250,000,000.00 would make this a healthy project, and the loan ultimately repaid. Instead, people are assuming that the project will ultimately fail. As a citizen, I feel very strongly about this matter.

For years, the Government has subsidized farmers, guaranteed loans for home purchasers and students; is Lockheed an exception? We think nothing of making foreign loans in many million of dollars, and I think we should at least be willing to endorse this project for an American Corporation.

I ask you most urgently to vote in favor of the Government Guarantee.

Sincerely,

Harry Howison.

Wells Fargo Bank,
Los Angeles, Calif., July 21, 1971.

Hon. Glenn M. Anderson,
House of Representatives,
Washington, D.C.

Dear Mr. Anderson: Mr. Cooley, President of our bank, and Mr. Arbuckle, Chairman of our bank, have asked me to answer your letters concerning H.R. 8432 as I have been closer to the Lockheed situation than they. As a matter of fact, I appeared as our bank's witness at the House Banking and Currency Committee hearings last week.

Our bank believes this guarantee bill should be passed. It is an exceptional measure to deal with an unusual emergency which was largely caused by circumstances beyond Lockheed's control. There may be an element of bad management in Lockheed's predicament, but there is much more to this situation than can be explained away by accusations that the company was poorly run.

It is apparent that the Department of Defense must take a major part of the responsibility for the present situation. The "Total Package Concept" contract instituted during the regime of Secretary of Defense McNamara proved to be unworkable. It called for a firm contract years in advance to develop and produce advanced weapons systems which were close to being beyond the state of the art. In trying to anticipate the unforeseeable, the D.O.D. wrote contracts which were so involved that they lent themselves to misunderstandings and legal disputes which ultimately contributed to Lockheed taking losses of $484 million on their total package contracts. These settlements were forced upon Lockheed although the evidence indicates that there was better than an even chance Lockheed would have won a favorable judgment if the contracts had been adjudicated through the legal contract claims procedures. It was this tremendous drain on their cash flow that caused Lockheed to request $250 million in a guaranteed loan.

There is $1.4 billion invested in the L–1011 project, all of which is worthless if the L–1011 is abandoned. The House Banking and Currency Committee raised the issue of why don't the banks take the unpledged assets of the company as security for the additional $250 million instead of asking for the guarantee. The unpledged assets have a cost of $320 million, a book value of $161 million, and an insurable value of $401 million. Of the cost value, $244 million consists of tools, dies, specialized machinery, etc., which are practically worthless in a liquidation situation. The banks' position will not be improved by the guarantee if Lockheed should ultimately go bankrupt. Under the proposed guarantee, the Government would have a first lien on Lockheed's fixed assets. The most liquid of these assets are pledged to the banks as collateral for the $400 million loan. Obviously, the Government would use these to pay off their claim, which would leave the banks with the collateral that is difficult to dispose of in a liquidation situation.

The question of free enterprise philosophy has been raised by many people. I am sure you will agree that a company who does most of its business with the Department of Defense certainly does not have the freedom of choice that a company has whose business is entirely within the private sector. There is ample precedence for a guarantee in this case. Douglas Aircraft Company was given a $75 million guarantee when the company got into trouble over their DC–8 and DC–9 programs. In fact, McDonnell-Douglas even has commitments for $639 million for the export of DS–10 aircraft. It is our understanding that there was over $137 billion in loan guarantees outstanding at the end of 1970.

In summation, a bankrupt Lockheed would cost the taxpayers at least $500 million in income tax losses, Southern California would receive a severe economic blow, and somewhere in the neighborhood of 30,000 people would join the unemployed.

Very truly yours,
JOHN R. BREEDEN,
Executive Vice President.

BANK OF AMERICA,
Carson, Calif., July 19, 1971.

Hon. GLENN M. ANDERSON,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR GLENN: Thank you for your letter of July 13, 1971. It is most gratifying to know that you value my opinion on such controversial matters as the Lockheed Loan Guarantee.

I am wholeheartedly in support of such a loan guarantee, not only as a banker but also as a businessman, civic worker and citizen taxpayer.

I am certain that such a loan guarantee is in the public interest economically, socially and morally.

I also believe that the issuance of such a guarantee by the Federal Government would be far less costly to the taxpayers than the collapse of a company the size of Lockheed. I do not believe the Government would ever be called on to honor the guarantee. The loss of corporate tax revenues, personal income tax revenues, the cost of unemployment benefit payments, welfare payments and the like would be far in excess of honoring such a guarantee if it were to be honored.

I believe the loan guarantee is needed in order for Lockheed to survive their present financial plight, which I believe was not entirely of their own making. I am confident that with such a guarantee the company will not only survive but will go on to produce an aircraft that will add greatly to our country's air carrier needs, prestige and technology.

It is also my contention that profits will result to everyone concerned with the L–1011 project if the aircraft is produced and sold as projected.

The scope of the International ramifications cannot be overlooked either if the L–1011 project is allowed to collapse. Especially as they affect Rolls-Royce, the PB–211 engine and the English political leaders that backed the engine project based on sales to Lockheed.

I, personally, request that you vote in favor of the Loan Guarantee to Lockheed Aircraft Company.

Respectfully yours,
C. H. OLSEN,
Manager.

BANK OF AMERICA,
San Pedro, Calif., July 15, 1971.

Hon. GLENN M. ANDERSON,
Congressman, House of Representatives,
House Office Building,
Washington, D.C.

DEAR CONRESSMAN ANDERSON: The House of Representatives Committee on Banking and Currency commenced hearings this week on legislation authorizing the U.S. Government to guarantee up to $250 million in bank loans to the Lockheed Aircraft Corporation. I urge that you support the authorization of the U.S. Government to guarantee loans up to $250 million to the Lockheed Aircraft Corporation.

The Bank of America has $30 million on loan to Lockheed Aircraft Corporation, which compels a keen interest in the pending federal loan guarantee legislation before Congress.

Yet the economy of California and the nation provides an overriding reason for the support of this legislation as Treasury Secretary John B. Connally pointed out in testimony before the Senate Banking and Currency Committee.

Board Chairman Chauncey J. Medberry of the Bank of America testified before the same committee to the effect that the 24 banks which had loaned Lockheed $400 million to date could not loan more without the government guarantee.

Turning to specifics, Secretary Connally said:

"Underlying this investment in physical inventories (nearly $1.4 billion) is a financial commitment that would have to be largely written off. Apart from the net equity of Lockheed's 55,000 shareholders, which now amounts to about $235 million, subcontractors are estimated to have invested $350 million in the program, a consortium of 24 banks has loans outstanding to the company of $400 million, and debenture holders have claims of another $135 million . . .

"In addition, the Treasury would suffer tax losses. Just as the Government is a partner in business profits, it is a partner in business losses. Lockheed's creditors could take some solace in deducting their losses on their tax forms. Any estimate of the exact cost to the Government of these tax losses would be speculation, but it is hard to imagine that the net tax loss on $1 billion of written off investments wouldn't exceed substantially the $250 million guarantee . . .

"Moreover, though it is more difficult to estimate, it is evident that for every employee directly laid off, others in communities where their income was counted on will also suffer. It is estimated that counting this indirect impact, a total of 60,000 employees will end up without jobs if the L–1011 is shut down. Even on a direct basis, the cost is heavy, as the reductions that have already taken place show . . ."

Furthermore, the L–1011 will reduce Lockheed's dependency upon defense contracts from 90 percent now to nearly 50 percent in the future. In the view of experts who have reviewed development efforts to date, the 400 passenger L–1011 (TriStar) represents a second-generation, wide-bodied jet aircraft with engines that will be virtually smokeless and with a noise level nearly one-half that of those on aircraft in use today.

Mr. Medberry explained that, when the banks first made the $400 million commitment, Lockheed had a net worth of $395 million, a debt of $450 million exclusive of subordinated debt, and a net profit after taxes averaging $50 million per year for 6 years.

He said that today Lockheed's net worth—after Lockheed agreed to a $200 million loss on Department of Defense Contracts—dropped to $235 million with a debt of $1.065 billion, exclusive of the same subordinated debt, and grave losses in place of profit.

Mr. Medberry said this, combined with the risks inherent in this development of a new airframe and new engine on the technological frontiers of the aerospace industry, would make further bank financing imprudent without the government guarantee.

In summary, Mr. Medberry developed these four points in his testimony:

"First, that the survival of Lockheed and the issuance of a government loan guarantee are definitely in the public interest.

"Second, that the issuance of such a guarantee would cost the taxpayers far less than the collapse of the company.

"Third, that the guarantee by the government is essential to the survival of Lockheed; and

"Fourth, that the company will survive with the loan."

Again, I urge that you support the authorization of the U.S. Government to guarantee loans up to $250 million.

Sincerely,
V. A. BAUCHIERO,
Vice President and Manager.

UNITED CALIFORNIA BANK,
Los Angeles, Calif., July 20, 1971.

Hon. GLENN M. ANDERSON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ANDERSON: In response to your letters of July 15 to Frank L. King, Chairman of the Board and to me requesting comments as to our position and recommendation with respect to the U.S. Government guarantee of bank loans to Lockheed, I spoke with your Administrative Assistant, Mr. Harry Anderson and he has requested that I provide you with a written resume of my observations.

It is my feeling that without the requested guaranteed funds Lockheed is faced with bankruptcy. This event would not only have a disrupting effect on our economy but would make all government contract financing subject to the most careful scrutiny by the financial market.

As to the economy, estimates place the investment of the private sector in the L–1011 at something in the neighborhood of $1.5 billion, while the "people" investment in the form of gainfully employed individuals has been placed at 30,000. In the event of bankruptcy, these positive factors would be lost with the resultant diminution of funds going into the consumer market and a substantial decrease in tax revenues.

An analysis of the Lockheed position would seem to indicate that the government is not entirely without fault in contributing to the Lockheed problem. The type of contract used in the four disputed projects has I believe been discredited and is no longer used. The cash drain of over $500 million imposed on Lockheed primarily through negotiated settlements of legal disputes arising out of military programs predicated on these contracts has substantially added to Lockheed's need for financial assistance while at the same time reducing the company's capital structure to a point where it has been unable to properly support these additional requirements.

The banks participating have already evidenced their support of Lockheed by extending loans totaling $400 million. This figure does not include the substandard secondary support provided by the banks through related loans to subcontractors and to the various airlines who have made substantial cash deposits incident to the L-1011 effort.

It is my feeling that the government should support the company as requested. In as much as such guaranteed funds would be on a "last in first out basis" with priority over all other creditors, the exposure of the government and the taxpayer would be minimal. In contrast, any additional credit provided by private sector would not enjoy such priority and the lack of such protection would make it imprudent for any bank to extend new support. There is ample precedent for the government to extend such an accommodation when consideration is given to the financial assistance already extended to the several other areas of our economy. In this instance, however, the economy will benefit immeasurably by this government action in support of one of our major Southern California and national defense industries with no outlay of funds.

Sincerely,

NORMAN BARKER, Jr.

BANK OF AMERICA,
July 19, 1971.

Hon. GLENN M. ANDERSON,
U.S. House of Representatives,
House Office Building,
Washington, D.C.

DEAR MR. ANDERSON: In the absence of George Staff, who retired effective June 1, 1971, I would like to take the liberty of answering your letter of July 13, 1971, concerning the U.S. Government guarantee of a loan to the Lockheed Aircraft Corporation in the amount of $250 million.

Our feelings are quite strong that the Government should guarantee such a loan, as the consensus seems to indicate that it would enable the Lockheed Corporation to complete the L-1011 program successfully, and it is our understanding that the Government's guarantee will commence to be reduced from the first deliveries of the aircraft, thus minimizing the risk.

The thing that we feel strongest about is the dependence of many of our smaller businesses, such as foundries, machine shops, electronics firms, etc., that would be adversely affected in event of a bankruptcy in the case of the Lockheed Corporation. These adversities are, of course, in addition to the loss of jobs that result because of the necessity of the direct discharging of the Lockheed Company employes.

And, finally, we are not altogether convinced that Lockheed's problems are all company generated. We seem to recall that Mr. McNamara changed the method of handling Government contracts which resulted in companies such as Lockheed developing enormous projects such as the C5A and other intricate developments on what amounts to a fixed price contract. When one considers the length of time consumed in such developments it seems impossible to us to anticipate the cost of such projects when the development time may encompass anywhere from five to ten years. Such things as inflation, change orders, acts of God, etc., can have a devastating effect on the amount of funds necessary to complete a project. It is, therefore, our opinion that an "aye" vote would be in order, enabling Lockheed to continue as one of our major Government and public producers of aircraft.

Sincerely,

T. R. KINLEY.

FIRST WESTERN BANK AND TRUST CO.,
Los Angeles, Calif., July 19, 1971.

Hon. GLENN M. ANDERSON,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR MR. ANDERSON: This is in response to your letter of July 15 regarding the proposed guarantee by the United States Government of $250 million in bank loans to the Lockheed Aircraft Corporation.

I do not envy you in having to participate in this most difficult decision. On the one hand, we have the question as to whether or not the United States Government should be guaranteeing loans to private enterprise and on the other hand, we have the potential devastating economic consequences of Lockheed's failure. In my own case, I feel that the economic consequences outweigh my normal rejection of a U.S. Government guarantee of any private industry debt. Not only would we have substantial unemployment in our area caused by the failure of Lockheed, but we would lose a very potent industrial force which could be vital one day in the defense of our country.

Given the fact that I would favor keeping Lockheed alive by authorizing such guarantee, the next question is one of how the loans should be structured to give maximum protection to the United States Government in its position as guarantor. As a lender, I have some very strong feelings about how this should be done. The primary thrust of my approach to this problem would be to ensure that the existing major creditors have a subordinate position to that of the new loans which would be guaranteed by the U.S. Government. When I refer to the major existing creditors, I am speaking of the banks, the airlines which have made advance deposits on future delivery of aircraft and the major subcontractors to the TriStar Program who, I understand, are large Lockheed creditors. There would probably be no way to make these new guaranteed loans have a priority position as to all other existing creditors, but I would think that the major creditors listed could be put into a subordinate position.

As you probably know, our bank is not one of the institutions involved in the Lockheed credit and, therefore, we are not closely informed as to the company's financial position or the prospects for the L-1011; hence, you are not getting in this letter an expert opinion of a well-informed banker regarding this specific issue. Rather, you are receiving the general reaction of a banker to the problem as outlined in broad scope in the various news media. I hope that this will be of some assistance to you in resolving this difficult question.

Sincerely yours,

ROBERT W. BROWN,
Executive Vice President.

THE CAPITAL NATIONAL BANK,
Compton, Calif., July 16, 1971.

Congressman GLENN M. ANDERSON,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE ANDERSON: Thank you for your letter of July 13th regarding the proposed legislation concerning the Lockheed Aircraft Corporation. Your letter is an excellent indication of your sincere efforts and desire to represent your congressional district.

In a word, I do support some type of legislation or government guarantee to prevent Lockheed Aircraft Corporation from going into bankruptcy.

In today's complex economic society, I believe that Lockheed and others similar industrial giants cannot entirely control their own destiny. I believe that the federal government has become so involved that in some instances, a company's failure could be partially a result of government contracts, restrictions, etc. In the case of Lockheed, I believe the CA-5 is an example.

Economic conditions over which Lockheed had little or no control—wages, cost of materials—resulted in huge overruns in the cost of the production of this plane. I believe Lockheed's situation today is partially a result of this government contract.

Thank you again for your letter concerning this matter.

Sincerely,

ROBERT V. LOGAN,
Executive Vice President.

BANK OF AMERICA,
Torrance, Calif., July 23, 1971.

Hon. GLENN M. ANDERSON,
House of Representatives, House Office Building, Washington, D.C.

DEAR MR. ANDERSON: I am answering your letter of July 13th addressed to Dave Holland. Mr. Holland has since been transferred to our Santa Monica Branch and I have replaced him.

By this time you have undoubtedly received a letter from Mr. Francis Herwood, one of the Bank of America executives, outlining the Bank's position on the Lockheed loan guarantee. As a local bank official and citizen, I fully agree with the Bank's favoring of this guarantee and feel that it is in the best interest of the citizens of California that favorable action would be given this proposal.

Thank you for taking the time to request our local feeling and I shall be happy at any time you are in the area to meet you or assist you in any manner I can.

Yours very truly,

D. E. REVILL,
Manager.

CAPTIVE NATIONS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1971

Mr. DERWINSKI. Mr. Speaker, last week, on Wednesday the 21st, the House commemorated Captive Nations Week. Additional reports have reached me from activities throughout the country. I insert the following:

The program of the Americans for Freedom of Captive Nations celebration in Los Angeles.

The invitation to the program of the Americans for Freedom of Captive Nations.

A resolution introduced by Dr. Olgierd J. Klejnot, president of the Americans for Freedom of Captive Nations.

Text of the speech by Dr. O. J. Klejnot on the presentation of the Captive Nations Medal to George Putnam, television commentator.

Captive Nations Week appeal by Women for Freedom, Inc.

The material follows:

AMERICANS FOR FREEDOM OF
CAPTIVE NATIONS,
Los Angeles, Calif., July 24, 1971.

Hon. EDWARD J. DERWINSKI,
U.S. Congress, House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DERWINSKI: At the conclusion of Captive Nations Week, it is my privilege to send to you an account of the celebration at Los Angeles. The enclosed invitation card gives the particulars. The postcard shows our motto, displayed on a large poster during the ceremony. During the past year we used the motto: Condemn Communist Criminal Conspiracy!

Highlights of the program were: speech by Mr. Jose Norman (Cuba) on Communist threat and training camps for "urban guerrillas" in Castro's Cuba, which have trained 1,500 subversives thus far; speech by Dr. Anthony Butkovich (Croatia) on the role of Captive Nations as the greatest force actually opposing the Soviets (overnight fall of Gomulka!) and ours, as torchbearers for freedom; speech by Dr. Louis Kaufman, president of Los Angeles City College on the school situation; resolution by the assembly.

Enclosed are my introductory remarks and the unanimously voted resolution, which has been sent to the President of the United States. We respectfully request that this text be included in the extensions of remarks in the Congressional Record. We do believe in asking for Freedom of Captive Nations and keeping this idea alive as a burning torch . . . until freedom and independence are achieved for all the captive nations of the world. You may like also the enclosure on the presentation to Mr. Putnam.

We thank you very much for the reprint "The Captive Nations Scorecard". With best wishes for success of your good legislative work in Congress I remain

Very sincerely yours,

Dr. OLGIERD J. KLEJNOT,
President, Americans for Freedom of Captive Nations in Los Angeles.

CAPTIVE NATIONS WEEK RALLY AT CIVIC CENTER MALL IN LOS ANGELES, JULY 17, 1971

(Resolution introduced by Dr. Olgierd J. Klejnot, president, Americans for Freedom of Captive Nations, Los Angeles)

Dear Friends for Freedom of Captive Nations: As this annual commemoration comes to a close, we may look at the past Captive Nations Week, and into tomorrow.

Thirteen times has a week been devoted to Captive Nations. We have had proclamations issued and it has been duly documented that Captive Nations do live in captivity and do not have the human rights and freedoms that we enjoy. This was officially expressed by our elected representatives from Congress to the President, to State, County and City. However, a point in time is now reached that begs the question to be asked: how long will this be carried on in this vein? How long will this be deemed sufficient?

It is not enough to condemn the Communist criminal conspiracy. We, the concerned people, should wish to answer the Presidential Proclamation, and to call this answer out for all the world to hear, better than heretofore.

Freedom for the Captive Nations! Not a memorial to past freedom, but live Freedom, now-Freedom to the living, suffering Captive Nations, the captive people!

Therefore, as an example for today, I like to recall the Baltic Freedom Rally of June 13, 1971 at Los Angeles. That Rally was held by our members about the same events, the same peoples and nations. It was the same commemoration of barbaric floods, breaking over outnumbered free people. But it was called Freedom Rally.

Out of that Rally came a County Resolution, respectfully urging the President of the United States to bring the question of the liberation of the Baltic States before the United Nations. For creating this precedent, our deepest-felt thanks to Supervisor Ernest Debs!

Now we, Americans for Freedom of Captive Nations, propose that this assembly of citizens may act as a Freedom Rally for Freedom of All Captive Nations. Let us not be caught commemorating freedom. But on the day commemorating the loss of freedom, let us demand freedom for the unfree, because we are still free to do this, and they are not.

Now, I will read a resolution, which will be voted upon after a second reading and sent to the President of the United States with the signatures of those who would like to put their names under it.

LOS ANGELES CAPTIVE NATIONS WEEK RESOLUTION ON THE QUESTION OF THE LIBERATION OF THE CAPTIVE NATIONS

Whereas, the Captive Nations seized by the Soviet Union languish under a barbaric colonial rule; and

Whereas, these Captive Nations had their independence taken from them by mass murder, aggression and other illegal means; and

Whereas, the notorious, treaty-breaking Soviets tricked this country into illegal agreements, violating the rights of the presently Captive Nations,

Now, therefore, we, citizens of the City and County of Los Angeles, assembled in the Civic Center Mall in Los Angeles to commemorate the glorious traditions of freedom-loving peoples in accordance with the Presidential Proclamation of Captive Nations Week, respectfully request the President of the United States to bring the question of the liberation of the Captive Nations before the United Nations.

PRESENTATION OF THE CAPTIVE NATIONS MEDAL TO GEORGE PUTNAM, TV COMMENTATOR

(Text of the presentation Speech by Dr. O. J. Klejnot, on behalf of Americans for Freedom of Captive Nations)

Mr. Putnam, we honor you today as a champion of freedom for the Captive Nations. For many years, you have supplied huge audiences with revealing reports about the Communist criminal conspiracy, attempting to subjugate the whole world outside its present reach. Your subtle and inspired analyses became classics on the subject of freedom under law and constitutional government, as opposed to oppression under tyranny. You have defended the human rights of peoples who are deprived of the freedom of expression—whose speakers are muzzled and silenced. Your thoroughly researched "one reporter's opinions" became a legend in their own time.

Now, therefore, the delegates of nationality groups united in the Americans for Freedom of Captive Nations at Los Angeles have unanimously voted to award to you the highest honor available to us—the President Eisenhower Captive Nations Proclamation Medal. They are here, and represent also many others. They are American Armenians, Bulgarians, Byelorussians, Croats, Cubans, Estonians, Hungarians, Latvians, Lithuanians, Poles, Rumanians and Ukrainians.

This medal, founded in 1969 on the tenth anniversary of the Proclamation, has been given previously to such champions of the Captive Nations cause as President Nixon, Senator Goldwater, and here in Los Angeles, Mayor Sam Yorty.

I am proud and privileged to present to you the medal, which bears the quotation from Public Law 86–90 on Captive Nations Week: "The President . . . to issue a . . . proclamation each year until freedom and independence . . . have been achieved for all the captive nations of the world."

CAPTIVE NATIONS WEEK APPEAL BY WOMEN

Women for Freedom and the undersigned women's organizations are appealing to all members of their sex to manifest concern for the millions upon millions of their sisters throughout the world who are still suffering from the burden of being females, and even more so for their religious, political, and social beliefs. These are the enslaved women of the Captive Nations who yearn to express their womanhood through their love of God, family, and friends, but who are denied these basic freedoms by the Communist oppressors of their lands.

Therefore, we call specific attention to the 13th Captive Nations Week which is being observed this year July 18–24 throughout our nation and other free countries. It behooves all women who cherish freedom to participate actively in Captive Nations Week observances in their communities. But beyond this, concerned women should carry forward their commitment to their sisters in captivity through their community groups, organizations, churches, communications media and legislative representatives. In keeping with their love of human dignity, they should seek implementation of the United Nations Declaration of Human Rights, and through their congressmen, they should work for the creation of a Special House Committee on the Captive Nations. At every opportunity they should strive to call attention to the denial of human rights to our sisters in captivity throughout the world.

For the millions of women who do not share with us the dignity of free and unfettered womanhood, we must offer hope, courage and commitment to help them escape the bondage which destroys them not only as women but as human beings.

This, then, would be a true women's liberation movement!

FEDERALLY FUNDED HOUSING CODE ENFORCEMENT PROGRAM

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BINGHAM. Mr. Speaker, urban decay is a problem that afflicts a great many areas of the country, and massive Federal assistance programs are needed not only to restore decayed neighborhoods but to help prevent currently liveable neighborhoods from declining. Members of the House and other readers of the RECORD may be interested in a code enforcement assistance program grant recently made to the city of New York for the Highbridge section of the city, which I have the honor to represent. The success of this and any similar program, of course, requires effective and sensitive administration and community cooperation, and I intend to do everything I can to see that those essential ingredients are present in the operation of this project, which I was active in seeking on behalf of the residents of Highbridge. A report on the code enforcement project from the July 18 New York Times follows:

HIGHBRIDGE GETS A FEDERAL GRANT—MONEY WILL BE USED TO FIGHT DECAY IN BRONX SECTION

(By Edith Evans Asbury)

A Federal program, little used in the four years it has been available to the city, has granted $818,814 for an effort to stave off further deterioration and abandonment of housing in the Highbridge section of the Bronx.

The grant was announced by Representative Jonathan B. Bingham, a democrat, who represents the section. He said it had taken more than two years of effort to persuade city and Federal authorities to approve the grant, and had required his personal appeal to George W. Romney, Secretary of Housing and Urban Development, "to get the ball rolling."

The Federal funds will be used to repair and otherwise improve apartment buildings, install street beds and curbs, improve street lighting and plant trees along the streets.

Loans for up to 20 years at 3 per cent annual interest will be available to owners for building improvements. Owners of one- to four-family buildings who qualify because their income is below a certain level will be given outright grants to improve their properties.

WILL AID FAMILIES

Families found to be living in overcrowded conditions will be assisted in relocating, with expenses for them and stipends for landlords who make facilities available to them.

"It is clear," Representative Bingham said, "that lack of decent housing is one of the most urgent and pressing problems this city faces. It is therefore critical that existing housing be protected and not allowed to drift into the all-too-familiar process of gradual decay and abandonment."

The Federal funds will be administered by the city's Housing and Development Administration through an assistant commissioner, Edward Gibbs, who has charge of its Federal Code Enforcement Program.

Mr. Gibbs will supervise a site office that will have a staff of experts in housing/inspection, architecture, community relations, relocation, mortgage advice, planning and rehabilitation.

"Properly administered, with adequate community consultation, this can be a great program," Representative Bingham said.

Ways and means of achieving proper community involvement in the program were discussed yesterday, he added, at a meeting with community leaders and officials, and Bronx Assemblyman Seymour Posner, a Democrat-Liberal.

Funds from the Federal Code Enforcement Program have been available to the city for rescuing deteriorating housing, but only two other areas have taken advantage of them during the last four years.

U.S. PAYS CITY

One, in the East Concourse section of the Bronx, provided 30 loans totaling $564,900 and six grants totaling $19,387 to owners to bring their property up to code standards.

The other, in the Crown Heights section of Brooklyn, provided 72 loans totaling $1,655,250 and 22 grants totaling $72,057.

An additional $4-million was given by the Federal Government to the city in 1967 to pay two-thirds of the cost of public improvements in connection with the two projects.

Mr. Gibbs said the city had applied for seven other areas to receive the aid, but had been rejected for a variety of reasons, some not clear to him.

William Rose, special assistant to S. William Green, regional administrator of the U.S. Department of Housing and Urban Development, said that the city had not shown that it could put the money to use with proper speed and had proposed areas "not deemed suitable."

PROBLEMS RELATED TO DISABILITY RETIREMENT

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. SCHWENGEL. Mr. Speaker, a resident of my district, Mr. George T. Nickolas, has recently written an article which should be of great interest to all members of the armed services. He discusses very knowledgeably and in some detail, the importance of electing disability retirement over regular retirement whenever a person so qualifies. The article follows:

WHY DISABILITY RETIREMENT?

(By George T. Nickolas)

Many of the servicemen now on active duty and many of those who have been released are not aware of the provision of title IV of the Career Compensation Act of 1949 (now codified in Title 10, United States Code, principally in Chapter 61). The provisions provide benefits for eligible members whose military service is terminated due to a service-connected disability. This single law is made applicable to officers and enlisted personnel of all the military services.

A member of the Armed Forces on active duty who is found to be unfit to perform his duties because of a disability incurred while entitled to receive basic pay may be either permanently retired or placed on the temporary disability retirement list (TDRL) with retired pay. His disability must be rated at least 30 percent, and be as a result of the performance of active duty, or was incurred during war. Disabilities resulting solely from intentional misconduct, willful neglect, events during a period of unauthorized absence, may mean the loss of disability benefits from the Service or the Veterans Administration.

What problems are being experienced today? First, we all must realize that retirement benefits are paid by the Military Service and thus come out of the Defense Appropriation. This should have no effect on granting a *Disability Retirement,* but it does. When I mentioned retirement benefits, you should note that I did not refer only to pay. Retirement pay is only a part of the benefits that are available to disability retirees. Medical care at Military Medical Facilities, use of the Military Post Exchanges, use of Military Base Facilities (i.e. Pool, Movie, Recreation Facilities, and etc.) use of the Military Commissary, and others, are only provided members of the Military Service who are retired on length of service or retired for physical disability.

What if the base pay of the serviceman, who is to be retired, is low and the 50 percent rating is less dollar wise than the serviceman would receive in compensation benefits from the Veterans Administration? The law provides that the Serviceman can waive a part or all of the Retirement Pay and receive Veterans Administration Compensation. The serviceman must apply to the Veterans Administration after he is retired to be evaluated and a rating established. His rating from the Veterans Administration may differ from that of the military service. But, in any event, the serviceman should maintain his retirement Status in order to receive the other than pay benefits from the military service. The serviceman must report for the periodical evaluations by the military service that are required for the period that he is carried on the TDRL (which is limited to 5 years). Permanent Retirement for disability does not require the serviceman to return for evaluations. Of course, if he draws Veterans Administration benefits, the Veterans Administration may require periodical reviews of his case. If the benefits that a serviceman received from the Veterans Administration (the dollars and cents) decrease below that which he is entitled to receive from the Military Service, then he can change his election and receive benefits from the Military Service.

The current law does not provide benefits for dependents of veterans who are receiving Veterans Administration benefits only!! The Military Retiree's dependents are entitled to benefits from the Military Service. A dependent of a veteran who receives Veterans Administration Compensation only is not entitled to medical care from the Veterans Administration of the Military Service, but a dependent of a military retiree is entitled to care (subject to some limitations) in a Military Hospital or at a Military Base Medical Facility. If no facility is available in the area, the Military Retiree's dependent can utilize civilian medical facilities and the Government will share 75% of the cost subject to limitations and provision of CHAMPUS (Civilian Health and Medical Program of the Uniformed Services).

I think that this is the time to point out that most Veterans Organizations are Veterans Administration oriented and any advice sought from these organizations should be weighed. Of course, there are those members of Veterans Organizations who are themselves retired for disability and are able to relate the correct information, as some of the service officers. The reason to point this out is that the benefits of retirement for enlisted men is something that came into existence following World War II and thus many active members of Veterans Organizations are not entitled to these benefits.

What does a serviceman do to insure that he obtains the maximum benefits he is entitled to? We must, of course, make the assumption that the serviceman has been injured, wounded, or disabled by some disease in the line of duty or while on active duty (even active reserve duty) with the Military Service. The serviceman must request, provided the disability precludes him from performing his duties, that his disability be evaluated. Each Service has its own process leading up to a final decision for each case. These procedures are very similar, but they differ in some details. The initial medical determination is made by a medical board, which will determine exactly what your physical condition is and recommend one of the following to the hospital's commanding officer:

1. That the serviceman be returned to regular duty.
2. That the serviceman be returned to limited duty, that is, duty which can be performed satisfactorily regardless of the disability, providing that it would not aggravate the serviceman's physical condition.
3. That the serviceman be hospitalized pending another examination at a later date.
4. That the serviceman be transferred to another hospital that is better equipped to handle the medical condition.
5. That the serviceman be given an administrative separation; that is, find him physically qualified, but recommend discharge because of inaptitude for military service.
6. Refer the case to a Physical Evaluation Board (PEB).

What is a Physical Evaluation Board? It evaluates the physical condition of the serviceman and determines the physical qualification relative to retirement, discharge, or retention on active duty. It does not make decisions; it passes its recommendation along to higher authority.

What type of determinations can the Service make if the physical disability of the serviceman disqualifies him from the Service? The Service can permanently or temporarily retire the serviceman or give him a disability discharge with severance pay or without severance pay.

Permanent retirement for disability will provide a fixed sum of between 30 and 75% of the basic pay of the serviceman's retired grade each month for the rest of his life. If the serviceman is placed on the Temporary Disability Retired List, he will receive monthly payments of at least 50 percent of the basic pay of his retired grade, but not more than 75 percent, as long as he remains on the list.

If the Service determines that the serviceman is permanently disabled and so retires him with at least 30 percent, he can elect to receive retirement pay from the Service based on either the percentage of his disability or length of service, whichever will result in the greater amount of money for the serviceman.

If a Service determines that the serviceman's disability is rated at 30 percent or more that *may* be permanent, but which cannot be definitely classed as permanent at the time, and if he is otherwise qualified, he will be placed on the Temporary Disability Retired List (TDRL). There must be some doubt as to whether or not the disability or a degree of disability is of a permanent nature, or whether the condition indicates the serviceman might be acceptable for further service in 5 years' time or less.

By law, a serviceman cannot be kept in the temporary disability retired status longer than 5 years. He must be given periodic medical examinations during that time as often as determined necessary, but at least once in every 18 months. The serviceman must report for the medical examination. All medical examinations are mandatory while a serviceman is on the TDRL even if he has declined his *Service Retirement Pay* in favor of Veterans Administration disability compensation. Failure to report to a designated medical facility when ordered to do so can disqualify the serviceman from maintaining his retirement status and he will lose his entitlement to other benefits of Retirement. If a serviceman is unable to report at that designated time, he can write, immediately upon receipt of the orders to report, and explain why he can not report and ask for another appointment. If the serviceman is a patient in a VA or civilian hospital at the time of his examination appointment, he should notify the agency from which he received the orders of the name and location of the hospital where he is a patient. The Service will then obtain a report of his condition from the hospital. This report will take the place of the required medical examination.

When the examining doctors (or designated reviewing authorities) recommend changing the serviceman's status (and they must do so within 5 years), the case will go back to another Physical Evaluation Board (PEB). Once again, the serviceman will have a choice of being present in person or not, choosing a counsel or not, and of calling witnesses or not. Also, if the serviceman feels that one of the board members is prejudiced, he may challenge his right to remain on the board while the serviceman's case is being evaluated. Sometime, before the end of the 5th year, the case will be forwarded to the Service Secretary's Office and he will decide to order the serviceman "back to duty"; discharge the serviceman with severance pay, if appropriate; or permanently retire the serviceman because of disability. If the decision is "back to duty", he can refuse further assignment, but if the serviceman refuses further assignment, his name is removed permanently from the Service's active and retired lists. If the serviceman chooses to return to active duty, he will be returned in a status as nearly as possible equal to the one which he held when he was placed on the TDRL. The years of service on the TDRL count for basic pay computation, but they do not count as creditable service for retirement.

A serviceman might become anxious to take the fast discharge and not seek the disability retirement. Remember that the serviceman can lose benefits equal to thousands of dollars and will be of benefit to his family or his future family. These benefits are:

1. Privileges of Base Facilities such as the Officers and NCO Open Messes; Commissaries, Exchanges, and FPO's and APO's; Use of field ration dining facilities; Military Theaters; Library services, Dependents' Schools; Clothing Sales Stores; Family Services Center; Aid Societies; Drycleaning and Laundry; Recreation Facilities; Legal Assistance; Transient Quarters; and Base Chapels and Related Facilities.

2. Travel on Department of Defense Aircraft and Ships as follows: Space-Available Travel Overseas; Space-Available Travel within Continental United States; and etc.

3. Medical Care at a Military Medicare facility for the retiree, his wife, legitimate child, dependent parents and parents-in-law, and adopted children.

4. Medical Care in civilian facilities for the retiree, his wife, and legitimate children limited to paying twenty-five percent of the charges for inpatient care (including physician); or in an outpatient basis the retiree will pay the first $50 (the deductible) on himself or the first $100 (deductible) on the family (two or more) each fiscal year, plus 25 percent of the charges in excess of the deductible. The fiscal year run from July 1st of one year through June 30th of the following year.

If the serviceman is already out of the service, and if he is rated 30 percent or greater by the Veterans' Administration, and his disability was incurred in service, he can and should file a DD Form 149 to have his case reviewed by the Correction Boards. The increased number of applications for disability retirement filed with all of the Correction Boards confirms studies which conclude that too many severely disabled servicemen are too often being denied the benefits which they have earned by acquiring a disabling impairment while on active duty with the Armed Forces. It is recommended that the veteran prepare the DD Form 149 with assistance from a *knowledgeable* Veterans Organization Service Officer.

But, the serviceman who is in the service, must make every attempt to have his case reviewed prior to discharge for the purposes of retirement. It has been found that the appeal route is a much more difficult route to take.

The DD 149 appeal states that the appeal must be made within three years from the date of discharge, but, the Boards are reviewing cases in excess of three years because of the many deficiencies in the disability separation program.

AGNEW'S BLACK LEADERS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. STOKES. Mr. Speaker, in view of the recent furor which surrounded Vice President AGNEW's statements on the subject of America's black leadership, I wish to commend to the attention of my colleagues a reasoned and factual analysis of Mr. AGNEW's remarks which recently appeared in the July 23 edition of the Washington Post. In "Agnew's Black Leaders," William Raspberry touched on a fact which, in my opinion, is essential not only to an understanding of the Vice President's views, but also those of most black Americans.

I refer, Mr. Speaker, to a phenomenon which Mr. AGNEW obviously does not perceive and which black citizens refuse to ignore: the time is long since gone when our "leaders" can be ordained and established by white America. The time has come, finally, when we demand at least enough equality to designate those persons who can speak for us on the national level.

It is unfortunate that the second most powerful elected official in this Nation is unable to define black leadership in terms other than their ability to be summoned to his Governor's mansion and be sent away supposedly quaking in fear. I am afraid this lack of perception only reconfirms what many Americans have known since "AGNEW" became a household word: The man does not understand and therefore cannot exercise true leadership.

Mr. Raspberry's article follows:

AGNEW'S BLACK LEADERS

(By William Raspberry)

Spiro T. Agnew is a subtle man, and it is no surprise that so many people have misinterpreted his recent criticism of "those in the United States who have arrogated unto themselves the position of black leaders."

The Vice President's quarrel—and this is the point most people missed—is not with black leaders as such; it is with those who have "arrogated unto themselves" the role of black leadership.

The acceptable way of becoming a black leader is not through self-arrogation but through ordination. No black man can lay just claim to the title "black leader" until he has gone through the proper ritual and been appointed by white folk. (The ritual, you may recall, entails a certain amount of shuffling, head-scratching and Tomming.)

The whole procedure used to be common knowledge. It didn't matter whether you were preacher, principal or supreme exalted potentate of the local lodge, you weren't a black leader until white people said so—or more specifically, until white reporters came to ask you what black folk were thinking about the latest racial controversy.

But this protocol, like so many ancient virtues, has been abandoned by the young and headstrong. Black people no longer are waiting for white ordination but are "arrogating unto themselves" the right to decide who their leaders shall be.

Mr. Agnew, who remembers the old way, doesn't like the trend. I'm not even sure he was aware of the trend until the spring of 1968 when, as governor of Maryland, he ordered Baltimore's black leaders to do something to halt civil disturbances and otherwise keep black folk in line. The black leaders ignored him—walked out on him, in fact—and he has been understandably unforgiving ever since.

Nor is that all that's bothering him. He might have been able to make the necessary adjustments, one supposes, except for another breach of protocol.

Black leaders not only are refusing to be selected by white people, but they also, Mr. Agnew observed, "spend their time in querulous complaint and constant recrimination against the rest of society."

It might as well be said right now: The Vice President was right.

Show me a black leader in the United States and I'll show you a "querulous" complainer. Mr. Agnew, being a gentleman, didn't name names, but you know who he's talking about.

Take the congressional Black Caucus, those people who have "arrogated unto themselves the position of black leaders" in spite of the fact that they were mostly elected by black, not white, people.

They engaged in "carping and complaining," to use the Vice President's words, because they sought, and were refused for 14 months, an audience with the President.

Roy Wilkins and other officers of the NAACP have been "carping and complaining" because they believe the administration is more concerned with politics than with the rights and dignity of black people.

Elijah Muhammad and the Black Muslims have been, well, querulous, because their cattle herds have been poisoned in Alabama, proving that white people won't leave you alone even when being left alone is all you want.

George Wiley of the National Welfare Rights Organization has been particularly querulous in his insistence that the country can afford to make a reasonably adequate income a matter of right.

Bayard Rustin was in town just the other day to complain, querulously and very eloquently, that the administration is inadequately committed to ending racial discrimination in housing opportunity.

And so it goes. About the only black leader who isn't behaving querulously, who in fact spends a lot of time praising the Nixon-Agnew administration is Clay Claiborne, head of the Black Silent Majority Committee.

Since the seed money for Claiborne's organization was put up by the National Republican Congressional Committee (which is to say, white people) it appears he has taken the traditional route to black leadership.

It still isn't clear who his followers are.

WOLE SOYINKA AT THE EUGENE O'NEILL CENTER IN WATERFORD, CONN.

HON. ROBERT H. STEELE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. STEELE. Mr. Speaker, we in eastern Connecticut are honored to have the Eugene O'Neill center for the dramatic arts; one of the most innovative and successful theater workshops in the United States. One indication of the success of the center is contained in an article in issue No. 58 of Topic magazine, published by the U.S. Information Agency, for distribution in Africa. The article, which follows, highlights the work of Wole Soyinka, from Ibadan, Nigeria, and his work at the O'Neill center:

THE MAKING OF A PLAY

(By David Lavine)

On a warm summer afternoon a playwright sits in a secluded room drawing on his inner thoughts for a new work. From nearby comes the sound of surf rolling on the Connecticut coast. The artist looks down at his blank sheet of paper, takes his pen and begins to write. A work of dramatic art is about to be born.

The scene might not appear too unusual until you consider the following remarkable items: the playwright is Wole Soyinka, on a working visit to the United States from Ibadan, Nigeria. The work at hand, which will grow to a rich full-length drama in the next several weeks, will be Soyinka's first new play in several years. More important, from the dramatist's point of view, will be his ability to see his material take shape and substance. Each day his words will move from the typewriter to the mimeograph machine and then to the stage, where a company of players he has brought with him from Nigeria will breathe life into his creative output. Together, the playwright and the actors are guests of the Eugene O'Neill Center, one of the most imaginative and richly creative forces in current American theatrical life.

For Wole Soyinka, his contact with the center started with an odd transatlantic telephone call early in 1970 from the center's artistic director Lloyd Richards. In spite of living in the age of communications satellites, neither Richards nor Soyinka could hear each other during the call. They had to rely on the London operator to pass their words along. Enough was said, however, for Richards to set up a flying trip to Nigeria in April to explain more about the center and its objectives to West Africa's leading dramatist.

Establishing a theater to perform the works of new playwrights without the economic pressures of the professional stage affecting the work is the prime purpose of the center. The driving force for this much-needed theatrical outlet comes from George White. In 1964 he purchased an estate in the Connecticut town of Waterford, near the city of New London which was the birthplace and the home for many years of the noted American dramatist Eugene O'Neill.

The O'Neill Center grew rapidly in the next six years; by 1969 nearly 500 aspiring playwrights submitted their works to be considered for production. Fifteen of these plays were accepted and during the summer month they were performed by professional actors at the Waterford theater.

The centre also moved in the exciting directions. It sponsored a Theater of the Deaf, where deaf actors brought unbelievable richness to drama. While narrators spoke the words the players drew out new meanings from the plays by their sensitive insights into movement and mime. Today there are three companies in the National Theater of the Deaf and their performances are enjoyed throughout the world.

The year 1969 added a new dimension to the center's activities. White and Richards decided to seek a non-American playwright who might benefit from the creative atmosphere of the Waterford workshops. They brought to Connecticut from Trinidad poet-playwright Derek Walcot, who had been working for 10 years with his company of actors on his play *The Dream of Monkey Mountain*. It had been a labor of love, carried on in spare moments with scant money. Now, at long last, the actors and the playwright had the chance to develop the script with professional assistance under actual theatrical conditions.

Walcot's work was so successful that the center immediately set out to bring another non-American dramatist to Waterford in 1970. Nigerian Wole Soyinka was the center's considered choice.

The West African dramatist was already known in the United States. He had visited the country on several occasions and a number of his plays had been performed in cities across the nation. *The Trials of Brother Jero* and *The Strong Breed* had drawn much favorable criticism in New York when they were staged in 1967. Other critics had seen and applauded *A Dance of the Forests* and *The Lion and the Jewel* when they were performed in Nigeria. The center hoped that Mr. Soyinka, after troubled years in a Nigerian prison, was now ready to write a new drama.

During their April meeting Lloyd Richards urged Wole Soyinka to come with his company to the United States. He stressed the rising interest in African theater, an interest that was particularly keen in the black urban communities. He told Soyinka that the Connecticut Commission on the Arts would sponsor performances of a new play in various cities throughout the state. Soyinka agreed to make the trip. He had three or four ideas, any one of which might develop into a full-scale play.

By early summer the playwright was well into his drama, *Madmen and Specialists*. A solid, serious man, Soyinka worked at amazing speed and produced a script which had according to *The New York Times'* drama critic, "language with an almost Shakespearean soar to it." *Madmen and Specialists* is a complicated allegorical play about a young doctor who rejects a career in medicine to become a tyrannical political figure. Woven into the play is a chorous of four beggars commenting obliquely on life. It is a haunting work of art, full of imagery and ideas, which was to demand the complete attention of the audience. Through it throbbed the music of Nigeria.

During the time Soyinka and his company were relaxing they were able to stroll along the wide lawns of the center, pausing to watch the other plays that were in rehearsal. Each day was a casual yet intense sharing of dramatic experience among the actors and writers, the designers and critics. Here the real significance of the center made itself felt. A community of artists were enlarging upon each other's work by their comments, their exchange of ideas and their mutual presences.

For the Nigerian visitors the transition to an American summer was less difficult than an outsider might imagine. The world of the theater links actors and playwrights together, regardless of culture and heritage. For the most part all the actors at the center shared common living quarters at a neighboring university. The center scheduled trips to the nearby dance festival at Jacob's Pillow and to America's Stratford in Connecticut where Shakespeare's plays are staged in a lavishly reproduced Elizabethan theater.

In general the meals served to all at the center were standard American cooking, with the exception of a generous addition of rice for the Nigerian troupe. Perhaps there was, however, some mild puzzlement for the visitors when they received sweatshirts with a picture of Eugene O'Neill stencilled on the front. These shirts are part of George White's ubiquitous advertising campaign for his energetic center.

Early in August, Soyinka was ready to take *Madmen and Specialists* on the road for full-scale working rehearsals. One member of the cast designed a handsome poster, catching the folk-feeling evoked by the play. The first performance was in Bridgeport before an audience of children, who enjoyed the rhythms but were mystified by the content of the work. Performances followed in New Haven and Waterbury and then came the world premiere at the Eugene O'Neill Center. The audience was excited and enthralled. "Marvelous to listen to," said *The New York Times*, adding, "The play is complex, not always penetrable, but it forces, and deserves, attention. It is one of those rare pieces of theater that you would like to discuss with the author after the performance." Further, commenting on Soyinka as the director, the review says, "He has very resourcefully used the amphitheater stage and also the entrance ramp as playing areas. With a minimum of scenery and with actors miming props he has successfully evoked his exotic environment—even as the Connecticut foghorns bleat incessantly in the background."

For Wole Soyinka there was to be still another high point to his visit to the United States. He and his company traveled to New York to present the play first in New York University's Black Arts Theater and then in the city's Harlem section, where for several nights standing-room-only audiences cheered the production. It was clear that the men and women of America's largest black community felt the play to be part of their own heritage. Lloyd Richards commented that *Madmen and Specialists* could have gone on forever in the Afro-American Theater on New York's 125th Street.

The summer over, Soyinka and his troupe returned to Ibadan University, leaving behind them splendid memories for those audiences fortunate enough to see one of their productions. At the Eugene O'Neill Center there is the hope that much more of Soyinka's material will soon be available for the American stage.

PREDATOR CONTROL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ANDERSON of California. Mr. Speaker, on Thursday, July 29, I will reintroduce with cosponsors H.R. 9668, a bill which would prohibit the use of poisons on public lands unless specifically approved by the Secretary of the Interior, in conjunction with the Administrator of the Environmental Protection Agency.

The response from my colleagues has been gratifying and I appreciate their wise counsel and recommendations regarding the measure.

For the benefit of my colleagues and for the benefit of all who believe that wildlife should be preserved rather than decimated, I am including in the RECORD an editorial that appeared in today's New York Times describing the Government's attitude toward predators—an attitude that must be changed:

LOSS OF A FEW EAGLES

The bald eagle, traditional symbol of the United States, is under imminent threat of extinction—with the tacit encouragement and active participation of the Department of the Interior.

In the single month of May, the remains of 48 bald and golden eagles were found in one section of Wyoming—a huge proportion of all the eagles estimated to be in the state. How many others have died in remote mountainous regions of the West cannot be known. Sheep ranchers persecute eagles because occasionally one may swoop down and make off with a lamb. Such depredations are rare, but the Interior Department, conscious of the political power of ranchers, allows them to shoot eagles, a slaughter known as "seasonably protecting livestock."

Even more dangerous to these birds, however, is the Department of the Interior's incredible "predator control" program. Huge quantities of poisoned meat and poisoned grain are placed out in the open to attract the coyote, the wolf, the mountain lion and other predators. These potent poisons not only kill the animal that eats the grain or meat but also kills any bird or animal that eats the poisoned animal's carcass. The consequences of this monstrous program, along with the despicable bounty system, have been devastating for a wide range of birds and animals.

This arbitrary attempt at control has inevitably upset the balance of nature. Most predators, for example, do not live primarily by eating agricultural livestock. They prey upon rodents such as rabbits, squirrels and field mice. With the predators poisoned off, these rodents multiply, and more poisons are spread around to get rid of them.

The Council on Environmental Quality in cooperation with the Interior Department has recently launched the first comprehensive assessment of public and private predator control programs. A report is due in October. Meanwhile, Senator Bayh of Indiana and Representative Anderson of California are sponsoring a bill to ban the use of poisoned bait on the public lands. It would be a major advance though not the complete answer.

A true solution would require a change in public attitudes in the West. The anachronistic viewpoint which still prevails there was expressed the other day by a county prosecutor in Wyoming after a rancher responsible for the poisoning of at least 22 eagles was let off with the minimum fine. The prosecutor after fulsomely praising the rancher, said: ". . . ranching is still the backbone of the state. Predator losses are a problem for all of them and predator control is more important than the loss of a few eagles."

In reality sheep raising is a declining and marginal industry which is kept alive by Government subsidies of which predator control is one, bounties another, and ridiculously low grazing fees for use of the public lands still another. But the prosecutor's words express an attitude also found in the Wildlife Bureau of the Interior Department. It is an unconscionable outrage that agencies of the United States Government go on blindly participating in this folly.

AGRICULTURE DEPARTMENT PREDICTIONS GLOOMY

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ZWACH. Mr. Speaker, one of the main concerns of our people in the Minnesota Sixth Congressional District is the future of agriculture and more especially, the family farm.

This concern was well expressed in an editorial written by Gordon Duenow in the Little Falls Daily Transcript.

To share this concern with my colleagues and all of those interested people who read the CONGRESSIONAL RECORD, I would like to insert Mr. Duenow's editorial in the RECORD:

AGRICULTURE DEPARTMENT PREDICTIONS GLOOMY

We hope many of our readers noted a story on the editorial page of Tuesday's Transcript which reported a story by Agriculture Department economists predicting that by 1980 more than half the nation's food and fiber will be coming from about 95,000 big farms.

In an area such as Morrison County this is big and bad news for everyone as agriculture is our dominant industry. While it may be possible to expand industry in our towns by 1980, it still is important to keep what industry we have—and that includes our farming industry.

We have noticed the steadily declining Little Pig Market in Little Falls each week and wonder how many people realize the amount of purchasing power which has been lost. For instance, last Saturday little pigs were selling for only $12 per head. As there were 988 little pigs sold, this represented income for the producers of nearly $12,000. Not an insignificant amount and highly important to the producer as well as the rest of us as much of this money is spent right in our area.

When you realize that only a year ago little pigs were selling for about twice as much it is readily apparent that over $10,000 in spending power has gone somewhere else. We mention somewhere else because most of us must know that pork prices in grocery stores aren't much cheaper today, if any, than they were a year ago. We pay the same for our food but the farmer gets less for his product.

It isn't much consolation to read stories such as printed in Tuesday's Transcript that the total number of U.S. farms is likely to drop from nearly 2.9 million this year to about 1.9 million in 1980, a decline of about 50 per cent. Imagine how a decline of 30 per cent in the rural population of Morrison County by 1980 would affect all of us.

The fact that nearly five per cent of the surviving farms in 1980, according to the study "projections," will be big operations with annual sales of $100,000 or more a year won't be of much help. Also the information that while the big farms will account for only five per cent of all units and produce more than 50 per cent of all cash receipts from farm marketing won't help us here much either.

Apparently these big farms will produce just as much food so the rest of us won't have to worry about starving. All we'll have to worry about is finding the money to buy the food.

VICE PRESIDENT AGNEW'S DENUNCIATION OF BLACK LEADERSHIP IN AMERICA

HON. RALPH METCALFE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1971

Mr. METCALFE. Mr. Speaker, Vice President AGNEW's recent remarks concerning black leadership in the United States are divisive and misleading. Mr. AGNEW stated that black leaders in the United States spend their time in "querulous complaint and constant recrimination against the rest of society." The Vice President seems to equate a state of healthy discontent which exists when individuals believe and say so publicly that their Government is capable of doing better in meeting the demands of its citizens with what he terms "carping" and "complaining." The former is really an affirmation of one's belief in society to effect an orderly change.

It is indeed ironic that the Vice President of the United States should lecture individuals of any group on the qualities of leadership.

Instead of being critical, the Vice President should try to implement the recommendations of the congressional black caucus.

Where did Mr. AGNEW obtain his instant expertise in the affairs of black people which qualifies him to criticize the black leadership of this country?

The black leadership of this country should be commended for addressing itself to the problems of the country and for attempting to offer viable alternatives to present policies which are not working This is not the time for senseless criticism. This is a time for constructive suggestions.

The late Malcolm X put it this way:

> Our objective is complete freedom, complete justice, complete equality. That never changes. Complete and immediate recognition and respect as human beings, that doesn't change. That's what all of us want. I don't care what you belong to, you still want that recognition and respect as a human being.

Mr. Speaker, the late and distinguished Frederick Douglass, hardly a complaining and capricious individual, said a long time ago:

> No man can be truly free whose liberty is dependent upon the thought, feeling and actions of others, and who has himself no means in his own hands for guarding, protecting, defending and maintaining that liberty. The law, on the side of freedom, is of

great advantage where there is power to make that law respected. I know of no class of my fellowmen, however just, enlightened and humane, who can be wisely and safely trusted absolutely with the liberties of any other class.

In his inaugural address the President said that he, and one would think his entire administration of which the Vice President is a part, would be committed to ending the divisiveness that exists in this country. It appears as though the Vice President is pursuing a different course.

Mr. Speaker, I urge the President to either repudiate the remarks of his Vice President or inform the American public if his position has changed since he delivered his inaugural address.

The Vice President has a history of indulging in name calling rather than addressing himself to the substantive points raised by those who disagree with him. We are not too sure whether Mr. AGNEW's name calling as a course of action is merely the man's style or an indication that he is unable to enter into a discussion of important issues.

In the final analysis history will be the judge as to who was "querulous," the Vice President or the leaders to whom he refers; those who have committed themselves to effectively articulating the legitimate demands of the blacks and the poor or the individual who decided to indulge in name calling while on a goodwill tour representing the United States.

CAPTIVE NATIONS WEEK

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1971

Mr. HALPERN. Mr. Speaker, a little more than 3 weeks ago we celebrated the Fourth of July. That day was set aside as a national holiday so that we might be able to reflect upon the meaning of our independence, to be thankful that we are able to exercise our guaranteed rights—to speak freely, to worship our own God, to vote, to assemble freely—for each of us to live our lives as we wish. But there are many people throughout the world who have no cause to set aside a day to celebrate, for when millions ponder the meaning of freedom, they are thinking of something they are denied.

For the 13th consecutive year, the third week in July has been declared Captive Nations Week. During this week it is altogether proper that we should turn our eyes to those less fortunate. It is important that we recognize that the oppressed peoples of the world are not satisfied with their plight. The events of Czechoslovakia in 1968 clearly demonstrated the desire of a people to lift the yoke of their oppression. The brutal response to the Czech policies of liberalization offered vivid testimony to the unpopularity of the Russian Government—for it is only a nation without the popular endorsement of its policies that has need to resort to repressive measures. I am certain, Mr. Speaker, that in every oppressed nation of the world, men are struggling to attain freedom for themselves and their people. These men merit our recognition and deserve our applause. It is their fervent dream of liberty that moves them to act, and we should do nothing to discourage them in their endeavors.

There is no better time than Captive Nations Week for the American people to rededicate themselves to the ideals of liberty and to the principle that all men the world over should be free to live their lives as they desire. Let us never become so self-centered a nation that we forget our less fortunate brethren across the seas.

PADEREWSKI WOULD NOT APPRECIATE MEMORIAL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. DERWINSKI. Mr. Speaker, an interesting commentary on the constant struggle for the minds of men between the free world and communism was dramatized in an article by Dumitru Danielopol, the distinguished foreign correspondent of the Copley Press, which appeared in the Aurora, Ill., Beacon-News on July 14. The editorial tells of the efforts of the Polish Communist ambassador to Washington to ride the coattails of the high esteem which the American public has for the great Polish hero and pianist, Paderewski.

The article follows:

PADEREWSKI WOULD NOT APPRECIATE MEMORIAL

(By Dumitru Danielopol)

WASHINGTON.—The Communists have some nerve. When they don't have heroes of their own, they steal them from someone else.

Look at the case of the Polish artist and national hero Ignace Jan Paderewski who died 30 years ago.

He would turn in his grave to know that the Polish Communist ambassador to Washington had the audacity to stage a memorial at Paderewski's grave in Arlington National Museum. To him a puppet Communist regime in Poland would be anathema. He fought for the independence of his country throughout his adult life.

Born in Russia in 1880 of Polish parents, Paderewski became one of the world's leading pianists and composers, but his musical career did not impede his fight for the independence of his country, which was then under Russian occupation. During World War I he came to the United States as the representative of the Polish National Committee.

It was at Paderewski's insistence that President Woodrow Wilson included into his famous Fourteen Points a clause proposing the independence of Poland.

The Peace Treaties of Paris 1919 granted Poland independence and Paderewski became prime minister in Jan. 17, 1919. He resumed his musical career in 1921. The Russians never gave up the idea of recapturing the lost territories and in 1920 the Bolshevik armies attacked the new country reaching the gates of Warsaw. They were repelled by the armies of Marshal Josef Pilsudski.

The Hitler-Stalin pact of August, 1939 which triggered World War II brought Paderewski back into the political fight. When his country was dismembered by the invading Nazi and Soviet armies, he became chairman of the Polish National Council in Paris. After the fall of France he came to the United States where he died. President Franklin D. Roosevelt decreed he should be buried in Arlington until such time that his body could be returned to a free Poland.

That day still hasn't dawned.

The effrontery of the Reds to try to claim him as their own is nothing new.

"This should surprise no one," says a Polish exile leader. "The Communists want to acquire stature, gain respectability by associating the memories of dead patriots with their own system. They are past masters at rewriting history."

The Communist wreath at Arlington was not unchallenged. Michael Kwapiszewski, a former member of cabinet in the Free Government of Poland in exile, placed a wreath on the patriot's grave on behalf of freedom-loving Poland. In other cities meetings, concerts and other remembrances were staged on June 29. Paderewski remains a symbol of the Polish fight for freedom and independence.

THE CITY POLITIC

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ROSENTHAL. Mr. Speaker, home rule is the subject of great debate in New York City and State. I should like to bring to the attention of our colleagues an article which appeared in the July 19 issue of New York magazine on that subject written by our colleague from New York (Mr. KOCH) and the very distinguished Democratic county leader of New York's Queens County, Matthew Troy, Jr.

The article follows:

THE CITY POLITIC

(By EDWARD KOCH and Matthew Troy, Jr.)

There's nothing new about New York City getting knocked around by upstate Republican legislators. Historically, for better or worse, New York City has been dominated by Democrats, the state government by Republicans. It has been a continual contest for political power with the interests of the 8 million people in this town caught in the middle. We are the shuttlecock and never more so than now with a weak mayor, who is neither Republican nor Democrat, and a strong Republican governor who owes his re-election to a 740,000 victory margin provided by suburban and upstate voters.

The Albany performance this year was truly a political mugging of the mayor and his administration. But, of course, the real victims, as always, are the people—the welfare mother with her children's food budget cut 10 per cent; the elderly couple on a fixed income threatened by a harassing landlord who wants to decontrol their apartment; and the young middle-income family wanting to flee the city as taxes go higher and services deteriorate.

It is not a pleasant picture, and little wonder that the mayor starts talking about making New York a "national city" chartered by the federal government so it can "receive broad federal financial support in order to insure functions of national responsibility." What the mayor is probably trying to say is that the federal government will look more kindly upon New York City's fiscal crisis if it becomes Washington's adopted child. Well, we already have one "national city"—Washington, D.C.—and if anyone thinks the federal goverment cares for its own with greater largess than Albany, he ought to go down and talk to the frustrated and bitter residents of the District of Columbia. New Yorkers may be underdogs, but D.C. residents are no more than chattel to the Republican-Dixiecrat coalition that rules the city.

The mayor is also seriously studying the concept of a 51st state which was put on the recent political map by the Mailer-Breslin campaign in 1969. Mailer commented then that "if Lindsay were to run on a 51st state platform, statehood would arrive in 22 years." Incidentally, the novelty of the 51st state must take second place to the scheme of Fernando Wood, a corrupt New York mayor (William Marcy Tweed apprenticed under him), who recommended to the City Council in 1861 that New York not only break its ties with Albany but secede from the Union and become a free city. It happened, at the time, that New York City's business interests had $150 million in long-term crop loans with the South. Fortunately, the City Council did not accede to the mayor's request.

Whether or not a breakaway city-state is what the mayor thinks we need, no one should try to run away from the political realities that have brought on all this talk. New York City's fate is largely governed by the political relationship between the governor and the mayor. New York City suffers most when a politically weak major confronts a politically strong governor beholden to upstate interests. The political realities today are just that. John Lindsay is not the leader of the New York City Democrats or Republicans, and he and Rockefeller have been personally feuding for years. The mayor's endorsement of Goldberg for governor last year didn't help matters either. It didn't help Goldberg and, as things turned out, it certainly didn't help those "8 million New Yorkers" on whose behalf the mayor made the endorsement.

As a last resort, New York City's interests have been best protected when the governor has had the political incentive and courage to use his veto power on the city's behalf. The Albany legislature has rarely mustered the two-thirds vote in either house to override a governor's veto, since no opposition party normally has enough elected assemblymen or senators to do it. Can anyone imagine a Democratic governor permitting the Albany legislature to do what it did to the city this year?

If this political analysis is correct, perhaps the first order of business is not the 51st state but the challenge to secure a Democratic majority in both the Senate (the current balance: R–32; D–25) and the Assembly (R–79; D–71) in 1972, to elect a Democratic mayor in 1973 and a Democratic governor in 1974. Democratic Party victories might be the fastest way to establish a better political balance with Albany and to win greater "home rule" for New York City. Historically, political leverage has been largely dictated by the extent to which New York City has been permitted to exercise local power without legislative interference from Albany.

For a long time, New York City was so underrepresented in the state legislature that the movement for "home rule" was considered the only way the city could protect itself from Albany's determination to run the city's affairs. Until a 1962 U.S. Supreme Court decision mandated "one man-one vote" in legislation apportionment, New York City paid dearly for the consequences of its underrepresentation in Albany. Albany has never had a very high opinion of New York City—"a sewer of ignorance and corruption flowing in upon it from foreign lands" was the remark of one upstate delegate to the Constitutional Convention of 1894 which, nonetheless, gave the city its first measure of local autonomy.

Despite some improvements in "home rule" provisions through successive constitutional amendments, the state legislature with the help of the state courts has limited the scope and undermined the intent of such constitutional provisions. The judicial doctrine of "state concern" has practically given Albany a free rein in regulating by statute the property, affairs and government of New York City.

Democratic Party success at the polls should create a more favorable political balance with Albany. But with New York City losing population to the suburbs, we will want the support of upstate urban legislators, both Republican and Democrat, who also have a stake in working for genuine "home rule." With a majority in the state legislature, New York, Buffalo, Rochester, Syracuse, Yonkers and Albany should press for a constitutional amendment allowing the "big-six cities" to exercise all powers not specifically denied to them by the state constitution.

It seems that a coalition with upstate legislators formed around the issue of "home rule" is more feasible than trying to muster a legislative majority for the creation of New York City as the 51st state. Some people have suggested that a legislative majority for the 51st state might be found by enlarging the city-state's territorial boundaries and seeking the support of suburban legislators. Though metropolitan area planning points in that direction, political realities again intrude to remind us that the suburbs are not quite ready to cast their lot with what they believe to be the crew of the Titanic. We must prove them wrong before we shall ever get them to join us.

In the meantime, the Democratic Party is going to have to start winning some elections, and soon. The best interests of New York City do not rest with any one party, but the political imbalance in New York State today is destroying our city. Until a more acceptable political balance is struck with our suburban neighbors and upstate antagonists, "home rule" can never be won and the 51st state will remain just a fashionable fantasy.

THE PLIGHT OF THE PRISONERS OF WAR

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. LEGGETT. Mr. Speaker, in March of this year the gentleman from Indiana (Mr. ZION) asked his colleagues to each make a 1-minute speech condemning the treatment of the American prisoners of war in Southeast Asia; the idea was to have a Congressman speak every day, for as many days as there were volunteers. I am one of those who volunteered to participate.

The gentleman from Indiana requested that each participant mention length of time that has elapsed since the first American was captured. I am not going to do that. Instead, I am going to state the length of time that is going to elapse until the men are released, if our Government's present policies continue.

It will be forever.

If we plan on leaving a residual force indefinitely, if we plan on continuing massive air support indefinitely, the other side is not going to release the prisoners. It is not even required to do so by the Geneva Convention.

So I say this to my distinguished colleagues: If you really care about the prisoners, urge the President to set a date for complete withdrawal, and let us see if the other side lives up to its offer to return the prisoners as we withdraw.

If, on the other hand, you value Thieu more than the prisoners, or you value good relations with the White House more than the prisoners, admit it, and submit your honest views to your constituents next November.

The prisoners do not need 1-minute speeches. They do not need crocodile tears. They do not need petitions to Hanoi, or James Bond military extravagances. They need a withdrawal date.

CHARLES H. PURKISS, A LEADER IN RAILROAD LABOR

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. JOHNSON of California. Mr. Speaker, I would like to call the House's attention to the retirement of an old friend and former colleague of mine from our railroading days together, Charles H. Purkiss, of Colton, Calif. He closed out last December 31 a distinguished career that covered 48 years of service to his company, his community, his fellow workers, the State, and the Nation.

Back in the days when it required a great deal of courage to assume leadership in such matters, Charlie Purkiss helped organize the Colton Lodge of the Brotherhood of Railway, Airline, and Steamship Clerks, Freight Handlers, Express and Station Employees. For nearly 35 years I have been a member of this organization and remain so today, and so, accordingly, had a unique opportunity to follow the efforts of Charlie Purkiss on behalf of the BROC and railroad workers in general. Charlie held various offices in the lodge throughout his long career with the Pacific Fruit Express Division of Southern Pacific Railroad. In 1960, he was elected to the board of trustees of the Southern Pacific System Board of Adjustment. In 1964, he was elected secretary-treasurer of the brotherhood's State legislative committee, and 3 years later he became chairman of the legislative committee. In that capacity he devoted full time to the job of scrutinizing the activities of the California Legislature and representing the interests of the State's working men and women. My friends in the brotherhood tell me Charlie Purkiss was one of the finest chairmen the legislative committee has ever had.

He also has been a leader in the Masonic organization, having served as Master of the Colton Masonic Lodge and charter member and Venerable Master of the San Bernardino Scottish Rite bodies. He is a 32d degree Mason.

Charlie decided to retire after he had learned he was suffering from a disease known as amyotrophic lateral sclerosis, sometimes referred to as ALS. In the 30 years since the famed baseball player, Lou Gehrig, was struck down by this same disease, medical science has not learned to cope with it. I understand that scientists working under the direction of the National Institute of Neurological Diseases and Stroke have made progress in their studies of ALS and feel that they are getting closer to the time when they will develop a cure for it. I hope Members will keep that in mind, Mr. Speaker, when we vote this week on appropriations for this Institute and others of the National Institutes of Health.

Charlie Purkiss is now fighting a courageous battle against the effects of ALS, with the constant help of his lovely wife, Katherine. As with other friends who know of their ordeal, they have my admiration and my prayers.

MODEL DRUG PROGRAM IN MORRIS COUNTY

Hon. PETER H. B. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. FRELINGHUYSEN. Mr. Speaker, much has been written recently about the alarming use of drugs among our teenagers. Despite extensive discussion in the press regarding various aspects of drug abuse, there still appears to be an appalling amount of misinformation among many parents about drugs.

This was revealed in two surveys, commissioned by the Morris County Department of Drug Abuse. It happens that I live in Morris County, which forms part of the Fifth District of New Jersey. The executive director of the county department of drug abuse ordered the attitude studies in the belief that a meaningful program to combat drug abuse should take into account how people felt about the problem. One of the disturbing findings was the lack of information and misinformation among parents of teenagers about the various drugs and their effects. Related to this information gap, evident in both surveys, was the marked difference in attitudes toward drugs between parents and children. This could indicate that many parents are ill-prepared to have meaningful discussions with their children about drugs.

Of particular interest is the finding that most adults are caught in a "dilemma of immobility." In other words, parents are often full of anxiety about the drug problem but tend to avoid direct action to resolve problems that they have correctly identified as lying within the home. Instead, many adults tend to want reassurances that someone else is doing the job.

On the basis of these surveys, Morris County has decided to put as much emphasis on educating and involving adults as it has on educating teenagers. One adult education program, experimentally introduced last year, has had such favorable response that it is now being expanded to cover the whole county. One neighborhod volunteer attends a three-session workshop at the county drug abuse department; he or she then organizes one or more coffee hours with other parents in the neighborhood. The department provides literature, films and discussion topics and gives guidance on organization and followup.

Besides bringing information to adults, Paul J. Megan, the leader of Morris County's effort against drug abuse, is instituting a new program of reaching out to the teenagers. He has assembled a traveling roadshow that will bring music and entertainment to the places where young people congregate. With the roadshow will be 10 to 15 young drug abuse specialists who will talk with the young during the concerts. Their chief aim will be to establish rapport and credibility for the drug education program that these specialists will present at junior and senior high schools throughout the county this fall.

Morris County is fortunate indeed to have an imaginative and vigorous program dealing with various aspects of drug abuse. Mr. Speaker, in the hope that other persons might benefit from knowing about such a program, I insert in the RECORD certain materials describing the neighborhood coffee hours and the summer youth program:

ORGANIZATION OF A NEIGHBORHOOD COFFEE ON DRUG ABUSE

1. Attendance at a 3-session orientation workshop at The Morris County Department of Drug Abuse. The workshop includes:

(a) An overview of the drug scene specifically as it applies to Morris County.

(b) Discussion of rehabilitation techniques.

(c) Discussion of prevention-education programs in Morris County.

(d) Pertinent literature.

(e) Screening of films on drug abuse.

(f) Adequate opportunity for questions and discussion.

2. Within 2 weeks after the workshop each volunteer should make arrangements with several couples from his neighborhood to spend an evening over coffee and cake to discuss the drug abuse problem, specifically how it applies to home and neighborhood.

3. After the discussion date is set distribute literature to the participants several days prior to the coffee. The reading materials will include:

(a) "Issues, Attitudes and Responses to drug use in Morris County."

(b) "Programs of The Morris County Department of Drug Abuse."

(c) Pamphlets from the National Institute of Mental Health.

These materials will be provided free of charge by The Drug Communications Control Center, 539–0460.

4. Confirm the discussion by telephone the day before.

5. At the coffee use the notes and discussion guide prepared during the orientation. Take notes at your coffee. Remember the purpose of the discussion is to raise people's level of awareness and concern about the drug problem. Giving correct answers is not as important as raising intelligent questions. The most significant impact of the discussion will take place after everyone has gone home in the days and weeks that follow.

6. Within 10 days contact each of the participants once more. Get their feedback on the discussion—did they get anything out of it? What did they learn? Could they suggest any ways to improve the discussion? Then tell them that you have another piece of literature: "Drugs in Suburbia" reprinted from the *Wall Street Journal* for them to read. Invite them to attend a follow-up coffee. Make arrangements for a second session within 6 to 8 weeks of the first session. In any case distribute the *Wall Street Journal* article. *Follow-up is very important for effective communication.*

7. The second coffee should pick up on significant questions and ideas generated in the first session. Your notes should help you recall these. The objectives of this coffee is to re-inforce positive attitudes presented earlier and to communicate any observations and insights generated during the intervening weeks since the first coffee. The discussion guide developed for the first meeting can serve as a model.

8. Make participants aware of the many services available through the Department of Drug Abuse and the Drug Communications Control Center. Encourage people to call the Center for any or all questions or problems about drugs. Arrangements can be easily made for private counselling sessions.

"SUNSHINE" PUTS DRUG INTERVENTION IN NEW LIGHT

MORRISTOWN, N.J.—Young people from Morris County have been hard at work this summer planning a new approach to the drug problem. "Most of the drug prevention programs are not appealing to young people," says Jeff Warren of Rockaway Township. "We need to reach kids at their level and speak to them in their language," he commented.

"Sunshine, Inc." is an answer to this need in Morris County. It is a combination of programs developed with the endorsement of the County Drug Council aimed at establishing channels of communication with youth of all ages. The most notable aspect of "Sunshine, Inc." is a traveling road show featuring two popular local musical groups. Oolium Cannis, a rock band, will premiere the "Sunshine" program on July 21 at Lake Shawnee's first beach in Jefferson Township "Ho-Hum", a folk-singing group, will also be featured in the initial presentation.

"We feel that the music will give us an entree to the young people so that we can then engage them in a meaningful dialogue," said Paul Megan, Director of the County Drug Dept. under whose auspices the "Sunshine" program is being conducted. The purpose of the dialogue is to point out to youth that there are alternatives to drugs. The County-wide effort presumes that the most effective way to lure kids away from an interest in drugs is to offer them exciting alternatives.

"Interesting kids in alternatives to drugs is what our phase of 'Sunshine' entails," say Mike Hunter and Bill Hennessey. As college-age staff members of the Dept. of Drug Abuse they have set up a variety of "turn-ons." Free classes in yoga, candle-making, macrame, karate and a variety of other appealing activities are being set up in Morristown and Parsippany. "We have to do more than just talk about alternatives," the organizers commented, "we have to be able to point kids to them and encourage them to get involved."

Following the opening night at Lake Shawnee, the "Sunshine" crew plans regular stops at several key locations in Morris County. Arrangements for these congregating points are being made in cooperation with many municipal Drug Abuse Councils. A vehicle to carry entertainers and their equipment has been provided through the courtesy of Warner-Lambert of Morris Plains.

The idea of a road show and the arts and crafts "Alternatives" seems to have captured the imagination of many citizens who recognize this as an opportunity to help with the drug problem. The Dept. of Drug Abuse has indicated that it is anxious to have the assistance of any group or individual interested in sponsoring the road show or other activities in their community. Further information can be obtained by calling 539–2800.

EDUCATORS BEHIND BUSING EIGHT BALL

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. EDWARDS of Alabama. Mr. Speaker, I would like to direct the attention of all Members to what I consider to be an outstanding analytical commentary on how forced school busing has continued to drain the lifeblood of quality education from the school systems of the South. The article, authored by nationally syndicated columnist James J. Kilpatrick, appeared Monday, July 26, 1971, in the Mobile Register and I hereby submit it for inclusion in today's RECORD:

EDUCATORS BEHIND BUSING 8-BALL

(By James J. Kilpatrick)

ROANOKE, Va.—Several hundred principals, supervisors, and others engaged in education at the elementary school level met here a few days ago for a conference on what ails them. The delegates came from six southern states, whites and blacks alike and for three days they listened dutifully to a program built around trade unionism and the new worry of "accountability."

These are important concerns. The unionization of public school teachers has become a fact of education life, and the principals, understandably, were eager to know all those things about contract negotiation they always had been afraid to ask. The business of accountability embraces the growing demand of parents for a kind of quality control in the classrooms: If Miss Jackson's third-grade pupils fail to learn to read at third-grade levels, fire Miss Jackson.

But back in their rooms, or over a drink in the hotel pub, these deeply troubled professionals were not talking of militant unions or critical parents. They were talking of busing. A summer conference at a modestly posh hotel ought to mean happy times. These were the saddest sessions I ever sat in on.

The term "busing" has come to mean a great deal more than the mere physical transportation of pupils from Point A to Point B. In today's lexicon, it connotes such measures as "pairing" and "clustering" and "closing" and by extension it takes in all the problems of discipline, white flight, and school-community relations that afflict Southern school systems today.

By way of example, consider two elementary schools in a major Southern city. One of them, Hyde Park, on the east side of town, is located in a section of the city that has been wholly black for 70 years. The other, Bellhaven, on the west side, serves a neighborhood once wholly white but now substantially mixed. Each of the schools has a capacity of 800 pupils.

Under court order, Hyde Park and Bellhaven were paired for the 1970–71 school year. Roughly 160 white children were shipped every day to Hyde Park, and roughly 120 black children were shipped every day to Bellhaven. All six grades were maintained at each school, and the situation created problems that were "real but not intolerable."

For the coming year, the schools are to be "split-paired." The local District Court has decreed that all schools in the city system must be racially mixed, as nearly as may be practicable, in a ratio of 65 blacks to 35 whites. A part of the decree requires that Hyde Park abolish its kindergarten, first, second and third grades; and the Bellhaven abolish its four, fifth, and sixth grades. The object is to place 520 blacks and 280 whites in each school.

The principal of Bellhaven, who happened to be telling me all this, is a plump fellow in his early fifties; his face looks as if all the happiness had been squeezed out. He has spent the past six weeks, since the school year ended, in these educational endeavors. He has moved all his school furniture for fourth, fifth, and sixth graders to Hyde Park, and he has received like shipments in return. He has worked with his librarian in purging the Bellhaven shelves of 2,000 books beyond the third-grade level, and he is swapping these with the Hyde Park collection for tiny tots.

Mostly he has been on the phone with parents. His opposite number, eleven miles across town, has been equally engaged. Infuriated black parents are threatening violence and boycott. Outraged white parents have filed 230 requests for pupil records as a preliminary to placing their children in private schools. The principal of Bellhaven at this moment has no idea "if I can produce my 280 whites." He won't know until September 7.

I do not identify the city or the principal; educators have been warned they may be in contempt of court if they publicly criticize busing. Those are not the true names of the two schools. But the story is absolutely true. It is entirely typical. Down in Austin, Texas, the government has been demanding imposition of a plan that would give each school the same ethnic mix of the city at large—64.6 per cent white, 20.4 per cent Chicano, and 15.1 per cent black. This is education? No. This is madness.

ANNIVERSARY OF MOON LANDING

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. MURPHY of Illinois. Mr. Speaker, yesterday I witnessed the launching of Apollo 15 with its crew members—Astronauts Worden, Scott, and Irwin. As a member of the Committee on Science and Astronautics, I would like to take a moment to wish these men the best fortune in their journey to the moon. The knowledge gained from these manned space flights is invaluable in advancing the cause of peace and better living for all mankind.

But I also think it is noteworthy to mention at this time that it was just 2 short years ago on July 20, 1969, that Neil Armstrong became the first man to set foot on the moon. This anniversary seems to have gone by almost unnoticed by most people.

I realize that our world is beset with many problems and often our personal dilemmas make us forget the great events of our time. But should our memories be so short that we fail to remember one of the truly historic moments in all man's history?

The effort involved in performing a task of this magnitude includes countless man-hours of self-sacrifice by thousands of people associated with the space program. Their ability and knowledge have enabled this country to take a major part in exploring space and the planets which are earth's neighbors.

Apollo 11 was the first step, and the missions that followed have enhanced America's prestige throughout the world. We are grateful to those men who have had the courage to participate in our entire space effort over the years.

And to the men of Apollo 15, again may I say God be with you and thank you from all America.

PROCLAMATION OF INDEPENDENCE OF BANGLA DESH

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HALPERN. Mr. Speaker, as you know from my previous statements and from the resolutions and statutes I have introduced, I continue to be much concerned with the refugee problem of the Bengali people in the area known as East Pakistan.

My primary concern is the famine and cholera problem facing these refugees and the express desire to prevent the shipment of American arms to Pakistan.

I would like to call your attention to certain political activities which are taking place in that area. While I do not recommend that any action be taken at this time, I think it well for us to be apprised of the fact that East Pakistan has declared its independence as the new nation of Bangla Desh. Pakistan, as an entity, had 130 million. In West Pakistan there are 55 million. The Bengali in what was East Pakistan numbered 75 million. If the new nation of Bangla Desh—translated, this means "Bengali homeland"—becomes independent now, it will be the eighth largest nation in the world. Only China, India, the Soviet Union, the United States, Indonesia, Japan, and Brazil have more people.

Prof. Albert P. Blaustein, professor of law at Rutgers University, has procured from the Bangla Desh Consulate in Calcutta a copy of the Bangla Desh Declaration of Independence proclaimed on April 10, 1971. The text of that declaration is as follows:

PROCLAMATION OF INDEPENDENCE OF BANGLA DESH, APRIL 10, 1971

Whereas free elections were held in Bangla Desh from December 7, 1970 to January 17, 1971, to elect representatives for the purpose of framing a Constitution and

Whereas at these elections the people of Bangla Desh elected 167 out of 169 representatives belonging to the Awami League, and

Whereas Gen. Yahya Khan summoned the elected representatives of the people to meet on the 3rd of March, 1971, for the purpose of framing a Constitution, and

Whereas the Assembly so summoned was arbitrarily and illegally postponed for an indefinite period, and

Whereas instead of fulfilling their promise and while still conferring with the representatives of the people of Bangla Desh Pakistan authorities started an unjust and treacherous war, and

Whereas in the facts and circumstances of such treacherous conduct, Banga Bandhu Sheikh Hupibur Rahman, the undisputed leader of 75 millions of people of Bangla Desh, in due fulfillment of the legitimate right of self-determination of the people of Bangla Desh duly made a declaration of independence at Dacca on March 26, 1971, and urged the people of Bangla Desh to defend the honour and integrity of Bangla Desh, and

Whereas in the conduct of a ruthless and savage war, the Pakistani authorities committed and are still committing numerous acts of genocide and unprecedented tortures, amongst others, on the civilian and unarmed people of Bangla Desh, and

Whereas the Pakistan Government by carrying on an unjust war and committing genocide and by other repressive measures made it impossible for the elected representatives of the people of Bangla Desh to meet and frame a Constitution, and give to themselves a Government, and

Whereas the people of Bangla Desh by their heroism, bravery and revolutionary fervour have established effective control over the territories of Bangla Desh,

We the elected representatives of the people of Bangla Desh, as honour-bound by the mandate given to us by the people of Bangla Desh whose will is supreme, on this day of April 10, 1971, duly constitute ourselves into a Constituent Assembly, and

in order to ensure for the people of Bangla Desh equality, human dignity and social justice,

declare and constitute Bangla Desh to be an Sovereign People's Republic and thereby confirm the declaration of independence already made by Banga Bandhu Sheikh Mujibur Rahman, and

do hereby affirm and resolve that till such time as a Constitution is framed, Banga Bandhu Sheikh Mujiur Rahman shall be the President of the Republic and that Syed Nazrul Island shall be the Vice-President of the Republic, and

that the President shall be the Supreme Commander of all the armed forces of the Republic, and

shall exercise all the Executive and Legislative powers of the Republic including the power to grant pardon,

shall have the power to appoint a Prime Minister and such other Ministers as he considers necessary, shall have the power to levy taxes and expend moneys,

shall have the power to summon and adjourn the Constituent Assembly, and

do all other things that may be necessary to give to the people of Bangla Desh an orderly and just Government,

We the elected representatives of the People of Bangla Desh do further resolve that in the event of there being no President or the President being unable to enter upon his office or being unable to exercise his powers and duties due to any reason whatsoever, the Vice-President shall have and exercise all the powers, duties, and responsibilities herein conferred on the President,

We further resolve that we undertake to observe and give effect to all duties and obligations devolved upon us as a member of the family of nations and by the Charter of the United Nations,

We further resolve that this proclamation of Independence shall be deemed to have come into effect since 26th day of March 1971,

To give effect to this our resolution, we further authorize and appoint Prof. M. Yusuf Ali, our duly constituted Potentiart to give to the President and Vice-President oaths of office.

CHAING KAI-SHEK SPEAKS

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. SCHMITZ. Mr. Speaker, at this point in the RECORD I would like to insert a great speech by a great leader. Chiang Kai-shek delivered this speech on June 15, 1971. He comments on the rampant tendency toward appeasement manifesting itself in the free world and the determination of the Chinese people to stand firm in the face of what seems to be a case of contagious cowardice.

The speech which appeared in the June edition of Asian Outlook follows:

STAND OF OUR NATION, SPIRIT OF OUR PEOPLE

(By President Chiang Kai-shek)

(Editor's note: Following is the English language translation of remarks, entitled "The Stand of Our Nation and the Spirit of Our People," delivered by President Chiang Kai-shek on June 15, 1971, to the National Security Council.)

At the beginning of the year, I told our people:

Within this year, we shall face I don't know how many difficulties and dangers nor how much pain. These will test us and try us, and will have to be overcome, one after another.

The rampant tendency toward appeasement has sparked voracious and spreading flames of violence, has brought about the ebb of moral strength and damped and dimmed moral faith and legal principles. Even so, righteousness and justice are still shining in the hearts of mankind. Timidity will be overcome and righteousness and justice will emerge from flaccid inaction and enter into a period of vigorous expansion. Rights and justice may suffer momentary eclipse, but moral and legal principles will be adhered to with firmness and never allowed to be watered down even fractionally nor to come under the subjugation of the force of evil. The spirit of our race must stand staunch and unshakable so that humankind may be saved from more holocausts. Our confidence in the Revolution can never be weakened by hardship or humiliation. Our people provide a stabilizing force which cannot be shaken by any conceivable change in the situation.

If all of us stand firm in our conviction of what is right and just in accordance with our principles, we shall have peace of mind and find solace. We shall be free from anxiety and fear. Moreover, danger and doubt will give us opportunity to manifest our convictions of righteousness and justice, and anxiety and pain will provide our nation with opportunity for rebirth. So it may be said: "Don't rely on the assumption that the enemy will not come" but on the fact that "We are fully prepared to cope with the enemy when he does come."

UNSCATHED FROM TESTS, TRIALS

During the last five months, we have experienced a sequence of adversity, insult and suffering. But as a result of our total preparedness, we have been able to emerge unscathed from all these tests and trials.

In ancient times, the people often said: "Everything in the world is determined by how the people conduct themselves, and the people should never depart from noble aspirations because of momentary adversity." Dr. Sun Yat-sen, the Founding Father of the Republic, told us: "Existence has its roots fixed in the independent and persevering spirit of the nation and people." He also said: "We must understand that when a nation suffers reverses, it can recuperate on its own resources in the course of time. But if a nation should act as though it were intimidated by others, and not seek out the means of resistance, it would lose its basic spirit. That nation would not be able to profit by the opportunity. even when there was much to be gained."

Some countries of today are myopic and lured by immediate advantage to the point of irrationality and the ignoring of righteousness. These nations talk of peace but actually are engaging in actions which destroy peace. Should we be angered, discouraged or even intimidated by these nations and thereby depart from our faith and lose our temper, this would be tantamount to a failure to maintain firm the will and do no violence to passionate nature and we shall be guilty of undermining with our own efforts our noble determination. If all of us can respect and reinvigorate ourselves, if we can be cautious enough to make sure that our judgment is sound and that we are holding firm to the independent and persevering spirit of our nation and people, if we can fight in terms of will, and not in terms of our passionate nature, then there will be no test that we cannot pass, no difficulty that cannot be overcome and no enemy that cannot be defeated. This shows that while "the situation is objective because other people have made it so, strength is subjective because it is in our hands."

As a matter of fact, every page in the 60-year history of our Revolution clearly attests that we revolutionaries have fought singlehandedly. We have been isolated in adversities and difficulties and also isolated in our moral principles and sense of justice. Often we have been insulted, attacked, plagued by disunity. Even so, we have reversed each unfavorable situation and in the end have successfully attained our objectives.

Today, the Republic of China is moreover:

The first, the most stable and the pivotal citadel of freedom in Asia.

The first nation of the world to expose Communism, the nation which has persisted in the termination of Chinese Communist crimes and the nation which has made the greatest contributions to the great undertakings of anti-Communism.

A nation with *San Min Chu I* (Dr. Sun's Three Principles of the People) to act as the principal guideline for the times.

A nation blessed with stable and organized leadership to inspire strenuous efforts of invigoration.

A nation (with 700 million minds at home and abroad) obsessed with burning dedication to the struggle against Communism and Mao Tse-tung.

ROC CONTRIBUTION TO UNIVERSAL PEACE

Some people of the world do not understand even today the immense contribution of the Chinese Revolution to the cause of universal peace. A number of these people have their own specific motives. They have purposely ignored or distorted the aims of the Revolution and have not shown awareness of their past mistakes. This has led to the war and calamities which the world now faces.

To judge from the history of these 60 years of National Revolution, we have positively carried out Dr. Sun's teachings to "assume the responsibility of the world by helping the weak and raising up the fallen." We are doing what conscience dictates and have not put our conscience to shame in what we have done. Specifically, we are checkmating the Chinese Communists. The destiny of Asia hinges on our efforts. No one can take our place, change us or shake us in this vital stand. No nation in Asia fails to understand nor does the free world fail to recognize this persevering national characteristic of the Republic of China and the universals of freedom and justice symbolized in the persistence of its struggle. The Revolution of the Republic of China is not merely a revolution for the freedom and independence of a single nation. The anti-Communist struggle of the Chinese race is not merely an anti-Communist struggle for the survival and safety of a single race. Our wisdom, sincerity and determination represent the ultimate rational morality and intelligence emerging from our history, culture and ideology, and the spirit of our martyrs. So long as our vitality soars high to become the moral courage and righteous strength decisively involved in assuring the world's security, can there be anything which we should fear or be worried about?

With regard to the future of our nation and people, we have already established the principle that we ourselves shall choose whether to take action or refrain from it. This means that the decision of action or nonaction depends on our own judgment, which will be exercised in the spirit of independence and self-determination. Expressed simply, our principle is that:

PRIME OBJECTIVE: MAINLAND RECOVERY

Recovery of the Chinese mainland is our prime objective and unceasing task. We can never set this aside in favor of lesser problems. Should we commit such a mistake, we would fall into the Maoist trap and give the Maoists opportunity to escape their inevitable destiny. All the people of this nation must have the single-minded determination to fight through from the beginning to the end and to strive more fervently and with utmost dedication to win the final victory.

All of our undertakings are based on belief in freedom and justice and have been entered upon in accordance with sovereignty and international law. We have never been dismayed by adversity. We have never been discouraged or daunted because of the opportunity for easy gain, nor have we been intimidated. All of us must be aware that when we recover the Chinese mainland, all problems may be solved easily. Should we forget our fundamental goals and give consideration only to minor problems, or should we lose our temper and faith, or allow lack of forbearance in small matters to detract us from the great pursuit, then we should not succeed, and this is especially true of the leaders charged with the responsibility of doing their best for the nation and of those who love the people.

Th accomplishment of a revolutionary task is never by chance. In this stage of our revolutionary undertakings, we cannot allow any further mistakes, no matter how small. Nor can we allow the emergence of a psychology of dependence.

To be considered as our friends are those who have fought the Maoists with actions, those who have opposed the Maoists in their consciences, those who followed and worked for the Maoists but later awakened to oppose them, and any and all who oppose the Maoists. As I have said before, our attitude is that those who are not our enemies are our friends.

Then this is the stand of our nation and our people. This is also our sworn pledge to uphold responsibility to our history, to our culture and to our nation and people.

Everyone knows that cowardice is but a human tendency which reveals itself in expediency and indolence. Yet when faced with oppression and humiliation, even a coward will turn from turbidity to lucidity and from flaccid inaction to bold action. The pathway of the international appeasers has almost reached its end; it is impossible that in the long run they shall not change direction and turn back to the right course.

All of us know that never in human history has an outlaw or pirate regime escaped collapse and extermination when its iniquity had reached a maximum. This is the case with a regime which has resorted to power struggle, slaughter, conspiracy, traffic in narcotics, infiltration, subversion and violence as its means of existence, and especially so when the people under its control are eager to risk their lives in attempts at defection.

DON'T MIND FIGHTING ALONE

This present moment is but the darkness before the dawn. We do not mind being the only people who still have faith in anti-Communism and who still have the courage to persist in the struggle against Communism and for the cause of freedom and justice. This means that in our hands hangs not only the destiny of the nation, but the security or the destruction of all mankind.

This type of faith and confidence do not emerge only from my own experience but are shared in common with all our people. In a brief period before us, difficulties, bitter times and dangers inevitably will appear before us. Some may consider these as obstructions or catastrophes, lose their faith and become sceptics and cowards. Yet this situation will not frustrate the true and sincere revolutionary, who will only consider that this is another opportunity to reach the final goal. As true and sincere revolutionaries, all of us shall strive more fervently in the spirit of "laboring and suffering with the nation" and "calling the people to awaken and serve the nation." In this time of crisis, we shall achieve final success and victory despite treachery, danger and difficulty.

CHARLESTON MONUMENT TO L. MENDEL RIVERS

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HÉBERT. Mr. Speaker, that distinguished American, Gen. Mark Clark, has brought to my attention a project being undertaken by the leading citizens of Charleston, S.C., of which I am sure all Members of the House will want to be aware. A committee, headed by General Clark, is planning to erect a monument to our late and beloved colleague, L. Mendel Rivers.

The monument will be a bust of Mr. Rivers on a substantial but simple pedestal which will be placed in a small park in the heart of old Charleston. Artists and architects are already at work on the project.

Members of the House will be interested to know that all members of the South Carolina General Assembly have signed a statement attesting to the "greatness" of Mendel Rivers and each has made a contribution to the monument fund.

I am sure many Members of the House will want to make their own contribution. Gifts can be mailed to Rivers Monument, Charleston, S.C. 29401.

A copy of the press release relating to the monument follows:

MONUMENT TO HONOR THE LATE CONGRESSMAN RIVERS

CHARLESTON, S.C., July 17.—Admirers of the late Congressman L. Mendel Rivers of South Carolina will erect here a monument in his honor.

Gen. Mark W. Clark, president emeritus of The Citadel, is chairman of the committee of distinguished citizens who will commission the preparation of the monument, ensure its proper placement, and raise the funds with which to underwrite the project. General Clark said, "We want all who admired this great American to have an opportunity to contribute to the monument. Large contributions will be welcomed. However, we hope for thousands upon thousands of small donations from those Mendel affectionately called 'My People'."

According to General Clark, the monument will be an exquisite bust of Mr. Rivers on a substantial but simple pedestal. It will be the only monument in what the General termed "A beautiful little park in the heart of Old Charleston."

The park and the monument will be enclosed with handsome fencing with an open gate. Artists and architects are already at work on the monuent.

A formal nation-wide solicitation of gifts for the monument will be made later this summer. In the meantime, donations of any amount will be welcomed. Gifts should be mailed to Rivers Monument, Charleston, S.C. 29401.

Funds remaining after monument expenses have been paid will be placed in one of the scholarships already established in memory of Congressman Rivers.

Joseph P. Riley, Charleston businessman, is vice-chairman of the committee chaired by General Clark. President Theodore S. Stern of the College of Charleston is secretary-treasurer. Other members of the committee are William Harold Butt, Edward Kronsberg, Delacy Shuman, and Y. W. Scarborough; State Representative F. Julian Leamond; Chairman of Charleston County Council, Richard E. Seabrook; Dr. John A. Hamrick, president of the Baptist College at Charleston; and Rear Admiral Herman Kossler, commandant, Sixth Naval District.

A NATIONAL EMERGENCY MEDIATION BOARD

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. KUYKENDALL. Mr. Speaker, for months I have urged my colleagues on the Interstate and Foreign Commerce Committee to give serious attention to some sort of National Emergency Mediation Board, simply so we may lock the barn before the horses are stolen.

We are reaping the whirlwind of our lethargy, almost daily. Essential services are denied us by the stubbornness of both management and labor, while we wring our hands and pass emergency legislation that sometimes works and more often does not.

Rest assured, Mr. Speaker, that 1972 will have its share of emergencies, some of which may make those of 1971 pale into insignificance. The time to deal with them is now, not next year, and I am glad to report that our committee is working on such legislation with that timetable in mind.

A recent editorial in the Memphis, Tenn., Commercial Appeal expresses my feeling precisely, and I would like to share it with my colleagues:

ANOTHER RAIL STRIKE

Railroad management in the early days often was in the hands of rascals. They fleeced investors, gouged shippers and dealt in a high-handed manner with their workers.

As a consequence of all that, the railroads came under strict government regulation and the workers organized into militant unions to demand better pay and working conditions.

Today the railroads which once had a virtual monopoly in transportation face stiff competition on the highways, the waterways and the air lanes. Investors shy from them, preferring what they consider better risks for their money. But the unions too often still are insisting upon working conditions that grew out of the plodding steam locomotive era.

And as a result the nation now is faced with another strike that threatens to shut down the nationwide rail network which still is needed to move the bulk of the goods we all use.

The unions defend the rules, some on the grounds of safety and others because they say they were negotiated and the workers are bound to abide by them.

There is something to be said about safety. Deterioration of rights of way in recent years has resulted in making many of the railroads dangerous. That is the fault of management. Where the unions demand action to improve safety, they have the full support of the public.

But the unions have failed to impress the public with the need for many of these old rules even on the grounds of safety. What safety results from the workers blocking the introduction of walkie-talkie communications systems instead of old flag and lantern signals? And how does changing crews every 100 miles or so improve the safety?

And then there are the rules which simply cut into railroad revenues without any justification, such as the ones that require maintenance of a certain number of switching crews in yards that have lost their usefulness because the businesses they served have moved away.

These are the kinds of rules the public cannot understand any more than managements, seeking to modernize their operations, can comprehend them. And it is the unions' insistence upon them that loses them the support of the public even when they may have a justifiable complaint against their employers.

Surely even the most militant union members must recognize that some of these rules must go. Other unions have been able to make the adjustment that progress requires, why not the railroad workers?

But the unions have not been alone in their resistance to change. Congress must share some of the blame for this most recent strike as well as some abortive walkouts in recent months.

It has had before it for many months now several proposals for dealing in a new way with railway labor disputes that management and labor are unable to resolve themselves. It has dallied over those proposals, postponing action from one crisis situation to the next. Neither railway labor nor railway management is enthralled with these proposals, but neither has come forward with anything better than the 1926 Railway Labor Act which so clearly has proven to be as antiquated as the wood-burning locomotive and the candy butcher.

Sooner or later Congress will have to face up to the problem. Now would be as good a time as any.

FEDERATION OF AMERICAN HOSPITALS URGES TIGHTER DRUG CONTROLS

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ULLMAN. Mr. Speaker, a national hospital association has called on its members to tighten procedures to guard against drug abuse within hospitals and to provide continuing education programs for hospital personnel in the area of drug abuse.

The Federation of American Hospitals, the national association of investor-owned—proprietary—hospitals, took this action at its board of directors meeting held in Portland, Oreg., on July 17, 1971. The federation has established a drug abuse committee and is presently developing an education program for its member hospitals as well as exploring joint programs with appropriate Federal agencies on the drug problem.

It is particularly urgent at this time to make sure that our Nation's medical and hospital personnel are familiar with all aspects of the drug problem, particularly the identification of addicts. In addition it is imperative that health care facilities take steps to guard against laxity in control of drug distribution within their own physical plants.

Mr. Speaker, the following is the text of the resolution of the Federation of American Hospitals on this most important subject:

RESOLUTION

The Federation of American Hospitals recommends that each Member investor-owned hospital in the United States assign to a representative of its administrative staff the responsibility for controlling drug abuse in the hospital and the education of its staff and all other employees on the subject of drug abuse.

PHARMACIST OF THE YEAR FOR NORTH CAROLINA

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. MIZELL. Mr. Speaker, I am pleased to announce to my colleagues at this time that Mr. Robert Buckner Hall, of Mocksville, N.C., has been named North Carolina Pharmacist of the Year for 1971 by the North Carolina Pharmaceutical Association.

Mr. Hall received the Mortar and Pestle Award, symbolic of his outstanding achievement, in ceremonies held July 14, at the First Presbyterian Church in Mocksville. Presenting the award, given in recognition of Mr. Hall's work in the fields of pharmacy, education, and public health, was Mr. B. Cade Brooks, immediate past president of the State pharmaceutical association.

I am sure my colleagues join me in congratulating Mr. Hall for winning this coveted award, and for their benefit, I now insert in the RECORD two articles from the Davie County Enterprise Record, one announcing the award and the other reporting on the awards ceremony. I commend them to my colleagues' attention:

ROBERT B. HALL TO BE HONORED AS STATE PHARMACIST-OF-THE-YEAR

Robert Buckner Hall of Mocksville, who was named Pharmacist-of-the-Year at the 1971 convention of the N.C. Pharmaceutical Association wil be honored at a dinner to be held in the Fellowship Hall of the First Presbyterian Church of Mocksville, July 14 at 7 p.m. At that time he will be presented the Association's Mortar-and-Pestle Award in recognition of his meritorious achievements in the fields of pharmacy, education, and public health. Mr. Hall operates Hall Drug Company of Mocksville.

Graduate of the UNC School of Pharmacy, Mr. Hall has been an active member of the N.C. Pharmaceutical Association since 1949, and served as its president in 1961–1962. He is Director and past president of the N.C. Pharmaceutical Research Foundation, Chairman of the Consolidated Pharmacy Student Loan Fund; member of the N.C. Academy of Pharmacy, and charter member of the Academy of General Practice of Pharmacy.

He is a Trustee of the Consolidated University of North Carolina, having recently been elected for his second term. He serves on the Committee of Health Affairs which encompasses UNC schools of Pharmacy, Dentistry, Public Health, Medicine, and Nursing.

Mr. Hall is a member of the Mocksville Board of Central Carolina Bank, the Board of Directors of Mocksville Savings and Loan Association, and The Board of Davie-Yadkin-Wilkes Health Department.

He has served as a Jaycee officer, Chairman of Heart and Cancer Fund Drives, Director of the Rowan-Davie Heart Association, Director of Mocksville Rotary Club, Member of Davie Co. Morehead Selection Committee, of the Girl Scout Council Committee, of Uwharrie Council of Boy Scouts, and Director of Northwestern N.C. Economic Development Commissions.

He has served as Trustee and Chairman of the Board of Deacons, and President of the Brotherhood of the First Baptist Church of Mocksville; he is currently serving on the Finance Committee.

Mr. Hall is married to the former Sara Hope Fitchett of Dunn; they have a daughter, Hope Fitchett, and two sons, Robert Buckner, Jr. and Carl Stacy.

The July 14th dinner program will feature John C. Hood, Jr. of Kinston, president of the N.C. Pharmaceutical Association, who will preside. The invocation will be brought by Mr. Hall's minister, the Reverend Charles Bullock. Other speakers for the evening include D. J. Mando, Mayor of Mocksville; Dr. George P. Hager, Dean of the UNC School of Pharmacy, Chapel Hill; W. Dorsey Welsh, Washington, Past-President of the N.C. Pharmaceutical Association. B. Cade Brooks, Fayetteville, immediate past-president of the NCPhA will present the award.

Guests will include members of the Hall family and pharmacy leaders and friends from over the state. Represented will be the University of North Carolina, the North Carolina Board of Pharmacy, the North Carolina Pharmaceutical Research Foundation, The Traveling Men's Auxiliary and the Woman's Auxiliary of the N.C. Pharmaceutical Association.

Former recipients of the Mortar-and-Pestle Award will be among the guests, as well as a number of past-presidents of the N.C. Pharmaceutical Association.

The dinner will be open to the general public and anyone who would like to attend is cordially invited. Local reservations may be made by calling Sue Short at the Davie County Enterprise-Record, Mocksville, phone 634–2120.

ROBERT B. HALL HONORED AT LOCAL DINNER

Robert Buckner Hall of Mocksville was honored last Wednesday night as the North Carolina Pharmacist of the Year.

More than 200 persons attended the buffet dinner sponsored by the N.C. Pharmaceutical Association that was highlighted by the presentation of the Mortar-and-Pestle Award to Mr. Hall.

John C. Hood, Jr., President of the North Carolina Pharmaceutical Association, presided.

The invocation was given by the Rev. Charles Bullock, Pastor of the First Baptist Church of Mocksville.

Tributes to Mr. Hall were given by Mayor D. J. Mando of Mocksville who enumerated past and present accomplishments of Mr. Hall as pertained to Mocksville.

W. Dorsey Welch, of Washington, a past-president of the association, outlined the accomplishments of Mr. Hall in his service to the N.C. Pharmaceutical Association stressing that he had done things not to seek recognition but for the good it would do the association and others.

George P. Hager, Dean of the School of Pharmacy of UNC-CH, pointed out that as a student at UNC, Bob not only learned to be a good pharmacist but also a good leader.

"In his work with the state association and as a trustee of the university, Bob is not only able to define the problems but actively works for their solutions. His works conform with his words", said Dr. Hager.

The presentation of the award was made by B. Cade Brooks of Fayetteville, immediate past-president of the N.C. Pharmaceutical Association.

The Mortar-and-Pestle Award is presented annually for distinguished service in the fields of pharmacy, public health, education and welfare.

Three other state winners in other fields from Mocksville were recognized:

Miss Jo Cooley as the "N.C. Handicapped Woman of the Year."

Dr. Clyde Young as a former "Veterinarian of the Year."

Dr. Ramey F. Kemp as a former "Chiropractor of the Year."

W. J. Smith, Executive Director of the N.C. Pharmaceutical Association, read messages of congratulations from Dr. William Friday, President of the University of N.C., and George Watts Hill, President of Central Carolina Bank and chairman of the board of trustees, UNC–CH.

The career highlights of Mr. Hall are as follows:

A native of Wayne County and resident of Mocksville since early youth; education in the Mocksville Schools and at the University of North Carolina. Member of Phi Delta Chi Fraternity.

Returned to work with his father at Hall Drug Company upon graduation and is now owner and operator of the pharmacy.

Served in the Army Air Force during World War II.

In his community he has served as secretary and vice-president of the Jaycees; Chairman of Heart Fund Drive; Director of the Rowan-Davie Heart Association; Director of Mocksville Rotary Club; Member Davie County Morehead Selection Committee; On committees of the area Girl Scout Council and Uwharrie Council for the Boy Scouts; Director of Northwestern North Carolina Economic Development Commission. He is presently a member of the Mocksville Savings and Loan, and a member of the Board of the Davie-Yadkin-Wilkes Health Department.

In the First Baptist Church he has served as trustee and chairman of the Board of Deacons as well as president of the Brotherhood; he is currently serving as a member of the Finance Committeee.

Mr. Hall is past-president of the North Carolina Pharmaceutical Association and the North Carolina Pharmaceutical Research Foundation. He continues to serve on the Board of Directors of the Foundation. He is Chairman of the Consolidated Pharmacy Student Loan Fund; member of the Academy of Pharmacy, and a charter member of the Academy of General Practice of Pharmacy.

He was recently elected for a second term as Trustee of the Consolidated University of North Carolina and serves on the Committee on Health Affairs which encompasses Schools of Pharmacy, Dentistry, Public Health, Medicine, and Nursing.

Mr. Hall is married to the former Sara Hope Fitchett of Dunn; they have a daughter, Hope Fitchett, and two sons, Robert Buckner, Jr. and Carl Stacy.

THE TRAGEDY OF THE DOMINICAN REPUBLIC

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BADILLO. Mr. Speaker, the events of the last 6 years have proven that the unwarranted and ill-conceived intervention of the United States in the Dominican Republic in 1965, and the 18-month military occupation which followed, was a tragic mistake of the greatest proportions. The chaos, corruption, political instability, social and economic dislocations which have ensued are almost impossible to describe. The suppression of civil liberties, the stifling of the voices of constructive dissent, intrigues, deaths, and disappearance are occurring in the classic manner of a dictatorial regime. It is reported that, in recent years, more political murders have occurred in the Dominican Republic than in any comparable period during Trujillo's dictatorship. In 1970 alone there were some 186 political murders and 30 unexplained disappearances.

In a recent issue of the New York Review of Books the noted Latin American authority, Norman Gall, has reviewed two books relating to the U.S. intervention in the Dominican Republic and its aftermath. Moreover, Mr. Gall presents a very penetrating and well-documented study of the current reign of terror in this Caribbean Republic and the complicity of certain U.S. personnel in some of the events connected with it.

A particularly frightening feature of this terrorism is the fact that many of the victims are the poor, repressed inhabitants of Santo Domingo's barrios. Furthermore, the executions and other acts of terrorism are frequently conducted by roving, paramilitary "death squads" organized by the armed forces and the police—organizations receiving U.S. training and equipment.

Mr. Speaker, I believe that Mr. Gall has performed a valuable service in bringing this situation into focus and in revealing to the public facts which have been hidden too long. His well-written and perceptive essay and review should be given our fullest and most careful consideration—particularly as we will soon be acting upon the Foreign Assistance Act. I present it herewith for inclusion in the RECORD and commend it to our colleagues' attention:

SANTO DOMINGO: THE POLITICS OF TERROR

(By Norman Gall)

We know that many who are now in revolt do not seek a Communist tyranny. We think it's tragic indeed that their high motives have been misused by a small band of conspirators who receive their directions from abroad. To those who fight only for liberty and justice and progress, I want to join in . . . appealing to you tonight to lay down your arms and to assure you that there is nothing to fear. The road is open to you to share in building a Dominican Democracy and we in America are ready and anxious and willing to help you. —Lyndon B. Johnson, May 2, 1965.

President Johnson's military intervention in the Dominican Republic in 1965 was as momentous as it was cruel and politically mistaken. We can see it, along with our enlargement of the Vietnam war in the same year, as part of a disastrous expansion of the powers of the American Presidency and of its sense of "global responsibilities." When a force of 23,000 US troops landed in Santo Domingo in May to reverse the course of the Santo Domingo civil war they served to rescue a repressive military establishment from an apparently successful popular revolt that was trying to restore constitutional rule. We can now see that the high priority the US gave to social progress in Latin America, an idea implicit in the Alliance for Progress, has been replaced by what appears to be an expanding and recurrent pattern of control by terror.

Professor Jerome Slater's political study of the 1965 intervention and the eighteen-month US military occupation that followed is derived from his use, on a not-for-attribution basis, of "a great number of papers, memoirs, and documents which are not now in the public domain," as well as off-the-record interviews with US and OAS officials. However, all this new material adds little or no support to the official rationale for the intervention—that the Dominican Republic was at the brink of a possible Communist takeover. Instead it provides further evidence of double-dealing and cruelty after the US troops were sent in.

Because he relies so much on classified official documents, and because of his otherwise limited knowledge of Dominican affairs, Slater tends at times to bend over backward to give credence and legitimacy to the official US view in a number of, at best, highly doubtful instances. Nevertheless, he concludes that although "there was some risk that out of an uncontrollable revolutionary upheaval Castroite forces might emerge victorious . . . the risk was not yet sufficiently great to justify the predictably enormous political and moral costs that the intervention entailed."

The effect of the intervention was to restore to power in Santo Domingo the political *apparatchiks* of the long and brutal dictatorship of Rafael Leonidas Trujillo (1930–61). Of the costs Slater writes at the end of his book:

". . . the steadily worsening political terrorism . . . has recently [1970] reached crisis proportions. Scarcely a day goes by without a political murder, a "suicide" of a jailed political prisoner, the disappearance of a political activist, or, at the very least, a case of police harassment of the political opposition. Most of the victims are Communists or Castroite radicals, PRD activists [of ex-President Juan Bosch's *Partido Revolucionario Dominicano*], or former constitutionalists, although recently even anti-Balaguerists on the right have been attacked.

"While there has been a rise in leftist counter-terror, with machine-gunnings of isolated police and soldiers increasingly common, the main culprits appear to be unregenerates in the police and, to a lesser extent, the armed forces. It is not clear what [President Joaquin] Balaguer's role is in this, but although he has condemned what he calls the "uncontrollable forces" behind the violence and on several occasions has shaken up the police leadership, there is a growing feeling among moderate Dominicans that he is encouraging the rightist terrorism or, at best, has been inadequate in his response to it."

In recent years there have been more political murders in the Dominican Republic than in any comparable period during Trujillo's dictatorship, with the sole exception of the reign of terror that followed the swiftly crushed invasion from Cuba in 1959, organized by Fidel Castro.[1] The Santo Domingo newspaper *El Nacional* last December 30 filled a page and a half of newsprint with the details of 186 political murders and thirty disappearances during 1970.[2] The Dominican terror resembles the current wave of political killings in Guatemala (see my "Slaughter in Guatemala," *NYR*, May 20, 1971) in that the paramilitary death squads are organized by the armed forces and police, which in both cases over the years have been given heavy US material and advisory support. The death squads themselves are partly composed of defectors from revolutionary political factions.

The political terrorism in Santo Domingo, however, seems now to be directed not so much against well-known politicians, as is the case in Guatemala. Rather it is used to control the Santo Domingo slum population, which was the main force that defeated the Dominican military in the 1965 revolution. In the proliferating ramshackle slums and squatter settlements that spread northward from the ancient churches and plazas of downtown Santo Domingo, there is continual patrolling by uniformed military and police units, as well as by plainclothes agents on motor scooters. Each barrio has been infiltrated by government intelligence organizations. (Moreover, many taxi drivers are police agents, like Haiti's Ton-Ton Macoutes.) Since much of the killing seems to be done almost capriciously by these patrols,[3] the effect of the terror has been an undeclared, all-night curfew in the slums.

On a recent visit to Santo Domingo I found that, owing to the general fear of assassination, heavily populated slum areas of the old rebel zone, whose intense street life in the past resembled New York's Forty-second Street or Tokyo's Yoshiwara district, were virtually deserted after 8 P.M. Although these killings have aroused little in the way of active popular resistance, a twenty-four-hour general strike was called last November. The outlying barrio of Los Minas—a heavily PRD slum which was invaded by squatters after the Trujillo assassination in 1961 and which today has more than 100,000 inhabitants—was shut down after six residents of the barrio were murdered within a week. According to one feeble old man in the barrio who was questioned by a reporter at the time. "The situation had gotten so bad in Los Minas that the men felt compelled to stay at home and send the women out to find the day's sustenance, because their lives were not worth a piece of rotten fruit."[4]

The night before Los Minas was shut down, President Balaguer, a crafty and tenacious political maneuverer who was Trujillo's last puppet president, told a press conference at the National Palace that the strike at Los Minas—

> ". . . is illogical and absurd because what the citizenry should do is . . . associate itself with the authorities to counteract the terrorism. As I have said many times, this is a fight in which all sectors of society should participate. For if an exact version of each deed could reach me and the Government, one could establish responsibility more easily and the Government could punish these acts of terror.
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> "I have denounced the irregularities inside the police, and I have confided to many persons the purification of the police.[5] So far this has not been achieved and I completely agree with the editorial in today's (newspaper) *Listin Diario* about this: the imperious need to purify the police, so that its services are efficient and to end these criminal acts that are filling the country with blood."[6]

Political assassinations continued steadily for four years after 1966, when, with US occupation forces still in the country, Balaguer was elected to his first four-year term. In 1970, during Balaguer's campaign for re-election, the terror sharply increased. A great many voters abstained from this election after the Dominican constitution had been changed to allow Balaguer to run for a second consecutive term. Then, in the last six months of 1970, after Balaguer had begun his second term of office, new plans for police action were circulated among the intelligence and security agencies of the Dominican government, which are honeycombed with officers of Trujillo's old secret police, the SIM (*Servicio de Inteligencia Militar*). These plans were the basis for the most sustained and enveloping system of terror since the fall of the Trujillo dictatorship.

The head of the Department of Intelligence of the National Palace is Manuel A. Perez Sosa, former chief of the SIM. On August 2, 1970, Perez Sosa received a letter of resignation from one of his subordinates, Miguel A. Perez Aybar, who explained that "I have taken this step so as not to lend myself to the events that I understand will occur and will do great injury to the Supreme Government." On the same date Perez Aybar also wrote Balaguer that "I have decided to resign because I am your friend and because the plans of the Department of Intelligence are disastrous for your labor of Government, and I do not wish to be an accomplice to the murder of men who are going to be assassinated without any cause."

A few months ago a new kind of terrorist organization was organized by the police. Known as *La Banda*, it is made up mainly of former members of the Maoist *Movimiento Popular Dominicano* (MPD), the most militant party of the Dominican left, which last year tried to form a United Front of all political factions—including dissidents on the extreme right—to oppose Balaguer's re-election. The MPD is said to have carried out the kidnapping, in March, 1970, of Lt. Col. Donald J. Crowley, the US air attache in Santo Domingo, by the "Unified Antireelection Command." Crowley was exchanged within sixty hours for twenty Dominican political prisoners, the most prominent of whom was the MPD Secretary-General Maximiliano Gomez, who were flown into exile. Since then most of the principal MPD leaders have been gunned down by the police, and Gomez himself died of gas poisoning last month in Brussels under mysterious circumstances.

Meanwhile, many MPD youths have been arrested and pressured into joining the police terrorist bands. On April 20, 1971, six youths who said they were members of a terrorist organization called *Joventud Democratica Reformista Anticommunista* were granted political asylum in the Mexican embassy in Santo Domingo. All but one of them were age eighteen or younger. Before taking refuge in the embassy they issued a statement to the press saying that they had been recruited by the police after they were arrested and accused of "a series of deeds that we did not commit." They identified the leader of the terrorist bands as Police Lt. Oscar Nuñez Peña, who they said was a bodyguard of Gen. Perez y Perez, the police chief. "In this way," the youths said, "they [the police] want to get their hooks into many revolutionary militants." They said the police told them that "this is a declared war against the Communist. The bands will be organized in all the barrios of the capital and what has been done so far is an experiment to acclimatize public opinion." According to their statement, the group was given three Thompson machine guns and a car to carry out its assignment in the "April Plan" which was drafted by the police.[7]

On June 7, another member of *La Banda*, Fernando Aquino Mateo, also known as Sierra y Sierra, obtained asylum in the Mexican embassy. Before he entered the embassy Sierra y Sierra said in an interview that he had been jailed several times after fighting on the constitutionalist side in the 1965 revolution, and had been beaten up in jail so many times that he finally agreed to become a trustee at La Victoria prison, where, he said, he beat and tortured other inmates. He also said he witnessed the death by beating of Oliver Daniel Mendez Guzman, twenty, whom Police Chief Perez y Perez said had escaped from jail on May 5. The dead youth was taken from jail in a sack by a police colonel, Sierra y Sierra recalled, "I imagine that they threw him into the sea, because I have not read in the press that his body appeared anywhere."

He explained that he had joined *La Banda* after his release from jail, May 19, and had sought diplomatic asylum because he had been ordered by Police Lt. Nuñez Peña to kill Felix Alburquerque, the PRD Secretary-General of the taxi drivers' union UNACHOSIN, and Radhames Gomez, the managing editor of *El Nacional*. Before obtaining asylum Sierra y Sierra had lived in a squatter settlement called Katanga, next to Los Minas. One of his last acts as a member of *La Banda*, he said, was to arrest Juan Almonte, the PRD leader of Los Minas, under orders of a police sergeant who said that "if nobody sees us take him prisoner, we should kill him."[8]

Almonte had recently made a series of accusations of corruption in the operations of the national lottery, and had won an election held by the union of lottery ticket sellers—certified by the Labor Ministry. He had, however, been stopped at gunpoint by the old union leadership from taking over the union headquarters. In an interview shortly before his arrest, Almonte told me: "The violence in these barrios is such that even police sergeants and corporals have been killed for having become too close to the PRD. We will have a revolution soon more violent than before. Last time [in 1965] we routed the army in twenty-four hours, and when it happens again it will take less time."

According to the testimony of the youths who obtained asylum in the Mexican embassy, the police agents who organized *La Banda* were also involved in one of the most sordid political crimes in recent Dominican history, the kidnap-murder of Santiago Manuel Hernandez, nineteen, a former MPD member also known as Mangá who had been sought by the police for several weeks. Young Hernandez was shot and critically wounded inside his father's slum shack by two police undercover agents on March 26. Two weeks later, on Easter Sunday, the day before he was to undergo surgery, he was kidnapped from his hospital bed by police agents and was found dead the next morning in a roadside canefield near the town of San Pedro de Macoris, some forty miles away.

As described to me in interviews by his mother and his parish priest, a Cuban Jesuit named Tomás Marrero, the convalescence of Mangá was a lurid nightmare that moved inexorably toward death. His mother, Sra. Mercedes Hernandez de Frias, told me that when her critically wounded son was brought to the Hospital Padre Bellini in downtown Santo Domingo no blood could be found for a transfusion, since the local blood banks said they had no blood for a wounded man until they got a police order to supply it. The emergency operation to prolong the life of Mangá was performed—with police in the operating room—by recycling the blood hemorrhaging from the patient's body into a bottle and injecting it back into him. After his recovery, police guards were stationed with machine guns inside the ward, and forbade the boy to speak with anyone.

According to his mother, Hernandez was visited every day by two police plainclothesmen who stood at the foot of the hospital bed and asked how he was getting on; she said her son whispered to her after one of these visits that they were the two men who shot him on March 26. Late each night the

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Footnotes at end of article.

police would turn on all the lights in the ward and search the boy's bed, on one occasion disconnecting the rubber tube through which noxious fluids were being drained from his body. When Father Marrero, who was taking turns with members of the family in all-night bedside vigils, protested to the policemen, the priest was barred from the hospital from then on. A few days later the boy's mother overheard the police guards say, "We're going to lynch this dog."

At 7 PM, on April 11, four men entered the hospital ward with stockings over their heads and handkerchiefs covering their faces. They announced that "we are from the party and we have come to liberate you," but the boy said, "I have no party," and pleaded with his mother not to let him go. As the men were leaving the ward with her son, the mother saw that beneath their hospital smocks they wore gray police trousers and black police boots. A few days after the boy's body was found, President Balaguer attributed the murder to "a struggle between two organizations of the extreme Left."[9]

The story of Mangá's death was first told to me by Father Marrero, whom I have known since the 1965 revolution, having slept in his church in the rebel zone while interviewing some of the people who fought on the constitutionalist side. He was one of some twenty Cuban and Spanish Jesuits who came to the Dominican Republic from Cuba in 1961—after nationalization that year of the Jesuit *Colegio Belén* in Havana, where Fidel Castro studied as a boy. These priests have performed remarkable work in leading the *aggiornamento* of the Dominican church, drafting the principal church documents, organizing cooperatives, literacy campaigns, peasant leagues, and the new Catholic University Mater et Magistra in Santiago, and earning the enmity of rightwing elements of Dominican society.

During the revolution I met another Cuban Jesuit, José Moreno, author of *Barrios in Arms: Revolution in Santo Domingo*, who was working with Father Marrero at the San Miguel Church, running an improvised medical clinic and distributing surplus food. The food was sent by the Americans across the cease-fire lines, while negotiations were dragging on, but in barely sufficient quantities to avoid panic and starvation among what became essentially a captive population.

José Moreno has since left the priesthood and is now teaching sociology at the University of Pittsburgh's Center for Latin American Studies. His account of life inside the rebel zone during the 1965 civil war—he was doing field research for his doctorate in sociology at Cornell when the revolution broke out—is written with more intimate knowledge and greater precision than any other study of the insurrection I have seen. Moreno's is the first objective, detailed, and plausible analysis available anywhere of the real Castroite-Communist strength in the constitutionalist camp. He shows that their forces were limited to a few well-armed and well-disciplined *comandos* of resistance fighters controlled by the Communist Party and the Castroite June 14th Movement. But these were only a few groups among a great many others. As Moreno describes the process:

"A training school was set up in which navy frogmen trained the civilians in urban guerrilla tactics. To maintain the morale of the rebel organization, [Col. Ramón] Montes Arache [the frogmen's commander and the rebel defense minister] and other officers agreed to let the civilians organize themselves into commando [neighborhood militia] units. Montes Arache realized that his job was to coordinate these units scattered all over the city and to give them leadership together with logistic and strategic support. Thus, the commandos, which had originally started as a means of self-protection and an expression of solidarity among members of informal groups, became the most powerful instrument in the hands of the rebels. By the end of May there were in the city 117 commando posts in which 5,000 men lived, ate and slept together. . . .

"On the one hand, informal groups of people from the barrio, groups of friends and relatives from the community, or gangs of "tigers" [teen-age street gangs] evolved into commandos such as San Miguel, Pedro Mena, Pichirilo, and Barahona. On the other hand some formal organizations [political parties and labor unions] already operating in public life whose leaders decided to combine their memberships with other individuals formed such commandos as San Lázaro, Poasi, and Argentina. Both kinds of groups were numerous, and both were relevant to the revolution. The first kind relied heavily on the organizational abilities of the leader, particularly on his charisma and *machismo* [manliness and bravery]. The second kind relied heavily on the organizational structure of the parent organization."

This description, I think, should help to place the Santo Domingo revolt of 1965 alongside the Paris Commune of 1871 in the world's revolutionary traditions. Both were urban, popular uprisings that were sustained by civilian militia until they were crushed by foreign troops. Both were involved in the turbulent process of peasant migration to the cities that made Paris in the nineteenth century and Santo Domingo since Trujillo's assassination in 1961 into centers of social revolution. Moreno writes very well of the quarrels, the hunger, the demoralization as the months of negotiation dragged on under US military occupation. But his book tends to lapse into sociological jargon toward the end, and it is regrettable that he did not instead simply let the Dominicans speak for themselves. I can testify that many of them not only can tell what the revolution was about with eloquence and clarity, but can also do justice to the incandescent inner life of the Santo Domingo slums.

Professor Slater writes that "the real explanation" for the US intervention "was the [US] embassy's playing on the Communist theme, compounded by the almost universal disdain and distrust for Bosch throughout the US Government." I think this is true but there are deeper explanations that are relevant both to the continuing political terror in Santo Domingo and to social conditions throughout Latin America.

Santo Domingo is one of the extreme examples of the creation of a huge sub-proletariat overnight. Its population (now 800,000) has more than doubled in the decade since Trujillo's death. It is a particularly grave case of the influx to the cities in contemporary Latin America. And it differs from European peasant migrations in the era of the Paris Commune to two important ways. First, the European urbanization process proceeded at a somewhat slower pace than in Latin America today and was sustained by a much higher degree of industrial employment.[10] Secondly, there was in Europe nothing approaching Latin America's urban squatter problem that tends to divide cities into distinct asphalt and marginal areas.[11] If the demands of those who are moving into the cities for food, jobs, and housing are in no way satisfied, they become dangerous to the regime: only terror and force will control them.

The tattered country people who came to Santo Domingo have built flimsy, clapboard shacks that sprawl away from the city's center along both banks of the Ozama River and under the Duarte Bridge. In 1965, thousands of the slum dwellers, using Molotov cocktails and small arms captured from the police, defeated elite tank and infantry units at this bridge in one of the episodes that demoralized the Dominican military and led to the US intervention.[12] This humiliation has generated in the Dominican armed forces and police an obsessive hatred and fear of the shack settlements and the dense, fetid warrens, called *patios*, of cardboard and palm-bark huts whicn are squeezed behind the facade of the pastel-colored wood-and-concrete houses in the interior of each city block in the *parte alta* of Santo Domingo.

The people in these slums have kept a blind and stubborn faith in their idol, Juan Bosch—pronounced Juan Bo in the liquid, Dominican rural Spanish that sounds like a Mississippi drawl. Life stops at midday when he speaks on the radio, the slow, seductive indignation of his voice blasting into the street from every shack. In a recent radio speech Bosch asked:

"Why do you think there are armed bands punishing the poor barrios of the capital? Why are there so many political murders, so many spies, so many political prisoners, so many abuses? It is for the same reason that the country has had a large commercial deficit in recent years. It is because the country does not produce enough for all Dominicans to live at least with enough food, and besides this what is produced is badly distributed. A few have much, others have enough to live on but the great majority don't even have where to fall dead."

The economic problems of these people are immense, almost immeasurable. A survey of one marginal barrio by Santo Domingo's Urban Planning Office found that only 16 percent of employable family heads had regular work, 44 percent survived by occasional odd jobs, called *chirripa*, while 40 percent were totally unemployed. Of those working full or part-time, 93 percent earned less than $100 monthly.[13] Survival under these conditions is partly in the cash economy, partly through barter, but probably most important, through elaborate and highly codified exchanges of personal favors, like tribal or communal customs in many rural subsistence economies.

Six years after the revolution, Santo Domingo is still divided into two enemy camps: the slums of the old rebel zone, and the comfortable residential neighborhoods surrounding the American embassy. I talked to an old and wise *Trujillista* politician who these days rocks on his porch a few blocks from the embassy. "In the old days, when a fire broke out in a sugar cane field, the way to fight it was to start another fire, called a counterfire (*contrafuego*). In 1965 a big fire called the revolution broke out in Santo Domingo and the terror is the *contrafuego* aimed at putting it out."

One flaw of Professor Slater's book is that he treats the 1965 intervention as an isolated episode with virtually no reference to the history of US involvement in Dominican affairs: President Grant's efforts to annex Santo Domingo, which were blocked by Congress; the US Marine occupation of 1916–24; the US receivership of Dominican customs duties from 1905–1940, when Trujillo arranged for final payment of the foreign debt, one of his proudest achievements. Nor does he mention the CIA role in the assassination of Trujillo,[14] and the US military and diplomatic maneuvering to dismantle the Trujillo political apparatus (twice US warships were sent into Dominican coastal waters to block attempts to restore the dictatorship) and to establish the provisional regime that held the 1962 elections in which Bosch won by a large majority.

A major element of the US presence in Santo Domingo since the fall of Trujillo has been the intimate relationship of US advisers with the Dominican military and police.[15] After the intervention of 1965, these advisory missions expanded enormously. In 1967 and 1968 the Dominican Republic, with a population of only four million, had the largest AID Public Safety (sic) or police assistance

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Footnotes at end of article.

program of any country outside Vietnam. The second and third largest programs were respectively in Brazil (with 90 million people) and Guatemala, the two other Latin American nations where major outbreaks of right-wing terror by paramilitary death squads have occurred in recent years.

One of the most interesting documents to appear recently on the American presence in Santo Domingo was the transcript of a taped interview with David Fairchild, who served with AID in the Dominican Republic for eighteen months in 1966–67. The interview deals mainly with the frustrations and complexities of administering the vast US aid program to stabilize the Balaguer regime. Fairchild has this to say about the AID Public Safety program:

"There were six positions in the Public Safety Division of AID which were CIA officials. They were CIA employees. They were paid by AID because there was no way of keeping the accounting separate without exposing them. Their location there was unknown to other members of Public Safety. I had to become familiar with this because one of my jobs was getting the positions and the budgets straightened out. They worked with the police. There were only six of them out of 20 . . . they were in intelligence communications, management training . . . here are the figures: in fiscal '67, there were 15 (AID Public Safety officers); in fiscal '68, there were 18, of which six, one-third, were CIA." [16]

The 1965 intervention, and all the desperate, Byzantine machinations that have followed in order to justify it, not only compounded the raw and mounting tragedy of the Dominican people, but achieved the very opposite of its stated ends. Slater writes, correctly, that "Communist, or, at least, radical and extremist strength in the Dominican Republic is far higher today than it was in April 1965, in good part because of the intervention." Beyond this, the political regime that is the creature of the intervention has proved to be a revival of the era of Trujillo, with the apprentices sitting in the sorcerer's chair and practicing his brutal powers.

President Balaguer, who was placed in power by US troops and US money, pleaded in a speech at a dinner of the American Chamber of Commerce in Santo Domingo for an increase in the republic's quota for sugar exports to the US: "We depend," he said, "in full measure on the political and economic collaboration of the Fatherland of Washington and Lincoln, and we cannot allow ourselves the luxury, taken by other countries of Latin America, of shaking off the so-called yoke of North American imperialism to accept others that are, indeed, ignominious." [17] But the Dominican sugar quota is being cut by Congress, Balaguer is running out of money, and his military and political support is beginning to desert him.

It is a pity that the PRD has provided more of an insurrectional mystique than a workable political formula for ruling the Dominican Republic. Juan Bosch remains a popular leader and a man of high principles, but his erratic character makes it doubtful that he can provide the steady leadership that the Dominican people need. Still, if political terror continues it will lead to a popular explosion more violent than that of 1965.

FOOTNOTES

[1] I refer to Trujillo's killing of his own people, and thus exclude from this comparison the 1936 slaughter of some 10,000 Haitian squatters to stop the illegal migrations from Haiti to the Dominican Republic. By far the best source on the Trujillo regime is Robert D. Crassweller's excellent biography, *Trujillo: The Life and Times of a Caribbean Dictator* (Macmillan, 1966).

[2] See *"Van 216 Muertos," El Nacional,* December 30, 1970. The writer of this summary told me that after the edition went to press four more political killings occurred in the final thirty-six hours of 1970, bringing the death/disappearance total to 190.

[3] For example, on May 16, a fifteen-year-old tailor's apprentice, Belardino Beras Ortega, who had arrived from the provinces only three months before, was detained by a navy street patrol on the Duarte Bridge for not having a license plate on his bike, and was capriciously thrown over the bridge to his death by the patrol. See *"Piden a Balaguer se Investigue Muerte Joven," El Nacional,* May 22, 1971.

[4] See Miguel Jose Torres, *"Transcurre sin Incidentes Paro Actividades Los Minas," El Caribe,* Santo Domingo, November 20, 1970.

[5] There have been eight different national police chiefs in the first five years of Balaguer's rule. In what was described as a major step to purge the police, Balaguer last January named his Defense Minister, Gen. Enrique Perez y Perez, as his newest police chief, but the paramilitary violence has continued.

[6] See *"Admite Ineficacia," El Caribe,* November 19, 1971.

[7] See *"Miembros de Banda Solicitan Asilo," El Nacional,* April 20, 1971.

[8] See *"Revelan Trama," El Nacional,* June 7, 1971, and *"Bosch Ve Escandalo Denunciada Trama," El Nacional,* June 8, 1971. On page 13 of the June 7 edition, a letter from the warden of La Victoria prison to Lt. Nuñez is photographically reproduced, saying that Sierra y Sierra "was a prisoner and squeezed the communists very hard and now they are persecuting him in the capital . . . so I hope you will give him protection for me."

[9] See *"Cree Version Policial de Asesinato de Manga," El Nacional,* April 14, 1971. The same edition carried a statement by National Police Chief Perez y Perez that the killing was done by PACOREDO (*Partido Comunista de la Republica Dominicana*) which is said to be controlled by police infiltrators.

[10] See "The Poor World's Cities," a survey, *The Economist,* December 6, 1969, p. 56.

[11] See Richard M. Morse, "Recent Research on Latin American Urbanization," *Latin American Research Review,* Fall, 1965, p. 56.

[12] Slater writes that "the last detachment of surrendering Cascos Blancos [riot police], having been told they were facing a Communist rebellion, pleaded for their lives by crying, *'Viva Fidel! Viva el Communismo! Viva Cuba!'* One of the many ironies of the revolution was that Col. Francisco Caamaño, the rebel military chieftain, had served until a few months before as chief of the police riot squad. Antonio Imbert, the last surviving killer of Trujillo, had been supplying arms to Castroite groups over the years and had actually offered his services to the rebels before being named head of an anti-Communist junta by the US occupation forces. See my article "US Aides Confirm Imbert Aided Reds," Washington *Post,* June 17, 1965

[13] See Fernando A. Santana, *Barrios Marginados de Santo Domingo: Una Realidad para Actuar.* Study presented to the United Nations Conference on Squatter Settlements, Medellin, Colombia, February, 1970, p. 3.

[14] See my "How Trujillo Died," *The New Republic,* April 13, 1963.

[15] In his book *Barrios in Revolt,* José Moreno illustrates how this relationship functioned in the early days of the 1965 revolution, before US military intervention: "Antonio Martinez Francisco, a rich businessman, was the Secretary-General of Bosch's PRD when the revolution broke out. As a moderate, he sought mediation from the US embassy when the fighting started to get out of hand. His plea went unheard by US officials. On April 28, Martinez sought political asylum in the Mexican embassy, where he received a phone call from Arthur Breisky, Second Secretary at the US embassy, who asked him to come to the embassy to discuss important problems with [Ambassador] W. T. Bennett.

"Martinez agreed, and a car arrived to take him from the Mexican embassy. Inside the car he found a loyalist colonel and a CIA agent who took him at gunpoint to San Isidro [the big air force base outside Santo Domingo]. There he found the US official who had led him into the trap, as well as US air attaché [Lt. Col Thomas B.] Fishburn, surrounded by Dominican generals. He was forced to read over the radio an appeal asking the rebels to surrender their weapons."

[16] From "US AID in the Dominican Republic: An Inside View," in *NACLA Newsletter,* Vol. IV, No. 7, New York-Berkeley: North American Congress on Latin America, November, 1970. The AID Public Safety program regularly sends its officers first to Vietnam before sending them elsewhere in the world, which means that nearly all US military and police advisers in Latin America have been shaped to some extent by their Vietnam experience. However, the Public Safety programs in the Dominican Republic and Brazil have been cut back in the last two years.

[17] The speech is printed in *Listin Diario,* May 1, 1971.

A FLEXIBLE HOUSING PROGRAM FOR GALENA, ALASKA

HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BEGICH. Mr. Speaker, the regulations that prohibit the use of Federal housing funds in areas of established potential floods, as determined by flood plain locations, are certainly well advised in their general philosophy. In spite of the general wisdom of such provisions, there are certain areas where preestablished communities make the application of such regulations unfair and work a hardship on the residents.

Such an area is the village of Galena, a Native village on the Yukon River in interior Alaska. This is a traditional and long-established village which owes its location originally and at the present time to the subsistence and transportation benefits of the river. So while the river is the support for life in this village, it is also a threat to its survival. The intention and the need of the Native residents of Galena is to stay.

The housing problem in Galena is acute. I have related to this body numerous times the well-known Alaska housing statistic that 90 percent of the housing in rural Alaska is substandard, with approximately 20 percent being so poor as to endanger the health and safety of the occupants. Galena experienced its share of these difficulties, and Federal funds to correct the problem are forestalled by the flood plain regulations.

The attached resolution passed by the Village Council of Galena captures the frustration felt in that village and all along the rivers of Alaska. Executive or legislative action is necessary to permit flexibility in housing programs in areas like Galena, and I would ask you to consider such a solution as you read this resolution.

The resolution follows:

RESOLUTION NO. 71-11, OF THE COUNCIL OF THE NATIVE VILLAGE OF GALENA

Whereas, Galena recently suffered from a disastrous flood; and

Whereas, most of the villages on the Yukon, Kuskokwin, and Koyukuk rivers and their tributaries are below the 135 ft. flood plain level; and

Whereas, these villages, along with Galena, are also in the 100 year flood plain and subject to erosion; and

Whereas, there is in existance today a housing crisis in these villages and a drastic need to eliminate this; and

Whereas, ASHA and other housing programs cannot apply their programs in these villages because of the 135 ft. flood level ruling and the aforementioned problems of flood and erosion.

Now, therefore, be it resolved by the Council of the Native Village of Galena that the law regarding the 135 ft. flood level be changed and other laws and rulings that hinder the building of homes in these villages, so as the peoples and communities of the three previously mentioned regions can be better served.

TRIBUTE TO THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ANDERSON of California. Mr. Speaker, providing mass transportation in urban areas is a major problem in America today, and one which, understandably, the Southern California Rapid Transit District serving Los Angeles, Orange, Riverside, and San Bernardino Counties is diligently attempting to solve. However, I would like to commend SCRTD today for realizing that there are other problems—such as air pollution and equal employment for minorities—which it can help alleviate simultaneously.

Let us look at some examples of how the Southern California Rapid Transit District is working toward solutions of these other problems at the same time it is upgrading its transportation services.

This spring, with the assistance of a $5.23 million capital facilities grant from the Urban Mass Transportation Administration, the Southern California Rapid Transit District began purchasing 212 new air-conditioned transit buses as replacements for units that had been in service for more than 15 years. These new heavy-duty buses are equipped with the latest type of engines designed to provide a substantial reduction in exhaust emissions. This replacement of older units equipped with less efficient emissions controls will, in itself, make a minor but significant contribution to improving the quality of the atmosphere in southern California—but that is not the only aspect of SCRTD's actions to reduce air pollution.

In addition, 551 older buses which will remain in service are having their fuel injection systems modified. These modifications will provide reductions of from 50 to 83 percent in hydrocarbon emissions, depending on which of two types of injection system was in use on the particular unit previously. The modified fuel injection equipment will also provide some reductions in emissions of nitrogen oxides and of carbon monoxide. The $202,500 cost of this program is being borne entirely and voluntarily by the Rapid Transit District.

The district is also participating in two research projects seeking additional reductions in air pollution.

The first is an effort to develop a catalytic muffler utilizing molten salts to absorb pollutants before they are released to the atmosphere. This project is funded by a $303,000 grant from the Urban Mass Transportation Administration and by contributions from the Southern California Rapid Transit District and North American Rockwell Corp. A prototype of this catalytic muffler is being developed and should be ready for testing on a bus in regular service by late summer of this year.

The second research project is the California steam bus program, to which Southern California Rapid Transit District is making a $50,000 contribution. One of the system's buses has had its diesel engine removed and Steam Power Systems, Inc., of San Diego is developing and installing a steam power plant as a replacement. After factory tests, the unit will be given extensive inservice testing and evaluation in an effort to provide safe, efficient, low-emission steam power for rapid transit buses.

Also in progress are programs involving use of compressed natural gas as an alternative fuel. This type of fuel provides a significant reduction in emissions of hydrocarbons and oxides of nitrogen. Although only minor modifications are required to permit its use in standard internal combustion engines, the requirement for high-pressure fuel tanks makes this fuel more easily adaptable to buses and other larger vehicles than to passenger autos.

Minority employment programs are also being developed by the SCRTD, primarily through an inhouse training program which will enable utility men to advance into the mechanics category.

Of the 203 employees in the "utility Grade," 92 percent are from minority groups—mostly blacks, but with some Mexican-Americans, Asian-Americans, and Indians. This job classification, which includes workers for unskilled jobs such as washing, cleaning, and fueling the district's buses and autos, has traditionally been a dead end position without opportunity for advancement.

Through a cooperative program between the district and the labor union, training is being provided by evening classes taught by SCRTD employees in the skilled mechanical trades. On-the-job training is provided upon the completion of the night classes. The first class of 14 has now moved into the starting pay grade for mechanics and a second class of 13 men is now undergoing on-the-job training. This program provides minority individuals with training for skilled employment, as well as assuring the district of a ready supply of personnel from which to recruit entry-level mechanics.

As the program continues, the graduates will undoubtedly progress to higher skill levels and increased salary ranges within the mechanical department.

Mr. Speaker, the Southern California Rapid Transit District is certainly worthy of praise for its efforts to provide mass transportation in the Los Angeles area, but also, for its contribution to solving the problems of air pollution and minority unemployment.

AMENDMENT OFFERED TO PUBLIC WORKS APPROPRIATIONS BILL

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. DU PONT. Mr. Speaker, on Thursday, July 29, I plan to offer an amendment to the public works appropriations bill (H.R. 10090) to strike $3.7 million in initial construction funds for the Tocks Island Dam project. Since this is such a complex matter, I would like to include in the RECORD supporting data which may be useful to my colleagues in their consideration of my amendment. I have included for insertion a transcript of my "Dear Colleague" letter, an information sheet, and some letters and testimony which were mentioned in the letter to the Members.

The items follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 28, 1971.

DEAR COLLEAGUE: We need your help on Thursday to preserve the integrity of the Environmental Policy Act of 1969.

When the Public Works Appropriation bill (H.R. 10090) comes to the floor, I will offer an amendment to strike $3.7 million in initial construction funds for the $259 million Tocks Island Dam on the Delaware River.

Construction money should not be appropriated now because:

The initial environmental impact studies on the dam were rejected by CEQ. Others have been requested.

CEQ recommends a delay in construction until these studies are completed.

It would be irresponsible to irrevocably commit public funds to a project, the environmental impact of which is still unknown.

CEQ can only recommend sound environmental policy. It's up to Congress to make it a reality.

Additional supporting information is attached. I would appreciate your support on Thursday.

Sincerely,
PIERRE S. DU PONT IV,
Member of Congress, Delaware.

TOCKS ISLAND DAM BACKGROUND

When the Public Works Appropriations Bill comes to the floor on July 29, I plan to offer an amendment to strike $3.7 million from the Army Corps of Engineers' budget for Tocks Island Dam with a provision that the remaining funds can only be used for land acquisition and administration of the project, not for construction.

The vote on this amendment represents an opportunity for the Members of this Congress to set a precedent for sustaining the intent of environmental law. Section 102 of the Environmental Policy Act has little substantive effect; it states that appropriate agencies should undertake the studies of projects which have potential impact on the environment, but it does not say that commencement of construction is contingent upon approval of such studies by a Federal agency. Only Congress has the authority to maintain the integrity of environmental law; by withholding funds, the Congress will give the CEQ the opportunity to evaluate fully the findings of the Corps and to exercise proper discretion.

The Tocks Island Dam project was authorized under PL 87-874 in 1962 for the construction of a comprehensive reservoir, pump-storage electric facility and recreation complex on the Delaware River just seven miles northeast of Stroudsburg, Pennsylvania. Since the passage of PL 87-874, no money has been appropriated for construction of the facilities, and the project has become enshrouded by local controversy and national environmental attention. During this time, however, the Corps of Engineers has submitted an environmental impact statement pursuant to Section 102(2)(c) of the Environmental Policy Act of 1969.

This impact statement was rejected by Chairman Russell Train of the Council on Environmental Quality. In a letter to Robert Jordan, General Counsel for the Department of the Army, dated April 7, 1971, the Chairman cited the Corps' impact statement as being inadequate. He described shortcomings in five major areas, calling for the Corps to undertake a study which sought viable alternatives, not mere justification of existing plans.

On May 20th, I testified before the Subcommittee on Public Works of the Committee on Appropriations, asserting my belief that construction funding should be withheld until a comprehensive environmental impact statement which considers both the primary and secondary effects of the dam has been approved by the Council on Environmental Quality. With me was Dr. William Gaither, Dean of the College of Marine Studies at the University of Delaware, who contended that no authoritative study existed which adequately treated possible downstream effects.

There are still many questions that have not been adequately answered, and I fully concur with Chairman Train's recommendation that the Corps of Engineers undertake a coordinated, multidisciplinary study of the project with the other participating agencies.

The Corps has agreed to take the lead in this investigation and, in addition, to prepare an overview of those coordinated studies for CEQ. However, before this process of study and evaluation can be completed, the Congress appears to be ready to appropriate construction funds. I personally am not prepared to make a commitment of construction funds prior to the evaluation of these studies.

I do not think that the Congress can in good conscience make the initial commitment for a $259 million construction project without first determining the propriety and feasibility of that commitment.

My amendment will not bring the project to a halt; it would allow for continued land acquisition and design funds. Construction funds could be sought in a supplemental appropriation should CEQ approve the studies before FY '73.

I do not desire to kill the project; I only want to bring some effectiveness to the environmental laws that we have. I believe this to be a test case that will determine whether the Congress can preserve the integrity of environmental law by insuring that no projects and money will be irrevocably commited without sound evaluation by a neutral, competent Federal agency.

Council on Environmental Quality,
Washington, D.C., April 7, 1971.
Robert Jordan, Esq.,
General Counsel, Department of the Army, Washington, D.C.

Dear Mr. Jordan: The Council on Environmental Quality has carefully reviewed the Corps of Engineers draft environmental impact statement on the proposed Tocks Island Reservoir Project and wishes to comment on some shortcomings which need to be remedied.

The proposed Tocks Island Reservoir is just one portion of a complex development which also includes the Department of the Interior's Delaware Water Gap National Recreation Area and a proposed pumped storage hydroelectric development. These projects involve recreation, flood control, water supply, electrical generation, and fisheries. Their impact is magnified due to their proximity to several major urban areas. These projects will have major primary and secondary environmental, social and economic effects upon the Delaware River Basin.

The Council on Environmental Quality feels that in order to adequately assess the impact of these projects, a coordinated, multi-disciplinary environmental impact statement should be developed which will cover the primary and secondary effects of the proposed Tocks Island Reservoir, Delaware Water Gap National Recreational Area and proposed pumped storage hydroelectric development. This comprehensive environmental impact statement might best be prepared on the basis of an independent, non-federal study by such an organization as the National Academy of Sciences. Such a statement must, of course, be filed in accordance with the National Environmental Policy Act before construction begins.

While we feel that a comprehensive environmental impact statement should be prepared covering all aspects of proposed Federal projects in the proposed Tocks Island Reservoir area, I am making several specific comments upon your draft environmental impact statement which may assist you with respect to the overall environmental impact statement recommended:

The Corps of Engineers environmental impact statement is too brief in discussing adverse environmental impacts, the relationship between local short-term uses of man's environment and enhancement of long-term productivity, and irreversible or irretrievable commitments of resources. This project involves many trade-offs of an environmental, social, and economic nature which should be discussed if it is to meet the requirements of the National Environmental Policy Act.

Listed below are several areas where the analysis in the Corps draft environmental impact statement needs strengthening:

1. *Water Quality*—Water quality is not adequately discussed in the draft 102. Little data is provided from which an evaluation of water quality can be based. We understand that the Environmental Protection Agency has asked for further material and a 90-day period so that they can make their required detailed review of water quality. We support their request.

Eutrophication of the proposed Tocks Island Reservoir because of high nutrient runoffs from the Delaware River watershed is a real possibility a few years after the dam's completion. At best this eutrophication will only destroy the reservoir's proposed game fishery resources; at worst it will make the reservoir unavailable for recreation. Possible eutrophication of the reservoir should be carefully studied before construction begins.

2. *Alternatives*—The draft environmental impact statement's evaluation of alternatives tends to justify the project rather than discuss viable alternatives. The alternative of no dam is not even considered.

3. *Fisheries*—Much of the outside criticism has come from speculation as to the impact of the proposed project upon fisheries. While the environmental impact statement also speculates upon the impact of the proposed reservoir upon fishery habitats, there appears to have been inadequate study of probable impact upon fisheries. Such questions as the design of the fish ladder, facilities for anadromous fish migration during the construction period, facilities for shad fingerling passage down river, spawning bed destruction due to reservoir siltation, effect of eutrophication upon reservoir game fisheries, effect of reservoir fluctuations upon game fisheries and the effect of changes in river flow upon fish habitats below the dam should be answered.

4. *Economic and Social Trade-offs*—The Tocks Island projects involve trade-offs justifying adverse environmental impacts through social and economic benefits, yet data supporting these benefits is omitted. Cost-benefit ratios are not included. Secondary costs for road relocation and construction within the reservoir and Delaware Water Gap National Recreation Area and for waste treatment facilities are not mentioned. Secondary economic benefits, such as the economic impact of commercial resorts around the Tocks Island complex, are not included.

Social costs and benefits are not well discussed. The trade-off of a natural environmental centered around a free-flowing river attracting a limited group versus a reservoir-centered recreational area attracting large numbers of urban residents is a key issue. The question of land use planning in the vicinity of the project is not adequately discussed.

5. *Reservoir*—The effect of seasonal fluctuations is controversial and should be explained in detail. What will the impact be upon winter-recreational opportunities such as ice-boating and snow-mobiling when water-levels are low? What effect will the spring flood storage of an additional 6,000 acres have upon the flora of these areas? How seriously will the aesthetics of the area be impaired by reservoir fluctuations?

The reservoir itself will destroy wildlife habitat. Eight-hundred-eight acres of land will be bought to replace them. What is the ratio of wildlife habitat lost to the replacement habitat? Is it comparable? Are funds available to purchase this replacement wildlife habitat? Siltation will gradually fill up the reservoir. Has a study been carried out projecting the life of the reservoir? If so, what is the projected life of the reservoir?

The proposed Tocks Island Reservoir has been under preparation for many years, yet controversy still surrounds the project. In order to answer the questions we have raised and those raised by others, I hope that you will carefully consider my proposal to prepare a comprehensive, multi-disciplinary environmental impact statement in conjunction with the Department of the Interior, Federal Power Commission and Delaware Water Basin Commission.

Sincerely,
Russell E. Train, *Chairman.*

A Statement to the U.S. House of Representatives, House Appropriations Committee, Subcommittee on Public Works, Hon. Joe L. Evins, Chairman, May 20, 1971, by William S. Gaither, Dean, College of Marine Studies, University of Delaware

Mr. Chairman, Committee Members, Representative duPont, ladies and gentlemen. I am William S. Gaither, Dean and Professor of the College of Marine Studies of the University of Delaware. By profession I am a civil engineer. With me is Dr. Kent S. Price, Assistant Dean of the College of Marine Studies and Director of our Lewes Field Station. Dr. Price is a marine biologist.

This statement was prepared in response

to Representative duPont's request for information on the possible detrimental effects of the Tocks Island project on Delaware Bay. Our preliminary assessment of the situation is summarized in the following points:

1. The effects of this project on marine life in Delaware Bay have not been thoroughly evaluated. Also, the widening and deepening of the C & D Canal, now in progress, add yet another uncertainty to understanding the effects of the Dam on Delaware Bay.

2. Due to low flow augmentation provided by the Tocks Island project (i.e. more water than the normal summer minimum flow will be released from the storage reservoir at times of low river discharge) the oxygen sag in the river will be moved downstream from its present location. This highly polluted section of the river, now near Philadelphia, will be forced downstream nearer to Wilmington.

3. In the upper Chesapeake Bay 85% of the organic nutrients move downstream in a single month with the annual flood crest, or crests, on the Susquehanna River. This provides food for marine life. While it is not established that a similar phenomenon occurs in the Delaware River, perhaps the same situation applies here. If true, then the Tocks Island project would considerably reduce the productivity of Delaware Bay since this flood control Dam would be expected to eliminate flood crests. An example of this effect is the documented reduction of sardines in the Mediterranean as a result of the Aswan Dam on the Nile.

4. The variation of salinity in Delaware Bay will be reduced. Consequences are that:

a.) The oyster predator population may increase in the upper bay and will move further upstream,

b.) Spawning patterns and the nursery grounds for young fish in the bay may change due to the change in salinity regime in the spring.

5. It is predicted that the annual harvest of 1.5 million pounds of shad will be reduced to about .5 million pounds due to the inundation of spawning and nursery habitat within the reservoir site and possibly in the reach downstream from the dam.

6. Finally, further doubt is cast on the environmental aspects of this project by Chairman Russell Train of the Council on Environmental Quality who has reviewed the Corps of Engineers draft environmental impact statement on the project and has indicated that some of its shortcomings need to be remedied. He further suggested in his letter of April 7, 1971 to Mr. Jordan, General Counsel for the Department of the Army, the preparation of a comprehensive, multi-disciplinary environmental impact statement in conjunction with several agencies, both federal and regional.

In summary, we have listed several possible detrimental effects of the Tocks Island project on Delaware Bay. If any or all of these effects materialize it could have serious consequences for the Bay. Unfortunately the installation of the Tocks Island Dam is an irreversible act even though its operation can be regulated to some extent. At the present time we do not know enough about the potential effects of the dam on Delaware Bay to make an evaluation with any degree of confidence.

Mr. Chairman, this concludes my prepared comments. Thank you.

TESTIMONY OF CONGRESSMAN PIERRE S. DU PONT, IV BEFORE THE SUBCOMMITTEE ON PUBLIC WORKS OF THE HOUSE APPROPRIATIONS COMMITTEE ON THE TOCK'S ISLAND DAM PROJECT, MAY 20, 1971

Mr. Chairman, before I begin my testimony I would like to state very clearly my purpose for testifying against the immediate funding of the Tock's Island Dam project.

First, I do not have the information to pass judgment on the project per se. I am, however, opposed to beginning a project of such magnitude without the approval of a comprehensive, authoritative environmental impact statement by the Environmental Protection Agency. To date, the EPA has not approved any impact statement submitted by the Army Corps of Engineers. I also want to point out to members of this committee that Chairman Russell Train of the Council on Environmental Quality stated that the first impact statement submitted by the Corps of Engineers was inadequate, and that he recommended that "a multi-disciplinary environmental impact statement . . . be developed to cover the primary and secondary effects . . ." of the proposed dam. He also recommended that the statement be prepared by an independent, non-federal agency.

I would hope that your committee would not approve this project until such an impact statement has been submitted; an impact statement which clearly demonstrates the absence of any major primary or secondary ecological problems associated with the dam.

Much of the controversy over the dam has centered around the local impact; I have very little knowledge of these considerations and wish not to pass any judgments on them. I do believe, however, that the downstream effects of the dam, particularly in the Delaware Bay, have never been examined thoroughly. Upon initial study, it is apparent that the potential damage to the Delaware Bay zone is just as great and real as the potential damage to the area contiguous to the dam site.

I believe sound public policy and the spirit of the Environmental Policy Act of 1969 call for thorough consideration of the downstream effects associated with this dam project prior to approval.

No one can say with confidence what the effects will be on the Delaware Bay, and I urge your committee to defer judgment of this project until those who border on and use the Bay are assured that the downstream ecological ramifications of the dam are thoroughly scrutinized by an impartial, qualified agency.

With the assistance of the College of Marine Studies at the University of Delaware, I am able to identify five major areas which I believe must be examined prior to approval of this project.

I now present to you Dr. William Gaither, Dean of the College of Marine Studies, who will elaborate on the five areas I mentioned.

POLAND: NEW DIALOG BETWEEN RULERS AND RULED

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. PUCINSKI. Mr. Speaker, there continue to be cautiously optimistic reports from Eastern Europe that the leadership of Edward Gierek of Poland is having some positive results for the people.

With recent setbacks in Rumania and Hungary and Czechoslovakia, one hesitates to give these reports of a slightly more responsive government in Poland too much credibility.

But indications persist that the people are being responded to. Following is an article which appeared in the Chicago Tribune on Sunday, July 25, describing some of the present-day conditions in Poland:

[From the Chicago Tribune, Sun., July 25, 1971]

POLAND: A NEW DIALOG BETWEEN RULERS AND RULED

(By Edward Rohrbach)

> "And it is true, for the last few months, that public affairs have become the main concern of our lives. They constitute the most fascinating subject in every—even the most restricted, even the most private—encounter . . ."
>
> —POLISH DEMOCRATIC PARTY WEEKLY.

WARSAW.—Poles do talk about politics now. During the 15 stark years of the Gomulka regime, it was a subject not only unhealthy to discuss but—perhaps worse—uninteresting.

Inspiring the new dialog, when not leading it himself, is Edward Gierek. The 58-year-old Communist Party chief appears almost daily on Polish television and dominates the newspapers. Such exposure is not difficult with a state-controlled media, but Gierek does it by producing genuine news.

Six months after coming to power in the wake of the December food-price riots that toppled Wladislaw Gomulka, Gierek still travels the country like someone running for office.

AIDS CAUSE FOR WOMEN'S LIB

Oozing charm, he kisses farm wives on the cheek in front of photographers to both advance the cause of women's lib in Poland and reestablish the long-lost contact here between the rulers and ruled.

In touring factories he seems more the burly ex-coalminer he is, scolding sycophantic management publicly when they trot out the usual party hacks for him instead of workers with real grievances whom Gierek wants to see and listen to.

At the May Day parade this year in Warsaw, there were no giant portraits of party and state leaders, the normal petty idolatry that Communist bosses encourage the faithful to indulge in at such staged events.

Last month a member of the Politburo, Jan Szydlak, subjected himself to an hour and a half of quizzing on a new national television program called Citizens' Forum. Direct telephone lines from thruout Poland were piped into the studio.

MORE PROGRAMS ARE SCHEDULED

Most of the questions concerned housing, and Szydlak, in charge of economic affairs, promised better conditions. Often the questions were drafted in a sharp way—"What's going to be done about. . . .?" Nothing like it had ever happened before here and more programs, with other Politburo members up for grilling, are scheduled.

Despite such unprecedented courting of public opinion, Poles still view their government agross a vast credibility gap. Nevertheless, considerable interest has been stirred by new policies that will be major reforms, if implemented.

Premier Piotr Jaroszewicz has just announced a five-year plan to shift the emphasis in the Polish economy from heavy industry to consumer goods. It is aimed at fulfilling Gierek's promise that by the end of 1975 the standard of living in Poland will be raised 25 per cent.

Foreign consumer imports are to be expanded 75 per cent and wages hiked 17 to 18 per cent, double the rate of the previous period.

Meat consumption is to rise 17 pounds per capita annually, to 136 pounds a year. Probably most appealing is the pledge to alleviate the housing shortage—waiting time for apartments now in Poland is six years.

A NEW AGRICULTURE POLICY

In the boldest innovation, agricultural policy will be redirected. The goal will no longer be to force private farmers into state and collective systems.

The hated compulsory delivery quota system is to be abolished and the thrust of policy will be to encourage efficient private farmers to take over land from less productive neighbors.

Gone, too, apparently, is the hostility toward the Catholic Church, which maintains a remarkable spiritual hold over the large majority of Poles. A whole series of concessions have been granted by the Gierek government, and church-state relations, after years of bitterness, seem to be evolving toward a genuine live-and-let-live basis.

But all these "reforms" aimed at winning over a sullen people can be seen as nothing more than cynical self-interest by a new, smarter government. And it may be that Gierek does not have a choice.

If the deplorable Polish economy is not improved and the Poles' long-neglected thirst for consumer goods not soon slaked, what's to prevent another outbreak of such rioting as brought down Gomulka?

WORKERS' TACTICS WORKED ONCE

The workers "smelled blood" when they rampaged last December in Gdansk and other Baltic ports. Their tactics worked once in removing the government and now they know their power is something Gierek must fearfully recognize.

The freer hand promised Poland's private farmers, already an anomaly in the Communist world because 85 per cent of the country's output comes from that sector, may well have simply been dictated by the urgent need to produce more food, and quickly.

And fighting the church all these years has been nothing more than a war of attrition. Anyway, the new thinking in the government is that the church's moral code is useful in keeping social problems, such as alcoholism, in check.

Recent articles in the state-controlled press have even sided with Stefan Cardinal Wyszynski's concern for Poland's falling birthrate, but for a different reason, of course.

The argument can also be made that if these changes by the Gierek government were really heresy against former hard line policies, then the Soviet Union would step in. But, on the contrary, the new $100-million hard currency loan from Russians (mostly being spent to buy meat in the West) appears an approbation of Gierek's looser rein on the Poles.

BIG BROTHER TO THE EAST

After the Russian-led invasion and occupation of bordering Czechoslovakia, no one in Eastern Europe is under the illusion that the new Polish government operates on other than a short leash from Moscow.

Some observers here believe that Gierek has only been allowed a freer hand domestically in exchange for complete Polish subservience to Russia in foreign policy.

How far Gierek will go, can go, or wants to go in liberalizing Poland is apparently being determined by a commission that the Politburo, under First Secretary Gierek's guidance, has set up. Ten teams of experts are studying "the directions of modernization of the functioning of the economy and the state as a whole."

Their documentation on a broad spectrum of Polish life, covering such touchy subjects as the press and education, is to be circulated at the sixth party congress at the end of the year.

This crucial congress also will determine how much strength Gierek has in the party. His full authority in Poland will not be established until then, when he no doubt will try to push thru a central committee completely loyal to him. Gierek's long-range aim, he recently admitted, is to be the first party leader to leave office normally— that is, by retirement rather than overthrow.

RULES WITH HEAVY HAND

Meanwhile, the government continues to rule Poland with a heavy hand. Often the people don't realize it, so Communist-conditioned are they to believing that they exist for the pleasure of the state, and not vice versa. Some examples:

A college girl is afraid to leave her dormitory one afternoon without taking proper "identity papers" for fear she will be arbitrarily stopped by police.

A playwright sadly describes the four types of censorship that plague his art: self-censorship, because he knows what will definitely not pass; censorship by the publisher before printing any copies; censorship by the party to make sure the ideology is pure; and last, by the state again because it controls the stipend the playwright gets to live on and continue his work.

A woman who speaks three languages and holds what is considered an excellent job in the export business says, with a Pole's typical bitter humor: "I get the equivalent of 30 dollars a month from the state, whether I work at my job or not."

The resigned attitude of youth, so impatient in the rest of the world, is summed up by a 22-year-old actress: "We're not waiting for anything."

Then a highly educated Pole, who owns one of his degrees from an American university earned as an exchange student, talks at length over dinner about his anguish in believing sincerely that Socialism can work but knowing personally so many examples in Poland of stupid inefficiencies and downright corruption.

Edward Gierek, too, strikes nearly everyone as being sincere. He has consolidated his power at the top, most notably by engineering the meteoric descent of Mieczyslaw Moczar, once apparently the most powerful man in Poland as security chief.

LIKE GIEREK AND HIS STYLE

On the bottom, workers and peasants seem more than willing to give Gierek a chance. They like him and his style: They still identify with him.

However, Gierek's problem will be to break thru the choking centralization and crusted-over burocracy in Poland that in the past has stiffled almost all reforms instituted. This was what happened in 1956 to Gomulka when the "bread and freedom" riots in Poznan brought him into power on a similar wave of public optimism.

That is how the sad cycle has gone in Poland. When the reforms failed to materialize or were taken back, the people become disenchanted with the new leadership. Then, in order to bridle their discontent, repression returns, often worse than before.

History has been cruel enough for the Poles.

THE CONTEXT OF PEACE EFFORTS IN THE MIDDLE EAST

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ROSENTHAL. Mr. Speaker, as this country's Ambassador to the United Nations for 3 years, Arthur Goldberg is well qualified to discuss efforts to bring peace to the most volatile spot on earth, the Middle East.

Peace, he points out, must be negotiated by the parties directly concerned and not imposed by outsiders.

Mr. Goldberg, writing in the May–June 1971 issue of Vista, the official magazine of the United Nations Association, documents the debate in the UN Security Council surrounding its adoption of Resolution 242.

I am inserting that article at this point:

THE CONTEXT OF PEACE EFFORTS IN THE MIDDLE EAST

(By Arthur J. Goldberg)

It is a natural temptation for one who, as United States Ambassador to the United Nations, for three years played a key role in the debates and negotiations involving conflict and peace in the Middle East to offer his personal blueprint of how peace can best be achieved.

I do not propose to yield to this temptation. It is one thing to express concern about the situation in the Middle East and to voice the fervent hope that a peace treaty between Israel and the Arab states will be achieved—better sooner than later. It is quite another thing to profess a monopoly on the prescription which thus far has eluded Israel, the Arab states, Ambassador Jarring and governments, including my own and Great Britain, in attaining a peace agreement.

Accordingly, in lieu of a blueprint, I wish to offer some general observations about the road to peace in the Middle East. Most of these relate to expressions emanating from my own country. I have noted some similar attitudes from Great Britain.

Perhaps the best way to start is to recall the principle that guided my government, and others at the UN during the long period of debate and negotiations following the six-day war and culminating in the unanimous adoption of the critically important Resolution 242 by the Security Council on 22 November 1967. This is what I said at the time, not once but repeatedly: "To return to the situation as it was on June 4, 1967 is not a prescription for peace, but for renewed hostilities."

I believe that this principle was accurate then. I believe it is accurate now. And, as an American, I express the fervent hope and expectation that our respective governments will remain faithful to this principle derived as it is from the history of the last two decades.

I think it is appropriate to recall also what my government, immediately after the June war, said about the nature of a peace settlement in the Middle East: In the words of President Johnson, "But who will make this peace where all others have failed for 20 years or more? Clearly the parties to the conflict must be the parties to the peace. Sooner or later, it is they who must make a settlement in the area. It is hard to see how it is possible for nations to live together in peace if they cannot learn to reason together." I am not aware that the British Government in any way disagreed with or disassociated itself from this formulation when made.

Again, I believe that this insight was right then. I believe it is right now. As an American I again express the fervent hope and expectation that our governments will remain faithful to this insight.

Finally, we might also recall another principle agreed upon by our governments, namely that others can and should help, but their contribution should be "to promote agreement and assist efforts to achieve a peaceful and accepted settlement." That is the exact language of Resolution 242 of 22 November 1967; it is also Ambassador Jarring's mandate, and is also binding on both our governments which were principal architects of that resolution.

In light of these principles, the concept recently bruited about in the Four-Power discussions in New York and elsewhere of a Big-Four Power UN peacekeeping force, including American and Soviet "fighting forces" is, in my opinion, a nonstarter, completely lacking in substance and fraught with the most dangerous possible consequences. It is true that this proposal has been somewhat blunted in the last fortnight by a welcome declaration of Secretary of State Rogers that my government would not support such a proposal unless both Israel and the UAR agreed. Perhaps this moots the proposition since it is inconceivable to me that Israel would or should accept it, in light of the tragic experience of 1967. But whether Israel accepted it or not, I would, nonetheless, be opposed to such a proposal on the basic ground that participation by the Soviet Union and the United States in particular, or the big powers in general, through contingents of fighting military forces under a UN peacekeeping umbrella would be contrary to America's interests, Britain's interests and the interests of world peace.

I think it therefore essential that those governments and statesmen seeking to help the parties resolve this dispute, as well as responsible commentators, should recall the history and language of Resolution 242, since all seem to agree that this resolution is the key to a peace agreement between the parties. If the dramatic events preceding and occurring during the six-day war of early June, 1967, have dimmed in public recollection, this is doubly the case with respect to Resolution 242. In early April, for example, the New York Times reported a meeting between Soviet Ambassador Dobrynin and Secretary Rogers, following which the Soviet Ambassador told newsmen that it is up to Israel, if peace is to be achieved, to accept the November 22, 1967 resolution and implement it. The Soviet Ambassador seems to have a lapse of memory. Israel has accepted the resolution. The important thing to recall, however, is that the Security Council, when it adopted the Resolution, did not adopt the Soviet version of it, and with good reason. Moreover, the resolution is not self implementing but depends ultimately upon agreement of the parties.

Resolution 242 was not adopted in a vacuum. It was the product of months of debate and negotiation at the United Nations extending from May 1967 before the war actually broke out, until November 22 of the same year, the date of its adoption.

In May of 1967 the late President Nasser of the UAR moved substantial Egyptian forces into the Sinai, ejected the UN peacekeeping forces, reoccupied the strategic and previously demilitarized Sharm-el-Sheikh and proclaimed a blockade of the Strait of Tiran.

These were ominous measures. Israel, which under American pressure had withdrawn its forces from Sinai and Sharm-el-Sheikh in 1957, had consistently affirmed that a blockade of its ships and cargoes seeking to pass through the Strait of Tiran would be *casus belli*. Moreover, faced with divisional forces of well armed UAR troops on its borders and increasingly provocative statements by Nasser and other Arab leaders, Israel had little choice but to order mobilization of its largely civilian army.

It was justified concern which, therefore, prompted the Western powers, including our two countries, to take the initiative in convoking the Security Council in an attempt to avert a conflict by restoring the situation.

These attempts in the Security Council and through private diplomatic channels failed because of Arab objections supported by the Soviet Union. Apparently, whatever the reason, both were ready to risk war rather than reestablish the conditions which had previously prevailed in the area.

It was only on the second day of the war, after it became publicly apparent to all that Israel for all practical purposes had already won the war, that agreement was reached in the Security Council on a simple resolution calling for a ceasefire.

The ceasefire resolutions which were ultimately adopted during the tense days of the war differed dramatically, however, from previous resolution of the Council in the Israeli-Arab wars of the preceding nineteen years. In the earlier resolutions, the call for a ceasefire was usually accompanied by a demand for a withdrawal of troops to the positions held before the conflicts erupted. In June of 1967, however, no withdrawal provisions were incorporated as part of the ceasefire resolutions. This was not by accident but rather as a result of the reaction by a majority of the Security Council to what had occurred.

As the debates revealed, the Council was unwilling to vote forthwith withdrawal of Israeli forces because of the conviction of a substantial number of the members of the Council that to return to the situation as it was before the June 1967 was would not be a prescription for peace but a formula for renewed hostilities. Proof that this was so is provided by the action of the Council with respect to a resolution pressed at the time by the Soviet Union. The Soviet representative offered a specific resolution not only reaffirming the Council's call for a ceasefire, but additionally, condemning Israel as the aggressor and demanding a withdrawal of its forces to the positions held on June 5, 1967 before the conflict erupted. But this resolution of the Soviet Union, although put to a vote, did not command the support of the requisite nine members of the Security Council.

The unwillingness to support the Soviet resolution for a withdrawal of Israeli forces to the positions they held before June 5, 1967, was based upon the conviction of a substantial number of the Security Council members that the withdrawal of Israeli troops should this time be in the context of a just and lasting peace settlement putting an end to the state of belligerency which had prevailed for two decades resulting from the Arab States unwillingness to acknowledge and respect Israel's sovereignty and right to live.

The Soviet Union did not allow the matter to rest with its defeat in the Security Council. It called for a special session of the General Assembly which convened on June 17, 1967. It is important to recall that the General Assembly also refused to adopt by the requisite two-thirds majority a resolution offered by Yugoslavia and several other members and supported by the Soviet Union and the Arab states, differing somewhat in tone but not in substance from the prior Soviet resolution.

With the adjournment of the Special Session of the General Assembly in September 1967, the matter once again reverted to the Security Council and again became the subject of further public debate as well as intensive private negotiations. These finally culminated in the November 22 resolutions.

The resolution offered by the British Representative, Lord Caradon, stemmed in substantial degree from the General Assembly resolution of the Latin Americans and a United States resolution offered to the resumed Security Council meeting. The unanimous support for this resolution was the product in considerable measure of intensive diplomatic activity by the United States and Great Britain both at the United Nations and in foreign capitals throughout the world. This is not to say that the various Latin America countries, India and others were not actively engaged in the negotiations and diplomatic activity, but it cannot be gain said that the United States together with Great Britain took the lead in the adoption of the November 22 resolution. Impartial observers reported at the time that the United States' role was the primary one. As its representative. I now confirm the validity of this observation.

It should be noted that before the vote on the November 22 resolution, the Soviet Union offered a draft resolution again calling for withdrawal of Israeli troops to the June 5 lines. It did not, however, press this resolution to a vote. Then, and only then, was the stage set for the adoption of the November 22 resolution.

It is to the text of the resolution that I now turn, since it is the text of the resolution, illuminated by its legislative history, which expressed the will of the Security Council.

It is of great significance in interpreting the resolution that it does not specifically require Israel to withdraw to the June 5, 1967 lines. Rather, it enunciates as a principle "withdrawal of Israeli armed forces from territories occupied in the recent conflict." The word "all" does not precede "territories" in this formulation or principle. Nor does the article "the" precede "territories" in the English text which was the negotiated document. This was not accidental but was the product of negotiated design.

Coupled and linked with the withdrawal provision is the enunciation of the deeply-held conviction by many UN members: the time had come for the termination by the Arab states of all claims of a state of belligerency and respect for and acknowledgment by them of Israeli sovereignty and its right to live in peace within secure and recognized boundaries. In this linkage, the Security Council realistically acknowledged that the Arab states could not be left free to assert the rights of war, as they had been doing, while Israel was being called upon to abide by the rules of peace. While the resolution speaks in terms of respect for the sovereignty of all states in the area, it is obvious that its main thrust is to obtain acknowledgment of Israel's sovereignty somthing the Arab states have been unwilling until now to do.

The resolution further affirmed the necessity for guaranteeing freedom of navigation of international waterways in the area, of achieving a just settlement of the refugee problem, and for guaranteeing the territorial inviolability and political independence of every state in the area, through measures including the establishment of demilitarized zones. In light of reports concerning the role of the Security Council, and particularly its four leading permanent members, in connection with the peace settlement, it is important to note that the language of the resolution speaks in terms of guarantees rather than imposition.

While the provisions relating to withdrawal, renunciation of belligerency, freedom of navigation and settlement of the refugee problem are numbered paragraphs 1 and 2 in the resolution, they are all stated in terms of principles for a settlement. The really operative part of the resolution is in paragraph 3 which requests the Secretary General to designate a special representative to the Middle East to establish and maintain contacts with the states concerned in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement.

It is this paragraph pursuant to which Ambassador Jarring was designated to undertake his delicate mission. It is his mandate and sets forth the ultimate object of the whole enterprise, namely, to help bring about agreement between the parties to ensure a just and lasting peace in the area. The concept of a just, agreed upon and lasting peace in which every state in the area can live in security is emphasized and repeated throughout the resolution. It cannot be disputed that this concern is the very essence and goal of Resolution 242.

Given this diplomatic history, it is appropriate for me to take note of some recent developments. President Sadat of the UAR has advised Ambassador Jarring that his government is willing to sign a peace agreement with Israel, although this offer is conditioned with reservations not embodied in the November 22 resolution. And Israel, of course, has long stated its fervent desire to conclude a peace treaty with the UAR. In this connection, I would like to emphasize the value of patience in the resolution of grave diplomatic dilemmas such as this. Patience and fortitude can bring their own rewards. In the years following the 1967 war many diplomats adhered to the view that the UAR would never agree to sign a peace agreement with Israel under any circumstances. Israel's insistence upon a peace agreement led to charges of unrealism and inflexibility on its part. But events and the recent offer of President Sadat have, at least to some extent, justified Israel's patient resolve on this point.

And not only has Israel proved to be right in this respect, but I have always believed that, given the opportunity through appropriate negotiations, Israel will effectively discredit the all-too-prevalent conception, held even among some friends, that Israel is inflexible and unwilling to display magnanimity for peace. The concessions to date made by Israel in the search for peace are too often overlooked.

Israel wanted to start with direct negotiations but agreed to begin with indirect negotiations under Ambassador Jarring's auspices.

Israel wanted the Jarring talks to be held on the foreign minister's level, but agreed to begin on the ambassadorial level.

Israel wanted the discussions to be held close to the Middle East, but agreed to commence in New York.

Israel wanted a restoration of the agreed-upon ceasefire with an indefinite duration but agreed to resume negotiations through Ambassador Jarring with the ceasefire limited by a unilateral declaration of the UAR.

Israel wanted the removal of missiles and sites constructed in violation of the ceasefire understanding arranged by the United States, but agreed to proceed with the talks despite the Soviet and UAR breach of this understanding.

These are not insubstantial concessions. In my view, they reflect the fervent desire of the government and people of Israel for the long sought goal—a just and enduring peace in the area.

In light of these considerations, I welcome the assurances of my government that Israel will not be pressured in the search for a just and lasting peace which will serve the interests of Israel and its Arab neighbors. It is precisely such a peace that is mandated by Resolution 242.

The time has long passed when great powers can or should impose their views on small states. Greatness alone does not assure a monopoly on wisdom. Rather, all powers and people genuinely interested in a settlement in the Middle East should lend their influence for a negotiated peace treaty between the parties to the 1967 conflict. In this uncertain world, no one can guarantee that anything done today will endure forever. But I am strongly of the conviction that there is no other way to lasting peace in the Middle East than the way in which nations throughout history made peace which lasts—through negotiated agreements between the affected parties reflecting both magnanimity and a true and realistic recognition of the needs and interests of those directly concerned.

SECOND DISTRICT OPINION POLL HEADING TO 227,000 HOMES

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BROTZMAN. Mr. Speaker, I am pleased to announce that the 1971 Second Congressional District Opinion Poll is now being delivered to residents of my District, and, for the first time, persons between the ages 18 and 20 will be taking part because of the recently ratified constitutional amendment extending the vote to younger citizens.

This year's poll includes nine questions ranging from national policy on the war in Southeast Asia to the need for reorganization of the executive branch of the Federal Government and revenue sharing. The questions, which I prepared with the assistance of the Library of Congress, will enable me to gain insight into the thinking of the people of the Second District on many of the major issues to be coming before us in the 92d Congress.

Since its introduction in 1964, Mr. Speaker, the Second Congressional District Opinion Poll has become one of the largest samplings of public opinion in the Nation. Each year the poll draws as many as 50,000 responses, and because the poll utilizes a punch card it is possible for business machines to accurately count the opinions of all who participate.

This year's poll will go into 227,000 homes and each questionnaire provides room for both husbands and wives to respond.

For the information of my colleagues, I would like to present the format which I utilize:

IF MARRIED, BOTH HUSBAND AND WIFE MAY PARTICIPATE

1. Do you favor federal income tax revenue-sharing with local and state governments?

2. Do you favor reorganization of the Executive Branch of the Federal Government, consolidating 7 Cabinet Departments into 4?

3. Should the Indian Peaks area northwest of Boulder, Colorado be accorded National Wilderness Area status?

4. Do you favor proposals for an all-volunteer military, except in times of grave national peril?

5. Do you favor increased U.S. diplomatic contact with Communist China?

6. Do you support the Administration's plan to end the war in Southeast Asia?

7. Should the Administration be required by Congress to bring home all U.S. troops from South Viet Nam before the end of this year?

8. Would you favor Congress requiring the withdrawal of all U.S. troops by the end of 1971 if it meant the probable Communist takeover of South Viet Nam?

9. Would you favor Congress requiring the withdrawal of all U.S. troops by the end of 1971 without guarantees for the timely release of U.S. prisoners held by North Viet Nam?

Your age group: a. 18–29 b. 30–54 c. 55 and over.

Political affiliation: A. Republican B. Democrat C. Independent.

Occupation Head of household: A. Bus. or Prof. B. Indus. worker C. Government D. Farmer E. Student F. Retired.

WHO TO TRUST?

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BURKE of Florida. Mr. Speaker, this month, as we celebrate the 195th anniversary of the signing of the Declaration of Independence and are just 5 years away from our Nation's bicentennial, one of the basic provisions of our Constitution; namely, the freedom of the press, is in the forefront of national discussion.

The unpopular Vietnam war has been the backdrop for many confrontations between groups within our country—young versus old—poor versus rich—conservative versus liberal—civilian versus police, and so forth.

Now in the forefront is the battle between the news media and the Government.

Ever since the famous John Peter Zenger case, prior to our Declaration of Independence, when publisher Zenger challenged the Governor of New York as being lazy, the press and the Government have crossed swords on many occasions, but never have the blades been so sharp, or clashed so loudly as they have in recent years.

The past good-natured give and take between two of the most powerful elements of our society has now changed into bitter attacks upon each other. These charges leave many in our Nation bewildered and even suspicious.

Although poll after poll indicates that the average person does not generally believe everything he reads in the paper or hears on the broadcast media, other polls also indicate that the average American does not trust his Government officials.

In recent weeks two important instances brought the Government in direct conflict with the press. First, the printing of the "Pentagon Papers," which the Government alleged to be secret because of national security, were printed by certain powerful newspapers. The Government moved to enjoin the publication of the papers but the Supreme Court by a 6-to-3 decision allowed their continued publication.

Second, proceedings were brought against the Columbia Broadcasting System, Inc., and its president, Frank Stanton, for contempt of Congress based upon the television program, "The Selling of the Pentagon" for the failure of Mr. Stanton as president of CBS to provide certain newsclips and other information in connection with the show as required by the congressional subpena.

With regard to the "Pentagon Papers," even though the Supreme Court held in favor of the right of the newspapers to print the papers, which under the circumstances I believe was proper, the decision nevertheless does not relieve the news media of its responsibility to use caution in the disclosure of matters which might well involve our national security.

It is unfortunate that many Government agencies, particularly the Defense Department—has over the years overindulged in the practice of classifying certain information as "secret," "top secret," "restrictive," thereby prohibiting their subsequent publication, or even statements concerning such information. This "gag rule" method has not only been imposed on the news media, but it has also been imposed upon various Government officials including Members of Congress.

Although I feel there are times when information should be kept secret or confidential there are too many instances when Government agencies put their classification stamp on documents and other information for political reasons or for reasons other than protecting our national security.

In the past, when we were at war, certain news was suppressed by way of censorship and generally the news media and the public trusted their Government in statements made by officials.

In Vietnam, however, the press has been given almost a free hand to report what they see which results in not only some inaccurate news reports, but at times some of the news is reported in a manner which certain correspondents wish it to be interpreted, rather than honest and factual. Fortunately, this type of reporting has not been the general rule of the news media in Vietnam and the press and other correspondents should be commended for this.

Because of the issues raised, various subcommittees of the House, including the Foreign Affairs Committee of which I am a member, held hearings on two of the issues resulting namely;

First, how and when the United States should get out of Vietnam and;

Second, how much access should the Congress and the public have to information on the war.

As might be expected, there were many different suggestions and little unanimity. There were 41 measures setting specific dates for withdrawal, from immediate withdrawal of our troops; to withdrawal within 6 to 12 months; to staged withdrawal and so on.

On July 7 the House, by a vote of 261 to 118, killed a resolution of inquiry (House Resolution 492) which would have dircted the Secretary of State to give Congress documents on the policy governing U.S. military operations in Laos.

As to the proceedings against Frank Stanton and CBS, the House on July 13, killed a move to cite Mr. Stanton for contempt of Congress by a roll call vote of 226 to 181, which sent the motion for contempt back to the House Interstate and Foreign Commerce Committee.

The contempt citation raised several questions since CBS is a network agency and since television is subject to regulatory powers. The network argued their right to withhold the matters from congressional investigation on the basis of their protection under the constitutional guarantee of free speech. The facts of their case were, therefore, different from those involved in printing the "Pentagon Papers" since in the case of CBS, it was the company which was withholding information. The real question was whether or not CBS actually had abused its right of freedom of speech and had acted in a responsible manner.

Since television is a member of a Federal regulated industry, the charges were subject to review by the Federal Communications Commission, but nevertheless the Supreme Court had decided in a previous case; namely, Rosenbloom against Metromedia, Inc., that the electronic media were entitled to the same first amendment protection as the written press in private citizen libel suits.

The first amendment then is not a protection to be used as a shield by the press, but it does limit the Government's authority. In direct terms it prohibits enactment of any law "abridging the freedom of speech or of the press."

After reading the full testimony of the proceedings against Mr. Stanton and CBS, as well as the committee reports, I decided to vote against the contempt proceeding for even though I feel freedom of speech and of the press is sometimes abused, most of the press and other news media have stayed within the bounds of reporting ethics.

In addition, although the Government has the power to regulate the public airwaves, I do not feel that either side proved that more than protection is granted to one by the Constitution and that the Government has the right to demand that the broadcast news media, although granted protection, makes its news coverage fair and impartial.

NOTHING FOR SOMETHING

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ROSENTHAL. Mr. Speaker, as we public officials are aware, the term "pork barrel" usually refers to the giving away of something for nothing. However, as far as the subject of pork and beans is concerned, the opposite would seem to be the case. It appears as though the manufacturers of this product have, for a long time, been giving nothing for something.

An article in the July 22 issue of the Washington Post describes the results of a study on canned pork and beans undertaken by Bess Myerson Grant, New York City's Commissioner of Consumer Affairs. Her analysis revealed that fully one half of the samples contained only 1 percent or less pork, and that one national brand—"Campbell's Home Style Pork and Beans"—**contained no pork at** all.

One might be tempted to say that, in their desire to "bring home the bacon," these manufacturers have been less than totally honest with the public.

The Food and Drug Administration currently sets no minimum pork requirements that must be satisfied for a product to be advertised as "pork and beans." Yet, similar products, such as franks and beans are required to contain at least 20 percent meat.

This is another instance in which the consumer is denied the information needed to make a knowledgeable choice. The Food and Drug Administration should immediately set a minimum pork requirement for products advertised as "pork and beans."

It is high time for the consumer to stop paying "something for nothing."

Mr. Speaker, I am now entering the article in the RECORD:

EATING LOW ON THE HOG

(By Carole Shifrin)

First the hot dog came under attack for having too much fat and not enough meat. Then we were told Wonder Bread did not build strong bodies 12 ways.

Now, another American institution—pork and beans—is under fire.

New York City's consumer affairs commissioner, Bess Myerson, yesterday charged that an analysis by her department of 10 brands of canned pork and beans showed half of them contained only 1 per cent or less of pork. None of the cans tested had more than 7 per cent pork, and one brand, "Campbell's Home Style Pork and Beans" contained no pork at all, she said.

A spokesman for Campbell's, however, insisted that its "home style" pork and beans had about 2 per cent pork in it. "It does have ground pork," he said. "You can't see it with the naked eye."

He said there was "no attempt on anyone's part to deceive" the consumer. The Food and Drug Administration had not set up standards for pork and beans, he said, and has told industry that it has "for years been recognized by consumers generally that the designation pork and beans is a common name for an item which "contains very little pork."

"If the product contains no pork at all, the FDA should forbid the use of the word 'pork' on the lable," she contended, "unless it appears in a phrase such as 'beans, without pork,' or 'beans in a sauce with imitation pork flavoring.' "

Miss Myerson said the brands of her department analyzed, and their pork content, are:

A&P (Sultana) Pork and Beans in tomato sauce—.94 per cent pork.

Ann Page Great Atlantic & Pacific Tea Co. Pork 'n' Beans in tomato sauce—labeled as "Pea beans . . . cooked in savory tomato sauce with pork—1 per cent pork.

Ann Page's Boston Style beans with pork and molasses sauce—3 per cent pork.

B&M Brick Oven Baked Beans made with small pea beans—7 per cent pork.

Campbell Soup Co. Pork & Beans with tomato sauce tender hearted—1 per cent pork.

Campbell Soup's Home Style Pork & Beans—with label reading in part, "to conventional pork and beans, we've added . . ."—no pork.

Co-op Beans, water, pork and tomato sauce—with a label reading beans . . . with just the right amount of pork—.75 per cent pork.

Heinz Company Pork 'n' Beans in tomato sauce—4 per cent pork.

Krasdale Fancy beans with pork in tomato sauce—with a label reading "fancy beans with pork in tomato sauce"—.8 per cent pork.

Stokely-Van Camp's Pork & Beans Prepared with tomato sauce—labeled the "original pork and beans with tomato sauce"—.75 per cent pork.

WOMEN SUFFER MOST FROM UNEMPLOYMENT

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mrs. ABZUG. Mr. Speaker, a few days ago, my sister, Congresswoman GRIFFITHS, read to you an article describing the plight of women in Detroit who evince a higher unemployment rate than men, and who face tremendous difficulty in finding jobs. This dilemma is not limited to Detroit. All over the country, the unemployment level of women tends to be at least 3 points higher than that for men. The assumption that women work only for extra money or to relieve boredom is unjustified for the 15,055,000 women who are heads of households and the sole source of support for their families. For those women who do have working husbands, many women work to raise their families above the level of poverty. And even for those women whose husbands do earn a substantial amount, it makes no sense to decide that the husband's work is automatically more important, and that he is entitled to be retained rather than an equally or more competent woman.

My office has received scores of letters from all over the Nation informing me of desperate situations, and complaining of inattention or lack of solicitude from their own representatives in Washington. This is a serious charge. I hope that my colleagues in Congress are not so hypocritical as to speak out with concern on employment, while ignoring the very persons that are hardest hit. I hope that my colleagues in Congress realize that they represent unemployed women as well as unemployed men, employed women as well as employed men. And I hope that my colleagues will join me in doing everything within our powers to alleviate this desperation.

I include a letter which I recently received from a woman from West Virginia which is typical of the nationwide pleas that my office has received:

MARTINSBURG, W. VA.,
July 15, 1971.

MRS. BELLA ABZUG,
Congresswoman, House of Representatives, Washington, D.C.

DEAR MRS. ABZUG: If this letter reaches you directly, I would like to say honestly it is a plea for help. I am a woman of forty-two, with a college degree in office management and public relations which I worked at for fifteen years. I have reared a daughter, a lovely young woman, put her through college and now she is a teacher and married. Unfortunately I must support myself. I do not qualify for unemployment. I cannot receive welfare which I ask for as a last, degrading resort because I was told I was able to work. How do they think I could ask for welfare if I could find work? I am told I am too old when an office job comes up and they hire the younger girls. I can assure anyone, Mrs. Abzug, I am quite capable of managing a business. I am so sick and tired of begging for work which is stupid and degrading for two months. I applied for two waitress jobs at $1.15 per hr. and could have kept them both had I been more receptive to the men who owned the places. Why can't we be allowed to work without this. I have seen so much of it it sickens me.

I have written both my congressman and senator and have received only a Civil Service form in return mail for who knows what. Mrs. Abzug, no help. *Unless* one has been in my situation one cannot perceive of what you have to take to keep a job. I could probably come to Washington and support myself very well. I know no one and I have no money to hold me until I should acquire something I am suited for. Mrs. Abzug, I am a highly capable woman and would be an asset to any business. Something must be wrong with a state of the union which will allow some of the discriminations to go on toward women in my situation. Mrs. Abzug, I would like very much to belong to the organization at which you spoke to just recently in Washington—I am not sure (League of Women Voters?) If dues are involved, perhaps I can get same.

Mrs. Abzug, there must be many women in my position and age group who are hit with the same frustrations every day. As for me, I am fed up with it and would like to do something about it. I would appreciate any help you can give me. Thank you for reading my letter, and your time.

Most sincerely,
DOROTHY ALGER.

P.S.—If you wish to use this letter as an example, please do so. It is damn time they took their heads out of the sand.

STRIP MINING CURBS NEEDED

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. SYMINGTON. Mr. Speaker, in some 25 States of this country, strip mining activities are being carried out. These activities spell the despoilation of large areas of attractive countryside—areas which are difficult and expensive to reclaim and which may well be lost forever.

Our colleague from West Virginia, Mr. HECHLER, has taken the lead in focusing national attention on the environmental consequences of strip mining. In this regard, I commend to my fellow members the following editorial from the St. Louis Post Dispatch of June 16, 1971.

[From St. Louis Post Dispatch, June 16, 1971]

FOR CURBS ON STRIP MINING

With a bill whose legislative progress literally represents a race against the forces of destruction, Representative Ken Hechler of West Virginia is seeking to outlaw strip mining for coal everywhere in the United States. The Hechler bill is obviously a far-reaching measure. But the practices it deals with are so ruinous and their long-range consequences are so irremediable that Mr. Hechler's complete prohibition may be the only means to save vast sections of the American landscape.

Using giant earth-moving machines that can decapitate mountains and gouge out their slopes, strip miners rip out the coal with an abandon that does incalculable harm to land and people. As Mr. Hechler has pointed out, this method of mining ruins topsoil, destroys the habitat for wildlife, pours acid and sediment into streams, laying waste huge areas of valuable timber, causing floods and landslides that wreck the homes of poverty-stricken mountain residents; and even where reclamation has been attempted the land has been hopelessly scarred and drained of its productiveness.

The threat from strip mining is growing because of the nation's voracious demand for coal to generate electric power and the increasing use of monster bulldozers, giant power shovels and great augur drills (which actually waste coal because they often destroy the roof supports needed to extract the remaining deposits by shaft mining). About a third of the country's annual 560,000,000 tons of coal production is now obtained by this ravaging method. And it is also being applied to other minerals so that in time it could be employed in every state with devastating results.

With half of the states having no compulsory laws for reclaiming stripped land and with many state laws being poorly enforced, the need for congressional action is urgent.

Because of the profits involved and the jobs affected, lobbying opposition to the Hechler bill is mounting. But the measure has steadily gained bipartisan sponsors, who now number more than 80 from 25 states, including Representatives Metcalfe, Mikva and Yates of Illinois.

Protection of the land requires passage of something like the Hechler bill, with provision for a phased shift to deep mining or other extractive processes and accompanying measures to safeguard the environment. At the very least stripping should be immediately outlawed in areas, such as steep slopes where damage is greatest and where restoration of the land is virtually impossible.

THE AMERICAN DREAM

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BOB WILSON. Mr. Speaker, there are some in our country today who say that the Statue of Liberty has become a fallen angel and the American dream, a tarnished hoax. I cannot disagree more strongly and was deeply moved by an essay, entitled "The American Dream," written by a long-time personal friend, Municipal Court Judge Earl Cantos. One of San Diego's distinguished citizens. Earl is the son of Greek immigrants who made a new life for themselves and their children in America. Earl sincerely believed the American dream and he is today a living example of what he writes. I take great pleasure in sharing Earl's essay with my House colleagues and know they will find it as poignant and meaningful as I.

THE AMERICAN DREAM

What is the American Dream? Is it something new today, or something left over from yesterday? Is it a replay grown old and useless, or a bright new picture of strength and promise? Is there such a dream to be dreamt, and then to come true? There is, and it is as diverse as the sum total of fifty States, and as strong as a blend of two hundred million parts to the whole.

The American Dream is a vision that is many things expressed in many ways, by many people, all of them saying that it is the need to be free to pursue one's hopes; the faith to seek something more for family and children, the desire to reach for the stars, and maybe even, to become President, In short, to dream the impossible dream, believing that it can come true.

The American Dream is . . . the image, the spirit, the substance of America.

All that we are, or hope to be, lies in a deep rooted dedication to a spirit of fair play and independence and of love of country, that is a part of each American citizen.

This individual and collective dedication is expressed in daily word and deed. Every day in some way each of us gives something to the Image, Spirit and Substance of our country. However small, what we give in sum total with all Americans, becomes what our country is to us, and is to the world. Because of this, each of us must act with restraint; with understanding; with dignity, and with pride and honor.

The Image of America is that which we create as citizens in our daily lives.

The Spirit of America is embedded in Faith in God and Country and the obligation to demonstrate by deed the belief in Rule of Law. It is the right to be free and the duty to be responsible.

The Substance of America is people, and in being part of the well-spring which offers opportunity, ideals, education, morality, and hope. It is how we treat one another and our institutions.

This Image; This Spirit; This Substance; is our Country's bloodstream! The very life of the United States of America is how we speak; we act, and we feel about our Country.

The American Dream is the American Truth, and can be expressed with resolve and pride in just one way: By living daily this thought . . . I AM MY COUNTRY.

THE NIXONOMIC CURE FOR INFLATION: 11 PERCENT UNEMPLOYMENT

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. LEGGETT. Mr. Speaker, the Nixon administration's incompetence in handling the Indochina war appears to be exceeded only by its incompetence in handling the economy.

There are a number of significant steps President Nixon could take: He could institute wage-price controls. He could stop pouring out national treasure into the bottomless Southeast Asian pit. He could bring at least half of the troops home from Europe. He could reorder Government budgetary priorities in general.

But he has refused to do any of these things. He has refused to do anything at all about the substance of the problem, but instead has launched what we might describe as a one-two punch against the image of the problem. Punch No. 1 is the announcement, with maximum fanfare, that he is going to seek economic expansion, that he is a "Keynsian" and is willing to allow a certain amount of inflation in order to get the country moving. But because the war is still continuing, wage-price controls are not imposed, et cetera, the economy does not even expand enough to keep up with population growth, and inflation goes through the ceiling. So then the No. 2 punch is offered as the magic cure; hold down inflation at all costs, and allow a "tolerable level of unemployment."

Well, Mr. Speaker, inflation is not being held down, and employment is not tolerable. In the two northernmost counties of my district, Sutter and Yuba, unemployment is now 11.1 percent. This may be tolerable to Mr. Nixon's millionaire friends, but it is not tolerable to the people of Sutter and Yuba Counties, and it certainly is not tolerable to me.

I insert at this point in the RECORD the article entitled "Unemployment Hits 11.1 Percent," from the Yuba Independent-Herald:

UNEMPLOYMENT HITS 11.1 PERCENT

More people were looking for work in Sutter-Yuba last month than either the month before or a year ago.

Employment figures of the Department of Human Resources Development for June show an 11.1 percent unemployment rate, up from 10.2 percent for May and 10.6 percent a year ago.

There were 3400 people out of work in June out of a total work force of 30,525. In May there were only 3025 out of work but the total work force was also smaller, only 29,575.

The breakdown into types of employment is not yet available, but according to Joe Heller of the local HRD office, June agricultural employment is generally down below May. In May the number working in agriculture rose from 2,900 in mid-April to 4,675, with the peak of the peach thinning occurring a few days after the middle of the month. Harvest worker requirements should begin to reduce the unemployment rate within the next ten days.

Manufacturing employment was 125 higher in May than in April and should continue to rise. Gains from April to May were in lumber and wood products while those from last year were in food processing where there was an increase in the processing of vegetables.

The general trend which in May showed an unemployment drop from April has now reversed itself. Although agricultural employment should improve the figure in July, it may not improve it enough to counteract the increase in the work force generally encountered at this season.

HEARINGS COMMENCE ON EMERGENCY STRIKE LEGISLATION

HON. JAMES HARVEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HARVEY. Mr. Speaker, it was my privilege this morning to appear as the leadoff witness before our Subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce on emergency strike legislation. As I pointed out during my testimony, legislation that I first introduced on this vital subject now has the bipartisan support of 54 other colleagues in the House. I am most grateful for this strong expression of agreement on a controversial and complex issue that this Congress must resolve.

I would like at this time to include my complete statement presented this morning:

STATEMENT OF REPRESENTATIVE JAMES HARVEY

Mr. Chairman, as a member of our distinguished Committee, I have long been aware of the problem now being studied at these hearings. National railroad strikes have been recurring with all-too-familiar regularity since I first came to Congress almost eleven years ago. Each time, to prevent economic hardship and to protect the public welfare, Congress has enacted temporary, eleventh-hour solutions; today, we are seeking to develop permanent legislation—a revision of law that will preclude ad hoc legislation by future Congresses.

I believe sincerely that if Congress fails to act soon, then we who serve as Members had better "bone up" on how to run the railroads, because this Congress and future Congresses will be in the railroad business. "Nationalization" used to be a dirty word. More and more thought, however, is being given to such Government action by both railway labor and management as a result of the problems they face. I do not believe this is what our country wants or needs. I believe we in Congress have an obligation to give our free enterprise system a chance to work.

These hearings are particularly timely, and the need for a permanent solution to protect the public is particularly obvious. The difference between the current, so-called selective strike by the United Transportation Union, and a complete, national strike is almost impossible to discern. Since the court rulings imposed no effective limits on selective strikes, about one-fourth of the revenue ton mile capability of the Southeastern rail region and one-sixth of the Eastern rail region, has been struck. In the Western region the figure is now over one-third, and will increase to one-half if the Atchison, Topeka & Santa Fe is struck, as threatened.

While the strike is generally accepted as a basic right of the American worker, it is clear that the "selective strike," as currently practiced, is little improvement over the national strikes which have occurred in the recent past in the railroad industry. What is needed—and what is provided in the legislation which my cosponsors and I propose today—is that the right to a selective strike be circumscribed with appropriate safeguards for the public interest. Both the burden of unlimited selective strikes, and the threat of nationalization require that this Congress find a solution to rail industry disputes.

It is predictable that testimony before this Committee will take two courses. Representatives and friends of organized labor will present arguments for unrestricted union action, such as we now are experiencing. The railroads, on the other hand, will seek legislation more favorable to their position. Clearly, we need a compromise solution, one that addresses itself to the realities of a very complex situation. It must be an equitable solution and one that is favorable to the Administration, for they will have the burden of enforcing it.

We need this solution quickly. At present, the nation is confronted with a strike involving one union in the railroad industry; on October 1st of this year, the temporary legislation passed last May will expire and another union will be free to strike.

In recent years, the outcomes of such rail strikes have been fairly predictable: The threat of a complete stoppage of rail transportation forces the President to turn the matter over to the Congress. There the substantive details of the individual dispute are settled, in whole or in part, in committee and on the Floor of the House and the Senate, the unions are required to resume their jobs, and the nation's railroads again operate.

This time, however, the circumstances are somewhat different. The Supreme Court, by refusing to overturn a district court ruling, has affirmed the right of the railroad unions to strike selectively. As we all know, since national bargaining between the union and all of the carriers has broken down, and all provisions of the Railway Labor Act have been exhausted, the United Transportation Union has now elected to strike four of those carriers, threatens to strike six more this Friday, and another five on August 6th. It is no longer required, however, to shut down all of the nation's carriers simultaneously. The presumption here was that, since a major part of the rail transportation system would still be operating, there would be no national emergency and no need to involve the Congress in order to terminate the strike. Eventually, a settlement arrived at between the disputing parties themselves would presumably bring the selective strike to an end.

There is much to be said for this approach to settlement of rail industry labor disputes, particularly if current labor-management procedures and precedents in other industries are used as the norm, and if proper safeguards are applied. It has been the advent of national bargaining and a presumption that all carriers had to be struck, together with a public antipathy to such nationwide strikes, that have led to the unique situation in which the rail industry finds itself. Any possible remedies, such as the judicial ruling for selective strikes, which will preserve the benefits of national bargaining without inducing the national strike/Congressional settlement syndrome, should by all means be given serious consideration.

The public interest, however, is still not met under the present new selective strike situation. That is, the resulting economic impact on business and commerce, as well as the general disruption of public affairs, is such that public opinion will not long permit the Administration and the Congress to stand idly by. In addition, under present law and judicial rulings, any selective strike is very apt to escalate to a full, nationwide strike. This could occur either as a result of careful move and counter-move by the carriers and union managements, or uncontrollably through individual carrier lockouts or wildcat strikes as the situation deteriorates across the country.

Now it must be admitted that the concept of public interest is one which has never been, and may never be, satisfactorily defined. For example, a major auto manufacturing strike such as we recently experienced, or a shutdown of the steel industry, may well be fundamentally more disruptive of the country's well being than would stopping the nation's trains. Whether any one of these is to be considered a national emergency, however, depends on many factors, including the decisions of the Chief Executive, as well as the mood of the public.

Consequently, we can never hope to see laws written which will specify exactly to what degree a union can strike, or precisely when management is justified in a lockout. It may be that some day we will, in fact, proceed beyond today's acceptance of the strike and lockouts as tools of legitimized economic warfare in the settlement of questions of working conditions. But until that new day dawns, we need somehow to find a balance between three contending rights: That of the individual to work only under conditions acceptable to him, that of management to operate its business in an efficient and profitable manner, and that of the public to be protected from undue disruption of its affairs due to conflicts between the first two rights.

I believe that there are solutions to the problem. Certainly, the present law covering the railroad industry has not worked, as evidenced by the number of times the Congress has been required to intervene. And the recent interpretation of the right to strike selectively cannot be the final answer, since escalation to a national shutdown is highly probable, and may be occurring right now. What is needed is twofold. First, a revision of law which will restore the incentive to the parties to undertake serious collective bargaining and to reach settlements without, each time, resorting to Congress. Second, a revision of law which will enable the President, if and when negotiations nevertheless have failed, to take administrative actions until a resolution of the conflict is achieved.

With regard to this latter point, a key requirement is flexibility. Certainly, no one administrative procedure will be appropriate for all of the different situations and the wide variety of substantive issues which will arise in the future. The President must, therefore, be provided with a variety of tools with which to work. And, if these tools are in fact sufficient, he must be given the power—indeed, he must be required—to use them judiciously but inexorably until the dispute at hand is settled.

But this very flexibility, which is so necessary when finally needed, is also the key element in avoiding the need for its use in the first place. For almost every knowledgeable observer agrees that it has been the certainty of governmental action which has, in the past, contributed most to the failure of collective bargaining in the railroad industry. A situation is needed in which neither party can foresee that the Government will intervene to their potential advantage. Then, and only then, can the usual procedures of collective bargaining move forward fruitfully.

What solutions have been proposed to remedy the present, unfortunate situation? Several distinguished Members of the House have proposed solutions which are contained in the various bills now before this Committee. Since the bill which I and my cosponsors introduced adopts many of the best points of these various bills, I would like to take a few moments to describe and compare their various approaches.

Let me illustrate with the first chart how the Railway Labor Act functions with regard to major disputes concerning changes in pay, rules, or working conditions. If the labor-management bargaining conference fails to solve a dispute, the National Mediation Board is required to use its best efforts to bring them to agreement. If it fails, and if either party then refuses to submit the dispute to arbitration, the parties are then required to retain the *status quo* for a period of thirty days.

During this period, the President may create an Emergency Board to investigate and report within an additional thirty days. After the report, a third waiting period of thirty days is provided, after which the parties are free to resort to "self-help." That is, the carriers can institute changes unilaterally, and the unions can strike, either nationally or, now, selectively.

Among the various measures before the Committee, the one which will most drastically affect not only the major dispute provisions, but also the entire Railway Labor Act, is the Administration bill, H.R. 3596. This bill would transfer rail and air labor relations bodily from RLA to the Taft-Hartley Act. Then it would add new provisions to Taft-Hartley to cover major disputes in the entire transportation industry. This approach is somewhat over reactive, in my view. There are many useful provisions which have evolved over the years under RLA, and they probably should not be scuttled wholesale. In addition, I believe the record shows that the maritime, longshore and trucking industry problems are all unique—and surely are all different from those of rail and air—and should not be linked together in new legislation.

The major provisions of the Administration bill are outlined on the second chart, where three presidential options are shown. The first option, Partial Operations, would have a committee decide how much each railroad should curtail operations to simulate the pressures of a strike. The approach is bureaucratic in the extreme, and would have the effect of having the Federal Government involve itself in the details of a pseudo-strike, hardly a situation to encourage collective bargaining settlements.

The other two options provided in the Administration bill are very promising, and I will defer speaking to them until later. A major limitation to the bill, however, is contained in the provision that only *one* of the options can be selected by the President in any dispute. If that selection fails to achieve a settlement, there would be no recourse but to send the dispute back to Congress. This flaw is so major that I cannot emphasize too strongly how this provision undermines the whole idea of improving the present law. If we want to encourage collective bargaining and remove the Congress from the role of arbitrator, the President must be free to find solutions within the administrative process.

The bills supported most strongly by the railroad unions, H.R. 3595, is outlined on the third chart. It quite simply modifies RLA by providing that, when all other provisions have been exhausted, the unions are free to strike either nationally or selectively. On the one hand, provision in law for a national strike would prohibit either the President or Congress from intervening, and the public interest would seem not to be adequately protected. On the other hand, the right to strike, while in accord generally with practice in other industries, needs both balance and safeguards. H.R. 3595, while permitting strikes, effectively removes from the carriers the balancing right to institute work rule changes (as they are doing in the present strike) or to lock out.

An essential requirement in any attempt to reduce strife in the railroad industry, and to encourage the peaceful settlement of disputes, is that a careful balance between the parties should be fashioned. The main effect of this bill would be to place almost unlimited power in the hands of one party to the dispute. For this reason, although I accept the strike as an inherent right, I cannot support the bill as it is written.

A third bill before the Committee, H.R. 2357, is that introduced by Congressman Pickle. This bill is a strong one in that it enables the President to choose sequentially from among several options until the dispute is settled. I strongly endorse this provision, and I have adopted it in my own bill. The options in H.R. 2357 are shown on the fourth chart, and include governmental seizure and operation of struck railroads, as well as compulsory arbitration. While I have no quarrel with compulsory arbitration in principle, I am aware of the strong feelings on the subject in the rail industry. Seizure, on the other hand, I feel is too drastic a measure, and I trust that the Committee can fashion a bill which will achieve all of our objectives without requiring such an extreme provision. Unfortunately, this bill makes explicit provision for turning disputes over to the Congress, and I feel that, if such an option is included, *all* future disputes will end up that way.

Another bill pending before this Committee is H.R. 5347, introduced by Mr. Dingell. This bill would amend the RLA to permit the President to create a special board to assist in the resolution of disputes. Once established, this board could require the carriers to make a final offer of settlement, which would then be offered to the employees. If a majority of the employees accepted this offer, it would become final and binding; if rejected, the unions could then make a counteroffer, which the carriers could accept or reject. At the end of 60 days, if no settlement had been reached, the President would be authorized to direct any carrier or carriers into operation to protect the public health and safety. In short, Mr. Dingell has combined a modified form of final offer selection with a modified version of seizure in an effort to resolve the dispute.

Now, I would like to mention the major provisions of the bill my cosponsors and I have introduced. As I have suggested earlier, I believe RLA should be retained as enabling legislation, and I have added three options for Presidential action as shown on my last chart.

First, I would suggest that selective strikes be permitted by the President unless he finds, in a particular instance, that they would cause immediate imperilment of the national health and safety. However, this option must be circumscribed with appropriate safeguards to insure that the resulting shutdown of transportation does not immediately result in, nor escalate to, a situation which the public refuses to countenance.

In particular, our bill would require that any settlement arrived at between the union and any struck carrier must be offered, intact, to all of the other carriers who had participated in the national bargaining. This will help avoid any tendency to "whipsaw" by gaining successively better settlements from each carrier, in turn. In addition, the limitations on the selective strike are more firmly drawn, so that no more than 20% of the nation's rail service would be affected at any one time, regardless of the number of simultaneous disputes.

As a second option, I would, of course, permit the President to call for additional time at the bargaining table. Many instances will arise where the vagaries of calendars and of argument will require only more time to resolve.

Third, I would adopt the novel suggestion put forward by the Administration under the title of Final Offer Selection. This process, not yet tried anywhere to my knowledge, holds the promise of eliminating the divisiveness of compulsory arbitration while providing an extremely strong impetus to collective bargaining, and an assurance to the public that a final resolution of the dispute will be achieved. What this proposal provides is that, after the parties have bargained to their best ability, each puts forward a final offer which constitutes a complete and binding agreement. Then one and only one of these offers will be selected, complete and intact, by a board composed of public members. The essence of this procedure is that each party is induced, first to resolve as many issues as possible during bargaining, and, second, to make the most reasonable possible final bid on all outstanding issues. For the selection board, which is charged with the public interest, will select that final offer they find to be most reasonable in view of the facts of the situation.

In addition, I imagine that there are other options which might be given to the President to increase the flexibility of his response. In particular, I would like to stress the sequential aspects of my bill, which would permit the President to choose from among the three options until a solution is reached. As I mentioned earlier, the Administration's bill, on the other hand, permits the President one and only one option. However, the important point is that the Administration must be given the power to deal with labor disputes which threaten the nation, to deal with them fairly, and firmly, so that Congress does not have to be involved in each individual dispute, and so that the public interest will be protected.

The legislation that I have sponsored embodies the three major points that I have just mentioned. Since May 13, 1971, when I first introduced my proposal as H.R. 8385, I have received bipartisan support of 54 of my colleagues in the House. My bill has been reintroduced with minor technical modifications on June 14th as H.R. 9088 and H.R. 9089, on July 1st as H.R. 9571 and on July 15th as H.R. 9820.

The broad support that my proposal has gained is both personally gratifying and significant, for it indicates the depth of feeling that exists in the House for permanent rail strike legislation. Naturally, I am very pleased that our House Committee on Interstate and Foreign Commerce has initiated hearings on this important subject. I look forward to the emergence of sound and equitable legislation that will serve the interests of all the people.

COSPONSORS OF EMERGENCY STRIKE LEGISLATION

(H.R. 8385, H.R. 9088, H.R. 9089, H.R. 9571 and H.R. 9820)

John B. Anderson (Ill.), Garry Brown (Mich.), James T. Broyhill (N.C.), J. Herbert Burke (Fla.), Elford A. Cederberg (Mich.), Charles E. Chamberlain (Mich.), Harold R. Collier (Ill.), Barber B. Conable, Jr. (N.Y.), R. Lawrence Coughlin (Penna.).

John Dellenback (Ore.), Edward J. Derwinski (Ill.), Samuel L. Devine (Ohio), John N. Erlenborn (Ill.), Joe L. Evins (Tenn.), Peter H. B. Frelinghuysen (N.J.), Bill Frenzel (Minn.), Louis Frey, Jr. (Fla.), James R. Grover, Jr. (N.Y.).

Tom S. Gettys (S.C.), Gilbert Gude (Md.), Seymour Halpern (N.Y.), Michael Harrington (Mass.), James Harvey (Mich.), Craig Hosmer (Calif.), Edward Hutchinson (Mich.), William J. Keating (Ohio), Hastings Keith (Mass.).

Norman F. Lent (N.Y.), Sherman P. Lloyd (Utah), Delbert L. Latta (Ohio), Robert McClory (Ill.), Paul N. McCloskey (Calif.), John Y. McCollister (Nebr.), Jack H. McDonald (Mich.), James D. McKevitt (Colo.), F. Bradford Morse (Mass.).

Charles A. Mosher (Ohio), Thomas M. Rees (Calif.), J. Kenneth Robinson (Va.), Howard W. Robison (N.Y.), Edward R. Roybal (Calif.), Herman T. Schneebeli (Penna.), Fred Schwengel (Iowa), Keith G. Sebelius (Kan.), Garner E. Shriver (Kan.).

Robert T. Stafford (Vt.), William A. Steiger (Wisc.), J. William Stanton (Ohio), Charles Thone (Nebr.), Guy Vander Jagt (Mich.), Victor V. Veysey (Calif.), G. William Whitehurst (Va.), Lawrence G. Williams (Penna.), Bob Wilson (Calif.), Clement J. Zablocki (Wisc.).

THE GREAT CHOICE ON VIETNAM AND THE DRAFT

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. WALDIE. Mr. Speaker, a particularly perceptive article written by Washington Post staff writer, Spencer Rich, shows the rising strength and present leverage in the Congress of those who believe that our Nation will be more secure—not less—when it gets out of Vietnam and turns from the draft to a volunteer army.

We have reason to be deeply grateful for the leadership that has brought to bear in the Senate on those vital issues by the distinguished majority leader, Senator Mansfield, by Senator Alan Cranston of my own State of California, by Senator Mike Gravel of Alaska, and by others of both parties.

I include the article in the Record at this point:

The Great Choice on Vietnam and the Draft

(By Spencer Rich)

An elaborate game of legislative "chicken" is being played on Capitol Hill over the two-year draft-extension bill and the Mansfield end-the-war amendment.

The question is who will back down first: the Nixon administration, or the soft-spoken but redoubtable Senate Majority Leader, Mike Mansfield (D-Mont.)?

The military draft expired June 30 and the administration wants it extended for two years. But the bill is deadlocked in a House-Senate conference because the President insists that the Mansfield amendment—expressing Congress' desire to end U.S. participation in the war within nine months provided prisoner release can be arranged—be dropped from the final measure.

The Mansfield amendment is not absolutely binding on the President in a legal sense, because it would not cut off funds for U.S. operation in Indochina once the nine-month withdrawal deadline is reached. But the presidential signature, as the price of letting the draft continue, would constitute a moral commitment which Mr. Nixon could contravene only at his grave political peril.

The Nixon administration position has been that any deadline would make it unnecessary for Hanoi to negotiate and would thus destroy the U.S. bargaining position in Paris. The Mansfield camp responds that the time has come to get out, as fast as possible, before the war destroys the cohesion of U.S. society, without waiting until the future of South Vietnam has been guaranteed.

Speculation on Capitol Hill is that renewal of serious negotiations in Paris, plus the President's surprise announcement of a planned visit to mainland China, may somewhat weaken Mansfield's hand. They may lend fresh credence to the President's claim that no congressional deadline is needed because he is moving toward an Asian settlement.

It is possible that the conferees, who are to meet again Tuesday, might simply mark time for a while to allow negotiations to go forward in Paris. Some real progress there might make the Mansfield amendment superfluous—or might even move Mansfield to withdraw it.

But that is off in the future. Mansfield said Friday that the China announcement is not causing him to back down.

Right now, Senate conferees, duty bound to uphold the Mansfield amendment which passed the Senate 57 to 42 on June 24, are at an impasse with the House conferees who, with strong backing from the administration, have refused to accept any language which has a definite end-the-war date.

In the struggle, Mansfield holds several powerful cards. He, himself, has consistently voted against extension of the draft, which he regards as unfair and unnecessary. Therefore, he is immune to appeals that he jettison his amendment in the interest of getting the Selective Service extended.

Further, the Majority Leader stands to benefit from a newly awakened love of the filibuster on the part of Northern Democrats and liberals of both parties.

At one time, the filibuster was the tool primarily of Southern opponents of civil rights legislation. But William Proxmire (D-Wis.) used it at the end of last year to kill the supersonic transport plane. And a bloc of doves employed it at that time to force into law provisions barring use of U.S. ground combat troops in Laos, Thailand and Cambodia and restricting U.S. financing of foreign "mercenaries" fighting in those countries.

Mansfield himself is neither leading nor directly encouraging any filibuster against the draft bill. During initial Senate debate on the measure, Mansfield helped engineer the cloture vote that ended a seven-week talkathon. But it is highly questionable that he would do so on the conference report if his amendment were emasculated in conference.

It is widely believed in the Senate that if the draft bill returns from conference without end-the-war language acceptable to Mansfield, it may be impossible to obtain cloture against a possible new filibuster led by Alan Cranston (D-Calif.) and Mike Gravel (D-Alaska). Enough Senators may be angry enough either about the draft or the war to simply refuse to allow a final vote. This is by no means certain, but it is a strong possibility.

"We have leverage to either get the Mansfield amendment or delay the draft endlessly," said Cranston in an interview.

"I'm going to stay right in there and filibuster and they'll have to get a cloture vote to stop me," said Gravel. He said he is so opposed to the draft that he will filibuster whether the Mansfield amendment is retained in conference or not. But he conceded that, if Mansfield is satisfied with the final version of the bill, the administration's chance of breaking the filibuster would be very good.

A complicating factor, however, is the anger of some senators over the fact that the draft bill conferees rejected the Senate's military pay raise scale, adopting the lower scale proposed by the House.

Administration loyalist Gordon Allott (R-

Colo.), sponsor of the Senate version, said he will try to send the bill back to conference to get the higher pay scale adopted.

If Mansfield has some strong trumps in the head-to-head combat, so does the President. The longer the impasse over the draft bill last, the more the administration may be tempted to mount a compaign accusing Mansfield and others of (1) threatening the success of the Paris peace talks by holding out the hope to Hanoi that Congress will give it, in the Mansfield amendment, all it wants without having to bargain, and (2) endangering the nation's security by holding up the draft.

Although some Capitol Hill sources with access to the Pentagon report the armed forces able to get along nicely for months before feeling any draft "crunch," the argument is likely to be made that "things are getting tight" and "we need the draft urgently now." The administration does have power to draft up to 5 million men, up to 35, who were previously settled men with jobs and families and this would be politically difficult. The White House has declined so far.

In the absence of a breakthrough in Paris, what the struggle basically comes down to is how long each side can afford to hold out. At some point, the argument that Mansfield is selfishly holding up the draft in order to force his own amendment into the bill will begin to have some political impact in the Senate. Mansfield will then start feeling the heat, particularly since the majority leader is supposed to advance legislation rather than hold it back.

At the same time, there is some feeling among senators that the Nixon administration has been stalling the conferees to avert a defeat. Some believe they may even try to stall for months, for fear the amendment could harm President Thieu's chances in South Vietnam's October election. Moreover, even some Senators who oppose the Mansfield amendment don't consider it so damaging to the administration that, if the need for the draft became truly pressing, the amendment couldn't be accepted with "reservations."

"It's a sense of Congress thing and therefor the administration is only in as much of a bind on the draft as it wants to be. Any time the President wants, he can take the amendment and announce that it's only an expression of sentiment and not binding," said one Senate source.

This outcome is not likely to appeal to the administration. The Mansfield language still sets a date for the world to see, even if not binding. So unless the Paris talks show real progress, the game of chicken on Capitol Hill will probably have to be played down to the end: a cloture vote to see who has the muscle. Then, perhaps, a real search for a compromise will begin.

LOOKING AHEAD

HON. JAMES HARVEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HARVEY. Mr. Speaker, I would like to bring to the attention of the membership a special report that I first issued this morning during the opening of hearings on emergency strike legislation before our House Committee on Interstate and Foreign Commerce's Subcommittee on Transportation and Aeronautics. It is what I referred to as the "timetable" issued by the United Transportation Union relative to present and future strikes against the carriers. It is possible, according to present plans, that when Congress is expected to adjourn on August 6 for its summer recess, practically half of our Nation's rail service will be halted. Such a situation, as now anticipated within the next 10 days, would be intolerable. In essence, we would have the adverse effects of a nationwide strike on our hands as Congress begins a vacation.

I would like to close with the insertion of my complete statement on the subject of "Current and Future Effects of United Transportation Union Strikes Against Railroads." The statement follows:

CURRENT AND FUTURE EFFECTS OF UNITED TRANSPORTATION UNION STRIKES AGAINST RAILROADS

(By Congressman JAMES HARVEY)

When Congress closes on August 6th for its summer recess, at the same time it is probable, according to the present "timetable" issued by the United Transportation Union, that practically half of our nation's rail service will be in limbo, too.

Just consider the following information and facts. The United States is divided into three railroad regions—Eastern, Southeastern, and Western—and, as set forth in H.R. 9088 and H.R. 3595, this means respectively the carriers represented in the Eastern, Southeastern and Western Conference Committee.

Those carriers currently under strike, their region and the approximate percents of the revenue ton miles in that region they carry as follows:

As of July 27th:

Carrier, region, and percent ton miles carried

Norfolk Western, Eastern	16
Southern Railway, Southeastern	26
Union Pacific and Southern Pacific, Western	30

Again, on July 30th, these additional carriers will be added to the "strike list":

Carrier, region, and accumulative percent ton miles carried

Bessemer & Lake Erie Eastern	17
Atchison, Topeka & Santa Fe; Duluth, Missable & Iron Range; Elgin, Joliet & Eastern Railway, Western	43

Then, on August 6th, five additional carriers will be struck—as Congress is scheduled to commence its summer recess—to bring the accumulative percentage of ton miles carried to the following:

Carrier, region, and accumulative percentage ton miles carried

Baltimore & Ohio; Chesapeake & Ohio, eastern	43
Chicago, Rock Island, and Pacific; Chiago, Milwaukee, St. Paul & Pacific; Missouri, Kansas, and Texas; western	55

Thus, on August 6th, the following situation by a regional basis would exist:

Region and number of carriers, and accumulative percentage ton miles carried

Eastern, 4 Carriers	43
Southeastern, 1 Carrier	26
Western, 8 Carriers	55

It should be noted that if the U.T.U. carries through with its announced plans to strike the above mentioned lines simultaneously, the effect on the revenue ton miles carried will far exceed labor's own definition of selective strike as contained in H.R. 3596, where the aggregate is limited to 40% of the revenue ton miles in any region.

Needless to say, the effect on revenue ton miles, as now announced by the U.T.U. by August 6th, not only is far greater than would be permitted under H.R. 9088—the Harvey bill—but far exceeds reasonable definition and acceptance of selective strike guidelines. In essence, we would have the adverse effects of a nationwide strike on our hands.

THE PENTAGON PAPERS—WERE THEY NECESSARY?

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. GUBSER. Mr. Speaker, one of the outstanding political editors in the State of California is Mr. Harry Farrell of the San Jose Mercury-News and Ridder Publications.

Mr. Farrell has written a very incisive and searching article which questions the fact that the Pentagon papers should have ever been prepared in the first place. Believing this article to be of great importance to all Americans, I am pleased to include it in the RECORD:

WERE THEY NECESSARY: PENTAGON PAPERS

(By Harry Farrell)

In all of the uproar over the Pentagon Papers, we have seen no answer—and expect to see none—to the elementary question, why were they written in the first place?

Most accounts seem to agree that the preparation of the 7,000 pages of Vietnam War history was ordered by then Secretary of Defense Robert McNamara, who has elected to remain silent on the whole storm.

Analysis—But apparently some 4,000 pages of source documents were turned over to a team of 30 or 40 "officials and analysts," who wrote 3,000 more pages of analysis, some of it highly subjective.

Whether the Pentagon papers contain anything that will give aid and comfort to our enemies at this late date is a question we cannot judge.

But certainly the top secret documentation that went into them would have been prejudicial to American interests if exposed to public scrutiny when the papers were written.

We can think of no security policy more foolish, therefore, than to turn the government's closely guarded secrets over to a platoon of "officials and analysts" for a rewrite job. These compilers, most of whom remain anonymous, obviously included a lot of professorial and think-tank types like Dr. Daniel Ellsberg, who finally pulled the plug on the whole business.

Does anyone with the faintest glimmer of understanding about how government works really believe that military and state secrets could remain secret, with such goings on?

Any cub reporter knows that he can, with a little effort, find out anything that happens inside a "secret" meeting attended by more than three people.

Back in World War II, when we were building the first A-bomb, our security went in the other direction. It was so tight that even Vice President Truman didn't know the project was in the works. His first word of it came to him after he was President

Too far—That was probably going too far in secrecy, but now, it seems, we have turned about 180 degrees.

The narrative nature of the Pentagon papers makes for fascinating reading, even today.

They quote a McNamara memo to President Johnson, for instance, as saying (after the secretary visited Vietnam and escaped a Viet Cong assassination plot):

"Full security exists nowhere, not even behind the U.S. Marines' lines, and in Saigon and in the countryside, the enemy almost completely controls the night."

Little wonder!

If all our top secret papers about the way we were running the war were making the rounds of a crew of Washington rewrite men, does anyone really doubt that Hanoi knew everything we were thinking.

We don't even have to impute disloyalty to anyone in raising such a question as this. With dozens of people knowing bits and pieces of the "big picture," surely the enemy could put it together like a jigsaw puzzle from the most innocuous leaks.

But even if, by some miracle, there were no leaks on the Pentagon war study, the question remains, "Who needs it?"

Expensive—It must have cost a small fortune to prepare. Then it was printed and bound in the early months of the Nixon Administration, and apparently forgotten until the Ellsberg caper.

Now it's out in the open.

Its publication has perhaps opened the nation's eyes to the fact that it was being misled, but at the same time our government has lost the confidence not only of its own citizens but of the world.

As far as we can see, the Pentagon papers make no one a hero. They constitute an engrossing scenario that makes almost everyone involved look like an unprincipled villain. The image rubs off onto the present administration, though it was not even involved.

And this image is probably not fully justified. The decision making process in matters of war and peace is a tough one, and what appears in a narrative to be weakness, vacillation, stupidity, or even bad faith may simply have been the agony of choosing what seemed the best course on the basis of facts at hand.

FIGHT TO SAVE FORT SHERIDAN GAINING

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ERLENBORN. Mr. Speaker, the distinguished senior columnist of the Waukegan, Ill., News-Sun, George Crawford, has expressed his support for the fight being led by our colleague from Illinois (Mr. McClory) to retain Fort Sheridan in whose 12th Congressional District this historic military post is located.

I am confident that the cooperation that has been evidenced by Chicago's Mayor Daley, the Chicago Association of Commerce & Industry, and which has come from other highly respected sources, reflect the overall interest in Chicago and in the Midwest to retain the prestigious Fort Sheridan, which was established originally on land privately donated for military purposes.

The News-Sun comment, which appeared on July 17, follows:

Help Save Fort Sheridan

Help in the fight to save Ft. Sheridan as a military institution came from an unexpected quarter when Chicago (and Mayor Richard Daley runs Chicago) decided to send a committee of leading Chicagoans to Washington to urge retaining military personnel at the historic old fort.

The Chicago move came as Sen. Adlai Stevenson was pressing to get the Defense Department to move out of Sheridan and turn the area over to recreational or housing use, possibly a home for the aged.

The stance of A-III is, of course, strictly political as he continues making every effort to capture the support of the liberals, those who oppose anything to do with the military, and those who would have the government provide everything desired by the poor and charge the bill to the taxpayers.

Daley's move to keep the military at Ft. Sheridan is one of good business for the entire area, and jobs for people in Illinois and Wisconsin.

When it comes to business and the benefit of all in the Chicago area, Mayor Daley doesn't hesitate to oppose the theories of Adlai.

TRIUMPH IN POSTAL BARGAINING

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. UDALL. Mr. Speaker, on Monday, July 19, the first collective bargaining agreement among Federal employees occurred when the Postal Service signed an agreement with seven different postal employee unions. This agreement demonstrated the wisdom of the Congress in its passage of the Postal Reorganization Act and is a harbinger of changes that may soon be occurring throughout the echelons of State and local government.

The New York Times, in an excellent editorial on July 22, commented on the meaning of the postal contract and I commend it to the attention of my colleagues.

The editorial follows:

Triumph in Postal Bargaining

The agreements covering 650,000 postal workers represent a victory for collective bargaining in its first critical test in the newly created United States Postal Service. They mark a splendid start for this semi-autonomous public agency. They also indicate that a statutory requirement for compulsory arbitration as the end of the line in labor disputes can serve as a spur to effective bargaining, rather than as its death knell, provided both sides are animated by a genuine desire to make independent decision-making work.

Much credit for this refreshing outcome in a period when bargaining in private industry is providing few occasions for cheers belongs to Assistant Secretary of Labor W. J. Usery Jr., whose blend of resourcefulness, indefatigability and good humor repeatedly kept the postal negotiations from foundering. His determination to achieve an accord through voluntary means not only prevented a repetition of the wildcat walkouts that disrupted the mails last year but pointed a road that can be of inestimable value in all branches of Federal, state and city labor relations.

New strength has been added to the year-old plea of Mayor Lindsay and New York City's Office of Collective Bargaining for revision of the local laws governing disputes in municipal employment to require arbitration as the windup point if direct negotiations fail. Enactment of such a requirement would provide potent stimulus to both civil service unionists and elected officials to resolve their differences. In that way third parties would not automatically make decisions on wages, working conditions and even basic governmental policy, which often is determined by the provisions of agreements covering the schools, transit, police and fire protection and other key services. Under the conception so ably demonstrated in the postal bargaining, the role of impartial arbitraters would take on its proper dimension—a final resort to assure equity while guarding the community against crippling tie-ups.

Admittedly the new post office agreement provides generous pay increases, a total of $1,710 for each worker over a two-year period. For the average postman this will mean roughly 20 per cent on top of the 14 per cent the postal workers got in two stages last year. But, even though these pay boosts undoubtedly will touch off pressure for additional increases throughout the regular Federal civil service, it is clear that no public agency can expect to hold the line on wages while the wage-price spiral is zooming skyward in the private economy without effective White House restraint.

By the standards emerging in telephone, railroads, aluminum, cans, newspapers and, now, copper, the postal wage settlement is eminently reasonable. This is especially true since the contract gives the Postal Service a free hand to introduce automated equipment and generally to bring some desperately needed efficiency into mail handling.

The postal example ought to lead to a settlement of the inexcusable strikes the United Transportation Union has been conducting against recommendations of a Presidential emergency board for the abolition of ancient featherbedding practices. The locomotive engineers and other rail unions have recognized that these measures for greater efficiency are essential to true job security in this ailing industry. The selective strikes the trainmen are calling to block modernization are in sorry contrast to the enlightenment just displayed by the postal employes. They are not only wrong-headed; they may eventually prove suicidal.

GAS SHORTAGES NEXT WINTER

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. MURPHY of New York. Mr. Speaker, the critical situation faced by natural gas consumers in my State of New York is pointed up by a recent recommendation of a Public Service Commission examiner that a priority list of gas customers be established. This is necessary, the examiner told the commission, "to assure the best possible use of existing and future supply in order to minimize the effect of any shortage upon the consumer."

The examiner's decision is the result of a proceeding initiated by the New York Public Service Commission a year ago to determine what, if any, restrictions should be placed on gas distributors to meet potential shortages of gas supplies. Public hearings were held, with testimony being received from gas distributors, pipeline companies, the commission staff, and other interested parties.

Examiner Bernard L. Feeney concluded from the testimony that—

> The availability of gas, especially additional supplies of new gas, is generally in short supply at the present time. It appears also that the problem of adequate gas supply will continue for some years in the future, although there may be intermittent periods in which supplies are sufficient.

The examiner pointed out that the Public Service Commission has jurisdiction, upon finding that a natural gas shortage exists, to conserve the available supply of gas for domestic consumers, and thereafter, for persons or corporations already receiving service. The law also permits denial of the use of gas for new customers or additional gas for present customers for the period of a supply emergency.

Some gas distributors are already curtailing gas service to conform to these procedures. However, Examiner Feeney recommended that the commission set up a sequence of priorities for undertaking service to new customers or making substantial additions to service of existing customers.

First on the list of recommended priorities is domestic gas consumption for essential uses. Following, in order, are: commercial use of less than 200 Mcf per year and medium-size and large public authorities; industrial use where special qualities of gas are required for process use; total energy uses; commercial use above 200 Mcf per year, industrial feedstock uses, industrial space heating uses, and other industrial uses including boiler fuel for electric generation; unessential uses, such as yard lights.

The examiner also recommended that the following additional actions should be taken:

(1) The commission staff be directed to institute studies of rate structures as a device "to discourage less desirable use of gas."

(2) The commission require the development of additional gas storage and the maintenance of an adequate inventory of gas, as supplies permit.

(3) The commission issue an order directing gas distributors to discontinue all promotional activities designed to increase gas consumption.

(4) Gas distributors be required to file annually with the Public Service Commission a report listing the gas supply available and requirements expected for the following 2 years.

The seriousness of this situation in New York was made clear by tabulation submitted by gas distributors showing forecasted requirements and estimated volumes of gas supply under contract for the years 1970 through 1974. While the volume varies from company to company, it was concluded that some consumers may have to go without gas sometime during the 1971–1972 heating season. The best estimate of the volume of this deficiency is 26 Bcf this year and 50 Bcf in 1972.

Mr. Speaker, there is no instant solution to this grave problem. The longer term solution lies in the discovery and development of new gas reserves. Only in this way can the interest of consumers and potential consumers of natural gas be protected.

The incentive of gas producers to go out looking for additional gas supplies has been whittled down because of the uncertainties implicit in their sales contracts with interstate pipelines. Under existing law, the Federal Power Commission can come back to a contract it has previously approved and order changes in its provisions. The producer simply does not know where he stands.

H.R. 2513, which I introduced early in this session, would make sales contracts between gas producers and interstate pipeline companies binding on all parties once they are approved by the Federal Power Commission. It is in no sense a decontrol bill. Contracts covering the sale of gas in interstate commerce would continue to be submitted to the commission, which could either approve them, or approve subject to stipulated conditions, or disapprove.

My bill would simply place the stamp of lasting validity on such contracts once they are approved by the commission. The uncertain climate in which gas producers must now operate would be improved and their incentive to search out new supplies of gas would be sharpened.

That is what is needed to help prevent hardship among the gas consumers of my State and elsewhere.

TRIBUTE TO DR. VICTOR R. SLEETER

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. McCLORY. Mr. Speaker, Dr. Victor R. Sleeter, a distinguished citizen of my home community of Lake Bluff, Ill., was honored recently at a gathering of friends for his 40 years of residency and community service.

At this celebration—which took place Sunday, July 11, 1971, at the Fort Sheridan Officers' Club—Vic and Dolly Sleeter's many friends paid tribute to them personally, to their daughter, Ellen, and her family, and to his professional career as a highly respected dentist, to his musical and other cultural talents, and to his many contributions of public service.

Mr. Speaker, I was privileged to participate in this celebration, at which our long-time friend Elmer B. Vliet delivered the principal eulogy—at the conclusion of which a brief resolution was adopted by the assemblage of more than 250 persons.

Mr. Vliet's remarks and the resolution follow:

REMARKS BY ELMER B. VLIET

Ladies and gentlemen: Our subject is the entity whom we know as Dr. Victor Rudolph Sleeter. I'm to tell things about him you haven't yet heard. In doing this, we'll be guided by Alfred E. Smith, the "happy warrior" of the 1920's, who often said, "Let's examine the record," and also, "Let's not waste radio time."

On July 10, 1903, our subject appeared on earth. Astrologists would say he was born under the sign of the crab. Wally Phillips on WGN radio says this about crabs:

"Individuals born under this sign are *outstanding* in *crafts* that require *painstaking, careful handiwork*. They are the 'chosen ones' of all signs. They are lucky in love and good-natured. If you are a crab you will find great happiness with anyone, anywhere, at any time, doing anything.

"Conversely, however, it is not recommended you marry another crab because these fortunate moon children are usually out of work and you'd both starve to death."

So, with great foresight, Victor, the crab, married Dolly who is a bull. Both have thus prospered and found happiness.

Here is a list of some other crabs. You can decide just how well their talents match those of our subject:—Richard Rodgers, Nelson Eddy, Rembrandt, Dave Garroway, Stephen Foster, John Quincy Adams, Jack Dempsey, Calvin Coolidge, Julius Caesar, Mary Baker Eddy, Louis Armstrong, George M. Cohan, and the United States of America.

In 1931, Dr. Sleeter brought Dolly and baby Ellen to Lake Bluff. A depression was in progress. Undaunted, he set up his dental parlors on the second floor over the store at the corner of Center and Scranton. That is now an antique shop.

We old timers soon learned that Lake Bluff now had an able and genial dentist. We climbed the 25 or more steps straight up the long golden oak stairway that led to his heavenly haven. There, without benefit of either a feminine assistant or air conditioning, he skillfully cared for our needs. The landlord let him use an adjoining vacant room for his hobbies. There, in his spare moments, he rebuilt clocks and organs and he also worked on models—ship models, that is.

We visited his emporium every six months—for good luck—and good dental practice. If we had bad luck, we climbed the long golden stairway more often.

At birth Victor must have already been endowed with many inherent skills and talents. We know, that by diligent study and practice, he had developed them to a high degree before he came to Lake Bluff. Here they blossomed forth to benefit and bring pleasure to all who knew him.

Others have described some of these blossoms. Now we'll tell of some others.

When we "examined the records" many interesting exhibits were uncovered. Some of these are portrayed in a display of pictures mounted on an easel.

One picture is labeled "Child Care—A TV Dental Program". This was sponsored by the Chicago Dental Association. It also reminds us of other services Dr. Sleeter has given: The many years when he gave a half day each week caring for the children's teeth at the Lake Bluff Orphanage; his 38 years of active service on the board of the Lake County TB Association which included several years as its president; a term as chairman and many years on its executive committee; his contribution to the mouth guard program for football players at the high school; and many other ways he has used his professional skills in serving community needs.

Now I would direct your attention to another picture in the display. It is marked "American Legion Minstrels of 1937". In this Dr. Sleeter was the top man—the interlocutor—the man who always asks the right questions to evoke the proper answers. He had taken this same part in several earlier legion minstrels and always gave a top notch performance. Socrates guided discussions by asking good questions. Now Victor, with this superb training and rich experience, was prepared for his stellar performances in great books discussions—and for village board deliberations, that were soon to follow.

By 1939 Dr. Sleeter had become a well known and highly regarded citizen of Lake Bluff. The village board, needed new talent and he was persuaded to become a trustee candidate. The campaign circular that year has this significant statement:

"Victor R. Sleeter has been a practicing dentist in this community for many years. His sincere interest in the welfare of the village has been demonstrated on many occasions. He will conscientiously perform his duties as a trustee with all of the courtesy, enthusiasm and intelligence for which he is noted."

No truer words were ever written. He did exactly that.

In 1943 he was nominated for a second 4-year term. It was then stated that "Victor R. Sleeter's work as chairman of the finance committee has been particularly helpful in maintaining the sound financial position of the village."

In 1947 he was elected village president for a 2-year term. He thus served 10 years on the village board—from 1939 to 1949. They were critical and trying years—a period that began as the depression was ending. Then came the war years and after that inflation and the baby and building booms.

During these years there were many changes. Older officers retired. New ones had to be appointed. First a village attorney; later a public works superintendent. And a police chief; finally, a new chief of the fire department. The need for a resuscitator in the village was felt. Dr. Sleeter chaired a committee that raised funds and bought it.

At times there was a bit of bickering on the board which Dr. Sleeter's courtesy and intelligence served to subdue. Thus, he helped the board meet its problems constructively in a way that earned citizen support.

As new homes kept springing up, a larger police force was needed. This required a police tax levy which was approved by the voters in December 1946.

By 1948 a new fire engine was sorely needed to replace the old 1926 pumper. After diligent effort one was acquired from war assets for $3,500. How is that for economy? A picture of this truck with village board members and firemen is on display.

However, despite all efforts to curtail spending, expenses kept going up due to inflation. The board was compelled to seek an increase in the tax rate. Despite unreasoning opposition. The tax increase was approved in December 1948.

Like most others who have served on local boards, Dr. Sleeter derived his satisfaction from public service faithfully performed with no thought of being thanked. He has given generously of himself without self-seeking. So long as we have enough persons like him, America will continue to be great.

But public service does bring some happy moments. Take a look at the picture of Dr. Sleeter and Charlie Helming. Mr. Helming had served the village with zeal and loyalty as fire chief for 36 years. This picture was taken at a men's affair where old Lake Bluff pictures were shown and a "Song of Lake Bluff" was sung. It had been written in 1914 and Vic played the accompaniment. The words weren't so hot but we had lots of spirit.

A better Lake Bluff poem was written in 1894 by an 18-year old girl named Grace Cloes. Her grandfather had settled here in 1836. Here's her first verse:

"On the shore of Blue Lake Michigan
  Is a little town—Lake Bluff,
And all who wish to go there
  Must be made of right good stuff."

Surely Victor was made with an abundance "Of Right Good Stuff". And he came to the right town at the right time.

Finally, I propose that we adopt a resolution extending our thanks to Dr. Sleeter. However, before reading this resolution and having it put to a vote, one more fact should be revealed.

In 1939 when Dr. Sleeter became a village trustee, a young man named Robert McClory had been village clerk for two years. He continued in that office another year and then was made village attorney. In 1962, after serving 12 years in successive Illinois general assemblies, he became our representative in Congress and has been serving us in that office ever since.

We are delighted that Congressman McClory and his lovely wife are here for this celebration. I wonder, Bob, if you would care to give testimony in behalf of our friend, Victor, and then be good enough to cosponsor this proposed resolution and ask the master of ceremonies to read it and put it to a vote.

A RESOLUTION

Be It Resolved that:

We, Friends and Fellow Lake Bluff Citizens of Victor R. Sleeter, D.D.S., assembled at Forst Sheridan, Illinois, this 11th day of July, 1971, to celebrate Dr. Sleeter's Forty Years of Outstanding Contributions to our Community, do herewith

Extend to Dr. Sleeter our true and heartfelt thanks for bringing his many skills and talents, his genial and generous spirit, and his lovely family to Lake Bluff in 1931, and for

Dwelling amongst us these Forty Years during which he has given so ably and so generously to so many of our institutions and organizations and to so many of us.

COMPTROLLER GENERAL AND FEDERAL RESERVE BOARD CHAIRMAN OPPOSE EXCLUSION OF EXPORT-IMPORT BANK FROM UNIFIED BUDGET AND ACCOUNTING REVIEW

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. EVINS of Tennessee. Mr. Speaker, as I pointed out on the House floor recently, the exclusion of the Export-Import Bank from the budget invites other agencies to seek similar refuge from congressional oversight and an accounting of their operations to Congress.

The New York Times in a recent editorial pointed out that the Comptroller General and the Chairman of the Federal Reserve Board have opposed this trend and reemphasized the importance of including all Government lending agencies in the Federal budget.

The editorial also observes that the exclusion of the Export-Import Bank from the budget would undermine the unified budget concept approved by Congress and thus open the door for other Federal loan programs to escape congressional review and budget examination.

This is a dangerous trend and dangerous precedent, Mr. Speaker. While the Export-Import Bank wishes this exclusion, I do not regard the action of the confrees in allowing this exclusion to be either wise or sound. It is an action of escapism.

There is a constant and continual effort to erode the constitutional legislative powers of Congress and unless the Congress stands firm against this trend the country will be the losers.

Because of the interest of my colleagues and the American people in this most important subject, I place the editorial from the New York Times in the RECORD herewith.

The editorial follows:

UNDERMINING THE BUDGET

Senate and House conferees, completing a bill to expand the lending authority of the Export-Import Bank, have agreed to permit the bank to supply credits for shipping American goods to Communist countries including China. President Nixon would, however, retain the power to decide whether to let the bank make particular loans to Communist countries.

This will give the President the flexibility he needs in using trade as an adjunct to his policy for normalizing political relations with mainland China and other Communist states. In this context it would now make sense for the Administration to re-examine the numerous categories of commodities which it is willing to sell in East-West trade.

By imposing far more rigid standards on itself than its allies have done, the United States has simply shut itself out of markets without any impact on Communist countries or gain to national security. The Administration should call upon the other members of the North Atlantic Treaty Organization to propose a new list of strategic goods that they wish to exclude from East-West trade, and decide whether this country will accept that list or continue to impose stricter limits upon itself.

Although the Export-Import legislation will provide welcome support both for East-West trade and for American exports generally, at a time when the American trade position has been weakening as a result of low productivity and climbing prices, the bill has one highly undesirable feature: it excludes the Export-Import Bank's loan disbursements from the limitations of the Federal budget. This would establish a precedent that could be applied to many other loan programs, such as those of the Veterans' Administration, the Small Business Administration, College Housing and Rural Electrification, which now total more than $50 billion in outstanding loans.

In 1967 the bipartisan President's Commission on Budget Concepts strongly recommended that all loan programs of agencies whose capital stock is owned by the Government should be included in the budget, in order to help Congress make priority judgments about national programs, weigh the fiscal impact of the entire Government lending and spending activities and facilitate full public disclosure of all Government programs.

The unified budget concept was accepted by both the Johnson and Nixon Administration. In opposing the exclusion of Export-Import loans from the budget, both Controller General Staats and Federal Reserve Chairman Burns have re-emphasized the importance of the basic principle of including all Government lending activities in the budget.

It will be unfortunate if so useful a piece of legislation as the Export-Import bill becomes a means of undermining the unified budget concept and opening the door for other loan programs to escape the budgetary process. This would take the nation back toward the familiar and depressing old game of budgetary cosmetics and concealment, designed to distort budget expenditure totals and to shrink the deficit figures. Once that door is opened, the rush will be on to convert other spending programs into lending programs that could escape public and Congressional attention and control.

BILL MILLIAS' ESSAY ON OUR FLAG

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. WALDIE. Mr. Speaker, I would like to enter in the RECORD a prize-winning essay written by Bill Millias of Antioch, Calif. His essay, "Respect and Love for Our Flag," describes the role of our flag in American history and in the life of the individual citizen. Bill is a young American not yet out of elementary school. His perception of his country and his love for its flag attests not only to Bill's perception but to concerned parents and teachers who have helped develop his character and ideas.

The essay follows:

RESPECT AND LOVE FOR OUR FLAG

Our flag has flown for many years. Our flag represents all the people in the United States. Everybody should respect and love our flag.

The love and respect of our flag should never die. In all the schools of our country students repeat the Pledge of Allegiance each day. Every school you pass by has our flag flying. Over banks, city halls, and fire stations our flag is always there. When there are holidays, flags are raised all over town.

In the first and second World Wars, many men had fought and died for our country. During World War II, seven Marines raised our flag over Iwo Jima while still in battle.

Before sporting events we repeat our pledge to the flag and sing the National Anthem. In the front of the parades, we use the National Guard to carry the flag.

Whenever another state is admitted, there is a star added to the flag. If one of those stars was removed, the United States would never be the same again.

When Neil Armstrong landed on the Moon, the first thing he did was plant our flag on the Moon and salute it. When he put that flag on the Moon, he showed that the United States was the first to land with a manned spacecraft.

I love my flag for what it represents. Nobody should burn it or rip it up as a protest to our country's actions. Our country should stay united forever.

A CALL FOR CONFIDENCE

HON. JOHN H. TERRY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. TERRY. Mr. Speaker, in a time when there is a great deal of pessimism about the economy of our Nation, it is refreshing to read of a businessman who has confidence in the capacity of the country to lift itself out of financial doldrums. Last week, a constituent from my District traveled to Washington to discuss with my distinguished colleague from Pennsylvania (Mr. McDADE), Mr. John Auten of the Department of the Treasury, and me a proposal he has to encourage increased consumer spending. The gentleman was Mr. Walter Liberman, executive vice-president of Franklin Furniture in Syracuse.

Mr. Liberman came to Washington at my invitation after I read an article in the Syracuse Herald American in which he espoused optimism for the economy of this country.

The article follows:

[From the Syracuse Herald American June 13, 1971]

LIBERMAN CALLS FOR CONFIDENCE

(By Kenneth F. Sparrow)

Confidence . . .

That is the basic ingredient needed to snap the nation out of the prevailing adverse economic conditions.

Wilbur Liberman, executive vice president of Franklin Furniture Co., asserts that renewed public confidence would unleash savings hoards and bring back prosperity and greater job possibilities.

"We have the best product in the world to sell—America," he said. "And, we have the greatest sales force in the world to sell it."

Liberman feels that confidence has been stifled by the negative aspects of statistical reports. For example, emphasis is placed on the fact that there is a 6 percent unemployment rate.

"The optimistic aspect is that 94 percent of the working force is employed—and at the highest wages in history," he asserted.

The problem of how to instill confidence in the people of America is a complicated one. People are running scared. They will regain confidence in the economic system only when unemployment slackens off, when the threat of major layoffs is removed and when interest rates reach a more realistic level.

Liberman takes the position that consumers must be induced now to spend money for goods they need, but are planning not to buy until economic conditions improve.

"If they draw on their savings (bank deposits are the highest in history), the spending will revitalize the economy and create more jobs which in turn will strengthen the economy," he said.

He suggests that President Nixon make a public statement urging consumers to go about the business of optimistic daily life.

PESSIMISTIC NEWS REPORTING COULD LEAD TO DEPRESSION

"I am sure that if those people who have money would spend just a small amount of that money on goods and services they need, that spending would offset many of the economic reversals that have occurred in our economy," he said.

"I must stress one point, a point which I, a lifelong retailer, understand so well. People are afraid to spend. They are being scared by the incessant tide of negative and pessimistic economic news reporting.

Liberman agrees with high officials in Washington that "the government, the unions and the banks all are partially responsible for the recession."

"A great deal must be done and done quickly to avert a depression," he added, saying that he has some of the answers to part of the cure and is willing to go any place at any time to discuss his theories with the proper people.

He asserts that "strikes now are un-American and serve only self interests. They further decrease the competitive position of the United States in world markets and add to inflation, layoffs and job uncertainties."

Liberman terms America as a sleeping giant. "The purchasing power of America is staggering," he said. "It is so gigantic that if consumers gain confidence and start to make those long deferred purchases, there would not be enough people to man the factories and stores, nor would there be enough factories to manufacture the merchandise.

PRESIDENTIAL PROCLAMATION URGED TO STIMULATE BUYING

"Remember, 94 percent of the working force is working for the highest wages in history!"

In his opinion, a presidential proclamation would instill confidence in consumer buying. He also suggests that the President should meet with union leaders regarding a one-year non-strike moratorium. If people could dispel the fears of layoffs and strike, they would gain confidence.

Confidence in our economic system is the one ingredient that is needed to spark an all-out consumer buying trend. There is plenty of money stored up in savings of one kind or another.

"Run a fire sale, a going-out-of-business sale or an auction sale and people will always find money to make purchases," he declared.

Liberman knows from experience that this is a fact. Several years ago he staged a prosperity sale in Franklin Furniture's eight stores. In the first six hours, 3,900 customers flocked into the stores and the total volume of business in that period was the largest in the Syracuse firm's 40-year history at that time.

Advertisements and store window banners proclaimed that "Business is Good at Franklin," "Buy Now—Create Jobs," "Back to Work Prosperity Sale."

It would work again, he said. "A surge of spending will serve to activate the economy and create jobs in a trend toward greater prosperity."

CRLA PROGRAM VINDICATED

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. WALDIE. Mr. Speaker, I am very pleased to have included today in the RECORD the National Legal Aid and Defender Association abstract of the Commission Report on the California Rural Legal Assistance program. The Commission report is a complete vindication of the make-up, activities and purpose of the CRLA and a complete refutation of the indiscriminate and unrounded charges directed at it by Governor Reagan and OEO Director Uhler.

It is with great satisfaction that I include this abstract in the RECORD. I earnestly request the attention of the Congress to the contents so that they may see how closely a vitally needed program can come to being terminated because of an irresponsible and personally motivated action of one who feels no sympathy for its purpose.

NLADA ABSTRACT OF COMMISSION REPORT ON CALIFORNIA RURAL LEGAL ASSISTANCE[*]

A. FINDINGS RE: CRLA

The Commission of three State Supreme Court jurists appointed by OEO to investigate Governor Reagan's charges against CRLA held twenty days of public hearings in ten California communities, heard 165 witnesses, reviewed hundreds of exhibits, and came to this overall conclusion:

"The Commission finds that CRLA has been discharging its duty to provide legal assistance to the poor under the mandate and policies of the Economic Opportunity Act of 1964 in a highly competent, efficient, and exemplary manner." (p. 88)

CRLA's legal staff

"The evidence from all sources made it clear beyond peradventure that CRLA attorneys are legal craftsmen of the first order. In addition, they are thorough, intelligent young men dedicated to vindicating the legal rights of their clients. . . . [The Commission quotes testimony from a former California Assistant Attorney General William Bradford who handled major cases against CRLA:] "I would say . . . these are the best litigation lawyers I've ever run up against, and I've run up against the best of them. . . . [The Commission continues in its own words:] Perhaps even more important in the present context, Mr. Bradford stated that the CRLA attorneys not only conducted themselves "absolutely" ethically, but were "perfect gentlemen"." (pp. 73, 60, 61)

CRLA's caseload—The Commission praises CRLA's works on cases it variously terms "class action", "law reform," "impact cases", and "suits against the government". (pp. 30–45) It specifically recognizes the value of CRLA's reform efforts in the areas of health benefits, (p. 39) food programs, (*Ibid.*) voting rights, (pp. 39–40) school lunch programs, (pp. 40, 43–45) educational opportunities, (pp. 41–43) and employment (p. 62). But the Commission points out:

"This discussion of impact litigation should not obscure the fact that the overwhelming bulk of CRLA's work is handling the routine problems of the poor, known in the parlance of the legal assistance attorneys as "service" cases. . . . The routine matters comprise a large percentage of the matters handled, 95–98% of the total number." (pp. 34, 35)

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[*] The Commission was comprised of: Robert B. Williamson, Former Chief Justice, Maine Supreme Court, George R. Currie, Former Chief Justice, Wisconsin Supreme Court, and Robert B. Lee, Associate Justice, Colorado Supreme Court.

The full text of the Commission's conclusions are reprinted in the Congressional Record, July 1, 1971, 23390–23403.

CRLA's litigation record

"CRLA's record of litigation is outstanding. Of the court cases decided in 1969–70, CRLA clients received favorable judgements 84% of the time. Of the administrative decisions rendered, CRLA clients received favorable rulings 88% of the time." (p. 34)

CRLA as an organization

"The Commission has been most favorably impressed by the internal controls adopted by CRLA to insure that the highest of professional service is rendered to its clients; that it is institutionally so organized as to operate efficiently with proper financial control maintained; and that the conditions and restrictions of its OEO grant and applicable Federal Statutes are observed." (p. 72)

B. FINDINGS RE THE UHLER REPORT

The California Evaluation, often called the Uhler Report after its author Lewis K. Uhler, was a 283 page document which purported to justify Governor Reagan's veto of CRLA. The Commission has these things to say about it:

"It should be emphasized that the complaints contained in the Uhler Report and the evidence adduced thereon do not, either taken separately or as a whole, furnish any justification whatsoever for any finding of improper activities by CRLA. . . . [Furthermore] the Commission expressly finds that in many instances the California Evaluation has taken evidence out of context and misrepresented the facts to support the charges against CRLA. In so doing, the Uhler Report has unfairly and irresponsibly subjected many able, energetic, idealistic and dedicated CRLA attorneys to totally unjustified attacks upon their professional integrity and competence. From the testimony of the witnesses, the exhibits received in evidence and the Commission's examination of the documents submitted in support of the charges in the California Evaluation, the Commission finds that these charges were totally irresponsible and without foundation." (pp. 83, 84)

Regarding some of the more serious charges brought against CRLA, the Commission found as follows:

1. *Labor Union Ties:* "the facts found do not support the allegation of any improper CRLA tie with any labor organization." (p. 83)

2. *Prison Disruptions:* "The Commission specifically finds that any charges of impropriety with respect to activities within the prisons are completely baseless. . . . After hearing Commission finds that role of CRLA at Soledad has not been destructive but, on the contrary, proper and constructive." (p. 82, Appendix A., p. 2)

3. *Criminal Representation:* "Allegations of improper CRLA representation of persons accused of crimes likewise proved to be unfounded. . . . [Relevant] guidelines were treated by CRLA's Director as more restrictive than the statute. . . . In most instances, CRLA's attorneys had obtained waivers of the guideline prohibitions even in instances where not required to do so by OEO guidelines. . . . Additionally, although there appeared to be no statutory or OEO prohibition against CRLA attorneys handling criminal cases on their 'own time', this practice also was forbidden without specific permission." (pp. 83, 54, 55)

4. *Solicitation:* "the Commission concludes that the charges of solicitation contained in the Uhler Report are without foundation." (p. 57)

5. *Confidential Memorandum:* "A copy of a confidential memorandum from CRLA attorney Robert Johnstone to Martin Glick, CRLA Director of Litigation, which had been publicly released, was admitted into evidence at El Centro. Because of inferences of misconduct which were drawn from this memorandum, the Commission received extensive evidence on the matter covered therein. The Commission wishes to emphasize that the evidence adduced completely exonerates CRLA as an organization of any wrongdoing." (p. 84)

C. CRLA REFUNDING

Based on the Commission findings, CRLA has been granted, with Governor Reagan's written approval, an increase in funds through 1972. None of the twenty-three special conditions attached to the grant require changes in CRLA's current policies and procedures and therefore in no way interfere with CRLA's capacity to render the highest quality legal services to its clients.

J. T. BOND RECEIVES 50-YEAR LEGION AWARD

HON. ROBERT G. STEPHENS, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. STEPHENS. Mr. Speaker, the American Legion was chartered in 1919 and Mr. Jones T. Bond of Greensboro, Ga., became a member of that organization in 1921. Recently, he was awarded the 50 year pin and scroll in recognition of his 50 years of active and continuous service, the first person to ever receive the honor at Post No. 84 of the American Legion.

For Mr. Bond, the ideals and purposes of the American Legion have not been merely words on paper, but have been a way of life he has followed during his many years of dedicated service to his organization, his community and his country.

In honor of the recent occasion and in tribute to Mr. Bond, I include in the CONGRESSIONAL RECORD the following article from the Greensboro Ga., Herald-Journal:

J. T. BOND RECEIVES 50-YEAR LEGION AWARD

Jones T. Bond, of Greensboro, has been awarded the 50-year pin and scroll for his 50 years of continuous service in the American Legion. These presentations were made by the Vice-Commander of Georgia Department of the Legion, Mrs. Mary B. Howard.

The occasion was a Ladies' Night dinner hosted jointly by M. C. Overton Post No. 89 of the Legion and Adams-Walker Post No. 4259 of V.F.W.

ILLUSTRIOUS SERVICE

The history of Legionnaire Bond's service to the Legion and his country was read by General Hughes Ash, along with a tribute from the Metropolitan Life Insurance Company from which Mr. Bond retired a few years ago.

General Ash also presented a beautiful pot plant to Mrs. Bond on behalf of both posts, commenting upon and commending Mrs. Bond, a charter member of the Auxiliary, for her outstanding services to and support of veterans' affairs.

82ND DIVISION'S TRIBUTE

Colonel Lester A. Webb, USA-Retired, of Gomer, Ga., represented 82nd Division Association. Comrade Bond served overseas with this Division in World War I. Colonel Webb read greetings from Hon. Tom Dennard, President 82nd Division Southern Branch WWI. After suitable complimentary remarks of his own, Colonel Webb read a beautiful tribute from Ira L. Greenhut, Secretary of 82nd Division Association and on behalf of the Association and presented Comrade Bond the beautiful medallion of "Defenders of American Liberty."

UNIQUE OCCASION

This is the first 50-year Service Award to be received at our local post. We are grateful for the long, faithful, productive years of service which Jones T. Bond has given to his fellow Veterans, his community, his State and his Nation. This delightful and richly deserved occasion truly bespeaks that it is more blessed to give than to receive. Both posts are most grateful to all who joined in the hard work to put on this affair and appreciate the splendid group which turned out to witness this high tribute to one who so richly deserved it.

WATERSHED PROJECT IN FRANKLIN PARISH, LA.

HON. OTTO E. PASSMAN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. PASSMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Mr. C. L. Traver, chairman, Board of Supervisors of the Northeast Soil and Water Conservation District to Mr. Richard K. Yancey, assistant director, Louisiana Wildlife and Fisheries Commission concerning the watershed program in Franklin Parish, La.:

SOIL AND WATER CONSERVATION DISTRICT,
Winnsboro, La., July 7, 1971.

MR. RICHARD K. YANCEY,
Assistant Director, Louisiana Wild Life and Fisheries Commission, Baton Rouge, La.

DEAR MR. YANCEY: Some months ago I read a statement that you had made concerning a watershed project in Concordia Parish, which prompted me to remark that Mr. Yancey is probably a pretty fair biologist but forgot to study economics. The statement you made before the subcommittee in Washington has confirmed the latter part of this statement, but cast some doubt about the first part.

Your long list of economic value of wildlife and fish is insignificant when compared to the production of farm products from the same area. Try it.

As for myself, I love these huge bottomland hardwood forests, and I am reasonably sure that some areas have been cleared that should not have been. However, most of these lands that I have seen were not overly productive of timber or wildlife. The *owners* cleared them because they are more valuable as cropland. They furnish employment, add to the general economy of the area and contribute tax revenue to pay for operation of schools and other facilities.

You made a great effort to blame the small watersheds for the clearing of bottomland hardwood forests, but you have no facts to prove it. Take my native parish (Catahoula) for example. It has no small watershed program, yet more land has been cleared here than in any other parish in the state. Most of this land was cleared by big corporations who contribute relatively little to the local economy as compared to small, locally owned farms. Tensas Parish, on the other hand, has a watershed program and most of the land is still locally owned.

As for the total wooded acreage in the state, compare the acreage in 1950 to that of 1970 and you will find very little change. The Soil Conservation Service and districts have caused many more acres to be forested than they have caused to be cleared. It is simply a matter of proper land use and economics.

Do you know what the climax forest type for the hills of North Louisiana is? It is hardwood, not pine. There are millions of acres of hill land that, if properly managed, will produce good pine and hardwood timber and wildlife, and is not adapted to farm crops.

You quoted impressive figures as to hunting days, etc., in this state, but you failed to mention that a vast majority of these were on someone's farm or in the hill country.

You shed crocodile tears over fishing destroyed by channelization, but failed to mention the thousands of acres that have been created by Soil Conservation Service or the recreational facilities that have been created within easy reach of hundreds of thousands of people. You also failed to mention that hunting in the big bottomland hardwood forests is largely reserved for those who can afford to belong to a hunting club or own a camp.

Most of the productive hunting in this state is done on farm land and in the hill country. The Soil Conservation Service and districts have contributed immensely to development of desirable wildlife habitat on many of these farms.

I happen to own several small farms and they support more wildlife and fish than the figures you quoted on the big swamp lands and also they produce some pretty fair crops. On one 150 acre farm, I have practically every form of wildlife and waterfowl and all native birds that exist in the state and some pretty good fishing.

In the process of earning a degree in forestry at L.S.U., I learned a few things about ecology, but they also taught economics. I have spent most of my life in conservation work, including U.S. Forest Service, Soil Conservation Service, and La. Forestry Commission and am now serving as chairman of the board of supervisors of the Northeast Soil and Water Conservation District. We are presently in the process of developing plans for two watershed projects in this area, but find ourselves handicapped and probably stopped by the Wildlife and Fisheries people.

If you people succeed in stopping these programs, you will have done tremendous harm to the economy of Franklin Parish. If you succeed in your efforts in Washington, you will prevent millions of dollars from coming into this state and this will not help the hunting and fishing, but will harm the economy of the state. The land of this state that is adapted to production of farm crops and is privately owned will be cleared and cultivated as surely as night follows day regardless of the fate of the small watershed programs.

There is a definite need for coordination of efforts of the Wildlife and Fisheries people with those of the Soil Conservation Service, but land use will be determined by land capability except in cases where it is controlled by public bodies.

I believe that the two proposed watershed programs in Franklin Parish could lead to tremendous economic development for the area. I also believe that it offers a wonderful opportunity for coordinating the efforts of the technicians of the Wildlife and Fisheries Commission and the Soil Conservation Service. I believe that the knowledge and talents of all these people should be used to develop this area to its full potential for all purposes.

If you succeed in stopping the small watershed program you will have done a tremendous disservice to the people of this state and in the long run you will help Wildlife and Fisheries very little, if any.

Very truly yours,

C. L. Tarver,
Chairman, Board of Supervisors.

REMARKS OF DR. RAYMOND L. BISPLINGHOFF, NATIONAL SCIENCE FOUNDATION

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. JONES or North Carolina. Mr. Speaker, on May 30 of this year, East Carolina University located in Greenville, N.C., had a graduating class of approximately 2,000. The faculty and the graduates were fortunate to have as their commencement speaker Dr. Raymond Bisplinghoff, of the National Science Foundation.

I have heard so many favorable comments on Dr. Bisplinghoff's speech, that I secured a copy of it and after reviewing it carefully, I am convinced that it deserves to be repeated, and I can think of no better medium than inserting this outstanding speech in the Congressional Record:

Remarks of Dr. Raymond L. Bisplinghoff

President Jenkins, distinguished guests, members of the graduating class:

In thinking about the assignment President Jenkins gave me for addressing you today, I decided to follow the example of a New England commencement speaker I heard several years ago who gave a graduation speech in terms of a series of propositions. The only difficulty of following this example was that I had to come up with some proposition. As I thought more about his address, all I could recall was that it was brief, very brief. I resolved that my first proposition must surely be that a graduation speech should, above all, be brief.

Having adopted a style and a first proposition from a northerner, I decided to turn to a southerner from another era for the second. In June of 1826, Thomas Jefferson was invited to come to Washington for the fiftieth anniversary of our independence. He could not accept and shortly after writing a letter, declining the invitation, he was dead. In that letter he wrote of—"the small band, who joined with us that day, in the bold and doubtful election we were to make for our country, between submission or the sword."

It is hard to realize in 1971 that the Declaration of Independence was one of the most politically inflammatory documents of all time. It established the proposition which I take as my second—*Man is inherently capable of governing himself*. What an extraordinarily radical proposition! So radical, it would be illegal to say it in public even today in much of the world.

Jefferson, living and writing in a simpler age than our own, was contrasting the American political experiment with the proven principles of European monarchy. Today, that proposition, while as politically viable as ever, needs to be extended to the more subtle tyranny of contemporary events. Jefferson's America, inhabited by only a few million souls, insulated each from the other by slowness of communications, permitted forms of social freedom that we may have now lost. But in surrendering these freedoms—or feeling that we have—we often make the assumption that the march of events is beyond our control.

Every year our population grows, our environment deteriorates, our cities become more blighted, ground transportation in the great urban corridors becomes less reliable, the power and communication networks become increasingly taxed, nuclear weapons proliferate and we feel that technology is depersonalizing us and our world. The world has changed greatly from that of Jefferson. Despair has impelled many to turn their backs on a rational approach towards the world's problems, and to seek comfort in a return to oversimplification and superstition.

But this is a surrender, or in modern terms, a cop-out. Man is inherently capable of managing his affairs. The environment, the city, and overpopulation are the affairs of man. That these problems are, in many ways, the inevitable by-products of progress is a point I will not argue. But I will not concede that they are insurmountable obstacles. They are but a job that can be done if we turn to it. Events are not beyond our control, if we have the skills and the will to take an active part in controlling them.

A third proposition is a corollary to the second—*Self-government requires education.* Jefferson said, "Every government degenerates when trusted to the rulers of the people alone. The people themselves, therefore, are its only safe depositories. And to render even them safe, their minds must be improved." He believed in that corollary—he regarded his role in founding the University of Virginia as more important than his service as President of the United States.

Today, more than ever, the ability of man to govern himself, in the face of the extraordinary complexity of 20th century life, demands an education capable of dealing with that complexity. Some present problems can perhaps be traced to the failure of education to keep pace as society has grown more complex. To be sure, the man of average education today not only has a deeper grasp of the principles underlying the work that he does, but he also has an education which, in sheer volume, far surpasses that of Jefferson's contemporaries. One great difference may be that Jefferson's contemporaries learned most of what they needed to know, not in schools, but as apprentices in the school of life. We may have wandered to one side of the main track in our placing so great an emphasis on long years of formal education, often highly specialized, to the exclusion of experience.

When I say education, I do not mean just education supplied by institutions. Of course, we can and should reflect updated considerations in contemporary education of our young people. However, the specific problems that you will face in middle age are not known today, cannot be foreseen, and you will not have been educated for them. To the extent you will be educated 20 years from now to deal responsibly with the problems you will face then, you must draw upon a base of general education which has taught you to think and reason. But this places on us all the responsibility of continuous improvement of the mind and an understanding of contemporary events. Too many of us, I am sorry to say, were described by the American playwight, John Mason Brown, who observed: "Part of the American myth is that people who are handed the skin of a dead sheep at graduation time think that it will keep their minds alive forever."

It has often been observed that in education the currently relevant is not likely to prove relevant in the future. This was borne out at the institution where I spent so many years, MIT, during the preparation for founding the Sloan School of Industrial Management in the early 1950's. A group of the faculty interviewed the presidents of a number of American corporations, putting to them the question: "What would you like us to teach men who, in time, might be your successors?"

These men were interviewed separately, but there was an extraordinary convergence in their answers. They all agreed that it would be unwise to teach them how to run a business. "Leave that to us," they insisted. Next they urged: "Try to teach them something about history and the process of change." They explained that industrial life was changing so fast in relation to our society that some feeling for where we had been and where we might go was essential. Then they pleaded: "Try to teach them to communicate." It emerged that one of the greatest weaknesses they felt was lack of men who could write clearly and to the point. Finally, they advised: "Try to teach them something about human beings. We doubt that you can, but try anyway." They were conscious that the heart of their job lay in dealing with people rather than machines. In advocating that we teach men something about history and change, writing and people, they pierced through and identified what we should all ultimately acquire from our education, whatever its technical subject matter. This is understood by the faculty of every great university, and should be understood by you as you get on with the never ending business of education for the balance of your lives.

But one of the most disturbing trends of today constitutes a fourth proposition—*We are severely questioning the ability of rationalism to solve our problems.* Partly, we are demanding greater consideration of human values in the planning of our technical systems. To that extent, I salute it. However, part of it is an embrace of anti-intellectual return to superstition. This is self-defeating. Rejecting science and the rational approach towards problem-solving as anti-humanist, is a rejection of human dreams at the least, and dangerous at the worst.

My point is twofold. First, it is the nature of man to look at the stars and wonder. But there is another element. Man has always been a great manipulator and modifier of his environment. That his manipulations of the last 200 years have resulted in a degradation of that environment is beyond argument. But the answer to our problems does not lie in turning our backs on the system which, only among other things, produced these problems. Only a moment's thought on what that really means shows what a shallow idea it is.

Every generation, including our own, considers itself the most threatened in history. As change accelerates, the impact of that change becomes greater, and the apparent crisis more grave. I do not subscribe to the theory that human history will end with our generation, or that it is even likely. Rather, today is a time that has its own problems, many of which are so large that we must get on with the job of doing something about them. I will even concede that many of the problems we have today are hangovers from yesterday's incomplete solutions, like pollution. Although some lawmakers act as though they discovered it, many scientists and engineers have been working on it for years and we find the American humorist O. Henry, a native North Carolinian, describing a Nashville drizzle in 1890 as "London Fog, 30 parts; malaria, 10 parts; gas leak, 20 parts; dewdrops gathered in a brickyard, 25 parts; odor of honeysuckle, 15 parts."

My last proposition is that *we need to rededicate ourselves to rationalism and education if we hope to make self-government work in the future.*

But, I warn you this is not an easy road to travel. Greater understanding will be needed by each of us of the current issues, whether they be scientific in their content or humanistic, or both. We can settle for no less if we wish to make Jefferson's principle survive in the years ahead.

Alexis de Tocqueville recognized the challenge that confronts all Americans in a perceptive observation early in the 19th century. He did not question our resolve and capability to act effectively when the goals could be clearly perceived or when there existed an easily understandable external threat or physical disaster. He questioned the outcome when citizens were asked to judge more subtle issues so complex and far removed from their daily lives that they could hardly understand their nature and long-term implications. Many of the pressing domestic issues that confront our country today fall within this category.

Let me return finally to the environment because it is such a good example. We want clean air, clear water. But these are not to be obtained by stopping technology or even denouncing goals set in another time. They can be obtained by changing technology—to the extent that technology takes into account the highly complex science of ecology, and fits into it. If we are to have all this and a humane society, the decisions that will put such technology on stream must be ratified by a public which understands at least the basis of both the technology and the ecology.

But I will repeat that this depends not only on scientists and engineers being more humane, but on a society of people who understand this aspect of the world around them and on both groups having a better grasp of the process of change. If we can do this, and there is every reason to believe we can, there is no cause to despair. We will have taken the largest stride toward learning how to govern ourselves as well in the 20th century as in the 18th.

But, I assure you, it will all depend, in the final analysis, on the well-informed and active participation of each of you, wherever you live and whatever you do.

CAPTIVE NATIONS WEEK

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1971

Mr. WHALEN. Mr. Speaker, this week marks the 12th anniversary of the passage by Congress of the captive nations resolution. I am pleased to join with so many of my colleagues in this commemoration.

Unfortunately, the Iron Curtain continues to exist, to the detriment of those who reside behind it. While we have penetrated it to a limited degree, the deprivations that are the hallmark of the totalitarian state still must be endured by the residents of those nations. Perhaps the worst aspect of their lives is the inability to have a voice in the political life of their countries. Alien as that is to those of us who are privileged to live in the United States, it is a fact of everyday life in the Communist countries.

Life has improved somewhat for these people since the end of World War II. It scarcely could have gotten worse. But the betterment of material circumstances is no compensation for the absence of personal freedom.

We know that the yearning for liberty persists, so deeply imbedded are its roots in the captive nations. The regimes in power are fully aware of this fact as well as their repressive actions frequently illustrate.

This annual observance by the United States serves to encourage the hopes of those many peoples that one day they again will be able to join the ranks of the free world. Thus, Mr. Speaker, I am honored to participate in the House's commemoration of Captive Nations Week.

COMMENDATION FOR OUR NURSING HOMES

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. MURPHY of New York. Mr. Speaker, this Nation is facing an unusual paradox. Because we are a thriving, healthy people, we live longer. This longevity, however, has created a health crisis, because, as we grow older, we are more likely to suffer from illness.

In fact, the vast majority of nursing home residents are older persons. Half of the patients are over 75 years of age; one out of three is 85 or older.

The vast majority of nursing homes in this country, although they face many problems, are doing a commendable job meeting the health care needs of the elderly. I believe that one group of health-care facilities stands out and should be recognized for its dedication and excellence.

This group is the Metropolitan New York Nursing Home Association, which has 90 member homes in the five boroughs of New York City. The association, whose homes have a total bed capacity of 12,500, has earned a reputation as a forward-looking group, always sensitive to the physical and emotional needs of its patients, many of whom yearn for "TLC."

"TLC" is "tender loving care," and the association's members are not embarrassed by using this old-fashioned phrase. TLC is an integral part of the modern, well-equipped licensed nursing homes in New York.

The Metropolitan New York Nursing Home Association is a nonprofit organization dedicated to the welfare of the aged, chronically ill, and the disabled. It assists its member nursing homes in their continuing efforts to meet their community responsibility and, as their representative, it coordinates their activities with governmental and professional organizations and agencies.

I think it is important to point out that a handful of nursing homes do not always live up to the highest professional standards. The association is doing its utmost in urging these few institutions to upgrade the caliber of their facilities and programs, and deserve recognition for their worthy efforts.

It is the policy of the association's members to admit and to treat all patients without regard to race, color, or national origin. The same requirements for admission are applied to all patients. There is no distinction in eligibility for, or in the manner of providing, any patient service.

The motto of the Metropolitan New York Nursing Home Association is therefore particularly apt: "Homes to Enjoy . . . Not to Endure."

I would like to commend the officers of the association for their dedication to the goal of bringing quality health care to their patients. They are: Meyer Temkin, president; Nicholas Demisay, first vice president; Ernest Dicker, secretary;

Moses Braunstein, recording secretary; Daniel Resnick, treasurer; Eugene Hollander, honorary president; and Irwin Karassik, the executive director.

The facilities in the Metropolitan New York Nursing Home Association are prime examples of the national trend of vast improvements in geriatric care.

For example, during the last 10 years, nursing homes have progressed as much in quality and sophistication as hospitals have in a generation.

Nursing homes have become an integral part of the health care system in the United States. Several types of facilities come under this broad category offering various levels of care.

A mere generation ago, the nursing home which provided anything more than simple custodial care was the exception rather than the rule. Now, nursing homes are fully equipped, well-staffed facilities geared to meet the needs of the individual patient/resident, and especially so in the area of geriatric care.

I believe that these improvements in health care, as exemplified by the Metropolitan New York Nursing Home Association, should be known to the Congress, Mr. Speaker, and that is why I have commented on them today.

THE 1925 GENEVA PROTOCOL: TIME FOR ACTION

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ROBISON of New York. Mr. Speaker, I bring to the attention of my colleagues a matter of vital importance that has been neglected and postponed by this Nation for more than 45 years. I am speaking of the "Geneva Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous, and Other Gases, and of Bacteriological Methods of Warfare." In substance, the 1925 Protocol calls for the prohibition of the initial use of all bacteriological and chemical instruments of war.

I need not remind my colleagues that this country has consistently led the struggle to avoid the devastating effects of not only chemical and biological warfare, but nuclear warfare as well. Just recently the current administration decided to destroy our stockpiles of certain chemical and biological weapons. This coupled with our continuing efforts to reach at least a partial agreement with the Soviet Union on nuclear disarmament, amply demonstrates our desire to work for a safe and peaceful world.

Why is it, then, that it has taken us so long to join with the other nations of the world and voice our support of the Geneva Protocol? It is seemingly because we would like to retain the military use of teargas and herbicides while at the same time disavowing any intention of ever using other chemical or biological weapons. There is deep dissension about whether the protocol's wording allows for any such exceptions. The basic problem, then, centers around the protocol's term "Other Gases." Does this encompass tear gas—a relatively minor and, perhaps, even humane gaseous "weapon"—and herbicides, which destroy foliage without, in and of itself, destroying human life? While the majority of the signatory nations have chosen to interpret this term as all inclusive, our present and preceding administrations have chosen the opposing view, and wish to receive the consent of the Senate with the understanding that the language of the protocol does not include tear gas and herbicides. While the Nixon administration has found this position most compatible with the prior use of these chemicals by our forces in Vietnam, the present level of usage has declined to such a degree that it is now foreseeable that the use of tear gas and herbicides as a military weapon can be phased out without requiring major adjustments by remaining troops.

It has been constantly pointed out, in testimony given before the Senate Foreign Relations Committee, that our military leaders no longer view the use of tear gas as vital to our military operations. The point has also been made that the more frequently tear gas is used, the less effective it becomes—due to the enemy being forced to wear protective equipment, thus neutralizing the adverse effects of the gas. These facts tend to eliminate a major reason for our lack of action in the past.

We are, therefore, faced with a decision: Do we continue on our present course and insist on a restrictive interpretation? Or do we join with the majority of nations and ban the "first use" of all chemical and biological agents in warfare? We must remember that many nations, within and without the United Nations, look to this country for guidance and encouragement when initiating a foreign policy. Prof. George Bunn, in a recent edition of the Wisconsin Law Review, presents a compelling argument for the ratification of the protocol in this matter:

> #### EFFECT ON REDUCING LIKELIHOOD OF GAS AND GERM WARFARE
>
> The best reason for United States ratification is the increased attention and effectiveness it would give to the protocol as a barrier to the first use of chemical and biological weapons.
>
> Our failure to adhere to the protocol has repeatedly been called to the attention of other nations by the Soviet Union and its allies. All other nuclear powers, including China, and all other major industrial nations, except for Japan, are parties. For these reasons, our accession would be regarded as important by other countries.
>
> The 1966 United Nations resolution dealing with the protocol renewed interest in it as an instrument for maintaining continued retraint on poison gas and germ warfare. Probably as a direct result, some 12 developing countries have become parties since 1966. Our ratification would give further impetus to the effort to secure adherences.
>
> As indicated earlier, the basic prohibition of the protocol appears to apply to non-adhering states. But many of the emerging African and Asian nations do not regard themselves as bound by rules developed as the result of practices of "colonialist" powers. Only adherence to the protocol is likely to be regarded by them as producing a serious inhibition upon their first use of gas or germ warfare. Yet these same states could acquire chemical and biological agents with much less difficulty than they could acquire nuclear weapons. Indeed chemical and biological weapons have sometimes been called the poor man's atomic bomb. The most recent use of poison gas was, after all, in Yemen. Neither that country nor Israel and Jordan are parties to the protocol. Among the emerging countries of Sub-Saharan African, only nine have joined, all within the last five years. Mainland China and India are parties, but Japan and many less developed countries are not. Latin America currently has the fewest number of parties of any major region of the world. In my view, United States adherence to the protocol would stimulate wider acceptance of it by countries in these areas, and would enhance its credibility as a deterrent to the first use of poison gas and germs in war.

The present world situation is such that this step in lessening the threat of chemical and biological warfare is sorely needed. It is imperative that this protocol be acted upon; that we join with other nations of the world and stand behind this agreement; and that those nations of the world that are not now committed to these principles be pressed to join the United States in affirmation of this important document.

THE DECLINING DEFENSES OF THE UNITED STATES

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July, 27, 1971

Mr. SCHMITZ. Mr. Speaker, the Phyllis Schlafly Report of July 1971 presents an excellent summation of the current defense situation. This report gives a few of the reasons which probably influenced the current head of the Strategic Air Command, Gen. Bruce K. Holloway, to state in testimony before the Senate Committee on the Armed Services that—

> This country is in greater danger today than it was at the time of Pearl Harbor or at any time, in my judgment, since the 18th century, but the danger isn't generally recognized.

The Schlafly Report follows:

> #### HELL-BENT ON NATIONAL SUICIDE
>
> Americans are justly proud of having a system of government that guarantees more freedom than any nation in the world ever enjoyed. Let us always remember that our American freedom includes the freedom to commit suicide. In the opinion of our best informed citizens, this is exactly what we are doing. Here are four warnings which have gone largely unreported by most of the press.
>
> ##### GENERAL LE MAY'S WARNING
>
> General Curtis E. LeMay, the great commander who built up the Strategic Air Command as our first line of defense, on February 24 in Santa Ana, California predicted that within 18 months the Soviet Union will serve a "capitulation-or-else" ultimatum on the United States, and President Nixon will have no choice but to surrender and succumb to Soviet demands.
>
> Asked what he meant by the words "or else," General LeMay replied that "or else" means an attack by "nuclear weapons." Continuing, he said:
>
> "While the United States is wasting money

on TNT for use in the jungles and rice paddies of Southeast Asia, Russia is spending money on what today is the finest strategic weapons system in the world. We have become a second-rate power, and our whole military establishment is rapidly going downhill because our weaponry—both offensive and defensive—is outmoded. . . . Like it or not, we are at war with the Communists—and we'd better do something about it, fast, before it's too late."

General LeMay said the American people are deceiving themselves if they "believe we have a strong national defense system. That's what we're told, but it's not so—really. And I know."

This sensational statement by one of America's greatest living military leaders was reported in newspapers in California and Indiana. It was apparently censored out of newspapers and television and radio reports in most of the rest of the country. Five months have passed since General LeMay gave his warning about "18 months," but nothing has been done in Washington to rebuild U.S. nuclear strength.

JOINT COMMITTEE WARNING

The Joint Committee on Atomic Energy, made up of nine Senators and nine Congressmen, some hawks, some doves, some conservatives, some liberals, ten Democrats, eight Republicans, is one of the best informed bodies in our Government. On May 24, 1971, this Committee issued an ominous warning: The United States, unless it moves quickly to counter a rapidly expanding Soviet naval threat, faces a future in which it will have to surrender to the Soviets on all issues or risk nuclear annihilation. Any delay may mean "no future."

The 278-page report contained hitherto unpublished official reports and statements by Admiral Hyman G. Rickover and other experts on the status of Soviet and U.S. naval forces. The bald facts are these.

The Soviet Union has a sure navy of 2,009 units compared with a U.S. surface navy of 563 units. The Soviet submarine strength is 355 compared with 142 for the United States. The advantage in nuclear submarines in which we long took comfort has disappeared. Soviet ballistic missile submarines armed with Polaris-type nuclear missiles now patrol off both coasts in range of most of our urban industrial areas.

This prestigious Congressional Committee concluded that unless prompt measures are taken to build up a nuclear navy, America will have "to give in on all issues . . . There may be no future. . . . We will soon find ourselves unable to defend our national interests." The Committee urged recollection of the statement by President Eisenhower quoted on the keel of the nuclear aircraft carrier which bears his name: "Until war is eliminated from international relations, unpreparedness for it is well nigh as criminal as war itself."

BLUE RIBBON WARNING

Soon after President Nixon's inauguration, he appointed a "Blue Ribbon Defense Panel" to study the workings of the Defense Department and recommend how to make it more efficient. In the course of their investigation, seven members of that Blue Ribbon Panel become so alarmed about the inability of the United States to defend ourselves against the growing Soviet nuclear threat that they wrote a "Supplemental Statement" and submitted it to President Nixon on September 30, 1970.

Although this Statement expressly said that its purpose was to "contribute to public discussion" and result in "wider public understanding" because "the public remains uninformed and apathetic" in the face of the Soviet threat. The Pentagon suppressed it for nearly six months. When the Defense Department finally released it on March 12, 1971, no explanation was given for why it was kept secret so long.

On April 5, *U.S. News & World Report* printed a short summary of this Supplemental Statement. It was largely ignored by the press. On April 19, Congressman John G. Schmitz of California put the full text into the *Congressional Record* (page 10799). This Supplemental Statement was signed by William Blackie, board chairman of Caterpillar Tractor Company, Peoria; George Champion, president, Economic Development Council, New York; William P. Clements, Jr., president, Southeastern Drilling, Dallas; John M. Fluke, president, John Fluke Manufacturing Company, Seattle; Hobart D. Lewis, president, Reader's Digest Association, Pleasantville, N.Y.; Admiral Wilfred J. McNeil, director, Fairchild Hiller Corporation, New York; Lewis F. Powell, Jr., lawyer, Richmond.

The Blue Ribbon Statement publicly recognizes "the abandonment by the U.S. of its former policy of maintaining strategic superiority." It will be recalled that Richard Nixon, in campaigning for the Presidency, on October 24, 1968, specifically promised to restore our "clearcut military superiority." The Blue Ribbon Panel members, all of whom are Nixon appointees, tactfully refrained from mentioning this, but they make clear that the President's promise has not been kept.

A "SECOND RATE" POWER

The Blue Ribbon Statement bluntly states that the United States, as a "second rate" power, will be "subordinate to manifest Soviet military superiority. . . . The world order of the future will bear a Soviet trademark, with all peoples upon whom it is imprinted suffering Communist repressions." *That clearly means all Americans.* "In the 70's neither the vital interests of the U.S. nor the lives and freedom of its citizens will be secure."

The Blue Ribbon Statement says that our present danger "was predetermined by decisions made in the 1960's, which resulted in the reduction, postponement and abandonment of strategic defense measures and weapons systems." Of course, all readers of the Schlafly-Ward book, *Strike From Space,* knew this in 1965, *at the time it was going on.*

The Blue Ribbon Statement explodes the myth of relying on the "Sino-Soviet split," saying "the friendship between the Soviet Union and Red China has dissolved. . . . But this disunity among Communist powers does not necessarily enhance the chances of peace for the Free World. . . . Each has always proclaimed that the principal enemy is 'imperialistic America.' . . . The Marxist purpose of communizing the world remains the goal of every Communist party."

The Blue Ribbon Statement says flatly that "the reopening and control of the Suez Canal" is a Soviet objective; "this waterway [is] as important to the Soviet Union as the Panama Canal has been to the U.S." If Secretary of State William Rogers would read the Blue Ribbon Statement, he would see that he is directly serving the Soviet Union by his frantic efforts to pressure the Israelis into allowing the opening of the Suez Canal.

There has been much public debate in the last few months about the number of American troops which should be stationed in Western Europe. The truth is that whether we have 150,000 or 300,000 troops in Europe is an exercise in irrelevancy, as the Blue Ribbon Statement makes clear: "The Soviet Union has some 700 IRBM's deployed within convenient range of defenseless Western European cities and NATO forces." Note the word "defenseless." Western Europe has no strategic defense against the Soviet nuclear threat because former Secretary McNamara scrapped all our European-based IRBM's.

ICBM SUPERIORITY

The Blue Ribbon Statement warns flatly that "the Soviet Union has attained for the first time a superior strategic capability—where it counts the most—in ICBM's. . . . While we imposed a limitation on additional strategic weapons, the Soviets pressed forward to overtake and pass us. . . . More serious than the numerical superiority is the substantial megatonnage advantage enjoyed by the Soviet Union. The enormous payloads of the SS–9's have a destructive capacity incomparably greater than any U.S. missile. . . The Soviet SS–9 ICBM force alone is capable of delivering a megatonnage of nuclear warheads several times greater than that of the entire U.S. force of ICBM's and SLBM's. . . . It is well to remember that we have *no defense whatever* against Soviet ICBM's and SLBM's which *now* have the capability of killing perhaps *half of our population*—more than 100 million people—by a surprise first strike." (emphasis added)

The Blue Ribbon Statement calls attention to the heavy Soviet financial commitment to building a first-strike capability: "The trend of Soviet defense spending continue steadily upward. . . . The Soviet Union is spending significantly more than the U.S. in the buildup of its strategic offensive and defensive weapons" even though its gross national product is only half of ours.

The Blue Ribbon Statement concludes: "The only viable national strategy is to regain and retain a clearly superior strategic capability," which can be done (1) by building enough new strategic nuclear weapons, and (2) "by eschewing agreements [such as SALT] which freeze the U.S. into a second-rate status. . . . The road to peace has never been through appeasement, unilateral disarmament or negotiation from weakness. The entire recorded history of mankind is precisely to the contrary. Among the great nations, only the strong survive."

The Blue Ribbon Statement warns in the strongest language against "the danger of fatal concessions or even of a deliberate trap" at the SALT talks now going on between the U.S. and the U.S.S.R. in Helsinki. The Blue Ribbon Statement says that it would be "egregious folly" for the U.S. to agree to freeze strategic capabilities "at some level of specified parity" because this would actually enable the Soviet Union to "strengthen its overall military and political position."

President Nixon's announcement that he has made "a major step in breaking the stalemate" in the SALT talks is the "egregious folly" of which the Blue Ribbon Panel members warned. What was hailed as a "major breakthrough" was really a U.S. surrender of our previous position that any agreement must cover all offensive weapons and not prevent our catching up with Soviet ABM systems.

Many people ask, "why do we need more nuclear weapons when we already have enough to kill every Russian?" The Blue Ribbon Statement clarifies the reason. We have no assurance whatsoever that our weapons can kill any substantial number of Russians because of the extensive Soviet anti-missile and anti-bomber defenses. More important, the U.S. has no missiles which can destroy Soviet weapons, while the Soviets are approaching the capability of wiping out our entire missile force with their giant SS–9's.

OUR "ONLY HOPE"

Although the Blue Ribbon Statement is "respectfully submitted to The President and The Secretary of Defense," it offers not the slightest trace of optimism that they will accept the recommendations. The impression given is that the Blue Ribbon Panel members have despaired that President Nixon will fulfill his promise to restore our "clearcut military superiority," and so are appealing over his head to the American people. The Statement repeatedly admonishes the American people to rise up and demand nuclear superiority, but never calls on President Nixon to do anything. At one point the Blue Ribbon Statement says our "only hope . . . is to assure a wider public knowledge of the facts and an understanding of the probable consequences of second-rate military status." If we fail, "there is little future for America as we know it or for our cherished freedoms."

What the Blue Ribbon Panel members are saying is: Voters, if you want America to survive in the face of the Soviet nuclear threat, it's up to you to do something about it, because the President, the Defense Department, and the Congress certainly are not doing what needs to be done.

CONGRESSMAN RIVERS' WARNING

The Congressional committee which is directly concerned wtih defense is the House Armed Services Committee. Its chairman for many years until his death this year was Congressman L. Mendel Rivers. Last September 28 he made a speech called "The Soviet Threat" which must rank as one of the most important ever given in Congress. He laid it on the line about the critical danger America faces today. Because this great speech was given the silent treatment by most of the press, we reprint here selected excerpts. The full text can be found in the Congressional Record, volume 116, part 25, page 33899.

"Mr. Speaker, never before in the 30 years of my membership in this body have I stepped into the well of this House with greater concern for the future of this Nation.

"The fears that I have are those that must be shared by every American regardless of his political or social philosophy or his economic status.

"All Americans have been given the blessed and priceless heritage of freedom—a freedom which I am convinced is in terrible jeopardy. . . .

"Consideration of the defense budget, contrary to what some would have us believe, is not a question of assigning relative priorities between defense and domestic programs.

"Decisions on the defense budget should be based on the simple question of nation survival—and nothing more.

"The issue should be 'what is required to survive?'; and not 'how should we allocate the national budget between defense and domestic programs?'

"The final measure fo our abiltiy to survive as a nation in a hostile world will not be how well we have managed our domestic resources and domestic programs, but whether or not we have avoided and frustrated the forces of evil which would draw us into the crucible of war with the Soviet Union.

"If we fail in that endeavor, we will have failed in everything.

"It is this circumstance which demands that we maintain a level of strategic and conventional military capability that will insure against any misunderstanding by the leaders in the Kremlin of our intentions to survive.

"Regrettably, the leaders in the Kremlin are now evidently unimpressed by both our military capability and our national determination to survive. . . .

"Since the deterioration of our military capabiltiy vis-a-vis the Soviet Union is no secret to the Kremlin, I believe it is high time that we tell the American people the facts of life. I plan on doing that today. . . ."

[Congressman Rivers then set forth in specific detail how the Soviet Navy has achieved superiority over the U.S. Navy, especially in submarines, modernization, speed, and surface-to-surface missiles. He spelled out the formidable Soviet naval threat in the Mediterranean, in the Caribbean, in the Atlantic, and off Cape Kennedy.]

"THE BRINK OF DISASTER"

"I cannot overemphasize the seriousness of this situation. Yet, I know that there are people in the Congress of the United States who will say 'so what?' I can only warn the Members of this House that we are on the brink of disaster and I have never before been so concerned in all the years I have served in the Congress of the United States.

"We must, therefore, acknowledge the fact that our naval vessels are today simply not capable of discharging their wartime mission requirements if called upon to do so. . . .

"The deliberate and calculated offensive plans of the Soviet Union are now becoming crystal clear with the release of information by the administration of evidence of new Soviet activity in Cuba. I have no doubt that the Soviets are now building a missile-launching nuclear-submarine naval base in Cuba. . . .

"We cannot live with this new Soviet threat at our very doorstep. We cannot permit the cities of the eastern seaboard to become hostages of the Soviet Union. . . .

"Do not be misled into believing we can make up for this frightening loss of naval superiority by relying upon a superior strategic nuclear capability vis-a-vis the Soviet Union. Since 1965, the Soviet Union has engaged in a major effort to change the balance of power in this area of military capability. In that period it has more than tripled its inventory of strategic offensive nuclear weapon launchers. . . .

"In the same period, the United States has made no increase in its established level of 1,710 strategic nuclear missile launchers, and has reduced its heavy bomber strength from 780 to less than 600. . . .

"Although the 300 SS-9's will represent considerably less than half of the total inventory of the Soviet land-based ICBM's, this portion of the Soviet ICBM inventory will alone be capable of delivering a megatonnage in nuclear weaponry which exceeds the combined total nuclear weapon megatonnage delivery capability of all of our existing strategic delivery systems, including not only our ICBM force, but our Polaris force as well as our heavy bomber force. Certainly this fact alone ought to raise serious questions concerning the alleged 'defensive' posture of the Soviet Union.

"We have no counterpart for this huge Soviet nuclear weapon delivery system. . . .

"In 1965 neither the Soviet Union nor the United States had a depressed trajectory ICBM or a fractional orbital bombardment system—FOBS. Today, the Soviet Union has tested both, and could very well have operational versions of these weapons systems already deployed. Both of these developments have far-reaching implications on our defense capability.

"Unfortunately, we have nothing like these, and to the best of my knowledge, none on our drawing boards.

"Today the Soviets can launch over 200 ballistic missiles from their nuclear-powered submarines. Two years from now 400 to 500 of these Polaris-type missile launchers are expected to be operational, and by early 1974, this Soviet submarine-launched ballistic missile force will inevitably exceed the constant U.S. force we now have of 656 Polaris launchers. Further, most of our major cities are close to our coasts within short range of their potential submarine stations. . . .

"Our tactical air capability, when compared to the Soviet capability, also raises serious questions as to our ability to cope with the Soviet Union in a conventional confrontation. For example, since 1954 the Soviets have designed and produced 18 new types of fighter planes—13 of these models we have actually photographed in flight. In the same time frame, the United States has not produced a single new air superiority fighter, and actually we have not had one on order until this year. . . .

HANGS BY A THREAD

"I say to this House that the future of this Nation hangs by a thread.

"We are in a far more serious situation than many would have you believe. Our way of life is not only being challenged from within, it is being very definitely threatened from without . . .

"Now let me summarize for a moment. I have outlined to you that our former 5-to-1 margin in nuclear strategic weapons has in a few short years vanished. The Soviet Union now has a nuclear strategic weapon capability in excess of ours, and this superiority will continue to increase if we do not take dramatic action to stem the tide. We can no longer look upon our threat of nuclear war as a satisfactory deterrent to aggression with conventional arms, as we could in the two decades past. From here on if we threaten nuclear war in response to aggression, we risk our own destruction.

"Moreover, I pointed out that the Soviet Union has within a few short years negated our naval superiority. This same accomplishment is evident in other areas of conventional warfare, including our ground and air capabilities.

"As a matter of fact, while Congress is still debating the necessity for building an advanced manned strategic bomber, the B-1, we now know that the Soviet Union has already built such an aircraft, and it should be coming into their operational inventory at least 3 to 4 years before we can hope to have our B-1 operational.

HELL-BENT ON NATIONAL SUICIDE

"The circumstances of the B-1 bomber debate in this country illustrate the reasons why we seem hell-bent on national suicide. While we debate the question of maintaining our military capability, the Soviet Union quietly but openly forges ahead.

"It may be that the gap which has now been created in our defense capability can never be bridged. The Soviets have the bit in their teeth, and make no mistake about it, are both capable and determined to maintain this newly developed superiority. . . .

"In calendar year 1969, the United States spent a total of $7.5 billion on strategic offensive and defensive weaponry. During that same period, the Soviet Union expended approximately $13 billion for the same effort. Thus, it is evident that the Soviet Union in a single calendar year has spent approximately $5.5 billion more for increased strategic capability than did the United States.

"I recognize that a $5.5 billion added effort is somewhat difficult for laymen to comprehend. However, since the cost of a single Minuteman missile is approximately $4.8 million, the added Soviet effort is roughly equivalent to the procurement of a thousand Minuteman missiles.

"All of this in one calendar year. . . .

"As a matter of fact, this circumstance alone illustrates the cold and calculating master plan of the Soviet Union, who in entering the SALT negotiations hope to freeze the United States in an inferior position in strategic weaponry.

"I pray to God that the American people, and the Congress in particular, will soon awaken to these realities and recognize that the question confronting us is no longer one involving the relative allocation of priorities in spending between defense and domestic programs, but rather the fundamental question of national survival.

"We cannot as a Nation afford to spend one penny less on national defense than that amount which is required to insure that you and I, and our children, can convince the Soviets they dare not pull the trigger when a Soviet gun is placed against our heads.

"The issue, therefore, is very simply how much money must be spent to insure our survival—since if we fail to demonstrate to the Soviet Union our determination to survive—the amount of money we spend for domestic programs will become merely an academic exercise.

"I plead, and I beg you, my colleagues who collectively have the responsibility of the security of our Nation in your hands, to ponder these facts which I have brought to you today. They are proof positive that we are in serious trouble. Unpleasant as these facts may be, you cannot ignore them, for if you do, you are failing not only your constituency but also all the peoples of the world who, in the final analysis, look upon the United States as the fountainhead and guardian of the highest aspiration of genuine freedom in this chaotic world. . . .

"These are the facts which reflect the prophetic wisdom of an observation once made by a gentleman by the name of Mr. Richard M. Nixon, when he said:

"'If present trends continue, the United States, a very few years hence, will find itself clearly in second position—with the Soviet Union undisputably the greatest military power on earth.'

"I am afraid that the day has already arrived."

IF NOT US, WHO?

When Congressman Rivers concluded his speech, he was warmly commended by Congressmen of both parties. Congressman Durward Hall said: "What you have said today can be construed as neither hawkish, or dovish, but eaglish, that gallant and magnificent creature that symbolizes the strength and honor of this great Nation. . . . In the defense of freedom, if not us, who? If not now, when? If not here, where? I hear no answers. . . . If we do not first concern ourselves with the survival of this Nation, all the rest will go for naught."

Congressman Don H. Clausen said: "This historic and well-documented speech of Chairman Rivers could well record him as the 'jet, space, and nuclear age Paul Revere.'" Mr. Rivers responded: "I only hope that someone, somewhere in the smoldering ruins, will say, 'Old Rivers did the best he could.'"

Are you, my friends, doing the very best you can to save our beloved America from being "hell-bent on national suicide"?

THE HOLLAND YEARS

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. GIBBONS. Mr. Speaker, one of the most beloved public servants from the great State of Florida is Spessard Holland. He served with great distinction as U.S. Senator, and prior to that he served the people of Florida as one of its ablest of Governors.

Recently, television station WFLA in Tampa, Fla., aired a program entitled "The Holland Years" which I know will be of interest to House and Senate Members. It is a pleasure to have inserted into the Record part of the public record of a distinguished Floridian. The transcript follows:

The Holland Years

A look at the history of our times through the experiences of former Florida Governor and United States Senator, Spessard Holland.

Bill Henry. When Senator Spessard Holland retired from the U.S. Senate in January of 1971, it marked the conclusion of nearly fifty years of service to State and Nation . . . County Judge, State Senator, Governor, United States Senator. Over twenty-four years, approximately a quarter of a century, of this particular time was spent in the U.S. Senate, and during a turbulent period of American history. A period of change and a period of unrest. It's on this period that we would like to concentrate. As a member of the country's highest elective law-making body, Senator Holland was a very real part of that history. He rubbed shoulders with it, and he helped to shape its course in many areas. He served under five Presidents: Mr. Truman, Eisenhower, Kennedy, Johnson and Nixon.

Senator Holland, as first the Junior and then, of course, the Senior Senator from Florida, you had occasion for personal observation and for encounter with these Presidents who helped to shape the destiny of our country. Would you share with us your impressions of them as men, and any personal antidotes you might recollect? Mr. Truman, for example . . .

Senator Holland. Well, President Truman, to me, was the most decisive President under whom I served. He didn't hesitate to act, and to act promptly on important international questions. I followed him very closely in his international decisions. I didn't follow him closely in his domestic positions, and he sometimes was not very kind personally to me. But, I must say that I thought, among the five Presidents, he was the most outstanding. So far as my personal feelings were concerned toward the Presidents, I found President Eisenhower the most likeable, the most always pleasant, the most always kindly of all the five. And that is a summary at least of those two. I would be glad to answer further if you have questions.

Bill Henry. You indicated, I believe, an area of disagreement with Mr. Truman at the domestic level, but agreement at the international level. Could you elaborate a little on that?

Senator Holland. Well, at the international level, he sponsored the Greek-Turkish aid activity, which stopped Communism there . . . and I backed him strongly. He sponsored the Marshall Plan. He sponsored UNRWA. He sponsored the NATO program. He felt that we should fight in Korea, and I agreed with him. On every one of the important international decisions that he made, I backed him. I honored him that he didn't pussyfoot. He didn't avoid the problems, and they were heavy ones, which confronted him.

On his domestic problems, of course, we had grave differences on the Tidelands question. He called over a national chain network . . . he called all of us who were supporting the Tidelands Act, as guilty of daylight robbery. You may remember that I had to ask for time to reply, which I did over all the NBC stations in the nation. He found fault with my position on civil rights. He found fault with my position on many things . . . and he wasn't one who found fault in a quiet way. He found fault rather personally. So far as personal liking is concerned, I would say there was very little lost at that stage between President Truman and myself.

So far as his international decisions were concerned, I thought he was just about 100% right. And I must say, that after he ceased to be President . . . one time at Key West . . . he said that on studying the Record, he found that I had supported him 100% on international questions. He was surprised to find it, because he had gotten lost in the fact that we were on opposite sides in many domestic questions.

Bill Henry. When Mr. Eisenhower came in as President, the nation had, of course, a former military man . . . in fact, a gentleman who had made his mark in life as a great general, then as a president of a University and then as President of the United States. He was, I imagine, an entirely different personality from Mr. Truman.

Senator Holland. Oh, yes.

Bill Henry. How did the reigns of the Presidency seem to evolve and change from these different personalities taking over the country . . . from Mr. Truman to Mr. Eisenhower . . . as you saw it from your position in the Senate at that time?

Senator Holland. President Eisenhower, was not nearly so decisive. He wasn't nearly as firm a leader. The first act of any consequence that he sponsored that passed during his time was the Tidelands Act. And he was as pleased about it as if he had been a boy. The picture of his signing the Act, and then congratulating me, shows him just so pleased. He caught on only gradually to the fact that he had to make the decisions . . . and never did become as decisive as I felt a great President should be. But I liked him immensely because he was such a very fine gentleman. I think that the Senate generally felt that way towards President Eisenhower.

Bill Henry. Again with the change of Presidents, the nation saw a drastic change in personalities from Mr. Truman to General Eisenhower to John F. Kennedy. And again I would ask you . . . How did you see the nation changing under different leadership?

Senator Holland. I don't think that John F. Kennedy had ever grown up so far as his Presidency was concerned. I think he would have been a better President later, if he had lived. But he did not show the firmness of grasp which one would expect of a President, or the firmness of leadership. He was largely academic. He had an enormous learning. He had never gotten anything done in the Senate. He didn't get anything done as President. But he left a framework upon which his successor, President Johnson, got very much done.

President Johnson, of course, was accustomed to getting things done because he had been both Minority and Majority Leader in the Senate over a span of years . . . and one of the most forceful that the nation had ever known. Far the most forceful that I served under. And he really got things done. I regret that he got some of them done . . . but he did. Between the two, he was much more the leader than was Jack Kennedy.

Bill Henry. Did you feel a closer relationship . . . Do you think some of the members of Congress felt a closer relationship . . . to Mr. Johnson because he had been a member of the club so to speak?

Senator Holland. We did in the beginning. But there were many of us that were disappointed, gravely disappointed, because of the fact that he did not retain the character, the qualities, that he had shown as a leader. He trended much more leftward as President, and while I had supported him very vigorously in his race for the Presidency, both because I wanted to see a southerner elected . . . we hadn't had one you know for 100 years . . . and because I thought he would retain the qualities that he had shown as leader of the Senate. But, along with many others of my colleagues, I was surprised to find him going more and more leftward. And that was my very great disappointment in the Johnson Presidency.

Bill Henry. Upon your retirement from the Senate, Mr. Nixon, of course, was the President, and is still serving his term . . . and the change had gone from Democratic to Republican. How did you see the change in the course of the nation?

Senator Holland. Not too pronounced in the beginning. I thought that his effort to strengthen and make more conservative the Supreme Court was admirable. I hope he accomplished that end in the two appointments that he has made. I tried to help him in the two southern appointments that he made, in which we were unable to muster the majority of votes as you will recall. He, in some other respects, showed a trend toward moderation that had not been apparent in the last years of the Johnson administration which went further and further, as I saw it, to the left. Apparently now he has abandoned some of that moderation . . . and this I regret, because I think the country as a whole, is somewhere in that moderate zone between extremists in both directions.

Bill Henry. The Presidency is the highest office an individual can hold in this nation. Mr. Truman, I believe, said ". . . the buck stops here". It's been described as "a lonely post". Mr. Kennedy said words to the effect that ". . . it's easier to be President when Congress is out-of-town". Even FDR, President Roosevelt, said words to the effect that ". . . the struggle between the Executive and the Legislative is an inherent one . . . and almost a natural one". What I am interested in, and what I am getting to, is your observation and analysis of just how powerful one man is on the nation during his tenure in office as President, as opposed to Congress which is made up of representatives from across the nation, both on the House and the Senate side. Can the tail wag the dog? Does the tail wag the dog? Do you consider there to be a reasonable and intelligent balance between the power of the Presidency and the power of Congress for the betterment of the nation as a whole?

Senator Holland. I think the Constitution provides for checks and balances that exist so long as the Constitution is followed. I think that under some of the decisions of the Supreme Court in recent years, and possibly because of the divisions in both the Senate and the House which have been very apparent, there has been some loss of prestige to the White House. At the same time, I've seen the Congress stop the White House repeatedly on things which I though were unwise. I think that the theory of checks and balances in that field still lives and is still active . . . and prevails very frequently.

Bill Henry. Would you, as a result of your experience in the Senate, like to see any structural changes in Congress as a whole?

Senator Holland. Yes, I would like to see some structural changes. I have voted for reorganization acts which gave more power to the average members of committees than are exercised now by the chairmen. We got some such changes in effect during the last Congress. I can think of other matters in which, in my opinion, the Congress would be made more effective by some changes of organization. I don't think those changes will come quickly. And I think that one of the reasons for that is that so many very radical thinkers are thinking unsoundly in this field. For instance, they want the committees to elect their chairmen. To my mind, nothing could be more destructive than to have the lobbying take place among the members of a committee, and the promises and counter-promises to see which one of a committee of fifteen Senators, let's say, should be chairman. I think that would not redound to the country's good. I think it would bring about a highly political handling of the committee system. So I think there are middle ground changes which are needed. One of them I mentioned a while ago. That was accomplished in the last Congress . . . and that is the giving to the majority in the committee the right to call a meeting. There are other changes that can be made. We made the change of allowing better staff availability to both the majority and the minority in committees, which had not existed before. And there are numerous other changes that fall short of the extremism which some mighty good people, who are as wrong as they can be, feel like should be made in the committee process. I think that the seniority system, with all of its defects, is much to be preferred to the matter of lobbying to see who shall be the chairman of the committee and of the subcommittees. That I could never tolerate as something that could bring good results.

Bill Henry. You retired from your Senate post voluntarily after a career which saw almost phenomenal records of re-election for someone in public office . . . so it certainly wasn't from fear of defeat that you stepped down. What made you leave the Senate? You served illustriously for many years.

Senator Holland. Well, I thank you for the word illustrious. I hope I served creditably. Evidently the people of Florida thought so or they would have not continued to reelect me. But, I left the Senate because at the age of 78½, and that was the age at which I left, not at the age at which I made the decision to leave, I realized that I could not count on six additional years of vigorous service . . . and I could never have tolerated being in the Senate and not being able to render vigorous service. This state requires it. This state is growing very rapidly. Has very many irons in the fire in Washington. And, of course, I had angina, which I had had about nine years at the time and which was progressing somewhat, and I thought it was a matter of common sense to get out while my credit was good and while my health was still vigorous, and, after all, while I might have a little chance to be at home in Florida. I was born here, you know. I love Florida. I like to live in Florida. My children and fifteen grandchildren live in Florida . . . all of them. I wanted to get acquainted with them, and I thought I had ample reason to leave the Senate.

Bill Henry. Do you think there should be a mandatory retirement age for Congress?

Senator Holland. No, I do not. Because, for instance, I saw this thing happen this last year. One of my most appreciated colleagues . . . I appreciated him more than most any other Senator, there're very few that I considered above him in stature . . . was John Williams of Delaware. He insisted that sixty-five was the proper retirement age, and he refused to run after he was sixty-five. Well, I think you can tell by looking at me that I am in rather vigorous health now . . . and I'm nearly seventy-nine . . . and he was fourteen years younger and had never dissipated in any way, and I thought was good for ten or fifteen years more. But, he had set that arbitrary limit, just like any law setting such a limit would fix the year.

Bill Henry. You see it as a personal option? . . .

Senator Holland. I think there should be some personal option of the individual and I think there should be some option on the part of the people of the state. I think the people of Delaware very strongly disapproved his decision to retire, and I know that every member of the Senate, who was either moderate or conservative, thought it was a tragic loss to the nation that he did retire. But he had set that limit. And any limit you set, by law, by Senate rule or otherwise, would find that it can't fit all cases.

Bill Henry. Senator Holland, the Vietnam war, of course, has presented the United States with one of its most trying periods of history. During your service in the United States Senate, you saw this conflict born, nurtured and emerge full grown. How did it evolve? At what point, if it is out of hand . . . if you consider it out of hand . . . did it get out of hand? Just how did a war of this magnitude evolve and grow with Congress looking on, and with the American people looking on, into what is now considered a very unpopular war . . . both by the administration and by the public?

Senator Holland. I think the major mistake that we made in the Senate, in the best of faith, thinking that we were doing the right thing, was the passage of the Gulf of Tonkin Resolution . . . which in effect was a blank check for the use of our troops in that area of the world and in any way that the then President, or any President to come along afterwards, felt was necessary. We were, of course, a member of SEATO. We did have certain obligations, by treaty, in that area. We've seen some peculiar things happen. We saw President Kennedy and then President Johnson and now President Nixon moving under that Resolution to involve us as heavily as we are involved. But one of the most peculiar things is that the man who led in the passage of that Resolution, Senator Fulbright . . . and the debate will show that both Senator Russell and myself, and others, asking many questions during the debate, found him completely in favor of it and thinking that it was the thing to do. And later, of course, in later years, he took exactly the opposite position and very frankly stated that his reason for taking it was that he felt he had been misinformed and that his confidence had been abused in the information which had been given him. Well, I do not find fault with him, because he alone knows what information was given him. The record shows how strongly he fought for the adoption of the Resolution. The record these last three or four years shows how strongly he has fought against the continuance of the war. It just shows that well intentioned people can make mistakes and that the Senate, or any other body, being full of human beings, is fallible. And I think then is when we made our great mistake . . . when we passed the Gulf of Tonkin Resolution.

Bill Henry. You served in World War I. You were Governor during World War II. You were in the United States Senate during the Korean Conflict. How does the Vietnam War differ from these past military engagements?

Senator Holland. It differs from the first two in that from the very beginning it has not been a war to win. It has always regarded as inviolate, North Vietnam. It has not animated the men in uniform to think that they are fighting for victory . . . and certainly in World War I we thought and believed that we'd fought "the war to end all wars" "to make the world safe for democracy" . . . to use a couple of the shibboleths that were commonly used in those days. And certainly in World War II, we all know that there was a very delicate balance between the triumph of Hitler and his people and the triumph of the opposing forces when we came into the war, and for even quite a while after we came into the war. We were fighting to win . . . and we did win. That's not the case in the Vietnam War. In the Korean War, there was a sort of in between situation. We didn't care to conquer North Korea. We knew that Red China had a long frontier with North Korea, but we also knew that we were primarily responsible for the creation of Syngman Rhee's South Korea; and we had a certain number of troops stationed there to preserve the security of that area. When North Korea invaded, why I thought President Truman could not have done anything else than to have responded through our Acts of Arms. While we were not trying to conquer North Korea, we were trying very hard to preserve something which we set up, and to an extent financed, and to a great extent were interested in seeing continue as an independent democratic nation.

So there is a good deal of difference even between the Korean War and the Vietnam War . . . and all the difference in the world between the Vietnam War and the First and Second World War.

Bill Henry. Speaking of the Korean Conflict. You were in the Senate when Mr. Truman relieved Douglas MacArthur of his command. What was your impression of that action?

Senator Holland. Well, for a time, before the facts came out, I thought it was mistaken. After the facts came out, I'm not sure it was mistaken. I've always believed in civilian rule. Our Constitution, our system of government, requires that the military be under the control of the civilian authorities. I now believe that General MacArthur had exceeded his instructions and had violated his orders as coming to him from the President . . . either directly or otherwise. At the time, I must say, it was one of the most emotional crises that I have ever participated in. When he came home, and made his appearance before the Joint Session of Congress, I had this experience . . . Senator Bryan McMann marched in with me to the House Chamber telling me about how wrong he thought MacArthur was and how right he thought President Truman was. After General MacArthur had spoken . . . and it was a great speech, an emotional speech and a tremendously impressive speech . . . as we walked out, he said, "My God, what a man! What a speech!" He didn't say he had changed his mind, but was simply overwhelmed by the magnificent eloquence and appearance of General MacArthur. It was one of the most emotional things I have ever had a part in.

Bill Henry. In other chapters of controversy, as an insider on the Washington scene, how did you view the Bay of Pigs incident?

Senator Holland. I have never been quite sure what happened. But Senator Russell, in whom I had great confidence, and I think you know a very great affection, told me that President Kennedy recalled instructions which he had given just prior to the invasion to the air forces on the carriers that were standing off the South of Cuba, so that they could not give cover to the landing force. And he felt that was a very great tragedy. If that be the case, I think it was a great tragedy. He thought it was the case. He had much more chance since he was Chairman of the Armed Services Committee and had direct contact with many of the Naval Commanders and other Commanders, to know exactly what happened than I did. But, of course, the absence of air cover made the mission of those who landed completely impossible of attainment.

Bill Henry. In regards to the Cuban Missile Crisis, what was the atmosphere and the feeling in Washington, particularly in the Senate, during that period of time?

Senator Holland. I admired President Kennedy more for what he did just at that period of time than for anything else that he did during his brief occupancy of the Presidency. I thought he showed firmness. I thought he showed fearlessness . . . and my own view was that it was either that or else we were going to be finally subjected to the great power of Russian missile attack from closeby Cuba. And to us in Florida, that would have been a most tragic thing to happen . . . and to the nation it would have been tragic. I thought that John Kennedy's greatest moment was his handling of that particular situation.

Bill Henry. How do you view the recurring reports of a threat of a Soviet submarine base in Cuba, and the controversy over fishing rights off Florida between U.S. and Cuban fishermen and shrimpers?

Senator Holland. I think they are both minor in the world picture, but very greatly irritating, and they are part of the constant probing which under the Communist philosophy they're doing and will probably continue to do, to see how strong or how weak we are, and to see how determined we are. I think they are annoyances that are a little bigger than annoyances, but I don't think they are threats of a major kind.

Bill Henry. Speaking of our character as a nation, how we might react or might not react to a given situation . . . How would you access the change in this nation from the time you entered the Senate until the day you retired . . . nearly a quarter of a century later?

Senator Holland. The principal change that I observed was the growth of what is generally referred to as "ultra-liberalism", which I generally think is "radicalism" and the loss of strength, either of voting power by conservatives and moderates or a willingness to face up to problems and come to bat on those differences. Because, after all, all semblance of party clash, except on a very few matters, has ceased to exist in the Senate. The question, there is always a question between the liberals and the conservatives, and it doesn't follow either party line as the nation well knows, and one of the things that has made service in the Senate rather disagreeable to many of us in recent years, has been our inability on many issues to stand with our own party. Our own party is divided. For a time we were very unhappy about that, then we saw the Republican Party beginning to assume the same kind of character, because they have a great many ultra-liberals now over on their side. And I think the big difference as between the time I went to the Senate when the Democrats pretty well stuck together and the Republicans stuck together, and the present situation, is the fact that the conservative powers of the nation and the liberal powers . . . and I use that word in a connotation which I don't believe in, but it is regularly used . . . that contrast has been growing all the time . . . and the controversy is so much greater between those two schools of thought now than it was when I was sent to the Senate.

Bill Henry. Who would you select as the most memorable member of the Senate during your service . . . and why?

Senator Holland. I would choose Dick Russell of Georgia. He not only had a supreme grasp of the defense problems of our nation, plus the greatest grasp of parliamentary procedure that any Senator in the life of the nation has had . . . but he had a general grasp of national problems. For instance, in agriculture . . . he was for many years, before I took it over, the Chairman of the Agricultural Sub-Committee of Appropriations. He probed and knew the strength and weakness of the nation in all fields of agriculture . . . and after all, that's the field where our nation gets its food and its clothing and much of its export goods. He had a general knowledge of our nation that was surpassed by nobody in the Senate, and I don't think was equaled by anybody in the Senate that I served with.

Bill Henry. What, in looking back, would you select as your top accomplishments as a U.S. Senator?

Senator Holland. Of course, I was proudest . . . First, of the passage of the so-called Tidelands Act under which the submerged land in the sea and the Gulf, within state boundaries, passed back . . . so far as the bottoms and anything contained in or on the bottoms is concerned, passed back to the states which had been thought to be the owners for all the years of our nation. About a hundred different examples exist where the Federal Government had come to the states and asked for authority . . . some during the time I was Governor . . . to do certain things in this area around our seacoast. When we won that Bill, won that Act, and then later it was upheld by two decisions of the Supreme Court . . . the first one upholding it as to the three mile limit in all twenty-two of the maritime states, and the second one upholding it as to the three league limit in the Gulf as to Florida and Texas . . . I was very proud because I had succeeded to the leadership of that and had handled the Act there and also in the final debate I closed the argument in the Supreme Court I am proud of that.

The other thing was the 24th amendment. I had gotten tired of simply fighting against an attempt to knock out the poll tax by statute, because to me it was so clearly unconstitutional to do that. I decided that we ought to attack the matter constitutionally as to Federal elected officials . . . that is, President, Vice-President, Senator and Representatives . . . and I offered that Amendment. I drew it myself. I offered it for 13½ years before it was ever submitted by the Congress. And then, of course, less than two years later, it was ratified by the 38th state and became the 24th Amendment to our Constitution. I am proud of that, not only on my own account, and I think I have a right to be, but I'm happy of the fact that that came upon leadership coming from the South . . . because after all, it was in the South that the poll tax system had arisen and that we had occasion to find out the evils of that system. I had participated in knocking out the poll tax as a state matter in the 1937 session of the State Legislature when I was in the Senate. I did so simply because I had seen it work too many machine politic setups in various counties in our state. And also there was the racial implication, too. But the first was the major one at that time, and later I led it largely because of the racial implications, because not only we, but before the measure was submitted to the states, seven southern states had knocked it out for all elections, and I felt I was justified in assuming leadership as coming from the South to get rid of this obnoxious device.

Bill Henry. President Johnson once called you, and I'm quoting, "One of the five most powerful men in the Senate". What do you think led him to say that? Why did he make that remark?

Senator Holland. I haven't the faintest idea. I didn't ask him to make it, and when the Press came running around to me to call attention to it, I was pleased but puzzled, because I have never claimed to have any great power. I have worked hard in the Senate, and have tried to represent Florida as I thought Florida would want me to represent it. I've also participated in things which went beyond Florida where I thought participation was needed. I was the first southern Senator to advocate statehood for Alaska and Hawaii, as you probably know. I handled the Inter-American Highway through Central America to get land access to the Panama Canal. I've done a good many other things . . . I handled the St. Lawrence Seaway . . . the financing of it . . . and attended the dedication of it, representing the Congress. Incidentally, Mary went with me, but not to see the Seaway. She wanted to see the Queen. And she enjoyed the Queen very much, and I thought she was a very lovely person myself. It really was an unforgettable day to see her and President Eisenhower together on the podium celebrating that great accomplishment which brought the midwest of both Canada and our country to the Atlantic.

Bill Henry. You've been quoted as saying . . . "I vote the way that looks right to me". A fellow Senator was quoted once as saying of you, "He can be a stubborn as a bulldog". Now obviously what you thought was right and what others thought was right did not always coincide, and I imagine some of your opponents were in rather high places. Do you recall any specific incidents where sticking by your guns . . . where sticking by what you thought was right . . . was rather tough sledding?

Senator Holland. Oh, yes. In all the civil rights fights of later years, we knew we were in the minority. Yet, one of the proudest moments I ever had was after we had been beaten by a majority, when I was handling the cloture fight after Dick Russell was unable to because of illness to handle it, the southern Senators asked me to handle it as you may remember, they then tried to change the cloture rule by a majority vote. I appealed from the ruling of the Chair, who was Vice-President Humphrey. Enough of the Senators who had voted against us on the early part of the issue voted with us to where we overruled the Vice-President. And that was what made it so hard in this last Congress for them to get anywhere at all in the knockout of the cloture rule. But it's not easy to appeal against the Vice-President of your own party. It's not easy to stand up against the majority of the Senate, days and weeks. On the Tidelands case, we didn't know where the majority was, but the filibuster was, I think, seven weeks . . . the record will have to speak . . . and it wasn't easy because it was only two of us that really had studied the issue . . . Price Daniels of Texas and myself. One or the other of us had to be there on the floor at every minute . . . day or night . . . and we had day and night sessions, as you may remember, 24-hour sessions around the clock. It got pretty hard. Got rough physically as well as from other standpoints. Plenty of things that happen in the Senate are not easy.

Bill Henry. Filibuster, of course, is a time honored and also a very controversial characteristic of Congress. Do you think it should remain or be abolished?

Senator Holland. I think it should remain in the limited way that it now exists under the cloture rule. You know there's been no limitation on debate until the cloture rule was adopted in 1917 . . . and it provides that two-thirds of the Senate can stop a debate at any time and bring the thing to a head. Many people think that the cloture rule is the rule under which unlimited debate takes place, but quite the contrary, it's a rule to stop debate. I have twice voted for cloture when I thought debate had gone far enough. I think it's a two-edged sword. I think it should be so considered. I think one of the weaknesses of some of our southern Senators is that they will never vote for cloture . . . but I think there are proper cases to vote to shut off debate.

Bill Henry. You spoke a moment ago of it being rather tough under fire to buck the Vice-President. You have served under two men who have ascended from the Vice-Presidency to the Presidency while they were in office. What change takes place in a man when he becomes Mr. President? Is that something tangible that you can see? How would you describe the difference in a man who has been Vice-President and has ascended to the Presidency . . . does he change?

Senator Holland. Of course, I've already said that President Johnson went much too far to the left, I thought, after he became President. I don't know whether it was the result of his becoming President or whether that resulted from some other reason.

Bill Henry. Does the man himself become bigger . . . taller . . . stronger?

Senator Holland. No, I think he is still a human being, and I've never felt that our President has descended from Heaven. I think he is elected by the people, and I think that he is one of us. I think when he gains the idea that he's above us mere humans, then that's when we're in trouble.

Now, as to President Nixon, I think he was a much sounder man when he became President than he had been as Vice-President and as candidate for Governor of California. I think he holds his temper much better . . . I think he controls his language much better. I don't know what we're going to find his record will be as President on the whole. I have already indicated that I think he is going somewhat to the left lately . . . and I don't like that . . . but, when he ascended to the Presidency, he was a much more mature man than he was as Vice-President or as a Senator . . . and I knew him well in both capacities.

Bill Henry. How powerful and significant a force is the lobbying element in Congress?

Senator Holland. I've never found it troublesome. There are many lobbyists who have helped me to gain information about the details of programs . . . whether for or against. I'm sure there are some lobbyists who go beyond the pale of ordinary helpfulness. They've let me alone pretty well, and I think there's a reason for it. I think they soon find out who has most obstinacy . . . if you want to put it that way . . . and who has least. They probably concentrate on the ones who are least obstinate. I must have been one of the most obstinate, because I didn't have trouble from them at all.

Bill Henry. How would you analyze the changing pace of campaigning . . . say a comparison of your campaign for Governor in 1941 to campaigning today? That would cover a wide span.

Senator Holland. Well, the campaign for Governor was a very personal sort of thing. I spoke in every county seat and most every town and village in the state . . . some 312 times as I remember it. Now you do most of your campaigning over this facility . . . television or radio . . . or both. And, of course, one of the reasons for that is the much greater size of the state. Then it was just under two million. Now it is just under seven million people. Frankly, I like the other style better, because you became acquainted with more people. You got in touch with more people. They had a better chance to look at you and decide for themselves whether they like you or disliked you . . . and some were on either side. I think that is somewhat of the essence of our democratic system . . . for people to make up their own minds as to how they feel toward candidates for office. I don't think they have nearly the same opportunity under the present methods of campaigning that they did in 1940.

Bill Henry. Speaking of campaigns, do you have any predictions as to who will be squared away for the Presidency between the Democratic and Republican Party in '72?

Senator Holland. I assume that the Republicans will renominate President Nixon. Excepting a rare case like that of President Johnson who removed himself from the list, it is customary, and it is regarded as a sign of weakness, if a party doesn't renominate its own President. As far as the Democrats are concerned, I'm somewhat troubled when I see the phalanx of people who are now offering for the Presidency, because so many of them are not what I regard as well-trained or safe leaders.

Bill Henry. Who would you pin-point as your choice for the Democratic Presidential nominee . . . or is that possible?

Senator Holland. Impossible. Except to say that among those who are mentioned out of the Senate right now, and I believe there are some seven that are being actively mentioned, I would put Senator Jackson of Washington well ahead of the rest for soundness and for doing his homework and for studying and working hard . . . and for being nearer a moderate. All of them are liberals, but he is not ultra-liberal. To my mind, he would be vastly the best of those who are now discussed.

Bill Henry. You have no doubt seen many groups of visitors from all parts of our nation touring the Capitol over a number of years. Have you noticed any perceptible change in attitude over the years to the tradition and the heritage of the nation that is symbolized in the Halls of Congress?

Senator Holland. Yes, I've noticed that there seems to be less respect. There are more demonstrations . . . there's more noisiness . . . there're more people crying out from the Gallery that have to be ejected. And, if I must say so, there are too many people coming there that are so carelessly dressed that they look like they have scant respect for the nation's Capitol and for those that they see there.

Bill Henry. What is your thinking on the nation's capital as a focal point, as it has been, for protest demonstrations of various sorts?

Senator Holland. I regret that it has become such a focal point, but I think that so long as they are non-violent demonstrations, so long as they don't interfere with the course of orderly government, that they're legal, and I wouldn't want to see them cut off by any abortive law . . . because I think that such a law would be abortive, and because I think it would run squarely into our Constitutional guarantees.

Bill Henry. I believe you were one of the original members of the Space Committee . . . the Aeronautical Space Committee . . .

Senator Holland. No. I served on it for a number of years, but I was not one of the original members.

Bill Henry. But you did choose that as a committee assignment when it became available to you?

Senator Holland. Oh, yes. When it became available to me, I went on that committee, and I served on it six or eight years. I can't give you the exact time.

Bill Henry. There have been numerous cut-backs in the space program. Do you have any predictions as to the future of the space program in Florida?

Senator Holland. I think that the space program in Florida will be the longest lasting and the most permanent living of the space program, because it is located at the only place from which eastern launches can be made safely across an ocean with proper policing and without crossing populated territory. While I think that the future of the space program is unpredictable at this time, I do hope that it will continue to give us more and more fruits of wisdom, because the things that have come as offshoots of the knowledge gained in the space program have been of uncalculable value to our nature . . . and there will be more and more of such things to come.

Bill Henry. The University of Florida has named its law school in your honor. While you were a student at the University of Florida, your pitching on the Gator team was so outstanding that Connie Mack, I understand, offered you a job on his professional ball club. Now, what made you choose a career in law and public service as opposed to professional sports?

Senator Holland. One thing was the question of age. I finished my academic degree at Emory four years before. I taught two years in high school, and then two years, of course, in law school. I was twenty-four years old, and I think that's a little far along to enter professional baseball. But, secondly, I never had a desire to be a professional athlete. To me, athletics, and I had letters at Emory or Florida in four different sports, is a great challenge to a normal American youth, and I think it does him lots of good, the institution lots of good, but I just never have felt any inclination at all to play for money.

Bill Henry. The average person, I believe, feels frustrated in this complex day and time, as if their hands are tied. They can do nothing about the many things closing in on us. What can an average person do? For example, does writing a Congressman do any good . . . or is this a waste of time?

Senator Holland. It does a great deal of good. Depending on the kind of writing that you do. If it is a well thought-out expression of the heartfelt feelings of the writer and in a moderate, understandable tone . . . and particularly if it is from someone known to the Senator or Representative, of course it has great weight. How could I be a friend of Bill Henry, for instance, and get a letter from Bill Henry telling me that here in this field that I happen to know a good deal about . . . the field of television . . . I think is something that is wrong, it ought to be corrected . . . how could I possibly fail to give some weight, real weight to such an expression. There are thousands of letters which reach our offices which have no impact at all. They are written by somebody else. Some times you have hundreds of letters written in the same handwriting. You'll have dozens . . . or hundreds . . . of letters or cards in the same wording exactly . . . manifestly collective attempts to sway your judgment. I think that is wasted time and effort. I think it more or less provokes the recipient rather than influences him to rethink his course.

Bill Henry. Senator Holland, what is your philosophy on life?

Senator Holland. Well, I don't know what field you mean. I regard myself as a moderate conservative. I think I'm a liberal in many fields. I have been always deeply interested in education, as you may know. I have been a trustee at Emory, Florida Southern and Florida Presbyterian. I have been on the Board of Visitors of all three of the military academies . . . not all at the same time . . . but in different years. I have been chairman of my local Board of Trustees in Bartow when I was just a youngster over there. Education has been always a kind of hobby, if I may use that often mis-used word. I think that's in the nature of being liberal. I think that my position on getting rid of the poll tax as a handicap to free expression of one's will in voting, has been such an indication. I'm not an all-out liberal in the sense that the term is used now by so many. I certainly don't share the ultra-liberal philosophy that the nation ought to support everybody and it's all right in time of great prosperity to over-spend our revenue . . . dig ourselves deeper and deeper in debt. I think that is just as wrong a philosophy that you can possibly have.

So since I am completely incapable of deciding for myself what I am, I will just say that I regard myself as a moderate-conservative who is liberal on some fields . . . and I hope never ultra-liberal on any.

Bill Henry. If you had it to do over again, would you select a life of elective public service?

Senator Holland. Oh, yes. Yes, I've had repeated opportunities to do other things. I've had a successful law practice . . . I was regarded as a good teacher. Before that, you suggested that I had a chance to go into professional sports . . .

Bill Henry. But your choice would still be as a public servant?

Senator Holland. My choice would still be public service, because I think that if I had any forte, it was as an advocate and in the field of public service.

Bill Henry. Thank you, sir.

We have been talking with United States Senator Spessard Holland, whose retirement in January 1971 completed nearly fifty years of public service.

I'm Bill Henry, WFIA News.

ROSENTHAL HEARINGS EMPHASIZE NEED FOR HEALTH REFORM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. ROSENTHAL. Mr. Speaker, I recently held a full day of hearings in the Eighth Congressional District of New York, which I represent, to assess the quality of medical care which my constituents receive and to discuss ways local, State, and Federal action can improve that care.

It was a day for hearing from the people most directly involved. Too often, Mr. Speaker, here in Washington we do not hear enough from the ones who need and receive the care and from those who provide it.

One of the great problems I find with the legislative process in Washington is that there are witnesses by the dozen, but they are usually organization oriented witnesses. We do not hear often enough from the man in the street or the health professional in the community.

The testimony in Queens was well balanced, representing a wide variety of views. It left the unmistakable impression that something must be done.

One of the most important recommendations to come out of the hearings, and the one on which most persons agreed, was the need for a medical school in Queens.

I heartily endorse that idea. I feel we ought to mobilize all our forces, political, and community, to build up and develop a medical school for Queens.

With a population of 2 million, Queens is bigger than all but three of this Nation's largest cities; it is the fourth largest county in the country and has more residents than 19 States.

Yet it has only 20 hospitals, compared to more than twice that number in Brooklyn, where the population is roughly the same.

Dr. Hugh Barber, president of the Queens medical and health programs testified:

> Health needs for two million people in Queens demand health educational opportunity for students and continuing education for persons in practice.

The program conducted a study, published earlier this year under the title, "A Survey of Health Needs in Queens," which clearly pointed up the need for a teaching medical center. The study was headed by John O. Riedl, Ph.D., dean of faculty, Queensborough Community College. It recommended:

> That a Queens Health Science Center become the focal point and first priority of action in the major effort of the Queens Medical and Health Program to improve the delivery, in quality and quantity, of health care for the people in the Borough of Queens.

For years I have urged the same thing.

The president of the Queens Medical Society, Dr. Ralph Schlossman, testified at the hearings:

> The main problem in Queens is that we do not have a medical school. A medical school tends to attract good physicians to the area. There is no question but that health care in the community would be vastly improved by a medical complex centered around a medical school.

There is a physician shortage not only in Queens but nationwide. In fact, the national doctor deficiency is estimated at 50,000. Yet only one in 10 applicants to U.S. medical schools nationally is accepted.

A related problem is the return, into the American medical mainstream, of the thousands of U.S. students studying medicine abroad. Many of those students were refused admission from American medical schools because these schools are overcrowded. We must insure that these students with valuable talents and considerable formal training, be used properly when they return home.

Queens, with two large municipal hospitals, has the nucleus for starting a major medical school.

This should not be just an ordinary school. Priority should be given to training physicians who will practice in the area as primary care or family physicians. Admissions policy should be oriented toward the need for getting a broader range of students.

We should encourage, through policy, practice and possibly tuition subsidy, the enrollment of young people from less affluent families, from so-called economically and socially deprived backgrounds.

Not only should this institution produce physicians, but it also should train nurses, technicians and the vast array of other health professionals and paraprofessionals needed today.

A Queens medical school will do more than improve health care locally and, by providing trained personnel, nationally; it will be an asset to the community as a source of jobs, revenues, and pride.

The hearings were held June 5, 1971, at the Queens County Medical Society Building.

It was a day of discontent, or at least for expressing discontent.

The hearings revealed a great split between the medical profession and the average citizen.

After listening carefully to all sides, and based on what I have known, read and learned over many years, I came away from those hearings more convinced than ever that the time has come for comprehensive reform in the ways we finance and provide health care in this country.

There is no conceivable reason why a person should get better health care because he lives in a better neighborhood, has a better job, has the right color skin or has more money. Health care should not be made available according to conditions of economics, age, sex, race, employment, or any other factor than need.

Yet we know that is what is happening and it is inexcusable.

There is no conceivable reason why the wealthiest, most technically and scientifically advanced Nation on earth cannot also be the healthiest.

Yet we are not and it is inexcusable.

Nearly 200 persons heard doctors and others testify that in many areas of Queens there is a physician shortage, that in fact, there are in parts of Queens fewer professional medical people today than 6 years ago and the median age of physicians there increases each year while medical school enrollment remains almost static.

It was very evident from these hearings that the health-care system must be made more responsive to the needs and wants of the health consumer. It is currently run by a coalition of the medical professionals, the health industry and the insurance companies.

To be truly effective and meet the needs of the people, the Nation's health-care system must become more consumer oriented. And that means greater consumer participation and control in making policy and operating the system.

The more we do today to prevent illness and keep people healthy, the less we will have to spend tomorrow on cures and treatment. Adequate health care is not a privilege. It is a fundamental right of all Americans.

Because I feel that what the people of the Eighth Congressional District have to say about this matter is important, I am sending a transcript of my hearings to the chairman of the Committee on Ways and Means, the Honorable Wilbur Mills. His committee is considering the entire question of reform of our medical-care system.

Mr. Speaker, I am inserting in the Record at this point my letter to Chairman Mills and the transcript of the hearings:

House of Representatives,
Washington, D.C., July 26, 1971.

Hon. Wilbur Mills,
Chairman,
Committee on Ways and Means,
Washington, D.C.

Dear Mr. Chairman: On June 5, 1971, I held a day of hearings in my District to assess the quality of medical care which the residents of the 8th Congressional District receive and to discuss ways local, state and federal action can improve that care.

The testimony was well balanced, representing a wide variety of views by the providers as well as the consumers of health care. There was widespread agreement that we are in a state of crisis and something must be done.

After listening carefully to all sides, and based on what I have known, read and learned over many years, I came away from those hearings more convinced than ever that the time has come for comprehensive reform in the ways we finance and provide health care in this country.

The system must be made more responsive to the needs and wants of the health consumer, who now feels and rightly so, terribly left out and, to some extent, victimized.

Enclosed with this letter is a copy of my report on those hearings and a transcript. I hope they will be useful to you and your committee in your efforts to write meaningful health care legislation in this Congress.

With best wishes.

Sincerely,

Benjamin S. Rosenthal.

Proceedings of AD HOC Congressional Hearing on Medical Care

Congressman Benjamin S. Rosenthal. I am here today to assess the quality of medical care which Queens residents receive and to discuss ways local, state and federal action can improve that care.

Both the health professionals and the medical consumers will be heard from.

Joining me today on the panel are Dr. Frank Cicero, Commissioner of Health Facilities, New York State Health Department; Herbert Freilich, Director of Professional Services, New York City Health and Hospitals Corporation; Dr. Lowell Bellin, Assistant Commissioner, New York City Health Department and Health Service Administration, and The Honorable Edward I. Koch, U.S. Congressman from the 17th Congressional District of New York.

All of us here today are aware of the crisis in health care, and we will be hearing more about it throughout the day. But let me try putting a frame around the picture we will see drawn for us.

At the national level: Americans last year spent $70 billion on health care—more than $325 for each man, woman and child.

We rank 13th among industrialized nations in infant mortality; 11th in life expectancy for women and 18th in life expectancy for men.

About 150 U.S. counties do not have a single doctor, and another 150 have only one physician.

Twice as many black infants die in the first year of life as whites; poor people suffer four times as many heart conditions and six times as much mental illness, arthritis and high blood pressure as their more affluent neighbors.

There is a national shortage of 50,000 physicians, 150,000 medical technicians and 200,000 nurses.

In the New York area: The cost of medical care throughout the state is experiencing the sharpest rise in two decades. It went up 10.1% from 1969 to 1970, compared with a nationwide increase of 7.4%.

The chief factor in this increase was hospital costs. Charges for private and semi-private rooms have gone up 65% here over the past three years.

Physicians' fees here rose 12.5% last year. This is partly due to a reduction in the number of general practitioners and a relative increase in the number of specialists who can command higher fees.

Let me put it another way:

There is a significant shortage of all types of trained medical personnel and of proper facilities—and the personnel and facilities which we do have are inadequately distributed geographically. Compounding this is the problem of skyrocketing costs.

What, then, should we be getting for our $70 billion a year? Everyone, all Americans, should be getting the same high quality of health care and at prices all can afford.

There is no conceivable reason why a person should get better health care because he lives in a better neighborhood, has a better job, has the right color skin or has more money. Health care should not be made available according to conditions of economics, age, sex, race, employment or any factor other than need.

There is no conceivable reason why Health care in Queens should be inadequate.

There is no conceivable reason why the wealthiest, most technically and scientifically advanced nation on earth cannot also be the healthiest.

The time has come for comprehensive reform in the financing and delivery of health care in the United States. The essential key to this reform is a fundamental shift in the emphasis from "Crisis" medicine to preventive medicine.

The more we do today to prevent illness and keep people healthy, the less we will have to spend tomorrow on cures and treatment. Adequate health is not a privilege. It is a fundamental right of all Americans.

The testimony we will receive today will be presented to the Chairman of the House Ways and Means Committee, which is considering the entire matter of our medical delivery system.

Let me add an informal word at this point. One of the great problems I find with the legislative process in Washington is that there are witnesses by the dozen, but they're usually organization oriented witnesses and one of the greatest weaknesses in testimony taken that we utilize in Washington is that we never hear from the man in the street or the health professional or the professional in the community, so I believe this kind of community hearing where we can deliver the testimony and report that I can make from the man in the middle is innovative, useful and absolutely necessary.

I do want to add one word. We are enormously grateful to the Queens County Medical Society for its kind permission for us to use these facilities.

At this point I would like to call on my colleague, Congressman Koch, for anything he would like to say.

Congressman Edward Koch. I will be very brief. I did want to say that I wanted to come here for a number of reasons. There is one area that we need similar protection.

We are dealing in one special area of health coverage here.

There is one bill, particularly, that I want to call your attention to which we are sponsoring. It is, in effect, a medical program which, no doubt, has enormous impact and ought to be extended.

In 1967, under the Social Security Act, they put in a model program, test program, called "Children Need Comprehensive Health Protection and Care Projects." There are now 65 care projects throughout the country at this time.

They come to a conclusion in 1972, and they have to be refunded. Unless they are extended by federal legislation the project which now takes care of 450,000 children in the country around the United States will conclude their work.

I have been to at least one. Beth Israel which is in my district, and it is amazing to see children and their mothers that are cared for from pre-birth until the age of 13 and without regard to finances:

The people who are involved in the program are terrified it will come to a conclusion. Beth Israel has shown great change in health care on the basis of taxation and process and registration.

We hope by the efforts of Congressman Rosenthal and others they can help those who will join to extend it.

Congressman Rosenthal. We are going to follow a practice, generally, with some exception of having professional witnesses who first called my office and ask them to speak first.

The first person we will hear from is our host, Dr. Ralph Schlossman. President of the Queens County Medical Society, Dr. Schlossman.

Dr. Ralph Schlossman. Thank you, distinguished members of the Congress, panel, ladies and gentlemen. A little later I hope to share some of my thoughts on some of the problems we are here to discuss. Right now I should like to welcome you on behalf of the Queens Medical Society. The society, since its enactment a hundred years ago, has felt the need of becoming involved in areas of public health.

We are particularly appreciative that Congressman Rosenthal has chosen to bring the series into our community because we feel as he does that the chosen ones are too often separated from the people, and too often both the people who receive care and those who need care are not heard from.

Therefore, I should like to welcome you here, today.

Congressman Rosenthal. Though we are so thoroughly parochial from Queens, our first witness is going to be from the Bronx, Dr. Victor Sidel, Chief of the Department of Social Medicine at Montefiore Hospital.

Dr. Victor Sidel. Thank you, Congressman Rosenthal, Congressman Koch and members of the panel.

My name is Victor Sidel. I am Chief of the Department of Social Medicine at Montefiore Hospital and Medical Center and Professor of Community Health at the Albert Einstein College of Medicine. I have had training in internal medicine, epidemiology and statistics, and in the social sciences; my current professional work is in the area of the analysis and planning for the improvement of health care delivery. I have had extensive experience in the study of health care delivery systems in other countries, especially the United Kingdom and the U.S.S.R., and in the study of health manpower.

I appear before you for two reasons: The first is an analysis which Dr. David Kindig, M.D., Ph.D. (formerly Chief Resident in Social Medicine at Montefiore Hospital and now Acting Medical Director at the Dr. Martin Luther King, Jr. Health Center) and I did of the 1970 national health insurance proposals. In this analysis, which we did for the Conference on National Health Insurance convened in Philadelphia by the Leonard Davis Institute of Health Economics of the University of Pennsylvania last November, we developed criteria for the impact of national health insurance programs on the consumers of medical care and described the ways in which the 1970 bills met or failed to meet these criteria. We believe the criteria we developed are important not only because they can help us to choose the legislation which will best meet consumer needs, but also because they will permit us later to judge whether the program adopted has had the desired impact.

Since time for oral presentation today is extremely short, I will present only the criteria. The reasoning behind these criteria, and the analysis of eight proposed pieces of legislation by these criteria, can be found in the material which will be published as a chapter in National Health Insurance: Proceedings of the Conference on National Health Insurance, edited by Dr. Robert Eilers and Mrs. Sue Moyerman, to be published by Richard D. Irwin, Inc., Homewood, Illinois, copies of which I will submit for the record of these hearings.

The criteria are:

1. Consumer participation and control.

(a) A national health insurance program should have provision for the consumer's voice to be effectively built into policy-setting.

(b) The consumer's voice should be present at national, regional and local levels.

(c) Provision should be made for recompensing community representatives for their time and effort.

(d) Provision should be made for professional staff to aid the consumer representatives in their policy recommendations.

(e) Provision should be made for experimentation with different types of consumer participation and control, with appropriate evaluation of the effectiveness of the various forms tested.

2. Eligibility.

(a) There should be no limitation of eligibility by age.

(b) There should be no limitation of eligibility by area of residence or length of residence.

(c) There should be no limitation of eligibility by social class or income.

(d) There should be no limitation of eligibility by race, religion or political belief.

(e) There should be no limitation of eligibility by pre-existing medical conditions or risk factors.

(f) There should be merging of other financing programs into the national health insurance program.

(g) There should be appropriate integration of other service programs into the national health insurance program.

3. Comprehensiveness and continuity of services.

(a) All personal health services should be covered.

(b) There should be no arbitrary time limits on services, limits on number of services, or limits on total cost of services.

(c) Provision should be made for stronger linkage of the primary practitioner, the specialist, the hospital, and the after-care facility, but incentives should not be limited to any specific form of practise organization.

(d) Emphasis should be placed on health maintenance.

4. Accessibility and availability of services.

(a) There should be explicit protection of the right of all people to access to health facilities.

(b) Provision should be made for the continuing investigation of the need for health facilities in each region and local area, and support should be available for their construction.

(c) Provision should be made for the continuing investigation of the need for health manpower in each region and local area.

(d) Support should be available for recruitment and training of existing types of health workers.

(e) Special provision should be made for the development of new types of health manpower.

(f) Provision should be made for encouragement of the redistribution of manpower.

5. Costs.

(a) There should be no out-of-pocket expense to the consumer at the time of need for care.

(b) If there are to be out-of-pocket expenses they should be billed by the national insurance program to the patient; in no case should the patient be forced to pay the provider directly for the services rendered.

(c) If there are to be out-of-pocket expenses, there should be full protection against catastrophic expenses.

6. Quality control.

(a) The plan should specify quality control procedures and should indicate the methods by which they will be made effective.

(b) Quality control bodies should exist at national, regional and local levels.

(c) Quality control bodies should include lay members as well as professional members.

(d) Provision should be made for control over quality of care in non-covered institutions.

(e) Methods of enforcement of quality control should include special incentives as well as methods for withholding payment.

(f) Provision should be made for the support of development of more effective quality control techniques, including techniques for determining outcome or effectiveness.

7. Research and demonstration.

(a) Provision should be made for support of appropriate research into and demonstration of new methods for the provision of health services.

(b) Provision should be made for review bodies, including both professional and laymen, in setting the priorities for assignment of the research and demonstration funds.

In analyzing the 1970 legislative proposals, Dr. Kindig and I found that the bills which best met these criteria for the impact of national health insurance on the consumer was the Kennedy Bill (S. 4297) and the Griffiths Bill (H.R. 15779.) The 1971 Kennedy Bill (S. 3), which includes many of the excellent features of the Griffiths Bill, comes even closer toward meeting these criteria.

It is far from a perfect piece of legislation; for example, there is no provision for effective quality control, insufficient support in our view for research and demonstration of new methods for health care delivery, and insufficient emphasis on health maintenance. But in our view the cause of the consumer of health care in the United States would be well served by the adoption of this Bill or one similar to it which provides for new methods of health care provision for the United States rather than simply for new methods of financing care.

The second reason that I appear before you is my concern with what I feel to be the deteriorating quality of medical care, and the quality of life in general, in New York City. I can think of no better way to illustrate my concern than by reading to you the history of a patient presented at one of our Case Conferences in Social Medicine at Montefiore Hospital.

"Mrs. B. J. and her four children were brought to the Morrisania City Hospital emergency room on Friday evening at approximately 7 p.m. Mrs. J. is a middle-aged mother on welfare who has a psychiatric history; she has been hospitalized at Bellevue at least two times. However, in the past several years she seems to have been functioning fairly well. She has been attending the St. Luke's Hospital outpatient psychiatric clinic and is on several tranquilizers at the present time.

"She is a city welfare recipient, and she received her last welfare check on May 14. On Wednesday, May 27, having run out of money, she went to St. Luke's Hospital, and asked their assistance. She was referred to the Church Street Emergency Welfare Services, where she went that day, but she received no financial help from them at that time. She returned to St. Luke's the following day, Thursday, May 28; her physician there gave her a letter of explanation and directed her to the Mayor's Office. She went to the Mayor's Office, where she was forwarded again to the Church Street Office; again she received no assistance.

"On Friday, May 29, she returned to St. Luke's, where the physicians and nurses put together a collection of five dollars for her. She went home and cooked breakfast and lunch for herself and her four children. That afternoon she began to realize that she would not have any food for the rest of the weekend and also realized that she had been unable to get help from the existing system.

"At that point she decided that in order to keep her children from being hungry over the weekend she would give them each one of her 50 mg chloropromazine tablets. She knew these tablets made her sleepy, and she reasoned that they would perhaps stave off the children's hunger until the weekend was over. The two, four and five-year-old children got each one tablet and her 16-year-old daughter got two.

"After giving the pills she became concerned about what she had done and called the physician at St. Luke's Hospital, who notified an ambulance to bring the mother and four children to St. Luke's. However, as all city ambulances do, the ambulance instead took the mother and children to the emergency room closest to her home—the Morrisania Emergency Room. The older three children were not symptomatic but slightly sleepy from the medications. The youngest child was definitely symptomatic from the chloropromazine and was admitted for night observation. The four and five-year-old children were placed by the Emergency Child Services Agency in a Bureau of Child Welfare Shelter for an indefinite period.

About 25 health professionals, including physicians, nurses, social workers and others participated in the discussion. The group felt that it was important that the medication used by the mother was not more toxic than it was, and that she carefully chose to give a minimal dose, so that no permanent damage resulted.

One can only have the deepest sympathy for the mother in this situation. She initially stated that she did not want the Bureau of Child Welfare notified since she did have a psychiatric record and expected that they would attempt to remove the children from her home. She repeated that she loved her children very much, that she tried to be a good mother, and that at the time she gave the chloropromazine, thought that she was acting in her children's best interest.

Her action was viewed by many as an appropriate one, given the situation and her attempts to get help from the New York City welfare system. It was partly a real attempt to alleviate the hunger. On another and perhaps not conscious level, it was a dramatic gesture designed to reach someone in power when all other attempts had failed. It is remarkable what an impoverished, borderline-functioning mother with four children, without transportation or knowledge of the system, must do in order to receive help for minimal human needs.

From a more academic point of view, there is no written description of this particular type of sociogenic disease. Childhood poisonings can be classified as accidental, as repetitive self-poisoning, or as child abuse, but clearly none of these categories are relevant here. The closest analogy might be with the psychology of suicide, considering the manipulative manner in which the mother gave the medication and then called for help. But the genesis of the attempt lies not within herself but within the society.

Reporting this case to the Mayor's office prompted the following reply from the Director of Public Assistance regarding supplemental assistance: "The current State Social Services Legislation enacted in March 1969 and effective July 1969 introduced new restrictions affecting the granting of assistance. One of these provides that public assistance funds may not be duplicated. Under these circumstances, families in receipt of public assistance are expected to manage all items of need with the grants received twice monthly.

"When this legislative program was under consideration in Albany, New York City officials spoke against the reductions in the grant, and the several restrictive elements. The Commissioner of the Department of Social Services was most articulate in his protestations while the legislation was pending. Even after the passage of the legislation he asked that a special session of the legislature convene to reconsider the program.

"That there is a need for a national and urban reordering of financial priorities is indisputable. At this moment, regretfully, there is nothing that this Agency can do with regard to the state regulated budget. Hopefully, there will be other opportunities."

Miss Sylvia Goldberger and other members of her staff said that the agency tried to respond to situations like this one but was unable to provide the human and financial support for all such cases. Nevertheless, it was pointed out that the agency and the patient's own caseworker would have been able to provide emergency funds had the client contacted them directly. For example, the social service department at St. Luke's Hospital, the main office of the Department of Social Services or the Office of the Mayor might have referred the patient directly to their agency.

Several people were struck by the defensiveness of those concerned with the patient at the Fordham Social Service Center. Rather than criticizing the system, they often blamed the patient for some of the problems, especially referring to her history of psychiatric illness ("schizophrenia") and her failure to use the "usual channels." They seemed more inclined to exonerate or at best to patch the existing welfare system than to demand any fundamental change. Several of those from the hospital or its affiliated health centers felt exactly the opposite, stating that problems such as these would continue to arise until there is a fundamental change in the treatment of the society's poor.

Robert G. Griefinger (fourth year medical student, University of Maryland School of Medicine) suggested: "I think that the dynamics of the case should be discussed on three levels. First, it is not apparent to me that the mother behaved in a dysfunctional way in light of her crisis and her available resources. Her decision to medicate her children served several useful purposes. Her rationale in utilizing this pharmacologic device as a plea for help was at once pragmatic and clever; the only side effects were that three children were fed, housed and clothed until some small help was received. Second, the blatant sociogenic aspects of this situation seem to be obscured by some, with inappropriate name-calling (schizophrenia) and unsatisfactory solutions (removing the children from the home). The priorities of American society must be drastically changed to prevent this kind of tragedy. Many specific inadequacies in the system have been pointed out; however, I get the feeling that the people from the City Department of Social Services are ignoring them.

"This leads to my third point. We need not be defensive for our acts; perhaps sad and apologetic would be more apt. In order to discuss 'what we can do' we must consider the sociologic process, and take positive action toward remedying the tragedy."

Mr. Gerald Beallor (Director, Social Service Department, MHMC) made the following concluding observations: "A medical diagnosis is not appropriate in this case, which can only be considered as sociogenic illness. Seen in this light, Mrs. J's behavior is entirely appropriate and based on sound reality testing. The patient exhausted every channel the community supposedly offers without positive results. Therefore, in spite of the fact that she had been diagnosed as schizophrenic, and in spite of her meager education, she developed a creative and well thought-out solution.

"It seems unlikely to me that I or any of us in this room could survive the South Bronx, 1970, as well as this woman and her children have. Now, she, the victim, is being 'brought to justice' with the prospect of having her children taken from her through the Bureau of Child Welfare, with their future even more clouded than before. If there is any illness in this picture, it is we who are ill. If there is any insanity, it is a society that permits the South Bronx to exist and punishes victims rather than perpetrators."

Dr. SIDEL. This illustration of the interaction between the desperately under-financed social services of our city and the increasingly underfinanced health services of our city indicates how urgent is the need for some remedial action. Much reorganization of the health care system in the United States is indeed needed; but it is a fundamental principle of public health as well as of human life that starvation kills, and we shall for all practical purposes destroy the social and health services of our city unless there is an immediate major influx of additional funding into these services. I urge you to use your influence and power to help bring this about.

Congressman KOCH. You happen to be correct. It is a problem that we have to deal with through contact and the rules presently available on welfare are the same. We may change them, adequately, but change them, nevertheless.

What I am interested in, were these facts brought to the attention of Mr. Sugarman with respect to how this woman was dealt with by City agencies who were charged with the obligation of them, and if so, what were their responses?

Dr. SIDEL. It really was called to their attention but the Director of the Welfare Department in which this patient had been registered joined in with the conference and told us their problems.

They told us of their underfinancing. They told us of the incredible case load of each of their welfare offices. They told us of the welfare rules of the City which make it impossible for them to give adequate support to the people who need it, desperately. They told us of the difficulty of treating people, especially on an emergency basis, and they are in a trap as are the citizens.

What is needed is not only to strengthen them but to bring about a change in the whole philosophy.

Congressman KOCH. By this time it should be in effect in the whole welfare system. It is inconceivable to me that there is no service over the weekend and there was no money, and there were three or four children at home. I don't discuss that as accessible to the policy assigned to one caseworker.

Actually, have you questioned Mr. Sugarman who is the head of this department or the Mayor who is charged with this responsibility, to explain the chronology of why this woman—

Dr. SIDEL. It has not been formed as yet.

Congressman KOCH. If you will give me the information I will make the request because I want to find out where it initiated from.

Dr. SIDEL. We will give the case history without the names in front of you and we will get the physician to release her name, and if he does it we will be glad to do it.

Congressman ROSENTHAL. Thank you very much. Anyone who wants to speak will be given an opportunity, today. Just make sure the lady sitting outside at the table gets your name.

Our next witness is Dr. Canute V. Bernard.

Dr. BERNARD. I just have a brief statement. I hadn't intended to talk. However, I have been a member of the society and coming in, and I recognized right away that Congress, the people you represent, what you are trying to reach, is not coming in right off the bat.

It would seem to me that we have a problem here in Queens or southeast Queens in terms of taking it on the basis of what you are talking about. I believe if we are going to in any way effectuate a change, there is going to have to be a change that involves the proper City services and the lawmakers who have to make decisions, in turn.

There is no way that this can be accomplished unless one can establish a separation whereby they can sit down and participate, whereby they can sit down around the same table and find out what the real problems are.

The case that was presented just before here today, I would say, for example, we have much more valuable respect for what you are trying to do if you were to have something like that—to have these people come to you and hear them, like I have to do, like I have to do all day.

I believe you would have more respect, for example, if you effectuated an across-the-board dialogue between a coordinator committee that was made up of all kinds of people, chosen from the subject of the weather up to the atom, then I know it can be done.

I don't want to go into cases, but I will tell you that in one instance that they had the foresight to see this and I have seen it work, where a person is for it and the other person is here, and under the same roof after a two year period.

What's going to happen I don't know, but I have been a part of this experiment enough to see a positive approach to the effectiveness of what we are trying to accomplish and this is what we need right away.

What we do not have, and the ultimate is to provide the overall facilities and help the people here, but there is immediate need on it, and there have been efforts made to get alternate knowledge to meet the problem.

Where there are people who are working right here and actually putting out of their own pockets and then put it into effect. What I am saying is take care of the problem. They're talking about both; they're talking about the need of the college, and they're talking about it from the medical school end, and yet they are not probably working in that area, and are not aware of the seriousness of the situation, not alone in the state.

I say to you that it might well if the delegation to Congress, the delegation from this city of ours, were to make your bill more effective in terms of getting the information and were to have this matter looked into.

I am not saying this is a lack on the part of the Medical Society. I am a member of the Medical Society, but you cannot get the guidance you need to really find out where the problems are, unless you bring it down to the level where you know—

Chairman ROSENTHAL. What do you see as the problems, Doctor?

Dr. BERNARD. The problems in it, there is no coordinating facilities. Practically speaking, they're far removed from where you can reach them. That is, the working people, Welfare, Medicaid, Medicare—the complex—that doesn't provide with sufficient resources to take care of themselves.

There are family problems. There are the education problems, and all the others on top of this, sociological and emotional, and everything else, and when they get off from work and then they have to go to a public facility and sit down for four or five or six hours and try to get attention, and welfare gets an emergency problem and has to take applications from these people, and then requires—I don't know what they get there—well, it becomes then a question of what they will do.

I can say that in Harlem this happens, and I believe where I work, where if your patients do not come to the hospital, most times there is a good reason for it because they do not feel that when they get there they're going to get any care, anyway; that it is going to be held against them.

So, you have to drive them there. It is the same thing as happened over here. This is the problem. When they get there, they can't answer the problem there.

Congressman ROSENTHAL. When they get there, what kind of care do they get?

Dr. BERNARD. When they get there, the kind of care they get—it depends on how long they have to wait, what kind of facilities the hospital has and what they receive. In many instances, this happens to be a bad impression and that bad impression spreads and they don't want to be bothered with going there.

This, from my viewpoint, needs to be changed and we have to get and put good people in the area where they need them, in the form of a facility of some kind where a person is in one room and at the same time a person comes in as a screening arm.

For example, I say this that many many times, and I have said it in public and I say it again. A limited majority of people in a hospital don't belong in a hospital. They belong in a combined facility that is augmented, that is balanced. This is where the problem is.

If you can bring services to the people and make the professionals get to the process and held in the process, talking it over with the people, then they both have, as citizens of the same community, a common goal.

If the business is up here and the consumer is down here, and they never meet, then you can't establish the problem, and if you can't bring it to the level down to them, you are never going to cure it, especially in the Queens area, and in my particular area, and there are some people in the area who have to be forced to come here because of their concept of training of community medicine; getting doctors back to taking care of people rather than just seeing them.

But the thing of taking care of people has been lost somewhere, and until you grapple with the problem you cannot do what is right. You in Washington and the others in the street cannot do it, as you have been trying for long periods of time.

I have seen this work and it can work. It will have to work. But what has been done is not enough. I am aghast at the ignorance of the delegation as to what the problems are. It is obvious that they have absolutely no idea of what goes on in a community as far as problems of a hospital.

If you are going to determine that a hospital needs refurnishing and that hospital services need to be presented to the people in a big area, and they start in talking in terms of figuring out as to why not, they have absolutely no relationship to human backgrounds.

It is for me to understand it and for you to understand it, and what we are going to talk about; and I am going to tell you what my point is and you are going to tell me what your point is, and maybe in that way we will be able to determine and get a solution of the problem.

Congressman ROSENTHAL. I think the solution of the problem is that the president should be listening to you, if that is true.

Dr. BERNARD. I am concerned to the point of doing something, and I am telling you that part of the service in Queens, and I am talking about Queens, particularly; it is the old people that I am talking about. And I don't think you really realize what the problems are because you haven't heard them, and I don't mean I want any part of it.

I just happen to be one that is concerned and happen to know on a day to day basis, living with these people. I just hope I can intelligently continue to do it to the extent that where this morning, what all this we are talking about, is this community-based organization.

We are concerned with all kinds of problems across the board, before us in that area. I am talking about redevelopment. I am talking about health services. I am talking about everything else: health care, and all the same people that are ignorant and don't have any knowledge of it, and from my own attitude—O.K.

I have had more from these people, and I have been listening to them and I am going to help them better in my own profession than sitting in an office somewhere, and they're coming to me.

Look at your audience. This place should be full, for example. There is an important topic on this morning in Queens. It should be full, if the communication gap had been solved and I believe this is a problem that hasn't.

Congressman ROSENTHAL. We sent out 95,000 letters. Do you have a question, Dr. Bellin?

Dr. BELLIN. We know each other very well. We have worked together in the Queens Medical Society. Why don't you make some comment on some of the activities that you have carried out?

Dr. BERNARD. The Queens Medical Society is at present carrying out comprehensive health care in the broadest concept, involves businessmen, that requires to be heard. That is, the medical men discipline themselves—examination, X-rays, social services and what have you, in totality, in that area to speak about.

We got into it again because of the federal government and started off with a pilot program, and started talking about improving plants, I don't remember the number, for comprehensive health care. What it did, it got all of us together, professionals, together with all the community people to put this on, and fortunately, we were here because of our relationship with the city government to help us in dispensing, and the point is there are a group of patients between the ones on Medicaid and the others.

There is a group there that have helped us by funding part of our program. We had to do it out of our own pockets. We had to get all kinds of ways and means, and this is for me to say. I represent my area. What did I do? o.k.

Give us the money, give us the plans, and let us do it, you see. This is what he had reference to—this is working. We put in a center and that center is up on Sutphin Boulevard but that is not enough, because you begin to scratch the surface. That is not enough. But it has taken care of them, even though they don't want to have it.

I am not objecting to that. There is need for mother services, for five or six mother services to do the kind of work that we have been trying to do, and that suggestion leading into the development of parallel facilities—the development of hospitals we need down there, too.

I don't say it isn't needed where it is, but surely as I am standing here, that whole area, Southeast Queens, there is nothing in there. You know there are cities less populated than that, where they have 3 and 4 thousand, and don't have it.

The people down on South Road need an ambulance. They may call for an ambulance. By the time they may get an ambulance, and by the time they get to the hospital—I work in the emergency room—where is this what has taken place?

I have often said what would you do if all of a sudden you get chest pains right on Queens Boulevard? What is the nearest physician to you? You stop to think what it is, not realizing that you don't have a physician within reach of you of where you are. The other thing is, what about the person down there?

All of us have to breathe the same air. All of us have to live in the same vicinity. All of us have to use the same transportation. It seems to me that the poorer person isn't getting the health care, while the richest person is getting health care. They're all living in the same place.

In an epidemic, unless you put a wall up here and put a river in, it don't do any good. Yet you have the same public facilities for all, and sooner or later what affects your poor citizen will affect you if you live in the same area.

I say this is the kind of thing I am talking about, that will come out if you begin to meet the people that are having the problems.

Congressman KOCH. I am very impressed with your statements, Doctor. I speak of one aspect of it and that is the last thing you said; that it is the poor that are not provided for.

My experience has been in a rather perverse way. The important people happen to be the middle income category.

Dr. BERNARD. I stand corrected on that. It's the kind of inbetween group.

Congressman KOCH. And the reason——

Dr. BERNARD. This is the group that gets "X" dollars. This is the group I have reference to, by the way. I used the term "group" Medicaid group, and below the affluent group. That is that group I am concerned with.

Congressman KOCH. The in-between group?

Dr. BERNARD. What I am speaking of is the poor—not poor poor. Maybe I could use a better word.

Congressman KOCH. I think that is the message that we have got to get across.

Dr. BERNARD. Because the poorest and the richest persons are the ones that get the best care here. Medicaid, unfortunately, can't go too far. If the middle man can't afford with the high insurance and what have you—I am aware of all that. I don't want to take any more time.

Congressman KOCH. I want to clarify this. You said the poor. It is the guy in the middle who is the one who needs the care, and everyone gets coverage. It is that guy who is wiped out with a catastrophic illness and costs he can't bear and isn't covered under any health programs like Medicaid, but I want to go into another aspect.

I agree with you that there is no substitute for direct confrontation or consultation, and being there were other people who are involved, again I want to have a little bit of disagreement and that is this.

When you say we should be in a position, you mean you and the people you are working for and you say this is the program and we will do it now and get the money. It is not as simple as that.

Dr. Bernard. I am talking to you as though I was somebody who knows. I am not talking to you, generally. You are my Congressman and you get me the money. If you don't start somewhere——

Congressman Koch. You are absolutely right.

Dr. Bernard. That is what I understand happened.

Congressman Koch. That is what we would like to pursue with you.

Dr. Bernard. And I am not trying to—

Congressman Koch. I come from Manhattan.

Dr. Bernard. I say you get him to the point where he goes in and gets it. I am going to get off a little fact. That is a fact, o.k. I don't understand why you guys can't do it in Queens. I am talking about Queens. You are talking about all over.

Congressman Koch. I think the Mayor's goal for this area has been superb. The next thing is to get him and the people who are interested together to do that.

Dr. Bernard. I know you speak on the federal level and somebody out there doesn't know from a hole in the wall what is going on in New York City. But the idea is brilliant, where to get the money to go to work. I know that can be translated into local levels and we need them here.

Congressman Koch. What I hoped we would be able to do subsequent to today is get out the people that you are talking about so we can have the kind of round table discussion where we can find out what the problems are and work them out.

Dr. Bernard. I know what the problems, sir, are.

Congressman Rosenthal. Dr. Bernard, Dr. Cicero has a question or comment.

Dr. Cicero. My understanding—you can correct me if I am wrong—my understanding is that the Health Services Administration in the New York Health Department is trying to establish—my understanding is that the Health Services Administration of the City is trying to establish in Queens some 14 to 18 neighborhood family care centers.

What I would like to ask you, if you or the people you are talking about are involved in any way in the planning of these family centers?

Dr. Bernard. I am aware of it because I have worked with Dr. McLaughlin over a number of years and I know what her concept is. I agree with her concept. We have to start them one at a time.

The one that we are running happens to be for the reason that I gave—brought up from our own funds, o.k., but the plan—I call mother service centers, and we are involved in that. We are the first proceeding. We will be dependent on the budget cuts and all that up in Albany. That is what the problem is. The business of priorities and stuff like that, you know, fooling around with the dollar signs and all that malarkey that I don't understand, and I realize then we can get something done.

Congressman Rosenthal. Thank you very much. We are joined on the panel by Dr. Herbert Freilich, Director of Professional Services of the New York City Health Administration.

My next witness is Mr. Walter Hilfreich.

Mr. Hilfreich. Congressman Rosenthal, can you understand me? Is it clear. I spoke from this platform two days ago at the Grand Jurors Association, so I don't know if it's turned on all right. My subject is completely different. I just speak for one thing, what the people in Queens, and the subject which is Queens, and as their representative I was called on to speak to you members of Queens who are here, for those not coherent enough to speak up for themselves at great length, about many of our health insurance problems.

Now, I came to this country voluntarily in 1920 because I wanted to live in dignity all my life and I worked ever since publicly for those in business and I thought something should be done about old people because since I was 65 years of age, because I was completely covered by all terms of medical insurance.

As soon as I reached 65 everything went off. I was thrown into Medicare. Medicare is a wonderful thing, but the senior citizens didn't know about it. They don't know, for example, that the moment they leave the country they're out of it. If they get sick anywhere else, they're thrown out.

The important thing is that I have to file personal claims, you see. If I may go ahead with it, if I would be interested. It all has to do with the carrier of our insurance in this country. We have to specify this country. I don't know why we have it.

I have many claims here. My first experience in 1969 regarding reimbursement for doctor fees was so desperate that I finally had to send a telegram to the carrier, as all my telephone calls and written inquiries remained unanswered. In response to my wire I got an answer directly from the vice president in charge and within a few days the mess started to get cleared up.

The wording of the telegram was: "Your unbelievable dilatory way of handling claims. For months I get nothing but a case control number I just wondered why you are in business and I have called you numerous times and spoken to innumerable people, and all these people about stopping bothering the doctors. My health insurance problem is so and so . . ." The name is Martha Hilton.

Now, that was two years ago. The next morning I got a telephone call from a gentleman in charge, a very curt call, and the red tape was cut and in no time I got my money. The money was necessary. I can afford to wait 45 days or a month or two years for the sum of $60 or $100, but there are thousands of people who need that money. They go out to doctors and the doctors do not accept their assignments. You have to pay in cash, and if the doctor feels like raising the fee meanwhile, welfare says this is not our business, how much they pay and how much they don't.

My first experience was in 1969 regarding the reimbursements for doctor bills, so finally I sent a telegram. The same thing happened in 1970 which is the current year.

I sent all my bills on the 26th of December of last year. The bills were $45, that is all. Since that time, some run around I got from these people.

Not having heard from them, I called on February 19, 1971 and was connected with a Mrs. Orlando. After 20 minutes search, she came to the phone stating that they cannot locate our bills which were sent in December 26, 1970. They will have to check this out and it would take two more weeks before they would be able to reply. Her questions were: Who are the doctors, what are their names, what are their addresses, what were the amounts, and when were the bills paid to them, have you any receipts, etc.

Number one, my secretary fixed that up. I have it here, now. Not having heard from them by March 18th I called again. A Mrs. Graff answered: "We cannot locate your claim. Who are the doctors, what are their names, what are their addresses, what were the amounts, when were the bills paid to them, have you any receipts, what is your Social Security number, etc. Please look into your billfold and see if the number of your Medicare card checks so that we can check it out again."

On April 21st I was again asked to submit doctor's bills and all the other information.

On April 15th I sent them the requested bills and information with a long letter addressed to Miss Nancy Klapper, Manager.

On April 22nd I received another form letter, the same information requested, signed Dave Green, Manager, Subscriber Relations.

On April 24th I phoned again and tried to reach Mr. J. B. Powers. I was told he cannot be contacted. By then my hiatus hernia was not getting better, the unnecessary repetitions increasing the flow of my bile.

Congressman Rosenthal. What is the name of the company?

Mr. Hilfreich. The name of the company—I tried to forget it. Group Health Insurance. I have no grievance against anybody. I will tell you why. I tried to reach the president on February 24th. I sent him a telegram. He answered my telegram. I was told I cannot leave.

By then my hernia was not getting better. It flowed on and on. All I was looking for was something which I believe I am entitled to. I don't know. I did not want to send another telegram because the one in 1969 cost me over $12.00 and it goes about 10 cents a word. I was shocked.

Finally, on April 26th I got two telephone messages from Mrs. Klapper and another gentleman to call Mrs. Klapper back. I had trouble getting through the different operators who asked me why I wanted to speak to Mrs. Klapper. She finally told me my claims will be paid. One month later on May 24th I received my big check for $32.80 which was the condensation of the allowed doctor's fees.

That was all it was boiled down to. I have nothing to say about that. None of it matters how they boiled it down, where it boiled down. Why a doctor charges me $50 when he gets $60 for it, that is something the medical society has to figure out.

Having spent most of my working days with another "small" insurance company—Metropolitan Life—mostly in the health business, the different treatment of clients between a regular insurance company and our carrier, the G. H. I., came vividly to my mind.

Medicare as such connected with hospitalization claims works perfectly, but the harassment of those who try to collect moneys paid for doctor's visits, is just short of unbearable.

At my age of 76 I cannot undergo any more of those inquisitions connected with the collection of legitimate claims in Queens County. I am seeking medical help in other counties. For example, I had a complete checkup of my ailment with x-rays, etc., in Genesee Valley Medical Care and within two weeks this matter was settled. Their findings were that I was suffering from a gall bladder affliction, no doubt aided by the aggravations described above.

There must be many people who are not coherent enough to speak up for themselves. After all, senior citizens are getting old and many are helpless, and out of this reason and for this reason alone I do think that Representative Rosenthal's Congressional investigation should be very welcome to probably many thousands of sufferers.

I still do not understand why we fully grown-up people should have as our carrier an outfit that does not seem to care at all.

I may even go a step further. As Medicare does not cover senior citizens outside of the United States, I carry Senior Blue Cross and I am sure will never have any trouble should I become hospitalized abroad. And as to the doctors' fees that I paid in Italy, England, Austria, etc., I can very well afford those without coverage.

Blessed are those who are ill and live in Manhattan. Their claims are taken care of immediately through the organization of the Blue Cross.

There must be a good reason why our Queens doctors do not accept any assignments from their patients, and I am sure that in many cases it is hard to scrape up the money needed in cash. I am told that they, too, have to wait six months for reimbursement and they have to battle for it. And I still believe that there are some among them who are not millionaires.

Congressman ROSENTHAL. Thank you very much.

I think we will pass on the question. It depends on what you have to say and I think you will have a chance to have your carrier offer rebuttal.

Our next witness is Mrs. Lily Goldschein.

Mrs. GOLDSCHEIN. First, may I thank you, Congressman Rosenthal. I wish to speak about doctors who are more concerned about their bills than they are with the condition of their patient.

My mother was admitted to the hospital with a very serious illness, and the doctor called me and said the hospital was too large. Yes, the hospital was too large, for the reason that it could not give the consideration for the patients who are treated there.

There may also be a question of politics there. In cases of terminal cancer where they go into a room in a great big hospital they are often neglected. My mother did not get this but her care was no different than if she would go into practical surgery, but they need the concern of the doctors. We do not get that kind of attention in the hospitals.

The hospitals are so large and they are getting larger—in fact, this hospital is now in the process of constructing another enormously big building and their main aim is filling those beds, not taking care of patients.

Now, that is my complaint about the hospital care. I know my family was in the same hospital in a smaller division and the care was much different than the care in these enormously high-rise hospitals.

Now, coming to another point concerning Medicare. Why is it that the doctors do get 80 percent of their fee, because we do not get it back from Medicare, and we think we have a very good record—that record of the department was excellent.

However, in my mother's case where she had to pay $225, she received only $50. I didn't write to you because I didn't want to disturb Congressman Rosenthal. He has a lot more serious problems to contend with than a case like this, and I think people should, if they are able to write, as I am doing, to get that satisfaction.

I have been getting returns in dribbles. $50, another $50, and I finally got up to a $100 return for the $225. Of course, I am not finished with this because I think—it was explained in the medical care booklet that you are to receive 80 percent of the fair return.

$50 on $225 I don't believe or $100 is not even 50 percent of the bill, and you get the run-around with the Medicare, too. If you have a doctor who is not with them, then you must pay that bill.

What does happen if you cannot pay? The dignity, as that gentleman said, as you get older is as important as the dignity of the middle-aged and young. Everybody is entitled to it by law.

Let's uphold the law and see that the loopholes are closed. Why should the anesthesiologist not be licensed with the Medicare division? Why can't the law or some change in the law do something about this?

Congressman ROSENTHAL. Maybe in the course of dialogue—we are trying to answer questions for the moment because somebody may want to testify. I hope someone will be able to give you the answer.

My next witness is Robert Rosengarten, who is the director of the HIP, Medical Center and after him will be Dr. Murray Elder.

If there is anyone who feels that they can respond to a question that was raised by a previous witness, please feel free to do so.

Dr. ROBERT ROSENGARTEN. Congressman Rosenthal, Congressman Koch, distinguished colleagues, and friends assembled to improve health care in Queens if it is possible.

I am Dr. Robert Rosengarten, Medical Director, Jamaica Medical Group, and also Assistant Clinical Professor of New York City University School of Medicine.

The questions in Queens concerning the health system are unique with the availability of medical facilities and quality control and cost of service. The government should concern itself with the method of fostering (1) the coordination and better utilization of existing health resources and (2) the rapid development of large, multi-specialities, comprehensive care and medical groups serving geographical areas.

The groups will be hospital affiliated of quality control and be renumerated by a prepayment capitalization system. Legislation provided for the accessibility of low cost loans to develop the necessary facilities and tax shelters to encourage the participation in such groups is a small step in the right direction.

Improve delivery of health care services, however, cannot be readily legislated. The impetus for improvement must come from within the medical profession, with government cooperation.

Status quo attitudes of sole practitioners and medical societies which serve as barriers to change in the health care delivery system must be changed. The medical profession must no longer pay lip service to the challenge of providing a better health care delivery system with reasonable cost, or to face the prospect of having a system imposed upon us.

I represent the segment of the Queens health professionals who have over twenty years experience as pioneers in expanding the frontiers of medical care delivery system.

The Jamaica Medical Group and its associates, the Queens Boulevard and Queensboro Medical Group, are currently rendering comprehensive medical care to 120,000 persons on a prepaid capitalization basis.

These groups will soon merge into one professional corporation of 100 physicians, have seven medical facilities located throughout the borough.

In cooperation with the Health Insurance Plan of Greater New York the group preventive, consultation and treatment services are expanding by our excellent LaGuardia Hospital in Forest Hills, a super-specialty consultation service, a borough-wide emergency service center which functions whenever the group facilities are closed.

The Queens National Mental Hygiene Clinic and multi-basic testing service to provide baseline data on our patients.

Attendant health personnel are part of our complex, including nurses, medical assistants, health education workers, nutritionists, physiotherapists, optometrists and podiatrists are optimately utilized in our practice.

The groups are run by full time medical director and professional administrator; self-discipline provided by an executive board. Medical provision by qualified full-time specialties department chiefs and preview and practical guidelines practiced by medical society committees.

The subscriber input is assured by active subscriber committee which meets, regularly. Despite antagonistic criticism, the consumer is assured of the best available plan provided for quality services without claim form at a reasonable price. Thank you.

Congressman ROSENTHAL. Thank you very much, Dr. Rosengarten. Dr. Cicero.

Dr. CICERO. Doctor, are you familiar with the legislation passed by the State Legislature?

Dr. ROSENGARTEN. Yes, I am.

Dr. CICERO. As to a corporation?

Dr. ROSENGARTEN. Yes, I am. There are still shortcomings and drawbacks that have to be refined. One is a mistake that state legislators make, is that, basically, physicians do not need loans or monies in order to develop facilities.

This money is available to an interested group of physicians and the difference in loan costs helps but is not a major factor. This type of legislation will help hospitals, however, who are interested in expanding the out-patient services if they can differentially diffuse the out-patient services from in-patient and run the out-patient to a coding system separate from the hospitals.

I believe it is a step in the right direction, but you cannot legislate this type of thing. This must come from the medical profession, recognizing their need for comprehensive care prepaid group.

Dr. CICERO. No loans have been made in that bill.

Dr. ROSENGARTEN. That's correct. We are utilizing this in our LaGuardia Hospital system. However, for our patient system we do not need this money.

Congressman ROSENTHAL. You're probably the only person today who tells us you don't need the money.

Dr. ROSENGARTEN. We need money for other things but not particularly for those facilities.

Congressman ROSENTHAL. Thank you very much. Dr. Murray Elkin.

Dr. ELKIN. Congressman Rosenthal, Congressman Koch, distinguished panel, I am vice-president of the Medical Society but president-elect for the coming year this July 1st, but I am speaking as an individual, not as an officer of the Society.

I, too, want to thank you for the opportunity to appear before you and I was particularly happy to hear Congressman Rosenthal say that he wanted to hear from the people. I think that is the area that has been most neglected over the last 15 or 20 years.

I have read your opening statement and I certainly agree with everything in it. However, I think I should point out there is certain explanations that are not included in the meaning of the statement.

For example, it says we ran 18th among industrialized nations in infant mortality, that it is correct. However, there are different ways of determining infant mortality. In this country when an infant dies within 24 hours or directly after birth that is called infant mortality.

But in a continental country, infant mortality is right there, what we call infant mortality what happens after that infant is born. So although statistics may seem to be favoring the continental countries, they really are not because we include in our infant mortality cases that they do not.

Congressman ROSENTHAL. Those figures came from HEW.

Dr. ELKIN. HEW is always mistaken because HEW like any other organization takes statistics that someone else takes and just diffuses them.

Congressman KOCH. What is correct? Where should we draw the line?

Dr. ELKINS. I am sorry. I can't give you the correct statistics but I would like to point that out. Secondly, it says we are eleventh in the life expectancy for men and women—and 18th for men.

I would like to point out there are certain things in our way of life that contribute to life expectancy. For example, cancer of the lungs is now the most common cancer known. It is unequivocal that the major cause of cancer of the lungs is smoking cigarettes.

Now, you can't blame a high incidence of cancer of the lungs which contributes to the mortality rate in this country on the medical profession or lack of medical care. If you get people to stop smoking, then you could lower the mortality of men and women and, incidentally, the mortality rate in women is rising very rapidly due to the fact that they are smoking more than they used to.

Congressman Koch. Let's stop you there. Once when I was in the City Council I was very concerned about the fact that the hospitals were selling the cigarettes in the hospitals themselves. I think that has been changed very recently.

My question is, isn't there an obligation on the part of the medical profession to come forward with constructive proposals? For example, you say that you should not be held responsible for lung cancer because people smoke. Are you not be held responsible if you sell cigarettes in the hospital in which you have the word to say whether or not cigarettes should be sold?

What I am saying, and with due respect to your presentations, I think you are defensive on these questions. I think it is important that if the statistics show that we are 18th or 17th in terms of longevity; that they are 11th in terms of infant mortality, not to say they're using different tables and not be able to make a presentation as to where we should be in terms of your figures.

These are very defensive kinds of presentation. I would say we ought to be number one in no infant mortality.

Dr. Elkins. I agree with you, Congressman. However, I started by saying I was trying to explain some of these statistics and make them more realistic and I agree that smoking in hospitals should be stopped and that cigarettes should not be sold.

In fact, in my hospital we did institute—I did institute a resolution in our medical board and there are no cigarettes sold in this hospital.

I am very strongly against smoking and I don't think there is any question against them. Also, twice as many blacks die as whites. I would like to say that the entire subject of the poor and it is the increased mortality rate I think and I do not believe, honestly, is due to the fact that the medical profession does not provide the poor with care, but I do believe that undistributed people who live in substandard housing, where they don't have the proper clothing and who don't have the proper food and who don't avail themselves frequently of the proper medical attention—that is some of the reasons why there is a great deal greater mortality of black than white.

I would just like to mention one or two other things. There is no reasonable reason why a person should get better medical care because he lives in a better neighborhood, has a better job—has a better job or the right sort of skin—there is no question about that.

However, I would like to point out that in the County of Brookyln in the last few years, even now in the County of Queens, there are fewer physicians practicing than there were 3, 4 or 5 years ago, and the reason is this, very obviously.

Firstly, it is dangerous to practice in these areas. Doctors have been murdered, have been mugged, have been stabbed; they're constantly threatened.

In this County of Queens, in certain areas—Jamaica, South Ozone Park and others, doctors do not keep their doors open for patients. They're locked. Some doctors have security people opening the doors to allow people in that they know, and none others, so how can you expect a person or a Congressman to live in an area where his physical well-being is going to be so threatened, that he cannot possibly bring up his family there or practice there.

I would like to point out to you that that was the reason that physicians do not go to these areas. They can't possibly stay there because they're either mugged or killed, and if they ever try to make a house call, that will end in physical damage.

Congressman Rosenthal. They don't even make house calls around Forest Hills. (Applause)

Dr. Elkins. I am glad to hear you say that and I am glad it's brought out. I will tell you why because I was going to mention that the reason that doctors are not making house calls is not because doctors are no more dedicated now than they were, but I, who am a general practitioner, and have been a general practitioner since 1933 make house calls.

However, my age group of general practitioners is dying out. It has been shown that more than 80 percent of doctors in family practise are over the age of 50 and I would dare say that practically 65 or 70 percent are over the age of 60.

Of all the medical graduates in this country, 8,500 per year who graduate, about 2 to 3 percent go into general practice. In other words, if you had even 3 percent going into family practise who would treat people on a local, basic community level, you would have 150 to 200 or 250 graduates a year. That divided into 50 states would give you approximately 3 or 4 per state.

Now, certainly, that is hardly enough to replace the doctors who are dying out, who are retiring because of age or because of infirmity, and that is the problem; not the fact that doctors don't want to make house calls, because our age group who have been in practise 30 or 35 or 40 years and who cannot physically work 24 hours a day, have no replacements.

It would be like having a battalion in the Army go into battle and suffer 90 percent mortality rate, and no replacements and that is the problem in this country, and I am glad you brought that up, Congressman, because that is the answer and we who are still trying to uphold the duties of the family practitioner are being blamed for not being available 24 hours a day, seven days a week, 365 days a year, when we can no longer do it.

Congressman Rosenthal. I think the point that Congressman Koch made, I think is that no one really should be defensive. We all know there are changes in the system, changes in needs, changes in the times.

One of the reasons we are holding this hearing, and this committee is going to hold hearings—it may well be that reformation of the major delivery system is needed. I know there have been a reduction in the number of general practitioners. I think you probably overview this thing. We can't really say because house calls aren't going to be made because of one set of facts. Most of us know they're not being made in other areas. Basically, an understandable medical—

Dr. Elkins. That is true. However, I would like to point out as in every neighborhood, particularly Manhattan, there are practically no general practitioners coming out to practice and there have been none in the last 15 or 20 years.

Congressman Koch. Doctor, I want to speak on the question of the differential between mortality rate for blacks vis a vis whites, and also on the longevity rate between them, too. You pointed out, quite properly, that some of the aspects have to do with this; that we have problems in housing, and we have in the areas, as you pointed out, people without clothing—the simple maintenance.

But you make one other comment that they don't avail themselves of the services which you say are available.

We had a doctor here who testified earlier who comes from South Jamaica, black—were you here?

Dr. Elkins. I was here.

Congressman Koch. And he makes a point; one, that the people don't know where the services are. (2) That services that are provided are provided in such a way that people who come from a constituency feel rejected when they come in. He mentioned the general hospital.

Is there any validity to his presentation which is that the services that are provided are not adequate and also because a rebuff is made? Is there anything to that statement?

Dr. Elkins. I agree with what he said, wholeheartedly. I do agree with what he said but what I am asking is no different than what he said.

I would like to say that in the past two years as secretary of the Medical Society I have been Editor of the Bulletin and it has been my duty and privilege to write an editorial each month.

Many of them are economic subjects. The first one in July of 1969 was entitled, "Medicaid and Simple Arithmetic." At that time I showed that in the present Medicaid system the quality of care certainly has not been demonstrated; that legislation had been passed by people who had no first hand knowledge of community medicine as practised on the local level in the doctor's office.

If a legislator, or if he is a physician with an M.D. title, but is in public health, is that man not practising with people and does not know the problems of the practising physician and patient.

Now, as I pointed out then and I will point out again, that Medicaid pays a hospital anywhere from $25 to $30 to $50 and even $65 per patient visit every time that patient goes to a clinic in the hospital.

$65 in some cases and frequently $30 to $50, and that same service which could be rendered in the physician's office, if he would accept Medicaid would be $4.80, minus 20 percent now, which the poor indigent would have to pay a doctor about 96 cents instead of $50 to $65 per visit.

Now, a great preponderance of people—I can supplement this.

Congressman Koch. I don't understand this. If a patient comes to a clinic the charge to Medicaid is $50 to $65 as opposed to where he comes to the office of the private physician where the charge would be $5?

Dr. Elkins. Exactly, and in many cases——

Dr. Bellin. I would like to bring something important out. I was formerly Director of the Medicaid program in New York City and former First Deputy Commissioner, and one of the more patent concerns that have taken place in the field of economics, as Dr. Schlossman has stated, $50 to $65 rather—is rather esoteric. The average is $35 a day in New York City.

Anybody going in an out-patient department in a New York City voluntary hospital, on an average, we have to pay $35 for that office visit to the out-patient department of a hospital in New York City.

If that same patient were to go for that service into the doctor's office, we would have to pay somewhere, $4 or $3, depending upon the treatment.

Now, what has happened, as a result of some peculiar social problems is that the physicians in New York City have been driven out of the Medicaid program to a very great extent. The reason they have been driven out is because of the rather absurd fees that they are permitted to charge, the Medicaid fees as distinguished from Medicare.

Medicare they're being paid more or less what is the prevailing rate. What I am suggesting is this; most important is the prevailing fee concept. I think that modifications are necessary and what we call prevailing fees, because some prevailing fees weren't so prevailing until Medicare started. That is another reason.

What I am saying, you have two programs right now, two federally supported programs. There is the Medicare and Medicaid program.

Because the Medicare fee schedule is so much better than the Medicaid fee schedule, a physician will take more. Why should he settle for $3.20, why should he see a Medicaid patient instead? Why should he see either one if he could see a patient who is not supported by a federally supported socialized program?

What has this demonstrated; why the physicians have left this program. So we are now in New York City with about 8 percent of what is regarded as hard core physicians who send their bills.

If they didn't get these fees, they could not give appropriate care under that kind of fee cases. What happens? The patient cannot go to the private office any longer, the same medicaid office, during the last four or five years and is obliged to go to the hospital, to the out-patient department, whereupon the City, State and Federal Government kick in their 25 percent and their percentage of the medicaid dollar and are paying $35 for that visit.

Congressman Rosenthal. We don't want to get too many interruptions, but somebody asked a specific question.

Dr. Freilich. I would like to clarify it. I would like to clarify the rate discrepancy between the out-patient costs and the private doctor costs. In a city hospital the average costs I believe are $32 per day.

Let me explain that. You are getting different things with the hospital costs and a visit to the doctor's office. The hospital costs in many cases is a built-in cost, which would be added on an a la carte basis, if you went to the doctor's office.

The hospital's out-patient visit is an average based on the complex care given to very complicated visits as well as the simple care given to a scratch, but it is the aggregate.

It includes all laboratory tests which can be very expensive if added by a private doctor. It includes a cardiogram. It may include physiotherapy. It includes x-rays, barium enema, and so forth, which you know what those cost if you go to a private radiologist and pay for that. It includes medications which are prescribed. Also, there is a big training program. The hospital trains aides, physicians, house staff and so forth.

Dr. Elkins. I would like to say in response to that, that although that may be so; on the other hand, our hospitals which are not always judiciously interested in the welfare of each individual patient but interested in the financial returns they get for their institution, takes every type of personnel they wish and asks upon a cost basis, which they are going to charge Medicaid, and, therefore, the various types of government pay for the services they render, and I who see the clinics and am in the clinics know that most of the people who go there do not go for complete workups, but a great amount of the people are a number of people who sit on the benches, who come in with their bottles of medicine and all they want is a refill, and they call for that each month and at $35 to $65 at the hospital center, if you please, per visit for a bottle, in my opinion, is one of the most violent reasons for the financial repletion of this country.

I would like to go just a little bit further.

Dr. Bellin. I would have to make a comment at this point on behalf of the City. Dr. Schlossman is correct. I am comparing apples and oranges, but not apples or oranges. I am not comparing the vegetables with fruit.

We are talking about the same species of the thing, and I think anybody who has had experience in our department knows full well, and I have to agree—I find myself curiously agreeing with the representative or organized medicine this morning, which is not unusual at all.

We generally have the greatest relationship in a number of areas, but they're absolutely correct this morning. The situation is this, and the average patient who comes in the hospital is not getting an EKG, does not get 55 laboratory tests, does not get a proctoscopy.

There are a number of things that are charged to that visit. Now, I find this very difficult to understand and justify—a training program. There is a health care program. I think training should be subsidized, but I don't think it should be smuggled into the actual cost per visit and I resent that the City has to pay 25 percent on a medicaid visit for an experimental nursing program.

I just feel this is pure camouflage. I think, secondly, that there is a lot of insufficiency in these institutions, and when you work in the Health Department, and I have in the last eight months looked into voluntary hospitals and I know what is happening in voluntary hospitals, and upon some of the reasons—I think, having some educational background—however, I think we cannot justify some of these costs, and I think if we truly want to save money in this program what we ought to do is put some of the moneyed people out of the New York City Medicaid program, and put them back into these programs and save that money.

However, it should be done in the offices rather than private visits. Figure it out, mathematically. If it is $5 instead of $35, you get 7 visits instead of one.

Dr. Elkins. I would like to point out that the visit does not include the fee that is paid to the physician for attending the clinic which ranges from $15 to perhaps $30 per physician, so the astronomical figures I metioned are figures that not a legislator in Washington sees, but only the doctor working in the clinic.

That is why I applaud this type of investigation because you can't know this by sitting in an office in Washington.

I would like to point out, in addition, that it is shown, for example, that children in schools who have to be sent for routine examination and have Medicaid, when that examination is done in the school by the school physician it costs $3.50.

However, thousands of these children have been bussed to hospital clinics and the cost of that clinic visit for the routine physical examination of a school child was $35.57.

In November of 1970, I wrote a second editorial entitled, "Doesn't Anyone ever Listen Out There?" and I repeated exactly the things that I mentioned, today. I sent both editorials to four City Councilmen. I didn't even get the courtesy of an acknowledgment or a reply. These were published in the Queens Medical Society Bulletins. They're common property. They have been seen by newspapers in New York. No one has commented upon the tremendous waste.

In October of 1970 I wrote an editorial entitled, "The National Health Crisis," and I am going to repeat what I said before. Dr. Richards has been slandered and blamed because of the unavailability to cover 24 hours.

I told you the reasons why and I implore the legislators to try to encourage as many physicians to go into private practice as they can, because not only on the county level or in the neighborhood level, but those who are deploring the lack of physicians in the small towns. There are no replacements for doctors who are dying.

Congressman Rosenthal. We can't do anything to encourage physicians to go into family practice other than make the change in medical school training of these federal government subsidies for the tuition of people who are willing to commit themselves to a five year term as a family practitioner in various types of neighborhoods.

We are going to have to go to all types of people we take into medical schools, and subsidize those people who are willing to render services in community medicine.

Voice. It has been done with teachers.

Dr. Elkins. I would like to point out, Congressman, that right now I think less than 50 percent of medical school graduates actually treat patients in communities or neighborhoods, but they go into either a closed type of research—research type of practice or hospital practice, so no matter how many you graduate, if you encourage twice as many medical schools and twice as many graduates, you still will not have enough physicians, primary physicians who are willing to see people.

Congressman Rosenthal. The only point I want to make—we will have to obtain some kind of commitment from them in return for something even before they are admitted to the medical school.

It seems part of the problem is to put all this money into research and failure to understand the situation in the country. It's very glamorous that you develop a live virus in Palo Alto, in California, where you can't get a doctor in Forest Hills that will do you any good.

The point is you need research; at the same time you need people to treat people.

Dr. Elkins. A doctor in New Jersey stated there are not enough general practitioners. 75 percent of the graduates go into specialties with little or no relevancy to the immediate needs of the cities, and I feel that there is hardly a medical care problem that cannot be solved by physicians in neighborhoods where they are going to treat people.

Congressman Rosenthal. Is there anything in medical practise where they can continue as a single practitioner, a sole practitioner, where they have to join a larger enclave of physicians?

Dr. Elkins. I believe that there is a great impetus in this country, state, city and national level, to force doctors into groups. Now, I have nothing against a person who likes to be treated by a group, whether it be Kaiser or HIP; that is their privilege, although I may comment on that type of practise in just a bit. But they have that right and privilege.

However, I do not know why a certain single physician should be penalized now from being able to help them. There is legislation on a state level, and Senator Kennedy on a national level, to almost force physicians into group practise.

Assemblyman Blumenthal has a bill in the State Legislature which would provide that if a patient belonged to a group all his expenses will have been prepaid, hospital and medical care.

However, if he chooses a solo practitioner, a physician of his choice, there will be a $150 deductible for the family, $50 deductible per person, and a 20 percent deductible in addition, for anything above that.

If this isn't discrimination against the people who desire to have a solo physician, I don't know what it is.

In addition, I would like to say this, and I will ask a question of the people in this room, how many when they become ill, not on the street, but ordinarily become ill seek a group or a hospital or any permanent type of installation, and how many call their own doctor and ask him to treat them?

I don't think there is any question that the majority of people would like to go to the physician of their choice in whom they have implicit confidence and they want that type of assistance.

For those who want a group, let them have it. I say for those who want HIP, let them have it. I get many of the HIP patients in my office who are dissatisfied and probably already many people who are dissatisfied to go to their own physicians, too.

However, that is one of the reasons for low cost patient care for being as it seems to be, but I could and do believe in the right of the person, not of the doctor, but the person to have his freedom to choose his own physician and to continue to have that right to have that freedom.

Many of you have read the articles in the New York Times which Mr. Watson, Chairman of the Board of the International Business Machines, had written an article in which he lauded the type of permanent system and others.

I would like to point out that in the past two, Kaiser-Premanente, which is considered by many a motto of cross-sectionists by government has increased its rates more than 7.5 percent in 1969. again 18 percent, and finally a total of 34 percent within a period of two years.

Now, as far as HIP is concerned, the loss cost ratio is supposed to be low because many patients use facilities like that for ordinary visits, for visits they consider perfunctory, but as I know and as most practising physicians know, we see many HIP patients who come to us because they have confidence in us and they go to HIP only when they have some perfunctory illness. That doesn't mean all but it certainly explains a lower rate in the cost ratio.

The Finnish system and Scandinavian system has been lauded by many. I think you should know, for example, in Great Britain there is a resurgence of private practice. There are long lines waiting in hospitals, hospital conditions are poor; waiting list for surgery sometimes a year or more, and there is a period of about two minutes which practitioners allow to their patients in their own offices, as you know, called a surgery.

Again I say I think people should and must retain the rights of freedom to choose a system that they care or prefer, and I, as I said, those groups—fine, have them. But they should have the right to be free and choose their own doctor.

The ultimate casualty of people shall not be the pursuing of the free practise of medicine which will happen, but I think that it will be the deprivation of the free people of these United States of the alternative to government compulsion without alternative or without choice.

In my last editorial which has just been published, entitled "Tinkers to Evers to Chance," or "From John to Nelson to Richard," or "The Great Giveaway Programs and How they will rack up the City and State and Nation," I would like to read something to you, if you don't mind.

Chairman Rosenthal. You could put the entire article in the record. We are under a terrible time problem. I will put the entire article in the record, if you would like.

Dr. Elkins. I would be very happy.

Congressman Koch. May I ask you this question. Were you for or against Medicare?

Dr. Elkins. I am completely in favor of comprehensive prepaid insurance for everyone in this country.

Congressman Koch. When Medicare came into being not very long ago, were you one of the doctors who opposed it?

Dr. Elkins. Absolutely not.

Congressman Koch. You were for it?

Dr. Elkins. I am for it.

Congressman Koch. I am pleased to hear you say that.

Dr. Elkins. I would like to state, unequivocally, that I am in favor of complete, comprehensive prepaid insurance for every citizen in the United States, with the right of that person to choose his own physician and facility, and I also believe that those who wish to do it on a fee for service basis should.

Congressman Koch. I am really pleased to hear that because I think that it is a great contribution where a physician comes forward and takes that position, but it always distresses me about many doctors that they have opposed programs like Medicare.

I remember the opposition that the medical profession brought to bear and I am pleased that you are not one of them. One of the situations is that men like yourself are able to bring out the inequities.

I mean I did not know. I want to tell you I did not know that the City, State and Federal Governments are paying $35 for a visit that if it were held in the doctor's office would be $5 and I consider that insane and fraudulent on the public purse and not to be resisted. I really do.

I don't know what I can do about it but you can be sure of one thing. I am going to try to do something about it. What would be helpful instead of just attacking the Medicare system and the Kennedy bill and things for providing decent medicare care, which is not available at a price that people can pay in this country; instead of attacking it, to come forward with proposals to make it better.

Dr. Elkins. I agree with you 100 percent, Congressman, and such proposals are being made. At the present time serious consideration is being given to many many counties in this country. In this county and in Nassau there is a movement for a foundation—for the formation of a foundation where physicians will belong, where physicians will be regulated by physicians for the best interest of all, and there will be no excesses as far as humanly possible.

I would like to point out, too, Congressman, as far as Medicare was concerned, there were certain congressmen and senators that voted against it.

Congressman Koch. Well, they were wrong.

Voice. I have a question.

Congressman Rosenthal. Do you want to ask it of the doctor?

Voice. Anyone who cares to answer this question. I think one of the reasons why certain doctors might enjoy Medicare is that they simply get patients to sign blank Medicare forms. They never see what has been paid to the doctor until Medicare sends them a paid notice of their allowable fee. This gives them carte blanche. They can write their own ticket. I am not through—because they make a bundle.

Dr. Elkins. Congressman, I don't speak for everyone in the medical profession and I don't say every doctor in the medical profession is doing exactly what is right. I certainly don't. There are a lot of things I see, and you are absolutely right.

However, I do say that by peer review, by formation of a foundation as we are trying to form it here and we hope will be formed in other counties, there will be a peer review so doctors will not start exercises and will force physicians to accept what is a reasonable, customary and ordinary fee in that neighborhood.

Congressman Rosenthal. What happens when you refuse to sign a blank form?

Voice. I have an elderly aunt who is in a nursing home with a hip pinning and she is not 100 percent well. You know, she doesn't have enough knowledge or sense to know what she is signing, but she knows she shouldn't sign a blank form because I have told her this. She is being harassed by a doctor who is unauthorized to make certain visits to LaGuardia Hospital, it happens, so I——

Dr. Elkins. Is this a HIP hospital?

Chairman Rosenthal. We knew that before you did.

Voice. Yes, I had rotten experiences.

Chairman Rosenthal. Have other people had experiences with physicians after you signed Medicare forms? Have you?

Voice. I have asked that question as to whether a physician is allowed to bill you, privately, when he accepts an assignment for Medicare and he is disallowed his probably exorbitant fee. He then sends a bill to me, personally, to pay for the difference. Is that a legal procedure?

Dr. Elkins. The answer to that is this. I won't comment on the word "exorbitant" because I am not qualified. I don't know the case. However, a physician is not permitted to bill a person after he has accepted the assignment.

Voice. I have one more question relative to the same. I called at this particular building with regard to the same case to find out what the opinion was, realizing different methods and different doctors would get different fees.

I wanted an idea. They refused to tell me. No one will tell you what you can expect to pay for different procedures and different surgery. This is a secret that is kept well-guarded by Blue Cross, by Medicare, by the Medical Society—nobody will give you an idea.

Dr. Elkins. I could answer that, very simply. If anyone has complaints about a fee and it is sent in writing to the Medical Society and that letter is signed, it is referred to the Review and Arbitration Committee, formerly called the Grievance Committee, where both parties are called in.

If there is any question of exorbitance of the rate, the doctor is so notified. If it is found to be a reasonable and fair fee, they're both so notified.

But in the new concept of forming a foundation, in which set fees will be determined by the entire profession, not by single individuals, where we will make that reasonable, customary and the fees will be the fees, generally.

Congressman Rosenthal. I think the lady's question is why she called this building representing the Queens County Medical Society, and you said you were not satisfied by the response—did they tell you to send a letter in writing?

Voice. There was a young girl who was very vague and said we cannot give you this information.

Congressman Rosenthal. Did she say to write?

Voice. She didn't say anything.

Dr. Elkins. It could be the secretary or someone who answered the phone who perhaps did not know.

Voice. I had the same experience with the hospital and said the doctor is supposed to on Medicare and not paid by you in this case. I sent it to Medicare and one thing they told me that it was not covered and sent me back things that they didn't allow anything.

"We will only pay 80 percent at this point," and besides I called on them that I would like to have the bill of the hospital, that the hospital sent for Medicare. I don't have it. I think I am entitled to have the bill. They came to see both of us and they charged something extra, and why?

Congressman Rosenthal. This transcript will be submitted to the proper authorities and before you leave if you will give the stenographer your name and address, we may be able to help.

Voice. I have found since Medicare that the doctors have upped their fees almost double, and when you take exception to it, they say, "What do you care? You don't pay for all of it. Medicare pays part of it," and that is the reason I have joined up with a HIP doctor because I get the same identical examination. I pay my quarterly fee, but I will say this; I would prefer to go to a private physician. I have more rapport with a private physician, but they make it impossible to do so and I'd like something to be done about that.

Dr. Elkins. As I said before, I would not dare to speak for the ethics or the fees of any physician in the practice of medicine in Queens. However, I agree that there are many cases where fees have been paid which are above the usual customary fees.

With the concept of a foundation this will be eliminated and I think your comments are justified.

Congressman Rosenthal. At some point and before the next witness, Dr. Schlossman who is presently the head and President of the Queens County Medical Society, perhaps would want to respond and offer some remarks on this question. Thank you very much.

Our next witness is the Medical Director of the Queens Hospital Center.

Mr. Robert Vitello. To our distinguished Congressman who is concerned about selling cigarettes in the hospital, I would like to put his mind at ease. We don't sell cigarettes in the hospital.

My name is Robert Vitello. I am Executive Director of the Queens Hospital Center and have been for the past 17 months. I have been in the hospital administrative field for 13 years.

At a time when comprehensive health care is considered the right of every American, a public hospital finds it increasingly difficult to fulfill its part in providing such care. Salient problems include:

1. Emergency Room Load:

The City-wide network of ambulance services and the fact that family physicians are almost non-existent and are usually not available for house calls, continue to make the emergency room load in the municipal system a constantly growing and increasingly complicated one.

There is a mixture of patients who might ordinarily be seen in a physician's office but come to the emergency room because of the absence of medical care in the community and because of its unavailability during evening hours and weekends.

The voluntary hospitals have a relatively small emergency room service and, since it is usually not served by the City's ambulance trauma service, does not see the same kind of traumatic or extreme injury. The public hospital system is forced to place excessive amounts of its resources in comparison to voluntary hospitals in the provision of emergency services. This input of patients into a public system does not lend itself to control and, as a result, the emergency room service must be staffed out of proportion to the rest of its demands.

2. Specialty Services:

In a public system, the large majority (up to 75%) of patients admitted for care come through the hospital emergency room. This is in direct contradiction to the voluntary hospitals where anywhere from 75% to 90% of the patients admitted are elective admissions and have been, therefore, scheduled for hospital treatment. The hospital which is able to schedule its admissions is able to staff more economically and efficiently and is less likely to have to provide all of the special services which are expensive both in material and medical manpower which the public hospital must provide because of the nature of emergency admissions.

In addition to being acutely ill, the emergency room patient who becomes a hospital in-patient is often from an indigent population, is less healthy and well-nourished to begin with and presents additional problems for care which the average middle-class patient in a voluntary hospital does not present.

3. General Patients:

In addition to the emergency room patients who appear in greater numbers in a public hospital, the other end of the spectrum exists as well. The public hospital is forced to admit larger numbers of chronically ill patients and geriatric patients whom the voluntary hospital can and does reject. The rejection there may be occasioned by lack of adequate financial resources of the individual patients or may reflect the hospital admitting policy. Voluntary hospitals can be selective to patients they admit and can transfer patients for admission to public hospitals when they do not wish to admit to their own facilities.

A public hospital, as the health resource of last resort for those in the acute emergency room and for the chronic patients, finds itself burdened with the most difficult type of patient load. It is required to provide all of the emergency and specialty services which the voluntary hospital can avoid providing because of its extensive nature; and, at the same time, it must carry the load of the chronic patients for whom other health resources may not be available.

The public hospital has to provide such specialty services as renal dialysis, neurosurgical services and, at the other extreme, must provide extended care facilities within its own hospital. The voluntary hospital can insist that a family accept a patient who is discharged after the financial resources have been exhausted while the public hospital goes on caring for those patients long after the need for acute hospitalization has passed.

4. Physical Resources:

The public hospital, despite its major importance to large segments of the urban population, has received no significant help in providing and maintaining an adequate physical plant. So-burdened funds do not flow to the public hospital and, while voluntary hospitals were receiving massive upgrading programs through the influx of fresh money, public hospitals were forced to attempt to maintain and upgrade facilities within very limited city budget resources.

As a result, physical plants have continued to run down and utilization of health manpower is extremely inefficient in archaic and obsolete plants. Such necessities as nurse call systems are taken for granted in voluntary hospitals; they are often absent in public hospitals and represent a typical example of poor use of limited manpower.

The unattractive and difficult working environment in most public hospitals makes it extremely difficult to recruit and maintain key staff, who prefer to work in surroundings which allow them to provide the kind of care they are trained to give.

5. Accreditation:

Public hospitals are now no longer able to meet the standards of the Joint Commission on Accreditation of Hospitals; for example, Bost City Hospital has lost its accreditation, and Kings County Hospital has only been provisionally accredited.

It should be noted that the Joint Commission Standards are minimal and, in no way, guarantee adequate care for patients even when these standards are met. The fact that public hospitals are unable to meet these standards does demonstrate that their resources are not matched to the patients whom they serve.

6. Patient Load:

In addition to the conditions described above, which include the necessity of caring for large portions of the City's emergency and chronic load, and the minimum of elective cases, the public hospital is required to accept all patients who come to it for care and who require care. They cannot match their resources to the needs which are presented to them, and this unlimited load demands that the public hospital sometimes is forced to concentrate all of its resources on the provision of emergency care, in-patient care and follow-up care in clinics in the hospital.

It becomes impossible to bring the public hospital system into the sphere of preventive medicine and the neighborhood family care centers because its resources are committed elsewhere. The spiral as perpetuating suggests a public hospital which has become the primary health care resource for large segments of the population, is unable to enter the scepter of preventive care and health maintenance, and the problems detailed above will continue to exist.

A point of digression. It may not come as a surprise; it may come as a shock to some of you, we get patients who are admitted to a public hospital over the weekend or during the week because mother and dad are tired taking care of grandmother, they would like to go on a vacation, so the grandmother is brought into the hospital. She has absolutely no medical condition. She becomes a social problem, which is medical.

When we begin to talk about cost, it is ludicrous in this day and age when you talk about a system which is required to fill so many problems, not medical.

Congressman Rosenthal. Are they accepted because they are grandmothers?

Mr. Vitello. The patient is brought to the hospital. The mother, the father, the daughter, the stepson, whoever it is, says, "Look at grandmother. I am going down to the car to get something," and they're gone.

Dr. Bellin. I have seen a social worker bring her to the hospital, put her in the emergency room and walk out.

Congressman Rosenthal. Where do you see the future of the public hospital, and Queens General Hospital and the Queens Medical Center going?

Mr. Vitello. If I had the answer to a question like that I wouldn't be standing here, I would be telling you right in Washington.

Congressman Rosenthal. What happens in our society? We all stand by in a crisis so eruptive that it is uncontrolled.

Mr. Vitello. Let me respond in this way; that prior to July 3rd of this year—last year, rather, when the New York City Health and Hospitals Corporation went into motion, we had an unusual situation in terms of the public sector of having an agent in the Department of Hospitals providing, and we had another City agent in the Department of Social Services determining their eligibility for that care, and the cost to the City of New York General Fund was staggering. Absolutely no responsibility, three different activities in the segmentation for Medicare.

Congressman Rosenthal. It seems to me that the Health and Hospitals Corporation is an endeavor to bring some order out of the madness and chaos of the system, to begin to coordinate this care.

Many people raised questions about the high salaries of the administrative costs.

Mr. Vitello. What can I tell you? When I came to Queens and accepted a position as the Executive Director, one of the things that I never thought I would do in my professional life is take five weeks out of my activities to present the plight of the City Hospital in a budgetary crisis to a large segment of Queens population. I didn't even think of that kind of thing in graduate school.

I think the best we can do is to go out into the mainstream of things. We don't have any time to do this in the fighting of the budgetary battle. I don't know what a high salary is. I know what type of salary would mean to me as an individual, willing to accept a job in the City of New York.

Congressman Rosenthal. Does Queens General Hospital render appropriate services in the community, adequate services?

Mr. Vitello. No. That is because we have a dual system. We have the double standard. Queens Hospital Center will begin to deliver adequate care to the people who come there when anybody who wants to go there has the ability to do so.

We have a limitation. First of all, I don't think that there are many people in this room who if they were acutely ill right now or became ill would say, "Take me to Queens Hospital." It has been known it is a double standard.

It has been known as a poor hospital with medical facilities together. People come with two or three bus changes, transportation changes, from the Rockaways. However, of the total, they tend to avoid this area for medical services. They come to others which are not so good.

We saw many people who mentioned this morning not being able to identify the system. How people get into the system? We don't have any difficulty getting into the system. We pick up a phone and we call a doctor who knows the amount of the bill for the services he provided and we pay that bill. Very simple.

Unless we have accidents. This is one of the things I would like to address myself to. I think there are problems or these problems that we mentioned, but I think there is a thing that we don't recognize.

The people of Queens will always have inadequate care, in comparison with the alternative. When they have the Queens Hospital Center they receive the good medicare care, but the method and manner in which they receive it is bad.

When I first came to Queens Hospital we used to go by number in the out-patient clinic. When they were ready to be served, and number one would be served, it's like going to Shelley's and getting a number out of a machine and when you are ready to get your bread, they call your number and you transact your business. That is part of the program.

You are a second class citizen. You go to the public hospital because you can't go any place else. You have a locked-in, employed situation in terms of civil service. I may be having reference to public, civil service mentality, where people—and this gentleman mentioned the problem with his insurance company—these are the kinds of problems which are legend in bureaucracy.

I have two titles and, unfortunately, I shouldn't say that. When I first came I was an Assistant Commissioner of the Department of Hospitals. When the Hospital Corporation came into being and I was calling City agencies to find out what was—how I was going to get answers to simple problems, and I was called on to identify myself, an Assistant Commissioner of Queens didn't do anything.

As soon as I said I was the Commissioner, I would sense that people at the other end would respond. It is that kind of bureaucracy that, hopefully, the Health Corporation will overcome, and it has the flexibility to deal with it, but if it becomes a political football for a few people, to talk about it and to talk about the high salaries, I wouldn't take the job as president of this corporation at ten times the amount of money they pay.

Congressman Rosenthal. Wouldn't you?

Mr. Vitello. No, I wouldn't.

Congressman Rosenthal. Does the panel have any comment?

Dr. Freilich. I agree with what Mr. Vitello is saying. I think the quality of care is of the best as far as the medical care and also certain procedures, but then much of the care we give to these families—rehabilitation care and so forth—when it comes down to the amenities, and in some families it's very difficult to attract people to work under the conditions that we have to handle.

It's a question of conditions and a question of working with many of the elderly. Actually, someone who is interested in working in a hospital will find a much easier job in a voluntary or proprietary hospital, where in a semi-private room where a patient is more ambulatory, not that ill, rather than the serious problems that are here.

Congressman Rosenthal. I think the young man back there wants to say something.

Voice. Congressman Rosenthal, I am going to speak on this later, but I have changed my mind when something like Queens General was brought up.

I work for the corporation and the point I would raise—I hope it will get more money for the hospital, this hospital in particular. The rates of reimbursement that they're getting now at the City Hospital, Queens General, included for Medicare and Blue Cross are so small as compared to what the voluntary hospitals are getting, and I think I find in my particular position where I have to bring off so much of the amount of money for the cost of the stay is ridiculous.

Now, I have asked people about it, and the rates in certain city hospitals on the reimbursement of medical insurance are so small. On Part A it is almost half the cost of a per diem position.

I think in your position you may be able to see that the necessary legislation or appropriate amount of money is sent back to the City hospital, where they are paid for part of each day and certain private hospitals and voluntary hospitals are paid much more.

It seems there is quite an inequity in it. I have been on the task force for the Hospital Corporation and the backload of cases in trying to get out those cases where Blue Cross at one point was paying $50 on reimbursement and the contract—well, I hope the gentleman from the corporation will see that each contract will be vitalized and more money will be got and the City hospital might get a fair share of this money and perhaps wouldn't have to pay so much.

I have to write off so much in costs of the person's stay that the taxpayer comes back to me. It's trying. We can't win, and some legislator in Washington where more money can come back from the particular group, can accomplish this.

So, the gentleman from Queens General doesn't have to say you got to spend five weeks getting the budget because there isn't enough money. Where the money goes out and so many people have to rely on the city hospital in time of need, it seems fair they get a certain return on their money.

They get paid less than fair. I think there is a lot of politics—

Congressman Rosenthal. What kind of politics?

Voice. I am taking a course where we found that certain reimbursement rates for private hospitals are a little larger and certainly more controlled by the state administration. There is a book out, "American Care," put out by Healthpak, not that I agree with everything they say—that costs and certain organizations are controlled by reimbursement, and it would be consonant for managers to see that Medicare gives a proper reimbursement.

I understand the cost basis for the hospital is one of the determinations of how much the reimbursement is, and I don't think that a hospital, especially in Queens where we have two city hospitals—

Congressman Rosenthal. I think you have made your point. What is your response or comment on what he says; anything at all?

Mr. Vitello. I think the appropriate agency in the department, within the organization, is in the process and has constantly been negotiating at the state level for a better shake on the Medicaid reimbursement.

Congressman Rosenthal. I think the point he is trying to make is that private, voluntary hospitals will get a better return from Medicare than Queens General Hospital.

Mr. Vitello. That has been the case for the Corporation hospitals, Queens General—

Congressman Rosenthal. Why?

Mr. Vitello. I don't know.

Dr. Freilich. This is not my area. I can say this is a matter of negotiation—negotiation with Blue Cross and what not, and when you negotiate, you put certain details on the table and it is a matter of interpretation and so forth.

I do know one of the problems was the matter of counselling and identifying costs in that the city hospital—they were part of the municipal accounting system and it might be placed on a strictly cost accounting basis.

However, the matter has been extended in an accounting type system and has been taken care of.

Congressman Rosenthal. You mean for a long period of time the City has been shortchanged?

Dr. Freilich. I think it is a matter of negotiating what is allowable for—

Congressman Rosenthal. Let me put it this way. (A) The City's accounting position and (b) The City negotiations are not adequate?

Dr. Freilich. Reimbursements are on those formulas. Formulas are made by men and not made in heaven. Formulas go into certain aspects and it's a matter of interpretation and negotiation between the two parties as to just what is included and what the rate is, and they have been trying very hard and the Corporation has been able to up the rates, but not up to the rate that they feel we are entitled to.

This is rather a question of mathematics and we are working night and day on this matter.

Congressman Rosenthal. Dr. Bellin, you might have something to say on this.

Dr. Bellin. I believe I have some comment. As I recall, the City hospital now charges about $53 a day. $53 is what Blue Cross will pay and it is under Medicare. It isn't the rate accepted by the State Health Department.

That meant that for a day in a hospital the City hospital would receive $53, whereas if a patient stayed in a hospital, a voluntary hospital, he might receive double that amount. The average per diem, the voluntary amount in New York City is $130 a day in a semi-private room. That is what it is, currently.

The argument Blue Cross wholly advanced and the reason they couldn't give you more than $53 a day because they couldn't justify giving more due to the fact of the lack of adequate accounting information that the City of New York was furnished.

I am not going into the City of New York accounting system, but it would seem to me as it would to many of us in government, that Blue Cross has undertaken a very arbitrary position, that even if you cannot account for every buck there is seemingly quite a difference between $53 and $135, and you shouldn't take a shellacking.

The point is that the City has taken a shellacking from the fiscal intermediaries and from the other agencies that are determining it. One of the major accomplishments I think that the corporation has to its credit is that it just brought up the per diem to a little bit over $100, up at the recent present, but it has to go a little bit more before anybody shall be satisfied.

Congressman Rosenthal. I think that gentleman wants to say something.

Voice. I have been in the hospital system for a long time. I would like to point out two aspects of this. One is the problem in regard to fiscal accounting. For several years the department made some comparable cost analogies of what is going on in the municipal hospitals, what is going on in the voluntary hospitals, only to find—no matter how we inquired and from whom we inquired—we find our system accounts made comparisons of the figures just unavailable.

There is no way of exactly knowing with whom you are dealing. There is another thing involved here, if you examine the figures. It is not always the hospitals you consider a real high consideration, with New York City at the higher price, that within the hospital costs themselves that whole area amounts to about 75 percent. It's a very hard thing to understand.

This must mean that hospitals are not going to be doing the right things and the high cost they are putting on hospital bedcare is not the way.

Congressman Rosenthal. Don't you think those costs that are not bed care should be subjugated and paid from other costs, so we are not really deceived what a day's care costs in the hospital?

VOICE. I would think that is so. It would seem every other share and other activity where you have an insufficient producer, yet the health care can be so reconstituted that it can be made into a producer.

Where you have a producer where your economic differential is a variable of 75 percent and yet you keep paying and are not sure you are getting the same thing at the time, or as you do know the current situation where special programs are undertaken which are taxed on to general costs.

One example was brought out here. The cost, for example, of out-patient system to a city hospital, emergency room, and where the care there is not really relevant, where you know you got to put the administrative salary on to the cost of the housing department, the educational budget, the research budget—all tailored down to each individual service, this is really not what is needed.

If a hospital cannot produce that service, economically, that hospital should not be doing that particular service. This is the thing we are getting more and more and getting less and less of, now.

Possibly, the Hospital Corporation will be able to do this, possibly they won't. I will say this; they haven't been moving with great speed. I don't know why but I think the kind of material they have has not been given out to the public yet as far as I know.

I would say one other thing. We should have reasonable hospital costs, not only the hospital corporation, where you can get one hospital with good reputation providing hospital care for $50 and another for $140, something is wrong. Maybe it's the other way around.

Mr. VITELLO. I would like to point out that in Queens Hospital Center we don't have private accommodations. That is a very difficult basis. It's not a simple basis to make comparisons on.

We have a 42–50 bed open order. That is part of the problem of Blue Cross.

Congressman ROSENTHAL. I think this gentleman here wants to say something.

VOICE. I have the best intentions. I think you ought to heed some fundamental principles here. Those who are really interested in improving health care ought to be having a fundamental discussion as to what constitutes, in other words, adequate health care, which we know to be poverty health care.

As time has gone by, many people have either indicated a desire, and you haven't got to the fundamental root of the problem. All the money in the world is not going to buy adequate health care unless something is done to make that adequate health care available, and that is the fundamental question that ought to be asked.

You represent Queens. Queens is one of the worst boroughs of the five boroughs of New York with regard to health care. It certainly has the lowest quality.

The COURT. Do you want to identify yourself for the record?

VOICE. I am Dr. Andrew Martin.

Congressman ROSENTHAL. We were going to call on you, Doctor.

Dr. MARTIN. What I started to say, if everybody has an emotional retort attitude, the real course of relationship—the real beginning are the fundamentals, and after all, if you are going to talk about costs, you are talking about the economy.

Let's talk about the inadequacy of health care. I don't know if you are aware of this, Congressman Rosenthal, but one-third of all the patients take their care outside of this borough. They want to come into this borough where their homes and communities are, to seek health care as such.

This is something fundamental that ought to be gone into.

Congressman ROSENTHAL. Why in your view do they do that?

Dr. MARTIN. It's all very simple, to find out what the view is. For example, Mr. Vitello up there represents a thousand bed——

Mr. VITELLO. 1,200 beds.

Dr. MARTIN. But there are 4,500 beds represented by the 10 voluntary and 10 proprietary hospitals which you haven't in your platform any expertise to explain it. I hoped to find representation from every quarter but you have three physicians from the Health and Hospital Corporation.

I would appreciate, for example, seeing a representative, besides you, Dr. Bellin, from the medical and health association up there.

I would appreciate to see some proprietary representative up there, and I would appreciate it— I am trying to explain it—and I think if the public is here and obviously concerned about it, that they were given an opportunity to understand what they're missing—and then they can understand it.

They don't have to be either PhD's or M.D.'s to understand what they are missing. I think they would understand and I think something fundamental might begin to build, and I am just appealing that we begin at what should be fundamental to health care, what it is all about in terms of why there are no beds in Queens, because what you are talking about is a national problem.

You represent the Borough of Queens. It is where it is being the bad health care. Let's begin with that and maybe we will get there with that and maybe we can go on to what is more city and state health.

Congressman ROSENTHAL. I think I ought to reply to criticism of why the president of the Queens County Medical Society is sitting here and not saying anything. Dr. Schlossman is going to be the next speaker. What I did I thought was somewhat judicial, but I thought it was useful to have representatives of some of the city and state agencies sit with me so they could act and take back reports of the hearing back to their organizations, which may be useful.

I myself, together with Congressman Koch, will prepare a report and analysis of this hearing and deliver it to another action agency, the Ways and Means Committee. What I thought is that maybe the witnesses who made public recommendations would broadly present the outline. A person such as yourself, who is on the witness list, and Dr. Schlossman and other people are here, but I think a representative of Queens General Hospital is important to discuss that important thing.

In other words, there is no disagreement between us. You might have managed this program a little differently than I did, but I did the best within the limitations of my skill and ability.

VOICE. But we have no rebuttal when the doctor says that we have a shortage of physicians. Why do we have a shortage of physicians? There are thousands of physicians trying to practice.

Congressman ROSENTHAL. Maybe, Dr. Martin, we have to study that question. I want to ask you, Doctor—

Dr. MARTIN. Congressman Rosenthal, we came here to discuss this problem and you were unavailable and so might I add was every other Congressman in the County of Queens unavailable and not a single one has responded to this brochure that was sent to you to study in depth the Queens problem, other than giving lip service, in fact as you did, but there is no opportunity, as the lady pointed out.

I am not trying to argue or quibble. I am trying to appeal that we get down to some fundamental dialogue and try to understand.

Congressman ROSENTHAL. I think that is what we are trying to do today, isn't it?

Dr. MARTIN. Not one minute has been devoted to this, not one minute.

Congressman ROSENTHAL. Then, perhaps, I don't understand what you are appealing to.

Dr. MARTIN. Let's talk about why there are no physicians in Queens.

Congressman ROSENTHAL. Let's talk about it.

Dr. MARTIN. You haven't raised that question.

Congressman ROSENTHAL. I am willing to listen.

Dr. MARTIN. You raise it and I will answer it.

Congressman ROSENTHAL. Yes.

Dr. MARTIN. The reason there are not enough physicians in Queens that you can understand is what modern facilities are necessary for a physician to do an optimum high rate quality care are seriously lacking in Queens in great many areas.

Now, you have to understand what these are. People you remember go where they feel they can be accommodated. You have a little over 100 medical schools in the United States. They're turning out your children to be doctors.

These doctors are highly trained. They want to go where they can practise their skills. They find in Queens a scarcity of opportunity for them to practise their skills and they will go elsewhere and there is something the public should be interested in because they're the taxpayers.

If funds that are going for a great deal of things have to pay for many of these things that can be made available there, then they're not to practise in Queens.

Queens has two million people. You have medical schools in Manhattan with 1.8 million people. In Brooklyn, you have almost the same 2 million people but you have got something like 42 hospitals, and only 20 hospitals in all of Queens for 2 million people.

In other boroughs you have a great many hospitals that are modernized. That is, modernized hospitals that give you modern care, and I say we need a minimum of 500 beds. The hospitals in Queens that cater to the bulk of the population have no more than 300 beds and you have to go on from there to understand what it means in terms of delivery of health services and delivery in your report of the quality on this basis.

These are the fundamental things that I think should be discussed, and I repeat it doesn't have to be at a hospital or medical care for a level to be concerned.

If you, as the chairman, don't bring this meeting around to the question of fundamentals and permit that sort of discussion, we will never get to it. I don't want to monopolize the meeting.

VOICE. Why didn't we have the state senators?

Congressman ROSENTHAL. I think Dr. Bellin wanted to respond and ask you a question.

Dr. BELLIN. Doctor, I'd like to have some clarification. Queens County Medical Society and Bronx County Medical Society came out two months ago with a statement in The Times—I presume you saw the article—complaining rather bitterly that the number of physicians in Brooklyn and the Bronx have been going down, precipitously, particularly in Brooklyn, but the Bronx has been suffering this, also.

As a matter of fact, at a Bronx County Medical Society meeting not too long ago I heard the names of new physicians going into the Bronx County Medical Society. Most of them were non-Americans—were American citizens, naturalized citizens—very few native born Americans coming in.

Were it not for the foreign-born coming

in there is practically nobody coming into the Bronx right now. Brooklyn is even worse.

Now, that leaves three boroughs. That leaves Manhattan, Staten Island and Queens. Now, given the actual value as to New York City, and the city as a whole, the best ratio of doctor to population—I said the best—far, far better comparison than any other part of the country; it was not in the other three boroughs.

I was startled when you speak about the Queens problem. I happen to be registered in Queens, also. When I think of some of the tremendous problems in Southeast Bronx, Biafra looks pretty good.

I know some portions of Brooklyn which look like something worse than Biafra right now. What are you talking about when you speak about the Borough of Queens in regard to the other boroughs?

Dr. MARTIN. Rather than respond, I would just like the question, itself. What is the exact question?

Dr. BELLIN. Well, the exact question is this. You have made statements about the inadequate number of physicians in Queens?

Dr. MARTIN. No. I didn't make that statement. If that is a fundamental belief, then it has got to be explored first as to——

Dr. BELLIN. Well, you know, you spoke about exploration. This can be either a yes or no answer and we can have the check in our department. Is it, in your opinion, that the ratio of physicians to population in the Borough of Queens is least in the entire world; is that your opinion?

Congressman ROSENTHAL. Let me break that down.

Dr. MARTIN. Let's not.

Congressman ROSENTHAL. Dr. Cicero has, I think, these figures and let us have him answer.

Dr. CICERO. Although I am from the state we gathered a few figures before we came down here. In actual fact, you take the population ratio—the Bronx indeed does have a lower physical population ratio. Of all the five counties, not excluding New York County, Queens has the highest at 160 ratio.

This is what I wanted to say before.

Dr. MARTIN. I am aware——

Dr. CICERO. Excuse me. The nation ratio is 158 per 100,000 population. Perhaps I should have injected myself in the argument on the platform. What you are really talking about in 1968 you had 15 million out-patient visits. In 1970, you had 20 million out-patient visits. You had that on one hand.

You have a continual problem, the lack of a primary physician. You have forced them to go to the out-patient departments as opposed to going to the doctor's office, and I guess what I am saying now is what is your answer to the problem.

Is there a physician shortage? I don't know. I am here to learn.

Dr. MARTIN. The answer to your question is that in certain areas of Queens there is absolutely a physician shortage, in many many areas of Queens. In most of Queens there is a relative shortage. That relativity depends upon the extensivity and availability of the type of physician that is required for the particular problem.

For example, to understand quality care you have to understand what changes there are in quality care. That is my experience, that there are some standards that are in this country and they need to be recognized by the general public.

In Chicago there are certain standards of what is recognized as quality care. There are something like 20 general standard specialties in the United States, including general practitioner.

In Queens, you can muster a total of 13 accredited residencies, whereas many of the hospitals have as many as 20 accredited residencies in their hospitals. That hospital which has 13 is the only one. The other hospitals in Queens have only 4 and 5.

There is a real scarcity of qualified physicians and a lot of people in Queens, Congressman Rosenthal, you know, and that is why one-third go elsewhere.

It is a crime where there are a few people that they can't organize themselves, their representatives and their resources, and use these to organize them. It can never be done unless a position in leadership takes the leadership to organize, to seriously explore what is lacking and to get it.

I am sure you will be surprised that many of the people in here have complained about doctors raising their fees. I am sure that is true, and I will tell you one fundamental answer to it—that old spirit of competition.

If you can get a lot of doctors in here competing with each other and all of them highly qualified, then you will get a drop in price which is natural. Anybody who has ever been in business understands that.

But as long as a population of 2 million people have the resources now available and no chances of action by our highest representatives, then you will have the opportunity of having the people handled as they are.

There is nothing mysterious about it. It can be overturned, if you just get them to be logical and reasonable about it, instead of having them reach down in our pocketbooks.

I believe, Congressman Rosenthal, that you can try to set the stage for this type of an orderly approach.

Congressman ROSENTHAL. We are going to move on and we do want to thank you very much, Mr. Vitello. You told us some of the problems of Queens General Hospital.

It was at this juncture that we were going to paint a broader picture and we have asked the gentleman who is really our host, and who does, in my judgment have a broad view of physician-patient relationship in Queens. Our next speaker is Dr. Ralph Schlossman, President of the Queens Medical Society.

Dr. RALPH SCHLOSSMAN. In addition to being President of the Medical Society, I think you all should know that I am a physician. I do render a service during the week. I think one of the problems we are talking about, if we are talking about medical care, we realize it is not just one kind of medical care, and even within so-called first class medical care, it is not just one kind of medical care.

What Dr. Martin was talking about was institutionalized, highly expert care, but I hope to talk about the difference between health care delivered and the general public, because I am sure that is what most of the people here today are interested in.

These things are really not exclusive. They're all part of the broad framework in which you are all interested. The question is not whether we have a shortage or relative shortage. We take care of the people. I'd like to share my thoughts about it with you.

I am going to eliminate the broad national picture. I am going to tell you what we think about our local problems. We were given some inkling about the physician population. While it's true in Brooklyn there is some shortage, I think it would shock you to know that in Brooklyn in the last ten years they have lost 1,000 of 4,000 physicians. That is a 25 percent loss in ten years.

Here in Queens we have been categorized as being relatively lucky, yet you must realize that Queens is the fastest growing area in the entire country so far as population is concerned.

Now, population has increased 30 percent within the last ten years. We have been barely holding on to the number of physicians. We have about 600 physicians in the Society and we are really concerned and we have really suffered.

The chief thing that we have lost is through attrition as the primary cause. Now, whether he is a general practitioner or internist or pediatrician, that is the man who sees the sick person. The truth is that these men do not come to Queens.

The main problem in Queens is that we do not have a medical school. A medical school tends to attract good physicians to the area. If Queens were a standard city, it would be the sixth largest city in the United States.

There are perhaps three dozen population areas in the country that have their own school base, their own medical community. I would like to allude a little bit to what Dr. Bellin said about the cutback in medical centers.

While you understand that Queens and Elmhurst Medical Center represents the backup, you can understand the statement of Mr. Vitello on the necessity of lack of care. I do want to tell you that this medical society has gone on record as volunteering to man these wards if that crisis should come to pass. This was announced in all the papers, and, of course, at the insistence of the principals, but I think the public should realize that the physicians are interested in medical care in the community.

I think perhaps the solutions have been bandied about for some of these problems. I must tell you that there are times when I worry about the delusions and the problems. I think it might help everybody's understanding if we reviewed what the main suggestions for heatlh care would be.

Everybody is talking about the prepaid group on the panel. What does it mean? It means in an organization a participating person is paid an annual amount per person to services.

Prepaid. Prepaid is what it means and a group means that the care is rendered by the group which should accomplish all of the expected minimal activity.

A great deal has been said about this, as though we are living in a vacuum, as though we had no health care at all. As a matter of fact, we had this self delivery health care something more than 30 years.

As a matter of fact, the three largest groups are existing here on the east coast. HIP is in this group and some small group just recently in Cleveland, and I believe also in Washington, D.C.

Despite the availability of this sort of care to the public, and the poor people of the United States get that kind of care, let me talk about one that is known to all of us—that is HIP in New York.

It was started between LaGuardia's administration and the closing days of the Wagner Administration. Its population consisted largely of the city employees, all of whose health care was paid for by the City. If they got care elsewhere, it was not paid for.

When the Wagner Administration came about a free choice was given to the people whose health was being paid for and they left by the thousands. There has recently been—and I am familiar with all these statistics; there recently had been two studies which appear to be of interest.

One of the studies of the subscribers who came from Europe. It came up with a figure I heard, from one lady in the audience, because though they went to HIP because of financial ability, 40 percent of the people did not consider their HIP physician, but they considered another physician. This was despite the fact that they were not paid when they went to a physician.

Then there is the attitude of a physician participating in HIP at the time. Not less than 30 percent of these physicians felt because they were working for HIP that they had suffered in the eyes of their present colleagues under the standard.

I am not here to knock other systems. What I am trying to do is to point out that the kind of solutions that are being proposed today are not panaceas. They are not the plans of God.

Let's talk about the benefits of care. Let us see what it is, exactly. Now, we have a background in the figures to estimate this and again a recent study has shown that 16.6 percent are enrolled in these plans, they get their care out of them. So there is no way of computing the care outside and this must be taken into consideration.

It is unfortunate that in one of the major costs in the control of medical care is the non-delivery method of care. I think to the public this is recommended as a disservice and people who are dependent on the total of total care and expense, it is obviously a solution pushed by many of these groups.

One of the third advantages is proposed under the blanket of HMO, Health Maintenance Organization, which is something that Congressman Rosenthal referred to as crisis care. We know that health care in the country is oriented to where people live, and more expensive hospital care is dependent on the different communities and their general well-being.

As yet, there have been no adequate studies of this because the people who are supposed to do it are unable to do it. In a recent article in my organization it was said when people called them up for annual checkups and diagnostic checkups under the plan that the waiting period averaged 55 days or more, because they had to deliver care to other people first; they had to divide their responsibilities in such a way that a sick person could get care first.

We all recognize this has to be so and yet even in a prepaid system where all of this is supposed to be available to subscribers, it was in fact not so.

I will agree for many people this is an adequate solution. My position is that we are a dualistic society. There is more than one way of doing things and there should be more than one way of health care available to the people in this country.

I'd like to spend a few minutes talking to you about some of the things that the federal government has done already on health care. I should talk about three things, in particular, in the last few years, Medicare, Medicaid and Regional Medical Help.

I think that some of the feelings of the older people in the community about the benefits of medicare where these people have talked about it today, I think there will be a lot more talk about it later—I am sorry there wasn't an able person here to answer some of your questions earlier.

Let me point out one or two things about Medicare. Medicare when it was sold to the public, the public was sold a bill of goods that Medicare was really good and it was not explained to them that all their costs would be covered.

Furthermore, the subscriber who complains today about today's fees and reimbursements that are allowed almost is under the provisions of the plan and the rules of the Social Security Administration. It happens that today we have a high official who is here, and although he knows much about the subject and I must give him credit, he cannot take the credit to instigate this type of cost control.

There are many people in the audience who have felt that they have reneged and they have not received the proper return they should. This is quite correct, but the reason for this is that almost until last year all Medicare payments were not based on current fees; as originally, on 1965 fees, but you can't buy today's groceries for 1965 prices, either.

Just recently because the Social Security Administration has allowed the fee schedules to be revalued up to the 1969 level, so there is still a gap between the amount that a Medicare recipient can get, between the doctor's charge and the work allowance by Medicare, and the reason for this difference is that neither is the doctor's fee too high nor is that local intermediary.

Just a brief word about Medicaid. There was a long discussion about clinic fees. Let me tell you my personal experience. Until the advent of Medicaid I used to come and spend half a day in the clinic. I used to enjoy it. I did it for no fees, no salary.

Medicaid came along. There were rules in the clinic. This clinic was now being reimbursed for 5,000 visits, so not only would a patient get two cents worth of medication, no barium enemas, no proctoscopy. They would just get a refill of medication every two weeks.

I told the clinic I would have no part of it. I think the gentlemen who take time to analyze this, analytically, should realize the inflationary aspect, that pouring a large amount of money without cost control now, but I have to agree that the bias is against the individual practitioner and for the clinic, and this has actually far increased the cost of this program by driving practitioners out of the program.

Let's just take one minute about the proposed program in Medicaid. These figures from the undersecretary of the HEW as to the projected cost of the health proposal. He says in this bill that costs will be involved and, for example, only utilizing the existing funds.

The Javits Bill—$66.4 million dollars.
The Griffith Bill—$35 billion dollars.
The Kennedy Bill—$77 billion dollars.

Incidentally, in the Bureau of Insurance, Social Security Administration, there were present some high officials from our local group, men who were asked by the Bureau of Health, Welfare and Security to increase the amount of money they would receive from their Medicare.

The statisticians couldn't have it because their costs to the government were 110 percent of the service they were supposed to give under Medicare. This was presented to the House Committee and this has not been published. Naturally, this has to be made public. I am sure a phone call will verify the accuracy of the fact.

I'd like to close by telling you people I had a great experience last year and the year before working with people like Canute Bernard, a real representative of the community. I am afraid that I am not at all hopeful that Congress is really involved in planning for health care delivery, and I think the people know what they want. I think the people should know what they are going to get because they're paying for it.

I think it was mentioned earlier that no matter who the individual, that he has his option, that he would prefer a one on one relationship with a private physician, in whom he had confidence, than in any form of legislation that might be passed.

Something must be reached to allow people to have this kind of choice. If they want to budget their entire medical care budget in advance, I think they have a right to do so. I think that it is unfair to the public to place a premium on one type of care of program as against the other, because the government is not going to deliver.

It did not deliver under the Medicare and the Medicaid programs. I do not think they are going to be able to serve the public and the people who don't get the care, who are going to be created and again they are going to complain and not realize it is due wholly to the legislators.

Congressman ROSENTHAL. Thank you for your talk.

Dr. SCHLOSSMAN. I will be glad to respond to anything you want me to.

Congressman ROSENTHAL. I think there are a couple of people that have a comment. Do you want to identify yourself, please?

Dr. AMEDO D'ADAMO. I agree that the ethics of the delivery of health care is important to discuss. But there is one thing I should like to comment on and that is your response and the response of the President-Elect of this Medical Society to defend himself from Dr. Martin.

Dr. Martin has said the following. That one of the main problems here in Queens is the question of quality and be pointed out of the 20 medical specialties, Queens Hospital Center is training only in 11, and other hospitals in Queens only have 3 or 5 or 6 of these various specialities available in terms of training.

Now, what I would like to know is, as a person who recognizes that in medical school principles you only go so far; training in internship brings you only so far. What I would like to know what you propose to do, what the president-elect of this society proposes to do, what Congressman Rosenthal proposes to do, what Dr. Cicero proposes to do—in terms of getting the proper kind of educational facilities for this city of 2 million people.

Dr. FREILICH. Before you answer, I would like to make one correction. You mentioned Queens. The other city hospital in Queens, Elmhurst, has a full staff of specialties, and in addition to Queens General, Elmhurst has also a—

Dr. D'ADAMO. I think there are things that I would like to comment on relative to that in a few moments.

Dr. SCHLOSSMAN. I just wanted to repeat what Dr. Martin has said, but I have worked with Dr. Martin in trying to bring a medical school here in Queens because there is great need for a medical school in this community.

There is no question but that the health care in the community would be vastly improved by a medical complex centered around a medical school. I have certain definite opinions as a former attache, as to the kind of training it should offer.

I feel that this community needs a medical school that would produce physicians—physicians who are oriented in primary care. I think the Buffalo School and Sherry Medical School would be appropriate for a town like this which have eight medical schools turning out those people we need—

Dr. D'AMATO. May I point out statistics in terms of medical acceptance, the actual training of physicians. I think for the public here in Queens this thing will be very helpful in understanding what need there is for a medical school here in Queens.

There are a total of about 120,000 applications for medical schools of which New York City institutions get about 16,000, which means we get in this city about one out of every six applicants for medical school, which implies, of course, that we can pick and choose, get the best students available for medical training.

Countrywise, one out of every ten applicants—countrywise, is accepted. Here in New York City one out of 20 applicants. So, here in New York City we are picking and choosing what we hope are the best of the crop of young people.

However, it is important to point out that in terms of the people actually chosen, 53 percent of the people actually chosen to go to medical school here in New York City are not residents of the State of New York.

Countrywise, this figure is one out of every three. So, in terms of the facilities which we have available in New York City more people are being trained here in New York City who do not live in New York State than any other place in the country, with the exception of Washington, D.C.

Now, this, Congressman Rosenthal, is important from your point of view to take a look at these statistics, because what it means is that New York City facilities are being used to train many physicians who are going to other areas in this country.

The last point I want to make is, as follows: It is indicated in terms of training here in Queens above the M. D., that Mount Sinai now has some involvement in the residency programs of Elmhurst. Stony Brook also, I think, with its new medical school will have some involvement in the training of residents in the Queens Hosptial Medical Center.

However, doesn't it appear to you ludicrous for the people of this city or this borough of Queens to have to depend on institutions outside of the borough for this kind of training represented for the physicians who we hope will practice in Queens.

The last point I want to make is the following. That here in Queens we have the facilities to start a medical school practically overnight. We have two large municipal hosptials—Queens Hospital Center and Elmhurst Hospital Center.

You are paying your tax dollars to support those two institutions. With very little money, and it has been done in other places with very little money, a medical school with all the attendant personnel or advanced things and so on could be set up in Queens.

The decision is yours. The decision is also your representatives in the various city council and legislature and congress. I think that you should be aware of the fact that you do not have sufficient medical training here in Queens, that you have the facilities for which you are paying, that other people are realizing.

So that I think that if the public really wants first class medical service in Queens they must support the establishment of a medical school in Queens and in the very near future.

Congressman Rosenthal. In the discussion I want to apologize for us eating while you are not. This is something we never do in Congress where we usually take two-hour lunch hours, but we are going to work through right now and not stop.

Dr. Bellin. About your comment, about the comments about the Queens medical school, I think we would all support the notion that the Borough of Queens deserves its own medical school, if only on the basis of its population.

Dr. Martin. It's in the power of the Hospital Corporation to do it.

Dr. Bellin. One thing I think we ought to avoid using is an argument and we should avoid using certain types of parochial approaches to it. I do feel there is a little argument there, with all respect to your general argument.

I happen to be a graduate of the New York County State Medical School in Brooklyn. I was a resident at New Haven, Connecticut, when I was accepted at that school. I work here in New York City, and I have for the last five years. My brother was accepted to Utah Medical School when he was a resident of New Haven, Connecticut. He now works in the Bronx and makes house calls in areas where we need cops and he goes out there. He goes out with police very often.

I have a third brother who is now attending UCLA Medical School, whose residence is in Springfield, Masachusetts, and he will be practicing in New York.

I think before you make general comments that we are educating people outside the city, it is worthwhile to review the statistics of physicians in New York City who were educated elsewhere and were educated in medical schools outside of here.

Dr. D'Adamo. May I comment on that. I think that you will have to revise your comment by quoting statistics. I have these statistics and they are available to you, if you wish—the facts in New York State.

We take the same proportion of out of state students than all the other institutions out of New York State, so that, obviously, in a very mobile country like the United States we have people who are educated elsewhere who come here and people who are educated here go elsewhere.

I think your three specific examples are something similar to the micra and macro physics, that the macro system doesn't necessarily correspond when you take two or three molecules and look at that.

And I maintain that you are taking two or three molecules and looking at the gross statistics. Now, the gross statistics show, and I teach in the City University, and I have the responsibility of getting new students into medical school—the gross statistics show there isn't sufficient places available to students in this area as students.

Congressman Rosenthal. Dr. Martin, do you want to say something?

Dr. Martin. I have not for ten years attended one of the City's medical school and for a short time held a professional rank there. What you have said is not tenable if you know all the facts.

The facts are that there are over 10,000 medical schools in the United States. Naturally, in a country that has 200 million people, there are going to be people who have to go everywhere but there has been a relationship where students grow up, their financial ability—whether they can afford to go to that particular local medical school, get all their training in that area and they can practise where they live.

That is where it's quite true that a medical school in Queens would really produce more physicians, wholly, but that only is a point in one of the problems. Physicians will go like anybody will go where there is a quality atmosphere on which they can relate to.

You don't have that in Queens. The existence of a medical school here will not help more physicians who are wholly born and reared and get their education to stay here, but it will bring in a vast influx of physicians from elsewhere, who today have a free choice to practise where they will be happiest in their profession. They will not be happy in Queens which had inadequate quality.

Now, this need to be understood. There is no reason whatsoever why it shouldn't be understood by the Hospital Corporation, that along with its administration, that you may do it together, to bring in a medical school.

Dr. D'Adamo here, he is a teacher at York College. There are back to back to City institutions that the City has, that the taxpayers pay for, that exist in Queens, that have about 90 percent of the operational budget of the principal sources available today, and it has been done elsewhere in the United States.

In one year's time we could have had a medical school here and do the things I talked about. In the City, life will continue. Corporations will continue. A medical school, and you can look at the budgets at Columbia Presbyterian or Physicians and Surgeons, or Harvard, which bring wholly into their area some 75 million dollars a year from all sorts—federal, state and private foundations.

All that money with all their extra jobs and all those things Dr. Schlossman is referring to. All this is in the hands of our representatives and the money will be coming from—the money that is realized will be coming from 2 million people in Queens that are being shortchanged by an inadequate comprehensiveness of this problem.

This is the thing that ought to be discussed, and when it is discussed enough and everybody wants to throw it out, so be it. So, until it is discussed, you will never understand and I assure you when you do it, you will do the right service by the people. I wish you would go to it right now.

Congressman Rosenthal. I don't want to disagree. I think we ought to mobilize all our forces, political and all our community forces, to build up and develop a medical school for Queens.

For years I highly urged the same. I do not think we should let a discussion about medical school admissions go without discussing a little bit of the need for getting a broader range of students into medical school.

I take a very narrow parochial view of this. I don't think that those that were admitted have to be someone whose father was a doctor or who has two brothers who were doctors. I think we should have a little more financial spread.

In other words, have the young people from less affluent families. One of the ways to do it is to subsidize their tuition by the various governments. I want to help correct the record a little bit about some comment Dr. Schlossman made about the Kennedy Bill and I speak on behalf of Senator Kennedy, only in behalf of his absence.

The Kennedy bill was drafted, significantly, by the AFL–CIO Health Care bill. They estimated that the cost of that proposition would be about $44 billion. Kennedy estimated $44 billion.

HEW and President Nixon estimated the cost of the Kennedy Bill would be $77 billion, so you can take your choice, whichever bill it is.

Dr. Martin. What is the cost of the Nixon bill?

Congressman Rosenthal. The Nixon bill is latched to a private insurance system, an opportunity to across the board health care, but it is usually the private interests' concept.

The Kennedy bill is to use the Social Security public concept of financing. I think the point that Kennedy made urged the health cost would be the same or less than what the American people are paying now for health care, which is about $77 billion.

In other words, Dr. Schlossman is actually correct when he says the government expenditure would be more under the Kennedy bill. Kennedy said that the American people are paying into another cash register $70 billion now and they will take that money and put it into another cash register, and they will get more back for the buck. That I think is the dispute.

Dr. Schlossman. On the basis of the letter the government says there—they say this isn't cheaper than—

Dr. Martin. All federal employees are under an insurance plan.

Congressman Rosenthal. Is Mr. Sinder here still? Did the government do anything to cheapen the private plans? Mr. Sinder is the director of the Social Security Office in Flushing and I think he has had some experiences in the health plan where the government has produced it cheaper than private industry has.

Mr. Sinder. I know as a private individual, from over 38 years, that the government can and frequently does do it cheaper than private industry.

I hate to say this but even our own experience with the physician intermediary with the Medicare program shows that they do not produce programs as well as government. It is not a question of cost but a question of how ably they perform it.

My own feeling—will you redirect that question.

Congressman Rosenthal. Well, my question was, are there any areas that you know of where government has performed more efficiently than private enterprise?

Mr. Sinder. Well, the Social Security interests we have right now is certainly a massive undertaking, where 25 million people are the beneficiaries. 25 million beneficiaries get benefits each month.

Certainly, it is an effective matter. I think is the testimony of the government, officially—

Congressman ROSENTHAL. I would also concede and agree with Dr. Schlossman that there is a large area where government is not sufficient. It also brings to mind Lockheed and the Penn Central and a few others.

Dr. SCHLOSSMAN. It would occur to me where there are good economists on both sides, where they have a disparity in $40 billion between what it should cost. If you pardon me, Congressman Rosenthal, it should be very thoroughly investigated to find out.

Dr. MARTIN. Gentlemen, we are talking dollars. Let's talk people.

Congressman ROSENTHAL. Thank you very much, Dr. Schlossman. We are going to take one more witness and then give Henry, our reporter, about a three minute break.

Mrs. BLANCHE BRODY. At 4:30 last night the Committee of the Aging and Disabled for Welfare and Medicaid, a coalition of 47 organizations concerned with problems of older people in New York City, asked me to speak, so that I can only speak as a caseworker in a social agency in Forest Hills.

I would hope that my remarks on the feature of I think it is HR-1, that affects the people that I see and some of the experiences I am having as a result thereof.

I am not going to give you any horror story but these will be typical situations that we are encountering. I'd like to in passing comment that the health program proposed will offer some measure of experience to the older person concerned.

This is based on our own experience with HIP in the community where they were able to respond to crises and get there for the people. I think Dr. Bellin here is very familiar with the nursing home situation and we applaud the amendment to the Social Security Act when they tried to upgrade the quality of care in nursing homes.

However, the new amendment to the Social Security Act and the extended care facilities, which is the nursing home, the features of this are going to downgrade the services when there has hardly been any effect on the services as they exist, today.

As an example of this, there are over one hundred nursing homes, commercially run in New York City. The licensing of these nursing homes is done by the institutional review committee of the Department of Hospitals.

Of these nursing homes there are no more than a handful that are getting licenses for a year; they're being licensed two or three months at a time, which will give you some idea of the kind of care that people are getting there.

The proposals for the nursing home that administrators who currently are supposed to be licensed, will no longer need a license. Three years of experience and I don't know how that experience is defined will be the substitute.

The effects of this on nursing home care can be illustrated by the lady who came to see me yesterday, a school teacher. Her mother had a hip injury. She went into a nursing home. The reason why she went into the nursing home is because she wanted to reestablish mobility and be able to get about her business, and we are talking about a woman in her 80's. She gets social security of $76 a month. She has savings of $8,000. She is a paying patient in this nursing home, and the nursing home guaranteed to her that she was going to get physio-therapy. This was two weeks ago.

There have been no physiotherapy, and when I spoke with this woman about the quality of care her mother is getting, I think that what she stated was classic. The quality of care ranged from indifferent to sadistic, and this is in the nursing home that is very good business today for the five or six people who are operating it.

You might have asked me why she did not get private physiotherapy at home. I'd like to call your attention to the home health circulars that are available under Medicare. In New York, this means visiting nurses.

They are the authorized agencies for services in the home. They are unable to provide physiotherapy. They don't have therapists on their staff and, conseqently, this woman could not get therapy in the home, because if she tried to get it in the home it would cost her $15 every time a therapist came in the house.

VOICE. Excuse me. Do we have physiotherapists?

Mrs. BRODY. We have nothing.

VOICE. Not all the patients require the services of physiotherapists in the home but the nurses can provide physiotherapy and the patients are restored to mobility fast in their home situation. I will speak later.

Mrs. BRODY. I agree with you, but I know the problems the visiting nurses are having with providing care in the home and I am not going to take this opportunity to comment on that at any length.

I want to make a few comments about Medicare. There is going to be, if this holds true, reduction in the number of hospital days and I believe I will leave some of the comment on this to some of the hospital professionals, to the effect it will have to the individual.

I do, however, know that the committee in the hospitals are breathing down on the backs of the social workers, to empty out those beds and there is no place for those people to go.

It is impossible to get today into a nursing home. There are no beds. The Department of Social Service has a waiting list of 800 and there is—I am only talking about people who are eligible for Mediciad, who are going into homes under Medicaid, so for the individuals to get into a nursing home it is almost impossible.

I'd like to cite the example of a gentleman whose family visited me yesterday and I am giving you one of my typical days. He is 92 years old. He has no funds. He is in a private hospital where there is no social service or maybe a social service department that operates one or two days a week.

He has no Medicaid. He is well. He is able to leave the hospital and this has been true for two weeks; there is no place for him to go. The daughter he lives with works. She cannot take care of him during the day. This man cannot prepare his own meals and take care of himself.

He is, by the way, the darling of the hospital. I spoke to one of the nurses there and he is a delightful man. He doesn't need nursing care and he can't go into a nursing home because Medicare is looking very closely to the kind of people going into nursing homes.

What are you going to do with this gentleman? He can't go home, he can't stay in the hospital, he needs somebody for a few hours a day. The homes for the aged which might be an appropriate place for this gentleman are busting at the seams.

I regret the facts. The Home for the Aged, their beds are only made when someone dies. We have to be constantly working with the foolish thought that somebody has got to die before you get a bed. You can't get into the Home for the Aged.

First of all, there is a whole process of application and then one of getting on the waiting lists—waiting lists for the Home for the Aged is one year, and somewhere down the line I frankly don't know what to do with this gentleman.

Congressman ROSENTHAL. Could you sum up what you see the urgent problems are and what might be the possible resolutions of the problems?

Mrs. BRODY. The major resolution for the people would be continual care for people as they need it. By this we mean, the purpose—our purpose—all our purpose is that older people be in their homes. If they were able to be cared for in their homes.

For example, last year, Representative Gilbert, of Connecticut, introduced a resolution in Congress to suggest that Medicare could cover home maintenance. You know what this means; a simple little thing like somebody coming in to wash the floor. If somebody were coming in to wash the floor in the home that means that that person is capable of maintaining a good clean house and could live there.

I bring it down to the lowest common denominator, from there we could move up the scale. There are many people who could stay home, just as if some services were provided. With some, it may be a day at the hospital. For some, it may be someone who comes in to perform services that are necessary, but these services don't just exist.

VOICE. I understand from the School District Department of FAIR that there is a housekeeping service.

Mrs. BRODY. I am not dealing with those people who are on old age assistance for the most part and, consequently, certain services are available to them, and I think the comment was made earlier that there is this big gap—there is the person in the middle and he is the guy who is really caught in the bind.

Under Medicare he is paying about $125 a year for part C, provided medical services. He has got to pay $125 because it's being taken out of his social security and you have got to pay $50 first, and he is paying money, $125, before he gets a nickel back, and then the amount he gets back is very little.

Congressman ROSENTHAL. Time is fleeing. From where you sit, in your experience and in your professional background, what do you think is the most urgent problem needing attention in your area?

Mrs. BRODY. Every kind of service in the home ranging from medical services, and this ought to be cheaper—medical services; ordinary home services—someone to prepare a meal for older people, somebody to be able to come in and straighten out the house, somebody to be able to escort them to the doctor. They can't get there and the doctor isn't coming to the house.

These simple things that in the long run tend to keep up all of us and help people to live a decent, dignified life. When they are no longer able to.

Congressman ROSENTHAL. Our next speaker is Dr. Daniel Martin. I apologize for bringing you on so late.

Dr. DANIEL MARTIN. I spoke before with regard to floor comment. I would like to make my statement a little more formal, not that I prepared any formal remarks but I have a formal remark.

It is the opinion of an organization, the Queens Medical and Health Program, that a group of people that were organized in Queens some three years ago—they are not doctors, they are doctors plus contributors, plus hospital administrators, plus people in the nursing profession—they're the people who put forth this particular booklet that some of you must have, which is available on the desk here, which is a survey of the inadequacy of facilities in Queens and which comes with a fundamental recommendation with regard to the fact that what Queens needs is a medical school.

Now, that sounds like a chauvinistic viewpoint because I am a physician. I am a physician with training, professorial background, etc. Let's dispense with that and let's get into proper focus.

The reason why a medical school or medical complex, grouped around a medical school, and you have to understand what a medical complex is. It is in the fullest sense of the term a place where you can get the most up to date modern care no matter what your ailment because it's all there in quality and quantity, and with the lights on.

What I mean it's all there with all the possible standards that have been devised always being reviewed to make sure you are getting the best thing. This thing all relates to the whole community—the way they're waking up to their obligations; the way the local community hospital will have people on the staff of your hospital that also will be part of this teaching complex.

We are back to the medical school. This to and fro, back and forth, insures every school. There is a relationship of a bed and tie-up quality of care. To begin with this other thing, you will note, you will recognize the problem.

Unless you have somebody that gives you quality care, you are buying a pig in a poke; you are in a financial problem here. Nor are you sure here. Dr. Schlossman's charging Medicare inadequacies and their care of problems, and so on, that have been alluded to this morning.

The big thing that you got to recognize what you really want is an ability of care and you want it available in high quality. They said about a person who had lived 35 years in Queens and had never gone to a physician in Queens, and no member of her family had gone to a Queens doctor, but she realized the inadequacy.

I am sorry Dr. Freilich left. He made a statement, but I am tired of having statements made by people in responsible positions which are so entire inadequate. He said that the City Hospital at Elmhurst has a full range of programs.

It does not. For example, there are a number of hospitals in Queens that a patient can go to to get x-ray treatment. There is no radio x-ray therapy possible in the Elmhurst Hospital at Queens, although the people have paid for it.

There seems to be something said as to what is available and the quality. There is only one way to do that; if you all put your efforts together and do this one thing. There is only one thing you can do and that is insist upon a medical school of quality.

I have no ax to grind. I am not interested in this, personally, I am just here one doctor in Queens, but I know from extensive background what is lacking and what you need and what it will do for you.

This is a Queens forum and what we are not discussing is what is inadequate in Queens and what could be done to correct it, and we know a lot of people here who know what is in that list, both consumers and producers, and we have got people up on this background; namely, people like yourself, Congressman Rosenthal, who with the help of representatives in the Hospital Corporation could take a tool like that Municipal Hospital Corporation and make it work for the people of Queens.

Right now you are paying a fortune for the Queens Medical Center to keep going, and yet this fall 16 students from the State University at Stony Brook Medical School are going to come in there to be trained.

That will do nothing whatsoever for the Queens people, although under the state system now, and it's helping, nationally, so I am not opposed to this thing. I am talking about optimum utilization and quality level. That it will produce, itself.

I hope that somebody here who doesn't understand what I keep stressing—a medical complex, a medical center grouped around a medical school, as to how this will help everybody; if you can't understand that, I wish you would ask me the questions so I can try to prove the point.

Voice. Dr. Martin, I was born and raised in New York and I know the borough quite well, and I come from a family with medical background and I see, in Manhattan, you have three large medical centers who can do anything in the world. Every type of specialization is handled there. In the Bronx, you have development. You have Einstein and you have Montefiore and in the other boroughs they're all expanding.

The only way we expand is with taxes and population. We need services.

Voice. I have been taken care of, not in this borough. I am forced to use a private physician in Queens but for hospitalization, if I want to live, I go to Manhattan, and at a very very costly sum, and I don't think it's fair for people who are getting older to have to constantly worry about what is going to happen to you when all your life you pay taxes to this city.

Queens is a part of New York City. Why can't we have services?

Dr. Martin. You understand what I was saying now; the existence or creation of the medical school and the medical center would go along way to providing the services.

Voice. I have been to the NYU-Bellevue Complex and I know how they function. I know that Whitman is modern and up to date and it's a coordinated service, but in these other places——

Dr. Martin. Congressman Rosenthal and the Hospital Corporation representatives, why can't we do this? Why must the public be actually lied to to get this thing at a cost of $400 million, which is absolutely wrong.

Actually, elsewhere in the United States municipal hospitals have been put together, either on a private or municipal level, and it has cost practically nothing except the proper reorganization and certain there was available what we would call needs here.

Why don't we do this sort of thing, since it has been so well done elsewhere, and it's not done in New York City. In Miami, Florida, for example, you are 20 years behind what they did in Miami, Florida in terms of creating a medical school by putting it together.

They put their municipal hospital, Jackson Memorial Hospital, together with the University of Miami and presto, a medical school.

Why can't you do that in Queens? There are a number of examples of medical schools of both local hospitals and universities. I submit to you this problem is one of conscience.

I submit it to both of your representatives. Queens Hospital Center from the budget has every year $15 million budget for paying all sorts of teacher salaries, professor salaries, assistant professor salaries, part-time professor salaries, the secretaries and so on, and you are deferring that right now, the fact that this money could be used for the possible use of a medical school is proven by the fact that a hospital corporation has just agreed to a contract with Stony Brook to send its state medical students into our borough for the medical school training at the Queens Hospital Center.

Your school is right there. It should be alongside Queens Medical Center. It's going to train nurses. It's going to train medical technicians, radiotherapy technicians, etc. The fact that it is qualified at a biological level, so to speak; you have got physical and human resources and financial resources.

Now, each year it is there, so why don't we take appropriate leadership to organize it to do what has been done elsewhere. Why don't you get together and do it?

Congressman Rosenthal. Let me ask the fellow from the State to comment on that. Dr. Cicero.

Dr. Cicero. The first thing I just want to clarify I am not part of the Health Corporation. I am not trying to evade the issue, but our feeling was, like you, we did look to the Health and Hospital Corporation to see what we were going to do in this area.

The medical school is one thing. The primary access is another and I don't think that the medical school of itself, and I want to tell you, Dr. Martin, that I did read your brochure and I am very impressed with it, except for the final conclusion.

After a complete, very exhaustive, and thorough outline of all the problems you ended with your one recommendation, and that is the medical school complex.

Here today, it's the same thing. I would have liked to have seen a development of the explanation of what that medical school complex, the feeding of the neighborhood care centers, bringing things out in the community, which to the people are important.

Now, you are excited and I recognize you are trying to make your point. I think that these people might not grasp it. I assume that is the point you are trying to make.

Dr. Martin. I am glad you brought it up because I think it is important, that this exists. You can talk to some doctors and they will, with a great deal of gesticulation, say, "Bosh, a medical school does not do anything for you in the community," and the reason why they will say it, because they will be able to point to some of yesterday's medical schools.

If they're still in existence, the way they functioned yesterday: what we in the academic world call "Ivory Towers." They hold to themselves and holier than thou.

Well, the hue and cry of that, within the last five years, of the die-hard Ivory Towers, well they have begun to turn, and they're beginning to turn, and you know they are ultraprivate institutions and they will take a long time before they will break tradition.

In Queens there are none. There is nothing such as that here. There is much available at the level where the people can benefit. If we took the Queens Hospital Complex—after all, we didn't want to write a thousand page essay on hospitals—if we took the Queens Hospital Center and your hospital, and if we took one of the City institutions such as York College as your academic institution, and established, made it clear in the original formal understanding that would be appointment from each community—that is qualified appointments on a teaching staff, which they would have to arrange back and forth to their hospitals, this would keep things moving.

Many of you people—Congressman Rosenthal is a lawyer. He had to go to law school. I dare say he couldn't—that he doesn't feel that he could go back as a law student. He knows from what he has learned in law school, from his private practice, that he could keep abreast of what changes has happened in the institutes.

This is not true with the profession of medicine that may be very unique. There is no way, whatsoever, so today's most brilliant medical school graduate to be any good five years after he graduates if he isn't put into a learning atmosphere. He just knows the nitty-gritty practice of taking care of the patients. The patients are too ignorant to ask him questions of what he is doing, because there is a natural development between the lay person and the doctor, so he finds it very easy to take care of people and—

You take this same doctor and put him in a hospital where there is an intern and resident and medical student, people who are somewhat knowledgeable about the field but still learning, and either they have gotten out of medical school or into medical school, or are a resident, and who has certain knowledge and he is now asking questions.

Now, the doctor in that situation has to answer a question by a layman, in which he is told by a pat on the back, "You go home and I will take care of you." He knows he has an answer.

The answer has to be up to date with medical literature and other things. That means you have a built-in situation. Everything built in a self-perpetuating doctor of quality, and you have got to have in medicine this quality, and I know of no other profession where this is needed more, where it is gotten by simply doing what I am talking about.

Now, you can't say give him a medical degree and forget about him. It's all a resident situation. It can be done in every area of the Borough of Queens. It can be, and if you do set it up that way, and that is exactly what I have talked about, you will find it in here.

Congressman Rosenthal. I think we ought to ask Dr. Bellin to comment about it.

Dr. Bellin. I can't think of anything official that we are opposed to establishing a medical school in Queens. I think you might know there is a group in the Borough of Richmond starting to get a medical school started in Staten Island as well, and you know Richmond is the forgotten, one of the last boroughs.

Dr. Martin. I said Richmond County has a total of 1,581 beds in all of Richmond County, and you're citing in Queens where there are a total of 12,769 beds, and you are trying to relate one borough to the other in the sense of need.

Dr. Bellin. I think you are making a mistake in the message you didn't want to hear, where you are the messenger, where you didn't try to address yourself to the message. I think it is necessary to look at the issue of the medical school on its merit.

First of all, there is no argument in this room that there ought to be a medical school in Queens. I think, however, that in supporting this point of view, I think we ought to avoid using as an argument for this that this thing can be done at very very little cost. There is no such thing as a medical school that has ever been put up in the United States, at least in the last 25 or 30 years, that has been done at very little cost.

I am familiar with medical school economics. When I was in Massachusetts, when I was Health Commissioner of the City of Springfield, Mass., six years ago I had occasion to work on the establishment of the University of Massachusetts Medical School in the state.

Dr. Martin. You were engaged in the physical development?

Dr. Bellin. I was engaged in the beginning of it and so engaged until the time I left Massachusetts. Let me just comment. You cannot do it for nothing, you cannot do it for a small amount of money. It's going to cost money. Let's not delude ourselves. Let's not delude the people. It's going to cost money and let's spend the money.

Dr. Martin. These are the exact figures that were given by the dean.

Voice. You can always get money when you are interested in it.

Dr. Bellin. Dr. Martin, you made a point that this could be done with very little money. This is generalization. I take exception to that. I think this wrong. It's going to cause—

Dr. Martin. You don't want to give me the specifics, do you?

Dr. Bellin. I think I want to speak on the issue we are meeting here today on. I think the medical school issue is only one and is only one of the issues involved in the general issues, that I think we are all here this morning on.

The issue is how to get more medical care to the people, who need it so desperately. I think the medical school is one way of doing it. It is only one way. I think there are many other ways that need consideration, that perhaps would cost just as much, at a time when the City is undergoing a desperation situation of finances.

The issue is to maintain many services, tuberculosis, public health, and whether they can maintain these services that are currently used by many of the people. I look around the room and I don't see many people with black faces who are in the room. I think these are some of the people that have to be taken care of.

I think we ought to address ourselves to some of these issues, and many of these other issues that we are concerned about.

Congressman Rosenthal. At this point we will continue the hearing, but we will give our reporter a chance to rest.

Dr. Bellin. I didn't imply that you didn't know what you are talking about. I just said it did cost money.

Dr. Martin. We are talking about trying to establish something that is good, and we can't forget about money, can we? Then the issue as to how to get a proper leadership to do what is to be done, because nobody knows the problem more.

I am trying to have representatives of the State to try to get up to the point of trying to reach the people and pick up one bill after another, trying to establish a new medical bill which is going to cost $200 million or $300 million or $400 million when you know that kind of money can't be possible.

But I am saying that is immediately practical and in the hands of our representatives to do something with, if they will.

Congressman Rosenthal. I think there are two young people who wish to say something. A young lady over there.

Voice. I beg your pardon, Dr. Martin. I have just come in here since I have been at work. It seems to me right now I heard a contradiction. First of all, I heard you crying about money for a medical school. Will you please let me finish and then you can answer.

In the next breath I heard the problem isn't money. It seems to me that an American public isn't that stupid. We have known for years that the American Medical Association has deliberately impeded the creating, the building and the everything else that go with a medical school in order to keep a scarcity of doctors.

Don't try to tell me that this is a lot of nonsense because, on the one hand you said that money isn't a problem, and in the next breath you say money is a problem.

Are you crying to us when our medical bills are already so high, when I personally have found in case of an emergency in New York City, that the New York City police are much more responsible, that my next door neighbor who was a nurse after 12 hours is much more responsible, that the average human being is much more responsible—are you crying to us that you want us to support you.

What problem of Medicare is concerned?

Dr. Martin. What you say, you came in late so I don't think you possibly understood, fully.

Voice. I understand what is going on because I have been following the news and I also read the journals.

Congressman Rosenthal. You won't want to answer her now, do you?

Dr. Martin. There was some talk about the fact that medical schools do cost a lot of money and they do, depending on the circumstances. That is why I mentioned my Arizona example. But here in Queens, it will cost virtually no money to create a medical school.

There was actually a difference in what we are talking about in terms of money. What you say is quite true that the American Medical Association was adamantly opposed. You must know, and I am not an AMA devotee, even that their attitude has changed. There is, for example, organizations in the United States including the AMA that feel there should be more medical schools.

My point is there are ways to get medical schools without getting a lot of money and we have that way right here if we will grasp the opportunity.

Voice. You are kind of kicking yourself again. You said the problem in Queens isn't money. Now, you said they're waiting for money. It seems to me—

Congressman Rosenthal. Let's not belabor that issue. Dr. Martin, did you want to say anything? Did you want to ask a question that Dr. Martin might respond to?

Voice. I do want to say one thing. I think a medical school can be established as an adjunct to Elmhurst very quickly. You don't need so much money, just like a few classrooms.

Congressman Rosenthal. That is what Dr. Martin says.

Voice. The last two year student in a hospital, put them in obstetrics or gynecology and have them learn, and if the government is going to subsidize any medical student, let them do what Mexico did. Require a student that is going to be a G.P. for two years wherever the government wants to send him.

Congressman Rosenthal. Something I mentioned earlier. We have to move this along. Do you want to say something?

Voice. I think we would all appreciate that we sorely need a medical school in Queens, that we would want you to present this and to take further consideration about it, but there are many other concerns today that we should be concerned with and we are spending more than this half morning or the day right now discussing the need for a medical school.

There are traffic problems in the area that have not been spoken of.

Voice. One question I would like to bring out. The cost of a medical school which might be very well for the Borough of Queens and perhaps for the city, what assurances would we have? We see the Columbia empire, the Einstein empire, that are in very bad urgency if the directors of those hospitals do not reside in the city. Many of their patients do not come from the city.

I say if you utilize the city hospital in Queens, if we utilize the universites that are available as part of our tax money, what assurance are we going to have that the people who live in Astoria and Long Island City where there is a scarcity of hospitals, people in South Ozone Park, people in the Eighth Congressional District who will be the recipients of this kind of care?

Doors are closed. They use Medicare patients, large numbers of them. Harlem Hospital is overburdened.

Congressman Rosenthal. You know we are going into a real problem. People are going to be offended. See if you can narrow the question, now.

Voice. What assurance are we going to have if this medical center, if it comes to Queens, will be for Queens and will help us and not like an empire to help other people?

Dr. Martin. We had the meeting on May 13th in order to answer all possible questions, to show what exists, particularly your Columbia example is absolutely true but the difference between Columbia and Queens, Columbia is an entirely private corporation and every private corporation in America is, by and large, they have their own private considerations to consider and to do what it will.

In Queens, you would have the taxpayers to make the decision. Elsewhere, legal documents have been written, very formal, very well drawn up by lawyers, to show that the medical school should be functioning in such a fashion.

Now, this is a taxpayer's judgment and one that is subject to a law suit by any citizen. The fundamental requirement of that is a document. So it can only be done, and it has been done elsewhere. Finally, I just want to answer—I am sorry I didn't explain enough to you. You couldn't begin to talk about health at all if you didn't have a doctor.

VOICE. A doctor, and a doctor's assistant, and a nurse and a social worker, and a home health aide—I think there is entirely too much emphasis upon the doctor in this whole picture and in this whole medical school.

Dr. MARTIN. I am trying to explain what you need is the raw material to achieve what you are trying to achieve. All your raw material comes out of a modern medical complex. When you say medical school, it has to have a teaching hospital; where somebody says health complex, we know we mean the same thing.

I am afraid you might have misunderstood me. What you mean is something that not only produces the raw material as the nurse, physician's assistant—you know, all the levels that you are concerned with, including the doctor, but it is of such a quality that it pulls people into it from outside who want to practice here, who want to be near their home, and these are the people who are practising it that will be your community physician and your community specialist.

Unless you set up your raw material as you begin, this gentleman is correct, whether it be Elmhurst General or the Queens Hospital Center, we have got to do it right here. When you do that, everything else can proceed from there, including a lowering of many doctor's fees.

Congressman ROSENTHAL. Thank you very much, Dr. Martin. Our next speaker is Mr. Paul Lerth.

Mr. PAUL LERTH. Maybe I don't have to go up there. I think you will hear me.

Congressman ROSENTHAL. Why don't you stand up here.

Mr. LERTH. When I heard about this meeting today I was surprised to hear that a Congressman was calling a conference on health because I don't recall any before. Maybe I didn't follow it enough, but I thought it quite a thing and I decided to come down here and listen in.

At the outset, the Congressman said that he wants to listen to the man in the street. I am afraid this Congressman hasn't heard very much from the man in the street. (Applause) It is not enough for the doctors and others in the medical establishment to iron out their difficulties and disputes between voluntary and the private hospitals, and so on.

The main thing here is to find out whether the people are getting the correct health care. That is what I think they want to know in Washington.

In connection with the White House conference on aging we were supposed to in 1970 have the voice of the older American heard to determine the needs of the older people. I myself found out then that the needs of the people must be considered first, and I think it would be a good idea for the Congressman to call another meeting next week or a little later and bring down people from the centers and slums of senior citizens and bring down people who belong to the neighborhood organizations, whatever they are, and different kinds of organizations that exist.

A few weeks ago I attended a conference on Neighborhoods in Action, at Julia Richman High School. There were 1500 people there from all over the city and they lined up in 40 different classrooms, in workshops, to consider a special topic and devote several hours to it. Not only to tell the conditions but to tell what they thought should be done, and I think that example should be used and I think also on the basis here of Queens, that there should be not just one Congressman calling a meeting; there could be in all Queens sections, of all people working together, not only the Congressmen, but the State Assemblymen and the State Senators, and the members of the City Council from Queens.

Because it's not only a national question; it's a state question as well as a city question. I want to spend a moment on the doctors here and the health plan. I think that if you people in Queens or anywhere else know the difference, sufficiently, between President Nixon's plan and the AMA plan or medical associations, which are more or less alike, and the Health Care Security Act, because President Nixon's and the AMA plans are insurance plans, as well have been pointed out to you by the Congressman.

They want to have the insurance companies give policies for workers and so that they get their commissions, but it would not affect the health care that we get.

The Griffiths-Kennedy Bill, S-3, HR-22, these bills do provide for trying to improve the delivery of health care to the people. That is the main point, its main virtue. I think it should be supported on the platform by the representatives of the medical profession who attacked that plan, and I want to go back to Medicare in 1965.

What did the doctors say? I don't mean the average doctor; I mean the House of Delegates of the American Medical Association. They attacked the Medicare plan as a plan to destroy the doctor-patient relationship.

Was that true? It was false. It was intended to scare people away from the Medicare plan and to get Congress not to adopt it, and the same thing is being done now. Now, they say if the Kennedy plan goes through you are going to destroy the doctor and patient relationship, and, on the other hand, when they talk about group insurance, they say that many people despite belonging to group insurance still go to their doctor.

So where is the destruction of the doctor-patient relationship? It's a fiction. It just does not exist. They say the same thing for group health insurance. They opposed it when it first came out and now they're for it.

How did they spend their time? Did they tell you what's good about it? No. They told you what's wrong about it, which means that they are against it, that they are for the fee for payment plan. They want to maintain the profession as it is, the practices as they are, the fees not as they are but they go higher, and remember that they are earning a terrific amount every year on the average.

I don't want to go into an attack on it. There are doctors who are dedicated but they don't belong to organizations. They don't run the organizations. The House of Delegates runs it from the top and they spend millions and more dollars every year on propaganda.

If you look at your newspapers, you will be seeing ads about the doctors, and they will soon come out with arguments against the Griffiths-Kennedy bill.

Now, these are the main points I wanted to bring out. I did not like the fact that one older person got up and said a businessman such as he had to talk for them, that the older people cannot talk for themselves. That is not true.

The fact that older people are not given the chance to talk for themselves, whether it is in hearings or anywhere else, and that too often the representatives organizations are those that talk for the older person, and I think that is wrong.

Just one other point. Two years ago I believe Congress passed a bill for neighborhood health centers. I don't know too much about them, but that is something that should be encouraged. It should be extended.

There are a lot of things that have been done by government for the people. The trouble is they pile on the plans. They try it out here and they try it out there. When it's over, they just drop. They don't give them any more money. It practically dies out because in too many cases local officials don't have the funds to continue the program.

In conclusion, I want to thank the Congressman for calling a meeting like this and I hope he continues to get down further to the people who are getting the services or not getting the health services and continue this until you solve your problems and get good health service in Queens. (Applause)

Congressman ROSENTHAL. The next speaker is Murray Rimmer, Assistant Administrator at Long Island Jewish Medical Center.

Mr. MURRAY RIMMER. I am Murray Rimmer. I am Assistant Administrator of Long Island Jewish Center. Thank you for this opportunity to share our views with you. I am in charge of Ambulatory Services, speaking today for Dr. Robert K. Match, Director of Long Island Jewish Medical Center, a 450-bed community hospital responsible for staffing, teaching and medical services at a 1200-bed municipal hospital, Queens Hospital Center.

Dr. Match has had a long involvement with health insurance plans. He is known throughout the country as an authority on pre-paid group practice and is presently the prime mover in the organization of an Institute for Community Health at Long Island Jewish Medical Center. He was unable to attend this hearing today and asked me to present the following statement for him;

Community hospitals, traditionally a political, have rarely taken a public stand in matters of health care. In view of the inadequacies of todays health delivery system, I feel that the time is long since past for their involvement. As the Congressman is well aware, problems in the borough of Queens mirror those throughout our country.

The cost of medical care is rising far more rapidly than other costs during the inflationary period.

High quality health care and a comprehensive array of medical services are largely unavailable to low income people.

The poor receive virtually no dental care.

Few of us can afford catastrophic illnesses.

Physician shortages in the city are growing more severe while enrollment capacity in medical schools remains almost static.

Nursing, paramedical and ancillary health personnel are in short supply. Neighborhood health centers, mass mobile disease detection services and community health programs are urgently needed.

These are some of the problems we share with the rest of the country. What is unique to Queens is that its growth in population has been disproportionate to the growth of its health care facilities. Queens lacks a medical school. The number of its voluntary hospitals is small. Large segments of the population are not served by health facilities or programs. In many areas of the borough there is an acute shortage of physicians. These deficiencies call for correction.

What we need in Queens and what the country as a whole needs is a new system of health care. A change in the health care delivery system can only come about through a national health program which would provide the financial base required to restructure the system.

We must concern ourselves with the establishment of outpatient services designed to maintain good health, to prevent or predict the onset of disease, to treat illness in its earliest possible states. We must provide comprehensive ambulatory care with standards built in so that the quality of care can be measured.

Incentives must be built into the system so that efficiency of operation can be recognized. Outpatient services demand the highest priority in the redevelopment of the health care system. This approach makes sense not only in human terms, but also in economic terms. There have been countless statistical demonstrations proving that comprehensive outpatient care results in fewer hospital admissions. This has a profound effect on cutting the rising cost of health care.

It is my opinion that group practise organizations can best provide the continuity, availability and broad spectrum of services to which the consumer is entitled. Within the group setting, each family unit is assigned a single family physician who manages the family's health needs. There are specialists in all fields to whom the family can be referred.

Care is provided on an on-going basis—not just in a crisis situation. Group practise is inherently more economical than solo practise—costly equipment is shared, manpower is utilized more effectively, and most significant—expensive hospitalizations are often avoided. The pre-payment factor in group practise provides for a sharing of the costs by the consumer, thereby creating a sound fiscal foundation.

The absence of physicians in certain areas of Queens, as well as the rest of the city, may very well be solved through the establishment of group practises which offer physicians the opportunity to practise in an exciting professional environment where peer review results in the creation of standards of quality designed to provide the highest calibre of care.

Not only must we address ourselves to the delivery of care on a one-to-one basis, we must also look toward the development of diagnostic testing systems outside of hospitals where mass screening can take place for early detection of disease and where norms may be established for healthy people so that comparisons may be made when illness occurs.

We must also attack community health problems on a broader scale than we have done in the past. I refer to prevention, detection and treatment of drug abuse and addiction, alcoholism, venereal disease, sickle cell anemia and lead poisoning. I refer to methadone clinics, therapeutic residential communities and half-way houses for the rehabilitated drug addict or alcoholic.

We must meet the needs of the community by training paramedical personnel and other health professionals. I speak of physician's assistants, community health workers, home health aides, and mental health aides. We must hasten to develop curricula in our educational institutions to encourage participation in health delivery—not only to fill the void in this area, but to provide job opportunities to the disadvantaged.

We in hospitals are now trying to learn from the community its health needs so that we can be more responsive. We ask that we may be involved in the legislative process to the extent that we make known the needs of the population we serve as well as contribute our own thinking.

We at Long Island Jewish Medical Center have already started planning an Institute for Community Health which will house many of the services already discussed. It is my sincere hope that this will be the first of many such community facilities to come.

Thank you for the opportunity to speak with you, today.

Congressman ROSENTHAL. Thank you very much.

Mr. BRUNO B. LASK. My name is Bruno Lask. I am not a resident of Queens; however, I do make my living in the Borough of Queens. I am in the paramedical profession. I own a telephone answering service in Queens.

At first, I thought I was in the wrong business. I didn't know we were here to speak on Medicaid. My problem I feel is your problem. We have had too many complaints during the night, "I can't reach my doctor." If I am out of order, Congressman—

Congressman ROSENTHAL. It sounds like you are out of order.

Mr. LASK. We have had too many complaints through the medical societies that I can't reach my doctor. Now, there is no such animal that you can't reach your doctor.

Every doctor has or should have a telephone answering service. I am not here to sell a telephone answering service; I don't need the extra business.

The thing is that your doctor may not be available at the particular moment you called him. If he doesn't answer the telephone answering service, why his wife will answer it. After all, he is a human being. He has the responsibility and he likes his time off, too, but he can always be reached.

There was a time when there were not enough people available to cover a doctor on his day off, which is frequently a Wednesday or a Sunday, naturally, or a Friday. Every telephone answering service in Queens has available an accredited panel. By accredited I mean they have been sanctioned by the Medical Society of Queens, resident physicians who are licensed and covered by insurance, who will answer through the telephone answering service.

They will reach you and they will answer any question you may have, or make a house call in any place in Queens, 24 hours a day.

I heard Dr. Schlossman, the incoming president, say there are doctors who won't go to certain areas of Queens. That isn't so. There are people that will go to any part of Queens, day or night. If they do not want to go or if the patient does not want a house call, they will make an advice call over the telephone. The only time you can't get a doctor if you tell the telephone answering service—my files are full of calls like that where the patient refuse the advice or house call of a covering physician.

Now, I am here just to tell you that we are available, that doctors are available. The problem is that the public does not make use of it. We have also had cases of narcotics.

There is a voluntary association of rabbis, ministers and priests in Queens called "Faith and Narcotics." All it requires, in the event of an addict or a person who knows of or who has need of help—it all requires one phone call and the answering service will reach the priest or rabbi of his choice, of the person who wants to be counselled. This is strictly an anonymous situation, and this is a very necessary service that we furnish, and I want you to know that the terrible narcotics problem we have had in the borough of Queens—it's getting worse every day.

The month of May we took two calls. Something is wrong somewhere, and we have gotten some degree of publicity through the Long Island Press and New York Sunday News, and we get two calls a month on narcotics of people who desire counselling on narcotics. This to me is ridiculous.

Congressman ROSENTHAL. Is Alex Sheina here?

Mr. ALEX SHEINA. I am affiliated with the Machinists Union, Local 797, International Union. For the past two years I have been appointed as Health Education and Welfare Chairman of this local and one of the functions of the local, and under this position I have been looking through the aspects of our medical problems.

As I sat here, I heard them mocking Medicare and Medicaid and now the health program. Medicare is not as good as it should be for one reason. For every time you turn around the doctors up their prices, and the cost of Medicare went up.

Medicaid the same thing. No matter what labor does for the workers. It improves medicine; along comes the doctor and jacks his prices up and we are always second best. Many people have Blue Cross and Blue Shield and they're supposed to be fully covered but, you know, when you go to your doctor, if you had an operation, Blue Cross charges so much and then the doctor adds another fee on it.

If that doctor belongs to Blue Shield he won't accept that fee as full payment. In Brookdale, if you are over 35 you can get a completely free examination—oral cancer, x-ray, blood pressure and lung function for cancer. This is free for the residents of Brooklyn.

This we haven't got here. For the past two years I was going along and taking clips out of the paper concerning mental problems. As far as Queens goes, very little.

You talk about diagnostic care, which was mentioned here. The City workers they have GHI. Well, under GHI you are allowed to have a free medical checkup once a year. Why I bring this out, I think a medical checkup is important to each of us and, normally, we can afford to have a checkup. We don't go to the doctor unless we are sick.

If we are sick, then we go into the hospital. As I said, in Brooklyn they have this free checkup. Once a year they should have it. Those that have GHI, they get a free checkup. I would like those people who represent us in Queens do something about getting this for us so we can get this free examination.

Through my union, one of the shops in our local, CIC sent us notice through the telephones to examine your heart. Two years ago, I took this computer. I set it up in the American Legion Hall on 43rd Avenue and for a $5 fee we had an electrocardiogram, we had a lung cancer, blood pressure check, and a couple of others. This is for $5.

This can be done if the people in the community and the doctors want to participate. We can get this thing done cheap. As I say, every time you turn around there is always the kickback. I'd like to see the doctors do something for a change to help. They talk about medical schools, to make things better for us, but what happens? They up their prices every time you turn around.

Once in a while you get emergencies, Saturday night and Sunday. Go down to the so-called city hosptial. You are not going to get the emergency treatment. All doctors are away for the weekend. They will leave the interne and to take care of the whole hospital.

About a week ago in Flushing Medical Hospital a woman, 80 years old, was brought in with a broken hip. It was 12 hours before she could get help. This is a weekend. You shouldn't do these things. You shouldn't get hurt on the weekend.

Another thing about doctors is the five day week, never Saturday and Sunday. They will not come on Saturday or Sunday. No tests or anything to be performed on the weekend. All the technicians are off over the weekend.

In one hospital that I took an active interest in, this is a hospital in Queens, they're actually doing something for the people. Not only are they doing something—

Congressman ROSENTHAL. What hospital?

Mr. SHEINA. Peninsula General Hospital in Far Rockaway. In fact, they ask whether you can come down to belong, they ask you to come down and give recommendations. About the only one I ever heard of.

I have this paraphernalia that I will leave with you. You can look at all of it. Plus there is one more thing. We have a something like a Lions Club. The Lions Club in this county was responsible for a Kidney test. It's not like a urine test.

I happened to get 4,000 which I passed out to my local. It is not that foolproof but actually gives a person an idea if there is anything wrong. This is a test for kidneys and also for diabetes.

But there are ways and means of having these checkups. The important thing is prevention.

If we could stay the hell out of the hospital, we are better off. If we go for checkups once a year, which we can't afford, but these health plans should cover it.

VOICE. There is a suggestion I want to make on the Medicare program.

Congressman ROSENTHAL. Why don't you say what it is?

VOICE. When you sign an assignment form, you sign it in blank. The doctor never lets the patient know what he is going to bill you for. That is wrong, because it happened to me, and you put a terrific bill in, but I wouldn't pay him.

I am a lawyer. I said, "You better go ahead and sue me." I want it understood when a patient signs an assignment form the patient should be given a copy with a correct diagnosis of what he has done for the patient, because a lot of doctors, while they may have a proper file based upon 1965 fees, they charge you exorbitant fees.

I can tell you from my own experience that should be a requirement of law, and also a check I think on Blue Shield which audits all all these bills. They allow a doctor to charge $25 merely when you cross the threshold of his door, a fee of $25, plus what he does for you, and that is wrong.

Congressman ROSENTHAL. Our next speaker is Marilyn Liota.

Mrs. MARILYN LIOTA. I know that many of you are tired. I am tired, too. Here are the things I have to say. I represent the Visiting Nurses Service which covers the boroughs of Queens, the Bronx and Manhattan.

I am situated in Queens. In 1970, the Visiting Nurse Service made 91,748 visits, just our non-professional staff. Our nurses made 77,801 visits. My office is in Astoria. This is northwest Queens. My office made over 40,000 visits last year with a staff of 16 registered nurses, 30 home health assistants.

I know what the problems are. The main problem is that there are no health services in our area.

I want to concern myself with three items. One, the Medicaid cutback. The legislature informed us that, inadvertently, it cut all home health benefits. If this error was in fact inadvertent, then restore it.

When I say that home health benefits have been cut out and there are several law suits pending at this time, it means that no transportation services will be available, no nursing visits will be paid for, no home health visits will be paid for.

There have been very serious cutbacks in Medicaid, and May 15th past we were supposed to terminate services to many people who were receiving them and who needed them. I don't want to play upon your sympathies, but I think one good example of this situation would make you realize how serious this is.

Let's say there is a man 50. He has a very very severe, hopeless neurological condition. He lives with his wife and his son. He is terminal. He wouldn't die at home. We have had a home and health aide with him for the past year. She bathes him, she feeds him, she transfers him. This victim—this man was a victim of Nazi Germany.

His wife, his son, they escaped. They came to this country, but the wife tells me, "But America will take my aid away. You mean I will have to stop working and become a welfare recipient, so I can stay at home and take care of my husband?"

This legislature cut back on Medicaid to take away home health benefits. It's going to result in a return of all the people we have take care of in the home to the institutions, who are already overburdened, and cannot cope with the influx of these in-patients.

Let's talk about transportation. We have housing. It covers 300 aged and handicapped people in Astoria, Queens. It's a wonderful concept. There is no one in the community who made a home visit to this place.

If you are handicapped, you cannot negotiate a hill to get over to a bus, and you need three buses to get to the city hospital in Elmhurst. The HIP Medical Center likes to see its patients at the center. If a patient needs transportation, he cannot get it.

We had a man the other day who felt he was going to commit suicide. His wife had died. They had just moved into Good Will. I had tried to make transportation to take him to an after care clinic which is also closed down and because of money was cut back, the Queens Aftercare Clinic.

I was told by the city representative that we could not get any transportation for this man because it would cost too much—call an ambulance. He was rational. He was well. If I called the ambulance and sent him to Elmhurst he would not be admitted because he said he would like to commit suicide; he would have to be in a coma first, and then they would take him to Elmhurst.

I could go on and on, thinking twice about many of the situations we have. Let me give one more. We have a woman who is 93. We have been taking care of her four years. When we started four years ago, an aide was with her two hours a day. Now, she is 93 and she is still alive and she is very alert, and a little more debilitated and she needs four hours of care a day, but she is being one of the Medicaid cutbacks and we have brought her to a point where she can barely keep alive. She probably will die when her services are withdrawn.

Our home health aides are all people in the low income area. If we are forced to cut back and not give out home health aid services, we will of course have to release our home health aides. Our home health aides will become home welfare recipients and the city will be paying more money.

The other situation is long term illness. If you have a long term illness you do not qualify for assistance under Medicare. The booklet that comes to you dated April 1970 does not tell you clearly what the benefits are. It tells you that you may have skilled nursing care from accredited agency. We are an accredited agency. We are the ones giving you care at home.

The contract with the skilled nursing care we use is two and a half pages long, and I am not a lawyer, and we don't understand it. If you think your doctor has ordered a nurse to come and see you, you are wrong, and because you had cataracts and the doctor wants you to have eye drops and you haven't been arthritic, and you have to be blind in that other eye and can't negotiate that eye dropper, that is too bad, because Medicare pays for three visits.

It's in our booklet. You have to accept it from the nurses and its not in writing. If you had a fractured hip, Medicare will cover three nursing visits to teach you how to check your cast.

If you are 90 years old and most of your patients are above 80, you cannot manage at home taking care of your cast, you can't cook, you can't eat, you can't shop—our home health aides are the ones providing you with food, with sustenance and with custodial care included in the law.

One other thing, the Queensborough Bridge Health Maintenance Clinic in the Queensbridge project—well, 1400 people over the age of 60 are housed in that project. There is an ambulatory clinic for maintenance in Queensbridge for 600 people. There are no transportation services now available to that clinic. The City has not seen fit to restore transportation services for it, but the hospital for that clinic is Elmhurst Hospital. It cannot transport the patients to clinics.

It means that if an aged person can walk to this clinic, and has to be transported to Elmhurst for a cast, for an x-ray for further diagnostic test, this can't be done.

I will just conclude with a few facts which were in existence before the Medicaid cutbacks so you can see we were concerned with what is happening to our total population.

There was a questionnaire and it was distributed to all nurses in the Visiting Nurse Service. It's based on the examples of 734 cases who were receiving home health aide services. Of those cases, 390 were in Queens.

The number of patients in the whole setup receiving public assistance was 364. The number of patients not receiving public assistance was 370, so there is both sides of the coin.

We asked the questions, what would the probable alternative be if home health services were discontinued? 394 cases would return to institutions. Institutional care would cost much more than home care. An employed member would have to stay home. 82 of these cases; an employed member would go on health assistance, 99 of those cases, a patient would probably manage on survival basis, 19.

We studied many other things. I deplore the conclusion of home health benefits with this current legislation.

Dr. CICERO. I just want to reinforce your statement about the Social Security Administration definition of skilled nursing care, both as applied to the home health aide services and as it applies to the nursing home, benefit and Medicare.

Our viewpoint and I just communicated this to the Social Security Administration is that it is a truly outrageous definition of those eligible for benefits.

Congressman ROSENTHAL. Thank you very much. Mrs. Ruth Levitt.

Mrs. RUTH LEVITT. There were several statements made earlier today as to patients not utilizing the health services that are available in their area and I think I have heard peculiar examples that may be true and the suggestion that this be corrected.

For example, there is the problem of a mother who has to care for herself with three little children. She has to travel to the clinic, with the two or three children. She has to keep two or three children there two, three or four hours to take care of them.

What we do need is a child care center in the hospital which we could have in any major health facility. Actually, we did have that at Elmhurst Hospital. However, because it was necessary to make the treatment center, it was removed.

I think if funds were available, there should be the establishment of that there and other facilities, and also we have some parents who have problems of their own, actually at the clinics, of older children who have their little problems and they have to all see the doctors, and the parents are so overwhelmed by all the problems they have.

Therefore, I think it would be of help if you would establish comprehensive clinics where arrangements could be made to have all the doctoring this particular family needs on that one time or possibly two times. In that way you could take care of them.

I also wanted to mention one other thing. I think that alcoholism is a problem here now very much in Queens. When you have one alcoholic patient, you really have a whole family because the children are really maltreated, money is spent on drink and the children are not eating properly, and it should be very much considered as far as the problem is concerned.

Congressman ROSENTHAL. J. M. Magoolaghan.

Mr. J. M. MAGOOLAGHAN. I am from Creedmoor State Hospital. I am here representing our director who could not make it. I have been hearing a very excellent seminar on the health care administration and health care clinics. It's a good refresher course. As an administrator, I appreciate the very interesting comments.

I will point out that many problems have been referred to in a very oblique and quick manner, in much of the discussion. I believe the medical services thing is an extremely complicated problem and before that today these things have barely scratched the surface.

You raised the question before about government efficiency in doing something. I would like to take a moment to refer to something historic.

Government efficiency is not naturally a matter of law or course. It is perhaps the efficiency of getting it done. Back in the early 1800's they were looking to building the railroads. As a consequence, people who went on one railroad did not travel on another. It required loading and unloading from one terminal to another. It took government standards to make one standard, to make this done in a proper manner.

I am going to very briefly cover the areas that Dr. Greenberg asked me to cover. I am not referring too much to the prepared text. I want to point out there is a major problem in Queens that we have at Creedmoor of the abidities.

We have the medical and surgical ability. We have 800 patients there because they need medical-surgical care, not only because gaged in rendering that care.

We are a psychiatric care facility yet we are carrying a medical surgical burden. We have 700 employees of our institution engaged in rendernig that care.

Now, these employees could be actively engaged in psychiatric care in the community if they were not tied down with having to render a medical care there, because medical care is not available anywhere else.

It is a major deficiency in Queens. I think perhaps I should use my glasses. We are constantly working and expanding with our psychiatric patients, with an effort to reach them into the community, to keep them in the community, to keep them in the homes, to keep them in their family groups, to become as productive taxpayers in society, rather than people cooped up at Creedmoor, and we are working rather well in that respect.

We have come a long way. We have 11 clinics out in the community, but we see opportunities where we can do more without being tied down to the medical services which we must provide because nobody does it.

Congressman ROSENTHAL. I don't understand. People who need medical services are also psychiatric problems.

Mr. MAGOOLAGHAN. In that building we have 800 cases, not all—

Congressman ROSENTHAL. Are they from Queens County?

Mr. MAGOOLAGHAN. No. In some cases they come from the inside or other institutions, but they are not, basically, psychiatric problems. They have medical problems and should not be in a psychiatric institution.

The point is we seek a complete comprehensive plan for medical services of all kinds in Queens, getting right down to the basic fundamentals of what we are trying to do and setting goals for this before we start planning.

I have heard a lot of plans go out. A couple of people referred to in questions of trying to refer to the aid plan. We do feel there is a need for medical training, for medical training center in this area.

We talk about a medical school and allied training. There is a distinct need for all these things. "In the past we have placed our elderly in a position where they must go to some monolithic warehouselike structure to die without any hope of return to active life or any involvement in the community in which they lived. This situation arises out of a failure to press hard enough for budget priorities for community health centers."

We feel in the community of Queens there should be an appropriate community center for the elderly. This might include apartment space for elderly husbands and wives with appropriate built-in means of handling their infirmities; with nursing home services attached as well as infirmaries, with group dining rooms as well as cooking facilities in the apartments. This type of structure could easily be built into some of our low rent housing which is being erected.

I believe that covers the basic needs. I have heard a lot today showing that medical care is extending. General medicine is moving more and more toward the centralized large institution. I am very personally proud to be associated with Creedmoor.

We have reacted right out into the community, and in the community, but we are out there and we are getting out there, all together. Thank you.

Congressman ROSENTHAL. We will conclude the hearing. I want to thank all of you. I think you have shown amazing patience and concern. My own judgment is there is a deep crisis and, obviously, a great split between the medical profession and the average citizen.

I suppose a great deal has to be done about reorganizing our medical delivery system. Many changes have to be made. I am going to write a report when I receive the transcript of this hearing. I will be happy to deliver it to you. The transcript of this hearing will be delivered to the Ways and Means Committee for their concern and consideration, when they are analyzing the various bills before the committee. I think it very important that this committee have the benefit and the views of the average citizen. What they usually have are professional organizations and associated organizations and it is important for me as a Congressman from this district to know the value and opinions of my constituents.

Thank you for coming. The meeting is concluded.

STATEMENT OF DR. LOUIS DELLI-PIZZI

In today's affluent and sophisticated society, the identification and delivery of man's basic needs—or better, rights—can be as complex as it is demanding.

However, it has long been acknowledged that paramount among them—is his right to health—via the immediate availability of the best possible medical care. It may be said, "What other rights are really important if one is in poor health?" Any planning truly responsive to the dignity of man must be ever conscious of this tenet.

Broadly speaking, the health care system in this country can be approached from the standpoints of:

Program—
Facilities—
Manpower—

1. For the sake of "planned economy" any restructuring must not destroy what is good in our present system. The personal doctor-patient relationship—the one-to-one equation—must not be diffused to the point where continuity in care is destroyed.

Our areas of great need—programs for the disabled, poor, unemployed and those afflicted with catastrophic illnesses must demand our immediate attention. Experience from a broad range of old and new delivery systems must be carefully evaluated if we are to achieve our goal of excellence in health care and avoid the disasters of Medicaid and shortcomings of Medicare.

I am sure with objectivity and knowledge there will evolve a pluralistic delivery system which will protect the right of both patient and physician to choose the system which is received and delivered.

Only in recent years and only in certain locales have our facilities come under careful scrutiny. Further duplication and maldistribution of public and voluntary facilities must be prohibited. Where the facilities have accessibility, they must meaningfully relate to the community they served. Whereever possible, the cooperative efforts of interested and capable institutions must be encouraged and subsidized.

Manpower. I wish to address myself to two specific problems:

1. The "doctor shortage" and what we in Queens are trying to do about it—and the

2. Plight of the voluntary hospitals in medical education.

We are told by numerous authorities that there is a 50,000 "doctor shortage." In October 1970, the President of the A.M.A. stated that "by doubling the entering class of medical students, starting this fall, we will only get an additional 30,000 doctors in the next ten years."

There is no indication that all of these 30,000 would go into practice. Many authorities feel that mal-distribution compounds the shortage—and that any significant restructuring of health care delivery system will increase and not decrease our demand for doctors.

If a crisis is not with us, it soon will be. As our costs for health care increase, so does our cost per student.

Federal and State aid to medical schools vary greatly, e.g., in New York State an average of $2,000 per year per M.D. candidate is available in both State and Federal ($543) funds (24th in the country). While in Illinois $6,500 is available to each medical school, per year, per M.D. candidate. The A.A.M.C. is seeking a flat $5,000 grant per student while the Nixon Administration is presently pressing for $6,000 for each graduate. I urge support of the A.A.M.C. request.

Furthermore, I urge that cost of graduate education (Intern and Residency training) be federally subsidized. As you know, the time spent in obtaining approved specialty training (Education) can vary from three to seven years. Presently, the costs are borne by reimbursement via third-party intermediaries of insurance and not educational funds.

I do not wish to pursue the propriety and merit of this practice—which is costing us—in Queens, more to train Interns/Residents/per year than the State of Indiana spends per year/per M.D. student.

If tomorrow Queens awoke with an ideal health-care delivery system encompassing the best in facilities and manpower, a noticeable vacuum would still exist. To fill that vacuum—to attain a goal of excellence in health care—to properly coordinate and meaningfully relate to those massive problems earlier alluded to, it is my considered opinion that a medical school must exist in Queens.

Locally, this problem has not gone unchallenged. Recognizing the realities of the moment—concerned individuals, representatives of health institutions, public and voluntary agencies, educational leaders, etc., have organized into the Queens Medical and Health Program.

Conclusion. In the light of this brief presentation, I wish to recommend that you promote immediate steps to obtain authorization for the establishment of a Medical School in Queens and that you look favorably upon the other recommendations made herein.

Respectfully submitted, Louis J. Delli-Pizzi, M.D., Director of Medical Education, Flushing Hospital and Medical Center.

Letter dated June 1, 1971, from Eugene Henry Duffy, Esq., 68-28 Dartmouth Street, Forest Hills, New York, as follows:

"My Dear Congressman Rosenthal: Thank you for inviting me to testify on Queens health problems. I regret I shall be out of town on the designated day.

Please record me personally as stating that Queens outstanding health need now is a medical school to which should be attached a new City Hospital and a Veterans Facility.

For a quarter century the city, state and nation have played fast and loose with Queens in these matters. This long neglect could be remedied by affiliating the medical school with York College and adding the new City Hospital and Veterans Facility as part of the Jamaica Redevelopment.

Providing these buildings would go a long way in solving other problems, lack of hospital beds in Queens, more clinical facilities for the area, including South Jamaica, and a corps of medical doctors trained in Queens, available for service in Queens as interns, residents and as physicians in the future.

With every good wish for a successful meeting, Very truly yours, Eugene H. Duffy."

Following from Mrs. A. M.: letter dated May 28, 1971:

"Dear Mr. Rosenthal:

After reading your May Report and Questionnaire only a calamity will stay me from the June 5th Congressional Hearings on Medical Care. I intend to lend my ear and mind (but not my voice) from 10:00 to 3:00. A youthful incident of stage fright impels the pen. Here is my constrained vendetta (details would cover 25 pages) re: experienced current medical practices offered for public discussion in anonymity.

Anyone who was destined to seek the ministrations of the medical fraternity 25 years ago has acquired a growing awareness that patient care today is not what Hippocrates has in mind. Dr. Kildare is sheer Victorian fantasy. His counterpart may be a retiree on the Maine coast or a hamlet in the Swiss Alps and is undoubtedly unavailable for an emergency. Or, according to a recent TV interview with a British neurologist-writer-actor the GP of England makes house calls as a basic responsibility of his profession.

In New York City probably the closest thing to a personal physician of monarchs and presidents is the diagnostician of a private clinic who pilots departmental examinations without disruptions to his studies. But even this "royal" treatment (At an astronomical cost) is not without an important flaw. If the patient suffers a reaction to medication during the test period the clinic diagnostician is not permitted to make a house call. And on Saturdays, Sundays or other holidays he is not available for telephone advice, nor after 5:00 p.m. Also, if the enrollment was self-initiated (without the determination of the patient's physician) his ego is deflated and the patient begins to consult the Yellow Pages. When one physician was informed of the circumstances he said he did not want to interfere.

Suggested reforms. Extension of services to the clinic patient by enlargement of their staff by only two physicians who can have access to the patient's file and be on duty when the diagnostician is off duty. In this way the strange physician who was reluctant to "interfere" could receive information before making his house call. But the house call problem will continue ad infinitum. On TV recently I saw something regarding a communal physician's group dedicated to house calls, and further information would be welcome.

Present Atmosphere of A Doctor-Patient Relationship: The amenities of a visit died in 1960. The patient now goes directly to the examination room for blood pressure and respiratory observation. After this brief encounter is interrupted by incoming phone calls the patient goes to the desk where a brief comment and more phone calls ensue. When prescriptions are rendered the patient's file is not opened as it had been 15 years ago.

Woe to the "normal" patient unconcerned with pharmaceutical knowledge culled from FDA articles. When the patient discovers that his home pharmacy needs an additional bread box he equips himself with a magazine drug chart and learns that he has been consuming duplication of tranquilizers under different trade names—remembering that when he described a symptom the doctor proceeded to write a prescription with a comment, "Drug X is good for that." Had the file been opened it would have revealed a similarly prescribed tranquilizer to enable the physician to state, "When you take Drug X omit Drug Y."

Prescription chaos. Another aspect of the prescription involves medication duplication of Identical brand names resulting from (a) the physician's disinterest in the patient's dwindling finances and (b) the inscrutability of his penmanship. Leaving the prescription with a busy-bee pharmacist before going to work doesn't help bring illumination.

The alert patient will further "do his own thing" by asking the doctor to write a large quantity for a constantly-used medication that is stable, for purposes of economy. This involves self-education in stable pharmaceuticals. Years ago one could ask the function and stability of a remedy but today when the doctor's pen is dropped his hand is on the doorknob.

While the doctor writes the patient observes a standard, 27-line yellow pad on his desk inscribed with a patient's name on each line. He will probably not leave his office before 7:30. Succesively overworked secretaries complicate treatment efficiency. One specialist I consulted gave advance hint of time limit by a system of 15-minute appointments and while dressing a secretary brings in a prescription and places it on the examination table.

Further follies of the file. Kindly refer to the private clinic treatise on Page 1, paragraph 2. The patient requested that a report be sent to his internist. In a subsequent visit to the latter the patient made inquiry re: the report and the doctor scanned it in the file with the comment: "nothing serious—it's your nerves." "Nerves?" wailed the impatient patient, "I was told I need an operation for blankety-blank growths." He returned to the file and read again. "I didn't expect it to be at the bottom."

Difficult situations to reconcile. The senior citizen who gains organic problems along with his weight comes to the internist as a burden, so he is dissected like a chicken in parts and advised to see specialists for the ailing areas. This refutes those compassionate medical articles with title such as, "Do Not be Afraid to Ask Your Doctor Questions" or "Describe to your Doctor the Kinds of Pains You Have" or "Tell Your Medical Doctor About Your Emotional Discomforts." "The new school of physicians is treating the whole person," we read in a medical article—beautiful theory like Marxism.

The elderly patient who must visit his physician more frequently clutches his AHS Medical Policy at spiralling costs and watches the figures in his bankbook drop alarmingly while the physician sits on Olympus.

I don't think the ethical physician revels in the mounting statistical need of his services. I believe he'd rather like to be home at 6:00 for an uninterrupted dinner. And hospital service today with the best of medical policies offers false hope.

Beds are at a premium because so many of them are being occupied by mounting emergencies arising from crime incidents. (Unless drug traffic is halted at the point of origin medical schools will have to specialize in surgery and every 20-block community will have a hospital and police station."

But FDA regulation might be easier. The doctor's calculated time-saving devices include, "As directed" on prescription instead of specific instructions. A patient who might have a repertoire of 14 is apt to forget its use. So the twin sins of commission and omission coexist. (a) If a doctor issues a prescription for 200 pills a pharmacist I know will reserve the balance for refill but another will not. (b) Also, typing of the original date on refills can be misleading to the user of many, many medications. Unless she has time to keep pharmaceutical records it is possible to consider an exemplary refill older than it is—and with the pharmacist's blanket rule discard it when it is only 6 months old. The pharmacist, too, won't like the extra work but I propose regulation of original and refill dates on prescriptions.

Mr. Rosenthal, I have about one more page to type for the completion of my vendetta which I may be able to hand you on June 5th. In the meantime I want to thank you for the opportunity to explode on paper. I do hope my confidential disclosures will result in some significant reforms and I trust a recess period will enable me to exchange a few words. I know you must be very busy but could you drop me a post card just to let me know this letter was received.

(Letter dated June 13, 1971 from Mrs. A. M.)

"Dear Congressman Rosenthal:

Thank you for your prompt acknowledgment of my May 28th letter. I regret that my 1:15 departure from last week's hearings did not permit me to make your acquaintance. I hope the following supplement will be of value in your studies:

The mysterious methods of AHS (Blue Shield and Blue Cross). The lady's complaint about the inadequacies of reimbursement by AHS is known to me. I had wanted to ask her if she knew that medicare imposes a $50.00 deduction but she had left soon after her testimony.

The diagnostic clinic case I reported to you in the previous letter was about $575.00. Blue Shield refunded $45.00. A letter from the patient, citing enrollment in AHS since 1936 and incurring only two short hospital stays in 33 years moved AHS to appropriate another $45.00. But the check received was only $40.00 and so several mutual time-value letters eventually brought the balance of $5.00.

The self-initiated clinic enrollment was not a hypochondriac whim. The patient knew that only blood studies and X-rays would indicate proper treatment for long-experienced symptoms. Thus, two organic disturbances were brought to light. Someone suggested to me that BS makes its determinations in accordance with the negative and positive findings, and whether the patient's physician advised the tests.

I don't know how true this is but I can say that not ALL service reimbursements are published in a subscribers' handbook and "up to" a certain allowance is nebulous. For instance, on a low-premium policy X-rays must be taken within a two-week period to benefit by a single deductible, but a subscriber doesn't know he has more leeway when he holds the most expensive policy unless he sees it in print. Here again, is another example of the sins of omission. Blue Shield must be enjoined to publish more information. They will say that schedules are available at their offices but how many working or ill persons have the time for such visits?

In another instance my physician performed a service in his office for a fee of $20.00. Blue Shield reimbursed the full amount of $20.00. The following year the same service at the same fee yielded only $10.00. After the 8th futile letter I closed my typewriter but not my mind. In an eye mishap my oculist had to use a tweezer-type instrument. I wrote to the doctor and subsequently received $5.00 from BS or one-third of his fee. The point is that the service was not published by BS nor did the doctor offer to fill out the form. As I implied in PART I, once you're a medical victim you've got to "do your own thing."

Pharmaceutical manufacture. Since the physician doesn't know or doesn't care and the pharmacist will advise the discard of everything older than two years the manufacturer should be enjoined to do what Bess Myerson has accomplished in the food industry—Print, print, print—conveniently.

The pharmacist knows the expiration date from a medication carton but when he transfers the pills to his own bottle he does not include this information. Not only should the user know the expiration date but whether to store the medications in a cool or cold atmposphere. Squibbs gives some good information on the use of their mineral oil but this is printed on the reverse side of the label so that one has to struggle with a reading through the mineral oil. Also, all capped containers ought to have well-glued paper seals. Also, the expiration date ought to be a qualifying one, i.e., does it mean the medication will lose its potency or become deteriorated?

Pharmaceuticals (Identification of): Most pills are white. Vitamin C is white and so is aspirin of obsure manufacture. Bufferin is engraved with the letter "B" and a pill named Donnatal has "R" which may signify the manufacturer but there are so many which have no identifiable characteristics at all—either by color or manufacturer.

I suggest that arbitrary identification be made mandatory by the information set forth. Idealistically, the "B" of Bufferin ought to be in contrasting color but this process might be too costly. Most capsules bear imprints and my attention has just been called to a new release of Dexamyl engraved with the manufacturer's initials and a classifying number—all very clear. Previously, the green, heart-shaped tablet was blank.

The impersonal surgeon and caseworker. I was round-the-clock home nurse to my widowed, indigent mother. Members of my family had to play a game of 'medical chess' to find a doctor. She was a pawn in situations involving boroughs and week-end unavailability. To compound her maladies she sustained a hip fracture and a ghost-surgeon operated. While still hospital bedridden he handed her a Blue Shield statement to sign. It is the usual practise of surgeons to include in their fee post-operative examination but he never asked to see the patient.

If an iron-clad rule frees a surgeon from making a house call to a wheelchair patient it should be abolished. The point is that he couldn't care less in the fulfilment of his Hippocratic oath to an 86-year-old gentlewoman by (1) dispensing cheer and (2) seeing the result of his creativity. A certain woman I know agrees that he is a monstrous person but a genius of a surgeon. In countries of the Buddhist faith such conduct would be non-existent, particularly to the aged who are held in great reverence.

Medicaid muddle. To add further insult to injury my mother became a "ward" of the Kerr-Mills Medicaid bill. Thanks to an inept caseworker the "largess" of $11.50 a week was brought to a halt when my mother suffered a stroke and an emergency nursing home was needed—for the third time. (Applications made several months previously to welfare-approved homes were fruitless for lack of space in 5-bed wards). I will omit here details revolving around a succession of doctors who became unavailable.

I was ultimately successful in acquiring the dependability of my own Manhattan-based internist with residence in an outlying area of Queens. His efforts, combined with family assistance brought my mother to a nursing home in Forest Hills where I was able to visit her several times a week. (What I witnessed here and in another highly-rated nursing home in the area I will not relate because the sordid business was given wide notoriety in the press a few years ago.)

Nursing homes. (I wonder if the subject was brought to your hearings on June 5th.) The caseworker was infuriated and said we should have sent my mother to Riker's Island. Before the paralytic stroke my mother was subject to "small strokes." So it was necessary for me to engage the help of a nurse's aide for the risky business of a tub bath.

Is it necessary to convince anyone that such a patient needs the special service of excessive laundry, preparation and feeding of meals and the vigilant eye? After the tub bath I was free to leave the aide to her chores while I went to the Supermarket.

Since I couldn't pull a weighted wagon over stairs the marketing was done in two sessions. Well, it was hard to convince the caseworker that I wasn't playing queen with an aide and so my family had to bear the additional hardship of $30.00 a week.

My mother's illness over a 2-year period cost $15,000.00 in medical and related expenses which was reduced to $5,000.00 by Medicare and Blue Shield reimbursements. Medicaid's entire assistance to us was the $11.50 stipend per week for two months. It did not honor the nursing home fees of about $150.00 a week nor the mortician's bill of almost $800.00. Also, figure my round-the-clock service at a modest $100.00 a week.

Medicaid will pay a welfare-approved nursing home $80.00 a week but nothing as little as $30.00 a week for a nurse's aide while the daughter is deprived of earning power. I did everything possible to recover over $1600.00 for the nursing home and mortician expenses. A letter to Albany disclosed that Medicaid can only pay the vendor and informs me that I should have known this fact from the Medicaid booklet given me. I had no knowledge of such a brochure for I surely would have put it to use. When queried about reimbursements the caseworker said, "What are you worried about—your mother is not on the street."

For three years following my mother's death, December 16, 1966, I received renewal Medicaid cards, and the letter from Albany read in part, "If there is an unpaid burial bill submit it." Do they think a mortician will wait two years for payment? And from a clerical standpoint my mother was documented as living. So you can believe all the bungling bureaucracy you read or hear.

Legal aspects. Three questions have not yet been answered by authorities I consulted including the Legal Aid Society who withdrew because the claim exceeded $500.00 and private lawyers avoid Welfare like a plague.

Question. (1) What is the statute of limitations in medicaid cases? (2) I was the beneficiary of my mother's life insurance policy because I paid the premiums over a period of thirty years. Was I obliged to forfeit the proceeds to pay the mortician? (3) Where can I apply for a hearing?

What I have outlined in a personal case history pertains to an indigent patient who was fortunate to have a family who cared. So my sympathies lie with the deprived welfare patient which makes me cynical about the popular theory that the poorest and the richest receive the best attention.

I was not surprised to learn from the hearings that Queens' quarry of hospitals is not keeping pace with its population growth. Similarly, neither is Westchester or Staten Island self-sustaining in medical complexes. A patient in need of highly specialized services must depend upon the big three of Manhattan. So how shall we overcome the blights?

On TV recently a scientist revealed that the only block in realizing a remarkable medical discovery is money. So shall we build by burdening the taxpayer further or by advising the captains of industry that they ought to build monuments to health for the common good.

A notice in yesterday's Times states that Ralph Nader was organizing a group of medical doctors who will monitor the medical profession. This relates to my essay that before we even deal with masonry let's bring to the healing art only men who are not hangovers from the stone age—a formidable type of "preventive medicine" that ought to begin on a psychoanalytic testing ground of medical aspirants.

The problem is provoking on many other levels. Why, despite the advantages of the wonder drugs are more people ill today than ever before? Perhaps pollution, the toll of cigarette addiction, chemical additives in foods? I could continue ad infinitum.

Of course, you may submit my letters into the testimony from the hearings so long as you keep them anonymous. But if you wish to see a dress box filled with documentary evidence of my mother's case you are welcome to examine the papers. Of if you need more explicit information on anything I have cited please feel free to inquire. I wish you great success in your esteemed efforts. Sincerely yours, "A.M."

Remarks by Hugh Barber, M.D., President Queens Medical and Health Program

QUEENS MEDICAL SCHOOL NOW FOR IMPROVED HEALTH SERVICES IN QUEENS

Representative citizens of Queens have advocated a medical school with supporting hospital affiliations for a quarter century. The years bear witness to a need which so long unmet has resulted in a climate of health crises for two million people.

Today, health professionals, providers and community representatives are associated in the Queen Medical and Health Program. The priority is a Queens medical school—now. The proposed school must respond to people's needs for care by placing emphasis on education for developing careers in delivery of health services and program of research for preventing illness. Certainly, burdensome costs related to laboratory investigations must not be tied to teaching. Also, this Queens school must be university affiliated and assure quality education and appropriate standards of services through its teaching hospital affiliates.

Let it be kept in mind that Queens young people are disadvantaged for health career opportunity. In an unbelievable educational void foreign exchange students and foreign medical graduates have some to occupy intern-resident staff positions in Queens hospitals for these many years. Indeed, where is the community conscience for its own people? The will to teach is the thing. The product is service to people.

Health education for career opportunity in Queens demands creative rethinking for a medical school. It is proposed that existing resources be affiliated for programs of health education, and public funds already allocated for operation be supplemented. Marble halls and diamond-studded laboratories are not required, and if made available would not guarantee the quality program sought. With committed leadership, a few million dollars of new operating funds a year can guarantee the beginning of this school. The time has arrived for planning funds. The community is ready for a health school complex.

Basic teaching. A medical school results from the union of basic science with bedside teaching—school with hospital. Teachers in basic medical science can teach not only medical but college students as well and always the object must be quality and value for the dollar. People's health needs demand that faculty be oriented toward guiding the student's mind and heart for service. This teaching involves attitude, people to people. Under current stringent circumstances teaching can take place in renovated buildings as well as in one hundred million dollar science halls. Would anyone deny people's health requirements now because marble halls for teaching medicine could not be built for 10 years? Who hears the neighbors moan?

Two units of the city university and St. John's are degree schools in Queens. These schools are listening; but whichever one emerges the chosen school it will require operating funds to get started now in existing facilities.

Bedside teaching is the other half of medical education. Two major city and one state hospital exist in Queens, any one of which is appropriate for the principal teaching hospital of the basic science school. The two city hospitals have been assigned by contract to out-of-the-county institutions. In both instances the future needs of the Queens people for health career education have been shunted away. Five voluntary hospitals—each about 300 beds—require teaching affiliations. Are these to be denied another twenty-five years?

These hospitals will need full-time teachers whose privilege to serve patients should be maintained. Teaching is service. An enormous reservoir of voluntary talent lies ready to serve people and to teach. Are voluntary reserves to be denied two million people in need?

Summary. Health needs for two million people in Queens demand health educational opportunity for students and continuing education for persons in practice.

A medical school may get started now by utilizing existing school space and affiliating with neighboring teaching hospitals. Limited funds are required each year for school administration and teaching staff.

The effect could be dynamic on the morale of two million citizens, and on the aspiration of students for career opportunity in the health sciences. Are you prepared to assist this cause? Planning funds to complete the proposed structure of the medical school are required now.

WESTERN TECHNOLOGY AND SOVIET ECONOMIC DEVELOPMENT, 1917–30

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. SCHMITZ. Mr. Speaker, in light of the various legislative proposals currently being advanced to increase the flow of U.S. goods and technological know-how to the Soviet bloc it might be well to look at some of the results of the inflow of Western technology and economic assistance to the Soviet bloc in the past.

What have been the results of our previous dealings with the Soviets? What effect has Western productivity and creativity had on the material and technological base which supports the world Communist movement. Anthony C. Sutton of the Hoover Institution on War, Revolution, and Peace has completed two of a three-volume series investigating just this question. His detailed, meticulous, and exhaustive research into this subject is unique and of tremendous historical value.

The first volume of his three-volume study, entitled "Western Technology and Soviet Economic Development 1917 to 1930," deals with what Mr. Sutton terms the concession period of economic intercourse between the Soviet Union and the West. Due to the brilliant application of Marxist economic principles by the Communists, Soviet industry was at a complete standstill by 1922. Mr. Sutton comments that—

> The economic decline which directly followed the Revolution is unparalleled in the history of industrial society . . .

In order to solve this problem Lenin issued an authoritative policy pronouncement dealing with concessions and their purpose. Lenin stated:

> **Concessions are nothing but a new form of war. Europe fought us, and now the war is moving into a new plane. Formerly, the war was conducted in the field in which the imperialists were infinitely stronger, the military field. If you count the number of guns and machine guns they have and the number we have, the number of soldiers their governments can mobilize and the number our government can mobilize, we undoubtedly ought to have been crushed in a fortnight. Nevertheless, we held our own in this field, and we undertake to continue the fight and are passing to an economic war. It is definitely stated that side by side with the concession land, the concession square of territory, there will be our square, and then again their square; we shall learn from them how to organize model enterprises by placing our own side by side with theirs. If we are incapable of doing that, it is not worth talking about anything. To procure the last word in technology in the matter of equipment at the present time is not an easy task, and we have to learn, learn it in practice; for this is not a thing to be got from schools, universities or courses. And that is why we are granting concessions on the checkerboard system: Come and learn on the spot.**
>
> **Economically, we have a vast deal to gain from concessions. Of course, when settlements are created, they will bring capitalist customs with them, they will demoralize the peasantry. But watch must be kept, we must put up our communist influence in opposition at every step. This also is a kind of war, the military rivalry of two methods, two formations, two kinds of economy—communist and capitalist. We shall prove that we are the stronger.**
>
> **As long as capitalism and socialism exist, we cannot live in peace: In the end, one or the other will triumph—a funeral dirge will be sung either over the Soviet Republic or over world capitalism. This is a respite in war. The capitalists will seek pretexts for fighting. If they accept the proposal and agree to concessions, it will be harder for them. On the one hand, we shall have the best conditions in the event of war; on the other hand, those who want to go to war will not agree to concessions. The existence of concessions is an economic and political argument against war. The states that might war on us will not war on us if they take concessions. From the point of view of the danger of a collison between capitalism and bolshevism, it must be said that concessions are a continuation of the war, but in a different sphere. (*Speech* . . . November 26, 1920, *Selected Works*, VIII, 294, 295 f., 297.)**

Mr. Sutton describes a concession as an economic enterprise in which a foreign company enters into a contract with the host country to organize, equip, and exploit a specific opportunity, under the legal doctrine of usufruct. The short table which follows lists all known concessions:

TABLE 1-1.—CONCESSION APPLICATIONS AND AGREEMENTS, 1921-30

Year	Applications[1]	Number of agreements Types I and II[1]	Type III[2]
1921-2	224	18	0
1922-3	579	44	0
1923-4	396	55	0
1924-5	256	103	4
1925-6	482	110	7
1926-7	263	NA	13
1927-8	200	NA	17
1928-9	270	NA	33
1929-30	NA	NA	59
Total	2,670 (to 1928-9)	330 (to 1925-6)	134 (to 1929-30)

[1] A. A. Santalov and L. Segal, Soviet Union Yearbook, 1930 (London: Allen and Unwin, 1930), p. 206.

[2] U.S.S.R. Chamber of Commerce, Economic Conditions in the U.S.S.R. (Moscow: Vneshtorgizdat, 1931), p. 162.

NA=Not available.

Mr. Sutton disagrees with the generally accepted notion that concessions had no appreciable impact on the development of the Soviet economy. After an extensive chapter by chapter analysis of the effects of concessions on all the important sectors of the Soviet economy, Mr. Sutton summarizes the degree of influence which Western concessions had on the various sectors in the following table:

THE DEGREE OF TECHNOLOGICAL IMPACT WITHIN SPECIFIC SECTORS

[It now remains to estimate the degree of impact within each sector. Table 20-6 estimates the direct and the indirect impact of Western technology upon each of the sectors discussed in part I.]

TABLE 20-6.—DIRECT AND INDIRECT IMPACT OF WESTERN TECHNOLOGY BY SECTOR AND SUBSECTOR

Industry	Estimated direct impact	Estimated indirect impact
Oil industry (chap. 2):		
Exploration technology	Complete	Not applicable.
Drilling technology	do	Do.
Pumping technology	do	Do.
Oilfield electrification	do	Do.
Pipeline construction	do	Do.
Refinery construction	do	Do.
Market acquisition	do	Do.
Coal and anthracite mining (chap. 3): Coal fields:		
Donetz	Heavy	Significant.
Kuzbas	Complete	Not applicable.
Moscow	Heavy to complete.	Do.
Far East	do	Do.
Sakhalin	do	Do.
Shaft development	do	Do.
Mine mechanization	do	Do.
Ferrous metallurgy (chap. 4):		
Iron-ore mining	Heavy	Limited.
Blast-furnace repairs	Limited to significant.	None.
Blast-furnace new design	Complete	Not applicable.
Steel-plant construction	do	Do.
Rolling-mill construction	do	Do.
Nonferrous Metallurgy (chap. 5):		
Zinc mining	Significant	Limited.
Zinc smelting	Complete	Not applicable.
Lead mining	Significant	Limited.
Lead smelting	Complete	Not applicable.
Copper mining	Significant	Limited.
Cooper smelting	Complete	Not applicable.
Silver mining	do	Do.
Silver smelting	do	Do.
Manganese production	do	Do.
Manganese markets	do	Do.
Miscellaneous mining and smelting (chap. 6):		
Gold mining	do	Do.
Platinum mining	None	Heavy.
Platinum markets	Heavy to complete.	None.
Bauxite exploration	Heavy	Do.
Pilot aluminum smelting	Complete	Not applicable.
Mica mining	do	Do.
Asbestos mining	Heavy to complete.	Do.
Asbestos mill technology	Complete	Do.
Asbestos shingles manufacture.	do	Do.
Agricultural technology (chap. 7):		
Wheat farming	None	Significant.
Seed growing	Limited	Limited.
Cotton growing	do	Do.
Merino flocks	Complete	Not applicable.
Dairy industry	Significant	Limited.
Egg and butter markets	Complete	Not applicable.
Tractors	do	Do.
Other agricultural equipment.	Limited	Limited.
Other food industries (chap. 8):		
Fishing	do	None.
Fur collection	do	Do.
Fur sales	Heavy	Do.
Fish canneries	do	Limited.
Lumber industry (chap. 9):		
Forestry production	do	None to limited.
Lumber markets	Complete	Not applicable.
Pulp and paper mills	Not applicable	Complete.
Machine construction (chap. 10):		
Locomotive construction	Heavy	Not applicable.
Machine building	Heavy to complete.	Do.
Ball bearings	Complete	Do.
Steam boilers	Heavy	Do.
Precision engineering	Complete	Do.
Electrical equipment industry (chap. 11):		
High-tension equipment	do	Do.

Footnotes at end of table.

TABLE 20-6.—DIRECT AND INDIRECT IMPACT OF WESTERN TECHNOLOGY BY SECTOR AND SUBSECTOR

Industry	Estimated direct impact	Estimated indirect impact
Electrical equipment industry (chap. 11):		
Electrical motive equipment.	Complete	Not applicable.
Low-tension equipment	do	Do.
Accumulators	do	Do.
Turbines and generators	do	Do.
Hydroelectric technology	Heavy	Limited.
Chemicals, compressed gases and dyes (chapter 12):		
Synthetic ammonia	Complete	Not applicable
Nitric acid	do	Do.
Superphosphates	do	Do.
Sulphuric acid	do	Do.
Coke oven by-products	do	Do.
Oxygen and hydrogen	do	Do.
Basic and intermediate dyes.	do	Do.
Glass technology	do	Do.
Rubber technology	Heavy	Limited.
Clothing, housing, and food (chapter 13):		
Texiles	do	Do.
Clothing manufacture	Limited	Do.
Artificial silk	Complete	Not applicable
Buttons	Limited	None.
Food processing	Significant	Limited.
Construction industry	None to limited.	Do.
Miscellaneous small items	do	Do.
Transportation and transportation equipment industries (chap. 14):		
Rail operations	do	Heavy.
Railroad electrification	Complete	Not applicable.
Telegraphic communications.	Heavy	None.
Radio communications	Complete	Not applicable.
Automobile construction	do	Do.
Truck construction	do	Do.
Shipping	Heavy	Limited.
Shipbuilding	do	None.
Port construction	Significant	Do.
Freight transportation	Limited	Do.
Military technology (chap. 15):		
Airplane construction	Complete	Not applicable.
Pilot training	do	Do.
Poison gas production	Heavy	None.
Artillery and shells	Complete	Not applicable.
Armored cars and tanks	do	Do.
Trading companies (chap. 16):		
U.S. markets	All trading companies had heavy assistance in the early years of the decade.	
United Kingdom markets		
German markets		
Austrian markets		
Italian markets		

Note: This table summarizes the evidence presented in part I concerning the degree of impact of Western technology on the Soviet economy. The "direct impact" treated in column 2 refers to identifiable technical associations between Western firms and Soviet institutions. This involves not only Soviet adoption of Western processes in toto but also the employment of foreign engineers in the U.S.S.R. for production or training of Soviet engineers.

The "indirect impact" treated in the last column refers to the acquisition of Western equipment not, however, operated by a foreign company. Such instances are comparatively rare in this period, but they become more common in the periods to be covered by later volumes. The characteristic distinguishing the 2 types of influence is the supply of supplementary services; training, installation, break-in operations and servicing. The degrees of impact are defined as follows: Complete—80 percent of all new capacity; heavy—60 to 80 percent of all new capacity; significant—40 to 60 percent of all new capacity; limited—20 to 40 percent of all new capacity; none—0 to 20 percent of all new capacity.

Thus, in a sector such as oil-field rotary drilling, there was a complete and direct impact. The adopted technology was almost completely Western, and the equipment was installed and initially operated by a Western company.

It is obvious from this listing that Western concessions had quite a bit to do with the economic survival, on which depends political survival, of the Bolshevik regime of the Soviet Union.

The general Leninist approach to economic intercourse with "imperialist" nations such as the United States, was succinctly outlined by Mr. Nathan Leites in his book entitled "Operational Code of the Politburo." Since the Soviet bloc is still completely and totally controlled by Leninists I insert this interesting chapter entitled "Deals" into the RECORD at this point, so that we will have a better understanding of the Communist thinking behind the increase in economic exchange with the United States. We must attempt to understand the other fellows thinking, if we are to anticipate the results of our overtures to him. We must understand the meaning which he attaches to a particular act which determines the way in which he will react:

DEALS

1. Any agreements between the Party and outside groups must be regarded as aiding the future liquidation of these groups and as barriers against the liquidation of the Party by them. Thus, "'Reformism,' 'the policy of agreement' and 'particular agreements' are different matters . . . with the Mensheviks agreements are transformed into a system, into a policy of agreement, while with the Bolsheviks only particular concrete agreements are acceptable, and are not made into a policy of agreement."

Therefore there is no essential difference between coming to an ostensibly amicable arrangement with an outside group or using violence against it; they are both tactics in an over-all strategy of attack.

In 1920, Lenin said, with reference to Soviet plans for granting economic "concessions" to foreign entrepreneurs:

The major theme of my speech will be the proof of two points, namely, first, that every war is the continuation of the policy conducted in peace, only by other means; second, that the concessions which we grant, which we are forced to grant, are the continuation of war in another form, by other means. . . . It would be a great mistake to believe that a peaceful agreement about concessions is—a peaceful agreement with capitalists. This agreement is equivalent to war. . . .[1]

2. When at attempt by the enemy, or by the Party, to advance by violent means has failed, the conditions for an effective agreement between the Party and the enemy come into existence.

"Every attempt to start war on us will mean for the states resorting to war that the terms they will get after and as a result of the war will be worse than those that they could have got without war or before war. This has been proved in the case of several states. . . . And thanks to this our relations with neighboring states are steadily improving. . . . Peace on such a basis has every chance of being . . . durable. . . ."[2]

In 1921, Lenin said:

"Can we obtain goods now? We can, because our international economic position has improved enormously. We are fighting against international capital, which, on seeing our republic, said: "These are robbers, reptiles" (these are literally the very words that were conveyed to me by an English sculptress who heard them uttered by one of the most influential politicians). . . . We said: If you are a mighty world power, if you are world capital, if you say "reptile," and have all the powers of technique at your command, go on, shoot! And when it did, it found that it had hurt itself more than us. After that, capital, which is compelled to reckon with real political and economic life, says, "We must trade." . . . Up to now they have not talked like this; up to now they said, "We will shoot you down and get you for nothing." Now since they are unable to shoot us, they are prepared to trade."[3]

3. The Party must always expect outside groups to violate agreements.

In 1920, Lenin said about the policy of granting economic "concessions" to foreign entrepreneurs:

"Of course, the capitalists will not fulfill the agreements, say the comrades who fear concessions. That is a matter of course, one must absolutely not hope that the capitalists will fulfill the agreements."[4]

These attitudes imply that a "settlement" with the Western Powers—that is, an agreement sharply reducing the threat of mutual annihilation—is inconceivable to the Politburo, although arrangements with them, codifying the momentary relationship of forces, are always considered.

Mr. Sutton's conclusion to his masterly work, "Western Technology and Soviet Economic Development 1917 to 1930," published by Hoover Institution Press is so historically significant that I insert it into the RECORD in full and recommend to all my colleagues that they pursue the entire work. It is necessary that we fully understand the effects of past Western economic and technological contributions to the Soviet economy before we legislate on this matter.

The conclusion follows:

CONCLUSIONS

The industrial structure of the Soviet Union between 1917 and 1930 was the reorganized tsarist structure. This consisted of several hundred medium-to-large manufacturing enterprises located in urban centers, notably Petrograd and Moscow. This manufacturing complex was supplemented by numerous self-contained mining enterprises in the Donbas and the Urals which were centers of incipient industrialization. Some of these plants were large by any standards. The International Harvester plant at Omsk for example was the largest in the company's world-wide network. The first major conclusion is that the tsarist industrial structure was not at all negligible. To say that 'Russia prior to 1917 was not unlike a country such as India on the one hand or large areas of southeastern Europe on the other,'[1] is rank absurdity. Airplanes and automobiles *of indigenous Russian design* were produced in quantity before the Bolshevik revolution. Although industrialization was restricted to a few population centers, it utilized modern, efficient plants operating on scales comparable to those elsewhere in the world. Further, there were obvious signs of indigenous Russian technology in chemicals, aircraft, automobiles, turbines, and railroad equipment.

The second major conclusion was that this structure was substantially intact after the Bolshevik Revolution. Intervention did not affect the main *manufacturing* areas. There was damage to the railroad system, particularly in the Donbas and Siberia, and the Port of Petrograd was heavily damaged and mined. Petrograd industry, however, was basically in operable condition. Industrial damage was concentrated in the Ukrainian sugar industry and in the Ural and Donetz Basin mines.

What, then, created the economic debacle of 1921-2?

It was not brought about by absence of operable production facilities. While plants were in a state of "technical preservation," work discipline collapsed, and skilled workers, engineers, and managers fled into the villages or abroad. The distribution system was abandoned as unnecessary in a socialist economy. Productivity consequently sank to abysmally low levels, and the "supply crisis" followed on the heels of the rejected distribution system. Systematic destruction of a viable economy was aided by the inflation of the ruble to zero value (on the basis that money was not needed in socialism), the "instant demobilization of industry" decree, "free" public services, and the replacement of skilled managers with unskilled proletarians. By August 1922 the Soviet economy was at the point of collapse. This is not deduction. Lenin, Bogdanov, Arsky, Krassin and others have made the point clearly. The end had come. As Krassin phrased the problem, "Anyone can help pull down a house; there are but few who can re-build. In Russia there happened to be far fewer than anywhere else."[2]

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[1] V. I. Lenin, *Sochineniya*, 3d ed., Vol. 26, p. 6.

[2] V. I. Lenin, *Selected Works*, Vol. 8, p. 250.

[3] *Ibid.*, Vol. 9, pp. 115–116.

[4] V. I. Lenin, *Sochineniya*, 3d ed., Vol. 26, p. 22.

[1] M. Dobb, *op. cit.*, p. 11.

The economic decline which directly followed the Revolution is unparalled in the history of industrialized society; however, the Soviets not only survived, but in 1924 were able to institute the Second Bolshevik Revolution and return to the path of State control of industry. The factors behind the miraculous recovery are detailed in the text.

In mid-1922 Soviet industry was at a standstill. Soviet inability, for lack of skilled engineers and workers, to restart the tsarist plants is well illustrated by the Russo-Baltic plant at Taganrog, moved during the war from Reval. Four massive buildings were visited (and photographed) by the 1926 Ford Delegation. The plant had furnaces, hammers, hydraulic presses, and a power station, as well as approximately 2,000 machine tools. These had been idle since 1917, although coated with oil to keep the tools in some sort of preservation. The photographs indicate the gigantic size of the plant, idle for at least nine years. It was operable although perhaps technologically out of date compared to the rapidly developing industries in the West. The urgent needs were two-fold: to restart the silent plants and modernize the equipment. The trust was the organizational vehicle adopted for these objectives. As Bogdanov pointed out, the primary aim of the trust was the transfer of foreign skills and technology to fulfill both these urgent requirements.

Trustification and technical transfer were achieved step by step. First, a selection from among important industries was made. Choice was on an ideological basis. Railroads, mining, and machinery sectors were selected on the basis of political, not economic, choice; they were only coincidentally key sectors in the economy. In the process of selection, several key economic activities, such as gear-cutting (Citroen plant) and air-brake manufacture (Westinghouse Air Brake Company) were left in foreign hands. The pragmatic Communists understood their own inability to run these rather complex enterprises. After selection, the remaining operable units were isolated from the inoperable, and the latter were left outside the trust structure. The inoperable units were offered to foreign firms as concessions (the Berger and Wirth dye plant, the Bergman ferrous metallurgy plant, the Kablitz boiler-making operation, the AIK textile plants, the Lena and Kemerovo mines, etc.) In sum, the isolation procedure eliminated two categories of economic activity from the trusts: first, complex operations requiring lengthy foreign assistance, and second, those units requiring substantial modernization. These were leased directly to foreign operators as pure concessions.

The remaining or operable units were then grouped into trusts. Most were either dormant or working on an intermittent basis; given technical and managerial skills, they were operable. The names were "proletarianized" and attempts were made to restart. In some plants "white" engineers took over from unskilled "red" directors—notably in the electrical and machinery sectors. But in all cases operation without the discipline of the market system led to hopeless inefficiency. The answer to a massive loss was a massive subsidy. These got out of hand by 1923 and were countered by the "contraction of industry's" policy.

Contraction (i.e., elimination of the most heavily subsidized plants) was concurrent with the injection of foreign assistance. Although this began as early as 1919–1920, it received a strong assist from the German Trade Agreement of 1921 and the Rapallo economic, military, and trade protocols. Extensive documentation in the German Foreign Ministry Archives attests to the thoroughness and completeness of German economic and technical help after 1922.[3] Such assistance was at first almost completely German, in fact. The Shakhta affair reflects the influence of Germany in the U.S.S.R. The Soviets were concerned about the massive infiltration and influence of German specialists in Soviet industry. They had penetrated most large industrial and mining enterprises, and in many cases had formed understandings with the prerevolutionary engineers. Whatever the judicial failings of the Shakhta "trials," the GGPU was probably correct in recognizing a threat to the Revolution. As late as in 1928, Soviet industry were run by a partnership of German and prerevolutionary engineers independent of nominal Party control.

The tendency at the end of the decade was to turn increasingly toward American technical leadership. Of the agreements in force in mid-1929, 27 were with German companies, 15 were with United States firms and the remaining ones were primarily with British and French firms. In the last six months of 1929, the number of technical agreements with U.S. firms jumped to more than 40.[4] It is this change which forms a logical break in the examination of Soviet technology and industrial development. The usual break point—1928 (the beginning of the first Five-Year Plan)—is meaningful only in propaganda terms; the Plan was implemented *after* a sequence of construction and technical-assistance contracts with Western companies had been let.

The Freyn-Gipromez technical agreement for design and construction of giant metallurgical plants is economically and technically the most important.[5] Despite the German work, the metallurgical industry was on a 1913 technical level. It had not incorporated current advances in rolling techniques such as the American wide strip mill or the powerful, heavy blooming mills developed in the mid-1920's. The A. J. Brandt-Avtotrest agreement for reorganization and reconstruction of the prerevolutionary car plant (the AMO) was overshadowed by the 1930 Ford Motor Company agreement to build a completely new integrated plant for the mass production of the Model A, the 2.5-ton Ford truck, and buses using Ford patents, specifications, and manufacturing methods. The plant was erected by Albert Kahnn, the builder of River Rouge and so enabled the Soviets to duplicate the immense advances of American automobile engineering with a few years of inception in the United States. Two agreements with Orgametal by other American companies completed assistance in the heavy engineering field. The electrical industry had the services of International General Electric (in two agreements), the Cooper Engineering Company and RCA for the construction of long-range powerful radio stations. The Stuart, James and Cooke, Inc., contracts with various coal and mining trusts were supplemented by specialized assistance contracts, such as the Oglebay, Norton Company aid agreement for the iron ore mines and the Southwestern Engineering agreement in the non-ferrous industries. The chemical industry turned to Dupont and Nitrogen Engineering for synthetic nitrogen, ammonia, and nitric acid technology; to Westvaco Dye Trust. This was supplemented by more specialized agreements from other countries; ball bearings from Sweden and Italy; plastics, artificial silk, and aircraft from France; and turbines and electrical industry technology from the United Kingdom.

The penetration of this technology was complete. *At least 95 percent of the industrial structure* received this assistance. To demonstrate this, all sectors of the economy have been examined impartially.

We may conclude therefore, that the basic Soviet development strategy was to learn from that country considered to have the most advanced processes within a given field of technology and to leave no industrial sector without the benefits of this transfer process. In 1929–30, some 40 million rubles were spent for technical-assistance agreements alone. When it is considered that the marginal costs to the Western supplier were very small, that this ensured extremely low purchase prices for technology (in the light of opportunity costs), and that much of the transfer was done informally at no cost as a part of equipment-supply agreements, then the magnitude of the benefits becomes very clear. The greater part of this sum was spent in the U.S.;[6] 'In America,' it was said, they do not guard manufacturing secrets so jealously.'[7]

The success of this strategy was not lessened by the fact that political interests always dominated economic requirements. When individual concessions threatened the hold of the Party even remotely, the reaction was sharp and ruthless. The Shakhta affair was an example of Leninist terror used to bring a 'united front' into line, whatever might be the economic consequences. The move from German to American technology was partially dictated by the probability the American engineers were less likely to get tangled in the meshes of counter-revolution, which had its origin in Europe rather than the United States. Import of equipment always reflected the domination of the political. One of the first imports from the U.S., after the lifting of the blockade, was 1,300 printing presses from the Fulton Iron Works. Production of long-range radio stations went ahead rapidly with the help of RCA and International General Electric, at the time when the State Department files had ample evidence of subversion (see, for example, Microcopy 316, Roll 141 for Soviet activities in the Dutch East Indies in 1928, the cracking of the Bolshevik code and instructions to Soviet agents at precisely that time at which permission was given to RCA and IGE to export radio stations to Soviet Russia). One at least understands why RCA checked and then double-checked with the State Department on permission to export high-powered radio stations.

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[2] Krassin, *op. cit.*

[3] The writer examined rather cursorily more than 25,000 documents, including a small group of Russian documents relating to this cooperation and the work of the various committees and subcommittees formed to channel the assistance. Committees IV and V were mainly concerned with the economic and technical aspects.

[4] Bron, *Soviet Economic Development and American Business.*

[5] The U.S. State Dept. Decimal File contains a rather curious exchange of letters between Freyn Engineering and the State Dept. Obviously there had been a major communication of ideas and attitudes between both parties. Both sides, however, refrained from placing the understanding on paper, or at least an understanding has not been traced within the Archives. Those documents in the files suggest that Freyn was powerfully influenced by the State Dept. viewpoint. (See U.S. State Dept. Decimal File, 661.1116/62.)

[6] To place U.S. technical aid to the U.S.S.R. in perspective, the reader is referred to *Current Technical Service Contracts* (U.S. Dept. of State, 1966). Brazil is the largest country in this listing. Pages 62–6 list AID) technical-assistance projects in Brazil. Comparison of these with U.S. aid agreements in the U.S.S.R. in 1928–9 will convey the enormous size and scope of the latter. There is nothing comparable to the Ford Motor Co. agreement, for example.

[7] *Ekonomicheskaya Zhizn,* No. 225, September 29, 1929, p. 3.

The dominance of the political aspects over the economic did not restrian development; the Soviets correctly foretold the inaction of major Western governments during the transfer of technology. The Soviets were determined and based their moves on accurate information. Western governments failed to cooperate one with another and made policy determinations inconsistent with material on file.

The concessions policy itself had two aspects. On one hand the Soviets described to the Western businessman the profitable opportunities awaiting entrepreneurs in the U.S.S.R. These were presented in hopeful little booklets, backed up by trade journals and trade delegations. On the other hand, the Soviets had only limited interest in the concession hence their eventual expropriation of the Western entrepreneur naïve enough to invest in the Soviet economy. There was no danger to the Revolution, said Lenin: "They are a foreign thing in our system . . . but whoever wants to learn must pay." The West was needed to build up socialism, did it matter if the Soviets gave away a few tens of millions in resources? As Lenin said, "afterward we shall get it back with interest." The closer the explanation got to the rank and file, the more explicit were the Communists in describing the fate awaiting the Western businessman. It was unlikely that W. Averell Harriman was reading *Komsomolskaya Pravda,* and on this the Soviets guessed correctly. It is less credible that the State Department did not investigate the ample data at its disposal—data backed by very accurate field reports—to determine the fate of investors in the U.S.S.R.

As the lesson penetrated Western business circles, the pure and mixed concessions were replaced by the technical-assistance agreement, under which the assistance was either bought outright or was included as part of a large equipment order. After the 1928 Gillette Razor Blade concession, no further pure concessions were concluded. Mixed companies persisted for a few years. The technical agreement remains and is currently in use.

THANK YOU, LOU

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BRINKLEY. Mr. Speaker, I would like to share with my colleagues a letter which I received on July 26 from my close friend, a distinguished neurological surgeon, Dr. Louis A. Hazouri of Columbus, Ga.

Dr. Hazouri is no ordinary man. His reputation is that of a man so fiercely dedicated to the Hippocratic creed that he is a holy terror to any one or anything which detracts from the best for those unto whom he ministers.

He is a good man. Beneath the exterior which can be gruff and demanding, he is gentle and kind; with a heart overflowing with love for his family, his fellowman and his country.

His letter is no ordinary letter. The moving narration served to remind me of my visit to Southeast Asia and of my return to the United States earlier this year and the particular gratitude I felt on that occasion to be an American citizen. May I, in commending this letter to the attention of the House, say, "Thank you, Lou."

The letter follows:

Louis A. Hazouri, M.D.,
Columbus, Ga., 31906, July 20, 1971.
Hon. Jack Brinkley,
U.S. House of Representatives,
Washington, D.C.

Dear Jack: Only on rare occasion do I get my dander up, however I felt that I had to express myself not only to you as my friend, but as my representative.

The notoriety associated with Medicaid upset me and I was planning on sending a letter which I had already dictated and had signed, but I felt the truth of the matter would come out, and time has proven this.

My purpose for writing you at this time, is in reference to my trip to Europe. Katherine and I as well as my sister, Adelle and little Katherine have only returned recently from Europe where I had participated in The Fourth European Neurosurgical Congress, which was held in Prague, Czechoslovakia.

Part of this visit was to include a tour to Budapest, as well as to Moscow, with a group of neurosurgeons, who for some reason decided not to go.

Nonetheless, I felt that this would be an unusual opportunity to really see what is going on behind the iron curtain. So I took it upon myself to have my family accompany me and we went on from Prague to Budapest and into Moscow. This was all done within a period of some two weeks.

When we arrived in Prague, I have never in all my life seen such a demoralized, depressed nation. I had a good opportunity to speak with, not only physicians, but also with many of the people. I think the fact that I was a Doctor, gave me an entree to the population in all three nations.

I was informed that there were no further Russians within the city of Prague, but that the city itself was encircled still by Russian troops, they did not know how many, but it was certainly more than several divisions.

Only prior to my arriving there, they told me that Russian soldiers accompanied the police. This was to remind the Czechoslovakian nation as to who was the master.

On the streets one could see the red star on every street post. Food tickets were being given out and as I understand, they were allotted so much for their clothes and for their food, there was a maximum of one hundred dollars a month income.

Whatever beef they had was sent out of the nation and the diet was relegated to that of carbohydrates, particularly bread and pastry as well as chicken and pork. Mineral water of course was the order of the day.

We ran into a professor who taught German at the University and with tears rolling down his cheeks, he told me about the problems that he had, and he felt that the Czechoslovakian nation had been forgotten by the world and wanted me to be sure that I remember to the people in the United States, not to forget this noble nation.

I was appalled to hear that the services in the only Synagogue in Prague, were being conducted only by a cantor, since a Rabbi was not allowed.

It was just appalling to learn that services in the Catholic churches, which incidentally, as I understand, 99.9 percent of the Czechoslovakian nation is Catholic, were being conducted by a state supervised Priest.

They were quite vague from this standpoint, as I understand, and I am certain that the heel of the boot was quite heavy on the neck of religion. As a matter of fact, it was looked upon with considerable disfavor.

After we left Czechoslovakia we went on to Budapest, the change was quite dramatic to the point that one would have thought that they were on the Riviera.

The fact that the radio in Czechoslovakia broadcast, quite obviously soviet propaganda, immediately went off the air sometimes between seven and eight P. M. was in such sharp contrast to the music that we heard in the ultramodern hotel facilities in Budapest.

On the surface it appeared to be a town that was quite gay and everyone seemed to be quite happy.

It became quite obvious in making my contacts with the various Hungarian people, that down deep, they were quite resentful and that the yoke of the Russian was quite heavy and tight.

They seemed to hope at least, that they would try to make the best of it as far as they could and if they were allowed the freedom, at least of showing some form of happiness that of course they would be willing to go along with the Russians since they had no power to do otherwise due to their size and due to the fact that there again they were such a poorly industrialized nation.

Nonetheless the deep bitterness and the hesitancy to even speak of this, was quite obvious.

I am certain in my own judgment, as one would look on Hungary that the Soviet Union would like to make this a show place to allow outsiders to think that all would be so great under the umbrella of the soviets. Certainly nothing could be further from the truth.

Here again the obvious individual freedoms, from that of what could be earned, to that of owning property was quite stifled. I could go on and on from this standpoint, but I know that this letter is unusually long, but I hope you will bear with me.

When we left Budapest and arrived in Moscow, going into customs was as if one were being dragged out of one's home and placed in a penitentary. I am certain that the language barrier had some effect, however the fact that these people were so rude, were so brusque and so callous, made my hair stand on end.

If I had had some means or had known of some method that I could turn around and catch the plane and go back to the States, I would have so done. Frankly I was at near panic, having my wife, sister and daughter with me.

They would not allow any jewelry, they wanted to take away my ring as well as my lapel button, take away our watches, since as you know, jewelry of any nature, gold, etc. was absolutely forbidden in the Soviet Union. Nonetheless, after we finally got through to them, we went on to our hotel.

This left so much to be desired and we were supposedly in a super deluxe hotel. This was a National Hotel which was part of the entourage. The food was deplorable, here again carbohydrates, breads, pork and chicken with once again a paltry amount of beef, although in certain select hotels after waiting several hours one could obtain this type of food.

I was so damn mad when we were driving down one of the main highways, in the perimeter of Moscow, I saw this signboard of blazing coals and with bombs dropping into the coals and a configuration suggestive of Uncle Sam pouring coals onto the fire, my hair stood on end.

The Russian people on the surface, appeared to be very aggressive and hard working, but beneath the surface it was quite obvious that down deep it appeared that they were like a group of sheep being led by a Judas sheep. As Katherine put it, their buildings and monuments are quite obvious, but you certainly could not hide the people.

Their dress and the food left so much to be desired that one could not help but feel a lump in his throat and tears in his eyes to think that people could be herded into such a way of life.

The more knowledgeable Soviets that I contacted seemed to emphasize the gesture of peace, yet it was quite obvious as to their hostility and sense of disdain if not utter contempt for the American.

The entire concept of orientation toward the state and the de-emphasis of the individual, was quite obvious.

The fact that they had only some ten to fifteen churches in Moscow, and less than one percent even considered church made me chill. My guide laughed when I asked him about the churches. He stated that they were museums, what else could they be for? Certainly not to worship; who and what and why.

The idea of private property was ridiculous. As a matter of fact, I read in their newspaper, the so-called Moscow News, that they were making an audit of various areas within the Soviet Union so that they could list, not only sculpture, art or what have you, but they are actually listing cities and townships as belonging to the state.

I could go on and on. I hope that I shall have an opportunity to see you sometimes in the future and bend your ear even further.

When we got back to the States and were going through customs, it was just like manna from Heaven.

I ran into a Customs Inspector, badge No. 10033. He was firm, he was professional, but he was an American and I need not say more, it was such a blessing.

I can only thank God for the Country that we have and I hope that you will keep fighting for the beliefs that we have.

I hope that our Country will be able to maintain its posture of strength as it has in the past and the present, and am hopeful for the future.

I think we can only speak from a hand of strength since in my opinion, from what I have seen, although limited, how in God's creation can one communicate with these people who are so unlike us in practically every respect, with the exception of the fact that they are upright and have an uncanny mind for deception.

A nation without any God would seem to me one hell bent of self destruction and carrying the world along with it. I hope that in this day and age we will not lose sight of this, although certainly an overt effort is being made in this direction in our courts.

I write this diatribe simply to ventilate. I would not object to your showing this letter to any of your fellow Congressmen and especially to Senator Talmadge, whom I respect and revere.

I can only end this letter by saying that the poorest American is the richest individual in the world in that he has individual freedom.

I still have great confidence in our President and our Congress, but I still prefer the walk lightly but carry a big stick policy.

The current popularity of being internationally minded notwithstanding.

I am hopeful that we can maintain these freedoms that have been paid for and are paid for with blood and treasure them.

I am hopeful that our President and Congress, however cognizant of this and mindful of the privileges that we have had, will not fall into a false sense of security.

I am enclosing a copy of an article that was pointed out to me this past week which coincidentally cites the same hotel where we stayed.

With kindest regards.

Sincerely,

LOUIS A. HAZOURI, M.D.

F-111 CAPABILITIES PRAISED BY ARMED FORCES JOURNAL

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. WRIGHT. Mr. Speaker, I would like to call the attention of my colleagues to an article about the F-111 aircraft in the July 19 issue of the Armed Forces Journal.

Written by George Weiss, the article gives a hardheaded appraisal of the fighting capabilities of the F-111, describing it as "the best aircraft yet developed for night and bad weather attack missions deep inside enemy territory."

It is gratifying indeed, Mr. Speaker, to have the F-111, which is produced in my home town of Fort Worth, receive praise from such a prestigious military publication as the Armed Forces Journal.

Here is the article, as it appears in the Journal:

THE F-111: THE SWING-WING MAY SURPRISE YOU YET

(By George Weiss)

If the United States finds itself in a serious shooting war next year . . . or a decade from now . . . one of the first aircraft to be committed to battle will be the "Little Orphan Annie," unloved by her relatives in Congress, eventually deserted for the international banking business by her illegitimate father, denied by her Navy foster brothers, but who finally found a home with friends of the family, the Air Force.

People have now taken to calling "Annie" by her given name, F-111, but some neighborhood critics still prefer her pre-natal name, TFX. Almost everyone remembers her nickname "Controversial." Perhaps they know her best by that name.

But the orphan, say the friends of the family, turned out to be a lady despite all the whispers behind her back and charges to her face that she would never amount to anything. Those who know her best, who fly with her and care for her ills, say they love her. She has won the approval of those who count the most—the men who will go with her into combat and trusting in her to see them home again.

She still has problems and faults and she will have more. No one ever denies it. And since she is famous there are those who will pounce on her, without thinking, slashing at her old reputation. But, say the airmen, it hurts those who honestly believe she is to be a faithful companion through the years.

In many ways she didn't have a chance. Here are some of the reasons.

The Air Force wanted a long range fighter-bomber with primary emphasis on high speed, low altitude, nuclear and conventional bombing capability. The Navy needed a carrier based interceptor to climb to high altitudes, medium range, for fleet defense. Somehow the services were expected to adjust their needs and the resulting aircraft would be everything to everyone. It didn't happen.

The Navy finally saw an opportunity to pull out and the Air Force stuck with the problem going through several model designations, doggedly improving the aircraft.

If the Air Force erred in its approach to the situation it was in not having changed the type designation from tactical fighter to tactical bomber.

When the F-111 was little more than a gleam in the Air Force's eye, TAC discarded the aircraft designations of day-fighter and fighter-bomber, combining them into an all inclusive term—tactical fighter. All future TAC aircraft were expected to bomb and fight air-to-air with more or less equal agility. But the bomb load to be hung on the F-111 was equal to or greater than that of either B-66 or B-57 tactical bombers. The F-111 today is a tactical bomber with many of the characteristics of a fighter.

From the very outset it was obvious the F-111 would never become an air superiority fighter in the sense of being a "dog fighter." Weight alone precluded that option being available. However, shooting down aircraft is always a last ditch effort in trying to win air superiority. Tacticians go air-to-air when they have no other choice. What is preferred, and what the F-111 can do, is win air superiority in that vital role of airfield interdiction.

The Israeli Air Force most recently demonstrated this tactical concept in the Six Days War. The F-111 is a far superior weapon for airfield interdiction than any other fighter in the Defense Department, or the world for that matter, the Air Force maintains.

One field grade F-111 pilot interviewed by The Journal was asked how this aircraft would have added to the IAF plan for the destruction of the Egyptian Air Force at the onset of hostilities. "They could have made their first strike during the night instead of waiting for first light," he said. "They would not have needed as many aircraft to knock out the enemy fighter and bomber bases. The F-111 weapons system would have covered more area on each of the enemy bases—and the destruction would have been greater."

F-111 VS. FOXBAT

What will the F-111 do if it meets the Mach 3 "Foxbat" MiG-23? Well, according to the men who fly the F-111 they are going to be very surprised if the meeting takes place. It certainly won't be at extreme altitudes where the Foxbat performs best. If the Foxbat pilots want to "have a go" at the F-111 they will be forced to come down to the deck and the Russian fighter isn't going to last long at that arena, the fighter pilots maintain.

The Mach 2, MiG-21, a beautiful sports car version of an interceptor, could not handle the F-105 at low altitudes in North Vietnam. The F-105, like the F-111, was designed to stand the brutal punishment of high speeds and low altitudes. The MiG-21 pilots were forced to break off, time after time, while chasing the "Thud" around North Vietnamese hills and valleys—and the F-105s were still able to carry out their missions. There are a lot of "Thud divers" in the F-111 program who haven't forgotten that. They know the F-111 is several hundred miles an hour faster on the deck than the F-105 and no aircraft in the world can stay with it.

The anti-F-111 doom-sayers still predict the Foxbat will eat the fighter alive, but TAC pilots aren't getting grey hair anymore than the Israeli Air Force pilots may face the MiG-23 with the F-4 Phantom. According to newspaper articles they too realize the Foxbat will have to come down to their altitude to fight. When the enemy pilots do they will be playing in a new ball game—and on the F-4 and F-111 pilots' home field.

But how about "look down-shoot down" capability? This is a possible new technique which would allow the Foxbat to fire missiles down from high altitude against fighters below.

Again the TAC pilots aren't too upset. The F-111, they say, has a few new "black boxes" to aid the two-man crew. The tail radar will notify them whenever the MiG-23, or any other enemy jet approaches. With sufficient warning in the cockpit, and the black boxes, the TAC crews believe they can manage the situation. Looking at it from another angle, the F-111 will be operating at night for the most part in the worst weather (an unavoidable fact in Europe) and at low altitudes. Those three facts alone offer considerable protection. Enemy ground based radar will be unable to continuously track individual fighters for proper interception by airborne units. They feel the enemy air threat won't cause them to worry on a full time basis.

The pilots of the F-111 can select the altitude they fly above the ground by simply setting an indicator on their terrain following radar. With that means they can stay below "enemy eyes" during each of the critical portions of their missions. The F-111 will maintain the desired altitude by scanning the terrain ahead and adjusting itself to surface elevation changes and obstacles. The most difficult part, pilots say, is to sit there at night pretending to relax, as the F-111 climbs an unseen hillside, goes over the top and into negative "g's" on the downside. In pitch dark situations the trust of the pilot for "Annie" must be absolute.

So far as has been determined no accidents have ever been attributed to terrain following in training or combat.

"You haven't lived," one F-111 pilot told The JOURNAL, "until you go into the Grand Canyon after midnight in a rainstorm, and come out the other side."

But suppose, just suppose, the F-111 and the MiG-21 or even the MiG-23 meet? What then? In a straight-on even-odds, no warning fight, the computer calculations point to the MiGs; but the TAC pilots still feel they have a few rabbits to pull from their hatful of tricks. The experts at Nellis AFB are working on some new maneuvers and tactics that should improve the odds. So if Annie walks the back alleys alone some dark night she will at least know there is more she can do in self defense than run and yell for help.

ACCIDENT RATE

Much of the continuing criticism of the F-111 hinges on the F-111's accidents. No matter what "Little Orphan Annie" does she attracts more attention than is deserved. But if you seriously examine her performance record in comparison with other fighters she comes off better than anyone expects.

Compared to the F-100 at 80,000 flight hours, the F-111 has had less than one-third as many accidents during those critical early states of development. The F-105 had twice as many accidents as the F-111 at the 80,000 hour point.

Both of these fighters were effective in Southeast Asia and carried more than their share of the combat load. Of course, both of them are single engine fighters. Comparing the F-111 with the popular F-4, another twin-engine, two-place jet, is more equitable. But the F-4 also had more accidents than the F-111 at the same stage of development.

No matter how you slice it, the F-111 comes out a safer fighter by far against all the Century series jets.

From this one might forecast that, like the F-100, the F-111 will become more and more reliable as the pilots and maintenance experts get to know her better and understand her various quirks and internal problems.

STRUCTURAL PROBLEMS

But, say the critics, how about the structural failures that have "plagued" the aircraft? Of the 23 F-111s that have been destroyed in accidents only *two* are known to have involved a structural failure. There were losses in Southeast Asia in which the aircraft were not found. They will remain a mystery. However, no one in the F-111 business appears concerned that a structural failure was involved. The odds are they are correct.

The first F-111 structural failure in flight was traced to a bad weld which caused loss of flight control. The second failure was more serious and involved the left wing pivot fitting. As a result the fleet of 344 F-111 aircraft in operation were put into one of the toughest testing programs yet devised. As of 25 June 270 had been returned to duty with a clean bill of health. Only 10% of the aircraft tested were found to contain minor flaws which might not have ever been noticed in routine checks. As a result of the tests four wing carry-through boxes and twelve wing pivot fittings were rejected.

The overall effect will be to increase the structural life of the F-111 and minimize future inspection requirements, a decided plus for the fighter.

The F-111 is now the most tested aircraft in the Air Force and the world. No other single aircraft has been subjected to the wide variety of reliability tests. Equipment and methods were invented to test the aircraft and some of these did produce ground failures as they were supposed to do. Because of these tests lives have been saved and the planes that passed are capable of withstanding stresses far higher than they are ever expected to encounter in normal operations or combat.

STRIKE ACCURACY

The F-111 went into combat in Southeast Asia when there were a limited number of targets available. All bombing was being conducted south of the 20th parallel. This did not allow the Air Force to fully explore the capabilities of the fighter to the extent desired.

Only 55 SEA combat sorties were flown by the six plane force. There were also restrictions placed on the F-111s which grounded them for a considerable portion of their stay in Thailand.

In fact, only two weeks of actual combat experience was gained during the time the fighters were in Thailand.

The fighter was flown in single ship night missions and mostly (80%) in bad weather to attack known enemy positions. Flying at high speeds and low levels the pilots penetrated well defended positions, attacked their targets and departed without being threatened by enemy action in most cases.

The only defense the enemy seemed capable of mustering against the F-111 was barrage fire whenever they realized the fighter was operating in an area. The F-111 crews spotted AAA/SAM defense activity on only 42% of their missions. No F-111 was ever hit by enemy fire.

The terrain avoidance radar proved itself in training in the U.S. and in North Vietnam. SAMs failed to locate the F-111s in their low level penetrations just above the tree tops at night along the Annam mountain chain between Laos and North Vietnam.

Post-strike reconnaissance bomb damage assessments of their radar bombing attacks offered final proof to the Air Force that the F-111 could hit a target under combat conditions with results comparable to daylight attacks by other fighter-bombers.

Operating in daylight in the U.S. on training missions the F-111 established a bombing rate 50% better than the best previous bomb scores in the Air Force.

In one test, called Combat Bullseye, the F-111 was tested for accuracy in the delivery of aerial weapons against the F-105 and F-4. She was an easy winner.

One Air Force pilot, no longer flying the F-111, told The Journal that after ten years bombing practice in the F-100 he topped his best previous score on his first practice mission in the F-111. He said his experience was not uncommon.

Pilots credit the F-111 itself as being responsible for the better bomb scores. The primary difference, they say, comes from the stability of the F-111 on bombing and strafing runs and the unusually smooth flight control system which, with the gun and bomb sight, makes a high degree of accuracy possible.

NATO COMMITMENT

Last September two F-111s left the U.S. non-stop for Upper Heyford, England, where they became a part of the 20th Tactical Fighter Wing. They did not employ air-to-air refueling on their trans-Atlantic flight. The wing has now converted from the F-100 to the F-111 which gives the fighter a NATO commitment.

The F-111 extends the combat radius of the wing to double that of old "Silver Dollar." The black underbellies of the new F-111s are mute testimony to their nuclear mission in Europe. Along with the aircraft came an entirely new all weather capability for the 20th. No longer will weather be a deciding factor for planning purposes. In fact, weather now enhances the capability, reliability and success potential of the wing.

Airmen maintaining the Upper Heyford F-111s in the NATO operational mission claim their job is easier than with the more familiar F-100s. While the Air Force stipulated that the F-111 should not exceed more than 35 manhours maintenance for each hour flown, the twin-engine fighter is averaging well under 30 man-hours per hour, according to current experience.

NUCLEAR CAPABILITY

SAC also has operational aircraft. The force of 66 FB-111 aircraft, armed with four SRAM missiles or nuclear gravity bombs, will soon be in place at both Pease AFB, N.H., and Plattsburg AFB, N.Y. With the FB-111s already delivered to the Air Force and crews completing training at Carswell AFB, Texas, it is admitted by SAC that the medium range SAC bombers have long held a back-up operational mission. The instructor pilots have formed the aircrews for use in the event of an emergency.

The FB-111s, like the B-52 force, will soon be dispersed to satellite bases once their crews are declared combat ready.

SAC takes some pride in the fact that an FB-111 was declared a winner against the B52 in the last SAC bomb competition. Another FB-111 flew to England on a demonstration flight during the RAF bomber competition. The RAF did not invite it to participate.

Air Force Chief of Staff General John D. Ryan told the Senate Committee on Appropriations this spring that the FB-111 has ". . . better penetration, bombing and navigation capability than the B-52 . . . (and) adds a new dimension in versatility to the bomber force." He did not need to add that the shortcoming of the FB-111 was its limited range for strategic bombing and bomb carrying capability. As an interim SAC bomber it is satisfactory. The command has no intention to purchase more, including the new stretched version being offered by General Dynamics, The Journal was told by General Bruce K. Holloway, SAC Commander-in-Chief.

One Air Force officer involved in the F-111 program recently told The Journal, "The F-111 is going to look like a bargain in a few years." His reasons why were all operational.

Based on current experience with the F-111 and other aircraft in SEA it required 5.91 Phantom sorties or 5.04 "Thud" sorties to attain the target damage obtained by a single F-111.

The highly automated A-7 came out

slightly better in comparison, 3.57 sorties as compared to the F-111.

The cost factor of operating fighters in a bombing role entails more than a single formation of jets. It includes electronic counter measures aircraft, ground based radars, tankers, air cap, flak suppression sorties and "Wild Weasel" anti-SAM missions. All must be coordinated and timed by a half dozen bases and units. The F-111 operated in SEA without such aerial support and will in the future.

Despite the cost and problems associated with the F-111 it still stands alone as the best aircraft yet developed for night and bad weather attack missions deep inside enemy territory. It is unique in its unrefueled range capabilities. No other fighter in the world can cross the Atlantic unrefueled which means that the F-111 alone can be rapidly deployed almost anywhere in the world without waiting for tanker support. Pacific missions would require island stops. Tankers would allow non-stop crossings.

It carries more bombs than any other fighter and surpasses all other known fighters for automatic navigation accuracy, weapons accuracy, maintainability and short or rough field operations. As a single ship attack aircraft it can operate as no other can without extensive air cover, tanker and electronic counter-measures support. In addition it has a 24-hour attack capability in bad weather, giving it an 80% advantage over other aircraft in the European theater.

Little Orphan Annie, the Texas turkey, is no lady, She's a Tiger.

Safety Comparison

The F-111 continues to have the lowest accident rate of any Century series fighter. This table compares the F-111 with other type fighters at the 80,000 hour operation mark.

Major Type	*Accidents*
F-100	77
F-101	42
F-102	48
F-104	59
F-105	42
F-106	33
F-4	39
F-111 *	21

* Excludes two combat losses.

CALIFORNIA WILD RIVERS STRUGGLE

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. WALDIE. Mr. Speaker, the June 16, 1971, Burlingame Advance-Star contained an article by Mr. John Morrill which offered perceptive comments on the struggle in California to save the wild rivers from future damming. His reference to the western tradition of free flowing life style and rivers creates a mood that most Californians, including myself, both enjoy and feel slipping away. I offer Mr. Morrill's article for this Record in order to make known the feelings of many sports enthusiasts in my home State on this vital issue:

Legislative Move To Save State's Rivers

(By John Morrill)

Back in the early days of California, when vaqueros roped grizzlies, and herds of antelope ranged the great Central Valley, this state could boast 38 rivers that flowed unobstructed down out of its pine-carpeted mountains to the Pacific.

Today, only three of those rivers survive relatively unblemished.

The mighty Klamath, Eel and Trinity rivers, the finest steelhead and salmon rivers in California, could well be preserved in their present free-flowing state if Senate Bill 107, sponsored by State Senators Peter H. Behr and Robert Lagomarsino, passes this year.

The Wild and Scenic Rivers Bill, as it's called, won its way past the Senate Committee on Natural Resources, and is due for a hearing before the tough Senate Finance Committee early next month.

Joe Paul, the affable San Francisco public relations man who has spearheaded the campaign for the passage of SB 107 through the California Committee of Two Million, is optimistic about the fate of the bill, but not to the point of over-confidence.

He's been huddling these days with Sen. Randolph Collier, whose home base of Yreka places him close to the mountains that spawn the three rivers. Collier has been the stumbling block, so far, expressing concerns about flood control, although approving of the bill in principle.

"We have a large majority of the Finance Committee votes leaning our way," Paul told me this week, "possibly 10 out of the 13, and we only need seven. But Sen. Collier is the one to work on right now."

"Collier has moved from a position of passive opposition to one of support with some minor qualifications," Paul enthused. "We should be able to put together a bill for the governor."

What SK 107 would do is protect the Trinity, Eel, and Klamath rivers from the dammers and water exporters, and qualify the rivers for inclusion in the federal wild and scenic rivers system, which would mean protection from the U.S. Army Corps of Engineers and the Bureau of Reclamation.

So far, the Middle Fork of the Feather River is the only body of water in the state that is included in the federal system.

Rep. Jerome Waldie has authored HR 7238, with Rep. Pete McCloskey and other conservationist legislators giving the three giants of northern California federal protection under the 1968 National Wild and Scenic Rivers Act.

If the bill passes and is signed by the governor, then an inventory of the three rivers will be conducted, classifying the various stretches of each river as "wild"—meaning free of barriers, essentially primitive and accessible only by trail; "scenic"—same as "wild", but with limited road access, and "recreational", which would mean easy road access and commercial development.

The bill also would send the controversial Dos Rios Dam to its final resting place in some planner's wastebasket.

There's no alternative to saving these three rivers.

Californians have destroyed the wild quality of almost every body of water in the state, but this is one chance we have to redeem ourselves.

If you're in a letter-writing mood, drop a courteous note to Sen. Collier at his office at 206 Fourth St., Yreka, 96097, and urge his unequivocal support of this vital measure.

THE KENNEDY CENTER FOR THE PERFORMING ARTS

HON. J. W. FULBRIGHT

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Wednesday, July 28, 1971

Mr. FULBRIGHT. Mr. President, the Kennedy Center for the Performing Arts will have its formal opening in September. Already a widely publicized preview has been held at the Center.

Therefore, I think it is appropriate at this time to review some of the history of the Kennedy Center. I regret that time does not allow me to prepare a more thorough and complete account of the trials and tribulations of the first years of this project, and to pay proper tribute to those who worked so hard to bring it to conception. Many people have been involved, over a number of years, in making this Center possible. The development of the Center has not been without its problems and difficulties, but I believe we now have a focal point for cultural activity in the United States of which we can be proud. I hope that it will fulfill its purpose of making a broad range of outstanding cultural attractions available to the general public.

The opening of the Center comes 13 years after I introduced legislation in the Senate and Representative Frank Thompson of New Jersey introduced a companion measure in the House of Representatives on February 24, 1958, providing for the construction of a National Capital Center for the Performing Arts. A variety of proposals of this general nature had been under discussion for some years prior to the introduction of this legislation.

The site originally proposed in the bill was on the Mall, opposite the National Gallery. However, because of a bill introduced by Senator Anderson authorizing construction of an Air Museum on the same site, Senator Anderson, Representative Thompson, and I, along with other interested parties, agreed on an amendment, in the nature of a substitute, calling for the Center to be located on a site in the Foggy Bottom area near the Potomac. Senator Anderson and Senator Wiley of Wisconsin joined me in sponsoring the amendment and the legislation was passed unanimously by the Senate on June 20, 1958.

Mr. President, I ask unanimous consent to have the following articles printed in the Record at this point: Articles from the Washington Post, February 26, 1958; New York Times, March 2, 1958; by Richard Coe, Washington Post, March 16, 1958; New York Times, March 24, 1958: by Betty Beale, the Evening Star, Washington, April 14, 1958; Washington Post editorial, May 29, 1958; Washington Post, June 21, 1958.

I also ask unanimous consent that the report of the Committee on Public Works of June 11, 1958, and excerpts from the Congressional Record of June 20, 1958, be printed in the Record.

There being no objection, the items were ordered to be printed in the Record, as follows:

[From the Washington Post and Times Herald, Feb. 26, 1958]

Senate Bill Provides for Mall Arts Center

Sen. J. William Fulbright (D-Ark.) has introduced a bill to provide for a "National Capital Center of the Performing Arts" directly across the Mall from the National Gallery of Art.

The measure, similar to one introduced last month by Rep. Frank Thompson Jr. (D-N.J.), puts it up to the Senate to decide between a cultural center and an air museum the Smithsonian Institution wants to put on the site.

Both bills provide for the cultural center above, omitting a national auditorium which the District Auditorium Commission wanted to include in a single large project. The Commission became defunct last year after Congress failed to accept its recommendation of an auditorium site in Foggy Bottom.

An air museum measure, calling for use of the Mall site bounded by 4th and 7th sts., Independence ave. and Adams drive sw., was introduced last May by Sen. Clinton P. Anderson (D-N. Mex.).

Fulbright's bill, like Anderson's, has been referred to the Senate Public Works Subcommittee.

Thompson said the recent agreement between the United States and the Soviet Union, calling for expansion of the cultural exchange program, underscores the need for adequate facilities in the Nation's Capital.

"I am confident," he said, "that the money for the National Cultural Center can be raised from private sources and that the American taxpayer will not have to be taxed to provide this much-needed facility." "Foundations may provide much of the money," he added.

An air museum could be located elsewhere —perhaps in the Southwest redevelopment area, Thompson declared.

The air museum may run into opposition. Critics say, its size would tend to make it overshadow the Capitol. It is opposed by the Fine Arts Commission, which feels the site ought to be used for cultural purposes.

Support for the Cultural Center has come from Vice President Richard M. Nixon, and from an array of organizations interested in recreation, education, music and other performing arts.

[From the New York Times, Mar. 2, 1958]

ART CENTER DRIVE PUSHED IN CAPITAL; FULBRIGHT AND THOMPSON OFFER BILLS ASKING UNITED STATES TO DONATE SITE ON MALL

WASHINGTON, March 1.—A Senator and a Representative joined this week in a continuing campaign to establish here a National Capital Center of the Performing Arts.

This plan is similar in purpose to that of the Lincoln Center for the Performing Arts in New York's already developing Lincoln Square project. It would provide for presentation of opera, concert and ballet here, on a scale now impossible because of cramped quarters.

Sponsors of identical bills are Senator J. William Fulbright of Arkansas, and Representative Frank S. Thompson Jr. of New Jersey, both Democrats.

The two declared that the idea of a cultural center, despite the decisive House of Representatives vote last year against one proposed auditorium and cultural center, was still alive. They said that the vote had been primarily against the site, not against culture.

CHOICE SITE SOUGHT

Their bills now call for the Federal Government to donate a choice site on The Mall for the cultural center only, with no plan for a huge auditorium.

The plan would be for the building to be financed by public contributions. Robert Dowling of New York, president of the American National Theatre and Academy, testified last year that if Congress would donate a suitable site, there would be no question as to the feasibility of building with private funds.

Representative Thompson said that he hoped the Ford Foundation and Rockefeller Foundation, each of which recently contributed $2,500,000 to New York City's new cultural center, "will do at least as much for the National Capital."

Mr. Thompson favors a site comparable to that of the Mellon Art Gallery. The first such site he found was ear-marked this week by the Senate Public Works Committee for Smithsonian's Air Museum.

ALTERNATE SITE PICKED

Representative Thompson and Senator Fulbright made a tour around The Mall and decided on an alternate site—a frontage on Independence Avenue, just across from The Mall. A temporary World War II building, used as the Armed Services Medical Museum, is on the site.

The New Jersey Democrat said that he had been promised hearings for his bill just as soon as it received the approval of Smithsonian Museum, under whose auspices the new center would be placed—as are the art galleries and museums already on The Mall.

The two sponsors of the project have the advantage of having already scored legislative victories in the cultural field.

Senator Fulbright is the author of the educational exchange act. With Senator Hubert H. Humphrey, Democrat of Minnesota, Representative Thompson sponsored the law passed last year that made permanent this country's art and trade fair activities.

[From the Washington Post and Times Herald, Mar. 16, 1958]

MALL IS FIT SPOT FOR HALL

(By Richard L. Coe)

How about that auditorium?

New Jersey's dogged Democrat Congressman Frank Thompson has been joined in his efforts by the lucid Senator from Arkansas, William Fulbright, in trying to latch onto Mall property opposite the National Gallery of Art for a National Cultural Center of the Performing Arts.

What could be a more fitting spot?

In the way and very much in the way is a concurrent attempt to latch onto the same land for an Air Museum. It doesn't take much imagination to see that a worthwhile Air Museum would soon be busting at the seams in such comparatively restricted space. Rep. Thompson points out that Bolling Air Base is soon to be evacuated and that it would make an ideal setting for the air exhibits. An auditorium would need space—and parking underneath it—but nothing like the space a worthy collection of air age mementos would require.

To resolve this impasse hearings will be held shortly before Sen. Pat McNamara's subcommittee on Public Buildings. The Michigan Democrat heading this subdivision of the Senate Committee on Public Works, plans to give good warning of the hearings since he's aware there is "a definite conflict between the auditorium and air interests for the site."

What can Washingtonians who want an auditorium do to let their interests be known about this?

Looks like it's the old answer for this voteless community—letters, wires, public discussion and whatever pressures can be mustered.

One outfit that's been supremely quiet about supporting an auditorium adjacent to the Mellon gallery has been the Board of Trade. Now is the time for its cultural development subcommittee to start cracking.

One reason the Board of Trade may have lost interest was the failure of last year's auditorium commission to gain the Foggy Bottom site it envisioned for a far more ambitious project which would have included a huge convention hall.

Somebody should alert Board members to the fact that a worthy auditorium could well attract visitors to the city just as the Mellon gallery has done. And someone should also remind the members that the projected annual performing arts festival could have no future at all unless a suitable building is created.

Rep. Thompson's new bill (H.R. 9848) benefits from his experience last year with the more ambitious project in Foggy Bottom. When that was defeated its opponents said "We can still have the cultural center and quicker, on one of the several available government-owned sites."

Now he has pin-pointed, with eminent logic it seems to me, the land Congress picked out in 1938 for a national art center. That project has been moved to the old Patent Office building (7th and F sts. nw.) but aviation interests have been trying to move in on the Mall property.

Thompson says that his bill would provide a cultural center similar in purpose to the $205 million Lincoln Square Center of the Performing Arts now under way in New York. Once the Government grants the land, Robert Dowling, president of the American National Theater and Academy, foresees financing on non-governmental level.

The Ford and Rockefeller foundations contributed two and a half million each to Gotham's Lincoln Square project and there are indications they also would contribute to a similar venture here. Private individuals and public groups also have promised contributions.

The ultimate set-up would be similar to the Smithsonian Institution, regents of which are directed to solicit gifts, bequests, subscriptions and moneys to construct, furnish, equip and maintain. The procedure is the same which set up the Mellon and Freer art galleries and is now working on the bell tower memorial to the late Sen. Taft.

The need for such an auditorium can hardly be exaggerated. It was glaringly reflected last week when a "full stage production" of "Back to Methuselah" was pushed onto the hopelessly ill-equipped platform of Constitution Hall. It should never have been there, nor should operatic or ballet events, but so long as the platform is the only choice, the managers will be using it, a system under which the public and the artists are the losers.

What chance of success does this Fulbright-Thompson effort have?

With no D.C. vote and only a few spokesmen, fruition of the auditorium dream depends on letting the members of Congress know how both Washingtonians and home state voters feel about the glaring cultural lack in what is supposed to be the Capital of the Western World.

Thompson pointed out the other day that "The real Trojan Horse is the declining level of education with its vulgarization of cultural standards. If this is not reversed, and immediately, we shall soon become a big but second-rate people, fat, Philistine and self-indulgent."

Granting by Congress of the Mall land for a fitting twin to the world-respected Mellon gallery could clearly be a fruitful achievement. Surely with the space and equipment already at Bolling, the Air Museum already has a potential home. For our own and visiting foreign performing arts the Capital of the Western World has none.

[From the New York Times, Mar. 24, 1958]

FULBRIGHT URGES NATIONAL OPERA; SENATOR BACKS THEATER IN CAPITAL TO COUNTER SOVIET PROPAGANDA ON CULTURE

Construction of a National Opera and Ballet Theatre in Washington was urged here Saturday by Senator J. William Fulbright, Democrat of Arkansas, so that "we will not hang our heads in shame whenever people tell us about the Bolshoi Theatre" in Moscow.

The Senator spoke to 200 opera producers and managers from twenty states during a luncheon at the Biltmore Hotel. The event was part of the second day's program of the fourth annual conference of the Central Opera Service and the National Council of the Metropolitan Opera.

Mr. Fulbright announced in behalf of the Opera Council that March 23–29 would be named "National Opera Week." He appealed for support of two bills now before Congress intended to increase Government participation in the arts. Both bills were introduced by him last month.

One calls for the establishment of a National Capital Center of the Performing Arts next to the National Gallery of Art in Washington. The Government would have to provide the land, which is Government-owned, while actual construction could be financed from private funds.

The center would symbolize "the cultural interests and achievements of the people of the United States." It would be under the supervision of the Regents of the Smithsonian Institution. They include the Vice President, the Chief Justice of the United States and representatives of Congress.

The second bill provides that the United States become copyright owner of all music now in the public domain.

The Federal Government, acting through a National Music Council, would collect the royalties and would spend them "to encourage the creation, understanding and appreciation of music." Some of this money could be used for the maintenance of the proposed Washington Opera Center.

"This country should have an appropriate building for performance of opera and ballet," Senator Fulbright told his audience.

Hearings on Cultural Center To Draw Prominent Figures

So many society figures are going to crowd into Room 412 in the Senate Office Building Friday morning they ought to serve tea.

That's when the hearings will be held on Senator Fulbright's bill for establishing a cultural center on the Mall for the performing arts. Everybody in Washington with a deep interest in acquiring this long-sought opera house, concert hall, etc., is expected to turn up.

Senator McNamara's Public Buildings Subcommittee will do the listening from 10 to 12, and the first people they will hear will be Senator Fulbright and Representative Frank Thompson testifying in favor of the bill, and Senator Anderson testifying in favor of another bill for an air museum on the same site.

Besides such well-known Washington women as Perle Mesta, Mrs. Merriweather Post, Mrs. Charles Carroll Glover and Grace Phillips, who will be on hand and ready to testify, coming from out of town to speak in behalf of the Fulbright bill are Mrs. Frank Coolidge, a leading figure in the Detroit Symphony association, who is flying here with Marie Hurley, legislative chairman of the National Federation of Music Clubs (700,000 membership); Robert Dowling, president of ANTA; Edwin Hughes, executive secretary of the National Music Council (1 million members), and Metropolitan Opera star John Brownlee, president of the American Guild of Musical Artists, who will come down from New York, and Reginald Stewart, director of the Peabody Conservatory of Music, who will come from Baltimore.

Benjamin Thoron will speak for the National Symphony, Oscar Cox will speak for the Opera Society of Washington, Gerson Nordlinger will appear on behalf of the Washington Ballet Guild and Mr. Frank Jelleff, one of Washington's most public-spirited citizens, who has been sick, says he is "going to testify if he has to crawl in."

It should be a dramatic presentation from those who have long been disgusted over the vacuum in our cultural facilities.

The chairman of the Fine Arts Commission, David Finley, is also expected to appear. The Fine Arts Commission, by the way, recently added advisers representing the performing arts—Howard Mitchell for the National Symphony, Paul Callaway for the Opera Society, and Father Hartke for the theater.

[From the Washington Post, May 29, 1958]

Happy Compromise

Senator McNamara's Public Works Subcommittee has handled the rival proposals for development of the Mall tract opposite the National Gallery with restraint and wisdom. In a city accustomed to unending conflicts over municipal ventures of this sort, it is refreshing to find an apparent accommodation of views on the Air Museum and Performing Arts Center. The supporters of each project had sought the attractive Mall site. There was the risk that the Subcommittee would shelve both ventures rather than choose one. But, with the cooperation of various District officials and private groups, the sponsors of the rival legislation have produced a package proposal to allow both projects to be advanced and the Subcommittee promises early action.

The Performing Arts Center is now proposed to be located on a tract in Foggy Bottom, already mostly Federally owned. It has many of the advantages which led the former District Auditorium Commission to favor another site in this same area for the somewhat larger project it was developing. There would be an attractive river view and better access roads, for this kind of facility, than the Mall site offers. The Air Museum would be given the Mall site. Although we continue to believe that a larger, outlying location would be preferable in some ways, this plan would at least keep together the main buildings of the Smithsonian Institution, of which the Air Museum would be a part.

The National Capital Planning Commission has made important contributions to effecting the settlement, both in its analysis of the sites and in offering to provide at least part of the money that would be needed to round out the Foggy Bottom tract. The Commission of Fine Arts also has emerged from its cloister to play a decisive and helpful role. Some of the civic groups have rallied over the years to one cultural center plan after another almost to the point of exhaustion. No doubt they would have preferred to push further for the Mall site, but most have wisely chosen to "go along" with the alternative plan in the interest of getting something started.

The proposals which have now been developed are, directly and indirectly, the fruit of many years of exhaustive studies on which a great deal of public money has been expended. They deserve more than routine handling by Congress and will require the continued, energetic support of Washingtonians who want to see their city move forward.

National Capital Center of the Performing Arts

The Committee on Public Works, to whom was referred the bill (S. 3335) to provide for a National Capital Center of the Performing Arts which will be constructed, with funds raised by voluntary contributions, on part of the land in the District of Columbia made available for the Smithsonian Gallery of Art, having considered the same, report favorably thereon with amendments, and recommend that the bill, as amended, does pass.

The amendments are indicated in the bill as reported by linetype and italics, and are as follows:

Strike out all after the enacting clause and insert new language as a substitute.

Amend the title to read:

A bill to provide for a National Cultural Center which will be constructed, with funds raised by voluntary contributions, on a site made available in the District of Columbia.

PURPOSE OF THE BILL

The purpose of S. 3335, as amended, is to establish in the Smithsonian Institution a Board of Trustees of the National Cultural Center, composed of 15 specified Federal officials, members ex officio, and 15 general trustees appointed by the President, to cause to be constructed for the Institution, with funds raised by voluntary contributions, a building to be designated as the National Cultural Center on a site in the District of Columbia bounded by Rock Creek Parkway, New Hampshire Avenue, the proposed Inner Loop Freeway, and the approaches to the authorized Theodore Roosevelt Bridge.

The Board would maintain and administer the National Cultural Center and site thereof, present programs of the performing arts, lectures and other programs, and provide facilities for other civic activities. There would also be established an Advisory Committee on the Arts, designated by the President, to advise and consult with the Board and make recommendations regarding cultural activities to be carried on in the center. The lands for the National Cultural Center and related activities would be acquired by the National Capital Planning Commission, with plans and specifications for the building approved by the Commission of Fine Arts.

HEARINGS

The Subcommittee on Public Buildings and Grounds held hearings on S. 3335 concurrently with those on S. 1985, a bill authorizing preparation of plans for a National Air Museum, since both buildings were proposed for approximately the same site. In general, the Federal agencies had opposed the site on the south side of the Mall opposite the National Gallery of Art, largely because of the size and shape of the site, the lack of parking area, and because it had previously been approved as a site for the National Air Museum. Several alternate sites for the National Cultural Center were proposed. The Bureau of the Budget opposed the provisions of S. 3335 assigning to the Smithsonian Institution responsibility for operating cultural activities, believing that encouragement of the arts is primarily a matter for private and local initiative.

The author of S. 3335, and a companion bill in the House of Representatives; national and local representatives of all branches of the performing arts, music, opera, drama, letters, dance, and others; civic and trade organizations; and individuals; testified as to the urgent need in the District of Columbia for more adequate public facilities to present programs in the performing arts, provide for adequate instructions in such arts, and the provision of adequate facilities for other civic activities. There was unanimous agreement among all witnesses who testified at the hearing of the many benefits that would accrue, and the interest and appreciation that would develop in this country, for the opera, the ballet, drama, and music in every form, if an adequate cultural center for the performing arts is developed in the city of Washington, D.C.

AMENDMENT

Because of the controversy that developed over the proposed site for the National Capital Center of the Performing Arts, and opposition to certain provisions of S. 3335, the coauthors of the two bills pending before Congress, the interested Federal agencies, and others, cooperated in working out an amendment to S. 3335 in the nature of substitute language, with the proposed building to be located on a site in the Foggy Bottom area near the Potomac River. This site and the proposed language changes has the approval of the Commission of Fine Arts, the National Capital Planning Commission, the Board of Commissioners of the District of Columbia, the Bureau of the Budget, the Washington Board of Trade, and others. The committee heartily endorses this amendment to S. 3335.

DISCUSSION

The committee was presented testimony at great length on the dire need, long overdue, for a National Cultural Center in the city of Washington, D.C., to provide adequate facilities for the performance of opera, ballet, symphonic and chamber music, drama, and reading of poetry. All Americans are very proud of their National Capital, yet the cultural facilities here are inferior to all leading European capitals, and numerous small European cities. Adequate facilities are not available for presenting grand opera in full performance with suitable stage and scenery equipment. This lack of an adequate center for the arts in Washington detracts from our international prestige. Visitors from abroad to Washington inquire about our opera house and are told we have none.

In recent years, there has been several international cultural exchange programs between various countries. The exhibits and events at the Brussels Fair place an emphasis on culture as well as on science and trade. Our citizens are not without talent or interest in the arts, and these faculties should be developed to provide common ties which will unite the United States with other nations and assist in the further growth and development of friendly, sympathetic, and peaceful relations between the United States and the other nations of the world.

The committee believes that music, art, poetry, drama, and dance, transcends language barriers, and provides a means of communication between people of different nationalities, which will permit conveyance to people of other countries some of the basic concepts of the American way of life.

The committee commends the sponsors and proponents of S. 3335 for working out a satisfactory amendment which has been found to be so widely acceptable. The site selected is in an area of street and highway development, and adequate routes of ingress, egress, and parking areas can be developed as the plans proceed. The bill provides that the site be provided by the United States, which would be the only Federal expense involved. The National Planning Commission estimates the cost of acquiring the additional private property in the proposed site not in Federal ownership as $650,000, and proposes to utilize funds appropriated under the Capper-Cramton Act for that purpose. The Commissioners of the District of Columbia approve this proposal. Funds for construction of the Cultural Center building would be raised by voluntary contributions, which would be administered and disbursed by the Board of Trustees.

The committee is of the opinion that enactment of this legislation will permit careful planning and construction of a National Cultural Center worthy of the city of Washington and of America, and to permit our cultural development to keep pace with our economic and scientific develoment. It believes that vast public benefits will result in awakening and advancing our artistic, creative, and cultural development, and recommends enactment of the legislation.

The comments of the Federal agencies on the bill, as amended, are shown in the following communications:

Executive Office of the President,
Bureau of the Budget,
Washington, D.C., June 4, 1958.

Hon. Frank Thompson, Jr.,
House of Representatives,
House Office Building,
Washington, D.C.

Dear Mr. Thompson: This refers to your letter of May 13, 1958, requesting views of the Bureau of the Budget on a tentative draft bill to provide for the establishment and maintenance of a National Cultural Center.

Although the Bureau has no recommendations on the location of the proposed center, we tend to agree with the National Capital Planning Commission that the site described in the draft bill would be generally suitable for an activity of this nature.

In connection with the establishment of a National Cultural Center, we must, of course, withhold final comment until an administration position can be developed on an introduced bill, particularly as to the policy questions involved. It would appear, however, that the draft removes most of the objections as to form of legislation advanced in review of the earlier bill, H.R. 9848.

Sincerely yours,
Roger W. Jones,
Assistant Director.

National Capital Planning Commission,
Washington, D.C., May 28, 1958.

Hon. Frank Thompson, Jr.,
House of Representatives,
Washington, D.C.

Dear Mr. Thompson: In response to your request for the comments of the Commission with regard to the newest version of your bill providing for a National Cultural Center, please let me say that we find it to be in conformity with the stand taken by the Commission at its April meeting. At that time the Commission heartily endorsed the concept of the Cultural Center and strongly urged the consideration of the site on the Potomac River.

We are delighted to see that many persons and groups in the community and Members of Congress are concurring with our recommendation. We urge the passage of your new bill and pledge our continuing support toward the building of this most important project.

Very truly yours,
Harland Bartholomew,
Chairman.

National Capital Planning Commission,
Washington, D.C., May 23, 1958.

Hon. J. W. Fulbright,
U.S. Senate,
Washington, D.C.

My Dear Senator Fulbright: In response to your request for further information concerning the feasibility of utilizing the United States Navy Potomac Annex site for the proposed Cultural Center, and for a clarification of the Commission's position with regard to the use of the site on the Potomac River, please let us submit the following information.

Our project planning staff has reanalyzed the two sites and finds that the Navy Hospital site in its present form would not permit the ingress and egress of the large number of passenger cars which would be generated by the proposed Cultural Center. The high wall along 23d Street and the steep grades on E Street and to the south permit most inadequate vehicular access. The present entrance at the intersection of 23d and E would, if used for major access, create congestion serious enough to be detrimental to the popularity of such a center. The proposed inner loop to the west would not permit access from that direction. This high-speed traffic facility has been designed according to the most modern standards and to redesign it to provide access to the subject site would reduce its efficiency and safety to a disastrous degree. Concerning parking, we find that the State Department space could not be relied on and the proposed Potomac Plaza Hotel to the north could provide parking only for its own use.

One solution would be to reduce the level of the hill approximately 30 feet, which would provide easier access at several places. Aside from the serious question of whether or not such a site of prominence should be lowered, the sheer cost of such an undertaking would be very great. According to the engineers supervising the excavation of the adjacent State Department site, and the estimates prepared by our technical staff, the cost of lowering the elevation of this site would be somewhat in excess of $3 million. It is difficult to believe that such a cost would be justified when the result, trafficwise, would still be less than satisfactory.

You will be interested in knowing that Lt. Col. Thomas Hunter, Assistant Engineer Commissioner of the District of Columbia, indicated at the meeting called by the Fine Arts Commission, that it would be "practically impossible" to bring traffic in and out of the site during peak hours. It should be noted that our most recent studies indicate that approximately 10 acres of land on this site would be suitable for actual building and parking purposes.

Concerning the river site, a reanalysis of the area reveals that nearly 10 acres would be available at this location without disturbing the private property east of 26th Street. We have been in constant communication with the design engineers of both the Highway Department and the National Park Service and still find that the bridge approaches will not reduce the size of this site.

As our Commission indicated by its action at its May meeting there is a genuine desire on its part to be helpful in the acquiring of the site for the Cultural Center. Upon examining the slightly more than $1 million of the funds already appropriated under section 4a of the Capper-Cramton Act, we find that it would be feasible, if specifically authorized by Congress, and subject to the approval of the District Board of Commissioners and the Bureau of the Budget, to utilize approximately $300,000 toward the purchase of the remainder of the river site. According to our estimates, this would be nearly one-half of the remaining property. The Commission could then, in its regular budget request for fiscal year 1960, ask for sufficient funds for the last portion of the site. By that time the Commission will have exhausted already appropriated funds for acquisition of park and playground sites in the District, and would in the normal course of events be requesting further appropriations. To expend more than $300,000 from present appropriations would seriously endanger park and playground sites in several of the District's residential neighborhoods. Attached you will find a map indicating the river site and environs.

Please be assured that the Commission will continue to support the proposed Cultural Center in every way possible.

Respectfully submitted,
Harland Bartholomew,
Chairman.

The Commission of Fine Arts,
Interior Department Building,
Washington, May 28, 1958.

Hon. Frank Thompson, Jr.,
House of Representatives,
Washington, D.C.

My Dear Congressman Thompson: At the meeting of the Commission of Fine Arts, which was held on May 22, 1958, the members considered the draft legislation containing the proposals sponsored by you and Senator Fulbright to appropriate as a site for the National Center of the Performing Arts, the land owned by the Federal Government, along the Potomac Parkway, bounded by the projected Inner Loop Freeway on the east, the newly authorized Theodore Roosevelt Bridge approaches on the south, Rock Creek and Potomac Parkway on the west, and New Hampshire Avenue and F Street on the north, as approved by the National Capital Planning Commission for this purpose.

We hope the National Capital Planning Commission will be authorized to acquire by purchase, condemnation, or otherwise, the additional land which may be necessary to provide an adequate site for the National Center of the Performing Arts and related facilities in the location referred to above. We would suggest that not only the design and specifications of the buildings for the Performing Arts should be approved by the

Commission of Fine Arts but also the approaches and landscape treatment of the grounds. The Commission also recommended that highways in the neighborhood of the buildings shall be located as not to restrict access to the buildings and the parking areas. We further recommend that the draft legislation be changed to give the bridge its official title, "The Theodore Roosevelt Bridge."

The Commission will be delighted to see such a site provided for the Center of the Performing Arts in Washington. We feel that it is of the greatest importance that a handsome building should be available for the performance of symphonic music, opera, ballet, and drama in the Nation's Capital. We hope that, if the Government is willing to provide a suitable location such as the river site, it may be possible to secure by private donations the funds with which to erect the buildings. We also hope the committee will give consideration to the proposals advanced by Senator Fulbright and Congressman Thompson in the draft legislation.

Sincerely yours,

DAVID E. FINLEY,
Chairman.

GOVERNMENT OF THE DISTRICT
OF COLUMBIA,
EXECUTIVE OFFICE,
Washington, D.C., June 4, 1958.

Hon. FRANK THOMPSON, Jr.,
U.S. House of Representatives, Old House Office Building, Washington, D.C.

DEAR CONGRESSMAN THOMPSON: Reply is made to your telephone conversation requesting information on the proposed location of the Cultural Center.

This matter was considered at the meeting of the Board of Commissioners on Tuesday, June 3, 1958, at which time Mr. William E. Finley, Executive Director of the National Capital Planning Commission and Lt. Col. Thomas B. Hunter, Assistant Engineer Commissioner were present.

Previously, in reporting on legislation, the Commissioners had expressed a preference for the Mall site. Subsequently they learned that due to a building restriction line imposed by the Planning Commission the Mall site was considerably less than the 11 acres which they thought was available and that the Mall site is now limited to about 5½ acres.

During the meeting, Mr. Finley of the Planning Commission presented to the Commissioners an analysis of the Capper-Cramton projects and funds and presented a schematic layout of the river site, showing possible building arrangements, parking, and egress and ingress areas, including street and highway system adjacent thereto.

After a discussion, the Commissioners agreed to the river site for the Cultural Center and the use of Capper-Cramton funds by the Planning Commission to acquire the remaining private property within the boundaries of the proposed site.

Very sincerely yours,

ROBT. E. MCLAUGHLIN,
President, Board of Commissioners, District of Columbia.

[From the CONGRESSIONAL RECORD, June 20 1958]

Mr. FULBRIGHT. Mr. President, the Members of this body are aware of the many futile attempts by the Congress to provide the Nation's Capital with a center for the performing arts. The fact that Washington has no adequate facility for this branch of the arts is glaringly obvious—not only to the Members of Congress, residents of the area, and our many foreign visitors, but to the millions of Americans from every State in this Nation who annually make the pilgrimage to this great Capital of the free world.

That our failure to provide for a National Cultural Center for the Performing Arts has resulted in the unfortunate assumption that we are a culturally barren people cannot be denied. Though this may be an unwarranted assumption, it is, nevertheless, one which prevails; and whether or not it is unwarranted is immaterial, so long as we have this reputation internationally. It is unfortunate that our Nation, as rich and powerful as it is, has allowed such a picture to be formed in the eyes of the world.

In an attempt to help dispel the impression that we are disinterested or lack appreciation of things cultural, and to provide Washington and the Nation with a center in which we can all take pride, I introduced in the Senate, and Representative FRANK THOMPSON, of New Jersey, introduced in the House, companion bills to provide for erection of a National Capital Center for the Performing Arts, to be constructed with funds raised by voluntary contributions on land donated by the Government, located in the District of Columbia.

The site originally provided for in the bill I introduced was on the Mall, opposite the National Gallery of Art. The Subcommittee on Public Buildings and Grounds, of the Public Works Committee, held hearings on this proposal and at the same time, the Committee considered a bill introduced by Senator ANDERSON, authorizing erection of a National Air Museum on the same site. Because of the controversy which developed over the proposed site for the cultural center, Senator ANDERSON, Representative FRANK THOMPSON, and other interested Federal agencies and individuals, and I cooperated in working out an amendment to my bill in the nature of a substitute, calling for the proposed National Cultural Center to be located on a site in the Foggy Bottom area, near the Potomac River. This change in location and changes in the proposed language was approved by Senator ANDERSON, Congressman THOMPSON, members of the Public Works Committee, the Commission on Fine Arts, the National Capital Planning Commission, the Board of Commissioners of the District of Columbia, the Bureau of the Budget, the Washington Board of Trade, and other interested persons; and my distinguished colleague, Senator WILEY, joined with Senator ANDERSON and me in sponsorship of the new proposal.

The bill, S. 3335, as it was approved by the Committee on Public Works, establishes in the Smithsonian Institution a Board of Trustees of the National Cultural Center, composed of 15 Federal officials, members ex officio, and 15 general trustees to be appointed by the President. The bill authorizes this Board to cause to be constructed for the institution, with funds raised through voluntary contributions, a building which will be known as the National Cultural Center. The Center would be located on a site within the District of Columbia in the area known as Foggy Bottom. This site consists of 9.46 acres, more or less, and is bounded by Rock Creek Parkway, New Hampshire Avenue, the proposed innerloop freeway, and the approaches to the authorized Theodore Roosevelt Bridge. Under provisions of this bill, the Board of Trustees of the Center would maintain and administer it. The Board would provide for presentation of programs of the performing arts and other types of programs related thereto. The bill also authorizes establishment of an Advisory Committee on the Arts, to be designated by the President. The Advisory Committee would advise and consult with the Board for the purpose of making recommendations regarding cultural activities to be carried on in the Center.

The bill authorizes acquisition of the site for the National Cultural Center by the National Capital Planning Commission, and provides that plans and specifications for the building be approved by the Commission of the Fine Arts.

At present, 8.23 acres of the site is owned by the Government, with the remaining 1.23 acres in private ownership. It is estimated that the portion of the site privately owned can be acquired by the National Capital Planning Commission at a cost of $650,000. It is my understanding that the National Capital Planning Commission proposes to utilize funds appropriated under the Capper-Cramton Act for purchasing the land now in private ownership. The Commission at the present time has available approximately $300,000 which has been appropriated for acquisition of park lands within the District of Columbia. The remaining funds necessary for completing acquisition of the privately owned land will be available from the appropriation for the next fiscal year. The Commissioners of the District of Columbia have approved this procedure.

Donation of the Government-owned land, together with the cost of acquiring the remainder of the site which is in private ownership, will be the only cost to the Federal Government. Funds for construction of the cultural center will be raised by voluntary contributions.

The report of the Senate Public Works Committee on this bill is an excellent one. It is well prepared, and succinctly states the case for adoption of the measure. The report, in part, states that the committee is of the opinion that enactment of this legislation will permit careful planning and construction of a National Cultural Center worthy of the city of Washington and of America and will permit our cultural development to keep pace with our economic and scientific development. It further states that it is the belief of the committee that vast public benefits in awakening and advancing our artistic, creative, and cultural development will result if this measure becomes law.

The committee strongly recommends enactment of this bill. It is my sincere hope that the Congress will approve it this session.

Mr. WILEY. Mr. President, I am very pleased that the Senate has completed action on S. 3335.

Our prompt decision will, I am sure, help to make certain early action in the House of Representatives.

I send to the desk a statement which I have prepared on this subject, and ask unanimous consent that it appear in the body of the RECORD at this point.

There being no objection the statement was ordered to be printed in the RECORD, as follows:

THE STEPS BEFORE US IF WE ARE TO ACHIEVE THIS GREAT CENTER

(Statement by Senator Wiley)

As senior Republican on the Senate Foreign Relations Committee, I am naturally deeply interested in this legislation because of its international significance. I shall discuss this point a little bit later on in detail.

Because of that international significance I have spoken repeatedly on the National Cultural Center. I invite my colleagues' attention to my comments in the June 11 RECORD, beginning on page A5319; and to the 1957 RECORDS, on March 25, page A2378, and March 18, page 3360.

My interest is, of course, shared by the leading sponsor of S. 3335, my able and industrious associate from Arkansas [Mr. FULBRIGHT] who is the ranking majority member of our Senate Committee on Foreign Relations.

EARLY ACTION BY JONES SUBCOMMITTEE

The next step for S. 3335 is, of course, the House Public Works Committee. I respectfully urge the chairman of that committee, our colleague from New York [Mr. BUCKLEY] and, in particular, the chairman of the Public Buildings Subcommittee, our associate from Alabama [Mr. JONES] to see if it is at all possible to schedule action on this legislation at the earliest possible date.

A number of House bills have been introduced by various distinguished Representatives to achieve the same purpose as S. 3335. I refer in particular, to legislation offered by Congressman FRANK THOMPSON, of New Jersey; Congressman CARROLL KEARNS, of Pennsylvania, and Congressman JAMES FULTON, of Pennsylvania.

MAJOR STEPS AHEAD

As I see it, the steps before us are as follows:

1. As I have indicated, early approval by the House Public Works Committee.

2. Final action by the House of Representatives. This should come well in advance, I hope, of any last minute logjam of legislation which might possibly endanger this bill.

THIRTY-MAN BOARD

3. Consideration of the best possible appointees who will serve on the Board of Trustees which will administer the National Cultural Center. The Board will, as we know, consist of 9 Federal officials—3 Members of the Senate and 3 Members of the House of Representatives as members ex officio.

There will be in addition 15 general trustees appointed by the President for 10-year staggered terms. These trustees must be the very highest caliber of civic leader—active, dedicated, able, in the public interest.

The President would also appoint an Advisory Committee on the Arts—a number, not specifically limited, of expert members to advise and consult with the Board and to make recommendations to the Board regarding cultural activities to be carried on in the National Cultural Center.

NEED FOR FULLEST NATIONWIDE SUPPORT

4. Next, there must be a revitalization of contact with the 104 national organizations which had been contacted by the former Auditorium Commission.

This is, I must emphasize, a National Cultural Center. It is not a District of Columbia center. We want the people of the United States to know and understand that this is their center. We need their help and support. We need their financial contributions.

Many of the national organizations had been in contact with the Auditorium Commission and were prepared to render service.

SECURING FUNDS FROM PRIVATE CONTRIRUTIONS

5. And, of course, the funds must actually be raised from private philanthropists, from Foundations, and from the American public, so as to actually build this Center.

And, speaking of funds, let me note in this connection that the National Capital Planning Commission must be enabled very promptly to acquire the small amount of additional private property in the proposed site not already in Federal ownership. Needless to say, the rounding out of the site is an indispensable initial step.

I reiterate to my colleagues that this bill is now completely beyond the field of controversy, so I hope that the House of Representatives does not find it necessary at all to prolong the time for its final decision.

I invite the attention of my colleagues on the House side to the hearings held before the Senate Public Works Subcommittee on S. 1985, the Air Museum bill, and on S. 3335, the Cultural Center bill.

LEADING DISTRICT OF COLUMBIA CITIZENS TESTIFIED FOR S. 3335

An outstanding array of local private citizens and local public officials in addition to Members of Congress, appeared on this legislation.

The welcome outpouring of community sentiment reflected in their appearance was, of course, a tribute to the greater Washington area. It was a tribute, as well, to the civic consciousness of these individual citizens, and of the organizations they represented.

This is the type of local responsibility, local initiative and pride in this great Capital, which are indisensable if the project is to succeed.

I list, now, some of the individuals, aside from legislators, who testified at those hearings. This is, by no means, a complete list, and it does not include the correspondence filed with the committee; but at least it gives an indication of broad-gaged interest in the project.

Among those who testified were (in alphabetical order):

Mr. Robert Low Bacon.

Mr. Harland Bartholomew, Chairman, National Capital Planning Commission.

Mr. Ralph E. Becker, chairman, cultural development committee, Washington Board of Trade.

Mrs. Morris Cafritz.

Dr. Leonard Carmichael, Secretary, the Smithsonian Institution.

Mr. Milo Christianson, District of Columbia Recreation Board.

Mr. Richard L. Coe, drama editor, the Washington Post and Times Herald.

Mrs. Frank W. Coolidge, National Federation of Music Clubs.

Mr. Oscar Cox, trustee, Opera Society of Washington.

Mr. Hy Faine, executive secretary, American Guild of Musical Artists.

Mr. David E. Finley, Chairman, Commission of Fine Arts.

Mr. George A. Garrett, president, Federal City Council.

Mrs. George B. Green, president Washington Chapter, the National Society of Arts and Letters.

Rev. Gilbert V. Hartke, Jr., O. P., Department of Speech and Drama, Catholic University of America.

Mr. Patrick Hayes, Hayes Concert Bureau.

Mr. Edwin Hughes, executive secretary, National Music Council (which is, I may say, chartered naturally under the Thompson-Wiley law).

Miss Marie A. Hurley, national legislative chairman, National Federation of Music Clubs.

Mrs. McCall Henderson Imes, State president, Federation of Women's Clubs of District of Columbia.

Mr. Frank R. Jelleff, member, Washington Board of Trade.

Mr. Sam Jack Kaufman, president, District of Columbia Federation of Musicians.

Mr. Herbert P. Leeman, member, Democratic Central Committee of the District of Columbia.

Mrs. Perle Mesta.

Mr. Gerson Nordinger, Jr., chairman, board of trustees, Washington Ballet Guild, Inc.

Mrs. Marjorie M. Post.

Mrs. R. I. C. Prout, president, General Federation of Women's Clubs.

Mr. Robert Richman, director, Institute of Contemporary Arts of Washington.

Mr. Curt Schiffeler, president, National Opera Guild of Washington.

Mr. Rachel Frank Skutch, legislative department, National Federation of Music Clubs.

Mr. Reginald Stewart, director, Peabody Conservatory of Music.

Let us remember that, even if this bill, S. 3335, were on the President's desk today for signature, it is simply one step in a long, long chain of actions which must still occur. It will be years and years before the cultural center will have been built and have been in operation. It will take considerable time simply to raise the private funds which are going to be necessary for this project in view of all the other solicitations for funds throughout America.

That is why I stress urgency; It is why I stress speed. It is why I look back at the past and say—with no criticism at anyone, personally, but with simply a factual commentary—that it has taken us much too long to get only this far.

At least, however, we are grateful for this step.

We are grateful, in particular, for the leadership of my friend from Arkansas, Mr. FULBRIGHT. We are grateful for the enterprise and the zeal of Congressman THOMPSON of New Jersey, whose latest helpful comments on this subject may be found in the CONGRESSIONAL RECORD of June 18—comments which I warmly invite my colleagues to read and note in detail.

Of all the bills which are being considered by the Congress at this time, this is a relatively modest bill. Yet, I do not hesitate to say to the distinguished Speaker of the House of Representatives, Mr. RAYBURN, to the majority leader, Mr. MCCORMACK, and to our good friend from Massachusetts, the leader of our House Republicans, Mr. MARTIN, that here is a bill which I earnestly hope will have their attention so that it does not get caught in any last-minute logjam.

[From the Washington Post, June 21, 1958]

GOVERNMENT WILL FURNISH LAND: FOGGY BOTTOM CULTURAL CENTER BILL APPROVED BY SENATE, SENT TO HOUSE

The planned National Capital Center of the Performing Arts won unanimous Senate approval yesterday.

Without debate, the Senate passed and sent to the House a bill to locate the opera house and theater on a site—mostly Government-owned—in Foggy Bottom near the approaches of the projected Constitution ave. bridge.

The Government will provide the land. Funds needed to build the center, an estimated $25 million, will be collected by private subscription.

District Commissioner Robert E. McLaughlin said "we are delighted with the increased prospects of having a cultural center in the Nation's Capital."

The bill is part of a compromise package cleared by the Senate Public Works Committee, under which the center will be located in Foggy Bottom and a Smithsonian Air Museum on the Mall opposite the National Gallery of Art.

Originally the center measure, introduced by Sen. J. William Fulbright (D-Ark.) called for the Mall location. So did an Air Museum bill by Sen. Clinton Anderson (D-N. Mex.).

However, the Fulbright bill was amended to call for the Foggy Bottom site and at his suggestion Majority Whip Mike Mansfield (D-Mont.) motioned it up for floor consideration yesterday. Fulbright's office explained that this will give the House an opportunity to act quickly on the measure.

The House could either vote approval of the Senate-passed measure, which would expedite enactment, or it could act on any of three identical bills introduced by Reps. Frank Thompson Jr. (D-N.J.), Carroll D. Kearns (R-Pa.) and James G. Fulton (R-Pa.).

The National Capital Planning Commission has funds on hand to buy part of the privately owned portion of the site.

Chairman Dennis Chavez (D-N. Mex.) of the Senate Public Works Committee said the Anderson bill is not so urgent at this time and will be called up later.

Mr. FULBRIGHT. Mr. President, on August 22, 1958, the House of Representatives approved this legislation by a vote of 261 to 55. Representative Thompson was the leading spokesman in the House, but a number of others were active in supporting the legislation. At this point I would like to include several items which tell the story of the passage of the bill in the House. I ask unanimous consent to have printed in the Record an article from the Washington Evening Star of July 30, 1958; an article from the Washington Post, August 17, 1958; and excerpts from the Congressional Record of August 22, 1958, date of passage in the House.

There being no objection, the items were ordered to be printed in the Record, as follows:

[From the Washington Evening Star, July 30, 1958]

Efforts Made To Get House Action on Bill for Cultural Center Here

(By Grace Bassett)

Washingtonians rallied today to save a National Capital Center of the Performing Arts from a dusty death in files of the House Public Works Committee.

The Senate unanimously passed a bill authorizing a cultural center to be built in Foggy Bottom on June 20.

Since then, the bill has rested in one of the House committee's brown folders, along with pleas from 73 individuals for action.

Today Robert E. McLaughlin, president of the Board of Commissioners, sent to Capitol Hill his second request for hearings and a floor vote.

"The bill represents a culmination of years of effort and is strongly supported by a majority of civic groups in this city," William J. McManus, vice president of the Federal City Council, wrote Representative Jones, Democrat of Alabama.

Representative Jones controls the fate of the bill at this point as chairman of the Public Buildings subcommittee charged with its consideration.

FEARS HOUSE DEFEAT

He told reporters earlier this week that he thought the proposal could clear committee without trouble. But he added, "I don't have the votes for House passage. And I don't have time to go after them."

He was reluctant to take the bill to the floor, he said, unless he was assured passage.

House Majority Leader McCormack, Democrat of Massachusetts, has withdrawn his earlier objection to the Foggy Bottom site. The bill has bipartisan backing of sponsors Thompson, Democrat of New Jersey, and Republican Kearns and Fulton of Pennsylvania.

Still, Representative Jones said he has had such "poor luck" with legislation for Washington buildings on the floor that he needs a promise of passage to take floor time this late in the session. House leaders are aiming for an August 9 adjournment.

NO PRESSURE EVIDENT

Asked if he had felt the pressure of community groups pushing the bill, he said:

"No. Very few people have even talked with me about the center.

"What I've heard has been third and fourth hand," he explained. "Somebody tells me he doesn't know much about the bill, but he has a friend who is very interested."

Back in the committee files, however, the cultural center record is 2 inches thick.

Numbered among proponents are national and city political, civic, cultural, labor and church leaders. Senator Fulbright, Democrat of Arkansas, one of the bipartisan sponsors of the Senate-passed bill, has written he is "hopeful this bill will not be lost in the legislative shuffle during closing days of the 85th Congress."

"Failure to act would necessitate starting cultural center efforts from scratch next January and would present discouraging evidence that Congress is unwilling to assume its responsibility for providing the Nation's Capital with adequate cultural facilities," echoed Mr. McManus, in his fresh appeal.

NO FEDERAL FUNDS

Communications stressed that the bill required no Federal funds.

Money to build the center would be raised by private subscription. All but 1 acre of the 9 acre site bounded by New Hampshire Avenue and the Potomac parkway. Twenty-sixth street and approaches to the proposed Constitution avenue bridge is owned already by the Federal Government.

Some $650,000 in Capper-Cramton funds would be used by the National Capital Planning Commission to buy up the remaining acre. District Commissioners have promised to refund this Federal advance within eight years. So, site costs would be borne by District taxpayers.

Twenty-eight community leaders from diverse fields signed petitions forwarded to Mr. Jones by Frank R. Jelleff. Signers pledged "every effort to assist in raising necessary construction funds once legislation is enacted."

WIDE BACKING

In unusual agreement, the Fine Arts Commission, the National Capital Planning Commission, the District Commissioners, the Board of Trade, the Federal City Council, the AFL–CIO have urged Congress to permit the city to put up the center.

Among letters received by the committee are these excerpts:

David E. Finley, chairman, Fine Arts Commission—"We have long favored enactment to ensure adequate facilities for music and the performing arts." Mr. Finley gained majority acceptance of the river site in the bill from 20 community leaders at a meeting May 20.

Roger Ernst, Assistant Interior Secretary—"The site in Foggy Bottom is recommended by this department." He asked for an amendment so the Secretary could designate his representative on the center board of directors. The National Park Service director would serve, as the bill is written.

Budget Bureau—Legislation should make it clear advisory committeemen could collect no pay but travel and per diem money. The bureau also suggested that language barring appropriations of Federal funds for the center be written into the bill. It questioned whether members of Congress constitutionally could serve as trustees, as provided in the bill. This question was answered by Representative Thompson, who inserted in the record an opinion of the Library of Congress counsel that congressional members could.

Edwin Hughes, National Music Council—"It would be a catastrophe if this fine legislation were caught in a last-minute log jam."

Mrs. Leslie D. Fain, Louisiana Federation of Music Clubs—"Our entire membership would be most grateful for passage."

J. Tatian Roach, Music Publishers Association of the United States—Addressed to Representative Buckley, Democrat of New York, and full committee chairman, this letter said, "I have been one of your most loyal supporters for 40 years and never asked you to vote for anything." Now, that he has moved out of the Representative's district, Mr. Roach felt "constrained" to request favorable action on this bill because this country "should not play second-fiddle to other nations in the realm of art and drama."

Representative Buckley answered he had been informed by the subcommittee chairman that the legislation would receive consideration at an early date. This assurance was dated July 9.

Andrew J. Biemiller, AFL–CIO—"The Nation's Capital as a showplace for America's cultural achievements would be much enhanced by this legislation."

A. L. Wheeler, District Democratic Central Committee—"Many civic and professional leaders wholeheartedly supporting this bill and project unanimously indorsed by our committee."

Edward L. R. Elson, National Presbyterian Church—"Perhaps the greatest single need in the Nation's Capital is for ample facilities to handle large conventions or national assemblies."

Albert P. Shirkey, Mount Vernon Place Methodist Church—". . . Tremendously interested . . . know of nothing as greatly needed for civic and religious life of our city."

Frederick E. Ressig, Council of Churches, National Capital Area—"Hoping for favorable action . . . tremendously interested."

State Department—"A department officer should be designated trustee because there are undoubted implications for our foreign cultural relationships in the provision of more adequate facilities for performing artists, including visiting artists from other countries," wrote William B. Macomber, jr., Assistant Secretary.

Health, Education and Welfare Department—"The center will be evidence that we as a Nation are as interested in activities that contribute to rich, cultural life as we are in those things that affect our physical and material well being."

Representative McGregor, Republican of Ohio, ranking minority member of the subcommittee—"I have been asked to give the bill a little 'push' in committee. I assure you I will do my best."

L. Quincy Mumford, Librarian of Congress—"Of course, I would be happy to serve ex officio as a member of the board of trustees of the . . . center."

Mrs. Eleanor Roosevelt—"I am delighted to hear of (Senate) passage. This is a wonderful achievement . . ."

Leon Chatelain, Jr., American Institute of Architects—"As a public service. AIA would gladly set up . . . an advisory committee to assist in selecting an architect. Perhaps there should be a national competition for the job."

Neill Phillips, American Planning and Civic Association—"We are very glad to support the compromise bill to place the cultural center on the river site."

The only letter in opposition was from L. J. Esunas, of 410 East Capitol street. He wrote as secretary of the Andrews Air Force Base AFL–CIO employes that the center should be on the Mall, not in Foggy Bottom.

Frank L. Dennis, who operates the National Historical Wax Museum at Twenty-sixth and E streets N.W., the site to be acquired for the center, asked for permission to keep in operation until the center construction is ready to start.

[From the Washington Post and Times Herald of Sunday, August 17, 1958]

Still Some Hurdles, but Lower Ones

(By Robert C. Albrook)

Congress works in mysterious ways its wonders to perform. Just when things seem hopelessly entangled in conflicts, conferences and confusion, the waters are miraculously calmed and a storm-tossed piece of legislation sails smoothly into harbor.

This, last week, was the case with the District Cultural Center project. Already approved by the Senate, it will come before the House with a strong endorsement from a seemingly enthusiastic Public Works Committee. Although a two-thirds vote will be needed for passage under suspension of the rules as customary procedure this late in the session, sponsors are optimistic.

The chief credit probably should go to Representative Frank Thompson, Jr., of New Jersey, the bill's sponsor, and his indefatigable aide, George Frain, who has worked assiduously on behalf of the District's art and music facilities for many years.

But their labors would have been in vain except for the support of President Eisenhower, Senator Fulbright, who put the project through on his side of the Capitol, and Representatives Jones, McGregor, Mack, Dooley, Auchincloss, and other members of the House Public Works committee who have pushed the legislation along or indicated broad sympathy with its objectives.

Auchincloss, a veteran in District affairs on the Hill and the real father of the postwar home-rule movement, has some reservations about procedure. He would like to be assured that this privately financed project, to be built on publicly owned land in Foggy Bottom, will indeed be able to stand on its own feet, as its sponsors believe it will.

Auchincloss explained his position to fellow subcommittee members this way:

"I think the committee ought to go into this thing with its eyes open. I am not against culture. I think it is an excellent thing for the District of Columbia to have. I do think we ought to have some assurance, if they are to construct some kind of building, that we can have a look-see at it and have some kind of prospectus which will show whether they will be able to operate it at a profit without the necessity of coming to the local government, which is hard pressed for funds anyway, or to Uncle Sam."

But Auchincloss did not vote against the bill in committee, recording himself instead as present. And he went on to say: "I do not want to be in the role of trying to be in opposition in any way to the advancement of this kind of center. I think it is necesasry and I think it is a good thing for the community."

Representative McGregor, however was impressed—and so, apparently, were a majority of the committee—with the prospectus for the center worked up by the District Auditorium Commission, under a Congressional mandate, and presented to Congress in January 1957.

This $95,000 study appeared, a year ago, to have been wasted, and the project doomed, after Congress refused to endow the Commission with authority to select and acquire a site for the proposed center. The Commission wanted to buy a site in Foggy Bottom, parts of which were earmarked for other public and private projects.

But early this year, Thompson and Fulbright proposed the new legislation, now before the House, which settles the site question by authorizing use of land, already mostly federally owned, also in Foggy Bottom but south of the tract favored by the Commission.

The new legislation also would provide for appointment of a new commission and for general supervision of the project by the Smithsonian Institution, all along the lines of the Mellon Gallery's creation.

The old Commission's reports convinced the House committee, however, that all the advance planning that could reasonably be expected had been done and that this effort ought not to go down the drain. Said McGregor of the Commission's prospectus: "I have never seen a prospectus as nearly complete as the one which has been presented in behalf of this legislation."

Representative Dooley seemed to bespeak general committee sentiment in noting: "I think there is so much public interest over the Nation in this cultural center that no doubt it will be a success financially. I used to be in that business, and I know money is available."

If the House approves the bill this week, the big job of raising $15 to $50 million and settling on detailed plans will be the next order of business, once a new commission is named.

[Excerpts from the Congressional Record, August 22, 1958]

National Cultural Center

The Speaker pro tempore. The Chair recognizes the gentleman from Alabama [Mr. Jones].

Mr. Jones of Alabama. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas [Mr. Wright].

Mr. Wright. Mr. Speaker, enactment of the bill S. 3335 during this session of Congress has been specifically requested by the President of the United States. The bill has been endorsed by the Department of Interior, the Bureau of the Budget, the Board of Commissioners for the District of Columbia and the Commission on Fine Arts. It was passed in the other body by an overwhelming vote. Your House Committee on Public Works, after open hearings and committee discussion, recommends the bill to you with an amendment which is acceptable to its sponsors.

This legislation is designed to fill a long-felt deficiency in our Capital City. As President Eisenhower pointed out in his letter of August 1 to Chairman Buckley:

There has long been a need for more adequate facilities in the Nation's Capital for the presentation of the performing arts. An auditorium and other facilities such as are provided for in (this) pending legislation, established and supported by contributions from the public, would be a center of which the entire Nation could be proud. I hope that the Congress will complete action on this legislation during this session.

Mr. Smith of Virginia. Mr. Speaker, will the gentleman yield?

Mr. Wright. Yes, I will gladly yield to the distinguished gentleman from Virginia.

Mr. Smith of Virginia. I just wonder why there should be opposition to this bill. It does not cost the Government any money. They are going to have a magnificent structure here. The money is going to be raised by voluntary contribution and they will have a magnificent building here for the performing arts. It is very badly needed, and we get it free, and the only reason I can see why anybody would object to this bill is because it does not cost the Government any money.

Mr. Wright. I certainly concur in what my colleague has said.

The bill would permit the construction here in Washington, of a national cultural center. It would be financed—not by the Government—but by private funds donated by the public. The site would be provided by the United States, and this would be the only Federal expense involved. The committee amendment which we are recommending would require that, if sufficient funds for the erection of this center shall not have been raised from the public and received by the trustees within 5 years after enactment of this law, the act shall cease to be effective and the land be returned to the United States.

Alone among the major capitals of the world, Washington has no facilities suitable for the presentation of grand opera. There is no building in Washington which can accommodate the requirements of the more elaborate theatrical, ballet, and orchestral presentations which have enriched the lives and expanded the cultural horizons of the citizens of many much smaller cities both here in the United States and the world over. American musical and theatrical companies play to enthusiastic overflow audiences in capitals throughout the world. Yet neither these American companies nor their counterparts from other lands can be invited to perform in Washington because we have here no appropriate accommodation for them.

This bill would establish within the Smithsonian Institution a Board of Trustees for the National Cultural Center. The Board would be composed of 15 specified Federal officials and 15 general trustees appointed by the President. It would be the duty of the Board to supervise and oversee the construction of the center with privately donated funds, to maintain and administer it, and to present programs of the performing arts—opera, popular musicals, ballet, and folk dancing, plays, lectures, and pubic meetings of a sorts. There also would be established an Advisory Committee on the Arts, selected by the President, to advise and consult with the Board and recommend appropriate activities to be conducted in the center.

The site proposed for the building is in what is known as Foggy Bottom almost due north of the Lincon Memorial, in an area bounded by Rock Creek Parkway, New Hampshire Avenue, the Proposed Inner Loop Freeway and the authorized Theodore Roosevelt Bridge. This is the location which, after an exhaustive study of all possible sites, has been recommended by the Department of the Interior and the National Capital Planning Commission.

The reason, of course, why Congress must concern itself with meeting this critical need is that Congress serves as the governing body for this great city. In the typical American city, the local municipal government would handle a matter of this kind—and indeed many have. By the most recent accounting, there are some 382 other American cities which already enjoy such facilities as are proposed here. By our inaction, were we to turn a deaf ear to the President's request, we would be denying the residents of the Washington area the opportunity to have a resource they greatly desire and one to which the size and stature of this metropolitan area otherwise would certainly seem to entitle them.

But we probably would be doing more than that. For this is our National Capital. This city belongs to all Americans. When George Washington in 1789 commissioned Maj. Pierre L'Enfant to plan the Federal City he directed that it be planned as a cutural and civic center for the new United States. Our Capital City is in many respects a magnificent showpiece of our way of life. It is the window through which much of the world sees the United States. I am proud of its grandeur and its spacious beauty, its gracious buildings and monuments, its unsurpassed libraries and its splendid art galleries.

Yet here is one deficiency which is broadly acknowledged. The authorities agree that Washington needs a center for the performing arts. The public seems anxious to correct that deficiency by popular donation and by their continuing patronage. Many impressive figures in the financial and theatrical worlds have pledged their backing. The American Institute of Architects has offered its wholehearted cooperation without fee in designing the structure. The President has asked that we permit this planning to get underway without further delay by acting before this Congress adjourns. The other body has acted. They are waiting now only for the "green light" from us. Your committee recommends that we give it to them by suspending the rules and passing this bill today.

Mr. Gross. Mr. Speaker, will the gentleman yield?

Mr. Wright. I will be glad to yield to the gentleman from Iowa.

Mr. Gross. Does that include tap-dancing, toe dancing and can-can dancing?

Mr. Wright. I presume it would include any of those performing arts. Perhaps even the Grand Ole Opry.

Let me say this in all sincerity, Mr. Speaker, and I think it is important. I suppose that I have done my share of demagoging. All of us like to portray ourselves as real, sure enough corn-fed, homegrown, log cabin boys. All of us have been just a bit guilty of that. In striking such a pose, it is always kind of easy to ridicule and poke fun at things of a cultural nature. I plead guilty to having done my share of it, but I think, Mr. Speaker, that we have reached a state of maturity in this Nation when that kind of attitude no longer becomes us. Sooner or later, we have to grow up and stop poking fun at things intellectual and cultural.

Mr. Mack of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. McGregor].

Mr. McGregor. Mr. Speaker, I want to concur in the statements made by the gentleman from Texas [Mr. Wright] and especially those of the gentleman from Virginia [Mr. Smith]. I honestly cannot see what is wrong with this bill—some feel it is in error—unless it is the fact that it is not costing the taxpayers of the United States a single penny. It is rather amusing to me that certain Members of Congress and certain members of our committee and other committees are opposing this legislation, and when we check their record we find they have voted consistently for foreign aid, or to build stadiums or cathedrals, and everything else, in foreign countries. Yet when we come back to the United States and have the opportunity to give the people of the United States the privilege of making a contribution toward a cultural center, they are prohibited.

The point is going to be raised, as it was in the committee, that we have no definite plans. I am hoping that every member of the committee has taken the time to read the plans which are headed, "A National Civic Auditorium and Cultural Center for the Citizens of the United States." It covers 95 pages. I have been in Congress only for the short period of 20 years, but I have never seen anyone submit to a committee of Congress of which I have been a member a specific plan any more elaborate, any more detailed than this one.

So I repeat, seemingly there is something wrong, according to the view of some there is something in error with this legislation, and that something is that it is not costing the American taxpayers a single penny.

I sincerely hope that we will give the opportunity to the people of the United States to contribute to this cultural center and that we shall pass this bill in this Congress, at least one bill that will not cost the taxpayers anything.

Mr. Mack of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. Fulton].

Mr. Fulton. Mr. Speaker, as one of the cosponsors of this legislation I rise in strong support of this bill for a national cultural center. It has been said that this will not cost the Government any money. No, it will not.

The people of the country should be pleased that the civic minded citizens of Washington, D.C. and of this country are taking on themselves the civic obligation to provide this cultural center for this great and growing city. There are such centers in many of our United States cities, and many more in every country of Europe. We in Pittsburgh are doing the same job at public expense. We are building an auditorium to take care of events of this type which we believe are necessary to our culture and civic growth.

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Mr. Jones of Alabama. Mr. Speaker, I yield 5 minutes to the distinguished author of the bill, the gentleman who has done so very, very much by his legislative skill to bring this bill to the House today, the gentleman from New Jersey [Mr. Thompson].

Mr. Thompson. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The Speaker. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. Thompson of New Jersey. Mr. Speaker, I should like to pay tribute to those Members of this body and of the other House who have worked long and hard for this great project of a National Cultural Center.

To my colleague from Pennsylvania, Carroll D. Kearns, who has worked longer for this program than any Member of this House, I pay a special tribute. The gentleman from Pennsylvania introduced and cosponsored legislation for similar purposes with my predecessor Charles R. Howell, who shared this same great vision.

To the Senator from Arkansas [Mr. Fulbright], who had the courage to join me in this venture, and the drive and imagination to enlist the sympathetic support of his colleagues, Senator Alexander Wiley, and Senator Clinton P. Anderson, as cosponsors, and the rest of his colleagues on June 20, 1958, when this measure passed the Senate unanimously, a special debt is owed by the citizens of our country. His contribution is, indeed, an historic one. This legislation is, I am confident, a further and important addition to Senator Fulbright's contribution to cultural matters which began with the historic Fulbright Act of 1944.

I want to say how grateful I am for the bipartisan spirit which has supported this legislation and worked hard and faithfully for it at every step in the House.

I want the Members of this House to know that the ranking minority member of the House Public Works Committee, the gentleman from Ohio [Mr. McGregor] not only sponsored this legislation but has been one of its most valuable and consistent supporters. Without his help, given generously and without stint to the chairman of the Public Buildings Subcommittee, the gentleman from Alabama [Mr. Jones], this legislation would not have had a chance of adoption.

There are enough and more honors for those who have contributed of their time and strength to this fight.

I would like to mention the other sponsors this afternoon, the gentlewoman from Ohio [Mrs. Bolton], the gentleman from Pennsylvania [Mr. Fulton], the gentleman from Pennsylvania [Mr. Simpson], and the gentleman from Wisconsin [Mr. Reuss], each of whom deserve the enthusiastic support of their countrymen today, tomorrow, and at the voting booths in November.

There is the historic phrase in connection with the first telegraphed message, asked by Mr. Morse, "What hath God wrought?"

My dear friends and colleagues from both sides of this House, I feel impelled to ask this same question this afternoon, "What hath God wrought?" for this is an historic occasion which will grow in importance as time goes on.

I know all of us will look back to this moment, and be proud that we have contributed to the growth of our country in cultural matters.

No one has worked harder for this on the Democratic side of the aisle than the chairman of the Public Buildings Subcommittee, the gentleman from Alabama [Mr. Jones] and no one has shown a greater grasp of the vast potential of this measure than the gentleman from Texas [Mr. Wright] whose magnificent statement we have just heard.

If this legislation proves anything, it is that Members of both parties can work together in harmony for the advancement of our country. The fine arts and education reflect the true status of our Nation, and make our civilization endure and flourish.

There is a rare unanimity of opinion in support of the National Cultural Center, extending from President Eisenhower and Vice President Nixon, the Board of Commissioners, District of Columbia, all the Federal and District Agencies, the Board of Trade, the General Federation of Women's Club, the National Federation of Music Clubs to the AFL–CIO.

We have the President's fine statement in the printed Report of the Committee on Public Works and referred to by our distinguished colleague, Mr. Wright of Texas.

Some months ago, Vice President Nixon wrote me as follows:

"As you know, for some time I have been in favor of the development of such a center here in Washington. It would not only provide a much needed facility for the residents of this area, but more important, it would also serve as a symbol of the interest of our Nation and Government in the rich cultural traditions and experience of America."

The Wall Street Journal in a front-page story on May 15, 1958, declared that while Vice President Nixon and his entourage were running into angry mobs the New York Philharmonic Symphony on its South American tour at the same time was everywhere greeted with warmth and affection by cheering symphony fans.

It is important to note that upon his return the Vice President recommended that we send cultural groups to South America where the New York Philharmonic Symphony was received with such great ovations at the very time the Vice President was being abused and his life endangered. This is not art for art's sake, but a question of survival against a ruthless enemy which uses art as propaganda.

The legisaltion today calls for the Federal government to contribute some little-used land it owns in a public park area where no office buildings will be built. The Government to contribute the land just as it did to the Bell-Tower Memorial to Senator Taft.

The District of Columbia Board of Commissioners have offered to contribute an acre that is in private ownership, by the only device open to them—that is, that the land be purchased by the National Capital Planning Commission with Capper-Cramton funds, which the District will repay through ad valorem taxes raised in the District of Columbia.

Since the taxpayers here pay some $170 million in local, not Federal taxes—more than several states—and this tax money is allocated by the Congress it seems eminently fair that the District be allowed, as provided in S. 3335, to add its contribution to this National Cultural Center.

Compared to the $40 billion we appropriate each year for Defense and Government's contribution of six acres of land, acquired through the years at a cost of about $900,000 seems little enough for the contribution to the arts of peace.

Certainly, the arts of peace must be cultivated, too.

We fail to get our message of peace across, and we have failed in this very badly. Yet the cost of the arts of peace are infinitesimal compared to the cost of the arts of war.

Unfortunately, as many keen observers have pointed out, we are inclined to rely altogether too much on propaganda handouts, and informational media which fail to get across the story of our peaceful intentions. They will fail to get our story acroes as long as we fail to pay attention to the arts of peace at home—the arts, in other words, which other peoples regard as the very soul of a nation and a people.

* * * * *

Mrs. Bolton. Mr. Speaker, I want to express my deep appreciation to the distinguished gentleman from New Jersey for the work done in this whole matter and also to the distinguished chairman of the subcommittee as well as to the members of the full committee. Some indication of the enthusiasm which a National Cultural Center in our Capital City would generate across the country can be seen from what has happened here in Washington since President Eisenhower's letter of endorsement was released.

S. 3335 was passed in the Senate without a dissenting vote. After long and considered hearings, the bill had been approved by the Subcommittee on Public Buildings and Grounds, by the National Capital Planning Commission, the Board of Commissioners of the District of Columbia, the Washington Board of Trade, the Bureau of the Budget and many other agencies and individuals, who testified before the Senate committee.

Along with many other beauty-loving Americans, I have long been aware of our lack of cultural facilities here in our National Capital.

In addition, my work on the Foreign Affairs Committee has brought me an increased realization of the importance of the arts in our foreign relations, and of the use other countries make of these in their foreign relations. I have asked myself and others the question: "Why is it that Washington should lack the needed facilities for the performing arts?"

The District of Columbia Auditorium Commission, headed by Mrs. Eugene Meyer, and which included a number of Members of Congress from both Houses, found that 332 American cities have cultural facilities. Americans as well as foreigners visiting Washington find it difficult to understand why our Capital City has no center for the arts, especially when they know that we have helped a number of European cities restore their great theaters and opera houses.

Feeling a definite sense of responsibility to my own people I joined with other Members in introducing a companion measure, H.R. 13193. It would seem exceedingly timely for us to demonstrate our recognition of the fact that beauty in all its phases is a vital human need.

Only recently the Congress passed, and the President signed, a bill for a second stadium to seat 50,000. Surely the need of an art center is one that cannot be gainsaid.

It is my earnest hope that this bill do pass.

Mr. THOMPSON of New Jersey. I thank the gentlewoman.

Mr. Speaker, I shall close my remarks with a tribute to the person who has worked longer and harder for this legislation than anyone else. Earlier, I said that the idea is not new; it originated, in fact, with George Washington, this Nation's first President. In his first inaugural message, General Washington called to the attention of the Congress the need for recognition of music and the arts. Since Washington's day the cultural center has been advocated by Jefferson, Madison, Truman, and, as Mr. WRIGHT stated, Eisenhower. The great amount of work necessary to bring us here today, however, was done by my able and devoted legislative assistant, George Frain. Mr. Frain has worked night and day for years, literally, to see the culmination of this great project. Words cannot express my appreciation and admiration of his work. My cosponsor in the other body, the great Senator from Arkansas (Mr. FULBRIGHT), has often paid similar tribute to George Frain. The art and music lovers of this Nation are indebted to Mr. Frain, as are all of us here today.

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland (Mr. HYDE) may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HYDE. Mr. Speaker, I rise in enthusiastic support of the bill to establish a National Cultural Center in the Nation's Capital. The establishment of such a center is long overdue in this Nation. We have been negligent in proper recognition of the cultural arts; it is my hope that the House will give this bill a unanimous vote of approval. This is a fine example of the realization of social goals through private initiative. This project is being paid for by the voluntary subscriptions of the citizens of this country; we cannot deny them the benefit and joy of a National Cultural Center.

Mr. MACK of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BALDWIN).

Mr. BALDWIN. Mr. Speaker, I rise in support of S. 3335.

The most remarkable thing about this bill which came before the Public Works Committee is the fact that this group of people who are interested in providing a National Capital Cultural Center are willing to actually assume the burden of raising the funds to finance it. That is quite a distinctive approach to those of us in Congress who have been working on many projects involving the construction of buildings. It seems to me when people have the demonstrated initiative such as there is in this case to assume voluntarily the cost of construction of the National Cultural Center that we should respond to that initiative and encourage it and do everything we can to cooperate with them in bringing this building to a reality. This building will add to the beauty, the attractiveness, and the greatness of this Nation's Capital. We should pass this bill as presented to us.

Mr. MACK of Washington. Mr. Speaker, I yield such time as he may use to the gentleman from Wyoming (Mr. THOMPSON).

Mr. THOMPSON of Wyoming. Mr. Speaker, the need for this cultural center is apparent. It is in the national interest.

I join in supporting this measure and to warmly endorse the site which has been selected for the cultural center. Not only should the center itself afford adequate facilities for any fine arts performance, but the site from every viewpoint offers the best advantages of accessibility, esthetic beauty, proximity to residential, business areas and hotels, good public transportation, restaurants, and parking facilities. My support is also based and conditioned on the provisions for financing through donations solicited for that purpose with the provision that if such funds are not forthcoming, the amount collected would go to the Smithsonian Institution.

Mr. MACK of Washington. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey (Mr. WOLVERTON).

Mr. WOLVERTON. Mr. Speaker, I wish to express gratification at the commendation that has been extended to my colleague the gentleman from New Jersey (Mr. THOMPSON) for the effort he has put forth in this matter. It is well deserved. I am strongly in favor of this bill.

The bill is most worthy. It would fill a longfelt want in our National Capital. Cultural centers exist in practically every European capital. We have none. This Nation that leads in so many worthwhile activities is terribly delinquent in failing to provide a cultural center in this the greatest Capital in all the world. We should no longer delay in providing such a center.

A center of this kind will enable us to have presentations in cultural subjects such as music, art, drama, and all the other activities of a cultural character. The failure to have such a center, in my opinion, detracts from our national prestige.

Furthermore, it should not be overlooked that a cultural center, where representatives of foreign nations will participate in performances can be helpful in building understanding and good will between ourselves and the people of other nations.

I repeat, the bill has a most worthy objective and should have the support of the House. And, in concluding, I would like to bring to the attention of the House that the establishment of the center, as provided for in this bill, will be at no cost to the Federal Government. The cost is to be met by voluntary contributions.

Mr. MACK of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. KEARNS).

Mr. KEARNS. Mr. Speaker, 12 years ago when I came to Congress we were about to build a monument in honor of the soldiers of World War II. That was before the Korean war. I suggested at that time that we had enough monuments around Washington for pigeons to roost upon, and I thought it would be very good to do something along a different line, perhaps a living memorial to menbers of our Armed Forces. I see my distinguished colleague, the chairman of the Judiciary Committee, the gentleman from New York (Mr. CELLER), on the floor. He had a bill for this purpose pending in Congress before I was privileged to be a Member of this body.

We decided to build a cathedral of the arts, an opera house. I do not believe that any other Member of Congress has had the privilege I have had of conducting the United States Air Force Symphonic Band and Orchestra in many parts of the world. A year ago today I was in Tokyo, at the height of the Girard case, conducting before 50,000 people there. There was no incident even though a Member of the United States Congress was conducting—because music is an international language.

I want to give great credit to the gentleman from New Jersey (Mr. THOMPSON), also to his predecessor, former Congressman Charles Howell, and the others who have been working on this project for a long time.

The Capital of the Nation, Washington, D.C., should have a cultural center. It should be the cultural center of the United States of America; and, furthermore, I would like to see the greatest school system in the country functioning here in our Nation's Capital.

Let us make this Nation's Capital a world capital today, a cultural center, an educational center. The bill before us today, if passed, will be a great step in that direction and I believe the people of the world will rise and say: "Well done, United States of America."

Mr. REUSS. Mr. Speaker, many visitors from Europe come to my office here in the Capitol each year. Almost invariably, they speak of their admiration for Washington as one of the most beautiful cities of the world. Then they go on to express their amazement that it contains no cultural center for the performance of opera, ballet, music, and drama. Every provincial city, every grand ducal seat of France and Germany has its beautifully appointed home for the performing arts. I refuse to believe, Mr. Speaker, that what a Louis Napoleon or a Frederick the Great could do, the free people of the United States, by their own initiative, cannot do.

I hope that S. 3335 will overwhelmingly pass, and that the National Cultural Center will become a reality.

Mr. JONES of Alabama. Mr. Speaker, I yield myself 5 minutes.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Ohio.

Mr. VORYS. Mr. Speaker, I support this bill. Many, if not most, of the great capitals of the world have theaters built by the government and subsidize the drama, the opera, music, and the ballet. I do not feel we should follow this practice. On the other hand, I regret the lack of these cultural activities in our great Capital. This bill meets this situation in a truly American way, by making it possible for private citizens, for the people of the country, to create a cultural center on Government premises. I congratulate the sponsors of this legislation in Congress and in Washington; I particularly want to mention Mrs. Virginia Lorve Bacon, a great civic leader and widow of a distinguished American who served in this House. This bill provides the right way to go ahead with a national cultural center, the right place to locate it. Now is the right time to act on it.

Mr. McGregor. Mr. Speaker, will the gentleman yield?

Mr. Jones of Alabama. I yield to the gentleman from Ohio.

Mr. McGregor. Mr. Speaker, I want to pay my compliments to the distinguished gentleman from Alabama. He has done an excellent job, and I hope he clears up somewhat of an error that seems to have gone around, emanating from my distinguished friend from Washington, that this is going to cost the Federal Government a considerable sum of money. I hope he will show us that the contributions that are going to be collected will pay $693,000 for the land that is now owned by the Federal Government.

Mr. Jones of Alabama. I thank the gentleman.

Mr. Kearns. Mr. Speaker, will the gentleman yield?

Mr. Jones of Alabama. I yield to the gentleman from Pennsylvania.

Mr. Kearns. Mr. Speaker, I would like to compliment the gentleman personally as chairman of this commttee that has given great deliberations to this problem, and I hope that this legislation will be passed unanimously. I would like to pay tribute, also, to the gentleman from Ohio (Mr. McGregor) on our side.

Mr. Keating. Mr. Speaker, erection of the National Cultural Center will have national significance, since it will serve as a mecca and magnet for people from all over the country who visit the Nation's Capital.

There should be no question about the need for this building and about the soundness of the method under which it is to be constructed. Careful thought and planning has gone into all aspects of this project, and I commend all concerned for having worked out such a reasonable solution to the complex questions involved.

It should be noted that the land to be occupied by this structure is not now being used for any significant purposes, that the center will not be subsidized by the Federal Government, and that it will be self-supporting. We have a precedent for this project in the National Gallery of Art, which now houses a world famous collection of priceless works of art. Yet no Federal money was expended to construct that building.

We in the United States are justly proud of the accomplishments of our writers, actors, and related performers. We have a great history of achievement and success in these fields which is certain to be enhanced in the years ahead. One sure means for stimulating this growth in the performing arts is to provide proper places in which they can be performed. All over the country, drives and projects are going forward with this exact object in mind.

It is only fitting that the Nation's Capital should house a structure worthy of the great performing arts of the United States. That is exactly what will be provided by this legislation.

Special commendation is due to my colleague, the gentleman from Pennsylvania [Mr. Kearns], and his dedicated coworkers in and out of Congress, who have worked so long and so hard to make the National Cultural Center a reality. Mrs. Robert Low Bacon and other tireless civic leaders have provided uncounted hours of hard work and planning to make this legislation possible. I congratulate all of them for a job well done, and urge every Members of this body to give their efforts an overwhelming vote of approval.

Mr. FULBRIGHT. Mr. President, as these articles and statements make clear, this legislation could not have passed without the diligent support of many civic leaders and persons interested in the arts as well as Members of Congress and their staffs. In his statement of August 22, 1958, Representative Thompson paid tribute to one of the staff members who did a great deal to make this idea a reality, Mr. George Frain. Mr. Frain, as Representative Thompson said:

> Worked night and day for years . . . to see the culmination of this great project.

Mr. Frain worked very closely with Mr. Lee Williams of my staff and many others in laying the groundwork for today's Kennedy Center. Mr. President, I ask unanimous consent to have printed in the Record at this point an undated article from the Washington Post in 1958 concerning Mr. Frain's contribution.

There being no objection, the article was ordered to be printed in the Record, as follows:

Many Hands Pulled "Cultural Center" Bill

(By Richard L. Coe)

Frain is one that seldom gets into print but he was the behind-the-scenes hero of Capitol Hill's action, George Frain, an assistant to Rep. Thompson.

For years now Frain has been the legislative gadfly it takes to get an idea acted on by Congress. I first heard Frain bring up the matter in 1946 when the city was realizing what the local theatrical policy of racial discrimination implied. The more Frain learned of what music, dance and drama could mean the more insistent he became. I hate to suggest plaques already for an unbuilt building, but there ought to be one in the cultural center with George Frain's name on it.

Mr. FULBRIGHT. Mr. President, following the passage by Congress, S. 3335 was signed by President Eisenhower on September 2, 1958, as Public Law 85–874.

Planning and preliminary work on the Center got underway in the following years, and on September 11, 1962, Mrs. John F. Kennedy unveiled the model of architect Edward Durell Stone's design for the Center.

I am quite proud of the fact that Ed Stone, a native of my hometown of Fayetteville, Ark., was the architect for the Kennedy Center. Mr. Stone is one of our foremost architects and I believe he did an excellent job in his planning of the Center. In the early days, when funds were in very short supply, Mr. Corrin Strong was especially generous with his personal fortune in keeping the project alive.

On June 4, 1963, on behalf of Senator Saltonstall, Senator Clark, and myself, the three Senate Members then serving on the Board of Trustees, I introduced S. 1652, to amend the National Cultural Center Act to extend the termination date and to enlarge the Board of Trustees. This bill became Public Law 88–100 on August 19, 1963, when signed by President Kennedy.

On October 8, 1963, President Kennedy, who took a direct and personal interest in the Center, was host at a luncheon at the White House for members of the President's Business Committee on the National Cultural Center.

Only a few weeks later the President was assassinated, and intense desire was expressed throughout the country for the establishment of an appropriate memorial to perpetuate many of his aims and ideals. Along with many others I felt that this Center would constitute a fitting memorial to the President, particularly since he had taken a deep interest in and played an active role in the development of the Center.

On November 26, I introduced legislation for this purpose. A number of other proposals were being discussed as well and on December 3, 1963, I introduced Senate Joint Resolution 136, eventually cosponsored by 55 other Senators. The joint resolution authorized the redesignation of the National Cultural Center as the John F. Kennedy Center and authorized an appropriation therefor.

The move to designate the Cultural Center as a memorial to the late President drew widespread support.

Mr. President, I ask unanimous consent to have printed in the Record at this point an editorial from the Washington Evening Star of November 26; articles from the Evening Star of November 27 reporting the support for this proposal; and a statement from the Congressional Record of December 3 concerning the introduction of Senate Joint Resolution 136.

There being no objection, the items were ordered to be printed in the Record, as follows:

[From the Washington Star, Nov. 26, 1963]

A Kennedy Memorial

His own best memorial will live in his own memorable words, for he spoke in trumpets, summoning us to seek our finest nature and to fit it to the difficulties and dangers of our time.

Our own best act of remembrance must continue to be the faith we keep with his imperatives.

But the heart desires and the slain leader deserves a more tangible, more specific memorial, a physical place in the Nation's Capital corresponding to his place in prayer in the Nation's heart.

There can be no more fitting memorial than the dedication now, to him, of the National Cultural Center.

The President and Mrs. Kennedy brought to the center of things the service performed by the arts for men and women. In thought and speech John F. Kennedy moved with familiar friendship among the poets and the prophets. It was the same in his and Mrs. Kennedy's home. The White House became a place of welcome for musicians and painters, dancers and writers.

The idea of the Cultural Center preceded the Kennedy administration. But President Kennedy gave the idea force and form, and a singularly personal leadership, without which it could hardly have achieved its present development.

Mrs. Kennedy, from whom we have learned to bear loss with dignity, was even more deeply involved. To salute her loss as well as ours, a Kennedy Memorial Cultural Center would speak intimately of part of her gift to us.

Other memorial proposals have been made, chiefly of re-naming athletic stadia already in existence. The Cultural Center as a memorial to Mr. Kennedy is not only uniquely expressive of a purpose shared by the President and his wife. Since it is now in early process, since funds are still being raised, it also would give all Americans the chance to remember the President by bringing to completion an intent and wish of his.

The change of name and the dedication should be made at once. The building should be brought to reality as soon as possible.

John F. Kennedy will live in the hearts of men. Let him live also in the arts he loved.

[From the Washington Star, Nov. 27, 1963]

SUPPORT GIVEN CENTER AS KENNEDY MEMORIAL; BIPARTISAN GROUP OF SENATORS OFFERS BILL ASKING U.S. FUNDS OF $5 MILLION

(By Orr Kelly)

A spontaneuos wave of support grew today for the proposal to build the National Cultural Center on the banks of the Potomac as a living memorial to the late President Kennedy.

A bipartisan group of four Senators joined late yesterday in introducing a bill to name the proposed center for Mr. Kennedy and to authorize the appropriation of $5 million as the final portion of the $30 million cost of the center.

Senator Fulbright, Democrat of Arkansas, who introduced the bill, said he hoped his proposal would help to stimulate public contributions to construct the center.

"I hope," he said, "that the Federal contribution will help to get the center built in the near future and that additional contributions from the public can be used to provide the beginning of an endowment fund to finance performances at the center."

THREE ARE COSPONSORS

Joining with Senator Fulbright as cosponsors of the bill were Senators Saltonstall, Republican of Massachusetts, Clark, Democrat of Pennsylvania, and Humphrey, Democrat of Minnesota.

Senators Fulbright, Saltonstall and Clark, who are trustees of the center, joined yesterday in inserting in the Congressional Record an editorial from yesterday's Evening Star suggesting the center as an appropriate memorial to the late President.

Members of the late President's family, to whom the suggestion concerning the center has been made, were reportedly delighted with the appropriateness of the center as a memorial, as was President Johnson.

The late President last inspected the model of the $30 million Center on October 8, when he called 60 of the Nation's top business leaders to the White House to urge their support for the project.

"He was very enthusiastic, both about the plans and the site." Edward Durell Stone, architect for the Center, recalled. "I think it would be poetic if his name were to be identified with it."

On the House side, three members announced independently that they intended to introduce legislation to name the Center in memory of Mr. Kennedy.

In a public announcement, Representatives Ullman, Democrat of Oregon, and Senner, Democrat of Arizona, declared:

"President Kennedy brought to this Nation, and to this Capital, an intellectual and cultural reawakening that has made a profound impact on our national life. The Cultural Center is one of the most dramatic expressions of that reawakening. The Nation needs his continuing guiding spirit to insure that we do not lose the stimulus to a higher realization of our cultural heritage."

CHAIRMAN ADDRESSED

The Representatives also wrote to Roger L. Stevens, chairman of the center board of trustees, asking his support and that of the board for the proposal.

"We wish to urge you and the members of the commission to support this effort as a fitting tribute to the man we all loved so well," they wrote.

Mr. Stevens said he did not think it was appropriate for him to comment on the proposal before getting the opinions of other members of the board. But, even though his office is in New York, he said he had heard considerable favorable comment based on The Star editorial during the day.

The bill proposed by Mr. Ullman and Mr. Senner provides that the center be called the John Fitzgerald Kennedy Memorial Center and provides for a Federal contribution to the center of $25 million on a matching basis.

M'DOWELL OFFERS BILL

Another bill, introduced in the House by Representative McDowell, Democrat of Delaware, was modeled on the Fulbright bill, but with several important differences. It proposed that the center be called the John Fitzgerald Kennedy Center of the Performing Arts and provides for competitions, fellowships, scholarships and prizes for young composers and writers.

A meeting of the board's executive committee will be held here on Tuesday, he revealed, and the proposal to name the center in honor of the late President will be one of the major items to be discussed, he said.

VICE CHAIRMAN IN FAVOR

Less restrained in his on-the-record comments was L. Corrin Strong, vice chairman and member of the center and one of its earliest and strongest supporters.

"I think it will be a wonderful idea," he said "I have nothing but praise for the idea. I think it is an excellent one."

Senator Fulbright's bill proposes that the Center be called the John Fitzgerald Kennedy Cultural Center.

But there seemed to be a strong feeling among many of those who have been active in working for the center that the word "cultural" was inappropriate. Suggestions for a name included the John Fitzgerald Kennedy Memorial Center, the Kennedy Memorial, the Kennedy Center, the John Fitzgerald Kennedy Center and the Kennedy Living Memorial.

ENDOWMENT FAVORED

Among those who favored the proposal, there was also a strong feeling that the center should be built soon and that it should be complete—including some form of endowment to aid in filling it with the sound and movement of music and drama.

Mr. Stone, whose earlier architectural works have drawn favorable comment throughout the world, said that he hoped work could begin in about eight months.

Funds for the center—either already in hand or pledged—now total in the neighborhood of $16 million, including a recent pledge of $1 million from the Rockefeller Foundation, an earlier pledge of $5 million from the Ford Foundation, and a promise of marble for the center from the Italian government.

[From the Washington Star, Nov. 27, 1963]

CULTURAL CENTER: TRUSTEES BACK DEDICATION TO KENNEDY

There was overwhelming support today from members of the National Cultural Center board of trustees. Congressmen and others connected with the project to dedicate the Center to President John Fitzgerald Kennedy.

They had the following to say:

Senator Fulbright, Democrat of Arkansas: "I certainly do favor naming the center after President Kennedy."

Senator Mansfield, Majority Leader: "This would be a perpetual monument."

Senator Dirksen, Minority Leader: "President and Mrs. Kennedy were pioneers in the cultural field and it would be most appropriate for the center to be so dedicated."

Senator Humphrey, Democratic Whip, of Minnesota: "Not only do I indorse the idea, but I began thinking of making such a proposal on Saturday and had already held some conferences on the subject."

Senator Douglas, Democrat of Illinois also indorsed the proposal.

Representative Frank Thompson, jr., Democrat of New Jersey: "It certainly would be appropriate. I can't think of anything more fitting than a living and vibrant memorial to a man who was so vibrant himself. He was the first President to give the arts and cultural affairs their proper place and emphasis in our national life." Mr. Thompson added he would have to give further thought to the question of whether he would support legislative authority for a Federal contribution to speed construction of the Center.

Ralph J. Bunche, Undersecretary of the United Nations Secretariat. "Personally I think it is a very interesting idea. I think it would be a good idea. Both President and Mrs. Kennedy were actively interested, and were a very good and great help." Mr. Bunche added that he felt it would be inappropriate to indorse the idea in his official capacity as a trustee of the Center until he confers with other board members.

Dwight D. Eisenhower, former President, and Mrs. Eisenhower, said at this time they were in "no position to comment," and wanted to study further the proposal before making a statement, according to an assistant of Mr. Eisenhower. The idea of the Cultural Center originated during Mr. Eisenhower's term of office. His wife and Mrs. Kennedy are honorary chairmen of the Center's board of trustees.

Roger L. Stevens, chairman of the board, also declined to comment at this time, but L. Corrin Strong, former chairman and now vice chairman and a trustee said: "I think it will be a wonderful idea. I have nothing but praise for the idea. I think it is an excellent one."

William Walton, center trustee and chairman of the Fine Art Commission: "I am entirely in favor of it. But I think the word 'cultural' should be left out. It's a deadly word. And I think the need for an adequate endowment is the most important of all—more important of all—more important than a roof. It would be terrible to erect a beautiful, empty shell."

Senator Pell, Democrat of Rhode Island, chairman of the Senate Special Subcommittee on the Arts, in a statement prepared for delivery in the Senate: "Great art speaks in a universal language. The great poet or painter, or sculptor or musician . . . goes beyond narrow limits of time and place. . . . He illuminates our vision, so that we can better understand each other and better comprehend the goals we seek.

"In this sense, I believe President Kennedy was a true artist—not alone in the words he used to motivate us, but in the impulses which motivated him. And therefore . . . I think it would be appropriate that our National Cultural Center—as it is contemplated, as it is planned, as it emerges to reality—should bear his name."

Floyd Akers, a Center trustee: "I would be for it. I think it would be a very fine thing. It would stand for something he represented. He represented the youth, the progress, the things, we need for the future, and the culture we need for the future. I think it is a grand movement, and I think we should do it, because he has spearheaded the renewal of this since President Eisenhower started it."

Dr. J. George Harrar, president of the Rockefeller Foundation, which recently announced a $1-million grant to the Center: "Naming the Center after President Kennedy is an intriguing idea, an imaginative one, certainly very appealing. It seems to me that in memorializing a great leader, it is always better to do so with a living monument, something that is dynamic and continuing.

"And since the late President and his family have been the prime moving force behind the Cultural Center, it seems to me most appropriate to name it for him and to expedite its construction. The memorial would be in an area he personally espoused—culture."

Dr. Leonard Carmichael, secretary of the Smithsonian Institution: "I think this is a very interesting and very significant suggestion and would advocate its most sympathetic consideration by the board."

Mrs. Herbert May, patroness of the arts: "I think it is a very good idea. But I think the word 'cultural' should not be included in the name of the center. It could be, as a suggestion, the John F. Kennedy Art Center."

Charles A. Horsky, special adviser to the President for the National Capital Affairs: "Certainly there was nothing closer to the President's personal interest than the Cultural Center. If anything is to be named for him the Center would seem to be very high on the list. However, I think we need more time to determine what would be the most appropriate memorial."

Walter N. Tobriner, District Commissioner "If the Kennedy family agrees to naming the Cultural Center after President Kennedy I would be heartily in favor of it. It seems to me that naming both the Cultural Center and District Stadium after President Kennedy would reflect the manifold nature of his interests since he was a man with wide cultural interests as well as one with an interest in competitive sports."

George Meany, president of the AFL–CIO: "I would be heartily in favor of the proposal to name the Center in honor of the late President. I always felt that the name 'nation Cultural Center" left something to be desired. I feel that in view of the President's close relationship to the concept of the Center, naming it in his honor would be ideal."

Ralph E. Becker, Washington attorney and Center trustee: "Not only am I heartily in favor of dedicating the Center to the memory of President Kennedy, but I think it is most important that we plan with care to make it a living memorial. We must be sure that there is an adequate endowment to fill the Center with the sound of music and drama that so delighted Mr. Kennedy during his life. Sufficient funds must be provided to make this Center the last word in view of the fact that we have waited so long for such a Center."

John Nicholas Brown, chairman of the Cultural Center board for Rhode Island, according to his wife, said that within 24 hours of President Kennedy's death he declared that in his opinion the Cultural Center would be the ideal memorial to Mr. Kennedy.

Daniel W. Bell, former president of the American Security and Trust Co.: "I would rather not comment. I think it is a matter to be discussed in the board of trustees. I don't think it would be right for me as a trustee to discuss the matter prior to a meeting of the trustees."

Mrs. Albert Lasker, a New York trustee: "I think it's a wonderful idea—couldn't be better. It is very suitable. He was deeply interested in the Cultural Center, and did a lot to help it. I think Congress ought to change the name of it to the Kennedy Memorial Center and to pay for the remainder of the cost. It would be a more prompt way to raise the money than the public fund raising, but in any case, I am sure it is the will of the people. I can't think of a more suitable and living memorial."

Garfield Kass, a member of the Advisory Committee: "I said to my wife when we came back from the funeral, wouldn't it be a wonderful thing to dedicate the Cultural Center to Kennedy? It would be the greatest memorial they could give to him. I am 100 per cent in favor. It's a splendid idea. The advisory board has a meeting next week and I'm going to push for it. I also think Congress should help with an appropriation."

William H. Waters, Jr., chairman of the D.C. Recreation Board, said: "I don't think the idea should be entertained unless the immediate family of President Kennedy feels it is appropriate. If they do, then in the light of the President's interest in the arts, which certainly was deep and strong, it is up to the trustees to consider renaming the Center in honor of Mr. Kennedy. It would be a very fitting gesture."

George A. Garrett, Chairman of the Federal City Council: "I think it would be not only proper, but a very fine thing not only for us to do, but it would be an awfully fine thing for the Cultural Center itself. I think it would insure the success of the Cultural Center. As chairman of the Council, I was one of those who interviewed the President about having his entire cabinet enrolled as trustees of the council. He did it. He not only did that, but he sent messages to Congress as to what he thought Congress owed the Federal City."

Richard S. Reynolds, Jr., a trustee: "I would vote for such a proposal. I am in favor of it.

L. Corrin Strong, vice chairman of the Center trustees: "I think it will be a wonderful idea. I have nothing but praise for the idea. I think it is an excellent one."

Conrad L. Wirth, National Park Service director and Center trustee: "There should be some way of commemorating the very strong stand he took on developing the arts. That might be the way to do it."

[From the CONGRESSIONAL RECORD, Dec. 3, 1963]

DESIGNATION OF THE NATIONAL CULTURAL CENTER AS THE JOHN FITZGERALD KENNEDY CENTER

Mr. FULBRIGHT. Mr. President, I introduce, on behalf of myself, the senior Senator from Massachusetts [Mr. SALTONSTALL], the senior Senator from Pennsylvania [Mr. CLARK], and the senior Senator from Minnesota [Mr. HUMPHREY], a joint resolution to provide for renaming the National Cultural Center as the John Fitzgerald Kennedy Memorial Center, and authorizing an appropriation therefor, and I ask that the joint resolution be referred to the appropriate committee.

I ask that the joint resolution be printed in the RECORD and I ask unanimous consent that it remain at the desk until Friday, December 6, for the addition of the names of those of my colleagues who may wish to join as co-sponsors.

This joint resolution authorizes the redesignation of the National Cultural Center as the John Fitzgerald Kennedy Memorial Center and authorizes an appropriation of funds by the Congress, which in the aggregate will equal amounts given, bequeathed, or devised to the trustees of the Center from sources other than appropriated Federal funds.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD and held at the desk, as requested by the Senator from Arkansas.

The joint resolution (S.J. Res. 136) to provide for renaming the National Cultural Center as the John Fitzgerald Kennedy Memorial Center, and authorizing an appropriation therefor, introduced by Mr. FULBRIGHT (for himself and other Senators), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD.

Mr. FULBRIGHT. Mr. President, on December 12, 1963, the Senate and House Public Works Committees held a unique joint meeting to consider Senate Joint Resolution 136. I ask unanimous consent to have excerpts from the printed hearing of that date printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

The joint committee met at 10 a.m., pursuant to call, in the caucus room, Cannon Building, Representative Charles A. Buckley (chairman of the House Committee on Public Works) and Senator Pat McNamara (chairman of the Senate Committee on Public Works) presiding.

Chairman MCNAMARA. The hearing will be in order.

It gives me great pleasure to welcome you here this morning. I think it is unnecessary to repeat the purpose of the hearing. We are glad to have such a fine turnout of the joint Public Works Committees of the House and Senate and all the rest of you, showing your interest in the proposed memorial.

My part of the program is pretty simple. I just want to say hello, and turn it over to Chairman Buckley of New York. Chairman Buckley heads the committee in the House.

Chairman BUCKLEY. Senator McNamara, Senators, Congressmen, ladies and gentlemen, I am pleased to be here for an unprecedented meeting, the only joint session which has ever been held by the Committees on Public Works of the House and the Senate.

The purpose of our meeting is to engage our two committees in probably the most important joint committee hearing that have ever been held.

Our further purpose here is to pay tribute to our late President John Fitzgerald Kennedy. All Americans insist that we have a proper institution to memorialize his services as our late President. He served with us as Members of the House, he served with us as Members of the Senate. All of us have been afforded his intimacies with his great dedication.

Nothing could please me more than being the chairman of this joint committee to present the bill that we have before us today and to acknowledge the acclaim of people from all the country who join with me in asking for this legislation that is to be considered.

We of the Public Works Committee, I am quite sure, have been afforded a great opportunity in making a public dedication to this institution that will keep alive the name of John Fitzgerald Kennedy.

Now, gentlemen, I am prepared to turn this meeting over to Congressman Robert E. Jones of Alabama. As you know, he is the very able chairman of the Buildings and Grounds Subcommittee.

I feel that I would be remiss, gentlemen, if I did not seize this opportunity to recall a few facts about our colleague, Bob Jones, which appear to have been overlooked in the rush of events here in Washington, indeed around the country itself.

Bob Jones was the prime mover in the writing of the Public Building Act of 1959. This was a splendid piece of legislation which brought order and efficiency into our public building program after more than half a century of chaos.

This vision and good legislation by Bob Jones truly has given our American people a new era in public building which in fact has attracted more attention abroad than it has at home.

I am very glad to be able to pay this delayed compliment to Bob Jones, whose work has resulted in better Government buildings and better cities everywhere in the United States.

Mr. Jones, will you take over the chair?

Representative JONES (presiding). There are a number of bills; in all, there are 17 or 18. Therefore, the bills will not be printed in the record at this point but will be included by reference and identified by their respective numbers.

Senate Joint Resolution 136 introduced by Mr. Fulbright, Mr. Anderson, Mr. Bartlett, Mr. Bayh, Mr. Bennett, Mr. Brewster, Mr. Burdick, Mr. Byrd of West Virginia, Mr. Cannon, Mr. Carlson, Mr. Case, Mr. Church, Mr. Clark, Mr. Cooper, Mr. Dodd, Mr. Douglas, Mr. Edmondson, Mr. Engle, Mr. Gruening, Mr. Hart, Mr. Hartke, Mr. Holland, Mr. Humphrey, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Johnston, Mr. Keating, Mr. Long of Missouri, Mr. Magnuson, Mr. McCarthy, Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Metcalf, Mr. Moss, Mr. Muskie, Mrs. Neuberger, Mr. Pastore, Mr. Pell, Mr. Prouty, Mr. Randolph, Mr. Ribicoff, Mr. Saltonstall, Mr. Scott, Mr. Smathers, Mr. Symington, Mr. Walters, Mr. Williams of New Jersey, Mr. Yarborough, and Mr. Young of Ohio.

Also H.R. 9252 by Mr. Thompson of New Jersey, H.R. 9253 by Mr. Ullman, H.R. 9254 by Mr. Senner, H.R. 9259 by Mr. Boland, H.R. 9269 by Mr. McDowell, H.R. 9271 by Mr. Morse, H.R. 9276 by Mr. Sickles, H.R. 9300 by Mr. Pepper, House Joint Resolution 820 by Mr. Green of Pennsylvania, House Joint Resolution 828 by Mr. Buckley, House Joint Resolution 829 by Mr. Martin of Massachusetts, House Joint Resolution 830 by Mr. Wright, House Joint Resolution 831 by Mr. Thompson of New Jersey, House Joint Resolution 833 by Mr. Morse, House Joint Resolution 835 by Mr. Halpern, House Joint Resolution 836 by Mr. Jones of Alabama, House Joint Resolution 839 by Mr. Brademas, House Joint Resolution 841 by Mr. Rosenthal, House Joint Resolution 843 by Mr. Fogarty, House Joint Resolution 844 by Mr. Roybal, House Joint Resolution 847 by Mr. Healey, House Joint Resolution 851 by Mr. Widnall, House Joint Resolution 871 (Supersedes H.J. Res 828) by Mr. Buckley, House Joint Resolution 872 by Mr. Auchincloss, House Joint Resolution 873 (supersedes H.J. Res. 836) by Mr. Jones of Alabama, and House Joint Resolution 874 (supersedes H.J. Res. 830) by Mr. Wright.

The record at this point, without objection, will contain the letter addressed to the chairman of the House and Senate committee from the President.

(The letter referred to follows:)

THE WHITE HOUSE,
December 11, 1963.

Hon. CHARLES A. BUCKLEY,
Chairman, Committee on Public Works,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: I should like to take this opportunity to express my wholehearted support for the joint resolution (S.J. Res. 136 or H.J. Res. 828) presently before the Congress to rename the National Cultural Center in honor of President Kennedy. It seems to me that a center for the performing arts on the beautiful site selected would be one of the most appropriate memorials that a grateful nation could establish to honor a man who had such deep and abiding convictions about the importance of cultural activities in our national life. In this connection, it is my understanding that the Kennedy family would prefer to have the Center named "The John F. Kennedy Center for the Performing Arts" in order to indicate more specifically the nature of the memorial to him.

In a speech a month before his death, President Kennedy said, "I see little of more importance to the future of our country and our civilization than full recognition of the place of the artist." He understood that history remembers national societies less for the might of their weapons or for the mass of their wealth, than for the quality of the artistic legacy they bequeath to mankind. By carrying forward the project of a national cultural center, we can all help strengthen the traditions and standards of the arts in American society. And in doing this we carry forward the spirit and concern of John F. Kennedy.

That the Federal Government should participate in this undertaking by providing funds to match the contributions which have already been made, and will be made in the future, by people throughout this Nation and the world is entirely fitting. This action should insure prompt completion of the Center to which President Kennedy gave his full support and which he saw as an embodiment of our Nation's interest in the finest expressions of our cultural activity.

I hope that the Congress will take early action on this resolution.

Sincerely,

LYNDON B. JOHNSON.

Representative JONES. Of course, there has been great interest manifest in this proposed legislation coming from all quarters of the country, and almost uniform applause from the Members of the House and Senate.

No one has given greater attention and effort to this proposal throughout the years than our first witness today, Senator Fulbright.

Senator, you may proceed.

STATEMENT OF HON. J. W. FULBRIGHT, A U.S. SENATOR FROM THE STATE OF ARKANSAS

Senator FULBRIGHT. Mr. Chairman, Chairman Buckley, and Senator McNamara, I consider it a great honor indeed to be allowed to be the first witness before this unprecedented joint session of the Committee on Public Works.

I may say that I entirely agree with what has been said about Congressman Jones. He was chairman of the subcommittee that held hearings on the bill back in 1958 which originally authorized the creation of this Center as a great cultural center for the Nation and has followed it with a great deal of interest and, without his help and that of his colleague, Mr. Frank Thompson, who collaborated on the original plans, I am sure we would never have gotten to the point where we are now.

Mr. Chairman, in view of the fact that you have some 20-odd witnesses scheduled, I do not believe I should take the time of the committee to read it. I would like, with your permission, to ask that it be inserted in the record and that I be allowed to summarize it as briefly as I can.

Representative JONES. Thank you, Senator. Without objection, it may be received and printed in the record at this point.

(The statement referred to follows:)

STATEMENT BY SENATOR J. W. FULBRIGHT ON SENATE JOINT RESOLUTION 136, TO PROVIDE FOR RENAMING THE NATIONAL CULTURAL CENTER AS THE JOHN FITZGERALD KENNEDY MEMORIAL CENTER, AND AUTHORIZING AN APPROPRIATION THEREFOR

Chairman Buckley, Chairman McNamara, and members of the Senate and House Public Works Committees, for me to say it is a privilege and a pleasure to appear before your combined committee is an understatement, for it is much more than that. It is a unique honor to appear before you, because during my 20 years as a Member of the U.S. Congress I do not recall ever having been before a joint meeting of full committees of the Senate and the House of Representatives.

The uniqueness of this meeting of your two committees, however, is very appropriate because of the nature of the proposal which we are here to consider I wish to commend and thank Chairman Buckley and Chairman McNamara and each member of the respective committees for their spirit of cooperation in scheduling these hearings during such hectic and trying times when each member has so little time and such heavy responsibilities and obligations.

I appreciate, too, being accorded the honor of being allowed to be the first witness to testify in support of Senate Joint Resolution 136, which I introduced on December 3 for myself and on behalf of 50 of my colleagues in the Senate who have joined as cosponsors of this measure.

This resolution, as all of you know, would redesignate the National Cultural Center as the John Fitzgerald Kennedy Center for the Performing Arts in honor of and in tribute to our late President, and would, in addition, authorize appropriation by the Congress of funds on a 50–50 matching formula to help insure the construction of this great Center.

Before I proceed to discuss the merits of the pending proposal, it would perhaps be helpful for me to give the members of the committees the benefit of a very brief history of the Center.

Back in 1958, Representative Frank Thompson and I had a discussion about the need for a national cultural center. As a result of our conversations, I introduced in the Senate and Congressman Thompson introduced in the House companion bills to establish a National Cultural Center and to set aside certain lands owned by the Government as a site for such a center.

I recall at that time that the now chairman of the Senate Public Works Committee, Senator Pat McNamara, was chairman of the Subcommittee on Public Buildings, to which my bill was referred. And I recall that Representative Bob Jones of Alabama was chairman of the House subcommittee to which Congressman Thompson's bill was referred.

Through the cooperation of Senator McNamara and his subcommittee, hearings were held in April of 1958 on S. 3335, the bill I introduced, at which time testimony was heard, not only from Members of Congress but from many distinguished Americans who felt that the establishment of a national cultural center was of prime importance.

The bill, after some revisions, was favorably reported to the Senate and was passed unanimously by that body. It then went to the House where Representative Jones held hearings; the bill was then passed by the House and signed by the President.

These companion bills, which Frank Thompson and I cosponsored, resulted in the enactment of Public Law 85–874 of the 85th Congress, which created the National Cultural Center, authorized the establishment of a Board of Trustees, and set aside land for the construction of the Center on the site in an area we know as Foggy Bottom.

The public law authorized the Board of Trustees of the Center to receive private donations for the construction of the Center and set a time limit of 5 years for obtaining the necessary funds to construct it. Last year, because the funds had not been raised, the Congress extended the period for the fund drive for an additional 3 years. Under existing public law, the funds needed to construct this Center must be available by 1966. It is my understanding that through the efforts of those involved in raising the money, the Cultural Center has received from private donations approximately $13½ million.

This, briefly, is the history of the legislation and the current status of the fundraising program. In this capsulized version of the attempt to construct a national cultural center, I do not wish to minimize the strenuous endeavors of those who have labored so long to bring this project to fruition. The drive has involved the work of many, both in and out of Congress, who have devoted their time, money, and abilities to make a longstanding dream come true.

Perhaps the leading figure in this whole effort—one who envisioned a truly national center for the arts—was our late President John Kennedy. From the time of his inauguration on January 20, 1961, which we can all recall with pride, he devoted his very limited time and his great energies toward bringing this project to completion, and—if I may be permitted a personal comment—on many occasions I discussed with him the dire need for such a center as a symbol and as a showcase of that which evidences the true nature of those facets of the American society which are enduring to this country and its historical background. On each of those occasions, he displayed enthusiasm and understanding of the need for this Center.

President Kennedy had a keen sense of history and of the lasting values of our society. His particular insight was that of a leader who envisioned and championed, not those things which resulted in advantage of a transitory nature, but, rather, one with the foresight to be concerned with that which would result in the establishment of values representative of this Nation with those virtues which would endure throughout man's history.

I would not dwell on the horrible tragedy which has befallen us, nor do I believe President Kennedy would wish us to indulge ourselves in a surfeit of sentimentality. But I can think of no greater or more lasting tribute we could pay to this fine man, and to our memory of him, than to name this Center in his honor.

Senate Joint Resolution 136 has the endorsement of this administration. I understand that the respective chairmen of the Senate and the House Public Works Committee have received, or will receive, a letter from President Johnson indicating his approval of this proposal.

It is also my understanding that Mrs. Jacqueline Kennedy and our late President's family endorse the move to name this Center as the Nation's memorial to him.

There has been discussion at some length about the appropriateness of a name for the Center, and I wish to assure the committee members that I certainly am not committed to any particular designation. As a matter of fact, I would suggest for your consideration as an alternative to the designation contained in the resolution, if it meets with the committee's approval, that the resolution be modified to designate the Center as the John F. Kennedy Center for the Performing Arts since I believe this is the preference of the Kennedy family and many of those involved most intimately with the Center.

I do not wish to prolong my testimony since there are many present who wish to be heard and who have greater knowledge of the details of the Center than I. I would conclude by saying that I think it is fitting and proper that the Congress authorize the appropriation of funds to match amounts donated to the Center from private sources.

STATEMENT OF HON. JENNINGS RANDOLPH, A U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. I have to return to chair the Subcommittee on Public Works of the Senate Public Works Committee and before I go to that hearing I wish to make this very brief statement.

The purpose to be consummated in the passage of the legislation embodied in Senate Joint Resolution 136, introduced by 50 Members of the U.S. Senate with Senator Fulbright the principal sponsor, is altogether timely and proper. I am gratified to have the privilege of joining as one of the sponsors. The House joint resolution was introduced by Chairman Buckley, of New York. Other bills have been introduced in the House.

My sentiment in the immediate matter before us is an enthusiastic endorsement of the proposed National Cultural Center being renamed the John Fitzgerald Kennedy Memorial Center. This will be a most appropriate action to honor our late and great President.

I wish to place in the hearing record, with your permission, Mr. Chairman, the following editorial from the New York Times of December 5, 1963, entitled "Monuments That Endure."

It is my hope, Mr. Cochairman, that we will move forward toward a prompt enactment of this proposal, a really meaningful memorial to John Fitzgerald Kennedy.

Representative JONES. Without objection, the editorial will be received and printed in the record at this point.

(The editorial referred to follows:)

[From the New York Times, Dec. 5, 1963]

MONUMENTS THAT ENDURE

The proposals offered in the best of faith to rename various colleges, bridges, airports, and other places after John F. Kennedy must be respected as a measure of the affection held for the late President and his family. All Americans hope that his personal example of devoted duty and the boldness of his goals for the country will never be forgotten. Yet in this moment of sorrow and mourning we must be careful not to debase our grief by attaching the Kennedy name to everything in sight. Surely, no one had a greater sense of the fitting and appropriate gesture than President Kennedy.

In May of 1864 Representative Owen Lovejoy, of Illinois, died. He was a beloved friend of Lincoln, and friends wrote to the President to join them in effort for a marble monument to Lovejoy. The last sentence of Lincoln's letter of response said: "Let him have the marble monument along with the well-assured and more enduring one in the hearts of those who love liberty, unselfishly, for all men." We believe that President Kennedy, who had a noble sense of history, deserves not the emotional but the more enduring monuments of dedication to his aspirations for a better nation and a better world.

Representative JONES. Are there further questions?

Now we have a distinguished and outstanding leader from the State of Massachusetts, the fine and lovable friend of ours over the years, Senator Saltonstall.

STATEMENT OF HON. LEVERETT SALTONSTALL, A U.S. SENATOR FROM THE STATE OF MASSACHUSETTS

Senator SALTONSTALL. I thank you, Mr. Chairman, Senator McNamara, Mr. Buckley, and members of the joint committees.

May I add my words of pleasure in having the honor to address a joint committee of the Public Works Committee of the Congress?

Mr. Chairman, I have a very brief statement and I would like to supplement what Senator Fulbright has said as we have discussed this subject together several times. I speak also as a colleague of the late President for 8 years when he was a Member of the Senate where we worked very closely together on matters that concerned our State and even the Nation.

Mr. Chairman, the designation of National Center for the Performing Arts here in Washington as a memorial to President John F. Kennedy is a most fitting and lasting tribute to him. Although the Center had its genesis under the previous administration, President and Mrs. Kennedy took such a strong personal interest in it that the Center began to give promise of realization.

The late President often, with members of the Board of Trustees and the Advisory Committee on the Arts, counseled with them and encouraged them as the project progressed. He called in leaders of the business community to enlist their support and with Mrs. Kennedy attended the fundraising dinner last fall.

We all know that Mrs. Kennedy designed beautiful Christmas cards this year to benefit the Cultural Center.

Last month's tragedy has taken from us not only our President but a former colleague and friend. He was a man of many interests but one interest which has shown perhaps more brightly than the others because it brought forth something new to Washington official life was his interest in and support of the sciences and performing arts.

What a note of freshness and national pride Robert Frost brought to us all on that cold inaugural day. How many visiting heads of state to the White House have enjoyed the music and drama sponsored by its occupants.

President and Mrs. Kennedy brought to the center of our Government the finest which America has to offer in the performing arts.

This recognition truly sparked the interest of us all and our pride in this country's artistic development.

In dedicating the Robert Frost Memorial Highway at Amherst College in Massachusetts on October 26 of this year, President Kennedy said, and I quote him:

"I look forward to an America which will reward achievement in the arts as we laud achievement in business or statecraft. I look forward to an America which will steadily raise the standards of artistic accomplishment and which will steadily enlarge cultural opportunities for all of our citizens. And I look forward to an America which commands respect throughout the world not only for its strength but for its civilization as well."

That was President Kennedy at Amherst.

Mr. Chairman, I join with Senators Fulbright and Clark and other Senators and for the other Senate Members who are trustees of the Center and other Senators in sponsoring this resolution because I believe it is a fitting tribute to our late President.

STATEMENT OF HON. FRANK THOMPSON, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Representative THOMPSON. Thank you, Mr. Chairman. This is a unique opportunity for me as well since it is my first appearance before these two great committees in joint session. I am very grateful for it. I am grateful particularly to Mr. Jones, whose handling of the earlier bills on this side of the hill has been in large measure the reason for their success.

Mr. Wright mentioned the L'Enfant plan and the hope of the city of Washington and its inhabitants for a cultural center, the hope of the Nation has been frustrated for many, many years. There were attempts in the 1880's. There have been almost innumerable attempts to complete this which is so near completion now.

In 1955, a Commission was established. It ran into difficulties and it expired.

In 1958, the present Commission was established and thanks to the work of Mr. Stevens and the other members, the public trustees, a great deal has been accomplished toward raising the requisite moneys. Thanks also to the enormous interest which the late President and Mrs. Kennedy had it has gotten off the ground really for the first time.

It is singularly appropriate, I think, that at this stage in its development that this proposal by Mr. Buckley, in the House with me and many others as cosponsors, and by Senator Fulbright and Senator Saltonstall in the other body, come before us now. There is little or no doubt that ultimately there would be a memorial to President Kennedy.

If the traditional rule referred to by the gentleman from Florida, Mr. Cramer, were followed, there would be established a Commission. It would need moneys for planning, it would need time, and it very likely would come back to something such as this model sitting behind me now. It might well, however, have the history of earlier Commissions, which have been in being for a number of years and which have yet to succeed in erecting their memorials, most of which are not in any sense living as this one would be.

There is no question in my mind of the need for a Center for the Performing Arts in Washington.

As Senator Fulbright has said, we are the only major nation on earth which does not have one.

It happened as a coincidence with this terrible tragedy, the assassination of President Kennedy, that something which is probably the most perfectly suitable memorial to him had already been designed and many millions of dollars raised for it. It seems to me, then, that it is most appropriate for all of the reasons mentioned earlier that the Government do its part by renaming it either the John F. Kennedy Memorial Center or the John F. Kennedy Center for the Performing Arts, and that it allows, through its enactment and through its appropriation, participation by all of the people in its completion.

STATEMENT OF HON. ROGER L. STEVENS, CHAIRMAN, NATIONAL CULTURAL CENTER; ACCOMPANIED BY EDWARD D. STONE, ARCHITECT; AND RALPH E. BECKER, GENERAL COUNSEL

Mr. STEVENS. Mr. Chairman, I welcome the opportunity to appear at this hearing which has under discussion the dedication of the presently named National Cultural Center as a living memorial to John Fitzgerald Kennedy.

In presenting my testimony as Chairman of the Board of Trustees of the Center, I have furnished each member of the committee with an up-to-date report . . . This report is part of my statement and I request that it be made a part of the record:

RECORD OF PROGRESS OF THE NATIONAL CULTURAL CENTER, DECEMBER 12, 1963

ESTABLISHMENT

The National Cultural Center was established by act of Congress during the Eisenhower administration in 1958, as a bureau of the Smithsonian Institution. The passage of the bill received full bipartisan support, and the composition of the Center's Board of Trustees reflects fully the bipartisan spirit in which it will be brought to reality.

Mrs. Kennedy and Mrs. Eisenhower have served as honorary cochairmen.

While Congress designated the land upon which the Center would be built—on the banks of the Potomac River in Washington, D.C.—it stipulated that money for the building must come from the voluntary contributions of the American people. Congress further authorized a nationwide fundraising campaign, the first ever specified for a cultural undertaking.

On August 19, 1963, President Kennedy signed a bill, passed with full bipartisan support, to extend the fundraising period to September 1966.

FUNDRAISING

The authorization of the fundraising campaign did not, however, provide the Center with funds for planning and overhead. It was during this early stage of the Center's life that the Honorable L. Corrin Strong, former Ambassador to Norway, who served as Executive Vice Chairman of the Center for several years, made funds available for administrative purposes. Mr. Strong most generously agreed to underwrite those expenses until the fall of 1963.

With the appointment of Roger L. Stevens, well-known theatrical producer and businessman, as Chairman of its Board of Trustees in November 1961, the Center put into operation a number of nationwide fundraising programs.

As of December 11, 1963, pledges and cash received totaled $13,122,042.46. Of this amount, $5 million represents a Ford Foundation grant which is a matching grant on a 3-to-1 basis. A financial statement as of November 30 is attached as part of this report.

The Center's major fundraising programs are as follows: The President's Business Committee has been established under the chairmanship of Ernest R. Breech, former chairman of the Ford Motor Co. This committee is composed of prominent industrialists and businessmen each of whom will seek contributions from that area of industry with which they themselves are identified. The goal set for this committee is $6 million, of which more than $2 million has been raised to date.

A Seat Endowment Committee, under the chairmanship of Edgar M. Bronfman, president of Joseph E. Seagram & Sons, Inc., launched a program whereby individuals and organizations can endow permanent seats in one of the Center's three halls, with a tax-deductible donation of $1,000. Each endowment will be marked with a plaque affixed to the back of the seat. The goal for this program is $6 million.

A Special Gifts Committee is currently being formed to seek substantial donations of cash, materials, and facilities for the Center.

A Greater Washington Area Committee, under the chairmanship of Mrs. Hugh D. Auchincloss, is seeking funds in the Washington area. Since the Center will be located in the Nation's Capital, this committee has taken as its goal the considerable sum of $7.5 million, of which approximately $2.6 has already been raised.

One of the most gratifying contributions made to this particular program was that made by the area's schoolchildren. A drive centered on parochial, private, and public schools realized more than $19,000.

Earlier this year, recordings went on sale of the music of the four U.S. military bands. The albums were made on an out-of-pocket basis by RCA Victor and all proceeds from their sale are being paid to the Center. This project was made possible by the close cooperation of the American Federation of Musicians, the American Federation of Television and Radio Artists, the Department of Defense, and the White House. In addition, all composers, music publishers, and arrangers waived their fees and royalties in favor of the Center.

Two Christmas cards designed by Mrs. Jacqueline Kennedy are making a most significant contribution to the Center's fundraising. They have been reproduced by Hallmark Cards, Inc., who are donating their net profits to the Center.

FOUNDATIONS

In addition to these specific fundraising programs, the Center has enlisted the support of several important foundations. We have been fortunate in receiving a grant of $5 million from the Ford Foundation, payable when $15 million has been raised by voluntary contributions from the public.

The Rockefeller Foundation has contributed an unconditional grant of $1 million, and we have recently received a similar unconditional grant of $500,000 from the Old Dominion Foundation, whose founder and chairman of trustees is Paul Mellon.

SPECIAL GIFTS

The Center's fundraising has been greatly stimulated by a gift from the Government of Italy of all the marble needed in the construction of the building. It is estimated that this generous contribution represents over $1 million.

We have also secured gifts from smaller foundations and we are receiving further consideration from others.

On his recent visit to President Kennedy, the Prime Minister of Ireland, Mr. Sean Lemass offered a gift from his Government of a Waterford chandelier, to be made to our architect's specifications.

I am pleased to inform the committees that other foreign countries are considering substantial gifts to the Center.

ARCHITECTURE

In 1959 the distinguished architect, Edward Durell Stone began working on the Cultural Center project as architect-adviser. In March 1963, he was appointed architect by the Board of Trustees.

The presentation of Mr. Stone's final concept—a 2,750-seat symphony hall, a 1,200-seat theater, and a 2,500-seat hall for opera, ballet, and musical theater—was made to President and Mrs. Kennedy and General and Mrs. Eisenhower in September 1962. The presentation later was repeated to the Center's Board of Trustees and Advisory Committee on the Arts, the Commission of Fine Arts, the National Capital Planning Commission, the Cabinet, and the District of Columbia Board of Commissioners. In each instance, the design has met with enthusiastic approval.

The Center recently entered into an agreement with the General Services Administration whereby GSA would serve as the agent for design and construction of the building.

PROGRAMING

As laid down in the act creating the Center, the Board of Trustees shall—

1. Present classical and contemporary music, opera, drama, dance, and poetry from this and other countries.
2. Present lectures and other programs.
3. Develop programs for children and youth and the elderly (and for other age groups as well) in such arts designed specifically for their participation, education, and recreation, and
4. Provide facilities for other civic activities at the Cultural Center.

The Center will be far more than an entity of bricks and mortar. The programs will be drawn up with the greatest care and with the counsel of experts in the performing arts in order that the Center shall quickly attain national significance and international importance. For the first time in the Nation's Capital we shall provide a setting for the presentation of distinguished performers from abroad, and encourage the performing arts activities at the community level.

Even in advance of the building, two specific programs are now being actively prepared.

On October 12, President Kennedy announced the formation of a permanent national company of the Metropolitan Opera, to be presented jointly by the Metropolitan and the Cultural Center. It is intended to launch the new company on a nationwide tour in the autumn of 1965. Mr. Kennedy pointed out that the tour will include as many colleges and universities as possible in its itinerary. The national company will place emphasis on ensemble perfection rather than on individual stars, and will bring its productions to cities where live opera is not now available. It will also serve as an effective training ground for America's new operatic talent.

In addition, plans have been announced for the Center to join with the American National Theater and Academy and the American Educational Theater Association in presenting a drama festival in which the more than 700 colleges and universities throughout the country will be invited to participate. This will initially be conducted on a regional basis, with the final groups being brought to Washington for presentation. The festival will take place in the spring of 1965.

CONCLUSION

In the past 2 years, nationwide interest in the Center has grown to the point where its purposes and goals are now known throughout the country.

Addressing the Center's closed-circuit telecast in November, 1962, President Kennedy said: "* * * I am certain that after the dust of centuries has passed over our cities, we will be remembered not for victories or defeats in battle or in politics, but for our contribution to the human spirit."

It is the mandate of the Congress to the National Cultural Center to be an integral part of this "contribution to the human spirit."

Mr. STEVENS. Shortly after I assumed chairmanship of the Center in November 1961, President Kennedy decided that the plans and concept of the Center were unnecessarily extensive and costly. These plans were consequently reviewed and the concept reduced substantially in size and cost. As I am sure you are aware, the architect, Edward Durell Stone, has now grouped the three halls under a single roof, effecting a significant saving in building and operating costs, with no loss in architectural grandeur.

President Kennedy took a keen personal interest in these changes and, as always, kept a close watch upon our progress.

It was also both his and Mrs. Kennedy's earnest desire that groundbreaking for the Center should take place during 1964, as the fulfillment of one of his most cherished projects during his first term as President of the United States.

The interest and positive support given to the Center by President Kennedy and Mrs. Kennedy were unwavering. This support was there when it was needed, and the knowledge of their intention to continue this interest and support as invaluable to our planning.

A tragedy of dreadful proportions has prevented President Kennedy from seeing the realization of many of his dreams. We all know that a national center for the performing arts, so long overdue, was one of these dreams.

Within hours of his untimely death, however, a spontaneous reaction spread through the country, manifested by letters to the newspapers, to the Center itself, by stories in the national press, with accompanying editorials. All the voices were unanimous in their desire to see the Cultural Center renamed and dedicated as a memorial to John Fitzgerald Kennedy. The suggestion may be summed up in these words of Charles Bartlett, a close friend of President Kennedy's, in a column written the week following Mr. Kennedy's death; and I quote:

> The proposal to construct the National Cultural Center in the name of John F. Kennedy is one answer to the hopes that his death may yield some of the aspirations of his life.

President Johnson lent his enthusiastic support to the proposal. He consulted with President Kennedy's family, and learned that the dedication of the Center was their wish. From all sides came the same response: That the Center was without question the most appropriate memorial—a living memorial and one which would continue to live by its service to all the American people—a memorial to a man who held its aims and ideals so close to his heart.

On December 3, the Center held a meeting of its Executive Committee and passed the following resolution:

> That the Executive Committee of the Board of Trustees of the National Cultural Center endorse the proposals known as House Joint Resolution No. 828 and Senate Joint Resolution No. 136 to rename the National Cultural Center the John F. Kennedy Center for the Performing Arts and authorize to be appropriated governmental funds to match funds raised from voluntary contributions. The passage of this legislation will strengthen the Board's efforts to create this national center for the performing arts as soon as possible.

Fully realizing that proposals are coming from all sides to name other undertakings for the late President and that there is an understandable desire to perpetuate his memory the length and breadth of the country, I should like to reiterate my views and that of my Board of Trustees that no more suitable memorial exists than a national center for the performing arts.

Dedicated to the memory of John Kennedy, who, by his positive actions, paid tribute from his high office to America's poets, painters, singers, dancers, and actors, the Center will take on an even greater significance. Its programs will begin even in advance of the building. They will serve this generation and the generations to come by bestowing the much-needed national recognition upon the performing arts of this country that President Kennedy demonstrated to the world he felt to be so important.

A year ago, he said:

"Today, as always, art knows no national boundaries. Art and the encouragement of art is political in the most profound sense, not as a weapon in the struggle, but as an instrument of understanding of the futility of struggle between those who share man's faith."

Now, Mr. Chairman, I would like to introduce Edward Stone, who would like to comment on the site.

Representative Jones. Mr. Stone, we are pleased to have you.

Mr. Stone. It is an honor for me to appear before this joint meeting of the committee of the House and the Senate. If I may have your forbearance, I would like to speak as an individual and as an architect.

You realize in historically great periods when arts flourished there was peace, stable government, and prosperity. We have had good fortune to enjoy this climate. It remained, however, for President and Mrs. Eisenhower and for President and Mrs. Kennedy to provide the inspiration and leadership. This they did in full measure so that we are in reality in the beginning of a great renaissance in the intellectual and artistic life of this country. As a creative artist, I find consolation in the statement that all great periods in history were only great because of the art they produced.

We architects especially cherish the memory of President Kennedy and feel that not since Thomas Jefferson has there been a President so interested in architecture. He had a knowledge and an understanding and gave us encouragement. He aspired in this country to a beautiful physical environment.

I had the honor to present this project to both President and Mrs. Kennedy and to President and Mrs. Eisenhower.

I am honored to say that they expressed great enthusiasm both for the building but especially for the site. The site, as you know, was selected by the Congress. It has the blessing not only of President Eisenhower and President Kennedy but the Fine Arts Commission and all of the people concerned, the National Park Service, the District traffic planners; in fact, we have encountered no official obstacles any place en route.

I have had a chance to reflect on this site for some 5 years. Mr. Stevens is a monument to patience. He listened to innumerable proposals for other locations and in acquainting me with them I, too, have inspected all possibilities.

We, following the President's own convictions, are convinced that this is really a poetic situation for a building which should be an inspiring building.

First of all, the tradition of Washington is that of a white building in a parklike setting. This started with Washington, who built a classical house in Mount Vernon. Subsequently, Jefferson did the same thing, as did Lee. The precedent is followed in the White House, its setting and, of course, the Capitol, itself. This site provides this idyllic parklike setting.

The way I envision a park is a green area with trees, grass, water removed from any other structures. It is actually to the south 2,400 feet to the Lincoln Memorial, to the east it is 600 feet to the nearest structure, and to the north 300 feet.

Of course, our building emphasizes the outlook over the Potomac River and a beautiful island which will always remain in its natural state, dedicated to the memory of Theodore Roosevelt.

The question has been raised about the approaches to the bridge. I find them a blessing in disguise. Actually, the highway is 27 feet below the level of our building. There is 400 feet between our building and this parkway. Of course, that will be beautifully landscaped and will be a park. So that one point is a blessing rather than a handicap, in my humble opinion.

Representative Jones. You are relieving a lot of minds on that point.

Mr. Stone. Mr. Chairman, the people who look at this site in the plan do not visualize the third dimension. We have of course, in our studies, reassured ourselves so that from the Center itself, except the one highway, one road that provides access to our Center, that is the only place that cars will be visible, and it is all in a parklike setting.

I hope that is reassuring because it is a very important point and it has not been made in any of the observations about the so-called bridge approach. There are actually 85 acres of park land on the Washington side of this building measured between the buildings to the south, to the east, and to the north. Of course, it is traversed by a highway as is Central Park, as is Rock Creek Park, and so on.

In the 20th century you accept that.

Adding to that, and we can fairly think of this, it is 3,000 feet to the nearest building on the Virginia side of the Potomac, and go another 200 acres with the most poetic prospect, I feel, in the city of Washington. So, you have a building in a setting of 280 acres with this overlooking the river and this island.

This is not a large building by Washington standards. It is 630 feet long. The National Gallery, for instance, is 150 feet longer and innumerable departments here have larger buildings. So it is not oversized or out of scale, we architects say.

Furthermore, as Mr. Stevens pointed out, we would like to emphasize that we have had estimates made on the possibility of three separate auditoriums. Careful estimates demonstrate that this adds 30 percent to the cost. Lincoln Center, which has five buildings, regret that they did not have one building. For instance, the servicing, the stagehand unions have to have separate crews for each of these auditoriums. Here, we can serve the whole Center with one contract with the union and one crew. So, we not only save money but we save the maintenance cost through the years. Transparently one heating system, one cooling system is more economical and extremely practical and economical, the most economical way.

Repesentative Jones. Thank you.

Mr. Stevens?

Mr. Stevens. I have finished my remarks. I shall be glad to answer any questions.

Representative Jones. Mr. Becker, do you have any statement for the committee?

Mr. Becker. No; I am very happy to be here and answer any questions.

Representative Gray. I would like to commend Mr. Stevens, Mr. Stone, and Mr. Becker for the outstanding job they have done on this Center.

Mr. Stone, how tall is this building going to be?

Mr. Stone. It is 60 feet high. It might be of interest to you that when we presented this building to President Kennedy in Newport, he asked how high it was, as you have, in relation to the Lincoln Memorial. We had already made at the same scale a drawing of the Lincoln Memorial, placing it at its distance from this building so that he could visualize it. This building is approximately 18 inches lower than the Lincoln Memorial.

Representative Gray. You would say the equivalent of a five- or six-story building?

Mr. Stone. This is approximately six stories.

To give you an idea of height, the National Gallery is 90 feet high at the corners. As I say, it is 150 feet longer. So this is a much more modest building.

The legislation was reported by the Senate Public Works Committee December 17, and passed by the Senate the following day. It was approved by the House on January 8, 1964, and on January 10, 1964, the Senate agreed to House amendments. President Johnson signed Public Law 88–260 on January 23, 1964.

Mr. President, I ask unanimous consent to have printed in the Record at this point an article from the Arkansas Gazette of December 13, 1963, and excerpts from the report of the Senate Public Works Committee, December 17, 1963.

There being no objection, the items were ordered to be printed in the Record, as follows:

[From the Arkansas Gazette, Dec. 13, 1963]

Fulbright Urges Renaming Cultural Center for JFK

Washington.—Sen. J. W. Fulbright Thursday urged two Congressional committees meeting jointly to approve legislation renaming the proposed National Cultural Center in honor of President John F. Kennedy.

As author of both the bill creating the center and a current resolution to rename it, Fulbright was the lead-off witness at the joint hearing of the House and Senate Public Works Committees.

"I would not dwell on the horrible tragedy which has befallen us," he said. "Nor do I believe President Kennedy would wish us to indulge ourselves in sentimentality, but I can think of no greater or more lasting tribute we could pay to this fine man and to our memory of him than to name this center in his honor."

SYMBOL AND SHOWCASE

Fulbright recalled the many times he spoke with Mr. Kennedy about the need for such a center as a symbol and as a showcase of that which evidences the true nature of those facets of the American society which are enduring to this country and its historical background."

The Fulbright legislation, enacted into law in 1958, created the National Cultural Center, set aside land on the banks of the Potomac as a site and formed a Board of Trustees to receive private donations for a period of five years. In 1962, the donation period was extended another three years.

With a strong boost from the late president and his widow, donations spurted in recent years and stand now at the $13.5 million mark. Total cost of the center is estimated at about $30 million.

WOULD MATCH FUNDS

Fulbright's current resolution would rename the center the John Fitzgerald Kennedy Memorial Center and authorize the appropriation of federal funds to match on a 50–50 basis any private donations.

The Senator said he is not committed to the new name and suggested as an alternative, the John Fitzgerald Kennedy Center for the Performing Arts, which, he said, is preferred by the Kennedy family.

He also said the whole idea has President Johnson's backing and also that of many ordinary people, judging from the letters he has received from over the country.

[Excerpts From Report of Senate Public Works Committee, December 17, 1963]

The purpose of Senate Joint Resolution 136, as amended, is to rename the National Cultural Center as the John F. Kennedy Center for the Performing Arts, in honor of the late President of the United States, John Fitzgerald Kennedy; to provide within such Center a suitable memorial in his honor; to authorize appropriations in an aggregate amount equal to the gifts, bequests, and devises held by the Board of Trustees, but not in excess of $15,500,000; provide borrowing authority by issuance of revenue bonds in an amount not to exceed $15,400,000 to the Secretary of the Treasury to finance necessary parking facilities for the Center; to authorize the Secretary of the Treasury to accept on behalf of the United States any gift in honor of or in the memory of the late President; and provide that the John F. Kennedy Center for the Performing Arts designated by this act shall be the national memorial to the late John Fitzgerald Kennedy within the city of Washington and its environs.

It should be noted that when George Washington in 1789 commissioned Pierre L'Enfant to plan a Federal City, he directed that it be planned as a cultural and civic center for the United States. Completion of this Cultural Center will carry out the wishes of our first President as well as those of our late President Kennedy, and fulfill the hopes of the Nation that have been frustrated for so many years.

The committee is aware of pending legislation that would establish a Memorial Commission to consider memorials to the late President Kennedy. Authorization of such a memorial in the city of Washington, D.C., should not supersede such legislation. Many memorials and changes in designation have been proposed all over the country. It is believed that such a Commission could establish priorities, set up standards, and give consideration to appropriate memorials in the various States of our Nation.

Senate Joint Resolution 136, as amended, would add an additional duty to the Board of Trustees to provide within the Center a suitable memorial in honor of the late President, and report to Congress a detailed report on such proposed memorial. The committee was advised that such a memorial had not been thoroughly studied, but would probably consist of photographs, statues, carvings, works of art, or exhibits, and that no increase in the overall cost of the Center prom provision of such memorial was contemplated.

The location and setting of the memorial is believed ideal. It is remote from adjacent buildings, surrounded by open and park areas, overlooks the Potomac River, and the Virginia countryside beyond, and is not too far distant from other memorials to other great Presidents. If other memorials are established in future years, the John F. Kennedy Center for the Performing Arts, established by this act, will be the main national monument to his memory within the city of Washington and its environs.

COMMITTEE VIEWS

The committee believes it to be fitting and proper to rename the National Cultural Center as the John F. Kennedy Center for the Performing Arts, and to dedicate it as a living memorial to our late and beloved President who contributed so much to the cause of culture in our Nation's Capital, and lent his undivided support and personal attention to early completion of the Center in order that needs of the performing arts could be furthered, and the expressions made available to all the American people.

It further believes that appropriation of Federal funds to match funds raised from voluntary contributions is a worthy method to permit all the citizens of our country to take part in the final realization of this Center giving national recognition to the performing arts of our Nation, and perpetuation of the aims and ideals dear to the heart of our late President.

The committee is of the opinion that parking facilities in connection with the Center are essential, that such facilities can be self-liquidating, and that authority for issuance of revenue bonds to provide such facilities in the Center is advisable.

Therefore, the committee recommends enactment of Senate Joint Resolution 136, as amended, as a lasting tribute and memorial to President John F. Kennedy, in honor of his recognition of the performing arts and interest in this country's artistic accomplishments and development.

Mr. FULBRIGHT. Mr. President, the groundbreaking ceremony for the Kennedy Center was held December 2, 1964, with President Johnson, the late Robert F. Kennedy, Sir John Gielgud, Jason Robards, Jr., and other dignitaries taking part.

I quote from a statement prepared for the occasion by Arthur Schlesinger, Jr., which expresses the reason for the construction of such a Center and the appropriateness of dedicating it to John F. Kennedy:

> President Kennedy, like the great Presidents of the early Republic, saw America not just as a state or a system but as a civilization. His leadership looked to the elevation of the quality and tone of the national life.
>
> A vital society, he believed, found its highest expression in its passion to create—not just goods and arms, but writing, painting, sculpture, drama, film, music, dance. Art, he felt, could give permanent form to its memories of the past, images of the present, visions of the future.
>
> He therefore saw the arts, not as an interruption or distraction in the life of a nation, not as a luxury, but as the heart of a nation's purpose. He saw vulgarity and ugliness as threats to a nation's well-being. He saw excellence as a public necessity. He wanted his country to be not only a good society but a brilliant civilization.
>
> In this spirit, his Presidency established the arts as a concern of the national government.
>
> In this same spirit, the American people today dedicate the John F. Kennedy Center for the Performing Arts.

Mr. President, I ask unanimous consent to have printed in the Record at this point an article from the New York Times of December 3, 1964, concerning the groundbreaking ceremony.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Dec. 3, 1964]

Johnson Begins Work on Kennedy Center; Political Figures and Celebrities Attend Ground-Breaking

(By Nan Robertson)

Washington, Dec. 2.—President Johnson broke ground with a gold-plated spade today for a national cultural center that will keep alive the memory of President Kennedy and fulfill one of his dreams.

Gathered on the banks of the Potomac at the ceremony for the John F. Kennedy Center for the Performing Arts were witnesses from what Mr. Johnson called "the words of poetry and power."

Sir John Gielgud read in his famous, mellifluous voice from Shakespeare's "Henry V." Jason Robards Jr., who had forgotten his notes on the plane that brought him to Washington, quoted President Kennedy from memory on artists and the arts.

Senator-elect Robert F. Kennedy told of his brother's belief "that America is judged as every civilization is judged—in large measure by the quality of its artistic achievement."

And President Johnson said that the center "will symbolize our belief that the world of creation and thought are at the core of all civilization."

A HISTORIC SHOVEL

The spade the President thrust into the earth with his left foot was first used by President William McKinley in 1898 to plant a scarlet oak on the front lawn of the White House. In 1914, President William Howard Taft broke ground with it for the Lincoln Memorial. In 1938, President Franklin D. Roosevelt used it at the site of the Jefferson Memorial.

Construction of the marble, glass and bronze Kennedy Center is scheduled to begin next summer. The $31 million building containing an opera, concert hall, two theaters and a cinema, is scheduled for completion by late 1967. Its architect, Edward Durrell Stone, has called the site, upstream from the Lincoln Memorial, "one of the most exciting and glorious settings for a public building in the world."

The site is at the junction of New Hampshire Avenue and Rock Creek Parkway on the east bank of the Potomac.

Before the ceremony today, celebrities, political, performing and otherwise, stood shoulder to shoulder, chatting amiably.

In the second row were:

Vice President-elect Hubert H. Humphrey, rosy-cheeked in this chill; his wife, Muriel, in a white mink beret; Mel Ferrer, the actor, in chin whiskers; his wife, Audrey Hepburn, in a black mink pillbox and ascot; Rex Harrison, shaggy-haired under a Henry Higgins-type of checked wool hat; Lady Harlech, the patrician-looking wife of the British Ambassador and Lord Harliech, who sat beside Laureen Bacall, Mr. Robard's wife.

Facing them from the first row of the platform were Sir John, bundled up against the cold in a navy pea jacket and a ranch mink overseas cap; President Kennedy's sister, Mrs. Stephen E. Smith, in ranch mink from neck to knees; the Most Rev. Philip M. Hannan, auxiliary bishop of Washington, who gave the inovacation; Senator-elect Kennedy, hatless and coatless; the President, who shed his white raincoat to speak; the First Lady, in mink hat and cream wool coat; Roger L. Stevens, Broadway producer and chairman of the center's board of trustees; Associate Justice Byron R. White, a lifelong Kennedy friend, who wore his black judicial robes over an overcoat; another Kennedy sister, Mrs. Sargtnt Shriver, and Mr. Robards, in a short "British warmer" coat and green Bavarian hat.

Spotted through the crowd were Erich Leinsdorf, conductor of the Boston Symphony Orchestra; Mr. Stone, Mrs. Edward M. Kennedy, wife of the Massachusetts Senator, a dazzling blonde in dark mink; the historian Arthur M. Schlesinger Jr., Senator J. W. Fulbright, and yet another Kennedy—Robert's wife, Ethel. The mother of Mrs. John F. Kennedy, Mrs. Hugh D. Auchincloss, was also there.

President Johnson paid high tribute to Mrs. Auchincloss's efforts to raise funds for the center, and her other endeavors on its behalf. Congress has authorized $15.5 million in funds, to be matched by an equal amount in private contributions.

"The role of Government must be a small one," the President said of the center. "No act of Congress or Executive Order can call a great musician or poet into existence. But we can stand on the sidelines and cheer."

In his readings, Mr. Robards quoted extensive passages from a speech President Kennedy made 27 days before his death. It was during the dedication of the Robert Frost Library at Amherst, Mass. Mr. Kennedy called any great artist "a solitary figure. He has, as Frost said, a lover's quarrel with the world."

Mr. Robards commented: "I would like to say of John Fitzgerald Kennedy what he once had to say of Malraux [Andre Malraux, French writer and Minister of Cultural Affairs].

"In his own life he has again demonstrated that politics and art, the life of action and the world of thought, the world of events and the world of imagnination, are one."

Mr. FULBRIGHT. Mr. President, in September 1964, Senator Saltonstall, Senator Clark, and I, who were continuing to serve on the Board of Trustees, reported to the Senate on the Kennedy Center. At the time, there had been some suggestions that an alternate site might be preferable. I ask unanimous consent that excerpts from the CONGRESSIONAL RECORD of September 30, 1965, be printed at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. SALTONSTALL. Mr. President, as a member of the Board of Trustees of the John F. Kennedy Center for the Performing Arts, I have received from Chairman of that Board, Mr. Roger L. Stevens, a copy of the annual report of the Chairman to the Congress, covering the period July 1, 1964, through June 30, 1965.

Mr. President, this report represents the culmination of a magnificent achievement. The Kennedy Center, the national memorial to the late President who was my colleague and friend, has been brought to the point of fruition. Dozens of dedicated, public-spirited citizens have, since the passage of the original Cultural Center Act in 1958, devoted enormous energy, effort, and thought to the Center. Let me mention a few, without in any way detracting from the others. L. Corrin Strong, by his personal efforts and out of his personal funds, saw the Center through its difficult organizational days. Ambassador Strong was succeeded as Chairman of the Board by Mr. Stevens, whose contribution has been unstinted. Ralph E. Becker of this city has served as General Counsel and Trustee from the outset and has encountered and solved some difficult and even unique problems. Robert O. Anderson, Mrs Albert D. Lasker, K. Lemoyne Billings, Mrs. Jouett Shouse, Leonard Carmichael, and his successor as Secretary of the Smithsonian Institution, Dillon Ripley, Conrad Wirth, and his successor as Director of National Park Services. George Hartzog, and Walter Tobriner, President of District of Columbia Commissioners, have rendered devoted service as members of the Building Committee and Executive Committees. Time does not permit me to identify the many other persons who deserve great credit and commendation for their contributions, since I wish to address myself to the report.

PRESENT STATUS OF CONSTRUCTION

The distinguished architect of the Center, Edward Durell Stone, is working on the final drawings and plans. After the plans have been reviewed by the General Services Administration, they will advertise the general construction contract.

The demolition contract has been awarded and demolition of structures on the site is underway.

The National Park Service has already invited bidders for the relocation of the Rock Creek and Potomac Parkway, with bids to be opened on October 14. The parkway is being relocated to the edge of the river for two purposes: to provide greater flexibility of access to the Center and to make possible the construction of a cantilevered main floor over it. This construction will mean that the view from the Center is not interrupted by the flow of traffic.

Finally, plans for the excavation of the building site have been completed by the architect and are being reviewed by the General Services Administration who will invite bidders very soon.

This is a truly remarkable record of progress. It has been a matter of great satisfaction to me to serve on the Board of Trustees with the senior Senator from Pennsylvania, Senator CLARK, the junior Senator from Arkansas, Senator FULBRIGHT, and the junior Senator from New York, Senator KENNEDY, and many other outstanding citizens. I am sure that all of us here in Congress who knew and worked with the late President will watch with pride as the Kennedy Center rises on the banks of the Potomac.

THE POTOMAC RIVER SITE

As we all know, there has been some division of opinion as to the most suitable site for the Center. I am confident that the Potomac River site is where we will attend the opening ceremonies of the Kennedy Center in 3 or 3½ years. Because of my service as Trustee of the Center from its inception, as well as my membership on the Board of Regents of the Smithsonian dating back prior to establishment of the Center as a Bureau of the Smithsonian, I have some personal knowledge of the process by which the Potomac site was chosen. This location was recommended as the site of a multi-purpose auditorium by the District of Columbia Auditorium Commission in its final report on January 31, 1957. No action was taken on this report, and meanwhile, plans were developed by the Smithsonian for the National Air Museum. A location on the Mall was approved for this facility by the National Capital Planning Commission on March 8, 1957. Almost a year later, on February 24, 1958, the Senator from Arkansas and Representative FRANK THOMPSON introduced simultaneous bills to provide for the creation of the National Cultural Center. These bills designated the Mall site, which had been preempted for the Air Museum, as the location of the proposed Cultural Center. The Public Works Committees, to which the bills were referred, requested the views of the Planning Commission. The Commission then began a staff study of potential locations, and on May 1, 1958, the Commission approved the Potomac River site for the Cultural Center and recommended it to the Congress.

UNIFORM SUPPORT IN HEARINGS

The NCPC was not alone in its preference for the Potomac site. It was also supported specifically in hearings before the Public Buildings and Grounds Subcommittee of the House of Representatives Committee on Public Works by the Commission of Fine Arts, the District of Columbia Recreation Board, the American Planning and Civic Association, the Bureau of the Budget, the Commissioners of the District of Columbia, the Washington Star, the Washington Post, the American Institute of Architects, the Federal City Council, the Washington Board of Trade, and Mrs. Robert Low Bacon, a member of the District of Columbia Auditorium Commission.

Mr. President, because the cosponsors had agreed to the recommendation of the Planing Commission for the Potomac River site, the bill being considered by the committee of the other House had been amended to incorporate the Planning Commission's choice of site. This bill, including the Potomac site, was enthusiastically endorsed by President Eisenhower and by many organizations including the AFL–CIO, the American Educational Theater Association, the General Federation of Women's Clubs, the District of Columbia Federation of Women's Clubs, the American National Theater and Academy, the Mount Pleasant Citizens Association, the Dupont Circle Citizens Association, the National Opera Guild of Washington, the National Symphony Orchestra Association, the Washington Ballet Guild, the Opera Society of Washington, and the National Federation of Women's Clubs. Surely, ample opportunity was provided interested individuals and groups to indicate their preferences as to the site. There was an impressive degree of agreement among those heard that the Potomac site was superior.

These hearings were held on August 1 and 5, 1958, 3 months after the site was recommended by NCPC. Another month elapsed before the Cultural Center was signed into law by President Eisenhower. From the time the bill was introduced until it was approved by the President, a period of over 5 months elapsed, so one cannot accurately term the decision a hasty one.

ACCESSIBILITY AND LANDSCAPING

As I have mentioned, the site of the John F. Kennedy Center for the Performing Arts has been questioned. Some say that it is not suitable because of its location on the banks of the Potomac. Washington is probably the only city in the United States that was planned by those who believed that the example of most of the great cities of the world was worth study and emulation; and those who have followed have always been very careful to adhere to their concepts of open avenues, great vista, and large parks and public areas. All that has been done and has been for the enjoyment and use of not only those residing or working within the city but also for those who come from other areas and indeed, from across the world to see the Capital of the United States. The beauty of Washington's great public buildings and monuments traditionally has been enhanced by the setting, either as an axial focal point or a body of water or a large park area. The Center will profit from all of these.

Mr. FULBRIGHT. Mr. President, I rise to associate myself with the statement on the John F. Kennedy Center by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL]. On February 24, 1958, I introduced in the Senate the bill to create a National Cultural Center. An identical bill was introduced in the House of Representatives by Representative FRANK THOMPSON, Jr., of New Jersey. I have served on the Center's Board of Trustees from its beginning and have always been most appreciative of the dedicated efforts which have brought this dream I have shared with so many others to the point of realization. I may say, Mr. President, that this has been a bipartisan dream and a bipartisan effort, just as the congressional representation on the Board is bipartisan.

To my personal knowledge the Trustees and officers of the Center have had splendid cooperation from all the agencies interested or involved. These have been principally the National Capital Planning Commission, General Services Administration, the Fine Arts Commission, the government of the District of Columbia, and the National Park Service, but the aid of many others has been enlisted from time to time. For example, the Secretary of State and officials of the Department of State became participants when several foreign governmens indicated their desire to make gifts for use in the Kennedy Center. By an exchange of diplomatic notes, the center became the grateful recipients of gifts of marble valued at $1,100,000 from the Italian Government, furniture for the grand foyer valued at $155,000 from the Danish Government, bronze doors valued at $250,000 from the German Government, and crystal chandeliers for the concert hall valued at more than $180,000 from the Norwegian Government. Likewise, a red and gold silk curtain, valued at $140,000 is the joint gift of the Government of Japan and the American-Japan Society. The expressions of amity from our friends abroad are most gratifying and most deeply appreciated. The Kennedy Center will appear as a jewel of white Carrara marble in its park setting on the Potomac.

With regard to the Potomac River site, Mr. President, I should like to say that no more appropriate setting for the Center is available. Although the original bill I introduced specified another site for the Center, when it was found that the site on the Mall had been reserved for the Air Museum of the Smithsonian Institute, and when the NCPC recommended the present river site, I was glad to acquiesce in their recommendation. I have never had occasion to regret the adoption of the Commission's recommendation, and do not now. A conclusive consideration, to my mind, is that the view from the Center is perhaps as important as the view of it from outside. Literally nowhere else in the District of Columbia will such a prospect from the Center be possible as that across the river and toward the unspoiled panorama of Roosevelt Island. What other setting is available where office buildings, including those of Government agencies would not be a part of the immediate environment on all sides?

The distinguished architect of the Center, Edward Durell Stone, has taken full advantage of the river and island setting in his design for the Center. As a Trustee, as one of the original sponsors of the act creating the National Cultural Center, and a cosponsor of the act designating the Center as the Nation's memorial to John F. Kennedy, I have the utmost confidence in Mr. Stone and heartily approve the aesthetic concept of the Center. I believe that this feeling is shared by the entire Board of Trustees. Certainly I have heard no criticism of the architectural concept from any of them.

In developing his plan and design for the Center, Mr. Stone has proceeded upon the assumption, which I believe to be correct, that each city has its own individual character and tradition, and that the architect should respect this and work within it. As Mr. Stone conceived the architectural tradition of Washington, it is that of large white buildings in park areas. A drive down Independence or Constitution Avenue will readily illustrate this, as does the setting of the Capitol, the White House, the Supreme Court, the Lincoln Memorial, the Jefferson Memorial and many other public edifices. Mr. Stone's design is in this tradition, as well as taking fullest advantage of the river site and the vista afforded by New Hampshire Avenue.

Now, Mr. President, let me say that the actual appearance of the exterior of any building, like that of any work of art, is a matter of taste. And I think we all realize that esthetic taste is a highly subjective matter, that one man's architectural meat is another man's architectural poison. This is true not only among laymen, but among artists and architects, and certainly among professional critics. For example, I would agree with Ed Stone that in Washington, buildings with walls largely of windows are office buildings, and I would not have wanted the Kennedy Center to look like another office building, no matter how well suited that type of design is to office buildings, which often all serve quite a different purpose.

As I have said, I have the utmost confidence in Ed Stone as an architect. In my opinion and that of many others, he is one of a handful of truly outstanding architects in the world today. I think, Mr. President, that we in the Nation's Capital most emphatically do not want, as the memorial to John Fitzgerald Kennedy, a camel of a building like the Rayburn building. We do not want a building which has been put together by a committee, where there is no unity of concept and execution. For this reason, the design and location of the Center cannot be dictated by purely local groups. We are building the Nation's memorial to President Kennedy, and not merely a local facility.

Mr. CLARK. Mr. President, I am happy to support the position taken by the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Arkansas [Mr. FULBRIGHT], with whom I have worked as a Trustee of the Kennedy Center. I, too, salute the Chairman of the Center, Roger L. Stevens, for having surmounted many obstacles large and small since President Kennedy asked him to get this project underway. I do not feel that at this time any question can reasonably be raised about proceeding as expeditiously as possible to construct the Kennedy Center on the site recommended in 1958 by the planning agency responsible and accepted by the Congress. Not only have contributions been solicited from all over the country and accepted on the representation that this building would be built at this place, but some $3,300,000 has been spent by the National Capital Financing Commission to acquire land under a mandate from Congress. Perhaps most important of all Congress has already designated this Center as a memorial to J.F.K., and made a substantial contribution toward its completion. Opponents of the Potomac site are urging at this late date, at the very moment when demolition at the site is about to proceed—that all the present plans be scrapped and that the NCPC and the Trustees of the Center start again from the beginning. Where have they been these past 7 or 8 years? Why did they not come forward sooner? It is obvious that changing plans now would delay completion of the Center for at least 5 years and perhaps 20. I point out that the Southwest L'Enfant Plaza has not been commenced 10 years after it was planned.

HIGH COST OF CHANGE

Opponents of the Potomac site have proposed that Congress choose a site on Pennsylvania Avenue. They are asking that the Congress intervene in the legally defined and orderly planning processes of the National Capital Planning Commission, and substitute its judgment for that of the Commission. According to the Commission land values in the Pennsylvania Avenue area proposed are exceedingly high; the 6 acres on Pennsylvania Avenue acquired for the Federal Bureau of Investigation building cost $11,871,000. This is close to $2 million an acre.

The Potomac River site contains 18 acres, Mr President. Even if a suitable 18-acre plot could be found in the proposed new area, and I doubt if it could, it could well cost upward of $36 million. The argument is made that this might be available from urban renewal funds. The District of Columbia has a good many things to do with urban renewal money before it should spend it this way.

The costs to the District of Columbia must be also considered, since acquisition of this valuable commercial property for public use would remove it from the tax rolls and amount to a very substantial loss of tax income to the District of Columbia.

The Kennedy Center is being built for the Nation, not merely as a local facility. It is to be the Nation's memorial to the late President, and not that of the District of Columbia. The Trustees believe that it will become very rapidly a monument to which the people of the Nation will flock, as they do to the Lincoln Memorial nearby, and to the last resting place of President Kennedy immediately across the river. It is here in Washington and the people of this area will have the good fortune to benefit by its presence—as they do our other national shrines. But the Center is being built and paid for by national voluntary contributions and by money from the Federal Treasury. Many people in this area have contributed. We are grateful. But this is a National Center.

It would detract from the whole conception of the Kennedy Center as a memorial to change its site so that it can become a downtown commercial attraction. The quiet serenity of the river site is most appropriate to the Center. It is a handsome site and the natural beauty of the setting will be further enhanced by landscaping. Opponents say the access roads will be complicated, gaping holes which will cut up the site. This, too, is a problem which can be solved by seeing to it that appropriate landscaping and quality highway design are used. . .

In sum, Mr. President, an adequate case for postponing this project has not been made. And practically speaking, it is too late in the day to start all over again even if the case of the opponents were better than it is. We should do what we can to speed up the completion of this major memorial to a great man, not halt it. We should do what we can to solve any problems typical of any urban project of this magnitude—provide a subway stop, work out bus routes and adequate service, make certain that the highway engineers do not destroy what the planners, architects and landscapers will create—which they do all too often in the District, as elsewhere—make the Center as beautiful, successful, and enduring a contribution to our national life as we can. This Center had John F. Kennedy's personal support. None of us ever dreamed it would turn out to be his memorial. But such it has become and it is our obligation to bring it to a successful conclusion—as he asked Roger Stevens to do when he put him in charge of this project, and as he told the Trustees on more than one occasion he wanted done.

Mr. FULBRIGHT. Mr. President, construction of the Center moved ahead and on September 30, 1968, the massive steel framework was "topped out."

Regrettably, the Kennedy Center did not prove immune from the escalating costs that prevailed throughout the economy. Thus, in the spring of 1969, Representative Kenneth Gray introduced H.R. 11249, providing for an increased matching Federal grant and an increased borrowing authority from the U.S. Treasury. The House passed this legislation on July 8, 1969. Subsequently, the Senate Committee on Public Works recommended its passage and on October 3, 1969, it came before the Senate for consideration.

Two proposed amendments which would have had the effect of delaying work on the center were defeated, and on October 6, 1969, the Senate passed H.R. 11249.

Mr. President, I ask unanimous consent to have printed in the Record at this point excerpts from the Congressional Record of October 3 and October 6, 1969, and an article from the Washington Evening Star of October 7, 1969.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

[Excerpts from the Congressional Record, Oct. 3, 1969]

Mr. Cooper. Mr. President, I am not the chairman of the Public Works Committee, and I am not the Senator in charge of the bill. Both are unavoidably absent on business of the Senate. However, I am a member of the Committee on Public Works. I desire to make a statement concerning the action of the committee in considering and reporting the bill.

In doing so, I point out to the distinguished Senator from Maine that, as she knows, I have the highest respect for her. I cannot contradict any of the facts she has given.

I will review briefly the history of the cultural center.

The facts have been correctly stated by the Senator from Maine and by the Senator from Arizona. In 1958 President Eisenhower signed the act creating the National Cultural Center. That was to be its name. It is correct that it was to be paid for by private contributions.

The act authorized a board of trustees of 30 members to administer the funds and develop the Center.

After the untimely and tragic death of President Kennedy, resolutions were introduced in the Congress proposing that the name of the center be the John F. Kennedy Center for the Performing Arts.

We remember the sadness of the people of our country and the desire to create an appropriate memorial for President Kennedy. It was thought by many that the construction of the center would be an appropriate memorial, considering his interest in this city and in the arts.

I was present as the ranking minority member of the Senate Committee on Public Works at a joint hearing of the Senate and House Committees on Public Works. It was decided to name the center for President John F. Kennedy.

It was then agreed that the construction be financed in this manner: Congress would appropriate $15,500,000 to be matched by gifts to be received by the Board of Trustees. The total would amount to $31 million.

Congress also authorized the trustees to borrow $15,400,000. Appropriation by the Congress, gifts and loans provided $46,400,000 which it was estimated at that time, would cover the total construction of the center.

The Board of Trustees constituted the General Services Administration its agent for the construction of the building. The General Services Administration and I assume, with the agreement of the Board, secured as the architect for the center Edward Durell Stone, a very distinguished architect. Gifts were received, and work was commenced.

During this session the Board of Trustees came to the Public Works Committee and reported that the estimated cost had increased from $46,400,000 to $66,400,000. They asked Congress to authorize increased appropriations of $7,500,000, to be matched by gifts, and an additional borrowing authorization of $5 million.

If this is done, the breakdown of the $66.4 million would be as follows. $23 million appropriated by Congress, matched by $23 million in gifts, and loan authority of $20.4 million. These three categories would total $66.4 million.

We asked for an explanation of the cause of the overruns. The report indicates the answers we received from the General Services Administration and the trustees.

Mr. Fulbright. Mr. President, I wish to join the Senator from Kentucky in saying a few words about this matter. He has correctly stated—I will not repeat all the basic facts—that this matter did begin back in the administration of President Eisenhower. As a matter of fact, I introduced the original bill which authorized the dedication of certain lands belonging to the Government for this purpose—that is, the purpose of a Center for the Performing Arts.

At that time, as a result of a number of hearings in the Committee on Foreign Relations and elsewhere, it became quite evident that Washington was the only capital of any nation of any consequence without adequate facilities for the performing arts. When the foreign operas or ballets came to Washington, they had nothing but movie houses in which to perform, and, of course, those buildings were utterly inadequate for the purpose; and there was general interest in the establishment of a center that was adequate for the performing arts.

I do not want to leave the impression that the bill I introduced was the first one. Actually, prior to that time, under the leadership, I believe, of Mrs. Agnes Meyer, who was and still is the principal owner—she and her family—of the Washington Post and other properties, an effort was made to get the land which was at that time covered by a brewery which is near the present site; and an effort had been made to interest the Government and other people in trying to find a way to provide a reasonably adequate building for the performing arts. I have forgotten the details as to why, in any case this effort was abandoned. The thought then arose that if the Government would provide the land, which it already owned—most of it, at least—perhaps private people could put up some of the money for the building.

Between that time and the assassination of President Kennedy, something in the neighborhood of $5 to $7 million had been raised or pledged. Mr. Strong, who was a prominent citizen, had been the largest donor of those funds.

Then, President Kennedy was assassinated. Incidentally, he had taken a very special interest in this activity. He and his wife were both inclined to an interest in this type of activity. There were many other people also. I do not think they were alone. They had given it a boost and they talked about it. There were plans during that period for mounting a nationwide campaign to raise funds for this particular project.

I am reminded that in a country like Australia a somewhat similar project has been underway for 10 years. They have a beautiful opera house underway on the bay at the city of Sydney. They had a worldwide competition for design. It is near completion. They started out with an estimated cost for the opera house of $10 million. I think they have already spent $57 million and it still is not quite completed. It was financed to a great extent by a special lottery and also, I think, through private gifts. Construction has proceeded from year to year; it has been suspended from time to time; and the building is now much more expensive than it had been estimated.

I do not wish to excuse the fact that there were some overestimates in this connection. I only wish to point out that the trustees, after enactment of the legislation already discussed—and I shall not repeat it—did employ the General Services Administration, which is the agency of Government charged with supervision of all Government buildings. That is the agency which supervises the letting of contracts and so forth. They supervise these great office buildings with which we are all familiar up and down the mall. The General Services Administration, and not the General Accounting Office, was employed to be the agent. In other words, they were the agent for the trustees in seeing that contracts were properly let and supervised and the money properly spent. I do not know how much more carefully one would expect the trustees to be because that would be the normal thing to do. If they had not done that and proceeded without the General Services Administration, they would be subject to criticism. They followed the procedure the Government follows in these large projects in this city and throughout the country in connection with post offices, and Federal buildings of all kinds.

Mr. Church. Mr. President, will the Senator yield?

Mr. Fulbright. I yield.

Mr. Church. Mr. President, I simply wish to compliment the distinguished Senator from Arkansas for the argument he is making in behalf of the bill.

A few months ago, it was my pleasure to visit Ottawa, where I traveled as a delegate to the parliamentary conference between the United States and Canada. The first evening of our visit we were guests of the Canadian Parliamentarians at the new Center for Cultural Arts that has been constructed in the Canadian national capital. I must say that this is a perfectly beautiful center. It has greatly enriched the life of the city even as the Kennedy Center would add a whole new dimension to the life of the Capital.

I think we would make a grave mistake if we were not to continue the work on the Kennedy Center which is now so well advanced. I know the Senator shares those feelings and I want to express my full support for the position he has taken this afternoon in speaking up for the pending bill.

Mr. Fulbright. I thank the Senator.

* * * * *

The Presiding Officer. The Senator from Rhode Island is recognized.

Mr. Pell. Mr. President, I was fortunate enough to hear the words of the Senator from Kentucky and the Senator from Arkansas and rise to support them in their encouragement of the ongoing work of the John F. Kennedy Center.

I regret as much as anyone the mistakes which have been made in the estimates in regard to the figures and the overruns. Living somewhat in the same neighborhood of the jet airplane noise, I know that that will increase expenses, as well as the other unpredictable events which have occurred.

To a great extent, I am sure we all agree that it would be a most inefficient Government if errors of this kind were not checked. But in this particular case, where we are going ahead with unknown quantities, I would think that the best procedure would be to move ahead.

I recognize that the thought to have another study made has merit, but being one of those who, in the past, have supported such proposals, I have found that when one usually supports them, and when someone is against the basic project, and in this case being for the project, I find myself opposing the amendment.

It seems to me that a city such as Washington is in real need of a center of this kind for the performing arts, one not like a retired movie theater or the DAR hall, so that we should move ahead at this time and complete the center.

Mr. Holland. Would the 60-day delay, while this study is being made by the GAO and its report, delay or cause any stoppage in construction, or, otherwise handicap completion of the building?

I think that every Senator wants to see the building completed. We are certainly committed to it. The Nation is also committed to it. The real question we will want answered is: Will this amendment cause any delay, in order to get a clearer picture of what the situation is, in construction of the building?

Mr. Mansfield. In my judgment, without question, it would delay construction. It would increase costs. It would make a difficult financial situation that much more difficult.

Mr. Fulbright. Mr. President, could I comment on that same subject? I attended a meeting of the trustees, on Tuesday last. This question, of course, was brought up. I believe that I can say I am authorized to speak for them——

Mr. Holland. Is the distinguished Senator one of the trustees?

Mr. Fulbright. That is correct.

Mr. Holland. Then he can certainly report on this question.

Mr. Fulbright. That is correct.

The GSA, as I have already stated, has already seized, as they say, the project by agreement with the trustees. The last time I heard, they have been paid some $500,000 or $600,000 for their services in overseeing the project. They are thoroughly familiar with it.

Unless a Senator has no confidence in the GSA, I do not know why it would be advantageous to bring the GAO in. They are both reputable organizations. The GSA is the special agency charged with supervision of Government buildings. They are already in there. They have estimated, I think it is fair to say, that if we stop construction of the building, meaning cancellation of existing contracts which would have to be suspended for 90 days, we could not have the employees, that is the carpenters, and so forth, lying around for 90 days.

Mr. Mansfield. May I reinforce what the distinguished Senator from Arkansas has just said? The chairman of the Board of Trustees for the Kennedy Center, Roger L. Stevens, says he has only enough money to continue construction into the early part of October. If additional funds do not become available, it will be necessary to stop construction, which will be very costly.

Construction costs are going up at the rate of 10 percent a year.

Mr. Fulbright. May I point out to the Senator from Florida one or two other aspects of this matter? I have in my hand a statement showing funds available for construction of the Kennedy Center as of September 15, 1969. It shows the total amount of private funds anticipated and available for construction to be $24 million-plus. Of that amount over $2,320,000 has been given by foreign governments. Furniture from Denmark, $155,000. Doors from Germany, $250,000. Marble from Italy, $1,132,000. Curtain from Japan, $140,000. Chandeliers from Norway, $180,000. Chandeliers from Ireland, $35,000. Chandeliers from Sweden, $120,000.

After all, $66 million is a large amount, but how much of that is a grant of Federal funds? $23 million. The appropriated funds are $23 million. It is not an unseemly sum for a country as large as this, when we consider there is absolutely nothing in this city that is usable for the purposes for which this Center is being constructed. It is the only country, as I have said, with a capital city that does not have some form of center for the performing arts. One of the most famous is in Moscow. They are also found in Paris and London and Italy.

[Excerpts from the Congressional Record, Oct. 6, 1969]

Mr. Percy. Mr. President, I was appointed to serve as a representative of the Senate on the Board of the John F. Kennedy Center for the Performing Arts—upon the recommendation of my late colleague, Everett McKinley Dirksen—to succeed former Senator Leverett Saltonstall. I endorse the previous statement of the Senator from Arkansas. In view of the investment that has already been made, I do not feel we can abandon this cultural center. It represents too great a commitment by the Government, and by thousands of private donors to the arts, to the development of artistic talent in our Nation.

The Center represents a needed investment in the performing arts in this country. Let us not forget that this is a bipartisan enterprise, begun by President Eisenhower, developed under President Johnson, and hopefully to be completed during the administration of President Nixon.

President Nixon has, in fact, requested the $7.5 million in his fiscal 1970 budget recommendations to Congress. Mrs. Nixon serves with Mrs. Dwight Eisenhower and Mrs. Jacqueline Kennedy Onassis as the honorary chairmen of the Center. All three ladies support the legislation we are considering today.

The effort to secure these additional funds, then, is a truly bipartisan one. The benefit they will have will accrue to everyone, regardless of political views. The Center will serve as a showcase of the performing arts, a place where talent from every State can be presented, where we can demonstrate to citizens and visitors from abroad the finest in American art and culture.

For these reasons, I strongly support H.R. 11249 to provide the necessary $7.5 million, and commend the House in its passage and the Senate Committee on Public Works for unanimously approving this expenditure. For these reasons also, I oppose the pending amendment to this bill.

* * * * *

Mr. Yarborough. Mr. President, I must say at the outset that I am one of the newer members of the Trustees of the Kennedy Center, appointed only this year. I had, years ago, made a small contribution to that Center, never dreaming that I would ever be a member of the Board of Trustees. It was a very small contribution, though it was considerable to me at the time; and I welcomed this honor of serving on the Board, and have endeavored to familiarize myself with the problems facing the Center. I am in agreement with the intent and language of H.R. 11249.

It has been a matter of some embarrassment, Mr. President, for some years, in visiting other countries of the world, to have to acknowledge that I came from the only great nation I knew of that had no national center for the performing arts.

I think the American people owe it to themselves to build a center for the performing arts. It is long overdue. The distinguished Senator from Arkansas mentioned that beautiful opera house in Vienna. We saw this wonderful edifice at the Inter-Parliamentary Meeting in April of this year. It was restored, as the Senator stated, with American money after its partial destruction in World War II.

This great Nation can no longer afford to deny building a center for the performing arts, that is worthy of a great people.

The distinguished Senator from Montana, the majority leader (Mr. Mansfield) read parts of an editorial from the Washington Sunday Star published yesterday, October 5. The editorial analyzes this controversy on both sides. I shall repeat only one sentence:

"The practical effect of that move"—

That is, to block the authorization pending an investigation by the General Accounting Office—

"would be to bring work on the center to a complete halt probably within the next few days and add materially to the total cost of completion."

* * * * *

Mr. Fulbright. Mr. President, one last thing, the question of the Government's percentage of the cost of the building.

This is a Government building. It belongs to the Government. It is built on Government land. Normally, in most civilized countries which are interested in the fine arts, they build all their buildings and they pay all the cost—the great theaters in Paris or in Rome. I am sure that in Moscow they did not take up a public contribution to build the Bolshoi. It is a public building, belonging to the Government, just as this Capitol is. It is on Government land, and it belongs to the Government.

I think it is quite unusual for the private sector to contribute as much as they have. They all are taxpayers, in addition to making contributions. Rather than be criticized about it or have something funny raised about it or have it said that they should pay more, I think they should be congratulated.

Personally, I do not wish to apologize for anything about this building. Its history is well known. It should have been built years ago.

This is the only country in the world that devotes nearly all its funds to military affairs and almost nothing to fine arts or anything having to do with nonmilitary improvement of the quality of life. That is one of the reasons why there is such a revolt going on in this country among the young people—not because of this particular building, but because they sense that the direction of this great country is in the wrong direction; that we are becoming a country dominated by the military, and with very little interest in what is generally called the humanities or the fine arts.

* * * * *

Mr. RANDOLPH. Mr. President, at the outset, I wish to state emphatically that the Senator now speaking, although he disagrees with the amendment offered by his distinguished colleague from Maine, would in no wise impugn nor even imply that that amendment to the pending bill is offered other than in good conscience. I would not attempt to think in terms of the offering of an amendment by any Member of this body except that it be offered in good conscience and in the belief that the amendment offered would be justified. My opposition to the amendment will be stated simply upon what I believe to be a more favorable solution that can be effected.

On October 3, the Senate addressed itself to this subject matter, at which time several Members debated it. Since that time, it has been of considerable concern to me, and I have tried to assess the problem to provide a solution.

As chairman of the Committee on Public Works, I have requested the Comptroller General to conduct a thorough study of the construction costs of the Kennedy Center and the anticipated costs of completion.

At this point in my remarks, I wish to read the letter I have sent to Comptroller General Elmer B. Staats:

"It is requested that the General Accounting Office make a study of the past costs and the estimated future costs of completing the John F. Kennedy Center for the Performing Arts. This study should be submitted to the Committee on Public Works, United States Senate, by December 3rd, 1969.

"In preparing your study, please answer those questions which were asked on the Floor of the Senate on October 3rd, 1969" (contained in the Congressional Record, volume 115, part 21, pages 28374–28384.)

Mr. President, I have signed the letter as chairman of the Committee on Public Works.

This request, which I have made in an effort to arrive at a solution would fulfill the basic substance of the amendment proposed by the distinguished senior Senator from Maine. I think it could be done in this way without imposing the burden of interrupting construction on this vital project, a project on which the Senate has committed itself.

I point out, Mr. President, that the General Services Administration has estimated that if the project construction program were interrupted it would add approximately $1 million per month—not per year but $1 million per month—to the already mounting costs of the construction of the Center. Since the Committee on Appropriations probably will not act on the additional funds authorized by H.R. 11249 until December of this year at the earliest, by which time the General Accounting Office will have completed the information and have complied with my request for this study, the commitment of these funds could be fully protected by the Committee on Appropriations in light of the General Accounting Office findings.

I think it is important during the interim that construction of the Kennedy Center go forward and that it proceed under the additional funds provided by the increased authority to borrow as authorized in H.R. 11249.

Mr. President, I, therefore, oppose the proposed amendment. I think that it is unnecessary. I think it would add significantly to the cost of completing the Kennedy Center; and it is my feeling that the effort that I am making in the way I have explained it may recommend itself to Members of the Senate.

Mr. HOLLAND. Mr. President, I oppose the amendment for two principal reasons. First, it is clear that the adoption of the amendment would add to the cost. We are talking about increased costs already. It is clear that cancellation of contracts and subcontracts, and the renewal of them on the present market, would cost more money.

The second reason I oppose the cancellation, is that we have assurances of the commission that upon this basis, if it is voted, this is the last time they will ask the Federal Government for money.

I wish to read this sentence from the report:

However, the committee wants it clearly understood that the center must be completed within the proposed cost of $66.4 million and if, by any chance, this figure has been underestimated and the additional funds required must be raised by the Board of Trustees through private subscription.

Mr. President, in order that it may appear who is on the Board of Trustees I ask unanimous consent that the list of members of the Board be printed in the RECORD as it appears on page 8 of the committee hearings.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

BOARD OF TRUSTEES

Roger L. Stevens, Chairman.

Richard Adler, Floyd O. Akers, James E. Allen, Jr., Commissioner of Education, Robert O. Anderson, Ralph E. Becker, K. LeMoyne Billings, Edgar M. Bronfman, Mrs. George R. Brown, Robert W. Dowling, Ralph W. Ellison, Robert H. Finch, Secretary of Health, Education, and Welfare, Abe Fortas, Rep. Peter H. B. Frelinghuysen.

Senator J. William Fullbright, Mrs. George A. Garrett, Leonard H. Goldenson, Mrs. Rebeckah Harkness, George B. Hartzog, Jr., Director of the National Park Service, Senator Edward M. Kennedy, Thomas H. Kuchel, Mrs. Albert D. Lasker, Erich Leinsdorf Sol Myron Linowitz, Mrs. Michael J. Mansfield, Harry C. McPherson, Jr., George Meany, Robert I. Millonzi.

L. Quincy Mumford, Librarian of Congress, Senator Charles H. Percy, S. Dillion Ripley II, Secretary of the Smithsonian Institution, John Richardson, Jr., Assistant Secretary of State for Educational and Cultural Affairs, Richard Rogers, Arthur M. Schlesinger, Jr., Mrs. Jouett Shouse, Mrs. Stephen E. Smith.

William H. Thomas, Chairman of the District of Columbia Recreation Board, Representative Frank H. Thompson, Jr., Jack J. Valenti, William Walton, Chairman of the Commission of Fine Arts, Walter E. Washington, Mayor-Commissioner of the District of Columbia, Lew R. Wasserman, Edwin L. Weisl, Sr., Representative James C. Wright, Jr., Senator Ralph W. Yarborough.

Mr. HOLLAND. Mr. President, Senators will note some of the most wealthy and best known philanthropists in the Nation are contained within the Board.

I am told by the committee that the chairman of the Board is the one who has given the assurance that if this bill is passed they will assure the raising of additional funds, if any are required, to build this building.

I call attention to the fact also that on this board of trustees the names of 4 of our able senatorial colleagues appear, in addition to the former Senator from California, Mr. Kuchel, who recently retired from this body. In addition, the names of several Members of the House of Representatives appear. I call attention to the fact that Mrs. Mansfield, the wife of our distinguished majority leader is also a member of the board.

I cannot believe that the chairman of such a Board would give an assurance of that kind to this committee unless he knew that we could depend upon it.

In closing, Mr. President, I want to repeat what I said the other day. We must recognize what we have done before. This has been an action of the Senate, this has been an action of the Congress. This building was named for our former colleague, a former President of the United States. If we should fail to go through with this matter and forget the fact that eight or nine other nations have given substantial gifts for this center, I think we would be doing something to cause our Government and ourselves to be held up to ridicule. Certainly, as far as the Senator from Florida is concerned, he feels it would reflect hurtfully on the pride of this Nation and the Senate.

[From the Washington Evening Star, Oct. 7, 1969]

CONGRESS OKs "URGENT" JFK CENTER FUNDS

(By William Grigg)

An "urgent" authorization of $12.5 million in additional construction funds for the John F. Kennedy Memorial Center for the Performing Arts cleared Congress last night on a Senate vote of 62–3.

Sen. Margaret Chase Smith, R-Maine, attempted to amend the authorization so that the funds could not be appropriated until the General Accounting Office made a 60-day study of the "overrun" on construction—an amendment deliberately patterned after those that liberal Democrats sought to add to the military authorization bill.

She argued that while the GAO was not equipped to make military judgments, it indeed was equipped to study the construction of the center here, which is now estimated to require $20 million more than the 1966 estimate of $46.4 million. But Mrs. Smith won only 19 votes for her amendment.

Arguing successfully against the amendment were Sens. J. W. Fulbright, D-Ark., and Charles H. Percy, R-Ill., both trustees of the center. They said the money was so urgently needed that if it did not become available quickly, contracts would be broken and construction interrupted. They said this would cost $2 million.

After her first amendment failed, Mrs. Smith tried another that would have held up only part of the funds, but this, too, failed.

However, there still will be a GAO study, though it will not require the holding up of any funds.

In arguing against Mrs. Smith's amendment Sen. Jennings Randolph, D-W. Va., chairman of the Public Works Committee, announced he had just asked for a study by the GAO himself. He said it would be completed by Dec. 3.

The results thus may be available before Congress actually appropriates the $7.5 million additional federal grant authorized by last night's bill. The balance of the $12.5 million will become available from the Treasury as soon as President Nixon signs the authorization bill.

The bill brings the total in federal grants authorized to $23 million and the borrowing authorization to $20.4 million. Other funds are being raised privately for the center's construction.

Sen. Harry F. Byrd, D-Va., and Sen. Barry Goldwater, R-Ariz., supported Mrs. Smith's amendments but did not vote against the final bill.

The three voting against the entire bill were Sens. James B. Allen, D-Ala.; Henry Bellmon, R-Okla., and John J. Williams, R-Del.

Sen. Edward M. Kennedy, D-Mass., stayed off the Senate floor during the debate but appeared in time to vote against the Smith amendments and for the final bill.

Mr. FULBRIGHT. Mr. President, work on the Center continued at a steady pace, and on May 27 of this year the doors were opened for a preview benefit. I am pleased to be able to report that this preview resulted in raising $240,000 for the

Center's Education Fund, a major portion of which will be used to provide discount tickets for low-income groups. As I have frequently emphasized, I believe it is of the utmost importance that we provide a wide variety of cultural presentations at the Center and make them available to as many Americans as possible. The Education Fund, which will make tickets available at reduced rates to students, the elderly, military personnel, and others, will help achieve this goal.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article by Richard L. Coe in the Washington Post of May 23, reviewing the history of the Kennedy Center concerning the results of the benefit included in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 23, 1971]

THE LEAN YEARS

(By Richard L. Coe)

On Thursday evening, Washington gets a preview of a dream's realization, the Kennedy Center for the Performing Arts. The dream began 24 years ago and the reality will come alive with the first performances in September.

Picture Washington in the winter of 1947. It had no stage for opera or ballet performance. The Actors Equity and the Dramatists Guild had declared that their members would not appear after Aug. 1, 1948, in the city's sole legitimate theater, the National, because of the theater's policy of racial discrimination. Lisner Auditorium's awkward stage, when available between large George Washington University classes, could not fly scenery and had no dressing rooms.

Dancers of the Sadlers Wells, including Margot Fonteyn and Moira Shearer, had taken spills on Constitution Hall's inadequate stage. President Truman, who headed the audience, apologized to the British dancers.

Arena Stage didn't exist, nor did the Washington Theater Club. Ford's Theater was a warehouse. The Shubert Theater, now a parking lot, was then the Gayety Burlesque. The Washington Auditorium, an earlier dream that failed, served as a government office. The Capitol Theater's stage would occasionally attempt serving large companies, but it was gone with the '40's.

That was when someone began calling Washington "The Capital of the Western World." Millions of Americans had done a lot of wartime travel and many realized their capital's failings. It had no opera house, a makeshift concert hall and no theatrical future.

It did have concerned citizens. Four of them, through this newspaper, called a citizens' meeting to discuss their city's performing arts future in the auditorium of the Smithsonian's Museum of Natural History. The late Melvin D. Hildreth, impressario Patrick Hayes, Catholic University's Father Gilbert V. Hartke and this reporter called themselves a committee to get the talk going.

That was the beginning of an idea and a dream. Now, 24 years later, the nearly completed, $68-million Kennedy Center will have its first official showing on Thursday evening.

It is a vast marble structure, 630 feet long, 300 feet wide, and 100 feet high—nearly the size of four football fields placed side by side. Under one roof, it encompasses an opera house, concert hall, theater for drama, and a film theater.

It took 12 years of negotiating with appropriate committees on both sides of Capitol Hill just to get the land. That was a compromise, for what was first sought was a plot along the Mall. Downtown locations were asked for and refused.

Finally, under legislation introduced by Sen. J. William Fulbright (D-Ark.) and Rep. Frank Thompson, Jr. (D-N.J.) setting forth the Potomac River site, Republican President Eisenhower signed the bill. That is why one of the four auditoriums will be called the Eisenhower Theater.

It wasn't until September, 1962, that Mrs. John F. Kennedy unveiled the model of Edward Durell Stone's building. President Kennedy pressured businessmen for donations. After President Kennedy's assassination, in November, 1963, President Johnson persuaded Congress to create the building his predecessor had wanted as a Kennedy memorial.

President Johnson broke the ground on a chilly December morning in 1964, the Kennedy family in attendance. President Nixon was an active, letter-writing supporter of the idea during his vice presidency.

With the construction now nearly completed, it is a time both to consider the Center's perspective and to imagine what the future of the capital city would be without this building.

GALA PREVIEW BENEFIT AT KENNEDY CENTER NETS $240,000

WASHINGTON, D.C.—Nearly a quarter of a million dollars was raised by the Gala Preview which took place at the John F. Kennedy Center for the Performing Arts on May 27, it was announced today by William McC. Blair, Jr., the Center's General Director. The net profit from the Gala Preview, attended by more than 3,700 ticket-buyers, is $240,000, Blair stated.

The money raised will go into the Center's Education Fund, a substantial portion of which will be used to provide discount tickets for low income groups.

Mr. Blair, in making the announcement, paid special tribute to the work of the Preview's co-chairmen, Mrs. Eugene Carusi and Mrs. Elwood R. Quesada. "Their accomplishment," said Blair, "will prove significant to many who otherwise might find it difficult to attend performances at the Center."

The Education Fund, administered by its director, Norman Fagan, is to be used in part to buy tickets at full box office prices and resell the tickets to students, the elderly, military personnel and others with low or fixed incomes. The Fund, provided by the proceeds from the Gala Preview and from the 40 to 50 Founding Artists concerts to be presented during the Center's inaugural year, will absorb the losses in re-pricing the tickets.

Mr. FULBRIGHT. Mr. President, although some critics have thought the cost of the Kennedy Center to be excessive, I would like to point out that the total cost of the Center—about $70 million according to the latest figures—is less than 1 day of what the war in Vietnam cost us in 1968 and 1969—budgeted and incremental costs. Approximately $23 million of the cost of the Center is in direct Government grants, $20 million in loans, while more than $27 million in private gifts and donations have been pledged to the Center. It is also interesting to compare the cost of the Kennedy Center to that of the Lincoln Center for the Performing Arts in New York, which is estimated to be $160 million. I think the Kennedy Center offers comparable facilities, and it was built during a period of rapidly increasing costs throughout our economy.

Mr. President, although I have tried to cover all the major steps in the history of the Kennedy Center, particularly from the legislative standpoint, I do not pretend that this is an exhaustive history. I have not said much, for example, about the dedicated efforts of the officers of the Kennedy Center who have provided outstanding leadership. I refer particularly to Roger L. Stevens, chairman; Robert O. Anderson, Harry C. McPherson, Jr., and Senator CHARLES H. PERCY, vice chairmen; K. LeMoyne Billings, secretary; Philip J. Mullin, administrator and assistant secretary; William McC. Blair, Jr., general director; Ralph E. Becker, general counsel: Robert C. Baker, treasurer; Daniel W. Bell, treasurer-emeritus; Julius Rudel, music director; George London, artistic administrator.

We should also recognize the fine work of the "Friends of the Kennedy Center," a dedicated and energetic group of people.

In the 13 years since the enactment of the legislation providing for a National Cultural Center many individuals and groups have made important contributions. To everyone who has played a part, the opening of the Kennedy Center on September 8 will be an event that has been long awaited. The outstanding array of cultural events which have been scheduled for the first 2 weeks will provide a fitting beginning for the Center, and I am confident that in the months and years ahead we will have reason to be proud of this National Center for the Arts.

In closing, I ask unanimous consent to have printed in the RECORD an article from the Washington Post, of June 20, listing the opening attractions at the Kennedy Center.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 30, 1971]

JFK CENTER INAUGURAL: 2-WEEK FESTIVAL OF MUSIC, DANCE

(By Alan M. Kriegsman)

The much-discussed opening attractions at the John F. Kennedy Center for the Performing Arts this fall has coalesced into a two-week festival of music and dance. The festival will offer a star-studded sampling of the artistry and entertainment slated to become the year-round, steady fare at the center.

The events will include presentations by two opera companies, two symphony orchestras, two ballet companies, and a range of individual concert and pop artists.

The red-letter day is Wednesday, September 8, 1971. That evening, a major new composition by Leonard Bernstein will launch both the center as a whole and the 2,300-seat Opera House, the first of two principal center auditoriums to be opened this fall.

Bernstein has informed Kennedy Center officials that the new work is to be called "Mass." The notable composer-conductor recently described it as "a theater piece for players, singers and dancers."

The National Symphony will inaugurate the 2,700-seat Concert Hall on Thursday, Sept. 9, in a concert to be conducted by Antal Dorati. The program will include the late Igor Stravinsky's "The Rite of Spring," and works by Beethoven, Mozart and William Schuman.

Among other festival presentations to take place in the Opera House will be a performance of Alvin Ailey's ballet, "The River," choreographed to the music of Duke Ellington and performed by the American Ballet Theatre, the center's "resident" ballet troupe.

The Opera Society of Washington will stage the world premier of Alberto Ginastera's "Beatrix Cenci." The Kennedy Center itself will present Handel's rarely performed opera, "Ariodante," with Julius Rudel conducting and Beverly Sills, Totjana Troianos and Veronica Tyler in lead roles.

The Concert Hall will be the site of the first events in a series of Founding Artists Concerts during the initial festival weeks. The performers will donate their services for a benefit fund to provide a substantial bloc of discount tickets for low income groups, admitting the holders to all events at Kennedy Center.

The Stern-Rose-Istomin Trio, comprised of violinist Isaac Stern, cellist Leonard Rose and pianist Eugene Istomin, will be the first presentation in the Founding Artist series, in a concert on Sept. 11. On Sept. 13, The Fifth Dimension will become the first pop group to appear in the series. Among other Founding Artists will be country singer Merle Haggard, Metropolitan Opera tenor Nicolai Gedda, pianist Gina Bachauer, singer-composer Peggy Lee, and Broadway and television star Leslie Uggams.

The New York Philharmonic will be the first of many visiting orchestras to be heard in the Concert Hall during the inaugural season. On Sept. 19, Pierre Boulez will lead the Philharmonic in a program featuring pianist Andre Watts as guest artist.

An unusual event of the festival will take place in the Concert Hall on Sept. 12, when a matinee performance of "The Dawn of Glory," a concert of Moravian music, will feature the Piedmont Chamber Orchestra and the Westminster Choir.

The complete festival schedule is as follows:

Opera House: Bernstein's "Mass," Sept. 8 and 9; Ginastera's "Beatrix Cenci," Stept. 10; American Ballet Theatre's "The River, Sept. 11; "Beatrix Cenci," Sept. 12 (mat.) and 13; Handel's "Ariodante," Sept. 14; American Ballet Theatre, Sept. 15; "Ariodante," Sept. 16; Bernstein's "Mass," Sept. 17, 18 (mat. and eve.) and 19 (mat. and eve.); American Ballet Theatre, Sept. 21.

Concert Hall: National Symphony Orchestra, Sept. 9 and 10; Stern-Rose-Istomin Trio, Sept. 11; Moravian's "Dawn of Glory," Sept. 12 (mat.); The Fifth Dimension, Sept. 13; Merle Haggard, Sept. 14; Nicolai Gedda, Sept. 15; Gina Bachauer, Sept. 17; Peggy Lee, Sept. 18; New York Philharmonic, Sept. 19 (mat.).

GOLD PROHIBITED AMERICANS BUT NOT FOREIGNERS

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. RARICK. Mr. Speaker, the absurdity of American fiscal policy is never more evident than in the domestic restriction on free trade in gold. American citizens are prohibited from owning gold, yet our Government is presently allowing the depletion of our gold reserves by paying in gold to foreigners on demand—gold that is presently valued at $35 per ounce for payment, yet, if one would believe the price of gold on a free market similar to the one conducted for 3 days last week by West Coast Commodity Exchange, Inc., this same gold has an approximate value of $58.50 per ounce on a free market.

What this means, then, is that our Government is allowing foreigners to deplete our gold reserve and still make a profit of about $23.50 per ounce in gold.

This situation is entirely unrealistic. American gold reserves are actually worth more money on the open market than in support of our currency.

Such activities as those recently conducted by the West Coast Commodity Exchange, Inc., actually trading in gold futures for 3 days last week before being stopped when the Treasury amended regulations must be allowed to continue. To prohibit them is discriminatory—a violation of civil rights.

I insert the following related news clippings, my bill to prohibit payment in gold to foreigners, the Treasury release and amendments by which they stopped the West Coast Commodity Exchange, Inc., from trading in gold futures, and the response of the West Coast Commodity Exchange in the Record:

[From the Washington Post, July 27, 1971]

Foreign Reserves Drop $307 Million as Gold Stock Dips

(By James L. Rowe Jr.)

The nation's foreign reserve holdings continued to deteriorate in June, tumbling $307 million to their lowest level since August 1938, the Treasury reported yesterday.

The total reserve assets—which included the gold stock, convertible foreign currencies, and the nation's position in the International Monetary Fund—stood at $13.504 billion on June 30, down from a revised $13.811 billion at the end of May.

The nation's gold stock, by far the largest component of the asset position, dipped $61 million last month to $10.507 billion.

Most of the nation's asset decline was attributable to a $250 million transaction with the International Monetary Fund which reduced the country's automatic drawing rights from that agency to $1.4 billion.

In an effort to absorb some of the excess dollars which flooded European markets during the currency crisis earlier this year, the U.S. withdrew $100 million in Dutch Guilders and $150 million in Belgian Francs last month to buy back dollars from those central banks. Belgium had used $80 million of the excess dollars it picked up to buy gold from the U.S. stock in May.

The asset holdings, which hovered about the $20 billion mark in 1960, has declined by about $1.2 billion since the beginning of the year—reflecting partially the deteriorating U.S. balance of payments position. The nation ran a balance of payments deficit of $5.5 billion in the first quarter, a record, and analysis predict a second quarter deficit of between $6.5 billion and $7 billion.

Due to U.S. payments deficits over the decade and before, foreign central banks currently hold gold claims on the United States about three times the size of the nation's gold stock. Internationally, the U.S. dollar is backed by gold (currently valued at $35 an ounce), while the dollar is the major international reserve currency. The nation stands ready to exchange dollars for gold to foreign central banks at the $35 an ounce rate.

In August 1938, the nation's reserve position was $13.136 billion—mainly gold in the days before the advent of convertible currencies.

Last month the nation's holdings of convertible foreign currencies rose slightly by $4 million, while its supply of special drawing rights in the International Monetary Fund stood constant at $1.2 billion. Special drawing rights, often called paper gold, function as an international reserve unit, much the same as the dollar gold does.

H.R. 352

A bill to prohibit the redemption in gold of any obligations of the United States for, and to prohibit the sale of any gold of the United States to, any nation which is indebted to the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. No department, agency, or instrumentality of the United States may redeem in gold any obligation of the United States for any foreign government which is indebted to the United States, except where the obligation of the United States is limited to that of a bailee.

Sec. 2. No gold may be sold by any department, agency, or instrumentality of the United States to any foreign government which is indebted to the United States.

July 22, 1971.

The Treasury Department today issued the following statement:

The Treasury Department today amended its gold regulations, effective immediately, to reaffirm and clarify the long-standing gold policy of the United States that speculation in gold in any form is prohibited.

These amendments explicitly prohibit the trading of gold in any form on commodity exchanges and the acquisition of American or foreign gold coins of any description for speculative purposes.

The amended regulations were issued under the authority contained in the Gold Reserve Act of 1934, Executive Order Nos. 6260, 10896 and 11037, and the Trading with the Enemy Act. Under existing law, violations of these regulations may result in civil and criminal penalties.

These amendments will not limit in any way the types of transactions currently engaged in by coin collectors or licensees under present authority.

The purchase of contracts in gold futures or the enticing of others to do so constitutes a violation of the gold regulations. In accordance with normal practice, violations of the gold regulations are referred to the Department of Justice for appropriate action.

A copy of the amendments is attached.

Title 31—Money and Finance: Treasury

CHAPTER I—MONETARY OFFICES, DEPARTMENT OF THE TREASURY—PART 54—GOLD REGULATIONS

Clarifying amendments

Under the Treasury Department's Gold Regulations, there is a general prohibition on holding or dealing in gold without a license. An exception to this prohibition is made for gold coins of recognized special value to collectors of rare and unusual coins. Such coins, if minted before 1934, may be acquired because of this recognized special value to collectors of rare and unusual coin, but not for the purpose of acquiring the gold bullion contained therein. *Farber* v. *United States*, 114 F.2d 5 (9th Cir. 1940). Thus collectors of rare and unusual gold coins and coin dealers are enabled to buy and sell these gold coins for numismatic purposes without obtaining individual licenses for specific transactions. This exception was not intended to permit nor does it permit the acquisition of gold coins for speculative rather than numismatic purposes.

In order to state explicitly the intent of the Regulation, amendments are being made under which: (1) the acquisition, holding, importation and transportation of gold coin is limited to transactions for numismatic purposes; and (2) the trading of gold in any form on any commodity exchange within the United States is prohibited. In addition the overall intent of the Gold Regulations is made explicit by providing that trading in gold for speculative purposes is prohibited.

These amendments will not limit in any way the types of transactions currently engaged in by coin collectors or licensees under present authority.

Notice and public procedure are not required because there is involved a foreign affairs function of the United States in that these amendments are important to the proper functioning of the international monetary system. Moreover, because there are involved interpretative rules rather than substantive changes, and because of the relationship of speculative trading by Americans in gold to the proper functioning of the international monetary system, it is found that notice and public procedure are impracticable, unnecessary and contrary to the public interest. AUTHORITY: Sec. 5(b), 40 Stat. 415, as amended; secs. 3, 8, 9, 11, 48 Stat. 340, 341, 342; 12 U.S.C. 95a, 31 U.S.C. 442, 733, 734, 822b; E.O. 6260, Aug. 28, 1933, as amended by E.O. 10896, E.O. 10905, E.O. 11037, 3 CFR, 1959–1963 Comp.; and E.O. 6359, Oct. 25, 1933; E.O. 9193, as amended, 3 CFR, 1938–1943 Comp.; E.O. 10289, 3 CFR, 1949–1953 Comp.

Subpart B of Part 54 of Title 31 of the Code of Federal Regulations is hereby amended as follows:

Sec. 54.12 is amended by adding at the end thereof the following:

"Nothing contained in the regulations in this part nor in licenses issued thereunder authorizes the acquisition, sale, holding, importation or exportation of any present or future interest, direct or indirect, in gold in any form for speculative purposes, and such actions are prohibited."

Existing Sec. 54.15 is redesignated as subsection (a) of Sec. 54.13.

Existing subsections (a) and (b) of Sec. 54.13 are redesignated as subsections (b) and (c) or Sec. 54.13, respectively.

A new Sec. 54.15 is added to Subpart B to read as follows:

"Sec. 54.15. Trading in gold on exchanges.

No interest, direct or indirect, legal or equitable, in gold in any form, for present or for future delivery, shall be acquired under a contract made on or subject to the rules of any exchange within the United States. The term "exchange" means any organization, association, or group of persons, whether incorporated or unincorporated, which constitutes, maintains or provides a market place or facilities for bringing together purchasers and sellers of gold in any form and performs with respect to gold in any form the functions commonly performed by a commodity exchange as that term is generally understood."

Section 54.20 (a) and (d) are amended to read as follows:

"(a) Gold coin of recognized special value to collectors of rare and unusual coin may be acquired, held and transported within the United States for numismatic purposes without the necessity of holding a license therefor. Such coin may not be acquired for the purpose of acquiring the gold bullion contained therein. Such coin may be imported only as permitted by this section or sections 54.28 to 54,30, 54.34 or licenses issued thereunder, and may be exported only in accordance with the provisions of sec. 54.25.

(d) Gold coin made prior to 1934 may be imported for numismatic purposes without the necessity of obtaining a license therefor."

Effective date. These amendments shall become effective on filing with the Federal Register.

Dated: July 22, 1971.

Paul A. Volcker,
Under Secretary for Monetary Affairs,
Treasury Department.

West Coast Commodity
Exchange, Inc.,
Los Angeles, Calif.

Los Angeles, July 24.—The West Coast Commodity Exchange today mailed the attached letter to Secretary Connally regarding the Treasury's actions in connection with the WCCE gold coin futures contracts.

The following is a digest of its salient points:

During the past two weeks, the Treasury has conducted a press release campaign of intimidation against our Exchange which is contrary to the dignity of your Department and the policy of this Administration against jawboning.

The issue involved in the WCCE gold coin futures contract is clear cut. We relied on Sec. 54.2 of the Gold Reserve Act regulations which states, "Gold coins having a special value to collectors, *including all gold coins made prior to April 5, 1933 . . . have been exempted from such delivery requirement*" (of gold bullion).

By exempting all such gold coins, the Act has enabled U. S. citizens to buy, sell and own unlimited quantities of gold coins in wholesale quantities, contained in sealed canvas bags, since 1934 with the full knowledge and consent of the Treasury.

Five private British banking firms, formed in the 17th and 18th century and three Swiss banks meet daily in private offices to "fix" (their terminology) the prices of gold and wholesale gold coins.

The West Coast Commodity Exchange created the first world marketplace in which such prices could be established through competitive bidding in an open forum. This procedure follows the American tradition of free enterprise and enables all segments of U.S. business and finance as well as U.S. and international public traders to participate in the stabilization of such prices.

We believe that our gold futures market during three days of such open trading clearly proved the validity of our decision to provide an open market for the orderly stabilization of such prices.

In our opinion, it would also contribute to a reduction in the U.S. balance-of-payments deficit, the gold reserve crisis and strengthening of the dollar.

Rather than countering the Treasury barrage of press releases, we filed suit on July 16 in U.S. District Court in Los Angeles, requesting a Declaratory Judgment and Injunction against the Treasury Department. This suit will enable the Treasury and the Exchange to present evidence and documentation in an orderly manner and thereby obtain an objective interpretation of the Act, specifically with respect to Sec. 54.2 by the judicial branch of the federal government. The Treasury has not as yet filed an answer to this suit.

At 2:35 p.m., Pacific time, on July 22, we read another Treasury press release stating that the Treasury had "amended its gold regulations, effective immediately, to explicitly prohibit gold trading in any form on commodity exchanges." Based on this informal information, the Exchange nonetheless temporarily suspended trading as of the close of the market on July 22.

On July 23, we were officially handed another press release, dated July 22, by a Treasury agent, attaching a copy of "clarifying amendments" to the regulations. These clarifying amendments assiduously avoid any reference to Sec. 54.2 which contains the specific exemption on which our futures contract is based. The four pages of clarifying amendments, in our judgment, are not responsive to the matter at issue.

Indicative of the irrelevancy and unrealistic effect of these amendments is one which "prohibits the acquisition of American or foreign gold coins for speculative purposes." Any coin collector, coin dealer, bank or numismatic authority will confirm that "acquisition of American or foreign gold coins" is for speculative purposes. No Treasury regulation will change this basic fact of life.

The amendment prohibiting the acquisition of gold coins to obtain the gold bullion content is equally unrealistic. No person could afford to pay the sizeable premium on gold coins and sustain the monetary loss involved in melting them into gold bullion.

The repeated references in the clarifying amendments to gold bullion are also irrelevant since our futures contract specifications clearly state that "Pending Repeal or Amendment of the Gold Reserve Act of 1934, no gold bullion can be traded and that all deliveries on futures contracts shall be made in pre-1934 gold coins approved by the Exchange.

Such irrelevancies and inconsistencies in the "clarifying amendments" promulgated on a unilateral basis by the Treasury, in our judgment, only serve to emphasize the need for a judicial determination of the issues by an independent federal court on a matter of vital concern to the Treasury, the Exchange and to all U.S. citizens.

The Exchange letter expressed shock, surprise and regret at the apparent reluctance of the Treasury to obtain a definitive decision by a qualified legal process.

The Exchange also informed the Treasury that the WCCE Board of Governors would convene next week to consider such further legal action as may be appropriate.

[From the Washington Evening Star, July 28, 1971]

Your Money's Worth—Bringing Gold Out of Darkness

(By Sylvia Porter)

It seems possible that one day you'll be able to buy and sell futures contracts for pre-1934 gold coins just as you buy and sell commodity futures contracts for pork bellies (uncured bacon) or frozen orange juice concentrate or platinum or soybeans on any of the 12 commodities exchanges.

Gold—once the sole and for centuries the greatest of all monies—is to be treated as just another commodity.

Gold—once the monetary base for all paper currencies and the only yardstick against which the values of paper currencies were measured—is to have its value determined not in secret by powerful governments or central bankers but by amateurs and or professionals bidding openly in an open marketplace against each other.

Gold is to come out of the twilight of money and into the cold world of commodities.

Let's say you shrug off all warnings, the futures markets are open, the Treasury ends its opposition and you are eager to try your luck. What would you do?

You would buy and sell gold coin contracts as you would any other commodities contracts: through your commodities trader at the brokerage firm with which you have a commodities trading account or through a broker directly on the commodities exchange floor with whom you establish a relationship.

You would need to put down a deposit margin of about $750 for each $10,000 contract—a slim margin which would give you enormous leeway to win or lose on your commitment.

Your brokerage commission would be only $25–$35 for a complete round turn—buy and sell—transaction.

You could hold your futures contract for up to 17 months or sell it any time in the interim—or actually take delivery of bags of gold coins.

Gold is an emotional subject and gold trading, says David Callahan, president of the West Coast Commodity Exchange, will be often dominated not by logic but by emotions. As an illustration, Callahan cites November 1970, when the Treasury finally emptied its stockpile of silver and when the well-known fact that the demand for silver in the U.S. far exceeded the supply inspired a widespread belief that the price of silver would head for $2.50 an ounce. "Instead, it promptly sank from $1.70 to $1.61," Callahan remembers. "Only emotional response can explain it."

Trading in gold also will be marked by many more pitfalls that trading in other commodities—even though gold is neither a seasonal nor a perishable product and gold mined at the time of the pharaohs has the same characteristics as the current product of South Africa. As a world commodity, its price in the open market will be crucially affected by currency revaluations, political upheavals, changes in the stockpile policies of Russia and South Africa, moves by hoarders in France, India and other lands where thouhands of tons of gold are buried in "backyard vaults."

"What's more, if you go into the gold futures market, you will immediately come up against professionals who know on an hour-to-hour basis what is happening to gold prices in markets from Zurich to Singapore, who are deeply familiar with all the forces which could possibly influence gold prices and who can outmaneuver you any time.

In fact, says Franz Pick, the gold and currency market expert, the pros usually stand by early in the day when the little guy is settling his trades and the market is moving without meaning. They wait for a trend after that and then they ride it—either way.

[From the New York Times, July 28, 1971]

Gold Price Rises to a 2-Year High—Demand in Europe Markets Grows After United States Says Its Stock Is Below $10-Billion

(By Clyde H. Farnsworth)

Paris.—Fresh worries about the dollar intensified market activity in gold today, lifting the price to about $42 an ounce, the highest level in two years.

Demand for the metal strengthened in London, Paris and Zurich, Switzerland, as European newspapers and financial services reported that American gold stocks had fallen below $10-billion for the first time.

The United States Treasury announced yesterday that gold stocks during June dropped by $61-million to $10,507,000,000. But this includes priority claims of $548-million against American gold by the International Monetary Fund. Taking these into account, the net gold holdings were $9,979,000,000.

Additionally, the West German central bank holds what it maintains is a prior claim on the gold stocks of $500-million—a result of a gold sale to the United States by the Bundesbank when it was short of dollars after the 1969 upward revaluation of the mark.

LONG-HELD TENET

It has been a long-held tenet of some bankers and finance officials in Europe that the United States for strategic reasons would never permit its bullion reserves to dip below $10-billion.

In spite of privately voiced denials by American authorities that any such rigid policy thinking exists, there are growing expectations in Europe that Washington may declare a gold embargo.

Some Europeans reason that this could lead to a series of events culminating in an upward revaluation in the official gold price, which has been held at $35 an ounce for nearly three decades. In private conversations many central bankers in Europe express the belief that an upward revaluation of gold is now needed to engineer a devaluation of the dollar.

One theory is that if the United States does not act, the Europeans will by revaluing upward the value of gold against their own currencies and floating their currencies against the dollar. This, it is argued could force Washington's hand.

QUESTION OF UNITY

The big question is whether sufficient unity exists among European nations to act in concert on a major monetary issue.

A gold embargo would mean the dollar would no longer be convertible into gold in transactions with foreign countries. Dollar convertibility has been one of the underpinnings of the postwar monetary systems.

Large dollar outflows, which are continuing according to a recent study by the Morgan Guaranty Trust Company of New York, have raised the issue of the dollar's health.

This comment by a European central banker is typical of the feelings here: "The dollar is overvalued in terms of what the United States is trying to do in the world."

The dollars held by foreign governments are about three times higher than American gold reserves. While the United States has managed through some political arm twisting to stop conversions by large dollar holders such as West Germany, Japan and Canada, it has not been so successful with the smaller countries such as Switzerland, the Netherlands and Belgium.

SWISS CONVERSION

Switzerland, for instance, has just converted an additional $50-million. Much of the recent decline in gold stocks has been a result of nibbling by the smaller countries.

France, which has built up its dollar balances by an estimated $1.2-billion since last April, represents another potential threat to the gold hoard. Earlier this year the French used more than $200-million of American gold to repay a debt to the International Monetary Fund.

In today's markets the gold price rose to $42.02 in Paris. After touching $47.97½ in London it fell back to $41.90 by the close. Prices in Zurich were comparable to London.

The London price was the highest since July, 1969. The Paris price was unmatched since October, 1969.

YOUNG GRADUATE SETS PROGRESSIVE GOALS FOR CLASSMATES

HON. JOHN G. DOW

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. DOW. Mr. Speaker, one subject that has come up repeatedly in this House is the nature and direction of today's youth. Our young people have been portrayed in many different lights. This is an understandable reflection of our concern for their well-being, for in a very real sense, they are the future of our country.

I thought my colleagues would appreciate hearing first hand the goals of young people as articulated by a young man who is just leaving high school, and who had the honor of speaking at commencement exercises at Rockland Country Day School. I am inserting these remarks in the Record.

Commencement Address Given by Leonard Kurtz, Rockland Country Day School, June 4, 1971

Mr. Hingle, Mr. Downs, Mr. Keil, faculty, parents, guests . . . and my friends of the Rockland Country Day School . . .

In a thousand towns . . . at tens of thouands of schools . . . on a score of days like this . . . young men and women are rising and facing each other and their parents over grandstands and speaker's platforms . . .

They look at each other and try to say something full of hope . . . they make promises . . . they are leaving childhood . . . never to return.

I've decided not to talk to teachers today . . . nor to make promises to parents and guests. I just want to talk to my friends . . . to the people who will be part of what the future will be. The only promises we make today are those we make to each other . . .

Some people say we are an apathetic bunch. If you wanted to describe our attitudes in television terms . . . you might say that we are just looking at test patterns . . .

We have not landed on the moon . . . but we have left the green earth . . . we are just circling in orbit . . . waiting . . .

And while we wait . . . the oxygen is running out.

A lot of people tell us we have to face reality . . . and we say . . . What is reality?

O.K. . . . Here is some reality . . .

Some of us have a lot of miles to go . . . some don't. Some of us are going to see the century turn . . . some are not going to see the end of their twenties . . . Some will achieve . . . some will fail . . . some of us are going to go through life casually with no strain . . . others are going to be up against it, Hard! . . . Some will have children and see another June day like this . . . Others are going to be blown away in Vietnam, or Laos, or some other footnote in a dusty history book.

How many of us end up in each of these categories depends on how well we watch out for each other. A lot of people I know have the idea that they are going to be able to hack it on their own . . . that they can tune out, stay cool . . . that they can keep a low profile and squeak through . . . unnoticed.

No way! . . . The world is too complex for that. There is always someone or something coming up behind you . . . in a blind spot . . . for every one of us who tunes out, there are two or three of the *other* guy tuning in . . .

What does taking care of each other mean?

It means caring . . . keeping your head straight . . . and deciding that *no-one* is going to slip *anything* through on us.

It means that if reality is unreal—we change it. If our time is an absurdity—we rearrange it. It means that we look to *each other* to do something about our world . . . about war and peace . . . about hunger and housing . . . about environmental decay . . . and we *do not* cop-out by blaming it all on our parents and their institutions.

We do not write-off the whole mess as something they dumped on us . . . something we should walk away from. For when we walk away we no longer can become the solution . . . we become the cause.

We can not blame the establishment any more . . . because, as of today . . . like it or not . . . we are becoming the establishment.

What is caring about each other?

It is not rushing to the barricades . . . it is something less dramatic than that . . .

Caring is learning—It can be teaching.

Caring can be raising some good kids—It can be simply loving.

Caring can be saying "No". . . Loudly!

And it can be asking "Why?". . . often.

Caring for each other can mean—running an honest business.

It can be driving a taxicab well . . .

Caring can be simple . . . like listening and understanding.

And it can be something complicated . . . like voting.

Taking care of each other means that . . . when June 4, 1996 comes around . . . there are going to be a lot of us sitting here watching our kids graduate—and if we do the job right—we are going to feel good being there. Thank you.

MINERAL KINGDOM

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. DELLUMS. Mr. Speaker, recently Art Seidenbaum, the noted Los Angeles Times columnist, traveled to the Mineral King area of California. Following that trip, he wrote the article printed below.

I agree with Mr. Seidenbaum when he deplores the fact that in order to give new profits to Walt Disney Productions, one of our most beautiful and unspoiled national parks will be defiled.

The issue at Mineral King is not that of denying the need for additional recreational facilities; instead, the significant point is that of the type and degree of any development.

I am not convinced that a glossy, plastic, rustic Disneyland will benefit anyone but the stockholders of Disney Productions. As Art Seidenbaum writes, the rock on the way in to Mineral King should read "Government go home" because it is our action here in Washington which will allow Disney to go ahead with its plans.

Earlier this year I introduced H.R. 6596 which would enlarge Sequoia National Park to include the Sequoia National Game Refuge and thus put Mineral King under stricter developmental regulations. Only through such legislation will the beauty and value of Mineral King be preserved.

I now place Art Seidenbaum's column from the Wednesday, July 21, 1971, Los Angeles Times into the Record:

Mineral Kingdom

I drove to Mineral King the other day to see what the giants have been fighting about for the last six years.

Mineral King is where Walt Disney Productions wants to build a $35 million ski resort, a Magic Mineral Kingdom, if you will. Is where the U.S. Forest Service first solicited bids for a $3 million development in 1965. Is where the Sierra Club says "stop" in the name of the land.

Mineral King is already the site of suit and countersuit between the Sierra Club and the federal government. Sierra won an injunction against construction two years ago in district court. U.S. attorneys won a second round in appeals court, challenging Sierra's right to sue.

Sierra appealed in turn and now the argument has carried all the way to the Supreme Court of the United States for probable decision next year. Meanwhile no earth has moved. A small subalpine village becomes a national test case for resort recreation vs. remote refuge.

JUST AN APPROACH

The only approach to Mineral King is through Three Rivers, a charming two-motel town east of Visalia where another mammoth, Boise Cascade, wants to build a 12,000-acre resort community. One motel already advertises the territory as near "the future home of Walt Disney's alpine village."

The town is abloom with for sale signs.

The road to Mineral King twists into Sequoia National Forest and, begins a 25-mile scenic ribbon of switchbacks, panoramas, heroic trees. The bridge over the Kaweah River looks down on coral-colored rocks, so water-smoothed they seem like flesh.

The narrow pavement turns to dirt after several miles, entering Sequoia National Park. The distinction, between national forest and national park, is important.

No national park could have a mammoth resort development such as the Disney plan. Mineral King, however, is in forest. No route to Mineral King is practical without passing through Sequoia National Park. The new road planned to Mineral King is a $40-million project, a highway that would slice a nine-mile swath of national park splendor.

25 MILES, 80 MINUTES

The present road is closed in winter and an adventure in summer. It could never handle the kind of traffic that the ski resort would generate. We covered the 25 miles at maximum safe speed, arriving 80 minutes later.

Mineral King proper is not as magnificent as the way to Mineral King. There are cabins clustered on the valley floor, trails for backpackers, two miles of slope faces showing rocks and grass. Snow still hugging mountain tops. Good but not great by High Sierra standard.

I wouldn't mind a handsome resort ornamenting the valley.

But I deplore the idea of carving a national park to provide access.

The Forest Service must have been more interested in rental fees than sequoia trees from the beginning. Give them a small valley and they'll take 25 highway miles.

There is a rock in remote Mineral King hand-painted to read, "L.A. go home." I understand. But it ought to read, "Government go home."

SAFETY MUST BE ASSURED IN KANSAS AEC PROJECT

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. ROY. Mr. Speaker, I am pleased that the U.S. House of Representatives agreed to a revised amendment to H.R. 9388, the authorization for the Atomic Energy Commission, which strengthens a prohibition against the Atomic Energy Commission acquiring land for a proposed radioactive waste repository at Lyons, Kans.

The amendment developed by Representative Joe Skubitz and agreed to by the Kansas congressional delegation is a considerable improvement over the amendment adopted by the U.S. Senate last week which was authored by Senator Robert Dole.

The original Senate amendment offered little or no protection against the Atomic Energy Commission proceeding with development of the repository before safety was definitely determined. The amendment accepted by the House directs the President to appoint an advisory council of nine members, and specifies that three of the members shall be from Kansas.

The revised amendment also sets stringent requirements as to on-site testing and prohibits the deposit of any radioactive waste for testing purposes unless it is fully retrievable.

As another safety measure, the revised amendment provides that after the Advisory Council has reported to the Congress, we have 60 days in which to study the report and may stop it within that time period if there remain doubts about the safety of Kansas citizens or protection of our environment.

I am also pleased that the House Appropriations Committee has deferred funding for land acquisition for the proposed AEC atomic waste repository at Lyons, Kans.

The proposed establishment of an atomic waste repository at Lyons, Kans. was—and remains—a source of great concern to the Governor of Kansas, Robert Docking; members of the Kansas scientific community; the Kansas congressional delegation; and many Kansas citizens. Governor Docking and Congressman Joe Skubitz are to be congratulated for their efforts on behalf of Kansas citizens.

The Atomic Energy Commission requested authorization to purchase land for the site of the atomic waste repository near Lyons, Kans., and for construction design and planning. Concerned Kansans urged postponement of this action until all necessary and pending studies relative to the hazards of the project were completed. There were—and remain—many unanswered questions regarding the safety of the project.

The Kansas Geological Survey, which has acted as the spokesman for the Kansas scientific community, has raised grave doubts about the assurances of safety offered by the Atomic Energy Commission to date. Questions exist regarding the retrievability of the wastes, safe transportation of radioactive wastes to the site, the thermal problem, and others. In short, there remain too many unanswered questions for the House of Representatives to have allowed the Atomic Energy Commission to proceed with site acquisition and construction planning before the safety was determined.

I believe the Atomic Energy Commission authorization, with the revised amendment, to be the best possible legislation for protection of our citizens and the environment. I hope the Senate acts promptly in approving the revised amendment.

HOUSE RESOLUTION NO. 319

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. JACOBS. Mr. Speaker, the following is the language of House Resolution 319, which I introduced on March 17, 1971. I was hoping it might catch the attention of the administration:

H. Res. 319

Whereas the President of the United States on March 4, 1971, stated that his policy is that: "as long as there are American POW's in North Vietnam we will have to maintain a residual force in South Vietnam. That is the least we can negotiate for."

Whereas Madam Nguyen Thi Binh, chief delegate of the Provisional Revolutionary Government of the Republic of South Vietnam stated on September 17, 1970, that the policy of her government is "In case the United States Government declares it will withdraw from South Vietnam all its troops and those of the other foreign countries in the United States camp, and the parties will engage at once in discussion on:

"—the question of ensuring safety for the total withdrawal from South Vietnam of United States troops and those of the other foreign countries in the United States camp.

"—the question of releasing captured military men."

Resolved, That the United States shall forthwith propose at the Paris peace talks that in return for the return of all American prisoners held in Indochina, the United States shall withdraw all its Armed Forces from Vietnam within sixty days following the signing of the agreement: Provided, That the agreement shall contain guarantee by the Democratic Republic of Vietnam and the National Liberation Front of safe conduct out of Vietnam for all American prisoners and all American Armed Forces simultaneously.

RHODESIAN CHROME

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. SCHMITZ. Mr. Speaker. Ibn Hazm of Cordova—994–1064—said:

> The measure of prudence and resolution is to know a friend from an enemy; the height of stupidity and weakness is not to know an enemy from a friend . . . The height of evil is that you should oppress your friend. Even to estrange him is the act of a man who has no sense, for whom misfortune is predestined.

While the Nixon administration races to embrace a regime which is in close contention with the Soviet Union for the title of "despotism of the century," it at the same time advocates continued U.S. participation in the United Nations sanctions against pro-Western Rhodesia. While visits, trade agreements, and ping-pong teams are directed toward a Red China which contributes significantly to the North Vietnamese Communist war effort, a nation which has offered to aid us in our attempt to stop the Communist advance in Southeast Asia is boycotted.

Fortunately there is a growing movement in the Congress to alter one of the most detrimental aspects of our twisted embargo policy toward Rhodesia. In the House of Representatives over 50 Congressmen, including me, are cosponsoring H.R. 6589, or identical bills which would lift our self-imposed ban on the importation of strategic high grade Rhodesian chrome ore. Senator HARRY BYRD, of Virginia, is sponsoring a similar bill—S. 1404—in the Senate.

The United Nations action against Rhodesia began after that nation declared its independence from Great Britain in 1965—shades of July 4, 1776. In 1966 the U.N. Security Council, of which the United States in a permanent member, imposed selective mandatory economic sanctions against Rhodesia, and in 1968 made the embargo comprehensive. This declaration of economic warfare was ostensibly based upon Rhodesia's stated intention not to allow universal suffrage. The fact that article 2, section 7 of the U.N. Charter specifically forbids intervention in the internal affairs of member states was conveniently avoided by the subterfuge that Rhodesia was not sovereign but still British territory. The State Department continues to advance this ludicrous argument after 5 years of real and obvious Rhodesian independence and autonomy.

Probably the most staggering ramification of our participation in this profoundly unwarranted economic boycott of Rhodesia, the condition which H.R. 6589 and similar bills are designed to correct, is the fact that by participating in this embargo the United States is becoming dependent on the Soviet Union as a source of supply for high grade chromium ore. Metallurgical grade chrome is necessary for the manufacture of stainless steel, tool steel, structural steel and high temperature alloys. It is no ordinary commodity, but goes directly to the heart of our industrial civilization. We find the list of end products utilizing high grade chromium ore in manufacture wide-ranging in the fields of aerospace, communications, defense, and many others. In short, metallurgical grade chromium ore is an absolutely essential strategic material. This is recognized by the U.S. Office of Emergency Preparedness, which has high grade chrome ore on the strategic stockpile list. Unfortunately, the United States has no domestic supply of this most necessary item.

Prior to the point when the embargo against Rhodesia went into effect, Rhodesia was the largest single source of chrome ore imported into the United States. This is natural since Rhodesia possesses nearly 70 percent of the world's known metallurgical chrome reserves. Since the embargo, this pattern has drastically shifted and today better than 60 percent of the metallurgical grade chrome imported by the United States comes from the Soviet Union. As the United States began to rely more heavily on the Soviet Union as its source for this ore, the Soviets almost tripled their price from a preembargo level of $25 per ton to the present $72 per ton.

Since the boycott of the Rhodesian source went into effect, imports of this strategic material have continually fallen short of domestic needs. Not only have industrial reserves of this commodity been exhausted, but the Office of Emergency Preparedness has sold off practically 1 million tons of our strategic stockpile. The administration now plans to sell off 30 percent more of our stockpiling to meet domestic requirements rather than lift a boycott which is effective only in placing the United States in a position of complete dependency on the Soviet Union.

Widespread support for H.R. 6589 and S. 1404 will help end a policy which is contrary to national security requirements, instrumental in losing to U.S. manufacturers, dependent on exorbitantly priced Soviet chrome ore, their share of both foreign and domestic markets, and which, in truth, has nothing whatsoever to do with contributing to international peace and security.

Orating about peace and security while accepting tyrannical demands, our policymakers are failing to accomplish that task for which they are paid by the citizens. This task ought to be first and foremost to conduct our affairs in such a manner as to strengthen the security and preserve the integrity of the United States of America.

A RESOLUTION OF THE MICHIGAN STATE BOARD OF EDUCATION

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. RIEGLE. Mr. Speaker, on June 29, the Michigan State Board of Education adopted a resolution opposing the continuing war in Indochina. I insert this resolution into the RECORD to again point out the immediate need for this Nation and this Congress to reassess our national priorities. The resolution follows:

RESOLUTION OF MICHIGAN STATE BOARD OF EDUCATION

Whereas, the state of education and society are bordering on a social and financial crisis, and

Whereas, any tax reform of a constitutional nature will require some period of time, and

Whereas, there are some school districts that cannot wait for constitutional change if they are to observe the constitutional demands for quality education for all their children this fall, and

Whereas, it is estimated that an inordinate amount of every federal tax dollar is spent on past, present, and future wars while not enough is spent on education and health and social needs, and

Whereas, the nature of our national priorities must begin to reflect the fundamental needs of our State and our country such as education, health, environmental and other essential social needs; therefore, we are

Resolved, That the Michigan State Board of Education go on record as opposing the war in Southeast Asia and our involvement in any future undeclared wars and demand that our elected officials take heed of our educational needs as well as all the needs of our society in order to create a climate of health and sanity for our young so that we all can make progress in assuring all children of our State of the means for equality and quality education, and

Resolved, That the Michigan State Board of Education urge the President to remove all our armed forces from Southeast Asia and their involvement in this undeclared, costly, and immoral war by a date certain, and further

Resolved, That the Michigan State Board of Education urge the Congress of these, our States, to begin immediately to institute plans for conversion to peace from war, and the immediate reordering of priorities giving top priority to the needs of education, health, environmental, and other essential social needs.

ENVIRONMENTAL IMPACT STATEMENTS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. DINGELL. Mr. Speaker, for the information of my colleagues I ask unanimous consent that the text of the July 1971 issue of the 102 Monitor published by the Council on Environmental Quality appear at this point in the CONGRESSIONAL RECORD:

STATES BEGIN TO REQUIRE ENVIRONMENTAL IMPACT STATEMENTS

Recognizing the need for a similar "action-forcing" procedure, California, Washington, Delaware, Montana, and Puerto Rico have recently passed statutes[1] requiring environmental impact statements on state actions analogous to the statements required on Federal actions by Section 102(2)(C) of the National Environmental Policy Act (NEPA).[2] Similar bills are pending in a number of other states.[3] Most of these statutes closely parallel Section 102 of NEPA. There are, however, several substantive differences between the state and Federal requirements and it is the purpose of this article to note both the new State requirements and some of these differences.

The NEPA Section 102 impact statement is intended as a device to assure that Federal agencies investigate and give weight to any significant environmental effects caused by action which they take, to require the development of less damaging alternatives and to assure that those effects are made known to the public before the action is undertaken. The initiating agency must prepare a report on any major Federal action which will have a significant impact upon the environment. The report must contain detailed statements on 1) the environmental impact of the action, 2) any unavoidable adverse environmental effects, 3) alternatives to the proposed action, 4) the relationship between short-term uses and long-term productivity; and 5) any irreversible commitments of resource. Prior to making the report the initiating agency must solicit the comments of any federal, state, and local agency with jurisdiction by law or special expertise. Under applicable rules, copies of the agency report and all comments must be made available to the public in advance of agency decision or action.

Section 102 of NEPA requires an impact statement for a broader range of activities than is required by some of the new state statutes. California, for example, requires an impact statement only for projects which the state agency will itself carry out, thereby excluding such actions as the granting of a license or permit to a private group. (A bill now pending in California would expand the requirement and duplicate the Section 102 coverage, requiring an impact statement for "every recommendation or report on proposals for legislation and other major governmental action."[4]) Montana provides a more complete enumeration, requiring a statement for "every recommendation or report on proposals for projects, programs, legislation and other major actions of state government." The statutes of Washington and Puerto Rico require impact statements for exactly the same types of state action as is required for Federal actions by Section 102. Delaware requires a statement only for permit applications to conduct new manufacturing uses along the coastal zone. The statements are to be prepared by the applicant as part of his permit application to the state authority controlling industrial development in this area.

Most of the statutes parallel Section 102 in requiring that the initiating agency consult with and obtain the comments of a broad range of federal, state, and local agencies. Montana, however, requires only that "any *state* agency" be consulted. (Empasis added.) Puerto Rico refers to "any agency", Washington to "any public agency", and California to "any governmental agency". Such terms apparently include all appropriate federal, state, and local agencies. It is not clear whether appropriate local and state agencies from neighboring states are included as well. Delaware makes no statutory provision for comment on environmental statements.

The California, Washington, Montana, and Puerto Rican statutes are identical with Section 102 in requiring that the reports and comments be made available to the public. Delaware instead requires a public hearing on the matters involved in the environmental statement.

APPENDIX

1. National Environmental Policy Act, 42 U.S.C. § 4332:

"(2) all agencies of the Federal Government shall—

"(C) include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on—

(i) the environmental impact of the proposed action,

(ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,

(iii) alternatives to the proposed action,

(iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and

(v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

"Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the President, the Council on Environmental Quality and to the public as provided by section 552 of title 5, United States Code, and shall accompany the proposal through the existing agency review processes;"

2. *Cal. Public Resources Code,* §§ 21100, 21104 (West 1970):

"§ 21100. All state agencies, boards and commissions shall include in any report on any project they propose to carry out which could have a significant effect on the environment of the state, a detailed statement by the responsible state official setting forth the following:

(a) The environmental impact of the proposed action.

(b) Any adverse environmental effects which cannot be avoided if the proposal is implemented.

(c) Mitigation measures proposed to minimize the impact.

(d) Alternatives to the proposed action.

(e) The relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity.

(f) Any irreversible environmental changes which would be involved in the proposed action should it be implemented.

"§ 21104. Prior to the making of a detailed statement, the responsible state official shall consult with, and obtain comments from, any governmental agency which has jurisdiction by law or special expertise with respect to any environmental impact involved."

3. Montana Environmental Policy Act, Montana Session Laws of 1971, Ch. 238 § 4(b) (March 9, 1971):

"(b) all agencies of the state shall

"(3) include in every recommendation or report on proposals for projects, programs, legislation and other major actions of state government significantly affecting the quality of the human environment, a detailed statement on—

"(i) the environmental impact of the proposed action,

"(ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,

"(iii) alternatives to the proposed action,

"(iv) the relationship between local short-term uses of man's environment, and the maintenance and enhancement of long-term productivity, and

"(v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

"Prior to making any detailed statement, the responsible state official shall consult with and obtain the comments of any state agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate state, federal, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the governor, the environmental quality council and to the public, and shall accompany the proposal through the existing agency review processes."

4. Public Environmental Policy Act, Puerto Rico Session Laws of 1971, Law No. 9 § 4(2) (June 18, 1970):

"all agencies of the Government shall:

"(C) include in every recommendation or report on proposals for legislation and other governmental actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on:

"(i) the environmental impact of the proposed actions,

"(ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,

"(iii) alternatives to the proposed action,

"(iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and

"(v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

"Prior to making any detailed statement, the responsible official shall consult with and obtain the comments of any agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate agencies, which are authorized to develop and enforce environmental standards, shall be made available to the Governor, the legislative bodies, the Environmental Quality Board, and to the public, and shall accompany the proposal through the existing agency review processes."

5. State Environmental Policy Act of 1971,

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[1] See Appendix for the text of these statutes.

[2] 42 U.S.C. § 4332.

[3] *E.g.,* Massachusetts House Bill No. 5144, § 2.

[4] California Assembly Bill No. 1056, § 21105(c).

Washington Session Laws of 1971, Ch. 109 § 3(2) (May 10, 1971):

". . . all branches of government of this state, including state agencies, municipal and public corporations, and counties shall:

* * * * *

"(c) Include in every recommendation or report on proposals for legislation and other major actions significantly affecting the quality of the environment, a detailed statement by the responsible official on:

"(i) the environmental impact of the proposed action;

"(ii) any adverse environmental effects which cannot be avoided should the proposal be implemented;

"(iii) alternatives to the proposed action;

"(iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity; and

"(v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented;

"(d) Prior to making any detailed statement, the responsible official shall consult with and obtain the comments of any public agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate federal, province, state, and local agencies, which are authorized to develop end enforce environmental standards, shall be made available to the governor, the department of ecology, the ecological commission, and the public, and shall accompany the proposal through the existing agency review processes."

6. Coastal Zone Act, Delaware House Bill No. 300 as amended. (passed June 28, 1971):

§ 7002. *Definitions*

(c) 'Environmental Impact Statement' means a detailed description as prescribed by the State Planning Office of the effect of the proposed use on the immediate and surrounding environment and natural resources such as water quality, fisheries, wildlife and the aesthetics of the region.

§ 7004. *Uses allowed by permit only*. Non-conforming uses.

(a) . . . manufacturing uses . . . are allowed in the Coastal Zone by permit only . . .

§ 7005. *Administration of this chapter*.

(a) The State Planning Office shall administer this chapter. All requests for permits for manufacturing land uses and for the expansion or extension of non-conforming uses as herein defined in the Coastal Zone shall be directed to the State Planner. Such requests must be in writing and must include . . . (3) an Environmental Impact Statement. "The State Planner shall hold a public hearing and may request further information of the applicant."

NEW SOURCE FOR ENVIRONMENTAL IMPACT STATEMENTS

It is now possible to order the draft and final impact statements prepared by any federal agency from a single source: the National Technical Information Service of the Department of Commerce. Each statement will be assigned an order number that will appear in the 102 Monitor (at the end of the summary of each statement) and also in the NTIS semi-monthly Announcement Series No. 68, "Environmental Pollution and Control." (An annual subscription costs $5.00 and can be ordered from the NTIS, U.S. Department of Commerce, Springfield, Virginia 22151.)

Final statements will be available in microfiche as well as paper copy. A paper copy of any statement can be obtained by writing NTIS at the above address and enclosing $3.00 and the order number. A microfiche costs $0.95. (Paper copies of documents that are over 300 pages are $6.00. These rare instances will be noted in the 102 Monitor.)

NTIS is also offering a special "package" in which the subscriber receives all statements in microfiche for $0.35 per statement.

Statements will still be available for public scrutiny in the document rooms of the various agencies. Some agencies may still wish to provide copies of the statements directly to the public.

Yet another possible source of statements is from the Environmental Law Institute, 1346 Connecticut Ave., N.W., Washington, D.C. 20036. Envelopes bearing orders should be marked "Document Service." The Institute charges $0.10 per page. The number of pages is indicated at the end of each summary in the Monitor. Please enclose the correct amount of money with your order. It is not necessary to be a subscriber to the Environmental Law Reporter, available from the Institute for $50.00 per year, to take advantage of this service. Give the date and title when ordering statements.

ENVIRONMENTAL IMPACT STATEMENTS RECEIVED BY THE COUNCIL FROM JUNE 1 THROUGH JUNE 30, 1971

Note: at the head of the listing of statements received from each agency is the name of an individual who can answer questions regarding those statements.

ATOMIC ENERGY COMMISSION

Contact: For Non-Regulatory Matters: Joseph J. DiNunno, Director, Office of Environmental Affairs, Washington, D.C. 29545 (202) 973-5391.

For Regulatory Matters: Christopher L. Henderson, Assistant Director for Regulation, Washington, D.C. 20545 (202) 973-7531.

Title, Description, and Date of Transmittal

Draft: Fort St. Vrain Nuclear Generating Station, *Colorado*. Application by Public Service Company of Colorado for an operating license. Station located on a 2,238-acre tract in the South Platte River Valley and will be an AEC Power Reactor Demonstration Program Plant. Docket No. 50-267. Statement—30 pages; Applicant's Environmental Report—115 pages.

Final: Radioactive Waste Repository, Lyons, *Kansas*. Involves construction of a demonstration repository for solid radioactive wastes in underground bedded salt formations. Will utilize a 200 acre non-producing salt mine for alpha wastes; an adjacent 800 acre section of salt bed for high level waste; and surface facilities will be constructed for receipt and handling of waste packages. (Explosive or inflammable materials will not be accepted for storage.) Discusses thermal impact, radiological and physiological effects, geophysical effects, transportation of wastes, etc. Repository is expected to be in operation for at least 25 years. Purpose: to isolate these types of radioactive wastes from man's biosphere. Comments on draft were received from Senator Dole and Governor Docking of Kansas; and Depts. of HEW, Interior and Transportation of EPA. PB-199 663-F. 245 Pages. June 4.

Proposed issuance of an operating license to the Vermont Yankee Power Corporation for the Vermont Yankee Nuclear Power Station, Vernon, *Vermont*. The Station utilizes single cycle, forced circulation boiling water reactor, and is designed to operate at a power level of 1593 thermal megawatts, corresponding to an output of 540 electrical mg. Comments made by various State of N.H., Vermont and Mass.; Departments of HUD, Defense, Agriculture, HEW, Interior. Docket No. 50271. PB-199 753-F. 232 pages. June 7.

Cannikin underground nuclear test, Amchita Island, *Alaska*. Nuclear testing of less than 5 megatons will take place about 6,000 feet underground in the fall. Estimated magnitude on the Richter scale of about 7.0. Comments on draft statement were received from State of Hawaii and Depts. of Commerce, Defense, HEW, Interior, State and Transportation. PB-200 231-F. 119 pages. June 23.

DELAWARE RIVER BASIN COMMISSION

Contact: W. Brinton Whitehall, Secretary, P.O. Box 360, Trenton, New Jersey 08603 (609) 883-9500.

American Dredging Company has decided to *discontinue* the proposed dike and fill project on the Delaware River at Bridgeport, New Jersey. (Draft statement sent 4/14; listed on page 14 in the *Monitor*, Vol. 1, No. 4.) June 25.

DEPARTMENT OF AGRICULTURE

Contact: Dr. T. C. Byerly, Office of the Secretary, Washington, D.C. 20250 (202) 338-7803.

Agricultural Research Service

Draft: Pilot Boll Weevil eradication experiment: *Mississippi Area*. Trial eradication program will be undertaken this year and will consist of a series of population suppression techniques (cultural, insecticides, defoliants, sterile male release, etc.) integrated into a season-long control effort. Involves 4,000 acres of cotton. 32 pages. PB-200 200-D. June 21.

Emergency Program for Venezuelan Equine Encephalomyelitis (VEE), *Lower Rio Grande* Area. Involves using 3 oz. per acre of aerial spray malathion on an area comprising 1,200,000 acres at the mouth of the Rio Grande and 400,000 acres in Northern Mexico. It is hoped that spraying will be sufficient although as many as 5 may be necessary. Purpose: to ensure protection to horses and related animals from this fatal virus disease transmitted, primarily by mosquitoes. 9 pages. June 28.

Forest Service

Draft: Proposal to designate the Glacier Wilderness, Shoshone National Forest, *Wyoming*. Involves classification of between 168,785 and 190,620 acres of wilderness, much of which is presently classified as a Primitive Area and declassification of 1,012 to 7,518 acres. Public Hearings will be held on the future management of the area. PB-199 462-D. 5 pages. May 25.

Final: Legislation: S. 1407 and H.R. 6957. Proposals to establish Sawtooth National Recreation Area, *Idaho*. Purpose: to assure preservation and protection of Sawtooth, White Cloud, and Boulder Mountains and adjacent lands. No comments attached. 29 pages. June 14.

Elk Mountain Road, Santa Fe National Forest, San Miguel County, *New Mexico:* project consists of new construction of 26.5 miles of paved road and paving of 7.5 miles of existing road. A scenic 2-lane road from Gallinas Canyon to Pecos Canyon. Comments made by various County and State of New Mexico agencies; various Members of Congress; Departments of Interior and Transportation. 87 pages. June 25.

Rural Electrification Administration

Draft: Loan application from the Arizona Electric Power Cooperative, Inc., of Benson, *Arizona* for financing part of the 16 miles of 230 kv transmission line between the Apache generating station near Cochise, Arizona, and a substation to be located near Benson. Purpose of transmission line: to provide service in a fast-growing area. PB-199 739-D 14 pages. June 2.

Cardinal Generating Station, Jefferson County, *Ohio*. Application for loans totaling $16,575,000 from member systems of Buckeye Power, Inc., for construction of an additional generating unit at the station. This unit will utilize a supercritical boiler-steam turbine-condenser cycle. Will produce approximately 615,000 kv of electricity. PB-199 923-D 271 pages. June 7.

Soil conservation service

Draft: Blue Eye Creek Watershed Project, *Alabama*. Involves conservation land treatment of about 4,000 acres, supplemental construction of 2 dams, channel work on 9.2 of stream, etc. Purpose: to reduce flooding water damage, sediment damage, etc. About 9.2 miles of low-value stream fishery will be destroyed and approximately 94 acres of bottomland woodland will be required for completion of channel work. PB–199 875–D 11 pages. June 4.

Final: Mud Gulch flood prevention project, Sangre de Cristo RC&D project, *Colorado*. Involves construction of a flood retention dam near Canon City, etc. Approximately 20 acres of rangeland will be disturbed to construct the dam and about 30 acres of rangeland will be subject to temporary flooding. Purpose: to protect businesses, homes, a highway, and agricultural land from flooding. Comments were made by various State of Colorado agencies and Dept. of Agriculture (FHA) PB–199 654F. 12 pages. May 21.

Short Bayou Drainage District Project Measure, Southeast Delta RC&D Project, *Mississippi*. Involves work on 8.2 miles of existing channels and initiation of an accelerated land treatment program. Purpose: to reduce flooding & improve agricultural water management and also control surface water runoff erosion. No draft statement received. Comments made by various Mississippi State agencies and Army Corps of Engineers. PB–199 656–F 15 pages. May 21.

White Water Creek Hydrologic Unit Project measure, Cherokee Hills RC&D project, *Oklahoma*. Involves constructing 3 dams, land treatment measures, technical assistance to farmers, mosquito control, etc. Purpose: to reduce floodwater and sediment damages, reduce soil loss from erosion, etc. No draft received. Comments made by various State of Oklahoma agencies; Depts. of Interior and Army Corps of Engineers. PB–199 653–F. 11 pages. May 21.

Almont Flood Control Project Measure, Lewis and Clark 1805 RC&D Project, *North* Dakota. Consists of constructing about 2.3 miles of dikes, .2 mile of field diversions, and .2 mile of channel. Purpose: flood protection. No draft statement received. Comments made by various State of North Dakota agencies; Depts. of Agriculture, Army Corps of Engineers and Interior. PB–199. 655–F. 25 pages. May 21.

DEPARTMENT OF COMMERCE

Contact: Dr. Sydney T. Galler, Deputy Assistant Secretary for Environmental Affairs, Washington, D.C. 20230 (202) 967–4335.

Economic Development Administration

Draft: Financial grant assistance for development of an industrial park, Swinomish Indian Reservation, Skagit County, *Washington*. Involves two phases: (1) dredging and filling operations, changing land use, etc.; and (2) occupying the site with industrial facilities and monitoring/controlling waste discharges. Purpose: to provide long term employment for members of the Swinomish Tribal community and residents of Skagit County. PB–199 871–D. 35 pages. June 7.

Final: Financial assistance to Rogers Brothers Company for the construction of a frozen French fried potato plant: Benton (Near Kennewick), *Washington*. Of primary concern, is disposal of liquid potato wastes and possible resultant odors. Favors method of spray-irrigation on 60 acres. Comments by Department of Commerce (Off. of Economic Affairs and NOAA). PB–179 662–F. May 24.

Financial grant assistance for construction of a trunk line sewer: Tulare, *California*. Involves 7 miles of trunk sewer to serve southern area of Tulare. Purpose: to provide link between sewage treatment facilities and industries locating in the area. Comments by Department of Commerce (NOAA). PB–199 456–F. 8 pages. May 24.

Hillsdale Foundry Company, Inc.: Hillsdale, *Michigan*. Request for financial assistance for development of a new facility on a site in a less populated area. Purpose: to help overcome air pollution problems by installing new air control equipment. Comments by various State of Michigan agencies and Department of HUD. PB–199 455–F. 14 pages. May 24.

DEPARTMENT OF DEFENSE—DEPARTMENT OF ARMY

Corps of Engineers

Contact: Francis X. Kelly, Assistant for Conservation Liaison, Public Affairs Office, Office, Chief of Engineers, 1000 Independence Avenue, S.W., Washington, D.C. 20314 (202 693–6329.

Draft: Chief Joseph Dam Additional Units, Columbia River: *Washington*. Construction of 11 additional units to increase the hydraulic capacity and peak power producing capacity of Dam. 500 acres of land would be inundated. Purpose: power generation. PB–199 458–D 10 pages. May 20.

Jacksonville Harbor Navigation Project: *Florida* Section 2. Project consists of enlarging the channel in the St. Johns River, Blount Island to municipal terminals portion. 107 acres submarginal marsh destroyed. Purpose: navigation improvement. PB–199 457–D. 13 pages. May 24.

Fort Myers Beach Channel Project, *Florida*, (navigation project). Dredging a 2,000 foot channel extension (11 ft. x 125 ft.) with a turning basin at the easterly end of the existing channel (adjacent to Matanzas Pass). Dredged material will be pumped across Estero Island and placed along the beach. Purpose: to facilitate shrimp boats and barge traffic to and from terminal facilities. PB–199 611–D 5 pages. May 28.

Oak Orchard Harbor (small boat harbor project), Lake Ontario, *New York*. Consists of dredging an entrance channel which will be protected by constructing jetties and a detached breakwater. Dredging spoils will be disposed of in a confined upland area. Purpose: construct small boat harbor. PB–199 636–D 6 pages. May 28.

Presque Isle Peninsula cooperative beach erosion control project, Lake Erie at Erie, *Pennsylvania*. Consists of constructing a reef along a 1200 foot section of beach, which will be about 200 feet wide. Purpose: protect public bathing beaches. PB–199 637–D 7 pages. June 1.

Kaunakakai Harbor maintenance dredging project, Molokai, Hawaii. Involves restoring navigation depth to 23 feet within project limits. Dredged material will either be deposited at Molokai Ranchland or if acceptable to EPA, at sea in depths of about 100 fathoms. Purpose: to insure continued barge transportation through harbor. PB–199 613–D 7 pages. June 1.

Myers Chuck Harbor project, Myers Chuck, *Alaska*. Construction of a 700-foot rubble-mound breakwater with an elevation of 22 feet at mean lower low water in the water-gap south of Myers Chuck. Purpose: to provide a calm harbor for refuge, cargo transfer and storage; to prevent danger to harbor facilities, etc. 900 square yards of calm habitat will be destroyed and debris may accumulate due to potential decrease in tidal circulation. PB–199 638–D 12 pages. June 1.

Bethel Small-boat harbor, Bethel, *Alaska*. (Navigation project). Consists of dredging a 6,000 foot channel in Brown's Slough. Initial width 40 feet, eventually stabilizing at a width of 20 feet. Dredged materials, made up of both frozen and unfrozen spoils, will be deposited on low marshy areas adjacent to the channel. Purpose: to provide an all-tide water access to the Alaska State Housing Authority relocation project. Will disturb the northern pike and whitefish nursery habitat. PB–199 620–D 11 pages. June 1.

Stockton, *California*. Levee Restoration Project. Involves placement of rock revetment at 6 selected erosion sites from Stockton to Venice Island, *California*. Purpose: to repair presently eroded levees, to maintain levee integrity, and to reduce future damage from wave action against levee. PB–199 873–D. 21 pages. June 7.

Grand Lagoon navigation project, *Florida*. Consists of dredging a channel (8 ft x 100 ft) from Panam City Ship Channel to a point near the bridge over Grand Lagoon. From this point 2 branch channels with a connecting channel at the West Terminals will be constructed. Dredged material will be deposited along Gulf Beach, forming large berms. Purpose: to accommodate a large number of recreational vessels. PB–199 874–D. 6 pages. June 7.

Navigation Project, Okeechobee Waterway, vicinity of Ft. Myers, *Florida*. Involves enlarging the 10-foot deep Okeechobee Waterway. Purpose: to improve navigation conditions for commercial use from the Gulf to Lake Okeechobee. PB–199 872–D. 7 pages. June 7.

Jacksonville Harbor navigation project, *Florida* (Section 1). Consists of enlarging the channel in the St. John's River from the Atlantic Ocean to Blount Island. Length of project: 11 miles. Spoils from dredging will be used as fill. Purpose: to improve transportation conditions for the commercial cargo industry. PB–199 880–D. 9 pages, June 7.

Panama City Harbor navigation project, *Florida*. Involves increasing depths in the existing federal project channel from the Gulf of Mexico across Lands End Peninsula into St. Andrew Bay and for new channels into Bay Harbor and Dyers Point. Purpose: to meet navigation (present and future) needs for larger ships and also to improve tidal flushing. St. Andrew Bay spoils from dredging will be placed along the Gulf beach. Also included is the report of Board of Engineers for Rivers and Harbors. PB–200. 199–D. 23 pages. June 8.

Gulf Intracoastal Waterway Project. Involves extension of the Waterway from Carrabelle to St. Mark's River, *Florida*. Would change 45-mile "outside" waterway to a 42-mile direct waterway. Purpose: to provide more direct and less hazardous route for barge traffic. PB–199 887–D 5 pages. June 10.

Aquatic Plant Control Program, Hudson and Mohawk Rivers, *New York*. Project provides for control and progressive eradication of waterchestnut in and from the waters within the two rivers by spraying with 2,4–D. Purpose: improve recreation facilities and eliminate possible health hazards. PB–200 003–D. 6 pages. June 10.

Hempstead Harbor navigation project, *New York*. Construction of a channel 13 feet deep and 2.1 miles long terminating at a turning basin 9 feet deep. Construction continues on a 6 ft. deep channel .2 mile long. Purpose: provide safe passage of recreational boats, sand tows and tank barges. Channelization will be by hydraulic dredge methods with material confined by retaining dikes. PB–199 879–D 8 pages. June 11.

East Chester Creek Navigation Project: *New York*. Involves construction of channel by providing depths of 10 feet and varying widths a total distance of about 5 miles. Purpose: navigation improvement. PB–200 004–D. 7 pages. June 11.

Great Lakes connecting channels project, St. Marys River, *Michigan*. A three-phase project to widen 6 bend areas in the river. Statement deals with 1st phase which involves dredging and blasting 3 bends in the Middle Neebish Channel area. Fish kills and nutrient releases may occur during blasting and dredging. Spoils disposal will form an island covering about 6 acres of river bottom. Purpose: to enable larger vessels to navigate Great Lakes. PB–199 855–D 16 pages. June 11.

Collection and Removal of drift, New York Harbor, *New York* and *New Jersey* (navigation project). Discusses various new methods for controlling and/or handling disposition of debris from deteriorated structures, derelict vessels, floatable dumped materials along shores of the Harbor and tributaries. Purpose: to reduce floating material in navigable waters, enhance the value of shore property, reduce future costs for removal of drift, etc. PB–200 2055–D. 21 pages. June 11.

Lewis & Clark connecting channel navigation project: Clatsop County, *Oregon*. Consists of navigation channel 10 feet deep from existing channel in Youngs Bay to mouth of Lewis & Clark River (4.5 miles in length). Purpose: navigation improvement. PB–199 881–D 11 pages. June 11.

Entrance—Channel Improvement Project, Summamish River, King County, *Washington*. Involves dredging an entrance channel (8 ft. deep, 100 ft. wide) into the Sammamish River. Two acres of marshland will be destroyed. Purpose: to provide safe passage for recreational craft between river and Lake Washington. PB–199 888–D 8 pages. June 11.

Brownsville small boat basin project, *Washington* (on Puget Sound). Involves constructing a 1,530 foot breakwater, entrance channel, access channel and turning basin. Purpose: to provide a protected moorage for 334 recreational boats. PB–199 882–D 10 pages. June 11.

West Kentucky Tributaries (Obion Creek) *Kentucky*. Project consists of clearing, realignment, and enlargement of about 31 miles of Obion Creek channel from its junction with the Mississippi River near Hickman, Kentucky. Bureau of Sport Fisheries and Wildlife and Kentucky Department of Fish and Wildlife Resources agree that project will be damaging to fish and wildlife. Purpose: flood control. 9 pages. (Revised draft —1st draft sent 1/14/71.) PB–200 024–D. June 16.

Baldwin and Hannon Sloughs, *Alabama*. River Basin. Project consists of clearing and snagging 1.3 miles of Baldwin Slough and straightening and enlarging 2.5 miles of Hannon Slough channel. Purpose: provide flood protection for 1,022 acres of Montgomery. PB–200 023–D. 7 pages. June 17.

Training Dike and breakwater, Everett Harbor, *Washington*. Purpose: provide protection from wave action for various industries and the boat basin. Involves raising the 4,100 feet of the dike to an elevation of 18 feet above mean low water (MLW) and extending it 1,500 feet southwesterly. 6 pages. June 18.

St. Francis Basin, Flood Protection Project: *Missouri* and *Arkansas*. Construction of a detention reservoir, channel enlargement and realignment, leveed floodway, pumping stations, control structures and improvement of tributary ditches. Project has been in operation since 1930—is 41% completed. Purpose: provide additional flood protection in St. Francis Basin. 22 pages. June 18.

Flood control project in Sugar Creek: Brewster, *Ohio*. Modification and construction of levees and installation of pumping station at Brewster. Also snagging and clearing in Sugar Creek and minor tributaries adjacent to and downstream of Brewster to improve flow characteristics. Purpose: provide additional flood protection to Brewster. 7 pages. June 18.

Central and Southern *Florida* Flood Control Project. Consists of flood control protection, recreation, preservation of fish and wildlife, and navigation structures. Includes system of canals, levees, pumping plants, locks, bridge, and highway relocations. Sites are Kissimmee River Basin, Lake Okeechobee, upper St. Johns River Basin, and Everglades National Park. Purpose: provide flood protection and recreation in central and southern Florida. 127 pages. June 21.

Copan Lake/Little Caney River Flood Control Project: Washington County, *Oklahoma*. Construction of a dam and levee. Purpose: contribute to water quality control, water supply, fish and wildlife, and recreation lake facilities. 4,850 acres will be inundated. 32 pages. June 21.

Flood Control Project, Saw Mill River and tributaries, Hudson River Basin, Yonkers, *New York*. Consists of clearing and grubbing, channel excavation, concrete flume and concrete walls and bridge replacements. Purpose: to provide an efficient channel through which to pass flood flows safely. 8 pages. June 22.

Tranters Creek, Tar River Basin Flood Control Project: Martin, Beaufort, and Pitt Counties, *North Carolina*. Consists of clearing and snagging and channel excavation. Also includes wildlife areas for seasonal detention of water fowl. Purpose: flood protection. 12 pages. June 22.

Flood Control Project on Mississippi River at Prairie du Chien: Crawford County, *Wisconsin*. Program involves total evacuation, flood proofing, and land-use control measures. 157 buildings will be relocated to higher ground, 48 buildings purchased and removed. Purpose: flood protection and recreation. 22 pages. June 22.

Flood control project, Painted Creek, South of Chillicothe, *Ohio*. Project consists of snagging and clearing, removal of trash and logs, bar removal and bank shaping. Work begins at U.S. Route 23 Bridge, extends 2.7 miles. Purpose: flood protection. 5 pages. June 23.

Crude oil and natural gas production in navigable waters along the *Texas* coast. Discusses administrative actions of the Corps relative to issuance or denial of permits for erection of structures and construction of ancillary facilities associated with exploration for and production of cured petroleum and natural gas. Purpose: oil production. 58 pages. June 28.

Final: Navigation Project Taskinas Creek: James City County, *Virginia*. Plan provides for construction of a channel 6 ft. deep, 80 ft. wide, and 1 mile long. Purpose: improve small craft navigation. No draft statement received. Comments made by various State of Virginia agencies and Dept. of Interior. 15 pages. May 28.

Commercial Boat Harbor Navigation Project: Fort Madison, *Iowa*. Mississippi River project consists of dredging an access channel with maneuvering area for barge traffic (1.5 miles in length). Purpose: provide commercial navigation channel and maneuvering area. No draft statement received. Comments made by City of Fort Madison, Iowa; State of Iowa and Illinois; Dept. of Interior and EPA. PB–199 450–F 26 pages. May 28.

Gulf Intracoastal Waterway Navigation Project, Fort Isabel Side Channels, *Texas*. Deepening of channel and removal of submerged bars. Purpose: improve navigation. Comments made by various State of Texas agencies; Depts. of Agriculture, Interior and EPA. PB–199 443–F 25 pages. May 28.

Bristol Marina Navigation Project: Delaware River, Bucks County, *Pennsylvania*. Involves construction of entrance channel (100 ft. wide, 310 ft. long), access channel (100 ft. wide, and 1,100 ft. long), and two sheet pile breakwaters. Purpose: to provide berthing and service facilities and replace blighted conditions of old historic site. No draft statement received. Comments made by various State of Delaware and Pennsylvania agencies; Depts. of Hud, Interior and Transportation and DRBC. PB–199 452–F 48 pages. May 28.

Great South Bay & Patchogue River Navigation Project, *New York*. Project calls for deepening of channel by two feet (200 ft. wide, 10 ft. deep). Purpose: to accommodate existing and future petroleum commerce and eliminate siltation. No draft statement received. Comments made by State of New York; Depts. of Agriculture, Commerce, HUD, and Transportation and AEC and EPA. PB–199 451–F. 21 pages. May 28.

Delaware Coast Protection Project, Beach Erosion Project: *Delaware*. Improvement involves placement of sand to provide a berm over 24.5 miles of beach, construction of a dune, planting of dune grass, and placing of sand fences on top of the dunes, from Cape Henlopen to Maryland state line at Fenwick Island. Purpose: beach erosion control and hurricane protection. No draft statement received. Comments made by State of Delaware; Depts. of Commerce, HEW, Interior and Transportation. PB–199 454–F. 20 pages. June 1.

Flood Control Project, Caesar Creek Lake: *Ohio*. Dam site located 3 miles above mouth of Caesar Creek. Involves inundation of 2,830 acres of land, 2 Indian Mounds, 90% of community of New Burlington and portions of scenic river valley. Purpose: flood control and water supply. No draft statement received. Comments made by State of Ohio, Depts. of Agriculture, Interior and EPA. PB–199 446–F. 31 pages, June 1.

Bayou Coden, *Alabama*, Navigation Project. Involves construction of an 8 ft. by 60 ft. channel for 3,000 ft., an 8 ft. by 100 ft. channel for 2.3 miles across Portersville Bay, a turning basin, etc. Purpose: improve navigation facilities for fishing industry. Comments made by various State of Alabama agencies; Depts. of Agriculture, Commerce, HEW, HUD, Interior, and Transportation and EPA. PB–199 453–F. 29 pages. June 1.

Tioga-Hammond Lake Project, *Pennsylvania*. Construction of 2 dams and reservoirs. One dam on the Tioga River, one on Crooked Creek. Purpose: flood control and recreation 7,144 acres are required Comments made by States of New York and Pennsylvania; Depts of Agriculture and Interior and EPA PB–200 226–F. 64 pages. June 2.

Beach Erosion Project, Waikiki Beach, (Kuhio Beach Sector), Oahu, Hawaii. Involves improvement of approximately 1500 ft. of Waikiki Beach by placement of sand along beach, construction of additional groin, rehabilitation of existing groin, and construction of a promenade along project. Purpose: to improve recreational and environmental quality of the beach. Comments made by State of Hawaii; Depts. of Interior and Transportation and EPA. PB–199 892–F. 30 pages. June 11.

Gulf Intracostal Waterway to Offatts Bayou Galveston, *Texas*. Navigation Project plan provides for construction of a 12 ft. by 125 ft. shallow draft channel from Gulf Intracoastal Waterway to Offatts Bayou. Total distance 2.2 miles. Purpose: improve navigation. Comments made by State of Texas; Depts. of Commerce, Interior, and Transportation and EPA. PB–199 972–F. 31 pages. June 16.

Lapwai Creek, Culdesac, *Idaho*. Stream channel shaping and construction of a levee. A rock quarry would be created in the process. Purpose: flood protection. Comments made by State of Idaho, Depts. of Agriculture, Interior and EPA. PB–200 224–F. 16 pages. June 17.

Newark Bay, Hackensack and Passaic Rivers, *New Jersey*. (New York Harbor Area), navigation project. Widening 35-foot channel and entrance to Port Elizabeth and Port Newark branch channels, building two maneuvering areas, deepening and widening Newark Bay Channel, building turning basin at junction of Hackensack and Passaic Rivers, etc. Purpose: navigation improvement. No draft statement received. Comments made by various State of New Jersey agencies. PB–199 973–F. 29 pages. June 17.

Santa Rosa Washington Flood Control Project (Tat Mamolikot Dam and Lake St. Clair) Papago Indian Reservation, Pinal County, *Arizona*. Involves construction of an earth-fill dam, 2 small dikes, spillway, ungated flood control outlet, etc. Purpose: flood control, water for irrigation, fishing. Approximately, 450 acres are needed for this project. No draft statement received. Comments made by State of Arizona; Depts. of Agriculture, HEW, and Interior. PB–200 225–F. 33 pages. June 17.

Tahquitz Creek. Whitewater River, *California* (Navigation Project). Involves 2 stages: (1) construction of a 400-acre foot capacity debris basin and (2) construction of a concrete-lined and stone revetted channel along the Creek. Due to controversy over the channel portion of the project, this second step will be delayed while further studies are made. The debris basin will be constructed as a separate increment. Purpose: flood control and debris protector. The Aqua Caliente Band of Mission Indians have been opposed to whole project because of concern that ground water will be affected. No draft statement received. Comments made by various State of California agencies; Depts. of Agriculture, HEW, HUD, and Interior, and EPA. PB–200 227–F. 35 pages. June 21.

Sandy Lick Creek, Flood Protection Project, Du Bois, *Pennsylvania.* Involves widening, deepening and some realignment of about 25,035 feet of existing channel, constructing earth-fill dikes, etc. Will have drainage area of 86 square miles at the downstream end of the project. Purpose: to provide high degree of hydraulic efficiency and reduce flood damage. No draft statement received. Comments made by State of Pennsylvania; Depts. of Agriculture and Interior. 13 pages. June 28.

DEPARTMENT OF NAVY

Contact: Charles Ill, Room 4C713, The Pentagon, Washington, D.C. 20350.

Draft: Project Sanguine: Northern *Wisconsin.* The intention of the project is to devise means by which to communicate with submerged submarines by use of magnetic fields, Extremely Low Frequency Communication System (ELF). The statement includes factual data obtained from research and engineering experiments conducted as part of the Project Sanguine Environmental Compatibility Assurance Program in order to determine the environmental impact of ELF. Research is not expected to be completed for several years. PB–199 732–D. 504 pages. May 14.

Proposed Navy F–14 Fighter Aircraft. Operational capability planned for mid-1970's. Discusses aircraft's turbofan engine and its effect on the atmosphere, sound level, etc. June 10.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Contact: Dr. Raymond Moore, 15-15 Parklawn Building, 5600 Fishers Lane, Rockville, Maryland 20852, (303) 443–1808.

Draft: Indian Health Service Hospital: Tuba City, *Arizona.* Involves constructing a 125 bed hospital adjacent to the existing hospital. Will provide increased outpatient clinics and adjunct services. Purpose: to provide a comprehensive coordinated health program for about 16,000 Navajo and Hopi Indians. 24 pages. June 14.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Contact: Charles Orlebeke, Deputy Under Secretary, Washington, D.C. 20410 (202) 382–2914.

Draft: Auraria Urban Renewal Project: Denver, *Colorado.* Involves clearing approximately 173 acres near the central business district and developing a Higher Education Center. Extensive park and recreation spaces will be part of the Center. Purpose: to eliminate environmental deficiencies in area, such as noise, dirt and visual pollution. Project No. Colorado No. 24. PB–199 876–D. 10 pages. June 14.

HUD Handbook I, Comprehensive Planning Assistance Leading to a Grant. This handbook establishes policies, guidelines and requirements which govern grants under the Comprehensive Planning Assistance Program. It contains requirements for environmental planning and for the first time imposes a formal environmental assessment requirement on the comprehensive planning process. 4 pages (Statement); 64 (Handbook). June 29.

Statement on HUD's "Minimum Design Standards for Community Sewerage Systems". (Copy of Handbook with standards attached.) Purpose: to provide minimum criteria for nation-wide use of developers, builders, etc. in developing privately-owned central sewerage systems. 6 pages (Statement); 41 pages (Handbook). June 29.

Statement on HUD's "Minimum Design Standards for Community Water Supply Systems". (Copy of Handbook with standards attached.) Purpose: to provide minimum criteria for nation-wide use of developers, builders, etc. in developing privately owned central water supply systems. 4 pages (statement); 74 pages (Handbook). June 29.

Cedar-Riverside, proposed new community, Minneapolis, *Minnesota.* Proposed action is an offer of commitment to guarantee up to $24 million of obligations to finance the cost of land acquisition and development. The proposal will set a precedent with respect to its intention to tie new community assistance to an urban renewal plan and to provide new approaches to environmental quality. 58 pages. June 29.

DEPARTMENT OF INTERIOR

Contact: Office of Information, Public Queries, 18th and C Streets, N.W., Washington, D.C. 20240 (202) 343–3172.

Bureau of Sport Fisheries and Wildlife

Draft: San Marcos National Fish Hatchery: Hays County, *Texas.* Facilities will be located on 126 acres of land, formerly part of the Southwest Texas State University. Will consist of 52 ponds, associated drains and supply lines, a water treatment and recirculation system, etc. Purpose: to serve as a national fish hatchery and as a development center for new fish rearing techniques. PB–199 463–D. 7 pages. May 28

Bureau of Reclamation

Draft: Navajo-McCullough Transmission Line, Navajo Project, *Arizona.* (Revised draft—1st draft sent 1/13/71.) Construction of a 500 kv transmission line to serve as a link between the Navajo Generating Station near Page and the McCullough Switching Station near Boulder City. Will require about 1,000 acres of land used for forage production. PB–200 186–D. 27 pages. June 22.

Office of Saline Water

Draft: Sea Water Distillation Module Project: Orange County, *California.* Involves construction and operation of a sea water distillation module of VTE/MSF design of approximately 3 mgd capacity. Part of development program to convert saline water at lower cost and produce larger quantities of it. . . . production. Discusses emissions from burning natural gas in the boilers, noise produced by operating plant, presence of copper and nickel in the waste streams, etc. PB–199 850–D. 104 pages. June 9.

DEPARTMENT OF TRANSPORTATION

Contact: Martin Convisser, Director, Office of Special Projects, 400 7th Street, S.W., Washington, D.C. 20590 (202) 426–4537.

He will refer you to the correct regional office from which the statement originated.

For the readers convenience we have listed the numerous statements from DOT by State in alphabetical order.

Federal Aviation Administration

Draft: Indian Valley Airport, Crescent Mills, *California.* Involves right-of-way acquisition, runway embankment and site drainage, site fencing, and power line clearance. 24 pages. June 28.

Stapleton International Airport project, Denver, *Colorado.* Involves runway improvement, installation of a MIRL lighting system, installation of blast protection, reconstruction of portions of the high-speed turnoffs, etc. Purpose: to provide a new runway for aircraft including Boeing 727's, to prevent erosion and dusting conditions from jumbo type aircraft, etc. PB–199 604–D. 11 pages. June 2.

Boundary County Airport project, Bonners Ferry, *Idaho.* Land acquisition, runway extension, taxiway and apron rehabiiltation, etc. PB–199 844–D. 11 pages. June 11.

Airport project at Pittsfield, *Illinois.* Involves acquisition of land for a proposed airport. Future development will involve construction of paved runway, etc. Purpose: to replace an existing "restricted landing area." PB–199 730–D. 63 pages. June 7.

Baer Field airport project, Fort Wayne, *Indiana*: acquisition of land, extension of runway, etc. PB–199 870–D. 13 pages. June 11.

Arthur N. Neu Airport, Carrol, *Iowa.* Involves land acquisition, extension of runway, construction of asphalt overlay and connecting taxiway and apron, etc. 15 pages. June 28.

McPherson City County Airport project, McPherson, *Kansas.* Consists of the final phase of paving the runway and taxiway and extending the north end of the runway, etc. PB–199 603–D. 13 pages. June 2.

Taylor County Airport project, Campbellsville, *Kentucky.* Consists of extending and reconstructing the existing runway and also acquiring land for clear zone. Purpose: to accommodate an increasing number of single and double engine aircraft. PB–199 883–D. 29 pages. June 14.

Mott Municipal Airport project, Mott, *North Dakota.* Involves construction of a runway extension, taxiway, runway edge lighting, etc. Purpose: to improve facility for single engine aircraft. PB–199 743–D. 14 pages. June 8.

Airport project at Fort Yates, *North Dakota.* The Standing Rock Sioux Tribe requests assistance for constructing a new airport facility. Purpose: to complement and complete objectives of building an industrial park-airport facility. (The area is presently economically depressed). PB–199 885–D. 32 pages. June 11.

Airport project at Shamokin, *Pennsylvania.* Involves acquisition of land, construction of runway, stub taxiways, apron, turnaround, etc. To be built on site of present Elysburg-Shamokin airport. 36 pages. June 25.

Grant County Airport, Petersburg, *West Virginia:* land acquisition, grading, draining, etc. PB–199 878–D. 15 pages. June 8.

Final: Dothan-Houston County Airport, Dothan, *Alabama.* Construction of runway extension, supporting taxiways, lighting system. Purpose: to permit full load usage of DC9–31 planes. C141 to land in dry weather and T–1A planes to land in all weather. Comments made by State of Alabama Department of Interior and Environmental Protection Agency. 34 pages. June 21.

Savannah Municipal Airport, Savannah, *Georgia.* Project involves acquisition of 1,500 acres for a new runway. Comments made by various State of Georgia agencies. 45 pages. June 21.

Rexburg-Madison County Airport project, Rexburg, *Idaho.* Involves land acquisition for clear zones, airport development, runway extension (on land between sewage lagoons), etc. Comments made by various State of Idaho agencies. PB–199 657–F. 23 pages. June 2.

Capital Airport project, Springfield, *Illinois*: runway extension and pavement reinforcement. Purpose: accommodation of larger aircraft. Comments made by various State of Illinois agencies. PB–200 230–F. 15 pages. June 17.

Ryan Airport, Baton Rouge, *Louisiana.* Involves runway extension, overlay and parallel and connecting taxiway. Comments made by various State of Louisiana agencies. PB–199 894–F. 47 pages.

Mankato Municipal Airport project, Mankato, *Minnesota.* Involves construction of cross-runways, taxiways, lighting, etc. Comments made by various State of Minnesota agencies. PB–199 969–F. 15 pages. June 9.

Albert Lea Municipal Airport project: Albert Lea, *Minnesota*. Involves extension of existing N/S runway, construction of a new NE/SW runway and taxiways, lighting and installation of Visual Approach Slope Indicators, etc. Purpose: to accommodate corporate turbo-jet planes. Reports no adverse comments received. 9 pages. June 17.

Tecumseh Municipal Airport: Tecumseh, *Nebraska*. Involves acquisition of land for a limited airport, including clear zones, NNW/SSE runway, etc. Comments by various State of Nebraska agencies and Department of Interior. PB–199 896–F. 21 pages. June 7.

Wahoo Municipal Airport: Wahoo, *Nebraska*. Involves acquisition of land in fee simple title, paving NE/SW runway, turnaround and taxiway, etc. Comments received from various State of Nebraska agencies and Department of Interior. PB–199 895–F. 23 pages. June 7.

Carson Airport: Carson City, *Nevada*. Land acquisition, runway, taxiway and lighting extensions, apron improvements, and miscellaneous items, including VASI. Comments by Departments of Agriculture, Army Corps of Engineers, Commerce and Interior. PB–198 671–F. 25 pages. June 28.

Goldsboro-Wayne Municipal Airport: Goldsboro, *North Carolina*. Involves reimbursement for land acquired, apron expansion, taxiway construction and installation of VASI. Comments by various State of North Carolina agencies. PB–199 750–F. 12 pages. June 7.

Henryetta Municipal Airport: Henryetta, *Oklahoma*. Involves reconstruction, extension and relocation of highway, construction of taxi turnarounds, and installation of VASI. Comments by various State of Oklahoma agencies and Department of Interior. PB–199 897–F. 17 pages. June 7.

Allentown-Bethlehem-Easton Airport project: Allentown, *Pennsylvania*. Involves extension of runways, expansion of taxiways, aprons, etc. Purpose: to enable larger commercial airplanes to use airport. Comments made by Departments of Commerce. Army Corps of Engineers and Environmental Protection Agency. 25 pages. June 21.

Pierre Municipal Airport: Pierre, *South Dakota*. Construction of runway and taxiway extensions, land acquisition, easements and grading for instrument landing system, etc. Comments made by various State of South Dakota agencies and Department of Interior. PB–199 890–F. 17 pages. June 7.

Maury County Regional Airport: Mt. Pleasant, *Tennessee*. Involves acquistion of land, extension of runway, parking apron, etc. Comments made by various State of Tennessee agencies. PB–199 893–F. 13 pages. June 7.

Harlingen Industrial Airpark project: Harlingen, *Texas*. Involves extension of runway and taxiway, acquisition of land for future expansion and clear zones in order to avoid having to relocate people in the future. Comments by various State of Texas agencies. PB–199 891–F. 23 pages. June 7.

Wayne Wonderland Airport: Loa, *Utah*. Includes runway extension and marking, land acquisition and boundary fencing extension. Comments made by Departments of Agriculture, Commerce and Interior; Agencies—AEC, EPA, FPC. PB–199 970–F. 20 pages. June 9.

Salt Lake City International Airport: Salt Lake, *Utah*. Involves land acquisition, runway and taxiway extension, lighting installation, etc. Comments made by Departments of HEW, Agriculture, Interior and HUD; Agencies—FPC and EPA. PB–200 228–F. 24 pages. June 17.

Federal Highway Administration

Draft: FAS Route 12: construction of a 2-lane facility on new location from point just south of Grove Oak, *Alabama* to a point 2.7 miles north of Geraldine, *Alabama* (5.3 miles). Federal Aid Secondary Project S–2010(101); State Project 1635–J. PB–199 602–D. 7 pages. May 24.

FAS Route 16: replacement of wooden bridge over Copperas Creek in Talladega National Forest, *Alabama* with a paved facility. Purpose: to accommodate wood and timber haulers. Project S–0416(102). PB–199 581–D. 6 pages. June 1.

FAS Route 09: Chilton County, *Alabama*. Paving and widening route from Alabama Highway 183 near the Chilton-Perry County line to a point on the Chilton-Bibb County line (2.8 miles). Project lies within Talladega National Forest. Project S–1109(101). PB–199 576–D. 7 pages. June 2.

Alabama 55: Covington County, *Alabama*. Upgrading of 7.8 miles of highway from point near north limits of Red City to new location, then to existing highway at Covington-Cunecuh County line. Project S–2001 (103). PB–199 628–D. 8 pages. June 3.

US–84: Houston County, *Alabama*. Widening road from 2 to 4 lanes from 1 mile east of the Dothan Circle to point near Gordon. Partially on new location. Will displace 69 residences and 18 businesses. Project F–170 (7). 8 pages. June 18.

Alaska Project S–0653(1): Fairbanks, *Alaska*. Construction of a new roadway connecting Badger Road with Chena Hot Springs Road. PB–199 595–D. 62 pages. May 28.

Richardson Highway: upgrading and realigning highway where it crosses the Chugach Mountains, *Alaska*. A 4(f) determination is attached since project requires realignment through the proposed Keystone Canyon State Park. Projects: F–071–1(2), F–071–1(8), F–071–1(1B) and F–071–1(19). 20 pages. May 28.

Copper River Highway: *Alaska*. Extension of highway within the Chugach Mountains from the confluence of Copper and Tasnuna Rivers across Marshall Pass to Richardson Highway (36 miles). A 4(f) determination is attached as route would bisect proposed Keystone Canyon State Park. Projects S–0851 (32) and S–0851(33). PB–199 727–D. 11 pages. June 8.

Alaska Project S–0389(4): improvement from intersection of Benson Avenue and Rezanoff Drive in northeast direction through Kodiak, *Alaska* to Mill Bay area. Project corridor utilizes Rezanoff Drive and other roadways. Project S–0389(4). 11 pages. June 11.

Petersburg Thru Route: replacement of gravel street with a 2-lane paved facility beginning at the Petersburg Ferry Terminal and extending in a northeast direction through Petersburg, *Alaska* to the tip of Mitkof Island, then proceeding southeast to a point adjacent to the Sandy Recreation Area (3.3 miles). Project S–0937(10). 10 pages. June 21.

Homer Bypass: construction of a 2-lane bypass around the City from the northwest side to the Homer Spit, *Alaska*. Project F–021–1(14). 9 pages. June 24.

I–19 (Nogales-Tucson State Highway): Santa Cruz and Pima Counties, *Arizona*. Construction of 4 sections of highway (Tubac, Amado, Canoa Ranch, Canoa Ranch-Continental). Runs from a point just north of Carmen on US–89 northerly to a point just south of Green Valley (20 miles). Federal Aid Highway project numbers are, respectively: I–19–1(29), I–1901(32), I–19–1(41), I–19–1 (57). PB–199 616–D. 20 pages. June 2.

I–40 (Hualapai Mountain Park): Mohave County, *Arizona*. Construction of a 4-lane secondary highway to serve as a primary means of access between isolated districts of both north and south Kingman and the central business district. Projects US–356(4) (Kingman City limits to US–66); US–356(2) (US–66 to Detroit Avenue); US–356(*) (Detroit Avenue to I–40 T.I.). 19 pages. June 18.

State Highway 59: Benton County, *Arkansas*. Widening and straightening highway from Illinois River Bridge to Siloam Springs. Project S–SU–444(4). PB–199 630–D. 4 pages. June 2.

Batesville TOPICS: Independence County, *Arkansas*. Construction of an overpass across the Missouri Pacific Railroad and Polk Bayou to connect Broad Street with Bayou Street. Length of project about 1,500 feet. Project T–8020(3). 7 pages. June 17.

Manzanita Avenue Bridge: Chico, Butte County, *California*. Reconstruction of bridge on a new alignment over Big Chico Creek in Bidwell Park and reconstruction of approaches. 4(f) report is attached since project is located in Bidwell Park. TOPICS project T–3014. PB–199 640–D. 6 pages. May 27.

State Highway 138: San Bernardino County, *California*. Upgrading, realigning and widening highway from I–15 to Summit Valley (3.8 miles). Will become 60 foot all-paved, limited access facility. Project 08–SBD–138–R15.2/R19.0. 9 pages. June 4.

State Highway 101: Mendocino County, *California*. Widening highway from 2 to 4 lanes on new location between Sonoma County line and Hopland Overhead (8.9 miles). Project 01–Men–101 0.0–8–9 (F–001). 18 pages. June 8.

SR–49: Nevada County, *California*. Construction of a 2-lane controlled access highway on new location from 5.6 miles south of North San Juan to Tyler-Foote Crossing Road (1.9 miles). Project 03–NEV–49 24.6–26.5. PB–199 839–D. 10 pages. June 8.

State Highway 84 (Willow Expressway): San Mateo and Santa Clara Counties, *California*. Construction of a 4–lane divided controlled access highway between Santa Cruz Avenue, Palo Alto and the Dumbarton Bridge (6.4 miles). Sensitive areas disrupted by or within the influence of this project are: Stanford Golf Course, El Palo Alto (an ancient redwood tree), El Camino Park, Hopkins Park, San Franscisquito Creek, Willow Oaks Park and Bay Lands. Attached is a report on 4(f) involvement. Project FAP–66, 04–SM, SC1–84. 68 pages. June 15.

State Highway 1: Santa Barbara County, *California*. Freeway construction on new location beginning 2 miles north of the Santa Ynez River and ending at the junction with Route 135. Will require heavy earth work in order to traverse rugged terrain. Project FAP–29, 05–SB–1–23.4/R30.1. 17 pages. June 23.

I–291: Rocky Hill, Wethersfield, Newington, New Britain and Farmington, *Connecticut*. Construction of a belt route around Hartford beginning at the interchange with I–81, extending westerly along the Rocky Hill-Wethersfield boundary into Newington, then northerly along Newington-New Britain boundary to the interchange with I–84 in Farmington. 4(f) documentation attached as route requires undeveloped land from Churchill Park and 7.3 acres of land declared as open space in Newington. Project I–291–4(8)31 and I–IG–291–4(13)34. 62 pages. June 4.

Connecticut 68: widening and reconstruction of roadway on new location between I–91 and North Branford Road (1.4 miles). Wallingford, *Connecticut*. 8 pages. June 10.

Route 289: Lebanon and Windham, *Connecticut*. Widening and realigning highway from just south of the Lebanon-Windham Town line north to Hayden Street (.7 mile). State project 163–92. 6 pages. June 28.

Dover Bypass (Route 13): construction of a bypass beginning at existing Route 13 north of Woodside, Delaware curving northerly to the west of Dover. Also construction of a connecting spur from Frederica to Woodside. Length of 2 projects approximately 19.8 miles. Kent County, *Delaware*. Projects F–89 (23), F–106(12), and F–116(14). PB–199 587–D. 9 pages. June 1.

Delaware Route 2 (Kirkwood Highway): improvement of intersection with Cleveland Avenue and replacement of bridge over the Baltimore and Ohio Railroad. New Castle County, Delaware. PB–199 580–4. 5 pages. June 1.

Dover East-West Connector: Dover, *Delaware*. Construction from the west Dover industrial area across the St. Jones River and US–13 to the commercial and governmental complexes along the North-South Connector, US–113. Discusses 4 proposed alternatives. Purpose: to remove traffic from downtown area. 9 pages. June 24.

SR 826 (Sunny Isles Causeway): North Miami Beach, *Florida*. Two stage construction project. First stage involves construction of 8-lane facility with frontage road from SR–5 to point west of the Intracoastal Waterway, also construction of a new 4-lane bridge just north of the existing bridge for westbound traffic. Second stage provides for replacing existing bridge with a new structure. Project F–043–1( ). PB–199 859–D. 8 pages. June 9.

Georgia Project F–010–1(9) and Spur: Troup County, *Georgia*. Replacement of bridge over the Chattahoochee River and improvement of approaches. Purpose: provide better facility between West Point, *Georgia* and Lanett, *Alabama*. 14 pages. June 18.

Kailua-Kawaihae Road (Keahole-Hapuna Section): Hawaii, *Hawaii*. Construction of a 2-lane segment with ultimate development to a 6-lane divided facility along the northwest coastline connecting with the existing roadway at the Keahole Airport and the Hapuna State Park (23 miles). PB–199 734–D. 17 pages. June 8.

I H–3: Oahu, *Hawaii*. Construction of a 6-lane controlled access facility from the Halawa Interchange on the leeward side of Oahu and the Halekou Interchange on the windward side (9.4 miles). 26 pages. June 16.

FAP Route 56 (Kauai Belt Road): Kauai, *Hawaii*. Expansion of route from 2- to 4-lanes beginning at the south end of Kapaa at the Waikaea Bridge and ending at the north end of Kapaa (.95 mile). Includes widening of Moikeha Bridge. June 18.

US–95 (Idaho Forest Highway Route 1): Boundary County, *Idaho*. Reconstruction and partial relocation of highway from junction with SR–1 in Copland to the US-Canadian Boundary near Eastport. 25 pages. June 25.

F.A. Route 25 (East Peoria Bypass): Tazewell County, *Illinois*. Construction of 6 miles of highway to bypass city of East Peoria. 14 pages. PB–199 662–D. June 4.

F.A. Route 25: Richland County, *Illinois*. Reconstruction, widening and relocation of highway from the north corporate limits of Olney to the Baltimore & Ohio Railroad (1.5 miles). 4(f) documentation attached as route requires small amount of land from the Olney City Park and Fairgrounds. Project F–274. 16 pages. June 8.

US–24 (F.A. Route 172): Tazewell and Woodford Counties, *Illinois*. Construction of a bypass around Washington and Eureka beginning west of Washington to a point east of Eureka (13 miles). 15 pages. June 8.

F.A. Route 17: Shelby County, *Illinois*. Reconstruction and widening (4-lanes) from Washington Street in Shelbyville easterly to the Moultrie County line near Windsor (14.5 miles). Will displace 25 residences and a business. Also will require 180 acres of agricultural land; 8 acres of this land comes under Section 4(f). Project F–58( ). 12 pages. June 18.

US–50: Martin and Lawrence Counties, *Indiana*. Upgrading route from Loogootee to SR–60 in the vicinity of Bryantsville (22 miles). Crosses through a portion of Hoosier National Forest. 12 pages. June 2.

Federal Aid Secondary Route 644: Bartholomew County, *Indiana*. Involves replacing bridge over the East Fork of White River and the appurtenant approach work. 4(f) determination attached as structure will require .49 acre permanent land use from the Azalia Public Fishing Site. Project S–834(2). 17 pages. June 11.

I–129: Woodbury County, *Iowa*. Construction of a new crossing of the Missouri River south of Sioux City, Iowa (1 mile). Project I–129–6. 9 pages, June 22.

US–63: Davis County, *Iowa*. Construction of a 2-lane facility partially on new location from point on the Missouri State line northerly to its junction with Iowa 2 (10.9 miles). Project F–63–1. 7 pages. June 24.

US–59: Douglas County, *Kansas*. Upgrading and widening highway from Lawrence to the Kansas-Oklahoma line. Projects (SF) 59–23 F–067–2(23) and (SF) 59–23 U–067–2 (25). PB–199 626–D. 13 pages. June 7.

US–169 and K–279 (Osawatomie Bypass): Miami County, *Kansas*. Relocation of US–169 from its junction with K–7 to a point near the intersection of Marais Des Cynges River and First Street. Involves construction of 13 bridges. Length of project about 7 miles. Projects 169–61 F–081–1(22) and 279–61 K–100–1(1). PB–199 729–D. 7 pages. June 8.

US–50: Reno County, *Kansas*. Upgrading and widening road from the Reno-Stafford County line to a point 1.5 miles north of Sylvia (about 4.8 miles). Discusses 2 location studies. Location A would require land from the city park and Sylvia Grade School. Project 50–78 RF 050–4(36). 22 pages. June 22.

Kentucky 14 and Kentucky 16: Boone County, *Kentucky*. Upgrading and widening from western terminus of I–75 in Walton extending eastward along existing roadway and then continuing southeastward to a tie-in with US–25. Project S749. PB–199 629–D. 5 pages. June 3.

Kentucky 15 (Hazard Bypass): Perry County, *Kentucky*. Construction on new location of a 4-lane facility around Hazard (2.24 miles). PB–199 736–D. 9 pages. June 8.

Lexington-Versailles Road: widening .3 mile of road between intersection with Mason-Headly Rd. and Oxford City East junction. Fayette County, *Kentucky*. Project T 3003(1). 7 pages. June 25.

Kentucky 90 (Burkesville-Monticello-Burnside Road): Wayne County, *Kentucky*. Construction generally on new alignment of a 2-lane highway beginning 5.3 miles southwest of Monticello and then bearing off to the east for a distance of 100 ft. before merging with KY–90 near west city limits of Monticello. Requires 95 acres of land and will displace 18 residences, etc. Project S10(9). PB–199 573–D. 9 pages. May 28.

Lafitte-Larose Highway: Jefferson and Lafourche Parishes, *Louisiana*. Twenty-eight miles of new highway between Lafitte and Larose. Highway is designed as a 4-lane divided facility, but initial construction will consist of 2-lanes. About 1,018 acres will be required of which 636 acres is fresh and salt water marshland, 252 acres is swampland and 130 acres is presently residential or potentially residential. State project 700–06–82. PB–199 591–D. 9 pages. May 28.

I–220 (Shreveport Bypass): Cado and Bossier Parishes, *Louisiana*. Construction on new location of a 4-lane divided highway from I–20 and Buncombe Rd. to I–20 on the north side of Barksdale Air Force Base (17.6 miles). A 4(f) determination is attached as route includes construction of a bridge over Cross Lake, Shreveport's water supply reservoir. Federal Aid Project I–220–1(37)13. 11 pages. June 14.

I–83: Baltimore, *Maryland*. Construction of a 6-lane, controlled access highway passing through the neighborhoods of Highlandtown, Canton and Fells Point. A 4(f) report on Fells Point is included since this section is considered to be an historic area. Project I–83–1(44). PB–199 608–D. 12 pages. June 2.

Maryland Route 197: Prince Georges County, *Maryland*. Relocation of route from 1.7 miles of SR–450 to proposed County relocation of Jericho Park Road (1.3 miles). 14 pages. June 7.

Maryland Route 414 and I–495: Prince Georges County, *Maryland*. Construction of a series of interchange ramps to connect the two highway systems. 11 residences and 6 businesses will be dislocated. Federal Aid Project I–495–2(179)38. PB–199 735–D. 5 pages. June 7.

Maryland Route 2: Baltimore, *Maryland*. Replacement of Hanover Street Bridge over the Patapsco River and upgrading approaches. Project U 903–1(300). PB–199 726–D. 4 pages. June 8.

Route 52: Worcester, *Massachusetts*. (Statement deals with a portion of highway project.) Construction of a limited access expressway from Gold Star Boulevard to just north of Shore Drive. This segment will result in the loss of about 10.6 acres of Indian Lake's surface area. Several alternatives are being considered. (Another statement will be written dealing with highway project to Route 140 interchange in West Boylston.) 160 pages. June 18.

I–94 Business Loop: replacement of bridge structure over the St. Joseph River between Benton Harbor and St. Joseph, *Michigan*. Purpose: to accommodate traffic and to enable boats of all sizes to pass under bridge without causing traffic delays. 4(f) document attached since project will require .4 acre of river front park owned by Benton Harbor. PB–199 601–D. 21 pages. May 27.

Trunk Highway 55: Minneapolis, *Minnesota*. Upgrading to freeway standards from T.H. 5 at Fort Snelling to T.H. 35W and T.H. 94 (5.9 miles). A 4(f) determination is attached as relocation of highway would go through Minnehaha Park and Longfellow Gardens. Project F 022–1. PB–199 575–D. 30 pages. June 1.

SR–25: Winston County, *Mississippi*. Relocation of highway from a point north of Louisville continuing in a northeast direction for 5.5 miles. Project SP–056–1 (A). PB–199 627–D. 4 pages. June 4.

Route 61: Lincoln County, *Missouri*. Addition of 2 lanes making a 4-lane facility from a point just south of the Pike-Lincoln County line to a point north of Route E (6.5 miles). Project F–61–4(17). PB–199 586–D. 5 pages. June 1.

Route 71: Andrew County, *Missouri*. Construction of a full access facility on new location from its junction with Route 59 to the intersections of I–29 and I–229 (5.6 miles). Project F–FG–71–7(1). PB–199 866–D. 5 pages. June 10.

Route 13 (Crane Bypass): Stone County, *Missouri*. Construction on new location, passing along the west edge of Crane (3 miles). Project F–FG–13–1(2). PB–199 858–D. 4 pages. June 14.

Route 3: Randolph County, *Missouri*. Reconstruction, partially on new location, from 4.4 miles south of Macon County to US–24 in Randolph County (12.4 miles). Project S–627(6). 6 pages. June 16.

I–453: Clay and Platte Counties, *Missouri*. Construction of a 4- to 6-lane facility to serve as a circumferential route for Kansas City (15.6 miles). Project I–435–1(81) and I–435–1(83). 5 pages. June 21.

Route 54: Callaway County, *Missouri*. Addition of one lane to form a dual highway between Fulton and Jefferson City. Project F–FG–54–3( ). June 25.

Midland Boulevard: St. Louis County, *Missouri*. Extension of roadway westwardly to Dorsett Road, with the construction of an interchange and grade separation at Lindbergh Boulevard (SR–66 TR). Project T–4189(24). 5 pages. June 28.

I–90 (Drexel East & West): 5.3 miles of highway construction (4-lane limited access) in the St. Regis River Canyon near Drexel, *Montana*. 150 acres of right-of-way through Canyon will be required. Project I–90–1(12) 22. 13 pages. June 1.

Highway 89: Teton and Cascade Counties, *Montana*. Reconstruction and widening beginning at Freezeout Lake, about 4 miles northwest of Fairfield to point southeast of Fairfield (9.6 miles). Project F–65(7). 14 pages. June 15.

Ryegate-East: Golden Valley County, *Montana*. Proposed project will begin at a point just east of Ryegate and proceed west to point on US–12. Discusses alternative routes for project. The length of each is about 12 miles. Project F–268(7). 11 pages. June 23.

I–90: Big Timber, *Montana*. Construction of a 4-lane divided highway between Big Timber and Greycliff (10.5 miles). 4(f) determination attached as route would go through Fireman's Island which is used as a picnic area. Project I 90–7(18) 364. 50 pages. June 22.

I–15 (The Teton River North & South Project): 7.1 miles of 4-lane interstate highway construction between Great Falls, *Montana* and the international boundary at Sweetgrass, *Montana*. Project I 15–6(2)305. 12 pages. May 24.

Highway 2: Flathead County, *Montana*. Widening to 4-lane facility between Hungry Horse and West Glacier (10.9 miles). Purpose: to improve access to Glacier National Park. Some forest land will be cleared and some parkland will be required for highway expansion. Project F 257(16). 15 pages. May 28.

North 72nd Street: Omaha, *Nebraska*. Rebuilding road from a 2- to 4-lane facility between Ames Avenue and a point 400 ft. north of Redick Ave. (1.4 miles). A 4(f) report is attached since route goes through the Benson Golf Course. Project SU–147(13). PB–199 635–D. 39 pages. June 3.

Hastings-Grand Island Freeway: Hall, Adams, Hamilton and Merrick Counties, *Nebraska*. (A relocation study for segments of US–281 & US–30) Construction of a controlled access 4-lane divided (64 ft. median) highway between cities of Hastings and Grand Island. Length of project 31 miles. Right-of-way acquisition will vary from a minimum of 800 acres (Study Route 7) to a maximum of 1210 acres. (Study Route 1). Project F–215(12). 34 pages. June 14.

US–77 and US6 (Cornhusker Highway): Lincoln, *Nebraska*. Involves widening 2.1 mile segment of US–77 at the intersection of 56th Street and Cornhusker Highway in Lincoln, Nebraska, north to interchange with I–80. Widening 1.6 mile segment of US–6 from end of 4-lane divided section at 52nd Street to intersection at 70th Street. Projects F–155(6) and F–312(23). 12 pages. June 25.

New Hampshire Route 26: Colebrook, *New Hampshire*. Reconstruction on new location of highway from intersection with US–3 for a distance of 1.7 miles. Project S–201(1), P–7860. PB–199 861–D. 7 pages. June 8.

Route 130: Burlington County, *New Jersey*. Replacement of narrow lift bridge with a 6-lane high level bridge on new alignment across Rancocas Creek, upgrading approaches and constructing an interchange. Twenty-two residence and 8 commercial establishments will be displaced. 7 pages. June 15.

New Mexico 104: reconstruction and upgrading of highway from San Miguel and Quay County lines, *New Mexico* to Tucumcari (5.7 miles). Project S–1420. PB–199 610–D. 6 pages. June 3.

FAS 1418: San Miguel County, *New Mexico*. Replacement of dirt road with surfaced road from 6 miles west of US–85 to 1 mile west of US–85 (about 5 miles). Project S–1418(1). PB–199 860–D. 11 pages. June 9.

SR–95: construction of 2-lane facility to replace dirt road from intersection with US–84 westerly for 4 miles. *New Mexico*. Near proposed Heron Dam Site, a Bureau of Reclamation project. Project S–1523(3). PB–199 865–D. 4 pages. June 9.

US–62/180: Hobbs, *New Mexico*. Widening highway from 2- to 4-lanes from junction with SR–483 to the west Hobbs city limits (11.1 miles). Project F–022–2(5) and F–022–2 (11). PB–199 857–D. 4 pages. June 14.

SR–3: upgrading route (2-lanes) between Mora, *New Mexico* and Las Vegas, *New Mexico* (9.8 miles). Projects S–1426(15) and S–1426 (16). 9 pages. June 18.

SR–3: upgrading route beginning 1.7 miles north of Mora, *New Mexico* and continuing north for 4.7 miles. Project S–1426(17). 12 pages. June 24.

SR–22: Westchester County, *New York*. Widening route from 4- to 6-lanes between Katonah and Croton Falls (6.1 miles). Project PIN 8061.00. PB–199 582–D. 22 pages. May 26.

SR–5 (Great Western Gateway Bridge): Schenectady County, *New York*. Involves replacement of bridge over the Mohawk River and Barge Canal between Scotia and Schenectady. Also involves construction work on approaches. 4(f) determination attached since land from Collins Park and the "Sanders' Mansion is required. Project PIN 1383.00. PB–199 642–D. 39 pages. May 27.

SR–27 (Westmoreland Street): Oneida County, *New York*. Construction, mostly on same alignment, of 2–12 ft. wide travel lanes from point near Judd Road proceeding easterly to point just inside Whitesboro Village limits (2 miles). Project PIN 2082.00. PB–199 600–D. 15 pages. May 28.

SR–8 (Miller Road): Oneida County, *New York*. Relocation of highway between Utica and Poland, *New York*. Project PIN 2016.10. PB–199 631–D. 16 pages. May 28.

Route 9: widening road from 2- to 6-lanes between I–84 and SR–52 in Fishkill, Dutchess County, *New York* (1.4 miles). Project PIN 8381.00. 13 pages. June 4.

I–88 (The Susquehanna Expressway): construction of segment of expressway between Binghamton, *New York* and the eastern boundary of Oneonta, *New York*. (Some parts of this segment not covered in statement.) Project PIN 9357.00, .07 & .18. PB–199 740–D. 21 pages. June 7.

US–11 (SH–5283 & SH–8476): St. Lawrence County, *New York*. Reconstruction of highway from Gouverneur-DeKalb junction through Town of Richville to Redrock Crossing (6.7 miles). Discusses 3 alternate routes within Richville. Project PIN 7043.01. PB–199 862–D. 13 pages. June 9.

Canandaigua Southwest Connector: Ontario County, *New York*. Construction of a southwest arterial highway from west city line to South Main Street. 4(f) determination required as route will take small part of Red Jacket Park. PIN 4113.00. PB–199 853–D. 8 pages. June 11.

SH–258 (Piru Bridge): construction of a new bridge over Little Ausable River and improvement of approaches. Piru, Clinton County, *New York*. Project PIN 7130.04. 12 pages. June 14.

Route 253 (SH–1499A): Monroe County, *New York*. Replacement of Browns Bridge with a new bridge and highway approaches to span the Genesee River. Will connect Wheatland and Henrietta, *New York*. Project PIN 4124.00. 10 pages. June 14.

US–11: Antwerp County Line-Jefferson County, *New York*. Reconstruction of a 3.9 mile segment from Antwerp Village Line to the Jefferson-St. Lawrence County Line generally on existing alignment (2 lanes). Project PIN 7057.00. 11 pages. June 14.

SR–28: Oneida County, *New York*. Reconstruction, primarily on same alignment, of route beginning at interchange in Alder Creek and terminating at the Hamlet of Woodgate. Will require 3 acres of land from Oneida County reforestation lands and 4 acres from state conservation lands. Project PIN 2289.00. 21 pages. June 14.

Freeman-Elkland (County Road 85): Steuben County, *New York*. Upgrading road in Tuscarora, *New York* (1 mile). Project PIN 6243.01. 14 pages. June 15.

SR–12: reconstruction and resurfacing 3 segments of route in Jefferson County, *New York*. Project PIN 7197.00. 17 pages. June 18.

Doansburg Road (County Road 65): Putnam County, *New York*. Replacement of bridge over East Branch of the Croton River. Project PIN 8554.01. 5 pages. June 21.

SR–3: widening and resurfacing from point just west of Watertown and Hounsfield Town line, *New York* to I–81 (1.6 miles). Jefferson County, *New York*. Project PIN 7015.04. 7 pages. June 21.

LaSalle Arterial, Erie-Highland Arterial and Rainbow Boulevard: Niagara Falls, *New York*. Involves these three highway facilities in the initial segment of an arterial highway system for downtown Niagara Falls. Purpose: provide a direct connection between the highway systems in this country and Canada. Project PIN 5041.02. 18 pages. June 22.

Irondequoit-Wayne County Line Expressway: Monroe County, *New York*. Construction of final section of expressway on new location from Five Mile Rd. to County Line Rd. in Webster (5.3 miles). Project PIN 4107.00. 11 pages. June 23.

I–85: construction of a truck weigh station at the Lowell City limits. Gaston County, *North Carolina*. State project 8.16365 and F.A. Project I–85–1(23)31. PB–199 598–D. 9 pages. May 27.

North Carolina 213: Madison County, *North Carolina*. Reconstruction and relocation beginning at the existing interchange at the US–25–70 Marshall Bypass to Mars Hill (7.2 miles). State project 6.801571. PB–199 579–D. 14 pages. May 28.

US–25–70: Buncombe-Madison Counties, *North Carolina*. Construction of 4-lane freeway on new location from Marshall to Weaverville to coincide with existing US–19 and 23 (8.8 miles). State Project 6.801760. PB–199 618–D. 23 pages. May 28.

US–64: Nash County, *North Carolina*. Relocation of highway, straightening and widening (4-lanes), from intersection with NC–231 to the Nashville Bypass (11 miles). Will serve as a bypass of Spring Hope and Momeyer. Federal Air Freeway project US–64. PB–199 583–D. 25 pages. May 28.

Owen Drive Freeway: Cumberland County, *North Carolina*. Construction of freeway from Owen Drive, south of Raeford Road, on new location to Reilly Road. Highway will connect Fayetteville and Fort Bragg. Project 6.801786. PB–199 625–D. 27 pages. June 4.

US–220: Montgomery County, *North Carolina*. Construction of Candor-Biscoe-Star Bypass (14.3 miles). Project 6.801737. PB–199 864–D. 13 pages. June 10.

SR–2480 (Sugar Creek Road): involves widening road to 5-lanes from I–85 interchange to Derita, North Carolina and improving intersection with Derita Rd. and Mineral Springs Rd. Mecklenburg County, *North Carolina*. Project 6.801826. 10 pages. June 16.

US–75 (Kings Mountain Bypass): Gaston and Cleveland Counties, *North Carolina*. Relocation and upgrading from 1 mile west of Bethware School to the interchange of I–85 east of Kings Mountain (7.3 miles). Will displace 120 families and 3 businesses. State project 6.801783. 16 pages. June 21.

Secondary Road 1211: Graham County, *North Carolina*. Replacement of existing roadway with a 2-lane highway from US–129 in Robbinsville to intersection with NC–28 (about 9 miles). Project 6.801738. 15 pages. June 22.

SR–41: Clark County, *Ohio*. Widening route in the towns of German and Springfield and in the city of Springfield to allow for increased traffic as a result of relocation of State Route No. USR 68 and the opening of a shopping center. Project CLA–SR 41–19.28 (S–US–103(6)). PB–199 572–D. 17 pages. May 13.

Athens Country Road C–23: Athens, *Ohio*. Construction of a 2-lane road beginning at the intersection of US–33 and town road T–251 to a point in the alignment of SR–682 at town roads T–404 and T–242 (3.5 miles). Project S–1611(1), ATH–CR–23. PB–199 571–D. 7 pages. May 18.

SR–772: Ross County, *Ohio*. Reconstruction of route generally on new alignment from 1.3 miles southwest of Chillicothe to Paint Street at its crossing with the B&O Railroad in Chillicothe (1.5 miles). Involves constructing a new bridge over Paint Creek. 33.5 acres of land will be required. Project S–SU–1257(4); ROS–772–14.18. PB–199 588–D. 6 pages. May 18.

SR-571: Darke County, *Ohio.* Upgrading and realigning highway between Union City and Greenville. Project DARKE-SR 571-0.00. PB-199 607-D. 21 pages. June 1.

SR-93: relocation of route beginning 2 miles north of Baltic, *Ohio,* and terminating 1 mile north of Sugarcreek, Ohio (6 miles). Project HOL/TUS-93-1.70/1.08 (S-969[11]). 6 pages. June 14.

SR-76: relocation of route from Penn Central Railroad, south of the village of Holmesville, to the intersection of Main St. and Vermillion St. (¾ mile). *Ohio.* Purpose: to remove 2 right-angle turns. Project HOL-SR-76-13.95. 7 pages. June 14.

SR-43 (Market Avenue): widening 2- and 3-lane facility to 4 lanes from 30th St. N.W. to 55th St. (2 miles). Canton, *Ohio.* Project U-459(13). 10 pages. June 15.

I-71 (Northeast Expressway): Cincinnati, *Ohio.* Construction of 8-lane freeway, necessary interchanges, ramps, etc., beginning north of Melish Ave. to point just east of Victory Parkway (0.9 mile). Will complete construction project for I-71. 4(f) approval given (5/5) for land required from Walnut Hills Playfield and Victory Park. Project I-71-1(31)04. 14 pages. June 15.

US-68: Champaign County, *Ohio.* Construction of 4-lane highway from north of the Clark-Champaign County line north to Urbana (13 miles). Project also involves relocating SR-55 (2.1 miles), etc. Project F-1108(3) and F-U-1108(4); State project CHP-US 68-0.19 and 6.42. 15 pages. June 17.

SR-123 and SR-63: Proposed project relates to improvements in Lebanon, *Ohio.* The purpose is to alleviate traffic congestion on Main Street. Project WAR-63/123-6.37/15.13/17/58 (Unprogrammed). 6 pages. June 28.

SR-41: Adams County, *Ohio.* Relocation of 1.8 mile portion of highway from near Ohio Brush Creek on new alignment to just north of County Road No. 134.m Jacksonville. Project S-1378(3); ADA-41-22.40. 5 pages. June 28.

SH-33: Delaware County, *Oklahoma.* Construction on new location (4-lane right of way) of a 2-lane highway from .5 mile north of the junction of US-59, SH-33 and SH-10 extending easterly to the Arkansas State Line (approximately 13 miles). Project F-398; PB-199 597-D; 10 pages. May 27.

SH-3: Coal County, *Oklahoma.* 6 miles of construction on a new alignment from point just west of Centrahoma to a point northwesterly in an undeveloped area. Project F-236; PB-199 593-D; 9 pages. May 27.

US-62: Cherokee County, *Oklahoma.* Construction on a new alignment of a 4-lane highway beginning at the east urban limits of Tahloquah and extending just east of the junction of SH-10 (1.6 miles). Project F-508; PB-199 594-D; 7 pages. May 27.

SH-51: Payne County, *Oklahoma.* Addition of 2-lanes to existing highway beginning at Western Avenue in Stillwater continuing westerly 5.5 miles. Project F-176; PB-199 590-D; 5 pages. May 28.

US-183: Custer County, *Oklahoma.* Reconstruction (widening, resurfacing, etc.) beginning at the Washita River Bridge north of Clinton and extending northerly through Arapaho to point just north of SH-33 (approximately 8 miles). Project F-332; PB-199 585-D; 8 pages. May 28.

US-62: Lawton, *Oklahoma.* Consists of developing an interchange at the intersection of two planned expressways, the Rogers Lane Expressway and the Pioneer Expressway. Project U-232; PB-199 592-D; 7 pages. May 28.

SH-99: Osage County, *Oklahoma.* Relocation of highway at the Junction of SH-11 south of Pawhuska, and extending northerly 9.6 miles to the present SH-99 and SH-60 Junction. Project F-335; PB-199 619-D; 8 pages. May 28.

US-183: Tillman County, *Oklahoma.* Relocation of highway separation and necessary connecting roadway beginning four miles north of Manitou extending northerly 1.5 miles, crossing St. Louis and San Francisco Railway. Project F-268; PB-199 578-D; 7 pages. June 1.

US-270. LeFlore County, *Oklahoma.* Construction generally along same alignment. Beginning at the Junction of US 270-US 271 west of Wister and extending east 6.0 miles to Wister. Project F-82; PB-199 574-D; 6 pages. June 1.

Federal Aid Secondary Route 6018: Stillwater, *Oklahoma.* Upgrading road to 4-lanes from the intersection of US 177 and 12th St., west on 12th St. to Western Rd., north on Western Rd. to McGeorge Ave., east on McGeorge Ave. to US 177, and from the intersection of Washington St. and McGeorge Ave., north on Washington St. to US 177. Project SU-6018(100)c. 14 pages. June 2.

FAS-4504: McCurtain County, *Oklahoma.* Construction of a 2-lane road on a new alignment beginning east of Wright City and terminating 10 miles north west of Broken Bow (3.7 miles). (Industrial Access Road) Project S-CS-4529; 6 pages. June 11.

US-60: Osage County, *Oklahoma.* Construction of 20.4 miles of 4-lane highway from Pawhuska, northeast to point near US-60 and SH-123 Junction. Statement makes no mention of fact that route will go through Pawhuska Indian Village Reserve. Project F-152 and F-252; 11 pages. June 18.

SH-144: Pushmatsha County, *Oklahoma.* Relocation and widening highway beginning north of Dunbar. Project S-622; 8 pages. June 18.

US-169: Tulsa and Rogers Counties, *Oklahoma.* Initial 2-lane construction generally on a new alignment from Collinsville to a point north of Talala (16.9 miles). Right-of-way wide enough for an ultimate 4-lane facility. Project F-267; 11 pages. June 18.

US-62: Grady County, *Oklahoma.* Consists of providing an adequate Primary State Highway from Washita River east of Chickasha to point 3 miles northeast of Tabler (7.6 miles). Project F-202; 8 pages. June 21.

Oregon Forest Highway (Klamath Lake-West Side Highway); Klamath County, *Oregon.* Construction of 2.9 miles highway through US National Forest. Project 48-1(4); 24 pages; PB-199 623-D. June 4.

US-99W: Pacific Highway West, Portland, *Oregon.* Closing portion of Harbor Drive by rerouting traffic on Front Avenue and other city streets and freeways. Purpose: to create open space for river front development. (Federal-Aid Primary Route 9). 24 pages. June 22.

Legislative Route 1022 (Sections 8 and 9): Somerset County, *Pennsylvania.* Replacement of portion of traffic Route 219, from intersection of LR 1 and LR 85143 to the intersection of LR 55036 and Township RD. 616. (Total distance, 8 miles). Roadway will be linked between I-80, traffic Route 22, and I-76. Will expose coal seams. PB-199 623-D; 27 pages. June 4.

I-95: (Delaware Expressway)—Delaware and Philadelphia Counties, *Pennsylvania.* Relocation and upgrading of highway segments LR 795-B, LR 67054-11, and LR 762-3, near the Philadelphia International Airport (3.6 miles). Route will cross Tinicum Marsh. PB-199 731-D; 27 pages. June 8.

Legislative Route 40124, Section 2: Luzerne County, *Pennsylvania.* Upgrading road 2-lanes between the intersection with US-309 and Caverton Road in Truckville and the intersection of 8th St. and Caverton Road in Kingston. Strip of land from Francis Slocum State Park is required for right-of-way. 4(f) report attached. Project 8-40124-04-002-043. 21 pages. June 15.

Legislative Route 10041 (Section A01): Butler County, *Pennsylvania.* Relocation of .34 mile out of highway, including new bridge over Little Connoquenessing Creek. Route runs from just east of bridge over I-79, north. 7 pages. June 16.

PR-23: (F.D. Roosevelt Avenue)—San Juan, *Puerto Rico.* Extension of road as depressed roadway crossing to the intersection with Barbosa Ave. Project U-23-1(3); PB-199 867-D; 10 pages. June 10.

Woonsocket Industrial Highway: *Rhode Island.* Proposed construction would run from Route 146 beteen I-295 and Woonsocket Northeasterly to Mendon Rd. (SR 22). Discusses 4 location alternatives. Project SU-0325(2); PB-199 868-D; 20 pages. June 9.

Downtown Loop Freeway: Greenville, *South Carolina.* Construction of a multi-lane divided highway from I-385 to Pendleton Street, including interchanges. A 4(f) determination is attached since Meadowbrook Ball Park belonging to the city will be required. PB-199 641-D; 21 pages. May 28.

US-1: Richland County, *South Carolina.* Upgrading to 4-lane highway from I-20 easterly to point near SR-1274 (4.3) miles. Project F-035-2; PB-199 621-D; 12 pages. June 3.

State Routes 32 and 35 (Newport By-pass): Cocke County, *Tennessee.* Upgrading to a 4-lane arterial route around Newport beginning at junction with I-40 continuing northeastward to SR-35 (approximately 5 miles). Alternate routes discussed. Alternate B could effect the Richland Park area. Project F-035-2( ); PB-199 589-D; 9 pages. May 25.

State Route 29: Hamilton County, *Tennessee.* Construction of four-lane divided highway 3 miles south of Thrashfield Road to point near Hodgetown (14.75 miles). FA Project F-029-1, State Project 33036-0212-04. PB-199 577-D; 17 pages. May 28.

SR-68: Meigs, McMinn Counties, *Tennessee.* Realignment and widening from Boggs Crossroads continuing in an easterly direction to 1 mile west of I-75, (8.2 miles). Project F-077-2(2); 7 pages; PB-199 606-D. June 2.

Secondary Route 2373: Sullivan County, *Tennessee.* Replacement of bridge and improvement of approaches over the South Fork Holston River between Caylors and Silver Grove. Project S-2373(10); 5 pages. June 7.

SR-29, US-27: Morgan County, *Tennessee.* Improvement and reconstruction of route from the intersection with SR-62 southeast of Wartburg to point about 1 mile north of Emory River on a new alignment (3.7 miles). Federal-Aid Project F-031-1( ), State Project 65001-5227-04; 8 pages. June 17.

SR 29: Morgan County, *Tennessee.* Construction of a new bridge and improvement of approaches over the Southern Railway south of Sunbright. Project F-031-1( ). 6 pages. June 17.

SR-61: Anderson-Roane Counties, *Tennessee.* Extension of 4-lane highway from existing route southwest of Oliver Springs to existing route southeast of Oliver Springs (1.7 miles). Purpose: bypass Oliver Springs. Project F-079-1( ); 28 pages. June 23.

I-27: Randall County, *Texas.* Construction of a 4-lane controlled access facility from the Swisher County line to 13 miles south of Amarillo. Will require 955 acres of land. PB-199 584-D; 12 pages. June 1.

US-69: Angelina County, *Texas.* Widening highway from 2 to 4-lanes beginning at the Cherokee County Line to SH 7 (4 miles). Relocating southbound highway 125 feet west of existing roadway. Project F-353; 21 pages; PB-199 863-D. June 11.

US-287 and SH-19: Houston County, *Texas.* Construction party on new location of a 4-lane facility from .5 miles south of the city limits of Grapeland north to the Anderson County Line. Three miles will be on new location and the remaining 3.1 miles will be constructed along existing route using present highway for south bound traffic. Project F-485(—); 22 pages. June 14.

SH Loop 288: Denton County, *Texas.* Construction of 4-lane facility from I-35, north of Denton, east and south to present Loop 288 at SH 24 east of Denton (6.3 miles). Also construction from IH 35E, south of Denton, west to I–35H southwest of Denton (4.2 miles). Project S–2316; 7 pages. June 16.

US Highway 287: Wilbarger County, *Texas*. Upgrading from 2 to 4-lanes of 10.6 miles of highway beginning at the Wilbarger-Hardeman County Line continuing southeast to Pease River. Project F–501 and F–451; 8 pages. June 18.

Loop Highway 143: Construction of 2 13-foot lanes beginning at SH–15 proceeding north along a country road then continuing west to US–83 (1.7 miles). Perryton, *Texas*. 16 pages. June 21.

Interstate Highway 35E: Dallas and Denton Counties, *Texas*. Addition of one lane in each direction to 4-lane freeway between Dallas and Denton. Project I 35E–6. 5 pages. June 21.

IH–35: San Antonio, *Texas*. Widening from 4- to 6-lanes between Durango Boulevard South and Nogalitos Street (1.6 miles). Project I–35–2; 16 pages. June 26.

Forest Hill Avenue: Richmond, *Virginia*. Widening of the bridge and approaches over the Seaboard Coast Line Railroad (.2 miles). Project T–5502(6); PB–199 634–D; 6 pages. May 26.

Routes 7 and 716: Fairfax County, *Virginia*. Project consists of upgrading Route 7 to 6 lanes from the west corporate limits of Alexandria to point just past Bailey's Crossroads (about 1.4 miles). Also involves upgrading to 6-lanes route 716 from west corporate limits of Alexandria northeasterly to Carlyn Springs Road (about 0.5 mile). Project F–070–1 and S–734, respectively. 8 pages. June 18.

US–220 (Southwest Freeway): Roanoke, *Virginia*. Construction of 4-lane freeway from point just south of Franklin Road to point just south of Route 419 (2.6 miles). Federal Project F–03–1 ( ). 7 pages. June 24.

US–58 and 220: Henry County, *Virginia*. Construction of partial circumferential bypass of Martinsville, Colesville, Fieldale, Fontaine and Chatmos. It appears to be about 14 to 15 miles in length. Will displace 60 families and 7 businesses. Federal projects F–03–3 ( ) and F–024–1 ( ); 5 pages. June 24.

SR–525: (Swantown Road), Island County, *Washington*. Construction of a channelized intersection at junction of Swantown Road, Fort Nupert Road and SR–525 near Oak Harbor. Project S–0211; PB–199 599–D; 6 pages. May 25.

SR–127 and SR–195 (Colfax Bypass): Whitman County, *Washington*. Involves 3 projects to provide a bypass around Colfax and relative traffic on above routes. Projects F–037–1 ( ), F–037–1 ( ) and F–037–2 ( ); PB–199 596–D; 10 pages. May 26.

SR–12: Walla Walla County, *Washington*. Widening highway from Walla to Waitsburg along existing route, except for bypassing Dixie to the west (16 miles). Project F–018–5; PB–199 260–D; 4 pages. May 24.

SR–26: Adams County, *Washington*. Relocation and upgrading of highway from Washtucna to Hooper (10.5 miles). Project S–0292, L–3347; PB–199 605–D; 10 pages. June 1.

SR–27: (Campus Loop Road), Construction of an ultimate 4-lane facility around Pullman, *Washington*. (Area known as Palouse Country.) Project F–044–1, and L–3874; PB–199 612–D; 3 pages. June 1.

SR–2: Chelan County, *Washington*. Replacement of interchange at the (Wenatchee Ave.) west approach to the Columbia River Bridge with a new loop ramp. Stevens St. will also be built from the bridge to its intersection with Mission St. A 4(f) report is attached since route goes through City Park. Project F–028–1; PB–199 609–D; 11 pages. June 3.

I–5: Vancouver, *Washington*. Expansion of Vancouver freeway from 4 to 6 lanes between Columbia River Bridge and Burnt Bridge Creek. 150 families will be dislocated. A 4(f) Determination is attached as route skirts George C. Marshall and Leverich Parks, taking about ½ acre from each. Project I–05–1; PB–199 728–D; 19 pages June 8.

SR–24: Reconstruction or route between Sagehill Road to the junction with State Route 26 (5.6 miles) Primarily follows alignment of a former country road. Othello, Adams County, *Washington*. 8 pages. June 15.

US–12: Dane County, *Wisconsin*. Rebuilding to freeway standards a portion of the South Madison Belt Line between Fish Hatchery Rd. and I–90 (6 miles). Includes relocation between Raywood Rd. and Highway 51. Project F 04–2, ID 1206–0–00; PB–199 617–D; 12 pages. June 3.

USH–51: Freeway construction beginning at the Lincoln County Line and extending northerly to the junction with existing USH–51 a little over a mile north of Merrill, *Wisconsin* (6.5 miles). Purpose: bypass of Merrill, FAP Route 5–4–1; ID 1173–2–00; 11 pages. June 11.

US–51: Freeway construction on a new alignment from the north terminus of the Wausau Belt Line to an interchange with existing highway 51 near the north limits of the city of Merrill. Marathon and Lincoln Counties, *Wisconsin*. FAP Route F–3(4) and ID 1175–1–00; 15 pages. June 11.

State Trunk Highway 59 to County Trunk Highway "Y" Road (south bypass): Waukesha County, *Wisconsin*. FAS Route 1462 (County Trunk Highway "A"): Construction of an ultimate 4-lane bypass of the city of Waukesha. Runs from State Trunk Highway "59" to County Trunk Highway "Y". Project S 1462( ) and ID 273–3–00; 14 pages. June 21.

Kendall-Elroy Road (State Trunk Highway 71): Monroe and Juneau Counties, *Wisconsin*. Reconstruction and widening of road beginning in Kendall and ending at the intersection with highways 80 and 82 in Elroy (approximately 6 miles). Will require 82 acres of agricultural land and 6.1 acres of Wisconsin's Bikeway property. A 4(f) Determination is attached. Project S–313 ( ); 21 pages. June 23.

Chippewa River Bridge and Approaches: Sawyer County, *Wisconsin*. Replacement of "Ketcha Bridge" and upgrading and relocation of approaches. Project 8950–1–00 and S–1417(2); 7 pages. June 24.

Final: Project F–300: Washington-Clarke Counties, *Alabama*. Highway to parallel US 43 for a total of 6.26 miles beginning 0.4 miles south of Leroz School. The road will be 4-lanes to replace existing 2-lane facility. Dual bridges "Under Construction" will cross the Tombigbee River 125' downstream of present bridge. 150 acres of wooded, swamp and pasture lands will be used for new right-of-way. 9 residences and 6 businesses will be replaced. Comments made by EPA, DOI, FHWA, Commerce, and Army: COE, and various Alabama departments. PB–199 752–F; 34 pages. June 7.

US–43 and US–72: Construction of a bridge over the Southern Railway in Sheffield, *Alabama*. Length of project is .34 miles. Purpose: To alleviate delays due to rail traffic. Comments made by Commerce, EPA, DOI, FHWA, TVA, and the Army: COE, and various Alabama departments. Project F–FG–196(16); 36 pages. June 24.

US–84: Relocation from Andalusia to River Falls, *Alabama*. Right-of-way along existing route is narrow—widening would cause extensive damage to adjacent property owners. Comments made by DOI, AEC, FAA, ARMY, EPA, FHWA, and Commerce, and various Alabama departments. Project S–1729–A, and F–339; 34 pages, June 28.

SH–64: Construction of 3.9 miles of highway in the Mule Shoe Bend Section in Coconino County, *Arizona* (within Navajo Reservation). Purpose: To provide a new alignment replacing sub-standard section. Project FLH–033–1(1); PB–199 661–F; 22 pages. Comments by DOI, USDA, FAA, FHWA. June 2.

I–40 (Ashfork-Flagstaff Highway): Coconino County, *Arizona*. Construction work on Supai Section in Kaibab National Forest between Pine Springs and Williams. Involves relocation and paving, grading and drains, building game fences, setting up water collecting system. Purpose: To remove a water producing well for median area, etc. Comments made by various State of Arizona agencies and Department of Interior and Agriculture. PB–199 659–F. 17 pages. June 4.

I–40 (Kingman-Ashfork Highway): Yavapai County, *Arizona*. Construction of 3 segments of highway; Mohave County Line-East Section, Juniper Mountain Section, and Juniper Mountain-Chino Section. Project I–40–2(53), (56), and (59), respectively. PB–199 989–F; 19 pages. June 7.

Bagdad-Hillside Highway: Yavapai County, *Arizona*. Upgrading of highway from city limits of Bagdad, southeast for about 4.1 miles to junction at SR 97. Comments made by the Department of the Interior and an Arizona department. Project S–370–501; 19 pages; PB–199 748–F. June 7.

SR–88: Maricopa, *Arizona*. Upgrading of Pinto Creek Section of Apache Creek Highway from 12 miles east of Roosevelt Dam for a distance of 4.5 miles in a southeasterly direction. Comments made by the Department of Agriculture (Forest Service), and an Arizona department. Project EDA–S–214(8), reported on Draft Statement as Project S–214(8); PB–199 746–F; 18 pages. June 7.

Arizona State Highway Route 60: Navajo County, *Arizona*. F–053–2(9) Clay Springs, and F–053–2(10) Pinedale-Payson Show Low Highway. State Route 200 from Payson, Arizona to US Rt. 60. Two sections comprising a total distance of 10.87 miles. Projects are on land administered by Sitgreaves National Forest. Considerable wildlife habitats will be disrupted or lost. Comments made by USDA, and DOI and an Arizona department. PB–199 747–F; 14 pages. June 7.

US–80. Cochise County, *Arizona*. Relocation of Highway 50 feet north and parallel to existing highway between Cochise Jr. College and Douglas. Project F–016–1(17), F–016–1–(18), F–016–1(19); PB–199 749–F; 11 pages. June 7.

Dewey 1–17 Highway, State Highway Route 169: Yavapai County *Arizona*. A proposed highway from Dewey on State Route 69 to connect with Interstate 17. Will follow general alignment of present County road to Yarbar School and then under new alignment through Precore National Forest. Total length 14.8 miles. Comments made by USDA, and DOI, and an Arizona department. Project S–447–504 and S–447–503; PB–199 745–F; 17 pages. June 7.

Gila Bend-Buckeye Highway (US 80 to Junction 1—10 Section): Maricopa County, *Arizona*. Upgrading of highway from point 2 miles west of Buckeye for a distance of 4.3 miles to Oglesby Road traffic interchange of I–10. Will be connecting segment of I–10 and I–8. Comments made by the Department of Interior. Project F–FG–023–1(2) and F–023–1(3); PB–199 744–F; 15 pages. June 7.

US–666/180: Springerville-Clifton Highway (Nutriosa-Alpine Section). Corridor relocation and widening, etc. of 2½ miles of highway, Nutriosa, *Arizona*. Will require about 60 acres of a scenic meadow. Comments made by USDA, and DOI, as well as various state departments. Project FAP–05–1–2; 20 pages. June 17.

US–89: (Wickenburg-Prescott Highway)—Proposed corridor relocation and improvement between Congress and Yarnell, *Arizona*. Length of project 4.5 miles. Comments made by FHWA, and DOI, and various Arizona departments. Project F–025–1(9), Unit 1, and F–025–1(10) Unit 2; 25 pages. June 24.

US–666/180: Proposed corridor relocation and improvement of 8.21 miles (Nutrioso-Alpine Section) in Apache County, *Arizona*. Road will be widened 12 feet, etc. Arizona Project F–051–2(9), Unit 1 and (12), Unit 2. Comments made by State of Arizona and

Depts. of HUD, Interior and Agriculture. 15 pages. June 24.

Interstate Route 10 (San Bernardino Freeway): Los Angeles El Monte, California. Project consists of addition of 2-lane express busway on freeway between Mission Road near Santa Ana Freeway, in Los Angeles and Santa Anita Avenue in city of El Monte, (Total distance is 11 miles). Proposed program consists of preferential curb lanes for buses, one bus station with parking facilities and two without parking along the busway. Joint project of California Department of Public Works, Division of Highways and Southern California Rapid Transit District. 4(f) Determination attached as action would require land from Ramona Gardens West-Pocket Park, Fletcher Park, and Pioneer Park. Comments made by DOI, and EPA, and a numerous California departments and agencies. Project FAI-10; 111 pages. June 23.

Glasgow-Edmonton Road: Barren County, *Kentucky*. Realignment of 2.4 miles between new section in Glasgow to KY-80-US-68. Comments made by various State of Kentucky agencies; Departments of Agriculture, Commerce, Interior, Transportation (FAA); Agencies—EPA & TVA. Project F-543(4). 26 pages. June 2.

Harland-Cumberland-Whitesburg Road: *Kentucky*. Involves 8 miles of highway construction on new location. Comments made by various State of Kentucky agencies; Department of Interior and EPA. AP 48-85L. 46 pages. June 28.

Northern Parkway: Baltimore, *Maryland*. Bellona Ave. to the Alameda. Requires 1.1 acres from Chinquapin Park. Will be replaced with 1.9 acres in immediate vicinity. Comments made by Metropolitan Transit Authority, Baltimore. Project US-1022(19). PB-199 968-F. 6 pages. June 9.

College-Beattie Street Connector project in Greenville, *South Carolina*. Length of project: 2700 feet. Comments made by various State of South Carolina agencies and Department of HUD. PB-199 660-F. 20 pages. June 4.

US-12: Brown and Day Counties, *South Dakota*. Construction of highway beginning at Bath Corner continuing through Groton to Andover (20 miles). Comments made by Department of Interior and EPA. Project F 004-5 & F 944-6. PB-199 971-F. 16 pages. June 8.

SH-63: Ziebach and Haakon Counties, *South Dakota*. Construction of new bridge across Cheyenne River and realignment of approaches for safety reasons. Comments made by Departments of HUD and Interior. Project S-1262 and S-1263. 11 pages. June 24.

SH-40: Mellette County, *South Dakota*. Construction runs from 1.5 miles west of Cedar Butte then runs easterly along existing SH-40 (8 miles). New grade, flattened horizontal and vertical curves, etc. Comments made by Departments of Agriculture, HUD, Commerce, Interior and EPA. Project S-1351 (5). 17 pages. June 24.

SH-40: Rapid City, *South Dakota* to Farmingdale, *South Dakota*. Rebuilding, flattening curves, widening, raising, etc. to accommodate higher traffic volume. Comments made by Departments of HUD and Interior. Project S-1041. 11 pages. June 24.

Tennessee Secondary Route 6371: Rutherford County, *Tennessee*. Construction begins at SR-1 (US-41) northwest of Murfreesboro and extends to SR-10 (US-231) (Project S-6371(2)). Project section S-6371(2) begins at Sulphur Springs Rd. and goes to SR-10. Total length: 2.5 miles. PB-199 751-F. 5 pages. June 7.

Secondary Route 2624: Roane County, *Tennessee*. Construction of 1.22 miles of highway from 1 mile east of Post Oak to SR-61. Project 73-068-32-03. 6 pages. June 24.

Secondary Route 434: Hamilton County, *Tennessee*. Improving and straightening 1.2 miles from FAS 4427 at Ooltewah-Ringghold Rd. to Collegedale. Project S-4343(4). 5 pages. June 24.

FHWA 4(f) Statements: The following are not 102 statements. They are explanations of the Secretary of Transportation's approval of projects to be implemented under Section 4(f) of the Department of Transportation Act. 49, U.S.C. Section 1653 (f).

SR-41 & 180: Fresno, *California*. Highway construction requires use of .26 acre of Romain Playground. 3 pages. June 16.

Frazier Mountain Park Road: Kern County, *California*. Highway construction requires use of 6.25 acres and severing 2.71 acres of Frazier Mountain Park. 3 pages. June 16.

US-85 (South Santa Fe Drive): Denver, *Colorado*. Highway construction will require 2 acres of Overland Park North and 1.8 acres of Overland Park Golf Course. 3 pages. June 14.

SR-14: Sussex County, *Delaware*. Highway construction requires .2 acres of Primehood National Wildlife Refuge. 4 pages. June 21.

I-75: Roscommon County, *Michigan*. Highway construction requires use of 570 acres of State-owned lands under the jurisdiction of the Michigan Department of Natural Resources. 4 pages. June 9.

I-195: Monmouth County, *New Jersey*. Highway construction requires land from Allaire State Park. 5 pages. June 9.

I-80: Warren County, *New Jersey*. Highway construction requires use of 33 acres of Columbia Lake recreation area. 6 pages. June 23.

US-2: Highway project requires use of 9 acres of land from a golf course owned by the city of Lakota. *North Dakota*. June 28.

I-476: Delaware County, *Pennsylvania*. Highway construction requires use of land from Smedley Park. 6 pages. June 8.

Route 48: Allegheny County, *Pennsylvania*. Upgrading of 2.7 mile segment from 2 to 4 lanes. 3 pages. June 10.

SR—4 (Noconnah Greenbelt): Shelby County, *Tennessee*. Highway construction requires 0.12 acres of land near Noconnah Creek. 5 pages. May 19.

SH-288: Brazoria County, *Texas*. Highway construction requires land from Thumb Park. 3 pages. June 9.

SR-30: Poultney, *Vermont*. Highway construction requires .23 acre from Lake St. Catherine Park. 4 pages. June 9.

U.S. COAST GUARD

Contact: William R. Riedel, DOT Coordinator, Water Resources, 400 7th Street, SW., Washington, D.C. 20591 (202) 426-2274.

Draft: Construction of fixed high level bridge over Broad Thorofare on the *New Jersey* Intracoastal Waterway 100 ft. to the north of the existing bridge (SR-152). PB-199 741-D. 6 pages. June 7.

ENVIRONMENTAL PROTECTION AGENCY

Contact: Charles Fabrikant, Director of Impact Statements Office, 1629 K St. NW., Washington, D.C. 20460 (202) 254-7471.

Final: Construction grant for a wastewater treatment project, Muskegon County, *Michigan*. Project includes intercepting sewers pumping stations, spray irrigation facilities, etc. Will provide 43.36 million gallons per day of sewage treatment capacity. Purpose: to eliminate the discharge of municipal and major industrial wastes into dune-impounded Muskegon, Mona and White Lake by bringing wastes inland for tretament. 56 pages. June 25.

FEDERAL POWER COMMISSION

Contact: Frederick H. Warren, Commission's Advisor on Environmental Quality, 441 G Street, N.W., Washington, D.C. 20426 (202 386-6084.

Applicant's drafts: (These are not official FPC drafts. They will be followed by staff-prepared draft statements. The FPC requests that any person desiring to be heard, to present evidence, to be advised of all hearings and proceedings, with reference to these statements, and to receive notice of proposed subsequent draft statements, file with the FPC on or before 60 days from the publication of this document in the **Federal Register**.)

Application by Seattle, Washington, for an amendment to its license for Skagit River Project No. 553. Provides for the final stage of construction of Ross Dam, involving an increase in the structural height from 540 ft. to 661 ft. and the reservoir elevation from 1602.5 ft. to 1725 ft. Will result in Ross Lake's surface area being extended by 3,600 acres within the U.S. section (the Ross Lake National Recreation Area). Wildlife habitat will be reduced and trout spawning areas inundated. Purpose: to provide additional electrical power supply to Seattle. PB-199 736-D 36 pages. May 20.

Department of Water Resources (*California*) application for California Aqueduct Project No. 2 426. Involves an aqueduct from the southern extremity of the delta of the Sacramento and San Joaquin Valley into Southern California, dividing into the West Branch, which terminates in Castaic Lake, and the East Branch, which terminates in Lake Perris. A coastal branch will extend 100 miles westerly to San Luis Obispo and Santa Barbara Counties. The total distance at completion will be about 450 miles. 282 miles are now completed. Purpose: to control flooding, to supply water and hydroelectric power, to develop recreation, and to enhance fish and wildlife. PB-199 854-D 182 pages. June 10.

Puget Sound Power & Light Company's application for license for Construction Project—Electron Project No. 2495, Puyallup River, Pierce County, *Washington*. Involves: timber diversion dam, other installations, and a concrete powerhouse with four generating units (capacity 25,500 KW). Purpose: to provide power to meet Company and area requirements. 66 year operation of the project has had minimal impact on recreational and environmental values, except for fishery resources. PB-199 886-D 36 pages. May 21.

Northern Natural Gas Company's application for license to construct a 285-mile, 30-inch diameter natural gas transmission line from Sandstone, *Minnesota*, to near Emerson, *Manitoba*. Together with a 45-mile, 96-inch diameter transmission line extending from Havre, Montana, North & East to the International Border. Also involves building compressor stations. Transmission lines will traverse several state forests, wildlife refuges, game preserves, etc., PB-199 852-D. 14 pages. May 21.

Draft: FPC staff briefs and environmental statement in the reopened proceeding on the Blue Ridge Project No. 2317, *North Carolina* and *Virginia*. Applicant is the Appalachian Power Company. Purpose: electric power generation. 249 pages. June 2.

Joint application by Pacific Northwest Power Company and Washington Public Power Supply System for major license for the High Mountain Sheep Project, a hydroelectric plant on the Snake River between the States of *Washington, Oregon*, and *Idaho*. Consists of 3 large dams and 2 smaller ones. Purpose: electric power generation. Project Nos. 2243 and 2273. 43 pages. PB-200 002-D.

Application by Portland General Electric Company for Pelton Project No. 2030—*Oregon*. Involves building a fish hatchery and related facilities adjacent to the powerhouse of Round Butte Development. Purpose: to provide for maintaining the numbers of anadromous fish in the Deschutes River. PB-199 877-D. 5 pages. June 9.

Application for major license by Pacific Gas and Electric Company, Hat Creek Nos. 1 & 2 (hydroelectric project). In the region of Cassel, Burney and Fall River Mills on

Hat Creek, Shasta County, *California*. Hat Creek No. 1 Reservoir has 13-acre surface, 231 ft. long, 12 ft. high concrete buttress dam. No. 2 Reservoir has 89-acre surface with 43 ft. long, 29 ft. high concrete gravity dam. Purpose: electric power generation. 21 pages. PB–200 198–D. June 18.

GENERAL SERVICES ADMINISTRATION

Contact: Rod Kreger, Deputy Administrator, General Services Administration—AD, Washington, D.C. 20405 (202) 343–6077.

Alternate Contact: Aaron Woloshin, Director, Office of Environmental Affairs, General Services Administration—ADF, (202) 343–4161.

Draft: Transfer of 12.36 acres of Los Alamitos Naval Air Station, Orange County, *California* to the Office of Education, HEW. Purpose: to enable the Office of Education to consolidate the Southwest Regional Educational Laboratory by constructing a building on this land. PB–199 459–D. 7 pages. May 26.

Disposal of the 119.11 acre tract of land comprising the former Castle Valley Job Corps Conservation Center: Price, *Utah*. Proposed sale of this land to Carbon County. The County plans to establish a light industry type industrial park on this land. PB–199 737–D. 10 pages.

Disposal of the Naval Weapons Industrial Reserve Plant, Dallas (Grand Prairie), *Texas*. Involves 314.8 acres and 11 buildings. Proposes to sell this plant by negotiated contract to LTV Aerospace Corp., present lessee, for continued use as an aircraft manufacturing facility. Bid should reflect the cost of necessary corrective measures to alleviate such problems as air and water pollution. 10 pages. June 16.

Disposal of the Niagara Falls Army Chemicals Plant: Niagara Falls, *New York*. Plant consists of 37 buildings and 5.7 acres and will be sold by competitive bidding. 8 pages. June 29.

Final: Negotiated sale of the former Sweetwater, *Texas*, Air Force Station and family housing annex. The release of the interest of the U.S. in 16.38 acres leased from the city of Sweetwater is also involved. Purpose: to enable Sweetwater to provide a campus for the Texas State Technical Institute for the operation of a training school. Comments by the Dept. of HEW. PB–199 447–F. 7 pages. May 28.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Contact: Ralph E. Cushman, Special Assistant, Office of Administration, Washington, D.C. 20546, (202) 962–8107.

Draft: Applications Technology Satellite Program. Consists of launching the 6th and 7th satellite in the series (1973 & 1975). Experiments are to be carried out in the disciplines of communications, navigation, meteorology, data collection, geodesy, etc. PB–199 460–D. 10 pages. May 28.

NEW ENGLAND RIVER BASINS COMMISSION

Contact: David Harrison, New England River Basins Commission, 55 Court Street, Boston, Massachusetts 02108 (617) 223–6244.

Draft: Connecticut River Basin Plan—*Vermont, New Hampshire, Massachusetts,* and *Connecticut.* Involves water quality wastewater treatment, etc., power, outdoor recreation, preservation of sites, anadromous fisheries restoration, resident fish and wildlife, water supply, navigation, upstream water and related land resource potential, flood control and large multiple purpose reservoirs. Purpose: National Efficiency: to get greatest economic benefits from investment in water resource restoration and development in terms of the whole country; Regional Efficiency: to produce the greatest return in social and economic benefits in terms of the Connecticut River Basin; Environmental Quality: to improve the quality of the environment through water resource investment. PB–199 738–D. 103 pages. June 3.

TENNESSEE VALLEY AUTHORITY

Contact: Dr. Francis Gartrell, Director of Environmental Research and Development, (615) 755–2002.

Draft: Tellico Project, *Tennessee*. Major project is construction of a dam and the creation of a 16,500 acre reservoir on Little Tennessee River near Fort Loudon Dam. Also involves construction of saddle dams on the left rim of the reservoir, a 1,000 ft. canal on the right bank of the reservoir, rebuilding of 77 miles of roads, 3 miles of railroads and 13 bridges. 275 families will be dislocated. Purpose: industrial development. PB–200 025–D. 24 pages. June 18.

Mills River Dam and Reservoir, Henderson County, *North Carolina*. Involves construction of a dam. Will be the first unit of a multipurpose water control system for the Upper French Broad River Basin. Reservoir will inundate 660 acres of pasture and woodland. Purpose: reduce flooding. 21 pages. June 29.

U.S. WATER RESOURCES COUNCIL

Contact: W. Don Maughan, U.S. Water Resources Council, 2120 L Street, N.W., Washington, D.C. 20037 (202) 254–6408.

Draft: Pearl River Basin Comprehensive Study: Mississippi and Louisiana. A 10–15 year program that would include 3 multiple-purpose reservoirs, floodwater retarding structures, and 1,202 miles of channel development in 30 upstream watersheds. Also to be constructed is a pleasure boatway. Other features are expansion of existing recreation areas, flood plain management, water quality improvement, etc. PB–199 742–D. 8 pages. June 3.

SUMMARY OF 102 STATEMENTS FILED WITH THE CEQ THROUGH JUNE 30, 1971—BY AGENCY

Agency	Draft 102's for action on which no final 102's have yet been received	Final 102's on legislation and actions	Total actions on which final or draft 102 statements for Federal actions have been received
Atomic Energy Commission	27	20	47
Appalachian Regional Commission	1	0	1
Delaware River Basin Commission	3	0	3
Department of Agriculture	31	69	100
Department of Commerce	1	5	6
Department of Defense	3	2	5
Air Force	1	0	1
Army	3	1	4
Army Corps of Engineers	112	193	305
Navy	7	0	7
Department of Health, Education, and Welfare	1	0	1
Department of Housing and Urban Development	8	1	9
Department of Interior	42	20	62
Department of Transportation [1]	640	107	747
Department of Treasury	2	1	3
Environmental Protection Agency	1	6	7
Federal Power Commission	11	4	15
General Services Administration	18	2	20
International Boundary and Water Commission—United States and Mexico	2	1	3
National Aeronautics and Space Administration	21	0	21
National Science Foundation	2	0	2
New England River Basins Commission	1	0	1
Office of Science and Technology	0	1	1
Tennessee Valley Authority	8	0	8
U.S. Water Resources Council	1	0	1
Total	947	433	1,380

[1] Separate 4 (f) statements not incorporated in 102 statements received from DOT are not included.

SUMMARY OF 102 STATEMENTS FILED WITH THE CEQ THROUGH JUNE 30, 1971—BY PROJECT TYPE

	Draft statements for actions on which no final statements have yet been filed	Final statements on legislation and actions	Total actions on which final or draft statements for Federal actions have been received
AEC nuclear development	7	5	12
Aircraft, ships, and vehicles	2	1	3
Airports	25	72	97
Buildings	2	3	5
Bridge permits	18	2	20
Defense systems	2	0	2
Forestry	1	3	4
Housing urban problems, new communities	7	0	7
International boundary	3	1	3
Land acquisition, disposal	16	5	21
Mass transit	3	0	3
Mining	4	1	5
Military installations	6	1	7
Natural gas and oil:			
Drilling and exploration	4	1	5
Transportation, pipeline	2	2	4
Parks, wildlife refuges, recreation facilities	6	6	12
Pesticides, herbicides	5	9	14
Power:			
Hydroelectric	15	1	16
Nuclear	23	14	37
Other	10	1	11
Transmission	5	4	9
Railroads	2	0	2
Roads	530	26	556
Plus roads through parks	62	5	67
Space programs	7	0	7
Waste disposal:			
Detoxification of toxic substances	3	0	3
Munition disposal	1	2	3
Ocean dumping	0	0	0
Radioactive waste disposal	1	1	2

SUMMARY OF 102 STATEMENTS FILED WITH THE CEQ THROUGH JUNE 30, 1971—BY PROJECT TYPE—Continued

	Draft statements for actions on which no final statements have yet been filed	Final statements on legislation and actions	Total actions on which final or draft statements for Federal actions have been received
Recycling	0	0	0
Sewage facilities	1	2	3
Solid wates	1	0	1
Water:			
Beach erosion, hurricane protection	2	18	20
Irrigation	12	7	19
Navigation	31	75	106
Municipal and industrial supply	4	0	4
Permit (Refuse Act, dredge and fill)	3	0	3
Watershed protection and flood control	88	158	246
Weather modification	7	1	8
Research and development	16	0	16
Miscellaneous	11	6	17
Total	947	433	1,380

RETRAINING OF CERTAIN PROFESSIONAL PEOPLE

HON. HUGH SCOTT

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 28, 1971

Mr. SCOTT. Mr. President, we know of the troubled times that exist for certain professional people, particularly those from the space age industries. Efforts are being made to use the skills of these technical people in many other areas. This will require retraining in many instances. The PMC Colleges, outside Philadelphia, in Chester, Pa., have developed a special program that should interest Senators.

Mr. President, I ask unanimous consent that a news release relating to a development by the PMC Colleges be printed in the RECORD.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

RETRAINING OF CERTAIN PROFESSIONAL PEOPLE

A deferred tuition program to retrain unemployed engineers, scientists, teachers and other professionals for new or broader careers was unveiled today (Wednesday, July 14) by PMC Colleges, Chester, Pa.

Dr. Arthur T. Murphy, vice president and dean of the college, said the innovative program to be known as Program Crossroad, begins this fall and is designed to allow unemployed professionals to return to college for graduate and undergraduate "refresher" courses and as "a means of updating knowledge, acquiring new skills to expand opportunities for employment or preparing for an entirely new career."

Under Program Crossroad, unemployed professionals could defer tuition costs until six months after they are working full time in their new profession. No interest charges will be made and applicants will have a maximum of 2½ years from registration to first payment.

The Pennsylvania Bureau of Employment Security reports that 2000 engineers, scientists and other professional workers in the eight-county area are currently drawing unemployment compensation, and estimates that about 9000 professionals have received lay-off notices. The American Institute of Aeronautics and Astronautics estimates that about 10,000 engineers and scientists have been laid off in this area and an estimated 100,000 are unemployed or underemployed throughout the nation.

PMC Colleges is a small co-educational college in suburban Philadelphia, with students from 35 states and 24 foreign countries.

Under Program Crossroad, unemployed professionals or persons not working full-time at their profession, may take courses in either the day or evening schools.

Courses available at the graduate level would be in engineering and economics and management. Courses at the undergraduate level would be in liberal arts, social and physical sciences, teacher education, nursing, economics and management, and engineering.

Applications will be available from the college's admission's office. Applicants should state their educational objective and include a resume of their education and work experience in their initial letter.

Murphy said the unemployed professionals should have a bachelor's degree from an accredited college. Also eligible, he said, would be unemployed professionals who have had at least 60 hours of college credit and have been out of college for five years or more.

"Some engineers," Murphy explained to a news conference, "have experience and training in narrow areas of specialization. With additional education, they could move into problem-oriented areas like urban engineering, environmental engineering and systems engineering."

"Or," the former engineering school dean added, "they might combine their expertise with other disciplines like physiology to become bio-engineers working on artificial kidney or heart machines or various diagnostic and post operative equipment. Also, they could return to college for studies in economics and management in order to run their own business, or to develop training to teach science in secondary schools."

"Similarly," Murphy explained, "an unemployed chemist might take biology courses to become a bio-chemist, or a physicist to become a bio-physicist. Unemployed teachers might take foreign language studies to prepare for a new career with a multi-national corporation or to work in community or social welfare programs for persons of Mexican, Puerto Rican or Cuban descent."

PENTAGON PAPERS CONFERENCE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. ANDERSON of Illinois. Mr. Speaker, yesterday in my colloquy with the gentlemen from New York (Mr. Dow and Mr. RYAN) on their "congressional inquiry into the Pentagon Papers," the gentleman from New York (Mr. Dow) denied ever having seen the controversial memorandum or agenda for the July 7 meeting of the conference organizers. That agenda, which was quoted in part in the July 25 Evans-Novak column in the Washington Post, and to which I referred in my remarks on Monday, suggests that an attempt be made to shift the blame for the war to the Nixon administration, to undermine the administration's peace efforts, and to force acceptance of the Vietcong peace proposal through a democratically sponsored congressional action.

Yesterday, I accepted the word of the gentleman from New York that he had not seen the controversial agenda, even though he is one of the principal organizers of this week's conference. I am willing to concede that the politically motivated memorandums may only reflect the "overactive imaginations of young staffers," as some members of the group indicated to Evans and Novak, and are not representative of the intentions of those Congressmen sponsoring this conference. Perhaps there is a lesson in this which should not be lost on the conference organizers themselves during their inquiry: memorandums from lower echelon officials are not necessarily an accurate indication of the policy intentions of their superiors. Perhaps we should all reread the Pentagon Papers with this in mind rather than accepting them as the most authoritative historical record of our Vietnam involvement.

SOUTH VIETNAMESE ELECTIONS?

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. MIKVA. Mr. Speaker, if there is one thing that has been constant in the history of this country, it has been the democratic tradition. The people decide who will govern them by voting in periodic elections—elections that are free and fair. The United States has encouraged other countries to adopt that democratic tradition. Occasionally, that policy and that tradition are put to a test. There will be such a test in October in South Vietnam.

We are waiting and watching to be sure those elections are nothing less than free and fair. After all, one of the alleged hallmarks of this country's troubled policy in Vietnam has been to guarantee that the people of South Vietnam have the right to choose their public officials and, indirectly, their form of government—through the ballot box—without fear of intimidation or recrimination. Mr. Speaker, there are signs that the people's right is being compromised, or at least threatened.

There are indications that at least one of the announced candidates for the

Presidency of South Vietnam may not be allowed to place his name on the ballot. This candidate is not some obscure provincial official. He is the country's Vice President. And if his name does not appear on the ballot, it may very well be due to the work—or the acquiescence—of another candidate for the Presidency, who happens to be the incumbent.

We will not know the outcome of that election for several months. But it should become clear in a matter of weeks how the democratic tradition is faring in South Vietnam. I would hope that my countrymen pay more than passing attention to what develops.

Earlier this week, there were items in two Chicago newspapers that may shed some light on the health of democracy in South Vietnam. One, a dispatch from Saigon in the Daily News, carried the headline: "Ky Facing Squeeze-Out in Viet Vote." The article itself explained how that was happening. The second item, an editorial in the Sun Times, was called "The 'I Will' Spirit in Saigon." It raises some questions about this country's attitude to the South Vietnamese elections.

The texts of both items follow:

KY FACING SQUEEZE-OUT IN VIET VOTE

(By Keyes Beech)

SAIGON.—Barring a last-minute breakthrough, it appears that Vice President Nguyen Cao Ky will be squeezed out of South Vietnam's October presidential election.

If this happens, the field will be reduced to two contenders—President Nguyen Van Thieu and retired Gen. Duong Van (Big) Minh. And the scene may be set for an attempted coup.

Thieu and Ky are bitter enemies.

U.S. embassy sources Tuesday confirmed charges from the Ky camp that Thieu apparently is determined to eliminate the 41-year-old vice president from the race by making it difficult or impossible for him to qualify.

"Yes, the embassy admits it," said a Ky spokesman. "The question is what they are going to do about it."

All candidates have from July 29 to Aug. 4 to qualify by submitting the signed endorsements of at least 40 national assemblymen or 100 provincial councillors. Thieu and Minh have more than enough assembly signatures to qualify.

But Ky, lacking support in the assembly, was forced to seek the support of provincial councillors. His supporters said he had at least 140 signatures but was unable to get them certified by Thieu-controlled province chiefs and mayors.

"Something very strange has happened," a Ky spokesman said. "All the province chiefs and mayors who must certify the signatures are mysteriously absent when we try to get our signatures certified."

Ky has written Prime Minister Tran Thien Khiem asking when the officials will be on duty to certify his signatures. But it seems unlikely Ky will get much help from this quarter. Khiem, in addition to being Thieu's prime minister, is also his alternate vice presidential running mate.

Ky's plight underlined the American dilemma in the South Vietnamese elections. On instructions from Washington, the U.S. Mission here has adopted a hands-off attitude, although most if not all senior American officials think Thieu is the best man.

But the United States is morally committed to see that the elections are at least reasonably fair. And Thieu has already demonstrated that he will not hesitate to use the vast U.S.-financed government apparatus at his disposal to get the mandate he so passionately desires.

Both political underdogs, Ky and Minh, have joined forces in an effort to put Thieu on the defensive and force the U.S. to "neutralize" the election machine that Thieu has put together out of the government apparatus.

In this respect the 55-year-old Minh, leader of the 1963 coup that overthrew the Diem regime, has been consistently inconsistent.

In one breath he has demanded that the United States stay out of the elections, going so far on one occasion as to demand the resignation of Ambassador Ellsworth Bunker. In the next breath he has demanded that the United States intervene to make sure the elections are fair.

If Ky is forced out of the presidential race, the consequences could be explosive. Ky has hinted that if he is denied the electoral process he may resort to an armed coup against Thieu.

This may be more than an idle threat. Recent soundings have shown a marked shift in the armed forces away from Thieu and toward Ky. Many army officers are still bitter over the way Thieu handled the ill-starred Laos invasion.

Both Thieu and Minh squared away for the campaign over the weekend by formally announcing their candidacies and naming their vice presidential running mates.

THE "I WILL" SPIRIT IN SAIGON

Gen. Duong Van (Big) Minh, leader of the military coup which in 1963 ousted (by assassination) South Vietnamese President Ngo Dinh Diem, has announced his candidacy for election to his country's presidency in the Oct. 3 election. We await with interest flavored with more than a pinch of cynicism the reaction of President Nguyen Van Thieu, who is seeking re-election.

Thieu, through mixed threats and bribery, railroaded through the National Assembly a bill requiring a ridiculously broad base of support for opposition candidates; the aim is to stifle attempts by Minh and Vice President Nguyen Cao Ky to oppose him.

One wonders why Thieu, who is generally conceded to be in about as much electoral trouble as was Mayor Daley last spring, has to resort to this obvious strong-arming. It is especially to be wondered at when the President of the United States keeps blatting about "self-determination."

Publicly, the United States has adopted a hands-off policy toward the election campaign. Indeed, it is reliably reported that American Ambassador Ellsworth Bunker has privately warned his client in the Presidential Palace that a one-candidate ticket would further alienate the support of the American public.

"Self-determination," as we have always defined it, does not really mean the right of a strong man to impose his will on the people. Unfortunately, in practice over the past generation, the United States has seldom paid attention to self-determination when the governments are sufficiently anti-Communist. Spain, Greece, Turkey, Pakistan, South Korea and Taiwan are cases in point.

"This isn't Scarsdale," former Ambassador Henry Cabot Lodge once said of South Vietnamese politics. Perhaps it isn't the politics of an affluent suburb, but that doesn't mean that Washington has to condone river-ward election practices, either.

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. SCHERLE. Mr. Speaker, a child asks: "Where is daddy?" A mother asks: "How is my son?" A wife asks: "Is my husband alive or dead?"

Communist North Vietnam is sadistically practicing spiritual and mental genocide on over 1,600 American prisoners of war and their families.

How long?

WOMEN SUFFER MOST FROM UNEMPLOYMENT

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mrs. ABZUG. Mr. Speaker, a few days ago, my sister Congresswoman GRIFFITHS, read to you an article describing the plight of women in Detroit who evince a higher unemployment rate than men, and who face tremendous difficulty in finding jobs. This dilemma is not limited to Detroit. All over the country, the unemployment level of women tends to be at least 3 points higher than that for men. The assumption that women work only for extra money or to relieve boredom is unjustified for the 15,055,000 women who are heads of households and the sole source of support for their families. For those women who do have working husbands, many women work to raise their families above the level of poverty. And even for those women whose husbands do earn a substantial amount, it makes no sense to decide that the husband's work is automatically more important, and that he is entitled to be retained rather than an equally or more competent woman.

My office has received scores of letters from all over the Nation informing me of desperate situations, and complaining of inattention or lack of solicitude from their own representatives in Washington. This is a serious charge. I hope that my colleagues in Congress are not so hypocritical as to speak out with concern on employment, while ignoring the very persons that are hardest hit. I hope that my colleagues in Congress realize that they represent unemployed women as well as unemployed men, employed women as well as employed men. And I hope that my colleagues will join me in doing everything within our powers to alleviate this desperation.

I include a letter which I recently received from a woman from West Virginia which is typical of the nationwide pleas that my office has received:

JULY 15, 1971.

Mrs. BELLA ABZUG,
House of Representatives,
Washington, D.C.

DEAR MRS. ABZUG: If this letter reaches you directly, I would like to say honestly it is a plea for help. I am a woman of forty-two, with a college degree in office management and public relations which I worked at for fifteen years, I have reared a daughter, a lovely young woman, put her through college and now she is a teacher and married. Unfortunately I must support myself, I do not qualify for unemployment, I cannot receive welfare which I ask for as a last degrading resort because I was told I was able to work, how do they think I could ask for welfare if I could find work. I am told I am too old when an office job comes up and they hire younger girls, I can assure anyone Mrs. Abzug I am quite capable of managing a business. I am so sick and tired of begging for work which is stupid and degrading for two months I applied for two waitress jobs at $1.15 per hr. and could have kept them both had I been more recipient to the men who owned the places, why can't we be allowed to work without this, I have seen so much of it it sickens me.

I have written both my congressman and senator and have received only a Civil Service form in return mail for who knows what. Mrs. Abzug, no help. Unless one has been in my situation one cannot perceive of what you have to take to keep a job. I could probably come to Washington and support myself very well, I know no one and I have no money to hold me until I should acquire something I am suited for. Mrs. Abzug, I am highly capable woman and would be an asset to any business, something must be wrong with a state of the union which will allow some of the discriminations to go on towards women in my situation. Mrs. Abzug I would like very much to belong to the organization at which you spoke to just recently in Washington. I am not sure (League of Women Voters)? If dues are involved perhaps I can get same.

Mrs. Abzug, there must be many women in my position and age group who are hit with the same frustrations every day, as for me I am fed up with it and would like to do something about it. I would appreciate any help you can give me. Thank you for reading my letter, and your time.

Most sincerely,

DOROTHY ALGER.

P.S.—If you wish to use this letter as an example please do so.

WHAT A NATIONAL POWER GRID MEANS TO NEW YORK: CHEAPER, RELIABLE POWER, CLEANER AIR, AND NO NEW PLANTS IN THE CITY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. BADILLO. Mr. Speaker, this Congress has the opportunity to meet squarely a number of major domestic challenges and few are more serious, in my opinion, than the urgent need to provide this Nation with a new means of assuring inexpensive, reliable electrical power consistent with the protection of our environment.

On July 21, I introduced legislation that will go a long way toward meeting that goal. This bill, H.R. 9970, authorizes the establishment of a national power grid. It is cosponsored in the House by my good friends and colleagues, the gentleman from Rhode Island (Mr. TIERNAN) and the gentleman from South Dakota (Mr. ABOUREZK). The chief Senate sponsor is Senator Lee Metcalf of Montana, a recognized expert in the utility field and a leading consumer advocate.

On introducing this new legislation, I addressed myself to the national power issues it attempts to resolve. Today, I would like to discuss briefly the effect our bill would have on New York's power crisis—the worst power crisis faced by any region or metropolitan area in the Nation.

In no other part of the country is there as dramatic a confrontation between the needs for electric reliability and environmental protection. All too often, advocates of one side or the other have treated the two as mutually exclusive. The utilities in general, and Consolidated Edison Co. in particular, have insisted that all that is needed to achieve reliable power is permission for them to construct new plants wherever and whenever they wish. Some conservationists—by no means a majority—have insisted on the other hand that virtually no power plant construction is acceptable.

All this illustrates is the futility of attempting to resolve the related power and environmental crisis through construction of new plants. In urban areas such as New York, powerplants represent an unwarranted use of valuable land and whether they be fossil-fuel or nuclear facilities, they also represent an inexcusable threat to environmental health and safety.

CON EDISON'S ASTORIA PLANT

This is well dramatized by the controversy over Con Edison's proposal to expand its Astoria plant. Here is an instance in which a utility is attempting to capitalize on New York's power crisis to achieve its own ends. The Astoria expansion, pressed with great urgency by Con Edison last summer, could not help in the present crisis, for the company does not propose to have any part of the plant on the line before 1974. In fact, Con Edison's 10-year plan as submitted to the Federal Power Commission, indicated that the plant would not be fully operative until 1975. Moreover, according to the company's own plan, it will have installed by 1974, exclusive of power purchases, reserve capacity of some 36 percent over its peak needs. Without the first part of the Astoria expansion, it will still have a comfortable reserve—more, in fact, than that recommended by the FPC.

In view of this, and in view of existing alternate sources of power for the city—such as purchase power from the Power Authority of the State of New York, which the city administration only belatedly and under pressure is seeking—I have maintained that the city should not be stampeded into approving the Astoria plant—a facility which will have no effect on the current crisis and will not be essential by the time Con Edison proposes to put it into service. I have called upon the city administration to stand by the memorandum of understanding into which it entered with Con Edison just 5 years ago, to the effect that the utility would not seek to add any new fossil-fuel plants in the city.

Councilman Manton's bill before the New York City Council enforces that agreement by barring construction of fossil-fuel generating plants in the city. It deserves passage, for it recognizes that many areas of New York City—such as the area of Queens, in which the Con Edison plant is located—are constantly threatened by poisonous air which has been and continues to be the direct cause of illness and even death.

GRID BILL MEANS RELIABLE POWER

How would my national power grid bill resolve New York's power crisis and at the same time protect environmental concerns such as air quality?

In the first place, New York's power crisis—indeed, the power problem of the entire Northeast region—does not stem from a national power shortage. It stems from our inability to move power around the Nation to the areas where it is needed most. And that inability is the direct result of the private utility industry's unwillingness to interconnect power sources and the weakness of utility regulation by the FPC and the State regulatory agencies.

With power transmission technology what it is today, it is senseless to talk about solving the power crisis only through construction of new plants. A far better answer is to interconnect all our major power systems to create a spinning reserve available to take care of any emergency, regardless of where it may be.

For example, if Con Edison's facilities should be strained because of an unusually hot summer day, surplus power from the west coast which is 3 hours behind New York time and would not have reached its peak load, could be pumped in.

GRID MEANS CLEAN POWER

The national power grid would give us not only electric reliability, but a healthier source of power, as well. Overuse of fossil-fuel plants, such as Con Edison's existing Astoria facility, is a major cause of the air pollution plaguing our cities today. At times of atmospheric inversion, the pollutants from these plants become trapped in the air above us and become a direct threat to life and health. A national grid would enable us to close down these plants temporarily during an inversion, since we could import "clean" power from other areas.

Finally, our national grid bill would authorize the kind of comprehensive power planning that has been totally lacking in this Nation. It would enable us to increase our power capability on a planned, rational basis, without the atmosphere of crisis and panic which all too often prejudices deliberations at the local, State and even Federal levels. It would provide the right kind of land use planning without necessitating the jurisdictional overlaps and unnecessary delays which piecemeal power planning have caused.

I am convinced that this legislation offers the best all-around solution to New York's immediate power crisis, as well as the most feasible means of assuring our country reliable inexpensive power so vitally needed for our economic and social well-being.

THE F-111: TURKEY OR TIGER

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. TEAGUE of Texas. Mr. Speaker, the Armed Forces Journal for July 19, 1971, carried an article on the F-111 written by a George Weiss. I think the article speaks for itself and I commend it to the skeptics in this body who may still feel that the F-111 program was a bad one:

THE F-111: THE SWING-WING MAY SURPRISE YOU YET

(By George Weiss)

If the United States finds itself in a serious shooting war next year . . . or a decade from now . . . one of the first aircraft to be committed to battle will be "Little Orphan Annie," unloved by her relatives in Congress, eventually deserted for the international banking business by her illegitimate father, denied by her Navy foster brothers, but who finally found a home with friends of the family, the Air Force.

People have now taken to calling "Annie" by her given name, F-111, but some neighborhood critics still prefer her pre-natal name, TFX. Almost everyone remembers her nickname "Controversial." Perhaps they know her best by that name.

But the orphan, say the friends of the family, turned out to be a lady despite all the whispers behind her back and charges to her face that she would never amount to anything. Those who know her best, who fly with her and care for her ills, say they love her. She has won the approval of those who count the most—the men who will go with her into combat and trusting in her to see them home again.

She still has problems and faults and she will have more. No one ever denies it. And since she is famous there are those who will pounce on her, without thinking, slashing at her old reputation. But, say the airmen, it hurts those who honestly believe she is to be a faithful companion through the years.

In many ways she didn't have a chance. Here are some of the reasons.

The Air Force wanted a long range fighter-bomber with primary emphasis on high speed, low altitude, nuclear and conventional bombing capability. The Navy needed a carrier based interceptor to climb to high altitudes, medium range, for fleet defense. Somehow the services were expected to adjust their needs and the resulting aircraft would be everything to everyone. It didn't happen.

The Navy finally saw an opportunity to pull out and the Air Force stuck with the problem going through several model designations, doggedly improving the aircraft.

If the Air Force erred in its approach to the situation it was in not having changed the type designation from tactical fighter to tactical bomber.

When the F-111 was little more than a gleam in the Air Force's eye, TAC discarded the aircraft designations of day-fighter and fighter-bomber, combining them into an all inclusive term—tactical fighter. All future TAC aircraft were expected to bomb and fight air-to-air with more or less equal agility. But the bomb load to be hung on the F-111 was equal to or greater than that of either B-66 or B-57 tactical bombers. The F-111 today is a tactical bomber with many of the characteristics of a fighter.

From the very outset it was obvious the F-111 would never become an air superiority fighter in the sense of being a "dog fighter." Weight alone precluded that option being available. However, shooting down aircraft is always a last ditch effort in trying to win air superiority. Tacticians go air-to-air when they have no other choice. What is preferred, and what the F-111 can do, is win air superiority in that vital role of airfield interdiction.

The Israeli Air Force most recently demonstrated this tactical concept in the Six Days War. The F-111 is a far superior weapon for airfield interdiction than any other fighter in the Defense Department or the world for that matter, the Air Force maintains.

One field grade F-111 pilot interviewed by The Journal was asked how this aircraft would have added to the IAF plan for the destruction of the Egyptian Air Force at the onset of hostilities. "They could have made their first strike during the night instead of waiting for first light," he said. "They would not have needed as many aircraft to knock out the enemy fighter and bomber bases. The F-111 weapons system would have covered more area on each of the enemy bases—and the destruction would have been greater."

F-111 VS. FOXBAT

What will the F-111 do if it meets the Mach 3 "Foxbat" MIG-23? Well, according to the men who fly the F-111 they are going to be very surprised if the meeting takes place. It certainly won't be at extreme altitudes where the Foxbat performs best. If the Foxbat pilots want to "have a go" at the F-111 they will be forced to come down to the deck and the Russian fighter isn't going to last long at that arena, the fighter pilots maintain.

The Mach 2, MiG-21, a beautiful sports car version of an interceptor, could not handle the F-105 at low altitudes in North Vietnam. The F-105, like the F-111, was designed to stand the brutal punishment of high speeds and low altitudes. The MiG-21 pilots were forced to break off, time after time, while chasing the "Thud" around North Vietnamese hills and valleys—and the F-105s were still able to carry out their missions. There are a lot of "Thud drivers" in the F-111 program who haven't forgotten that. They know the F-111 is several hundred miles an hour faster on the deck than the F-105 and no aircraft in the world can stay with it.

The anti-F-111 doom-sayers still predict the Foxbat will eat the fighter alive, but TAC pilots aren't getting grey hair anymore than the Israeli Air Force pilots who may face the MiG-23 with the F-4 Phantom. According to newspaper articles they too realize the Foxbat will have to come down to their altitude to fight. When the enemy pilots do they will be playing in a new ball game—and on the F-4 and F-111 pilots' home field.

But how about "look down-shoot down" capability? This is a possible new technique which would allow the Foxbat to fire missiles down from high altitude against fighters below.

Again the TAC pilots aren't too upset. The F-111, they say, has a few new "black boxes" to aid the two-man crew. The tail radar will notify them whenever the MiG-23, or any other enemy jet approaches. With sufficient warning in the cockpit, and the black boxes, the TAC crews believe they can manage the situation. Looking at it from another angle, the F-111 will be operating at night for the most part in the worst weather (an unavoidable fact in Europe) and at low altitudes. Those three facts alone offer considerable protection. Enemy ground based radar will be unable to continuously track individual fighters for proper interception by airborne units. They feel the enemy air threat won't cause them to worry on a full time basis.

F-111 PROGRAM COSTS

[Dollars in millions]

	Fighter	Bomber
Flyaway (airframes and engines)	$9.33	$9.96
Production-flyaway plus support, spares	11.8	13.94
Program-production plus construction, R. & D., operating costs, procurement costs	15.1	16.67

Note: Total F-111A/E/C/D/F program cost is currently estimated at $6,675,000,000. Total FB-111 program cost is estimated at $1,283,000,000.

The pilots of the F-111 can select the altitude they fly above the ground by simply setting an indicator on their terrain following radar. With that means they can stay below "enemy eyes" during each of the critical portions of their missions. The F-111 will maintain the desired altitude by scanning the terrain ahead and adjusting itself to surface elevation changes and obstacles. The most difficult part, pilots say, is to sit there at night pretending to relax, as the F-111 climbs an unseen hillside, goes over the top and into negative "g's" on the downside. In pitch dark situations the trust of the pilot for "Annie" must be absolute.

So far as has been determined no accidents have ever been attributed to terrain following in training or combat.

"You haven't lived," one F-111 pilot told The JOURNAL, "until you go into the Grand Canyon after midnight in a rainstorm, and come out the other side."

But suppose, just suppose, the F-111 and the MiG-21 or even the MiG-23 meet? What then? In a straight-on, even-odds, no warning fight, the computer calculations point to the MiGs; but the TAC pilots still feel they have a few rabbits to pull from their hatful of tricks. The experts at Nellis AFB are working on some new maneuvers and tactics that should improve the odds. So if Annie walks the back alleys alone some dark night she will at least know there is more she can do in self defense than run and yell for help.

SAFETY COMPARISON

The F-111 continues to have the lowest accident rate of any Century series fighter. This table compares the F-111 with other type fighters at the 80,000 hour operation mark.

Major type:	Accidents
F-100	77
F-101	42
F-102	48
F-104	59
F-105	42
F-106	33
F-4	39
F-111 (excludes two combat losses)	21

ACCIDENT RATE

Much of the continuing criticism of the F-111 hinges on the F-111's accidents. No matter what "Little Orphan Annie" does she attracts more attention than is deserved. But if you seriously examine her performance record in comparison with other fighters she comes off better than anyone expects.

Compared to the F-100 at 80,000 flight hours, the F-111 has had less than one-third as many accidents during those critical early states of development. The F-105 had twice as many accidents as the F-111 at the 80,000 hour point.

Both of these fighters were effective in Southeast Asia and carried more than their share of the combat load. Of course, both of them are single engine fighters. Comparing the F-111 with the popular F-4, another twin-engine, two-place jet, is more equitable. But the F-4 also had more accidents than the F-111 at the same stage of development.

No matter how you slice it, the F-111 comes out a safer fighter by far against all the Century series jets.

From this one might forecast that, like the F-100, the F-111 will become more and more reliable as the pilots and maintenance experts get to know her better and understand her various quirks and internal problems.

STRUCTURAL PROBLEMS

But, say the critics, how about the structural failures that have "plagued" the aircraft? Of the 23 F-111s that have been destroyed in accidents only *two* are known to have involved a structural failure. There were losses in Southeast Asia in which the aircraft were not found. They will remain a mystery. However, no one in the F-111 business appears concerned that a structural failure was involved. The odds are they are correct.

The first F-111 structural failure in flight was traced to a bad weld which caused loss of flight control. The second failure was more serious and involved the left wing pivot fitting. As a result the fleet of 344 F-111 aircraft in operation were put into one of the toughest testing programs yet devised. As of 25 June 270 had been returned to duty with a clean bill of health. Only 10% of the aircraft tested were found to contain minor flaws which might not have ever been noticed in routine checks. As a result of the tests four wing carry-through boxes and twelve wing pivot fittings were rejected.

The overall effect will be to increase the structural life of the F-111 and minimize future inspection requirements, a decided plus for the fighter.

The F-111 is now the most tested aircraft in the Air Force and the world. No other single aircraft has been subjected to the wide variety of reliability tests. Equipment and methods were invented to test the aircraft and some of these did produce ground failures as they were supposed to do. Because of these tests lives have been saved and the planes that passed are capable of withstanding stresses far higher than they are ever expected to encounter in normal operations or combat.

STRIKE ACCURACY

The F-111 went into combat in Southeast Asia when there were a limited number of targets available. All bombing was being conducted south of the 20th parallel. This did not allow the Air Force to fully explore the capabilities of the fighter to the extent desired.

Only 55 SEA combat sorties were flown by the six plane force. There were also restrictions placed on the F-111s which grounded them for a considerable portion of their stay in Thailand.

In fact, only two weeks of actual combat experience was gained during the time the fighters were in Thailand.

The fighter was flown in single ship night missions and mostly (80%) in bad weather to attack known enemy positions. Flying at high speeds and low levels the pilots penetrated well defended positions, attacked their targets and departed without being threatened by enemy action in most cases.

The only defense the enemy seemed capable of mustering against the F-111 was barrage fire whenever they realized the fighter was operating in an area. The F-111 crews spotted AAA/SAM defense activity on only 42% of their missions. No F-111 was ever hit by enemy fire.

The terrain avoidance radar proved itself in training in the U.S. and in North Vietnam. SAMs failed to locate the F-111s in their low level penetrations just above the tree tops at night along the Annam mountain chain between Laos and North Vietnam.

Post-strike reconnaissance bomb damage assessments of their radar bombing attacks offered final proof to the Air Force that the F-111 could hit a target under combat conditions with results comparable to daylight attacks by other fighter-bombers.

Operating in daylight in the U.S. on training missions the F-111 established a bombing rate 50% better than the best previous bomb scores in the Air Force.

In one test, called Combat Bullseye, the F-111 was tested for accuracy in the delivery of aerial weapons against the F-105 and F-4. She was an easy winner.

One Air Force pilot, no longer flying the F-111, told the JOURNAL that after ten years bombing practice in the F-100 he topped his best previous score on his first practice mission in the F-111. He said his experience was not uncommon.

Pilots credit the F-111 itself as being responsible for the better bomb scores. The primary difference, they say, comes from the stability of the F-111 on bombing and strafing runs and the unusually smooth flight control system which, with the gun and bomb sight, makes a high degree of accuracy possible.

NATO COMMITMENT

Last September two F-111's left the U.S. non-stop for Upper Heyford, England, where they became a part of the 20th Tactical Fighter Wing. They did not employ air-to-air refueling on their trans-Atlantic flight. The wing has now converted from the F-100 to the F-111 which gives the fighter a NATO commitment.

The F-111 extends the combat radious of the wing to double that of old "Silver Dollar." The black underbellies of the new F-111s are mute testimony to their nuclear mission in Europe. Along with the aircraft came an entirely new all weather capability for the 20th. No longer will weather be a deciding factor for planning purposes. In fact, weather now enhances the capability, reliability and success potential of the wing.

Airmen maintaining the Upper Heyford F-111s in the NATO operational mission claim their job is easier than with the more familiar F-100s. While the Air Force stipulated that the F-111 should not exceed more than 35 man-hours maintenance for each hour flown, the twin-engine fighter is averaging well under 30 man-hours per hour, according to current experience.

NUCLEAR CAPABILITY

SAC also has operational aircraft. The force of 66 FB-111 aircraft, armed with four SRAM missiles or nuclear gravity bombs, will soon be in place at both Pease AFB, N.H., and Plattsburg AFB, N.Y. With the FB-111s already delivered to the Air Force and crews completing training at Carswell AFB, Texas, it is admitted by SAC that the medium range SAC bombers have long held a back-up operational mission. The instructor pilots have formed the aircrews for use in the event of an emergency.

The FB-111s, like the B-52 force, will soon be dispersed to satellite bases once their crews are declared combat ready.

SAC takes some pride in the fact that an FB-111 was declared a winner against the B-52 in the last SAC bomb competition. Another FB-111 flew to England on a demonstration flight during the RAF bomber competition. The RAF did not invite it to participate.

Air Force Chief of Staff General John D. Ryan told the Senate Committee on Appropriations this spring that the FB-111 has ". . . better penetration, bombing and navigation capability than the B-52 . . . (and) adds a new dimension in versatility to the bomber force." He did not need to add that the shortcoming of the FB-111 was its limited range for strategic bombing and bomb carrying capability. As an interim SAC bomber it is satisfactory. The command has no intention to purchase more, including the new stretched version being offered by General Dynamics, the JOURNAL was told by General Bruce K. Holloway, SAC Commander-in-Chief.

COST-EFFECTIVE

One Air Force officer involved in the F-111 program recently told The JOURNAL, "The F-111 is going to look like a bargain in a few years." His reasons why were all operational.

Based on current experience with the F-111 and other aircraft in SEA it required 5.91 Phantom sorties or 5.04 "Thud" sorties to attain the target damage obtained by a single F-111.

The highly automated A-7 came out slightly better in comparison, 3.57 sorties as compared to the F-111.

The cost factor of operating fighters in a bombing role entails more than a single formation of jets. It includes electronic counter measures aircraft, ground based radars, tankers, air cap, flak suppression sorties and "Wild Weasel" anti-SAM missions. All must be coordinated and timed by a half dozen bases and units. The F-111 operated in SEA without such aerial support and will in the future.

Despite the cost and problems associated with the F-111 it still stands alone as the best aircraft yet developed for night and bad weather attack missions deep inside enemy territory. It is unique in its unrefueled range capabilities. No other fighter in the world can cross the Atlantic unrefueled which means that the F-111 alone can be rapidly deployed almost anywhere in the world without waiting for tanker support. Pacific missions would require island stops. Tankers would allow non-stop crossings.

It carries more bombs than any other fighter and surpasses all other known fighters for automatic navigation accuracy, weapons accuracy, maintainability and short or rough field operations. As a single ship attack aircraft it can operate as no other can without extensive air cover, tanker and electronic countermeasures support. In addition it has a 24-hour attack capability in bad weather, giving it an 80% advantage over other aircraft in the European theater.

Little Orphan Annie, the Texas turkey, is no lady, She's a Tiger.

F-111 AT A GLANCE

F-111A—This was the basic design which was to provide Tactical Air Command wtih an all-weather tactical bombing capability. TF30-P3 engine. Total of 141 built.

FB-111—Basic design for Strategic Air Command. An interim bomber between the older model B-52s and the B-1. Provides both nuclear and conventional capability with only minimum modification. TF30-P7 engines. Total of 76 built.

F-111E—Basic F-111A design with improved penetration aids and weapons management. TF30-P3 engine is stall free through supersonic envelope. Contract was for 94.

F-111F—Further improved with growth engine TF30-P100 for increased payload and maneuverability. Improved avionics include digital computers and advanced inertial navigation. Contract is for 70.

F111D—Has major avionics modifications to add air-to-ground moving target attack capability. Has improved weapons delivery accuracy and payload. Contract was for 96.

A total of 526 F-111s will be built under existing contracts, including the 7 Navy F-111B models and 24 F-111C models for the Royal Australian Air Force.

THE TIME HAS COME TO ASSURE ADEQUATE SUPPLIES OF HOME HEATING OIL AT FAIR PRICES FOR NEW ENGLAND FOR THE COMING WINTER

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. CONTE. Mr. Speaker, on May 10, 1971, I authored a letter to the President, cosigned by the entire New England House delegation, urging him to act before June 1, 1971, to assure the continuation and expansion of the No. 2 home heating oil import program for the east coast. See the CONGRESSIONAL RECORD, page 16042. Regrettably, to date no action has been taken.

Thus, on July 16, 1971, I wrote another letter, again cosigned by my New England colleagues in the House, to George A. Lincoln, chairman of the administration's Oil Policy Committee demanding action by July 31 on three points: the continuation of the No. 2 home heating oil import program for the Northeast, an immediate increase in the present program from 40,000 to 100,000 barrels per day, and the elimination of the requirement that the oil be purchased from refineries in the Caribbean—I enclose a copy of this letter to be inserted at the conclusion of these remarks.

This last request is extremely vital and emphasizes the urgency of the need to implement these programs. Greater competition could result from the creation of a broader market for imports of No. 2 oil. Moreover, European refiners have offered to supply No. 2 fuel oil continuously through the winter. However, they must be able to finalize these contracts on August 1, while their supply is still uncommitted. Hence, it is imperative that the decision be made as soon as possible.

Mr. Speaker, I also am highly perturbed over Humble Oil's announcement last April to raise the price of No. 2 fuel oil for the coming fall and winter. I'm seeking to uncover the reasons for this and other matters concerning the price and supply situation. I was not able to secure information from the vice president and director of Humble Oil, Carl G. Herrington, during hearings before the House Select Committee on Small Business. Thus I was forced to submit my questions to Humble's chairman of the board, Mr. M. A. Wright, to be answered for the committee record. I also enclose a copy of my letter to Mr. Wright at the conclusion of these remarks. The people of New England, who already pay the highest home heating oil rates in the Nation, have every right to demand an explanation of the reasoning behind this new price increase. Considering that Humble and Shell virtually dominate the supply in the Caribbean, one can only conclude that the foreign supply market must be expanded to enlarge competition and inhibit unjustified price increases. This incident only confirms the need for immediate action on this matter by the Oil Policy Committee.

The items follow:

JULY 16, 1971.

HON. GEORGE A. LINCOLN,
Director, Office of Emergency Preparedness, Executive Office of the President, Washington, D.C.

DEAR GENERAL LINCOLN: As you know, on May 10, we, the undersigned members of the New England Congressional delegation, wrote to President Nixon, requesting certain changes in the No. 2 fuel oil import program for District I. For your convenience, a copy of that letter is enclosed.

It is our understanding that, during May, you and the Oil Policy Committee ordered a review of the No. 2 fuel oil program to determine its effectiveness and the need for changes to strengthen the impact of the program on competition, prices and supply in the heating oil markets of the Northeastern states.

We are pleased that you are making this review. However, we are concerned that there be prompt and positive action by the Oil Policy Committee to deal with the conditions outlined in our letter of May 10. There has, as you know, been no improvement in these conditions. In fact, in late June, the posted price of No. 2 fuel oil rose again in the Caribbean—to 10 and 10.2 cents per gallon; this is even higher than the price of the same product at U. S. refineries. The need for a price investigation as required by Section 6(A) of Presidential Proclamation 3279 is therefore even more evident than it was when we called for it in our May 10th letter.

We are also deeply concerned that the Humble Oil Company intends to carry forward with its plans to raise the price of No. 2 fuel oil along the east coast by more than 1 cent per gallon by the end of this year. This, of course, means added costs of more than $45 million per year for New England homeowners.

We understand that No. 2 fuel oil is now available from European refineries at prices considerably lower than those in the Caribbean; and that oil from Europe can be imported into New England at a cost that could mean savings to consumers. The landed price of European oil would be between 1 and 2 cents per gallon less than the landed price of No. 2 fuel oil from U.S. or Caribbean refineries, and as you know, a one cent reduction means $45 million per year of savings to the consumers of our area. The availability of more competitive supply sources is sure to lead to more competitive pricing in the Caribbean.

These factors—the continuing rise in Caribbean prices, the domestic oil price increases announced by Humble Oil, and the savings possible on European oil—underscore the need for prompt action by the Oil Policy Committee on the request we made on May 10.

The time for study and review and meetings is over; the time for decision has arrived.

We therefore strongly urge that, by *July 31* the Oil Policy Committee recommend—and the President adopt—amendments to the Oil Import Proclamation which would:

1. remove the requirement that No. 2 fuel oil imported into the Northeastern states must be purchased from Western Hemisphere refineries.
2. increase the No. 2 fuel oil imports into District I from the present level of 40,000 b/d to 100,000 b/d.
3. Place the No. 2 fuel oil import program on a permanent basis.

Thank you for your consideration.

Sincerely,

SILVIO O. CONTE.

P.S.—Attached is a list of the cosigners to this letter, comprising the entire New England House delegation:

Hon. William R. Cotter, Hon. Robert N. Giaimo, Hon. Ella T. Grasso, Hon. Stewart B. McKinney, Hon. John S. Monagan, Hon. Robert H. Steele.

Hon. William D. Hathaway, Hon. Peter N. Kyros, Hon. Edward P. Boland, Hon. James A. Burke, Hon. Robert B. Donohue, Hon. Robert F. Drinan.

Hon. Michael Harrington, Hon. Margaret M. Heckler, Hon. Louise Day Hicks, Hon, Hastings Keith, Hon. Torbert H. Macdonald, Hon. F. Bradford Morse.

Hon. Thomas P. O'Neill, Hon. James C. Cleveland, Hon. Louis C. Wyman, Hon. Fernand J. St Germain, Hon. Robert O. Tiernan, Hon. Robert T. Stafford.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 16, 1971.

Mr. M. A. WRIGHT,
Chairman of the Board, Humble Oil and Refining Co., Houston, Tex.

DEAR MR. WRIGHT: Enclosed you will find a series of questions on Humble's policies regarding oil imports and heating oil price and supply matters which I sought to put to your Vice President and Director, Carl G. Herrington, during his appearance before the House Small Business Committee hearings on fuel and energy yesterday. I would appreciate your responses for the Committee record as soon as possible.

I regret that this is necessary, but, in view of Mr. Herrington's total lack of cooperation yesterday, I know of no other course. Mr. Herrington simply stated my questions were outside of his area of responsibility, and despite his knowledge of the Committee's concern about fuel supplies, failed to arrange for any accompanying witness who could speak to these issues.

I look forward to receiving your views on these matters of such importance to the American consumer.

With warmest good wishes, I am

Cordially yours,

SILVIO O. CONTE,
Member of Congress.

QUESTIONS BY MR. CONTE FOR HUMBLE OIL

1. What's the position of Humble Oil on the No. 2 fuel oil import program for the Northeastern states involving 40,000 barrels per day? I understand that Humble's former President, Charles Jones, recently told a group of New England Senators that he was against the program.

2. I note that Standard Oil of New Jersey in 1971 imports 40,000 b/d of crude oil alone. What's the problem with giving this amount of heating oil—or even more, up to 100,000 b/d, which I favor,—to all of the east coast?

3. What's the position of Humble Oil in the residual (No. 6) fuel oil import program for the east coast? I understand that Humble's former President, Charles Jones, recently told a group of New England Senators that he was against that program, as well, and favored reimposition of controls on this product.

4. How do you feel about imports of refined products, such as No. 2 fuel oil, from Canadian refineries, particularly those in Eastern Canada?

5. I should like to place in the record the attached Humble Oil price schedule which was announced to cargo buyers in April of this year. I understand that Humble had the same kind of schedule in effect during 1970. This price schedule is strong evidence to me that you have an unconscionable and perhaps illegal amount of market power. I know of few companies, in any industry, who make such announcements so far in advance and then are able to enforce such price escalation. How can you possibly announce your prices so far in advance and maintain that price if you don't coactively control the market place?

6. A year ago at this time the wholesale price of No. 2 oil in the Caribbean was 6.5 cents per gallon; it's now 10 to 10.2 cents per gallon and I understand that there is very little product available even at those prices for the coming winter. How can you possibly justify this rapid price escalation? I realize that Creole Petroleum is the company involved in the Caribbean, but you and Creole are both affiliates of Standard Oil of New Jersey, so you certainly qualify to answer this question.

7. What's your position on allowing New England importers to purchase No. 2 fuel oil in Europe? This will allow fuel oil to be delivered in Boston for 1 to 2 cents less and will give us some price relief. How can you be against this, especially in the light of the lack of supply and the very high prices in the Caribbean? After all, we're not talking about very much oil—even if the import levels were 100,000 barrels per day this would be less than 1% of U.S. consumption.

8. There is a lot of oil in Alaska and you say that it should receive the protection of the U.S. oil import program and that Alaskan oil should be treated more favorably than Canadian oil. In that case, are you prepared to pledge to the U.S. Government that all the crude oil produced in Alaska by Humble (by the oil companies there) will be imported in the U.S.—and none shipped to Japan and other places?

9. I'd like to read from an ad of the American Gas Association that appeared in the *Wall Street Journal* last week (July 8, 1971):

"We're importing Liquid Natural Gas. It's helping us meet the peak winter demand in the cold Northeast . . . it allows us to bring the vast gas supplies of the world right to our shores. And supplies another answer to the country's increasing energy needs."

This seems to make sense to me. How does Humble Oil feel about increased imports of natural gas, and, if you are not against it, why can't we have increased imports of another heating fuel—No. 2 oil?

10. Your people say that we in New England are too reliant on No. 6 residual oil from overseas sources. Are you prepared to say that Humble Oil and other major oil companies can produce enough No. 6 fuel to meet all our demands from domestic refineries? And, if so, at what prices?

11. Isn't it true that overseas refineries provided 300,000 barrels per day more of No. 6 oil this past winter than the previous winter for the east coast—wouldn't you consider this a benefit to our area? In other words, reliance on foreign refineries gave us a great deal more supply than we would have had if we relied on domestic refineries alone?

12. The price of No. 6 fuel oil in the Middle West is even higher than the east coast. Isn't the middle west almost completely supplied by domestic refineries? So what is the price benefit?

13. Your people keep talking about National security decisions involving oil. But isn't it true that nearly 100% of the oil for our troops in Vietnam comes from the Persian Gulf? What do you think of the military judgment of those who decided to rely on that "insecure source" for supplies for our troops in war?

HUMBLE OIL PRICE SCHEDULE, NO. 2 FUEL OIL, CARGO (WHOLESALE) PRICE

[In cents per gallon]

	Boston Harbor	New York Harbor
Present price	10.8	10.6
May 1	11.1	10.9
Nov. 1	11.4	11.2
Dec. 1	11.7	11.5
Jan. 1, 1972	12.1	11.9

COUNTERED BY AGNEW

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. RIEGLE. Mr. Speaker, a recent editorial from the Flint Journal offers an excellent commentary on the most recent set of unfortunate remarks by the Vice President. I insert the editorial for the benefit of my colleagues:

COUNTERED BY AGNEW

Bishop Stephen G. Spottswood, chairman of the board of directors of the NAACP, recently expressed a view that must have heartened those in the Nixon administration concerned with building relationships with the nation's 23 million black citizens.

Addressing his organization's annual convention, Spottswood conceded that in the year following his denunciation of the administration as "anti-Negro," President Nixon has "announced policies in certain phases of the civil rights issue which have earned cautious and limited approval among black Americans."

In view of the depths to which relations between the Nixon administration and blacks had plunged, such a concession was significant indeed.

It did not, of course, suggest that perhaps President Nixon—if he answered his challenges Spottswood laid out for him—could count on a large number of black votes next year. But it did suggest a growing awareness that the administration, after all, had not abandoned—politically or governmentally—such a significant segment of the American citizenry.

The Spottswood statement, it appeared at that time, might be a foundation upon which important new links of communication could be established between the White House and civil rights leaders.

Such speculation was before Vice President Spiro T. Agnew—who may not have even been aware of the NAACP chairman's address—injected himself into the American racial picture with all of the delicacy of an enraged bull.

Agnew took time from his globe trotting to collectively label civil rights leaders as querulous complainers and to charge that most of the black leadership in America "could learn much" from the strong-man leaders of black African nations he is visiting.

His chief models of "moderateness" and "understanding" are President Jomo Kenyatta at Kenya, Congolese President Joseph D. Mobutu and Ethiopian Emporer Haile Selassie.

It was a remarkable performance by the vice president, reflecting an abysmal lack of knowledge of Africa, past and present, and a distressing lack of insight into the substance and meaning of the American civil rights movement.

Agnew's basic error was in attempting to draw parallels where, if they exist at all, they are so tenuous as to be almost meaningless. He ignored the fact that the African leaders have long since achieved their basic goal, independence from foreign domination, and are essentially running their own shows. On the other hand, American civil rights leaders still find their primary goal of complete equality elusive and their battle unwon—justifying complaints that offend Agnew.

The leaders that are Agnew's models of moderation and understanding are hard-nosed authoritarians, Kenyatta perhaps less than Mobutu and Selassie. The Ethiopian emperor's merest whim is law. Mobutu, upset by recent student unrest, casually drafted hundreds of protesters for two years of army service. Is this the kind of leadership Agnew covets for blacks in a free society?

Agnew is guilty of ignoring the past in his frantic search for present-day relevance. Kenyatta, today, is a respected and enlightened leader of an emerging nation who can be judged favorably—in terms of the present. But the vice president seemingly overlooked the fact that the British convicted Kenyatta and imprisoned him for anti-white terrorist activity through the dreaded Mau Mau society.

Thus, it can be held legitimately that Agnew insulted American black leaders who deplore violence by holding them up to comparison with one who, even if he was not personally part of Mau Mau terrorism, has blood on his hands indirectly—long dried, but visible in the perspective of history.

If, as some might argue, there was no other way of freeing Kenya from the heavy yoke of imperialism, that is all the more reason for Agnew to refrain from drawing foolish parallels.

To top everything, Agnew acknowledged that there are some black leaders in America exempt from his heavy-handed criticism. But he flatly refused to name them, which puts every last one under a cloud in the eyes of those white Americans who might be tempted to accept the vice president's deplorable assessment as gospel.

Frequently it has been speculated that Agnew, when he unleashes a diatribe at the news media or at university administrators, is really saying what President Nixon would like to say but cannot for fear of harming the fragile image of the presidency.

We cannot say this hasn't been the case in some instances, but in view of recent White House efforts to put some bridges over the chasm between it and black Americans—which have had at least limited success, judging from the Spottswood statement—we cannot accept this as even a remote possibility in the case of Agnew's remarks belittling civil rights leaders.

The vice president has done an injustice to responsible leaders of this movement, and he has, in effect, chopped holes in the bottom of an important administration boat just as it was beginning to float.

Unfortunately, it will take a long time to undo the damage caused by his gratuitous remarks.

THE COMPUTER WILL BURY US

HON. CORNELIUS E. GALLAGHER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. GALLAGHER. Mr. Speaker, the most famous remark attributed to former Soviet Premier Khrushchev was "We will bury you." But with the coming of the thaw in American-Russian relations, perceptive observers have seen many areas in which our two nations are converging. At least, I would say we are coming closer together in social style if not in some foreign policy objectives. For example, the Soviets are now putting more stress on consumer goods, we have received reports of Soviet concern over pollution of their natural environment and now we learn that the computer is to play a determining role in Russia's future.

Victor Zorza is one of the most astute commentators on the Soviet Union. He has frequently discovered stories about the Kremlin which have been frighteningly accurate and his reporting on Soviet life and intentions is consistently shrewd. This is why I am inserting in the RECORD his most recent story.

In 1966 the Special Subcommittee on Invasion of Privacy which I had the privilege to chair for some 7 years, held a hearing on a proposed national data bank. This bureaucratic dream was shown by the revelations of my subcommittee to contain the seeds of citizens' nightmares and we were able to divert it from coming into being in a formal way. However, according to such authorities as Prof. Arthur Miller of the University of Michigan Law School and author of the distinguished "The Assault on Privacy," our victory may well have been only a temporary one. Acting under Executive orders by both Republican and Democratic Presidents, all computerized information systems within the Federal Establishment must now work toward compatibility. Metaphorically, that means that computers will develop a common language before the people of the world do. It has long been my belief that we should spend more time helping people to become compatible rather than assisting the compatibility of computers but, since people frequently have other things in mind than becoming breathing robots of efficiency and economy, my urgings have not been extraordinarily successful.

Be that as it may, Mr. Speaker, Mr. Zorza writes a very fascinating description about the computerized future of the Russian people and he shows how the computer is planning to be used as a weapon of thought control. Mr. Zorza says:

> But the main purpose of any such system would be to prevent any disloyal ideas from even taking shape in the heads of Soviet citizens . . . the full record of his psychological characteristics and actions could be used to devise an approach that would quickly persuade him . . . that his best interests require him to conform to the political guidance of his spiritual advisor at the KGB.

Sound familiar? With the exception of the initials KGB, it could be a quote from B. F. Skinner's new book, "Beyond Freedom and Dignity." Professor Skinner is one of the foremost behavioral psychologists in the Nation and many people see his ideas as seductive and promising relief from the agonies of free will. Smith Hempstone writes in today's Washington Star an extremely welcome piece of debunking and points to what, in my judgment, can be seen as the total similarity of the future for both Americans and Russians awaiting the fruition of virtually irresistible trends in our two societies.

Truly, Mr. Speaker, the computer could bury us both if we remain on our present course. I insert the articles referred to in the RECORD at this point:

[From the Jersey Journal, July 26, 1971]

COMPUTERS POSE "1984" THREAT FOR RUSSIA

(New evidence that the Kremlin is building a national computer network to control all aspects of nation's life is beginning to come to light. Victor Zorza, the British expert on the Communist World, has just come to Washington at the invitation of Georgetown University's Center for Strategic and International Studies to engage in a six-month study of all aspects of the Soviet project. He describes below some of the clues to Russia's brave new world.)

(By Victor Zorza)

WASHINGTON.—The Kremlin conflict between those Soviet leaders who want to run the country by computer, and those who fear that such a computer network could take over their own powers, has been won by the men who believe in the machine. As a result, the Soviet Union has embarked on a crash program which will triple its computer "population" within the next five years, and by 1984 establish a machine as awesome as anything envisaged by Orwell.

The first step, already approved by the Kremlin, is the setting up of a national network of computerized data banks to take over, within the next ten years or so, the management of large sections of the country's economy from the human planner or so say some of Russia's leading computer men. These men are also telling the Kremlin that, in five more years or so, they could give it the modern tools to regain the totalitarian control of society which has been slipping from its grasp since the death of Stalin.

The man behind the Kremlin's project is Prof. Victor Glushkov, head of the Kiev Cybernetics Institute, who first began to lay his plans for a computerized future back in the fifties, with the public encouragement of Nikita S. Khrushchev. The Soviet party leader, then at the peak of his power, was able to shield the professor from attacks on the ideological propriety, as well as the practical desirability, of any such scheme.

After Krushchev's fall in 1964 the whole idea of a "cybernetic society" suffered the sad fate of his other "hare-brained" schemes, like the corn-growing craze. But Prof. Glushkov soon came back into his own, this time with a panacea that was designed to give the new leadership a way out of its own difficulties. At the Soviet party congress earlier this year Secretary-General Leonid I. Brezhnev emerged as an ardent supporter of the plan. The congress formally voted its approval for the building of "an automated nation-wide system for the collection and processing of information essential for the control, the planning and the management of the country's economy, based on the state network of computer centers and on the unified automatic communications system for the country as a whole."

Glushkov promptly hailed the congress decision as endorsing his own project to "set up a unified nation-wide automated management system." The party congress, he announced, had laid down "the ways of attacking this complex problem in an organized manner."

The economic control system which Glushkov sees emerging "by 1980" will consist of a number of computer centers, located in each ministry and in each city, all linked with one another, "and containing in their memory every street, every house, every apartment . . . and the like."

And the like? That is where the "social" aspect of the network comes in—and "social" in this context is a synonym for political police control.

"Some of the machines covering the towns and the districts should be assigned exclusively to the collection of opinions on the most varied questions." Glushkov does his level best to present the new system in a politically innocuous light by comparing it with the ancient Roman forum, where, he says, the citizens used to gather to settle the affairs of state. But this would hardly do for a country of 250 million people. So the Soiet Union would bring it all up to date by providing linked computerized facilities for "something like a general assembly of the country's whole population—and what's more, one that would be permanently in session."

This is not unlike the idea proposed by some Western social scientists, who also say that the computers should be used to democratize the process of political decision-making. Glushkov, too, claims that the computer network will open up "broad possibilities for further democratization"—which sounds ominous enough when one recalls that what Soviet leaders describe as "democracy" is often recognized in the West as totalitarianism.

The people who would control the computer network and the information flowing through it could also shape the conclusions that emerge from it and this could happen not only in a totalitarian country. Certainly the Kremlin, to put it mildly, is no more likely to yield its policymaking powers to a computerized "general assembly" in a dozen years from now than it would be willing to transfer them to an elected parliament today. "The electronic forum," says Glushkov, "will be in action without interruption, absorbing the information about men's hopes, wishes, the hierarchy of values, preferences, and so on."

So, perhaps, it will. And the political police experts of the KGB, the state security committee, could certainly be as competent to monitor the flow of this information as they are now equipped to spot any signs of political dissent. At this point, presumably, the party's own political experts would take over from the KGB. "It will then be necessary," says Glushkov, "to analyze deeply the information thus acquired, to relate the wishes to the available resources, to study the results to which any proposed steps may lead, and so on and so forth."

He can even put an approximate date to it all—a date close enough to 1984 to impart to his blueprint the nightmare perspective that his words conjure up. "I believe," he says, "that by the mid-eighties we shall have enough machines to give effect to such a scheme."

He ought to know. He is in line for the post of the Soviet Union's "computer czar" when the present plans to reorganize and to centralize its straggling and grossly inefficient computer industry are completed.

How seriously should his scheme be regarded? The Kremlin certainly takes him in deadly earnest. The Soviet government recently opened its own version of the Harvard Business School, where the top leaders of industry as well as of the party and government, up to the level of minister, get refresher courses on how to use modern methods to run the country. The inaugural lecture was delivered by the best man the Kremlin could find. He was none other than Prof. Viktor Mikhailovich Glushkov.

He reassured Russia's governing elite that his system would not deprive the politicans of their power. He thought it necessary to "devote his lecture to precisely this theme"—to the main issue, that is, in the struggle between the Kremlin's "computer faction" and its opponents. As he put it, the belief that "the problems of management were dominated by technology" was a misunderstanding of his attitude—that is, of the attitude of the "computer party."

"What we must design and build," he said, "is not simply the technical means for the processing of the data, not simply electronic calculators, but a integrated system of management—a machinery with the mathematical software, with economic and social criteria, with a structure of the functions, the obligations, and the responsibilities of the leaders—indeed, a whole system."

The special pleading in which he engaged to show that the systems analysts would not be taking over from the political leaders concentrated the spotlight on the part of the avenue where the conflict has been at its fiercest. "In the first place," Glushkov explained, "it is the leader and no one else, who poses the problem that is to be solved," on the basis of his understanding of the party's policy. "Secondly, it is the leader who organizes the executions of the decisions taken." To the objection that it was "the systems analysts who had prepared the decision" in the first place, Glushkov retorted that they would reject on their own responsibility only those solutions that were "obviously unsuitable," but he insisted, they would not take the final decision.

"But why not," he was asked. "Because a systems analyst is a man with a scientific cast of mind," inclined to persist in his quest for optimum solutions, always looking for a better answer than the one he found last and the process would continue indefinitely, without a decision ever being reached.

It was therefore for the political leader, "with a different sort of training and different moral and psychological attributes than those which characterize the scientist, the systems analyst," to choose the right moment when the solution is ripe, "and to take the decision."

It does not, on the face of it, seem the kind of argument that would convince many skeptics. The Kremlin's "anti-computer faction" must have studied the Pentagon's experience, and would surely have asked Glushkov what happens when the systems analyst, or a man with that sort of mind, is promoted to a political position.

Glushkov's answer is not recorded, but the victory of the computer faction is evident in the decision to produce between 13,000 and 15,000 third generation computers by 1975, compared with about a third of that number available in the Soviet Union now, and to set up 1,600 ASU's—the Russian acronymic for automated management systems.

Most of the existing computers are obsolescent and incompatible with each other, and therefore unsuitable for any nationally linked system. The new target was announced by M. Rakovsky, the deputy chairman of Gosplan, the state planning committee, in a "Pravda" article that was promptly distributed by the Tass wire service, in one of those rare slip-ups that reveal some of the secret moves in the Kremlin infighting.

[From the Jersey Journal, July 27, 1971]

SOVIET BOSSES PLAN A "BRAVE NEW WORLD"

(By Victor Zorza)

WASHINGTON.—The secret of the Kremlin's decision to launch a crash computer program got out almost by accident.

Each night around midnight the Tass office in Moscow usually gets the early proofs of the next day's "Pravda," and then reports to its wire service subscribers the world over the most important stories featured in the paper. The major article, by M. Rakovsky, deputy chairman of Gosplan, the state planning committee, and giving the first hard figures on Soviet computers ever published in the open press, described the national automated system in which they were to be integrated went out this way.

It was obviously a major statement of policy, and was treated by Tass as such. But when that day's "Pravda" reached the West, Rakovsky's article had mysteriously disappeared from it. Nor had it appeared in any of the issues checked in the Soviet Union. The reasons for the disappearance of his article may only be surmised, but they certainly do not include any diminution of his powerful position. As his subsequent statements show, he is still in charge of the computerization of the Soviet economy, framing the policy and overseeing the installation of the 1,600 that are to be set up in the central ministries in Moscow, in the capitals of the Soviet Union's 15 constituent republics, and in other institutions.

Whatever doubts there may have been about the advisability of publishing the figure which shows the trebling of the Soviet computer population, there is no doubt that the target has been approved by the Kremlin and that major resources are now being shifted into this area with a real sense of urgency.

Rakovsky is one of the pillars of the Soviet conservative establishment, and some of the economic reformers who have been hoping to liberalize the Soviet system believe that he is one of the men chiefly responsible for blocking their proposals.

The Soviet economic reform program, associated with the name of Professor Yevsey Liberman, suffered a major setback when the Spring of Prague showed that economic decentralization is bound to be followed by political liberalization and pose a major challenge to the survival of the Communist system.

It was the Soviet reformers who pressed originally for the use of computers to help run the economy, so that the profit motive which they hoped to introduce into the system would not get out of hand, as they say it has got out of hand in the capitalist world. The conservatives, on the other hand, feared computers like the plague. They assumed that the flow of truthful information which computers must have to help arrive at rational decisions would play havoc with the party's arbitrary process of policymaking, and would therefore tend to erode the party's monopoly of power.

Now the controversy has come full circle, and it is the conservatives who see computers as the salvation of the Communist system. They believe that the computers could help them to kill the idea that the Soviet Union needs a marketing system similar to that of the West, where the play of supply and demand—and not the party politburo-dictates what the economy produces. The reformers have argued that if the Soviet Union established a market system in which goods would move more freely in response to demand, instead of being distributed by the central planners, the gross inefficiency and wastage which now characterize the Soviet economy might be done away with.

The conservatives have now turned the reformers own argument against them, and they claim that the feedback provided by the reactions of the market could be obtained in Soviet conditions from the national computer network, which would monitor the flow of goods and the play of supply and demand, and tell the central planner exactly what was happening in every sector of the economy at the push of the button.

The question of whether this is feasible, and if it is, how soon some such system could be introduced, divides both Soviet and Western economists. There are those in the West who believe that the input-output tables on which such a system has to be based might even be used to make the capitalist economic processes more rational. But Professor Viktov Glushkov, head of the Kiev Cybernetics Institute, and in line for the post of Soviet computer czar and the "computer party" behind him claims that the system they are building will give the Soviet Union "a tremendous advantage" over the capitalist world, because it will enable the Russians to do without the wasteful competition which causes several versions of the same product to be put on the market before the consumer finally decides which product is the most effective. "As distinct from the capitalist world," says Glushkov, "we will create the conditions for the competition of ideas, not the competition of actions."

Surely, he argues, it is more rational to swap ideas rather than goods, "and to determine by analytical means which is best." In the capitalist world "The social contradictions of the system completely preclude any real kind of planning, and the coordination of plans." On the other hand, says Glushkov, warming again to the subject of the "social" uses of computers, "correct conclusions could be reached only by men of truly Soviet conditioning and conviction, devoted to the interests of the people and to Communist ideals."

His definition of the men who will operate the "social" computer network comes uncomfortably close to the ideological superlatives which the Soviet press usually reserves for the KGB "heroes" who guard so staunchly the political security of the Communist system. The KGB's public front organization, the MVD (Ministry of Internal Affairs) has now admitted for the first time that the computer network which it has been putting together for some time past is already partly operational. The MVD has held what its minister, N. A. Schelokov, describes as a "scientific conference" designed "to perfect a longterm plan" for a computerized network.

All police organizations in the world either have or want to have computers to do their recordkeeping for them, but the KGB's preoccupation with political security and with the suppression of dissent makes the analytical potential of its electronic brain a greater threat to freedom in Russia than anything else the neo-Stalinists in the Kremlin could dream up. The recent congressional investigation of the U.S. Army's excursion into the field of political surevillance shows the kind of threat that could emerge even in America.

But the KGB already has the most detailed files on every Soviet citizen, from the cradle to the grave. When these are fed into its computers, it will have at its fingertips, at a moment's notice, not only the information about the physical movement of political suspects, but also a record of their associations, remarks, and even ideas. It will be able to analyze these with a speed and thoroughness that no human investigator—or even a whole army of investigators—could match.

It will be able to identify not only the political "criminals" who may have escaped the attention of its sleuths, but the computer will also print out for it lists of potential political criminals, who are showing early signs of deviation, so that the resources of the police could be concentrated on areas of real concern instead of being dissipated in random surveillance patterns. It will identify not only individuals, but whole groups and categories of the population that ought to be watched or brain-washed and reindoctrinated, to make sure that they do not stray from the straight and narrow path of political virtue.

In the longer term, the Kremlin's huge propaganda apparatus which at present blankets the country with crude and simplistic slogans will be able to turn the national computer network to more sophisticated uses. The message that "all capitalists are bad," and "all communists are good," will be varied and diversified into a thousand and one different forms.

Already there is talk of a cable television system which could, with the aid of computers, switch into each home the kind of advertising message to which the particular recipient would be more likely to respond—like the mail advertising that is now differentiated according to what the advertiser knows of the consumer's needs.

But the main purpose of any such system would be to prevent any disloyal ideas from even taking shape in the heads of Soviet citizens.

By that time, the full record of his psychological characteristics and actions could be used to devise an approach that would quickly persuade him—by the promise of a reward, perhaps, rather than by the threat of punishment—that his best interests require him to conform to the political guidance of his spiritual adviser at the KGB.

The new totalitarianism—the total control of the individual and of society—would have nothing of the Stalinist terror system about it. It would be more like Aldous Huxley's "Brave New World."

To some people in Russia—and perhaps not only in Russia—this is a visionary dream, the utopia that has thrilled the idealistic political thinkers of all ages. To others, it is a nightmare so awesome that they refuse to admit that anything of the kind is conceivable.

Thus Glushkov's statements are only the tip of the iceberg. To find out just how much there is to it, enormous masses of Soviet material will have to be sieved for the occasional nuggets that should show how realistic the whole project is.

But the one light amid the gloom is that the liberals have the moral strength which has at crucial moments in the history of mankind served to overthrow tyrannical rulers and institution.

[From the Washington Star, July 28, 1971]

RADISHES AND B. F. SKINNER'S BRAVE NEW WORLD

(By Smith Hempstone)

B. F. (Burrhus Frederic) Skinner excessively admires the radish, which is his privilege and an altogether meet and right thing to do, particularly with the discreet application of a little salt. Trouble is that Skinner, who does his stuff at Harvard and is considered to be one of the foremost behavioral phychologists in the country, foresees—and advocates—a new era in which people will be just as docile (and as interesting) as the plump-rooted *Raphanus sativus*.

In his aptly titled book, "Beyond Freedom and Dignity," which will be published in

September and to a condensation of which the major portion of the August issue of the magazine "Psychology Today" is devoted, Skinner holds that "autonomous man," with his claims to individual freedom and dignity, is on the verge of extinction, a development which he applauds.

Now any man who, like Skinner, can teach pigeons to play ping-pong is not to be taken lightly. And, indeed, there is much in what he says. One does not need to leave one's neighborhood or to look farther than one's mirror, to realize that those Biblical bits about man being made in the image of God and just a little lower than the angels are a gross conceit which will not bear close scrutiny. And it is equally true that if the population explosion continues, more control and less freedom is the inevitable destiny of man.

For when the "standing-room-only" signs are up all around the world, it is clear that anti-social behavior which once could be shrugged off no longer will be tolerated. In short, George Orwell's "1984" is just around the corner, or 13 years away, to be precise.

"It is not difficult," writes Skinner, "to demonstrate a connection between the unlimited right of the individual to pursue happiness and the catastrophes threatened by unchecked breeding, the unrestrained affluence that exhausts resources and pollutes the environment, and the imminence of nuclear war."

Permissiveness, Skinner points out, is not a policy but "the abandonment of policy, and its apparent advantages are illusory." Amen to that, but how, precisely, does Skinner plan to turn us into radishes and will we like it when he does?

Skinner does not go into details but as an exponent of behavioral psychology and operant conditioning he holds that man's behavior, like that of pigeons, is shaped entirely by this natural and social environment. Which means man acts only to avoid punishment or to gain rewards, which will strike some as warmed-over dialectical materialism. Further, he believes that once undesirable traits have been identified, these can be conditioned out of the human race by genetic engineering and alteration of the environment.

In Skinner's utopian world, people "will live together without quarreling," there will be no wars, no overpopulation, no conspicuous consumption and lots of fun and games—not to speak of art, music and literature—for all. It will seldom be necessary to punish anyone because "behavior likely to be punished seldom or never occurs." Neither the controls nor the controllers (and there will always be the latter) will be resented because both will be virtually invisible.

It should be noted at this point that no one would be unhappier in such a drone-like society than a starchy, touch-minded iconoclast like Skinner. But, perhaps because he is 67 and cannot expect to live to see the realization of his model, Skinner is unconcerned. As he puts it, "the problem is not to design a world that will be liked by people as they now are but to design one that will be liked by those who live in it." The rest of us, presumably, will be "conditioned out" of society, which is to say, eliminated or segregated in pales preserved for increasingly elderly unregenerate individualists.

Indeed, there are a couple of places where Skinner's theories are being given practical application and they are called the Union of Soviet Socialist Republics and the People's Republic of China. There children are introduced to Communist morality almost from birth and live within its framework all their stunned lives. And anyone who has ever met the charmless, humorless automatons produced by this system wouldn't wish it on Pavlov's dog, not to speak of Skinner's ping-pong-playing pigeons.

Skinner's thinking, like that of Copernicus, Darwin and Freud, is certain to be attacked by the intellectual community, because it is innovative and because it calls into question all those concepts such as liberty and "unalienable rights" which all of us, and particularly Americans, hold dear.

Now a man abhorred, as is Skinner, by Prof. Noam Chomsky of M.I.T. can't be all bad, and this observer, for one, is inclined to agree with Skinner that his brave new world is just around the corner. But I'm glad I won't be here to see it, although I must confess that many among the current generation of overaged, television-educated "kids" will make mighty fine radishes.

THE NONRETURNABLE BOTTLES AND CANS BILL—II

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. ASPIN. Mr. Speaker, on May 13 of this year I introduced H.R. 8370, a bill that would place a 10-cent excise tax on nonreturnable bottles and cans, and increase the deposit on returnables to 5 cents. Like the other environmental legislation I have introduced this session, this bill would incorporate the use of economic incentives to tackle the nonreturnable can and bottle problem.

I am happy to report that this morning I received a letter of support from Mr. Peter Chokola, president of Chokola Beverage Co. in Wilkes-Barre, Pa. Mr. Chokola is a small businessman constantly faced with the problem of staying alive in a market full of heavily advertised giants. I wish to place Mr. Chokola's letter and an excellent article from the Dallas, Pa., Post, which so cogently reveals the problems of a truly concerned small businessman in today's economy, into the Record today. Mr. Chokola has fought the giants, and not only did he win, but he has been very successful in converting the giants to his way of thinking.

I invite my colleagues to read this story, which we can all learn a great deal from.

The letter and article follow:

CHOKOLA BEVERAGE CO., INC.,
Wilkes-Barre, Pa., July 20, 1971.

Representative LES ASPIN,
U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN ASPIN: I have just heard about your bill (H.R. 8370) which would impose an excise tax on the sale of soft drinks and beer in nonreturnable bottles and cans, and I agree wholeheartedly with you. Throwaway single use beverage containers are a major public nuisance, a wasteful use of natural resources, and should be eliminated from the American scene. Therefore, you have my complete support as a soft drink bottler for your bill.

As you can see from the foregoing, I am a proponent of the use of Returnable deposit bottles for soft drinks and beer. These can be recycled back to the local bottling plant and reused as high as 50 times. Then when no longer serviceable, they can be broken into cullet at the bottling plant and returned to the glass factory to be remelted into new bottles (or glassphalt roads, etc.) This is the ultimate solution to the massive litter problem and garbage solid waste explosion caused by the metal can and throw-away bottle beverage containers.

The drive towards throw-aways is continuing even though it is now common knowledge throughout the bottling industry that they are a grave threat to the ecology. This drive is not the result of consumer demand, but are being pushed by the large companies in the container, supermarket, and bottling industry.

Throw-aways certainly do not bear their true economic costs, since a continuation of this trend supposes a ready willingness of all levels of government to pour increasing subsidies of tax dollars to clean up the mess.

Frankly, I believe this wasteful expenditure of tax dollars as a solution to problems caused by members of an industry seeking greater profits for themselves cannot be afforded by government and will not be allowed.

Could you please send me a copy of your bill?

Sincerely yours,
PETER T. CHOKOLA,
President and General Manager.

[From the Dallas (Pa.) Post, Dec. 22, 1970]

REGIONAL BOTTLER JOINS ECOLOGY FIGHT—PETE CHOKOLA GOES ON RECORD AGAINST THROW-AWAY BOTTLES, CANS

(By J. R. Freeman)

In this era of space ships, corporate giants and big government, Pete Chokola is a throwback to the days of rugged individualism. In this time of environmental and consumer concern, he fits perfectly as does the Ralph Naders and the William O. Douglases. But his plight is not an easy or a sure one.

Pete Chokola is a mild-mannered and affable chap who is president of his father's 60-year-old Wilkes-Barre soft drink bottling company, known in the region as Chokola Beverages. Pete works hard, handling or at least involved, with all operations of the business, from purchasing to selling, and even occasionally "filling the bottles" when necessary. Neither would it be unusual to see him driving a delivery truck. But Pete's work days are changing drastically.

In the last few months Mr. Chokola has literally changed his life style. Rather than the mild-mannered small-time businessman, Pete Chokola has become a crusader for the public interest in the fight to stop the degradation of the environment through the use of throw-away glass bottles and cans. And whether Pete realizes it or not, this same fight will act to either save his 60-year-old family business, and hundreds of others like his across the country, or probably put them under once and for all should he lose his battle.

The Crusader for a Cleaner Environment, a non-profit Washington, D.C., educational concern headed by such distinguished environmental activists as Mrs. Arthur Godfrey, Congressman Joseph Vigorito of Pennsylvania, and Sigurd Olson, president of the Wilderness Society, has studied the matter of returnable bottles vs. throw-away bottles and aluminum cans more thoroughly than many of its counterparts. In a fact sheet the EEC points out that Americans are currently spending at least $1½ billions a year needlessly on throw-away cans and non-returnable bottles.

At the same time, according to EEC, the mess created by the mountains of disposed containers is going to cost taxpayers one way or the other to clean up, including the despoilation of the environment in the interim:

TO REVERSE THE TREND

As an example, it is estimated that by 1975, the way things are going, almost all soft drinks and beer will be sold in throw-away containers. At that rate, industry will be producing 100-billion containers annually, all of which would only be used one time, thus creating a possible 800,000 large truckloads of garbage to be cleaned up at staggering cost to the public.

On the other hand, according to Mr. Chokola, if this trend can be reversed and the industry go back in the direction of returnable containers, only six billion containers would be needed, eliminating some 94-billion containers from the waste and pollution problem.

As a small time soft drink bottler, Mr. Chokola is used to fierce competition. Coca-Cola, Pepsi-Cola, 7-Up and Dr. Pepper are the giants of his business. But there remains literally hundreds of other small-time bottlers across the land, many of which face some of the same economic hardships at Pete Chokola.

Though not commonly known outside the industry, it is usually an independent soft drink bottler who packages soda for even the giants of the industry. Coke is bottled in only a few company-owned and operated plants, with by far the majority being bottled by independents who carry a franchise from Coke to do their regional bottling. And thus it is usually these independents who make the decisions to remain with the premise that returnables are both more economic and profit-making, or that customers will purchase more soda if they can buy the throw-aways which never have to be returned to the store for refills.

Chokola wins a battle

Last year Pete Chokola fought a winning battle to retain his right to use returnable bottles.

Early in the year, he said, he made one of his usual orders to Owens-Illinois Glass Co. for a shipment of new returnable bottles, just like the ones he had been using for years. A glass company spokesman, however, told him that the firm had thrown away the machine which made such bottles, and that they could not furnish him with his type returnables. They suggested that if he modified his operation to handle throw-aways, the company would be glad to supply his glass.

A determined Pete Chokola, however, saw the situation differently; he was sure that the move was an attempt to try to force him and others like him to go to throw-aways only. In his recent testimony before a public hearing of the District of Columbia Council of the Health and Welfare committee concerning throw-away cans and bottles in Washington, D.C., Mr. Chokola laid it out in cold terms:

"In addition to the pressures I have felt from the super-markets, I had the even more trying experience of fighting a corporate giant. Owens-Illinois has always supplied my company with returnable bottles. Last year, I gave them a regular order for a shipment of returnable bottles which I needed to maintain my production schedule. I was informed that Owens-Illinois had gotten rid of the machine which made that particular bottle and that they could not fill my order. This would have meant economic ruin for me or at the minimum, forced me to switch to throw-aways, which I could not in good conscience do.

POLITICAL MUSCLE HELPS

"Being a small businessman, I turned to Sen. Hugh Scott, (R-Pa.) who referred me to Sen. Philip A. Hart (D-Mich.) and his subcommittee on antitrust and monopoly of the Senate Committee on the Judiciary. A lawyer from the subcommittee's staff communicated with me and subsequently I received a phone call from a corporate attorney of Owens-Illinois who listened to my story with surprising interest. Shortly thereafter, my order was filled, and I haven't had any trouble since."

From where Pete Chokola stands, it makes absolutely no sense at all to go to throw-aways. He points out that while the returnables may cost more initially, they can be refilled up to 40 times each if the consumer simply returns the empties to the store. Throw-aways, on the other hand, can only be used one time, though they cost almost half as much as the returnables, at least if they are bought in small lots, such as that needed by Chokola Beverages. And Pete Chokola isn't sitting still just hoping some of his colleagues in the industry see things his way. He's going out and recruiting them as fast as possible.

As an advocate for the use of returnable bottles as opposed to throw-away bottles and aluminum cans, Mr. Chokola has carried his case far and wide.

CHOKOLA DRAWS THE LINE

He told Northeastern Newspapers last summer that he had "drawn the line" and decided that he was going to stay with returnables for ecology's sake, even if he had to close his business. Since that time he has focused most of his attention in trying to convince the general public, consumer groups, government, and his own counterparts in the industry that returnable bottles is the only way to continue. And though his voice is certainly a small one in a huge forest, he is obviously having an impact.

Last October, as an example, the day before he testified in Washington before the District of Columbia Council Pete Chokola presented the Wilkes-Barre City Council with a suggestion that they outlaw throw-away glass bottles and aluminum cans in the city limits. He put it to the council bluntly:

"I can say with no fear of contradiction that the move to throw-aways is not a result of consumer demand. It is instead a nationwide conspiracy by the can and bottle manufacurers and the supermarkets to force the public to buy their soft drinks and beer in convenience packaging. The convenience is for the retailer, the manufacturer—not the public."

Mr. Chokola presented council with an ordinance from Bowie, Md., a fast-growing community northeast of Washington, D.C., which last July outlawed both throw-away bottles and aluminum cans within its corporate limits. The penalty for violation of the ordinance is $100 fine or 30 days in jail or both, and each day's operation is considered a separate offense. The ordinance includes both soft drinks as well as alcoholic beverages. Mr. Chokola suggested Wilkes-Barre City Council adopt a similar ordinance. His suggestion was taken under advisement by members of council, who since have been petitioned by several consumer groups and women's clubs that such an ordinance would be in the public's interest.

Meanwhile Mr. Chokola has been advertising in local newspapers urging housewives to join his boycott. One recent advertisement stated plainly: "Housewives and civic minded citizens, take pride in America. Fight environmental pollution; help aid the Crusade for Cleaner Environment. Join the consumer boycott against throw-away beer or soft drink cans or bottles. Stretch the family budget, too, save 20 percent or more by using returnable deposit bottles."

Mr. Chokola estimates that he is filling his bottles 30 times each, currently. "I have cut off some of the bottle losers" he recently told NNI, explaining that he had tried to up the deposit from the usual two cents per bottle to four cents. "When a retailer who is a bottle loser will not go for this" he continued, "I drop the account. After all my margin of profit is in the return bottles."

ECONOMICS ARE SIMPLE

Pete Chokola breaks down the economics of his business in the simplest of terms. He explains that currently 24 twelve-ounce bottles cost him about $2.40. Spread over 30 fillings for each bottle, this amounts to no more than eight cents per case of 24 bottles. In going to throwaways, however, he says that the cost is about $1.20 per case of 24 bottles, with no drop in cost in that the bottles do not return for even a second filling, let alone 30. There is some labor savings in the throwaways, he admits, in storing and in some cases in cleaning the bottles. But pricing, anyway one chooses to look at it, at both retail and wholesale levels, is going to be higher with throwaways.

In one soft-drink canvas, at a local supermarket, for example, dealing with the popular 7–Up, the consumer was being charged $1.05 for eight bottles of either the returnables or throwaways, except on the returnables the bottles were 12-ounce and on the throw-aways each bottle contained only 10 ounces each.

The returnables carry a 16-cent deposit, included in the $1.05 price, and the consumer would be getting 16 ounces more soda in the same eight-bottle carton, than he would with the throw-aways. This would amount to roughly a 29-cent saving to the housewife who buys the returnables, and who returns the bottles. But even if she did not return the returnable bottles, and chose to throw them away instead, she would still be receiving 16 ounces more of beverage than had she bought the eight-bottle carton of throw-aways.

THE CONSUMER WINS

"The housewife is not stupid," Mr. Chokola maintains. "Soon, after throw-aways begin to appear where she shops," he speculates, "she recognizes that she can buy the returnables cheaper, even including the deposit. Then she throws away the returnables, in many cases, which the bottler is expecting to get back in order to make a profit."

Mr. Chokola recalled the days when small dairy concerns went out of business when milk cartons made of paper and wax replaced the returnable bottles.

"Co-existence in this is impossible; I have seen this happen in the market place," the bottler insisted. "The consumer wins, even with a higher deposit, as long as he brings back the bottles. That's the reason this is a double barrel issue, concerning both ecology and inflation."

Mr. Chokola said he feels that if he could raise the deposit to four cents per bottle rather than the current two cents, it would be more of an incentive for consumers to return the bottles. He maintains, however, that the larger bottlers prefer to keep the deposit low, thus acting to force the smaller bottler out of business. "I would be out of business. "I would be out of business in two months if I did not get my bottles back," he said at one point.

In some cases a higher deposit has been initiated, which has helped the smaller bottlers get more bottles returned. In New Mexico, for example, where five bottlers operate, the four smaller ones went to a four-cent deposit, rather than the normal two cents. Eventually, Mr. Chokola said, the larger bottler came across, and upped his deposit to four cents also.

NSDA CONTROVERSY

Chokola Bottling Co. would like to think that its best interests are being protected by the National Soft Drink Association headquartered in Washington, D.C., of which Chokola is a member. But several things point to the contrary.

Last March, for example, shortly before the national Environmental Teach-In, better known as Earth Day, NSDA sent to its members across the country a packet of materials to advise the soft drink bottlers, most of which had by then gone heavy for throw-away cans or bottles, how to handle the Earth Day participants. The letter said generally that "hell is going to be raised." But no where in the packet was there a statement to the effect that any interest should be placed on the environment, but rather it was directed toward handling the crowd that might gather in front of the local bottler's office.

Finally, in a draft letter the association suggested the local bottler might send to his Earth Day rivals, was a suggested statement of policy which said; "We believe the solution to the solid waste problem is a technological one and will be solved by American ingenuity and the efforts of all concerned industries. We believe that the American consumer should continue to have the right to buy the type of package he desires." At no point, however, did any of the materials suggest that the consumer would be getting robbed, falsely or otherwise, with throw-away containers, which is going to create a threat large enough on man's environment that the mess must be cleaned up, with naturally the consumer paying the bill.

A Similar Position

Because Mr. Chokola thought he might find other bottlers who took a similar position as his, he wrote Thomas F. Baker, executive vice president of the National Soft Drink Association, in September. "In view of the increasing controversy over non-returnable soft drink containers, I would like to urge that the NSDA take a poll of its members to ascertain the majority thinking on this important subject," he wrote. "Specifically, I would like to know if bottlers would be in favor of a voluntary ban on nonreturnable soft drink containers," his letter continued.

Mr. Baker, however, who sees himself representing a national organization controlled mostly by the large bottlers across the country, and who had just attended a public hearing over in Bowie, Md., where he had testified in opposition to the latter adopted ordinance banning all throw-aways, cans and bottles, was in no mood for a coup d'etat in his ranks from the likes of Pete Chokola. His letter back to Mr. Chokola said in part, ". . . since your letter suggests that we undertake a survey having for its purpose the development of a position which would encourage one type of a container over another, I cannot follow through with that request until the matter has been placed before our executive board."

But this didn't stop Pete Chokola for long.

CHOKOLA WRITES 3,600 LETTERS

In a letter mailed to 3,600 of his counterparts across the country, Pete Chokola wrote: "The accelerating trend in the soft drink industry to nonreturnable containers poses a grave threat to all of us. If we are forced by the big retailers to convert entirely to nonreturnables, we will be cutting our own throats. The demise of the small brewery is proof of that.

"As a businessman, it makes good economic sense for me to promote returnable bottles. Furthermore, as a concerned American it makes sense to help in solving some of the country's litter and pollution problems by doing away with nonreturnables. The public, which will benefit economically and pollution-wise, will applaud our voluntary action in behalf of the people and the environment.

"If you feel as I do, please write the National Soft Drink Association and urge the association to take a stand in favor of voluntarily banning nonreturnables. United as an association, we can stand up and be counted. And our public relations posture before the public will be improved immeasurably."

Though possibly Mr. Baker at NSDA headquarters in Washington did not know what precipitated the mail volume, he began to hear from some of the largest soft-drink bottlers in the nation who favored the position advocated by Pete Chokola.

FIVE-TO-ONE IN FAVOR

In one such letter, Ray L. Massie, Jr., of the Ozarks Coca-Cola Bottling Co., Salem, Mo., said in part: "We are very much interested in this (Chokola's approach) for two reasons. I feel that it will help protect the small bottler from private labels and house brands. In addition we are in a resort area, well known nationally for its spring fed clear rivers, the bottoms of which are now nearly covered with beer and soft drink cans. I also feel that bottlers should be required to charge enough deposit on returnable bottles to keep the consumer from using them as one-way bottles. We definitely are interested in an association to further the sale of deposit packages."

Similar responses are still coming in from such giants in the industry as Robert Barth of the 7-Up Bottling Co. of Los Angeles, who said that he is definitely against cans and throw-away bottles. He is a representative of one of the largest bottlers in the country. At last count, according to Mr. Chokola, the responses to his letter were running five to one in favor of an industry ban on throw-aways.

Some bottlers maintain, without justification, according to Mr. Chokola, that they have had to go to throw-aways to make a profit. This is wrong in that even if he can get his bottles back even 10 times, he can still make more with returnables than he can with throw-aways, Mr. Chokola insisted.

According to informed Washington sources, every state legislature in the country has legislation pending which would outlaw the non-returnables. But because of big lobby expenditures by both the giant retailers and the glass and can manufacturers, political pressure has delayed such measures from becoming law.

Meanwhile back at Chokola Beverages, Pete Chokola is taking the time away from his business to speak to civic organizations, clubs and consumer groups, urging that his message be heard. And just the other day he called to ask this newspaper for the mailing address of Ralph Nader.

ANTI-OBSCENITY BILL

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. DULSKI. Mr. Speaker, on July 7 the House passed—by a resounding vote of 356 to 25—H.R. 8805, legislation dealing with smut mail.

This bill has three main features:

First. It would create a new category of nonmailable obscene matter with respect to minors.

Second. It would define, for the first time in law, the term "obscene."

Third. It would provide mail patrons with a means of intercepting from their mail boxes unsolicited "potentially offensive sexual material."

This legislation is needed if we are to place any effective control on the flow of smut mail into homes where minors reside.

I have urged the chairman of the companion committee of the other body to give early consideration to this measure which has such strong support from our Members.

Mr. Speaker, as part of my remarks, I include an interpretative article from the religious news page of the July 24 edition of the Washington (D.C.) Evening Star:

WILL THE SENATE KILL THE ANTI-PORNOGRAPHY BILL?

(By William Willoughby)

The House has passed and sent to the Senate the toughest anti-pornography bill Congress has ever produced—similar to one the Senate let die during the last session of Congress.

The big question still is: Will the Senate ride the bill to its death again?

There are a good many observers who feel the Senate is in no great hurry to tackle the measure.

In one sense, senators are not under the same kind of pressure members of the House are when it comes to such legislation. The clamor for bills of this nature—those touching on moral conduct—comes from the grass-roots constituencies of most of the House members. Most of these legislators are under pressure at least to make a show in pushing measures of this nature.

Church groups, particularly Catholics, the Southern Baptist Convention and the National Association of Evangelicals, are long-standing proponents of curbs on pornography.

A senator, on the other hand, answerable to a much broader constituency, does not come under the same kind of mass pressure from those pressing for moral reform.

His pressure is more likely to come from liberal factions which do not want what they consider to be constitutionally protected liberties tampered with. Such groups, acting as lobbies, save the pressure application for senators.

It is clear from objections raised by such groups as the American Civil Liberties Union (ACLU) and the Association of American Publishers that the Senate is under strong pressure not to let the bill pass.

In the House, it passed by a lopsided margin—356 to 25.

The 15-page bill is explicit in the terms used and as such comes closest to defining legally what "obscene" really is. Lack of preciseness and the presence of different definitions from state to state and from city to city has led to numerous conflicting court decisions.

The bill reads: "(1) 'Obscene' includes matter which has its predominant appeal to the prurient interest when considered as a whole by contemporary community standards; and (2) 'prurient interest' includes a shameful or morbid interest in nudity, sex, or excretion which goes substantially beyond customary limits of candor in description or representation."

There are three ostensible purposes behind the new bill:

To create a new category of non-mailable obscene matter with respect to minors.

To define, for the first time in a legal sense, the term "obscene."

To provide individuals a means to reject potentially offensive sexual materials which are potentially offensive.

Should the measure become the law of the land, those who send materials unsolicited by the receiver which meet the bill's definition of "obscene" and who did not use a special symbol to warn the person would be subject to fines of up to $50,000.

The bill provides that the mailer of the questionable material would be required to place a symbol on the envelope when he sends out random unsolicited mailings. The recipient could either destroy the material or send it back marked "refused."

It goes a step further. Mail service patrons who do not wish to receive unsolicited mail bearing the symbol would be permitted to notify the postmaster general who would be required to devise methods to keep such deliveries from being made.

This seems to be the most unrealistic part of the bill. It would place an extreme burden on the postal service. President Nixon's approach to this—put the burden of preventing unwanted deliveries on those who send the material—seems to be far more sensible.

Under the Nixon proposal, firms sending material would face the responsibility of seeing to it that it got only to those who didn't mind receiving it.

The protective clause for minors precludes use of the mails "to make a sale, delivery or distribution to a minor, or an offer for a sale, delivery or distribution to a minor of matter which depicts nudity, sexual conduct, or sadomasochistic abuse."

It also provides against such material if it contains detailed verbal descriptions or narrative accounts of sexual excitement, sexual conduct or sadomasochistic abuse.

The ACLU and the publishers' association argue the House bill violates the right of free speech, with ACLU attorneys contending that its enactment probably would have "a severe chilling effect upon the use of the mails to distribute constitutionally protected communication."

But Rep. Thaddeus J. Dulski, D-N.Y., commented: "We are confronting purveyors of filth and smut whose sole purpose is personal enrichment at the expense of our youth.

"Passage of these provisions will not damage or threaten freedom of expression, but it most certainly will dent the pocketbooks of merchants of pornography."

He agreed with other legislators backing the measure who said, "We are not dealing with idealistic or well-meaning believers in free expression."

After numerous years of pressing for legislation to curb what the majority of Americans would classify as smut, the Senate would do well to give this bill or something close to it a try. It would be up to the courts to give it the test from there.

One of the big laments of former Chief Justice Earl Warren was that the Supreme Court was somewhat at a loss in deciding pornography cases—largely because there had been no universal law which had legal validity.

The bill currently in the Senate might be what the courts—and the country—need.

IT IS A FAMILY AFFAIR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. DERWINSKI. Mr. Speaker, the Pointer Publications, in an editorial on Thursday, July 22, spotlighted the activities of the South Cook County Chapter of the SPEBQSA, the Society for the Preservation and Encouragement of Barbershop Quartet Singing in America.

This great American organization is a very active group in the district which I am proud to represent. I am pleased that they are receiving recognition for the wonderful entertainment which they consistently provide our communities in the process of pursuing their interest in wholesome music.

The editorial follows:

It Is a Family Affair

Who says there is a generation gap? Not anyone who had the privilege of attending the dinner and song fest last Friday night at the Ramada Inn in Dolton.

The event was sponsored by the South Cook County Chapter of the SPEBQSA which means the Society for the Preservation and Encouragement of Barbershop Quartet Singing in America. And believe me this type of good old American singing is preserved and encouraged.

Some of the groups which performed have been together over 20 years and quite a few of the men have sons singing in their own quartets. To prove that it is a family affair, many of the wives are active members of the Sweet Adelines, the distaff side of barbershop singing.

These men work together to blend their voices in four part harmony; some groups practicing four nights a week, especially when competition or concerts are in the offing. Beside the good fellowship and harmony of this non-profit group, all the chapters nationwide support the Institute of Logipedics which trains deaf children.

Some of the groups which appeared at this informal sing were the Junior Edition, the Sundowners, the Avant Garde and other championship quartets. What a delightful change from hard rock with a bit of nostalgic memories of the good old days.

SENATE—*Thursday, July 29, 1971*

The Senate met at 10 a.m. and was called to order by Hon. MIKE GRAVEL, a Senator from the State of Alaska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God and Father of us all, as we lift the eyes of our faith from the work-a-day world to the light of Thy presence, we remember that all our help and strength comes from Thee and without Thy help we can do nothing good or great. Accept the dedication of our hearts and minds in Thy service this day. Though the day be long and wearisome, keep us cheerful when things go wrong, persevering when things are difficult, serene when things are irritating. In personal success or failure keep our minds stayed on Thee and our faith strong in Thy providential direction of the Nation. Preserve us from enmity, resentment, or bitterness. Give us the satisfaction of duty well done with joy in our hearts and peace in our souls.

And to Thee shall be the praise and the glory, now and evermore. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. ELLENDER).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 29, 1971.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. MIKE GRAVEL, a Senator from the State of Alaska, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

Mr. GRAVEL thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, July 28, 1971, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar, under New Report.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated, beginning with New Report.

U.S. CIRCUIT COURTS

The second assistant legislative clerk read the nomination of William H. Timbers, of Connecticut, to be a U.S. circuit judge, second circuit.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. DISTRICT COURTS

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. district courts.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. PATENT OFFICE

The second assistant legislative clerk read the nomination of Brereton Sturtevant, of Delaware, to be an examiner in chief, U.S. Patent Office.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF TRANSPORTATION

The second assistant legislative clerk read the nomination of Benjamin Oliver Davis, Jr., of Virginia, to be an Assistant Secretary of Transportation.

The ACTING PRESIDENT pro tempore. Without objection the nomination is considered and confirmed.

FEDERAL COMMUNICATIONS COMMISSION

The second assistant legislative clerk read the nomination of CHARLOTTE T. REID, of Illinois, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1971.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

CORPORATION FOR PUBLIC BROADCASTING

The second assistant legislative clerk read the nomination of Zelma George, of Ohio, to be a member of the Board of Directors of the Corporation for Public Broadcasting for the remainder of the term expiring March 26, 1972.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

COMMUNICATIONS SATELLITE CORPORATION

The second assistant legislative clerk read the nomination of Frederic G. Donner, of New York, to be a member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1974.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE ECONOMIC SITUATION TODAY

Mr. MANSFIELD. Mr. President, the economic situation which confronts this country today calls for action by both the Congress and the President. With a $23 billion deficit for the fiscal year just ended—the second highest deficit ever—the highest being the $25½ billion deficit in 1968 under President Johnson—with inflation, if not out of control, at least inching upward, with Government spending at a high level for which the Congress must take its share of the blame, with unemployment hovering around 6 percent, if not more, and with additional unemployment in sight due to strikes now in being and strikes in the offing, it is time to take action and to take it soon.

The raises granted labor are gobbled up by inflation, but at least a break-even pace can be maintained in that area. But what about our elderly citizens living on social security retirement annuities, pensions, and others in our population who live on the basis of fixed incomes, pensions, and the like? We know what is happening to them; the question is what is being done to help them and in helping them the rest of the Nation's population?

In all candor, we must admit that we are not making progress against inflation. In all candor, we must admit that we are not making progress against unemployment. In all candor, we must all admit that what we are doing is nothing, in reality, and we are failing to put our fiscal situation in order. Interest rates are again on the increase; our balance of trade is in a decline; and we face the strong possibility, for the first time since 1893—the last century—that this year will see us with an adverse balance in that respect.

The Congress has given to the President authority to initiate standby wage, price, and rent controls. The President and his advisors are obstinate in imposing this procedure. I would suggest that a wage-price board be set up within the Government, based on the authority which the President has been granted by the Congress, to the end that an attempt be made to consider the placing in effect of these controls at least on a temporary basis.

I would like to suggest that the President consider the possibility of calling to the White House the chairmen and ranking Republican members of the House and Senate Labor and Banking Committees to explore the possibility of creating a wage-price board, to put in effect the standby authority already granted to the President, and to consider other ways and means by which the Congress and the President, acting together, could face up to the difficulties of inflation, unemployment, unused industrial capacity and the imbalance in our foreign trade. The people are expecting action and relief and insofar as the Congress and the President can do so, I would urge this getting together for that purpose.

ORDER OF BUSINESS

Mr. BROCK. Mr. President, under the previous order, the distinguished Senator from Colorado (Mr. Dominick) was scheduled to speak first, to be followed by myself, and then Mr. Buckley, Mr. Byrd of Virginia, Mr. Curtis, Mr. Gurney, and Mr. Thurmond.

I ask unanimous consent that the previous order be amended to allow the distinguished Senator from South Carolina (Mr. Thurmond) to speak first.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE ABM AND STRATEGIC DEFENSE OF THE UNITED STATES

Mr. THURMOND. Mr. President, I want to talk about some of the defensive measures which the United States ought to take in recognition of the Soviet military threat arrayed against us. There is a widespread misunderstanding among those not acquainted with strategic thinking of the meaning of the term "threat." Some seem to think that it refers to the intentions of the enemy. If he threatens us with words, then he is a "threat" according to this theory. If he smiles, then he is no threat. There is even a bill before this Chamber which would put in escrow funds to MIRV our strategic weapons until the President and Congress jointly decide that there is a real Soviet "threat."

Under this assumption, I presume that the only way to determine a threat is to psychoanalyze the Soviet leaders; or perhaps to psychoanalyze ourselves and our perception of Soviet intentions. Manifestly, this has nothing to do with realistic analysis, or with a study of the capabilities of Soviet weapons. In my view, the only logical way to build a defense is to take the measure of the weapons deployed against us and study how those weapons fit into Soviet strategic concepts so far as they are available to us.

From this standpoint, therefore, we must prepare our defense to match the Soviet capabilities for destroying us. We cannot base our defenses upon pious expectations, or upon the hope that everything will work out all right in the end. The only reasonable plan is to be prepared to counter every military strategy that they have the capacity to put into operation against us.

The first point to consider is that the Soviets can choose to attack our strategic forces, or our urban centers. It has been the unquestioned bedrock of our defense policies since the days of McNamara that our goal was to hold the Soviet cities in hostage, as it were, against a first strike by the Soviet strategic missiles. If the Soviets were to strike us first, killing perhaps 100 million people, enough of our Minuteman forces would survive to assure that we could destroy 100 million Soviet citizens. The so-called assured destruction of Soviet citizens would be too high a price for the Soviet leadership to risk.

In accordance with the McNamara theory, ABM defenses for the United States were unnecessary, since we held the Soviet cities in hostage. In fact, the McNamara theory held that ABM defenses were "provocative" since it might appear to the Soviets that we were preparing for a first strike ourselves.

I think that it is time now to question the theory of "assured destruction," and seek more realistic ways to maximize our defense protection. It is typical of the American way to think only in terms of defense, rather than offensive. Even our so-called offensive strategic weapons are deployed in configurations which attempt to suggest to the Soviet Union that they will be used only in a retaliatory second strike. A first strike for us is unthinkable.

Moreover, a first strike for us will always remain unthinkable. Yet it is plain that the Soviets are building weapons that make a first strike thinkable for them. Somewhere along the line, the Soviets have begun to disbelieve the "assured destruction" theory, if they ever believed in it at all. In fact, there is not the slightest evidence that they ever believed in it. The strategic thinkers of the McNamara era were indulging in wishful thinking.

It is time, then, to return to balanced defensive concepts which do not depend upon the psychological perceptions of the other side. Our overall defense structure should consist of the proper mix of strategic offensive and defensive systems. We should continue to improve our Minuteman, but we should also step up our antiballistic-missile defense.

All the time the Soviets were developing their offensive ICBM's, they kept a balance with defensive weapons. Intelligence reports reached the United States as early as 1963 that the Soviets were planning to install their first ABM defense system around Moscow. In a historic secret session of the Senate, I argued that the United States should immediately begin to build its own ABM system, but no action was taken.

Thus at the period when the Soviet strategic weapons were the weakest, the Soviets sensibly, from their point of view, put a high priority on defense.

By 1966, the Soviets had completed the initial design and testing and began to deploy the Moscow complex. By 1967, the Soviets had 550 ICBM's. Yet still we took no action. In the past 4 years the Soviets have built up their strategic force to over 1,400 ICBM's, including an array of SS–9 counterforce weapons whose combined megatonnage alone is more than our whole force.

Today, the Soviets not only have a working ABM system around Moscow, they are working steadily toward achieving a crushing first-strike capability, a capability they could achieve within 36 to 48 months at their present rate.

Moreover, in addition to this first-strike capability, the Soviets have installed a separate air-defense system, the so-called Tallinn line of SA–5 missiles, which could also be converted to an ABM system. There has been some widespread debate whether the Tallinn line could be considered an ABM, but even unclassified testimony has made that clear. Gen. Bruce K. Holloway, Commander of the Strategic Air Command, recently testified:

> Although superior to the SA–2 against high altitude supersonic targets, it has little to offer against our current aircraft and tactics. . . . The SA–5 Tallinn system, as currently deployed, has, at best, a limited ABM potential when operating autonomously. However, with predicted intercept data from remote ABM radars, it could defend large areas of the Soviet Union against missile attacks. . . . The magnitude of this potential threat is too great to ignore.

Moreover, the Soviets are constantly upgrading their radars. The new Hen House radar, already operational, is half a mile long. The so-called Dog House radar has antenna faces the size of two football fields. We have nothing of comparable size or power. As General Holloway said:

> Since we believe that the SA–5 need only radar data to function as an ABM, we are concerned about a massive . . . radar development and deployment program already underway.

From the standpoint of clear military thinking, the Soviets have moved ahead in a balanced and logical approach to their goals. As they marched from a strategically weak position to a position of parity, and now, to the springboard of superiority, they have kept a balance between protecting their populations and their ICBM's. Fortunately for the Soviets, their geography assists the combined protection of both cities and missile silos. The Moscow line, with 64 launchers operational, does double duty; the Tallinn line gives a second line of protection in front.

It is ironic that the Soviets, with their urban centers in the interior of the Eurasian land mass, have chosen to stress defense so heavily. It is the United States, with its exposed coastal cities, that should be concentrating a large portion of its resources on ballistic missile defense. From a geopolitical standpoint, the United States should be far advanced in purely defensive systems, particularly when we face an enemy that is ideological as well as powerful.

From the Soviet point of view, the assured destruction concept is not only eccentric and irrational, it is certainly not military thinking which concentrates on strategic targets. Nor is it in accord with the traditional Christian ethic which always seeks to minimize injury to noncombatants. It convinces them that they are dealing with a superpower which is either insane or irresponsible. They have been tempted to power by our erratic conduct. In my judgment, the Soviets would have been deterred from building their offensive system to its present magnitude if we had already built and deployed an effective antiballistic missile system. Even now, it is not too late to step up our deployment of President Nixon's Safeguard system.

There are other steps which we must take within the framework of our second-strike philosophy. We must continue to harden our missile silos to withstand Soviet counter-force weapons. We must continue to rely on the triad of strategic weapons systems—ICBM's, submarine-launched missiles, and bombers—because it complicates the task of an aggressor. Finally, we must sharpen the accuracy of our Minuteman systems. The technical ability to do this is within our grasp. We have on the drawing boards an improved guidance system based on a new inertial measuring unit. Final development would cost $155 million over 4 years. Production cost to equip the Minuteman III would be $162.5 million. Considering our present investment in missiles, this is an extremely modest cost for a tremendous improvement. Yet, we have deliberately held back from increasing our accuracy on the grounds that such accuracy would be provocative. Authority for this program has not been sought.

Such fears are rather beside the point these days, when the Soviets already have such a huge inventory of counterforce weapons. Such thinking is a hangover from the McNamara era of unilateral restraint. The situation has changed drastically. Far from being provocative, greater accuracy in our Minuteman III's would give us the ability to destroy Soviet weapons in their silos even after a Soviet first strike. It is even far more important to have the greatest possible accuracy in our missiles exactly because we do not contemplate a first strike. In a Soviet calculation of risk, an accurate second-strike missile in U.S. silos is more apt to deter, rather than provoke an attack.

The balanced relationship between so-called offensive and defensive strategic weapons is an important reason why it is dangerous to separate the two categories when talking about strategic arms limitation. From our point of view, all of our strategic weapons are intended to be used in a defensive strategy. If we arbitrarily break the spectrum of weapons deployment into false categories, we are already weakening our security. Let us not fall into that error, therefore, when we consider our strategic security system in this body.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Virginia (Mr. BYRD) is recognized under the previous order.

Mr. SCOTT. Mr. President, will the Senator from Virginia yield to me briefly?

Mr. BYRD of Virginia. Mr. President, I yield to the distinguished Senator from Pennsylvania, without the time being charged to me.

Mr. BYRD of West Virginia. Mr. President, I will have to object. I have no objection to the Senator yielding, but I think the time should be charged, because we have a rather tight schedule, if the Senator does not mind yielding under those conditions.

Mr. BYRD of Virginia. I yield 4 minutes to the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I withdraw that request and I yield myself 4 minutes. I am entitled to time under the standing order and, therefore, I will not take time from the Senator from Virginia.

Mr. BYRD of West Virginia. Mr. President, I do not want to be argumentative or difficult, but is the Senator from Pennsylvania included in the list of speakers under the agreement?

Mr. SCOTT. I thank the Senator from Virginia. I ask unanimous consent that I may proceed for 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BOLD NEW INITIATIVES ON BEHALF OF PEACE

Mr. SCOTT. Mr. President, today we live in an era of bold new initiatives on behalf of peace. The President has taken the lead in exploring new concepts and in thinking the unthinkable. For the first time there is real hope that major issues of world conflict can be really solved by negotiation.

These new avenues and new vistas can only lead to concrete results if the United States speaks from a recognized bargaining position. We know, too, that results will not come all at once, but step by step. We cannot let down in our defense posture, strategically speaking, until firm agreements have been put into effect. The President needs a positive defense platform to launch into the framework of peace.

Notably, the Soviet Union has also been showing signs of a real desire to achieve fruitful agreements. Nevertheless, we must not ignore the fact that, while the talks go on, the Soviets continue to build their military strength, and to develop new facets of their strategic systems. Thus the SALT talks take on a different significance than they had in

1969 when they began. The strategic situation has altered considerably.

I am highly pleased, therefore, that the distinguished junior Senator from Colorado (Mr. DOMINICK), and other distinguished Senators, including the distinguished senior Senator from Virginia (Mr. BYRD), have asked for time to discuss the strategic problems of today on the floor of the Senate this morning. These Senators and other Senators who speak have had outstanding records of service, and the service of the Senator from Colorado (Mr. DOMINICK) on the Committee on Armed Services is particularly to be noted. He has outstanding qualifications to discuss this subject.

I am pleased to associate myself with this effort, and with the remarks of the distinguished Senators who have also requested time this morning to speak on various aspects of this problem. Each in his own way is especially equipped to examine the subject, and each has his own arguments to make. However, this is a noteworthy attempt to call the attention of the Senate to the need to strengthen the President's hand, and I am confident that it will be a useful action in support of the peace objectives of the President.

THE NEED TO MAINTAIN A STRONG NATIONAL DEFENSE

Mr. BYRD of Virginia. Mr. President, the United States should have learned three major lessons from its experiences since World War II: That Moscow cannot be trusted, that America needs a strong defense, and that we must set realistic limits on American involvement in the affairs of distant lands.

The SALT talks, and President Nixon's projected visit to Peking, both are being hailed as promising a more peaceful era.

I join in the hope for world peace. It is a cherished dream of mankind.

But I would also sound a note of caution: We shall be heading for serious trouble if we let our hopes, rather than our realistic assessment of the world situation, dictate our defense policies.

None of us knows just what are Communist Russia's intentions. We do have evidence, however, as to her capabilities. It is on her capabilities that we must judge our defense needs.

Mr. President, having stated the foregoing summary, I will now speak in more detail.

History is a great teacher, but it teaches nothing to those who will not heed it.

I think that if we will take the time to study the history of the foreign relations of the United States since World War II, it will be possible for this Nation to arrive at a balanced and rational policy toward the rest of the world.

From shortly after the end of World War II to the 1960's, this Nation engaged in a farflung enterprise of defending freedom everywhere in the world. We built a globe-circling chain of alliances.

As a result, we came to have mutual defense agreements with 44 different nations. And, of course, the word "mutual" was merely a diplomatic way of saying that the United States had undertaken the defense of another country.

In fact, if not in name, America became the policeman of the world.

Recently, because of the frustrations of the war in Vietnam, there has been a sharp reaction against the responsibilities of global defense. Some advocate a new brand of isolationism, or drastic reductions on U.S. defense, or both.

In my view, we must maintain a strong defense—but strike a balance between isolationism and overextension.

What have the last 25 years taught us?

I think we should have learned at least three major lessons from our experiences during the quarter century since World War II.

First, we cannot afford to put our trust in the good intentions of the Russians. From the Berlin blockade of 1948 to the Czechoslovakian invasion 20 years later, Moscow's record has been one of hostility and bad faith.

Second, we must maintain a strong defense. Communist leaders respect strength and despise weakness. If we permit ourselves to become weak, we shall invite Communist aggression and domination. It is primarily the threat of Russian aggression which forces the United States to spend billions on defense.

Third, we must set realistic limits on American involvement in the affairs of distant lands. It does not strengthen us, but rather weakens us, if this Nation stretches its forces too thin in an effort to influence the destinies of countries all around the world.

Our foreign and military policy should be governed strictly by the real national interests of the United States, and not by a misguided effort to shape the world in our own image.

But we must recognize that the task of defending our real interests requires an expenditure of resources.

We dare not blindly slash away at the defense budget of this Nation. We must cut the fat, but not the muscle.

I do not for a moment deny that there has been waste and mismanagement in some military programs. And I believe that the Congress must continue—and indeed, increase—its vigilance over the military budget, to be sure that the huge cost overruns of the past are ended.

But the fact that there has been inefficiency in military management does not mean that we can afford to weaken our defense posture. We must correct the inefficiency—but maintain our strength.

The SALT talks, the President Nixon's projected visit to Peking, both are being hailed as promising a more peaceful era.

I join in the hope for world peace. It is a cherished dream of mankind. But I also would sound a note of caution: We shall be heading into serious trouble, if we permit our hopes, rather than our realistic assessment of the world situation, to dictate our defense policies.

None of us knows just what are Communist Russia's intentions; we do have evidence, however, as to her capabilities. It is on her capabilities that we must judge our defense needs.

The Senate soon will be facing two decisions that will bear importantly on our defense position.

In one case, we must decide whether or not we can allow ourselves to remain dependent on the Soviet Union for the bulk of our supply of chrome ore, a material vital to defense.

In the second case, we are going to have to approve or disapprove an agreement which would turn over control of the island of Okinawa to Japan.

The chrome issue is of great importance.

Soon the Congress will vote billions of dollars for defense—primarily because of the threat of Russian aggression—yet this country is dependent upon Russia for most of its supply of chrome ore.

This situation came about because of an embargo put into effect unilaterally by the United Nations Security Council and former President Johnson. The embargo was imposed on trade with the African country of Rhodesia, after that country declared its independence from Great Britain in 1966.

Rhodesia is the world's richest source of chrome ore. The United States has no chrome, and, cut off from the Rhodesian source, we have had to turn to Russia, the next largest supplier.

To show the importance of chrome, it is essential in the manufacture of jet aircraft, missiles, and nuclear submarines. Furthermore, it is vital to many elements in the transportation and communications networks which are essential to defense.

I have introduced legislation designed to end the dependence of the United States upon the Soviet Union for chrome ore. This legislation is cosponsored by Senators ERVIN, FANNIN, GOLDWATER, and GURNEY.

My legislation is simple in structure. It would amend the United Nations Participation Act of 1945 to provide that the President could not prohibit imports of a strategic material from a free world country if the importation of the same material is permitted from a Communist-dominated country.

I do not believe that it is logical for the United States to continue to be dependent upon Communist Russia for a material vital to our national defense.

I believe it is imperative that this question come to a vote in the Senate. I shall try to insure that the Senate is given a chance to register its will on this vital question.

The second decision to which I referred—concerning the reversion of the island of Okinawa—is also of great consequence.

An agreement has been signed providing for the reversion of the island of Okinawa to Japanese control.

Okinawa is our most strategic base in the Western Pacific.

We now have vast commitments in East Asia and the far Pacific. We are the principal partner in the SEATO alliance, and we are committed to the defense of South Korea, Taiwan, Japan, Australia, New Zealand, and the Philippines.

I am not convinced that we ought to have such extensive commitments. As I said earlier, the role of world policeman is not an appropriate one for this Nation.

However, as of July 1971, these commitments do exist.

And, since they do exist, it seems to me only logical that the United States should retain the capability of carrying them out.

The issue of the reversion of Okinawa is an emotional political question in Japan. That is the reason for the haste with which the United States and Japan have proceeded to draw up the pending agreement.

But the Japanese, who are determined to resume control of Okinawa, are spending only about 1 percent of their gross national product on defense. There has been talking of increasing this amount, but not to the extent that Japan could assume the role of a partner in the defense of the Western Pacific.

The United States should retain control of its strategic military base on Okinawa—especially since Japan is not a real partner in the defense of the area. After all, it is Japan's area and not ours.

The Senate will be called upon to vote on this question in the near future.

The agreement for the reversion of Okinawa modifies the treaty of peace with Japan approved after World War II. Under the treaty of peace, the United States has the unrestricted right to Okinawa.

Under the agreement recently worked out between President Nixon and Premier Sato of Japan, the United States would relinquish this unrestricted right. Japan would have a veto over our actions.

I am not opposed to the eventual return of Okinawa to Japanese control. But I doubt that the present time—with vast American commitments in the Western Pacific, and no significant defense effort by Japan—is the appropriate time for reversion.

If the Senate should approve the treaty, then I think careful consideration should be given to prompt action toward reducing our Asian commitments.

In the long run, these commitments should be reduced anyway. But without Okinawa, I believe the United States would have to move more quickly toward reducing its Asian responsibilities.

The issues which this Nation faces in the field of foreign and military policy are exceedingly complex.

If we are to solve these difficult problems, we must use commonsense.

All of us must work and hope for world peace, but we dare not pin our national security on the belief that we have reached that great goal.

We must maintain a strong national defense—or we shall run great risk of losing our freedom.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Colorado (Mr. DOMINICK) is recognized.

UNITED STATES MUST MAINTAIN A STRONG STRATEGIC POSTURE

Mr. DOMINICK. Mr. President, recently several of my colleagues have indicated in remarks before this body that the United States is spending an excessive amount for national security. While we need to exercise great vigilance over the increasing costs of our defense systems, it is nevertheless imperative that the United States maintain a strong strategic posture.

It is impossible to make a thoughtful examination of American strategic policy over the past 25 years without reaching the inescapable conclusion that this policy has been devoted to world peace and the maintenance of our freedom. However, there are still a large number of people in the United States who advocate openly and often that a strong strategic force is not only unnecessary, but is actually a threat to the pursuit of peace.

It has been asserted that the United States precipitates the arms race when it adds to its strategic arsenal. Yet, Mr. President, it is a fact well known to the leaders of the U.S.S.R., although ignored by our own domestic critics, that the United States virtually halted any increase in strategic strength during the entire decade of the 1960's, while the Soviets devoted enormous sums and energy to the mushroom growth of their military power.

In relative terms, the United States today is far weaker in relation to the Soviet Union than at any time during the past 25 years and, as has been stated publicly by highly knowledgeable leaders in our Government, at present growth rates the Soviets will have superior strategic strength in the very near future.

The reason seems obvious. The Soviet Union has not abrogated any of its basic goals set forth many years ago. Strategic and nuclear superiority will enable them to impose their will throughout the world as they feel their own interests demand and by engaging in increased adventurism, they thereby increase the "unacceptable risks which might escalate to strategic nuclear war," as referred to by President Nixon.

The total number of Soviet operational strategic missile launchers exceeds those of the United States by about 400. They are currently producing SS–9's with an enormous megatonnage and new Yankee-class nuclear submarines appear almost monthly. They are apparently preparing to test new ballistic missiles and a new strategic bomber. Thus, they are currently in a position to increase substantially their strategic offensive force levels during the next few years and at present show every indication of doing so.

The record is clear, Mr. President. The Soviets continue to build their strategic arsenal and have the capacity and visible intent to continue their expansionist policy backed by the "muscle" of these forces.

Their policy in regard to the world's commercial shipping lanes is especially alarming. Over the past few years the Soviets have continued to expand their control over the world's oceans, not only by the vast increase in naval forces—referred to in a colloquy by some of our colleagues a few weeks ago—but by focusing their strength at the narrow waterways of the oceans, widely referred to as "choke points" by naval strategists. They now have free access through the Dardanelles from the Black Sea to the Mediterranean and have stationed an imposing naval force in the eastern Mediterranean. Through their support of the radical Arab nations they control the Suez Canal. In the Red Sea the Soviets have bases in Aden and Somaliland, thus forming a bloc that can control the Suez from the Indian Ocean. They have constant submarine patrols through the entire Mediterranean and also off the Atlantic mouth of the Gibraltar Strait. If the attempted coup in Morocco had been successful, pro-Communist forces could have blocked Gibraltar and made our position even more critical.

In the Sudan, the collapse of the recent pro-Communist coup prevented still another government from granting still another base on the Red Sea, thus further extending Soviet influence over the Suez Canal and the Indian Ocean.

Soviet naval forces now range through the Indian Ocean, the Strait of Malacca, and the Atlantic and Pacific Oceans, unimpeded and unchallenged. Soviet submarines and warships equipped with missiles now operate off the coasts of the United States, as well as in the Caribbean. Through Cuba and the increasing Soviet influence along the west coast of South America, the Panama Canal is now well flanked. It is apparent that these moves pose serious problems not only for all commercial shipping but for troop and supply movements in the event the free world is called upon to meet any of its commitments.

All of this has occurred in a relatively few years and as the Soviet strategic forces increase, they may become still bolder in their strategic moves.

Mr. President, these actions by the Soviet Union seriously jeopardize efforts to reduce world tension and to maintain world peace. They are clearly efforts by the Soviet Union to "test the water." It would be naive to think these actions are taken because they fear the United States or that they would discontinue these actions, because we unilaterally disarm or halt defense production. As already noted, we really did just that during the 1960's and as a result the Soviets are now close to strategic superiority.

Mr. President several of our colleagues have said that we are spending too much for national security, but let me review the Department of Defense fiscal year 1972 budget request.

The requests for defense outlays for fiscal year 1972 total $76 billion. This $76 billion figure, when expressed as a percentage of GNP, is the lowest since 1951. At 6.8 percent of GNP it is notably lower than the 9.5 percent figure of fiscal year 1968. This same $76 billion, when expressed as a percentage of total Federal spending is 32.1 percent—down from the 42.5 percent of fiscal year 1968 and again the lowest since 1950. When we compare the fiscal year 1968 and 72 budget outlays in constant fiscal year 1972 prices, we are down $23.9 billion below fiscal year 1968 spending.

More than half of the $76 billion request is for manpower, so a relatively small amount is left for new equipment and research and development. For R. & D., the fiscal year 1972 request was for $7.8 billion, and of this amount only

$2.3 billion, or about 1 percent of the national budget, is devoted to the strategic area. When it comes to national priorities, it should be recognized that if we do not deter our potential enemies, other priorities—domestic and foreign alike—could lose much, if not all, of their meaning. Hence, the security of the Nation is a basic and fundamental need that must be satisfied.

In summary, American strategic policy has always been directed at the one basic aim of maintaining peace. President Nixon has reiterated through the Nixon doctrine that peace for this generation is the continuing goal of America.

Supporting the Nixon doctrine is the strategy of realistic deterrence, designed to deter conflict at all levels and to provide pressure to reduce conflict to the lowest possible level if conflict should be unavoidable.

This is not to say we should ignore opportunities for negotiations and I, for one, welcome the SALT talks and the NATO negotiations on mutual troop reductions in the European theater. But we cannot afford to let our strategic deterrent become second rate if we are to avoid the increasing risk of nuclear crisis through Soviet adventurism.

Mr. President, I yield back the remainder of my time.

ORDER OF RECOGNITION OF SENATORS

Mr. BROCK. Mr. President, under the previous order the Senator from Tennessee was to proceed next, to be followed by the Senator from New York, the Senator from Nebraska, and the Senator from Florida. I ask unanimous consent that the order be reversed so that the Senator from Florida is permitted to proceed next, and after him the Senator from New York and the Senator from Nebraska.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the order, the Chair recognizes the Senator from Florida (Mr. GURNEY).

TECHNICAL SUPERIORITY IN NATIONAL DEFENSE

Mr. GURNEY. Mr. President, first I want to thank the junior Senator from Tennessee for his courtesy.

Mr. President, there is no area of national defense which is, I think, more important to emphasize than the area of technological superiority, the sum total of the scientific, engineering effort and capabilities of the Nation—I bring it up in the context of today's debate because I feel that perhaps the greatest long-range threat to the security of this Nation is the continual comparative reduction in the U.S. technological superiority. After the initial shock of the Soviet Union's launching of Sputnik over a decade ago, we, in this country, have grown increasingly complacent of our technology, feeling perhaps that our present superiority would endure indefinitely. It is, however, increasingly obvious that this is not the case.

It has been estimated by Dr. John S. Foster, Jr., director of Defense Research and Engineering, that at the current rate of U.S. investment in military research and development, the Soviets could pass us by the mid-1970's, even assuming that they permit future research and development growth in the civilian sector.

An examination of the efforts of both nations is both interesting and disturbing. In order to challenge U.S. technology across a broad spectrum, it has of course been necessary for the Soviets to increase technical personnel and facilities. They have succeeded in this area. A study performed by the Defense Intelligence Agency indicated that in the Soviet Union there were 247,000 higher education graduates in engineering and natural sciences in 1970. There were 142,000 in this country. Information from the National Science Foundation and Department of Commerce indicates that in 1968 the Soviet Union had nearly one and a half times as many scientists and engineers employed in research and development as the United States. This disparity is increasing.

Moreover, while the Soviet Union has continued to improve the quality and number of major research facilities, this country has not. Indeed, this country's facilities are in fact declining. The reason for these discouraging figures is summed up basically in one word: funds. While military research and development expenditures made by the Soviet Union have been growing at a rate of approximately 15 percent per year, this country's funding in that category has remained nearly constant. As a result, it appears this year that the Soviet Union will be spending approximately $3 billion more in 1971 on military research and development than this country will. This lead in expenditures for military research and development by the Soviet Union began about 1968 and has consistently increased. While the Defense Department estimates that the United States is still slightly ahead of the Soviet Union in the total field of military technology, the lead is fast declining. Should the present trends continue, the Soviet Union will assume superiority by the middle of this present decade. That is just around the corner. This is what prompted the blue ribbon defense panel to recommend in its report to the President and the Secretary of Defense in July of 1970 that the increased emphasis must be given to:

First, research and advanced technology.

Second, engineering development and test evaluation.

Indeed, a supplemental statement issued by a portion of that panel in September of 1970 less than a year ago sounded a terrifying alarm. In discussing overall trends in our defense posture vis-a-vis, the Soviet Union, the report concluded:

> If these observable trends continue, the U.S. will become a second rate power incapable of assuring the future security and freedom of its people.

I realize that it has become fashionable of late to turn our vision inward and to eliminate or postpone budgeted items which may not seem to be immediately necessary, regardless of their potential technological benefit. I also realize it has become fashionable to express and encourage hostility toward national defense and toward the military. I would hope that those of us holding public office would ignore the world of political high fashion and concentrate on what is necessary for the long-term security and well-being of this Nation—this is unfortunately not the case.

This neglect of, and even downright hostility toward, technology seems to be a general and evergrowing attitude in the United States. We see evidence in areas other than defense.

The recent attempts to shoot down programs as the space shuttle, which is the next large ongoing project in the space program, is a good indication of a general lack of concern about technology. The killing of the supersonic transport airplane earlier this year is a prime example. Here, foreign nations are now guaranted to pull way out in front of the United States in airplane technology. The canceling of the SST is bound to hurt us severely in defense too. For civilian airplane advances have always contributed new and improved technology to the military airplanes.

We must remember that the United States can never match its potential enemies in numbers of land armies or in ships or in numbers of tactical weapons. We can and must maintain an extensive leadtime in military technological superiority if we are to maintain a viable defense posture. And yet we appear to be engaging in a continued policy of eliminating projects involving scientific and technological progress.

As I pointed out a few weeks ago in this Chamber, the first and immediate result of the continuation of such a policy will be the continued dissolution of pools of skilled technical and scientific personnel. We have already fired and dispersed scores of thousands of highly trained technological people, both in defense work and in the civilian aerospace business. We have literally cut off many space areas. We have created Sahara-like wastelands out of previously verdant green space work areas.

A vast national resource of some of the most highly skilled workers in our history are now selling hamburgers or hot dogs, doing a host of things that any high school dropout could do. Thousands are on welfare, most are bitter and disillusioned.

I do not doubt that years ahead, we will look back in wonderment and inquire: How could a nation be so criminally wasteful of its greatest resource, skilled scientists and engineers, and technical people?

The second factor, long range in effect, holds far more serious import for this Nation and its place in history. Such policies will discourage the entry into the scientific and technological fields of a new generation. It is already clear that there has been a substantial drop in the percentage of college students entering the sciences. To encourage and even accelerate this trend could well mean that within a generation or so we will have reached a situation where this country has little technology. At the same time, the technology existing for us at that point will be incredibly obsolete. We will, in effect, become a technological and cultural vassal state—totally dependent upon whatever nations have the foresight to resist the idea that they should sell their future for a mess of porridge. I am saying in short that this Nation cannot and will not survive—as a nation and as a society—unless we make very sure that we do not cast aside our future in technological research and development.

Technological superiority is also important if we are to preserve as many alternative courses of action as possible for this country. We cannot afford to rest on our present level of weaponry, regarding it as some maginot line able for all time to preserve this Nation's security and ability to function in the community of nations. To fix our attention on a single system, even one as attractive as nuclear-powered missile submarines, would impair our overall security. To have only a choice between capitulation and Armageddon is to have no choice at all. Finally, as research and development occurs across a broad spectrum, new areas of applied science arise which are relevant to the defense of this Nation. This is true whether we are talking about lasers, aircraft propulsion, computer simplification, human behavioral research, drug abuse, whatever. Examples of this are the increase of accuracy of our missiles through the use of laser guidance systems, or the reduction of noise emanating from military helicopters to enable them to be less readily detected, or new metallic alloys, increasing the strength but reducing the weight of aircraft. All these items have more than military application, of course. But it is not necessary to defend these expenditures on this basis. There is nothing improper, unethical, immoral, or irrational in the Government of the United States making adequate provision for the country's survival and for insuring that it will continue to have available to it adequate alternative courses of conduct, military as well as diplomatic. Were we to do otherwise, we would be betraying our responsibilities.

My position is simply this: That this Nation cannot survive and continue to function with a degree of independence without a viable defense posture, and that the viability of that defense posture is totally determined by the success this Nation has in maintaining technological superiority above its potential enemies.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. BUCKLEY) is now recognized for not to exceed 10 minutes.

A NEW DEFENSE STRATEGY FOR THE 1970'S

Mr. BUCKLEY. Mr. President, the security of the United States is endangered to a degree unparalleled in its modern history. If present trends continue much longer, the ability of the President of the United States to support U.S. foreign policy objectives in Europe, the Middle East, in Asia, and even in the Caribbean will be in jeopardy because of the precipitous erosion of U.S. strategic power in the late 1960's and early 1970's.

One need not look far to support the conclusion that there has already been a dramatic weakening of the ability of the strategic forces of the United States to deter Soviet diplomatic adventurism. The United States has permitted the Soviets to gain a striking advantage in the payload capacity of her intercontinental and submarine-launched ballistic missiles. If the Soviet Union achieves the same level of technical competence which we now possess on a production line basis for the Minuteman III and the Poseidon missiles, this advantage could be translated into an 8-to-1 superiority in deliverable warheads. Despite the formidable lead we now possess in intercontinental bombers, our 1955 vintage B-52's must face 12,000 reloadable Soviet surface-to-air missile launchers. Thus our numerical advantage in heavy bombers may have a questionable operational significance in the face of Soviet defenses.

The strategic forces we now possess, with the exception of the Minuteman III and Poseidon MIRV programs, are the same forces which we had in 1965. The doctrine which has dominated our strategic policy was developed during the Kennedy and Johnson administrations by former Secretary of Defense Robert S. McNamara. This doctrine is known as "assured destruction," and we see its legacy in the present administration's doctrine of "realistic deterrence."

The policy of assured destruction established the notion that America's security was best safeguarded by the maintenance of sufficient forces-in-being to make sure that enough of these forces would survive a first strike launched by any aggressor or collection of aggressors to enable us to deliver a retaliatory strike which would inflict unacceptable losses upon the enemy.

As the Soviet strategic arsenal grew in recent years, it became increasingly evident that whatever validity the assured destruction doctrine might have had in the early and mid-1960's, it was a policy which could no longer be supported. The significance of the Soviet strategic buildup emphasized some of the critical weaknesses of the doctrine. Because a serious level of population defense was considered destabilizing under this doctrine, the Department of Defense became an instrument of a policy which would prefer the killing of enemy civilians to saving the lives of our own, should deterrence fail. The buildup of Soviet forces has now reached a point where it may soon become doubtful that the United States would have a sufficiently large retaliatory force available after a Soviet first strike to meet even the minimum requirements of assured destruction or of realistic deterrence.

What is required now is a new strategy—one which will accomplish the objectives of saving American lives in the event deterrence failed, while insuring that the United States will have sufficient strategic and conventional power to support its foreign policy objective abroad.

In his annual state of the world message, the President stated that he should have some other option than simply retaliating against Soviet cities in the event of a Soviet first strike. This he does not have, because the legacy of the mistaken policy of assured destruction has led to steadfast opposition to a program which would improve the guidance systems on our Minuteman and Poseidon missiles which would give them the capability to destroy Soviet missiles in their silos following any Soviet attack on our strategic forces, and before they had an opportunity to threaten our cities.

In order to implement a new defense strategy appropriate to the conditions of the 1970's, we need to press for improvements in our strategic posture which must include the following: We must: First, proceed on an urgent basis to upgrade the guidance systems of the Minuteman and Poseidon programs as far as the state of art will permit; second, replace all 1,000 of our Minuteman II missiles with Minuteman III missiles rather than just the 500 or so now being replaced; third, replace all of the Polaris missiles with Poseidon missiles, rather than three-quarters of them as is now planned; fourth, proceed with all possible speed with programs currently in the advanced stage of research and development—especially the B-1A manned bomber and the Undersea Long Range Missile System; and fifth, conduct a stepped-up R. & D. program into means of reducing the vulnerability of U.S. citizens to strategic attack.

These incremental improvements in our strategic posture would make it possible for a new strategy to be pursued—one in which live Americans are valued more highly than dead Russians; one in which the Defense Department once again becomes the instrument for assuring the survival rather than the vulnerability of American citizens. It is a new strategy which will assure an American President of the continuing ability to support American foreign policy objectives as well as to protect her citizens. It is a strategy which is necessary, desirable, and feasible, and it is the only strategy which will secure our essential defense and foreign policy objectives.

Mr. President, I ask unanimous consent to have printed in the RECORD, two essays by Dr. Donald G. Brennan, entitled "Strategic Alternatives I and II" published in the New York Times on May 24 and 25, 1971. These essays are an articulate expression of the weaknesses inherent in our recent strategic posture, and they propose some constructive steps to improve that posture.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

STRATEGIC ALTERNATIVES: I

(By Donald G. Brennan)

American strategic nuclear policy has been dominated in recent years by an idea called "assured destruction." This concept is that the dominant task of the U.S. strategic forces is to be able to mount a nuclear attack that would reliably destroy a substantial fraction of the Soviet society, even after a major Soviet strike on American forces. Recent public statements of the Nixon Administration have emphasized a doctrine called "strategic sufficiency." Although published formulations of this doctrine are ambiguous, it is clear that something like the concept of "assured destruction" still dominates American strategic policy, even if the terminology itself is no longer used in official statements.

This domination extends to strategic arms-control matters. It is widely argued that the most peaceful, stable, secure, cheap, and generally desirable arrangement is one in which we and the Soviets maintain a "mutual assured destruction" posture, in which no serious effort is made by either side to limit the civilian damage that could be inflicted by the other. Most of the opposition in the West to substantial systems of missile defense for cities and some of the opposition to the Safeguard ABM system derives from the alleged benefits of such a posture. This is pertinent to the forthcoming Soviet-American negotiations on offensive and defensive forces announced by President Nixon last Thursday.

I believe that the concept of mutual assured destruction provides one of the few instances in which the obvious acronym for something yields at once the appropriate description for it; that is, a Mutual Assured Destruction posture as a goal is, almost literally, mad. MAD.

If the forces of technology and international politics provided absolutely no alternative, one might reluctantly accept a MAD posture. But to think of it as desirable—for instance, as a clearly preferred goal of our arms-control negotiations, as many current proposals automatically assume—is bizarre. This can be made very clear by considering the simplest and most effective means of realizing it.

At present, we and the Soviets achieve a MAD posture by means of long-range missiles and bombers armed with thermonuclear weapons. There are, however, many problems associated with these forces; missiles and bombers may be attacked before they are launched, they may fail to perform properly, or they may fail to penetrate enemy defenses. Concern about such vulnerabilities in our posture helps drive the arms race. These forces are also expensive; the U.S. alone spends about $2 billion a year on them.

Now, if it were genuinely desirable to have a MAD posture, we could achieve it far more effectively, reliably and cheaply than at present. As Leo Szilard remarked ten years ago, we and the Soviets could have an arms-control agreement to mine each other's cities. We could install very large thermonuclear weapons with secure firing arrangements in Moscow, Leningrad, Kiev, and so on, while the Soviets could install similar weapons and arrangements in New York City, Chicago, Los Angeles, and so on. It is technically feasible to make such a system very secure, and the vulnerabilities mentioned above could be eliminated, which would reduce arms-race pressures. While such a system would have its own technical problems, analysis indicates they would be far simpler to solve than those of the present system. It would also be much cheaper than the current system; it could save billions.

Yet almost everyone will judge it starkly absurd, even after consideration. And, since a mined-city system is clearly the best way of realizing a MAD posture, it follows that a MAD posture as a goal is itself fundamentally absurd—it is, indeed, mad.

This reduction-to-absurdity argument is useful for sharply drawing attention to the fact that something must be wrong with MAD as a way of life. However, one can discuss the problems of MAD directly. There are at least three interrelated problems.

The first is that, in spite of our best efforts, a major nuclear war could happen. An institutionalized MAD posture is a way of insuring, now and forever, that the outcome of such a war would be a nearly unlimited disaster for everybody. While technology and politics may conspire for a time to leave us temporarily in such a posture, we should not welcome it—we should rather be looking for ways out of it. And they can be found.

The second fundamental difficulty is, in essence, political: The body politic of the United States did not create a Department of Defense for the purpose of deliberately making us all hostages to enemy weapons. The Government is supposed, according to the Constitution, to "provide for the common defense," and plainly most Americans would revolt at the idea that a mined-city system is a sensible way to do this. They would be quite right. The Defense Department should be more concerned with assuring live Americans than dead Russians.

The third fundamental difficulty is moral. We should not deliberately create a system in which millions of innocent civilians would, by intention, be exterminated in a failure of the system. The system is not that reliable. If we accept a MAD posture as an interim solution, we should be seeking ways out of it, not ways to enshrine it.

Tomorrow I shall discuss alternative directions for strategic policy and arms control.

STRATEGIC ALTERNATIVES: II

(By Donald G. Brennan)

Yesterday I explained that many people regard a posture of Mutual Assured Destruction—MAD—as a desirable objective of our arms-control policy. I also explained that a mined-city system was obviously the most efficient way of achieving a MAD posture, and, since the mined-city system was clearly absurd, it followed that a MAD posture itself must be absurd.

Why, then, do some Americans advocate a MAD posture? The advocates involved are, in the main, technical or technically oriented people accustomed to theoretical models, and the arguments involve appeals to "stability" of various kinds and reference to other sophisticated jargon—jargon that I understand very well, having helped to articulate it a decade and more ago. For instance, one argument sometimes heard is that this posture will best protect against nuclear war altogether, but this proposition is very dubious indeed.

While these advocates are undoubtedly sincere, and many of them are even intelligent, I believe have been bemused by theoretical models of strategic interactions, models which seem sophisticated and intellectually appealing but which are in fact much oversimplified descriptions of reality. Indeed, some few technical people, who have at least had the integrity to follow the logic of their analysis to its conclusion, have been so bemused by these models that they have seriously advocated the actual deployment of a mined city system.

Well, if an institutionalized MAD posture is not desirable as a permanent way of life, and it is not, what alternative is available? The answer is to provide increasing emphasis on defense, and corresponding reduction in the relative effort devoted to strategic offensive forces.

There is much controversy about just how effective defense (such as ABM) can be made against current offensive forces, or against further enlarged offensive forces. I cannot discuss this controversy here. However, there is very little controversy over the fact that defense can be made quite effective if the opposing offense is held down or actually reduced, while allowed defense is built up. This is precisely the direction that negotiations in the Strategic Arms Limitation Talks should be taking, but, so far as I can see, have not yet been taking. The forthcoming negotiation on offensive and defensive forces will provide both Governments with a good opportunity to pursue this possibility.

Even if it were held that currently achievable defense is too ineffective to be useful against even a suitably reduced offensive threat (a position that few informed persons would believe), it makes little sense to preclude the possibility of a more effective defense being found in the future. Most of the current approaches to these matters would do so.

It might be possible to achieve similar effects simply by sharply reducing offensive forces, without any defense, if it were not for two factors: (a) there are other countries in the world besides the United States and the Soviet Union, and (b) perfect inspection of sharply reduced offensive forces probably cannot be achieved, and defense can provide protection against clandestine weapons.

The most desirable postures providing increased defensive emphasis would be those achievable through negotiations with the Soviets. If such negotiations should fail, other alternatives, though less desirable, are available. I believe a sensible unilateral American strategic program would be governed by the following three rules:

The Budget Rule. We should spend about as much money on strategic offensive and defensive forces combined as the Soviets do, neither greatly more, which might stimulate arms-race effects, nor greatly less, which would leave us in a position of increasing risk.

I shall, for obvious reasons, call this the Brass Rule. In terms of possible strategic nuclear wars, we should be able to do about as badly unto the Soviets as they can do unto us. This makes it unlikely that the Soviets could "dictate" terms to the United States in a crisis. Note that this formulation—in contrast to the McNamara formulation of "assured destruction"—leaves open the possibility of reducing our threat to the Soviets, if their threat to us can be reduced by whatever means.

The Defense Rule. Of the money provided by the Budget Rule, spend as much on defense as is compatible with the Brass Rule. For the foreseeable future, this would require major continued expenditures on offense.

We should not be busily engaged in forging a permanent Sword of Damocles, to hang forever over our heads, by our own design and efforts. It is too likely to fall. We should rather devote our best efforts to escaping from this MAD posture. The alternatives are available.

Mr. BUCKLEY. Mr. President, I also ask unanimous consent to have printed in the RECORD an article published in this morning's New York Times, entitled "Jane's—" referring to Jane's Fighting Ships—"Says U.S. Fleet Declines While Soviet Has a 'Supernavy.' "

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JANE'S SAYS U.S. FLEET DECLINES WHILE SOVIET HAS A "SUPERNAVY"

LONDON.—A British military expert said today that American naval strength is in a serious decline while the Soviet fleet has expanded into a "supernavy" with a greatly increased sphere of influence.

"The situation for the U.S. Navy is serious," Raymond V. B. Blackman, editor of the authoritative Jane's Fighting Ships, said in a foreword to the 1971–72 edition, published today.

"By any standards," Mr. Blackman added, "the Soviet fleet now represents the supernavy of a superpower."

Increasing Soviet naval power, he said, has led to "a somewhat belated but now acute awareness evinced by hitherto quite autonomous navies of the need for international cooperation and mutual security." This has brought greater cooperation in both the Atlantic and Pacific Oceans, he said, but the British withdrawal from the Indian Ocean has left a hole in Western global defenses.

"The prime necessity would appear to be a multinational Standing Naval Force East, comprising warships seconded from each of the countries with military or commercial interests in that oceanic hemisphere from South Africa to Indonesia," Mr. Blackman said.

He wrote:

"So prolific has the Soviet naval shipbuilding effort been that the U.S.S.R. is now able to maintain a standing naval force in the Mediterranean five times stronger than five years ago to counter the American Sixth Fleet.

"Again, five years ago the U.S.S.R. had no warships in the Indian Ocean, but today there are a score of surface ships alone, and there is no telling how many Soviet submarines are in the area."

ROLE OF MISSILE BOATS

Mr. Blackman underlined a relatively new development in "the recognition, not only by major powers but also by smaller countries, of the tactical power and strategic influence of the fast and diminutive warship armed with the optimum payload of guided missiles."

He added: "Ironically it is the new world sea power of the Soviet Union which had engendered the yen for cooperation, and it is the Soviet Navy which has pointed the way to the ascendancy of the missile boat over much larger orthodox warships."

An alarming feature of the last decade, he said, was the rapidly increasing cost of building fighting ships. "Confronted with this escalation problem several of the smaller countries decided that the answer was smaller and cheaper vessels," he wrote.

"The diminutive missile boats with surface-to-surface systems will give smaller navies an offensive power out of all proportion to their modest over-all size."

Norman Polmar, editor of the American section of the 729-page annual, painted a gloomy picture of United States naval development.

Mr. BUCKLEY. Mr. President, the article to which I referred states specifically:

> By any standards, the Soviet fleet now represents the supernavy of a superpower.

Also, I heard on the radio this morning, although it is not in this article, that the same edition of Jane's states that by the mid-1970's, in a surprise strike launched by the Soviet Union, we could have our internal strategic forces eliminated.

This, I submit, is the dimension of the problem which faces this country today—the dimension of the problem with which Congress must cope.

Mr. President, I yield back the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair recognizes the Senator from Nebraska for a period not to exceed 15 minutes.

THE ROLE OF THE B-1 IN STRATEGIC DEFENSE

Mr. CURTIS. Mr. President, it is my considered opinion that the development of the B-1 strategic bomber, without delay, is vital to the security of our Nation. The B-1 is a peacekeeper. It is one leg of our tried system of defenses. It is essential if we are going to maintain ourselves as a first-rate power.

I believe in manned bombers. I believe they constitute a feature of our national defense that gives them special value as peacekeepers. Just as a police force out on the street of any city or a highway patrol going up and down any highway, manned bombers can be used in all parts of the world to keep the peace. They can be called back any time up to the last second that they would go into action. This enables a country to use manned bombers in time of danger or stress and still hold the option of calling them back before any strike is made, and in most instances no strike is necessary.

This is quite a contrast to what we refer to as a nuclear or pushbutton war, carried on with missiles. It is a dreadful thing. Once the button is pressed, we are at war. Not so with manned bombers. They are a weapon which could be used to keep the peace, to prevent wars from happening.

Unfortunately, the B-1's potential enhancement of our defense posture is clouded in an imbroglio of speculative criticism 3 years before this airplane is scheduled to fly.

For some obscure reason, every heavy bomber ever built by the United States has fought its stiffest battle in Congress. For years, Congress was on the verge of shooting down the B-17 Flying Fortress before it proved a key to winning World War II in Europe.

The B-52, which has been a successful deterrent to all-out nuclear conflict for nearly two decades, was almost slashed from the Strategic Air Command's inventory in the early 1950's.

Now the B-1, designed to replace the competent but obsolescent B-52 after 1978, is taking its turn flying through the "flak" of congressional critics, a few journalists, and others who claim military expertise.

Much of the strafing aimed at the B-1 is a rehash of conclusions based on fragmentary or incorrect information. All of this redundant criticism has been refuted, point by point, in facts presented both on the Senate floor and by the program director. Therefore, I will address my remarks to two broad questions:

First, why does America need the B-1?

Second, what is the B-1's current status?

The United States urgently needs a new long-range bomber to replace the 20-year-old B-52, which no longer is capable of penetrating defenses devised against it.

Unnoticed by the public, a dramatic shift in the balance of strategic military power has occurred recently. Humiliated at having to back down in the Cuban missile crisis, the Soviet Union has accelerated its military buildup since 1962. George P. Hunt, a retired Marine Corps lieutenant colonel and former Life editor, wrote in an article which appeared in Life magazine, June 18, 1971:

> In some eight years Russia has caught up and is now going ahead of us in many categories of missile strength. She could today concentrate off Cuba a powerful surface fleet, newer, faster than ours and equipped with weapons we do not have and an underwater fleet outnumbering ours by many times. It will surprise most Americans that today, as opposed to 1962, we are the ones who could find ourselves at a military disadvantage. It will take fast and skillful work to put (our) military back in shape.

Further detailed evidence of the growing threat of Soviet superiority was reported to the President and Secretary of Defense last year and reemphasized in a supplementary report to the President earlier this year by the Blue Ribbon Defense Panel. Appointed by President Nixon, the panel's members, comprising business and professional leaders from all parts of the country, conducted a 1-year study of the U.S. defense establishment.

Reflecting on the shifting balance of power against the United States, the panel concluded:

> If these observable trends continue, the United States will become a second-rate power incapable of assuring the future security and freedom of its people.

The subtitle of George Hunt's Life article states the same conclusion:

> The blunt fact is that we are about to become No. 2.

The current U.S. defense strategy employs a protective "umbrella" of deterrents to discourage aggression. This shield consists of a triad of strategic weapons: First, manned bombers; second, land-based intercontinental ballistic missiles—ICBM's—and third, submarine-launched ballistic missiles—SLMB's.

The manned bomber has a "workhorse" role in this triad. Sixty percent of hard targets—airfields and missile sites—are assigned to strategic bombers. If we eliminate the bomber by failing to replace the B-52's, we will have to increase our missile capabilities drastically.

Too, the bomber affords a wide range of action options. It can deliver either nuclear or conventional payloads. Since it is manned, it can be retrieved and reused, or recalled if an attack is canceled. The bomber can survey targets and assess target damage.

Nuclear missiles have none of these advantages. They offer "hairtrigger" response only—no second choice. Because of their overkill capability, nuclear weapons are not used to put down "brushfire" wars.

The four-engine, swept-wing B-1 will have intercontinental range. It is compatible with existing KC-135 tankers. The B-1 is about the size of a 707 jetliner. Though only two-thirds the size of a B-52, the B-1 will carry 3 times the internal bomb load of a B-52. The B-1's main superiority is its penetration ability. Hugging the terrain at near sonic speed, it can streak to a target under the enemy's radar sweep. Its radar or infrared image is only 1/50th that of the B-52. The B-1's variable-geometry wing in the forward position permits shorter takeoffs and landings than the B-52, giving the B-1 faster reaction and greater dispersal versatility. At high altitude, with the wings swept back, the B-1 can fly at supersonic speed—more than twice the speed of sound—enabling the bomber to skirt or end-run concentrations of enemy interceptor bases. Armed with short range attack missiles—SRAM's—the B-1 will have 360-degree offset capability. It can shoot in any direction, destroying a target several miles away.

The B-52 has been modified over the years to fly low-level missions, but it is an uncomfortable structural and aerodynamic environment for the big eight-engine jet to fly a mission for which it was not originally designed. The strain on the crew is almost intolerable. At top speed, the B–52 is only subsonic. The big bird has done its job well during the 1950's, 1960's and 1970's—but a modern replacement is needed for the 1980's and 1990's.

The next question then is: What is the status of the B–1 program?

North American Rockwell's Los Angeles Division, the prime contractor, is building three flight test B–1's and a fatigue test airframe. General Electric is building the B–1 turbofan engines.

Some of the confusion surrounding the B–1 is over the prime contract, and I believe the record clearly shows that criticism of this program, when viewed in the light of the facts and accomplishments to date, is unfounded. Let me emphasize that North American Rockwell's B–1 contract is a research, development, test and evaluation contract, a so-called R.D.T. & E. contract. It is not a production contract. In keeping with the Department of Defense's new "fly before you buy" concept, a B–1 will be flight-tested at least a year before the Air Force makes a decision on production.

First flight of a B–1 is scheduled for mid-1974.

Richard F. Walker, president of NR's Los Angeles Division and B–1 general manager, assures us that the B–1 is thus far on schedule.

Cost of the B–1 R.D.T. & E. program at North American Rockwell is just over $1 billion—down some $300 million from the original contract after a series of Air Force and contractor studies to reduce the program's cost.

Maj. Gen. Douglas Nelson, B–1 system director for the Air Force, also reports that the program is progressing smoothly, within planned costs, and on schedule.

Mr. President, General Nelson, in an interview with Edgar Ulsamer, senior editor of Air Force magazine, recently gave an extensive account of the performance reviews and cost-cutting techniques used to keep this project on target, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE B–1 STRATEGIC BOMBER

(By Edgar Ulsamer)

When the Air Force awarded engineering development contracts for the B–1 strategic bomber last June, three factors set the pace and direction of the program. (*See "The B–1: USAF's Most Versatile Bomber," April '70 issue of* AIR FORCE *Magazine.*) First was the obvious need to get the test aircraft into the air as soon as possible; second, this had to be done at a minimum of cost; and third, the test aircraft had to be sufficiently developed to be reproducible as a production aircraft.

These requirements, General Stewart told this reporter, led the B–1 Program Director, Maj. Gen. Douglas T. Nelson, to use management techniques "comparable to the Skunk Works approach,'" meaning a very close working relationship between the Air Force and the contractors (North American Rockwell Corp. and General Electric) with maximum flexibility and reduced reporting requirements. [The Skunk Works is the nickname for Lockheed''s high-security facility in California, where the YF–12A and SH–71 were developed in secret.]

General Nelson explained that "between fifty and sixty military and civilian Air Force personnel under Deputy Program Director Col. M. M. Bretting are being assigned on a permanent basis to the contractor's facility in Los Angeles, where they work side by side with North American Rockwell. A smaller contingent is in residence at the GE engine facility in Evendale [Ohio]."

This arrangement provides two major benefits. The Deputy Program Director in residence is empowered to make routine decisions on the spot, which avoids delay. At the same time, the Air Force finds out about problems the minute they surface, without having to wait days for a written report.

General Nelson has introduced other innovative management techniques, after a sweeping review of management procedures in cooperation with the contractors last August. Partly because the SPO staff is in residence at the contractor facility, "the individual reporting requirements were reduced from several hundred to forty, which is saving many millions of dollars. Previously, many functions performed by the contractor were duplicated or reformatted to meet Air Force standards. Layers of personnel accumulated on both sides, and the contractors had to assign large numbers of people merely to satisfy USAF's reporting requirements. What we are doing on this program—with the exception of the DoD's Cost Schedule Control System, which is fully implemented—is to adapt our way of doing business to the methods of the contractor."

B-1 PAYLOAD AND TANKER COMPATIBILITY

Recent criticism of the B-1 program by the Military Spending Committee of the "Members of Congress for Peace Through Law" (*see also "Airpower in the News," p. 14*) raised questions as to the B-1's SRAM payload and the new bomber's compatibility with the KC–135 tanker fleet.

It was insinuated that the Air Force recently acquiesced to a twenty-five percent drop in the number of Short-Range Attack Missiles (SRAMs) to be carried internally aboard the B–1. The facts are that the Air Force, well in advance of the release of the request for proposals in 1969, devoted considerable effort to establish the optimum payload capability of the B–1. Cost-effectiveness studies showed that, within certain limits, the number of offensive weapons and decoys required was relatively constant. This optimum payload configuration has not been changed since the RFPs were released to industry, and no change is now anticipated.

The committee also claims that the B–1 is incompatible with the existing fleet of USAF KC–135 tankers and requires a new tanker fleet. This is not so either.

Adequate basing in the north-central part of the US is available for both the bombers and the tankers, which need not be located at the same fields. The KC–135s, which do not carry nuclear weapons, can be dispersed to civilian fields (a large number of which have adequate runway lengths) during periods of increased tension and alert. The B–1's relatively short-runway takeoffs, as presently specified, provide for a wider choice of dispersal bases, both military and civilian. And the B–1 can still reach a considerable portion of the Soviet target system *unrefueled*, should the tanker for a particular sortie not survive.

Another alternative would be to reduce the full offload available from the KC–135s, to permit them to take off from shorter runways. This would also limit somewhat the B–1's penetration capability, but much less so than complete loss of tanker support.

In addition, the KC–135 can be modified to shorten reaction time and takeoff distances. These modifications could include replacing the present engines with existing airline-type turbofans, as well as simultaneous engine start, using cartridge-starter techniques.

Air Force studies show conclusively that adequate basing facilities are available for both the B–1s and the KC–135s, which meet all criteria of safe escape from the most serious ICBM or SLBM threats.

In a similar vein, the Air Force early this year decided to cut back the number of flight-test aircraft from five to three, and the number of complete ground-test airframes from two to one, and thereby save about $300 million. "This involves an element of risk since loss of one of the three test aircraft would have considerable impact on the program. But on balance, I believe it is a good trade off. With good supervision we can live with the increased risk, and I think we will wind up doing a much more efficient job during the flight-test phase. We plan a combined Air Force contractor flight-test program. Both parties will participate in all activities and receive and benefit from all test data. Previously, flight testing was done first by the contractor and then again by the Air Force, resulting in duplication of more than fifty percent of the effort," General Nelson said.

By changing the flight-test program to a "team effort," the Air Force not only assures "full engagement in all facets of the effort but is saving itself and the contractors a great deal of cost and effort," he explaned. (Universally, ASD program managers view the "disengagement" policy, in effect in the late 1960s, which held contract between the government and the contractors to a minimum, as a prime factor in cost overruns and technical difficulties in recent weapon system procurement programs.)

FRUGAL MANAGEMENT TECHNIQUES

Another innovative means for cutting cost during the B–1's RDT&E phase is the SPO's decision to use civilian airworthiness standards, in place of the more stringent military specifications, where reasonable.

"We are doing this to minimize the government's fiscal commitments prior to a production decision. By eliminating a high percentage of the formal military qualification testing of various systems components, we are running a small calculated risk. If and when a production decision is made, we will have had the advantage of actual flight-test experience instead of merely bench tests and analyses in the qualification testing on some key components. Still, I believe that about sixty percent of the components involved will not have to be requalified to military standards when we go into production," General Nelson said. However, because of their crucial importance, the Air Force is proceeding with standard military testing of the engines.

Another cost-cutting move during the RDT&E phase is the "deferment" of all design and development work on the B–1's ground-support and training equipment until a production decision is reached. A similar tack is being taken with the B–1's avionics. "While we have designed into the airframe provisions for extremely sophisticated defensive and offensive avionics, we will use only off-the-shelf systems for the flight-test program. We will start the first production aircraft with perhaps no more than fifty percent of the full avionics potential. Over the years, we can add to our capabilities. While I don't want to commit myself categorically at this time, I think that the first SAC aircraft will have an offensive avionics system similar to that of the FB–111. On the other hand, it is quite probable that early models will require a new defensive avionics system, as well as a new computer installation to operate both the defensive and the offensive systems," the B–1 Program Director said.

PERFORMANCE CHANGES

In his no-holds-barred review of cost factors, General Nelson initiated a number of performance changes that have helped cut costs without impairing the aircraft's ability to perform its mission. Among them is a reduction of the airframe's titanium content. Titanium is a high-priced difficult-to-machine metal which combines high strength with the ability to resist high temperature. While the B–1's supersonic cruise speed is classified, it is known to be between Mach 2 and Mach 2.5 and, therefore, not subjected to the high temperatures that would require extensive use of titanium. The airframe, therefore, contains no more than twenty percent titanium. Titanium is being used to provide extra strength for components exposed to high aerodynamic loading and in this limited application is considered quite cost-effective.

Following extensive trade-off studies, the initial performance criteria for takeoff performance were relaxed by about 500 feet. The refueling altitude requirement was relaxed slightly and the supersonic penetration range reduced a little. In addition, the size and weight of the aircraft were reduced slightly, compared to the original contract specifications. The aircraft's exact weight is classified, but is slightly above 350,000 pounds.

According to present plans, General Nelson said, the B–1's engineering mockup is to be completed by October of this year, the engine is to be qualified for flight testing late in 1973, and the aircraft is to fly for the first time in the spring of 1974. At about the time of first flight, the government will request production funding from the Congress and begin actual production in Fiscal Year 1975.

The production "buy" the Air Force is expected to propose will involve about 240 aircraft. While no Initial Operating Capability (IOC) has been established, it is likely that the aircraft will begin to enter the SAC inventory by mid-1977.

The program's technical progress so far "has been very good, regarding both airframe and engine. We are already running scaled-down engine components, such as half-scale fans, half-scale turbines, and a full-size prototype compressor. The engine is an afterburning turbofan akin to the TF30 engine of the F–111, but using significantly higher temperatures and pressure ratios. By using new, sophisticated materials, such as the newly developed nickel alloy Rene 120, and advanced cooling techniques, we attain substantial increases in temperatures and, therefore, in efficiency, over the best engines currently in operation. GE was able to come up with a single high-pressure turbine design—in place of the several needed previously. This eases the task of maintaining the aircraft in the field. The engine can be disassembled and reassembled easily and quickly [vital for a bomber which is to be dispersed widely]," according to General Nelson.

General Nelson termed the B–1's mode-stabilizing Softride system a breakthrough of considerable importance. Without it, the high rate of turbulence encountered at altitudes below 400 feet during the B–1's high-speed penetration runs could severely impair both crew and systems performance. North American Rockwell's Softride represents the first application of a new technology, called CCV (control configured vehicle), essentially an adaptation of missile control systems to aircraft. The B–1's Softride system suppresses up-and-down motion of the airframe with the help of a movable horizontal vane placed on each side of the aircraft's nose. These control surfaces are electronically activated by motion sensors in the fuselage.

GETTING OUT IN A HURRY

Within the framework of the US deterrent triad, the strategic bomber's ability to take off rapidly from dispersed fields, before it can be destroyed by sea-launched missiles, is critical. The B–1's ability to "flush on warning" is outstanding. "We expect to be off the ground within no more than four minutes from the time of warning. Allowing for depressed-trajectory SLBMs, this is not good enough if the bomber is based on our coastal areas. It is however, more than adequate, if as planned, we locate the aircraft and their supporting tankers about 300 miles or more inland. With the crews standing by in the cockpit or near the aircraft, and by starting all four engines simultaneously, we can gain additional, significant reductions in reaction time.

"Many detailed analyses and scenarios indicate that we can cope with the threat of depressed-trajectory sea-launched missiles by dispersing the fleet—say, two bombers and two tankers on alert per base—throughout the north-central part of the country. This can be done easily because the B–1 takes off from any runway that can accommodate medium- and long-range commercial aircraft," General Nelson explained.

The B–1 can carry three times the internal payload of the aging B–52, in either nuclear bombs or SRAM missiles. It is designed to fight its way through the heaviest air defense concentrations and to deliver high-yield nuclear bombs with extreme accuracy. At present it is the only weapon system capable of dealing with superhardened targets.

If an enemy has small chance of destroying a significant number of B–1s on the ground and "because there is no technology in sight that can prevent it from penetrating to target, the B–1 represents a pivotal element of our national deterrence in the years ahead," according to General Nelson.

The need for the B–1, reaffirmed by recent high-level defense studies, is not affected by a possible shift of part of the nation's ICBMs to a mobile-basing mode, be that either ground mobile or air mobile. "Whether you launch a ballistic missile from a silo, a submarine, a mobile ground launcher, or an aircraft on the ground or even in the air makes no significant difference to the enemy's ABM system. The basing does not change the penetration mode, and any Soviet breakthrough in ABM technology would jeopardize *all* ballistic missile systems. We tend to underestimate the ABM capabilities of the Soviet Union. For instance, does it make sense that the Tallinn system, involving thousands of interceptor missiles and ostensibly designed to defend against B–52s, would be made accurate to an altitude of 150,000 feet if there were no intent to use its missiles against our ICBMs and SLBMs?

"Our deterrence-capability is only as good as the Soviets think it is. To maintain this credibility, we need an advanced strategic bomber that can provide us with various levels of deterrence. Also, only the bomber compensates for the fact that the Soviets don't expect this country to launch its missiles on warning but rather to absorb a first strike. They also know that we would launch our bomber force on warning, because it can be recalled," General Nelson said.

Mr. CURTIS. Mr. President, I yield the floor.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. STEVENSON). Under the previous order, the distinguished Senator from Tennessee (Mr. BROCK) is now recognized for a period not to exceed 10 minutes.

THE NIXON DOCTRINE—AN AGE OF NEGOTIATION

Mr. BROCK. Mr. President, today, eight Members of this body have risen to express their concern. I hope it is a concern that is shared by most of the people of this country. The situation evidenced by some of the remarks which have been made by the distinguished Senator from Nebraska (Mr. CURTIS), by the distinguised Senator from Pennsylvania (Mr. SCOTT), by the distinguished Senator from New York (Mr. BUCKLEY), by the distinguished Senator from Colorado (Mr. DOMINICK), and others, warrants serious attention.

I should like at this time to place my own remarks in the context of the prospects for a negotiated peace.

Mr. President, President Nixon has established as a basis of his foreign policy the maxim that we are entering an "age of negotiation" rather than confrontation. Unlike reaction policies of the past, the Nixon doctrine is positive and active. It emphasizes vigorous negotiation from a position of strength.

It is designed to prevent wars, not manage crises, as has been the case in the past. Taking the longer view, the President has recognized that we are in a world of different and shifting conditions. Such hopeful signs must be tempered by realistic recognition of human nature and, perhaps, human frailties.

Some people have let their expectations outrace the realities. As a matter of fact, the range of options among which the United States can choose at the negotiating table has narrowed considerably in recent years, especially since the balance of power began changing rapidly in favor of the Soviet Union.

Thus, we have realized a paradox. The more important negotiations become, the fewer our choices and the more powerful must be our hand. The stronger a negotiator is, the better his opportunity for beneficial bargaining.

It is interesting to note that in the past 20 years the strategic policies of the United States and the U.S.S.R. have evolved in opposite directions. In the 1953 to 1960 period, our policy of collective security and massive retaliation coincided with our capability to take a universally recognized strategic position based on strength. At the same time, the Soviet Union, while in the process of developing its nuclear forces and remodeling its armed forces to respond to new requirements, was, on the whole, keeping to a strategy based on a recognized position of weakness.

However, by the end of 1959, the reorganization and the reequipment of the Soviet Armed Forces was virtually completed, and in 1960 the formation of the strategic missile force officially inaugurated the new nuclear strategy of the Soviet Armed Forces.

At about the same time that the Soviet reorganization was completed, the United States, in 1961, shifted from its strategy of massive retaliation and the nuclear umbrella based on superiority to the so-called flexible response of assured destruction.

Significantly, an immediate consequence of this shift in policy was the Cuban crisis in 1962 which found us able to take advantage of our superiority in the missile and naval fields. The outcome of the crisis was not only the ouster of Khrushchev, but also a general step-up of Soviet military efforts, particularly in the fields of naval and missile development. They were not to be embarrassed again.

It is especially noteworthy that the acceleration in the Soviet naval build-up was accomplished precisely at a time when the United States started to reduce the scope and offensive nature of our Armed Forces.

This may seem strange to those who conceived our policies in that period, but it is not so strange to those who now view the situation realistically. Our unilateral reduction in forces did not stop the Soviet drive for more and newer sophisticated long-range weapons; rather, it seems to have spurred the Soviets on to a greater effort coupled with the all-out psychological and political offensive in every part of the globe.

Now the balance of power more and more favors the Soviet Union. In spite of the best efforts of our negotiators, the basic realities of defense continue to exist. Soviet nuclear strategic weapons do not disappear because we sit down at the bargaining table. In fact, they are constantly being extended and improved. We cannot exclude the possibility that these weapons will be used. The possible use of these weapons remains a strategic consideration for the foreseeable future.

We have, then, a whole new concept of weaponry systems, based not only on nuclear power but also on new delivery methods using sophisticated guidance principles. Yet, while the weapons have changed, the superpowers controlling them have not.

Since introduction and deployment of these arms, very little has changed in the political philosophy or in the systems of mutual alliance and defense treaty commitments of the two superpowers.

The theory that the balance of power could be stabilized led some people to believe that it would be in the interest of both sides to create a condition of permanent equality in strategic weapon systems, a condition often called parity. In the interest of parity, it was considered good policy in the McNamara era for the United States to slow down the development and deployment of new systems to let the Soviet Union catch up with us in the "arms race" competition.

We now know what happened to this reasoning. It collapsed when the Soviets were not satisfied with parity, but kept on going, and they have not stopped yet. Four years ago, Russia had 550 ICBM's; today they have over 1,400. Four years ago, the United States had 1,056 ICBM's; today we have 1,056. How can there be a "race" when only one of the contestants is even running?

Thus we see that there is a gap between the expected and actual Soviet response to the behavior of the United States. In point of fact, the Soviets apparently regard our behavior as peculiar and possibly even a bit irrational.

We are still suffering from this McNamara thinking today. It has been argued by some that we should deliberately withhold attaining high accuracy which is technically within our power for our Minuteman missiles. It is argued that such accuracy would be provocative, and lead the Soviets to think that we are seeking a first-strike capability. Baloney.

Mr. President, from the Soviet point of view, it is irrational to go into battle with a blunted sword. I agree. Nothing could be more provocative than a weakened and irresolute United States.

In my opinion, it is far less provocative to have accurate weapons, weapons capable of hitting military targets on the nose, than to say that our weapons are only capable of assuring the destruction of millions of their people. No military strategist worth his salt thinks in terms of killing millions of people, but rather in terms of eliminating the enemy's ability to retaliate.

Plainly, the persistence of the escalating Soviet development of strategic nuclear weapons has not been affected either by the unilateral slowdown by the United States in weapons deployment, or by the general disarmament discussions in Geneva, or the SALT talks in Helsinki or Vienna. In fact, if anything, the rate of Soviet strategic improvement has increased in recent years as a result of these protracted negotiations.

What are the realities, therefore, with which we are presented in the "era of negotiation"? The realities are as follows: The Soviet Union has been enthusiastically extending the range and quality of its negotiative power, a power based simply upon strategic capability.

The Soviets have been attempting to disjoint the Western Alliance, particularly, NATO and during the last administration we saw the loss of a major military partner in that Alliance.

The Soviets have sought to isolate and neutralize the World War II "enemy" States of Japan and West Germany, seeking to minimize their participation in the common defense effort in the Western World.

The Soviets have sought to destabilize the Middle East and establish their own presence in the base of the Mediterranean. An enormously enhanced naval power in this area has brought this objective close to reality.

Finally, the Soviets have been striving for a decisive superiority in both strategic and conventional weapon systems—ground, naval, and Air Force.

Defense Department experts estimate the Soviets are currently spending some 20 percent more each year than the United States on military and space research and development. Analyses indicate they reduce our technological lead by 1 year for every 3 they maintain that comparative tempo.

If this pace keeps up, we can well expect some surprises, and perhaps bitter disappointments, at the negotiating tables.

All of these policies have served to increase the negotiative flexibility of the Soviet Union and to obtain the power for optional pressure in any crisis area of the world.

The responsibilities of the United States, as the only other superpower in the world capable of withstanding Soviet pressure, have one sole measurement. That measurement is not set by the amount of funds we can appropriate for domestic programs at home and abroad. The only measure in a negotiative showdown is the degree of security that the United States can provide for the common defense effort with the other free countries of the world.

We must maintain a credible posture for constructive negotiations. Whether we deal with the Soviet Union, the People's Republic of China, or an uncommitted nation, our basic strength is our ability to back up what we say. A leader is not only one who says "Come on." A leader must be able to back up what he says and have the power to protect himself with the support of his strengthened allies. We cannot deal with the Soviets, or China, if it appears that we have become, in fact, a second-rate power.

Unless the President has demonstrable strategic deterrent weapons at his disposal, the United States can find itself in difficult conditions. In such a case, it might be, not only difficult, but almost impossible to conduct effective negotiations. He would find it pointless to negotiate either in the realm of arms limitations or in the political solution of crisis conditions in various parts of the world. Unless we understand the intimate relationship between negotiations and power, we could well fade from the international scene as a nation which affects the course of human events.

Mr. President, on July 12, Gen. Lewis Walt, the former Assistant Commandant of the U.S. Marines, addressed the National Press Club. His speech, titled "Security of the Nation," which was carried live by the National Public Radio Network, provides an excellent overview of this Nation's defense position.

I ask unanimous consent that the text of General Walt's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SECURITY OF THE NATION

(By Gen. Lewis Walt)

I was here about four years ago, after my immediate return from Vietnam. At that time I spoke primarily on Vietnam and my experiences there. Today I would like to spend a little time on Vietnam, but I would like to spend most of my time allotted on what 1 think is a much more critical area of threat insofar as our country is concerned.

Most of you know, my experience in Vietnam extended as Commander in the I Corps area from May of 1965 until June of 1967. I was Commander of the Allied Forces in the I Corps area. Since that time I have had an opportunity to go back once every six months until November of last year, just before I retired.

Briefly stating, I believe that the Vietnamization program in Vietnam is working. For many reasons. First of all, we've been able to withdraw 307,036 of our troops from Vietnam, and the situation is still stable there. I think this is a very evident fact. I think it's also important to note that we have 182,247 of the Viet Cong come over to our side in the Chieu Hoi program. That is a tremendous number. They are coming back this year at an average of 1950 per month. This means that the guerrilla has degenerated in his will to fight, his ability to fight.

When I was there in November, I talked to a number of the guerrillas who had given themselves up and some who had been captured. They were all in the same state and mind. They were discouraged. They were hungry; they were, some of them, sick. They had lost their spirit. They felt that the Communist forces, the higher-ups, had failed them in giving the support that they needed.

The military forces, I think, are another indication of Vietnamization working. They've got over a million men in the South Vietnamese military forces out there, and the ones that I was familiar with, the First and Second ARVN Division, up in the I Corps area, I visited in November. And I found those divisions to be excellent in all regards. They have taken over—one of the divisions had taken over from my third main division up on the DMZ, where the action is pretty lively. And they have done an outstanding job in that area. They have been able to stop the enemy on several occasions and had a kill ratio of over twelve to one, over him.

I think another area which proves that the Vietnamization is working is the area of schools. When I went out there in 1965, there were approximately 300,000 people in school—grade school and college, all told. Today, after we've helped them to build thousands of schools, in the elementary school level we have 1,896,000; in the secondary school, 632,000; and in the university, which when I was out there in '65 had about 2,000 students, they today have about 50,000 students. This is the total of 2,558,000 students, as compared with the 1965 figure of approximately 300,000. So you see we've come a long ways in that area.

In the refugee area, which I think is very important in a war of that type, at one time, in February, 1969, the refugee figure stood at 1.4 million. Today, there are 245,000.

In the political area, I think this is significant. When I got out there in the I Corps area, there were less than ten percent of the hamlets and villages that had their own elected officials. Today, country-wide in Vietnam, 95 percent of hamlets and villages have their elected officials.

Another factor, I think, is very important if you're—want to consider the effect of the popularity, you might say, of the government in Vietnam today. I think the People Self-Defense Force is a good barometer. After the Tet offensive of 1968, the people in the hamlets and villages went to their government officials and asked for permission to have their own weapons so they could defend themselves in the hamlets and villages against the Guerrilla. There was a great deal of discussion. President Thieu told me that it was discussed for several months before he finally made the decision that the people would have, would be given the weapon—one weapon to every three people, so they could defend themselves.

The arguments against this, of course, was that the people would use these weapons against the government and possibly join up with the Viet Cong and give the weapons to the Viet Cong. That hasn't happened. The people have been loyal to the government. They've been a very influential factor in getting the Chieu Hoi rate back and up to where it is now, and also in preventing the Communist guerrilla attacks on the people themselves. And today there are 4,059,000 people in the Peoples Self-Defense Force of South Vietnam. And I think this is a very, very significant figure.

I think it's significant that the North Vietnamese Army today, after having suffered, together with the Viet Cong, 738,000 casualties, at least, by admission of their own General Giap nearly a year ago. And I think that this certainly has been a great blow to them. If it—you were to apply that same figure, or a percentage to our population, it would mean that we would have lost 8 million men in that war, and you know what a jolt that would be to us.

Well, I think that all of these factors show that the Vietnamization process in Vietnam is working, and I've got confidence it's going to work so long as we maintain the schedule that the President wants to maintain.

Now I'd like to talk about the Soviet threat—the communist threat, world-wide. Let's go back to a little bit of history. Post World War II there immediately seemed to be formed two power blocs, the Communist bloc and the Free World bloc. The Communist bloc immediately started taking over some of the Free World countries; and since World War II they've been able to take over seventeen Free World countries. To stop this aggression, the Free World went to the selective security policy. And we formed treaties, we formed the NATO Treaty, the SEATO Treaty, and the Rio Treaty and about forty others around the world in order to—that the Free World forces might join hands in an effort to stop the aggression of the Communist forces.

And since World War II also we have a different world facing us. We—there has been a great shrinking of the world, due to the advent of the jet aircraft, for example; the nuclear weapons; the missiles; the satellites, which have given us instant communication, world-wide. No longer is the national policy of disarmament, neutrality, or isolationism practical in this world we live in. No longer are these oceans that we live back of, barriers to an enemy attack. No longer can we be disarmed and still fight a war. And the type of war we're going to fight today, we've got to be ready—instantaneously ready to protect ourselves against an enemy attack.

Because of these changes, our national policy in 1950 consisted of what we called "massive retaliation." In 1960, we changed that, till we called it a "flexible response." Today, in the 1970's, we have what we call "a realistic deterrent."

Well, let's talk a little bit about the military threat. First of all, is our deterrent realistic? Is it creditable? And is it reliable? How about in the missile area, the ICBM's. Today, we in the United States have about 1,054 ICBM's. We had about that number in 1965. In 1965, the Soviets had about 250. We haven't been adding to ours, but today the Soviets have some 1500 ICBM's, and of these 1500, 300 of them are the SS–9's, those massive missiles which have a warhead totalling—each warhead totalling some 25 million tons of TNT-equivalent explosive power.

In the seapower area, in the last few years the Soviets have been making tremendous strides in building up their navy. They have today a total of 109 surface ships compared to our 563. It's true that some of their surface ships are small, they're speedboats, so to speak; but they have on them the very effective Kruz missiles that we don't have and we're working on now. The Soviets have the largest submarine fleet the world has ever seen, just short of 400 submarines. We have 142. And of these submarines, they have approximately the same number of nuclear powered submarines as we have. We have between 40 and 50 nuclear powered submarines with the missiles, the long-range missiles on them, such as the Poseidon and Polaris. The Soviets have somewhere between 16 and 20 of those ships, and they're operational and off our coast today and have these missiles. Their plans call for them having over 50 of these in 1975, and by that time we will probably have about the same number; so they're going to equal us in that area.

During this period of time, our navy has gone down 35 percent in the last two years. We've lost 150,000 men in our Navy and 200 ships; and if the cuts that appear imminent this year continue on, we're going to lose some more, so that our Navy is going to be even weaker than it is today.

We talk about this era of deterrent, we talk about a credible deterrent. Let's take a look at our deterrent. We call it our triad; we have deterrent in three areas, the ICBM's, the bombers, and the Polaris or Poseidon submarine.

First, let's take the ICBM's. We have the Minute Man. Now, the Minute Man is vulnerable to the SS–9, of which the Soviets have 300. The only way that we can protect that Minute Man is to have ABM or safeguards around him. We're doing that in two areas, one in Montana and one in North Dakota. Now I notice that in the SALT talks we're going to talk about ABM with the Russians. It's evident to me that they want to stop the dispersing of ABM's here in the United States. Why wouldn't they? They're already ahead in the offensive weapons. Why not—why not talk about the defensive weapons for a while and get us to confine our ABM effort to maybe just the capital of the United States, for example, which would be very advantageous for them because then it would leave our Minute Men totally nude to the effect of their SS–9's.

The second of this triad, the bombers, the B–52's, and hopefully in the future, the B–1's. There are valuable weapons. How is the enemy going to counter them? These bombers count on warning time in order to get off the field. The Soviets are building their missile-launching submarines. When they get them built, they will be able to wipe out these fields or the bombers before they have a chance to get off. So they will nullify our B–52 or B–1 effect off the field. That's the number two deterrent that we have.

The number three deterrent, the one that is really, I think, the only viable deterrent so far as the Rusians are concerned today—that is our missile-launching submarines, the Polaris and the Poseidon-type missiles. Now, these are protected, supposedly, by the expanse and the depth of the ocean. How are the Soviets going to counter them? The Soviets today have the largest submarine building program that the world has ever known. They're building fast-attack submarines at the rate of about four and a half a month. In addition to their missile submarines, that they're building fifteen a year. So when they get enough attack submarines, by 1975 they're going to have enough. They will be able to shadow every one of our Polaris or Poseidon submarines in the ocean. So they have nullified that deterrent.

Then where do we stand? We're wide open.

What is going to be the effect of this? Honestly, ladies and gentlemen, I'm not concerned about a military effect as I am about an economic effect. I think that the Soviet Union plans to use this great power that they have for political and diplomatic purposes. Another area in which they are building up is in their merchant marine fleet. Our merchant marine fleet since World War II has gone from 1900 down to 1100. We're planning on building, I think, 300 new merchant marine ships now, but many of our ships—I'd say over half of our ships—are manned by foreign crews and flying foreign flags. So I'll question whether we control them.

The Soviets are going to build 2000—or have built 2000 ships since World War II in the merchant marine category, and they can according to James Fagenships, build that many more before 1980.

They can underbid us. They can carry our cargo cheaper than we can carry it ourselves, and naturally, they're going to be carrying out a lot of our world shipping. This is vital to us. And I think there's no nation, no great power in the world that depends more on world trade than we do. I am told that seventy—of the 76 vital commodities that we need for industry in this country, 66 of them have to be imported. So you can see what a stranglehold the Communists could have if they could control our world trade. They could have—they could have a stranglehold on our industry in this country.

Now, let's add to that, another threat. The threat of the Middle East. I'm not talking about Israel and Egypt. I think the Russians would be in the Middle East whether the Egyptians and Israelis were having trouble or not. The Russians have a vital interest in the Middle East. They want to control the Suez Canal area. They want to take over the Middle East so that they can control the oil in that area. Forty-two percent of the Free World oil comes from the Middle East—all that is used in Europe, Western Europe, comes from there. Eighty-seven percent of the oil supplied to the Japanese, Japan, comes from there; 67 percent of the oil that we use in Southeast Asia comes from the Middle East. So you can see that that would be another very vital stranglehold that the Communists could have on us, if they could control that oil.

What would happen if they did? It would mean that they would be able to put pressure on Western Europe and Japan—a lot of pressure—unless we were to come through with oil of our own, share our oil supply with those countries. This, I think, might possibly cause a great hardship on this country. I can see where it would even cut down our industry, because we would have to ration the oil. I can see where cutting down the industry could cause further trouble in this country. People out of work, people discontented, more disunity, more demonstrations, more riots. Now, you couple this situation in our country, if it should happen sometime after 1975, with the added subversive element which the Soviets could throw into this country as the result of the training that's being done in Cuba today. And I think you can see that it might be conceivable that this country could be brought to its knees—our country could be brought to its knees through economic warfare, and we would find ourselves without the will to fight, and without the will to resist.

You say, "Well, why don't we do something about all this? Doesn't somebody know these dangers exist in high places?" Yes, they know it. Congress has been briefed. They've had many secret sessions and briefings, secret testimony from the departments of the government, the CIA, the Defense Department. They've had many reports handed them. Here's a report from Mr. Ebert, Chairman of the House Armed Services Committee. This was reported in *Executive Magazine*, 1971, March.

Mr. Ebert says, "Unless we do something about it in the next year or two, Russia is going to have the best navy in the world. We have diluted our effectiveness in the Mediterranean. We have nothing but a paper tiger there, the Sixth Fleet. And with their shortrange missiles, the Russians could destroy us overnight if they elected to do so."

Seven members of the blue-ribbon panel, the President's panel established here over a year ago, have recently made a report to the President, and they say, "In a dramatic shift of power largely unnoticed by the public the quarter century of clear U.S. strategic superiority has ended. If the observable trends continue, the United States will become a second-rate power incapable of assuring the future security and freedom of its people. It is not too much to say that in the '70's, neither the vital interests of the United States nor the lives nor freedom of its citizens will be secure."

Here is an excerpt from the report by the Joint Committee on Atomic Energy. Now, this is a bipartisan committee made up of 10 Democrats and eight Republicans, nine Senators, nine Congressmen, doves, hawks, all categories. Mr. McGovern is on this, Senator Jackson is on this, they all signed it.

It says:

"The United States, unless it moves quickly, to counter a rapidly expanding Russian naval threat faces a future in which it will have to surrender to the Soviets on all issues or risk nuclear annihilation. Any delay may mean no future. Unless prompt measures are taken to build up a nuclear navy the United States will have to give in on all issues. There may be no future. We will soon find ourselves unable to defend our national interests."

So you see, it's not a matter of keeping information away from the leaders of our country. The problem is that the leaders of our country have so much public and political pressure on them from the people in this country on domestic issues because the people are not cognizant of the problems that are facing us externally in the way of the Russian threat. So the—our political leaders are responding to their constituents' pressures and consequently our external threat is being not only ignored but some of us—our Congressmen are even talking about cutting a defense budget that is already totally inadequate for the defense of this country.

Let's take a look at the comparison of the budgets between the Soviet Union and ourselves for just a minute.

Actually the two budgets for the defense of the countries total about the same number of dollars. This constitutes about 7 percent of our gross national product and about 20 percent of the Soviet gross national product.

During the last five years the Vietnam War has cost us about 22 billion a year. It's cost the Soviets about one billion a year to keep that war going.

In the defense dollar today the United States has to use 52 cents of that dollar; after the raise in pay for armed services is passed it'll probably be 60 cents out of every dollar, to pay personnel. The Soviets use 25 cents out of every dollar to pay their personnel.

That means in the United States Defense Department budget that leaves about 40 cents out of every dollar for material and for development. This isn't very much when you consider the Soviets have 75 cents out of every dollar left. And, of course, they get their research and development and material at a much cheaper price than we do.

Adequate understanding and support by the people is vital to the defense of a democracy such as we have. In the United States today a significant segment of our population is not only uncooperative, negative and apathetic, they are irresponsibly hostile toward our defense efforts. Our total experience in negotiation with Communists warn us that utmost caution must be used and proposals must be most critically analyzed for possible consequences and at present not only security of the United States but the future of the free world is at stake.

Are we, as Americans, ready to accept irrevocably the status of a second-rate power with all its terrible consequences? If not, and I think the answer would be no from most Americans, the only national strategy that makes any sense is to insure that we maintain an unquestionable secure superiority in strategic defense capability. A superiority capability which the most reckless aggressor cannot doubt. Such a deterrent would make negotiations meaningful and, I think, fruitful because we would be negotiating from a position of strength and not one of weakness.

For the last 25 years we have had a chance to observe the effects of Communist aggression. As I said earlier, they have taken over 17 free countries since World War II. They have caused constant turmoil in the United States and other free countries during this time. We have had direct confrontations with the Communists in Greece, in Berlin, in the Middle East, in Korea, in Cuba and in Vietnam. All of this when they were relatively weak, strategically. I think it would be senseless and irrational to think that from the power base which they have now that they will be any less hostile and the sixty-four dollar question is: to what extent will they use their blackmail potential?

In conclusion, I believe that the Vietnam War is winding down. I have confidence in the South Vietnamese doing their part because I believe that they have the will to resist or the will to fight which is a very vital factor and I am confident that we are—I am not confident that we in this country have the same will to resist or fight in order to finish out Southeast Asia or to do what we have to do in other parts of the world.

The road to peace has never been through appeasement, unilateral disarmament, isolationism or negotiation from weakness. The entire recorded history of mankind is precisely to the contrary. Among great nations only the strong survive.

Ladies and gentlemen, today we need unity not division. We need leaders and not followers. We need courage and not fear. We need patriotism and not traitor's acts. We need to look to the future and not to the past. We need strength and not weakness in our national defense. We need all these things. And we need God's help if we're going to survive as a free nation.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana is recognized for not to exceed 15 minutes.

(The remarks of Mr. HARTKE when he introduced S. 2365 and the ensuing colloquy are printed later in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with a limitation of 3 minutes to each Senator being recognized.

THE RAILROAD STRIKE

Mr. GRIFFIN. Mr. President, I hope I am wrong, but it now appears that Congress will be urgently asked to intervene once again, on an ad hoc basis, to deal with a paralyzing national railroad strike.

On July 16, the United Transportation Union struck the Union Pacific and the Southern Railway. Two additional railroads were struck last Saturday, and the union has announced an intention to strike another 14 railroads by August 11.

If the strike threats are carried out, this action will affect about 62 percent of all railroad employees in the Nation and approximately 45 percent of national railroad track mileage. But, Mr. President, in the meantime, strikes already in effect are creating what very soon will be a nationwide emergency.

For example, I am advised that some of the steel and automobile companies will be forced to begin shutting down their plants within a matter of days unless something is done.

So, Mr. President, unless an agreement is reached within a few days—and I sincerely hope an agreement can be reached very soon—the plans of the Congress for an August recess next week may have to be scrapped.

Ironically, if Congress is forced to stay in session beyond August 6, when the recess is scheduled to begin, Congress will have no one to blame but itself. We should not need to be reminded that twice since last December, Congress was required to extend railroad strike deadlines. How much more notice does this Congress need before it will begin to move in a serious, meaningful way, to provide needed reforms in the basic labor laws of the Nation so Congress can get out of the business of arbitrating labor disputes?

Legislation which the Nixon administration proposed last year has been pending before the committees of Congress for many, many months. I introduced that legislation on behalf of the administration early in the second session of the last Congress, and I reintroduced it at the beginning of this session.

It is true that one day of hearings was held, but then the legislation was set aside by the committee of the Senate having jurisdiction.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that several recent newspaper editorials be printed as a part of my statement.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Washington Post, July 22, 1971]

Congress and Collective Bargaining

The railroad strike now under way and its threatened expansion ought to make it crystal clear that the time for Congress to completely overhaul the nation's labor laws is long past. A national rail strike—or a national strike in any of the other transportation industries—is intolerable. Yet the experience of the last few years has demonstrated conclusively that there is nothing in the existing labor laws that can produce a satisfactory settlement in such complex situations before a strike, or, for that matter, once a strike begins.

Talking about this in London the other day, Secretary of Labor Hodgson said, quite rightly, that the real question is whether free collective bargaining can survive. Some sembance of collective bargaining was maintained in the rail industry as long as there was fear on both sides of the table of what kind of settlement Congress might impose if no agreement was reached and a state of national emergency occurred. But that fear has diminished with each congressional intervention and now seems to have disappeared since Congress has never done more than merely put off to another year the really tough questions in these negotiations.

We think that Congress should realize that it has only two options left in dealing with labor problems that can lead to strikes which are unacceptable because of the harm they would do to the national economy. One is to set itself up with the tools necessary to become a fair and final arbitrator. The other is to invent some new mechanisms which can breathe life into collective bargaining in industries, like the railroads, where it is almost dead.

The administration's proposals, which have been before Congress for more than a year, strike us more likely to achieve that latter purpose than anything else now in sight. The most interesting and perhaps the most useful of these is the "final offer selection" option which the President could invoke in transportation emergency situations. Under this proposal, the President would appoint a board which would decide, after hearings, which final offer submitted by management or labor would comprise the contract. The effect of this would be to force management and labor closer together—perhaps close enough to reach agreement themselves—by posing the threat that one side or the other would lose everything because its final offer was unreasonable.

Such a device would only provide a way out of the current railroad mess but might have provided a way through which the problems would have been settled across the negotiating table. It seems unlikely that the unions would have been so intransigent on the work rules issues if they had feared that their failure to move on these questions might have led to a contract written precisely as the railroads want it.

The failure of Congress to act on this legislation or on some other alternative is inexcusable. The collapse of collective bargaining as we know it in the railroad industry has been obvious for a long time. If the present strike accomplishes nothing else, it serves to remind the public that Congress is as much to blame for it as the railroads or the unions by its refusal to provide some new mechanism through which these labor disputes can be resolved.

[From the Evening Star, July 28, 1971]

Repeat Performance

For the third time since December, the nation is faced with a railroad labor crisis that may require a special federal law to avoid disastrous economic consequences. The problem, given the ample opportunity for a lasting congressional solution, need not have recurred.

The current selective strikes by the United Transportation Union (UTU) have shut down four railroads, but they are big ones whose loss has severe effects on broad regions of the country. Six more railroads are scheduled to be struck Friday, and five more on August 6. If there is any question about the impasse having reached the proportions of a national emergency, that doubt soon will be dissipated.

Congress is in its second year of inaction on a reasonable administration proposal for avoiding labor stoppages in the transportation field, where such interruptions are deemed to affect the national welfare. The legislative lapse is inexcusable, as the repeated railway crises prove. Where strikes are prohibitively costly to the country's economy, there must be some legal mechanism for settling disputes, in a fair way, without recourse to the ultimate weapons of labor-management warfare. The administration plan would give the President alternative ways of requiring settlements rather than permitting strikes or lockouts.

The present deadlock, in which once-promising negotiations have been broken off, is doubly unfortunate in that the national economy needs every assistance to get back on the track of healthy growth and diminishing unemployment. A strike that prevents agricultural and mining products from reaching markets, and causes layoffs in industries dependent on rail shipments of materials, works against the economic interests of all Americans.

A particular disappointment is the failure of the settlement between the UTU and the Chicago and North Western Railway to hasten agreements with the rest of the railroads. The wage question long has been out of the way (with rail workers getting a handsome 42 percent in increases over 42 months), but the separate agreement also included compensating benefits for the railroad on costly work rules. Wasteful featherbedding has contributed to the financial ill health of many railroads, and progress in this area is important in the broader negotiations.

A sudden burst of congressional energy in the labor field would be reassuring as the nation faces the possibility of a paralyzing steel strike after this week. The administration's transportation measure could not be looked to for assistance in the steel situation, but consideration of the matter might turn legislative minds toward a more comprehensive overhaul of the labor laws. The basic need is a system for last-resort adjudication of all labor disputes affecting the national interests, possibly through labor courts or federally required, binding arbitration.

Before the troubled economy suffers grievous damage, Congress should look to its responsibilities in the long-neglected category of substantive labor legislation.

[From the Grand Rapids Press, June 1, 1971]

Congress and the Railroad

To preserve our cherished illusions that we maintain a free enterprise system, we have never been willing to nationalize the railroads. But we haven't been willing to let them alone either on the not unreasonable premise that the way they run or don't run affects not only the railroads' stockholders but the economic health of every American.

Governmental tinkering with the operations of the railroads—as necessary as that may have been at times—is most evident in that most fundamental process to free enterprise, the collective bargaining procedure. It has been collective all right, but not between management and union, but among union, management, presidential fact finders and, above all, Congress.

Congress has interfered so often and so long that the unions and managements can no longer reach an agreement themselves. We go from one strike threat, one walkout, one crisis to another. Only emergency legislation, with wage settlements imposed by Congress, keep the trains running, year after year. Each time we maintain the fiction that the legislation is short-lived. Each time it has a deadline—this time it's Oct. 1—after which the unions are free to strike again at which time we can repeat the dreary process again.

The Railway Labor Act of 1926 is now 45 years old. Even the most dense congressman has concluded by now that it won't work, yet neither chamber is disposed to get down to business and find a system that might work.

Why not? Because the specter of compulsory arbitration which faces intractable opposition from labor and much of the business community, hovers in the background of any workable settlement.

President Nixon's proposals for permanent legislation dealing with strikes in essential transportation industries are more than a year old. Neither the House nor the Senate has even held hearings yet.

The President issued an emphatic call for action when he signed the latest round of emergency legislation. The public will have to make an equally emphatic call to make Congress listen.

Mr. HANSEN. Mr. President, I would like to join with my distinguished colleague from the State of Michigan in calling the attention of this body to the urgency of considering very quickly the legislation which has been proposed by this administration and which so far has not received the consideration that I think must be given it.

In my State of Wyoming we have a small grain harvest in full swing. I have had calls from elevator operators who say that they have sales made and that they hoped to be able to deliver grain in compliance therewith for the last 2 or 3 weeks. They cannot get cars. They cannot move a single bit of grain. The harvest cannot be stopped. They are actually piling up on the ground now, with no cover at all, wheat that is being harvested in the State of Wyoming. This is going to result in losses to the farmers. It certainly has resulted in losses to the elevator operators. And it will result in unemployment.

With respect to steel, the only canning operation in the State of Wyoming gets its plate from Omaha, which is normally brought in by rail. There have been no deliveries. The canning plant will have to be shut down. They will not be able to harvest and can seasonable vegetables which now would be in the process of being canned. That is resulting in unemployment. It could very possibly result in the only canning factory in the State of Wyoming going out of business, simply because this Congress has failed to make the tough decision which should have been made a long time ago. Instead of trying to resolve this problem on the basis of temporizing, as we will now likely be forced to do, we should have been considering the legislation which my distinguished colleague from Michigan has proposed, and get on with the job, so that we will not be faced with this same type of emergency stopgap legislation.

Mr. MANSFIELD. Mr. President, I have been interested listening to my two distinguished colleagues place the blame for what is happening at the present time in the lap of Congress, and specifically in the Committee on Labor and Public Welfare. To the best of my knowledge, the only voice which has been raised until today about hearings on this legislation has been that of the acting minority leader, the distinguished Senator from Michigan (Mr. GRIFFIN).

I recall that the last time we had railroad legislation before us, he extracted a promise from the chairman of that committee that hearings would be held. On the basis of what he said this morning, evidently only one hearing has been held.

May I ask the distinguished acting minority leader if the Republican members of that committee have either singly or collectively made any move to hold further hearings on the legislation which was proposed by the administration and introduced by the Senator from Michigan.

Mr. GRIFFIN. If the distinguished majority leader would yield, let me say that, particularly in view of the fact that the chairman of the committee is not on the floor, I have not and I do not intend to lay the blame primarily upon him or on the members of that committee.

I suppose my answer to the question for the moment should be that I really do not know. But regardless of what has been the action or inaction of any particular member of that committee, I believe that the Senate as a whole and Congress as a whole are responsible, and to the extent that I am a Member of this body, I accept a portion of that responsibility.

The fact is that this Nation can no longer tolerate a nationwide railroad strike in peacetime or in wartime. We have known that for a long time. We have had the truth of that pointed out to us time and time again, when we have had to deal on an ad hoc basis.

Permanent reform legislation is needed. It seems to me that the Senate as a whole has a responsibility to insist that we face up to the problem, and try to do something about it.

I do not, at this time at least, point the finger of blame at the chairman of the committee or at members of that committee.

Mr. MANSFIELD. Mr. President, I grow somewhat disturbed when Members of this body try to place the blame for what is happening in the country on the shoulders of the Senate collectively, or a committee specifically. I would say that the administration has a good deal to answer for. It is not only the rail strike, the copper strike, and the other strikes which should be considered, but also in relation thereto the broad brush economic picture. We have, by the administration's admission, a $23.5 billion deficit in the year just ended—the second highest deficit which this Republic has ever had to undergo, the highest having been in 1968, under a Democratic President, Mr. Johnson, when the deficit was around $26 or $28 billion.

I would point out also that on the basis of a statement made by Secretary of Commerce Stans yesterday, this country, for the first time since 1893—for the first time in almost 80 years—faces a deficit in its foreign trade.

I would point out also that this Congress has given to President Nixon twice the authority to use standby wage, price, and rent controls, and he has refused to put them into operation.

I would point out further that he has done little in the way of jawboning. Oh, yes, a month or so ago he called in steel management and steel labor, and in effect waved a feather in front of them. He urged them to work out the most reasonable agreement they could, and I think because of that statement, we find a copper strike taking place and in operation, at least as far as Montana is concerned, at the present time.

So I would hope that we would not try to throw responsibility just at the Senate or at Congress alone, or just at the administration alone, because we all have a share in the responsibility, and none of us have acted with too much credit to ourselves.

I think it is about time that the President, as I suggested earlier today, try to work together in tandem, in cooperation with Congress, so that the broad economic picture—not just the strikes, but inflation, unemployment, trade deficits, all these things—can be considered together. It was my suggestion that the President call down the chairman and the ranking Republican member of the Labor and Banking Committees of both Houses, to see if together something could not be worked out to face up to this multiplicity of problems which we refer collectiviely as economic.

As far as the Committee on Labor and Public Welfare is concerned, to the best of my knowledge it has not been taking a vacation this year, because it has been meeting almost every day, at least every day the Senate has been in session. I would hope that instead of the acting minority leader's being the only voice raised for legislation to be considered as advocated by the President, his colleagues on that committee would join him in bringing about some action.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. CURTIS. Mr. President, one of the first railroads to be struck was the Union Pacific. Not only are its headquarters in Omaha, but it serves a great section of Nebraska.

Early last week, I took to the floor and called upon Congress and the President to take some action to halt that strike.

Later last week, I addressed a telegram to the Honorable HARRISON A. WILLIAMS, chairman of the Senate Committee on Labor and Public Welfare, calling attention to the great injustice arising from that strike, pledging that I was ready to vote for whatever legislation was necessary to bring it to an end, and urging that something be done.

I sent a similar telegram to the Honorable HARLEY O. STAGGERS, chairman of the House Committee on Interstate and Foreign Commerce, as well as to the Senator from New York (Mr. JAVITS), the ranking member of the Senate committee, and the Honorable WILLIAM L. SPRINGER, the ranking minority member of the House committee.

I also sent the same wire to the President of the United States, and to the Secretary of Transportation, Mr. Volpe.

Yesterday, not having heard from any of them but one—and that was the President—I sent a second wire, as found on page 27595 of the RECORD, wherein I again urged that action be taken to halt the railroad strike and prevent it from spreading.

I feel that it is necessary for all branches of the Government to act, and act today—not tomorrow, but today. We have handled matters of this kind in one day before; we should do it now.

Mr. HUGHES and Mr. HANSEN addressed the chair.

The PRESIDING OFFICER. The time for morning business has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time for morning business be extended for not to exceed 6 minutes, so that the distinguished Senators can both be recognized for 3 minutes under the usual time limitations.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair recognizes the Senator from Iowa.

Mr. HUGHES. Mr. President, I intend to speak on another matter, so if the Senator from Wyoming wishes to speak on this same subject, I yield to him.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming.

Mr. HANSEN. I thank my distinguished colleague.

Mr. President, let me hasten to assure my very good friend, the Senator from Montana, for whom I have the greatest admiration, that I did not mean to imply any partisan criticism at all by what I said about where the blame is. There are many things that are wrong about this country. I think here is an example of one thing that does need correction.

With respect to inflation, much could be said. I saw some figures yesterday which showed that if any of us are laboring under the illusion that we can stop inflation by putting the hand or the finger on one operation in this country, the facts should disabuse us of that conviction, because, as a matter of fact, the latest consumer price index discloses that the biggest price increase percentagewise in recent months occurred—where would you guess? In carrots.

How are you going to go about changing the price of carrots? Other facts from the Consumer Price Index indicate that some other items in the grocery store are where the price rises have been greatest. So the answer is not as simple as we might think it is, simply saying that what we should do is get tougher jawboning by the President here and there.

I do know, though, that we cannot be oblivious, and I know my distinguished friend and colleague from Montana shares my concern for the plight of the grain growers in his State and my State who are unable to move their grain to get it marketed, as they have heretofore been able to do.

I think Congress has learned by sad experience that some changes are needed. I am willing to accept my full share of the responsibility. I hope that this legislation, which now seems to me to be so long overdue, can be considered forthwith, and that such steps as Congress in its judgment feels are indicated will be taken, in order to avoid a repetition of the situation now facing the country.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

ALCOHOLISM TREATMENT AND CONTROL

Mr. HUGHES. Mr. President, knowing the proven concern of the Senate about the imperative need for a stepped-up national effort to control the growing problem of alcoholism in our country, I would like to call the attention of my colleagues to a landmark contribution by a private citizen to the cause of alcoholism treatment and control.

On Tuesday of this week, a gift of approximately $10,000,000 to Roosevelt Hospital, New York City, for the treatment and rehabilitation of alcoholics and the training of professional personnel was announced by H. Whitfield Carhart, president of the hospital.

The personal gift was made by R. Brinkley Smithers, New York civic leader and philanthropist, who, for years, has been one of the Nation's foremost leaders in the uphill campaign to control this deadly, costly, and highly treatable human illness.

Mr. Smithers' gift is the largest single grant ever made in the field of alcoholism by any individual or agency including the Federal Government.

Mr. Smithers is an authority on alcoholism who has devoted himself to charitable causes since 1952.

Throughout these years, he has given with unmatched generosity not only of his private fortune, but of his time, his energy, and his devotion to alleviate what he so clearly understands to be one of the Nation's ranking health problems.

Through the Christopher D. Smithers Foundation, headed by Mr. Smithers and named for his father, a founder of IBM Corp., millions of dollars have been contributed to alcoholism treatment agencies, year after year.

It is my impression that Mr. Smithers, who understands this major health problem as well as any individual in the United States, sees the opportunity to provide a template for the entire Nation of what can be done for the recovery from alcoholism by an adequately funded and properly directed and staffed facility. For this, the entire Nation can be grateful.

In my opinion, the two most dramatic breakthroughs in history in our national effort to control alcoholism in the United States have taken place in the past year. One was this unprecedented endowment of Roosevelt Hospital and the other was the enactment, late in the last session, of the Comprehensive Alcoholism Control Act. I am sure that the Members of the Senate and the House who enacted this law, virtually without opposition, will be interested in Mr. Brinkley's historic private contribution to this compelling common cause.

I ask unanimous consent that the article reporting this bequest in the New York Times of July 27, 1971, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Ten Million Dollars Given To Aid Alcoholics—Wall Street Banker Donates Fund to Roosevelt Hospital

(By Edward C. Burks)

Roosevelt Hospital has received a gift of $10-million for the treatment and rehabilitation of alcoholics, H. Whitfield Carhart, the president of the West Side institution, announced yesterday.

The gift was made by R. Brinkley Smithers, a special partner in a Wall Street investment banking house and a philanthropist who for years has been especially interested in combating alcoholism.

The hospital described Mr. Smithers's gift as the largest single grant ever made by any individual or agency, including the Federal Government, to fight alcoholism.

The money is to be used to establish the Smithers Alcoholism Treatment and Training Center as an "integral part" of the hospital, providing detoxification, rehabilitation and professional training.

In a statement accompanying the announcement of the gift, Mr. Smithers said alcoholism ranked among the nation's major health problems, along with cancer and heart disease.

"In spite of the staggering toll taken by this disease in terms of human lives and resources, relatively little is being done to combat it because of public and professional misunderstanding," he said.

Earlier this year the New York Council on Alcoholism reported that "alcoholism is four times as widespread as other forms of addiction and results in six times as many deaths."

The council's report said a large number of alcoholics also used other addictive drugs. It cited a special survey showing that 60 per cent of the alcoholics tested were also using bariturates and amphetamines and that 85 per cent were using heroin and opium.

MORTALITY RATE CITED

Underscoring the seriousness of alcoholism as a major health problem here, the Health Services Administration has reported a steady rise in the mortality rate from cirrhosis of the liver—from less than 1,500 in 1949 to more than 3,400 in 1969.

Mr. Smithers, who is 63 years old and a son of one of the founders of the International Business Machines Corporation, is also president of the Christopher D. Smithers Foundation, named for his father. In the last 15 years the foundation has made grants totaling $5-million to treat alcoholism.

Since 1968, when Roosevelt Hospital started an alcoholism service described as the only such program in a private nonprofit hospital in Manhattan, Mr. Smithers has been giving $60,000 a year to the inpatient and outpatient programs of that service.

VAST EXPANSION SEEN

Dr. LeClair Bissell, an internist and an attending physician at the hospital with dual appointments in medicine and psychiatry has been coordinator of that service.

A hospital spokesman said that Dr. Bissell could be expected to coordinate the vastly expanded program that will be made possible by the new gift from Mr. Smithers.

There were no details announced yesterday on exactly how the money would be spent, although a spokesman said additional facilities through lease, purchase or construction would be necessary.

Mr. Smithers said the success of the existing alcoholism program at Roosevelt "prompted him to make the $10-million grant. He noted that more than 100 patients were admitted to the hospital and about 325 outpatients were treated last year, but, he added, "What impresses me most, "is that an additional 4,000 patients who were admitted for other reasons were found to have alcoholism."

Mr. Smithers, a resident of Locust Valley, L.I., was actively connected with I.B.M. and Wall Street Investment houses prior to 1952, when he decided to devote his time to charity while remaining as a special partner in the family's brokerage firm, F. S. Smithers and Company.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Allen) laid before the Senate the following letters, which were referred as indicated:

Interim Report Relating to U.S. Metric Study

A letter from the Secretary of Commerce, transmitting, pursuant to law, an interim report relating to the U.S. Metric Study (with an accompanying report); to the Committee on Commerce.

Interim Report on U.S. Metric Study, Entitled "Commercial Weights and Measures"

A letter from the Secretary of Commerce, transmitting, pursuant to law, an interim report stemming from the U.S. Metric Study, entitled "Commercial Weights and Measures" (with an accompanying report); to the Committee on Commerce.

Report of the U.S. Metric Study

A letter from the Secretary of Commerce transmitting the report of the U.S. Metric Study conducted by the National Bureau of Standards (with accompanying report); to the Committee on Commerce.

Report of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Ineffective Controls Over Program Requirements Relating to Medically Needy Persons Covered by Medicaid, Social and Rehabilitation Service, Department of Health, Education, and Welfare, dated July 28, 1971 (with an accompanying report); to the Committee on Government Operations.

Report of the Commissioner of Immigration and Naturalization

A letter from the Commissioner of Immigration and Naturalization reporting, pursuant to law, on the number of applicants for conditional entry under Section 203(a)(7) of the Immigration and Nationality Act; to the Committee on the Judiciary.

Report of the Secretary of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare submitting, pursuant to law, a report identifying the major issues associated with licensure, certification, and accreditation for practice or employment of health personnel (with accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. GRAVEL):

Resolutions from the United American Mechanics relating to domestic and foreign affairs; to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of West Virginia for Mr. MAGNUSON, from the Committee on Appropriations, with amendments:

H.R. 10061. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes (Rept. No. 92–316).

By Mr. HANSEN, from the Committee on Interior and Insular Affairs, without amendment:

S. 123. A bill to authorize the Secretary of the Interior to modify the operation of the Kortes unit, Missouri River Basin project, Wyoming, for fishery conservation (Rept. No. 93–317).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 24. A bill to provide that the cost of certain investigations by the Bureau of Reclamation shall be nonreimbursable (Rept. No. 92–315).

By Mr. MOSS, from the Committee on Interior and Insular Affairs, with amendments:

S. 1026. A bill to amend the Small Reclamation Projects Act of 1956, as amended (Rept. No. 92–314).

By Mr. SPARKMAN, from the Committee on Foreign Relations, with an amendment:

S. 2260. A bill to amend further the Peace Corps Act (75 Stat. 612), as amended, together with minority views (Rept. No. 92–318).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TALMADGE:

S. 2363. A bill to amend the Internal Revenue Code of 1954 to clarify the taxpayer's right to rebut the statuory presumption of income tax avoidance with respect to shareholders. Referred to the Committee on Finance.

By Mr. BELLMON:

S. 2364. A bill creating an additional Federal district judgeship for the western district of Oklahoma. Referred to the Committee on the Judiciary.

By Mr. HARTKE (for himself, Mr. SCOTT, Mr. ALLEN, Mr. ALLOTT, Mr. BAKER, Mr. BAYH, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BYRD of West Virginia, Mr. CANNON, Mr. COOK, Mr. CURTIS, Mr. DOMINICK, Mr. EASTLAND, Mr. ERVIN, Mr. FANNIN, Mr. GURNEY, Mr. HANSEN, Mr. HOLLINGS, Mr. HRUSKA, Mr. JORDAN of North Carolina, Mr. MCINTYRE, Mr. METCALF, Mr. MONTOYA, Mr. MOSS, Mr. PASTORE, Mr. PROUTY, Mr. RANDOLPH, Mr. SAXBE, Mr. SCHWEIKER, Mr. SPARKMAN, Mr. TAFT, Mr. THURMOND, Mr. TOWER, and Mr. YOUNG):

S. 2365. A bill to provide for orderly trade in iron and steel products. Referred to the Committee on Finance.

By Mr. MONDALE:

S. 2366. A bill for the relief of Maria Augulo Acevas. Referred to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 2367. A bill for the relief of Mary James Kates, owner of the Gladewater Daily Mirror. Referred to the Committee on the Judiciary.

By Mr. FANNIN (for himself, Mr. BENNETT, Mr. CURTIS, and Mr. GOLDWATER):

S. 2368. A bill to amend the National Labor Relations Act so as to prohibit the levying by labor organizations of fines against employees for exercising rights under such act or for certain other activities. Referred to the Committee on Labor and Public Welfare.

By Mr. FANNIN (for himself, Mr. BENNETT, Mr. GOLDWATER, and Mr. ERVIN):

S. 2369. A bill to amend the national emergency provisions of the Labor-Management Relations Act, 1947, so as to provide for dissolution of injunctions thereunder only upon settlement of disputes. Referred to the Committee on Labor and Public Welfare.

By Mr. FANNIN (for himself, Mr. BENNETT, Mr. CURTIS, Mr. ERVIN, and Mr. GOLDWATER):

S. 2370. A bill to amend the National Labor Relations Act so as to require a Board-conducted election in representation cases. Referred to the Committee on Labor and Public Welfare.

By Mr. EAGLETON:

S. 2371. A bill for the relief of Anthony and Annie Groumoutis. Referred to the Committee on the Judiciary.

By Mr. McGOVERN:

S. 2372. A bill enttled "The Adequate Income Act of 1971." Referred to the Committee on Finance.

By Mr. HRUSKA (for himself, Mr. TUNNEY, Mr. ALLOTT, Mr. BAKER, Mr. BEALL, Mr. BENNETT, Mr. BROCK, Mr. COOK, Mr. CRANSTON, Mr. DOLE, Mr. DOMINICK, Mr. EASTLAND, Mr. FANNIN, Mr. GRAVEL, Mr. KENNEDY, Mr. METCALF, Mr. MOSS, Mr. RIBICOFF, Mr. SAXBE, Mr. SCOTT, Mr. TAFT, Mr. TALMADGE, Mr. THURMOND, and Mr. COOPER):

S. 2373. A bill to authorize the merger of two or more professional basketball leagues, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. TUNNEY (for himself and Mr. CRANSTON):

S. 2374. A bill to establish a national program to control air and water pollution and to aid in the preservation of the environmental quality of the Lake Tahoe area. Referred to the Committee on Public Works.

By Mr. GRAVEL:

S. 2375. A bill for the relief of Giovanni Vitarelli; and

S. 2376. A bill for the relief of Lina L. Padilla. Referred to the Committee on the Judiciary.

By Mr. BIBLE (for Mr. JACKSON and Mr. ALLOTT) (by request):

S. 2377. A bill to amend the Act of March 3, 1909, as amended. Referred to the Committee on Interior and Insular Affairs.

By Mr. GRIFFIN:

S. 2378. An original bill to confer U.S. citizenship posthumously upon Abdul Muhsin Gallozi. Considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TALMADGE:

S. 2363. A bill to amend the Internal Revenue Code of 1954 to clarify the taxpayer's right to rebut the statutory presumption of income tax avoidance with respect to shareholders. Referred to the Committee on Finance.

Mr. TALMADGE. Mr. President, today I am introducing legislation on the subject of the application of the accumulated earnings tax to closely held corporations in this country. This penalty tax is imposed on a corporation which accumulates earnings with the purpose of saving its shareholders the personal income tax which they would pay on distribution of such earnings as dividends. The fact that earnings are accumulated beyond the reasonable needs of the business is treated as establishing the tax avoidance purpose unless the taxpayer can prove to the contrary. The corporations concerned are primarily small business corporations who are in competition with large publicly held corporations which are not affected by this tax.

For years smaller and medium corporations, in particular, lacking ready access to the capital markets and urgently needing funds to finance plant expansion, retire outstanding obligations, purchase additional inventories, or to undertake other projects in competition with large public corporations, were impelled by the fear of penalty taxes to pay out more of their earnings in dividends than sound business judgment would dictate. In recognition of these problems the Congress, in enacting the Internal Revenue Code of 1954, made various changes to limit the scope and impact of the accumulated earnings tax. The principal changes made in 1954 were: to make the penalty tax applicable to only that portion of the accumulated earnings which were in excess of the reasonable needs of the business; to allow the taxpayer in certain instances to shift to the Commissioner the burden of proving earnings and profits were accumulated beyond the reasonable needs of the business; to provide that reasonable needs of the business includes reasonably anticipated needs, and finally, to reduce the required proof of a nontax avoidance purpose in cases where the accumulation is beyond the reasonable needs of the business. In such a case the penalty tax does not apply if the taxpayer can prove by a preponderance of the evidence rather than by a clear preponderance of the evidence that the accumulation was not for a tax avoidance purpose.

I am concerned with the failure of the Internal Revenue Service and the courts to give proper weight to the Congress' intention that the taxpayer may avoid the penalty tax by showing that tax avoidance was not the purpose of an accumulation of earnings.

Although in theory, a taxpayer has a chance to show, by a preponderance of evidence, that the accumulations were for other than tax avoidance purposes, in reality, there is little if any such chance. Various decisions of our courts have indicated that to find an unreasonable accumulation, it is not necessary to show that tax avoidance was the dominant purpose but only that it was one of the purposes. Since the shareholders-officers in a closely held corporation are usually advised of the tax consequences of various management alternatives, it is only commonsense that they will almost always be advised that one of the consequences of accumulation of corporate earnings is that they will not pay any immediate personal tax on such accumulation. The courts and juries, under instructions of the judge, have generally been willing to find the forbidden purpose whenever the Government has shown this knowledge, irrespective of any available contrary evidence of other nontax motives for the accumulation. What results is a fear on the part of the corporate taxpayer to accumulate at all, coupled with uncertainty as to what if any of such accumulation will be deemed reasonable.

While there are numerous cases litigated on this issue, the vast majority of such problems never reach the courts. The majority of cases are settled on the local level first, with the taxpayer-corporation agreeing to pay some accumulated earnings tax, although less than the accumulated earnings tax being asserted by the Revenue Service. Failure to settle runs the risk of an expensive and drawn-out court battle. This uncertainty on the part of the taxpayer has been the deciding factor for some corporations not to retain earnings and profits for what they consider worthwhile business needs. Investments by taxpayer in the stock of other companies has been many times avoided, even though such investments might have provided the necessary goodwill on the part of the latter company to insure such things as a constant supply of necessary raw materials, a ready market for the taxpayer's products, access to much needed future loans, amicable rate or price negotiations and various other services. Attempts by the taxpayer to take its place next to Government in aiding the awakening of undeveloped regions have been in some cases curtailed. And, certain taxpayers in industries which require larger accumulation of earnings, that is, small privately owned companies which are Government regulated, are finding themselves hard pressed to justify accumulations under this vague and uncertain burden. The situation is clearly one which needs clarification.

The amendment to the Internal Revenue Code which I am offering would clarify Congress' intention that the taxpayer-corporation has a last clear chance to avoid the tax by proving that although the accumulations were beyond the reasonable needs of the business, such accumulations were not made for purposes of avoidance of tax by the shareholders. No longer would it be sufficient for the Government merely to show that the stockholders of the corporation were aware of the tax benefits they would gain from said accumulations. Under my amendment to the Internal Revenue Code a corporation would be permitted to prove that an accumulation was not for a tax avoidance purpose by establishing that "it would have permitted such earnings to accumulate without regard to the tax benefits resulting to its shareholders." In such a case the accumulated earnings tax would not apply. If on the other hand, the evidence as a whole shows that "but for" the tax benefit resulting to the shareholders, the accumulation would not have been allowed, the corporation would properly be liable for the penalty tax.

This test is based on sound judicial thinking for it requires a viewing of all the evidence presented and not merely the absence or presence of knowledge on the part of the stockholders of the tax benefits to them of accumulating earnings—the kind of knowledge that every officer-shareholder should be expected to have. My amendment to the Code is intended to bring clarity to the area while maintaining the intent and purpose of the tax on improperly accumulated earnings. I hope to have an opportunity to offer this amendment to the Code when the Finance Committee takes up tax legislation later in this Congress.

By Mr. HARTKE (for himself, Mr. SCOTT, Mr. ALLEN, Mr. ALLOTT, Mr. BAKER, Mr. BAYH, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BYRD of West Virginia, Mr. CANNON, Mr. COOK, Mr. CURTIS, Mr. DOMINICK, Mr. EASTLAND, Mr. ERVIN, Mr. FANNIN, Mr. GURNEY, Mr. HANSEN, Mr. HOLLINGS, Mr. HRUSKA, Mr. JORDAN of North Carolina, Mr. MCINTYRE, Mr. METCALF, Mr. MONTOYA, Mr. MOSS, Mr. PASTORE, Mr. PROUTY, Mr. RANDOLPH, Mr. SAXBE, Mr. SCHWEIKER, Mr. SPARKMAN, Mr. TAFT, Mr. THURMOND, Mr. TOWER, and Mr. YOUNG):

S. 2365. A bill to provide for orderly trade in iron and steel products. Referred to the Committee on Finance.

STEEL TRADE ACT OF 1971

Mr. HARTKE. Mr. President, today I introduce legislation on behalf of myself and the distinguished Senator from Pennsylvania (Mr. SCOTT) and 35 of our colleagues to establish quotas for steel products imported into the United States. I do this out of my firm conviction that the steel import problem has not been solved by the program of voluntary restraint undertaken by Japanese and West European producers at the outset of 1969 and now in the final months of its 3-year life; and that this problem continues to be one of major concern, affecting as it does, not only one of our most important industries, with its more than half a million employees, but also contributing significantly to the deterioration of our balance-of-payments accounts.

As a Senator from a State where some of the country's largest steel mills are located and as an American disturbed and disillusioned by our foreign trade policy, or lack thereof, I cannot stand idle while this import threat hangs over us. Rhetoric by others will not restore one steelworker's job or rejuvenate the mill communities that have felt the impact of steel imports.

No State, no steel community has escaped from the foreign invasion of our markets. And my State, the third largest steel producer, has suffered proportionally. Indiana's steel production of over 18.5 millions tons in 1970 accounted for 14 percent of the country's steel output. Its 20 steel plants employed 85,000 men and women and provided an annual payroll of $800 million. The value of steel products shipped from these plants totaled $3.2 billion in 1970, and in that same year, $250 million was spent for modernization and improvement of Indiana steel mills.

Jobs and job opportunities in steel are disappearing in Indiana and the other 36 States where steel plants operate, lost to foreign competitors. For every million tons of steel products imported, count 7,220 jobs lost—6,000 in the steel plants and offices and 1,200 in supporting industries.

It is especially disheartening, then, to hear that steel imports for the month of June were the second highest on record. The preliminary figures for June have just been released by the Department of Commerce. They show that 2,111,638 net tons of carbon steel and specialty steel products were shipped into this country during the month. This total has been exceeded only once before—in August of 1968, when 2,138,000 tons of steel were imported. And that was in a year in which nearly 18 million tons of steel imports accounted for almost 17 percent of domestic consumption.

So we find that through the first 6 months of 1971, steel imports totaled more than 9,055,000 tons, or 66 percent higher than during the comparable 6 months of 1970. And they were valued at more than $1,290,000,000, very significantly higher than the $825,543,000 value of steel imports in the first half of last year.

If the same rate were to be maintained through the balance of 1971, steel imports into the United States would far exceed the 15.4 million tons that were set forth as the maximum for 1971 when the steel producers of Japan and the European Economic Community embarked on their voluntary restraint program.

Apart from that possibility, there have been two major deviations from the intent of the voluntary restraint arrangement when it was launched. First, the distribution of steel exports to the United States shifted significantly toward the high-value content specialty steel products, and second, there was a change in the geographical distribution of the imported steel products. Both developments are contrary to the expressed intention of the foreign producers to maintain approximately the same product mix and the same geographical patterns that existed prior to 1969.

While I view voluntary restraints as preferable to mandatory ones, I did from the beginning hold certain reservations about the voluntary program, but it is with no sense of elation that I recall pointing to some of these qualms—on January 14, 1969, the same day the voluntary arrangement was announced by the State Department.

On that day, in this Chamber, I expressed my concern over these points: First, that the overall level of imports set by the voluntary arrangement constituted over 13 percent of expected domestic shipments which I did not consider much restraint; second, that the arrangement called for a growth in steel imports of 5 percent a year, which is double the growth of the domestic steel market and raised the specter that imports would capture an ever increasing share of the domestic market; third, that the arrangement did not include important producers in Europe outside the Common Market, Canada, and some countries in the Far East; fourth, the program of intent raised the possibility of foreign producers shipping more sophisticated, higher value, higher labor content steels into the United States; and, fifth, that the foreign producers placed certain conditions which required clarification, one of these being that the United States would not impose mandatory quotas.

Just a little over a year ago, in reiterating before the Industrial Union Department of the AFL–CIO here in Washington, my resolve to press for a legislative solution, I asked this question:

> Will we wait until 1971 and then be told just prior to steel labor negotiations that Japanese and European steel producers have problems with unutilized capacity, built to satisfy a demand which has receded, and cannot continue to limit their imports to the U.S.?
>
> Well, perhaps we are coming to this.

SPECIALTY STEEL

It is dismaying that 2½ years after the onset of the voluntary arrangement, imports are playing a major part in helping erode the strength of the domestic steel industry, particularly the specialty steel segment of it. And this is a highly important part of an industry that is crucial to the security of our country for both military defense and economic strength.

Let me quote Roger S. Ahlbrandt, president of Allegheny Ludlum Industries, one of the major producers of specialty steels, as he addressed a steel union-steel management conference here last February:

> The specialty steel industry and any individual company in it (no matter how relatively large)," said Mr. Ahlbrandt, "cannot fight foreign imports by itself—not if it is expected to meet, single-handedly, foreign-backed industry, especially with economic policies as now administered in the United States.
>
> The profit pinch resulting from the impact of foreign specialty steel imports is endangering the very existence of several good, small companies in our industry. In several cases, this danger involved entire communities—good, small, typically American communities in which the specialty steel firm may be the town's economic backbone . . .
>
> The jobs of as many as 52,000 steelworkers employed in the specialty steel industry are in jeopardy. The market for several important specialty steel producers lies in virtual chaos. Planning for capital investment and growth is almost impossible . . .
>
> We find ourselves being asked to compete not just with individual foreign specialty steel companies for both domestic and foreign markets but with entire, well-coordinated 'industrial states' (such as Japan and the Common Market), in which there is careful attention paid to common national goals in unified direction of production, finance, planning, marketing, labor, and government relations.

The month of May figures for specialty steel imports are well worth looking at. More than 18,000 tons of stainless steel products were imported, compared with 15,000 tons in April, and nearly 41,000 tons of alloy steel were shipped in, compared with 26,000 tons in April.

Mr. Ahlbrandt has estimated that in order to bring exports of these specialties from Japan and Europe in line with the totals envisioned for 1971 under the voluntary restraint program, there should be a 30-percent cutback in tool steel, and a 45- to 48-percent cutback in low-alloy specialty steel.

While shipments of domestically produced stainless steel were falling 22 percent last year, stainless imports were rising 20 percent.

As a result of this upsurge, stainless imports have taken over about 34 percent of the domestic stainless cold rolled sheet market, 65 percent of the stainless wire rod market, and 16 percent of the market for tool steel.

In the case of seamless carbon and alloy pressure tubing, imports now claim nearly 40 percent of the market.

BALANCE OF TRADE

On a wider scale, steel imports have become a major factor in the U.S. balance of trade. The trade situation is deteriorating rapidly. In the first half of the 1960's, trade surpluses were maintained in the $4 billion to $7 billion range. In 1968 and 1969, the average was about $1 billion. There was a recovery in 1970 to $2.7 billion, but it has fallen again, in recent months it has been in deficit and for the year 1971, according to Secretary of Commerce Stans, the surplus may dwindle to $1 billion or less. And some in the administration are said to believe there may be no surplus at all.

The wide disparity between steel imports and exports has contributed alarmingly to this deterioration. For example, the steel trade deficit mounted steadily from $60 million in 1962 to $670 million in 1965 and to a record high of more than $1.5 billion in 1968. This deficit was reduced in 1969 to $946 million but went up again last year to $948 million. These figures include steel imports financed under the AID program and would be higher, of course, if AID-financed exports were excluded. In recent years, these have totaled about 700,000 tons and $100 million annually.

This year, the steel trade deficit may well exceed the $1.5 billion of 1968 and some forecasts are being made that the deficit will go as high as $1.7 billion.

ANALYSIS OF BILL

The bill I am introducing would limit total steel mill product imports, both carbon and specialty, to 14,709,000 net tons during calendar year 1971. This figure is obtained from taking the 14 million tons ceiling established for 1969 under the existing voluntary restraint arrangement and adding a 2.5 percent annual growth factor for calendar years 1970 and 1971. The bill also would establish a calendar year 1971 limit of 411,000 tons for imports of "other steel products," which include primary fabricated forms of steel made from such mill products as plates, structurals, sheets, wire and rails, as well as rivets, bolts, nuts, and similar fasteners, and steel castings—all of these being items not covered under the voluntary arrangement.

Beginning in calendar year 1972, imports of steel mill products and other steel products would be limited to an annual growth rate of 2.5 percent, which is in line with the rate of growth of steel demand in the United States since World War II. By contrast, the voluntary restraint arrangement permits a growth of 5 percent annually in steel imports.

In addition, my bill would hold steel imports by product category, country of origin, and port of entry to their 1968 percentage ratios and patterns of distribution. No nation could fill more than 60 percent of its annual quota in any 6-month period.

The President would have the power to enter into international arrangements or agreements—either formal or voluntary—with foreign governments or any other responsible entity or grouping to limit, by category, foreign steel exports to the United States. If he is satisfied that such arrangements carry out the purposes of the act, and would prevent disruption of domestic steel markets, he would have the power to implement such agreements or arrangements by proclamation. In such a case, the categories of steel covered under the arrangement from the country involved in the agreement would be exempted from the other quota provisions of the act, so long as the voluntary agreement was observed.

Three years after the passage of the act, the Secretary of Commerce would be required to report to the Congress on the effects of the import limitations, and also would be obliged to recommend whether the limitations should be continued, modified, or revoked.

The Secretary of Commerce would administer the act. He would have the right to issue such regulations as he deems necessary to carry out its purposes, and he also would have the power to adjust category percentages to reflect changes in the tariff schedules and to combine customs districts if they serve a single recognized market.

Should limitations specified under the act take effect after January 1 of any year, the quotas would be prorated for the balance of the year.

In short, my bill would strengthen the domestic steel industry while still permitting foreign competitors to share reasonably in the growth of the domestic market. It would provide numerous new job opportunities, and it would encourage the capital investment that always has been the driving force in economic recovery and program.

Mr. President, I ask unanimous consent that a copy of the "Steel Trade Act of 1971" be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2365

A bill to provide for orderly trade in iron and steel products.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Steel Trade Act of 1971".

SEC. 2. The Congress finds that imports of carbon and specialty steel mill products and other steel products have adversely affected the United States balance of payments and have contributed substantially to reduced employment opportunities for United States workers in the domestic steel industry, and that any disproportionate increase in imports of carbon and specialty steel mill products and other steel products into the United States would threaten the soundness of the domestic steel industry and therefore the national security.

The Congress also finds that the export limitations voluntarily undertaken by the Japanese and European Coal and Steel Community steel producers have in some degree prevented disruption of the United States market for carbon and specialty steel mill products while affording imports a substantial share of the United States market. Those limitations are not legally enforceable, are applicable only to those producers making the undertaking, have not been observed in the geographic distribution of imports nor as regards product mix, are not applicable to certain other steel products having a significant effect on the soundness of the domestic steel industry and are due to expire in 1971. Absent some form of continuing limitation, imports of carbon and specialty steel mill products and other steel products could so increase as to capture such a large portion of the United States market as to threaten the national security of the United States.

It is, therefore, declared to be the policy of the Congress that access to the United States market for foreign-produced carbon and specialty steel mill products and other steel products should be on an equitable basis to safeguard the national security, insure orderly trade in carbon and specialty steel mill products and other steel products, alleviate United States balance-of-payments problems, provide an opportunity for a viable United States steel industry, and prevent further disruption of United States steel workers.

SEC. 3. Except as provided in section 5 hereof, during the year beginning January 1, 1971, (1) the total quantity of carbon and specialty steel mill products which may be entered shall be limited to 14,709,000 tons and (2) the total quality of other steel products which may be entered shall be limited to 411,000 tons.

Beginning with the year 1972, the total quantities of carbon and specialty steel mill products and other steel products which may be entered during that year and during each succeeding year shall be increased by two and one-half per centum (2½%) per year over the tonnages permitted to be entered in the preceding year.

SEC. 4. (1) Subject to the overall limitations provided in section 3 hereof, (1) the percentage of the total quantity of imports of those articles in any year represented by imports from a particular nation shall not exceed the percentage of total imports represented by imports from that nation during the year 1968, (2) the percentage of the total quantity of imports of carbon and specialty steel mill products and other steel products which may be entered in any year represented by imports in a particular category shall not exceed the percentage of total imports represented by imports in that category during the year 1968, and (3) the percentage of the total quantity of imports of those articles in any year cleared through any customs district shall not exceed the percentage of total imports represented by imports which cleared through such district during the year 1968.

(2) The Secretary of Commerce may nevertheless adjust the percentage limitations on the quantities of particular categories of imports and on the quantities of imports permitted to be cleared through particular customs districts to the extent required by significant changes in the composition of domestic market requirements; provided, however, that such adjustments shall be consistent with the policy stated in section 2, hereof, and shall not increase the total amount of imports permitted to be entered in any year from any country of origin.

SEC. 5. (1) The quantity of imports of carbon and specialty steel mill products and other steel products from any nation under this Act in either half of any year shall not exceed 60 per centum of the total permissible quantity of imports from that nation in that year.

(2) Should any limitation imposed under this Act take effect on any day other than January 1 of a year, such limitation shall apply pro rata during the remaining portion of such year.

SEC. 6. The President is authorized to enter into international arrangements or agreements with foreign governments or other instrumentalities or to solicit the making of voluntary undertakings by foreign steel producers or associations thereof limiting, by category, the quantities of carbon and specialty steel products and other steel products originating in such nations or instrumentalities which may be entered. If the President finds that the provisions of any such arrangement or agreement or voluntary undertaking shall substantially carry out and implement the declared purposes and findings of this Act and assure the avoidance of disruption of the markets for carbon and specialty steel mill products and other steel products in the United States, the President shall so determine by proclamation, in which event the total quantity of each category of carbon and specialty steel mill products and other steel products which may be entered from any country which has entered into such an arrangement or agreement hereunder covering that category shall not be subject to the provisions of section 3 and section 4 during any period of time during which a limitation of imports provided by such an arrangement or agreement or voluntary undertaking shall be in force and effect and the terms thereof are being observed.

SEC. 7. (1) Import limitations established under this Act shall be administered by the Secretary of Commerce. The Secretary may issue such regulations as may be necessary or appropriate to carry out the purposes of this Act.

(2) Notwithstanding the provisions of section 4, the Secretary may adjust the percentages applicable to the respective categories to reflect changes in Tariff Schedules and may combine two or more customs districts for the purpose of administering this Act to the extent that such districts serve a single recognized market.

(3) Upon the expiration of three years after the date of the enactment of this Act, the Secretary of Commerce shall submit a report to the Congress as to the effects of the import limitations established under this Act, together with his recommendations as to whether such import limitations should be continued, modified, or revoked.

SEC. 8. As used in this Act—

(1) The term "category" means a seven digit item number which appears in the Tariff Schedules of the United States Annotated (1971) published by the United States Tariff Commission as in effect on the date of enactment of this Act, and which is—

(a) Within the range beginning with item 608.1500 and ending with item 610.5280, or

(b) One of the following item numbers:

608. 1000
610. 8010
610. 8030
610. 8040
642. 0200
642. 0800
642. 1020
642. 1040
642. 1200
642. 1400
642. 1620
642. 1800
642. 3500
642. 8000
642. 9000
642. 9100
642. 9300
642. 9600
642. 9700
646. 1500
646. 1700
646. 2000
646. 2500
646. 2620
646. 2640
646. 2700
646. 2800
646. 3000
646. 4000
646. 5400
646. 5600
646. 5800
646. 6500
646. 7000
652. 9000
652. 9200
652. 9400
652. 9500
652. 9600
653. 0200
653. 0300
680. 4000
688. 3000
688. 3500
690. 2500
690. 3000

(2) The term "carbon and specialty steel mill products" shall be deemed to include all products or goods which are described or would be included within any category referred to in subsection (1)(a) of this section 8 and the term "other steel products" shall be deemed to include all products or goods which are described or would be included within any category referred to in subsection (1)(b) of this section 8.

(3) The term "imports" refers to United States imports in any category or categories within the meaning of subsection (1) of this section 8 and to products in any category brought into a foreign trade zone and used in goods which enter the customs territory of the United States.

(4) The term "year" means calendar year.

Mr. SCOTT. Mr. President, an enormous trade vacuum has resulted due in part to the expiration of the Trade Expansion Act in 1967. Today, we introduce a fair trade bill to help stimulate the domestic steel industry.

Foreign imports to the United States in May established a new record for the month when 1.8 million tons were imported. Total steel imports for the first 5 months were up 59 percent at 6.9 million tons. At the same time, exports from the United States were off 2.6 million tons for the first 5 months and 5 million fewer tons were exported since January of this year.

Mr. President, today I am introducing, jointly with the senior Senator from Indiana (Mr. HARTKE) and other Senators, a fair trade bill for our hard-pressed domestic steel industry. I hope that it will receive the legislative support needed to make it a model and forerunner for a "new look" U.S. trade policy for the 1970's, to enable our country to compete on a more equitable basis with its trading partners.

With the dynamic changes continuing to take place in international commerce, we have become, unfortunately, a very junior partner, due in large part because the United States has not had a rational trade policy since the expiration, in 1967, of the Trade Expansion Act of 1962.

This has created an enormous trade vacuum, to say the least, while this country's industrial might has eroded to the point where today it is in grave danger. Just this month, the Commerce Department announced that imports for May substantially exceeded exports for the second consecutive month, for the first time since 1950. I. W. Abel, president of United Steelworkers of America, called this alarming fact to the attention of delegates here in mid-July at the AFL–CIO's Conference on Jobs, along with this observation:

> If things continue as they are, what looms on the horizon is of most serious concern for the health of the American economy, the buying power of the American people, which is based on workers' wages, and the living standards of the American people.

I cannot agree with him more.

It is well known that countries which rebuilt plants and factories after World War II—financed largely with national grants, minimal or non-interest-bearing loans, other subsidies, and in many cases U.S. Government aid—have more modern production facilities than does the steel and the other high investment industries of this country which are, of course, dependent on internal and other non-Government financing.

Further, as the Cabinet Committee on Economic Policy recently dramatized in its report to the President on the economic position of the steel industry:

> There "are no substantial disparities in the technology know-how available to all steel-producing countries, and the rate of innovation in the steel industries of each country is determined by economic and fi-

> nancial factors, national policy and managerial decisions.

Currently, according to steel industry sources just visiting there, Japan has built, or is in the process of constructing seven, I repeat seven, steel plants larger than the biggest existing steel plant in the United States. And they can build these plants in just about one-third the time and at one-third the cost of a comparable facility in the United States.

Japan technical teams roam the world, as one industry authority has remarked to me, seeking out and buying the best technology available, taking it home, improving it, and then building a more modern, much less costly plant to outproduce and undersell the American market.

This same authority tells me that—

> The Japanese have the edge in facilities, in productivity and in both operating and construction costs.

And, he says:

> Their workers "are highly motivated and work on their own time to achieve better results for their plant and their company, and, of course, themselves.

Nippon Steel was formed about a year ago with the merger of Yawata Steel and Fuji Iron Co., displacing our own U.S. Steel Corp. as the world's largest producer. Today, Japan ranks only behind the United States and Russia in total steel production, and is projected to become the world's No. 1 producer within a few years.

In 1962, the hourly wage of steelworkers in the United States was $3.82 as against 62 cents in Japan. The average steel employment wage currently paid in the United States is $5.97 an hour, including 97 cents in fringes, as compared to an estimated $1.80 hourly in Japan. The point here is that while Japan's wages have marked a higher percentage increase because of a low base to begin with, the spread or gap between United States and Japanese steel labor wages has nevertheless widened to the further disadvantage of our domestic producers—from $3.20 hourly in 1960 to $4.17 in 1971—and we have steel labor negotiations now in process that may drive that figure even higher.

The fact is that the rapidly improving productivity of the Japanese, coupled with lower hourly rates of pay, have confronted the United States with an insurmountable labor cost problem. This and other factors, such as lower facility and transportation costs, pooling of the bulk of steel output for sale through trading companies with—according to the Cabinet Committee report—complete, often volatile pricing flexibility abroad, plus construction and other subsidies at home, combine to effect an insurmountable competitive advantage against the United States.

According to the Cabinet Committee report, Japanese steel export prices to the United States "are being quoted with sliding scale provisions relating them at any given time in a fixed ratio to U.S. domestic prices for steel—approximately 90 percent of the U.S. delivered price." So with Japanese quality, service and delivery schedules admittedly near, or equal to that of U.S. producers, it is easily discernible that there is, in effect, "no fair contest."

Similarly, the European Economic Community and other foreign countries have cost advantages over the United States, not to the same degree as the Japanese, but sufficient to underprice our domestic producers in relatively the same products at home and in third countries. Further, these exporting countries have their value added and transaction tax rebates on export of steel to the United States. These same taxes, incidentally, also work to the advantage of the foreign producers when applied on steel exported by the United States, since the levies add to income and other taxation already paid by our steel industry at home.

Again, according to the Cabinet Committee report, sales by EEC steel producers outside the Community are "not governed" by the European Coal and Steel Community Treaty and are very volatile, reflecting the highly competitive "world market price." Further, it should be emphasized that labor costs in EEC and most other European countries are two-thirds or less than labor costs of American producers.

There should be no great puzzle then over what would otherwise be classed an enigma—domestic steel production falling off in the face of a strike threat. Workers are being laid off by the thousands during last stretch bargaining before expiration of a current 3-year labor contract July 31, a period when steel production and employment traditionally are at peak levels.

Nearly 1.8 million tons of foreign steel entered the United States in May, the largest imported tonnage on record for that month. Total steel imports the first 5 months of this year reached 6.9 million tons—59 percent higher than the same period 1970. Exports of steel from this country, for the same 5 months this months this year, were off 2.6 million tons, for a 5-million-ton deficit in our steel trade.

Hedge buying against a possible strike continued right up to the last minute before expiration of all previous United Steelworkers contracts in the postwar period. Industry analyses this past winter were confidently predicting a 7-month steel boom totaling 65 million tons by the end of July. Instead, industry sources now foresee shipments of 61 million tons or less.

There is one big reason for this astounding dropoff in domestic steel production—that is the amount of imported steel on hand and on order for steel users. A survey by the National Association of Purchasing Management found that an August 1 steel strike is of secondary importance to steel buyers at this time, whereas several months ago such a possibility was foremost in their minds. The survey showed why the change in attitude—buyers plan to have about 60-day buildup by the contract deadline, much of it representing foreign steel. Forty-one percent of the buyers surveyed by the association indicated their future planning provides for foreign steel purchases of from 5 to 30 percent of total requirements.

Steel has been one of America's strongest, most productive industries. Its decline in earnings, profits, cash flow and stock value—despite an average capital investment in new plant and equipment of over $2 billion yearly since 1966—is further shocking testimony to the alarming inroads of foreign steel.

Today, the United States is the only truly open market for steel. The Cabinet Committee report, which I have already referred to, states that worldwide steel is produced in more than 70 countries, against 35 at the end of World War II. The steel industries in virtually all of these countries are either nationalized or subsidized, and protected as a matter of national policy, with exception of the United States.

Against these formidable odds, it is imperative that the United States maintain a strong, viable steel industry for our national economic welfare and security. The only way left to assure revival of a prosperous steel industry is to recognize the changing world market conditions as they are and adjust to meet them.

That is why Senator HARTKE and I are offering this bill, to establish an equitable trade in iron and steel mill products. The Steel Trade Act of 1971 limits imports in 1971 to 14,709,000 tons and provides for realistic product and geographic alinements based on the year 1968 and an import growth rate of not more than 2½ percent annually.

I wish the administration well in its current efforts to extend the present voluntary steel agreement. I hope that a new agreement will remove the need for a legislated import quota. But if the agreement is defective, in that the producers of carbon steel, alloy steel, specialty steel, and all the rest are pushed out of the market, I shall seek the most prompt enactment of the bill which has just been introduced.

My Commonwealth of Pennsylvania, for many years the Nation's leading steel-producing State, has 120 steel plants employing 173,000 workers who take home $1.6 million in pay. These figures represent a distinct decline from the figures available in 1969. I can assure my colleagues that unless something is done soon, the situation will get much worse.

Mr. TAFT. Mr. President, I am pleased to join with the distinguished minority leader (Mr. SCOTT) and the distinguished Senator from Indiana (Mr. HARTKE) in cosponsoring the Steel Trade Act of 1971.

The steel industry is suffering from the onslaught of foreign competition. This competition means not only reduced profits, but also the elimination of thousands of jobs for American steelworkers.

In my own State of Ohio the United States Steel Corp., has recently shut down its Ohio works in Youngstown, which is one of the largest steel mills in the State.

Major layoffs have also been announced by Republic Steel in Canton and Massillon and by other producers in Ohio.

Through May this year total steel imports have exceeded the comparable 1970 level by 58.1 percent. This measure would place a limit upon imports of 15,120,000 tons and further provide that the annual rate of import growth could not exceed 2½ percent.

In sponsoring this measure I am not unmindful of the fact that we cannot be satisfied merely with import quotas. If the American steel industry is to recapture its domestic and foreign markets it will have to modernize its tools of production. Recently I learned that the Japanese produced a ton of steel with 5.7 man-hours compared to more than 7.3 man-hours in the United States.

This means the Japanese producers have not only the advantage of lower wage levels but greater productivity as well.

If the United States loses the productivity race our standard of living will inevitably suffer. To the average worker the balance of trade figures may not mean very much because they are confusing and complex. What I think we all must understand is that these figures and our productivity figures represent jobs, earnings, and buying power.

If we are to fight the economic stagnation which overcame Great Britain in recent years we will have to act now to modernize our tools of production and improve the efficiency of American industry.

For that reason I hope that this measure will be temporary and can be coupled with the early enactment of an investment tax credit so that our great steel industry can regain its leadership in productivity and efficiency. Only in this way can we be sure of recapturing domestic markets and foreign markets. Only then can the American steelworker have meaningful job security.

SENATOR RANDOLPH ADVOCATES LEGISLATION TO LIMIT IMPORTS OF STEEL—COSPONSORS STEEL TRADE ACT OF 1971

Mr. RANDOLPH. Mr. President, it is a privilege to cosponsor and support the Steel Trade Act of 1971, a measure designed to protect not only our Nation's economy but also our national security.

It is ironic, I think, that we consider this action three decades after another debate, which concerned the dismantling and shipment of New York City's famed Third Avenue Elevated to Japan as scrap metal. Today, the situation is reversed and we seek to stem the massive flow of unrestricted imports of steel from both Japan and Europe.

This measure introduced by the Senator from Indiana (Mr. HARTKE) and the Senator from Pennsylvania (Mr. SCOTT), in which I join, would limit the total quantity of steel imported in this calendar year to 15,120,000 tons. It would place the annual rate of increase at a maximum of 2.5 percent in each succeeding calendar year, using 1968 as the base period.

In 1969, the American steel industry and our Government were encouraged by the establishment of a voluntary limitation program, under which the steel industries of Japan and Europe agreed to limit their exports to the United States for 3 years. Regrettably, the hoped-for relief through the voluntary agreement did not materialize. On the contrary, imports continued to increase substantially. In the first 5 months of 1971, total steel imports rose 58.1 percent over the same period a year ago. This is a record level. Additionally, imports of stainless and tool steel increased 41 percent in 1969 and 34 percent in 1970 over the limits set in the 1969 agreement. As a direct result of these increases, it is anticipated that the steel trade deficit this year will be more than $1.5 billion. According to industry figures, this would be a 50-percent increase over the trade deficit incurred a year ago. I emphasize also that at this time no satisfactory renewal of the voluntary agreement has been achieved.

In our complex and diversified industrial society, there is no single basic industry. But we know that steel is one of the several basic industries, such as food, fuels and energy, transportation and textiles. These are essential to the kind of country we are today and the standard of living we enjoy.

Steel represents 95 percent of the metals consumed by our economy. It is the one most useful industrial raw material in the United States. Today the domestic markets of steel consumers and the jobs of a half-million steelworkers are imperiled by what I consider unfair and unjust competition from abroad. Included in this number are over 20,000 steelworkers in West Virginia.

Most of us are aware that steel imports underprice our domestic products. If this competitive market edge was the result of better productivity and efficiency, or arose from better management or technology, there could be little quarrel with foreign competition.

Built into our domestic steel production, however, are such factors as higher wages, pension, insurance, and medical costs, social security, workmen's compensation, taxes, and other mandated costs imposed on American business. These factors, which contribute to our higher standard of living, place this industry at an inevitable disadvantage with respect to foreign-made products.

Another aspect of this situation is embodied in the philosophies of governments in the affected countries. Our American system requires that business operate as free and independent private enterprise; that it provide for its own capital requirements, earning a profit in order to grow and attract capital; and that it be subject to antitrust laws that insure competition and discourage monopolies.

This system under which we operate finds little parallel abroad, where much of the world steel industry is publicly owned, where cartels replace competition and where, in many cases, profits are not an essential requirement.

I think it is most important that we realize fully what is at stake here. The American people have traditionally been among the most generous in providing aid where needed abroad. We encourage competition and reject trade barriers artificially designed to enforce unfair advantage. But we are mindful of what unlimited imports can mean to basic industries. The recent surge of shoe imports which forced the closing of several U.S. factories is a case in point. There is the sad situation of more than 100,000 layoffs in the textile industry resulting from importation of cheap textile products to prove the seriousness of the problem. Our glass industries in West Virginia and elsewhere suffer from damaging import competition which is based on low wages and reduced production costs.

The problems facing the steel industry and its employees are no different from those which face or potentially face almost all American firms. This is a national problem. We know that steel is produced in 37 States and steel products are made in all 50 States. What is not commonly realized is that the 275 American companies which make and finish steel have operations in more than 300 communities across the Nation. And for each of the 500,000 workers directly employed by the steel industry, there are eight other Americans employed in factories that use steel in their products. This work force accounts for one-third of all the manufacturing jobs in the country.

After extensive negotiations between countries, a fair and equitable steel agreement has failed to materialize. I am convinced, and others agree, that voluntary limitations by foreign cartels will not happen. Therefore, it is vital to both the economy and the national security that we act promptly to protect this basic industry and the jobs of a half a million workers.

Mr. McGOVERN. Mr. President, although I myself am not a cosponsor of the Steel Trade Act of 1971, I share with my colleagues who are proposing this measure their deep and intense concern over the current import crisis facing the domestic steel industry.

The stakes are considerably higher than the future of this vital segment of the American economy—and the half-million jobs it supplies American citizens. It is with good reason that steel is termed a "basic industry." No modern industrial society can survive unless part of its base is a healthy steel-producing capacity.

I personally prefer seeing problems of this kind resolved wherever possible by voluntary conciliation of differences. It is for this reason that, instead of mandatory import controls, I would prefer to see a strengthening and extension of the current voluntary agreement under which steel producers in the European Common Market and Japan limit their exports to the United States.

I share with Senator HARTKE, Senator SCOTT, and my other colleagues their apprehension over recent trends in steel imports. As the distinguished Senator from Indiana has already noted, these imports totaled more than 9 million tons in the first half of 1971. They had a declared value of well over $1¼ billion.

The 2,112,000 tons of foreign steel which entered the United States in June are just 26,000 tons short of the alltime 1-month steel import record set in August 1968 before the present voluntary arrangement went into effect.

Admittedly, much of this import surge is directly accountable to so-called consumer hedgebuying against the possibility of a steel strike next month.

But such trends, whatever their cause,

cannot long continue without potentially irreparable harm—both to the domestic steel industry and to the entire U.S. economy.

There are other disturbing trends which would indicate that the old, voluntary arrangement may not have worked in practice as well as we expected it to work in theory.

I have been advised that, in their letters of intent to the Secretary of State, the Common Market and Japanese steel producers pledged that during 1969, 1970, and 1971, they would try to maintain approximately the same proportionate product mix and geographic distribution of steel imports as existed in 1968.

What, in fact, has happened under the voluntary arrangement is that imports of specialty steels—stainless, alloy, and tool steels—have steadily increased their proportionate share of total imports.

Last year, for example, imports accounted for one-fifth of all stainless steel sold in the United States—a far larger share of the American market than that which they possessed prior to the voluntary arrangement.

Other key specialty steel markets, such as tool steels and critical types of steel tubing, having endured similar pressures. In some steel product areas, imports have taken over half the domestic market.

The import pressure on producers of these high-value, low-volume special steels so vital to defense and industrial progress are now so great that many firms face potential financial ruin.

While the mix has changed in violation of the letters of intent, the geographic distribution has also become more heavily concentrated on the west coast.

I sincerely hope that the European Common Market and Japanese steel producers take these developments into account during the current negotiations to renew the voluntary steel arrangement.

I consider it likely that the U.S. Government will act vigorously to protect this vital domestic industry. Certainly the voluntary approach is to be preferred by all parties involved.

Mr. ALLOTT. Mr. President, the introduction of the Steel Trade Act of 1971 by the distinguished senior Senator from Indiana and the distinguished senior Senator from Pennsylvania signifies recognition of a disheartening reality. It is especially saddening to those of us who have been identified with an effort to bring some semblance of stability for our domestic steel industry in their effort to deal with the question of establishing orderly trade in iron and steel products.

Steel imports had increased from approximately 1.5 million tons in 1958 to almost 18 million tons in 1968. This increase in steel imports caused a demonstratably adverse effect on our Nation's economy. I joined at that time in the introduction of the Iron and Steel Orderly Trade Act of 1969. In those early days of the first session of the 91st Congress, I said—

> Because there is no such thing as a true free trade in the world steel market today, the ultimate solution to this problem will only come about by responsible self-restraint on the part of all the parties concerned with this issue.

Mr. President, the disheartening reality I spoke of earlier is the fact that our major foreign steel producing competitors have not exercised responsible self-restraint in living up to the voluntary import limitation agreement entered into in 1969. Total tonnage of steel imports has generally been within the guidelines of the voluntary agreement; but our competitors have not abided by the understanding to maintain a stable product and geographic mix. For example, there has been a noted concentration in the high value items selling for between $1,200 and $2,000 per ton compared with an average price of $170 per ton for carbon steel. Imports of stainless and tool steel increased 41 percent in 1969 and 34 percent in 1970 over the limits set in the 1969 agreement. This action fell hardest upon the smaller producers of speciality steel, who account for one-half of the speciality steel output. The average per ton value of imports of all grades of steel-mill products has increased from $112 in 1968 to $152 in 1970. The first 5 months of 1971 indicate a 58-percent increase in imports over the corresponding 1970 period. In addition, there is evidence that geographical "dumping" has taken place. The flooding of a small geographical region with low-cost imports, drives individual plants and companies out of business. This is not a good record.

I stated in February of 1969 that—

> Such a voluntary arrangement, evidencing good faith and self-resistant, is a much more desirable way of meeting this problem than the institution of legislative quotas. If such an arrangement is not satisfactory, then reasonable legislation such as that provided by the bill introduced today, will be the only solution.

Mr. President, self-restaint has not been exercised. Plants around the Nation are closing. The jobs of American workers are being lost. This cannot be tolerated. It appears that institution of legislative quotas is the only way to remedy this situation.

Discussions have been taking place for many months concerning further extension of the 1969 voluntary agreement. I am not pleased with the progress that has been made. In addition past performance under the previous agreement leaves me somewhat skeptical of the success of any future agreements. Unless the spirit of such agreements is fulfilled by the signatories thereof, the Congress must meet its obligation to assure protection for our working men.

Mr. BEALL. Mr. President, I am pleased to join in cosponsoring the "Steel Trade Act of 1971" introduced by my distinguished colleagues, Senators SCOTT and HARTKE. Steel imports increased from about 1 million tons in 1957, or 1.5 percent of domestic consumption, to a high of 18 million tons, or 17 percent of consumption in 1968. In fact, as late as 1961, steel imports only amounted to 3 million tons. Imports did decline in 1970 reflecting the voluntary restraint agreement and the world steel boom. However, in 1971 steel imports have again risen sharply. Since 1965 the number of employees in industry has declined by more than 50,000. Also, in 1970, the steel industry's profits reached their lowest level in a decade. For 1970, this bill would limit total steel product imports to 14,709,000 net tons. This figure was derived by taking the 14 million net ceiling established for calendar year 1969 under the existing voluntary arrangements governing steel exports to this country and adding a 2.5-percent annual growth for calendar year 1971. After calendar year 1972, imports of steel mill products and other steel products would be limited to an annual growth rate of 2.5 percent. The 2.5-percent allowable growth rate for foreign imports is lower than that permitted under the present agreement. The present 5-percent figure however was intended to reflect the estimated growth rate in domestic consumption. The truth of the matter is that domestic consumption over the past 4 years has only increased by 2 percent and for that reason the 2.5-percent limitation seems reasonable indeed.

I believe in free international trade. But I believe such trade must be a two-way street, that the rules and regulations governing trade must be substantially the same for all of the competing countries. Yet, we know that in many other countries their governments subsidize or otherwise assist their steel producers including the ultimate subsidy of government ownership of the industry in a number of countries. In addition, the European communities employ taxes on value added which are imposed on imports into the European communities and rebated on its exports. In addition, foreign governments purchasing practices, unlike that of the United States, discriminate against imported steel.

Mr. President, steel producing plants are located in 38 cities, including a heavy concentration in the great city of Baltimore in my State. Steel is one of our basic industries, vital to our economy and necessary for the national defense. It employs over three-quarters of a million workers. The United States must make certain that its steel industry remains reasonably healthy.

Since 1969, Japan and the European community have voluntarily agreed to limit their total steel exports in the United States. These arrangements are scheduled to expire at the end of this year. I am hopeful that not only these countries but other countries which export substantial amounts of steel in the United States will negotiate voluntary agreements so as to make legislative action to establish orderly trade in iron and steel products unnecessary. Indeed, a provision of this bill specifically empowers the President to enter into international agreements to limit steel imports into the United States. If this occurs, such agreements would be exempt from the quota provision of this legislation.

Mr. President, in the July issue of the "Nation's Business" Mr. Steward S. Cort, chairman of the board of the Bethlehem Steel Corp., argues for a responsible approach, such as this bill represents, to the growing steel import problem. I ask unanimous consent that the article by

Stewart Cort, who has spent all of his working life at Bethlehem Steel, and knows the industry and its problems and potential as well as anyone in the country, be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Nation's Business, July, 1971]

FREE TRADE? YES—BUT!

(By Stewart S. Cort, Chairman, Bethlehem Steel Corp.)

(NOTE.—Last February, Nation's Business published an article entitled "Free Trade Truths—and Myths" in which economist Howard S. Piquet argued for the gradual breaching of all trade barriers and against protecting "weak industries." In this article, the head of one of America's largest steel companies presents a rebuttal from the standpoint of his industry—arguing for a degree of protection which he says is "trifling" compared to that given foreign steel producers by their governments.)

There are many "myths" about international trade.

One is that everyone else is playing the game under the same rules we are.

Another is that the benefits of more trade outweigh any possible dislocation of domestic industries—even basic ones like steel. No other nation looks on trade this way, and no other nation considers its steel industry expendable. We cannot afford to do so either.

There are no practical private responses to competition aided and abetted by other governments, especially when foreign labor costs are already much lower than ours.

Certainly the least we can ask is that, until such time as those governments can be persuaded to let their steel industries stand on their own feet, our industry be the recipient of something more than pious exhortations. In fact, we need assurance that we will be allowed to participate in the growth in demand for steel in the United States.

By the same token, foreign producers should also be allowed to share in that growth—but not at a rate in excess of the growth in domestic consumption. Since the beginning of 1969, steel producers in the European Community and in Japan have limited their total steel exports to the United States under arrangements they adopted at the urging of our government. These arrangements expire at the end of this year and we believe they should be extended for another two years, with some improvements.

The present setup provides that their exports can increase by 5 per cent a year—about double the normal growth of steel demand in this country. This provision is very damaging and must be remedied.

Although we believe it had been understood that the European and Japanese producers would maintain existing patterns of distribution among product categories and geographical markets, they have not done so.

Imports of higher-value products, particularly of the very high value stainless and alloy steels, have risen rapidly, and the proportion of imports into West Coast markets has increased substantially. These practices have hurt some American producers badly, and new arrangements should rectify the situation.

Finally, the existing arrangements do not apply to certain countries which export significant amounts of steel to the United States. Some of these countries have increased their exports considerably during the past two years, notably in stainless and alloy categories. We hope additional countries may be persuaded to join in the arrangements for the future.

GUARDING A "GOOD RIGHT ARM"

The measure of "protection" my industry needs and asks is trifling compared to that accorded our competitors by their governments.

It is of a type endorsed by two Administrations committed to liberal trade policies. One reason for this nonpartisan endorsement is that this method of dealing with a trade problem does not provide any basis for retaliation. It is done with the consent of those affected. And, in fact, the voluntary arrangements have *not* triggered retaliatory measures.

I think it true that this nation must be a leader, if not *the* leader, toward gradual but steady reciprocal dismantling of trade barriers. We should be magnanimous. But it does not follow that our magnanimity should feed the rapacity of less merciful competitors.

To turn the other cheek is admirable, but it is a suicidal gesture if the blow you are dealt is fatal.

What many Americans fail to comprehend is that the blow that threatens our nation's economy *could be*, if not fatal, at least disabling. Can we not agree that the steel industry is the good right arm of our industrialized economy? If we are not willing to agree that this is so we are unique among all the advanced nations of the world.

And if we are willing to agree that a "strong and viable" steel industry is essential to our economy, can we accept the propositon that its strength and vitality ultimately depend on the level of steel imports reaching our shores? This is no myth. It is a fact.

In support of this assertion, look at just a few enlightening statistics. Steel imports rose from about one million tons (1.5 per cent of domestic consumption) in 1957 to a high of nearly 18 million tons (about 17 per cent of consumption) in 1968.

More significantly, those imports had maximum impact in certain vulnerable areas such as the West and Southwest, where they took over 25 per cent of the total market and as much as 90 per cent of the market for some steel products. Obviously, this situation spelled chaos for U.S. producers, especially for those serving the markets under heaviest attack.

Furthermore, during the term of the voluntary arrangements, foreign makers have concentrated on higher-priced grades. For example, they captured about 68 per cent of the stainless wire rod market and 53 per cent of the stainless wire market.

Considering that the steel industry as a whole registered profits on sales in 1970 averaging only 2.7 per cent, it should be obvious that the inroads of imports are taking a fearful toll.

It should be equally obvious that, in the absence of renewed voluntary arrangements or some other form of import restrictions, imports will continue their climb. And finally, it should be obvious that the American steel industry cannot attain and maintain good health if something in the range of 20 per cent of the total domestic market is captured by imports—and especially if the major impact of those imports is directed at the higher-priced, higher-profit-margin products.

THE CRUCIAL BATTLE

It is true that the steel industry, like most industries, faces many problems. Still, the make-or-break problem is steel imports. Unless we lick that one, all our other battles are being fought in vain.

Now, let us consider how relentless dictates of academic free trade theory would work when applied to our steel industry.

We can start by accepting certain realities. Reality Number One is that steel products can be made in several foreign countries on a basis that permits them to be sold in the United States in a range of $20 to $45 per ton under domestic prices.

Unquestionably, those competitors have "comparative advantage." Under free trade theory, then, steel is one of those "lines of production in which the United States cannot compete internationally," and according to the theory, "we must avoid building protective fences around these weak industries."

In other words, free trade theory considers steel to be a "weak" industry, and therefore expendable. I do not agree that our steel industry is really all that "weak," and I most assuredly do not agree that it should be deemed "expendable," but let us continue to explore the avenue down which free trade theory takes us.

What would be the effects on steel consumers and on our nation's overall economy if our domestic steel industry were to wither as offshore suppliers took over a major portion of the market?

Question One: What would happen to steel prices once foreign suppliers control the market?

Would they exercise restraint? All evidence available to us indicates that ruthless price gouging would be the order of the day.

Every time that domestic steel prices have risen so as to reflect higher costs, have not the prices of imported steels followed—without any cost justification whatsoever? And have we not time and again seen the prices of steel imports rise *above* domestic prices during periods of tight supply in our markets?

Question Two: What assurances would American steel users have of a continuing source of supply in the event of an international crisis?

Within my own lifetime there have been periods when we could not realistically look to any of the major producers in other countries as a reliable source of steel products.

Similarly, one can imagine countries withholding steel so as to enforce high prices here. This possibility is hardly farfetched, considering the recent tactics of the oil-exporting nations of the Middle East.

Even a more innocent development, such as a sudden upsurge in home markets, could impel foreign producers to significantly reduce their steel exports to the U.S. Indeed, this is precisely what happened only a year ago in Western Europe.

Question Three: What about national defense?

How could we gird ourselves to meet a threat to our security without a reliable supply of steel? Are there sufficient ploughshares and pruning hooks available for reconversion into the weapons of defense?

I think not. Granted, military needs have normally represented only a small fraction of total domestic production, but they are nevertheless vital. These needs embrace highly specialized grades and types which are the products of continuing intensive—and expensive—research. This cannot, however, be supported solely by production for military purposes. A much broader base is necessary.

And what a Looking Glass world this is, when a steel executive is reduced to arguing that a viable steel industry is essential to the security of his country!

So much for our nation's need for a healthy steel industry, even without considering domestic employment, purchases, the colossal investment in the steel industry, or the industry's contribution to meeting the tax burdens of our complex society.

LOSING AN EDGE IN STEEL

Let us consider now how this great industry got into its present fix.

There are those who agree with an unidentified government official who recently explained the plight of the steel industry to a wire service reporter. "The American steel industry," he said, "has let its equipment become obsolete."

That accusation is, to put it bluntly, false. Through the decade of the 1960s, our steel industry's capital expenditures totaled $16.3 billion, largely for modernization rather than net expansion. If the industry has indeed "let its equipment become obsolete," it has not been because of parsimony.

But I would be the last to argue that we have not lost much of the comparative advantage we once enjoyed. What are some of the reasons?

First, the steel industries of major foreign competitors such as Japan and West Germany have been built largely from the ground up since World War II.

In fact, the expansion of the Japanese industry has been so rapid that half its present facilities are not more than five years old. Obviously, those industries are more modern, on the average, than ours. Nevertheless, steel output per man hour is still higher in this country than in any other, although the margin is not nearly as great as it was and our edge is steadily diminishing.

Second, today's steelmaking technology is world-wide.

American equipment and expertise were primarily responsible for the phoenix-like rise of foreign steel mills from the ashes of war. In fact, it was American tax dollars, in large measure, that paid the bills for the initial revival. And today, even though we readily admit that foreign competitors deserve a great deal of credit for their own innovations, they continue to draw on the technology of our country to improve their steel industries.

For example, we have led the way in iron ore and coal processing and in high-speed rolling mill technology. Industries in other countries have consistently borrowed from us in these fields. In fact, many of the most modern installations of American-designed production facilities are located abroad.

This brings me to my third explanation for our loss of advantage. Only after you realize that steelmaking technology is completely international can you comprehend the simple reality that the availability of funds plus the willingness to spend them is all it takes to have a thoroughly modern and efficient steel industry.

No steel company and no steel industry in any nation possesses magic formulae or arcane "secrets" that can give it any substantial and lasting edge as a steel producer. A commitment of resources is all that is required. And in this regard, our most worrisome competitor is twice blessed.

CAPITAL AND LABOR COSTS

In Japan virtually unlimited capital is made available (however indirectly) by the government, and the installed cost of integrated steel plants is about one-third that in the United States. This great additional comparative advantage in capital costs results from low hourly employment costs in construction.

Labor is a major factor in the installed cost of steel plants. In other words, the much lower hourly employment costs of foreign producers give them a double advantage—both in capital costs and in operating costs.

Lower capital costs means less invested capital per ton of steel products shipped. And this, in turn, translates into a higher rate of return on investment for offshore producers despite a lower profit per ton.

To give you a better idea of what we are up against when we gaze westward across the Pacific, it would be well to take a look at Japan's national goals in steel. Japan wants an output matching that of the United States (and *doubling* our per capita production) by 1975! Further, this expansion contemplates doubling steel mill export every four years. Clearly, the Japanese nation recognizes the desirability of a strong and growing steel industry.

My fourth and final point relating to our reduced competitive edge in comparison with foreign producers lies in the decisive matter of unit costs.

It is not wage levels *per se* that determine competitiveness, but unit costs. High wages can be, and often are, offset by greater productivity. In fact, that is why American wages rose so far above those in other countries in years gone by without affecting our competitive position.

Unfortunately, our competitors now boast both wage scales far lower than ours *and* productivity approaching our level. Thus Japanese steel wage costs (which vary between one-fourth and one-third of ours), coupled with relatively high productivity, yield unit labor costs $40 to $45 per ton under ours, according to the U.S. Bureau of Labor Statistics. Similarly, European steel producers are favored by unit labor costs typically $20 to $25 per ton under ours.

Putting it another way, we would have to reduce our labor input (man hours per ton shipped) by 70 per cent in order to nullify the Japanese advantage in unit labor costs, assuming no change in current hourly employment costs.

The significance of the competitive cost advantages can be better appreciated when one realizes that the average U.S. price for a ton of steel is on the order of $175. It does not require much knowledge of cost accounting to see that a cost advantage of $20 to $25, much less one of $40 to $45, is decisive when the product sells for about $175.

There is no technology by which we can overcome the cost advantage enjoyed by offshore competitors. Nor can we offset it by cutting prices, considering that our net income before taxes averages less than $10 per ton.

At least one third of world steel-making capacity outside the U.S. not only is favored by "government supports," but is government-owned, wholly or in major part. And, might I add, nationalization represents the ultimate in subsidization of an industry. If free trade theorists object so strongly to the mild "protection" we ask, would they prefer the vastly more comprehensive protection that a nationalized industry requires? I think not.

Most of the remainder of steel-making capacity in other countries is government-supported and nourished to a degree unheard of in the United States. Mergers and cartels are condoned if not actually encouraged. Steelmakers are insulated from some or all of the rigors of domestic free capital markets. Tax policies are designed to assist growth and to enhance export of steel.

THEIR BARRIERS ARE HIGH

And virtually all of these countries have erected nearly insuperable barriers to unwanted steel imports. To cite a typical example, the "cost of entry"—total of duties, taxes, etc.—to get $100 worth of U.S.-made carbon steel bars into France is over $33; but it's only $7 to bring $100 worth of French-made bars into the United States.

What is the answer? At this point I wish to reassure the advocates of free trade and all readers that I, too, prefer a solution that conforms as closely as is possible with the ultimate achievement of truly free—and fair—international trade. But what is the situation now?

Some say that "producers must learn to stand on their own feet without government supports."

I wholeheartedly agree.

But the principles that apply to our own steel industry must apply equally to all others as well, if we are to compete on a fair basis.

This is not the case today.

By Mr. FANNIN (for himself, Mr. BENNETT, Mr. CURTIS, and Mr. GOLDWATER):

S. 2368. A bill to amend the National Labor Relations Act so as to prohibit the levying by labor organizations of fines against employees for exercising rights under such act or for certain other activities. Referred to the Committee on Labor and Public Welfare.

By Mr. FANNIN (for himself, Mr. BENNETT, Mr. GOLDWATER, and Mr. ERVIN):

S. 2369. A bill to amend the national emergency provisions of the Labor-Management Relations Act, 1947, so as to provide for dissolution of injunctions thereunder only upon settlement of disputes. Referred to the Committee on Labor and Public Welfare.

By Mr. FANNIN (for himself, Mr. BENNETT, Mr. CURTIS, Mr. ERVIN, and Mr. GOLDWATER):

S. 2370. A bill to amend the National Labor Relations Act so as to require a Board-conducted election in representation cases. Referred to the Committee on Labor and Public Welfare.

Mr. FANNIN. Mr. President, on behalf of myself and other Senators, I introduce, for appropriate reference, three bills to amend the National Labor Relations Act and the Labor-Management Relations Act of 1947.

These bills are the same as those introduced by me in the 91st Congress. The first bill would amend the national emergency provisions of the Taft-Hartley Act to provide for dissolution of injunctions only upon the settlement of disputes. Under existing law, injunctions are limited to 80 days. The national interest must be protected as long as is necessary. I may point out that unions will, of course, retain the right to strike a particular plant or even a segment of an industry. The injunction, as under existing law, can be enforced only where the strikes are so broad as to jeopardize the national health and welfare.

A second bill would amend the National Labor Relations Act so as to require a Board-conducted election in all representation cases. Thus this bill would prevent voluntary recognition of a union by an employer, a practice which has led to many abuses. I have always believed that it is the right of the worker, and not his boss or a few union advocates, to cast his ballot secretly for or against union representation.

Mr. President, the third bill would amend the National Labor Relations Act by prohibiting the levying by unions of fines against employees for exercising their rights under the act. Under this proposal, for example, a union could not fine an employee for exceeding production quotas set by the unions, crossing union picket lines, filing decertification petitions, nor for testifying in Board proceedings against a union. It seems to me that unions cannot be regarded in the same light as private voluntary associations, which are and should be free to impose on its members whichever rules it chooses. This bill will carry out the intent of Congress that the rights given to unions carry commensurate responsibility and obligations on unions to act in the public interest and in the interests of their members.

By Mr. McGOVERN:

S. 2372. A bill entitled the Adequate Income Act of 1971. Referred to the Committee on Finance.

THE ADEQUATE INCOME ACT OF 1971

Mr. McGOVERN. Mr. President, this morning I had the honor of addressing the National Welfare Rights Organization convention in Providence, R.I. This group represents millions of Americans who deserve the serious attention of this Congress—attention they have not often received.

In my remarks this morning, I said:

> As far as I'm concerned the fight has just begun in the Senate of the United States and it isn't going to be finished until every American, every citizen of this great country, every man, every woman, every infant child, has an income adequate to keep body and soul, most importantly soul, together.
>
> Ever since I arrived here in Providence, I have been hearing the rallying cry of your struggle—'$6500 or fight.' And it's going to be a fight—I'm convinced—but one I intend to see happen. It will happen because when I return to Washington this afternoon I am introducing H.R. 7257, the bill introduced and fought for by the Black Caucus and their supporters, a bill to provide an adequate income for every American, on the floor of the United States Senate. The record—history—is going to show that the legislation written by the National Welfare Rights Organization, the bill supported by the welfare recipients themselves, was introduced in both Houses of the 91st Congress, and reintroduced in both Houses of the 92nd Congress.
>
> I am introducing H.R. 7257 not so much because it contains a specific dollar figure but because it rests on the hard rock of human dignity; on the essential business of trying to give every American a truly adequate income and I intend to see that the question of human dignity your bill raises gets a fair hearing in the Senate of the United States.

For that reason I am today introducing the Adequate Income Act of 1971. I ask unanimous consent that the text of this legislation be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Adequate Income Act of 1971".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (A) The Congress hereby finds and declares that—

(1) People are on welfare because they are unable to support themselves in any other way. Approximately three-fourths of the people receiving welfare today are either children, the aged, disabled or blind. Few of the rest are able to become self-supporting. Many are too sick to hold employment in the jobs available to them. Others are parents and are needed at home or cannot obtain suitable child-care arrangements. A survey conducted by the Department of Health, Education, and Welfare points out that only 5 per centum of welfare recipients can become self-supporting in a reasonable period of time given the best possible rehabilitative services.

(2) Furthermore, millions of Americans are not on welfare but are unable to secure an adequate income from the wages they earn. The real employment problem is not that people need jobs and jobs need people. It is that jobs do not provide a minimum adequate income. Employment does not distribute income the way its advocates claim it does. As an income-distribution system, employment has never worked well for the poor, especially the black poor. Even if all eligible Americans were employed today, the number of poor people would not be seriously reduced.

(B) Therefore, it becomes the responsibility of the Congress to assure to every person the right to live. Among the expressed purposes of the Constitution is the desire to insure domestic tranquility and promote the general welfare. It is the intent of this Act to insure that every American will have at least the minimum income required to freely express the fundamental rights and liberties expressed in the Constitution.

(C) (1) The poverty line is totally inadequate as an objective standard measure of what a family needs to live. The poverty line is based on the United States Agriculture Department's economy food plan. According to the Agriculture Department, "the economy plan is not a reasonable measure of basic money needs for a good diet. The public assistance agency that recognizes the limitations of its clientele and is interested in their nutritional well-being will recommend a money allowance for food considerably higher than the cost level of the economy plan."

(2) The Agriculture Department's low-cost food plan must also be rejected as a reasonable standard. An Agriculture Department survey estimated that only about a fourth of those who spend amounts equivalent to the cost of the plan actually have nutritionally adequate diets.

(3 The moderate food plan is the minimum objective standard for a nutritionally adequate diet and this standard must be incorporated in the determination of an adequate income.

(4) Computations based on surveys conducted by the Bureau of Labor Statistics incorporating the moderate food plan demonstrate that a family of four needs $6,500 a year for food, housing, clothing, and other basic necessities to live at a minimum level of human health and decency.

(D) Therefore, $6,500 a year is the minimum adequate income level for a family of four. Every family of four shall be guaranteed under the provisions of this Act a minimum income of $6,500 a year. Abundant resources are available to assure every American a minimum adequate income.

(E) The various programs known as public assistance shall be replaced with an adequate income plan that will overcome the major failings of the present programs. The adequate income plan shall not—

(1) deny benefits to those eligible through procedures and practices that harass applicants,

(2) prevent recipients from learning their legal rights and gaining all their lawful entitlements,

(3) fragment the program and in so doing discriminate against certain people in the amount of money they may receive and exclude others from receiving any entitlement, and

(4) most critically, fail to provide an adequate income for people who must rely on public support or require wage supplementation.

APPROPRIATIONS

SEC. 3. There is authorized to be appropriated for each fiscal year a sum sufficient to carry out this Act.

RIGHT TO ADEQUATE INCOME

SEC. 4. Any person who is eligible (as defined in section 5) for adequate income under this Act and who is a filer (as defined in section 6) may, at his option, file a claim (in the manner prescribed in sections 9 and 10) for a payment for himself and any other eligible person who must or may be included in his unit (as prescribed in section 6), the amount of such payment being determined under section 7.

ELIGIBILITY

SEC. 5. Any person who resides in the United States and who is either a citizen or a resident alien and who is not confined to a penal institution is eligible to file a claim for an income supplement for himself and any other persons who must or may be included in his unit.

FILERS AND MEMBERS OF UNIT

SEC. 6. A family unit may consist of one or more individuals. The person who is responsible for filing the claim for a family unit, and to whom payment under this program will be made, is called a "filer." The following rules establish which individuals may be filers, which individuals must be included in the filer's family unit, and which individuals may be included in the filer's family unit. A filer becomes entitled to additional payments for each additional member of his family unit but is required to include in the income of the family unit the income of all members of the unit.

(A) MALE FILERS.—(1) A man is a filer if he is—

(a) at least 18 years old; or

(b) married.

(2) A male filer must include his wife in his family unit unless they are legally separated or informally separated (as defined in section 6(c)). A male filer must also include in his family unit any woman who is living with him and is the mother of one or more of his children living with him.

(3) A male filer may include in the family unit any person who is under eighteen years old and who lives with him: *Provided, however,* That no person under eighteen years old who is not a child of the filer or a woman who must be included in his unit, may be included until such person has lived with him for ninety consecutive days.

(B) FEMALE FILERS.—(1) A woman is a filer if she is—

(a) at least sixteen years old and a mother; or

(b) at least eighteen years old and either unmarried, divorced, legally separated, or informally separated as defined in section 6 (c); or

(c) married.

(2) A female filer must include in her family unit any man who is living with her and who is the father of one or more of her children living with her.

(3) A female filer who is eligible to be a filer by virtue of section 6(E)(1) must include her husband in her family unit.

(4) A female filer may include in the family unit any person who is under eighteen years old and who lives with her: *Provided, however,* That no person under eighteen years old who is not a child of the filer or a man who must be included in her unit may be included until such person has lived with her for ninety consecutive days. (But see section 6(E)(2).)

(C) INFORMAL SEPARATION DEFINED.—A man and woman will be deemed to be informally separated if—

(1) (a) they have not lived in the same dwelling unit for thirty consecutive days, and

(b) one of them files an affidavit with the Secretary, swearing or affirming these facts on information or belief and further stating that there is no reasonable expectation that he or she will return; or

(2) either of them is confined to a penal institution.

(D) SPECIAL RULES FOR INCOMPETENTS, STEPCHILDREN, CHILDREN CONFINED TO PUBLIC INSTITUTIONS, ETC.—(1) If a person is otherwise eligible to be a filer, but is physically or mentally incapable of filing reports, then reports may be filed and payments received in his or her behalf by the person who is responsible for his or her care.

(2) If a person under eighteen years old is living in a State-approved foster home or a State-operated institution (other than a penal or correctional institution) and if the State has adopted a plan approved by the Secretary for seeking to enforce the legal obligation of any other person to support such person, then the State shall be entitled to receive in respect of and for the benefit of

such person an amount equal to the allowance prescribed in section 7, reduced by the full amount of any support payment received by the State.

(3) A person who is eligible to be a filer may, regardless of his income, file a claim for a unit consisting of any persons under eighteen years old living with him, for whom he certifies that he has no obligation of support under the law of the State in which he resides and that he refuses to support, except that he must include in such unit's income not only the income of such person or persons under eighteen years old but also the income of any other person who is living with him and who does have a legal obligation to support such person or persons under eighteen years old, and except that this provision shall not apply to persons under eighteen years old for whom payments are or could be made under section 6(D) (2).

(E) MISCELLANEOUS PROVISIONS.—(1) A filer may file a written consent to allow his or her spouse to be the filer for their family unit, in which case payments will be made to his or her spouse.

(2) No person may be a member of more than one unit. If a person who is under eighteen years old lives wtih more than one filer then he can be claimed only by the filer who supplies the greatest amount of support.

(3) Each time a monthly report of income is made, the filer may make a new choice as to whether to include any person (other than his spouse) in the family unit.

BENEFIT LEVEL AND REDUCTION RATE

SEC. 7. (A) (1) The amount that shall be paid to each filer shall be the total of the amounts prescribed in subsections 7(B) and 7(C) or subsection 7(A) for himself and all members of his unit reduced by two-thirds of the positive net income (as defined and determined in sections 8 and 9) of all members of the unit.

(2) The amounts to be paid to the States under section 6 shall be determined from the allowance levels in section 7(B) (2).

(B) (1) Each unit will be entitled to payments, before reduction by virtue of income, at the following annual rate (subject to adjustments prescribed in subsections 7(B) (2) and (3)):

(a) for the filer, $2,250;

(b) for the second member of the family unit, $1,850;

(c) for each additional member of the unit, $1,200.

(2) The amount prescribed in subsection 7(B) (1) shall be increased or decreased, at least once each year, by the same percentage as the increase or decrease in the median family income as determined by the Bureau of the Census in the United States Department of Commerce.

(3) (a) The amounts prescribed in subsection 7(B) (1) shall be increased or decreased by the local cost-of-living index of the zone in which the unit resides at the time his monthly report is filed.

(b) The local cost-of-living index for each zone of the country shall be established and maintained by the Bureau of Labor Statistics of the Department of Labor, shall be revised annually, and shall be based upon an annual survey of retail prices to low-income families of consumer goods and services commonly required by such families, including but not limited to charges for housing, clothing, food, transportation, and retail credit. The index shall be so calculated that the national average of low-income consumer prices for the initial year of operation of this Act will have an index value of $1.00. Each zone shall be established and revised, as necessary, so that the variation in cost-of-living between different locations within a zone shall be not more than 5 per centum.

(C) In addition to the amounts determined under subsection 7(A) each unit shall be entitled to receive such amounts as are necessary to meet basic needs of a unique or a nonrecurring nature, but not limited to the cost of clothing and furniture needed to bring the unit to a decent standard at the time it or any member first becomes eligible for payment. Such amounts shall be sufficient to cover the cost of meeting the special medical, nutritional, or instructional needs of any member of the unit including loss due to fire, flood, or other disaster.

(D) In lieu of the amount determined under subsection 7(B) each unit shall be entitled, pursuant to regulations prescribed by the Secretary, to establish a benefit level based upon an itemized statement of its own particular circumstances and needs, where the benefits provided under subsection 7(B) would be inadequate to provide to the unit that standard of living that can be achieved by a typical unit receiving the benefit determined under subsection 7(B). In determining the need for a special benefit level under the subsection, account shall be taken of special need in respect of food, clothing, housing, transportation, medical care, and all other basic needs, in light of budgets prepared and promulgated by the Secretary, with the advance and assistance of the Bureau of Labor Statistics, designed to insure a minimum adequate standard of living.

DEFINITION OF INCOME

SEC. 8. (A) IN GENERAL.—For the purposes of this part, a person's available income shall be his adjusted gross income, as defined in section 62 of the Internal Revenue Code of 1954, with the modifications provided by subsections (B) through (H).

(B) AMOUNTS ADDED TO ADJUSTED GROSS INCOME.—For the purposes of subsection (A), adjusted gross income for any period shall include the amount of the following items which accrue or are received or are imputed during such period to the extent they are not already included in the definition of adjusted gross income in section 62 of the Internal Revenue Code of 1954:

(1) the entire amount of any payments received as an annuity, pension, or retirement benefit,

(2) the amount or value of any and all prizes and awards,

(3) the proceeds of any life insurance policy in excess of $1,000,

(4) all gifts (cash or otherwise), support and alimony payments, inheritances, and trust distributions of capital, in excess of a total of $50 per year, except for any gift or support payment or other transfer received from a member of the same family unit or from a private charity and except for any property (other than insurance proceeds) inherited from a deceased spouse, provided that amounts received from any person who is living in the same dwelling as the filer but is not a member of the filer's unit shall not be considered gifts or support payments to the extent that they do not exceed the greater of $25 per week or the actual cost of housing and feeding such nonmember person, and provided that any amount that is received and paid for tuition, fees, and books, at any institution described in section 151(e) (4) of the Internal Revenue Code of 1954 shall not be deemed to be a gift or support payment, and provided that no amount received under any government program in which the need of the recipient is an essential prerequisite of the award shall be deemed to be a gift or support payment,

(5) interest on all governmental obligations,

(6) except as otherwise provided in this part, any amount received in the form of damages, insurance payments, workmen's compensation, or in any other form as (i) compensation for physical, mental, or any other personal injuries or sickness, (ii) wage or income continuation payments, or (iii) payments for medical expenses,

(7) the rental value of parsonages,

(8) certain combat pay and mustering-out payments to members of the Armed Forces excluded from adjusted gross income by sections 112–13 of the Internal Revenue Code of 1954,

(9) the full amount of all dividends, including periodic payments that are a return of capital, except insurance dividends that are used to offset premiums,

(10) the full amount of any scholarship or fellowship, including the value of room and board supplied without charge, to the extent that such scholarship or fellowship exceeds the costs of tuition, fees, and books,

(11) the amount by which living expenses of the family unit are reduced when an employer supplies meals or lodging at less than their fair market value, regardless of whether the arrangement was made for the convenience of the employer,

(12) any amount paid by the Government to a member of the Armed Forces as an allowance for quarters or subsistence or as gratuity pay,

(13) the amount of current or accumulated income that could, within the discretion of any person with a nonadverse interest, be paid to an individual from a trust or estate of which he is a designated beneficiary, except that any such amount not exceeding $3,000 and in fact paid to some other person shall not be so included,

(14) all amounts deductible under section 1202 of the Internal Revenue Code of 1954,

(15) all unemployment compensation, from whatever source derived, whether from government insurance programs or otherwise,

(16) strike benefits received from any union or other organization or agency,

(17) all cash benefits received pursuant to title II of the Social Security Act,

(18) Railroad Retirement Act cash benefits,

(19) cash benefits under laws administered by the Veterans' Administration except for those which are income conditioned,

(20) foreign source income presently excludable under section 893, 894, 911, 912, 931, and 943 of the Internal Revenue Code of 1954,

(21) amounts received as loans from the Commodity Credit Corporation,

(22) items presently deductible under sections 173, 175, 180, 182, 263(c), 615, and 616 of the Internal Revenue Code of 1954,

(23) an amount equal to the total of all Federal and State income tax refunds multiplied by three halves, and

(24) (a) An amount equal to 10 per centum of the net usable wealth owned by all members of such unit less the amount of any capital distribution from a trust that has been included in income by virtue of section 8(B) (4) where the principal of such trust is included in the computation of net usable wealth and less the amount of income actually derived from property described in subsection (b) (v) below.

(b) Net usable wealth is an amount equal to the sum of—

(i) the equity in property used in a trade or business in excess of $10,000, or the equity in a trade or business that includes an owner-occupied home in excess of $20,000;

(ii) the equity in an owner-occupied home not included in (i) above in excess of $10,000;

(iii) the amount by which the total of all cash, checking accounts, savings accounts, and equity in savings bonds, of all members of the unit taken together, exceeds $1,500;

(iv) the cash value of life insurance policies owned by all members of the unit in excess of $5,000; and

(v) the amount of equity in all other property, real or personal, tangible or intangible, of any kind (including property held in trust if such property is required to be or, in the discretion of a member of the unit or any other person, may be distributed presently to any members of the unit) except clothing, furniture, automobiles with a total value less than $4,000, and personal effects, with a total value of less than $250 per member of the filing unit, and except the value of any pension, annuity, or retirement benefit.

Less the total of all unsecured debts of all members of the unit.

(c) The term equity as used above means the fair market value of the property less the amount of debt secured by it.

(C) Deductions Allowed.—For the purposes of subsection (a), adjusted gross income for any period may be reduced by the amount of the following items which accrue, are paid, or are otherwise deductible during such period, to the extent that they have not already been deducted from adjusted gross income under the provisions of the Internal Revenue Code of 1954:

(1) all expenses for medical care within the meaning of section 213(e) of the Internal Revenue Code of 1954, except that—

(a) this deduction shall not apply to expenses compensated for by insurance or otherwise, where such compensation has been excluded from available income, and

(b) deductions can be made under this section only to the extent that the aggregated medical expenses of the family unit during the current reporting period plus the preceding eleven reporting periods exceeds $120 multiplied by the number of members of the unit,

(2) alimony, separate maintenance, and support payments made by any member of the unit,

(3) the value of any gift to a member of a family unit other than the donor's where the donee is a member of a family unit receiving payments under this Act,

(4) all deductions presently allowable under sections 162 and 212 of the Internal Revenue Code of 1954,

(5) the full cost of caring for any member of the unit if such cost was incurred for the purpose of enabling the member of the unit to be gainfully employed, to seek employment, or to obtain training for employment,

(6) all amounts deductible under section 404 of the Internal Revenue Code of 1954, and

(7) an amount equal to the total of all Federal and State income taxes paid by all members of the unit multiplied by three halves.

(D) Losses.—In determining adjusted gross income the losses that are deductible under sections 165 and 166 of the Internal Revenue Code of 1954, except for losses described in section 165(C)(3), shall be allowed as deductions and losses from the sale, exchange, or disposition of capital assets, used in a trade or business or held for the production of income may be deducted without limitation, to the extent that they exceed capital gains realized during the preceding three years (other than capital gains that were reported and reduced benefits that would otherwise have been payable under this part).

(E) Interest.—No deduction shall be allowed for interest except for—

(1) interest paid on a loan the proceeds of which are used in the payor's trade or business, and

(2) interest paid on a loan procured by property that produces income that is included in the unit's income under any provision of section 8 (including section 8(b)(24)), but only to the extent of such income.

(F) Depreciation and Depletion.—In determining available income, a deduction shall be allowed for depreciation and depletion only to the extent permitted by sections 167 and 611 of the Internal Revenue Code of 1954; but no deduction shall be permitted for depletion calculated pursuant to section 613 of the Internal Revenue Code of 1954.

(G) Deductions Disallowed.—Deductions from income other than those specifically allowed in this section are disallowed. No item shall be deducted more than once.

(H) Subchapter S Corporations.—Any amount attributed to the available income of a member of the family unit by operation of section 1373 of the Internal Revenue Code of 1954 shall be increased by an amount proportional to the amount by which the taxable income of the electing corporation would be increased if computed under this section.

(I) Internal Revenue Code Applicable.—Except where this Act provides or necessarily implies otherwise, the provisions of the Internal Revenue Code of 1954 shall apply in the determination of available income.

REPORTING AND ACCOUNTING

Sec. 9. (A) Definitions.—(1) "Net income" means income less allowable deductions, as determined pursuant to section 8 of this Act. Net income may be either positive or negative.

(2) "Breakeven point" is the amount of net income which would reduce payments to zero.

(B) Accounting Period.—The accounting period (sometimes referred to as "the period") is a calendar month.

(C) Reports.—Net income of the preceding period will be reported at the beginning of each month. Payments will be made semimonthly.

(D) Payments.—Payments will be based on net income for the preceding period. Carryover will be added to or subtracted from net income as provided in rule 9(I).

(E) Filer's Accounting Method.—(1) Income and deductions will be reported under the same method of accounting used for positive income tax purposes.

(2) If no positive income tax returns have been filed, the cash receipts and disbursements method shall be used.

(3) Net income from a trade or business (other than as an employee) may (but need not) be computed and reported once a year when the Federal income tax return reporting such net income is filed (or would be filed if taxes were payable).

(4) Net income from a trade or business, if reported once a year, must be reported at the same time every year.

(5) Such net income shall be divided into twelve equal parts, one of which will be assigned to the period in which the calculation is made and one of which will be assigned to each of the next eleven periods.

(F) Allocation of Items Computed Yearly.—Capital asset income computed under section 8(B)(24) and deductions for depreciation, depletion, or amortization allowable under section 8(E) and not otherwise accounted for under section 9(E) shall be divided into twelve equal parts, one of which will be assigned to the period in which the calculation is made and one of which will be assigned to each succeeding period until a recomputation is made. Such computations shall be made as of the beginning of the unit's eligibility and whenever a new unit is formed. Said computations shall be repeated not later than one year after the earlier computation on such date as the Secretary shall determine (and on a corresponding date in succeeding years).

(G) Positive Carryover Defined.—A positive carryover is computed by subtracting the breakeven point from net income (after any negative carryover is first subtracted from net income).

(H) Negative Carryover Defined.—A negative carryover is created if net income (after any positive carryover is first added to net income) is a negative figure.

(I) Use of Carryover.—A positive or negative carryover is carried forward to the next succeeding period and added to or subtracted from net income. If the sum again exceeds the breakeven point, in the case of a positive carryover, or the difference again is negative in the case of a negative carryover, the portion of the carryover not used to bring net income up to breakeven point or down to zero shall be carried forward in the same manner to next succeeding periods. No carryover may be carried forward for more than eleven periods following the period in which it first arose.

(J) Latest Carryover Used First.—If a carryover is available from more than one preceding period, it shall be taken from the latest creditable period.

(K) Unit Membership.—For purposes of computing net income, the income and deductions of the preceding period will be the income and deductions of persons who were members of the unit on the last day of the preceding period and payments will be based upon such membership.

(L) Initial Enrollment and New Units.—Upon initial enrollment or whenever a unit increases or decreases in size, carryovers arising from earlier periods (that is, periods preceding the curent period) will be computed by examining income and deductions for the preceding eleven periods, as though these rules had applied to such periods. In the event that a carryover arising in the preceding eleven periods cannot readily be allocated to the appropriate individual, it shall be allocated to the filer in the suit which reported this carryover.

(M) Payment and Recovery.—

(1) Payments.—(a) The Secretary shall make the payments required by this part not later than the next regular semimonthly payment date after receipt of a properly filed claim, or within ten days of such receipt, whichever is later.

(b)(i) A claim is properly filed unless the information contained therein is so incomplete, unclear, or inconsistent as to prevent the determination of eligibility and the amount of allowance.

(ii) If a claim is deemed to be not properly filed then the Secretary shall assist the filer in completing the claim. The claim shall be completed within five days of receipt of such claim.

(c) Payments are to be made on the basis of the information supplied by the filer, in accordance with the provisions of section 10, and the payment may be denied or reduced below what is claimed by the filer only after the filer has been informed of the Secretary's position, and has exhausted or waived the procedures established by section 11.

(d) Whenever a payment is not made within the period prescribed in section 9(M)(1)(a) the filer shall be entitled to damages for the delay, which damages will be equal to 10 per centum of the amount of the payment for each day of delay but not more than a total of 100 per centum of the claimed payment.

(2) Recovery of Overpayments.—(a) Overpayment shall be recovered according to regulations and procedures prescribed by the Secretary, with no regard for the source and nature of the error leading to the overpayment, and not in an amount or manner that would tend to defeat the objectives of this program or to produce undue hardship. The regulations must prescribe circumstances in which, in the interest of fairness, recovery of overpayments may be waived. In no event shall an overpayment be recovered in an amount that would reduce benefits, plus income, to a level more than 10 per centum below the basic allowance level.

RECORDS, INFORMATION AND RETURNS; DETERMINATIONS AND REVIEW BY THE SECRETARY

Sec. 10. (A) Information required to determine eligibility and allowances under this part shall be supplied on such forms as may be provided by the Secretary. Such forms are to be in simple and understandable language. Information required must be reasonable and necessary and must not violate the right to privacy of the filer or any member of his unit.

(B) In order to verify the accuracy of reports filed under this part, the Secretary may conduct audits and investigations on the basis of random selection. The Secretary may audit or investigate the information supplied by the filer if there is cause to believe that the filer is not entitled to receive the allowance for which he has applied or which he has received or if proceedings are undertaken pursuant to section 11. However, the Secretary may request the filer to supply additional information when a claim is not properly filed, as provided in section 9(M)(1)(6)(1).

PROCEDURAL RIGHTS AND REVIEW

SEC. 11. (a) All rules and regulations under this Act shall be made on the record and after an opportunity for a hearing pursuant to subchapter II, chapter 5 of title 5 of the United States Code, except as expressly modified herein. All such rules and regulations shall be reviewable in a Federal court of competent jurisdiction.

(B) The Secretary shall maintain a list of all organizations which certify that they have a membership of more than fifty filers receiving allowances under this Act and shall send such organizations all proposed rules and regulations at the time that they are published in the Federal Register. These organizations shall have standing to participate in any public hearing held to review a rule or regulation, and to challenge any proposed rule issued under this Act in a Federal court.

(c) The Secretary shall from time to time extensively publicize in simple and understandable language the provisions of this Act, using all appropriate media of communication. The Secretary shall diligently and fully inform all applicants and filers, in writing, in simple and understandable language, of their rights under the Act and especially of their rights to allowances, to an administrative hearing and appeal with judicial review, to a judicial hearing, and to payment of costs as provided in this section. An applicant shall be so notified at the time that he makes inquiry concerning the provisions of this Act at the office of the Secretary. Filers shall be so notified periodically but not less than once every six months. Where the Secretary has reason to believe that an applicant or a filer is not capable of understanding the contents of the notification, the Secretary shall provide a means of communication that will be understandable to the particular applicant or filer.

(D) Upon written request, the Secretary shall afford an opportunity for a full due process hearing before an examiner with respect to any action of the Secretary denying, withholding, or modifying a person's allowance or any part thereof, to any person aggrieved by such action. Such hearing shall be held within fifteen days of the date of receipt of the request and, if requested, shall occur prior to the effective date of any such denial, withholding, or modification. All aggrieved individuals may be accompanied by friends or relatives and shall be entitled to be represented by counsel or by other persons of the aggrieved individual's choice at such hearings, to present evidence in their own behalf, to know the evidence against them, to confront and cross-examine witnesses against them, and to challenge the reasonableness of any rule, regulation, or practice adopted pursuant to this Act as applied to their case. Within two weeks of the conclusion of the hearing, the examiner shall make findings of fact and shall issue a written decision based upon the evidence presented at the hearing and stating the reasons for his decision. Hearings shall be open to the public unless any one of the aggrieved individuals requests in writing that the hearing be closed. The Secretary and the aggrieved parties shall be bound by the decision of the examiner unless an appeal is taken to the Board of Appeals within ten days of the decision. Such appeal shall be heard and decided before any action sought by the Secretary shall be effective.

(E) The Secretary shall establish a board of appeals which shall review the decisions of the examiner upon the request of any party thereto. The board shall publish its decisions and state the reasons therefor. The Secretary and the aggrieved parties shall be bound by the decision of the board unless judicial review is sought pursuant to subsection (F). The board's decision shall take effect when rendered, unless stayed by an appropriate court pursuant to subsection (F).

(F) Decisions of the Secretary denying, withholding, modifying, or affecting an individual's allowance, shall be fully reviewable by a civil action commenced in the United States district court for the district in which the aggrieved individual resides. The district courts shall have jurisdiction of such actions without regard to the amount in controversy.

(G) If after the expiration of fifteen days, the Secretary fails to commence a hearing as provided for in subsection (D), the aggrieved individual shall be entitled to the allowance in the claim or he may waive his administrative remedy and commence a civil action in the United States district court for the district in which he resides to review the decisions of the Secretary. The district courts shall have jurisdiction of such actions without regard to the amount in controversy.

(H) All persons shall be entitled to reasonable expenses incurred in any administrative or judicial hearing brought under this section, including necessary child care, loss of pay, transportation expenses for the aggrieved parties and their witnesses and representatives, reasonable expenses necessary for the adequate preparation of the case, reasonable fees for their representatives, and any other expenses reasonable and necessarily related to the hearing or case; but that a district court, in a proceeding before it under this Act, may disallow expenses related to court proceedings if it finds that a party or his attorney has acted frivolously or in bad faith.

(I) The Secretary shall establish a Complaint Review Board to review any complaint that an employee of the Secretary is not performing his functions properly or is not following properly issued regulations. The Board shall, after notice to the employee, promptly investigate the complaint and send the results of its findings with respect to any complaint in writing to the person or organization making the complaint, and to the employee, within sixty days of the receipt of such complaint. In the event that the Board finds the employee guilty of willful or grossly negligent abuse of discretion, or of willful or grossly negligent failure to perform his functions properly, the Secretary shall conduct a hearing on the charge in which the employee and the complainant shall have standing to participate. If the results sustain the findings of the Board, the Secretary shall take such disciplinary action, not excluding discharge or suspension without pay, as he deems proper and as authorized by the civil service laws of the United States.

(J) All records kept by the Secretary shall remain strictly confidential and may be used only by the Secretary to effectuate and enforce the provisions of this Act, except that a filer shall at any time be entitled to examine his own file at the local office of the Secretary by submitting a written request.

CLAIMS AGAINST ALLOWANCES PROHIBITED

SEC. 12. (A) Allowances due or to become due under this part shall not be assignable and shall not be subject to taxation under the Internal Revenue Code of 1954 or to any other taxation.

(B) Allowances due or to become due under this part shall be exempt from the claims of creditors and from any process of attachment or levy, or from seizure by or under any legal or equitable process, whatsoever before receipt by the beneficiary. This subsection shall not apply to claims of the United States which accrue under the provisions of this part or subject to the prohibition in subsection (A), under the provisions of the Internal Revenue Code of 1954.

ADMINISTRATION OF ADEQUATE INCOME PLAN

SEC. 13. (A) Except as otherwise expressly provided by law, the administration and enforcement of this Act shall be performed by or under the supervision of the Secretary of the Department of Health, Education, and Welfare, utilizing to the maximum feasible extent the administrative and technical facilities of the Internal Revenue Service. Compensation for such services performed by the Internal Revenue Service shall be agreed upon by the Secretary of Health, Education, and Welfare and the Secretary of the Treasury.

(B) The Secretary shall prescribe all rules and regulations necessary for the enforcement and administration of this Act, which rules and regulations shall be consistent with the purposes and policies of this Act as set forth in section 2 and as embodied in other sections of this Act.

(C) The Secretary shall establish and maintain local offices for the convenience of applicants and filers. These offices shall offer counseling and technical assistance to applicants and filers in the preparation of forms and other materials required by law.

(D) The Internal Revenue Service shall make available to the Secretary such records and analyses as may be requested by the Secretary for the purposes of carrying out the provisions of this Act. Records made available to the Secretary will be subject to the provisions of section 11(j).

REPORTS, EVALUATION, RESEARCH AND DEMONSTRATIONS, AND TRAINING, AND TECHNICAL ASSISTANCE

SEC. 14. (a) The Secretary shall make an annual report to the President and the Congress on the operation and administration of this Act including an evaluation thereof and recommendations for ways to better carry out the purposes of this Act. The Secretary is authorized to conduct evaluations directly or by grants or contracts.

(b) The Secretary is authorized to conduct, directly or by grants or contracts, research into or demonstrations of better ways of carrying out the provisions of this Act, and in so doing to waive any requirements or limitations with respect to eligibility for or amount of allowances as he deems appropriate.

(c) In addition to funds otherwise available therefor, such portion of any appropriation to carry out this Act as the Secretary may determine, but not in excess of one-tenth of 1 percentum thereof, shall be available to him to carry out this section.

CONFORMING AMENDMENTS

SEC. 15. (a) Section 401 of the Social Security Act (42 U.S.C. 601) is amended—

(1) by striking out "financial assistance and" in the first sentence: and

(2) by striking out "aid and" in the second sentence.

(b)(1) Subsection (a) of section 402 of such Act (42 U.S.C. 602) is amended—

(A) by striking out "aid and" in the matter preceding clause (1);

(B) by inserting, before "provide" at the beginning of clause (1), "except to the extent permitted by the Secretary,";

(C) in clause 4 by striking out "aid" and insert in lieu thereof "services."

(D) (i) by striking out "recipients and other persons" in clause (5) (b) and inserting in lieu thereof "persons", and

(ii) by striking out "providing services to applicants and recipients" in such clause and inserting in lieu thereof "providing services under the plan";

(E) by striking out clauses (7) and (8);

(F) by striking out "aid to families with dependent children" in clause (9) and inserting in lieu thereof "the plan";

(G) in clause (10) strike out "aid to families with dependent children" and insert in lieu thereof "services";

(H) (i) by striking out "section 406(d)" in clause (14) and inserting in lieu thereof "section 405(c)",

(ii) by striking out "for each child and relative who receives aid to families with dependent children, and each appropriate individual (living in the same home as a relative and child receiving such aid whose needs are taken into account in making the determination under clause (7))" in such clause and inserting in lieu thereof "for each member of a family receiving assistance to needy families with children, each appropriate individual (living in the same home as such family) whose needs would be taken into account in determining the need of any such member under the State plan (approved under this part) as in effect prior to the enactment of part D, and each individual who would have been eligible to receive aid to families with dependent children under such plan", and

(iii) by striking out "such child, relative, and individual" each place it appears in such clause and inserting in lieu thereof "such member or individual";

(I) by striking out clause (15) and inserting in lieu thereof the following: "(15) (A) provide for the development of a program, for appropriate members of such families and such other individuals, for preventing or reducing the incidence of births out of wedlock and otherwise strengthening family life, and for implementing such program by assuring that in all appropriate cases family planning services are offered to them, but acceptance of family planning services provided under the plan shall be voluntary on the part of such members and individuals and shall not be a prerequisite to eligibility for or the receipt of any other service under the plan; and (B) to the extent that services provided under this clause or clause (8) are furnished by the staff of the State agency or the local agency administering the State plan in each of the political subdivisions of the State, for the establishment of a single organizational unit in such State or local agency, as the case may be, responsible for the furnishing of such services;"

(J) by striking out "aid" in clause (16) and inserting in lieu thereof "assistance to needy families with children";

(K) (i) by striking out clauses 17 and 18.

(L) by striking out clause (19).

(M) by striking out "aid to families with dependent children in the form of foster care in accordance with section 408" in clause (20) and inserting in lieu thereof "payments for foster care in accordance with section 406";

(N) by striking out clause 21.

(O) by striking out clause 22.

(P) by striking out "; and (23)" and all that follows and inserting in lieu thereof a period.

(2) Clauses (4), (5), (6), (9), (10), (13), (14), (15), (16), and (20), of section 402(a) of such Act, as amended by paragraph (1) of this subsection, are redesignated as clauses (4) through (13), respectively.

(c) Section 402(b) of such Act is amended to read as follows:

"(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility for services under it, any residence requirement which denies services or foster care payments with respect to any individual residing in the State."

(d) Section 402 of such Act is further amended by striking out subsection (c).

(e) (1) Subsection (a) of section 403 of such Act (42 U.S.C. 603) is amended—

(A) by striking out "aid and services" and inserting in lieu thereof "services" in the matter preceding paragraph (1);

(B) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) an amount equal to the sum of the following proportions of the total amounts expended during such quarter as payments for foster care in accordance with section 406—

"(A) five-sixths of such expenditures, not counting so much of any expenditures with respect to any month as exceeds the product of $18 multiplied by the number of children receiving such foster care in such month; plus

"(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under subparagraph (A), not counting so much of any expenditures with respect to any months as exceeds the product of $100 multiplied by the number of children receiving such foster care for such month;";

"(C) by striking out paragraph (2);

(D) (i) by striking out "in the case of any State," in the matter preceding subparagraph (A) in paragraph (3),

(ii) by striking out "or relative who is receiving aid under the plan, or to any individual (living in the same home as such relative and child) whose needs are taken into account in making the determination under clause (7) of such section" in clause (i) of subparagraph (A) of such paragraph and inserting in lieu thereof "receiving foster care or any member of a family receiving assistance to needy families with children or to any other individual (living in the same home as such family) whose needs would be taken into account in determining the need of any such member under the State plan approved under this part as in effect prior to the enactment of part D",

(iii) by striking out "child or relative who is applying for aid to families with dependent children or" in clause (ii) of subparagraph (A) of such paragraph and inserting in lieu thereof "member of a family",

(iv) by striking out "likely to become an applicant for or recipient of such aid" in clause (ii) of subparagraph (A) of such paragraph and inserting in lieu thereof "likely to become eligible to receive such assistance", and

(v) by striking out "(14) and (15)" each place it appears in subparagraph (A) of such paragraph and inserting in lieu thereof "(8) and (9)";

(E) by striking out all that follows "permitted" in the last sentence of such paragraph and inserting in lieu thereof "by the Secretary; and";

(F) by striking out "in the case of any State," in the matter preceding subparagraph (A) in paragraph (5);

(G) by striking out "section 406(e)" each place it appears in paragraph (5) and inserting in lieu thereof "section 405(d)"; and

(H) by striking out the sentences following paragraph (5).

(2) Paragraphs (3) and (5) of section 403 (a) of such Act, as amended by paragraph (1) of this subsection, are redesignated as paragraphs (2) and (3) respectively.

(f) Section 403(b) of such Act is amended—

(1) by striking out "(B) records showing the number of dependent children in the State, and (C)" in paragraph (1) and inserting in lieu thereof "and (B)"; and

(2) by striking out "(A)" in paragraph (2), and by striking out ", and (B)" and all that follows in such paragraph and inserting in lieu thereof a period.

(g) Section 404 of such Act (42 U.S.C. 604) is amended—

(1) by striking out "(a) In the case of any State plan for aid and services" and inserting in lieu thereof "In the case of any State plan for services"; and

(2) by striking out subsection (b).

(h) Section 405 of such Act (42 U.S.C. 605) is repealed.

(i) Section 406 of such Act (42 U.S.C. 606) is redesignated as section 405, and as so redesignated is amended—

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) The term 'child' means a child as defined in section 445(b).

"(b) The term 'needy families with children' means families who are receiving family assistance benefits under part D and who (1) are receiving supplementary payments under part E, or (2) would be eligible to receive aid to families with dependent children, under a State plan (approved under this part) as in effect prior to the enactment of part D, if the State plan had continued in effect and if it included assistance to dependent children of unemployed fathers pursuant to section 407 as it was in effect prior to such enactment; and 'assistance to needy families with children' means family assistance benefits under such part D, paid to such families.";

(2) by striking out subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively;

(3) (A) by striking out "living with any of the relatives specified in subsection (a) (1) in a place of residence maintained by one or more of such relatives as his or their own home" in paragraph (1) of subsection (d) as so redesignated and inserting in lieu thereof "a member of a family (as defined in section 445(a))", and

(B) by striking out "because such child or relative refused" and inserting in lieu thereof "because such child or another member of such family refused".

(j) Section 407 of such Act (42 U.S.C. 607) is repealed.

(k) Section 408 of such Act (42 U.S.C. 608) is redesignated as section 406, and as so redesignated is amended—

(1) by striking out everything (including the heading) which precedes paragraph (1) of subsection (b) and inserting in lieu thereof the following:

"FOSTER CARE

"SEC. 406. For purposes of this part—

"(a) 'foster care' shall include only foster care which is provided in behalf of a child (1) who would, except for his removal from the home of a family as a result of a judicial determination to the effect that continuation therein would be contrary to his welfare, be a member of such family receiving assistance to needy families with children, (2) whose placement and care are the responsibility of (A) the State or local agency administering the State plan approved under section 402, or (B) any other public agency with whom the State agency administering or supervising the administration of such State plan has made an agreement which is still in effect and which includes provision for assuring development of a plan, satisfactory to such State agency, for such child as provided in paragraph (e) (1) and such other provisions as may be necessary to assure accomplishment of the objectives of the State plan approved under section 402, (3) who has been placed in a foster family home or child-care institution as a result of such determination, and (4) who (A) received assistance to needy families with children in or for the month in which court proceedings leading to such determination were unusual or (B) would have received such assistance to needy families with children in or for such month if application had been made therefor, or (C) in the case of a child who had been a member of a family (as defined in section 445(a)) within six months prior to the month in which such proceedings were initiated, would have received such assistance in or for such month if in such month he had been a member of (and removed from the home of) such a family and application had been made thereof;

"(b) 'foster care' shall, however, include the care described in paragraph (a) only if it is provided—";

(2) (A) by striking out "'aid to families with dependent children'" in subsection (b) (2) and inserting in lieu thereof "foster care",

(B) by striking out "such foster care" in such subsection and inserting in lieu thereof "foster care", and

(C) by striking out the period at the end of such subsection and inserting in lieu thereof ",; and";

(3) by striking out subsection (c) and redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively;

(4) by striking out "paragraph (f) (2)" and "section 403(a) (3)" in subsection (c) (as so redesignated) and inserting in lieu thereof "paragraph (e) (2)" and "section 403 (a) (2)" respectively;

(5) by striking out "aid" in subsection (d) (as so redesignated) and inserting in lieu thereof "services";

(6) by striking out "relative specified in section 406(a)" in subsection (e) (1) (as so redesignated) and inserting in lieu thereof "family (as defined in section 445(a))"; and

(7) by striking out "522" and "part 3 of title V" in subsection (e) (2) (as so redesignated) and inserting in lieu thereof "422" and "part B of this title", respectively.

(l) Section 409 of such Act (42 U.S.C. 609) is repealed.

(m) Section 410 of such Act (42 U.S.C. 610) is repealed.

(n) (1) Section 422(a) (1) (A) of such Act is amended by striking out "section 402(a) (15)" and inserting in lieu thereof "section 402(a) (9)".

(2) Section 422(a) (1) (B) of such Act is amended by striking out "provided for dependent children" and inserting in lieu thereof "provided with respect to needy famlilies with children".

(o) References in any law, regulation, State plan, or other document to any provision of part A of title IV of the Social Security Act which is redesignated by this section shall (from and after the effective date of the amendments made by this Act) be considered to be references to such provision as so redesignated.

MISCELLANEOUS CONFORMING AMENDMENTS

(a) Title I (42 U.S.C. 301–306), title X (42 U.S.C. 1201–1206), title XIV (42 U.S.C. 1351–1355) and title XVI (42 U.S.C. 1381-1385) of chapter 7 of the Social Security Act are hereby repealed.

(b) Titles I (42 U.S.C. 301–306), IV 'part A and part C' (42 U.S.C. 401–410; 430–444), X (42 U.S.C. 1001–1006), XIV (42 U.S.C. 1401–1405), and XVI (42 U.S.C. 1601–1605) of the Social Security Act are hereby repealed.

(c) Section 123 of the Internal Revenue Code of 1954 is amended by adding at the end of subsection (a) the following subsection:

"(19) Benefits under the laws administered by the Department of Health, Education, and Welfare under the Adequate Income Act of 1971.

By Mr. HRUSKA (for himself, Mr. Tunney, Mr. Allott, Mr. Baker, Mr. Beall, Mr. Bennett, Mr. Brock, Mr. Cook, Mr. Cranston, Mr. Dole, Mr. Dominick, Mr. Eastland, Mr. Fannin, Mr. Gravel, Mr. Kennedy, Mr. Metcalf, Mr. Moss, Mr. Ribicoff, Mr. Saxbe, Mr. Scott, Mr. Taft, Mr. Talmadge, Mr. Thurmond, and Mr. Cooper):

S. 2373. A bill to authorize the merger of two or more professional basketball leagues, and for other purposes. Referred to the Committee on the Judiciary.

Mr. HRUSKA. Mr. President, it will come as distressing news to millions of sports fans throughout the country to learn that professional basketball is in grave and imminent danger.

It should not be surprising news. The root of the trouble is the disastrous annual player bidding war for graduating college talent, although there are other causes as well.

That player bidding competition has come to require spending bearing no relation to sound basketball economics. Each of at least five teams this past season paid out more in salaries than its entire gross revenues. In the past two seasons more than half of the teams in each league operated at a loss.

These bidding practices are ruinous. Yet it would be suicide for either league to unilaterally abandon them. And joint action by the two leagues is inhibited by antitrust laws.

Clearly this cannot continue. To do so would soon destroy the clubs and leagues which provide to millions of fans a wholesome and attractive sports activity.

The solution is to grant basketball the same limited exemption from antitrust laws which Congress granted to football in 1966, 5 years ago.

That is why, together with the junior Senator from California (Mr. Tunney) and a long list of cosponsors, a bill is submitted to enable the two professional basketball leagues to join together in a single league, receiving the same minimum authority to merge as that which Congress granted to the two professional football leagues in 1966.

I am being joined in this measure by the Senator from California (Mr. Tunney) on behalf of ourselves and the following Senators up to the present time: Mr. Allott, Mr. Baker, Mr. Beall, Mr. Bennett, Mr. Brock, Mr. Cook, Mr. Cranston, Mr. Dole, Mr. Dominick, Mr. Eastland, Mr. Fannin, Mr. Gravel, Mr. Kennedy, Mr. Metcalf, Mr. Moss, Mr. Ribicoff, Mr. Saxbe, Mr. Scott, Mr. Taft, Mr. Talmadge, Mr. Thurmond.

The principal result of this bill will be economic stability for the clubs in both the National Basketball Association and the American Basketball Association.

This economic stability means not only survival, but also the basis for an assured ability to function well for the benefit of the players and the general public.

Mr. President, I have here a list of the types of benefits that would accrue to the sports fans as well as to the players, in addition to the economic stability of the teams and the leagues themselves. This listing is on the basis of representations made by various persons and organizations which are in favor of legislation of this type.

It would be the purpose of this Senator—and I am sure he will be joined in by other members of the Antitrust Subcommittee of the Committee on the Judiciary of the Senate—to thoroughly explore each one of these representations and each one of the assignments of merit which they see in the bill.

There are two areas in which there might be some difference of opinion. It is our hope that they will become dispelled as the history of the bill will unfold itself.

One has to do with the possibility of the raiding of college players prior to the expiration of their regular 4-year term. The fact is we have the 5-year experience of the merged football leagues to draw from in that connection.

It is the opinion of this Senator that that situation will be stabilized and will become more assured as a result of the merger than it is now, because that 4-year rule has already gone to court. It will probably be litigated, and certainly for a long time it will be shorn of that identity which the enactment of this bill would impart to it.

The other part of the dissatisfaction would arise from a difference of opinion among the players themselves. On that score, again we will have the 5-year history of the football players individually, as individuals to draw upon since the enactment of a similar bill in 1966. If there are any aspects in either of these regards, either in the plight or in the future of the players individually considered, or the ability to have collective bargaining with a single unit rather than with two or more units, and if those differences and those hardshps, and that result can be accommodated by amendments to the bill, I am confident that they will be taken into serious consideration so that it can be done.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the Record, together with the text of section 1291 of title 15, United States Code as affected by this amendment if it were enacted into law.

There being no objection, the bill and the excerpt were ordered to be printed in the Record, as follows:

S. 2373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of September 30, 1961 (75 Stat. 732), as amended by section 6(b) (1) of the Act of November 8, 1966 (80 Stat. 1515), is further amended by inserting in the second sentence thereof following the phrase "two or more" the phrase "professional basketball leagues combine their operations in an expanded single league, if such agreement does not decrease the number of professional basketball clubs so operating and the provisions of which are directly relevant thereto or to a joint agreement by which the member clubs of two or more".

15 U.S.C., S. 1291

(Section 1 of the Act of September 30, 1961, as amended by section 6(b)(1) of the Act of November 8, 1966.)

As it would be amended by the proposed legislation.

(NOTE.—The language that would be added is italicized.)

S. 1291. Exemption from antitrust laws of agreements covering the telecasting of sports contests and the combining of professional football leagues.

The antitrust laws, as defined in section 12 of this title or in the Federal Trade Commission Act, as amended, shall not apply to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs. In addition, such laws shall not apply to a joint agreement, by which the member clubs of two or more *professional basketball leagues combine their operations in an expanded single league, if such agreement does not decrease the number of professional basketball clubs so operating and the provisions of which are directly relevant thereto or to a joint agreement by which the member clubs of two or more* professional football leagues, which are exempt from income tax under section 501(c)(6) of title 26, combine their operations in expanded single league so exempt from income tax, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto.

Mr. HRUSKA. I yield to the junior Senator from California.

Mr. TUNNEY. I want to thank the Senator for yielding to me, and I thank the distinguished Senator for the remarks that he made in outlining the purposes of the bill.

Mr. President, during the last 10 years professional sports has been the focal point of several well publicized bidding wars. Several players have signed for millions of dollars never having played a minute of professional sports. Franchises have been moved, players have jumped teams and leagues have entered into open warfare against one another.

Today, I am introducing legislation aimed at the merger of the professional basketball leagues—the American and the National Basketball Associations. It is my hope that this bill might start to bring some semblance of order and stability to the entire area of professional sports.

There is some controversy surrounding this proposed legislation. The two professional basketball leagues say that they are in severe financial difficulty. Many of the players have serious criticisms of the owner-player relationship as it is presently constituted, especially the reserve and the option clauses, and I am going to insist that these criticisms be resolved in hearings. I feel that it is in the best interests of both the owners and the players that legislation be introduced which will result in such hearings so that both parties might have the opportunity to testify on such controversial aspects of professional sports as the reserve and option clause.

Both sides will certainly have the opportunity to introduce such testimony. Both sides will certainly be able to present their case to the Congress.

Hopefully, this legislation and the hearings that will emanate from it will result in improved owner-player relationships. The ultimate beneficiary of such harmony can only be the man who pays the players' salaries and keeps the sports franchises going—the fans of this country, of which I happen to be one.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. HRUSKA. Mr. President, I yield to the Senator from Colorado.

Mr. ALLOTT. I congratulate the Senator from Nebraska and the Senator from California for the introduction of this bill. I was a cosponsor of a similar bill respecting the football leagues with Senator Dirksen, and, I believe, the Senator from Nebraska in 1966.

There is no question that it has brought a lot of order out of a situation that was rapidly getting out of hand. For those who have watched the basketball situation, there is no question it is getting just as badly out of hand, and if we do not move on it, many of these teams will go broke, and we will do injury to a very, very great sport.

Mr. President, I am very happy to join as a cosponsor of this bill.

Mr. HRUSKA. I thank the Senator.

Not only the clubs themselves will benefit through their survival as solvent business entities. The players also will benefit.

The present allocation of resources and revenues in professional basketball is economically unsound. The astronomical salaries received each year by new and untested superstars simply remove from available resources large amounts which could otherwise be employed to the benefit of the vast majority of players. The players stand, directly and substantially, to benefit from the merger:

First. The merger of the two independent leagues into a single expanded league will preserve the job opportunities offered by professional basketball. It will bring economic stability to teams now facing frequent franchise shifts and possible financial ruin. Every franchise failure means the loss of 12 player jobs.

Second. The stability afforded by the merger will improve the earning opportunities of many clubs. There will be equally attractive employment opportunities, and comparable earning opportunities, for all 28 franchises, as well as a sound basis for expansion.

Third. The merger will make it possible for clubs to allocate benefits more equitably between veterans and "rookies." Under the conditions of the bidding war, the veterans who make up the vast majority of players bear the brunt of the present misallocation of resources.

Fourth. By restoring balanced competition, every team will have a greater opportunity for championship potential and every player will have a greater opportunity to participate with a championship potential and every player will have a greater opportunity to participate with a championship team.

Fifth. The collective bargaining power of the players will be strengthened by their combination into a single industry-wide bargaining unit embracing all of the players. This is evidenced by the vigorous negotiations by professional football players since the merger of the NFL and the AFL.

The attainment of these benefits does not sacrifice the individual bargaining power of the established players with ability. Success in professional sports depends upon team spirit and ability, which are undermined by player dissatisfaction.

Likewise, the merger will provide these benefits for sports fans:

First. Establishment of basketball as a truly nationwide professional sport.

Second. Better major league basketball in at least the present number of cities, with prospects for increase.

Third. More evenly balanced teams.

Fourth. The opportunity for the fans in each team city to see all the stars of both present leagues.

Fifth. The development of healthy sectional and regional rivalries among teams.

Sixth. An undisputed champion of professional basketball.

The ABA players have recognized these facts cited above and have announced their support for the merger. They have the beneficial experience of the professional football player in the past 5 years as a guide in this respect.

Mr. President, reference has been made to the various witnesses we will call upon for the hearing representing the individual clubs, and also the players themselves and their organizations, if they choose. Yet, there is one other party that Congress, I am sure, will give paramount interest to, and that is the public itself. It is the fans who have made basketball the sport enjoying the widest geographic distribution of any professional sport. They want it continued, and on a desirable foundation.

It is to insure that the sport, the players, and the fans continue to enjoy the many benefits of professional basketball that this bill is submitted.

By Mr. TUNNEY (for himself and Mr. CRANSTON):

S. 2374. A bill to establish a national program to control air and water pollution and to aid in the preservation of the environmental quality of the Lake Tahoe area. Referred to the Committee on Public Works.

LAKE TAHOE ENVIRONMENTAL QUALITY ACT OF 1971

Mr. TUNNEY. Mr. President, I am pleased to introduce today the Lake Tahoe Environmental Quality Act of 1971, to create a national program of demonstration projects to protect the unrivaled beauty and quality of the Lake Tahoe Basin for all Americans.

I am delighted to be joined by the senior Senator from California (Mr. CRANSTON) in submitting this bill.

Situated in the high Sierras and straddling the California-Nevada boundary line, Lake Tahoe offers a rare opportunity for Federal efforts to control pollution in an environmentally vulnerable recreational region. In large measure, Tahoe still provides "the fairest picture the whole earth affords," as Mark Twain observed some 80 years ago. However, under the increasing pressures of interstate recreational use, the magnificence is now gravely imperiled. As one of the most popular recreational areas in the country, Tahoe, paradoxically, is now threatened with the very pollution which most visitors seek to escape by going to the mountains in the first place.

In recognition of this growing threat, Federal, State, and local governments collaborated in the creation of a bold and innovative plan of regional government, with comprehensive jurisdiction over the bistage, five-county Lake Tahoe Basin. This approach, dedicated to the formulation of uniform policies of land and water use, was aided by the fact that the regional planners were given both legislative and executive powers to implement controls. When the Congress lent its consent to the Tahoe Regional Planning Agency compact in 1969, the stage was set for the kind of vigorous environmental protection and monitoring which is necessary if this priceless resource is to be passed on to our children. Developers, realtors, conservationists, and local businessmen alike seem to agree that fairness and commonsense dictate that a uniform plan for future development and land use in the basin is essential.

The mandate spelled out in the compact is—

> To maintain an equilibrium between the region's natural endowment and its manmade environment, to preserve (both) the scenic beauty and the recreational opportunities of the region.

Admittedly, striking this balance is a difficult task, necessitating both recognition of the realities of private property rights and a sense of the urgency of environmental protection.

This is precisely the purpose of the legislation I am introducing today, Mr. President. This bill would authorize the Administrator of the Environmental Protection Agency to award grants to the Tahoe Regional Planning Agency to carry out studies and demonstration projects on crucial aspects of air and water pollution control in the Lake Tahoe Basin. The hope is expressed here that the data and solutions discovered at Tahoe can find application in other beautiful but vulnerable areas. If, as is so widely agreed, the problems at Tahoe are merely precursors of the problems other recreational centers will encounter in the future, perhaps the means of environmental protection at Tahoe can form the vanguard of pollution control technology in those other areas.

The Federal funds will enable a concerted effort at protecting and enhancing the great beauty of the lake. It will mean that the regional agency and the Federal Government can cooperate in assuring the highest possible environmental standards. At the Federal level, the Environmental Protection Agency will provide an extra checkpoint to see that any Federal programs in the area fully adhere to all restriction regarding the purity of the lake waters and the rugged beauty of the surrounding countryside.

Furthermore, the $6 million will provide needed funds for research and for vital demonstration projects that, otherwise, would have to be financed from already overburdened local property taxes. This legislation provides the money so that formidable teeth can be put into regional planning for the protection of what is one of the most precious beauty spots in all America, and I will be following the development of the regional plan with the closest attention.

To say that time is of the essence is both to use a tired cliche and to flirt with understatement. Development activity is proceeding at a breakneck pace in order to evade the regulations which will eventually control land use and construction in the region. The studies I have designated in this bill are absolutely crucial to the formulation of a sane and realistic regional plan. Briefly, the studies and demonstration projects envisioned in the bill are these:

Section 2(a) deals with what is proving to be a most serious problem for Tahoe planners. Despite its vast size, the lake has limited water supplies which must be carefully apportioned if regional planning and conservation are to become a reality in the Tahoe Basin. Whether development stops today or is allowed to continue according to a regional plan, water resources must be incorporated into our perceptual framework. This bill would authorize preparation of detailed plans for further development and conservation of the region's limited water resources, accompanied by a study of possible alternative sources of water for municipal uses within the Lake Tahoe Basin.

Section 2(b) promotes water recycling studies. Water quality has been and remains the primary environmental concern at Lake Tahoe. Lake Tahoe has been in the vanguard of national efforts to improve sewage treatment plants and advance the technology of water purification systems. With the help of a Federal Water Pollution Control Administration grant, the South Lake Tahoe Public Utility District has installed a massive tertiary treatment station, the largest of its kind in the country. The tertiary—or three stage—treatment plant brings the effluent to what engineers call a "step 7" purity level by removing all nutrient and organic materials from the water. The water is then clean enough for human consumption, though the public psychology is not quite prepared to accept it yet. However "step 7" water still carries nitrogen which sitmulates algae growths; thus, the treated effluent, though clean, is not clean enough to be returned to Lake Tahoe. Instead, this clean water is currently piped over a small mountain south of Tahoe and is used to fill Indian Creek Reservoir, a manmade lake which is used for recreational purposes—fishing, water skiing, boating, and so forth.

Although this no doubt relieves somewhat the crush of visitors at Tahoe, it does not mitigate the fact that a large quantity of water is nevertheless being removed from the basin altogether. Meanwhile, plans are well underway at the north end of the lake to export all sewage effluent out of the area. The export system requires a considerable amount of water, and has been a source of concern to the Paiute Indians and officials in the BIA who fear that this system may result in less water reaching parched Pyramid Lake in Nevada. This bill would authorize planning and development of a demonstration project for sewage treatment facilities designed to provide a sure method of nitrogen removal, bringing the water to a "step 9" purity level. Step 9 water would then be clean enough to allow complete recycling and could be returned to the lake with no ill effects.

Section 2(c) would allow attention to be focused for the first time on storm sewer collection and treatment facilities in the basin. The need for such facilities is almost solely the product of the rapid development which the area has seen in the past 10 to 15 years. Large areas of watershed have been put under pavement and structures; as a consequence, normal storm and spring runoff drainage has become a problem. This is aggravated by the assorted oils, greases, trash, and other foreign substances which are washed along with the runoff into the lake. This problem, just recently recognized, is a serious one which has had little study, at Tahoe or anywhere. The solution is bound to be difficult, since standard storm-sewer construction methods involve such extensive excavation and earth-moving operations that siltation into the lake waters—see section (d) infra—would probably negate any benefits gained. However, answers discovered at Tahoe would find wide and ready application in other areas just encountering the same problem. This bill would authorize a comprehensive study to identify local problems and recommend a suitable solution in the form of a demonstration project.

Section 2(d) addresses the problem of soil erosion and stream siltation at Lake Tahoe which has been the subject of considerable discussion and controversy. Mr. Fred R. McLaren of California's Lahontan Regional Water Quality Control Board, stated in 1969:

> Water quality degradation caused by erosion in the Tahoe Basin is much broader than the nutrient contribution alone. Turbid or muddy waters now enter the lake through many of the streams where development is proceeding in the watershed . . . The first recorded algae bloom in Lake Tahoe occurred during the summer of 1969 along the south shore. It is my opinion that such blooms will occur annually and will become more extensive in area and in algae density unless erosion in the Trout Creek-Upper Truckee River watershed is significantly reduced—quoted in William Bronson, "It's About Too Late for Tahoe," *Audobon*, May 1971, p. 62.

The League To Save Lake Tahoe, California Tomorrow, and the Institute of Ecology at the University of California, Davis, have all cited stream siltation as the greatest single source of pollutive nutrients entering the lake. Now that the problem of sewage collection has been largely dealt with, experts such as Dr. Charles R. Goldman, limnologist and professor of marine zoology at the University of California, Davis, state that erosion caused by construction projects and other soil disturbances in the Basin are the largest single cause of water eutrophication. Thousands of pounds of nutrient substances are carried into the lake waters daily which then allow for the rampant growth of algae and detract from the overall water quality. Unfortunately, the problem of soil siltation as a cause of water pollution is a relatively new one, and thus has received very little scientific study.

The USDA Soil Conservation Service, for example, conducted a soil survey of the basin in 1969–70. However, this data was largely related to the nature of the soils themselves with virtually no attention to the process of siltation or its effects on water quality. Moreover, the smallest unit of study was an area of 50 acres; thus the data was broadly generalized, lacking the specificity necessary for planning. The U.S. Geological Survey conducted another soil survey in 1970, and reported that stream siltation resulting from construction activity was 12 times the normal rate in terms of volume of nutrients entering the lake. Unfortunately, this valuable study was restricted just to the Incline Village area on the north end of the lake.

This bill would authorize an intensive program of research to establish the relationship of urban development in the region to the siltation of all the tributary streams in the basin. Included in this would also be data on the effect of this siltation on the water quality for municipal and recreational purposes. The goal of this research would be the development of a comprehensive, basin-wide plan of soil conservation and erosion control keyed to existing problems as well as the realities of current construction plans in the area.

Under section 2(e), support will be provided for plans which deal with the general problem of reconciling the pressures of development and the finite limits on available resources. This tension plagues all recreational areas to one degree or another. Tahoe, because of its great attractiveness and national reputation, suffers from this conflict to a greater extent than most others. Probably, however, the Tahoe experience is merely a precursor of events which can be expected in other areas in the future. To deal with the problem of uncontrolled development within a fragile environment, there was created the Tahoe Regional Planning Agency, with broad jurisdiction and unprecedented legislative and enforcement powers. Unfortunately, the operations of the TRPA have been hamstrung by the refusal of the California county governments to pay a share of the operating costs, pending the outcome of their lawsuits to challenge the agency's constitutionality. As a result, the agency has not been able to discharge its legal responsibilities as fully as might have been hoped.

This section of the bill, essentially, would authorize the TRPA to use Federal funds in completing and publishing its regional plan, along with other studies deemed necessary to find a way to meet the demands of an increasing user-population within the limits imposed upon the area by its fragile ecology. It would not, of course, be intended to affect the outcome of any litigation regarding the obligations of county governments. In this sense, the Tahoe regional plan itself will become a demonstration project, with funds used for operating expenses.

Finally, section 2(f) deals with air pollution. Most visitors to Tahoe greet with incredulity the suggestion that air pollution is a serious problem which requires the most immediate attention. The sky is usually a deep, clear blue and the air crisp with the scent of pines. However, the influx of population has not been without its effects on air quality. The year-round population of the basin has increased in 10 years from less than 10,000 to more than 30,000. On peak days during the summer tourist season, the population in the basin spirals to some 150,000 and because of expanded ski resort facilities, transient populations during the winter months are expanding also.

The effect of new houses, new chimneys and furnaces, new cars, new trash incinerators, and so forth, has been generally to degrade the quality of the air in the basin. The U.S. Forest Service has been forced to close several of its more remote lookout stations because hazy air made fire observation on some days impossible. But the worst news comes from Dr. John James, an air pollution expert with the Mountain West Weather Service, who notes the bowl-shaped character of the region's topography and states that the potential for really serious air pollution problems in the area is "enormous." Inversion patterns are common climatological phenomena, meaning that the Tahoe Basin could begin to look more and more like the smog-plagued suburbs from which visitors are trying to escape in the first place. Unfortunately, funding problems have made it impossible for the TRPA to study the problem in any depth. This bill would authorize a pilot study to identify sources and effects of air pollution—on vegetation, health, and so forth, as well as upon the esthetic attractiveness of the area—and establish a demonstration air pollution control program for the Tahoe Basin over a 3-year period. According to experts in the field, the monitoring programs must be continued over a 3-year period in order to be meaningful.

For the foregoing purposes, this bill would authorize $6,000,000 to remain available until expended.

This bill addresses yet another problem, namely, the enormous range of Federal actions in the Tahoe Basin which may cut the heart out of any regional plan unless such actions are carefully controlled. The following table illustrates some of the major Federal activities in the basin which should be subjected to strict guidelines so as not to controvert the whole purpose of regional planning:

Federal funds and insured mortgages in the Tahoe Basin

1. *Economic Development Administration:* Public Works grants, specifically those earmarked for sewage system construction in the Lake Tahoe Basin.

Fiscal year 1971	$238,000

2. *Environmental Protection Agency:* P.L. 660 (Clean Water) grants in the Lake Tahoe Basin.

Fiscal year 1969	$1,994,920
Fiscal year 1970	2,663,602
Fiscal year 1971	2,575,040

3. *Federal Housing Administration:* FHA 203 (Regular) home mortgages insured in the Lake Tahoe Basin:

Fiscal year 1970, $2,414,804 in construction. (116 mortgages insured).

To meet this problem, section 4 of the bill would require that all such Federal grants, loan insurance, or guarantees by the above or any other agencies be subjected to review by the Administrator of the Environmental Protection Agency, who shall supply proper certification if they are consistent with the Tahoe regional plan. The problem to date has been that, while on the one hand the Federal Government has expressed its approval of and support for the concept of regional planning in the basin, it has, on the other hand, financed numerous projects which make nonsense of any proper regional plan. If a sensible, regionwide program of development is ever to be realized, then such aberrations will have to cease.

On paper, it seems that the TRPA should already have the power and authority necessary to control such Federal activity; in fact, the job of coordinating all development plans and acting as a watchdog over all construction activities in the basin in this formative period has been so vast that comprehensive regulation has been impossible. The Department of Housing and Urban Development, for example, has guaranteed FHA 235 loans on a project of some 96 units which are to be located in a very fragile and geologically unstable area at south Lake Tahoe. Had section 4 of this bill been in effect a year ago, the Administrator of EPA would have been in a position to review this proposal and either to recommend that specific practices be adopted which would minimize soil disturbance, or to oppose the guarantees altogether. Under this checkpoint provision, the Administrator of EPA will be directed to work very closely with the TRPA in assessing the environmental impact of Federal grant projects in the area, to insure that they are consistent with the regional plan, scheduled for adoption in September.

Mr. President, the time for swift, responsible, and effective action is now. The moment is at hand to protect for ourselves and our children a priceless gift from the past. Nearly a century ago, one of America's greatest writers visited and fell in love with the "Lake in the Sky" and described it with matchless prose. For those of my colleagues who have never visited what is surely the crown jewel in California's majestic Sierra Nevada Range, I want to conclude my remarks with some passages from "Roughing It," in which Mark Twain recounts his first visit to Lake Tahoe:

> We plodded on, two or three hours longer, and at last the Lake burst upon us—a noble sheet of blue water lifted six thousand three

> hundred feet above the level of the sea, and walled in by a rim of snow-clad mountain peaks that towered aloft full three thousand feet higher still! It was a vast oval, and one would have to use up eighty or a hundred good miles in traveling around it. As it lay there with the shadows of the mountains brilliantly photographed upon its still surface I thought it must surely be the fairest picture the whole earth affords. . . .
>
> So singularly clear was the water, that where it was only twenty or thirty feet deep the bottom was so perfectly distinct that the boat seemed floating in the air. Yes, where it was even eighty feet deep. Every little pebble was distinct, every speckled trout, every hand's breadth of sand. Often, as we lay on our faces, a granite boulder, as large as a village church, would start out of the bottom apparently, and seem climbing up rapidly to the surface, till presently it threatened to touch our faces, and we could not resist the impulse to seize an oar and avert the danger. But the boat would float on, and the boulder descend again, and then we could see that when we had been exactly above it, it must still have been twenty or thirty feet below the surface. Down through the transparency of these great depths, the water was not merely transparent, but dazzingly, brilliantly so. All objects seen through it had a bright, strong vividness not only of outline, but of every minute detail, which they would have had when seen simply through the same depth of atmosphere. So empty and airy did all spaces seem below us, and so strong was the sense of floating high aloft in mid-nothingness, that we called these boat-excursions "balloon voyages."
>
> If there is any life that is happier than the life we led on our timber ranch for the next two or three weeks, it must be a sort of life which I have not read of in books or experienced in person. We did not see a human being but ourselves during the time, or hear any sounds but those that were made by the wind and the waves, the sighing of the pines, and now and then the far-off thunder of an avalanche. The forest about us was dense and cool, the sky above us was cloudless and brilliant with sunshine, the broad lake before us was glassy and clear, or rippled and breezy, or black and storm-tossed, according to Nature's mood; and its circling border of mountain domes, clothed with forests, scarred with landslides, cloven by canyons and valleys and helmeted with glittering snow, fitly framed and finished the noble picture. The view was always fascinating, bewitching, entrancing. The eye was never tired of gazing, night or day, in calm or storm; it suffered but one grief, and that was that it could not look always, but must close sometimes in sleep . . .

It is this incredible resource, Mr. President, which my bill will seek to protect. It would be tragic if our children and grandchildren were willed Mark Twain's words but could not see the beauty which inspired them. This bill will be referred to the Committee on Public Works, of which I am a member, and I will fight for its adoption at the earliest possible date.

By Mr. BIBLE (for Mr. JACKSON and Mr. ALLOTT) (by request):

S. 2377. A bill to amend the act of March 3, 1909, as amended. Referred to the Committee on Interior and Insular Affairs.

Mr. BIBLE. Mr. President, on behalf of the Senator from Washington (Mr. JACKSON) I introduce a bill to amend the act of March 3, 1909, as amended.

I ask unanimous consent that a statement prepared by Senator JACKSON be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JACKSON

Mr. President, I introduce for myself and the Senior Senator from Colorado, Mr. Allott, by request, a bill submitted by the Secretary of Interior to amend the Act of March 3, 1909, as amended.

If enacted this bill would eliminate a proviso which limits expenditures for the resurvey of public lands by the Secretary of Interior.

Most of the remaining unsurveyed areas in the contiguous 48 states are large blocks of land which may never need to be surveyed. The major public land survey need outside of Alaska is now for resurveys of land where survey monuments have been obliterated by time, nature, and man.

Many of these survey monuments, prior to 1910, were natural objects such as sticks, rocks and wooden posts, that have since disappeared or been moved.

The Act which authorizes the surveys or retracements of such surveys of public lands by the Secretary contains a proviso which limits to 5 percent the amount of the total annual appropriation for surveys and resurveys which shall be used for resurveys and retracements. By Act of June 25, 1910, (36 Stat. 884), this limitation was increased to 20 percent. This bill would eliminate the proviso.

The letter accompanying the proposed draft legislation is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., June 29, 1971.

HON. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft bill "To amend the Act of March 3, 1909, as amended."

We recommend that the proposed bill be referred to the appropriate committee, and that it be enacted.

The Act of March 3, 1909 (35 Stat. 845, 43 U.S.C. 772) authorizes the Secretary of the Interior to make such resurveys or retracements of the surveys of the public lands as he deemed essential to properly mark the boundaries of the public lands remaining undisposed. It contained two provisos, the second of which limited to 5% the amount of the total annual appropriation for surveys and resurveys of the public lands which shall be used for resurveys and retracements. By Act of June 25, 1910 (36 Stat. 884) the limitation in the second proviso was increased to 20%.

In the contiguous 48 States most of the remaining unsurveyed areas are large blocks of land which may never need to be surveyed. The major public land survey need outside of Alaska is now for resurveys of land where survey monuments have been obliterated by time, nature and man.

Prior to 1910 natural objects—rocks, sticks, wooden posts—were used as survey monuments. Many of these have fallen over, decayed, eroded or been moved by people who may not have known they were corner markers. The need for resurveys in the lower 48 States now exceeds the need for original surveys. Therefore, the proviso limiting the expenditures for resurvey should be repealed as obsolete.

The Office of Management and Budget has advised that there is no objection to the enactment of this legislation from the standpoint of the Administration's program.

Sincerely yours,
HARRISON LOESCH,
Assistant Secretary of the Interior.

A bill to amend the Act of March 3, 1909, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second proviso in the Act of March 3, 1909, as amended (35 Stat. 845, 43 U.S.C. 772) is repealed.

By Mr. GRIFFIN:

S. 2378. An original bill to confer U.S. citizenship posthumously upon Abdul Muhsin Gallozi. Considered and passed later in the day.

ABDUL MUHSIN GALLOZI—THE DEATH OF A PROUD AMERICAN

Mr. GRIFFIN. Mr. President, yesterday in Detroit a patriotic immigrant American died defending the name of his adopted country.

Abdul Muhsin Gallozi, a Detroit grocer, had been shot the night before by a customer who came into Mr. Gallozi's store denouncing the United States of America.

According to an eyewitness, Mr. Gallozi told the man:

> You have come to this country and you are making a good living here. And then you are putting America down. If you don't like it here why don't you go back where you came from.

After this exchange the customer reportedly drew a gun and shot Mr. Gallozi, who died of gunshot wounds Wednesday morning.

Mr. President, I characterize Abdul Gallozi, a native of Iraq, as an American, even though he was not yet a U.S. citizen. However, he had been preparing himself for citizenship since 1953 when he first came to this country on a student's visa.

Mr. Gallozi had completed a 5-year residency requirement last May, and he made his formal application for citizenship on July 14.

He would have become a U.S. citizen this September—and it would have been the proudest day of his life.

Mr. President, I have been informed by the U.S. Immigration and Naturalization Service that, without special legislation, citizenship cannot be conferred posthumously.

I believe, however, that the least the United States could do under these circumstances is to confer citizenship posthumously. Accordingly, I am today introducing a private bill to accomplish that purpose.

A close friend of Mr. Gallozi observed yesterday:

> Really, his love for America was the cause of his death.
>
> He was so excited at the prospect of becoming a citizen. It is pathetic for us to see him die without becoming one. He kept talking about it, preparing papers. And now he is dead without it.
>
> He was really in love with this country.

Another friend said:

> Abdul first fell in love with the United States when he came here for a year on a student's visa in 1953, and he could hardly wait to come back and establish residency in 1966.
>
> Abdul had been reading American history books to prepare for his naturalization hearing, and he always was talking about what

a wonderful place this is and how he would be a citizen by September.

Mr. President, it is interesting that the bond of loyalty to the United States seems to run strongest in those naturalized Americans who have had to work for the rights of U.S. citizenship.

Abdul Gallozi worked for 18 years and, because of his love of country, he fell a few weeks short of his goal.

I fervently hope that Congress will now see fit to honor his memory by bestowing posthumously the status of citizenship.

Mr. President, I ask that the text of the bill be printed at this point in the RECORD as well as several newspaper stories.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 2378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Abdul Muhsin Gallozi, a native of Iraq, shall be held and considered to have been a citizen of the United States at the time of his death.

LOVE OF AMERICA COSTS GROCER HIS LIFE

(By John Griffith)

An immigrant Iraqi grocer, less than two months from realizing an 18-year dream of becoming an American citizen, was shot to death in his west side Detroit market for defending the United States against an irate customer.

Sen. Robert P. Griffin, R-Mich., said in Washington that because of the unusual circumstance he would try to get what is believed to be an unprecedented posthumous citizenship for Abdul Mubsin Gallozi.

Gallozi, 39, of Birmingham, died at 5 a.m. Wednesday in Detroit General Hospital of bullet wounds he suffered about 6 p.m. Tuesday in the Temple & Trumbull Market, 2846 Trumbull.

Arrested and charged with second-degree murder in Gallozi's death was Cayetano Solis, 67, of 2847 Brooklyn.

Mrs. Phyllis Roberts, 29, a clerk, witnessed the incident.

She said Solis, who she said was Mexican, came into the store to buy a basket of tomatoes and for no apparent reason began cursing America and Americans in broken English and Spanish.

"He began yelling 'you dirty Americans,' and saying he was better than we were," Mrs. Roberts said.

Gallozi, who was in the back of the store, heard the disturbance and came to the counter. Gallozi weighed the basket of tomatoes and told Solis the cost was $7, Mrs. Roberts said.

Again, she said, Solis began cursing America and Americans and "saying how much he disliked this country."

Mrs. Roberts said Gallozi replied:

"You have come to this country and you are making a good living here. And then you are putting America down. If you don't like it here why don't you go back where you came from?"

Mrs. Roberts said Solis continued his berating of the country and Gallozi told him:

"You're an old man. I don't want to argue with you. Will you please leave?"

At this point, Mrs. Roberts said, Solis pulled out a .32 caliber revolver and shot Gallozi twice. Another customer jumped Solis, disarmed him and held him for police.

Friends and relatives said Gallozi, who came to this country to settle five years ago, had lived only for the day he would become an American citizen.

"Really, his love for America was the cause of his death," said Bodie (Buddy) Bodiya, 35, a life-long friend and now a chemical engineer at the Ford Motor Co.

"He was so excited at the prospect of becoming a citizen," Bodiya said. "It is pathetic for us to see him die without becoming one. He kept talking about it, preparing papers. And now he is dead without it."

"He was really in love with this country," Bodiya said.

Although officials of the U.S. Immigration and Naturalization Service in Detroit said they knew of no case of citizenship being granted posthumously, Sen. Griffin said he would intervene.

"I have directed my staff to move the first thing Thursday morning to see what can be done to get a posthumous award of citizenship for Mr. Gallozi," Griffin said.

A native of Baghdad, Iraq, Gallozi first came to this country in 1953 on a student's visa. He returned to Baghdad after a year here and friends said he worked to prepare for immigration.

He returned May 27, 1968, and last May fulfilled the five-year residency requirement to apply for citizenship, which he did on July 14.

Next Thursday, he had an appointment with the U.S. Immigration and Naturalization Service for an interview on his application.

District Director Thomas M. Pederson said under normal circumstances Gallozi would have become a citizen in mid-September.

Mrs. Roberts said that earlier on the day he was shot Gallozi had told her he was "very happy and just couldn't wait until Aug. 5, the day he was to go for his interview for citizenship."

The Chaldean community in Detroit, of which Galozzi was a member, said the grocer was widely known for helping others.

A community spokesman said Gallozi, who was single, came here because of "the freedom he found here in 1953 and because of the fact that an individual is not bothered as long as he respects others."

Solis was charged with second-degree murder Wednesday before visiting Recorder's Judge James N. McNally III of Harper Woods. He stood mute and a plea of innocent was entered for him.

He was held under $2,500 bond for examination Aug. 4.

CITIZENSHIP SOUGHT FOR GROCER

(By Douglas Glazier)

Posthumous citizenship is sought for a Detroit grocer who was shot fatally after asking an angry customer not to denounce the country both of them had adopted.

Abdul Gallozi, 39, died yesterday in Receiving branch of Detroit General Hospital from wounds suffered Tuesday night in his store at 2846 Trumbull.

Gallozi lived in this country five years since leaving Baghdad, Iraq, and was to appear for a federal citizenship hearing one week from today.

Washington aides of Senator Robert P. Griffin, Michigan Republican, worked today to have Gallozi listed as a posthumous citizen, called an unprecedented step.

Peter B. Teely, a press aide, said the senator's staff was working on possible arrangements with the State Department and the Immigration and Naturalization Service.

Teely said that if insurmountable legal problems are encountered, the senator might sponsor special legislation to make Gallozi a citizen.

"Mr. Gallozi's love for his adopted land and this death defending its name were brought to our attention by a Detroit friend, and we thought the citizenship idea fitting," Teely said.

A man with a Mexican background, Cayetano Solis, 67, of 2847 Brooklyn, Detroit, is accused of shooting Gallozi in the abdomen and the shoulder during the store argument.

He is being held in the Wayne County Jail for a court examination next Wednesday on a second-degree murder charge, which could carry up to life imprisonment upon conviction.

Solis stood mute when arraigned yesterday and an innocent plea was entered for him by Harper Woods Municipal Judge James N. McNally III, sitting in Detroit Recorder's Court. He was unable to post a $2,500 bond set by McNally.

Solis allegedly drew a .32 caliber revolver from under his coat when Gallozi asked him to get out of the store.

A store clerk, Mrs. Phyllis Roberts, 29, told police that Gallozi stepped from a rear room when he heard Solis berating her, the price of a basket of tomatoes and the United States.

Mrs. Roberts quoted Gallozi as telling the customer moments before the shooting:

"You have come to this country and you are making a good living here. And then you are putting America down. If you don't like it here why don't you go back where you come from?"

She said Gallozi was gunned down as soon as he said: "You're an old man. I don't want to argue with you. Will you please leave."

Gallozi, a bachelor, resided in Birmingham with a brother, Prince, 48, also unmarried. His brother already is a citizen. He came to this country in 1950 and opened their store a decade ago.

Gallozi's brother was too emotional to talk with reporters today, and turned that task over to a friend, Najy Jaboko, of St. Clair Shores, who said the accused shooter was a stranger.

"Abdul first fell in love with the United States when he came here for a year on a student's visa in 1953, and he could hardly wait to come back and establish residency in 1966," Jaboko said.

"Abdul had been reading American history books to prepare for his naturalization hearing, and he always was talking about what a wonderful place this is and how he would be a citizen by September."

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 659

At the request of Mr. PELL, the Senator from Rhode Island (Mr. PASTORE), the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. TUNNEY), the Senator from Delaware (Mr. BOGGS), the Senator from Michigan (Mr. HART), the Senator from Maine (Mr. MUSKIE), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 659, the Education Amendments of 1971.

S. 1408

At the request of Mr. MUSKIE, the Senator from Pennsylvania (Mr. SCOTT) was added as a cosponsor of S. 1408, a bill to amend the Internal Revenue Code of 1954 so as to permit certain tax-exempt organizations to engage in communications with legislative bodies.

S. 1836

At the request of Mr. HUGHES, the Senator from Utah (Mr. MOSS) was added as a cosponsor of S. 1836, a bill to provide a comprehensive Federal program for the treatment and rehabilitation of drug dependent Federal offenders.

S. 1872

At the request of Mr. Case, the Senator from New Hampshire (Mr. McIntyre) was added as a cosponsor of S. 1872, a bill for the relief of Soviet Jews.

S. 1883

At the request of Mr. Magnuson, the Senator from Hawaii (Mr. Inouye), the Senator from Illinois (Mr. Percy), Senator from Kansas (Mr. Dole), the Senator from Nebraska (Mr. Curtis), the Senator from Nevada (Mr. Bible), the Senator from North Dakota (Mr. Burdick), the Senators from Utah (Mr. Bennett and Mr. Moss), the Senator from Washington (Mr. Jackson), and the Senator from Wyoming (Mr. McGee) were added as cosponsors of S. 1883, the Interstate Taxation Act.

S. 1947

At the request of Mr. Muskie, the Senator from Idaho (Mr. Jordan) was added as a cosponsor of S. 1947, a bill to prohibit trading in Irish potato futures on commodity exchanges.

S. 2161

At the request of Mr. Hartke, the Senator from Texas (Mr. Tower) was added as cosponsor of S. 2161, a bill to amend chapters 31, 34, and 35 of title 38, United States Code, to increase the vocational rehabilitation subsistence allowances, the educational assistance allowances, and the special training allowances paid to eligible veterans and persons under such chapters.

S. 2217

At the request of Mr. Hughes, the Senator from Illinois (Mr. Stevenson), the Senator from Utah (Mr. Moss), and the Senator from Pennsylvania (Mr. Schweiker) were added as cosponsors of S. 2217, a bill to provide a comprehensive Federal program for the prevention and treatment of drug abuse and drug dependence.

S. 2258

At the request of Mr. Griffin, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 2258, the Motor vehicle Air Pollution Control Acceleration Act.

SENATE JOINT RESOLUTION 62

At the request of Mr. Griffin, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S.J. Res. 62, authorizing the display of the flags of the 50 States at the base of the Washington Monument.

ADDITIONAL COSPONSOR OF A RESOLUTION

S. RES. 158

Mr. BROOKE. Mr. President, through an unfortunate oversight the name of my distinguished colleague and good friend, the junior senator from Minnesota, was omitted as a cosponsor of the resolution which I submitted Tuesday regarding the Geneva Protocol.

Senator Humphrey has been a valuable and respected ally in the effort to reach an agreement on the form in which this treaty can be ratified by the United States.

I commend his efforts and look forward to his continuing cooperation; and I ask unanimous consent that Senator Humphrey's name be added as cosponsor of S. Res. 158.

The ACTING PRESIDENT pro tempore (Mr. Gravel). Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT OF 1971—AMENDMENTS

AMENDMENT NO. 342

(Ordered to be printed and to lie on the table.)

Mr. SCOTT submitted an amendment intended to be proposed by him to Amendment No. 308, proposed by Mr. Pastore (for himself and others) to the bill (S. 382) to promote fair practices in the conduct of election campaigns for Federal political offices, and for other purposes.

AMENDMENT NO. 344

(Ordered to be printed and to lie on the table.)

UNIVERSAL VOTER REGISTRATION

Mr. KENNEDY. Mr. President, on behalf of Senator Bayh, Senator Eagleton, Senator Hartke, Senator Mondale, Senator Pell, Senator Proxmire, Senator Williams, and myself, I submit an amendment S. 382, the "Federal Election Campaign Act of 1971," and I ask that it lie on the table and be printed.

The details of the proposed amendment are described in my remarks on Monday, July 26, 1971, which appear beginning at page S27117 of the Congressional Record for that day.

Mr. President, I ask unanimous consent that the text of the amendment may be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 344

At the end of the bill add the following new title:

TITLE V—VOTER REGISTRATION

SHORT TITLE

Sec. 501. This title may be cited as the "Universal Voter Registration Act of 1971."

DECLARATION AND FINDINGS

Sec. 502. (a) The Congress hereby finds and declares that the administration of voter registration procedures by the various States as a precondition to voting in Federal elections:

(1) denies or abridges the constitutional right of citizens to vote in Federal elections;

(2) denies or abridges the constitutional right of citizens to enjoy free movement across States lines;

(3) denies or abridges the privileges or immunities of citizens of the United States, deprives them of due process of law, and denies them the equal protection of the laws, in violation of the fourteenth amendment;

(4) denies or abridges the right to vote on account of race or color in violation of the fifteenth amendment;

(5) denies or abridges the right to vote on account of sex in violation of the nineteenth amendment;

(6) denies or abridges the right to vote on account of age in violation of the twenty-sixth amendment;

(7) in some instances has the impermissible effect of denying citizens the right to vote because of the way they may vote; and

(8) does not bear a reasonable relationship to any compelling State interest in the conduct of Federal elections.

(b) Upon the basis of these findings, Congress hereby exercises its authority under section 4 and section 8 of article I of the Constitution, and the fourteenth, fifteenth, nineteenth, and twenty-sixth amendments thereto, and enacts this title.

ESTABLISHMENT OF OFFICE

Sec. 503. (a) There is hereby established in the Bureau of the Census a Universal Voter Registration Administration (hereafter referred to in this title "Administration"). The Administration shall be composed of an Administrator and two Associate Administrators, who may be appointed by the President, by and with the advice and consent of the Senate. No more than two members of the Administration shall be of the same political party.

(b) The Administration shall establish and administer a program of voter registration for voting in all Federal elections and shall, upon request, assist States in conducting registration for voting in State and local elections.

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"(131) Administrator and Associate Administrators, Universal Voter Registration Administration."

USE OF DATA PROCESSING

Sec. 504. The Administration shall establish one or more data processing centers in order to carry out its functions. Voter lists shall be compiled and maintained through the use of electronic data processing equipment in such a manner that a list of persons registered under this title in each of the units in which persons are registered to vote under State and local laws shall be readily available. The lists shall contain the name, address, zip code, party affiliation (if supplied), date of birth, and voting unit of each individual registered to vote under this title and such additional information as the Administration determines to be essential to the efficient operation of this title.

REGISTRATION

Sec. 505. (a) The Administration shall prepare and distribute registration forms for use by individuals who wish to register to vote under the provisions of this title, or who wish to change a previous registration. Such forms shall be of a type which permits visual scanning by electronic data processing equipment, shall contain appropriate places for the designation of the registrant's name, address, zip code, date of birth, and party affiliation, and may be in language other than English in such cases as the Administration deems appropriate.

(b) Such forms shall contain a statement that such individual is not disqualified from voting under State law by reason of conviction of a crime or mental incompetence, and such other information as the Administration determines to be essential to the efficient operation of this title: Such forms shall also require the signature of the individual seeking to register through the use of such forms and a statement of the penalty for fraudulent use of such forms. The signature of an individual on his form shall attest to the accuracy of the information contained thereon.

(c) The Administration shall enter into arrangements with the Postmaster General so that supplies of such forms shall be reasonably available free of charge in each post office, and shall make such other arrangements as it deems appropriate for the distribution of such forms, including their availability to groups engaged in voter registration. Such forms shall be mailed free of all postage including airmail to the Administration upon completion, and the Administration shall reimburse the Postal Service for the cost of such mail.

(d) Any individual who is a citizen, who is eighteen years of age or older (or who will attain such age on or before the date of the next Federal election held in the congressional district of State in which he registers), who is not disqualified from voting under State law by reason of conviction of a crime or mental incompetence, and who is registered under this title shall be eligible to vote in Federal elections held in the congressional district or State in which he is registered under this title. No other requirement or qualification shall be imposed by any State or political subdivision thereof on the right of such individual to vote in such election.

(e) The Administration is authorized to receive registration lists and other information with respect to eligible voters from State or local jurisdictions for inclusion in the registration lists prepared by the Administration under this title.

(f) Unless the Administration or a State or local jurisdiction removes a person's name from the list of registered voters because of his death or his disqualification from voting under State law by reason of conviction of a crime or mental incompetence, registration under this title in any State shall remain in effect for a period of time not less than four years, or such longer period as registration under State law in such State remains in effect.

(g) The Administration shall remove from its list of registered voters the name of any person who is found to be fraudulently or otherwise improperly registered or who, after registration, becomes disqualified to vote in the State or congressional district in which he is registered. If the Administration removes the name of any person from such list, it shall notify such person of such action by certified mail within one week of such action and the reason thereof.

(h) Any State or local jurisdiction which removes the name of any person from such list shall notify such person and the Administration of such action by certified mail within one week of such action. Such notice shall include the name and address of such person, and a statement of the reason for such action. The Attorney General is authorized and directed to institute in the name of the United States such actions against States or political subdivisions, including actions for injunctive relief, as he may determine to be necessary to implement the purposes of this subsection, and it shall be the duty of a judge designated to hear any such case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

REGISTRATION DATE

SEC. 506. An individual may register to vote in a Federal election under this title at any time until 30 days before the date of such election, or at such later date before such election as the Administration may determine.

NOTICE TO ELECTION OFFICIALS

SEC. 507. (a) Not later than 30 days prior to the date of any Federal election, the Administration shall furnish to the appropriate election officials of the State or local jurisdiction in which an election is to be held, a list of individuals, by precinct or other similar voting unit, registered under this title to vote in such election within the congressional district or State in which the election is to be held. No person whose name appears on such list shall be denied the right to vote in such election, unless such name is removed from such list in accordance with the provisions of this title. The Administration is authorized to establish appropriate procedures to supplement the lists made available to States and local jurisdictions under this subsection.

(b) The Administration is authorized to establish appropriate procedures for individuals to verify their registration under this title.

(c) Prior to the date of any such election, the Administration shall inform individuals registered with it of the precinct or other voting unit in which they are registered to vote.

STATE REGISTRATION

SEC. 508. (a) Nothing in this title shall interfere with any voter registration procedure conducted by any State with respect to voting in State or local elections.

(b) Any individual registered to vote under any State voter registration procedure, who is a citizen of the United States, who is eighteen years of age or older (or who will attain such age on or before the date of the next Federal election to be held in the congressional district or State in which he registers), and who is not disqualified from voting under State law by reason of conviction of a crime or mental incompetence, shall also be eligible to vote in any Federal election held in such district or State, whether registered under this title or not.

(c) Any State which determines by law that it wishes to use voting registration lists compiled under this title as evidence of registration to vote in State or local elections shall be furnished such lists no later than 30 days prior to any such election. Any State which so determines may not remove the name of any individual from such lists with respect to any such election nor deny to any individual whose name appears on such lists the right to vote in any such election, except in accordance with the provisions of this title.

REPORTS FROM STATES

SEC. 509. The Administration is authorized to request from each State periodic reports of the names and addresses of individual 18 years of age or older who have died in such State. The Administration is also authorized to request from appropriate State or Federal agencies periodic reports of the names and addresses of persons disqualified from voting under State law by reason of conviction of a crime or mental incompetence.

REGISTRATION INFORMATION

SEC. 510. The Administration shall undertake, through the use of broadcast and nonbroadcast communications media and such other means as the Administration deems appropriate, to inform potential voters of their eligibility to register to vote in Federal elections under the provisions of this title.

PENALTIES

SEC. 511. (a) Whoever knowingly or willfully gives false information as to his name, address, residence, age or other information for the purpose of establishing his eligibility to register or vote under this title, or conspires with another individual for the purpose of encouraging his false registration to vote or illegal voting, or pays or offers to pay or accepts payment either for registration to vote or for voting shall be fined not more than $10,000, or imprisoned not more than five years, or both.

(b) Any person who deprives, or attempts to deprive, any other person of any right under this title shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(c) The provisions of section 1001 of title 18, United States Code, are made applicable to the registration form promulgated under section 505.

RIGHT OF PRIVACY

SEC. 512. (a) No information provided by or in connection with any person under this title shall be made available by the Administration to any other Federal agency or for any commercial activity. No such information shall be made available by the Administration to any agency of any State or local jurisdiction except for the purpose of carrying out functions directly related to the provisions of this title.

(b) The Administration is authorized to adopt regulations for the enforcement of this section.

(c) Any person who violates this section or regulations adopted thereunder shall be fined not more than $5,000, or imprisoned not more than five years, or both.

OTHER FEDERAL VOTER REGISTRATION

SEC. 513. This title shall not affect the provisions of the Federal Voting Assistance Act of 1955. Persons eligible to use the form and procedures provided under such Act may register under this title.

DEFINITIONS

SEC. 514. As used in this title the term—

(a) "Federal election" means any primary, general or special election held for the election of a Federal officer, including an election held for the selection of delegates to a national nominating convention or to a caucus for such selection, and a primary election held for the expression of a preference for the nomination of persons for election to the office of President;

(b) "Federal officer" means President, Vice President, Senator, Representative, Delegate to the Congress, or delegate to a national nominating convention or caucus thereto;

(c) "State" means each of the United States and the District of Columbia.

AUTHORIZATION OF APPROPRIATIONS

SEC. 515. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

EXERCISE OF EXECUTIVE PRIVILEGE—AMENDMENT

AMENDMENT NO. 343

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. FULBRIGHT submitted an amendment intended to be proposed by him to S. 1125, a bill to amend title 5, United States Code, with regard to the exercise of executive privilege.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATIONS, 1972—NOTICE OF MOTION TO SUSPEND THE RULE

Mr. BYRD of West Virginia, for Mr. MAGNUSON, submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 10061) making appropriations for the Departments of Labor, and Health, Education and Welfare and Related Agencies, the following amendments, namely:

On page 12, line 2, after the semicolon: $8,300,000 for grants and $6,900,000 for loans shall remain available until expended for hospital experimentation projects pursuant to section 304 and section 643A of the Public Health Service Act;

On page 2, line 15, after the period: *Provided further*, That $20,000,000 of this appropriation shall be used by the Office of Economic Opportunity to finance Emergency

Food and Medical Services Programs in eligible areas of exceedingly high unemployment, as defined in Section 6 of the Emergency Employment Assistance Act of 1971, to be reimbursed to the Manpower Training Services Appropriation by the Office of Economic Opportunity immediately upon enactment of an appropriation Act for the Office of Economic Opportunity in fiscal year 1972.

AMENDMENT NO. 345

(Ordered to be printed and to lie on the table.)

Mr. BYRD of West Virginia, for Mr. Magnuson, submitted an amendment intended to be proposed to the bill (H.R. 10061) making appropriations for the Departments of Labor, and Health, Education, and Welfare and related agencies, for the fiscal year ending June 30, 1972, and for other purposes.

AMENDMENT NO. 346

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON, for himself, Mr. Bayh, Mr. Eagleton, Mr. Harris, Mr. Hart, Mr. Inouye, Mr. Javits, Mr. Kennedy, Mr. McGovern, Mr. Mondale, Mr. Nelson, Mr. Talmadge, and Mr. Tunney, submitted an amendment intended to be proposed to the bill (H.R. 10061), supra.

NOTICE OF HEARINGS ON S. 1945 AND S. 2097

Mr. MUSKIE. Mr. President, on July 30, the Subcommittees on Intergovernmental Relations and Executive Reorganization and Government Research will continue hearings on S. 1945 and S. 2097, both of which would create a White House office to direct the Federal effort against drug abuse.

Our witness on July 30 will be Dr. Jerome H. Jaffe, Director of the new Special Action Office for Drug Abuse Prevention.

Since the July 30 hearing will be Dr. Jaffe's first congressional appearance since his recent trip to Vietnam, I expect he will have some important information for us about the drug problem among our servicemen in Southeast Asia.

The July 30 hearing will conclude hearings on S. 1945 and S. 2097.

NOTICE OF HEARING ON A NOMINATION

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, August 5, 1971, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nomination:

Nils A. Boe, of South Dakota, to be judge of the U.S. Customs Court.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

The subcommittee consists of the Senator from Arkansas (Mr. McClellan), the Senator from Nebraska (Mr. Hruska), and myself as chairman.

NOTICE OF HEARINGS ON MARITIME BILLS BEFORE THE COMMITTEE ON COMMERCE

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed in the Record an announcement released today by the Senator from Washington (Mr. Magnuson), chairman of the Committee on Commerce.

There being no objection, the announcement was ordered to be printed in the Record, as follows:

The Committee on Commerce is considering the following bills:

S. 1274—To revise and improve the laws relating to the documentation of vessels;

S. 1696—To require load lines on U.S. vessels engaged in foreign voyages and foreign vessels within the jurisdiction of the United States, and for other purposes;

S. 1723—To declare Leech Lake, Cass Lake, and Winnibigoshish Lake in the State of Minnesota to be nonnavigable for certain purposes;

S. 1971—To declare a portion of the Delaware River in Philadelphia County, Pennsylvania, nonnavigable; and

S. 1802—To revise and improve the laws relating to the documentation of seamen.

Persons desiring to submit their views on any of the above bills should, not later than August 27, 1971, file 10 copies of their written statement in room 128 Old Senate Office Building. Each statement should be clearly marked with the number of the bill to which it refers, should be in double-space typing, and, if suggesting a change in the bill, should set forth explicit legislative language by which the change would be accomplished.

After reviewing the statements submitted, the Committee will decide whether further hearings on any of the bills is required or on such other action as is deemed appropriate.

For further information, contact the Committee's staff counsel, Emanuel Rouvelas, by calling (202) 225-9325 or writing 128 Senate Office Building, Washington, D.C. 20510.

NOTICE OF HEARINGS ON BILLS RELATING TO MOTOR VEHICLE ACCIDENT VICTIMS

Mr. STEVENSON. Mr. President, I announce that the Subcommittee on Business, Commerce, and Judiciary of the Committee on the District of Columbia will hold hearings on September 28 and 29, 1971, on S. 1364 and S. 2322, both of which deal with compensation for motor vehicle accident victims in the District of Columbia. The hearings will begin at 10 a.m., and will be held in room 6226 of the New Senate Office Building. Persons interested in testifying or submitting statements should get in touch with Mr. Gene Godley, of the District Committee. His telephone number is 225-4161.

NOTICE OF HEARINGS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. JACKSON. Mr. President, in accordance with the requirements of the Legislative Reorganization Act, I announce that the Committee on Government Operations will hold a hearing on August 5, 1971 on S. 1431, the bill to establish a Department of Natural Resources. This session will be devoted to the testimony of witnesses from the executive branch on this legislation. The hearing will be held at 9:30 a.m., in room 3302, New Senate Office Building.

ANNOUNCEMENT OF HEARINGS ON S. 1770 AND S. 241

Mr. MUSKIE. Mr. President, on Tuesday, August 3, the Subcommittee on Intergovernmental Relations will complete its hearings on S. 1770, introduced by me, and S. 241, introduced by Senator Humphrey. Both of these bills are revenue sharing measures which would provide substantial Federal assistance to meet the urgent fiscal needs of our State and local governments.

The subcommittee has already conducted 3 days of hearings on these bills, and with the witnesses scheduled for August 3 we will have heard from the major groups interested in revenue sharing legislation. To provide an opportunity to groups and individuals who wish to submit material for the record, the subcommittee will leave the hearing record open until August 23 for the submission of written statements.

The witnesses for the August 3 hearing will be Senator Mathias, an administration witness, Governor Rockefeller of New York, a panel of county officials and a panel of State legislators.

The hearing will be held in room 4221, beginning at 10 a.m.

ANNOUNCEMENT OF HEARINGS BY DISTRICT OF COLUMBIA COMMITTEE

Mr. EAGLETON. Mr. President, I wish to announce that the Senate Committee on the District of Columbia will hold a public hearing on H.R. 7718, a bill to exempt from taxation by the District of Columbia certain property in the District of Columbia which is owned by the Supreme Council—Mother Council of the World—of the Inspectors General Knights Commanders of the House of the Temple of Solomon of the Thirty-third Degree of the Ancient and Accepted Scottish Rite of Free Masonry of the Southern Jurisdiction of the United States of America, and on H.R. 8712, a bill to amend the act entitled—

> An act to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

Approved June 29, 1966, so as to include within its coverage the government of the District of Columbia, on Tuesday, August 3, 1971, at 9:30 a.m., in Room 6226, New Senate Office Building. Persons wishing to testify on these bills should notify Robert Harris, staff director of the committee, before noon on Monday, August 2.

ENROLLED BILL SIGNED

The ACTING PRESIDENT pro tempore (Mr. Gravel) announced that on today, July 28, 1971, the President pro tempore signed the enrolled bill—H.R. 4762—to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans' Affairs to establish and carry out a program of exchange of medical information, which had previously been signed by the Speaker of the House of Representatives.

ADDITIONAL STATEMENTS

SENATOR HAROLD E. HUGHES, RELAXED EX-CANDIDATE

Mr. MANSFIELD. Mr. President, in eastern Montana, where the Great Rocky Mountains pass through my State, I have often been struck by the quiet strength and dignity they convey so directly. The granite of these mountains has the hue of inner confidence and direction that is often tested by the winds and storms of the environment. In many ways the quiet, pondering hulk of the Senator from Iowa (Mr. Hughes) reminds me of those mountains.

It was with mixed emotions last week that I read he was withdrawing from the crowded presidential race. On the one hand, I was sure he would have made a good, forthright, and intelligent candidate; and yet, on the other hand, the Senate needs those very same qualities to fulfill its responsibilities to the people of this great country. I therefore welcome most dearly Senator Hughes' renewed dedication to serve in the Senate. His inner confidence and strong sense of direction will be most helpful in the deliberations of this body.

Mr. President, I ask unanimous consent that an editorial entitled "Hughes, Relaxed Ex-Candidate," published in the Globe Gazette, Mason City, Iowa, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Hughes—Relaxed Ex-Candidate

(By Robert H. Spiegel)

Washington, D.C.—The familiar figure of the big man shouldered through knots of people outside the chamber of the U.S. Senate.

He was smiling. He looked relaxed.

"I feel better every day, knowing I've done the right thing," said Sen. Harold E. Hughes, who a week before had announced that he wasn't going to seek the Democratic nomination for President.

The former Iowa governor, fittingly enough, sat in front of a statue of another Iowa Democrat, Vice President Henry Wallace, in the Senate Reception Room as he talked.

"This was a personal decision, not a political one," said Hughes, "and this is what seems so hard for people to understand.

"It wasn't a matter whether the course could be run or not. It wasn't something influenced by others—because everyone was talking the other way.

"Very simply, my personal beliefs led me to the decision."

He said that withdrawal as a candidate will let him concentrate on his Senate work on alcoholism and drug abuse without charges of "political opportunism."

Where did the presidential pursuit start?

Specifically, the 49-year-old Hughes thinks it was the nominating speech he made for Eugene McCarthy at the 1968 national Democratic convention in Chicago.

"It got me some national attention," Hughes said.

"I wish I really knew, though, how it came about. I think you know that ever since I've been in Washington (more than three years now) I've attracted a lot of attention.

"It is hard to believe, but I tried to duck much of it. I declined invitations to appear on national television and tried to stick to being a senator.

"Maybe the very fact that I tried to avoid the attention pushed more of it my way. I don't really know."

Once the presidential push got under way, Hughes acknowledged readily, "I got caught up in it."

"I began wondering about my potential. Wouldn't anyone in my position? Then came the requests to take part in Democratic campaigns in a number of states (in 1970). My travels generated more curiosity."

The next step was the opening of a presidential campaign headquarters for Hughes in the fall of 1970. "I didn't encourage it; I didn't discourage it," said Hughes.

The senator said he was inside the downtown Washington headquarters only once.

"I stopped outside more than once, though," he said smilingly. "Our daughter (Phyllis) was a regular down there. I'd let her out in the morning and pick her up at night."

The pace accelerated in mid-1971.

"It began building so fast that I realized I had to act one way or another or it would be too late," said Hughes.

"The money (for the campaign) was coming in at a constantly increasing tempo and I didn't want it to go on if I decided not to run.

"This is why I made my decision a week ago."

Did he ever have doubts about his ability to perform in the White House?

"I examined myself very carefully and I concluded I could handle the job; otherwise, I couldn't have let it (the unofficial campaign) go on as long as it did.

"I think too much of this nation to run for the presidency if I didn't think I was qualified."

The decision made, Hughes ordered the downtown headquarters to be phased out. "It should close down by September 1; that's when all the letters of thanks should be finished and odds and ends handled.

"We're solvent and should come out about even when the headquarters closes; that's the way I want it to be."

Hughes leaned back. He took a deep breath.

"You know, I feel freer today than I have for a year and a half. I know I'll be able to concentrate on my work in the Senate and, believe me, there's enough of that."

One thing soured his withdrawal from the Democratic race.

The night before making his announcement, he called "eight or nine of my closest associates" into my private office in the new Senate Office Building.

"I wanted them to know my decision and to talk about it," said Hughes.

"The session was what you would expect when several close friends get together to talk about something that is important to all of them."

What Hughes didn't know at the time was that "three reporters were listening to the talk, or as much of it as they could, through a ventilator outside."

The results of what they overheard were made public the next day in a fashion that angered Hughes.

"What they wrote and said sounded as though they had gotten it in an interview" charged Hughes, "yet none of them ever talked to me."

Hughes said he was puzzled by what was written until told of the eavesdropping by a member of Sen. Edmund Muskie's staff.

Some of the material was embarrassing to Hughes because it seemed to damn his friend, Sen. George McGovern of South Dakota, the only announced Democratic candidate for President.

The reports said Hughes called McGovern "a decent guy who would make a pretty decent President." And, supposedly Hughes said "I don't know what you can do about his hair (which is lacking) and his voice."

"The last thing I would want to do is say anything derogatory against any of the men running for the nomination," Hughes said, locking his hands together hard. "I may differ with them on some issues but I respect them all—and most certainly my friend, George McGovern.

"What happened was this.

"We were talking about the remaining candidates and someone asked about George McGovern.

"I said 'he's a helluva decent guy and would make a helluva decent President.' I also said 'he's in it for real and believes in himself,' or words to that effect.

"Then someone asked—'Yes, but what can we do about his hair and his voice?"'

Hughes paused.

"This is where you must remember what this meeting was like. Here we were, several close friends talking seriously and candidly about a man who might become President.

"We were talking privately and trying to look at George McGovern as human beings without any desire to harm anyone.

"So I answered that 'sure, we've all got our problems and George has some with his hair and his voice.' The point is we all have our faults.

"You know very well that my grammar is poor. This is a real fault. I work on it, but it's still a fault."

Hughes shook his head.

"All this talk, supposedly done in private and in an office where I've held classified briefings, comes out as public information.

"Honest discussion becomes what appears to be cynical comments."

Hughes, upon learning of the eavesdropping, talked with McGovern personally the next morning before the stories became public.

"He understands," said Hughes. "I think my colleagues in the Senate do, too."

Has Hughes decided whom to support?

"At the moment, I don't intend to endorse anyone, but I could change my mind.

"I have freed my people to support whomever they want. Each of them is capable of making his own decision."

MANSFIELD PRAISE

Earlier, Sen. Mike Mansfield—the majority leader from Montana—said he had been sorry to see Hughes withdraw from the presidential race but "glad that we will have him fulltime in the Senate."

"Harold Hughes is a remarkable man in many respects," said Mansfield. "He is a sound senator, a man of compassion and integrity. I think he would have been a great President—but that's not to be, at least not now."

Mansfield is relieved in one sense that the Democrats have one less man running for President.

"The field is too crowded in my opinion. These men could turn on one another (in the campaign) and I fear, hurt our party."

CONGRESS: ACCESSORY TO VIETNAM

Mr. GOLDWATER. Mr. President, there are currently pending in both Houses of Congress legislative proposals of a kind which I believe would do immense damage to the security of this Nation and to the cause of world order. These measures are known collectively as the war powers bills. It is my purpose today to expose these bills as being founded upon one enormous misconception of the role played by Congress in the Vietnam arena.

At least five of such proposals are awaiting action in the Senate Foreign Relations Committee, and extensive hearings were concluded on them this week.[1] In fact, the chairman of the committee has served notice of his hope to have a markup on these bills at any day now. Over on the House side, the Foreign Affairs Committee has already ordered one of these measures reported and the full Chamber may be considering it soon.[2]

Mr. President, there are differences in approach and language among these measures, but each of them has one thing in common. Each would seek to tie the President's hands in defending the vital interests of this country and its people. Each would lay down a set of rules which supposedly will govern the situations when the President may or may not use U.S. military forces in protecting America's freedoms. Each in its own way will attempt to specify where, or for how long, or for what reason, the Commander in Chief of our military forces can deploy, transport, or send these forces into action.

Mr. President, I have previously spoken in the Senate on several occasions to explain how these bills would confound our allies, encourage our enemies, upset the long-standing constitutional arrangements between the Executive and Congress, and incite one of the gravest constitutional crises in all of American history.[3]

These are not matters which I shall repeat today. Instead I intend to look underneath one of the basic conceptions stirring up these bills. For unless I am badly mistaken, there is at the bottom of much of the interest in the war powers bills a feeling, an emotional belief that they will restore Congress to its "proper" position in the political heavens and rescue the world from the abyss of nuclear destruction. At the very core of this belief is the oft expressed charge that the Executive has led this Nation blindfolded and solely on his own authority into an ever-widening expansion of the Vietnam conflict.

Well, Mr. President, I want to declare right here and now that this belief is wrong. It is totally and firmly contradicted by the facts of history. It is erroneously founded on a bedrock of pass-the-buckism, convenient forgetfulness, and downright falsehood.

The fact is, Mr. President, Congress is and has been involved up to its ears with the war in Southeast Asia. It has known what has been going on from the start and has given its approval in advance to almost everything that has occurred there. Far from being the innocent dupes of a conspiring Executive, Congress has been wholly involved in the policy decisions concerning Vietnam during the entire span of American commitment there.

One good place to check is with a review of what was said and written by Members of the Senate during conclusion of American action on the SEATO Treaty, a document that was actually signed by two U.S. Senators, including the present majority leader.[4]

For example, the opening page of the 1955 Senate committee report on the SEATO Treaty makes it very clear what is involved. Under the heading "Main Purpose of the Treaty and Protocol," the committee unabashedly threatens American intervention by declaring "the treaty is intended to deter aggression in that area—Southeast Asia—by warning potential aggressors that an open armed attack upon the territory of any of the parties will be regarded by each of them as dangerous to its own peace and safety."[5] If that does not lay down the gauntlet to any Communist schemes of armed aggression in Southeast Asia, I do not know what will.

Put in the perspective of the early 1950's when the Communists were on the run in South Korea and the French were withdrawing from Indochina, the major free world nations and eight Pacific countries were anxious to create a system of collective security against a very immediate danger of continued Communist onslaughts in the area. In fact, the SEATO Treaty was signed at Manila on September 8, 1954, only 49 days after the Geneva accords were signed ending French efforts to combat Communist groups in Indochina.

New Zealand, Australia, Pakistan, the Philippines, and Thailand all joined the pact.[6] Laos, Cambodia, and Vietnam each came under the umbrella of protection which the treaty furnishes by being specifically designated in a protocol which the signatory parties signed on the same date as the treaty.[7]

It was this protocol, as well as the treaty itself, to which the Senate gave its favorable advice and consent when it agreed to the resolution of ratification on the treaty. The Senate committee plainly identified Vietnam as one of the states which could bring into play the obligations of the United States with respect to armed attack, and five out of the six Senators who discussed the treaty prior to the vote on its resolution specifically named Vietnam as one of the territories which, if attacked, would be under the protection of the treaty.[8]

Senator George, the distinguished chairman of the Foreign Relations Committee at that time, made absolutely clear what was expected. In speaking of the determination of the Asian treaty nations to preserve their freedom and independence, Senator George resolutely announced:

> The preservation of that freedom is a primary objective of the treaty.[9]

In the present climate of shocked denials by our liberal friends of the idea that the United States has ever given a commitment to guarantee the right of self-determination for Southeast Asian peoples, it would be well for the Congress and the American public to recall these unequivocal words of Senator George concerning this very purpose. At a time when liberal critics are urging President Nixon to make a total capitulation to enemy demands at the Paris peace talks and thereby leave the free country of Vietnam at the complete mercy of Communist invaders, it would be wise for Congress and the American people to remember just how strong a commitment has been given by our Government to block Communist aggression in Southeast Asia.

Listen to Senator George as he addressed the Senate further on the purpose of the SEATO treaty:

> To the extent that we support the independent governments of Southeast Asia in maintaining their freedom, therefore, we also defend the highest interests of the United States. It is our purpose, Mr. President, to give advance notice to any Communist nation contemplating aggressive action in that area that they will have to reckon with the United States.[10]

In the face of this blunt talk, Mr. President, an observer would have to put blinders over his eyes, ears, and brain in order not to foresee the possibility of an American response with force to meet force against SEATO signatories or territories. I believe the Foreign Relations Committee, the Senate itself, and anyone within reading or listening distance of the Senate proceedings must have clearly understood SEATO was the platform from which the United States was to take countermeasures in case of an armed attack by Communist forces upon any of the parties or territories covered by the treaty.

In order to leave no question in any Senator's mind that the essence of our commitment would extend far beyond the limited purpose of defending American citizens or property in the area, Senator George added:

> Mr. President, the nations of the free world sustained a serious setback in southeast Asia with the loss of northern Vietnam to the Communists. The peril to the southern area, the free territory of Vietnam, as well as to the remaining associated states, Laos and Cambodia, is serious, continuing and unrelenting. It is important that our Government should act promptly to give approval to this treaty as an act of confidence in the determination of other governments in the area to defend their freedom, individual liberty, and independence. We should be proud to join with them in the cause of peace in this instrument of mutual trust and protection.[11]

Senator Smith of New Jersey, who was at Manila when the treaty was signed, sounded his own alert of the use of American military might to halt Communist ingress into the region. He stated:

> The net effect of this provision is to serve notice now and for the future to the Chinese Communists—and, I may say, to any Communists in that area—as the Monroe Doctrine did in the case of the European colonial powers in the early 19th century, that they shall not encroach further on this area of free nations . . . They are no longer free to isolate and absorb the countries of southeast Asia, one by one. Laos or Cambodia or south Vietnam or Thailand cease to be individual entries on their timetable of conquest . . . From now on, any further aggression will set in motion the defense potentialities of eight nations."[12]

But perhaps the strongest indication that Congress was deeply cognizant of

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Footnotes at end of article.

the prospects for American military involvement in Asia is found in the concluding words of the Foreign Relations Committee report on the SEATO agreement. These thoughts, which were read into the congressional debate on the pact by Senator Smith, announce:

> The committee is not impervious to the risks which this treaty entails. It fully appreciates that acceptance of these additional obligations commits the United States to a course of action over a vast expanse of the Pacific. Yet these risks are consistent with our own highest interests. There are greater hazards in not advising a potential enemy of what he can expect of us, and in failing to disabuse him of assumptions which might lead to a miscalculation of our intentions.[13]

Mr. President, on the basis of this single-minded legislative history, I must agree fully with former Secretary of State Dean Rusk who stated before the Senate Foreign Relations Committee on February 18, 1966:

> The far-reaching implications of this commitment were well understood by this committee when it recommended, with only the late Senator Langer dissenting, that the Senate consent to the ratification of the treaty.[14]

The view taken by Secretary Rusk was foreshadowed by Secretary Dulles on November 11, 1954, when he had told the same committee about the treaty:

> The language used here . . . makes perfectly clear the determination of our Nation to react to such an armed attack.[15]

Mr. President, I believe it is established beyond any chance of a doubt that there was an obligation to act in the case of armed attack, as distinguished from an obligation to merely consult. The U.S. Senate knew it. The news media knew it. The American people knew it. Contrary to what we hear today from doves who forget to read their history, the legislative branch was amply and regularly informed of the U.S. obligation to meet Communist aggression in Asia.

On top of what has to be the most determined kind of congressional statements possible extolling the American will to act against aggression in the treaty area, consider the following: The nature of the U.S. obligation under the Manila treaty had been explained by Secretary Dulles to the Senate Committee, and then by that committee to the entire Senate, as being equivalent to the pledge of action attached to:

> President Monroe's language when he announced in 1923 that any extension of the European system to this hemisphere would be considered by the United States as dangerous to our peace and safety.[16]

Thus, the SEATO treaty was put on a par with the Monroe Doctrine insofar as the type of United States commitment was concerned. And as every American school child knows, the Monroe Doctrine served as the foundation stone from which the United States became involved in numerous military operations designed to combat foreign subversion against the "freedom, independence, and territorial integrity" of countries inside the Western Hemisphere.

In fact, Mr. President, one of these incidents alone involved the engagement of several thousands of U.S. Marines in 150 armed clashes against Communist-backed rebels in Nicaragua during the period from 1926 through 1933. This effort is credited with foiling "the first attempt of communism to infiltrate Latin America." [17]

In like manner, Mr. President, was it not logical to anticipate future American involvement in police actions necessary to repulse outside aggression endangering the independence of nations in the SEATO territory? The Monroe Doctrine is universally recognized as a guarantee of U.S. action against foreign intervention inside the Western Hemisphere. Could there have been any doubt that an identical guarantee, backed by U.S. military strength, was not intended for Southeast Asia as well, when the United States purposefully incorporated President Monroe's very language into the SEATO charter?

There certainly was no doubt in foreign quarters. Overseas observers were entirely aware of the extent of the American commitment. A 1957 Survey of International Affairs issued by the Oxford University Press reported:

> The governing fact was that military strength to back SEATO had to come primarily from outside South-East Asia, and almost all of it, moreover, must be expected to come from the U.S.A.[18]

For those intellectuals and skeptics who think not one American soldier can lift his bayonet without a declaration of war, I will mention the Foreign Relations Committee report shows the committee expressly rejected the suggestion that a reservation be attached to the SEATO pact which would prohibit the use of U.S. forces in any defense action unless Congress, by a declaration of war, consented to their use.[19]

The committee accepted the assurance by Secretary Dulles that we would meet any attack in accordance with our constitutional processes. And it is interesting to observe that although Mr. Dulles felt "the normal process would be to act through Congress," he made it clear the President would act on his own authority whenever "the emergency was so great that prompt action was necessary to save a vital interest of the United States." [20]

In other words, Mr. President, the Senate committee not only conceded a declaration of war was unnecessary to trigger an American response under SEATO, but it accepted, without challenge, the contention that circumstances might exist in which the President must act alone without coming to Congress for any kind of prior support.

This is not to say that the Chief Executive has acted by his own authority alone during the course of American participation in Southeast Asia. Quite to the contrary, there is evidence of congressional participation clinging to each step of the way along the path to deeper and deeper involvement by our Nation in the Vietnam struggle.

For example, there is a broad policy enunciation by Congress included in the Foreign Assistance Act of 1963. This statement, which covers both economic and military assistance, reads:

> It is the sense of the Congress that assistance authorized by this Act should be extended to or withheld from the government of South Vietnam, in the discretion of the President, to further the objectives of victory in the war against communism and the return to their homeland of Americans involved in that struggle.[21]

Here we have a declaration of purpose by the Congress as early as 1963 proclaiming that American economic and military aid is meant to further the objective of victory over the Communist invaders. Congress knew there was a war going on in Vietnam. Congress knew American money, and even at that early time, American men were committed to that struggle. Clearly Congress endorsed U.S. participation in the effort.

Next we can move to early 1964, when former Secretary of Defense McNamara, after a trip to Saigon in May, brought back recommendations for increases in American assistance, including an increase in the size of the American advisory personnel and a larger air force for South Vietnam. President Johnson requested, and obtained, from Congress an additional $125 million in military aid funds for these purposes.[22]

This brings us forward to the Gulf of Tonkin resolution. Those of us who were here at the time can remember that section 2 of this resolution depended in no way upon the purpose of meeting attacks on our own Armed Forces. Rather this provision was enacted in response to President Johnson's plea to Congress for a declaration of its resolve and support for action to "preserve peace in Southeast Asia in accordance with the obligations of the United States under the Southeast Asia Treaty." [23]

Let me read the actual language of the resolution so that we can see exactly what Congress intended. The provision I refer to reads:

> The United States regards as vital to its national interest and to world peace the maintenance of international peace and security in Southeast Asia. Consonant with the Constitution of the United States and the Charter of the United Nations, and in accordance with its obligations under the Southeast Asia Collective Defense Treaty, the United States is, therefore, prepared, as the President determines, to take all necessary steps, including the use of armed forces to assist any member or protocol state of the Southeast Asia Collective Defense Treaty requesting assistance in defense of its freedom.[24]

Mr. President, the intention of Congress is explicit. The Gulf of Tonkin resolution expressly recognizes the U.S. obligation under SEATO. It frankly talks of taking "all necessary steps." It openly points to "the use of armed forces." It specifically mentions the purpose of defending the freedom of any SEATO member or protocol state, with no allusion to limiting such steps to retaliatory measures dependent on attacks against U.S. forces.

The Tonkin Gulf resolution firmly triggers the SEATO machinery. If any supporting legislation was ever required by that treaty, the Tonkin resolution fits

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Footnotes at end of article.

the bill. It is as clear an acceptance of and expression of congressional support for carrying out assistance in defense of South Vietnam as one can get.

And as anyone who understands the importance of legislative history in interpreting the purpose of Congress will know, the Senator from Arkansas (Mr. FULBRIGHT) really nailed the lid shut when he engaged in a colloquy with the Senator from Kentucky (Mr. COOPER) during debate on the resolution. For when the Senator from Kentucky addressed a question to the manager of the resolution, Senator FULBRIGHT, and asked whether we are giving the President advance authority to use such force as to lead into war, the Senator from Arkansas answered:

> That is the way I would interpret it.

The exact exchange went as follows:

> Mr. COOPER. The second section of the resolution goes, as the Senator said, to steps the President might take concerning the parties to the Southeast Asia Collective Defense Treaty and the countries under the protocol—which are, of course, Laos, Cambodia, and South Vietnam. The Senator will remember that the SEATO Treaty, in article IV, provides that in the event an armed attack is made upon a party to the Southeast Asia Collective Defense Treaty, or upon one of the protocol states such as South Vietnam, the parties to the treaty, one of whom is the United States, would then take such action as might be appropriate, after resorting to their constitutional processes. I assume that would mean, in the case of the United States, that Congress would be asked to grant the authority to act.
>
> Does the Senator consider that in enacting this resolution we are satisfying that requirement of article IV of the Southeast Asia Collective Defense Treaty? In other words, are we now giving the President advance authority to take whatever action he may deem necessary respecting South Vietnam and its defense, or with respect to the defense of any other country included in the treaty?
>
> Mr. FULBRIGHT. I think that is correct.
>
> Mr. COOPER. Then, looking ahead, if the President decided that it was necessary to use such force as could lead into war, we will give that authority by this resolution?
>
> Mr. FULBRIGHT. That is the way I would interpret it.[25]

Now, who is fooling whom? Are the liberals and peacemongers being honest with us when they condemn this war as a Presidential war? Or has the Congress time and again been told what is in store and then time and again responded with its approval for the course of events which actually happened in Vietnam?

We do not have to stop with the Gulf of Tonkin resolution. Less than 9 months later President Johnson sent over to Congress an appropriation request specifically and solely related to the war in Vietnam.[26] To be precise, he sought a supplemental appropriation of $700 million to support an increase in the number of troops in South Vietnam.

Once again he expressed in no uncertain terms his policy to defend Vietnam. He reminded the Senate the SEATO treaty "committed us to act to meet aggression against South Vietnam." He told the Congress straight out that less than a year ago it had, "by an almost unanimous vote, said that the United States was ready to take all necessary steps to meet its obligations under that treaty." He then added:

> That resolution of the Congress expressed support for the policies of the administration to help the people of South Vietnam against attack . . .[27]

He concluded by expressly informing Congress he would regard a vote for the appropriation as a vote of approval for his administration's Vietnam policy. What did Congress do? It gave the President everything he wanted. The House of Representatives approved the money by a vote of 408 to 7 and the Senate approved it by a vote of 88 to 3.[28]

In August of the same year, following another journey to South Vietnam by Secretary McNamara, the President asked Congress for an extra $1.7 billion in defense appropriations for fiscal 1966. The appropriation act providing these funds was approved unanimously by Congress a month later.[29]

A few months afterwards, on January 19, 1966, President Johnson submitted to Congress a whopping $13.1 billion supplemental appropriations request chiefly to meet the cost of military operations in Southeast Asia. The bills implementing his request became the focus for open hearings by the Senate on the war. In fact, the proceedings were nationally televised.

What happened? Once again Congress resoundingly granted to the President each dollar for waging the war that he had sought.[30]

Also, in 1966, Congress approved an additional $415 million in supplemental appropriations for foreign aid, most of it meant for Vietnam.[31] Before reporting the bill in the Senate, the Foreign Relations Committee specifically rejected, by a vote of 5 to 14, an amendment which stated that a vote for the bill should not be interpreted as approval of any Presidential action in Vietnam.[32]

Does this not indicate that Congress knew what it was doing when it agreed to these funds? Had not United States policy in Vietnam been thoroughly aired and debated in the Halls of Congress? The truth is, Mr. President, Congress had openly placed its stamp of approval on Presidential action in Vietnam on these occasions as it was to do on several others.

We can pick up the trail again in January of 1967 when President Johnson asked Congress for another huge investment in the Vietnam effort. This time he sought $12.3 billion earmarked "for the support of military operations in Southeast Asia." [33] What was the answer from Congress? Once again, it appropriated everything the President had asked for.[34]

Mr. President, there are at least 15 more authorization and appropriation laws I could mention in which Congress has specifically spoken of Vietnam and provided funds for the renewed conduct of that campaign.[35] Each of these laws, together with the nine I have already described plainly show the scope of congressional intent—in this case, a uniform purpose to have American troops fight in support of freedom in Vietnam.

In summary, Mr. President, there just is no basis for the charge, or I might say, the excuse, that Congress did not know about and did not involve itself in United States policy in South Vietnam. The documented record is overflowing with many instances of congressional compliance in and endorsement of American support for the cause of freedom among the peoples of the SEATO region. Without the use of United States economic and military assistance to Vietnam as authorized and appropriated by Congress over a period of two decades, this Nation would have had to pick up its marbles and leave the contest a long, long time ago.

These congressional actions were taken thoughtfully and after a full explanation of all the implications involved. No one can now claim innocence of what he was voting about. In consequence, Mr. President, the Vietnam experience in no way gives cause for hamstringing the President's power of action to defend American interests. The fundamental basis for the war powers bills simply explodes upon close inspection.

These measures rest upon nothing more than the flimsy reed of emotionalism, a callous exploitation of the public's longing for peace and calm. The truth is nearly every one of the politicians and news writers who are hoisting the banner of "no more Vietnams" has known about or has been personally involved in all of the currents of basic national policy with respect to Southeast Asia from the late 1940's to date.

The real truth is, past Presidents and their high Cabinet officials have spent an enormous amount of time working with Congress and trying to get the two branches moving in unison, rather than let an impasse develop. It would be folly to seek to alter this constitutional arrangement by a simple act of Congress. It would be a malicious falsehood to use the tragedy of Vietnam as the fulcrum of a war against the Executive by a Congress which was wholly involved in the policies it now questions.

FOOTNOTES

[1] S.J. Res. 18 (Taft); S.J. Res. 59 (Eagleton); S.J. Res. 95 (Stennis); S. 731 (Javits); and S. 1880 (Bentsen).

[2] H.J. Res. 1, ordered reported favorably to the House on July 21, 1971.

[3] See Cong. Rec., daily editions, April 26, 1971, pp. S 5636–S 5647; May 3, 1971, pp. S 6098–S 6099; May 10, 1971, pp. S 6467–S 6473; and May 18, 1971, pp. S 7195–S 7201.

[4] Report of the Committee on Foreign Relations on the Southeast Asia Collective Defense Treaty, Ex. Rp. No. 1, 84th Cong. 1st Sess., Jan. 25, 1955, p. 3. (Hereinafter referred to as Senate Report on SEATO.)

[5] *Ibid.*, p. 1.

[6] *Ibid.*, see Appendix at p. 16.

[7] *Ibid.*

[8] *Ibid.*, p. 11; and see 101 Cong. Rec. pp. 1051–1052 (Sen. George), 1053 (Sen. Smith of N.J., 1054 (Sen. Mansfield), 1056 (Sen. Wiley), and 1058–1059 (Sen. Langer) (Feb. 1, 1955).

[9] *Ibid.*, p. 1051.

[10] *Ibid.*

[11] *Ibid.*, p. 1052.

[12] *Ibid.*, p. 1053.

[13] *Ibid.*, p. 1054; and see Senate Report on SEATO (*supra*, footnote 4) at p. 15.

[14] Hearings on S. 2793 (Jan. 28–Feb. 18, 1966) by Senate Committee on Foreign Relations, p. 567.

[15] Hearings on SEATO Treaty (Nov. 11, 1954) by Senate Committee on Foreign Relations, Part 1, p. 21.

[16] Senate Report on SEATO (*supra*, footnote 4) at p. 9; and see 101 Cong. Rec. pp. 1051, 1053, and 1055 (Feb. 1, 1955).

[17] Dupuy and Baumer, *The Little Wars of the United States* (1968), p. 168.

[18] Bell, "Survey of International Affairs 1954," p. 81, Oxford University Press (1957).

[19] Senate Report on SEATO (*supra*, footnote 4), at p. 12.

[20] *Ibid.*

[21] Pub. Law 88–205, 77 Stat. 380 (Dec. 16, 1963)

[22] Pub. Law 88–633, 78 Stat. 1009, 1010 (1964 foreign aid authorization), and Pub. Law 88–634, 78 Stat. 1015 (1965 FY foreign aid appropriations).

[23] 110 Cong. Rec. 18132 (Aug. 5, 1964).

[24] Pub. Law 88–408, 78 Stat. 384, section 2.

[25] 110 Cong. Rec. 18409 (Aug. 6, 1964).

[26] 111 Cong. Rec. 9282–9284 (Senate proceedings of May 4, 1965).

[27] *Ibid.*

[28] Pub. Law 89–18, 79 Stat. 109 (May 7, 1965); and see 111 Con. Rec. 9540–9541 (May 5, 1965); and 111 Cong. Rec. 9772 (May 6, 1965).

[29] Pub. Law 89–213, 79 Stat. 863, 872; and see 111 Cong. Rec. pp. 14500–14501 (June 23, 1965), 21734 (Aug. 25, 1965), 24262 (Sept. 17, 1965), and 74573 (Sept. 21, 1965).

[30] Pub. Law 89–367, 80 Stat. 36, 37 (1966 FY military procurement authorization); and Pub. Law 89–374, 80 Stat 78, 82 (1966 supplemental defense appropriation; and see C. Q. Almanac, 1966, p. 153.

[31] Pub. Law 89–371, 80 Stat 74. And see 112 Cong. Rec. 4004–4038 (House proceedings of Feb. 24, 1966), and 5541–5544, 5550–5551, 5555–5563 (Senate proceedings of March 10, 1966).

[32] C. Q. Almanac, 1966, page 395.

[33] Weekly Compilation of Presidential Documents, Jan. 30, 1967, p. 94.

[34] Pub. Law 90–5, 81 Stat. 5, 6 (authorization); and Pub. Law 90–8, 81 Stat. 8 (appropriation); and see C. Q. Almanac, 1967, p. 209.

[35] Pub. Law 89–583, 80 Stat. 795, 801, 802 (1966 foreign aid authorization); Pub. Law 89–687, 80 Stat. 980, 997 (1967 FY DOD appropriations); Pub. Law 89–691, 80 Stat. 1018 (1967 FY foreign aid appropriations); Pub. Law 90–22, 81 Stat. 52, 53 (1968 FY military procurement authorization); Pub. Law 90–96, 81 Stat. 231, 248 (1968 FY DOD appropriations); Pub. Law 90–110, 81 Stat. 279, 301, 302 (1968 FY military construction authorization); Pub. Law 90–392, 82 Stat. 307, 311 (1968 FY, second supplemental appropriations); Pub. Law 90–500, 82 Stat. 849–851 (1969 FY military procurement authorization); Pub. Law 90–580, 82 Stat. 1120, 1136 (1969 FY DOD appropriations); Pub. Law 91–121, 83 Stat. 204–206 (1970 FY military procurement authorization); Pub. Law 91–171, 83 Stat. 469, 486 (1970 FY DOD appropriations); Pub. Law 91–441, 84 Stat. 905, 910 (1971 FY military procurement authorization); Pub. Law 91–652, 84 Stat. 1942 (1971 supplemental foreign aid authorization); Pub. Law 91–668, 84 Stat. 2020, 2029, 2036–2038 (1971 FY DOD appropriations); and Pub. Law 91–672, 84 Stat. 2053, 2054 (1970–71 military sales authorization).

DECORATION OF REPRESENTATIVE SIKES BY THE GOVERNMENT OF PERU

Mr. JACKSON. Mr. President, during a recent visit to Pensacola, Fla., I was present as my good friend and colleague, Representative ROBERT SIKES, was decorated by the Peruvian Ambassador for his role in speeding American assistance to that earthquake-ravaged country in the spring of 1970.

Ambassador Fernando Berckemeyer made the presentation, describing it as "an emblem of a free people."

Mr. President, you will recall that it was Representative SIKES who introduced in Congress the resolution which paved the way for the earthquake assistance. This action was both timely and of great importance to the people of Peru. In Ambassador Berckemeyer's words:

> (Representative SIKES) brought tremendous happiness to the people who suffered in our tremendous disaster.

In my judgment, this action, though significant, is only an example of the concern that Congressman SIKES has displayed over the years in maintaining good relations with Latin America. I share the Peruvian Ambassador's view that Congressman SIKES has been instrumental in establishing better relations between the nations of this hemisphere.

It is appropriate that the Congress join Ambassador Berckemeyer in recognizing Representative SIKES' fine efforts for Peru and "all of Latin America."

STRIKES AND THE WELFARE SYSTEMS

Mr. FANNIN. Mr. President, not too long ago it was generally believed that the era of strikes as instruments of bargaining was about over. Everyone involved seemed to agree that this ultimate weapon in manuevering between labor and management simply is too costly for all parties involved—but especially the workers.

But now much of the burden for strikes is being put on the public. Taxpayers are finding that they are involuntarily supporting strikes that are contrary to their own economic good and contrary to the good of the American economy.

Our welfare and unemployment programs were not designed for nor intended for the use of workers who are on strike. By granting benefits under these programs to workers who are voluntarily idle, we upset the entire process of collective bargaining.

The Wall Street Journal on July 20 ran a very good editorial on this subject, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SUBSIDIZING STRIKES

When the Communications Workers of America went on strike against American Telephone & Telegraph Co., the AFL–CIO began rounding up public subsidies for the strikers. Although the telephone dispute yesterday appeared settled, this sort of strike subsidy still survives.

In most states strikers long have been eligible for public welfare payments. As a story in this newspaper noted recently, though, higher benefits and eased eligibility rules have encouraged organized labor increasingly to tap this public source of support for strikes.

No one wants to see anyone starve, whether he's a striker or not. It's true, too, that even the most generous welfare payments won't often let a striker live in the style to which most American workers have been accustomed.

Yet collective bargaining, if it is not to be entirely one-sided, requires that a strike pose the threat of substantial loss to both sides in the dispute. To the extent that the public supplements union strike benefits with welfare payments, the odds are tipped in favor of unions.

The exact result of this tipping cannot be stated. Herbert R. Northrup, director of the industrial research unit of the Wharton School of Finance and Commerce of the University of Pennsylvania, is now making the first comprehensive study of the subject. "We feel this is becoming a significant welfare cost," says Mr. Northrup, "and is having an impact on collective bargaining by making strikes longer and settlements higher."

However modest the welfare payments may be, it should be obvious that a worker will be willing to stay on strike longer if he receives the payments that he will if he doesn't. It also should be obvious that access to welfare can encourage frivolous strikes such as the walkout against AT&T, where the union itself said that only a relatively tiny difference divided the parties.

As a matter of principle, the public is supposed to remain as neutral as possible in labor disputes. Since strikes more and more have become industry-wide and even nationwide (a trend probably encouraged by the welfare aid), the public plainly can't escape their impact. But to force the public to step in on the unions' side with tax-financed subsidies surely distorts the principle beyond all recognition.

Welfare payments, moreover, were originally intended only to help people who couldn't help themselves. The growing troubles of welfare systems around the country stem partly from erosions of this principle, as easier rules and higher benefits have led some citizens to consider welfare a way of life.

Still, it's a large step farther to stretch welfare to cover workers who voluntarily leave their jobs in attempts to compel their employers to pay them higher wages. It's no answer to say, as union officials do, that union members help pay the taxes that finance welfare so why shouldn't they collect? City dwellers help pay the taxes that finance farm subsidies, too, but they certainly don't collect them.

Union officials also claim that criticism of welfare for strikers "is part and parcel of a general attack on the welfare system." Perhaps there are still some people who oppose all welfare, but most of the critics merely claim that the existing system has broken down. One of the many reasons for the breakdown is the sizable and unexpected burden of strike subsidies.

Efforts are being made to devise a more effective and efficient welfare system. It's already evident in some states, however, that one reaction to the subsidy-increased excessive welfare costs is tighter restrictions on payments across the board. Such restrictions may reduce payments to strikers in some cases, but they also will limit the aid that goes to people who really need it.

So subsidies for strikers dim the prospects for workable collective bargaining and welfare systems. That should be reason enough to end them.

THE RAILROAD STRIKE

Mr. TUNNEY. Mr. President, the Nation is currently in the midst of a very serious rail strike. In California and across the Nation, farmers, consumers, and businessmen—both large and small are all suffering. It is clear that the continuance of this strike will further cripple an already sick economy.

In the past, the collective bargaining system has worked very well in our country. The tremendous economic and social impact of this rail strike puts this system to a severe test—a test which I hope both parties will meet. Labor and mangement each have a duty to sit down and bargain in good faith with an eye toward both the national interest and ending the strike as quickly as possible.

In a free enterprise system the Federal Government should not have to impose a settlement upon the parties in a labor dispute. Labor and management owe it to all the citizens of the United States to bite the bullet and end the strike via mutual agreement.

SUPPORT FOR DRUG ABUSE BILL

Mr. PEARSON. Mr. President, I speak today in support of S. 2097, introduced by the distinguished senior Senator from Illinois (Mr. Percy).

I feel that Congress must join with the President to attack this Nation's serious drug problem. I am extremely concerned with the reports of drug abuse and I feel that an attack on all facets of the drug problem cannot be delayed any longer. Drug addiction has spread so that it now affects all age groups, social and economic classes, and all areas of the country. All Americans are affected by this sickness in our society.

A most startling fact is that in New York City the greatest single cause of death of adolescents and young adults between 15 and 35 is narcotics addiction. The dangerous drugs of which I am speaking are heroin, amphetamines, barbituates, and hallucinogens such as LSD. The most serious of these drugs is heroin. The National Institute of Mental Health estimates the present total number of heroin addicts in this country at 250,000. However, testimony received by the subcommittee on alcoholism and narcotics says 250,000 is a conservative estimate.

Heroin addicts need $20 to $150 per day to support their habits. Most turn to crime to get the money to pay for heroin. One survey in New York City showed that only 2 percent of the heroin addicts supported their habit through gainful employment. The rest—98 percent—were involved in criminal activity.

Recent surveys in Saigon show there are 30,000 to 40,000 heroin users among American servicemen in Vietnam. Some experts put the number even higher. But all agree that drug use in Vietnam is a critical problem. As these men come back to the United States, the already serious U.S. drug problem is going to be greatly increased. An average habit in Vietnam costs about $5 to $6 per day and the heroin is 98 percent pure. In the United States heroin is in a watered down form and for those servicemen addicted to "Vietnam heroin" their habit in the United States will cost $100 to $200 per day. In addition to the cost, returning servicemen will have to guess as to what amount of U.S. heroin will satisfy their systems and this inevitably will result in numerous overdoses. Thus, not only the number of drug users in the United States increase, but the crime rate and the number of deaths due to overdoses also may rise dramatically.

Heroin is not our only drug problem. An estimated 5 million people are illegally using oral amphetamines and over 4 billion barbituates were produced and consumed in 1969—far more than needed for legitimate reasons.

As the national drug problem has risen so has the problem in my home State of Kansas. Recent surveys show that the number of drug violations in Kansas rose over 100 percent from 1968 to 1969. This statistic is even more alarming when we look at a breakdown of drug arrests by age groups. In the 11- to 12-year-old age group the drug arrests rose 300 percent from 1968 to 1969. In the 13 to 14 group drug arrests rose over 140 percent. The 15-year-olds arrested on drug charges rose 150 percent and the number of 16-year-olds rose over 180 percent.

Because of these problems I am supporting the drug abuse program President Nixon has proposed. I feel it is a step in the right direction. It would establish a Special Action Office on drug abuse and its director, Dr. Jaffe, would have control over all Federal drug programs except those of the Department of Defense and law enforcement branch. Though I support this legislative proposal, I feel improvements could and will be made in it as it moves through the various committees of the Congress. It would be my suggestion that the program be expanded and intensified in various ways to make the bill a more valuable attack on the problem.

Perhaps the most significant feature of this legislation is that it attacks the problem from many angles—educating the public on the dangers of drug abuse, creating programs for prevention, establishing drug treatment programs for those already affected, researching the dangers of certain drugs, researching programs for treating drug addicts, researching drug detection techniques and a more concentrated effort of detection to stop the flow of drugs into the country. Moreover, it would be my suggestion that proper levels of funding be authorized to cure America of this disease.

I would hope our committees would consider expanding this bill to include the drug programs under the Defense Department and the law enforcement branch of Government. We need a highly coordinated governmentwide effort to reach out and treat all those who are afflicted by drug use.

Mr. President, in addition to inaugurating an all-out domestic approach to narcotics, I would also like to see cooperation at the international level. I commend the President for his recent success with Turkey in banning the growth of opium and I support his efforts in gaining cooperation on drug control, especially in Southeast Asia. I hope we can continue to cooperate with those nations who share our concern with the drug problem and I hope we can help those countries not yet concerned with the control of drug traffic in their own countries to understand the suffering caused by drugs.

This is a problem, Mr. President, that affects all humanity. We must step up both our domestic and foreign efforts to control drug addiction. We must approach this problem with understanding and intelligence. Those who use drugs often are sick members of society, not criminals. But above all, we must prevent, as well as treat, drug addiction.

I am pleased, therefore, to indicate by cosponsorship of this measure. I commend Senator Percy, for his initiative. I urge immediate attention to this critical problem.

AUTOMOBILE INSURANCE REFORM

Mr. STEVENSON. Mr. President, today's Washington Star contains an excellent editorial on the need for quick congressional action to bring about automobile insurance reform for the District of Columbia.

Because I agree wholeheartedly that it is high time that an earnest effort—to get auto insurance reform for the District—was made I am scheduling hearings on S. 2322 and S. 1364 for September 28 and 29, 1971. I hope that this long neglected issue can receive quick yet thorough attention in committee, and that the Senate will pass a District of Columbia no-fault insurance bill before the end of this session.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

"No Fault" for the District of Columbia

In state after state, interest in the new concept of "no fault" auto insurance is picking up as the result of spiraling costs and other failures of traditional motorist protection. Now Senator Adlai Stevenson III has produced a variation of that plan for the District of Columbia which he says would give the city the "fairest and most efficient" system in the nation.

Stevenson's bill certainly is among the most ambitious anywhere. As important as the proposal itself, however, is the fact that Stevenson can do something about it. His bill, he says, will be the subject of public hearings before a Senate District subcommittee he heads immediately after the August congressional recess. We welcome both the hearings and the forthcoming debate on "no fault."

The degree to which Washington's auto-insurance mess has been deliberately and systematically ignored by Congress is nothing less than an outrage. This city, among other things, affords responsible citizens no protection whatever against the anguish and the dollar costs of accidents caused by uninsured motorists. It stands alone among the nation's jurisdictions in that regard. While no one is certain, it is thought that at least 35 percent of the District-registered cars now on the streets lack liability coverage—with the numbers of the uninsured growing steadily. Yet, year after year, pleas for legislation to correct this intolerable situation either have gone unheeded or have been beaten back under private-interest pressures in the House and Senate.

Stevenson's strategy, therefore, and it is eminently sound, is to consider, along with the "no fault" plan, a separate bill to fill the uninsured-motorist gap during the interim period before any "no-fault" legislation could become effective.

The "no-fault" plan, as outlined fully in The Star's news columns, would make coverage mandatory for all motorists, and require insurance companies to make the coverage available to all comers. In the case of accidents between two District cars, hospital, medical and rehabilitation losses would be paid by the victim's own company, regardless of who was at fault in the accident. According to Stevenson, the dollars saved in administrative costs and in avoiding expensive litigation would result in sharp reductions in insurance premiums. The bill, in fact, requires an 18 percent reduction in rates presently charged for bodily injury coverage.

The fight to win enactment of such a measure, or indeed of any insurance reform confined solely to the District, will not be easy, but it is high time that an earnest effort was made. By the time the Stevenson hearings begin in the Senate, furthermore, we hope there are parallel moves in the House.

Important as insurance reform is for the District, passage of the Stevenson bill also would have national implications because it would put Congress on record in favor of "no fault."

ARIZONA BOYS STATE LEGISLATURE TACKLES THE ENVIRONMENT AND THE DRAFT

Mr. GOLDWATER. Mr. President, I have often expressed my view that this generation of young people is the finest generation I have seen in my lifetime. Fresh evidence of the responsible attitudes held by these young persons came across my desk recently when I received two memorials passed by the mock legislature of the Arizona Boys State.

Not only does it say a lot to me that these young Arizonans are interested enough in the orderly procedures of our society to experiment with them and learn about them in actual practice, but I am downright proud of Arizona Boys State for demonstrating a wise sense of selectivity and judgment in choosing the topics of the two resolutions they adopted.

The Arizona Boys State House of Representatives initiated a memorial relating to the channelization of the Gila and Lower Colorado River Basins and the Senate originated a memorial relating to a national volunter armed forces and a draft reserve system.

Of course, we in Congress have worked hard and long on our own version of a military manpower bill, but to my great disappointment we did not move all the way to a volunteer approach. So this issue is still a current one that could be revived in Congress next year and most certainly in 1973.

Both of these subjects, the environmental issue and the draft, deserve the highest attention by Congress, and the entire Nation for that matter; and since the memorials are addressed to the Congress of the United States, I ask unanimous consent that they shall be printed in the Record.

There being no objection, the memorials were ordered to be printed in the Record, as follows:

House Joint Memorial 1

To the United States Congress:

Your memorialist respectfully represents:

The channelization of the Gila and Lower Colorado River Basins are in fact spoiling the scenic and useful value of these River Basins.

In this age where our natural resources are rapidly being consumed, the requested ban would save the esthetic value of these two beautiful scenic areas in our state for both humans and wildlife.

Now, wherefore, your memorialist, the Legislature of Arizona Boys State prays:

That the Congress of the United States immediately ban the outdated and destructive channelization practices on the aforementioned river basins, and institute an in depth study before authorizing any future thoughts of channelization projects in the great state of Arizona.

Senate Concurrent Memorial 1

To the Congress of the United States of America:

Your memorialist respectfully represents:

Recognizing that the present United States Military system fails to offer sufficient initiative for men to willingly serve our country and realizing that men volunteering their services for our country would serve it better, a voluntary Armed Forces would benefit the United States of America in her national defense program.

Now, wherefore, your memorialist, the Senate of Arizona Boys State, prays:

That an active national armed forces be run on a volunteer basis. No citizen shall be drafted into the active armed forces unless a state of national emergency exists and/or war is declared by the Congress of the United States.

That the volunteer armed forces receive a salary equitable to the cost of living.

Male citizens between the ages of 18 and 25 shall, however, be subject to draft into a reserve force containing a number sufficient to protect our national security and interest. This force shall resemble the current armed forces reserve system. This reserve shall be trained and readied so that it may be placed on active duty in the case of national emergency and/or a declaration of war declared by the Congress of the United States.

THE FISCAL 1971 BUDGET DEFICIT

Mr. KENNEDY. Mr. President, if any of us had any doubts about the deepening failure of the administration's economic policy, surely they were resolved against the administration yesterday with the announcement that the Federal budget deficit for fiscal year 1971 was an astonishing $23 billion—nearly $5 billion more than the President had estimated as recently as last January, and a far cry indeed from the rosy picture of a $1.3 billion surplus painted by the President when he first submitted the 1971 budget many months ago.

The overriding aspect of this budget deficit—the second highest since World War II—is that it is an obvious symptom of our sick economy. The dominant cause of the budget deficit was the huge shortfall in Federal revenues, a shortfall directly resulting from the economic slowdown engineered by the administration in the course of executing a policy that has thrown the Nation into an economic tailspin, without any perceptible impact on the evil it was supposed to end—the soaring inflation we have endured for so long.

The recent figures tell the story. The signs of our sick economy are everywhere:

Consumer prices for June rose at the annual rate of more than 7 percent, representing as sharp an increase in prices as virtually any we have had since the administration took office.

For a year, unemployment has been hovering at the level of 6 percent, and no one seriously believes that the June dip to 5.6 percent was anything more than a statistical quirk, with a return to 6 percent or more sure to follow.

Interest rates are on the upward march again, and the supposed "correction" on Wall Street after the rapid rise this spring now seems to have settled in for a longer haul.

Settlements in every major labor negotiation in recent months have been rocketing along at the obviously inflationary rate of 10 percent wage increases a year, with management simply passing the costs on to the public in the form of higher prices. Yet, the President sits by as an idle spectator, refusing to exercise his clear-cut authority to walk on stage as the representative of the public interest.

The Nation's international economic plight is equally dismal. The dollar is under its most serious attack in Europe in many years, and 1971 now promises us the worst trade balance in this century.

In light of this record, the weekly optimistic pronouncements by the President's economic advisers cannot stand analysis. At each new piece of bad economic news, we are treated to the spectacle of administration economists looking for good news with a microscope, telling us that every dark cloud has an invisible silver lining. Yesterday's fantastic claim by Secretary Connally and Director Shultz that the enormous deficit for 1971 was somehow a victory for the administration is only the latest example of the administration's misleading economic pronouncements.

One other conclusion is also clear—today, nearly two-thirds of the way through his term, President Nixon has crossed the Rubicon as far as the economy is concerned. No longer can the administration seriously maintain that it is doing the best it can in 1971 with the economy it inherited in 1968. To be sure, the administration inherited a problem of serious inflation, generated by the Vietnam buildup in the late 1960's, but the administration's policies of the past 2 years have only compounded the problem and made it worse.

The darker side of the current policy—the distorted focus on the 1972 election—is equally alarming. No economic expert now believes that we will see a healthy economy by the end of 1972. The most that any expert can see is the "turn around" promised by the administration. And so we have the cynical spectacle of an administration deaf to the cries of the unemployed and consumers gouged by higher prices, fiddling while the economy burns, calmly calculating that if any stimulus is needed, it should not come today, but later—when the turn around that would be produced would have maximum impact on the election.

The Lockheed loan debate simply drives home the point. The administration is quick to abandon its policy of noninterference with the marketplace when big business is on the ropes. The administration rushes in to bail out a giant corporation on the verge of bankruptcy, but piously refuses to adopt the wage and price review procedures and other steps we ought to take if we are to halt inflation now and bring the whole economy under control at the earliest possible time. How much higher will prices rise, how many thousands more workers will lose their jobs in the months ahead, while the administration postpones the decisions we know must come so that they will have maximum effect in 1972?

To me, the steps we ought to take are clear—they have been proposed time and again by many economists of every political persuasion, and with every passing day and every new statistic, the call for action becomes louder.

To stimulate the economy in the short run, we need immediate fiscal relief for the consumer, of the sort that could be obtained by simply accelerating the modest tax reductions already scheduled to go into effect in 1972 and 1973.

To keep the economy strong over the long haul, we need to reinstate the investment credit for business plant and equipment, abandoning the misguided effort to achieve the same result by the new depreciation guidelines. Economists estimate that the investment credit gives us twice as much bang for the buck in stimulating the economy, and that is the route we ought to take.

And, to break the price-wage spiral, we ought to adopt the sort of responsible policy of voluntary wage and price restraint that numerous high economists in and out of Government, including Arthur Burns, have so eloquently called for over the past 2 years. No one denies that the stabilization review procedure established for the construction industry—in the wake of the President's abortive Davis-Bacon action earlier this year—has worked effectively to moderate the inflationary spiral in construction. Why has the administration allowed that step to become an isolated exercise instead of a precedent for action in other industries where the need is urgent?

Only when we have answers to questions like these, and action by the administration to bring the economy back to life, will the people of America regain the confidence they ought to have in the economic health of the Nation.

ROBERT W. SARNOFF'S ADDRESS BEFORE AMERICAN BAR ASSOCIATION

Mr. SCOTT. Mr. President, I ask unanimous consent that the address by Robert W. Sarnoff, chairman and chief executive officer of RCA before the American Bar Association in London be printed in the RECORD. His discussion of communications is both interesting and informative.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ROBERT W. SARNOFF

I'm grateful for the opportunity you have given me to experience once again the gracious blend of old and new that is London. As an embattled New Yorker, I freely confess that this is the civilized metropolis we hope to be when we grow up.

London means different things to a visiting American. To the lawyer, it offers renewal at the wellspring of the Common Law on which our American system jurisprudence is based. To the communications man, it demonstrates the compatability of modern technology with history and tradition. The city of Christopher Wren is a hub of world communications. Its most arresting modern structure, architecturally, is the soaring Post Office tower created to transmit television and microwave signals across his island nation.

I wish it were possible to bridge time and change as successfully in the interplay between your profession and mine. But thus far we have failed—both of us.

The fact is that many of the laws, regulatory procedures, legal and commercial agreements that cover most of the world's communications services are relics of the age of Marconi. They are hopelessly ill-adapted to the age of the satellite.

Of all the great enterprises that further civilized progress, communications is the most advanced in technology and the most retarded in law. No encompassing legal framework exists today to permit full utilization by the nations of the world of the benefits of modern communications technology.

One reason is the astonishing dynamism of the technology itself. Progress seems to come in quantum leaps. Our most important communications instruments today are younger than many of our children—and far more precocious.

Within twenty years, we have moved from transistor radios to color TV to electronic computers to communications satellites. In a snap of history's finger, we have achieved what men have dreamed of for countless generations—the ability to reach instantaneously any one in any area of the earth with any form of information—and receive an immediate response. Now we are extending that reach to the vastness of space.

And progress continues to accelerate. The communications satellite is just beginning to demonstrate its versatility. Soon it will provide domestic and regional services of infinite variety. Within this decade, telephone and data traffic and network television will be passing through domestic communications satellites. In their ultimate form, these satellites will become powerful transmitting stations in space, able to provide direct broadcast service to individual receivers in the homes of the world.

In addition, overland transmission employing millimeter waves and lasers will make possible interconnected systems accommodating millions of two-way channels. And international satellites presently on the drawing board will provide ten to twenty times the global wideband channel capacity currently available.

The marriage of computers and wideband communications offers the prospects of a world-wide system of regional data banks accessible through satellite channels to users everywhere. To you, the American lawyer of the 1980's, this could mean the receipt within seconds of electronically printed copies of laws, patents, regulations, or legal precedents from any part of the world.

Through time-sharing on satellite circuits, an entire new range of business and commercial services can be envisaged. A world stock market is one possibility. We might even see the daily double at Belmont paying off in Oslo, Karachi, or Dakar through a global system of Off Track Betting.

New communications services will continue to diversify vigorously, but they will not function as isolated entities. International broadcasting and message traffic, overseas telephone and data transmission, are all facets of a single world-wide pattern of information flow. They perform the same basic function of conveying intelligence over a distance. They use many of the same facilities. They share a finite spectrum of frequencies. They are all parts of one system.

By definition, any workable system must be based on a body of rules or regulations. We in communications have plenty of rules and regulations, both national and regional. Often, however, they are unrelated, or conflict, or are outmoded. Their collective effect has frequently been to impede progress rather than further it.

The virulent form of nationalism that flowered in the 19th century and persists today also undercuts progress. It is already apparent in the planning of national and regional communications satellite systems for the decade ahead. Publicly, statesmen of different nations aspire to a universal agreement governing orbital placement and use. Yet, they show no willingness to defer their systems until such an agreement is reached.

Obsolete concept and rules, as well as lack of agreement, impede progress within as well as among nations.

In the United States, for example, communications are regulated by the Federal Communications Commission under a statutory mandate hopelessly outmoded by current technology. As presently framed, the Communications Act cannot possibly provide the Commission with the regulatory guidance needed for the most complex and fast-changing technology ever known.

On a global basis, wide discrepancies exist among national laws relating to copyright, ownership of material, and offensive or libelous statements. Present copyright conventions were written before satellites enabled unauthorized users to intercept and exploit program material. A non-actionable statement broadcast in one nation may be libelous when received in another.

There is no general agreement on freedom of access to satellite facilities even for material on a non-controversial or technical nature. Without such an accord, the free flow of global communications remains vulnerable to interruption at the whim of any government-controlled facility.

Finally, there is that perennial communications problem—the allocated use of the limited frequency spectrum. Today's satellite frequencies, for example, were allocated in 1968, a date comparable to the horse-and-buggy era in the compressed chronology of the space age. Recent advances in spectrum technology provide new opportunities for a world that can soon be populated by powerful multi-purpose space systems, as well as networking and direct broadcast satellites.

When that occurs, the communications cauldron will really bubble. What frequencies shall be allocated for specific uses? Who shall determine what is broadcast? How can programs be excluded from any country or region—if, indeed, they shoud be? In what way can all countries be assured equal access to the new communications system in order to satisfy their own information and programming needs?

These are complex, sensitive issues, and today we are simply unprepared or unwilling to deal with them. Unfortunately, nothing in past history suggests that we will soon face up to the issues. My own experience and that of others is illustrative.

Nine years ago, I recommended establishment of a World Broadcasting Union to bring together the broadcasters of all nations in a cooperative move to eliminate the program, legal, and technical barriers hampering the full development of global television. Today, regional broadcasting unions exist nearly everywhere. Yet, with the need even more pressing, the world still lacks a unified organization.

Four years ago, I suggested an international agreement on principles that would assure the orderly introduction of future regional and global communications satellites. This would enable them to be interconnected freely with one another and with all other world-wide facilities.

Last year, I urged a fresh look at the total problem and proposed steps directed toward a global Common Market of Communications that would reject nationalist concerns and foster a world-wide flow of information.

And, two months ago, I spoke of the rise of multinational business as a result of world communications progress. I urged cooperation among nations in setting consistent ground rules to encourage the constructive advance of multinational economic activity everywhere.

A common thread runs through all of these proposals and many related statements from others in business and government. By its very nature, our technology demands a global environment. It cannot function effectively if narrow national perspectives continue to dominate the management of human affairs.

We are already being propelled toward greater economic unity by the rise of regional common markets, the spread of multinational enterprise, and expanding world trade. If we fail to support this trend with appropriate communications, the ramifications will be quickly and dramatically evident. The underdeveloped nations will be deprived of an opportunity to achieve within a decade a degree of economic and social progress that would otherwise take generations. Using a monetary yardstick, the price of failure will be an estimated $500 billion in unrealized world trade volume by 1980.

Carl Sandburg had a favorite story about a soldier of fortune who implored the Sphinx to give him in one sentence the wisdom of the ages. The Sphinx replied: "Don't expect too much."

In communications, I believe that we have failed to expect enough. Our technology confers upon us far greater power than we seem prepared to use.

In this generation, the legal profession has demonstrated its willingness and ability to tackle great issues—civil rights, court congestion, erosion of First Amendment freedoms. As yet it has not concentrated the same attention on communications law. This is most unfortunate.

Therefore, I propose a fresh initiative by the members of the American Bar Association. The first step would be referral of this pressing matter to an appropriate Association committee—either already existing or to be created. It should enlist the cooperation of lawyers everywhere to develop a suitable framework for a system of global communications. Among the steps that I recommend this committee consider are the following:

A general conference of legal specialists from all countries analyze the requirements for a global system, and to form a working group for study and recommendations.

Research by the working group into communications policies and needs, in consultation with specialists in related fields, and with the various agencies now dealing with specific limited problem areas.

A general conference to consider the working group report, and to prepare a statement of global objectives and priorities for submission to the UN and to national governments for their action.

We in communications urgently need this attention. We require a whole new body of law, domestic and global, terrestrial and space, to give direction and cohesion to our technological progress.

I urge the distinguished members of the American Bar Association to give this project your highest priority.

Without such legal guidance, communications will continue on its present erratic course. There will be further technological breakthroughs, further spectacular but uncoordinated demonstrations of new services, further attempts by nations or blocks of nations to seize and exploit each development. As always, communications will be a pawn of power.

In the long run, the people of the world will be the losers. The bold lines of chartmakers, forecasting vast gains in world commerce, will begin to droop. The promise of the new communications technology will remain just that—a promise.

If we truly believe in a constructive destiny for humanity, we cannot permit this. We must bring into full play the reason, discipline and logic of the law. No other acceptable antidote to anarchy has ever been devised.

With the concerted help of the legal profession, I believe the goal of one world of communications is still attainable. Indeed, it is basic to the attainment of man's ultimate goals of lasting peace and progress. Surely the effort is worthwhile.

PAKISTAN NIGHTMARE GOES ON

Mr. PROXMIRE. Mr. President—

> He was about 3 years old, and his mother was still in her teens. They sat on ground made muddy by the steady drizzle of the summer rains. The baby's stomach was grotesquely distended, his feet swollen, his arms no thicker than a man's finger. His mother tried to coax him to eat some rice and dried fish. Finally, the baby mouthed the food feebly, wheezed—and died.

That quotation is from a cover article in the August 2 edition of Newsweek magazine entitled "Bengal: The Murder of a People." The article tells the continuing story of the Bengali people—those who survived the massacres committed by the rampaging West Pakistani troops—who are now dying from disease and hunger. It tells of how the political strife in this poor Asian nation has led to the wholesale slaughter of one quarter of a million people and the mass emigration of 6 million more to escape the savagery of government soldiers.

I quote from this article:

> Throughout that blood-drenched night and the days that followed, the carnage continued. And the massacres were not limited to Dacca but were carried on throughout the countryside as well. After a desperate visit to his native village on the Indian border, a sobbing Bengali journalist told how the land had been devastated: "I passed through a dozen villages which had been burned and deserted, with bodies everywhere being eaten by the crows. The smell! The horror! I kept praying it would not be like that at my village. But is was. The village was just a mass of charred rubble and corps. My wife and child were missing. There was just one old lady alive and she could no longer talk. She just sat on the ground, shaking and moaning."

It is as though a city the size of Richmond, Va., has been obliterated and the population of New York made homeless.

Mr. President, even though the immediate killing has stopped, thousands are dying each week of cholera, famine, and a host of other deadly sicknesses that are thriving in the makeshift villages populated by the millions of Bengali refugees. The government of India may soon have to return the refugees to Pakistan, unable to afford the cost of the mass welfare operation. If the Pakistanis are returned, the bloodshed may start again.

I quote once more from the Newsweek article:

> It seemed a routine enough request. Assembling the young men of the village of Halughat in East Pakistan, a Pakistani Army major informed them that his wounded soldiers urgently needed blood. Would they be donors? The young men lay down on makeshift cots, needles were inserted in their veins—and then slowly the blood was drained from their bodies until they died.

This article and others like it tell of atrocity after atrocity by the Pakistani Army. Those who were lucky enough to successfully elude the West Pakistan Army are now living in refugee camps in India where disease and famine are killing thousands of them a week. A diplomatic cable from Pakistan reads:

> Specter of famine hangs over East Pakistan, prospects for averting widespread hunger, suffering and perhaps starvation not repeat not good.

Pakistan will not recover for years to come:

> Already, the experts say, the country's economy is a shambles. Since the fighting began, experts have plummeted, the vital jute crops that are Pakistan's biggest foreign exchange earner rot unharvested, and the vast consumer market of the eastern region on which West Pakistan's factories lived has vanished along wtih the refugees and rebels. "Unless something is done," an economist adds, "there is going to be a famine here that will make all prior suffering look like nothing."

I ask unanimous consent that the full text of the Newsweek magazine article from August 2, entitled "Bengal: The Murder of a People" be printed at the conclusion of my remarks.

I ask my colleagues to read the full text of the article. Unfortunately, I cannot print the pictures which show even more vividly the genocide which is occurring at this very moment. I think one line spoken by a Bengali peasant best tells what happened:

> My God, My God. Civilized man cannot describe the horror that has been done.

Mr. President, let us ratify the Genocide Treaty.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BENGAL: THE MURDER OF A PEOPLE

It seemed a routine enough request. Assembling the young men of the village of Haluaghat in East Pakistan, a Pakistani Army major informed them that his wounded soldiers urgently needed blood. Would they be donors? The young men lay down on makeshift cots, needles were inserted in their veins—and then slowly the blood was drained from their bodies until they died.

Govinda Chandramandl forgets who told him first, but when he heard that an amnesty had been pledged to all refugees, he immediately set off on the long walk home. With his two teen-age daughters by his side, Chandramandl trudged through monsoon-drenched swamplands and past burned-out villages. When he neared his scrap of land, soldiers stopped him. As he watched in helpless anguish, his daughters were raped—again and again and again.

He was about 3 years old, and his mother was still in her teens. They sat on ground made muddy by the steady drizzle of the summer rains. The baby's stomach was grotesquely distended, his feet swollen, his arm no thicker than a man's finger. His mother tried to coax him to eat some rice and dried fish. Finally, the baby mouthed the food feebly, wheezed—and died.

Few people seem more alien to Americans than do the Pakistanis. When thousands of them perish in various natural disasters that regularly plague their country, the newspaper accounts of their suffering have a curious unreality. And yet today, no one can escape the nightmare vision of Pakistan's civil war: a quarter of a million Bengalis dead, another 6 million or more driven into desperate exile as the result of a deliberate effort to terrorize an entire people. It is as if a city the size of Richmond, Va. had been obliterated and the population of New York made suddenly homeless. Even in a world jaded by war and atrocity, suffering on that scale still comes as a sickening shock.

And there is more to it than that. Far more horrifying than the prospect that Pakistan may destroy itself are the signs that its brutal civil war could spark yet another, wider conflict between Moslem Pakistan and its archenemy, Hindu India. Last week, Pakistan's President Mohammed Yahya Khan angrily declared that if India expands its surreptitious support of Bangla Desh, as the secession Bengal nation is known, "I shall declare a general war—and let the world take note." The world would have to. For should that happen, Pakistan's ally, China, and India's ally, Russia, would be hard-pressed to avoid involvement. And the United States could be faced with the dangerous necessity to choose sides.

Already, the realities of geopolitics have confronted the U.S. with the thankless task of choosing between strategic and humanitarian considerations. Straining to preserve its influence with Yahya's government, yet anxious to help the suffering Bengalis, America has succeeded only in embroiling itself in a bitter controversy (box, page 28). Last week that controversy was intensified when Sen. Edward Kennedy disclosed the contents of confidential messages from U.S. diplomats in Pakistan. "Specter of famine hangs over east Pakistan," read one cable. "Prospects for averting widespread hunger, suffering and perhaps starvation not repeat not good." Kennedy's clear implication was that the Nixon Administration was seeking to cover up the magnitude of the Bengali tragedy. And, not content with that, he went on to intimate that the U.S. had plans to send police teams to East Pakistan to help Yahya's Punjabi soldiers suppress Bengali resistance.

TWO DIVERGENT CULTURES

Such a cold-blooded move, should it ever come to pass, would ensnarl the U.S. in one of the most intractable racial and cultural conflicts of modern times. Physically and politically, Pakistan is unique among the world's nations; between its rugged, relatively empty western region and its desperately over-populated eastern region lie 1,000 miles of Indian territory. And more than space divides the two parts of Pakistan. It is a nation of two radically divergent cultures, of two totally different peoples who have despised each other through history. The lighter-skinned, aggressive Punjabis of West Pakistan scorn the Bengalis of the east as spiritless peasants or tricky tradesmen. And the Bengalis, whose rich rice land and lucrative jute crops have paid Pakistan's bills ever since the founding of the country in 1947, regard the Punjabis as barbarians—and, to make matters worse, oppressive barbarians who have monopolized Pakistan's government and army. Snapped one Bengali leader: "We have never been anything but a colony of the west."

Chafing after decades of subjugation, the Bengalis responded with frenzied enthusiasm when their fiery, leonine hero, Sheikh Mujibur Rahman, led them to the polls last December in Pakistan's first free elections after twelve years of military rule. Spurred on by the flamboyant oratory of Mujib (as his worshipful followers call him), the Bengalis voted in such numbers that Mujib and his Awami League won an absolute majority of seats in the country's new National Assembly. Suddenly it seemed that Bengal's time had come. But as it turned out, Mujib's platform of economic and diplomatic autonomy for the east was too great a threat to be endured by Punjabi leaders. Unwilling to play second fiddle to Mujib, West Pakistan's most popular politician, the left-leaning Zulfikar Ali Bhutto, refused to participate in the new Parliament. And in the end President Yahya abruptly postponed the opening of the assembly indefinitely.

PLANS FOR SLAUGHTER

Within hours of Yahya's decree, Mujib proclaimed a general strike in East Pakistan. To this day, Pakistani officials maintain that Yahya personally appealed to Mujib for a compromise that would heal the nation's wounds. But most observers believe that Yahya had other plans all the while. Weeks before the Yahya-Mujib meeting actually took place, the President and his right-hand man, Lt. Gen. Tikka Khan, were already mapping out plans for Mujib's arrest, the dissolution of the Awami League and the slaughter of Bengali nationalists.

Known as "the bomber of Baluchistan" for his indiscriminate use of air and artillery strikes in crushing a local tribal revolt in 1965, Tikka Khan apparently persuaded Yahya to buy time for the army to build up its strength in Bengal. Accordingly, Yahya made his bid for discussions with Mujib. And while the two leaders talked—and Bengalis as well as the world at large looked for a compromise that might save Pakistan—the army pulled off a logistics coup. Flying the long over-water route around southern India with Boeing 707s commandeered from Pakistan International Airways, the army doubled its troop strength in Bengal to 60,000 men. When Tikka gave the word that all was ready, Yahya flew out of Dacca. And that very night, the bomber of Baluchistan unleashed his troops.

Under instructions to strike brutally on the theory that a savage surprise attack would snuff out resistance quickly, the army obeyed its orders with a vengeance. Tanks crashed through the streets of East Pakistani's capital of Dacca, blasting indiscriminately at men and buildings. With cold ferocity, Punjabi soldiers machine-gunned clusters of citizens, while others set fire to slum hutches throughout the city. Soon, the city was littered with bodies, and the campus of Dacca University—a hotbed of secessionism—was a bloody shambles.

Throughout the blood-drenched night and in the days and weeks that followed, the carnage continued. And the massacres were not limited to Dacca but were carried on throughout the countryside as well. After a desperate visit to his native village on the Indian border, a sobbing Bengali journalist told how the land had been devastated: "I passed through a dozen villages which had been burned and deserted, with bodies everywhere being eaten by crows. The smell! The horror. I kept praying it would not be like that at my village. But it was. The village was just a mass of charred rubble and corpses. My wife and child were missing. There was just one old lady alive and she could no longer talk. She just sat on the ground, shaking and moaning."

With the passing of time, the magnitude of the slaughter has diminished, but there has been no lessening in the brutality of the Pakistani Army. Last week, NEWSWEEK's Loren Jenkins, who was in Dacca the night that Gen. Tikka Khan's troops launched their campaign of murder, cabled the following report on conditions in East Pakistan now:

Four months after the first flush of bloodletting, East Pakistan still lives in fear. But instead of being the cowering, groveling fear that the army sought to instill, it is a sullen fear tinged with quiet defiance and hate. It is a fear based on the appreciation of a very harsh reality, not a fear that marks people of broken spirit. Walking along a Dacca street recently, I met a journalist I had known before. Our eyes met and he nodded, but he appeared embarrassed. Glancing nervously all around, he muttered, "My God, my God. Civilized man cannot describe the horror that has been done." An hour later another friend explained: "We have been ordered not to talk to foreign journalists. We are scared. We live in terror of the midnight knock on the door. So many people have been killed. So many more have disappeared. And more vanish every night."

One who vanished in the night was Mujib, who is now reportedly held in prison in the western garrison town of Mianwali. A hero before, Mujib has now become a martyr. For all his conspicuous faults, he has become the symbol of Bengali patriotism. Yet Yahya, almost boastfully, told a recent visitor, "My generals are pushing for a military trial for Mujib and for his execution. I have agreed and the trial will be held soon." No policy could be more short-sighted or more likely to harden Bengali resistance. As one Western diplomat told me, "Yahya is simply out of his mind. He still doesn't even understand what the army has done. He thinks they can kill off a couple of hundred thousand people, try Mujib for treason, force a return to order and all will be forgotten. This is utter nonsense. These people will not forget."

GUERRILLA RESISTANCE

Indeed, the minds of Bengalis are emblazoned with the memories of these months of terror. Despite the terror, signs of resistance to the army creep up everywhere. In Dacca, street urchins hawking the local papers slip mimeographed communiques from the government-in-exile into the newspapers. On ferry boats in the countryside, where all passengers are under the watchful eyes of the army, strangers sidle up and whisper of massacres or point out areas in the dense Madhupur jungle where the "Mukti Bahini," or Liberation Army, is hiding. All over the country, the resistance is rapidly taking on the earmarks of a classic guerrilla war. And East Pakistan is ideal guerrilla terrain reminiscent of South Vietnam's Mekong Delta—a labyrinth of sunken paddies, jute fields and banana groves.

That the Mukti Bahini are capitalizing on their few assets, is brought home daily. They have cut the key railroad to Dacca from the port of Chittagong and have also severed the parallel road. More than 60 per cent of the interior's food supplies move over those routes and there is virtually no prospect of restoring them until peace is also restored.

The rebels' recent coup in blowing up three power stations in Dacca has underscored the point that no city or village is safe from their campaign to bring the economy to a halt. Most important, however, is the fact that the rebels now seem to be winning what every guerrilla needs—the support of the populace. Two months ago, villagers in Noakhali province pleaded with the Mukti Bahini not to blow up a bridge because it would bring army retaliation. Last week, those same villagers sought out the guerrillas and asked them to destroy the bridge.

To be sure, the guerrillas are no match for the federal army. While they have rallied some 20,000 Bengali fighters to their cause (and expect another 10,000 recruits to join them next month after clandestine training in India), the inadequately armed rebels still face 60,000 well-equipped professional soldiers. And despite its covert aid, India has cautiously hesitated to recognize the Bangla Desh government-in-exile. One reason for this restraint is the genuine and costly problem the New Delhi government faces in caring for the 6 million Bengali refugees now in India. Newsweek's Tony Clifton, who has reported the anguish of the refugees since the beginning of Pakistan's civil war, filed this report last week from Calcutta:

The strain on India has become almost unbearable. The refugees are still swarming across the border in hordes ranging as high as 40,000 a day, and as P. N. Luthra, the former Indian Army officer in charge of the refugee program, told me, "I'm now responsible for the care of a small country." It is costing India $3 million a day to feed, clothe, house and provide vital medicine for the Bengalis, a financial drain that is crippling to the already marginal Indian economy. Worse yet, lack of available funds has meant a shortage of virtually everything in the refugee camps—and the inevitable result has been suffering, disease and death. To Luthra, the only conceivable resolution of the tragedy is for the world to put the utmost pressure on Pakistan to stop the carnage so the Bengalis will feel safe in going home.

Yet for all their suffering, the Bengalis themselves maintain their stoicism. It is the monsoon season in India, but the monsoon here is not like the great monsoons of Hollywood. Instead of roaring and thundering, the rain falls softly and steadily, dribbling through the canvas tents to soak the refugees, turn earth floors to mud and flood inadequate drains. But the refugees stand patiently, calf deep in stagnant water, eager to tell me their stories so I can tell others. I collect a notebook of horror—rape and murder and kidnaping. They tell me how they saw their children stabbed, their husbands or brothers executed, their wives collapse with fatigue or sickness. The stories are all new, and all the same. And I remember Luthra's plaintive question, "How can we think the human race is evolving to a higher level when it lets this go on?"

As the military repression and the guerilla sabotage goes on, it poses an ever increasing threat to the future of Pakistan itself. Already, experts say, the country's economy is a shambles. Since the fighting began, exports have plummeted, the vital jute crops that are Pakistan's biggest foreign exchange earner rot unharvested, and the vast consumer market of the eastern region on which West Pakistan's factories lived has vanished along with the refugees and rebels. "In short, Yahya's government faces the genuine danger of bankruptcy," warns a Western economist in Dacca. Equally genuine is the danger of mass starvation. "Unless something is done soon," the same economist adds, "there is going to be a famine here that will make all the prior suffering look like nothing." But in the end, the greatest threat to Pakistan is the flaring hatreds that Yahya's army has spawned. "Pakistan died in March," says a Karachi editor. "The only way this land can be held together is by the bayonet and the torch. But that is not unity, that is slavery. There can never be one nation in the future, only two enemies."

THREAT OF WAR

The area already has enemies enough. In recent weeks, Islamabad and New Delhi have traded insults and accusations at a dizzying rate and there is a real possibility that angry words may escalate into war. Indeed, some Indians even claim to see an economic motive for going to war; according to the Institute for Strategic Studies in New Delhi, it would be cheaper for India to fight Pakistan than to continue to care for millions of Bengali refugees. "It hasn't come to that yet," sighed one U.S. official last week. "But India has considered a miltary thrust, apparently very seriously." And Pakistan too has weighed the use of force against its neighbor in retaliation for India's support of the Mukti Bahini.

The gravest danger from any such hostilities is the possibility that Communist China and Russia would become involved. Chinese Premier Chou En-lai has denounced "Indian expansionists" and has promised Yahya that Peking would support the Pakistanis "in their just struggle to safeguard their state sovereignty." And Chou could handily translate his pledge into action—by ordering Chinese troops stationed along the Indian border to provoke skirmishes, or by infiltrating "advisers" to reinforce the Pakistani Army. "Pakistan has some promises from Peking to take military action of its own should war begin," warns a U.S. diplomat, "and India is trying to extract some counterbalancing promise of military aid from Russia. That could lead to catastrophe."

AN AGONIZING CHOICE

Any such involvement by the two Communist superpowers would confront the United States with a cruel dilemma. Pakistan, despite the undeniable brutality of its policy toward the Bengalis, is a long-standing American ally and a country that the U.S. is desperately trying to keep out of Peking's sphere of influence. At the same time, India is Asia's biggest nation with a democratic tradition, dating back to Gandhi and Nehru, and, as such, occupies a special position in the U.S. portfolio of friendly nations. To choose between the two would be agonizing. One U.S. analyst of foreign affairs, drafting a scenario for U.S. actions should a subcontinent war break out, remarked: "Our first move obviously would be to try to play the peacemaker, much as Russia did at Tashkent in 1966 during the last Indo-Pakistani war. If that failed, the U.S. might be able to sit it out, so long as Russia and China were involved only as suppliers of the two combatants. But if they got directly engaged, it would then be almost impossible for Washington to remain aloof. We would have to gamble on one side or the other, give them at least the logistical aid they needed and hope we had chosen the winner."

Rhetoric and contingency plans aside, none of the world's three great powers wants to embroil itself militarily in the Indian subcontinent. But that does not rule out the possibility that they could become involved against their will. In the meantime, the future of Pakistan and, possibly, the lives of millions of other Asians, depend on Yahya Khan. And at the moment the Pakistani President remains determined not to relent—ignoring the fact that he may be creating out of nationalist guerrillas the core of a potential Communist insurgency. "The tragedy of Pakistan really is that Yahya is oblivious to what he is doing, oblivious to the cost of his actions," a diplomat in Islamabad remarked somberly last week. "There is only one man alive who could save Pakistan now, and that is Mujib. Yahya vows that Mujib must die. But the day he hangs by the neck, Pakistan will hang with him."

ADDRESS BY HON. ROBERT C. HILL, AMBASSADOR TO SPAIN

Mr. COTTON. Mr. President, recently a distinguished fellow New Hampsherite and personal friend, the Honorable Robert C. Hill, U.S. Ambassador to Spain, delivered the commencement address to Nichols College, in Dudley, Mass. Although his remarks were directed primarily to the under-30 generation, a careful reading of them shows that they are also a timely challenge to those members of our society who have passed 30 and who, to use the Ambassador's words, "have ceased to give serious consideration to the problems of our times." Therefore, I ask unanimous consent that his presentation be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks by the Hon. Robert C. Hill, U.S. Ambassador to Spain, at the Commencement Exercises of Nichols College, Dudley, Mass.

Members of the Class of 1971: I was very pleased to be invited here today, since this assembly is a combination of the time, the place and the people I like best.

The place is New England, the time is spring, and you young Americans, are in the springtime of your lives.

Only a few years ago, this gathering would have been something in the nature of a pleasant garden party where perennial flowers framed the appearance of the perennial platitudes.

But time changes things, and the tides have changed, and the direction we take will depend much on you.

Your generation is the cutting edge of the force for change and, at the same time, you are the people who will inherit the results.

It is therefore important for you—above all—to make sure that what happens is for the better and not merely a different road for its own sake or for the sake of being in fashion.

I know that to many of you the standard commencement speech made by a visiting stranger to your campus can be a trying experience. But today in returning to the academic environment I have tried to see the world both from my perspective of representing the United States abroad and yours on the America that you must live with.

I have the privilege of serving as the United States Ambassador in Spain, a nation whose ties with America have deep historical roots and from my vantage point in the old world I hope I have gained some perspective on the events that are occurring here in the new world.

In historical terms the United States of America after it gained its independence became a threat to the old established institutions of Europe. We were a revolutionary society and our country was a bastion of revolutionary ideas in the world. Now nearly 200 years after that revolution many observers feel we are entering a period of equally great change. I have read the "Greening of America" by Charles Reich and his theory that a new consciousness is forming in the youth of America which will bring about a new society. Interestingly enough Europeans, such as the French writer Michel Drancourt have arrived at a similar conclusion as a result of visits here. It is obvious that something important is happening in our nation.

Every change no matter how radical is a flower of the past and grows on the compost of history. I understand that a writer who greatly influences young Americans today is Herbert Marcuse. While I disagree with most of his analysis of our society, his ideas too are the result of those which have gone before. He is not a product of the second half of the 20th century so much as one who has processed ideas from an earlier period, added to them his own spark and will now in turn influence succeeding generations.

The generation gap seen in this perspective becomes a matter of style and not of substance. Substance changes slowly and with the contributions of many over the years while style is ephemeral and will pass perhaps to reappear again but without significant importance. What will last will be the ideas and the concrete accomplishments that your generation builds on the foundations that have been given to you.

As I read the writings of you young Americans and the analyses of them being done by your elders I seem to hear a cry to respect deep values of human dignity and individual liberty. These are of course, the ideas which originally started this nation and were considered such a challenge to the establishment in their time.

Institutions, unfortunately, often kill the very ideals on which they are based. It is now a very well worn theory that only a thorough going revolution which destroys the old institutions can bring about renewal. A far more hopeful idea would be successful change of a society without the violence and injustice which have been the result of every social revolution in history.

You and your peers graduating from hundreds of institutions across the country are setting high objectives for our country. You are not alone. There are many who do not lose their vision with age and are your friends in this work. You are a generation that longs for an ecological balance which many of you have never known. I come from a generation which to a certain degree is guilty of the desecration which you deplore but still we can remember an America that was once in balance. I love New Hampshire with its White Mountains and fresh air. I want it to stay that way. There is no generation gap in this battle, only ignorance.

To some it has become a cliché to say that the Bill of Rights was so radical a document that it wouldn't be passed today. I won't argue that point, but the Bill of Rights does exist. It is the foundation of our freedoms and permits the protest and dissent which challenge so many of the institutions which have always seemed a part of our nation. It is these institutions which are causing many of us to re-examine the values of society. The essence of these guarantees, however, is not only respect for our own rights to our own ideas but an equal respect for the rights and ideas of others.

In the next elections of 1972 over 25,000,000 new voters age 18 and above will be added to the roles. If the objectives of our nation are to be changed then these young Americans must participate and if they do participate they will be a crucial element in deciding what our future will be. You are not powerless to bring about change if you do it in ways that do not bring about anarchy.

Community and commune are words which I note are a part of the language of today but no community works with violent disruption whether it be at the level of the extended family or at a more complex level of societal organization.

Decisions must be made in an atmosphere of compromise. Now the word compromise has too often had a disparaging meaning but nothing is accomplished in any system without a certain amount of give and take between competing interest groups. Successful political leaders have realized this throughout history regardless of the system under which they worked.

Any society which respects differing views and allows them to co-exist is of course a society of compromise as well as freedom. Every one of us here today has a slightly different view of the direction our nation should take. If any one of us had the dictatorial power to impose his own view, the rest would be the losers. The vision of the world that I have was shaped by the events through which our nation passed in the 30's with great depression and in the 1940's with the great war. Perhaps the solutions which my generation offers are in some ways more suited to those times, but you too will share a conventional wisdom when you have taken over the positions of power in our society. Your wisdom unless you are very careful will be more suited to the problems you face today, Viet Nam, an economy with difficulties, new life styles and new terms of familial relationships, the environment and our very survival in the face of increasing pollution. But these will not be the problems that you will have to solve when you are national leaders. Those problems we do not yet see, and the best that we could hope for is that you will have the flexibility of mind and spirit to understand those new problems and deal with them creatively in cooperation with the generation which will be challenging your position.

One of the great philosophers of our time, Erich Hoffer, described in the book the "True Believer" the kind of mind that becomes intoxicated with causes. At the time that he wrote his book, fascism was the preoccupation of the world. His analysis of the emotional reasons for which people join causes however remains equally valid. We must be careful not to allow an emptiness in our lives to become the vacuum which is filled by an obsessive attachment to causes.

There are causes which are just and necessary and we should pursue them with enthusiasm and honesty, but they should not become an escape mechanism from the serious responsibilities of life. A number of the causes that have preoccupied our nation in recent years are serious causes and I respect those who are involved in them. However, the irresponsible attacks that some have made on the basic institutions of our nation is a serious challenge which can't be ignored.

The law is frequently perverted but it does exist to serve us all and there fortunately exist democratic processes in our system of government for peaceful change. Without general respect for the law we would be helpless.

I hope that everyone of you here today will devote some portion of his life to the challenge of a better society.

Our laws can be improved.

Our schools can be improved.

The opportunity afforded every American to better himself and his family can be improved.

But this can only be done in one way. Each of us must set aside some portion of his life to achieve these ends. It isn't enough any longer that people with political ambition give serious and sometimes not so serious, thought to the problems of our time. The essence of a functioning democracy is that every citizen participate.

In some respects it is a bit absurd for me to be telling this to you for perhaps no other generation in our nation's history has participated as energetically as yours in an attempt to make changes in our nation's policies. But it is not enough to do this in your spare time while at school. You must continue this commitment throughout your life. Don't allow the preoccupation with making a living, and raising a family become so all encompassing that you don't leave some time for thought and action in the public sector.

I know it is popular to think that you should not trust anyone over 30. Perhaps the truth in this is that too many people in our society who have passed 30 have ceased to give serious consideration to the problems of our time. If you are really committed to a world that is better than the one that you are entering, then don't allow this to happen to you.

One of the oldest working democracies in the world is in Switzerland. There are still communities where each year the citizens gather in the town square and discuss the issues and then vote on them. We have obviously become far too complex a society to permit us that luxury, but you can still study the issues and take part in various community activities.

Make ours a participatory democracy.

At the heart of all these questions is communication. Perhaps the commonest complaint that is heard by psychiatrists in today's modern society is that people are not understood. Our cities claim their needs are not heeded at the state and national level. Minority groups feel they are out of touch with the majority. Young feel alienated from the old, parents from their children. Somehow there has been a breakdown in communication. But understanding is a two-way street. It can't only be the old that understand the young but the young must also understand the old. They must understand why things are the way they are before they are able to propose solutions and projects for the way things should be.

I believe it vitally important that somehow, as Senator Margaret Chase Smith has said, "We must unite mature counsel with young ideas. Everyone of us, old and young alike" she added, "must start being civil, communicative and credible."

For my part, I give credence to the idea that without dissent the creative urge may indeed wither and die. I do not think it a political sin to discuss our weaknesses and admit our past mistakes and then profit from them in shaping a better way of life for all our citizens.

Certainly, this is one of the most important of democratic virtues.

Man has lived too long now with the threat of total destruction to be a coward when faced with the simpler tasks of change and adjustment to make a malfunctioning society run more smoothly. All of you who are graduating today were born into a world where the atomic bomb is a reality. You have slowly become aware that other evils less dramatic but equally deadly face modern man. You have not given up with the prospect of atomic disaster. Do not despair then with the more soluble problems of urban decay, racial tension and the divisions of foreign involvement. But you must also not become indifferent to these challenges.

One thing is certain. When you are my age America will look far different than it does today. Whether better or worse will be primarily your responsibility. In fact, man's survival may very well be in the hands of your generation.

I hope you will do the job well and courageously. A revolution will be achieved. Make it one you can be proud of.

Good luck!

VIETNAM

Mr. FULBRIGHT. Mr. President, Mr. Fagan Dickson, one of the leading attorneys of Austin, Tex., has written a most perspective article entitled "The Lesson of Vietnam," published in the

Highlander of Marble Falls, Tex., on July 15. He has expressed the essence of the problem so well that I think it is worthy of the attention of my colleagues in the Senate, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Lesson of Vietnam

(By Fagan Dickson)

During my short-lived campaign for Congress (February 5, 1968 to April 3, 1968) when I ran on the sole platform of, "Bring Lyndon Home," a supporter asked me at a public meeting what my response was to some of the things President Johnson and Secretary Rusk had been saying about the threat to our national security of Communism in Vietnam, the anology between the 1938 Munich Pact and a coalition government in South Vietnam, the threat of the Yellow Peril and the fear that if we did not defeat 'em over there, they would be coming over here to invade us and the charges of disloyalty against those who expressed disagreement with the government's policy.

I responded with the statement, "I reject it." Not until then did I fully realize the tremendous impact involved in the repudiation of a foreign policy of twenty years standing on which so much had been expended in lives, resources and moral commitment.

I had never doubted for a minute that President Johnson inherited the policy and that he was doing his dead level best to implement it. He was sincere. What worried me most of all was that in his numerous pronouncements on the war, President Johnson would invariably say that what he was doing was, after all, "right."

In July, 1971 issue of Foreign Affairs, General Matthew B. Ridgway has an article entitled, "Indochina: Disengaging." In it, General Ridgway says, "You cannot kill an idea with a bullet and bomb."

On April 6, 1967, I wrote an article entitled, "Thoughts on Vietnam." This was written for and hand delivered to President Johnson. In it, I said, "Rather than launch our nation in a world wide crusade in defense of an ideology, on which we are not united, I would think that the best way to overcome Communism is not with bullets, but with a better idea." It takes some theological reflection to understand the significance of these statements. Without such understanding, however, I do not believe that Vietnam has any lesson for us as a people. Unless we acknowledge not only that Vietnam was a mistake but also, why it was a mistake, the terrible tragedy will have been in vain.

We are not being defeated by a superior force and the answer to our dilemma is not the use of more force. We have made a monstrous miscalculation of the degree of commitment of other peoples on the other side of the world to their philosophy and way of life and their sense of national purpose and integrity. What we have done is to assume the universal validity of our own ideology and to attempt with missionary zeal to impose it by force of arms against another race of people with a different culture than our own.

Since the era of Senator Joe McCarthy in the early 1950's, this nation has had a hysteria about Communism. The leaders who pushed us further and further into the quagmire of Vietnam were political messiahs. Starting with Francis Cardinal Spellman and John Foster Dulles and on down through Generals Maxwell Taylor and William C. Westmoreland, Ambassadors Henry Cabot Lodge and Ellsworth Bunker, Walt Whitman Rostow and Dean Rusk, the men who supported our foreign policy against Communism were the "true believers."

"Fervent in his beliefs and relentless in their execution, admitting of neither doubt nor dissension, and devoid of compassion and humor, the 'true believer' makes war in the name of peace and commits murder in the name of human happiness, and does so with a pristine conscience, a conscience made pure by fervent conviction." (Senator J. Wm. Fulbright, 1965)

President Johnson, however, had a further consideration. He had seen President Truman maligned and the Democratic Party denounced because China had gone Communist. President Johnson obviously did not want to repeat these mistakes by permitting Indochina to go Communist during his administration.

There is a reason for this traumatic reaction to Communism. Communism is a Christian heresy. It is an anti-Christ philosophy. Now, when I was a boy, we put our nickles and dimes in the Sunday School collection to help send missionaries to convert "heathens" in Asia. We didn't dislike them—we just wanted to save them. But when Russia, a Christian nation, threw out Christianity in 1917 along with the government of the Czars and adopted Communism, we refused to recognize it as a nation for 16 years. When China became a Communist nation in 1949, we rejected her as a nation and have not yet recognized her.

The disclosure by the Houston Chronicle on July 6, 1971, that part of the doctrine of "massive retaliation" enunciated by Secretary of State John Foster Dulles, called for the use of nuclear bombs against China in the event the United States became involved in a nuclear war with the Soviet Union, shows the extremes of our paranoia. Only this kind of irrational thinking can explain the deceit and inhumanity in the conduct of otherwise honorable men, as disclosed by the Pentagon Papers.

On May 2, 1965, President Johnson broadcast from the White House a statement of the purposes of the United States intervention in the Dominican Republic. In this statement, he said "The American nations cannot, must not and will not permit the establishment of another Communist government in the Western Hemisphere" . . . "This is and this will be the common action and the common purpose of the democratic forces of the hemisphere. For the danger is also a common danger, and the principles are common principles." This declaration was hailed at the time as the "Johnson Doctrine."

In the same article referred to above (Texas Observer, 11/10/67, page 9), I said, "One might speculate on the excuses Secretary Rusk will give for intervention when some friendly nation like Chile adopts Communism by a majority vote in a democratic election, without the help of Castro's revolutionaries."

Russian intervention in Czechoslovakia in August, 1968, caused immediate and hostile reactions toward Russia throughout the world. The Russian policy which prompted this invasion was articulated by Leonid Brezhnev, Secretary of the Soviet Communist Party, in a Pravda article which was hailed as the Brezhnev doctrine. It proclaims that Communist-ruled states enjoy neither genuine sovereignty nor genuine rights of territorial integrity, that the Soviet Union can at any time send troops into any such states to preserve the Communist rule. "This means that each Communist Party is responsible not only to its own people, but also to all the Socialist countries, to the entire Communist movement," in the words of the Pravda article.

The kind of military intervention called for by these statements of national policy by the United States and Russia are not traditional wars against another nation or a people. These statements seek to justify wars against an ideology or what the world would have called in earlier times, "religious wars."

There is no possible way that Russia and the United States can co-exist in this world if the leaders in each country are "true believers" and continue to pursue these irreconcilable philosophies as national policy. In this age of nuclear power the world cannot survive a war between the super-powers. There is basically no difference in principle between the Johnson doctrine and the Brezhnev doctrine. The Johnson doctrine applies by its terms to the Western Hemisphere and the Brezhnev doctrine to Socialist countries in the Communist block. But almost immediately, President Johnson began to extend the Johnson doctrine of freedom and self-determination to Vietnam and in May of this year, a new Soviet-Egyptian pact has been concluded, which many western observers think extends the Brezhnev doctrine to Egypt.

Russia and the United States are guilty of forcing their concepts of a better life on their neighbors through military means. Both doctrines make a claim of universal validity for their respective ideologies and each nation claims the right to intervene in client nations in order to prevent any deviation from the true faith. It has been suggested that our experience in Vietnam and the awful reckoning which will inevitably ensue will result in such an awakening in this country that we will take the lead in denouncing war as inappropriate in this nuclear age as a way of resolving conflicts between nations.

Instead, this nation will set itself as an example for other nations and rely on moral suasion and a re-education of our own people about Communism. The Communist nations will also have to come to this understanding. The objective of both nations as well as China should be to try to learn to co-exist with the other side, not how to destroy the other side. There is no hope for a peaceful world until it is universally recognized that the proper role of ideology is as a guide but not the master of national policy.

This is the lesson of Vietnam.

MEMORIAL DAY LETTER BY EMILY MILLER SMITH

Mr. BROCK. Mr. President, each year Emily Miller Smith writes a Memorial Day letter to her son who was killed in action almost 27 years ago in France.

Her words are a treasure to me, as I hope they will be to the Senate. Even more, the dedication to the Nation and its basic values expressed in her daily life represent the most equisite memorial a son could hope for.

I commend this article as a moving reflection on the Nation and the blessing shared by those who live in and share its spiritual wealth. I ask unanimous consent that it be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

When a Strong Nation Is Spun by Change

(By Emily Miller Smith)

(Note.—As has been her custom for many Memorial Days, Emily Miller (Mrs. George Blackwell) Smith has set to paper her observations on an America for which her son gave his life in combat more than 25 years ago.)

MEMORIAL DAY 1971

My Dear Young Soldier:

This is Memorial Day 1971. Here on earth, my forever young son, the years of mortal life rush by. Once more, using my longtime customary form of a Memorial Day letter to you, I offer most heartfelt tribute to my beloved country's heroic war dead. On Oct. 8, 1944 on a battlefield in France you joined that noble and mighty legion. And since then—oh, bitter, fact!—the names of thousands and thousands of other fine young Americans have been and are being added to the roster of America's heroic war dead. But the United States of America lives on. Thanks very largely to the patriotism and unselfishness of those willing to give their lives in battle for our country, the flag of the United States, the emblem of her greatness, still flies free and untarnished above heads.

Many, many things changed, my son, since you departed this mortal life. But one thing most certainly has not changed. Our flag, the flag you loved, continues to wave over the greatest nation ever to exist on this revolving planet we call the earth. The flag today is flying over a nation beset, as is quite usual in our history, by angry and unyielding differences of opinion among great patriots and devoted citizens, public and private, young and old. But very dangerously the nation is also beset today from other sources by apparently definite anarchical intentions to disrupt the government of the United States, to insult her flag, to defy her laws, to jeer at her beliefs, in short to wreck this great republic and everything for which she stands.

Here, my dear young son, in the country you and your comrades died to save we have certainly had another year of tremendous change, mostly incredibly good, but partly extremely bad. We have had 12 months of increasing contempt for law and order, and for the carefully arrived at conclusions and policies of the officials duly elected by American voters to govern this democracy according to American constitutional law. Yet we have seen a few of our highly trained youths join the mob ranks of the pitifully ignorant and the deliberately vicious. We have also seen—and are seeing—small groups of our young people accepting the leadership and the tyranny of those enslaved in thought and action by the plans and the goals of dictatorships which are entirely foreign to us not only in location but in concept and in implementation.

In this year of Our Lord 1971, one of the saddest facts facing the United States, my dear, dear son, is our continuing embroilment in Asia. At present many Americans have the futility of that ghastly mistake angrily in mind. And surely our participation in the Vietnam war must wring the heart and try the soul of every American worthy the name. It is really very clear to us now that we blundered into that catastrophe activated entirely by our starry-eyed ideals and not by the realities of common sense. But we believed in peace and freedom and we still do. Most reverently I say, thank God we still do!

Most definitely this nation has never owed a bigger debt of gratitude to her fighting men than she does today to our troops serving, or having served, in Vietnam. Nevertheless for our own national safety and particularly for the protection of our troops still in Vietnam we simply must not blunder again in a too hasty or ill-advised withdrawal.

I stress again, my son, that our country at present is very different from what it was when you and your comrades of the Second World War answered the call of your homeland's need. For one thing we appear to be losing individuality out of American life, and the individual—throughout our history—has been one of the greatest contributors to the thought and success of the United States. But the overwhelming trend now in our national life is toward complete consolidation in every phase of our living ranging from business and industry to population and education. Even the seclusion of small towns and outlying countryside appears doomed.

Our present trends are due very largely to the virtual elimination of distance brought about by our marvelous advances in communication, transportation, etc. Our scientists are a constantly laboring and contributing factor in new findings and development. Americans dash from one corner of the earth to another in quick travel, and are surprised greatly but only momentarily by each new discovery for the comfort and betterment of all mankind. The last incredibly perfect trip of our astronauts to the moon was accepted at home as just another routine accomplishment. But in spite of all the advancement in our national life we have two bad health problems today. Reportedly incurably and quickly addictive drugs are being slipped into our country and are menacing the future of many young people.

Also, our advancing civilization—with its rapid increase in population, in machinery, in the indiscriminate use of chemicals, in the destruction of trees everywhere including whole forests—has brought us the frightful hazard of air and water pollution.

The flag of the United States of America, my dear young soldier, still waves over us. The flag is not an idol to be worshipped, but it does deserve honor and thoughtful respect for it is the symbol of all this greatest of nations has been and hopes to be. Our past history is mirrored in the flag, the white still proclaims the unblemished purity of American ideal, the blue represents the truth for which we strive in all things, and the red stripes bespeak the courage of Americans, and they glow always with the blood of fallen heroes. The long battle over state rights which began with the nation finally ended in the absolute indivisibility of the Union, but the stars in our flag represent the states and their continuing service to our whole country.

Under our flag every American worthy of the name is working to hasten the day when every citizen, regardless of race, creed or color, will be educated and trained to the full limit of his ability, when every American will know the joyous duty of being a proud, honored, active and completely responsible citizen, received everywhere on his merits.

It has been a long time since young 2nd Lt. G. H. Miller Smith, Corps of Engineers, age 23, was killed in action in World War II. But, our dear young soldier, the memory of you is always part of your Dad's life and mine. We shall be thinking very often of you this Memorial Day, and of your grave in a United States Military Cemetery in France. The thought of the cross above your grave carries me always to rewarding contemplation of the Cross and the great Promise of Christianity, Eternal Life.

One does not mail letters to the dead. As usual I am sending this to a newspaper. If it can be of any possible help in the continuing struggle for world peace I hope it will be published.

Devotedly,

MOTHER.

NATION'S HEALTH LAGS BEHIND SCIENTIFIC GAINS

Mr. KENNEDY. Mr. President, America's health care stands in a curious position. American doctors have played a major role in the development of open heart surgery, heart and kidney transplant techniques, and the polio vaccine. American dollars have pushed the frontiers of medical research into outer space itself. But public health statistics for the past several years indicate no significant reduction of the overall American death rate, life expectancy or infant mortality.

A recent article in the New York Times, by Mr. Harold M. Schmeck, Jr., discusses the critical condition of American health care. Americans want good health, but our present system of medical care does not protect our citizens' health. The problems of poverty and ill health tend to be closely linked. But many Americans are finding that because of high medical costs, unexpected illness can be a financial catastrophe for themselves and their families.

Even in areas as elementary as immunization, we are falling behind. No child should have to suffer the crippling effects of polio—we have a polio vaccine available. Diphtheria, typhoid fever, and whooping cough can also be prevented. Immunization programs are not expensive when compared to the human suffering and death they prevent. Yet, in each of these cases, the incidence of the disease is on the rise in many parts of the Nation.

Good health is influenced by many factors. For example, air pollution is one of the prime causes of emphysema. Also, Americans eat too much and exercise too little—heart diseases killed 700,000 people last year. Poverty areas tend to have higher infant mortality rates and more instances of rheumatic heart disease than their wealthier neighbors.

Adequate health care is an obvious and important right for every American. I believe that Mr. Schmeck's article, "Health of Nation Lags Behind Scientific Gains," supplies an objective discussion of America's health care system. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEALTH OF NATION LAGS BEHIND SCIENTIFIC GAINS

(By Harold M. Schmeck Jr.)

WASHINGTON.—Medical science has made incredible advances during the last quarter century, but public health statistics of the last several years reveal no comparable impact on the over-all American death rate, life expectancy or infant mortality—three widely used gauges of national health in which this country lags behind many other nations.

No one who has seen a heart patient recover vigor and well-being after surgery can doubt the value of the strides that have been made, nor can anyone who remembers the terror with which polio or diphtheria could strike an American family.

But the world of serious illness—cancer, heart disease, venereal disease, arthritis, emphysema, mental disease—still exists. And experts say the nation's health care system is in crisis.

With the powers of medical science so demonstrably great, everyone is impatient for the relief or cure of any problem. But illness will not vanish altogether, nor has medical science ever promised immortality. The real questions are relative: How healthy are Americans? How good is the care they receive?

They are questions that are being asked with increasing urgency, in the current debate over health care reforms, as well as in report after report over the last few years and statistical analyses of the kind issued today by the National Education Committee.

And they are questions to which there are no simple answers.

The truth is, no one really wants health care at all; what everyone wants is health. But in the United States, health is a mosaic of contrasts and contradictions. Obesity rubs elbows with malnutrition. Many old killers have been vanquished, but some remain and others have come forward.

Indeed, the United States today seems to be in the grip of of at least two vast epidemics—venereal disease, which in its most widespread form, gonorrhea, has doubled in frequency during the last six years, and heart disease, which is the nation's number one cause of death, costing 700,000 lives and more than $30-billion a year.

Moreover, in American society your state of health and one's chances of getting good medical care depend a lot on who you are, how much money you have and where you live. This has always been true, but today the best of care can do so much that it makes the worst seem doubly hard.

The middle-aged man who has his heart attack near a hospital equipped with a special coronary care unit has a much better chance of survival than the man whose hospital lacks one.

The young person with early Hodgkin's disease has a good chance of cure or control of that usually fatal illness—if he goes to one of a handful of major cancer centers that most patients never reach.

The kidney patient whose family—or community—can afford the huge expense of the artificial kidney machine may live. The patient without such resources will probably die.

Several Americans have lived for more than a year with transplanted hearts. Several thousand have had kidney transplants. Yet between 100 and 200 persons each year die of tetanus, an infection that should be totally preventable by innoculations that have been available for decades.

Statistically, our children are among the largest in the world and probably among the healthiest. But a few of them have kwashiorkor, a form of infant malnutrition so severe that it is often fatal. The cause is simple lack of good protein food. The underlying cause is almost always poverty.

Indeed, throughout American life, the problems of poverty and ill health tend to be closely linked. Often, too, they are compounded by geography.

RURAL AREAS ISOLATED

Some of the most acute health problems are in rural areas where isolated communities simply have no care at all. To Government bureaucrats this is a "failure of the delivery of health care." To the sick person far from the nearest doctor or hospital it may mean a minor illness made grave through neglect. It may mean death. Throughout the United States there are 134 counties, with a total population of nearly 500,000, that have no doctors at all in private practice. * * * almost certainly healthier and far less prey to disease than they were a few decades ago. The dread infection that used to rage through whole communities are muted. Diptheria, typhoid fever, paralytic polio, whooping cough, undulant fever and rheumatic fever are no longer among the common risks of life. Their retreat has been rapid since the advent of antibiotics and new vaccines after World War II. Death and disease rates from tuberculosis have been declining steadily for more than 50 years.

But tuberculosis has not vanished, nor have the others. There are nearly 40,000 cases of tuberculosis a year, most of them among the poor, the down-and-out. Paralytic polio and diptheria still occur in small outbreaks that seem all the more tragic because they need not have occurred. The chief cause is lack of immunization; and the chief cause of that, again, is poverty.

The nation's infant mortality rate has dropped from about 65 deaths per 1,000 live births in 1930 to less than a third of that toll today. Maternal death rates and over-all death rates have also declined steadily during most of the last 40 years.

But in those indexes of health we are behind many of the other highly developed nations, at least a dozen countries have lower infant mortality rates than ours, according to figures from the National Center for Health Statistics. The rate at which American mothers die in childbirth exceeds that of 100 other countries and the women of six other countries live longer than their American sisters.

There has been a lot of debate over the worth of this kind of score keeping. Some critics say true comparisons are impossible because of differences between populations and methods of record keeping. Other public health specialists doubt that these factors account entirely for the poor showing of the United States.

INFANT MORTALITY RATES

The differences are particularly striking when infant mortality rates are compared. For many decades these rates declined steadily in virtually all of the world's economically advanced countries. Then about mid-century, the progress slowed and there was a general leveling off. A comparative study done by the national center for Health Statistics showed that this unfavorable new trend started five years earlier in the United States than in six countries of Northern Europe—England and Wales, the Netherlands, Scotland, Denmark, Norway and Sweden. No one knows why. In general our rates were less favorable than theirs before the leveling off and we still lag behind them.

Some experts think it more useful to consider trends in the United States over time than to compare this country with others. This exercise is not entirely reassuring either.

In 1949 the average 35-year-old American could look forward to 37.3 more years of life. During the two decades of medical miracles that followed, the outlook for the 35-year-old age group improved only little more than a year.

That improvement was less than it was between the years 1900 and 1919—before antibiotics, sulfa drugs, heart surgery and intensive care units in hospitals. There were improvements in health care during those first two decades of the twentieth century, but, from the evidence, there must have been other factors too. Better sanitation of all kinds was probably one such factor.

In fact, the over-all American death rate declined steadily from 1900 to about 1950. About then the improvement slowed to a virtual halt, for reasons that are still obscure.

"This failure to experience a decline in mortality rates in the United States since about 1950 is little known, unexpected and extremely important," according to Dr. William H. Stewart, former Surgeon General of the Public Health Service. He blames two factors for the new trend.

The first of these is the success of the last few decades in treating infectious disease. The degree of success was so marked and so rapid, he believes that there simply has not been room for enough further improvement to make dramatic changes in mortality.

The second factor, he says, was the emergence of chronic diseases and accidents as "the great undertone of mortality" today. These causes of death are certainly not new, but their impact was less when so many died of acute infections.

EFFECTS ON LIFE STYLE

Paradoxically, the improvements in medical care and public health are also bringing into sharper focus some of the effects on personal health that are more related to life style and socio-economic status than to medical care itself.

Experts guess that there are probably more than 200,000 narcotics addicts in the United States today, many of whom will die young after years of poverty, degradation and pain. The number of alcoholics and problem drinkers runs into the millions. Their final problems are always medical, but it was not failure of health care that first lured these men and women into the grim quicksand of the drug world.

Even in more fortunate circumstances, life style probably puts a strong imprint on state of health. This is an area of many complexities and contradictions but some salient points emerge.

We kill 50,000 fellow citizens a year with that prime American weapon of violence, the automobile.

Heart specialists say millions of Americans eat too much and exercise too little, and that many die early because of this.

Some cancer specialists say we have virtually created our own epidemic of lung cancer, killing ourselves at the rate of more than 60,000 a year while we debate new gimmicks for breaking the smoking habit.

Americans today are also widely believed to be the most over-medicated society that has ever existed. An official of the Food and Drug Administration estimated recently that about two billion drug prescriptions a year are written in this country.

Recent studies suggest that a significant part of all this drug dosage does the patient little or no good and that many of the prescriptions are for drugs of doubtful value.

Furthermore, it has been estimated that 1.5 million hospital admissions a year are caused by bad reactions to medicinal drugs.

While such things put their stamp on the quality of the nation's health care, the total picture revealed by national statistics is no more than a rough approximation.

Dr. Theodore D. Woolsey, director of the National Center for Health Statistics, said recently his organization was trying to develop better ways of measuring the state of American health. The center has started a continuing nutrition survey, for example, and is looking into ways of gauging an important aspect of health that seldom finds its way into the statistics—the population's unmet needs. It is also looking into a relatively new notion in health statistics, the concept of a person's years of disability-free life.

It is clear, for example, that American life expectancy has increased markedly since the early years of this century. The child born in 1900 lived, on the average 49.24 years. The child born in 1970 had an average chance of 70.2 years.

SLUM CONDITIONS WORSE

Much of the difference reflects the drop in the nation's infant mortality rate over those years, but the longevity figures do not tell the whole story. How much of the person's later years are impaired by serious chronic illness? That is the important factor the national center is seeking now.

Even with the conventional data available today it is clear that great inequities exist in American health.

"Some care in this country is superb," said Dr. Lester Breslow of the University of California at Los Angeles, during a recent interview. "Other aspects are mediocre, some is very bad—and the poor tend to get the worst."

Indeed, migrant workers, Indians and blacks have more than their share of ill health. Although not all of the reasons are known, evidence points to poverty as a major factor.

Nonwhite American babies die at a rate nearly twice that of white babies. Nonwhite mothers die at a rate four times that for white mothers. On the average, nonwhite Americans can expect to die seven years earlier than white.

An indication of the parity factor in this is information showing that infant death rates in urban slums tend to be markedly higher than in prosperous neighborhoods in the same cities.

Yet, in Denver, Dr. Thomas Sbarbaro said his community's neighborhood health centers had been able to reduce the infant mortality rate among the poor to the level of the city's prosperous residential areas. The program appears to have done so simply by providing proper health care for people who never had it before.

On the other hand, a study in another city showed that chronic disease rates among adults varied with the amount of air pollution in the neighborhood, and that the poor lived in the most polluted areas, another hint that health care is by no means the whole of the health story.

Among the most difficult of the nation's unsolved health problems is heart disease. Few specialists think any changes in the health care system would have profound impact on this huge American health hazard. Recent data from the long-term Framingham heart study, now closed down for lack of Federal funds, shows why.

The study disclosed that half of all persons who died suddenly, presumably from heart disease, had no previous evidence of that disease detectable by doctors. Even among those with known heart disease, almost half of all deaths occurred quickly and outside the hospital.

The authors concluded that the only road to any substantial reduction in premature death from heart attack would be prevention of the underlying disease itself.

NEED FOR CHANGES SEEN

Some experts think this goal would require major changes in American life style. Others doubt that anyone knows with certainty what those changes ought to be. Few, if any, think the goal could be achieved without a major commitment to long-term research.

Even in heart disease, poverty emerges as a health factor. Rheumatic heart disease tends to be more common among the poor. Even coronary heart disease, the kind that often culminates in a heart attack, seems to hit hardest in the lower income groups. The statistics show that it is not really a rich man's disease, despite popular opinion to the contrary.

Not only in that health problem, but in most others, poverty and illness are intertwined in the whole fabric of life. Poverty begets disease and illness begets poverty.

FOOD STAMP REFORM ACT OF 1970 AND OLDER AMERICANS

Mr. CHURCH. Mr. President, the Food Stamp Reform Act of 1970 and the regulations issued last week to implement the act have failed to consider many of the pressing needs of the elderly. They will, in fact, preclude many older persons from participating in the program.

The act does permit those elderly who are housebound to purchase home delivered meals. That is good, but are those ill, isolated, and lonely elderly who are not housebound to be prohibited from receiving the benefits of the food stamp program? That will be the case, because the act does not permit food stamps to be used at the hundreds of senior citizen centers and other community agencies which provide, in an atmosphere of warmth and friendship, one hot meal a day at low cost. It has been established by the President's Task Force on Aging that the chronically ill older person is only one part of the problem. The lonely, older person who can afford an adequate meal, but does not eat properly and the older person who cannot, in his isolation and loneliness, mobilize enough strength and interest to go to the store and prepare his meals are also intregal parts of the nutritional problem of the elderly.

Unfortunately, the act prohibits agencies preparing meals for the elderly from using federally donated foods, as is the case now, for the preparation of those meals. This means that the cost of the meals will be increased; perhaps to prohibitive levels. Those elderly single persons at the upper, but by no means adequate income level, will receive minimal benefits with the current food stamp allotment levels. The food stamp allotment is $32 for single persons with a monthly income of $170. The monthly cost of the stamps is $26, resulting in a bonus benefit of $6. The single older person will have $1.27 a day for food. Unless nonprofit agencies are permitted to use federally donated foods to prepare meals, that small amount of money will purchase only one meal a day.

The elderly are defined by the act as persons 60 years of age or over. Yet, the employment provision includes persons to age 65. This confusion over definitions will cause those persons between age 60 and 65 to submit to employment registration and interviews when, in fact, we know that it is this group which experiences severe difficulties in finding employment.

For the above reasons, I am supporting S. 1773 introduced by Senator McGovern on May 5, 1971, as the "adequate nutrition bill." I have, as chairman of the Special Committee on Aging, written to Senator Talmadge offering to testify in support of the bill.

UNDERGROUND NUCLEAR TEST AT AMCHITKA ISLAND, ALASKA

Mr. GRAVEL. Mr. President, many Senators argued recently for a postponement or cancellation of the planned underground nuclear test at Amchitka Island, Alaska. They argued that the test was unnecessary for national defense and a potential threat to the environment of the immediate test site, and to the entire Pacific rim.

Hopefully this test will be canceled, either by the President or because of the actions of the Congress prior to the scheduled test date in early October.

Justification for cancellation of the test has come from noted scientists, Government leaders, and many organized groups.

On Monday the Washington Star published an article which clearly demonstrates that the importance of the test is a matter of dispute within the administration and the risks involved are matters of great concern to those with principal environmental authority within the executive branch.

The story spells out the divided recommendation which the President has received from within his official family. Certainly in view of that fact, and most particularly in view of the Office of Science and Technology's belief that the test is not essential to national security, the Congress itself has every right and has the obligation to assess this project before any additional public funds are expended on it and before the public must assume unwarranted risks to life and property.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star, July 26, 1971]

AGENCIES' VIEWS DIFFER ON AMCHITKA TEST BLAST

(By James Welsh)

The White House has received conflicting recommendations from various government agencies on whether to go ahead this fall with an underground nuclear test on remote Amchitka Island.

According to informed sources, two federal agencies, the Department of Defense and the Atomic Energy Commission, favor a go-ahead for the five-megaton test blast.

For a variety of reasons, five other agencies—the State Department, the Office of Science and Technology, the United States Information Agency, the Environmental Protection Agency and the Council of Environmental Quality have recommended either cancelling the test or postponing it until after the SALT arms-limitation talks.

Amchitka is at the southwestern tip of the Aleutian Islands off Alaska, about 700 miles from the Soviet Union.

In October, 1969, the AEC set off a one-megaton hydrogen bomb 4,000 feet deep within the islands without causing any of the earthquakes, tidal waves or environmental damage feared by critics of the testing.

The megatonnage of this fall's planned test, which is code-named Cannikin, is five times as large. The nuclear device is scheduled to explode 6,000 feet underground. Cannikin is a test of a large Spartan warhead designated for use as a component of an ABM system protecting Minuteman missile sites.

The latest recommendations on the proposed test are a product of a departmental undersecretary committee named to investigate the controversy. The recommendations went directly to Henry Kissinger, Nixon's chief foreign policy adviser, and John Ehrlichman, chief domestic adviser.

The Defense Department and AEC, sources said yesterday, continue to favor the testing as important to national security. They minimize the chances that the test will trigger earthquakes or cause other unwanted environmental side effects.

OST, which is the President's scientific advisory arm, reportedly opposes the experiment, not primarily for environmental reasons but because the warhead to be tested has been made obsolete by recent weapons development.

The State Department, sources said, took a middle ground. It did not recommend cancelling the test, but advised postponing it until the completion of the SALT talks. The Council of Environmental Quality took much the same position. The Environmental Protection Agency opposes the test, believing that even a slight possibility of earthquake is too much of a chance to take.

THE AMERICAN FISHING FLEET

Mr. COTTON. Mr. President, recently the Honorable Meldrim Thomson, Jr., a distinguished publisher of law books and a former candidate for the governorship of New Hampshire, gave a timely speech about the manner in which the operations of our American fishing fleet—especially the activities of our lobstermen—have been hampered by the ships of foreign nations.

This issue is of concern to all of us; consequently I ask unanimous consent that Mr. Thomson's remarks be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Fishing In Troubled Waters

(By Meldrim Thomson, Jr.)

On the morning of May 20th a fog hung over the Atlantic at a point 32 miles S.W. of Nantucket where the Wiley Fox, a 100 foot lobster boat out of Westport, Massachusetts, was preparing to haul in the lines set the day before.

The crew was finishing an early breakfast when the lookout cried "Ship astern."

Beyond the line of circling and dipping gulls that had attached themselves to the lobster boat rose the mountainous hull of a ship cutting across the stern of the Wiley Fox and plowing through her lobster lines.

"It's a Russian vessel," called the lookout.

"Why that dirty, lying Russian skipper," growled a lobsterman.

The big Russian trawler soon disappeared again in the fog leaving in its wake destroyed lobster lines and traps.

Before the day was over 16 Russian boats had crossed and recrossed the 20 lobster lines set by the Wiley Fox and her sister ship the Pat-San-Marie.

The lines, traps, lobsters, and time lost when the Russian vessels cut through the buoy-marked field where the Wiley Fox and Pat-San-Marie were working would cost her owner, the Prelude Company, more than six thousand dollars.

In the past two years vessels of the Prelude Company had suffered numerous incidents of harassment by Russian and other foreign vessels that had cost the company more than $300,000 in damages.

The Wiley Fox and her three sister boats are modern, sophisticated and automated lobster boats that cost about one million dollars each. Each carries a crew of twelve.

Since the techniques for a successful deep sea trapping of lobsters were perfected several years ago, boats like the Wiley Fox trap in beds that lie a hundred miles or more offshore. These are international waters. They range in depth from 400 to 3,000 feet.

A modern lobster boat remains at sea for about ten days. It has a capacity for 50,000 pounds of lobsters.

The lines on which 80 traps are hung are about a mile long. They are marked at either end by two big orange buoys and a third buoy equipped with radar reflectors.

The lines are fed out and traps set automatically. When the traps are drawn in they are automatically released from the line, rolled over and the lobsters dumped out. After their claws are plugged they are put in huge cages and lowered into a tank of cold water.

The lobster lines can be visually spotted in clear weather and detected by radar at any time. Hence, it is inexcusable for foreign fishing vessels to plow through the set lines.

RUSSIAN SEA PALACE

The irony of the encounter with Russian boats on May 20th by the Wiley Fox and the Pat-San-Marie was that just the day before the commander of the Robert Eikhe, in a much publicized meeting of American officials aboard the Russian command ship, had promised to instruct the captains of all of his fishing boats to steer clear of the lobster lines of the American fishermen.

Joseph Caziano, big, likeable and articulate president of the Prelude Corporation, was one of the delegation who accompanied American Ambassador Donald L. McKernan, special assistant for fisheries, wildlife, and ocean affairs in the State Department, aboard the Robert Eikhe.

The visit of the lobsterman aboard the plush Russian trawler was an unforgettable experience.

The Russian ship had a beam of 530 feet. It carried a crew of 420 including about 60 women. There was a surgeon, doctor and four nurses aboard.

Luncheon was exquisitely served in a beautiful dining room by mini-skirted Russian girls. It included 180 proof Vodka.

The ship boasted a theater of 100 seats. The engine room was so immaculate that the guests were given white gloves to test its cleanliness.

The electronic and radar equipment was the latest and finest to be found aboard ships today.

The Robert Eikhe was one of four Russian mother ships fishing off our northeast coast in recent months. These large and swift Soviet vessels remain at sea for six months or more.

Each mother ship commands about 100 smaller fishing boats. Thus, during the past month 400 or more Russian ships have been fishing on the high seas from twelve to one hundred miles off the New England coast. This does not include Polish, Roumanian and other foreign vessels.

The day after the meeting of the Americans aboard the Robert Eikhe, Ambassador McKernan was testifying before a subcommittee of the House Merchant Marine and Fisheries Committee that the conference at sea appeared to be successful and hopefully would put an end to the harassment of our lobstermen when word was received of the incidents involving the Wiley Fox and the Pat-San-Marie.

A week later our lobster boat, the United States, suffered heavy damage by Russian boats trawling through her stationary lines 65 miles southeast of Montauk Point, Long Island.

The United States notified the Coast Guard of her problem and soon thereafter was contacted by the same Russian mother ship that had received the American delegation the week before.

The Soviet commander said he would radio his boats to stay clear of the United States gear. A few hours later three large Russian stern trawlers cut through the American lobster lines again.

Only when the Coast Guard cutter, Vigilant, appeared at the scene did the Russian boats leave the area.

WORLD COMPETITION

The annual value of the lobster catch for Massachusetts is about $11 million. Of this amount the Prelude Corporation accounts for an annual catch of about $4 million.

The value of the lobster catch in New Hampshire is just a little more than a half million dollars.

While the total value of our lobster industry is relatively small in comparison to the value of our fishing industry, the harassment our lobstermen have suffered is important in dramatizing the complete lack of protection accorded American fishermen by our government.

The world catch of fish and related aquatic foods trebled from 1938 to 1968. But while the fish catch of several nations soared that of the United States fell from a high of 29 million metric tons to 26 million tons.

Peru, the number 1 world fisherman with its huge catch of Anchovies rose to 93 million tons. The annual fish catch of both Japan and Russia far exceed that of the United States.

Fishery scientists estimate that the fish and shellfish potential on the shelf and slope waters off the United States could yield 20 million tons annually. The value of these resources now is about $500 million, with foreign harvesting more than half.

Import of fish products to the United States in 1968 was more than double our domestic catch. Actually the amount of the domestic catch has steadily decreased since 1960 while foreign imports have risen rapidly.

It is the old and tragic story of foreign competition outstripping the American fish industry just as it has cut deeply into shoe and textile industries.

In 1954 Russia set out to modernize her fishing fleet. She ordered 20 modern trawlers from Great Britain and later 24 from West Germany.

Russia now has one of the largest and most modern fishing fleets in the world—and it is still expanding. She has recently added a new factory-mother ship that is over 700 feet in length and has a displacement of more than 44,000 tons. It will carry 14 catcher vessels on deck, a helicopter for finding fish and a crew of 600 for fishing and processing.

The shipyards of Poland, East Germany and Japan have been humming with activity for years as they build fishing vessels for other nations. In 1968 one out of every three vessels of 100 tons or more was a fishing boat.

Fishing activities have increased dramatically under Castro. The Cuban catch is expected to reach 100,000 metric tons by the end of this year, which would be a 12-fold increase in 15 years. She has several large factory ships and four well organized fishing fleets in operation.

THE PROBLEM OF TERRITORIAL WATERS

We have traditionally claimed sovereignty of all territorial waters for a distance of three miles from shore. In 1966 Congress established by unilateral action exclusive fishing jurisdiction for a distance of 12 miles from our shorelines.

Ten nations now claim exclusive fishing rights 200 miles offshore. One of those, Ecuador, using warships which the United States had loaned her, has captured and fined more than 20 of our tuna boats found fishing within 200 miles of her shore.

After World War II President Truman laid claim to the natural resources of the continental shelf by Proclamation No. 2667. This led to the 200 mile claim of other nations.

The problems of our lobstermen would end abruptly if we were to extend our exclusive fishing jurisdiction to 100 miles from shore as urged in legislation proposed by Congressman Thomas M. Pelly of Washington. More important it would give us the means of conserving fish species that occupied the protected waters.

It is absurd for us to permit a tenth rate power like Ecuador to confiscate our tuna boats when fishing just within the 200 mile limit claimed by that nation and do nothing to protect our east coast lobstermen whose nets are destroyed by foreign trawlers fishing within twelve miles of our shoreline.

STATE DEPARTMENT HIJACK

Under the Fisherman's Protective Act of 1967 the Secretary of State can withhold from foreign assistance funds allocated to any nation the amount of claims for damages to American fishermen resulting from seizures.

Thus, the millions of dollars lost by the seizure of our tuna boats could be recouped for the owners if the Secretary of State were to act as directed by law.

As far as I have been able to ascertain not one cent of foreign assistance has been withheld from Ecuador.

Two years ago when the Prelude Corporation first sustained damages to its lobster nets by Russian trawlers it sent a claim to the State Department for $10,000. The claim was returned with the suggestion that it could not be processed unless submitted in duplicate.

Recently I asked a State Department official why the Russian boats did not avoid the lobster lines since they were posted with radar reflectors.

He answered that their radar was somewhat primitive and could not be worked at all times.

Yet when at the Prelude Corporation headquarters I was shown pictures of some of the Russian trawlers cutting across lobster lines, their radar equipment clearly visible and stationary was of a vintage not more than four years old.

Several weeks ago the Prelude Corporation attached a Russian vessel on the West Coast in an effort to collect the $300,000 it claimed it had lost as a result of Russian trawlers crossing its lobster lines.

Our State Department sent a note to the Attorney General requesting that it be transmitted to the federal judge hearing the attachment proceeding.

The note said that the Russian vessel "belonged" to the Far East Steamship Corporation which was independent of the Russian government. The judge said that in view of the note he had no alternative but to release the Russian vessel.

The action was typical of our State Department.

The President has indicated that he would like to consolidate some of our federal departments and agencies.

I suggest that he might start with the State Department by consolidating it with the Bureau of Animal Husbandry and then having only the animals in charge. Certainly such a change could not result in any more harm to America than what that department has done over the years.

A SIMPLE FACT OF SURVIVAL

There is an inherent danger in allowing foreign vessels to fish, probe and explore within a hundred miles of our shores and we should extend and maintain our sovereignty 100 miles offshore.

The primary concern of our government should be the welfare of her citizens. And no amount of diplomatic double talk should blind us to this simple fact of survival.

The President makes a great mistake when he fails to provide full protection for the American flag wherever it flies, whether from the stern of a lobster boat off Nantucket or a tuna boat off Guayaquil.

The Russian fishing fleet mirrors the duplicity of its government. It will continue to harass our lobstermen as long as the State Department considers them an expendable pawn in its game of diplomacy.

It is time for the President to establish law and order in our coastal waters just as he has done in our streets.

Let us remind all the world in simple words and by restrained courageous action that the tiniest skiff to venture upon the seas, flying an American flag is backed by the united strength of a great American nation.

WHAT KIND OF WHITE HOUSE CONFERENCE ON AGING?

Mr. CHURCH. Mr. President, within recent months I have raised many questions about the preparations for the White House Conference which begins on November 28. In addition, I have also challenged administration positions which, to my view, reveal generally low priorities given to matters of direct concern to older Americans.

My misgivings have been somewhat relieved by recent actions taken by the Department of Health, Education, and Welfare in preparation for the Conference. Former HEW Secretary Arthur Flemming, who has been named as full-time Conference Chairman, is attempting in every way possible to dispel earlier fears that the Conference would simply be an exercise in reanalysis of old problems. He has said that his own goal is action, before, during, and after the Conference. I wish him well in this; the Conference will do little if it merely contributes, as the late Representative John Fogarty once said, "to the output of words."

It is my hope, too, that the entire executive branch will begin to display far more responsiveness to legislation now before Congress of benefit to the elderly. Within recent weeks, however, administration witnesses have testified against bills which would have established a comprehensive research program on aging, and others which would have increased assistance to nutrition programs that are yielding much useful information while serving as a focal point for much-needed services. This month, the administration has the opportunity to testify on employment bills that would affect the elderly directly. Those bills are now before Senator THOMAS EAGLETON's Subcommittee on Aging in the Senate Committee on Labor and Public Welfare. One would establish an older Americans community employment program. Another would provide greater assistance to middle-aged and older workers who are now struggling with the problems of prolonged unemployment.

Mr. President, the Washington Post of July 30 offered an excellent interpretative article about the White House Conference and administration attitudes, in general, toward the elderly. The author, Mr. Colman McCarthy, ended his commentary by pointing out that valid emotions "can build runways from which social change can take off into new flight," but that too often emotions are exactly what conferences do not have. His article shows why—in so many problem areas related to aging—emotions are running high and should be recognized. I commend his article to all who believe that this year's White House Conference on Aging is much too important to every American—no matter what his age—for it to fail.

Mr. President, I ask unanimous consent that Mr. McCarthy's article and my testimony in support of legislation to provide job opportunities for the middle aged and elderly, which I delivered this morning before Senator EAGLETON's subcommittee, appear at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TESTIMONY BEFORE THE SUBCOMMITTEE ON AGING OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, JULY 29, 1971

Mr. CHURCH. Mr. Chairman, before proceeding with my prepared statement, I would like to compliment you and the Subcommittee on Aging for calling early hearings on the Older American Community Service Employment Act and the Middle-Aged and Older Workers Employment Act, two measures which I have cosponsored.

The Senate Committee on Aging, of which I am Chairman, has had a long-standing interest in the enactment of both of these proposals. In the Committee's latest annual report—"Developments in Aging"—prompt approval of these measures was strongly urged.

With widespread unemployment affecting all sectors of our economy, the need for early action on S. 555 and S. 1307 is all the more compelling. During the past 2½ years nearly 3 million workers have been added to the unemployment rolls. Approximately 5½ million individuals have lost their jobs, the highest level in 10 years.

In January 1969, there were 6 major labor market areas with substantial joblessness. Today that figure has grown ninefold, to 54. The net impact of these figures is that more than one out of every three major labor areas in the United States is experiencing substantial unemployment.

With the joblessness rate hovering around 6 percent, unemployment compensation has increased by nearly 61 percent. During this past fiscal year, an estimated $4.5 billion was paid out in unemployment compensation to persons who cannot find jobs.

All age groups have paid the price for our shortsighted economic policies. But, older workers and their families have been particularly hard-pressed.

Today, more than 1 million persons 45 and older are without jobs, compared with less than 600,000 in January 1969. Once unemployed, the older worker runs a far greater risk of being jobless for a long period of time. In fact, he can expect to be unemployed about 65 percent longer than younger workers. For unemployed individuals 45 and older, their average duration is 17 weeks, or approximately 4 months. For all other persons similarly situated, their average period of unemployment is 10.3 weeks.

For older workers, the loss of a job can also have a double barreled disastrous effect. It may not only wipe them out financially at a time when their family and household responsibilities are growing, but it is likely to result in substantially reduced income in retirement particularly if they have been unemployed for long periods of time.

Quite clearly, we may be witnessing the emergence of a new class of elderly poor comprising:

Individuals with sporadic work patterns prior to retirement;

Persons in their late 50's or early 60's who have been eased out of the labor force; and

Older workers who have just given up after prolonged periods of fruitless search for jobs.

Recent poverty statistics provide additional evidence to support this notion. For example, from 1969 to 1970 poverty for persons in the 55 to 64 age category increased by approximately 100,000. There are now about 2.1 million persons in this age group who fall below the poverty line, compared with 2 million in 1969.

For many of these unemployed older workers, a job can provide a passport to financial independence. A regular paycheck can also mean a fuller life for the older worker's family. And our Nation as a whole will benefit when persons on the unemployment rolls will move onto the payrolls and become taxpayers.

The Middle-Aged and Older Workers Employment Act, I firmly believe, represents a sensible and coordinated approach for meeting the unique and growing employment problems confronting mature persons. For instance the provision for training can be of major help in updating skills which have long been outdistanced by technological advances. With the funding authorized under the Act, approximately 140,000 persons could be trained for new employment opportunities or better paying work. In my own State of Idaho, it is estimated that this measure could help approximately 1,400 persons back to work.

Equally important, the Older American Community Service Employment Act would provide new and meaningful job opportunities in vitally needed public services for low-income individuals 55 and older. Moreover, it would provide an important basis for building upon the successful Mainstream pilot projects—such as Green Thumb, Green Light, Senior Aides, and the Senior Community Service activities—and converting them into permanent, on-going National programs.

We don't need any more proof that these programs will work. What is needed now is a genuine National commitment to use this wealth of talent and experience for providing urgently needed community services. And the Older American Community Service Employment Act can do this by providing new service opportunities for approximately 38,000 older persons—more than 7 times as many as provided under Mainstream in 1970.

For these reasons, I again urge early and favorable action on these proposals by the Subcommittee on Aging.

[From the Washington Post, July 29, 1971]

POLITICS AND HELPING THE AGING

(By Colman McCarthy)

Another conference? Who can even think of one, with the heat of July being enough already without the perspiring thought of 3,400 delegates trooping to Washington this November to talk about the least glamorous of citizens, the aging. Actually, all of us are in the group if the term aging is used—who is not growing older?—but the White House sponsored meeting late this fall is not about the romantic young whose tastes and dreams Charles Reich warns we better begin bowing and scraping before, nor is it about the middle-aged still in the fold of their families. The White House Conference on Aging is the least appealing of all our subcultures—there is no elderly mystique—the old. Dr. Robert Butler, a Washington psychiatrist and one of the few in this city or the country who treat the mental ills of the aged, has noted a feeling in youth-minded America of just "not wanting to have all these ugly old people around."

Like it or not, they are coming to Washington in November. Although conferences are often the establishment's way of putting down or putting off a problem among the poor or other outcasts—better to discuss "issues" around a table than confront victims suffering real pains—it is also true that a conference can be a foot in the bureaucratic door that otherwise would never be jarred open. Many kicks are already being applied. Hearings held last March by the Senate Committee on Aging suggested at that time that any high hopes for a meaningful conference would run the risk of low disappointments. An otherwise unsarcastic senator said the conference "will be a whole lot of words." Nelson H. Cruikshank, president of the three-million-member National Council of Senior Citizens, said the meeting "is being used as a political forum for the partisan advantage of the Nixon administration."

Since March, however, Arthur S. Fleming, a former secretary of HEW in the Eisenhower days, has been appointed chairman. He is credited by many of the critics in March as having taken politics out of the conference and putting the needs of the elderly first. Cruikshank is still wary, but no longer tense. "Delegates are now being picked more fairly," he said this week, "There is a good selection of non-political chairman and Arthur Fleming is a worker. He's a Republican, but he has a solid record for being fair and nonpartisan. Whether he can stave off the political operators in the White House is something else again; at least he knows they are there, and that improves the chances for a useful conference."

The fear of political operators is not unfounded. The Nixon administration, which must hold the conferences by law—the last was held in 1961—has missed so many opportunities for leadership in the struggles of old people that the misses early seem deliberate. The administration originally proposed funding the Older Americans Act for FY 1972 with $29.5 million, a $2.5 decrease from the previous year. After pressure from Congress and old age groups, the administration changed its cards and asked for $39.5 million. This belated turnabout was welcome, but leaping for joy was limited to minor heights. Sen. Frank Church, chairman of the Senate aging committee, pointed out that "the new budget request of $39.5 million is less than 38 per cent of the amount actually authorized by Congress ($105 million) for FY 1972."

In the matter of Social Security payments, the administration was again forced from a position of initial stubbornness to a reluctant concession, like a mule being kicked in the rump to a new pasture. In April 1969, the President promised to ask Congress for a 7 per cent increase in Social Security payments and said he would do so "in the weeks immediately ahead." Weeks ahead came, then months ahead, and no action. Finally, in December 1969, Congress came forward and did the work itself by approving a 15 per cent increase.

Perhaps believing the old folks can't remember much, an administration official told a House committee this March that the "basic strategy . . . with regard to meeting the needs of older persons is to provide them with increased purchasing power," and that "the administration was pursuing this strategy when the President signed into a law a 15 per cent increase" in old age benefits. Astonished at how the administration could self-servingly take credit for this, Nelson Cruikshank of the vocal Council of Senior Citizens restated the facts: "The 15 per cent increase for which credit is claimed was bitterly opposed by the President. He had originally proposed a 7 per cent increase, one that would have been totally wiped out by rapidly rising prices long before the higher benefit reached the beneficiary . . . The President threatened to veto any increases greater than 10 per cent. The Congress then attached the proposal for a 15 per cent increase to tax reform legislation sought by the administration. The President withdrew his objection to the increase rather than veto the tax reform measure he desired. Does this mean that Social Security increases, if they are to be acceptable to this administration, cannot be assessed on their own merits but must be tied to other legislation?"

Conferences, facts, speeches and counter-speeches are necessary. But they are also abstractions, puppets easily manipulated by the clean strings of non-involvement. What do they mean in the daily lives of the nation's 20 million old people, 40 percent of whom are poor or close to it? When someone comes along and states the obvious, he almost sounds shrill. But Edward J. Kramer, director of services to the elderly of the Henry Street Settlement Urban Life Center in New York, used understatement when he told a Senate hearing: "I think we have talked far too long about research and demonstration. I think we need action. I, and members of our center, think generally that people throughout the United States are getting very, very tired of R&D, and conferences, press conferences, press releases; they are now interested in what this country is going to do for older Americans.

"This is really a bad day—and bad days for older people throughout this nation are increasing. I read recently of elderly people in Florida being arrested because they have to shoplift—because they don't have enough food. Here on the Lower East Side of New York City, you can see people each day eating from garbage cans. I don't believe that in this nation of wealth we have to tolerate elderly people—who built up this country—eating out of garbage cans."

The man spoke emotionally, and it sounds strange. Yet emotions are exactly what conferences don't have, ignoring the truth that it is often emotions that build runways from which social change can take off into new flight. Once a group admits it has a feeling level, and it is not ashamed of it, the thinking process follows. Countless old people holed up in rooming houses or apartments live with their emotions as the only neighbors; worry about health bills that Medicare or Medicaid won't cover, fear of their savings being eaten away by inflation, anger at a government that says go away, hope that a vague someone will do the proverbial "something." These are valid emotions, and the success of this November's conference on aging may depend on how much attention the organizers pay them. With the population of the elderly increasing nearly twice the rate of the general populace, providing and caring for the old is really a way of preparing for our own turn at being old.

LETTER FROM FIRM OF MICHIGAN AUTO PERSONAL INJURY AND WORKMEN'S COMPENSATION CLAIMANT LAWYERS IN FAVOR OF NO-FAULT AUTO INSURANCE

Mr. HART. Mr. President, recently we received the first letter from a firm of personal injury lawyers in favor of a no-fault auto accident compensation system which would eliminate the tort action for auto personal injury damages, and allow each injured person to collect—without having to sue—from his own insurance company. Not incidentally, the firm of Marcus, McCroskey, Libner, Reamon & Williams, P. C., is recognized in our State as among the most skilled and experienced in this field.

Let me share some of the cogent arguments made by this firm of lawyers which "specializes virtually exclusively in workmen's compensation claims and automobile personal injury suits on behalf of injured parties." They "have handled over the years thousands of automobile accident cases under the present fault system and thousands of on-the-job injury cases under the Michigan workmen's compensation law, which is a no-fault system." I think that Senators will agree with the observation of these lawyers that they are "in something of a unique position to judge these two basically different systems on their merits." These lawyers have "found that the no-fault principle works well so long as it is embodied in a wise and humane law."

Those who are working do suffer financially under the present auto tort-liability insurance system, both as to the amount and timing of the benefits received. The DOT Economic Consequences of Automobile Accident Injuries makes this clear. First, two-thirds of those seriously injured were working at the time of the accident. They suffered 80 percent of the total personal and family economic loss of $5.1 billion, yet only received 46 percent of their loss from all sources—including tort liability.

Second, as the lawyers point out, the no-fault compensation scheme for accidents on the job is speedier in delivering benefits as they are needed than the fault system for auto accidents.

The same DOT study shows that of the seriously injured auto accident victims with economic loss of $2,500 or more only 9 percent received some interim payment before eventually receiving their final tort settlement.

Under the tort-liability insurance system, compensation is paid in a lump sum, and not as the victim's expenses are incurred. Thus, 9 percent of the seriously injured victims had to wait an average of 15 months to receive their remaining tort settlement, and 91 percent had to wait an average of 19 months for their entire lump sum settlement. This is an exasperating and inhumane procedure when compared with the speed in which workmen's compensation benefits are delivered.

For example, the Division of Industrial Accidents for the State of California reports for the period July–December 1970, that, in California, 77.9 percent of workmen's compensation cases were paid their first check within 14 days of the date of disability, 9.1 percent within 15 to 21 days, 4.4 percent within 22 to 28 days, and 8.6 percent within 29 days.

But lawyers and others who object to no-fault auto insurance, as proposed in S. 945 and H.R. 7514, argue that these bills incorporate one of the basic failings of State workmen's compensation programs—meager benefits.

Comparing inadequate benefits under State workmen's compensation plans in order to discredit the Federal no-fault bills is a spurious argument. S. 945 and H.R. 7514 would provide compensation for all medical and all rehabilitation expenses up to $1,000 per month for lost wages, funeral expenses, and all expenses of services victim would have performed for himself and family. These benefits are munificent when compared with State workmen's compensation plans. In fact, they are most generous when compared with what the average innocent severely injured auto accident victim received—after that average 19-month wait—from the tort-liability system today. (See tables 1 and 2 which I ask unanimous consent to be printed in the RECORD at this point.)

Data in the DOT economic consequences study documents this. Of the more than 500,000 seriously injured accident victims in that study, 214,000 received some payment from tort-liability. These accident victims were able to show that another driver was at fault and that they were free from fault. Once overcoming the legal rules of liability, the remaining question was damages.

In short, these 214,000 victims were innocent within the meaning of the present tort-liability system. Just how well did these 214,000 innocent victims fare under the present system? Fifty-two thousand with $2,500 or more of out-of-pocket medical and wage loss recovered less than one-half of that loss. In all 53 percent of these 214,000 innocents recovered something less than their out-of-pocket medical and wage loss and absolutely nothing for their pain and suffering—the intangible damage lawyers are so fond of giving as one of the main reasons why the present fault system must be retained. These are the very victims the tort-liability insurance oriented financial responsibility system is supposed to protect.

And what of the 280,000 victims (52 percent with loss of $2,500 or more) that were eliminated by the rules of the tort-liability system? Why were they not compensated for their serious injuries, and their dependents for their deaths?

First. Some were at fault in two-car accidents.

Second. Some were drivers in a single-car accident—and it did not matter whether or not they were "at fault."

Third. Some were passengers in single-car accidents where the driver was "at fault" and the State had a statute which forbids "guest—nonpaying—passengers" from suing hosts, children from suing parents, or wives from suing husbands.

Fourth. Some were drivers, or passengers, in two-car accidents; neither driver was "at fault." It was a mere accident—or caused by a third car which drove away.

These legal rules result in much human suffering, family distress and even poverty.

That is why we insist on saying that the present tort-liability insurance system is inhumane. It exacts a high premium from the vast majority of our people who can least afford it and gives them grossly inadequate compensation and no rehabilitation when involved in a serious accident.

The 87 percent of our 62 million American families earning less than $15,000 a year would be more adequately compensated—and certain of that compensation—under S. 945 and H.R. 7514, than under the present insufficient, inefficient, and inhumane system.

These plaintiffs' lawyers from Michigan are convinced "that no-fault liability is the only way out of the wasteful, irrelevant, burdensome, and exasperating procedure now employed to compensate victims of automobile injury." So am I. These plaintiffs' lawyers "feel it is probable that when the dust has all cleared, no fault liability will be conceded by all to be substantially speedier, less wasteful, and more fair than our present system." So do I.

They conclude their letter by urging their brother lawyers to examine carefully no-fault auto insurance "as a means of getting our society out of the morass of present auto litigation," and to "consider only the public welfare, not any imagined injury to the profession, in reaching a decision." So do I.

The administration, through Secretary Volpe, has said time and again, that "we need reform badly and we need it now." Let us get on with the job of reforming our insufficient, inefficient, and inhumane tort-liability insurance system now, by enacting a wise and humane, comprehensive, national no-fault auto compensation plan.

Mr. President, I ask unanimous consent that the complete letter from the law firm of Marcus, McCroskey, Libner, Reamon & Williams, P. C., a slightly abridged copy of which was printed in the Detroit Free Press of July 2, 1971, be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

TABLE 1.—DISTRIBUTION OF NUMBER OF PERSONS KILLED AND SERIOUSLY INJURED BY RATIO OF NET TORT SETTLEMENT TO TOTAL ECONOMIC LOSS BY AMOUNT OF TOTAL ECONOMIC LOSS (1967)

Ratio of settlement to total economic loss[1]	Total economic loss				
	$1 to $999	$1,000 to $2,499	$2,500 to $9,999	$10,000 or more	All persons
Under .50		7,526	26,555	26,068	60,149
.50 to .99	4,441	22,397	22,380	4,625	53,843
1.00 to 1.99	16,445	26,569	19,270	1,562	63,846
2.00 to 3.99	10,132	13,701	3,349	246	27,428
4.00 or over	6,300	1,307	1,242		8,849
Total	37,318	71,500	72,796	32,501	214,115
None	42,352	91,795	103,125	42,743	280,015
Settlement unknown					18,968
Total in study					513,098

[1] Personal and family economic loss, i.e. Wage and medical loss and property damage; future earnings of fatality victims with dependent survivors.

Source: U.S. Senate Antitrust and Monopoly Subcommittee. Derived from: Economic Consequences of Automobile Accident Injuries, Department of Transportation (1970), table 25FS^1 at p. 238.

TABLE 2.—NUMBER OF PERSONS KILLED AND SERIOUSLY INJURED RECEIVING TORT SETTLEMENT AND RELATIONSHIP OF SETTLEMENT TO TOTAL ECONOMIC LOSS BY TOTAL ECONOMIC LOSS

Amount of total economic loss [1]	Number of persons	Average loss	Average received from tort settlement after legal costs	Percent received to loss
$1 to $999	37,318	$634	[2] $1,408	222
$1,000 to $2,499	71,500	1,678	[3] 2,399	143
$2,500 to $9,999	72,796	4,624	[4] 4,052	88
$10,000 or more	32,501	52,659	[5] 9,048	17
Total	214,115	10,236	3,789	37

[1] Personal and family economic loss, i.e., wage and medical loss and property damage; future earnings of fatality victims with dependent survivors.

[2] Average legal costs were $351.

[3] Average legal costs were $727.

[4] Average legal costs were $1,535.

[5] Average legal costs were $3,001.

Source: U.S. Senate Antitrust and Monopoly Subcommittee. Derived from: Economic Consequences of Automobile Accident Injuries, Department of Transportation (1970), table 27FS1 at p. 250.

LAW OFFICES MARCUS, MCCROSKY,
LIBNER, REAMON & WILLIAMS, P.C.,
Muskegon, Mich., June 28, 1971.
Senator PHILIP A. HART,
Senate Office Bldg.,
Washington, D.C.

DEAR SENATOR HART: This law firm which, as you may know, specializes virtually exclusively in workmen's compensation claims and personal injury (automobile, etc.) suits on behalf of injured parties, feels that it's time we speak out on the question of the No Fault liability insurance plans presently proposed in automobile claims. We have handled over the years thousands of automobile accident cases under the present Fault system and thousands of on-the-job injury cases under the Michigan Workmen's Compensation Law which is a No Fault system. We are thus in something of a unique position to judge these two basically different systems on their merits.

The present public outcry against the idea of No Fault liability by law firms and associations of attorneys whose experience has been solely with auto cases may be partially explainable by their lack of actual experience with No Fault liability. We have found that the No Fault principle works well so long as it is embodied in a wise and humane law.

For many years prior to 1913 industrial injury cases in Michigan were tried in Circuit Court before a judge and jury and were based upon Fault. The result was much litigation, clogged courts, settlements or verdicts for a few, nothing for the great majority of injured workers. In terms of human suffering, family distress, poverty and legal red tape the Fault system for on-the-job injuries was a disaster. Yet when it was proposed to abolish the old approach and substitute No Fault workmen's compensation, the opposition from attorneys and even from labor unions was tremendous. Experience has shown that the opponents were wrong and that the Workmen's Compensation Law in Michigan has been an outstanding success; no bed of roses, not paradise on earth, but nevertheless, a relatively fair and sure means of supporting a family whose wage earner is disabled by on-the-job injury. The speed of the remedy in contested cases still leaves a great deal to be desired.

We believe that the historical analogy is appropriate. We are convinced that No Fault liability is the only way out of the wasteful, irrelevant, burdensome and exasperating procedure now employed to compensate victims of automobile injury. We feel it is probable that when the dust has all cleared, No Fault liability will be conceded by all to be substantially speedier, less wasteful and more fair than our present system.

For No Fault liability to achieve its goal, however, the law enacted must fairly and adequately compensate all victims of auto injury. There must be no artificial time limitation that will stop the weekly benefits while the disability persists. The weekly benefit itself must adequately replace the wages lost by the injury. Medical care provisions must be sufficiently liberal to cover all the consequences of injury. Means must be found to compensate fully those victims of automobile injury, the paraplegics, the widows and orphans, the blinded, the maimed, as to whom replacement of wages is simply not enough. Finally, some way must be found to compensate the non-wage earners: housewives, school children, retired persons. These are generalities. We plan to formulate specific recommendations in the next few weeks and would appreciate the opportunity to convey them to you and to others who have this problem under active consideration.

Finally, we urge our brother lawyers to examine carefully No Fault liability as a means of getting our society out of the morass of present auto litigation. We urge each one that he consider only the public welfare, not any imagined injury to the profession, in reaching his decision.

Sincerely,
MARCUS, MCCROSKEY, LIBNER,
REAMON & WILLIAMS.

ALTERNATIVE WELFARE REFORM LEGISLATION

Mr. FANNIN. Mr. President, a rather remarkable groundswell is developing in behalf of the alternative welfare reform legislation introduced less than 2 months ago by the Senator from Nebraska (Mr. CURTIS).

It is remarkable both because of the short time since the bill's introduction and because of the powerful influences opposing consideration of any alternative to H.R. 1.

The growing support for the Curtis alternative is indicative of deep-seated skepticism and dissatisfaction regarding H.R. 1, not only in the Halls of Congress, but in the press and among the general public.

I believe it would be appropriate at this time to recap some of the recent congressional and editorial comment on the matter.

The most recent comment in Congress came from Representative J. KENNETH ROBINSON of Virginia who told the House on July 22:

> To characterize (H.R. 1) as welfare reform is like calling pneumonia a cure for the common cold.

He said it was "a gross miscarriage of responsibility that the House has twice voted through a measure so thoroughly repugnant to the very essence of our federal system."

Urging that the Senate expose H.R. 1 "for the cruel hoax it is," he outlined three fundamental arguments against the bill—its proposed guaranteed annual income, the "nationalizing" of all welfare programs, and the doubling of present welfare rolls—which he said were "persuasive enough in themselves to render other superfluous." He went on:

> Conversely, the Curtis bill eliminates the dangers inherent in a uniform guaranteed annual income. It removes the design and administration of the entire welfare program from the hands of the HEW bureaucracy and places it in the hands of State officials who have both the expertise and proximity to tailor the programs to honest need. It provides Federal financial assistance . . . to ease the dollar burden presently handicapping the program in many States. And through improved administration and elimination of present abuses and cheaters it will result in a substantial reduction in the welfare caseloads while permitting improved benefits for the truly needy.
>
> That is true welfare reform . . . It will stand on its own merits.

In a strongly worded speech to the House of July 1, Representative BEN BLACKBURN, of Georgia, criticized H.R. 1, declaring it "contrary to the best interests of the people it purports to help" and "destructive of the philosophy and success of the Republican Party and the very foundations and cornerstones of the American Federal system." Of the Curtis bill, he said:

> It is my sincere hope that the Senate Finance Committee will take a long, hard look at the very useful and viable alternative to welfare reform which has been introduced in the form of the Curtis-Duncan bill. . . . It is a measure which is not only sensible and practicable, but one which carries out the expressed desires of the President on both welfare reform and revenue sharing.

On July 7, Representative JAMES COLLINS of Texas told his colleagues in the House that, in his view, H.R. 1 was both economically and politically illogical. Rapping its economic logic, he said:

> H.R. 1 will pour 5 billion new Federal dollars into the economy to fuel the fires of a new inflationary spiral.

Therefore, he asked, turning to its political implications:

> By what logic can people who have suffered surtaxes, tight money, high interest and unemployment in the name of fighting inflation be expected to accept (H.R. 1) as visionary reform legislation?

Expressing his support for the Curtis bill, COLLINS said:

> I believe there is a commendable alternative which not only eliminates many of the objectionable features of H.R. 1 but, in adapting the concept of revenue sharing to the solution of the welfare problem, accomplishes two of the administration's goals at one legislative stroke and does so in a way which preserves our federal system of government and our free enterprise economy. . . . nothing should deter (the Senate) from rewriting H.R. 1, or scrapping it entirely, in order to obtain meaningful and sensible welfare progress.

In a speech to the House on July 15, Representative EDWARD J. DERWINSKI of Illinois presented a detailed comparison of the welfare reform goals outlined by

President Nixon to the Governor's Conference in Williamsburg, Va., with the actual effects of H.R. 1, concluding that they were in many respects inconsistent. Said Congressman DERWINSKI:

> Such inconsistencies are glaring enough when there is no alternative. When a viable alternative is offered, and consideration of it is refused, those inconsistencies become indefensible.
>
> I sincerely hope, therefore, the Curtis-Duncan proposal will receive not only thorough and favorable consideration of the Senate Finance Committee, but that the Administration, too, will review its position and consider the possibility that this alternative is closer to its own expressed goals on welfare reform as well as more nearly in the best interests of the truly needy, the American taxpayer and traditional American values in general.
>
> Again, I stress, that there is a better way to welfare reform and it is achievable. I hope the citizens of this country will demand the best legislation possible—and get it.

Other House Members who have spoken out in opposition to H.R. 1 since its passage include Representative LOUIS C. WYMAN of New Hampshire who pointed out the initial $5 billion increase in welfare costs anticipated under it and commented:

> Political experience suggests the probability of phenomenal cost overruns.

On July 1, Congressman NORMAN F. LENT of New York commented:

> I just cannot believe that the real road to true welfare reform is paved by doubling the number of welfare recipients in this country.

Members of the Senate have also spoken out in support of the Curtis bill. In remarks at the time he joined Senator CURTIS as a cosponsor, Senator JOHN G. TOWER of Texas stressed the two ingredients in the bill which he felt were "essential to effective welfare reform. He said:

> First, it would allow the States the opportunity to control and administer a particular set of programs which can be tailored to meet their own specific needs in an area traditionally under State jurisdiction. Secondly, it would relieve the States of the fiscal burden that has been forced upon them by administrative edicts emanating from the Federal establishment, notably the Department of Health, Education and Welfare.

Senator TOWER concluded:

> (The Curtis bill) in my view represents the best welfare bill thus far presented in the Congress . . . this is the kind of responsible welfare reform the Congress should approve.

On July 14, speaking before the National Press Club, Senator JAMES BUCKLEY of New York commented:

> I am increasingly convinced that it is the long hand of the Federal government with inflexible regulations, unnecessary paper work and inability to come to grips with the problem as it exists, a tolerance of cheating, and so on which has to a large extent created this crisis. Now the program before us will still further increase this kind of Federal control which will make it that much harder to come to grips with, to really help people who need help and not just help people who are panhandling. Now the alternative which I prefer is the kind which Senator Curtis recently introduced which would be to have a special revenue-sharing plan, you might say, for the distribution of the Federal contribution to welfare and would leave it entirely up to the States to find the effective way of helping people.

Suggesting the blindness of those who criticize waste and inefficiency in defense spending and call for huge reductions in defense appropriations in order to finance new social welfare legislation, Senator BARRY GOLDWATER of Arizona in a Senate speech on July 14 said:

> It is an interesting fact, Mr. President, that the greatest amount of waste, inefficiency and fraud relating to our Federal expenditures has taken place in the social welfare categories.

Bringing the problem into sharp focus, he continued:

> I believe we all know that for many years the bleeding hearts and the liberals have made any criticism of public welfare programs or of educational programs or of health programs seem like the work of heartless "scrooges". . . . We might go further in coming to grips with the enormous problem if the specialists and the experts in the various areas of social welfare were not blindly committed to a permanent policy of expanded Federal spending for the goals of their professional and special interest organizations.

Later, in an interview with Alan Emory of Human Events, my colleague from Arizona commented that he believes most Republicans disagree with the President on welfare because he is, in effect, expanding the welfare state.

State officials, too, are speaking out in dissatisfaction over the approach to welfare reform embodied in H.R. 1.

Said Gov. Ronald Reagan of California:

> The idea of simply surrendering our authority and administrative machinery to the same huge Federal system that created the crisis in the first place is simply unacceptable to me.

Elaborating on that point, California's Lt. Gov. Edward Reinecke emphasized:

> Welfare is not a national problem. Welfare is a local problem that occurs in every one of the 50 States. And unless we think of welfare recipients as individuals who have real problems and personal difficulties to overcome, we will end up with a spiritless army of national dependents. We have a corps of people existing on federal handouts, people who are no longer considered to be local responsibilities. I can think of no more inhuman and callous method of handling very deep social and personal difficulties which afflict our welfare clients.

What an eloquent plea for the State controlled design and administration of welfare programs envisioned by the Curtis bill.

Or read Gov. Richard Ogilvie's special message on welfare reform delivered to the Illinois General Assembly and see what the States can and are willing to do to achieve reform if they had the authority, flexibility, and financial assistance offered by the Curtis bill. And note the Governor's comment:

> It will be necessary to obtain the cooperation of the Federal government in making changes in its current restrictive regulations in order to accomplish this reform in Illinois.

The Curtis measure would eliminate the possibility of such restrictive Federal regulations.

Newspaper editors and columnists have also praised the Curtis bill while criticizing the H.R. 1.

In a column entitled "Curtis Has Simple Welfare Solution," Williard Edwards of the Chicago Tribune wrote on June 11:

> It's going to be tough for President Nixon to find fault with the simple solution for welfare reform put before the Senate yesterday by Senator Carl Curtis (R.-Neb.). It is based on Nixon's own vigorous statements of his goals.

Anthony Harrigan in the Indianapolis News on June 26 suggested:

> The revolutionary guaranteed annual wage plan devised by the Nixon administration and modified by the House Ways and Means Committee may be sidetracked in the days ahead. At any rate, U.S. Senator Carl Curtis, (R.-Neb.), has proposed alternative legislation that eliminates many of the objectionable features of the misnamed 'welfare reform' bill proposed by the White House and added to by Rep. Wilbur Mills, (D.-Ark.), Chairman of Ways and Means."

He continued:

> The administration-backed welfare plan provides a guaranteed annual income of $2,400 a year. This establishes a dangerous precedent—Federal pay for nonworkers. It is inevitable that each session of Congress would produce a new round of demands for a higher guaranteed annual income. The Curtis bill, however, completely eliminates the guaranteed annual income concept.

The Nebraska Senator's bill has received strong editorial support at home. As samples, the Norfolk, Nebr., Daily News on June 12, said:

> Senator Carl Curtis has suggested a practical means of handling the nation's welfare problems. But his proposal faces an uncertain future because of the pressures to federalize programs. . . .
>
> Since the difficulties associated with current programs are a direct result of the trend toward too much centralization, however, common sense ought to dictate a different approach.
>
> It is time to admit that federalization of welfare programs has failed and to let the federal government do what it can do best . . . provide a good share of the financing. Then let the states and localities do what they can do best . . . fix qualifications, determine needs and administer the programs with . . . no unrealistic demands that each state and each city must conform to a fixed federal pattern.

Added the Nebraska City News-Press in a July 15 editorial:

> Senator Curtis has included a number of items in his bill which ought to have a great appeal to the taxpaying public.
>
> It would provide a penalty of up to one year in prison for crossing state lines to avoid parental responsibilities; it would deny public assistance to families with dependent children where there is a continuing parent-child relationship with a person capable of supporting the family; it contains a prohibition against the use of federal funds to undermine programs under the act, such as the federal government, hiring poverty lawyers to file suits against the federal government.
>
> Senator Curtis' plan seems superior to the one which would put numerous families on a dole.

The enthusiasm of city editors is by no means limited to Nebraska, however.

Editorialized the Milwaukee Sentinel on June 24:

> The new welfare plan adopted by the House makes two basic changes. It nationalizes the system and it converts the dole into a guaranteed annual income.

> The plan is called reform, implying it will be an improvement over the present system. . . . Certainly the Senate Finance Committee should once again subject the welfare proposals to most critical examination.
>
> Such an examination, we believe, will show that the new system will merely mean change, not reform. And, in fact, it may change for the worse.

Regarding the Curtis bill, the editorial concluded:

> The most promising solution has been offered by Senator Carl Curtis (R.-Neb.). It has the added advantage of combining two of Mr. Nixon's pet proposals—revenue sharing and welfare reform . . .
>
> The Senate Finance Committee would do well to adopt the Curtis bill as a substitute for the plan which has passed the house.

On its editorial page July 7, the Richmond, Va., Times-Dispatch noted that President Nixon had called the present welfare system an "outrage" and Gov. Ronald Reagan had referred to it as a "cancer eating at our vitals." Said the Times-Dispatch:

> An "outrage" the existing welfare system truly is . . . But while the need for reform is generally recognized, the most influential reformers, unfortunately, seem to favor a course that would lead to even more welfarism.
>
> This promises to be the effect of the Nixon-backed welfare "reform" measure of the U.S. House of Representatives approved late last month.

Of the Curtis bill the Times-Dispatch editor noted that—

> Senator Curtis has introduced an especially appealing welfare reform bill that seems to be aimed directly at the major cause of the present system's failure. . . .
>
> The Curtis bill may not be perfect, but it appears vastly superior to the House-approved bill. . . . Those legislators interested in genuine welfare reform, rather than in welfare liberalization may find the Nebraskan's proposal more to their liking.

This constitutes a sampling of the widespread comment favorable to the Curtis bill in the recent press.

Another aspect of the subject is perhaps, however, worthy of note. A column by Kevin P. Phillips appearing in the June 29 Washington Post took note of the fact that the opposition to H.R. 1 in the House had been led by Republican regulars, with Congressmen SAMUEL DEVINE, of Ohio and EDWARD DERWINSKI, of Illinois calling the shots. They "bucked the entire House GOP leadership and sought to open up the gag rule under which the administration's multibillion-dollar welfare bill was to be considered with no amendments being allowed. This maneuver on June 21 caught the White House and congressional leadership off guard, and failed only by the surprisingly close vote of 200 to 172." Principal sponsor of the House companion bill was Representative JOHN DUNCAN, of Tennessee, a member of the Ways and Means Committee.

Later, commenting on what he characterized as a conservative revolt in Congress against the administration's welfare reform proposal, Walter Trohan in the Chicago Tribune on July 13 examined Congressman BLACKBURN's speech condemning H.R. 1. Trohan said:

> The burden of that speech, was that the President is being misinformed by those who surround him, that the legislation which pretends to reduce welfare by increasing federal spending is self-defeating.

Specifically, Congressman BLACKBURN said:

> I am satisfied that people around the President—both in the White House and the Executive agencies—are deliberately misleading him as to the actual content of this measure (H.R. 1) and shielding him from the true nature and extent of the opposition to this ill-conceived and potentially catastrophic piece of legislation.

The National Review on July 20, 1971, referring to the same speech, called BLACKBURN's criticism "the tip of an iceberg, symptomatic of growing regular Republican estrangement from the White House on a number of issues. For many Republicans, welfare reform is a test case which the administration is flunking," it added.

Indeed, it would seem that National Review's "tip of the iceberg" evaluation is correct for in later speeches a similar line of criticism may be noted.

For example Representative JIM COLLINS pleaded:

> I hope the President will be able to take a careful look at the Curtis-Duncan bill. He will find that it is Nixonian in its approach. Of course, the President is a busy man, and he must rely on the advice of those around him.
>
> Apparently his advisors for domestic affairs have not discussed the Curtis-Duncan approach with him. This is most unfortunate.

Still later Congressman DERWINSKI echoed the same theme:

> I have noted the recent speeches of several of my colleagues intimating that there are around the President advisors whose political philosophy commits them to a solution of the sort contained in H.R. 1 and that, in their enthusiasm for the bill, they have been less than candid—or to be more charitable, less than thorough—in advising the President of its content.
>
> This led me to a review of the President's speech at Williamsburg and I find myself compelled to reach the same conclusion.

Surely, the failings of H.R. 1 must be extensive to have inspired such criticism from solid regulars in the mainstream of the Republican Party.

Yet the distress is not limited to the Republican Party.

During debate on H.R. 1, Representative AL ULLMAN of Oregon, himself a member of the Ways and Means Committee, opposing his chairman and the welfare reform provisions reported by his committee, attacked the guaranteed annual income concept as a "trojan horse" and ably argued that once the concept was adopted it was only a question of how much income would be guaranteed. Congress, he said, was opening itself to virtually irresistible pressure to continually escalate the level above the $2,400 for a family of four established in H.R. 1. No attempt was ever made to refute that argument in debate.

Representative WILLIAM J. RANDALL of Missouri pointed out that the bill's vaunted mandatory work requirements had "large loopholes" which might logically result in their being little more effective than the WIN program in the current law.

And Representative RICHARD H. ICHORD of Missouri, though he voted for H.R. 1, confessed during the debate:

> I would have preferred a program which would have moved more responsibility for the administration of the program back to the local units of government rather than centering the administration of the program in the Federal government.

This, of course, is precisely what the Curtis bill would do.

Thus we have it. The current program has been described an "outrage," "a cancer eating at our vitals," "a human outrage and fiscal monster."

And its "solution," H.R. 1, has been labeled "ill-conceived and potentially catastrophic," "a Trojan horse," "unreasonable" "outrageous," "illogical," "inflationary," "a dangerous precedent," "a cruel hoax."

At the same time, I have yet to see any adverse comment regarding the Curtis alternative.

I am, therefore, greatly encouraged over the prospect that this far preferable approach to solving the welfare problem has a good chance for favorable action by the Senate Finance Committee. I urge my colleagues who have not yet studied it to do so carefully and I urge the public in general to become acquainted with its features and commend it to their Senators for their support.

As evidenced by a statement recently inserted in the RECORD by Senator HARRY F. BYRD, JR., of Virginia, there is a growing awareness among the voters of H.R. 1's failings. He referred to a resolution adopted by the Arlington, Va., Chamber of Commerce which described H.R. 1 as "an impractical, idealistic program which does nothing to resolve our welfare concerns but attempts to offer a solution through the commitment of more taxpayers' money. The program is contrary to the principles of free enterprise . . .," the resolution continued.

Senator BYRD urged:

> Before we embark on a major new program—a program termed "revolutionary and expensive" by the Secretary of HEW—we must be sure we are going to get something better.

I am convinced with the Curtis bill, S. 2037, we will get something better than the present system and better than the House passed solution. Those who wish a detailed statement of the Curtis proposal may find it in the Senator's introductory remarks on page 19293 in the CONGRESSIONAL RECORD of June 10. In closing may I present merely a brief outline of its major provisions.

First, it eliminates the uniform guaranteed annual income concept.

Second, it dismantles the HEW welfare bureaucracy, returning to the States responsibility for designing and administering welfare programs tailored to their own economic, geographical, and social needs.

Third, it mandates State residency requirements, reasonable investigations of eligibility, and other controls vitiated by present HEW regulations and guidelines and by court decisions.

Fourth, it provides financial support to the States through the mechanism of revenue sharing. Federal support would be slightly greater than at present if States chose to retain present programs exactly as they are. However, State initiated reforms anticipated under the bill could result in increased Federal assistance.

Fifth, it permits increased benefits to the truly needy while allowing reductions in current caseloads.

Sixth, it contains built-in incentives for States to eliminate waste and fraud in the welfare program.

Seventh, it restores the concept of "federalism" by returning the flow of power to the States.

Eighth, it is consistent with the administration's proposals for revenue sharing in that it adapts the revenue sharing concept to provide financial assistance for welfare programs.

Ninth, it will provide financial assistance for any job training programs and child care services initiated by the States.

Tenth, it permits the establishment of low-income family assistance programs at the discretion of the States.

ADDRESS BY HAL SUIT

Mr. BROCK. Mr. President, Mr. Hal Suit, of Atlanta, is a capable and articulate advocate of free enterprise. Recently he spoke on the Lockheed subject, and his remarks cogently address some of the basic issues concerned.

I ask that excerpts from his speech of June 22—this gem—be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

> The term, "dangerous precedent" is being used as loosely on capitol hill nowadays as the word communist was bantered about during the Joe McCarthy era.
>
> Every old chestnut that can be uncovered is being used right now by the sharp-shooters in Washington who are after Lockheed's hide.
>
> We either have a lot of ignorant experts around or they are short-memoried, short-sighted, or both.
>
> The Congressional foes of the proposed government underwriting of a 250 million dollar loan to the giant aerospace industry are talking as though the federal government has never put up as much as a thin dime, or guaranteed as much as a thin dime, to any American business during its two hundred years of existence.
>
> They either don't know any better or don't want to know.
>
> In order to encourage the railroads to push Westward or to extend trackage to remote communities, the federal government literally gave the early builders hundreds of miles of right-of-way. If you think that's old hat, check on the direct subsidies currently being granted to secondary airlines to help cover their losses on unprofitable routes. Since 1964 the price tag on this direct aid has come to 353 million dollars.
>
> The cash that goes to farmers annually for the price support programs for certain crops has been flowing so long that it's become the accepted way to keep the agricultural community solvent. Between 1933 and 1969 the federal government shelled out 40 billion, 376 million, 539 thousands dollars in one form of subsidy or another to tillers of the soil. These dollars have kept thousands of small and large farmers out of the poorhouse.
>
> The Reconstruction Finance Corporation came into existence on February 2, 1932 and closed its books September 28, 1953. During those years the government kept thousands of big, middle-sized and small businesses from going under by disbursing 40 billion, 633 million dollars.
>
> The same year the Reconstruction Finance Corporation wrapped up its affairs the government's Small Business Administration opened shop. Since 1953, the SBA has provided the financial props for thousands of small concerns that couldn't get straight loans from regular lending institutions without the government as a co-signer. In this situation the government has backed loans to the tune of 7 billion, 500 million, 775 thousand dollars. Without SBA many a young, struggling business, especially in the black communities, would have never made it off the ground.
>
> But the bitter irony comes home in another area.
>
> Today American companies are trying grimly to hang on to a shrinking share of the dollars changing hands in the market-places of the world and two of their toughest competitors just happen to be West Germany and Japanese Businessmen. Both nations, and their business interests, have enjoyed the big-hearted generosity of Uncle Sam. We rarely loaned money to foreign industry and we haven't underwritten loans. We've given it away and called it foreign aid. Since World War II, according to figures supplied by the Agency for International Development, the United States has handed out in economic aid 45 billion, 872 million dollars. In military loans and grants, the figure comes to another 40 billion, 234 million dollars.
>
> West Germany, for example, has received 1 billion, 472 million, 400 thousand American tax dollars since 1946. Japan's cut has come to 2 billion, 220 million, 900 thousand dollars. The 250 million dollars Lockheed needs is chicken feed compared to what we've put on the line to re-build shattered industries abroad.
>
> Apparently it's all right to ante up for a Japanese electronic firm or to build a steel mill somewhere else in the world, but we aren't supposed to risk a red federal cent in an effort to save an American enterprise.
>
> Opponents testifying before the Senate Banking Committee have argued that if Lockheed receives special protection from Congress other firms will start lining up seeking the same kind of relief.
>
> They've been lining up for more decades than you can count on your fingers and toes and they'll be in line long after this crisis is passed.
>
> The only precedent too many of our esteemed congressmen seemed to be worried about is not out of the past, but is a part of the future.
>
> They want to establish a new precedent. They want to prove they can destroy an American business.
>
> They've done a pretty good job on Lockheed.
>
> That only leaves one un-answered question.
>
> Who'll be their next target.

THE RAILROAD STRIKE—PUBLIC INTEREST MUST BE CONSIDERED

Mr. JORDAN of Idaho. Mr. President, the current strike by the United Transportation Union against the Union Pacific and three other rail lines points out the need for Congress to act on legislation to provide a means for dealing with national emergency labor disputes in the transportation industry.

In order to protect the interests of the public we need a new approach for the settlement of transportation disputes. It has become apparent that the present process of reacting to each rail crisis with stopgap laws is wholly inadequate. The public interest demands that new and effective means be provided to protect the Nation from crippling transportation strikes or lockouts.

The President has proposed an equitable and workable solution to this problem of S. 560, which I have joined in cosponsoring. This bill would give the President new authority to deal with national emergency disputes in the railroad, airline, maritime, longshore, and trucking industries.

It would give the President three new options in the case of a national emergency dispute, when the dispute is not settled within the 80-day cooling-off period authorized by the Taft-Hartley Act. These options are as follows:

First. He could extend the cooling-off period for as long as 30 days to allow additional time for bargaining between the parties.

Second. He could impanel a special board to determine whether partial operation of the industry was feasible, and, if so, to set out the boundaries of such operation.

Third. He could invoke a final offer selection alternative whereby the final offers of each party would be submitted to a neutral panel. This panel would select without alternation the most reasonable of these offers as the final and binding contract to settle the dispute. The procedure would reward reasonableness and thereby facilitate negotiation and settlement.

Whether the present strike is termed regional or national, it is apparent that it is sharing the national economy as a whole and impairing the economic recovery which we are beginning to experience. Industries have been forced to shut down, causing job layoffs and consumer inconvenience.

This strike is particularly harmful to a landlocked State such as Idaho which is heavily reliant upon the railroads for marketing its farm, mine, and forest products. The strike against the Union Pacific Railroad Co. has caused a stoppage in the shipment of farm products such as wheat, peas, and potatoes to out-of-State markets, and has presented Idaho with a crippling blow to its economy. The grain harvest is just beginning in the State and if service is not restored soon, the grain crop will have to be piled on the ground causing transportation problems well into the future.

The lumber and paper chip industry is similarly affected. Several lumber mills have already closed and a number of others have plans to do so should a settlement not be reached in the near future. The Hoff Lumber Co. at Horseshoe Bend, Idaho, closed its operations because it could not move the 70 cars on its siding and had nowhere else to store its manufactured lumber products.

On July 28, a spokesman for the Pocatello Chamber of Commerce informed me that as of July 17 unemployment in Bannock, Bear Lake, Caribou, Franklin, Oneida, and Power Counties stood at 852. By August 6, the Idaho Department of Employment has estimated that an additional 845 persons will be laid off as a result of the strike. Two hundred of these people have already been laid off by the FMC phosphate plant located in Pocatello.

Mr. President, I have received many phone calls, wires, and letters regarding the effects which the current strike is having on the economy of my State and I ask unanimous consent that a representative sample of these letters and telegrams be printed in the Congressional Record at the conclusion of my remarks.

With regard to the immediate strike, I contacted the President and the Secretaries of Labor, Transportation, Commerce, and Treasury last week to urge that they employ every means at their disposal to bring about an early resumption of rail service. Congress, however, must take upon itself the task of providing direction so that future occurrences of this nature may be avoided. I respectfully urged that legislation to provide the necessary machinery for the settlement of national emergency disputes in the transportation industry be approved at the earliest date.

I ask unanimous consent that communications on this subject be printed in the Record.

There being no objection, the items were ordered to be printed in the Record, as follows:

Horseshoe Bend, Idaho.

(Called in by Hoff Co., July 20, 1971, 4:35 p.m.)

The 200 employees of Hoff Lumber Company and Hoff Forest Products and management urge prompt Congressional action on Union Pacific strike. Plant Closure effective date 5:00 p.m. July 20, 1971.

Operations not resumed until strike settled. Please exert all Congressional action to solve strike problem.

Hoff Forest & Hoff Lumber Co. Employees and Management.

Sawtooth Lumber Co.,
Mountain Home, Idaho, July 19, 1971.

Senator Len B. Jordan,
U.S. Senate,
Washington, D.C.

Dear Senator Jordan: If the strike on the Union Pacific continues much longer it is going to bankrupt or else seriously impair the industries dependent upon rail shipment. Today we started laying off our woods crew and in a few days will have to start laying off the mill crew. We employ approximately 100 men in our woods and mill operations which isn't large but aside from the Air Base is the only stable industry in the town.

We are totally dependent upon rail shipments. We normally ship two cars of lumber per day and a car of chips for paper. We can only store a few days operation ahead and then we have to shut down. Our own losses aside from the men's payrolls which will be lost are already assuming staggering proportions.

There must be some type of legislation that will prevent these continual rail strikes which are seriously hurting the communities dependent upon rail transportation.

Sincerely yours,

E. M. Stoddard,
President.

Sandpoint, Idaho.

(Telegram phoned in July 27, 1971, 11:20 a.m.)

The rail strike is causing a shortage of railroad cars that is hurting our lumber and paper chip industry severely. We would greatly appreciate your assistance in supporting immediate legislation to put an end to this strike and any future strikes involving essential utilities and transportation services. Time is of the essence if our economy is to be protected. Your help will be greatly appreciated. I would have sent this by telegram but Western Union is on strike.

William P. Nordeen,
President, Sandpoint, Idaho, Chamber of Commerce.

Pack River Lumber Co.,
Sandpoint, Idaho, July 26, 1971.

Hon. Len B. Jordan,
U.S. Senate,
Washington, D.C.

Dear Senator Jordan: The railroad strike is going to have far-reaching effects in this area—and to our industry—if the Federal Government does not take quick and decisive action to bring it to an end.

While our plants are located on and served by a line which has not yet been struck, we already are feeling the pinch of a shortage of rail cars for shipment of our forest products. It now appears that even if the lines which serve our plants continue to operate, inability to provide cars for shipment of chips and lumber will soon force us to shut down our mills. These are the principal local payrolls and the hundreds of men who will be out of work because of the strike will cause drastic effects to the local economy.

We urgently request that your office take all steps possible that will help to bring the rail strike to an end.

Respectfully,

W. R. Woolsey,
General Manager.

Shelterex Corp.,
Boise, Idaho, July 23, 1971.

Senator Len Jordan,
U.S. Senate,
Washington, D.C.

Dear Senator Jordan: We urgently need the rail strike settled by whatever means possible. Lack of rail service is shutting down our mobile home plant as well as the whole mobile home industry in Idaho. Your assistance in this matter will be greatly appreciated.

Sincerely,

Jim White,
President.

Idaho Fresh-Pak, Inc.,
Lewisville, Idaho, July 20, 1971.

Subject: Present rail strike.

Senator Len B. Jordan,
Senate Office Building,
Washington, D.C.

Dear Senator Jordan: Idaho Fresh-Pak, Inc., is a potato dehydrator in Lewisville, Idaho served by the Union Pacific Railroad. We sell our product both retail and institutionally all over the United States.

I would like to ask for your immediate attention in doing what you deem necessary to get railroads back in operation immediately. Needless to say, effects on our company are very crippling and worsening with each passing day.

At this time I am holding shipments for the Defense Supply, U.S. Dept. of Agriculture Poverty Program for potato flakes, and 12 carloads of our own Idahoan products.

I respectfully request your immediate attention in this matter. I am sure we are only one of many thousand companies that are crippled because of this strike.

Sincerely yours,

Gary L. Cox,
Traffic Manager.

Pocatello, Idaho,
July 22, 1971.

Hon. Len Jordan,
New Senate Office Building,
Washington, D.C.

Dear Senator Jordan: Something has to be done about the number of strikes occurring in this nation!

The railroad unions are hurting the economy of our community of Pocatello and our State of Idaho by these strikes.

My brother-in-law works for the Union Pacific Railroad and has been laid off three times in the last year because of strikes (this isn't even his union.) Also because of this current strike by the Transportation Union, 200 employees of the Food Machinery Corporation here in Pocatello have been laid off and more layoffs are expected in the near future. Hundreds of more men in other companies will be affected by this strike if it continues.

It is ridiculous that three men out of one family have been laid off because of strikes.

If it is at all possible, we would appreciate your help in this matter.

Respectfully yours,

Paula Olsen,

INVESTOR-OWNED HOSPITALS

Mr. BROCK. Mr. President, an outstanding Tennessean, Dr. Joseph J. Dodds, of Chattanooga, is presently serving as president of the Federation of American Hospitals, the national association of investor-owned—proprietary—hospitals. Dr. Dodds is medical director of the Earl Campbell Clinic and Hospital in Chattanooga and an alumnus of the Mayo Clinic having taken his residency there in 1962.

The July 1972 issue of the Alumnus contain an interesting article by Dr. Joseph J. Dodds concerning the role of investor-owned hospitals in our health care delivery system.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Federation of American Hospitals

(By Joseph J. Dodds)

(More than 1,000 private hospitals with a bed capacity of more than 67,000 in 41 states and Puerto Rico are represented by the Federation of American Hospitals. The Federation's president—Alumnus Joseph Dodds (Surgery, '62)—was invited to discuss this substantial force in the fast-changing national health scene. Here is his report.—Advisory Board, The Mayo Alumnus.)

There is a precocious five-year-old in health care who's being heard and heeded in high places; it is having a significant effect on your practice of medicine, whether you own a hospital, have partnership in a hospital, simply practice there, or never set foot inside one. This formidable infant is the Federation of American Hospitals, Inc. with offices in Little Rock, Washington and Los Angeles, which represents only the interests and philosophies of investor-owned hospitals in the United States—for now.

After an initial phase of acute growing pains, the Federation has achieved all of the goals it set two years ago; as current president, I must now work with the board of directors to formulate an entirely new set of goals for what has proven to be an action-oriented group. Let me tell you what we have done, what we are doing, and give some ideas of what we'll be doing in the future.

Prior to 1966, the American Hospital Association was the only national organization representing hospitals. While all hospitals have many inherently common goals and problems, the investor-owned segment has needs apart from the voluntary sector and, in addition, a driving desire to be individually creative and innovative. This, and the knowledge that the AHA principally represented the interests of voluntary hospitals, led many of us to believe that an organization of investor-owned hospitals was a necessity.

Candidly, there was another reason. It is reflected in the fact that we dislike the term "proprietary," because there is a discriminatory shift of emphasis in that term that implies a concentration on the profit element to the detriment of patient care. The specious reasoning behind this concept has the lie put to it by our provable contention that that we can provide a quality of medical care equal to any, and frequently at lower cost than, voluntary institutions.

The preservation of a system of health care delivery with this stature was, we felt, sufficient justification for the existence of the Federation. In the short span of its existence, it has exerted influence and action in a manner that could have been accomplished only because our positions were defensible and our arguments creditable.

The Federation of American Hospitals was the first to propose an appeals procedure for hospitals or physicians who had some disagreement on Medicare-Medicaid reimbursement with intermediaries or Health, Education and Welfare personnel. (Previously, reimbursement varied from city to city, with little regard to the reality of existing area rates. With no communication, there was no defense. We have motivated other prominent health organizations to join us in proposing an appeals procedure, and it appears that the idea will be accepted.)

The Federation was successful in having an amendment introduced to the Housing Act of 1970, which includes all investor-owned hospitals in provisions for housing and urban development.

Utilization review, a procedure that will ultimately affect anyone practicing medicine, will be significantly modified in the pre-enactment phases by Federation efforts. More than a year ago, a utilization review procedure was to be enacted which would have prohibited any physician owning any interest in a hospital from serving on the utilization review committee of that hospital. In many areas in our country, the only hospitals are there because a group of physicians invested their private funds just so there could be a place to adequately provide treatment. Seldom did they approach the project with any motivation but concern for their patients. The Federation, through meetings with Social Security Administration officials and members of Congress, and through a coordinated effort by its membership, was responsible for a postponement and reconsideration of this issue because of the extreme hardship it would impose on investor-owned hospitals in particular—and ultimately on all physicians and administrators of whatever persuasion.

The appointment of a Federation spokesman to the Health Insurance Benefits Advisory Council last year gave us a voice on this country's single most important advisory health council, whose members have deliberated authoritatively on every phase of the health care delivery system, including the concepts of a national health insurance plan.

Many Federation suggestions were incorporated into some of the constructive changes made in the Medicare program as a result of our testimony before the House Ways and Means Committee.

One of the reasons for the growth in size and influence for the Federation was the establishment of its Bureau of Health Insurance Liaison Committee. Established to form a working relationship between investor-owned hospitals and the Social Security Administration's Bureau of Health Insurance (including Medicaid), the committee has already been consulted on a reimbursement pilot program, elimination of an accelerated depreciation under Medicare, composition of utilization review committees, a single audit cost report, and drafting of a new health care delivery system which includes a plan to make health care more accessible to all Americans.

We are continually amazed that so many ask incredulously:

"How can a hospital provide a full range of service; expand its physical plant without requesting public funds; purchase and maintain the latest equipment; employ competent people in fields already hampered by a manpower shortage; pay franchise, excise, property, state and federal income taxes; produce a moderate return on invested capital—and still exist in a field where its services must remain competitively priced in relation to other facilities in the region?" (During one session of testimony, a U.S. Senator was surprised to learn that *any* hospital paid taxes!)

It seems ironic, and yet appropriate, that the daily improvement of the image of investor-owned hospitals is resulting from the Federal Government's acknowledgment that properly applied incentives can deliver increased care without compromising the quality of care. The private enterprise approach has demonstrated that the sound application of business results in improved efficiency and ultimately return on investment. It is our opinion that investor-owned hospitals should be used as yardsticks against which to measure the efficiency of all hospitals, in delivery of quality health care at a reasonable cost. And, as we grow, we believe it will become increasingly clear that investor-owned hospitals will be in the forefront of the battle against the inflationary trend in health care costs. (It should be noted that, even before our Federation was a viable organization, the Chamber of Commerce of the United States recommended in an annual report that investor-owned hospitals of 200 to 250 beds be used as a standard against which to measure the performance of other hospitals.)

One manifestation of the advantages of incentive-oriented hospital administration is the growing interest of private capital in entering a field in which there are portents of doom and fiscal anguish being heard in every corner of its largest segment—the voluntary group.

The recent growth of multi-facility corporations (or "chains," as some detractors call them) has spurred considerable discussion. We believe their emergence is a healthy sign, because the more alternatives and resources which can be developed to meet the demand for quality care, the more efficient and economical the system will become. (This assumes public companies will comply with the standards and operate within the framework of institutions that make up the balance of the health care provision industry).

Again candidly, we of the Federation of American Hospitals feel that the concern expressed about "chains" by existing institutions and others—though we are sure much of the concern is genuine—is, in many instances, an expression of fear that some existing monopolies may be shattered. Many of the attacks are untrue generalizations, made without regard for the fact that these multi-facility corporations are a new phenomenon, still developing and seeking their proper role. The growth of these public companies within a system of reasonable controls is a meaningful development, and arbitrary roadblocks should not be placed in their way.

The necessity for development of these institutions is self-evident. In an article in the October 16, 1968 issue of *Hospitals*, official magazine of the AHA, Dr. Philip D. Bonnet acknowledged that capital requirements of hospitals in this country cannot conceivably be met in this decade by traditional methods of financing—that is, by philanthropy and by government funds—and other sources must be explored. The Federation believes these resources must come from the private sector; even more emphatically, we believe the private sector is the *only* logical source.

In relation to administration of government programs for hospital construction and modernization, we emphasize that state agencies and HEW must be alert to opportunities, wherever they exist, to maximize the degree of private participation. Where private enterprise wishes to construct or expand existing facilities with private capital for the benefit of patient care, it should be encouraged and not hampered by those who would impose restrictions and controls solely to retain local control of health care facilities.

The Federation of American Hospitals has gone on record against any "skimming of the cream," as some voluntary officials have charged, to the "chains." Committed to providing quality health care at reasonable costs, we took the following official position in a reaffirmation of existing policy adopted in September of 1969:

"It is the obligation of all hospitals, irrespective of their ownership or sponsorship to provide quality health care to their communities. In fulfilling this obligation, all hospitals in a community should provide a full range of services consistent with the principles of comprehensive health planning, including the avoiding of unnecessary duplication of services. Included in such a full range of services should be: obstetrics, pediatrics, intensive care, coronary care, emergency and out-patient services."

Statistics bear out the commitment of investor-owned hospitals to provide a full range of services. The 1969 Guide Issue of the AHA Journal indicates that, with respect to two traditional money-losing departments of hospitals, our facilities do not avoid their responsibilities. There are 2.5 babies born per bed in investor-owned facilities as compared with 2.0 in other institutions. Some 77.2% of investor-owned hospitals have emergency room services, as compared with 80.9% of all hospitals. In addition, 81% of investor-owned hospitals with more than 50 beds are accredited—and the rate is 78.9% if one considers all hospitals with more than 50 beds, regardless of ownership. Investor-owned hospitals comprise approximately 20% of all non-governmental hospitals in the United States. Yet that figure is misleading in the sense that our members, in their specific states or areas or cities, may comprise 100% of the health care facilities—as much as 60% to 70% in such large areas as Southern California, carrying over into a 40% rate for the entire state.

Considering this, it is not difficult to see what a drastic effect crippling the operation of investor-owner hospitals could have on the health care delivery system for millions of Americans over many broad areas.

The middle-income private patient is the man "getting it in the neck" just now. As hospital costs increase, he is paying twice for every cost rise—either directly or through increased insurance rates and, for the growingly gargantuan federal medical programs, through his income taxes. If more effective management isn't adopted to stem the flood of rising costs, he's simply going to refuse to carry the burden any longer. We hope to lead a trend toward better management.

In pre-Federation days, investor-owned hospitals had no exclusive voice and, as a result, legislation specifically involving them also excluded them.

The Federation has changed that. Prime examples are inclusion of investor-owned hospitals in new F.H.A. mortgage insurance guarantee insurance legislation (passed in late 1970), long available to the voluntary sector, and to nursing homes, regardless of type of ownership. The Regional Medical Program now allows investor-owned hospitals to participate and engage in contracts with HEW for research and development projects.

There are as many and more areas left to change. Characteristic of the discriminatory legislation that we are zeroing in on is a portion of the Robinson-Pattman Act which permits pharmaceutical manufacturers to charge investor-owned hospitals higher rates than voluntary hospitals (the health care field is the only segment of commerce in which this practice is allowed). Investor-owned hospitals for years have been saddled with a financial responsibility as a result of statutes such as that allowing recipients of a federal loan for nursing education to be relieved of part of their obligation *if* they are employed by a voluntary hospital (to get some of these people, differentials had to be paid).

The above areas, while important, are minor compared to our goals in the future.

We are currently evaluating an original comprehensive national health delivery system. It will retain elements of the individuality that have played the most progressive role in the progress of medicine, as well as allowing all citizens freedom of choice, access to care, and protection from family-shattering health catastrophies. In addition, it will not make promises of services it cannot deliver.

As you may have gathered from foregoing material, we have plans in the making for prospective reimbursement and utilization review quite different from some submitted as "the" method which will be enacted into law. We have indicated support of the concept of Health Maintenance Organizations as a suggested method of increasing the delivery capability of medicine, provided the final guidelines and regulations show this can produce the desired result without reducing quality of care. We will share the best we collectively have to offer for the development of any workable system.

One final, logical, question should be:

"What motivates a Mayo-trained physician, with training received in the greatest teaching center of the world, to become involved in the politics of quality health care?" The answer is quite simple: In patient care, the word "quality" is supreme; if it is to be maintained, all knowledgeable physicians must in concert strive to see that it is not legislatively compromised.

The Federation of American Hospitals believes in a pluralistic approach and solicits constructive criticism of its policies and positions. We also believe the time has come when physicians and hospitals must listen to an aroused public, then lead in development of a health delivery system which will provide the necessary quality care through the initiative and imagination of private enterprise.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

AMENDMENT OF THE FEDERAL MEAT INSPECTION ACT AND THE POULTRY PRODUCTS INSPECTION ACT

The PRESIDING OFFICER (Mr. Stevenson). Under the previous order, the Chair lays before the Senate S. 1316, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 1316) to amend section 301 of the Federal Meat Inspection Act, as amended, so as to increase from 50 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of any cooperative meat inspection program carried out by any State under such section.

The Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments on page 1, after line 6, insert a new section, as follows:

Sec. 2. The second sentence of paragraph (3) of section 5(a) of the Poultry Products Inspection Act, as amended (21 U.S.C. 454 (a)(3)), is amended by striking out "50 per centum" and inserting in lieu thereof "80 per centum".

On page 2, at the beginning of line 3, change the section number from "2" to "3"; and, in the same line, after the amendment just above stated, strike out "The amendment made by the first section of" and insert "The amendments made by"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of paragraph (3) of section 301(a) of the Federal Meat Inspection Act, as amended (21 U.S.C. 661(a)(3)), is amended by striking out "50 per centum" and inserting in lieu thereof "80 per centum".

Sec. 2. The second sentence of paragraph (3) of section 5(a) of the Poultry Products Inspection Act, as amended (21 U.S.C. 454(a)(3)), is amended by striking out "50 per centum" and inserting in lieu thereof "80 per centum".

Sec. 3. The amendments made by this Act shall be effective beginning with the fiscal year which begins July 1, 1971.

The PRESIDING OFFICER. Time on this bill is limited to 1 hour, the time to be equally divided and controlled by the Senator from Nebraska (Mr. Curtis) and the Senator from Georgia (Mr. Talmadge).

Who yields time?

Mr. CURTIS. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill as thus amended be regarded for purposes of amendment as original text.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CURTIS. Mr. President, the purpose of this bill is to raise the Federal contribution to the maintenance of State meat inspection programs from 50 percent, as it is now, to 80 percent. This would apply not only to the meat inspection programs but also to the poultry inspection programs.

The present law provides that a State may maintain a meat inspection or poultry inspection program if it meets the standards set by the Federal act and if the Federal Government finds that the State's program is equivalent to the Federal program. Under that program, most of the States conduct a State meat inspection program as well as a poultry inspection program.

In the Meat Inspection Act of 1967 was a provision that if a State chose to discontinue its meat inspection program, the Federal Government would take it over. In that case, of course, 100 percent of the cost would fall upon the Federal Government. We are living in days when the States are facing many budgetary problems. Some States already have elected to discontinue their meat inspection programs.

It is believed that if this Federal contribution was raised from its present 50 percent to 80 percent, the States would refrain from discontinuing their meat inspection programs and that thus, very likely, it would save money for the Federal Government. That is the purpose of this bill.

I need not take time to state how important it is to have the States share in this program and how they can do a job equivalent to the Federal system and at the same time tailor the operation of their inspection programs to meet the needs of their smaller communities and their smaller processors.

I have no request for time. I reserve the remainder of my time, and I yield the floor.

Mr. TALMADGE. I yield myself such time as I may require.

Mr. President, this bill was introduced by the Senator from Nebraska for himself and other Senators. Hearings were held on it by the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture and Forestry and it was generally favored by witnesses.

Enactment of the bill should result in some savings in costs to the Federal Government for meat inspection. At present under title III of the Federal Meat Inspection Act and section 5 of the Poultry Products Inspection Act the Secretary of Agriculture is authorized to pay up to 50 percent of the cost of State inspection programs. In the absence of such State programs, the Federal Government would be required to perform the inspection work itself and to bear 100 percent of the cost. The bill would increase the amount the Secretary would be authorized to pay toward State programs to 80 percent, thereby encouraging States to continue in this work and to continue to bear 20 percent of the cost. In the absence of this legislation it appears likely that many, if not most, States would discontinue these programs.

I therefore urge the passage of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. PEARSON. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. PEARSON. Mr. President, I rise to support legislation which would increase the Federal contribution to State meat and poultry inspection costs from 50 to 80 percent.

In my judgment, Mr. President, the partnership which has developed between the States and the Federal Government in regard to establishing a sound and efficient inspection system has yielded impressive results. In the short time since the passage of the Wholesome Meat Act, nearly all of the States have developed inspection systems equal or superior to the standards required by the Federal Government. This is indeed a gratifying development, and will certainly go a long way toward upholding the public's confidence in the quality of meat which it purchases.

Yet, Mr. President, I believe that in order to uphold standards and insure that future needs are met, we must provide a better incentive so that the States can continue to meet the growing demand for quality inspection standards. With the increasingly tighter economic situation, States caught in a fiscal squeeze will be forced to terminate inspection programs. If we are to continue this partnership, which, I feel, is sound and needed, then an increased funding on the Federal level is necessary. The Department of Agriculture is confident that an 80–20 funding basis will permit most of the States to continue their programs. I am gratified that the distinguished chairman of the Senate Subcommittee on Agricultural Research and General Legislation has also seen the necessity of this bill, and I urge its immediate passage.

Mr. MATHIAS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page one, between lines six and seven, add the following new section and number:

"SEC. 1. Subparagraph (5) of section 301 (c) of such Act (21 U.S.C. 661 (c)(2)) is amended as follows: 'notwithstanding any other provisions of this Act, carcasses, parts thereof, meat and meat food products prepared under State inspection at any establishment in any State, not designated under this paragraph (c), in accordance with requirements which the Secretary has determined are at least equal to those under titles I and IV of this Act, shall be eligible for distribution in commerce (including entry into any establishment at which inspection is maintained under title I) upon the same basis as carcasses, parts thereof, meat and meat food products inspected under title I, when they are marked under such supervision and other conditions as the Secretary may by regulation prescribe, with a combined State-Federal official inspection legend.' "

On page 1, line 7, strike out "Section 2" and insert in lieu thereof "SEC. 3."

On page 2, line 3, strike out "Section 3" and insert in lieu thereof "SEC. 4."

On page 2, line 4, strike out "The amendments made by" and insert in lieu thereof "The amendments made by the first and third sections of."

Mr. MATHIAS. Mr. President, one of the paradoxes of our economic situation today is that there is a "plethora of plenty" of food, but meat is very expensive. This is pointed out in an article in the Washington Evening Star, July 21, 1971, in a section on food, written by Marian Burros, which talks about the "Plethora of Plenty." I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, July 21, 1971]

PLETHORA OF PLENTY

(By Marian Burros)

As unlikely as it may seem, when almost everything is going up in price, there are some marvelous food buys awaiting the canny shopper.

It isn't easy to ferret out these bargains; it takes time and patience and it certainly means cooking instead of tossing the package in a pot.

But it's worth it all around: Better tasting meals, more attractive looking and less expensive.

This year fresh, frozen and canned salmon is a bargain, relatively speaking, that is. Turkeys are cheaper, too, and they are so versatile.

Rice, black olives, cranberry sauce, plums are on the plentiful list put out by the Department of Agriculture for July and August.

Summer fruits and vegetables, like peaches, cantaloupes, watermelons, cucumbers, green peppers and green beans either are or will, in the next few weeks, be priced well.

Consider some new ways of using these food bargains and notice the drop in your food expenditures when you eliminate convenience products from your shopping list.

Mr. MATHIAS. Mr. President, the article points out that meat is the most expensive item in the American diet today. Of course, it does not take the Star to tell us that meat is expensive. We do not have to go beyond an article in a newspaper. We can look at the shopping pages and look at the prices and they will tell us what is happening to the cost of living and the price of meat. Meat is the most expensive item on the American table today—and every American housewife knows it.

Look at the advertisements from the food chains—Jumbo, Acme, Safeway, Giant—look at the prices, the "bargain" prices of meat.

Mr. President, my amendment would simply go to the heart of one of the big problems of the American housewife in providing food for the table for her husand and children—the cost of meat.

We are restricting the meat market. We are doing it in the name of sanitary standards. We all support the highest possible sanitary standards. We all support the highest health quality standards for meat. But when we utilize the standards to restrict the meat market, to limit the quantity, without improving the quality, then we are serving a few selfish interests and not the interests of the American housewife who has to go to the grocery store and use the diminishing dollar to feed her family.

That is exactly what the pending amendment is all about. This is an amendment which, No. 1, looks to a larger supply of healthful and wholesome meat for the country, because it looks toward upgrading the State systems of inspection in every one of the 50 States to the high level which has been attained by the Federal meat inspection program.

If we do not adopt the pending amendment, there will be very little incentive in some States to upgrade State inspected butcher shops—very little. There will be a laggard interest in it.

So that, in fact, those who acquire their meat from these sources may not get meat as good as they could have if this amendment were adopted, which would give an incentive in every one of the 50 States to upgrade their State systems.

So that what we are talking about is more meat, a larger quantity of meat, produced at a higher level of wholesomeness and healthfulness, for the American consuming public. It is as simple as that.

Under the present system, the only meat going into interstate commerce is that which comes from federally inspected packing plants. This restricts the market. It does not take an economist to understand the economics of the problem.

We have one group of people over here who have a corner on the interstate market and they want to keep it. If we do not adopt the pending amendment, they will keep it.

We have over here a number of small businessmen who are willing to comply with the highest standards of sanitation and health protection.

We also have the consuming public, which has a crying need for some relief from the high cost of living.

Unless we adopt this amendment, we will not give them that relief, but will leave the situation as it is; namely, meat sales being the prerogative, so far as the interstate market is concerned, of those few who are in the federally inspected system.

Mr. President, there is a question here of equity to certain American small businessmen in various States. I am proud to say that Maryland is one of those States. We were told that if we will upgrade the State inspection system, and if the local small businessmen in the meat business will upgrade their facilities so that they are equivalent and equal to the Federal system, their products will be given equality with those in the industry who are now within the Federal inspection program.

A great many small businessmen in Maryland and in 46 other States went out and hocked everything they had to raise money to upgrade their plants and make them sanitary and wholesome, and to make their products equally wholesome with those purchased from Federal plants.

Mr. TALMADGE. Mr. President, will the Senator from Maryland yield briefly, while a number of Senators are in the Chamber, so that the yeas and nays may be ordered on the amendment?

Mr. MATHIAS. I yield for that purpose.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. TALMADGE. I thank the Senator for yielding.

The PRESIDING OFFICER. Will the Senator also advise the Chair whether he is asking unanimous consent that his amendments be considered en bloc?

Mr. MATHIAS. Yes; I make such a request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BELLMON. Mr. President, will the Senator yield for a question?

Mr. MATHIAS. Certainly; I am happy to yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. I have been very much interested in the Senator's remarks. I was serving as Governor of the State of Oklahoma when the Wholesome Meat Inspection Act was passed. Our State made extraordinary efforts to see that our State meat inspection plants met the Federal standards. It was the understanding at that time that when the standards were met, these products could move in interstate commerce.

Is the Senator from Maryland speaking about meat from State plants that do comply with U.S. standards for wholesome meat?

Mr. MATHIAS. The Senator is correct. During his administration in Oklahoma, he saw personally what could be done to upgrade this system so as to make certain that the State system of standards was equal to U.S. standards of inspection. The consumer is thus fully protected and receives a double benefit, because there is a greater supply of meat, which tends to lower the price of inspected meat. The supply of meat inspected according to Federal standards will be much larger.

Mr. BELLMON. There is no jeopardy to consumers because the quality of meat is of standards prescribed by the U.S. Department of Agriculture.

Mr. MATHIAS. Under the amendment, no meat would be certified by the Department of Agriculture or by the people who operate the federal system which was not fully equal in quality to the meat certified under the federal system.

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

Mr. MATHIAS. Mr. President, will the Senator from Nebraska yield me 10 additional minutes?

Mr. CURTIS. I yield 10 additional minutes to the Senator from Maryland on the amendment.

Mr. BELLMON. Mr. President, will the Senator further yield?

Mr. MATHIAS. I yield.

Mr. BELLMON. I should like to ask the Senator whether meat processed in foreign countries, such as Mexico, Poland, or Australia, does not come into this country and move in interstate commerce?

Mr. MATHIAS. As the Senator from Oklahoma well knows, it does. One can go into any chainstore in the country and buy a Polish ham or any other foreign meat product.

Mr. BELLMON. The way the law is presently being administered, it seems to me, is gross discrimination against State inspection plants. Foreign meat products, such as meat from Poland, may move in interstate commerce, but meat inspected in State plants that conform to Federal standards may not move in interstate commerce.

Mr. MATHIAS. Mr. President, the Senator is exactly correct. I would like to make the further point that there is no way in the world that the Department of Agriculture in the Federal Meat Inspection program can oversee what is happening in Denmark, Poland, Mexico or wherever. However, under the pending bill, there would be continued oversight over every one of the State systems if they all were to come under it. So, we would have a very real operation of the federal system.

I would also point out to the Senator from Oklahoma that this is a program which has the endorsement of the administration.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Department of Agriculture commenting in approval on the proposal embodied in the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 28, 1971.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to your letter of March 25, 1971, requesting a report on S. 1316, a bill to amend the Federal Meat Inspection Act to increase from 50 to 80 percent the Federal Government's share of the costs of cooperative meat inspection programs carried out by the States.

The Department supports this bill provided it is amended to incorporate the basic provisions of S. 1932 introduced by Senator Mathias. S. 1932 would permit State establishments having "equal to" inspection to move their products in interstate commerce and to federally inspected establishments, with a combined State-Federal official inspection legend. The combination of these two measures will create strong incentives for States, which have developed inspection systems equal to the Federal, to continue to operate and improve these systems.

FEDERAL-STATE COST SHARING

Since late 1967, when the Federal Meat Inspection Act was amended by the Wholesome Meat Act, some 44 States have developed meat inspection programs equal to the Federal program. Nearly all of these States had grossly inadequate meat inspection programs 3 years ago. That they have been able to develop effective inspection programs in such a short period of time is a remarkable achievement. And most important, it clearly demonstrates their commitment to the partnership approach to government that Congress has supported.

Unfortunately, the Wholesome Meat Act provides no incentive for States to continue their meat inspection programs; in fact, it provides a financial disincentive. A State must now bear 50 percent of the cost of carrying out its meat inspection program. But this cost may be totally eliminated simply by turning the program over to us. With the financial bind that is prevalent in State government everywhere, many Governors and legislatures are contemplating doing just that.

The issue is now under debate in Nebraska, and legislators from that State have informed us that several other Midwestern States expect to follow Nebraska's lead in this matter. California has notified us that if the funding formula is not changed, the State will not be able to continue its meat inspection program beyond fiscal year 1972. Similar public comments have been made by the Directors of Agriculture in Washington and Wisconsin. Our Meat Inspection Advisory Committee (which is composed of representatives of State Departments of Agriculture) recently passed a resolution supporting an increase in Federal funding to not less than 80 percent of the cost of State inspection programs.

We are quite confident that on an 80–20 funding basis most States will continue their programs. We are equally confident that there will be a rapid decline in the number of State inspection programs under the present 50–50 ratio.

On the basis of 44 "equal to" States, total State inspection costs during fiscal year 1972 are estimated at $53.2 million. The Federal share of this, under the 50–50 formula, will be $26.6 million. Under the proposed 80–20 formula, Federal costs would be $42.6 million —an increase of $16.0 million, but considerably less than the cost of 100 percent funding that will be required if States begin to terminate their inspection programs.

The same funding problems exist in States that are developing poultry inspection programs. Therefore, we recommend the Poultry Products Inspection Act also be amended to reflect financing in accordance with an 80–20 formula.

Attached is a table reflecting total Federal and State costs for operations of State meat and poultry programs under the 50–50 and 80–20 sharing formulas.

EQUAL TREATMENT FOR STATE-INSPECTED MEAT

Title III of the Federal Meat Inspection Act clearly indicates that it was the intent of Congress to give the States an opportunity to protect the consumer in that portion of the meat supply produced in plants operating in intrastate commerce. Only if the States failed to act was the Federal Government to step in and assume direct responsibility for inspection. We wholeheartedly agree with this State-Federal partnership approach because it encourages local initiative, decentralizes decisionmaking, and discourages growth to unmanageable proportions of the Federal Establishment.

The Federal Meat Inspection Act allows meat from foreign establishments, produced under an approved foreign system at least equal to our Federal system, to move freely in interstate commerce throughout the United States. Therefore, products inspected by States, which provide inspection equal to the Federal system, should be allowed to move freely in interstate commerce. Affording a lesser status to an approved State system seems unfair and unnecessary. Incorporation of the provisions of S. 1932 would eliminate these particular inequities which now exist in the intrastate inspection meat inspection systems.

There would be no significant additional costs associated with enactment of the provisions of S. 1932.

These proopsed amendments would have no significant impact on the quality of the environment.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

CLIFFORD M. HARDIN,
Secretary of Agriculture.

Mr. BELLMON. Mr. President, I thank the Senator from Maryland.

Mr. MATHIAS. Mr. President, I might read at this point a portion of the letter. It is addressed to the chairman of the committee under date of June 28, 1971. The letter states in part:

> The Department supports this bill provided it is amended to incorporate the basic provisions of S. 1932 introduced by Senator Mathias. S. 1932 would permit State establishments having "equal to" inspection to move their products in interstate commerce and to federally inspected establishments, with a combined State-Federal official inspection legend.

In fact, the Department's approval of the total bill was predicated upon the inclusion of the provisions of this amendment. And it is a fair amendment.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. MATHIAS. I yield.

Mr. CHILES. Mr. President, I have had a hard time understanding the situation. I wish that the Senator from Maryland would explain for me how it is that we will allow this to a foreign government, where their inspection is equal to the USDA inspection, but we will not allow it to our own State governments. I have an awfully hard time explaining that to a person in Florida with a plant that has received approval. He has a plant that is equal to and therefore does not require Federal inspection. I have a hard time explaining that to the State officials.

They have worked the State plants up to where they are equal to, and then they see foreign beef coming in here that is not inspected, and that is for what we say is a valid reason, that that inspection is equal to the inspection here. I wonder if the Senator could help me out of that dilemma.

Mr. MATHIAS. I have the same dilemma. Why do we allow the meatpacker in Poland or Denmark, over whom there is no possibility of any oversight inspection of meat, to do this and yet say to the State of Maryland or Florida, which has also complied:

> Although you have been certified, although your meat inspection systems have been declared to be equivalent and as good as the Federal system, we will not let your goods into interstate commerce.

Mr. CHILES. It sounds like it is equal but not quite equal enough.

Mr. MATHIAS. As the Senator well recognizes, this is not a situation that holds logically. We have to look for other grounds. The sufferers are the small producers that cannot get into interstate commerce. They suffer. But we know that the real sufferers are the people who pay these prices for meat, because their access to the real reservoir of meat products in the country is artificially limited. There was a time when the State inspection was not as good and when they were not producing meat under the same sanitary conditions as other places. We know that. We have to be realistic. However, we have to update our thinking on this matter.

Mr. CHILES. The Senator from Maryland thinks there would be actually more competition if we allowed plants in the State of Maryland and the State of Florida—and we have plants in our State where the inspection is equal—to be able to ship in interstate commerce. There would actually be more competition than now where they have to go to the expense of having a Federal inspection of the food operations.

Mr. MATHIAS. Mr. President, I take it that by admitting to interstate commerce meat products produced in wholly equal State-inspected plants, those products are just as wholesome and just as healthful and would increase the total supply of meat available to the American housewife; and she, in turn, if the law of supply and demand has not totally evaporated in this day and age, would benefit from the competition in the marketplace.

Mr. CHILES. The Senator thinks it would be easier for the little man to get into the meat business if he felt his original investment would not be so high and that this might encourage a person to get into the business.

Mr. MATHIAS. Mr. President, I do not think it takes very much imagination to realize how difficult it would be to start another Swift or another Armour Co. under modern conditions. It would even be tough for little plants to start, because if they are going to meet these high standards which are now required, and will continue to be required under the amendment—which incidentally will be assisted by the Federal Government—it is going to require capital. But it will certainly be possible and easier under the pending amendment for a man to go into the business than it would be without it.

Mr. CHILES. The Senator from Maryland said that if we could not find logical reasons why this would be so, we would have to find other reasons. I have not found those as yet. I wonder if the Senator could tell me if he has found other reasons.

Mr. MATHIAS. I think the Senator from Florida knows that one of the rules of logic in the case of a question, the answer to which eludes one, is to ask who benefits. Who benefits in this case? It is those who presently monopolize the interstate meat market and they do not want to share it. I think that is where the difficulty arises in getting what is otherwise a very equitable and desirable amendment.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. TALMADGE. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. TALMADGE. Mr. President, we considered this amendment in the Committee on Agriculture and Forestry and we rejected it.

First, there is no need to provide for State inspection of meat moving in interstate commerce. Packing plants preparing any part of their output for interstate commerce have been subject to Federal inspection since 1907; and Federal inspection is available to any such plant that can meet the requirements of the Federal Meat Inspection Act. During the same period, to the extent that State meat inspection services have been available, they have been restricted to plants producing only for consumption within the State.

I wish to say to the distinguished Senator from Florida, this situation is not in any way comparable to the situation with respect to imported meats. Federal inspection is not available in foreign countries. Meat produced by foreign packing companies can be imported into the United States only if inspected under a foreign system at least equal to the U.S. system.

Mr. CHILES. Mr. President, will the Senator yield at that point?

Mr. TALMADGE. I am delighted to yield to the Senator from Florida.

Mr. CHILES. Is the question here whether inspection could be available?

Mr. TALMADGE. The question involved is that the United States simply has no jurisdiction in a foreign country and could not exercise jurisdiction. We simply must set up some system that accepts the foreign inspection service, and that is what we have done in this instance. But we do have jurisdiction over 50 States and we mandate Federal inspection if they ship in interstate commerce in this country.

Mr. CHILES. What the Senator has not explained is: Where are the rights of the people? Are we just organized to put another burden on the people in our States that we cannot place on foreign people? The Senator has not answered that.

Mr. TALMADGE. I will get to that point now. Such foreign plants are not given a choice of alternative systems, as this amendment would provide for domestic plants.

If this amendment were agreed to, and if the bill passed, and was signed by the President, anyone who ships meat in interstate commerce could have two options: The first option would be to get Federal inspection and ship anywhere in the United States he wanted to; and the second option would be to shop anywhere around the 50 States and get the best deal and the best inspection service. He would do business wherever he thinks the alternative is easier.

If treatment for shrink were more favorable in one State than in the other States, he could shop around with 50 alternatives. Inspection in each of the 50 States is bound to be different insofar as restrictions are concerned, what they require to be done, and what may not be done, the personalities and the people involved.

That is why the amendment should not be agreed to.

Mr. CHILES. Then the Senator has the confidence that the inspectors we have are going to be competent enough that that meat will be safe enough?

Mr. TALMADGE. I am not saying that.

Mr. CHILES. But the Senator does not have that same confidence with respect to State inspectors.

Mr. TALMADGE. Personally, I do not buy foreign meat. I do not know how many people do. I do not encourage it, but if someone wants to run the risk of buying foreign meat he must run the risk of the foreign inspection service.

In this country we have had Federal inspection since 1907. Since that date we have required that meat shipped in interstate commerce must be federally inspected.

The second reason our committee disagreed with the amendment is that it threatens to corrupt both the Federal and the State inspection systems. If it were adopted, each plant in an approved State could elect between two inspection systems, as I just pointed out to the Senator from Florida. A person who had not yet located his plant, or was in a position to relocate his plant, could choose the most advantageous of a number of systems. If treatment for shrink or other matter were more favorable in one State—Georgia, Florida, Montana, or Wisconsin—plants in that State would have a competitive advantage.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield.

Mr. MATHIAS. The Senator says that the average American housewife has a choice when she goes to the grocery store.

Mr. TALMADGE. I am yielding for a question, I wish to say to the Senator from Maryland. I am on limited time.

Mr. MATHIAS. I am getting to the question. What choice does the inhabitant of a small rural community have, a community where they do not have supermarkets, where there is a little local store? We have those communities in Maryand, and I know the Senator's State has made great advances, but I suspect they still have them there, too.

Mr. TALMADGE. They do.

Mr. MATHIAS. What choice does the housewife have in small communities where there is little choice and very little incentive on the part of the inspector to upgrade products so that the housewife has an opportunity for the same quality meat as other citizens?

Mr. TALMADGE. I know of no place in the Nation today where federally inspected meats are not available.

The inspectors and other persons employed by each system would be well aware of the choice accorded packing plants and the fact that their jobs depended upon the pleasure of the plant owner. States that are interested in attracting industry to locate within their borders would know that a strict inspection system might work against their interests.

While the amendment is based upon a determination by the Secretary of Agriculture that the State inspection system is equal, that determination is a difficult one and depends upon consideration of a great number of variables, including the abilities and attitudes of the individuals performing the inspection work and their superiors. This amendment would tend to weaken both the State and the Federal inspection systems in many ways which might defy determination by the Secretary. And if both systems were corrupted as a result of this nefarious influence the Secretary might be required to determine that a corrupt State system was at least equal to a corrupt federal system.

Third, even if these insidious corrupting influences were resisted, the effect of the amendment could only be a weakening of the inspection system. At present all inspection of products prepared by plants which move any of the product into interstate commerce is performed by the Federal Inspection Service. The organization and personnel of this service have been built up through the years since 1907 to match the magnitude of the task. Transfer of interstate inspection to the States will increase the volume of work State services are called upon to perform, above that for which they are organized and decrease the volume of work which the Federal Inspection Service is called upon to perform below that for which it is organized.

Fourth, this is not the proper way to legislate. The committee now has before it S. 1932, which has the same purpose as the amendment. The Department of Agriculture was asked to report on that bill on May 25, but it has not yet done so and no hearings have been held on that bill.

The proposal is very controversial, as the Senator knows.

Mr. MATHIAS. Mr. President, will the Senator yield at that point?

Mr. TALMADGE. I will yield in just a moment. Let me complete my statement.

On July 29, 1968, a similar provision was stricken from the Wholesome Poultry Products Act by a vote on the Senate floor of 52 to 19. At that time the provision was opposed by the Department of Agriculture, the National Broiler Council, the National Cattlemen's Association, the National Turkey Federation, the American Federation of Labor, the Amalgamated Meat Cutters and Butcher Workmen of North America, the Special Assistant to the President for Consumer Affairs, and many others.

Now I yield to my friend from Maryland briefly, for a question.

Mr. MATHIAS. I wanted to ask the Senator if it is not true that this amendment actually passed the Senate once.

Mr. TALMADGE. I know it was defeated by a vote of 52 to 19 in the year 1968.

Mr. MATHIAS. It passed the Senate last year. It is not a new idea. Is it not true, in fact, that the Department of Agriculture, by letter of June 28, made its position very clear in support of this amendment?

Mr. TALMADGE. It did. I am informed by the staff that this amendment was accepted by Senator HOLLAND to an appropriation bill he was managing. It did not survive the conference, I may say.

Mr. MATHIAS. But it was accepted by the Senate last year.

Mr. TALMADGE. In response to the question of the Senator from Maryland, it was accepted by Senator HOLLAND on an appropriation bill.

Hearings were held on the pending bill, S. 1316, on May 26. The Department of Agriculture did not report on S. 1316 until June 28, after completion of the hearings, and it was not until that time that any suggestion was made that a provision similar to the pending amendment of the Senator from Maryland be made a part of S. 1316.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. TALMADGE. If the Senator will permit me, I shall be glad to yield in a moment.

Consequently, no witnesses testified on the pending amendment. As soon as the Department's report was received I had visits from representatives of the American Meat Institute, the Amalgamated Meat Cutters and Butcher Workmen of America, and others to make known their opposition.

The proper procedure should have been for the Department to make the report that it was requested to make on S. 1932. Then hearings could have been held and the proponents and the opponents would have had a fair opportunity to make their views known. But no one had an opportunity to make his views known, and I may say to the distinguished Senator from Maryland that the chairman of the subcommittee of the Committee on Agriculture and Forestry that has S. 1932 before it would be delighted to give the Senator from Maryland hearings on this amendment if he desired to pursue it in that fashion, in the proper legislative manner, before the proper forum, in the proper subcommittee of the Committee on Agriculture and Forestry, at the proper time.

Mr. President, it is essential that the consumer be given adequate protection. It is essential that neither the Federal nor State systems be subjected to any corrupting or weakening influences. It is essential to our farming and packing industries that the integrity and reputation of federally inspected meat be kept inviolate.

I urge that this amendment be rejected, as the Senate Committee on Agriculture and Forestry rejected it.

I will yield now to the Senator from Maryland for a question.

Mr. MATHIAS. Mr. President, will the Senator also yield for a brief unanimous consent request so that I might put into the RECORD a State-by-State breakdown of State meat inspection plants, which I think would be helpful for the information of the Senate?

The PRESIDING OFFICER. Is there objection?

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

STATE INSPECTION PLANTS

	Slaughter and slaughter-processing combination	Processing only	Custom[1]
Alabama	48	49	42
Alaska	1	7	1
Arizona	11	45	16
Arkansas	37	44	42
California	20	307	0
Colorado	28	44	22
Connecticut	24	47	2
Delaware	4	10	8
Florida	52	209	48
Georgia	109	101	59
Hawaii	21	37	0
Idaho	48	10	62
Illinois	213	388	30
Indiana	69	65	66
Iowa	192	37	205
Kansas	132	33	59
Kentucky	33	83	68
Louisiana	118	124	91
Maine	6	22	65
Maryland	37	44	13
Massachusetts	6	97	9
Michigan	194	282	0
Minnesota	(2)		
Mississippi	66	43	33
Missouri	127	145	212
Montana	(2)		
Nebraska	71	20	131
Nevada	6	9	1
New Hampshire	6	7	10
New Jersey	28	173	83
New Mexico	15	29	22
New York	99	589	20
North Carolina	92	165	92
North Dakota	(2)		
Ohio	168	183	387
Oklahoma	70	50	107
Oregon	51	49	77
Pennsylvania	289	220	154
Puerto Rico	(2)		
Rhode Island	1	41	1
South Carolina	55	81	0
South Dakota	33	16	108
Tennessee	130	56	61
Texas	320	262	97
Utah	43	20	0
Vermont	13	9	12
Virginia	17	48	77
Washington	24	15	3
West Virginia	34	30	51
Wisconsin	183	132	487
Wyoming	8	8	17
Total	3,352	4,485	3,151

[1] These plants are exempted from regular inspection but subject to sanitary reviews including product wholesomeness and labeling requirements.

(2) Designated.

Mr. MATHIAS. Mr. President, I would like to ask the distinguished chairman of the committee if, in spite of the long list of those who have opposed this provision, there is doubt in his mind that the administration now favors this amendment.

Mr. TALMADGE. The administration wrote a letter subsequent to the hearings on S. 1316 and urged that that bill, S. 1316, be agreed to, provided that the amendment of the Senator from Maryland was also approved. We considered the Department's views, and the Committee on Agriculture and Forestry rejected them.

Mr. MATHIAS. If the Senator could indulge me just one more colloquy, the Senator said the American Meat Institute came in and objected to this amendment, and I think the Senator said the AFL–CIO came in and objected to the amendment. But the housewives who are governed by these prices——

Mr. TALMADGE. Is the Senator asking a question or making a speech? If he wants to make a speech, he should make it on his own time.

Mr. MATHIAS. I wondered how many housewives came in to object.

Mr. TALMADGE. I would suspect that if there were adequate publicity on this provision, the mail of the housewives would be tremendous respecting this amendment.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. TALMADGE. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. TALMADGE. Mr. President, I have several requests for time. First I want to yield to the distinguished ranking minority member of the Appropriation Subcommittee, the distinguished Senator from Nebraska (Mr. HRUSKA); then I will yield to the distinguished Senator from Minnesota (Mr. MONDALE); then I will yield to the distinguished Senator from New Mexico (Mr. MONTOYA)—3 minutes each.

Mr. HRUSKA. Mr. President, I thank the Senator for yielding for this purpose.

I rise to oppose the amendment, Mr. President. It is premature. No hearings have been held on it. This is not the way to legislate by way of an amendment on a principal measure of this kind. I opposed the amendment a year ago when it was proposed as an amendment to the appropriation bill. It was accepted to take to conference. There it was fairly promptly taken care of. Last year the Department of Agriculture said that they were opposed to such a measure.

In the hearing before the Agriculture Committee and in the conference outlines, the Department of Agriculture took the position that the amendment to the Federal Meat Inspection Act proposed by S. 3603 and now S. 1932 was "premature" at this time.

An excerpt from Under Secretary J. Phil Campbell's letter of April 15, 1970, to Chairman ELLENDER follows:

> The Department's position is that the proposed amendment to the Federal Meat Inspection is premature. We suggest that consideration of this type of amendment be given at some point after the three-year period provided in the Act and when the total inspection system—State and Federal—has developed fully under provisions of the Act. After the States have clearly established to all concerned producers, packers, consumers, and regulatory agencies, that the State meat inspection systems are clearly and fully equal to the Federal system, this will be the time, in our opinion, to consider permitting the product of such inspection to move in commerce.

In the conference outlines provided to the committee on July 18, 1970, the Department states the following:

> With respect to that portion dealing with the interstate shipment of State inspected meat, the Department suggests consideration be given to this type of authority at some future time after the three-year period provided in the Wholesome Meat Act, and when the total inspection system—State and Federal—has developed fully under the provisions of the Act.

The question, Mr. President, is not high prices or low prices of meat. This is a meat inspection bill. The thrust of it has to do with inspection of meat and quality of meat.

When we get into competitive features and the corner of the market, the interstate market, and the desirability of dissolving that corner and the monopoly on this market, that is another question. The question here is, What is the quality of State inspection?

Let me give these figures to represent one of the questions that will be brought before the Agriculture Committee when the bill will be considered by it. The Federal Government spends about $78 million to inspect 3,700 plants—$78 million. The total appropriation for meat inspection is about $100 million, but $22 million of that goes to the States for matching their inspection costs of State inspected plants. So the States have $45 million to inspect 7,400 plants, twice as many plants as the Federal Government has, with about one-half the amount of money.

The Agriculture Committee will be interested in finding out whether or not that amount of money, scattered over 7,400 plants at about $6,000 apiece, provides that the quality of inspection is as good as it should be.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TALMADGE. One minute.

Mr. HRUSKA. One additional minute.

As against that background, we ought to keep in mind the purpose of this bill. The purpose of this bill is quality inspection and quality meat. Just how 3,700 plants in America can have a corner on meat products so that they can monopolize prices will remain a mystery for a long time to any thoughtful citizen. There are 3,700 plants. It is no longer the big 5 or the big 6, but 3,700 plants producing 90 percent of the product. How can that monopoly be broken by the injection into interstate commerce of 10 percent of the meat product by 7,400 plants?

So it just does not work out that way. But we ought to bear in mind the thing that is most important: What is the impact on the quality of meat for the consumer?

Mr. President, the amendment should be defeated.

Mr. TALMADGE. Mr. President, I yield 3 minutes to the distinguished senior Senator from Minnesota.

Mr. MONDALE. Mr. President, I rise in support of the measure as reported by the Senator from Nebraska (Mr. CURTIS). I believe this legislation, which has been proposed in the past, would be of great help to the development of State inspection systems that will support the Federal Government's effort, and I support the position of the committee in that regard.

I also support the committee's position in opposition to the Mathias amendment. This is a very bad amendment. Some talk has been presented to the Senate about the position of the American consumer. I think if that is concerning us, then we should all vote against the Mathias amendment. The Consumer Federation of America, which represents over 200 consumer organizations throughout this country at the Federal and State levels, strongly opposes the Mathias amendment. They do so because they see it as an amendment which would erode and undermine our efforts to establish a national Federal-State cooperative system of high-quality State inspection and Federal inspection standards for the slaughtering and processing of American meat and American meat products.

I served on the Committee on Agriculture and Forestry with the distinguished senior Senator from New Mexico.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. MONDALE. I have only 3 minutes. I shall yield in a minute.

The work of our committee led to the adoption of the Wholesome Meat Act. The key problem that we had to deal with was that there was a strong system of Federal inspection at the Federal level, but with that system came certain costs, such as, higher costs of sanitation, higher costs of inspection, restrictions on the amount of additives that could go into the meats, and restrictions on the kind of advertising one could resort to.

So, increasingly, meatpackng organizations were moving into the intrastate picture, where they could be relieved of those costs which the Federal system, because of its high standards, imposed upon the industry. The result of this was best stated by Ralph Nader when he said, "bad meat was becoming good business."

So we passed the Wholesome Meat Act, designed to maintain the highest Federal standards and to bring the States along with standards that were at least equal to those at the Federal level.

The program has just begun. This measure for expanded Federal support, will help them. But many who have looked at the problem well know that State standards are still below Federal standards.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. MONDALE. Will the Senator yield me 30 seconds?

Mr. TALMADGE. I yield the Senator an additional one-half minute.

Mr. MONDALE. And to permit them now to escape this high quality of inspection standards, I think, could very well destroy the Federal system, and leave us in a worse position than we were before the adoption of the Wholesome Meat Act.

I strongly oppose the amendment.

Mr. TALMADGE. I yield 3 minutes to the distinguished Senator from New Mexico.

Mr. MONTOYA. Mr. President, I rise in opposition to the Mathias amendment. When we first considered the Wholesome Meat Act in the Committee on Agriculture and Forestry, we had this problem before us. We discussed the cost and quality of State inspection versus Federal inspection.

I think this matter has been amply covered in the debate, but I do wish to say that the enactment of the Mathias amendment would open up a floodgate, and the American consumer would be the victim, because it was originally intended that Federal inspection, which covers 90 percent of the meat that moves in interstate commerce, should be required in order to protect the consumer.

There have been many offenders under the Meat Inspection Act that we enacted. Most of those offenders are in the intrastate plants. Unless we provide rigid standards before meat moves in interstate commerce, as provided under the present law, and unless we provide rigid enforcement before that meat moves in interstate commerce, the American consumer is going to suffer.

The Mathias amendment would seek to give equal dignity to meat inspected in State plants and produced in State plants. But, Mr. President, the enforcement and inspection that take place in State inspected plants is not equivalent to or identical to the inspection and enforcement that take place in plants inspected by the Federal Government. I think this is a very succinct statement, which applies to the question of whether or not the Mathias amendment should be approved.

This is a matter that we should consider in the light of what is best for the American consumer. To approve the amendment is to give license and approval to the movement of meat that might be inadequately inspected in intrastate plants. That is what is at stake. I do not think we are ready for that, because the State inspected plants, under laws approved by the Wholesome Meat Inspection Act, are still on trial. We are not sure that the inspection standards adhered to in intrastate inspection are yet adequate.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MONTOYA. So, in view of that, Mr. President, I hope that the Senate will reject the Mathias amendment.

Mr. CURTIS. Mr. President, I yield 3 minutes to the distinguished Senator from Wyoming (Mr. HANSEN).

Mr. HANSEN. Mr. President, I think it would be appropriate indeed to seek to attach as an amendment to this measure a bill I have introduced separately. My bill would call for the labeling of all imported meat that comes into this country as imported meat, until it goes to the ultimate consumer.

However, I shall not press for its attachment to this bill at this time, because I am fully cognizant of the urgency that faces the distinguished Senator from Nebraska and others equally affected as is he. Nevertheless, I do wish to take this occasion to say that it makes no sense at all, in my judgment, to say on the one hand that State systems are inadequate, and then for the Department of Agriculture to say, though we do not have enough foreign inspectors to give anything like an adequate inspection there, that we will nevertheless oppose or object to the labeling of imported meat.

It should be noted that most of the manufacturing meat which comes into this country comes in in the state of frozen blocks that weigh between 50 and 60 pounds. It also should be noted that the Department of Agriculture, in one of its bulletins, gives this advice to housewives:

> Cook thawed meat immediately, or keep it for only a short time in a refrigerator. Avoid refreezing thawed meat.

I hope at some later date to press for this legislation which I have introduced, because I think it would serve the people of the country well, whether on the basis of labeling or otherwise, to have the best of meat produced, meat which I submit is uniformly good and wholesome, on the one hand, or meat, mixed into hamburger, that comes from a foreign country. But I will not press for the proposal now, because I respect the concern of my good friend from Nebraska to expedite the bill he is handling.

Mr. CURTIS. I thank the Senator from Wyoming for his courtesy.

Mr. CHILES. Mr. President, I have listened with interest to the statements of the distinguished Senator from New Mexico and the distinguished Senator from Minnesota. I hear no indictment of the U.S. Department of Agriculture as to whether we have an equal inspection in the States and whether that would be safe for the consumers.

I have a hard time understanding how the U.S. Department of Agriculture can say that the State of Florida's meat inspection system is equal and that it will protect the people of the State of Florida, my people, when they eat that meat, but if any of that meat from that State system was shipped into a sister State, that would not be safe and would not be protection and would not be equal.

I also have a hard time determining how the same department we have just indicted can say that meat coming from New Zealand or Poland or Hungary can come to the State of Florida and because we say that their inspection system was equal, that meat is safe for our consumers in the State of Florida to eat. Yet, it is not federally inspected, and it has not been under a federally inspected system.

It seems to me that to say we have to have a federally-inspected system for interstate meat, but we do not need it for foreign meat and we do not need it for the people of my State to eat that meat, is to make an argument that is a bunch of heifer dust. There are reasons other than the argument of the protection of the consumers that are affecting this.

It seems to me that if the State of Florida can do a job in the inspection of this meat and can do it a little cheaper than the U.S. Department of Agriculture—because we are closer to the people in State government, because we pay a little more attention to our dollars, because we have somebody overlooking those dollars a little better—then we ought to allow the State to do that by setting the standards, and not make everybody feel that we have to have a federally inspected system to ship interstate and cost them some more dollars.

We cannot be talking about the protection of the people in this if we are bringing in the foreign meat, and we cannot be talking about the protection of the people if we are going to allow them to eat the State-inspected meat in the State they are in. We are just talking about economics. We are talking about whether we are going to step on the toes of somebody who spent the money to have the federally inspected plant. Perhaps there was a reason for that in the 1907 inspection, when the States were allowed to set up their own systems and no one cared what was in those systems. But now that we have gone to the Federal requirement that the State system must be equal or we will have Federal inspection, and if we are going to set that Federal requirement, I am ready to trust the U.S. Department of Agriculture. I believe that they will be able to set the standards, that those standards will be able to be equal within the States, and that we will be able to protect the consumer in that way.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. I yield 3 minutes to the distinguished Senator from Kansas (Mr. DOLE).

Mr. DOLE. I thank the Senator from Nebraska.

Mr. President, I rise to support the bill and also the Mathias amendment.

Having supported the Wholesome Meat Act when it was passed, and having read the Mathias amendment very carefully—I am a cosponsor of the amendment—I think it makes clear that we are talking only about inspection that is at least equal to the Federal inspection.

I think that perhaps the fundamental purpose of this amendment, as outlined by the Senator from Maryland, is to allow meat processed in State-inspected plants to be distributed in interstate commerce when the State inspection standards have been found at least to be equal to Federal inspection requirements.

I happen to believe that we have people in my State and people in the other 46 States who are capable of meat inspection. I happen to believe that when we reach the standards equal to Federal standards, we have a right in our States to have that meat move in interstate commerce.

I say that particularly in view of the fact touched upon by the Senator from Wyoming. We do not seem to have any great reluctance in letting foreign meat move into interstate commerce, even though it is not inspected, even though it may not be equal to the Federal standards.

Therefore, I believe that if we are following strict requirements and strict standards, as pointed out in the Mathias amendment, we should treat our States as fairly as we treat many foreign countries. We have approximately 2 billion pounds of meat per year from foreign countries moving freely in interstate commerce; and I would hope that the Senator from Wyoming's bill would be considered carefully in hearings and eventually brought before the Senate and the House for action.

I believe in States' rights and States' responsibilities, and I strongly support the Mathias amendment, because it is tightly drawn, because it would protect the consumer and would give Americans the protection they deserve.

We know what happened at the outset. There was a fear that the standards in many States were not equal to the Federal standards. That is no longer the case.

I share the views just expressed by the Senator from Florida. I have enough confidence in the USDA and enough confidence in the several States which do have these standards. I think that perhaps we penalize these States now by not making the same benefits available to them that we make available to foreign countries. It will be helpful to my State, yes, and to the State of the Senator from Maryland, and to many other States. Having supported this proposal in the committee, I now support it on the floor.

Mr. President, I am pleased to join the Senator from Maryland (Mr. MATHIAS) in introducing this amendment to make greater quantities of wholesome meat and meat products available in interstate commerce.

The fundamental purpose of this amendment is to allow meat processed in State inspected plants to be distributed in interstate commerce when the State inspection standards have been found to be equal to Federal inspection requirements.

There are several factors that weigh heavily for enactment of this proposal.

First, it would benefit consumers who would have available to them a wider variety and greater quantity of good, wholesome meat and meat products.

Second, it would aid many small processors who have gone to considerable expense and efforts to bring their facilities up to the strict standards of the 47 States—including Kansas—whose meat inspection regulations have been found to be equal in all respects to Federal standards. The processors who are meeting the new strict State standards, are currently treated unfairly by not being able to distribute their products on the same basis as other products meeting no higher standards.

This unfairness is highlighted by the fact that meat products of foreign countries, now amounting to more than 2 billion pounds per year, move freely in interstate commerce in this country after those countries' inspection systems and facilities meet USDA standards. This situation means that a small processor in Kansas can go to Missouri and buy meat from New Zealand, Yugoslavia, Poland and some 39 other countries, but he cannot sell his own meat, which was inspected under equally strict requirements, in Missouri—or any State, other than Kansas.

The result is less income for the small processor and a more expensive, less varied selection for the consumer.

There is no reason for this continued disparity between State and federally supervised meat and meat products. Thirty-five States have closed the gap which once existed and more will follow. Americans are getting the protection they deserve against impure or unsanitary meat, but now that this protection is assured the small processor and the consumer deserve the benefits of expanded meat markets.

I cannot see any real reason to oppose the amendment, and I share the view expressed in the letter from the Secretary of Agriculture on June 28, in support of the amendment.

Mr. CURTIS. Mr. President, I yield 2 minutes to the distinguished Senator from Oklahoma (Mr. BELLMON).

Mr. BELLMON. Mr. President, if the purpose of the Wholesome Meat Act was to assure that the consumers of this country received a high quality product regardless of where that product may have been processed, then it seems to me that it only follows that these products should have the right to move in interstate commerce. If, in fact, these products are not good enough to move in interstate commerce, this means they are not good enough to use intrastate and that the Wholesome Meat Act ought to be strengthened or repealed.

I am one who supports the Wholesome Meat Act. In my State, it has caused many of the State inspected plants to be repaired and modernized, and their products are now certainly as good as those produced under the Federal standards that are enforced by the USDA meat inspectors, and certainly they are as good as standards followed in foreign countries whose products move in interstate commerce.

Also, I suggest that the permission to allow these products to move in interstate commerce will make certain that the USDA does a better job in setting standards for State plants and supervising them. Once it is the law that these products move in interstate commerce, there will be an additional responsibility on the USDA to take a greater interest in the operation of the State plants, and I believe the amendment will have a very salutary effect on the total meat inspection system of the country.

I strongly support the amendment and urge its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. Mr. President, I yield 1 minute to the Senator from Maryland.

Mr. MATHIAS. I thank the Senator.

Mr. President, I just wanted to revert to the point made by the Senator from Minnesota with respect to the position of the Consumer Federation of America. I share with him his views on the work of the federation, but I submit that on this issue they do not have a very educated opinion. Their spokesman, Miss Irma Angevine, was quoted as saying,

> Nobody knows what Federal standards are, so how can we tell what the Department of Agriculture will consider to be at least equal to its standards?

"Nobody knows." I submit that somebody does know, and that the Department of Agriculture is right in the position in its letter of June 28 to the chairman of the committee. I think that is the correct position.

As the Senator from Oklahoma has eloquently said, it is the way to upgrade the entire system without making the entire system a Federal system. It is the way to keep some vitality and life in the Federal system, to encourage the States to do the best they can, and to give the housewives and other consumers the best break we can give them. The way to do it, in my judgment, is to adopt this amendment.

Mr. President, I am pleased to ask unanimous consent that Senators MCCLELLAN, MOSS, and DOLE be added to the list of cosponsors.

Mr. HRUSKA. The intent of the Federal Meat Inspection Act, enacted in 1967, was to provide Federal assistance to State meat inspection programs so that they could equal the Federal system in effectiveness. A well-coordinated inspection system based upon Federal standards obviously would insure a cleaner and more healthful supply of meat to the American consumer.

The program in the past 4 years has resulted in a remarkable level of achievement by the States. Inspection systems in 44 States have been declared equal to the Federal inspection system. Three States and Puerto Rico have failed to meet the requirements. Three other States are still trying to meet the requirements of the program before the discretionary period elapses and their systems are taken over completely by the Federal system.

Thus the program to date demonstrates how much can be accomplished through a Federal-State approach. The Consumer and Marketing Service of the Department of Agriculture and the States themselves should be commended for the fine work they have done in establishing a truly national system of meat inspection.

One of the principal and in my opinion most laudable goals of the Nixon administration is its objective of bringing the Federal Government's decisionmaking processes closer to the people. There is an urgent need to bring Government closer to the people and to make its processes more responsive to the people.

The thrust of the administration's revenue-sharing program is to strengthen State and local governments by returning money and decisionmaking to State and local levels. This is also the objective of the bill which Senator CURTIS and I and others have proposed to the Federal Meat Inspection Law.

The purpose of this bill is to prevent a situation which may possibly jeopardize State participation in the meat inspection program. That situation is brought about by the increasing possibility that State governments, who have very critical financial problems, may not be able to hold up their end of the meat inspection partnership.

Governors throughout the Nation are faced with difficult priority decisions, just as we are in the Congress. They are desperately looking for ways to stretch the State tax dollar.

In recent months, several State legislatures have balked at appropriating funds for operating State meat inspection programs. Their attitude seems to be, "why should we put up half the money for a State meat inspection program dictated by the Federal Governent? If the Federal Government is going to tell us how it must be done, then let them do it, paying the full cost and freeing our funds for more urgent matters."

It is difficult to blame the States in consideration of the great demand for tax dollars. In my own State of Nebraska the State legislature has passed legislation limiting its contribution to 20 percent. At the current level of spending, this would provide only enough money to maintain the system on a 50–50 Federal-State funding basis until about November of this year.

At that time, the Federal Government would have to take over the Nebraska inspection system.

If this happens in Nebraska, it is quite likely that other States will follow. I would hope this would not happen because it would mean that the States would forfeit more of their power and prerogatives to the Federal Government, a situation which in my opinion is not only deplorable but also dangerous.

Our bill, S. 1316 would provide that the Federal contribution for the meat inspection system be increased from 50 to 80 percent of the total cost of the program. Such an increase would keep the States in the meat inspection picture—a goal which is very desirable.

It is my hope that the bill will be approved into law without any amendment to its present form as introduced.

Mr. TALMADGE. Mr. President, if the Senator from Nebraska is prepared to yield back the remainder of his time on the amendment and the Senator from Maryland is prepared to do the same, I suggest that we vote on the amendment. The yeas and nays have been ordered.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the amendment of the Senator from Maryland. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Alaska (Mr. Gravel), the Senator from Oklahoma (Mr. Harris), the Senator from Minnesota (Mr. Humphrey), the Senator from Louisiana (Mr. Long), The Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), and the Senator from Rhode Island (Mr. Pastore), are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. McGovern), the Senator from Rhode Island (Mr. Pastore), and the Senator from Minnesota (Mr. Humphrey), would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield) is necessarily absent, and if present and voting, would vote "yea."

The Senator from South Dakota (Mr. Mundt) is absent because of illness.

The result was announced—yeas 38, nays 52, as follows:

[No. 175 Leg.]

YEAS—38

Allen
Anderson
Baker
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Buckley
Byrd, Va.
Cannon
Chiles
Cook
Cotton
Curtis
Dole
Dominick
Fong
Goldwater
Griffin
Hansen
Hollings
Hughes
Jordan, Idaho
Mathias
McClellan
Moss
Packwood
Pearson
Percy
Prouty
Roth
Saxbe
Spong
Stevens
Taft
Weicker

NAYS—52

Aiken
Allott
Boggs
Brooke
Burdick
Byrd, W. Va.
Case
Church
Cooper
Cranston
Eagleton
Eastland
Ellender
Ervin
Fannin
Fulbright
Gambrell
Gurney
Hart
Hartke
Hruska
Inouye
Jackson
Javits
Jordan, N.C.
Kennedy
Magnuson
Mansfield
McIntyre
Metcalf
Miller
Mondale
Montoya
Muskie
Nelson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott
Smith
Sparkman
Stennis
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NOT VOTING—10

Bayh
Gravel
Harris
Hatfield
Humphrey
Long
McGee
McGovern
Mundt
Pastore

So Mr. Mathias' amendment was rejected.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TALMADGE. Mr. President, is the Senator from Nebraska prepared to yield back the remainder of his time?

Mr. CURTIS. Mr. President, I yield back the remainder of my time.

Mr. TALMADGE Mr. President, I do not think it is necessary to have the yeas and nays on final passage. We can pass this bill by voice vote.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

The bill (S. 1316) was passed.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended, so as to read: "A bill to amend section 301 of the Federal Meat Inspection Act, as amended, and section 5 of the Poultry Products Inspection Act, as amended, so as to increase from 50 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of any cooperative meat or poultry inspection program carried out by any State under such sections."

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Leonard, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. Kennedy) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Foreign Relations.

(The nominations received today are printed at the end of Senate proceedings.)

FARM CREDIT ACT OF 1971

Mr. TALMADGE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 301, S. 1483.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1483) to further provide for the farmer-owned cooperative system of making credit available to farmers and ranchers and their cooperatives, for rural residences, and to associations and other entities upon which farming operations are dependent, to provide for an adequate flexible flow of money into rural areas, and to modernize and consolidate existing farm credit law to meet current and future rural credit needs, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry, with the following amendments:

On page 2, line 17, after the word "agriculture", insert "which will be responsive to the credit needs of all types of agricultural producers having a basis for credit".

On page 4, line 11, after the word "for", strike out "credits" and insert "credit".

On page 7, at the beginning of line 9, strike out "through agents" and insert "and borrowers through agents who are farmers or ranchers"; at the beginning of line 13, strike out "increase its capital stock" and insert "authorize the issue or increase of its capital stock necessary".

On page 9, line 9, after the word "associations", strike out "including (1) farmers and ranchers, (2) persons furnishing to farmers and ranchers farm-related services necessary to their agricultural production, including basic processing and marketing, and" insert "and are (1) bona fide farmers and ranchers, (2) persons furnishing to farmers and ranchers farm-related services directly related to their on-farm operating needs, or".

On page 10, line 4, after the word "Administration", insert "Rural housing financed under this title, shall be for single-family, low- and moderate-priced dwellings and their appurtenances not inconsistent with the general quality and standards of housing existing in, planned or recommended for the rural area where it is located."; in line 10, after the word "ranchers", insert "directly related to their on-farm operating needs"; in line 20, after the word "them", insert "at their option"; in line 21, after the word "their", insert "on-farm".

On page 13, line 18, after the word "association", insert "shall be a body corporate and".

On page 15, line 15, after the word "and", insert "shall".

On page 17, line 8, after the word "closed", insert "The association shall then purchase a similar amount of stock in the land bank.".

On page 23, line 6, after the word "granted", insert "it"; in line 11, after the word "or", strike out "paid in" and insert "pay in".

On page 24, line 4, after the word "or", where it appears the first time, strike out "of".

On page 29, at the beginning of line 14, insert "the holder of".

On page 32, line 16, after the word "the", strike out "banks" and insert "bank"; in line 18, after the word "the", strike out "banks" and insert "bank".

On page 33, line 8, after the word "them", insert "at their option"; in line 9, after the word "their", insert "on-farm"; in line 24, after the word "account", insert "or allocated reserve account".

On page 34, line 10, after "(7)", strike out "and" and insert "any"; in line 14, after the word "above", insert "either heretofore or hereafter"; in line 17, after the word "refunds", strike out "Such allocations of reserve account shall be subject to a first lien as additional collateral for any indebtedness of the holders thereof to the bank and in any case where such indebtedness is in default may, but shall not be required to, be retired and canceled for application on such indebtedness, and, in case of liquidation or dissolution of a holder thereof, such reserve account allocations may be retired, all as is provided for stock and participation certificates in section 2.2(g) of this title.".

On page 35, line 4, after the word "in", strike out "voting"; at the beginning of line 6, strike out "and, with the approval of the Farm Credit Administration, also in cash".

On page 36, line 8, after the word "of", strike out "voting"; at the beginning of line 9, insert "held by production credit associations and participation certificates held by other financing institutions".

On page 38, after line 7, insert:

"(d) Such allocations of reserve account shall be subject to a first lien as additional collateral for any indebtedness of the holders thereof to the bank and in any case where such indebtedness is in default may, but shall not be required to, be retired and canceled for application on such indebtedness, and, in case of liquidation or dissolution of a holder thereof, such reserve account allocations may be retired, all as is provided for stock and participation certificates in section 2.2(g) of this title."

On page 42, line 9, after the word "association", insert "shall be a body corporate and".

On page 47, line 21, after the word "stock", where it appears the first time, strike out "except preferred stock," and insert "(except preferred stock)".

On page 50, line 17, after "(1)", insert "bona fide"; in line 22, after "(3)", strike out "person" and insert "persons"; in the same line, after the word "ranchers", strike out "farm related services necessary to their agricultural production, including basic processing and marketing" and insert "farm-related services directly related to their on-farm operating needs. Rural housing financed under this title shall be for single-family, low- and moderate-priced dwellings and their appurtenances not inconsistent with the general quality and standards of housing existing in, planned or recommended for the rural area where it is located".

On page 52, at the beginning of line 6, insert "at their option"; in line 7, after the word "their", insert "on-farm".

On page 57, line 7, after the word "For", strike out "Cooperating" and insert "Cooperatives"; in line 22, after the word "only", strike out "by cooperative" and insert "by (i) cooperative"; in line 23, after the word "banks", where it appears the first time, strike out "and other" and insert "and (ii) other"; in line 24, after the word "for", strike out "cooperatives and" and insert "cooperatives".

On page 58, line 17, after the word "and", insert "except for stock held by the Governor"; in line 23, after the word "bank", strike out "in accordance with regulations of the Farm Credit Administration".

On page 61, line 1, after the word "stockholders", strike out "of" and insert "eligible to borrow from".

On page 62, line 14, after the word "to", strike out "own" and insert "invest in"; in line 17, after the word "for", strike out "the ownership of" and insert "investment in".

On page 63, line 4, after the word "own", insert "or invest in"; in the same line, after the word "the", strike out "necessary stock in the district bank for the district for the district in which its principal office is located and the district bank shall be required to own a corresponding amount of stock in the Central Bank" and insert "necessary stock in a district bank or banks as may be approved by the Farm Credit Administration and such district bank shall be required to own a corresponding amount of stock in the Central Bank, but voting stock shall be in the one district bank designated by the Farm Credit Administration".

On page 64, line 5, after the word "the", insert "net"; in line 16, after the word "as", strike out "additional".

On page 65, line 6, after the word "and", where it appears the first time, strike out "other obligations" and insert "allocations"; in line 7, after the word "bank", strike out "in the Central Bank or".

On page 66, line 8, after "(2)", strike out "and (4)"; in line 21, after the word "section", strike out "3.6" and insert "3.5".

On page 67, at the beginning of line 2, strike out "applied as provided in (2) above" and insert "accumulated as allocated or unallocated surplus"; in line 11, after the word "be", strike out "distributed" and insert "applied"; in line 12, after the word "basis", strike out "with an obligation to distribute patronage dividends, and"; in line 18, after the word "operations", insert "and the remaining net savings shall be distributed as patronage refunds as provided in subsections (c) and (d) of this section".

On page 69, line 15, after the word "by", strike out the colon and "First,"; in line 17, after the semicolon, strike out "second"; in line 18, after the semicolon, strike out "third,"; in line 19, after the semicolon, strike out "fourth,"; in line 20, after the semicolon, strike out "fifth,"; in line 21, after the semicolon, strike out "and sixth," and insert "or"; in line 22, after the word "stock", strike out the colon and "*Provided, however*, That any tax deficiency assessment for any year may be paid from unallocated surplus or any other account"; after line 24, insert:

"(f) Notwithstanding any other provisions of this section any costs or expenses attributable to a prior year or years but not recognized in determining the net savings for such year or years may be charged to reserves or surplus of the bank or to patronage allocations for such years, as may be determined by the board of directors."

On page 70, at the beginning of line 6, strike out "(f)" and insert "(g)"; in line 22, after "pro rata", strike out the comma and "and any remaining" and insert "and any remaining allocated"; at the beginning of line 25, insert "and any other remaining surplus shall be paid to the holders of outstanding voting stock".

On page 73, line 8, after the word "in", strike out "an institution" and insert "a bank"; at the beginning of line 10, strike out "3.12" and insert "3.11"; in the same line, after the word "respectively", strike out "and before declaring any dividends or patronage distribution,"; in line 13, after the word "year", strike out "or" and insert "before establishing any contingency reserves or declaring any dividends or patronage distribution, not exceeding".

On page 75, line 9, after the word "Administration", insert a comma and "and subject to the limitations of paragraph (e) of this section".

On page 76, after line 11, insert:

"(e) No bank or banks shall issue notes, bonds, debentures, or other obligations individually or in concert with one or more banks of the System other than through their fiscal agent under any provision of this Act except under subsection (a) of this section: *Provided*, That any bank or banks may issue investment bonds or like obligations other than through the fiscal agent if the interest rate is not in excess of the interest allowable on savings deposits of commercial banks of comparable amounts and maturities under Federal Reserve regulation on its member banks."

In line 24, after the word "other", insert "similar".

On page 78, line 7, after the word "Act", strike out "in proportion to" and insert "taking into consideration".

On page 80, line 25, after the word "by", insert "each of"; in the same line, after the word "boards", insert "involved".

On page 81, line 1, after the word "which", insert "from each district".

On page 82, after line 10, insert:

"PART C—RIGHTS OF APPLICANTS

"SEC. 4.13. NOTICE OF ACTION ON APPLICATION.—Every applicant for a loan from an institution of the System shall be entitled to prompt notice of action on his application, and, if the loan applied for is reduced or denied, the reason for such action.

"SEC. 4.14. RECONSIDERATION.—Any applicant who has reason to believe that the action on his application by an association failed to take into account facts pertinent to his application, or has misinterpreted or failed to properly apply the applicable law or rules and regulations governing his application, may, if he so requests in writing within thirty days of the date of that notice, request an informal hearing on his application and the action of the association in reduction or denial thereof, or the reason for such action, in person before the loan committee or officer or employee thereof authorized to act on applications under section 1.15(11) or 2.12(18). Promptly after such a hearing, he shall be notified of the decision upon reconsideration and the reasons therefor.

"SEC. 4.15. NOMINATION OF ASSOCIATION DIRECTORS; REPRESENTATIVE SELECTION OF NOMINEES.—Each production credit association and each Federal land bank association shall elect a nominating committee by vote of the stockholders at the annual meeting to serve for the following year. Each nominating committee shall review lists of farmers from the association territory, determine their willingness to serve, and submit for election a slate of eligible candidates which shall include at least two nominees for each elective office to be filled. In doing so, the committee shall endeavor to assure representation to all sections of the association territory and as nearly as possible to all types of agriculture practiced within the area. Employees of the association shall not be eligible to be nominated, elected, or serve as a member of the board. Nominations shall also be accepted from the floor. Members of the board are not eligible to serve on the nominating committee. Regulations of the Farm Credit Administration governing the election of district directors shall similarly assure a choice of two nominees for each elective office to be filled and that the district board represent as nearly as possible all types of agriculture in the district."

On page 87, line 22, after the word "associations", strike out "and each direct borrower and borowers through agents".

On page 88, line 4, after the word "and", where it appears the second time, strike out "borrowers through agents" and insert "borrower through agent"; in line 13, after the word "subsection", strike out "3.4" and insert "3.3"; after line 20, insert:

"(d) Any vacancies in the board of directors shall be filled for the unexpired term in the manner provided in sections 5.1 and 5.2 for the selection of such directors."

On page 95, line 5, after the word "the", where it appears the second time, strike out "various types of cooperative credit interests in" and insert "types of institutions constituting".

On page 98, line 3, after the word "candidates", strike out "for appointment" and insert "for the Board for the final election in the district".

On page 104, line 3, after the word "To", insert "lease or".

On page 105, line 14, after the figure "(2)", strike out "Issue" and insert "Where necessary or appropriate to carry out the policy and objectives of this Act, issue"; in line 16, after the word "charters", insert "or the bylaws"; in line 17, after the word "System," strike out "and approve" and insert a semicolon and "approve".

On page 106, line 8, after the word "institutions", insert "and on the manner and extent to which the purposes and objectives of this Act are being carried out".

On page 109, line 15, after the word "examiners", insert "under the direction of an independent chief Farm Credit Administration examiner"; in line 19, after the word "year.", insert "Such examinations shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of this Act and in servicing all eligible borrowers.".

On page 115, line 9, after the word "position", strike out "(55)" and insert "(58)"; in line 11, after "5314", strike out "(55)"; in line 12, after "(b)", strike out "Amend the section title and substance of section 393 of title 12, United States Code" and insert "The third paragraph of section 15 of the Federal Reserve Act (12 U.S.C. 393)"; and, after line 15, strike out:

> "§ 393. Federal Reserve banks as depositaries for and fiscal agents of Federal land banks, intermediate credit banks, banks for cooperatives, and other institutions of the Farm Credit System"

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Credit Act of 1971".

POLICY AND OBJECTIVES

SEC. 1.1. (a) It is declared to be the policy of the Congress, recognizing that a prosperous, productive agriculture is essential to a free nation and recognizing the growing need for credit in rural areas, that the farmer-owned cooperative Farm Credit System be designed to accomplish the objective of improving the income and well-being of American farmers and ranchers by furnishing sound, adequate, and constructive credit and closely related services to them, their cooperatives, and to selected farm-related businesses necessary for efficient farm operations.

(b) It is the objective of this Act to continue to encourage farmer- and rancher-borrowers participation in the management, control, and ownership of a permanent system of credit for agriculture which will be responsive to the credit needs of all types of agricultural producers having a basis for credit, and to modernize and improve the authorizations and means for furnishing such credit and credit for housing in rural areas made available through the institutions constituting the Farm Credit System as herein provided.

SEC. 1.2. THE FARM CREDIT SYSTEM.—The Farm Credit System shall include the Federal land banks, the Federal land bank associations, the Federal intermediate credit banks, the production credit associations, the banks for cooperatives, and such other institutions as may be made a part of the System, all of which shall be chartered by and subject to the supervision of the Farm Credit Administration.

TITLE I—FEDERAL LAND BANKS AND ASSOCIATIONS

PART A—FEDERAL LAND BANKS

SEC. 1.3. ESTABLISHMENT; TITLE; BRANCHES. —The Federal land banks established pursuant to section 4 of the Federal Farm Loan Act, as amended, shall continue as federally chartered instrumentalities of the United States. Their charters or organization certificates may be modified from time to time by the Farm Credit Administration, not inconsistent with the provisions of this title, as may be necessary or expedient to implement this Act. Unless an existing Federal land bank is merged with one or more other such banks under section 4.10 of this Act, there shall be a Federal land bank in each farm credit district. It may include in its title the name of the city in which it is located or other geographical designation. When authorized by the Farm Credit Administration, it may establish such branches or other offices as may be appropriate for the effective operation of its business.

SEC. 1.4. CORPORATE EXISTENCE; GENERAL CORPORATE POWER.—Each Federal land bank shall be a body corporate and, subject to supervision by the Farm Credit Administration, shall have power to—

(1) Adopt and use a corporate seal.

(2) Have succession until dissolved under the provisions of this Act or other Act of Congress.

(3) Make contracts.

(4) Sue and be sued.

(5) Acquire, hold, dispose, and otherwise exercise all the usual incidents of ownership of real and personal property necessary or convenient to its business.

(6) Make loans and commitments for credit, accept advance payments, and provide services and other assistance as authorized in this Act, and charge fees therefor.

(7) Operate under the direction of its board of directors.

(8) Elect by its board of directors a president, any vice president, a secretary, a treasurer, and provide for such other officers, employees, and agents as may be necessary, including joint employees as provided in this Act, define their duties, and require surety bonds or make other provision against losses occasioned by employees.

(9) Prescribe by its board of directors its bylaws not inconsistent with law providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; its officers, employees, and agents are elected or provided for; its property acquired, held, and transferred; its loans and appraisals made; its general business conducted; and the privileges granted it by law exercised and enjoyed.

(10) Borrow money and issue notes, bonds, debentures, or other obligations individually, or in concert with one or more other banks of the System, of such character, terms, conditions, and rates of interest as may be determined.

(11) Accept deposits of securities or of current funds from its Federal land bank associations and pay interest on such funds.

(12) Participate with one or more other Federal land banks in loans under this title on such terms as may be agreed upon among such banks.

(13) Approve the salary scale of the officers and employees of the Federal land bank associations and the appointment and compensation of the chief executive officer thereof and supervise the exercise by such associations of the functions vested in or delegated to them.

(14) Deposit its securities and its current funds with any member bank of the Federal Reserve System and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; may be employed as a fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent of the Government as may be required of it. No Government funds deposited under the provisions of this subsection shall be invested in loans or bonds or other obligations of the bank.

(15) Buy and sell obligations of or insured by the United States or of any agency thereof, or securities backed by the full faith and credit of any such agency, and make such other investments as may be authorized by the Farm Credit Administration.

(16) Conduct studies and make and adopt standards for lending.

(17) Delegate to Federal land bank associations such functions vested in or delegated to the bank as it may determine.

(18) Amend and modify loan contracts, documents, and payment schedules, and release, subordinate, or substitute security for any of them.

(19) Perform any function delegated to it by the Farm Credit Administration.

(20) Require Federal land bank associations to endorse notes and other obligations of its members to the bank.

(21) Exercise by its board of directors or authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry on the business of the bank.

SEC. 1.5. LAND BANK STOCK; VALUE; SHARES; VOTING; DIVIDEND.—(a) The capital stock of each Federal land bank shall be divided into shares of par value of $5 each, and may be of such classes as its board of directors may determine with the approval of the Farm Credit Administration.

(b) Voting stock of each bank shall be held only by the Federal land bank associations and direct borrowers and borrowers through agents who are farmers or ranchers, which stock shall not be transferred, pledged, or hypothecated except as authorized pursuant to this Act.

(c) The board of each bank shall from time to time authorize the issue or increase of its capital stock necessary to permit the issuance of additional shares to the Federal land bank associations so that members of such associations purchasing stock or participation certificates therein may be eligible for loans from the bank.

(d) Nonvoting stock may be issued to the Governor of the Farm Credit Administration, and may also be issued to Federal land bank associations in amounts which will permit the bank to extend financial assistance to eligible persons other than farmers or ranchers. Participation certificates with a face value of $5 each may be issued in lieu of nonvoting stock when the bylaws of the bank so provide.

(e) Dividends shall not be payable on any stock held by the Governor of the Farm Credit Administration. Noncumulative dividends may be payable on other stock and participation certificates of the bank. The rate of dividends may be different between different classes and issues of stock and participation certificates on the basis of the comparative contributions of the holders thereof to the capital or earnings of the bank by such classes and issues, but otherwise dividends shall be without preference.

SEC. 1.6. REAL ESTATE MORTGAGE LOANS.—The Federal land banks are authorized to make long-term real estate mortgage loans in rural areas, as defined by the Farm Credit Administration, and continuing commitments to make such loans under specified circumstances, or extend other financial assistance of a similar nature to eligible borrowers, for a term of not less than five nor more than forty years.

SEC. 1.7 INTEREST RATES AND OTHER CHARGES.—Loans made by a Federal land bank shall bear interest at a rate or rates, and on such terms and conditions, as may be determined by the board of directors of the bank from time to time, with the approval of the Farm Credit Administration. In setting rates and charges, it shall be the objective to provide the types of credit needed by eligible borrowers at the lowest reasonable costs on a sound business basis taking into account the cost of money to the bank, necessary reserves and expenses of the banks and Federal land bank associations, and providing services to stockholders and members. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan, in accordance with the rate or rates currently being charged by the bank.

SEC. 1.8. ELIGIBILITY.—The services authorized in this title may be made available to persons who are or become stockholders or members in the Federal land bank associations and are (1) bona fide farmers and ranchers, (2) persons furnishing to farmers and ranchers farm-related services directly related to their on-farm operating needs, or (3) owners of rural homes.

SEC. 1.9. SECURITY.—Loans by the Federal land banks shall be secured primarily by interest in rural real estate, the value of which shall be determined by appraisal under appraisal standards prescribed or approved by the Farm Credit Administration, to adequately secure the loan. However, additional security may be required to supplement real estate security, and credit factors other than the ratio between the amount of the loan and the security value shall be given due consideration.

SEC. 1.10. PURPOSES.—Loans made by the Federal land banks to farmers and ranchers may be for any agricultural purpose and other credit needs of the applicant. Loans may also be made to rural residents for rural housing financing under regulations of the Farm Credit Administration. Rural housing financed under this title shall be for single-family, low- and moderate-priced dwellings and their appurtenances not inconsistent with the general quality and standards of housing existing in, planned or recommended for the rural area where it is located. Loans to persons furnishing farm-related services to farmers and ranchers directly related to their on-farm operating needs may be made for the necessary capital structures and equipment and initial working capital for such services. The banks may own and lease, or lease with option to purchase, to persons eligible for assistance under this title, facilities needed in the operations of such persons.

SEC. 1.11. SERVICES RELATED TO BORROWERS' OPERATIONS.—The Federal land banks may provide technical assistance to borrowers, members, and applicants and may make available to them at their option such financial related services appropriate to their on-farm operations as determined to be feasible, under regulations of the Farm Credit Administration.

SEC. 1.12. LOANS THROUGH ASSOCIATIONS OR AGENTS.—(a) The Federal land banks shall, except as otherwise herein provided, make loans through a Federal land bank association serving the territory in which the real estate offered by the applicant is located. If there is no active association chartered for the territory where the real estate is located, or if the association has been declared insolvent, the bank may make the loan through another such association, directly, or through such bank or trust company or savings or other financial institution as it may designate. When the loan is not made through a Federal land bank association, the applicant shall purchase stock in the bank in an amount not less than $5 nor more than $10 for each $100 of the loan and the loan shall be made on such terms and conditions as the bank shall prescribe.

PART B—FEDERAL LAND BANK ASSOCIATIONS

SEC. 1.13. ORGANIZATIONS; ARTICLES; CHARTERS; POWERS OF THE GOVERNOR.—Each Federal land bank association chartered under section 7 of the Federal Farm Loan Act, as amended, shall continue as a federally chartered instrumentality of the United States. A Federal land bank association may be organized by any group of ten or more persons desiring to borrow money from a Federal land bank, including persons to whom the Federal land bank has made a loan directly or through an agent and has taken as security real estate located in the territory proposed to be served by the association. The articles of association shall describe the territory within which the association proposes to carry on its operations. Proposed articles shall be forwarded to the Federal land bank for the district, accompanied by an agreement to subscribe on behalf of the association for stock of the land bank equal to not less than $5 nor more than $10 per $100 of the amount of the aggregate loans desired or held by the association members. Such stock may be paid for by surrendering for cancellation stock in the bank held by a borrower and the issuance of an equivalent amount of stock to such borrower in the association. The articles shall be accompanied by a statement signed by each of the members of the proposed association establishing his eligibility for, and that he has or desires a Federal land bank loan; that the real estate with respect to which he desires a loan is not being served by another Federal land bank association; and that he is or will become a stockholder in the proposed association. A copy of the articles of association shall be forwarded to the Governor of the Farm Credit Administration with the recommendations of the bank concerning the need for the proposed association in order to adequately serve the credit needs of eligible persons in the proposed territory and a statement as to whether or not the territory includes any territory described in the charter of another Federal land bank association. The Governor for good cause shown may deny the charter applied for. Upon the approval of the proposed articles by the Governor and the issuance of such charter, the association shall become as of such date a federally chartered body corporate and an instrumentality of the United States. The Governor shall have power, in the terms of the chapter, under rules and regulations prescribed by him or by approving bylaws of the association, to provide for the organization, management, and conduct of the business of the association, the initial amount of stock of such association, the territory within which its operations may be carried on and to direct at any time changes in the charter of such association as he finds necessary in accomplishing the purposes of this Act.

SEC. 1.14. BOARD OF DIRECTORS.—Each Federal land bank association shall elect from its voting shareholders a board of directors of such number, for such terms, in such manner, and with such qualifications as may be required by its bylaws.

SEC. 1.15. GENERAL CORPORATE POWERS.—Each Federal land bank association shall be a body corporate and, subject to supervision of the Federal land bank for the district and of the Farm Credit Administration, shall have the power to—

(1) Adopt and use a corporate seal.

(2) Have succession until dissolved under the provisions of this Act or other Act of Congress.

(3) Make contracts.

(4) Sue and be sued.

(5) Acquire, hold, dispose, and otherwise exercise all of the usual incidents of ownership of real estate and personal property necessary or convenient to its business.

(6) Operate under the direction of its board of directors in accordance with this Act.

(7) Elect by its board of directors a manager or other chief executive officer, and provide for such other officers or employees as may be necessary, including joint employees as provided in this Act; define their duties; and require surety bonds or make other provision against losses occasioned by employees. No director shall, within one year after the date when he ceases to be a member of the board, be elected or designated a salaried employee of the association on the board of which he served.

(8) Prescribe by its board of directors its bylaws, not inconsistent with law, providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; its officers and employees elected or provided for; its property acquired, held, and transferred; its general business conducted; and privilege granted it by law exercised and enjoyed.

(9) Accept applications for Federal land bank loans and receive from such bank and disburse to the borrowers the proceeds of such loans.

(10) Subscribe to stock of the Federal land bank of the district.

(11) Elect by its board of directors a loan committee with power to elect applicants for membership in the association and recommend loans to the Federal land bank, or with the approval of the Federal land bank, delegate the election of applicants for membership and the approval of loans within specified limits to other committees or to authorized employees of the association.

(12) Upon agreement with the bank, take such additional actions with respect to applications and loans and perform such functions as are vested by law in or delegated to the Federal land banks as may be agreed to or delegated to the association.

(13) Endorse and shall become liable to the bank on loans it makes to association members.

(14) Receive such compensation and deduct such sums from loan proceeds with respect to each loan as may be agreed between the association and the bank and may make such other charges for services as may be approved by the bank.

(15) Provide technical assistance to members, borrowers, applicants, and other eligible persons and make available to them such financial related services appropriate to their operations as it determines, with Federal land bank approval, are feasible, under regulations of the Farm Credit Administration.

(16) Borrow money from the bank and, with the approval of such bank, borrow from and issue its notes or other obligations to any commercial bank or other financial institutions.

(17) Buy and sell obligations of or insured by the United States or any agency thereof or of any banks of the Farm Credit System.

(18) Invest its funds in such obligations as may be authorized in regulations of the Farm Credit Administration and approved by the bank and deposit its securities and current funds with any member bank of the Federal Reserve System, with the Federal land bank, or with any bank insured by the Federal Deposit Insurance Corporation, and pay fees therefor and receive interest thereon as may be agreed.

(19) Perform such other function delegated it by the Federal land bank of the district.

(20) Exercise by its board of directors or authorized officers or agents all such incidental powers as may be necessary or expedient in the conduct of its business.

SEC. 1.16. ASSOCIATION STOCK; VALUE OF SHARES; VOTING.—(a) The shares of stock in each Federal land bank association shall have a par value of $5 each. No person but borrowers from the bank shall become members and stockholders of the association. If an application for membership is approved and if the applied-for loan is granted, the member of the association shall subscribe to stock in the association in an amount not less than 5 per centum nor more than 10 per centum of the face amount of the loan as determined by the bank. Stock shall be paid for in cash by the time the loan is closed. The association shall then purchase a similar amount of stock in the land bank. Stock shall be retired and paid at fair book value not to exceed par, as determined by the association, upon the full repayment of the loan and if the loan is in default may be canceled for application on the loan, or under other circumstances, for other disposition, when approved by the bank. The aggregate capital stock of each association shall be increased from time to time as necessary to permit the securing of requested loans from the bank for the association's members.

(b) The stock issued by an association may be voting stock or nonvoting stock of such classes as the association determines with the approval of the bank under regulations prescribed by the Farm Credit Administration. Each holder of voting stock shall be entitled to only one vote, and no more, in the election of directors and in deciding questions at meetings of stockholders. Participation certificates may be issued in lieu of nonvoting stock when the bylaws of the association so provide.

PART C—PROVISIONS APPLICABLE TO FEDERAL LAND BANKS AND FEDERAL LAND BANK ASSOCIATIONS

SEC. 1.17. LAND BANK RESERVES; DIVIDENDS.—(a) Each Federal land bank shall, at the end of each fiscal year, carry to reserve account a sum of not less than 50 per centum of its net earnings for the year until said reserve account shall be equal at the end of such year, after restoring any impairment thereof, to the outstanding capital stock and participation certificates of the bank. Thereafter, a sum equal to 10 per centum of the year's net earnings shall be added to the reserve account until the account shall be equal to 150 per centum of the outstanding capital stock and participation certificates of the bank. Any amount added to the reserve account in excess of 150 per centum of the outstanding capital stock and participation certificates may be withdrawn from such reserves with the approval of the Farm Credit Administration.

(b) Any bank may declare a dividend or dividends out of the whole or any part of net earnings which remain after (1) the maintenance of the reserve as required in subsection (a) hereof, (2) the payment of the franchise tax as required by section 4.0 for any year in which any stock in the bank is held by the Governor of the Farm Credit Administration, and (3) with approval of the Farm Credit Administration.

SEC. 1.18. ASSOCIATION RESERVES; DIVIDENDS.—(a) Each Federal land bank association shall, out of its net earnings at the end of each fiscal year, carry to reserve account a sum not less than 10 per centum of such earnings until the reserve account shall equal 25 per centum of the outstanding capital stock and participation certificates of such association after restoring any impairment thereof. Thereafter, 5 per centum of the net earnings for the year shall be added to such reserve account until it shall equal 50 per centum of the outstanding capital stock and participation certificates of the association. Any amounts in the reserve account in excess of 50 per centum of the outstanding capital stock and participation certificates may be withdrawn with the approval of the Federal land bank.

(b) Any association may declare a dividend or dividends out of the whole or any part of *its* net earnings which remain after (1) maintenance of the reserve required in subsection (a) hereof and (2) bank approval.

(c) Whenever any association is liquidated, a sum equal to its reserve account as required in this Act shall be paid and become the property of the bank in which such association is a shareholder.

SEC. 1.19. AGREEMENTS FOR SHARING GAINS OR LOSSES.—Each Federal land bank may enter into agreements with Federal land bank associations in its district for sharing the gain or losses on loans or on security held therefor or acquired in liquidation thereof, and associations are authorized to enter into any such agreements and also, subject to bank approval, agreements with other associations in the district for sharing the risk of loss on loans endorsed by each such association.

SEC. 1.20. LIENS ON STOCK.—Each Federal land bank and each Federal land bank association shall have a first lien on the stock and participation certificates it issues, except on stock held by the Governor of the Farm Credit Administration, for the payment of any liability of the stockholder to the association or to the bank, or to both of them.

SEC. 1.21. TAXATION.—Every Federal land bank and every Federal land bank association and the capital, reserves, and surplus thereof, and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation, except taxes on real estate held by a Federal land bank or a Federal land bank association to the same extent, according to its value, as other similar property held by other persons is taxed. The mortgages held by the Federal land banks and the notes, bonds, debentures, and other obligations issued by the banks or associations shall be deemed and held to be instrumentalities of the Government of the United States and, as such, they and the income therefrom shall be exempt from all Federal, State, municipal, and local taxation, other than Federal income tax liability of the holder thereof under the Public Debt Act of 1941 (31 U.S.C. 742 (a)).

TITLE II—FEDERAL INTERMEDIATE CREDIT BANKS AND PRODUCTION CREDIT ASSOCIATIONS

PART A—FEDERAL INTERMEDIATE CREDIT BANKS

SEC. 2.0. ESTABLISHMENT; BRANCHES.—The Federal intermediate credit banks established pursuant to section 201(a) of the Federal Farm Loan Act, as amended, shall continue as federally chartered instrumentalities of the United States. Their charters or organization certificates may be modified from time to time by the Farm Credit Administration not inconsistent with the provisions of this title as may be necessary or expedient to implement this Act. Unless an existing Federal intermediate credit bank is merged with one or more other such banks under section 4.10 of this Act, there shall be a Federal intermediate credit bank in each farm credit district. It may include in its title the name of the city in which it is located or other geographical designation. When authorized by the Farm Credit Administration, it may establish such branches or other offices as may be appropriate for the effective operation of its business.

SEC. 2.1. CORPORATE EXISTENCE; GENERAL CORPORATE POWERS.—Each Federal intermediate credit bank shall be body corporate and, subject to supervision of Farm Credit Administration, shall have power to—

(1) Adopt and use a corporate seal.

(2) Have succession until dissolved under the provisions of this Act or other Act of Congress.

(3) Make contracts.

(4) Sue and be sued.

(5) Acquire, hold, dispose, and otherwise exercise all of the incidents of ownership of real and personal property necessary or convenient to its business.

(6) Make and discount loans and commitments for credit, and provide services and other assistance as authorized in this Act, and charge fees therefor.

(7) Operate under the direction of its board of directors.

(8) Elect by its board of directors a president, and vice president, a secretary, and a treasurer, and provide for such other officers, employees, and agents as may be necessary, including joint employees as provided in this Act; define their duties and require surety bonds or make other provision against losses occasioned by employees.

(9) Prescribe by its board of directors its bylaws not inconsistent with law providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; its officers, employees, and agents elected or provided for; its property acquired, held, and transferred; its loans and discounts made; its general business conducted; and the privileges granted it by law exercised and enjoyed.

(10) Borrow money and issue notes, bonds, debentures, or other obligations individually, or in concert with one or more other banks of the System, of such character, and such terms, conditions, and rates of interest as may be determined.

(11) Purchase nonvoting stock in or pay in surplus to, and accept deposits of securities or of current funds from production credit associations holding its shares and pay interest upon such funds.

(12) Deposits its securities and its current funds with any member bank of the Federal Reserve System, and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; may be employed as a fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent of the Government as may be required of it. No Government funds deposited under the provisions of this subsection shall be invested in loans or bonds or other obligations of the bank.

(13) Buy and sell obligations of or insured by the United States or any agency thereof, or securities backed by the full faith and credit of any such agency and make such other investments as may be authorized by the Farm Credit Administration.

(14) Delegate to the production credit associations such functions vested in or delegated to the intermediate credit bank as it may determine.

(15) Approve the salary scale of the officers and employees of the association and the appointment and compensation of the chief executive officer thereof and supervise the exercise by the production credit associations of the functions vested in or delegated to them.

(16) Amend and modify loan contracts, documents, payment schedules, and release, subordinate, or substitute security for any of them.

(17) Conduct studies and make and adopt standards for lending.

(18) Enter into loss sharing agreements with other Federal intermediate credit banks and production credit associations.

(19) Exercise by its board of directors or authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry on the business of the bank.

(20) Participate with one or more other Federal intermediate credit banks or production credit associations in the district, in loans under this title on such terms as may be agreed upon among such banks and associations.

(21) Perform any function delegated to it by the Farm Credit Administration.

SEC. 2.2. FEDERAL INTERMEDIATE CREDIT BANK STOCK; VALUE; DIVIDEND; ADDITIONAL STOCK; RETIREMENT.—(a) The capital stock of each Federal intermediate credit bank shall be divided into shares of par value of $5 each and may be of such classes as its board of directors may determine with the approval of the Farm Credit Administration.

(b) Voting stock of each bank shall be held only by the production credit associations which stock shall not be transferred, pledged, or hypothecated except as provided in this title or as authorized under regulations of the Farm Credit Administration.

(c) The board of each bank shall from time to time increase its capital stock to permit the issuance of additional shares to production credit associations in such amounts as shall be determined by the board.

(d) Nonvoting stock may be issued to the Governor of the Farm Credit Administration. Nonvoting stock may also be issued to production credit associations in such amounts as will permit the association to extend financial assistance to eligible persons other than farmers, ranchers, and producers or harvesters of aquatic products. Participation certificates, with a face value of $5, may be issued in lieu of such nonvoting stock when the bylaws of the bank so provide.

(e) Participation certificates also may be issued by a bank to financing institutions other than production credit associations which are eligible to borrow from or discount eligible paper with the bank.

(f) Dividends shall not be payable on any stock held by the Governor of the Farm Credit Administration other than the tax imposed by section 4.0(c) but noncumulative dividends may be payable on other capital and participation certificates in an amount not to exceed a per centum permitted under regulations of the Farm Credit Administration, in any year as determined by the board of directors. Such dividends may be in the form of stock and participation certificates or, when the Governor of the Farm Credit Administration holds no stock in the bank, in cash. The rate of dividends may be different between different classes and issues of stock and participation certificates on the basis of the comparative contributions of the holders thereof to the capital or earnings of the bank by such classes and issues, but otherwise dividends shall be without preference.

(g) Each Federal intermediate credit bank, with the approval of the Farm Credit Administration, may determine the amount of the initial or additional stock in the bank to be subscribed for by the production credit associations in the farm credit district served by the bank in order to provide capital to meet the credit needs of the bank. The amount so determined shall be allotted among the associations in the district upon such basis that, as nearly as may be practicable, the sum of the stock already owned and the additional amount to be subscribed for by each association will be in the same proportion to the total amount of stock already owned and to be subscribed for by all the associations in the district that the average indebtedness (loans and discounts) of each association to the bank during the immediately preceding three fiscal years is of the average of such indebtedness of all associations to the bank during such three-year period. Each association shall subscribe for stock in the bank in the amount so allotted to it. Such subscriptions shall be subject to call and payment therefor shall be made at such times and in such amounts as may be determined by the bank.

Whenever the relative amounts of stock in a bank owned by the associations differ substantially from the proportion indicated in the preceding paragraph, and additional subscriptions to stock through which such proportion could be reestablished are not contemplated, the bank, with the approval of the Farm Credit Administration, may direct either separately or in combination such transfers, retirements, and reissuance of outstanding stock among the associations as will reestablish the aforesaid proportion as nearly as may be practicable. Outstanding stock which is retired for this purpose, except as otherwise approved by the Farm Credit Administration, shall be the oldest stock held by the association and the bank shall pay the association therefor at the fair book value thereof not exceeding par.

The banks may issue further amounts of participation certificates with the same rights, privileges, and conditions, for purchase by institutions other than production credit associations which are entitled to receive participation certificates from the bank as patronage refunds. Participation certificates held by other financing institutions may be transferred to other such institutions upon request of, or with the approval of the bank.

After all stock held by the Governor of the Farm Credit Administration has been retired, the bank may retire other stock at par and participation certificates at face amount under regulations of the Farm Credit Administration. Such other stock and participation certificates shall be retired without preference and in such manner that, unless otherwise approved by the Farm Credit Administration, the oldest outstanding stock or certificates at any given time will be retired first. In case of liquidation or dissolution of any production credit association or other financing institution, the stock or participation certificates of the bank owned by such association or institution may be retired by the bank at the fair book value thereof, not exceeding par or face amount, as the case may be.

(h) Except with regard to stock held by the Governor, each Federal intermediate credit bank shall have a first lien on all stock and participation certificates it issues and on all allocated reserves and other equities for any indebtedness of the holder of such capital investments to the bank.

(i) In any case where the debt of a production credit association or other financing institution is in default, the bank may retire all or part of the capital investments in the bank held by such debtor at the fair book value thereof, not exceeding par or face amount as the case may be, in total or partial liquidation of the debt.

SEC. 2.3. LOANS; DISCOUNTS; PARTICIPATIONS; LEASING.—(a) The Federal intermediate credit banks are authorized to make loans and extend other similar financial assistance to and discount for, or purchase from, any production credit association with its endorsement or guaranty, any note, draft, or other obligation presented by such association, and to participate with such association and one or more intermediate credit banks in the making of loans to eligible borrowers, all the foregoing to be secured by such collateral, if any, as may be required in regulations of the Farm Credit Administration. The banks may own and lease or lease with option to purchase, to persons eligible for assistance under this title, equipment needed in the operations of such persons.

(b) The Federal intermediate credit banks are authorized to discount for, or purchase from, any national bank, State bank, trust company, agricultural credit corporation, incorporated livestock loan company, savings institution, credit union, and any association of agricultural producers engaged in the making of loans to farmers and ranchers, with its endorsement or guaranty, any note, draft, or other obligation the proceeds of which have been advanced or used in the first instance for any agricultural purpose, including the breeding, raising, fattening, or marketing of livestock; and to make loans and advances to any such financing institution secured by such collateral as may be approved by the Farm Credit Administration: *Provided*, That no such loan or advance shall be made upon the security of collateral other than notes or other such obligations of farmers and ranchers eligible for discount or purchase under the provisions of this section, unless such loan or advance is made to enable the financing institution to make or carry loans for any agricultural purpose.

(c) No paper shall be purchased from or discounted for any national bank, State bank, trust company or savings institution under subsection (b) if the amount of such paper added to the aggregate liabilities of such national bank, State bank, trust company or savings institution, whether direct or contingent (other than bona fide deposit liabilities), exceeds the lower of the amount of such liabilities permitted under the laws of the jurisdiction creating the same, or twice the paid-in and unimpaired capital and surplus of such national bank, State bank, trust company, or savings institution. No paper shall under this section be purchased from or discounted for any other corporation engaged in making loans for agricultural purposes including the raising, breeding, fattening, or marketing of livestock, if the amount of such paper added to the aggregate liabilities of such corporation exceeds the lower of the amount of such liabilities permitted under the laws of the jurisdiction creating the same, or ten times the paid-in and unimpaired capital and surplus of such corporation. It shall be unlawful for any national bank which is indebted to any Federal intermediate credit bank, upon paper discounted or purchased under subsection (b), to incur any additional indebtedness, if by virtue of such additional indebtedness its aggregate liabilities direct or contingent will exceed the limitations herein contained.

SEC. 2.4. TERMS.—Loans, advances, or discounts made under section 2.3 shall be repayable in not more than seven years from the time they are made or discounted by the Federal intermediate credit bank, and shall bear such rate or rates of interest or discount as the board of directors of the bank shall from time to time determine with the approval of the Farm Credit Administration, but the rates charged financing institutions other than production credit associations shall be the same as those charged production credit associations. In setting the rates and charges, it shall be the objective to produce the types of credit needed by eligible borrowers, at the lowest reasonable costs on a sound business basis taking into account the cost of money to the bank, necessary reserves and expenses of the bank and production credit associations, and providing services to borrowers from the bank and associations. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan, in accordance with the rate or rates currently being charged by the bank. No obligation tendered for discount by a financing institution, without the approval of the Farm Credit Administration, shall be eligible for discount upon which the original borrower has been charged a rate of interest exceeding by more than 1½ per centum per annum the discount rate of the bank.

SEC. 2.5. SERVICES RELATED TO BORROWERS' OPERATIONS.—The Federal intermediate credit banks may provide technical assistance to borrowers, members, and applicants from the banks and production credit associations, including persons obligated on paper discounted by the bank, and may make available to them at their option such financial related services appropriate to their on-farm operations as determined to be feasible under regulations of the Farm Credit Administration.

SEC. 2.6. NET EARNINGS—DETERMINATION; ANNUAL APPLICATION; SURPLUS ACCOUNT; ABSORPTION OF NET LOSS.—(a) If, at the end of a fiscal year a Federal intermediate credit bank shall have stock outstanding held by the Governor of the Farm Credit Administration, such bank shall determine the amount of its net earnings after paying or providing for all operating expenses (including reasonable valuation reserves and losses in excess of any such applicable reserves) and shall apply such net earnings as follows: (1) to the restoration of the impairment, if any, of capital stock and participation certificates, as determined by its board of directors; (2) to the restoration of the amount of the impairment, if any, of the surplus account or allocated reserve account established by this subsection, as determined by its board of directors; (3) 25 per centum of any remaining net earnings shall be used to create and maintain an allocated reserve account; (4) a franchise tax shall be paid to the United States, as provided in section 4.0 of this Act; (5) reasonable unallocated contingency reserve account may be established and maintained; (6) dividends on stock held by production credit associations and on participation certificates may be declared as provided in section 2.2(f) of this title; and (7) any remaining net earnings shall be distributed as patronage refunds as provided in subsection (b) of this section.

Amounts applied to reserve account as provided in (3) above, either heretofore or hereafter, shall be allocated on the same patronage basis and have the same tax treatment as is provided in subsection (b) of this section for patronage refunds. At the end of any fiscal year that the allocated reserve account of any bank exceeds 25 per centum of its outstanding stock and participation certificates, such excess may be distributed, oldest allocations first in stock to production credit associations and participation certificates issued as of the date of the allocations.

If and when the relative amounts of stock in a Federal intermediate credit bank owned by the production credit associations are adjusted to reestablish the proportion of such stock owned by each association, as provided in the first or second paragraphs of section 2.2(g) of this title, amounts in the reserve account that are allocated to production credit associations may be adjusted in the same manner, so far as practicable, to reestablish the holdings of the production credit associations in the allocated legal reserve accounts into substantially the same proportion as are their holdings of stock.

No part of the surplus account established by a Federal intermediate credit bank on January 1, 1957, consisting of its earned surplus account, its reserve for contingencies, and the surplus of the production credit corporation transferred to the bank, shall be distributed as patronage refunds or as dividends. In the event of a net loss in any fiscal year after providing for all operating expenses (including reasonable valuation reserves and losses in excess of any such applicable reserves), such loss shall be absorbed by: first, charges to the unallocated reserve account; second, impairment of the allocated reserve account; third, impairment of the surplus other than that transferred from the production credit corporation of the district; fourth, impairment of surplus transferred from the production credit corporation of the district; fifth, impairment of stock and participation certificates held by production credit associations and participation certificates held by other financing institutions; and sixth, impairment of nonvoting stock.

(b) If at the end of a fiscal year a Federal intermediate credit bank shall have outstanding capital stock held by the Governor of the Farm Credit Administration, patronage refunds declared for that year shall be paid in stock to production credit associations and in participation certificates to other financing institutions borrowing from or discounting with the bank during the fiscal year for which such refunds are declared. The recipients of such patronage refunds shall not be subject to Federal income taxes thereon. All patronage refunds shall be paid in the proportion that the amount of interest earned by the bank on its loans to and discounts for each production credit association or other financing institution bears to the total interest earned by the bank on all such loans and discounts outstanding during the fiscal year. Each participation certificate issued in payment of patronage refunds shall be in multiples of $5 and shall state on its face the rights, privileges, and conditions applicable thereto. Patronage refunds shall not be paid to any other Federal intermediate credit bank, or to any Federal land bank or bank for cooperatives.

(c) If, at the end of a fiscal year a Federal intermediate credit bank shall have no outstanding capital stock held by the Governor of the Farm Credit Administration, the net earnings of such bank shall, under regulations prescribed by the Farm Credit Administration, continue to be distributed on a cooperative basis with an obligation to distribute patronage dividends and with provision for sound, adequate capitalization to meet changing financing needs of production credit associations, other financial institutions eligible to discount paper with the bank, and other eligible borrowers, and prudent corporate fiscal management, to the end that the current year's patrons carry their fair share of the capitalization, ultimate expenses, and reserves. Such regulations may provide for the application of less than 25 per centum of net earnings after payment of operating expenses to the restoration or maintenance of the allocated reserve account, additions to unallocated contingency reserve account of not to exceed such per centum of net earnings as may be approved by the Farm Credit Administration, and provide for allocations to patrons not qualified under the Internal Revenue Code, and the payment of patronage in stock, participation certificates, or in cash, as the board may determine. If during the fiscal year but not at the end thereof a bank shall have had outstanding capital stock held by the Governor of the Farm Credit Administration, provision will be made for the payment of the franchise tax required in section 4.0.

(d) Such allocations of reserve account shall be subject to a first lien as additional collateral for any indebtedness of the holders thereof to the bank and in any case where such indebtedness is in default may, but shall not be required to, be retired and canceled for application on such indebtedness, and, in case of liquidation or dissolution of a holder thereof, such reserve account allocations may be retired, all as is provided for stock and participation certificates in section 2.2(g) of this title.

SEC. 2.7. DISTRIBUTION OF ASSETS ON LIQUIDATION.—In the case of liquidation or dissolution of any Federal intermediate credit bank, after payment or retirement, as the case may be, first, of all liabilities; second, of all stock held by the Governor of the Farm Credit Administration at par; third, of all stock owned by production credit associations at par and all participation certificates at face amount; any remaining assets of the bank shall be distributed as provided in this subsection. Any of the surplus established pursuant to section 2.6 (excluding that transferred from the production credit corporation of the district) which the Farm Credit Administration determines was contributed by financing institutions other than the production credit associations discounting with or borrowing from the bank on January 1, 1957, shall be paid to such institutions, or their successors in interest as determined by Farm Credit Administration, and the remaining portion of such surplus (including that transferred from the production credit corporation of the district) shall be paid to the holders of voting and nonvoting stock pro rata. The contribution of each such financing institution under the preceding sentence shall be computed on the basis of the ratio of its patronage to the total patronage of the bank from the date of organization of the bank to January 1, 1957. The allocated reserve established pursuant to section 2.6 shall be paid to the production credit associations and other financing institutions to which such reserve is allocated on the books of the bank. Any assets of the bank then remaining shall be distributed to the production credit associations and the holders of participation certificates pro rata.

SEC. 2.8. TAXATION.—Every Federal intermediate credit bank and the capital, reserves, and surplus thereof and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation except taxes on real estate held by a Federal intermediate credit bank to the same extent, according to its value, as other similar property held by other persons is taxed. The obligations held by the Federal intermediate credit banks and the notes, bonds, debentures, and other obligations issued by the banks shall be deemed to be instrumentalities of the Government of the United States, and, as such, they and the income therefrom shall be exempt from all Federal, State, municipal, and local taxation, other than Federal income tax liability of the holder thereof under the Public Debt Act of 1941 (31 U.S.C. 742(a)).

PART B—PRODUCTION CREDIT ASSOCIATIONS

SEC. 2.10. ORGANIZATION AND CHARTERS.—Each production credit association chartered under section 20 of the Farm Credit Act of 1933, as amended, shall continue as a federally chartered instrumentality of the United States. Production credit associations may be organized by ten or more farmers or ranchers or producers or harvesters of aquatic products desiring to borrow money under the provisions of this title. The proposed articles of association shall be forwarded to the Federal intermediate credit bank for the district accompanied by an agreement to subscribe on behalf of the association for stock in the bank in such amounts as may be required by the bank. The articles shall specify in general terms the objects for which the association is formed, the powers to be exercised by it in carrying out the functions authorized by this part, and the territory it proposes to serve. The articles shall be signed by persons desiring to form such an association and shall be accompanied by a statement signed by each such person establishing eligibility to borrow from the association in which he will become a stockholder. A copy of the articles of association shall be forwarded to the Governor of the Farm Credit Administration with the recommendations of the bank concerning the need for such an association in order to adequately serve the credit needs of eligible persons in the proposed territory and whether that territory includes any area described in the charter of another production credit association. The Governor for good cause shown may deny the charter. Upon approval of the proposed articles by the Governor and the issuance of a charter, the association shall become as of such date a federally chartered body corporate and an instrumentality of the United States. The Governor shall have the power under rules and regulations prescribed by him or by prescribing in the terms of the charter or by approval of bylaws of the association, to provide for the organization, management, and conduct of the business of the association, the initial amount of stock of the association, the territory within which its operations may be carried on, and to direct at any time such changes in the charter as he finds necessary for the accomplishment of the purposes of this Act.

SEC. 2.11. BOARD OF DIRECTORS.—Each production credit association shall elect from its voting members a board of directors of such number, for such terms, with such qualifications, and in such manner as may be required by its bylaws.

SEC. 2.12. GENERAL CORPORATE POWERS.—Each production credit association *shall be a body corporate and,* subject to supervision by the Federal intermediate credit bank for the district and the Farm Credit Administration, shall have power to—

(1) Have succession until terminated in accordance with this Act or any other Act of Congress.

(2) Adopt and use a corporate seal.

(3) Make contracts.

(4) Sue and be sued.

(5) Acquire, hold, dispose, and otherwise exercise all of the usual incidents of ownership of real and personal property necessary or convenient to its business.

(6) Operate under the direction of its board of directors in accordance with this Act.

(7) Subscribe to stock of the bank.

(8) Purchase stock of the bank held by other production credit associations and stock of other production credit associations.

(9) Contribute to the capital of the bank or other production credit associations.

(10) Invest its funds as may be approved by the Federal intermediate credit bank under regulations of the Farm Credit Administration and deposit its current funds and securities with the Federal intermediate credit bank, a member bank of the Federal Reserve System or any bank insured under the Federal Deposit Insurance Corporation, and may pay fees therefor and receive interest thereon as may be agreed.

(11) Buy and sell obligations of or insured by the United States or of any agency thereof or of any banks of the Farm Credit System.

(12) Borrow money from the Federal intermediate credit bank, and with the approval of such bank, borrow from and issue its notes or other obligations to any commercial bank or other financial institution.

(13) Make and participate in loans, accept advance payments, and provide services and other assistance as authorized in this title and charge fees therefor.

(14) Endorse and become liable on loans discounted or pledged to the Federal intermediate credit bank.

(15) Enter into loss sharing agreements with the Federal intermediate credit bank and other production credit associations.

(16) Prescribe by its board of directors its bylaws not inconsistent with law providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired, it officers and employees elected or provided for, its property acquired, held, and transferred, its general business conducted, and the privileges granted it by law exercised and enjoyed.

(17) Elect by its board of directors a manager or other chief executive officer, and provide for such other officers or employees as may be necessary, including joint employees as provided in this Act, define their duties, and require surety bonds or make other provisions against losses occasioned by employees. No director shall, within one year after the date when he ceases to be a member of the board, be elected or designated a salaried employee of the association on the board of which he served.

(18) Elect by its board of directors a loan committee with power to approve applications for membership in the association and loans or participations or, with the approval of the bank, delegate the approval of applications for membership and loans or participations within specified limits to other committees or to authorized officers and employees of the association.

(19) Perform any functions delegated to it by the bank or the Farm Credit Administration.

(20) Exercise by its board of directors or authorized officers or employees, all such incidental powers as may be necessary or expedient to carry on the business of the association.

SEC. 2.13. CAPITAL STOCK; CLASSES OF STOCK; TRANSFER; EXCHANGE; AND DIVIDENDS.—(a) A production credit association may issue voting stock, nonvoting stock, preferred stock, participation certificates, and provide for an equity reserve. Holders of stock, participation certificates, and equity reserve shall have such rights not inconsistent with the provisions of this section, as are set forth in the bylaws of the association. Stock shall be divided into shares of $5 par value each, and participation certificates shall have a face value of $5 each.

(b) Voting stock may be purchased only by farmers and ranchers, or producers or harvesters of aquatic products, who are eligible to borrow from the association. Each holder of voting stock shall be entitled to no more than one vote except as otherwise provided in subsection (d) hereof. No voting stock or any interest therein or right to receive dividends thereon shall be transferred by act of the parties or by operation of law, except to another person eligible to hold voting stock, and then only as provided in the bylaws.

(c) Nonvoting stock may be issued to the Governor of the Farm Credit Administration and to other investors.

(d) Preferred stock, which shall be nonvoting, may be issued to the Governor and to other investors when authorized by a majority vote of the outstanding shares of voting stock, by a majority vote of the outstanding shares of the nonvoting stock, and by a majority vote of the outstanding shares of preferred stock, except that all stock held by the Governor shall be excluded from voting hereunder. For the purpose of this subsection only, the holders of such stock shall be entitled to one vote, in person or by written proxy, for each share of stock held. The authorization to issue preferred stock shall state the privileges, restrictions, limitations, dividend rights (either cumulative or noncumulative) redemption rights, preferences, and other qualifications affecting said stock, and the total amount of the authorized issue to which it belongs.

(e) Participation certificates may be issued to persons eligible to borrow from the association to whom voting stock is not to be issued.

(f) Each borrower from the association shall be required to own at the time the loan is made voting stock or participation certificates as provided in the bylaws of the association, in an amount equal in fair book value (not exceeding par or face amount, as the case may be), as determined by the association, to $5 per one hundred dollars or fraction thereof of the amount of the loan. Such stock and participation certificates shall not be canceled or retired upon payment of the loan or otherwise except as may be provided in the bylaws. Notwithstanding any other provision of this section, for a loan in which an association participates with a commercial bank or other financial institution other than a Federal intermediate credit bank or another production credit association, the requirement that the borrower own stock or participation certificates shall apply only to the portion of the loan which is retained by the association.

(g) Voting stock shall, within two years after the holder ceases to be a borrower, be converted into no voting stock at the fair book value thereof, not exceeding par. Consistent with the provisions of this part, and as provided in the bylaws of the association, each class of stock and participation certificates shall be convertible into any other class of stock (except preferred stock) and into participation certificates.

(h) As a further means of providing capital, an association may, as provided in its bylaws, and with the approval of the bank, require borrowers to purchase stock or participation certificates in addition to that required in subsection (f) hereof, or invest in the equity reserve, in an aggregate amount not exceeding $5 per $100 or fraction thereof of the amount of the loan. Any portion of the amounts invested under this subsection which is no longer required for the purposes of the association may be returned to the owners thereof by revolving or retirement in accordance with its bylaws.

(i) Dividends shall be paid on preferred stock in accordance with the authorization of the stockholders to issue such stock. Dividends on stock, other than preferred stock, and on participation certificates may be paid by an association as provided in its bylaws at such rate or rates as are approved by the Federal intermediate credit bank in accordance with regulations of the Farm Credit Administration, and may be paid, upon such approval, even though the amount in the surplus accounts is less than the minimum aggregate amount prescribed by the bank as provided in section 2.14.

(j) Except with regard to stock held by the Governor, each production credit association shall have a first lien on stock and participation certificates it issues, allocated surplus, and on investments in equity reserve, for any indebtedness of the holder of such capital investments and, in the case of equity reserve, for charges for association losses in excess of reserves and surplus.

(k) In any case where the debt of a borrower is in default, the association may retire all or part of the capital investments in the association held by such debtor at the fair book value thereof, not exceeding par or face amount, as the case may be, in total or partial liquidation of the debt.

SEC. 214. APPLICATION OF EARNINGS; RESTORATION OF CAPITAL IMPAIRMENT; AND SURPLUS ACCOUNT.—(a) Each production credit association at the end of each fiscal year shall apply the amount of its earnings for such year in excess of its operating expenses (including provision for valuation reserves against loan assets in an amount equal to one-half of 1 per centum of the loans outstanding at the end of the fiscal year to the extent that earnings in such year in excess of other operating expenses permit, until such reserves equal or exceed 3½ per centum of the loans outstanding at the end of the fiscal year, beyond which 3½ per centum further additions to such reserves are not required but may be made) first to the restoration of the impairment, if any, of capital; and second, to the establishment and maintenance of the surplus accounts, the minimum aggregate amount of which shall be prescribed by the Federal intermediate credit bank.

(b) When the bylaws of an association so provide, available net earnings at the end of any fiscal year may be distributed on a patronage basis in stock, participation certificates, or in cash, except that when the Governor holds any stock in an association the cash distribution shall be such percentage of the patronage refund as shall be determined under regulations of the Farm Credit Administration. Any part of the earnings of the fiscal year in excess of the operating expenses for such year held in the surplus account may be allocated to patrons on a patronage basis.

SEC. 2.15. SHORT- AND INTERMEDIATE-TERM LOANS; PARTICIPATION; OTHER FINANCIAL ASSISTANCE; TERMS; CONDITIONS; INTEREST, SECURITY.—(a) Each production credit association, under rules and regulations prescribed by the board of directors of the Federal intermediate credit bank of the district and approved by the Farm Credit Administration, may make, guarantee, or participate with other lenders in short- and intermediate-term loans and other similar financial assistance to (1) bona fide farmers and ranchers and the producers or harvesters of aquatic products, for agricultural purposes and other requirements of such borrowers, (2) rural residents for housing financing in rural areas, under regulations of Farm Credit Administration, and (3) persons furnishing to farmers and ranchers farm-related services directly related to their on-farm operating needs. Rural housing financed under this title shall be for single-family, low- and moderate-priced dwellings and their appurtenances not inconsistent with the general quality and standards of housing existing in, planned or recommended for the rural area where it is located. Each association may own and lease, or lease with option to purchase, to stockholders of the association equipment needed in the operations of the stockholder.

(b) Loans authorized in subsection (a) hereof shall bear such rate or rates of interest as are determined under regulations prescribed by the board of the bank with the approval of the Farm Credit Administration, and shall be made upon such terms, conditions, and upon such security, if any, as shall be authorized in such regulations. In setting rates and charges, it shall be the objective to provide the types of credit needed by eligible borrowers, at the lowest reasonable cost on a sound business basis, taking into account the cost of money to the association, necessary reserves and expenses of the association, and services provided to borrowers and members. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan in accordance with the rate or rates currently being charged by the association. Such regulations may require prior approval of the bank or of Farm Credit Administration on certain classes of loans; and may authorize a continuing commitment to a borrower of a line of credit.

SEC. 2.16 OTHER SERVICES.—Each production credit association may provide technical assistance to borrowers, applicants, and members and may make available to them at their option such financial related services appropriate to their on-farm operations as is determined feasible, under regulations prescribed by the Farm Credit Administration.

SEC. 2.17. TAXATION.—Each production credit association and its obligations are instrumentalities of the United States and as such any and all notes, debentures, and other obligations issued by such associations shall be exempt. both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any State, territorial, or local taxing authority. Such associations, their property, their franchises, capital, reserves, surplus, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, territorial, or local taxing authority; except that interest on the obligations of such associations shall be subject daily to Federal income taxation in the hands of the holder thereof pursuant to the Public Debt Act of 1941 (31 U.S.C. 742(a)) and except that any real and tangible personal property of such associations shall be subject to Federal, State, territorial, and local taxation to the same extent as similar property is taxed. The exemption provided in the preceding sentence shall apply only for any year or part thereof in which stock in the production credit associations is held by the Governor of the Farm Credit Administration.

TITLE III—BANKS FOR COOPERATIVES

SEC. 3.0. ESTABLISHMENT; TITLES; BRANCHES.—The banks for cooperatives established pursuant to sections 2 and 30 of the Farm Credit Act of 1933, as amended, shall continue as federally chartered instrumentalities of the United States. Their charters or organization certificates may be modified from time to time by the Farm Credit Administration, not inconsistent with the provisions of this title, as may be necessary or expedient to implement this Act. Unless an existing bank for cooperatives is merged with one or more other such banks under section 4.10 of this Act, there shall be a bank for cooperatives in each farm credit district and a Central Bank for Cooperatives. A bank for cooperatives may include in its title the name of the city in which it is located or other geographical designation. The Central Bank for Cooperatives may be located in such place as its board of directors may determine with the approval of the Farm Credit Administration. When authorized by the Farm Credit Administration each bank for cooperatives may establish such branches or other offices as may be appropriate for the effective operation of its business.

SEC. 3.1. CORPORATE EXISTENCE; GENERAL CORPORATE POWERS.—Each bank for cooperatives shall be a body corporate and, subject to supervision by Farm Credit Administration, shall have power to—

(1) Adopt and use a corporate seal.

(2) Have succession until dissolved under the provisions of this Act or other Act of Congress.

(3) Make contracts.

(4) Sue and be sued.

(5) Acquire, hold, dispose, and otherwise exercise all of the usual incidents of ownership of real and personal property necessary or convenient to its business.

(6) Make loans and commitments for credit, provide services and other assistance as authorized in this Act, and charge fees therefor.

(7) Operate under the direction of its board of directors.

(8) Elect by its board of directors a president, any vice presidents, a secretary, a treasurer, and provide for such other officers, employees, and agents as may be necessary, including joint employees as provided in this Act, define their duties and require surety bonds or make other provisions against losses occasioned by employees.

(9) Prescribe by its board of directors its bylaws not inconsistent with law providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; its officers, employees, or agents elected or provided for; its property acquired, held, and transferred; its loans made; its general business conducted; and the privileges granted it by law exercised and enjoyed.

(10) Borrow money and issue notes, bonds, debentures, or other obligations individually or in concert with one or more other banks of the System, of such character, and such terms, conditions, and rates of interest as may be determined.

(11) Participate in loans under this title with one or more other banks for cooperatives and with commercial banks and other financial insitutions upon such terms as may be agreed among them.

(12) Deposit its securities and its current funds with any member bank of the Federal Reserve System, and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; may be employed as a fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent of the Government as may be required of it. No Government funds deposited under the provisions of this subsection shall be invested in loans or bonds or other obligations of the bank.

(13) Buy and sell obligations of or insured by the United States or of any agency thereof, or securities backed by the full faith and credit of any such agency and make such other investments as may be authorized by the Farm Credit Administration.

(14) Conduct studies and adopt standards for lending.

(15) Amend and modify loan contracts, documents, and payment schedules, and release, subordinate, or substitute security for any of them.

(16) Perform any function delegated to it by the Farm Credit Administration.

(17) Exercise by its board of directors or authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry on the business of the bank.

SEC. 3.2. BOARD OF DIRECTORS.—(a) In the case of a district bank for cooperatives, the board of directors shall be the farm credit district board and in the case of the Central Bank for Cooperatives shall be a separate board of not more than thirteen members, one from each farm credit district and one at large. One district director of the Central Bank Board shall be elected by each district farm credit board and the member at large shall be appointed by the Governor with the advice and consent of the Federal Farm Credit Board.

(b) For the purposes of this section the provisions of sections 5.1 (b) and (c), 5.4, 5.5, and 5.6 shall apply to and shall be the authority of the Central Bank for Cooperatives the same as though it were a district bank.

SEC. 3.3. BANK FOR COOPERATIVES STOCK; VALUE; CLASSES OF STOCK; VOTING; EXCHANGE.—(a) The capital stock of each bank for cooperatives shall be in such amount as its board determines, with the approval of Farm Credit Administration, is required for the purpose of providing adequate capital to permit the bank to meet the credit needs of borrowers from the bank and such amounts may be increased or decreased from time to time in accordance with such needs.

(b) The capital stock of each bank shall be divided into shares of par value of $100 each and may be of such classes as the board may determine with the approval of the Farm Credit Administration. Such stock may be issued in fractional shares.

(c) Voting stock may be issued or transferred to and held only by (i) cooperative associations eligible to borrow from the banks and (ii) other banks for cooperatives, and shall not be otherwise transferred, pledged, or hypothecated except as consented to by the issuing bank under regulations of the Farm Credit Administration.

(d) Each holder of one or more shares of voting stock which is eligible to borrow from a bank for cooperatives shall be entitled only to one vote and only in the affairs of the bank in the district in which its principal office is located unless otherwise authorized by the Farm Credit Administration, except that if such holder has not been a borrower from the bank in which it holds such stock within a period of two years next preceding the date fixed by the Farm Credit Administration prior to the commencement of voting, it shall not be entitled to vote.

(e) Nonvoting investment stock may be issued in such series and in such amounts as may be determined by the board and approved by the Farm Credit Administration and, except for stock held by the Governor, may be exchanged for voting stock or sold or transferred to any person subject to the approval of the issuing bank.

SEC. 3.4. DIVIDENDS.—Dividends may be payable only on nonvoting investment stock, other than stock held by the Governor of the Farm Credit Administration, if declared by the board of directors of the bank.

SEC. 3.5. RETIREMENT OF STOCK.—Any nonvoting stock held by the Governor of the Farm Credit Administration shall be retired to the extent required by section 4.0(b) before any other outstanding voting or nonvoting stock shall be retired except as may be otherwise authorized by the Farm Credit Administration. When those requirements have been satisfied, nonvoting investment stock may be called for retirement at par. With the approval of the issuing bank, the holder may elect not to have the called stock retired in response to a call, reserving the right to have such stock included in the next call for retirement. When the requirements of section 4.0(b) have been met, voting stock may also be retired at fair book value not exceeding par, on call or on such revolving basis as the board may determine with approval of the Farm Credit Administration with due regard for its total capital needs: *Provided, however,* That all equities in the district banks issued or allocated with respect to the year of the enactment of this Act and prior years shall be retired on a revolving basis according to the year of issue with the oldest outstanding equities being first retired. Equities issued for subsequent years shall not be called or retired until equities described in the preceding sentence of this proviso have been retired.

Sec. 3.6. Guaranty Fund Subscriptions in Lieu of Stock.—If any cooperative association is not authorized under the laws of the State in which it is organized to take and hold stock in a bank for cooperatives, the bank shall, in lieu of any requirement for stock purchase, require the association to pay into or have on deposit in a guaranty fund, or the bank may retain out of the amount of the loan and credit to the guaranty fund account of the borrower, a sum equal to the amount of stock which the association would otherwise be required to own. Each reference to stock of the banks for cooperatives in this Act shall include such guaranty fund equivalents. The holder of the guaranty fund equivalent and the bank shall each be entitled to the same rights and obligations with respect thereto as the rights and obligations associated with the class or classes of stock involved.

Sec. 3.7. Lending Power.—The banks for cooperatives are authorized to make loans and commitments to eligible cooperative associations and to extend to them other technical and financial assistance, including but not limited to discounting notes and other obligations, guaranties, collateral custody, or participation with other banks for cooperatives and commercial banks or other financial institutions in loans to eligible cooperatives, under such terms and conditions as may be prescribed by the Farm Credit Administration, including provisions for avoiding duplication between the Central Bank and district banks for cooperatives. Each bank may own and lease, or lease with option to purchase, to stockholders eligible to borrow from the bank equipment needed in the operations of the stockholder.

Sec. 3.8. Eligibility.—Any association of farmers, producers or harvesters of aquatic products, or any federation of such associations, which is operated on a cooperative basis, and has the powers for processing, preparing for market, handling, or marketing farm or aquatic products; or for purchasing, testing, grading, processing, distributing, or furnishing farm or aquatic supplies or furnishing farm business services or services to eligible cooperatives and conforms to either of the two following requirements:

(a) no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; or

(b) does not pay dividends on stock or membership capital in excess of such per centum per annum as may be approved under regulations of the Farm Credit Administration; and in any case

(c) does not deal in farm products or aquatic products, or products processed therefrom, farm or aquatic supplies, or farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members, excluding from the total of member and nonmember business transactions with the United States or any agency or instrumentality thereof or services or supplies furnished as a public utility; and

(d) a percentage of the voting control of the association not less than 66⅔ per centum, or such higher percentage as established by the district board is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations as defined herein;

shall be eligible to borrow from a bank for cooperatives.

Sec. 3.9. Ownership of Stock by Borrowers.—(a) Each borrower at the time a loan is made by a bank for cooperatives shall own at least one share of voting stock and shall be required by the bank with the approval of the Farm Credit Administration to invest in additional voting stock or nonvoting investment stock at that time, or from time to time, as the lending bank may determine, but the requirement for investment in stock at the time the loan is closed shall not exceed an amount equal to 10 per centum of the face amount of the loan. Such additional ownership requirements may be based on the face amount of the loan, the outstanding loan balance at the beginning of any fiscal year or on a percentage of the interest payable by the borrower during any year or during any quarter thereof, or upon such other basis as the bank, with the approval of the Farm Credit Administration, determines will provide adequate capital for the operation of the bank and equitable ownership thereof among borrowers. In the case of a direct loan by the Central Bank, the borrower shall be required to own or invest in the necessary stock in a district bank or banks as may be approved by the Farm Credit Administration and such district bank shall be required to own a corresponding amount of stock in the Central Bank, but voting stock shall be in the one district bank designated by the Farm Credit Administration.

(b) Notwithstanding the provisions of subsection (a) of this section, the purchase of stock need not be required with respect to that part of any loan made by a bank for cooperatives which it sells to or makes in participation with financial institutions other than any of the banks for cooperatives. In such cases the distribution of earnings of the bank for cooperatives shall be on the basis of the interest in the loan retained by such bank.

Sec. 3.10. Interest Rates; Security; Lien; Cancellation; and Application on Indebtedness.—(a) Loans made by a bank for cooperatives shall bear interest at a rate or rates determined by the board of directors of the bank from time to time, with the approval of the Farm Credit Administration. In setting rates and charges, it shall be the objective to provide the types of credit needed by eligible borrowers at the lowest reasonable cost on a sound business basis, taking into account the net cost of money to the bank, necessary reserves and expenses of the bank, and services provided. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan, in accordance with the rate or rates currently being charged by the bank.

(b) Loans shall be made upon such terms, conditions, and security, if any, as may be determined by the bank in accordance with regulations of the Farm Credit Administration.

(c) Each bank for cooperatives shall have a first lien on all stock or other equities in the bank as collateral for the payment of any indebtedness of the owner thereof to the bank. In the case of a direct loan to an eligible cooperative by the Central Bank, the Central Bank shall have a first lien on the stock and equities of the borrower in the district bank and the district bank shall have a lien thereon junior only to the lien of the Central Bank.

(d) In any case where the debt of a borrower is in default, or in any case of liquidation or dissolution of a present or former borrower from a bank for cooperatives, the bank may, but shall not be required to, retire and cancel all or a part of the stock, allocated surplus or contingency reserves, or any other equity in the bank owned by or allocated to such borrower, at the fair book value thereof not exceeding par, and, to the extent required in such cases, corresponding shares and allocations and other equity interest held by a district bank another district bank on account of such indebtedness, shall be retired or equitably adjusted.

Sec 3.11. Earnings, and Reserves; Application of Savings.—(a) Each bank for cooperatives, at the end of each fiscal year when said bank shall have stock outstanding held by the Governor of the Farm Credit Administration, shall determine the amount of its net savings after paying or providing for all operating expenses (including reasonable valuation reserves and losses in excess of any such applicable reserves) and shall apply such savings as follows: (1) To the restoration of the amount of the impairment, if any, of capital stock, as determined by its board of directors; (2) 25 per centum of any remaining net savings shall be used to create and maintain a surplus account; (3) it shall next pay to the United States a franchise tax as provided in section 4.0 of this Act; (4) reasonable contingency reserves may be established; (5) dividends on investment stock may be declared as provided in this title; and (6) any remaining net savings shall be distributed as patronage refunds as provided in subsection (c) or (d) of this section: *Provided,* That any patronage refunds received by a district bank from any other bank for cooperatives shall be excluded from net savings of the district bank for the purpose of computing such franchise tax. Amounts applied as provided in (2) above after January 1, 1956, shall be allocated on a patronage basis approved by the Farm Credit Administration. At the end of any fiscal year any portion of the reserve established under (4) above which is no longer deemed necessary shall be transferred to the surplus account and, if the surplus account of any such bank for cooperatives exceed 25 per centum of the sum of all its outstanding capital stock, the bank may distribute in the same manner as a patronage refund any part or all of such excess which has been allocated: *Provided,* That any surplus and contingency reserve shown on the books of the banks as of January 1, 1956 shall not be distributed as patronage refunds. In making such distributions except as otherwise provided in section 3.5 and distributions by the Central Bank, the oldest outstanding allocations shall be distributed first. Whenever used in this title, the words "surplus account" as applied to any bank for cooperatives shall mean any surpluses and contingency reserves shown on the books of the bank as of January 1, 1956, and any amounts accumulated as allocated or unallocated surplus after said date. Said surplus account shall be divided to show the amounts thereof subject to allocation as provided in this subsection and may be further subdivided as prescribed by the Farm Credit Administration.

(b) Whenever at the end of any fiscal year a bank for cooperatives shall have no outstanding capital stock held by the Governor of the Farm Credit Administration, the net savings shall, under regulations prescribed by the Farm Credit Administration, continue to be applied on a cooperative basis and with provision for sound, adequate capitalization to meet the changing financing needs of eligible cooperative borrowers and prudent corporate fiscal management, to the end that current year's patrons carry their fair share of the capitalization, ultimate expenses, and reserves related to the year's operations and the remaining net savings shall be distributed as patronage refunds as provided in subsections (c) and (d) of this section. Such regulations may provide for application of less than 25 per centum of net savings to the restoration or maintenance of an allocated surplus account, reasonable additions to unallocated surplus, or to unallocated reserves of not to exceed such per centum of net savings after payment of operating expenses as may be approved by Farm Credit Administration, and provide for allocations to patrons not qualified under the Internal Revenue Code, or payment of such per centum of patronage refunds in cash, as the board may determine. If during the fiscal year but not at the end thereof a bank shall have had outstanding capital stock held by the United States, provision will be made for payment of franchise taxes required in section 4.0.

(c) The net savings of each district bank for cooperatives, after the earnings for the fiscal year have been applied in accordance with subsection (a) or (b) of this section whichever is applicable, shall be paid in stock or in cash, or both, as determined by the board, as patronage refunds to borrowers of the fiscal year for which such patronage refunds are distributed. Except as provided in subsection (d) below, all patronage refunds shall be paid in proportion that the amount of interest and service fees on the loans to each borrower during the year bears to the interest and service fees on the loans of all borrowers during the year or on such other proportionate patronage basis as the Farm Credit Administration may approve.

(d) The net savings of the Central Bank for Cooperatives after the earnings for the fiscal year have been applied in accordance with subsection (a) or (b) whichever is applicable, shall be paid in stock or cash, or both, as determined by the board, as patronage refunds to the district banks on the basis of interests held by the Central Bank in loans made by the district banks and upon any direct loans made by the Central Bank to cooperative associations, or on such other proportionate patronage basis as the Farm Credit Administration may approve. In cases of direct loans, such refund shall be paid to the district bank or banks which issued their stock to the borrower incident to such loans, and the district bank or banks shall issue a like amount of patronage refunds to the borrower.

(e) In the event of a net loss in any fiscal year after providing for all operating expenses (including reasonable valuation reserves and losses in excess of any applicable reserves), such loss may be carried forward or carried back, if appropriate, or otherwise shall be absorbed by charges to unallocated reserve or surplus accounts established after the date of enactment of this Act; charges to allocated contingency reserve account; charges to allocated surplus account; charges to other contingency reserve and surplus accounts; the impairment of voting stock; or the impairment of all other stock.

(f) Notwithstanding any other provisions of this section any costs or expenses attributable to a prior year or years but not recognized in determining the net savings for such year or years may be changed to reserves or surplus of the bank or to patronage allocations for such years, as may be determined by the board of directors.

(g) For any year that a bank for cooperatives is subject to Federal income tax, it may pay in cash such portion of its patronage refunds as will permit its taxable income to be determined without taking into account savings applied as allocated surplus, allocated contingency reserves, and patronage refunds under subsections (a) or (b) of this section.

Sec. 3.12. Distribution of Assets and Liquidation or Dissolution.—In the case of liquidation or dissolution of any bank for cooperatives, after payment or retirement, first, of all liabilities; second, of all capital stock issued before January 1, 1956, at par, any stock held by the Governor of the Farm Credit Administration at par, and all nonvoting stock at par; and third, all voting stock at par; any surplus and reserves existing on January 1, 1956, shall be paid to the holders of stock issued before that date, stock held by the Governor of the Farm Credit Administration, and voting stock pro rata, and any remaining allocated surplus and reserves shall be distributed to those entities to which they are allocated on the books of the bank, and any other remaining surplus shall be paid to the holders of outstanding voting stock. If it should become necessary to use any surplus or reserves to pay any liabilities or to retire any capital stock, unallocated reserves or surplus, allocated reserves and surplus shall be exhausted in accordance with rules prescribed by Farm Credit Administration.

Sec. 3.13. Taxation.—Each bank for cooperatives and its obligations are instrumentalities of the United States and as such any and all notes, debentures, and other obligations issued by such bank shall be exempt, both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any State, territorial, or local taxing authority. Such banks, their property, their franchises, capital, reserves, surplus, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, territorial, or local taxing authority; except that interest on the obligations of such banks shall be subject only to Federal income taxation in the hands of the holder thereof pursuant to the Public Debt Act of 1941 (31 U.S.C. 742(a)) and except that any real and tangible personal property of such banks shall be subject to Federal, State, territorial, and local taxation to the same extent as similar property is taxed. The exemption provided in the proceding sentence shall apply only for any year or part thereof in which stock in the bank for cooperatives is held by the Governor of the Farm Credit Administration.

TITLE IV—PROVISIONS APPLICABLE TO TWO OR MORE CLASSES OF INSTITUTIONS OF THE SYSTEM

Part A—Funding

Sec. 4.0. Stock Purchased by Governor; Retirement; Franchise Tax; Revolving Fund.—(a) The Federal land banks, the Federal intermediate credit banks, the banks for cooperatives, and subject to section 2.13(d), the production credit associations may issue stock which may be purchased by the Governor of the Farm Credit Administration on behalf of the United States as a temporary investment in the stock of the institution to help one or several of the banks or associations to meet emergency credit needs of borrowers. The ownership of such stock shall be deemed to not change the status of ownership of the banks or associations, but during the time such stock is outstanding, the pertinent provisions of the Government Corporation Control Act shall be applicable.

(b) The Governor shall require the retirement of such stock at such time as in his opinion the bank or association has resources available thereof and the need for such temporary investment is reduced or no longer exists. If the Governor determines that a production credit association does not have resources available to retire stock held by him, but in his judgment, the Federal intermediate credit bank of the district has resources available to do so, the Governor may require such bank to invest in an equivalent amount of nonvoting stock of said association and the association then shall retire the stock held by the Governor.

(c) For any year or part thereof in which the Governor holds any stock in a bank of the System, such institution after complying with sections 1.17, 2.6, 2.14, 3.11, respectively, shall pay to the United States as a franchise tax a sum equal to the lower of 25 per centum of its net earnings for the year before establishing any contingency reserves or declaring any dividends or patronage distribution, not exceeding a rate of return on such temporary investment calculated at a rate determined by the Secretary of the Treasury equal to the average annual rate of interest on all public issues of debt obligations of the United States issued during the fiscal year ending next before such tax is due, multiplied by the percentage that the number of days such stock is outstanding is of three hundred and sixty-five days. Such payments shall be deposited in the miscellaneous receipts in the Treasury.

Sec. 4.1. Revolving Funds and Government Deposits.—(a) The revolving fund established by Public Law 87–343, 75 Stat. 758, as amended, shall be available at the request of the Governor of the Farm Credit Administration for his temporary investment in the stock of any Federal intermediate credit banks or production credit associations as provided in section 4.0 and for any other purpose authorized by said Act. Funds received from the partial or the full retirement of such investments shall be deposited in this revolving fund.

(b) The revolving fund established by Public Law 87–494, 76 Stat. 109, as amended, shall be available at the request of the Governor of the Farm Credit Administration for his temporary investment in the stock of any bank for cooperatives as provided in section 4.0 of this Act. Funds received from the partial or full retirement of such investments shall be deposited in this revolving fund.

(c) The Secretary of the Treasury is authorized, in his discretion, upon the request of the Farm Credit Administration, to make deposits for the temporary use of any Federal land bank, out of any money in the Treasury not otherwise appropriated. Such Federal land bank shall issue to the Secretary of the Treasury a certificate of indebtedness for any such deposit, bearing a rate of interest not to exceed the current rate charged for other Government deposits, to be secured by bonds or other collateral, to the satisfaction of the Secretary of the Treasury. Any such certificate shall be redeemed and paid by such land bank at the discretion of the Secretary of the Treasury. The aggregate of all sums so deposited by the Secretary of the Treasury shall not exceed the sum of $6,000,000 at any one time.

Sec. 4.2. Power To Borrow; Issue Notes, Bonds, Debentures, and Other Obligations.—Each of the banks of the System, in order to obtain funds for its authorized purposes, shall have power, subject to supervision of the Farm Credit Administration, and subject to the limitations of paragraph (e) of this section, to—

(a) Borrow money from or loan to any other institution of the Sytem, borrow from any commercial bank or other lending institution, issue its notes or other evidence of debt on its own individual responsibility and full faith and credit, and invest its excess funds in such sums, at such times, and on such terms and condiitons as it may determine.

(b) Issue its own notes, bonds, debentures, or other similar obligations, fully collateralized as provided in section 4.3(b) by the notes, mortgages, and security instruments it holds in the performance of its functions under this Act in such sums, maturities, rates of interest, and terms and conditions of each issue as it may determine with approval of the Governor.

(c) Join with any or all banks organized and operating under the same title of this Act in borrowing or in issuance of consolidated notes, bonds, debentures, or other obligations as may be agreed with approval of the Governor.

(d) Join with other banks of the System in issuance of System-wide notes, bonds, debentures, and other obligations in the manner, form, amounts, and on such terms and conditions as may be agreed upon with approval of the Governor. Such System-wide issue by the participating banks and such participations by each bank shall not exceed the limits to which each such bank is subject in the issuance of its individual or consolidated obligations and each such issue shall be subject to approval of the Governor.

(e) No bank or banks shall issue notes, bonds, debentures, or other obligations individually or in concert with one or more banks of the System other than through their fiscal agent under any provision of this Act except under subsection (a) of this section: *Provided*, That any bank or banks may issue investment bonds or like obligations other than through the fiscal agent if the interest rate is not in excess of the interest allowable on savings deposits of commercial banks of comparable amounts and maturities under Federal Reserve regulation on its member banks.

SEC. 4.3. AGGREGATE OF OBLIGATIONS; COLLATERAL.—(a) No issue of long-term notes, bonds, debentures, or other similar obligations by a bank or banks shall be approved in an amount which, together with the amount of other bonds, debentures, long-term notes, or other similar obligations issued and outstanding, exceeds twenty times the capital and surplus of all the banks which will be primarily liable on the proposed issue, or such lesser amount as the Farm Credit Administration shall establish by regulation.

(b) Each bank shall have on hand at the time of issuance of any long-term notes, bonds, debentures, or other similar obligations and at all times thereafter maintain, free from any lien or other pledge, notes and other obligations representing loans made under the authority of this Act, obligations of the United States or any agency thereof direct or fully guaranteed, other readily marketable securities approved by the Farm Credit Administration, or cash, in an aggregate value equal to the total amount of long-term notes, bonds, debentures, or other similar obligations outstanding for which the bank is primarily liable.

SEC. 4.4. LIABILITY OF BANKS; UNITED STATES NOT LIABLE.—(a) Each bank of the System shall be fully liable on notes, bonds, debentures, or other obligations issued by it individually, and shall be liable for the interest payments on long-term notes, bonds, debentures, or other obligations issued by other banks operating under the same title of this Act. Each bank shall also be primarily liable for the portion of any issue of consolidated or System-wide obligations made on its behalf and be jointly and severally liable for the payment of any additional sums as called upon by the Farm Credit Administration in order to make payments of interest or principal which any bank primarily liable therefor shall be unable to make. Such calls shall be made first upon the other banks operating under the same title of this Act as the defaulting bank, and second upon banks operating under other titles of this Act, taking into consideration to the capital, surplus, bonds, debentures, or other obligations which each may have outstanding at the time of such assessment.

(b) Each bank participating in an issue shall by appropriate resolution undertake such responsibility as provided in subsection (a), and in the case of consolidated or System-wide obligations shall authorize the Governor to execute such long-term notes, bonds, debentures, or other obligations on its behalf. When a consolidated or System-wide issue is approved, the notes, bonds, debentures, or other obligations shall be executed by the Governor and the banks shall be liable thereon as provided herein.

(c) The United States shall not be liable or assume any liability directly or indirectly thereon.

SEC. 4.5. FINANCE COMMITTEE.—There shall be established a finance committee for the banks organized and operated under titles I, II, and III, respectively, of this Act composed of the presidents of each bank. Each such committee may have such officers and such subcommittees for such terms and such representation as may be agreed upon between the banks. When appropriate to the performance of their function, the subcommittees, or representatives thereof, of the various banks shall constitute such subcommittees in connection with System-wide issues of obligations. The finance committees and subcommittees acting for the banks of the System shall, subject to approval of the Governor, determine the amount, maturities, rates of interest, and participation by the several banks in each issue of joint, consolidated, or System-wide obligations.

SEC. 4.6. BONDS AS INVESTMENTS.—The bonds, debentures, and other similar obligations issued under the authority of this Act shall be lawful investments for all fiduciary and trust funds and may be accepted as security for all public deposits.

SEC. 4.7. PURCHASE AND SALE BY FEDERAL RESERVE SYSTEM.—Any member of the Federal Reserve System may buy and sell bonds, debentures, or other similar obligations issued under the authority of this Act and any Federal Reserve bank may buy and sell such obligations to the same extent and subject to the same limitations placed upon the purchase and sale by said banks of State, county, district, and municipal bonds under section 355 of title 12, United States Code.

SEC. 4.8. PURCHASE AND SALE OF OBLIGATIONS.—Each bank of the System may purchase its own obligations and the obligations of other banks of the System and may provide for the sale of obligations issued by it, consolidated obligations, or System-wide obligations through a fiscal agent or agents, by negotiation, offer, bid, syndicate sale, and to deliver such obligations by book entry, wire transfer, or such other means as may be appropriate.

SEC. 4.9. FISCAL AGENCY.—A fiscal agency shall be established by the banks for such of their functions relating to the issuance, marketing, and handling of their obligations, and interbank or intersystem flow of funds as may from time to time be required.

PART B—DISSOLUTION AND MERGER

SEC. 4.10. MERGER OF SIMILAR BANKS.—Banks organized or operating under titles I, II, or III, respectively, may, upon approval of a majority of their stockholders and the Farm Credit Administration, merge with banks in other districts operating under the same title of this Act.

SEC. 4.11. BOARD OF DIRECTORS FOR MERGED BANK.—In the event of merger of two or more banks to serve borrowers in more than one farm credit district, a separate board of directors shall be created for the resulting merged bank. The board thus created shall be composed of two directors elected by *each* of the district boards *involved*, at least one of which *from each district* shall have been elected by the eligible stockholders of or subscribers to the guaranty fund of the merging banks, and one director appointed by the Governor with the advice and consent of the Federal Farm Credit Board. Notwithstanding the foregoing, the bylaws of the merged bank may, with the approval of the Farm Credit Administration, provide for a different number of directors selected in a different manner. The board so constituted shall have such separate and distinct powers, functions, and duties as are normally exercised by a district board related to the operations and policies of the banks which were merged.

SEC. 4.12. DISSOLUTION; VOLUNTARY LIQUIDATION; MERGERS; RECEIVERSHIPS; AND CONSERVATORS.—(a) No institution of the System shall go into voluntary liquidation without the consent of the Farm Credit Administration and with such consent may liquidate only in accordance with regulations prescribed by the Farm Credit Administration. Associations may voluntarily merge with other like associations upon the vote of a majority of each of their stockholders present and voting or voting by written proxy at duly authorized meetings, and with the approval of the supervising bank and the Farm Credit Administration. The Governor of the Farm Credit Administration may require such merger whenever he determines, with the concurrence of the district board, that an association has failed to meet its outstanding obligations, failed to provide adequate credit services at reasonable cost, or failed to conduct its operations in accordance with this Act.

(b) Upon default of any obligation by any institution of the System, such institution may be declared insolvent and placed in the hands of a conservator or a receiver appointed by the Governor and the proceedings thereon shall be in accordance with regulations of the Farm Credit Administration regarding such insolvencies.

PART C—RIGHTS OF APPLICANTS

SEC. 4.13. NOTICE OF ACTION ON APPLICATION.—Every applicant for a loan from an institution of the System shall be entitled to prompt notice of action on his application, and, if the loan applied for is reduced or denied, the reason for such action.

SEC. 4.14. RECONSIDERATION.—Any applicant who has reason to believe that the action on his application by an association failed to take into account facts pertinent to his application, or has misinterpreted or failed to properly apply the applicable law or rules and regulations governing his application, may, if he so requests in writing within thirty days of the date of that notice, request an informal hearing on his application and the action of the association in reduction or denial thereof, or the reason for such action, in person before the loan committee or officer or employee thereof authorized to act on applications under section 1.15(11) or 2.12 (18). Promptly after such a hearing, he shall be notified of the decision upon reconsideration and the reasons therefor.

SEC. 4.15. NOMINATION OF ASSOCIATION DIRECTORS; REPRESENTATIVE SELECTION OF NOMINEES.—Each production credit association and each Federal land bank association shall elect a nominating committee by vote of the stockholders at the annual meeting to serve for the following year. Each nominating committee shall review lists of farmers from the association territory, determine their willingness to serve, and submit for election a slate of eligible candidates which shall include at least two nominees for each elective office to be filled. In doing so, the committee shall endeavor to assure representation to all sections of the association territory and as nearly as possible to all types of agriculture practiced within the area. Employees of the association shall not be eligible to be nominated, elected, or serve as a member of the board. Nominations shall also be accepted from the floor. Members of the board are not eligible to serve on the nominating committee. Regulations of the Farm Credit Administration governing the election of district directors shall similarly assure a choice of two nominees for each elective office to be filled and that the district board represent as nearly as possible all types of agriculture in the district.

TITLE V—DISTRICT AND FARM CREDIT ADMINISTRATION ORGANIZATION

PART A—DISTRICT ORGANIZATION

SEC. 5.0. CREATION OF DISTRICTS.—There shall be not more than twelve farm credit districts in the United States, which may be designated by number, one of which districts shall include the Commonwealth of Puerto Rico. The boundaries of the twelve farm credit districts existing on the date of enactment of this Act may be readjusted from time to time in the discretion of the Federal Farm Credit Board, and two or more districts may be merged as provided in section 5.18(1).

Sec. 5.1. District Boards of Directors; Membership; Eligibility; Terms.—(a) There shall be in each farm credit district a farm credit board of directors composed of seven members. Each farm credit district board may include in its title the name of the city in which the banks of the System for the district are located or other geographical designation.

(b) To be eligible for membership on a farm credit district board a person must be a citizen of the United States for at least ten years, and a resident of the district for at least two years.

A person shall not be eligible who—

(1) is or has, within one year next preceding the date of election or appointment, been a salaried officer or employee of the Farm Credit Administration or of any institution of the System;

(2) has been convicted of a felony or adjudged liable in damages for fraud; or

(3) if there is at the time of his election another resident of the same State who was elected to the district board by the same electorate, except where a district embraces only one State.

No director of a district board shall be eligible to continue to serve in that capacity and his office shall become vacant if, after his election or appointment as a member of a district board, he continues or becomes a salaried officer or employee of the Farm Credit Administration, of any institution of the System, or a member of the Federal Farm Credit Board, or if he becomes legally incompetent or is finally convicted of a felony or held liable in damages for fraud. In any event, no director shall, within one year after the date when he ceases to be a member of the board, be elected or designated to serve as a salaried employee of any bank or joint employee of the district for which he served as director.

(c) The terms of district directors shall be for three years, except that the terms of appointed directors may be for a shorter or longer term to permit the staggering of such appointments over a three-year period but in no event shall such appointed director be eligible to serve for more than two full terms.

Sec. 5.2. Same; Nomination; Election; Appointment.—(a) Two of the district directors shall be elected by the Federal land bank associations, two by the production credit associations, and two by the borrowers from or subscribers to the guaranty fund of the bank for cooperatives. The seventh member shall be appointed and may be removed by the Governor with the advice and consent of the Federal Farm Credit Board.

(b) At least two months before an election of an elected director the Farm Credit Administration shall cause notice in writing to be sent to those entitled to nominate candidates for such elected director. In the case of an election of a director by Federal land bank associations and borrowers through agencies, such notice shall be sent to all Federal land bank associations and borrowers through agencies in the district; in the case of an election by production credit associations, such notice shall be sent to all production credit associations in the district; and in the case of an election by cooperatives which are voting stockholders or subscribers to the guaranty fund of the bank for cooperatives of the district, such notice shall be sent to all cooperatives which are eligible, voting stockholders or subscribers to the guaranty fund at the time of sending the notice. The notice in the case of associations shall state the number of votes the board of each association is entitled to cast for nomination and election based on the voting stockholders of the association as determined by the Farm Credit Administration as near as practicable to the date of the notice. After receipt of such notice those entitled to nominate a director shall forward nominations to the Farm Credit Administration. The Farm Credit Administration shall from the nominations received within sixty days after it sends such notice, prepare a list of candidates for such elected director, consisting of the three nominees receiving the highest number of votes, except that for elections to fill vacancies the Farm Credit Administration may specify a shorter period than sixty days but not less than thirty days.

(c) At least one month before the election of an elected director, the Farm Credit Administration shall mail to each person or organization entitled to elect the elected director a list of the three candidates receiving the highest number of votes from those nominated in accordance with subsection (b). In the case of an election of a director by the Federal land bank associations the directors of each land bank association shall cast the vote of such association for one of the candidates on the list. Each association shall be entitled to cast the number of votes specified in the notice prior to the nomination poll as determined by the Farm Credit Administration to be the number of voting stockholders of each association, and each direct borrower and borrower through agent shall be entitled to cast one vote. Each production credit association shall be entitled to cast the number of votes specified in the notice of nomination poll as determined by the Farm Credit Administration to be equal to the number of voting stockholders of such association. Each cooperative which is the holder of voting stock in or a subscriber to the guaranty fund of the bank for cooperatives shall be entitled to cast one vote except as provided in subsection 3.3 (d). The votes shall be forwarded to the Farm Credit Administration and no vote shall be counted unless received by it within sixty days after the sending of such list of candidates, except that for elections to fill vacancies the Farm Credit Administration may specify a shorter period than sixty days but not less than thirty days. In the case of a tie another runoff election between those tying shall be held.

(d) Any vacancies in the board of directors shall be filled for the unexpired term in the manner provided in sections 5.1 and 5.2 for the selection of such directors.

Sec. 5.3. District Directors Constitute Boards of Directors for Federal Land Banks, Federal Intermediate Credit Banks, and District Banks for Cooperatives.—The members of each farm credit district board of directors shall be and shall have all the functions, powers, and duties of directors for the Federal land banks, the Federal intermediate credit banks, and the district banks for cooperatives in their respective districts.

Sec. 5.4. District Board Officers.—Each farm credit district board shall elect from its members a chairman and a vice chairman and shall appoint a secretary from within or without its membership as it may see fit. The chairman, vice chairman, and secretary shall hold office for a term of one year and until their successors are selected and take office.

Sec. 5.5. Compensation of District Board.—Members of each farm credit district board shall receive compensation, including reasonable allowances for necessary expenses, in attending meetings of the board as district board and as directors of the district banks including travel time. The compensation shall not be in excess of the level set by the Farm Credit Administration. In addition to attending said meetings, a director may not receive compensation and allowances for any services rendered in his capacity as director or otherwise for more than thirty days or parts of days in any one calendar year without the approval of the Farm Credit Administration.

Sec. 5.6. Powers of the District Farm Credit Board.—(a) Each farm credit district board shall have power to—

(1) Act as the board of directors for the district and of the several banks of the System in the district.

(2) Provide rules and regulations, governing the banks and associations in the district, not inconsistent with law.

(3) Elect or provide for joint officers and employees for the banks in its district which are institutions of the System or, upon agreement with banks in other districts, joint officers and employees of institutions in more than one district. The salary or other compensation of all such joint officers and employees and the allocation thereof between the banks shall be fixed by the district farm credit board. Officers and employees elected or provided for by the district farm credit board, whether separate officers and employees of the institutions or joint officers and employees, shall be officers and employees of the district institutions served by them. Employment, compensation, leave, retirement, except as provided in subsection (b) of this section, hours of duty, and all other conditions of employment of such joint officers and employees and of the separate officers and employees of the institutions in the district provided for by the board of directors shall be without regard to the provisions of title 5 of the United States Code relating to such matters, but all such determinations shall be consistent with the law under which the banks are organized and operate. Appointments, promotions, and separations so made shall be based on merit and efficiency and no political test or qualification shall be permitted or given consideration. The limitations against political activity and conflict of interest of such officers and employees shall be in accordance with rules and regulations prescribed by the Farm Credit Administration.

(4) Authorize the acquisition and disposal of such property, real or personal, as may be necessary or convenient for the transaction of the business of the banks of the System located in its district, upon such terms and conditions as it shall fix, and to prorate among such banks the cost of purchases, rentals, construction, repairs, alterations, maintenance, and operation, in such amounts and in such manner as it shall determine. Any lease, or any contract for the purchase or sale of property, or any deed or conveyance of property, or any contract for the construction, repair, or alteration of buildings, authorized by a district farm credit board under this subsection shall be executed by the officers of the bank or banks concerned pursuant to the direction of such board. No provision of law relative to the acquisition or disposal of property, real or personal, by or for the United States, or relative to the making of contracts or leases by or for the United States, including the provisions set out in titles 40 and 41, and including provisions applicable to corporations wholly owned by the United States, shall be deemed or held applicable to any lease, purchase, sale, deed, conveyance, or contract authorized or made by a district farm credit board or the banks of the System under this subsection.

(5) Authorize, with the approval of the Farm Credit Administration, agreements for the provision of joint services between institutions of the System in the district and between districts for those bank and association functions and for those services to borrowers which can most effectively be performed by joint undertakings of the district or districts, consistent with the provisions of this Act.

(6) Formulate broad policy considerations concerning the funding operations of the banks in the district and, in concert with the other district boards, furnish unified long-

range policy guidance for the funding of the System.

(b) The provisions of subsection (a) of this section are qualified as follows:

(1) Each officer and employee of the banks of the System who, on December 31, 1959, was within the purview of the Civil Service Retirement Act, as amended, shall continue so during his continuance as an officer or employee of any of such banks or of the Farm Credit Administration without break in continuity of service. Any other officer or employee of such banks and any other person entering upon employment with any such banks after December 31, 1959, shall not be covered under the civil service retirement system by reason of such employment, except that (1) a person who, on December 31, 1959, was within the purview of the Civil Service Retirement Act, as amended, and thereafter becomes an officer or employee of any such banks without break in continuity of service shall continue under the civil service retirement system during his continuance as an officer or employee of any of such banks without break in continuity of service and (2) a person who has been within the purview of said Act as an officer or employee of such banks and, after a break in such employment, again becomes an officer or employee of any of such banks may elect to continue under the civil service retirement system during his continuance as such officer or employee by so notifying the Civil Service Commission in writing within thirty days after such reemployment.

(2) Each of the banks of the System shall contribute to the civil service retirement and disability fund, for each fiscal year after June 30, 1960, a sum as provided by section 4(a) of the Civil Service Retirement Act, as amended, except that such sum shall be determined by applying to the total basic salaries (as defined in that Act) paid to the employees of said banks who are covered by that Act, the per centum rate determined annually by the United States Civil Service Commission to be the excess of the total normal cost per centum rate of the civil service retirement system over the employee deduction rate specified in such section 4(a). Each bank shall also pay into the Treasury as miscellaneous receipts such portion of the cost of administration of the fund as is determined by the United States Civil Service Commission to be attributable to its employees.

Part B—Farm Credit Administration Organization

Sec. 5.7. The Farm Credit Administration.—The Farm Credit Administration shall be an independent agency in the executive branch of the Government. It shall be composed of the Federal Farm Credit Board, the Governor of the Farm Credit Administration, and such other personnel as are employed in carrying out the functions, powers, and duties vested in the Farm Credit Administration by this Act.

Sec. 5.8. The Federal Farm Credit Board; Nomination and Appointment of Members; Organization and Compensation.—(a) There is established in the Farm Credit Administration a Federal Farm Credit Board. The Board shall consist of not more than thirteen members, one of whom shall be designated by the Secretary of Agriculture. The remainder of the Board shall be appointed by the President, with the advice and consent of the Senate, one from each farm credit district, to be known as the appointed members.

(b) In making appointments to the Board, the President shall have due regard to a fair representation of the public interest, the welfare of all farmers, and the types of institutions constituting the Farm Credit System, with special consideration to persons who are experienced in cooperative agricultural credit, taking into consideration the lists of nominees proposed by the Farm Credit System as hereinafter provided.

(c) Each appointed member of the Board shall have been a citizen of the United States and shall have been a resident of the district from which he was appointed for not less than ten years next preceding his appointment, and the removal of residence from the district shall operate to terminate his membership on the Board. No person shall be eligible for nomination or appointment if within one year next preceding the commencement of his term he has been a salaried officer or employee of the Farm Credit Administration or a salaried officer or employee of any institution of the Farm Credit System. Any person who is a member of a district farm credit board when appointed as a member of the Federal Farm Credit Board shall resign as a member of the district board before assuming his duties as a member of the Board. No person who becomes an appointed member of the Board shall be eligible to continue to serve in such capacity if such person is or becomes a member of a district farm credit board, or an officer or employee of the Farm Credit Administration, or director, officer, or employee of any institution of the Farm Credit System. No director shall, within one year after the date when he ceases to be a member of the Board, be elected or designated to serve as a salaried officer or employee of any bank, joint officer or employee, or officer or employee of the Farm Credit Administration.

(d) The Secretary of Agriculture shall designate one member of the Board to serve at the pleasure of the Secretary. He shall be known as the Secretary's Representative on the Board. He shall be a citizen of the United States and shall have been a resident of the United States for not less than ten years preceding his designation on the Board. No person shall be designated by the Secretary if such person is a member of a farm credit district board, an officer or employee of the farm credit administration, or an officer or employee of any institution operating under the supervision of the farm credit administration. The Secretary's Representative shall not be eligible to serve as Chairman, Vice Chairman, or Secretary of the Board but shall otherwise possess all the rights and privileges of membership on the Board.

(e) The term of office of the appointed members of the Board shall be six years and such members shall serve until their successors are duly appointed and qualified. No appointed member of the Board shall be eligible to serve more than one full term of six years and, in addition, if he is appointed to fill the unexpired portion of one term expiring before his appointment to a full term, he may be eligible thereafter for appointment to fill a full term of six years.

All vacancies for the offices of appointed members shall be filled for the unexpired portion of the term upon like nominations and like appointments: Provided, however, That the district board of directors may select a representative to meet with the Board, without the right of vote, prior to the filling of a vacancy occasioned by death, resignation, disability, or declination in the office of member from the district, under rules and regulations prescribed by the Board.

(f) A list of nominees for appointment as an appointed member of the Board shall be presented to the President for consideration in the filling of any office of Board member. The list shall be composed of one selected by each voting group in the district in which the member's term is about to expire or in which a vacancy occurs, determined in accordance with the procedure prescribed in section 5.2 of this title for the nomination and election of members of a district farm credit board, except that the list of candidates for the Board for final election in the district shall be the two nominees of each voting group receiving the highest number of votes.

(g) The members of the Board shall meet and subscribe the oath of office and annually organize by the election of the Chairman and Vice Chairman. The Board shall appoint a Secretary from within or without the membership. Such officers of the Board shall serve for one year and until their successors are selected and take office. The Board may function notwithstanding vacancies exist, provided a quorum is present. A quorum shall consist of a majority of all the members of the Board, for the transaction of business. The Board shall hold at least four regularly scheduled meetings a year and such additional meetings at such times and places as it may fix and determine. Such meetings may be held on the call of the Chairman or any three Board members.

(h) Each of the Board members shall receive the sum of $100 a day for each day or part thereof in the performance of his official duties at regular and special meetings of the Board and regular and special meetings of district boards. In addition to attending said meetings, members may receive compensation for services rendered as member for not more than thirty days or parts of days in any calendar year, and shall be reimbursed for necessary travel, subsistence, and other expenses in the discharge of their official duties without regard to other laws with respect to allowance for travel and subsistence of officers and employees of the United States. The Secretary's representative if he is a full-time officer or employee of the United States shall receive no additional compensation for his official duties on the Board, but may receive travel and subsistence and other expenses.

(i) The Board shall adopt such rules as it may see fit for the transaction of its business, and shall keep permanent records and minutes of its acts and proceedings.

Sec. 5.9. Powers of the Board.—The Federal Farm Credit Board shall establish the general policy for the guidance of the Farm Credit Administration and the Farm Credit System in carrying out this Act; may require such reports as it deems necessary from the institutions of the Farm Credit System; provide for the examination of the condition of and general supervision over the performance of the powers, functions, and duties vested in each such institution, and for the performance of all the powers and duties vested in the Farm Credit Administration or in the Governor which, in the judgment of the Board, relate to matters of broad and general supervisory, advisory, or policy nature. The Board shall function as a unit without delegating any of its functions to individual members, but may appoint committees and subcommittees for studies and reports for consideration by the Board. It shall not operate in an administrative capacity.

Sec. 5.10. Governor; Appointment; Responsibilities.—The Governor of the Farm Credit Administration shall be appointed by and serve at the pleasure of the Federal Farm Credit Board. He shall be responsible, subject to the general supervision and direction of the Board as to matters of a broad and general supervisory, advisory, or policy nature, for the execution of all of the administrative functions and duties of the Farm Credit Administration. During any period in which the Governor holds any stock in any of the institutions subject to supervision of the Farm Credit Administration, the appointment of the Governor shall be subject to approval by the President and during any such period the President shall have the power to remove the Governor.

Sec. 5.11. Compensation; Salary and Expense Allowance.—The compensation of the Governor of the Farm Credit Administration shall be at the rate fixed in the Executive Pay Schedule. The Board shall fix the allowance for his necessary travel and subsistence expenses or per diem in lieu thereof.

SEC. 5.12. COMPLIANCE WITH BOARD ORDERS. —It shall be the duty of the Governor of the Farm Credit Administration to comply with all orders and directions which he receives from the Federal Farm Credit Board and, as to third persons, all acts of the Governor shall be conclusively presumed to be in compliance with the orders and directions of the Board.

SEC. 5.13. FARM CREDIT ORGANIZATION.—The Governor of the Farm Credit Administration is authorized, in carrying out the powers and duties now or hereafter vested in him by this Act and acts supplementary thereto, to establish and to fix the powers and the duties of such divisions and instrumentalities as he may deem necessary to the efficient functioning of the Farm Credit Administration and the successful execution of the powers and duties so vested in the Governor and the Farm Credit Administration. The Governor shall appoint such other personnel as may be necessary to carry out the functions of the Farm Credit Administration: *Provided*, That the salary of positions of Deputy Governors shall not exceed the maximum scheduled rate of the general schedule of the Classification Act of 1949, as amended. The powers of the Governor may be exercised and performed by him through such other officers and employees of the Farm Credit Administration as he shall designate.

SEC. 5.14. SEAL.—The Farm Credit Administration shall have a seal, as adopted by the Governor, which shall be judicially noted.

SEC. 5.15. ADMINISTRATIVE EXPENSES.—The Farm Credit Administration may, within the limits of funds available therefor, make necessary expenditures for personnel services and rent at the seat of Government and elsewhere; contract stenographic reporting services; purchase and exchange law books, books of reference, periodicals, newspapers, expenses of attendance at meetings and conferences; purchase, operation, and maintenance at the seat of Government and elsewhere of motor-propelled passenger-carrying vehicles and other vehicles; printing and binding; and for such other facilities and services, including temporary employment by contract or otherwise, as it may from time to time find necessary for the proper administration of this Act.

SEC. 5.16. ALLOCATION OF EXPENSES FOR ADMINISTRATIVE SERVICES BY THE FARM CREDIT ADMINISTRATION; DISPOSITION OF MONEY.—(a) The Farm Credit Administration shall prior to the first day of each fiscal year estimate the cost of administrative expenses for the ensuing fiscal year in administering this Act, including official functions, and shall apportion the amount so determined among the institutions of the System on such equitable basis as the Administration shall determine, and shall assess against and collect in advance the amount so apportioned from the institutions among which the apportionment is made.

(b) The amounts collected pursuant to subsection (a) of this section shall be covered into the Treasury, and credited to a special fund, which fund is authorized to be appropriated to said Administration for expenditure during each fiscal year for salaries and expenses of said Administration as set forth in an appropriation act or acts. As soon as practicable after the end of each such fiscal year, the Administration shall determine, on a fair and reasonable basis, the cost of operation of the Farm Credit Administration and the part thereof which fairly and equitably should be allocated to each bank and association as its share of the cost during the fiscal year of such Administration. If the amount so allocated is greater than the amount collected from the bank or other institutions, the difference shall be collected from such bank or other institutions, and, if less, shall be refunded from the special fund to the bank or other institutions entitled thereto or credited in the special fund to such bank or other institutions for use for the same purposes in future fiscal years.

SEC. 5.17. QUARTERS AND FACILITIES FOR THE FARM CREDIT ADMINISTRATION.—As an alternate to the rental of quarters under section 5.15, and without regard to any other provision of law, the banks of the System, with the concurrence of two-thirds of the district boards, are hereby authorized—

(1) To lease or acquire real property in the District of Columbia or elsewhere for quarters of the Farm Credit Administration.

(2) To construct, develop, furnish, and equip such building thereon and such facilities appurtenant thereto as in their judgment may be appropriate to provide, to the extent the Federal Farm Credit Board may deem advisable, suitable, and adequate quarters and facilities for the Farm Credit Administration.

(3) To enlarge, remodel, or reconstruct the same.

(4) To make or enter into contracts for any of the foregoing.

The Board may require of the respective banks of the System, and they shall make to the Farm Credit Administration, such advances of funds for the purposes set out in this section as in the sole judgment of the Board may from time to time be advisable for the purposes of this section. Such advances shall be in addition to and kept in a separate fund from the assessments authorized in section 5.16 and shall be apportioned by the Board among the banks in proportion to the total assets of the respective banks, and determined in such manner and at such times as the Board may prescribe. The powers of the banks of the System and purposes for which obligations may be issued by such banks are hereby enlarged to include the purpose of obtaining funds to permit the making of advances required by this section. The plans and decisions for such building and facilities and for the enlargement, remodeling, or reconstruction thereof shall be such as is approved in the sole discretion of the Board.

SEC. 5.18. ENUMERATED POWERS.—The Farm Credit Administration shall have the following powers, functions and responsibilities in connection with the institutions of the Farm Credit System and the administration of this Act:

1, Modify the boundaries of farm credit districts, with due regard for the farm credit needs of the country, as approved by the Federal Farm Credit Board.

(2) *Where necessary or appropriate to carry out the policy and objectives of this Act, issue* and amend or modify Federal charters *or the bylaws* of institutions of the System; *approve* change in names of banks operating under this Act; approve the merger of districts when agreed to by the boards of the districts involved and by a majority of the voting stockholders and contributors to the guaranty funds of each bank for each of such districts; approve mergers of banks operating under the same title of this Act, merger of Federal land bank associations, merger of production credit associations and the consolidation or division of the territories which they serve; and approve consolidations of boards of directors or management agreements. Such mergers shall be encouraged where such action will improve service to borrowers and the financial stability, effect economies of operation, or permit desirable joint management, or consolidation of territories and office quarters.

(3) Make annual reports to the Congress on the condition of the System and its institutions and on the manner and extent to which the purposes and objectives of this Act are being carried out and, from time to time, recommend legislative changes.

(4) Approve the salary scale for employees of the institutions of the System, and approve the appointment and compensation of the chief executive officer of such institutions, except of associations.

(5) Coordinate the activities of the banks in making studies of lending standards, including appraisal and credit standards; approve national and district standards, procedures, and appraisal forms; prescribe price and cost levels to be used in such standards appraisals, and lending; supplement the work of the district under the foregoing where necessary to accomplish the purposes of this Act.

(6) Prescribe loan security requirements and the types, classes, or number of loans which may be made only with prior approval.

(7) Conduct loan and collateral security review.

(8) Approve the issuance of obligations of the institutions of the System and execute on behalf of the banks consolidated and Systemwide obligations for the purpose of funding the authorized operations of the institutions of the System, and prescribe collateral therefor.

(9) Approve interest rates paid by institutions of the System on their bonds, debentures, and similar obligations, the terms and conditions thereof, and interest or other charges made by such institutions to borrowers.

(10) Make investments in stock of the institutions of the System as provided in section 4.0 out of the revolving fund, and require the retirement of such stock.

(11) Regulate the borrowing, repayment, and transfer of funds and equities between institutions of the System.

(12) Coordinate and assist in providing services necessary for the convenient, efficient, and effective management of the institutions of the System.

(13) Undertake research into the rural credit needs of the country and ways and means of meeting them and of the funding of the operations of the System in relation to changing farming and economic conditions.

(14) Prepare and disseminate information to the general public on use, organization and functions of the System and to investors on merits of its securities.

(15) Require surety bonds or other provision for protection of the assets of the institutions of the System against losses occasioned by employees.

(16) Prescribe rules and regulations necessary or appropriate for carrying out the provisions of this Act.

(17) Exercise such incidental powers as may be necessary or appropriate to fulfill its duties and carry out the purposes of this Act.

SEC. 5.19. DELEGATION OF DUTIES AND POWERS TO INSTITUTIONS OF THE SYSTEM.—The Farm Credit Administration is authorized and directed, by order or rules and regulations, to delegate to a Federal land bank such of the duties, powers, and authority of the Farm Credit Administration with respect to and over a Federal land bank or Federal land bank associations, their officers and employees, in the farm credit district wherein such Federal land bank is located, as may be determined to be in the interest of effective administration; and, in like manner, to delegate to a Federal intermediate credit bank such of the duties, powers, and authority of the Farm Credit Administration with respect to and over a Federal intermediate credit bank or production credit associations, their officers and employees, in the farm credit district wherein such Federal intermediate credit bank is located, as may be determined to be in the interest of effective administration; to authorize the redelegation thereof; and, in either case the duties, powers, and authority so delegated or redelegated shall be performed and exercised under such conditions and requirements and upon such terms as the Farm Credit Administration may specify. Any Federal land bank or Federal intermediate credit bank to which any such duties, powers, or authority may be delegated or any association to which any power may be redelegated, is authorized and empowered to accept, perform, and exercise such duties, powers, and authority as may be so delegated to it.

Sec. 5.20 Examination and Reports.—Except as provided herein, each institution of the System, and each of their agents, at such times as the Governor of the Farm Credit Administration may determine, shall be examined and audited by farm credit examiners under the direction of an independent chief Farm Credit Administration examiner, but each bank and each production credit association shall be examined and audited not less frequently than once each year. Such examinations shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of this Act and in servicing all eligible borrowers. If the Governor determines it to be necessary or appropriate, the required examinations and audits may be made by independent certified public accountants, certified by a regulatory authority of a State, and in accordance with generally accepted auditing standards. Upon request of the Governor or any bank of the System, farm credit examiners shall also make examinations and written reports of the condition of any organization, other than national banks, to which, or with which, any institution of the System contemplates making a loan or discounting paper of such organization. For the purposes of this Act, examiners of the Farm Credit Administration shall be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act, the Federal Reserve Act, the Federal Deposit Insurance Act, and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law.

Sec. 5.21. Conditions of Other Banks and Lending Institutions.—The Comptroller of the Currency is authorized and directed, upon request of the Farm Credit Administration to furnish for confidential use of an institution of the System such reports, records, and other information as he may have available relating to the financial condition of national banks through, for, or with which such institution of the System has made or contemplates making discounts or loans and to make such further examination, as may be agreed, of organizations through, for, or with which such institution of the Farm Credit System has made or contemplates making discounts or loans.

Sec. 5.22. Consent to the Availability of Reports and to Examinations.—Any organization other than State banks, trust companies, and savings associations shall, as a condition precedent to securing discount privileges with a bank of the Farm Credit System, file with such bank its written consent to examination by farm credit examiners as may be directed by the Farm Credit Administration; and State banks, trust companies, and savings associations may be required in like manner to file a written consent that reports of their examination by constituted State authorities may be furnished by such authorities upon the request of the Farm Credit Administration.

Sec. 5.23. Reports on Conditions of Institutions Receiving Loans or Deposits.—The executive departments, boards, commissions, and independent establishments of the Government of the United States, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Reserve banks are severally authorized under such conditions as they may prescribe, upon request of the Farm Credit Administration, to make available to it or to any institution of the System in confidence all reports, records, or other information relating to the condition of any organization to which such institution of the System has made or contemplates making loan or for which it has or contemplates discounting paper, or which it is using or contemplates using as a custodian of securities or other credit instruments, or a depository. The Federal Reserve banks in their capacity as depositories, agents, and custodians for bonds, debentures, and other obligations issued by the banks of the System or book entries thereof are also authorized and directed, upon request of the Farm Credit Administration, to make available for audit by farm credit examiners all appropriate books, accounts, financial records, files, and other papers.

Sec. 5.24. Jurisdiction.—Each institution of the System shall for the purposes of jurisdiction be deemed to be a citizen of the State, commonwealth, or District of Columbia in which its principal office is located. No district court of the United States shall have jurisdiction of any action or suit by or against any production credit association upon the ground that it was incorporated under this Act or prior Federal law, or that the United States owns any stock thereof, nor shall any district court of the United States have jurisdiction, by removal or otherwise, of any suit by or against such association except in cases by or against the United States or by or against any officer of the United States and except in cases by or against any receiver or conservator of any such association appointed in accordance with the provisions of this Act.

Sec. 5.25. State Legislation.—Whenever it is determined by the Farm Credit Administration, or my judicial decision, that a State law is applicable to the obligations and securities authorized to be held by the institutions of the System under this Act, which law would provide insufficient protection or inadequate safeguards against loss in the event of default, the Farm Credit Administration may declare such obligations or securities to be ineligible as collateral for the issuance of new notes, bonds, debentures, and other obligations under this Act.

Sec. 5.26. Repeal.—(a) The Federal Farm Loan Act, as amended; section 2 of the Act of March 10, 1924 (Public Numbered 35, Sixty-eighth Congress, 43 Stat. 17), as amended; section 6 of the Act of January 23, 1932 (Public Numbered 3, Seventy-second Congress, 47 Stat. 14), as amended; the Farm Credit Act of 1933, as amended; sections 29 and 40 of the Emergency Farm Mortgage Act of 1933; Act of June 18, 1934 (Public Numbered 381, Seventy-third Congress, 48 Stat. 983); Act of June 4, 1936 (Public Numbered 644, Seventy-fourth Congress, 49 Stat. 1461), as amended; sections 5, 6, 20, 25(b), and 39 of the Farm Credit Act of 1937, as amended; sections 601 and 602 of the Act of September 21, 1944 (Public Law 425, Seventy-eighth Congress, 58 Stat. 740, 741), as amended; sections 1, 2, 3, 4, 5, 6, 7, 8, 16, and 17(b) of the Farm Credit Act of 1953, as amended; sections 2, 101, and 201(b) of the Farm Credit Act of 1956 are hereby repealed. All references in other legislation, State or Federal, rules and regulations of any agency, stock, contracts, deeds, security instruments, bonds, debentures, notes, mortgages and other documents of the institutions of the System, to the Acts repealed hereby shall be deemed to refer to comparable provisions of this Act.

(b) All regulations of the Farm Credit Administration or the institutions of the System and all charters, bylaws, resolutions, stock classifications, and policy directives issued or approved by the Farm Credit Administration, and all elections held and appointments made under the Acts repealed by subsection (a) of this section shall be continuing and remain valid until superseded, modified, or replaced under the authority of this Act. All stock, notes, bonds, debentures, and other obligations issued under the repealed acts shall be valid and enforceable upon the terms and conditions under which they were issued, including the pledge of collateral against which they were issued, and all loans made and security or collateral therefor held by, and all contracts entered into by, institutions of the System shall remain enforceable according to their terms unless and until modified in accordance with the provisions of this Act; it being the purpose of this subsection to avoid disruption in the effective operation of the System by reason of said repeals.

Sec. 5.27. Amendments to Other Laws.—(a) The Executive schedule of basic pay (80 Stat. 458, 5 U.S.C. 5311–5317), as amended, is further amended by striking from positions at level IV the "Governor of the Farm Credit Administration." (5 U.S.C. 5315(51)) and inserting in positions at level III the additional position "(58) Governor of the Farm Credit Administration." (5 U.S.C. 5314.)

(b) The third paragraph of section 15 of the Federal Reserve Act (12 U.S.C. 393) to read as follows:

"The Federal Reserve banks are authorized to act as depositaries for and fiscal agents of any Federal land bank, Federal intermediate credit bank, bank for cooperatives, or other institutions of the Farm Credit System."

Sec. 5.28. Separability.—If any provision of this Act, or the application thereof to any persons or in any circumstances, is held invalid, the remainder of this Act and the application of such provision to other persons or in other circumstances shall not be affected thereby.

Sec. 5.29. Reserve Right To Amend or Repeal.—The right to alter, amend, or repeal any provision or all of this Act is expressly reserved.

Mr. TALMADGE. Mr. President, on behalf of the Committee on Agriculture and Forestry, I modify the committee amendment on page 115, line 14, by inserting before the word "to" the words "is amended". This will correct an obvious clerical error. Also, on page 78, line 8, the word "to" should have been deleted, and I ask unanimous consent that it be stricken.

The PRESIDING OFFICER. Without objection, the committee amendments will be so modified.

Mr. TALMADGE. Mr. President, on behalf of the Committee on Agriculture and Forestry, it is my privilege to report and recommend favorable action on S. 1483, the Farm Credit Act of 1971 as amended by the committee.

The purpose of this bill is to further provide for the farmer-owned cooperative farm credit system through which credit is made available to farmers, ranchers, rural residents, and to associations and others upon which farming operations are dependent, so as to provide a modernized system to meet current and future rural credit needs.

Recognizing that a prosperous, productive agriculture is essential to a free Nation, it is the objective of the farmer-owned cooperative farm credit system to improve the income and wellbeing of American farmers and ranchers by furnishing adequate and constructive credit and closely related services to them, their cooperatives, and selected farm related businesses necessary to efficient farm operations. It is this end that S. 1483 is directed. Its enactment will result in no cost to the taxpayers of this Nation.

The system has its beginning with the passage by Congress of the Federal Farm Loan Act of 1916, at a time when farmers were hard-put to obtain credit. This act provided for the establishment and initial capitalization of 12 Federal land banks, one in each of 12 Farm Credit districts across the United States. Also established by the act were local national farm loan associations, now called Federal land bank associations, through which the land banks make long term loans secured by first mortgages on farm real estate.

In 1923, during the agricultural depression, the Congress provided for the establishment and capitalization of 12 Federal intermediate credit banks. They were intended to discount or purchase short and intermediate term notes of farmers and ranchers held by commercial banks and other financing institutions.

In March of 1933, an Executive order created the Farm Credit Administration, an independent Federal agency, to supervise the Federal land banks, Federal land bank associations, and Federal intermediate credit banks.

In June of that year, with the country still suffering from the great depression, Congress passed the Farm Credit Act of 1933 which authorized farmers to organize local credit cooperatives, called production credit associations, which could discount farmers' notes with the credit banks, to provide much needed operating credit. The act also provided the initial capital and staff to help farmers organize these associations. The production credit association, in effect, became the retail outlets for credit obtained at wholesale from the credit banks.

In addition, the Farm Credit Act of 1933 provided for the organization and initial capitalization of 13 banks for cooperatives. These banks meet the specialized needs of farmers' marketing, supply, and business service cooperatives.

The production credit association, and banks for cooperatives were also placed under the supervision of the Farm Credit Administration.

Most of the funds loaned by the banks and associations of the farm credit system are obtained through the sale of securities to private investors in the Nation's money markets. These securities are sold through a fiscal agent employed jointly by all 37 banks.

The Farm Credit Administration remained an independent agency in the executive branch of Government from 1933 to 1939 when it was made a part of the U.S. Department of Agriculture. It remained in the USDA until 1953, when the passage of the Farm Credit Act of 1953 again made it an independent agency.

In addition, the Farm Credit Act of 1953 provided for a means of farmer-control of the banks and associations of the farm credit system and emphasized eventual complete ownership of the system by its users. At that time it was declared to be the policy of Congress—

> To encourage and facilitate increased borrower participation in the management, control and ultimate ownership of a permanent system of agricultural credit made available through institutions operating under the supervision of the Farm Credit Administration.

Additional legislation, enacted in 1955, 1966, and 1968, further stressed complete ownership and this objective was achieved December 31, 1968, when the faith of Congress in the farmers and ranchers of this Nation was fulfilled and the last of the Government's investment in the banks and associations of the system was repaid.

Immediately after the retirement of the Government's investment in the farm credit system, the Federal Farm Credit Board, top policymaking body for the system, turned its full attention to the future. With the full realization that credit needs of farmers and their cooperatives were both changing and expanding, the Board appointed a 27-member Commission on Agricultural Credit and authorized other studies to ascertain the credit needs of agriculture and to recommend changes in the farm credit system to help meet those needs.

The recommendations made by the Commission and other investigative groups, many of which are manifest in S. 1483, were submitted to the owners of the farm credit system and agriculture generally. A vast majority of those affected have voiced their approval of these recommendations and they have also received the general approval of the major farm organizations, cooperatives, the Federal Farm Credit Board and 44 Members of this body as witnessed by the list of cosponsors.

Agriculture is now using some $60 billion of credit annually. Experts have projected these needs by 1980 to range from $90 billion to $140 billion. There is no question that the very best efforts of all lenders will be essential if these needs are to be met. However, the volume of credit needed is only part of what is necessary. In addition to vast sums of money, farmers, ranchers, and their cooperatives will also need the services of other businesses and services related to their financial needs.

The availability of adequate and dependable credit to farmers, ranchers, and the business organizations upon which they depend, whether owned by them or not, and the availability of those services which modern farm businesses require, will, in large part, determine the kind and structure of agriculture this Nation will have in the years ahead.

The commercial family farm has served the people of this country well. We are the best fed nation in the world. We enjoy a variety of nutritious foods in great abundance at the lowest real cost of any country at any time in the history of mankind.

While it does not contain all the answers to our continued well being in terms of the availability of reasonably priced food and fiber, the Farm Credit Act of 1971 does contain what the vast majority of agricultural producers in this Nation consider to be the essential ingredients for them to obtain the kinds and amounts of credit and related services which will enable them to function in an increasingly complex agriculture.

In short, through the enactment of this legislation, Congress can issue a new charter that will modernize the cooperative farm credit system so it can continue to do its share in filling the changing credit needs of agriculture and rural America.

I would now like to make some comments directed specifically at the legislation in question. As I have indicated, the laws governing the farm credit system have been written at various times as the needs arose.

Most of the law pertaining to the Federal land banks was written in 1916. I am sure that many of the precautionary limitations included in that law were necessary at that time and during the developmental years. However, I am equally convinced that those very restrictions and constraints are now inhibiting the extension of adequate and sound credit. Subsequent legislation pertaining to the Federal intermediate credit banks, production credit associations, and banks for cooperatives was written in much broader terms. This has resulted in inconsistencies among the three groups of institutions and in an extremely difficult set of laws to administer.

Therefore, much of the Farm Credit Act of 1971 is a recodification of existing law, eliminating those provisions which have become obsolete with the passage of time, and replacing some legislation with regulation to allow flexibility necessary to meet changing credit requirements. The new Act tends to bring decision-making down to the level nearest the borrower in the interest of efficiency and service.

However, there are several new authorities and clarifications contained in the act upon which I would like to comment.

TITLE I—FEDERAL LAND BANKS

The act would remove the 65-percent limitation on loans made by the Federal land banks. This limitation, which studies indicate is actually 53 percent of the market value of farms mortgaged last year, was deemed inconsistent with lending needs of the 1970's. Instead, under regulations prescribed by the Farm Credit Administration, additional emphasis would be placed on a man's repayment capacity, moral character, and management ability. This authority will also permit consideration of security other than first-mortgage liens on real estate. The 65-percent limitation is a serious handicap to the relatively successful and experienced farmer wishing to expand his operation and is an almost insurmountable hurdle for the young man wanting to get established in the farming business.

New authority would be granted the land banks for the purpose of making loans on nonfarm rural homes. Rural America has only one-third the Nation's people, but has two-thirds of its substandard housing. Credit for rural homes is urgently needed to help stem the country-to-city flow of population.

To assure the intended objective of the Congress is met, the committee modified the act to cover low and moderately priced housing outside towns, subdivisions, and built-up areas. These are the areas in which the greatest credit gaps exist. It is the feeling of the committee that permission to allow the land banks to make these kinds of loans will result in a contribution to rural development, not only by making rural America a more attractive place to live, but also by creating jobs in industries relating to homebuilding and by expanding the tax base in rural America. Further, records of the Farmers Home Administration reveal that substantial numbers of their borrowers who have demonstrated repayment capacities which merit their "graduation" to other lenders are unable to find lenders willing to take over their loans. With the land banks in a position to do this, FHA can then serve a greater number of lower income rural residents.

Perhaps no group of lenders in the country has more expertise in the area of rural home loans than do the land banks. For 54 years they have been making loans on rural farm homes and have built more specialized experience in making home loans to part-time farmers.

In the event of a period of tight money, the committee has been assured by the Farm Credit Administration that farm lending would receive preference. The committee is convinced that nonfarm rural home loans will not result in the curtailment of credit to agriculture because the Federal land banks obtain their loan funds from private investors in the Nation's money markets and not from any fixed or appropriated pool. In addition, the farmers who sit on local Federal land bank association loan committees, the district farm credit boards, and the Farm Credit Administration will not allow restrictions on farm loans. Further, nonfarm borrowers will be issued nonvoting stock in local associations so the control of those associations and the resulting loan-decision authority will remain in the hands of farmers.

Another area of new authority to be granted the land banks is in making loans to farm-related businesses. With the cost of farm machinery and equipment rising each year, many farmers, though they need such equipment, cannot justify its purchase or hesitate to tie up large amounts of their scarce capital to buy it. These farmers frequently turn to custom operators who provide on-the-farm services. However, in many areas of the country those who may be willing to provide custom services to farmers have difficulty obtaining financing. The Farm Credit Act of 1971 would allow the land banks to make such loans. To assure this provision would not take in the entire agribusiness area, the committee restricted loans to persons furnishing services directly related to farm operating needs. These would be services which the farmer, under ordinary circumstances, would provide for himself, but due to economic or other reasons prefers to have performed by others. This provision also has implications for rural area development. The financing of custom operators and other farm-related businesses will stimulate business in the country and provide jobs for rural Americans, both of which have a direct impact on the rural economy.

With the granting of these and other new authorities, the question of the taxation of the Federal land banks was raised during the hearings. The committee weighed carefully the evidence relating to taxation and reserve requirements, both of which remained unchanged in the act. After examining these concerns, the committee concluded that the problem raises committee jurisdictional questions, but that it would be appropriate for the Finance Committee to undertake a separate review of the tax and reserve obligations of the land banks to determine equitable treatment as compared to other lending institutions.

Other changes in title I bring loan decisions closer to the borrower, provide for prior approval of loans to be regulated by the Farm Credit Administration rather than legislated, broaden loss-sharing agreements among associations, and permit associations to provide financially related services to members on an optional basis.

TITLE II—FEDERAL INTERMEDIATE CREDIT BANKS AND PRODUCTION CREDIT ASSOCIATIONS

The act would enumerate the corporate powers of the Federal intermediate credit banks to make them compatible with those of the land banks. However, the credit banks would remain essentially as discount banks for credit which is available at retail from production credit associations and other financing institutions furnishing short- and intermediate-term credit to farmers.

These banks would be permitted to purchase stock in or contribute to the surplus of production credit associations, participate with production credit associations in larger loans, and furnish financially related services at the option of the individual borrower.

New authority would be granted Production Credit Associations to make loans for the repair and maintenance of non-farm rural homes in the same areas as Land Bank long-term rural housing loans and make loans to persons furnishing the kinds of farm related services described in title I. Production Credit Associations would also be permitted to provide financially related services at the option of the borrower.

Authority would be granted to Production Credit Associations to participate with commercial banks in making loans to farmers. This feature would permit country banks to continue their lines of credit with their customers and have the Production Credit Associations carry the overlines.

TITLE III—BANKS FOR COOPERATIVES

The authority of the Banks for Cooperatives is clarified to make continuing commitments for lines of credit, furnish technical and other services to borrowers, and participate in loans with commercial banks, other lenders and other Banks for Cooperatives.

The ratio of authorized debentures to net worth of the banks would be raised from 8 to 1 to 20 to 1. This would make the Banks consistent in this respect with other segments of the system and provide a cushion to tide them over in the event of natural disasters, transportation tieups and sharp seasonal loan demands.

The definition of cooperatives eligible to borrow from the banks would be stated separately from that in the Agricultural Marketing Act and would permit district Banks to make loans to cooperatives where 66⅔ percent of the voting media is held by farmers. The current restrictive level is resulting in unmet credit needs particularly of supply cooperatives who may sell partly to nonfarmers. The act would also provide for loans to cooperatives handling aquatic products. In making these changes, however, the committee does not intend to broaden eligibility to include conglomerate corporations or their subsidiaries who adjust their corporate structures so as to meet eligibility requirements of legitimate cooperatives.

TITLE IV—FUNDING OPERATIONS

The major change allowable in the funding operations of the farm credit banks is permission to issue a unified security. Presently, each of the three groups of institutions issues its own consolidated security. Issuance of a unified security would allow the banks to better adjust maturity patterns and result in less clutter in the market.

In the area of funding operations, the committee restricted the issuance of the farm credit investment bond—an instrument sold directly to members of Federal land banks associations—and production credit associations—so that it will not be issued with rates of return, amounts, and maturities in excess of those permitted under member bank regulations of the Federal Reserve Board.

TITLE V—DISTRICT AND FARM CREDIT ADMINISTRATION ORGANIZATION

In this title, the structure of the district organization, the manner of election of district farm credit boards, and the function of the Farm Credit Administration are continued without substantial change. The Farm Credit Administration, operating under the policies established by the Presidentially appointed and Senate confirmed Federal Farm Credit Board, will continue to carry out its functions as supervisor, regulator, and coordinator of the banks and associations and Senate-confirmed Federal Farm Credit Administration, however, will delegate to the district banks, with their power to redelegate to the local associations, such functions as it determines can be best carried on at the district and local levels in the best interests of efficiency, effectiveness, and service to borrowers.

In the light of the new authorities contained in this act, including the removal of a number of archaic restrictions, and the projected increases in the use of credit by agriculture, it is incumbent upon the Farm Credit Administration that it be keenly aware of its responsibilities as set forth in this legislation and as established by the Federal Farm Credit Board.

To assure that the farm credit system continues to serve all types of agriculture, in all parts of the country, at all times, and according to the intent of the Congress, the Farm Credit Administration is further directed to submit to the Congress an annual report on the manner and extent to which the purposes of this act are being carried out.

ADDITIONAL COMMENTS

The objectives of the Farm Credit Act of 1971 were modified to make it clear that the Farm Credit System shall be responsive to the credit needs of all types of agriculture having a sound base for credit.

Provisions were inserted formalizing an appeal procedure under which a borrower dissatisfied with a loan decision could have an informal hearing before the loan committee or officer acting on the loan.

Provision was made for the election of a nominating committee charged with the duty of nominating at least two candidates for the elective offices to be filled on the boards of directors of Production Credit Associations and Federal Land Bank Associations to assure broad representation of all agricultural interests and avoid self-perpetuating boards. A similar objective will be accomplished at the district board level through regulations established by the Farm Credit Administration.

IN CONCLUSION

There is no question that the credit needs of agriculture in the years ahead will be tremendous. What this bill does is to permit the farmer-owned, cooperative Farm Credit System to adapt its programs to better help fill those needs. The system cannot do it alone. All lenders are needed. Enactment of this legislation, however, will help.

First. It will help assure that farmers, ranchers, their cooperatives, businesses necessary to their existence, and rural residents have available to them credit and financially related services.

Second. It will aid in rural area development, helping to maintain a rural-urban population balance, thus also aiding our already overcrowded cities.

Third. It will benefit all Americans by helping preserve the commercial family farm system of agriculture that has served us so well.

Fourth. It will contribute to stable supplies of food and help keep consumer costs down.

Fifth. And it will do this at no cost to the taxpayer.

The cooperative Farm Credit System is a unique example of self-help; an example of how people, with initial assistance from their Government, can own and operate their own institutions. Nearly 1 million farmers and 4,000 of their cooperatives have invested more than a billion dollars in their own credit institutions. In fiscal year 1971, they borrowed $13.6 billion through those institutions and at the end of the year had $16.1 billion in loans outstanding from them.

Action by the Congress can help them continue to operate as effectively and as efficiently as possible.

I urge the Senate to enact S. 1483, the Farm Credit Act of 1971.

I yield the floor.

Mr. MILLER. Mr. President, first I would like to commend the distinguished Senator from Georgia for a very comprehensive and timely statement on the farm credit system in general, and more particularly the bill now pending before the Senate. I might say I subscribe thoroughly to what he has just said.

I would like to add a word with respect to some of the problems which the committee considered, problems which were not so much directed at the main thrust of the bill as with respect to some of the finer points in the bill.

Overall, I believe that most of our constituency favored the main thrust of the bill, which was to update the farm credit system and expand it to meet the needs of modern agriculture.

There were some controversial points in the original bill, one having to do with the extension of the farm credit system's authority to cover so-called rural housing. The committee report, on page 12, explains what we did on this point very well.

We recognize that for a considerable amount of rural housing, commercial credit is presently available. We also recognize that there are areas in the rural sector of our country where ordinary commercial credit is practically nonexistent. To that extent we thought that the authority of the Farm Credit Administration should be expanded, but with this understanding, as spelled out in the committee report: That the priority needs of agriculture and operational needs of farmers come first, and then, if there is credit left over, the system could be extended to cover low- and moderate-priced rural housing where regular commercial credit is not available. On pages 10 and 51 of the bill we have spelled that out precisely.

Another area that caused some concern was the area of financially related services, which the bill, on page 10, and again on page 52, had provided. We thought that the language was a little too broad, that it could be interpreted to cover such financial services as tax return preparation and estate planning, and possibly services in the case of a farm which was only a small part of an overall operation—for example, the operation of a commercial business which had an incidental farm operation.

We wanted to limit the financial services to the onfarm operations, so that the farm credit system would not get into competition with those services that are now taking care of business-type operations. To the extent that the system would provide accounting and possibly computerized costing systems and information for onfarm operations, the bill authorizes that activity.

Then finally, the original bill provided for the extension of credit to agribusinesses serving farmers. It was our concern that the language as originally drafted was so broad that it might extend to activities beyond those advocated in the hearings before the committee by the Farm Credit Administration representatives.

Those representatives testified that there are custom farming operations which take place on farms which are intimately connected with onfarm operations and for which credit needs exist.

So we redrafted that portion of the bill to make it clear that in the case of agribusinesses, credit would be authorized for farm-related services to farmers, but only services directly related to their onfarm operating needs.

A question came up with respect to furnishing credit to agribusiness operations which would deliver gas and oil to farms which, of course, would be used for farm machinery operations. I believe the understanding of the committee—and I would appreciate the chairman's acknowledgement of this—was that the credit authorization under this bill would not extend to that, because those are products, and not services.

Mr. TALMADGE. The Senator is correct in his interpretation of that provision of the statute.

Mr. MILLER. I thank my colleague.

So with these changes, Mr. President, and a few others which, as I said earlier, do not go to the main thrust of the bill, but to some of the finer points, I think the Committee on Agriculture and Forestry has turned out a workable, reasonable piece of legislation, and I hope that my fellow Senators will see fit to support it.

Mr. AIKEN. Mr. President, under the leadership of our chairman, the Senator from Georgia, and the Senator from Iowa, I believe that the Committee on Agriculture and Forestry has reported to this body a bill which is somewhat past due, but which will be of immeasurable value to American agriculture and American agricultural cooperatives in the future.

As a member of both the Subcommittee on Agricultural Credit and Rural Electrification, before which hearings on S. 1483 were held, and the Commitee on Agriculture and Forestry, whose report we are now considering, and as a cosponsor of this legislation, I would like to reiterate my support for it and commend it to this body.

I am firmly convinced that the enactment of this bill will go a long way toward assuring our farmers, ranchers, cooperatives, and the residents of rural America that they will continue to have available to them adequate credit and related services that will, in fact, help increase their incomes and contribute to their well being while making rural America a better place to live.

As one who has a long interest in cooperatives, I am particularly pleased with the provisions in the bill that will make eligible cooperatives handling fish and fish products and that will maintain eligibility of all cooperatives where 66⅔ percent of the voting media is vested in the hands of farmers or harvesters of aquatic ducts. This provision is especially important to our farm supply cooperatives. Many of them retain as members retired farmers, who frequently retain investments in their cooperatives, and membership of some nonfarmers which helps maintain the volume necessary to efficiently and economically serve their farmer members.

The benefits derived from loans of the banks for cooperatives should flow principally to individual persons who are actively engaged in farming or fishing operations for all or part of their livelihood. Included in this category are those who own or lease land or fishing vessels or who otherwise share in the management and risk of such operations. I have no qualms at all that the control of these cooperatives and of the banks for cooperatives will remain firmly with those whom Congress intends.

However, I view with grave concern the possibility of quasi or psuedo cooperatives obtaining loans from these banks. The 66⅔-percent voting media requirement must be adhered to in the strictest sense. When the members of a cooperative are corporate entities or even other cooperatives, the bank for cooperatives should carefully investigate and look through those organizations to determine whether or not 66⅔ percent of the stockholders of such corporations or members of such cooperatives are in fact engaged in agricultural or aquatic pursuits as their major function. It is altogether possible for a conglomerate corporation or a nonfarming corporation, through one or more subsidiaries, to manipulate its corporate structure in such a way that it would appear eligible as a cooperative, or, as a producer, to be eligible for membership in and possibly obtain control of a farmer cooperative.

The intent of this legislation must be made crystal clear. The banks for cooperatives and the Farm Credit Administration have a responsibility to assure that loans are not granted to quasi or psuedo cooperatives; organizations in which the voting control or influence is not 66⅔ percent in the hands of agricultural producers or harvesters of aquatic products.

In cases where the members of a cooperative are corporate entities, more than one-half their assets or sales volume must be directly related to agricultural production. And when such corporations are subsidiaries, the stockholders of the parent organization should be analyzed to determine the extent of their agricultural interests.

I do not, in any way, mean to be critical of the legislation as it is written. I am not suggesting changes in it. The provisions relating to the banks for cooperatives—as with the provisions and new authorities relating to the other parts of the farm credit system—are necessary and worthwhile.

What I am suggesting is that through misinterpretation, loan funds of the banks for cooperatives could benefit those for whom they were not intended. Conglomerate corporations and nonfarming corporations certainly have a right to financing, but not by the farmer-owned banks for cooperatives. If the Banks for Cooperatives were to provide such financing, it might well have an adverse impact on the banks and the whole cooperative movement.

I would assume that the banks for cooperatives, through careful analysis of applicants, and the Farm Credit Administration, in its supervisory and regulatory capacity, will assure the purposes of this legislation will not be diverted to profitmaking organizations.

Mr. TALMADGE. Mr. President, I express my deep appreciation to the ranking minority member, the distinguished Senator from Iowa, and also to the distinguished Senator from Vermont, for their generosity and their complimentary remarks.

Permit me to say also that the Committee on Agriculture and Forestry probably has as little partisanship as any committee in the Congress of the United States. We work on bills in accordance with what we think is the best judgment of our membership, and we act accordingly. I am grateful for the cooperation of the Members, not only on the majority side of the aisle, but on the minority side as well.

Mr. AIKEN. Mr. President, I should like to add this to what our chairman has said:

> During my almost 31 years as a member of the committee, I have never known of any partisan vote to be taken on that commitee.

Mr. TALMADGE. In the 14½ years I have served, there has never been one. I thank the distinguished Senator.

Mr. BELLMON. Mr. President, I rise to express support for the Farm Credit Act of 1971. I do this as an active farmer, and one who knows the tremendous demands that agriculture has for a stable and constantly growing supply of farm credit.

American agriculture has become the world's most efficient, and the American consumer, because of the success of American agriculture, is the world's best fed. Yet in this country, the food budget for the average American family amounts to only 16 percent of the pay check. This is by far the best record so far as food costs are concerned of any country in the world.

At the present time, each American farmer feeds about 45 consumers, and this figure is going up each year. American agriculture can continue to do this outstanding job only if it has access to an abundant and stable supply of farm credit. If credit is not available, the farmers will not be able to purchase the equipment, the chemicals, the fertilizer, and all the other supplies that a modern efficient American farm must have.

The Farm Credit Act in many ways gives greater freedom to the operation of the agencies which this act creates and continues, and in this way makes it possible for the private sources to have supplemental credit available which many times the private banks and other lending agencies cannot provide. I believe very strongly that this act is much better than the legislation that is already on the books. I believe it will serve agriculture much better, and I am very proud to be one of the coauthors, and strongly urge that the measure be passed by the Senate.

Mr. TALMADGE. Mr. President, I congratulate the distinguished Senator from Oklahoma on his statement and for his efforts in the committee. The several amendments which he offered made a significant contribution to the bill.

Mr. EAGLETON. Mr. President, as a cosponsor of S. 1483, the Farm Credit Act of 1971, I welcome this opportunity to urge that it be passed by the Senate.

The need for modernizing and updating the farm credit system has long been recognized. Two years ago members of the system began to examine ways in which changes could be made. First they set up the Commission on Agricultural Credit to make an indepth study of the total credit picture, both from the standpoint of the farmer and the standpoint of the national interest.

Over many months some of our Nation's most qualified farm leaders and agricultural experts, as well as many others in the finance and academic communities, expressed their views on many aspects of the future financing of agriculture and the rural community.

From the studies that preceeded the drafting of this bill and from the knowledgeable testimony given by many expert witnesses to the subcommittee hearing this measure, it is abundantly clear that great effort will need to be expended to meet the credit needs of agriculture and rural America.

The figures speak for themselves. The use of credit in agriculture today is slightly more than $60 billion. By the end of this decade the figure will likely double—to around $120 billion.

There is no question that meeting this demand will place a great strain on all existing rural lenders. In that regard, I concur wholeheartedly with those rural lending experts who maintain that it will take the best efforts of all lenders simply to meet the needs.

Therefore, I am greatly encouraged by provisions in this bill which will permit greater cooperation among rural lenders—to permit the lending units of the farm credit system to work even closer with commercial rural banks in extending necessary credit to agriculture and the rural community.

Over the years the farm credit system and rural bankers have been healthy competitors. This is as it should be and as it will continue.

However, there are times when it is more advantageous to a borrower for these two lending organizations to cooperate on a loan rather than compete for it. Let me give an example:

Under rules governing commercial banks, it quite often occurs that a small rural bank is not permitted because of its relatively small capital structure to advance the entire credit needs of farm customer. This is due to the regulation that a bank cannot have loans out to a single customer exceeding a certain percentage of its assets.

To meet the credit needs of this customer, the commercial bank must then find a city correspondent bank to finance the amount exceeding the limit—the "overline." During periods of high loan demand it is often difficult, if not impossible, for a rural bank to find a city correspondent to take the overline. This is due to the fact that often money can command a greater return—either through higher interest rates or a cut of the profits—in the city than for agricultural loans.

The bill before us today would allow farm credit system lending units to participate with commercial banks in loans to farmers by permitting them to carry the bank's overline.

This to me is an extremely beneficial

feature of the bill. It will keep money flowing to agriculture during times of stress when it otherwise would be more difficult to obtain.

Mr. President, many of us here are aware that a number of the commercial banking fraternity have spoken out in opposition to certain features of the bill. A large share of the criticism was directed toward a new debt instrument of the farm credit system—the farm credit investment bond—which some bankers feel competes unfairly for their savings deposits. The committee looked into this matter in some detail and, in its report, treats the subject in what I consider to be an abundantly fair manner.

The report related that provisions were inserted to assure that any obligations issued similar to the farm credit investment bond "will be subject to the same limitations with regard to rate, amount, and maturity as those imposed on its member-banks by the Federal Reserve Board."

This in my opinion clarifies the problem that has arisen—and has done so in a manner which is fair to all parties concerned.

But while there were certain objections from commercial bankers on the investment bond, I did not observe criticism by bankers of the participation feature. In fact, there were several bankers who testified to the necessity of it. Here is what one banker said in House testimony:

> I have been involved in country banking for many years and have enjoyed a very favorable relationship with Farm Credit lending institutions. While I cannot claim complete familiarity with all provisions of this proposed legislation, I particularly wish to endorse the participation features whereby the lending institutions of the Farm Credit System can participate with commercial banks on their agricultural loans. The participation features will enable us to continue serving our customers with our override of the credit requirements being handled by Farm Credit.

The banker, Charles N. Plowden, president of the Bank of Summerton, Summerton, S.C., added:

> I am aware of the continuing trend of bigger banks swallowing up little banks, and I am concerned that unless we get such participation features as are embodied in this legislation the trend will increase and small country banks will be the loser.

This eloquently describes the predicament that small country banks find themselves in as they attempt to continue to serve some of their good farm customers. And it sets forth how farm credit banks and commercial bankers can cooperate further in supplying the tremendous demand for agricultural credit.

Cooperation between the farm credit system and commercial lenders is not new. Over the years they have been working together through a system in which Federal intermediate credit banks discount notes with "OFI's"—other financing institutions. These OFI's may be commercial banks, livestock loan companies and agricultural credit corporations. The purpose of this program—which has been underway ever since the intermediate credit banks were formed—is to facilitate the bringing of capital into agriculture.

As of the last report, there was a total of $222 million in discounts outstanding to these OFI's by the credit banks, including nearly $2 million in my State of Missouri.

This program is but another demonstration of the benefits which accrue to farmers and the agricultural community through cooperation among rural lenders, and this program would continue under the bill we are now considering.

Mr. President, while I have limited my remarks to but one section of this comprehensive legislation, let me underscore the value of the many features of the bill. The need for greater financing of rural housing is evident. The bill will help meet some of the need. Young farmers need additional capital to get their operation capitalized properly. The bill will allow farm credit system lenders to extend additional financing to them.

These and other features of the bill will, at no cost to the taxpayer, stimulate the agricultural and rural economy and make it a better place to live and work.

I give my wholehearted support to the measure and urge its passage.

One of the great voices for the farmer in Missouri and the Midwest is the Midcontinent Farmers Association. Through the efforts of MFA, our farmers have made many gains, and they have earned the respect and attention of all of us who are interested in farm matters.

Therefore, it is with interest that we read testimony by MFA vice president L. C. "Clell" Carpenter, of Columbia, Mo., in support of the Farm Credit Act of 1971, presented before the House Committee on Agriculture, July 8, 1971.

In his statement, he says:

> I have had the opportunity to observe the initiation and development of the Farm Credit System. It can well be labeled as one of America's greatest success stories.

However, he notes the tremendous increase in demand for farm credit projected over the next few years, and citing the advantages of the Farm Credit Act states:

> This type of legislation is needed to provide the capital and financing necessary to accomplish these desirable goals.

Mr. President, I ask unanimous consent that this fine statement by one of our most able farm spokesmen be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of L. C. "Clell" Carpenter

Mr. Chairman and Members of the Committee: My name is L. C. "Clell" Carpenter. I appear here today speaking for the Midcontinent Farmers Association, with headquarters in Columbia, Missouri, and representing a membership of over 152,000 members in Missouri, Arkansas, Oklahoma, Nebraska, Iowa, Illinois, and other adjacent states. Mr. Bracey and I wish to express our appreciation to this committee for permitting us to appear here today to testify in favor of the modernization of farm credit and the expansion of rural development programs.

Mr. Chairman, we appear before this committee to urge favorable action on H.R. 7138. This bill replaces the existing Farm Credit Act and would modernize and consolidate existing Farm Credit laws to meet current and future rural credit needs. This would be accomplished without changing the existing structure of the System and would retain the Farm Credit Administration as an independent executive agency.

I have had the opportunity to observe the initiation and development of the Farm Credit System. It can well be labeled as one of America's greatest success stories. It exemplifies the honored concept. The Government serves as a catalyst enabling people to do for themselves that which they could not otherwise achieve. The accomplishments of the Farm Credit System have exceeded the fondest expectations of the original designers of this act.

The Farm Credit System today has made it possible for 405,000 farmers to share ownership in local Federal Land Bank Associations through which the purchase of their land and their homes has been financed. This system has enabled 525,000 farmers to provide operating credit for themselves through local ownership in local Production Credit Associations. And, furthermore, it has enabled nearly 3,900 farmer-owned cooperatives representing hundreds of thousands of members to finance their operations through the Bank for Cooperatives in which these farmer cooperatives share ownership and control.

The Farm Credit System has been the motivating factor in moving large sums of money from the financial centers of this nation to the rural areas for their benefit and constructive development. This has been accomplished with virtually no cost to the taxpayer. Every dollar of the Government "seed money" invested in the 12 Federal Land Banks, the 12 Intermediate Credit Banks, and the 13 Banks for Cooperatives in the Farm Credit System has been repaid in full.

Furthermore, farmers have invested $1 billion of their own money in their own credit system. In visiting with one of our members recently he stated. "I borrow money from myself because I am a part owner of the Farm Credit System."

All of these accomplishments are behind us. The immediate concern of farmers are the new challenges in a swiftly changing agriculture. As these changes become greater, the problem of developing sources of credit adequate to meet the ever increasing capital and operating needs of farming becomes more prevalent. The spiraling demand for farm credit is dramatized by figures taken from the USDA Finance Review of December 1970.

Total farm debt—real estate and non-real estate—in 1970 amounted to $55.4 billion, whereas just 10 years earlier the amount was $23.6 billion, and in 1950 was $10.7 billion, with only $9.6 billion in 1940. In the last 30 years farm debt has increased six times, and in just the last 10 years the demand for farm credit has more than doubled. This poses the question of what lies ahead during the next 10 years? Agricultural economists of the Federal Reserve System estimate that the farm debt could increase to as high as $137 billion by 1980. When we consider the advancing technology, the trend toward greater purchase of farm inputs, the need to achieve greater efficiency through substitution of capital for labor, and the possible effects of continuing inflation, it becomes obvious that farm credit needs may easily more than double in the next 10 years.

We hear the question posed most frequently, "Who will be the farmers of tomorrow?" I have never heard a clearly defined answer to this question, but it invariably leads to another question, "Who will provide the financing for this new farm family?"

Efforts of all lending agencies are now being called upon to attempt to satisfy present farm credit needs. How then can farmers be assured of adequate credit in the years ahead? Obviously all credit sources in the agricultural field—country banks, city banks, corresponding banks, insurance companies, individuals, the Farmers Home Administration, and the Farm Credit System must "gear up" to serve the growing credit needs of our changing agriculture.

Because it is owned by farmers and therefore responsive to the needs of agriculture, the Farm Credit System has a definite responsibility to supply a substantial share of the increased credit needs of agriculture. It has demonstrated that it is an effective and responsible farm credit "tool"; therefore, the Farm Credit System merits the full support of the Congress in updating their laws and policies to adequately meet the farm credit needs of agriculture in the years ahead.

H.R. 7138 requires no additional expenditure of Government funds. We are not asking for more money. We are asking only that this farmer-owned credit system be granted the authority to do a job that needs to be done.

In general, this proposed legislation will update the laws of 1916, 1923, 1933, 1953 and eliminate certain obsolete sections. In general, proposals in this act would simplify procedures, unify funding operations, provide sharing of financial risks, and delegate more responsibility to the local level of administration where it can be carried out more efficiently. Other provisions would enable the Farm Credit System to respond more effectively to changing credit needs.

It might interest the Committee to know that I have had the privilege of working in the farm credit field for some 14 years. I have served in a number of capacities with the Farmers Home Administration and its predecessor agencies. For approximately 5 years of that time I was State Director of the Farmers Home Administration in the State of Missouri. Admittedly, in this capacity our responsibility was to work with the low income farmers. In so doing it was incumbent upon us to work with all other credit agencies including local banks and the Farm Credit System. I relate this only to point out that I do have some first-hand experience in the farm credit field and understand some of the complexities that prevail in meeting the ever increasing demands for farm credit needs.

I recall the time in the late 30's when a $1,500 operating loan was considered a large loan. And in the early period of the Tenant Purchase Act the "Tarver Amendment" limited farm ownership loans in certain counties to a maximum of $5,000 to $10,000 in total. Admittedly, corrective action has been taken to update the policies of this organization. We quote these figures only for the purpose of showing the astronomically increased need for farm credit. Farm economists have estimated that a family farm unit by 1980 will require a minimum of $250,000 to $500,000 of capital depending on the particular farm type.

Of the 110 pages of H.R. 7138 many pertain to technical and mechanical devices for the administration and improvement of the Farm Credit System. I shall not attempt to take the Committee's time to evaluate all the changes and improvements. With your permission I would like to comment briefly on a very few of the most significant changes.

TITLE I—FEDERAL LAND BANKS AND ASSOCIATIONS

This legislation would remove the restriction which now limits Federal Land Bank loans to 65% of a farm's appraised value. (This provision is equally as outdated as the aforementioned Tarver Amendment.) The managerial and farming ability of the borrower coupled with the earning capacity of the farm is far more important than the appraised value. This change will be of great assistance to young farmers struggling to acquire adequate financing for an economic farm unit.

New authority is granted the Land Banks for long-term mortgage loans for housing in rural areas.

Authority to make loans to persons providing custom services to farmers is highly desirable in order that greater use can be made of costly equipment thereby reducing the cost as well as the operating expense to the farmer.

Authority is granted to provide financial service to assist in estate planning, farm transfers, record keeping and farm management.

TITLE II—INTERMEDIATE CREDIT BANKS AND PRODUCTION CREDIT ASSOCIATIONS

Intermediate Credit Banks would be authorized to participate with Production Credit Associations on larger loans for rural housing, loans to finance farm related businesses such as custom sprayers or custom harvesters which would enable farmers to avoid huge investments in machinery and contribute to greater overall efficiency in agriculture.

Production Credit Associations also would be permitted to provide financing for related services such as tax assistance and electronic farm record keeping.

Authority also would be granted to the Production Credit Associations to participate with commercial banks in loans to farmers.

TITLE III—BANKS FOR COOPERATIVES

We commend the provisions of this act which will permit the Banks for Cooperatives to serve a wider segment of the credit needs of farmer cooperatives by allowing greater flexibility in eligibility requirements of borrowers which would permit district banks to make loans to cooperatives in which at least 66⅔% of the voting control is held by farmers.

Further improvement would be made by raising the maximum authorized net worth ratio on debentures issued by the banks.

In view of the demonstrated effectiveness of the farmer cooperatives in enabling farmers to work together to achieve upgraded services and improve family income, any feasible means of expanding the supply of credit for farmer cooperatives deserves support.

In conclusion, Mr. Chairman, we in MFA reaffirm our position that the Farm Credit System must continue to set the example for the extension of sympathetic and understanding credit to the farmers of the nation.

The delegates to our Annual Convention on August 17, 1970 called attention by a resolution to the fact that farmers continue to need larger amounts of credit. Specifically referring to Federal Land Banks, Production Credit, etc., the delegates to that convention resolved: "We urge these agencies to increase their efforts to meet farmers' credit needs."

As a final observation, we again commend this committee for your good judgment in conducting these hearings jointly on modernization of farm credit and rural community development. We submit that adequate financing of the basic industry—agriculture—in rural America is a cornerstone in rural community development. Farmers adequately financed purchase services and equipment, thereby providing support for industry and business. Adequately financed farmers build homes and improve farmsteads and in so doing upgrade the local tax base. Farmers with adequate finances produce food and fiber, sales of which contribute to the economic growth of the nation. Adequately financed farmers are community developers. A healthy agriculture is essential to a healthy nation. We as farmers pledge to do our part for our communities and for our nation, but this type of legislation is needed to provide the capital and financing necessary to accomplish these desirable goals.

Mr. WEICKER. Mr. President, the senior Senator from Oregon (Mr. HATFIELD) is away from the Senate today. I know of his deep interest in the Farm Credit Act of 1971 and of his support for the bill.

I ask unanimous consent that Senator HATFIELD's statement in support of S. 1483 be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I am pleased today to affirm my wholehearted support of S. 1483, the Farm Credit Act of 1971. We should enact this legislation with pride and, at the same time, express our thanks to the farmers of this Nation.

When we look back over the history of the Farm Credit System, we see the tremendous contributions it has made to agriculture in this country. But more than that, we see that farmers themselves have directed this System in ever-increasing proportions until they achieved its ultimate ownership. In 1953, the Congress provided the means by which farmers could markedly increase their participation in the management, control and ownership of the Farm Credit System. They accepted the challenge of the Congress and, in 1968, repaid the last of the Government's investment in the Banks and Associations.

Now we have the opportunity, through the enactment of this legislation, to further provide the means by which the Farm Credit System can even better serve the farmers, ranchers and cooperatives who share its ownership. And we can also pave the way for the System to make even greater contributions to the development of our rural areas.

The farmers of this country have an unequaled record of production and efficiency. To maintain and better that record, they need the tools with which to operate. Among those tools are adequate credit suited to agricultural needs, services related to the financial aspects of farming, access to business services needed on the farm, and strong cooperatives to provide supplies and market products.

S–1483 contains provisions that will help assure farmers these things are available.

We know that total farm debt at the end of the year was something just over $60 billion. Expert projections to 1980 indicate that figure will grow to somewhere between $90 billion and $140 billion, depending on what inflation factors are built into the projection.

Relating that to my home State of Oregon, I discovered that on January 1, 1970 farmers had a total of $557 million in real estate debt outstanding. Of course, more than $332 million of that came from individuals. But if only institutional lenders were considered, the Federal Land Banks held 46.5 percent of that farm real estate debt in Oregon.

On the non-real estate debt side of the ledger, I found Oregon farmers had a total of $373 million in loans outstanding from institutional sources. Our farmer-owned Production Credit Associations held 42.7 percent of the total.

No comparative figures are available for farmer cooperatives, but 38 Oregon co-ops had $89 million in loans outstanding at the end of the year from the Spokane Bank for Cooperatives which serves our State.

It is because the Banks and Associations of the cooperative Farm Credit System play such an important role in the agricultural credit of Oregon that I am particularly concerned about the passage of this bill.

It also is apparent to me—again because of the volume of credit business done by the Farm Credit System in Oregon—that our farmers take pride in their own credit institutions. They built them, they control them, they own them and they patronize them. By doing so, they have something to say about their own economic situations.

Therefore, I am convinced more than ever that our farmers and ranchers need the provisions contained in this legislation to help meet their needs for increased credit and related services so that they can effectively and efficiently continue to do the kind of job for all America in the future as they have done in the past.

By allowing them the opportunities this bill provides, we will be taking a giant step in assuring our farmers and ranchers have the right kind of credit system to do the job.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Minnesota (Mr. HUMPHREY), who is necessarily absent, I ask unanimous consent that a statement by him on the bill be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

Mr. President, I want to express my enthusiastic support for the Farm Credit Act of 1971—S-1488. This is legislation vital to the future of agriculture and to our rural communities. It is crucial to the continued availability of a bountiful supply of reasonably priced food. Thus it is of direct importance to all Americans.

The Farm Credit System is one of the greatest examples of self-help in our history. Beginning with a charter from this Congress and modest seed moneys in 1917, farmers—working together—have built a cooperative credit system unequaled in the world. Throughout their half-century of service they have pioneered in tailoring credit terms to farmers' needs. They have paid back all Federal moneys making it completely farmer owned. And today the Farm Credit System is a $16 billion credit institution servicing nearly a million farmers and 3,000 of their cooperatives at no cost to the taxpayer.

In the years of the Depression, it was the Federal Land Bank man who came to the aid of the farmer when his mortgage was about to be foreclosed. I remember well when President Franklin D. Roosevelt announced to farmers on a national radio broadcast that if the creditor was about to take over a farm they should call the Farm Credit Administration in Washington for help from the Land Banks. And farmers did call . . . by the thousands. In 1934, the Land Banks advanced to farmers 80 percent of all long-term credit provided by institutional lenders. And it was estimated that between 1933 and 1935, nearly 90 percent of all Land Bank Loans were used by farmers to pay existing debts.

In the 1950's and 1960's, the Farm Credit System was instrumental in financing the great agricultural revolution in this country—the massive increase in labor productivity through investment in the application of new technology in food and fiber production.

In recent years of record-high interest rates and inadequate money supplies this System effectively helped hold the lid on credit costs to farmers. The System dipped into its reserves accumulated over the years in order to hold rates down. Without this leveling effect it is difficult to imagine just what farmers would have had to pay for borrowed funds IF they could have found them.

The real importance of this System comes home to me rather pointedly when I study farmers' use of credit in Minnesota. At the beginning of the year the Farm Credit banks and associations were providing farmers nearly $650 million. This represented 24 percent of their long-term mortgage credit through Federal Land Bank Associations and close to 20 percent of their operating credit through Production Credit Associations. The importance of this credit institution to farmers is obvious.

It is equally apparent that by providing this dependable credit source the Farm Credit System has had a major role in enabling the family farm to remain in business. For without credit, there is little question that our farms would have been taken over by giant corporations long ago.

Today nearly half of all Land Bank and PCA loans are to farmers with gross incomes of less than $10,000. More than 25 percent are to farmers with gross incomes less than $5,000. When you realize that net income is only about one-third of gross you can see that the Farm Credit System is providing an essential service for a great many small and part-time farmers.

The Farm Credit Act of 1971 will enable the Farm Credit System to adjust and broaden its services for even more helpful assistance to farmers and rural people. With this legislation, the Farm Credit System will be able:

to assist young farmers in ways never before possible,

to finance small businessmen who are providing farmers with on-the-farm services such as harvesting, spraying, and pruning,

to pioneer in new areas of farm business services including farm record keeping, tax counseling, and guidance on estate planning, and

to make credit available to a wider segment of farmer cooperatives.

But I am especially enthusiastic about this bill for what it will provide in the way of financial assistance to rural residents and thus to rural development. The Associated Press last week called S-1483 "landmark legislation." And in this area it surely is because for the first time the Federal Land Banks and Production Credit Associations would be authorized to make loans to rural people for non-farm homes. There is no question that a credit gap has existed in this area for a long time and the need for financial help has never been greater than now.

The urgency for doing something is all too evident when you examine the records of borrowers from the Farmers Home Administration. Each year a number of FHA borrowers with loans on their rural homes impove their financial position to the point where they can qualify for refinancing with a commercial lender. Yet in 1970, less than half of these FHA "graduates" in Minnesota were able to find a commercial lender who would give them a loan. In all midwest states only one third of them could find institutional lenders who would make them a loan on their rural home.

S-1483 will make the Farm Credit System, with all its resources and expertise, a solid partner in the financial battle against rural decay. It will authorize this System to use its financing skills to help build a better rural America and to do so in close concert with agencies of the U.S. Department of Agriculture as I have proposed in the Consolidated Farm and Rural Development Act, S. 2223, which now has 46 cosponsors.

The impact of these two legislative proposals would be giant steps towards remedying the serious economic problems in the countryside that so plaintively call for action.

Thus I urge that the Senate pass the Farm Credit Act of 1971—S-1483. I do so for I am convinced it is the next logical step for moving the cooperative Farm Credit System into a new era of still greater service for farm and rural people.

Mr. McGOVERN. Mr. President, as chairman of the Subcommittee on Agricultural Credit and Rural Electrification which held hearings on the Farm Credit Act of 1971, I stated that it was one of the most important pieces of legislation before the Congress this year. I wish to reiterate this stand before the entire Senate and recommend its enactment.

I represent the people of one of the most agricultural States in the Union. The farms and ranches of my State are the foundation of its economy and thus their economic health and progress is the key to the economic well-being of the entire State. In turn, one of the most important keys to the success of these operations is the availability of sound and adequate credit services. In South Dakota, our farmers had approximately $1 billion in credit at the beginning of 1970; and predictions are that we will need $2 billion by the end of this decade. And this tremendous credit demand will be repeated in every State in the Union. Farming is increasingly a capital business and we in the Congress must do everything we can to see that the credit is available. This bill will go a long way toward guaranteeing the farmer that he will be able to get the credit he needs when he needs it.

As I listened to witnesses during the hearings on this bill, I was impressed by several things.

First, the tremendous depth of pride the farmers have in their Farm Credit System. For many years they had the help of Federal "seed money" but they paid it all back with interest. Today, they own their own System. The farmers are the stockholders and through democratic processes direct their own credit affairs in a manner which has attracted worldwide admiration and acclaim.

Second, this bill is not the product of academicians, or bureaucrats, or any other group divorced from the day-to-day problems of the farmer. This bill was written in response to grassroots problems and was approved through grassroots processes with opportunity given local expression of views at every point. I was impressed by the caliber of the Commission which spent months reviewing all the problems of farm credit. They sought the views of all who had suggestions and ideas on the subject and their report reflects a deep understanding of present and future farm needs.

Third, the farmers of America are recognizing that their future is tightly entwined with the future of rural development. The rural community and the farmer form a single economic unit and their survival will require joint efforts in many areas. Therefore, the members of the farm credit system are to be complimented for coming before my subcommittee and the Congress with a proposal to make loans for such areas as nonfarm rural housing. This is a progressive, and in some ways, a radical change in the great traditions of the farm credit system. Twenty years from now, experts on rural development may record that the addition of nonfarm rural home lending was a major step toward modelizing across-the-board rural development in which the farmers and other rural residents join hands in a joint venture. This is the kind of cooperation which is absolutely essential for the survival of rural America. And I believe we can congratulate the farmers for taking this modest but nevertheless significant step toward solving the comprehensive rural development crisis.

Fourth, this bill recognizes the fact that some of our Nation's most critical problems need not be met with an outpouring of Federal funds. Our farmers do not seek and do not want handouts. They believe deeply in the principal of self-help and their farm credit system is a splendid example of self-help at its best. The system requires none of the taxpayer's hard-earned money, and will tie up no Federal funds through loan guarantees or Federal subsidies. In this system, the farmer pays the full cost of the money he borrows, and the bill before us today will not change this fact one bit.

Over the years the units of the farm credit system have not only grown to become major institutional providers of credit to farmers and their cooperatives but have proven themselves to be leaders and innovators in the farm credit field. This bill will allow the system to improve on an already excellent record by providing the necessary legal authority to remodel the system in keeping with the credit demands of modern-day rural America. Specifically, it will allow young farmers greater access to sound credit. It will also allow more flexibility in tailoring credit to the individual farmer and his operation. It authorizes loans for sorely needed housing in rural areas and to selected business enterprises that provide the farmer with on-the-farm services that have become a requirement of modern farming. Further it would authorize financially related services in areas where a need exists.

The provisions of the bill also keep faith with the original design of the system in that it allows more decisionmaking authority at the local level. I have also assured myself that sufficient control is provided in the bill that not only protects the interests of the farmers but also those of the investors in bonds of the farm credit system and the public at large.

It should be noted that the farm credit system is now operating at virtually no cost to the Government and the bill before us will not require an expenditure of Federal funds.

I am sure that I speak for the vast majority of the farmers and ranchers of South Dakota in urging your approval of this legislation.

Mr. THURMOND. Mr. President, we will soon have an opportunity to act on one of the most important pieces of farm legislation to be considered by the Senate this year. The Farm Credit Act of 1971, S. 1483, will help provide increased credit for farmers throughout our Nation, including South Carolina.

With the overall purpose of updating and modernizing the half-century-old farm credit system, this is a good bill which will be welcomed by our farmers and all friends of agriculture.

In South Carolina we are particularly proud of the success this system has had in serving farmers in every county. At the end of last year there were around 14,000 South Carolina farmers plus a number of farmer-owned cooperatives with system loans outstanding totaling over $200 million. Our production credit associations and our land bank associations are among South Carolina's most progressive local organizations. They are comprised of family farmers who are deeply committed to the task of providing food and fiber for our Nation.

Mr. President, I will not cite all the provisions in this bill. It contains 116 pages and the Senate Agriculture Committee has provided us with a fine report which adequately covers all the provisions and proposed changes in farm credit law.

One of the most significant provisions of this bill will offer assistance to young farmers and young men wanting to purchase farmland and farm equipment. We have seen too many young families leave our rural counties for lack of credit and encouragement. This bill should go a long way toward helping reverse the loss of young people from the rural community.

I also note with great interest the provisions in this bill for construction, maintenance and repair of nonfarm rural homes. It is with some regret that we note that two-thirds of the substandard housing in America is in the rural areas rather than in the cities. Of course, the cities have a big share of substandard housing and it is likely urban housing conditions are going to get worse in years to come. But, all the cries for more housing in the cities have ignored the fact that we also need housing in our rural areas. Now we have this farm credit bill which, for the first time, authorizes a small but significant rural housing program in open country areas. This is provided at absolutely no expense to the American taxpayer.

Mr. President, I think it is high time we in the Congress respond to the rural housing needs of this Nation and believe that the farm credit system is an excellent vehicle for doing so. Homes funded under this system must be located in open country and, therefore, will not compete for funds with other commercial moneylenders or with other Federal programs. And the fact that this bill involves no subsidies and no loan guarantees of any kind is reassuring to all the Americans who are today struggling under all too heavy a tax load.

I would like to close by noting that this bill has the full support of farmers, farmer-owned cooperatives, and farm organizations in South Carolina. In addition, I am pleased to note that because of the close cooperation between the system and commercial bankers, there are many rural bankers who are in full support of this bill. For example, Mr. Charles N. Plowden, president, Bank of Summerton, Summerton, S.C., testified before the House Agriculture Committee this month in support of S. 1483. Testifying in May before the Senate Subcommittee on Agricultural Credit and Rural Electrification, Keith R. Kehmeier, president, Citizens Bank, St. Francis, Kans., also spoke strongly in favor of the bill.

Mr. Plowden cited in his statement that S. 1483 will permit the farm credit system to act as a substitute corresponding bank for rural banks which are trying to serve farmers. As Mr. Plowden pointed out, the bill will permit participation by the farm credit system and the small commercial banks in loans to farmers, loans which for many reasons the banks could not have handled on their own.

Mr. President, all too often during years when money is tight, small banks are unable to offer the farmers all the credit they need because big city banks are unwilling or unable to participate in agricultural loans. Therefore, I think it is important that the farm credit system move to help the banks in this way, by channeling money to them directly from the New York money markets. This is a feature which will help not only the banks, but also the farmers of our country, without changing in any way the basic purpose of the farm credit system.

Mr. President, I ask unanimous consent that the full statement of Mr. Plowden be included in the RECORD at the close of my remarks for the benefit of all who are interested in this important legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF CHARLES N. PLOWDEN

Mr. Chairman and members of the committee, I am Charles N. Plowden, president of Bank of Summerton, Summerton, South Carolina, and I feel privileged to have this opportunity of appearing before this committee in support of H.R. 7138 and the various companion bills.

I have been involved in country banking for many years and have enjoyed a very favorable relationship with Farm Credit lending institutions. While I cannot claim complete familiarity with all provisions of this proposed legislation, I particularly wish to endorse the participation features whereby the lending institutions of the Farm Credit System can participate with commercial banks on their agricultural loans. Many farmers now require credit needs in excess of the lending limits of small country banks. The participation features will enable us to continue serving our customers with our over-ride of the credit requirements being handled by Farm Credit.

I am aware of the continuing trend of bigger banks swallowing up little banks, and I am concerned that unless we get such participation features as are embodied in this legislation the trend will increase and small country banks will be the loser.

I am also aware that my speaking in support of this legislation may appear at variance with some of the positions taken by the banking fraternity. I do not share all the concerns expressed by some of my colleagues, although I do feel the Farm Credit System should be on a tax paying basis. Otherwise, I support this legislation, and I believe in the integrity and good will of the people in the system whom it has been my privilege to work with over the years. I am impressed with the service these men offer through the system, and I have confidence also of their ability and determination to continue serving the expanded credit needs of agriculture in our part of the country.

I would like to comment on the 65% loan value limitation of the land banks. This is unrealistic, and hampers a lending institution in making sound credit decisions. Removal of this limitation would be beneficial, in my opinion, to the small operators and the young farmers trying to get a start, as it would enable them to more fully utilize their equity in farm land.

I understand there is provision in the Bill for financing credit and farm related services. We recognize numerous innovational changes in the agricultural industry such as crop spraying by airplane, orchard pruning, land clearing, soil and reforestation principles that can be carried out on a basis extending beyond the individual operator's boundaries. There is need for the financing of services beneficial to farmers that the farmer can more economically contract for, as opposed to providing them for himself. The type financing I am thinking of was not needed upon creation of the Farm Credit System, and the need exists now only because of technological changes in the industry. Credit requirements of farmers have changed just as much as capital needs of other industry.

Could I say also that I think it would be impractical to adopt specifically detailed legislation to provide such financing now. Technology in agriculture is continuing, and if we try to detail an existing farm related service now, it may be a few short years before other needs arise now unthought of. I have confidence in the system and believe this area of financing can be satisfactorily controlled through appropriate regulations promulgated by the Farm Credit System.

In summary, I would like to say again that as a country banker I would like to see this legislation enacted, as I believe there is more credit needed by today's farmer than can be adequately met by current restrictions on Farm Credit lending institutions. The laws should be updated in order to keep pace with the changing methods of farming, technological improvements, and other credit needs of the farm families.

Mr. BURDICK. Mr. President, the Farm Credit Act of 1971 approved by the Senate today may well be the most important piece of legislation for the commerical family farmer of this country that the Senate approves in this Session of Congress.

Too often as we discuss urban renewal and defense contracts and the balance of payments, we forget that most of the commercial activity and the economic health of this Nation is rooted, not in smoking factories, but in the basic raw materials of life itself, food and fiber. If we are to continue to increase or even to maintain an American standard of living in the speeding years of the remainder of this century, we must take steps to make sure that the producers of those basic raw materials have the tools essential for agricultural production.

In modern agriculture, the most important tool of the farmer is credit. We all know that credit is not a substitute for income. But the hard fact of the matter is that few farmers and ranchers generate enough income from operations to provide themselves with all the capital they need.

When we look at this whole area of credit, its availability and its use, we have to be realistic. While it is not a substitute for income, it is a substitute for a number of other things which, without credit, would not be available. As long as credit is treated as just another farm input, and as long as its use can be justified in the farmer's operating statement, then it will continue to be used profitably.

A look at the record is revealing. Ten years ago, farmers debts were around $25 billion. Today, farm debt stands at a little more than $60 billion. And all of the projections by all of the experts indicate that this soaring trend will continue and by 1980 outstanding farm debt will be somewhere between $90 billion and $140 billion. Whether you choose the high figure or the low figure depends upon how you project increases in land values, inflationary factors and some other variables. But the trend is clear.

There is another important fact. During this same period that saw farm debt more than double, the value of farm assets also rose although not as much. The result was that the debt-to-asset ratio of farmers increased from approximately 12 percent in 1960 to about 19 percent in 1970. But since agriculture is expected to require even more capital in the 1970's, the debt-to-asset ratio of the farm sector may be close to 30 percent by 1980.

Farmers face a credit problem. There is no doubt of it. Last year, many farm lenders curtailed their activities in spite of some of the highest interest rates since the Civil War. Competition for loan funds has been and will continue strong as money will be needed for urban and suburban housing, schools, industry, business, municipal and State activities, and a variety of Federal programs.

Taking all of these factors into consideration, it is obvious that if farmers are going to succeed, if the commercial family farm is to remain the mainstay of American agriculture, then farmers will need—in addition to strong bargaining associations, cooperatives, and realistic government programs—a reliable source of adequate credit and credit related services suited to their needs.

The Farm Credit Act of 1971 which the Senate has approved today will go a long way toward filling many of these increasing credit needs of both farmers and rural Americans.

The bill is the result of a 10-month study, made by the Commission on Agriculture Credit. This Commission was a 27-man body appointed by the Federal Farm Credit Board, top policymaking body for the farmer-owned farm credit system comprised of 12 Federal land banks which make long-term real estate loans to farmers; the 12 Federal intermediate credit banks which discount short and intermediate term notes of farmers given to private lending institutions; the 13 banks for cooperatives established to help fill the specialized credit needs of farmer cooperatives; and the local credit institutions known as production credit associations.

The final report and recommendations made by this commission were discussed at length by farmers, co-op leaders, and leaders of the Farm Credit System. The result was the Farm Credit Act of 1971, the product of the best thinking in farm credit from the grassroots, through bank officers, to elected directors.

The Farm Credit Act of 1961, if enacted by Congress and signed by the President, will enable the Federal land banks to:

Make loans to farmers beyond the present limit which holds them to 65 percent of the normal value of the property. This will make it possible for the good young farmer to start in business and to help the capable, experienced farmer expand his operation;

Make loans for low- and moderate-priced homes in rural areas. The availability of home loan funds will be a great boon to rural communities, because if a credit gap exists in rural America, this is where it is; and

Provide financial related services for on-farm operations.

The legislation would also do away with considerable red tape and modernize some of the land bank laws written in 1916.

The legislation will permit production credit associations to:

Finance low- and moderate-cost nonfarm rural housing by short and intermediate term loans;

Make loans for the repair and maintenance of rural homes and for the purchase of mobile homes;

Make loans to custom operators and those involved in providing other farm related services;

Perform farm-related financial services; and

Participate more effectively with commercial banks in loans to farmers.

The legislation would also permit the banks for cooperatives to make loans to more cooperatives than is now permissible.

There are a number of other important aspects of this legislation, particularly in the areas of obtaining loan funds and in simplified procedures. But all parts of the package were drafted with the purpose of better serving farmers, rural residents and cooperatives.

We are all aware of the splendid service provided to agriculture by the private banking system. Credit provided by the privately owned banks on the main streets of the towns and cities in rural America is as essential to agricultural progress as modern machinery, hybrid seeds, and improved breeds of livestock. In strengthening the farmer-owned Farm Credit System, we will also strengthen and improve the private banks, enabling them to serve their customers better.

While the enactment of the Farm Credit Act of 1971 is not an answer to all the problems faced by farmers, it will be of great benefit to farmers, cooperatives, and rural Americans generally. It will provide an expanded means of financing that will help create a better economic climate in the country.

This legislation can be the keystone for the kind of comprehensive rural development that our country needs.

I am proud to be one of the sponsors of S. 1483, the FCA of 1971

Mr. COOPER. Mr. President, I appreciate very much being a cosponsor of S. 1483, a bill to further provide for the farmer-owned cooperative system of making credit available to farmers and ranchers and their cooperatives, for rural residences, and to associations and other entities upon which farming operations are dependent, to provide for an adequate and flexible flow of money into rural areas, and to modernize and consolidate existing farm credit law to meet current and future rural credit needs, and for other purposes, which was reported to the Senate for the Committee on Agriculture and Forestry by the distinguished senior Senator from Georgia (Mr. TALMADGE), the chairman of the committee.

The Congress and the farmers of our country are appreciative of the fine work of the chairman and the entire committee for providing in this bill credit measures which will enable farmers to better cope with the problems which modern agriculture faces. Among them are the increased capital costs of land, equipment, and labor. The majority of the people of our country, I fear, do not realize that farmers have been beset by increased costs, and often lower prices. In the face of this dilemma they have continued to supply the people of the United States with an abundant and superior supply of food and fiber, and have enabled our country to help feed millions of hungry people throughout the world.

The percentage cost of the income of our people for food has nevertheless remained stable, and further, the share of the farmer in the food consumed remains too low a percentage of the cost paid by the consumers. In addition our farmers contribute to a large portion of our exports without which our balance-of-payments problem would be worsened.

I regret that the committee did not see fit to extend the term of loans made by Production Credit Association from 7 years to 10 years.

Mr. D. C. Sherman, general manager of the Cumberland Production Association, located at Somerset, Ky., my home, and Mr. Barkley Colson, his assistant, testified very effectively for the extension, as did Mr. Wilson, general manager of the Mammoth Cave Production Association of Glasgow, Ky., and Mr. D. C. Evans, of Tompkinsville, Ky. They described in detail the need of the thousands of farmers, they serve for extended credit, and I was glad to testify in their support.

In 1960, when I was a member of the Senate Committee on Agriculture, the loan term of production credit associations was extended from 5 to 7 years.

I will urge next year that the act be amended to extend the term from 7 to 10 years, because I believe it is essential for the needs of our farmers.

Mr. BYRD of West Virginia. Mr. President, on May 17, 18, and 20, the Senate Committee on Agriculture and Forestry's Subcommittee on Agricultural Credit and Rural Electrification held public hearings on S. 1483, the Farm Credit Act, of which I am a cosponsor.

Over 50 witnesses appeared, including farmers, ranchers, agribusinessmen, local farm credit systems leaders, officials of the Farm Credit Administration, representatives of farm organizations, spokesmen for commercial banks, mortgage lenders, and insurance companies. None expressed opposition to the general intent and purpose of the bill. As can be expected with major legislation of this kind, some witnesses proposed amendments and improvements. However, the great body of testimony was in support of the bill, and it becomes clear, on reviewing portions of the testimony, that the United States must act now to modernize and streamline the 54-year-old farm credit system.

In West Virginia we have witnessed a dramatic decrease in the number of family farms; there were 87,000 in 1950, 47,000 in 1960, and 29,000 in 1970. At the current rate we may see the disappearance of another 10,000 farms by 1980, leaving around 19,000. And along with the disappearance of family farms, we have witnessed total farmland in West Virginia decline by 100,000 acres per year, with a possible drop from 5.2 million acres last year to 4.2 million acres by 1980.

Perhaps more than anything else these figures underscore the vast changes which have been sweeping agriculture in my State, and in this respect I believe we are not too unlike many other States throughout the Nation. The United States is relying on fewer farmers operating fewer farms to produce greater and greater quantities of food and fiber.

At the same time, the economic key to successful farming—in contrast to farming 50 years ago—has shifted from labor to capital, so that the modern farmer must have the money to invest heavily in equipment, supplies, and services. For most farmers, this money, or capital, must come in the form of credit, and today there is no industry more dependent on an adequate supply of ready credit than farming.

The farmers' needs for credit have been climbing steadily, and predictions are that by 1980, in West Virginia and throughout the Nation, farmers will need twice as many farm loan dollars as they are now using. Between 1954 and 1970, West Virginian farmers increased their use of long term mortgage credit from $34 million to $81 million. During the same period, nonmortgage farm credit in our State increased from $11.6 million to $35.3 million.

As one of the Nation's leading apple-producing States, and as a State with a diversified agricultural base, including the production of livestock, crops, dairy, eggs, and broilers, we have a deep concern for the future of farm credit in America.

Therefore, I am hopeful that the Senate will act favorably on the pending business, the Farm Credit Act which was introduced by Senator Talmadge, the distinguished chairman of the Senate Committee on Agriculture and Forestry.

At the end of 1954, the Farm Credit System's land bank associations in West Virginia were providing 14 percent of all long-term mortgage credit, and at the beginning of 1970, the land bank share was 14.9 percent. The System's production credit associations have increased their share of short and intermediate credit in our State from 16 percent in 1954 to 22.2 percent at the beginning of 1970. It is clear, therefore, that West Virginia has an important stake in the future of the Farm Credit System. We are fortunate to have many sources of credit including commercial banks, insurance companies, mortgage banks, and private lenders. However, as rural credit needs soar, it is obvious that there will be plenty of business for all who lend to the farmer and, for the sake of our rural citizens, we are pleased the Farm Credit System is working through S. 1483 to improve itself.

Mr. President, I had the privilege of reviewing the subcommittee's testimony on the Farm Credit Act and was particularly interested in a statement presented by Paul Nay, a dairy farmer from Jane Lew, W. Va. He is currently chairman of the Farm Credit Board of Baltimore, which loaned $347.6 million last year to farmers in Pennsylvania, Delaware, Maryland, Virginia, West Virginia, and Puerto Rico.

In his statement, Mr. Nay underlines three areas in which this bill, S. 1483, will aid rural development. He said:

> The measure—
>
> (1) Would enable the Federal Land Banks to make non-farm rural housing loans.
>
> (2) Would enable Production Credit Associations to make loans to farm-related businesses providing on-the-farm services to farmers.
>
> (3) Would permit a greater range of financing for cooperatives.

He adds:

> The main point here, I believe, is that more money would be available in rural America. The presence of this money would stimulate the rural economy, provide jobs, and make rural America an even better place to live.

Mr. President, I believe we all welcome this effort to stimulate rural development and I ask unanimous consent that Paul Nay's fine statement be inserted at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF PAUL NAY

Mr. Chairman and members of the subcommittee, my name is Paul Nay. I am chairman of the Farm Credit Board of Baltimore. The Farm Credit Banks of Baltimore serve Delaware, the District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia and Puerto Rico. I served on the Commission on Agricultural Credit. But I appear here today also as a dairy farmer from Jane Lew, West Virginia, to urge the enactment of S–1483.

The State of West Virginia is a rural State by any measurement one cares to make. Over 60 percent of its total population lives in places of 2,500 and under. It is one of only four States which experienced decreases in population between 1960 and 1970 according to the census. And it had the dubious distinction of leading the losers with a decline of 6.2 percent.

Like many other rural residents, I am concerned with this population shift. From what I read and witness, this is also the concern of urban residents because people who leave rural America migrate to urban areas which already have more people than they need. I speak of West Virginia because I am more familiar with it, but the trend of country-to-city migration is nationwide.

On September 29, 1969, the President of the United States appointed a Task Force on Rural Development. The job of this Task Force was to recommend "what might be done in the public and private sectors to stimulate rural development." It is commonly accepted that if the rural economy could be stimulated and rural areas developed that this imbalance in population might be corrected and the tide of population flowing to our major metropolitan areas stemmed.

Mrs. Haven Smith, Chairman of the President's Task Force, expanded on this theme in an address before the National Conference of Farm Credit Directors on October 5, 1970. Based on the study the Task Force had undertaken, Mrs. Smith said, "Rural development is urgently needed to create job opportunities, community services, a better quality of living and an improved environment in our small cities, towns and farm communities." She cited a serious shortage of productive adults in the 20 through 64 age group resulting from the out migration from rural communities in search of better jobs.

The Task Force submitted its report, called "A New Life for the Country," over a year ago. The report concluded that "developing rural America will take large amounts of money, now and later. This money will come from individuals, either investing in rural America freely through private enterprise, or through the Government in the form of taxes. There is no other way." And indeed, gentlemen, there is no other way. It will take money.

The Commission on Agricultural Credit considered the monetary problems facing rural America at some length. While the Commission came up with no specific recommendations on how the entire problem should be handled, it did express the hope that the Farm Credit System might assist, for example, in financing non-farm rural homes, rural community needs, and rural cooperative utility systems. And it listed among its goals that the System "make credit available for selected farm related businesses which provide services directly to farmers necessary for efficient production, processing and marketing of farm products." To further aid in the development of rural areas, the eligibility standards for cooperatives so that a greater number of these farmer-owned businesses could be served by the Banks for Cooperatives.

There are those who contend these recommendations do not go far enough, that the Farm Credit System should play an even greater role in the development of rural America. The President's Task Force was of this view, recommending a "fourth arm" of the System be established to fill these non-farm rural credit needs.

Gentlemen, I live in rural America. I would like to see water systems, sewage systems and treatment plants, abundant and inexpensive power, recreational facilities and any number of other things come to the country. But I seriously question whether all these things can be financed by a private banking system, which the cooperative Farm Credit System now is. Some of these things, in my view, fall into the sphere of Government. Others require highly specialized and technical knowledge not available within the Farm Credit System.

The Farm Credit System, however, need make no apology for its role in rural development. It loans only in rural America and pumps more than one billion dollars of new money into the rural economy every year.

But the System recognizes it has an even greater responsibility to the communities in which it does business and in which its owners live.

There are three provisions in this legislation which would make inroads into the field of rural area development.

The first would enable the Federal Land Banks to make non-farm rural housing loans. This is an area in which the Land Banks do have some experience. Many regular Land Bank loans involve rural homes as a part of the real estate. The conversion to non-farm homes would not be a difficult one for the Banks to make. I do not have figures at my fingertips. I have read of the great need for credit to finance rural housing. And I do know the need exists. One just has to drive through the countryside and it becomes all too obvious.

The second would enable Production Credit Associations to make loans to farm-related businesses providing on-the-farm services to farmers. It would also permit financing of those facilities used in initial stages of processing or of storage. Again, some expertise exists in this area. PCAs are now making loans on the kind of equipment and facilities involved. The difference would be that more farmers would have access to them without having to lay out great amounts of capital whether from savings or credit. The availability of credit to finance these businesses would not only benefit farmers, but would create jobs and encourage business in rural America.

The third change would permit a greater range of financing for cooperatives. More of these farmer-owned businesses would become eligible for credit, including perhaps more rural electric cooperatives than are now served.

The main point here, I believe, is that more money would be available in rural America. The presence of this money would stimulate the rural economy, provide jobs, and make rural America an even better place to live.

It will, of course, take much more to do this job that needs doing so badly. This, I hope, is coming. The Agricultural Act of last year requires all agencies to report by June 30 on how they can help in rural area development. I understand that hearings will be held in the Senate on some other aspects of the problem.

But the things that can be done by the Banks and Associations of the Farm Credit System can begin with the enactment of this legislation. They will help immediately to fill the gaps which now exist and create a climate in which other programs can operate more effectively.

The development of rural America is not a rural problem. It is a national problem. I ask that this subcommittee take whatever action it can to permit the cooperative Farm Credit System to play a role in helping to solve it.

Thank you.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. TALMADGE. Mr. President, I know of no Senator who wishes to speak further. I request third reading.

The bill (S. 1483) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MILLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, with the final passage of S. 1316 and S. 1483, I wish to thank the distinguished and able Senator from Georgia (Mr. Talmadge). The ranking minority member of the Agriculture Appropriations Committee, Senator Hruska contributed a great deal to the discussion on the floor, and helped relieve some of the workload of the chairman, the senior Senator from Georgia (Mr. Talmadge). With the increased concern about public health standards, the Senate owes these two gentlemen a note of thanks for their untiring service.

Participating in the floor discussion, Senator Mondale, Senator Montoya, and Senator Curtis all helped explain the many intricacies of this legislation. With every Senator maintaining a hectic schedule the type of service that the Senators just mentioned provided is certainly most appreciated.

The senior Senator from Maryland (Mr. Mathias) with his thoughtful suggestions should be thanked also. The Senate must always have a diversity of opinions freely expressed and Senator Mathias was most articulate in expressing his own views. The junior Senator from Florida (Mr. Chiles) clearly expressed his views and his contributions are much appreciated.

A note of thanks is proper at this point to each of the Senators who participated in the floor discussion today.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY LOAN GUARANTEE ACT

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate the unfinished business, which will be stated.

The legislative clerk read as follows:

A bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The pending order of business is amendment No. 326, offered by the Senator from South Dakota (Mr. McGovern).

Mr. HARTKE. Mr. President, as I indicated in my statement of July 27 on the bill before us, we have pertinent and relevant experience with guaranteed loans in another part of the transportation industry—the railroads. The lesson derived from this experience demonstrates that providing guaranteed loans to companies in trouble helps the public very little if at all. A guaranteed loan may prolong a company's ultimate fate, but it does not transform an inefficient company into an efficient company, nor does it bring an outdated company's policy and operations into conformity with the needs and realities of today.

Fourteen railroads received a total of $244 million in federally guaranteed loans during the 5-year life of part V of the Interstate Commerce Act. Those 14 roads were at the time, according to the Interstate Commerce Commission's description of the program, "distressed"; today they are in the same or worse shape. Five of them are in reorganization in the bankruptcy court. Four others are classified by the ICC today as being marginal cases—which I understand to mean "between very poor shape and bankruptcy." At least two of them are on the edge of bankruptcy. Others are either not class I railroads or not doing well. One has disappeared, having been merged into another railroad. I think it is fair to say that the guaranteed loans of part V did not contribute to the revitalization of the American railroad system nor to the improvement of the health of the roads that obtained such guarantees.

Let us look to the history of part V, remembering the wise aphorism. "Those who do not remember the past are doomed to repeat it."

In the last few months of 1957, many railroads, particularly those in the Eastern region, experienced a sudden and severe falling off of their revenues and net income. This experience created considerable alarm in the railroad industry. Their alarm was duly and promptly reported to various departments of the Federal Government. Earnings continued to decline through 1958. In response, bills were introduced in Congress and, encountering little opposition, were enacted as part V of the Interstate Commerce Act on August 12, 1958.

Part V empowered the Commission to guarantee in whole or in part any public or private financing institution against loss of principal or interest on any loan or other commitment made for the purpose of additions, betterments, and other capital expenditures, or expenditures for the maintenance of property. The principal amount of loans guaranteed was limited to $500 million. In order to make a guarantee, the Commission was required to find:

First, the carrier could not otherwise obtain the necessary funds on reasonable terms;

Second, the interest rate was not unreasonably high;

Third, the term of the loan was not longer than 15 years; and

Fourth, "the prospective earning power of the applicant carrier, together with the character and value of the security pledged, if any, furnish reasonable assurance of the applicant's ability to repay the loan within the time fixed therefore and reasonable protection to the United States."

Dividends were prohibited during the period which guaranteed loans used for financing maintenance were outstanding. In short, there is a good deal of similarity between the 1958 act and the Lockheed bill, except the former limited the use of the assistance obtained to facilities and equipment.

Fourteen railroads made 36 applications for loan guarantees totaling almost $244 million. $75.7 million of that went to the New Haven and the New York Central. The New Haven was bankrupt; later, it and the New York Central became part of the Penn Central system which, of course, is now the bankrupt Penn Central system. As of June 30, 1971, $32.1 of that amount was outstanding. The Missouri-Kansas-Texas—a marginal road according to the current analysis of the ICC—still owes $30 million of the $34 million it borrowed between 1961 and 1963. The Reading, also a marginal road, and perhaps more marginal than the rest, still owes $28 million of its $30 million loan. The Reading was standing in line just behind the bankrupt railroads last fall for a piece of the administration's railroad bail-out bill. But the requirement in the Emergency Rail Services Act that a company be in bankruptcy was apparently stringent enough to keep the Reading waiting outside the Treasury doors.

I reviewed the results of part V with the chairman of the Interstate Commerce Commission in hearings before the Surface Transportation Subcommittee of the Committee on Commerce on Wednesday, July 21. Summarizing the experience under the act, I remarked:

> It really did not do them much good except to tide us over a temporary situation again.

Chairman Stafford replied:

> Well, you are absolutely right, sir, but the facts of life are that we always seem to end up in crises, trying to maintain service at the last minute again.
>
> It really did not do them much good. You are absolutely right.

That is a most damning indictment of the proposed legislation to help Lockheed. This kind of measure does not help a company meet its basic problems. It does not help the public, because we still end up with a floundering enterprise. The only ones it helps outside of current management are the banks—the banks who made loans of their own free will. They were not forced in. They had the scent of a good profit at first. But when the odor changes a little, they want the public to clean up the mess.

Last year, the administration tried to rush the passage of legislation to bail out the Penn Central. The approach was about the same, a broad bill designed to pump money into the corporate coffers with only minor limitations. But, of course, the money just runs right out again into the hands of the creditors—the banks who threaten to put the company in bankruptcy or in liquidation unless they are paid off.

I have no objection to creditors protecting their rights. But we should not be stampeded into making good their gamble. We must look to the public's rights, also.

Last spring, the administration sought authorization for $750 million, principally to bail out the Penn Central management and the bankers. They testified in June that it would take $200 to $450 million of the total amount to put Penn Central on its feet. That was wrong. With their approach, the Penn Central would have devoured over $450 million to the present time—probably more. And it is not out of the woods yet. If the administration had had its way, the Penn Central would probably have consumed the entire $750 million. The end result would likely have been a weak, inefficient, poor-performing railroad.

What happened is common knowledge. The Penn Central went into reorganization; the administration's bill did not go through.

There is a point of great importance here. The administration wanted to keep the railroad out of bankruptcy. It wanted to put up the money to keep the old management in business. That choice would have required a commitment of the public credit 4½ times larger than was actually made.

When the Penn Central trustees testified last November I asked them:

> If we had passed this legislation when we were first asked to do so, wouldn't we have been in the same position as we are now, except $350 million shorter?

Mr. Wirtz, a member of the trustees, answered directly and simply:

> Yes.

To make absolutely sure there was no misunderstanding, I rephrased the question:

> In other words, if we had acted at the request of the Administration last spring and granted the authority to proceed with the $750 million, we would have been $350 million short and you would still have been back here asking for more now?

Mr. Wirtz replied:

> Speaking for myself and I think I am joined in this by my colleagues, it would have been a great mistake to finance Penn Central Transportation Co. on the basis that was sought last summer. If it had happened, it would have only postponed the day of reckoning in our view; and we think we are coming in now on a quite totally different basis.

In November of last year, the Penn Central trustees came to Congress to say that they would close down unless Federal assistance was forthcoming. They figured that $175 million to $250 million in outside financing—Government assistance—would be needed to carry them over 1971. A similar amount for the period 1972 through 1973 was estimated to be needed in addition. At the end of that time—and large investment—they would probably be at the point of being able to determine whether or not the railroad could successfully be reorganized. They did not expect to have a reorganized railroad at that time.

The trustees of the Penn Central finally received $100 million—$75 million less than their minimum request—and they have only used $75 million of that. It appears that they may make it to the end of this year with this reduced amount. The lesson is that the Penn Central—and other companies, no doubt—can survive in bankruptcy with much less than they predict because they are forced, as they should be, to tighten their belts. Further, I am told that service has improved up there—they are doing much more with less. It is not at all clear that they would have done any better had they had more money. What is clear is that the management under the trustees is far superior to what the railroads had before.

Last spring, the administration forecast a great calamity if the Penn Central were to go into bankruptcy proceedings. The administration put great pressure on us to rush through a bill to bail out the Penn Central. But Congress wisely resisted the pressure. It wisely bided its time knowing that the long-established procedures of reorganization would permit things to be rationally sorted out. Why should not the same course be followed with Lockheed? Why should we rush into this matter when there is no need for haste?

In the Penn Central's case, Congress gained about 7 months by refusing to be stampeded. During that time, it was enabled to see that the $750 million requested by the administration was not needed. The committee was also able to gain enough information on the situation so that it was able confidently to authorize less than the trustees requested. And that amount has proved sufficient to carry the Penn Central through this year.

Still another point is made in our experience with the Penn Central. Bankruptcy provides an opportunity for the mistakes of past management to be recognized and corrected. The Penn Central once had a strong belief that diversification—acquisition of businesses outside the railroad business—was the route to high profits and corporate glory. They invested $153 million in hard, cold cash that was desperately needed by the railroad to acquire other companies.

The old Penn Central management used the complex tangle of corporate relationships to create paper profits. But they could not squeeze cash out of their cash-hungry acquisitions to pay the debts of the railroad. Lack of cash was what brought them to Congress and into bankruptcy. Yet, the past management defended the program throughout our hearings last summer, and would probably do so even to this day.

One expects them to defend their decision. That is just the problem with remaining out of bankruptcy. Had they continued in control of the company, they would have continued to defend their decision. They would have used the public credit to prop up the corporate shambles created by their mistaken decision.

The trustees last November acknowledged that diversification had been a mistake. They are now in the process of trying to liquidate that mistake.

It might be countered that a change of top management would produce the same independent evaluation of policy and correction of mistakes the trustees have. I do not think that is true. New top management simply takes the reins of an existing organization. In order to change the fundamental policy decisions, it must convince both the stockholders and lower managements that what they had once been persuaded was right is now wrong. That is a process that takes time and whose outcome is uncertain. Trustees in bankruptcy, on the other hand, are able to take control and directly change mistaken policies. The very bankruptcy of the corporation is irrefutable demonstration of the bankruptcy of past policy.

In the case of new management, a weakened and ineffective organization must be reformed. The operation must be conducted delicately in order not to bring down the tottering corporation. In the case of bankruptcy, the collapse has occurred; the trustees need only begin to rebuild.

In conclusion, I believe our experience with guarantees to railroads provides strong and clear teaching that the proposed bail-out of Lockheed is wrong—dead wrong. Guaranteed loans under part V of the Interstate Commerce Act neither helped the individual railroads which received such loans nor strengthened the industry to the benefit of the public. The Penn Central debacle demonstrated that we should not be rushed into keeping a corporation out of bankruptcy. The Penn Central continued to run during bankruptcy. It is, in fact, running better than before. The mistakes of the diversification program are being liquidated. The Government has saved, at the minimum, $350 million and probably twice that amount.

Mr. President, I can think of no clearer case which can be a concrete example for the Senate to concern itself with than part V of the ICC June 30, 1970, report on administration of the 1958 act. It shows clearly and definitely that the procedure now before the Senate is absolutely the wrong one, the expensive one, not in the public interest, and certainly not the answer to the problems of Lockheed.

Mr. President, I ask unanimous consent that the ICC, June 30, 1970, report on the administration of the 1958 act, and tables showing the relative financial position of the railroads in 1971 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERSTATE COMMERCE COMMISSION—BUREAU OF ACCOUNTS

SECTION OF FINANCIAL ANALYSIS, JUNE 30, 1970

Statistical Summary for Loan Guaranties to Railroads Under Part V of the Interstate Commerce Act, as Amended

Index

Appendix A.—Statement showing by railroads (on sheets 1–3 thereof) amount of each loan applied for and final action by the Commission; and (on sheet 4) a recapitulation of total number of applications and total amount of guaranties authorized for each railroad.

Appendix B.—Statement showing by railroads for each loan, the term of the guaranty, date of final maturity, rate of interest, and the purpose of the loan.

Appendix C.—Statement showing by railroads, for each loan, the repayments of principal and the unpaid balance as of June 30, 1970.

Appendix D.—Statement showing the total appraised value of the collateral securing the total unpaid balance of principal for all loans to each railroad. Sheet 2 shows details in respect of loans to New Haven Railroad and the Trustees.

APPENDIX A

RECAPITULATION BY RAILROADS OF LOAN GUARANTEE APPLICATIONS RECEIVED AND ACTIONS THEREON

Finance docket No.	Railroad	Amount applied for			Action		
		Original amount	Amended or withdrawn	Net amount	Date	Amount approved	Amount denied
20691	Atlantic & Danville	$800,000		$800,000	Jan. 6, 1960		$800,000
20429	Boston & Maine	10,500,000	$4,500,000	6,000,000	June 22, 1959	$3,000,000	3,000,000
21365	Do	3,000,000		3,000,000	Jan. 17, 1961	3,000,000	
21615	Do	1,000,000		1,000,000	Aug. 15, 1961	1,000,000	
21888	Do	[1] 5,845,348	5,845,348		July 27, 1962 [1]		
22231	Do	1,000,000		1,000,000	Oct. 3, 1962	1,000,000	
22639	Do	1,000,000		1,000,000	July 24, 1963	1,000,000	
	Total	22,345,348	10,345,348	12,000,000		9,000,000	3,000,000
21555	Central of New Jersey	15,000,000		15,000,000	Aug. 26, 1961	15,000,000	
22640	Do	5,000,000		5,000,000	Dec. 20, 1963	2,000,000	
					Nov. 6, 1964	3,000,000	
	Total	20,000,000		20,000,000		20,000,000	
21210	Chicago & Eastern Illinois	3,000,000		3,000,000	Sept. 23, 1960	3,000,000	
22361	Do	12,000,000	200,000	11,800,000	Feb. 28, 1963	11,800,000	
	Total	15,000,000	200,000	14,800,000		14,800,000	

Footnotes at end of table.

APPENDIX A

RECAPITULATION BY RAILROADS OF LOAN GUARANTEE APPLICATIONS RECEIVED AND ACTIONS THEREON—Continued

		Amount applied for			Action		
Finance docket No.	Railroad	Original amount	Amended or withdrawn	Net amount	Date	Amount approved	Amount denied
21494	Erie-Lackawanna	$15,000,000		$15,000,000	June 8, 1961	$15,000,000	
22632	Do	15,000,000	$10,000,000	5,000,000	Nov. 12, 1963		$5,000,000
	Total	30,000,000	10,000,000	20,000,000		15,000,000	5,000,000
20517	Georgia & Florida	1,000,000	65,040	934,960	May 8, 1959	934,960	
20518	Do	1,000,000		1,000,000	Oct. 5, 1959	1,000,000	
	Total	2,000,000	65,040	1,934,960		1,934,960	
20760	Lehigh Valley	6,000,000	77,000	5,923,000	Nov. 27, 1959	5,923,000	
21300	Do	5,000,000		5,000,000	Dec. 7, 1960	5,000,000	
21539	Do	2,500,000		2,500,000	Apr. 18, 1961	2,500,000	
21776	Do	5,000,000		5,000,000	Nov. 28, 1961	5,000,000	
22339	Do	5,000,000		5,000,000	Apr.. 25, 1963	3,400,000	1,600,000
	Total	23,500,000	77,000	23,423,000		21,823,000	1,600,000
21454	Missouri-Kansas-Texas	16,000,000		16,000,000	May 22, 1961	16,000,000	
21552	Do	6,000,000		6,000,000	June 26, 1961	6,000,000	
22577	Do	12,000,000		12,000,000	Nov. 12, 1963	12,000,000	
	Total	34,000,000		34,000,000		34,000,000	
21551	Monon	5,000,000		5,000,000	July 26, 1961	5,000,000	
22675	Do	5,500,000		5,500,000	Sept. 23, 1963	5,500,000	
	Total	10,500,000		10,500,000		10,500,000	
20372	New Haven	16,542,460	8,383,060	8,159,400	Aug. 5, 1960	8,159,400	
20397	Do	500,000		500,000	Jan. 8, 1960	500,000	
20398	Do	1,500,000		1,500,000	Oct. 28, 1959	1,500,000	
21299	Do	6,000,000		6,000,000	Oct. 31, 1960	4,500,000	1,500,000
21299	Do	4,500,000		4,500,000	Dec. 29, 1960	3,500,000	1,000,000
21299	Do	3,500,000		3,500,000	Feb. 14, 1961	3,500,000	
21299	Do	1,500,000		1,500,000	May 12, 1961	1,500,000	
	Subtotal, finance docket No. 21299	15,500,000		15,500,000		13,000,000	2,500,000
	Subtotal, New Haven RR	34,042,460	8,383,060	25,659,400		23,159,400	2,500,000
21685	New Haven trustees	5,000,000		5,000,000	Aug. 2, 1961	5,000,000	
21808	Do	7,500,000		7,500,000	Dec. 7, 1961	7,500,000	
	Subtotal, New Haven trustees	12,500,000		12,500,000		12,500,000	
	Total, New Haven and trustees	46,542,460	8,383,060	38,159,400		35,659,400	2,500,000
20689	Penn Central (New York Central)	40,000,000		40,000,000	Sept. 16, 1959	40,000,000	
20395	New York, Susquehanna & Western	[2]450,000	450,000		Jan. 29, 1959[2]		
20840	Do	300,000		300,000	Apr. 20, 1960	300,000	
20841	Do	200,000		200,000	Dec. 23, 1959		200,000
21794	Do	555,000		555,000	Mar. 1, 1962	555,000	
	Total	1,505,000	450,000	1,055,000		855,000	200,000
21121	Norfolk Southern	2,000,000		2,000,000	Sept. 21, 1969	2,000,000	
22488	Do	5,400,000		5,400,000	June 5, 1963	5,400,000	
	Total	7,400,000		7,400,000		7,400,000	
21547	Pittsburgh & Western Virginia	1,500,000		1,500,000	June 26, 1961	1,500,000	
22445	Do	1,500,000		1,500,000	Mar. 18, 1963	1,500,000	
	Total	3,000,000		3,000,000		3,000,000	
22545	Reading	30,000,000		30,000,000	June 26, 1963	30,000,000	
	Grand total	286,592,808	29,520,448	257,072,360		243,972,360	13,100,000

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[1] B. & M. application, finance docket No. 21888 for $5,845,348, was withdrawn at request of applicant and dismissed by order of July 27, 1962.

[2] New York, Susquehanna & Western application, finance docket No. 20395 for $450,000, was withdrawn at request of applicant and dismissed by order of Jan. 29, 1959.

RECAPITULATION—LOAN GUARANTEE APPLICATIONS APPROVED

Railroad	Number of applications	Total amount guaranteed
Boston & Maine	5	$9,000,000
Central of New Jersey	2	20,000,000
Chicago & Eastern Illinois	2	14,800,000
Erie-Lackawanna	1	15,000,000
Georgia & Florida	2	1,934,960
Lehigh Valley	5	21,823,000
Missouri-Kansas-Texas	3	34,000,000
Monon	2	10,500,000
Penn Central (formerly New York Central)	1	40,000,000
New Haven	4	$23,159,400
New Haven trustees	2	12,500,000
New York, Susquehanna & Western	2	855,000
Norfolk Southern	2	7,400,000
Pittsburgh & West Virginia	2	3,000,000
Reading	1	30,000,000
Total	36	243,972,360

APPENDIX B

LOAN GUARANTEE APPLICATIONS STATEMENT SHOWING FOR APPROVED APPLICATIONS THE TERM OF GUARANTEE, RATE OF INTEREST, AND PURPOSE OF LOAN

Finance Docket No.	Railroad	Amount approved	Term of guarantee (years)	Date of final maturity	Rate of interest (percent)	Purpose of loan
20429	Boston & Maine	$3,000,000	15	Dec. 1, 1974	5	(1).
21365	Do	3,000,000	15	July 1, 1975	5	(1).
21615	Do	1,000,000	6	July 1, 1965[2]	4⅞	(1).
22231	Do	1,000,000	15	Oct. 15, 1977	5	(1).
22639	Do	1,000,000	3	July 1, 1966[2]	4¾	(1).
	Total	9,000,000				
21555	Central of New Jersey	15,000,000	15	July 1, 1976	5	(3).
22640	Do	5,000,000	15	Dec. 1, 1978	5	(1).
	Total	20,000,000				
21210	Chicago & Eastern Illinois.	3,000,000	15	July 31, 1975	5¼	(1).
22361	Do	11,800,000	15	Dec. 31, 1977	5	(4).
	Total	14,800,000				
21494	Erie-Lackawanna	15,000,000	15	June 1, 1976	5¼	(1).
	Total	15,000,000				
20517	Georgia & Florida	934,960	10	Dec. 31, 1970[2]	5	(1).
20518	Do	1,000,000	10	Dec. 23, 1970[2]	5½	(6).
	Total	1,934,960				
20760	Lehigh Valley	5,923,000	15	Aug. 1, 1974	5.0059	(7).
21300	Do	5,000,000	15	June 15, 1975	8½	(1).
21539	Do	2,500,000	4	May 17, 1970	6	(1).
21776	Do	5,000,000	15	Nov. 1, 1976	4½ and 5	(1).
22339	Do	3,400,000	15	May 1, 1977	4¼	(1).
	Total	21,823,000				
21454	Missouri-Kansas-Texas.	16,000,000	15	May 1, 1976	5	(1).
21552	Do	6,000,000	15	June 1, 1976	4¼	(1).
22577	Do	12,000,000	15	June 1, 1978	5⅝	(1).
	Total	34,000,000				
21551	Monon	5,000,000	15	July 1, 1976	4¾ and 5.	(8).
22675	Do	5,500,000	15	Oct. 1, 1978	4⅝	(9).
	Total	10,500,000				
20372	New Haven	$8,159,400	15	June 1, 1975	5½	(10).
20397	Do.	500,000	6	Jan. 1, 1965[2]	5½	(11).
20398	Do	1,500,000	15	Jan. 1, 1974	5	(12).
21229	Do	4,500,000	1	Nov. 3, 1961	5	(1).
21299	Do	3,500,000	1	do	5	(1).
21299	Do	3,500,000	1	do	5	(1).
21299	Do	1,500,000	1	do	5	(1).
	Subtotal, finance docket No. 21299.	13,000,000				
	Subtotal, New Haven RR.	23,159,400				
21685	New Haven trustees	5,000,000	10	Aug. 4, 1971	5¼	(1).
21808	Do	7,500,000	10	Dec. 13, 1971	5¼	(1).
	Subtotal, New Haven trustees.	12,500,000				
	Total, New Haven and trustees.	35,659,400				
20689	New York Central	40,000,000	15	July 1, 1974	5	(1).
20840	New York, Susquehanna & Western.	300,000	15	Dec. 1, 1974	5½	(1).
21794	Do	555,000	10	Sept. 1, 1972	5½	(13).
	Total	855,000				
21121	Norfolk Southern	2,000,000	15	July 1, 1974	5¼	(1).
22488	Do	5,400,000	15	May 1, 1978	4¾	(14).
	Total	7,400,000				
21547	Pittsburgh & West Virginia.	1,500,000	15	June 1, 1976	4¾	(1).
22445	Do	1,500,000	2	May 28, 1965[2]	4¾	(1).
	Total	3,000,000				
22545	Reading	30,000,000	15	July 1, 1978	4¾	(15).
	Grand total	243,972,360				

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[1] Reimbursement of treasury.

[2] These loans have been paid in full.

[3] Financing acquisition of not less than 634 covered hopper cars and 725 box cars at a cost in excess of $5,000,000; and reimbursement of treasury $10,000,000.

[4] Refinancing certain equipment obligations incurred after Jan. 1, 1957.

[5] Acquisition of 100 new freight cars.

[6] Maintenance and rehabilitation of roadway.

[7] Refinance equipment obligations, $1,167,127; finance planned capital expenditures, $1,574,609; and reimbursement of treasury, $3,181,264.

[8] Reimbursement of treasury, $2,268,359; and acquisition of 4 diesel locomotives and 116 freight cars with a total cost of $2,731,641.

[9] Financing acquisition of 9 new locomotives, $2,400,000; and 74 freight cars, $1,100,000; and reimbursement of treasury, $2,000,000.

[10] Acquisition of 30 new diesel electric locomotives.

[11] Acquisition of maintenance-of-way equipment and machinery.

[12] Construction of certain shop facilities.

[13] Financing acquisition of 3 locomotives.

[14] Financing acquisition of 17 new locomotives, $2,975,000; and reimbursement of treasury, $2,425,000.

[15] Financing acquisition of 56 new locomotives, $11,000,000; and reimbursement of treasury, $19,000,000.

Note: Reimbursement of treasury items above represent reimbursement for capital expenditures made after Jan. 1, 1957, from the railroad's own funds.

APPENDIX C

LOAN GUARANTEE APPLICATIONS STATEMENT SHOWING REPAYMENTS AND UNPAID BALANCES FOR APPROVED APPLICATIONS

Finance docket No.	Railroad	Date	Amount approved	Approved but not disbursed	Repayments	Unpaid balance, June 30, 1970
20429	Boston & Maine	June 22, 1959	$3,000,000		$2,100,000	$900,000
21365	Do	Jan. 17, 1961	3,000,000		1,200,000	1,800,000
21615	Do	Aug. 15, 1961	1,000,000		1,000,000	
22231	Do	Oct. 3, 1962	1,000,000		483,333	516,667
22639	Do	July 24, 1963	1,000,000		1,000,000	
	Total		9,000,000		5,783,333	3,216,667
21555	Central of New Jersey	Aug. 26, 1961	15,000,000		4,208,517	10,791,483
22640	Do	Dec. 20, 1963	5,000,000		715,910	4,284,090
	Total		20,000,000		4,924,427	[1]15,075,573
21210	Chicago & Eastern Illinois	Sept. 23, 1960	3,000,000		3,000,000	
22361	Do	Feb. 28, 1963	11,800,000		4,951,004	6,838,996
	Total		14,800,000		7,961,004	6,838,996
21494	Erie-Lackawanna	June 8, 1961	15,000,000		3,000,000	12,000,000
2051	Georgia & Florida	May 8, 1959	934,960		[2]934,960	
2051	Do	Oct. 5, 1959	1,000,000	[2]$100,000	[2]900,000	
	Total		1,934,960	100,000	1,834,960	
20760	Lehigh Valley	Nov. 27, 1959	5,923,000		3,123,000	2,800,000
21300	Do	Dec. 7, 1960	5,000,000		2,336,000	2,664,000
21539	Do	Apr. 28, 1961	2,500,000		1,375,000	1,125,000

Footnotes at end of table.

APPENDIX C—Continued

LOAN GUARANTEE APPLICATIONS STATEMENT SHOWING REPAYMENTS AND UNPAID BALANCES FOR APPROVED APPLICATIONS—Continued

Finance docket No.	Railroad	Date	Amount approved	Approved but not disbursed	Repayments	Unpaid balance, June 30, 1970
21776	Lehigh Valley	Jan. 28, 1961	$5,000,000		$2,469,000	$2,531,000
22339	Do	Apr. 25, 1963	3,400,000		1,235,000	2,165,000
	Total		21,823,000		10,538,000	11,285,000
21454	Missouri-Kansas-Texas	May 22, 1961	16,000,000		2,880,000	13,120,000
21552	Do	June 26, 1961	6,000,000		1,080,000	4,920,000
22577	Do	Nov. 12, 1963	12,000,000			12,000,000
	Total		34,000,000		3,960,000	30,040,000
21551	Monon	July 26, 1961	5,000,000		1,100,000	3,900,000
22675	Do	Sept. 23, 1963	5,500,000		1,950,000	3,550,000
	Total		10,500,000		3,050,000	7,450,000
20372	New Haven (assumed by Penn Central)	Aug. 5, 1960	8,159,400		5,439,600	2,719,800
20397	Do	Jan. 8, 1960	500,000		500,000	
20398	Do	Oct. 28, 1959	1,500,000		1,182,868	[3] 4,317,132
21299	Do	Oct. 31, 1960	4,500,000		[4] 627,900	[4] 3,872,100
21299	Do	Dec. 29, 1960	3,500,000			3,500,000
21299	Do	Feb. 14, 1961	3,500,000			3,500,000
21299	Do	May 12, 1961	1,500,000			1,500,000
	(Subtotal, finance docket No. 21299)		[3] 13,000,000		627,900	[4] 12,372,100
	Subtotal, New Haven RR		23,159,400		7,750,368	15,409,032
21685	New Haven trustees	Aug. 2, 1961	5,000,000			5,000,000
21808	Do	Dec. 7, 1961	7,500,000			7,500,000
	(Subtotal, New Haven trustees)		12,500,000			12,500,000
	Total, New Haven trustees		35,659,400		7,750,368	27,909,000
20689	Penn Central (New York Central)	Sept. 16, 1959	40,000,000		23,100,000	16,900,000
20845	New York, Susquehanna & Western	Apr. 20, 1960	300,000		200,200	99,800
21794	Do	Mar. 1, 1962	555,000		425,500	129,500
	Total		855,000		625,700	229,300
21121	Norfolk Southern	Sept. 21, 1960	2,000,000		1,000,000	1,000,000
22488	Do	June 5, 1963	5,400,000		600,000	4,800,000
	Total		7,400,000		1,600,000	5,800,000
21547	Pittsburg & West Virginia	June 26, 1961	1,500,000		900,000	600,000
22445	Do	Mar. 28, 1963	1,500,000	[5] $1,400,000	100,000	
	Total		3,000,000	1,400,000	1,000,000	600,000
22545	Reading	June 26, 1963	30,000,000		2,000,000	28,000,000
	Grand total		243,972,360	1,500,000	77,127,792	165,344,568

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[1] Central of New Jersey defaulted on its loans in finance docket Nos. 21555 and 22640 in March 1967, with unpaid principal balances of $12,375,000 and $4,620,000 respectively. On June 1, 1967, the United States paid the unpaid principal balance of these loans, plus interest of $373,312.50 with funds provided by supplemental appropriation (Public Law 90-21). As of June 30, 1970, $1,919,427 had been applied on the principal of these loans from revenue derived from the collateral security.

[2] The entire unpaid principal balance of these loans, with accrued interest, was paid by the receiver of the Georgia & Florida on June 29, 1963, from the funds received by him from sale of all of the properties and franchises of the railroad to certain subsidiaries of the Southern Railway. No further disbursements will be made.

[3] New Haven defaulted on its loans in finance docket Nos. 20398 and 21299 in July 1961, with unpaid principal balances of $1,375,000 and $13,000,000 respectively. On Oct. 2, 1961, the United States paid the unpaid principal balance of these loans, plus interest with funds provided in supplemental appropriations bill 1962 (H.R. 9169). The loans in finance docket Nos. 20372 and 20397 were assumed by the trustees. The loan in finance docket No. 20372 was subsequently assumed by Penn Central. As of June 30, 1970, $1,057,868 has been applied on the principal of the loan in finance docket No. 20389 under an agreement approved by the court leaving a balance of $317,132.

[4] As of June 30, 1970, $627,900 had been applied against the principal of this loan as a result of settlement of certain claims. (See also footnote 4 on sheet 2 of app. D.)

[5] Upon request of the railroad the commitment of the lender in respect of this undisbursed balance terminated as of Oct. 31, 1964. Accordingly, no further disbursements will be made.

APPENDIX D

SECURITY FOR OUTSTANDING PT. V LOANS

	Principal amount of securities or cost of equipment or other property pledged	Appraised value of collateral[1]	Amount of loan outstanding as of June 30, 1970
Boston & Maine	$5,861,600	$3,427,889	$3,261,667
Central of New Jersey[2]	15,422,060	13,615,146	15,075,573
Chicago & Eastern Illinois	13,316,320	10,712,996	6,838,996
Erie-Lackawanna	24,321,575	14,915,700	12,000,000
Lehigh Valley	34,226,960	14,943,595	11,285,000
Missouri-Kansas-Texas	52,594,000	37,527,610	30,040,000
Monon	10,236,612	7,366,830	7,450,000
Penn Central (formerly New York Central)	43,695,000	7,646,884	16,900,000
New York, New Haven & Hartford[3]	8,915,400	4,649,930	15,409,032
Trustees of New York, New Haven & Hartford RR. Co.[3]	$12,500,000	$12,500,000	$12,500,000
Total New York, New Haven & Hartford R.R. Co. and trustees	20,659,400	17,149,930	27,909,032
New York, Susquehanna & Western	1,055,000	634,170	229,300
Norfolk Southern	7,400,000	7,400,000	5,800,000
Pittsburgh & West Virginia	1,710,000	1,402,200	600,000
Reading Co	48,653,644	29,624,570	28,000,000
Grand totals	279,152,171	166,367,520	165,344,568

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[1] Based principally on (a) the average of high and low market values for the current period of pledged securities, and (b) the depreciated value of equipment and other property as of June 30, 1970, where the title to equipment or other property is the collateral.

[2] Recovery of the Jersey Central loans has been in the hands of the Department of Justice since default in March 1967. Our valuation of the collateral does not, therefore, reflect any settlements which may have been entered into in respect to the collateral.

[3] See following table for details in respect of security for loan guarantees to New Haven RR. and New Haven Trustees.

DETAIL IN RESPECT OF SECURITY FOR PT. V LOAN GUARANTEES TO NEW HAVEN RR. AND THE TRUSTEES

Finance docket No.	Decided	Total amount of guarantee	Unpaid balance of principal, June 30, 1970	Appraised value of security, June 30, 1970	Amount paid by United States at time of default
New Haven RR.:					
20372	Aug. 5, 1960	$8,159,400	$3,263,760	[1] $4,725,270	
20397	Jan. 8, 1960	500,000		(2)	
20398	Oct. 28, 1959	1,500,000	355,907	[3] 355,907	$1,375,000
21299 [4]		13,000,000	[5] 12,372,100	(5)	13,000,000
Total		23,159,400	15,991,767	5,081,177	[6] 14,375,000
New Haven trustees:					
21685	Aug. 2, 1961	5,000,000	5,000,000	[7] 5,000,000	
21808	Dec. 7, 1961	[8] 7,500,000	7,500,000	[7] 7,500,000	
Total		12,500,000	12,500,000	12,500,000	
Grand total, New Haven RR. and trustees		35,659,400	28,491,767	17,581,177	14,375,000

[1] Net depreciated value of 30 locomotives. This loan was assumed by New Haven trustees and by Penn Central in 1968.

[2] This loan, which was assumed by trustees, has been paid in full.

[3] Balance will be satisfied by delivery to the United States of B. & P. bonds upon finalization of Boston & Providence reorganization.

[4] Embraces 4 separate authorizations. $4,500,000 on Oct. 31, 1960; $3,500,000 on Dec. 29, 1960; $3,500,000 on Feb. 14, 1961; and $1,500,000 on May 12, 1961.

[5] This loan is not secured by any pledge of collateral. However, New Haven convenanted that if it should receive any income from certain claims then in litigation and certain other sources, such income shall be applied in reduction of the outstanding loan. As of June 30, 1970, $627,900 has been applied against the principal of this loan as a result of settlement of certain of said claims.

[6] New Haven defaulted on its loans in finance docket Nos. 20398 and 21229 in July 1961, with unpaid principal balances of $1,375,000 and $13,000,000, respectively. On Oct. 2, 1961, the United States paid the unpaid principal balance of these loans, plus interest of $300,740, with funds provided in supplemental appropriations bill 1962 (H.R. 9169).

[7] Receiver's certificates.

[8] On Dec. 7, 1961, a loan guarantee of $7,500,000 was approved. $3,000,000 was disbursed to the trustees on Dec. 31, 1961, and the remaining $4,500,000 was disbursed on Mar. 4, 1965.

SUPPLEMENTARY STATEMENT OF COMMITMENTS AND CONTINGENCIES, INTERSTATE COMMERCE COMMISSION—LOAN GUARANTEES TO RAILROADS UNDER PT. V OF THE INTERSTATE COMMERCE ACT, AS AMENDED

Guaranteed or insured credits:	
Gross amount outstanding	[1] $137,500,000
Collateral or other realizable assets	154,300,000
Description of collateral: (See appendix hereto).	

[1] Represents contingent liability of the United States under loan guarantees authorized and disbursed by lenders, less repayments as of the above date. This amount gives effect (1) to payment by the United States on Oct. 2, 1961 of $14,375,000 ($1,685,768 has since been recovered) principal unpaid balance of 2 guaranteed loans of New York, New Haven & Hartford RR. Co., which are identified in the appendix hereto, with funds provided in supplemental appropriations bill 1962 (H.R. 9169), and (2) to payment by the United States on June 1, 1967, of $16,995,000 ($1,919,427 has since been recovered) principal unpaid balance of 2 guaranteed loans of the Central RR. Co. of New Jersey, also identified in the appendix hereto, with funds provided by supplemental appropriation (Public Law 90–21). The other outstanding guaranteed loan of New York, New Haven & Hartford RR. Co., also identified in the appendix, was assumed first by the New Haven trustees in the reorganization proceeding and later by Penn Central when it acquired the New Haven railroad properties.

N.B. This loan guarantee program (pt. V of the Interstate Commerce Act, as amended) terminated, as to receipt of new applications, on June 30, 1963. All applications pending as of that date have been processed, and the proceeds of all loans guaranteed under this program have been fully disbursed.

APPENDIX

DESCRIPTION OF COLLATERAL

[In millions of dollars]

Name of railroad and description of collateral	Value of Collateral: Principal amount of securities or cost of equipment or other property pledged	Value of Collateral: Appraised value of collateral [1]	Amount of loan outstanding as of June 30, 1970
Boston & Maine RR:			
Finance docket No. 20429			0.9
Finance docket No. 21365			1.8
Security for finance docket Nos. 20429 and 21365:			
B. & M. 1st mortgage series TT bonds	1.7	0.8	
Northern RR., 21,410 shares common stock	2.1	1.3	
Vermont & Massachussetts RR., 11,647 shares common stock	1.2	.5	
Stony Brook RR., 1,863 shares common stock	.2	.1	
B. & M. Transportation Co., mortgate note	.3	.3	
B. & M. Transportation Co., 1,000 shares common stock	.1	.1	
Springfield Terminal RR. Co., 2,000 shares stock	.2	.4	
U.S. Treasury Bonds due Nov. 15, 1973	.02	.02	
Finance docket No. 21615			(2)
Finance docket No. 22231 Equity in collateral pledged to secure above loans under finance docket Nos. 20429 and 21365			.5
Finance docket No. 22639			(3)
Total	5.8	3.5	3.2
Central Railroad of New Jersey:			
Finance docket No. 21555:			
Central Railroad of New Jersey, general morgtage 3¼ percent bonds	1.5	.4	
Hopper cars		1.5	
Lehigh & New England RR. Co., 1st mortgage bonds	2.5	2.5	
250 shares L. & N. E. RR. Co., no par common stock	.9	.7	
Second mortgage on physical properties of Central Railroad of New Jersey	6.8	6.8	10.8
Finance docket No. 22640:			
Promissory note of Railway Express Agency, Inc	.3	.3	
19,994 shares New York & Long Branch RR. Co	2.0		
New York & Long Branch RR. Co., 5 percent Cons. mortgage bonds, series A	.3		
New York & Long Branch RR. Co., 4 percent Cons. mortgage bonds, series B	1.0	1.4	
Equity in collateral pledged under above Finance docket No. 21555 (Represented by assignment of the railroad's equity in all the freight cars and the securities pledged as collateral for the loan in finance docket No. 21555, and delivery of a 3d mortgage on all of the railroad's properties)			4.2
Total	15.4	13.6	[3] 15.0
Chicago & Eastern Illinois RR.:			
Finance docket No. 21210			(3)
Finance docket No. 22361: 1,518 miscellaneous type freight cars	13.3	10.7	6.8
Total	13.3	10.7	6.8
Erie Lackawanna RR.:			
Finance docket No. 21494:			
D.L. & W., Pennsylvania div., 1st mortgage 6 percent series B bonds	8.0	6.3	
D.L. & W., Pennsylvania div., 1st mortgage 6 percent series C bonds	6.5	3.8	
Erie RR. Co. 1st Consl. mortgage 4 percent series I bonds	4.2	1.7	
Securities of affiliated companies	5.6	3.1	12.0
Total	24.3	14.9	12.0

Footnotes at end of table.

APPENDIX—Continued

DESCRIPTION OF COLLATERAL—Continued

[In millions of dollars]

Name of railroad and description of collateral	Value of Collateral: Principal amount of securities or cost of equipment or other property pledged	Value of Collateral: Appraised value of collateral[1]	Amount of loan outstanding as of June 30, 1970
Lehigh Valley R.R.:			
Finance docket No. 20760:			
Genl. Consol. mortgage 5 percent bonds	10.0	4.1	
7 trailers	.04	.01	
10 airslide cars	.1	.06	
100 flat cars	.6	.4	
2 diesel-electric locomotives	.4	.2	
196 gondola cars	1.0	.7	
2 steel scows	.1	.08	
100 trailers	.5	.04	2.8
Finance docket No. 21300:			
Genl. Consol. mortgage 5 percent bonds	6.5	2.7	
1st mortgage 4 percent bonds	5.0	1.8	2.7
Finance docket No. 21539: Genl. Consol. mortgage 5 percent bonds	7.0	2.9	1.1
Finance docket No. 21776:			
Genl. Consol. mortgage 4½ percent bonds	1.0	.4	
Genl. Consol. mortgage 5 percent bonds	.9	.4	
Equity in collateral pledged as security for loans in finance docket Nos. 20760, 21300, and 21539, as shown above			2.5
Finance docket No. 22339:			
Equity in collateral pledged as security for loans in finance docket Nos. 20760, 21539, and 21776, as shown above			
Lehigh Valley's 50 percent interest in Buffalo Creek RR Co	1.1	1.1	2.2
Total	34.2	14.9	11.3
Missouri-Kansas-Texas RR.:			
Finance docket No. 21454: Prior lien 5 percent series G bonds	24.0	17.3	13.1
Finance docket No. 21552: Prior lien 5 percent series G bonds	[4]8.0	6.0	4.9
Finance docket No. 22577:			
Prior lien 5 percent E bonds	11.0	7.9	
Prior lien 5 percent G bonds	7.0	5.0	
Prior lien 4½ percent series D bonds	2.2	1.3	12.0
Total	52.2	37.5	30.0
Monon RR.:			
Finance docket No. 21551:			
1st mortgage 4 percent Contg. Inc. series B bonds	.3	.2	
1st mortgage 4 percent Contg. Inc. series A bonds	.1	.08	
2d mortgage 4½ percent Contg. Inc. series A bonds	.2	.1	
18 70-ton special equipped box cars	.3	.2	
40 2,600-cubic-foot covered hopper cars	.5	.5	
21 trilevel auto rack cars	.5	.5	
2 2,250-horsepower diesel locomotives	.4	.4	
6 2,000-horsepower diesel locomotives	1.1	.9	
1st mortgage 4 percent Contg. Inc. series C bonds	.6	.3	
1st mortgage 4 percent Contg. Inc. series D bonds	.3	.2	
Equity in collateral securing loan in Finance Docket No. 22675			[5]3.9
Finance docket No. 22675:			
8 diesel-electric locomotives	1.6	1.4	
50 covered hopper cars	.7	.5	
6 trilevel automobile rack cars	.1	.1	
13 cushion-underframe box cars	.2	.2	
5 airslide covered hopper cars	.07	.06	
1st mortgage 4 percent Contg. Inc. series A bonds	1.4	.8	
2d mortgage 4½ percent Contg. Inc. series A bonds	1.8	1.0	3.6
Total	10.2	7.4	7.5
Penn Central Co. (formerly New York Central):			
Finance docket No. 20689:			
Consol. mortgage 4 percent series C bonds	14.5	2.8	
Ref. and Imp. Mortgage 5 percent series C bonds	29.2	6.5	16.9
Total	643.7	9.2	16.9
New York, New Haven & Hartford RR.:			
Finance docket No. 20372:			
30 diesel-electric locomotives (assumed by Penn Central)	8.2	4.3	[7]2.7
Finance docket No. 20397			(7)
Finance docket No. 20398: Administration claim		.3	[8].3
Finance docket No. 21299: Unsecured note of New Haven [9]			[10]12.4
Total	8.2	4.6	15.4
Less, net amount paid by United States and unrecovered on defaulted loans (see footnote 5)			12.7
Adjusted total			2.7
New York, New Haven & Hartford RR. Co. trustees:			
Finance docket No. 21685: Trustees certificates	5.0	5.0	5.0
Finance docket No. 21808: Trustees certificates	7.5	7.5	7.5
Total	12.5	12.5	12.5
New York, New Haven & Hartford RR. Co. and trustees total	20.7	17.1	15.2
New York, Susquehanna & Western RR.:			
1st & Consol. 4 percent series B Emerg. bonds	.5	.3	.1
Finance docket No. 21794: 3 diesel-electric locomotives	.6	.3	.1
Total	1.1	.6	.2
Norfolk Southern Ry:			
Finance docket No. 21121: Notes secured by 2d mortgage with a value of not less than	2.0	2.0	1.0
Finance docket No. 22488:			
Notes secured by 2d mortgage constituting a 3d lien with a value not less than	2.4	2.4	
1st lien on 31.5 miles of new railroad in Beaufort County, N.C., with a value of not less than	3.0	3.0	4.8
Total	7.4	7.4	5.8
Pittsburgh & West Virginia Railway:			
Finance docket No. 21547:			
1st mortgage 5 percent series B bonds	.7	.6	.6
1st mortgage 4¾ percent series C bonds	1.0	.8	
Finance docket No. 22445: Notes secured by 2nd mortgage with a value of not less than			(2)
Total	1.7	1.4	.6
Reading Co.:			
Finance docket No. 22545:			
1st and Ref. mortgage 5 percent series E bonds	37.5	21.7	
57 diesel-electric locomotives	11.2	7.9	
37 general purpose 2,50 horse power diesel locomotives; 5 road switching 1,200 horse power diesel locomotives; 5 yard switching 900 horse power diesel locomotives; 10 road switching 2,400 horse power diesel locomotives			28.0
Total	48.7	29.6	28.0

RECAPITULATION

Boston & Maine	5.8	3.5	3.2
Chicago & Eastern Illinois	13.3	10.7	6.8
Erie-Lackawanna	24.3	14.9	12.0
Leigh Valley	34.2	14.9	11.3
Missouri-Kansas-Texas	52.2	37.5	30.0
Monon	10.2	7.4	7.5
New York, New Haven & Hartford	8.2	4.6	2.7
Trustees of New York, New Haven and Hartford RR. Co	12.5	12.5	12.5
Total, New York, New Haven & Hartford RR. Co. and trustees	20.7	17.1	15.2
New York, Susquehanna & Western	1.1	0.6	0.2
Norfolk Southern	7.4	7.4	5.8
Penn Central (formerly New York Central)	43.7	9.2	16.9
Pittsburgh & West Virginia	1.7	1.4	0.6
Reading Co	48.7	29.6	28.0
Grand total	263.3	154.2	137.5

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[1] Based principally on (a) the average of high and low market values since Jan. 1, 1970, to date of pledged securities; and (b) the depreciated value of equipment and other property as of June 30, 1970, where the title to equipment or other property is the collateral.

[2] These loans have been paid in full.

[3] The Central of New Jersey defaulted on its loans in finance docket Nos. 21555 and 22640 in March 1967, with unpaid principal balances of $12,375,000 and $4,620,000, respectively, and on June 1, 1967, the United States paid the unpaid principal balance on these 2 loans, plus interest of $373,312.50, with funds provided by supplemental appropriation (Public Law 90–21). Recovery of the loans is now in the hands of the Department of Justice. Accordingly, our valuation of the collateral may not in every instance reflect settlements which may have been made by Justice.

[4] On Jan. 6, 1967, $600,000 principal amount of collateral pledged in financial docket No. 21552 was released by trustee (pursuant to sec. 8(c) of the guarantee agreement dated June 1, 1961) to M–K–T after payment and satisfaction of $600,000 of the collateral trust notes. On May 11, 1970 $360,000 principal amount of such collateral was released after payment of $360,000 of the collateral trust notes.

[5] By its supplemental order dated Dec. 29, 1965, the Commission authorized the substitution of (1) new equipment to be purchased at a cost of $2,731,641, of which $2,386,498 had been expended; (2) $591,000 principal amount of 1st mortgage 4 percent series C bonds; and (3) pledge of the railroad's equity in collateral securing the loan in finance docket No. 22675. In addition, the above supplemental order requires Monon to pledge $1,000,000 of its 1st mortgage bonds of and when such bonds are authenticated in the future under the provisions of its 1st mortgage. The foregoing substituted collateral is in lieu of the $4,000,000 purchase money mortgage on proposed dock facilities initially authorized in this proceeding. The proposed construction of dock facilities has now been abandoned.

[6] Bonds were pledged in original principal amount of $86,500,000. Under the loan agreement collateral was withdrawn as principal payments were made.

[7] The unpaid balance of the loans in finance docket Nos. 20372 and 20397 were assumed by the trustees appointed by the court in the reorganization proceedings. The loan in finance docket No. 20397 was paid in full January 1965. The loan in finance docket No. 20372 was assumed by Penn Central in December 1968.

[8] The New York, New Haven & Hartford R.R. Co. defaulted on its loans in finance docket Nos. 20398 and 21299 in July 1961, with unpaid principal balances of $1,375,000 and $13,000,000 respectively, and on Oct. 2, 1961, the United States paid the unpaid principal balance on these loans, plus interest of $300,740, with funds provided in supplemental appropriations bill 1962 (H.R. 9169).

[9] Under agreement between Department of Justice and the trustees of New Haven R.R. approved by the court in December 1965, accrued interest was waived and the principal was to be paid in installments during 1966 and 1967. As of June 30, 1970, $1,057,868 has been received and applied in reduction of the outstanding balance. The $317,132 balance will be satisfied by the delivery to the United States of Boston & Providence R.R. bonds upon finalization of the Boston & Providence reorganization proceeding which bonds will be guaranteed by Penn Central, and if the balance is not satisfied in that manner, it will become a claim of administration.

[10] No securities or other property were pledged as collaterial security for this loan. However, New Haven covenanted that if it should receive any income from certain claims then in litigation and certain other sources, such income shall be applied in reduction of the outstanding loan. As of June 30, 1970, $627,900 has been applied against the principal of this loan as a result of settlement of certain of said claims.

INTERSTATE COMMERCE COMMISSION, BUREAU OF ACCOUNTS, SECTION OF FINANCIAL ANALYSIS—PT. V LOANS RECONCILIATION OF DIFFERENCES IN AMOUNTS FOR SAME ITEMS SHOWN IN ANNUAL REPORT (SCHEDULE 6) TO TREASURY DEPARTMENT AND STATEMENTS FURNISHED BUREAU OF BUDGET BY BUDGET AND FISCAL OFFICE

Railroad	Amount of loan outstanding as of June 30, 1970			
	Treasury report	Statement to Bureau of Budget	Items in budget statement which are under or over amounts for similar items in Treasury report	
			Under	Over
Boston & Maine	$3,216,667	$3,216,667		
Central of New Jersey		15,075,573		[1] $15,075,573
Chicago & Western Illinois	6,838,996	6,838,996		
Erie-Lackawanna	12,000,000	12,000,000		
Lehigh Valley	11,285,000	11,285,000		
Missouri-Kansas-Texas	30,040,000	30,040,000		
Monon	7,450,000	7,450,000		
New Haven	2,719,800	15,409,032		[1] 12,689,232
New Haven Trustees	12,500,000	12,500,000		
New York, Susquehanna & Western	229,300	229,300		
Norfolk Southern	$5,800,000	$5,800,000		
Penn Central (formerly New York Central)	16,900,000	16,900,000		
Pittsburgh & West Virginia	600,000	600,000		
Reading	28,000,000	28,000,000		
Total	137,579,763	165,344,568		$27,764,805
Difference[2]	27,764,805			

[1] Explanation: Amount paid by United States upon default—no further contingency—therefore not included in Treasury report. Amounts applied against principal of loan in finance docket No. 20398 as result of settlement between Department of Justice and Trustees, and amount applied against principal of unsecured loan in finance docket No. 21299 as a result of settlement of certain claims. Amounts applied against principal of Central of New Jersey loans as a result of income received on collateral and proceeds from maturing Treasury bills.

[2] See table below.

New Haven	+$14,375,000
Finance docket No. 20398	1,057,868
Finance docket No. 21299	627,900
Total	−1,685,768
Net, New Haven	+12,689,232
Central of New Jersey	+16,995,000
Financial docket No. 21555	1,583,517
Financial docket No. 22640	$335,910
Total	−1,919,427
Net, Central of New Jersey	+15,075,573
Net total	+27,764,805

Note: The above differences are due to the fact that the Treasury report (schedule 6, "Supplementary Statement of Commitments and Contingencies") shows the contingent liability of the United States as of the date thereof whereas the statements furnished Budget include the unpaid balance on defaulted loans of New Haven and Central of New Jersey which are still a debt due the United States (even though the lenders have been paid through supplement appropriations). Such defaulted loans are excluded from the Treasury report since they are no longer a contingent liability of the United States.

TABLE ACCOMPANYING TESTIMONY OF INTERSTATE COMMERCE COMMISSION BEFORE SUBCOMMITTEE FOR TRANSPORTATION OF COMMITTEE ON COMMERCE JULY 21, 1971. ESTIMATED RATES OF RETURN ON NET INVESTMENT IN TRANSPORTATION PROPERTY PLUS WORKING CAPITAL, CLASS I LINE-HAUL RAILROADS, 1970

[Dollar amounts in thousands]

	Net investment in property	1970 rate of return (percent)
Total United States	$28,208,769	1.46
East [1]	10,693,023	(2)
Railroads in reorganization:		
Penn Central	4,270,732	(2)
Central of New Jersey	117,880	(2)
Boston & Maine	205,251	(2)
Lehigh Valley	153,464	(2)
Total	4,747,327	(2)
Marginal railroads:		
Ann Arbor	22,408	(2)
Bangor & Aroostook	61,010	1.07
Central Vermont	21,716	1.70
Chicago & Eastern Illinois	61,758	1.33
Erie Lackawanna	390,688	(2)
Grand Trunk Western	114,537	(2)
Illinois Terminal	19,300	1.83
Maine Central	62,384	1.75
Monongahela	47,937	.13
Pennsylvania-Reading Seashore	25,241	(2)
Reading	302,447	(2)
Total	1,129,426	(2)
Railroads less than 4 percent return:		
Baltimore & Ohio	1,000,327	1.89
Monon	41,872	2.12
Chicago & Illinois Midland	16,842	2.95
Delaware & Hudson	90,839	1.13
Detroit Toledo & Shore Line	15,828	3.32
Total	1,165,708	1.87
Railroads 4 percent return and over:		
Akron Canton & Youngstown	$19,421	4.64
Elgin Joliet & Eastern	67,405	4.33
Norfolk & Western	2,020,553	5.75
Chesapeake & Ohio	924,280	4.73
Pittsburgh & Lake Erie	213,272	5.99
Bessemer & Lake Erie	78,753	10.94
Western Maryland	155,498	4.78
Missouri Illinois	38,705	8.76
Richmond, Fredericksburg & Potomac	62,363	6.91
Detroit Toledo & Ironton	70,312	4.32
Total	3,650,562	5.57
South	4,705,324	4.42
Railroads less than 4 percent return:		
Seaboard Coast Line	1,044,750	3.60
Illinois Central	795,465	2.60
Central of Georgia	119,165	3.54
Florida East Coast	73,180	0.84
Norfolk Southern	37,602	2.03
Gulf, Mobile & Ohio	238,570	3.71
Total	2,308,732	3.16
Railroads 4 percent return and over:		
Louisville & Nashville	1,003,828	4.31
Alabama Great Southern	107,790	4.16
Southern	941,008	6.28
Clinchfield	114,109	9.93
Cinn., New Orleans & Texas Pacific	171,384	6.51
Georgia Southern & Florida	26,676	9.44
Georgia	20,453	7.47
Savannah & Atlanta	11,344	13.40
Total	2,396,592	5.63
West	12,658,446	3.00
Marginal railroads:		
Rock Island	391,629	(2)
Chicago & North Western	685,578	1.24
Milwaukee	607,674	(2)
Fort Worth & Denver	45,240	(2)
Missouri-Kansas-Texas	192,379	(2)
Northwestern Pacific	$30,455	(2)
Western Pacific	163,428	(2)
Total	2,116,383	(2)
Roads less than 4 percent return:		
Green Bay & Western	17,423	1.19
Southern Pacific	1,986,830	3.10
Atchison Topeka & Santa Fe	1,652,521	3.25
Missouri Pacific	834,802	3.76
Burlington Northern [3]	2,316,622	1.66
Soo Line	243,280	3.63
Lake Superior [3] Ishpeming	17,352	2.93
Oregon Electric [4]	13,824	0.68
Colorado & Southern	70,441	2.72
Total	7,153,241	2.75
Railroads 4 percent return and over:		
Union Pacific	1,860,789	6.15
St. Louis Southwestern	292,086	10.01
St. Louis-San Francisco	410,409	4.48
Denver & Rio Grande Western	248,668	5.42
Kansas City Southern	205,041	5.33
Texas & Pacific [5]	260,230	4.18
Duluth, Missabe & Iron Range	90,815	6.37
Duluth, Winnipeg & Pacific	9,487	9.33
Toledo, Peoria & Western	11,443	4.29
Total	3,388,968	6.03

[1] Excludes Long Island RR., included in the U.S. total.

[2] Deficit.

[3] Includes Chicago, Burlington & Quincy, Great Northern, Northern Pacific and Spokane, Portland & Seattle.

[4] Figures are for a 10-month period.

[5] Includes Kansas, Oklahoma & Gulf.

Note: Net investment in property includes investment in property, cash, materials and supplies less depreciation as of Dec. 31, 1970.

THE LOCKHEED GUARANTEE AND ITS NATIONAL IMPLICATIONS

Mr. BROOKE. Mr. President, I rise today to discuss a matter of utmost importance to the Lockheed Aircraft Corp., its employees and shareholders, to large and small companies throughout the country, and to our economy as a whole.

Senate bill 2308, the "Emergency Loan Guarantee Act", which is presently being considered by this body, would provide loan guarantees in the amount of $250 million to the ailing aircraft manufacturer.

When this matter was initially proposed, the Senate was asked to report favorably S. 1891, a bill designed solely to aid Lockheed. While the form of the guarantee proposal has changed considerably, and now embraces a $2 billion program designed to aid any major business enterprise "facing temporary adversity", the substance of the legislation has not changed. We are being asked tentatively to commit $250 million in taxpayers' money to "bail out" the L-1011 commercial airbus project, even though private lending institutions are unwilling to do so. For reasons which I will set forth later in my remarks, I believe it would be imprudent to approve such a measure.

First, from a procedural point of view, it would be extremely unfortunate if this body considered and finally adopted a general guarantee bill when only 3 days of the 3 weeks of hearings were devoted to the broader approach, when a number of distinguished witnesses, including a former head of the Justice Department's Antitrust Division, testified against it, and when Lockheed is the only issue before us.

It is interesting to note that some proponents of the loan guarantee did not support a general guarantee bill until doubt was cast on the chances for passage of the original Lockheed bill. Furthermore, administration representatives have repeatedly testified that Lockheed is the only company being considered for guarantee relief. The effective date of October 1, 1971, makes it abundantly clear that the intent of the legislation is to provide general relief. There is no reason to believe, therefore, that the issue before us today differs significantly from the issue as it was originally framed, and I urge my colleagues in the Senate to treat it accordingly.

Before discussing the Lockheed proposal itself, I would like to make a few brief comments on the general guarantee proposal. While some sentiment has been expressed in favor of a Reconstruction Finance Corporation-type approach to deal with the Penn Centrals of the future—if, in fact, such needs arise—greater consideration must be given to the development of this concept.

A number of highly respected economists have argued that Federal assistance should be used sparingly, if at all, for enterprises which are not economically viable. The private capital market will recognize those companies which are facing temporary adversities, but are nevertheless economically viable. In the absence of such recognition, it is a misallocation of economic resources to keep them alive by the use of Government subsidies. Federal guarantees for ailing corporations distort our free enterprise system and result in the substitution of political judgments and influence for market mechanisms which have traditionally served us well in allocating capital.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BROOKE. Yes, I will be happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I want to congratulate the Senator on stressing this point with this body, consisting of 100 very practical men.

I think we always think in terms of specific firms that will be benefited, the Lockheed firm, the specific jobs at stake, and so forth.

As the Senator points out, this is a much broader bill than a one corporation bill. It is a generic bill with $2 billion; and because it is a broader bill, it is very important that we consider the principle behind it and what it would do to our economic system.

What the Senator has just said, as I understand it, is that we are substituting political influence here for the marketplace, for the economic system that has served to make this country the strongest in all the world—with all its pains and sacrifices and difficulties, it is, nevertheless, the most productive in history—and the legislation would substitute for the discipline of the marketplace, political influence, political clout. What it will mean is that a firm will not survive on the basis of whether it is simply efficient and whether it is producing a product for which there is a demand, but it will survive on the basis of whether it knows the right people in Washington, whether it has the kind of influence that can enable it to continue in spite of its inability to survive economically.

I think the Senator from Massachusetts is really hitting what is at the heart of this.

We had testimony in our committee by a number of disinterested economists, all of whom were opposed to this bail-out legislation. All of the distinguished economists—that is those who were not connected with Lockheed or the banks or had some vested interest—were opposed to this.

Mr. BROOKE. Purely objective.

Mr. PROXMIRE. That is right. We had Donald Turner, who is the former Assistant Attorney General in charge of the Antitrust Division who appeared; a man who has devoted much of his life to fighting for competition but he came down very hard against this bill.

He used the same term the Senator from Massachusetts has used that the bill would bring a misallocation of resources. It means we are pushing resources into a field where the demand is limited and inadequate. This is bad economics, and bad for our competitive economic system. So I thank the Senator from Massachusetts, and I must say that I think that the point he is making is one that has not been discussed adequately or considered when one recognizes that seven-eighths, or more than 85 percent, of the money provided in this bill is not for Lockheed; it is for other unknown corporations that are going to come along in the future. I think it is most important that this kind of stress has to be put on what the implications of the bill really are.

Mr. BROOKE. I thank the distinguished Senator from Wisconsin, and I quite agree.

I think that American business will rue the day that we ever go in this direction where political influence can be used in place of the marketplace, which, as the Senator has well pointed out, has been responsible for the growth of American business, the great growth of this Nation over the years, and I think this is a very clear danger that we should avoid. The only way for us to avoid it is, of course, to recognize that by making this guaranteed loan not only to Lockheed, as the Senator well pointed out, but to other businesses, we are inviting political influence to be used. I think that this is so serious that we ought to do all that we can to avoid this obvious pitfall. The only way, of course, to avoid it is to defeat this so-called Lockheed bailout bill.

Mr. PROXMIRE. I might say to the Senator that the astonishing aspect of this is that because it is a bill that provides for the guarantee of a huge loan to a large corporation, I think the assumption, even in the Senate—certainly in the country—is that this is something big business supports. It does not support this; it does not.

Allen Greenspan, who has a very broad business acquaintance among top business executives in this country, was asked by me when he appeared as a witness on this bill whether there was support for the bill in the business community.

He said with the exception of the people who have a vested interest in it, that is, the bankers and Lockheed, and the airlines, it is overwhelmingly opposed—just overwhelmingly opposed.

The Wall Street Journal, covering a meeting of the business council, after this proposal had been made to provide this guarantee, reported that the business council again was overwhelmingly opposed to this kind of a guarantee. So the business community itself is not in favor of this.

The record, it seems to me, is about as clear and emphatic on that score as it could be. Unfortunately, I do not think we have gotten that idea across very well. I think that most people feel that this is something that at least big business supports. The fact is that the record seems to be quite clear that big business does not support this.

Mr. BROOKE. I do not believe that big business, or medium sized business, or small business supports this bill. Frankly, I think the business community is in opposition to the bill, and I think the proponents of this bill have failed to carry the burden of proving that business really wants this. I think Lockheed really wants it, but I do not think that other big business across the country thinks that this is the direction in which the country should be going.

What is happening to the free enterprise system? I think it is in great danger by the passage of this bill, and I do not think the Government should be getting into it. This is the chance that we take. It has been going on for years. We have been surviving very well with it.

American business does not want to begin to come to the Federal Government every time that it has had mismanagement or poor management, or if, for some other reason, there is no demand for their particular product in the marketplace. Rather than shifting, they come to the Government and ask the Government to bail them out of a bad business situation. I think it not only is detrimental, because of the possibility of political influence, but it is also an invitation or an encouragement to, if not mismanagement, poor management by a corporation.

Mr. PROXMIRE. I say to the Senator that two of the amendments that I have offered in committee, and that I intend to offer on the floor, involve this very point. One is that we must, before the board goes ahead and provides this guarantee, be assured that there is an adequate market demand for the product being produced.

I would think that would be automatic, but it was resisted in committee, because in this Lockheed case there would be a strong showing there was not a demand. The only study made by the Department of Transportation showed that the wide bodied jet field cannot support two firms; it cannot support both McDonnell Douglas and Lockheed.

The second amendment was that the board must find that the difficulties of the firm and the bankruptcy that is threatened is not caused by poor management. That is critical.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BROOKE. Is it not correct that Lockheed was never in the commercial jet business before?

Mr. PROXMIRE. Yes, they were in the commercial jet business with the Lockheed Electra, which, unfortunately, was a disastrous commercial failure, about 10 years ago.

Mr. BROOKE. That was their only interest. They have not been in the commercial business for a long period of time. Is that correct?

Mr. PROXMIRE. To the best of my knowledge that is correct. They have not been in it for several years.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. PROXMIRE. The Senator from Massachusetts has the floor.

Mr. BROOKE. I yield to the Senator from Texas.

Mr. TOWER. They do, of course, make the Jet Star, which is an executive jet, the one the President rides in.

Mr. BROOKE. But they have not been making big commercial jets.

Mr. PROXMIRE. The Senator from Texas made an interesting observation. The Jet Star is a small executive jet that is sold in relatively small numbers. It is a factor, but compared to the commercial airliners, it is relatively insignificant.

Mr. BROOKE. My point is that it is very interesting at this time, when the companies that are in the commercial jet business are suffering, and they are suffering as a result of cutbacks in air traffic across the Nation and, for that matter, around the world, Lockheed comes in as a competitor in an already suffering competitive market.

Mr. PROXMIRE. It is hard to imagine a worse time to enter the market. I might note that TWA recently cancelled orders for a number of DC-10's. They said they are going to have to mothball some 747's this winter and when a $20 million plane is mothballed, the Senator can imagine how unenthusiastic they would be about buying more. Everybody agrees that the L-1011 and the DC-10 are similar and it does not make sense for us to take this action and use the taxpayers' money to put another plane on the market.

Mr. BROOKE. I understand they are canceling options and stretching out orders for this plane. At this time, there is a depressed market.

Mr. PROXMIRE. Only a week ago TWA said they were canceling eight planes.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. TOWER. Lockheed also makes the C-141, the Starlifter, and the C-5A, so they do have the technology to make big jet aircraft.

Mr. BROOKE. But not commercial jet aircraft.

Mr. TOWER. What difference is it whether it is military supply cargo or people? The fact is that they are cargo type aircraft. Why should they not expand into the commercial market? They, as well as all of these defense contractors have long been advised to expand, and especially is this true as we are beating our swords into plowshares and our spears into hooks.

Lockheed has been in commercial aviation for a long time; Lockheed is a pioneer in commercial aviation.

Mr. BROOKE. But they have not been in commercial aviation for 10 years if I understand the Senator from Wisconsin.

Mr. TOWER. What difference is there if they are sending planes to the Government or to the airlines? The fact is they are in the general transportation business.

Mr. BROOKE. There is a big difference at a time when the market is depressed, to bring in a third competitor. It seems to me the timing is bad.

Mr. TOWER. Their survey and the McDonnell Douglas survey sustain an FAA study which shows there will be an adequate market.

Mr. BROOKE. Instead of having a depressed market which is supporting two ongoing manufacturers, it means we would have three. The market might be more depressed. We might have to bail out Boeing or some of the others if Lockheed comes into the field.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. PROXMIRE. Mr. President, I wish to say to the Senator from Massachusetts that unfortunately we do not have the McDonnell Douglas survey which was just referred to. We tried to get it. We tried to subpena it, but it was not subpenaed by the committee. It was not available. We have a survey by highly competent people in the area who argue what the Senator from Massachusetts is saying. There is not an adequate market for both firms. We have a study by NASA completed in March which says the same thing. The study shows there is not an adequate market for both firms. They would both lose money. The survey which I placed in the RECORD last night shows that both McDonnell Douglas and Lockheed would be in difficulty if Lockheed gets into the field.

Mr. BROOKE. We will have competition between the DC-10 and the L-1011 at a time when the market cannot support either one of them. Is that correct?

Mr. PROXMIRE. The Senator is correct.

Mr. BROOKE. Because the orders for the DC-10 are being cut back at the present time. They will not be able to compete favorably with the L-1011 in a depressed market, so instead of having a Lockheed bailout bill we might end up with a Lockheed and McDonnell Douglas bailout bill.

Mr. PROXMIRE. That is why the $2 billion generic bill is such a problem. There is one other point I would like to make. The Senator stated that the experience of Lockheed has been very largely with military planes. There is a great difference, and the difference is fundamental, and it goes back to the point we are discussing now. As far as military planes are concerned, the same situation does not exist. Consider the C-5A or the Cheyenne. When there is an overrun for a firm producing for the military the Government comes along and takes care of most of the overrun. But in the commercial area that is not the case. There they would have to produce for a market. If the cost was not right there, they could lose everything by which the cost exceeded the price. That discipline is very difficult. That is why if Lockheed were to get into this field, it could be disastrous.

Mr. GAMBRELL. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. GAMBRELL. I would like to keep clear that we are not talking about Lockheed suddenly deciding to go into the commercial airbus business in an already overcrowded market. Both Lockheed and McDonnell Douglass, and I expect Boeing, several years back, along with the Federal Government and other interested parties, took a look at the future airplane market. Lockheed and McDonnell Douglas determined at that point—and this was 5, 6, 8, maybe 10 years ago—to go into these airbus programs and every one in the country thought it was wonderful. It was said, "We will be prepared when the time comes, when the need arises, we will have planes and we will have competition in the market."

The airlines looked at these plans on the drawing board and announced them to be desirable and suitable and encouraged both companies to go forward.

These planes have been built. It is not something that is speculative or something that Lockheed is about to drop on the market. The whole country knew they were on the way. Of these planes three of them are built and in the process of being tested in California now.

The question here is whether we are going to let that whole program—$1.4 billion—go down the drain or are we going to keep it. Not only would we let that go down the drain but we would let Lockheed with all its capacity for military and other products go down the drain with it.

We are not talking about cash money or the Government encouraging someone to build a new product on the market. Representatives of the FAA and the CAB, the airlines, and all the people in this industry came before our committee and testified that the L–1011 airbus is needed and can be used and that the competition would be beneficial and it would be an instrumentality in our airplane business.

Who is to say that, just as air passenger business has flattened out, or had flattened out a year or so ago, that there would not be another rise in it?

Mr. BROOKE. What is to be done in the interim period?

Mr. GAMBRELL. And 2 or 3 years from now it would be discovered that we do not have any competition in that market, and because we do not have competition in the market, we would have to pay through the nose for the DC–10.

Mr. BROOKE. The Senator is overlooking the fact that McDonnell Douglas and Boeing had to assume burdens like that. The Senator is overlooking that because of the Lockheed difficulties. I think the present Lockheed condition is due to mismanagement or poor management.

Mr. GAMBRELL. We are talking about whether to let the L–1011 and let the whole assemblage of the Lockheed program go down the drain. I am not arguing with the Senator about mismanagement. This is a judgment that is difficult to make, I might say. I assume the Senator has the testimony given at the hearing, but the people who have the most at stake today include not only the banks, which have already lent $400 million, but the airlines, which are $200 million in it, and the contractors and suppliers, who have another $600 or $700 million in it, and they say, "We would rather have the same management than have other management and go through bankruptcy."

Mr. BROOKE. Does the Senator think it is the taxpayers' responsibility to bail out a private business concern that has gotten into this situation, if not because of poor management, let us assume because of miscalculations of what the airline business would be in 1972, 1973, and 1974? The Senator from Georgia has already said it is an overcrowded market, and if it is an overcrowded market, why does Lockheed want to come into such an already overcrowded market? Can anyone predict that in the next year or 2 or 3 years the market is not going to be overcrowded? And what do we do in the interim? Put the planes in mothballs?

Mr. GAMBRELL. My answer as to the responsibility is that I know that there are not two or three corporations in the country that can float or carry a $250 million loan. I know of one that is in delicate financial condition that is that large but that cannot carry it. Actually, we are talking about $750 million or $800 million, because it already has borrowed $400 million.

I am saying the U.S. Government has to seriously consider whether it will permit the economic damage to be inflicted that will result from the failure of this company and its program. Balance the following against the desirability of letting it fail because of mismanagement or running on bad times. In this case, not because it is a big company and not because it is Lockheed, but for two reasons, it should be helped: First, because the L–1011, according to all the testimony given to us in the hearing, is a useful instrumentality and deserves to be saved regardless of the companies; and, second, we do not want this company to go down the drain, because if Lockheed goes down the drain, not just its investors and the company, but others than Lockheed, will be hurt.

When we talk about the stick of failure, about letting a company fail that was inefficient and mismanaged, we are talking about hitting little people with the stick. We are not talking only about beating up on Lockheed, but we are talking about others who have $600 million in this company and we are talking about employees scattered all through the country.

Mr. BROOKE. And we are talking about private enterprise; we are not talking about Government enterprise. Would the Senator agree that we should send good money after bad money? How can we be sure that the $250 million guarantee is not just the beginning? Suppose they come back in 2 years or so and say, "We need more money." What do we do then? Do we give them another $250 million of the taxpayers' money?

Mr. GAMBRELL. I think we have to make a judgment when the question comes up, and I think those who heard the testimony and read it and tried to evaluate what obviously was going to happen against what might happen said, "We would rather take a chance on what might happen and consider what is obviously going to happen, and that is serious damage to the economy of this country. Let us take another round with the experience we have already, rather than drop off into the unknown of bankruptcy, liquidation, dissolution, job losses, and losses of other businesses."

Mr. BROOKE. What the impact would be on the entire Nation is in dispute. The testimony was certainly in dispute on that issue.

The Senator raised the question as to national defense. I have great respect for the Secretary of Defense, Melvin Laird. I have great respect for the Deputy Secretary of Defense, David Packard. I think David Packard is perhaps one of the best business brains in this Nation. I remember when I served on the Armed Services Committee and David Packard came before us for confirmation of his nomination. He was most impressive, and I believe since he has been in the Pentagon he has been running it in a very businesslike manner. I certainly would rely on the testimony of David Packard and the statement of the Secretary of Defense that the Lockheed loan guarantee is not essential for national defense.

I have been getting some mail, which seems to be organized, coming in the form of printed forms of cards and letters which say, "In the interest of national defense, save Lockheed." I think that is a misrepresentation. I think it is a fraud on the American public to say the Lockheed bailout bill is essential for national defense. It just is not so, according to the Secretary of Defense and the Deputy Secretary of Defense, the men on whom we should be relying for this evidence.

So I rule out the argument that we need Lockheed for national defense. If we needed Lockheed for national defense, then perhaps a strong argument could be made for the Government's coming in with a guarantee, irrespective of who was at fault in Lockheed.

Mr. GAMBRELL. Mr. President, will the Senator yield on that point?

Mr. BROOKE. Yes; I am pleased to yield.

Mr. GAMBRELL. My suggestion was that the existing defense program would break down with respect to the capacity of one of the few corporations in this country to do the bigger defense projects and it would be dissolved. In other words, yes, Mr. Packard said they could finish the projects that are in operation now, but he did not say we have plenty of people out there to bid on new programs.

Mr. BROOKE. But, as I understand it, the airframe division could be divorced from the defense divisions of Lockheed, so we are not going to lose anything by Lockheed's going into bankruptcy, insofar as defense capability is concerned.

Mr. GAMBRELL. I did not understand his testimony to be that. I understood him to say that we will see that the ongoing programs are finished.

Mr. BROOKE. Yes.

Mr. GAMBRELL. But when it comes to a corporation that is to go into some large defense program, which has to go to a bank to borrow $250 million, $500 million, or $600 million, when Lockheed is liquidated and dissolved there will be one less such corporation in this country that is able to finance large defense programs.

Mr. BROOKE. I do not think that necessarily follows. In bankruptcy, trustees are appointed who would probably be able to carry on the business. We have done that with the Penn Central. It seems to me the remaining divisions that are not in difficulty could carry on. So I do not think we would be hurt by our failure to pass this Lockheed bailout bill insofar as the defense capability of Lockheed is concerned.

Let me put this question to my colleague from Georgia: If there is no risk involved in the Government's guarantee of $250 million, why do not the banks come in and bail Lockheed out? They are very much concerned about this. Why cannot they put up their money without a Government guarantee, if there is no risk? Why should the Federal Government, why should the taxpayers, have to assume this risk for this private company?

Mr. GAMBRELL. I do not think anyone has ever said there is no risk, so that would be a strawman.

Mr. BROOKE. Oh, I think that has been argued. I think it was argued that there is no risk. I think the testimony from the bankers was that there is little risk involved in this at all, that the Federal Government would get its money back and get out of it in a relatively short period of time, even before the company completed the number of L–1011's on order. That is what I understand the testimony to be.

Mr. GAMBRELL. Here is the way I look at that. I do not pretend to be a banker, any more than I pretend to be a manager of large corporations, but I think if someone was supplying me goods, and I was buying 95 percent of what they produced, and they called up and said, "Look, we are in financial trouble and are probably going to have to go down to bankruptcy court and have a trustee appointed, and we have been talking to our bankers and they say, 'Well, if you will get Senator GAMBRELL to endorse your note we will go on with you,' " I would be faced with very much the same situation the U.S. Government is faced with today.

Mr. BROOKE. I would agree with the Senator so far as Senator GAMBRELL, a private person or a private corporation, is concerned. But we are talking about a private corporation and the Federal Government.

Mr. GAMBRELL. The Federal Government being the biggest customer of this private corporation, to the extent of 95 percent.

Mr. BROOKE. Fine; they are lucky to have the Federal Government as a big purchaser from them. But what does the Government say to a firm that does not do business with the Federal Government and gets in financial straits, and may go into bankruptcy? What do I say to such a firm in Massachusetts?

Mr. GAMBRELL. The Senator has shifted his ground. He asked me, "Why should the Federal Government be called on to do this," and I was undertaking to explain that the largest customer is normally called on for assistance in such circumstances.

Mr. BROOKE. In normal commercial transactions between private corporations, yes.

Mr. GAMBRELL. Well, we are in a normal commercial transaction with Lockheed.

Mr. BROOKE. But we do not have, as the Federal Government, because we purchase from a private corporation, the responsibility to bail it out. The Federal Government is probably the biggest purchaser in the Nation today of anything. Does that mean that when any of these corporations goes into financial straits, we are going to bail them out? Would the Senator bail out Bell & Howell or a textile firm in Georgia or Massachusetts, if it goes into bankruptcy, that we do business with?

Mr. GAMBRELL. I still have not concluded what I was going to say, but I would say, then, that the Federal Government is a very peculiar purchaser of goods, if we have the option to do something that is commercially unreasonable, which is to say, "No, you go ahead and go bankrupt," because we have got plenty of money in the Treasury.

Mr. BROOKE. At what level would the Senator draw the line? Ninety-five percent—90 percent—75 percent—60 percent?

Mr. GAMBRELL. I would say wherever the best interests of the Federal Government lie, from a cost point of view or from a point of view of protecting the national economy, would be the point at which one would want to look very carefully at making such an endorsement.

Mr. BROOKE. Then the Senator is back to the argument that the prime reason for a Lockheed bailout is because of the number of employees that would be laid off if Lockheed does not get this guarantee, is that it?

Mr. GAMBRELL. No, I said twofold. I mentioned that, the impact on the economy, and also whether it would cost the Government more to let them go into bankruptcy than to give them some credit assistance to stay on their feet.

The testimony in the record was that the Government would lose more money by letting them go bankrupt than by assisting them. Of course, I cannot give the Senator a guarantee that that is true.

Mr. BROOKE. Of course, we do not know what it is going to cost in the end.

Mr. GAMBRELL. No, we do not.

Mr. BROOKE. I think the Senator would agree that we do not know that $250 million is going to be the end; it could be conceivably more than that, because if the argument is valid today that we should put in good money in order to save bad money, then the argument is going to be even greater when that bad money is larger in amount. A year or two from now, there might be a necessity for $400 million. What would the Senator say then?

Mr. GAMBRELL. Let me say this: A moment ago the Senator placed very strong and emphatic reliance on the testimony of Secretary Packard.

Mr. BROOKE. Yes.

Mr. GAMBRELL. Secretary Packard, there is no question about it—in fact, I suggested on the Senate floor the other day that possibly he ought to be made the administrator of this fund if it is established. I have tremendous respect for his judgment, integrity, and sincerity, and I think the Senator shares that with me.

Mr. BROOKE. I certainly do.

Mr. GAMBRELL. He testified at the House hearings on this bill. A great deal has been made about that, but specifically dealing with Lockheed, as we are doing here, he said:

> I want to make my position on this Lockheed loan guarantee proposal clear here today since there seems to be some uncertainty about my position from previous testimony. I strongly support a loan guarantee of $250 million for the Lockheed Co., at this time for the following reasons: (1) I am convinced Lockheed will be forced into bankruptcy without this guarantee; (2) it is not possible for the L–1011 program to continue with the Lockheed Co., in bankruptcy; (3) failure to continue the L–1011 program will result in substantial additional unemployment beginning immediately and continuing throughout next year; (4) many of Lockheed's suppliers and possibly some airlines could also be forced into bankruptcy; (5) in the case of bankruptcy, the cost to the Defense Department of important products which are urgently needed will probably increase; (6) should bankruptcy occur, the major banks of the country will be forced to absorb substantial losses on loans to an important defense contractor just at a time when we need these same banks to carry a larger share of the financing for the defense industry in order to reduce the dependence of this industry on direct Government financing; (7) there is small risk on the Government in undertaking this guarantee because the program will probably generate adequate cash flow to repay the guaranteed loans even with the present number of L–1011 orders; and (8) the Government has some responsibility for the plight of Lockheed in the present situation because his plight has resulted, in part, from past procurement policies, practices, and attitudes in the Department of Defense.

The Senator has stated very emphatically on this floor his reliance on and the significance that he places on the testimony of Secretary Packard, with which I agree, and I cannot see how any more eloquent testimony could be given in favor of a loan guarantee to Lockheed than has been given by Secretary Packard just this past week before the House Banking and Currency Committee.

Mr. BROOKE. Of course, the Senator is well aware of the statement which Secretary Packard prepared for the House Banking and Currency Committee for delivery on July 19, I am sure. It has been referred to in this debate, but I just refer the Senator to page 13 of that statement, in which he stated:

> It is this last point which leads into the reasons I do not support extending a broad Federal loan guarantee authority to the defense industry or any other industry at this time.
>
> This problem we face with Lockheed is the result of past procurement policies, practices and attitudes of both the Department of Defense and the industry that develops and produces defense products. In the case of Lockheed, both the Department and the company are at fault. Past policies have encouraged defense contractors, large and small to take on programs beyond their means. That is what happened with the L–1011. Lockheed could assume ways would be found to cover large overruns which might occur on their defense programs. This had always been done in the past. This, I am sure, was the calculation the Lockheed management made in deciding whether to take on a major program such as the L–1011 which even at best would stretch the company resources to the limit. During the last two and a half years we have been trying to correct these procurement practices that have been followed in the past. Some progress has been made, but we have much more to do. For this reason, we, in the Department of Defense, do not need nor want a broad loan guarantee bill which will only encourage a continuation of these practices which have caused this trouble.

In other words, not only is this not helping national defense and its procurement, it is hindering national defense and its procurement, and the Defense Department in this statement says it does not want it for that very same reason, that they are trying to improve their procurement practices, and that if we give them this broad bill, we are not only not going to help them, but we are going to hurt them in correcting what they admit has been a bad procurement practice.

So I think, on the basis of that, we have no reason to believe that Secretary Packard did not mean what he said. We both agree he is a very honorable man, and a very objective man. I think even when he was before the Senate Banking Committee he was trying his best to support his administration and, at the same time, all his objective views as to this Lockheed bailout bill. I think he did that.

If the Senator reads between the lines and studies closely Mr. Packard's testimony, he will have to arrive at the conclusion that David Packard is not and has never been in support of the Lockheed bailout bill, not only because he thinks it is bad business but also because he thinks it is bad for the Defense Department, and he definitely does not believe that it is in the interests of national defense.

Mr. PERCY. Mr. President, will the Senator yield for a brief comment at that point?

Mr. BROOKE. I yield.

Mr. PERCY. I realize that the distinguished Senator from Massachusetts has just begun a profound statement on the subject, and he has barely gotten underway with it. I apologize for the interruption.

I feel that it is very important, when we are discussing David Packard's beliefs and feelings, to ask the distinguished Senator from Georgia whether he feels that if Lockheed does go into bankruptcy and is forced into bankruptcy, they then could not, under bankruptcy, fulfill their defense contracts.

As I understand Secretary Packard's statements, he believes that, even if they were in bankruptcy, the validity of their contracts would continue, as would their ability to fulfill them under the management of the receivers appointed in bankruptcy; that the Defense Department would not feel that they could not count on Lockheed to carry out their contracts.

Mr. GAMBRELL. Mr. President, will the Senator yield, so that I may reply?

Mr. BROOKE. I yield.

Mr. GAMBRELL. From my own experience, I would say that a trustee in bankruptcy could not run a business such as Lockheed for very long. In other words, a large program such as this, which is being run by a contractor who is dealing with subcontractors on a daily basis, who is involved in change orders, who is dealing with many scientists and much R. & D. information in a very complex program—several programs, in different industries—is not really capable of being run through a trustee in bankruptcy, as distinguished from a railroad. A railroad's business, from day to day, is substantially the same. Every day, a certain amount of money comes in revenues and is spent. I do not mean to say that running a railroad is simple. What I am saying is that it is not as complex and as varied and does not require instantaneous day-to-day decisions as does operating a business of this sort.

Mr. PERCY. Could not the receivers take this into account? There is no compulsion on their part to fire a single person in management or otherwise. They could retain the entire top management team.

Mr. GAMBRELL. This is what is interesting to me: that the bankruptcy court would have before it the very same people who came before our committee. It would have the banks, it would have the airlines, it would have the subcontractors and suppliers, it would have the Defense Department, and it would have the FAA and the CAB. If these people would come into the bankruptcy court, I say they have a vital interest in what is going on; and all creditors—the people I have named—would elect a trustee in bankruptcy, and the trustee in bankruptcy would then select the ongoing management.

Mr. PERCY. Perhaps I should be more precise in my question.

My direct question is not the judgment of the distinguished Senator from Georgia. It is whether his knowledge is such that he can certify, as I have been led to believe, that Secretary Packard has said he is not concerned about the defense contracts being carried out if Lockheed is in receivership.

Mr. GAMBRELL. Let me finish the point I was going to make. The people who would be concerned indicated that they would reelect the existing management.

To answer specifically the Senator's question, in testimony before the Committee on Banking, Housing and Urban Affairs, Mr. Packard said:

> We did conclude that the Defense Department's interest in relation to the ability of Lockheed to supply needed defense products would be better served if bankruptcy could possibly be avoided. There were several reasons for this.
>
> First, there was the uncertainty in dealing with a company in bankruptcy.
>
> Second, there was the possibility—and still is—of chain reaction effects because many suppliers and subcontractors of the L–1011 commercial program were and are also important suppliers and subcontractors for Lockheed on defense programs. Many of these firms could have serious financial problems if the L–1011 commercial program failed at this time.
>
> Third, there was the possibility, not the certainty, that the cost to obtain the defense equipment would be higher with the company in bankruptcy.

Mr. McGOVERN. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. BROOKE. I yield.

Mr. McGOVERN. Mr. President, I ask unanimous consent that after the present colloquy has ended and the Senator from Massachusetts (Mr. BROOKE) yields the floor, the Senate then proceed to the consideration of my amendment No. 326, which is the pending business, and that at that point 20 minutes be allowed on that amendment, to be divided equally between the proponents and the opponents of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. BROOKE. The $2 billion guarantee program envisaged in this piece of legislation would also result in a diversion of funds from economically and socially important activities. Presumably, bankers who would otherwise consider financing housing for low-income families or projects which are designed to rejuvenate our cities, would prefer to utilize their funds in a manner which will reduce the likelihood of risk. The presence of Federal guarantees may result, therefore, in a decline in the funds available for socially useful programs, while at the same time increasing the funds available for projects which have been deemed to be economically unsound by the forces of the marketplace.

It may be argued that Federal guarantees are also available for programs which are socially useful but economically unsound, such as the development of new communities and urban housing; however, there are important distinctions to be drawn between these programs and the one before us. Housing and urban development programs often lack proven financial records on which to base financing, while most "major business enterprises" have a history of successful financial dealings and have assets which can be pledged against the risk of loss. In addition, urban programs often require a commitment of funds beyond the capabilities of most local governments or their creditors—absent a guarantee—while most major corporations have substantial lines of credit available if a project in question is commercially viable.

If Congress enacts the $2 billion guarantee program presently before the Senate, and if that program is applied on a general basis, there is reason to believe that lenders will be encouraged to extend credit to those corporations large enough and with sufficient political clout to obtain Government assistance if they fail, while smaller and less influential firms will receive little, if any, assistance. In addition, lenders may be encouraged to apply routinely for guarantee assistance to minimize their risks of loss. I am persuaded by former Antitrust Chief Donald F. Turner's remarks:

> When the private capital market refuses to make a loan to a particular firm, or will make it only at a rate of interest which the firm cannot afford to pay, it does so on a calculation that the risk of non-payment is either too great to warrant any loan at all or too great to warrant a loan at other than the high interest rate.

I also find it difficult to accept the notion that we should be providing financial assistance to corporations of a given size, while ignoring others which may face similar difficulties. Last year, more than 10,000 U.S. companies failed, with losses approaching $2 billion. Financial problems have plagued a host of corporations in the past and will undoubtedly and unfortunately afflict many others in the future.

Such events are normal occurrences in a dynamic, free enterprise economy. It is inevitable that those firms which are less efficient, or which make unsound economic judgments, will be faced with problems similar to those encountered now by Lockheed; but this is as it should be in a free enterprise economy.

Without seeking to contribute to an already embarrassing situation, I would like to cite some of Deputy Secretary of Defense David Packard's remarks before the Banking Committee, because they evidence sentiments which I also share. In response to several questions framed by Senator PROXMIRE, Secretary Packard stated:

> I am not in favor of bailing out companies . . . As you know, I have been trying in the past year to work . . . out (defense procurement problems), and if, indeed, you have a bailout, this is not going to be helpful.
>
> * * * * *
>
> I would hope . . . that (the Lockheed bill) is not adopted as a precedent, because I think it would be dangerous to have this . . . used on a wide basis.

Secretary Packard went on to state that adequate authority exists to aid ailing companies—for example, V-loans—and hence additional authority is not needed at this time.

I was sorry to learn that Secretary Packard's original statement before the House Banking Committee—concerning the inadvisability of adopting a general guarantee bill which would encourage a continuation of wasteful Government procurement practices—was with withdrawn. I share Secretary Packard's original views and I am sure that many of my colleagues in the Senate who have followed procurement problems closely in recent years, also share his sentiments and appreciate his candor.

The issue before us today, is not whether general guarantee authority should be provided to the President or to a Federal board, but whether the Federal Government should guarantee bank loans to a private company which is engaged in a business project of dubious commercial value. I am convinced that Lockheed Aircraft Corp. and its supporters have not carried the burden of proof necessary to establish the need for Federal assistance.

At the outset, it has been argued that the 24-bank consortium financing Lockheed will not advance additional funds to complete the airbus project without a Federal guarantee. Representatives of the consortium have made categorical statements to that effect, arguing that many of the banks are coming close to their legal lending limits.

It is interesting to note, however, that only two of the banks involved—which have furnished less than 1 percent of Lockheed's outstanding credit on this project—have come within $1.5 million of their lending limits, according to information provided to the Banking Committee. The banks as a whole, fall more than $600 million short of their legal lending limits, with two of the banks alone, being able to furnish more than $85 million each without the need for Federal guarantees.

Furthermore, the consortium could obtain additional collateral for its loans. Other bank loans to Lockheed's suppliers and airline customers would be jeopardized if the L–1011 project were discontinued, thereby providing the banks with additional incentives to make further loans. And, according to Lockheed's projections which have not been disputed, the aircraft manufacturer has "firm orders" for enough airbuses to repay the $250 million loan entirely. Even if Lockheed failed to sell more than the number of planes under firm orders, the consortium could recoup its $250 million and might have contributed to the commercial viability of the project, thereby stimulating additional business for the banks involved.

The bankers' reluctance to lend additional funds is certainly understandable under the present circumstances. They would rather make loans which are guaranteed by the Federal Government. However, they should not expect the American taxpayer to bear the burden of unsound business decisions when they are unwilling to do so themselves.

One banker who testified on behalf of the consortium alluded to the fact that the Federal Government should become a "partner" in this commercial venture. In my judgment, however, we have seen too many examples in recent years of Federal funds being wasted on unsound procurement programs and other Federal spending projects. It is time for Congress to put an end to policies which contribute to waste and inefficiency both in business and in Government. At a time when many small businesses have failed, or have reduced employment substantially, one can hardly justify bailing out other firms solely because of their size or political influence.

If Lockheed's financial position is so precarious that its creditors would have forced the giant aerospace company into bankruptcy before now except that, as one banker put it, "we don't want to be the ones to pull the plug," then one must assess the probable effects of such bankruptcy. First, it is not at all certain that the L–1011 project would be scrapped as a result of bankruptcy, for a trustee could issue "trustee certificates" and thereby obtain additional financing. Similarly, a trustee could "spin off" the airbus project to a financially stronger company. Deputy Secretary of Defense Packard has already testified that while the continuation of "defense programs will be less troublesome if the company survives," these contracts can be continued under bankruptcy without jeopardizing our national defense posture. Therefore, the only issue remaining is whether failure of the airbus project is likely to have sufficient impact on our economy to warrant government assistance.

Proponents of the Lockheed loan have described a multitude of hardships which will be endured by the employees of Lockheed and its suppliers, by service industries located in communities surrounding the Lockheed production facilities and those of its suppliers, and by the economy as a whole, if Lockheed fails. I am not at all convinced that these hardships need arise. On the contrary, a number of alternative proposals have been advanced during the course of our deliberations, thus far, which should be given serious consideration by Lockheed's management if the L–1011 program is indeed a viable project.

If a Federal guarantee is not forthcoming and the L–1011 project ceases, an econometric model developed by the University of California at Los Angeles' Graduate School of Business Administration indicates that unemployment in California would increase from a seasonally unadjusted level of 7.4 percent registered in May of this year to approximately 7.7 percent. Similarly, the unemployment rate in southern California would increase from 6.9 percent in May to 7.4 percent. This is, of course, still serious, but not when it is being claimed by the proponents of the Lockheed bail-out bill.

While present levels of unemployment in California and other States cannot be tolerated, the aerospace industry has long been subject to cyclical fluctuations which have been borne by the communities affected. My own State of Massachusetts is presently undergoing a period of readjustment with thousands of scientists and engineers unemployed, but Federal assistance has not been forthcoming to lighten the burdens of economic conversion. I have introduced several bills which are designed to deal with this problem and I am hopeful that the Banking Committee's Subcommittee on Defense Production and Stabilization will report them favorably later in this session of Congress. But the intent of the legislation which I have proposed is to aid in conversion, not to bolster a failing enterprise whose market is clearly marginal.

When Secretary of the Treasury Connally testified here almost 2 months ago, he stated that guarantee authority was being sought by the administration not because the L–1011 necessarily would be a commercial success, but because failure of that program at this time would have a most serious and adverse effect on employment and the economy. I question whether the program's demise will seriously affect the economy of California and the Nation as a whole. Lockheed and its suppliers have already laid off over 20,000 workers since the beginning of this year, with the number laid off exceeding the number of workers remaining on the project. I question whether it is wise to postpone the day of reckoning for those involved in this program by guaranteeing them dead end jobs.

It is arguable that the limited economic effects of the L–1011's demise would be more than offset by increased employment at McDonnell Douglas in Los Angeles which produces the rival DC–10, at domestic engine production facilities which would benefit from the use of American-made engines, and at thousands of small companies throughout the country which would produce parts for competing aircraft. Although the sizable increases in employment projected by McDonnell Douglas and General Electric must be viewed as self-serving, their estimates are nevertheless based on reasonable assumptions and therefore should not be rejected.

Finally, it has been argued that Rolls Royce—1971—Limited—and, in turn, the

British Government—will not supply the RB 211 engine to Lockheed unless a Federal guarantee is obtained by August 8 of this year. Even though the use of domestically produced engines may not be commercially feasible at this stage of development, there is reason to believe that the British Government will honor its obligations when faced with the harsh realities of no U.S. Government guarantee and the loss of approximately 30,000 British jobs.

In conclusion, Senate bill 2308 should be rejected because adequate consideration has not been given to the general guarantee approach and because a guarantee for Lockheed Aircraft Corp. alone is not justified by the facts presented. There is a natural economic incentive for the banks involved to expand their loans without a guarantee, if the project is indeed commercially viable; bankruptcy need not result in discontinuation of the L–1011; and the impact of Lockheed's failure or the airbus' demise on our national economy and defense posture is not sufficient to warrant supporting the proposed guarantee.

Mr. President, let there be no doubt that is no generic bill. It is purely and simply a Lockheed bailout bill, and nothing else. It never was intended to be anything more.

I, therefore, urge my colleagues in the Senate to review the facts carefully and to separate the chaff from the substantive material presented thus far, before making their decisions. I urge the Senate to reject the Lockheed bailout bill.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time not be charged against either side on the McGovern amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, in the past several months, I have received a great volume of mail concerning the legislation to authorize emergency loan guarantees to major business enterprises. Approximately 98 percent of this mail from all over the United States supports S. 2308 which would also help the Lockheed Aircraft Corp. over a temporary crisis.

Some of this mail is, of course, from those whose jobs are in jeopardy. Others who are also knowledgeable on this vital issue have presented very convincing facts in their letters which have been very helpful in bringing this vital issue into focus.

Mr. President, this mail along with many other sources of information, including the committee report, convinces me that passage of S. 2308 is essential for our country. I have selected a cross-section of this mail which is impressive to bring to the attention of my colleagues. I would like to invite the attention of my distinguished colleagues to letters from South Carolina, California, Ohio, and Georgia. Since I plan to highlight some of the points made by this mail in other remarks on the floor, I do not propose at this time to elaborate, other than to say that these letters are excellent rebuttals to the points made by some of my colleagues who oppose this legislation.

From among several hundred letters which support this legislation, I have selected five letters from the following who present convincing facts to opponents of S. 2308: F. Julian LeaMond, chairman, Charleston County delegation, Charleston, S.C., enclosing a resolution signed by members of the Charleston County House Delegation; Mr. Charles J. Watts, Jr., 850 Wellington Drive, Charleston, S.C.; Mr. J. N. Buckley, Manoa Court, Saratoga, Calif.; Mr. C. B. McKeown, president, B. F. Goodrich Aerospace and Defense Products, 500 South Main Street, Akron, Ohio; Mr. Forrest B. Yarborough, 128 Herrin Drive, Smyrna, Ga.

Mr. President, I ask unanimous consent for these letters to be printed in the Congressional Record at the conclusion of my remarks.

There being no objection, the letters were ordered to be printed in the Record, as follows:

State of South Carolina,
Charleston County
Legislative Delegation,
Charleston, S.C., July 8, 1971.

Sen. Strom Thurmond,
Senate Office Building,
Washington, D.C.

Dear Senator Thurmond: The Charleston County House Delegation respectfully requests your consideration and support regarding the enclosed resolution.

Sincerely,

F. Julian LeaMond,
Chairman, House Delegation.

Resolution

Whereas, the Lockheed Aircraft Corporation is the nation's largest defense contractor and one of the most reputable companies in the aviation industry and an outstanding corporate citizen, and

Whereas, the continued healthy development and production of aircraft by the Lockheed Aircraft Corporation is of vital concern to the economic and national security of our nation, and

Whereas, the continued production of aircraft by the Lockheed Aircraft Corporation is of great concern to the advancement and maintenance of technical skills of a large segment of the people of our nation, and

Whereas, irreparable harm to both the National security and the economic situation would result from a Lockheed shutdown, in that the thousands of scientific, technical, and skilled personnel trained and now employed by Lockheed and thousands of subcontractors and suppliers would be displaced or lose jobs or be forced to work below their skill levels, and

Whereas, the Federal Government has requested Congress to authorize the guarantee of bank loans in the amount of $250 million to the Lockheed Aircraft Corporation, and

Whereas, if said bank loans are guaranteed by the U.S. Government, Lockheed will be able to obtain bank loans enabling it to continue it production, thereby assuring continued employment of its thousands of employees, and thousands of employees of its contractors and subcontractors at a time when vast government sums are being appropriated to help non-employed workers find jobs.

Now therefore, be it resolved by the undersigned members of the Charleston County House Delegation:

That the Congress of the United States is urged by this resolution and individual correspondence to support the administration's request that bank loan guarantees be made to Lockheed Aircraft Corporation.

F. Julian LeaMond, Thomas F. Hartnett, Herbert U. Fielding, Joseph P. Riley, Jr., Arnold S. Goodstein, J. Sidi Limehouse, III, James C. Joseph, Sr., Clyde M. Dangerfield, James M. Condon.

Charleston, S.C., *July 11, 1971.*

The Hon. Strom Thurmond,
Senate Office Building,
Washington, D.C.

Dear Senator Thurmond: I am writing to ask you to support the Lockheed Loan Guarantee Legislation. It is important to me and many others in South Carolina and to the Country. Failure of the guarantee could weaken our National Defense and could mean loss of thousands of jobs.

Unfortunately, because of the slanted press, mainly through Senator Proxmire, the hero of the Communist Daily World, we only hear unjustified criticism of Defense Contractors and the Military-Industrial Complex. We have listened to the criticism along enough and even without benefit of all the facts denied us by the press and other news media we both know that passage of this legislation is in the best interest of our Country.

Consider the following:

Failure to pass this legislation will constitute action on the part of Congress declaring, in effect, that it is public policy for a single aerospace company and a single engine company to be granted a monopoly position in a market valued at about $20 billion dollars.

Failure to pass this legislation could result in a bankruptcy that could have a staggering impact on the economy and threaten to substantially increase costs to the Government.

Failure to pass this legislation could result in a loss of a half billion dollars or more in tax revenues the Government will lose if the Tri-Star program fails and Lockheed is thrown into bankruptcy.

Failure to pass this legislation could result in a cost of $100 million Lockheed has committed to repay the Government following completion of the C5A program.

Failure to pass this legislation could result in loss of 60,000 existing jobs and add to the already growing welfare rolls.

Please do all you can to see that the Lockheed Loan Guarantee Legislation passes Congress.

Sincerely,

Charles J. Watts, Jr.

John N. Buckley,
Saratoga, Calif., June 30, 1971.

Hon. Strom Thurmond,
4241 New Senate Office Building,
Washington, D.C.

Dear Mr. Thurmond: Attached is a copy of a letter I have sent to the Editor of Aviation Week wherein I have expressed the viewpoint of the current Lockheed situation through the eyes of a concerned Lockheed employee.

I would sincerely appreciate your taking a few moments to read it with, hopefully, the intent of gaining your support for this fine and deserving company.

Thank you very much.

J. N. Buckley.

Saratoga, Calif., *June 15, 1971.*

Mr. Robert B. Hotz,
Editor-in-Chief,
Aviation Week & Space Technology,
McGraw-Hill Building,
New York, N.Y.

Dear Mr. Hotz: I am one of many individuals affected by the current and unprecedented attacks on my employer, Lockheed, by certain politicians, some of the press, a small self-serving part of our industry and, as a result of these, a good part of the general public. I'd like a chance to express a viewpoint which apparently few of them have bothered to look into; namely, that of an individual who happens to be working for Lockheed.

There is no question that some mistakes have been made nor is there a question that in a free and competitive economy we get lumps for our mistakes. But our problems have been the problems of all of our industry, fostered by the unyielding and upward changing requirements of our customers. As daring and visionary leadership made decisions to satisfy these customers, some unforeseen problems arose.

However, as an industry, our successes have far exceeded our failures and in the present situation the truly remarkable accomplishments of Lockheed, well known within aerospace and by our customers, have been withheld or downgraded by our critics as they distort and misrepresent our problems. This failure (deliberate or not) to disclose important facts for all to see and hear gets me where it hurts. Many of us at Lockheed, and in all of aerospace, have worked hard and for long hours before and since World War II. We have been equitably paid (although many will disagree with me) and we have enjoyed a feeling of accomplishment; a feeling that our efforts were contributing to the progress, stature, economy and defense of our nation, as well as our own well being.

We've also experienced the uncertainties of winning or losing contracts and programs, the moves around the country we've been asked to make, a few weird regulatory and contractual experiments by the Government, the incredible pettiness of some of those who audit and review compliance, some outside "experts" in practically every field of technical and administrative management who tell us how to run our business and, yes, from some of our own internal problems of management, administration and forecasting. There are the conditions we accept by taking a job and staying with it and up to now the pride in what we've done and the money we have made has offset the headaches associated with our self-chosen careers.

For Lockheed to grow as a major aerospace company and to be the No. 1 defense contractor certainly demonstrates that we have not been standing still. To move forward, our management has made bold and courageous decisions. Looking backward and before the final results are in, some of these decisions are loudly identified as catastrophic and permanent errors. But only the future, not the present, will really say whether or not Lockheed's C5A, AH-56, L-1011 and others will be as effective and successful, in every sense of the word, including cost and performance, as Lockheed's C-130, Agena, P-3, Polaris/Poseidon, F-104, C-141 and others of this generation, not to mention the Hudson, P-38, P2V, Connie T-33, F-80 and many, many others of the past. Can you wonder that we have such a feeling of pride in our company and trust in the present management most of whom can take credit for many of these accomplishments?

Now, all which has been "great" for me as a Lockheed employee is disappearing by our detractors' actions who appear only as contributors of "negativism" as opposed to the "positive" accomplishments of Lockheed. (And notice how many are jumping on this "bandwagon of negativism" as we are trampled into the ground under their stampeding feet. It's safe, it's popular, it's "beautiful." It may get votes, it's selling newspapers, books and magazines and it may even spin off some business to our fellow contractors. (How proud *they* must be!)

But from my personal viewpoint (yes, a viewpoint of one who has much to lose) will the abandonment of Lockheed by Congress and its ultimate failure be of benefit to anyone? Bankruptcy of the No. 1 defense contractor can only increase the taxpayers' burden and eventual reorganization will have a serious cost and schedule impact on ongoing needed defense programs. It will seriously impact our sluggish economy and I'm sure bring great joy to our enemies. It may destroy a "team" whose current technical capabilities are second to none and if history means anything be sadly needed in the not too distant future. This "team" may also be part of the answer in concurrently solving some of our socio-environmental problems. Will furthering Mr. Proxmire's political ambitions or ending up with only one or two commercial aircraft sources be good?

Will support of Lockheed by Congress hurt anyone? Support of a loan guarantee, even if it must be paid by the Government, will be less costly to the taxpayer and the economy than bankruptcy. Support will not enrichen Lockheed stockholders, officers, employees and subcontractors at the expense of the taxpayer, but can only help provide a platform for recovery. A loan guarantee really won't be against the American-way of free enterprise (there are many examples where the Government helps individuals and businesses) and it certainly won't hurt, as any progressive businessman knows, the GE's, MacDac's and any other private or publicly held business.

When all of the smoke blows away, the half-truths converted to whole-truths and the political ambitions revealed, Congressional support will simply be a helping hand from the nation to maintain the viability of a tough, but burned, competitor with a fine record of significant contributions to them and greatly needed capacity, capability and, yes, strong management for their needs of the present and especially the future. A strong foundation of companies (plural not singular) with known capability and capacity who will fairly compete for available commercial and defense business is the most important resource we have to regain the United States' faltering aerospace and perhaps economic leadership.

Let's not let a few politicians win any more skirmishes which could result in national disaster!

Very truly yours,

J. N. BUCKLEY.

B. F. GOODRICH AEROSPACE
AND DEFENSE PRODUCTS,
Akron, Ohio, July 9, 1971.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR THURMOND: As you know, on May 6, 1971 the President requested legislation from the Congress authorizing Government guarantees of up to $250 million for bank loans to be made available to Lockheed Aircraft Corporation. These loans would be used primarily for the L-1011 commercial transport aircraft program. Since that request, much has been said on both sides of the question as to the propriety of this kind of assistance for private companies.

It now appears that an amended Bill may be substituted for the President's original proposal and that the amended Bill may be of more general application, perhaps modeled after the RFC legislation.

Having given the matter much careful thought, it is the opinion of our Company that, when such help becomes the only means of preserving a substantial amount of industrial activity and employment, it becomes very much a matter of public interest. It is not only a proper but a most necessary function of Government to provide the help needed. Certainly a significant amount of public interest is at stake in the Lockheed case. Many thousands of jobs are involved in Lockheed and supplier plants. In this Division of The B. F. Goodrich Company, 20-25% of the total work force could be affected.

The several near precedents for this kind of temporary financial support are impressive. In addition, the Export-Import bank practice of making loans to foreign buyers for the purchase of U.S. made products would seem to be a pertinent consideration. Among Export-Import bank loans have been $600 million for purchase of 71 Boeing 747's, $190 million for purchase of 29 McDonnell-Douglas DC-10 aircraft and $3.5 million for purchase of Lockheed L-1011's.

It is generally accepted now that the L-1011 is an excellent airplane. We believe that its chances for success are reasonably assured, provided it can survive the present period of heavy initial capital investment.

We urge your active support of legislation, in whatever form, which will lend government assistance to Lockheed in the production of this commercial transport airplane.

Sincerely yours,

C. B. MCKEOWN.

SMYRNA, GA., *July 23, 1971.*

DEAR SENATOR THURMOND: It is my sincere hope that you will not be one of those followers of Senator William Proxmire who will go down in the records of history as helping destroy the American Industry by voting against the loan guarantee for troubled American industries. His plans do not stop at the destruction of Lockheed Aircraft Corporation, but once this goal is accomplished it will be Boeing Airplane Company, Grumman Engineering Company, North American Rockwell, McDonnell Douglas Corporation, General Electric, Pratt and Whitney Aircraft, the automotive industries and others. His political ambitions follow those of Joe McCarthy in that nothing is sacred to obtain political attention, even the destruction of the American Industry.

As pointed out in the attached press release from Hal Suit and Associates, West Germany has received 1 Billion, 472 Million, 400 Thousand American tax dollars since 1946 to rebuild their industries and Japan has received 2 Billion, 200 Million, 900 Thousand dollars. Now our Congressional group is reluctant to *guarantee* a 250 million dollar loan for the Lockheed Aircraft Corporation and up to 2 Billion dollars in loans to other troubled American industries. Some say that this is establishing a precedent for troubled industries even though the Government has guaranteed billions of dollars in loans through the Reconstruction Finance Corporation from 1932 to 1953, Small Business Administration since 1951, Agriculture, Federal Housing Administration, etc. The only precedent the Congress will set by failure to pass the bill supporting troubled industries is to prove that they can destroy American business.

Many Congressmen and other Americans have quickly forgotten Lockheed Aircraft Corporation's contribution to prevention of the destruction of the nation by development of the P-38, P-80, F-104, C-130, C-141, Polaris, Poseidon and their contribution to international trade with the Constellation and Electra aircraft. They also fail to remember the great contributions the employees of Lockheed make in 98-100% participation in buying U.S. Saving Bonds, Red Cross blood contributions and support to local and national charity in Heart Funds, Cancer Research, Tuberculosis, Polio and other united charity funds. They don't remember Lockheed's leadership in Equal Opportunity Employment, Junior Achievement, Employ the Handicapped and generous support of the Welfare Programs.

With the defeat of the bill that would provide a guarantee loan of 250 million dollars and the bankruptcy of the Lockheed Aircraft Corporation, this great corporation team that has contributed so much to our nation is going to be destroyed. This is not only destroying our national defense capability and economy, but destroys the faith and trust the educational institutes and university students have in our Congressional leadership in regard to assistance to American enterprise. I am sure that the Communist world is smiling happily as they watch our own United States Congress destroy its large national defense industry and create an economic disaster.

Let's not destroy the American businesses in order for a few selfish politicians to proudly praise their victory in defeat of a bill that will help shore up Lockheed and some of the other potential American industries that are so vital to our National defense and economy.

I hope you will support the bill to assist the Lockheed Aircraft Corporation—it certainly is a cause well worth saving.

Sincerely,

Forrest B. Yarborough.

Attachment.

HAL SUIT & ASSOCIATES

The following are excerpts from Hal Suit's speech at the Beta Gamma Sigma annual Alumni Dinner held at the Midnight Sun Restaurant in Atlanta

The term, "dangerous precedent" is being used as loosely on capitol hill nowdays as the word communist was bantered about during the Joe McCarthy era.

Every old chestnut that can be uncovered is being used right now by the sharp-shooters in Washington who are after Lockheed's hide.

We either have a lot of ignorant experts around or they are short-memoried, shortsighted, or both.

The Congressional foes of the proposed government underwriting of a 250 million dollar loan to the giant aerospace industry are talking as though the federal government has never put up as much as a thin dime, or guaranteed as much as a thin dime, to any American business during its two hundreds years of existence.

They either don't know any better or don't want to know.

In order to encourage the railroads to push Westward or to extend trackage to remote communities, the federal government literally gave the early builders hundreds of miles of right-of-way. If you think that's old hat, check on the direct subsidies currently being granted to secondary airlines to help cover their losses on unprofitable routes. Since 1964 the price tag on this direct aid has come to 353 million dollars.

The cash that goes to farmers annually for the price support programs for certain crops has been flowing so long that it's become the accepted way to keep the agricultural community solvent. Between 1933 and 1969 the federal government shelled out 40 billion, 376 million, 539 thousand dollars in one form of subsidy or another to tillers of the soil. These dollars have kept thousands of small and large farmers out of the poorhouse.

The Reconstruction Finance Corporation came into existence on February 2, 1932, and closed its books September 28, 1953. During those years the government kept thousands of big, middle-sized and small businesses from going under by disbursing 40 billion, 633 million dollars.

The same year the Reconstruction Finance Corporation wrapped up its affairs the government's Small Business Administration opened shop. Since 1953, the SBA has provided the financial props for thousands of small concerns that couldn't get straight loans from regular lending institutions without the government as a co-signer. In this situation the government has backed loans to the tune of 7 billion, 500 million, 775 thousand dollars. Without SBA many a young, struggling business, especially in the black communities, would have never made it off the ground.

But the bitter irony comes home in another area.

Today American companies are trying grimly to hang on to a shrinking share of the dollars changing hands in the marketplaces of the world and two of their toughest competitors just happen to be West Germany and Japanese businessmen. Both nations, and their business interests, have enjoyed the big-hearted generosity of Uncle Sam. We rarely loaned money to foreign industry and we haven't underwritten loans. We've given it away and called it foreign aid. Since World War II, according to figures supplied by the Agency for International Development, the United States has handed out in economic aid 45 billion, 872 million dollars. In military loans and grants, the figure comes to another 40 billion, 234 million dollars.

West Germany, for example, has received 1 billion, 472 million, 400 thousand American tax dollars since 1946. Japan's cut has come to 2 billion, 220 million, 900 thousand dollars. The 250 million dollars Lockheed needs is chicken feed compared to what we've put on the line to re-build shattered industries abroad.

Apparently it's all right to ante up for a Japanese electronic firm or to build a steel mill somewhere else in the world, but we aren't supposed to risk a red federal cent in an effort to save an American enterprise.

Opponents testifying before the Senate Banking Committee have argued that if Lockheed receives special protection from Congress other firms will start lining up seeking the same kind of relief.

They've been lining up for more decades than you can count on your fingers and toes and they'll be in line long after this crisis is passed.

The only precedent to many of our esteemed congressmen seemed to be worried about is not out of the past, but is a part of the future.

They want to establish a new precedent. They want to prove they can destroy an American business.

They've done a pretty good job on Lockheed.

That only leaves one un-answered question.

Who'll be their next target?

Mr. GOLDWATER. Mr. President, during the course of debate on the evening of July 28, I objected to a unanimous consent request made by the Senator from Wisconsin (Mr. Proxmire), who desired to enter a report highly critical of the Lockheed company without offering at the same time to identify the authors of the report.

Unfortunately, I was not able to stay in the Chamber, and the Senator from Wisconsin, acting perfectly within his rights, at a later time, did insert the report. I have read the report in this morning's Record, and, Mr. President, I feel even more strongly after having read it than when I objected that this type of insertion should not be made in the Record without identifying the source.

The report could have been written by anyone. A person in the academic field who does not like Lockheed, a scientist or an areodynamist, or just a citizen could have put these assumptions together; and when they are given the dignity of appearing in the Congressional Record they can be accepted, as they probably will be across this country, as true.

The report is as complete a conglomeration of statistsics and figures used in as improper a way as I have seen. What it all adds up to is a criticism of the Lockheed Co. for ever having started the L–1011. Let me remind my colleagues that among the great aircraft manufacturers in the world, Lockheed has always stood at the top. When I think of some of the outstanding airplanes they have built, such as the Vega, the F–80, F–94, F–12, SR–71, and the U–2, the Lodestar, the P–38, the F–104, the Constellation, to name only a few, I defy anyone using rationality and common sense to place any faith in an unsigned report that challenges the design and manufacturing ability of Lockheed.

As I said last night, I do not intend to vote for the Lockheed loan, but it is a matter of principle in that I think the Federal Government is far too involved in the daily operation of American business, but I will vote on that principle alone and not upon the suggestions that the Lockheed Co. has failed in its long record of outstanding contributions to aeronautics.

One part of the report is entitled "Lockheed Cost Credibility." I would suggest that the same anonymous authors who wrote the report might take a peek into the cost credibility of every function of the Federal Government, particularly in welfare, in the general cost credibility almost across the board of American business and labor today.

The activities of the American Congresses and Presidents of the past have caused the inflation which we are experiencing today, which in turn is the major contributor to cost overruns. The Senator from Wisconsin seems to be unable to grasp this simple fact of life, and I am surprised because I understand he is a graduate economist and should be able to recognize the source of economic disturbance. The economic disturbance we call inflation is not confined in its effects to the aircraft industry but runs across the board from the simple little repairs the housewife has to have made, to major construction.

Now as to the L–1011 itself, I have been in this airplane, although I have not flown it, and I find it to be of superb construction and superb design, and it is the consensus of men who have flown it that it will be a plane highly competitive with any airbus being made in the United States today and with the airbuses being made by France and Germany. I implore Senators who seem hell-bent on destroying the aircraft industry of America to confine their objections to the Lockheed loan to a matter of principle, as I am doing, and not to the downgrading of a company that has been an eminent leader in the aircraft industry around the world for over 40 years.

This type of subtle, unsigned, unidentified attack has been used before on the floor of the Senate, and I hope that it will never be resorted to again. I intend to investigate this report further and am doing so at the present time in the hope that I can discover who the so-called experts were who so maliciously and in such an intentional way destroyed facts and figures so as to make Lockheed look like a bad risk at anything it attempted.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (S. 2317) to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 19) to provide for a coordinated national boating safety program.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses of the amendments of the Senate to the bill (H.R. 9382) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1972, and for other purposes.

The message also announced that the House had passed a bill (H.R. 9092) to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 3201. An act for relief of Faith M. Lewis Kochendorfer; Dick A. Lewis; Nancy J. Lewis Keithley; Knute K. Lewis; Peggy A. Lewis Townsend; Kim C. Lewis; Cindy L. Lewis Kochendorfer; and Frederick L. Baston;

H.R. 7109. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes;

H.R. 9020. An act to amend the Egg Products Inspection Act to provide that certain plants which process egg products shall be exempt from such act for a certain period of time; and

H.R. 9270. An act making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1972, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

HOUSE BILL REFERRED

The bill (H.R. 9092) to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes, was read twice by its title and referred to the Committee on Post Office and Civil Service.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

Mr. McGOVERN. Mr. President, is my amendment No. 326 the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. McGOVERN. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. McGOVERN. Mr. President, I told the Senate on yesterday near adjournment time that I think good arguments have been made on both sides of this issue for Government loan guarantees. I have been inclined to oppose the Lockheed loan guarantee. However, I do recognize that strong arguments have been made in favor of it.

One part about this whole matter that I find very difficult to understand is how any Member of Congress can justify making available Government loan guarantee to a corporation simply because it is big.

This is not to criticize large corporations, but simply to suggest that if an argument can be made for providing Government loan guarantees for a big corporation that is in trouble, at least as much consideration ought to be given at any rate to Government consideration of support to those businesses that are small.

I frankly do not know how we are going to explain to the neighborhood grocer, filling station operator, the barber or beauty shop operator, or other people in trouble and who are limited in the availability of credit, our actions in bailing out big corporations and then denying them additional consideration.

The purpose of the amendment which I have introduced is to provide some measure of economic justice for small businessmen, and for farmers and ranchers, on the same basis that we argue for guaranteed loan assistance to Lockheed and her sister corporations.

Just as Lockheed faces problems because of inflation and tight credit, and I suspect mismanagement on the part of its directors, there are thousands of small businesses in every State of the Union in the same kind of squeeze. Certainly, that is true with regard to a great many farm operators. Last year some 48,000 farms collapsed, many because of the lack of low-cost credit, at a time when it was most needed.

I think the time has come for our country to address itself to that question. We have to decide whether as a matter of national policy we will show preference for the assembly line corporate business as against the small independent businessman. We must decide whether corporate agriculture over the family farm should be favored, and whether chain stores should be favored over neighborhood merchants.

It is my view that the resources of this country would be appropriately and profitably spent by aiding the small businessman, the small farmer, and the minority businessman, all of whom are discriminated against by the structure of our financial and economic system. Every Senator knows it is easier for a big corporation with an established line of credit to borrow money now, as it has always been, than it is for the small businessman to secure credit. Two billion dollars of loans would go a long way toward helping the little man in our economy.

Surely, our values and our sense of justice have not been so perverted that we hasten to prop up Lockheed with its many failures and demonstrable irresponsibility in dealing with public moneys, while we abandon the independent entrepreneur who stands alone in industry, agriculture, and commerce. The deck is stacked solidly against the individual, and this bill simply puts another ace up the sleeves of large corporations. I implore this body to spurn the attempt to make Government the handmaiden of big business.

The amendment now pending would at least extend the same open hand to our farmers and small businessmen. For those who want to provide assistance to our major corporations—deemed "major" because of their size—it should not be difficult to recognize that we should also provide help to the small businessman and farmer who, in the aggregate, constitute the major underpinning of our economy.

I do not have trouble understanding why, if the Lockheed Corp., is in trouble for one reason or another and has to shut down that will affect not only their employees, but also scores of other employees of subcontractors, but there are tens of thousands of other businesses that have no relation to Lockheed that are affected and that are in trouble and need our assistance.

Thus, in the name of economic justice, any Senator who supports the bill before us should have no difficulty in supporting this amendment.

What I am pleading for in this amendment, and I do not think I need to labor the case long and hard, is simply that we extend the same consideration to the small businessman as to the large one. I think that has been very much a part of the American tradition.

I would add that food for Americans is more vital than loans for Lockheed. Success in agriculture at home is far more important to our Nation than killing people and poisoning crops in the homeland of others. Yet, agriculture in America today has a lower priority than our massive expenditures for questionable ABM's, a lower priority than our forays into space, a lower priority than our handouts to the aerospace industry, and a lower priority than our construction of vast fleets of unnecessary bombers and ships.

If the United States survives this critical period as a leader among nations, it will not be due to our weaponry but rather to the fact that we are still able to feed and clothe our people. Our successes in the field of agriculture have won us admiration throughout the world; our military adventures have won us the animosity and distrust of millions of the world's peoples.

There is great danger in ignoring agriculture, and most dangerous of all would be to ignore the pressing credit problems of the farmer. Adequate credit is his life blood. Already, huge nonfarm corporations are moving into farming, and if the family farmer cannot get the credit he needs, he will be crushed by the capital rich corporate giants.

The danger is not to the farmer alone. It is to every American citizen, for farm credit is as urban as the prices we pay in the supermarket. The best protection we can have against soaring food prices is an adequate flow of credit for the family farmer. For we have long known that farming in the hands of the family farmer is our best guarantee that food prices will be reasonable. And we know that farming in the hands of a few giants could produce the greatest leap in food prices we have ever seen.

At the beginning of the century, the farmers of America made little use of credit. It was cash or barter; farm credit was extremely hard to obtain. But today, as the result of vast changes in agriculture, credit is an essential tool for the successful farmer. This is true in South Dakota where our farmers had approximately $1 billion in credit at the beginning of 1970; and it is true in every State in the Nation. On January 1, 1970, American farmers had agricultural credit totaling over $58 billion, more than double the amount just 10 years earlier. And experts, predicting that there will be no letup in the demand for farm credit, tell me they expect to see the demand more than double by the end of this decade.

One success story in meeting the awesome needs of agricultural credit has been the farm credit system. I do not know of a single program which has done more for the farmers of this country at less cost to the taxpayer. And I know from my years with food for peace that this system is a model for developing countries throughout the world. The system has helped U.S. agriculture bring in a major percentage of all dollars earned by exports, and I can tell you that in terms of world peace our food shipments abroad have helped us far more than our arms shipments. Food and fiber produced by American farmers contribute far more to the peace and stability of the world than shells and bombs.

The Senate Agriculture Committee has just passed the Farm Credit Act of 1971. It should be of some comfort to the American taxpayer that this bill provides for no expenditure of Federal funds. Likewise, the farm credit system is now operating at virtually no cost to the Federal Government.

Despite the strides we have made in farm credit, there is more than ample justification for a guarantee for loans to farmers. Agriculture today is in a state of collapse. We are losing about 50,000 farmers a year because the prices they receive for their products barely covers the cost of production. The parity ratio has been hovering around 68 to 70 percent of parity, the lowest level since the depths of the great depression.

But at that time, the Congress passed humane and meaningful legislation to help the farmer which benefited the entire Nation. Today food is the best bargain available to the American consumer, although the farmers' share of what the consumer spends for food has reached an all-time low.

We must reverse the trend of farm foreclosures or farmers selling out for paltry sums after years of honest toil because they can no longer meet the payments today's heavily capitalized farming demands.

There is more than just a consumer stake in guaranteeing loans to farmers. Unless we assure the farmers of our Nation who produce the food and fiber we use they can stay on his farm, the headlong rural to urban migration will continue. Many of these rural migrants wind up in the ghettos because they are ill prepared for city life. As a matter of fact, more of the ghetto residents were born in rural America than there are lifelong ghetto residents.

Farmers are proud of their farm credit system. But if they fail to make the payments, their present recourse is literally the auction block. The farmer like the small businessman is certainly entitled to the same assurance from disaster Lockheed and its big sister corporations now seek.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **SPARKMAN**. Mr. President, I wish to say a few words and if there is any time left over I shall be glad to yield to the Senator from South Dakota if he needs more time. I have discussed this matter with the Senator, and I am thoroughly in sympathy with what he is advocating.

However, I do not believe the amendment belongs as a part of this bill. I have assured him, and I make the promise now on the floor of the Senate, that our committee, which has jurisdiction of small business legislation—and I am sure that other members of the committee who are here will agree with me—will have early hearings on increasing the authority of the Small Business Administration to extend aid to small businesses. So far our big drawback has been the lack of adequate lending or guaranteeing authority, or ceiling.

We propose to double that ceiling; and I may say that the administration has orally given consent to our doing so, as I understand, so we certainly will be able to give very early attention to the problem to which the Senator has addressed himself. I cannot speak to the agricultural part.

Mr. President, I do not think that I am being immodest when I say that I have taken the lead in the consideration of most of the small business legislation that has been enacted by the Congress. These basic acts are the Small Business Act and the Small Business Investment Act of 1958. There have been numerous amendments to these acts through the years. I have also taken an active interest in legislation to aid farmers with needed loans.

Amendment No. 264 offered by Senator McGOVERN provides for the broadening of S. 2308 to include guarantees of loans to farmers and small business. The Board may delegate this authority to the Farmers Home Administration and to the Small Business Administration. The amount of the loan fund would be increased from $2 to $4 billion.

I am convinced that this amendment is unnecessary both for our farmers and for small business since both of these groups can secure guaranteed loans under programs already in operation in the Department of Agriculture and the Small Business Administration.

I would like to address myself primarily to that portion of the amendment dealing with loans to small business.

The Small Business Administration was set up specifically to make loans to small businesses which were in trouble and could not obtain needed financing through ordinary financial channels. As we all know, the SBA has not been making many direct loans in the last few years. Most of the loans that they make now are made under a guarantee agreement with banks. Some statistics showing the operation of SBA's regular business loan program for fiscal year 1971 which ended June 30, 1971, might be of interest. There were 13,754 regular business loans made, of which 11,894 were guaranteed, 1,602 were immediate participation in which the bank and SBA each contribute a portion of the loan at the time the loan is made, and 258 loans were direct in which SBA supplied the total amount. These loans totaled $923.9 million. Of this amount $817 million were guaranteed, $93.1 million immediate participation and $13.8 million direct.

The Congress has just recently enacted Public Law 92–16 which increased from $2.2 to $3.1 billion the amount of loans and guarantees which may be outstanding in SBA's business loan and investment fund. Also there is pending in SBA's appropriation bill for this fiscal year an appropriation of $275 million to that fund. This amount has been agreed upon by both the House and the Senate. SBA's guaranteed loan program is financed from this fund.

It is interesting to note the similarity between the way SBA operates its regular business loan guarantee program and the provisions of S. 2308.

Section 4(a)(1)(B) of S. 2308 provides that a guarantee of a loan shall be made only if credit is not otherwise available to the borrower under reasonable terms or conditions. Section 7(a)(1) of the Small Business Act has a similar requirement.

Section 4(a)(1)(C) of S. 2308 provides that the prospective earning power of the borrower, together with the character and value of the security pledged, furnish reasonable assurance that it will be able to repay the loan within the time fixed, and afford reasonable protection to the United States. Section 7(a)(7) of the Small Business Act has a similar requirement.

Section 4(a)(2) of S. 2308 requires that the lender certify that it would not make the loan without the guarantee. At present SBA requires that the bank state in its applications for a guarantee that it would not make the loan without the guarantee.

Section 6(a)(1) of S. 2308 would prohibit a company from declaring a dividend on its common stock while a guaranteed loan was outstanding. SBA has a similar requirement on its guaranteed loans at present.

Section 7 of S. 2308 would authorize SBA to inspect and copy all accounts, books, and records and other documents of an enterprise which has received financial assistance under the bill. SBA now has a similar requirement for its guarantee loans.

As a matter of fact in many instances financial assistance is less stringent under SBA's present guarantee loan program than it would be under the provisions of this amendment.

I would like to point out at this time that small business will substantially benefit from this bill without this amendment. Lockheed has some 1,500 subcontractors. I am sure that most of these subcontractors are small businesses. It is impossible to tell how many, if any, of these subcontractors would go out of business if this bill fails to pass. But I think it is safe to say that all of them have a real financial interest in seeing that their contracts with the prime contractor, Lockheed, are completed and perhaps enlarged. So we are really not just enacting a bill solely for big business when we enact S. 2308. A great percentage of the aid will go to deserving small businesses.

This amendment would also be a duplication of the consolidated Farmers Home Administration Act of 1961. This act was carefully considered by the Agriculture Committee and the Congress and provides a sound program for loans to farmers.

Mr. President, I honestly believe that this is an unnecessary amendment and I urge the Senate to reject it. However, if the sponsor of this amendment, Mr. McGovern, desires to introduce this amendment as a regular bill, I will be glad to see that it is given thorough consideration by the Committee on Banking, Housing and Urban Affairs.

Mr. TALMADGE. I merely wish to point out that the Committee on Agriculture and Forestry has this year been extremely busy in providing more adequate funds and services to the farmers of the Nation. I compliment the distinguished Senator from South Dakota. He is chairman of the Subcommittee on Agricultural Credit and Rural Electrification. He has taken the leading part in these endeavors. Earlier in the year, the Senator's subcommittee reported a bill (S. 1806) which made very important changes, and he managed the bill on the floor of the Senate.

In addition to extending the authority of the Secretary of Agriculture to insure loans to October 1, 1975, S. 1806 increases the limitation of the Agricultural Credit Insurance Fund from $100 to $500 million. The bill increases the ceiling on farm operating loans from $35,000 to $50,000 and changes the direct operating loan program to an insured operating loan program. In addition, the bill makes several other important changes in the lending authority of the Farmers Home Administration.

Just today, the Senate passed S. 1483, which upgraded and improved all the farm credit agencies in the Nation. It expands them in very vital and important ways and, in my judgment, is the most important agricultural legislation the Senate has passed since the various credit agencies were created. So we are making tremendous progress in that regard, and the Senator from South Dakota has played a vital and very important part therein.

As the Senator knows, the most important bill pending before the Committee on Agriculture and Forestry at present is the rural development bill, of which the Senator is a cosponsor. It is attracting attention from not only rural areas, but from urban areas, as well. I have hopes that we can pass that bill this year.

The amendment of the Senator from South Dakota does not provide one additional cent of authority for farm loans since unlimited authority is already available. S. 2308, the bill which the Senator from South Dakota, would amend is designed to authorize emergency loan guarantees to major business enterprises. The Consolidated Farmers Home Administration also provides for emergency loans—loans that are designed to meet emergency needs of farmers and only farmers.

Certainly, S. 2308, even if it were amended by the pending amendment, would not be appropriate for the needs of farmers. Section 12 of S. 2308 provides for congressional review. This section provides that at least 20 calendar days prior to making a loan guarantee, the Federal Reserve Board would transmit to the Congress a notification of its intention to make such guarantee, together with a detailed justification for the guarantee. The Congress has 20 days in which to indicate their objection to the proposed loan guarantee.

Mr. President, I submit that it is absurd to get Congress in the business of approving every emergency loan that is made to a farmer or a small town businessman. The Congress has set up adequate machinery for making loans to farmers in dire straits and for small business. It has provided a reliable system of loan guarantees under the Small Business Administration. Both small businessmen and farmers have a program that is tailored to their own needs.

The very absurdity of trying to apply S. 2308 to the needs of farmers and small businessmen indicates the true purpose of the Senator from South Dakota. The Senator stated in submitting his amendment No. 309 to S. 2308 that he opposes S. 2308. It is evident that his amendment is just one more gimmick to defeat the bill. The Senator cannot be serious in his claims that his motive is to help the small businessmen and farmers of the Nation. If the Senator has any valid legislation which is needed to meet the credit needs of farmers, he should immediately introduce it and his subcommittee should hold hearings as soon as possible. The Committee on Agriculture and Forestry has acted promptly on all other important credit legislation this year, and I can promise the Senator that we will do the same on any new legislation that is serious.

The pending bill would be a very unwise vehicle on which to try to expand agricultural loans, because it provides for congressional review. It provides that at least 20 days prior to the making of a a loan guarantee, the Federal Reserve Board shall transmit to Congress notification of its intention to make such a loan guarantee, together with a detailed justification for the guarantee; and Congress has 20 days in which to indicate its objection to the proposed loan guarantee. I submit that that would be an absurd way to get Congress into the business of providing every emergency loan that is made to a farmer or a smalltown businessman. Congress has provided adequate machinery to make loans to farmers who are in dire straits, and to small business.

The PRESIDING OFFICER. The time of the Senator from Georgia has expired.

Mr. TALMADGE. I thank the Senator from Alabama for yielding. I implore the Senator from South Dakota to continue his work in the agricultural field. He is the chairman of the Agricultural Subcommittee on Rural Electrification. Together, I hope that we may improve the lot of the farmer in that way.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Alabama has 4 minutes.

Mr. SPARKMAN. Mr. President, I yield 3 minutes to the Senator from Tennessee.

Mr. BROCK. Mr. President, the Senator's objective can be achieved, and I think it will be achieved this year.

Let me point out that earlier this year our committee passed a bill which increased the Small Business Administration's authority by $100 million and expanded its authority to extend assistance to small business.

The administration has recommended a $3.1 billion increase in authorization for 1974. So about $4 billion in assistance could be available to small business. When one applies the multiplier of the guarantees, there is a very significant increase in the authority for such assistance.

I think we all share the Senator's concern. I simply raise the point that we have under consideration, and will have shortly amendments to the present law, which will do more than is incorporated in the amendment the Senator offers on the floor today. I think that it is a better route to have the committee amend the Small Business Act. That is why I intend to oppose the Senator's amendment.

I thank the Senator from Alabama for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, I yield 1 minute to the Senator from Georgia (Mr. Gambrell).

Mr. GAMBRELL. Mr. President, I would like to call to the Senate's attention, in reference to the pending amendment, a question that I put to Chairman Burns back when we had a hearing on March 10. I said:

> I am concerned with the fact that small businesses, particularly in the homebuilding business, are among the first areas that are affected by monetary restrictions or tight money. They run out of credit first and they run out of it 100 percent before it affects a great many larger businesses.

I asked Mr. Burns what the Federal Reserve Board proposed to do about it.

Mr. Burns said:

> You are putting your finger, Senator, on one of the most important and also one of the most poignant problems that we face in our economic and political society . . .

He went on to state that they have a study underway:

> Such a study is under way at the Federal Reserve and I hope that in the late summer this study will be finished, so that it can be made available to the Congress—

As to what the recommendations are to implement just such a program as the Senator from South Dakota is interested in.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. SPARKMAN. Mr. President, I am glad to yield it to the Senator from South Dakota in connection with his own time.

Mr. McGOVERN. Mr. President, I yield myself such time as I may consume.

I have listened to the responses of the Senator from Georgia (Mr. TALMADGE), the Senator from Alabama (Mr. SPARKMAN), manager of the bill, and the Senator from Tennessee (Mr. BROCK) as to what our responsibilities are to small business and agriculture, and I quite agree that the Congress has already taken some steps that are praiseworthy to provide additional authority to lend assistance to the hard-pressed small businessmen and farm operators, but I think, in all fairness, the guidelines which are laid down by the Small Business Administration and by our farm credit agencies are much tougher than those that are contemplated in the bill now pending, designed to benefit Lockheed and other major corporations.

As I read the pending measure, about all that Lockheed or any other corporation has to prove is that it is in deep trouble. It does not have to demonstrate that it is a safe risk or even that it has very sound management. It is quite clear to me that if a certain management is highly questionable, it could nevertheless get a loan, whereas a small businessman who comes before the SBA for a loan almost has to prove that his credit is so strong and that his management is so brilliant that he does not need a loan. It is almost a rule of thumb out in my country that if one is so strong in the way of credit and management as he must prove in order to get credit, he does not need a loan. That is how tough the criteria are in order to get small business loans, whereas what we are proposing for big corporations is that all they have to demonstrate is that they are in deep trouble and somebody would get hurt if such firms go under.

I might suggest that there are some 10,000 small business firms in this country that are in deep financial trouble, as Lockheed is. They are not very big. They do not have 100 lobbyists running around town, twisting the arms of Senators, in efforts to gain additional credits for them. But in the aggregate, those small firms are just as important to the economy of this country as the big giants are.

The same thing is true of the some 50,000 farmers who went broke last year, and who had to sell or dispose of their farms, and who are no longer on the farm. Those are the same people who are now piling into the cities at a time when every city is already overcrowded, and are being placed on the unemployment rolls and welfare rolls. It would be very interesting to know how many people on the unemployment rolls in Detroit, New York, Los Angeles, and other cities are former farmers or members of farm families, who were driven out of agriculture because of the lack of reasonable credit and other encouragement to stay in business.

Beyond that, there is another aspect in what we are offering to do for big corporations in the pending bill that is not available to the small businessman, and that is the fact that we are taking immediate action. I recognize that some time in the course of this session we may provide additional credit for small businessmen. I do not question the Senator from Alabama (Mr. SPARKMAN) or his sincere interest in doing something about these credit problems, but I repeat that we are showing emergency consideration for big business. We are saying that this situation is so acute that the Senate ought not to wait any longer. The president of the Lockheed Corp. even criticized the Senator from Wisconsin (Mr. PROXMIRE) for holding the bill up for 2 days.

What I am suggesting is that if there is such a great urgency for dealing with the problem of big corporations, the time has come to show the same degree of concern for the small entrepreneur of this country.

So I am going to press for a rollcall on this measure. I think we ought to stand up and be counted on it. It does not in any way indicate any lack of appreciation on my part for what has been done by the Committee on Agriculture and Forestry, by the Senator from Alabama (Mr. SPARKMAN) and his committee, and the other Senators in their concern for small business. I do not question either their sincerity or their commitment. I hope they will vote with me on this amendment, which will show the country and the small businessmen and the farmers and the ranchers of this Nation that we are not any more interested in bailing out Lockheed than we are in helping the ordinary citizen of this Nation.

So it is on that basis, Mr. President, that I rest my case for this amendment.

Mr. BROCK. Mr. President, will the Senator yield for a clarification?

Mr. McGOVERN. I yield.

Mr. BROCK. I think the Senator made reference to the fact that the provisions of his amendment would not be as tightly administered.

I should like to read from the testimony of Thomas Kleppe, the Administrator of the SBA. He said:

> As I read the provisions of this bill, the lending authority conducted thereunder would be except for the size of the borrowers, along much the same lines as SBA operates. However, the collateral requirements would be such that the Government's interests would be even better protected than they are under our loan activities.

This bill was tailored very carefully to protect the Government's interests fully. I think its provisions are much more restrictive than under the Small Business Administration.

I thank the Senator for yielding.

Mr. MUSKIE. Mr. President, if we are going to use the power of the Federal Government to mitigate the economic consequences of the business difficulties of large corporations, I feel we should do the same for small businesses and farmers. Although the economic consequences of failure of these smaller enterprises are not as great nationally or regionally as the failure of a company as large as Lockheed, their impact upon the individual employees or owners and upon the town or city in which they are located can be just as great.

For example, in today's New York Times, there is an article about the suffering caused in northern Maine due to the failure of potato farming in Aroostook County. The article clearly shows that the effect upon farmers, their families, and the towns of northern Maine is just as severe as the effect of a failure of Lockheed would be upon families and communities in southern California or Georgia. That is why Ralph Smith, a potato farmer who gave up farming after 32 years asks:

> Wouldn't it be better if they let me keep my equipment and keep farming—at least I could feed my family. It seems if the government can vote money to help Lockheed, if they can bail out the Penn Central Railroad, they could let me go on farming.

I think Ralph Smith has a point. I ask unanimous consent that the article from the New York Times be reprinted in full in the CONGRESSIONAL RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. If we help protect those working for the big corporations from the consequences of business failure caused by temporary difficulties, we should help those involved with smaller enterprises.

I have reservations about the present form of the McGovern amendment. The additional authorization of $2 billion may not be a reasonable amount for its purpose. Perhaps the original $2 billion guarantee limitation is enough for both purposes. And the requirement that the amendment adds to section 8 of the bill—that loans to small businessmen and farmers be equal in any given calendar year to loans to large corporations—seems too rigid.

But I feel, when all these considerations are weighed, that if the National Government is going to use its power to mitigate the consequences of business failure, it should use that power evenhandedly. Therefore, I shall vote for the McGovern amendment so that small and large businesses and the employees that work for both are aided by this legislation.

The article follows:

EXHIBIT 1

ONCE BOOMING POTATO FARMS DIE IN MAINE

(By Bill Kovach)

PRESQUE ISLE, ME.—The road to Ralph Smith's farm cuts across rolling hills that his great-grandfather cleared for farming after the Civil War.

At each bend in the gravel road there is some mark of the four generations of Smiths who have farmed the red loam of Aroostook County: "There's where great-grampy built the first frame house around here." "Grampy built that pond there using rocks culled from the fields."

At the end the road makes a little fishhook into the yard in front of Ralph Smith's comfortable frame house. Behind the house there are 150 acres of weeds.

"One day," he says quietly waving toward the weed-choked fields, "there comes a spring when you can't go any further. You wake up and you're not a farmer any more."

That spring came this year for Ralph Smith, after 32 years of growing Katahdins, Russet Burbanks and Kennebecs, the Maine potatoes that once dominated the American potato market. Five straight years of bad weather, poor yields and low prices have left him and many others here smothered in debt.

EQUIPMENT SOLD AT AUCTION

When he was unable to make the minimum payments required on Government mortgages, Mr. Smith's equipment was taken by the Farmers' Home Administration and sold at public auction. When taxes and insurance come due on his house in the fall, he says, he will leave that too.

In the same way all across Aroostook County, Maine's largest and northernmost, families who have dug potatoes from the earth for generations are being squeezed out by changing economic patterns in agriculture. So far this year there have been five major auctions representing the end of an estimated 200 farming families.

Aroostook County, never wealthy except in the days when self-contained farms were the dream of young families, has plunged deep into a depression in the last decade.

The county has lost almost 2,500 farm units over 30 years. Most experts agree that many of the remaining 1,300 will not remain long on the land. There are 17,000 people—20 per cent of the total population—receiving surplus food. Unemployment is set at 12 per cent and the young are leaving the county rapidly.

Aroostook's story is one of a traditional single-product economy being swept away by an ever-changing national economy. Aroostook, which produces 95 per cent of the Maine potatoes, is now only one small piece in that section of agriculture it once dominated.

"WE GET THE BLAME"

"We get the blame for all this, but that just isn't right," complains Cluny McPherson, a local official of the F.H.A. Mr. McPherson approaches discussions of potato farmers' troubles with the caution of a man building houses of cards. As failures mount and F.H.A. foreclosures generate frequent auctions, the confused and frustrated anger of the farmers focuses more and more on Federal programs.

"We get the blame," says Mr. McPherson again, "but the problem is basically one of supply and demand. Prices are down because reclaimed land in the West is going more and more into potatoes. A farmer needs a good year every year and they've had a terrible run of luck here for the past five years."

To bad weather and prices, other students of the economic blight of the Maine potato farmer add several other factors: the land has been worn out and production has dropped from 150 barrels per acre to 135; Idaho, which now overwhelms the market, has a better growing season and a more aggressive sales and promotion program. Then, there is marketing.

A study by the Northern Maine Regional Planning Commission has pinpointed as a major problem the domination of the field by large chain stores that ended the old system of sales directly between farmers and retailers and established a layer of dealers between the farmer and his outlet.

"Buyers know," says the report, "they can play dealers against each other and dealers in turn pit farmers against each other to the point of reducing prices on the grower end of the marketing cycle."

There may be dozens of other factors, but they all move toward the same result, one manifested by Ralph Smith.

Mr. Smith began growing potatoes in high school as part of a Future Farmers of America project. In 1946, discharge from the Army in hand, he settled with his bride on 150 acres of the Smith homeplace and began raising potatoes and a family.

"It was 1965 that I had my last good year," he recalled recently. "Then everything began to fall apart."

With the reluctance of an independent man who, late in life, has begun to question his own ability and worth, Mr. Smith traces his plunge toward failure this way:

In 1966 prices were so low he held his crop until January hoping for a better price. The gamble failed and he lost money. For the first time in his life he had to borrow money from the Government to plant a crop in 1967.

Nineteen-sixty-seven "was a bitch from the start." Rain during the fall harvest season kept machinery and hourly paid labor idle for three crucial days and he sold his crop under an emergency Federal program for a price that did not even cover the harvest.

Nineteen-sixty-eight, 1969 and 1970 were much the same—borrowing to put out a crop and losing money at each harvest. By the end he was essentially sharecropping his land under a "crop and chattel mortgage" that put everything he once owned up against the chance of success.

"I've worked 16 to 18 hours a day on this farm since 1946," Mr. Smith concluded. "And now I'm 52. I've had three heart attacks. I've still got two children at home and two in college and I'm finished. I'm going to lose it all."

CONFUSION AND BITTERNESS

There is confusion in his voice and no little bitterness as he looks around the weed-grown field of his farm and asks: "Wouldn't it be better if they let me keep my equipment and keep farming—at least I could feed my family. It seems if the Government can vote money to help Lockheed, if they can bail out the Penn Central Railroad, they could let me go on farming."

At the auction the next day, Ralph Smith was joined by other farmers who have been forced out in recent years. In each case the story was the same—years of independence ended suddenly by changes they only vaguely understood.

"Look there," Mr. Smith called to a neighbor, "they just sold that truck for $1,200. The body alone would cost more than that."

Then they fell to talking about what is going on—about auctions to sell their equipment at less than its worth just to "change some figures on a piece of paper" and to force them off the farms and into an uncertain and glutted labor market.

"It just seems like it would be better if they let me keep farming," Mr. Smith said to no one in particular. "It just doesn't make any sense."

LOAN GUARANTEES FOR BIG BUSINESS

Mr. CHURCH. Mr. President, I oppose the Emergency Loan Guarantee Act now before the Senate. More properly this bill should be labeled the Big Business Relief Act of 1971.

This legislation, if enacted, would not only provide the apparatus through which the Lockheed Corp. could receive the $250 million loan guarantee it has so relentlessly sought from Congress but would, in addition, set up a program which would allow other major corporations to turn to the Government for similar guarantees when they make mistakes in business judgment which cause them to experience business reverses.

I oppose the original legislation which would have simply given a loan guarantee to Lockheed. But this bill compounds the error. Rather than simply guaranteeing one company $250 million, this bill will create a Government underwritten loan program for big business to the tune of $2 billion. If the bill is enacted, we will see a long line of corporations pushed by their creditors through the doors of the Federal Treasury where their defaults will be made whole with public coin.

This bill means that the American taxpayer, not the lender, is to be made the risktaker of last resort in big business ventures. Once we start down that road, we abandon the very foundation of free enterprise—the basic principle that private business must assume the risk for success or failure, profit or loss, in the competitive marketplace.

Last year, over 10,000 small businesses in this Nation went bankrupt, but the Treasury Department did not step forward to offer these little companies a helping hand in the form of Federal loan guarantees. Nor does the Government step forward to offer assistance to hard-pinched taxpayers who must negotiate loans each April to pay their Federal income taxes.

We have been told that this loan guarantee involves little risk for the Federal Government. But, if this were so, then why is the Government guarantee needed in the first place? Why should the Government become involved? If the credit rating of Lockheed is so high, why are the banks refusing to make loans to the corporation without a warranty from the Federal Government?

On the other hand, if Lockheed is not a good financial risk, why should the American taxpayer bear the loss for a subsequent default of the corporation?

We are told that the continued financial stability of Lockheed is essential to the national defense. However, Deputy Defense Secretary David Packard has assured the Congress that the Defense Department could continue to do business on its contracts with Lockheed even if it were operated in receivership.

We are told that if Lockheed goes under, it could result in the loss of as many as 60,000 jobs. Such a figure is pure fiction since Lockheed would continue operations in receivership. In addition, it does seem strange that this administration should suddenly concern itself about jobs when 2.4 million jobs have been lost to the economy since President Nixon took office. The way to create needed jobs is to improve our Nation's overall economy, not to prop up a single ailing, failing firm.

Moreover, the distinguished Senator from Wisconsin makes an excellent point when he notes that if the L–1011 program, which has led Lockheed to its current financial straits, is not viable, we are not preventing a loss of jobs but only postponing the inevitable day when the jobs will be lost anyway. In short, we are providing "dead end" jobs for these employees—the type of jobs the President said should be avoided when he vetoed the public service employment bill passed by Congress last year.

Mr. President, the case against this bill is compelling. Yet, last week's vote shows that big business remains firmly seated in the saddle. The Senate has already decided to approve the bill, even before the arguments are heard. So let the word go out: A Republican administration and a Democratic Congress are about to perpetrate a travesty. Henceforth, public credit will be available to any business big enough to pry open the doors of the Federal Treasury, while the risks of "free enterprise"—whatever remains of it—will be borne by the small businessmen whom President Nixon, when runing for office, used to call "forgotten Americans."

Who would ever have thought that all the pious talk about changing priorities would turn out to mean: Socialism for the rich, free enterprise for the poor.

LOCKHEED'S PROBLEMS CAUSED BY GROSS MISMANAGEMENT

The taxpayer might be more sympathetic to proposals to bail out big industry if the cause of industry's shaky finances was a sudden accident or an unforseen change in technology. But these are not the causes of Lockheed's misfortune. Lockheed's problems have been caused by gross mismanagement. Henry M. Durham, former Lockheed Aircraft Corp. assistant division manager charged his former company with "disasterously rotten management" that wasted "untold millions of dollars." Durham has provided us with chapter and verse on the inefficient, wasteful, and sometimes improper practices of the Lockheed Aircraft Corp. He points out case after case where Lockheed workers ordered duplicate parts to use rather than using the parts already available. The parts situation became so bad that it was characterized as being "out of control."

Yet when this mismanagement was called to the attention of top management, the complaint was scraped under the table and the mismanagement continued. Durham was demoted because of his relentless fight against inefficiency and waste. It is his management that should be rewarded, not that of his Lockheed seniors.

I ask that Henry Durham's comments, appearing in the July 18, 1971 issue of the Washington Post, be printed in the Record for the information of my colleagues and the public.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, July 18, 1971]

Vast Lockheed Waste Charged by Former Manager

(By Morton Mintz)

Marietta, Ga., July 17.—A former Lockheed Aircraft Corp. assistant division manager has given The Washington Post voluminous documentary evidence which, he charges, reveals "disastrously rotten management" that wasted "untold millions of dollars."

Mismanagement was Lockheed's "real problem," accounting for much of the estimated $2 billion or more in cost overruns on the giant C–5A transport plane, Henry M. Durham said in an interview.

He ridiculed a key argument made on Capitol Hill by Lockheed chairman Daniel J. Haughton in behalf of the pending bill to save the company from bankruptcy with a government guarantee for a loan of up to $250 million.

"The problem was not so much our ability to manage, but the type of contracts under which we had to operate—contracts that now have been found unworkable and are no longer used on new programs," Haughton told the House Banking and Currency Committee Tuesday.

In contrast, Durham cites examples of inefficient, wasteful and even, he contends, improper practices. His records show that the examples were among those he had provided Lockheed in pressing for reforms.

Durham says he was in charge of major production-control activities for the C–5A program, running "a control and supply organization" that procured, stocked, issued and delivered parts at the Lockheed-Georgia division.

A company spokesman, however, minimized his importance by referring to him as "a supply man" and not an executive.

Initially, in responding to a reporter's inquiry, W. P. Frech, director of manufacturing at Lockheed-Georgia, spoke of Durham as "a good employee who worked hard."

Later in the conversation, however, Frech characterized Durham as "a disgruntled employee" who lacked "justification for his actions" and was "not in a position to know" whereof he spoke.

Durham's charges are "false—all of them, practically," Frech said. "We have minute, functional systems to prove that all systems are 'go'."

The controversy may be clarified on Capitol Hill, where Sen. William Proxmire (D-Wis.), a leading opponent of the loan bill has asked Durham to testify before the Senate Subcommittee on Economy in Government. No date has been set.

In alleging mismanagement of the C–5A program, Durham cites these examples:

A survey of five C–5As showed that from 65 to 87 per cent of the parts issued, and presumably installed before final assembly, in the month ending April 6, 1970 were reported missing. The specific figures, as listed in a memo to Durham from a subordinate, W. T. Garrison:

Ship 0020 (the company's designation for the 20th C–5A), 1,356 parts issued, 893 missing; Ship 0021, 1,533 issued, 1,038 missing; Ship 0022, 1,492 issued, 1,120 missing; Ship 0023 1,039 issued, 912 missing; Ship 0024, 364 issued 305 missing.

Trying to find out what lay at the bottom of such problems, Durham, who was with Lockheed for 19 years, and Ron Newberry, of the C–5 Production Task Force, investigated a random sampling of 160 parts listed as "missing" from Ships 0009 and 0010.

Their main finding, made in a report of Oct. 13, 1969, was that 67.5 per cent of the parts claimed to be missing actually were—but that Lockheed nonetheless had certified the affected sectons of the aircraft to be complete, Durham said.

RECEIVED PAYMENT

By so certifying, Durham contends, the company was able to obtain Air Force payment for work that had yet to be accomplished, and, at the same time, to be credited for an "on schedule" performance.

An additional 16.3 per cent of the parts claimed to be missing actually were not, the report said.

The investigation report also revealed that 8.2 per cent of the parts listed as missing had been installed, but for no recorded reasons and in violation of company rules.

An additional 5.5 per cent of the parts were where they were supposed to be, the report said.

Finally, 2.5 per cent of the parts reported missing should not have been replaced because they were specified by engineering requirements, the report said.

Durham did not so much as hint that a single C–5A was delivered to the Air Force in unsafe condition. His concern, instead, was overwhelmingly with management efficiency in the control of aircraft parts.

Quality-control and production personnel, in reports supposedly reflecting the true condition of Ship 0023, said that 30 parts were missing from the wing of this C–5A when it moved to final assembly on March 11, 1970. But five days later, in a memo to a superior, Durham said that an audit showed the number of parts not actually installed, or not recorded by managers as having been installed, to be 1,084, or 36 times as many as those claimed.

Durham said that Lockheed reordered very small parts (VSPs), costing from 16 cents to $37.50 each, on the basis of supplies in stores or warehouses rather than on the basis of what he calls "an adequate inventory accountability system." One result, he said, was that VSPs were "scattered on floors, tables, in boxes, heaps—all over the place. They were being swept up and dumped. Finally, somebody caught on . . ."

But as of May 1, 1970, according to a memo he wrote on that date, VSPs that "should cost around $560,000 per aircraft" are "currently exceeding over $1,000,000 per ship." On this basis, he calculated, the overrun merely on VSPs for the C–5A program could come to $30 million.

(The 1965 contract estimate of the price for each C–5A was $20 million; 115 were to be built. Since then, the price has approximately tripled, and 81 are to built.)

After Ship 0008 made its first flight, about 2,000 parts previously procured on the basis of being needed were returned to stock as not needed, Durham told V. H. Brady, his immediate superior, in a memo on Nov. 24, 1969. This wasted "thousands and thousands of dollars," he told a reporter. "It happened on all ships, constantly."

When a ship arrives at the flight line, Durham said, it is theoretically in such an advanced state of completion that, apart from engineering changes, only components such as radar gear and flight equipment need be added.

But after Ships 0009 through 0014 arrived at the flight line, calls went out for replacements of 15,291 "missing" parts and 5,294 defective, or "butchered," parts, according to internal reports, Durham said.

When a C–5A moved to flight-test status it was, again in theory, almost ready to be flown, Durham explained. But on the basis of the number of calls made for parts for the first eight C–5As to reach flight test, he calculated that 79,600 items had to be delivered, mostly to replace missing parts.

After Ship 0020 reached final assembly, calls went out on a single day, April 8, 1970, for replacements for 48 parts that previously had been delivered and signed for, Durham's aide, Garrison, told him in a memo. On the same day, 42 similar duplicate part requests were made for Ship 0021, and 27 for Ship 0022. the memo noted.

Once delivered as a result of such duplicate requests, large numbers of parts could not be installed, Durham said in the interview. The reason, he said, was that the components to which they were to be attached were strewn around—"on the floor, on tables, in people's pockets, under tables . . ."

Redundant ordering, he said, frequently occurred because production personnel, impatient with a procedure requiring them to certify, and quality-control specialists to verify, that a part was defective, would additionally invoke a speedier procedure intended exclusively for missing parts. In this way, "thousands of parts were being double-ordered and double procured."

After a wing cracked on a grounded C–5A undergoing simulated flight conditions on July 13, 1969, Lockheed set up a wing-modification program in Palmdale, Calif. Durham said that the Marietta plant then got a "panic" order for kits of two or more parts each. "Thousands of parts" had to be rounded up, packaged and shipped—Air Express—to Palmdale, he said.

In a memo on April 28, 1970, E. V. Shaddix, manager of the modification program, told Durham the kits were not needed and "are being returned to you for re-stocking . . ."

In a memo of Nov. 3, 1969, to Brady, his boss, Durham told of the shipment of numerous parts kits to Eglin Air Force Base, Fla., following a careful inspection to assure that each listed part actually was present. On Oct. 30, 1969, Shaddix phoned from Eglin to tell Durham that several needed parts were missing, the memo related. J. L. Ferrell, manager of the company's flight-test control department, then went to Florida to investigate.

Ferrell found that a root problem was the failure of planning personnel to order all the necessary parts to start with, the memo said. That aside, Ferrell discovered the parts situation to be "out of control." The memo continued:

"For example, some . . . kits were piled under a coat rack . . . All of these kits were partially opened. Blue prints and parts were strewn on the floor, laying on cabinets . . . stacked up in hallways and on top of desks . . ."

A Lockwood logistics supervisor said that a company flight-test crew, on arriving at Eglin, "demanded all of the kits, removed them from whatever control they were under, broke them open, and started to work," the memo reported.

"He further indicated that since that time he had no control of the situation at all," the Durham memo continued. "In fact, he said he has accumulated and stored several parts in his hotel room."

At a Lockheed parts plant in Chattanooga, Durham charged, procurement personnel commonly bought items at "premium prices" from outside suppliers, even though the same items were stocked in the company's own "stores" in Marietta, as could be readily determined by "pressing a button" for a computer printout.

An April 2 purchase order shows that, for example, Lockheed ordered a small amount of sheet steel from a frequently patronized supplier, the J. M. Tull Metals Co. of Atlanta. Durham obtained a print-out showing that Lockheed already had similar sheet steel on hand in Marietta, he said. On a square-foot basis, Durham said, Tull Metals' price was $3.15; Lockheed's was 67 cents, about one-fifth as much.

Numerous aircraft parts must be built to extremely close tolerances or must meet other "exotic" requirements, according to Durham. But Lockheed, at exorbitant cost, sometimes set such requirements needlessly, for noncritical equipment such as a missile dolly used only on the ground, he said.

Durham illustrated his point with a purchase order, dated last Feb. 15, for some rod ends from Southwest Products Co. of Monrovia, Calif. The price was $437.30 each. Rod ends meeting cruder specifications, but perfectly adequate, would cost only a few dollars each, he said.

Another purchase order shows that a year earlier, Lockheed bought identical rod ends from the same company—but at a unit price of $336.30, or $101 less.

At Lockheed's Chattanooga plant, Durham said, he found expensive tools and equipment "rusting away in the back yard." These items included drills, carbide cutters, and 18 castings that were "concealed under scrap metal and other junk." He said Lockheed has paid a total of $10,488.45 for 13 of the castings.

"Management people walked through this jungle every day but took no action to correct it," Durham said in the interview.

Also at Chattanooga, Durham said he found that the stockrooms carried 4,894 categories of miscellaneous small parts (MSPs), but that only 813 actually were necessary. Yet, Durham said, "many of the unneeded parts at Chattanooga were critically needed in Marietta.

In a May 8, memo, copies of which he sent to Lockheed chairman Daniel Haughton and to R. H. Fuhrman, president of Lockheed-Georgia, Durham said that "Ship 0002 was a shell when it was originally delivered to flight test even though it was reported to be in good shape . . .

"On Ship 0008, . . . over 10,000 parts were delivered and over 4,000 finally returned to normal stock because they were not required to get the ship in a flying condition." (After Ship 008 became airborne, Durham reported that 2,000 more parts were returned as unneeded, as previously noted).

President Lyndon B. Johnson flew down here on March 2, 1968, for the "roll-out" ceremony for the first C–5A, Ship 0001. But major portions of that aircraft, including the nosecap, claimed by the company to be complete, were "window-dressing"—"dubbed" or "faked" units hastily contrived to look impressive but, Durham charged, nowhere near functional.

Ordinarily, engineering changes in the C-5As required parts removal and replacement. Often, this could be accomplished with reworking, or modifications, of the originals.

But, Durham said, "millions of dollars worth of purchased parts were erroneously scrapped" and substitutes purchased usually because the Planning Division had called for scrapping rather than reworking. The division was "under great pressure to reduce the number of behind-schedule engineering jobs," Durham said.

Durham complained about this to Lockheed-Georgia president Fuhrman. Abuses such as this occur "with the full knowledge of many members of management up and down the ranks," Durham said in a memo dated April 17, 1970.

"I have been very disappointed with my superiors for lacking the fortitude and courage to go to the top if necessary to get serious problems corrected," he told Fuhrman.

"I was specifically instructed to direct all reports and comments directly to Mr. Brady (Durham's immediate superior) but could not get him to do anything concrete," the letter said.

"I realize now that it is because certain members of management feel they must conform and not rock the nice, tight little boat they have constructed.

"I believe one cannot afford to jeopardize the company by conforming to such standards. One must operate with directness and integrity in the best interests of the company, not the individual."

UNLIKELY CANDIDATE

Henry Durham's 19 years with Lockheed might well have marked him as an unlikely candidate to become a whistle-blower.

Born 44 years ago in Bradenton, Fla., he attended Georgia State and the University of Georgia for 3½ years, served 3½ years in the Marine Corps and then joined Lockheed as a dispatcher. Moving up through the ranks, he was named an assistant division manager, responsible for all production-control for C-5As moving to flight-line and flight-test status, in October, 1968.

Most of the time at Lockheed, he said, he worked 11-hour days and 7-day weeks, usually without claiming overtime.

His wife, Nan, recalled how it became routine long ago for her to prepare two suppers each day, an early one for their two children and herself and a late one for her husband.

A CORPORATION MAN

Durham, not without a touch of bitterness, says he had been a corporation man through and through. "If Lockheed wanted it, I assumed it was good," he said.

He was a hawk on the Vietnam war but now has "sort of moderated my views." Decals of the American Flag and the National Rifle Association adorn the rear window of his jeep-type vehicle.

At Lockheed, where he had as many as 300 employees under him, Durham won lavish praise.

"Among his many qualifications are unquestioned loyalty, energy, initiative, product and corporate knowledge, ambition, and an insistence on a job well done—first of all by himself, and secondly by all reporting to him," R.C. Goddard, who succeeded V.H. Brady as Durham's immediate superior, said in a letter of Feb. 24, 1970.

"It is our unqualified opinion that Mr. Durham would represent a real asset to any organization to which he might be assigned," Goddard added.

Later, in a formal commendation, Goddard said, "For a job well done under adverse conditions, this company expresses its sincere appreciation."

But a few days after signing the commendation, Goddard and Brady told Durham that he must accept either a demotion—to manage the C–5H refurbishment program, with a pay cut of $20 a week—or a layoff.

Durham said the explanation he was given was that only he was qualified to manage the program. He didn't believe it. The real explanation, he insists, had to be his relentless fight against inefficiency and waste.

In the spring of 1970, he carried his case to Lockheed-Georgia president Fuhrman. "He listened, mostly," Durham said of the 1¼ hour interview.

APRIL LETTER

Following up, he told Fuhrman in the April 12, 1970, memo how he had been disillusioned:

"I expected all concerned to come to the rescue, but, instead, received a very adverse reaction which continues.

"I discussed the problem with my immediate superiors, imploring them to take it up the line, to no avail . . .

"I was specifically instructed to direct all reports and comments directly to Mr. Brady but could not get him to do anything concrete."

Durham opted for the layoff. "I was going to be my own man," he said in the interview. "You can become a pawn—bent, twisted."

Telling Goddard of his decision, Durham said in a letter, "I do not have the audacity to say I am always right. However, I do plan to always act in accordance with my honest opinions, principles and convictions, regardless of the consequences."

Durham had asked for two weeks to train a successor. But the day after he sent the letter, Goddard startled him by telling him to leave that very afternoon and refusing to explain why.

Durham recalled the episode a week later in a letter to Fuhrman. After "19 years of dedicated service," Durham told him, he was "rushed out" of the plant, with an initial refusal even to let him gather up his personal belongings.

Such treatment usually was reserved for a person who has been fired, the letter said, and it was "monstrous."

A week later, on May 25, Durham chronicled his story to Lockheed chairman Daniel Haughton.

In a 3-page, single-spaced letter supported by copies of documents such as those given to The Post, Durham told of a call from V. H. Brady directing him "to keep quiet and hide" a specific missing-parts report; of a dawning "horrible realization" that data were being withheld from corporate management (including Haughton), and of "charts produced to illustrate how beautiful everything was rather than the true facts."

"PROTECTIVE SOCIETY"

Durham also told Haughton of "what I choose to call the Lockheed-Georgia Management Protective Society" . . . To be a member, one must worry more about protecting his hide and the hides of his superiors than working in the best interests of the company and the country."

After he met with Fuhrman, Durham told Haughton, "I was ostracized, criticized, pushed into a corner and eventually downgraded."

Yet, he told the board chariman, he was "not seeking revenge"; neither was he asking for reinstatement or a new job. Rather than work with the people he had been with at Lockheed, Durham said, he would go elsewhere and "dig another foxhole."

Despite all of this Durham still had faith in the company. "Lockheed management as a whole throughout the corporation is beyond reproach," he told Haughton. "I know the Lockheed Corporation had to be built on integrity to be as large as it is . . ."

Haughton, replying almost at once, said he had read the letter, "perused" the documention, and planned to talk with Fuhrman and request an investigation.

Once the investigation is complete, Haughton, Fuhrman or the investigator would contact Durham, the board chairman said. (No one ever contacted him, Durham says).

"I hope you find a job that you will be happy with," Haughton's letter concluded.

After leaving Lockheed, Durham looked for a job, painted his house and spent more time with his family than he had for many years.

ASKED TO COME BACK

Then Frech, the director of manufacturing at Lockheed-Georgia, asked him to come back. "Not with those people," Durham remembers replying.

A couple of weeks later, Frech phoned again to renew the invitation. This time, Durham accepted—even though it meant a cut of more than $80 a week below his previous salary, and working 100 miles away in Chattanooga where, at still more cost, he would have to rent an apartment for use during the workweek.

Durham says he took the offer, last August, because he asked for, and got, assurance from Frech that the "mess" at Lockheed would be straightened out, because he still was confident that the investigation Haughton promised would be made, and because he was sure the investigation would vindicate him.

Once in Chattanooga, however, Durham said he found things continuing much as before. Also as before, he protested, again to no avail.

Thus, on Aug. 24, in a detailed memo to C. L. Starnes, manager of the Chattanooga facility, Durham said, "The stock situation is, at the best intolerable. Parts are crowded, piled and jammed into bins . . . Housekeeping is non-existent.

Last May, Durham, saying he decided "I couldn't stand it any more," asked again to be laid off. Frech recalled it differently, saying Durham left after being told that, with employment shrinking, he'd have to "take a little bit of a downgrade."

Before leaving, Durham hand-wrote a 23-page letter to Starnes, including instructions for his successor and "observations and constructive criticism."

The letter included detailed analyses of the familiar problems, reports on such reforms as Durham had been able to achieve, a plea for a crackdown on "shabby performance" and a closing wish for "good luck."

For two months now, Durham has been trying to start a business selling aerosol products to retail accounts in the Atlanta area. His wife has become the breadwinner, working as a caseworker for the Cobb County Family and Children Services.

ADMINISTRATION LEADER OPPOSES BILL

Mr. CHURCH. Mr. President, in deciding how to vote on this important issue, I believe that we can look to Deputy Defense Secretary David Packard, a highly successful businessman before he entered Government service, for advice. In his testimony before the Senate Banking Committee, Secretary Packard said that he would not support the Lockheed loan guarantee if it would create a precedent. Yet, that is just what the bill has become, a broad authority to bail out any big company that cannot hack it. Secretary Packard knows where this path leads—to inefficiency and waste. He knows that the only force, that the only compulsion preventing mismanagement is the need to make a profit. Unfortunately, he finds it difficult to bite the bullet and repudiate the administration's line on this legislation.

An editorial appearing in the New York Times on June 11, 1971, focuses attention on Packard's misgivings. I think it deserves being read into the RECORD.

The editorial is captioned "The Lockheed Precedent," and reads as follows:

> In his testimony before the Senate Banking Committee, Deputy Defense Secretary David Packard virtually knocked the props from under the Nixon Administration's case for the Government to guarantee up to $250-million in loans to the Lockheed Aircraft Corporation.
>
> In contrast to earlier assertions of Treasury Secretary Connally that great harm would be done to the nation's defenses if Lockheed were permitted to go bankrupt as a result of its inability to finance the civilian L–1011 airbus, the Pentagon's chief procurement officer said he regarded bailing out Lockheed as an economic rather than a defense issue. The Defense Department, he indicated, could obtain the weapons systems from the company for which it had contracted even if it were operated by a court-appointed receiver, although possibly at somewhat higher cost.
>
> Lockheed's competitors—McDonnell Douglas and Boeing—regard it as unfair for the Government to guarantee loans to Lockheed and fear that the Government will seek to prop the company up with extra defense contracts. What the economic issue really comes to is saving the jobs of Lockheed's workers—although Mr. Connally and the Administration seem equally eager to save the jobs of Lockheed's present management as well. Secretary Connally has rejected the proposed amendment of Senator Cranston of California that the $250-million loan guarantee be made conditional upon replacing Lockheed's management.
>
> It is not clear how many of Lockheed's workers—or of its subcontractors—would lose their jobs if the company went bankrupt. Eighty to 90 per cent of the company's business is still defense; about 16,000 of its 70,000 employes are working on the civilian L–1011. Presumably, even in receivership, the defense employes would not lose their jobs. McDonnell Douglas and Boeing are eager to pick up both the orders and some part of the work force on the L–1011. Subcontractors presently have about 7,000 to 8,000 workers committed to Lockheed's airbus, but the subs can and do work for the other airframe producers, as well.
>
> Although there would undoubtedly be dislocation and hardship for some of the engineers and workers now engaged on the L–1011, it is nonsense for the Administration to contend that its program to solve the national unemployment problem—with some five million workers out of jobs—would be jeopardized if Lockheed failed. The economists who have appeared before the Senate Banking Committee have stressed repeatedly that the answer to the nation's unemployment problem must be found in the Administration's over-all economic policies and programs, not in rescuing the L–1011.
>
> One of the crucial issues presented by the proposed Lockheed bail-out is that of the precedent it establishes for other failing defense—or nondefense—producers. Mr. Packard, a highly successful businessman before he went to the Pentagon, said that if he thought the Lockheed loan guarantee would establish such a precedent, he would oppose it; he could support it only as "a specific, single case." But Senator Proxmire replied, "Once you do something like this in Congress . . . it becomes a precedent."
>
> Whatever political advantage the Administration may see in waging its battle to rescue the L–1011, the bail-out has no justification on economic, defense, or managerial grounds. And it could set a dangerous and very costly precedent for other companies.

NO PERMANENT GET-WELL FUND FOR BUSINESS

Mr. President, I do not think that it is the role of our Government to set up a sort of get-well fund for every ailing big business. I am under the impression that the basic premise of our economy is a system in which business management is rewarded for performance and penalized for lack of performance. Yet today we seem to be in the process of setting up a get-well fund for the large business that has failed. Certainly, no company has shown less efficient management than Lockheed. It is almost a case history in mismanagement. The end result in this case, however, is not a change of management but an appeal for aid. The end result is not receivership and reorganization of the company. It will be the same old cost-overrunning, failure-to-meet-specifications company that we knew before. This is the organization we are asked to bail out. To do so would be a most serious error.

An article in the Washington Daily News on July 21, 1971, entitled, "How many Lockheeds are we prepared to bail out?", poses the real question. It reads as follows:

> Whatever justification there is for bailing out the near-bankrupt Lockheed Aircraft Corp., there is no justification for setting up

a permanent get-well fund in Washington for every ailing business corporation.

Yet that seems to be what Congress and the Nixon administration now have in mind—guaranteeing up to $2 billion in private bank loans for shaky companies whose collapse possibly would be a blow to the economy.

Bills to that effect already have been approved by the Senate Banking Committee and introduced in the House. And the administration is willing to accept a broad loan guarantee program if that's what it takes to rescue Lockheed from bankruptcy this summer.

Deputy Defense Secretary David Packard was overruled from above when he tried to oppose a permanent guarantee program in testimony before the House Banking Committee.

Mr. Packard, who formerly ran a $300-million-a-year electronics firm in California, was told to delete his criticisms of the $2 billion backup fund and simply endorse the $250 million loan guarantee for Lockheed.

Judging by his earlier testimony, Mr. Packard even had reservations about the Lockheed loan, calling it a "dangerous" precedent that might encourage companies to overextend themselves, then lean on the government for help.

It is quite likely, for example, that other aircraft companies and hard-pressed airlines would turn to Washington once the door were open for emergency aid.

As Mr. Packard points out, the Defense Department has been trying for several years to discourage companies from underbidding defense contracts on the assumption that extra money would be available later for cost overruns.

Why promote such speculation?

And who's to say whether a sick company will be able to survive, even with a government-backed loan?

No one denies that Lockheed is in trouble. Or that the collapse of the company might disrupt defense contracts or temporarily jolt the economy.

But the nation would be foolish indeed to invite other companies to take the same risks—and make the same mistakes—that Lockheed did, knowing that Uncle Sam would be around to cushion the fall.

BUSINESSMEN WIDELY OPPOSE AID TO LOCKHEED

Mr. President, perhaps the most telling argument against the loan guarantee program is the opposition of the Nation's top business leaders to this legislation. This opposition was repeatedly echoed at the spring meeting of the blue-ribbon Business Council at Hot Springs, Va. Donald M. Kendall, president of Pepsi Co., Inc., said that as a precedent the legislation disturbs him. William Allen, chairman of Boeing Co. and Fred J. Borch of the General Electric Co. actively were drumming up opposition to the legislation proposed to bail Lockheed out.

When our senior business management opposes a program of this type, we should reconsider. If there were a legitimate argument for providing assistance to this segment of the aerospace industry, I am sure that industry leaders would be the first to say so. But they do not. They oppose this move. Some can only do it privately because they rely on Government contracts for their business.

Nevertheless, a recent article appearing in the Wall Street Journal points up the opposition of many business leaders to this proposal. I shall read excerpts from it.

ADMINISTRATION'S BID TO BAIL OUT LOCKHEED IS WIDELY OPPOSED BY TOP BUSINESS LEADERS

(By Albert R. Hunt)

HOT SPRINGS, VA.—The nation's top business leaders overwhelmingly oppose the Nixon administation's effort to bail out Lockheed Aircraft Corp. with $250 million in loan guarantees.

This sentiment was repeatedly echoed, often privately, by members of the blue-ribbon Business Council at its spring meeting here. "There appears to be almost universal opposition to government intervention in the Lockheed situation," said one council member.

During the sessions the businessmen also expressed:

—Strong doubts that inflationary pressures are significantly receding and particularly worry about the possibility of a new burst of inflation next year.

—Continuing skepticism over the administration's forecast of a rapid economic recovery this year. They generally predicted that the unemployment rate will remain higher than 5% until late next year.

—Surprisingly little concern over the international monetary crisis, although several executives said the complexities of the situation baffled them.

—Deep concern over growing antibusiness sentiment in the country. But they were admittedly perplexed over how to cope with this problem.

A "DISTURBING PREDICAMENT"

Many of the businessmen were plainly troubled by the Lockheed proposal. "As a precedent, it disturbs me," said Donald M. Kendall, president of PepsiCo Inc. and a close friend of President Nixon. Asked whether a Lockheed failure could dangerously undermine business confidence, he responded, "It would affect my confidence."

Some council members, including William M. Allen, chairman of Boeing Co. and Fred J. Borch, chairman of General Electric Co., even were actively drumming up opposition to the administration's proposal, according to one participant at the meetings. GE reportedly has attacked the plan because Lockheed's L1011 plane would use a Rolls-Royce engine, which competes against GE's own jet engine.

Mr. Borch's opposition particularly antagonizes administration officials. "It seems pretty hypocritical that in the same week GE would ask Congress for reimbursement for its expenses on the supersonic transport plane, and then oppose any effort to help "Lockheed," one administration man fumed.

But these officials conceded that the Lockheed proposal faces a tough uphill fight in Congress. "As of now, our chances are certainly less than 50–50," one insider said. Some top officials are known to believe the only chance for favorable congressional action is to broaden the proposal so other companies also could qualify for similar guarantees.

Over the weekend, Senate Democratic Majority Leader Mike Mansfield of Montana said it isn't "the function of a democratic government to pick up the tab for the failures of private enterprise," the Associated Press reported. But the Senate Leader added he "wouldn't be surprised" if Congress approved the Lockheed request.

GLOOM ON INFLATION

On the question of the economy, all the council's leaders voiced concern that although inflation appears to be abating somewhat, the problem is far from under control. "Inflation is still the No. 1 problem in this country and I'm frankly not optimistic about making much progress over the next year," one corporate executive said.

Irwin Miller, chairman of Cummins Engine Co., said wage and price controls are necessary to reduce the unemployment rate to the 4% level. Mr. Miller also called for a reinstatement of the 7% investment-tax credit in place of the administration's proposed liberalization of depreciation guidelines and suggested this should be accompanied by an increase in the corporate tax rate.

But George Shultz, director of the Office of Management and Budget, said he disagreed "sharply" with Mr. Miller's call for controls. He said inflationary pressures have been moderating "for a number of quarters." And at a press conference, Mr. Miller said the reaction of his fellow businessmen to these proposals was "substantially unfavorable."

Some of the economic advisers to the council, however, expressed concern that the current "expansionary forces could rekindle inflation in 1972," and generally agreed that "no increase in monetary and fiscal stimulus is currently required." These advisers reiterated their forecast of three months ago that the gross national product will total about $1.05 trillion this year, rather than the $1.065 trillion forecast by the administration.

JOBLESS RATE

The advisers predicted that real output will grow about 3% this year and that inflation "isn't expected to exceed 4.4%," down from last year's 5.3% pace. But they predicted only a "moderate drop" in unemployment to about 5.5% by year-end. On Friday, the Labor Department reported the jobless rate edged up to 6.1% last month from 6% a month earlier.

In response to questions, R. V. Hansberger, president of Boise Cascade Corp. and chairman of the council's economic committee, said the jobless rate will remain above 5% until "late 1972." The Nixon administration has said the unemployment rate will be in the area of 4% by the middle of next year.

The business leaders also forecast a "weak third quarter" this year because of the current heavy steel buying in anticipation of any possible strike. But the economic consultants agreed a steel strike would have only a "very minor impact" on the economy, Mr. Hansberger said.

THE MONETARY ENIGMA

The businessmen said they were watching the international financial situation closely, but voiced few hard opinions on this subject. "It's all so complex it's difficult to figure out what's happening," confessed one corporate chieftain.

Vice President Spiro Agnew, however, told the businessmen the international problems wouldn't be allowed to impede U.S. economic growth. "We shall continue to take appropriate action to reduce the temporary glut of dollars abroad," the Vice President said in a prepared text for his dinner address to the business leaders. "But what we will not do is put the U.S. economy through the wringer in order to deal with a temporary situation."

Much of the three-day meeting was spent discussing the increasing public criticism of business. Thomas W. Benham, executive vice president of Opinion Research Corp., told the businessmen that surveys show an increase in antibusiness sentiment in every year since 1965.

Most of the business leaders agreed that business' image problems largely are caused by the increased interest in consumerism and environmental matters and by the problems of inflation. And a number of businessmen conceded that some of the criticism was intimate.

CHALLENGE TURNED DOWN

There wasn't any consensus, however, on how to deal with this problem. C. B. McCoy, chairman of Du Pont Co., suggested that "head-to-head contact with critics" is often desirable. But a short while later, at a press conference, James M. Roche, Chairman of

General Motors Corp., turned down a debate challenge issued a few weeks ago by consumer advocate Ralph Nader. "I see no benefit in anyone from General Motors debating Mr. Nader," he said, asserting that GM always has responded to Mr. Nader's many criticisms of the company.

Ironically, the staunchest defender of business turned out to be a government official—Commerce Secretary Maurice H. Stans. He said surveys show that business "is more than 99.44% pure" in that buyers are fully satisfied with transactions. Pressed on this point, Mr. Stans later conceded this was only his own "personal estimate."

Despite differences over the Lockheed proposal and the economy, the businessmen generally expressed satisfaction with President Nixon. A number, however, were less enthusiastic about Mr. Agnew. "The vice President has said a lot of things that needed to be said," observed one council member. "But I think he's really polarized the country," he added. In contrast, many businessmen heaped lavish praise on Treasury Secretary John B. Connally, who canceled his scheduled appearance before the group because of the international financial crisis.

FEDERAL HEALTH INSURANCE FOR AILING CORPORATIONS

Why is it that 6,000 or 16,000 or 60,000 jobs connected with Lockheed deserve special attention? Is this the way we go about reemploying the 4.7 million Americans who are unemployed? You know and I know that a sound economic growth policy is more than a patch and plaster job. What is needed is a steady, aggressive, well-thought-out economic growth policy that will insure adequate employment opportunities for those who wish to work. Let us put money into better transportation. Let us put money into better housing. But let us not put money into poor management to bail out failing firms. In this connection, an editorial opposing the proposed legislation appeared in the Washington Star of May 10, 1971. Since the Star is a Republican paper which usually supports the administration, I should like to read the editorial into the Record. It is entitled, "Saving Lockheed."

The administration's proposal for $250 million in federal loan guarantees, to assure financing for Lockheed Aircraft Corporation's TriStar air bus project, is a questionable solution to a private business problem. The rationale of the plan is that the taxpayers' backing is needed to keep Lockheed out of bankruptcy and thus avoid a serious blow to the national economy.

The questions raised by such a federal role in a commercial, non-defense venture include (1) how the precedent would affect the future of the private-enterprise system, (2) whether the government sponsorship would be fair to Lockheed's competitors in civilian airliner production, (3) whether judging from Lockheed's past ability to get itself into immense financial difficulties the $250 million would be the last of such guarantees and (4) how vital Lockheed is to either the country's economy or the national security.

These and other doubts will be raised by skeptics in both houses of Congress, and the burden will be on the administration and its leading spokesman on the subject, Treasury Secretary Connally, to provide good answers. The committee hearings, we trust, will be thorough.

The Lockheed affair already has encouraged proposals for much wider legislation providing a sort of federal health insurance for ailing corporations. This might remove the curse of favoritism from the special bill to aid Lockheed, but it will require deep thought about the proper government role in business. Are the taxpayers to be the ultimate risk-takers in industrial ventures, or are we to take a step toward nationalization of vital industries?

A sour note in the Lockheed bail-out plan is that corporation's involvement in, and at least partial responsibility for, hundreds of millions of dollars in defense-cost overruns. The taxpayers' experience with the nation's largest defense manufacturer has been anything but happy in latter years. Lockheed's defense-contract problems have contributed to the TriStar mess, along with factors outside Lockheed's control, particularly the bankruptcy of Rolls-Royce, British supplier of the TriStar's engines.

Whether the 31,000 jobs dependent on the TriStar project should be the deciding economic factor is another matter. The question could be put to the 4.7 million Americans who were unemployed last month, and who might feel they have a claim to equal treatment.

The PRESIDING OFFICER (Mr. Beall). All time having expired, the question is on agreeing to the amendment of the Senator from South Dakota (Mr. McGovern). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Oklahoma (Mr. Harris), the Senator from Minnesota (Mr. Humphrey), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. Bayh), would vote "yea."

I also announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore), would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield) and the Senator from Ohio (Mr. Taft) are necessarily absent.

The Senator from South Dakota (Mr. Mundt) is absent because of illness.

If present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

The result was announced—yeas 18, nays 75, as follows:

[No. 176 Leg.]

YEAS—18

Bible
Burdick
Byrd, W. Va.
Church
Hart
Hartke
Hughes
Kennedy
Long
Magnuson
McGee
McGovern
Mondale
Montoya
Muskie
Pell
Randolph
Williams

NAYS—75

Aiken
Allen
Allott
Anderson
Baker
Beall
Bellmon
Bennett
Bentsen
Boggs
Brock
Brooke
Buckley
Byrd, Va.
Cannon
Case
Chiles
Cook
Cooper
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ellender
Ervin
Fannin
Fong
Fulbright
Gambrell
Goldwater
Gravel
Griffin
Gurney
Hansen
Hollings
Hruska
Inouye
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Mansfield
Mathias
McClellan
McIntyre
Metcalf
Miller
Moss
Nelson
Packwood
Pearson
Percy
Prouty
Proxmire
Ribicoff
Roth
Saxbe
Schweiker
Scott
Smith
Sparkman
Spong
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Weicker
Young

NOT VOTING—7

Bayh
Harris
Hatfield
Humphrey
Mundt
Pastore
Taft

So Mr. McGovern's amendment (No. 326) was rejected.

Mr. SPARKMAN. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion was agreed to.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Beall). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT NIXON'S APPOINTMENT OF AMBASSADOR WILLIAM J. PORTER AS PERSONAL REPRESENTATIVE TO VIETNAM PEACE TALKS IN PARIS

Mr. HARTKE. Mr. President, I have today sent the following letter to the distinguished chairman of the Foreign Relations Committee:

Hon. J. W. Fulbright,
Chairman, Foreign Relations Committee,
U.S. Senate

Dear Mr. Chairman: President Nixon has once again demonstrated his contempt for the United States Senate and for the orderly constitutional procedures which are supposed to govern the conduct of our foreign relations.

By his action yesterday in appointing Ambassador William J. Porter as his so-called "personal representative" to the Vietnam Peace Talks in Paris, Mr. Nixon has again violated the clear mandate of Article II, Section 2, of the U.S. Constitution, requiring the advice and consent of the Senate to any such appointment.

The naming of Ambassador Porter as a "personal representative" whose nomination need not go before the Senate is nothing other than a subterfuge, a transparent device for violating the Constitution by public relations gimmickery.

Similar evasions have deformed and discredited our constitutional system for nearly a generation. Wars have become "police action." Treaties have become "executive agreements." The Congress has supinely permitted itself to be stripped of its true constitutional authority in matters of war and peace so that today, as I said to the Senate last Monday in introducing Senate Resolution 156, our system resembles nothing so much as the Fifth Republic under Charles de Gaulle or the German Federal Republic under Konrad Adenauer.

This is worse than a constitutional tragedy. It is a defilement of the ideals which for almost 200 years have provided the energy to maintain this "government of the people, for the people, and by the people."

The basic principle of representative government in foreign policy making lies in a shambles at our feet. There may yet be time to put it back together. Nothing less than immediate, resolute action by the Foreign Relations Committee and the full Senate can restore the vitality to a badly injured system.

Sincerely,

Vance Hartke.

QUORUM CALL

Mr. HARTKE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the distinguished Senator from Nebraska (Mr. HRUSKA) be recognized for not to exceed 10 minutes, at the close of which time I again be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. HRUSKA when he introduced S. 2373, dealing with professional basketball leagues, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER FOR STAR PRINT OF AMENDMENT NO. 340

Mr. PEARSON. Mr. President, I ask unanimous consent that a star print be made of my amendment No. 340 to the amendment No. 308 by the Senator from Rhode Island (Mr. PASTORE) to S. 382 to correct a printing error.

In the third paragraph of my amendment, the words "title II" should be changed to read "title III."

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. CITIZENSHIP FOR ABDUL MUHSIN GALLOZI

Mr. GRIFFIN. Mr. President, earlier today I introduced a bill and stated the circumstances under which Mr. Abdul Gallozi, a native of Iraq who had lived in the United States for a number of years and was ready to become a U.S. citizen, was shot to death in his grocery store.

I now ask unanimous consent for its immediate consideration.

I wish to indicate that the question of immediate consideration has been cleared with the chairman of the Committee on the Judiciary and the ranking Republican member of the Committee on the Judiciary, as well as the leadership on this side.

Mr. BYRD of West Virginia. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan?

There being no objection, the Senate proceeded to consider the bill (S. 2378) to confer U.S. citizenship posthumously upon Abdul Muhsin Gallozi, which was read the first time by title and the second time at length.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2378) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Abdul Muhsin Gallozi, a native of Iraq, shall be held and considered to have been a citizen of the United States at the time of his death.

QUORUM CALL

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. BYRD of West Virginia. Mr. President, I move that the Senate stand in recess, awaiting the call of the Chair, with the understanding that the recess not extend beyond 5:30 p.m. today.

The motion was agreed to; and (at 4 o'clock and 52 minutes p.m.) the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 5:14 p.m. when called to order by the Presiding Officer.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill—H.R. 9667—making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1972, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 24 to the bill concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 3, 5, 6, 14, 30, 31, and 49 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate; and that the House insisted upon its disagreement to the amendments of the Senate numbered 22 and 23 to the bill.

PROGRAM

Mr. TOWER. Mr. President, I would like to take this opportunity to ask the distinguished acting majority leader if he could tell us what the plans are for the rest of the evening and could then recite the program for tomorrow.

Mr. BYRD of West Virginia. Mr. President, I thank the distinguished senior Senator from Texas.

There will be no further business today. The Senate will adjourn shortly until 9:30 a.m. tomorrow. Under the rules of the Senate, and in particular with respect to Standing Rule No. XXII, the 1-hour preceding the vote on the motion to invoke cloture will begin to run immediately upon the convening of the Senate at 9:30 a.m. This would mean that at 10:30 tomorrow morning, the Chair would ask the clerk to proceed with a mandatory quorum call, and upon the establishment of a quorum, the Senate would then proceed to take a mandatory rollcall vote on the motion to invoke cloture. The rollcall vote would begin at about 10:40 tomorrow morning.

At 11 o'clock tomorrow morning, under the order previously entered, whether or not cloture is invoked, the Senate will proceed to the consideration of the bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, with a time agreement already entered thereon.

Mr. GRIFFIN. Mr. President, could the Senator tell us what he expects in the way of time to be consumed by the Labor and HEW appropriation bill?

Mr. BYRD of West Virginia. Mr. President, it would be my judgment, after having discussed the matter with Mr. MAGNUSON, the very distinguished chairman of the Appropriations Subcommittee on the Departments of Labor and HEW, that there could be several anticipated amendments and considerable discussion. Tomorrow will be consumed, for the most part, in the consideration and disposition of that appropriation bill.

Mr. TOWER. Mr. President, following that, we would return to the consideration of S. 2308.

Mr. BYRD of West Virginia. The Senator is correct. If there is enough time remaining, we would then return to the consideration of the pending business or perhaps take up conference reports. But if all of tomorrow afternoon is required—as I think it will be—in the consideration of the appropriation bill on the Departments of Labor, and Health, Education, and Welfare, there will not be much time for other business tomorrow.

On Saturday, when the Senate convenes at 10 o'clock—and that is the present order, which of course is always subject to change—the Senate will at that time then take up, immediately following the recognition of the two leaders under the standing order, the bill making appropriations for public works, with time limitations thereon of 1 hour on the bill and one-half hour on each amendment.

Mr. TOWER. Mr. President, the distinguished acting majority leader had said something to the effect that we could conceivably return to the consideration of S. 2308 on Saturday.

Mr. BYRD of West Virginia. Did I understand the able Senator to refer to the return to the consideration of S. 2308?

Mr. GRIFFIN. Yes, on Saturday.

Mr. BYRD of West Virginia. On Saturday, yes; I think I can safely say for the majority leader that it would be the plan possibly to return to the consideration of S. 2308 on Saturday following the completion of action on the public works appropriation bill if there is time enough to accomplish any progress.

Mr. GRIFFIN. Mr. President, I thank the Senator.

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum, with the understanding hopefully that this will be the final quorum call of the day.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 9:30 A.M.

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p.m.) the Senate adjourned until tomorrow, Friday, July 30, 1971, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 29, 1971:

DIPLOMATIC AND FOREIGN SERVICE

Nathaniel Davis, of New Jersey, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Chile.

Henry E. Catto, Jr., of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador.

William G. Bowdler, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Guatemala.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 29, 1971:

U.S. CIRCUIT COURTS

William H. Timbers, of Connecticut, to be a U.S. circuit judge, second circuit.

U.S. DISTRICT COURTS

Malcolm M. Lucas, of California, to be a U.S. district judge for the central district of California.

Lawrence T. Lydick, of California, to be a U.S. district judge for the central district of California.

Spencer M. Williams, of California, to be a U.S. district judge for the northern district of California.

C. Stanley Blair, of Maryland, to be a U.S. district judge for the district of Maryland.

Herbert F. Murray, of Maryland, to be a U.S. district judge for the district of Maryland.

Joseph H. Young, of Maryland, to be a U.S. district judge for the district of Maryland.

Charles L. Brieant, Jr., of New York, to be a U.S. district judge for the southern district of New York.

Paul Benson, of North Dakota, to be a U.S. district judge for the district of North Dakota

Albert V. Bryan, Jr., of Virginia, to be a U.S. district judge for the eastern district of Virginia.

U.S. PATENT OFFICE

Brereton Sturtevant, of Delaware, to be an examiner in chief, U.S. Patent Office.

DEPARTMENT OF TRANSPORTATION

Benjamin Oliver Davis, Jr., of Virginia, to be an Assistant Secretary of Transportation.

FEDERAL COMMUNICATIONS COMMISSION

Charlotte T. Reid, of Illinois, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1971.

CORPORATION FOR PUBLIC BROADCASTING

Zelma George, of Ohio, to be a member of the board of directors of the Corporation for Public Broadcasting for the remainder of the term expiring March 26, 1972.

COMMUNICATIONS SATELLITE CORPORATION

Frederic G. Donner, of New York, to be a member of the board of directors of the Communications Satellite Corp. until the date of the annual meeting of the corporation in 1974.

HOUSE OF REPRESENTATIVES—*Thursday, July 29, 1971*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be ye stedfast, unmovable, always abounding in the work of the Lord, forasmuch as ye know that your labor is not in vain in the Lord.—I Corinthians 15:58.

Eternal God, our Father, in all reverence and humility we pause in Thy presence to offer unto Thee our morning prayer. Lift us into the reality of Thy spirit where we may be still and know that Thou art God.

We come with hearts overflowing with gratitude and pray that this spirit may fill all our days. We have so much for which to be thankful: Homes where love dwells; churches where we can worship as we desire; friendships which bless our lives; a Nation that is free; work to do and the strength to do it.

Rekindle in us the fires of our faith and tune our hearts to Thee that we may be lifted above all malice and all ill will and with increasing confidence be made adequate for the tasks of this new day: Through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 3201. An act for the relief of Faith M. Lewis Kochendorfer; Dick A. Lewis; Nancy J. Lewis Keithley; Knute K. Lewis; Peggy A. Lewis Townsend; Kim C. Lewis; Cindy L. Lewis Kochendorfer; and, Frederick L. Baston.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8866. An act to amend and extend the provisions of the Sugar Act of 1948, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 8866) entitled "An act to amend and extend the provisions of the Sugar Act of 1948, as amended, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. ANDERSON, Mr. TALMADGE, Mr. BENNETT, and Mr. CURTIS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7109) entitled "An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7960) entitled "An act to authorize appropriations for activities of the National Science Foundation, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9270) entitled "An act making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1972, and for other purposes."

The message also announced that the Senate agreed to the House amendments to the Senate amendments Nos. 4, 34, and 38.

MERGER OF THE TWO MAJOR BASKETBALL LEAGUES

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, America has always been a sports loving nation.

We promote little league baseball, high school football and basketball, and college athletics of all types. But in recent years it has been professional sports that have experienced unprecedented popularity.

Professional sports provide entertainment for millions. However, the future for some professional sports is not as promising as it once was.

The pro sport facing the most precarious financial future is basketball. Despite an increase in attendance of 238 percent from 1965 to 1970, only 3 of the 28 professional basketball teams showed a profit last year.

I am today, along with 37 cosponsors, introducing legislation to permit the merger of the two major basketball leagues without being in violation of the antitrust laws. This same type of legislation was necessary in 1966 to save professional football. Unless a similar remedy is made available for pro basketball, it may pass from the American sports scene.

Joining me in cosponsoring this legislation are: Mr. Andrew Jacobs, Mr. Jerome Waldie, Mr. George Danielson, Mr. Robert McClory, Mr. Henry P. Smith III, Mr. Tom Railsback, Mr. Charles Wiggins, Mr. William J. Keating, Mr. James D. McKevitt, Mr. Watkins Abbitt, Mr. Wayne Aspinall, Mr. Lamar Baker, Mr. Donald Brotzman, Mr. Joel Broyhill, Mr. Earle Cabell, Mr. Bob Case,, Mr. James M. Collins, Mr. Silvio Conte, Mr. Frank E. Evans, Mr. Richard H. Fulton, Mr. James R. Grover, Jr., Mr. Seymour Halpern, Mr. Richard T. Hanna, Mr. James J. Howard, Mr. Ed Jones, Mr. Dan Kuykendall, Mr. Robert B. Mathias, Mr. Romano Mazzoli, Mr. K. Gunn McKay, Mr. William Moorhead, Mr. Claude Pepper, Mr. Richardson Preyer, Mr. James H. Quillen, Mr. Harold Runnels, Mr. James B. Stanton, Mr. Wendell Wyatt, Mr. Sherman P. Lloyd.

THE LONG-ABUSED ARMY CHEMICAL CORPS DEVELOPED THE VACCINE TO CONTROL EQUINE ENCEPHALITIS

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, for a long time the Army Chemical Corps received little but abuse from some elements of the press and public in our country. The primary target in these attacks was the biological warfare teams which were seeking to develop defenses by which America could withstand rare and dangerous diseases should they be used by enemy forces against our population. The work of these detractors was so well done that the Army Chemical Corps was long ago abolished and now even our capability in biological and chemical warfare fields is being destroyed.

Very recently the public has been shaken by a very serious outbreak of Venezuelan equine encephalitis. It has killed thousands of horses in Texas and elsewhere and the disease is spreading. Vigorous efforts to control the threat and prevent further spread of the disease are now in progress using a vaccine developed by the very same, often maligned biological warfare teams.

The Army Medical Department developed the Venezuelan equine encephalitis vaccine at the U.S. Army Medical Research Institute of Infectious Diseases, Fort Detrick, Md. This vaccine is being used by the Department of Agriculture in the current epidemic in Texas, and has also been used in eight South and Central American countries.

To meet further threats the Army Medical Department is producing additional vaccine, mosquito surveillance teams, VEE isolation support, and other assistance as required to the Department of Agriculture and the Surgeon General, U.S. Health Service.

The Army's principal capability in the field of biological warfare is housed at Pine Bluff Arsenal in Arkansas. This capability is being systematically destroyed under administration policy. It is interesting to speculate on what important services by Pine Bluff Arsenal experts may be lost to future efforts to combat similar serious outbreaks of rare, infectious diseases.

FEDERAL BOAT SAFETY ACT OF 1971

Mr. CLARK. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 19) to provide for a coordinated national boating safety program, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Federal Boat Safety Act of 1971".

DECLARATION OF POLICY AND PURPOSE

Sec. 2. It is hereby declared to be the policy of Congress and the purpose of this Act to improve boating safety and to foster greater development, use, and enjoyment of all the waters of the United States by encouraging and assisting participation by the several States, the boating industry, and the boating public in development of more comprehensive boating safety programs; by authorizing the establishment of national construction and performance standards for boats and associated equipment; and by creating more flexible regulatory authority concerning the use of boats and equipment. It is further declared to be the policy of Congress to encourage greater and continuing uniformity of boating laws and regulations as among the several States and the Federal Government, a higher degree of reciprocity and comity among the several jurisdictions, and closer cooperation and assistance between the Federal Government and the several States in developing, administering, and enforcing Federal and State laws and regulations pertaining to boating safety.

DEFINITIONS

Sec. 3. As used in this Act, and unless the context otherwise requires—

(1) "Boat" means any vessel—

(A) manufactured or used primarily for noncommercial use; or

(B) leased, rented, or chartered to another for the latter's noncommercial use; or

(C) engaged in the carrying of six or fewer passengers.

(2) "Vessel" includes every description of watercraft, other than a seaplane on the water, used or capable of being used as a means of transportation on the water.

(3) "Undocumented vessel" means a vessel which does not have and is not required to have a valid marine document as a vessel of the United States.

(4) "Use" means operate, navigate, or employ.

(5) "Passenger" means every person carried on board a vessel other than—

(A) the owner or his representative;

(B) the operator;

(C) bona fide members of the crew engaged in the business of the vessel who have contributed no consideration for their carriage and who are paid for their services; or

(D) any guest on board a vessel which is being used exclusively for pleasure purposes who has not contributed any consideration, directly, or indirectly, for his carriage.

(6) "Owner" means a person who claims lawful possession of a vessel by virtue of legal title or equitable interest therein which entitles him to such possession.

(7) "Manufacturer" means any person engaged in—

(A) the manufacture, construction, or assembly of boats or associated equipment; or

(B) the manufacture or construction of components for boats and associated equipment to be sold for subsequent assembly; or

(C) the importation into the United States for sale of boats, associated equipment, or components thereof.

(8) "Associated equipment" means—

(A) any system, part, or component of a boat as originally manufactured or any similar part or component manufactured or sold for replacement, repair, or improvement of such system, part, or component;

(B) any accessory or equipment for, or appurtenance to, a boat; and

(C) any marine safety article, accessory, or equipment intended for use by a person on board a boat; but

(D) excluding radio equipment,

(9) "Secretary" means the Secretary of the Department in which the Coast Guard is operating.

(10) "State" means a State of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the District of Columbia.

(11) "Eligible State" means one that has a State boating safety program which has been accepted by the Secretary.

APPLICABILITY

Sec. 4. (a) This Act applies to vessels and associated equipment used, to be used, or carried in vessels used, on waters subject to the jurisdiction of the United States and on the high seas beyond the territorial seas for vessels owned in the United States.

(b) Sections 5 through 11 and subsections 12(a) and 12(b) of this Act are applicable also to boats moving or intended to be moved in interstate commerce.

(c) This Act, except those sections where the content expressly indicates otherwise, does not apply to—

(1) foreign vessels temporarily using waters subject to United States jurisdiction;

(2) military or public vessels of the United States, except recreational-type public vessels;

(3) a vessel whose owner is a State or subdivision thereof, which is used principally for governmental purposes, and which is clearly identifiable as such;

(4) ships' lifeboats.

BOAT AND ASSOCIATED EQUIPMENT STANDARDS AND USE

SAFETY REGULATIONS AND STANDARDS

Sec. 5. (a) The Secretary may issue regulations—

(1) establishing minimum safety standards for boats and associated equipment, and establishing procedures and tests re-

quired to measure conformance with such standards. Each standard shall be reasonable, shall meet the need for boating safety, and shall be stated, insofar as practicable, in terms of performance;

(2) requiring the installation, carrying, or using of associated equipment on boats and classes of boats subject to this Act; and prohibiting the installation, carrying, or using of associated equipment which does not conform with safety standards established under this section. Equipment contemplated by this clause includes, but is not limited to, fuel systems, ventilation systems, electrical systems, navigational lights, sound producing devices, fire fighting equipment, lifesaving devices, signaling devices, ground tackle, life and grab rails, and navigational equipment.

(b) A regulation or standard issued under this section—

(1) shall specify an effective date which is not earlier than one hundred and eighty days from the date of issuance, except that this period shall be increased in the discretion of the Secretary to not more than eighteen months in any case involving major product design, retooling, or major changes in the manufacturing process, unless the Secretary finds that there exists a boating safety hazard so critical as to require an earlier effective date; what constitutes major product redesign, retooling, or major changes shall be determined by the Secretary;

(2) may not compel substantial alteration of a boat or item of associated equipment which is in existence, or the construction or manufacture of which is commenced, before the effective date of the regulation; but subject to that limitation may require compliance or performance to avoid a substantial risk of personal injury to the public that the Secretary considers appropriate in relation to the degree of hazard that the compliance will correct; and

(3) shall be consistent with laws and regulations governing the installation and maintenance of sanitation equipment.

PRESCRIBING REGULATIONS AND STANDARDS

SEC. 6. In establishing a need for formulating and prescribing regulations and standards under section 5 of this Act, the Secretary shall, among other things—

(1) consider the need for and the extent to which the regulations or standards will contribute to boating safety;

(2) consider relevant available boat safety standards, statistics and data, including public and private research, development, testing, and evaluation;

(3) consider whether any proposed regulation or standard is reasonable and appropriate for the particular type of boat or associated equipment for which it is prescribed;

(4) consult with the Boating Safety Advisory Council established pursuant to section 33 of this Act regarding all of the foregoing considerations.

DISPLAY OF LABELS EVIDENCING COMPLIANCE

SEC. 7. The Secretary may require or permit the display of seals, labels, plates, insignia, or other devices for the purpose of certifying or evidencing compliance with Federal safety regulations and standards for boats and associated equipment.

DELEGATION OF INSPECTION FUNCTION

SEC. 8. The Secretary may, subject to such regulations, supervision, and review as he may prescribe, delegate to any person, or private or public agency, or to any employee under the supervision of such person or agency, any work, business, or function respecting the examination, inspection, and testing necessary for compliance enforcement or for the development of data to enable the Secretary to prescribe and to issue regulations and standards, under sections 5 and 6 of this Act.

EXEMPTIONS

SEC. 9. The Secretary may, if he considers that boating safety will not be adversely affected, issue exemptions from any provision of this Act or regulations and standards established thereunder, on terms and conditions as he considers appropriate.

FEDERAL PREEMPTION

SEC. 10. Unless permitted by the Secretary under section 9 of this Act, no State or political subdivision thereof may establish, continue in effect, or enforce any provision of law or regulation which establishes any boat or associated equipment performance or other safety standard, or which imposes any requirement for associated equipment, except, unless disapproved by the Secretary, the carrying or using of marine safety articles to meet uniquely hazardous conditions or circumstances within the State, which is not identical to a Federal regulation issued under section 5 of this Act.

ADMISSION OF NONCONFORMING FOREIGN-MADE BOATS

SEC. 11. The Secretary of the Treasury and the Secretary may, by joint regulations, authorize the importation of a nonconforming boat or associated equipment upon terms and conditions, including the furnishing of bond, which will assure that the boat or associated equipment will be brought into conformity with the applicable Federal safety regulations and standards before it is used on waters subject to the jurisdiction of the United States.

PROHIBITED ACTS

SEC. 12. (a) No person shall—

(1) manufacture, construct, assemble, introduce, or deliver for introduction in interstate commerce, or import into the United States, or if engaged in the business of selling or distributing boats or associated equipment, sell or offer for sale, any boat, associated equipment, or component thereof to be sold for subsequent assembly, unless—

(A) it conforms with regulations and standards prescribed under this Act, or

(B) it is intended solely for export, and so labeled, tagged, or marked on the boat or equipment and on the outside of the container, if any, which is exported.

(2) affix, attach, or display a seal, label, plate, insignia, or other device indicating or suggesting compliance with Federal safety standards, on, in, or with a boat or item of associated equipment, which is false or misleading;

(3) fail to furnish a notification as required by section 15(a) or exercise reasonable diligence in fulfilling the undertaking given pursuant to section 15(c) of this Act.

(b) No person shall be subject to any penalty contained in this section if he establishes that he did not have reason to know in the exercise of due care that a boat or associated equipment does not conform with applicable Federal boat safety standards, or who holds a certificate issued by the manufacturer of the boat or associated equipment to the effect that such boat or associated equipment conforms to all applicable Federal boat safety standards, unless such person knows or reasonably should have known that such boat or associated equipment does not so conform.

(c) No person may use a vessel in violation of this Act or regulations issued thereunder.

(d) No person may use a vessel, including one otherwise exempted by section 4(c) of this Act, in a negligent manner so as to endanger the life, limb, or property of any person. Violations of this subsection involving use which is grossly negligent, subject the violator, in addition to any other penalties prescribed in this Act, to the criminal penalties prescribed in section 34.

(e) No vessel equipped with propulsion machinery of any type and not subject to the manning requirements of the vessel inspection laws administered by the Coast Guard, may while carrying passengers for hire, be used except in the charge of a person licensed for such service under regulations, prescribed by the Secretary, which pertain to qualifications, issuance, revocation, or suspension, and related matters.

(f) Section 12(e) of this Act shall not apply to any vessel being used for bona fide dealer demonstrations furnished without fee to business invitees. However, if on the basis of substantial evidence the Secretary determines, pursuant to section 6 hereof, that requiring vessels so used to be under the control of licensed persons is necessary to meet the need for boating safety, then the Secretary may promulgate regulations requiring the licensing of persons controlling such vessels in the same manner as provided in section 12(e) of this Act for persons in control of vessels carrying passengers for hire.

TERMINATION OF UNSAFE USE

SEC. 13. If a Coast Guard boarding officer observes a boat being used without sufficient lifesaving or firefighting devices or in an overloaded or other unsafe condition as defined in regulations of the Secretary, and in his judgment such use creates an especially hazardous condition, he may direct the operator to take whatever immediate and reasonable steps would be necessary for the safety of those aboard the vessel, including directing the operator to return to mooring and to remain there until the situation creating the hazard is corrected or ended.

INSPECTION, INVESTIGATION, REPORTING

SEC. 14. (a) Every manufacturer subject to the provisions of this Act shall establish and maintain records, make reports, and provide information as the Secretary may reasonably require to enable him to determine whether the manufacturer has acted or is acting in compliance with this Act and the regulations issued thereunder. A manufacturer shall, upon request of an officer, employee, or agent authorized by the Secretary, permit the officer, employee, or agent to inspect at reasonable times factories or other facilities, books, papers, records, and documents relevant to determining whether the manufacturer has acted or is acting in compliance with this Act and the regulations issued thereunder.

(b) All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsection (a) of this section containing or relating to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code, or authorized to be exempted from public disclosure by subsection 552(b) of title 5, United States Code, shall be considered confidential for the purpose of that section of title 18, except that, upon approval by the Secretary, such information may be disclosed to other officers, employees, or agents concerned with carrying out this Act or when relevant in any proceeding under this Act.

NOTIFICATION OF DEFECTS; REPAIR OR REPLACEMENT

SEC. 15. (a) Every manufacturer who discovers or acquires information which he determines, in the exercise of reasonable and prudent judgment, indicates that a boat or associated equipment subject to an applicable standard or regulation prescribed pursuant to section 5 of this Act either fails to comply with such standard or regulation, or contains a defect which creates a substantial risk of personal injury to the public, shall, if such boat or associated equipment has left the place of manufacture, furnish notification of such defect or failure of compliance as provided in subsections (b) and (c) of this section, within a reasonable time after the manufacturer has discovered the defect.

(b) The notification required by subsection (a) of this section shall be given to the following persons in the following manner—

(1) by certified mail to the first purchaser for purposes other than resale: *Provided,* That the requirement for notification of such first purchaser shall be satisfied if the manufacturer exercises reasonable diligence in creating and maintaining a list of such purchasers and their current addresses and sends the required notice to each person on said list at the address appearing thereon;

(2) by certified mail to subsequent purchasers, if known to the manufacturer;

(3) by certified mail or other more expeditious means to the dealers or distributors of such manufacturer to whom such boat or associated equipment was delivered;

(c) The notification required by subsection (a) of this section shall contain a clear description of such defect or failure to comply, an evaluation of the hazard reasonably related thereto, a statement of the measures to be taken to correct such defect or failure to comply, and an undertaking by the manufacturer to take such measures at his sole cost and expense.

(d) Every manufacturer shall furnish to the Secretary a true or representative copy of all notices, bulletins, and other communications to dealers or distributors of such manufacturer or to purchasers, or subsequent purchasers, of boats or associated equipment of such manufacturer, regarding any defect relating to safety in such boats or associated equipment or any failure to comply with a standard, regulation, or order applicable to such boat or associated equipment. The Secretary may publish or otherwise disclose to the public so much of the information contained in such notices or other information in his possession as he deems will assist in carrying out the purposes of this Act, but shall not disclose any information which contains or relate to a trade secret unless he determines that it is necessary to carry out the purposes of this Act.

(e) If through testing, inspection, investigation, research, or examination of reports carried out pursuant to this Act the Secretary determines that any boat or associated equipment subject to this Act—

(1) fails to comply with an applicable standard or regulation prescribed pursuant to section 5; or

(2) contains a defect which relates to safety, and if the Secretary determines that notification provided under this section is appropriate, he shall notify the manufacturer of the boat or associated equipment of such defect or failure to comply. The notice shall contain the findings of the Secretary and shall include a synopsis of the information upon which the findings are based. Upon receipt of such notice, the manufacturer shall furnish the notification described in subsection (c) to the persons designated in subsection (b), unless the manufacturer disputes the Secretary's determination, in which case the Secretary shall afford such manufacturer an opportunity to present his views to establish that there is no failure of compliance or defect relating to safety. Where the Secretary determines it is in the public interest, he may publish notice of such proceeding in the Federal Register and afford interested persons, including the Boating Safety Advisory Council, an opportunity to comment thereon. If after such presentation by the manufacturer the Secretary determines that such boat or associated equipment does not comply with an applicable standard or regulation, or that it contains a defect related to safety, the Secretary may direct the manufacturer to furnish the notification specified in subsection (c) of this section to the persons specified in subsection (b) of this section.

(f) For purposes of section 15, the term "associated equipment" includes only such items or classes of associated equipment as the Secretary shall by regulation or order prescribe after determining that the application of the requirements of this section to such items or classes of associated equipment is reasonable, appropriate, and in furtherance of the purposes of this Act.

(g) The Secretary is authorized to promulgate regulations defining and establishing procedures and otherwise furthering the purposes of this section.

RENDERING OF ASSISTANCE IN CASUALTIES

SEC. 16. (a) The operator of a vessel, including one otherwise exempted by subsection 4(c) of this Act, involved in a collision, accident, or other casualty, to the extent he can do so without serious danger to his own vessel, or persons aboard, shall render all practical and necessary assistance to persons affected by the collision, accident, or casualty to save them from danger caused by the collision, accident, or casualty. He shall also give his name, address, and the identification of his vessel to any person injured and to the owner of any property damaged. The duties imposed by this subsection are in addition to any duties otherwise imposed by law.

(b) Any person who complies with subsection (a) of this section or who gratuitously and in good faith renders assistance at the scene of a vessel collision, accident, or other casualty without objection of any person assisted, shall not be held liable for any civil damages as a result of the rendering of assistance or for any act or omission in providing or arranging salvage, towage, medical treatment, or other assistance where the assisting person acts as an ordinary, reasonably prudent man would have acted under the same or similar circumstances.

NUMBERING OF CERTAIN VESSELS

VESSELS REQUIRING NUMBERING

SEC. 17. An undocumented vessel equipped with propulsion machinery of any type shall have a number issued by the proper issuing authority in the State in which the vessel is principally used.

STANDARD NUMBERING

SEC. 18. (a) The Secretary shall establish by regulation a standard numbering system for vessels. Upon application by a State the Secretary shall approve a State numbering system which is in accord with the standard numbering system and the provisions of this Act relating to numbering and casualty reporting. A State with an approved system is the issuing authority under the Act. The Secretary is the issuing authority in States where a State numbering system has not been approved.

(b) If a State has a numbering system approved by the Secretary under the Act of September 2, 1958 (72 Stat. 1754), as amended, prior to enactment hereof, the system need not be immediately revised to conform with this Act and may continue in effect without change for a period not to exceed three years from the date of enactment of this Act.

(c) When a vessel is actually numbered in the State of principal use, it shall be considered as in compliance with the numbering system requirements of any State in which it is temporarily used.

(d) When a vessel is removed to a new State of principal use, the issuing authority of that State shall recognize the validity of a number awarded by any other issuing authority for a period of at least sixty days before requiring numbering in the new State.

(e) If a State has a numbering system approved after the effective date of this Act, that State must accept and recognize any certificate of number issued by the Secretary as the previous issuing authority in that State, for one year from the date that State's system is approved, or until its expiration date, at the option of the State.

(f) Whenever the Secretary determines that a State is not administering its approved numbering system in accordance with the standard numbering system, or has altered its system without his approval, he may withdraw his approval after giving notice to the State, in writing, setting forth specifically wherein the State has failed to meet the standards required, and the State has not corrected such failures within a reasonable time after being notified by the Secretary.

EXEMPTIONS

SEC. 19. (a) The Secretary, when he is the issuing authority, may exempt a vessel or class of vessels from the numbering provisions of this Act under such conditions as he may prescribe.

(b) When a State is the issuing authority, it may exempt from the numbering provisions of this Act any vessel or class of vessel that has been exempted under subsection (a) of this section or otherwise as permitted by the Secretary.

DESCRIPTION OF CERTIFICATE OF NUMBER

SEC. 20. (a) A certificate of number granted under this Act shall be pocket size, shall be at all times available for inspection on the vessel for which issued when the vessel is in use, and may not be valid for more than three years. The certificate of number for vessels less than twenty-six feet in length and leased or rented to another for the latter's noncommercial use of less than twenty-four hours may be retained on shore by the vessel's owner or his representative at the place from which the vessel departs or returns to the possession of the owner or his representative. A vessel which does not have the certificate of number on board shall be identified while in use, and comply with such other requirements, as the issuing authority prescribes.

(b) The owner of a vessel numbered under this Act shall furnish to the issuing authority notice of the transfer of all or part of his interest in the vessel, or of the destruction or abandonment of the vessel, within a reasonable time thereof, and shall furnish notice of any change of address within a reasonable time of the change, in accordance with prescribed regulations.

DISPLAY OF NUMBER

SEC. 21. A number required by this Act shall be painted on, or attached to, each side of the forward half of the vessel for which it was issued, and shall be of the size, color, and type as may be prescribed by the Secretary. No other number may be carried on the forward half of the vessel.

SAFETY CERTIFICATES

SEC. 22. When a State is the issuing authority it may require that the operator of a numbered vessel hold a valid safety certificate issued under terms and conditions set by the issuing authority.

REGULATIONS

SEC. 23. This issuing authority may prescribe regulations and establish fees to carry out the intent of sections 17 through 24 and section 37 of this Act. A State issuing authority may impose only terms and conditions for vessel numbering (1) which are prescribed by this Act or the regulations of the Secretary concerning the standard numbering system, or (2) which relate to proof of payment of State or local taxes.

FURNISHING OF INFORMATION

SEC. 24. Any person may request from an issuing authority vessel numbering and registration information which is retrievable from vessel numbering system records of the issuing authority. When the issuing authority is satisfied that the request is reasonable and related to a boating safety purpose, the information shall be furnished upon payment by such person of the cost of retrieval and furnishing of the information requested.

STATE BOATING SAFETY PROGRAMS

ESTABLISHMENT AND ACCEPTANCE

SEC. 25. In order to encourage greater State participation and consistency in boating safety efforts, and particularly greater safety patrol and enforcement activities, the Secretary may accept State boating safety programs directed at implementing and supplementing this Act. Acceptance is necessary for a State to receive full rather than partial Federal financial assistance under this Act. The Secretary may also make Federal funds available to an extent permitted by subsection 27(d) of this Act to national nonprofit public service organizations for national boating safety programs and activities which he considers to be in the public interest.

BOATING SAFETY PROGRAM CONTENT

SEC. 26. (a) The Secretary shall accept a State boating safety program which—

(1) incorporates a State vessel numbering system previously approved under this Act or includes such a numbering system as part of the proposed boating safety program;

(2) includes generally the other substantive content of the Model State Boat Act as approved by the National Association of State Boating Law Administrators in conjunction with the Council of State Governments, or is in substantial conformity therewith, or conform sufficiently to insure uniformity and promote comity among the several jurisdictions;

(3) provides for patrol and other activity to assure enforcement of the State boating safety laws and regulations;

(4) provides for boating safety education programs;

(5) designates the State authority or agency which will administer the boating safety program and the allocated Federal funds; and

(6) provides that the designated State authority or agency will submit reports in the form prescribed by the Secretary.

(b) The requirements of subparagraph (a) (2) of this section shall be liberally construed to permit acceptance where the general intent and purpose of such requirements are met and nothing contained therein is in any way intended to discourage a State program which is more extensive or comprehensive than suggested herein, particularly with the regard to safety patrol and enforcement activity commensurate with the amount and type of boating activity within the State, and with regard to public boat safety education, and experimental programs which could enhance boating safety.

ALLOCATION OF FEDERAL FUNDS

SEC. 27. (a) The Secretary shall allocate the amounts appropriated to the several States as soon as practicable after July 1 of each fiscal year for which the funds are appropriated.

(b) In order to encourage and assist the States in the development of boating safety programs during the first three fiscal years for which funds are available under this Act, the funds shall be allocated among applying States having a boating safety program, or which indicate to the Secretary their intention to establish boating safety programs in accordance with section 25 of this Act. One-half of the funds shall be allocated equally among the applying States. The other half shall be allocated to each applying State in the same ratio as the number of vessels propelled by machinery numbered in that State bears to the number of such vessels numbered in all applying States.

(c) In fiscal years after the third fiscal year for which funds are available under this Act the moneys appropriated shall be allocated among applying States. Of the total available funds one-third shall be allocated each year equally among applying States. One-third shall be allocated so that the amount each year to each applying eligible State will be in the same ratio as the number of vessels numbered in that State, under a numbering system approved under this Act, bears to the number of such vessels numbered in all applying eligible States. The remaining one-third shall be allocated so that the amount each year to each applying eligible State shall be in the same ratio as the State funds expended or obligated for the State boating safety program during the previous fiscal year by a State bears to the total State funds expended or obligated for that fiscal year by all the applying eligible States.

(d) The Secretary may allocate not more than 5 per centum of funds appropriated in any fiscal year for national boating safety activities of one or more national nonprofit-public service organizations.

ALLOCATION LIMITATIONS; UNOBLIGATED OR UNALLOCATED FUNDS

SEC. 28. (a) Notwithstanding the allocation ratios prescribed in section 27 of this Act, the Federal share of the total annual cost of a State's boating safety program may not exceed 75 per centum in fiscal year 1972, 66⅔ per centum in fiscal year 1973, 50 per centum in fiscal year 1974, 40 per centum in year 1975, and 33⅓ per centum in fiscal year 1976. No State may receive more than 5 per centum of the Federal funds appropriated or available for allocation in any fiscal year.

(b) Amounts allocated to a State shall be available for obligation by that State for a period of three years following the date of allocation. Funds unobligated by the State at the expiration of the three-year period shall be withdrawn by the Secretary and shall be available with other funds to be allocated by the Secretary during that fiscal year.

(c) Funds available to the Secretary which have not been allocated at the end of a fiscal year shall be carried forward as part of the total allocation funds for the next fiscal year for which appropriations are authorized by this Act.

DETERMINATION OF STATE FUNDS EXPENDED

SEC. 29. In accordance with regulations prescribed by the Secretary computation by a State of funds expended or obligated for the boating safety program shall include the acquisition, maintenance, and operating costs of facilities, equipment, and supplies; personnel salaries and reimbursable expenses; the costs of training personnel; public boat safety education; the costs of administering the program; and other expenses which the Secretary considers appropriate. The Secretary shall determine any issues which arise in connection with such computation.

AUTHORIZATION FOR APPROPRIATIONS FOR STATE BOATING SAFETY PROGRAMS

SEC. 30. For the purpose of providing financial assistance for State boating safety programs there is authorized to be appropriated $7,500,000 for the fiscal year ending June 30, 1972, and $7,500,000 for each of the four succeeding fiscal years, such appropriations to remain available until expended.

PAYMENTS

SEC. 31. (a) Amounts allocated under section 27 of this Act shall be computed and paid to the States as follows:

(1) During the first three fiscal years that funds are available the Secretary shall schedule the initial payment to each State at the earliest possible time after application and compliance with subsection 27(b) of this Act.

(2) For fiscal years after the third fiscal year for which funds are available, the Secretary shall determine during the last quarter of a fiscal year, on the basis of computations made pursuant to section 29 of this Act and submitted by the States, the percentage of the funds available for the next fiscal year to which each eligible State shall be entitled. Notice of the percentage and of the dollar amount, if it can then be determined, for each State shall be furnished to the States at the earliest practicable time. If the Secretary finds that an amount made available to a State for a prior year is greater or less than the amount which should have been made available to that State for the prior year, because of later or more accurate State expenditure information, the amount for the current fiscal year may be increased or decreased by the appropriate amount.

(b) Notwithstanding any other provision of law, the Secretary shall schedule the payment of funds consistent with the program purposes and applicable Treasury regulations, so as to minimize the time elapsing between the transfer of funds from the United States Treasury and the subsequent disbursement thereof by a State.

(c) Whenever the Secretary, after reasonable notice to the designated State authority or agency, finds that—

(1) the boating safety program submitted by the State and accepted by the Secretary has been so changed that it no longer complies with this Act or standards established by regulations thereunder; or

(2) in the administration of the boating safety program, there has been a failure to comply substantially with the standards established by the regulations;

the Secretary shall notify the State authority or agency that no further payments will be made to the State until the program conforms to the established standards or the failure is corrected.

(d) The Secretary shall, by regulation, provide for such accounting, budgeting, and other fiscal procedures as are necessary and reasonable for the proper and efficient administration of this section. The Secretary and the Comptroller General of the United States shall have access for the purpose of audit and examination, to any books, documents, papers, and records that are pertinent to Federal funds allocated under this Act.

CONSULTATION AND COOPERATION

SEC. 32. (a) In carrying out his responsibilities under this Act the Secretary may consult with State and local governments, public and private agencies, organizations and committees, private industry, and other persons having an interest in boating and boating safety.

(b) The Secretary may advise, assist, and cooperate with the States and other interested public and private agencies, in the planning, development, and execution of boating safety programs. Acting under the authority of section 141 of title 14, United States Code, and consonant with the policy defined in section 2 of this Act, the Secretary shall insure the fullest cooperation between the State and Federal authorities in promoting boating safety by entering into agreements and other arrangements with the State whenever possible. Subject to the provisions of chapter 23, title 14, he may make available, upon request from a State, the services of members of the Coast Guard Auxiliary to asist the State in the promotion of boating safety on State waters.

BOATING SAFETY ADVISORY COUNCIL

SEC. 33. (a) The Secretary shall establish a National Boating Safety Advisory Council (hereinafter referred to as "the Council"), which shall not exceed twenty-one members, whom the Secretary considers to have a particular expertise, knowledge, and experience in boating safety. Insofar as practical, to assure balanced representation, members shall be drawn equally from (1) State officials responsible for State boating safety programs, (2) boat and associated equipment manufacturers, and (3) boating organizations and members of the general public. Additional persons from those sources may be appointed to panels to the Council which will assist the Council in the performance of its functions.

(b) In addition to the consultation required by section 6 of this Act the Secretary shall consult with the Council on any other major boat safety matters related to this Act.

(c) Members of the Council or panels may be compensated at a rate not to exceed the rate provided for Federal classified employees of grade GS–18 when engaged in the duties of the Council. Members, while away from their homes or regular places of business, may be allowed travel expenses, including a per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. Payments under this section shall not render members of the Council employees or officials of the United States for any purposes.

CRIMINAL PENALTIES

Sec. 34. Any person who willfully violates section 12(c) of this Act or the regulations issued thereunder shall be fined not more than $1,000 for each violation or imprisoned not more than one year, or both.

CIVIL PENALTIES

Sec. 35. (a) In addition to any other penalty prescribed by law any person who violates subsection 12(a) of this Act shall be liable to a civil penalty of not more than $2,000 for each violation, except that the maximum civil penalty shall not exceed $100,000 for any related series of violations. Whenever any corporation violates section 12 (a) of this Act, any director, officer, or executive employee of such corporation who knowingly and willfully ordered or knowingly and willfully authorized such violation shall be individually liable to the civil penalties contained herein, in addition to the corporation: *Provided, however,* That no such director, officer, or executive employee shall be individually liable under this subsection if he can demonstrate, by a preponderance of the evidence, (1) that said order or authorization was issued on the basis of a determination, in the exercise of reasonable and prudent judgment, that the nonconformity with standards and regulations constituting such violation would not cause or constitute a subsantial risk of personal injury to the public, and (2) that at the time of said order or authorization be advised the Secretary in writing of his action under this proviso.

(b) In addition to any other penalty prescribed by law any person who violates any other provision of this Act or the regulations issued thereunder shall be liable to a civil penalty of not more than $500 for each violation. If the violation involves the use of a vessel, the vessel, except as exempted by subsection 4(c) of this Act, shall be liable and may be proceeded against in the district court of any district in which the vessel may be found.

(c) The Secretary may assess and collect any civil penalty incurred under this Act and, in his discretion, remit, mitigate, or compromise any penalty prior to referral to the Attorney General. Subject to approval by the Attorney General, the Secretary may engage in any proceeding in court for that purpose, including a proceeding under subsection (d) of this section. In determining the amount of any penalty to be assessed hereunder, or the amount agreed upon in any compromise, consideration shall be given to the appropriateness of such penalty in light of the size of the business of the person charged, the gravity of the violation and the extent to which the person charged has complied with the provisions of section 15 of this Act or has otherwise attempted to remedy the consequences of the said violation.

(d) When a civil penalty of not more than $200 has been assessed under this Act, the Secretary may refer the matter for collection of the penalty directly to the Federal magistrate of the jurisdiction wherein the person liable may be found for collection procedures under supervision of the district court and pursuant to order issued by the court delegating such authority under section 636(b) of title 28, United States Code.

INJUNCTIVE PROCEEDINGS

Sec. 36. The United States district courts shall have jurisdiction to restrain violations of this Act, or to restrain the sale, offer for sale, or the introduction or delivery for introduction, in interstate commerce, or the importation into the United States, of any boat or associated equipment which is determined not to conform to Federal boat safety standards, upon petition by the Attorney General on behalf of the United States. Whenever practicable, the Secretary shall give notice to any person against whom an action for injunctive relief is contemplated and afford him an opportunity to present his views, and except in the case of knowing and willful violation, shall afford him a reasonable opportunity to achieve compliance. The failure to give notice and afford such opportunity does not preclude the granting of appropriate relief.

CASUALTY REPORTING SYSTEMS

Sec. 37. (a) The Secretary shall prescribe a uniform vessel casualty reporting system for vessels subject to this Act, including those otherwise exempted by paragraphs (1), (3), and (4) of section 4(c).

(b) A State vessel numbering system and boating safety program approved under this Act shall provide for the reporting of casualties and accidents involving vessels. A state shall compile and transmit to the Secretary reports, information, and statistics on casualties and accidents reported to it.

(c) A vessel casualty reporting system shall provide for the reporting of all marine casualties involving vessels indicated in subsection (a) of this section and resulting in the death of any person. Marine casualties which do not result in loss of life shall be classified according to the gravity thereof, giving consideration to the extent of the injuries to persons, the extent of property damage, the dangers which casualties create, and the size, occupation or use, and the means of propulsion of the boat involved. Regulations shall prescribe the casualties to be reported and the manner of reporting.

(d) The owner or operator of a boat or vessel indicated in subsection (a) of this section and involved in a casualty or accident shall report the casualty or accident to the Secretary in accordance with regulations prescribed under this section unless he is required to report to a State under a State system approved under this Act.

(e) The Secretary shall collect, analyze, and publish reports, information, or statistics together with such findings and recommendations as he considers appropriate. If a State accident reporting system provides that information derived from accident reports, other than statistical, shall be unavailable for public disclosure, or otherwise prohibits use by the State or any person in any action or proceeding against an individual, the Secretary may utilize the information or material furnished by a State only in like manner.

APPROPRIATIONS AUTHORIZATION

Sec. 38. There is authorized to be appropriated amounts as may be necessary to administer the provisions of this Act.

GENERAL REGULATIONS

Sec. 39. The Secretary may issue regulations necessary or appropriate to carry out the purposes of this Act.

SAVINGS PROVISION

Sec. 40. Compliance with this Act or standards, regulations, or orders promulgated hereunder shall not relieve any person from liability at common law or under State law.

MISCELLANEOUS PROVISIONS

Sec. 41. (a) The following are repealed:

(1) Section 7, as amended, and sections 13 and 14 of the Motorboat Act of 1940, Public Law 76–484, April 25, 1940 (54 Stat. 165);

(2) The Federal Boating Act of 1958, Public Law 85–911, September 2, 1958 (72 Stat. 1754), except subsections 6(b) and 6(c) thereof;

(3) The Act of March 28, 1960, Public Law 86–396 (74 Stat. 10); and

(4) The Act of August 30, 1961, Public Law 87–171 (75 Stat. 408).

(b) Subsection (c) of section 6 of the Federal Boating Act of 1958, September 2, 1958 (72 Stat. 1754), is amended to read as follows:

"(c) Such Act of April 25, 1940 (46 U.S.C. 526–526t), is further amended by adding at the end thereof the following new section:

" 'Sec. 22. (a) This Act applies to every motorboat or vessel on the navigable waters of the United States, Guam, the Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia, and every motorboat or vessel owned in a State and using the high seas, except that the provisions of this Act other than sections 12, 18, and 19 do not apply to boats as defined in and subject to the Federal Boat Safety Act of 1971.

" '(b) As used in this Act—

" 'The term "State" means a State of the United States, Guam, the Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia.' "

(c) Any vessel, to the extent that it is subject to the Small Passenger Carrying Vessel Act, May 10, 1956 (70 Stat. 151), or to any other vessel inspection statute of the United States, is exempt from the provisions of this Act.

(d) Nothing contained in this Act shall be deemed to exempt from the antitrust laws of the United States any conduct that would be unlawful under such laws, or to prohibit under the antitrust laws of the United States any conduct that would be lawful under such laws.

(e) Regulations previously issued under statutory provisions repealed, modified, or amended by this Act continue in effect as though promulgated under the authority of this Act until expressly abrogated, modified, or amended by the Secretary under the regulatory authority of this Act.

(f) Any criminal or civil penalty proceeding under the Motorboat Act of 1940, as amended, or the Federal Boating Act of 1958, as amended, for a violation which occurred before the effective date of this Act may be initiated and continue to conclusion as though the former Acts had not been amended or repealed hereby.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. HALL. Mr. Speaker, reserving the right to object, no Member in the House could hear the request. We have heard the Clerk read the title and amendments of the other body, but we do not know whether the gentleman from Pennsylvania made a personal request in the regular morning hour or if this is legislative business.

The SPEAKER. It was a request to take a bill from the Speaker's table and to concur in a Senate amendment.

Mr. HALL. Continuing to reserve the right to object, I would ask the gentleman to explain this. I am glad to yield to the gentleman for that purpose.

Mr. CLARK. I am asking unanimous consent to take from the Speaker's desk the bill (H.R. 19) to provide for a coordinated national boating safety program, with a Senate amendment thereto, and to concur in the Senate amendment.

May I say both sides of the aisle are in agreement.

Mr. HALL. Well, that is not sufficient,

Mr. Speaker. May I ask the distinguished gentleman from Pennsylvania what are the Senate amendments, whether they are germane, and what is the increase in cost, if any, over the House-passed bill?

Mr. CLARK. There is no increase in cost at all.

Mr. HALL. I will continue to yield for an answer to the other question.

Mr. CLARK. Most of the amendments of the Senate were technical and conforming amendments.

Mr. HALL. What about the others than "the most"? Are they germane to the bill as passed by the House?

Mr. CLARK. Yes; they are.

Mr. GROVER. Will the gentleman yield?

Mr. HALL. I will be glad to yield for a further explanation.

Mr. GROVER. I agree with the subcommittee chairman, the gentleman from Pennsylvania (Mr. CLARK), that these are basically technical amendments put in on the Senate side in which we of the minority of the Committee on Merchant Marine and Fisheries have concurred.

Mr. HALL. Mr. Speaker, I want it clearly understood that I have no objection, but we must at least be able to hear requests involving unanimous consent, especially if legislative business of the House is involved.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONFERENCE RELATING TO PENTAGON PAPERS

(Mr. DOW asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DOW. Mr. Speaker, yesterday's CONGRESSIONAL RECORD carried remarks by our colleague, the gentleman from California (Mr. GUBSER) which point out that a conference on Tuesday, Wednesday, and Thursday of this week, conducted by 17 Members of Congress related to the Pentagon papers, although none of the 17 are reported as having examined the original documents in the possession of the Armed Services Committee.

At the conference we have confined discussion of the Pentagon papers to published information about them. That is the only data known to our hearers.

The 47 volumes of the Pentagon study remain classified according to the House Armed Services Committee. Rules for viewing the documents are very confining and do not permit public disclosure.

Our interest is in those documents which have been published, not in that material hedged around by confining rules because it is still classified.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 214]

Abbitt
Abourezk
Arends
Baring
Belcher
Blackburn
Boggs
Carter
Celler
Clay
Davis, S.C.
Dellums
Diggs
Donohue
Edwards, La.
Esch
Flynt
Gallagher
Gubser
Hagan
Halpern
Hosmer
Howard
Hungate
Jones, Tenn.
Landrum
Lent
Long, La.
McCulloch
McDonald, Mich.
Mathis, Ga.
Pike
Poage
Rangel
Rarick
Rees
Reid, N.Y.
Ryan
Saylor
Scheuer
Stephens
Stokes
Stuckey
Thompson, N.J.
Ullman
Van Deerlin
Wilson, Bob
Yatron

The SPEAKER. On this rollcall 385 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON H.R. 9382, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND OTHER AGENCIES APPROPRIATIONS, 1972

Mr. BOLAND. Mr. Speaker, I call up the conference report on the bill (H.R. 9382) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1972, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 26, 1971.)

The SPEAKER. Under the rule, the gentleman from Massachusetts (Mr. BOLAND) will be recognized for 30 minutes and the gentleman from North Carolina (Mr. JONAS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

(Mr. BOLAND asked and was given permission to revise and extend his remarks.)

Mr. BOLAND. Mr. Speaker, the total amount in this conference report on the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices appropriation bill is $18,339,738,000.

When this bill left the House the total amount recommended was $18,115,203,000. When this bill left the Senate, the bill totaled $18,698,518,000. So, the Senate added $583,315,000 to the House bill.

This conference report, Mr. Speaker, is a compromise of $358,780,000 below the total approved by the Senate and it is $224,535,000 above the amount originally passed by the House.

Mr. Speaker, taking into consideration the fact that the budget estimates included funds for only one-half year funding for several ongoing housing and urban development programs, principally the urban renewal and model cities programs which were proposed to be replaced with special revenue sharing, the conference total is only $32,721,000 above the budget estimates.

Mr. Speaker, this report represents an unusual situation in that there are no items in disagreement, technical or otherwise in this bill, as we bring it back from the conference.

The other body did add certain items of legislation to transfer funds to special revenue sharing in the Department of Housing and Urban Development. The House felt that these were not appropriate in this bill at this time.

On a comparable full-year basis, only one agency in this bill exceeds the budget estimates and that agency is the Veterans' Administration.

The bill as it now stands includes $10,935,756,000 for the Veterans' Administration. This is $191,393,000 over the amended budget request. And, if it were not for this large increase, the total bill would be $158,672,000 below the comparable budget estimates for the fiscal year 1972.

The conference report—and I think this is most important—reaffirms the position of the House that both of the objectives contained in the medical care appropriation language must be met; at least 97,500 operating beds must be maintained, and facilities to accommodate an average daily patient load of 85,500 must be provided. In addition, 32 drug rehabilitation units, each unit with 15 beds and a capacity to handle 200 outpatients will be operational in 1972. A total of $2,307,700,000 is provided for these purposes. This is $183,053,000 over the budget request for medical care.

The total of new obligational authority included in this conference report for the Department of Housing and Urban Development is $3,274,824,000, and the additional annual contract authorization is $434.3 million.

The Managers agreed that of the $200 million provided for the section 236 rental housing assistance program, $35 million should be used for housing for the elderly.

The funds proposed for the Department of Housing and Urban Development include $10 million for new community assistance grants. This is $5 million more than contained in the original House bill, and will permit the Department to start moving on the new activities contained in the 1970 Housing Act.

A total of $3,298,035,000 is included for the National Aeronautics and Space Administration; and $622 million is included for the National Science Foundation. The amounts included for both of these agencies are below the budget requests.

To conclude, I want to remind the Members of the House, Mr. Speaker, and to remind you, that on a comparable full-year basis we are only $32,721,000 over the budget estimates.

The statement of the Managers explains the changes between the two bills in some detail.

At this point in the RECORD I will insert a table showing the action taken on this bill, and the comparisons with 1971, the budget request for 1972, and actions of the House and the Senate.

Mr. Speaker, I recommend the adoption of the conference report.

COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD—SPACE—SCIENCE—VETERANS APPROPRIATION BILL, 1972 (H.R. 9382)

[Note—All amounts are in the form of appropriations unless otherwise indicated]

Agency and item	New budget (obligational) authority, fiscal year 1971 (*)	Budget estimates of new budget (obligational) authority, fiscal year 1972	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action	Conference action compared with— New budget (obligational) authority, fiscal year 1971	Conference action compared with— Budget estimates of new budget (obligational) authority, fiscal year 1972	Conference action compared with— House bill	Conference action compared with— Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TITLE I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
Housing Production and Mortgage Credit Federal Housing Administration									
Rent supplement program:									
Increased limitation for annual contract authorization	($55,000,000)	($60,000,000)	($55,000,000)	($60,000,000)	($55,000,000)		(−$5,000,000)		(−$5,000,000)
(Cumulative annual contract authorization)	(177,000,000)	(237,000,000)	(232,000,000)	(237,000,000)	(232,000,000)	(+$55,000,000)	(−5,000,000)		(−5,000,000)
Appropriation for payments	46,600,000					−46,600,000			
Homeownership and rental housing assistance:									
Homeownership assistance, increased limitation for annual contract authorization	(130,000,000)	(175,000,000)	(165,000,000)	(200,000,000)	(170,000,000)	(+40,000,000)	(−5,000,000)	(+$5,000,000)	(−30,000,000)
(Cumulative annual contract authorization)	(325,000,000)	(500,000,000)	(490,000,000)	(525,000,000)	(495,000,000)	(+170,000,000)	(−5,000,000)	(+5,000,000)	(−30,000,000)
Rental housing assistance, increased limitation for annual contract authorization	(135,000,000)	(175,000,000)	(165,000,000)	(225,000,000)	(200,000,000)	(+65,000,000)	(+25,000,000)	(+35,000,000)	(−25,000,000)
(Cumulative annual contract authorization)	(325,000,000)	(500,000,000)	(490,000,000)	(550,000,000)	(525,000,000)	(+200,000,000)	(+25,000,000)	(+35,000,000)	(−25,000,000)
Appropriation for payments	148,000,000					−148,000,000			
Low and moderate income sponsor fund	3,000,000	3,000,000	3,000,000	5,000,000	4,000,000	+1,000,000	+1,000,000	+1,000,000	−1,000,000
Counseling services			3,000,000	4,000,000	3,250,000	+3,250,000	+3,250,000	+250,000	−750,000
College housing:									
Increased limitation for annual contract authorization	(9,300,000)	(9,300,000)	(9,300,000)	(9,300,000)	(9,300,000)				
(Cumulative limitation for annual contract authorization)	(26,300,000)	(35,600,000)	(35,600,000)	(35,600,000)	(35,600,000)	(+9,300,000)			
Housing for the elderly or handicapped fund	10,000,000					−10,000,000			
Salaries and expenses, Housing production and mortgage credit programs		[1] 18,020,000	17,000,000	17,000,000	17,000,000	+17,000,000	−1,020,000		
Salaries and expenses, Federal Housing Administration	3,500,000					−3,500,000			
Salaries and expenses, Renewal and housing assistance	43,500,000					−43,500,000			
Government National Mortgage Association									
Payment of participation sales insufficiencies	58,781,000	19,543,000	19,543,000	19,543,000	19,543,000	−39,238,000			
Total, Housing Production and Mortgage Credit	313,381,000	40,563,000	42,543,000	45,543,000	43,793,000	−269,588,000	+3,230,000	+1,250,000	−1,750,000
Housing Management									
Low-rent public housing annual contributions	654,500,000					−654,500,000			
Housing payments		1,373,800,000	1,373,800,000	1,373,800,000	1,373,800,000	+1,373,800,000			
Salaries and expenses, Housing management programs		[2] 16,537,000	16,000,000	16,500,000	16,500,000	+16,500,000	−37,000	+500,000	
Total, Housing Management	654,500,000	1,390,337,000	1,389,800,000	1,390,300,000	1,390,300,000	+735,800,000	−37,000	+500,000	
Community Planning and Management									
Comprehensive planning grants	50,000,000	100,000,000	59,355,000	59,355,000	59,355,000	+9,355,000	−40,645,000		
Community development training and urban fellowships programs	3,500,000	3,000,000	3,500,000	3,500,000	3,500,000		+500,000		
New community assistance grants	5,000,000	5,000,000	5,000,000	10,000,000	10,000,000	+5,000,000	+5,000,000	+5,000,000	
Salaries and expenses, Community planning and management programs		[3] 7,468,000	7,468,000	7,468,000	7,468,000	+7,468,000			
Total, Community Planning and Management	58,500,000	115,468,000	75,323,000	80,323,000	80,323,000	+21,823,000	−35,145,000	+5,000,000	

COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD—SPACE—SCIENCE—VETERANS APPROPRIATION BILL, 1972 (H.R. 9382)—Continued

[Note—All amounts are in the form of appropriations unless otherwise indicated]

						Conference action compared with—			
Agency and item (1)	New budget (obligational) authority, fiscal year 1971 (*) (2)	Budget estimates of new budget (obligational) authority, fiscal year 1972 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)	New budget (obligational) authority, fiscal year 1971 (7)	Budget estimates of new budget (obligational) authority, fiscal year 1972 (8)	House bill (9)	Senate bill (10)
Community Development									
Model cities programs	$575,000,000	$575,000,000	$725,000,000	$725,000,000	$725,000,000	+$150,000,000	+$150,000,000		
Deduct amounts currently available		−575,000,000	−575,000,000	−575,000,000	−575,000,000	−575,000,000			
Model cities programs (appropriation)	575,000,000		150,000,000	150,000,000	150,000,000	−425,000,000	+150,000,000		
[Grants for basic water and sewer facilities]	(350,000,000)					(−350,000,000)			
Urban renewal programs	1,200,000,000	800,000,000	1,400,000,000	1,700,000,000	1,450,000,000	+250,000,000	+650,000,000	+$50,000,000	−$250,000,000
Deduct amount currently available		−200,000,000	−200,000,000	−200,000,000	−200,000,000	−200,000,000			
Urban renewal program (appropriation)	1,200,000,000	600,000,000	1,200,000,000	1,500,000,000	1,250,000,000	+50,000,000	+650,000,000	+50,000,000	−250,000,000
Rehabilitation loan fund	35,000,000	40,000,000	90,000,000	90,000,000	90,000,000	+55,000,000	+50,000,000		
Grants for neighborhood facilities	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000				
Open space land programs	75,000,000	200,000,000	100,000,000	100,000,000	100,000,000	+25,000,000	−100,000,000		
Salaries and expenses, Community development programs		[4] 20,447,000	21,500,000	22,750,000	22,750,000	+22,750,000	+2,303,000	+1,250,000	
Salaries and expenses, Model cities and governmental relations:									
Appropriation	600,000					−600,000			
By transfer	(8,300,000)					(−8,300,000)			
Salaries and expenses, Metropolitan development	8,000,000					−8,000,000			
Total, Community development	1,933,600,000	900,447,000	1,601,500,000	1,902,750,000	1,652,750,000	−280,850,000	+752,303,000	+51,250,000	−250,000,000
Federal Insurance Administration									
Flood insurance	5,000,000	[5] 6,054,000	6,000,000	6,000,000	6,000,000	+1,000,000	−54,000		
Research and Technology									
Research and technology	45,000,000	[6] 45,000,000	35,000,000	50,000,000	45,000,000			+10,000,000	−5,000,000
Research and technology (special foreign currency program)		[7] 300,000					−300,000		
Total, research and technology	45,000,000	45,300,000	35,000,000	50,000,000	45,000,000		−300,000	+10,000,000	−5,000,000
Fair Housing and Equal Opportunity									
Fair housing and equal opportunity	8,000,000	[8] 9,254,000	8,000,000	8,500,000	8,250,000	+250,000	−1,004,000	+250,000	−250,000
Departmental Management									
General departmental management	9,000,000	[9] 6,312,000	6,312,000	6,312,000	6,312,000	−2,688,000			
Salaries and expenses, Office of General Counsel		[10] 3,045,000	3,000,000	3,000,000	3,000,000	+3,000,000	−45,000		
Administration and staff services		[11] 16,846,000	15,846,000	16,346,000	16,096,000	+16,096,000	−750,000	+250,000	−250,000
Regional management and services	14,000,000	[12] 23,301,000	23,000,000	23,000,000	23,000,000	+9,000,000	−301,000		
Total, Departmental management	23,000,000	49,504,000	48,158,000	48,658,000	48,408,000	+25,408,000	−1,096,000	+250,000	−250,000
Special Institution									
Contribution to the National Homeownership Foundation		250,000		250,000			−250,000		−250,000
Total, Department of Housing and Urban Development, title I	3,040,981,000	2,557,177,000	3,206,324,000	3,532,324,000	3,274,824,000	+233,843,000	+717,647,000	+68,500,000	−257,500,000
TITLE II—SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES									
Executive Office of the President									
National Aeronautics and Space Council									
Salaries and expenses	500,000	[13] 508,000	500,000	500,000	500,000		−8,000		
Office of Science and Technology Salaries and expenses	2,167,000	[14] 2,361,000	2,300,000	2,330,000	2,300,000	+133,000	−61,000		−30,000
Total, Executive Office of the President	2,667,000	2,869,000	2,800,000	2,830,000	2 800,000	+133,000	−69,000		−30,000

Footnotes at end of table.

						Conference action compared with—			
Agency and item	New budget (obligational) authority, fiscal year 1971 (*)	Budget estimates of new budget (obligational) authority, fiscal year 1972	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action	New budget (obligational) authority, fiscal year 1971	Budget estimates of new budget (obligational) authority, fiscal year 1972	House bill	Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TITLE II—SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES—Continued									
Commission on Population Growth and the American Future									
Salaries and expenses		$650, 000	$650, 000	$650, 000	$650, 000	+$650, 000			
Federal Communications Commission									
Salaries and expenses	$26, 844, 000	[15] 31, 454, 000	31, 454, 000	31, 454, 000	31, 454, 000	+4, 610, 000			
National Aeronautics and Space Administration									
Research and development	2, 565, 000, 000	2, 517, 700, 000	2, 517, 700, 000	2, 541, 700, 000	2, 522, 700, 000	−42, 300, 000	+$5, 000, 000	+$5, 000, 000	−$19, 000, 000
Construction of facilities	24, 950, 000	56, 300, 000	33, 800, 000	56, 300, 000	52, 700, 000	+27, 750, 000	−3, 600, 000	+18, 900, 000	−3, 600, 000
Research and program management	722, 669, 000	[16] 726, 635, 000	720, 000, 000	722, 635, 000	722, 635, 000	−34, 000	−4, 000, 000	+2, 635, 000	
Total, National Aeronautics and Space Administration	3, 312, 619, 000	3, 300, 635, 000	3, 271, 500, 000	3, 320, 635, 000	3, 298, 035, 000	−14, 584, 000	−2, 600, 000	+26, 535, 000	−22, 600, 000
National Science Foundation									
Salaries and expenses	511, 000, 000	[17] 620, 150, 000	582, 000, 000	645, 150, 000	619, 000, 000	+108, 000, 000	−1, 150, 000	+37, 000, 000	−26, 150, 000
Scientific activities (special foreign currency program)	2, 000, 000	3, 000, 000	3, 000, 000	3, 000, 000	3, 000, 000	+1, 000, 000			
Total, National Science Foundation	513, 000, 000	623, 150, 000	585, 000, 000	648, 150, 000	622, 000, 000	+109, 000, 000	−1, 150, 000	+37, 000, 000	−26, 150, 000
Renegotiation Board									
Salaries and expenses	4, 560, 000	[18] 4, 754, 000	4, 754, 000	4, 754, 000	4, 754, 000	+194, 000			
Securities and Exchange Commission									
Salaries and expenses	23, 615, 000	[19] 24, 730, 000	24, 730, 000	24, 730, 000	24, 730, 000	+1, 115, 000			
Selective Service System									
Salaries and expenses	78, 197, 000	[20] 82, 235, 000	82, 235, 000	82, 235, 000	82, 235, 000	+4, 038, 000			
Veterans' Administration									
Compensation and pensions	5, 890, 379, 000	6, 248, 000, 000	6, 248, 000, 000	6, 248, 000, 000	6, 248, 000, 000	+357, 621, 000			
Readjustment benefits	1, 656, 700, 000	1, 888, 700, 000	1, 888, 700, 000	1, 888, 700, 000	1, 888, 700, 000	+232, 000, 000			
Veterans' insurance and indemnities	[21] 5, 100, 000	[21] 6, 500, 000	6, 500, 000	6, 500, 000	6, 500, 000	+1, 400, 000			
Medical care	1, 941, 623, 000	[22] 2, 124, 647, 000	2, 244, 700, 000	2, 333, 700, 000	2, 307, 700, 000	+366, 077, 000	+183, 053, 000	+63, 000, 000	−26, 000, 000
Medical and prosthetic research	62, 684, 000	[23] 64, 707, 000	64, 707, 000	72, 707, 000	68, 707, 000	+6, 023, 000	+4, 000, 000	+4, 000, 000	−4, 000, 000
Medical administration and miscellaneous operating expenses	20, 161, 000	[24] 20, 252, 000	20, 252, 000	20, 252, 000	20, 252, 000	+91, 000			
General operating expenses	258, 130, 000	[25] 285, 110, 000	286, 450, 000	286, 450, 000	286, 450, 000	+28, 320, 000	+1, 340, 000		
Construction of hospital and domiciliary facilities	59, 000, 000	[26] 90, 418, 000	90, 418, 000	93, 418, 000	93, 418, 000	+34, 418, 000	+3, 000, 000	+3, 000, 000	
Grants for construction of State extended care facilities	7, 500, 000	8, 000, 000	8, 000, 000	8, 000, 000	8, 000, 000	+500, 000			
Grants to the Republic of the Philippines	2, 000, 000	2, 100, 000	2, 100, 000	2, 100, 000	2, 100, 000	+100, 000			
Payment of participation sales insufficiencies	6, 128, 000	5, 929, 000	5, 929, 000	5, 929, 000	5, 929, 000	−199, 000			
Loan guaranty revolving fund (limitation on obligations)	(350, 000, 000)	(350, 000, 000)	(350, 000, 000)	(350, 000, 000)	(350, 000, 000)				
Total, Veterans' Administration	9, 909, 405, 000	10, 744, 363, 000	10, 865, 756, 000	10, 965, 756, 000	10, 935, 756, 000	+1, 026, 351, 000	+191, 393, 000	+70, 000, 000	−30, 000, 000
Total, Space, Science, Veterans, and certain other independent agencies, title II	13, 870, 907, 000	14, 814, 840, 000	14, 868, 879, 000	15, 081, 194, 000	15, 002, 414, 000	+1, 131, 507, 000	+187, 574, 000	+133, 535, 000	−78, 780, 000
TITLE III—CORPORATIONS									
Department of Housing and Urban Development:									
College housing loans	(1, 074, 000)					(−1, 074, 000)			
Housing for the elderly or handicapped	(908, 000)					(−908, 000)			
Public facility loans	(1, 281, 000)					(−1, 281, 000)			
Revolving fund (liquidating programs)	(134, 000)					(−134, 000)			
Federal Housing Administration:									
Administrative expenses	(14, 615, 000)	[27] (16, 103, 000)	(15, 850, 000)	(15, 850, 000)	(15, 850, 000)	(+1, 235, 000)	(−253, 000)		
Nonadministrative expenses	(127, 842, 000)	[28] (148, 426, 000)	(148, 426, 000)	(148, 426, 000)	(148, 426, 000)	(+20, 584, 000)			
Government National Mortgage Association	(6, 600, 000)	(6, 600, 000)	(6, 600, 000)	(6, 600, 000)	(6, 600, 000)				
Federal Home Loan Bank Board;									
Interest adjustment payments	85, 000, 000	85, 000, 000	40, 000, 000	85, 000, 000	62, 500, 000	−22, 500, 000	−22, 500, 000	+22, 500, 000	−22, 500, 000
Administrative expenses	(7, 122, 000)	[29] (8, 247, 000)	(8, 000, 000)	(8, 247, 000)	(8, 123, 500)	(+1, 001, 500)	(−123, 500)	(+123, 500)	(−123, 500)
Nonadministrative expenses	(15, 776, 000)	[30] (16, 923, 000)	(16, 923, 000)	(16, 923, 000)	(16, 923, 000)	(+1, 147, 000)			

Footnote at end of tables.

COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD—SPACE—SCIENCE—VETERANS APPROPRIATION BILL, 1972 (H.R. 9382)—Continued

[Note—All amounts are in the form of appropriations unless otherwise indicated]

						Conference action compared with—			
Agency and item (1)	New budget (obligational) authority, fiscal year 1971 (*) (2)	Budget estimates of new budget (obligational) authority, fiscal year 1972 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)	New budget (obligational) authority, fiscal year 1971 (7)	Budget estimates of new budget (obligational) authority, fiscal year 1972 (8)	House bill (9)	Senate bill (10)
Federal Savings and Loan Insurance Corporation	($440,000)	($497,000)	($497,000)	($497,000)	($497,000)	(+$57,000)			
Total, new budget (obligational) authority, Title III	85,000,000	85,000,000	40,000,000	85,000,000	62,500,000	−22,500,000	−$22,500,000	+$22,500,000	−$22,500,000
Total, administrative and nonadministrative expenses, Title III	(175,792,000)	(196,796,000)	(196,296,000)	(196,543,000)	(196,419,500)	(+20,627,500)	(−376,500)	(+123,500)	(−123,500)
Total, all titles, new budget (obligational) authority	16,996,888,000	17,457,017,000	18,115,203,000	18,698,518,000	18,339,738,000	+1,342,850,000	[31] +882,721,000	+224,535,000	−358,780,000
Consisting of— Appropriations	16,996,888,000	17,457,017,000	18,115,203,000	18,698,518,000	18,339,738,000	+1,342,850,000	[31] +882,721,000	+224,535,000	−358,780,000
Grand total	16,996,888,000	17,457,017,000	18,115,203,000	18,698,518,000	18,339,738,000	+1,342,850,000	[31] +882,721,000	+224,535,000	−358,780,000

*1971 column includes all supplemental appropriations.

[1] Reflects increase of $1,020,000 in H. Doc. 92–93.

[2] Reflects increase of $837,000 in H. Doc. 92–93.

[3] Reflects increase of $358,000 in H. Doc. 92–93.

[4] Reflects increase of $897,000 in H. Doc. 92–93.

[5] Reflects increase of $54,000 in H. Doc. 92–93.

[6] Reflects increase of $191,000 in administrative expense limitation in H. Doc. 92–93.

[7] New item contained in H. Doc. 92–93.

[8] Reflects increase of $404,000 in H. Doc. 92–93.

[9] Reflects increase of $252,000 in H. Doc. 92–93.

[10] Reflects increase of $165,000 in H. Doc. 92–93.

[11] Reflects increase of $696,000 in H. Doc. 92–93.

[12] Reflects increase of $1,001,000 in H. Doc. 92–93.

[13] Reflects increase of $23,000 in H. Doc. 92–93.

[14] Reflects increase of $81,000 in H. Doc. 92–93.

[15] Reflects increase of $1,464,000 in H. Doc. 92–93.

[16] Reflects increase of $29,285,000 in H. Doc. 92–93.

[17] Reflects increase of $1,150,000 in the appropriation and in the limitation on program development and management in H. Doc. 92–93.

[18] Reflects increase of $244,000 in H. Doc. 92–93 which also contains increasing the travel limitation from $57,000 to $80,000.

[19] Reflects increase of $1,234,000 in H. Doc. 92–93.

[20] Reflects increase of $3,835,000 in H. Doc. 92–93.

[21] Plus $7,000,000 in 1971 and $8,000,000 in 1972 derived by transfer from veterans special life insurance fund.

[22] Reflects increase of $14,500,000 for reclassification of nursing assistants and $68,597,000 for increased pay costs in H. Doc. 92–93, and $13,800,000 in H. Doc. 92–133 for drug treatment units.

[23] Reflects increase of $2,707,000 in H. Doc. 92–93.

[24] Reflects increase of $751,000 in H. Doc. 92–93, and $300,000 in H. Doc. 92–133 for drug treatment units.

[25] Reflects increase of $13,200,000 in H. Doc. 92–93, and $5,660,000 in S. Doc. 92–24 for workload increases.

[26] Reflects increase of $418,000 in H. Doc. 92–93.

[27] Reflects increase of $803,000 in H. Doc. 92–93.

[28] Reflects increase of $7,026,000 in H. Doc. 92–93.

[29] Reflects increase of $347,000 in H. Doc. 92–93.

[30] Reflects increase of $723,000 in H. Doc. 92–93.

[31] Taking into account $850,000,000 in the budget as a proposed supplemental for special revenue sharing, or ½ year funding in certain housing and urban development programs, the bill is $32,721,000 over the budget estimates.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I am delighted to yield to my friend, the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

I would like to go back briefly over a few of the figures the gentleman has given.

Do I understand correctly that for the same general purposes last year, in the initial appropriation bill, there was appropriated $17,709,525,300?

Mr. BOLAND. Yes, the gentleman is correct.

Mr. GROSS. And this conference report calls for appropriations this year of $18,339,738,000, or an increase over the original 1971 appropriation of about $630 million?

Mr. BOLAND. The gentleman is correct.

Mr. GROSS. In round figures?

Mr. BOLAND. The gentleman is correct.

Mr. GROSS. That is a substantial increase over last year's spending.

Do I also understand correctly that several agencies or departments—or agencies, at least, of the Government, have since been dropped from consideration by this committee?

Mr. BOLAND. The gentleman is correct. A number of agencies have been dropped from this subcommittee. The natural question then arises: How come this bill is higher than it was for last year in view of the dropping of these agencies?

Mr. GROSS. That is my point.

Mr. BOLAND. Let me say to the gentleman from Iowa that for the Veterans' Administration alone the total over 1971 is $1,026,351,000.

For the National Science Foundation the appropriation for fiscal year 1972 is $622 million. This is $109 million above the amount provided for the National Science Foundation in 1971. A good deal of the increase is occasioned by what is known as the Mansfield amendment, which was adopted in the Senate. It requires the research and development carried on by particular agencies to be mission oriented. Any research and development that was not mission oriented was dropped from particular agencies, like the DOD, and was partially picked up by the National Science Foundation.

This accounts for the substantial increase in the amount for the National Science Foundation.

The Federal Communications Commission has an increase of $4,610,000 over the amount appropriated in 1971.

The amount for the Securities and Exchange Commission is $1,115,000 over the appropriation for 1971. The SEC has some particular problems and the House accepted the budget figure recommended by the OMB and the Senate followed in this area. The Selective Service System increase was $4,038,000 over 1971.

Those are some of the increases. The largest increase is for the Veterans' Administration.

If the gentleman from North Carolina (Mr. JONAS) has something to add, I will be delighted to yield to him.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman.

Mr. JONAS. I was interested in the response to the question by the gentleman from Massachusetts, but the conversation around me kept me from hearing his opening comments. Did the gentleman deal with the increases in the Veterans' Administration?

Mr. BOLAND. Yes.

Mr. JONAS. That is nearly $2 billion. The budget for 1972 was nearly $1.7 billion higher than it was in the original 1971 Appropriations Act for the Veterans' Administration and the conference report is nearly $2 billion more than was appropriated in the original 1971 act.

Mr. BOLAND. Yes, but that is not counting the supplementals that came to the committee after 1971.

Mr. JONAS. I might add since we are on this subject, for the information of the Members, about one-half billion dollars of the increase, over comparable amounts for 1971, in the Veterans' Administration are mandatory increases brought about the operation of the law that fixes pensions and compensations and readjustment benefits and that we had no options about them.

Mr. BOLAND. What the gentleman says is correct—the real increase in the budget for the Veterans' Administration comes close to $2 billion when compared to the original 1971 appropriation bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman.

Mr. GROSS. But, in view of the fact that there are certain uncontrollables, the committee and the conference should have cut back elsewhere in order to keep these expenditures somewhere in line in view of the fiscal situation of this country. How in the name of the Lord are we ever going to be able to deal with the financial situation which confronts the country if we are not going to cut back wherever we can—having, as the gentleman says, to appropriate for uncontrollables, including the care of veterans who are coming back from the war and that sort of thing? It seems to me that, somewhere, someone has to do something about this fiscal situation.

Mr. BOLAND. I could not agree with the gentleman more, but, as the gentleman knows, we are not the only body that appropriates for these particular activities. We got much better than a 50-50 split in the conference. As I have indicated, the Senate did add $583 million. We got them to back up by $358,780,000 with the result that this conference report is only $224,535,000 over the House recommendation. I would think that is a pretty good conference report.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman.

Mr. JONAS. I have asked the gentleman to yield because I want to respond also to the inquiry of the gentleman from Iowa.

There is another mandatory increase that makes this bill this year distorted in relationship to last year's.

The net housing subsidy payments in this bill are one-half billion dollars above the 1971 payments.

Now we did not authorize those programs, but we had to fund them. We cannot default on those guaranteed loans and on the subsidy payments because they are written into the law previously enacted.

So when you count these mandatory increases in subsidy payments of a little over one-half billion dollars and the mandatory increase of one-half billion dollars in the VA payments for compensation and readjustment benefits—those items that are out of our control—you will begin to see why the bill this year must be higher than last year's.

But, as the gentleman from Massachusetts says, there is another body—another branch of the Congress. When we had this bill in the House earlier in the year we were about $192 million below the budget—when you consider the $850 million proposed in the budget as a supplemental. When you add that amount, or take that into consideration, we were $192 million below the budget. But the other body increased our bill by $583 million and, as the gentleman from Massachusetts has pointed out, we got better than a 50-percent settlement in conference. You have to compromise when you are in conference with the other body.

Mr. BOLAND. I am delighted that the gentleman from North Carolina calls attention to the housing payments, which in this bill is a total of $1,373,800,000. I might add that next year the housing payments for contract authority payments that we have to pay under the contract for section 235 and section 236, for public housing and college housing, that item will not be $1,373,800,000. It will be substantially more than this amount next year.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I am delighted to yield to the gentleman from Missouri.

Mr. HALL. Mr. Speaker, I appreciate the gentleman's yielding. I want to compliment the conferees on the part of the House for at least staying within the Reorganization Act of 1970, and not only allowing the 3 legislative days to lapse before bringing the conference report up, but having the report printed and an analysis of the bill, so that the Members could study it, before calling it up for final action. Many of us appreciate this and, as far as I know, it is the first conference report on an appropriation bill that has not been brought up by unanimous consent this year prior to the 3 days of availability of the conference report in the hands of the Members under a unanimous consent request before it was actually called up on the floor.

Mr. BOLAND. I want to thank the gentleman from Missouri. Let me say that he helped us to achieve this result.

Mr. HALL. Second, Mr. Speaker, if the gentleman will yield further for one technical question, and that is why I rose when he explained that this conference report is only $224.5 million above the House-passed bill, I think the important thing for the Members to realize is that we must compare this year's apples with last year's apples—not old oranges. I feel certain the gentleman would agree with me—that that is true, but this conference report does not include the increases that have been going on concurrently in other branches or agencies that have now been taken out of this conference report, such as Treasury and Post Office, Agriculture, Environmental, part of the Public Works Appropriation, Treasury and Post Office, and if all those were figured, it would indeed be $3,154,000,000 over the House-passed bill (assuming that other House action on those parts now deleted from this subcommittee's jurisdiction have been written into law). Is that a true statement?

Mr. BOLAND. I have not checked the figures, but I am willing to accept the amount as stated by the gentleman from Missouri.

Mr. HALL. My figures indicate that, based upon your worksheet, and extrapolating out thereof the portion now removed from the jurisdiction of the distinguished gentleman's subcommittee; and while running down those which have been removed, I understood the gentleman to mention Selective Service. Was I in error, or was it the General Services Administration?

Mr. BOLAND. We still have the Selective Service in this subcommittee and, as I indicated to the gentleman from Iowa, the increase for that agency is $4,038,000 over last year.

Mr. HALL. Mr. Speaker, my question is, in view of the letters that all Members have been receiving about the consolidation across county lines and in the various States of Selective Service in the interest of cost economy, why is there this increase, especially with the wind-down of the war and these consolidations, plus Dr. Curtis Tarr's well-documented claim for more and more office economies in Selective Service?

Mr. BOLAND. As the gentleman so well knows, because the authorizing legislation comes out of his legislative committee, there will be no consolidation of draft boards in the Nation. This comes, I understand it, as a result of the amendments which were offered on the floor of the House, particularly the amendment offered by the gentleman from Georgia, Mr. Brinkley. We have been informed by Dr. Tarr that this prevents the colocation of draft boards. Consequently, this is one reason why there is an increase in the Selective Service budget and why there has been no reduction.

Mr. HALL. Mr. Speaker, I have "news" for the gentleman from Massachusetts and the gentleman from Georgia. They are going ahead, but I understand the gentleman's logical position, and I thank the gentleman for yielding.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Speaker, I commend the committee for their initial work and, of course, for carrying on the conference on establishing funds for the Veterans' hospitals for treating the drug problems.

Mr. Speaker, today we had testimony in my Public Health and Environment Subcommittee on the drug situation that the Defense Department, after all their talk about the amnesty program and after 8,000 men have turned themselves in, some 3,500 have been arrested. 12,000 men have said they need treatment for durg addiction, but the Defense Department has as of July referred three to the Veterans' Administration for treatment.

Mr. BOLAND. Just three servicemen?

Mr. ROGERS. Three servicemen, an unbelievable figure. This shows, I think, the fact that the Defense Department is not on top of the problem and does not realize the intent of the Congress in having treatment given to these men and doing something about the problem.

I would hope the gentleman's committee, along with our committee, and the Veterans' Affairs Committee, will look into the matter and get the Department to go ahead and comply with the intent of the Congress.

Mr. BOLAND. I am sure this would be the thinking and position of the legislative committee under the able chairmanship of our colleague, the gentleman from Texas (Mr. Teague) and the ranking minority member, the gentleman from California (Mr. Teague).

Mr. ROGERS. I thank the gentleman for yielding.

Mr. BOLAND. Mr. Speaker, I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Speaker, I will not take the 30 minutes. In fact, I have no requests for time. I had planned to take 10 or 15 minutes myself but all the points I would have made have been brought out in the various colloquies that have already occurred. I will sort of wrap up what was said during those colloquies just by way of summary.

This conference report recommends substantially more money than the total amount appropriated last year, as has already been indicated, but we have explained that a billion dollars of that increase is in the Veterans' Administration and over half of that is for uncontrollable items. It has already been said that this conference report proposes appropriations which will result in a net increase of $32,721,000 above the budget. Here again that is brought about by reason of substantial increases in the Veterans' Administration program. The conference report is $224,535,000 above the House bill, but it is $358,780,000 below the Senate bill.

All Members who have attended conferences with the other body are aware of the fact that the conferees on neither side can have their way all of the time. There has to be give and take. I think we came out of the conference ahead, because we were able to obtain more concessions from the other body's conferees than we were required to give up ourselves. I think this is a good conference report. It represents a great deal of hard work. I join the gentleman from Massachusetts in urging its adoption.

Mr. FULTON of Pennsylvania. Mr. Speaker, I support the conference report on H.R. 9382 which appropriates funds for the National Aeronautics and Space Administration for fiscal year 1972. I have studied the conference report carefully. The final report provides for the continued growth of our U.S. space program. I wish to commend the conferees on the part of the House for the competent work they have done on the fiscal year 1972 NASA appropriation.

The committee of conference agrees to a final fiscal year 1972 appropriation level of $3,298,035,000. This budget total includes $2,522,700 for research and development, $52,700,000 for construction of facilities and $722,035,000 for administrative expenses.

The Congress must realize that the budget which was approved for this fiscal year is financially constraining. A number of new programs are being initiated. But a greater number are being postponed. Many of the programs postponed would provide immediate return to the American taxpayer in the form of better communications, more accurate weather forecasting, and other similar services. But the NASA program for this year will provide for a careful balance between dollars invested and benefits received.

The research and development effort within NASA includes the specific program activity. One of the major efforts is the Apollo program. The Apollo missions are now transitioning from proving the feasibility of extraterrestrial travel and the development of moon landing techniques to more formal lunar research and experimentation.

The Apollo 15 mission which was launched on July 26, 1971, is the most sophisticated of any of the Apollo missions attempted. The mission continues to go well as the astronauts prepare for insertion into lunar orbit later today, July 29. The minor problems which might be expected to occur in a piece of equipment as sophisticated as the Apollo 15 spaceship apparently have been solved. It is testimony to the dedicated and highly skilled personnel of NASA and our space program that the Apollo 15 vehicle with its 2 million individual parts and components is able to perform with such reliability and precision.

The 12-day Apollo 15 mission, launched on July 26, 1971, will carry out the fourth U.S. manned exploration of the moon. The mission will—

Double the time and extend tenfold the range of lunar surface exploration as compared with earlier missions;

Deploy the third in a network of automatic scientific stations;

Conduct a new group of experiments in lunar orbit; and

Return to earth a variety of lunar rock and soil samples.

Scientists expect the results will greatly increase man's knowledge both of the moon's history and composition and of the evolution and dynamic interaction of the sun-earth system.

This is so because the dry, airless, lifeless moon still bears records of solar radiation and the early years of solar system history that have been erased from earth. Observations of current lunar events also may increase understanding of similar processes on earth, such as earthquakes.

The Apollo 15 lunar module will make its descent over the Apennine Peaks, one of the highest mountain ranges on the moon, to land near the rim of the canyonlike Hadley Rille. From this Hadley-Apennine lunar base, between the mountain range and the rille, Comdr. David R. Scott and lunar module pilot James B. Irwin will explore several kilometers from the lunar module, driving an electric-powered lunar roving vehicle for the first time on the moon.

Scott and Irwin will leave the lunar module for three exploration periods to emplace scientific experiments on the lunar surface and to make detailed geologic investigations of formations in the Apennine foothills, along the Hadley Rille rim, and to other geologic structures.

The three previous manned landings were made by Apollo 11 at Tranquillity Base, Apollo 12 in the Ocean of Storms and Apollo 14 at Fra Mauro.

The Apollo 15 mission should greatly increase the scientific return when compared to earlier exploration missions. Extensive geological sampling and survey of the Hadley-Apennine region of the moon will be enhanced by use of the lunar roving vehicle and by the improved life support systems of the lunar module and astronaut space suit. The load-carrying capacity of the lunar module has been increased to permit landing a greater payload on the lunar surface.

Additionally, significant scientific data on the Earth-Sun-Moon system and on the Moon itself will be gathered by a series of lunar orbital experiments carried aboard the Apollo command/service modules. Most of the orbital science tasks will be accomplished by Command Module Pilot Alfred M. Worden, while his comrades are on the lunar surface.

During their first period of extravehicular activity—EVA—on the lunar surface, Scott and Irwin will drive the lunar roving vehicle to explore the Apennine front. After returning to the LM, they will set up the Apollo lunar surface experiment package—ALSEP—about 300 feet west of the LM.

Experiments in the Apollo 15 experiment package are: Passive seismic experiment for continuous measurement of moonquakes and meteorite impacts; lunar surface magnetometer for measuring the magnetic field at the lunar surface; solar wind spectrometer for measuring the energy of solar protons and electrons reaching the moon; detectors for measuring the density of solar winds; gages, for measuring variations in the thin lunar atmosphere; and the heat flow experiment to measure heat emanating from beneath the lunar surface.

A suitcase-size device—called the lunar communications relay unit—for the first time will allow the crew to explore beyond the lunar horizon from the lunar module and still remain in contact with earth. The communications unit relays two-way voice, biomedical information and television signals from the lunar surface to earth. Additionally, the unit permits earth control of the television cameras during the lunar exploration.

The Apollo 15 will land on the moon on Friday July 30. The lunar module will remain on the surface about 67 hours. Splashdown will be on Saturday, August 7th in the North Central Pacific, north of Hawaii.

The two remaining Apollo missions, 16 and 17 will be flown in 1972. Apollo 16 in the spring of 1972 and Apollo 17 in December 1972, are the most sophisticated and comprehensive of the entire series. A whole new array of exploration procedures and instrumental concepts open new opportunities for research on the moon to scientists from all over the world. Eighteen new experiments have been selected to fly in the Apollo 15 through 17 missions. Changes in the lunar module—LM—and surface hardware will allow the astronauts to remain on the lunar surface for up to 66 hours; the landed scientific payload will be doubled to approximately 1,000 pounds; and the range and efficiency of surface operations will be increased through improved suit mobility, improved life support system, and a lunar roving vehicle.

In addition to increased surface science, changes are being made to add nearly 1,000 pounds of cameras, other remote sensing scientific equipment, and additional consumables to the command and service modules—CSM—to increase the capability to study the moon from orbit. Findings from the widely separated landings can then be tied together and fitted into a total picture of the moon.

Similar to Apollo 15, the Apollo 17 mission will deliver a small, self-powered subsatellite to lunar orbit to monitor the variation of magnetic fields and interplanetary charged particle streams in the vicinity of the moon to determine the electrical body properties of the moon and infer internal physical characteristics.

Of particular interest in these last missions is the increased surface mobility which will be provided to the astronauts by the lunar roving vehicle.

This vehicle will significantly increase the mobility and range of the astronauts. It can carry both astronauts plus 100 pounds of instruments for exploration and the collected surface samples. A wide variety of samples will be collected during each of the three EVA's per mission to make a better assessment of the landing sites.

A lunar sounder and lunar seismic profiling experiments will be flown on Apollo 17. Data analysis from Apollo 12 implies that moonquakes, equivalent to earthquakes generated by slippage, always appear to slip in the same direction. This is very likely caused by a source of strain accumulating within the moon and being released by the additional tidal forces that occur at the time of close earth-moon proximity. At present we can only speculate as to the source of strain. Further data from the lunar seismic profiling experiment may provide a clearer insight into this phenomenon.

The lunar sounder, a radio sounding device, will be used to probe geological substrata from high altitude. It has a long development time and would not have been available for earlier flight schedules. The device is similar to radar in its transmission of a signal and sensing the return from the target area. However the use of multiple frequencies and their known penetration variations make it possible to extrapolate the density and makeup of the subsurface.

The Skylab program is a further major effort within NASA's Research and Development activity.

The Skylab project is now in an advanced state of development. The flight phase will commence early in 1973 with the unmanned launch of the workshop. Operations will begin 1 day later when the first of three crews will rendezvous and dock with this workshop in an Apollo command and service module launched on a Saturn IB vehicle. The workshop consists of laboratories, work areas, control stations, living quarters, earth sensors and a solar observatory, and will be used to perform over 50 experiments for which over 2,200 astronaut hours have been allocated. This is more than three times the amount available in all prior U.S. manned earth orbital missions. Four areas of experiment activity are of particular importance: earth science, astronomy and space physics, space medicine, and engineering and manufacturing technology.

Earth sciences activity will include photography of the earth for use in studies of crop health and distribution, land use, forestry, meteorology, air and water pollution, mineral resources, geography, water management, oceanography, and population growth. One of the mission improvements made possible by the decision to shift from the Saturn IB to the Saturn V launch vehicle was to raise the orbital inclination to give earth survey coverage between 50 degree latitude North and South. This orbit covers some 75 percent of the globe, including 80 percent of food producing areas, and 90 percent of the population. Skylab earth sensing instruments will complement those that will be flying a polar orbit in the earth resources technology satellite—ERTS—at about the same time and will permit coordinated measurements of the same area by different systems. Aircraft and ground measurements of space test sites both in the United States and countries cooperating in this activity will also be made for purposes of calibrating and interpreting the data from the workshop and ERTS.

The initial manned mission will be primarily directed toward the accomplishment of medical experiments related to providing assurance for the well-being of astronauts during the three Skylab missions. Other areas of focus will be the solar astronomy, earth resources, and technical experiments which will be conducted concurrently with the medical activity. This mission is planned to last up to 28 days, beginning with the launch of the manned flight. The crew, before leaving, will prepare the workshop for an unmanned period of 2 months, during which it will be maintained in a semiactive condition.

The second manned mission will be launched approximately 3 months after the first manned launch. This revisit mission is planned for a duration of up to 56 days. The mission will reoccupy the Skylab workshop and gather much greater amounts of data from medical, technical, scientific, earth resources, and solar astronomy experiments, with the focus on these latter two areas. The third and final crew will be launched approximately 3 months after the second manned launch. This mission is also planned for a duration of up to 56 days from launch. Again, the crew's activities will emphasize the scientific and applications objectives of the experiments.

One of NASA's most important programs is the space shuttle. The Committee of Conference offered its strong endorsement of this effort.

The space shuttle is significant because it is the key to economical space operations. The shuttle vehicle is a reusable space transportation system that will revolutionize present-day space operations by furnishing airline-type accessibility to space at low operational cost.

Two major sources of cost reduction are associated with the use of the shuttle system. In addition to the substantial operational savings generated by reusable hardware, there are significant economies to be realized in the payload area due to relaxed weight and volume constraints, capability to return payloads and in-flight checkout of payloads.

The shuttle is planned as a two-stage vehicle which will possess an all azimuth capability and have an operational availability such that it can be launched on short notice. It will take off vertically under rocket power with the booster accelerating the orbital stage to the outer fringe of the earth's atmosphere where separation will occur. The booster will then decelerate and cruise to a designated landing field and land horizontally. The orbiter will proceed to orbit, powered by its own rocket engines, to deliver its payload and perform its assigned mission. After spending up to 7 days in orbit, the orbiter will re-enter and return to a conventional airport runway and also land horizontally. After a short turnaround period of approximately 2 weeks both shuttle stages will be ready for another mission.

The shuttle will be designed for 100 or more flights with a minimum of ground maintenance. Payload transportation will be similar to commercial airline practice. The orbiter will contain a large compartment of about 10,000 cubic feet to accommodate a varying payload mix of satellites, passengers, and cargo. In a passenger mode, 10 people plus a crew of two can be accommodated. Moderate G loads and a shirt sleeve environment will allow average people in good health to fly into space without extensive flight training.

Once developed, the shuttle can replace essentially all the present day launch vehicles except for very small vehicles of the Scout class, and the very large Saturn V. Its low operational cost and its versatile capability can accomplish a variety of missions including transportation to and retrieval of satellites from low earth orbit, visiting orbiting satellites for periodic servicing, delvery of propulsive stages and payloads for high energy missions to low earth orbit, short duration science and applications missions, serving as a space research laboratory, and the transportation of personnel and cargo to space stations in low earth orbit.

The shuttle vehicle consists of a fully reusable booster and orbiter each using high pressure liquid oxygen/liquid hydrogen fueled rocket engines for propulsion. The shuttles payload capability will range from 25,000 to 65,000 pounds depending on altitude, inclination, and orbiter configuration.

The fiscal year 1972 program provides for detailed design and development on the engine—the longest leadtime component of the shuttle. It also provides for proceeding on an orderly step-by-step basis with the shuttle airframe design. This effort may lead to detailed design or initiation of development depending on the progress of studies now underway.

Two concurrent definition studies are underway for the vehicle to provide data upon which to select configurations that can be carried forward with the design phase. Supplemental feasibility studies of alternate vehicle concepts are also being conducted.

In fiscal year 1972 vehicle definition will be advanced by wind tunnel testing to define the precise aerodynamic heating, launch aerodynamics, staging separation forces, re-entry stability and control characteristics, and atmospheric propulsion effects. Dynamics testing will proceed to determine wind loads, vehicle flutter effects, and the acoustic environment which will exist. Design of long leadtime hardware and subsystems, test devices and tooling fixtures will be performed.

The program specifically earmarked for additional funding by the Committee of Conference was the very important NERVA effort. NERVA is the nuclear space propulsion and transportation system for use in carrying space payloads from close earth to deep earth orbits and beyond.

Space is one of the most appropriate arenas for the application of nuclear energy. In the long run, nuclear fuel is the only source of energy compact and long-lived enough, and with sufficient performance potential, to make feasible extended trips to the vast reaches of space or to provide the power for extended and large-scale operations in deep space, on the moon, the planets, or in orbit. For the near term, we have established the technology for using nuclear energy in space for a wide range of mission applications that represent reasonable extensions of our current programs. In fact, we have already seen concrete examples of the advantages of nuclear energy in the use of isotope power supplies for the Nimbus III satellite and the Apollo lunar surface experiment packages.

One important contribution of nuclear energy will be in space propulsion as represented by the NERVA engine. The U.S. began working on nuclear rocket research and technology in 1955 and has continued the program through years of hard work to establish a sound technological basis for the development of the NERVA engine, the first nuclear propulsion system.

The technology we have established is impressive. We have developed a reactor that can operate for long times at temperatures over 4,000° F. while heating hydrogen at a rate of 3 tons per minute in a reactor not much larger than an office desk. Problems of starting, stopping, and throttling have been solved and we know how to build all the components of a useful propulsion system.

There is an aspect of the NERVA engine that seems most important. This propulsion system is flexible and widely useful. Basically, one type of engine can perform manned or unmanned missions near earth, to the moon and into deep space. It is adaptable to many booster configurations and will work well with systems launched with the space shuttle. NERVA development was initiated and continued because of our deeply rooted confidence in this technology and in its utility for a broad range of missions.

The very high performance of NERVA will make possible great flexibility in the selection, operation, and economy of future space missions. The introduction of the NERVA propulsion system into operational use will for the first time make practically available the power of the atom for space propulsion. As time goes on, the energy of the atom will lead to even greater advancements in space propulsion and power; ideas that are currently only in the conceptual stage show great promise for future generations of space propulsion and power. It is vital to proceed with the NERVA program.

NASA's second major category of activity is the construction of facilities program. One of the vital efforts within this category is the Visitor's Information Center at the Kennedy Space Center.

The master plan for the improved center proposes new construction, rehabilitation and improvements to existing facilities, and general improvements to the site and ancillary utilities, over a period of years in three phases at an estimated cost of $10.0 million. The first phase envisioned by this project involves the construction of a Reception and Exhibit Building; a Hall of History Building; modifications and improvements to existing facilities; and improvement to existing site utilities, at an estimated cost of $2,330,000.

The existing Center was authorized in fiscal year 1964 by the Congress. Because of limited funds made available at that time only temporary, prefabricated structures could be erected. Some improvements have been made over the years using funds derived from revenues collected from the visiting public. However, again because of limited funds, these improvements have been minimal.

To improve public understanding of our national space effort, a review of the requirement for an improved public information and education outlet at the Kennedy Space Center was conducted. The review concluded that the existing facility is inadequate not only to meet the existing visitor load, but will be grossly inadequate to meet the anticipated increase in visitor load which will be caused by the opening of Disney World East later this year.

I consider that a more appropriate and modern complex should be available to the general public for informational and educational purposes. Millions of people have visited this facility and it appears that with the opening of Disney World East in Orlando later this year, an additional 600,000 persons will visit the Center annually. Improved facilities could contribute a great deal to a better public understanding and appreciation of the space program.

I emphasize that this facility is a profitmaking undertaking. In fact, the distribution of gross profits from the present Center based upon operation between May 1, 1968, through April 30, 1971, resulted in direct payment to the Treasury of the United States of $163,403. The present facility is inadequate to handle the number of persons visiting the Cape area. The existing facility was designed to accommodate 3,000 persons on a daily basis. By contrast, the daily average visitor load to the information center in 1970 was 5,500 people. In fact, the peak for a single day was 15,000 persons which represented a severe strain on the Center.

With the proximity of Disney World East, the Center is expected to attract a minimum of 5 million people annually. The visitor load is therefore expected to reach between 12,000 and 15,000 persons per day in 1972. To meet this anticipated increase in visitor load a new and expanded facility will be required.

The third of the three major NASA program categories is research and program management—administrative expenses. The major portion of money within this category is allocated for personnel salaries. The administration request provided for a NASA-wide reduction in manpower of 1,500 personnel. This corresponded to a cut of approximately 5 percent of NASA's total personnel. This reduction represents a major decrease in manpower and one which cuts deeply into key scientific and technical personnel. The appropriation level finally approved by the committee of conference corresponds to the budget level authorized in the NASA authorization conference report. No further manpower cuts will therefore be required beyond those proposed in the original administration request.

Mr. Speaker, I consider that the committee of conference has agreed to a good conference report. This report for the fiscal year 1972 appropriation represents one that should be supported by our members. This bill will maintain the strength of the United States in space.

Mr. JONAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. ZWACH).

Mr. ZWACH. Mr. Speaker, in considering the conference report on H.R. 9382, HUD, space-science appropriations, I want to commend the House-Senate conferees for maintaining increased funding for veterans' medical care in order to maintain the average daily patient load at 85,500.

The demands for hospitalization of our returning Vietnam veterans and those of our other wars are at an all-time high.

The fulfillment of our commitment to our veterans is a time-honored obligation and we must provide the necessary funds to assure that we honor these commitments.

Mr. JONAS. Mr. Speaker, I have no further requests for time.

Mr. BOLAND. Mr. Speaker, before I move the previous question on the conference report, I want again to indicate to the House that there are no items in disagreement on this conference report. As a result, there will be no further motions offered when the previous question is moved and adopted. All of the amendments are covered by the conference report. The question will be on the passage of the bill.

Mr. HILLIS. Mr. Speaker, I would like to commend the Senate and House conferees for H.R. 9382, containing the Veterans' Administration appropriations for fiscal year 1972. In the Veterans' budget, the conferees had the foresight to raise the amounts budgeted for construction of veterans hospital and living facilities by $3 million more than allowed in the House bill. The managers also added $63 million for veterans medical care, agreeing that a minimum objective of 97,500 operating beds and average daily patient load of 85,000 must be met. Another $4 million was added to the House bill for medical and prosthetic research.

This appears to be just another indication of the strong commitment in Congress to help our former fighting men when health troubles strike and to show our deep appreciation for the services these men have rendered to the United States, whether in the past year or 50 years ago. An investment in the health of our veterans is also an investment in the health of our Nation—this research can be shared with all the country's health institutions, and by providing hospital facilities for this group, Congress relieves to some degree the workload on other hospitals.

I am sure the many veterans from Indiana who write my office daily expressing the need for such medical assistance would like to express their appreciation to the committee managers for their actions. So I will say "Thank you, gentlemen," for them.

Mr. McDADE. Mr. Speaker, I rise in support of the conference committee report on H.R. 9382. As in all such conference reports, there are are areas of agreement and disagreement, some of which are resolved and some of which remain. However, I believe this bill is one which deserves the support of every Member of this House. I would like to call your attention to one change which has concerned me greatly during consideration of this bill.

Last month, when the House first considered this bill, I expressed my regret that the limitation requiring local matching funds for the Federal share of HUD's open space land program was retained at 50 percent. This 50–50 matching fund, similar to the Interior Department's land and water conservation fund's program, does not insure the quick action necessary to encourage the development of urban green areas and neighborhood parks. I expressed the hope then, as I do now, that this program could be 100 percent federally funded. The committee has wisely agreed to increase the Federal contribution to 75 percent and I heartily commend them for it. This is a positive step toward making this most worthy program a 100 percent federally funded program. While I greatly appreciate the action of the conference in increasing this Federal share, I intend to continue to work for a 100 percent Federal share in the very near future.

Mr. Speaker, this is a most comprehensive and important piece of legislation. I urge its adoption by the House.

Mr. BOLAND. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. DELLENBACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 363, nays 30, answered "present" 1, not voting 39, as follows:

[Roll No. 215]

YEAS—363

Abbitt
Abernethy
Abourezk
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Archer
Ashley
Aspin
Aspinall
Badillo
Baker
Barrett
Begich
Bell
Bennett
Bergland
Betts
Bevill
Biaggi
Biester
Bingham
Blanton
Blatnik
Boland
Bolling
Brademas
Brasco
Bray
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Byrne, Pa.
Byrnes, Wis.
Byron
Cabell
Caffery
Carney
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clay
Cleveland
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Culver
Daniel, Va.
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Denholm
Dent
Dickinson
Dingell
Dorn
Dow
Dowdy
Downing
Drinan
Dulski
Duncan
du Pont
Dwyer
Eckhardt
Edmondson
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Garmatz
Gaydos
Gettys
Giaimo
Gibbons
Goldwater
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Grover
Gubser
Gude
Haley
Halpern
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Harvey
Hastings
Hathaway
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hillis
Hogan
Holifield
Horton
Hull
Hunt
Ichord
Jacobs
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kazen
Keating
Kee
Keith
Kemp
King
Kluczynski
Koch
Kuykendall
Kyl
Kyros
Leggett
Lennon
Lent
Link
Lloyd
Long, Md.
Lujan
McClory
McCloskey
McClure
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKay
McKevitt
McKinney
McMillan
Macdonald, Mass.
Madden
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mikva
Miller, Calif.
Miller, Ohio
Mills, Ark.
Mills, Md.
Minish
Mink
Minshall
Mitchell
Mizell
Mollohan
Monagan
Moorhead
Morgan
Morse
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Hara
O'Konski
O'Neill
Passman
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pirnie
Podell
Poff
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Pryor, Ark.
Pucinski
Purcell
Quie
Quillen
Randall
Rangel
Rees
Reid, N.Y.
Reuss
Rhodes
Riegle
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
St Germain
Sarbanes
Satterfield
Scherle
Scheuer
Schwengel
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Spence
Springer
Stafford
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Wis.
Stokes
Stratton
Stubblefield
Sullivan
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Terry
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Udall
Ullman
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Wampler
Ware
Watts
Whalen
Whalley
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Young, Fla.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—30

Ashbrook
Bow
Camp
Clancy
Clawson, Del
Collier
Collins, Tex.
Colmer
Crane
Dellenback
Dennis
Derwinski
Devine
Eshleman
Findley
Goodling
Gross
Hall
Hutchinson
Landgrebe
Latta
Michel
Montgomery
Robinson, Va.
Sandman
Schmitz
Schneebeli
Scott
Snyder
Steiger, Ariz.

ANSWERED "PRESENT"—1

Reid, Ill.

NOT VOTING—39

Anderson, Tenn.
Arends
Baring
Belcher
Blackburn
Boggs
Carey, N.Y.
Carter
Dellums
Diggs
Donohue
Edwards, La.
Esch
Flynt
Fraser
Gallagher
Gray
Hagan
Hosmer
Howard
Hungate
Jones, Tenn.
Landrum
Long, La.
McCulloch
Mathis, Ga.
Poage
Railsback
Rarick
Ryan
Saylor
Sisk
Stephens
Stuckey
Symington
Thompson, Ga.
Van Deerlin
Wiggins
Yatron

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Boggs with Mr. Arends.

Mr. Carey with Mr. Railsback.

Mr. Anderson of Tennessee with Mr. Carter.

Mr. Sisk with Mr. Hosmer.

Mr. Stuckey with Mr. Blackburn.

Mr. Jones of Tennessee with Mr. Belcher.

Mr. Mathis of Georgia with Mr. Thompson of Georgia.

Mr. Gray with Mr. Esch.

Mr. Gallagher with Mr. Saylor.

Mr. Flynt with Mr. Wiggins.

Mr. Stephens with Mr. Long of Louisiana.

Mr. Fraser with Mr. Dellums.

Mr. Van Deerlin with Mr. Diggs.

Mr. Hagan with Mr. Rarick.

Mr. Hungate with Mr. Baring.

Mr. Yatron with Mr. Ryan.

Mr. Donohue with Mr. Edwards of Louisiana.

Mr. Symington with Mr. Landrum.

Mr. KUYKENDALL and Mr. LENT changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT ON H.R. 9667, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1972

Mr. McFALL. Mr. Speaker, I call up the conference report on the bill (H.R. 9667) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1972, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Speaker, reserving the right to object, I do so to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. YATES. I intend to make a point of order against amendment No. 5, which will be considered for a separate vote. At what point shall I make that point of order?

The SPEAKER. When the amendment is presented.

Mr. YATES. I thank the Chair.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 26, 1971.)

Mr. McFALL (during the reading). Mr Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. Under the rule, the gentleman from California, (Mr. McFALL) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California.

(Mr. McFALL asked and was given permission to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, the conferees have brought back a bill which has a total amount of new obligational authority of $2,905,310,997.

Although the conference agreement is $44,983,000 more than the budget estimates from 1972, it is $79,309,608 less than the appropriations provided for similar activities last year.

The bill is $171,941,000 more than when it left the House. Most of this increase, however, is for three items, two of which were not considered by the House. The three largest increases included over the House bill are: $58,500,000 to repay the airlines for their contribution to the SST development program; $49,800,000 in additional funds for facilities and equipment for the Federal Aviation Administration; and $25,000,000 for high-speed ground transportation research and development.

The $58.5 million to repay the airlines was not considered by the House on July 14 when we originally passed the Transportation appropriations bill, and these funds are not part of the conference report. After the vote on the conference report, I will offer a separate motion with respect to repayment of the airlines. At that time the House will be given an opportunity to vote on this item. I believe, as did a large majority of the conferees, that the airlines should be repaid.

There is an additional $49.8 million in the bill for facilities and equipment for the FAA. All of these increased funds are earmarked for additional control towers and airport surveillance radars. As stated in the conference report, the conferees are very concerned about the rate at which the new equipment is being installed and placed into operation by the FAA. This is a matter which we intend to look into in much greater detail prior to our next hearings with the FAA.

The third item is the $25 million included for high-speed ground transportation research and development. This item was not included when the House considered the bill because the authorizing bill had not passed the House. The Senate included funds for this program, and it was the feeling of the conferees that unless some provision was made for the program, it would not have been able to continue after the enactment of this bill, at least for the time until the authorizing legislation became law.

In summary, the bill includes a total of $102,602,000 for the Office of the Secretary of Transportation. The major item under this office is the repayment to the airlines which we will consider after the adoption of the conference report.

With respect to the 15 additional positions allowed for this Office, the conference report directs that none of these shall be for the Office of Consumer Affairs or for the regional representative program. It is my feeling that this prohibition should also apply to the cargo security program until that program is justified to the House Appropriations Committee. In providing no funds for the Office of Consumer Affairs and the regional representatives, the conferees intended that these activities be held at the House level and not be supplemented by additional personnel from the operating administrations or other activities within the Office of the Secretary.

For the Coast Guard the conference agreement would provide a total of $694,059,997 which is $4,100,000 more than provided by the House and $5,000,000 less than the amount proposed by the other body.

There were three items in conference pertaining to the Federal Aviation Administration. The first was facilities and equipment which I have previously discussed. With respect to the second item, research and development, the House position was maintained. The third item in disagreement was the Federal payment to the airport and airway trust fund. For this item, the bill includes a total of $580,744,000. This amount should provide for a $248 million reserve in the trust fund for future payments to liquidate airport development grants.

The bill includes $35,729,000 in new obligational authority and $4,733,093,000 in liquidating cash for the Federal Highway Administration. It was the intention of the conferees that the additional funds allowed for salaries and expenses should provide for nine positions over the House bill. With respect to the forest highways and public lands highways programs, the bill includes language which makes highway trust funds available to liquidate obligations incurred against amounts authorized for prior years and remaining unobligated at July 1, 1971.

This is in amendment No. 22, and I am advised that the Committee on Public Works of the House is going to oppose this. It is obviously legislation on an appropriation bill, and although it is not subject to a point of order, it must come back in disagreement, and, of course, the House will have an opportunity to decide this matter. The Committee on Public Works of the House will present their case to you for not doing this. It was suggested by the Office of Management and Budget, and, of course, I believe you will listen very carefully to what the House Committee on Public Works says.

The gentleman from Illinois (Mr. KLUCZYNSKI) is down here in front, and I know he will state his case to the House.

The major item in disagreement with respect to the Highway Safety Administration was the alcohol safety action program. It was the intention of the conferees that the number of new demonstration projects added by the Senate be reduced in proportion to the reduction in funds. Such an allocation was also intended with respect to the new positions.

For the Federal Railroad Administration, most of the differences between the two bills were evenly divided. The total in the bill for this Administration is $43,186,000. This includes an additional 17 positions for the Office of the Administrator, and 10 for the Bureau of Railroad Safety.

No increase over the House bill is included for administrative expenses of the Urban Mass Transportation Administration. Research and development funds total $65 million, which is an even split between the House and Senate bills. The language which was added to the House bill earmarking funds for subway safety research has been deleted. The Mass Transportation Administration indicated that this language was not necessary, since they intend to spend at least $3 million in this area.

In title II there was only one item in disagreement, that was the Interstate Commerce Commission. The conference agreement, for this item, includes $30,640,000, which is the same as the House bill.

Mr. Speaker, I urge that the conference report be agreed to. The following table gives the figures in detail:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1972

Item	New budget (obligational) authority fiscal year 1971 (enacted to date)	Budget estimate of new (obligational) authority, fiscal year 1972	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action	Conference action compared with—			
						New obligational authority 1971	Budget estimate 1972	House bill	Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TITLE I—DEPARTMENT OF TRANSPORTATION									
Office of the Secretary									
Salaries and expenses	$18,735,000	$22,342,000	$21,342,000	$22,342,000	$21,592,000	+$2,857,000	−$750,000	+$250,000	−$750,000
Transportation planning, research, and development:									
Appropriation	14,500,000	24,600,000	17,500,000	24,600,000	19,500,000	+5,000,000	−5,100,000	+2,000,000	−5,100,000
By transfer		(6,500,000)	(6,500,000)	(6,500,000)	(6,500,000)	(+6,500,000)			
Transportation research activities overseas (special foreign currency program)		500,000	500,000	500,000	500,000	+500,000			
Grants-in-aid for natural gas pipeline safety	500,000	1,000,000	500,000	1,000,000	750,000	+250,000	−250,000	+250,000	−250,000
Consolidation of departmental headquarters	4,845,000	2,000,000	1,500,000	1,760,000	1,760,000	−3,085,000	−240,000	+260,000	
Civil supersonic aircraft development	[1] 157,500,000	(2)				−157,500,000			
Civil supersonic aircraft development termination	97,300,000	[2] 58,500,000	(3)	58,500,000	58,500,000	−38,800,000		+58,500,000	
Total, Office of the Secretary	293,380,000	108,942,000	41,342,000	108,702,000	102,602,000	−190,778,000	−6,340,000	+61,260,000	−6,100,000
Coast Guard									
Operating expenses	446,000,000	477,838,000	475,000,000	475,000,000	475,000,000	+29,000,000	−2,838,000		
Appropriation for debt reduction	−137,063	−143,003	−143,003	−143,003	−143,003	−5,940			
Subtotal, operating expenses	445,862,937	477,694,997	474,856,997	474,856,997	474,856,997	+28,994,060	−2,838,000		
Acquisition, construction, and improvements	94,000,000	96,682,000	96,682,000	101,682,000	97,682,000	+3,682,000	+1,000,000	+1,000,000	−4,000,000
Alteration of bridges		3,000,000	7,150,000	9,750,000	9,750,000	+9,750,000	+6,750,000	+2,600,000	
Retired pay	65,850,000	71,371,000	71,371,000	71,371,000	71,371,000	+5,521,000			
Reserve training	25,900,000	10,544,000	25,900,000	25,900,000	25,900,000		+15,356,000		
Research, development, test, and evaluation	9,500,000	17,622,000	14,000,000	15,500,000	14,500,000	+5,000,000	−3,122,000	+500,000	−1,000,000
Oil pollution fund	20,000,000					−20,000,000			
Total, Coast Guard	661,112,937	676,913,997	689,959,997	699,059,997	694,059,997	+32,947,060	+17,146,000	+4,100,000	−5,000,000
Federal Aviation Administration									
Operations (airport and airway trust fund)	[4] 895,390,000	991,574,000	989,074,000	989,074,000	989,074,000	+93,684,000	−2,500,000		
Reappropriation	[5] (61,825,000)	[5] (67,418,000)	[5] (67,418,000)	[5] (67,418,000)	(67,418,000)	(+5,593,000)			
Facilities and equipment (airport and airway trust fund)	[6] 238,000,000	[7] 252,009,300	252,009,300	301,809,300	301,809,300	+63,809,300	+149,800,000	+49,800,000	
Reappropriation	[5] (356,348,000)	[5] (142,000,000)	[5] (142,000,000)	[5] (142,000,000)	(142,000,000)	(−214,348,000)			
Research and development (airport and airway trust fund)	[8] 62,420,000	[7] 73,360,700	63,360,700	73,360,700	63,360,700	+940,700	−10,000,000		−10,000,000
Reappropriation	[5] (19,831,000)	[5] (19,140,000)	[5] (19,140,000)	[5] (19,140,000)	(19,140,000)	(−691,000)			
Grants-in-aid for airports (airport and airway trust fund):									
Planning grants	10,000,000	15,000,000	15,000,000	15,000,000	15,000,000	+5,000,000			
Development grants (appropriation to liquidate contract authorization)	(60,000,000)	(92,000,000)	(92,000,000)	(92,000,000)	(92,000,000)	(+32,000,000)			
Reappropriation	[5] (183,172,000)					(−183,172,000)			
Federal payment to the airport and airway trust fund (intragovernmental transaction)		(341,744,000)	(530,944,000)	(750,744,000)	(580,744,000)	(+580,744,000)	(+239,000,000)	(+49,800,000)	(−170,000,000)
Safety regulation	138,319,000	164,408,000	160,000,000	160,000,000	160,000,000	+21,681,000	−4,408,000		
Operation and maintenance, National Capital airports	11,100,000	11,467,000	11,467,000	11,467,000	11,467,000	+367,000			
Construction, National Capital airports	4,000,000	19,630,000	4,930,000	4,930,000	4,930,000	+930,000	−14,700,000		
U.S. International Aeronautical Exposition	2,800,000			(9)		−2,800,000			
Total, Federal Aviation Administration	1,362,029,000	1,527,449,000	1,495,841,000	1,555,641,000	1,545,641,000	+183,612,000	+18,192,000	+49,800,000	−10,000,000
Federal Highway Administration									
Salaries and expenses:									
Appropriation	4,294,000	8,238,000	7,110,000	7,159,000	7,129,000	+2,835,000	−1,109,000	+19,000	−30,000
By transfer	(88,793,000)	(100,944,000)	(92,337,000)	(93,326,000)	(93,037,000)	(+4,244,000)	(−7,907,000)	(+700,000)	(−289,000)
Highway beautification (see general provision):									
Appropriation	526,000	1,350,000	1,100,000	1,100,000	1,100,000	+574,000	−250,000		
Appropriation to liquidate contract authorization	(16,500,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(−6,500,000)			
Highway-related safety grants: (Appropriation to liquidate contract authorization)		(6,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(+5,000,000)	(−1,000,000)		
Rail crossings demonstration project		10,000,000	4,000,000	10,000,000	10,000,000	+10,000,000		+6,000,000	
Territorial highways (appropriation to liquidate contract authorization)		(1,200,000)	(1,000,000)	(1,000,000)	(1,000,000)	(+1,000,000)	(−200,000)		
Darien Gap, highway	5,000,000	20,000,000	15,000,000	20,000,000	15,000,000	+10,000,000	−5,000,000		−5,000,000
Federal-aid highways (trust fund—appropriation to liquidate contract authorization)	(4,626,365,000)	(4,670,000,000)	(4,661,393,000)	(4,662,382,000)	(4,662,093,000)	(+35,728,000)	(7,907,000)	(+700,000)	(−289,000)
Right-of-way revolving fund (trust fund, appropriation to liquidate contract authorization)	(35,000,000)	(35,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(−10,000,000)	(−10,000,000)		

Footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1972—Continued

Item	New budget (obligational) authority fiscal year 1971 (enacted to date)	Budget estimate of new (obligational) authority, fiscal year 1972	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action	Conference action compared with—			
						New obligational authority 1971	Budget estimate 1972	House bill	Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Forest highways (trust fund, appropriation to liquidate contract authorization) (see general provision)	($17,500,000)	[10] ($25,000,000)	[10] ($25,000,000)	[10] ($25,000,000)	($25,000,000)	(+$7,500,000)			
Rescission of unobligated balance		[11] (−38,098,000)	Defer	Language	Defer				
Public lands highways (trust fund—appropriation to liquidate contract authorization) (see general provision)	[12] (14,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(−9,000,000)			
Rescission of unobligated balance		[11] (−26,637,000)	Defer	Language	Defer				
Baltimore-Washington Parkway (trust fund)		5,000,000		2,500,000	2,500,000	+2,500,000	−$2,500,000	+$2,500,000	
Total, Federal Highway Administration	9,820,000	44,588,000	27,210,000	40,759,000	35,729,000	+25,909,000	−8,859,000	+8,519,000	−$5,030,000
National Highway Traffic Safety Administration									
Traffic and highway safety	42,935,000	76,837,000	62,837,000	75,837,000	69,337,000	+26,402,000	−7,500,000	+6,500,000	−6,500,000
Construction of compliance facilities		9,600,000	9,600,000	9,600,000	9,600,000	+9,600,000			
State and community highway safety (appropriation to liquidate contract authorization) (see general provision)	(51,000,000)	(57,000,000)	(47,000,000)	(47,000,000)	(47,000,000)	(−4,000,000)	(−10,000,000)		
Total, National Highway Traffic Safety Administration	42,935,000	86,437,000	72,437,000	85,437,000	78,937,000	+36,002,000	−7,500,000	+6,500,000	−6,500,000
Federal Railroad Administration									
Office of the Administrator, salaries and expenses	1,510,000	2,468,000	1,943,000	2,468,000	2,205,000	+695,000	−263,000	+262,000	−263,000
Railroad research	3,450,000	13,700,000	7,000,000	13,700,000	10,350,000	+6,900,000	−3,350,000	+3,350,000	−3,350,000
Bureau of Railroad Safety	4,825,000	5,781,000	5,481,000	5,781,000	5,631,000	+806,000	−150,000	+150,000	−150,000
High-speed ground transportation research and development	18,000,000	29,077,000	Defer	29,077,000	25,000,000	+7,000,000	−4,077,000	+25,000,000	−4,077,000
Federal grants to National Railroad Passenger Corporation	40,000,000					−40,000,000			
Alaska Railroad revolving fund				1,000,000	Language				−1,000,000
Total, Federal Railroad Administration	67,785,000	51,026,000	14,424,000	52,026,000	43,186,000	−24,599,000	−7,840,000	+28,762,000	−8,840,000
Urban Mass Transportation Administration									
Urban mass transportation fund (see general provision):									
Administrative expenses	[13] 3,325,000	7,149,000	6,300,000	7,149,000	6,300,000	+2,975,000	−849,000		−849,000
Research, development, and demonstrations	[14] 6,000,000	78,000,000	52,000,000	78,000,000	65,000,000	+59,000,000	−13,000,000	+13,000,000	−13,000,000
Appropriations	7,500,000					−7,500,000			
Appropriation to liquidate contract authorization		(150,000,000)	(150,000,000)	(150,000,000)	(150,000,000)	(+150,000,000)			
Total, Urban Mass Transportation Administration	16,825,000	85,149,000	58,300,000	85,149,000	71,300,000	+54,475,000	−13,849,000	+13,000,000	−13,849,000
St. Lawrence Seaway Development Corporation									
Limitation on administrative expenses	(729,000)	(749,000)	(749,000)	(749,000)	(749,000)	(+20,000)			
Total, title I, Department of Transportation	2,453,886,937	2,580,504,997	2,399,513,997	2,626,773,997	2,571,454,997	+117,568,060	−9,050,000	+171,941,000	−55,319,000
TITLE II—RELATED AGENCIES									
National Transportation Safety Board									
Salaries and expenses	6,399,000	7,242,000	7,150,000	7,150,000	7,150,000	+751,000	−92,000		
Civil Aeronautics Board									
Salaries and expenses	12,204,000	13,445,000	13,445,000	13,445,000	13,445,000	+1,241,000			
Payments to air carriers	57,399,000		53,600,000	53,600,000	53,600,000	−3,799,000	+53,600,000		
Total, Civil Aeronautics Board	69,603,000	13,445,000	67,045,000	67,045,000	67,045,000	−2,558,000	+53,600,000		
Interstate Commerce Commission									
Salaries and expenses	28,442,000	28,940,000	30,640,000	28,940,000	30,640,000	+2,198,000	+1,700,000		+1,700,000
Payment of loan guarantees	[15] 43,901,668					−43,901,668			
Total, Interstate Commerce Commission	72,343,668	28,940,000	30,640,000	28,940,000	30,640,000	−41,703,668	+1,700,000		+1,700,000

Footnotes at end of table.

Item	New budget (obligational) authority fiscal year 1971 (enacted to date)	Budget estimate of new (obligational) authority, fiscal year 1972	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action	Conference action compared with— New obligational authority 1971	Budget estimate 1972	House bill	Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TITLE II—RELATED AGENCIES—Continued									
The Panama Canal									
Canal Zone Government:									
Operating expenses	$49,610,000	$50,932,000	$50,800,000	$50,800,000	$50,800,000	+$1,190,000	−$132,000		
Capital outlay	1,500,000	4,743,000	3,700,000	3,700,000	3,700,000	+2,200,000	−1,043,000		
Panama Canal Company: Limitation on general and administrative expenses	(17,248,000)	(19,283,000)	(19,283,000)	(19,283,000)	(19,283,000)	(+2,035,000)			
Total, the Panama Canal	51,110,000	55,675,000	54,500,000	54,500,000	54,500,000	+3,390,000	−1,175,000		
Washington Metropolitan Area Transit Authority									
Federal contribution	[16] 330,028,000	[17] 174,321,000	[17] 174,321,000	[17] 174,321,000	174,321,000	−155,707,000			
Aviation Advisory Commission									
Salaries and expenses	1,250,000					−1,250,000			
Commission on Highway Beautification									
Salaries and expenses		200,000	200,000	200,000	200,000	+200,000			
Total, title II, related agencies	530,733,668	279,823,000	333,856,000	332,156,000	333,856,000	−196,877,668	+54,033,000		+$1,700,000
Total, titles I, II, and III, new budget (obligational) authority	2,984,620,605	2,860,327,997	2,733,369,997	2,958,929,997	2,905,310,997	−79,309,608	+44,983,000	+$171,941,000	−53,619,000
Consisting of (appropriations)—									
Fiscal year 1971	(2,834,620,605)					(−2,834,620,605)			
Fiscal year 1972	(150,000,000)	(2,686,006,997)	(2,559,048,997)	(2,784,608,997)	(2,730,989,997)	(+2,580,989,997)	(+44,983,000)	(+171,941,000)	(−53,619,000)
Fiscal year 1973		(174,321,000)	(174,321,000)	(174,321,000)	(174,321,000)	(+174,321,000)			
Memorandums:									
Reappropriations	(621,176,000)	(228,558,000)	(228,558,000)	(228,558,000)	(228,558,000)	(−392,618,000)			
Appropriations to liquidate contract authorizations	(4,820,365,000)	(5,051,200,000)	(5,021,393,000)	(5,022,382,000)	(5,022,093,000)	(+201,728,000)	(−29,107,000)	(+700,000)	(−289,000)
Appropriations for debt reduction	(137,063)	(143,003)	(143,003)	(143,003)	(143,003)	(+5,940)			
Rescission of unobligated balances		[11] (−64,735,000)		(Language)	(Defer)				
Grand total	(8,426,298,668)	(8,140,229,000)	(7,983,464,000)	(8,210,013,000)	(8,156,105,000)	(−270,193,668)	(+15,876,000)	(+172,641,000)	(−53,908,000)

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[1] Obligational authority through Mar. 30, 1971, provided by Public Law 91-645 (H.J. Res. 1421).

[2] S. Doc. 92-30 deleted $235,000,000 request for SST development and added $58,500,000 to SST termination for repayment of the airlines' contributions.

[3] Not considered by House.

[4] Includes $889,390,000 in appropriations from general Treasury funds, and excludes $130,739,000 related to activities which are funded under safety regulation in fiscal year 1972.

[5] Included as new budget (obligational) authority in prior appropriation acts.

[6] Includes $190,000,000 in appropriations from general Treasury funds.

[7] Budget proposed consolidating "Facilities and equipment" and "Research and development" into a single appropriation "Airway system investment and development."

[8] Includes $38,420,000 in appropriations from general Treasury funds, and excludes $6,580,000 related to activities which are funded under safety regulation in fiscal year 1972.

[9] General provision language.

[10] Includes $10,000,000 to be derived from the highway trust fund.

[11] Amount not considered due to lack of legislation excluded from totals.

[12] Appropriation from general Treasury funds.

[13] Excludes $140,000 transfer.

[14] Excludes $20,000,000 advance appropriation provided in fiscal year 1970.

[15] Excludes indefinite appropriations.

[16] Includes advance appropriation of $150,000,000 for fiscal year 1972.

[17] Advance appropriation for fiscal year 1973.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, overall, this is a good conference report. We came out, as the chairman said, $45 mililon over the budget. Some of us tried in conference to bring this below the budget, but we were unsuccessful. As the saying goes, "government is the art of compromise," and it was the best compromise figure we could get. However, overall, it is a good conference report.

One of the matters of controversy here is the repayment of the $58.5 million which the airlines contributed toward the production of the SST. I would like to go on record as supporting the appropriation of $58.5 million to repay the airlines contributions for the development of the civil supersonic aircraft. Since the Administration made no formal request to the House committee, no funds for this purpose were included in the House bill. However, such a request was made in the Senate in the enactment of the Senate version of the transportation bill.

There was no contention that in early 1967 the Department of Transportation requested, or more accurately insisted, that the airlines contribute funds toward the production cost. It is also quite clear that the Department indicated that the program might be terminated if these contributions were not received. The contributions were used by Boeing as a portion of the government's share of the contract cost. While there may be some argument as to the legal obligation of the Government to repay this risk capital, to my mind there is no argument as to the Government's moral obligation. By its own act it insisted that these contributions be made. By its own act, it terminated its participation in the project. By its own act, it should now return the money.

So, therefore, Mr. Speaker, I urge all of my colleagues when this issue comes up for a vote to vote down the motion which will be offered by the gentleman from Illinois (Mr. YATES) and vote for the conference report to repay the airlines $58.5 million.

Mr. McFALL. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Speaker, quite a little has been said about the airlines' contribution toward the development of the SST. I shall call for a vote by the House on the matter because I think the House ought to pass upon the question as to whether or not the money should be returned to the airlines. It was deposited under contracts, the terms of which said this:

> 3. Neither Boeing nor the U.S. Government shall have any obligation pursuant to this Agreement to:
>
> (a) complete the design, development, fabrication or test of any SST prototype aircraft;
>
> (b) manufacture, sell, or offer to sell any SST aircraft; or
>
> (c) return or refund, under any circumstances whatsoever, any money contributed pursuant to this Agreement.

That is the actual contract.

Now, Mr. Speaker, it has been said that a moral obligation exists to return the money to the airlines because the Government canceled the contract. The fact remains that the contract itself specifically looked to the possibility of the contract being terminated. In that event again, these is no liability upon the Government to make any repayment.

In paragraph 4 of the contract this language appears:

> 4. Termination of the Phase III Contract by the United States Government prior to the date on which any payment provided

for in paragraph 1 of this Agreement is received by Boeing or prior to the date on which such payment is due under said paragraph, whichever date first occurs, shall relieve the Airline of its obligation to make such payment. However, termination of the Phase III Contract by the United States Government on or after the date on which any such payment is received by Boeing or the date on which any such payment is due, whichever date first occurs, shall not obligate Boeing or the U.S. Government to refund such payment nor relieve the Airline of its obligation to make such payment.

Thus there is no obligation under this contract for the Government or Boeing to return the money by its specific terms. The airline companies concede that. They say their contract with the Government is based at best upon an implied contract, but they emphasize much more "moral responsibility."

The point I make however, if this is true, if there was no fixed contractual obligation as there was in the case of the return of the money to the Boeing Co. for the termination cost, then you have an unliquidated claim which ought to be considered by the Court of Claims to see what, if any, is the responsibility or the liability of the U.S. Government.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. YATES. I will yield to the gentleman from Ohio in a moment.

Mr. BOW. Mr. Speaker, I thank the gentleman from Illinois for yielding.

Would the gentleman agree with me that the U.S. Government is not a party to the contract from which the gentleman has just read?

Mr. YATES. Yes, that is correct.

Mr. BOW. It is not a contract with the U.S. Government?

Mr. YATES. That is correct; it is a contract between Boeing and the airlines. And that raises a very interesting point as to why the Government should give the money back.

Mr. BOW. Mr. Speaker, would the gentleman yield further?

Mr. YATES. I yield further to the gentleman from Ohio.

Mr. BOW. Is it not true that it was the Government that insisted upon the airlines making these payments for the development of the SST, and that the Government told them that there would be no SST unless they made their contributions, and yet the Government was not a party to this contract?

Mr. YATES. I believe the gentleman from Ohio is correct.

But I want to say that we had no testimony to this effect. One of the shortcomings of our discussion today is the fact that we did not hear testimony from any witnesses who were actually present at the White House when the conference took place. We received some testimony from witnesses of the Air Transport Association who told us what occurred, and they were present for examination. But the fact remains that nobody who appeared before us was present at the White House when the conference was supposed to have taken place, as to what has been stated by the gentleman from Ohio, that the airlines were supposed to have been told that unless the airlines entered into these contracts the Government would not proceed with the further development of the SST.

And, of course, as one who opposed the SST, I feel that the airlines contributed money because if they had not done so the SST would not have gone forward. Had that happened the Government would not have lost the hundreds of millions of dollars that it did subsequently.

Mr. HARVEY. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Michigan.

Mr. HARVEY. Mr. Speaker, I want to say to the gentleman that I joined the gentleman in opposing the SST, but I can well recall back in 1964 that I served then, as I do now, on the Committee on Interstate and Foreign Commerce, and our committee was called down to the White House by President Johnson. And President Johnson then in 1964, when he announced the SST, with our committee before him, discussed thoroughly the method of financing and how that money was going to be furnished. He went through it year by year, fiscal year by fiscal year, as to what was going to be expected of the Congress.

Then he told us in addition that the airlines also were contributing money, and he told us how many millions of dollars they were putting into it.

So I say to my friend, the gentleman from Illinois (Mr. YATES) that although I joined the gentleman in voting against the SST, that I cannot agree with the gentleman now about not giving the money back that the airlines put in.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. McFALL. Mr. Speaker, I yield 3 additional minutes to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Speaker, I thank the gentleman for the additional time, and I yield again to the gentleman from Michigan.

Mr. HARVEY. In conclusion, I would simply say to my friend, the gentleman from Illinois (Mr. YATES) that I voted with the gentleman against the SST, but now it seems to me that we do have an obligation to return this money.

After all, the President himself told our committee, back in 1946, that he was expecting the airlines to make their contribution, and was demanding that they put this money into the SST. Further they were going to get an SST in return for their money. Therefore I think that certainly the airlines should have their money back. Particularly since we in the Congress made the decision that we should no longer go ahead with the SST.

Mr. YATES. Mr. Speaker, I would suggest to the gentleman from Michigan that in 1964 the airlines had 3 years to think over their contributions, and that they should not have signed contracts under the terms of which neither Boeing nor the Government were under an obligation to return the money. They did not have to sign. If they had said "no", the SST program would have been terminated at that time.

The airlines entered into these contracts freely and of their own will. There was no compulsion upon them to sign these contracts. They refused later to put up more money.

I was visited by one of the representatives of the airlines, and I showed him these harsh provisions and I said—he was an attorney—I said, "Why did you let your clients sign this kind of an agreement?"

And he told me, "I recommended against signing the agreement, but my clients overrode my opinion."

The contracts are very difficult and tough contracts, I will say to the gentleman from Michigan.

Mr. HARVEY. Mr. Speaker, if the gentleman will yield further, there is one other thing. The airlines expected to get an SST in return for what they put in—what they were required to put in.

Mr. YATES. The gentleman's statement may be correct but as I said the fact remains they signed contracts which looked to the possibility of termination by the government for which the government would not be liable to the airlines. And they say themselves they were told that if the SST was not economically viable or was technically deficient, their contributions were at their own risk, and they would not get their money back.

I like to think that those were the reasons why the Congress voted down the SST, among many reasons.

There was still a very grave question as to whether or not the airplane was technically efficient. Certainly, its cost would have been so high as to place in doubt its economic viability to any airline which bought them.

Mr. Speaker, this is a very difficult question. I have great sympathy for the airlines. All of those who participated in this conference have great sympathy for the airlines. But the fact remains that you do have the hard and fast processes of the contract which say that there is no liability. Congress usually approves legal claims not moral claims. Moral claims for relief go the committee on the judiciary or to the Court of Claims for a hearing. Otherwise, you have in this conference report what amounts to a bill for the relief of the airlines. This is essentially what you have here and I think that is what the vote will be upon today. My own feeling is it ought to go to the Court of Claims.

Moreover, there is a question as to whether or not the airlines had a tax advantage which may provide them with more money than this conference report actually intends for them to get.

Finally, Mr. Speaker, what a precedent would be established by approval of a moral obligation. $58.5 million to be paid on the basis of a so-called moral obligation when a written contract denies any liability. This precedent will certainly rise to plague us in the future.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. VANIK. The question of taxation is a very serious one. If this money is paid back to the airlines, they will be getting both, a $58.2 million tax deduction—and they will also be getting the money back. So, in effect, they will get more than they paid in. They will be getting a deduction plus the return of the money.

What assurance do we have that there will not be an increased payment to the airlines beyond the refund of their contribution?

Mr. YATES. I can give the gentleman no assurance on that.

The gentleman from California, my good friend, Mr. MCFALL, has been given information by the airlines for the deducted amounts over a period of 4 or 5 years. As to the testimony, that is a different story than the one we received in our committee.

In response to a question that I asked—could you tell the committee whether the airlines received a tax advantage as a result of the contribution they made?

General Von Kann answered:

> I think it would be better if I checked the details of this. It involves several airlines. It involves several methods of contracting negotiations. I will submit an answer for the record.
>
> (The information follows:)
>
> To the best of our knowledge, all airlines deducted this money as an R. & D. business expense on their tax returns when paid in early 1968.

So they did take advantage of it.

Mr. CONTE. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, as I said earlier in support of this particular appropriation, I happened to be in the fight with the gentleman from Illinois to stop further Government funding of the two SST prototypes. However, I feel that we are not going to back away from our obligations now. We paid back General Electric and Boeing what was due them.

I think I agree with the gentleman from Illinois—I have some grave reservations as to whether there is any legal obligation to pay back the airlines. But I certainly feel there is a moral obligation.

I asked some questions during the committee hearings regarding the tax status of the payments. I would refer my colleagues to pages 1151 and 1152 of part 3 of the hearings. Certainly, if they received a tax break, the Internal Revenue Service is going to see that the appropriate adjustment will be made. There is no problem there. That is what the administration witnesses told us.

I would like at this time to refer to what the gentleman from Illinois said to the effect that no one who served at the time when Mr. Boyd was Secretary of Transportation appeared before the committee. But we do have some evidence here as to what the situation was then. This is a letter dated April 29, 1971, to Senator MAGNUSON, in which Mr. Boyd explained:

> I made it perfectly clear (to the airlines) that the deposits would be at risk and would be forfeited if Boeing could not succeed in building a plane that in a production model would be economically viable and capable of safe operation at design speed.

I further quote from that letter:

> It was certainly assumed by all concerned that the deposits were at risk only in connection with failures that might be related to the aircraft itself.

I further quote from Secretary Boyd's letter to Senator MAGNUSON:

> Under the circumstances, as I know them, it appears to me a sacrifice of the deposits, due to failure of continuing Federal participation, was not contemplated.

In a letter to Senator MAGNUSON, dated April 27, 1971, General McKee also indicated that there was no intention on behalf of any of the parties that the airlines were to assume the risk of termination of phase 3 by reason of withdrawal of continued Government support of that program, and I quote from his letter to Senator MAGNUSON:

> As a result of this meeting the involved airlines paid in some $58 million on the basis that they would get their money back plus interest. They all understood that there would be no return unless "a" the airplane was operationally suitable and safe; and "b" the airplane was economically viable.

I further quote from General McKee's letter to Senator MAGNUSON:

> It is my considered judgment that the airlines acted in good faith and on the clear-cut assumption that the Government would go forward on the prototype program to determine the operational and economic aspects of the airplane.

I further quote from General McKee's letter to Senator MAGNUSON:

> I would not have been a party to requesting financial participation by the airlines, and I doubt that Mr. Boyd would, had I thought for an instant that the program would be arbitrarily terminated prior to finding out the answers to "a" and "b" above.

In view of such a record with regard to the understandings of the U.S. Government and the respective airlines, it is indefensible to contend, on the basis of generalized disclaimer language in the Boeing-airlines agreements, that the airlines waived their right to reimbursement of their investment under any and all circumstances, regardless of the parties' clear intention to the contrary.

I think we have a moral obligation here. I think the record is clear. I think they should be repaid, and I do not think this is any time to backdown from a debt.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. VANIK. I do not dispute what the gentleman has said, but does the gentleman feel that it is proper to give the airlines a $58.5 million tax writeoff as a business deduction and then give them the money too? That is the whole issue. I would like to have the gentleman respond to that question.

Mr. CONTE. Yes. I was trying to find the point in the record. I asked that same question of the administrative witnesses when they came before us and they said they were not certain about the tax situation, but certainly if the airlines received a tax advantage at that time, the Internal Revenue would direct that they make an adjustment.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. I had hoped that the report would contain language which would protect the Government. For example, I conferred with the gentleman from Arkansas (Mr. MILLS) and he referred me to his tax counsel who suggested language like this:

> *Provided,* That such payment—

The payment to the airlines—

> shall be reduced to the extent of any tax benefits received by any of the airline companies through claiming a deduction of the amount of its contributions in reporting its Federal income tax; and provided further that such payment shall not bear interest.

Those two points, I think, are very important. I do not think the airlines should be repaid more than they actually contributed.

Mr. CONTE. I am sure the Internal Revenue Department will see to that.

Mr. YATES. That is not necessarily true, I believe.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I would like to ask the gentleman from Illinois what leads him to believe that this will happen. I think it is presumptive on his part and really could not happen.

Mr. YATES. Mr. Speaker, will the gentleman permit me to reply to the gentleman from Louisiana?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. The $58.5 million was invested and deducted in a year when the airlines were showing a profit, 1968.

Mr. WAGGONNER. Is the gentleman objecting to the fact that some of them might be losing money now, and, as a result of their operations, they have a loss when considering their overall income and if so they will not have to pay taxes this year?

Mr. YATES. That is the point.

Mr. WAGGONNER. In other words, the gentleman is against income-averaging ever?

Mr. YATES. I do not understand the gentleman's point.

Mr. WAGGONNER. They happen to be making money one year and they happen to be losing money this year. You pay taxes if you make a profit not when you lose money.

He objects to them losing money. If he objects to them losing money, then he ought to be willing to help them get back into the black.

Mr. YATES. As far as I am concerned, I would be glad to help them get back into the black. As far as I can see what the conference report seeks to do is to make them whole, to put them back into the position they were at the time they invested their money. In the event they received a tax advantage in addition to the money, I think they would be beyond the intention of the conferees. Would the gentleman agree with that?

Mr. CONTE. I am satisfied with this amendment and with the administration witnesses' responses to my inquiries in the committee. Certainly IRS is not going to let them get away with anything. I think this is a good amendment and we ought to vote it up.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Speaker, I think we ought to make the point that the airlines themselves very clearly understand that they are not going to be unjustly enriched by this provision. They clearly understand that if and when the money is made available, that tax adjustments will have to be made when the money is turned over to them. Nobody is trying to suggest the airlines will receive a penny more than they are entitled to. There will have to be taken into consideration their tax situation in prior years and their tax situation today. So in view of all the circumstances, I think we in Congress have the obligation to see that this money is repaid. To me it is just as much a part of winding down the SST project as the other parts for Boeing and General Electric.

Mr. CONTE. Mr. Speaker, I compliment the gentleman from Illinois and my colleague who joined him, the gentleman from Ohio, for bringing this up. I think they have really done a good service to the Congress and to the country, because now we have established some legislative history, which I am sure the IRS and other agencies will take cognizance of.

Mr. STEED. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Speaker, where the cancellation of SST costs were included, the several million dollars would give the Department the resources it needed to make all these determinations not only to the contractor, but also to cover this item also. So the funds to enable them to make a proper determination have already been made available.

Mr. MINSHALL. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. MINSHALL. Mr. Speaker, I thank the gentleman for yielding. I commend the gentleman from Massachusetts and also the gentleman from California for the excellent statements they have made concerning this $58 million designated for the airlines. I want to make it abundantly clear that I was one of those who voted against the SST proposal when it came before the House, but I certainly hope out of moral obligation if nothing else, that the House will defeat the amendment to be offered by my friend, the gentleman from Illinois (Mr. YATES) because I think the airlines are definitely entitled to this payment.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

Do I understand from the letter which the gentleman from Massachusetts read to the House a few minutes ago that the airlines understood that unless a feasible plane was produced, they would be out their money?

Mr. CONTE. That is right.

Mr. GROSS. Then why give them $58.5 million?

Mr. CONTE. Because, as General McKee said, and as all the other witness said, no one anticipated the Federal Government's pulling out from the project—which we did. The Congress by a majority vote said that we will no longer continue to fund the SST prototype.

Mr. YATES. Mr. Speaker, will the gentleman take one additional minute and yield to me?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, I thank the gentleman for yielding. I want to point out that inasmuch as this is a conference report, I cannot offer my amendment to it. The report has to be voted up or down. The language is as contained in amendment No. 5, which will provide the payment to the airline.

Inasmuch as the claim is a moral one, and an unliquidated one, I think personally it ought to go to the Court of Claims, and then it will come back to Congress, rather than approving it at this time.

Mr. CONTE. Mr. Speaker, I disagree.

Mr. McFALL. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. JARMAN).

Mr. JARMAN. Mr. Speaker, I believe to be equitable the conclusion of the conferees that the Government should repay the airlines their SST investment and I urge acceptance of the conference report.

To paraphrase the famous line from Charles Dickens—the SST is dead, dead as a doornail—at least for the time being. But what is not dead is the issue before us today as to whether or not the airlines should be returned money they invested in the SST program in 1968. We are talking about $58.5 million.

There has been some discussion about the responsibility of the Government to repay the airlines. It has been said there is no legal obligation, there was no contract betwen the airlines and the Government, that the airlines went into this with their eyes wide open, that the airlines signed some sort of an agreement to the effect that they would not ask for their money back if the program was terminated.

Let me address some of these points. I strongly believe the U.S. Government has the highest responsibility and obligation to return the money invested by the airlines in the prototype phase of the SST. The responsibility exists because the U.S. Government went to the carriers, went to the airline presidents and told them that the SST program had to have their support. President Johnson put it quite strongly—that the SST program had to have the backing of the carriers interested in such a program—that the carriers should put some money up as evidence of their good faith. The Government's strong feeling about airline participation was stated in a Department of Transportation policy statement of June 5, 1967 and I quote:

> The airlines will be required to make a contribution to the SST research and delivery program in connection with each delivery position reservation.

This appears to be a somewhat unique situation where the Government required private funding. The airlines, as you know, did invest in the program and were assured by the Government that they would get their money back in the event that the SST was produced and the carriers were assured it would be produced—that such investment would be returned with the airlines receiving a share of the Government's royalties. This return was to be at the rate of $1.5 million returned for every $1 million invested.

Strangely enough, the airlines did not have a contract with the Government for return of the money via the royalty procedure. This was, in essence, a good-faith arrangement. Strangely enough, the Government drew up a memorandum between the airlines and the Boeing Co. which indicated that the airlines were to receive part of the Government's royalties and that the airlines would not seek reimbursement in the event that the program was terminated. I might add that this restriction on reimbursement was predicated on the fact that the airlines would not seek reimbursement if the program failed because of technological reasons. This is verified by everyone who was involved with the program, including former DOT Secretary Boyd and former FAA Administrator McKee.

Now that the Government has put the last nail in the SST coffin, there are some who point to this memorandum saying that the airlines are not entitled to reimbursement. There is little doubt that the Government has a clear-cut responsibility and obligation to return the airline investment. There is little doubt that the airlines relied on the good faith of the Government. There is no question that the airlines clearly saw the possibility of losing the money because Boeing could not meet certain specifications, but the record is clear that these same airlines were given Government assurance that the program would continue and that there would be a substantial return on their investment.

The airlines are not asking for any interest on their money, but seek only to be reimbursed dollar for dollar. I see no reason why the Government should not stand up to its responsibility, acknowledge the obligation and reimburse all parties who were injured as a result of the Government's decision to cancel the program.

I urge the acceptance of the conference report.

Mr. McFALL. Mr. Speaker, I would hope that the conference report would be adopted and that when we get to item 5 we will be able to discuss the specific item of $58.5 million at that time.

Mr. Speaker, at this time I yield 1 minute to the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD. Mr. Speaker, I rise to direct two questions to the distinguished chairman of the subcommittee about the so-called early action program of mass transit in Pittsburgh, Allegheny County, Pa.

First, is the subcommittee familiar with this project and does the subcommittee believe this is a good project which should go forward without undue delay?

Mr. McFALL. We are familiar with the project. I believe this is a good project which should go forward without undue delay.

I understand that in the Senate report there is certain language indicating an intent on the part of the other body to restrict the expenditure of funds. We feel, I believe, on this side that the project is a good one and the funds should be permitted to be expended.

Mr. MOORHEAD. May I direct a secone question to the chairman? Even though there is some criticism in the Senate report, is it not true that there is nothing in the House bill, nothing in the Senate bill, and nothing in the conference report—and hence nothing in the law—to delay this project?

Mr. McFALL. That is correct.

Mr. MOORHEAD. I thank the distinguished chairman very much.

Mr. McFALL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. Aspinall). The question is on the conference report.

Mr. DELLENBACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DELLENBACK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 393, nays 15, not voting 25, as follows:

[Roll No. 216]

YEAS—393

Abbitt
Abernethy
Abourezk
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Archer
Ashley
Aspin
Aspinall
Badillo
Baker
Baring
Barrett
Begich
Belcher
Bell
Bennett
Bergland
Betts
Bevill
Biaggi
Biester
Bingham
Blanton
Boland
Bolling
Bow
Brademas
Brasco
Bray
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Byrne, Pa.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Carney
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Collier
Collins, Ill.
Collins, Tex.
Colmer
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Culver
Daniel, Va.
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Dingell
Dorn
Dow
Dowdy
Downing
Drinan
Dulski
Duncan
du Pont
Dwyer
Eckhardt
Edmondson
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Garmatz
Gaydos
Gettys
Giaimo
Gibbons
Goldwater
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Grover
Gubser
Gude
Hagan
Haley
Halpern
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Harvey
Hastings
Hathaway
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hillis
Hogan
Holifield
Horton
Howard
Hull
Hunt
Ichord
Jacobs
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kazen
Keating
Keith
Kemp
King
Kluczynski
Koch
Kuykendall
Kyl
Kyros
Landgrebe
Landrum
Leggett
Lennon
Lent
Link
Lloyd
Long, Md.
Lujan
McClory
McCloskey
McClure
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKay
McKevitt
McKinney
McMillan
Macdonald, Mass.
Madden
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mikva
Miller, Calif.
Miller, Ohio
Mills, Ark.
Mills, Md.
Minish
Mink
Minshall
Mitchell
Mizell
Mollohan
Monagan
Montgomery
Moorhead
Morgan
Morse
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Hara
O'Konski
O'Neill
Passman
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pirnie
Podell
Poff
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Pryor, Ark.
Pucinski
Quie
Quillen
Railsback
Randall
Rangel
Rees
Reid, Ill.
Reid, N.Y.
Reuss
Rhodes
Riegle
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarbanes
Satterfield
Scherle
Scheuer
Schneebeli
Schwengel
Scott
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Springer
Stafford
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Sullivan
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Terry
Thompson, Ga.
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Udall
Ullman
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Wampler
Ware
Watts
Whalen
Whalley
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H.
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Young, Tex.
Zablocki
Zion
Zwach

NAYS—15

Ashbrook
Dellenback
Devine
Eshleman
Findley
Goodling
Gross
Hall
Hutchinson
Latta
Michel
Myers
Rarick
Schmitz
Young, Fla.

NOT VOTING—25

Arends
Blackburn
Blatnik
Boggs
Carey, N.Y.
Carter
Diggs
Donohue
Edwards, La.
Esch
Frey
Hébert
Hosmer
Hungate
Jones, Tenn.
Kee
Long, La.
McCulloch
Poage
Purcell
Saylor
Symington
Van Deerlin
Wright
Yatron

So the conference report was agreed to.

The Clerk announced the following pairs.

Mr. Boggs with Mr. Arends.

Mr. Hébert with Mr. Saylor.

Mr. Blatnik with Mr. Carter.

Mr. Carey of New York with Mr. Esch.

Mr. Symington with Mr. Diggs.

Mr. Kee with Mr. Frey.

Mr. Jones of Tennessee with Mr. Blackburn.

Mr. Van Deerlin with Mr. Hosmer.

Mr. Wright with Mr. Donohue.

Mr. Hungate with Mr. Purcell.

Mr. Yatron with Mr. Edwards of Louisiana.

Mr. NEDZI changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 3, line 7, strike out "$500,000" and insert "$1,000,000".

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFall moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert the following: "$750,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 3, line 14, insert:

"Civil Supersonic Aircraft Development Termination

"For expenses necessary for the termination of the civil supersonic aircraft development program, $58,500,000."

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFall moves that the House recede from its disagreement to the amendment of the Senate numbered 5 and concur therein with an amendment, as follows: In lieu of the matter inserted, insert the following:

"Civil Supersonic Aircraft Development Termination

"For payment of the airlines contribution toward the development of the Civil Supersonic Aircraft, $58,500,000, to remain available until expended."

POINT OF ORDER MADE BY MR. YATES

Mr. YATES. Mr. Speaker, I make a point of order.

The SPEAKER. The gentleman will state it.

Mr. YATES. It is predicated on three grounds. First, the amendment is not germane to the bill. Second, the amendment has no authorization in law. It is not a termination cost even though the heading of the amendment purports to indicate it is. Third, the amendment deals with new and different subject matter than the bills passed by both the House and the Senate.

Mr. Speaker, when the bill was passed by the Senate, the provision read "for expenses necessary for the termination of the civil supersonic transport development program $58.5 million." It will be noted, Mr. Speaker, that the Senate language applied to termination expenses, which is a subject that is germane to the purposes of the bill. However, when the conferees met they struck out the Senate language and agreed upon language which did not relate to termination expenses. They agreed upon language which departed completely from the purpose of the bill, which now reads "for payment of airlines contribution toward the development of the civil supersonic transport $55 million to remain available until expended."

I should explain, also, in its version of the bill the House provided no funds for the civil supersonic transport.

Again, these are not termination costs. The conferees have agreed upon a procedure which is totally beyond any authorization in law. The termination costs were considered in the supplemental appropriation bill, and they have been paid to the Boeing Co. pursuant to a contract that the Government had with the Boeing Co. The Government has no contract with any of the airline companies in which this money is involved and therefore this could not possibly be termination costs. Therefore it is not correct to call it termination costs.

Even the use of the word contribution in the amendment is wrong, because the airlines made no contribution to the Government.

Therefore the conferees clearly departed from the purposes of the language and drafted an amendment which is not a part of the bill. What it really is is an amendment in the nature of a bill for the relief of the airlines, and I submit that that is not within the jurisdiction of this committee.

The SPEAKER. Does the gentleman from California care to be heard on the point of order?

Mr. McFALL. Yes, Mr. Speaker.

Mr. Speaker, the language of the motion is, I believe, clearly germane to the Senate amendment. In fact, the heading of the motion is identical to that contained in the Senate amendment. Both deal with precisely the same subject.

All that my motion does is merely rephrase the language contained in the Senate amendment. This motion does not in any way rededicate the funds involved. The $58.5 million still goes to the precise purpose intended by the Senate amendment.

The Senate report clearly states the purpose for which these funds are being provided. I quote from page 6 of Senate report No. 92-271:

> The committee recommends an appropriation of $58,500,000 to repay airline contributions to the development of the civil supersonic aircraft.

So, Mr. Speaker, it is clear that these funds are being provided for the same purpose under both my motion and the Senate amendment. I believe, therefore, that the motion is clearly germane to the Senate amendment.

The SPEAKER (Mr. ALBERT). The Chair is ready to rule.

The gentleman from California (Mr. McFALL) has offered a motion to recede and concur in Senate amendment No. 5 to the bill H.R. 9667 with an amendment, and the gentleman from Illinois (Mr. YATES), has made the point of order that the amendment offered by the gentleman from California is not germane to Senate amendment No. 5.

The Chair has listened with interest to the arguments made by the gentleman from Illinois and by the gentleman from California on the point of order.

Senate amendment No. 5, which the conferees have reported back in disagreement, contains an appropriation of $58,500,000 "for expenses necessary for the termination of the civil supersonic aircraft development program." The report of the Senate Committee on Appropriations—Senate Report No. 92-271 at page 6—and the debate in the Senate on July 22, 1971—RECORD, page S11843—indicate that the sole purpose of this amendment was to repay carriers for their investment in the SST program which the Government has terminated.

While couched in slightly different language, the motion proposed by the gentleman from California includes the heading "Civil Supersonic Development Termination" and would appropriate the same amount "for payment of the airlines contribution toward the development of the SST."

The Chair feels that the motion offered by the gentleman from California would accomplish the same purpose intended by the Senate amendment No. 5 and is germane to the Senate amendment. The Chair therefore overrules the point of order.

The gentleman from California (Mr. McFALL) is recognized for 1 hour.

Mr. McFALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I recognize that this matter has already been discussed on the floor of the House this afternoon and has been debated at other times. I further realize that the Members are almost ready to vote. But I do not want the Members to think that, because of silence on my part, I am not very much in favor of the payment of this money to the airlines.

I know that the gentleman from Illinois (Mr. YATES) desires to make a short statement upon this so that all Members will understand exactly what is pending before us.

Mr. Speaker, in early 1967, the Government asked the domestic airlines involved to support their faith in the SST program with dollars. Consequently, nine U.S. airlines and one foreign airline put up funds for each delivery position they had reserved. The total airline investment was $58.5 million. This amount was used to reduce the size of the Government's contribution to the program, and applied toward the Government/Boeing contract.

Congress has voted to discontinue Government funding, and the airlines have asked that their investment be returned. They argue, quite justly, that the money was put up under the assumption that the only risk was the technological one—that they would not get any money back if Boeing could not build an operationally and economically viable aircraft.

I believe that the U.S. Government has the responsibility to return the money invested by the airlines in the prototype phase of the SST. This responsibility exists because the U.S. Government went to the carriers for support. The Government's strong feeling about airline participation was stated in a Department of Transportation policy statement of June 5, 1967, and I quote:

> The airlines will be required to make a contribution to the SST research and development program in connection with each delivery position reservation.

While the airlines may not have had an explicit contract with the Government for return of the money, there was a good-faith arrangement. I feel the Government should live up to its responsibilities under this arrangement and repay the airlines.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. BOW).

Mr. BOW. Mr. Speaker, I rise in support of the amendment, and I rise in support of the position taken by the gentleman from California (Mr. McFALL).

Mr. Speaker, about the matter of the refund or airline investment in the SST program. Is it not about time that we faced up to the fact that it was we, the Government, who terminated the program, not the airlines; that it was the Government who required airline participation; and it is we who must pay all of the termination costs as a result of our decision to kill the project? Boeing and GE have already been paid off—the contributing carriers should now be refunded the money they put up in good faith.

Now I have heard some talk about airlines having signed an agreement not to ask for their money back, and that because of that the $58.5 million they advanced to the Government is not returnable. There was such a memorandum, but the Government was not a party to it—even though the agreement was written by the Government. This was a strange situation with the Government drafting a contract they were not a party to and yet insisting that it be signed by Boeing and the airlines. Now the Government wants to rely on a memorandum it was not even a party to. This would be a strange way to do business—pressuring the airlines to invest—and after terminating the program, failing to take care of those parties injured as a direct result of Government action.

The facts are that the arms of airline presidents were more than a little bit twisted by the administration in 1967 to contribute to the program. The July 19 issue of Aviation Week and Space Technology notes that the Department of Transportation in 1967 indicated that if significant airline contributions were not received, the SST program would probably not go forward. How, I ask you, could the airlines resist this kind of pressure?

This report is entirely consistent with a copy of a letter I have from the then DOT Secretary Alan Boyd. Mr. Boyd also indicated in his letter that the airlines' money was considered in 1967 to be a risk only in connection with a technical failure of the aircraft, not with the Government's unilateral decision to halt the program.

Mr. Speaker, there is a strong moral obligation to reimburse the airlines. The administration has testified, and I use the words of Transportation Secretary Volpe, that

> We have a strong moral commitment to refund the airlines' money because of the government's role in terminating the program.

Let us face up to our responsibility and refund the airlines' money.

But I am not asking that we refund the money because I believe in charity. On the contrary, I believe it is our duty to do what is right and equitable. In this case, it is quite clear to me that the most equitable action would be to return the SST deposits to the airline companies.

It is not hard to do what is right. It is sometimes hard to know what is right. In this case there can be no question it is right that we fulfill our obligation. This Government must not be enriched by its own acts of reversal.

Mr. ROONEY of New York. Mr. Speaker, will the distinguished gentleman from California yield to me?

Mr. McFALL. I yield to the distinguished gentleman from New York, Mr. Rooney.

Mr. ROONEY of New York. Mr. Speaker, I do wish to commend the distinguished gentleman from California (Mr. McFall) for the position he has taken in regard to this matter, and I endorse his position heartily. What we are trying to do in the pending situation is morally right and just.

Mr. McFALL. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. Yates).

Mr. YATES. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, it is true that the airlines have invested $58.5 million in contracts they had with the Boeing Co. This is not an unusual kind of a procedure. When any new plane is being financed the airline companies ordinarily put up money to help finance its production.

The contracts between the airlines and the Boeing companies were specific, not general, were specific in stating that under no circumstances—and I repeat—under no circumstances if the SST development program were to be terminated would liability accrue to either the Government or to Boeing; the airline companies would not be allowed to have their money back.

The airline companies may have, and probably they do have, a claim upon the assets of the SST to the extent of their investment. Their own counsel before our committee argued that the arrangement with the Government is in the nature of a joint venture between the Government and the airline companies. If it is a joint venture, and I do not know whether it is, it is probable the companies would not be entitled to the entire $58.5 million.

The point I make is that this is not a liquidated amount. We do not know what the airlines are entitled to. If a contractor has a claim against the Government we do not ordinarily set aside a paragraph in an appropriation bill and say that the contractor has a moral right to the return of the full amount of the money. We do not do that. We send the contractor to the court of claims in order that there can be a full and thorough examination of the amount that the contractor is entitled to receive from the Government.

In this case, the correct procedure, in my judgment, is to require the contractor to go through the same kind of a procedure in the Court of Claims so that we know what the debt is that the Government owes to the airlines. At the present time we do not know what that debt is.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Mississippi.

Mr. COLMER. Mr. Speaker, I have such little knowledge on this matter, but I would like to ask the gentleman what claim the airlines have on the Government.

As I understand—and I will ask the gentleman from Illinois (Mr. Yates) if this is correct—the contract was between the airlines and the builder?

Mr. YATES. That is right.

Mr. COLMER. And the Government had no dealings with the airlines as such; is that correct?

Mr. YATES. That is correct insofar as the deposit of the money is concerned. The point is that there is no legal liability. What those who support the airlines suggest is that there is a moral obligation to return the money. They admit that there is no legal obligation.

Mr. COLMER. That was my point exactly, whether there was a legal obligation. I thank the gentleman from Illinois for yielding.

Mr. YATES. There is no legal obligation. And even the gentleman from Massachusetts, to whom I now yield, admits that there is no legal obligation.

Mr. CONTE. In answer to the question of the gentleman from Mississippi, the airlines contributed their money and was to be used in lieu of Government funds.

Mr. YATES. The gentleman does not know anything about the deal except as it appears in the contracts, and except as it appears in the testimony by witnesses from the ATA, who were not present at the time the original deal was made.

The gentleman will recall that when I cross-examined the witness for the ATA who appeared before our committee I asked him specifically whether or not there was any liability specifically, and he said "No." The gentleman knows that.

Does the gentleman from Massachusetts wish me to yield further to him?

Mr. CONTE. I would appreciate it if the gentleman would yield.

Mr. YATES. I yield further to the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. In answer to your question, on page 827 of the Department of Transportation hearings of the Senate for fiscal year 1972 it says that although the money was put at risk and used by Boeing, it is money of the air companies in lieu of Government funds.

Mr. YATES. Is that part of the contract?

Mr. CONTE. No.

Mr. YATES. That is the statement by representatives of the airlines company. I would suggest that all statements, according to the law as I understand the law, that are made preliminary to entering into a contract, are considered to be wound up within the contract itself. The gentleman knows well—even those who contend most strongly for the airlines position, concede that there is no legal basis for returning the sum of $58,500,000.

Mr. McFALL. Mr. Speaker, I yield to the gentleman from Washington (Mr. Adams).

Mr. ADAMS. Mr. Speaker, I want to reply to the statement of the gentleman from Illinois by saying that the payments that were made by the airlines were made for the account of the United States. That is in an agreement dated May 1 and July 21, 1967.

I would also object to and question his statement that there is no legal right for the airlines to collect this money. In this case we would have a pure case of unjust enrichment, and I think the government of the United States is a far bigger and better government than one that would say—"we have taken your money for the contract and now we have terminated this contract and even so we will not return your money."

I want to emphasize to the Members here today that this is not the taxpayers' money. This is money that was put up by the airlines. It was their money and now this money should be returned.

As Mr. Boyd says, and he was at that time Secretary of the Department of Transportation, the risks that were included in this contract and were part of the contract and I quote:

> I made it perfectly clear [to the airlines] that the deposits would be at risk and would be forfeited if Boeing could not succeed in building a plane that in a production model would be economically viable and capable of safe operation at design speed.
>
> It was certainly assumed by all concerned that the deposits were at risk only in connection with failures that might be related to the aircraft itself.

We are in the position of Boeing the United States being parties to a contract have invited in a third party and said, "We want your money." This money was taken and then deposited and now the government terminates the contract and we turn our back on the third parties and say "we will terminate but at the same time will keep your money."

This is grossly unfair. This is not what was contemplated in the termination.

Mr. McFALL. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I had originally planned to vote for this amendment. I bought the argument that we had a moral obligation to the airlines. But then I read the contract and listened to the gentleman from Illinois—and in my judgment he is right.

I would like to help to take care of the airlines. They came to my office. They are in a bad economic situation. But, most certainly, so is the U.S. Treasury—a lot worse situation than the airlines for that matter.

But there is another moral obligation around here that nobody has mentioned and that is the obligation of the U.S. Government not to gratuitously pass around the taxpayers' money when there is no legal obligation to do so.

We are being asked really to gratuitously adjust the interest of one party to this contract—the airlines. We are being asked to do that at the expense of the taxpayers.

What happens, in effect, is the taxpayer not only does not get his money back—as the airlines do under this arrangement—but the taxpayer winds up paying twice. Originally he paid in taxes and now the taxpayer has to pay money again to adjust and take care of somebody else's interest. I think that is wrong. The House ought to support the position of the gentleman from Illinois.

Mr. McFALL. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. THOMPSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. THOMPSON of Georgia. Mr. Speaker, I would like to ask a few questions of the chairman of the committee, if I may.

The question of taxes has come up. Was there a tax writeoff that was allowed to the airlines on this $58 million? Was that part of the agreement when they paid the money to Boeing in lieu of the Federal Government paying this money? Did we allow them to write this off on their taxes?

Mr. McFALL. I am advised that a witness in the hearings testified that the item was written off, or at least it was deducted as research and development cost in the year in which it was paid.

Mr. THOMPSON of Georgia. Mr. Speaker, will the gentleman yield for another question?

Mr. CONTE. I yield to the gentleman from Georgia.

Mr. THOMPSON of Georgia. If we reimburse the airlines this money, will they then be liable for a return of the tax writeoff that they received? If so, in effect, the net cost to the Government would not be $58.5 million but less, say $48 million, or whatever it may be, depending on the amount of the writeoff in the first place.

Mr. McFALL. I do not claim to be a tax expert, and other Members may have a difference of opinion on this subject. But, as I understand it, it would be handled in the regular way that such things are handled. The Internal Revenue Service would apply the same rules it applies to similar matters. When the money is paid back, it would be considered in profit determination, and if the airline in that particular year should make a profit, then it would pay tax. Some of the airlines probably will make a profit this year. Some of the other airlines are in a loss status this year.

So it would depend upon the individual tax circumstance of each airline.

Mr. THOMPSON of Georgia. So the effect, then, would be that it will not cost the taxpayers $58.5 million because there will be a refund to the airlines of the writeoffs that they had taken in prior years.

Mr. McFALL. It would be handled in the regular way and would depend on the situation of the individual airline.

Mr. CONTE. Mr. Speaker, I would like to quote from the 1971 Senate hearings, page 827, the testimony of Mr. Beggs of the Department of Transportation:

> As I have already testified to this committee, the Government encouraged the airlines to make a financial commitment at risk to this program at its conception. As nearly as we can determine, none of the individuals involved in the discussion of this risk money contemplated that the SST program would be terminated by the Government for reasons outside of economics or general safety and viability of the aircraft.

For the benefit of some Members who were not present earlier, I quoted from a letter from General McKee to Senator MAGNUSON, April 27, 1971, in which he said—

> As a result of this meeting the involved airlines paid in some $58 million on the basis that they would get their money back plus interest. They all understood that there would be no return unless:
>
> a. The airplane was operationally suitable (and safe).
>
> b. The airplane was economically viable.

I further quote from the letter of the general who was in charge of the SST program at that time:

> It is my considered judgment that the airlines acted in good faith and on the clear-cut assumption that the Government would go forward on the prototype program to determine the operational and economic aspects of the airplane.

I further quote from the general's letter:

> I would not have been a party to requesting financial participation by the airlines, and I doubt that Mr. Boyd would, had I thought for an instant that the program would be arbitrarily terminated prior to finding out the answers to "a." and "b." above.

Mr. Speaker, here is the man who was in charge of the SST program at the time of the contract with Boeing, General McKee. He and Secretary Boyd both have said that they would not have been parties to the contract if the Government had anticipated terminating the contract with Boeing and then reneging on the downpayments. The same people, including myself, who led the fight here in the House to terminate the contract for the prototype SST do not wish to back down on a debt that we owe these people. No one says there is not a moral obligation. We could split hairs and say there is or is not a legal obligation. That question is in doubt. It is a gray area. All of the witnesses have said that that is a gray area, including Secretary Beggs. But we all agree that there is a moral obligation.

Therefore, I say that based upon the testimony of General McKee, his statements in his letters, the letter of Secretary Boyd to Senator MAGNUSON, and the testimony of Secretary Beggs, as well as the fact that the President of the United States sent a message to the Senate asking for this money, I say let us live up to our responsibility. We killed the SST. It was a great victory. Now let us pay the piper.

Mr. McFALL. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, at the time the $58.5 million contribution was made by the airlines, they were in black ink. They were profitable. The money they paid for the SST deposit would otherwise have gone into the Treasury at a 48-percent tax rate. So what they paid to the Federal Government was $30 million, the rest of it was a writeoff. It seems to me under these circumstances that it is incredibly foolish for the Federal Government to pay back $58.5 million on what was a $30 million investment.

This is not a moral repayment. It is an absurd spillage of the taxpayers' money. I hope, Mr. Speaker, that we can be assured that there will be no unjust enrichment of the airlines in the repayment of this fund.

Mr. McFALL. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Speaker, we are not debating the subject of either taxes or taxpayers' money. The money advanced had been earned by the airlines. It was funds that were profits from the legitimate operation of a business enterprise. On all of the money advanced by the airlines—all taxes, local, State, and Federal taxes had already been paid. This was their money in the strictest sense. None of it could be said to be taxpayers' money.

It was back in early 1967 when the Government was considering whether or not to ask the Congress to continue appropriations for development of the supersonic transport, it was decided to ask the domestic airlines involved to put up some money to show their faith in the program. Consequently, nine U.S. airlines and one foreign airline put up $1 million for each delivery position they had reserved, for a total airline investment of $58.5 million. This amount was used to reduce the size of the Government's contribution to the program.

Now that the Congress has voted to discontinue Government funding of the program, the airlines have asked that their investment be returned. They argue, quite justly, that the money was put up under the assumption the only risk was the technological one—that they would not get any money back if Boeing could not build an operationally and economically viable aircraft. There was no question of the Government not seeing the program through, at least the prototype stage.

Aside from the moral obligation that I feel the Government has to repay the airlines their investment, I think the Congress should also be aware that the $58.5 million means an even greater loss to the airline industry in their present economic condition. The nine U.S. airlines requesting return of their investment lost a total of $103.9 million in 1970 because of the recession conditions in this country. The big five carriers alone—American, Eastern, Pan American, TWA and United—lost almost $200 million.

The situation of the industry so far in 1971 has only worsened as traffic, not recovering from the national economic recession as had been hoped, is now actually declining from last year's levels. In addition, airline costs continue to spiral at rates almost double the national rate of inflation. Because of this, the major U.S. airlines, in the first 3 months of this year alone, showed a net loss of $137 million. And early figures for the second quarter do not show any signs of a turnaround.

In light of these two basic facts—that the Government is morally obligated to repay money put up by the airlines, and this $58.5 million represents a sum that amounts to more than half of their total losses last year—the airlines should receive this money and promptly.

Mr. McFALL. Mr. Speaker, I yield one minute to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, it is perfectly astounding to me to hear statements made that if we do not pay this money to the airlines, the U.S. Government will be unjustly enriched. The money was paid by the airlines to Boeing. The U.S. Government had already put $500 million into developing this plane for the use of the airlines. The airlines had good legal counsel. They can read the English language. The contract is perfectly clear. They walked into it with their eyes open. Now they are asking us to pay $58 million of money they knew was gone when they signed the contract. Furthermore, there is nothing to stop them from getting together with Boeing any time they want to and finishing the SST prototype, if they want to pay for it. If they do, they will have the benefit of $750 million of the taxpayers' money that has already gone into the development of the prototype. I see no justification for any further drain on the taxpayers for this project.

Mr. McFALL. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. PUCINSKI).

Mr. PUCINSKI. Mr. Speaker, I voted against the SST, and I voted against this proviso the first time around. But surely it seems to me if the Congress changed its mind on the need for the SST, we do have a moral obligation to pay back those moneys in good faith invested in the program that the Congress itself shut down subsequently. These airlines put this money up in good faith. They made a contribution. I do not see why we should now say that because Congress changed its mind—and I was one of those who helped Congress change its mind—they are not going to get their money back.

At first it seemed to me it did not make much sense to pay this money. Now we have changed our mind. When this came to the Congress the first time, it was late in the evening, and we did not have the facts and figures and all the testimony, but now we have had time to consider it and read the debate in the committee, and it seems to me we should vote for this provision.

Mr. McFALL. Mr. Speaker, I yield to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I frankly feel there is a moral obligation here, but I question the procedure. I ask the gentleman, is it not unusual for this kind of payment to be authorized, so to speak, in an appropriation bill? Under what provision of law is this payment authorized?

Mr. McFALL. It has not been authorized by the House but it was put in by the Senate. I do not believe there was a dissenting vote in the Senate on this matter.

Mr. BINGHAM. But can we appropriate funds under an appropriation bill that have not been authorized by law?

Mr. McFALL. That is a parliamentary inquiry, but as I understand it, we are following proper parliamentary procedure in this matter, and it would be authorized if it was voted.

Mr. BINGHAM. I thank the gentleman for his reply. On that basis I am afraid I must vote "nay."

GENERAL LEAVE TO EXTEND

Mr. McFALL. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the subject of this amendment.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McFALL. Mr. Speaker, I ask for an aye vote on my motion.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. McFALL).

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. YATES. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 307, nays 99, answered "present" 1, not voting 26, as follows:

[Roll No. 217]

YEAS—307

Abbitt
Abernethy
Adams
Addabbo
Alexander
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Archer
Aspinall
Baker
Baring
Begich
Belcher
Bell
Bennett
Bergland
Betts
Biester
Blanton
Blatnik
Boland
Bolling
Bow
Brasco
Bray
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burleson, Tex.
Burlison, Mo.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Carney
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Collier
Collins, Tex.
Conable
Conte
Corman
Coughlin
Crane
Daniel, Va.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Dennis
Dent
Dickinson
Dingell
Dorn
Dowdy
Downing
Dulski
Duncan
du Pont
Dwyer
Eckhardt
Edmondson
Edwards, Ala.
Edwards, Calif.
Erlenborn
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton, Pa.
Fulton, Tenn.
Fuqua
Garmatz
Gettys
Giaimo
Gibbons
Goldwater
Gonzalez
Grasso
Gray
Green, Oreg.
Griffin
Griffiths
Grover
Gubser
Hagan
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harvey
Hastings
Hathaway
Hays
Hébert
Heckler, Mass.
Henderson
Hicks, Wash.
Hillis
Holifield
Horton
Howard
Hull
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, N.C.
Karth
Kazen
Keating
Kee
Keith
Kemp
Kluczynski
Kuykendall
Kyl
Landgrebe
Landrum
Lennon
Lent
Link
Lloyd
Lujan
McClory
McCloskey
McClure
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKay
McKevitt
McKinney
McMillan
Madden
Mahon
Mailliard
Mann
Mathias, Calif.
Mathis, Ga.
Matsunaga
Meeds
Melcher
Metcalfe
Michel
Miller, Calif.
Mills, Ark.
Mink
Minshall
Mizell
Mollohan
Monagan
Montgomery
Moorhead
Morgan
Morse
Mosher
Murphy, Ill.
Murphy, N.Y.
Natcher
Nelsen
Nichols
O'Konski
Passman
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Peyser
Pickle
Pirnie
Podell
Poff
Preyer, N.C.
Price, Ill.
Price, Tex.
Pryor, Ark.
Pucinski
Quie
Quillen
Railsback
Randall
Rees
Reid, Ill.
Reid, N.Y.
Reuss
Rhodes
Riegle
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rostenkowski
Rousselot
Roy
Ruppe
Ruth
St Germain
Sandman
Satterfield
Scherle
Scheuer
Schneebeli
Schwengel
Scott
Sebelius
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Spence
Stafford
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Sullivan
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Terry
Thompson, Ga.
Thomson, Wis.
Udall
Ullman
Vander Jagt
Veysey
Vigorito
Waggonner
Waldie
Wampler
Ware
Watts
Whalen
Whalley
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H.
Winn
Wright
Wyatt
Wydler
Wyman
Young, Tex.
Zablocki

NAYS—99

Abourezk
Abzug
Anderson, Calif.
Ashbrook
Ashley
Aspin
Badillo
Barrett
Bevill
Biaggi
Bingham
Brademas
Burke, Fla.
Burke, Mass.
Burton
Byrne, Pa.
Carey, N.Y.
Chisholm
Clay
Cleveland
Collins, Ill.
Colmer
Conyers
Cotter
Culver
Daniels, N.J.

Delaney
Dellums
Denholm
Derwinski
Devine
Dow
Drinan
Eilberg
Eshleman
Evans, Colo.
Findley
Galifianakis
Gaydos
Goodling
Green, Pa.
Gross
Gude
Haley
Hall
Hamilton
Harsha
Hechler, W. Va.
Helstoski
Hicks, Mass.
Hogan
Hunt
Hutchinson
Jacobs
Kastenmeier
King
Koch
Kyros
Latta
Leggett
Long, Md.
Macdonald, Mass.
Martin
Mayne
Mazzoli
Miller, Ohio
Mills, Md.
Minish
Mitchell
Moss
Myers
Nedzi
Nix
Obey
O'Hara
O'Neill
Pike
Rangel
Rarick
Rosenthal
Roush
Roybal
Runnels
Ryan
Sarbanes
Schmitz
Seiberling
Snyder
Springer
Stokes
Thompson, N.J.
Thone
Tiernan
Vanik
Wolff
Wylie
Yates
Young, Fla.
Zion

ANSWERED "PRESENT"—1

Mikva

NOT VOTING—26

Anderson, Ill.
Arends
Blackburn
Boggs
Carter
Diggs
Donohue
Edwards, La.
Esch
Gallagher
Halpern
Hawkins
Hosmer
Hungate
Jones, Tenn.
Long, La.
McCulloch
Poage
Powell
Purcell
Saylor
Stuckey
Symington
Van Deerlin
Yatron
Zwach

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Boggs with Mr. Arends.
Mr. Gallagher with Mr. Halpern.
Mr. Diggs with Mr. Blackburn.
Mr. Donohue with Mr. Anderson of Illinois.
Mr. Hungate with Mr. Esch.
Mr. Jones of Tennessee with Mr. Carter.
Mr. Yatron with Mr. Saylor.
Mr. Van Deerlin with Mr. Hosmer.
Mr. Stuckey with Mr. Powell.
Mr. Long of Louisiana with Mr. Zwach.
Mr. Hawkins with Mr. Symington.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Senate Amendment No. 6:

On page 5, lines 17 and 18, strike out "$96,682,000" and insert "$101,682,000"

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert the following: "$97,682,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: On page 9, strike lines 14 to 22 inclusive and insert in lieu thereof:

FEDERAL PAYMENT TO THE AIRPORT AND AIRWAY TRUST FUND

For payment to the Airport and Airway Trust Fund as provided by section 208(d) of Public Law 91-258, $750,744,000: *Provided*, That of the anticipated unappropriated balance in the trust fund as of July 1, 1972, not to exceed $408,000,000 shall be available to liquidate obligations incurred under sections 14(a)(1) and 14(a)(2) of Public Law 91-258.

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted, insert the following:

"FEDERAL PAYMENT TO THE AIRPORT AND AIRWAY TRUST FUND

"For payment to the Airport and Airway Trust Fund as provided by section 208(d) of Public Law 91-258, $580,744,000: Provided, That the unappropriated balance in the Trust Fund as of July 1, 1972, shall be available solely to liquidate obligations incurred subsequent to June 30, 1972, under section 14(a)(1) and 14(a)(2) of Public Law 91-258."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 22: On page 15, line 8, after "fund", insert "*Provided*, That appropriations from the Highway Trust Fund are authorized for liquidation of obligations incurred against balances of the sums authorized for prior fiscal years and remaining unobligated at July 1, 1971."

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein.

The SPEAKER. The gentleman from California is recognized for 1 hour.

Mr. McFALL. Mr. Speaker, I would ask the attention of the House on this matter for just a very few moments. This amendment and the next one have to do with the forest highways and the public lands highways programs. The Senate put language in their bill at the request of the Office of Management and Budget, which is legislation on an appropriation bill, which the effect of shifting to the trust fund the construction of these highways. We accepted it in conference, and it is being presented for a separate vote by the House.

Since the conference I have been advised that the Members on both sides of the aisle on the Public Works Committee disagree with this legislation and are going to ask that the House turn down the motion, in which case I will have another motion to stand with the House position.

The gentleman from Illinois (Mr. KLUCZYNSKI) is here, and he is going to make a statement in which he will ask the House to disagree with my position.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. KLUCZYNSKI).

Mr. KLUCZYNSKI. Mr. Speaker, I oppose this motion on the basis that it will appropriate funds from the trust fund which had not previously been authorized. The House Public Works Committee is opposed to this procedure, because it will create an unnecessary drain on the trust fund. This procedure is a retroactive action contrary to the Federal Aid to Highways Act of 1970.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Massachusetts.

Mr. CONTE. The gentleman from Ohio (Mr. HARSHA), the ranking minority member of the Committee on Public Works, has spoken to me, and stated he wished to speak very much opposed to the Senate action. He wanted me to express his view that he was opposed to the motion.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Iowa.

Mr. GROSS. To which amendment is the gentleman referring in this instance?

Mr. McFALL. Amendment 22.

Mr. GROSS. My question would be, why did the House conferees yield to the other body to put legislation in an appropriation bill?

Mr. McFALL. I shall be glad to answer that. It became a question of judgment.

We had our conference at 11 o'clock on Monday, and I advised the House Committee on Public Works that this subject was coming up and asked for their opinion. They were very busily engaged in respect to important legislation for Appalachia and economic development and did not advise me of their opposition until after the conference and after I had accepted the Senate language.

I had to make a judgment. On the one hand, this would reduce the trust fund by about $64 million. On the other hand I was told by the officials of the Federal Highway Administration that it probably would result in constructing these forest highways and public lands highways a little faster because the Office of Management and Budget would be a little more lenient as to the use of those funds than it would be with general funds.

Consequently, I had the judgment to make, and I accepted the Senate language. Since that time I have been advised that the House Committee on Public Works is violently opposed to this procedure. We are bringing it to the House so that the House can make a determination.

Mr. GROSS. I thank the gentleman for his explanation. However, I still have no real answer to the question of why the House conferees would yield on an issue involving authorization which ought to be of some moment to all Members of the House. Sooner or later they are all going to get trapped in this business, one way or another, if they permit their representatives to legislate in appropriation bills and without authorization.

I commend the gentleman from Illinois (Mr. KLUCZYNSKI) and the gentleman from Ohio (Mr. HARSHA) for taking exception in this instance.

Mr. KLUCZYNSKI. And also Mr. BLATNIK.

Mr. GROSS. The gentleman from California (Mr. McFALL) now seems willing to recede from the position taken in conference, and I commend him for that position.

Mr. McFALL. I say to the gentleman, that when an item is not specifically authorized we bring it back in disagreement, so that the House will have a separate vote on the matter.

Mr. KLUCZYNSKI. Mr. Speaker, I should like to be heard on this motion.

This is not the first time I have tried to save the trust fund for the taxpayers. I have always been one of the fellows who was real happy to be taking care of the taxpayers money, and this is not the first time I have tried to protect the highway trust fund and run into a buzz saw. I should like to speak on this.

Mr. McFALL. How much time does the gentleman from Illinois desire?

Mr. KLUCZYNSKI. Five or ten minutes.

Mr. McFALL. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. KLUCZYNSKI).

(Mr. BLATNIK, at the request of Mr. KLUCZYNSKI, was granted permission to extend his remarks at this point in the RECORD.)

Mr. BLATNIK. Mr. Speaker, amendments Nos. 22 and 23 of this conference report dealing with forest highways and public lands is unequestionably in direct opposition to the intent of the 1970 Highway Act and previous highway authorizing legislation.

While I can appreciate the intent of the administration in attempting to capitalize on the 1970 Highway Act in order to reduce general fund expenditures at the expense of the highway trust fund I do not think it is the proper thing to do at this time. The phasing out of the forest highway and public lands programs as general fund items was completely analyzed last year and the 1970 Highway Act as written was the result of these deliberations.

The position taken by the House Appropriations Committee and the House itself in rejecting the administration's budget proposal to rescind all previous authorizations was exactly in conformance with the 1970 authorizing legislation and I would certainly commend that committee for its action.

The Senate position, however, a revised administration position, is unquestionably legislation by appropriation and is so stated on pages 19 and 20 of Senate Report No. 92–271 and certainly does not carry out the intent of the 1970 act.

I would, therefore, rise in opposition to these two amendments dealing with forest highways and public lands in that it is legislation by appropriations and not in conformance with the rules of the House.

Mr. KLUCZYNSKI. Mr. Speaker, I would like to address myself to amendments Nos. 22 and 23 on pages 6 and 7 of the conference report dealing with forest highways and public lands highways and oppose their passage at this time. They are points that are in technical disagreement in the conference report.

The House Appropriations Committee acted properly as did this body when they acted on this item in the House version of the bill. The other body, however, inserted legislative language and admitted doing so in their committee report on the bill.

I think the gentleman from California (Mr. McFALL) has acted most graciously and cooperatively with the Committee of Public Works in this instance and I commend him for his forthright discussions with us on this matter.

The 1970 Highway Act provided for funding the type of project out of the forest highway fund beginning with fiscal year 1972. The act also in order to stay within the limitations of the trust fund provisions, and as you know that fund is under the jurisdiction of the Committee on Ways and Means, provided that the definition of forest highways and park roads be changed to include only those which were on a Federal-aid highway system. This, of course, will cover the majority of the forest highways and public lands highways but those remaining which are off the Federal-aid system could then be financed from past authorizations out of the general fund.

We find, for example, that the 1972 appropriations as approved by both bodies includes $15 million out of the general fund and $10 million out of the trust fund exactly as recommended by the administration.

There is no authorization for taking funds authorized before fiscal year 1972 from the highway trust fund for these purposes and it was not the intent of the 1970 Highway Act that this be done.

I, therefore, oppose amendments Nos. 22 and 23 of the conference report and urge their rejection by this body.

Members of the House, it does not pay to be a good fellow. They twisted my arm a couple of years ago in the 1968 and 1970 Highway Acts, and I went for a couple of million dollars on the forest highways. Here they are now not satisfied with what we did in fiscal year 1972 but, instead, want to go back and make it retroactive.

Mr. Speaker, it is wrong for the committee to agree on something like this. It should be stricken out.

I know that Mr. McFALL is a fine man, just as my very good friend from Massachusets (Mr. CONTE) and that they will go along with me on this.

(Mr. HARSHA (at the request of Mr. CONTE) was granted permission to extend his remarks at this point in the RECORD.)

Mr. HARSHA. Mr. Speaker, the bill, as passed by the House of Representatives, included a liquidating appropriation of $25,000,000 for the forest highways program and $5,000,000 for public lands highways, both of which sums would be appropriated from the general funds of the Treasury. The House committee, in its report on the bill, stated that the committee, because of lack of legislative authority, has deferred action on the budget proposal to rescind the unobligated balances of prior year contract authority.

The fiscal year 1972 budget submitted to the Congress by the President contained language that the July 1, 1971, unobligated balance in contract authorization in the amount of $39,098,000 for forest highways and in the amount of $26,637,000 for public lands highways will be rescinded by proposed appropriation language. In effect, the budget document asked the Committee on Appropriations to include substantive legislation in the appropriation act, which is solely within the jurisdiction of the Committee on Public Works. The House Committee on Appropriations properly rejected this request.

At the subsequent request of the administration, the Senate Committee on Appropriations included in the bill, as it was reported and as passed by the Senate, a total of $25 million for forest highways, $15 million of which is to be appropriated from the general funds of the treasury, and $10 million from the highway trust fund, and provided for the entire $5 million for public lands highways to be appropriated from the highway trust fund. The Senate Committee recognized that the language contained in the appropriation bill appropriating these funds from the highway trust fund was substantive legislation and so stated in the committee report on the bill.

All administrations, commencing with the Eisenhower administration, have requested the Congress to appropriate moneys for forest highways and public lands highways from the highway trust fund. The House Committee on Public Works has consistently rejected these requests until 1970, at which time there was included in the Federal-Aid Highway Act of 1970, as enacted, authorizations for both forest highways and public lands highways for fiscal years 1972 and 1973 to be appropriated from the highway trust fund. However, there was coupled with this authorization an amendment to the definitions of forest highways and public lands highways contained in existing law to provide that all such highways shall be on a Federal-aid system. Prior to the Federal-Aid Highway Act of 1970, forest highways and public lands highways did not have to be on a Federal-aid system, and a number of such highways were not on a Federal-aid system.

The Senate amendments Nos. 22 and 23, which are reported to the House in disagreement in the conference report to accompany H.R. 9667, would appropriate moneys from the highway trust fund for liquidation of obligations for forest highways and public lands highways made as a result of authorizations for fiscal year 1971 and prior years. These authorizations are for the appropriation of moneys from the general funds of the Treasury only and are available for expenditure upon highways that are not a part of a Federal-aid highway system. It is my understanding that some of the funds to be appropriated pursuant to the amendments in question would, in fact, be used to pay for projects on non-Federal-aid highways.

Not only would the appropriation of these funds from the highway trust fund be contrary to the authorizations for such appropriations, but would also constitute a diversion of highway trust funds. Such expenditures would be in violation of section 209(f)(1) of the Highway Revenue Act of 1956, which act provides that amounts in the trust fund shall be available only for making expenditures to meet those obligations of the United States incurred under the provisions of title 23, U.S.C., which are attributable to Federal-aid highways—including those portions of general administrative expenses of the Federal Highway Administration payable from such appropriations.

These two Senate amendments are clearly in violation of existing law, constitute substantive legislation in an appropriation bill, and are contrary to the position that has consistently been taken by the House in regard to this matter since 1956.

Mr. McFALL. Mr. Speaker, I ask for a "no" vote, and move the previous question on the motion.

The previous question was ordered.

The motion was rejected.

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House insist upon its disagreement to the amendment of the Senate numbered 22.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 15, line 20, after "Fund" insert the following: "*Provided*, That appropriations from the Highway Trust Fund are authorized for liquidation of obligations incurred against balances of the sums authorized for prior fiscal years and remaining unobligated at July 1, 1971."

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein.

Mr. McFALL. Mr. Speaker, this is exactly the same as the previously numbered 22 on which the gentleman from Illinois would ask for a "no" vote.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was rejected.

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House insist upon its disagreement to the amendment of the Senate numbered 23.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 16, line 3, insert the following:

"BALTIMORE-WASHINGTON PARKWAY TRUST FUND

"For necessary expenses, not otherwise provided, to carry out the provisions of the Federal-Aid Highway Act of 1970, for the Baltimore-Washington Parkway, to remain available until expended, $2,500,000, to be derived from the 'Highway trust fund' and to be withdrawn therefrom at such times and in such amounts as may be necessary."

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 30: Page 17, line 20, insert the following:

"HIGH-SPEED GROUND TRANSPORTATION RESEARCH AND DEVELOPMENT

"For necessary expenses for research, development, and demonstrations in high-speed ground transportation, $29,077,000, to remain available until expended: Provided, That this appropriation shall be available only upon enactment into law of S. 979 or H.R. 8107 and H.R. 8302, 92d Congress."

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 30 and concur therein with an amendment, as follows: In lieu of the matter inserted, insert the following:

"HIGH-SPEED GROUND TRANSPORTATION RESEARCH AND DEVELOPMENT

"For necessary expenses for research, development, and demonstrations in high-speed ground transportation, $25,000,000, to remain available until expended."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: Page 18, line 16, after "provided" insert the following: "$1,000,000 shall be appropriated to the Alaska Railroad Revolving Fund for use in construction and engineering work on an extension of the Alaska Railroad from Fairbanks, Alaska, to the International Airport located near that city".

MOTION OFFERED BY M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion:

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 31 and concur therein with an amendment, as follows: In lieu of the matter inserted, insert the following: "; and not to exceed $1,000,000 of the Fund shall be available for use in construction and engineering work on an extension of the Alaska Railroad from Fairbanks, Alaska, to the International Airport located near that city."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 49: Page 28, line 10, insert the following:

"Sec. 309. Appropriations under this Act for the Federal Aviation Administration may be expended for necessary expenses to establish, conduct, and carry out the International Aeronautical Exposition in an amount not to exceed $3,780,000: *Provided*, That funds so expended shall be reimbursed to the appropriation from which expended out of revenues credited to the appropriation 'Federal Aviation Administration/United States International Aeronautical Exposition', in chapter XI of Public Law 92-18."

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion:

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 49 and concur therein with an amendment, as follows: Change the section number to "313".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. McFALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to extend their remarks and to include pertinent material and tables on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT AND ATOMIC ENERGY COMMISSION APPROPRIATIONS, 1972

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 562 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 562

Resolved, That during the consideration of the bill (H.R. 10090) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian Regional Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1972, and for other purposes, all points of order against the provisions contained under the heading "Atomic Energy Commission" beginning on page 2, line 12, through page 5, line 12, and under the heading "Independent Offices—Appalachian Regional Commission" beginning on page 22, line 16, through page 23, line 14, are hereby waived.

The SPEAKER. The gentleman from Texas (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 562 provides that during the consideration of H.R. 10090, public works appropriations for fiscal year 1972, all points of order are waived against title I, beginning on page 2 of the bill, and against that part of title IV beginning on line 16, page 22, through line 14, page 23. Title I includes the appropriation for the Atomic Energy Commission and that part of title IV specified includes the appropriations for the Appalachian Regional Commission and the Appalachian regional development programs. Neither of these authorizations has been enacted into law and that is the reason the waiver is needed in order to expedite passage of the appropriation bill.

Mr. Speaker, I urge the adoption of the rule.

Mr. Speaker, I now yield to the gentleman from Tennessee (Mr. Quillen).

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Texas. I have already yielded to the gentleman from Tennessee (Mr. Quillen).

CALL OF THE HOUSE

Mr. HALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 218]

Alexander
Anderson, Ill.
Anderson, Tenn.
Arends
Ashley
Baring
Blackburn
Blanton
Boggs
Bray
Buchanan
Camp
Carter
Celler
Chisholm
Clawson, Del
Clay
Dent
Devine
Dickinson
Diggs
Donohue
Edwards, La.
Esch
Fish
Foley
Ford, William D.
Fraser
Fuqua
Gibbons
Gubser
Hagan
Hawkins
Hébert
Horton
Hosmer
Hungate
Johnson, Pa.
Jones, Tenn.
Lennon
Long, La.
McCulloch
McDade
Martin
Mathis, Ga.
Melcher
Minshall
Patman
Poage
Pryor, Ark.
Rees
Rodino
Saylor
Schneebeli
Seiberling
Sisk
Steiger, Wis.
Stuckey
Symington
Tiernan
Van Deerlin
Wilson, Charles H.
Yatron
Zion
Zwach

The SPEAKER. On this rollcall 368 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT AND ATOMIC ENERGY COMMISSION APPROPRIATIONS, 1972

The SPEAKER. The Chair recognizes the gentleman from Ohio (Mr. Latta).

Mr. LATTA. Mr. Speaker, as the distinguished gentleman from Texas (Mr. Young) has stated, House Resolution 562 waives points of order against H.R. 10090, the public works appropriations bill, in two instances.

In both instances this is because the authorizing legislation has not yet been signed into law. The first instance is the appropriation for the Atomic Energy Commission, the second is the Appalachian Regional Commission.

The Atomic Energy Commission authorization conference report was agreed to by the House on Tuesday of this week. The Appalachian Regional Commission authorizations are contained in H.R. 9922 which passed the House yesterday. The appropriations contained in this bill are within the authorization figures contained in both bills.

No other points of order have been waived by the rule. The reason the Rules Committee granted the specific waiver contained in House Resolution 562 is to assist the House in completing as much of its business as possible before the August recess. I urge the adoption of the rule.

Mr. Speaker, I have no further requests for time.

Mr. YOUNG of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Mikva).

Mr. MIKVA. I thank the gentleman for yielding.

Mr. Speaker, in sight of what the distinguished gentleman from Ohio said, I would like to make clear on the record the situation regarding this rule: Do I understand the sole purpose of waiving the points of order against this bill that might otherwise have been raised is because of the lack of authorization for the Atomic Energy Commission and other agencies?

Mr. YOUNG of Texas. That is my understanding.

Mr. MIKVA. And, no other reasons were advanced before the Rules Committee other than that?

Mr. YOUNG of Texas. I do not know that any other reason was given other than the lack of authorization in these two instances.

Mr. MIKVA. Mr. Speaker, I thank the gentleman. I would like to say to the House that I think inadvertently this rule is guilty of overbreadth, in that it waives other points of order that have nothing to do with authorizations. But rather than hold up the proceedings of the House I will, when the bill is read and open to amendment, offer a motion to strike the section which I believe is subject to a different point of order.

I hope that the chairman and the other members handling the business of the bill will be responsive to these facts.

(Mr. QUILLEN, at the request of Mr. Latta, was granted permission to extend his remarks at this point in the Record.)

Mr. QUILLEN. Mr. Speaker, as the distinguished gentleman from Texas (Mr. Young) has stated, House Resolution 562 waives points of order against H.R. 10090, the public works appropriations bill, in two instances.

In both instances this is because the authorizing legislation has not yet been signed into law. The first instance is the appropriation for the Atomic Energy Commission, the second is the Appalachian Regional Commission.

The Atomic Energy Commission authorization conference report was agreed to by the House on Tuesday of this week. The Appalachian Regional Commission authorizations are contained in H.R. 9922 which passed the House yesterday. The appropriations contained in this bill are within the authorization figures contained in both bills.

No other points of order have been waived by the rule. The reason the Rules Committee granted the specific waiver contained in House Resolution 562 is to assist the House in completing as much of its business as possible before the August recess. I urge the adoption of the rule.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. EVINS of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10090) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian Regional Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1972, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Arizona (Mr. Rhodes) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Tennessee.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10090, with Mr. Aspinall in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Tennessee (Mr. Evins) will be recognized for 1 hour, and the gentleman from Arizona (Mr. Rhodes) will be recognized for 1 hour.

The Chair recognizes the gentleman from Tennessee.

Mr. EVINS of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. EVINS of Tennessee. Mr. Chairman, I realize the lateness of the hour. This is an important bill, and we propose to finish it tonight as other legislation has been scheduled for tomorrow.

Mr. Chairman, we bring you today the public works and Atomic Energy Commission appropriations bill for fiscal 1972.

This is an important bill—a bill that

represents substantial investments—essential investments—in the future of America.

This public works appropriations bill has been called an "all-America bill" because it touches every State and virtually every section of our great country.

This bill represents an investment in America—and in our future.

The purpose of this bill is to strengthen our country.

By providing for water resource development we provide needed electric power, a more adequate water supply, flood control, reclamation, irrigation, navigation, and other essential services for our expanding population.

This bill strengthens the muscle of America by providing for research and development by the Atomic Energy Commission—for defense and defense-related missions—and for development of nuclear energy for peaceful purposes.

I must advise my colleagues, however, that because of slowdowns, stretchouts, and delays, this Nation is falling further behind in the construction of needed public works projects.

I will discuss this in greater detail later in discussing this appropriations bill.

First, I want to commend all the members of our subcommittee who have contributed to the preparation of this bill—all have participated.

This bill has been fashioned by all members of the subcommittee—and we bring you a unanimous report.

I want to commend the gentleman from Massachusetts (Mr. BOLAND), the gentleman from Mississippi (Mr. WHITTEN), the gentleman from Alabama (Mr. ANDREWS), the gentleman from West Virginia (Mr. SLACK); the ranking minority member, the gentleman from Arizona (Mr. RHODES), the gentleman from Wisconsin (Mr. DAVIS), and the gentleman from New York (Mr. ROBISON).

I want also to commend our excellent efficient committee staff: Gene Wilhelm, George Urian, John Plashal, and Mike Walker.

OVERALL SUMMARY

By way of overall summary, the President's budget recommends $4,615,945,000 for public works and related water resource programs and the Atomic Energy Commission for next year.

The committee is recommending $4,576,148,000—a cut and reduction of $39,797,000 below the President's budget.

The largest item in the budget is for the Atomic Energy Commission—a total of $2,270,000,000.

We have cut and reduced the AEC portion of the bill by $68,202,000.

The committee has set some priorities—and made some recommended increases.

We have added $28,405,000 to budgets for water resource programs—making a net reduction of $39,797,000—about $40 million below the budget.

Mr. Chairman, our committee has been greatly concerned by the action of the Office of Management and Budget in freezing, impounding, and withholding funds for every public works project initiated by our committee last year.

This action has slowed down vital and needed public works at a time when unemployment has been near an alltime high in this country.

Because of this negative attitude of officials of OMB, the Nation may well face even more serious crises in terms of brownouts, blackouts, power shortages, water shortages, flood damage, and other adverse effects resulting from impoundment of funds for public works.

Our committee has made an intensive study of the impact of these delays on the development of essential water and power resources of the Nation.

We have concluded—based on expert testimony and studies—that the impoundment of $63.4 million provided by the Congress for planning or construction of urgent projects has resulted in increased costs totaling $73 million—and loss of annual benefits totaling another $169 million.

This means that the action by the OMB in freezing appropriations by Congress will entail added costs and loss of benefits totaling $242 million.

This is not good business.

This is not efficiency and prudent fiscal management.

There is no question but that Congress has the constitutional authority to make adjustments in the President's budget.

I want to point out again that our bill last year was $25 million below the estimate.

The Congress set some priorities of its own, based on months of testimony and hundreds of witnesses.

The congressional add-ons last year included planning on a limited number of new starts because of the long leadtime required before construction.

The funds added by Congress last year and impounded were provided for projects under construction to expedite their completion and save the Government and the taxpayers increased costs occasioned by increases in costs of labor and materials.

Let me say further that not only were many projects slowed down and increased costs incurred by the impoundment actions, but funds for some projects were diverted to other purposes in clear violation of the Constitution—representing an item veto of Congress.

Mr. Chairman, this year in an effort to restore some sense of normalcy to construction schedules—to put delayed public works projects back on schedule—the committee adopted certain policies in the formulation of this bill as follows:

First priority has been given to providing full funding capability on the new planning and construction projects initiated by Congress last year which were delayed, deferred or diverted by OMB.

This involves 27 projects and the addition of $7,362,000 to the bill.

Second priority: We have given increased allowances for on-going planning and construction projects for which congressional add-ons in the fiscal year 1971 bill were also impounded.

This involves 44 projects and the addition of $37,112,000 to the bill.

A table follows:

	Number	Allowance
a. New planning starts:[1]		
Budgeted	5	$210,000
Committee additions	17	2,142,000
Total	22	2,352,000
b. New construction starts:[2]		
Budgeted	8	3,944,000
Deferred by subcommittee	−3	−1,048,000
Net	5	2,896,000
Committee additions	14	7,130,000
Total	19	10,026,000

[1] Total cost of projects $243,955,000, including $218,107,000 for those added by the committee; highest total cost $36,000,000; 12 projects have a cost of less than $10,000,000.

[2] Total cost of projects $209,828,,000 including $146,674,000 for those added by the committee; highest total cost $44,200,000; 11 projects have a cost of less than $10,000,000.

Third, priority was given to addition of only a limited number of low-cost planning and construction starts.

For the Corps of Engineers and the Bureau of Reclamation, only 18 new planning starts were approved from a backlog of 200 projects.

Only 13 new starts were funded from a backlog of 120 projects eligible for construction.

No new project was approved for planning or construction with a total cost of more than $40 million.

As a matter of fact, most of the additions to the budget by the committee involved total costs of less than $10 million.

WATER RESOURCE DEVELOPMENT AND THE ENVIRONMENT

The committee is increasingly concerned about the delays in water resource development occasioned by the number of injunction proceedings and lawsuits filed to stop progress of public works programs.

The committee believes that water resource development and the enhancement of the environment need not be incompatible, and indeed, should be complementary.

We must achieve a balance between protection of our environment and development of natural resources required to serve our expanding population.

We must avoid the extremes.

We must avoid halting and impeding progress in the name of environmental protection.

Our committee, in extensive hearings, found that many agencies of Government are now geared to the protection of the environment and attuned to the importance of preserving the quality of our environment.

The Corps of Engineers, for example, has recently issued new directives to its field offices to safeguard the environment in carrying out public works projects.

These directives directed to field offices are as follows:

First, to preserve unique and important ecological, esthetic, and cultural values of our national heritage;

Second, to conserve and use wisely the natural resources of our Nation for the benefit of present and future generations;

Third, to enhance, maintain and restore the natural and manmade environment in terms of its productivity, variety, spaciousness, beauty, and other measures of quality; and

Fourth, to create new opportunities for the American people to enjoy their environment.

The Secretary of the Interior—Secretary Rogers Morton—has initiated research to advance underground power transmission technology.

The Bonneville Power Administration has adopted a variety of policies to assist in preserving the quality of the environment in its area.

The following statement by officials of the administration outlines the specifics of this policy:

> To limit adverse effects on natural beauty, we select transmission line routes and substation sites and we design facilities which minimize the visual impact of structures. Although the land used for transmission towers and for substations and switchyards is not available for other uses, most of the right-of-way for transmission corridors is compatible with other land uses such as farming, Christmas tree cultivation, and recreation, and this we encourage. In addition, we avoid present and potential residential areas wherever possible. To eliminate or reduce the effect of construction on ecological systems, particularly in forested areas, we try to select routings which avoid virgin forest lands, wildlife preserves, major wetlands, animal habitat, springs, unstable soil, and other fragile areas. All BPA facilities are now constructed in a way which meets the most restrictive air and pollution standards of applicable Federal, state, or local agencies. Finally, we develop and incorporate design improvements to reduce the problem of radio and audible noise in the vicinity of high-voltage transmission lines.

Our committee is confident, Mr. Chairman, that the programs administered by agencies funded in this bill promote the economic growth while at the same time protecting the environment.

Flood control, for example, obviously protects the environment of those Americans living in areas subject to serious floods.

Multipurpose dams assure millions of Americans adequate and safe water supplies—an absolute necessity to assure a safe environment.

Power generation by water resource projects provides clean, pollution-free electric power for homes and businesses throughout the Nation.

Irrigation projects assure productive use of the environment and increase the attractiveness of the land.

We want pure air.

We want clean water.

We want to preserve as much of our natural scenic beauty as possible.

In an overzealous desire to protect our environment some Federal agencies and others have gone too far down the road of redtape and regulations. For example:

Things have reached a point in some areas that to blacktop a country rural road Federal environmental approval is involved.

It is understandable that the pendulum might swing in that direction with the national emphasis on curbing pollution and preserving our environment. But, I repeat a balance must be maintained.

We must continue programs of progress for the Nation.

One cannot have clean air on a dusty road.

Our people cannot have clean water unless water supplies are provided.

Our people cannot enjoy the beauties of nature in a flooded house full of mud and silt.

Our people cannot have electric power unless power generation is assured.

I repeat: We must achieve a balance between the preservation of our environment and the need for progress.

The voice of the turtle must be heard in the land, but the sounds of progress must also continue.

We must continue our public works program to assure our people of the basic services required to live safe and normal lives—while at the same time taking all possible steps to preserve and restore the quality of our environment.

In this connection, additional funds are provided in this bill for project investigations underway to assure that appropriate weight is given, in water resource planning, to preserve and enhance environmental values.

ATOMIC ENERGY COMMISSION

For the Atomic Energy Commission the committee is recommending $2,270,000,000, which is $68,202,000 less than the budget request.

The reductions include a net reduction of $5,251,000 based on the 1972 authorization bill—additional reductions of $35,500,000 imposed for anticipated slippages and unobligated carryover balances—and a further reduction of $27,451,000 in plant and capital equipment.

The committee recommendations with respect to the AEC budget underline our concern over the energy crisis.

The committee recommends $25 million for continuation of the Cascade improvement program at the uranium enrichment plants in Oak Ridge, Tenn.; Paducah, Ky.; and Portsmouth, Ohio.

The committee appropriated $16.1 million for this project last year and the OMB impounded these funds until they were just recently released.

The committee fully supports the high priority placed by AEC on the development of a liquid metal fast breeder reactor—LMFBR. The fast breeder reactor holds the answer for clean, efficient, and economic fuel for the future—as the LMFBR will be able to utilize uranium 40 times more efficiently than today's nuclear powerplants.

A total of $258 million is included in the bill for the development and demonstration of this technology which is vital in meeting the Nation's rapidly growing electric power needs.

The committee, in addition, has approved $29,800,000 to continue research in controlled thermonuclear power.

The purpose of this program is to develop a totally new source of electrical energy based upon nuclear fission reaction.

TRIBUTE TO CHAIRMAN GLENN T. SEABORG OF AEC

Mr. Chairman, at this time I want to commend the outstanding work of Chairman Glenn T. Seaborg of the Atomic Energy Commission.

We have all noted in the press news of his planned retirement from the Commission.

Chairman Seaborg has served the Commission and our country long and faithfully, and his contributions are immense.

Dr. Seaborg is known throughout the world for his scientific brilliance, his dedication and leadership.

His scientific contributions in the development of nuclear energy for defense and security, as well as peaceful applications of the atom, are monumental and noteworthy.

Dr. Seaborg has appeared before our committee many times and I have always been impressed by his great ability and knowledge, his background and competence, and his dedication to public service.

We wish Dr. Seaborg well as he assumes new responsibilities in the academic world at the University of California.

We know he will continue to make great contributions to our country.

U.S. CORPS OF ENGINEERS

For the Corps of Engineers the committee recommends a total $1,429,418,000 which is $8,933,000 more than the budget request. We have made these increases to put delayed projects back on schedule.

For general investigations the committee is recommending $49,364,000, which is $805,000 less than the budget estimate.

For general construction the committee is recommending $889,188,000, which is $40,000,000 more than the budget request.

For general operation and maintenance—the other major item in the Corps of Engineers budget—the committee is recommending $376,000,000, which is $27,966,000 less than the budget request.

As I indicated we are endeavoring to restore the construction schedule to its normal pace.

For the Corps of Engineers and the Bureau of Reclamation we have approved only 18 new planning starts out of a backlog of more than 200 projects.

And out of a backlog of 120 projects eligible for construction, we are recommending only 13 new starts.

BUREAU OF RECLAMATION

For the Bureau of Reclamation in the Department of the Interior, the committee is recommending a total of $350,504,000, which is $17,264,000 more than the budget estimate.

Earlier in my remarks I referred to the diversion of funds from specified projects by the OMB.

In each instance where funds have been transferred or diverted to other purposes by OMB, the committee has again provided funds for these specific projects which are considered urgent and important—and the committee has directed that these funds be spent for the purposes specified by Congress.

A list of these projects in the service area of the Bureau of Reclamation and recommended funding follows:

Central Valley project:	
Pleasant Valley Canal (Coalinga) (for Reach 2)	+$1,200,000
Westlands Distribution and Drainage System	+8,000,000
(For initiation of contracts 9, 10 and 11.)	

Columbia Basin project, Washington:	
Bacon Tunnel and Siphon No. 2	+1,055,000
Block 251 laterals	+405,000
Fryingpan-Arkansas Project, Colorado	+1,020,000
(For Cunningham Tunnel)	
Garrison Diversion Unit, North and South Dakota	+1,000,000
(For construction on McClusky Canal (Reaches 1 and 2; preconstruction studies on Devil's Lake and Stump Lake Canal; and for right-of-way for Lonetree Reservoir, Velva Canal, and Devil's Lake restoration.)	

APPALACHIAN REGIONAL DEVELOPMENT COMMISSION

The committee is recommending $282 million for the regional development programs of the Appalachian Regional Commission—and $1,113,000 for salaries and expenses of the Commission—a total of $283,113,000.

The increase provided is required primarily to finance the Federal Government's share of the increased administrative expenses of the Commission resulting from salary increases and related costs.

The impact of the Appalachian program is now highly visible as new highways provide access to remote areas—and with new hospitals, health centers, vocational trade schools, airports, and other public facilities underlining the success of this basic development program.

The largest single item in the bill for ARC is the sum of $175 million for the highway program.

The recommended Appalachian development programs funded by the committee are as follows:

Program by Section of Act:	*Allowance*
201—Development Highways	$175,000,000
202—Health Demonstration	41,000,000
205—Mine Area Restoration	2,000,000
211—Vocational Education Facilities	24,000,000
214—Supplemental Grants	35,000,000
302—Research demonstrations, and Local Development Districts	5,000,000
Total	282,000,000

TENNESSEE VALLEY AUTHORITY

The committee is recommending an appropriation of $64,950,000 to Tennessee Valley Authority, which is $8,350,000 more than the budget estimate for 1972.

Appropriations to TVA are limited to the water resource and conservation development programs. The power program of TVA is self-sustaining and supporting. The costs of the power program are being liquidated with payments made to the Treasury.

All TVA power projects begun since the mid-1950's have been financed from the agency's electric power revenues and through the sale of bonds and securities as authorized by Congress.

Following the committee's uniform policy, we have added some additional funding to important projects to also restore TVA's projects to original construction schedules.

The committee has also reviewed the TVA power program budget for fiscal 1972.

This program is financed entirely from power proceeds and borrowings.

Capital outlays for the year are estimated at $622 million.

This includes continued design and construction of one four-unit pump hydroelectric project—nine nuclear generating units—two coal-fired generating units—and a number of gas turbine units—and initial work on additional planned generating plants.

TVA PAYMENTS INTO THE TREASURY

TVA in fiscal 1972 will make payments to the U.S. Treasury from power proceeds of $90 million, including $20 million for reduction of the appropriation investment and $70 million in dividends representing the return on the appropriation investment.

TVA to date has paid into the Federal Treasury a total of $748,393,009—including $583,393,009 as returns on appropriation investment and $165 million as repayment of appropriation investment—a total of almost $1 billion. Very few agencies of the Government make such payments and returns to the Treasury.

FEDERAL POWER COMMISSION

For the Federal Power Commission the committee is recommending $22,200,000 for salaries and expenses—a cut and reduction of $382,000 under the budget estimate.

The committee allowance includes approval of 48 additional positions requested primarily to handle additional workloads brought on by the requirements for environmental impact statements—for reliability studies of the electric power industry—and for electric rate and natural gas cases.

Because of the importance of the regulatory work of public utilities by this important Commission, I include a list of the allocations by the committee to the various programs of the FPC, as follows:

Program	Allowance fiscal year 1972	Compared with fiscal year 1971
Hydroelectric power regulation	$3,684,000	+$510,000
Electric power systems evaluation	3,169,000	+659,000
Electric power utilities regulation	2,384,000	+334,000
Natural gas pipeline regulation	5,770,000	+633,000
Natural gas producers regulation	4,145,000	+294,000
Natural gas industry systems evaluation	317,000	+67,000
Services to other agencies and the public	1,594,000	+87,000
Administration	1,519,000	+88,000
Slippage reduction	−382,000	−382,000
Total, allowance	22,200,000	+2,290,000

Mr. Chairman, the allocations of funds for other power agencies and water commissions, including the FPC–AROC–BDA and the National Water Resources Council, are included in the committee report—and I commend the report for more details to the Members and others interested.

Mr. Chairman, I repeat: This is a good bill, an important bill, an all-America bill—a measure that represents an investment in the future growth, development and progress of America.

We must continue to provide the basic public services for our people and for our expanding population.

Instead of this annual appropriation frequently being criticized in the press and from other sources, this bill should be considered in true perspective—as an instrument which will save lives in flood zones, assure electric power during a crucial period of power shortage, provide additional waterways for navigation and commerce to ease pressures on already crowded land routes, and make available desperately needed water supply to arid areas of our country.

On the Theodore Roosevelt Monument on Roosevelt Island engraved and emblazoned on the memorial monument are the words of this great conservationist who said:

> Conservation means development as much as it does protection.

Let us remember this injunction.

Water supplied by reservoirs constructed by the Corps of Engineers and Bureau of Reclamation provides water for some 19 million of our people annually.

Power from hydroelectric projects constructed and operated by these agencies and TVA provide 188.7 billion—almost 200 billion—of kilowatt-hours of electricity annually.

Flood damages avoided by existing facilities are estimated to exceed $22 billion—at a total cost of less than $7 billion expended over the years.

Waterways built by the Corps of Engineers now carry approximately one-sixth of the total ton-mileage of the Nation's intercity traffic.

The list of benefits of water resources development is quite long.

That is what this bill is all about—in addition to that portion which relates to the AEC and its vital defense and peacetime missions.

This appropriation is in the best interest of our country—of providing internal improvements which will save lives, generate power, protect property, supply water, provide transportation, promote navigation, continue reclamation, sustain our environment, and perform other vital services for our people.

We are responding to the challenge of the times and tomorrow by restoring construction schedules and moving forward in the public interest.

Mr. Chairman, let me say in conclusion, that this bill will provide a window through which we can glimpse the future of America—an America free of pollution, an America with abundant electric power, an America with a vast network of inland waterways and reaction areas—a stronger and better America of tomorrow through internal improvements.

This bill serves the public interest and I urge approval of this vital appropriations measure.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. EVINS of Tennessee. I yield to the distinguished dean of the House of Representatives.

Mr. CELLER. The gentleman has given us a very profound expression of work well performed on this bill. The committee and the gentleman himself as chairman are entitled to a great deal of compliment for work well done.

I am delighted to see that the House Appropriations Committee has included $80,000 to enable the Army Engineers to start advance design and planning work on the New York Harbor drift collection and removal project.

This project, authorized by Public Law 91–611 signed by the President on December 31, 1970, has an impressive 9-to-1 benefit-cost ratio and involves no Federal maintenance costs.

The funding of this project culminates 8 years of support by the States of New York and New Jersey, the city of New York, New Jersey waterfront municipalities, shipping interests, civil groups, and antipollution proponents to clean up the New York-New Jersey harbor of shoreline debris and almost 2,000 sunken wrecks, some of which are almost 100 years old.

With the appropriation of $80,000 it should be very apparent to the Office of Management and Budget that the Congress is very anxious for this project to move forward.

This project provides a unique opportunity, in keeping with the President's goals, to improve the Nation's environment in the 1970's and to enhance the Nation's abused and misused coastal zone. This is a landmark and pioneer program to revitalize and clean up the waterfront in our Nation's largest port.

I urge favorable action on this appropriation.

Mr. EVINS of Tennessee. I thank the gentleman.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. EVINS of Tennessee. I yield to my friend from Alabama.

Mr. ANDREWS of Alabama. I just want to say, Mr. Chairman, as a Member of this subcommittee, I have enjoyed working with the chairman of the subcommittee, the gentleman from Tennessee now in the well. He is a hard worker. He has done a grand job on this bill. He knows it like "ABC." He is the oldest man on the subcommittee from the standpoint of service on the subcommittee. It is a pleasure to serve with him. I can assure you that he brings you an excellent bill.

Mr. EVINS of Tennessee. I thank the gentleman.

Mr. BINGHAM. Mr. Chairman, will the distinguished gentleman yield?

Mr. EVINS of Tennessee. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I know the subcommittee has expressed great interest in the field of research for nuclear safety and also research for development of nuclear power by the fusion process. I know of the gentleman's great interest in that.

Unfortunately, this bill was reported out before the authorization bill had been amended to authorize an increase of $2.3 million for nuclear safety research and for an increase of $1.2 million for fusion research. These amendments, virtually identical with what I had proposed when the bill was originally before this House were adopted by the Senate and then agreed to by this House 2 days ago.

I have no intention of moving any amendments to the appropriation bill now before us, but I would hope when this bill goes to the other body it will be amended to appropriate the full amount of the authorization in these respects, and I would hope very much that the House conferees then might look sympathetically on such amendments.

Mr. EVINS of Tennessee. I thank the gentleman. The matter to which he addressed himself is important. We did provide in our markup the full authorization at that time. There were these subsequent amendments which the gentleman outlined, and you have my assurance the committee will give consideration to these additional requests.

Mr. BINGHAM. I thank the gentleman.

I recall that in June 1970, the committee expressed its disapproval at the inadequacy of budget submissions for fusion research it had previously received. I quote from the committee report of that time:

> The Committee has long been concerned at the slow pace of the development of (the fusion) program which, if successful, could be the answer to the energy problems facing the nation and the world. . . . The Committee hopes that future budget submissions will make more adequate provision for acceleration of this research and development effort.—House Appropriations Committee Report for Public Works, No. 91–1219.

The committee's "hopes" have now been at least partially realized. I trust that, if given the opportunity, the conferees from the committee will seize it, in accordance with their long-standing concern for increased funding for fusion.

Mr. Chairman, I am equally confident that the distinguished committee chairman will want to accept any Senate action increasing funds for safety research. The record is filled with the potential perils inherent in the operation of any nuclear reactor. A refusal to appropriate authorized funds to speed up research and development of safety devices vital to these reactors would be to disregard our responsibility to public safety.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. EVINS of Tennessee. I yield to the distinguished chairman of the Committee on Appropriations (Mr. Mahon).

Mr. MAHON. I have listened closely to the remarks of the able chairman of this subcommittee. I was pleased to hear the remarks of the gentleman from Alabama (Mr. Andrews).

As chairman of the Committee on Appropriations, I want to say that the gentleman from Tennessee has done a magnificent job in preparing this bill and presenting it to the House. I congratulate him and all the members of the subcommittee, including the ranking minority member, the gentleman from Arizona (Mr. Rhodes) for the good job done.

I am proud of the committees of this Congress. I am proud of the Committee on Appropriations and its subcommittees.

Mr. EVINS of Tennessee. I thank the gentleman for his remarks.

(Mr. STUBBLEFIELD asked and was given permission to extend his remarks at this point in the Record.)

Mr. STUBBLEFIELD. Mr. Chairman, between Kentucky Lake and Lake Barkley, straddling the Kentucky-Tennessee border, lies the 170,000-acre Land Between the Lakes recreation and conservation education area.

This area is being developed by the Tennessee Valley Authority as a demonstration to show how one facility can be operated to meet a variety of needs for those who seek to utilize the outdoors.

Timber is harvested from sections of Land Between the Lakes; however, it is not to maximize timber production. Instead the harvesting is managed to improve the quality of the timber resource and to provide open spaces so that deer and upland game will proliferate. Some of these animals, such as game birds, require the margins between woodland and open field as a source for food not distant from the sanctuary that trees afford.

Others, like deer, require low trees and bushes to feed on. If not enough small trees remain in the area, the food supply and therefore the size of the herd is limited.

Since many of our people find exercise and recreation from hunting, TVA believes that hunters should not be barred from the area. Therefore it conducts managed hunts for both bow and arrow and gun hunters. These hunts are held in restricted areas to assure that the hunting does not interfere with other uses of the area.

In utilizing Land Between the Lakes sometimes the best thing to do is nothing. For example, in cooperation with a local university a small section has been established on which nothing will be done—no management or recreation or other use. The section will be allowed to grow and mature without interference from man. Members of the university faculty and student body will closely watch this section and record what happens in it over an extended period of years, probably several decades. It is believed that the knowledge gained from this research will permit a better understanding of the forces at work in a growing woodland.

More common to Land Between the Lakes is utilization of the area for outdoor recreation and conservation education. There are highly developed campsites where families can bring trailers or campers. Opportunities are also numerous for those who wish to pitch a tent or sleep on the ground. In addition TVA has developed a group camp designed to encourage camping by groups such as Boy Scouts, church groups, and outdoor organizations. This camp will accommodate groups ranging in size from 4 to 400.

Perhaps the most imaginative facility at Land Between the Lakes is the youth station at the Conservation Education Center. This facility, which is heavily used, is designed to permit entire classes from elementary and secondary schools to spend a week or more in an outdoors environment. These stays are not breaks in the normal education program, since most groups continue much of their regular curriculum, but supplementary to it.

Through this facility school children

are given a chance to learn about and appreciate wildlife and woodlands. They are given a chance to understand the need for conservation of our natural resources.

The youth station is designed to demonstrate an educational resource. Its value can be shown by the fact that many of the schools which have utilized it are designing similar programs near the towns or cities where the schools are located.

The variety of activities in Land Between the Lakes has become a magnet, drawing visitors from a wide area of our country. It is estimated that during the current fiscal year about 2 million people will visit Land Between the Lakes, and this will be to a 170,000-acre area that does not have a gas station, a restaurant, or even a grocery store.

The lessons being learned through this development will be of value far beyond the Tennessee Valley. The knowledge about recreation, conservation, and the outdoors being gathered here can, and will, be used throughout the Nation.

Mr. EVINS of Tennessee. Mr. Chairman, I yield to the gentleman from California (Mr. HOLIFIELD).

Mr. HOLIFIELD. Mr. Chairman, I rise to thank the gentleman from Tennessee and the members of the committee, including the ranking minority members, for their usual courteous treatment of the atomic energy authorization requests and appropriations. There has been some adjustment in the appropriations as against the authorizations. They seem to me to be reasonable in nature, and I certainly have no complaint.

As one who has worked in this field for many, many years and handled many authorization bills—I was not here, incidentally, due to a death in the family, to help on the 1972 fiscal year authorization bill when it was presented this year—I want to say over the years the gentleman from Tennessee and the members of the subcommittee and his very excellent staff have always accorded us every courtesy to present our positions and explain why we made our request.

Mr. EVINS of Tennessee. I thank the gentleman for his compliment.

I yield to my good friend from Oklahoma (Mr. EDMONDSON).

Mr. EDMONDSON. Mr. Chairman, I want to thank the chairman of the subcommittee for his leadership in a field that does not get a lot of attention these days, which is the field of flood control.

The gentleman from Tennessee and his able subcommittee have provided funds to begin planning on a major flood control structure in Oklahoma, the Arcadia Reservoir, and to carry on work on another great project, the Copan Reservoir, which means literally thousands of dollars of flood damage will be prevented each year on these two important tributaries in Oklahoma.

I want to thank them on behalf of the people of Oklahoma for the consideration that they have given in this regard and the leadership that they demonstrated in advancing balanced water resource development in our country.

I urge approval of the bill.

Mr. WHITTEN. Mr. Chairman, at this time I wish to compliment our chairman, JOE EVINS, of Tennessee, as well as my colleagues, and members of the staff who worked so hard to see that we give fair treatment to each of our colleagues as well as provide attention to protecting and developing the resources of our Nation for present and future generations.

Mr. Chairman, I am proud to serve on the Committee on Appropriations where I am now ranking member, and particularly, I am glad to be a member of the Public Works Subcommittee. Other Members have covered the subject generally, but I would like to list at this point the Mississippi projects and the amount of funds we have in our bill which are of interest to the people of our State and in which all members of our delegation are interested and support.

Yellow Creek Port project, $2,050,000.

Bear Creek MP water control system, Alabama and Mississippi, $3,000,000.

Tennessee-Tombigbee Waterway, Alabama and Mississippi, $6,000,000 construction.

Tombigbee River and tributaries, Mississippi and Alabama, $90,000, general investigations, $1,300,000, construction.

Yazoo River, $32,000, operation and maintenance.

Arkabutla Lake, $110,000, construction including boat ramp; $440,000, operation and maintenance.

Enid Lake, $62,000, construction; $475,000, operation and maintenance.

Grenada Lake, $13,000, construction; $765,000, operation and maintenance.

Sardis Lake, $25,000, construction; $780,000, operation and maintenance.

Tributaries, $820,000, construction; $195,000, operation and maintenance.

Whittington Auxiliary Channel, $480,000, construction, operation, and maintenance.

Yazoo Backwater, $1,820,000, construction, $70,000, operation and maintenance.

Yazoo City, $60,000, operation and maintenance.

MISSISSIPPI RIVER AND TRIBUTARIES

Ascalmore, Tippo Bayou and Opossum Bayou, $100,000, continued planning.

UPPER AUXILIARY CHANNEL

A $200,000 release of funds appropriated last year.

The foregoing two items represent the full capability of the Corps of Engineers. In addition to the foregoing the committee provided the following directive in its report:

Yazoo Basin: The committee expects that the Corps of Engineers will fully cooperate with the Soil Conservation Service, including, where necessary, the full use of its authorities as provided in Public Law 91–493, in the correction of bank caving on streams, including the foothill area, in the Yazoo Basin. The committee has provided the full capability of the corps for planning and related activities in connection with the Ascalmore-Tippo Drainage project, the Upper Auxiliary Channel, and the Opossum Bayou area, and requests the corps to expedite its work in these areas, including bank stabilization, to the greatest extent possible. The committee expects that the corps will continue to proceed with the work from south to north so as not to aggravate prevailing conditions.

Bayou Cadet, $25,000, operation and maintenance.

Big Sunflower River, and so forth, $350,000, construction; $35,000, operation and maintenance; $30,000, Steele Bayou—planning; $165,000, Muddy Bayou-Eagle Lake.

Biloxi Harbor, $250,000, operation and maintenance.

East Pearl River, $45,000, operation and maintenance.

GIWW (Mobile district), Alabama, Florida, and Mississippi, $798,000, operation and maintenance.

Greenwood, $410,000, construction; $90,000, operation and maintenance.

Gulfport Harbor, $683,000, operation and maintenance.

Hancock County, $35,000, general investigation.

Main Stem, $285,000, operation and maintenance.

Okatibbee Lake, $175,000, operation and maintenance.

Pascagoula Harbor, $700,000, operation and maintenance.

Pearl River Basin, $103,000, general investigations; $660,000, operation and maintenance.

Pearl River, Louisiana and Mississippi, $660,000, operation and maintenance.

Tallahala Creek Lake, $230,000, advance engineering and design; $70,000, construction.

Vicksburg Harbor, $50,000, general investigation.

Mr. Chairman, as I said, I feel fortunate indeed to have the privilege of serving on this subcommittee, as well as being chairman of the Subcommittee on Agriculture, Environmental and Consumer Protection, where I have the additional opportunity to work toward protecting and developing our country. In that bill, where we approved the final bill Tuesday of this week, we provided further for watershed protection and flood prevention, for rural electrification, for water and sewer loans and grants, rural housing, the Soil Conservation Service, for the agriculture conservation programs—now REAP—extension, 4–H Club work, meat inspection, any many other essential programs.

Again, Mr. Chairman, we bring in a good bill, providing for the continued protection and development of our country, and of its natural resources, upon which our economy and the well-being of our people depend.

Mr. EVINS of Tennessee. I thank my friend for his comments.

Mr. RHODES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to begin by congratulating the chairman of the subcommittee for his usual fine job.

This is the first time he has brought a bill to the House as the official chairman of this particular subcommittee.

I am sure I speak for all of the minority members of the committee when I say it is a pleasure to serve with the distinguished chairman of this subcommittee and to report to the House and to the country that in my opinion he has done an outstanding job in conducting the hearings on this bill, in the markup and presenting it to the House today.

Mr. Chairman, this is a bill which I think may be somewhat refreshing to Members of the House because it is an appropriation bill which is not only not above the budget but it is actually under the budget. As the chairman indicated, it is $39,797,000 under the budget.

If I were to say I think it is an adequate bill I would not be reflecting my opinions accurately. I wish it were a bill containing more funds for many categories. I think it needs more money for flood control and more money for water development in certain cases, and I hope as the fiscal situation of the country improves—and it must improve before too many years—that we will be able to devote a larger share of our gross national product to the endeavors which I think are so important of providing a means of completing the development of our natural resources and of providing a better life for all Americans.

Mr. Chairman, there are many parts of this bill which I would call exciting. The colloquy between the chairman of the subcommittee and the gentleman from New York (Mr. BINGHAM) touched upon the controlled thermonuclear reaction, the fusion process, if you will. To me this has always been the most exciting part of this bill. I am pleased that the Atomic Energy Commission feels it has made enough of a breakthrough so that it can ask for more money this year than it previously had.

The idea of harnessing the energy of the hydrogen bomb has always been one which has intrigued many of us. To provide the tremendous energy which is developed by the explosion of a hydrogen bomb for peaceful uses in order to make life better for men on this planet, is certainly an endeavor worthy of the highest efforts of all of us.

Mr. Chairman, the modest breakthrough has consisted of the fact that we have been able to contain a reaction longer and at higher temperatures than we previously had been able to do. We now feel that the containment of this reaction at the higher temperatures which must be attained in order to sustain the reaction can be solved in the manner which we have been trying to solve it. That is to use a magnetic field—bending the magnetic field so that it forms a bottle in which the reaction occurs.

Mr. Chairman, I think this is still many years away, from the day when we can actually produce electric power and the energy which man needs by this method. However, at least it now seems to be on the way.

Another important and exciting development is in the liquid metal fast breeder reactor. We have felt for many years that it was within the scope of the art to produce a liquid metal fast breeder reactor and with it to get the economy which comes from producing more fissionable material in the process of producing power than we started with.

The main problems seem to have been that the Atomic Energy Commission did not have customers for this liquid metal fast breeder reactor, but with the help of the chairman of this subcommittee and some of us who serve on it, I think we may now have created some interest in users of electricity so that the Atomic Energy Commission will in this next fiscal year be able to come up with customers, and be able to start on the actual construction of the liquid metal fast breeder reactors for use in the production of power.

Along these lines, I was also interested in the colloquy involving the amount of money spent for safety purposes by the Atomic Energy Commission. I think it is well to note that the subcommittee has always given the Atomic Energy Commission the money it has requested for purposes of safety and I am sure we will continue to do so in the future.

By its very nature, an atomic reaction can be dangerous. Certainly, we do not intend to be a party to endangering in any way the health and safety of any citizen of the United States by nuclear reactions. Therefore, we have given them all the money for safety which has been requested.

Mr. HOLIFIELD Mr. Chairman, will the gentleman yield?

Mr. RHODES. I am very happy to yield to the distinguished gentleman from California (Mr. HOLIFIELD).

Mr. HOLIFIELD. Mr. Chairman, I think the gentleman from Arizona has just made a very important statement. I want to again thank him and the members of the subcommittee for their attention to this field of safety. I want to call attention to the fact that there has never been a major industry that has been developed in the United States that has had as much care and as much attention in the field of safety as this new industry has had.

There has never been a major industry in the United States that has the record of safety to persons than this industry has, not only in the field of handling the dangerous material which contains the radioactive properties, but also in the field as to the number of industrial accidents

The Atomic Energy Commission has had such great care given it—and it could not have been given that care if it had not been given the money by the Congress with which to do the job. The gentleman in the well and his companions who have worked on these bills over the years are personally responsible for that. Therefore, this fine record of safety that has been developed is an outstanding record and every member of the Joint Committee on Atomic Energy has consistently encouraged the Atomic Energy Commission that where there is any question which involves safety, that the safety should take precedence over any other consideration. That is why we have the record that we have.

Mr. RHODES. The gentleman from California is precisely correct, and I certainly want to congratulate the gentleman and the other members of the Joint Committee on Atomic Energy for authorizing the expenditures for safety, because if they had not done so, if it had not been for their far-sighted knowledge of the dangers of the fission process and the necessity for providing all the safety precautions which the state of the art allowed, it would not have been possible for us to appropriate the money. It has been a very fine relationship that this subcommittee has had with the members of the Joint Committee on Atomic Energy. I want the gentleman from California (Mr. HOLIFIELD) to know that as one member of the subcommittee I deeply appreciate the attitude the Joint Committee on Atomic Energy has shown, and the spirit of cooperation we have enjoyed throughout the years.

Mr. HOLIFIELD. Mr. Chairman, I thank the gentleman.

Mr. RHODES. Mr. Chairman, another very interesting development is in the field of atmospheric research. The idea of being able to make it rain when it has not rained, or to use other means of bending nature in order to serve mankind better, has been a subject which has attracted the imagination of our people for many, many years. Atmospheric research has progressed well. I think that with the use of satellites and the information which can be obtained by our space program, it will be possible for this research to progress even farther in the years to come, so that we will be able to see the fruits of our labors.

The Gila River, Ariz., has a dam somewhat near the mouth called the Painted Rock Dam. There was money requested for channelization of the Gila River below the Painted Rock Dam, and the economic study showed a 3-to-1 benefit-to-cost ratio. However, quite recently the Corps of Engineers restudied the project in the light of new structures which may be built on the Gila River system such as the Orme Dam, which will be part of the central Arizona system, the Buttes Dam, and other structures. They have concluded that the likelihood of huge floods being impounded behind the Painted Rock Dam has certainly been reduced by the prospects of these other structures.

As a result, the benefit-to-cost ratio on channelization below the Painted Rock Dam has gone down to about one to one. Therefore, the committee did not include any further funds for fiscal 1972. There was $500,000 appropriated last year for construction which is in the budgetary reserve. Until the study on the benefit-to-cost ratio has been completed, and until the committees of the Congress can take another look at this project and see whether or not we should continue with it, it is my hope and my belief that the project will remain inactive, and that the $500,000 for construction will remain reserved either by the Office of Management and Budget, or by the Corps of Engineers, and not spent until it is possible for us to take another look at all of the matters involved.

One of the elements in the benefit-to-cost ratio which has not been taken into account is the fact that channelization helps Mexico under the Mexican Water Treaty. It will be necessary for the Corps of Engineers to obtain authority from the Committees on Public Works of the House and Senate in order to take that matter into consideration. When they do, it will undoubtedly help the benefit-to-cost ratio.

Speaking of the budgetary reserves, of course, the Office of Management and Budget saw fit to reserve everything that was added by the Congress in this bill for the fiscal year 1971.

As a result, the subcommittee felt that it was of the first priority and importance to bring all of the projects which we attempted to fund last year up to their full capability. In other words, we determined the capability for expenditure in this fiscal year, deducted the amount in the budgetary reserve, and appropriated an amount equal to the difference between the budgetary reserve and the full capability for those projects. We expect they will be started and we expect they will proceed forthwith.

Mr. Chairman, this is a good bill. It has the full support of the members of the subcommittee on both sides of the aisle and I trust that in due time the House will approve it and send it to the other body.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman.

Mr. GROSS. Can the gentleman say whether this is the first appropriation bill below the budget that has been considered this year?

Mr. RHODES. I cannot be sure, but it is the first one in my memory for this fiscal year that is below the budget.

Mr. GROSS. Then this is either the first or second?

Mr. RHODES. I am informed that there were three appropriation bills that are under the budget—legislative appropriations, Treasury and Post Office, and State and Justice.

Mr. GROSS. Of course, the Post Office operation ought to be below the budget.

Mr. RHODES. The gentleman from Iowa is a very valuable member of the Committee on Post Office and Civil Service and I am sure that if the Post Office is operating more efficiently than it used to, the gentleman from Iowa can take a great deal of credit for that.

Mr. GROSS. I was not making a point of the efficient operation of the Post Office Department. I was making the point that since some of the Post Office Department appropriations have been eliminated with installation of the corporation, it ought to be standing largely on its own feet.

Mr. RHODES. Of course, the effect of that has not yet been made apparent in the budgetary process.

Mr. GROSS. I understand that the Committee on Appropriations will likely get a bill soon for about $400 million for the new Postal Service.

Mr. RHODES. Well, the gentleman from Iowa is speaking about something in the minds of the members of the Committee on Appropriations that has escaped the notice of the gentleman from Arizona.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Chairman, as the junior member of the delegation from Tennessee, I want to take this opportunity to thank the ranking member of our delegation, the esteemed chairman of the Committee on Public Works Appropriations and praise him for the fine job he does both for the Congress and for our State.

Mr. Chairman, I rise in support of H.R. 10090.

Mr. Chairman, since the Third Congressional District of Tennessee is in the heart of TVA land, I want to take a moment to address myself to that portion of the appropriation bill.

As you all know, appropriations to the Tennessee Valley Authority are limited to the water resources program and related activities in the area normally financed at the Federal level. The TVA power projects begun since the mid-1950's have been financed from its electric power revenues and through the sale of bonds and notes authorized by Congress in 1959.

It is appropriate, therefore, to look at the benefits which have been reaped through the expenditure of the water resources and development funds approved by the Congress over the years.

In 1949 a pamphlet highly critical of TVA was published by an organization called the Foundation for Economic Education. In that book the author, Dean Russell, chided TVA for grossly underestimating freight tonnage on the navigable waterway it was building in the Tennessee Valley.

Dean Russell referred to a 1938 TVA report which estimated that freight tonnage on the Tennessee River would reach 8 million tons by 1946. Ignoring the fact that World War II intervened between the date of the estimate and 1946, Mr. Russell cited the fact that only 2.4 million tons of freight moved on the waterway in that year as an example of a gross mistake by TVA in estimating the utility of its work.

If Dean Russell were writing today he would have to look for another example, for in 1970 not 8 million tons, but over 25 million tons of freight moved on the Tennessee River. This tonnage was an increase of more than 100 percent since 1960 and is full vindication of the estimates made by TVA planners over 30 years ago. Furthermore, estimates made by TVA for the first 5 months of 1971 show traffic growth continuing with a 12-percent increase in tonnage.

The benefits of a navigable Tennessee River spread far beyond its immediate region. In 1970 about 78 percent of the traffic on the Tennessee River either came from or was destined for points outside the Tennessee Valley on the 21-State Mississippi Valley-gulf waterway system.

Today newsprint from a plant in Tennessee is barged to Oklahoma, and grain from the plains States is carried by navigable waterway to Tennessee River ports. And a new system of water transportation is facilitating the shipment of products from the Tennessee Valley area to overseas ports. This system utilizes small barges or lighters which are towed to ocean ports where the barge itself is loaded into huge barge-carrying ships.

The availability of the navigable channel on the Tennessee River has been a great spur to the economy of the area. Private industry has invested $2 billion in over 200 Tennessee River waterfront plants, terminals, and distribution facilities. Ninety-nine percent of this investment has occurred since the modern 9-foot navigation channel was completed on the mainstream in 1945, and more than half has been invested since 1961.

These results show the value of a well planned navigation channel to what once was an economically depressed area. These results did not just happen. In addition to the waterway they depended upon the efforts of State and local governments as well as private individuals.

Mr. MIZELL. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman.

Mr. MIZELL. Mr. Chairman, I rise at this time to express my support for the $100,000 appropriation recommended for the Reddies River Dam project by the Appropriations Committee.

I am gratified that the Nixon administration has requested this level of funding, and that the Appropriations Committee has responded favorably to that request.

This $100,000 for preconstruction planning will enable the project to go forward at a consistent pace, and speed the day when actual construction can begin on this vitally needed project.

If the Corps of Engineers of the U.S. Army can finalize the plans for this dam this year, the administration can, and I feel confident, will see fit to request substantially greater funds next year for more progress toward final completion of the Reddies River Dam.

I urge my colleagues to join me in supporting this $100,000 funding level.

Mr. EVINS of Tennessee. Mr. Chairman, I yield to the gentleman from New York (Mr. PIKE).

Mr. PIKE. Mr. Chairman, I thank the gentleman for yielding and I appreciate it very much.

Mr. Chairman, I would like to engage in a little dialogue with the gentleman regarding an item in this bill which is found on page 51 of the committee report.

This has been a very controversial dredging project out in my territory for a long time and I have always opposed it in the past. The problem has to do with the fact that an oil company wants to dredge a harbor and make it a bigger oil terminal, while conservationists do not want this to be done.

I have always taken the position that if it ought to be done, the oil company could well afford to pay for it.

However, I like the language in the report of the committee and I simply want to make sure it says what it means and means what it says. This is the language:

> The $50,000 recommended in the bill, is solely for a review of alternatives to the problem of providing a petroleum supply for the area including consideration of the ecological aspects.

The first thing that concerns me, beyond looking at the problem of providing petroleum for an area, is why is this in the construction part of the bill and not in the study part of the bill?

Mr. EVINS of Tennessee. The gentleman has read the language in the report correctly. It is solely for a study of alternatives. The reason it is in this section is because it is an authorized project and this is the proper place for the funding of such a review of alternatives to the authorized plan.

Mr. PIKE. I thank the gentleman very much. I will be able to say not only to myself but also to my constituents that I can safely vote for this study of alternative ways of providing petroleum to the area without furthering this particular dredging project.

Mr. EVINS of Tennessee. The gentleman is correct. This measure does not in any sense initiate planning on the project.

Mr. PIKE. I thank the gentleman very much. Just one final question. I also appreciate fully the language that says that this will include full consideration of the ecological aspects if we are entitled under this study to get an environmental impact statement from the Environment Protection Agency. I would like that to be done also.

Mr. EVINS of Tennessee. The committee would have no objection to such a requirement.

Mr. PIKE. I thank the gentleman.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. EVINS of Tennessee. I yield to the gentleman from Massachusetts.

Mr. BOLAND. In addition to the response the distinguished chairman of the subcommittee has given—and I would agree with the statement that he has given in response to the question of the gentleman from New York (Mr. PIKE)—I would point out that the language on page 51 of the report does spell out that the $50,000 recommended in the bill will be used solely for review of alternatives. I might also add that on page 41 in the table for the construction, general appropriation there is further emphasis with reference to Port Jefferson, and in parenthesis it again spells out that this is for "review of alternatives."

I would agree with the distinguished chairman in his statement that, in no case, are we initiating planning for this project. I am aware of the very deep interest the gentleman from New York has in this area, his concern about geting oil to the people there as well as his concern about the environment and his concern about Port Jefferson Harbor itself.

Mr. PIKE. If that is the way the committee has handled it, I am happy to see it so handled. I would like to establish some legislative history so, first of all, I can survive back home; and second of all, that I am sure that nobody is throwing me a curve and that this is not coming in through the back door.

Mr. EVINS of Tennessee. I assure the gentleman that we are not throwing any Member a curve.

Mr. Chairman, I yield to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, water users of the El Paso Valley of west Texas will be, especially pleased if the House today accepts the recommendation of the appropriations committee and approves an expenditure of $500,000 to begin a rehabilitation and betterment project for El Paso County Water Improvement District No. 1.

This project is to be paid for by the irrigators themselves, through increasing and extending the amounts of their annual payments to the Bureau of Reclamation. A contract was signed on February 12 this year for some $5.5 million to carry on a program of rehabilitation and betterment, consisting principally of the concrete lining of canals and laterals to prevent loss of water through seepage and absorption by water-consuming plants. This contract was signed after the adoption of the administration's budget so the necessary funds were not included.

The Bureau of Reclamation, however, informed me it had the capability, in staff and facilities, to utilize $500,000 on this project in fiscal 1972. The necessary studies and plans have been made and the Bureau of Reclamation is ready to go to work if Congress approves the appropriation.

I believe it is essential to begin this work as soon as possible. Water users of our area, and this includes the city of El Paso, are rationed this year at the rate of 1.85 acre-feet per acre of water right land. It requires 3 feet to irrigate a crop. If, as it now appears, we are in another drought cycle in the Southwest, the situation could be even worse next year. The water level in Elephant Butte Reservoir is expected to fall to its lowest point in some 15 years, and there is genuine concern over the possible loss of fish and deterioration of recreational facilities.

It has reached the point where water resources are measured in terms of acre-inches instead of acre-feet, and every acre-inch that can be saved for beneficial use is precious. I believe time is of great importance in this water conservation project, and I urge the House to accept this addition to the administration budget.

I wish to thank the House Subcommittee on Public Works of the Appropriations Committee, for its response to the request I made on May 18, when I was joined by the president and manager of the El Paso County Water Improvement District No. 1. I believe the approval of this appropriation is a water conservation measure of high priority.

Mr. EVINS of Tennessee. Mr. Chairman, I yield to the distinguished gentleman from California, chairman of the joint committee.

Mr. HOLIFIELD. I thank the gentleman for yielding. I refer to the table on page 15 of the report, and call to his attention three items on the righthand side: $270,000, $295,000, and $475,000. I understand that under the language and interpretation of the language that these are considered as construction items, and I want to call the attention of the gentleman to the fact that these are in effect experimental construction items. In other words, where these circular or linear accelerators exist—and they cost varying amounts from $100 to $200 million—that it is sometimes necessary to lay electrical lines off to the offshoots of the beams that they use. Technically, it is construction, but actually in the case of the $475,000 figure there, that amount of money, I am told by Dr. Pinofsky, the appropriation would be vital to a number of experiments. These lines are laid and experiments are made and then they are taken away. In other words, it is not permanent construction. It is construction that is necessary to lay electrical lines and construct chambers and that sort of thing at the end of the spurs which are necessary to increase the utilization of the accelerator.

While it is small in amount, it gives a multiplication of experiments we had at one time. So if this is brought before the gentleman in conference by the Members of the other body and explained more fully then I will take the time to explain it today, I hope the gentleman will look upon it not as construction per se, but as the necessary experimental devices in experiments which will multiply the uses of the different expensive accelerators that have been built.

Mr. EVINS of Tennessee. Mr. Chairman, we appreciate the gentleman's comments. These reductions are in line with the action taken in the authorization bill, and the committee will certainly give consideration to the gentlemen's recommendations in the conference action.

Mr. HOLIFIELD. I thank the gentleman.

Mr. EVINS of Tennessee. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I take this time because I have a feeling that this is where I came in. I remember 12 years ago when I first came to this body as a new Congressman, representing a district centering on the city of Schenectady, where the great General Electric turbine manufacturing facilities are located, making a speech on this floor, I think perhaps at the time this same bill was up, and pointing out then the economic distress that existed in Schenectady in 1958, because of unemployment in the electrical industry, and pointing the finger to the TVA authority which had just purchased several turbine generators from England instead of from Schenectady.

Today, 12 years later, we are faced with a similar situation, Mr. Chairman. I am looking to the distinguished chairman of the subcommittee, not only because he is, as has already been said, a distinguished Representative from the State of Tennessee, and one who has a great deal of interest in the TVA, but also because we are confronted again with a similar problem created by foreign competition for American jobs. Unemployment is spreading around the country. The electrical industry has been especially hard hit. Some 2,000 jobs in the electrical industry have been lost through foreign imports. Yet within the last couple of months the TVA has gone to Switzerland to buy two massive sets of turbine generators and has ignored the American turbine firms where unemployment is rising.

I have had communications with the Chairman of the TVA. He points out to me that the American differential is only 6 percent, and that the difference in the various bids offered was much greater than that. Well, I must say that I believe the national interest requires us to raise this buy American differential. And it seems to me the TVA ought to recognize more strongly than it does the need to buy American products with the money that this public organization is getting through its public operations.

I know the gentleman from Tennessee, the chairman of the committee, Mr. Evins, is sympathetic to this problem, because he made remarks to this effect on the floor only the other day. I hope we can enlist his support. But it does seem to me that at a time such as the present, we ought to be expecting the TVA to try harder to buy American and help preserve the jobs of Americans.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. EVINS of Tennessee. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

Mr. STRATTON. Mr. Chairman, I appreciate the additional time the chairman of the committee is yielding to me. I had hoped to be able to offer an amendment to this bill, but because funds for the power generating activities of TVA are not included in this bill, an amendment would not be germane. But I wonder if the gentleman from Tennessee could advise me whether there is a possibility of getting some change in the practice of TVA?

I recall when I made this same speech of mine some 12 years ago, the chairman at that time generously assured me of his concern. And I do not know what particular buttons he pushed, but I do remember when the next big TVA contract came along General Electric was in the running and may even have been successful. So I am hoping perhaps the gentleman can pull the same kind of magic rabbit out of the hat again this year, because 900 jobs in my district for 1 year are involved in these contracts.

Mr. EVINS of Tennessee. Mr. Chairman, I will say I am also concerned, but I suggest the gentleman address his attention to amending the Buy American Act which TVA is required to take into consideration in its procurement procedures.

A report was brought to my attention recently which stated that a significant percentage of the generators purchased by TVA are now being bought from foreign sources, and this affects our balance-of-payments situation. I am concerned about this practice not only by TVA, but also by other agencies. I hope the act can be amended to give them more latitude in making awards under the competitive bidding procedures.

So perhaps the gentleman could address his attention to amending the Buy American Act.

Mr. STRATTON. I hope I can count on the gentleman's cooperation. And let me say that I shall introduce new legislation to raise the Buy American differential, in view of our current unemployment problems, from a mere 6 percent, which is almost nothing in today's market, to the same 50 percent which currently applies to all Defense Department purchases. Our turbine generating manufacturing capabilities are also part of our defense base, and we must certainly act to protect it and the people who do that productive activity.

Mr. RHODES. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin (Mr. Davis).

Mr. DAVIS of Wisconsin. Mr. Chairman, I, too, want to express the broad general support of the Members of this subcommittee for this bill which is before us today. I believe it does reflect careful consideration, intensive and reflective hearings, and experienced and capable background and staff work.

I do not mean to suggest that I personally would support every project in it any more than I am sure other members of the subcommittee would want to have it suggested that they personally support every project. But, overall, it is a bill that is below the budget. There has been applied legislative judgment to some of the problems in which the various executive agencies have needed some legislative guidance.

The bill applies a mature realism to our water resources program, a program that continues to come under attack from two segments, which I suggest are frequently either ill-informed or incorrectly informed.

One group may be broadly called the environmentalists, who look upon water resources development as inconsistent with environmental considerations. Certainly quite the contrary is true, for by controlling flooding, by increasing the supply and quality of water, by controlling alluvial erosion, damages to land and forests and structures, this program certainly does protect both our natural and manmade environment.

I wanted to again reiterate the remarks that our subcommittee chairman did make in this connection and to call the attention of my colleagues to pages 5 and 6 of the committee report, which deal with that problem.

Then there is another group which is frequently equally unrealistic, that might be termed the scientific dreamers, who for several years have told us that we are on the verge of technological breakthroughs so that atomic or nuclear power will supersede the requirements for hydroelectric power. But every knowledgeable person who has come before us in the past 7 years has advised us that this is not a practical prospect. In fact, the demands for energy of all kinds continue to mount so that from all available sources we simply have not been keeping up with the demand or with the requirements for energy.

I hope that no one will be misled in the belief that the new emphasis on the liquid metal fast breeder reactors, for instance, represents an alternative to the continued development of our traditional sources of energy of all kinds.

I believe I should disassociate myself from some of the rather harsh language which appears on pages 3 and 4 of the report under the title of "Impoundment of Public Works Funds." Actually, the amount placed in reserve for deferred spending was quite modest when one considers the overall fiscal condition of our Government.

What the Office of Management and Budget did was to defer the amount of congressional add-ons across the board. If the deferrals had been on a pick and choose basis, I am sure that office would have been accused of favoritism. There was a rationale to what the Office of Management and Budget did, and certainly all of us do understand that we could not legally require the expenditure of these funds, and just as certainly that this is not the first nor will it be the last time that appropriated funds have been withheld from expenditure during a particular fiscal year. Indeed, I can recall a few years ago when, under another President, substantial amounts for construction were frozen in order to induce construction contractors to sharpen their pencils at a time when construction costs were sharply escalating.

So while I can share some of the concern which the report strongly expresses, there is another side to this coin. Mr. Weinberger in his appearance before our subcommittee did effectively display that side of the coin to us.

I think it is proper to mention the often-mentioned and annually debated planning funds for the Dickey-Lincoln School project. Some years such funds have been in the budget and sometimes they have not. In each year conflicting figures have been given. The Senate has included the planning funds and the House has deleted them.

A few years ago we initiated a staff investigation to attempt to resolve the conflicts in the figures, and in general the staff investigation supported the figures of the Corps of Engineers.

I joined at that time with the then acting subcommittee chairman, the gentleman from Massachusetts (Mr. Boland), in a rather extended examination—in fact, it might have been more properly called a cross examination, I suppose—of witnesses relating to that investigation. Up to that time both of us had opposed planning funds for Dickey-Lincoln. Since that time the gentleman from Massachusetts has supported the planning funds.

My position for several years has been that the project should be deferred, but I could not objectively oppose the project on the basis of lack of economic justification.

This year we have brought a compromise to you. I know it is not a compromise that will please the strong partisans on this issue, but to the proponents I would say this provides an opportunity for consideration of a revised and perhaps acceptable smaller project. To the opponents I would say this buys some time and avoids the possibility of defeat in relation to the larger project that would be otherwise considered before us.

So I support this compromise and urge my colleagues on both sides of the issue to accept it as the best current solution of this vexing problem.

Mr. RHODES. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Robison).

Mr. ROBISON of New York. Mr. Chairman, as everyone knows by now the work assignments of several of our subcommittees were substantially shuffled around, earlier this year, and this subcommittee was one of those affected. Although we lost some of our previous budgetary jurisdiction in the water pollution field, we did gain budgetary review over both the program administered by the Appalachian Regional Commission and the activities of the Federal Power Commission.

The subcommittee also gained a new chairman—the distinguished gentleman from Tennessee (Mr. Evins), to whom I should now like to pay my respects.

Joe Evins is one of those Congressmen who does his homework and knows his subject matter, and he insists on covering the latter in a thorough and painstaking manner. As a subcommittee chairman, he sets a fast pace. But, if he works us hard, he works himself even harder—so much so that one often wonders how he can accomplish all that he does. Nevertheless, despite a compulsion to "get on with things," he is always patient with his subcommittee members—and I think sometimes I test that patience—allowing us to pursue our own interests and to develop our record often, probably, beyond a point where he may believe it unnecessary for us to go.

It is for that kind of courtesy, and patience, and for his overall objectivity, as well, that I wish to thank him, and to tell him—as well as our colleagues—what a real pleasure it has been to serve under his chairmanship, this year, and to accept his leadership.

The marks of his leadership, along with the force of his character, can be found on this bill. It is a good bill—and is accompanied by a good report—and I recommend both to you.

Mr. Chairman, I will extend my remarks so as to cover a variety of specific matters contained, or mentioned, therein. But, in the time now allotted me, I plan to confine my thoughts—and direct the thoughts of my colleagues—to the power aspects of this bill whose title embraces, and perhaps now more properly so than in recent years, the words: "power development."

In these difficult and complex times, it is inevitable that we should face many dilemmas, and all too-frequent crises. Unfortunately, too many of those developing crises creep up on us almost unbeknownst, eventually forcing us—with their sudden seriousness—to spend our time looking for short-run remedies, in lieu of applying ourselves diligently and persistently to the more-necessary search for true, long-run solutions.

A prime example of what I have in mind is the developing crisis referred to, alternatively, as the "energy crisis" or "power crisis," to at least the brink of which we have now marched.

It is one of a piece with what other people refer to as the "environmental crisis"—the public interest in which seems almost to have developed overnight—and, though there is room for debate as to its present seriousness, it is clear that we are close to a national energy crisis.

It is equally clear that certain actions need to be taken, now, if such a crisis is to be averted.

When I first came on this subcommittee, 7 years ago, one of my earliest concerns was over what appeared to me to be a near-total lack of anything resembling a national water policy. I was shocked by the absence, particularly at the planning level, of the kind of consultation and close coordination between those Federal agencies involved in the water resource field, that came before us for funding, which would indicate that the "right hand knew what the left hand was doing" in this all-important field, and that alternatives—not to mention priorities of anything more than a purely "political" nature—were properly being considered.

In the intervening years, this situation has been largely corrected and, if we now find ourselves unhappily on the brink of a national energy crisis, we are, happily now, at least on the brink of having, at last, a national water policy worthy of the name.

Of course, progress in this latter direction has been brought about in large part by virtue of congressional action. The establishment of a high-level study group known as the National Water Commission—whose work is now about at its midpoint—will eventually give us our first accurate, long-range assessment of our water problems and requirements, and identify alternative methods for dealing with them. The still new Water Resources Council, now operating under the able directorship of Don Maughan, has already brought some order out of chaos in water resource planning, and has submitted for administrative consideration a new, multiobjective system for planning that will more accurately portray all benefits, costs and effects of proposed projects than anything we have had before, and which ought to be adopted.

Then, there is the National Environmental Policy Act of 1969, the Federal Water Quality Improvement Act of last year, the creation of the Environmental Protection Agency, and even the reimplementation of such old statutes as the 1899 Refuse Act, so-called, all of which—with other items—are moving us toward that desired national water policy.

But, in addition to these forward steps, Mr. Chairman, there has been the impact of the steady insistence by this subcommittee—in which effort this particular member would like to feel he has been instrumental—upon proper consultation and coordination between the water-resource agencies appearing before us, and upon their careful consideration of the environmental effects of their works, as well as upon their honest assessment of available alternatives and objective weighing of true priorities. The result of this effort on our part cannot be accurately measured, but I believe it has enabled us to bring you, in recent years, public works appropriation bills that are far different from the so-called "pork-barrel" bills of bygone days.

But now I suggest that it is time—indeed, past time—for this subcommittee, and the Congress, to give an equal amount of its attention to the need for establishing a national energy policy, equally worthy of the name.

We do not have such a policy now.

And we have been going along without one even in the face of repeated warnings of the need for such a policy as those portrayed by the steady mathematical progression in the national appetite for more and more electrical energy—a demand rising at an average rate of 7 percent a year, and far faster than the population, a rate which, unless somehow curbed, means that by the year 2000 Americans would be using the equivalent of 76 trillion kilowatt hours of electricity and other energy sources, or nearly four times the present usage rate—and even more dramatically portrayed by the all too frequent "brownouts" and "blackouts" of recent years.

But it is when one ties this growing scarcity of electricity, and of other energy sources, into our new understanding of the "scarcity" of our environment—that no longer infinite global envelope of air, water, and soil that sustains life on this planet—that one begins to better understand why we face a gathering crisis of alarming proportions, and to understand why I earlier said that the developing energy crisis and the environmental crisis are "of a piece" with one another.

In a series of excellent stories on the energy crisis, as appearing recently in the New York Times, John Wilford writes:

> At the beginning of the Industrial Revolution man unconsciously but decisively struck a Faustian bargain, giving up a bucolic environment for a power beyond anything his and his animals' muscles could provide. This eventually made it possible for modern man to command, at the twist of a knob on a 300-watt television set, an electrical force the equivalent of the energy output of a grown man, an unseen slave, and to harness in the Saturn 5 moon-rocket the power of 900,000 horses.
>
> Only now—now that the world is more crowded and energy is being expended at a rate more prodigous than any could have foreseen when Watt invented the steam engine—are the implications becoming sharply defined in the form of a perplexing question:
>
> Can modern man strike a *balance* where he once struck a *bargain?*

The difficult search for the answer to that question—only barely begun by any of us despite our collective responsibility—leads down many avenues: economic, technological, ecological, political, social, and philosophical.

This subcommittee—and this member thereof—would like you to know that we are fully aware of the hard choices that must be made, and made soon.

Our capacity to be instrumental in making those choices is limited by our jurisdiction. We do have oversight, of course, over the hydropower programs of such agencies as the Corps of Engineers, and the multiheaded energy program of the TVA. We also have key jurisdiction over civilian nuclear-power program of the Atomic Energy Commission—a program of increasing importance at this time because more and more people are turning toward a nuclear-powered future, not because they have learned to love the atom, but because few of them can think of any other acceptable answer to the energy crisis in the long run. And we now have oversight responsibilities for the Federal Power Commission—a quasi-judicial body grounded in the concept of adversary proceedings, whose present authority limits it from becoming anything like a national power agency.

I hope—and believe—it is our subcommittee's intention in the years ahead to use our collective influence in these areas to help guide us toward a national energy policy in the same ways we have with regard to water. Once again, here, we can insist on coordination of policies, programs, and projects, and on full consideration of alternatives, priorities, and environmental effects, as well. We can be useful—and I believe we already have—in urging the AEC to come still further out of its former "ivory tower"; and I, for one, can say that, after hammering away at this for years, I was most pleased at the recent Commission decision to abandon its former standard of "as low as practicable" limit on radioactive effluents, in favor of a numerical limit now of only 1 percent, or less, of the amount of radiation deemed permissible under the current Federal guidelines for power reactors.

Earlier this year, our colleague, the gentleman from California (Mr. HOSMER), called the old "as low as practicable" limit a "crystal unclear phrase, if ever there was one," and then went on to say:

> The AEC has avoided putting any numerical values on this. As a result, while the industry may have an understanding of what is going on, the public still does not, and if the public does not understand, I fail to see what has been accomplished other than the wedding of already founded suspicions, fears and alarms.

If nuclear power is ever to achieve its once-bright promise, it must first achieve public acceptance. The American public, long accustomed to thinking of the atom almost solely in terms of destruction, is quite properly anxious about the radiation hazards that may accompany its constructive applications. This subcommitte shares in those concerns. This subcommittee—and this member thereof—is fully aware of our responsibilities for examining into those concerns and for insuring, as best we can, the safety of the American public, and we believe we are fulfilling those responsibilities.

But, once again, we cannot alone move this Nation toward a balanced, realistic, and responsible energy policy. Legislative action is needed, here, even as it has come in the water resource field. Other subcommittees of our parent committee must provide the necessary level of research to produce cleaner energy from other fuels, or to find other and newer sources of energy which nearly everyone concedes are available.

In addition, the appropriate legislative committees of this Congress ought to produce action this year on at least two of the President's proposals: For a new, national system of planning for powerplant and transmission line siting, in which the public would have a voice, and, most importantly, for a Department of Natural Resources which I see as a "must" if we are to quickly achieve a integrated energy program, and which I also see as something every environmentalists' organization ought to be lobbying for instead of spending their time on such "baby with the bathwater" amendments as that offered a few weeks ago to another appropriation bill calling for a 1-year moratorium on stream channelization.

In summary, then, we can have—we must have—a national energy policy, and soon.

This subcommittee will do its part in that regard, Mr. Chairman, and we call upon our colleagues for their cooperation.

In other areas, while still thinking about the programs of the AEC, this would be an appropriate time to express my regret over the resignation—although the same has been anticipated for some time—of Dr. Glenn T. Seaborg, as its Chairman. Dr. Seaborg has had to sail some unexpectedly stormy waters, of late, as will his successor, but he is a great scientist, a great nuclear pioneer, and I believe his talents will be sorely missed by the Nation he served so well.

It is under his leadership that, of late, the AEC has been coming out of its shell—a necessary thing, certainly, in light of the public concerns about nuclear power, concerns that have been whipped up too often by some less than objective critics, but concerns that can only be answered in the full light of day and, then, by the AEC, itself. In this regard, I should think the AEC would welcome, finally, the divorce between its responsibilities for developing and for guaranteeing the safety of nuclear power on the one hand, and its responsibility for promoting the use of such power on the other, as contemplated in the proposal for a Department of Natural Resources. This dual responsibility has given rise to possibly unfounded charges of a conflict of interest in which public safety might be the loser; I do not believe that has been the case up to now, certainly, but I would agree with these words from the President's departmental reorganization proposal that—

> The time has come when the need to nurture a new energy technology, which was part of the justification for the separate organization of the AEC in 1946, should give way to an organization formed around the purpose to which the technology was directed, and these further words: The benefits to be obtained from a balanced and integrated power program are the overriding consideration.

As is noted in the report, the subcommittee has accepted the new, high priority emphasis placed by the administration and the AEC on the development of the liquid metal fast breeder reactor. Although the IMFBR is considered by most scientists to be the next major step forward in nuclear technology—a view generally shared by the subcommittee—it does have its critics, among them Dr. Margaret Mead, the anthropologist, who has filed a suit in Federal court against the program in an effort, apparently, to stir a national debate on the advisability of developing the breeder. Such a debate will come, in any event, and the AEC should—and, under its new Chairman, will, one hopes—provide the public and the Congress with all the information it can as to the potential impact of breeder reactors on the environment, much of which will only become clearer, of course, as the development work progresses.

Reactor safety, too, continues to be of valid concern—both to me and to many others. Our subcommittee is recommending $42,940,000 for these purposes this year—up from $35,940,000 last year. The AEC witnesses said this was enough; whether it is or not, in light of some of the safety problems that of late have come into view and which the Commission has moved to correct, is very difficult to judge. I assume the subcommittee will continue to be very interested in this regard.

The subcommittee has lopped $8 million off the budget request for the AEC's weapons program, based more on anticipated "slippages" than anything else—a subject matter that brings to mind the dispute over the so-called Cannikin test now still tentatively scheduled for "shoot-off" at Amchitka Island in Alaska, sometime in October. This issue has been a very difficult one for me. I have listened carefully to both sides in the debate, and have weighed—as best one can—the national security "pros" against the largely unknown environmental "cons." It has been a difficult issue for me because, as the record will show, I have not been a supporter of deployment of an ABM system, but only of research and development work on such a system in the hopes that it would never have to be used. The current SALT talks have somewhat enhanced this latter possibility, though with no certainty, as yet. However, while I have been tempted to support the anticipated amendment to strike the residual testing funds for Cannikin from this bill—and note that most of such funds have already been spent from prior appropriations—it is my decision now that only the President is qualified to make the final decision as to whether or not to go on with this experiment. I hope he will decide not to go ahead, but I do not feel qualified—putting it simply—to interpose my judgment ahead of his.

One other matter in the AEC portion of our bill—the continuing development work on a nuclear-powered, fully implantable, artificial heart. I am pleased with the progress being made in this connection, the work to date indicating that no insurmountable technological problems exist against eventual success on this endeavor which can mean so much for mankind. I wish this effort—which, without intending any pun, has been something that has, for years now, been close to my heart—could go faster, but we have allowed the full, authorized amount, and hope it will be used expeditiously.

With regard to the program of the Corps of Engineers in the water-resource field, I continue to be favorably impressed with the new look this agency is developing—a "new look" we have steadily encouraged, with its proper emphasis on environmental concerns and effects. The environmental guidelines the corps has adopted at field-office levels are mentioned in our report, and are commendable if properly adhered to, which is something one expects EPA to also monitor. This is not to say that the corps is yet in a position to become the "darling" of the environmentalists' groups, but those groups—and the more-objective members thereof—ought to pay more attention to what the corps is doing now, and to how it is doing it, instead of to what the corps used to do with a sometimes heavy-handed disregard for environmental effects.

The corps is to be especially commended for its pioneer work, now, in the field of regional waste-water management procedures, as mentioned in the report and detailed in the hearings. It also has a tremendous new job on its hands in connection with the application of the newly found antipollution potential in the old 1899 Refuse Act. It is early, yet, to tell, how this endeavor will work out—nor to foresee all the administrative and enforcement problems that may ensue—but, at least, we have allowed the corps all the additional personnel that it says it will need in this regard this year.

There is, one will notice, a $375,000 "General investigations" item in the bill for the Susquehanna River—that great natural resource so important to the residents of my congressional district, as for the other residents of this river basin in New York, Pennsylvania, and Maryland. This is a follow-on item, and represents the capability of the corps this year in this regard, to enable it to begin to sort out the values of, and priorities between, the various, specific water-resource projects identified by the now-complete comprehensive restudy of our entire river basin. The report on that study—and exhaustive study, if ever there was one—is now available for public information and consideration. It presents the people of the river basin with a review of their river's problems and needs, projected many years ahead, and with a variety of "action plans" to be pursued, or not, as those people see fit, for the river's preservation, improvement, and balanced development. Let it be understood by those people—as I understand it—that this is not the corps' plan for our river, but is instead a detailed working document from which the residents of the basin can better understand their opportunities and requirements for making this a "model" river basin. As such, it needs to be attracting more public interest than it has, so far—perhaps some people have been scared away by the forbidding size of the multivolume report—and I hope that such an interest will now begin to develop, perhaps stimulated by such local groups with an interest in water-resource problems as the League of Women Voters, and so on.

In this endeavor, the newly established Susquehanna River Basin Commission will undoubtedly play a part—along with the Water Resources Council, EPA, and other interested Federal, State, and local agencies. In this regard, the bill as now before us does not contain Federal support funds for the first year's work of the new Commission, mainly because, at the time of our hearings, the Commission had not been organized and we had no firm estimate of its need for Federal support during this fiscal year. I have such a figure, now, and expect later on this afternoon to offer an amendment to add the same to this bill, which amendment I hope will be acceptable to the other members of the subcommittee.

The bill also contains—under "General investigations"—a $20,000 item to advance work by the corps with regard to the collection and removal of drift in the New York Harbor, one of the Nation's major ports. This is a tremendous problem, as the subcommittee was told at the time of our public hearings—with approximately 2,000 sunken wrecks to be dealt with, in addition to unused and deteriorating docks and abandoned shoreline appurtenances whose ownership would be difficult, if not impossible, to establish, and that constitute a hazard to navigation as well as an unsightly and unsafe public condition. The OMB has reservations—based apparently on the precedent thereby set—about going ahead with this attack on harbor blight, which attack will be on a local cost-sharing basis, but I hope those reservations can be overcome and that this necessary work will proceed since I see no other practical way of getting it done.

Mr. Chairman, there are many other matters that I could—and probably should—comment upon, but I have already taken too much of the Committee's time, so let me conclude by saying, again, that this is a most interesting and challenging work assignment, but work which I enjoy inasmuch as there is contained therein the hope, if not always the assurance, that I have a useful role to play in making this a better America for this, and future, generations.

Mr. EVINS of Tennessee. Mr. Chairman, I yield such time as he may use to the distinguished gentleman from Maine, a member of the Committee on Appropriations (Mr. HATHAWAY).

Mr. HATHAWAY. Mr. Chairman, I want to thank the chairman and the members of the subcommittee on both sides of the aisle for the excellent bill they have brought before us and particularly thank the gentleman from Wisconsin, who recently spoke, for his comments on the Dickey-Lincoln School project.

As the Members know, since the Dickey project was authorized in 1965, its care, keeping, and legislative struggles have absorbed an enormous amount of my interest, time, and effort.

As principal proponent of the project in the House, I have become so closely identified with it, that mention of its name automatically evokes my own—among both friend and foe of the project.

I have worked diligently to advance the project, convinced of its great merit and of the substantial benefits it would provide for the people of both Maine and New England.

During the years that I have struggled to assure the construction of the project, there have been moments of victory, but they have been all too few. More often, on the floor of this House, and despite my best efforts when this issue has been tested, I have experienced the bitter taste of defeat.

On July 12, 1965, during my first year in the House, President Johnson sent to Congress his recommendation that the Dickey-Lincoln School hydroelectric power project be authorized. Shortly thereafter, following heated battles, the project was authorized, and later in that same year, an initial appropriation of $800,000 was made. In 1966, an additional $1.1 million was appropriated for further planning, but since that time all efforts to gain continued funding of the project have failed.

Yet even in defeat there was consolation in my belief and faith that eventually, compelled by the full realization of the project's merits and New England's needs, my colleagues in this House would finally endorse this project. The past history of other Federal power projects provided great encouragement in this regard, for looking back we find that struggles between private and public power interests are almost always characterized by such delays and setbacks.

In the case of the Dardenelles project in Arkansas, the Eufaula project in Oklahoma, and the Walter F. George project in Alabama and Georgia, the delay between authorization and construction of the projects was 10 years. In the case of the De Gray project in Arkansas it was 12 years; for the Lower Monumental project in Washington, 16 years; for the Cordell Hull and J. Percy Priest projects in Tennessee, 17 years; for the Little Goose in Washington, Millers Ferry in Alabama, and Robert S. Kerr in Oklahoma, 18 years; and in the case of the Jones Bluff project in Alabama and the Lower Granite in Washington, there was a delay of 21 years from the time of authorization until actual construction began.

Similarly, the U.S. Congress started giving TVA serious consideration in 1921. For a period of 12 years a battle raged over it, until it finally became law in 1933. In the case of the Grand Coulee project, 15 years of strife and argument intervened between the time it was found to be feasible and the day it was authorized by Congress.

Despite the encouragement which this past history gives me, I am faced now with a most difficult decision, given a new element in the situation. Now the Appropriations Committee has recommended that $100,000 be appropriated for a restudy of the Dickey project. A project of lesser scope and cost, limited to serving the needs of Maine is envisioned.

All of the project's electric energy would be marketed in Maine, eliminating the cost of transmission to other New England points and reducing the generating capacity of the project.

Substantial flood control and recreation benefits would accrue from the project, and an important new one—irrigation—would be added.

Maine is the second largest potato-producing State in the Nation. The economy of Aroostook County is a potato economy, subject to the whims and accidents of nature to which agriculture is always subject. As a result, true stability is not characteristic of the economy there. Rather it is a bust and boom situation, and unfortunately, the lean years have far outnumbered the prosperous ones.

While the county is designated a humid area, annual rainfall is short of the inch-per-week required for optimum conditions for good potato crops. Irrigation would assure that water is available whenever needed.

It is estimated by the Department of

Agriculture that if we had irrigation possibilities in Northern Maine for the potato crop, this would mean an additional $20 million a year in benefits to that area.

Therefore, the contemplated new, smaller project could help stabilize the Maine economy, improve crop quality and yield, and perhaps lead to some much needed agricultural diversification in the area.

There seems little doubt but that the alternative project suggested by the Appropriation Committee would be of great benefit to Maine. The Corps of Engineers has assured me that a good project serving the multiple needs of Maine can be developed.

But it is not easy to give up a dream, to compromise, to bow to the realities of legislative necessity.

Of all the times I have stood in the well of this House beseeching support for this project. I have never felt more keenly than I do today my responsibility to the people of Maine, consumers of electric power throughout New England, and the advocates of public power whose cause I have championed.

I am called upon to make a judgment affecting them all. Should I adopt the suggestion of my committee colleagues and espouse the alternative plan—or should I hold out for the Dickey project as originally conceived.

I have spent much time pondering this question, examining carefully my responsibilities and evaluating the chances of legislative success under both courses of action.

I have reluctantly decided to adopt the committee recommendation, and I urge the support of my colleagues.

While my inclination to insist upon completion of the Dickey project as originally conceived is strong, and such a course would give me a great deal of satisfaction, I have concluded that it would ill serve the people I represent.

And so I call upon you again for support, urging you to preserve this last remnant of a dream, albeit a most valuable remnant for my State.

I urge you to support the appropriation of $100,000 for the Dickey restudy, and to reject any motion to strike that modest sum from the bill.

Mr. EVINS of Tennessee. Mr. Chairman, I yield such time as he may use to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Chairman, I yield to my distinguished colleague from Massachusetts (Mr. BURKE).

Mr. BURKE of Massachusetts. Mr. Chairman, I would like to have an explanation from the chairman of the subcommittee, the distinguished gentleman from Tennessee (Mr. EVINS) of this Dickey-Lincoln school project.

As I understand it, the committee has approved the sum of $100,000 with which to initiate a 3-year restudy of the feasibility for the design or a small-scale study to meet only the requirements of the State of Maine, including power.

My question is this: If this project is approved and receives the $100,000, is any of that cost going to be assessed against the users of power in, say, the Commonwealth of Massachusetts and the other New England States?

Mr. EVINS of Tennessee. Mr. Chairman, will my distinguished friend from Massachusetts yield?

Mr. BOLAND. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. The answers to the distinguished gentleman's question is no. This restudy is being requested because of the impasse which has occurred between the House and the other body. This is a compromise proposal to allow a restudy which will take 3 years. The maximum full cost is estimated to be $100,000. We assure the gentleman that it will be confined solely to the State of Maine.

As the gentleman will recall, the original project entailed the ultimate expenditure of $270 million. The estimated maximum expenditure for this project would be $40 million or less and confined to the State of Maine.

As the gentleman knows, both the Representatives from that State in both the House and the Senate favor the project. We propose the restudy and reevaluation of the project in an effort to meet the needs of Maine. It is conceivable that it might be referred to the authorizing committee for authorization of the new, smaller project when the study report is completed.

So, I assure my friend from Massachusetts that the project will be confined to the State of Maine.

Mr. BURKE of Massachusetts. With that understanding I want to serve notice on the Hosue that I will support this part of the bill. I have been strongly opposed to the Dickey-Lincoln school project as originally proposed. And, if it comes back in the same manner again I will oppose it at that time, but I will support this proposal that is made today.

Mr. EVINS of Tennessee. We thank the gentleman for his position.

Mr. BOLAND. Mr. Chairman, I support the recommendations of this subcommittee upon which I serve. I am happy that the chairman of the subcommittee brings this bill to the floor of the House today.

I might indicate to the House that this bill comes to the floor 2 days after the first anniversary of the death of the Honorable Michael J. Kirwan, of Ohio, who served for so long and so faithfully and with such dedication and spirit—not alone as the chairman of this subcommittee for some 6 years, but as a member of the Appropriations Committee for almost three decades.

I know that those of you who served with him when he chaired this subcommittee used to marvel at his presentation of the recommendations from the Subcommittee on Public Works. We were always impressed by his concern for his country and its progress. Mike Kirwan referred to this bill as does the present chairman EVINS as the All-American bill. We think it is precisely that, Mr. Chairman, because it is a well-balanced bill and in the judgment of this committee and the Members of the House it seeks to meet the needs and concerns of all sections of this Nation with respect to water resources and power and irrigation. These considerations are all contained in it in a well-balanced way.

Mr. Chairman, I want to compliment our distinguished chairman of this subcommittee, the gentleman from Tennessee (Mr. EVINS), and the very able ranking minority member, the gentleman from Arizona (Mr. RHODES), and all those who serve with us on the subcommittee as well as our fine staff for the work they have put into this bill.

Mr. Chairman, my particular concern, of course, is New England.

I am especially concerned with the current status of the Connecticut River Basin study. Although the study has been under way for several years, with expenditure of a considerable sum of money, it is now being strongly criticized in the area for failure to give full consideration to its environmental impact. The completed study was expected to be submitted to the Water Resources Council for final review and coordination this month. I have recently been advised, however, that the New England River Basin Commission, based on its review of the report, has determined that the study must be extended at a cost of $600,000 to $700,000 to give more detailed consideration to the environmental concerns that have been raised as well as to review the flood frequency data which has been utilized in the formulation of the plan.

It is most important that at the earliest possible date an adequate plan for the water resources development of the Connecticut River Basin be developed which will assure adequate flood protection, water supply, water quality, recreation, and other water resource requirements. However, this plan must at the same time assure that it will have a minimum of environmental impact on the Basin. I hope that the additional study requirements can be finalized at an early date and I am sure that our committee will fully support adequate funding of the required additional studies.

I should note that the budget proposed $110,000 for the Corps of Engineers to initiate preparation of authorization reports on proposed projects in the early action program of the Connecticut River Basin plan. The committee agreed with me that this proposal was premature as the comprehensive report had not been finalized and was being subjected to strong criticism in the area for failure to give full consideration to its environmental impact as I have indicated. The committee, therefore, at my suggestion, deleted the $110,000 for initiation of preparation of the authorization reports and redirected the use of these funds for the preparation of more adequate studies of the impact of the plan on the environment of the area. These funding recommendations of the committee are in agreement with the action which has recently been taken by the New England River Basin Commission.

I again repeat that we must have a balanced program in the Connecticut River Basin—one which will provide for essential water resource development and yet minimize and, in fact, enhance to the greatest extent possible, the valuable environmental and ecological aspects of the area.

I include in the Record at this point resolutions received from the county of Hampden and the city of Springfield, Mass., and a letter from the board of selectmen of the town of Ludlow, Mass., in support of more adequate consideration of the environmental impact of the Connecticut River Basin plan.

The resolutions follow:

Commonwealth of Massachusetts,
County of Hampden,
Springfield, Mass., May 12, 1971.

Whereas there has recently been completed a plan for the development of the Connecticut River Basin, entitled "Connecticut River Basin Comprehensive Water and Related Land Resource Investigation", under the auspices of the Army Corps of Engineers, which plan is being reviewed by the New England River Basins Commission; and

Whereas said plan has been evaluated by a "Citizens Review Committee" appointed by the New England River Basins Commission; and

Whereas said Citizens Review Committee has emphasized that the proposed Basin Plan contains no adequate environmental or ecological data concerning the environmental effect of individual project proposals of the plan in its entirety; and

Whereas we are gravely concerned that said plan may result in significant and irreversible environmental damage, and that said plan has not given proper consideration to such possible environmental consequences,

Now therefore be it resolved that the Hampden County Commission does hereby strongly urge that studies of the environmental impact of said plan be undertaken immediately; and that further review or implementation of said Connecticut River Basin Plan be deferred until such studies can be completed and made available for use and consideration by the People of the Valley and by all agencies responsible for reviewing and implementing said plan.

Be it further resolved that the Hampden County Commission forward a copy of this resolution to President Richard M. Nixon, Governor Francis W. Sergent, Senators Edward M. Kennedy and Edward W. Brooke, Congressmen Edward P. Boland and Silvio O. Conte, Russell E. Train, Chairman to the President's Council on Environmental Quality, and to Frank Gregg, Chairman of the New England River Basins Commission, and William D. Ruckelshaus, Administrator, Environmental Protection Agency, 1626 K St. N.W., Washington, D.C. 20464.

City of Springfield,
April 5, 1971.

Whereas, there has recently been completed a plan for the development of the Connecticut River Basin, entitled 'Connecticut River Basin Comprehensive Water and Related Land Resource Investigation" under the leadership of the Army Corps of Engineers, which plan is being reviewed by the New England River Basin Commission; and

Whereas, said plan has been evaluated by a "Citizens Review Committee" appointed by the New England River Basins Commission; and

Whereas, said Citizens Review Committee has emphasized that the proposed Basin Plan contains inadequate environmental or ecological data concerning the environmental effect of individual project proposals or of the plan in its entirety; and

Whereas, we are gravely concerned that many of the proposed programs in said plan may result in significant and irreversible environmental damage, and that said plan has not given proper consideration to such possible environmental consequences.

Now therefore be it resolved that the City Council does hereby strongly urge that studies of probable environmental impact of said plan be undertaken immedately; and that further implementation of the existing Connecticut River Basin Plan be deferred until such significant studies can be substantially completed and made available for review and consideration by the public in the Valley and by all agencies responsible for reviewing and implementing said plan.

Be it further resolved that the City Clerk, William C. Sullivan, be hereby instructed to forward a copy of this resolution to President Richard M. Nixon, Governor Francis W. Sargent, Senators Edward M. Kennedy and Edward W. Brooke, Congressmen Edward P. Boland and Silvio O. Conte, Russell E. Train, Chairman of the President's Council on Environmental Quality, and to Frank Gregg, Chairman of the New England Rivers Basins Commission.

The Town of Ludlow, Mass.,
June 24,1971.

Hon. Edward P. Boland,
House of Representatives,
Washington, D.C.

Dear Congressman Boland: The Board of Selectmen of the Town of Ludlow has been alerted to the fact that the Army Corps of Engineers has advanced a plan, soon to be acted upon by Congress, calling for the construction of over 200 dams on the Connecticut River and its tributaries. We and others are concerned with this proposed plan, especially in view of the lack of environmental analysis and safeguards in the proposed development of the Connecticut River by the Corps of Engineers.

We stand in support of the Springfield City Council, the Hampden County Commissioners, and the Massachusetts House who have all recently passed resolutions asking for a halt in the advancement of any plans for the Connecticut River until proper ecological safeguards can be developed by a source independent of the Army Corps of Engineers.

We stand in support of a community-wide effort aimed at preserving the natural beauty and life of the Connecticut River.

Very truly yours,
William D. Mullins,
Chairman.

Mr. Chairman, I am grateful for the remarks of the gentleman from Wisconsin (Mr. Davis) with respect to the Dickey-Lincoln project. I do not like the $100,000 that we put in here for a restudy and reevaluation of some alternative to the authorized Dickey-Lincoln School project. As a matter of fact, in the subcommittee I offered an amendment which would have added $800,000 to continue planning on the big Dickey-Lincoln reservoir project. I have supported that project for the past several years. I still support it. But, recognizing the realities of the situation and faced with the almost imposible task of favorable action on the Dickey-Lincoln project, I support the recommendation of this subcommittee. Acting on the assurances of the gentleman from Tennessee and the gentleman from Arizona (Mr. Rhodes) that this is the position of the House, I would hope when we get to conference that we will stick to this position. It is my intention to do precisely that. I do support the recommendation on the Dickey-Lincoln project as it is brought to the floor today by the subcommittee.

Mr. RHODES. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

Mr. EVINS of Tennessee. Mr. Chairman, I have one additional request for time.

Mr. Chairman, I yield 1 minute to the gentleman from West Virginia (Mr. Hechler).

Mr. HECHLER of West Virginia. Mr. Chairman, I appreciate the concern the committee has expressed in its report language on protecting the environment. I note that there is $65 million in this bill for the Tennessee Valley Authority. I am disturbed by the fact that the Tennessee Valley Authority is the largest commercial user of strip-mined coal in this Nation, and as such, although the TVA was set up to protect the soil, it has devastated huge areas of eastern Kentucky and other regions of our Nation. I know that there are reclamation regulations set up by TVA, yet apparently those reclamation regulations are both loosely drawn and poorly enforced. The regulations themselves are shot full of a lot of loopholes. If these regulations are as tough as TVA claims they are, then reclamation of strip-mined land is a farce.

Last year, TVA bought 32 million tons of coal, approximately half of which was strip mined. The devastation caused by this strip-mining is rapidly escalating.

I would certainly hope that the committee would look into the reclamation regulations of the TVA, and what TVA is really doing to protect these areas before all of this valuable soil is completely devastated, and the streams filled with acid.

Mr. EVINS of Tennessee. Mr. Chairman, I thank the gentleman from West Virginia for his recommendation, and confidence.

Mr. HULL. Mr. Chairman, I rise in support of the public works for water and power development and Atomic Energy Commission appropriation bill for 1972.

In my opinion, this legislation is meritorious and properly places emphasis on many important civil works projects.

I cannot let this occasion pass without expressing my extreme dismay concerning the committee report's comments regarding the Pattonsburg Lake project in my congressional district.

The committee states that it does not feel it is warranted in proceeding with the advance participation in funding of an interstate highway crossing because of questions regarding the economic feasibility of the lake. The question of economic feasibility arose because the Southwestern Power Administration has thus far not recommended inclusion of power in the project.

The fact is that there is a market for power at Pattonsburg and the Southwestern Power Administration will soon be contacted along this line.

I trust that the committee is holding its participation in the project in abeyance without prejudice to the future of the desperately needed Pattonsburg Lake.

I quote here from a letter I have just received from Mr. Truman Green, general manager and member of the Central Electric Power Cooperative in Jefferson City, Mo.:

> For over a year correspondence has developed on the Pattonsburg Reservoir Project concerning the power installation feature.

Our Associated group has offered to take the power from the Cannon Project in Northeast Missouri, and we can no doubt offer the same relative amount for the power at Pattonsburg.

The amount offered is equivalent to $14.40 per firm KW per year plus .2 cent per KWH including right to schedule operation to fit our load requirements.

We have scheduled a meeting with the Corps of Engineers in Kansas City on August 10 to discuss this project in greater detail as to the installation and use of power features.

Mr. WILLIAMS. Mr. Chairman, I oppose the amendment to H.R. 10090 which would strike $3.7 million for construction of the Tocks Island Dam.

It is interesting to note that the Tocks Island Dam project was authorized by the 87th Congress in 1962 under Public Law 87-874. Now, 9 years later, this amendment would be just another roadblock in getting this valuable, much-needed improvement started. Actually, this is just another example of the delay and procrastination which stems from some actions of the Congress and which results in greatly increased costs when projects are eventually started.

The purpose of the Tocks Island Dam project is to provide a water storage reservoir, a hydroelectric facility and recreation complex on the Delaware River northeast of Stroudsburg, which is in the northeastern part of Pennsylvania.

This water storage reservoir will permit a more controlled flow in the Delaware River during times of drought. On a number of occasions during drought periods, the saline line of the Delaware River in its tidal portion has come upstream almost to the city of Philadelphia, and the city of Philadelphia depends on the Delaware River for much of its water supply. The construction of the Tocks Island Dam project, with the resulting water storage facility, would prevent this from happening in the future.

Also, the Tocks Island Dam project would enable a better saline balance to be maintained in the Delaware River Bay area, thereby protecting and enhancing the oyster industry in the Delaware River Bay area.

As far as affecting the fish resources of the upper reaches of the Delaware River, which actually extend into New York State, the Tocks Island Dam project includes the construction of a fish-passage facility. This fish-passage facility will actually improve the fish resources in the upper reaches of the Delaware River and, in fact, in the entire Delaware River.

The Tocks Island Dam project would also create miles of publicly owned water front which will be used by the people of the entire region for recreational purposes.

The hydroelectric facility will produce much-needed energy for the region. We all know that we are today facing an energy crisis with demands for energy increasing at the rate of 8 percent annually. The hydroelectric facility is the only facility that can produce electrical energy without any type of pollution.

While it is true that Mr. Russell Train, Chairman of the Council on Environmental Quality, rejected the environmental impact statement of the Army Corps of Engineers and asked the Corps to undertake a study which sought viable alternatives, it is also true that as a result of Mr. Train's action, the Interior Department did make a study of the environmental impact of the Tocks Island Dam project.

The conclusions of the Department of the Interior's study are that the Tocks Island Dam project will provide benefits and that this project is the viable alternative to the present problems of the Delaware River. The fact is that this information, and additional information from the Army Corps of Engineers, will be submitted to Mr. Train and should answer any reasonable questions that Mr. Train may have about the benefits of the Tocks Island Dam project.

The Delaware River Basin Commission and its staff have thoroughly studied the Tocks Island Dam project including the downstream effect of this project, and this Commission is strongly supporting the Tocks Island Dam project. The Federal representative on the Delaware River Basin Commission is Mr. Paul VanWegen, an outstanding environmentalist.

Thus, the construction of the Tocks Island Dam project could and should begin during this fiscal year, and it would not be a responsible action for the House to delete the construction money for this project for this fiscal year. Therefore, I urge the defeat of the amendment.

Mr. ASPINALL. Mr. Chairman, I rise in support of H.R. 10090 making appropriations for public works for water and power development, including the Corps of Engineers, Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power marketing agencies of the Department of the Interior. This measure is of the utmost importance to the Nation's economic well-being. In this era when one rarely hears a voice raised in support of programs designed to strengthen our economic base and undergird our standard of living, it is a welcome and heartening sign to see the Subcommittee on Public Works Appropriation stand up and be counted in this area. I commend the subcommittee, its distinguished chairman, the gentleman from Tennessee (Mr. Evins) and its equally distinguished ranking member, the gentleman from Arizona (Mr. Rhodes); not only for the welcome increases that have been made in the President's budget throughout the program, but for the firm and vigorous stand taken by them and the full committee on behalf of the prerogatives of the Congress in public decisionmaking. I recommend to every Member that he or she read with care what has been set forth in the committee report on this measure concerning the practice of Executive withholding of legally appropriated funds. Needless to say, I fully endorse the sentiments implicit in those statements.

Mr. Chairman, I endorse the bill and express particular appreciation as well as support for the level of funding of programs of the Bureau of Reclamation in the Upper Colorado River Basin, generally, and the State of Colorado, specifically. The level recommended by the committee will enable the Animas-La Plata, the Dolores, the Dallas Creek and the San Miguel projects to proceed through advance planning at an orderly rate and permit them to enter the construction stream in an acceptable time frame. The bill also provides adequate recognition of the fund requirements of most ongoing reclamation construction programs such as Fryingpan-Arkansas and Curecanti. I am disappointed that the bill does not contain funds with which to undertake advance planning on the recently authorized Narrows Unit in northeastern Colorado. This is a badly needed program, both for flood control and water conservation. I can only say that we appreciate the problems facing the Committee on Appropriations and earnestly hope that the situation will be such that this badly needed program can be undertaken in fiscal year 1973.

In conclusion, Mr. Chairman, let me say once again that I endorse H.R. 10090 and urge all Members to vote for its passage. It is an important measure not only in terms of what it provides for the communities that will be benefited, but it is equally important that it serve as a message to those who would have water resource development take a rear seat at the budget table that the House of Representatives no longer intends to abdicate a role in establishing priorities for how this Nation conducts its business.

Mr. DORN. Mr. Chairman, the public works appropriation bill now before the House provides funding for several harbor projects in South Carolina which are vital to the economy and security of the entire Nation. These are navigation studies for Charleston Harbor and for Georgetown Harbor and funding for the Cooper River rediversion project. The entire Southeast is dependent on the large flow of goods through the facilities at Charleston Harbor and of course Charleston is one of our most important military ports. The future completion of the Charleston Harbor study and the Cooper River project will make possible the long needed improvement and deepening of Charleston Harbor and will enable the South Carolina Ports Authority to continue its dynamic program of expansion.

This bill provides $70,000 this year for work on the Charleston Harbor navigation study, the amount that was requested by the administration. This study was authorized by our House Public Works Committee. As a member of the Public Works Committee it was my pleasure to support passage of this study, which was sponsored by our beloved late colleague, Mendel Rivers. His successor, Congressman Mendel Davis, is rendering outstanding service to the State in continuing to promote the full development of Charleston Harbor. I pledge Congressman Davis my continued cooperation in working for adequate funding for the study and the Cooper River project, so that work can be started to deepen and improve Charleston Harbor.

The Cooper River project, also authorized by our Public Works Committee, is funded by this bill at a 1972 level of $150,000, the amount that was requested by the administration. The timely completion of this project is likewise a precondition to long-range improvement of Charleston Harbor. This great and imaginative project would reduce the silting of

Charleston Harbor and would have extremely beneficial environmental effects.

Mr. Chairman, my interest in Charleston Harbor dates back to my service in the South Carolina General Assembly when I supported the creation of the South Carolina State Ports Authority so that Charleston Harbor could be an outlet for the industrial products and pulp wood of the entire State. The State of South Carolina has invested millions in Charleston Harbor, and it has become one of the Nation's most important commercial and military ports. The South Carolina State Ports Authority has developed at Charleston one of the most efficient, if not the most efficient ports in the Nation. Public minded citizens from every section of our State serve on the authority board of directors. Their contribution and the contribution of the authority to the development of the State's economy has been incalcuable, and the entire State is grateful to them. Already Charleston Harbor is a national leader in the handling of containerized freight, and the ports authority has recently announced plans for construction of a passenger terminal that will be closer to residents of 26 States than are either New York or Miami.

Mr. Chairman, I wish to commend Congresman EVINS and the entire Appropriations Committee. This committee had to contend with severe budgetary restrictions and was forced to allocate insufficient total funding among many worthwhile projects. The committee has worked tirelessly and has recommended a bill that I support.

Mr. VANIK. Mr. Chairman, while I generally support the bill before the House providing appropriations for the Atomic Energy Commission, the Corps of Engineers civil works program and other agencies, I am deeply disturbed about several aspects of the bill.

First, in the Atomic Energy Commission appropriations, $42.9 million is provided for nuclear safety, but very little stress is given in the committee's report to the absolute essential nature of research and safety guarantees in this area. The committee report calls attention to developments in the area of the liquid metal fast breeder reactor, but makes no note of the complex safety questions which have been raised about these reactors by such eminent scientists as Dr. Edward Teller. In addition, I can find no mention of the safety questions raised by recent failures involving fluid loss in scale model reactors. Absolute priority must be given to the correction of any possible danger in these reactors before further construction is undertaken.

Secondly, I am disappointed about the language in the bill which provides for further stream channelization. During the debate on the Department of Agriculture bill, I joined with other Members in offering an amendment to prevent further stream channelization by the Soil Conservation Service. Unfortunately that amendment failed, but I would hope that the Corps of Engineers would take a careful look at the environmental effects of any of their stream channelization activities.

I have been assured by the corps that they do not plan any stream channelization or straightening in their project to improve the environment of the Cuyahoga River Basin in northeastern Ohio. The entire community will be watching this important project to insure that it truly helps the Cuyahoga and does not turn it into a sterile, ugly water causeway.

We are opposed to stream and river channelization because these projects involve the cutting of all trees along the proposed watercourse and the clearing of stream bank vegetation along with the digging of long, straight, flat trenches, all for the purpose of increasing the flow of the stream and hence, the drainage and runoff on surrounding land. Needless to say, the damage to plant and wildlife systems is extensive. As an example of the harmful effects of channelization, the grading of the streambed eliminates irregularities which cause the stream to break its surface and thereby oxygenate itself. Channelization also destroys the hollows and pools which are the main breeding ground for aquatic life. As a result, it has been estimated that all of the bottom life of a stream is eradicated for a decade or more by channelization. It has also been found that even after long periods of time the variety of stream life never reaches over 50 percent of that present prior to grading or dredging. In addition, the destruction of the plantlife along the streambanks deprives wildlife of what is sometimes its only breeding ground in the midst of extensive reaches of farmland. Finally, the rapid drainage of large areas of swamp and marshland negates one of the major functions of the Nation's watercourses: the process whereby water is passed through plants and soil slowly enough to naturally filter out impurities and pollutants which would otherwise be transported downstream.

In addition, I am very disturbed at the provision of $6 million in this bill for the start of construction on the Tennessee-Tombigbee project in Mississippi and Alabama. This project, which will ultimately cost the Government $346 million has to be one of the most unnecessary boondoggles in the history of public works. It has been justifiably described as an attempt to turn the Mississippi River into a two-lane highway. Its purpose is to provide river towns on the Tennessee River with quicker access to the Gulf of Mexico by digging a canal, parallel to and east of the Mississippi—with which the Tennessee is, of course, already connected. If this 253-mile waterway is built, the Tombigbee River will be converted into a virtual barge canal and its tributary streams will have to be dredged and channeled. The project involves construction of five locks and dams, plus five separate locks, to overcome a 341-foot difference in water levels between the Tennessee and Tombigbee Rivers. At Bay Springs, Miss., an 84-foot lift will be required to carry the waterway over a natural divide. The Corps of Engineers will be faced with the disposal of over 258 million cubic yards of dirt.

If built, the Tenn-Tom would inundate 24,000 acres of prime forest and agriculture land, and partially submerge or threaten to submerge 46,000 additional acres of land. The Environmental Protection Agency's regional report has warned of the "loss of natural shallow water areas, flood plans, pools and bars and riffles with their associated aquatic vegetation conducive to stream purification," an increase in water temperature, and a change in fish species and organisms in the fish food chain in the river systems.

The program is certainly a destructive watershed project. The 170 miles of tributary systems and the 140 miles of Tombigbee River would cease to be free-flowing. Pollutants now found in the Tennessee and Ohio Rivers, as a result of heavy industrialization of these river valleys, would flow into and contaminate the relatively pure waters of the Tombigbee and its tributaries. These pollutants include pesticides, mercury and toxicants, such as DDT. Barge traffic can be expected to add oil slicks and to cause disturbances of sediments.

The regional report of the Environmental Protection Agency has declared the project to be of questionable economic value. The report urges that the project be reevaluated and indicates that even if all known antipollution measures are taken, the project will still degrade streams and rivers and the general water supply.

The canal must not be regarded as a cure-all for the area's economic needs in that benefits will go to barge shippers, not to residents. The project will not generate any electrical power, nor will it control any floods.

The only benefits appear to be from navigation—to the detriment of railroads in the area. A 1962 Corps of Engineers' study based upon these benefits showed the cost/benefit ratio to be $1.01 to $1, once it was adjusted to reflect realistic interest rates. Later the Corps started claiming benefits from recreation and wildlife conservation bringing the supposed cost/benefit ratio to $1.60 to $1 I seriously question these alledged environmental benefits.

Obviously, there is a question as to whether this project will really meet the congressional requirement that a project's benefits exceed the estimated costs. In addition, the development of the Tenn-Tom would violate the National Environmenal Policy and the Fish and Wildlife coordination Acts in that it attempts to connect two separate ecosystems. This project should be stopped before it is started.

Mr. HARRINGTON. Mr. Chairman, I rise in support of the $100,000 provision included in the public works appropriation bill to fund a restudy of the Dickey-Lincoln School project in Maine.

This is unfortunately not an appropriation for preconstruction planning of the original project. The original Dickey-Lincoln project would have provided low-cost, essentially nonpolluting power for the entire New England area. The latest estimates indicate that the project would have yielded wide-ranging benefits to New England, particularly cheaper and more adequate electric power. Each year the estimated dollar value of these benefits would have been double that of the revenues necessary to run the project. In addition, the project would have generated enough revenue to completely repay with interest, the full Federal appropriation for Dickey-Lincoln.

But this original proposal is not what we are considering today. That project was defeated in committee by continued reluctance to fund the full scale Dickey-Lincoln project authorized in 1965.

The $100,000 included in the public works appropriations bill is to be used to study the feasibility of building a small project designed to aid the State of Maine in solving some of its own particular problems, including electric power, water quality, flood control, irrigation, and recreation. The cost of the entire program is estimated at $40 million, not the $273 million envisioned for the regional project.

It is indeed unfortunate that full scale funding for the Dickey-Lincoln project was not supported in committee. The regional project would have provided many benefits for all the people of New England. But the compromise version supporting a smaller project will also reap benefits, most particularly for the citizens of the State of Maine. I support this appropriation and only find it unfortunate that it is limited in scope.

We, in this country, are in the midst of an energy crisis. This situation is no more deeply felt than in New England with its high power costs and low energy supply. We must use every means possible to provide adequate and environmentally safe power to the people. Funding a study for a smaller project is one of these means. I urge all my colleagues to vote against any amendments designed to remove these funds from the appropriations bill.

Mr. ICHORD. Mr. Chairman, I intend to support H.R. 10090, the public works appropriations bill for 1972, but I would first like to take this opportunity to commend the Public Works Subcommittee of the House Appropriations Committee for the tremendous task of preparing this bill and the accompanying hours and hours of work. Chairman EVINS deserves utmost credit and praise for a very big job very well done, especially in this time of close priorities.

Embodied in H.R. 10090 are funds for continuing three very important flood control projects in Missouri; namely, Meramec Park Lake, Union Lake, and the study of the Gasconade River Basin in my district. H.R. 10090 would allow $2,500,000 for continuing the land acquisition program at Meramec Park Lake, $275,000 for preconstruction planning at Union Lake, $1 million for highway relocation at Union Lake; and $10,000 for continuing the feasibility study of the Gasconade River Basin.

Meramec Park Lake and Union Lake are two of the five mainstream reservoirs contained in the entire development plan of the Meramec River Basin in southern Missouri, most of which lies in my congressional district. Meramec Park Lake is the key reservoir in the development and will be a most worthwhile investment heralding many benefits to southern and mid-Missouri in the areas of flood control, recreation, water supply, water quality control, and fish and wildlife conservation.

It is generally agreed that this reservoir will be a most welcome catalyst to improving local social and economic conditions.

The $2,500,000 appropriation for fiscal year 1972 will permit the continuation of the land acquisition program at an accelerated pace as we are nearing the actual construction stage. The State of Missouri has met all the Federal requirements for local cooperation on the project, and there is sufficient support from interested residents to warrant the appropriation.

The appropriation for Union Lake is also very important and will permit the continuation of preconstruction design and planning. Union Lake is another key element in realizing full development of water resources in the Meramec River Basin. It forms an integral portion of the comprehensive plan and will serve essentially the same purposes and benefits as Meramec Park when completed. I support both the preconstruction planning appropriation of $275,000 and the $1 million for highway relocation.

Last, I am also interested in the $10,000 for continuing the feasibility study of the Gasconade River Basin in my district. This appropriation will provide the funds to update an old study of the Gasconade Basin made in 1956. There have been many changes in the area, including the construction of Fort Leonard Wood in the general area of the two primary proposed dams at Arlington and Richland. Other important changes in the area include a railroad line. The Gasconade development projects would be an important factor in stimulating the long-term growth of a primarily rural area.

Mr. SHRIVER. Mr. Chairman, as a member of the Appropriations Committee, I am well aware of the many demands for financial resources both for domestic and foreign programs. As we continue to wind down the war in Vietnam, we need to concentrate our attention more and more on domestic needs, and certainly flood control, water supply, development, conservation and recreation deserve greater attention.

The committee appropriately has taken into consideration the priority needs for water resources as well as the serious inflationary problem facing the country. This bill provides over $4.5 billion for public works programs and the Atomic Energy Commission which is approximately $40 million less than the budget request.

Approval of new planning and construction starts was given on only a very limited basis and only for projects involving a small total cost.

I wish to commend the subcommittee for including $50,000 in the appropriations bill to enable the Corps of Engineers to begin preconstruction planning of a local flood protection project in Marion, Kans. The city of Marion has experienced serious flooding problems over the years from Mud Creek which flows through the city.

Recently President Nixon helped dedicate the Port of Catoosa near Tulsa, Okla., signaling the opening of the Arkansas River to navigation up to Tulsa. The President spoke of the economic benefits which navigation could bring.

This bill includes $135,000 for a continuing multipurpose study, including navigation, of the Arkansas River from Great Bend, Kans., to Tulsa. This study, started in 1965, will determine the feasibility of navigation into the Wichita, Kans., area, which might prove to be a logical continuation of navigation on the Arkansas River that has been completed to Tulsa.

Mr. Chairman, there also is an item in the Bureau of Reclamation budget, included in this bill, for $29,000 for an irrigation study of the Kanopolis Unit, Smoky Hill Division. This is a study initiated in 1967 which is long overdue. There has been a great deal of bureaucratic footdragging on this important feasibility investigation. I have been in touch with the Commissioner of the Bureau and with the Secretary of the Interior to urge that the investigation be completed at the earliest possible time in order that this project can be reauthorized by Congress.

Finally, the committee has acted responsibly and in keeping with the concerns of the people of Kansas relative to the proposed national radioactive waste repository, planned by the Atomic Energy Commission near Lyons, Kans.

Funds for land acquisition have been deferred pending further study and review of the safety and environmental factors involved in this project. I support the allocation under the AEC operating expenses appropriation of $1.8 million for the study of public health and safety aspects of the Lyons facility.

Mr. JOHNSON of California. Mr. Chairman, I rise today in support of H.R. 10090, a bill to appropriate funds for the Atomic Energy Commission and the water resource development programs of the Bureau of Reclamation and the U.S. Corps of Engineers.

Because of the nature of the Second Congressional District, which I represent here in Congress, my principal concern is with the water resource development. I would like to congratulate the chairman of the full committee, the gentleman from Texas (Mr. MAHON), and the chairman of the subcommittee, the gentleman from Tennessee (Mr. EVINS), and the other members of the Appropriations Committee and its staff for a very thorough and comprehensive study of a very complex problem. The comments made in the House report, which accompanied this bill, certainly are well taken and I call the remarks made on the first nine pages of the report to the attention of my colleagues here on the floor for I think that they will, without question, impress upon you the importance of water resource development upon the environment of our Nation.

We hear much about the environment but I think the whole picture is summed up extremely well in two paragraphs found in the report which I would like to repeat here:

> The Committee believes that the objectives of water resource development and the enhancement of the environment need not be incompatible and indeed should be complementary. A proper balance must be maintained in the national interest and in the

> public interest. The Committee rejects the position of either extreme—development no matter what the environmental impact or sacrificing all economic growth at the whim of the environmentalists.
>
> The Committee shares the widespread concern for the environment but believes it should be realized that the agencies involved in water resource development are increasingly aware of the environment and have instituted extensive changes both in the planning process and in actual construction to minimize any adverse impact of their work on the environment.

Turning to my own State and district I want to say that the recommendations contained in this bill are realistic. We, of course, as everyone, could use more money if we were to try to meet the capabilities of the Federal agencies involved in resource development. However, the committee in screening all of these proposals has come up with a sound recommendation.

It is my hope that the construction which would be permitted during the coming 12-month period on these projects will help alleviate our critical unemployment situation in northern California. It is gratifying that in some areas the committee saw fit to move ahead at a pace somewhat faster than originally proposed by the administration.

Timely development of our water resources is like money in the bank. This is a sound investment in our future but it is one that we cannot realize the benefits from until the projects are constructed and in place.

Accordingly, I urge my colleagues to join me in support of H.R. 10090.

Mr. BEVILL. Mr. Chairman, in 1959 Congress passed legislation authorizing the Tennessee Valley Authority to issue bonds, the proceeds of which were to be used to finance capital additions to the TVA power system. The bonds issued under this authority are backed solely by revenues from the sale of electric power and are not charges on the Federal Treasury.

In addition to granting TVA authority to issue bonds the legislation required the repayment, over a period of years, of $1 billion worth of appropriation investment in the power system as well as an annual payment of a dividend or return on the appropriation investment.

This return is computed in much the same way as the interest payment is computed on a home mortgage—with one major exception. In a home mortgage the interest rate to be applied is fixed. In the case of TVA the Federal Treasury receives a payment based upon a fluctuating interest rate.

This fluctuating rate is computed by finding the average interest rate payable by the U.S. Treasury upon its total marketable public obligations at the beginning of the fiscal year in which the return is being paid.

In 1961, the first year payments under the 1959 legislation were due, TVA paid as a return on the appropriation investment about $41 million. The computed average interest rate was 3.449 percent and the appropriation investment was about $1.2 billion.

In fiscal year 1971, after TVA had repaid more than $100 million, the payment was over $65 million. As anybody who has lived through a home mortgage is aware, such payments usually decline as the principal is repaid. The reason they have not in TVA's case is the fact that the interest rate base to compute the return has risen from 3.449 to 5.986 percent.

These figures point out the fact that the U.S. Government has made a wise investment—one that has paid good dividends—in the TVA power system. A review of the experience under the 1959 amendment to the TVA Act shows that TVA has paid over $650 million into the Treasury in carrying out the provisions of that amendment.

However, these monetary returns are perhaps the least important dividends the country has received from its investment in TVA. More important is the economic growth that has been aided by the abundance of power in the TVA region. An example of this growth is the fact that in 1929 per capita personal income in the TVA region was $317. By 1933, when TVA was formed, it had fallen to $168. Both of these figures represented 45 percent of the national per capita income. By 1969 per capita income in the TVA region had grown to $2,759 or 75 percent of the national figure.

In strictly monetary terms, this rise has greatly increased the region's tax payments to the Federal Treasury. The 1967 tax collections from the region were about 1.7 percent of the national total—double the 1933 proportion. This meant $746 million more income to the Federal Treasury in 1967 from the region than if the 1933 proportion had continued.

However, the dividends from the investment in TVA should not be measured solely in a monetary way. For the improvements that TVA has helped bring about mean that population of the region can provide for itself better housing, better education, and better nutrition.

The Federal investment in the Tennessee Valley Authority has paid both monetary and human dividends to the region and the Nation.

Mr. FULTON of Tennessee. Mr. Chairman, the original Tennessee Valley Authority Act passed in 1933 contained provisions for payments to the States of Alabama and Tennessee which would be in the nature of in lieu of tax payments. However, as the TVA program gained experience Congress became convinced that the original provisions were not adequate to states and counties in which TVA projects were located.

Therefore, in 1940, Congress amended the TVA Act to remedy this situation. Under these in-lieu tax provisions of the act TVA, during the year ending June 30, 1971, paid about $20 million to State and local governments. More than half of this amount, $10.5 million, was paid to the State of Tennessee.

This amount is more than Tennessee's total general fund appropriation last year for its department of conservation, including strip mine reclamation, forestry, State parks, water resources, geology, tourist promotion, and hotel and restaurant inspection programs. In addition to the payment to the State, TVA paid almost $1 million to local governments.

Payments in excess of $1 million were also made to State and local governments in Alabama, $4.3 million, and Kentucky, $2.8 million. Other States receiving in-lieu tax payments from TVA were Georgia, Illinois, Mississippi, North Carolina, and Virginia.

This year's $19,960,863 total for TVA in-lieu-of-tax payments is based on the agency's wholesale power revenues, and represents only part of an estimated $45 million which State and local governments are receiving from wholesale and retail power operations in the region. The other $25 million is the estimated amount being paid in taxes or tax equivalents by the municipal and cooperative electric systems that distribute TVA power.

More than two-thirds of the combined total goes ultimately to local governments. Most of the TVA payments go to State governments, but several States redistribute part or all of this money to local governments. And local governments get most of the taxes paid by the local electric systems.

Last year the combined TVA-distributor payments amounted to 6.5 percent of the power bills paid by users of TVA electricity. Comparable State-local tax ratios for private power companies serving surrounding areas range from 3.5 to 9.9 percent of their customers' power bills.

These payments do not include taxes imposed directly on power users, such as the sales taxes on electric bills in several Tennessee Valley States.

As provided by law, TVA's payments this year represent 5 percent of last year's taxable power revenues—power sales to several government and military installations are exempt. These payments will total $1,121,101 to counties and $18,839,762 to States.

Under the law, counties receive fixed tax replacement payments equal to former ad valorem taxes on any electric utility property purchased by TVA, and on TVA reservoir land allocated to power purposes. States governments receive the rest of the money available under the 5-percent provision. This is allocated among the States by a formula that takes into account both the location of TVA power system property and the proportion of its power revenue from each State.

Mr. JONES of Alabama. Mr. Chairman, I want to commend my friend from Tennessee (Mr. EVINS), the distinguished chairman of the Appropriations Subcommittee on Public Works, and the members of his subcommittee for their considerable work and their perceptive action in bringing this bill to us for consideration today.

As a member of the Public Works Committee which has considered authorizations for much of the work to be financed through this bill, I can attest to the great urgency and need to increase our investment in the projects which are required for the proper advancement and well being of the people of this Nation.

The total needs far outpace the resources which are available, and each delay hinders our realization of the potentials which can be gained. This a fact which the very knowledgeable chairman and the members of his subcommittee recognize and appreciate.

I particularly want to comment on the increase which the committee has recommended for the funds allocated to the fertilizer program conducted by the Tennessee Valley Authority for the benefit of the farmers and the consumers of food throughout the Nation.

The economies in food production which have resulted from the work of the National Fertilizer Development Center have significance for all Americans.

The need for additional funding of the fertilizer program at this time is the result of several factors. Foremost of these is the nature of the job assigned to TVA. In setting up TVA, Congress intended that it improve the quality, lessen the cost, and increase the supply of fertilizer available to the American farmer.

In order to carry out this assignment, TVA first had to develop laboratories and assemble a team of scientists to carry out basic research. From these laboratories has flowed a steady stream of new products and processes which have been of great benefit to the farmers and consumers of this country.

But an idea in a laboratory or a patent on paper does not improve quality, lessen cost, or increase the supply of fertilizers. To do this a production scale plant is needed to assure that the fertilizer can be produced in commercial qualities and to obtain enough of the new product to demonstrate its value to farmers and fertilizer distributors.

In deciding upon the size of production plant, TVA could have chosen one that would have competed with a commercial fertilizer industry. If this course had been selected, the $30 million which TVA paid into the U.S. Treasury in the 1950's would have been invested in new, larger facilities incorporating economies of scale.

Such a decision would also have meant continuing the production of proven products long after their demonstration value has been exhausted. TVA's decision on this point reflects their belief that the operation of a large scale commercial plant, despite its economies, would have hampered their ability to develop and introduce new and better products.

Therefore, instead of building newer, higher volume facilities TVA chose to continue operating older, less efficient ones Some of these are now being replaced—but with units scaled to production of relatively limited quantities of products.

Instead of sticking with proven and accepted fertilizers TVA is continuously bringing new products on line; products that increase farming efficiency and hold down food costs. At present TVA produces about a dozen kinds of fertilizers and has plans to phase some of these out and bring new ones into production in the next few years.

It is obvious that this type of operation is more expensive than a commercial type operation would have been. Nevertheless, TVA might have been able to maintain it without the additional funds the Appropriations Committee has recommended, had it not been for two other factors.

The first factor is the decline in purchases by the Department of Defense. As late as 1967 sales to the Department of Defense for munitions use amounted to over $2½ million. TVA estimates that it will have no sales in this area in fiscal 1972.

The second major area is the unusual decline in fertilizer prices caused by too rapid expansion of the Nation's fertilizer production capacity. The price of TVA fertilizer products is pegged to market value, therefore the decline in market prices directly affects TVA's fertilizer finances.

TVA has striven to meet its increased financial needs during the past couple of years by reducing inventory, and selling no longer needed assets. However these sources of financing are dried up. The additional funds recommended by the Appropriations Committee are needed to assure continued operation of this valuable program.

The serious effects that would result if, because of a lack of funds, TVA's fertilizer program were to shut down, would be felt beyond the Tennessee Valley area. Introduction of new technology to the American fertilizer industry would come to a virtual standstill, resulting eventually in higher fertilizer prices to the farmer and higher food prices to the consumer. Also, many of the small business firms engaged in TVA's fertilizer introduction program would face serious financial difficulties—209 of the 292 firms cooperating with TVA are classified as small businesses. These companies have invested in facilities and equipment to utilize new TVA products with the expectation that eventually they will become readily available from private industry. With TVA dropping demonstration production, these investments would be lost.

The TVA fertilizer program has been unique in concept and effectiveness. The pursuit of practical developments to the point of widespread use has paid off handsomely for the Nation. Supplemental support of this outstanding program is essential to keep it going during this particularly difficult period.

Therefore, I urge that the Appropriations Committee's addition to the TVA fertilizer financing be approved.

Mr. MIKVA. Mr. Chairman, 2 weeks ago this House debated the authorization bill for the Atomic Energy Commission. At that time, I joined my distinguished colleague, the gentlewoman from Hawaii (Mrs. Mink) in urging that the proposed underground nuclear test at Amchitka Island be canceled, for reasons of economy, for reasons of sound environmental policy, for reasons of sane nuclear policy, and because the test was considered unnecessary even to achieve the defense goals for which it was designed.

Today, we are asked to appropriate moneys to carry out that unwise, unnecessary nuclear experiment. The same reasons I gave 2 weeks ago compel me to oppose this project today. In addition, my colleague from Hawaii has just revealed another compelling reason why every Member of this House should refuse to rubberstamp these funds.

It now appears that, out of seven agencies which made recommendations to the President regarding the advisability of carrying out Project Cannikin, five recommended that the project not be continued. Yet the President, apparently feeling that Congress is not entitled to share this information before making a decision, withheld these reports from Congress and continues to refuse to provide them even though my colleague, the gentlewoman from Hawaii (Mrs. Mink) has specifically requested them.

Again, we seem prepared to lie down like sheep, and complacently relinquish our proper constitutional function of oversight, of checks and balances.

The clear lesson of the Pentagon papers, and of the current hearings before Senator Ervin's subcommittee regarding executive privilege, is that the executive branch will not provide Congress with information which is adverse to its position unless Congress firmly asserts its proper prerogative.

I urge my colleagues to support the Mink amendment, and to refuse to provide the funds for this nuclear experiment at least until we have been given the common courtesy of having an opportunity to review the rest of the available evidence regarding the scientific, military, and environmental pros and cons of the test.

Mr. EVINS of Tennessee. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 102. No part of any appropriation herein shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Commission finds, upon investigation and report by the Civil Service Commission on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided*, That any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence and accepts employment or a fellowship the salary, wages, stipend, grant, or expenses for which are paid from any appropriation contained herein shall be guilty of a felony, and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provision of existing law.

AMENDMENT OFFERED BY MRS. MINK

Mrs. MINK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

(Amendment offered by Mrs. Mink) Page 5, after line 12, add the following new section:

"Sec. 103. None of the funds appropriated by this Act shall be obligated or expended, directly or indirectly, to pay any part of the cost of the testing by detonation of any nuclear bomb, warhead, or other similar device on, or in the vicinity of, the Aleutian Island of Amchitka, Alaska."

POINT OF ORDER

Mr. EVINS of Tennessee. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from Tennessee will state his point of order.

Mr. EVINS of Tennessee. Mr. Chairman, I have examined the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) and it seems that when she says in her amendment that "none of the funds appropriated by this act shall be obligated or expended, directly or indirectly, to pay any part of the cost of the testing by detonation," and so forth, that this is imposing new and additional duties. It is legislation when you impose, either directly or indirectly, new or additional duties, so I think it is legislation on an appropriation bill, and I ask that my point of order be sustained.

The CHAIRMAN. Does the gentlewoman from Hawaii desire to be heard on the point of order?

Mrs. MINK. Mr. Chairman, I do.

Mr. Chairman, I simply want to say that the amendment simply restricts the spending under this act for the detonation of a bomb or device in the Aleutian Islands. That is the sole purpose of the amendment that I have offered. There are no additional responsibilities or any additional legislation intended by this amendment.

The CHAIRMAN (Mr. ASPINALL). The Chair is ready to rule.

In the opinion of the Chair the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) is solely a limitation on the funds in this bill, and the point of order is overruled.

The gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes in support of her amendment.

Mrs. MINK. Mr. Chairman, I rise to offer an amendment to H.R. 10090 to delete all funds for the Cannikin underground nuclear test proposed for this fall in Alaska's Aleutian Islands.

The House has considered this matter before, but we now have reason to believe that our fears expressed earlier have been corroborated by at least five executive agencies.

I read from the Washington Evening Star of this past Monday, July 26:

> [From the Washington Star, July 26, 1971]
>
> AGENCIES' VIEWS DIFFER ON AMCHITKA TEST BLAST
>
> (By James Welsh)
>
> The White House has received conflicting recommendations from various government agencies on whether to go ahead this fall with an underground nuclear test on remote Amchitka Island.
>
> According to informed sources, two federal agencies, the Department of Defense and the Atomic Energy Commission, favor a go-ahead for the five-megaton test blast.
>
> For a variety of reasons, five other agencies—the State Department, the Office of Science and Technology, the United States Information Agency, the Environmental Protection Agency and the Council of Environmental Quality have recommended either canceling the test or postponing it until after the SALT arms-limitations talks.
>
> Amchitka is at the southwestern tip of the Aleutian Islands off Alaska, about 700 miles from the Soviet Union.
>
> In October, 1969, the AEC set off a one-megaton hydrogen bomb 4,000 feet deep within the islands without causing any of the earthquakes, tidal waves or environmental damage feared by critics of the testing.
>
> The megatonnage of this fall's planned test, which is code-named Cannikin, is five times as large. The nuclear device is scheduled to explode 6,000 feet underground. Cannikin is a test of a large Spartan warhead designated for use as a component of an ABM system protecting Minuteman missile sites.
>
> The latest recommendations on the proposed test are a product of a departmental undersecretary committee named to investigate the controversy. The recommendations went directly to Henry Kissinger, Nixon's chief foreign policy adviser, and John Ehrlichman, chief domestic adviser.
>
> The Defense Department and AEC, sources said yesterday, continue to favor the testing as important to national security. They minimize the chances that the test will trigger earthquakes or cause other unwanted environmental side effects.
>
> OST, which is the President's scientific advisory arm, reportedly opposes the experiment, not primarily for environmental reasons but because the warhead to be tested has been made obsolete by recent weapons development.
>
> The State Department, sources said, took a middle ground. It did not recommend canceling the test, but advised postponing it until the completion of the SALT talks. The Council of Environmental Quality took much the same position. The Environmental Protection Agency opposes the test, believing that even a slight possibility of earthquake is too much of a chance to take.

Since this news article I have besieged all five of these departments, plus the White House for release of these important reports. We are entitled to know the full official recommendations of these agencies. All my efforts have been unproductive. The refusal to honor my request is a clear violation of the Freedom of Information Act. In checking with the Justice Department, no Executive privilege has been claimed. At the very least, each Member of this body is entitled to have these reports.

This is another instance of the right of Congress to know all of the facts when considering legislation being shunted aside for the sake of executive secrecy.

The Council of Environmental Quality and the Environmental Protection Agency were both established to protect the public. Since they were called upon to comment on the Amchitka tests and reportedly have recommended against it, the public has a clear right to know the findings and basis for these recommendations. To deny not only a member of Congress, but the American people of this information subverts the very intent of the law which established these protective agencies.

I submit that the issues surrounding this question I present to the House today are serious ones. I urge my colleagues who are concerned about the integrity of this legislative body to weigh carefully the constitutional issues involved, and of our rights as a coequal body. I urge you to support my amendment as a clear and unequivocal signal to the President that we believe that the reports of these two public agencies belong to the American people. That unless we are all furnished these reports it is unconscionable to expect us to legislate in the public interest.

The safety of the people of my State is involved. The safety and hazard to our environment are involved. The risks have been cited by some of our country's most eminent scientists. And now we are told these risks have been concurred in by our two Government agencies mandated by law to protect and safeguard our environment, and yet we are not able to even read these reports.

If some in this Chamber regard my fears as unfounded, if some in this Chamber regard the fears expressed by leading scientists as unfounded, surely you must agree that the views of two agencies commissioned to give careful and studied review of these matters are of enormous significance and must be weighed before it is too late and irreparable harm is done.

Mr. Chairman, I therefore urge my colleagues to support my amendment, and to give this Nation the kind of Government it deserves and which is prescribed by law.

Mr. EVINS of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. EVINS of Tennessee. Mr. Chairman, the proposed atomic test in the Aleutian Islands has been thoroughly debated and evaluated by the Joint Committee. It was considered in the House, debated and approved. More recently there was extensive debate in the Senate on the matter and the vote of final passage of the bill was 90 to 3. The two Senators from Alaska voted against it and one Senator from Hawaii voted against it. The other Senator voted for it.

The matter is recommended by the Department of Defense. Of course, the President at any time could cancel the test if he so desired. The cost is $127 million. $100 million has already been spent. The test is in connection with the ABM and the Spartan missile warhead, which is essential for defense. It has been recommended at the highest levels, and there has been extensive debate in the House on July 15 when the gentlewoman safety are assured. Only about $5 million in the bill would be affected by this amendment. The committee has evaluated the matter thoroughly and has concluded that the test should proceed. I urge defeat of the amendment.

Mr. PRICE of Illinois. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. PRICE of Illinois. Mr. Chairman, the RECORD contains a great deal of information concerning the Cannikin test as a result of the debate in the House on July 15 when the Gentlewoman from Hawaii offered an amendment to strike funds for the test from the AEC authorization bill. That amendment was rejected.

Even more was placed in the RECORD on July 20 when the other body rejected two amendments offered to the authorization bill which would have delayed the test until the President's visit to mainland China in one case, or in the other case until completion of the SALT meetings or the end of fiscal year 1972 whichever occurs first. (Rollcall votes (a) 37–57 and (b) 29–64.)

I have no desire to repeat all that has been said before, but there is one area which I feel should be emphasized. And this is that any possible adverse effects have been very thoroughly studied not only by the AEC, but by expert consultants from the best sources available including other Federal agencies, universities and recognized independent experts representing a wide variety of scientific disciplines.

For Cannikin, a standing panel of consultants for the AEC has performed a review of the effects predicted on the geology, groundwater, ecology, and nattural manmade structures from ground motion and radiation hazards. In addition, because of the seismic nature of the Aleutians, the special panel for seismology has reviewed and advised upon programs which the AEC has conducted to study the seismological effects of Cannikin. For the most part, these experts were selected from candidates recommended by the National Academy of Sciences. The panel of consultants as well as the special panel for seismology was made up of individuals from the U.S. Geological Survey, University of California, University of Illinois, St. Louis University, University of Nevada, Washington State University, University of Michigan, Columbia University, California Institute of Technology, Palo Alto Medical Clinic, Scripps Institution of Oceanography, Sheppard T. Powell and Associates, and Shannon and Wilson, Inc. They represent such disciplines and subdisciplines as radiobiology, soil mechanics, structural engineering, geophysics, hydrology, radiation medicine, ecology, geology, oceanography, tsunaminology, seismology, and hydrogeology. All told the talents of some 60 recognized scientific and technical advisors and participants have been involved to varying degrees with deliberations on these subjects for the AEC's conclusions as to the safety of the Cannikin test. In addition, several hundred AEC and AEC contractor personnel have been engaged in direct performance of studies.

In addition to those already mentioned, I should like to list for you some—just some—of the very highly regarded organizations that have provided their expertise in evaluating this test. Included are:

National Oceanographic and Atmospheric Administration.
Colorado School of Mines.
University of Wisconsin.
University of Hawaii.
DELCO Electronics.
TETRA Tech Corporation.
University of California—Berkeley.
University of California—Davis.
Stanford University.
Columbia University.
Lawrence Radiation Laboratory.
Sandia Laboratories.
Los Alamos Scientific Laboratory.
Environmental Research Corporation, Nevada.
University of Washington, Seattle.
University of Alaska.
National Marine Fishery Service.
Battelle Memorial Institute, Columbus, Ohio.
Ohio State University.
University of Tennessee.
Brigham Young University.
Utah State University.
National Science Foundation.
Smithsonian Institution.

When one is fully aware of the most comprehensive study and planning which have been conducted relative to this test, you can only echo the question asked by the distinguished Chairman of the Joint Committee during debate in the other body—"* * * how much more do we have to do?"

I should like to comment briefly on one further point. It has been stressed—and correctly—that the final decision to conduct this test rests with the President. Recent press reports indicate a diversity of views among various Federal agencies similar to the diversity of views in the Congress as to whether this test should go forward and the reasons attributed for the various agency positions are the same as we have heard in the congressional debates.

The fundamental issue remains the same however. This country's Chief Executive asked the Congress for the ABM and the Congress approved that request. Our Chief Executive has again officially requested funds for the Cannikin test to develop an effective ABM system which became the policy of our Nation when Congress approved it. If he is to be able to carry out that policy, these funds should be approved. If not, then the basic policy should be repudiated. This is not the way to do it.

I urge rejection of the amendment.

Mr. GUDE. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Hawaii to strike from the Public Works Appropriation bill the funds marked for the Cannikin underground nuclear test at the Amchitka test site in Alaska. The proposed Cannikin test has stirred a great deal of controversy, and there is no doubt, as the gentlewoman from Hawaii has pointed out, that there is substantial disagreement within the Federal Government as to whether the tests should be conducted. The mere fact that the White House has publicly declined to support Cannikin is an indication that the many objections and questions raised concerning the test deserve to be taken very seriously.

It has been estimated that the blast will be in the 5-megaton range. The AEC has offered the results of the Milrow test at the Nevada test site as evidence that the risk is small. Let me say, Mr. Chairman, there is a long leap from a 1-megaton test in a seismically quiet area in Nevada to a 5-megaton test in Alaska where the earth is violently unstable.

I am not a prophet of doom, but the possibility of triggering an earthquake or a tsunami wave, commonly known as a tidal wave, and the danger of release of radioactivity are sufficient cause for concern.

Scientific predictions of the environmental consequences of previous tests have not been faultless, and the sheer magnitude of the Cannikin blast makes past experience with underground nuclear testing an uncertain measure of its potential consequences.

The experts of the AEC have long since lost their right to shroud themselves in the cloak of infallibility. Let me give three examples of this. First, in 1964 the AEC categorically claimed that underground nuclear tests would not trigger natural earthquakes except under exteremely unusual circumstances. But after the experience of six 1-megaton bomb tests at the Nevada test site, that assurance was completely reversed. Now the AEC says that large explosions invariably trigger natural earthquakes.

The Alaska test site was developed only because the planned explosions were found to be too big and too dangerous for Nevada.

The second example: Contamination of the ocean and the surface through venting of radiation is another risk that cannot be ruled out. Again, past experience is not reassuring. According to AEC Chairman Seaborg, out of 230 underground tests, each designed to be fully contained, 67 leaked.

Third. Project Longshot, the 80-kiloton test conducted at Amchitka in 1965, was not expected to leak radioactivity for hundreds of years, but only a few months after the test radioactivity surfaced in at least two small fresh-water ponds.

Nuclear tests creating the possibility of earthquakes, tsunami waves, or contamination by radiation leave precious little margin for error. The Cannikin test is a gamble with the unknown and requires compelling justification. To top it off, as the gentlewoman from Hawaii has stated, the Office of Science and Technology, which advises the President, has advised against it; not because of environmental factors, but because it will no longer provide meaningful information to presently planned defense systems.

In sum neither our defense needs nor the world situation constitute a compelling justification for taking the substantial risks posed by the Cannikin test. This justification has simply not been made. I strongly urge you then to strike the Cannikin funds from the public works appropriations bill.

Mr. ECKHARDT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I speak in favor of the amendment, and I speak in favor of it, in addition to the points that have been made here, in order to support the right of this House to have the information it is entitled to have to make a decision of this type.

We have recently gone through the question of whether or not the people of America and the people in this House are entitled to know certain facts known to the executive department for many years, in the Pentagon Papers. And indeed, the chairman of the Committee on Armed Services, if I remember correctly, said that every Member of this House is entitled to have access to matter classified as "secret."

This matter, I understand, has been said to be classified as "secret", and that is the reason why the distinguished gentlewoman from Hawaii cannot have it. Now, we did not know about this material, we did not know about these reports, until last Monday, the 26th, when the newspapers indicated that vital information from agencies of Government was available with respect to this test, and that that information indicated risks in firing off the Cannikin in the Aleutian Islands.

I recall that a distinguished former President of the United States, President Truman, said, with reference to Executive decisions, "The buck stops here." I submit to you, with respect to decisions on policy of the important nature that this is with respect to that decision—the buck stops in this House and in this

Congress. It stops here. It does not stop with the AEC. It does not stop with any university research division that says this is safe. It stops here.

Unless we make the decision on the basis of our own judgment, as the Representatives of the people of the United States, we have failed in our duty.

I do not say that, ultimately, if we should receive this information, we would necessarily stop Cannikin, but I do say that a body which must make this perilous decision is entitled to have the information asked for by a distinguished Member of this body and is entitled to have it in spite of its being classified as "secret".

It has been said—and I think it has been well said—by citizens of this country, "What power do you have in Congress? What power do you have to determine issues of this type? What power do you have to get the information that is held exclusively in the hands of the executive department?"

The answer is we have the power not to act, not to appropriate until that information is given to us. We are entitled to that information as a coequal body of the Government of the United States, and unless we enforce that power, the decision on questions of policy will be denied to the body that is entitled to have it.

Mr. SCHEUER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, there is very little to add to the splendid remarks of the gentlewoman from Hawaii (Mrs. MINK) and the gentleman from Texas (Mr. ECKHARDT) but I would like to add one thought; namely, that we are constantly being told here that we have already spent $100 million and most of it is spent and it would now be ridiculous for the Congress to play its proper role by canceling the tests because we would be wasting the money already spent. Every time we hear the plea that the money has been spent and the executive branch went ahead without giving us the information and the opportunity to play our proper role and therefore we should let them do it once more, it simply fortifies the practice on the part of the executive branch to withhold urgently needed information. It just maks it more difficult or even impossible for individual Members to perform according to the oath of office that we took. It encourages the practice of presenting us in the future with a fait accompli.

Mr. GIAIMO. Will the gentleman yield?

Mr. SCHEUER. I am glad to yield to the gentleman.

Mr. GIAIMO. I am intrigued by the argument of the gentleman and the gentlemen from Texas who preceded him in the well that we must have information from the executive branch when it involves activities of the Government. I quite agree, but I am also intrigued that that argument does not hold true when we seek to look into the activities of certain industries like the broadcasting industry in this Nation.

Mr. SCHEUER. I would say that any information the broadcasting industry or any other industry has that is appropriate to our function we ought to have, and we have the power under the law to do so.

Let me say even at this 11th hour it is perfectly clear there are sharp differences of opinion in the executive branch. The Department of Defense wants the test, and so does the Atomic Energy Commission. Both of them have an apparent self-interest in carrying on those tests. But the agencies of the executive branch that have the general interest of the national welfare apparently take a different view. The State Department has grave reservations, according to published reports, about the timing of it and they would like to see the test deferred. The Environmental Protection Agency and the Council of Environmental Quality both take the position that these tests should not be carried out.

Mr. GUDE. Will the gentleman yield?

Mr. SCHEUER. I am happy to.

Mr. GUDE. I would like to propose to the gentleman, in order to demonstrate the extent to which the situation is confounded that the Office of Science and Technology, which the gentlewoman from Hawaii mentioned, recommended to the administration, as we understand, not because of environmental reasons but because the military defense purposes for which this test was originally designed are now archaic, that this test is no longer either helpful or necessary. Actually this modification of the Safeguard system, once under consideration, is no longer to be developed.

Mr. SCHEUER. They characterized it as obsolete, according to published reports.

Mr. GUDE. That is exactly right.

Mr. SCHEUER. So, it seems to me, with the reservation of either the timing or the necessity or usefulness of the tests or the harmful damage that the test might cause, on the part of the Department of State and the Office of Environmental Quality and the Environmental Protection Agency and the Office of Science and Technology, that it behooves the Congress to see that we get the urgently needed information so that we can act responsibly.

Let me say, Mr. Chairman, that if the Joint Committee on the Environment, recently passed by both the House and Senate, and about to go to conference, were in existence now, it could play a vitally useful role in holding hearings, sorting out the various conflicting views held by the several executive branch agencies involved, and advising the House as to what a balancing and weighing of all the equities and competing national interests would indicate. But for now, let us delete the funds until we have the information on which to base a thoughtful, broad-gaged judgment.

Mr. EVINS of Tennessee. Mr. Chairman, I wonder if we can agree on time on this amendment.

Mr. Chairman, I ask unanimous consent that all time on this amendment conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. HOLIFIELD. Mr. Chairman, I object.

MOTION OFFERED BY MR. EVINS OF TENNESSEE

Mr. EVINS of Tennessee. Mr. Chairman, I move that all debate on this amendment conclude in 15 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Tennessee (Mr. EVINS).

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Alaska (Mr. BEGICH).

Mr. BEGICH. Mr. Chairman, I am pleased to again join the gentlewoman from Hawaii (Mrs. MINK) in an effort to delay the Project Cannikin underground nuclear test by denying the funds necessary to carry out the test.

It seems completely unnecessary at this time to repeat the innumerable points which have been made regarding this test, and the many unanswered questions which remain. As far back as the Anchorage hearings on Cannikin on May 28 of this year, the AEC became aware of questions put forward by myself and a great many others in Alaska. I believe those questions were responsible and needed positive answers. For the record, I made those questions clear when H.R. 9388 was debated here only a few days ago. In my view, and the view of many who are professionally more qualified in the area of nuclear testing, the questions are still unanswered.

I think that three events which have occurred since the House last debated this question are of special interest here, and I would call your attention to them as this issue is reconsidered today.

First, on July 8, 1971, a U.S. court of appeals delivered some severe criticism to the Atomic Energy Commission for its planning and environmental impact statement relating to the Calvert Cliffs nuclear powerplant. In nearly unprecedented candor, the court said that the AEC's "crabbed interpretation of the National Environmental Policy Act makes a mockery of the act." The court also accused the AEC of a "total abdication of responsibilities," and said its judicial duty was "to see that important legislative purposes heralded in the Halls of Congress are not lost or misdirected in the vast hallways of the Federal bureaucracy."

I do not for a moment wish to confuse the Calvert Cliffs case with the Cannikin project, or to confuse the technical issues involved. I would also not make the same blanket accusations of irresponsibility toward the AEC as the Calvert Cliffs court does. On the other hand, it must be made clear that the AEC has not been without fault in this area, and it is not unreasonable to suggest that perhaps some important questions remain unanswered about Cannikin. When the unanswered questions relate to an underground nuclear test five times larger than any previously attempted by the United States, they become very critical omissions, in my view.

Second, on July 19, 1971, a report entitled "U.S. Underground Testing: Cannikin as a Case in Point" was released under the auspices of Members of Congress for Peace Through Law. This report, several months in preparation, presents a comprehensive case on Cannikin which challenges the need for such a test and describes the risks involved even if need could be demonstrated. The report was released by the gentleman from Maryland (Mr. Gude) and U.S. Senator Mike Gravel, of Alaska, and I commend it to all those interested in a thoroughgoing treatment of this issue, both from foreign policy and environmental viewpoints.

Third, on July 23, 1971, before the Arms Control Subcommittee of the Senate Foreign Relations Committee, chaired by Senator Muskie, the attorney general of Alaska, Mr. John Havelock, offered strong testimony on Cannikin and entered a letter on the record which made clear the thinking of Gov. William A. Egan of Alaska on this project as well.

I continue to believe that the concern being expressed by all these responsible groups and officials is justified. My support of the Mink amendment is based on my continuing concern that the Cannikin test should not proceed until all questions are answered. I urge you to join me in supporting this amendment.

I include both the testimony and the letter at this point as a further indication of the response of Alaska's public officials to this proposed test:

Statement by John Havelock, Attorney General for the State of Alaska

It is my understanding that this Committee is considering an extension of the treaty banning atmospheric nuclear testing to include all testing of nuclear weapons. It is probably beyond the competence of the state government of Alaska to express an opinion on the broad, theoretical issue: it is certainly beyond my personal capacity. But it might be of interest to the Committee to hear some observations on how the present American policy on testing is administered by the Executive Branch of government, under the present arrangement of only limited legislative instruction and broad executive authority as seen from the perspective of a state within which the largest test is to be conducted.

My comments will extend as such to the desirability of exploding the giant device, the last in the series currently undertaken by the Atomic Energy Commission, code named Cannikin and scheduled for Amchitka, Alaska this autumn. For reasons which I will indicate, we do not have sufficient information to offer a definitive opinion on that issue. My comments will be addressed to the method by which the decision to hold a test has been arrived at, a method which is the subject of substantial concern among the elected leadership and the people of our state.

I suppose, whatever we may view as the shortcomings of discretionary executive decision-making on nuclear testing, the situation was a lot worse before the adoption of the National Environmental Policy Act by the 91st Congress. The Atomic Energy Commission has conceded in principle the application of this act and a copy of the final environmental statement purporting to satisfy the requirements of the act was furnished us late last month.

At risk of instructing the Committee on matters it already well knows, let me briefly recite the five points which the Congress required to be covered in detail in the environmental statement: 1. The environmental impact of the proposed action, 2. Any adverse environmental effects which cannot be avoided should the proposal be implemented, 3. Alternatives to the proposed action, 4. The relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and 5. Any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

While on paper these requirements constitute a substantial step forward in exposing the grist of analysis that feeds the policy mill, as administered by the AEC, this process is little short of sham.

In saying so, I do not mean to impeach the good faith or integrity of the scientists and generals who have attempted to direct the AEC in conformity with the Environmental Policy Act. The problem is not personal, but broadly systematic; the same problem which brought the country to the brink of constitutional calamity just a few weeks ago. That problem is the persistence of unwarranted official secrecy in governmental decision making.

The National Environmental Policy Act is based on assumptions diametrically opposed to the mystique of the superior wisdom of high science or high office which nurtures secrecy in government. The act requires that an agency considering an action having a significant effect on the environment lay out the rationale of the proposed decision, including the cons as well as the pros, for public scrutiny and participation through debate, prior to making a final commitment on the proposed action.

Though in the extremes of the practical applications of the act, there are dangers of administrative chaos, in the main, the act can be used as a quiet instrument of revolution in the struggle to avoid the total isolation of the people from their government and the government from the consent of the governed.

As Mr. Justice Stewart remarked on June 30, in the *New York Times* against the United States,

"In the absence of the governmental checks and balances present in other areas of our national life, the only effective restraint upon executive policy and power in the areas of national defense and international affairs may lie in an enlightened citizenry—in an informed and critical public opinion which alone can protect the values of democratic government."

It is this ultimate bulwark of the decision making process of a democracy which the National Environmental Policy Act was designed to strengthen. The government itself, as well as the press, has a solemn obligation to quench the people's thirst for knowledge, not by assuring us of the integrity and wisdom of our leadership, not by marshalling the supporting arguments for a position taken, but by telling us in detail, the bad with the good, the impact of a proposed decision on the human environment.

The reference to the "human" environment in the National Environmental Policy Act is one of its nicer features, not "natural" environment, but "human." This distinction, among others, the Atomic Energy Commission has missed, or is perhaps incapable of sensing after a pinch of secret national security spice scents the policy stew.

The National Environmental Policy Act calls for a cost-benefit analysis, but the AEC has rung up numbers of bald eagle nests dislocated, sea otters affected and fish killed, inferring incorrectly that the standard imposed by the act is an atomic absolute such as extinction of a species or a level of "safe" radiation dosage. The AEC is in much the same position as the unfortunate oil industry spokesman after the Santa Barbara spill who asked why all the fuss over a few dead birds?

The National Environmental Policy Act envisions a relative standard: Whether, considering the costs or risks and the benefits, the action is worth it, "in balance". But the AEC shows us only half the scale with some dispensable otters and eagles on it.

The effect on the human environment of the decision to hold a test itself and the advantages and disadvantages of the testing program on this particular test are a brooding omnipresence unidentified in the impact statement. Secrecy has made a charade of the Act. But one sentence in the Environmental Impact Statement covers the point: "Cannikin is a vital part of the U.S. weapons development program."

Although the effect of the Environmental Statement is to minimize every adverse impact, these innuendos should be weighed against the warning of the report prepared for the President's Office of Science and Technology in 1968 by the ad hoc panel on the safety of underground testing:

"The need for these tests as planned should be compelling if they are to be conducted in the face of the possible risks that have been identified."

When, at the urging of Governor Egan, the Atomic Energy Commission generously agreed to hold public hearings last May under the National Environmental Policy Act, I quoted Dr. Harold Agnew, Director of the Los Alamos Scientific Laboratory to the panel as stating on April 20 in public testmony before the Senate Armed Services Committee that tests of the Spartan missile were to be carried out at Amchitka, Alaska. Since Dr. Agnew spoke, I asked the panel, has the President reviewed the need for continued national security on the general purposes of the test explosion? Though I was promised an answer, I have not yet received it.

What are the people of Alaska to think when they really do not know what the test is for, yet the press and the Congress itself debate the test question, pro and con, as if it were a fact that the test is part of the development of the first generation Spartan missile. Official secrecy has denied the general public the right to debate this issue except in a house of mirrors.

I have asked myself (and having no special access to information I do not know what the test is for) what harm would there be if this were the true purpose and the fact were officially confirmed? Since it has already been as much as stated by a number of people who have access to official secrets, then the harm is surely done already, but even then, what was the harm?

Has it caused "the death of soldiers, the destruction of alliances, a greatly increased difficulty of negotiation with our enemies, the inability of our diplomats to negotiate?" fears cited by Mr. Justice Blackmun in his dissent in the *New York Times* case, or has this secrecy, on the contrary, impaired the ability of this country, sensibly and democratically to make policy both external and internal to our boundaries?

It can be argued that the permanent officers of the AEC are today's battleship admirals at bay, their vision limited by the specialization of professional experience, protected in a last redoubt by the armorplate of official secrecy. If this is not so, let free debate determine the issue.

I hold no brief for breach of any official secrets act, but who is to bell the cat in another ten or twenty years if the government then reveals what so many now purport to know, that Cannikin tests the Spartan missile system? If it is a crime to make public the government's secrets, should it not also be a crime to make secret facts rightfully the public's? Spartan secrecy should not subvert America's Athenian democracy.

It is an irony of some poignancy that the men who, in their ways laid the foundation for the National Environmental Policy Act by introducing systematic analysis into public policy decision making have taken the brunt of the criticism of the nation's wayward course abroad the past several years. If there are lessons to be learned from the history recited in the Pentagon Papers, one is surely that secrecy is a long-term course to public policy making is sometimes a short-term boon.

The value to the nation of shrouding the purpose of the Cannikin test of Amchitka from our enemies must be weighed against the damage done in disguising its purpose from ourselves.

In its preliminary calculus, the AEC should weigh the damage done to the quality of a public decision against the speculative values of secrecy. A debate carried on in a closed bureau of government or in the artificial atmosphere of suppositions does not produce as true a result as a public decision on the same subject publicly arrived at. Despite the semantic confusion between national security interests and national security secrets, the larger issues of national security are surely only in the rarest instance issues also for secrecy. In the sense that Congress looks for guidance to an informed public, the secrecy attaching to the test program also chills the ability of Congress to make effective decisions.

Another lesson of recent times is that moods and character of a people may be more important weapons in international relations than the hardware of war. This Committee is at the center of the exploration of this principle in its applications both home and abroad. The choice of weapons systems, the creative design of our politico-military structure in the world contest is an environmental issue of great delicacy. I do not envy this Committee its share of the responsibility for weighing the relevance of nuclear diplomacy to the needs of the world.

If that issue is to be weighed in keeping with our traditions, if we pursue the best chance of deciding these questions aright, the process must take place, in the words of the first *New York Times* case, *New York Times against Sullivan*, after "open and robust debate," having in mind, as the National Environmental Policy Act puts it, that "proposed action must be assessed from the perspective that each generation is trustee of the environment for succeeding generations."

Mr. Chairman, as an additional exhibit to my testimony, I would like to submit for the record a copy of a letter from Governor Egan to Secretary of Defense Laird urging at least a year's delay in arming the Amchitka device.

Hon. MELVIN R. LAIRD,
Secretary, Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: It is my understanding that, though the decision is ultimately the President's, the Atomic Energy Commission is still planning to go ahead this fall with the testing at Amchitka, Alaska of by far the largest underground nuclear device ever fired in North America.

The plan for an early detonation has not been disturbed despite considerable recent scientific testimony as to the environmental risks involved in such a test.

Even more disturbing has been testimony to the effect that the test is not even really necessary, but results from a definition of American security interests which has been overtaken by the march of events.

The only explanation given by the AEC for pushing ahead now is that the test is a "vital part of the U.S. weapons development program," an explanation which is years old and reveals nothing.

Mr. Secretary, Alaskans would be among the first Americans to assume any risk if it really was in the national security interest. But many Alaskans are troubled today that no current statement has been made by yourself or any member of the Executive ultimately charged with the protection of the national security. Nor has any explanation been given as to what that national interest is.

Despite the debate which has raged in the Congress and the public press on the assumption that the Amchitka test is intended to test the warhead for a first generation Spartan missile system, the Department of Defense has been officially silent on what the test is really supposed to prove.

At the environmental impact hearings held this May before the Atomic Energy Commission, in Anchorage, we quoted Dr. Harold Agnew, Director of the Los Alamos scientific laboratory as publicly stating that the Spartan test was to be carried out at Amchitka, Alaska Attorney General John Havelock then asked the Commission, "Has the President since the April 20 statement of Dr. Agnew, reviewed the need for continued national secrecy on the general purposes of this test explosion?"

Though a response was promised, to this date, Mr. Secretary, we have not received a reply, underlining the inference that neither the official secrecy surrounding the purposes of the test nor possibly even the purposes of the test itself have received a review of the highest level in recent months.

I understand why such a recent review might not have taken place. There are many other events such as the President's call on Wednesday for endorsement of a treaty banning the placing of nuclear devices under the ocean floor which might bear upon an armaments decision with as many ramifications as this nuclear explosion project. Under the circumstances, it would seem prudent to give active consideration to postponing the arming of the Amchitka device for at least one year. This would give time for a complete review of the issue, preferably a public review, in keeping with the traditions of decision making in a democracy.

Only when the government has made available information on all possible aspects of the test which do not infringe upon secrecy interests in national security can the public, including the Alaskan public and its elected representatives make an independent evaluation of the wisdom of this major governmental action. Your frank explanation of these issues would be of grant value to the American people and concerned Alaskans.

Sincerely,

WILLIAM A. EGAN,
Governor.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I want to commend the committee on an outstanding bill and particularly the augmentations which you have made. I think you have brought forth a great piece of legislation. However, Mr. Chairman, I do rise to support the position of the gentleman from Alaska (Mr. BEGICH) and the gentlewoman from Hawaii (Mrs. MINK).

I think they have some sound reservations about the tests at Cannikin, and I would like to take this time to ask either the chairman of the subcommittee or the chairman of the joint committee, the gentleman from California (Mr. HOLIFIELD), if they have any information in response to the queries that we all have about this article that appeared in the Evening Star to the effect that five of the seven Federal agencies involved have advised the President against going ahead with this project. Do you have any response or have you made any inquiries about these reports?

Mr. Chairman, the Cannikin test can fairly be described as the Mount Everest of 1971. Even though we know it is hazardous and we have little or nothing to gain by it, we are planning to go ahead with it simply because it is there. Do it and see how it feels.

I suggest that the possible environmental consequences of this test far outweigh its benefits to national security.

The environmental hazards of Cannikin can be divided into two categories—the seismic and the radioactive.

First, let us consider the seismic effects.

It is expected that the test will produce a shock wave of about 7 on the Richter scale, which is roughly halfway between the force of the Alaskan earthquake of 1964 and that of the Aleutian Islands quake of 1969. So it will be quite a bang. It will have about six times as much seismic energy as the largest Nevada underground test.

The question is: What if there are seismic stresses in the area just waiting to be released? That is, what if there is an incipient earthquake there right now? We do not know if there is or not. The fact that we were able to set off the 1-megaton Milrow test without triggering a quake gives us no assurance whatever, since earthquakes usually have thresholds. If the triggering blast is below the threshold, very little happens; if it is above the threshold, the geologic stresses resolve themselves and we have a disaster. It requires only a Richter force of 7.5—blast and quake combined—to make a tidal wave a virtual certainty.

The possible radioactive consequences are even more serious.

The blast will create a large underground cavity, which will be partly filled by a highly radioactive underground lake. The AEC predicts that the cavity will contain the radioactive water for about a thousand years. But it admits the possibility that a series of interconnected rock faults could bring some of this water to the surface within 2 or 3 years. In addition, Cannikin may create an escape passage for the radiated water from the earlier Milrow test.

If this water comes up and mixes with the ocean, we will not like the result. Much of the radioactivity in this water is due to isotopes of strontium and cesium. If you remember your chemistry, you know that these elements have similar chemical properties to calcium; that is, they become part of the structure of bone. This means that the bones of the fish and cretacean mammals exposed to this radioactivity will absorb and absorb these radioactive isotopes until they become more than a thousand times as radioactive as the surrounding ocean. This can make them unfit to eat; it can sterilize them, and it can kill them.

The AEC says these things will not happen. It says there will be no major quake, no tsunami, no water leakage. The fact is, the AEC does not know. It is making educated guesses, highly colored by the usual bureaucratic tendency to trim facts to suit existing policy.

The AEC has been wrong before. In 1964, it claimed that underground tests would not trigger natural earthquakes except under unusual circumstances. Now it admits that large explosions invariably trigger quakes. It has been wrong on other matters. It could be wrong this time.

Against these hazards, the test's benefit to national security seems slight.

We say a chain is only as strong as its

weakest link. But if we try to connect this test with our nuclear deterrent, we find a chain in which all the links are weak: First, the reliability of the warhead is not open to serious question, so the contribution of the test to the deterrent value of the standard Spartan is minimal; second, self-blackout effects make the contribution of the standard Spartan to area defense very small; third, the usefulness of an area defense system to defend hard points is minimal; fourth, the effectiveness of the entire Safeguard system against a heavy sophisticated attack is minimal; and, fifth, the fixed-based ICBM's, Safeguard is supposed to protect, are themselves obsolescent, and within the next 10 or 15 years they will probably be phased out.

In summary, we are taking significant risks for little or no gain. Our national interest requires that this test be canceled.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Mrs. ABZUG).

Mrs. ABZUG. Mr. Chairman, I rise in support of the amendment.

I would like to call attention to an article published in last Monday's Evening Star. The article states that according to informed sources, five of seven Federal agencies asked to submit opinions to the White House oppose going ahead with the Cannikin project at this time.

The Office of Science and Technology opposes the experiment because the warhead to be tested has been made obsolete by recent weapons development. I went into this subject during the last debate on Cannikin, and there has been much other testimony about it. I will not go into it again, except to draw attention once more to the Federation of American Scientists' report, which refers to the project as a bureaucratic oversight.

The Environmental Protection Agency opposes the project because of the environmental dangers, and the possibility of an earthquake. The State Department, the USIA, and the Council of Environmental Quality recommend postponing the test until the completion of the SALT talks. Only the Defense Department and the AEC recommend going ahead with the test. It is hard to imagine what kind of evidence it would take to persuade them not to go ahead with a project for which they already have built up momentum.

This amendment would keep the AEC from carrying out its so-called Cannikin project. The Cannikin project is the largest underground nuclear test we have ever carried out.

The AEC wants to explode a 5-megaton nuclear warhead in a hole on Amchitka Island in the Aleutians. This site is in a geologically active and earthquake-prone area. There is considerable concern about the dangers of earthquakes or tidal waves resulting from the blast. The existence of this risk was affirmed by the Pitzer Commission, a high-level group set up in 1968 to evaluate dangers of underground testing. With the present State of knowledge in geology, we just do not know what could result from such a massive underground explosion until we try it—the reassurances of the AEC notwithstanding.

Another cause of concern is accidental "venting"—escape of radioactive material from the test site. The AEC says this is unlikely, but they have been wrong before about such things. Before their past tests, they always reassured us that there was no danger of venting.

On April 13 of this year, I wrote to Chairman Seaborg of the AEC, asking several questions about incidents which have occurred in connection with past underground nuclear tests. I asked them how many of their past tests had caused release of radioactive matter.

They responded, on July 13, stating that from August 5, 1963, through June 30, 1971, 17 underground tests released radioactivity which was detected beyond the limits of the Nevada test site. They also told me that following the Baneberry test at Nevada, on December 18 of last year, fallout from the explosion was detected in environmental samples from most of the Western United States.

It should also be noted that any leak of radioactivity which reaches foreign territory would violate the Nuclear Test Ban Treaty.

The Canadians have officially indicated their concern with the dangers of leakage in a note to the State Department asking us to cancel the test. Any fallout would be carried by prevailing west winds to the Vancouver and Seattle areas due east.

I would like to call attention to the testimony of Dr. Richard Fineberg of the University of Alaska with respect to another serious danger. He has information that several thousands tons of mustard gas were dumped near Amchitka in 1946. These gases, if they are there, are sitting in drums of half-inch steel, each containing about 2 tons when full. It is possible that the explosion could rupture any such containers, releasing this deadly material over a wide area with who knows what effect on ocean or human life. There have also been reports that Liberty ships full of explosives and perhaps nerve gas were scuttled in the area.

We cannot conclude that because a 1-megaton test has previously been made at the Amchitka site, one five times larger can safely be carried out. We do not even know yet whether leakage will occur from the test site, next year or the year after—the concentrations of radioactive substances in the underground chamber where the test was made will be dangerously high for generations.

The only argument for this test is that it might possibly help us improve one part of the ABM system, and even this is doubtful. Unclassified testimony given in hearings and on the floor of the Senate last year and this has been demonstrated, ad nauseum, that the ABM is an Edsel—unmanageable, unworkable, and redundant. The idea that we or our enemy can be successfully defended from a nuclear attack by an ABM system or by any system is simply an illusion. Rather than improving our security, such projects rob us of the resources to solve our problems at home.

Instead of carrying out the biggest and potentially most dangerous underground nuclear test to date, the administration should be proposing the extension of the partial nuclear test ban to a comprehensive, total ban. Even the administration admits that there have been great advances in the detection of underground tests since the original test ban treaty was negotiated. William Foster, former head of the Arms Control and Disarmament Agency, knows a comprehensive treaty.

The Cannikin test is surely unnecessary and possibly extremely dangerous. The United States has no business carrying it out, and is not showing its good faith in the SALT negotiations by doing it. I urge the adoption of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

(By unanimous consent, Mr. MIKVA yielded his remaining time to Mr. FRASER).

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, I think the most compelling argument is the one apparently submitted by the Department of State which suggested that at a minimum this test should be delayed until the completion of the SALT talks. It could well be that as a result of the SALT talks we would not need to proceed with the testing of a 5-megaton warhead. There is considerable evidence that the Department of Defense, even if it moves ahead with an ABM system, will be looking for a lower yield, higher velocity missile than the Spartan missile currently under design, and this would obviate the necessity for this kind of a test.

What this test suggests to me is the relentless march of technology which is compelling and accelerating an arms race in the nuclear field, which is costing this country billions of dollars, and which is steadily reducing our security year by year.

I hope that the Congress will some time take a hard look at what the Department of Defense keeps urging upon us, and begin to exercise some independent judgment. We need to put some restraint on the momentum of the Defense Department as it seeks to keep developing and deploying nuclear weapons.

This test is of international concern. The immediate impact of the test is on Canada. In a statement of February 19, 1971, the Canadian embassy requested that "the United States reconsider its plans to carry out high-yield tests on Amchitka Island." We would ignore this request at the risk of friction in our relations with Canada.

In addition, should the Amchitka test vent radiation to the degree that last year's Baneberry test in Nevada did, there is the likelihood of violations of the spirit of the Partial Nuclear Test Ban Treaty of 1963. This treaty outlaws atmospheric nuclear testing because of the dangers of fallout dispersal. Venting from the Cannikin test, depending on prevailing winds, could result in such dispersal of radioactivity, and thus could offend Canada, Japan, and the Soviet Union.

The international consequences reach global significance in the test's bearing on the SALT talks. It would be ironic if an ABM limitation were reached at the same time we were testing a warhead allegedly designed for an ineffective and unneeded ABM system.

In addition, at a recent conference at Woods Hole, Mass., sponsored by the Advanced Research Projects Agency of the Defense Department, scientists reported that it is now possible to discern underground nuclear explosions. This technical capacity paves the way for an agreement to halt underground testing. It is in this direction that the United States should be moving. It is regrettable, though not surprising, that the Defense Department, with its official stand in support of Cannikin, withdrew from publication the report of the scientists' conference.

The State Department and other executive departments have recognized these international consequences, and in published reports have recommended postponement of the test until the SALT talks are concluded. These agencies make the point that the risk to international relations is equally a risk to our own national security.

Will our national security benefit at all from this test? Not according to the Office of Science and Technology, the President's Scientific Advisory Board. This Board has stated that the warhead to be tested has been made obsolete by recent weapons development technology.

Cannikin, a test of roughly 5 megatons, was originally required for the development of a high-yield Spartan ABM for area defense against nuclear attack by China. As of 1969, however, ABM strategy had been revised to emphasize point defense for our strategic land-based missile force. This kind of protection requires a warhead of much lower yield than 5 megatons. In fact, recent hearings held by the Senate Armed Services Committee reveal that it is now the Defense Department's stated intention to develop an "improved Spartan" with "much lower yield."

It is unreasonable to entertain grave risks to international relations on behalf of a weapons test which is very likely obsolete. Because of the need to reevaluate the impact this test would have, I urge that we adopt the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. KOCH).

Mr. KOCH. Mr. Chairman, I rise in support of the amendment offered by our distinguished colleague from Hawaii (Mrs. MINK). What moves me to do so is this: Is there a Member in this House who would vote for this test if it applied to his own State? I dare say that each of you would rise up in your wrath and oppose such nuclear testing. Since the Representative and two Senators from Alaska are in opposition to the test, and since there is a serious question as to its safety, ought we not extend to them and their constituents that which we would want extended to us and our constituents?

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I made my position clear when this matter was last debated in the House, but I would like to add a footnote to the fine statements of the gentlewoman from Hawaii (Mrs. MINK) and of the gentleman from Texas (Mr. ECKHARDT). It seems to me this is a question, not only of technology on the march, but also of bureaucracy on the march. The Atomic Energy Commission not only refuses to comply with the law with respect to making information available to Members of Congress, but it refuses to comply with the law in other respects. Just this week the newspapers reported that the U.S. Court of Appeals for the District of Columbia, in a unanimous opinion, criticized the Atomic Energy Commission for making a mockery of the National Environmental Policy Act with its nuclear powerplant licensing procedures. We cannot afford the continuance of this kind of cavalier bureaucratic disregard of the law and of the rights of the public and of Members of Congress to have the information necessary to make informed and intelligent decisions on matters of great public importance.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. MYERS).

(By unanimous consent, Mr. MYERS yielded his time to Mr. RHODES.)

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Chairman, if there is anybody who doubts that the President of the United States is for this test he should just consider the fact that if the President were not for the test there would not be any test, and we would not be here trying to decide whether to appropriate the money or not. Of course he is for it.

Now, as to the SALT talks, one of the items on the table in the SALT talks happens to be the ABM system. If you do not appropriate money to test the warhead for the ABM system then we would be, at the very least, giving up a possible point of bargaining, without any quid pro quo. I cannot believe this would be very intelligent. Of course there has to be a test. This is the only warhead we have for the ABM system. The people who say that it may be obsolete, I think, are just whistling in the dark. Obviously, the warhead must be tested; there is not any substitute for it.

You do not build a warhead without testing it. It is vital to test. Otherwise, we might be relying on a weapons system that would not work if it was needed.

I think it is rather interesting that many of those who have spoken against the test have previously spoken, to my knowledge, against the ABM. I am wondering if this is a ploy on the part of people who are against the ABM to kill it collaterally when they are not able to kill it directly I certainly hope that that is not the situation.

It has been said that the House has a right to know. Of course, we have. The gentleman from Illinois (Mr. PRICE), one of the outstanding members of the Joint Committee on Atomic Energy and of the Committee on Armed Services, has taken the floor and told us he has personally gone into this matter and is satisfied that everything will be done to produce the kind of safety that we would all require.

I hope we will defeat this amendment so that we can proceed with the test, and with the development of the ABM warhead, which may some day be so essential to the preservation of this Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. FULTON).

Mr. FULTON of Tennessee. Mr. Chairman, I would like to voice my support for the amendment to be offered by the lady from Hawaii and associate myself with the position taken here in opposition to the pending AEC test at Amchitka, in the Aleutians.

There are many serious questions legitimately raised over this matter, so serious that we simply cannot afford to go forward with this test, because the answers may spell disaster.

Much has been said on this issue, but it has been brought into lucid focus no more preciously than in an editorial in the Tuesday, July 27, 1971, edition of the Nashville Banner, which was written personally and based on on-site observation by the publisher of the Banner, Mr. James G. Stahlman.

Mr. Chairman, Mr. Stahlman's editorial speaks far more forthrightly and to the point than could I. I insert the editorial in the RECORD at this point and commend it to the attention of my colleagues:

AMCHITKA ATOMIC BLAST HOLDS RISK OF CATASTROPHIC RESULTS

(By James G. Stahlman)

Alaska, the forty-ninth state, is one of the most interesting and astounding members of our Federal Union. Until recently, I had not realized its great area and I am certain that most of those who read this article will be as flabbergasted as I was to learn that Alaska is larger than Texas, California and Montana combined, or almost one-fifth the land area of the rest of the United States.

Now that's covering quiet a sizable portion of the Western Hemisphere north of the Tropic of Cancer. Alaska stretches from Attu at the westernmost tip of the Aleutians just a few miles across the Bering Sea from the Kamchatka peninsula, a part of the mainland of Asia, almost to the northwest corner of the State of Washington. And if you don't think that's some distance, just try to swim it, or fly it, for you can't walk it or drive it. Across the Bering Strait, the Alaskan shore line is just one mile from the USSR.

Uncle Sam bought Alaska from the Czars in 1867 for the sum of $7,200,000 and as every school child knows, the price was considered by most American taxpayers as exorbitant and the purchase became familiarly known as "Seward's Folly," the treaty having been negotiated with the Russians by the then Secretary of State, William Henry Seward.

Thirty-one years ago this summer, I made Pan American's first flight to Alaska and became fascinated with that fascinating territory. Three wars and the very busy intervening years have prevented my return to Alaska which became a state in 1958. The Banner and I are happy that we had some slight part in assisting in that effort to become a full-fledged part of our Federal structure.

Mrs. Stahlman and I have just returned from a three-week news and editorial-background survey to Alaska and our West Coast. As a result, both of us came home with some very positive convictions about the two most important subjects currently engaging the attention and concern of the people of Alaska and which we feel should be of immediate and equal concern to all the people of the United States in particular, as well as to those of other countries whose interests, economically and otherwise, could be affected by one or both of these important and controversial projects.

The first of these is the Alaskan pipeline which would transport much needed oil from the Arctic Circle to the port of Valdez on the south coast at the head of the Prince William Sound, about 100 miles east of Anchorage.

The second is the proposed blast of a five-megaton nuclear bomb 6,000 feet underground on the island of Amchitka, in the Aleutians. This project is operationally known by the Atomic Energy Commission as Cannikin.

It is our firm opinion, after extensive inquiry that:

The Pipeline is a must.

The atomic blast is a must not!!!

I shall deal with the pipeline in a subsequent article.

An additional concern over the Amchitka blast stems from possible damage in other fields than the seismic or geophysical. I think Washington should be greatly apprehensive over the prospect of friction with the Soviets in relation to our joint SALT talks which have been in progress for months in an endeavor to agree on control and non-use of atomic weapons by Russia and the United States. The Cannikin test is alleged to provide additional power to the Spartan missile in our already authorized anti-ballistic-missile defense.

If we are in good faith with the Russians in the SALT talks, why should we risk the possibility of disrupting, if not actually ending these talks which have just begun to hold out some slight hope of success?

In view of President Nixon's proposed trip to Red China, why wave a red flag in the face of Mao and Chou, despite the flimsiness of our "ping-pong" diplomacy? The President should not be hampered by any such prospect, which is more real than imagined.

Because of the imminence of Cannikin and what I consider to be unwarranted risk which could involve the lives and property of millions of Americans on our West coast, in Alaska, Hawaii and possibly elsewhere, I feel compelled to sound a word of warning, a plea for cautious consideration and a final decision to abandon Cannikin outright and forthwith, regardless of its already high cost or its imagined but not totally proved "necessity."

I have reached this rigid, irrevocable conclusion after conversations with numerous citizens of Alaska and California who could be most likely affected, officials in Alaska, including its vigorous, informed, personable and concerned Governor William Egan, representatives of the Associated Press, United Press International, newspaper publishers, editors and reporters, business executives, store owners, men and women on the streets, in hotel lobbies, cab and bus drivers, trainmen on the Yukon-White Pass Railroad, waiters, barmen and sundry.

Every single person I talked with in Alaska is against that atomic blast on Amchitka, bordering from the concerned, through the quite positive to a few in the almost violent category. They are afraid. And so am I, not for myself back home in Tennessee, but for those who would be affected by what could turn out to be a catastrophic series of earth tremors of varying intensity, tidal waves of unprecedented force and coverage, and God only knows what else.

Now I don't lay any claims to divination. I am not an authority on nuclear fission, nor do I pretend to understand the technicalities in the prediction, location or calibration of intensities of seismic disturbances which are recorded on the so-called Richter Scale.

But I have read the extensive records of the Atomic Energy Commission's explanation of Cannikin, its alleged "necessity" to which I do not subscribe. I have read every word of the Congressional debate which has covered Cannikin on both sides, from A to Z.

I've studied atlases, maps, topographical and flat, I have used the encyclodepia extensively, read the reports and opinions of seismologists, geologists and physicists, including the very learned from CalTech to AEC, dealing with the seismic, geophysical aspects of the Amchitka blast.

Amchitka is located very close to the Aleutian Thrust Fault. A "fault" is a geological formation caused by a rupture in the earth's crust. Faults are the cradles of earth tremors or more severe quakes.

There are several minor "faults" within or adjacent to Tennessee, principally in the Tennessee-Virginia Appalachians.

Tennessee's most celebrated earthquake formed Reelfoot Lake in 1811.

The Aleutian Thrust Fault, closest to Amchitka, is part of the Alaskan Earthquake Belt, which, in turn, is part of the Circum-Pacific Seismic Belt. The Aleutian Thrust Fault is the deepest in the Circum-Pacific and because of its depth is exceedingly difficult to measure accurately on the Richter Scale.

Alaska is the second state in the Union most prone to earthquakes. In 1970 there were a total of 68 quakes recorded on the Richter Scale.

California had a total of 130.

Only Sunday, a quake registering 6.5 on the Richter Scale took place in the Aleutians, just 35 miles south of the western end of the island chain. It was felt by the Coast Guard on Attu Island.

Nobody in Alaska has forgotten the Good Friday earthquake of 1964 which killed 131 persons and had a magnitude of 8.3 on the Richter Scale.

A quake in Alaska took place near the island of Adak, also in the Aleutians, not too far from Amchitka, on May 2, 1971. The U.S. Naval Base there, which is part of the National Earthquake Reporting Center, recorded the tremor as measuring 7.1 on the Richter Scale.

The San Andreas Fault, also part of the Circum-Pacific Seismic Belt, is located parallel to the California coast and extends 100 miles north of San Francisco. Scientists have not yet definitely determined how far south this fault runs, but seismologists have credited to the San Andreas the San Francisco earthquake of 1906 and the devastating quake in the Los Angeles area this past spring which left 65 dead and billions of dollars in damage to property.

Two mild shocks were recorded in Los Angeles last Saturday, bringing to 438 the number of aftershocks to the Feb. 9 temblor, according to the Seismological Laboratory at the California Institute of Technology.

Nobody, not even the smart scientists of the AEC, can be certain what effect, if any, the Amchitka blast might have on the Aleutian Thrust Fault and by chain tremors consequently on the San Andreas Fault.

Remember this: The Amchitka blast would detonate a bomb 250 times the power of that which decimated Hiroshima. It is the most powerful blast yet planned by the AEC, equalling five million tons of TNT.

And remember this, too: President Eisenhower declared that Cannikin, which originated in 1966 had become "unnecessary."

And this: Only eight days ago President Nixon asked the United States Senate to ratify a treaty, already signed by 69 other nations, barring the use of atomic weapons on the ocean floor.

Now Amchitka island is not in fact "the ocean floor," but the chamber in which the AEC proposes to detonate the most powerful nuclear device yet conceived, is 6,000 feet below the surface of this island and that's about as close as anybody wants to get to "the ocean floor" anywhere.

All this is not to derogate the judgment nor minimize the careful planning by the able scientists of the AEC laboring to make certain the security of our nation in the event of nuclear attack.

No newspaper has more consistently nor more vigorously supported every reasonable proposal to maximize our nation's defense posture than The Nashville Banner. This includes the ABM which cleared the Senate by the skin of its teeth, and most of the missiles proposed or developed and successfully tested to put the United States in as invulnerable a position as possible against any attack from any quarter.

But I and many others are concerned with the collateral risks inherent in this Cannikin project, including possible radiation leakage and certain blast damage to fish and other commercially valuable sea life.

These prospects are particularly disturbing to Canada, Japan and Russia, as well as to the already stagnated commercial fishing interests in Alaska.

Not even the AEC can determine the possible damage in this category nor define its limits in sea-area or depth.

My unalterable position is that there is a "possibility" of some untoward results which could be fraught with hazard to peoples, property and nations other than our own.

The scientists themselves admit that "possibility."

A White House Commission, headed by Dr. Kenneth Pitzer, then President of Stanford University, was appointed to study the safety of underground nuclear tests.

The report from that commission says among other things:

"The panel is seriously concerned with the problem of earthquakes resulting from large-yield nuclear tests.

"Although the possibility that underground nuclear tests might initiate one or more earthquakes has been suggested in the past, new and significant evidence demonstrates that small earthquakes do actually occur both immediately after a large yield test explosion and in the following weeks. The largest of the observed associated after-shocks have been between one and two magnitudes of the explosion itself.

"However, there does not appear to be a basis for eliminating the possibility that a large test explosion might induce, either immediately or after a period of time, a severe earthquake of sufficiently large magnitude to cause serious damage well beyond the limits of the test site."

There you have it, right out of the horse's mouth, if you care to revert to the vernacular.

There are many other testimonies of a similar conviction, from authorities of varying degrees of scientific and intellectual competence. But keep in mind that the one just quoted is from a commission appointed by the White House, itself.

This, plus all the other data which I have acquired from extensive reading and research since our return from Alaska and the West Coast, lead me to address this earnest appeal to the reason and sound judgment of the one man who can prevent this catastrophic folly:

Mr. President: The lives and property of thousands, if not millions of your fellow Americans could ride on your decision.

This is no calculated risk which you should take.

Much of this nation and your place in its glorious history are part of the stakes.

In the name of the God in whom we trust, I implore you to avert this cataclysmic prospect.

The CHAIRMAN. The Chair recognizes the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. Mr. Chairman, I would like to urge support of my amendment by my colleagues in this House and to ask your consideration of the deep and very serious concern that the people of my State and the people of California and the people of Alaska have about these tests, should they produce the kind of results that have been indicated and suggested by some of the country's most eminent scientists.

The executive board of the Federation of American Scientists unanimously voted recently against the test being conducted in Amchitka.

Mr. Chairman, we are not opposed to a test per se. We are opposed to the test being located at a site which is seismic, where earthquakes are a common occurrence. Recently, there was an earthquake in Alaska which caused a tidal wave and caused million of dollars of damage in my State and caused the death of 139 people.

Mr. Chairman, this is no idle concern that I am expressing. I would further advise this House that five executive agencies of this Government have concurred with the concerns expressed today and have recommended to the President that the test not be held and that the test be canceled. The State Department has taken its position, because it might jeopardize SALT talks.

The Environmental Protection Agency and the Council on Environmental Quality have both recommended to the President for environmental reasons that the test not be held.

Mr. Chairman, I submit it would have been much more preferable if these reports could have been brought to us so that each Member of the House could have had an opportunity to review and examine them and investigate the basis for those recommendations. But these reports are not available. I tried to secure the reports for the benefit of the House of Representatives, but I was not successful.

Mr. Chairman, I urge my colleagues to vote for my amendment and stop this test.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Price).

(By unanimous consent, Mr. Price of Illinois yielded his time to Mr. Holifield.)

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. Evins).

(By unanimous consent, Mr. Evins of Tennessee yielded his time to Mr. Holifield.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Holifield).

Mr. HOLIFIELD. Mr. Chairman, let me assure the Members of this House that the experimental device is not obsolete. It is the latest device that we have for the Spartan warhead.

In a letter dated July 19, 1971, from the Deputy Secretary of Defense, Mr. David Packard, there is this message in regard to the importance of the Cannikin nuclear test to the national defense:

> The nuclear device to be tested in the Cannikin event is for the development of a warhead for the Spartan missile of the Safeguard ballistic missile defense program, a program that Congress approved. The measurements of device performance which will be obtained from the tests are essential in my view, to the optium defensive deployments of Safeguard for protection of the Minuteman missile sites.

That ought to take care of that.

Now the next thing is about the SALT talks.

You have the President in control of this test. He ordered this test. He is also in charge of our foreign relations, including the SALT talks and if he thought that the nullification of this test would endanger the SALT talks, I am sure he would take the proper steps.

Now, we heard this same prophecy of earthquakes, tidal waves, radiation, and many other things when the test was made in the Aleutians a little over a year ago. Nothing happened. I was there. The hole was only as wide as a quarter, a 25-cent piece. There was no damage done crack in the ground at the top of the test to the ecology of the island, and the scientific results of the test were obtained. Extra precautions have been taken in this instance. The test is much deeper. There have been other precautions taken.

A multitude of scientists and agencies involved in the protection of the ecology, the environment of this country as well as the safety of this country from the military standpoint, have said that this is necessary and that it is not dangerous. I therefore ask the Members to uphold the Atomic Energy Committee, which is unanimous, and the action of the Congress in authorizing the ABM and the action of the President in ordering this test be held for the defense of the Nation.

I request a "no" vote on the amendment offered by the gentlewoman from Hawaii (Mrs. Mink).

Mr. MATSUNAGA. Mr. Chairman, I rise in strong support of the amendment offered by my colleague from Hawaii (Mrs. Mink) to prohibit the use of any funds appropriated in the pending measure for the purpose of conducting the Cannikin underground nuclear test at Amchitka, in the Aleutian Islands.

I beg of my colleagues to consider seriously the dangers involved in proceeding with this planned nuclear test in October of this year. During the debate earlier this month on the AEC authorization bill, I pointed out that the original "national defense" purpose for which Cannikin was designed more than 5 years ago, was no longer applicable. Great advances in weapons technology have made the 5-megaton ABM warhead to be tested at Amchitka wholly unnecessary. Any expenditure of funds in pursuit of Cannikin would, therefore, mean the needless waste of American taxpayers' money. It would be tantamount to spending taxpayers' money for obsolete battleships for our Navy.

Furthermore, there is a strong possibility that our continued testing, especially on the scale involved in Cannikin, will jeopardize progress in the Strategic Arms Limitation Talks, in which there appears, finally, to be some forward movement toward agreement.

But, as I told the House 2 weeks ago, Mr. Chairman, the most dramatic risks we will run by exploding this 5-megaton warhead are those involved with our own environment.

An earthquake caused by the blast could well trigger a tidal wave, which could sweep across the Pacific Ocean. Since 1819, 15 such tidal waves have struck my own State of Hawaii. More than half of those originated in the Aleutians.

Even a very slight risk of such a tidal wave should be avoided. Last Sunday, Mr. Chairman, a severe earthquake hit the Solomon Islands in the Pacific; an only slightly less serious quake rattled the Aleutian Islands of Attu and Shemya. These two earthquakes set into action the tsunami warning system on the Island of Oahu. Tsunami watchers went through previously established procedures, making preliminary preparations for the warning and population evacuation that a tidal wave would necessitate.

Warning stations at Truk, Kwajalein, Guam, Yap, and Wake Island were consulted for reports on wave action.

Fortunately, Mr. Chairman, there was no tsunami last Sunday. But no one in the Atomic Energy Commission, or anywhere else in the administration, can honestly deny that Cannikin could produce an earthquake and trigger a tsunami that would bring untold disaster to Hawaii, Alaska, and California.

Finally, Mr. Chairman, press reports this week tell us that five different agencies within the executive branch of the Federal Government have expressed their reservations about the Cannikin nuclear blast. The State Department, the U.S. Information Agency, the Council on Environmental Quality, the Environmental Protection Agency, and the President's own Office of Science and Technology, have apparently all recommended that the test be either canceled or postponed.

The risk of ecological disaster is unknown but undeniable, and it is a risk not worth taking. The proposed enhancement of our national security attributable to Cannikin is, at best, arguable.

In the final analysis, there is nothing to be lost, and a great deal to be gained, from at least a postponement of the planned October 1971, blast date for Cannikin.

This can be accomplished by adopting the pending amendment, and I urge its adoption.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentlewoman from Hawaii (Mrs. Mink).

The question was taken; and the Chairman announced that the noes appeared to have it.

TELLER VOTE WITH CLERKS

Mrs. MINK. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mrs. MINK. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered; and the Chairman appointed as tellers Mrs. Mink and Messrs. Rhodes, Gude, and Evins of Tennessee.

The Committee divided, and the tellers reported that there were—ayes 108, noes 275, not voting 51, as follows:

[Roll No. 219]

[Recorded Teller Vote]

AYES—108

Abourezk
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Tenn.
Ashley
Aspin
Badillo
Begich
Biester
Bingham
Blatnik
Brademas
Brasco
Burton
Carey, N.Y.
Chisholm
Clausen, Don H.
Collins, Ill.
Conte
Corman
Coughlin
Culver
Daniels, N.J.
Danielson
Dellums
Denholm
Dingell
Dow
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Fascell
Ford, William D.
Forsythe
Fraser
Frenzel
Fulton, Pa.
Fulton, Tenn.
Grasso
Green, Oreg.
Green, Pa.
Gude
Halpern
Hamilton
Hanley
Harrington
Harsha
Hawkins
Hechler, W. Va.
Heckler, Mass.
Helstoski
Howard
Jacobs
Karth
Kastenmeier
Koch
Kyros
Leggett
Link
McClory
McCloskey
McKinney
Macdonald, Mass.
Matsunaga
Mazzoli
Melcher
Mikva
Miller, Ohio
Minish
Mink
Mitchell
Moorhead
Morse
Mosher
Obey
Pike
Podell
Pucinski
Rangel
Rees
Reid, N.Y.
Reuss
Riegle
Rodino
Roe
Roncalio
Rosenthal
Roy
Roybal
Ruppe
Ryan
Sarbanes
Scheuer
Seiberling
Smith, N.Y.
Steele
Stokes
Thompson, N.J.
Tiernan
Vanik
Waldie
Whalen
Wolff
Wright
Yates

NOES—275

Abbitt
Abernethy
Albert
Alexander
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Aspinall
Baker
Baring
Barrett
Belcher
Bell
Bennett
Bergland
Betts
Bevill
Biaggi
Blanton
Boggs
Boland
Bolling
Bow
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Byrne, Pa.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Carney
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clawson, Del
Cleveland
Collier
Collins, Tex.
Colmer
Conable
Cotter
Crane
Daniel, Va.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dennis
Derwinski
Devine
Dickinson
Dorn
Downing
Dulski
Duncan
du Pont
Dwyer
Edmondson
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Fountain
Frelinghuysen
Frey
Fuqua
Galifianakis
Gallagher
Gaydos
Gettys
Giaimo
Gibbons
Gonzalez
Goodling
Griffin
Griffiths
Gross
Grover
Hagan
Haley
Hall
Hammerschmidt
Hanna
Hansen, Idaho
Hansen, Wash.
Harvey
Hastings
Hathaway
Hays
Henderson
Hicks, Mass.
Hicks, Wash.
Hillis
Hogan
Holifield
Hull
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, N.C.
Kazen
Keating
Kee
Keith
Kemp
King
Kluczynski
Kuykendall
Kyl
Landgrebe
Latta
Lennon
Lent
Long, Md.
Lujan
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKay
McKevitt
McMillan
Madden
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Mathis, Ga.
Mayne
Meeds
Michel
Mills, Md.
Minshall
Mizell
Mollohan
Monagan
Montgomery
Morgan
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nichols
Nix
O'Hara
O'Konski
O'Neill
Passman
Patten
Pelly
Pepper
Perkins
Pettis
Peyser
Pickle
Pirnie
Poff
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Quie
Railsback
Randall
Rarick
Reid, Ill.
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Rooney, N.Y.
Rooney, Pa.
Rostenkowski
Rousselot
Runnels
Ruth
St Germain
Sandman
Satterfield
Scherle
Schmitz
Schneebeli
Schwengel
Scott
Sebelius
Shipley
Shoup
Shriver
Sikes
Sisk
Slack
Smith, Calif.
Smith, Iowa
Spence
Springer
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steiger, Ariz.
Stratton
Stubblefield
Sullivan
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Terry
Thompson, Ga.
Thomson, Wis.
Thone
Udall
Ullman
Vander Jagt
Veysey
Vigorito
Waggonner
Wampler
Ware
Watts
Whalley
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H.
Winn
Wyatt
Wydler
Wylie
Wyman
Young, Fla.
Young, Tex.
Zablocki
Zion
Zwach

NOT VOTING—51

Anderson, Ill.
Arends
Blackburn
Bray
Broyhill, Va.
Carter
Celler
Clay
Conyers
Dent
Diggs
Donohue
Dowdy
Edwards, La.
Esch
Garmatz
Goldwater
Gray
Gubser
Hébert
Horton
Hosmer
Hungate
Jones, Tenn.
Landrum
Lloyd
Long, La.
McClure
McCulloch
Metcalfe
Miller, Calif.
Mills, Ark.
Moss
Nelsen
Patman
Poage
Pryor, Ark.
Purcell
Quillen
Roush
Saylor
Skubitz
Snyder
Stafford
Steiger, Wis.
Stephens
Stuckey
Symington
Van Deerlin
Williams
Yatron

So the amendment was rejected.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time primarily to ask the distinguished chairman of the subcommittee whether there is any intent in this measure to change the previous congressional authorization for the construction of the cross-Florida barge canal.

Mr. EVINS of Tennessee. I would answer my friend none whatsoever. That would come from the authorizing committee. We are only funding projects. We do not have anything to do with authorizations.

Mr. SIKES. It is my understanding that in the language of the bill and of the report all of the options that may be necessary for future consideration and action on the Cross-Florida Barge Canal are still in effect.

Mr. EVINS of Tennessee. The gentleman is correct.

Mr. SIKES. Mr. Chairman, I yield to my distinguished friend from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, the committee has soundly recommended continued funding of the Cross-Florida Barge Canal. A budgeted amount of $3,750,000 and $350,000 available from carry-over funds will provide $4,150,000 for work on the one-third complete project. It is my understanding these funds allow the Corps of Engineers flexibility in continued work on the canal. The question of whether the President has the constitutional power to stop this project without Congress repealing the existing legislation is being investigated and the Department of Justice has advised the Army—

> That since the funds presently available for construction of the Canal have been appropriated without fiscal year limitation, no further legislative action would be necessary

So the amendment was rejected.

to make such funds available for a resumption of construction.

The press release of January 19, 1971, which halted the Cross-Florida Barge Canal's construction has caused great anguish among my constituents who, looking forward to the benefits of the canal, have taxed themselves to the extent of many millions of dollars of local real estate taxes, all in support of the federally authorized and appropriated for the Cross-Florida Barge Canal.

They know: That the canal was authorized in part for its defense values and that the Joint Chiefs of Staff said that the canal will provide "an additional and shorter line of communication between the gulf coast and the east coast" and would "reduce exposure of shipping to submarine attack"; that the project has a generous cost-benefit ratio, economic justification, and will have a job-producing and price reducing value to aid all citizens; and that ecologically it has been given a clean bill of health by many ecologists, recreation experts and others keenly interested in ecology.

They strongly feel, unanimously as far as I can find, that the laws which established the canal should not be set aside except by duly enacted repealing legislation after opportunity for all points of view to be heard in open public hearings. To act otherwise is to act irresponsibly.

Mr. Chairman, I call specific attention to the following congressional reports on this subject: First, the House Report No. 91–1219—June 1970, House Appropriations Committee—and second, the Senate Report No. 91–1118—August 1970, Senate Appropriations Committee. In the House Report at page 58 we read as follows:

> *Cross-Florida Barge Canal, Fla.*—The committee has included in the bill the $6,000,000, including carryover funds, proposed in the budget to continue construction of the project. The committee has given serious consideration to the concerns that have been expressed as to the possible ecological and hydrological adverse effects that may result from the project. However, the committee does not feel that it would be warranted, in the light of the current facts available, in delaying construction of the project which was started in 1964 and is now about 30 percent complete. The reservoir and pool preparation on the project are 43 percent complete; construction of the dams, 75 percent complete; and the required locks, 50 percent complete. A total of $52.7 million has been allocated to the project to date.
>
> The project has a very favorable benefit-to-cost ratio of 1.4 to 1. Since authorization, the project has been subject to two special studies to examine the economic justification of its construction, including an independent study by a nationally recognized consulting firm. These studies include comments from other agencies having expertise in the fields of biology, natural esthetics, and environmental matters. The design and construction of the project have been fully coordinated with Federal and State agencies to insure that the environmental aspect of the project area are preserved and enhanced. The U.S. Geological Survey has recently com-

pleted a detailed study of the geohydrology of the canal and the Ocala area, which indicated that the proposed canal would not adversely affect the quantity or quality of the water coming from Silver Springs. Its study also disclosed that the impact of the barge canal on ground water supply will be negligible.

In reference to the fish and wildlife, it is realized that with the construction of any new reservoirs, habitats change and some plants and animals are reduced but other plants and animals appear and prosper in the new environment. The new reservoirs will provide many thousands of acres of new habitat for a wide variety of sport and commercial species. The committee believes that studies that have been made support conclusions that while some short term losses will result, the overall effect will be a long term gain in the environmental quality.

Considering, therefore, the status of the construction and the need for the project, the committee recommends that the construction work continue and that every effort continue to be made to minimize any adverse effects on the environment, ecology, and fish and wildlife in the area. Any additional studies would appear to be a duplication of previous work and would delay realization of the essential project benefits.

In the Senate report at page 29 we read as follows:

CROSS-FLORIDA BARGE CANAL

The committee concurs in the findings of the House committee, as expressed on page 58 of its report, that it would not be warranted in the light of the current facts available to delay construction of the project started in 1964 and now over 30 percent complete.

Mr. FULTON of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is a pleasure to endorse the action of the Public Works Committee on the public works legislation, for appropriations for the fiscal year of 1972. I believe that this is a well-balanced bill and provides much needed action by the Federal Government for projects that are necessary for the security and progress of the country.

I want to point out my strong support and the urgent need for two flood control projects in western Pennsylvania: Chartiers Creek construction and Saw Mill Run, Pittsburgh.

The committee bill contains $2,915,000 for construction for Chartiers Creek for fiscal year 1972. This figure is exactly what the U.S. Army Engineers have recommended, and is the amount needed by the Engineers to continue construction on the Chartiers Valley flood control program.

There is also $20,000 included for investigative funds to continue the survey of Saw Mill Run in the west end area of Pittsburgh. I am urging the House to accept this amount for general investigation which has been recommended by the Committee on Appropriations for the flood control project for Saw Mill Run, Pittsburgh, Pa. This project involves the south part of the city of Pittsburgh and 13 communities which are drained by Saw Mill Run.

Both the words "creek" and "run" in our part of the country are used to designate what would be called small rivers in some States. These watersheds contain tens and hundreds of square miles of territory and tens of thousands of people who live and work in towns, villages, factories, and businesses along the banks of these streams.

Having been a life-long resident of my district, I know personally of the many recurring floods of major importance causing extensive damage in the Chartiers Valley area and the Saw Mill Run section of Allegheny County.

I recommend prompt action and full funds as recommended by the Bureau of the Budget and the House Appropriations Committee for the two flood control projects in western Pennsylvania—$20,000 for the purpose of study and general investigation for Saw Mill Run and $2,915,000 for construction for Chartiers Valley.

I am reading status reports which I have prepared on the two flood control projects into the CONGRESSIONAL RECORD, so that the Congress will know of the action that has been taken and of the action that needs to be taken to protect the people living in the Chartiers Valley Basin and the Saw Milll Run area.

The status reports follow:

Chartiers Creek, Carnegie-Bridgeville Reach

Corps of Engineers progress on this long-awaited project continues apace.

Unit #1, which comprises 3.1 miles of streambed through the Thornburg-Crafton-Rosslyn Farms area, was completed in September 1970 and has already proved its effectiveness by containing flash flood flows in May this year.

Unit #2 is a 2.5 mile stretch through Carnegie and East Carnegie. This unit is well underway with 52% of the work accomplished. The Corps expects to complete this unit in September 1972.

Unit #3 is a 2.3 mile stretch through Glendale, Heidelberg and Woodville. A contract in the amount of $6,646,116.60 was awarded for this work on 28 June 1971 to Irvin T. Miller Co., Inc. and Frank Irey, Jr., Inc.

Unit #4 is a 1.4 mile reach form Woodville to Presto. The Corps of Engineers expects to advertise for bids for this work in the spring of 1972.

Unit #5 is the upper 1.9 miles of the project extending from Presto upstream through Bridgeville. The Corps of Engineers has scheduled this work to be advertised in the fall of 1972.

Federal funds expended on the project through FY 1971 (which ended 30 June 71) totalled about $5,500,000 covering all the work in #1 and all the work to date on Unit #2. FY 1972 expenditures will total an estimated $4,900,000 to essentially complete Unit #2, continue Unit #3 and to start Unit #4. Of this amount, $2,800,000 are budgeted funds and $2,100,000 are carry over funds.

As the work goes on, Chartiers Valley residents will witness the continued transformation of Chartiers Creek from a meandering hazard into an efficient water course that will contain flood flows within its banks. Inconvenience in the form of detours, dirt and noise will be as short lived proportionally as the benefits will be long lasting.

Saw Mill Run

The Saw Mill Run, Pa. study, which was for consideration of the entire basin, was initiated in FY 1962 and was suspended in 1964. The study was suspended when it was learned that the Pennsylvania Department of Highways (now PennDot) was planning a highway system for the Saw Mill Run Valley that would substantially change the configuration of the valley. $75,000 in Federally appropriated funds were spent on the study during this period. Upon confirmation that the proposed expressway would not extend downstream of the Ft. Pitt Tunnel, into and through the West End area, funds were requested and obtained for resumption of the study. Therefore, during FY 1971 work on the West End portion of the Saw Mill Run study was resumed.

A FY 1971 allocation of $30,000 permitted re-opening of the West End portion of the study inasmuch as the PennDot study indicated the majority of the developed Valley would be required for the proposed highway. A complete re-evaluation of the work accomplished prior to suspension of the study has been completed and a public meeting was held on 26 May 1971 to gather additional information and data.

The $20,000 budgeted for FY 1972 will permit hydrologic, hydraulic and design studies necessary to determine channel alterations required to contain and control flood flows with a preliminary report of findings possible by January 1972.

An additional study to be initiated in the near future is to be funded jointly by the state and the county in an amount estimated at $325,000. This study will investigate impact of the proposed Saw Mill Run expressway upon valley environment and will generate solutions to problems revealed with special emphasis placed on sewer overflow which is the environmental aspect which mostly afflicts the Saw Mill Run Valley. The Corps of Engineers will have access to the data developed in this investigation as the Corps study progresses.

Mr. MELCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, Montana's largest city, Billings, is now rationing water and must develop a larger supply. The only possible source is the Yellowstone River.

The Bureau of Reclamation is now studying water resources in eastern Montana. It is charged with developing water for irrigation, municipal, and industrial uses. Among other things, it is currently studying where water can be obtained in the Missouri and Yellowstone Basins for massive coal, coal gassification, and thermal power projects in the area.

Coordinated development of the water resources in the area requires unified planning. Billings' requirements would be substantial, and it has asked the Bureau of Reclamation to assist in planning to provide the city's requirements.

If the Bureau does not do so, conflicts could arise so it is to everyone's best interest that the Bureau move in to assist. Initial information leads Billings' officials to believe $50,000 is needed for a feasibility study by the Bureau of Reclamation. The requests from the city of Billings came too late for the subcommittee to conduct hearings and approve the proposal for inclusion in this bill. The chairman assures me that if the Senate can secure sufficient information from the city of Billings and the Bureau of Reclamation while they are considering the bill, he would accept their amendment in conference.

The need for the study is of great urgency.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONSTRUCTION, GENERAL

For the prosecution of river and harbor flood control, shore protection, and related projects authorized by law; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction): $889,188,000, to remain available until expended: *Provided*, That no part of this appropriation shall be used for projects not authorized by law or which are authorized by law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated: *Provided further*, That in connection with the rehabilitation of the Snake Creek Embankment of the Garrison Dam and Reservoir Project, North Dakota, the Corps of Engineers is authorized to participate with the State of North Dakota to the extent of one-half the cost of widening the present embankment to provide a four-lane right-of-way for U.S. Highway 83 in lieu of the present two-lane highway: *Provided further*, That $625,000 of this appropriation shall be transferred to the Bureau of Sport Fisheries and Wildlife for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

AMENDMENT OFFERED BY MR. CLARK

Mr. CLARK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLARK: On page 6, lines 17 and 18, after "commitment of the government to construction;" strike out "$889,188,000" and insert in lieu thereof "$889,088,000".

Mr. CLARK. Mr. Chairman, the purpose of this motion is to amend the bill at title II "Construction, general" and once again to eliminate construction planning funds for the Dickey-Lincoln project.

Mr. Speaker, once again we find ourselves on the banks of the St. John River in the far reaches of northern Maine and we are here to talk again about a power project that has been consistently rejected for 6 years in a row. On record votes of this body—because it is a half billion dollar effort which would be wasteful of the taxpayers money.

In the past we have referred to the project as the Dickey-Lincoln Federal hydroelectric project. I am somewhat concerned today over just what name we will give to the project—because we have seen no formal plan for it. We have never seen a request for Public Works authorization for it. We have not heard of either public or private hearings on it and our distinguished colleagues in the other body are now talking about $800,000 for another study of—Dickey-Lincoln.

In short, I am somewhat exercised that this Chamber has been selected to sign a blank check, the details for which will be filled in at some later date—while the U.S. Senate still deliberates on original request for $800,000 for Dickey-Lincoln planning money that has been turned down year after year by my colleagues in this House—and that was not even funded for fiscal 1971. Senate-House Conference Committees are continually handed the most difficult problems for negotiation, but I submit that this one could be a darling.

Over the years we may have here established some sort of a record for stating the "will of the House." When after listening to the voluminous testimony of the pros and cons of this prospective dam in Maine. We have consistently rejected it in theory and in fact. Someone is finally listening to us and concluded that if indeed there is a "will," there must be a way.

Here is the "way." We are now told that $100,000 will solve the dilemma. This insignificant amount of the taxpayers money would be used to redesign a smaller project, presumably to better fit the power needs of the State of Maine. The language of the bill itself, however, suggests otherwise, for on page 6, beginning at line 11, it says that this money is—

> For the prosecution of detailed studies and plans and specifications of projects—(including the Dickey-Lincoln project) as authorized by law.

Ostensibly the old Dickey has been discarded—in the "House" version, but there are two fundamental reasons why the situation they have created for the House, is unacceptable.

First, if the language of the bill were followed, the engineers would have to resume construction planning of Dickey—substantially in accordance with the design authorized by the 1965 Flood Control Act—and that design is 800 megawatts of power and a huge, destructive reservoir costing half a billion dollars. This, my colleagues, you have rejected, so my amendment should be adopted to preclude resumption of planning for this project.

On the other hand, if the committee intends that the clear language of the new bill they have drafted not be followed and that the money be used to design a completely new project, then the committee is appropriating for a 3-year study—for which there is no authorization. If a new project for Maine can be justified, then the rules require that Maine first get a resolution authorizing a study for a small project, then come before the Appropriations Committee and describe the scope and purpose of their study and justify any request for appropriations for it, before we appropriate money for it.

I agreed to a study in 1965—page 24658 of the CONGRESSIONAL RECORD, September 22, 1965—and it was reported back in March of 1966. That study proved nothing that was not already known and supported our contention that the Dickey-Lincoln project was hopeless. I will not now support still another study that has no apparent purpose. The entire context of which is obscure to say the least, and which seems to serve no purpose other than to keep the old Passamaquoddy, then Dickey, and now—what, alive.

Mr. BOW. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time only to say that within the committee I reserved on this item. I am opposed to further work on this project. It seems to me all we are doing here is appropriating $100,000 and simply sweeping something under the rug that has come out again.

Mr. Chairman, I hope the amendment offered by the gentleman from Pennsylvania (Mr. CLARK) will prevail.

Mr. Chairman, I yield back the balance of my time.

Mr. HATHAWAY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. HATHAWAY. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Chairman, I want to state that I am in favor of the Dickey-Lincoln project as it is now in the bill. I hope that the amendment offered by the gentleman from Pennsylvania (Mr. CLARK) will not succeed.

Mr. HATHAWAY. Mr. Chairman, I thank the gentleman from Arizona for his support, and I thank the other Members on that side of the aisle for their support, and I appreciate their remarks made during general debate.

Mr. Chairman, I will be very brief. I know the hour is late. But I want to refute any inference that has been made that this is a continuation of the original Dickey-Lincoln School hydroelectric project. This is not—not, I repeat—preconstruction planning money that was asked for last year, or the year before, or the year before that. This is for a restudy. It is not the only restudy in this bill. There are four other restudies under "Construction, general" for various projects throughout the country. This is a restudy of the Dickey-Lincoln School project with the view to limiting it to the State of Maine for power purposes, for irrigation purposes, for flood control, for recreation, and for water quality. All of these purposes would be limited to the State of Maine, unlike the original Dickey-Lincoln School project, which was a gigantic New England project.

I think that there has been some misapprehension that this is just a ruse, or a trick, or some mischief, in order to get preconstruction planning funds. It is not that at all. It is to restudy the Dickey-Lincoln School project, and to come up with another project in the $40 million area that would serve just the people in the State of Maine.

There are many other comparable projects throughout the United States, in fact, three comparable projects right in this bill you are going to vote on today: one in Georgia, for about $50 million, and a couple of others that are in that same cost neighborhood. They are multiple-purpose projects for power and for other purposes.

I have talked with the Corps of Engineers. They think they can come up with a project in the area of $40 million that would serve the needs of the people of the State of Maine. It will be a multiple-purpose project. It will cover, as I say, power, recreation, water quality, and above all at this time there will be a study of the irrigation possibilities of this smaller project.

Irrigation is very badly needed for the potato farmers in northern Maine.

We have had studies over past years. Although many people thought that

Maine had enough annual rainfall to take care of its water needs, it does not have enough water. We need an inch a week to produce a good potato.

We have not had the yield that other States throughout the country have had although we are the second largest producers of potatoes in the country, we lag behind every other major potato producing area in the amount of yield we get per acre. The irrigation benefits that we could get from a smaller project would be extremely beneficial and would put us in a position of having a yield comparable to other potato producing areas of the Nation.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. HATHAWAY. I yield to the gentleman.

Mr. BOLAND. Mr. Chairman, I wish to commend the gentleman from Maine on his statement.

I would direct the attention of the Members of this House to the language of this report. There is no intention here of trying to get the nose under the tent. The language of the report specifically calls for $100,000 for a restudy. In 3 years I am sure there will be a recommendation for a project totally different from the Dickey-Lincoln School Reservoir project.

I might also indicate that as a member of this committee, and serving as a member of this subcommittee, I disagreed in the subcommittee with the $100,000 restudy for this project.

I offered an amendment in the subcommittee to put in $800,000 for the Dickey-Lincoln School Reservoir project itself and that amendment was defeated.

I am willing now to go along with the recommendation of this committee. I can assure those who are opposed to the large project that I will stick with this position in the conference. I ask the Members of this House to reject the amendment offered by the gentleman from Pennsylvania.

Mr. MICHEL. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman and members of the committee, I never thought that this House would be asked to participate in today's current fad of nostalgia. And surely, nostalgia is about the only plausible explanation for the House once again going through a trying debate and struggle on the proposed Dickey-Lincoln project in Maine. Dickey has come around so often now that I am sure some Members feel something is missing until we debate this uneconomic Federal power project again. Time after time funds for Dickey have been defeated. And nothing new has been added to change the situation this year.

Dickey-Lincoln has been rejected on rollcall votes by this body 6 times in the past 5 years. It was authorized originally only because of some well-known nefarious dealings with the conference papers.

Now, again this year, the proponents of this project are attempting a new ploy to keep this antique alive. They want it restudied, they say, to determine if a smaller project would be feasible.

The gentleman from Maine says he heard from the Corps of Engineers by telephone—that they could do something for $40 million. They will not give it to you in writing. The last thing I have seen from the Corps of Engineers in writing—was to the effect that we could not build anything on the Upper John River for less than $100 million. What we are talking about here is something completely different from what was originally authorized in this particular legislation. I feel certain it will be used as a point to squeeze additional construction money out of the conference. This House has stood firm throughout the years against this project and should continue to do so. Furthermore, a new study is simply a means to keep a flicker of life in a project that has long since been proven uneconomic.

First, Dickey was a part of Passamaquoddy. When that died a peaceful death, Dickey was brought back as a multimillion dollar separate project to produce power for only 2 hours a day. Yet it would destroy 100,000 acres of the Maine wilderness. Again proven uneconomical and rejected by the House, Dickey became an irrigation project, to irrigate any crops that might be raised in the Maine wilderness where average annual rainfall is 38 inches for heaven's sake. Now it is the restudy of an alleged smaller project. The corps studied a smaller project years ago and it proved equally destructive to the environment.

In the current maneuver, $100,000 has been placed in this appropriations bill under "construction, general" for detailed studies, and plans and specifications of the Dickey-Lincoln project "as authorized by law"—that is, substantially in accordance with the Dickey-Lincoln plans authorized by the Flood Control Act of 1965.

I am sorry that we have to impose upon your time so late in the evening but Members should be informed of what really is at stake in what appears to be a simple little $100,000 item. We have killed this thing time and time again, and if you do not do it today, you will be back here for the next 5 years being asked to vote for amounts of $30, $40, $60, or $100 million. Now, just set your mind to that. This business of gently slipping it under the rug to have a little restudy and another restudy of the cost level is strictly for the birds. You might as well accept it for what it is today.

This project was originally conceived as a multidam project which would cost $278 or $279 million. That was what the authorizing legislation provided.

When the author of this amendment, Mr. CLARK, comes up and says, "What you are trying to do is undo the authorizing legislation," I would concur. We do not want to authorize in an appropriation bill. We can appropriate only for that which was properly and duly authorized.

Mr. Chairman, the object of this game we are playing today is to squeeze something—anything—out of the House, so that the heat can really be put on our conferees to agree to Dickey-Lincoln without coming back to this House for instructions.

The continued attempts to secure funding for this project fly in the face of many concerned conservationists. They oppose the present project as they would oppose any pared down version resulting from this sham of a study because it would destroy a portion of Maine's wilderness heritage. Conservation groups opposed to this project include the Friends of the Earth, Appalachian Mountain Club, Associated Sportsmen's Club of Cumberland County, Maine, Maine Audubon Society, Maine Fish and Game Clubs, Massachusetts Audubon Society, National Audubon Society, National Wildlife Federation, Natural Resources Council of Maine, New England Advisory Board on Fish and Game Problems, Portland Society of Natural History, Sierra Club, State Biologists Association of Maine, and Wilderness Society.

I wish there was some way we could stop this project from being brought back year after year, time after time. The strategy of doing so is clear—to get us tired, bored, worn down to the point where we say "Pass it" just to get it out of our hair. The only way to stop this project is to "Kill it." The appropriation we are talking about today will just insure another 5 or 10 years of annual controversy.

I hope that we can put an end to Dickey. And the best way to make certain to do this is to support this amendment today.

Mr. HATHAWAY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maine.

Mr. HATHAWAY. There are other comparable restudies provided in the bill. Is the gentleman going to move to strike those, also?

Mr. MICHEL. I am not aware of what those restudies are, but would apply the same rule to any of them. I do know that on this one we have gone over the hump so many times that it is time we came to a final resolution of the matter.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I would like to point out to my friend from Illinois, who is very learned and knowledgeable about this bill, that Oakley Lake, Ill., is precisely the same kind of project with respect to being restudied that this one is. It is recommended that there be a restudy of the Oakley Lake Reservoir, and I suppose under the same argument the gentleman is using now with respect to the authorization I could oppose that restudy, but I am not going to do so because I think your argument is wrong.

Mr. VANDER JAGT. Mr. Chairman, I rise in opposition to the Dickey-Lincoln School project, northern Maine, and endorse the contents of a letter all of us have received from our colleague (Mr. SAYLOR). At this point, Mr. Chairman, I wish to include Mr. SAYLOR's communication:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 28, 1971.

Re Dickey-Lincoln School project.

DEAR COLLEAGUE: Once again, as on so many occasions over the past five years, the

House will be called upon to amend the Public Works Appropriation Bill, which comes before us tomorrow afternoon, to delete the $100,000 included for the destructive Dickey-Lincoln School Project, Northern Maine. We have now rejected this destructive project by six (6) separate record votes over the past five years.

This proposed project—*or any project at the Dickey-Lincoln School site*—would utterly destroy the free-flowing Upper St. John River and Great Maine Woods wilderness area, and inflict "severe, large and permanent damage" to fish and wildlife (S. Doc. 85–14, Vol III, St. John River Basin). Any proposed project at this site is categorically *opposed* by numerous outstanding national and regional conservation organizations, including:

Appalachian Mountain Club, Associated Sportmen's Club of Cumberland County, Maine, Maine Audubon Society, Maine Fish and Game Clubs, Massachusetts Audubon Society, National Audubon Society, National Wildlife Federation, Natural Resources Council of Maine, New England Advisory Board on Fish and Game Problems, Portland Society of Natural History, Sierra Club, State Biologists Association of Maine, and Wilderness Society.

This year, the few remaining supporters of this destructive project have tried to camouflage their efforts to obtain appropriations for it by claiming that this $100,000 would be used to redesign Dickey-Lincoln as a smaller project. This is to inform you that the Bill provides exactly to the contrary:

H.R. 10090 states at Title II, "Construction General," that this $100,000 is for preparation of "detailed studies plans and specifications" of Dickey-Lincoln "as authorized by law." As you know, existing law prohibits appropriations, or the expenditure of appropriations, on studies or redesigns not previously, and separately, authorized by law.

Unless this appropriation is deleted, the House will only be repeating the same disastrous environmental mistake the Appropriations Committees' conferees made in 1962 in funding their own "restudy" of the Florida Ship Canal, "with different dimensions", and with a new name, "the Cross Florida Barge Canal." It also involved a famous river, the Saint Johns River in Florida. All now know the costly outcome of that procedural irregularity.

I will appreciate your support in this important conservation matter.

Sincerely,

JOHN P. SAYLOR,
Member of Congress.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this reminds me of Cicero's First Catiline Oration. He said:

> How many times, oh Catiline, will you abuse our patience?

Six years later we are here again. Let me say this. I am troubled about this proposal. I have consistently opposed Dickey-Lincoln. I think it is a $500 million boondoggle. I am not going to say anything further in that vein because I do not think it is necessary to do so today. I am not opposed to a legitimate, proper public works project for Maine. I wish both of my colleagues from Maine well. I would like to see us have a $40 million project for the State of Maine. The problem today, quite frankly, is a technical one. The technical problem is, What do we have before us today?

Let me say this, that what we have before us today legally and technically is Dickey-Lincoln. The language of the bill deals with general construction. You are authorizing $100,000 for general construction. For what? For authorized programs. What is the authorized program? Dickey-Lincoln. If it is not that, it is nothing. And that is what the Corps of Engineers goes by.

Fortunately—and I am gratified to hear it—we have the word of two of the most eminent men in the House of Representatives, Mr. EVINS of Tennessee and Mr. BOLAND of Massachusetts, who say that they want a restudy, not of Dickey, as I understand it—and the gentlemen may correct me if I am wrong—they want a restudy not of Dickey but of that area in order for the Engineers to come up with suggestions for this $40 million project, limited to the State of Maine.

I would like to see that. I would be happy, and if the project is a good one, I would be delighted to vote for it.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I might say that is my position on it, and it is the position of the subcommittee. The language of the report clearly indicates that. It says the committee has approved $100,000 to initiate a 3-year restudy of the feasibility of the design of a small scale project adequate to meet only the requirements of the State of Maine.

And not alone that—that language appeared on page 50—but also in the tabulation with respect to the projects of the various States, on page 37, with respect to the Dickey-Lincoln project it says, this is a "restudy"—so I agree on that.

Mr. GIAIMO. But as I said earlier, this is a technical problem, and the problem is that there is no authorization for a study for a project for the State of Maine unless it is the Dickey-Lincoln project which can be restudied. The gentleman made reference to several other items of restudy in the bill. I am not as familiar with them frankly as I am with Dickey-Lincoln, but I would suspect they are restudies of the same originally authorized projects. This is not. It is a restudy of something that frankly we know nothing about.

The proper way for us in the Appropriations Committee is not to legislate new projects. They should go to the Public Works Committee, get their authorization for a preliminary study, in which case they would have come in this bill not on page 6 under construction, but on page 5 under general investigations. Then we would be on all squares with proper procedure. Then we would also eliminate the pitfall we have fallen into with the Florida barge canal which was restudied, and now we are going to have a hassle over that.

Properly we should abide by the proper procedure, which is to go through the Public Works Committee. If we look at the newspaper writings, the Portland Press Herald for July 16 has this to say, "Quiet Move Afoot to Revive Dickey."

This disturbs me if we revive the concept that we are sanctioning Dickey-Lincoln. We have to rely on this committee in conference and I have the utmost confidence in this subcommittee, that this money is really not going to be for Dickey-Lincoln, because otherwise we have fallen into a trap, and we will find ourselves appropriating for Dickey after 6 years.

Mr. EVINS of Tennessee. Mr. Chairman, I rise in opposition to the amendment. It is with reluctance that I trespass upon the time of the committee at this late hour, but I think it should be pointed out that the President's budget contains restudy funds for three projects: Hudson River, Fla.; Dry Fork and East Fort Lakes, Mo.; and Miles City, Mont. These are funded in the bill in the same manner as is proposed for the Dickey-Lincoln project. The committee has directed the Corps of Engineers to restudy and scale down the project to meet only the needs of Maine. The study will take 3 years and if a favorable report is made it may be necessary to then seek a reauthorization.

When a restudy involves a project that has already been authorized, as in this case, is properly funded under the construction, general section of the bill. This has been the standard practice for years and is in order under the bill language. As the proposed study is confined to the State of Maine, it seems to me no one should be opposed to making a study to get the facts for further considerations by the Congress.

PARLIAMENTARY INQUIRY

Mr. KYL. Mr. Chairman, a parliamentary inquiry: On this vote a "yea" vote is a vote to remove this Maine project from the bill. Is that correct?

The CHAIRMAN. The gentleman is correct—in favor of the amendment.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. CLARK).

The question was taken; and on a division (demanded by Mr. Bow) there were—ayes 99, noes 100.

TELLER VOTE WITH CLERKS

Mr. BOW. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. BOW. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered; and the Chairman appointed as tellers Messrs. CLARK, RHODES, MICHEL, and HATHAWAY.

The Committee divided, and the tellers reported that there were—ayes 199, noes 181, answered "present" 1, not voting 53, as follows:

[Roll No. 220]

[Recorded Teller Vote]

AYES—199

Abbitt
Abernethy
Archer
Ashbrook
Barrett
Belcher
Bell
Bennett
Betts
Bevill
Biester
Bow
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson, Tex.
Byrnes, Wis.
Byron
Camp
Cederberg
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Collins, Tex.
Colmer
Conable
Conte
Coughlin
Crane
Daniel, Va.
Davis, S.C.
de la Garza
Delaney
Dellenback
Dennis
Derwinski
Devine
Dickinson
Dingell
Dorn
Downing
Dulski
Duncan
du Pont
Dwyer
Edwards, Ala.
Erlenborn
Eshleman
Findley
Fish
Fisher
Flood
Flowers
Flynt
Ford, Gerald R.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Galifianakis
Gaydos

Gettys
Giaimo
Goldwater
Goodling
Green, Oreg.
Griffin
Gross
Grover
Gubser
Gude
Haley
Hall
Hammerschmidt
Hansen, Idaho
Harvey
Hastings
Henderson
Hillis
Hogan
Hunt
Hutchinson
Jarman
Johnson, Pa.
Jonas
Keating
Kee
Keith
Kemp
King
Kyl
Landgrebe
Latta
Lennon
Long, Md.
Lujan
McClory
McCloskey
McCollister
McDade
McDonald, Mich.
McEwen
McKevitt
McKinney
McMillan
Mailliard
Martin
Mann
Mathias, Calif.
Mathis, Ga.
Mayne
Mazzoli
Michel
Miller, Ohio
Mills, Md.
Minshall
Mizell
Monagan
Moorhead
Morgan
Murphy, Ill.
Nichols
Nix
Pelly
Pettis
Peyser
Pirnie
Poff
Price, Tex.
Quie
Railsback
Randall
Rarick
Reid, Ill.
Riegle
Robinson, Va.
Rogers
Rooney, Pa.
Rostenkowski
Rousselot
Runnels
Ruppe
Ruth
Sandman
Satterfield
Scherle
Schmitz
Schneebeli
Schwengel
Scott
Sebelius
Shipley
Shoup
Shriver
Skubitz
Slack
Smith, Calif.
Smith, N.Y.
Spence
Springer
Stanton, J. William
Steele
Steiger, Ariz.
Talcott
Taylor
Teague, Calif.
Terry
Thompson, Ga.
Thomson, Wis.
Thone
Vander Jagt
Veysey
Waggonner
Wampler
Ware
Whalen
Whalley
Whitehurst
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H.
Winn
Wydler
Wylie
Young, Fla.
Zablocki
Zion
Zwach

NOES—181

Abourezk
Abzug
Adams
Addabbo
Albert
Alexander
Anderson, Calif.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Aspinall
Badillo
Baker
Baring
Begich
Bergland
Biaggi
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Brinkley
Brooks
Burke, Mass.
Burlison, Mo.
Burton
Byrne, Pa.
Cabell
Caffery
Carey, N.Y.
Carney
Casey, Tex.
Chappell
Chisholm
Collins, Ill.
Conyers
Corman
Cotter
Culver
Daniels, N.J.
Danielson
Davis, Ga.
Davis, Wis.
Dellums
Denholm
Dow
Drinan
Eckhardt
Edmondson
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Foley
Ford, William D.
Fraser
Fulton, Tenn.
Gallagher
Gibbons
Gonzalez
Grasso
Gray
Green, Pa.
Griffiths
Hagan
Halpern
Hamilton
Hanley
Hanna
Harrington
Hathaway
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks, Mass.
Hicks, Wash.
Holifield
Howard
Hull
Ichord
Jacobs
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kazen
Koch
Kuykendall
Kyros
Leggett
Lent
Link
McCormack
McFall
McKay
Macdonald, Mass.
Madden
Mahon
Matsunaga
Meeds
Melcher
Mikva
Minish
Mink
Mitchell
Mollohan
Morse
Mosher
Murphy, N.Y.
Myers
Natcher
Nedzi
Obey
O'Hara
O'Konski
O'Neill
Passman
Patten
Pepper
Perkins
Pickle
Pike
Podell
Preyer, N.C.
Price, Ill.
Pucinski
Rangel
Rees
Reid, N.Y.
Reuss
Rhodes
Roberts
Robison, N.Y.
Rodino
Roe
Roncalio
Rosenthal
Roy
Roybal
Ryan
St Germain
Sarbanes
Scheuer
Seiberling
Sikes
Sisk
Smith, Iowa
Stanton, James V.
Steed
Stephens
Stokes
Stratton
Stubblefield
Sullivan
Teague, Tex.
Thompson, N.J.
Tiernan
Udall
Ullman
Vanik
Vigorito
Waldie
Watts
White
Whitten
Wolff
Wright
Wyatt
Wyman
Yates
Young, Tex.

ANSWERED "PRESENT"—1

Fulton, Pa.

NOT VOTING—53

Anderson, Ill.
Arends
Blackburn
Blanton
Bray
Carter
Celler
Clay
Dent
Diggs
Donohue
Dowdy
Edwards, La.
Esch
Frelinghuysen
Garmatz
Hansen, Wash.
Harsha
Hébert
Horton
Hosmer
Hungate
Jones, Tenn.
Kluczynski
Landrum
Lloyd
Long, La.
McClure
McCulloch
Metcalfe
Miller, Calif.
Mills, Ark.
Montgomery
Moss
Nelsen
Patman
Poage
Powell
Pryor, Ark.
Purcell
Quillen
Rooney, N.Y.
Roush
Saylor
Snyder
Stafford
Staggers
Steiger, Wis.
Stuckey
Symington
Van Deerlin
Williams
Yatron

Mr. HENDERSON. Mr. Chairman, I ask unanimous consent to change my vote from "no" to "aye."

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

So the amendment was agreed to.

PERSONAL EXPLANATION

Mr. FULTON of Pennsylvania. Mr. Chairman, I was here before the voting closed, but I had walked over here so fast I could not walk up the aisle. Had I been able I would have voted "aye."

The CHAIRMAN. The gentleman's statement will appear in the RECORD.

Mr. RANDALL. Mr. Chairman, I take this time to refer to an item in the report, page 50, paragraph 3, entitled "Harry S. Truman Dam and Reservoir, Missouri."

This project is in our congressional district and until last year was known as the Kaysinger project. Out of long habit and usage it is now referred to by both names is frequently called either the Truman-Kaysinger or else the Kaysinger-Truman Dam and Reservoir, with no disrespect ever intended for our beloved 32d President.

I have asked for this time, Mr. Chairman, in order to clarify my position on the fiscal year 1972 appropriation for this line item. Hopefully, the byproduct of our remarks may provide some legislative history about $600,000 which has been added by the committee over the budget request.

Several weeks ago I prepared a letter addressed and delivered to the chairman and members of the Public Works Subcommittee requesting an appropriation over the budget recommendations in order that the Corps of Engineers might have some additional funding to commence work on the replacement of a bridge across the Osage River, known as the Brown-Ford Bridge, and which is conceded by all observers as being very hazardous for use.

In my letter to committee members I pointed out this bridge carries a large volume of traffic to and from the Osceola Boy Scout Camp that serves a large area in west central Missouri. Throughout the summertime there is continual rotation of different groups of Boy Scouts and their leaders. The total runs to about 6,000 yearly. It is true I tried to make a strong case for the early construction of this bridge. I am not now lessening my appeal to the committee. However, I was hopeful that the additional funding could be made available without tying the hands of the Corps of Engineers by any language in the report. My reason for this desire was there are so many present or existing priorities it was my conclusion the corps should be left with enough flexibility and latitude to select the several priorities within their capability and within existing funding.

Mr. Chairman, when I learned that the committee had considered adding to the appropriation figure for Truman-Kaysinger Reservoir for fiscal year 1972, I specifically and especially requested that I did not want to be cast in the role of one who had chosen or picked a preference for any one of the three or four most pressing priorities of this project. I had hoped the committee might see fit to add some funding without the specification that the funding be for some enumerated allocation within the project. It was my intention when I wrote to the committee that they could increase the funds to the corps' capability which would permit the corps to proceed with more than one priority at the same time without being limited by committee language.

Apparently, my entreaty for the urgency of this bridge must have impressed the committee because even after our second discussion with members of the staff requesting that no limiting language be written in the report, notwithstanding, the final draft of the report does contain certain language that would seem to be preferential.

Knowing of the difficult choices that must be made by the Corps of Engineers each fiscal year I have always believed that priorities are not a matter for a member who represents a district to try to arrive at a decision as to which work shall be done first by the Corps of Engineers. Of course, the offices of all Members who have engineering projects under construction in their districts are urged repeatedly that this or that item should outrank or take precedence over some other work within the overall project whether it be land acquisition, relocation of roads or relocation of residences from inundated areas, or perhaps provision for sewage and water systems. Whatever the reason for final judgment as to which work should receive the earliest attention, it is my considered judgment this should be left to the engineers who are charged with the completion of the entire project.

As it is, I want to make it plain and clear at this time that while the additional funding was needed it was not and is not my purpose or intention to elevate any one item of urgently needed construction over and above all of the rest.

Now that the committee has acted, let me express my gratitude for this additional funding. I did write to the committee pointing out the need for early replacement of the bridge. I did ask for an overall increase in funding. Notwithstanding these two foregoing considerations, Mr. Chairman, the particular language contained in the report pertaining to the bridge was an action or decision by the committee alone and the language contained was the language of the committee itself.

AMENDMENT OFFERED BY MR. DU PONT

Mr. du PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. du Pont: Page 7, line 13, after the period add the following:

"No part of the appropriation made by this paragraph shall be used for any part of the construction, other than land acquisition, supervision, design and related administrative expenses, of the Tocks Island Lake Dam project, Pennsylvania, New Jersey, and New York."

Mr. du PONT. Mr. Chairman, the distinguished gentleman from Tennessee, the chairman of the subcommittee (Mr. Evins), spent considerable time in his presentation in the debate on the main bill evidencing his concern for the environment, and that this bill fully protects the environment. I applaud that concern, and I hope that he will show equal concern by upholding the integrity of our environmental laws, and upholding the role of the Congress in insisting on high environmental standards and, above all, upholding both sides of this Congress in dealing with environmental questions.

Mr. Chairman, my amendment makes sure that none of the funds in this bill can be used to begin the construction of the Tocks Island Dam project.

The amendment does not affect funds for planning or for engineering or for real estate acquisition. My objective is not to stop the project. My objective is to see that the construction is not funded until we get full compliance with the Federal environmental law and until we know what effect this project is going to have on the environment of the area.

There are three reasons in my view why this amendment ought to be upheld and these funds denied for construction.

First of all, as a matter of policy the Congress should not appropriate funds for projects affecting the environment until satisfactory environmental impact statements have been filed with the Council on Environmental Quality as required by law.

This has not been done in this case.

Second, the Army Corps of Engineers has promised not to proceed with construction until those studies are completed and, if they are not going to proceed with construction, then they do not need funds for construction.

Third, I do not believe the Congress should make an initial commitment on a $259 million project without first knowing—and not just studying, now—but without first knowing what the effect of that project is going to be on the environment.

Earlier this year the Army Corps of Engineers filed an environmental impact statement under section 102 of the Environmental Protection Act. The Council on Environmental Quality and Russell Train, its chairman, rejected those statements on five separate grounds and said that they were inadequate.

I might add the statement filed by the Corps was seven pages long. They treated the entire environmental question of the Delaware Valley in seven pages.

Following weeks of negotiations and considerable pressure by the CEQ the Army Corps of Engineers agreed to do a new study and that new study is underway and will not be completed for some time.

I am sure that the distinguished gentleman from Tennessee will rise in opposition to this amendment and he will say that this project has been studied to death. Well, it has been studied to death—but none of the studies have been any good.

Russell Train looked at those studies and said that they were too brief and needed strengthening in five specific areas. So the situation we have today is that no studies have been completed. No questions have been answered and that while those studies are being undertaken in compliance with the law, the Army Corps asked us for construction money and I think that is wrong as a matter of policy.

I do not believe that we should appropriate money until we have the law complied with.

Finally, let there be no mistake about the real issue in this case. It is not the Tocks Island Dam, it is not the Delaware River. The real issue here is whether we are going to have any teeth in our environment laws. As Members very well know, section 102 of the act does not give the Council on Environmental Quality the authority to stop a project. All it can do is recommend. Only the Congress has the authority to stop a project. The Council on Environmenal Quality can recommend, but it is up to the Congress to make good sound environmental policy a reality. Congress should not appropriate construction funds for the Tocks Island Dam without knowing the consequences.

We cannot say to the Council on Environmental Quality—You go ahead and study it, but while you are studying it, we are going to build it. This is particularly important when we are talking about a $260 million project.

Mr. THOMPSON of New Jersey. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Delaware. I have great respect for the gentleman's sincerity, but in this instance, I feel his zeal exceeds his information.

Many of us have lived with the Tocks Island project since its authorization by the Congress in 1962. The reasons which underlay that authorization are no less pertinent today than they were then. This is a multipurpose project designed to provide flood control for a major portion of the Delaware Valley. The reservoir that would be created by the Tocks Island Dam will be a major source of water supply for the next quarter century for millions of people in the northern portion of my home State of New Jersey. The reservoir will also comprise the focal point of a major national recreation area that will accommodate millions of our fellow citizens in the basin area. And as the gentlemen should have reason to know, the water impounded by the reservoir will make it possible to maintain a steady streamflow in the lower reaches of the Delaware River, thereby providing added protection against saline intrusion and agents of pollution.

The gentleman has expressed concern as to the integrity of the Environmental Policy Act of 1969. As a cosponsor and supporter of that act, I share his desire that it be made to work effectively for the purposes for which it was designed. What were those purposes? Section 101 of the act sets forth its basic policy: that the Federal Government use all "practical means and measures" to protect environmental values. I think it important to note that Congress did not establish environmental protection as an exclusive goal as the U.S. Court of Appeals of the District of Columbia has recently reminded us. But rather it sought to place environmental considerations on a co-equal level with other purposes for which public works projects are designed, and it placed an explicit duty on Federal agencies to use all practical considerations of "national policy" to avoid environmental degradation.

I am pleased to report that in connection with the Tocks Island project, the Federal agencies involved are working closely with the President's Council on Environmental Quality to carry out the letter and spirit of the Environmental Policy Act. That act, as you will recall, requires each Federal agency with a share of responsibility in a Federal public works project to prepare and file with CEQ an environmental impact report. That process is proceeding apace with the Tocks Island project.

The gentleman has stated in a letter to Members of the House that CEQ has "rejected," and I use his word, the environmental impact report prepared by the Corps of Engineers. I am not aware that CEQ has ever used any such language. What the agency did after receipt of a draft environmental statement from the corps was to suggest that a multidisciplinary report be prepared that would correlate the separate environmental reports which the respective agencies must file under the law. I think this is an eminently sound approach with respect to a multipurpose project, and I am pleased that the corps has agreed to supply CEQ with such an overview of the Tocks Island project. Moreover, the corps, consistent with the intent of the act, has agreed to delay a construction start until all relevant environmental impact reports, including the multidisciplinary report, are reviewed by CEQ.

The gentleman suggests that construction funds for the Tocks Island Dam can be provided in a supplemental appropriation. I would suggest to him that the supplemental appropriation bill was never meant to displace our normal appropriation procedures. In the event, and I believe it to be an unlikely event, that the various environmental studies now underway find that the Tocks Island Dam, as presently designed, poses the prospect of significant environmental harm, surely the executive branch is not without authority to take appropriate action through the Office of Management and

Budget. Certainly, the record amply demonstrates that that Office has not been reluctant to withhold funds appropriated by this House for other purposes.

I realize the gentleman comes to the issue at a late date, and as he candidly testified before the Subcommittee on Public Works, with little information; but surely he cannot be unaware of the announced support of Governor Peterson of Delaware for the full Tocks appropriation and the support expressed by the Governors of New York, New Jersey, and Pennsylvania. Moreover, the White House, through the Office of Management and Budget, has recently demonstrated its concern lest this project be further delayed by sending a representative to the project area to examine at firsthand the need for accelerated land acquisition.

Mr. Chairman, I urge my colleagues to approve the Tocks Island appropriation in its entirety as recommended by the subcommittee and the full commiittee.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. BROWN of Michigan. Mr. Chairman and colleagues, I do not intend to speak in favor or in opposition to the amendment, but I think the gentleman's amendment raises a question that has ramifications in my district which I would like to clarify. We all recognize, I believe, that an appropriation is not a mandate to spend, but at the same time I would like assurances from someone on the committee that the appropriation in this bill of, for instance, the $150,000 for the Kalamazoo River flood control project will not be available for expenditure or for utilization on the project until several conditions have been met, one of which is that there is a local sponsor; second, that the local sponsor gives the necessary assurances that they will support the project, which includes financial assurances, and that the environmental impact study which is required on these projects now will at least be reconciled among the project's sponsors.

Am I not correct that the recitation in the appropriation bill of the $150,000 specifically for the Kalamazoo River flood control project will not be available for utilization by the Corps of Engineers until such time as the local sponsor has renewed and formally indicated its interest and, secondly, has provided the necessary local assurances, financial assurances to go along with the project? Am I correct in those assumptions?

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Arizona.

Mr. RHODES. The gentleman is correct. The $150,000 that the gentleman mentions is in the bill. It is in the construction general portion thereof. The committee never apppropriates money for construction unless it is reasonably satisfied and has been informed that the local participation will be forthcoming and that the local sponsors are assured.

The gentleman has given us some information tonight that I had not possessed prior to this time, and I am not sure any other member of the committee did, but I can assure the gentleman the Corps of Engineers will not use this money for construction until all the local participation is in hand.

I am not sure it is in this case but in anticipation of such assurances being received and local participation agreed upon, the appropriation is included in the bill.

Mr. EVINS of Tennessee. Mr. Chairman, the gentleman is speaking out of order. He is not speaking on a germane amendment.

The CHAIRMAN. The gentleman is proceeding in order. No one objected when he began to speak.

Mr. BROWN of Michigan. Mr. Chairman, I might suggest my comments have direct application to the amendment the gentleman has offered, because he has suggested appropriation of funds in this bill means a mandatory expenditure. That is why he is seeking to strike it.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. Mr. Chairman, the project in the gentleman's discussion is in the bill. Is he for or against it? Does he wish it taken out?

Mr. BROWN of Michigan. I do not know whether it should be kept in or out; that is the very point of my inquiry. I do not wish to have it taken out if I can have my understanding confirmed, that the assurances of the local sponsors must be obtained before the corps can proceed. I believe the corps must obtain the same.

Mr. EVINS of Tennessee. The gentleman from Arizona (Mr. RHODES) has already answered the gentleman's question: It is necessary to have local participation and assurances.

Mr. BROWN of Michigan. I thank the gentleman.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment. Ordinarily I would not seek time to speak to an amendment in connection with an appropriation bill of this type, but this involves a matter that was studied very carefully, very critically, and very analytically by the Public Works Committee and approved by the Congress as long ago as 1962.

I think also that the danger inherent in this particular amendment poses a threat to the entire civil works program of the Corps of Army Engineers throughout the United States. If this amendment were adopted at this time, halting a project that has been subjected to the painstaking analytical scrutiny of the Legislative Committee of the Appropriations Committee, of the Corps of Army Engineers over a period of many years, a project on which $24,600,000 already has been spent—if this kind of amendment at this date could come in and prevail—then every single ongoing project of water resources development throughout the entire United States could be in jeopardy.

It is suggested that we have further study. This reminds me of Kipling's description of old men. He said—

> They peck out, dissect, and extrude to the mind
> The flaccid tissues of long-dead issues
> Offensive to God and mankind
> Like vultures over an ox
> That the Army has left behind

This project has been studied and restudied. It has been analyzed, evaluated, adopted and begun. It has been formally approved by the Governors of the four States involved. I am advised that of all the Members of Congress representing the four States which this project affects, all those Members save one support the project. Could we for a moment think that those Members do not reflect the wishes of their constituencies? Do we think for a moment that those Members are impervious to the interests of the environment—the environment of their own States?

It is suggested that perhaps we ought to restudy it again and stop the Army Corps of Engineers in its tracks until someone is satisfied that it will not have an adverse effect upon the birdlife and fishlife. That question has been carefully studied in the past, and in its proper perspective. How about people-life? The only way to preserve the absolute pristine beauty of nature is to have no people.

Surely nobody who has seen the human wreckage that lies in the wake of a davastating flood such as has occurred on this Delaware River can sublimate and ignore this human anguish which a torrential tide could again visit upon this great inhabited valley unless this project is completed.

Nature is a marvelous thing. So is the human body. Both were created and engineered by the divine intelligence to perform and function efficiently and effectively. But just as the human body can get out of balance and require corrective surgery to perform its functions properly, so also nature itself can get out of balance and require the corrective, healing surgery of man to perform its functions effectively, efficiently, and beneficially in the interests of both nature and man.

Nature exists for man, and man is expected to exercise beneficent dominion. Former Senator Josh Lee of Oklahoma once defined "virgin territory" as "where the hand of man has never set foot."

There is no irreconcilable gulf between a sound ecology and a sound economy. To be a wise conservationist or an intelligent environmentalist does not mean to halt our development and harnessing of the water resources of our planet. To greater or lesser degree this has been necessary since man first intruded upon the earth, and it is more necessary today than ever, because there are more people.

We cannot keep people from intruding upon the earth. And the interests of people must come first. Nature sometimes, as in this case, needs the corrective surgery of intelligent man, under the injunction given to us in the Book of Genesis, to subdue the earth and husband its resources.

It seems to me, my colleagues, that we ought to vote down this amendment by a sound and emphatic vote and give a ringing assurance that we intend for the development of the Nation's water resources to go forward.

Mr. McDADE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in addition to what has been said let me point out that under date of July 5, Russell Train, Chairman of the Council on Environmental Quality, wrote a letter which is in the public record indicating that this dam would not be built until all the environmental questions involved were satisfied. I talked to Mr. Train this morning on the telephone and asked him if he supported and if the Council supported this $3.6 million appropriation which is being made in this bill, and his answer is, "Of course."

I urge the defeat of this destructive amendment.

Mr. ROONEY of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from Delaware.

I have no argument whatever with his concern that the Tocks Island project be subjected to a thorough environmental review before construction begins. That is precisely what is being done at the present time, under an agreement reached by the Council on Environmental Quality with the Corps of Engineers and the several other agencies involved in the planning and development of this huge, multipurpose project.

It was I who contacted Chairman Russell Train of the Council on Environmental Quality on this very matter in January of this year and asked that CEQ take steps to initiate and expedite a broad, comprehensive environmental impact study in the hope that study could be completed before today.

CEQ responded that it did not have the resources- staff or funds—to make the broad study I proposed. But it assured me that it would subject the project to thorough review. Subsequently, Chairman Train met with representatives of all of the agencies involved and reached agreement whereby each agency is now preparing its own environmental impact statement. The preparation of these individual impact statements is being coordinated by the Corps of Engineers which will develop an "overview statement" tying together the various separate statements by individual agencies.

I venture to say Mr. Chairman that no public works project in our history has been subjected to such a comprehensive examination in the search for environmental flaws. I know for a fact that my efforts, in conjunction with several of our colleagues, Mr. Dow of New York, Mr. McDADE of Pennsylvania, and Mr. THOMPSON of New Jersey, to establish greater cooperation and coordination between all of the agencies involved in this project produced unprecedented results.

On March 1 and again on April 6 of this year we met with representatives of every conceivable agency and bureau having some legitimate interest or responsibility in the Tocks Island Dam project. Both the Council on Environmental Quality and the Environmental Protection Agency participated. These meetings led to a greater exchange of information and views than had ever been achieved previously. And the environmental impact of this project was the chief subject of our discussions during both of these conferences, as well as during ad hoc public hearings on Tocks chaired by Congressman THOMPSON of New Jersey here in Washington on March 22 of this year.

I don't want an environmental disaster built in my District, any more than any of my colleagues want an environmental disaster built in theirs. This is precisely why we, as the representatives in Congress of the citizens and communities located in the Tocks Island region, have taken these extraordinary steps to assure ourselves that what is developed there is sound from an environmental standpoint.

Our citizens, our communities and our States need adequate water supply, those along the main stem of the Delaware need adequate flood protection, and all need the recreational facilities which are being developed in conjunction with the Tocks project.

The important reason why the amendment to delete funds for construction of Tocks Island Dam from the bill before us is simply that it will cause further delay of the project's development and further hardship for the individual citizens and communities of the Tocks region. Baring any serious problems, the environmental review will be completed sometime this fall. If funds are not provided in this bill, the start of construction will be stalled. Critical personal hardships already have resulted because funding has not kept pace with original timetables for land acquisition and development. Local governments which are losing tax base as the result of property acquisition are experiencing financial hardships because funding has not kept pace with original timetables.

Mr. Chairman, the Delaware River Basin has lived with doubt about when and where and how this project will be developed for more than 40 years.

I challenge the claim by the distinguished gentleman from Delaware that the Council on Environmental Quality has rejected the Corps' environmental impact statement on this project. No impact statement has yet been submitted to CEQ.

What has taken place is that last November the Corps prepared a seven-page "preliminary draft" of an impact statement and circulated it to various interested agencies for comment.

On the basis of some comments and further consideration by the Corps, that original seven-page statement had been expanded to 56 pages by the time of the Second Inter-Agency Conference on Tocks Island which was held in the Cannon building on April 6, 1971. It was not until the following day, April 7, 1971, that the Council on Environmental Quality sent a letter to the general counsel for the Corps of Engineers suggesting "several areas where the analysis in the Corps draft environmental impact statement needs strengthening." I remind you, CEQ's letter referred to the seven-page preliminary draft, and not to the 56-page revision which had already been drafted before the CEQ letter was sent.

But neither of those drafts is of any consequence now, because in the interim CEQ, the Corps and other responsible agencies have developed a plan whereby a broad, coordinated, interagency environmental impact statement is being developed. The agreement provides specifically that construction will not begin until the CEQ review is completed. I contacted the Office of the Chief of Engineers only yesterday to confirm that the Corps will not begin construction of Tocks Island Dam until that review is completed.

But it is essential this money be appropriated so that construction can begin without further needless delay as soon as the Council on Environmental Quality has satisfied itself the project is environmentally sound.

Mr. Chairman, I have a copy of a telegram which was sent by Governor Peterson to the Senate and House Appropriations Committees on May 18, 1971, regarding Tocks Island.

> Urge favorable action by your Committee on the President's request for full funding of Tocks Island dam. This project is a part of the Comprehensive Plan of the Delaware River Basin Commission and is vitally necessary for the full and logical development of the water needs of the Delaware River Valley.

Mr. WIDNALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the proposed amendment. For 17 years I have represented the district in New Jersey that has a part of that district going into the great recreation area envisaged up in that area. Congressman FRANK THOMPSON, who just spoke against the amendment, succeeded me in that district. I fully subscribe to what he has said. This is an area that is needed.

It can be a great advantage to the people of the four States involved and many other States. It is estimated that over 10 million people a year will use this national recreation area. It is also estimated that the lake that will be filled as a result of the dam will be the second largest man-made lake in the United States.

I think it would be a horrible shame not to go through with the plans and continue with the appropriations and at this time to abandon the construction of that great national recreation area.

Mr. Chairman, I fully support knocking out the amendments proposed by the gentleman from Delaware. I hope the House will take appropriate action.

(Mr. VANDER JAGT, at the request of Mr. RHODES, was granted permission to extend his remarks at this point in the RECORD.)

Mr. VANDER JAGT. Mr. Chairman, I would like to associate myself with the remarks of my good friend from Delaware. As he has so effectively stated, the Tocks Island Dam project on the Delaware River should not proceed unless its environmental effects are fully explored and found acceptable. The Council on Environmental Quality and its Chairman, Russell Train, are to be highly commended for rejecting a deficient environmental impact statement. We can no longer afford to charge ahead on such projects and overlook damage they may cause for future generations.

Mr. EVINS of Tennessee. Mr. Chairman, because of the late hour, I do not wish to take up the time of the House, but I want to briefly express the committee's opposition to the amendment.

Our committee heard testimony on this matter at length. The gentleman from Delaware did come before our committee and opposed it for environmental reasons, but the overwhelming number of witnesses who appeared before our committee were in support of the project. This project was approved in 1962 and it is now about 10 years old; $24 million has already been spent on it. The governors of the four States involved endorse it.

I believe enough has been said on the matter, Mr. Chairman, and I urge that the amendment be defeated.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. du PONT. Will the gentleman yield?

Mr. FISH. I am glad to yield to the gentleman.

Mr. du PONT. Mr. Chairman, I do not want to take up any time, but I merely want to set the record straight.

On April 7 Russell Train did reject the environmental impact statement submitted by the Corps of Engineers, and on June 9 Governor Cahill of New Jersey withdrew his support of the project pending further study.

I thank the gentleman for yielding.

Mr. FISH. Mr. Chairman, I do not propose to take time of the committee.

Mr. Chairman, I rise to support the amendment to the Public Works Appropriation Bill offered by my colleague, Mr. du Pont of Delaware, to strike from the budget of the Army Corps of Engineers, funds for a construction start on the Tocks Island Dam project on the Delaware River. This is the first installment for a project which has a current cost estimate of $259 million.

The questionable nature of this proposed project has raised a storm of controversy since its first authorization in 1962. There are many profound and still unanswered questions of impact on an entire region should this project continue. We are told the adverse environmental consequences are minimal. Mr. Chairman, this is exactly what we do not know.

The issue upon which I base my opposition is whether the National Environmental Policy Act of 1969 has meaning, and whether decisions reached by the Council on Environmental Quality established by that act have substance.

Section 102(C) of that act specifically requires that any Federal action which would significantly affect the quality of our human environment must contain a detailed statement on the environmental impact of the proposed project by the responsible officials and agencies.

Section 204(3) of the act specifically charges the Council on Environmental Quality to review and appraise the various programs and activities of the Federal Government in light of the policy set forth in title I of the act.

It is a fact that the Corps of Engineers, the responsible Federal agency in this instance, did submit such an impact statement in draft form to the Council on Environmental Quality. The Council did review this statement as required under the law. Following this review the environmental impact statement was rejected by Russell Train, chairman of the Council on Environmental Quality.

This statement was rejected on the basis that the impact statement was inadequate, in that it was less a study of viable alternatives, than it was a mere justification for continuing with existing plans. The question of the solution with the very least environmental impact of all—no project at all—was not dealt with in any way.

It was agreed at subsequent meetings that the Department of the Interior, the Federal Power Commission, and the Delaware River Basin Commission would all submit statements in their special areas of competence, while the Corps of Engineers would submit a similar study on the dam itself. The corps has agreed to also prepare an overview study coordinating all of these studies.

According to the Corps of Engineers this has not been done. The studies by the Department of the Interior, the Federal Power Commission, and the Delaware River Basin Commission have not been received, and the corps' own impact evaluation of the dam has not been completed. Clearly, we are still a long way from completion of the overview study. Certainly no new impact study has been completed, submitted, reviewed, or approved.

Yet Congress is asked to appropriate construction funds for this project which to date has failed to meet a basic requirement of the Environmental Quality Act of 1969. We are asked, in effect, to approve the starting of a project when the Council on Environmental Quality has not approved or even considered an impact study which the law calls for. This is the issue, Mr. Chairman, not whether the project is meritorious.

To my mind, approval of these funds—or even the request for these particular funds—places this body in a peculiar and compromising position. If we approve this money, we will be stating, in effect, that the requirements we ourselves made into law may be ignored at will. We will be saying that a negative judgment by the Council on Environmental Quality is a meaningless gesture. We will be ignoring the very safeguards we wrote into the law.

I feel this is a critical issue. The people of this country are aware of the damaging effect on the human environment that certain actions by government can have. It is because of this awakening of the people to the massive damage which has been done already through approval of projects which are initiated through ignorance or disregard of potential environmental damage that Congress enacted the Environmental Policy Act of 1969. I feel we should not betray either our own consciences or the people's faith in the effectiveness of that law.

By approving this amendment we will uphold that act, and will be endorsing, by such a vote, the judgment of the Council. We will be strengthening both the law and the Council for the environmental challenges that are bound to arise in the years ahead.

We should not be a party to ignoring our own statutes. This is a bad policy and bad precedent.

MOTION OFFERED BY MR. EVINS OF TENNESSEE

Mr. EVINS of Tennessee. Mr. Chairman, I move that all debate on this amendment now cease and that we vote on it.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. du Pont).

The amendment was rejected.

Mr. MILLS of Maryland. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had intended to introduce an amendment at this point. However, I have talked with members of the committee, and I will forego the introduction of that amendment.

Mr. Chairman, I urge the restoration of $2,425,000 requested by the administration for the continuation of a project involving a detailed study of the Chesapeake Bay basin and the construction of a hydraulic model and technical center. The Chesapeake Bay is one of the Nation's richest natural resources. It is a little more than a stone's throw from our Nation's Capital. The pressures of man, the changes we have seen as a result of growth, and the intrusion of foreign elements into the bay itself threaten the very life of this majestic body of water.

In 1965 this House passed an authorizatior bill for the project under discussion. In 1967 that bill was amended to increase the authorization to cover the estimated amount needed as given by the U.S. Army Corps of Engineers. The project has been funded since the original authorization at the rate of about $300,000 per year for a total of $959,000. These moneys have been used by the Corps of Engineers to make the detailed study and prepare the blueprint for the project itself. The purpose of the model and technical center is to give direction for the salvation of the Chesapeake Bay. The problems involving the bay include pollution, dredging, shoreline stabilization, control of noxious aquatic weeds, recreational use, the commercial fishery, commercial navigation, the control of fresh water diversion and in general the very life of the bay itself. How can we in good conscience abrogate our national responsibility and allow this fantastic asset at the doorstep of the Nation's Capital to retrogress for the lack of adequate funding?

The report with the bill indicated the project was too large and I submit to you, Mr. Chairman, the size of the proposed model was thoroughly discussed and investigated at the time of the authorization. Engineers advised the 1,000-to-1 horizontal ratio and the 1-to-100 vertical ratio is the smallest possible scale where tides, currents, salinity and other aspects of the resource could be studied.

The legislation clearly indicates the National Government, the State governments, and local governments will have use of this effective tool for the purposes of giving overall planning to the future use of the bay itself. But in addition to all of this, the Chesapeake Bay supports thousands of jobs and other thousands are indirectly supported by the harvest from the bay. We have hardware stores, boat dealers, marina operators, banks, and so forth. At a time when unemployment is of national concern we must face up to every opportunity to assure that the future generations, as well as our present generation, will have this great national resource to work on. We cannot afford further delay. Storm drainage from the rains which amount to an accumulation of high bacteria runoff from the Capital itself ends up in the bays as does sewage and other human waste.

I speak not only for the First Congressional District of Maryland but for the entire Nation in my plea that you support this amendment which is directed toward saving the Chesapeake Bay.

Mr. GUDE. Mr. Chairman, I share the deep concern of my colleague from Maryland, Mr. MILLS, in regard to the reduction of the appropriation for the Chesapeake Bay model and study. I believe the merits of the need of the model as it relates to the preservation of the bay will well justify the restoration of the deleted money before this appropriation bill finally passes both Houses of Congress.

If anything, the need for the bay study and model is even more evident today than it has been in the past. I have carefully studied this type of hydraulic model. I have seen the San Francisco Bay hydraulic model in operation and am aware of its value in studying the complexities of currents, saline levels, tides, and all of the other variables which makes a large estuary, so difficult to analyze by any other means.

The committee has expressed its concern over the size of the model and let me say it will be a large one, but its scale is exactly the same as the San Francisco Bay model. Scientists and engineers affirm that such a scale is necessary to receive beneficial results from the tests which they would carry out.

In testifying before the Public Works Committee. I have pointed out the urgency of the completion of the bay model and study in order that the adverse environmental impact of manmade changes be detected and stopped before serious and irreversible harm is done to the bay's finfish, shellfish, wildlife, and recreational resources.

The model would be invaluable to study the fresh water flow from the Chesapeake to the Delaware Bay is now on the increase due to the enlargement which is being made in the Chesapeake and Delaware Canal.

I share the concern of marine biologists that the reduction of fresh water flow down to the lower bay can create havoc to our resources. Reduction of freshwater flow down the bay will reduce the rate of both outflow of surface waters and inflow of bottom waters at the mouth of the bay.

The overall increased salinity can damage shellfish. But the harm to finfish can be even greater. A reduction in rate of inflowing ocean water which occurs along the bottom will probably result in fewer of the larvae of ocean-spawned fish reaching the important productive estuary finfish nursery grounds. This can mean smaller catches of some varieties of fish up and down the whole eastern seaboard.

If diversions of fresh water were severely reduced in any one of the rivers feeding into the Chesapeake Bay the benefits of fish nursery areas could be even further curtailed. We need the bay model to analyze any such problem before they start. If productive, low salinity finfish nursery areas would be displaced up the Susquehanna or Potomac beyond the cordgrass marshes toward the head of the tide, fish yield would be severely curtailed. The fish would lose much of the benefit from the high food productivity of cordgrass and the low salinity zones would occupy a far smaller volume of water and far less productive stretches of the rivers. If freshwater inflow were reduced to the extent that salt water penetrated to the fall line, the spawning and nursery area of anadromous shad and striped bass would be eliminated altogether.

This bit of marine biology that I have accounted, demonstrates the complexities of estuaries—and the need for the tools to understand the problems of estuarine areas and how to deal with them.

When we speak of investing money into a Chesapeake Bay model and study we are speaking in terms of a tool to save one of the middle Atlantic's greatest economic and recreation areas.

It is with this in mind that I support my colleague from the First District of Maryland in efforts to restore the full amount of money which the administration has requested for the Chesapeake Bay study and model.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read the bill.

Mr. EVINS of Tennessee (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, beyond this point, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. Are there any further amendments to the remainder of the bill?

AMENDMENT OFFERED BY MR. ROBISON OF NEW YORK

Mr. ROBISON of New York. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

WATER RESOURCES COUNCIL

WATER RESOURCES PLANNING

For expenses necessary in carrying out the provisions of the Water Resources Planning Act of 1965 (42 U.S.C. 1962–1962d–5), including services as authorized by 5 U.S.C. 3109, but at rates not to exceed $100 per diem for individuals, and hire of passenger motor vehicles, $5,960,000, to remain available until expended, including $1,381,000 for carrying out the provisions of title I and administering the provisions of titles II, III, and IV of the Act, $979,000 for expenses of river basin commissions under title II of the Act, and $3,600,000 for grants to States under title III of the Act: *Provided*, That the share of the expenses of any river basin commission borne by the Federal Government pursuant to title II of the Act shall not exceed $250,000 annually for recurring operating expenses, including the salary and expenses of the chairman.

The Clerk read as follows:

Amendment offered by Mr. ROBISON of New York: Page 26, after line 6, insert:

SUSQUEHANNA RIVER BASIN COMMISSION

Salaries and Expenses

For expenses necessary to carry out the functions of the United States member of the Susquehanna River Basin Commission, as authorized by law (84 Stat. 1541), $50,000.

Contribution to Susquehanna River Basin Commission

For payment of the United States share of the current expenses of the Susquehanna River Basin Commission, as authorized by law (84 Stat. 1530, 1531), $75,000.

Mr. ROBISON of New York. Mr. Chairman, I believe this is a noncontroversial amendment, and I believe I can explain its purpose in about a minute.

The last Congress approved the creation of an interstate compact between the States of New York, Pennsylvania, and Maryland, to be known as the Susquehanna River Basin compact. The water-resource planning and coordination work envisioned under the compact is to be carried out by a commission, the members of which are the Governors of the three basin States and a Federal member, in this instance the Secretary of the Interior. But the commission requires a working staff and will have certain operating expenses.

As authorized in the compact legislation, $64,000 a year is to be available for purposes of paying the salary of the alternate—or working—Federal member and his administrative assistant. Since, however, the commission is just getting organized and the alternate Federal member not yet selected, I believe the $50,000 carried in the first part of my amendment will suffice for these purposes for the rest of this fiscal year.

The second half of the amendment provides—again as authorized last year—a Federal contribution of $75,000 this year toward the other operating expenses of the commission, and each of the three basin States, I understand, is prepared to contribute a matching $75,000.

The compact was approved too late last year to get these amounts in the budget, but I believe OMB has no objection to their inclusion, and it is important, Mr. Chairman, that the work of this new body get underway as soon as possible, for it, like the familiar Delaware River Basin Commission, can be of great value to the citizens of the Susquehanna River Basin.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. Mr. Chairman, this Compact has been authorized and a budget request for the funding of the Commission has been presented.

Mr. Chairman, the amendment will be accepted by the subcommittee.

Mr. ROBISON of New York. I thank the gentleman from Tennessee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ROBISON).

The amendment was agreed to.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I rise in support of H.R. 10090.

I would like to pay tribute to the full committee and the subcommittee for their work on this bill. My special thanks to my distinguished colleague from Massachusetts (Mr. BOLAND) and the distinguished gentleman from Arizona (Mr. RHODES), for their understanding and concern.

They were particularly sympathetic to my effort to win support for the item of $625,000 for an early start on the Fall River Harbor modernization project as well as the $20,000 for continued feasibility studies on the Westport River navigation project.

In the case of the Fall River project, it is rare when a city's destiny is so closely tied to one development like this. It is safe to say that this project could be the vital ingredient in the economic future of the city and all of southeastern Massachusetts.

It represents 13 years of effort among literally dozens of Federal, State and municipal agencies and industrial and civic organizations. It also represents a number of studies which have gathered dust over the years. I have made it my special project since I have been in Congress and we have begun to show real progress.

This is not just another harbor project involving the dredging of a deeper shipping channel. It is the city's untapped resource. It means jobs in Fall River. It is the keystone to a range of other waterfront improvements that will have sociological and psychological as well as economic and employment impact on the entire area.

The city of Fall River, despite financial problems, has committed funds for this project, and the Commonwealth of Massachusetts has also set aside money for contribution.

For these reasons, the benefits go far beyond the scope of the project. Officially the cost-benefit ratio is 3.5–1, but the long-term good that will flow from it is inestimable.

Approval of these funds will permit work to begin in May of next year after ecological studies have been completed.

That will mean a port that will be able to lead the area to a new era of growth and development. And, just as important, it will strike a note of hope and optimism that is curative in itself.

I urge the approval of this bill.

Mr. EVINS of Tennessee. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. ASPINALL), Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 10090) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian Regional Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1972, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. EVINS of Tennessee. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. EVINS of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 386, nays 4, not voting 43, as follows:

[Roll No. 221]

YEAS—386

Abbitt
Abernethy
Abourezk
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Aspin
Aspinall
Badillo
Baker
Baring
Barrett
Begich
Belcher
Bell
Bennett
Bergland
Betts
Bevill
Biaggi
Biester
Bingham
Blanton
Blatnik
Boggs
Boland
Bolling
Bow
Brademas
Brasco
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Byrne, Pa.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Carey, N.Y.
Carney
Casey, Tex.
Cederberg
Celler
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Collier
Collins, Ill.
Collins, Tex.
Colmer
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Culver
Daniel, Va.
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Derwinski
Devine
Dickinson
Dingell
Dorn
Dow
Downing
Drinan
Dulski
Duncan
du Pont
Dwyer
Eckhardt
Edmondson
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Gaydos
Gettys
Giaimo
Gibbons
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Grover
Gubser
Gude
Hagan
Haley
Hall
Halpern
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Harvey
Hastings
Hathaway
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hillis
Hogan
Holifield
Howard
Hull
Hunt
Hutchinson
Ichord
Jacobs
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kazen
Keating
Kee
Keith
Kemp
King
Kluczynski
Koch
Kuykendall
Kyl
Landgrebe
Landrum
Latta
Lennon
Lent
Link
Lloyd
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKay
McKevitt
McKinney
McMillan
Macdonald, Mass.
Madden
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Michel
Mikva
Miller, Ohio
Mills, Ark.
Mills, Md.
Minish
Mink
Minshall
Mitchell
Mizell
Mollohan
Monagan
Montgomery
Moorhead
Morgan
Morse
Mosher
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Konski
O'Neill
Passman
Patten
Pelly
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pirnie
Podell
Poff
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Pucinski
Quie
Railsback
Randall
Rangel
Rarick
Rees
Reid, Ill.
Reuss
Rhodes
Riegle
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
St Germain
Sandman
Sarbanes
Satterfield
Scherle
Scheuer
Schmitz
Schneebeli
Schwengel
Scott
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Spence
Springer
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Stokes
Stratton
Stubblefield
Sullivan
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Terry
Thompson, Ga.
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Udall
Ullman
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Wampler
Ware
Watts
Whalen
Whalley
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Young, Fla.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—4

Cleveland
Kyros
Reid, N.Y.
Ryan

NOT VOTING—43

Anderson, Ill.
Arends
Ashley
Blackburn
Bray
Carter
Chamberlain
Clay
Dent
Diggs
Donohue
Dowdy
Edwards, La.
Esch
Garmatz
Hébert
Horton
Hosmer
Hungate
Jones, Tenn.
Leggett
Long, La.
McClure
McCulloch
Metcalfe
Miller, Calif.
Moss
Nelsen
Patman
Poage
Pryor, Ark.
Purcell
Quillen
Saylor
Snyder
Stafford
Steiger, Wis.
Stephens
Stuckey
Symington
Van Deerlin
Williams
Yatron

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Arends.
Mr. Dent with Mr. Anderson of Illinois.
Mr. Garmatz with Mr. Bray.
Mr. Pryor of Arkansas with Mr. McClure.
Mr. Purcell with Mr. Carter.
Mr. Miller of California with Mr. Hosmer.
Mr. Jones of Tennessee with Mr. Nelsen.
Mr. Stuckey with Mr. Blackburn.
Mr. Stephens with Mr. Quillen.
Mr. Ashley with Mr. Esch.
Mr. Dowdy with Mr. Chamberlain.
Mr. Moss with Mr. Horton.
Mr. Leggett with Mr. Stafford.
Mr. Symington with Mr. Snyder.
Mr. Yatron with Mr. Saylor.
Mr. Patman with Mr. Steiger of Wisconsin.
Mr. Hungate with Mr. Williams.
Mr. Van Deerlin with Mr. Clay.
Mr. Edwards of Louisiana with Mr. Metcalfe.
Mr. Donohue with Mr. Diggs.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EVINS of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

RANCHING AND CONSERVATION

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, one of the regrettable legacies of a decade of violence has been an erosion of the legitimate employment of consensus in decisionmaking.

With an accent on the policies of dialectic and the rhetoric of adversaries, the requisite arena of common ground has been overshadowed.

Accompanying this adversary approach has been a tendency to polarize and categorize, resulting in stereotypes of exaggerated proportions.

I am pleased, therefore, to single out an example where the stereotype has been disproved and where the old fashioned process of seeking mutual interests and a common goal has realized progress.

In the pursuit of environmental objectives, there are categories of occupations which are automatically presumed to be insensitive.

When proposals for new wilderness areas are put forward, the assumption puts ranchers and timbering interests in the opposition camp, as if those who live off the land cannot appreciate efforts to preserve it.

A man who defies the stereotype is cattleman Art Fawcett, who has been waging a long struggle to designate as wilderness an area north of Laramie Peak in Wyoming.

Fawcett has a direct interest in the issue, since the headquarters of his ranching operation lie on the Roaring Fork at the edge of the desired wilderness area. As a former sawmill operator, he is not insensitive to the claims of those who prefer multiple use to wilderness restrictions.

Nonetheless, he has toured Wyoming, showing slides of the magnificent Ponderosa pines and has enlisted the support of the Wyo-Braska Boy Scout Council.

One of my first actions upon being sworn in was to introduce H.R. 1551 to designate Laramie Peak Wilderness Area.

This initial support was broadened on March 22, when the distinguished ranking minority member on the Interior Committee (Mr. SAYLOR) introduced H.R. 6496 to designate certain lands as wilderness, including Laramie Peak.

I know the committee members will share my gratification on the healthy introduction of a new kind of consistency in the ranks of the wilderness proponents and will join me in congratulating Art Fawcett for his public spirit and his energetic service to this worthy cause.

I direct the attention of all my colleagues to an editorial which appeared in the July 25 issue of the Casper, Wyo., Star-Tribune:

RANCHER-CONSERVATIONIST

The long uphill fight to create a "pocket wilderness" area on the north side of Laramie Peak has been won, largely through the efforts of a persistent rancher in the area.

Cattleman Art Fawcett, whose headquarters is on Roaring Fork at the edge of the scenic area, enlisted the support of conservationists in Casper, Laramie, Scottsbuff and other cities and towns in a campaign of several years to carve out the wilderness area.

The Wyo-Braska Boy Scout Council, with headquarters in Scottsbuff, joined the movement with vigorous support.

Despite opposition of the Forest Service from the start, and some business interest in his home community of Douglas, Fawcett enlisted the aid of Congressman Teno Roncalio, who introduced the bill creating the wilderness area.

The Forest Service pointed out that the area was too small to qualify for a wilderness area under the federal law, and pushed its own plan to open the area to roads and campsites so that the maximum number of people would benefit. The plan included building a $100,000 road to harvest $25,000 worth of Ponderosa Pine.

Fawcett countered that the Ashenfelder Basin north of Laramie Peak is one of the few unspoiled, untrampled areas in eastern Wyoming and should be left in its natural state for Boy Scouts, hikers and nature lovers. It's only a short hike from the perimeter into the heart of the area.

Providing roads and campgrounds would create the usual problem of policing the area for tin cans, garbage and other litter.

Few residents of the area can take advantage of the big wilderness areas in western Wyoming, so the Laramie Peak area is a "natural."

The tall, lanky rancher took color slides of the Ponderosa Pines, the flora and the fauna of the area, and showed them to outdoor groups; he took newspapermen and Sierra Club members on hiking tours, he talked on the radio and kept up a one-man crusade in the face of opposition from the Forest Service and logging interests in his own community. He had been a small sawmill operator at one time, but realized that the cost of harvesting Ponderosa Pine in this area was not justified.

As a rancher, he runs cattle in the area. But his rustic drift fences do not detract from the scenic and recreation values. And there is no overgrazing.

The story of Art Fawcett points up the fact that some of our best conservationists and ecologists are ranchers, and also realists.

FOOD STAMPS FOR DRUG TREATMENT PROGRAMS

(Mr. BADILLO asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. BADILLO. Mr. Speaker, I am pleased to introduce for myself and for the gentleman from California (Mr. HAWKINS), the gentleman from Hawaii (Mr. MATSUNAGA), the gentleman from Massachusetts (Mr. MORSE), and the gentleman from Illinois (Mr. RAILSBACK) a bill to amend the Food Stamp Act to extend its benefits to narcotics addicts participating in drug treatment and rehabilitation programs run by private, nonprofit organizations.

It is our plan to circulate this bill among our colleagues on both sides of the aisle with the hope of obtaining enough broad, bipartisan support to gain enactment during this Congress.

It is not my intention here to reiterate the tremendous costs our society is paying because of the scourge of drug abuse and drug addiction. We have learned, all too painfully, that addiction knows no neighborhood lines, no county or State boundaries, and no racial or ethnic distinctions. We see every day the toll the drug culture is taking in ravaged lives and terrorized communities.

In my city of New York alone, the experts say, there are more than 100,000 addicts. More than 1,000 of them were killed by drugs last year alone. One out of five of those were teenagers.

Efforts are being made to treat these addicts and to rehabilitate them. Not nearly enough is being done, although there are about 20,000 addicts involved in publicly supported programs in New York City. Cutbacks imposed on these programs by the State legislature and the inadequacy of efforts at the Federal level continue to inhibit the war against addiction.

The bill we are introducing today is a small, but significant step toward sustaining the drug treatment programs now underway in American communities. Not one of those programs is being adequately funded and all are staggering to make ends meet. Our bill provides assistance by making available to these groups and to their participants nutritious and varied foods at moderate cost. Both residential and nonresidential type programs would benefit since, while the main provision of our bill provides for a redefinition of the term "household" to include carefully defined therapeutic communities, it also allows addicts who are members of eligible households to use their stamps to purchase food prepared for them while they are participating in ambulatory programs.

I commend my colleagues from California, Hawaii, Massachusetts, and Illinois for their initiative and foresight in pressing for enactment of this legislation. I strongly urge our colleagues in the House to join this effort.

H.R. —

A bill to amend the Food Stamp Act of 1964 to provide food stamps to certain narcotics addicts and certain organizations and institutions conducting drug treatment and rehabilitation programs for narcotics addicts, and to authorize certain narcotics addicts to purchase meals with food stamps

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3(e) of the Food Stamp Act of 1964 (7 U.S.C. 2011 et seq.) is amended by inserting "(1)" immediately after "(e)", and by adding at the end thereof the following new paragraph:

"(2) The term 'household' shall include a group of narcotics addicts who live together under the supervision of a private nonprofit organization or institution for the purpose of regular participation in a drug treatment and rehabilitation program."

(b) Section 3 of the Food Stamp Act of 1964 is amended by adding at the end thereof the following new subsection:

"(n) The term 'drug addiction treatment and rehabilitation program' means any drug addiction treatment and rehabilitation program conducted by a private nonprofit organization or institution and approved pursuant to regulations prescribed by the Secretary of Health, Education, and Welfare."

(c) Section 5 of the Food Stamp Act of 1964 is amended by adding at the end thereof the following:

"(d) The Secretary shall establish uniform national standards of eligibility for households described in section 3(e)(2) of this Act."

(d) Section 5(c) of the Food Stamp Act of 1964 is amended by adding at the end thereof the following: "For the purposes of this section, the term 'able-bodied adult person' shall not include any narcotics addict who regularly participates, as a resident or nonresident, in any drug addiction treatment and rehabilitation program."

(e) Section 9 of the Food Stamp Act of 1964 is amended by adding at the end thereof the following: "Regulations issued pursuant to this Act shall provide for the redemption, through approved wholesale food concerns or through banks, of coupons accepted by any drug treatment or rehabilitation program pursuant to section 10(i) of this Act."

(f) Section 10 of the Food Stamp Act of 1964 is amended by inserting at the end thereof the following new subsection:

"(i) Members of an eligible household who are narcotics addicts and regularly participate in any drug addiction treatment and rehabilitation program may use coupons issued to them to purchase food prepared for or served to them during the course of such program."

UNEMPLOYMENT IN MASSACHUSETTS

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to preface my remarks delivered to a luncheon sponsored by the AFL–CIO Maritime Trades Department yesterday by underlining the seriousness and timeliness of the discussion involved. Yesterday's speech happened to coincide with newspaper accounts of the unemployment situation in Massachusetts. According to the latest figures for my State, the Commonwealth of Massachusetts, the number of unemployed in June was 211,900, up 28,600 from the previous month. This constitutes a 20-year high-watermark in unemployment in Massachusetts. Eight percent of the work force today is jobless. Engineers, scientists, and technical workers continue to search for jobs. In my own district, the city of Brockton now has unemployment rate of 9.7 percent. It is my contention that many of the lost jobs behind these unemployment figures have been lost, never to be regained again unless this country reexamines its foreign trade policies. This is a contention which is reinforced by an article on the front page of yesterday's edition of the New York Times which in bold type indicates that the United States may experience its first trade deficit since 1893. This is not a forecast by a spokesman for the party in opposition, but rather the prediction of a key spokesman for the administration in such matters, none other than the Secretary of Commerce, Maurice H. Stans. Already we have experienced the phenomenon of back to back trading deficits for the months of April and May.

This morning, the June figures made depressing breakfast table reading, indeed. Now, we have the phenomena of 3 months in succession with trading deficits. June registered a bigger trading deficit even than April or May, reaching $363.6 million. For the second quarter as a whole, there was an excess of imports over exports for the first time since the days immediately following World War II. The deficit for the second quarter stood at $803 million. This combined with a first quarter deficit of $372.3 million gives this Congressman little reason to believe that Secretary Stans' prediction will be borne out, based as it is on the hard fact of a trading deficit for the first half of this calendar year of $1,175 million. Meanwhile it is interesting to note that the same page in the New York Times reporting these dismal figures reported that U.S. multi-national corporations "borrowed a record $3 billion abroad last year to permit continuation of a record level of direct investment in foreign countries despite government control." There is definitely, in my opinion, a link between these two sets of figures. Action is needed and needed soon, as the following remarks argue most strongly:

UNEMPLOYMENT IN MASSACHUSETTS

American history is a proud history.

It's a proud history because so much has happened in so short a time.

From the settlement of thirteen colonies to the federation of 50 states, the process of growth—out of which history is made—has left us with a whole treasury of enduring principles, colorful stories, and subjects of pride—peculiarly American subjects.

Town meetings, for example.

We still have town meetings in Massachusetts.

And they're still as spicy, and colorful, and important as they've always been.

And baseball.

We're still packing them into Fenway Park.

And nobody needs reminding that the World Series is an *American* series, born and bred as a product of the American character.

But as Americans, we don't stop there, unfortunately.

We engrave other subjects . . . and other ideas onto the national consciousness or national memory, so to speak.

And once engraved, they become more and more difficult to smooth out, and polish down to their original lustre.

In fact, we let them become sacred cows.

Fat sacred cows, like "the right to a profit," and "freedom of competition."

Because, in many cases, right to a profit has become *unlimited* right to profit.

And freedom of competition has become *uncontrolled* freedom of competition.

I question, frankly, *their* so-called sacred nature.

And so-called untouchable quality.

And I *affirm* my right—and the right of every citizen—to question just what's happening today to the American economy, particularly in the all-important area of foreign trade.

Because of such sacred cows, we are becoming a nation whose principal export is the jobs of American workers.

The *jobs* get exported.

The workers stay home—and read in the morning paper about the corporate overseas transfer of their industry.

And the displacement of *their* jobs to another land.

Historically, the United States was a principal exporter of *goods,* not jobs.

Only seven years ago—in 1964—we exported almost 26 billion dollars worth of goods, and imported almost 19 billion dollars.

That left us with a favorable balance of trade of over 7 billion dollars.

By 1969, however, the decline in our balance of trade was incredible.

In that year, the United States exported over 37 billion dollars in merchandise, and *imported* 36 billion dollars worth—leaving us a favorable balance of only a little over *one* billion dollars.

And it's getting worse.

In both May and June of this year, America encountered trading *deficits* for the first time since before the Korean war.

I have to ask why?

And I have to question official policy that permits the situation to get worse.

That permits the addition every week of thousands more to the jobless lists.

That permits the elimination—each year—of thousands of American jobs.

Jobs that won't suddenly reappear when—or if—the United States economy picks up again.

They won't reappear because they're gone forever—filled by foreign workers who are working in many, many cases for American firms.

American firms as far as their headquarters is concerned . . . as far as distribution is concerned . . . or product servicing.

But *not* product *manufacturing.*

United States manufacturing has become the 8th wonder of the world—literally—since so-called multi-national firms are operating in more than 40 nations around the globe.

And the corporate *profits* of multi-national firms are the 9th wonder of the world—aided as they are by cheap wage costs, lack of effective—labor unions, extremely low foreign taxes, and an army of eager American consumers.

And what are the results?

The first and most obvious result is loss of American jobs.

The second result is higher prices for consumers, since the American manufacturer abroad—faced with little or no competition in the United States—may raise his prices, and up his profit margin with impunity.

The third result is only beginning to manifest itself, as more and more American workers—blue collar *and* white collar—lose their jobs, as they and their families drop largely out of the consumer market.

And when that happens in sufficient numbers—we will have set the stage for a far *worse* recession at home, and a full-blown trade war between competing nations and ourselves.

But we're *still* deluding ourselves.

Every day, more plants close down and transfer overseas.

Every day, more American workers lose their jobs.

Every month, prices continue to rise.

Every year the "free trade" lobby succeeds in placing blinders over the eyes of the Congress and the American people.

Nothing succeeds like success—and the perpetration of the free trade *myth* has been most successful.

And until we expose *that* myth for what it is, those of us who believe in a policy of *Fair* trade will continue to cry alone in the wilderness.

Because—while the idealism implicit in the free trade philosophy is commendable—the fact is, it doesn't work.

And it *can't* work in a world of fiercely competing political systems, cultures, and economies.

Consider, for a moment, what has happened since the close of World War II, after the incredible success of the United States' Marshall Plan in rebuilding the ruined economies and industries of the war-torn nations.

The success of the Marshall Plan was not only due to the vast amounts of money expended by the United States, but also to the development of certain economic stabilizing and protective devices which the Plan encouraged.

In other words, the United States fostered the development of *managed* economies aboard.

Managed economies, modeled after the most successful managed economy on the face of the earth—our own.

With one important difference.

The United States indirectly fostered the erection of certain barriers *against* free trade, within the nations receiving assistance.

No such encouragement was provided at home.

No such protection was afforded to *American* industry, and *American* labor.

No guarantees of *reciprocal* free trade were open to the United States.

In fact, we found ourselves in the position of freely opening our shores to foreign goods, and in many instances, being shut out of the export markets of countries which had accepted our assistance.

And so, beginning in the middle to late fifties and continuing to the present day, America has been flooded with a bewildering array of cheap foreign imports . . . forcing a reduction in the quality of many home-produced goods . . . forcing a drastic decline in the number of many historic American industries . . . forcing an unprecedented disappearance of American jobs associated with those industries.

The leather and shoe industries, for example, which are so important to my home state—we've seen the loss of 12,200 workers in shoe manufacturing alone in Massachusetts between 1960 and 1969.

And the list goes on.

The textile industry.

The automobile industry.

The clothing industry.

The electronics industry.

And, needless to say, those who have borne some of the greatest loss . . . the men of the American merchant marine.

For it's the maritime industry which suffers the most from the drowning of every additional industry under the high tide of foreign imports.

And it's the maritime industry which suffers the most from multi-national, "runaway" American plants.

And "runaway" shipping. And it's your industry and it's your union which suffers the most from "runaway" shipping and foreign-flag fleets.

So I think it's about time to lay the myth of free trade to rest.

It's about time to attack some sacred cows.

Like unlimited right to profits, and uncontrolled freedom of competition.

And let's return to a consciousness of our history.

Let's return to the principles which led to an orderly, progressive economy, and an orderly progressive foreign trade.

We have the ability, and we have the resources.

What we need now is the will.

The will to keep *our* citizens employed, and *our* industries producing.

And the will to restore the United States to her historic role as the leading exponent in the world of the principle of fair trade among nations.

FOREIGN TRADE ACT OF 1971

(Mr. BETTS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BETTS. Mr. Speaker, on my own behalf and that of the distinguished gentlemen who are joining me as cosponsors, I am today introducing a new, basic, effective foreign trade bill that I feel is very reasonable in its approach to the import problem. Consponsoring the bill are: Mr. BAKER, Mr. CONTE, Mr. DENT, Mr. MIZELL, Mr. SCHNEEBELI, Mr. SIKES, Mr. SLACK, Mr. WAGGONNER, and Mr. WYMAN. Briefly, the bill would repeal what appears to be meaningless remedies contained in the Trade Expansion Act of 1962. It would reinstate the peril point and escape clause procedures which existed and worked with reasonable effectiveness until they were repealed by the 1962 act. Because every President in power during the long history of the trade agreements legislation has demonstrated his reluctance to execute the policy of the Congress in safeguarding domestic industry and workers from import injury, the bill I am sponsoring today would make the findings of the Tariff Commission in escape clause cases binding upon the President.

I have modeled the escape clause closely after the language of the escape clause contained in GATT. The United States has an absolute right to escape from import injury under the conditions specified in article XIX of GATT. Accordingly, the escape clause which would be reinstated by the bill being introduced today is entirely consistent with the GATT escape clause so that its invocation could not provide the basis for any honest complaint by any trading nation.

In simplest essence, the escape clause which would be reinstated by this bill provides that upon the application of any industry or group of workers, the Tariff Commission must investigate and determine whether increased imports due in whole or in part to past tariff concessions have been a substantial cause of serious injury to a domestic industry or its workers. If the Commission finds such injury, it is required to determine the amount of increase in duties or other import restriction required to correct the injury. Its finding of injury and determination of relief would be final and binding upon the President. In other words, they must be placed into effect.

At present, under the escape clause, the Tariff Commission is charged with the duty of recommending the increase in duty or the imposition of quotas which it believes necessary to remedy serious injury caused a domestic industry by increased imports. Thus, the escape clause procedure, if adequately reformed as to its criteria for relief, constitutes an avenue for the imposition of quotas in those instances in which a domestic industry proves its entitlement to such relief in a full investigation by the Tariff Commission.

The current escape clause now provides at section 352 of the Trade Expansion Act authority for the President to negotiate international agreements providing for the limitation of imports in lieu of raising the duties or imposing quotas as found necessary by the Tariff Commission. If that provision were modified so that the President would be authorized to negotiate agreements for the limitation of imports whose provisions would supersede increases in duty or the imposition of quotas found necessary by the Tariff Commission after such remedies had been placed into effect, appropriate bargaining power for effective negotiations would be conferred upon the President.

Mr. Speaker, I am in favor of providing relief for any American industry or its workers that have been seriously injured by excessive imports. I feel that a general remedy as provided in this legislation will provide reasonable access to relief for our domestic industries and workers. This comprehensive or omnibus approach should meet with bipartisan support since commodities in virtually every section of the country have been affected by excessive imports.

In my State of Ohio in 1969, we had 41 industries with employment in Ohio in excess of 1,000 workers who suffered an absolute deficit in their balance of trade. In all, these industries employed in Ohio 325,000 workers. The aggregate balance-of-trade deficit experienced by the United States in products competitive with the output of these industries was in excess of $8.1 billion. Ohio is a great industrial State. If its home industries can be so severely impacted by imports, so, too, can the industries of the other States in our Union.

Proof of the adverse effect that cheap, low-wage foreign imports is having in my congressional district was dramatically pointed out earlier this year in my annual congressional questionnaire in which over 25,000 Eighth District residents responded. Of this amount almost 86 percent said that the time has come for restrictions on imports that are hurting American jobs and industries.

Mr. Speaker, at this point in my remarks I would like to supply some background which may be of interest to those who have occasion to study the bill.

The trade agreement authority was originally enacted into law in 1934 to enable the President to stimulate our acutely depressed economy through selective and reciprocal reductions in duty with our principal trading partners. The idea was that we could bargain for the reduction of tariff walls imposed by other countries on products which we had the ability to export, in exchange for a reduction of our tariff wall on products which those countries had the ability to export to the United States. Basically, it was believed that the products selected for negotiation would be those which would supplement the supply available to the nations in the negotiation without disrupting their domestic industries and commerce.

This authority was carefully used in bilateral negotiations until the advent of World War II disrupted world trade. In the aftermath of the war, we found that the legacy of victory included the responsibility to resurrect the ravaged economies of Japan and the European nations. As a nation, we spared no effort in discharging this responsibility. We combined massive infusions of foreign aid to rebuild the industries of these war-ravaged countries with repeated and deep reductions in U.S. import duties to provide markets for the recreated foreign industries.

By the late 1950's the nations of Europe and Japan had recovered their strength, their economies had been restored, and their people were busy in productive enterprise. In 1957, the six nations of the Common Market signed the Treaty of Rome, to be followed soon after by the entry of seven other European nations into the European Free Trade Association.

The nations of Europe turned to regional trading arrangements to exclude U.S. exports from free access to the strengthening European markets. They systematically erected barriers against Japanese exports. The United States fell back upon a heavy dependence upon the growth of its own market to sustain its economic vitality. Japan turned its foreign trade energies almost exclusively upon the United States.

The handwriting was on the wall when the Congress considered the Trade Expansion Act of 1962. There were already established clearcut trends which projected a steady loss of America's export position and a deep penetration of the American market by imports, especially from low-wage Asian nations.

Back in 1962, I noted these trends and sounded a warning in my additional views to the Ways and Means Committee report on the Trade Expansion Act of 1962. I stated that my concern was for the strength of our domestic economy. I warned that we could not afford to dismantle our tariffs and add trade deficits to the burden of our foreign military and economic aid and the cost of defending Europe. I warned that the deep tariff reductions authorized by the Trade Expansion Act of 1962 would lead to more unemployment.

In the floor debate on the Trade Expansion Act, I called attention to a basic problem of the bill; namely, the absence of effective safeguards. I recited the history of the escape clause and stated that I voted against the committee bill because it diluted, weakened, and emasculated the peril point and escape clause procedures at a time when, above all, effective safeguards would be more urgently needed than ever before. I stated categorically that the new procedures that were substituted by the Trade Expansion Act of 1962 for the tried and true escape clause which had been agreed to in discussions between President Truman and Senator Vandenberg would not lead to any helpful findings of serious injury from increased imports. I warned that we were breaking with our tradition of selective negotiations which would avoid injury to our domestic industries and that we were throwing overboard the means to correct mistakes which resulted in serious injury.

I think it would be useful to the many Members of this body who have been subjected to deep frustration in their inability and the inability of their constituents to get relief from job-destroying excessive volumes of imports. To quote from my remarks during the debate on the 1962 bill:

> Let the Members realize that if this bill is enacted, we are placing unprecedented power in the hands of the President while freeing him of any limitation designed to protect our domestic employment and industries from damage by imports. The state of our economy and the level of our unemployment is such that I, for one, have no confidence at all that a scheme of power such as represented by the bill before this House can lead to any benefits to the United States which will outweigh the widespread distress which is certain to occur to our domestic industries and their employees. [CONGRESSIONAL RECORD, Vol. 108, pt. 9, p. 12008.]

Mr. Speaker, I believe my remarks in 1962 have proven to be prophetic. Today the United States is running an absolute deficit in its balance of trade even when measured by the misleading accounting practiced by our Government in reporting foreign trade statistics. For several years we have been running a deficit in excess of $2 billion a year when foreign trade is valued in the same manner as practiced by most of the other trading nations of the world, and when we exclude from our exports our giveaway shipments of agricultural products.

The Trade Expansion Act of 1962 has provided no relief for industries severly injured by excessive import competition. The list of the injured industries is too extensive to cite here, but just an enumeration of the basic industries which have been badly damaged by imports and whose workers have suffered deep job erosion should give pause to the Members of this body: ceramic tile; electronic products such as radios, televisions, and components; china and earthenware; flat glass; textiles and apparel; basic steel; specialty and tool steel; footwear; motor vehicles; motorcycles and bicycles; toys; sporting goods; and a host of other industries. These industries have been deeply hurt and are clamoring for relief without practical avail.

Mr. Speaker, I believe it is time for Congress to face up to its responsibility under the Constitution to regulate our foreign commerce in the interest of the general welfare of the people of the United States. For too long investors and managers of domestic industries and their workers have been excluded from the concept of "the general welfare." For too long we have been more concerned about the general welfare of investors, managers, and workers in other countries and not sufficiently concerned about their counterparts in this Nation.

Mr. Speaker, I urge the Members of this body to give the bill which I am introducing today their careful and prompt attention. I am hopeful that the chairman of the Ways and Means Committee will give this matter the highest priority for committee consideration and that the administration will see fit to lend its support to this undertaking.

Mr. Speaker, in order that the text of this bill may be made available as promptly as possible to those who have an interest in foreign trade, I include the bill in full text following my remarks:

H.R. 10192

A bill to continue the expansion of international trade and thereby promote the general welfare of the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Trade Act of 1971."

TITLE I—EXTENSION OF THE PRESIDENT'S TRADE AGREEMENT AUTHORITY

SEC. 101. (a) Section 201(a)(1) of the Trade Expansion Act of 1962 (19 U.S.C. 1821 (a)(1)) is amended by striking out "July 1 1967" and inserting in lieu thereof "July 1, 1974."

(b) Section 201(b)(1) of the Trade Expansion Act of 1962 (19 U.S.C. 1821(b)(1)) is amended to read as follows:

"(1) decreasing any rate of duty—

"(A) in order to carry out a trade agreement entered into before July 1, 1967, to a rate below 50 percent of the rate existing on July 1, 1962; or

"(B) in order to carry out a trade agreement entered into after June 30, 1967, and before July 1, 1974, to a rate below the lower of—

"(i) the rate 20 percent below the rate existing on July 1, 1967; or

"(ii) the rate 2 percent ad valorem (or ad valorem equivalent) below the rate existing on July 1, 1967."

(c) Title II of the Trade Expansion Act of 1962 is amended by striking out "201(b)(1)" in section 202. 211 (a) and (e), 212, 213(a), and 221, and inserting in lieu thereof "201 (b)(1)(A)."

(d) Section 256 of the Trade Expansion Act of 1962 (19 U.S.C. 1886) is amended by adding immediately after subparagraph (7) the following new subparagraph:

"(8) The term 'existing on July 1, 1967', as applied to a rate of duty, refers to the lowest nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date or (if lower) the lowest nonpreferential rate to which the United States is committed on such date."

(e) Section 253 of the Trade Expansion Act of 1962 (19 U.S.C. 1883) is amended by adding immediately after subsection (d) the following two new subsections.

"(e) In the case of a trade agreement entered into after June 30, 1967, and before July 1, 1974, 'one-half' shall apply in place of 'one-fifth' and 'four-fifths', and '1 year' shall apply in place of 'in four equal installments at 1-year intervals', in subsection (a) of this section.

"(f) Subsection (c) shall not apply to reductions pursuant to a trade agreement entered into after June 30, 1967, and before July 1, 1974."

TITLE II—REFORM OF TRADE AGREEMENT PROCEDURES

SEC. 201. Section 221 of the Trade Expansion Act of 1962 (19 U.S.C. 1841) is amended by striking it out in its entirety and inserting in lieu thereof the following:

"(a) Before entering into negotiations concerning any proposed foreign trade agreement under section 201 of the Trade Expansion Act of 1962, as amended, the President shall furnish the United States Tariff Commission (hereinafter in this Act referred to as the 'Commission') with a list of all articles imported into the United States to be considered for possible modification of duties and other import restrictions, imposition of additional import restrictions, or continuance of existing customs or excise treatment. Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 201 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles the minimum increases in duties or additional import restrictions required. Such report shall be made by the Commission to the President not later than six months after the receipt of such list by the Commission. No such foreign trade agreement shall be entered into until the Commission has made its report to the President or until the expiration of the six-month period.

"(b) (1) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. If in the course of any such investigation the Commission shall find with respect to any article on the list upon which a tariff concession has been granted that an increase in duty or additional import restriction is required to avoid serious injury to the domestic industry producing like or directly competitive articles, the Commission shall promptly institute an investigation with respect to that article pursuant to section 301 of the Trade Expansion Act of 1962, as amended.

"(2) In each such investigation the Commission shall, to the extent practicable and without excluding other factors, ascertain for the last calender year preceding the investigation the average invoice price on a country-of-origin basis (converted into currency of the United States in accordance with the provisions of section 522 of the Tariff Act of 1930, as amended) at which the foreign article was sold for export to the United States, and the average prices at which the like or directly competitive domestic articles were sold at wholesale in the principal markets of the United States. The Commission shall also, to the extent practicable, estimate for each article on the list the maximum increase in annual imports which may occur without causing serious injury to the domestic industry producing like or directly competitive articles. The Commission shall request the executive departments and agencies for information in their possession concerning prices and other economic data from the principal supplier foreign country of each such article.

"(c) (1) Within thirty days after any trade agreement under section 201 of the Trade Expansion Act of 1962, as amended, has been entered into which, when effective, will (i) require or make appropriate any modification of duties or other import restrictions, the imposition of additional import restrictions, or the continuance of existing customs or excise treatment, which modification, imposition, or continuance will exceed the limit to which such modification, imposition, or continuance may be extended without causing or threatening serious injury to the domestic industry producing like or directly competitive articles as found and reported by the Tariff Commission under subsection (a), or (ii) fail to require or make appropriate the minimum increase in duty or additional import restrictions required to avoid such injury, the President shall transmit to Congress a copy of such agreement together with a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

"(2) Promptly after the President has transmitted such foreign trade agreement to Congress the Commission shall deposit with the Committee on Ways and Means of the House of Rperesentatives, and the Committee on Finance of the Senate, a copy of the portions of its report to the President dealing with the articles with respect to which such limits or minimum requirements are not complied with."

Sec. 202. Section 223 of the Trade Expansion Act of 1962 (19 U.S.C. 1843) is amended to read as follows:

"In connection with any proposed trade agreement under this title, the President shall afford an opportunity for any interested person to present his views concerning any article on a list published pursuant to section 221, any article which should be so listed, any concession which should be sought by the United States, or any other matter relevant to such proposed trade agreement. For this purpose, the President shall designate an agency or an interagency committee which shall, after reasonable notice, hold public hearings, shall prescribe regulations governing the conduct of such hearings, and shall furnish the President with a summary of such hearings. The members of such agency or interagency committee holding such hearings shall include the persons charged by the President with the responsibility of recommending to him the articles which should be the subject of offers referred to in section 224 of this Act, and those persons who shall comprise the United States delegation for the conduct of the negotiations for such proposed trade agreement."

Sec. 203. Section 241(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1871(b)) is amended to read as follows:

"(b) The Special Representative for Trade Negotiations shall, in the performance of his functions under subsection (a), seek information and advice with respect to each negotiation from representatives of industry, agriculture, and labor, and from such agencies as he deems appropriate. In addition, the Special Representative shall accredit representatives selected by each industry whose products are like or competitive with the imported articles which are the subject of trade agreement negotiations and from the labor organizations representing the workers in such industries, as advisers to the United States delegation for such trade agreement negotiations. The Special Representative shall accord such accredited representatives full opportunity to advise and consult with the United States negotiaors during the course of such negotiations. The Special Representative and his delegates, including the United States negotiators of such trade agreements, shall give full consideration and due weight to the advice of such accredited representatives."

TITLE III—REFORM OF THE IMPORT ADJUSTMENT AND ADJUSTMENT ASSISTANCE PROCEDURES

Sec. 301. Section 301 of the Trade Expansion Act of 1962 (19 U.S.C. 1901) is amended by striking it out in its entirety and inserting in lieu thereof the following:

"(a) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under trade agreements shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

"(b) (1) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon application of any interested party (including any organization or group of employees), the United States Tariff Commission shall promptly make an investigation and make a report thereon not later than six months after the application is made to determine whether any product upon which a concession has been granted under a trade agreement is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry, firm, or group of workers producing like or directly competitive products.

"In the course of any such investigation, whenever it finds evidence of serious injury or whenever so directed by resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, the Tariff Commission shall hold hearings giving reasonable public notice thereof and shall afford reasonable opportunity for interested parties to be present, to produce evidence, and to be heard at such hearings.

"Should the Tariff Commission find, as the result of its investigation and hearings, that a product on which a concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products, it shall recommend to the President the withdrawal or modification of the concession, its suspension in whole or in part, or the establishment of import quotas, to the extent and for the time necessary to prevent or remedy such injury. The Tariff Commission shall immediately make public its findings and recommendations to the President, including any dissenting or separate findings and recommendations, and shall cause a summary thereof to be published in the Federal Register.

"Should the Tariff Commission find, as the result of its investigation and hearings, that a product on which a concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the firm or group of workers producing like or directly competitive products, it shall report that fact to the President. The Tariff Commission shall immediately make public its findings and report to the President, including any dissenting or separate findings and recommendations, and shall cause a summary thereof to be published in the Federal Register.

"(2) In arriving at a determination in the foregoing procedure the Tariff Commission, without excluding other factors, shall take into consideration a downward trend of production, employment, prices, profits, or wages in the domestic industry concerned, or a decline in sales, an increase in imports, either actual or relative to domestic production, a higher or growing inventory, or a decline in the proportion of the domestic market supplied by domestic producers.

"Increased imports, either actual or relative, shall be considered as the cause or threat of serious injury to the domestic industry, firm, or group of workers producing like or directly competitive products when the Commission finds that such increased imports have contributed substantially towards causing or threatening serious injury to such industry, firm, or group of workers.

"(3) When in the judgment of the Tariff Commission no sufficient reason exists for a recommendation to the President that a concession should be withdrawn or modified or a quota established, it shall make and publish a report stating its findings and conclusions.

"(4) As used in this Act, the terms 'domestic industry producing like or directly competitive products' and 'domestic industry producing like or directly competitive articles' mean that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities. In applying the preceding sentence, the Commission shall (so far as practicable) distinguish or separate the operations of the producing organizations involving the like or directly competitive products or articles referred to in such sentence from the operations of such organizations involving other products or articles.

"(5) In carrying out the provisions of this section the President may, notwithstanding section 201(b) of the Trade Expansion Act of 1962, as amended, impose a duty not in excess of 50 per centum ad valorem on any article not otherwise subject to duty."

SEC. 302. (a) Section 351(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1901(a)) is amended by striking it out in its entirety and inserting in lieu thereof the following:

"(a) Upon receipt of the Tariff Commission's report of its investigation and hearings, the President shall proclaim such increase in, or imposition of, any duty or other import restriction on the article causing or threatening to cause serious injury to such industry as found and reported by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry; unless within 180 days of the date of the publication of the Tariff Commission's report the President completes the actions specified in section 352 of this Act."

(b) Section 351(c) of the Trade Expansion Act of 1962 (19 U.S.C. 1901(c)) is amended by striking it out in its entirety and inserting in lieu thereof the following:

"(c) So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 remains in effect, the Tariff Commission shall keep under review developments with respect to the industry concerned, and shall make annual reports to the President concerning such developments."

SEC. 303. Section 352(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1982(a)) is amended to read as follows:

"(a) After receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may, as provided in section 351(a), negotiate international agreements with foreign countries limiting the export from such countries and the import into the United States of the article causing or threatening to cause serious injury to such industry, whenever he determines that such action would be more appropriate to prevent or remedy serious injury to such industry than action under section 351(a)."

SEC. 304. Section 330(a) of the Tariff Act of 1930, as amended, (19 U.S.C. 1330(a)) is amended by striking out "shall be composed of six commissioners" and inserting in lieu thereof "shall be composed of seven commissioners"; and by striking out "Not more than three of the commissioners shall be members of the same political party" and inserting in lieu thereof "Not more than four of the commissioners shall be members of the same political party".

EQUAL RIGHTS AMENDMENT

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, it is always a pleasure and a delight to be able to support legislation which has as its basic ingredient the purpose of eliminating inequities and discrimination, as is the case in supporting House Joint Resolution 208 the equal rights amendment. The equal rights amendment having been designed to eliminate inequities and discrimination against women and men on the basis of sex.

It is even more pleasurable and a greater delight when the opportunity for this support is presented on a bipartisan basis.

So I am, indeed, pleased to announce that the Republican National Committee, meeting in Denver, Colo., on July 24, adopted a resolution urging passage of the equal rights amendment. This resolution also opposed any crippling amendments damaging to the wording or intent of House Joint Resolution 208 as it was introduced in this House last January, and as it was passed by Subcommittee No. 4 of the House Judiciary Committee.

I am grateful to Mrs. Gladys O'Donnell, president of the National Federation of Republican Women and to Mrs. Anne Armstrong, cochairman of the Republican National Committee, who were instrumental in initiating this resolution.

I am sure that this kind of support bodes well for near unanimous passage of the equal rights amendment in its, if you will pardon the expression, unemasculated and original form.

The resolution follows:

GOP URGES PASSAGE OF ERA

The Republican National Committee, meeting in Denver, Colorado, July 24, adopted a resolution urging passage of the Equal Rights Amendment.

In a move initiated by Mrs. Gladys O'Donnell, President of the National Federation of Republican Women, and Mrs. Anne Armstrong, Co-Chairman of the Republican National Committee, the GOP went on record approving the Amendment.

The resolution also opposed any crippling amendments damaging to the wording or intent of H.J. Res. 208 as introduced in the House in January of this year. The Amendment was also introduced in the Senate at the same time.

Action by the Committee was hailed by Mrs. Armstrong and Mrs. O'Donnell as a long stride forward in marshalling Republican support for the Amendment.

The ERA is designed to eliminate inequities and discrimination against women on the basis of sex. On April 29, 1971, it was favorably reported out of the Subcommittee of the Judiciary Committee * * *. In 1970 the amendment was forced out of Celler's committee by Congresswoman Martha W. Griffiths (D., Mich.) and supported by Congressman Gerald R. Ford (R., Mich.). It passed the House 350 to 15, but was withdrawn from the Senate when it was emasculated by amendments added by Senator Sam J. Ervin, Jr., (D., N.C.).

This year the House Judiciary Committee added 2 amendments which women's organizations claim destroyed the purpose of the bill.

Shortly after the August recess the bill is scheduled for debate and action in the House.

ONCE AGAIN THE WAR DRUMS ARE THROBBING AGAINST TOBACCO

The SPEAKER. Under a previous order of the House the gentleman from North Carolina (Mr. PREYER) is recognized for 10 minutes.

Mr. PREYER of North Carolina. Mr. Speaker, once again the war drums are throbbing against tobacco. The crusade against cigarettes is building in intensity. And the crusaders are again feeling the warm glow of self-righteousness as they plan how to do good for us by prescribing our personal conduct by Federal law, whether we like it or not.

I feel a growing sense of uneasiness as I contemplate the mood and implications of much of the smoking and health debate as it is being manifested in the Congress and in the mass media.

The Department of Health, Education, and Welfare is searching Madison Avenue for an advertising agency to mount a national antismoking campaign on radio, television, and the other mass media. Some legislators are developing bills to ban smoking in public places. Others are moving to remove price supports from tobacco. Ralph Nader has sought to ban smoking on interstate buses. Regulatory agencies are testing new restraints.

Some antismoking advocates are telling us that there are a lot of people who want to stop smoking but cannot, and therefore the Government should help them by setting tar and nicotine limits leading to prohibition by decimal point. Never mind that we have no idea what the limit should be; or that the Federal Trade Commission has prohibited low tar and nicotine cigarettes from calling themselves safer than high tar and nicotine cigarettes; or that some people may want high tar and nicotine cigarettes even if they believed them to be dangerous.

All of this crusading zeal is bringing pressure on Congress in an effort to get us to override the individual's freedom of choice. Truly, we are witnessing the work of a dictatorship of the self-righteous.

The temper and tone of this activity is more like a crusade rather than a dispassionate analysis of a difficult and complex problem about which there remains incomplete and even conflicting evidence from highly reputable sources.

Justice Brandeis said that "in every extension of governmental functions lurks a new danger to civil liberty." We need to weigh this danger against the value of the extension, even when the extension is well-intentioned as something "good for us." Our general anxieties in our new scientific age cause us to be fearful of all kinds of lurking scientific dangers. In "protecting" ourselves against these dangers let us remember that each new restriction takes away one more personal freedom. As an English newspaper said of the Royal College of Physicians' sweeping antismoking recommendations:

> All actions should be based on the concept that the Government is the servant, rather than the master, or the nanny, of its people. It can inform, warn, exhort, and set an example. In restricting and prohibiting it should move more cautiously.

Mr. Speaker, Congress needs more objective, impartial facts to hold the line of rationality against this flood of pressure.

The Public Health Cigarette Smoking Act of 1969 has not resolved the controversy surrounding smoking and health. It is important that Congress have the facts before it passes on any more legislation revolving around the cigarette controversy. The Surgeon General's report of 1964 and the subsequent annual reports to the Congress of the Surgeon General have not met this need. These reports are based on a "review of the literature" and not original research. While they include much statistical evidence linking cigarette smoking to health, this evidence is subject to differing interpretations. Many outstanding researchers of unassailable credentials believe it is a case of inconclusive evidence piled on top of inconclusive evidence to convince people that something they would like to believe is true.

We need a new, unbiased, completely scientific study of the relationship between tobacco and health, a study which will explore the great gaps in our knowledge in this field and which will take into account the new research evidence developed since 1964. Only in this way can we settle this controversy, satisfy all sides that they have been heard fairly, and have a basis on which to legislate intelligently in this field.

The need for such a study has been recognized by Robert Finch, former Secretary of HEW. He suggested such a study in April of 1969 and said:

> I believe that industry and government working together offers great promise of *finding the answers we need* (emphasis supplied). I am confident our joint effort will yield a cooperative research program which strongly promotes the public interest.

Yet nothing was done.

The House report to the 1969 act found that—

> On the basis of these hearings the committee concludes that nothing new has been determined with respect to the relationship between cigarette smoking and human health since its hearings in 1964 and 1965. The arguments pro and con with respect to cigarettes are the same now as then, though supported by a larger statistical base.

The implication is that the 1964 Surgeon General report needs updating.

The President's request for a $100 million program to conquer cancer also makes a new study timely.

Today I am introducing a bill to meet this recognized need and to carry out the intent of Congress. It would set up a commission to examine all available scientific data concerning the relationship between cigarette smoking and personal health in order to indicate areas in which further research and study are necessary. The Commission's mandate is to identify the gaps in our knowledge. The Commission is not asked to conduct research in these areas. In other words, the bill does not propose a massive research program costing a lot of taxpayers' money. Rather, it sets up an independent commission to identify those areas where our knowledge is inadequate. It would make a logical addition to the Conquest of Cancer Act.

The Scientific Commission on Smoking and Health would consist of seven members—each from private life and each a scientist. Three would be named by the President's Scientific Advisor and three by the tobacco industry. Because the legislation would require that the three nominated by one group be acceptable to the other, we will insure a commission of scientists respected by both sides of this controversy. A seventh member would be a scientist nominated by the six members mentioned above.

This group of respected experts in science would hear all the evidence, would subject research and those who do it to the scrutiny of their peers and, I am confident, answer the questions that bother so many of us today.

It, and its staff, would be independent of HEW or of any Federal agency.

It is an intelligent and a fair way to protect the interests not of any one group of people but of all the people.

I cannot easily suppress the misgiving that more intense denunciations of smoking and its alleged evils stem from deeply held moral and religious convictions that antedate by decades the recent scientific and statistical studies of smoking and health. But traditional religious views that hold the use of tobacco and alcohol to be intrinsically wrong are not the stuff of which our laws should be made. The history of the ill-fated prohibition amendment strongly suggests that our democratic process is not well served by national legislation designed to make the American people conform to some group's religious and moral convictions.

During the first session of the 91st Congress I spoke to the Congress concerning the gaps in our knowledge which disturbed me about the Surgeon General's reports, and also listed some of the new evidence which had been developed and which cast doubts on the Surgeon General's report of 1964. I attach an updated list of some of these still unanswered questions.

First. Why is cancer of the windpipe almost unknown when smoke passes through it to and from the lungs and it has the same lining as the lungs?

Second. What are we to accept as fact when expert witnesses testified regarding nicotine that, first, it constricts blood vessels; second, it expands blood vessels; and third, it has no effect on blood vessels?

Third. Why is the lung cancer rate in England twice as high as in the United States although Englishmen smoke about one-half as much per capita as Americans?

Fourth. Why does the Public Health Service blame cirrhosis of the liver on alcohol, and heart disease on smoking although their own 1964 study shows that the statistical association between cirrhosis of the liver and smoking is higher than that between smoking and heart disease?

Fifth. Why did the overwhelming number of witnesses who testified on the basis of their own research question any relationship between smoking and health while almost all of the contrary testimony came from people who based their statements on the opinions of others?

Sixth. Why is it that the raw data on which one of the most serious charges—that heavy smoking will shorten your life 8 years—is not released for independent evaluation?

Seventh. Why is it that, according to a Public Health Service study, smokers who have stopped smoking have more ill health than those who presently smoke?

Eighth. Though smoking by women has increased enormously in the last 40 years, why has lung cancer remained predominantly a disease of men, who contract it six times as frequently as women?

Ninth. Why does lung cancer occur primarily in the fifth, sixth and seventh decades of life, and does so in the smoker and nonsmoker alike, and does so whether you start smoking at six or whether you start smoking at 46?

Tenth. Has the Surgeon General considered the recent study in Europe of identical twins which shows that the death rate among smoking twins is no greater than that of the twins who do not smoke?

Eleventh. Has the Surgeon General considered the recent study by Dr. Ancel Keys of the University of Minnesota and partially funded by the American Heart Association, of more than 12,000 men from seven different countries that concluded that cigarette smoking cannot be involved as an explanation of the incidence of coronary artery disease among these people?

Twelfth. Why has the "dog study" of the American Cancer Society, trumpeted as making a causal connection between lung cancer and smoking in laboratory animals for the first time, since been downgraded and the extravagant claims first made for it been abandoned?

Thirteenth. Why did a recent study of patterns of lung cancer mortality among ethnic groups in Canada show that the lung cancer rate was highest among Jewish women, and yet Jewish women smoked less than others?

Fourteenth. Has the Surgeon General considered the current research that the development of emphysema may well be a result of enzyme deficiency in certain individuals which has nothing to do with smoking?

Fifteenth. Why is the death rate from lung cancer twice as high in large metropolitan areas than it is in rural areas, smoking habits notwithstanding?

The House joint resolution reads as follows:

JOINT RESOLUTION TO PROVIDE FOR THE ESTABLISHMENT OF A SCIENTIFIC COMMISSION ON SMOKING AND HEALTH

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas Congress determined in 1965 that the scientific evidence available permitted only the conclusion that there may be a relationship between smoking and health; and

Whereas the Committee on Interstate and Foreign Commerce of the House of Representatives held extended hearings during the Ninety-first Congress on the possible relationship between cigarette smoking and health similar to those held in 1964 and 1965; and

Whereas a substantial portion of expert testimony given at these hearings raised fundamental questions with respect to the validity of the conclusions of the 1964 Report of the Surgeon General's Advisory Committee on Smoking and Health; and

Whereas the Committee on Interstate and Foreign Commerce of the House of Representatives concluded in 1969 that nothing new had been determined concerning the relationship between cigarette smoking and personal health since its hearings in 1964 and 1965; and

Whereas the former Secretary of Health, Education, and Welfare, Robert Finch, stated in April, 1969, with respect to our understanding of the relationship between cigarette smoking and personal health, that "I believe that industry and government working together offers great promise of finding the answers we need."

Whereas published scientific reports have continued to question the validity of conclusions concerning the relationship between cigarette smoking and personal health; and

Whereas the subject remains a matter of great controversy and importance to commerce, the national economy, and the public good: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established a Scientific Commission on Smoking and Health (hereinafter referred to as the "Commission") to examine all available scientific data concerning the relationship between cigarette smoking and personal health in order to identify the strengths and weaknesses of conclusions drawn with respect to such relationship and to indicate areas in which further research and study is necessary in order to better understand such relationship.

SHORT TITLE

SEC. 2. This resolution may be cited as the "Smoking and Health Resolution of 1971".

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) The Commission shall be composed of seven members, each from private life and each a scientist (including but not limited to 5 medical doctors), as follows:

(1) Three appointed by the Science Advisor to the President of the United States;

(2) Three appointed by the tobacco industry; and

(3) One appointed by the other six members of the Commission.

(b) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(c) The Commission shall elect a Chairman and Vice Chairman from among its members.

(d) Five members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS

SEC. 4. The members of the Commission shall receive $100 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement or payment of expenses for travel solely from one point in the United States to another point in the United States incurred by them in the performance of such duties, but only if such reimbursement or payment does not exceed the actual cost of the transportation involved plus a per diem allowance for other expenses in an amount not in excess of the maximum allowance payable under section 5702(c)(1) of title 5, United States Code, for Government employees.

STAFF OF THE COMMISSION

SEC. 5. (a) In carrying out its duties under this Art, the Commission may—

(1) appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, personnel;

(2) prescribe the duties of such personnel; and

(3) fix their annual rate of pay without regard to chapter 51 (relating to classification), and sub-chapter III (relating to General Schedule pay rates) of chapter 53, of title 5, United States Code.

(b) In carrying out its duties under this Act, the Commission may utilize the services, information, facilities, and personnel of the departments and establishments of the Federal Government, and to procure the temporary or intermittent services of experts or consultants or organizations thereof by contract at rates of pay not in excess of the per diem equivalent of the highest rate of basic pay set forth in the General Schedule of section 5332 of title 5, United States Code, including payment of such rates for necessary travel time.

DUTIES OF THE COMMISSION

SEC. 6. (a) The Commission shall make a thorough and comprehensive investigation and study of all available scientific data concerning the relationship, if any, between cigarette smoking and personal health.

(b) The Commission shall submit a final and comprehensive report of its activities and the results of its investigation and study, including recommendations of additional areas of study which it determines to be necessary to a total understanding of the relationship, if any, between cigarette smoking and personal health, to Congress on or before twelve months after the date of enactment of this Act, at which time the Commission shall cease to exist. Such report shall propose such legislative enactments and administrative actions as in its judgment are necessary to carry out its recommendations.

POWERS OF THE COMMISSION

SEC. 7. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require by subpena or otherwise, the attendance and testimony of such witesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, of such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman or member.

(b) The Commission is authorized to secure directly from any department or establishment of the Federal Government information, suggestions, estimates, and statistics for the purpose of this Act; and each such department or establishment is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated to the Commission, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out its duties under this Act.

THE SHARPSTOWN FOLLIES—XXIII

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, around Sharpstown, in the multitudes of operations Frank Sharp controlled, money had a mysterious way of disappearing, never to be seen again. Sometimes what seemed to be money would float to the surface, but then it would disappear and never be seen again.

The Assistant Attorney General seems to have disappeared, like a bagful of Sharpstown State Bank loans.

Mr. Will Wilson has been reported to be in Mexico and in Hawaii, or just on vacation, or just not available to talk about his ties with Frank Sharp.

Now I do not think that Mr. Wilson has disappeared permanently. I do not think that he has vanished like so much of Frank Sharp's funny financial paper. But he certainly is nowhere to be seen. I wonder where he is? There are a great many questions that he needs to answer.

BALANCED BUDGET DREAM—RED INK REAL

The SPEAKER. Under a previous order of the House the gentleman from Florida (Mr. FUQUA) is recognized for 10 minutes.

Mr. FUQUA. Mr. Speaker, there seems to be little thought given to a balanced budget. Not only are we facing huge deficits in the coming years, programs already enacted by the Congress will devour all projected increases in Federal taxes in the coming few years.

This Nation is in serious financial condition. It is not just the Congress that is to blame, for there is too little concern on the part of the American people to reverse this trend.

There will come a day when this Nation will wish it had heeded the voices of those who are deeply and rightly concerned.

The Tallahassee Democrat, of Tallahassee, Fla., had an excellent editorial on July 19, 1971, about this subject. I am including it, as I think it should be read by the Congress and the American people:

BUDGET BALANCE FORSAKEN, RED INK FLOOD TO CONTINUE

Federal officials seem to have given up any thought of returning to a balanced budget where income is equal to the amount of spending. The future promises even more red ink than we have had in the past.

The inevitable result apparently will be more inflation. It is difficult to predict where it will end because of the enormous wealth of our nation. However, there is a breaking point, and our political leaders seem to be trying to find it.

The public debt at the present time is just about $400 billion. That works out to about $2,000 per person for every American. The interest on this debt which is paid out of tax money comes to about $400 a year for a family of four.

The debt isn't likely to be trimmed in the next five to 10 years regardless of who is put in the White House by the voters. The nation is committed to too many increasingly expensive programs. More may be on the way.

For instance, Social Security benefits are being expanded. Medicare costs are outrunning all expectations, and there are no indications that any change of direction is coming any time soon. Salaries of government workers continue to go up. Defense spending isn't about to level off, even without the Vietnam war costs.

Efforts are being made in Congress to put over a new welfare program that is sure to cost billions more than the present, unsatisfactory system. National health insurance is being pushed despite the astronomical price tag.

Many other programs designed to provide social aid are in the works. Some seem sure to be adopted. And the result will be increased spending. There seems to be no end, so it is no wonder the federal budget planners no longer give even lip service to a balanced budget.

Of significance is that every single dollar spent by the federal government, including the interest on all that money which must be borrowed, comes from the taxpayers in some way.

If we continue in this manner, the breaking point eventually will be reached. What this country desperately needs is more fiscal responsibility to insure we do not reach that point. Unfortunately, we are unable to spot any in either political party because the voters themselves are not ready for austerity.

THE LOCKHEED BAILOUT: PROTECTION FOR THE TAXPAYERS

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, when H.R. 8432, the Lockheed bailout bill, comes to the floor tomorrow, I shall offer an amendment designed to assure that the taxpayers and not the banks get the profit on the proposed loan. It is the taxpayers, after all, who will assume the very real risk on nonpayment if this loan guarantee scheme goes through, and they should get the profit. The banks will be making essentially risk-free loans, and the interest they get should be low enough to reflect that. If, for example, the banks are permitted to charge 6 percent, the taxpayers might receive a guarantee fee of 3 percent, bringing the total charge for the loan to Lockheed up to 9 percent. This 3-percent guarantee fee would give the taxpayers a return of some $37.5 million over the 5-year life of a $250 million guarantee.

In order to assure that there will be at least 10 minutes of debate on my amendment when H.R. 8432 is called up—as provided by House rule XXIII (6)—the text of the amendment follows:

Amendment to H.R. 8432 offered by Mr. Reuss: On page 8, strike lines 9–14, and insert in lieu thereof the following new subsection:

(c) (1) Loans guaranteed under this Act shall bear interest at rates determined by the Board.

(2) The Board shall prescribe and collect a guarantee fee in connection with each loan guaranteed under this Act. Such fee shall reflect the Government's administrative expense in making the guarantee and the risk assumed by the Government and shall not be less than an amount which, when added to the amount of interest payable to the lender of such loan, produces a total charge not less than the finance charge being charged by private lenders for loans of comparable risk and maturity.

On page 13, strike lines 5–8 and insert in lieu thereof the following new subsection:

"(b) Sums realized from the guarantee fee required by section 4(c) (a) shall be deposited in the emergency loan guarantee fund."

And renumber the following lines accordingly.

AN EDITORIAL CONCERNING THE GUARANTEE OF A LOAN TO LOCKHEED CORP.

The SPEAKER. Under a previous order of the House the gentleman from Rhode Island (Mr. St Germain) is recognized for 10 minutes.

Mr. ST GERMAIN. Mr. Speaker, an editorial concerning the guarantee of a loan to Lockheed Corp. has recently appeared in the Providence Journal, a well-respected and critically acclaimed newspaper in my district.

The editorial echoes many of my own thoughts and those of my constituents who have written counselling me against voting in favor of bailing out substantially mismanaged and unprofitable businesses. It summarizes several concepts expressed in the 18 individual and dissenting views contained in the report on the Emergency Loan Guarantee Act. I insert this editorial in the Record and commend it to the attention of my colleagues:

Lockheed's Props

The arguments advanced for government-guaranteed loans to the Lockheed Aircraft Corp. do not add up to a persuasive case.

It is argued that Lockheed will slip into bankruptcy unless the government moves in at once with a rescue effort. It is further argued that the collapse of Lockheed, the nation's largest defense supplier, would wipe out tens of thosuands of jobs, imperil the national security, and produce a shattering effect throughout the economy.

There is some substance behind each of these points. The deeply troubled Lockheed Corp. is poised near the brink of bankruptcy. If it should go over the edge, there unquestionably would be further layoffs at Lockheed plants with various unpleasant repercussions on the national economy.

The extent of these dire consequences, however, probably has been exaggerated by Daniel J. Haughton, board chairman at Lockheed, and by others supporting the government rescue effort. Bankruptcy for Lockheed would not mean demise of the corporation and total shutdown of its operations. Bankruptcy would simply mean that the present Lockheed management would have to step aside and let court-appointed trustees take over management.

A reasonable assumption is that most of the Lockheed operations would be continued under the trustees and that most of the Lockheed employes would be kept on their jobs. Indeed, high officials of the Pentagon have indicated that a Lockheed bankruptcy would have no seriously adverse effect on defense procurement. So much for the spurious argument about imperiling the national security.

The particular snag that has tripped up Lockheed at this juncture, after a lengthy series of managerial blunders including a two-billion-dollar overrun on the C–5A cargo plane, happens to be a difficulty involving a private, commercial venture, the L–1011 Tristar airbus. Lockheed officials insist they need the government-guaranteed loan of 250 million dollars to continue the Tristar project. Once that loan is in hand, they say, the Tristar program will move forward and Lockheed will emerge from its difficulties.

But if the Tristar is such a sure thing, and if a loan is all that Lockheed needs to climb back to profitability, why haven't the private bankers stepped forward with a private loan? Why can't this private venture be financed in the customary way without involving the government and the taxpayers?

The fact that the private bankers won't touch this matter with a 10-foot pole suggests that the risks are unduly high. One can only conclude that the taxpaying public is being prodded to buy into a questionable venture which the private bankers have rejected as much too risky.

Overshadowing all else, however, is the precedent which this program would impose on our free enterprise system.

Under our system, private companies accept both the risks and the rewards of doing business. If they are well-conceived, well-managed and competitive, they prosper. If they don't measure up, they fall by the wayside.

The pending bail-out program for Lockheed would rewrite the book. We are being asked to rush in with government aid to rescue a private corporation that has come on hard times because of inept management, lack of vision, or some other failing.

The precedent is ominous. It could mean that the government might be called upon in the future to rush in to save a failing airline, a mismanaged automobile company, steel plant or textile mill—indeed, any private enterprise, however poorly run, so long as it had the necessary political influence.

The risks are much too great along that road, and the precedent should not be established.

TAKE PRIDE IN AMERICA

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. Miller) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a nation. According to "Geography for Today," only about one-fifth of the United States is cropland—yet this amounts to 460 million acres, about 3 acres for every person. This is nearly six times as much cropland per person as you would find in India or China."

CONGRESS FLIRTING WITH DISASTER BECAUSE OF INACTION AND INDECISION TO BRING CURRENT RAILROAD DISPUTE TO AN END

The SPEAKER. Under a previous order of the House the gentleman from Michigan (Mr. Harvey) is recognized for 5 minutes.

Mr. HARVEY. Mr. Speaker, this Congress, like its predecessors, is flirting with disaster because of its inaction and indecision to help bring the current railroad dispute to an end. The current 13-day railroad strike is rapidly reaching intolerable, unacceptable limits. The administration has no reason, either, to be content or satisfied with its efforts to resolve the conflict.

As I pointed out in my testimony before our Subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce Tuesday, July 27, as the leadoff witness on the opening day of hearings on emergency strike legislation, it is quite possible that practically half of our Nation's rail service will be on "vacation" too, when Congress takes its scheduled summer recess on August 6.

Tomorrow, according to the previously announced plans by the striking United Transportation Union, four more carriers will be struck. That will bring to eight the number of railroads that are down. By August 6, five additional lines, swelling the total to 13, will be struck. If this happens, we in essence will have a nationwide strike. I trust that no Member is planning to take a railroad trip during the recess.

To dramatize the effects of the current rail situation, may I bring to your attention an advertisement in today's Washington Post, page C–13. I do so not to endorse the advertisement, but in order that you might gain an even greater insight of the effects of the rail strike as it exists today. After reading that 16,000 coal miners are idle in Virginia, West Virginia, and Kentucky; that the perishable vegetable market can lose $11.1 million daily; that 3,500 auto workers in Kansas will be sent home; that wheat is piling on the ground in Kansas and Nebraska; then I suggest you consider what a rail strike on August 6 will mean to our economy and to our people.

I would like to reiterate my strong opinion that the difference between the current so-called selective strike by the United Transportation Union and a complete national strike is almost impossible to discern. While I have always held that a strike is generally accepted as a basic right of the American worker, it is clear that the selective strike, as currently practiced, is little improvement over the national strikes which have occurred in the recent past in the railroad industry.

What is needed—and what is provided in the legislation which my 54 cosponsors and I have proposed and presented to the committee last Tuesday—is that the right to a selective strike be circumscribed with appropriate safeguards for the public interest. Both the burden of unlimited selective strikes and the threat of nationalization of our railroads require that this Congress find a solution to rail industry disputes—a permanent and an equitable one.

I am pleased that our Subcommittee on Transportation and Aeronautics has commenced hearings. I would sincerely hope that they will be expedited and that we will, in rapid order, see the emergence of sound and fair legislation that will finally serve the interests of all the people.

VENEZUELAN EQUINE ENCEPHALOMYELITIS

(Mr. MELCHER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MELCHER. Mr. Speaker, a joint meeting of the Livestock and Grains and the Oversight Subcommittees of the House Agriculture Committee yesterday held a hearing to advise members about the outbreak of Venezuelan equine encephalomyelitis. It is a matter of great concern to U.S. agriculture both because of the seriousness of the outbreak itself, and because of the threat that African swine fever, present in Cuba, might not be stamped out there before it spreads to the mainland. Mexico and the United States face a common threat posed by the presence of the devastating disease in Cuba.

My own concern about the situation was increased by yesterday's hearings. Both Mexico and the United States are now the unwilling victims of the Venezuelan virus of encephalomyelitis which infects horses, mules, burros, donkeys, and also man. First identified in Venezuela in the 1930's. Mexico was free of the disease until 3 years ago, and the disease, spread by mosquitoes, reached Texas a few weeks ago. The fact that during the past 3 years the disease could not be halted in Mexico is indeed regrettable, and when all the aspects are considered, we should have been able to weld a joint Mexico-United States program to have halted the spread of the disease within that 3-year span of expansion, an ever northward movement through Mexico. Our failure to have contained the disease there disturbs me, not only in connection with that disease but it also casts some doubts on our ability to contain other diseases that threaten us such as African swine fever and hoof and mouth disease.

We were advised yesterday that the United States had sent the impressive total of 950,000 doeses of VEE vaccine to Mexico, but it proved to be quite unimpressive when related to the number of equine in the country. The best estimate State Department could develop was about 15 million horses, burros, mules and donkeys in Mexico. The Departmnet spokesman felt there were only around half that number in the various areas where VEE is prevalent. Hence, if every dose of vaccine sent to Mexico plus the 1 million doses reportedly produced in Mexico by a Mexican drug firm was used, and there is an almost inevitable 10-percent waste, the vaccinations would have reach two in seven of the equine population in infected areas. If all equine were to be vaccinated, the vaccine supplied would reach only two in 15.

Whether it is two in 15 or two in seven or one in five of the Mexican equine, it did not do the whole job. You cannot stop an epidemic of a disease spread by mosquitoes without a thorough coverage of all the susceptible animals with vaccination.

I visited the area of VEE outbreak in Texas last week at the request of the chairman of the Agriculture Committee, Congressman W. R. POAGE, and I have submitted an account of my visit and some recommendations to members of the committee which I shall include in the RECORD at the end of these remarks.

It is imperative if we are going to stop VEE, and if we are going to have foolproof assurance that the very dangerous African swine fever will not spread to our country, that we develop a cooperative animal disease relationship and program with Mexico paralleling what was done to stamp out foot and mouth disease in that country. Legislation may be needed, as Department witnesses told us yesterday, but its absence does not prevent moving ahead right now.

Nor does it prevent immediate emergency measures to guard our shores against accidental importation of the dread African swine fever via pork products that might be in the luggage or belongings of Cuban refugees who come to the mainland. It takes only a strip of bacon, a piece of bologna or pork scrap from Cuba to bring it in.

My report to the Agriculture Committee follows:

REPORT TO THE COMMITTEE ON AGRICULTURE BY JOHN MELCHER ON INVESTIGATION OF VENEZUELA EQUINE ENCEPHALOMYELITIS

At the request of Chairman Bob Poage I made an on-the-spot inspection of the Venezuelan Equine Encephalomyelitis outbreak in Texas. The United States Department of Agriculture Task Force at Houston headed by Dr. R. E. Omohundro, Assistant Director of Animal Health, Agriculture Research Service, to coordinate the activities of all groups fighting the VEE epidemic is effective, hard-working and moving quickly to bring the disease under control. Their effectiveness depends on cooperation with other federal agencies, state and local government authorities and private veterinarians, physicians, owners of equine, and the general public in areas under quarantine. I found the cooperation with the Texas Animal Health Disease Commission led by the Chairman, Joe Findley and Dr. Sibley to be exemplary. It is my judgment that had the Task Force been in action in Mexico earlier with the cooperation of the Republic of Mexico that the spread of the disease would not have reached the United States. Although United States' efforts for an effective program have gotten off to a late start, there are a number of suggestions that should be considered by the Committee as recommendations for the Department of Agriculture and other federal agencies.

My conclusions about actions which should be taken are presented first and support for them will be listed later in the account of my findings. These conclusions are:

1. Get more TC83 vaccine ready as soon as possible and grant a conditional license for commercial production. (The Department of Agriculture Tuesday authorized Jen Sal and National Drug Company to produce vaccine for one year.)

2. The concern of the Republic of Mexico for a cooperative program with the United States on VEE control was demonstrated by President Echeverria's personal participation in the July 19 joint meeting at Matamoros, Mexico. United States interest in cooperative joint programs on this disease and African Swine Fever should be positively demonstrated by U.S. officials at least of Cabinet level participating in the conferences with the Republic of Mexico officials to institute and coordinate our efforts reflecting our concern for controlling these diseases which are threats to both Nations. The number of USDA veterinarians assigned

to the Aftosa Commission in Mexico should be increased immediately. Additionally, arrangements should be made through the Pan-American Health Organization and/or the United Nations Food & Agriculture Organization for surveillance teams to be stationed in Cuba to observe and advise all nations what they can do to assist in wiping out the African Swine Fever outbreak there, with our assurance that we will cooperate in every way possible to get the job done.

3. VEE diagnostic procedures in the field should be broadened immediately, following up with laboratory diagnosis. Too little is currently being done in this phase of the program.

4. Initiate VEE research programs at least in these fields:

a. Thorough evaluation of the vaccine.

b. Vectors that spread the virus.

c. Species of animals or birds that are hosts and/or carriers of the virus.

d. The most effective means of controlling the vectors.

e. Possible spread of the disease by humans.

5. Enlarge the spraying area along the Gulf states and farther north in Texas.

6. In the quarantine area assume the local government expense of spraying and control.

7. Increase the Rio Grande River Quarantine Enforcement Inspectors for surveillance of the border to prevent illegal entry of equine animals that might introduce the disease. There are only seven Quarantine Enforcement Inspectors to patrol the Rio Grande River border from El Paso to Laredo, a winding route of close to 2,000 miles of river and border shore. From Laredo to Del Rio assistance is received from the River Patrol Tick inspectors but from Del Rio to El Paso the inspection is very much understaffed.

8. Laboratory diagnosis of mosquitoes carrying the virus should be pursued well ahead of the present areas of infection in northern areas of Texas and also Louisiana, Oklahoma, Arkansas, New Mexico, Alabama, Mississippi and Florida.

9. A policy board should be created in the Department of Agriculture with authority to take preventive measures to control diseases that threaten the health of humans and animals without being blindfolded by budgetary restrictions or thwarted by the inertia of U.S. Department of Agriculture officials who, although high ranking and expert in their field, have little knowledge or experience with disease prevention and control.

10. Change regulations of the Department of Agriculture to permit research and development of vaccine for diseases that we do not have in this country but pose a threat to the United States if the disease is introduced here. This work must be conducted in a protected and controlled area such as Plum Island.

Costs—During the next two years nearly a hundred million dollars, both private and government, may be required by federal, state and local governments and by those people that become ill themselves or own equine that become diseased or die. This will likely be the case if we hold the disease within the area of the five quarantined states of Texas, Louisiana, Arkansas, Oklahoma and New Mexico. Each year that the disease persists will mean additional costs.

While estimates of costs now are inconclusive, we can now foresee that the following expenditures will probably be needed.

Costs of vaccine program in eleven states (the above five quarantined states plus six other states now designated by the Department of Agriculture for vaccination—Georgia, Florida, Alabama, Mississippi, Arizona and California) at $4 fee plus $1 handling and distribution costs—$20 million, plus replenishing the Department of Defense supply—$2 million; loss of equine animal through deaths and impairment to those that become ill but recover—$750,000; spraying costs, $30 million (This is the cost of spraying 30 million acres in 11 states four times. Spraying may not be done in all 11 states, but 30 million acres is a conservative estimate of what probably will be sprayed four times.); investigation and supervision of the U.S. Department of Agriculture, U.S. Public Health—$¼ million; laboratory work by U.S. Dept. of Agriculture, Communicable Disease Center, U.S. Public Health Service and state laboratories—$4 million; local government cost for quarantine order enforcement, public health costs, burial of dead horses—$250,000; private expenditures—medical and hospital costs of humans; and quarantine restriction of movement of equines, cancellation of rodeos, horse shows, race meets, etc., during the quarantine period, suspension of all horse sales, loss of use of equine, treatment of sick horses—in excess of $25 million.

This is a detailed report of my activities and findings during three days in the following areas:

July 20—Houston The Department of Agriculture Task Force headed by Dr. R. E. Omohundro, is alert, hard-working and thorough. The cooperation of the Texas Animal Health Commission is greatly expedited by the direct liaison with Chairman Joe Findley who is present and in direct and frequent contact (sometimes continuous) with the Task Force. The other four states under quarantine have been urged by the Department of Agriculture to have direct liaison with the federal Task Force at Houston by having their official representatives there. All phases of the vaccination and quarantine program and the mosquito spraying program are coordinated at Houston with this group. In my judgment this is essential, not only to effectively control the VEE outbreak, but also to communicate with all of the people in the other states concerning the disease in equines or the public health aspects of the disease.

Reporting of the cases of disease in all equines is compiled here and the follow up laboratory work is also coordinated through this office. Dr. Omohundro and his staff and the Texas Animal Health Commission staff have moved quickly and have received good cooperation from other state and federal agencies, county and city governments, private veterinarians, physicians, and the general public.

Up to and including July 27 the following data was available:

2,561 horses (sick calls); 309 herds (these figures do not include all examinations made by private veterinarians); 96 counties had investigation in five state area, 61 of these counties in Texas; 2,020 sick equine (If all equine examined by private veterinarians were included the number would be many times greater); 1,413 equine dead; 18 virus isolations in Texas; 57 hemagglutination inhibition in Texas; 1 positive Hi in Montgomery County which is north of Houston.

July 21—Area near McAllen and Mission, Texas in the Rio Grande River. I examined sick horses with veterinarians and talked with people on the field level concerning vaccinating horses and treating sick horses. I conferred with Congressman de la Garza concerning aspects of the disease control in the Texas Rio Grande area and the joint U.S., Mexico meeting held at Matamoros, Mexico, July 19 in which he had participated. This area in the very heart of the epidemic of VEE on our side of the border had hundreds of sick horses appearing soon after the 4th of July. Vaccination by this date July 21 had been in full swing for two weeks and 95 per cent of the horses were estimated by local veterinarians to have been vaccinated by this date. Reported deaths of equine were greatly decreasing by this date. With Dr. Jack Gray I examined a number of VEE infected horses. Symptoms vary with different horses but the following is a description of a typical case: a yearling filly showing symptoms of staggering, extremely depressed, elevated temperature, head drooping and lips quivering, difficulty in swallowing, eye membranes inflamed and rapid breathing.

Burial of dead horses in this area was accomplished promptly by county employees and county equipment. Dr. Gray had treated over 30 cases of VEE and had vaccinated approximately 400 horses.

None of the VEE infected horses that Dr. Gray had treated had blood samples taken for laboratory examination. It was apparent that more manpower is needed for the Department of Agriculture to follow up on taking the blood samples to be sent to the laboratory for examination.

July 22—Austin, Waco. I conferred with Dr. Sibley of Austin, the Executive Secretary of the Texas Animal Health Commission and Dr. Jack Pitcher, Assistant Veterinarian in Charge, Animal Health Division of the United States Department of Agriculture, Dr. Rich, head of the Texas Public Health Service, and Dr. Tom Fashinell, heading the United States Public Health Service Task Force for the Venezuelan Equine Encephalomyelitis outbreak in Texas. On July 27 the total number of sick humans in Texas was 130 patients under surveillance, 99 suspect, and 23 confirmed cases.

The effectiveness of the quarantine, principally the responsibility of Dr. Sibley and his staff, will be discussed later.

On the same day I checked the distribution of the vaccine and the effectiveness of the vaccine program in the Waco area to get an idea of how fast the vaccination program was coming along and how efficiently it was operating in an area where no actual cases had been diagnosed.

Dr. Sibley suggested that I talk to Dr. Fred Maurer, Associate Dean, Texas A & M University, at College Station, Texas. Dr. Maurer is one of the leading authorities on VEE and African Swine Fever. The latter disease is now prevalent in Cuba, invading the North American area for the first time and is a very serious threat to the swine industry of Mexico and the U.S. Rumors that African Swine Fever has been introduced to Mexico through hams and other pork products from Cuba have not been verified. But the possibility of introduction of the disease on the North American continent is a most serious threat. Dr. Maurer related that the laboratory at Texas A & M had recently checked blood from 20 horses of the King Ranch that had been immunized with Eastern and Western encephalomyelitis vaccine and six weeks later with Venezuelan Equine Encephalomyelitis vaccine. All these horses developed good immunity against VEE. Dr. Maurer recommended that the Department quickly grant a conditional license for the commercial production of the vaccine.

He passed this recommendation on from knowledge of the work done in Columbia in 1968 last year, work done at the CDC, and the recent work done at A & M indicated that TC 83 is an effective and safe vaccine for equine.

At Waco, I found that the distribution of the vaccine was by this date efficient and that the local veterinarians estimated that 75 per cent of the horses in the area had already been vaccinated.

The overall program for controlling the disease in Texas and the other surrounding states is four phased:

1. Diagnostic examinations in the field and at the laboratories.

Out of 167 blood examinations of horses as of 7/27/71, there were 75 positive on serum or virus examination. Split samples are sent to CDC and the USDA Animal Disease Laboratory at Denver, the serum to CDC and the clot to Denver. A daily reporting system of all sick or dead horses has been set up and is in operation. Public Health Service at Austin compiles the reports on human cases. There is a prohibition against rendering companies picking up the carcass. They are either burned or buried.

2. Quarantine of equines.

Texas first imposed a premise quarantine and now has modified the quarantine to permit horses to be taken to the Veterinarian to be vaccinated and then returned home.

The quarantine is in effect on horses for 14 days following vaccination and requires a thorough health inspection including temperature readings at the end of the time before a horse can be moved out of the state. Louisiana, Arkansas, Oklahoma and New Mexico have similar quarantines.

VACCINATION—TC 83 VACCINE DISTRIBUTION

Texas—684,000; 95,000 more needed (Joe Findley, Chairman of the Texas Animal Disease Commission indicates that an additional 200,000 will be needed beyond that for Texas).

Louisiana—80,000; 23,000 coming later.

Arkansas—105,000 total needed and being shipped.

Oklahoma—160,000; 41,000 coming later.

New Mexico—100,000 available.

The Department of Defense is holding 100,000 for emergency needs for humans—45 days or more to be prepared.

The number of horses vaccinated as of July 27 is as follows:

43,591 vaccinated in Arkansas, 118,246 vaccinated in Louisiana in four days, 31,655 in New Mexico, 183,952 in Oklahoma. Texas—well over a half million.

With the owners bringing the horses to the veterinarians, the vaccination program is going faster. Many veterinarians that limit their practice to small animals are participating in this emergency equine vaccination program.

Dr. Gray has noted that of the horses which had been vaccinated very few became sick. Most of the horses he has treated for V.E.E. had been vaccinated four to nine days previous to showing symptoms of the disease. One, however, had come down with V.E.E. twelve days after vaccination, Dr. Gray believes the vaccine is effective.

Dr. Kerr vaccinated 37 horses out of 40 at a McAllen stable. Three horses wnose owner was not available to grant permission for vaccinating his horses were not vaccinated, later became sick with V.E.E. and died while the 37 vaccinated horses remained healthy.

Distribution of vaccine in Texas by July 21 had for the most part become efficient and satisfactory. Thirty-five depots were established at points around the state where USDA personnel mixed 100 dose vials of TC83 vaccine in 10 dose size bottles. (The viability of the vaccine when mixed required that it be used within 12 hours.

Another 35 or more sub-distribution centers for the vaccine was established by the cooperative efforts between Texas Animal Health Commission and the USDA. Veterinarians picked up the vaccine at distribution points and after the first time, employees or couriers designated by a veterinarian were authorized to pick up the vaccine. By July 20 over 400 Texas veterinarians were engaged in the vaccination program but it is apparent that nearer to 800 will be assisting in the program. At every area I visited in Texas these veterinarians who limit their practice to small animals were assisting in this emergency vaccination program.

In the Rio Grande Valley areas near Brownsville and McAllen, 90–95% of the equines were vaccinated by July 21. In the Houston area similar results were noted and in the Waco area 75% of the equines were vaccinated as of that date.

The Texas Animal Health Commission under Dr. Sibley and Joe Findley were effectively and efficiently carrying on the vaccination program and maintaining the quarantine.

4. MOSQUITO SPRAYING

As of July 21, 7 million acres and Louisiana were programed for spraying by airplane. The only area in Louisiana at this date was Cameron parish and north into the parish around Lake Charles. There are four zones in Texas along the Gulf: one million acres in the Brownsville and Rio Grande area. Corpus Christi has 1,000,000 acres in the spraying area with nine airplanes. Ellington Air Force Base has two areas to spray—one with 2.4 million acres and another with .9 million acres. In all of the areas except the second Ellington area malathione is used at the rate of 3 fluid ounces per acre. In the second, dibrom, a product of Chevron, is used at the rate of ¾ fluid ounce per acre. Replying to the question of DDT, it is thought at present by the entomologists that it would have to be put out in great quantities and that it would slow them down because it would have to be used in the diluted form. Honeybees are susceptible to both malathione and dibrom but all owners are being notified to cover their hives prior to the time of spraying.

Strong winds blowing inland from the Gulf could carry mosquitos inland, 200 miles it was estimated by government entomologists.

Cost of spraying is estimated now for 7½ million acres double sprayed at $4 million, 25 cents an acre for commercial and 19 cents an acre for the Air Force. (Commercial is done by contract spraying with private sprayers)

Quite likely additional acreage will be added to the area to be sprayed.

PRO BASKETBALL NEEDS MERGER AUTHORITY

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCLORY. Mr. Speaker, I am today introducing a bill which would authorize the merger of the two major leagues in professional basketball—the National Basketball Association—NBA—and the American Basketball Association—ABA. The measure which several of my colleagues and I propose will bring economic stability to teams now facing the possibility of financial ruin and will restore balanced competition in the recruitment practices of all professional basketball teams.

Inasmuch as the bill which we are sponsoring will grant a limited exemption from the antitrust laws for the sole purpose of a merger, it is important that a full exposition of the events leading to this extraordinary remedy be set forth.

But first, Mr. Speaker, it is essential to point out that the proposed bill would not give the merged league immunity from any Federal antitrust prohibitions now applicable to the activities of the two leagues as separate entities. No authority other than permission to form a single league is involved. It is important to keep this in mind as a broader exemption would, indeed, violate the letter and spirit of our antitrust laws—and such a provision would certainly not have my support. Furthermore, by granting this limited exemption, Congress would be giving only that minimum authority to merge which was granted to professional football in 1966.

Mr. Speaker, in a recent article appearing in U. S. News & World Report, July 5, 1971, the financial problems facing all professional sports were analyzed and compared, and the point was well made that of all team sports, basketball is having the most serious financial problems. In fact, only three out of 28 teams in the two big leagues are reportedly operating at a profit. One reason for this economic plight is that professional basketball players are the most expensive commodity in the sports world. In order to obtain their services, it has become necessary for team owners to offer the most phenomenal—and inflationary—multiyear contracts to rookie players on an annual basis. I have learned, for example, that one club recently entered into a contract with a graduating college player providing for $2 million in salary payments. That club must sell one-half million tickets to recover those salary payments—an obligation which represents twice the number of tickets sold by the club during the entire 1970–71 season. As a further example, I might point out that the highest paid basketball player is reportedly earning about $250,000 a year. This young man's counterpart in baseball is the great Carl Yastrzemski, who earns slightly more than $165,000 per year.

Mr. Speaker, without an end to the annual bidding war for those rookies of superstar potential, balanced competition in professional basketball is doomed. The action which my colleagues and I are proposing would benefit not only the team owners in the two major leagues, but also the players themselves. No player can feel secure in his financial status if he must worry that his team or league will be faced with bankruptcy.

Mr. Speaker, 23 States boast of one or more professional basketball teams. Because of the intense interest in the future of this great spectator sport, I am inserting in the CONGRESSIONAL RECORD a list of those States having professional basketball teams together with the host city or cities of each team.

Finally, Mr. Speaker, I encourage my colleagues to inquire closely into this legislation and would welcome the support of all who wish to join with my colleague from Texas, Mr. BROOKS, my colleagues from New York, Mr. SMITH and Mr. KEMP, and my colleague from Indiana, Mr. JACOBS, with whom I am joining today in sponsoring this legislation. A copy of the bill and a list of professional basketball teams is attached at the conclusion of the remarks.

PROFESSIONAL BASKETBALL TEAMS

Arizona—Phoenix Suns (National Basketball Association).

California—San Francisco Warriors (NBA).

California—Los Angeles Lakers (NBA).

Colorado—Denver Rockets (ABA).

Florida—The Floridians (ABA); serving Miami, Tampa, Jacksonville, West Palm Beach.

Georgia—Atlanta Hawks (NBA).

Illinois—Chicago Bulls (NBA).

Indiana—Indiana Pacers (ABA); serving Indianapolis.

Kentucky—Kentucky Colonels (ABA); serving Louisville.

Maryland—Baltimore Bullets (NBA); serving Baltimore and College Park.

Massachusetts—Boston Celtics (NBA).

Michigan—Detroit Pistons (NBA).

New York—New York Knickerbockers (NBA).

New York—New York Nets (ABA).

New York—Buffalo Braves (ABA).

North Carolina—Carolina Cougars (ABA); serving Charlotte, Raleigh, and Greensboro.

Ohio—Cincinnati Royals (NBA).

Ohio—Cleveland Cavaliers (NBA).

Oregon—Portland Trail Blazers (NBA).

Pennsylvania—Pittsburgh Condors (ABA).

Pennsylvania—Philadelphia 76'ers (NBA).

South Carolina—Carolina Cougars (ABA); serving Columbia and Greenville.

Tennessee—Memphis Pros (ABA).

Texas—Houston Rockets (NBA).

Texas—Texas Chaparrals (ABA); serving Dallas, Lubbock, and Fort Worth.

Utah—Utah Stars (ABA); serving Salt Lake City.

Virginia—Virginia Squires (ABA); serving Hampton, Norfolk, Richmond, Roanake.

Washington—Seattle Supersonics (NBA).

Wisconsin—Milwaukee Bucks (NBA); serving Milwaukee and Madison.

H.R.—A bill to authorize the merger of two or more professional basketball leagues

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That Section 1 of the Act of September 30, 1961 (75 Stat. 732), as amended by Section 6(b)(1) of the Act of November 8, 1966 (80 Stat. 1515), is further amended by inserting in the second sentence thereof following the phrase "two or more" the phrase "professional basketball leagues combine their operations in an expanded single league, if such agreement does not decrease the number of professional basketball clubs so operating and the provisions of which are directly relevant thereto or to a joint agreement by which the member clubs of two or more".

RAILROAD TRANSPORTATION AND SHIPPING CRISIS

(Mr. DON H. CLAUSEN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DON H. CLAUSEN. Mr. Speaker, the current railroad crisis, although not nationwide as yet, has, potentially, disastrous national implications.

This country's economy, which was on its way to rebounding from last year's downturn, is now faced with the possibility of a complete reversal of this trend and, in fact, could lead to a severe economic recession, if the strike is allowed to continue on the schedule that has been announced.

Moreover, thousands of people are being put out of work and plant shutdowns are being announced almost hourly. Loadings of lumber and forest products are down nearly 70 percent and truck transport has been unable to take up the slack. Responsible officials representing forest products and the pulp and paper industry have announced that, if six more lines are struck on Friday, as scheduled, most operations will be forced to shut down by the end of next week.

Already, wheat and other farm products are being stockpiled throughout the country and millions of dollars of fresh foods and vegetables are being left to rot. California growers have estimated the losses to the State at $3 million per day.

The United Transportation Union has rejected the administration's Labor Department request to submit the unresolved issues to voluntary binding arbitration, and negotiations have almost come to a complete halt.

The issue is clear. Immediate action must be taken by the Congress to legislatively call a halt to this devastating strike, prior to our adjournment for the August recess. In my judgment, Congress cannot, in all good conscience, leave Washington on its summer recess in the face of what will soon be a nationwide rail crisis.

Mr. Speaker, I call upon the President to immediately send to the Congress emergency legislation to put the railroads back in operation and, at the same time, I urge the Committee on Interstate and Foreign Commerce to hold immediate hearings on such legislation, so that we can act prior to the August 6 recess date.

In addition, I call upon the Committee on Interstate and Foreign Commerce and its counterpart in the Senate to move expeditiously on a permanent solution to this longstanding problem, such as that which was sent to the Congress by the administration in early February and on which no substantial action has been taken.

Let me make this point crystal clear: If this issue is not resolved, and resolved immediately, I might add, this Nation will be feeling the economic consequences for many months to come, regardless of the administration's efforts to revitalize the economy.

RESULTS OF QUESTIONNAIRE

(Mr. GERALD R. FORD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GERALD R. FORD. Mr. Speaker, last month I sent out my 1971 questionnaire to every household in my congressional district—the Fifth District of Michigan—and meantime I have received nearly 16,000 responses.

The results of my questionnaire are most interesting. A substantial majority appear opposed to fixing a date for complete withdrawal from Vietnam without regard for the impact on negotiations. Nearly 50 percent—49.3—support President Nixon's policy of gradual withdrawal while seeking to negotiate. A smaller number—13 percent—favor increasing our military effort in hope of achieving victory in Vietnam. Only 33.3 percent favor withdrawal by a date certain regardless of the consequences.

In answer to a related question, 65.5 percent said they favor keeping a residual force in Vietnam until all American prisoners of war are released.

With the permission of the House, I will place the complete results of my congressional poll in the Record at this point. The poll results follow:

[In percent]

	Yes	No	Other
1. Do you favor Federal deficit financing to stimulate the economy?	26.62	66.41	6.97
2. Should the Federal Government impose strict controls on wages and prices?	53.64	41.62	4.74
3. Should the Federal Government expand efforts to control air and water pollution even if this costs you more in taxes and prices?	68.28	27.53	4.19
4. Should the executive branch of the Federal Government be reorganized and the number of cabinet departments reduced from 11 to 8?	68.69	20.40	10.19
5. Do you favor Federal legislation requiring "unit pricing" of food items so you can compare the cost per pound, ounce, etc. of the various brands?	77.48	19.04	3.48
6. Should food stamps be made available to those idled by a labor-management dispute?	16.72	80.46	2.82
7. Should we keep a residual force in Vietnam until all American prisoners of war are released?	65.51	27.83	6.66

MULTIPLE CHOICE

	Percent
8. On Vietnam, what is the best policy? Pick one.	
A. Increase our military effort in hope of achieving "victory"	12.98
B. Withdraw U.S. troops on a monthly basis while continuing negotiations aimed at a political settlement	49.34
C. Withdraw all U.S. forces from Vietnam by a fixed date regardless of the effect on negotiations	33.28
Other	4.40
9. On State and local problems, what is the best answer?	
A. Return a percentage of Federal income tax revenue to the States and local units to hold down local taxes and help solve local problems	37.73
B. Increase State and local taxes and cut Federal income taxes	25.51
C. Increase the funding for over 550 Federal grant programs, with local government matching funds required	7.27
D. Have the Federal Government take over all welfare costs and pay this cost from Federal taxes	13.94
Other	9.19
Multiple	6.36
10. On welfare, which is better?	
A. Keep the present system	6.92
B. Adopt a Federal minimum income for families with children and enact a work or job training requirement	81.62
Other	11.46

ISRAELI DESALINATION PLANT

(Mr. RYAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, the need for supplies of fresh water in the Middle East is a very serious one. It is similarly going to be a matter of concern in our country in the very near future. Consequently, the joint Israel-United States prototype water desalination plant authorized by the Foreign Assistance Act of 1969, Public Law 91–175, is a particularly beneficial endeavor.

The joint project would result in the construction of a plant, for which the United States would bear no more than 50 percent of the costs, or $20 million, whichever is less. It would produce not only fresh water, but several hundred megawatts of electricity daily, as well. The technology developed would be fully available to the United States, while Israel would benefit from the water and power produced. In addition, the construction of the plant would serve as an object lesson of the beneficial ends to which our foreign aid program can be put. Hopefully, this illustration of a beneficial program would be a significant factor in encouraging Israel's neighbors to turn to the pressing domestic needs of their peoples, and away from war.

Thirty-one Members of the House have joined me in cosponsoring legislation to fund this plant. The 31 are:

Mrs. Abzug, Mr. Adams, Mr. Anderson of Illinois, Mr. Badillo, Mr. Bell, Mr. Brasco, Mr. Cleveland, Mr. Corman, Mr. Collins of Illinois, Mr. Dellums, Mr. Drinam, Mr. Eilberg, Mr. Frenzel, Mr.

FULTON of Pennsylvania, Mrs. GRASSO, Mr. HALPERN, Mr. HARRINGTON, Mr. HATHAWAY, Mr. KOCH, Mr. KYROS, Mr. LENT, Mr. MIKVA, Mr. MOORHEAD, Mr. PODELL, Mr. RANGEL, Mr. REES, Mr. ROSENTHAL, Mr. SARBANES, Mr. SCHEUER, Mr. VANIK, and Mr. WALDIE.

CHILDHOOD LEAD POISONING

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, the House on July 27 rejected an omnibus amendment offered by our distinguished colleagues from Illinois (Mr. YATES) and Massachusetts (Mr. CONTE) which would have provided an additional $5 million to fight childhood lead poisoning over and above the $5 million embodied in H.R. 10061, the fiscal year 1972 appropriation bill for the Department of Health, Education, and Welfare.

While the amendment was defeated, the large vote it received should be taken, I believe, as a signal by the Senate that it should, in fact, provide funding far in excess of the $5 million embodied in H.R. 10061.

The June 15, 1971, issue of the Urban Crisis Monitor has a very important article about childhood lead poisoning, entitled "The 'Silent Killer.'" This article provides a rundown on activities in several States concerning the efforts to end this devastating disease. These States are Connecticut, Illinois, Massachusetts, Missouri, New Jersey, New York, Pennsylvania, Virginia, and Wisconsin. I commend this article to my colleagues.

THE "SILENT KILLER"

With the approach of every summer season, a "silent killer" disease stalks among children below the age of six in the poor communities of urban areas. This disease—lead poisoning—in small children is now considered one of the nation's chief health hazards by the U.S. Public Health Service.

Recently a number of seminars, workshops and lectures were held that focused specifically on the topic of lead poisoning detection, treatment and its ultimate solution. Those concerned health, educational, social and political officials who attended these sessions had, in the past, been unable to deal effectively with lead poisoning, but on January 13 of this year, their hopes were raised by the passage of the federal Lead-Based Paint Poisoning Prevention Act (Public Law 91-695).

This act, signed and approved by the President, "provides federal financial assistance (with a 25 percent local matching grant requirement) to help cities and communities to develop and carry out intensive local programs to eliminate the cause of lead-based paint poisoning and local programs to detect and treat incidents of such poisoning, to establish a federal demonstration and research program to study the extent of the lead-based paint poisoning problem and the methods available for lead-based paint removal, and to prohibit future use of lead-based paint in federal or federally assisted construction or rehabilitation."

As of this writing, however, no money has been appropriated to enact this law. Supporters of the bill had asked for at least $5 million for fiscal 1971, which was not appropriated; and asked for $30 million for fiscal 1972—the Administration is asking for $2 million for '72. Thus it appears that these concerned officials and mothers who live in poor communities will have another "bumper crop" of lead poisoning this summer.

The faculties and students of both the University of Connecticut and the Yale medical schools had been extremely active in finding and treating poisoned children in Hartford and New Haven slums and presented their findings at one of these recently held seminars. They suggested that lead poisoning would be reduced faster by improving the family situation than by housing renewal and rehabilitation. Housing changes are slow and costly, they said, and are the best long-range solution. Immediate help can come from child day care facilities, increased employment opportunities, more counseling and educational services and better welfare services.

Lead-poisoning is primarily an inner city problem because the old, deteriorating homes found in poor neighborhoods were built before 1940 and extensively decorated with high-lead content paints. Now other sources are being identified as carriers of lead-poisoning.

Pottery from Japan in recent years and lately from Mexico have been blamed for serious outbreaks in this country. A Montreal pediatrician, Dr. Michael Klein, said "though the reported frequency of lead poisoning from pottery has been low, the true figure may be considerably higher." Klein and his colleagues tested 117 samples of earthenware pottery with glazes of unknown composition. They found that 50 percent of the samples of both domestic commercial ware and imported ware would produce lead poisoning with continued use if foods or beverages containing acids were consumed from them. The figure for the domestic handcrafted pottery tested was more than 60 percent.

Another source is the growing amount of lead in the environment—the air and water and soil. There has been a great increase in the quantity of lead in the atmosphere and 99 percent of it is traced to the lead added to gasoline to satisfy the power needs of high horsepower, high compression modern automobiles. Now oil and lead companies are mounting a fierce campaign to cripple any national effort to ban lead from gasoline.

So while the debate goes on regarding appropriating funds to fight lead-poisoning, each year more than 200 urban poor children die. If this argument is not persuasive enough to open tight purse strings, Dr. Randolph K. Byers, neurologist-in-chief-emeritus for Children's Hospital in Boston, offers a stronger one: "a single case of mental retardation due to lead poisoning will cost the state about $250,000 for custodial care during a lifetime."

CONNECTICUT

The Connecticut Agricultural Experiment Station and the State Department of Health have devised a new, simple, effective and more economical way for mass screening of children for evidence of lead poisoning. Successfully tested last summer in the North End of Hartford, the new test uses a dipstick method that, because of its ease in handling, is hoped to be adopted nationwide.

Previously, there were two laboratory tests used to detect lead poisoning, but neither one could be used easily for mass screening. One is based on the direct determination of lead in the blood, but the shortage of medical personnel and the inconvenience of drawing blood samples limited the number tested. The other method used determined the delta aminolevulinic acid (ALA) content of urine (which the new method tests for) but the process of sample collection and transport had been clumsy. In addition, the laboratory portion of the test was rather lengthy.

In the new test the dipstick has specially treated paper, measuring one and one-half inches by two and a quarter inches, and held by a plastic handle. Through a chemical process, the ion-exchange paper latches onto ALA, when present in urine, and holds it until it is released in the laboratory when buffers are introduced. After the dipstick has been dipped in a child's urine, it is permitted to dry in the air before it is wrapped in aluminum foil and mailed to the lab.

Among the many advantages to the new method are that mothers can sample their children's urine and laboratory personnel can test many more samples daily than by the older methods.

Because of the concern over lead poisoning that has been building up throughout the state in the past few years, Gov. Dempsey appointed a special Lead Task Force to recommend ways to improve techniques to detect and treat such poisoning and to eliminate the lead hazard. The Task Force has prepared several bills for the State Legislature, and will ask the Assembly to provide $250,000 a year for increased poison detection and treatment and for housing rehabilitation programs.

One of their bills was passed by the House in March, which requires physicians or medical institutions to report cases of abnormal lead content in the blood within 48 hours to the health commissioner and local health director, who then directs an investigation into the cause of the case.

The report goes to the local building inspector who first determines the source of the poisoning and then sees that is is removed. If the source of the poisoning is not removed within a reasonable time, the bill provides for relocation of families. In addition, the bill provides for immunity from criminal or civil action of the physician who reports the case.

The state has developed another lead detection device: a hand-held machine that can determine the lead content of paint and plaster still on walls, woodwork and ceilings of old houses. Canberra Industries now sells these "Lead-Ray" units to cities around the country for $6,000.—*New Haven Register* November 24, 29, December 5, 1970, January 14, 1971; *Hartford Courant*, December 6, 1970, February 7, 1971, March 12, 1971.

ILLINOIS

Four children died of lead poisoning in Chicago last year, and about 500 were treated for the disease.

Although Chicago has had a strong program of finding and treating lead-poisoned children for some years, it has had no repair program of lead-poisoned walls in high-density areas. Edward E. King, deputy commissioner of health, has said that as soon as the lead poison bill becomes law, the city will ask for a $1 million grant to institute a repair program and to determine why children develop pica, the abnormal appetite that makes them hunger for paint and plaster chips. Pica has been attributed to both poor nutrition and emotional disturbances.—*Chicago Daily News*, December 31, 1970.

MASSACHUSETTS

In Boston, a new machine was used in a test to screen for lead poisoning in 280 children in Roxbury. Thirty-one of the children screened were found to have elevated protoporphyrin levels, with the levels high enough in 21 instances to be considered serious.

The new machine, called LK-598, is housed in a suitcase weighing less than 30 pounds and operates on house current. It requires only a few drops of blood to make measurements. The whole process takes just several minutes. LK-598 is a highly sensitive flourimeter developed in Waltham by Space Sciences division of Whittaker Corp. It measures light waves to detect the presence in the blood of protoporphyrin. The machine has been used in diagnosis of 1,500 cases in Boston, Philadelphia, New York and Baltimore and no false positives were revealed.

Each units costs $5,000, and Mayor Kevon White has asked city aides to seek the funds necessary for the purchase of one machine.

At hearings held in February where doctors, politicians and mothers testified before the joint legislative committee on social welfare, representatives of the state Department of Mental Health estimated there are about 1,500 children in Boston and 6,000 to 7,000 in the Commonwealth suffering from lead poisoning in varying degrees.

Legislation filed this year by Rep. David Liederman of Malden would provide a coordinated statewide program for detecting and screening children suffering from lead poisoning. It would also enforce the removal of existing lead paint from dwellings; stiffen requirements for landlords to remove existing lead paint from dwellings both inside and out; provide grounds for legal actions against offenders; and ban future use of lead-based paint in the state and prohibit its sale after January 1, 1973. Speaking in behalf of the bill, House Speaker David Bartley said the program would cost $1 million a year for the first three years and considerably less thereafter. The state would be eligible for 75 percent federal reimbursement under the terms of the bill filed by Sen. Edward Kennedy and passed recently by Congress.—*Boston Globe*, October 8, 1970, February 24, 1971.

MISSOURI

St. Louis.—The St. Louis Board of Estimates approved an appropriation of $66,314 in additional funds to help enforce a lead-poisoning ordinance enacted by the Board of Aldermen last spring (see *Monitor*, 7/17/70). Dr. William Banton, the city's health commissioner, said the additional funds were necessary to keep alive the city's participation in lead-poisoning control. Without additional personnel and funds, the program will collapse, he said.

However, Mayor Alfonso J. Cervantes, in commenting on the ineffectiveness of the present approach, called for a meeting to revise the city's method of testing children for lead content and inspecting dwelling units for paint and other lead-based materials.

Ten St. Louis House members introduced a bill in the state House of Representatives providing that no paint, plaster or other material with more than one percent lead content shall be used on the inside or outside of a building. Other aspects of the bill include:

Any fixtures, toys or furniture should not be coated with material containing more than one percent lead content;

Physicians, nurses and public health officials must notify the director of the State Division of Health if they suspect or diagnose a case of lead poisoning;

If lead bearing substances are found by the director's investigation; he must post four warning notices about the premises and notify the owner;

If the owner does not remove the poisonous material within 14 days after being given notice, he is subject to be prosecuted.

Meanwhile, the black citizens of St. Louis have mounted a campaign to detect and treat lead poisoning in children aged one through six. Sponsored by the Metropolitan Tenants Organization, free blood tests are given every Saturday at various sites throughout the city. Since March, more than 270 children have been tested. After making the tests, the local board of health analyzes the blood samples and returns the results to MTO, which then follows up.

MTO has found one major obstacle, besides needing additional funds and volunteers: there are only three hospitals that give free treatment to lead paint patients, and in addition, these hospitals have raised their lead levels from 0.4–0.5 to 0.8 lead level before admitting a child for hospitalization.

Kansas City.—Kansas City's Children's Mercy Hospital has been running a lead-screening program for the past 15 months where 50 of the 188 children tested have been found suffering from lead poisoning. All were under five years of age.

According to Dr. Vernon Green, toxicologist at Mercy, after a poisoned child is treated and the lead source identified, the city's housing office directs either the tenant or the owner of a building to correct the situation because there is no building code that forbids the use of lead-based paint inside a building. Dr. Green estimates there are 2,500 children under six years of age in the inner city with dangerously high levels of lead in their systems.

In their fight to rid the city from lead poisoning, Children's Mercy had a lead-ingestion workshop at the University of Missouri-Kansas City school of dentistry on March 4, attended by 100 persons from community, health and related agencies. Dr. George Wise, director of the poison control center at the hospital, summed up the situation by advising agencies to put their personnel on a "lead alert" to watch for symptoms and possible sources of the poisoning. "If more paramedical personnel could be involved," he said, "more cases could be found. This can come only through a co-operative effort."—*Kansas City Star*, November 20, 1970, *Kansas City Times*, March 5, 1971; *St. Louis Post-Disptach*, October 7, December 4, 1970, January 19, February 7, 1971; *Muhammad Speaks*, April 30, 1971.

NEW JERSEY

To combat the growing problem of lead poisoning, twelve Newark community, education and social agency groups held a series of weekly seminars focusing on detecting and solving the disease. During the first week of January, one death had been recorded due to lead poisoning; in 1970, four deaths were attributed to the disease.

Some of the groups represented at the seminars were: Mt. Carmel Guild, The Newark Board of Education, the Newark Fire Department Community Relations Division, the Lead Poisoning Committee of the Newark Day-Care Council, Inc., the Urban League of Essex County, the Newark Housing Authority, "Oye" (a Spanish-Speaking educational program), and the Community Development Agency of the Newark Cities Program.

On May 10, the State Senate passed a bill aimed at fighting the growing menace of lead poisoning of children. Passed 49–0 and sent to Gov. Cahill for signature, the bill places primary responsibility for enforcement on local boards of health under regulations set by the State Health Department. It would define lead paint as any paint that contains more than one percent lead.

In addition to banning future use of lead paint, it would empower local boards to order the removal of lead paint already on walls, ceiling, door, floors and window frames. If local boards find any occupants of buildings with a certain level of blood-lead, they could order owners to remove the lead paint and refinish with other paint within five days.

If owners do not comply, boards would have authority to contract for removal of the lead paint and repainting, and to bill the owner or put liens on the properties. If the state health department finds a local board not properly enforcing the law, it could file disorderly person charges against the individuals involved or get a court order to show cause why the local board should not enforce the act—(Newark) Evening News, January 13, May 11, 1971.

NEW YORK

Unhappy with the city's lead poisoning prevention program, a group of Rockaway concerned citizens' groups, representatives from educational and social agencies met with city officials in January to discuss ways of preventing lead poison among children under six years of age. But the meeting failed to win improvements in the program, even though Dr. Vincent Guinee, director of the Health Department's bureau of lead poisoning control, conceded that the percentage of Rockaway children affected by lead poisoning is "just as high" as in high-density slum areas of central Brooklyn.

Guinee said, "priority" had to be given to treating—and then preventing repeated incidents—in children tested and found to have at least .06 milligrams of lead in their blood. The community representatives were displeased with this argument, and one asked Guinee if the treatment program could be extended to youngsters who showed ever-increasing levels of lead but still registered below .06. Guinee responded that this was not possible because of the "priority" problem in trying to reach 120,000 children in the city for tests in the next 12 months, adding that ".06 is a preventive level. When a child steps over that line we take action."

A tour of three apartments where peeling paint apparently had caused lead poisoning in an estimated 100 children preceded the meeting. Ernest Brown, chairman of the citizen's group, maintained that the preventive maintenance program was not working, "children go to the hospital to be deleaded, and they come home to the same condition."

Accusing local government officials of "literally killing black ghetto children through neglect, incompetence and ignorance," David A. Anderson, a black local official in Rochester, said most government administrators are white and primarily interested in political power, which means they don't have a "gut feeling" about ghetto problems.

Speaking to doctors and staff members at Strong Memorial Hospital in one of a series of diversified lectures. Anderson pointed specifically to lead poisoning, most common among ghetto children. He spoke of one young black girl who almost died from the disease because urban renewal officials failed to relocate her family in good housing.

The city's building department hasn't enforced its property codes, he said, and the health department has refused to acknowledge any widespread problems caused by lead poisoning. Anderson said a "crude" voluntary study showed that seven percent of the children in the Third and Seventh Wards suffered from lead poisoning, and half the houses in these two wards have peeling paint and plaster. He concluded with "even now while I speak another black child is being killed by men who set and carry out policy."

New York City's PLAG (Parents Lead Action Group) have been in the forefront of community-based action aganst the "silent killer"—lead poisoning. Two years ago the group was formed by parents of children who had been treated for lead poisoning at Kings County Hospital. At a recent meeting PLAG officials cited statistics to show that there are as many as 45,000 substandard housing units in the city; creating a situation which means that 120,000 children living in such housing are in "risk" category, and an estimated 10,000 to 30,000 children actually are lead-burdened. The group which has pressed for legislation to help solve the problem, has an on-going program of speaking to PTA's and other groups in the community about the dangers of lead poisoning.—*Long Island (N.Y.) Press*, January 3, 6, 1971 *Rochester (N.Y.) Democrat Chronicle*, February 13, 1971; *Amsterdam News*, May 1, 1971.

PENNSYLVANIA

Pittsburgh's City Housing Code Enforcement Advisory Committee have joined with city health officials in a two-pronged attack on lead-paint poisoning.

One part of the program would detect and treat children suffering lead-paint poisoning. The second part would amend the housing code to require elimination of lead-based paint from use in housing.

Only one death from lead-paint poisoning has been recorded in the city in recent years, but officials fear that hundreds of children may be suffering from its effects. A study by the Poison Control Center of Children's Hospital of two dozen Homewood Brushton youngsters found that a fourth of them had a dangerous level of lead in their systems.

The committee adopted a three-point resolution which provides for:

A subcommittee to begin drafting no-lead paint amendments to the housing and health codes;

An application for federal funding to carry out a lead-paint removal program in existing housing;

Exploration of setting up a fund to give poor home owners low-interest loans to repaint their homes with no-lead paint.—*Pittsburgh Press,* May 7, 1971.

VIRGINIA

The Norfolk Lead Control Program is the first one to be funded under a new set of suggested commnuity guidelines drawn up by the Public Health Service and also is the first comprehensive lead-poisoning project in the nation.

The program involves initial screening measures conducted by health department staff as well as a communitywide project to marshal support and interest in combatting lead poisoning at the neighborhood level. The lead program staff have already spoken to some 300 people, such as PTA groups, to make them aware of the lead problem.

The program is headquartered in the Berkeley Model City Neighborhood Center and according to program coordinator Arlo Von Coker, he and his staff have collected more than 75 paint samples from homes throughout the city. Working through a list of children treated for lead poisoning at King's Daughters Children's Hospital in 1970 and names supplied by city-wide clinics, Coker said that in most instances, as many as half of the samples collected come back positive for lead.

"Most lead poisoning cases that we've found are in black neighborhoods where the older deteriorating homes are," Coker said. He noted that most of these older and deteriorating homes are in the Berkley, Huntersville, Brambleton and East Ghent areas of the city which are Model City areas. A recent survey of homes in the city showed that over 80 percent of all dwelling units built prior to 1939 were in these four areas. Fifty-three percent of all the city's substandard housing is located in these areas," Coker added.—(*Norfolk*) *Virginia-Pilot,* October 16, 1970, February 25, 1971.

WASHINGTON, D.C.

The Community Health Services Administration, under a $204,154 grant from the Model Cities Commission, is conducting a mass testing of children in a section of the inner city for lead poisoning. Of the 350 tested so far, five have had to be hospitalized. Another 30 children have a higher concentration of lead in their systems than is considered safe. These have been referred to hospitals and neighborhood health clinics for treatment on an outpatient basis.

Health officials say they would like to test 11,000 children between the ages of one and six from the model cities area; the total population of the area is about 80,000. The officials estimate that the city has about 5,000—about 10 percent of the 50,000 who live in old and dilapidated houses—who have higher levels of lead in their bodies than are considered safe. Of that 5,000, there are an estimated 500 who are so sick they should be hospitalized right away, they said

The current screening procedure is operated out of a mobile testing facility. Community aides knock on doors in the neighborhood and ask parents to bring their children to the trailer for testing. The test involves drawing blood from the arm into a small container which is taken to the city's testing lab or where the blood is tested for its lead level.—*Washington Post,* May 28, 1971.

WISCONSIN

Lead poisoning among inner city children has become so severe in Milwaukee, that Children's Hospital has established a special clinic to provide improved diagnosis, treatment and aftercare of lead poisoning victims. In 1967, six children died from lead poisoning, and in 1970, close to 50 youngsters were treated for the poisoning. None have died, but an undetermined number have been left mentally retarded or otherwise brain damaged.

Lead poisoning has also been found among racing drivers and mechanics. Several years ago, a Milwaukee surgeon, Dr. Michael A. Polacek, medical director of the Wisconsin Auto Club, found abnormally high amounts of lead in the blood tests of two nationally known drivers who had been hospitalized for burns. After this discovery, Polacek took blood samples from 35 drivers, mechanics and driver-mechanics during a week of races. More than one-third had high amounts of lead: 3 had such high levels that poisoning would be expected; they also had poisoning symptoms, including abdominal pain, constipation, nausea, muscle weakness and dizziness.

Upon investigating the three poisoned racing members, Dr. Richard D. Stewart, chairman of environmental medicine at the Medical College of Wisconsin, found that the lead in the blood of drivers and driver-mechanics was unrelated to breathing fumes from leaded gasoline or exhaust. Instead, it was absorbed through the skin when team members dismantled engines and washed the parts in kerosene.

Contract drivers, who merely drove the cars, had normal blood levels of lead. But drivers who also worked on the engines sometimes had a high blood lead level, indicating that lead poisoning might be a contributing cause of race crashes.—*Milwaukee Journal,* October 4, 1970.

PCB'S—THE NEED FOR CONGRESSIONAL ACTION

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, the U.S. Department of Agriculture conceded yesterday that millions of chickens fed on fish meal contaminated with a dangerous chemical—polychlorinated biphenyl—PCB—have reached the marketplace and in turn consumers' market baskets.

The potential consequences of this contamination are staggering. But just as dismaying is the fact that this incident could have been prevented if Federal agencies had lived up to their responsibilities to protect the public health and welfare.

For 2 years, I have urged the appropriate Federal agencies to take specific protective measures that would have safeguarded the public from the hazards of PCB's. During that time I have called upon the Department of Agriculture, the Department of Interior, the Food and Drug Administration, the President's Commission on Product Safety, the Council on Environmental Quality, and the Environmental Protection Agency to take specific actions to protect the American people as well as fish, wildlife, poultry, and livestock from the hazards of PCB's.

Yet in an almost unprecedented display of callous disregard for the safety of our citizens, that action was not forthcoming. The results are now tragically apparent.

And despite the unfortunate lesson of this massive PCB contamination of poultry, the Federal bureaucracy still has not acted to prevent a recurrence in the future. The failure of the Federal Government in this entire matter is both shocking and inexcusable.

In view of the unconscionable neglect on the part of the executive branch, the Congress must now act.

I have introduced legislation—H.R. 10085—to prohibit the interstate distribution of PCB's. And I urge that the appropriate congressional committees immediately undertake a full and exhaustive investigation, not only of the current massive contamination of poultry and the need for Federal legislation to control this deadly chemical, but also into the indefensible failure of Federal agencies to take the necessary actions which would have prevented this incident.

At this point I include an article by Hank Burchard which appeared in the July 29 Washington Post detailing the extent of the current problem. I also include a July 29 Washington Evening Star article by John Fialka on PCB's.

The articles follow:

[From the Washington (D.C.) Post, July 29, 1971]

MILLIONS OF CHICKENS TAINTED

(By Hank Burchard)

The Agriculture Department conceded yesterday that millions of chickens fed on fish meal contaminated with a DDT-like chemical have been sold in stores in the Washington area and much of the rest of the country.

The chemical, polychlorinated biphenyls (PCB), leaked into fish meat produced at a Wilmington, N.C., plant between April 30 and mid-July. From there it was widely distributed to poultry growers and hog raisers, mixed into up to 800,000 tons of feed.

Some 35 million broiling chickens alone are sent to market each week from the 12 states where feed containing the fish meal was sold. How many of those chickens consumed the contaminated feed and how much PCB was in their flesh when sold "cannot be known," Dr. Clayton Yeutter, chief of Agriculture's Consumer and Marketing Survey, said yesterday.

Last Friday, Dr. Fred Fullerton of Agriculture's Consumer and Marketing Service which had withheld announcement of the PCB affair for a week, said there was "no evidence that any contaminated chickens have reached any consumer."

Dr. Yeutter explained the apparent contradiction this way:

"There was no statement that chickens fed on the contaminated fish meal had not reached the market. The statement was that there was no evidence—and there still is none—that any of the marketed chickens contained more PCB than the 5 parts per million considered acceptable by the government."

Asked if there was any evidence that chickens containing more than 5 p.p.m. had not been marketed, Dr. Yeutter said an announcement on the results of field tests would be made by the department today.

In any case, Dr. Yeutter said, "no chickens fed contaminated meal are on the market now and none will be released for market."

Asked if the same could be said for frozen chickens and chicken meat used in the production of soups, hot dogs and other foods, Dr. Yeutter referred the question to Dr. Fullerton, who could not be reached yesterday afternoon or last night.

The effects of PCB upon humans, if any, are not known. It has been shown to cause low fertility in fowl and liver damage in rats, and is thought by many scientists to be a serious long-term danger to man and animals.

Dr. Yeutter said the public "should not be unduly alarmed" over the PCB case. "It is not worthwhile to worry the consumer now about something he ate a few weeks ago. It hasn't affected my consumption of chicken. As far as we know every chicken sitting on every shelf is safe and wholesome."

Rep. William Fitts Ryan (D-N.Y.), who Monday filed a bill that would outlaw all production or use of PCB in the United States, said yesterday he was "shocked and outraged" by the government's handling of the case.

'They're just playing guessing games," he said. "The setting of the 5 parts per million standard was purely arbitrary in the first place. From all we can find, the action of Agriculture and FDA (Food and Drug Administration) has been insufficient to say the least.

"They've hushed up earlier PCB contamination cases and delayed announcement in this case until the chickens had been sold. This is unconscionable neglect in a situation of staggering potential harm."

Rep. Ryan said he would call for hearings not only on his bill but "into Agriculture and FDA's conduct."

Used since before World War II until recently in a wide range of products, PCB has made its way into the worldwide web of life and has been found in fish, wild birds (up to 1,000 p.p.m.), human fat and human mother's milk (up to .06 p.p.m.).

Monsanto Corp., sole producers of PCB in the U.S. and in the United Kingdom, last year stopped all sales of the chemical except for "closed-system" uses in heavy equipment equipment and industrial heating equipment such as the sterilizer in the Wilmington plant where the fish meal was contaminated.

In that case, PCB leaked from the machinery into the fish meal undetected for about 12 weeks. The discovery was made only after one of the plant's customers found that his chickens were sickening and becoming infertile.

The customer, Holly Farms, Inc., a major supplier of chickens to Washington markets, tested the feed, then notified Monsanto, which traced the source and alerted FDA. Holly Farms destroyed 77,000 chickens.

The contamination went undetected until that time because no agency of the government regularly tests marketed flesh for PCB.

[From the Washington (D.C.) Evening Star, July 29, 1971]

FISH MEAL CULPRIT: FIRM IS CURBING SUSPECT CHEMICAL

(By John Fialka)

PCB is the shorthand name of a family of 210 chemical substances, some of which have had widespread use in the United States since the early 1930s.

Because of mounting evidence that the PCBs are toxic to animals and, like DDT, do not easily break down in nature, the Monsanto Company, the nation's sole manufacturer of PCBs, has been quietly moving various products containing it off the market.

By last August, according to William B. Papageorge, manager of environment protection for Monsanto, the company had stopped selling it except for use in closed systems, such as in large electric transformers, heat transfer units and in electric capacitors.

It was felt that it would be highly unlikely that the chemical could pose a danger when its use was restricted to such closed systems, Papageorge explained.

NORTH CAROLINA LEAK

But in mid-July a heat exchange unit, used in a plant in Wilmington, N.C., in a process designed to remove the bacteria from imported fish meal, was found to be leaking.

The result was the possibility that millions of chickens and other livestock may have been eating contaminated feed.

According to Rep. William F. Ryan, D–NY, who has been studying the effects of the chemical for two years, the possibility of such a danger has been known for many months.

Ryan introduced a bill Monday which would ban the sale of PCBs in the United States. He told the House that he has urged the Department of Agriculture, the Secretary of Interior, the Environmental Protection Agency and the Food and Drug Administration repeatedly to ban PCBs.

Today, he called for hearings on his bill and the inaction by the federal agencies.

The leakage in Wilmington, he said, "tragically illustrates the failure of the federal government to take preventive action against the unconscionable use of this deadly chemical."

ADMINISTRATION BILL

The Nixon administration meanwhile, is pushing for legislation that could lead to tight regulation of industrial chemicals like PCB.

Warren Muir of the Council of Environmental Quality said today that the PCBs are a good example of toxic substances not adequately covered under existing law.

Under the Clean Air Act and Clean Water Act, the federal government could draw up standards that might regulate the discharge of PCBs into the air or water. This has not been done.

The administration's Toxic Substances Act, due for hearings next week before the Senate Commerce Committee, would permit the government to regulate the manufacture and everyday use of such chemicals as well as regulating them as effluents.

The evidence that PCBs, like DDT, can concentrate and travel through the food chain was discovered by Swedish scientists in 1966, when they found the chemical in the carcasses of large birds of prey, primarily eagles. Later they found it in other birds, fish and evergreen needles. Since then it has been found in man.

In tests on mice, it causes liver damage and birth defects.

TWO EARLIER CASES

According to Rep. Ryan, federal authorities have already had notice of two instances where state authorities, alarmed by PCB contamination, have had to remove large quantities of food from the market.

In 1970, he stated, the Campbell's Soup Company discovered that a shipment of chickens it received from New York state contained a high percentage of one type of PCB. The New York State Department of Agriculture ultimately destroyed 146,000 chickens and traced the chemical to plastic wrapping used to package chicken feed, Rep. Ryan said.

That, same year, Rep. Ryan said, the Ohio State Department of Agriculture found a residue of PCB in milk. They removed a large quantity from the market and traced the chemical to a material used to line silos, where cattle feed was stored.

Exactly how much PCB is still being produced is a secret which Monsanto, the sole manufacturer, refuses to disclose.

DEVELOPED IN 1930'S

According to Papageorge, a chemical engineer, PCB, or polychlorinated biphenyl, was first developed in the early 1930s by the Swann Chemical Co. in Anniston, Ala., and later taken over by Monsanto.

Until, recently, PCBs were marketed in some industrial paints, coatings, inks, and in some plastics.

Now, because of Monsanto's change in marketing policy, it is produced only for use as an insulator in capacitors, an electric device found in home air conditioners; as a coolant in transformers; and as a fire resistant medium in heat exchange units.

According to Papageorge, total removal of PCBs from some of these closed system uses will be "next to impossible."

He pointed out that large cities in the U.S. and many other countries use electric transformers containing PCB because it is an explosion proof coolant, allowing the transformers to be safely used in densly populated areas.

There is no substitute chemical with the same properties and switching to a different cooling system, such as air or gas, would mean drastically redesigning the transformers in use, he said.

"Our entire electrical system depends on it," concluded Papageorge. "Believe me," he added, "if we could get out of this business. we would."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ASPINALL, from 3:30 p.m., July 30, 1971, to noon, August 2, 1971, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CRANE), to revise and extend their remarks, and to include extraneous matter:)

Mr. FINDLEY, today, for 5 minutes.

Mr. MILLER of Ohio, today, for 5 minutes.

Mr. HARVEY, today, for 5 minutes.

Mr. HOGAN, on July 30, for 10 minutes.

Mr. CRANE, on August 4, for 1 hour.

(The following Members (at the request of Mr. BOGGS), to revise and extend their remarks, and to include extraneous matter:)

Mr. FRASER, today, for 5 minutes.

Mr. PREYER of North Carolina, today, for 10 minutes.

Mr. GONZALEZ, today, for 10 minutes.

Mr. FUQUA, today, for 10 minutes.

Mr. REUSS, today, for 10 minutes.

Mr. ST GERMAIN, today, for 10 minutes.

Mr. DORN, on August 5, for 60 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Bennett, to revise and extend his remarks and include extraneous matter on the public works bill today.

Mr. Boland, to revise and extend his remarks on the conference report on H.R 9382 and include tables.

Mr. Fulton of Pennsylvania during consideration of the conference report on H.R. 9382 following the remarks of Mr. Jonas.

Mr. Whitten, immediately following the remarks of Mr. Evins of Tennessee during general debate on H.R. 10090 in the Committee of the Whole today.

Mr. Vander Jagt, immediately following the remarks of Mr. Hathaway on the amendment offered by Mr. Clark in the Committee of the Whole today .

Mr. Matsunaga, to revise and extend his remarks preceding the vote on the Mink amendment.

Mrs. Heckler of Massachusetts, to revise and extend her remarks prior to vote on H.R. 10090.

Mr. Randall, to revise and extend his remarks immediately following the vote on the Hathaway amendment.

(The following Members (at the request of Mr. Crane) and to include extraneous matter:)

Mr. Ware.

Mr. Saylor.

Mr. Eshleman.

Mr. Findley.

Mr. Hall.

Mr. Stafford.

Mr. Wyman in two instances.

Mr. Myers.

Mr. Steiger of Arizona.

Mr. Nelsen in two instances.

Mr. Miller of Ohio.

Mr. Coughlin.

Mr. Goodling.

Mr. Robison of New York in two instances.

Mr. Hunt.

Mr. Schmitz in three instances.

Mr. Brotzman in two instances.

Mr. Collins of Texas in three instances.

Mr. Goldwater.

Mr. McClory.

Mr. Collier in five instances.

Mr. Whalley.

Mr. Smith of New York.

Mr. Harsha.

Mr. Schwengel.

Mr. Price of Texas.

Mrs. Heckler of Massachusetts.

Mr. Ashbrook in two instances.

(The following Members (at the request of Mr. Boggs) and to include extraneous matter:)

Mr. Carey of New York in two instances.

Mrs. Hicks of Massachusetts in two instances.

Mr. Fuqua in two instances.

Mr. Harrington in three instances.

Mr. Jacobs.

Mr. Edwards of California in two instances.

Mr. Waldie in seven instances.

Mr. Celler.

Mr. William D. Ford in three instances.

Mr. Begich in three instances.

Mr. Drinan.

Mr. Ryan in three instances.

Mr. Daniels of New Jersey.

Mr. Hanna in two instances.

Mr. Fraser in three instances.

Mr. Rarick in four instances.

Mr. Roush.

Mr. Nix in three instances.

Mr. Davis of Georgia in two instances.

Mr. Anderson of California.

Mr. Moorhead in two instances.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3201. An act for the relief of Faith M. Lewis Kochendorfer; Dick A. Lewis; Nancy J. Lewis Keithley; Knute K. Lewis; Peggy A. Lewis Townsend; Kim C. Lewis; Cindy L. Lewis Kochendorfer; and, Frederick L. Baston;

H.R. 7109. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes;

H.R. 9020. An act to amend the Egg Products Inspection Act to provide that certain plants which process egg products shall be exempt from such act for a certain period of time; and

H.R. 9270. An act making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1972, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 3201. An act for the relief of Faith M. Lewis Kochendorfer; Dick A. Lewis; Nancy J. Lewis Keithley; Knute K. Lewis; Peggy A. Lewis Townsend; Kim C. Lewis; Cindy L. Lewis Kochendorfer; and, Frederick L. Baston;

H.R. 4762. An act to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans Affairs to establish and carry out a program of exchange of medical information;

H.R. 7109. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes;

H.R. 9020. An act to amend the Egg Products Inspection Act to provide that certain plants which process egg products shall be exempt from such act for a certain period of time; and

H.R. 9270. Making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1972, and for other purposes.

ADJOURNMENT

Mr. BOGGS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 56 minutes p.m.), the House adjourned until tomorrow, Friday, July 30, 1971, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

999. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on licensure, certification, and accreditation for practice or employment of health personnel, pursuant to section 799A of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

1000. A letter from the Secretary of Commerce, transmitting the report of the U.S. metric study, conducted by the National Bureau of Standards of the Department of Commerce, pursuant to Public Law 90–472; to the Committee on Science and Astronautics.

1001. A letter from the Secretary of Commerce, transmitting the third in the series of interim reports stemming from the U.S. metric study, prepared by the National Bureau of Standards, pursuant to Public Law 90–472; to the Committee on Science and Astronautics.

1002. A letter from the Secretary of Commerce, transmitting the ninth in the series of interim reports concerning various aspects of the U.S. metric study, prepared by the Department of Defense, pursuant to Public Law 90–472; to the Committee on Science and Astronautics.

1003. A letter from the Assistant Secretary of Commerce, transmitting copies of the notice and standard proposed to be promulgated concerning flammability of children's sleepwear; to the Committee on Interstate and Foreign Commerce.

Received From the Comptroller General

1004. A letter from the Comptroller General of the United States, transmitting a report on ineffective controls over program requirements relating to medically needy persons covered by medicaid, Social and Rehabilitation Service, Department of Health, Education, and Welfare; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 3628. A bill to amend title 5, United States Code, to provide equality of treatment for married women Federal employees with respect to preference eligible employment benefits, cost-of-living allowances in foreign areas, and regulations concerning marital status generally, and for other purposes; with amendments (Rept. 92–415). Referred to the Committee of the Whole House on the State of the Union.

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 8085. A bill relating to age requirements for appointments to positions in executive agencies and in the competitive service; with amendments (Rept. No. 92–416). Referred to the Committee of the Whole House on the State of the Union.

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 8689. A bill to provide overtime pay for intermittent and part-time General Schedule employees who work in excess of 40 hours in a workweek (Rept. 92–417). Referred to the Committee of the Whole House on the State of the Union.

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 9442. A bill to authorize compensation for five General Accounting Office positions at rates not to exceed the rate for Executive Schedule Level IV (Rept. No. 92–418). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAYLOR: Committee on Interior and Insular Affairs. H.R. 9798. A bill to authorize the Secretary of the Interior to establish the Lincoln Home National Historic Site in the State of Illinois, and for other purposes (Rept. No. 92–419). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 1074. A bill to amend section 220(b) of the Interstate Commerce Act to permit motor carriers to file annual reports on the basis of a 13 period accounting year; with an amendment (Rept. No. 92–420. Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 9261. A bill to amend the Communications Act of 1934 to provide that certain aliens admitted to the United States for permanent residence shall be eligible to operate amateur radio stations in the United States and to hold licenses for their stations (Rept. No. 92–421). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 570. A resolution providing for the consideration of H.R. 9910. A bill to amend the Foreign Assistance Act of 1961, and for other purposes (Rept. No. 92–422). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 571. A resolution providing for the consideration of S. 2296. An act to amend sections 107 and 709 of title 32, United States Code, relating to appropriations for the National Guard and to National Guard technicians, respectively (Rept. No. 92–423). Referred to the House Calendar.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 701. a bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, to authorize the Secretary of the Interior, in his discretion, to establish the fee for such stamp; with amendments (Rept. No. 92–424). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 7096. A bill to direct the establishment of health standards for employees food service establishments in the District of Columbia with an amendment (Rept. No. 92–425). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 7117. A bill to amend the Fishermen's Protective Act of 1967 to expedite the reimbursement of U.S. vessel owners for charges paid by them for the release of vessels and crews illegally seized by foreign countries, to strengthen the provisions therein relating to the collection of claims against such foreign countries for amounts so reimbursed and for certain other amounts, and for other purposes; with amendments (Rept. No. 92–426). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8744. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 (Rept. No. 92–427). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 9580. A bill to authorize the Commissioner of the District of Columbia to enter into agreements with the Commonwealth of Virginia and the State of Maryland concerning the fees for the operation of certain motor vehicles (Rept. No. 92–428). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7048. A bill to amend the Communications Act of 1934, as amended, to establish a Federal-State joint board to recommend uniform procedures for determining what part of the property and expenses of communication common carriers shall be considered as used in interstate or foreign communication toll service, and what part of such property and expenses shall be considered as used in intrastate and exchange service, and for other purposes (Rept. No. 92–429). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 2595. A bill to amend the act entitled "An act to regulate the practice of podiatry in the District of Columbia", approved May 23, 1918, as amended (Rept. No. 92–430). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS (for himself, Mr. Jacobs, Mr. Waldie, Mr. Danielson, Mr. McClory, Mr. Smith of New York, Mr. Railsback, Mr. Wiggins, Mr. Keating, Mr. McKevitt, Mr. Abbitt, Mr. Aspinall, Mr. Baker, Mr. Brotzman, Mr. Broyhill of Virginia, Mr. Cabell, Mr. Casey of Texas, Mr. Collins of Texas, Mr. Conte, Mr. Evans of Colorado, Mr. Fulton of Tennessee, Mr. Grover, Mr. Halpern, Mr. Hanna, and Mr. Howard):

H.R. 10185. A bill to authorize the merger of two or more professional basketball leagues, and for other purposes; to the Committee on the Judiciary.

By Mr. BROOKS (for himself, Mr. Jones of Tennessee, Mr. Kuykendall, Mr. Mathias of California, Mr. Mazzoli, Mr. McKay, Mr. Moorhead, Mr. Pepper, Mr. Preyer of North Carolina, Mr. Quillen, Mr. Runnels, Mr. James V. Stanton, Mr. Wyatt, Mr. Lloyd, and Mr. Kemp):

H.R. 10186. A bill to authorize the merger of two or more professional basketball leagues, and for other purposes; to the Committee on the Judiciary.

By Mr. PRICE of Texas:

H.R. 10187. A bill to amend the act of July 6, 1968, to authorize the Secretary of Agriculture to cooperate with central american countries in the control and/or eradication of any communicable disease of animals in order to protect the livestock and poultry industries of the United States; to the Committee on Agriculture.

H.R. 10188. A bill to amend the act of February 28, 1947, as amended, to authorize the Secretary of Agriculture to cooperate with the Republic of Mexico in the control and/or eradication of any communicable disease of animals in order to protect the livestock and poultry industries of the United States; to the Committee on Agriculture.

By Mr. ADAMS (for himself, Mr. Bingham, Mr. Boland, Mr. Burton, Mr. Carney, Mrs. Chisholm, Mr. Córdova, Mr. Dellenback, Mr. Dellums, Mr. Eilberg, Mrs. Grasso, Mr. Halpern, Mr. Harrington, Mr. Hawkins, Mr. Helstoski, Mr. Hicks of Washington, Mr. Matsunaga, Mr. Mazzoli, Mrs. Mink, Mr. Morse, Mr. Pelly, Mr. Podell, Mr. Price of Illinois, Mr. Rodino, and Mr. Waldie):

H.R. 10189. A bill to amend the Public Works and Economic Development Act of 1965, as amended, to establish an emergency Federal economic assistance program, to authorize the President to declare areas of the Nation which meet certain economic and employment criteria to be economic disaster areas, and for other purposes; to the Committee on Public Works.

By Mr. ADAMS (for himself, Mr. Begich, Mr. Hathaway, Mr. Meeds, Mr. Mikva, Mr. Charles H. Wilson, Mr. McCormack, and Mr. Sarbanes):

H.R. 10190. A bill to amend the Public Works and Economic Development Act of 1965, as amended, to establish an emergency Federal economic assistance program, to authorize the President to declare areas of the Nation which meet certain economic and employment criteria to be economic disaster areas, and for other purposes; to the Committee on Public Works.

By Mr. BELL (for himself, Mr. McCloskey, and Mr. Rodino):

H.R. 10191. A bill to amend the Economic Opportunity Act of 1964 to establish a National Legal Services Corporation, and for other purposes; to the Committee on Education and Labor.

Mr. BETTS (for himself, Mr. Baker, Mr. Conte, Mr. Dent, Mr. Mizell, Mr. Schneebeli, Mr. Sikes, Mr. Slack, Mr. Waggonner, and Mr. Wyman):

H.R. 10192. A bill to continue the expansion of international trade and thereby promote the general welfare of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. COUGHLIN (for himself, Mr. Abourezk, Mr. Biaggi, Mr. Broomfield, Mr. Burke of Florida, Mrs. Chisholm, Mr. Clark, Mr. Daniel, of Virginia, Mr. Donohue, Mr. Eilberg, Mr. Esch, Mr. Flowers, Mr. Forsythe, Mr. Frenzel, Mr. Fulton of Pennsylvania, Mr. Goodling, Mrs. Grasso, Mr. Gude, Mr. Halpern, Mr. Hansen of Idaho, Mr. Harrington, Mr. Hastings, Mrs. Heckler of Massachusetts, Mr. Helstoski, and Mr. Hicks of Washington):

H.R. 10193. A bill to advance by 1 year the standard deduction provisions of the Tax Reform Act of 1969; to the Committee on Ways and Means.

By Mr. COUGHLIN (for himself, Mrs. Hicks of Massachusetts, Mr. Hogan, Mr. Horton, Mr. Kemp, Mr. Lujan, Mr. McCloskey, Mr. McDade, Mr. McKay, Mr. Mikva, Mr. Mollohan, Mr. Morgan, Mr. Morse, Mr. Railsback, Mr. Riegle, Mr. Robison of New York, Mr. Roe, Mr. Rooney of Pennsylvania, Mr. Runnels, Mr. Ruppe, Mr. Saylor, Mr. Scheuer, Mr. Schwengel, Mr. Shoup, and Mr. Thone):

H.R. 10194. A bill to advance by 1 year the standard deduction provisions of the Tax Reform Act of 1969; to the Committee on Ways and Means.

By Mr. COUGHLIN (for himself, Mr. McCormack, Mr. Veysey, Mr. Ware, Mr. Williams, Mr. Yatron, and Mr. Zwach):

H.R. 10195. A bill to advance by 1 year the standard deduction provisions of the Tax Reform Act of 1969; to the Committee on Ways and Means.

By Mr. FAUNTROY (for himself, Mrs. Abzug, Mr. Adams, Mr. Aspin, Mr. Badillo, Mr. Begich, Mr. Bingham, Mr. Bolling, Mr. Burton, Mr. Kastenmeier, Mr. Leggett, Mr. Matsunga, Mr. Metcalfe, Mr. Mikva, and Mr. McCormack):

H.R. 10196. A bill to provide home rule for the District of Columbia; to the Committee on the District of Columbia.

By Mr. FAUNTROY (for himself, Mrs. Chisholm, Mr. Clay, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Dow, Mr. Eilberg, Mr. Morse, Mr. Pepper, Mr. Rangel, Mr. Reid of New York, and Mr. Rees):

H.R. 10197. A bill to provide home rule for the District of Columbia; to the Committee on the District of Columbia.

By Mr. FAUNTROY (for himself, Mr. Fraser, Mr. Frenzel, Mrs. Grasso, Mr. Halpern, Mr. Hawkins, Mr. Jacobs, Mr. McKinney, Mr. Reuss, Mr. Rodino, Mr. Roybal, Mr. Ryan, Mr. Scheuer, Mr. Seiberling, and Mr. Stokes):

H.R. 10198. A bill to provide home rule for the District of Columbia; to the Committee on the District of Columbia.

By Mr. FISHER:

H.R. 10199. A bill to amend chapter 55 of title 10 of the United States Code to provide that entitlement to health insurance under title XVIII of the Social Security Act shall not bar the availability of certain contract health services under such chapter in the case of certain members and former members of the uniformed services and their dependents; to the Committee on Armed Services.

By Mr. FREY (for himself, Mr. Cleveland, Mr. Conable, Mr. Coughlin, Mr. Gude, Mr. Hammerschmidt, Mr. Hansen of Idaho, Mr. Hosmer, Mr. King, Mr. Mayne, Mr. Rhodes, Mr. Schwengel, Mr. Sebelius, Mr. Steiger of Arizona, and Mr. Thone):

H.R. 10200. A bill to provide new penalties for the use, possession, sale, or transfer of a narcotic drug, marijuana, or a depressant or simulant substance for members of the armed services; to the Committee on Armed Services.

H.R. 10201. A bill to establish a comprehensive treatment and rehabilitation program for narcotic drug users in the Armed Forces; to the Committee on Armed Services.

H.R. 10202. A bill to amend title 38 of the United States Code to provide for the care and treatment of drug dependent former servicemen in Veterans' Administration facilities; to the Commitee on Veterans' Affairs.

By Mr. JOHNSON of California (for himself, Mr. Aspinall, Mr. Saylor, Mr. Hosmer, Mr. Haley, Mr. Baring, Mr. Taylor, Mr. Skubitz, Mr. Udall, Mr. McClure, Mr. Don H. Clausen, Mr. Steiger of Arizona, Mr. Foley, Mr. Meeds, Mr. Dellenback, Mr. Kazen, Mr. Camp, Mr. Roncalio, Mr. Begich, Mr. McKevitt, Mr. Sebelius, Mr. Terry, Mr. Hansen of Idaho, and Mr. Córdova):

H.R. 10203. A bill to amend the Water Resources Act of 1964, to increase the authorization for water resources research institutes, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MAZZOLI:

H.R. 10204. A bill to amend the National Security Act of 1947, as amended, to keep the Congress better informed on matters relating to foreign policy and national security by providing it with intelligence information obtained by the Central Intelligence Agency and with analysis of such information by such Agency; to the Committee on Armed Services.

By Mr. NELSEN:

H.R. 10205. A bill to provide a procedure for the exercise of congressional and Executive powers over the use of any Armed Forces of the United States in military hostilities, and for other purposes; to the Committee on Rules.

By Mr. O'KONSKI:

H.R. 10206. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. PURCELL:

H.R. 10207. A bill to amend title 21 of the United States Code, to broaden and expand the powers of the Secretary of Agriculture to cooperate with Mexico and Central American countries to prevent or retard communicable diseases of animals, where the Secretary deems such action necessary to protect the livestock and related industries of the United States; to the Committee on Agriculture.

By Mr. ROSENTHAL (for himself, Mr. Drinan, Mr. Link, and Mr. McCormack):

H.R. 10208. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation to handicapped persons and persons who are 65 years of age or older, and to amend the Interstate Commerce Act to authorize free or reduced rate transportation for persons who are 65 years of age or older; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSH (for himself, Mr. Anderson of Tennessee, Mr. Aspin, Mr. Burton, Mr. Collins of Illinois, Mr. Dingell, Mr. Edwards of California, Mr. Halpern, Mr. Madden, Mr. Mikva, Mr. O'Hara, Mr. Riegle, Mr. Seiberling, and Mr. Yates):

H.R. 10209. A bill to amend the act of November 5, 1966 (80 Stat. 1309), providing for the establishment of the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SLACK:

H.R. 10210. A bill to provide additional penalties for the use of firearms in the commission of certain crimes of violence; to the Committee on the Judiciary.

By Mr. WHITEHURST (for himself, Mr. Abbitt, Mr. Broyhill of Virginia, Mr. Daniel of Virginia, Mr. Downing, Mr. Robinson of Virginia, Mr. Satterfield, Mr. Scott, and Mr. Wampler):

H.R. 10211. A bill to authorize the merger of two or more professional basketball leagues; to the Committee on the Judiciary.

By Mrs. ABZUG:

H.R. 10212. A bill providing for the election of the Tribal Council of the Osage Nation of Indians; to the Committee on Interior and Insular Affairs.

H.R. 10213. A bill providing for the distribution of judgment funds of the Osage Nation of Indians; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON of California (for himself, Mr. Bingham, Mr. Brademas, Mr. Burton, Mr. Dennis, Mr. Dellums, Mr. Edwards of California, Mr. Goldwater, Mrs. Grasso, Mr. Halpern, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Horton, Mr. Kastenmeier, Mr. Koch, Mr. Kyros, Mr. Lent, and Mr. Long of Maryland):

H.R. 10214. A bill to establish a national policy and program with respect to wild predatory mammals, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 10215. A bill to amend title 39, United States Code, to provide for the mailing of letter mail to Senators and Representatives in Congress at no cost to the sender, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DENT (for himself and Mr. Perkins):

H.R. 10216. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mr. FINDLEY:

H.R. 10217. A bill to amend the act of February 28, 1947, as amended, to authorize the Secretary of Agriculture to cooperate with the Republic of Mexico in the control and/or eradication of any communicable disease of animals in order to protect the livestock and poultry industries of the United States; to the Committee on Agriculture.

H.R. 10218. A bill to amend the act of July 6, 1968, to authorize the Secretary of Agriculture to cooperate with Central American countries in the control and/or eradication of any communicable disease of animals in order to protect the livestock and poultry industries of the United States; to the Committee on Agriculture.

By Mr. FRASER:

H.R. 10219. A bill to amend the District of Columbia Unemployment Compensation Act in order to conform to Federal law, and for other purposes; to the Committee on the District of Columbia.

By Mr. MAILLIARD:

H.R. 10220. A bill to establish the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. MAYNE:

H.R. 10221. A bill to amend the act of July 6, 1968, to authorize the Secretary of Agriculture to cooperate with Central American countries in the control and/or eradication of any communicable disease of animals in order to protect the livestock and poultry industries of the United States; to the Committee on Agriculture.

By Mr. MOSS (for himself and Mr. Eckhardt):

H.R. 10222. A bill to require no-fault motor vehicle insurance as a condition precedent to using the public streets, roads, and highways in order to promote and regulate interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York (for himself, Mr. Anderson of Tennessee, Mr. Sikes, Mr. Begich, Mr. Yatron, Mr. White, Mr. Long of Maryland, Mr. Charles H. Wilson, Mr. Bingham, Mrs. Chisholm, Mr. Runnels, Mr. Metcalfe, Mr. Thompson of New Jersey, and Mr. Carey of New York):

H.R. 10223. A bill to authorize members of the Armed Forces to be discharged from active military service by reason of physical disability when such members are suffering from drug dependency, to authorize the civil commitment of such members after their discharge, to provide for the review of less than honorable discharges granted to certain members and the issuance of new discharges in certain cases, and for other purposes; to the Committee on Armed Services.

By Mr. PATTEN:

H.R. 10224. A bill to amend title 38, United States Code, to provide for the payment of tuition, subsistence, and educational assistance allowances on behalf of or to certain eligible veterans pursuing programs of education under chapter 34 of such title, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PEPPER:

H.R. 10225. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of compensation paid to firemen shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. ROONEY of Pennsylvania (for himself, Mr. Badillo, Mr. Yatron, Mr. Donohue, Mr. Morse, Mr. Daniels of New Jersey, Mr. Helstoski, Mr. Rostenkowski, Mr. Halpern, Mr. Schwengel, Mr. Coughlin, Mr. Nix, Mr. Biester, Mr. Burke of Florida, Mr. Rosenthal, Mr. Williams, Mr. Gibbons, Mr. Forsythe, Mr. Anderson of Illinois, Mr. Charles H. Wilson, Mr. Monagan, Mr. Horton, Mr. Brasco, Mr. Blanton, and Mr. Matsunaga).

H.R. 10226. A bill to amend the Interstate Commerce Act to provide increased fines for violation of the motor carrier safety regulations, to extend the application of civil penalties to all violations of the motor carrier safety regulations, to permit suspension or revocation of operating rights for violation of safety regulations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY of Pennsylvania (for himself, Mrs. Grasso, Mrs. Abzug, Mr. Johnson of Pennsylvania, and Mr. Green of Pennsylvania):

H.R. 10227. A bill to amend the Interstate Commerce Act to provide increased fines for violation of the motor carrier safety regulations, to extend the application of civil penalties to all violations of the motor carrier safety regulations, to permit suspension or revocation of operating rights for violation of safety regulations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TIERNAN (for himself, Mr. Abourezk, Mr. Badillo, Mr. Hathaway, Mr. Koch, Mr. Halpern, Mr. Eilberg, Mr. Harrington, Mr. Brasco, Mr. Fulton of Tennessee, Mr. Addabbo, Mrs. Chisholm, Mr. Roybal, Mr. Dellums, Mr. Morse, Mr. St Germain, Mr. Rosenthal, and Mr. Link):

H.R. 10228. A bill to establish a national power grid system, for the purpose of assuring an adequate and reliable low-cost electric power supply consistent with the enhancement of environmental values and the preservation of competition in the electric power industry; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS:

H.R. 10229. A bill to prohibit the use of certain facilities of interstate commerce for the purpose of making employemnt contracts to play professional sports with certain college athletes; to the Committee on the Judiciary.

By Mr. YATES:

H.R. 10230. A bill to amend the Bilingual Education Act with respect to the qualification of schools in which programs under such act may be carried out; to the Committee on Education and Labor.

By Mr. ANDERSON of California (for himself, Mr. Mazzoli, Mr. Mikva, Mr. Obey, Mr. Peyser, Mr. Preyer of North Carolina, Mr. Rees, Mr. Reid of New York, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Ryan, Mr. Sarbanes, Mr. Saylor, Mr. Tiernan, Mr. Waldie, and Mr. Wyman):

H.R. 10231. A bill to establish a national policy and program with respect to wild predatory mammals, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ANDERSON of Tennessee:

H.R. 10232. A bill to amend the Public Health Service Act to provide for the establishment of a National Institute of Gerontology; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK:

H.R. 10233. A bill to designate a certain traffic circle in the District of Columbia as the "Benito Juarez Circle"; to the Committee on the District of Columbia.

By Mr. RYAN (for himself and Mr. Moorhead):

H.R. 10234. A bill making appropriations to the President for the development of a prototype desalting plant in Israel; to the Committee on Appropriations.

By Mr. STUBBLEFIELD:

H.R. 10235. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. STUCKEY:

H.R. 10236. A bill to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H.R. 10237. A bill to amend the District of Columbia Unemployment Compensation Act in order to conform to Federal law, and for other purposes; to the Committee on the District of Columbia.

By Mr. BRADEMAS:

H.J. Res. 821. Joint resolution instructing the Secretary of State to call for an international moratorium of 10 years on the killing of all species of whales; to the Committee on Foreign Affairs.

By Mr. HALL:

H.J. Res. 822. Joint resolution: Stable Purchasing Power Resolution of 1971; to the Committee on Government Operations.

By Mrs. HICKS of Massachusetts:

H.J. Res. 823. Joint resolution proposing an amendment to the Constitution of the United States prohibiting involuntary busing of students; to the Committee on the Judiciary.

By Mr. PREYER of North Carolina (for himself, Mr. Abbitt, Mr. Blanton, Mr. Carter, Mr. Davis of South Carolina, Mr. Dorn, Mr. Fountain, Mr. Galifianakis, Mr. Henderson, Mr. Jones of North Carolina, Mr. McMillan, Mr. Mizell, Mr. Perkins, and Mr. Satterfield):

H.J. Res. 824. Joint resolution to provide for the establishment of a Scientific Commission on Smoking and Health; to the Committee on Interstate and Foreign Commerce.

By Mr. ROE:

H.J. Res. 825. Joint resolution extending for 2 years (until December 31, 1973) the existing authority for emergency implementation of the flood insurance program; to the Committee on Banking and Currency.

By Mr. FREY (for himself, Mr. Coughlin, Mr. Gude, Mr. Hansen of Idaho, Mr. Horton, Mr. King, Mr. Mayne, Mr. Rhodes, and Mr. Sebelius):

H. Con. Res. 382. Concurrent resolution relative to control of the production and traffic in illegal drugs; to the Committee on Foreign Affairs.

By Mrs. MINK (for herself, Mr. Anderson of Tennessee, Mr. Aspin, Mr. Badillo, Mr. Bingham, Mr. Eilberg, Mr. William D. Ford, Mr. Green of Pennsylvania, Mr. Halpern, Mr. Harrington, Mr. Nix, Mr. Podell, Mr. Rangel, Mr. Riegle, Mr. James V. Stanton, and Mr. Stokes):

H. Con. Res. 383. Concurrent resolution expressing the sense of Congress that the President should set a date for the withdrawal from South Vietnam before December 31, 1971, of the totality of the Armed Forces of the United States and its allies; to the Committee on Foreign Affairs.

By Mr. BINGHAM:

H. Res. 572. Resolution expressing the sense of the House with respect to the negotiation of an American-Israeli treaty of friendship; to the Committee on Foreign Affairs.

By Mr. TEAGUE of Texas (for himself and Mr. Teague of California):

H. Res. 573. Resolution commending the Disabled American Veterans and its thousands of members on the occasion of achieving the half century mark of service to deserving veterans and their dependents; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

251. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the retention of judge advocates and law specialist officers for the Armed Forces; to the Committee on Armed Services.

252. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to the discontinuation of foreign aid to opium-producing countries; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GUBSER:

H.R. 10238. A bill for the relief of Michel G. Jouven; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H.R. 10239. A bill for the relief of Toy Louie Lin Heong; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

114. By the SPEAKER: Petition of Dr. Efrain Garcia, New York, N.Y., relative to the service records of certain veterans of World War II; to the Committee on Armed Services.

115. Also, petition of S. J. Stamper, Winnebago, Wis., relative to the civil rights of the mentally ill; to the Committee on the Judiciary.

116. Also, petition of the City Council, Pawtucket, R.I., relative to excluding certain material offered for sale to minors from the mails; to the Committee on Post Office and Civil Service.

EXTENSIONS OF REMARKS

INCREASED RURAL DEVELOPMENT ASSISTANCE

HON. JOHN G. DOW

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. DOW. Mr. Speaker, on June 17 of this year I introduced H.R. 9245 to expand farm credit into rural areas to assist in rural development. The bill will modernize existing farm credit law; for example, the Federal land banks would be authorized to make loans in excess of the present 65-percent limitation on the farm's appraised value, to make real estate mortgage loans for nonfarm rural homes, and to provide financially related services to their members.

In a similar fashion production credit associations would be authorized to provide short and intermediate credit for repairs, maintenance, and improvement of nonfarm rural homes and to finance farm-related businesses. Furthermore, eligible cooperatives would be required to have only two-thirds of their membership composed of farmers and producers.

I believe that it is important to recognize that increased rural development assistance will benefit not only farmers but the entire Nation. It is well known that farmers' needs for capital continue to grow and there is nearly unanimous agreement among agriculture finance experts that agriculture capital and credit demands will double by the end of this decade. Directly linked to these needs are the urgent capital needs of other people who live in rural areas. It is my belief that the proposed legislation successfully accommodates the interests of both groups in a way which will assure a new prosperity for the rural areas of the Nation.

In this context I would like to take this opportunity to share with my colleagues an editorial from the June issue of the American Agriculturist, by Mr. Gordon Conklin, editor. Mr. Conklin delineates the success of the Farm Credit System and expresses his opinion as to the need and importance of the 1971 Farm Credit legislation. His editorial follows:

New Model

Farmers are constantly updating their farming techniques . . . and the equipment they use in their businesses. The process requires ever-increasing amounts of capital, and this in turn creates the need to review the policies of lending institutions.

The Farm Credit Service has to rank as one of America's greatest success stories . . . launched with government "seed money," and growing to a financial giant that is a $15-billion source of agricultural credit. Even more astonishing is the fact that Uncle Sam has been paid in full, and the FCS now runs its own ship without federal funds.

After a long study, a Commission on Agricultural Credit . . . chaired by Julian Thayer of Middlefield, Connecticut, recommended several changes that would provide the FCS with greater flexibility in making loans, broaden the eligibility for its loans, and enlarge the scope of services which could be provided by the Service.

Some farmers will resist the proposal that the FCS enter into the rural non-farm loaning business . . . believing that the farm-orientation of the organization will thereby be diminished. It's my opinion, though, that the proposed changes will benefit farmers as well as rural non-farmers . . . updating the procedures and services of an organization that has done an outstanding job across the years.

WELL-DESERVED RECOGNITION FOR FEDERAL EMPLOYEES

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. ROY. Mr. Speaker, today I voted in favor of H.R. 9092 which would establish a prevailing rate pay system for Government employees. This legislation affects the pay of about 700,000 Federal blue-collar workers. We in the Second District of Kansas are grateful for the fine work performed in our area by some 2,500 dedicated Federal employees. These people are an asset to Kansas in their work in many institutions, including Fort Riley, Fort Leavenworth, the Veterans' Administration hospitals in Wadsworth and Topeka, and the Federal penitentiary.

This legislation is quite similar to that passed by both Houses of the 91st Congress, only to be vetoed by the President on January 1, 1971. There is a need now, as there was then, for this legislation to provide equitable treatment for employees under the federal system.

One of the major benefits of the legislation is the institution of a five-step wage schedule instead of the present three, with automatic step increases. The addition of steps four and five should provide incentives for our Federal employees to remain in positions in which they have acquired expertise. Also, this should help Federal blue-collar employees keep pace economically in view of the spiraling cost-of-living increases we have been experiencing.

H.R. 9092 also establishes the Federal Prevailing Wage Advisory Committee which will replace the administratively established National Wage Policy Committee. The new Committee will consist of 11 members, five of whom will be representatives of Federal employees' unions; five will be representative of Federal agencies; one will be a member of the Civil Service Commission. The Chairman will be a Presidential appointee, with a 4-year term.

Another added benefit of this legislation is the establishment of a nationwide pay differential for nonovertime second- and third-shift work. At the present time, shift differentials are set according to the prevailing practice in individual areas. Under H.R. 9092, a uniform 7½-percent pay differential is established for the second shift, and 10 percent for the third shift.

In addition, this legislation makes statutory the provision of "save pay" which has been used in practice, whereby an employee who is reduced in grade because his job is abolished or changed is paid at the former pay grade for 2 years to cushion the impact of the lower wage rate.

I am pleased that the House of Representatives approved this legislation. I hope that the Senate acts similarly and that the President signs the legislation into law. It is a deserving reward for our dedicated Federal employees.

DRAFT SHUTDOWN A CHANCE FOR CHANGE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. BINGHAM. Mr. Speaker, with the military draft system shutdown as a result of congressional deadlock on draft extension legislation, now would be a good time to simply scrap the current system and replace it with something that might inspire our young people to serve rather than repel them as the current system does. That point has been eloquently made in a recent article by Newsday syndicated columnist Nick Thimmesch. I am pleased to say that Mr. Thimmesch recommends replacing the current draft system with the National Service System I proposed in my bill, H.R. 1000, and the text of his column, entitled "Draft Revision—Direction Unsure," follows:

Draft Revision—Direction Unsure

(By Nick Thimmesch)

WASHINGTON.—With Congress still fussing over the draft bill, it's increasingly evident that the government's ability to conscript young men into the peacetime military is in serious trouble. The nation just can't solve the problem of meeting the military manpower needs of the world's greatest power in a society of young people who plain don't want to be drafted.

Draft reform, the proposed voluntary Army, and an amendment calling for a troop pullout from Vietnam within nine months if prisoners are released, combined to make the bill to extend the draft for two years, which the House and Senate passed, a nice object to wrangle over in joint-conference in the weeks ahead.

Perhaps the Republic would be better served if Congress considered proposals to create a National Service Corps which would give youth the choice between military duty or pitching in on the backlog of work on our great social problems.

Young people like to be formed into armies, and not always for war. An army of the post-pubescent swarmed over the Woodstock rock music festival several seasons ago, and served notice that a new generation had arrived. Armies of youthful war protesters have become familiar sights in Washington. Battalion-size contingents have voluntarily helped in disasters—earthquakes, floods and forest fires.

So why couldn't America's would-be draftees be given the option of signing up for two years to work on projects to improve the environment; to serve in hospitals or health centers; to engage in antipoverty activities; to serve in VISTA, the Teacher Corps or the Peace Corps?

The choice for America's young men (perhaps young women, too?) would be either such national service or two years in the military. Actually, a program of this kind has already been proposed in Rep. Jonathan Bingham's (D-N.Y.), "National Service Act of 1970." with the support of nine congressmen, so it has some familiarity in Congress.

An immediate objection is that such a plan amounts to involuntary servitude forbidden by the 13th Amendment. But the Supreme Court has already ruled that the draft, for defense, does not contravene the involuntary servitude provision. So if the National Service Corps plan was administered by Selective Service, it probably could get by.

So why can't we have two armies, one for military purposes, and one for domestic service? Young men who prefer the military life, with its challenges, travel and discipline could go that route, and perhaps be rewarded for the extra effort with a year's free schooling after discharge. Those with an aversion to the military could slip into some sort of National Service uniform, submit to a looser discipline, but be put to the hard work of cleaning up the environment; helping the sick, aged and poor; or going abroad as Peace Corps volunteers.

With several million young people of this bent in pursuits outside the armed forces, our entire military might benefit. The military is presently loaded with youngsters who sought and received all manner of noncombat jobs, and are as much soldiers as, say, the Peoria, Illinois Women's Sodality. An Army, or Navy or Marine Corps, or even a Coast Guard has to be, after all, a military outfit, and the way matters are going now, the armed forces seem to be operated for the convenience of draftees and volunteers. These people would be much happier in a National Service Corps, and probably more useful, too.

The draft has been a national ordeal since President Franklin D. Roosevelt ordered it instituted for the first time on a peacetime basis in October of 1940. Millions fell into it in World War II, and since then, another 4,750,210 have been inducted. Though draft call-ups are very light now, millions of young men are potential draftees.

The draft, especially during the Vietnam era, has been unfair. Sen. Teddy Kennedy is mostly right when he says that the worst part of that war was fought by the poor because the more advantaged got college deferments. Disagreement over the draft is so great that a conservative like Barry Goldwater finds himself allied with liberals who push for a voluntary Army, and a professed war-hater like Rep. Pete McCloskey argues for the draft.

The United States, no matter what the condition of the world power balance, requires a good-sized, effective military. The United States presently has enormous domestic problems. Finally, we have millions of draft-age youth whose earnestness could be channeled into filling both these needs if we could find a selective service system which could route them either way—according to their wishes. We'd become a stronger, happier nation in the process.

U.S.S. "BREWTON"—DE-1086 LAUNCHED

HON. WILLIAM R. ANDERSON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. ANDERSON of Tennessee. Mr. Speaker, having followed with increasing concern the steadily diminishing number of U.S. combatant ships and merchantmen during the past few years, it is most heartening to know that a new antisubmarine ship, the U.S.S. *Brewton*—DE-1086—was launched in New Orleans on July 24, 1971.

On that occasion the Navy's dynamic Chief of Naval Operations, Adm. Elmo R. Zumwalt, Jr., did not elaborate on the need for additional warships to bring our fleet up to minimum standards of safety. He has discussed this subject frequently and persuasively on previous occasions. Rather, Admiral Zumwalt talked on the trends in today's society, the need for spiritual motivation and a renewal of values to perpetuate this country's great heritage into the next century Admiral Zumwalt's message is of immense importance to all of us and I place the full text of his remarks in the RECORD:

REMARKS BY ADM. E. R. ZUMWALT, JR.

As Chief of Naval Operations of the United States Navy, it is always a source of pleasure and satisfaction to me to witness the addition of a new warship to our Naval forces.

Today, however, I am also an active participant in this ceremony whereby the sleek and beautiful example of the art of the designer and skill of the ship builder is introduced for the first time to the waters—waters which will carry her from this day forward to make her mark in history as a unit of the United States Navy.

This alone is privilege and satisfaction enough for any man.

But in addition, I am favored today with two further sources of pride and honor.

First, my own wife, Mouza, is to christen this ship—giving it a name it will bear on and over the wide seas for decades into the future—perhaps into the next century, the beginning of a new millenia.

Secondly, the name this ship is to carry is one which has a unique place in my own heart and memory.

Lieutenant John C. Brewton, United States Naval Reserve, served under my command in Vietnam. He died on 11 January 1970 of wounds received from the enemy in action six weeks earlier while serving as Assistant Platoon Commander of a Navy Seal Team Detachment.

For his heroism in that final action, Lieutenant Brewton was posthumously awarded the Silver Star—our nation's third highest combat decoration.

His Task Force Commander, Captain J. R. Faulk, USN, is present in the audience today, as his Task Group Commander, Commander C. J. Wages, USN, now serving as my personal aide.

To us who knew him, nothing could be more fitting than to place John Brewton's name on a warship designed for anti-submarine warfare.

In tracking down and sinking a hostile submarine, the qualities so evident in John Brewton, the man, will be equally essential to USS *Brewton*, the ship. Anti-submarine warfare demands:

perseverance in the goals of the mission despite adversity or setbacks.

technical skill and proficiency to steady with confidence and certainty those led into battle and to lend security to those to be protected from danger.

endurance to stay in the contest until the issue is decided through victory or defeat.

determination to win through, whatever the odds, however long it may take.

most of all, courage to face death without flinching, even when the chill of its shadow is felt on the wind.

John Brewton displayed these qualities in full measure. Yes, Lieutenant Brewton was a very special young man to us—but he also was a very ordinary young American among those Navymen who served in Vietnam.

In 1945, Fleet Admiral Chester Nimitz, when speaking of the Iwo Jima campaign, said that it was a time when "Uncommon valor was a common virtue".

So it also was for our Navymen in the jungles and on the rivers of Vietnam.

Our young sailors and officers there had willingly chosen the road of danger and personal challenge in defense of freedom.

They did so because of their faith in America and their belief that freedom is indivisible—that it must be defended on far away shores if we are to avoid defending it on American soil.

The heroism in battle and courage in adversity or death shown by our Navymen in Vietnam serves as a constant inspiration to those who share this uniform—both in the U.S. Navy and that of our brothers-in-arms of the Vietnamese Navy.

We know that only so long as our Navy and our Nation can produce men of such caliber, such quality, and such devotion will America be secure against those who may in the future seek again to challenge our commitment to the cause of freedom.

Although all Americans wish it could be otherwise, our Naval forces, with those of our allies, must continue to stand ready to demonstrate that commitment in coming decades. This means that young Americans like John Brewton must continue to stand ready to pay, possibly with their "last full measure of devotion", the price of freedom.

But men of courage and spirit are not enough. They must have the tools with which to do the job. This ship we see before us today is one of the many tools our men must have if our country is to remain free. It is a warship, capable of dealing death and destruction when called for—but it is also a "Peace-Ship" which, by its existence in conjunction with the other necessary instruments of military power, can prevent war—and this is its primary reason for being.

But, men and weapons together are still not enough to ensure peace.

Our Armed Forces must also have the physical and moral support of their fellow countrymen if American courage, devotion and technology are to be fruitful.

There are trends in our society today which have tended to undermine and erode public confidence in our Armed Forces—indeed, in our nation's entire way of life.

America was once widely thought of as a land of affluence and plenty, with opportunity to succeed for all who wish to excel.

In recent years we have more searchingly turned our gaze inward, and now see with greater clarity the deficiencies of our society.

There is poverty—there is crime—there is inequality of opportunity—and we are rightly moving forward to bring the reality of America in line with the image we have long held of it.

But despite its flaws, our nation yet stands as the finest example of human organization and accomplishment in the history of man.

Our rise to pre-eminence among the nations of the world has not been without cost.

It can be said of America, as it was of Ancient Athens, that its "Grandeur was acquired by brave and valiant men, by men who knew their duty, . . . who . . . did not think it dishonorable for their country to . . . need . . . anything their valor could do for it, and so made it the most glorious present"—their lives.

And, as it was true of Athens, it is also true that those men and women who have died to make America the "last, best hope of earth" were not all in the uniformed service of the country.

The pioneers who pushed our boundaries westward across this continent and the seamen who extended our trading limits around the Horn to Asia and the Indies all shared in a dream of a greater America in the future—and they found no dishonor in courage, heroism or death in pursuit of that dream.

Our martyred Presidents, from Lincoln to John Kennedy also held in their hearts and frequently spoke of such a dream.

But there are voices abroad in America today which imply that this dream is dead—interred with the remains of those thousands of young Americans who, out of patriotism and love, made this country a present of their lives in Southeast Asia.

For three decades now, brutality, destruction and death have been pressed on our society and its people to a degree unprecedented in the last hundred years of our history. It is not a surprise to find our people growing weary and the voices of defeat rising in the wings. To some Americans, the "Generation of Peace" our President so fervently seeks seems beyond our grasp—the burden of that "long twilight struggle" foreseen by John Kennedy only a decade ago already seems to them to be intolerable—many of our institutions and symbols of authority are being questioned or undermined—it is advocated that we turn our back on the world beyond our shores—that we leave our partners to their fate, and turn our energy to a life of isolation, ease and physical comfort.

The suggestion is that we should turn our resources and attention to problems closer to home, even at the expense of our defensive military capability.

The debate rages now ever louder, and some predict that this is the course our people will choose to follow—that those same Americans who so swiftly responded to the call of greatness in the past have had enough of struggle and tension and will be persuaded to take the road of easy decision.

I do not believe it; nor would any man who knew John Brewton and thousands of young Americans just like him.

To turn our backs on the heritage of freedom and greatness handed down to this generation by those who for two centuries struggled and died to build it would imply an American poverty of spirit far in excess of any poverty of pocket book known in history.

If such a poverty of spirit exists, I have seen none of it reflected by those young Navymen who served so courageously in the rivers and jungles of Vietnam, nor do I see any of it now as our Navy men and women steadfastly go about their daily tasks on sea and shore around the globe.

Certainly, these young Americans have not abandoned their heritage, and I do not believe that their parents will be swayed to do so—however tiresome the burden may be. For, of all generations of Americans, we know that we live in an imperfect world—we are now inseparably part of it, and there can be no going back to earlier and less difficult days.

We also know that no thug ever attacked a well-armed man, while history is replete with the examples of the price ultimately paid by weakness.

The frontiers of our national interest are now spread across the seas—pressed outward by ancestors of energy, imagination, courage and venturesome spirit. Our way of life, our very existence as a nation, is now inextricably bound to the economic and security prospects of dozens of other nations.

We are tied to these remote lands by sea lines of communication—and the ability of our Navy to control these sea lines of communication in support of outposts increasingly to be manned by allies and partners is crucial to the future survival of America as we know it.

Let us abolish poverty—let us overcome crime in the streets—let us break down the barriers to equal opportunity—but let us always remember that we cannot do so in a vacuum.

The voices of defeatism and dissent are loud and powerful. But I am certain that the spirits of those thousands of Americans who have died for freedom in the last two hundred years join us in our prayer that this nation will see the shoals ahead and put about before it is too late.

The course ahead is shrouded in the mists of complexity, and there are no wise men who can perceive or would advocate simple answers to the difficulties we face.

But at least one thing is clear—USS BREWTON and the officers and men who will man her in coming decades will make their just contribution to the security of this land and all it represents—they *will* bear the burdens needed to perpetuate our heritage—and the challenges they will face together will be increasingly more difficult than those we all face today.

Finally, in readying themselves to meet the tests ahead, I can assure them that they could have no higher goal to pursue than to match the example of honor, courage and patriotism set for them by their ship's namesake.

May God bless them in their journey to the next century.

CBS CONTINUES DISTORTION AND FURTHER NATIONALIZED MEDIA THREAT

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. RARICK. Mr. Speaker, CBS seems to have taken the refusal of this House to cite them for contempt of Congress for lying to the American people as a license to distort facts and continue to influence international policy and public attitudes with regard to our country.

Not content with shifting the blame from the decisionmakers in our foreign policy department, the responsible parties, to the military for the Vietnam fiasco, CBS has now turned to smearing the Union of South Africa with a patently distorted "documentary" and its movie counterpart, showing anti-American films at a Moscow film festival. Even the State Department refused to grant official support for this un-American protest.

The American people must be made aware of the continued efforts on the part of those who control "the right to know" machinery in this country to defend ridiculous and absurd positions that have been taken by our foreign policy decisionmakers while publicizing supposed weaknesses of the American people.

Biased news reporting such as this and continued efforts on the part of the movie industry to tear down the very fabric of American life can only result in a public outcry for a nationalized communications system—the last and final step before this country deteriorates to absolute socialism and the horrors of George Orwell's not so implausible "1984."

What are CBS and Columbia International Pictures trying to prove?

I include news articles in the RECORD at this point:

[From the Washington Post, July 20, 1971]

MOSCOW FILM FESTIVAL

MOSCOW.—The seventh Moscow Film Festival opened in the Kremlin yesterday with American movies in competition, despite U.S. State Department criticism of the event.

Members of the American delegation said about 20 films either produced or distributed by American companies will be shown. Among them will be "They Shoot Horses, Don't They?" and "The Great White Hope."

The State Department had endorsed the festival in past years, but this year the department advised American producers against participation because some of the documentaries on Vietnam might be anti-American.

"One of the objects is to show American films to as wide a Soviet audience as possible," said Marc Spiegel, head of the American delegation.

Films from 116 countries will be shown.

Soviet organizers have said that actress Jane Fonda will attend.

Other members of the U.S. delegation included Mario Jordan, executive vice president of Columbia International Pictures, and director Stanley J. Kramer, due to appear Friday.

[From the Evening Star, July 26, 1971]

ROUSING OVATION—U.S. FILMS HAILED AT SOVIET FESTIVAL

MOSCOW.—American movies today brought critical praise and enthusiastic ovations from Soviets at the 7th Moscow International Film Festival.

Pravda, the Communist party newspaper, hailed the Arthur Penn film "Little Big Man" for dashing "bourgeois myths" concerning treatment of American Indians.

Some 6,000 Soviet film fans gave a rousing ovation to Stanley J. Kramer last night when his film, "Bless the Beasts and the Children," was shown in the Kremlin Palace of Congresses.

Some 21 films made or distributed by American companies are being shown at the festival despite official State Department refusal to participate. The department withheld official support because of what it said is the likelihood that anti-American films would be shown at the festival.

The U.S. delegation leader, Marc Spiegel, said the American moviemakers decided to participate anyway on the ground that it is beneficial for as many Russians as possible to see U.S. movies.

Pravda film critic Georgy Kapralov, reviewing "Little Big Man," said that Penn "reveals implacably and with all the passion of an artist . . . one of the myths created by bourgeois historians.

"It is the myth of the salvation role of the bourgeoisie and its so-called cultural mission, as it allegedly introduced the blessings of progress to once-backward peoples and tribes."

The film concerns massacres of Indian villagers by U.S. Army troops in the last century and the massacre of Custer's troops at the Little Big Horn.

[From Manchester Union Leader, July 26, 1971]

CBS AND SOUTH AFRICA

(Guest editorial from the National Review)

The South Africa Foundation is not pleased with CBS' documentary, A Black View of South Africa. John Chettle, Washington Director of the Foundation, has written a letter to the President of CBS complaining that, in a thirty-minute program, the CBS reporters managed to commit at least two dozen verifiable errors of fact, "not to mention quotations taken out of context, allegations impossible to substantiate and impossible to disprove, vague generalizations, instances of the particular referred to as if it were general, and other tricks of the age-old art of special pleading."

Mr. Chettle then lists some of the more egregious errors, alongside his corrections. For example: "It is easier for an American newsman to get into Hanoi than into South Africa." (In fact, official State Department figures show that ten American newsmen have gone to Hanoi in the last five years, whereas over a hundred have visited South Africa.) "This is an illegal film . . . made in South Africa by black South Africans, violating laws, risking prison and even death." (Mr. Chettle wishes CBS had said what laws the photographers were violating. The only ones he can imagine as being applicable are those forbidding anyone to photograph a prison or a nuclear installation—"Outside these exceptions, anyone, whether white or black, may photograph anything and may freely remove the photographs or films from the country.") "It is daring indeed. The camera equipment was smuggled in, and so was the film." ("One can only regret that the makers of the film put themselves to so much unnecessary expense. All photographic equipment is freely available in South Africa.")

The other specific statements that Mr. Chettle cites as being either completely false or misleadingly over-simplified have to do with standards of living for blacks in South Africa, for example: that the minimum living cost for a family of four in most Bantu areas is $10 a month more than the average man-wife team earns; that most Bantu housing was condemned as unfit for human habitation forty years ago; that black men are lured into continuing to work in the mines until they die of tuberculosis; that Indians are evicted from their houses on sugar estates if one working member of the family dies; that no precious minerals have been discovered in Bantu homelands.

All this, and much, much more, in a half-hour show.

ROCHESTER'S MAYOR STEPHEN MAY ON GENERAL REVENUE SHARING

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. HORTON. Mr. Speaker, the debate continues in America over the best means to solve the growing revenue crisis which threatens to bankrupt many States and hundreds of local governments. The attention of the country is now focused on the Ways and Means Committee of the House as we anxiously await final action on the various revenue sharing proposals under consideration.

Last month, the committee was fortunate to receive the testimony of the Honorable Stephen May, mayor of the city of Rochester. After making a compelling case for distributing a fairer share of Federal revenue to local governments, the mayor concluded with these words:

> Our cities are victims of circumstances beyond their control, but they are not beyond the control of the U.S. Congress. We await positive, constructive action by your committee.

It is my earnest hope that we will heed the mayor's call.

A complete text of Mayor May's testimony follows:

STATEMENT BY MAYOR STEPHEN MAY, OF ROCHESTER, N.Y., TO THE HOUSE WAYS AND MEANS COMMITTEE ON GENERAL REVENUE SHARING BILL, H.R. 4187, JUNE 16, 1971

Mr. Chairman and Members of the Committee: The Congress of the United States has an unprecedented opportunity this year to enact landmark legislation which will be recorded as a dramatic turning point in this nation's history. Restoration of the American people's confidence in the ability of their elected leadership to utilize our nation's great resources to meet the challenges of our urban crisis must be the top priority on this country's agenda.

President Nixon deserves the commendation of all who are concerned about the quality of life in our financially pressed cities for his initiative in proposing a significant program of general federal revenue-sharing with state and local governments. Whether you approve his specific proposal or another form of unrestricted aid to cities is really unimportant. At least the President has pointed the way in the right direction, and his pioneering concept should not be sacrificed for narrow partisan gain.

Attached to this statement is a copy of a resolution adopted by a unanimous, bipartisan vote of the Rochester City Council, endorsing general revenue-sharing.

Pleas from every part of this country for more responsive government, for a sense of community and a national purpose, grow louder and more persistent each day. Those of us responsible for governing urban areas are lightning rods in this storm of protest, demand, expectation and complaint. We try to withstand the onslaught of citizen concern and frustration knowing full well that we have neither the financial resources nor the authority to be truly responsive. We know, from painful experience, that if government at all levels is not responsive then government at no level can be responsive. This is what general federal revenue-sharing is all about.

The most striking near-monopoly in this country today is the federal government's stranglehold on the flexible, dynamic and generally progressive federal income tax. With its overriding taxing and revenue-generating powers the federal government has been siphoning away the bulk of tax revenues while local governments confront the bulk of domestic problems.

States take a second crack at what are usually the same sources of wealth and frequently, in addition, some regressive tax revenues. The cities have what is left—usually the most regressive, archaic tax conceivable—the real property tax, plus whatever grants-in-aid the federal and state governments choose to bestow for specific purposes.

Over the past thirty years the nation has come to recognize that the national government bears the major responsibility for dealing with pervasive nation-wide problems such as welfare, poverty and education by developing special-purpose programs partially funded and directed by the federal government. But we have been very slow to recognize the companion principle: that people of localities have ample power to hold their local administrations responsible for the spending of their money properly in providing basic public services—even when that money comes in the form of shared federal revenues.

For our aging cities, which increasingly house the poor, the old, the young and minority groups and already operate under heavy handicaps, failure to provide basic public services only lowers the quality of life and climaxes the mounting frustrations, hostility, anger and incivility which characterize America's urban scene. The stability and well-being of our city communities, precarious at best, hinges on the provision of essential public services such as sanitation, recreation facilities, police and fire protection, street maintenance, and housing code enforcement—services which receive little or no federal support.

Our people ask why the Congress is not listening to its Mayors. Our people ask if this nation's federal government is beyond the reach of those elected officials who are closest to the everyday problems of their communities. Is our national government becoming totally out of touch with the fundamental needs of day-to-day existence in our cities?

Local communities are a cornerstone of the strength and vitality of this nation, not mere creatures of another unit of government. Local governments were intended to be vital partners in the shared powers and responsibilities of government in our federal system. Why should cities have to beg for resources which are rightfully theirs as full-fledged partners in this system?

The richest society in the world cannot muster the money to deliver public services effectively—not because the cost is too high nor because the money isn't there—but mainly because the tax structure is arranged to leave vast amounts of wealth untapped or misallocated while overburdening the small taxpayer to the point of revolt. Surely there is something seriously wrong with the nation's allocation of its financial resources when the federal government, with a dynamic tax base which has tripled in the last 15 years, has been cutting taxes, and local governments, with a regressive sales and real estate tax base, have been raising them.

While state and local governments have been digging deeper and deeper in search of new revenues—inevitably regressive in nature—the federal income tax has been cut six times in the last 17 years: 1954, 1962, 1964, 1965, 1969 and 1971. Local government expenses, from 1950–69, jumped 350 percent while federal spending for domestic purposes increased only 200 percent. During the last ten years, expenditures at the state and local levels have increased 20 percent faster than their total tax revenues.

Lest local and state governments be accused of shirking their duties, or failing to make determined efforts to solve their own problems, I call to your attention the sincere and strenuous actions of governments in Rochester and New York State. They have striven mightily to muster the money to deliver vital public services while trimming budgets and cutting back on activities in order to remain solvent yet responsive to the people's needs.

Feeling the pinch of a sizeable budget deficit, the City of Rochester, through the diligent work of an economy task force, saved my city several million dollars. In addition to an across-the-board job freeze, we have reduced our work force by 450 and significantly curtailed library and recreation services. We have postponed the purchase of all but the most urgently needed vehicles for our police and fire services. Other capital improvement programs are being delayed.

Many charges have been increased and others imposed for the first time. The City has raised fees for towing of illegally parked cars, for parking in our municipal garages and for permits for electricians, contractors and demolition companies. A fee is now charged for children studying ballet in our recreation program.

In an unprecedented—and unpopular—move the City has restored 18 previously tax-exempt properties to the tax rolls, and is vigorously pursuing further efforts in the same direction. Just last week the Rochester City Council, in an attempt to hold down disastrous increases in this year's property tax (which is already dangerously close to the State Constitutional limit), trimmed $867,393 from the proposed City School Budget.

The New York State Legislature, in its recently adjourned session, raised the state sales tax from 3% to 4% and expanded its coverage to include meals under $1.00. With Monroe County's own 3% sales tax, our residents now must live with a whopping and regressive 7% sales tax. New York State already has an income tax, an element which is conspicuously missing in its immediately neighboring states.

Our present tax structure forces our states, our communities and their respective officials to view with each other for limited resources and in devising attractive tax climates for businesses. This process sacrifices vital public services and perpetuates the regressive, archaic and inequitable property tax. This is a vicious cycle from which we all need to be rescued.

Especially severe hardships for my city's people result from the burdens forced by heavy reliance on the real estate tax—a tax which bears little relationship to a person's ability to pay and to the services it finances. Municipal officials are squeezed between taxpayer revolts from below and arbitrary revenue-sharing restrictions imposed from above. The result is a tragic loss of capacity to serve its residents.

Lack of support and trust of its own citizens at home and lack of support and trust from Congress and the federal government in Washington are converging on and crippling our cities. We look to you in Washington to restore local government to its rightful place in the federal system and to allocate sufficient and flexible enough funds to enable our cities to flourish, not merely survive.

It is clear that general revenue-sharing is an idea whose time has come. The Gallup poll indicates that 77% of the American people support the concept. They recognize—while the Congress has been slow to perceive—that state and local governments, which are closest to the people, are best able to provide essential services, and that those governments must have adequate resources to perform effectively.

It is up to the federal government, with its access to progressive, dynamic sources of revenue to provide the funds which will enable our cities to devote their efforts and resources to those programs and services which have been theirs historically and which are essentially local in nature—such as keeping streets safe and clean, collecting trash on a regular basis, providing recreational facilities, police and fire protection and housing code enforcement.

While I have no fixed views on the precise methods for distributing a fair share of federal revenues to local governments in a general revenue-sharing program, I feel that five criteria must be met:

1. The amount of new revenue available to cities must be large enough to have a significant impact on our ability to effectively deliver public services. An annual figure of $10 billion, as proposed by Governor Rockefeller, Senator Javits and others, comes closer to meeting our needs than does the $5 billion President Nixon has recommended.

2. These funds must be made available for general municipal purposes as determined by the local government, with no strings attached. Certainly, we in local government are in the best position to determine how funds can be most effectively employed to improve our communities.

3. Provisions must specify that general revenue-sharing funds will be made available either directly to local governments or by means of a guaranteed state government pass-through which would thwart arbitrary tampering with funding levels by state officials insensitive to the needs of cities and local governments.

4. Safeguards must be enacted to protect local governments from unpredictable annual reductions in revenue-sharing funds except as economic growth or decline affects the economy as a whole and resulting federal revenues.

5. Strong provisions must be included for strict auditing of the expenditure of general revenue-sharing funds and to prevent their use for discriminatory purposes.

If we have ever needed a strong national policy which reaches straight into the pocket of every property taxpayer, it is now. As the mayor of a large city in deep financial trouble, I ask you to take the risks which go with general revenue-sharing because it is truly an investment in the renaissance of local government.

It is essential that a sound basis for sharing this nation's abundant wealth be devised. It is vital that you demonstrate an immediate, visible determination to share the riches which Washington gathers in from the far-flung communities of this nation. A commitment of federal funds to general revenue-sharing would begin to reverse the trend of national neglect of our cities and give desperately needed encouragement, trust and fortification to our embattled and dispirited municipal governments.

I ask your help in harnessing federal funds to local initiatives as part of a national undertaking to convert America's economic growth into the good life for all. General revenue-sharing is a means to fill a major gap in our fiscal federalism, to strengthen its structure by infusing funds and independence into city governments, and to increase our total government capacity to cope with the large social crisis of the 1970's.

Our cities are victims of circumstances beyond their control but they are not beyond the control of the United States Congress. We await positive, constructive action by your commitee.

RESOLUTION ADOPTED BY UNANIMOUS BI-PARTISAN VOTE OF THE ROCHESTER CITY COUNCIL ENDORSING GENERAL REVENUE SHARING

Whereas, the financial plight of our nation's cities is a continuing crisis resulting from a shrinking tax base while the cost of government continues to outstrip available revenue; and

Whereas, the City of Rochester faces another virtually insurmountable budget gap which will necessitate a burdensome tax increase and/or a significant reduction in vital City services; and

Whereas, Governor Nelson A. Rockefeller and other leaders have long urged a program of federal revenue-sharing and President Richard M. Nixon has asked Congress "to provide that the federal government regularly share some of its revenue with all cities . . . to be used by them for any purposes for which they can legally use their own resources"; and

Whereas, the 92nd Congress can set no higher priority than enactment of a substantial program of federal-revenue sharing with local governments, if our cities are to survive and flourish;

Now be it Resolved,

that the City Council of the City of Rochester, New York hereby strongly endorses immediate implementation of a federal revenue-sharing program of significant magnitude to bring vitally needed money without stringent guidelines to Rochester and other local governments across the country.

And be it further Resolved

that copies of this resolution be sent to the President of the United States, Senators Jacob K. Javits and James Buckley and Congressmen Frank J. Horton and Barber Conable.

Adopted unanimously.

BLACK PROGRESS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. McCLORY. Mr. Speaker, in considering the effectiveness of civil rights legislation, it is always encouraging to learn that our new laws have produced results consistent with our legislative intent.

A recent report produced through the cooperation of the Bureau of the Census and the Department of Labor has noted many areas of progress achieved during the last 10 years. This report and the results described were the subject of a perceptive editorial in today's Chicago Tribune entitled "Black Progress."

In connection with the oversight jurisdiction of Subcommittee 4 of the House Judiciary Committee upon which I am privileged to serve, the subcommittee is endeavoring to determine both the benefits and the shortcomings of existing civil rights laws. The Tribune editorial calls attention to both of these aspects—which, it seems to me, should be the main objective of our subcommittee's oversight function.

Mr. Speaker, the Chicago Tribune editorial follows:

BLACK PROGRESS

Statistical reports make less dramatic news than civil rights confrontations and demonstrations, but one of the more significant analyses of figures was displayed prominently on our page one Monday. A new federal study reports that black people in the United States have made solid economic and educational gains in the last decade. The black advances may have been prodded in part by the civil rights activism of the 1960s, the report demonstrates that the American system does work.

Attacks often are made on the quality of education for blacks. These may be true, but nevertheless between 1965 and 1970 the number of blacks 18 to 24 years old enrolled in college nearly doubled. Much more progress still is needed, since one of every six college-age blacks is enrolled in an institution of higher learning compared with one of every three whites in the same age bracket. In 1970, 56 per cent of all blacks 25 to 29 years old had a high school diploma, compared with only 38 per cent in 1960.

Eradication of function illiteracy among blacks had increasing success. By the end of the 1960s, less than 1 per cent of blacks from 14 to 24 years of age had less than four years of school compared with 9 per cent of blacks 45 years and older.

Median family income for blacks rose approximately 50 per cent in the last decade to $6,520. Even more significant, black family income increased at a faster rate than in white families. The ratio of black to white family income went from 53 to 64 per cent in the 1960s. Last year, 24 per cent of black families had incomes with purchasing power exceeding $10,000 at 1969 prices, compared with only 9 per cent in 1960.

Blacks still remain behind whites in key economic and educational categories, but the gaps are becoming narrower. Another development cited in the report was the substantial migration from Southern states to Northern urban areas. When the nation's major cities—especially Chicago—solve their social, economic, and educational problems, the differences will become even smaller.

SEEKS MORE FOR DRUG PROGRAMS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. SCHEUER. Mr. Speaker, yesterday I offered an amendment to the Labor-HEW fiscal year 1972 appropriations bill, which added $40 million to the budget for drug abuse control programs administered by the National Institute of Mental Health. Although the amendment was rejected, I would like to explain more fully why I offered it, by demonstrating the gross inadequacy of Federal funds for drug treatment programs.

I am inserting at the conclusion of my remarks an analysis of the President's fiscal year 1972 budget request prepared by the Office of Management and Budget. It shows, for example, that the total Federal effort in drug treatment and rehabilitation, $150 million, is barely comparable to the amount that the city and State of New York alone spend for their own programs.

I am also including an analysis of the drug abuse control funds of the National Institute of Mental Health, which administers the major portion of the Federal Government's treatment and rehabilitation programs, and a list of the grants made by the Institute.

I commend these analyses to the attention of those of my colleagues who are turning an increasingly critical eye on the role of the Federal Government in combating drug abuse:

U.S. OFFICE OF MANAGEMENT AND BUDGET

ESTIMATED OBLIGATIONS FOR FEDERAL DRUG ABUSE PROGRAMS BY CATEGORY, AGENCY AND LEGISLATIVE AUTHORIZATION

[Fiscal years; millions of dollars] [1]

Category and agency	Authorization (see text for full titles)	1969	1970	1971	1972 required appropriation
LAW ENFORCEMENT					
Justice:					
BNDD	CDAPCA	16.8	25.8	39.3	60.7
Other	NARA	.3	.4	.5	.7
Treasury:					
Customs	Customs laws	3.1	12.4	18.3	41.5
IRS [2]	26 U.S.C				7.5
Subtotal		20.2	38.6	58.1	110.4
TREATMENT AND REHABILITATION					
HEW:					
NIMH	CMHC	21.9	3.1	19.8	68.5
	NARA		16.7	20.9	21.3
SRS	VRA	1.0	1.6	1.8	2.8
OEO	EOA	2.2	4.5	12.8	18.0
VA	38 U.S.C	.6	4.8	5.0	22.5
HUD: Model cities	DCMDA	1.4	4.1	6.0	3.4
Justice:					
LEAA	OCCSSA	.4	5.6	10.9	11.0
Bureau of Prisons	NARA	.5	1.1	2.3	2.5
Subtotal		28.0	41.5	79.5	150.0
EDUCATION AND TRAINING					
HEW:					
NIMH	PHS	1.2	3.4	4.7	9.5
	CMHC			1.5	7.5
OE [3]	DAEA	.2	3.7	6.6	6.0
Justice:					
BNDD	CDAPCA	.4	1.3	2.9	4.5
LEAA [4]	OCCSSA	.2	1.3	2.6	2.6
Miscellaneous [5]			.1	.5	.5
Subtotal		2.0	9.8	18.8	30.6
RESEARCH AND OTHER SUPPORT					
HEW: NIMH	PHS	14.1	16.3	17.8	31.2
	CMHC				2.0
Justice: BNDD	CDAPCA	1.0	.7	1.4	1.5
State: AID	FAA	.3	1.3	2.4	2.6
USDA [6]	7 U.S.C. 427				2.1
Special action office	Pending				3.0
Subtotal		15.4	18.3	21.6	42.4
Civilian program total		65.6	108.2	178.0	333.4
Department of Defense					48.0
Grand total					381.4

[1] Some amounts remain estimates (back to 1969) because of formula grant programs, etc.

[2] Prior to 1972, funds not specifically dedicated to enforcing tax evasion laws against known or suspected drug traffickers.

[3] As of July 1, appropriation in Conference Committee. (Estimates 13.0 will be result of committee action).

[4] Assumes 10 percent of total LEAA funds for public information will be used for drug abuse projects.

[5] Includes model cities in 1971 (0.1–DCMDA and USDA in 1971 and 1972 (0.5 for 4–H club programs—7 U.S.C. 343).

[6] Research for detection and eradication of narcotics.

DEPARTMENT OF JUSTICE

1. Authorizing legislation:

a. BNDD: Comprehensive Drug Abuse Prevention and Control Act of 1970. (CDAPCA)

b. LEEA: Omnibus Crime Control and Safe Streets Act of 1968, as amended. (OCCSSA)

c. Bureau of Prisons: Narcotic Addict Rehabilitation Act of 1966, (NARA) Title II.

d. Other: NARA, Title III.

2. Authorization levels (in millions):

a. BNDD (for functions under Title II of the Comprehensive Drug Abuse Prevention and Control Act): 1972—$66; 1973—76.[1]

b. LEAA: No specific authorizations.

c. Bureau of Prisons: No specific authorizations.

d. Other: No specific authorizations.

3. Estimated obligations (see attached table).

4. Difference between requested and appropriated, 1971. Bureau of Prisons requested $3.0 million, received $2.3 million.

Footnotes at end of article.

TREASURY DEPARTMENT

1. Authorizing legislation:

a. Customs: 18 U.S.C. 545; 19 U.S.C. 482; 1461, 1467, 1496, 1581, and 1582; 21 U.S.C. 198a; 21 U.S.C. 966; 26 U.S.C. 7607. (Customs Laws)

b. Internal Revenue Service: Title 26 U.S. Code (26 U.S.C.)

2. Authorization levels: Unspecified.

3. Estimated obligations (see attached table).

HEALTH, EDUCATION, AND WELFARE

1. Authorizing legislation:

a. NIMH: Parts D and E of the Community Mental Health Centers Act, (CMHC) as amended by Title I of the Comprehensive Drug Abuse Prevention and Control Act of 1970. Titles I and III of NARA. Sections 301, 302, 303, and 443 of the Public Health Service Act (PHS).

b. Office of Education: Drug Abuse Education Act of 1970 [3] (DAEA)

c. Social and Rehabilitation Service: Sections 2, 3, and 4 of the Vocational Rehabilitation Act (VRA).

2.—AUTHORIZATION LEVELS

	1971	1972	1973
(a) NIMH:			
CMHC (Sec. 253) education	$3	$12	$14
CMHC (Sec. 256)	20	30	35
CMHC [1] (Sec. 261)	40	60	80
NARA	(2)	(2)	(2)
PHS	(2)	(2)	(2)
(b) Office of Education	10	20	28
(c) SRS	(2)	(2)	(2)

[1] Part E of CMHC authorizes funds for both drug abuse and alcoholism.

[2] No specific authorizations.

3. Estimated obligations (see table).

4. Differences between requested and appropriated. No difference between requested and appropriated. However, supplemental appropriations made as follows:

a. NIMH: an additional $6.5 million of which $5 million was for special community projects and $1.5 million for drug abuse education.

b. OE: an additional $6 million for drug abuse education.

OFFICE OF ECONOMIC OPPORTUNITY

1. Authorizing legislation.[4]

Economic Opportunity Act of 1964, as amended, Title II, Section 222(a) (9). (EOA)

2. Authorization level—1971, 1972, 1973—No specific authorizations.

3. Estimated obligations (see table).

4. Difference between requested and appropriation: 1971 request was $3 million, $15 million specified for drug abuse by Congress. 15% reduction by OEO Director.

VETERANS ADMINISTRATION

1. Authorizing legislation: Title 38 U.S.C., Chapter 17 (38 U.S.C.).

2. Authorization level: 1971–73—No specific authorizations.

3. Estimated obligations (see table).

HOUSING AND URBAN DEVELOPMENT

1. Authorizing legislation: Model Cities: The Demonstration Cities and Metropolitan Development Act of 1966. (DCMDA).

2. Authorization level: 1971–73—No specific authorizations.

3. Estimated obligations (see table, because of nature of program these amounts are estimated *outlays*).

STATE DEPARTMENT

1. Authorizing legislation: AID: Foreign Assistance Act of 1961, as amended (FAA).

2. Authorization level: 1971–73—No specific authorizations.

3. Estimated obligations (see table).

DEPARTMENT OF AGRICULTURE

1. Authorizing legislation: ARS: Marketing Act of 1946, (7 U.S.C. 427); Other: (4-H Clubs) Lever Act of 1914 as amended (7 U.S.C. 343).

2. Authorization levels: 1971–73—No specific authorizations.

3. Estimated obligations (see table).

NIMH APPROPRIATIONS, FISCAL YEAR 1972

[In millions]

	1972 budget request	President's June 21 amendment increase	Total
1. Manpower training	$2.9	$4.0	$6.9
2. State and community treatment, rehabilitation and education grants	27.0	50.4	77.4
3. Research	19.0	12.0	31.0
4. NARA civil commitment treatment	21.3	.6	21.9
5. Program support	2.5	0	2.5
Total	72.7	67.0	139.7

1. Manpower training has an *indefinite* authorization under Part D, Section 252 of the Community Mental Health Centers Act authorized by P.L. 90–574.

2. State and community rehabilitation, treatment and education are authorized by P.L. 90–574, 91–211 and 91–513.

(a) Section 252: indefinite authorization for treatment programs (Specialized training programs and materials, new types of treatment).

(b) Section 253: *$12 million* authorized to establish drug abuse education projects.

(c) Section 256: *$30 million* for public or non-profit private agencies for treatment and rehabilitation programs (grants made to public and non-profit agencies).

(d) Section 261: *$60 million* for construction and staffing of treatment facilities. This amendment would add funds available for these sections.

3. Research has indefinite authorization under Public Health Service Act.

4. Narcotic Addict Rehabilitation Act (P.L. 89–793) authorizes civil commitment and provides *indefinite* authorization for contract arrangements with community agencies to treat committed addicts.

5. Program support (administrative costs).

FOOTNOTES

[1] Some activities of BNDD are not included within the functions authorized by Title II of the cited Act. These activities have no specific authorizations.

[2] Prior to 1971 legislative authority was Education Professions Development Act, Part D and Elementary and Secondary Education Act, Title III.

[3] Footnote in table.

[4] Expired June 30, 1971.

Narcotic Addict Rehabilitation Branch, Division of Narcotic Addiction and Drug Abuse, National Institute of Mental Health

ACTIVE GRANTS

Institution and location, starting date

PL 89–793, Section 402—$10,988,000 through FY 1971

1. Connecticut Metal Health Center, New Haven, Conn., No. 5 H17 MH 16356–04—6–1–68.

2. University of Chicago, Chicago, Ill., No. 5 H17 MH 16409–04—6–1–68.

3. University of Missouri, Columbia, Mo., No. 5 H17 MH 16357–04—6–1–68.

4. Board of County Commissioners, Bernalillo County, Albuquerque, N. Mex., No. 5 H17 MH 16355–04—6–1–68.

5. West Philadelphia Corporation, Philadelphia, Pa., No. 5 H17 MH 16359–04—6–1–68.

6. Addiction Services Agency, $3,114,000, New York, N. Y., No. 5 H17 MH 16353–03—5–1–69.

PL 90–574, Section 251—$9,830,000

7. The Johns Hopkins Hospital, Baltimore, Md., No. 5 H19 MH 17830–02—8–1–69.

8. New Jersey College of Medicine and Dentistry, Newark, N.J., No. 5 H19 MH 17843–02—9–1–69.

9. Alcohol and Drug Dependence Division, Connecticut Department of Mental Health, Hartford, Conn., No. 5 H19 MH 17837–02—11–1–69.

10. Addiction Research and Treatment Corporation, Brooklyn, N.Y., $2,252,000, No. 5 H19 MH 17836–02—11–1–69.

11. Boston University School of Medicine, Division of Psychiatry, Boston, Mass., No. 5 H19 MH 17844–02—1–1–70.

12. Missouri Division of Mental Health, Jefferson City, Mo., No. 5 H19 MH 17840–02—1–1–70.

13. New Jersey State Hospital, Marlboro, N.J., No. 5 H19 MH 17835–02—1–1–70.

14. Eagleville Hospital and Rehabilitation Center, Eagleville, Pa., No. 5 H19 MH 17831–02—2–1–70.

15. Commonwealth of Puerto Rico, Department of Social Services, San Juan, P.R., No. 5 H19 MH 17829–02—4–1–70.

16. Bexar County Board of Mental, Health and Mental Retardation, San Antonio, Tex. No. 5 H19 MH 17841–02—5–1–70.

PL 91–211, staffing, part D—$6,567,000

17. Health Council of the Detroit Model, Neighborhood, Inc., Detroit, Mich., No. 1 H19 MH 00434–01—10–1–70.

18. Government of the District of Columbia, Department of Human Resources, Narcotics Treatment Administration, Washington, D.C., No. 1 H19 MH 00466–01A1—12–1–70.

19. Committee on Alcoholism and Drug, Abuse for Greater New Orleans, Inc., New Orleans, La., No. 1 H19 MH 00456–01—1–1–71.

20. Community Organization for Drug Abuse Control, Phoenix, Ariz. No. 1 H19 MH 00460–01A1—1–1–71.

21. Diagnostic and Rehabilitation Center, Philadelphia, Pa. No. 1 H19 MH 00452–01—3–1–71.

22. Metropolitan Dade County Department of Hospitals, Division of Mental Health, Miami, Fla. No. 1 H19 MH 00378–01A1—4–1–71.

23. Craig House-Technoma Workshop, Pittsburgh, Pa. No. 1 H19 MH 00333–01A1—4–1–71.

24. Bedford Area Mental Health Clinics, Inc., New Bedford, Mass. No. 1 H19 MH 00497–01—7–1–71.*

25. Central Community Health Board of Hamilton County, Inc., Cincinnati, Ohio. No. 1 H19 MH 00517 01–8–71.*

26. Greater Bridgeport Mental Health Council, Inc., Bridgeport, Conn. No. 1 H19 MH 00515–01—9–1–71.*

27. City of Detroit Department of Health, Detroit, Mich. No, 1 H19 MH 00536–01—9–1–71.

28. Westside Community Mental Health Center, San Francisco, Calif. No. 1 H19 MH 00453–01—9–1–71.*

29. Cumberland County Mental Health Authority, Fayetteville, N.C. No. 1 H19 MH 00462–01—10–1–71.*

PL 91–211 (Initiation and Development), $150,000

30. University of Maryland, Baltimore, Md. No. 1 D20 MH 00565–01—7–1–71.*

31. Dede Wallace Center, Nashville, Tenn. No. 1 D20 MH 00555–01—9–1–71.*

32. Brevard County Mental Health Center, Inc., Rockledge, Fla., No. 1 D20 MH 00560–01—9–1–71*.

PL 91–513 (Section 256) $5,000,000

33. Lancaster General Hospital, Lancaster, Pa., No. 1 H80 MH 00629–01—7–1–71*.

34. Addiction Prevention Treatment Foundation, Inc., New Haven, Conn., No. 1 H80 MH 00625–01—7–1–71*.

35. Muhlenberg Medical Center, Bethlehem, Pa., No. 1, H80 MH 00617–01—7–1–71*.

36. Community Organization for Drug Abuse Control, Phoenix, Ariz., No. 1 H80 MH 00616–01—7–1–71*.

37. Aquarius House, Muncie, Ind., No. 1 H80 MH 00611–01—7–1–71*.

38. Interseminarian, Inc., Boston, Mass., No. 1 H80 MH 00596–01—7–1–71*.

39. Metropolitan Development Council, Tacoma, Wash., No. 1 H80 MH 00576–01—7–1–71*.

40. Youth Projects, Inc., Fairfield, Calif., No. 1 H80 MH 00657–01—8–1–71*.

41. Community Mental Health Board, Clinton-Eaton-Ingham Counties, Lansing, Mich., No. 1 H80 MH 00610–01—8–1–71*.

42. S.O.D.A.T. (Services to Overcome Drug Abuse Among Teenagers), Grand Blanc, Mich., No. 1 H80 MH 00579–01—8–1–71*.

43. Kentucky Region Eight Mental Health/Mental Retardation Board, Inc., Louisville, Ky., No. 1 H80 MH 00639–01—9–1–71.*

44. The Mental Health Center of Norfolk and Chesapeake, Norfolk, Va., No. 1 H80 MH 00613–01—9–1–71.*

45. Tucson-Southern Counties Mental Health Services, Inc., Tucson, Ariz., No. 1 H80 MH 00636–01—10–1–71.*

46. Community Mental Health Center of Beaver County, Rochester, Pa., No. 1 H80 MH 00577–01—10–1–71.*

47. Narcotic Addicts Rehabilitation Center Organization, Atlantic City, N.J., No. 1 H80 MH 00516–01A1—10–1–71.*

48. Durham Community Mental Health Center, Durham, N.C., No. 1 H80 MH 00614–01—12–1–71.*

P.L. 91–513 (section 253) $1,500,000 for drug abuse education for FY 1971. 13 grants and 7 contracts. 5 grants were made in New York for $258,000 and 1 contract for $140,000

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*Planned.

AMERICA IN GREECE: SWAN SONG OF AN EAGLE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. ROSENTHAL. The action of the House Foreign Affairs Committee in approving an amendment to the Foreign Assistance Act restricting aid to Greece has precipitated a number of spirited reactions.

As a supporter of my committee's action, I am pleased that we have taken an important step which shows clearly—and for the first time in my recollection—that we will not tolerate indefinitely American support of repressive dictatorships through a spurious and ever less believable appeal to "national security."

I am convinced that our national security is best served when we can bring strong democratic governments together for joint action toward peace. Supporting the Greek junta does not serve that goal.

Prof. George Anastaplo, of Rosary College, River Forest, Ill., has sent me the following article which clearly shows the danger of relying on the group of mutinous colonels who seized power in Greece in 1967 as a basis for American security in Europe and the Near East:

SWAN SONG OF AN EAGLE—AMERICA IN GREECE

(By George Anastaplo)

American foreign policy is obviously one of the greatest concerns of this time filled with urgencies. And over more than one part of the world the American eagle seems to have been circling of late on uncertainly fluttering wings, looking painfully unlike the embodiment of dignity and purpose we have heretofore envisioned as our national symbol. This is the metaphor chosen by George Anastaplo for the title of his article in this issue, "Swan Song of an Eagle: America in Greece."

Five issues ago Dr. Anastaplo analyzed for SWR the Greek situation as it existed at that time, in his "Greece Today and the Limits of American Power," an article which attracted notice both in America and abroad. Now, after a visit to Greece last fall which gave him an opportunity to get a very close view of further developments and even to put challenging questions to Prime Minister George Papadopoulos himself at a press conference, he has formulated his new observations for us in an essay which points out our national unwillingness—at least up to now—to learn from experience. A possible lesson is stated concisely in his conclusion: "We are not realistic about the enduring sources of our influence and self-confidence as a republican people if we 'pragmatically' exclude from our calculations in our relations abroad considerations of either political integrity or human dignity."

Dr. Anastaplo is chairman of the political science department at Rosary College, River Forest, Illinois. He is also lecturer in the liberal arts at the University of Chicago, and he holds an appointment as professor of politics and literature at the University of Dallas. His book, "The Constitutionalist: Notes on the First Amendment," is to be issued later this year by the Southern Methodist University Press.—from the "Editor's Notebook"

I.

A conspiracy of Greek colonels, in an army trained and equipped for a generation by the United States, began in the early hours of April 21, 1967, to put American foreign policy to a decisive test. A challenge was, in effect, issued that morning to the purpose and good faith of what we Americans have been doing the past quarter-century not only in Greece but all over the world. The remarkable failure of the United States to rise to this occasion in Greece has been irresponsible, revealing, and disquieting. Our failure to appreciate where our true interests lie and what our strength consists in suggests that we may not posses the prudence required if so great a power as ours is to be used responsibly.

Those who argue that the United States, dedicated to imperialism, is determined to ally itself with "reactionary" governments all over the world (whether from ideological sympathy or from considerations of military strategy) really offer us more comfort than the circumstances permit. For they at least infer a sense of purpose from what our government has been doing. It might even be some comfort, for instance, if we could be assured that the colonels who struck down the troubled constitutional government of Greece in April, 1967, acted at the direction, or at least with the connivance, of the United States. Instead, we seem to have been caught by surprise on that occasion, unable to respond prudently to what these men were or to what could be expected of them.

One can see in our confused and vacillating policy toward Greece since the colonels seized power critical features of the approach in handling foreign affairs which led to our debacle in Vietnam. On one side of the world, our approach led to unbecoming paralysis; on the other side, to wasteful adventure. We have exhibited in both places an inability to influence the armed minority whom we have furnished the weapons and respectability which they require to maintain themselves in power against the wishes and welfare of most of their countrymen and against the long-run interests of the United States. Critical in both Greece and Vietnam have been our remarkable inability to find out what is going on and our willingness to accept appraisals that permitted us to continue doing what we had been doing—in one case, nothing, in the other case, too much. Such reluctance to learn and thereafter to change course threatens our ultimate undoing as a great people.

It is no longer necessary to argue that our policy in Vietnam has been disastrous both abroad and at home, so much so that even the American politician who wanted in 1954 to take us into Indochina in support of the French is now constrained as President to attempt to withdraw us from there as unobstrusively as possible. In Vietnam we overstepped ourselves and did serious damage not only to others but to ourselves as well, so much so that we have (in excessive reaction to that misstep) refused to act where we can and should do so effectively. This, we have been told, is in conformity with the determination that the United States now expose abroad a "low profile." Thus, we are now moving to redeem our failure in Vietnam and to insure that we have "no more Vietnams."

But in Greece, we have since April, 1967, so conducted ourselves as to repudiate a success, and indeed perhaps the greatest success of our foreign policy since the Second World War. There the American eagle can be said to have soared, to have displayed itself in its majesty and sense of purpose. For it was in Greece, we have been reminded again and again, that the United States did help a beleaguered people save itself (virtually at the last minute) from being taken behind the Iron Curtain. It was in Greece that a seriously troubled constitutional government was saved from imminent collapse and the economic and social conditions for its revival and maintenance were furnished. Indeed, we are told, it was what we did in Greece that provided the model and the inspiration for what we were to do immediately thereafter on a grand scale in Western Europe through the Marshall Plan. It was what we did in Greece that earned for us the gratitude and respect of virtually every major political leader of that country, so much so that we enjoyed there for a generation (with general approval of the Greek people) remarkable privileges for the military facilities and operations that we consider vital for the defense of the Eastern Mediterranean and of Europe.

It was what we did *not* do in Greece in April, 1967, when the colonels dared to rise that compelled some Greeks to begin to question the judgment of the United States in Greece. It was what we did not do during 1967 and 1968, as an oppressive, self-righteous, and incompetent regime (cynically invoking the American alliance) systematically purged from their posts most of the military, political, and financial leaders who had been closest to the United States, that led Greeks to question the good faith of the United States in Greece. It was what we did not do when opposition to the regime was expressed in its most authoritative form on September 30, 1969, that required Greeks to question the seriousness of the professed American concern for the restoration of constitutional government in their country. In short, it was what we have not done in Greece since April, 1967, that has raised far-reaching questions about the reliability of the United States as an ally in the cause of freedom under the rule of law, unless that freedom is so fortunate as to seem to be threatened from the extreme left.

II.

The army which was exploited by a handful of junior officers on the evening of April 20, 1967, had been trained in large part by the United States here and in Greece. Promotions and assignments of officers were usually made with American consultation. The relations between the Greek and American commands were intimate and warm: Greek officers regarded the Americans as saviors of their country, a bulwark against the inundation of Greece by "Slavic Communism" from across her northern borders. American officers admired in Greece an army which had fought well in 1940–41 (despite overwhelming odds) against both Italian and German invaders, which had been further tested in the Civil War of 1944–49, and which had contributed gallantly thereafter to the United Nations effort in Korea.

When the long-planned conspiracy struck in April, 1967, proclaiming that it was saving Greece from communism, it brought to power officers who had never distinguished themselves in any of the three campaigns which had shaped the contemporary Greek army: these officers had just barely received their commissions in 1940; they had, for the most part, sat out (and, in a few instances, may even have collaborated with) the Occupation of Greece by the Germans; and they had done far less in the anticommunist Civil War and in the Korean War than many of their colleagues whom they proceeded to arrest, dismiss, and exile in order to secure the power they had unlawfully seized.

American military experts had consistently assured Washington before April, 1967, that the equipment, training, and advice we had so generously provided the Greek army had helped shape it into one of the best in Europe, man for man. Since the seizure of power in 1967, extensive purges have stripped the army of most of the senior officers who had distinguished themselves in battle and who had thereafter served in important NATO assignments. The better younger officers have been assigned to posts where they can be least dangerous to the usurpers.

Thus, the military apparatus that we helped put together has been dismantled. Nevertheless, one finds upon talking to our military experts both in Athens and at the Pentagon that their assessment is that the Greek army remains as good as it was. When were they wrong, now or then? Greek officers with whom one can talk confidentially insist that the American judgment is based on superficial considerations, on what is readily apparent to the visiting reviewing officer, rather than on the spirit of the army and on the quality of the officers who are now in the ascendancy. I was told on more than one occasion during my most recent visit to Greece (in September-October, 1969), that the army officers least respected by their colleagues have been the ones who have gone along with the colonels and who have been put in key positions: such officers are the only ones who can bear to associate themselves with the kind of men who have seized power on this occasion; such officers are the only ones whom the present rulers of Greece dare trust. The conspirators who now rule Greece remain obsessively alert to threats of conspiracy, so much so that the common good is readily sacrificed in their efforts to preserve themselves in power.

This is the evaluation one hears again and again of what has been happening as well in the towns and villages throughout the country: the elements in the community which had been held in contempt by the bulk of the residents—irrespective of their political sympathies—are the ones who are now collaborating with the colonels' tyranny. Often, they are the very men who collaborated with the Germans during the Occupation a generation ago: they are now able to reassert themselves, just as are the practitioners of torture who had been without "serious" employment since the Civil War. These collaborators take care to parade themselves as acting with the sufferance, perhaps even at the instigation, of the United States: these are the people we have permitted ourselves to remain associated with in Greece, in order (as the Preamble to the North Atlantic Treaty of April 4, 1949, proclaims) "to safeguard the freedom, common heritage and civilisation of [our] peoples, founded on the principles of democracy, individual liberty and the rule of law."

One might have hoped that our sense of self-respect, to say nothing of our long-term interest in the Mediterranean, would keep us from continuing to be thus identified with the worst elements in an allied country, with the very elements which have now been charged with attempting to export military subversion of parliamentary institutions to Italy as well.

III.

When the colonels took over, we found ourselves confronted in Greece (for the first time since the Second World War) by a government we did not know. We *did* know that our sincere friends in Greece—royalists, liberals, conservatives—were immediately arrested by these colonels. We also knew that the communist threat of which so much was made by the colonels (and by the Greek-Americans whom they tricked) was unfounded, so much so that we are not surprised to find less and less made of that justification as the regime becomes more and more secure. But the American government hoped that the colonels were sincere in the assurances they offered that they would return the country to constitutional government as soon as possible.

American officials not only hoped that this was so, but also somehow believed it—and, even worse, they acted on that belief. What they have said both publicly and privately, in both Athens and Washington, exposed them as believing that the colonels had extensive popular support and that their intentions were honorable. (One could see, upon discussing Greek affairs with American officials in 1967 and 1968, how the Vietnam debacle was permitted to happen.) It is indeed curious that our officials would not understand what was being revealed for all the world to see about the real intentions and the standing in their country of the colonels by the many courtmartials of dissenting citizens, by the widespread and deliberate use of torture on suspected opponents, by the extensive purges of all the principal institutions of the country, by the incessant propaganda campaigns (reinforced by repeated raids on the treasury) disparaging the old way and extolling the new, and by the staging in September, 1968, of a "constitutional referendum" in which no effective opposition to the program espoused by the government was permitted.

Our friends in Greece—friends of all parties and of no party—pleaded with American officials to do something, at least to disassociate themselves from the regime, to counter the impressions deliberately given by the colonels to the Greek army that the takeover had been executed or was being maintained at the instigation of Americans. We have made halfhearted efforts from time to time to disassociate ourselves from the regime, but none that were really serious, and certainly none having the decisiveness and effect which would have characterized our actions for everyone in Greece to see if we had detected an incipient communist dictatorship in that country. We have insisted that we should not interfere with the domestic affairs of another country—a rather unfortunate time and place, considering our interference theretofore in Greek affairs, suddenly to become so principled in this respect. It should be noticed, moreover, that the principal "interference" called for by our friends in Greece has been that we make it absolutely clear to the Greek people that we are not supporting the colonels.

The most charitable explanation of why we did not act in 1967 and 1968 is that we allowed ourselves to be deceived. We allowed ourselves to believe, against the evidence that was there for all to see, that the colonels meant well and that, maybe, they would soon go away. We refused to exercise our judgment and thereby began to fritter away our influence. It did not seem to matter to us that the colonels, who had started by being apprehensive of what we might do to them, have come to regard us with contempt and that the Greek people, who had looked to us with hope, have come to regard us with increasing disappointment and hostility. Indeed, it is only a matter of time before the colonels also will be able to become openly hostile to the United States if only to win thereby some genuine support from a people who feel betrayed by us.

Our political analysts now have only one argument to fall back upon in justifying our continued acquiescence with the colonels, the assurances given them by the American military that the Greek army is still in excellent condition, that our military bases in Greece are still essential to the security of the United States, and that the colonels are able to guarantee those bases to us. Our loss of bases in Libya and the marked coolness toward us in Turkey merely intensify the admiration of the Pentagon for our Greek ally, an admiration that disregards the political component of any realistic military assessment. But it is likely that the people who now counsel us about being "pragmatic" with respect to Greece are of the same mentality (they may even be the same individuals) as those who counseled us ten, or even five, years ago to be pragmatic (and consequently self-destructive) with respect to Turkey and Libya.

Do we really believe the colonels will stay forever? We act as if we do believe that. When the colonels do leave—after five years or a decade or even a generation of domestic strife and bitterness—what kind of regime do we anticipate will follow in Greece?

Do we care?

IV.

The American government did begin in 1969 to have second thoughts about Greece. It had finally become apparent, at least to our political experts, that things were not going well in Greece and that the colonels had not the slightest intention either of withdrawing from power or of restoring constitutional government. Indeed, the Greek government had even begun to be an embarrassment to its faithful American ally. Although we have taken half-hearted measures against the colonels from time to time, we have always refused to resort to those actions (culminating in an announced repudiation of our military association with Greece) which would probably have aroused the Greek army to bring down its usurpers.

We have never been more than half-hearted in disassociating ourselves from the colonels because we felt (after awhile) that we had finally come to know who they were. That is, we have had to find out what the colonels are like, unpalatable and unpromising as they have turned out to be, and so they have become familiar and hence "acceptable" to us as allies. In this attitude, consistent with our desire for a "low profile," we have been "pragmatic": we have insisted, that is, that it is better to "bear those ills we have than fly to others that we know not of." Even so, our insistence, since 1967, that we did not know whose government would follow if the colonels were obliged to decamp required a deliberate act of self-deception on our part; for it did not require much talent to figure out in 1967 or in 1968 or in 1969 who would have succeeded to power in Greece upon the departure of the colonels.

The United States has faced three problems with respect to any potential successor to the colonels: would he be friendly to the United States? would he be wanted by the Greek people? and would he serve if the opportunity offered itself? The potential successor one has heard most about in the three years since the colonels took over was Constantine Karamanlis, living since 1963 in self-imposed exile in Paris. The United States had to admit, with respect to Mr. Karamanlis, that there was no difficulty on the first count: Mr. Karamanlis, who had served successfully for almost eight years (between 1955 and 1963) as a conservative prime minister of Greece, was indeed a proven friend of the United States. So our officials had to fall back upon the insistence that nobody in Greece really wanted Mr. Karamanlis any more, or that, even if he was wanted, he would not be willing or able to return to Greece to take up anew the burdens of office.

Of course, all this was unpersuasive rationalization for an unimaginative, sadly irresponsible, and ultimately inexplicable do-nothing policy. Consequently, no serious effort was made by our government to find out either what the Greek people and politicians wanted or what Mr. Karamanlis thought. I recall having to insist at length to our official experts both in Washington and in Athens, in 1967, in 1968, and in early 1969, that there could be no question that Mr. Karamanlis was the overwhelming favorite of the Greek people to replace the colonels immediately, that even the minority of sincere supporters of the colonels preferred him to them, and that he himself would be willing and able to return to Greece in the appropriate circumstances. What I knew, our officials could have known, simply by talking to people in Athens and in the towns of Greece, in the villages, and in the countryside, as well as by talking to the most eminent Greeks living abroad.

But it was easier for our government, burdened with its troubles on the other side of the world and concerned about the instability of the Middle East, to rely upon the colonels' pronouncements and assurances, even going so far as to argue that if the Greeks really did not like the colonels' regime they would have expressed themselves in more acts of violence than had yet become evident. "Why should we resist in this way, and thereby risk our lives and liberty and jobs," Greeks have responded to such an argument from Americans, "when it is evident to us that the junta is ruling only because your government wants or at least permits it to do so?" Or, put in the American vernacular, "Why fight city hall?" No doubt, some criticisms can be made of the Greek people, and particularly of all their political leaders, of the past decade. But this is not the occasion, nor is it my role, to do so: there are Greeks enough to do this in due time. My legitimate concern and duty are with respect to the conduct of my government in Washington—and that conduct has been incredibly foolish both in its disregard of moral principle and in its strategic shortsightedness in going along with a regime far worse than the one which was overthrown.

And so there were two and a half years of self-deception, of false hopes, of repeated postponements of the decisions that should have been made by the United States. But then there came Mr. Karamanlis's Paris statement of September 30, 1969. The statement made absolutely clear what had been apparent to everyone who had talked seriously with Mr. Karamanlis since the summer of 1967, that he thought the colonels a disaster for Greece both domestically and internationally and that he was willing to accept a political role in Greece upon their removal from office. The enthusiastic response to his statement in Greece, from people and politicians of all political persuasions, made absolutely clear what should have been long apparent to anyone who claims any ability to gauge the sentiment of a suppressed people—that the Greek people and their legitimate leaders are sick and tired of the colonels and eager to have Mr. Karamanlis contribute to the restoration of "democracy, individual liberty and the rule of law" to his troubled country.

V.

Mr. Karamanlis said in his September statement the things that needed to be said—not that they had not been said by others many times before, but their restatement by someone of his prestige, and in a way appropriate to someone known to be a moderate statesman, did impress the Greek people and should have impressed the United States.

Among the observations made by Mr. Karamanlis on this occasion were the following:

"It is now one year since the famous [constitutional] plebiscite [of September 29, 1968] and, instead of making progress, the cause of democracy in Greece has moved dangerously backwards. The government has become more tyrannical and now identifies itself with democracy in the most cynical possible manner. Arbitrary rule has now become entrenched and the despairing opposition of the people has reached new heights. . . .

"[The Government] has dismembered the armed forces of Greece by subjecting them to a process of Sovietization and by the dismissal of hundreds of high-ranking battle-experienced officers who might have hindered their objectives. . . .

"It has isolated the country politically and morally. Greece, nucleus of the European spirit, is now being pushed out of the family of free nations. And to appreciate the full significance of this isolation, we must bear in mind the critical geopolitical position of our country and the fact that Greece will find herself excluded from the European groupings which are now taking shape, to the detriment not only of her economy but of her national security. . . .

"Worst of all, the government clings to its initial error and, instead of searching for a solution of the problem, seeks ways and means to ensure the indefinite continuation of the present regime. Until recently, it believed it could succeed by an electoral coup. Indeed, it went in search of collaborators for that purpose. Now it seeks the same objectives by terrorisation of the Greek people and by hoodwinking international public opinion.

"And the government clings to its errors because it does not realize that if the reactions against it—both domestic and international—have so far been of a moderate nature, it is because of the expectations that were created by the repeated assurances it gave about the restoration of democracy. But the deception is now plain for all to see, and the government, under the pressure of the gathering storm, will be forced to make a choice:

"It would be far preferable if the choice were made in good time and in accordance with the interests of the nation. For if the delay is too long, there will no longer be a choice available. . . ."

Mr. Karamanlis can be said to have done what he could on this occasion. The question then became: what would the United States and the Greek army do in response to his call to the Greek government and to "those who, directly or indirectly, support it"?

The largely purged and carefully watched army would not move so long as its mentor across the Atlantic continued to associate publicly with and apparently support the Greek government; the lessons of a generation had been learned too well to be disregarded even on this critical occasion. Thus, it came down to what the United States would do, what signal it would give to the Greek people and especially to the Greek army, now that Mr. Karamanlis had issued, and in such unequivocal terms, his long-awaited statement in the name of political legitimacy in Greece. The United States then had the assurance and the lead some had argued it had had to wait for.

It was apparent to anyone who canvassed our embassy in Athens the morning of October 1, and the State Department and Pentagon shortly thereafter, that the United States would do nothing to take advantage of this new development.

We had become a paper eagle.

VI.

My most recent visit to Greece, to which I have already referred, was divided at midpoint by the issuance of the Karamanlis statement. Before it was issued, one encountered in Greece a sense of hopeless despair: the colonels were there to stay; their purges had been ruthless and effective; the United States was going along with them; the only way out seemed to be civil war, something that few Greeks can yet bear the thought of after the bloodletting of 1944–49. There had been since April, 1967, a generally deteriorating condition economically and socially. Education had already been severely damaged, as had been the arts. A generation of suppression and futile resistance seemed to lie ahead: at a time when Greece's European allies were living in peace and prosperity, the Greek people could expect nothing for years to come but the righteous posturings of self-serving dictators against a background of sporadic bombings by a few and of sullen resentment of the regime by many.

The Karamanlis statement (despite the absolute prohibition of it from the "free press" of Greece) immediately changed the atmosphere: hope welled up; opponents of the regime (of all parties) were encouraged; even supporters of the regime could dare admit that they had had enough of being silenced and ordered around by a gang of armed opportunists and ruffians whom it was hard to take seriously and even harder to ignore. This newfound optimism rested upon two assumptions which I had no reason to share but which I did not have the heart to disparage in my October conversations with Greeks: it was felt by many of them that Mr. Karamanlis would not have moved if he had not had American encouragement and that the United States would not hear his call without responding sufficiently to help the Greeks dislodge the colonels.

The Greeks, however, did not realize, as did Mr. Karamanlis, that time was running out even for him, that if he did not act soon, he might not again be in a position to act at all. His statement seems to have been more an attempt to move the United States than a response in concert with American efforts. That is, he did what he did in the hope that others (in Greece and abroad) would do what they could do. There may have been an outside chance that army officers (despite their crippling legalism) might be spurred by his intervention to move on their own; or, failing that, that the United States would take advantage of the Karamanlis initiative by using its remaining prestige and considerable power in Greece to get things (and particularly the army) moving. My October soundings in the American government and in the Greek army revealed that no significant response could be expected from either quarter.

The circumstances of Greek life today are not such that a statement such as Mr. Karamanlis's can be alone sufficient to topple a military dictatorship or to arouse sustained public movements. His statement did have to be taken seriously, but primarily because of what might have happened in the army because of it, and that depended ultimately on what might have happened abroad.

VII.

A tiresome tyranny continues to dominate everyday life in Greece: some torture probably continues; mass arrests certainly continue; detention without trial continues; bloodless purges in all influential institutions continue; strict control of all forms of communication continues. The visitor who knows some Greek cannot help but notice a pervasive sense of oppression, unless he permits himself to be diverted (as many prominent Greek-Americans have been) by the flattery, the dubious history, and the privileges offered him by the Greek government. Greece is today, for the man of any sensitivity and alertness, depressing place to live or even to visit, much as I would expect to find Czechoslovakia to be these days. The known foreign critic of the colonels' regime can expect to find surveillance, harassment, and physical threats awaiting him in Greece. Thus, a foreign correspondent stationed in Athens insisted I call him at least once a day while I was there just to assure him that he need not initiate inquiries about me.

Such attentions were inspired in my own case by the half-dozen articles I had published in the United States since the colonels seized power. These attentions were intensified during my most recent visit to Greece by the questions I was obliged to put and the attitude I had found it difficult to conceal in Athens, especially at two press conferences called by the government during the week after the issuance of the Karamanlis statement. Since my inquiries and the responses to them illuminate the present situation in Greece, they bear reporting here.

The first press conference featured the prime minister, Colonel George Papadopoulos himself, on the morning of October 3, 1969, in the Senate Chamber of the Parliament Building. I was able, at the beginning of the conference, to put a question to the architect of the conspiracy which now rules Greece, a question which drew explicitly upon the Karamanlis statement.

Mr. Karamanlis had urged, as he prepared to conclude the September 30 statement in which he had called upon the colonels to withdraw,

"The [Greek] government bears the responsibility for deciding, along with those who, directly or indirectly, support it. If, therefore, those who govern at present, captivated by power, fail to appreciate their duty, it will have to be pointed out to them by those officers who joined them in good faith. But beyond them, the whole of the country's armed forces must undertake the task. It is they who, having their origins among the mass of the people, bear the grave responsibility, on behalf of the nation, of protecting its freedom, security and independence."

My question was designed to explore the implications of this call. It was a question which exposed for the first time to public view (because of the mandatory radio and press display these press conferences receive) implications of Mr. Karamanlis's call and of the colonels' status, implications which no Greek journalist and no foreign correspondent permanently stationed in Greece could afford to probe into publicly. It was evident to me—and observed by several others who were present—that this was the inquiry which Mr. Papadopoulos least expected and was most disturbed by on this occasion. Our exchange, after I identified myself, went like this:

"A. We have been told many times that the April 21st revolution was made by Army officers who sincerely believed that they had to intervene when they did in order to rescue Greece from its deteriorating situation. My question addresses itself to the central problem of the legitimacy of the present regime and of its continuation in power.

"What do you, as Prime Minister and as Minister of Defense, advise those intelligent and sincere Army officers who should now honestly believe that your regime has been disastrous for Greece and who agree with Mr. Karamanlis that immediate intervention by the Army is again necessary in order to rescue Greece from its dangerously deteriorating situation?

"P: Have you posed a hypothetical question?

A. No, this is not hypothetical. This is not hypothetical because, as I understand Mr. Karamanlis's statement, he has called upon sincere, intelligent and honest Army officers to reevaluate the situation and to correct their mistakes.

"P: I am sorry but my reply will be somewhat strange. If I were certain of the coolheadedness of the intelligent and sincere officers of the Greek army, I would send the gentleman [asking the question] to these same officers to ask for their reply. But because I am not certain of the amount of coolheadedness which they can show in such a case, I will not ask the gentleman to find out for himself from these officers but I will ask him to wait for any developments and see what happens."

Conscientious army officers who studied the published transcript of this press conference, I have been told, found my question even more interesting and worthy of study because of the way the colonel was obliged to attempt to handle it.

The second press conference I attended that week featured the economics minister (Minister of Coordination), Colonel Nicholas Makarezos, on the morning of October 4, in an auditorium of the Grande Bretagne Hotel. We were told about the economic gains Greece had made since April, 1967, and about the prospects that the colonels had in store for their deserving country, all in response to Mr. Karamanlis's September 30 critique:

"[The government] has continued in an even more acute form the demogogic policies of its predecessors, thereby undermining the economic future of the country, increasing without a care consumer expenditures at the expense of investment, widening the balance of payments gap (making good the deficiency by borrowing on the most onerous terms), and, finally, permitting an enormous increase in the country's foreign exchange debt, now estimated at 1,870 million dollars, of which 420 millions are in the form of short-term commercial credits. All this must give rise to the gravest anxiety for the future."

The audience on this occasion, which should have been (next to the two hundred officers who executed the conspiracy in April, 1967) the most enthusiastic of any the colonels could get together, has been described by the government as including "the Archbishop, members of the Cabinet, Governors and Directors of banks and public organizations, the Deans of the higher schools, State dignitaries and officials, representatives of the world of production, representatives of leagues and organizations of Athens, Piraeus, and various other regions of the country."

The most remarkable thing about this press conference was the obvious reluctance of even this captive audience (despite the vigorous promptings of a claque) to express enthusiasm of what Colonel Makarezos said.

I asked at one point whether there had been any restraints placed by the government upon imports into Greece. The colonel assured us there had not, that the Greek economy remained one of the freest in the world and that the policies and effects of the new government had not required and would not require the imposition of any such restrictions. When I got a microphone again, I thought it useful to return to my question in some such form as this:

"This seems to me the kind of regime in which, because of restrictions on the press and on political opposition, it is difficult to learn what is really happening. Thus, one must investigate in a roundabout way what a situation is if the truth about it is to be discovered. For example, with respect to the balance of payments issue which everyone recognizes is vital to the welfare of the Greek people, one must consider how any dangerously excessive balance of payments deficit would be corrected or concealed by your government: by increasing foreign investment in Greece (which would be, of course, a generally healthy development); by "borrowing abroad on the most onerous terms"; by secretly shifting funds from one account to another; or by restricting imports. I have come across indications that each of these four possible measures has been resorted to by your government. Have there not been, for instance, some governmental restrictions, informal if not formal, upon private importations during the past eighteen months?"

We were again assured by the colonel that there had been absolutely no restrictions imposed on imports and that the balance of payments situation was excellent. I confirmed, upon canvassing (at a press reception immediately afterwards) various of the correspondents present, what I had heard from the director of a bank and from several economists in Athens, that the government had indeed imposed various indirect (but not publicly admitted) restrictions on imports in its futile attempt to curb a serious balance of payments problem that had been aggravated by the colonels in their efforts to impress public opinion at home and abroad (with public works and massive propaganda expenditures) and to buy off Army officers and others (with substantial increases in economic privileges).

The correspondents with whom I talked are reluctant to publish anything about such developments, lest they be accused (if Greek) of "spreading rumors harmful to the economy" (which is now a serious criminal offense) or lest they be expelled (if foreigners) for "evident hostility to the regime." I should add that I heard during my 1969 visit several detailed accounts of bribery and financial corruption of prominent people in or close to the colonels' families and government, something which I had not heard in 1967 or 1968. This official corruption promises to be far worse (because of the inability of honest men to deter it by the prospect of public exposure) than anything known under Greece's political governments since the Second World War.

It was during the press reception immediately following the Makarezos press conference that I had still another encounter with a government official (this one from the Office of the Prime Minister) which is revealing of the tone of the regime, especially as it suggests the kind of attitude a known critic of the regime, who is fortunate enough to enjoy considerable immunity because he is an American citizen by birth, is apt to encounter. The official (another former army officer) had been present at both the press conferences I attended that week. He descended upon me after I had finished talking with two foreign correspondents in the hotel lobby just outside the auditorium in which the Makarezos performance had been staged. Our exchange went something like this:

"A: We meet again. What's the matter this time?

"B: I saw you passing out some more of your anti-government literature.

"A: I hope you don't believe I was trying to hide what I did in giving a foreign journalist a copy of the article I gave you last week.

"B: You are our guest here and yet you act as you do.

"A: Excuse me; I don't consider myself your guest, but rather a guest of the Greek people. But however that may be, I really don't see anything wrong in what I've just done.

"B: You should not do it so openly.

"A: You can say I'm a hopeless case. What do you expect me to do, take a strange man to my hotel room to slip him one of my articles?

"B: You could have done it somewhere else.

"A: I do not know if I'll ever see him again. Besides, did not your Prime Minister tell us yesterday that the Greeks have liberty?

"B: We do. Have you not been allowed to ask ministers unfriendly questions all week? You just asked some more of your unfriendly questions back in there!

"A: But your liberty does not extend out here to the lobby? Why do you bother to call it "liberty"?

"B: Of course, it's liberty. You couldn't do it in America either what you have just done out here.

"A: Are you serious? I could not give a journalist in America an article critical of the regime?

"B: That's right. I've been in America.

"A: And this is what you believe things to be like there?

"B: I know them to be that way. I spent six months there.

"A: Where? In some prison?

"B: What do you mean by that remark?

"A: Where else can you have gotten the opinion you have about how we Americans behave? And now, you have imprisoned the Greeks and you call it 'liberty.'

"B: Why don't you leave us Greeks to run our own affairs?

"A: Why must you pretend the Greeks are running their own affairs now?

"B: You Americans should take care of your own business and stop interfering with ours.

"A: One difficulty is that your government asks us to interfere up to a point but to go no further: you want our military aid and our approval, but you do not want us to examine what it is that we are being asked to aid and to approve.

"B: Whatever you say, you must know you are misbehaving.

"A: I certainly know I'm doing things you don't like."

One finds in the dictatorship of the colonels, as reflected in the three exchanges I have reconstructed, a curious mixture of the naive and the shameless. It is this characteristic of the regime, which parades itself at both Greek and a faithful American ally, which can be most disturbing to either an American or a Greek with pride in his country, even more so than the veiled threats encountered by the critic.

VIII.

Those of us who have been predicting serious damage to both the United States and Greece if we continue to support the colonels' regime and thereby help perpetuate it in power will, I am afraid, have an opportunity to test our prediction. It now seems likely that even the halfhearted rebukes the United States has leveled now and then at the colonels are going to be suspended (and that the military aid we have partially suspended is now going to be fully restored). Indeed, the United States further identified itself with the colonels' regime by making unsuccessful efforts in December, 1969, to dissuade member governments of the Council of Europe from "push[ing Greece] out of the family of free nations."

We can expect the dramatic Karamanlis intervention of September, 1969, soon to begin to lose momentum—and with it the hope of a peaceful solution to the continuing Greek crisis. We can expect to find serious-minded Greeks becoming even more bitter than they already are about the role of the United States in their country. This should be accompanied, among informed Greeks, by a sense of helplessness even deeper than before the issuance of the Karamanlis statement on which so many hopes had ridden. We can expect to find, thereafter, a sense of resignation among moderate Greeks and (for the first time) even some cooperation with the regime by some educated men who will come to feel that they must "get on with the business of living." Thus, within a couple of years we can expect to find that even Mr. Karamanlis will have become passé, as Greeks discern he has been exposed to be as helpless as they are to influence the Americans or to displace the colonels.

When the regime has thus found its position better secured—with Mr. Karamanlis (and other political figures) out of contention from abroad and with its thorough purges of domestic institutions completed—the colonels can then begin to try to repair the damage they will have done in their campaign to remain in power at all costs. Thus, for example, they can then consider devaluating the drachma, which has been much abused and artificially maintained by them in order to bolster their prestige among economic illiterates and Greek-Americans. Whether a recession develops in 1971 may depend on how lucky Greece and the colonels are, on what happens elsewhere in Europe and in the Middle East. Certainly, the colonels have recklessly created conditions for serious economic and social difficulties in Greece—if not for themselves, at least for their successors.

There is no prospect in Greece of a return to genuine parliamentary government so long as the colonels stay. They themselves must realize that they could not long survive, should martial law be lifted and should freedom of speech and of the press be restored, the public ridicule which the liberated Greek people would be capable of and which the colonels already invite. A public debate is something that none of them has experience in or is capable of: without their guns and tanks they would be laughingstocks that no one would take seriously, except perhaps as objects of revenge. The prospect then is of a military tyranny which, in its vulnerability, could fall overnight due to the sudden pressure of chance events (related, for example, to Cyprus), but which is more likely to retain its conspiratorial grip for a generation.

Whether civil war, as distinguished from an escalation of bombings and sabotage and underground activity, will erupt in Greece, will depend on circumstances that are difficult to predict. But what can be predicted with some assurance (if the United States continues as it has) is that the political governments which follow the colonels five, ten, or twenty years from now will find it virtually necessary (if they are to survive popular attack and if they are to prevent a decisive move of Greek politics to the extreme left) to revise radically their alliance with the America which has been so successfully deceived and exploited by the colonels and to which the Greeks will (not without some justice) attribute their humiliating oppression.

Thus, the American policy makes political and military sense only if it should be assumed that Greece's friendship and strategic position are of use to us only for a few more years. Or, put another way, the United States must make the Gaullist NATO-policy of Andreas Papandreou look better and better to the suppressed Greek people every time we permit an American general to be photographed in comradely association with the colonels.

IX.

Even more serious for America than the deterioration of a valuable alliance between the United States and Greece is what our behavior with respect to Greece may reveal about how we conduct our affairs all over the world.

If our political leaders, including our State Department experts, had a better idea of what they were doing, and were to insist upon their professional and constitutional prerogatives, our military people would be more likely to do their jobs properly. To some extent, the usurpation of political functions and judgments by military men may represent a sincere attempt on their part to take up the slack left by the incompetence, diffidence, or negligence of civilians. But our military are ill-equipped to make political judgments: in this they share the disabilities of the Greek colonels, who can seize and hold power but who do not really know what to do with it. Our military (if permitted to behave elsewhere as they have behaved, or as they *seem* to have behaved, in Greece) can succeed only in undermining our traditional respect for them, that public trust and accompanying honor which most fittingly reward and sustain men who devote their lives to the defense of their country.

Thus, we cannot be fair either to our military or to ourselves if we permit or require them to assume duties and make judgments for which they are not equipped. We are not realistic about the enduring sources of our influence and self-confidence as a republican people if we "pragmatically" exclude from our calculations in our relations abroad considerations of either political integrity or human dignity.

In continuing to associate as allies with the petty tyrants of Greece, we may be hopeful that we will be able to raise them to our level. Instead, we are much more likely to lower ourselves to theirs, at least in the eyes of decent men who know what is really going on in that long-suffering country.

Is this what our "low profile" is to mean abroad—that the American eagle must be ignominiously grounded?

AN ALLY LOST

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. SCHMITZ. Mr. Speaker, President Nixon said on July 15, 1971, 10:30 p.m., Washington time:

> Premier Chou En Lai, on behalf of the Peoples Republic of China, has extended an invitation to President Nixon to visit China at an appropriate date before May, 1972. (I) accept the invitation with pleasure.

Radio Peking said on July 15, 1971, 10:45 p.m., Washington time:

> People of the world, unite and defeat the U.S. aggressors and all their running dogs.

Many experienced China hands have aptly termed the President's announcement "total surrender." Our allies in Southeast Asia—and certainly all of the Chinese people—must regard it as a "sell out" or collaboration.

Our Nationalist Chinese allies, who are most immediately affected by the move, have—through authoritative statements in their press—termed the Nixon visit "foolish," "humiliating to President Nixon," and "shameful." The Chinese Ambassador to Washington, whom I called to deliver an apology on behalf of most of the people I represent, has expressed "shock" and "disbelief." These reactions are appropriate. The President's impending visit to Peking means a certain knife in the back for our longtime Taiwan allies. Nationalist China has declared that she will "go it alone" rather than submit to the infamy of a "two-China policy." The outlaw regime of rulers in Peking has also rejected any such "two-China policy." President Nixon's "normalization of relations" with the Chinese Communists therefore will be at the direct expense of our Nationalist allies, the legitimate government of the Chinese people.

But the implications of the visit for our other friends in Asia—and throughout the world—is just as significant. The Peking meeting indicates clearly that the United States has abandoned an anti-Communist policy in Asia—and probably everywhere else. The nations which have backed the American policy of stemming Communist aggression in the past must now see the handwriting on the wall. They can no longer maintain an isolated struggle against the Communist giant with any significant hope of success. The dominoes are beginning to wobble.

As I said after I called the White House staff to cancel my invitation to a cruise—along with several other Congressmen and White House staff members—aboard the Presidential yacht, *Sequoia*:

> It is ironic that as Red China continues to export terrorism and totalitarianism and as she continues to actively assist in the killing of American and South Vietnamese defenders of freedom, the President of the United States announces that he will go to Peking—without his troops—to effect a "normalization of relations."

The President's announcement appears hypocritical—even to those who might support his China move—when compared with his statement earlier this year that "an honorable relationship with Peking cannot be constructed at the expense of our Asian allies." It is further ironic that as the U.S. Government initiates overtures to some of our most blood-thirsty and ruthless enemies, we continue to penalize nations, such as Rhodesia, which have consistently demonstrated their support of U.S. anti-Communist foreign policy.

There will certainly be some criticism of my stand in total and absolute opposition to the President, on the grounds that I am a Republican. However, it is my firm opinion that we should support principles, and people to the same extent that they support such principles.

The free world has lost an important battle. Not a battle marked by the clash of opposing armies but a battle of wills. As the ancient Sun Tzu pointed out, "To fight and conquer in all your battles is not supreme excellence: supreme excellence consists in breaking the enemy's resistance without fighting."

It is impossible for me to support or condone this massive free world defeat.

SOUND THINKING OF OUR YOUTH

HON. G. ELLIOTT HAGAN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. HAGAN. Mr. Speaker, today our young people are often accused unjustly concerning their thoughts and actions. However, the great majority of them still think and act soundly.

It was a great satisfaction to me to hear the authors read recently the first three winning essays in the program of Rededication of the Freedom Shrine at the Swainsboro, Georgia High School Auditorium. Copies of the essays are furnished through the courtesy of Mr. M. D. Boatwright, Director, Swainsboro Area Vocational-Technical School.

The essays are as follows:

First place, "The Freedom Shrine," by Sharon Davis, Exchange Club Essay Contest.

Second place, "What the Freedom Shrines Mean to Me," by Chucky Moye—Mrs. Eloise Bailey's English IV Class.

Third place, "What the Freedom Documents Mean to Me," By George L. Smith, III (Mrs. Eloise Bailey's English IV).

Also, Mr. Speaker, it is encouraging to know that the young people have an active "Swainsboro Youth for Christ" movement.

Following is a report on their activities:

THE FREEDOM SHRINE

(By Sharon Davis)

Freedom Shrines are displayed in various places to be an emblem of freedom and democracy to all Americans. If there should be a poll taken of all the Americans who know about or even appreciate a Freedom Shrine, the number would be surprisingly small. When I thought seriously of what it means to me, my mind revolved back to the many famous documents in the lobby of my high school. If I were to casually wander into this building and still very casually look and read over a few of the documents, my first impression would not be a spine-tingling mind-expanding experience. On the contrary I would not be affected at all. Some people would explain that these papers, exact copies of the ones in the Library of Congress, made America free. But these mere papers did not make our country, the home of our forefathers and children to come, a free land for all who wished to share its freedom. The men behind these documents, the love, time, and effort spent for these documents made this land your land and my land. If people do not appreciate, understand, or relate themselves to what the men behind the documents did for our nation, then the Freedom Shrine will never reserve a place as the proclamation of our freedom.

The mounted pieces of paper are but legal reminders of what was sacrificed for the freedom to live as we please. Over the years we have most certainly taken advantage of this freedom. Today's population has but a particle of responsibility compared to the time of the Revolutionary War and on up through the Depression. Not being burdened with these responsibilities, man has taken a no caring, self-only attitude which may bring upon his downfall. I am not saying that the average American citizen has completely lost all patriotism. Even I, as a teenager who knows nothing of what freedom really is feel a chill of pride and reverance as "The Star-Spangled Banner" is played, or the flag is raised, or a large group humbly pledges allegiance to the flag. To me, this is very much real and makes me proud to be an American.

As we trace back over the years in our United States history when America was formed and built, I have begun to realize what really took place to make this home of mine what it is today. Real live people with families, and houses, and jobs risked their lives to build my country. Real live people who had some of the same problems that I have today dedicated themselves to furnish me the freedom they never would know. Real live people who loved, lost, dreamed, fought, and died sacrificed to give me a life to live in freedom. And what have I done to show my gratitude for this unrepayable gift? Nothing at all but become more irresponsible and unworthy of this purchaseless gift. This freedom should be cherished as a true gift from God who made this all possible in the first place. The men who wrote the documents in the freedom Shrine had the future of the United States in mind when they signed them. They hoped and prayed with all their hearts that these efforts represented by these documents would live on forever and serve as an inspiration to future Americans to keep this country free. These efforts and accomplishments were to be remembered and honored as deeds of respect for the greatest country on the face of the earth.

Just seeing the Declaration of Independence does nothing to set afire my pride and patriotism in America. Only knowing what this sacred documents stands for makes it worth while without understanding what was endured, what was behind the flourish of pen and ink, what courage and suffering was inflicted, these documents are not really worth the paper used to print them on. Unless Americans understand how their priceless heritage was accomplished, a Freedom Shrine is useless.

It always seems that the same people who complain about the state of our nation never turn a hand to do something about changing it. They know nothing at all about establishing a democracy with the freedom of life, liberty, and the pursuit of happiness and actually could care less. The average American could not tell you what the Treaty of Paris, the Monroe Doctrine, or the Nineteenth Amendment were all about, let alone what they contributed to our nation. To the common American it is very hard to get excited about something which took place so many years before, especially if it has no direct effect on them. If there were to be a stop to the war in Vietnam, people would really get excited, because they can associate with it personally. Something so long ago seems irrelevant to them no matter how much it has helped them. They need to understand before they can attempt to appreciate. With this understanding The Freedom Shrine is indeed priceless, but without this knowledge of what this whole country is about, we may as well hand up blank sheets of paper—they would serve the same purpose.

WHAT THE FREEDOM SHRINE MEANS TO ME

(By Chucky Moye)

As I began to concentrate on writing this paper I realized that I had never thought about the Freedom Shrine, in fact, I did not even know it existed. So I decided that I would start from the bottom and learn a few basic facts about it. The Freedom Shrine is a group of twenty-eight documents, all of which played an important role in American history. As I read over a few of them, I realized that these were more than just pieces of paper; they were America. They made me feel proud to be an American, but they also made me see all the troubles we have faced and will always have to face. As I read each document I could see the history of America unfold in my mind. As I read the Declaration of Independence I could visualize the patriots fighting at Lexington and Concord and see the fiery look in the eyes of Patrick Henry. While reading the Gettysburg Address I could see a great man trying to mold together our divided country. Each document added something and seemed to bring back the past.

In a time when everyone seems to have forgotten the past, it was stirring. I realized what a great nation and heritage each American has. To me the Freedom Shrine means three things: the spirit of America, the trials of America and the glory of America.

The spirit of America is most evident in the Declaration of Independence. A British colony wanted to have a land of liberty and freedom for all, and they were willing to fight for it. Americans in 1776, and today, want the rights to life, liberty, and the pursuit of happiness. This document beautifully shows hardworking men striving for what they believed certain God-given rights. They were successful and got their freedom and since then America has been the land of freedom. For freedom is truly the spirit of America and the one thing America is based upon.

The trials of America are best illustrated by the Gettysburg Address. At that time America was a country split in half undergoing a civil war. The war was ruining the country and making progress for America impossible. Then, after the Battle of Gettysburg, itself a turning point in the war, Abraham Lincoln made this great speech. He tried to unite Americans with a common bond and instill in them the spirit of America. He knew America was in a troubled time, but if everyone acted like an American, we would survive. After the war and reconstruction era, our Nation became stronger and more united because of it.

The glory of America is best shown by the Instruments of Surrender from World War II. America had not wanted to become involved in the war, but because of Pearl Harbor, found it necessary, We were not prepared for a war, but we had to become involved. Every able-bodied man and woman came to the aid of America. The men fought and the women and children ran the homes, farms, and factories. Every American did his share and as a result, we won the war. When things looked their darkest and other nations gave up, America turned the tide of the war. Never has America been greater and her glory more evident.

The Freedom Shrine means to me a great nation, America, where everyone is free and the people are willing to fight for their freedom. A land where no one can tell me what I can or cannot do as long as I do not interfere with the well-being of another. A land that is the greatest nation and commands more respect than any other country on earth. America is truly the land of the free and the home of the brave, where every man is equal, distinguished only by his accomplishments. A land which is not perfect, but is way ahead of any other nation.

WHAT THE FREEDOM DOCUMENTS MEAN TO ME

(By George L. Smith III)

In our rich and bountiful world, the United States of America stands out over every country as the world's paradise. Truly, freedom is the main idea that created this vast nation. Our great country was not created over night and although it is operating successfully, it still can use many, many changes to improve itself.

The Freedom Shrine, the Exchange Club's way of trying to instill a patriotic generation does encourage those who take the time to read it toward a nationalistic viewpoint. Each and every one of the documents on display speaks for itself in explaining what its purpose is and each document is individualistic, to the point, and gives Americans a sense of pride.

Take, for instance, The Declaration of Independence written in 1776. This document definitely shows the views that Americans had two centuries ago and the feeling that most Americans have today. This paper is an example of dignity and determination that true Americans feel and experience; to stand up for what one thinks is right.

Without men such as Benjamin Franklin, Thomas Jefferson, Patrick Henry, and George Washington, our country could not have gotten off the ground. These men encouraged freedom throughout the colonies, getting ideas started, and people organized for a great revolution.

The Exchange Club's Freedom Shrine has been set up all over the nation. Surely it has encouraged patriotism, which seems to be its purpose. To me, when I read it, Chill bumps crept up my spine tingling all over. I thought of the brilliant minds behind our country and their beliefs in equality which has surely created the greatest nation of all time.

I feel the Bill of Rights, written in 1791, is the most important document of all. It states in black and white the rights man has. Although they are twisted around a lot, when it gets down to the nitty-gritty, these several rights are what America stands on for its laws today. The Bill of Rights could be expressed by one other word: equality. These rights are what each American deserves, the men deserve it for defending the country, and the women for helping it grow.

The Star Spangled Banner is in itself a teacher. If one thinks of what he is singing when he sings the song, he would realize what men have done to defend this great symbol of ours, the stars and stripes. The song expresses a feeling that will also send a tingle up your spine. A great tune with great lyrics, the Star Spangled Banner definitely does have a place in the Freedom Shrine.

As did the Bills of Rights, the Emancipation Proclamation also expressed equality within its composition. Slaves, products of the cotton plantations and the match to the great fire, the Civil War, had been mistreated badly by most all of the slave owners. This in itself explains that it, the Emancipation Proclamation, shows the rights of equality one obtains when he enters the United States, no matter if his color, hair or clothes are different from the one's already here.

The Freedom Shrine is not just something that one goes to see how many rights or the measure of equality he has. I feel that it is also to show how great, vast, and different is the country we live in.

Sure, we have our problems, but the majority of us are happier than if we were under a Communist government.

To exhibit the United States' great power, the Exchange Club had the Monroe Doctrine put on display in the Freedom Shrine. The document states, "The United States will not permit any European nation to extend its holdings or use armed force on the two American continents." When President Monroe signed this document, he was not trying to bully the other continents, but demonstrating the determination of the United States to see that these new countries had a chance to choose what kind of government each one wanted. This goes to show that the United States is not here to take over the world, but to be fair in helping people to help themselves. Just as most of the other proud Americans in this country, I also believe this statement is very true.

Since the first Freedom Shrine document was written in 1620, our nation has come from just a few colonies here and there, to a stupendous, fabulous nation. These Freedom Shrine documents stand for years of hard work by many a person to shape a free nation. If it were not for these documents and the men behind them, then our country, the United States of America, would not be the great country it is today.

SWAINSBORO YOUTH FOR CHRIST

The young people of Swainsboro, Georgia are concerned about their positions in life and about the positions of the people about them. Because of this concern, a group of them met and decided to help anybody they could. The name of this group is Swainsboro Youth for Christ. It is composed of youth from five different churches in the town and has about twenty-five active members. The purpose of the team is to tell other youth about God and to influence them in a spiritual way. It has been a big success.

The Swainsboro Youth for Christ Team was started by a similar team from Wrens, Georgia who held a revival in various local churches. The revivals are constructed so that several young people give a testimony each night and only young people take an active part in the service. By leading the services in this way, more young people become involved and a better example is set.

During the past year the group has led revivals on weekends in various parts of the state and has helped in starting two other teams. The results of all these revivals have been great and both youth and adults are strengthened by them. At present the Youth Team is planning a weekend conference attended by youth from all the churches that revivals have been held in. Many guest speakers are being invited and everyone expects a fun, meaningful weekend.

The team is small, but it is growing and each member feels that he is doing something for God and is helping others.

HIGH REGARD TO BILL REISINGER

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. BROYHILL of Virginia. Mr. Speaker, Bill Reisinger has been a constituent of mine since the 10th District of Virginia was created, and I was elected to represent it in 1952. His mother's family has been associated with the politics of northern Virginia from the time of the Continental Congress. His grandfather, Joel Grayson, served as superintendent of the House Document Room until his death in 1927, and quite probably served in that position longer than any other superintendent. His mother's sister, Mrs. F. Hosea Curtice, is today a respected elder stateswoman in the politics of west Fairfax County.

Over the years Bill has played an effective part in county politics, moving from precinct worker up through the ranks, and since the late fifties, has been increasingly associated with congressional and national activities of the Republican Party. His formal employment as a member of the staff of four Republican Members of the House has justly earned him the respect and high regard of many Members as well as staff personnel.

DRUG-ABUSE TREATMENT IN NEW HAVEN, CONN.

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. GIAIMO. Mr. Speaker, parents, school officials, and municipal leaders in New Haven, Conn., and surrounding towns have come to realize in the past few years the extent of drug-abuse problems, as well as the enormous commitment of planning and resources needed to attack those problems.

Extensive Federal funds have been committed to drug education, treatment, and prevention programs in the New Haven area, primarily because of the presence of the pioneering drug dependence unit of the Connecticut Mental Health Center, administered by Dr. Herbert Kleber, and also because of the activities of community groups and municipal leaders in assessing and attempting to correct growing drug abuse problems.

Recent testimony by the mayor of New Haven, the Honorable Bartholomew F. Guida, presented to the House Select Committee on Crime, focused on the background of the drug-abuse problem in New Haven and the steps which have been and are being taken to attack the problem. I would like to share this testimony, along with supporting materials, with my fellow Members of Congress so that other communities might benefit from New Haven's experience, and also to focus on the need for further Federal financial commitment to cities and States which are attacking the causes and developing the cures for drug abuse.

Following Mayor Guida's testimony, and a newspaper article summarizing that testimony, I am inserting a description of the mayor's task force on drug abuse, recently established to coordinate some of the efforts of ongoing education and treatment organizations, and to define further community and regional priorities for future action. An outline of this effort may also be of use to other communities which find themselves with independently developing programs. Finally, I am inserting a second newspaper article which, sadly, chronicles the evidence that the Federal commitment to drug control has yet to stem this tide of drug abuse, crime, and violence and personal tragedy. Communities listed in this article have made valiant efforts to control their drug problems, and each could profitably use further financial support in their efforts. As Mayor Guida noted in his testimony:

> No new legislation would appear to be necessary, rather increased appropriations.

I know that Members of this House are mindful that drug abuse affects the whole fabric of community life and that in many areas we have yet to begin a wholehearted attack. I hope that this chronicle of one area's drug problems and drug programs will be of help in other cities' efforts to salvage the fabric.

The material follows:

A Citywide Drug Effort in New Haven

Until recently New Haven has had a fairly substantial number of programs and activities to combat drug abuse and no formal coordination between them. To deal with that problem, Mayor Bartholomew F. Guida, in early May, appointed a Mayor's Task Force on Drug Abuse.

The Task Force is composed of concerned citizens from various walks of life. It is charged with understanding the extent of the drug abuse problem in New Haven and the efforts now being made to deal with it. It shall suggest priorities among current programs and a total program of priorities for this area and shall mobilize all resources available to the community to fight the problems and causes of drug abuse.

To assist the Task Force two advisory committees have been formed. One is composed of various local officials, including the Development Administrator, the Model Cities Director, the Superintendent of Schools, the Health Director, the Community Action Agency, CPI, Director and the Chief of Police. The other committee is composed of the directors of the various programs. These committees are intended to assist the Task Force in anyway necessary and to provide guidance from their different perspectives.

The Task Force will act as a planning body, identifying the need and the resources available, defining the problem, and suggesting priorities for a plan of action.

It will meet the Mayor's charge through its approach to the drug abuse problem in terms of four areas: prevention, education, treatment, and enforcement.

For each of these areas a survey of what exists in terms of quality and quantity will be made, priorities for expansion and new programs will be suggested, and technical assistance to existing and potential programs may be provided.

The needs will be identified through the collection and compilation of data within New Haven and the surrounding area, such as the number of addicts, the rate of drug-related crimes, the costs of police protection, and the costs of and participation in prevention and treatment programs. Public hearings will be held to enable New Haven and area citizens to voice their views on the problem and make suggestions for solutions. Resources available to New Haven will be identified, including those programs and facilities now operating in the area, and the federal, state and private financial and technical assistance programs available that could have impact on activities in New Haven. Assistance in program development and in, seeking funds may be provided to the various organizations operating or wishing to operate programs which will serve New Haven residents. Coordination among the existing programs will be encouraged to maximize current efforts and to create the most effective city-wide effort possible. Programs and efforts serving city residents will be evaluated and recommendations for future activities made.

The Task Force's method of operation shall be to meet with experts in the field and those concerned. Such people have been and will be invited to its meetings to discuss not just their own program or activities as they relate to drugs, but also how they see the drug abuse problem as a whole.

The members of the Mayor's Task Force are all busy people who are donating time to what they feel to be an important problem. What has rapidly become apparent since the Task Force began meeting in the middle of May is that it needs a full time staff with experience in drug abuse programs to enable it to carry out its responsibilities.

Community Progress, Incorporated, the local Community Action Agency, has advanced funds to the city to enable us to hire an assistant to the Development Administrator for drug program coordination for two months, June and July. This individual is serving as Executive Secretary to the Mayor's Task Force, doing its staff work and providing assistance to programs operating in New Haven. We have found this already to be a necessary function of the city, one which could be carried out at an even greater scale, which we will not be able to continue without financial assistance.

We have determined that what we need are sufficient funds to employ a full-time experienced drug program coordinator, an assistant to him and a secretary. This would enable the city to deal with the problems of drug abuse with a reasonable level of activity.

The responsibilities of the drug coordinator shall be:

1. To provide whatever staff work is necessary for the Mayor's Task Force on Drugs.
2. To effect coordination between existing drug programs.
3. To coordinate New Haven's activities with those of the surrounding municipalities, thus working toward a regional approach to the problem.
4. To identify all available resources in the fight against drug abuse and mobilize as many of them as possible for New Haven.
5. To provide technical assistance to programs currently serving New Haven and to people and organizations interested in developing new programs.
6. To develop a comprehensive plan for the four aspects of drug control—education, prevention, enforcement, and treatment, in New Haven.

The responsibilities of the Assistant Drug Coordinator shall be to assist the drug coordinator in the six areas listed above. Experience has taught us, thus far, that more than one person is necessary to deal with the problem on an adequate scale.

The secretary shall be responsible for all clerical duties required by the Drug Coordinator, his assistant, and the Task Force. He or she shall attend all meeting of the Task Force and take and prepare minutes and do any bookkeeping necessary to the program.

The Drug Coordinator and his staff shall report to the Development Administrator of New Haven and be supervised by him.

Testimony of Bartholomew F. Guida, Mayor of New Haven, Conn., Submitted to the House Select Committee on Crime, June 9, 1971

Chairman Pepper and Members of the Committee, I appreciate this opportunity to submit testimony to your committee about the problems of drug abuse confronting the City of New Haven. I am sure that it is similar to those problems faced in other cities throughout the country. It is extensive and frightening and continually increasing. It affects every member of our community and, therefore, the vital life of our country.

THE EXTENT OF THE PROBLEM IN NEW HAVEN

Drug experts in New Haven have given us some idea of the characteristics of drug users and experimenters in our community. In common with most other cities, all types of drugs are used in New Haven. Among users and experimenters there is some distinction in the type of drug used by various age groups. For example, those preteen youngsters experimenting with drugs concentrate on glue sniffing, while early adolescents, twelve to fourteen years, involved in drugs, smoke marihuana and occasionally take LSD or heroin. The middle adolescents, fourteen to seventeen years, taking drugs, use marihuana, psychedelics, heroin, and amphetamines, while late adolescents, seventeen to twenty years in this category are into marihuana, psychedelics, heroin, amphetamines and barbiturates. Young adults, twenty to twenty-five years, who use drugs are into marihuana and heroin, and less often psychedelics, amphetamines, barbiturates, and cocaine. Adults, above twenty-five, who are users are into marihuana, heroin, barbiturates, and cocaine.

Surveys by our drug treatment specialists indicate that users and experimenters who live in different areas use different types of drugs. Inner-city users concentrate on marihuana, heroin, and cocaine, outer city users on marihuana, amphetamines, heroin, and less often, LSD. Marihuana, psychedelics, and less often, heroin and amphetamines are prevalent among suburban users. Black addicts use marihuana, heroin, and cocaine predominantly; Puerto Rican addicts marihuana, and heroin; and White addicts marihuana, psychedelics, amphetamines, heroin, and barbiturates. In terms of causes for drug use, users who suffer from socio-economic deprivation mainly use marihuana, heroin, and cocaine. Psychological disabilities among users lead mainly to marihuana, heroin, barbiturates, and amphetamines. Addicts who feel bored or alienated turn most often to marihuana, psychedelics, heroin, and amphetamines.

A thorough survey of drug use and addiction is now being made in the New Haven area. We estimate that there are now 1,200 to 1,500 heroin addicts and another 1,500 to 2,500 heroin experimenters. There are not even any good guesses on the use of other drugs in the area, but we do see the following trends:

1. Heroin use is increasing markedly in white suburban and outer city areas. The rate of increase in the inner city is slower, but the total numbers remain higher;
2. The use of LSD is leveling off to decreasing. There is a rise in the use of mescaline, but most of what is sold as mescaline is LSD or STP;
3. The use of amphetamines is leveling off to decreasing;
4. The use of marihuana is increasing in all strata of the population.

THE EFFORT IN NEW HAVEN

New Haven has a comparatively extensive drug effort, but one that goes nowhere near meeting our needs:

1. The Drug Dependence Unit of the Connecticut Mental Health Center, located in New Haven, is financed through a five-year grant, which began in July, 1968, from the National Institute of Mental Health. The Unit is a demonstration project which provides an almost full range of services to drug dependent individuals plus educational and preventative programs. The Unit sees individuals from 14 on up who have difficulty with narcotics, amphetamines, psychedelics, and barbiturates. To date over 1,000 patients have been seen by the program and on an average day there are over 350 patients in active treatment.

The Drug Dependence Unit has six major components:

A. *Methadone Maintenance Program.*—In this program methadone, a synthetic narcotic which blocks the effects of other narcotics such as heroin and eliminates drug craving, is dispensed to heroin addicts over 21 with a history of at least two years of addiction and who have previously failed at attempts to remain abstinent. In addition to receiving the drug, participants are involved in a variety of therapeutic vocational and educational endeavors with the ultimate goal being a productive as well as drug free life.

B. *Daytop, Inc.*—Daytop is a residential treatment community staffed entirely by ex-addicts who are Daytop graduates. It accepts patients from 16 on up who are drug dependent and has a capacity of over 50. The program utilizes certain aspects of "reality therapy", with drug dependent people being helped to understand and deal with their emotions, evasive behaviour and reasons for using drugs. Participants are expected to remain in the program for at least a year.

In addition to work at the facility, Daytop staff and residents are involved in numerous speaking engagements and four regional activities including a storefront in Milford, work with the NARA program at the Danbury Federal prison, work with drug addicts at the Connecticut State Prison in Somers and work with addicts at Cheshire Reformatory.

C. *Outpatient Clinic.*—The Outpatient Clinic is the initial induction facility for all patients to the Unit and is involved in direct treatment of adolescent and young adult drug abusers and provides consultation to a variety of youth serving institutions and agencies. Naloxone, a non-narcotic medication which when taken daily blocks the effects of heroin, is available to those who require it as part of the outpatient program. Participation in a wide variety of activity groups and graduation to leadership training towards employment within the program or with other agencies is based on the individual's readiness to begin helping others.

D. *NARCO, Inc.*—Narcotics Addiction Research and Community Opportunities, Inc. is a storefront operation concerned with the rehabilitation of drug dependent persons. It offers a variety of services, including screening and referral to treatment centers, legal aid, personal and family counseling, a pre-release program in which NARCO representatives visit Connecticut's penal institutions to help prepare inmates to function after their release, and an educational program.

NARCO is about to receive funds from the Connecticut Planning Committee on Criminal Administration to open a detoxification center. It also is involved with the Drug Dependence Unit's Epidemiology and Evaluation Unit in an NIMH grant for the evaluation of drug educational programs and an epidemiologic survey in various school systems. It has also recently opened a storefront in Waterbury.

E. *Drug Dependence Institute.*—The Drug Dependence Institute functions on a national basis and offers training in the prevention and treatment of drug addiction to advance knowledge and understanding of drug dependence. It also provides orientation and consultation services to school systems and agencies throughout the northeast.

F. *Epidemiology and Evaluation.*—This division is responsible for evaluating the Drug Dependence Unit's effectiveness in dealing with drug addiction, its ability to provide effective treatment for drug dependent persons, and its ability to reduce the level of drug dependence in the area served by the project. To accomplish this it monitors the activities of the Unit and examines the incidence and prevalence of addiction in the area.

2. Number Nine is a storefront crisis center, a "crash pad" and "hot line", which works with adolescents in various difficulties including those onto drugs. Its main work has been with users of psychedelics and amphetemines.

3. Youth Crusaders, Inc. is a religious group modeled after Teen Challenge. It has no local facilities, but sends addicts to programs in New York and Philadelphia. It now operates on private contributions and volunteer services and has been trying unsuccessfully for two years to raise funds for a local residential center.

4. New Haven has several neighborhood-based programs and anticipates the development of new ones. Similar to most, Project Enough is a store-front operation which provides information and referral to addicts and potential addicts in the Fair Haven area. It is hoping to operate a program in a vacant school in the area, which the city of New Haven is providing to the project free of charge, which will include group counseling, individual counseling, community education, and recreation to local residents. As yet, funds to operate the programs have not been available. The other neighborhood-based programs are not firmly established and have, therefore, not been included.

Besides these efforts, others exist in the city, especially through education about drug abuse in the schools and enforcement activities in the police department. These are not as clearly identifiable and will not be included specifically here. The funds involved during the current fiscal year in the programs mentioned above are:

	Federal	State	Local	Total
Drug Dependence Unit	$574,000	$146,000		$720,000
Drug Dependence Institute[1]	317,174			317,174
NARCO[2]		87,468		87,468
Project Enough (for 4 months)			$150	150
Number Nine			35,000	35,000
Youth Crusaders, Inc.			6,000	6,000
Total	891,174	283,468	41,150	1,165,792

[1] Funds for DDI are separate than those received for the Drug Dependence Unit. $139,025 is used for national training and $178,149 for the New Haven area.

[2] These funds are received in addition to those through the Drug Dependence Unit.

Thus, a total of $1,165,792 is being spent on these programs alone and it comes nowhere near meeting our needs. The Methadone Maintenance program which now handles 200 people at a cost of $4.75 per person per day could easily be doubled. Daytop could use a second facility to handle another 50 people at a cost of $9.50 per person per day. NARCO has been told it will lose about $33,000 in funding from the State and needs that much plus $50,000 to renovate its detoxification center. The use of Naloxone at the Out-Patient Clinic is now available to only 15 people; funds for seventy-five additional people at $10.00 per person per day could be utilized immediately. The $50,000 now being spent on out-patient services for acid and speed users could be tripled. Neighborhood centers to provide preventional and educational centers, alternatives and referrals are needed. In other words, a tremendous amount of money is needed right away for New Haven to barely begin to meet its needs.

THE ROLE OF THE FEDERAL GOVERNMENT

Legislation for treatment efforts is in place. The item lacking is funding. Other than possibly consolidating the programs in a single office in HEW, instead of the current situation in which they are in the Office of Education, the National Institute of Mental Health and the Office of Economic Opportunity, no new legislation would appear to be necessary, rather increased appropriations. More funds are also needed for the grants administered through the Law Enforcement Assistance Administration of the Justice Department which provide money for drug abuse programs.

Enforcement efforts at the local level are not and cannot be sufficient to deal with the problems of the availability of drugs. We cannot stop the flow of drugs into our cities because the flow into this country is not under control. Greater enforcement efforts are needed along the country's borders. More customs officers and more stringent procedures for searching incoming goods and travellers could greatly decrease the amount of available drugs, especially heroin. In addition, the dispensation of drugs through doctors and pharmacies should be much more closely regulated. Each should be required to submit reports to the government on all drugs distributed through them. This could greatly reduce the abuse of amphetamines and narcotics.

It must be realized that any of these efforts are stop-gap in nature. The need for drugs or any other outlet stems from problems in our society. These are problems which I would not presume to define but which cannot be dealt with through anything short of a national effort. What is it in this country or in human society that makes man turn to drugs or alcohol or any other escape mechanism?

I appreciate the opportunity to submit this testimony to you and hope that we can find a way for this country to deal with this serious problem.

[From the New Haven Register, June 6, 1971]

ARRESTS OF DRUG VIOLATORS IN AREA HITS ALL-TIME HIGH

(By Richard E. Bastian)

The arrests of narcotics violators in the area has reached an all time high, and has led to the seizure of larger caches of marijuana and heroin by area police departments.

New Haven, Connecticut's third largest city, has led the state in the number of narcotics arrests for the past two years. West Haven ran third in 1970.

Several factors are given by police for the rise in the number of drug arrests. Included are:

A larger volume of drug traffic coming into the state leading to more persons becoming addicted;

A larger number of police personnel being assigned and specialized in narcotics work within individual departments;

More widespread activity by Regional Crime Squads, criminal intelligence units using undercover agents from surrounding towns. The New Haven area crime squad is made up of agents from that city and 14 surrounding communities. Similar units operate out of Waterbury, Hartford and Fairfield County.

Police officials generally agree that the number of drug users, both addicts and those only beginning to explore their effects, is considerably higher than the number actually caught. One policeman said it was "conservatively" 10 times higher.

The type of drug traffic differs between between the city and surrounding suburbs, according to a spokesman for the New Haven Regional Crime Squad.

"We're finding very little heroin in the suburbs . . . practically none," he said. The heroin user in the suburbs cannot find it there, he continued, and is forced to go to the city—either New Haven, Hartford or New

York. "The dealer wouldn't go to Wallingford," the detective added.

"Our problem in New York," he continued, "a major area for heroin traffic. It's only a train ride away."

In addition, the drug addict can take care of his habit at a lower price in New York and make a profit on whatever he brings back for sale in this area.

Marijuana and hashish are the most commonly used drugs in the suburbs, according to the regional crime squad investigator. There has been a small decline, he believes, in the use of Hallucinogenics such as LSD as a result of adverse publicity on its medical effects.

The rise in narcotics arrests has been a dramatic one in most areas. New Haven police recorded only seven arrests for narcotics violators in 1960. The figure rose to 508 in 1969 and then to 810 last year.

The number of arrests in New Haven continues to accelerate this year with 161 arrests recorded in the first quarter. The total jumped to 229 with 68 arrests during April. The figure is expected to exceed 1,000 by the end of 1971.

Hartford police made 265 arrests for narcotics violation in 1969 and 789 last year. The number of arrests in the state's largest city was 313 in the first three months of this year—nearly double the quarterly figure for New Haven.

Bridgeport, the state's second largest city, had 302 arrests in 1969, 431 in 1970, and 129 in the first quarter of this year.

Among the suburban communities in the state with a high number of narcotics arrests is West Haven. Police there have recorded 206 arrests to date—26 in the first 10 days of this month.

The 579 arrests by West Haven police in 1970 exceeded those made in Bridgeport by 148. Only Hartford and New Haven had more.

In contrast, Hamden has recorded only 33 narcotics arrests to date, 74 last year and 46 in the previous 12-month period.

Woodbridge, which also borders on New Haven, has had only one narcotics arrest this year. The same is true for Seymour, a short distance away.

Most suburban communities have experienced an increase in narcotics arrests, if only on a smaller scale with the larger urban centers.

The number more than doubled in Branford from 1969 to 1970 21 to 55. Police have recorded 24 arrests this year in the shoreline community.

The increase was greater in Orange where arrests zoomed from five in 1969 to 22 in 1970.

Only three area commuities reported decreases in arrests last year from the number logged in 1969.

The borough of Naugatuck which had 65 arrests in 1969 reported only 12 in 1970. The intense activities by police in 1969 apparently dried up drug traffic the following year, a member of the local law enforcement agency noted. The number of arrests this year is up to 13.

The number of arrests also dropped during the same two-year period from 15 to six in Seymour and from nine to six in Shelton.

The narotics arrests throughout the area are significant not only from a statistical point of view but also by the types of arrest Most area detectives are focusing on persons selling drugs—as opposed to the simple possessor—in an effort to shut off the immediate source of drug traffic. The problem, however, is still one which goes beyond state and national boundaries.

While most of the arrests cited above are for possession of drugs a notable number, close to one third, are for the sale of narcotics.

State Police, in their annual report for 1970, listed 1,501 persons arrested in Connecticut for the sale of narcotics, compared to 4,200 for possession.

The growing number of arrests for the sale of narcotics has led police to larger caches of drugs.

Police in New Haven seized two plastic bags of pure heroin several weeks ago which had a street value of $100,000. Another cache, worth $25,000, was seized last week.

The street value of narcotics seized in the first four months of this year totaled $252,311—considerably more than the $207,551 value placed on all narcotics seized in the previous 12-month period.

One effect of the seizures has been to raise the price of heroin, according to Lt. Arthur Lee, head of the Gambling and Narcotics Division. The price on a bag of heroin has gone up from $6 to $10, he said, a serious problem for some addicts who need 15 bags a day to feed their habit. "It's hurting," he maintained.

Police are limited, though, in keeping drugs out of the city, Chief Biagio DeLieto observed. Drugs continue pouring into the city like water through a giant sieve. Police informers are a major asset in controlling the flow.

Controlling the flow from international sources is primarily a Federal responsibility, Chief DiLieto feels—not in any critical sense but from a practical and realistic viewpoint.

Getting to the source of drugs has been the key responsibility of the New Haven Regional Crime Squad, organized last year.

Most area police officials contacted had high praise for the unit.

"There's no question the regional crime squad has been of tremendous assistance to all area towns. They're fabulous," East Haven Police Chief Joseph Pascarella commented.

Another police chief attributed the increasing number of drug seizures directly to the undercover unit. State Police have assigned two men to each of the four crime squads.

One of the obvious advantages of the squad is the ability to use a detective from one town in another community 10 or 20 miles away where he is less likely to be recognized.

Another advantage is the ability to communicate between the various law enforcement agencies over town boundaries on illegal drug operations which recognize no jurisdictional borders.

Another aspect of handling the current problem of drug addiction—the judicial process—has come under some criticism from police sources. The criticism is related to the reduction in the charges against alleged drug violators.

The most outspoken critic of court procedures is Lt. Edmund Mosca second in command of the Old Saybrook Police Department.

The name of the game, he charged, is "plea bargaining." Under the rules a person charged with selling narcotics, a felony, will agree to plead guilty to possession of narcotics, a misdemeanor, if the court prosecutor will agree to drop the original charge, Mosca revealed.

The prosecutor's motive in seeking the lesser charge is to reduce the number of cases already on the crowded docket, he explained.

In some cases Mosca acknowledged there is insufficient evidence to support the more serious charge, or the offender is a first time loser, who can possibly benefit from leniency.

Ten of 16 charges made by Old Saybrook police on sale of narcotics were reduced to possession of drugs during 1969, Mosca noted. In 1970, the court reduced 24 of 29 sale charges to the lesser offense. Of the 29 cases, 22 involved a roundup of area residents by both local and state police.

Only two convictions were gained in 1969. The game was true in 1970.

Twenty charges are pending this year.

"It wasn't a case of our not having evidence," Mosca said. "We needed that to get the arrest warrants originally from the court."

Arrests by his department are hard won, consuming many hours of investigation the police lieutenant argued. Old Saybrook is only one of four communities, besides state police, with an organized police department in the wide area of Middlesex County.

Narcotics are not the only problem his small department faces, Mosca said. "We need a full-time narcotics unit in the lower Connecticut River valley, similar to the regional crime squad in the New Haven area."

NARCOTICS ARRESTS BY COMMUNITIES

Town or city	1969	1970
Ansonia	44	67
Branford	21	55
Cheshire	4	11
Clinton	9	10
Derby	6	14
East Haven [1]	17	50
Guilford	9	24
Hamden	46	74
Madison [2]	3	16
Milford [3]	12	64
Naugatuck	65	12
New Haven	508	810
North Haven [3]	13	97
Old Saybrook	48	96
Orange	5	22
Seymour	15	6
Shelton [3]	9	6
Southington	17	58
Wallingford	46	74
West Haven	212	579
Woodbridge	4	9

[1] Statistics based on Uniform Fiscal Year.
[2] Statistics incomplete for 1969
[3] State Police statistics used.

[From the New Haven (Conn.) Register, June 28, 1971]

Guida Estimates 4,000 in City on Heroin

(By Sam Negri)

Mayor Bartholomew F. Guida said today there are between 1,200 and 1,500 heroin addicts in New Haven and an additional 1,500 to 2,500 "heroin experimenters." In the current year $1.1 million in federal, state and local money has gone into drug programs "and it comes no where near meeting our needs," the mayor declared.

Guida included these statistics in testimony sent to the House Select Committee on Crime. Rep. Claude Pepper, chairman of the committee, had written Guida soliciting his testimony.

The mayor submitted his testimony June 9 and made it public today.

He noted that in the current fiscal year the funds received for the operation of local drug programs have been: $891,174 from the federal government; $283,468 from the state and $41,150 from the city government.

Of the total $1.1 million, he said, the Drug Dependence Unit of the Connecticut Mental Health Center received $720,000; the Drug Dependence Institute received $317,174; NARCO, $87,468; Project Enough (for four months), $150; Number Nine, $35,000 and Youth Crusaders Inc. $6,000.

In addition to the figures on the number of heroin addicts and heroin experimenters, the mayor said there are "not even good guesses on the use of other drugs in the area, but we do see the following trends:

—"Heroin use is increasing markedly in white suburban and outer city areas. The rate of increase in the inner city is slower but the total numbers remain higher;

—"The use of LSD is leveling off to decreasing. There is a rise in the use of mescaline, but most of what is sold as mescaline is LSD or STP;

—"The use of amphetamines is leveling off to decreasing;

—"The use of marijuana is increasing in all strata of the population."

Guida said the federal government can be of assistance by providing more funds. Furthermore, he said, programs now administered through the U.S. Office of Education, the National Institute of Mental Health and the Office of Economic Opportunity might be consolidated into a single office in the Department of Health, Education and Welfare (HEW).

"Enforcement efforts at the local level are not and cannot be sufficient to deal with the problems of availability of drugs," Guida said. "We cannot stop the flow of drugs into our cities because the flow into the country is not under control."

He added, "Greater enforcement efforts are needed along the country's borders. More customs officers and more stringent procedures for searching incoming goods and travelers could greatly decrease the amount of available drugs, especially heroin."

He also called for tighter regulation of drugs dispensed through pharmacies and doctors, but added:

"It must be realized that any of these efforts are stop-gap in nature. The need for drugs or any other outlet stems from problems in our society. These are problems which I would not presume to define but which cannot be dealt with through anything short of a national effort."

"SHOULD THE UNITED STATES STOP OR CHANGE GREEK AID?"

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. FULTON of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

THE AMERICAN UNIVERSITY,
SCHOOL OF INTERNATIONAL SERVICE,
Washington, D.C., July 26, 1971.
Congressman JAMES G. FULTON,
Rayburn Building,
Washington, D.C.

DEAR CONGRESSMAN FULTON: It was a pleasure and an honor for me to participate in the recent hearings of the subcommittee on Europe. Your questions, throughout, I thought were insightful, constructive and useful.

The enclosed is a written response which you requested during the hearing. I have provided a copy of it to the subcommittee for their records. My recommendation is not detailed, but its major thrust is in support of a balanced form of aid that distributes U.S. attention equally among political, social and military institutions.

Sincerely,
THEODORE A. COULOUMBIS,
Associate Professor of International International Relations.

RESPONSE TO JAMES G. FULTON'S QUERY

(By Theodore A. Couloumbis)

I would like to supply the following brief statement in response to Congressman Fulton's request that I amplify my remarks with respect to American aid toward Greece.

My promise is that the U.S. has—wittingly or unwittingly—provided the Greek military with "disproportionate time, attention, aid, training and the U.S. dollar compared to other political and social structures in Greece."

This premise is easy to demonstrate. Looking at indicators such as numbers of Greeks training in the U.S., one is impressed with the fact that the military received the lion's share of training. According to official U.S. statistics, the total number of Greek military personnel trained in the United States under the Military Assistance Program (M.A.P.) between 1950 and 1969, amounted to 11,229. To this number one should add 1965 students trained under the M.A.P. program in overseas installations. (See *Military Assistance and Foreign Military Sales Facts,* OASD/ISA, Washington, D.C., March 1970). Considering the total number of the Greek officer corps, approximately 11,000, these training figures assume a staggering significance.

Another eloquent indicator is the following: U.S. military representation in Greece is considerably higher than its civilian counterpart. For instance, as of June 1970 there were approximately 3,300* military and DOD civilian personnel (excluding dependents) compared to about 210 civilian personnel outside the Department of Defense.

Further, while economic aid declined and tapered off in the early 1960's, military aid continued strong and is currently following an upward trend.

It appears, then, that the American modernizing influence has been disproportionately distributed in Greece, thus enlarging and modernizing the military structures (or institutions), while neglecting other crucial, civilian structures such as the parliament, the civilian bureaucracy political parties, trade unions, institutions of higher learning, the press, and other important pressure groups. The resultant hypertrophy of the military, its multi-functional technical and managerial training, and the relative atrophy of the remaining political structures, may have created some of the foundations of military dictatorship in Greece.

The implications for U.S. aid, in general, flow from the above analysis. Namely, *in the future* U.S. aid patterns toward Greece should conform to the principle of equitable distribution of aid among Greek social, political and military structures. If the military is singled out as the sole recipient of training and support, the chances are that the "balance" among Greek institutions and forces will be disturbed in favor of the military.

My recommendation would be, therefore, that U.S. aid should be given in a fashion that will allow the "checks and balances" among political, social and military structures to be perpetuated in a democratic environment. This principle can be applied regardless of the size of the aid package toward Greece.

In view of the previous imbalances, aid in the immediate future (in the form of technical assistance and funds) should be directed primarily to assist in the development of viable institutions in the area of politics and society (political parties, labor unions, professional associations and institutions of higher learning).

DEATH OF THOMAS MARTIN

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. O'NEILL. Mr. Speaker, I was deeply saddened to hear of the death of my friend and former colleague in the House, Thomas Martin. Although I only had the opportunity to serve with him for 2 of his 16 years as a Congressman I developed the highest respect for Tom Martin. His friendly manner and sincere nature made it a pleasure and an honor to serve in the same body with him.

Tom Martin's life of distinguished public service did not begin in the House of Representatives, nor did it terminate here. He volunteered for military duty during World War I, was elected mayor of Iowa City for a 2-year term, from 1935 to 1937, and served in the U.S. Senate from 1955 until he retired in 1961.

I join my fellow Congressmen in expressing my regret over the loss of this able and dedicated gentleman. Mrs. O'Neill and the entire O'Neill family joins me in extending my heartfelt sympathy to the Martin family.

F-111—JUST AS I HAVE ALWAYS SAID

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. FISHER. Mr. Speaker, the Armed Services Committee recently reported, and the House passed, H.R. 8687, the Military Procurement, Research Development, and Reserved Strength bill for fiscal year 1972.

That bill came to the floor with only one committee addition: $112 million for continued production of the F-111 fighter-bomber. This solitary addition to the bill reflected the committee's agreement with an amendment that I had offered after extended testimony from Department of the Air Force witnesses during the hearings.

What I, and other supporters of this supremely capable aircraft have been saying all along is the subject of a story in the July 19, 1971, issue of the knowledgeable and respected Armed Forces Journal. This story, by Mr. George Weiss, is complete, factual, and once and for all tells the real story of the F-111.

Mr. Speaker, I insert this fine and objective story in the RECORD:

THE F-111: THE SWING-WING MAY SURPRISE YOU YET

(By George Weiss)

If the United States finds itself in a serious shooting war next year . . . or a decade from now . . . one of the first aircraft to be committed to battle will be "Little Orphan Annie," unloved by her relatives in Congress, eventually deserted for the international banking business by her illegitimate father, denied by her Navy foster brothers, but who finally found a home with friends of the family, the Air Force.

People have now taken to calling "Annie" by her given name, F-111, but some neighborhood critics still prefer her pre-natal name, TFX. Almost everyone remembers her nicknamed "Controversial." Perhaps they know her best by that name.

But the orphan, say the friends of the family, turned out to be a lady despite all the whispers behind her back and charges to her face that she would never amount to anything. Those who know her best, who fly with her and care for her ills, say they love her. She has won the approval of those who count the most—the men who will go with her into combat and trusting in her to see them home again.

She still has problems and faults and she will have more. No one ever denies it. And since she is famous there are those who will pounce on her, without thinking, slashing at her old reputation. But, say the airmen, it hurts those who honestly believe she is to be a faithful companion through the years.

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* Symington Sub-committee hearing on Greece and Turkey (June 9, 1970) p. 1802. It should be kept in mind, however, that only about 90 of these personnel (serving with JUSMAG and the military attachés office) have a regular relationship and frequent contact with the Greek military establishment.

In many ways she didn't have a chance. Here are some of the reasons.

The Air Force wanted a long range fighter-bomber with primary emphasis on high speed, low altitude, nuclear and conventional bombing capability. The Navy needed a carrier based interceptor to climb to high altitudes, medium range, for fleet defense. Somehow the services were expected to adjust their needs and the resulting aircraft would be everything to everyone. It didn't happen.

The Navy finally saw an opportunity to pull out and the Air Force stuck with the problem going through several model designations, doggedly improving the aircraft.

If the Air Force erred in its approach to the situation it was in not having changed the type designation from tactical fighter to tactical bomber.

When the F–111 was little more than a gleam in the Air Force's eye, TAC discarded the aircraft designations of day-fighter and fighter-bomber, combining them into an all inclusive term—tactical fighter. All future TAC aircraft were expected to bomb and fight air-to-air with more or less equal agility. But the bomb load to be hung on the F–111 was equal to or greater than that of either B–66 or B–57 tactical bombers. The F–111 today is a tactical bomber with many of the characteristics of a fighter.

From the very outset it was obvious the F–111 would never become an air superiority fighter in the sense of being a "dog fighter." Weight alone precluded that option being available. However, shooting down aircraft is always a last ditch effort in trying to win air superiority. Tacticians go air-to-air when they have no other choice. What is preferred, and what the F–111 can do, is win air superiority in that vital role of airfield interdiction.

The Israeli Air Force most recently demonstrated this tactical concept in the Six Days War. The F–111 is a far superior weapon for airfield interdiction than any other fighter in the Defense Department, or the world for that matter, the Air Force maintains.

One field grade F–111 pilot interviewed by The Journal was asked how this aircraft would have added to the IAF plan for the destruction of the Egyptian Air Force at the onset of hostilities. "They could have made their first strike during the night instead of waiting for first light," he said. "They would not have needed as many aircraft to knock out the enemy fighter and bomber bases. The F–111 weapons system would have covered more area on each of the enemy bases—and the destruction would have been greater."

F–111 VS. FOXBAT

What will the F–111 do if it meets the Mach 3 "Foxbat" MiG–23? Well, according to the men who fly the F–111 they are going to be very surprised if the meeting takes place. It certainly won't be at extreme altitudes where the Foxbat performs best. If the Foxbat pilots want to "have a go" at the F–111 they will be forced to come down to the deck and the Russian fighter isn't going to last long at that arena, the fighter pilots maintain.

The Mach 2, MiG–21, a beautiful sports car version of an interceptor, could not handle the F–105 at low altitudes in North Vietnam, The F–105, like the F–111, was designed to stand the brutal punishment of high speeds and low altitudes. The MiG–21 pilots were forced to break off time after time while chasing the "Thud" around North Vietnamese hills and valleys—and the F–105s were still able to carry out their missions. There are a lot of "Thud drivers" in the F–111 program who haven't forgotten that. They know the F–111 is several hundred miles an hour faster on the deck than the F–105 and no aircraft in the world can stay with it.

The anti-F–111 doom-sayers still predict the Foxbat will eat the fighter alive, but TAC pilots aren't getting grey hair anymore than the Israeli Air Force pilots who may face the MiG–23 with the F–4 Phantom. According to newspaper articles they too realize the Foxbat will have to come down to their altitude to fight. When the enemy pilots do they will be playing in a new ball game—and on the F–4 and F–111 pilots' home field.

F–111 PROGRAM COSTS

[In millions]

	Fighter	Bomber
Flyaway (airframes and engines)	$9.33	$9.96
Production-flyaway plus support, spares	11.8	13.94
Program-production plus construction, R. & D., operating costs, procurement costs	15.1	16.67

Note: Total F–111A/E/C/D/F program cost is currently estimated at $6,675,000,000. Total FB–111 program cost is estimated at $1,283,000,000.

But how about "look down-shoot down" capability? This is a possible new technique which would allow the Foxbat to fire missiles down from high altitude against fighters below.

Again the TAC pilots aren't too upset. The F–111, they say, has a few new "black boxes" to aid the two-man crew. The tail radar will notify them whenever the MiG–23, or any other enemy jet approaches. With sufficient warning in the cockpit, and the black boxes, the TAC crews believe they can manage the situation. Looking at it from another angle, the F–111 will be operating at night for the most part in the worst weather (an unavoidable fact in Europe) and at low altitudes. Those three facts alone offer considerable protection. Enemy ground based radar will be unable to continuously track individual fighters for proper interception by airborne units. They feel the enemy air threat won't cause them to worry on a full time basis.

The pilots of the F–111 can select the altitude they fly above the ground by simply setting an indicator on their terrain following radar. With that means they can stay below "enemy eyes" during each of the critical portions of their missions. The F–111 will maintain the desired altitude by scanning the terrain ahead and adjusting itself to surface elevation changes and obstacles. The most difficult part, pilots say, is to sit there at night pretending to relax, as the F–111 climbs an unseen hillside, goes over the top and into negative "g's" on the downside. In pitch dark situations the trust of the pilot for "Annie" must be absolute.

So far as has been determined no accidents have ever been attributed to terrain following in training or combat.

"You haven't lived," one F–111 pilot told The Journal, "until you go into the Grand Canyon after midnight in a rainstorm, and come out the other side."

But suppose, just suppose, the F–111 and the MiG–21 or even the MiG–23 meet? What then? In a straight-on, even-odds, no warning fight, the computer calculations point to the MiGs; but the TAC pilots still feel they have a few rabbits to pull from their hatful of tricks. The experts at Nellis AFB are working on some new maneuvers and tactics that should improve the odds. So if Annie walks the back alleys alone some dark night she will at least know there is more she can do in self defense than run and yell for help.

SAFETY COMPARISON

The F–111 continues to have the lowest accident rate of any Century series fighter. This table compares the F–111 with other type fighters at the 80,000 hour operation mark.

Major Type:	*Accidents*
F–100	77
F–101	42
F–102	48
F–104	59
F–105	42
F–106	33
F–4	39
F–111 (excludes two combat losses)	21

ACCIDENT RATE

Much of the continuing criticism of the F–111 hinges on the F–111's accidents. No matter what "Little Orphan Annie" does she attracts more attention than is deserved. But if you seriously examine her performance record in comparison with other fighters she comes off better than anyone expects.

Compared to the F–100 at 80,000 flight hours, the F–111 has had less than one-third as many accidents during those critical early states of development. The F–105 had twice as many accidents as the F–111 at the 80,000 hour point.

Both of these fighters were effective in Southeast Asia and carried more than their share of the combat load. Of course, both of them are single engine fighters. Comparing the F–111 with the popular F–4, another twin-engine, two-place jet, is more equitable. But the F–4 also had more accidents than the F–111 at the same stage of development.

No matter how you slice it, the F–111 comes out a safer fighter by far against all the century series jets.

From this one might forecast that, like the F–100, the F–111 will become more and more reliable as the pilots and maintenance experts get to know her better and understand her various quirks and internal problems.

STRUCTURAL PROBLEMS

But, say the critics, how about the structural failures that have "plagued" the aircraft? Of the 23 F–111s that have been destroyed in accidents only *two* are known to have involved a structural failure. There were losses in Southeast Asia in which the aircraft were not found. They will remain a mystery. However, no one in the F–111 business appears concerned that a structural failure was involved. The odds are they are correct.

The first F–111 structural failure in flight was traced to a bad weld which caused loss of flight control. The second failure was more serious and involved the left wing pivot fitting. As a result the fleet of 344 F–111 aircraft in operation were put into one of the toughest testing programs yet devised. As of 25 June 270 had been returned to duty with a clean bill of health. Only 10% of the aircraft tested were found to contain minor flaws which might not have ever been noticed in routine checks. As a result of the tests four wing carrythrough boxes and twelve wing pivot fittings were rejected.

The overall effect will be to increase the structural life of the F–111 and minimize future inspection requirements, a decided plus for the fighter.

The F–111 is now the most tested aircraft in the Air Force and the world. No other single aircraft has been subjected to the wide variety of reliability tests. Equipment and methods were invented to test the aircraft and some of these did produce ground failures as they were supposed to do. Because of these tests lives have been saved and the planes that passed are capable of withstanding stresses far higher than they are ever expected to encounter in normal operations or combat.

STRIKE ACCURACY

The F–111 went into combat in Southeast Asia when there were a limited number of targets available. All bombing was being conducted south of the 20th parallel. This did not allow the Air Force to fully explore the capabilities of the fighter to the extent desired.

Only 55 SEA combat sorties were flown by the six plane force. There were also restrictions placed on the F–111s which grounded them for a considerable portion of their stay in Thailand.

In fact, only two weeks of actual combat experience was gained during the time the fighters were in Thailand.

The fighter was flown in single ship night missions and mostly (80%) in bad weather to attack known enemy positions. Flying at high speeds and low levels the pilots penetrated well defended positions, attacked their targets and departed without being threatend by enemy action in most cases.

The only defense the enemy seemed capable of mustering against the F–111 was barrage fire whenever they realized the figther was operating in an area. The F–111 crews spotted AAA/SAM defense activity on only 42% of their missions. No F–111 was ever hit by enemy fire.

The terrain avoidance radar proved itself in training in the U.S. and in North Vietnam. SAMs failed to locate the F–111s in their low level penetrations just above the tree tops at night along the Annam mountain chain between Laos and North Vietnam.

Post-strike reconnaissance bomb damage assessments of their radar bombing attacks offered final proof to the Air Force that the F–111 could hit a target under combat conditions with results comparable to daylight attacks by other fighter-bombers.

Operating in daylight in the U.S. on training missions the F–111 established a bombing rate 50% better than the best previous bomb scores in the Air Force.

In one test, called Combat Bullseye, the F–111 was tested for accuracy in the delivery of aerial weapons against the F–105 and F–4. She was an easy winner.

One Air Force pilot, no longer flying the F–111, told the JOURNAL that after ten years bombing practice in the F–100 he topped his best previous score on his first practice mission in the F–111. He said his experience was not uncommon.

Pilots credit the F–111 itself as being responsible for the better bomb scores. The primary difference, they say, comes from the stability of the F–111 on bombing and strafing runs and the unusually smooth flight control system which, with the gun and bomb sight, makes a high degree of accuracy possible.

NATO COMMITMENT

Last September two F–111s left the U.S. non-stop for Upper Heyford, England, where they became a part of the 20th Tactical Fighter Wing. They did not employ air-to-air refueling on their trans-Atlantic flight. The wing has now converted from the F–100 to the F–111 which gives the fighter a NATO commitment.

The F–111 extends the combat radius of the wing to double that of old "Silver Dollar." The black underbellies of the new F–111s are mute testimony to their nuclear mission in Europe. Along with the aircraft came an entirely new all weather capability for the 20th. No longer will weather be a deciding factor for planning purposes. In fact, weather now enhances the capability, reliability and success potential of the wing.

Airmen maintaining the Upper Heyford F–111s in the NATO operational mission claim their job is easier than with the more familiar F–100s. While the Air Force stipulated that the F–111 should not exceed more than 35 man-hours maintenance for each hour flown, the twin-engine fighter is averaging well under 30 man-hours per hour, according to current experience.

NUCLEAR CAPABILITY

SAC also has operational aircraft. The force of 66 F–111 aircraft, armed with four SRAM missiles or nuclear gravity bombs, will soon be in place at both Pease AFB, N.H., and Plattsburg AFB, N.Y. With the FB–111s already delivered to the Air Force and crews completing training at Carswell AFB, Texas, it is admitted by SAC that the medium range SAC bombers have long held a back-up operational mission. The instructor pilots have formed the aircrews for use in the event of an emergency.

The FB–111s, like the B–52 force, will soon be dispersed to satellite bases once their crews are declared combat ready.

SAC takes some pride in the fact that an FB–111 was declared a winner against the B52 in the last SAC bomb competition. Another FB–111 flew to England on a demonstration flight during the RAF bomber competition. The RAF did not invite it to participate.

Air Force Chief of Staff General John D. Ryan told the Senate Committee on Appropriations this spring that the FB–111 has ". . . better penetration, bombing and navigation capability than the B–52 . . . (and) adds a new dimension in versatility to the bomber force." He did not need to add that the shortcoming of the FB–111 was its limited range for strategic bombing and bomb carrying capability. As an interim SAC bomber it is satisfactory. The command has no intention to purchase more, including the new stretched version being offered by General Dynamics, The Journal was told by General Bruce K. Holloway, SAC Commander-in-Chief.

COST-EFFECTIVE

One Air Force officer involved in the F–111 program recently told The Journal, "The F–111 is going to look like a bargain in a few years." His reasons why were all operational.

Based on current experience with the F–111 and other aircraft in SEA it required 5.91 Phantom sorties or 5.04 "Thud" sorties to attain the target damage obtained by a single F–111.

The highly automated A–7 came out slightly better in comparison, 3.57 sorties as compared to the F–111.

The cost factor of operating fighters in a bombing role entails more than a single formation of jets. It includes electronic counter measures aircraft, ground based radars, tankers, air cap, flak suppression sorties and "Wild Weasel" anti-SAM missions. All must be coordinated and timed by a half dozen bases and units. The F–111 operated in SEA without such aerial support and will in the future.

Despite the cost and problems associated with the F–111 it still stands alone as the best aircraft yet developed for night and bad weather attack missions deep inside enemy territory. It is unique in its unrefueled range capabilities. No other fighter in the world can cross the Atlantic unrefueled which means that the F–111 alone can be rapidly deployed almost anywhere in the world without waiting for tanker support. Pacific missions would require island stops. Tankers would allow non-stop crossings.

It carries more bombs than any other fighter and surpasses all other known fighters for automatic navigation accuracy, weapons accuracy, maintainability and short or rough field operations. As a single ship attack aircraft it can operate as no other can without extensive air cover, tanker and electronic countermeasures support. In addition it has a 24-hour attack capability in bad weather, giving it an 80% advantage over other aircraft in the European theater.

Little Orphan Annie, the Texas turkey, is no lady, She's a Tiger.

F–111 AT A GLANCE

F–111A—This was the basic design which was to provide Tactical Air Command with an all weather tactical bombing capability. TF30–P3 engine. Total of 141 built.

FB1–111—Basic design for Strategic Air Command. An interim bomber between the older model B–52s and the B–1. Provides both nuclear and conventional capability with only minimum modification. TF30–P7 engines. Total of 76 built.

F–111E—Basic F–111A design with improved penetration aids and weapons management. TF30–P3 engine is stall free through supersonic envelope. Contract was for 94.

F–111F—Further improved with growth engine TF30–P100 for increased payload and maneuverability. Improved avionics include digital computers and advanced inertial navigation. Contract is for 70.

F–111D—Has major avionics modifications to add air-to-ground moving target attack capability. Has improved weapons delivery accuracy and payload. Contract was for 96.

A total of 526 F–111s will be built under existing contracts, including the 7 Navy F–111B models and 24 F–111C models for the Royal Australian Air Force.

DOW TESTIFIES BEFORE JOINT ATOMIC ENERGY COMMITTEE

HON. JOHN G. DOW

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. DOW. Mr. Speaker, on July 13, I testified before the Joint Atomic Energy Committee yesterday on the pending legislation, S. 2152, H.R. 9286, which speeds up the licensing process for atomic power plants. I feel that this is a crucial issue about which Members of Congress should become more aware. In the hope of increasing interest in this vital problem I am submitting for the RECORD my testimony on the bills S. 2152 and H.R. 9286:

TESTIMONY OF HON. JOHN G. DOW BEFORE THE JOINT COMMITTEE ON ATOMIC ENERGY, TUESDAY, JULY 13, 1971

I very much appreciate this opportunity to testify before this distinguished Committee. Your responsibilities in the field of nuclear power has a direct effect on the area of New York I represent. There are three atomic plants under construction or in being for the Consolidated Edison Company of New York at a point that juts into my Congressional District. Anxiety of my constituents about the downwind damage in the event of a substantial accident at those plants causes me to pay some attention to the critics who have warned about the dangers of atomic plants.

Mr. Chairman, having delved into this a little I can say that there are some unresolved questions about the safety of nuclear power generation. The principal point of my testimony today will not be any resolution of this major issue but to say it is incumbent on the Congress to insist that the issue be satisfactorily solved and the correct answers arrived at before much more time has passed. There is far too much polarized opinion about nuclear safety to leave the subject any longer in its present state of unresolved equilibrium.

The proposed legislation would limit the mandatory hearings to the site authorization period, would offer optional hearings at the construction stage only if a significant question of health and public safety were raised, and would strictly rule out the present pattern of hearings immediately prior to the operational stage.

I realize that the AEC has an interest in the rapid construction and operation of nuclear plants in order to alleviate the present power crisis existing in this nation.

However, I feel that the AEC must examine the other side of the coin very carefully and thoroughly review all possible consequences of a rapid expansion of the nuclear power system.

Recently, considerable evidence has been brought to my attention which shows that the present type of nuclear reactor may be extremely harmful to human life. I am not an expert in this field and will not attempt to pass final judgment on these claims, but I have been convinced that the possibility of extreme danger from nuclear reactors is great enough to warrant a close investigation by the Congress before a further expansion of the nuclear power system is condoned and encouraged.

This problem must be solved by Congressional pressure on all of those concerned in order to arrive at the true facts. Heads must be knocked together and experts must be prodded and pressured until the true answers are apparent. Your distinguished Joint Committee on Atomic Energy is the one best hope to solve this problem.

For what it may be worth I would like to tell you of four areas where there is a major lack of agreement and where a resolution is critically needed.

1. RADIOACTIVITY OF NUCLEAR PLANTS

The radioactive threat posed by nuclear plants is an issue that produces an intolerable polarization of authority between the scientific and the non-scientific communities. Most of the controversy seems to center around what is a little or a lot of radioactivity; but there is more to be considered than this. Winds and clouds may sweep their concentrations and deposit them as heavy concentrations in small areas. Even the smallest amounts of radiation can be dangerous if they concentrate, as many radioactive chemicals do, in some plant or animal life. I have seen studies of how small levels of radioactive chemicals increase in concentration throughout the food chain to the point where they present grave dangers of cancer or accentuate existing ailments in the human species.

This problem is further heightened in the case of embryos and infants which seem to be the most susceptible to radiological exposure. It is submitted by scientists that effects of such exposure become apparent in a very short time in these cases. Some scientists also feel that the effects upon adults may be just as devastating as upon infants but they are not as rapidly apparent. This is the first area in which I think it is imperative that the Committee recognize the true gravity and resolve the dissension.

2. GENETIC DANGER

Secondly, but perhaps no less serious, is the genetic danger attributable to radioactive concentrations in the reproductive organs. Every exposure to radioactivity, however small, is ineradicable and degrades in some degree the living matter. It may never leave the chain of generations.

The uncertainty about long-term genetic effects has not been disposed of by any means.

3. ACCIDENTS AT NUCLEAR PLANTS

One of the dangers that even the most loyal believers in nuclear plants will admit is the possible accident within the plant. The plant's operation is basically one of damping down. When that fails for any reason and there is a loss of coolant, then temperatures instantly rise, fuel elements melt and the ultimate consequence is beyond guessing.

4. WASTEFULNESS OF FISSION PROCESS

The present performance of nuclear reactors by the fission process is said to be about 1% of potential, because it wastes an immense amount of plutonium 238. Should not this process be halted until some alternative process is developed that would realize on the potential? Fast breeders would supposedly be more efficient but they are admittedly more dangerous. In this connection the fusion process deserves more attention and possibly promotion.

I am certain that your distinguished Committee could apply major force for the purpose of eliciting such answers from those competent to produce them. In some cases it would be necessary for the exaggerators and the belittlers of nuclear safety to battle it out until there is a meeting of the minds. Able as many of these authorities are, part of their differences are probably due to the fact that they are not always talking about the same thing. Even here there is a very likely failure of communication, and your Committee must insist upon the necessary clarifications.

Until Congress compels such classifications and disagreements to be cleared up, the current trend toward rapid expansion of the nuclear system will proceed unchecked. Now is the time for slow, deliberate thought, consultation and reconciliation between opposing sides. The uncertainty about the danger is too great to set it in concrete now. I therefore must oppose the pending bill, H.R. 9286, which streamlines the licensing procedures and reduces the amount of public participation in the creation of new nuclear reactors. The intervention of Congress on behalf of the public is necessary to create a process for seeking the truth about the dangers that may be associated with nuclear power.

On this basis I ask the Committee to reject the sections of this pending legislation which speed up the licensing procedures at a time when they should be slowed down instead.

Mr. Speaker, Dr. Ernest J. Sternglass, an eminent physicist and professor of radiology at the University of Pittsburgh, prepared a special report on this subject which I would also like to share with my colleagues.

REPORT BY DR. ERNEST J. STERNGLASS, PROFESSOR OF RADIOLOGY, UNIVERSITY OF PITTSBURGH

I would like to address my remarks to the proposed changes in the licensing procedures of nuclear plants, which carry much more serious implications for the health and safety of the public than would appear on the surface.

Basically, the proposed new licensing procedures would eliminate hearings at the time a new plant is ready to go into operation, and they would restrict the depth and scope of the questions that could be raised by the public at the only remaining mandatory hearings prior to construction, greatly limiting the opportunity for the public and its legal and scientific advisers to raise issues and discover problems that may have escaped the scientists and engineers of the utility company, the manufacturers, and the AEC's licensing and regulatory staff.

Why is this such a potentially fateful and dangerous step to take? Are not the experts of the utilities, the nuclear industry, and the AEC, rather than a few laymen or outside scientists, in a much better position to know how best to design a plant so as to protect the health and safety of the public?

Why is it so vital that there should be the widest possible opportunity for specialists and scientists outside of the industry or the government to participate in the examination of the safety of nuclear reactors? Because time and again in the history of science the unexpected and upsetting discoveries have often been made by outsiders. We need only remember the most recent case of mercury, where it was a scientist outside the industry or the government who discovered that in the form of methyl mercury, and as a result of unanticipated biological concentration in the fish this element previously regarded as relatively harmless, was suddenly recognized to be thousands of times as toxic than in the original form in which it was discharged from the plants. This has its perfect parallel in the unanticipated biological sensitivity of the embryo to nuclear fallout, where the complex indirect processes of the action of radiation, as in the case of the action of certain fission products such as Yttrium acting on the pituitary and the thyroid gland of the developing fetus, leading only to a slight retardation in the maturation process, nevertheless can apparently result in a major effect on the viability of the newborn's lungs, leading to the baby's death by asphyxiation.

Furthermore, the recognition of such unanticipated mechanisms often happen rapidly, and allowable releases of radioactivity and various safety features that seemed quite adequate, can and indeed have turned out to be thousands of times less safe within a year after construction has begun.

This was clearly not the fault of the engineers and physicists who had done their planning with the best available expert advice at the time. Nor was it the fault of the Commission, or the standard setting bodies, or of the leaders of the nuclear industry, the utilities or the government's scientific advisers. No one knew or ever dreamed that such things could happen. Even those of us who testified here before this same Committee in 1963 on the possibility of an increased sensitivity of the infant in the mother's womb to the development of leukemia from small amounts of radiation, could not and did not anticipate fully the seriousness of the biological consequences of low level radiation to the newborn. It was simply inconceivable that a well-studied phenomenon such as radiation should hold such a terrible surprise for mankind.

Yet within the last few years, and even the last few months, overwhelming evidence has accumulated that mankind faces a far greater hazard from small amounts of radioactivity in the air, the water and the food than anyone could ever have imagined when nuclear reactors were first designed.

We now know that in the county where the Dresden Reactor is located some 50 miles south-west of Chicago, Illinois, the rise and decline of radioactive gas discharges was not only accompanied by a corresponding rise and decline in infant deaths, but also a coincident rise and fall of premature births known to be associated with a much greater likelihood of death from respiratory disease and infections.

And we now know that in ways no one anticipated, even relatively small accidental release of radioactivity, whether from a reactor or from an underground weapons test, can lead to serious unanticipated consequences. For example, in the case of the "Baneberry" test in Nevada last December, infant mortality jumped as much as 30–50% in the nearby states of Idaho and Montana, in direct relation to the measured fallout in the air, on the ground and in the milk. Yet the amount of radiation released as a consequence of this test was only 1/10,000 to 1/1,000,000 (one ten-thousandth to one one-millionth) of what could be released in a major accident of a large nuclear reactor.

Clearly it is far better to hold in abeyance any possible benefit of nuclear energy than to risk its misuse by an inadequate examination of its full-effects on human health.

What then is the lesson that we must draw from this for the decisions that must now be made by the Congress of the United States?

1. That scientific discoveries in the areas of biology, embryology and radiation effects on the critical bio-chemical processes of living systems can happen so rapidly and unexpectedly that there must be mechanisms for review of reactor technology by public hearings until the very moment the reactor is to be turned on. In the three to five years that can elapse between the construction license hearing and the time the reactor is

completed, so much can happen in our understanding of biological hazards that what could have been regarded as adequate from the point of safety to the public when the reactor was built, is suddenly no longer acceptable for the protection of human life.

2. That often in the history of science, discoveries were made that were totally unexpected on the basis of everything known to the experts at the time, and that often, these discoveries were made not by the specialists in the field, but by outsiders who would never have been regarded as experts in that narrow speciality.

3. That only by the widest possible dissemination of facts to the entire public can such non-specialists even become aware of the existence of a problem, and that therefore any procedure that works to limit free access to any and all information dealing with the safety features of such a complex technology as exists in the nuclear field could be disastrous for society.

4. The very essence of the amazing progress of modern science and the technology based on it since its beginnings in the days of Galileo, Descartes and Newton three hundred years ago, has always been the continuous correction of errors and assumptions, made possible by the free publication of all data and even the most upsetting theories for anyone to see and criticize. Only through this often painful and slow process of continuous correction of past errors has science been able to advance, and only through such free access to data and knowledge has it been possible to utilize the collective wisdom to mankind's best minds for the benefit of society and to avoid or correct at least some of the inevitable mistakes.

5. But in the case of nuclear energy and the effects of nuclear radiation on animals and man the magnitude of the consequences of any errors are so vast and irreversible that above all in this field there must be nothing to limit the widest examination of all aspects, and the greatest possible opportunity to discover the unexpected, human mistake.

6. The proposed Bill H.R. 9286 should accordingly be changed so as to require mandatory public hearings also at the time the operating permit is to be granted, and that any matter relating to the public health and safety may be brought up at that time by those whose lives may be affected. Nothing should be done to weaken the basic spirit of the Atomic Energy Act of 1954 which clearly called for the greatest possible participation of the public and the protection of its health and safety.

The very vastness of the power man has released in the atom demands the utmost in caution, lest it destroy him and his seed forever. And it is now the heavy task of this committee to make the judgment as to how best to protect the health and lives of this nation's future children, whose vulnerability is now recognized to be a thousand times greater than when the nuclear age began.

Mr. Speaker, one of the reasons that I am so vitally concerned with this problem of nuclear powerplants is that the three reactors located at Indian Point, N.Y., border on my congressional district and any radiocative pollution from them directly affects my constituents.

Dr. Sternglass has done a comprehensive study of the radiation resulting from the Indian Point powerplant and I would also like to submit this report for the RECORD.

LOW LEVEL RADIATION EFFECTS ON INFANTS AND CHILDREN IN THE NEW YORK METROPOLITAN AREA

(By E. J. Sternglass, Department of Radiology and Radiation Health, University of Pittsburgh, Pittsburgh, Pa.)

INTRODUCTION

In recent years, increasing evidence has accumulated that low-level radiation from diagnostic X-rays,[1] nuclear fallout [2] and releases from unclear power facilities,[3,4] has produced unexpected severe effects on the developing embryo, the infant and young child.

In view of the proposed large increase in the amount of nuclear generating facilities to be installed near large metropolitan areas such as New York City, it seemed desirable to carry out a study of possible health effects on children in the greater New York Metropolitan area from the releases of nuclear facilities that have been operating in this region for the past ten to fifteen years.

The most important sources of radioactive effluent close to the New York Metropolitan Area have been the Indian Point Nuclear power station operated by the Consolidated Edison Company located in Westchester County along the Hudson River some 20 miles north of New York City, and the Gas Cooled Nuclear Reactor at the Brookhaven National Laboratory of the Atomic Energy Commission near Upton, Suffolk County, Long Island. It will be shown that both of these nuclear facilities appear to have had clearly detectable effects on infant mortality and leukemia rates in the surrounding counties, highly correlated with the known rises and declines of radioactive releases and the dose-rates from nuclear fallout as recorded at the Brookhaven National Laboratory.

The study was based on the available data for infant mortality and cancer mortality rates for all the counties of New York State within a radius of 100 miles of New York City as publishhed in the Annual Vital Statistics Reports of the New York State Department of Health.[5] Information on the releases from the Indian Point Unit Number 1 were obtained from a report of the U.S. Department of Health, Education, and Welfare [6] published in March 1970, as well as official AEC summaries of reactor releases.[7] Figures on releases of liquid wastes from the Brookhaven National Laboratory as well as on external radiation doses produced by gaseous releases and fallout were obtained from a report by A. P. Hull,[8] using the average weekly dose-rates at monitoring stations at the northeastern edge of the laboratory grounds and 4.8 miles away to the north.

The basic data taken from these sources is reproduced in the enclosed tables.

INFANT MORTALITY

In order to detect a possible effect of the releases on infant mortality it was decided to search both for changes with time before and after the releases began, and also to examine the pattern of infant mortality changes with distance away from the sources of radioactive gases and liquid effluent.

Since the Brookhaven Laboratories are located well to the east of New York City (approximately 50 miles from Manhattan and some 25 miles from Nassau County to the west) while the Indian Point plant is located some 20 miles to the north, between Rockland and Westchester Counties, they are far enough apart to separate the effects from these two sources. This is further facilitated by the fact that the Indian Point Plant did not begin to produce significant discharges until after 1963, while the Brookhaven releases began in 1951 and declined to very small values by 1964.

In order to account for such other factors as socio-economic, medical care, diet, drugs, pesticides, climate, air pollution, infectious diseases, fallout and various unknown factors that might influence the changes in infant mortality besides low-level radiation from plant releases, all mortality changes in the counties near the plants were compared with neighboring counties of similar socio-economic character having no large sources of radioactive effluent.

Thus, Westchester and Rockland may be compared most closely with Nassau County, Long Island, since it has a similar total population of close to 1 million, similar suburban character, and closely similar fallout levels as well as similar socio-economic characteristics. Likewise, Suffolk County, where Brookhaven is located, can be compared most directly with neighboring Nassau, which also had the same infant mortality rates prior to the first nuclear detonations in 1944–45.

Furthermore, it is possible to use progressively more distant counties of New York State stretching in the form of a sector towards the north-west and north as control counties.

In order to correct for the fact that these counties further to the north have a more rural character than Westchester and Rockland, and therefore different socio-economic situations, medical care and air pollution, one can normalize the infant mortality rates in a suitable fashion and then examine the percent changes following the onset of emissions. Since a given small dose of radiation is expected to have closely the same relative effect on mortality changes regardless of the absolute rate, this technique allows one to detect changes in time as well as changes with distance from the source despite such differences as medical care and economic level.

The counties with smaller population can then be conveniently grouped into larger units with approximately the same distance from the point of release of the effluent.

RESULTS

The simplest and most direct test is to plot the pattern of mortality among infants born live and 0-1 year at death per 1000 live births for the two counties immediately surrounding the Indian Point Reactor and compare it with the time-history in Nassau County 20 to 50 miles away.

As can be seen from an inspection of a period of six years prior to the onset of large releases from the Indian Point Plant in 1964, the infant mortality rate for Nassau and Westchester were essentially the same within the statistical fluctuation of about 5% or ± 1.0 per 1000 births. There were rises apparently associated with the fallout from the large test-series in 1958 and 1961–62 prior to the onset of large releases of the Indian Point Plant in 1964 but the two counties showed exactly the same infant mortality rates of 19.1 in 1961, the year of lowest fallout in the air and diet just prior to the resumption of atmospheric testing by the U.S.S.R. in the fall of 1961, and by the U.S. in 1962.

However, after the releases began from the Indian Point Reactor, while Nassau infant mortality moved downward as did most areas of the U.S. following the end of nuclear testing, [2, 4] Westchester and Rockland moved upward and remained high for a period of 4 successive years. Not until after the emissions began to show a tendency to decline following the replacement of the original fuel-core in 1966 that had developed serious leaks [6] did Westchester and Rockland infant mortality decline close to where Nassau had moved.

If one now plots the difference in infant mortality between the two counties nearest the reactor and compares it with the annual releases of liquid radioactive waste in the form of mixed fission products (beta and gamma emitters other than tritium) expressed as percent excess over the Nassau rate, one finds a direct linear relationship between excess mortality and the amount of activity as percent of permissible limit.

Applying a least-square fitting procedure to the data for the period 1963 to 1969 one obtains a correlation coefficient $C=0.835$. A still better fit is obtained for the 2 yr. average, or $C=0.974$. The t-test of statistical significance gives $t=9.96$ which for the present case of 5 degrees of freedom gives a probability of P of less than 0.01 that this correlation is a purely chance occurrence. Thus, the association between excess infant mortality near the reactor and the changing levels of

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Footnotes at end of article.

liquid waste discharges must be regarded as statistically highly significant. And since, as Fig. 4 shows, gaseous releases closely followed liquid releases in magnitude, not only areas bordering the Hudson River but also areas exposed to the gaseous releases would be expected to be affected.

As an independent check of this result, it is of interest to compare the changes of infant mortality for the two counties near the reactor with those counties more than 40 miles to the north and north-west, namely Columbia, Greene, Sullivan and Ulster, grouped together so as to provide a total population closer to that of Westchester and Rockland.

In order to allow such a comparison despite the more rural character of these control counties, their infant mortality rate was normalized to equal that for Westchester-Rockland in 1961, the year when Nassau showed the same infant mortality rate as the two counties next to Indian Point.

It is seen that as in the case of the comparison with Nassau County, the control group shows a very similar pattern prior to 1964, but as soon as the releases occurred, a gap between the nearby and the distant counties begins to appear amounting to about four standard deviation by 1966. The control counties show a rapid decline in infant mortality while the nearby counties show a rise followed by years of failure to decline.

Once again, one can examine the correlation between the excess in the infant mortality of the exposed counties as compared to the more distant control counties. As in the case of the use of Nassau as a control, there is a strong, positive correlation between excess mortality and the quantity of radioactive wastes discharged. The correlation coefficient is found to be 0.957 and $t=7.37$, which for the five degrees of freedom leads again to a small probability $P<0.01$ that this association is a pure chance occurrence. Furthermore, the amount of change per unit radioactive discharge is found to be closely the same using this group of controls as when Nassau County was used, within the accuracy of the data.

Using the same normalization procedure for the group of intermediate counties to the north of Westchester and Rockland, namely Dutchess, Orange and Putnam, it is now possible to test whether they show a pattern intermediate between the nearby and more distant counties during the period of peak emissions from the Indian Point Plant.

The result for the year of peak emission (1966) is shown where the three groups of counties have been plotted according to their average distances from the Indian Point Plant in Westchester County. Not only do the intermediate counties show the required intermediate position in the change of infant mortality, but the three groups show a dependence on distance consistent with an inverse first power law expected for long-lived gases diffusing from a stack.[9]

As a further test of the hypothesis that the infant mortality changes are associated with releases from the Indian Point Plant, one can make the same plot for Nassau and Suffolk counties to the south-east and again the pattern of declining mortality fits the hypothesis.

It is of interest to see whether despite its much poorer socio-economic pattern, air pollution problems and medical care, New York City shows a decline in infant mortality during the time that Westchester and Rockland showed a rise above the 1961 level. Using the same normalization procedure, the infant mortality for New York City is in fact found to decline after 1964, though not as rapidly as the more remote counties to the north and east. Thus, the pattern of infant mortality changes following the onset of radioactivity releases from the Indian Point Plant is consistent with a causal effect of the releases on infant mortality, similar to the effects already noted for seven other nuclear reactors and fuel processing facilities.[4]

Taking either the control counties to the north or to the east as a reference, the excess infant mortality associated with a release of 43.7 curies per year of mixed fission products in liquid waste and 36.4 curies of noble and activation gases is 41%. For the year 1966, this represents an excess mortality of approximately 100 infants 0–1 year old in Westchester and Rockland Counties combined out of a total of 367 infants that died in their first year of life during 1966.

For New York City, assuming that the relative changes for 1966 can be attributed to the plant releases, the excess mortality would be approximately 26%. This would mean that out of the total of 3,686 infant deaths in 1966 some 750 probably died as a result of the operation of the Indian Point Plant. Thus, although New York City is more distant than Westchester and Rockland, due to its large population, the total number of additional deaths is some seven times larger than for the nearby counties.

EFFECTS OF LOW LEVEL FALLOUT

These results are so serious that it is essential to apply still further tests in an effort to see whether the observed association is likely to be of a causal nature. Thus, if low levels of radiation near a nuclear plant, typically well below the 500 mr per year allowable to any individual or of the order of a few millirads per year, can indeed produce such serious effects on the early embryo, then effects should be seen for the low level fallout radiation measured at Brookhaven over a period of many years.[8]

Assuming that Nassau County on Long Island just west of Suffolk County received essentially the same fallout levels as Brookhaven, it is possible to see whether the changing levels of annual fallout dose were in fact accompanied by corresponding changes in infant mortality in Nassau.

The data on infant mortality rates for Nassau are shown for the period following the first large H-bomb tests in the Pacific in 1954, together with the annual external gamma-radiation dose as measured at Brookhaven.[8] (Table VII)

It is seen that as the radiation dose rose from about 6 mr/year in 1955 to 51.5 mr/year in 1959, infant mortality rose 17% from 18.1 to 21.2 per thousand live births. This first rise was followed by a second peak associated with the 1961–62 test-series, again followed within a year by a renewed peak in infant mortality.

Using the line connecting the points for 1955 before the rise and 1966 after the end of large-scale testing as a reference, it is possible to arrive at estimates for the yearly excess infant mortality and compare them with the measured external gamma dose.

From the result of this comparison, it is seen that the excess infant mortality in Nassau is indeed highly correlated with the changing levels of fallout radiation varying up and down as fallout levels rose and declined repeatedly. The correlation coefficient is found to be 0.797, with a t-value of 4.172, corresponding to $P<0.01$, making it a highly significant association.

The slope of the line is found to be 0.22 ± 0.05% per mr/year. Thus, this data suggests that a dose of as little as 1 millirad of fallout per year radiation from the ground or only about 1% of natural background radiation leads to almost a ¼% increase in infant mortality.

But a dose of 1 mr/yr is far below the presently maximum dose of 500 mr/yr permitted by existing AEC regulations for nuclear plants. The infant mortality rises of 20–40% near nuclear facilities are not inconsistent with the doses that might be received, considering not only external radiation but also internal doses to critical organs of the sensitive embryo during the crucial first 12 weeks of organ development, which must be added to the measured external dose.

Actually, the recent work of Stewart and Kneal[1] on the effect of diagnostic x-rays on the risk of childhood leukemia when given during intrauterine development leads to a comparable increase in risk. Using Stewart and Kneale's estimate of 1 rad to the late fetus resulting in 572 extra cases of leukemia and cancer per million population irradiated, and a normal incidence of 700 per million children born one arrives at a doubling dose of 1,200 mr. Furthermore, using Stewart and Kneal's result that the early embryo in the first trimester is some 15 times more sensitive than the late fetus[10], one arrives at doubling doses as low as 80 mr for the first 3 months of development.

Thus, an annual dose of 76 mr corresponding to the maximum observed at Brookhaven from external fallout alone might result in 3 months doses as high as 25 mr to the early embryo, leading to an increase in leukemia incidence of about 30%, comparable to the magnitude of the observed increases in infant mortality from all causes.

LEUKEMIA IN NASSAU COUNTY

As a test of the hypothesis that such small levels of radiation can in fact lead to detectable rises in leukemia even when given over a period of months, one can examine the changes in leukemia in Nassau County.

Since the typical latency period for leukemia is some 3 to 5 years for the infant irradiated in utero or early postnatal life,[1] the comparison must be carried out with the radiation level existing 5 years earlier.

The leukemia data for Nassau County together with the measured external radiation dose 3–5 yrs. prior to the reported leukemia mortality, shows a striking parallel behavior for the two quantities. The correlation between the increase in leukemia relative to 1960 and the radiation levels after 1955 is strong and positive with a correlation coefficient of 0.819, $t=3.503$ corresponding to $P<0.02$.

The slope obtained by the least square fit is 0.49 ± 0.13%/mr/year, comparable with the slope relating the percent increase of infant mortality and fallout radiation.

From this result, one can calculate the doubling dose, or the dose for a 100% increase, of 204 ± 54 mr per year, equal to 51 ± 13 mr in any 3 months period. Considering that this represents only external dose, a total doubling dose of 80 mr to the early embryo as obtained from the study of diagnostic x-ray effects is therefore not unreasonable for fallout radiation as well.

One should therefore not be suprised to find similar changes in infant mortality that involve subtle genetic defects leading to slight immaturity at birth, which by itself tends to increase greatly the chance of death from respiratory or infectious diseases.[11] Such changes in immaturity or lowered weight at birth have in fact been observed in animal studies[12] and among children born in the U.S. since the early 1950's,[11] the time when large scale nuclear testing began, a trend that has only recently begun to reverse itself.

In fact, mortality for all age groups showed sharp upward changes beginning in the early 1950's as first pointed out by I. M. Moriyama.[13]

INFANT MORTALITY NEAR BROOKHAVEN NATIONAL LABORATORIES

These considerations therefore lead one to expect that the gaseous and liquid effluent from the Brookhaven reactor may also have led to detectable changes in infant mortality in Suffolk County.

Footnotes at end of article.

That this appears in fact to have been the case, where the infant mortality in Suffolk County is shown together with the reported liquid effluent produced and discharged at Brookhaven. The anomalous rise of infant mortality in Suffolk between 1953 and 1960 relative to Nassau is strongly associated with the reported activity produced at Brookhaven and the fraction released into the streams.[8] Both before and after this period, Suffolk and Nassau showed the same infant mortality rates. And with the drastic reduction in releases that took place since the peak of activity in 1959, infant mortality in Suffolk County dropped from a high of 24.1 in 1960 to an all time low of 17.0 in 1969, an unprecedented drop of 30% in only 9 years.

CONCLUSION

In view of the present findings, the possibility, first advanced by I. M. Moriyama[13] exists that both infant mortality and chronic diseases for all ages having genetic components and involving subtle disturbances of the cell chemistry may have been more seriously affected by low level environmental radiation than had been expected on the basis of high-level radiation studies on laboratory animals.

It is therefore apparent that present limits on permissible environmental radiation may have to be drastically lowered to take into account the possibility that the early embryo is far more radiation sensitive than the mature adult to subtle genetic and bio-chemical damage, perhaps by a factor of 100 to 1000 times.

FOOTNOTES

[1] A. Stewart and G. W. Kneale, Lancet 1, 1185 (June 6, 1970).

[2] E. J. Sternglass, Proc. 9th Hanford Radiobiology Symposium, AEC Symp. Series, Vol. 17 (Dec. 1969), p. 693.

[3] E. J. Sternglass, "Infant Mortality and Nuclear Power Generation", Hearings of the Pennsylvania Senate Committee on Reactor Siting, Harrisburg, October 21, 1970.

[4] E. J. Sternglass, "Effects of Low-Level Environmental Radiation on Infants and Childdren", Presented at a symposium on Biol. Conseq. of Envir. Rad., U. of Northern Illinois, March 20, 1971.

[5] Annual Statistical Reports, N.Y. State Dept. of Health, Hollis S. Ingraham, Commissioner, Albany, N.Y. (available through 1967).

[6] "Radioactive Waste Discharges to the Environment from Nuclear Power Facilities", U.S. Dept. H.E.W., P.H.S., Bureau of Radiol. Health, March 1970 (BRH-DER 70-2).

[7] Testimony of Commissioner James T. Ramey, Hearings before the Pennsylvania Senate Select Committee on Reactor Siting, October 1970.

[8] Andrew P. Hull, "Background Radiation Levels at Brookhaven National Laboratory", Report submitted May 15, 1970 at the licensing hearings, Shoreham Nuclear Plant (AEC Docket No. 50-322).

[9] M. J. May and I. F. Stuart, "Comparison of Calculated and Measured Long Term Doses from a Stack Effluent of Radioactive Gases" in "Environmental Surveillance in the Vicinity of Nuclear Facilities" (C. C. Thomas 1970), p. 234.

[10] Table III of Ref. 1 gives sensitivity in the first trimester as (8.25—1.00)/(1.48—1.00) =15 times relative to the last trimester. More recently, a possible question as to the exact dose in the trimester has occurred (Stewart and Kneale, Lancet, Dec. 5, 1970) to 1190, but the tenfold greater sensitivity of the early embryo has been well established in animal studies.

[11] H. C. Chase, "Trends in Prematurity in the United States, 1950-1967", Am. J. Public Health, Vol. 60, 1967 (Oct. 1970).

[12] J. I. Moskalev, et. al., "Proc. 9th Hanford Radiobiology Symposium", A.E.C. Symp. Series, Vol. 17 (Dec. 1969), p. 153.

[13] I. M. Moriyama, "Trends in Mortality", Public Health Reports 75, No. 5 (May, 1960); also N.C.H.S., Monograph Ser. 3, No. 1 (1964).

TABLE I.—INFANT MORTALITY IN NEW YORK COUNTIES ADJACENT TO INDIAN POINT PLANT

Year and counties	Births	Deaths	Rates	Relative rates	Percent change [1]
1958:					
Rockland	2,736	66			
Westchester	15,784	321			
Total	18,520	387	21.0	109.9	+9.9
1959:					
Rockland	2,876	61			
Westchester	15,726	340			
Total	18,602	401	21.6	113.1	+13.1
1960:					
Rockland	3,044	75			
Westchester	15,938	334			
Total	18,982	409	21.5	112.6	+12.6
1961:					
Rockland	3,186	53			
Westchester	16,024	314			
Total	19,210	367	19.1	100	0
1962:					
Rockland	3,238	80			
Westchester	15,622	337			
Total	18,860	417	22.1	115.7	+15.7
1963:					
Rockland	3,340	77			
Westchester	15,750	310			
Total	19,090	387	20.3	106.3	+6.3
1964:					
Rockland	3,456	58			
Westchester	15,366	340			
Total	18,822	398	21.1	110.5	+10.5
1965:					
Rockland	3,554	79			
Westchester	14,634	315			
Total	18,188	394	21.7	113.6	+13.6
1966:					
Rockland	3,576	78			
Westchester	13,652	295			
Total	17,268	373	21.6	113.1	+13.1
1967:					
Rockland	3,492	67			
Westchester	13,207	290			
Total	16,699	357	21.4	112.0	+12.0
1968:					
Rockland	3,391	60			
Westchester	12,890	221			
Total	16,281	281	17.3	90.6	−9.4
1969:					
Rockland	3,625	56			
Westchester	13,292	236			
Total	16,917	292	17.3	90.6	−9.4

[1] Relative to 1961 value.

TABLE II.—INFANT MORTALITY IN NEW YORK COUNTIES 15-50 MILES NORTH OF INDIAN POINT PLANT

Year and County	Births	Deaths	Rates	Relative rates (percent)	Percent change [1]
1958:					
Dutchess	3,674	77			
Orange	4,106	107			
Putnam	632	19			
Total	8,412	203	24.1	100	0
1959:					
Dutchess	3,736	98			
Orange	4,060	102			
Putnam	696	17			
Total	8,492	217	25.6	106.2	+6.2
1960:					
Dutchess	3,912	106			
Orange	4,066	118			
Putnam	708	11			
Total	8,686	235	27.1	112.8	+12.8
1961:					
Dutchess	3,912	109			
Orange	4,084	84			
Putnam	770	18			
Total	8,766	211	24.1	100	0
1962:					
Dutchess	3,998	93			
Orange	4,056	97			
Putnam	724	24			
Total	8,778	214	24.4	101.3	+1.3
1963:					
Dutchess	4,014	77			
Orange	4,176	102			
Putnam	806	19			
Total	8,996	198	22.0	91.3	−8.7

Year and County	Births	Deaths	Rates	Relative rates (percent)	Percent change[1]
1964:					
Dutchess	4,148	83			
Orange	4,244	113			
Putnam	818	13			
Total	9,210	209	22.7	94.2	−5.8
1965:					
Dutchess	3,988	82			
Orange	3,978	98			
Putnam	800	14			
Total	8,766	194	22.1	91.7	−8.3
1966:					
Dutchess	3,680	67			
Orange	3,680	73			
Putnam	796	21			
Total	8,156	161	19.7	81.7	−18.3
1967:					
Dutchess	3,566	66			
Orange	3,693	71			
Putnam	746	13			
Total	8,005	150	18.7	77.6	−22.4
1968:					
Dutchess	3,580	72			
Putnam	3,682	91			
Orange	846	14			
Total	8,108	177	21.8	90.5	−9.5
1969:					
Dutchess	3,702	69			
Orange	3,906	69			
Putnam	987	22			
Total	8,595	158	18.4	76.3	−23.7

[1] Relative to 1961.

TABLE III.—INFANT MORTALITY IN NEW YORK COUNTIES 50–100 MILES NORTH AND NORTHWEST OF INDIAN POINT PLANT

Year and county	Births	Deaths	Rates	Relative rates	Percent change[1]
1958:					
Columbia	918	14			
Greene	568	14			
Sullivan	886	20			
Ulster	2,632	74			
Total	5,004	122	24.4	101.7	+1.7
1959:					
Columbia	870	19			
Greene	596	16			
Sullivan	892	20			
Ulster	2,670	57			
Total	5,028	112	22.3	92.1	−7.1
1960:					
Columbia	918	15			
Greene	612	19			
Sullivan	854	26			
Ulster	2,708	54			
Total	5,092	114	22.4	93.3	−6.7
1961:					
Columbia	928	23			
Greene	584	9			
Sullivan	896	33			
Ulster	2,720	58			
Total	5,128	123	24.0	100	0
1962:					
Columbia	924	21			
Greene	562	14			
Sullivan	824	31			
Ulster	2,574	74			
Total	4,884	140	28.7	119.6	+19.6
1963:					
Columbia	964	22			
Greene	568	13			
Sullivan	940	30			
Ulster	2,536	63			
Total	5,008	128	25.6	106.7	+6.7
1964:					
Columbia	892	17			
Greene	600	16			
Sullivan	876	26			
Ulster	2,532	56			
Total	4,900	115	23.5	97.9	−2.1
1965:					
Columbia	844	12			
Greene	518	5			
Sullivan	852	18			
Ulster	2,468	63			
Total	4,682	98	20.9	87.1	−12.9
1966:					
Columbia	772	9			
Greene	512	7			
Sullivan	826	26			
Ulster	2,396	36			
Total	4,506	78	17.3	72.1	−27.9
1967:					
Columbia	792	19			
Greene	493	4			
Sullivan	745	22			
Ulster	2,214	41			
Total	4,253	86	20.2	84.2	−15.8
1968:					
Columbia	686	18			
Greene	466	12			
Sullivan	749	17			
Ulster	2,129	40			
Total	4,030	87	21.6	90.0	−10.0
1969:					
Columbia	807	11			
Greene	490	9			
Sullivan	802	23			
Ulster	2,254	37			
Total	4,353	80	18.4	76.7	−23.3

TABLE IV.—INFANT MORTALITY IN NEW YORK CITY 15 TO 50 MILES SOUTH OF INDIAN POINT PLANT

Year	Births	Deaths	Rates	Rel. rates[1] (percent)	Percent change[1]
1958	159,256	4,279	26.9	104.7	+4.7
1959	159,498	4,273	26.8	104.3	+4.3
1960	157,706	4,142	26.3	102.3	+2.3
1961	160,396	4,119	25.7	100.0	0
1962	157,908	4,366	27.6	107.4	+7.4
1963	160,582	4,119	26.1	101.6	+1.6
1964	159,206	4,289	26.9	104.6	+4.6
1965	152,900	3,946	25.8	100.4	+.4
1966	147,530	3,683	25.0	97.3	−2.7
1967	140,368	3,344	23.8	92.6	−7.4
1968	131,457	3,034	23.1	89.9	−10.1
1969	135,732	3,315	24.4	94.9	−5.1

[1] Relative to 1961 value.

TABLE V.—INFANT MORTALITY IN NASSAU COUNTY, LONG ISLAND, N.Y., 20 TO 50 MILES SOUTHEAST OF INDIAN POINT PLANT

Year	Births	Deaths	Rates	Rel. rates[1] (percent)	Percent Change[1]
1958	26,088	516	19.8	103.7	+3.7
1959	25,406	540	21.3	111.5	+11.5
1960	25,298	480	19.0	99.5	−.5
1961	24,544	470	19.1	100.0	0
1962	23,674	460	19.4	101.6	+1.6
1963	23,040	462	20.1	105.2	+5.2
1964	22,178	457	20.6	107.9	+7.9
1965	21,110	405	19.2	100.5	+.5
1966	19,704	336	17.1	89.5	−10.5
1967	18,240	348	19.1	100.0	0
1968	17,547	306	17.4	91.1	−8.9
1969	17,526	289	16.5	86.4	−13.6

[1] Relative to 1961 value.

TABLE VI.—INFANT MORTALITY IN SUFFOLK COUNTY, LONG ISLAND, N.Y., 40 TO 140 MILES SOUTHEAST OF INDIAN POINT REACTOR

Year	Births	Deaths	Rates	Rel. rates [1] (percent)	Change [1]	Change[2]
1958	14, 522	322	22.2	94.9	−5.1	+13.8
1959	15, 718	331	21.1	90.2	−9.8	+8.2
1960	17, 068	411	24.1	103.0	+3.0	+23.6
1961	17, 906	419	23.4	100.0	0	+16.7
1962	18, 304	383	20.9	89.9	−10.1	+6.7
1963	19, 362	373	19.3	82.5	−17.5	−1.0
1964	19, 860	377	19.0	81.2	−18.8	−2.6
1965	19, 124	400	20.9	89.3	−10.7	+6.7
1966	18, 626	311	16.7	71.4	−28.6	−1.7
1967	18, 510	356	19.2	82.1	−17.9	−1.6
1968	18, 275	319	17.5	74.8	−25.2	−11.4
1969	19, 569	256	17.0	72.6	−27.4	−12.8

[1] Relative to 1961 value.
[2] Relative to lowest rate attained previously, 19.5 in 1954.

TABLE VII.—RADIOACTIVE WASTE DISCHARGES FROM INDIAN POINT UNIT NO. 1 [1]

Year	Gaseous waste Noble and active gases (curies)	Tritium in liquid waste (curies)	Liquid waste gross β and γ (curies)	Liquid waste-gross β and γ as percent of permissible limit	
				1-year average	2-year average
1963	0. 0072	(2)	0. 164	0. 26	0. 24
1964	13. 2	(2)	13. 0	22. 0	11. 13
1965	33. 1	(2)	26. 3	43. 0	32. 50
1966 [3]	36. 4	125	43. 7	70. 1	56. 50
1967	23. 4	297	28. 0	[4] 1. 55	35. 80
1968	59. 7	787	34. 6	[4] 1. 65	1. 60
1969 [5]	600	1, 100	28. 0	[4] 1. 50	1. 58

[1] Taken from U.S. Public Health Service Report BRH/DER 70–2 (March 1970) ref. 6.
[2] Not reported.
[3] New fuel core installed.
[4] Based on radionuclide analysis.
[5] AEC Report, testimony of Commissioner J. T. Ramey (ref. 7).

TABLE VIII.—EXTERNAL BACKGROUND RADIATION DOSE RATES AND WASTE DISCHARGES AT BROOKHAVEN NATIONAL LABORATORIES [1]

Year	Total mr/wk.[2]	Fallout mr/wk.	Dose/yr. mr/yr.[2]	Dose/yr. BNL release mr/yr.[3]	Liquid waste input to BNL filter bed mCi/yr.	Liquid waste released from BNL filter bed mCi/yr.
1949	1. 80	0. 21	10. 9			
1950	1. 74	. 15	7. 8			
1951 [4]	1. 59	. 00	0	5. 2	160. 5	21. 5
1952		[5] . 03	[5] 1. 5	[5] 3. 6	116. 6	27. 9
1953	1. 73	. 14	7. 3	3. 1	132. 9	35. 8
1954	1. 66	. 07	3. 7	5. 2	182. 1	48. 5
1955	1. 70	. 11	5. 7	13. 5	223. 8	75. 0
1956	1. 79	. 20	10. 4	7. 8	170. 0	55. 0
1957	1. 89	. 30	15. 6	10. 4	300. 8	105. 1
1958	2. 23	. 64	33. 2	20. 8	325. 1	106. 0
1959	2. 58	. 99	51. 5	6. 8	586. 6	169. 5
1960	1. 88	0. 29	15. 1	3. 6	542. 9	177. 8
1961	1. 73	. 14	7. 3	7. 3	384. 4	219. 1
1962	2. 41	. 82	42. 8	5. 2	128. 9	135. 9
1963	3. 05	1. 46	76. 0	29. 6	127. 5	99. 4
1964	2. 65	1. 06	55. 2	28. 6	89. 0	76. 4
1965	2. 07	. 48	25. 0	15. 6	66. 8	41. 8
1966	1. 77	. 18	9. 4	12. 0	85. 1	37. 2
1967	1. 73	. 14	7. 3	4. 7	81. 2	47. 9
1968	1. 70	. 11	5. 7	2. 6	21. 5	16. 2
1969	1. 65	. 06	3. 1	0		

[1] Based on data by A.P. Hull, reference 8.
[2] Measured at 4.8 miles north of BNL perimeter.
[3] Difference between dose measured at northeast perimeter station and station 4.8 miles north.
[4] Year of lowest background rate at station 4.8 miles north of BNL perimeter, taken as normal background rate prior to major weapons testing and releases from BNL.
[5] From measurements at station 3.5 miles south of BNL perimeter.

FIGURE CAPTIONS

(1) Map of lower New York State showing the location of the Indian Point Plant in Westchester and the Brookhaven National Laboratory in Suffolk. Population figures are those for 1960.

(2) Infant mortality rates for Westchester and Rockland Counties compared with the rates for Nassau 1958–1969. Also shown is the liquid radioactive waste other than tritium released from the Indian Point Plant.

(3) Percent excess infant mortality for Westchester and Rockland Counties relative to Nassau vs. the annual amounts of liquid waste discharge from Indian Point, expressed in percent of permissible limit.

(4) Correlation between liquid and gaseous effluent in the form of noble and activation gases from the Indian Point Plant 1963–1968 as reported in the P.H.S. Publication BRH–DER–70–2.

(5) Changes in infant mortality relative to 1961 Westchester and Rockland compared with four upstate control counties 40 to 80 miles north. Also shown are Indian Point liquid releases and Iodine-131 in N.Y. City milk in average monthly concentrations (pCi/liter). Liquid release as percent of permissible limit.

(6) Correlation between percent excess infant mortality for Westchester and Rockland relative to upstate control counties and liquid waste discharges from the Indian Point Reactor.

(7) Percent changes in infant mortality by 1966 relative to 1961 for counties at increasing distances from the Indian Point Plant moving north.

(8) Percent changes in infant mortality by 1966 relative to 1961 for counties at increasing distances from the Indian Point Plant moving south-east.

(9) Changes in infant mortality for Westchester and Rockland compared with New York City relative to the 1961 rates.

(10) Percent changes of infant mortality for the year of peak releases from the Indian Point Plant by 1966 relative to 1961 for all New York Counties within a radius of 100 miles.

(11) Infant mortality in Nassau County during period of peak nuclear testing in the atmosphere compared with external radiation levels measured at Brookhaven. Also shown are annual doses from gaseous releases measured at the northeast perimeter of the Brookhaven Laboratory.

(12) Excess infant mortality in Nassau County relative to the 1955–66 base-line vs. the external gamma radiation dose measured at Brookhaven National Laboratory. The slope of the least-square fitted line corresponds to a 22% increase for a dose of only 100 mr per year.

(13) Leukemia rate per million population for Nassau County compared with the measured external gamma radiation rate from fallout 5 years earlier.

(14) Correlation between the percent increase in leukemia rates in Nassau County and the annual dose from external fallout radiation. The least-quare fitted line corresponds to an increase of 49% for a dose of 100 mr per year.

(15) Infant mortality rates for Suffolk and Nassau counties, 1949–1969, compared with the releases of liquid radioactive waste from the Brookhaven National Laboratory in Suffolk County. Note that in 1949 and 1968, Nassau and Suffolk had the same rates of infant mortality. Note that throughout the period of nuclear testing and large releases from B.N.L. or from 1949 to 1962, infant mortality refused to decline, and that the sharp decline began only after 1965, when dietary levels of radioactivity had sharply declined all over the United States.

ADDICTS FORCED TO FACE THEMSELVES

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. MORSE. Mr. Speaker, there appeared recently in the Lowell Sun, a series of articles on Anabasis House, a self-help drug rehabilitation program being conducted through SHARE, in Lowell, Mass.

The first report described the basic concept which its founder, Dr. Paul Strudler, has attempted to implement at Anabasis House, and dealt with the difficulties of combating fear, misunderstanding, and ignorance of the whole drug problem as well as this particular undertaking. The third was a personal and eloquent response by the reporter, Eric Best, after more than a week's involvement with the program. The second article offers a particular meaningful picture of how people in need of help are confronting their own problems and learning to solve them at Anabasis House, and I am including it here for the thoughtful attention of my colleagues:

ADDICTS FORCED TO FACE THEMSELVES

(By Eric Best)

LOWELL.—Morning meetings, afternoon seminars and evening groups provide different vehicles for confrontation on a daily basis for addicts trying to "kick the habit" at Anabasis house. A part of the confrontation, under leadership is designed to teach the residents to face themselves—their strengths, weaknesses, errors, and instabilities.

During morning meeting, "pull-ups" force people who have been thoughtless or careless the day before to admit their actions in front of the entire house population. If they have failed to help when they should have, failed to pick up after themselves, or failed to perform their duties as those duties are set down, they are "pulled up" by one of their peers and reprimanded in front of the group. The idea is that by facing themselves in this fashion they will be able to do the same when they leave the house, and not seek instead the protective euphoria of the drug experience.

The experience provides a substitute for what the 1970 government report on drug abuse said about aims for parents.

". . . to rear his children so that they are neither deprived of affection nor spoiled. A parent should have a realistic set of expectations for them. He should give his children responsibilities according to their capabilities and not overprotect them from the difficulties they will encounter."

Afternoon seminars are often run by members of the house on a subject they know well, and are designed as a time not only for factual learning but as an opportunity for persons who have trouble facing a group to learn to deal with the anxiety of being the center of attention.

Dr. Paul Strudler now runs two seminars a week, employing various exercises in psychodrama and role playing to give the residents a format in which they can express feelings and thoughts which they would leave otherwise unexpressed, and perhaps altogether hidden.

"It's about time I got directly involved in the program I helped create," he says.

Response to his seminars is almost universally enthusiastic amongst the residents, who have admitted that his willingness to help them directly is just as significant as the quality of his ideas.

If one was to boil down the theory into a simple thought, the thought would be that in order to stay away from drugs one has to be stable enough and tough enough to handle reality as it comes. The need to face things and to be strong is typified by other halfway houses which have chosen such names as Challenge House, Reality House, Renaissance Project—all pointing to the fact that a drug user needs to change and his change will not come without sweat.

The Anabasis Philosophy, still being developed, is read by one of the residents at the beginning of every morning meeting.

"After time and space we have arrived here because there is no refuge from ourselves. We are together to share in the belief that there are no gains without pains, that to be strong we must struggle to meet the challenges . . . to stand tall and true in the face of our worst enemies that keep us ignorant and frightened and alone without love. Until we confront ourselves in the eyes of others we are running, afraid to be known, we can know neither ourselves nor any other.

"We believe that each of us can, with faith and love and trust for each other, triumph over our own enemies, within ourselves. In our struggle for development we shall reach forward to reach the apex of human dignity. Here we can appear clearly to ourselves—not as the giant of our dreams nor the dwarf of our fears, but as men, part of a whole with a share in its purpose.

"We will be dedicated to the belief that if you treat a man as he is, he will stay as he is. But if you treat him as he ought to be and could be, then he will become as he ought to be and could be.

"Now we are no longer alone as in death, but alive to ourselves and to others; sharing together the ultimate arrival of peace and tranquility."

It is not hard to find a resident who is bitter about the gulf in understanding that separates the outside public from the inner workings of the house.

One boy spent three months in the Deer Island jail and he says that did nothing for him.

"You spend so much time thinking about being in jail that you never have a chance to think about why you were on dope and how to get off. Here, that's what the point is—why I was in jail to begin with."

The boy is angry because he knows what he has to face every day. He also knows that he faces it because he has made errors that will take a lifetime of effort to correct. Now what he seeks is some understanding from the community of which he is a part, and he wants the community not to reject him out of hand.

Another girl is transparently afraid to return to the outside environment that brought her to where she is.

ACID AT LHS

"I flipped out on acid in Lowell High," she explains. "But I don't want to go back there because half the school is on drugs and it would be the same scene with the same people. I don't want anything to do with them now. Particularly the way they act towards someone who has been here. They think you're never anything but a drug addict."

"The most popular reason among these kids for being on drugs is the "to belong to" reason, explains Louis Buccaroni. "Everyone is introduced to drugs by close friends, and so to get them off the same principles applies. We reverse the process and make them want to belong to a group of non-users as much as they wanted to belong to a group of users."

Buccaroni's point about users is echoed by a cynical comment in the Federal study. "There is little evidence to confirm the belief that pushers need to turn on a novice. His 'friends' do it for him."

VIEW ON THE PROGRAM

"It's the best there is available," says Vice Squad Inspector John Cullen, who is open in his skepticism about the degree to which the residents' behavior is controlled.

"They should treat the kids the way they did in CCC, make them work until they drop, throw water on them, then make them work some more," says a lieutenant on the force.

The same lieutenant has made the remark that addicts should be put on an island somewhere and left there with no access to drugs, the apparent theory being that deprivation solves addiction.

"My father came over here from Italy and things were tough on him for a long time," says another officer. "He made it and there's no reason why these kids can't either."

Out of the radically different conceptions of the program comes one reality, and that is that people do not really know what to think about drug addiction, except that they don't like the fact that it has arrived and they consider it an offensively untidy problem.

"Most people are so afraid of drug addiction that they pick up on rumors rather than asking what they can do," says Strudler. "Despite the severity of the problem and what people claim is their desire to see something done, we haven't had that much citizen participation."

LITTLE CITIZEN HELP

The lack of citizen participation which Strudler focuses on does not include the Kiwanis Volunteers who have provided a Board of Directors for SHARE, the doctors who have devoted time to develop the Methadone program at the three hospitals, or the persons who have donated furniture to make the house the bright and comfortable place to live in that it is.

But Sunday afternoons, the House is open to visitors and few people who have not suddenly found that their child is addicted have come through the house. People are also allowed in the house during the week.

Comments have been made to hospital personnel that the residents can often be seen sitting in front of the house, but few offers have been made of spots in the nearby countryside where the residents could gather for a picnic.

The summer, according to Buccaroni, is a difficult time for kids to hang on the program, because of the heat and the activity of summer the pull of the street life strengthens.

METHADONE ISSUE

Another complicating aspect of the program is the mystique which surrounds the use of methadone. Methadone is a drug which has a psychologically blocking effect on heroin, so that a patient treated with methadone, is able to function, does not have (physically), the craving for heroin, and knows that buying heroin will be effectively a waste of money.

Methadone is used to "detoxify" addicts; that is, bring them off heroin to a drug-free state. Or it can be used to "maintain" a heroin addict—that is, keep his body convinced that he is stable and able to function. Proponents of the drug say that since a heroin addict is essentially incurably sick, the drug is like insulin for a diabetic. Opponents to the use of the drug say that it is invaluable as a detoxification agent, but that it is wrong to string someone out on methadone and not deal with the cause of his heroin habit.

Residents at the House also say that methadone is harder to kick than heroin, because it is a longer-lasting drug which works itself more completely into a person's system.

"It's like keeping a cancer patient alive with drugs," says one. "You can control the pain but you don't cure the problem."

Strudler points out that although methadone maintenance is a drug dependent condition, it at least brings many individuals to a point where they can function, and solves their need to steal to support a heroin habit. "In that respect, it protects the community," he says.

Despite methadone's usefulness, the seven house residents presently on the drug are detoxifying. "The house is going to be completely drugfree," explains a girl.

Many people in law enforcement and in the courts are persuaded that the methadone program is being grossly misused by addicts, since some of them have devised ways to appear drug free by faking their urine tests. Furthermore, although methadone blocks heroin, it does not block the depressant effect of "downers" or the stimulating effects of speed and related drugs.

For a while during the past six months, it was not unusual for a resident of Anabasis to be maintained on methadone while he received therapy in the form of group meetings. But residents who have been there a long time, like one man for 10 months and another for seven months are opposed to addicts being maintained any longer than necessary.

The man on it for 10 months came off it four months ago and has remained drug free since that time. The other man is detoxifying now after 16 months of methadone maintenance and he admits that he feels painfully sick.

"I feel the worst I have felt in the last 16 months," he said last Monday. He doesn't know exactly when he will be drinking just orange juice at the hospital when he goes for his dosage, but he hopes it will be soon. He feels that he wants the last crutch removed, so that he can feel the satisfaction of making it on his own.

Others who have been on methadone find the cutoff of the maintenance drug too much to handle and they leave the house. Two members walked out last Monday, and those left behind speculated that it was their methadone withdrawal that they couldn't tolerate.

Still, between the doctors at the hospital and those in the house who can watch the methadone patients, what is being sought is the best balance between the uncontrolled use of methadone and the clearly inhumane demand that every addict kick the drug cold.

NO CONTACT BY PARENTS

And what of the parents? For each of the residents of the house there is somewhere a set of parents, or one parent, and those who live locally are, for the most part, trying to confront themselves.

Buccaroni points out that most parents are not allowed any contact with their chid if he is a new resident for at least 30 days.

"My feeling is that by the time a kid is put in here, his parents have had their chance and it is time that we have our chance without family troubles interfering," he says.

An encounter group program for parents has been started on Tuesday nights at Keith Academy, run by a volunteer from the Mental Health Program, Marcia Madden.

To attend one of the groups is to see a number of very devastated parents, facing the fact of their presence, a child somewhere of whom they have lost control and with whom they have lost touch.

Their group is slower to open up than the groups in which their children participate, but in the slow revelation of feelings, one cannot help but feel that these people would do anything asked of them to repair the torn fabric of their families.

They feel that not only were there aspects of their children that they did not understand, but that the same misunderstanding will have the same destructive effects on other families if the public does not become more aware of the drug threat.

"The house and the problem and the program is so misunderstood by so many people," says one woman whose daughter is an Anabasis resident. "If only they would take the time to find out what is really going on."

MEDICAL AID PROGRAMS AS PART OF ADVENTURISM IN SOUTHEAST ASIA

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. DELLUMS. Mr. Speaker, one of the witnesses at the recently concluded International Commission of Enquiry into U.S. Crimes in Indochina was Mrs. Claire Culhane, who served in Vietnam as an adviser to a Canadian Government hospital.

Mrs. Culhane's testimony deals with the role of medical aid programs in overall policy in Indochina. I am going to insert her testimony into the RECORD, but before I do so, I also want to have reprinted a brief portion of the Nuremburg Agreement which the United States entered into in 1945 to establish the International Military Tribunal to prosecute war criminals:

JURISDICTION AND GENERAL PRINCIPLES

Article 6. The Tribunal established by the Agreement referred to in Article 1 hereof for the trial and punishment of the major war criminals of the European Axis countries shall have the power to try and punish persons who, acting in the interests of the European Axis countries, whether as individuals or as members of organizations, committed any of the following crimes.

The following acts, or any of them, are crimes coming within the jurisdiction of the Tribunal for which there shall be individual responsibility:

(*a*) CRIMES AGAINST PEACE: namely, planning, preparation, initiation or waging of a war of aggression, or a war in violation of international treaties, agreements or assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing;

(*b*) WAR CRIMES: namely, violations of the laws or customs of war. Such violations shall include, but not be limited to, murder, ill-treatment or deportation to slave labor or for any other purpose of civilian population of or in occupied territory, murder or ill-treatment of prisoners of war or persons on the seas, killing of hostages, plunder of public or private property, wanton destruction of cities, towns or villages, or devastation not justified by military necessity;

(*c*) CRIMES AGAINST HUMANITY: namely, murder, extermination, enslavement, deportation, and other inhumane acts committed against any civilian population, before or during the war; or persecutions on political, racial or religious grounds in execution of or in connection with any crime within the jurisdiction of the Tribunal, whether or not in violation of the domestic law of the country where perpetrated.—See protocol [LXI] for correction of this paragraph.

Leaders, organizers, instigators and accomplices participating in the formulation or execution of a common plan or conspiracy to commit any of the foregoing crimes are responsible for all acts performed by any persons in execution of such plan.

In her testimony, Mrs. Culhane documents how U.S. officials in Southeast Asia are party to acts which blatantly violates the Nuremberg principles. It is unfortunate that this Nation's leaders have not been able to keep control over our actions in Indochina. It is especially tragic for the maimed, tortured, and suffering victims of this insanity.

Policymakers in this country today are guilty of violating every provision of the War Crimes Agreement. What Mrs. Culhane tells about is only a minute—but ghastly—segment. We cannot avoid these horrors any longer.

I now insert Mrs. Culhan's statement for the RECORD:

THE PART WHICH MEDICAL AID PROGRAMS PLAY IN THE U.S. POLICY IN INDOCHINA

(By Claire Culhane)

I am a Canadian citizen of the country bordering on the United States. Many of us realize that Canada is playing the role of the "Butcher's Helper." I propose to present the basis for this hateful designation.

I was sent by the Canadian Government in October 1967 as an Advisor to work as Administrative Assistant in the Canadian Anti-Tuberculosis Hospital in Quang Ngai, South Vietnam, which was located six miles from My Lai.

Every day that I was there I was horrified at the inhuman destruction of life and land about me. I can never forget the baby I had to lift out of a pool of its own blood. I heard the sounds of aerial bombing every night which left behind each morning a devastation beyond belief. In the midst of this agonizing carnage I recognized the Canadian-made planes flying above our Canadian-funded hospital. I know that the bombs were filled with Canadian-made explosives. I know that classified research into chemical and biological warfare was being carried out jointly with the United States in my country. I know that hundreds of millions of dollars worth of weaponry were being delivered annually from Canada, some of which were to find their final destination in the corpses of tiny infants in the village where I worked.

In December 1946 the General Assembly of the United Nations unanimously passed a resolution (No. 95–1) affirming the principles of international laws. It recognizes the Charter of the Nuremberg Tribunal which includes a Code of Offenses against the peace and security of mankind. Principle VII of Section VIII of this Code states, in part:—

" . . . complicity in the commission of a crime against peace, a war crime or a crime against humanity. . . is a crime under International Law."

In April 1968 when I subsequently filed my report with the Canadian Department of External Aid documenting my findings during my period of service, I recommended an immediate parliamentary investigation in Canada's role in Vietnam. I stated, in part:—

" . . . the mere fact of my being in South Vietnam (within the given terms of reference) deprived me of my right to stand aside from some measure of responsibility for all the brutality and horror being inflicted upon innocent human beings . . . however, when I found myself being required to associate with those elements which were not only imposing the solution but employing the most cruel and savage methods to do so, I was left with no other choice but to detach myself from them."

I felt that my efforts should instead supplement the demands for an embargo on all arms sales to the USA which were being made by church and peace groups across the country. I also recommended that the only meaningful aid we could offer the Vietnamese people would be to send massive supplies of medical and surgical equipment directly through channels already utilized for those purposes. I also wished to be relieved of my deep sense of criminality for having worked within the infrastructure of a highly suspect US-aid program. This has since been confirmed in the report filed by A. D. Horne of the Washington Post (7/7/70) who asked Dr. John Hannah, Director of US-aid program: "How do you respond to complaints that the aid program is being used as a cover for CIA operations in Laos?" The doctor replied "Well, I just have to admit that that is true."

While making rounds in the wards of many hospitals in South Vietnam I gradually began to realize that there were some wounds and conditions which did not correspond to the usual categories of bomb splinters—artillery — cannon fire — napalm — grenades—mines—but had to be explained some other way. Such examples as: a peppering of the skin which did not always penetrate deeply into the organs and therefore could not have resulted from gunfire, was later explained to be from anti-personnel bombs calculated to penetrate only flesh but not metal or wood; or a girl with her breasts cleanly sliced off; or a baby with a hole in its back the size of a small orange; or a buffalo boy castrated; or the pattern of tracer bullets across a two year old's face extending from below the lobe of one ear across the cheeks, under the nostrils and across to the lobe of the other ear; an old man with literally no distinguishable features on his face, only the sockets where the eyes, nose and mouth once were; or a young girl with clear evidence of vaginal passage destruction by sharp and jagged objects; and of course the numerous crushed bodies run over by Armoured Patrol Cars. (During my first week in Quang Ngai two sisters brought in the remains of the body of their little brother just destroyed by such an accident); and the shrill hysteria of very young babies when approached by a Non-Vietnamese person whether in hospital or in the countryside became a consistent pattern.

In the words of Gunnar Myrdal, in his opening remarks:

". . . it falls upon private individuals and organizations to establish the true facts of the grave war crimes against humanity committed by the U.S. in Indochina . . . to try to do this is a moral duty for every person, to keep silent about the horrible acts that have been committed and are continually being committed every day amounts to becoming a conspiracy hiding the crimes."

In presenting my testimony to this International Commission of Enquiry, I wish to underscore the fact that when my report was filed with the Canadian government as stated above, it was specifically urged that an immediate investigation be undertaken by a responsible Parliamentary committee since it was clearly apparent, by the very nature of the charges laid and the relative elements of time and distance in a country at war, that any delay could then be utilized to try and destroy the accuracy and urgency of the said report. It is therefore my considered opinion that the Canadian and American governments will have to jointly answer before the next international bar of justice for the crimes related herein.

It is therefore with the precise intention of bringing before this Commission the crimes against humanity as listed in the said report, that I submit my material to this body of opinion for their solemn consideration:

My material is divided as follows:

1. Conditions at the hospitals in South Vietnam
   (a) Canadian Anti-Tuberculosis Hospital
   (b) Quang Ngai Provincial Hospital
   (c) Da Nang Provincial Hospital
   (d) U.S. Military hospitals
   (e) Canadian Rehabilitation Hospital in Qui Nhon
2. Miscellaneous observations.

(*a*) *Canadian antituberculosis hospital*

There was a three month delay in opening this hospital following my arrival, mainly due to the lack of supplies and equipment, some of which had been declared "lost on arrival" but had been disposed of on the black market, and due to faulty and irresponsible construction and wiring resulting in a section of the ceiling caving in and narrowly missing bed-ridden patients.

On three occasions, in my presence, Dr. Michel Jutras, director, refused treatment to local people seeking minor surgery (e.g. superficial bullet wounds). On another occasion when the uncle of our hospital electrician was brought in, gravely burned and having just lost his wife and ten children all found dead in the tunnel behind him, as they hid from a bombing raid, the same Dr. Jutras ordered the patient removed from the half empty ward in our hospital to the overcrowded poorly equipped Provincial Hospital down the road.

The Canadian Hospital was occupied by the ARVN troops during the Tet Offensive of February 1968, and used as a military base. It became necessary to evacuate the patients (43) and send them home with ten days' supply of antibiotics, while the bombs were falling, since Dr. James Connolly (Milphap head at the Provincial Hospital) refused us permission to transfer them back to the old tuberculosis ward there, which was still empty.

On protesting later to the Canadian Ambassador in Saigon that we were not operating as a 100% independent Canadian humanitarian team as we were officially known, and should therefore be withdrawn officially under protest, the reply was made that I should be satisfied with a 50% ratio of humanitarianism and 50% political as that was what we were really there for. Our presence was evidently required to provide another facade for the so-called "pacification program."

Also, within this context is the construction of the $570,000 housing unit in Ming Manh suburb of Saigon under the publicly hailed "aid to refugees program". Only government and military officials can afford such rents, while on the grounds adjoining the Canadian hospital in Quang Ngai, 2,000 refugees continue to crowd around a single mud hole for their water supply.

(*b*) *Quang Ngai Provincial Hospital*

Located in a compound, approximately 700 patients filled about 400 beds, averaging two patients to a bed. Each patient usually was cared for by a member of the family. Plumbing, water and electricity services were totally inadequate as were medical and nursing care. Under the Saigon administration there are only about 100 Vietnamese doctors caring for the entire population. The government food allotment was 30 piasters per patient per day (less than 20 cents value in 1967) which was also the amount intended to feed the tuberculosis patients in the Canadian hospital. The standards fell far below those considered humane in the treatment and care of human beings.

Following are examples from the various wards:

In the *Burns Ward* I have seen patients so disfigured from napalm as to make it impossible to verify whether they were a man or a woman. I have seen skin and bone sizzling on a child's hand from phosphorus burn for 24 hours resisting any treatment. I have heard Dr. Van der Houf (Milphap Director) assure visiting journalists and doctors that the victims in the Burns Ward were mostly the result of gasoline explosions as he was sure they could confirm through the aid of the interperter. However, on many occasions when a second question was placed asking "where did the gasoline come from?" the patient would point to the sky. It must also be noted at this point that the black market indiscriminately sold kerosene and gasoline in similar unmarked cannisters so it was another cause for unnecessary painful and serious burns.

There were seldom enough daily supplies of vaseline gauze to wind around the limbs and bodies of these patients. Dressings were left unchanged indefinitely. One soon realized with great bitterness and frustration, that this type of nursing care was totally futile. We once nursed a small boy through three months, after which he was discharged although not totally healed. He had been brought into hospital originally by an American helicopter from his village several hundred miles distance. This was a common practice since USA transport dropped off wounded civilians wherever convenient to their own schedule. Since they were sometimes picked up after a military operation had destroyed their village, they were further victimized by being deposited many miles from their hamlet, unattended by a member of their family (an absolute essential to provide nursing care, food and the irreplaceable psychological sustenance.)

In this case, this particular child only partially healed of the excessive napalm burns was sent home (to a home which possibly no longer existed) to live and play in unsanitary conditions which could only result in reinfection of his open wounds, to become fatally infected within a short period of time.

It must then be concluded that even while trying to lavish the best possible care upon him during this three month stay in the hospital, it had to be carried out with the full knowledge that, unless the patient could be maintained in clean sterile conditions until the healing process was entirely completed, one was nursing a doomed child with little or no hope of surviving upon discharge. Even though this was the considered fate of every civilian in South Vietnam, the farce of caring for the sick under such circumstances could only be labeled as a futile exercise of macabre proportions.

In the Surgery Ward I have seen patients lifted off a soiled litter which had carried them many miles and many days, with the same caked blood and mud and splintered bone and protruding organs and entrails, and in this same condition placed on an operating table for surgery, without even the benefits of washing the operative site. The shortage of water supplies was not solved by the water tower constructed within sight and sound of the Surgery Ward. This tower had been constructed immediately prior to the 1966 tour of Senator Edward Kennedy when he came to investigate where US-AID funds were being spent. However, he left before the water tower was connected to the surgery ward, and so it was never completed and the lack of water continued. It obviously was not a matter of funds as that same season $4,000 had been allotted to redecorate a villa where four doctors lived and for which they spent $400 monthly rental (the rental for the Canadian house across the road was $75.00 for the purpose of comparison.)

In the Soft Tissue Ward which Dr. Vennoma (former Director of Canadian Medical Services in South Vietnam) had volunteered to take charge of, contained an assortment of injuries. It was in this ward where one of the young Canadian male nurses used to perform grafting operations. The first one I witnessed was that of a young girl who was transferred from her bed to the end of the ward where there were less mosquitos, dirt and dogs. The donor area in the thigh was slightly anesthetized and the recipient area where three toes had been blown off was washed with hydrogen peroxide. The small islands of skin removed from the donor area were then transferred to the recipient area. The wound was bandaged and the girl returned to her bed. Supervision and further care were then just left to chance visits. The prognosis was entirely irrelevant.

It was in this ward as well where the victims of gas were brought in who demonstrated much difficulty in breathing and exuded an overpowering stench from their very pores, Dr. Vennoma was to later describe this as a "type of gas used which makes one quite sick when one touches or inhales the breath from their lungs. After contact with them for more than three minutes one has to leave the room in order not to get ill." (In a letter sent to Dr. E. W. Pfeiffer in December 1967).

Children's Ward: Was the saddest and where the mortality rate was the highest. Amoebic dysentery, typhoid, pneumonia, malaria, took a nightly toll as they went into convulsions and died.

Maternity ward: During the Tet offensive of February 1968, three refugee families moved into this ward. They could not be removed during the labor and delivery period. When a Quaker friend, Margaret, and I requested that the American Red Cross people start providing shelter and food for the refugees who were encamping on the hospital grounds in large numbers, we were told it was impossible since it could not be done without the permission of the Vietnamese medical director, who had already left for Saigon for an indefinite period.

Medical ward: Dr. Paul Schmidt of the "Vietnam Project"[1] reported that one of his patients, an 11 year old boy suffering from severe malnutrition and decreased blood count (Hemoglobin 4 gms. approximately 30% normal blood count) disappeared every weekend. It was finally discovered that he was walking 15 kms. every Friday to care for a baby sister left with neighbours after their parents had been killed, and then he returned every Monday to quietly get back into his bed.

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[1] A two month volunteer service sponsored by the American Medical Association whereby doctors volunteered to go to Vietnam for two months. This was a self-defeating program in the sense that the few doctors who did manage to sustain a sincere motivation became deeply frustrated because of their inability to accomplish anything worth their efforts. Those others just didn't care because even if they did, in order to perform their duties with any measure of ethical concern, would mean being obliged to get to the basic causes, namely, lack of clean water, supplies, electricity, sewerage, equipment, and of course, the war.

Prisoners' cells—Two small cells on the hospital grounds were inspected by the Quaker friend, Margaret and myself on the 4th February, 1968. The French speaking guard who had held the same job since the days of the French occupation, revealed in the one cell a radiant young mother, proudly showing us her newborn baby as if the world was all aglow with the wonder of it all, and hardly an indication of her circumstances.

In the adjoining cell we were told by the guard was a girl whom he called "uno folle". She was approximately 16 years old with her hands manacled, her hair all disheveled, her face scratched, her blouse torn at both shoulders and having just flung the small bowl of rice crashing against the wall, turned on us shrieking "Mooee" (meaning American). When I asked the guard how long was it since she had been violated, he shrugged, turned away and answered that he did not know.

(c) *DaNang Provincial Hospital*

During the period of evacuation after the Tet offensive, of the American civilian personnel from Quang Ngai, I assisted Dr. Patra Mosoly (of the Vietnam Project). We removed the sutures from the shaved scalp of a woman which were bursting from the purulent pressure at the tension points. The flaps of the scalp were laid back while the infected areas were washed with hydrogen peroxide. Instead of re-suturing the flaps of the scalp, they were just held firmly at the meeting edges while a fresh circular head bandage was applied.

Dr. Mosley, anxiously watching the time in order to meet an officer to play tennis at 12:30, was preparing to leave as I proceeded to straighten the bed clothes. At that point the condition of the patient's body beneath the bed covers was revealed as having an evident perforated intestinal wound, shattered upper femur, portion of foot severed and bleeding profusely, and altogether a desperate sight! Upon being called back and shown the woman's condition, Dr. Mosley laughingly replied: "Don't be silly, she won't live till morning anyway, she'll just smell a little sweeter when she dies."

(d) *American Military Hospital*

Nov. 8/67—Danang: Naval Military hospital where a D. D. Early, neurosurgeon, medical director, on learning that I was working with D. D. Vonnoma in a Tuberculosis Hospital, asked what Dr. Vonnoma thought of his experiments—he had been injecting tuborelo bacilli into simians (monkeys) and found that they died within 24 hours and therefore had absolutely no resistance to the injection.

He wondered if there was any correlation between the monkeys and the Vietnamese who have a very low resistance to tuberculosis, one in seven have tuberculosis in Vietnam. He was serious.

(e) *Canadian Rehabilitation Hospital—Qui Nhon*

Upon my return to Canada I was contacted by Dr. Lotta Hitchmanova of the Unitarian Services, for background material on Vietnam as she was planning to go to Saigon to set up a children's home. I advised her that this was not the time since she would have to work within the Saigonese structure which cared nothing for 95% of the population . . . that we did not go to Hitler Germany to set up hospitals but that we worked to end the war first and then helped survivors.

Apparently she went ahead anyway, and I was later to receive an inquiry from her office about a reply they had received from the Canadian team in Qui Nhon when asked to refer war wounded children. In the reply (copy of which will be forwarded to the Commission) the writer stated they were having a difficult chore in finding war casualty disabled children, much to his joy but not surprise! Such an observation reflects an ignorance and unconcern of the conditions in Qui Nhon as could be expected from a casual observer, but hardly from a dedicated worker. But such was the nature of the project . . . The proportion of amputees, injured and sickly children could not possibly vary in Qui Nhon to the rest of South Vietnam.

Further to Qui Nhon: In December 1970, it was reported that the American forces were attacked, vehicles burned, by angered civilians following the indiscriminate killing of several local students. This had happened on three occasions and finally the area was declared to be out of bounds for all American forces. When I inquired of the Canadian government what was the status of the Canadian medical team in an area where it was entirely dependent upon American logistics, under such circumstances, I received no reply to my question.

MISCELLANEOUS OBSERVATIONS

Oct. 14, 1967—Duc Pho: On the first Sunday in Quang Ngai, I drove to Duc Pho in our hospital jeep with Florent Lavoie (Canadian male nurse) and Philip Griffiths (visiting professional photographer), not realizing that we were driving into an area which was in the mopping up stages. We witnessed the smoking remains of huts, charred military vehicles by the side of the road, destroyed bridges replaced by temporary pontoons. Not a single Vietnamese person to be seen anywhere at all. A G.I. in a passing convoy nervously shot across our path into a rice paddy, very narrowly missing us. We saw an archway built of gun casings near the military compound, which we were later told had caused the death of a ten year old Vietnamese boy as the casings fell into the courtyard. We also saw an American supply trunk which had driven off a flooded bridge into the water, spilling out cartons of canned food. We were later told that the G.I.'s had had great sport "picking off the Vietnamese kids as they swam out to salvage the goods" (meaning shooting at them).

Dec. 1967—Da Nang: On a D–27 plane travelling back to Quang Ngai a G.I. sitting next to me on the bucket seats, commented that we must have just missed a load of prisoners, pointing to a thin piece of wire used to pierce through the two hands as they were placed against the prisoner's cheeks, he explained. As I looked questioningly at the door, he got up to show me how easily it opened.

Feb. 2, 1968—Quang Ngai: Early one morning I saw an ARVN taking a very young girl prisoner, wearing black pyjamas, with her hands manacled behind her back. He kept pushing her and when she stumbled to her feet and had great difficulty getting up, he would push her again. This went on right up the road, as far as the prison.

Returning from the hospital, at the cross roads near our house I saw the bodies of two dead Vietnamese, wearing black pyjamas. They were left lying in the road where they had been dragged. Many G.I.'s came by to take pictures of them.

Feb. 4, 1968—Quang Ngai: As the NLF had entered the prison and freed approximately half their numbers the first of the Offensive, waves of small American planes strafed the prison yards for the entire day, literally pulverizing what was left of the occupants. The planes came right across the roof top of our house as the prison was just about ½ km. up the road, on the same side.

Feb 13/68—Saigon: With members of the Swiss medical team stationed with us in the Federal Hotel, where we became weary of stringent curfew hours, as well as revolted by the sights of enormous rats going through the refugee packed streets, we asked permission of the Minister of Health to work in the Saigon hospitals until it was decided whether we were to be sent back to our duty stations. The Canadian delegate brought back the official reply: "No thank you, everything is under control, as a matter of fact we have more doctors and nurses than patients right now."

Feb. 8/68—Da Nang: After hearing the report on the radio about an action at the bridge 2 km. from town the night before as being "10 enemy dead, no casualties" I was told by P/O Patrick Moriarty in charge of the medical station at MAGV CAB II that he had spent the night "wrapping up sixteen GI's who were killed last night—at the bridge."

Depravities—how our mores have subjected and humiliated Vietnamese women.

Nov. 17/67—Da Nang: On invitation from Eloise Henkel, an American news correspondent, to meet her at the Press Club in Da Nang, we overheard an American Air Force officer, approximately 40 years old, university graduate, with three children of his own, referring to his sexual experiences in Vietnam. He remarked ". . . but it's the ten year olds that really tear me apart. . ."

Feb. 29/68—Quang Ngai: Our secretary, Nga the young girl who lived across the road, had previously worked in the US AID office, but had been discharged on the pretext that she had been stealing, though it was later admitted it was because she resisted the attentions of her employer. When she came to say goodbye to me at the airstrip, she whispered that she would not be going back to work at the hospital after I left. The reason she gave was because "when you were away in Saigon, I came to look for you one day, Dr. Jutras tried to make me go to his room. I did not go." This was later confirmed by Florent Lavoie who admitted being present at the time. Typical comments heard over the months of visits by the various types and ranks of American military and civilian personnel to the Canadian House in Quang Ngai:

a) "I got ten points extra. I shot up a pregnant woman."

b) "But it doesn't matter if kids get killed, they'll only grow up to be VC . . . the only good Vietnamese is a dead Vietnamese . . . every dead Vietnamese is a VC."

c) Describing the portion of Highway No. 1 leading into Tansonhut Airport as a long white line seen from the plane, it was explained that it had been made by levelling rubber and sugar plantations, homes and hamlets, everything in sight, with enormous Roma bulldozers brought in from USA, and that it was just a beginning, since "we're going to make a parking lot of this country before we leave it."

d) "Only you can prevent forests."

e) "I'm going to leave as many big bellies behind as I can."

f) Nov./67—During nightly discussions with visiting GI and CIA members, I referred to their violating the Geneva Accord. Lt. Col. Grubach (spelling?) of JUSPAO, completing his 2nd year in Vietnam, commented: "I must get around to reading that one of these days."

g) Once when asking a GI why he was killing Vietnamese, he insisted that he was not killing any of them, that he only worked the computer, taking in the body count from the field.

h) "When pulling them out of a tunnel, pull them out by the arms and legs, then you

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Doctors trained in modern American methods were entirely dependent upon lab and xray reports before they could formulate their diagnosis. On one occasion an infant died of severe constipation which required only rectal stimulation to increase the peristalsis. The death certificate read: "Massive abdominal tumor cause of death."

can count four instead of one for the body count."

Upon filing my report with the Canadian government as a former Advisor it has been my contention that the medical aid project which we have been funding directly to the Saigon administration over the years, has been neither intended nor effectually served the alleged purposes of "meeting the needs of the Vietnamese people." It has been on the contrary, serving the needs of the Pentagon policy to systematically and deliberately commit biocide in the whole of Indochina under the pretense of offering medical assistance.

In spite of the three year protest and exposé which I had been carrying out, trying to persuade the Canadian government to withdraw its involvement in S. Vietnam, in Feb. 1971 the Toronto Globe & Mail newspaper announced the construction of nine new medical centers in An Giang, province of Long Xuyen. This happens to be located right on the Cambodian border. Within the context of my report I submit this project can only be intended to facilitate the collection of information and the movement of troops and/or agents both during the present conflict, but more insidiously, for the period following the withdrawal of American forces.

The expose this very week, published in the New York Times, bears out the role which the Canadians in the I.C.C. have been playing. It revealed that the Canadian delegate to the I.C.C. officially, but secretly, carried messages from former Pres. Johnson to Hanoi, containing threats of further escalation. The shocking part is that the substance of these messages were kept from the public since the terms offered Hanoi were so inherently unfair. And so, in effect, Lester Pearson, then P.M. of Canada, with knowledge of the strategic plans, facilitated diplomatically the American escalation. It is within this context that the Canadian medical aid policy in S. Vietnam obviously functioned.

It is now undeniably corroborated that Canada has been providing the umbrella under which the most savage brutality has been carried out, depending upon the sympathy of good people everywhere to support the channels established for alleged medical aid, the real program to destroy the land and its peoples was better able to proceed.

It has been said that "the world is bleeding to death in Vietnam." To the extent that we have done even the smallest thing to prolong this agony, we are guilty.

In my professional opinion and based upon the above facts, the larger issue of war crimes constitutes the total sum of this report. It indicates that the basis was deliberately laid to prolong the war by creating an entirely false atmosphere of aiding and developing the Vietnamese people.

In my most precise and passionate opinion I consider the above facts a further proof of the crime against the very humanity of the peoples of Indochina.

(Report submitted to the Canadian government dated April 16/68, is filed herewith with the Commission.)

Two days after presenting this report in Oslo, personal conversation with one of the 7 American Vietnam Veterans, F. Barton Osborn, former CIA agent, described to me the methods of CIA work with "third friendly countries" within S. Vietnam.

"Stay-behind-operation"—during period of friendly control agents are trained for eventual friendly withdrawal; after loss of control of area agent reports to friendly forces from the then denied area.

"Sleeper operation"—same as above, except that agent is not activated until he is contacted according to previous instructions.

Hospitals can be used in this way as a witting unwitting support agent, i.e. courrier, or means of access to denied area, or communication with the agent. So, the 3rd country operation can either support the agent or be the agent.

The alarm about new construction in An Giang on Cambodian border by the Canadian government appears to bear some possible relationship to above method of work.

WINNING THE DRUG BATTLE

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. ROBISON of New York. Mr. Speaker, on July 9, 1971, the Honorable Eugene T. Rossides, Assistant Secretary of the Treasury for Enforcement, Tariff, and Trade Affairs, and Operations, outlined for the Subcommittee on Europe of the House Committee on Foreign Affairs, the important role of the Department of the Treasury in President Nixon's antiheroin action program. I find this statement to be both a valuable summary of the administration's program to meet the escalating narcotics problem in this country, and a fit commendation of the efforts of the Department of the Treasury.

As President Nixon's multifaceted program demonstrates, the effort to end narcotics supply and addiction can only be successful if a variety of Federal agencies, State programs and private organizations devote their full energies to this end. Yet, as can be seen in Assistant Secretary Rossides' statement, the Department of the Treasury carries important responsibilities within the overall program. I am happy to bring this statement to the attention of my colleagues.

The statement follows:

STATEMENT OF THE HONORABLE EUGENE T. ROSSIDES

Mr. Chairman and Members of the Committee:

On behalf of the Treasury Department I welcome this opportunity to appear before you today to discuss Treasury's role in President Nixon's antiheroin action program and to comment upon the overall antidrug abuse program of this Administration. The problem of drug abuse and particularly heroin abuse was not created over night, and it will not be cured over night. The drug problem of the 1950's became the drug crisis of the 1960's. It will take hard work and cooperative effort in the 1970's by many groups on the Federal, State and local levels to win this battle.

Early in his Administration the President moved on several fronts with a multidimensional action program:

First, he elevated the drug problem to the foreign policy level and has taken personal initiatives in soliciting the cooperation of other governments.

Second, he stressed the crucial role of education, research, and rehabilitation and provided for increased funds and emphasis in these essential areas.

Third, he recommended differentiation in the criminal penalty structure between heroin and marijuana; and flexible provisions for handling first offenders.

Fourth, he provided a substantial increase in budgetary support for Federal law enforcement in this area.

Fifth, he recognized the central role of the states and the need for close Federal-state cooperation in a unified drive against drug abuse; and

Sixth, he stressed total community involvement—the private sector as well as governmental agencies—in this anti-drug abuse drive.

For the first time in history, we have seen not only the total involvement of the institution of the Presidency in the battle against drug abuse, but also the personal involvement of the President.

In my judgment this program has arrested the United States' incredible downward slide into drug abuse—although we have a long and steep climb ahead of us to return to the level from which we fell—and has alerted the international community to the global problem of drug abuse.

FOREIGN POLICY AND PRESIDENTIAL INITIATIVE

One of the serious errors of the past was the failure to appreciate drug abuse as a worldwide problem calling for an international response. Prior to this Administration, international activity by the United States was principally on the enforcement level.

President Nixon raised drug abuse to the foreign policy level at the beginning of his Administration and took personal initiatives to elicit the cooperation of other governments.

The result of this major change in the approach of the Executive Branch was to make the Department of State, as the primary representative for communicating to foreign governments the vital interest of the United States, responsible for doing everything necessary to advance our anti-drug abuse policy through diplomacy.

Secretary of State William P. Rogers has given high priority and personal leadership to the Department of State's effort in this area.

This role of the State Department in the Administration's war on drugs has had a unique and important impact. Through the use of diplomacy we have achieved a substantial advance in our objectives.

The Administration's diplomatic efforts have been worldwide. The President's words, in his address to the United Nations on its 25th Anniversary in October, 1970, sum up the problem:

"It is in the world interest that the narcotics traffic be curbed. Drugs pollute the minds and bodies of our young, bring misery, violence, and human and economic waste. This scourge of drugs can be eliminated through international cooperation."

An example of such cooperation is the effective partnership we have developed with the Government of Mexico. Operation Cooperation, the successor to Operation Intercept, has led to joint efforts by the two governments in the area of opium poppy and marijuana eradication and smuggling suppression.

Both Governments realize that a great deal more has to be done, particularly along our common border.

The French Government has pledged its cooperation and has increased substantially its enforcement efforts against heroin production and trafficking.

The most important and dramatic diplomatic news was the joint announcement on June 30, 1971, by Prime Minister Erim of Turkey and President Nixon that Turkey has decreed that within one year, in accordance with the law of Turkey, the opium poppy will no longer be planted in Turkey.

The Government of Turkey has pledged that, in the meantime, it would make a full effort to prevent the diversion of the crop now being harvested. The President has called the action of Prime Minister Erim important and courageous.

EDUCATION, RESEARCH, AND REHABILITATION

The drug abuse problem is one of both supply and demand, and President Nixon's response has been guided accordingly. While we are working to eliminate the supply at the sources, to stop the smuggling of illicit drugs into the United States, and to stop the distribution of illicit drugs internally, eliminating the demand for drugs among our young is also central to success.

The key to eliminating the demand for drugs lies in education. The vast majority of youth, when given access to the facts, will reject drug abuse as against their own self-interest as well as against the interest of their nation.

President Nixon is convinced that much of our problem is attributable to the mass of misinformation and street-corner mythology which has filled the vacuum left by our failure in the past to deal with the young on a mature, reasoned and factual basis. In the past, our Government took the easy but ineffective route of "do as I say because I say so" rather than the more difficult route of clearly presenting the facts necessary for informed decision.

In his June 17, 1971 message, President Nixon stressed "reclamation of the drug user himself," and has requested Congressional approval of a total of $105 million in addition to funds already contained in the FY 1972 budget to be used solely for the treatment and rehabilitation of drug-addicted individuals. He asked the Congress to provide an additional $10 million in funds to increase and improve education and training in the field of dangerous drugs. This will increase the money available for education and training to more than $24 million.

DIFFERENTIATION IN PENALTY STRUCTURE AND FLEXIBLE PROVISIONS FOR HANDLING FIRST OFFENDERS

Before enactment of the Controlled Dangerous Substances Act of 1970, Federal laws erroneously treated marijuana as a narcotic drug and compelled felony sentences upon conviction for any drug offenses for first offenders. The harsh and unrealistic effects of the Federal law generated credibility problems with our youth and posed enormous problems for Federal prosecutors and judges in dealing with first offenders.

President Nixon proposed a change in the penalty structure which for the first time provided a reasonable distinction between narcotic drugs and marijuana and provided the courts needed flexibility in dealing with the first offender. The courts were granted authority to clean the slate on the first offender by striking from the record mention of the first offense without adjudication of guilt. Both of these measures enhance credibility and acceptance of our drug laws, not only with youth, but also with those charged with its administration.

LAW ENFORCEMENT

Drug law enforcement is a difficult and dangerous business. It demands the highest standards of professional competence of enforcement agents. President Nixon has increased substantially the budgets of the two Federal agencies primarily concerned with drug law enforcement—the Bureau of Narcotics and Dangerous Drugs of the Department of Justice and the Treasury's Bureau of Customs—and has initiated a major new Treasury enforcement program of tax investigations by the Internal Revenue Service of middle and upper echelon narcotics traffickers. I will discuss the Treasury programs later.

CENTRAL ROLE OF THE STATES AND FEDERAL-STATE COOPERATION

Federal-State cooperation is one of the essential elements for success in the struggle against drug abuse and this Administration is working closely with the States in this effort. Except for certain areas of special Federal interest, law enforcement and our educational system have been and must continue as essentially State and local responsibilities.

President Nixon has emphasized the Federal-State cooperation in his message to Congress of July 14, 1969, on Control of Narcotics and Dangerous Drugs, again at the Governors' Conference on drugs at the White House held in December 1969, and as outlined in his more recent message to the Congress of June 17, 1971.

ACTION WITHIN THE PRIVATE SECTOR

The President has stressed that the private sector must provide community leadership in organizing drug abuse educational and other action programs. Religious organizations and community and civic groups such as Rotary, Kiwanis, Chamber of Commerce, and Jaycees are best equipped to get directly into the home where they can assist parents in handling the problem of drug abuse with intelligence and credibility.

TREASURY'S ROLE IN THE PRESIDENT'S ANTI-HEROIN ACTION PROGRAM

Treasury is playing a major role in the enforcement phase of the President's anti-heroin action program. Its Bureau of Customs, the nation's first line of defense against heroin smuggling, has achieved spectacular success; and the Internal Revenue Service is embarked on a major Presidential program designed to take the profit out of narcotics.

BUREAU OF CUSTOMS

In his September 16, 1968, Anaheim, California, speech, the President stated:

"Let us recognize that the frontiers of the United States are the primary responsibility of the United States Bureau of Customs. I recommend that we triple the number of customs agents in this country from 331 to 1000."

The President has followed through on that pledge and more. In his July 14, 1969, Message to the Congress on the Control of Narcotics and Dangerous Drugs, he stated:

"The Department of the Treasury, through the Bureau of Customs, is charged with enforcing the nation's smuggling laws. I have directed the Secretary of the Treasury to initiate a major new effort to guard the nation's borders and ports against the growing volume of narcotics from abroad. There is a recognized need for more men and facilities in the Bureau of Customs to carry out this directive."

This directive was backed up with a substantial anti-narcotic supplemental budget request. The Congress responded with full bipartisan support in December of 1969 by passing an appropriation for 8.75 million dollars for 915 additional men and for equipment for Customs.

The hiring of these people, begun in January, 1970, and completed in June of that year, has produced remarkable results.

CUSTOMS SEIZURES

In a two-year period the number of seizures by Customs has more than doubled.

Preliminary statistics show that narcotic and drug seizures by Customs in FY 71 were 9,042, an increase of 2,500 over the 1970 total of 6,507. In FY 69, 4,024 seizures were made.

Most dramatic is the increase in seizures of hard drugs. Customs' seizures of hard drugs in FY 1971 are over 1200 pounds, more than was seized in the whole preceding seven years! During the same period seizures of heroin alone, 906 pounds, in more than 460 seizures, exceeded the total amount seized for the preceding 10 fiscal years combined!

Cocaine seizures have also increased with 344 pounds seized this fiscal year as compared to 109 last year. In FY 69 separate statistics for cocaine were not even kept.

Hashish and marijuana seizures have also increased. During FY 71 there were about 1,208 seizures of hashish with more than 3,000 pounds seized. This is nearly twice the seizures in FY 70, but the pounds seized remains constant, 3,122 pounds of hashish being seized in FY 70. In FY 69 only 623 pounds of hashish were seized. In that same year, 57,164 pounds of marijuana were seized. During FY 71 this figure has grown to 76 tons in 5,490 seizures. Fifty-two tons were seized in FY 70.

Over 6,000,000 5-grain units of dangerous drugs such as amphetamines and barbiturates were seized during FY 71. This is about half the number seized last fiscal year, though the number of seizures increased to about 1,348 from 1,080. Attached is a chart setting forth Customs' drug seizures in detail for the past three fiscal years.

Major seizures of pure heroin have included:

1. 98 pounds (October, 1970—Miami)
2. 210 pounds (December, 1970—Miami)
3. 98 pounds (April, 1971—Newark)
4. 155 pounds (May, 1971—Miami)
5. 247.5 pounds (May, 1971—San Juan)

The men and women of the Bureau of Customs, under the dynamic leadership of Commissioner Myles J. Ambrose, deserve enormous credit for these outstanding accomplishments.

These results took dedication, imagination and total commitment of forces. Let me mention some of the things Customs has done with the resources provided by Congress for this drive:

In six months Customs added 915 trained personnel to its staff. These included an increment of inspectors who were able for the first time to give priority attention to checking for narcotics enforcement purposes persons, vehicles, cargo and mail entering the country. A substantial addition to our force of special agents enabled us to run down intelligence leads, investigate violations of the smuggling laws, and gather evidence for the convictions of those apprehended.

TREASURY DEPARTMENT, BUREAU OF CUSTOMS, DRUG SEIZURES BY FISCAL YEAR

	1969		1970		1971[1]	
	Seizures	Pounds	Seizure	Pounds	Seizures	Pounds
Heroin	240	311	203	45.5	462	906
Cocaine		(2)	88	109.0	159	344
Opium	42	34	42	21.0	132	
Hashish	186	623	646	3,122.0	1,208	3,000
Marihuana	2,673	57,164	4,113	[3] 52.0	5,490	[3] 76
Dangerous drugs	630	[4] 4,763,361	1,080	12,271,000.0	1,348	6,000,000
Other	253	199	355		243	
Total (seizures)	4,024		6,507		9,042	

[1] Preliminary figures (minimum amounts—there may be slight increases).

[2] Cocaine figures for 1969 included in the other column.

[3] Tons.

[4] 5-grain units.

CADPIN, from the initial letters of Customs Automated Data Processing of Intelligence, has been installed across the country. One hundred and sixty terminals, located at every important port of entry along the Mexican-U.S. border, at major international airports, and at various intelligence centers now have access to CADPIN's huge data bank. Merely by punching the keys of his terminal, the inspector on duty at a border crossing or an airport can obtain an almost instantaneous reply if a car or person is suspected of smuggling, the car is stolen, or the person is the subject of an outstanding warrant.

Customs' communications system has been expanded and modernized, with better radios, repeater stations, and sector communications centers. Physical equipment, particularly cars, boats and planes, both fixed wing and helicopters, have been increased, giving Customs agents the tools with which to deal rapidly and responsively with smugglers and their syndicates.

Additional Customs stations have been opened. Two of these are in the remote Big Bend area of Texas, a favorite section of the border for smugglers.

New laboratories, to provide rapid identification of narcotic and dangerous substances, now speed the judicial processing of violators.

The use of dogs specially trained to locate marijuana in cars or in mail packages entering the country has been greatly increased, and they are now making substantial contributions in intercepting that substance as it enters the country.

EXPANDED CUSTOMS PROGRAM—1971

The President, in his program announced on June 17, 1971, recognized these accomplishments of Customs and proposed a budget amendment of $18 million to maximize Customs demonstrated capabilities in interdicting the flow of drugs into the U.S. This amendment funded major additions to equipment and 1,000 additional personnel.

The Congress, with bipartisan support, authorized $15 million and the Appropriations Subcommittees stated they would entertain a supplemental request after use of the $15 million. The Congress acted swiftly, passing the appropriation bill on June 30.

The effects of these additional resources will be felt from the New York docks to the Florida airports, from the marinas of Southern California to sod airfields in the State of Washington, and along the lengths of the Mexican and Canadian borders. They will yield better enforcement at border crossings without increased delays.

The additional funds also provide for major equipment additions, principally aircraft and boats, with appropriate detection systems for both new craft and those in current inventory. The current intelligence indications of extensive smuggling by unscheduled planes and boats create this substantial need for detection, communication and interception resource. These will have particular impact along the Mexican border and against small craft making end-runs into Southern California, Florida and Texas.

CUSTOMS-TO-CUSTOMS COOPERATION

As one part of the anti-drug smuggling program, designed to disrupt the traffic in drugs between countries, Treasury established the policy of fostering and strengthening cooperation between and among the Customs Services of the various countries. The Bureau of Customs was directed to put the policy into effect.

The first Customs-to-Customs contacts, and the ones that have resulted in the most cooperation, have been with our neighbors to the North and South. In discussions with the Governments of Mexico and Canada we have improved cooperation in the attack on the drug traffic through Customs-to-Customs cooperation.

Applying the policy of increased Customs-to-Customs cooperation to a wider area, the Treasury Department obtained authorization and appropriations for U.S. Customs to become a full member of the Customs Cooperation Council. This is an organization of the Customs Services of more than sixty nations. Its purpose is to foster close working relationships between and among these services.

At its annual meeting in Vienna last month this Council adopted a resolution calling for its member countries to exchange information on illicit traffic in narcotic drugs and psychotropic substances. Previously, the Customs Services of many countries had paid little attention to the drug traffic.

The Bureau of Customs has an ongoing program, sponsored through AID, with the Vietnamese Customs Service. This has been helpful to the Government of Vietnam in its efforts to stem smuggling of heroin into that country. The Bureau is also preparing plans now for possible technical assistance to the Customs Services of other countries of Indochina, particularly Thailand and Laos.

As part of this ongoing program of full cooperation among the Customs Services, the Commissioner of Customs recently made an on-the-spot survey and talked with his counterparts in Yugoslavia, Bulgaria, Czechoslovakia and Hungary. In these contacts, the resolution for the exchange of information on the drug traffic adopted at Vienna was the stepping stone for talks on increased action against drug traffic by the Customs Services of each of these countries against the flow of opium and morphine base from Turkey to Western Europe.

PROPOSED CARGO THEFT LEGISLATION

On April 22, 1971, Secretary Connally transmitted to the Congress new legislation designed to increase the security and protection of imported merchandise and merchandise for export at ports of entry in the United States from loss or damage as a result of criminal and corrupt practices. This measure is currently pending in both the House and Senate. We hope that hearings will soon be held. This legislation is designed to provide security against cargo theft and will provide increased protection against the smuggling of narcotics through tighter control over a major area within which organized crime has been operating.

PROGRAM FOR TAX INVESTIGATIONS OF MAJOR NARCOTICS TRAFFICKERS

Included in the June 17, 1971, Presidential Message, which announced the Administration's expanded effort to combat the menace of drug abuse, is a high priority program to conduct systematic tax investigations of middle and upper echelon narcotics traffickers. These are the people who are generally insulated from the daily operations of the drug traffic through a chain of intermediaries. This program will mount a nationally coordinated effort to disrupt the narcotics distribution system by intensive tax investigations of these key figures. By utilizing the civil and criminal tax laws, our objective is to prosecute violators and to drastically reduce the profits of this criminal activity by attacking the illegal revenues of the narcotics trade.

Reflecting the high priority given this program by the President, Congress has provided financial support for the program amounting to $7.5 million in fiscal 1972 and authorization for 541 additional positions—200 Special Agents, 200 Revenue Agents and 141 support personnel.

Certain major features of this program should be noted:

(1) Treasury will not only coordinate its efforts with all other interested Federal agencies, but will actively seek the maximum cooperation of State and local agencies as well. This is a vital feature of this program.

(2) With the manpower provided, our goal is to have at least 400 full-scale IRS on-going investigations.

(3) In line with the high priority given this program by the President, the Internal Revenue Service is assigning, effective immediately, 100 experienced Special Agents and 100 experienced Revenue Agents, full time to this program.

We believe that this program will make a major additional contribution to the President's offensive against drug abuse.

INTERPOL

Interpol plays an important role in providing the mechanism for cooperation and the exchange of information among the law enforcement agencies of over 100 nations. The United States has been successful in sharpening Interpol's focus on the international narcotics traffic. At the 1969 and 1970 Interpol General Assemblies the drug traffic was the subject of a great deal of productive attention.

In closing I would like to express Treasury's appreciation for the bi-partisan support that the Congress has given the Treasury programs. The support and swift action of the appropriations sub-committees of the House and Senate in approving the amendment to the Treasury appropriation bill for FY 72 made the funds for the new increased programs promptly available to us. This was made possible under the leadership of Chairman Tom Steed and Congressman Howard W. Robison in the House and of Chairman Joseph M. Montoya and Senator J. Caleb Boggs in the Senate.

I assure you that all the personnel of Treasury will do their utmost to express that appreciation in the way I know that each member of the Congress wants it to be expressed—in the most effective possible attack on the illicit heroin traffic.

THERE CAN BE NO EDUCATION WITHOUT DISCIPLINE

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. RARICK. Mr. Speaker, the depths to which education in America has sunk is astounding. America's future is in jeopardy when students are permitted to curse their teachers and even threaten bodily harm without fear of legal consequences from the "new" judiciary.

Deterioration in education is further aggravated by teachers and professors who join with radical student elements in "protesting" student suspensions as discipline following campus disorders. Little wonder that students protest when they are actively supported in their disruptive actions by members of the faculty—who have not only failed to inculcate the basic education of discipline, but have also trained students in disrespect and dissension.

I include that related news articles and my bill H.R. 359, suspending Federal financial assistance to colleges failing to take corrective action when confronted with campus disorders and to teachers who engage in these demonstrations in the RECORD:

[From the Washington Post, July 28, 1971]

JUDGE FREES PUPIL, SCORES DISCIPLINE

Superior Court Judge James Washington criticized discipline in D.C. public schools yesterday as he acquitted a 16-year-old youth accused of threatening to harm his English teacher at Alice Deal Junior High School.

Declaring "every school teacher in D.C. has a problem," Judge Washington accused school administrators of not keeping order after hearing testimony of a 10-minute name-calling exchange between the pupil and teacher before 25 other pupils in an eighth-grade classroom.

"I hate to see this case come to court," the judge said. "The school administration should look after matters like this."

According to the teacher, Carolyn Awkard, the youth threatened to "hit me in the face" and voiced "a series of profanity" at her after she denied him permission to go to a restroom.

A pupil, Valdonia Crawford, 14, who testified as a witness, said the youth called the teacher "a bitch" and "a whore" and directed obscene language at her while the other pupils "snickered."

She also testified that the teacher called the youth "stupid, ignorant and that kind of words," telling him, "shut up, you're so stupid and stuff like that." Mrs. Awkard denied she had done so.

"I've never heard of conduct in a school like this," Judge Washington said. "I've never heard of a principal tolerating it."

All three witnesses also testified that the use of profanity in classrooms was not uncommon at the school.

The judge acquitted the pupil, a muscular youth nearly 6 feet tall, after ruling that Assistant D. C. Corporation Counsel Robert Sher failed to prove that a threat actually has been made.

Although Mrs. Awkard testified that she left the classroom after the youth threatened her, the judge said, ". . . the problem was whether she left because of the total confusion . . . or actual fear."

He said the case legally was less one of "threats" than "profane language, or hollering about that classroom."

Yet he lectured the youth and told him, "I would like to hold you guilty (so) you'll have nothing to gloat about."

"Your conduct at Deal shouldn't be tolerated by anyone," Judge Washington said. "I can't understand why any principal or anyone in charge in a school would permit anyone to talk to a teacher in profane language.

"In my day you would be knocked down and stomped on by the teacher and then when you got home you would be knocked down and stomped on by your parents."

Judge Washington emphasized that he did not question the "credibility" of the teacher.

Asserting that they labor under "the most trying of circumstances," the judge said, "The school teachers in the District of Columbia don't get half-paid for what they do."

The case originally was set for trial two weeks ago but was postponed until yesterday after the D.C. corporation counsel's office brought a contempt of court proceeding against the youth's attorney, Gail Higgins.

The office charges that Miss Higgins, a Public Defender Service attorney, improperly attempted to persuade the teacher not to testify. Miss Higgins denies the charge.

[From the Washington Post, July 28, 1971]

Link to Protesters Cited in Denial of Faculty Promotion

(By Eric Wentworth)

University of Maryland President Wilson H. Elkins has barred promotions for two College Park faculty members, one a prominent artist, after they joined in publicly protesting the suspensions of students following campus disorders last spring.

Protesting Elkins' decision, Prof. Jacob K. Goldhaber has threatened to resign as chairman of the mathematics department at College Park.

William W. Adams, associate professor of mathematics, and Mitchell Jamieson, associate professor of art, were among nine faculty members who signed a letter published May 11 in the student newspaper, The Diamondback.

Their letter criticized university authorities' action in summarily suspending students in connection with campus disturbances in early May.

"We intend," the nine wrote, "to treat any students in our courses who have been suspended prior to hearings, or who have been unable to defend themselves at such hearings due to pending criminal trials, as students in good standing in our courses, and we urge all our colleagues to do the same."

Both Adams and Jamieson had previously been recommended for promotion to full professorships by their colleagues and by Chancellor Charles E. Bishop of the College Park campus. But Elkins, who has the last word in such matters, rejected the recommendations.

"The administration," Bishop wrote in a letter explaining Elkins' decision, "will not approve the appointment or promotion of any person who has announced that he will not comply with the university regulations which have been duly established by the board of regents."

"I didn't do anything wrong," Adams insisted in a telephone interview late yesterday. "However, if they thought I did do anything wrong, they should have brought it up in a way I could defend myself." Adams came to Maryland from Berkeley two years ago and in February, 1970, received an award for scientific achievement in mathematics from the Washington Academy of Sciences.

Jamieson, the artist, was reported to be out of town and unavailable for comment. Widely exhibited, he was a Navy combat artist in World War II and four years ago was sent to Vietnam by the Pentagon—a trip that inspired him to produce a series of drawings depicting the horrors of the conflict.

Bishop, reached by telephone, confirmed that he had recommended promotions for both men before the letter appeared in the Diamondback. Pressed on his position thereafter, the chancellor said he had not withdrawn the recommendations but obviously accepted Elkins' decision.

Bishop also confirmed that Prof. Goldhaber, in London for a sabbatical leave this coming year, had written a letter saying he would resign as department chairman unless Elkins' decision is reversed. The chancellor stressed that Goldhaber's resignation has not been accepted.

Bishop added that he has asked the executive board of the faculty assembly to advise him by Aug. 15 as to whether it believes any or all the letter's nine signers violated professional ethics. He said that to his knowledge none of the other seven were up for promotions that could have been denied.

Adams said he and his colleagues were considering possible further action themselves that could include calling a special meeting of the faculty assembly in the fall.

H.R. 359

A bill to require the suspension of Federal financial assistance to colleges and universities failing to take appropriate corrective measures forthwith when experiencing campus disorders; and to require the suspension of Federal financial assistance to teachers participating in such disorders

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Commissioner of Education shall forthwith suspend financial assistance (by way of grant, loan, or contract) under the provisions of law referred to in subsection (b) to any institution of higher education at which, by reason of violent demonstration, riots, seizure of institution property, or other disorders, there is a substantial disruption of the administration of the institution, or students, teachers, or officials are prevented from pursuing their studies or duties and the administrative officials of such institution fail to take appropriate corrective measures forthwith.

(b) The provisions of law referred to in subsection (a) are the following:

(1) Title I of the Higher Education Act of 1965 (relating to financial assistance for community service and continuing education programs).

(2) Part A of title II of the Higher Education Act of 1965 (relating to financial assistance for college library resources).

(3) Title III of the Higher Education Act of 1965 (relating to financial assistance).

(4) Title VI of the Higher Education Act of 1965 (relating to financial assistance for the improvement of undergraduate instruction).

(5) Title VIII of the Higher Education Act of 1965 (relating to networks for knowledge).

(6) Part B of title IX of the Higher Education Act of 1965 (relating to financial assistance for strengthening and improving education for public service).

(7) Title X of the Higher Education Act of 1965 (relating to financial assistance for improvement of graduate programs).

(8) The Higher Education Facilities Act of 1963 (relating to grants and loans for construction of facilities for higher education).

(9) The Act of July 2, 1862 (commonly known as the Second Morrill Act).

(10) The Act of August 30, 1890 (commonly known as the Second Morrill Act).

(11) Section 22 of the Act of June 29, 1935 (commonly known as the Bankhead-Jones Act).

(c) Financial assistance which has been suspended under subsection (a) may be resumed only after a waiting period of five months from the date of suspension, and upon the determination of the Commissioner that—

(1) the disorders which occasioned the suspension have terminated; and

(2) the institution has formulated and adopted a plan or program which, in the judgment of the Commissioner, provides reasonable assurance that such disorders, or similar disorders, will not recur.

Sec. 2. Where the Commissioner of Education determines any person on the teaching staff of an institution of higher education has participated in any violent demonstration, riot, seizure of institution property, or other disorder at that, or any other, institution of higher education, he shall forthwith terminate any Federal assistance for any fellowship held by such person or research grant he is receiving.

LEST WE FORGET

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. MILLER of Ohio. Mr. Speaker, in a land of progress and prosperity, it is often easy to assume an "out of sight, out of mind" attitude about matters which are not consistently brought to our attention. The fact exists that today more than 1,550 American servicemen are listed as prisoners or missing in Southeast Asia. The wives, children, and parents of these men haven't forgotten, and I would hope that my colleagues in Congress and our countrymen across America will not neglect the fact that all men are not free for as long as one of our number is enslaved. I insert the name of one of the missing:

Lt. Robert C. McMahan, U.S. Navy, 694966, Jacksonville, Ill. Married. 1965 graduate of Illinois College. Officially listed as missing in action February 14, 1968. As of today, Lt. McMahan has been missing in action in Southeast Asia for 1,259 days.

THE INDOCHINA WAR—IS IT LEGAL?

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. MINSHALL. Mr. Speaker, the Honorable Erwin N. Griswold, Solicitor General of the United States and former dean of the Harvard School of Law, is one of the Nation's most distinguished legal scholars. He is a native Clevelander whom I have known all of my life and for whom I have the highest regard both personally and professionally.

During a panel discussion June 19 before the Florida Bar Association meeting in Miami, he contributed a most important and, in my opinion, conclusive opinion, conclusive opinion on the much-discussed subject of the legality of the present war in Indochina. Under leave to extend my remarks, I wish to make his address a part of the RECORD:

(Remarks of Erwin N. Grisworld, Solicitor General of the United States in Panel Discussion Before the Florida Bar at the Doral Country Club, Miami, Fla., June 19, 1971)

THE INDOCHINA WAR—IS IT LEGAL?

The question we are discussing this morning is surely an important one, and is worthy of serious consideration. I welcome the participation here of Attorney General Quinn, of my home state, and of Professor Rutledge, of the Duke University Law School; and of course I am glad to have the support here of Senator Gurney, who has had to consider these questions in connection with his official duties. I cannot refrain from making the observation that both Attorney General Quinn and Senator Gurney were students of mine at the Harvard Law School.

One essential in the discussion of the question with which we are concerned is to mark it out, and to make clear what is not the subject of our consideration today. The over-all problem is inevitably engulfed in much emotion. As lawyers, though, we are trained to consider legal questions on their merits, and to separate out the emotional factors which are not relevant to the legal questions.

First, then, we must bear in mind that we are not here discussing the morality of the Vietnam war. That is obviously a difficult question, with respect to which most of us here probably have no special qualifications. Nor are we discussing the wisdom of the Vietnam war. We may have views as to whether we should ever have gone into Vietnam, or have gone into Vietnam as extensively as we did. That is a decision for which four Presidents share responsibility—President Truman, Eisenhower, Kennedy and Johnson, over a period of more than twenty years. I am sure that nothing would have pleased President Nixon more—politically, and personally—than to have been able to start his presidency without the great care and desperate concern of the Vietnam problem, which existed full-blown when his administration began.

Finally, we are not concerned here today with how or when to get out of Vietnam, or under what circumstances and conditions. As to that, I will only say that President Nixon has done more to taper off the war than any other person. When he became President, we had 550,000 Americans in Vietnam. Now we have 350,000, a reduction of close to 40%. And the reductions are continuing constantly.

Lest there be any misunderstanding, let me make it plain that I do not minimize the importance of these problems. But they have nothing to do with the legality of the Vietnam war, which is our topic for discussion here today.

A little clearing away should be done, too, on the legal side. We are not concerned here with any legal question of what we lawyers call "standing," as Attorney General Quinn and I were concerned when he filed an original suit in the Supreme Court of the United States on behalf of his client, and my state of citizenship, the Commonwealth of Massachusetts. And to complete the picture of what we are not considering today, we are not concerned with any question of justiciability, that is, of whether the legal questions involved are suitable for consideration and determination by a court. We are not subject to any such limitation. We will make no adjudication, no final determination, except in our own minds, as citizens and lawyers, trained to consider legal questions.

Having thus observed what we are not considering today, I turn to the question we are considering—what might be called the "pure question" of the legality of the Vietnam war. When the question of legality is thus isolated—as it should be, I think, if we are going to base arguments on the legality of the war—there can be no doubt, I believe, that the war is "legal." This conclusion is based on four lines of legal reasoning, which I shall summarize in the remainder of my talk.

1. There is first the standard or test of history, which is of great importance when we are dealing with this sort of constitutional argument. For history shows us that military actions, often of substantial consequence, have been carried out by the President of the United States, on his own constitutional authority, throughout our history, and beginning in the earliest days of the Republic. Indeed, if the record is closely examined, one can count one hundred sixty-one separate instances in which this nation was engaged in hostilities against a foreign power, between 1798 and 1945, including the Civil War; and only six of these involved a formal declaration of war. Moreover, only twice in all our history has Congress authorized war by formal declaration prior to the commencement of actual hostilities. These were the War of 1812, and the Spanish-American War of 1898.

The notion of a war authorized by Congress in a fashion less dramatic than a formal declaration of war has been accepted since the earliest years of our national existence. There were the Barbary Pirates; there was Korea; and President Eisenhower sent a force to Lebanon in 1958. Coming closer to the place where we are now gathered, there were active affirmative military operations here in Florida against Spain in 1811, quite without any formal declaration by Congress. It would be tedious to go through all of these instances here. But they are numerous, and continued throughout our history. Some are better liked than others. There have been occupations of Nicaragua and the Dominican Republic. There was an occupation of Vera Cruz. General Pershing made his reputation not on the Mexican border, but in Mexico.

Congress has on more than one occasion authorized the President to use military force without making a declaration of war. An instance of this within the memory of most of us is the Formosa Resolution of 1955, by which Congress provided:

"That the President of the United States be and he hereby is authorized to employ the Armed Forces of the United States as he deems necessary for the specific purpose of securing and protecting Formosa and the Pescadores against armed attack, this authority to include the securing and protection of such related positions and territories of that area now in friendly hands and the taking of such other measures as he judges to be required or appropriate in assuring the defense of Formosa and the Pescadores."

Thus, by early and long continued practice, we have established the constitutional rule that military actions may be carried out without a declaration of war by Congress, that there are many intermediate situations short of formally declared war, and that the President does have wide powers to deal with international problems as they arise, including the disposition and use of the nation's military force. This is true generally, but it is particularly true when groundwork and backing for such actions have been laid by Congress.

2. Moving from the conclusion based on historical practice, we may consider next the provisions of the Constitution itself, simply as a legal instrument, allocating functions among the various organs of the government. Our Constitution, as is well known, sets up a system of checks and balances. But it also grants powers, for without those powers, there is no occasion to be concerned about checks and balances. There is no need to check a powerless President; and ours would be a sad governmental system indeed if we had a powerless President—or a powerless Congress, or a powerless Judiciary.

Specifically, the Constitution provides explicitly that "The Executive power shall be vested in a President of the United States of America." Obviously this means something; and it is not a merely passive grant. The grant of Executive power is broad and general. It is made more concrete by the further provision that "The President shall be Commander-in-Chief of the Army and Navy of the United States," and the provision that "he shall take care that the laws be faithfully executed." Our President is not, and never has been thought to be, from the time of Washington on to the present, a mere automation, doing only what he is told; nor is he a mere moderator, standing by to carry out the directives of other officers and branches of the government. Of course, the President acts under the law. He is subject to numerous checks and balances. He can be widely controlled by Congress, through the appropriation power, and otherwise and like all other officers, he is subject to impeachment. But as President, he has great powers—great executive power because he is the Chief Executive—and we would not want to have it otherwise. Any political organism needs a spokesman, someone to lead, and marshal its forces, someone to meet emergencies, someone with the capacity to act, someone to speak, and in proper situations, to make decisions. That is what we mean by Executive power; and the Constitution expressly grants "The Executive power" to the President.

We have established so far, I think, the proposition that a formal declaration of war is not, and never has been, regarded as a prerequisite to the use of military force by the President of the United States. On the contrary, as I have indicated, there have been only six declarations of war in all our history—including the action of Congress at the time of the Civil War—and there have been well over a hundred commitments of military force, by nearly every President, with varying degrees of action by Congress, short of a declaration of war.

We come, then, to a consideration of the specific actions with respect to Vietnam, and Southeast Asia.

3. For present purposes, we can begin with the Gulf of Tonkin Resolution, which was passed by both Houses of Congress, and approved by the President on August 10, 1964. It is printed at 78 Stat. 384, and has always been well known—never in any sense a secret document. Indeed, it was passed by Congress for the purpose of making it known in other quarters that the President had the backing and support of Congress.

What does the Tonkin Gulf Resolution say? After recitals, it contains two principal sections, which read as follows:

"That the Congress approves and supports the determination of the President, as Commander in Chief, to take all necessary measures to repel any armed attack against the forces of the United States and to prevent further aggression.

"SEC. 2. The United States regards as vital to its national interest and to world peace the maintenance of international peace and security in southeast Asia. Consonant with the Constitution of the United States and the Charter of the United Nations and in accordance with its obligations under the Southeast Asia Collective Defense Treaty, the United States is, therefore, prepared, as the President determines, to take all necessary steps, including the use of armed force, to assist any member or protocol state of the Southeast Asia Collective Defense Treaty requesting assistance in defense of its freedom."

It is true that early this year the Tonkin Gulf Resolution was "terminated" by Act of Congress, including Presidential approval. That, however, has nothing to do with its affect on the legality of actions taken while it was in force, nor on the propriety of actions taken to deal with the situation which arose while it was in force. As the State Department said, in a letter printed in a Senate Report, the Formosa and Tonkin Gulf Resolutions along with others were "a highly visible means of executive-legislative consultation . . . indicating congressional approval for the possible employment of United States military forces." S. Rep. No. 91-872, p. 20.

4. Perhaps even more important than the Tonkin Gulf Resolution is the fact that Congress has consistently backed and supported the actions of the President in all the intervening years. Early in 1965, President Johnson asked for and obtained a special appropriation of seven hundred million dollars, for the express purpose of carrying on military action in southeast Asia. This was granted by an Act of Congress approved on May 7, 1965. The vote in Congress was 408 to 7 in the House, and 88 to 3 in the Senate. This is an unusual appropriations act, in that it consists of a single item. Thus, there is no possibility that it passed through Congress by inadvertence, or that the support for it may have been coerced, as in the case of a rider. Here is the entire and complete effective text of that appropriation act:

The following is appropriated, out of any money in the Treasury not otherwise appropriated, for the period ending June 30, 1965, namely:

"DEPARTMENT OF DEFENSE-EMERGENCY FUND, SOUTHEAST ASIA

"For transfer by the Secretary of Defense, upon determination by the President that such action is necessary in connection with military activities in southeast Asia, to any appropriation available to the Department of Defense for military functions, to be merged with and to be available for the same purposes and for the same time period as the appropriation to which transferred, $700,000,000, to remain available until expended: * * *"

After this, there were many legislative acts by Congress, taken in full knowledge of the situation in Southeast Asia, and in support of the President's actions. On September 29, 1965, Congress passed the Defense Appropriations Act of 1966 which contained a separate Title worded "Emergency Fund, Southeast Asia." This appropriated $1,700,000,000 to be used for—and I quote the language of the statute—"military activities in Southeast Asia."

In 1966, Congress passed the Military Construction Act of 1966 which contained a specific authorization that the funds appropriated could be used—and again I quote "for their stated purposes in connection with support of Vietnamese and other free world forces in Vietnam . . ."

I will not consume further time by reading the language of all of the subsequent appropriation acts. It is enough, I think, to say that they were numerous, and made explicit reference to "the war in Vietnam," or in other terms of equivalent effect. All together, there have been at least 10 such subsequent appropriations acts.

In addition, during this period, Congress extended and amended the Selective Service Act, thus making available the manpower used in combat, as Congress well knew and fully understood. In addition, Congress authorized the President to call up the Reserves for use in the war, until June 1969.

Thus, as Judge Wyzanski said in his interesting opinion in the Sisson case (*United States* v. *Sisson*, 294 F. Supp. 511), the situation is one "in which there has been joint action by the President and Congress, even if the joint action has not taken the form of a declaration of war."

We are gathered here as lawyers. We are speaking about the legality of the Vietnam war. The hang-up on this question comes, it seems clear to me, from the assumption that there must be a declaration of war before military action is "legal." Of course, if you assume that to be true, then the conclusion will follow that the Vietnam war is not legal.

As I have indicated, however, there is no basis for such an assumption. Indeed, all of our history and practice has been to the contrary. And this has clearly been the history and practice over the past six years or more on this important question. The fact is that the President and Congress have consistently and continuously worked together on this matter, each supporting the other. The fact is, too, that President Nixon, under circumstances of great difficulty, has consistently taken steps to descalate the war; and, with the full knowledge and support of Congress, he has already removed more than 200,000 of the troops who were, with the full knowledge and support of Congress, committed in Vietnam at the time he took office.

The problems of Vietnam are enormous, and extremely complicated and difficult—and important. But the essence of these problems is not one of legality. The President and Congress have worked together, and there can be no doubt, in my mind, about the legality of what has been done. It is only confusing in my view, and not at all constructive, or helpful in finding an ultimate solution, to approach the question in terms of legality. The problems of getting out of Vietnam are difficult, and complicated—and exceedingly important. They are worthy of the greatest thought, and the most thorough discussion. That thought and discussion will be aided, as I see it, if we do not mislead ourselves by excursions on questions of "legality" which are really without foundation. I have no doubt that the President and Congress will continue to work together in bringing this matter to a conclusion, and that their actions will continue to be "legal" as they have been in the past. Let us do everything we can to help them in that task.

NONRECOGNITION OF FOREIGN COUNTRY JUDGMENTS

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. MIKVA. Mr. Speaker, I am reintroducing a bill I first submitted on February 25, 1970, which is designed to meet a special situation arising in the field of foreign country judgments. In effect, this bill will discourage foreign courts from enforcing judgments against American citizens where the original legal action is based on inadequate jurisdiction.

Courts in the United States will not normally enforce money judgments rendered abroad by courts which do not have proper jurisdiction over the persons against whom the judgments were rendered. In this refusal, American courts use our common law conception of proper in personam jurisdiction, a conception which has been recognized by many other countries. A court should not be permitted to assess personal liability against a defendant unless the defendant has an opportunity to appear and present his case. In our system of justice, it has been the general rule that a suit must be brought where the defendant resides, because it is unfair to force the defendant to travel great distances and incur great expense in order to avoid a default judgment in what may be a frivolous suit. Thus, a judgment based merely on the nationality of the plaintiff, or the domicile of the plaintiff, or the presence of assets in a given country has no proper jurisdictional basis and will not be enforced in our courts. The propriety of this procedure has been recognized internationally by a protocol adopted by the Hague Conference on Private International Law.

A number of foreign countries, however, do use bases of jurisdiction which we consider improper, including members of the European Economic Community-Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands. Moreover, a Convention on Recognition of Judgments signed by member states of the EEC in Brussels on September 27, 1968, provides that judgments rendered against nonresidents of the community in one member country must be enforced in the other countries, even if they were rendered on a jurisdictionally improper basis. As a result, once the convention has been ratified, which appears likely by the end of 1971, domiciliaries of the United States with assets in the Common Market area can become the victims of forum-shopping, leading to enforcement in the Market area of a judgment rendered on a jurisdictionally improper basis.

Because of protests from non-EEC countries, the Common Market Convention of September 17, 1968, now includes a provision allowing member states individually to promise to third countries—like the United States—that against domiciliaries in that country, judgments from other EEC countries rendered without proper jurisdiction will not be enforced. Such a promise must be part of a treaty on recognition of judgments concluded with the third country. Whether any of the EEC countries cares to conclude such a treaty with the United States is not known. What is certain, however, is that we have a real interest in making such treaties worthwhile for EEC countries. The bill I am introducing today would help to create a healthy incentive for foreign countries to enter into such treaties with the United States.

The Nonrecognition of Foreign Country Judgments Act, would give our Government power to insure that there could be no recovery in a State or Federal court of the United States on a judgment of any foreign country, first, which had obligated itself by treaty to enforce jurisdictionally improper foreign judgments and, second, which the President had by Executive order placed on a nonrecognition list. The list would presumably contain those countries with whom we had not concluded treaties which would adequately protect American interests.

The Common Market Convention has endangered legitimate interests of the U.S. domiciliaries. For the protection of these interests, the U.S. Government should have power, if it deems it proper, to forbid the recognition in our courts of judgments rendered in a foreign country which has committed itself to the enforcement of jurisdictionally improper judgments. This bill would give our Government such power.

I insert the text of the bill at this point in the RECORD along with an article by Kurt H. Nadelmann, reprinted from the April 1969, issue of the Harvard Law Review, which provides further background on this problem:

THE COMMON MARKET JUDGMENTS CONVENTION AND A HAGUE CONFERECE RECOMMENDATION: WHAT STEPS NEXT?

(Kurt H. Nadelmann*)

(A convention recently signed by the foreign ministers of the Common Market countries threatens to extend over a wide area the enforceability of judgments rendered at jurisdictionally improper fora. The history of this convention is intertwined with the efforts of the Hague Conference on Private International Law to restrict the effect of such judgments to assets in the country of rendition. Dr. Nadelmann examines the history of the Common Market Convention and of the Hague Conference Recommendation which attempts to deal with it. He concludes that the protection of Americans with assets abroad requires that the traditionally liberal recognition policies of the individual states be replaced by a more restrictive and particularized approach administered by the federal governmental.)

The Eleventh Session of the Hague Conference on Private International Law, held in October 1968, adopted a "Recommendation Relating to the Connection Between the Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters and the Supplementary Protocol."[1] The reader of the Recommendation will find its contents as mysterious as its title. The central issue is a still unresolved clash between the six members of the European Economic Community and the "outside world" over the enforcement of foreign judgments—a question which may seriously affect the interests of Americans with assets abroad. This comment will provide the background of the present situation and suggest the course which the United States should now follow.

In late 1964, experts from the EEC published a draft Convention on Jurisdiction and Recognition of Judgments which they had prepared for the needs of the Community.[2] By the provisions of this draft, certain jurisdictional bases were not to be used in suits against domiciliaries of any of the member states. The forbidden bases were: the nationality of the plaintiff, available under the law of France and Luxembourg;[3] the demicile of the plaintiff, available against nonresidents in Dutch law;[4] and the presence of assets when used to obtain a judgment not limited to the value of the assets in the forum state, available against nonresidents in German law.[5] The draft allowed use of these bases of jurisdiction in suits against nondomiciliaries of the EEC. All judgments rendered in one state had to be enforced in the other states unless the jurisdictional basis asserted violated the provisions of the draft.[6] If adopted, the draft would have extended over a wide area the enforceability of judgments rendered against nondomiciliaries at jurisdictionally improper fora.

The Extraordinary Session of the Hague Conference convened in April 1966 to complete work on a Convention on Recognition and Enforcement of Foreign Judgments. A multilateral treaty of a special type was contemplated. All the basic provisions would be in the resulting Convention, but the Convention would become effective between two ratifying states only if they concluded a supplementary bilateral agreement to that effect. Such supplementary agreements, however, could not depart from the provisions of the Convention except in certain specified particulars.[7] The idea was to preserve freedom of choice of treaty partners and still to unify the law of recognition.[8]

At the Extraordinary Session the Common Market states demanded that the Convention allow regional groups to conclude their own agreements without being bound by the provisions of the Convention. The other states desired safeguards from abuse of this freedom. In "Working Paper No. 30"[9] the delegations from the United Kingdom and the United States proposed that the Convention include a provision on jurisdictionally improper fora. Judgments rendered without an adequate jurisdictional base were to be limited to the value of the assets in the country of rendition, and were not to be enforceable outside the forum state. Over this proposal a crisis developed. In a dramatic night session, it was finally agreed to refer the problem of jurisdictionally improper fora to a Special Commission. Meanwhile the Convention drafted at the Session[10] would not be open for signature.[11]

Before the Special Commission met in October 1966, the experts who had drafted the Common Market Convention had their own meeting. They did not change the basic scheme of their draft, but they added a new provision: article 59 This article allowed each of the six states individually to agree with nonmember states not to enforce against domiciliaries of such states judgments rendered at jurisdictionally improper fora. The new provision was brought to the attention of the Hague Conference Special Commission. At the meeting of the Special Commission the delegates drafted a Supplementary Protocol.[12] The Protocol lists jurisdictionally improper fora and provides that judgments rendered at such fora shall be denied extraterritorial recognition. Disagreement existed on whether the Supplementary Protocol should be mandatory for signers of the Hague Convention, but the Common Market group was able to obtain a majority in support of its view that the Protocol should not be binding. The delegate from the United States, joined by those from the United Kingdom and Sweden, formally reserved the right to reopen the question.[13]

Somewhat later, the Common Market experts made a change in new article 59 of their draft. Signatories could still promise other states that foreign judgments obtained at jurisdictionally improper fora would not be enforced, but the promise had to be part of a convention on recognition and enforcement of judgments.[14] As amended, the Convention on Jurisdiction and Enforcement of Foreign Judgments in Civil and Commercial Matters was signed in Brussels by the foreign ministers of the states forming the EEC on September 27, 1968,[15] just ten days before the opening of the Eleventh Session of the Hague Conference. Through this signing the Common Market Convention took precedence over the Supplementary Protocol where the two conflicted.[16]

At the Eleventh Session, the question of the relation between the Supplementary Protocol and the Hague Conference Convention, which had been placed on the agenda at the request of the United States, was assigned to the Fourth Committee, presided over by Judge André Panchaud of Switzerland, who has also chaired the meeting of the Special Commission. When the subject came up, the discussion quickly became bogged down in debate over a procedural point and the meeting was finally adjourned to give the delegations time for informal contacts.

Politically, the situation was confused and confusing. Under article 63 of the Common Market Convention new members of the EEC are obliged to accept the Convention as the basis for their own duty under the Treaty of Rome to facilitate enforcement of judgments rendered by other member states. When the Convention was signed in Brussels, the foreign ministers of every state except France proposed that negotiations be suggested to states which had sought membership in the Community so that their accession to the Convention might be prepared.[17] The states involved—the United Kingdom, Denmark, Norway, and Ireland—thus were placed in a special dilemma over the Protocol issue. If the Protocol were binding, then they would not be able to use the Hague Convention if they subsequently became members of the Common Market. On the other hand, the Common Market scheme would require them to enforce judgments obtained in other EEC states even though the forum was jurisdictionally improper and enforcement would violate natural justice under their domestic law. Furthermore, the Protocol would protect them if they remained outside the Common Market.

An examination of the individual positions of the six Common Market states, moreover, furnishes an all but uniform picture. The case of Italy is particularly striking. Jurisdictionally improper fora are not used in Italy except on a retaliatory basis.[18] Italy thus has an established policy, yet under the Constitution now signed Italian courts must enforce judgments rendered at an improper forum. A question of constitutionality may arise. As for Belgium, in a celebrated case the highest court of the land denied recognition to a French judgment rendered against a non-resident Englishman on the jurisdictional basis of the plaintiff's French nationality.[19] And at the Extraordinary Session in 1966, the Belgian delegate sided with the "outside world" in the confrontation over "Working Paper No. 30."[20] French courts do not recognize foreign judgments rendered on the jurisdictional basis of presence of assets,[21] and in the recently concluded treaty between France and Austria the defendant is given the right to appear in the Austrian court to limit the court's jurisdiction to assets in Austria when presence of assets is the basis for assumption of jurisdiction.[22] Even the position of Germany, seeming promoter of the Common market scheme,[23] is equivocal. By the German treaties with Belgium and the Netherlands extraterritorial effect is given to German judgments rendered on the basis of mere presence of assets, but the condition is imposed that the defendant not have been domiciled in the other country; and German domiciliaries have the same protection from possible extraterritorial use of judgments obtained in Belgium or the Netherlands on a *forum arresti* basis.[24] Nothing in the attitude of Luxembourg suggests that it could have favored the scheme. But even assuming a perfect accord among the experts, the appearance in the Common Market Convention of article 59 is proof of second thoughts by at least

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Footnotes at end of article.

some of the governments involved. The fact remains, however, that the pressure coming from the Convention's scheme has been maintained for the benefit of the individual states prepared to negotiate agreements under article 59.

Some of the Common Market states, it appears, are quite ready to proceed with negotiations under article 59. At the Hague Conference it became known that Germany and Norway have negotiated a convention and that the contents of the Supplementary Protocol are incorporated in the draft.[25] Britain and the Common Market countries would both profit from an article 59 agreement, and that procedure is facilitated by the existence of British treaties on recognition of judgments with France, Belgium, West Germany, Italy, and the Netherlands.[26] The special situations have been pointed out to show that the problems faced by states outside the EEC are not necessarily the same. Indeed, the Common Market Convention itself does not treat all other countries alike. A clause in the Convention maintains for Swiss nationals the protection which they have under the Franco-Swiss treaty of 1869.[27] Even if political considerations were not involved, a basis for concerted action by the outsiders thus would be difficult to find.

The situation at the session was such that, for one reason or another, many of the delegations did not look forward to a confrontation requiring them to vote for or against the binding character of the Supplementary Protocol. And for their own reasons the Common Market delegations let it be known that they were willing to vote for a strong recommendation in favor of use of the Supplementary Protocol by the member governments. The lines for a compromise were thus pretty well drawn. With the help of the President of the Conference Session and of the Committee Chairman, the text of a recommendation was prepared and submitted to the Conference as a joint proposal by the delegations of all six Common Market states, of the United States and the United Kingdom, and of Sweden and Switzerland. The Conference approved the Recommendation by a unanimous vote.

The Recommendation states that the Eleventh Session is "[c]onvinced that certain grounds of jurisdiction can only exceptionally justify the international recognition and enforcement of judgments and that this is particularly so where treaty relations exist regarding such recognition and enforcement," and makes three suggestions. The member states should sign and ratify the Convention and the Supplementary Protocol simultaneously. States coming to the conclusion that they cannot sign and ratify the Supplementary Protocol should take its provisions into account in any supplementary agreements that they conclude to bring the Convention into force. Any member state which is already bound by an existing convention not in accord with the principles of the Protocol should take all possible steps permitted within the existing treaty obligations to comply with those principles. For the Hague Conference the issue has been closed with the vote on the Recommendation. The Hague Conference Convention and the Supplementary Protocol, two separate documents, are open for signature. The fate of the instruments is in the hands of the members of the Conference.

However encouraging the unanimous vote on the Recommendation, the problem created by the Common Market Convention has not been removed. Once the Convention takes effect, United States domiciliaries and others with assets in the Common Market area, run the risk that forum shopping will be used and that a judgment obtained against them in one state on a jurisdictionally improper basis will be enforced automatically in the other states. Legitimate interests can be seriously damaged. This threat cannot be ignored.

Traditionally, American courts have had a liberal policy on recognition of foreign judgments. This fact is well known around the Hague Conference. The Uniform Foreign Money-Judgments Recognition Act,[28] an expression of this policy, was among the materials used by the Hague Conference in preparing its own Convention. In some quarters abroad, the belief is held that the policy is not subject to change and is beyond the control of the national authorities. Unclear ideas about the distribution of powers between the states and the federal government are at the bottom of the assumption. Like any other country, the United States can protect the interests of its domiciliaries abroad. In a large number of foreign countries, the recognition of foreign judgments is made dependent upon existence of a treaty. Should this kind of a step be desirable, under the Constitution of the United States the Congress would have ample power to pass such a statute in aid of the President's treaty-making power. The same Act could, as in other nations, authorize the Executive to grant exceptions from the treaty requirement in stated situations. Judgments from countries which have a liberal recognition policy and do not apply a scheme like that of the Common Market Convention would not have to be affected. A better balance of interests would be achieved; pressures coming from the Common Market Convention scheme would be countered.

Solid practical reasons can be advanced in support of a change in policy. Non-recognition of American judgments abroad is the rule rather than the exception. To begin a short survey with the law in the Common Market states, American judgments are not enforceable in the Netherlands because its law requires existence of a treaty;[29] they are reexamined as to their merits in Belgium, where the law makes the grant of conclusive effect dependent upon existence of a treaty,[30] they are subject to a statutory reciprocity requirement in Germany—a test often difficult to satisfy in foreign courts not operating on the basis of *stare decisis;*[31] and they are by statute subject to reexamination in Italy if rendered by default.[32] In the Scandinavian countries, a treaty is needed for enforcement.[33] In the rest of Western Europe, as well as in Latin America, the situation does not differ substantially.[34] As for Canada, under the Code of Quebec, any defense which might have been set up to the original action may be pleaded against judgments rendered outside Canada;[35] and, in some other provinces, conclusive effect is withheld as well.[36]

Redress cannot be obtained effectively by action of individual states of the union. Assuming the unproductive reciprocity requirement, unfair to the individual litigant,[37] were introduced by all or most states[38]—it can, it would seem, be done without raising constitutional problems unless *Hilton v. Guyot*[39] is overruled—the scheme of the Common Market Convention would not be reached by such a step. More radical, individualized steps would have to be taken, which would be out of bounds for the states because they would interfere with the conduct of foreign relations by the national government.[40] Furthermore, concerted action by the states is not easy to achieve. Only a response coming from the entire nation has a good chance of being effective.

As a result of complaints from its businessmen, after a full study of the situation[41] the United Kingdom in 1933 passed legislation authorizing treaty negotiations and giving the executive power to bar recognition proceedings for judgments from countries denying substantial reciprocity to judgments from the domestic courts.[42] Except for the new complications, the scheme has worked extremely well.[43] The United States has been slower in a realistic appraisal of the situation. The Uniform Act of 1962 was prepared by the Commissioners on Uniform State Laws because codification of the domestic law on recognition can facilitate enforcement of domestic judgments in foreign countries having the reciprocity requirement,[44] and benefits were expected from the example set.[45] In light of the most recent events, a more dynamic approach has become necessary. Action in the form of federal legislation on recognition of foreign judgments seems to be called for.

The way for international developments, of course, remains open. Whether the Hague Convention and the Supplementary Protocol will be used and, in particular, whether Common market states will use them, is one of the many unknown factors.

Moreover, a Common Market state ready to avail itself of article 59 of the Common Market Convention need not act through the Hague Conference Convention. Any bilateral treaty concluded with a third state may include the promise the foreign judgments rendered at a jurisdictionally improper forum will not be recognized. The question of interest to the United States is whether the United States is considered a potential treaty partner and by which of the states. Without inquiries this cannot be known. As far as the United States' own view is concerned, if an anti-treaty policy was followed in the past,[46] the participation of American delegations in the preparation of the Hague Convention and the Protocol would seem to suggest a change of mind.[47]

The unanimous vote on the Recommendation at the recent session of the Hague Conference facilitates exploratory talks among the member governments. It is hoped that full advantage will be taken of the climate created. In the case of the Common Market states, mutual interest seems to suggest early contracts. If no arrangements have been made before the Common Market Convention takes effect, negotiations are likely to become more difficult. But the problem created by the Common Market scheme is not the only one requiring attention. Agreements with other nations are no less desirable. Their negotiation may establish a general pattern.

A major new activity on the part of the United States Government is called for. The work is likely to go on for some time. The type of project involved cannot be carried out effectively by services charged with the daily operation of government business. Proper arrangements must be made, and this is no minor aspect of the problem. But a number of approaches can be thought of, and a discussion at this place would serve no good purpose.

The recent events on the international level suggest all manner of comment. A "philosophical" approach may be the most constructive. Ever since, for still unclear reasons,[48] the jurisdictional basis of the nationality of the plaintiff was put into the Code Napoleon, the field of recognition of foreign judgments has been one of extraordinary events. Countermeasures were taken but some of these measures added to the difficulties and the whole field became frozen. The most recent episode, apparently the escalation of an idea not fully considered at the outset,[49] should perhaps not be overdramatized. A Protocol of obvious scholarly and practical value has been produced and the Recommendation stating that "certain grounds of jurisdiction can only exceptionally justify the international recognition and enforcement of judgments" is useful, too. If a common effort is made, conditions in a field long ready for a cleaning-up operation may well improve.

FOOTNOTES

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The views here expressed are the author's and do not necessarily represent those of the

United States Government or of other members of the United States Delegation to the Eleventh Session of the Hague Conference.

[1] The Recommendation appears under B II in the Final Act of the Eleventh Session, reprinted in 16 Am. J. Comp. L. 602 (1968).

[2] Directorate on Harmonization of Laws, General Directorate on Competition, EEC Commission, Draft Convention Relating to the Jurisdiction of Courts, the Recognition and Enforcement of Decisions in Civil and Commercial Matters and the Enforcement of Public Documents, Documents No. 1437/IV/64, 1965 Rabels Z 594, I Rivasta di diritto internazionale privato e processuale 790 (1965), translated in 2 CCH Comm. Mkt. Rep. ¶ 6003 (1965); *see* Hay, *The Common Market Preliminary Draft Convention on the Recognition and Enforcement of Judgments—Some Considerations of Policy and Interpretation,* 16 Am. J. Comp. L. 149 (1968).

[3] C. Civ. art. 14 (1804) (France); C. Civ. art. 14 (1807) (Lux.). Dates of foreign codes herein are those of the earliest codes in which the provisions referred to appeared. Provisions have not been amended unless indicated.

[4] C. Civ. Pro. art. 126(3) (1838).

[5] ZPO § 23 (1877, as republished in 1950).

[6] *See* Nadelmann, *Jurisdictionally Improper Fora in Treaties on Recognition of Judgments: The Common Market Draft,* 67 Colum. L. Rev. 995, 1000 (1967).

[7] *See* Nadelmann & von Mehren, *The extraordinary Session of the Hague Conference on Private International Law,* 60 Am. J. Int'l L. 803, 804 (1966).

[8] Some countries prefer the old-type bilateral convention, with the Hague Convention used as a model. *See, e.g.,* Letter from the Department of Justice of Switzerland to the Permanent Bureau of the Hague Conference, May 3, 1968.

[9] The text of "Working Paper No. 30" appears in Nadelmann, *The Outer World and the Common Market Exports' Draft Convention on Recognition of Judgments,* 5 Comm. Mkt. L. Rev. 409, 419–20 (1968).

[10] Draft Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters, reprinted in 15 Am. J. Comp. L., 362 (1967).

[11] *See* Nadelmann & von Mehren, *supra* note 7, at 805. Publication of the Proceedings of the Session is in preparation.

[12] The text of the Protocol appears in 15 Am. J. Comp. 369 (1967).

[13] The delegates from France and Germany abstained from the vote. *See* de Winter, *Excessive Jurisdiction in Private International Law,* 17 Int'l & Comp. L.Q. 706, 714 (1968); Kearney, *Progress Report—International Unification of Private Law,* 23 Record of N.Y.C.B.A. 220, 230–32 (1968). The minutes will be in the Proceedings of the Extraordinary Session, which is in preparation.

[14] Article 59 reads:

> This Convention sets no obstacle to a commitment by a Contracting State toward a third State *under the terms of a convention on recognition and enforcement of judgments* not to recognize a decision, especially one rendered in another Contracting State, against a defendant domiciled or habitually resident in the territory of a third State if, in the case contemplated in Article 4, the decision could be based only on a jurisdictional basis listed in the second paragraph of Article 3 [the bases not allowed against domiciliaries of the Common Market].

Convention Concernant la Compétence Judiciaire et l' Exécution des Décisions en Matière Civile et Commerciale (ed. Consell des Communautés Européennes, Bruxelles, undated) (official print) (unofficial translation) (emphasis added). An unofficial translation is given in 2 CCH Comm. Mkt. Rep. ¶ 6003 (1968).

[15] *See* Bull. Eur. Communities, Nov. 1968, at 22–23.

[16] The Protocol applies "subject to the provisions of existing Conventions relating to the recognition and enforcement of judgments."

[17] Information supplied to author by the Services of the EEC.

[18] C. Pro Civ. art. 4(4) (1942); M. Cappelletti & J. Perillo, Civil Procedure in Italy § 4.05(i) (H. Smit ed. 1965).

[19] Marychurch et cie v Compagnie Maritime Française, [1904] Pasicrisie Belge I 293, 319, [1904] Belgique Judiciaire 1329, 1346, I Revue de droit international privé 166 (1905) (Cass. 2e ch.).

[20] *See* de Winter, *supra* note 13, at 711, 714.

[21] *See* P. Herzog, Civil Procedure in France 580–90 (1967). *See also* von Mehren & Trautman, *Recognition of Foreign Adjudications: A Survey and a Suggested Approach,* 81 Harv. L. Rev. 1601, 1613 (1968).

[22] Convention of July 15, 1966, on Recognition and Enforcement of Judgments art. 11 (2), [1967] Bundesgesetzblatt No. 288 (Aust.), French text in 56 Revue critique de droite international privé 818 (1967).

[23] *See* Nadelmann, *supra* note 6, at 1000' n.37.

[24] *Id.* at 1015.

[25] Like other Scandinavian countries, Norway uses the presence of assets jurisdiction of the German type. C. Civ. Pro. § 32 (1915); P. Augdahl, Norsk Civilprosess 161 (3d ed. 1961): *cf.* R. Ginsburg & A. Bruzelius, Civil Procedure in Sweden 159 (1964); A. Philip, American-Danish Private International Law 25 (1957). Norway also does not allow recognition of foreign judgments in the absence of a treaty. C. Civ. Pro. § 167; P. Augdahl, *supra,* at 151. Both facts strengthen Norway's bargaining position.

[26] A. Dicey & J. Morris, The Conflict of Laws 970 (8th ed. 1967). These treaties contain nothing to protect United Kingdom domiciliaries from the consequences of the scheme of the Common Market Convention, nor are Common Market residents protected from possible extraterritorial use of judgments obtained in the United Kingdom which should have local restriction. Scottish law allows attachment *ad fundandam jurisdictionem,* which can lead to an in personam judgment. *See* A. Anton, Private International Law 106–07 (1967). Moreover, in England, as in the United States, in personam jurisdiction may be obtained by personal service on a transient—a basis of jurisdiction unknown in the civil law and today considered undesirable in the common law countries. *See* G. Cheshire, Private International Law 548 (7th ed. 1965); von Mehren & Trautman, *supra* note 21, at 1616; *cf.* Uniform Foreign Money-Judgments Recognition Act § 4(b) (6). Both means of obtaining jurisdiction are included in the list of "improper jurisdictional bases" in the Supplementary Protocol.

[27] Common Market Convention, *supra* notes 14 and 15, art. 58; *see* Treaty on Jurisdiction and Enforcement of Judgments in Civil Matters Between France and Switzerland, June 15, 1869, art. I, in Journal du droit international privé, 2 Tables Generales 1874–1904, at 388 (1905).

[28] This act has been enacted in California, Illinois, Maryland, Massachusetts (with reciprocity requirement), Michigan, and Oklahoma.

[29] C. Civ. Pro. art. 431(1) (1838); *see* R. Kollewijn, American-Dutch Private International Law 34 (2d ed. 1961). *See generally* Smit, *International Res Judicata in the Netherlands: A Comparative Analysis,* 16 Buffalo Law Rev. 165 (1966).

[30] Code Judicaire art. 570 (1967) (formerly Law on Jurisdiction of 1876, art. 10); *see* G. van Hecke, American-Belgian Private International Law 39–40 (1968). The case law in Luxembourg is similar. *See* Pellus v. Detilloux, 19 Pasi-crisie Luxembourgheoise 371 (Cour Supérieure (C.A.) Apr. 20, 1964). This is no longer the case in France. Nadelmann, *French Courts Recognize Foreign Money-Judgments: One Down and More To Go,* 13 Am. J. Comp. L. 72, 73 (1964).

[31] ZPO § 328(1)(5) (1877, as republished in 1950); *see* Nadelmann, *Non-Recognition of American Money Judgments Abroad and What To Do About It,* 42 Iowa L. Rev. 236, 252 (1957).

[32] C. Pro. Civ. art. 780 (1942); *see* M. Cappelletti & J. Perillo, *supra* note 18, § 14.12.

[33] *See* P. Augdahl, *supra* note 25, at 161; H. Eek, The Swedish Conflict of Law 86 (1965): A. Philip, *supra* note 25, at 28.

[34] *See generally* Nadelmann, *supra* note 30.

[35] C. Civ. Pro. art. 178 (1966); *see* J. Castel, Private International Law 271 (1960); W. Johnson, Conflict of Laws 765 (2d ed. 1962).

[36] *See* J. Castel, *supra* note 35, at 284; Nadelmann, *Enforcement of Foreign Judgments in Canada,* 38 Can. B. Rev. 68 (1960).

[37] The requirement is criticized in Restatement (Second) of Conflict of Laws § 98, comment *e* (Proposed Official Draft 1967); H. Goodrich, Conflict of Laws 392 (4th ed. 1964); von Mehren & Trautman, *supra* note 21, at 1660–62.

[38] Reciprocity has been required by statute in Massachusetts since 1966, Mass. Gen. Laws Ann. ch. 235, § 23A (Supp. 1969), and in New Hampshire since 1957, N.H. Rev. Stat. Ann. § 524:11 (Supp. 1967) (limited to Canadian judgments).

[39] 159 U.S. 113 (1895).

[40] *See* Zschering v. Miller, 389 U.S. 429 (1968), *noted in The Supreme Court, 1967 Term,* 82 Harv. L. Rev. 63, 238–45 (1968), *and* 21 Vand L. Rev. 502 (1968); *cf.* Hill, *The Law-Making Power of the Federal Courts: Constitutional Preemption,* 67 Colum. L. Rev. 1024, 1056–57 (1967).

[41] *See* Foreign Judgments (Reciprocal Enforcement) Committee Report, Cmd. No. 4213 (1932).

[42] Foreign Judgments (Reciprocal Enforcement) Act, 23 & 24 Geo. 5, C. 13, § 9, at 151–52 (1933); *see* A. Dicey & J. Morris, *supra* note 26, at 970.

[43] *See* A. Dicey & J. Morris, *supra* note 26, at 970.

[44] *See* 9B Unif. L. Ann. 64 (1966) (Commissioners' Prefatory Note).

[45] The Canadian Commissioners produced a similar act in 1964. *See* 1964 Proceedings of the Commissioners on Uniformity of Legislation in Canada 107. The Swedish government has ordered an investigation of its law. *See* L. Welamson, Verkstallighet av utländska domar 40 (1968) (Report to Department of Justice of Sweden).

[46] When the Secretary of State was first approached in 1874, he made a vague reference to problems created by the federal system. *See* Nadelmann, *Ignored State interests: The Federal Government and International Efforts To Unify Rules of Private Law,* 102, U. Pa. L. Rev. 323 (1954).

[47] The change in approach has also become evident in the "neighboring" field of judicial assistance to foreign courts. *See* Amram, *United States Ratification of the Hague Convention on Service of Documents Abroad,* 61 Am. J. Int'l L. 1019 (1967).

[48] *See* H. Gaudemet-Tallon, Recherches sur les origines de l'article 14 du Code Civil (1964); Nadelmann, Book Review, 14 Am. J. Comp. L. 348 (1965).

[49] This view already expressed in Nadelmann, *supra* note 9, at 418, is supported by the fact that, at the Eleventh Session of the Hague Conference, nothing was said in support of the scheme.

A RED IS A RED: OTTAWA OR HAVANA

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. RARICK. Mr. Speaker, on July 23, I called the attention of the House to the suspect role of Canada's new Red ambassador in the recent secret trip of Henry Kissinger to Peking to arrange President Nixon's proposed trip to Red China—CONGRESSIONAL RECORD 27020.

Recent news articles have proven this. Current political attitudes would not allow our ambassadors to visit Havana—the other Red Chinese embassy within 100 miles of our border.

Circumstances dictated the creation of this new Communist embassy 60 miles to the North. Yet, for some unknown reason, our people have not accepted the fact that regardless of where our ambassadors go—Ottawa or Havana—they are still going to be talking to Communists—our sworn enemies who hate the American way of life.

I ask that related news articles be inserted at this point:

[From The New York Times, July 28, 1971]

U.S. AND CHINA ARE LIKELY TO DISCUSS TRIP IN OTTAWA

(By Tad Szulc)

WASHINGTON.—Diplomatic discussions in preparation for President Nixon's forthcoming visit to Peking are expected to be conducted mainly through the Chinese Embassy in Canada, Nixon Administration officials said privately today.

They said the arrival in Ottawa last Friday of Ambassador Huang Hua, who is a specialist in American affairs, offered the best opportunity for such discussions.

But these officials pointed out that the President's representatives might on occasion use channels in other foreign capitals where contacts might be possible with less public notice.

Information on United States moves toward both the Chinese Communist and Nationalist Governments has been emerging only from conversations with Administration officials and informed foreign diplomats. Officials have been forbidden to discuss these matters in public since President Nixon announced only July 15 that he would go to Peking.

ANNOUNCEMENT PUT OFF

It is believed that no American official has met with Mr. Huang since his arrival in Ottawa and the impression here is that he would be given time to settle down before contacts are established.

The White House press secretary, Ronald L. Ziegler, said today that United States policy on Chinese representation in the United Nations would be announced, "when ready," by Secretary of State William P. Rogers. Both Mr. Ziegler and State Department spokesmen made it clear that the announcement was quite some time away.

Other officials attributed the delay in the announcement to the failure of the Chinese Nationalists to inform the United States on how they would react if Communist China is admitted to the United Nations in the fall.

It was understood that Mr. Rogers has held two unpublicized meetings with the Chinese Nationalist Ambassador, James C. H. Shen, since their first conference on July 19 after the Presidential announcement of the Peking trip.

Concerning the contacts with the Peking Government, officials said privately that it appeared likely that high-ranking Administration representatives would be "commuting" to Ottawa for meetings with Mr. Huang.

They indicated that it was unlikely that the contacts with Mr. Huang would be conducted by the United States Ambassador in Ottawa, Adolph W. Schmidt, who is not a professional diplomat.

[From New York Times, July 24, 1971]

PEKING'S FIRST ENVOY IN OTTAWA—HUANG HUA

(By Frank Ching)

Huang Hua, who arrived in Ottawa yesterday to become the first Chinese Communist Ambassador to Canada, is one of Peking's most trusted diplomats.

Mr. Huang, who is 58 years old, has been working for the Communist cause for over 35 years, since the time he was a student leader in Peking in the nineteen-thirties. The graying, stocky ambassador comes to North America after having served in Africa for most of the last 10 years. He was ambassador to Ghana from 1960 to 1966 and made Accra Peking's major diplomatic base in West Africa.

Operating from Ghana, he was able to gain diplomatic recognition for his Government from three other African countries—Tanganyika, which later joined with Zanzibar to form Tanzania, which in turn recognized the Peking regime; the former French Congo, and Dahomey.

HAS DEALT WITH WESTERNERS

Early in 1966, Mr. Huang was appointed Ambassador to the United Arab Republic. Shortly after this, the Cultural Revolution erupted in China and Chinese ambassadors all over the world were recalled to Peking—but not Ambassador Huang. By leaving him at his post, Peking gave a clear sign of the confidence that the Chinese leadership had in him and of the importance of his work.

Mr. Huang, who speaks English fluently, is experienced in dealing with Westerners. He was educated in the American-supported Yenching University in Peking in the mid-1930's. When the Peking Executive Headquarters was set up in January, 1946, to oversee a Nationalist-Communist ceasefire agreement, Mr. Huang, as head of the Communist press section, became well acquainted with many Western newsmen.

And at Panmunjom, Korea, in 1953, he faced the Americans in tough negotiations over the setting up of a political conference after the Korean armistice.

When the Geneva conference on Indochina opened in April, 1954, Mr. Huang accompanied Premier Chou En-lai as his adviser and spokesman of the Chinese delegation.

American newsmen and others who knew him in his role as spokesman to the press during World War II found him very personable and agreeable. One American correspondent recalls that Mr. Huang always wanted to read dispatches "just to see what you are writing, not for censorship."

Mr. Huang showed a harsher personality at Panmunjom. Arthur H. Dean, who represented the United Nations Command and the United States, wrote later that Mr. Huang "habitually called me a capitalistic crook, rapist, thief, robber of widows, stealer of pennies from the eyes of the dead, mongrel of uncertain origin, and so on and so on."

As is often the case with Communist diplomats, little is known of Mr. Huang's personal life. He is believed to have been born in Kiangsu Province of a poor family. His real name was Wang Ju-mei, but, for reasons that have not been made clear, he assumed the name Huang Hua in the mid-thirties.

While at Yenching, he occupied an attic room in a dormitory, the cheapest student quarters available. When he was in his thirties he was known to have been married to a woman described as "the daughter of an old revolutionist," but no more is known about her. He has since remarried.

ARRESTED BY NATIONALISTS

Huang Hua—the name is pronounced hwong-hwa—was politically active as a student leader in Peking. He was arrested twice by the Nationalist authorities, once in late 1935 and again in March, 1936, for having taken part in student demonstrations.

He was imprisoned for two weeks after his second arrest. Several months after his release, Mr. Huang left for the Communist base in Yenan, in northwestern China, to become the interpreter of Edgar Snow, the American journalist. Mr. Snow's wife, Nym Wales, described Huang Hua at the time as being proud, self-possessed, discrete, and much admired for his courage.

Mr. Huang may well have to draw upon these qualities while serving in Ottawa. Presumably, his duties will include efforts to gain the admission of his Government to the United Nations and, possibly, improvement of relations with the United States.

The diplomat delayed his departure for Canada over a month, possibly to await the arrival of Henry A. Kissinger, President Nixon's foreign policy adviser. When Mr. Kissinger arrived in Peking July 9 for two days of secret talks, Mr. Huang was among those at the airport.

[From the Manchester Union Leader, July 27, 1971]

CHOU MAKING HIS DEMANDS

(By Paul Scott)

WASHINGTON.—Future U.S. policy toward the Chinese Nationalist government on Taiwan (Formosa) appears to be the crucial issue in the coming preparation talks for President Nixon's trip to Peking.

Although the President and his advisers aren't talking about it in public, the Chinese Communist leaders want him to make several changes in this policy before his trip to Peking early next year.

Premier Chou En-Lai made this clear to Dr. Henry Kissinger, the President's chief foreign policy adviser, during their meeting in Peking. A Kissinger memorandum to the President highlighted Chou's "suggestion" in reporting that the Red Premier put the Taiwan issue ahead of all others, including the withdrawal of U.S. forces from Vietnam.

Kissinger was told that the President could "clear the air" for his trip by removing all units of the Seventh U.S. Fleet from the Formosa Straits and by cutting back on military aid to the Chinese Nationalist government.

It was Chou's position, Kissinger stressed, that the U.S. should end its naval protection of Taiwan as the first step toward a normalization of relations since the connections between the two countries had been disputed by this American military move.

When Kissinger indicated that this was a matter that had to be resolved by both the White House and Congress, Chou replied that the President surely must have the power and influence to make this change in U.S. policy.

Before agreeing to make the joint Peking-Washington announcement of the President's trip to China, Chou demanded and received Kissinger's assurances that the U.S. would support Peking's membership to the United Nations and the U.N. Security Council.

As to the position the U.S. takes toward Nationalist China in the U.N., Chou said it didn't make any difference to his government as long as the U.S. backed Peking's bid for membership as the representative to mainland China.

When Kissinger reported that public opinion in the U.S. wouldn't permit a diplomatic break with the Chinese Nationalist government at this time, Chou indicated that this wasn't necessary or being requested now.

"What my government wants at this time is a public sign that the U.S. is going to begin phasing out its military help to Chiang Kai-shek," Chou is quoted as stating. Chou then pointed out that this could be done by withdrawing the Seventh Fleet and reducing U.S. military aid.

The key question—While Chou did not suggest the proposed changes in U.S. policy as a condition for Peking's invitation to the President, some of Nixon's advisers are concerned that they might become that during the coming preparation talks.

Whether President Nixon could make these changes in light of his pledges that the U.S. will honor all of its commitments to Nationalist China is a debatable question. Until the President learns more about Chou's suggestion, he is expected to do nothing that might cause the Chiang government to increase its opposition to his proposed trip to Peking.

Kissinger and Chou also agreed that further talks regarding the Nixon trip would be carried on at Peking's new embassy in Ottawa by Huang Hua, Communist China's first Ambassador to Canada, and Dr. Kissinger or one of his associates.

One of Peking's top diplomats, Huang is set to arrive in Canada later this month traveling via Europe. He took part in several of the talks that Chou had with Kissinger.

In their discussions on Vietnam, Kissinger reported that Chou informed him that his government was pleased with President Nixon's withdrawal of American troops from Vietnam. Chou expressed the hope that most of the withdrawal would be completed before the President arrived in Peking.

Note: When asked about China's own cultural revolution, Chou reported to Kissinger: "It is continuing, like the revolution in your country."

Heavy traffic—The roads to Peking could get crowded with Democratic Presidential hopefuls before President Nixon makes his trip to China.

At least three possible Democratic presidential hopefuls—Senator George McGovern (S.D.), Senator Edward Kennedy (Mass.), and former Senator Eugene McCarthy (Minn.)—are seeking permission from Peking to visit China during the coming year.

Senator McGovern would like to be the first to visit China. He sent an aide to the Chinese Communist Embassy in Canada recently to see if he could speed up approval of his request. Hsu Chung-fu, the Chinese charge d'affaires, promised that the Senator's application would be considered at the highest levels in Peking.

Senator Kennedy and McCarthy both hope to receive approval of their requests by fall. Both are on record for Peking's membership to the U.N. At least a half dozen members of the House also are seeking permission to travel to China.

As reported in the July 2 column, Chou told a group of Arab writers: "If U.S. politicians want to visit China there is a possibility, and we are watching. We may even extend invitations before the end of the year."

It was during his interview that Chou revealed that President Nixon had made several overtures to visit Peking and that his government was considering them. Chou also reported that there were changes going on inside the U.S., which were favorable to Peking. He cited antiwar demonstrations in the U.S., friendly speeches by members of Congress, and visits to China by U.S. newsmen and students.

Dr. Kissinger's report on his conversations with Chou confirmed earlier reports by these Arab writers that Peking plans to use future negotiations with the U.S. to try to influence both American foreign and domestic policy.

THE INTERNATIONAL WASTEPAPER MARKET

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. ROBISON of New York. Mr. Speaker, as we contemplate the growing solid-waste problem in this country and begin to investigate the possibility of recycling many of the waste products we now simply destroy, it is easy to forget that for many countries of the world the wastes of our affluent society are valuable commodities. In a speech recently brought to my attention, Mr. Lloyd E. Williams, vice president of the Container Corporation of America, points out the growing international demand for wastepaper. Overseas shortages of wood pulp and secondary paper fibers are creating the potential for profitable export of our used paper products. Mr. Williams projects that even with a successful domestic recycling program, ample supplies of wastepaper will be available for export. I am happy to bring Mr. Williams' speech, and his innovative suggestions therein, to the attention of my colleagues:

EXPANDING THE INTERNATIONAL WASTEPAPER MARKET

(Remarks of Lloyd E. Williams)

I appreciate this opportunity to talk to you today about wastepaper markets. The export of wastepaper by the United States may be on the threshold of a fundamental change. The nature of this change depends a great deal upon how the interested people in this room guide the development of expanding international wastepaper markets.

Today, I want to review the current situation in exporting, and try to put the activities of dealers in the United States in perspective with the current situation found here and in the rest of the world. Hopefully, I can point out ways in which we can all work together to make it possible to expand our operations and increase our profitability.

Let me begin with the situation here in the U.S. As most of you know, the recycling rate of the U.S. paper and paperboard industry is currently slightly under the 20 percent level. Last year, the U.S. recycled about 10 million tons out of the 58 million tons of paper and paperboard produced and imported. The Pioneer Paper Stock Division of Container Corporation was involved in the collection of about one million tons of this wastepaper. The majority of paper collected by Pioneer is used in our own mills in the manufacture of paper and paperboard packaging.

My reason for giving you these figures is to provide you with the proper perspective on the relationship of my company to wastepaper.

Last year, my company's domestic paperboard mills used 715,000 tons of wastepaper as a raw material input, in manufacturing 1.4 million tons of paperboard. Thus, wastepaper represents 47 percent of Container's total raw material input. The recycling level at Container's overseas mills was considerably higher for pretty much the same reasons that the overall recycling rates in several fibre-short countries are higher than in the United States.

The major use for the wastepaper fibres recycled by Container is in the manufacture of combination boxboards, which are used for cartons for soaps, cereals, crackers, and a myriad of other consumer products one sees while shopping in United States stores. It is also used in the manufacture of corrugating medium, fibre cans, tubes and cores, as well as posters, book covers, and other products. Wastepaper fibres are also used in several other product areas, but I won't go into detail about them now.

Now let's take a look at what has happened to the international export market in recent years.

From 1960 through 1970, most countries have shown a sizeable increase in imports of secondary fibres from the U.S. Total exports from the U.S. have gone from 153,000 short tons in 1960, to an all-time high of 408,000 short tons in 1970, with only a few areas where exports remained steady or fell off slightly. The major importers of U.S. stock have been Canada, Italy, Japan, Korea, Mexico, the Philippines and Venezuela. These seven countries account for 87 percent of total U.S. wastepaper exports.

Over the past ten years, the amount exported has fluctuated widely from year to year. The percentage increase between 1969 and 1970 for example, was a whopping 41 percent. There have been a number of factors which affect the movement of secondary fibres. The first of these, obviously, is U.S. domestic demand. If domestic demand is good, then domestic prices are strong. When domestic demand falls off, secondary fibre prices weaken and they become more attractive as an export item. Export demand is fairly constant, varying according to local situations within importing nations. But, U.S. price is the major factor that determines the extent of the United States' recycling industry's efforts to meet the demand.

Exports to Europe and the Far East are now mostly in the medium-priced, long-fibred brown grades, while Mexico and Latin America have shown great demand for these brown grades as well as pulp substitute grades.

The breakdown of goods exported to markets outside the U.S. is not detailed. But, based upon Container experience in 1969, 72 percent of the total amount exported was in the bulk grades, and 28 percent in specialty or pulp substitute grades. In 1970, bulk grades accounted for 65 percent, and pulp grades 35 percent. It is difficult to draw any real conclusions on these figures, because a great number of circumstances change the mix of tonnage shipments. For example, domestic demand for the grade in question will frequently determine whether or not tonnage can be exported. Short pulp supply usually means strong business or higher prices for pulp substitutes in the U.S. High prices, in turn, will frequently prohibit or at least limit the export stability of a given stock. For that matter, anything affecting prices upward will have a limiting effect upon the importer in fibre-short countries. Frequently, also, importing countries will control importation with the use of import duties, various licenses, import permits, requirements, examinations, etc.

Recently, I read an interesting article analyzing the problems of export marketing of wastepaper. The article stated that the movement of wastepaper out of the U.S. has been spasmodic in the past, and hindered by the actions of marginal dealers in the United States who are in and out of the market with great frequency. At times, special lower cargo rates have been available stateside, and frequently sailings were offered during periods when shipping business was depressed. However, as soon as shipping space became short again, the shippers chose goods with greater revenue and some paper stock was left standing on the exporting dock.

In spite of this, however, there are opportunities for increased exports of wastepaper due to overseas shortages of woodpulp and secondary fibres, as well as high pulp prices. The relatively high freight rates usually place wastepaper from the United States at a price disadvantage as compared to the importing mill's local supply of wastepaper and pulp.

Let me emphasize, although wastepaper from the United States delivered to a mill abroad usually costs two to three times that of the local supply, the demand in virgin fibre-short countries for additional pulp encourages the use of imported wastepaper to stretch the limited domestic supply.

And, this brings me around to my principal subject—the potentials for expanding the international wastepaper market. This is a very timely topic in light of the current activity here in the States with the general public and government influences on the environment, and, especially, recycling.

As I pointed out, the U.S. demand for wastepaper plays a significant role in determining the amount of paper, the quality, and the price of paper that can be exported from this country. So, let me take a few minutes to discuss what effect I think the current interest in recycling here in the U.S. will have and how it will affect wastepaper exports.

First, I do not think my country's interest in recycling has reached its peak, and I do believe that U.S. government and industry, and the general public, will continue to work for the social good of this country. This means that there will be continued interest in, and demand for, effective utilization of recycled fibres. However, this demand will not adversely affect export opportunities. Let me explain why.

The U.S. National Academy of Sciences is currently saying that the U.S. must double its paper recycling rate by 1985 or the environment will suffer considerably. For purposes of discussion, let us assume that this figure will be reached. To assume this, of course, we have to ignore the economics of this increase, including the capability of the industry to meet it and the capability of customers to absorb this amount.

Along with the doubled recycling rate, predictions are that the use of paper in the U.S. will double from 58 million tons to about 117 million tons. Therefore, if paper use doubles, the amount of paper disposed of will grow from 40 million tons to 80 million tons and continue to be 50 percent of municipal waste, assuming all other factors hold. On the other hand, if recycling into paper and board doubles to 40 percent, the tonnage use will not just double to 20 million, but will redouble to 40 million tons. However, the paper and board in solid waste will still increase to 60 million tons, and the percent of wastepaper in municipal solid waste will drop to only 43 percent from its present 50 percent level.

So, as you can see, there will still be plenty of paper around for export, no matter what happens to the current recycling movement in the United States.

One role members of B.I.R. can play in the U.S. domestic situation is to make certain that all concerned parties realize that importation of wastepaper from the U.S. represents an approach that turns America's solid waste management problem into another country's raw material resource solution. This is a salutary form of recycling that must be explored by governments and environmentalists. Though U.S. use of wastepaper be quadrupled, there would still be just as much of a disposal problem in the U.S. as there is now.

The demand for recycled wastepaper in international markets is considerable. It also is predicted to grow rapidly in the coming years.

Since U.S. demand for recycled fibre does play an important role in overseas export potential, I think it is interesting to compare the per capita consumption of paper and paperboard in the U.S. against other countries, keeping in mind that the U.S. recycles at a 20 percent rate.

Current consumption of paper and paperboard worldwide is 72 pounds per person. The U.S. consumption figure in 1969 was 576 pounds, with all other countries consuming under 50 pounds per person per year.

This large difference indicates that the rest of the world can absorb a large amount of wastepaper, as the standard of living increases in the developing countries; when it is economically feasible, the possibility for exporting the wastepaper from the U.S. to these outlets is excellent.

Recent projections of the future requirements of the world for paper and paperboard indicate that there will be growing pressures for increased internal recycling or importation of wastepaper to supplement the limited fibre resources available in many countries. Undoubtedly, the wastepaper from the United States could play a large role in supporting these worldwide needs. When wood pulp prices increase and substitution of wastepaper becomes technically and practically feasible, it then will become economically attractive for major portions of the furnish to come from the large tonnage grades—old containers, news, and mixed papers.

An appreciable percentage of the world's increased requirements for paper and board in future years will have to be based on wastepaper to a greater degree than past and present usage of this resource.

However, don't let me give anyone the idea that all countries are just sitting there and waiting for the U.S. to ship them paper. Quite the contrary. Most countries can't afford to buy from the United States. And, frequently, there is a lack of incentive for capital money to be invested in wastepaper consuming mills in developing countries, or fibre-short countries, because the delivered price of wastepaper imports is too high.

Two main factors in the delivered price are the cost in the U.S. of preparing the fibres for export, and the total transportation cost from the point of preparation to the docks and over the water to the point of consumption. Transportation cost can add from 50 to 300 percent to the delivered cost of wastepaper, and constitutes a substantial impediment to export.

Increased volume and new techniques for transoceanic handling give hope for a closer correlation between freight and f.o.b. cost. Containerization in 10–25 ton units has been available for the past two years. There are roll-on and roll-off type vessels which take 40 tons in containers on lift trucks into holds, with unloading and discharge handled in the same convenient, expeditious manner.

Also, now becoming available is the transportation of containerized "lighters aboard ship." This is a revolutionary system for carrying cargo aboard ship in floating containers. These lighters dramatically increase the speed of handling cargoes, and cut voyage turn-around time in half. The entire vessel can be loaded to capacity in 24 hours, rather than the 10 days now required for conventional ships. These lighters can carry from 100 to 500 tons of paper stock and are, of course, on a per-ton comparison, loaded and unloaded much more quickly than with conventional ships.

Another area deserving investigation is bale density. This is important because freight rates are partially dependent upon density, with denser bales carrying a lower per-ton rate.

The possibilities for significantly increasing the density of wastepaper bales, however, is dependent upon technological advancements. With current known technology, it is feasible, but not economical, to get bales with a density of greater than about 30 lbs./cu. ft. or a bulk volume of less than 67 cu. ft. per short ton of 2,000 lbs.

As pulp prices rise and foreign requirements for papermaking fibre grow, it is obvious that a considerable potential exists for increasing supplies of wastepaper from the U.S., if ocean freight can be reduced by negotiation, or if bale density can be improved economically. This may not be as easy as you might think.

Let me tell of an actual experience at Container Corporation's California paper stock operations. In order to reduce shipping costs through a high density bale, we developed and installed the largest and most powerful paper baler currently in use. However, much to our dismay, we discovered that when the bale was compressed to 35 pounds per cubic foot, the size of the metal bale band had to be increased to keep the bale from breaking open. Of course, the stronger and heavier banding cost more. This added expense equalized the anticipated ocean freight savings from the denser bale. So, an approach which we thought would save us money actually ended up not saving any at all. The outcome was that we reduced the bale density to 30 pounds per cubic foot, and then we had a viable shipping unit that did not require the stronger bands. So, as you can see, improved bale density may not be the complete answer, at least with current technology.

New techniques for collecting and processing of wastepaper suitable for mill consumption are being developed, but more are needed if we are to meet the demand for economical waste fibres, and if we are to contribute to the alleviation of solid waste in the U.S.

One of the fundamentals of economic pricing is a more stable export demand for long brown fibre and groundwood grades. It is crucial that importers and exporters work together to promote long term ordering so plans and investments can be made with the assurance that there will be a market for our output.

Recommendations for increasing exports of wastepaper invariably list the reduction in freight costs as the most important problem to be solved. Government could assist in this by paying a subsidy on exported wastepaper, equal to a portion the cost of disposal in municipal solid waste disposal systems, with no incremental charge to the taxpayer. The payments could be in the form of direct freight subsidy or some other form of government credits to accomplish the same purpose. This would provide a substantial inducement to export, since the average cost of collecting and disposing of municipal waste equates to more than one-half the cost of trans-Atlantic shipment. Other assistance government might render would include tax abatement or accelerated depreciation on new processing facilities installed for preparing wastepaper for export.

Thus, we see that the role of wastepaper in some of the developing countries, that do not have adequate supplies of papermaking fibres, can be an important one, and the United States appears to be the only major source they can call upon at the present time to furnish it.

The major industrial countries which can and do generate large supplies of wastepaper consume it and will continue to do so. In this situation, the position of the United States for exporting a large tonnage of wastepaper is unique. It appears that instead of concerning itself with the destructive disposal of wastepaper, the U.S. can rid itself of part of the problems and costs by selling a valuable recycable resource to other countries who need and can use it. It won't solve the U.S balance of payments problem, but every small contribution helps.

We must educate all officials and all Americans that it is cheaper to provide economic incentives to get cellulose wastes out of the U.S. than it is to dispose of it. What the amount of the subsidy should be will have to be decided by a careful review of alternative disposal costs.

Economics, of course, is the key to expanded exports, but there are two other related items that at times are equally significant. Exporters here in the States must set and adhere to strict quality control to prevent substandard shipments. We must ship the quality ordered. And, likewise, the importer must have integrity to live up to his end of the bargain and accept what has been properly shipped to him and not create problems just because it is on open credit. This type of unprofessional conduct at either end of the shipping route leads to frustration and a reluctance to get more involved in exporting or importing.

I have touched on many points so far. Any single one might be worth several hours discussion, which undoubtedly will happen, as the international exporting of wastepaper continues to be explored. It is impossible to go into a great amount of detail in the short amount of time available to me today.

Let me summarize my comments on international marketing of wastepaper. Hopefully, my remarks can serve as a catalyst for more action, interest and results on all fronts.

The export demand for wastepaper has fluctuated wildly over the past years, because of changes in domestic demand and prices. The demand for wastepaper in fibre-short countries is great and can be expected to grow rapidly as these countries become more and more industrialized. The relatively low per capita consumption of paper and board in many countries makes the operation of small paper machines necessary as an economic alternative to importing new paper. Smaller machines are more adaptable to wastepaper furnish than virgin fiber and they require less capital investment. This is a pertinent argument in their favor, either in developing, tree-rich countries, or countries with no tree supply. In the majority of these emerging nations, the supply of local wastepaper is very minimal and therefore needs fortification by import.

The cost of delivered wastepaper must be reduced before the U.S. paper stock industry can meet the demand, increase its exports, and help alleviate America's solid waste management problems. Costs can be reduced through several courses of action—all of which B.I.R. members should work toward. These include encouragement of longer term ordering for sustained demand, reduced freight costs for wastepaper in U.S. shipment, subsidized cargo rates for overseas shipment, and development of more advanced equipment for handling wastepaper.

The current interest in the environment here in the U.S. and elsewhere will have slight effect upon exports of wastepaper, no matter what the optimistic predictions are. Keep in mind that even if we increase the amount exported by as much as one million tons, that still is only ten percent of the wastepaper presently being recycled in the United States and only 1/40 of what ends up in dumps. The perspective should be retained that exports of wastepaper have a limited role in the solution of the United States' solid waste disposal problem, unless more economic incentives are developed to favor such exports.

What is needed is for members of the B.I.R. in their respective countries, and for our respective governments, to come to grips with the real problem of economics. We must join forces on a worldwide basis to turn the waste management problem here in the U.S. into a trade advantage and a resource potential to countries that truly can use wastepaper.

FREE IRAN

HON. GRAHAM PURCELL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. PURCELL. Mr. Speaker, several months ago I brought to the attention of my colleagues an open letter to President Nixon from Mr. Hossin Habiby, chairman of Free Iran. In that letter, Mr. Habiby urged the President to reevaluate America's "position with the present illegal Government of Iran."

This letter seeks the same reevaluation, but this time from Congress. He bases his remarks upon the cornerstone of our Declaration of Independence—the inalienable rights of all people. I commend this letter to the personal attention of every Member and insert it in the RECORD at this point:

[From the Washington Post, June 22, 1971]

FREE IRAN: AN OPEN LETTER TO THE CONGRESS OF THE UNITED STATES

DEAR CONGRESSMAN: No one is more aware than you of the high esteem that Americans everywhere attach to the freedoms we believe are the inalienable rights of all peoples of the world.

Even today, the United States itself, is embroiled in bitter, undesirable action in Indo-China for the single purpose of upholding the all-important premise of freedom of speech, press, assembly and vote. And, it has given top diplomatic priority to an attempt to find a just settlement to the Arab-Israel crisis.

As commendable as these action are, they have, unfortunately, led to an almost complete neglect by the U.S. diplomatic corps in curbing Communist activity in Iran.

Through extortion and blackmail the Communists have obtained a foothold in Iran and this foothold, unchecked and unopposed, has spread from a cancerous beginning to an extremely critical and dangerous situation.

Communists have now infiltrated into the highest echelons of the Iranian government and they are unrelentingly forcing the Shah to yield to new concessions.

It will not be long before America will see the Shah in exile and the Communists in control although it is true that the same 28 million Iranians have little love for the Shah whose actions have been, in many instances, unwittingly aided by the very nations who oppose the Communists.

The Iranian Point Four Land Program, for example, has been a complete farce. In actuality, Shah Reza, father of the present Shah, confiscated—sometimes by force—almost half of Iran's arable land. At his death he was the largest land owner in the world. The present Shah sold this land back to its original owners under a 15-year mortgage program. The Shah then warehoused the mortgages to his favorite banks giving them permission to foreclose at the slightest default.

The late President Kennedy, while still a Senator, complained to the Senate Foreign Relations Committee that millions of American taxpayer's dollars, earmarked to help impoverished people throughout the world, were being misused. As an example he pointed out that over $16 million sent to Iran to promote the land reform program for Iranians actually showed up in the Shah's personal account in a New York bank. No explanation for the act was ever forthcoming from the Shah.

This corruption within the country and the ideological pressures from without pose serious problems for mankind but they almost pale by comparison to the activities of the Shah's family in developing a world—yes—world—trade in the most fiendish form of drug addiction, that of heroin.

Under the Shah's direction a flourishing legalized heroin industry has been established in Iran. Poppy growing is legal as are the giant laboratories to convert the opium into the dreaded heroin. In just a short time Iran has become one of the largest drug producers in the world and unless immediate action is taken in Iran there is little hope of curbing this evil in Southeast Asia. It also follows that without these curbs the United States can expect the corruption of hundreds of thousands of persons within its own borders and millions throughout the world.

The United States has been a big factor in bringing Iran into the 20th century. The Shah is now showing his gratitude by allowing his family to traffic in heroin which flows into this country.

In spite of these activities, Iranian officials have had the temerity to invite Mrs. Nixon to attend ceremonies in October marking the 2500th year of the kingdom. It would be a heart-rending blow to freedom-loving people everywhere if the wife of the President of the United States patronized a monarchy that must rely on martial law to stay in power; that is deeply involved in heroin trafficking in the United States and is shamelessly exploiting 28 million Iranians by every available and under-handed means.

Peace in Vietnam is prayerfully desired. An Arab-Israeli settlement is wanted and necessary. But, please, Mr. Congressman, do not forsake the Iranians who suffer on both horns of a vicious delemma—a capricious, cruel and unresponsive dictatorship and the imminent threat of a worse evil—total Communist takeover.

Iran is a vital "Bridge to Asia" and America's long-sought goals of freedom for the world may some day find this bridge instrumental in moving these ideals forward. Communist control would mean a tragic setback.

And do not forget the threat of world-wide corruption through the vicious method of heroin addiction, a ville industry now permitted to flourish in Iran.

Time is rapidly running out. Collectively your legislative body can be the lever that will move world policy toward a free Iran. That is our hope.

HASSIN HABIBY,
Chairman, Free Iran.

UNIVERSITY OF MICHIGAN CHAMBER CHOIR

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. WILLIAM D. FORD. Mr. Speaker, I am pleased to bring to my colleagues' attention a report on the highly successful concert tour of the Soviet Union which the University of Michigan Chamber Choir has recently completed. As a Congressman from Michigan, I am personally very proud of this group and of the honor which they have earned for themselves, the university and the entire State of Michigan.

The chamber choir, under the direction of Prof. Thomas Hilbish, was the only university group in the United States to be selected to perform in the Soviet Union under the 1970–71 U.S.-U.S.S.R. cultural exchange agreement.

The group of 50 young musicians toured eight cities in a period of 7 weeks. During this time, the chamber choir performed before capacity audiences in such cities as Moscow, Kiev, Odessa, and Leningrad. Throughout their trip, the choir was applauded, not only for their musical excellence, but also for the contributions that the individual members made in fostering a better understanding between our two countries. Between concerts in the various cities, the choir met informally with Russian musicians and students and the Michigan students proved themselves to be both popular and effective ambassadors of the United States.

Mr. Speaker, I would like to congratulate these students and their director for the honor they received in being chosen to participate in this cultural exchange program. But I also want to commend them on their achievement in performing so successfully as representatives of the United States.

FOOT IN THE DOOR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. DERWINSKI. Mr. Speaker, last Wednesday, July 21, the House passed H.R. 4354 which would permit wider buses to operate on interstate highways. I opposed the bill since, in my judgement, this would set a precedent for pending legislation which would turn loose wider and longer trucks on our Nation's highways.

This point is very effectively made in an editorial in the Sunday, July 25, Chicago Heights Star:

FOOT IN THE DOOR

In Washington, the House of Representatives has approved a bill which would permit wider buses to operate on interstate highways.

On the face of it, the change might seem innocuous. The new width standard of 102 inches tops the present limitation by six inches, while the vehicles could be driven only on highways with lanes of at least 12 feet.

Along with critics of the bill, however, we are chiefly concerned with its "foot-in-the-door" capabilities. Not long ago, legislation which would have permitted wider and longer trucks was turned aside. Should wider buses be permitted, supporters of the truck legislation might well be expected to return—with stronger arguments than heretofore.

The degree of additional comfort achieved by widening the buses, meanwhile, is questionable. Each seat would acquire one more inch and the aisle would be widened by two inches.

Another argument for relaxing the rules is that many 102-inch buses now operate in large cities and on various highways other than interstate. Should the legislation win final approval, these vehicles could travel on federal highways leading to populous suburbs. But there is a considerable difference between high-speed interstate highways and other thoroughfares; if an error is to be made, we should prefer that it be made on the side of safety.

It is sufficiently hazardous and disconcerting to encounter oversized loads without adding to the standard size of buses and trucks.

NATIONAL MAGAZINE CITES ARCHITECTURE IN COLUMBUS, IND.

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excellent article in the August issue of American Home magazine in which Columbus, Ind., is once again recognized for its unique architectural program.

Entitled, "What's All This Top Architecture Doing Out on the Prairie?", the article takes a close look at not only the stunning buildings of this southeastern Indiana city, but at the people, too.

Since Columbus is my hometown, I can only echo the closing words of this outstanding study of the city: "Come to Columbus."

The article reads as follows:

WHAT'S ALL THIS TOP ARCHITECTURE DOING OUT ON THE PRAIRIE?

(By Jeanne Lamb O'Neill)

If I were showing America to a gang of visiting Ping-Pong players, I'd skip the Empire State Building, the Grand Canyon and even Disneyland. I'd make a beeline for Columbus, Indiana—a little town in the Midwest you've probably never heard of. But you will, you will. One of these days Columbus will be another Williamsburg, Va., in reverse—a museum of tomorrow instead of yesterday.

Located in southeastern Indiana, at the junction of the White, Flat Rock and Driftwood Rivers, Columbus, in its 8.3 square miles, has more eye-popping, trail-blazing buildings by big-name architects than any other town in America. What's more, in 8.3 square miles, it probably has more nice people.

Not so long ago, "nice" was a dirty word. Who wants to be nice? Let's be sophisticated, sexy, swinging, with-it. But suddenly, "nice" is what everybody is looking for. People are disillusioned with our zooming, fuming, dehumanizing cities. They're disenchanted with our junky, jumbled suburbs. They looking for a new way of living—the kids in their communes, the over-30's in "new cities" like Columbia, Md., and the oldsters in "leisure villages" and mobile-home communities. Well, come take a look at "The Athens of the Prairie." It may be the nicest town in the U.S.A.

Winston Churchill said—and Columbus residents often quote—"First we shape our buildings, then our buildings shape us." If it's true that good buildings are "catching," the people of Columbus can hardly escape the architectural fallout. They have no less than 36 standout landmarks in their town. What's more, their buildings aren't just for show. They're for people to live in, play in, study in, worship in and do business in.

Where else will you find two churches designed by father and son architectural greats? There's Eliel Saarinen's First Christian Church—called the world's kookiest and costliest back in 1942 and still an eye-brow-raiser and there's son Eero's hexagonal North Christian Church with its soaring 192-foot spire. But to many, the best-looking church in Columbus isn't either of these—its Harry Weese's magnificant First Baptist Church built in 1965.

In what other town can grammar-school kids romp through John M. Johansen's pastel-painted, carpet-lined "tubes" on their way to class? Or ride on plastic pony-sculptures during recess at Edward Larrabee Barnes's crazy saw-toothed schoolhouse? Or do their sums in an "inside-outside" school by Gunnar Birkerts or in Norman Fletcher's "umbrella school"? In Columbus, kids learn their I. M. Pei's before their ABC's and cut their teeth on a 20-foot Henry Moore "hip bone." Officially called the "Large Arch," Moore's jolly, green giant sculpture landed outside Pei's dazzling library last May. It's green because Englishman Moore didn't trust the Indiana elements to turn the bronze *his* shade of green. Already it's been "twanged" by just about everybody in town. (Hollow inside, it gives a swell twang.)

Then there's Kevin Roche's post office. It's—well—different. It doesn't look like any other post office you've ever seen. It *does* look like the only post office in America designed by a privately paid architect. "Isn't it dangerous?" whispers a middle-aged woman next to me—"I mean all that glass!"

People worried about "all that glass" at John Carl Warnecke's elementary school, too—the famous "glass pagoda" that Lady Bird Johnson visited on her "Crossroads U.S.A." tour. As it happens, not a window has been broken in 11 tempting years. (Better schools make better children?)

Obviously, local wags have a field day in Columbus. Boys and girls who go to school in the stern, all-gray junior high designed by Eliot Noyes giggle and call it "Southside Penitentiary." Explains vice principal Willis Hagan, "The architect said the kids will provide the color," and so they do as they chatter, snack and sometimes even study in the marvelous, wide-open spaces of the indoor "commons."

Though some of their parents grumble about the highfalutin architecture, they're the first ones to bundle Uncle Fred and Aunt Martha into the family car after Sunday dinner to show it all off. Says soft- but out-spoken Bob Marshall, in his editor's office at *The Republic,* "There are maybe 100, 200 people in town who don't like what's going on. But, you know, they'd complain about anything."

Is Columbus pretty? Yes, no—and maybe. "Athens of the Prairie" they call it, but the slogan is misleading. Columbus is no Athens. Even 36 gleaming temples do not an Athens make—not when they're surrounded by miles of dreary humdrum filling stations, supermarkets and pizza parlors. Of course, as genial volunteer guide Scott Doup points out, we "ain't seen nothing yet." Many more wonders are on the way, including a $13,000,000 Mitchell Giurgola "high school without walls," an immense engine plant by Roche, Dinkeloo and a colossal urban redevelopment project by Skidmore, Owings & Merrill to pretty up the downtown area. Someday Columbus may well be in Athens; right now, it's just a darned sight closer to it than any other town around.

Columbus is where ,if you live in New York or San Francisco, you "can't get there from here." You have to take a plane to Indianapolis (45 minutes north of Columbus) or Louisville, Ky. (one hour south) or Cincinnati, Ohio (two hours east). And even your aunt in Cincinnati will think you mean Columbus, Ohio—"Oh, is there one in Indiana, too?" From whichever direction you approach the town, you can't miss it. The surrounding land is so flat you could spot a grasshopper on its knees.

As it happens, the main Columbus landmark, a fine old building designed by Isaac Hodgson 101 years ago, soars into the southern Indiana sky. It's the town's beloved county courthouse. The skinny needle of the North Christian Church across town is the "new architecture." That's the way things are in Columbus. The old and the new sit Saarinen-chic-by-dowager-jowl.

Strolling down the main thoroughfare, Washington Street, you'll see gewgawed and pastel-painted Victorian storefronts gazing blandly across at Saarinen's sleek, grassy Irwin Union Bank (called the "brassiere factory" because of the white, D-cup domes on top). The stores are part of the "model block" created by designer Alexander Girard, their old-fashioned bay windows and fancy dentils deliberately emphasized. Just down the street, behind the walls of the old St. Denis Hotel, are the Girard-designed offices of the Cummins Engine Company—probably the suavest corporation digs this side of Madison Avenue. The elegant, lofty rooms crackle with top executive brainpower and drip with Vasarelys and Rothkos, but the original handcarved staircase still stands, squeak and all.

Just off Washington Street, the courthouse overlooks a modern two-year-new motel. And I. M. Pei's 1968 Clea Rogers Memorial Library spreads its splendid wings right next door to the 1910 Irwin home and Italianate garden.

Nobody lives in the Irwin home now. Miss Elsie Sweeney, the last of the Irwin family to live there, moved out several years ago. Her nephew, J. Irwin Miller, lives out on Washton Street in the house Eero Saarinen built for him. Irwin Miller, in case you're stark-new in town, *is* Columbus. He's head of the town's biggest industry, Cummins Engine Company (diesels, you know—designed by the Irwins' family chauffeur, Clessie Cummins, in their garage and financed by the Irwin family). He's the multiest millionaire in town and for miles around. He has degrees from Yale and Oxford, a finger in national and international pies, a Stradivarius to fiddle on and a "downhome" way of dropping his g's. Most important, he's the how, why and wherefore of Columbus's architectural renaissance.

Miller's love of architecture is inherited. It was his family who convinced a dubious congregation back in 1942 to build Eliel Saarinen's $725,000 church. Why not, said the doubters, spend the money in Christian works instead? Why not worship in less impressive surroundings? Because, came the Irwins' answer, "Great buildings dominate and influence the lives of all who live near them." Shades of Winston Churchill. Foreshadows of Irwin Miller.

Twelve years later, Miller hired Eliel's son, Eero, a Yale classmate, to build the town's second shocker—the Irwin Union Bank. The year after that he set up the extraordinary Cummins Foundation and offered to pay the architect's fees for all new school buildings. And so they came to Columbus, all the greats in the business, to build the "great buildings" that Miller had envisioned.

So far, the foundation that Miller established has paid over $2,000,000 in architect's fees for new public schools as well as churches and other buildings. But that doesn't include the name-design Cummins plants themselves—even the factories in Columbus are monuments. It doesn't include Ceraland, the 250-acre playland that Miller gave to his employees. Nor Otter Creek, the $1,500,000 public golf club he gave to the whole town, complete with stunning Weese-designed clubhouse and Robert Trent Jones course.

No, there wouldn't be any "Athens" without Irwin Miller. But, happily, his enthusiasm has been contagious. Another big company in town, Hamilton Cosco, donated the lively new Weese-designed Lincoln Center. Members of the congregation raised the money for Weese's First Baptist Church. (Yes, there are more Weese designs in town than anything else.) And the popular Donner Park and Center were donated just for old-time's sake by Frederick Donner, a hometown boy who got rich on Pittsburgh steel.

Columbus, for all its progressive design, is still part of the Bible belt. Would you believe that there are 131 churches in town? Or only one liquor store per 5,000 persons? That's the law in Bartholomew County. You can imagine the excitement when the new census paved the way for one more.

What is social life like in Columbus, anyway? "We *do* take a cocktail, you know," teases urbane Hank Abts, a Cummins vice president. And people in Columbus do wear hot pants, go to X-rated movies, drive to Indianapolis for shopping and theater and to Florida for winter tans. But Columbus is still, by any standard, a small town. It's still small enough to publish a list of everybody going in or out of the hospital. It's still small enough to write up one-year-olds' birthday parties. And it's small enough for the town's first citizen, Irwin Miller, to drive his own car to work, do without guards and gates around his showplace home and list his number in the telephone book.

"We have no Society—in quotes—here," says twinkly, brown-eyed Jean Prather, women's editor of *The Republic*. Echoing her, editor Bob Marshall reminisces, "We had a party-set once—back in 1910." That's when the children and grandchildren of the town's stern, shoulder-to-the-plow forefathers were sowing their wild oats. Today's party people are more likely to sow wild rice at their Saturday night "supper clubs" (not the smoke-filled variety but the kind where couples take turns outdoing each other in the kitchen). Almost everybody belongs to a supper club or gourmet club (Hawaii tonight, next month Little Italy) and, definitely, a bridge club. The wives have their sororities and garden clubs; the men, their lodges and breakfast clubs. Oh yes, there is a nightclub, the Village Inn, famed for live entertainment nightly and for Liza Minelli, who dropped by once and stayed a whole week.

Does Columbus sound pretty cornball to you? It is not, repeat not. It's just a little conservative. Hard-working, too. "Try to find someone to have a drink with," complains Marshall. "Everybody's still at his desk at 6:30." But you have to remember that there's no commuting time. Bob Storey is home from his downtown office in 8½ minutes flat. Actually, the whole town is Bob's office. He's a Cummins public relations man—a friendly, earnest Iowan with a disarming nut-brown gaze and a gorgeous read beard. The beard is in honor of Columbus's big Sesquicentennial Celebration this year (Bob's baby), but the beard will stay, if his *wife* will. When Bob first came to Columbus a dozen years ago, he says, it was "only 35 percent because of the job and 65 percent because of the town."

These days it's hard to tell which is which.

Although this is a quiet family town, times in Columbus are changing. That hippie outside the library with flowing blond hair and faded jeans puts out an underground newspaper called *The Different Drummer*. And industry has put lots of new people on Washington Street—from Texas and New York, Afghanistan and Latvia. "In the old days," says Jean Prather, "people didn't talk to new people for *years*. Not any more. Now I think we have a nice cosmopolitan mix." Cosmopolitan and nice. The Newcomers Club is as busy as any other group in town. And the Cosmopolitan Club, a fast-growing organization of foreign-born women, already has its pet Columbus projects.

Small wonder that Columbus is growing. Bright young management consultant Dick Fleming is one of the many to have seen the town's potential. Dick left Cummins' personnel department to try it on his own—right here in Columbus, because he likes Columbus. He's an expert on the town, not because he's a city councilman but because he has to sell Columbus every day to choosy, sophisticated executives all over the country. He's not having much trouble these days. With its growing industry, pioneering architecture and good schools, Columbus has a lot to attract ambitious men.

Everybody else in the world may be surprised at what's going on in Columbus, but nobody in Columbus is. Today's "Athens" didn't just spring up here by accident, any more than Columbus just sprang up here 150 years ago. The town's pioneers knew what they were doing and, more important, where they were going. "Why does everybody think its so incredible that the town is ahead of its time? It's just an old Columbus tradition," says Randy Tucker, a Cummins executive and past school-board president. Jean Prather adds earnestly that the "seeds of progressiveness" have been there all the time.

Come to Columbus. They'd love to have you. But fair warning: It's the kind of town that makes you homesick—*after* you get back home.

Come to Columbus, by all means, but don't feel you have to rush. It's not one of America's treasures that you'd better see quickly before it's too late. The people of Columbus aren't going to change, and the buildings get better all the time.

THE RED PURGE OF OUR MILITARY CONTINUES

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. RARICK. Mr. Speaker, continued evidence of the subordination of all rational considerations to the hypothetical, purely imaginary concept of "racial" balance and "improved race relations" appears in the continued reports of purges of Army officers who failed "to enforce adequately the regulations aimed to improve race relations or guarantee equal opportunity within the armed services" to the satisfaction of the Pentagon's civil rights division headed by a black who participates in activities sponsored by the National Urban League and NAACP.

It is a sad day for America when our military services are intimidated to discipline officers and remove them from command positions solely because they fail to conform to some imaginary concept of race relations held by organizations like the National Urban League and the NAACP—organizations which are but tools in the plot to destroy America's ability to defend itself.

This purge is designed to remove those people from command who put their country and its military above bureaucratic policy and political appeasement of malcontents.

This purge, covered up by the smokescreen of "race relations," is a direct attack on dedicated military men because they are strict disciplinarians and anti-Communists. Race is the least of the considerations involved.

I insert a related news article in the RECORD at this point:

[From the New York Times, July 28, 1971]

PENTAGON SAID TO PENALIZE OFFICERS ON RACIAL POLICY

(By Thomas A. Johnson)

DETROIT, July 27.—Frank W. Render 2d, Deputy Assistant Secretary of Defense, said today that 10 to 12 military officers, from general down to company grade, had been relieved of command, transferred or reprimanded for failure to enforce adequately the regulations aimed to improve race relations or guarantee equal opportunity within the armed services.

The official declined to name the officers involved, saying, "I don't believe it would serve any useful purpose to give their names—to embarrass them."

Mr. Render, a black who was appointed last August to head the Pentagon's civil rights division, made the statement in answer to a newsman's question concerning his office's enforcement powers.

The 35-year-old former human rights official from Syracuse said that the military services had taken actions against officers since December, 1970, in cases "where we could identify clearly that commanders had been negligent."

In Washington, a Pentagon spokesman, Jerry W. Friedheim, refused to comment on the specifics of Mr. Render's remarks. He said, however, that a proper understanding of race relations was "a leadership requirement—if you can't understand race relations, you can't be a leader in today's Army."

He said he "wouldn't be surprised" if some officers had been relieved of their commands because of race issues, but he said he did not know how many such cases there had been.

Mr. Render participated here in a workshop on employment problems of youth, veterans, women and the working poor at the 61st annual conference of the National Urban League and was the principal speaker at a news conference this morning at the Pontchartrain Hotel.

The Department of the Navy announced at the conference that a destroyer escort, to be built this year at the Avondale shipyards, West Wego, La., would be named for Doris (Dorie) Miller, a black Navy Cross winner of World War II. The sailor, a ship's cook third-class, aided his wounded commanding officer and later manned a machine gun in the Japanese attack on Pearl Harbor in 1941. He died in action two years later.

At the news conference, Mr. Render identified the officers who were disciplined only by saying they "wore stars, bars, oak leaves and birds on their shoulders." Such military insignia respectively identify generals, lieutenants and captains, majors and lieutenant colonels, and colonels. There was no indication as to whether Mr. Render was referring to any particular branches of the services.

There has been some speculation in Pentagon circles that Lieut. Gen. James H. Polk, former commander of United States troops in Germany, was retired prematurely earlier this year because of months of racial tension and major outbreaks of racial violence there.

Mr. Render led a 14-man race relations team on a three-week tour of American bases in Europe last fall and the National Association for the Advancement of Colored People toured bases in Germany last January. In addition, three black Army officers and four black enlisted men in Germany formally requested last fall that the Department of Defense convene a court of inquiry to determine whether General Polk was guilty of "dereliction of duty" by failing to combat housing discrimination against black soldiers by Germany landlords.

This formal legal case was prepared by a black military judge, Capt. Curtis Smothers, who was subsequently transferred from his post in Frankfurt, Germany, to the Pentagon. The Secretary of the Army denied the request and stated that steps were being taken to end discrimination by landlords in Germany.

On March 25, Representative William Clay, Democrat of Missouri, entered a denunciation of General Polk into The Congressional Record. It was titled "Defense Department Retires General Polk—a racist in High Command." Mr. Clay, who is black, contended in the document that "General Polk could have eliminated many of the problems" of race in Germany "had he used the powers he had."

There was also some speculation in the Pentagon that the general's retirement might also have been caused by scandals within the command's post exchange system.

Meanwhile, a noted black historian warned some 5,000 delegates and visitors to the league conference in Cobo Hall against too-hasty coalitions between black and white groups.

Lerone Bennett, author of several books on black American history, who is a senior editor of Ebony magazine, said "Our most immediate task is not a coalition between blacks and whites but between blacks and blacks, not between the United Auto Workers and the Urban League but between the Urban League and the N.A.A.C.P.; not between black and white students but between black students and black administrators, black hustlers and black intellectuals, black fathers and black sons."

He declared that coalitions between blacks and whites of various interests had not worked for the best interests of blacks.

APOLLO 15 LUNAR MISSION, NASA, REVIEW AS RESULT OF RUSSIAN SOYUZ 11 ACCIDENT

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. FULTON of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION,
Washington, D.C., July 20, 1971.

Hon. JAMES G. FULTON,
House of Representatives,
Washington, D.C.

DEAR MR. FULTON: A review of the Apollo 15 lunar mission was initiated by NASA as a result of the Russian Soyuz 11 accident. This review was specifically directed to a reevaluation of the pressure garment suit wearing schedule during events that expose the command and lunar cabins to increased stress loads and therefore to a greater probability of a malfunction or cabin penetration leading to rapid cabin decompression. This letter reports the results of this review.

Among the events considered were launch, undocking, docking, Scientific Instrument Module (SIM) bay door jettison, propulsion burns, lunar landing and stay, lunar liftoff, LM jettison and earth reentry. Hardware items considered included hatches, valves (hatches and cabin), cabin penetrations, cabin leak rates for various hole sizes, and windows.

This review reconfirmed our high confidence in the capability of the hardware and that our operational procedures reduce to a minimum the possibility of damage to critical hardware through incorrect use. It reconfirmed that the hatches are fully qualified to pressures higher than they are normally exposed to, that they are relatively easy to operate, that the mechanical operation of handles or latches as well as the position of the pressure valve in the hatches can be observed visually, and that pressure integrity is easily and quickly verified while the astronauts are still suited.

Valves used in the hatches and in the cabin and other cabin pressure hull penetrations were reexamined as to qualification, failure rate and failure modes. Specifications and cabin leak rates for various size holes were reviewed. It was concluded that operating procedures for the valves are straightforward, that structurally the valve bodies are rugged and strongly fixed in position, and that leak rates through the valves and other cabin penetrations, even with complete loss of O-rings, are low. The CM has the capability to maintain 3.5 psi for leak rates equivalent to a ¼" hole for approximately 29 minutes and the LM even longer for an equivalent leak. Suit donning times for an emergency average about 11 minutes for the two crewmen in the LM to suit-up and approximately 19 minutes for the three crewmen in the CM to suit-up.

The cabin windows were also carefully reviewed. Although not of similar design, all CM and LM windows are of multiple pane construction. Thermal shock and pressure tests of both normal and damaged panes had been conducted as part of qualification tests. Each window is subjected to a thorough acceptance test, and pressure tested again after installation in the cabin. Based on the above, the windows are considered sound.

Even though there is an extremely low probability of loss of a complete CSM window during reentry, analysis shows that a suited crew would have a higher probability of survival in such a contingency. The rationale for the decision following Apollo 7 to reenter without suits was therefore reexamined. This rationale is based on the following: the reentry event, except for the splashdown phase, is fairly predictable and stress loads are well within the safety factor of the hardware. The stress loads imposed by the water impact, however, are not so predictable and vary, for example, with wind velocity and direction, wave heights, wave velocity, wave rising or falling and direction. Therefore, although the probability of a malfunction occurring at splashdown is also low, it is higher than a malfunction occurring during reentry into the earth's atmosphere. In the event that a malfunction on splashdown did occur and emergency egress were necessary, a suited crew would be handicapped. Removal of suits for egress would be especially difficult and time consuming in the Stable II (upside down) condition in the water, in which case egress through the upper hatch under water would be required.

Therefore, since (1) a malfunction at water impact is more probable than a malfunction at reentry, (2) wearing suits at water impact would decrease crew safety, and (3) time is not available for the astronauts to remove their suits between the period of high reentry stresses and splashdown, we have concluded that on Apollo 15 reentry and splashdown will be conducted with the crew unsuited as on previous missions.

In another area, however, the reexamination of operational modes has led to a change. Although the review confirmed the decision that the CSM/LM hatch was qualified to withstand the maximum pressure that could be reasonably expected to occur, the shock loads imposed during LM jettison on the CSM tunnel appear to warrant requiring the crew to be suited for this operation. Therefore, the LM jettison event will be added to the list of events during which the crew is required to be fully suited.

Sincerely,

JAMES C. FLETCHER,
Administrator.

PRISONERS OF WAR

HON. SHERMAN P. LLOYD

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. LLOYD. Mr. Speaker; today marks 7 years and 124 days since the first American soldier was taken captive by North Vietnamese forces. Presently more than 1,600 American men are listed as missing in action or as prisoners of war. It is estimated that 400 of these men are being held captive by the North Vietnamese.

Families of these men continue to suffer the personal anguish and torment of loved ones—all of us share in the sorrow. Many of these families have lived with this uncertainty for years, and their plight has reached the hearts of all Americans who are concerned about the future of American servicemen held prisoner.

With each passing day, this unnecessary inhumanity to these men and their families grows greater. As Members of Congress, we must vow that American prisoners of war will not be forgotten and that their release will be pursued until every last prisoner has returned home to his family.

NATIONAL DEBT IS STAGGERING

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. ZWACH. Mr. Speaker, our national debt is reaching the astronomical figure of $400 billion.

How much is a billion? Here is one way to look at it. Since the birth of Christ, only about a billion minutes have elapsed.

And our debt is approaching $400 billion.

To bring this figure is focus, Senator ELLENDER set his staff to work to come up with some figures.

The St. Cloud Times in our Minnesota Sixth Congressional District, recently editorialized on this matter and I would like to share these thoughts by inserting the editorial in the CONGRESSIONAL RECORD.

I particularly commend the writer for his concluding remarks:

Nearly everything but money is in limited supply. This is why prices go higher and higher, and it takes more and more dollars to buy goods of tangible worth.

The editorial follows:

NATIONAL DEBT IS STAGGERING

The U.S. national debt stands at nearly $400 billion. In an effort to make this figure somewhat comprehensive to ordinary citizens, the chairman of the senate appropriations committee of the U.S. senate, Senator Allen Ellender, set his staff and a bank of computers to work with some interesting results.

The senator found that, "If every member of the United States senate counted two, one-dollar bills every second of every minute of every hour of every day of every week, it would take approximately 64 years to count $400 billion. If the senators worked the standard work year (eight hours per day for 260 yeardays a year) taking no coffee breaks, holidays or vacations, it would take them 267 years to accomplish the same count.

At its current capacity, it would take the Bureau of Printing and Engraving about 171 years to print 400 billion one-dollar bills. Four-hundred billion dollars in one-dollar bills would fill about 3,456 railway boxcars, making a train almost 36 miles long.

The 400 billion one-dollar bills stacked on top of each other would reach about 27,095 miles, or 4.5 trips from New York to Los Angeles. Placed end to end, that many bills would make a path, 160 bills or 35 feet wide, to the moon.

Nearly everything but money is in limited supply. This is why prices go higher and higher, and it takes more and more dollars to buy goods of tangible worth. If inflation continues long enough and the senator's machines are equal to the task, they will someday learn how many trillions of dollars of debt are required to lay a pathway of dollar bills to the furthest star. By that time a loaf of bread will probably cost a few million dollars.

RAIL STRIKE DISASTROUS TO CALIFORNIA AGRICULTURE

HON. VICTOR V. VEYSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. VEYSEY. Mr. Speaker, yesterday, I personally appeared before the distinguished Subcommittee on Transportation and Aeronautics of the Committee on Interstate Commerce and testified as to the disastrous effect of the current railroad dispute upon the people of California and of my 38th Congressional District.

Following, are my remarks before this subcommittee:

REMARKS BY CONGRESSMAN VEYSEY

A great deal has already been said here today, by highly competent spokesmen, about the details of the proposed legislation before us. Clearly, the time is long overdue for this Congress to act decisively by passing permanent legislation to prevent the kind of economic disaster which this railroad strike is bringing to my state, my Congressional District, and to many other parts of the nation.

It has been determined by some that the selective strike does not constitute a national emergency and that, therefore, emergency legislative action is not justified. I can only point out that to the agricultural community in California's 38th Congressional District, and indeed, throughout the State of California, such an argument has absolutely no relevance. Our agricultural economy is suffering all of the adverse impact of a general strike. There is no rail service. Union Pacific and Southern Pacific strikes brought us to a standstill, and the apparently inevitable Santa Fe strike will choke us off completely.

In Imperial County, California, 75,000 tons of sugar beets are right now rotting in the ground because there are no rail cars to carry them to the refineries. The intense summertime heat in the Imperial Valley will destroy those beets within seven days. That represents more than a million and a quarter dollar loss to Imperial County farmers and a more than three million dollar loss to the agribusiness community. It also represents a lifetime's savings, and the entire future, to hundreds of farm families.

In Riverside County, the story is much the same for many citrus growers. Grapefruit, now worth $1.00 each on Japanese markets, are falling to the ground by the tons. Ultimately, these crop losses will affect thousands of people, both in our district and out, who depend on agriculture for their survival.

Throughout California, this loss will be multiplied many times and the impact will most certainly be felt nationwide as the supply of fresh fruits and produce—lettuce, melons, tomatoes, and many other commodities—begins to dry up.

Further, this country cannot afford more ad hoc legislation. The solution to strike situations like this one, where the national economy and national interests are adversely affected, must be permanent machinery which protects the public interest while guaranteeing equal protection to the disputing parties.

I strongly support the intent and the provisions of HR 8385, authored by the distinguished Congressman from Michigan, James Harvey. It would deal constructively with this crisis, and with similar situations. It would give the President latitude, and specific options which would have prevented the losses we are now suffering. It would treat both management and labor fairly, while protecting the public interest. And it would eliminate the need and the demands for more ad hoc legislation. I am happy to be a co-sponsor of HR 8385.

I appeal to Congress to live up to its responsibilities and to enact a modern replacement for the failing mechanism of the Railway Labor Act. Otherwise, this legislative body may find itself in the business of running our nation's railroads on a day-to-day basis.

CFR 1970 MEMBERSHIP CHANGES

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. RARICK. Mr. Speaker, I had placed the 1969 membership list of the Council on Foreign Relations in the CONGRESSIONAL RECORD of July 12, 1971.

A more recent membership list—as of October 1, 1970—when compared with the membership list in the Annual Report of June 30, 1969, reveals that 41 resident members and 42 nonresident members were added, while the names of 38 resident members and 31 nonresident members, or a total of 69 names, were dropped from the list. Some of the resident members were transferred to nonresident members and vice versa.

So that our colleagues may have a more nearly current CFR membership, I insert a list of new members and membership changes:

NEW ADDITIONS TO CFR MEMBERSHIP LIST AS OF OCT. 1, 1970

RESIDENT MEMBERS

Abel, Elie, Armstrong, Willis C., Brisco, Milo M., Butcher, Willard C., Cahill, Jane P., Chace James, Dennison, Charles S., Frey, Donald N., Greenfield, James L., Haywood, Oliver G., Hellman, F. Warren, Henderson, Julia.

Josephson, William, Kassof, Allen H., Kristol, Irving, Larry, R. Heath, Lowenfeld, Andreas F., Luce, Charles F., Macomber, John D., Mulford, David C., Muse, Martha T., Nagorski, Zygmunt, Jr., Pierre, Andrew J., Reed, J. V., Jr.

Riesel, Victor, Riordian, James Q., Schwarz, Frederick A. O., Jr., Seitz, Frederick, Staples, Eugene S., Steadman, Richard C., Steel, Ronald, Stoessinger, John G., Stone, Robert J., Jr., Tavoulareas, William P., Wallace, Martha R., Watts, John H., 3rd, Wells, Richard C., Wilcox, Wayne A., Wilkins, Roger W., Wyle, Frederic S., Zorthian, Barry.

NEW ADDITIONS TO CFR MEMBERSHIP LIST AS OF OCT. 1, 1970

NON-RESIDENT MEMBERS

Allison, Graham T., Apter, David E., Arnold, M. L., Asher, Robert E., Bartlett, Thomas Alva, Berry, Brig. Gen. Sidney B., Butterworth, W. Walton, Camps, Miriam, Cooper, Franklin S., Edwards, Robert H., Enders, Thomas O., Fried, Edward R.

Friedman, Irving S., Gerhardt, Maj. Gen. H. A., Goldman, Marshall L., Graham, Katharine, Gurganus, William R., Harris, Patricia Roberts, Hart, Parker T., Haynes, Brig. Gen. Fred, Holbrooke, Richard C., Houghton, Armory, Jr., Keniston, Kenneth, Laise, Carol C.

Lee, Vice Adm. John M., Lewis, John P., McGiffert, David E., McHenry, Donald F., Martin, Malcolm W., Morse, Arthur D., Olson, William C., Patterson, Hugh B., Jr., Ranis, Gustav, Rehm, John B.

Roberts, Walter Orr, Salzman, Herbert, Volcker, Paul A., Wahl, Nicholas, Ward, Robert E., Wehrle, Leroy S., Wilbur, Brayton, Jr., Wohlstetter, Roberta.

CFR MEMBERS IN 1969 DROPPED FROM MEMBERSHIP LIST OF OCT. 1, 1970

RESIDENT MEMBERS

Barnes, Joseph, Beal, Gerald F., Bennett, John C., Brinckerhoff, Charles M., Buffum, William B., Carlson, Ralph M., Chartener, William H., Cooper, Franklin S., Eberstadt, Ferdinand, Eder, Phanor J.

Gunther, John, Haider, Michael L., Harriman, E. Roland, Houston, Frank K., Jay, Nelson Dean, Johnson, Edward F. Knoke, L. Warner, Lunt, Samuel D., McGraw, James H., Jr., May, A. Wilfred.

Merz, Charles, Nickerson, A. L., Pennoyer, Paul G., Roberston, Charles S., Robinson, Gerold T., Rosenman, Samuel I., Sachs, Howard, Sargent, Noel, Sarnoff, Brig. Gen. David, Schapiro, J. Salwyn.

Scherman, Harry, Schilthuis, Willem C., Shea, Andrew B., Simons, Hans, Spencer, Percy C., Stinebower, Leroy D., Tobby, John, Townsend, Oliver.

CFR MEMBERS IN 1969 DROPPED FROM MEMBERSHIP LIST OF OCTOBER 1, 1970

NON-RESIDENT MEMBERS

Blackie, William, Bristol, William M., Brown, William O., Chartener, William H., Dangerfield, Royden, Evans, Roger F., Ferguson, John H., Heffelinger, Totton P., Hoyt, Edwin C., Jr., Kerr, Clark.

Leslie, Donald S., Lindblom, Charles E., Little, Herbert S., Mann, Thomas C., Marcus, Stanley, Matthews, William R., Millikan, Max F., Moran, William E., Jr., Prance, P. F. A., Reuther, Walter P.

Reitzel, William, Seymour, Forrest W., Sprague, Mansfield D., Strauss, Lewis L., Struble, Adm. A. D., Swihart, James W., Teller, Edward, Templeton, Richard H., Von Stirum, John, Warren, John Edwin, Wright, Theodore. P.

PRESIDENT NIXON IS KEEPING HIS WORD

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. McCLORY. Mr. Speaker, last week the President of the United States withdrew an additional 4,100 soldiers from Vietnam.

On January 20, 1969, there were 532,500 Americans enduring the perils of an Asian war. Today, there are 229,200 Americans in Vietnam who are planning to come home.

Mr. Speaker, President Nixon is keeping his word.

GOLDEN AND SILVER WEDDING JUBILEE CEREMONY

HON. LOUISE DAY HICKS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mrs. HICKS of Massachusetts. Mr. Speaker, at a recent ceremony at St. Matthew's Cathedral in Washington, D.C., Patrick Cardinal O'Boyle, addressed a group of golden and silver wedding jubilants.

I find his address at that occasion to be a most warm and heartening one and I would like to share the same with my colleagues today. It is my pleasure to enclose Cardinal O'Boyle's inspiring address.

PATRICK CARDINAL O'BOYLE GOLDEN AND SILVER WEDDING JUBILEE CEREMONY

My dear and esteemed Jubilarians and Friends all in Christ: In a few minutes you will renew your marriage vows. This is a joyous occasion, for we are here to celebrate your faithfulness to the love you pledged each other the day you were married. Before renewing your vows, you will perhaps enjoy recalling with me the day you were married.

The marriage ceremony began with a brief instruction, read to you by the priest. I will read it again now, to refresh your memory:

My dear friends: You are about to enter into a union which is most sacred and most serious. It is most sacred, because established by God Himself; most serious, because it will bind you together for life in a relationship so close and so intimate, that it will profoundly influence your whole future. That future, with its hopes and disappointments, its successes and its failures, its pleasures and its pains, its joys and it sorrows, is hidden from your eyes. You know that these elements are mingled in every life, and are to be expected in your own. And so not knowing what is before you, you take each other for better or for worse, for richer or for poorer, in sickness and in health, until death. Truly, then, these word are most serious. It is a beautiful tribute to your undoubted faith in each other, than recognizing their full import, you are nevertheless, so willing and ready to pronounce them. And because these words involve such solemn obligations, it is most fitting that you rest the security of your wedded life upon the great principle of self-sacrifice. And so you begin your married life by the voluntary and complete surrender of your individual lives in the interest of that deeper and wider life which you are to have in common. Henceforth you will belong entirely to each other; you will be one in mind, one in heart, and one in affections. And whatever sacrifices you may hereafter be required to make to preserve this common life, always make them generously. Sacrifice is usually difficult and irksome. Only love can make it easy; and perfect love can make it a joy. We are willing to give in proportion as we love. And when love is perfect the sacrifice is complete. God so loved the world that He gave His Only begotten Son; and the Son so loved us that He gave Himself for our salvation. "Greater love than this no man hath, that a man lay down his life for his friends."

No greater blessing can come to your married life than pure conjugal love, loyal and true to the end. May, then, this love with which you join your hands and hearts today, never fail, but grow deeper and stronger as the years go on. And if true love and the unselfish spirit of perfect sacrifice guide your action, you can expect the greatest measure of earthly happiness that may be allotted to man in this vale of tears. The rest is in the hands of God. Nor will God be wanting to your needs; He will pledge you the lifelong support of His graces in the Holy Sacrament which you are going to receive.

How true were the words of this instruction! Those of you who are celebrating your golden anniversary were married in 1921. You could not foresee the years of the depression, with its hardships. You could not foresee that many of your sons would be called to fight in a Second World War, from which some of them were never to return. Those of you who are celebrating your silver anniversaries were married just after that war ended. Materially, your lives have probably been easier. Yet during these years of material prosperity and spiritual confusion, you have had to nurture your love against many threats. And your children have come into the world in a time of spiritual dangers as worrisome for you as was the physical danger of their sons for our golden jubilarians.

Yet all of you have remained faithful. That is the wonderful thing. One out of four marriages in the United States ends in divorce today. In some places the figure is much higher—more than two of every three marriages in some large, West Coast communities end in divorce. And an increasing proportion of young people does not even bother getting married and divorced. Love that is faithful, that involves a spirit of sacrifice, means nothing to them. Instead they boast of their honesty; in their spiritual poverty they hope that by boasting of honesty they will find some virtue in faithlessness.

Your generous and faithful love appears all the brighter when you consider it against this dark background. Your lives should be, they will be an inspiration to the better part of our youth, to those who seek real community and who are willing to dedicate their lives to the service of life.

It used to be said in the past that the faithfulness of the priest and the religious to their lives of dedicated celibacy or virginity was a model for Catholic married couples. I believe that was true. But I also am celebrating a golden jubilee this year—fifty years as a priest—and I can tell you how necessary an inspiration your love as faithful Catholic married couples is for every faithful priest.

The two vocations—marriage and the priesthood—while different, are really very much alike. Both are sacraments of Christ, ways of dedicating one's life completely to others, for the building up of the Body of Christ. Marriage opens the way to the fruitfulness of natural and Christian parenthood. The priestly life opens the way to another parenthood, which is no less real, although some today would like to set aside the title "Father" as something inappropriate for the modern priest.

Love and dedication—these make sacrifice into joy. If only there were more genuine love, more faithfulness, there would be less uncertainty about the value of our lives as husbands and wives, as priests and religious. If there were more appreciation for the generosity of faithful love, there would be fewer defections and divorces. And if there were a sounder appreciation of the responsibilities of our great vocations, I think there would be fewer voices demanding that a single person be permitted to become both husband and natural father, priest and spiritual father, all in one. Either vocation is as much as a man can bear, with the help of God's grace.

Unfortunately, there are some who betray their commitments. There are married couples who give up trying to love one another; there are priests who quit trying to serve Christ and the Church. Betrayal of commitments means forgetfulness of the great goods and goals to which our vocations mean dedication. Parents seek their own happiness in new liaisons, regardless of the effect this has on the children of broken homes. And some priests and religious seek their self-fulfillment in new occupations, regardless of the spiritual devastation they leave behind. Self-fulfillment. That is the pet phrase of today—or in other words, what's in it for me? Not faithfulness and sacrifice, for the sake of salvation and spiritual life, but the so-called self-fulfillment.

Dedication means openness to life, readiness to help the next generation to be born physically and spiritually. It is sad to see how widespread is becoming the betrayal of commitments in our society. Physicians whose dedication is to preserving and helping life, are being called upon to turn their skills to the service of death. Already professional abortionists, merchants of death, murderers of unborn children, are openly assuming a respectable place in society and in the medical profession.

Less than two weeks ago, one of our local newspapers, after reporting some of the wretched conditions at Forest Haven, Washington's major public institution for the mentally retarded, suggested editorially (*Washington Post*, May 31, 1971) that killing such persons would be "the conscious termination of nonlives in the name of mercy." While the editorial noted that "not many people are ready to accept or take responsibility for" such a policy, it also said that such persons, namely, the retarded, "have no life to lead."

This editorial took for granted as established the practice of abortion. It marked the further step, as a society that has accepted murder of the unborn under the euphemism "termination of pregnancy" is now being readied to accept the murder of the mentally retarded under the euphemism "termination of nonlives." I wonder how many of us will live to the day when we will be counted among the "nonlives" and our lives will be terminated for us as a step of progressive, liberal, social policy in a society that has forgotten the meaning of faithfulness loyal and true to the end.

Of course, some who collaborate in this bloody business do so out of noble and generous motives. A physician who is co-owner of a local abortion clinic, which charges $200 per killing, was reported last week (*Washington Post*, June 7, 1971, page C 2) to have estimated costs at $80 per killing. Asked if there were not a resultant profit in the neighborhood of $100 per abortion, the physician was quoted as saying: "I'm not sure, we haven't figured it out. It should be about that, but I don't want to talk about it. Doctors should be above commercial matters like this."

What dedication! A man so wrapped up in his humanitarian endeavor that he does not take time to subtract $80 from $200 to determine just what his profit is. Such men are carried by their noble and generous natures far above any crass, commercial consideration! Such men undoubtedly will be low-bidders, if the time comes for the termination of the "nonlives" of the retarded people living at Forest Haven.

Some will say that concern about killing the innocent is a peculiarly Catholic concern. That is not so. We know that Protestant theologians, such as Dietrich Bonhoeffer, Dr. Paul Ramsey of Princeton University, Dr. George H. Williams of Harvard Divinity School, and Dr. James F. Gustafson of Yale Divinity School, agree with the common Christian tradition, represented in Reformation times by John Calvin and by the Lutheran theologian, Johann Osiander, in firmly rejecting abortion. Similarly, orthodox Jews are firm in their defense of innocent life: one of their leading Rabbis has recently compared abortion to the slaughter of the Jews in the Nazi concentration camps.

Yet if it were true that only Catholics opposed abortion and defended the lives of the innocent, that should make us no less firm in our position. For human life should be held sacred as a matter of social justice, and we should be ready to bear witness to this sacredness, just as we must be ready to bear witness to the requirements of social justice in other areas, including the area of racial equality.

In a society like ours, I repeat, the example of your faithful love, loyal and true over the years, shines out even more brightly than did the youthful and intense love which brought you to the dedication of your wedding day. Every one of us falls short of the perfect ideal of our vocation sometimes, but God is not wanting to our needs, including the need for mercy and forgiveness. None of you has made the great betrayal, the final renunciation of the pledge of love whose anniversary you are celebrating again this year.

And so, with thanksgiving for God's goodness in the years past and with confidence in His continued help to the end, you may now again consecrate your love for one another, pledging it anew for better, for worse, for richer, for poorer, in sickness and in health, until death. May God bless you with more years of love and joy in one another, and at last with an eternity of happiness together with Him in heaven!

ADDED EMPLOYMENT AND ADDED INCOME

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. NIX. Mr. Speaker, I would like to take this opportunity to make my position known concerning the consideration of two bills before the House today which are similar in content to legislation vetoed earlier by the President.

Specifically these bills are H.R. 9092 reported by the Post Office and Civil Service Committee, of which I am a member, and H.R. 9922 reported by the Committee on Public Works.

The first bill under consideration, H.R. 9092, would establish principles for setting the pay of about 700,000 Federal blue-collar workers, mainly employees of the Departments of Defense and Interior and the General Services and Veterans' Administrations.

I notice that the administration is once again opposed to the bill which was vetoed in similar form on January 1 of this year. I am tempted to exclaim "here we go again!" as the Congress is called upon for lack of administration initiative and concern to bring order out of the chaotic situation which prevails in the Federal Government's procedures for fixing the rates of pay of these employees under the so-called prevailing wage system.

My concern that such a system be established was conveyed directly to the President in a meeting I attended in March with other members of the congressional black caucus.

I pointed out that the veto of this legislation had taken place 9 days before the Treasury Department announced a liberation of depreciation guidelines to stimulate the depressed economy. This amounted to a $2.7 billion windfall to big business.

The President cited inflation as his principal reason for vetoing the pay rate adjustment bill. I asked then and I continue to ask today why it is inflationary to give Federal blue-collar workers $115 million more a year to spend to boost a sagging economy and not inflationary to give businessmen $2.7 billion more to spend.

In addition to establishing pay principles, H.R. 9092 would accomplish the following reforms:

Establish an 11-member Federal Prevailing Wage Advisory Committee to replace the current administratively established committee, with a full-time chairman not in the Federal service.

Provide "save pay" for 2 years for prevailing rate employees who are reduced in grade.

Provide a five-step wage schedule instead of the present three, with automatic step increases.

Provide a 7½-percent nationwide pay differential for nonovertime second shift work and 10 percent for the third shift.

Bring employees of nonappropriated fund activities of the Armed Forces, the Veterans' Canteen Service, and the District of Columbia under the system.

The estimated annual costs of the bill in the first full year are $115 million, and $181 million for each of the 4 years after the first year.

H.R. 9092 was reported favorably by a committee vote of 21 to 3. Last year, a substantially similar bill passed this House by a vote of 231 to 90. I intend to vote with what I believe will be the majority again this year and do justice to our Federal blue-collar workers.

The second bill before us today is H.R. 9922, the Public Works and Economic Development Act and Appalachian Regional Development Act Extensions. I urge acceptance of this measure.

I note that the new bill contains no accelerated public works title but rather transfers the programs and much of the money in this title in the original bill to a new and expanded public works and economic development title.

I also note that the administration has finally joined the AFL–CIO in supporting this measure. I regard this measure as an old bill in new clothing and if that is what it takes to win support and a measure of face-saving for the administration then I do not particularly mind.

However, I will point out that this is a ready example of what I objected to last March as the administration's tactics—an evident willingness to exploit the needs of the disadvantaged in a cynical if not callous manner by vetoing one day and proposing virtually the same the next day when it suits some tactical or political advantage.

H.R. 9922 seeks to employ thousands of men and women who are unemployed, though they actively seek work, in public works projects. Many of these people are those which the administration abstractly refers to as "statistical quirks" and "acceptable percentage of unemployed" in its specious statements concerning the state of the economy.

I, for one, will not attempt to be so brash nor, I believe, will the House become a party to the myopic affliction which seems to infect the administration's domestic economists.

I urge Members of the House to join with me in sending on to the Senate H.R. 9092 and H.R. 9922 so that we might fulfill the leadership void necessitated by the vicissitudinous nature of the present administration.

TREATMENT AND REHABILITATION OF GI DRUG ADDICTS

HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. BEGICH. Mr. Speaker, it is my privilege to join Mr. Murphy of New York in the introduction of his bill to implement a program for treating and rehabilitating members and veterans of the Armed Forces who are drug addicts.

We are dealing with a very serious problem, and, for a legislator, a very difficult one to solve. It is, however, a matter on which we all must take a stand and act rapidly before addiction in Vietnam becomes an overwhelmingly grave issue. I personally have given this problem a great deal of careful consideration in recent months, and after weighing all the factors I have come to embrace a number of guiding principles concerning GI drug addiction.

There are indications that heroin addiction in Vietnam has reached epidemic proportions. It is our responsibility as the representative body of this Nation to do a great deal of soul searching as to why hard drugs have become so popular, and seemingly so necessary, in Vietnam. Then we must proceed to offer understanding and humanitarian solutions to this devastating problem.

The opportunities for drug addiction in Indochina are endless. The Far East triangle of Laos, Thailand, and Burma, produces over 60 percent of the illegal opium in the world, growing between 1,000 and 1,300 tons per year. There exists such a damaging climate for our soldiers in Vietnam that it is estimated that over 50 percent of our troops take some type of illegal drug, and, as the Murphy-Steele heroin study mission estimates, from 10 to 25 percent use heroin.

We must, I believe, face up to the fact that in Vietnam, the social condition—the war, the massive black market for drugs—is a disproportionate factor in creating this serious drug situation. The Murphy-Steele report points out that most of the soldiers in South Vietnam become addicted only after being in that country; few enter Vietnam already addicted. Clearly, Vietnam seems to catalyze the chances for an individual becoming hooked on heroin.

The legislation I am supporting today is directed toward individual GI's who become addicts while in service, but it is clear that other legislation must be proposed which seeks to alter the pattern in Vietnam, which is the real source of the problem. It is also clear that by assisting the individual, a potentially serious situation is being avoided in the United States as great numbers of Vietnam veterans return home addicted.

The bill being introduced today represents my conclusions after a period of study and includes provisions which I believe will be most useful at the present time.

First, the armed services should periodically perform detection and evaluation tests to determine who is an addict, and then proceed to start the addict on an initiatory detoxification program.

Second, the addict should be transferred to a civilian facility as quickly as possible. I feel that this is efficacious for the reasons that: first, there are psychological rejections and fears attached to the Armed Forces in the minds of many addicts. Second, surveys have shown conclusively that addicts respond to treatment far better if near to their homes, family, and friends; and third, civilian programs are already well established and claim an improving degree of scientific expertise, as opposed to the novitiate status of the military in this matter. I might add that there are those who might claim that civilian commitment would seem to be an "easy out" for those soldiers who do not wish to remain in the military. One simply needs to become an addict and thereby escape the armed services, they would maintain. I can only emphatically state that the horrors of heroin addiction would provide such a deterrent as to obviate an "easy out" of the armed services.

Third, the GI addict should receive a physical disability discharge. I believe that we must treat the GI drug dependent as a sick person, as one who is physically unfit for service because of his disease. I believe that this philosophy should be applied retroactively, as well, in order to encompass all Vietnam veterans previously discharged dishonorably because of addiction to narcotics. Such veterans ought to be given the same opportunities for treatment at VA hospitals and the same chances to procure a decent job as any other veteran.

Further, I believe that we should show the utmost concern for the civil liberties of the GI narcotics addict. Mandatory commitment is a procedure I endorse reluctantly. But after conversations with psychiatrists and physicians, I am convinced that such commitment would protect the addict against the bleak future of criminal prosecution. The crime cycle becomes an especially terrible problem for society and the returning veteran, who in Vietnam uses 90 percent pure heroin and pays only about $1 for 150 mg., while on the streets of New York City he can obtain only 5 to 8 percent pure heroin for much higher costs. Since the returning veteran must buy much higher quantities of heroin at greatly higher prices, he is forced into a life of crime at home in order to support his habit.

Another factor favoring mandatory commitment is that many addicts fear the idea of coming on their own to a rehabilitation center. I believe that if the Government and military humanely seek out addicts to offer them assistance, without punishment, such assistance will for the most part be accepted.

Finally, if we are to be truly concerned with the welfare of the addict as well as with the welfare of society, we must dedicate ourselves to provide an adequate number of facilities for treatment. It is only sensible and morally right that the creation of more rehabilitation facilities precede any plans for mass commitment of GI drug addicts. For this reason I am supporting legislation, ably offered by Mr. Peyser, of New York, to authorize the Federal Government to provide 50 percent of all funds necessary for the States to provide treatment centers for addicts.

The above comments represent the principles I believe we must follow in order to care most properly for the GI who falls prey to the disease of drug addiction. The legislation submitted here is but a part of an overall effort which must be undertaken, and I offer my continuing support in that effort.

POISONING OF WILDLIFE ON OUR PUBLIC LANDS IS A DISGRACE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. ANDERSON of California. Mr. Speaker, the poisoning of wildlife on our public lands is a national disgrace.

When the Department of Interior appropriations bill came before the House of Representatives, I attempted to restrict the Federal Government's participation in the poisoning program. However, we were unsuccessful.

Tomorrow I plan to reintroduce H.R. 9668 in order to ban the use of poisons on public lands unless it is specifically authorized by the Secretary of Interior in conjunction with the administrator of the Environmental Protection Agency.

In the August issue of the Reader's Digest, the need for this legislation is brought out clearly and succinctly. For the benefit of my colleagues, I ask unanimous consent to place this article entitled "The Poisoning of the West" in the Congressional Record at this point:

THE POISONING OF THE WEST

(By Jack Olsen)

Condensed from "Slaughter the Animals, Poison the Earth."

Just after dawn on a recent November morning west of Fort Stockton, Texas, a surveyor, looking for a boundary marker, tugged at a mysterious gray pipe protruding from the chalky soil. There was a sharp report, and something tore into the fleshy part of his hand. A doctor in Fort Stockton administered first aid, but an hour later the surveyor was dead. Investigation showed that the pipe was a "coyote getter," a deadly device set to shoot cyanide into the mouth of any animal that pulled at its aromatic wick.

A few miles east of Craig, Colo., hunting guide Bill Miles came upon several dozen sheep carcasses. By asking around, he discovered that the sheep had been laced with sodium fluoroacetate, or "1080," one of the most dangerous poisons known to man. The carcasses were to be used by government trappers to kill predators said to be harassing sheep. Noticing that a stream which fed Craig's water supply ran near the poisoned meat, Miles protested. Twice in two weeks he saw snow cover the carcasses, then melt into the watershed. He began taking pictures, and shortly thereafter local sheepmen told him to mind his own business or suffer the consequences. When he continued photographing, three of his hunting dogs died on his doorstep, poisoned.

Straddling the border of Colorado and Utah is Dinosaur National Monument. Like all national parks, it is administered strictly in accordance with nature, and the poisoning of animals within its borders is considered the ultimate offense against park law and order. In the spring of 1970, a group of cowhands were searching for strays in the park. Suddenly, in quick succession, two of their dogs stiffened and died. The dogs were four miles *inside* the park, but Dinosaur officials weren't surprised. Said one: "We've plenty of other evidence that the poisoners come right across our borders."

These three incidents, multiplied *ad nauseam*, characterize the programs of wildlife extermination in full swing throughout the entire Western half of the United States. Mounted by sheepmen and government trappers to protect the sheep industry from predators, especially coyotes, the programs have already brought whole animal species to the edge of extinction, and they threaten still others. They also threaten *Homo sapiens*, that poor creature who lately has begun driving six miles out of his way to buy phosphate-free laundry soap, all the while turning his back on a practice that is directly and specifically contaminating millions of acres of his country (and which is funded, ultimately, with dollars from his own pocket).

The poisons being used include the cyanide in coyote getters, arsenic, the thallium in bait carcasses, the strychnine encased in sugar-pill coatings, and 1080, a single ounce of which is toxic enough to send 200 adult humans, or 20,000 coyotes, into writhing, convulsive death.

FLICKERING OUT

At one time the West was protected by its very limitlessness. No longer. To add to the efficiency of miracle poisons like 1080, the poisoners work from planes, trail bikes, snowmobiles and pickup trucks—vehicles that carry them to every corner of the range in a few easy hours. "The whole sheep range out there, why, that whole country's plastered with poison," says Paul Maxwell, former trapper and now president of the National Council of Public Land Users. Adds an equally perturbed Wyoming trapper, "Private poisoning is strictly forbidden on public land, but many sheepmen who use the national forest for grazing go in with sacks and sacks of strychnine pellets and throw 'em around like seed. They kill everything in the area before they bring their sheep in."

The results of such "efficiency" are increasingly clear. There are broad areas of California where the coyote has been completely eliminated. A trapper in southwest Texas was asked when he saw his last wild badger. He shrugged his shoullders and said, "I can't even remember." Black bears and foxes are gone in some areas. The kit fox, a master controller of rodents, has vanished from thousands of square miles of the prairie. The black-footed ferret, never common, is about to flicker out as a species. One of the very few surviving California condors fell to 1080-treated grain. Even the mountain lion, officially listed as an endangered species, is specifically and mercilessly being killed.

Says retired government trapper Charles Orlosky, who lives high in a remote area of the Rocky Mountains: "Even here the poisoners are at work. They've wiped out weasel, marten, mink, fox, badger. And it's not true that 1080 is dangerous only to canine species, as the poisoners claim. I've found all kinds of birds feeding on 1080 stations. Last winter was the first time in years that we didn't have a pair of eagles feeding up here. They just disappeared."

POLITICAL PIGEONHOLE

Such observations are backed up by the government's own figures. Each year, to supplement the frenzied poisoning by ranchers, the U.S. Fish and Wildlife Service fields many of its own "trappers," who distribute tons of 1080-baited meat and bang coyote getters into the earth by the tens of thousands. In 1963—to cite the last year for which such figures are available to "the general public"—these professional poisoners reported a kill of 90,000 coyotes, 300 mountain lions, 21,000 bobcats and lynx, 2,800 "red wolves," 800 bears, 24,000 foxes, 7,000 badgers, 19,000 skunks, 10,000 racoons, 1,200 beavers, 7,600 opossums and 6,700 porcupines. These figures do not include many animals—and birds—who ate poison and staggered away to die untabulated.

Despite repeated warnings about the dangers of such widespread slaughter—from scientists, conservationists, even some ranchers—hardly a legislative body has paid the slightest attention. This includes the U.S. Congress, where a session is not complete without the introduction of anti-poisoning legislation, a few chuckles and a prompt pigeonholing of the matter.

Arnold Rieder, a former Montana state senator who is now a member of that state's Fish and Game Commission, tells why: "The wool-growers are the best-organized livestock group of all. To a great degree they control the stockgrowers' associations, and that means control of the Western-state capitals and the delegations that are sent to Washington. Invariably, sheepmen get their way."

Consider what happened in Montana while Rieder was still a senator. To prove that neither government nor private poisoners had the slightest intention of following the few anti-poisoning rules written into law, Rieder introduced legislation that superficially seemed absurd. It simply required the U.S. Fish and Wildlife Service to obey its own poisoning regulations. Immediately, a bulletin went out from the Montana Wool Growers Association to all members: "Senator Rieder of Jefferson County has introduced Senate Bill 196, which places an unnecessary restriction on the use of poison for the control of predatory animals. We need the support of your senator to kill the bill. Would you please wire him immediately. . . ." Rieder's bill lost. With the Wool Growers Association working against him, he was defeated in the next election.

DELIBERATE DISTORTION

To prove the need for its "trappers," the Fish and Wildlife Service calls on sheepmen for "statistics" on stock losses caused by predators. Not surprisingly, the figures come in by the mile. Sheepmen compile horrifying lists of losses, anticipated losses, possible losses. The Fish and Wildlife Service feeds the statistics into its computers and works up programs accordingly. The result is a galloping Parkinsonism that would drive a privately financed organization out of business within months. Every year the reported stock losses rise, the Wildlife Service poisoning budget climbs proportionately, and the population of wild animals sinks to a new low.

The situation brings to mind a statement made by Charles Orlosky a few years ago: "When I was trapping for the government, the Service decided once to prove how many bears and coyotes were taking sheep. They sent out instructions to take out the stomachs of some of the animals we trapped, tie them up, soak them in formaldehyde and send them to headquarters. Our instructions were to put some wool in the stomachs before we sealed them up. In that way there wouldn't be any doubt about what bears and coyotes ate. It wasn't surprising that all the reports came out showing that a high percentage of bears and coyotes were sheep killers."

The end result of such deliberate distortion is fiscal irresponsibility on an imposing scale. In Colorado, for example, the annual Wildlife Service kill dropped from 10,200 wild animals in 1967 to 8,200 in 1970—but even while there were fewer creatures to kill, the poisoning budget rose by $30,000. In 18 national forests in California, the value of sheep lost in one year—1962—was $3,500; in that same year, the cost of federal predator-control programs was a walloping $90,000.

CHECKS AND BALANCES

What is to be done about the drenching of the West with poison? Those closest to the problem—men like crusading Colorado naturalist Alfred Etter and politician-conservationist Arnold Rieder—agree that the first step must be to eliminate certain myths central to the poisoning establishment's rationale.

One such myth is voiced typically by an official of the Fish and Wildlife Service. "Look," he says, "we know what the stock loss was before we began poisoning. If we eliminate poisons like 1080, the loss would be more than 20 percent of the herd, maybe 35 or even 50 percent. Coyotes would run the country and put sheepmen out of business." In reply, Etter points out that coyotes did not "run the country" in all the centuries before the invention of cyanide guns and 1080.

A second, and perhaps most crucial, myth is that predator control actually controls predators. The poisoners say it does. Etter says that the poisoners keep themselves in business by aggravating the very problems they are hired to solve, that there would actually be far less destructive predation if nature were freer to operate within its own system of checks and balances. "Where we have starved the coyote," he says, "where we have poisoned indiscriminately, killing the coyote's food supply, there we have uniformly encountered increasing reports of predation."

The most perfunctory investigation of sheep-country losses seems to substantiate Etter's conclusion. Consider, for example, two northwestern Colorado counties, Rio Blanco and Moffet, where it is likely that more predators have been put to death than in any area of similar size in the world. What has been the result? A local sheepman named Hugh Seely speaks at a public meeting: "The thing that disturbs me about this control problem is that our losses the last few years have been greater than ever."

Etter explains: "The coyote is normally an animal with a highly developed territorial imperative. By keeping the coyote population harassed and in a constant state of flux, we disrupt his territorial habits and make him, in effect, into a different animal. This different animal—desperate, itinerant—may become a sheep killer. But if he had been left undisturbed, we would probably never have heard from him. The same thing applies to other predators."

FINAL DARKNESS

On the whole concerned Westerners are pessimistic about bringing scientific rhyme and reason into the predator-control programs. "We're in a stranglehold," says Paul Maxwell of the National Council of Public Land Users. "If we talk a legislator into speaking out, the stockmen's lobbies climb all over him in the next election and get him out of there. If we take a complaint to a governor or a commissioner of agriculture, we find him trembling in his socks about the sheepmen, and then he yesses us to death and does nothing."

If there is a logical point of attack, it would seem to be at the poisoning programs on government land. American land in the public domain is more than four times the size of the state of Texas, and every acre of it belongs as much to each citizen as it does to the stockman who runs his thousands of close-cropping, plant-destroying sheep on them.

If these lands are not to be transformed into American Saharas, concerned citizens—especially Westerners—must begin to demand answers to certain basic questions: Is it in the national interest to bring whole species to the brink of extinction? Is the sheep industry as it is presently organized worth it? Or is there perhaps a way to retain both sheep *and* wildlife?

Unless there are massive changes, the day must come when the last sickened coyote will lift his voice to the skies, and there will be no answer. We animals of the earth are a single family, and the death of one only hurries the others toward the final patch of darkness.

JACKSONIANS RIDING WITH ALFRED WORDEN

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. CHAMBERLAIN. Mr. Speaker, once again all America as well as the rest of the world are gazing with wonder at our closest neighbor in space, knowing that within a few days three Americans will be probing its surface for its long-kept secrets. While this space spectacular is a source of pride to every American, to the people of Jackson, Mich., hometown of astronaut Alfred M. Worden, it is a landmark occasion—the American dream of hometown boy-makes-good come true.

I join in saluting these space pioneers and share the pride of the people of Jackson, whom I am privileged to represent in the Congress. I ask that the editorial appearing in the Sunday Citizen Patriot of Jackson, of July 25, 1971, be included in the RECORD.

The article follows:

JACKSONIANS RIDING WITH ALFRED WORDEN

The moon launch scheduled for Monday morning holds special significance for Jackson residents. One of our own will be up there.

Whether or not you agree that space exploration is a wise expenditure of tax dollars, you would have to agree that the planning, knowledge, courage and skill that have gone into America's space program have been a source of pride to all of us.

Many people right here in Jackson are personal acquaintances of Alfred M. Worden. They knew him as a boy and as a young man growing into adulthood. They loved his piano playing. They graduated with him in the 1950 class of Jackson High School.

Now he's due to circle the moon in a few days. He'll be only 69 miles above the planet while his fellow astronauts walk and drive on its surface. The thought is enough to excite even the most ho hum person.

Maj. Worden's journey with David R. Scott and James B. Irwin is made even more dramatic by an awareness that the last two major space explorations were marred by failures which ended the lives of three Russian cosmonauts and almost killed three Americans.

As routine as space flights have become, compared to the tension that accompanied each one during the 60s, the oxygen tank explosion on Apollo 13 and the apparent loss of pressure in the latest Russian flight showed again that all systems must work perfectly in space.

For 12 days, Scott, Worden and Irwin will be in space, continuing the investigations that began almost 15 years ago and intensified when President John F. Kennedy pledged America to an effort that would get an American on the moon in the decade of the 60s.

That goal was achieved. On July 20, 1969, astronaut Neil A. Armstrong placed his foot on the moon and called it a "giant step" for mankind. Now, a little more than two years later, Jackson's Alfred Worden will help Irwin and Scott become the seventh and eighth Americans to walk on the lunar surface.

We wish all three Godspeed, a good blastoff, a smooth journey, a successful landing, an exciting moonwalk and a delicious trip back home. For "Sonny" Worden, we have a special request: When you are circling the moon, look back at us on earth and blow a kiss toward Jackson.

PUBLIC WORKS CHIEFS PULL TOGETHER IN CONGRESS

HON. ROBERT E. JONES

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. JONES of Alabama. Mr. Speaker, I would like to incorporate in the RECORD an article in the July 22 issue of Engineering News-Record on the legislative role of the Committee on Public Works and its distinguished chairman, the Honorable JOHN A. BLATNIK.

It is of particular note, Mr. Speaker, that the author of this article, Mr. William Hickman, an experienced Washington reporter, emphasizes the high degree of cooperation this committee has established with its opposite number in the other body. This cooperative spirit will, I am certain, contribute importantly to the effectiveness of the Committee on Public Works in the broad legislative areas over which it has jurisdiction.

The article follows:

PUBLIC WORKS CHIEFS PULL TOGETHER IN CONGRESS

"Jennings and John make a damned effective team," says an admiring congressman of the Senate and House public works chairmen. Sen. Jennings Randolph (D-W. Va.) and Rep. John Blatnik (D-Minn.) head committees that have prime responsibility for authorizing billions of construction dollars annually (see below).

Blatnik moved into his post only in January and the committee staff remains almost unchanged. Also, the two refrain from discussing long-range objectives, preferring to discuss only legislation before them. The fruits of the new partnership are not yet obvious. But it's apparent that Randolph's approach is more compatible with the new House chairman than with his predecessor, former Rep. George Fallon (D-Md.). When the two really start to pull together it can have great impact.

Often major legislation languishes or appears in a watered down form because the two committees cannot agree on key provisions. Also, consideration of authorization bills often drags into the fiscal year so the effect of increased spending levels is dulled while programs operate at the previous year's level (ENR 7/15 p. 17). Last year, passage of the biennial highway act didn't come until almost Christmas while states waited to learn their authorizations for fiscal 1972, which began this month (ENR 12/24/70 p. 9).

NEW THRUST

Chairmen generally exercise almost authoritarian control over their committees and are largely responsible for disposition of measures. The fairly new Randolph-Blatnik team first showed its muscle this summer when the two men jammed through the $2-billion accelerated public works bill by overwhelming margins, even though the Senate committee did not hold any hearings and House hearings were only perfunctory.

While President Nixon vetoed the program, and Congress upheld his action (see p. 9), the point was made: Congressional Democrats are willing to spend money to fight unemployment, though the Administration is not. And that is expected to become a major issue in next year's elections.

Randolph and Blatnik are both veterans of tough political battles with 51 years in Congress between them. Randolph has headed his powerful committee for six years, while Blatnik just succeeded to his post this year. He took over from Fallon, defeated last November in large measure because of the efforts of environmentalists and antihighway forces in the Baltimore area who considered him unresponsive.

That's a trap Blatnik's not likely to fall into, though he was recently accused of being soft on fighting disposal of iron ore tailings back home. He argues that he was one of the earliest proponents of pollution control legislation and is still a staunch supporter. Randolph, too, was an early leader in the pollution fight.

Now that nearly everyone on Capitol Hill is on that bandwagon, it's more significant to look at how the public works chairmen feel about a broader application of highway user revenues. Fallon was unyielding in his view that the Highway Trust Fund be used only for highway purposes.

Congressional courtesy, which continues even after a member leaves the Hill, prevents Randolph and Blatnik from criticizing Fallon. But it's obvious that they find more in common than either did with the former Representative. This can not only speed legislation, but make it more progressive.

"The trust fund is not sacrosanct," says Blatnik. "We're building an adequate system of Interstate highways. When that's finished I'd be open to a variety of revenue sharing proposals that would help build a balanced system—rapid rail service, bus-only lanes, secondary roads."

Randolph's thinking has been moving in the same direction. "You have to be ready for changing conditions," he says. "Society doesn't remain static. I'm as open to new ideas as I was in 1932."

Over the years Randolph has insisted that airports and mass transit should get substantial funding on their own, because projected highway spending cannot even meet needs in that program. However, his committee's draft of the 1970 highway act included trust fund financing of bus facilities plus any type of transit construction that would reduce the need for new roads in major urban areas. The latter feature died on the Senate floor.

While Blatnik is leaning toward unified funding of surface transportation Randolph's long interest in aviation inclines him toward a total transportation trust fund. There is room for compromise.

SOCIAL ORIENTATION

It's ironic that the chairmen get along so well. Randolph, 69, was elected to the House in 1932 as a red hot New Dealer, but has gradually, become more conservative. His staff members call him a centrist. Defeated after serving 14 years, he reappeared in the Senate in 1958.

Blatnik, 60, is a founder of the liberal Democratic Study Group on the Hill and is placed in the left wing among colleagues. His party affiliation is actually Democrat-Farm-Labor, the Minnesota coalition that has produced such figures as Hubert Humphrey, Eugene McCarthy and former Secretary of Agriculture Orville Freeman.

Both chairmen are large, friendly men with quick smiles. Their politics might best be summed up as populism with the expected strong dose of agrarian influence. Heavy government spending for people-oriented programs bothers neither one. In fact, they may consider programs more in terms of creating jobs and supplying an economic transfusion than the products produced.

But Blatnik tends to view programs in more personal terms than Randolph, who is taken by nationwide public works efforts. Blatnik's interest in equal rights no doubt exceeds the senator's, for instance. And he's concerned with problems of broad social implication. Blatnik would like to see government foster new communities to cope with urban congestion. "It costs less to bring jobs to people than people to jobs," he observes. "If you give people economic opportunities, they will stay in sparsely settled regions."

Colleagues say Randolph's greatest strength is as a strategist and a solid member of the Senate's so called Inner Club, a handful of members whose influence far exceeds their number. Reportedly his clout is such that he recently called Robert Byrd, deputy Senate leader and a fellow West Virginia Democrat, and took him to task for slow legislative progress this year.

Blatnik is in a less solid position with the House majority leadership. He entered Congress in 1947 along with John F. Kennedy, Richard Nixon and Carl Albert (D-Okla.), now Speaker of the House, but his rigidly liberal views have tended to curb his influence. Though Blatnik says his basic philosophy hasn't changed, his power has grown to where it is probably equal to most other chairmen. And that should bring the new team through on major new public works legislation.

CAPTIVE NATIONS WEEK

HON. JAMES A. BYRNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1971

Mr. BYRNE of Pennsylvania. Mr. Speaker, this week, as we have for the past 12 years, we pause in our regular deliberations and lawmaking to remember the nations of the world which are referred to as the "Captive Nations," those who lack the rights of liberty, choice, and self-determination.

These nations are those held under the Communist yoke, whose people have neither the internal liberties which we take for granted in the free world, nor the right to emigrate.

Unfortunately, it is too easy to point to examples as there are so many. We need look only to the Baltic nations, Eastern Europe, and Asia.

The Soviets are all too ready to point to the charter of the United Nations to try to prove violations on the part of the free nations, but they refuse to recognize the mote in their own eye.

As far back as the 86th Congress, this body passed a resolution which called upon the conscience of the world to recognize these gross inequities that exist; to demand an end to hypocrisy; to insist that all men—not just Americans—are endowed with certain inalienable rights.

It is time these rights were guaranteed to all people. May that day be soon.

PERIPHERAL CANAL PROPOSAL DAMAGING TO DELTA AND SAN FRANCISCO BAY

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. WALDIE. Mr. Speaker, the Catholic Voice recently printed an article by Walter Kelly concerning the possible effects of the Peripheral Canal on the Sacramento-San Joaquin Delta and the densely populated Los Angeles area.

I strongly oppose the construction of the canal and my many reasons for so doing are described in the article.

The project's effect on the ecology of the area will be nothing less than disastrous. There has been ample testimony from experts supporting that conclusion.

In addition, the area for which this water is intended does not need the quantities proposed. What the Los Angeles area needs instead, as I have often stated, is more air. I do not see a constructive purpose, unless it is to enhance the wealth of developers, in making it possible to increase an already swollen, overburdened, cumbersome, and smog-filled area with more people. In this regard, I am in complete agreement with the statement at the end of Walter Kelly's article, the whole of which I wish included in the RECORD:

WILL PERIPHERAL CANAL RUIN DELTA?

(By Walter Kelly)

The Sacramento-San Joaquin Delta, one of California's most important marshland wildlife preserves and a center for fishing and agriculture, may be in for a lot of environmental damage if the State Department of Water resources goes ahead with plans to send massive amounts of water from that area downstate.

A maze of rivers, sloughs and marsh interspersed with fertile fields, the Delta, much of which is at or near sea level, stretches in an enormous "V" from the northern end of San Francisco Bay to Sacramento on the North and below Stockton to the South.

Fresh water from the Sacramento and San Joaquin rivers is vital to both the agriculture of the area and the complex ecosystem which makes the Delta a home for migrating ducks, geese and game fish.

The river water serves as a barrier to the more salty waters of San Francisco Bay which, conservationists claim, would be inimicable to varieties of aquatic life.

Conservation groups, including the Sierra Club, have joined political representatives of Contra Costa County, U.S. Congressman Jerome Waldie and State Senator John Nejedly, to oppose Water Resources Department plans to build a 42-mile long viaduct called the Peripheral Canal, most of it through East Contra Costa County.

The Canal, one of the last links in the 600 mile State Water System, would have the capacity to transport 80 percent of the water in the Sacramento River around the western side of the Delta to pumping stations at Tracy, southwest of Stockton.

From Tracy the water would be sent downstate to irrigate farmland in the San Joaquin Valley as well as serve the projected consumption needs of Southern California's growing population.

Construction of the Canal, costing $250 million, is to be financed almost equally by the State and Federal governments.

In 1960, California voters authorized the sale of 1.75 million dollars in bonds to finance the California Water Plan, of which the Canal is part.

Federal contributions fall under the Bureau of Reclamation Central Valley Project (CVP) which was begun in the 1930s to provide irrigation water and flood control.

In this session of the Congress, Southern California Congressman Craig Hosmer (R–Long Beach) has introduced authorizing legislation for the project. Rarely will a "Congressman go 500 miles outside of his own district to support legislation for a project that has not direct bearing on his home district."

Opponents of the Canal either say the project would cause so much environmental damage that it should not be built at all or maintain that criteria for water quality in the Delta are vague and the Water Resources Department is not the proper agency to regulate water removal from the Sacramento.

Water Resources Department director William Gianelli argues that the Canal is the most environmentally sound means of completing the California Water Project.

In a letter to California Episcopal Bishop Kilmer Myers, an opponent of the project, Gianelli pointed out that since the Canal would contain outlet points from which water taken from the Sacramento could be fed back into the Delta, it was "the best of several alternatives to protect and enhance the ecological and environmental values of the Delta."

The Contra Costa Water Agency claims the Canal would have a detrimental effect upon aquatic life in the Delta under any conditions. Other opponents, including the Sierra Club and Bishop Myers, say the key issue is "who controls the spigot."

In a statement written for the Sierra Club, Edwin Royce, chairman of the Northern California Regional Conservation Committee and a University of California professor connected with the Lawrence Radiation Laboratory, Livermore, estimated "a minimum of three to four times the net water outflow projected by the Department will be essential to maintain the Delta fishery as we know it."

The research firm of Metcalf and Eddy, hired by the Contra Costa Water Agency to study the effects of the Canal, agreed with Royce.

That firm estimated that Water Resources Department criteria, set in 1965, for Delta water needs would result in four million dollars worth of damage per year to the Delta fishing industry and agriculture.

The California Water Quality Control Board has held hearings over the past year on the subject of Delta water needs but no report has yet been issued by that board, whose members are appointed for four-year terms by the Governor.

Canal critics argue that, although by the DWR's own estimates sufficient water supplies already exist to meet the needs of Southern California for the next 20 years, water demands may rise sometime after the year 2000 to the point where the DWR will need all the water the Canal could remove from the Sacramento, 80 percent, to honor its water commitments to the Los Angeles Metropolitan Water District and other downstate contractors.

In such a situation, the critics contend, the DWR should not, particularly in time of drought, be in the position of having to choose between environmental disaster to the Delta and paying off the 75-year bond issue which financed construction of the State Water Plan.

Contra Costa State Assemblyman James Dent recently said that Governor Ronald Reagan's veto last October of a dam at Round Swamp Valley on the Middle Fork of the Eel River complicates the situation even further.

One of the last links in the California water system, the Canal has also drawn criticism from those who argue that the entire project represents a misdirection of resources.

San Francisco dress manufacturer Alvin Duskin, author of the propositions to limit high-rise construction in San Francisco, published a full-page ad in the S.F. Chronicle last year in which he criticized the Water Project for permitting real estate developers to "make more Los Angeles."

Duskin argued that without more water from Northern California Los Angeles' growth would be curtailed.

"The California Water Plan," Duskin wrote, "will accelerate development at a time when we're choking from what we already have."

The California Labor Federation, AFL–CIO, also opposes the project on the grounds that California does not need the increased agricultural production which would result from more irrigation of the San Joaquin Valley.

The Labor Federation claimed that California agriculture was already putting farmers in the South of the United States out of business.

Irrigation leaches minerals from the soil and deposits salts. Utilization of San Joaquin lands, the Federation argued, would constitute the wasting of a resource which might be more valuably used in the future than at present.

From this broad perspective the Contra Costa Water Agency ended its "Preliminary Report on the Peripheral Canal" (Feb. 1971) with the following quotation from Isaiah:

"The earth also is defiled under the inhabitants thereof because they have transgressed the laws, changed the ordinances, broken the everlasting covenant."

(The Biblical land of the Tigres-Euphrates, now a desert, was once a fertile plain. Its soil was exhausted by intensive, irrigated farming.)

In addition to environmental damage to the Delta, critics contend construction of the Peripheral Canal will in the long run have two additional adverse effects:

It will help cover more of Southern California's hills with smog and housing developments and hasten the return of the Central Valley to the desert it once was.

WHO SITTETH UPON THE EXECUTIVE ORDER CONCERNING OUR WILDERNESS AREAS?

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. SAYLOR. Mr. Speaker, those who keep track of the subterranean activities of the anticonservationists in the Federal establishment will recall the frantic battle which raged deep inside the administration during April of this year over release of the Executive order concerning wilderness areas. Unfortunately for the public, the timber-types who dominate policymaking in the U.S. Forest Service were able to block release of the order. That document is expected to preserve most of the potential wilderness areas in the Nation until a time when the areas' suitability for inclusion in the national wilderness system can be properly evaluated as required by the 1964 public law.

In a recent editorial, the New York Times succinctly noted that the only way in which the Nation's wilderness areas can be preserved is for the Chief Executive to issue the long-awaited and long overdue Executive order. I quite agree with the Times' assessment that Presidential "eloquence" on the subject will not suffice in the battle to save the areas for this and future generations of Americans.

I tried to tell the White House of the consternation which would be forthcoming from the conservationists around the country if the message to Congress was not beefed up with the issuance of the order. I regret to report that my warnings went unheeded. As I predicted in April, the environmentalists now have one more reason to question the sincerity of the President's commitment to the preservation of the Nation's environment.

Nevertheless, if this administration is truly interested in wilderness preservation and is factually committed to the proposition, as stated by the President, that without wilderness, "we would all be poorer," then the solution is easily at hand.

That solution is to override the faceless and nameless sycophants who abound in the depths of the Forest Service and issue the Executive order which has hidden away for at least 4 months. Unless and until the order is issued, no one is going to believe that the President is master in the environmental house he has labored to build. Rather, conservationists and the public at large will have to believe that which is widely rumored—the timber lobbyists have control of the Nation's wilderness system.

Knowing the President's desire to chart new directions in domestic as well as foreign affairs, he could not do better than to chart a course for the enlargement and enhancement of the country's wilderness areas. The beginning step is release of the Executive order. As Secretary Morton has said in relation to administration wilderness decisions:

> We just have to bite the bullet.

The New York Times editorial on this subject follows:

[From the New York Times, July 18, 1971]

SHADOW OVER THE WILDERNESS

The Wilderness Act of 1964 gave permanent legal protection to nine million acres of wilderness land that had already been so designated by administrative order; it also provided for a review by Federal agencies of about 45 million additional acres in the wildlife refuges, national parks and national forests to determine whether these lands deserve the same protection.

Congress directed that this review take place over a 10-year period, but in these first seven years, the progress has been depressingly slow. Fewer than two million acres have been added to the National Wilderness Preservation System, most of them small and less important areas. There are roughly 140 parcels of land which would qualify under the law for possible inclusion in the system, some of them huge tracts of a half million acres or more. The agencies have concluded the necessary studies and hearings on barely a third of these tracts.

The Bureau of Sport Fisheries and Wildlife, which is responsible for the wildlife refuges, has a generally good record in classifying its wilderness lands. The National Park Service, its companion agency in the Interior Department, is the chief offender. It has fallen so far behind schedule that it is virtually thumbing its nose at the intent of Congress.

The Park Service appears preoccupied with problems of intensive use to the detriment of wilderness values. The Park Service would like to see enclaves in Glacier National Park and in the North Cascades, for example, where overnight facilities would be available. But people seeking this kind of limited wilderness experience should be accommodated at the periphery of parks since enclaves in remote areas create serious problems of garbage and sewage disposal and endanger the fragile ecology of true wilderness.

The Forest Service in the Agriculture Department has kept to its schedule in reviewing the wilderness quality of designated "primitive areas" which were in existence prior to 1964. But it is dragging its feet with regard to approximately six million acres within the national forests which were not so designated but which citizen conservationists believe merit consideration. The Forest Service and the lumbering industry with which it is on terms of indecent intimacy would like to open up for logging these wild lands now so eminently suitable for wilderness preservation.

It has long been apparent that there is only one way to prevent the Park Service's empire-building proclivities and the Forest Service's passion for lumbering from subverting the wilderness quality of their lands before the review is finished. That way is for President Nixon to issue an Executive order directing the agencies to preserve these lands undisturbed until a decision has been reached about their status under the procedures set forth in the Wilderness Act.

It is an open secret that the draft of such an Executive order has been circulating in the upper reaches of the Administration for some months. But the Forest Service and its allies in the lumber industry have been able to block it. The political pressures which the lumber interests can bring to bear are admittedly formidable, but Mr. Nixon's decision on the issuance of this order is a critical test. His annual messages on wilderness have been eloquent, but only an Executive order can give them substance.

TAX DEDUCTION SPEEDUP TO AID LOW- AND MIDDLE-INCOME WAGE EARNERS

HON. R. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. COUGHLIN. Mr. Speaker, I am happy to introduce on behalf of 54 colleagues a bill that would accelerate by 1 year tax reductions that are designed to aid the hard-pressed low and middle income taxpayers of our Nation. I originally introduced this measure to amend the Tax Reform Act of 1969 on June 30, 1971.

In addition to speeding up relief for those taxpayers who use the standard deduction, this bill would add some $1.1 billion in purchasing power by making the money available in fiscal 1972 and 1973, and would further aid the economy by helping increase employment rolls. I believe this bill can accomplish this without subjecting the economy to additional inflationary pressure.

This bill was introduced in the Senate on June 30, 1971, by the Honorable HUGH SCOTT, the distinguished Republican Senate leader and senior Senator from Pennsylvania.

I feel that the bipartisan support accorded this bill by my colleagues indicates their concern with affording a measure of tax justice to those who most deserve it while, at the same time, helping the economic growth of the country. Because the higher deductions already have been enacted into law, I think the acceleration by 1 year's time is warranted.

Through the years, various administrations have used the speedup technique in helping business and industry, and thus aiding the economy. We should be willing to do no less for the core of our Federal taxpaying citizens whose labors contribute so monumentally to filling the Treasury from which the Congress appropriates funds for hundreds of programs.

I do not think any reasonable person will quarrel with the proposition that a measure of tax justice in the form of some immediate relief is due the millions of low- and middle-income wage earners. I speak particularly of the family man of moderate means, of the single and self-supporting worker, and of senior citizens and others who must live on fixed incomes.

They deserve more relief and they deserve it now. I feel that this bill can give them some relief in a responsible and prudent manner.

My colleagues are all keenly aware of the sentiments expressed in letters and in person by their constituents. Taxes—constantly escalating taxes—constitute a major portion of citizen complaints. I know that much of their unhappiness concerns rising real estate taxes, local wage taxes, new or increased State income taxes, and burdensome sales taxes. As Federal legislators, we cannot completely divorce ourselves from the problems of State and local taxes since the Federal Government does take the lion's share of taxes. We must do what we can on the Federal level to ease the tax burden and try to make it fairer.

Tax justice is a crying need in this country. While this bill is only a step in speeding up a measure of relief for millions, I think it should be enacted into law. Let us not fool ourselves. The Tax Reform Act of 1969 was significant, but the people are not going to settle for anything less than a continuing overhaul and reform of our complicated and unfair tax picture. We can continue along this line in this session of the Congress by passage of this bill.

The additional purchasing power of $1.1 billion entails freeing of some $900 million in fiscal 1972. Another $200 million would be made available in fiscal 1973.

This bill would accomplish this by advancing by 1 year the higher deductions originally scheduled to go into effect on January 1, 1972, and January 1, 1973. The minimum standard deduction of 13 percent of yearly adjusted gross income with a ceiling of $1,500 would be increased to 14 percent and $2,000, effective January 1, 1971. The 15-percent deduction with a $2,000 ceiling would become effective January 1, 1972.

I feel there are two significant advantages to this bill:

First. Taxpayers who use standard deductions because they do not have enough expenses to itemize deductions would benefit directly from the year's speedup.

Second. The Secretary of the Treasury would be required to make prompt adjustments in Federal income tax withholding tables to reflect the higher deductions, thus making the money available to the taxpayers immediately.

I thank my colleagues for joining me in sponsoring this needed legislation and I insert their names in the CONGRESSIONAL RECORD.

LIST OF COSPONSORS

James Abourezk, Democrat of South Dakota.

Mario Biaggi, Democrat of New York.

William S. Broomfield, Republican of Michigan.

J. Herbert Burke, Republican of Florida.

Shirley Chishom, Democrat of New York.

Frank M. Clark, Democrat of Pennsylvania.

W. C. (Dan) Daniel, Democrat of Virginia.

Harold D. Donohue, Democrat of Massachusetts.

Joshua Eilberg, Democrat of Pennsylvania.

Marvin L. Esch, Republican of Michigan.

Walter Flowers, Democrat of Alabama.

Edwin B. Forsythe, Republican of New Jersey.

Bill Frenzel, Republican of Minnesota.

James G. Fulton, Republican of Pennsylvania.

George A. Goodling, Republican of Pennsylvania.

Ella T. Grasso, Democrat of Connecticut.

Gilbert Gude, Republican of Maryland.

Seymour Halpern, Republican of New York.

Orval Hansen, Republican of Idaho.

Michael Harrington, Democrat of Massachusetts.

James F. Hastings, Republican of New York.

Margaret M. Heckler, Republican of Massachusetts.

Henry Helstoski, Democrat of New Jersey.

Floyd V. Hicks, Democrat of Washington.

Louise Day Hicks, Democrat of Massachusetts.

Lawrence J. Hogan, Republican of Maryland.

Frank Horton, Republican of New York.

Jack F. Kemp, Republican of New York.

Manuel Lujan, Jr., Republican of New Mexico.

Paul N. McCloskey, Jr., Republican of California.

Mike McCormack, Democrat of Washington.

Joseph M. McDade, Republican of Pennsylvania.

K. Gunn McKay, Democrat of Utah.

Abner J. Mikva, Democrat of Illinois.

Robert H. Mollohan, Democrat of West Virginia.

Thomas E. Morgan, Democrat of Pennsylvania.

F. Bradford Morse, Republican of Massachusetts.

Tom Railsback, Republican of Illinois.

Donald W. Riegle, Jr., Republican of Michigan.

Howard W. Robison, Republican of New York.

Robert A. Roe, Democrat of New Jersey.

Fred B. Rooney, Democrat of Pennsylvania.

Harold Runnels, Democrat of New Mexico.

Philip E. Ruppe, Republican of Michigan.

John P. Saylor, Republican of Pennsylvania.

James H. Scheuer, Democrat of New York.

Fred Schwengel, Republican of Iowa.

Richard G. Shoup, Republican of Montana.

Charles Thone, Republican of Nebraska.

Victor V. Veysey, Republican of California.

John Ware, Republican of Pennsylvania.

Lawrence G. Williams, Republican of Pennsylvania.

Gus Yatron, Democrat of Pennsylvania.

John M. Zwach, Republican of Minnesota.

DISTRICT OF COLUMBIA HOME RULE BILL

HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. BEGICH. Mr. Speaker, it is my privilege today to cosponsor the introduction of a resolution providing for home-rule government for the District of Columbia. This resolution, and the long hours of study behind it, are to the credit of the gentleman from the District of Columbia (Mr. FAUNTROY).

I find it ironic that the residents of the ninth largest city in the United States are all but deprived of the fundamental right of self-government assured to all Americans. Among the Nation's people, District citizens are the only ones who cannot elect the men and women who rule them.

We should be aware by now that government functions most fairly and efficiently on the local level. Citizens who have lived for a long time in a community and who are able to communicate with and move easily among its people, can better satisfy and better serve the community. With a government comprised of their peers, within reach, and devoted not only professionally but emotionally to the city, District residents will place greater trust and confidence in their municipal system. No doubt they will feel more at ease with their city's laws and will rest assured that their money is being spent in ways they see fit. They will regard the government more as an extension of their ideas and not so much as a detached and independent force. This feeling is the essence of the Constitution and the spirit of the American Nation.

There exists no doubt as to the feelings of District residents on this matter. They have the same views and expectations of their government as any other Americans. They desire a voice and a hand in the machinery which governs them. At issue is certainly not the extension of rights beyond the writ of the Constitution but an extension of rights only to be consistent with the Constitution. For this reason, I believe that the resolution providing for home rule is no extraordinary one. On the contrary, I would hope that no Member of Congress can deny this resolution once its merits are made known. I offer my continued support to Mr. FAUNTROY as he moves this bill forward.

SENATE—*Friday, July 30, 1971*

The Senate met at 9:30 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God and Father of us all, whose grace is sufficient for all our need, brace us for hard duty this day. To our own consecrated energies add the reinforcement of Thy vivid presence and unfailing strength. Lead us out of confusion and uncertainty into clarity and certainty. May we obey the highest revelation of Thy will and the clearest guidance of conscience and be prepared either for reward or rebuff. May we hear Thee say "This is the way, walk ye in it."

O Lord, keep us ever mindful of those who confer for peace and the young who bear the burdens of war that we fail them not in our quest for that peace which is just and that order of life which points to Thy coming kingdom.

In the name of the Great Burden Bearer and Guide to all truth. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. ELLENDER).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 30, 1971.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

ORDER OF BUSINESS

Mr. PROXMIRE obtained the floor.

Mr. PROXMIRE. Mr. President, I am happy to yield to the majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be allocated 2 minutes outside of the time on cloture.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, July 29, 1971, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of the calendar, beginning with Calendar No. 302 and going through Calendar No. 307.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LINCOLN HOME NATIONAL HISTORIC SITE

The Senate proceeded to consider the bill (S. 489) to authorize the Secretary of the Interior to establish the Lincoln Home National Historic Site in the State of Illinois, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 2, line 15, after the word "however", strike out "$5,860,000" and insert "$6,000,000"; and, in line 20, after the word "involved", strike out "herein." and insert "herein, and not to exceed $2,000,000 for acquisition of land."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve and interpret for the benefit of the people the home of Abraham Lincoln in Springfield, Illinois, the Secretary of the Interior is authorized to acquire by donation, purchase with donated or appropriated funds, or exchange, the property at the northeast corner of Eighth and Jackson Streets, in the municipality of Springfield, county of Sangamon, in the State of Illinois, including improvements thereon, together with such adjacent lands and interests therein as the Secretary may deem necessary for the establishment and administration of the property as a national historic site. The Secretary is further authorized to acquire by any of the above means personal property used and to be used in connection with the national historic site.

SEC. 2. The property acquired pursuant to the first section of this Act shall be known as the Lincoln Home National Historic Site, and it shall be administered by the Secretary of the Interior in accordance with the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 1, 2–4), and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–467).

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, not to exceed, however, $6,000,000 (February 1970 prices) for development of the area, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction cost as indicated by engineering cost indices applicable to the types of construction involved herein and not to exceed $2,000,000 for acquisition of land.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–308), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of S. 489 is to authorize the Secretary of the Interior to acquire by donation, purchase with donated or appropriated funds, or exchange, the former home of Abraham Lincoln in Springfield, Illinois.

HISTORICAL BACKGROUND

The Lincoln Home in Springfield is the only home President Lincoln ever owned. It was during his years of ownership of this home that he emerged from a small town lawyer to a figure of national importance. It was during this same period that some of the most important episodes of his life prior to his inauguration as President occurred. Here, Lincoln received a committee from the Republican Nominating Convention bearing the formal notification of his nomination as the party's candidate. During the campaign Lincoln received well-wishers at the home, and on February 6, 1861, gave a "grand levee" to bid farwell to his friends and fellow citizens on the eve of his departure for Washington.

Lincoln purchased the property in 1844, and except for the 2 years he served in Congress, 1847–1849, it was the Lincolns' home until they moved to the White House. The years Lincoln spent there were crucial ones in the development of the man and the growth of his reputation. The simple, comfortable house at the corner of 8th and Jackson Streets is intimately associated with those years of trial and growth and eloquently preserves the memory of the man who called it home.

NEED

From 1887 until now, the State of Illinois has maintained the Home itself, as well as other Lincoln shrines in the area. The Home had been donated to the State by Robert Todd Lincoln, the son of the President. These other shrines include his tomb in Springfield, the log cabin village at New Salem where he spent his young manhood, and the Old State Capitol Building in Springfield where he matured as a legislator and uttered his "House Divided" speech.

However, the Committee is convinced that the Lincoln Home area, the shrine most intimately connected with Lincoln, the shrine where visitors feel a closeness and inspiration as nowhere else remains inadequately restored and preserved under the existing situation. Visitor facilities are totally inadequate considering the magnitude of interest in this home of one of our country's greatest figures. The State of Illinois recognizes that the Federal Government should act to save this historic area.

COST

The land acquisition cost is estimated at $2,003,000. This is the cost of acquiring 5.13

acres, including 36 improvements. These improvements consist of 24 year-round residences, 1 service station, and 11 commercial offices. Real estate taxes on the private properties to be acquired totalled $31,460 in 1969. While the 18 period buildings in the 4-block area will remain, the incompatible structures will be removed to create a harmonious atmosphere and to allow construction of a small visitor center, landscaping, and parking facilities.

The City of Springfield has agreed to purchase and donate 2.29 acres of private land and will also donate 3.33 acres consisting of streets, walks, and alleys. The State of Illinois will make available the 1.08-acre site of the home itself. This is an instance where local, State and Federal governments can work harmoniously together toward a common goal.

Total development costs are estimated at $5,860,000, with annual operating costs of $502,400 by the fifth year after establishment.

METRIC SYSTEM STUDY AUTHORIZATION, 1972

The bill (S. 1257) to authorize an appropriation for fiscal year 1972 to carry out the metric system study was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby authorized to be appropriated for the use of the Department of Commerce during fiscal year 1972, such sums, not to exceed a total of $144,000, as may be necessary to carry out the purposes of the Act of August 9, 1968 (82 Stat. 693; Public Law 90–472).

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–309), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to authorize an appropriation for fiscal year 1972 for completion of the metric system study authorized by the act of August 9, 1968 (82 Stat. 693; Public Law 90–472).

This authorization would permit appropriations to cover the final 40 days of the metric system study and for an additional 30 days for a partial staff to complete administrative details. The final report of the study will be presented to Congress not later than August 9, 1971.

BACKGROUND OF THE LEGISLATION

Public Law 90–472 authorized the Secretary of Commerce to commence the metric system study with funds, not to exceed $500,000, which had been previously appropriated to the Department of Commerce. Funding for fiscal years 1969, 1970, 1971 was provided for in the appropriations for those years.

For the reasons hereinafter given, authorization for $144,000 for the final months of the study was found to be required for fiscal year 1972.

On March 3, 1971, the Secretary of Commerce transmitted legislation (S. 1257 and its companion bill, H.R. 6167) to the Congress to authorize $144,000 for the concluding months of the study. The letter of transmittal from the Secretary of Commerce and an accompanying statement of purposes and provisions of the legislation appear hereafter under the title "Departmental Reports." On June 18, 1971 the committee held hearings on S. 1257.

GENERAL STATEMENT

The requested authorization would provide funds for 16 National Bureau of Standards technical staff members working full time on the final aspects of the report up to the time of its submission, and for nine technical staff members for a period of 30 days thereafter who will complete the final administrative details of the study.

These funds would be used as follows:

Direct labor and personnel benefits	$48,900
Applied bureau overhead	19,600
Printing costs	75,500
Total	144,000

CONCLUSION

The committee reported this bill unanimously, without amendment. Its enactment is in accord with the metric system study program authorized by the 90th Congress.

COST OF THE LEGISLATION

The cost of the legislation is $144,000.

MORTGAGE PROTECTION LIFE INSURANCE FOR CERTAIN VETERANS

The bill (H.R. 943) to provide mortgage protection life insurance for service-connected disabled veterans who have received grants for specially adapted housing was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–311), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXPLANATION OF BILL

This bill would authorize the Administrator of Veterans' Affairs to purchase a commercial policy to provide mortgage protection life insurance for seriously disabled veterans who have received grants for specially adapted housing under chapter 21, title 38 of the United States Code. Veterans eligible for housing assistance grants of up to $12,500 under this chapter are principally service-connected quadriplegics, paraplegics and others who require the use of a wheelchair. Under the proposed bill, the Administrator would be authorized to purchase a mortgage insurance policy for the specially adapted housing up to $30,000 or the amount of the mortgage loan outstanding at the date the insurance is placed in effect, whichever is lesser. Insurance coverage under the bill would be automatic unless the eligible veteran elected, in writing, not to participate. The veteran would pay the standard premium rate, which would be deducted from his compensation payments. The Veterans' Administration would pay the additional premium occasioned by the veteran's disability. No insurance protection would extend beyond age 70, and the amount of insurance provided is reduced as the mortgage is amortized. Benefits under the policy would be payable only to the holder of the mortgage loan. No insurance would be payable if the loan were fully paid prior to the veteran's death.

A spokesman for the Veterans Administration in testifying before the Subcommittee on Housing and Insurance on July 13 of this year stated:

"Few, if any, of these veterans can obtain mortgage protection from commercial sources. The veterans have suffered greatly and deserve our most sympathetic, understanding, and consideration. Viewing these facts alone, the bills appear to warrant favorable consideration."

The spokesman further acknowledged that:

"* * * the life expectancy of many of the veterans of this group have been shortened by their service-connected disabilities, and that following their death, the income of their widows or other survivors generally is substantially reduced."

Notwithstanding the foregoing, the Veterans Administration formally opposes passage of this bill on the grounds that (1) widows do not wish to continue living in specially adapted housing; (2) the housing is readily marketable without a loss; and (3) most veterans covered under this bill are entitled to $20,000 to $25,000 worth of government issued or government sponsored life insurance, which could be used to satisfy the mortgage obligation. Although requested to do so by the committee, the Veterans Administration has yet to supply statistical data to support the first two assertions. Additionally, testimony by Michael Burns, Executive Director of the Paralyzed Veterans of America, contradicts the Administration's position. During his appearance before the subcommittee on July 13, Burns testified that:

"I must dispel one fallacious argument often used. The Veterans Administration and others have concluded * * * that the survivors of these veterans do not wish to continue living in specially adapted houses. We contend and can substantiate that they indeed wish to continue living there, but cannot afford to because of the high mortgage payments."

It should be further noted that specially adapted housing does not differ significantly from standard housing. Aside from alterations in bathroom facilities and in the side of the hallway and the absence of steps these houses are completely suitable for individuals without handicaps.

Finally, to require the meager amount of life insurance that is available to the survivors of disabled veterans to be used in satisfaction of the mortgage obligation imposes a sacrifice on the family of seriously disabled veterans which the committee did not feel is warranted. Accordingly, the committee unanimously recommends passage of this bill.

COSTS

As of January 3, 1971, 11,198 specially adapted housing grants have been issued with about 500 new grants being made each year. The Veterans Administration estimates that a maximum of 10,000 veterans would be affected at the present time. Estimated death claims will amount to about $1,750,000 for each of the next five fiscal years. Of that amount, $1,575,000 would be borne by the government. In addition, first year administrative costs would be $200,000, and thereafter approximately $40,000 per fiscal year. Informal communications to the committee indicate that the Veterans Administration is currently reevaluating its estimated figures to take into account that many mortgages particularly those of World War II and Korean War veterans have been substantially or completely amortized. More recent studies indicate that the yearly cost would be less than originally estimated and probably about $1.2 million per year.

SHIP MORTGAGE ACT, 1920

The Senate proceeded to consider the bill (S. 1275) to amend the maritime lien provisions of the Ship Mortgage Act of 1920 which had been reported from the Committee on Commerce with amendments in line 3, after the word "That", strike out "section 30 of"; in the same line, after the word "Mortgage", strike out "Act of" and insert "Act"; and, in line 4, after "U.S.C.", strike out "971–975" and insert "911–984"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That the Ship Mortgage Act, 1920 (46 U.S.C. 911–984) is amended as follows:

(1) By striking from subsection B thereof (46 U.S.C. 973) the semicolon, substituting a period therefor and deleting all thereafter.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–310), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to protect terminal operators, ship chandlers, ship repairers, stevedores and other suppliers who furnish necessaries to a vessel. At the present time, a "prohibition of lien" clause in a charter party and the Ship Mortgage Act preclude a supplier from acquiring a lien on a chartered vessel for necessaries furnished to the vessel. The bill would amend the Ship Mortgage Act to permit a supplier to acquire such a lien despite a "prohibition of lien" clause in the charter party.

BACKGROUND AND NEED FOR THE LEGISLATION

Pursuant to long-established principles of maritime law, suppliers of necessaries to a vessel are accorded the right to impose a lien on the vessel in support of their right to collect proper charges for such necessaries. This is not unlike the law giving a plumber, carpenter or other artisan a lien on property for services furnished but not paid for. Over the years, priorities between maritime liens have been established (for example, see *Todd Shipyard Corporation* v. *City of Athens, et al.*, 83 F. Supp. 67 (1949) at 78–79), and the services and supplies constituting "necessaries" to the ship have likewise become fairly well defined.

Subsections P, Q, and R of the Ship Mortgage Act, 1920, as amended (46 U.S.C. 971–973) authorized a maritime lien for necessaries furnished to a vessel.

Subsection P provides that any person furnishing repairs, supplies, towage, use of drydock or marine railway, or other necessaries, to any vessel upon the order of the owner or a person authorized by the owner shall have a maritime lien on the vessel.

Subsection Q provides that the managing owner, ship's husband, master, or any person to whom the management of the vessel at the port of supply is entrusted is presumed to have authority from the owner to procure such necessaries for the vessel. However, no person tortiously or unlawfully in possession or charge of a vessel shall have authority to bind the vessel.

Subsection R provides that the officers and agents of a vessel specified in subsection Q shall be taken to include such officers and agents when appointed by a charterer, by an owner pro hac vice, or by an agreed purchaser in possession of the vessel.

Subsection R contains an additional provision that would be repealed by S. 1275. This provision provides that "nothing in this section shall be construed to confer a lien when the furnisher knew, or by exercise of reasonable diligence could have ascertained, that because of the terms of a charter party, agreement for sale of the vessel, or for any other reason, the person ordering the repairs, supplies, or other necessaries was without authority to bind the vessel therefor."

As some legal writers have pointed out, "No provision of the Lien Act has led to more litigation than the last clause of [subsection R] which puts the materialman under a duty to inquire whether charterers; purchasers and the like are 'without authority to bind the vessel' because of a term in the charter party or agreement of sale." (Gilmore and Black, "The Law of Admiralty," 558 (1957).)

The practice of inserting a "prohibition of lien" clause in a vessel charter party thus denies to the charter authority to create liens on the vessel for necessaries.

The "prohibition of lien" clause in a charter party and the above provision in Subsection R of the Ship Mortgage Act have created serious problems for American materialmen. Testimony at the hearings on the bill indicates that this problem is primarily encountered with foreign-flag vessels chartered to foreign operators. In order to protect themselves, American suppliers of necessaries must ascertain whether a vessel requesting necessaries is under charter and if so, whether the charter contains a "no lien provision." Alternatively, such a supplier can make a credit check on the financial responsibility of the vessel operator. Generally, a vessel requiring necessaries is unable to give sufficient notice so that the American supplier can do either. This has resulted in substantial losses or in costly litigation. For example, the committee received testimony that stevedores in the San Francisco Bay area have sustained losses over the years in excess of $2 million.

SHIP MORTGAGE ACT, 1920

Mr. MANSFIELD subsequently said: Mr. President, I move to reconsider the vote by which the bill (S. 1275) was passed.

The motion was agreed to.

Mr. MANSFIELD. I ask that the Chair lay before the Senate the message from the House of Representatives on H.R. 6239.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives on H.R. 6239, an act to amend the maritime lien provisions of the Ship Mortgage Act of 1920, which was read twice by its title, considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, H.R. 6239 is the same bill, in effect, which was passed by the Senate earlier today. Therefore, I ask unanimous consent that S. 1275 be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENFORCEMENT OF LAWS WITHIN THE NATIONAL FOREST SYSTEM

The bill (H.R. 3146) to authorize the Secretary of Agriculture to cooperate with the States and subdivisions thereof in the enforcement of State and local laws, rules, and regulations within the national forest system was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–312), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

This bill authorizes the Secretary of Agriculture to cooperate with any State or political subdivision in the enforcement of local law on lands within the national forest system. Such cooperation may include reimbursement for expenditure.

NEED FOR LEGISLATION

In the last several years use of national forest lands by citizens desiring to take advantage of the recreational, scenic and other assets of these forests has increased very substantially. The sheer number of people trying to enjoy these areas creates a temporary law enforcement problem, and often other factors intervene to cause an increasing strain on the ability of the State and local law enforcement agencies to cope with situations to provide adequate protection to the visitors and the forests.

For example, Alpine County in California has a total population of 484 persons. However, last year the national forest land, which comprises almost all of the county, was visited by the equivalent of 1,113,000 1-day tourists. Mono County, with a population of 4,016, had an equivalent of 3,970,000 1-day tourists, with as many as 9,000 persons going to one area of the county, Mammoth Lake, during the peak winter weekends.

NORTHWEST ATLANTIC FISHERIES ACT OF 1950

The bill (H.R. 9181) to amend the Northwest Atlantic Fisheries Act of 1950 was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–313), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE AND NECESSITY OF LEGISLATION

The purpose of H.R. 9181 is to bring the Northwest Atlantic Fisheries Act of 1950, as amended, into accord with two new protocols which amend the International Convention for the Northwest Atlantic Fisheries. The Senate approved both protocols on July 19, 1966, and they entered into force on December 19, 1969.

The protocol which deals with the manner in which regulations enter into force is designed to expedite adoption of regulations proposed by the International Commission for the Northwest Atlantic Fisheries. Under the previous procedure, each signatory government participating in the panel for the subarea to which a proposal applied had to approve such proposal before it could enter into force. Under the new procedure, a signatory government is deemed to have approved a proposal unless it objects within a specified period. H.R. 9181 conforms the

Northwest Atlantic Fisheries Act of 1950, as amended, to this protocol by requiring the Secretary of State with the concurrence of the Secretary of Commerce to take appropriate action on such proposals within a specified period.

The protocol which deals with the enforcement of convention regulations empowered the Commission to make new proposals on international enforcement. Under the original convention, each signatory nation could enforce the conservation regulations only with regard to its own nationals and vessels. Under the new enforcement scheme proposed by the Commission, authorized inspectors from any signatory nation can enforce the conservation regulations with regard to the nationals and vessels of all signatory nations in the area covered by the convention. H.R. 9181 empowers the Secretary of the Department in which the Coast Guard is operating and the Secretary of Commerce, with the concurrence of the Secretary of State, to issue the necessary regulations to implement the proposed enforcement scheme which enters into force on July 1, 1971. It also requires U.S. nationals and vessels to accept inspection as authorized by the Commission by enforcement personnel of other signatory nations.

In order to assure that the United States is represented by the full number of Commissioners to which it is entitled at any meeting of the Commission, the President is empowered by H.R. 9181 to appoint alternate Commissioners. In the event that a regularly appointed Commissioner should be absent from a meeting or in the event of a vacancy, the alternate Commissioner would be entitled to sit at that meeting only.

BACKGROUND AND LEGISLATIVE HISTORY

The International Convention for the Northwest Atlantic Fisheries was signed in Washington on February 8, 1949, by the following nations: The United Stats of America; Canada; Denmark; France; Iceland; Italy; Newfoundland; Norway; Portugal; Spain; and the United Kingdom of Great Britain and Northern Ireland. Since that time, the Governments of Romania, the Union of Soviet Socialist Republics, and the Federal Republic of Germany have become signatories to the convention.

The convention has as its purpose the investigation, protection, and conservation of the fisheries of the Northwest Atlantic Ocean in order to make possible the maintenance of a maximum sustained catch from those fisheries. Without such an effort, it was feared by those whose livelihood depended on the fisheries in the Northwest Atlantic Ocean that the stocks would be depleted. The convention established the International Commission for the Northwest Atlantic Fisheries, in which each contracting government has one vote and to which each contracting government may appoint not more than three Commissioners. The area covered by the convention is divided into five geographical subareas. These subareas include the water off the west coast of Greenland, Labrador, Newfoundland, Nova Scotia, and New England, and separate regulations are adopted with respect to each subarea.

In order to implement the U.S. role in the convention, Congress passed and the President signed the Northwest Atlantic Fisheries Act of 1950 (Public Law 81–845). In brief, the original act did four things: (1) it provided for U.S. representation on the Commission; (2) it established the U.S. Advisory Committee and set forth its rights and functions; (3) it vested in the Secretary of the Interior administration and enforcement authority and the power to make rules and regulations; and (4) it described offenses and set forth the penalties for them. The act was amended once in 1968 by Public Law 90–420. This amendment implemented a new protocol which added certain species of fish to the marine life covered by the convention.

Since the inception of the convention, conservation measures have been proposed by the Commission and have entered into force for three of the five subareas. Other conservation measures have been proposed for the remaining two subareas. Conservation measures generally relate to the use of minimum mesh sizes when fishing for specified species of fish and to maximum catches, and to other related matters.

While these conservation regulations supposedly have been enforced by the member states, there is considerable feeling among those in the U.S. fishing industry that the convention has proved to be less than a success. Those in the industry and in Government pointed out two shortcomings in the convention. In the first place, the original language in the convention provided no specific period of time for entry into force of proposed regulations. As a result, several proposed conservation measures have not gone into effect due to the failure of various member states to signify their approval. In the second place, the U.S. fishing industry was concerned that the other member states might not be enforcing the conservation regulations, vis-a-vis their own nationals, as strongly as were U.S. officials in the case of American fishermen.

In order to ameliorate these problems, the United States proposed two amendments to the convention. One amendment would facilitate the entry into force of conservation regulations by specifying a time limit within which a member state is to signify its approval or disapproval of such regulations. The other amendment proposed by the United States would empower the Commission to formulate an international enforcement scheme wherein inspectors from any signatory nation could enforce the conservation reguations with regard to the nationals and vessels of all signatory nations in the area covered by the convention. The United States already participates in similar enforcement schemes under the provisions of four other international fishery conventions.

These two proposals were approved by the member states late in 1965. The Senate approved the protocols on July 19, 1966, and they entered into force on December 19, 1969. The Commission's proposed enforcement scheme takes effect on July 1, 1971.

In order to implement these protocols, the Department of State in an Executive Communication to the President of the Senate, April 29, 1971, proposed legislation to amend the Northwest Atlantic Fisheries Act of 1950, as amended, the North Pacific Fisheries Act of 1954 and for other purposes (a copy of which appears in this report under the caption of Department and Agency Comments.)

On May 11, Senator Magnuson introduced this proposed legislation as S. 1822. However, during the hearings before the House Committee on Foreign Affairs on the companion bill, H.R. 8791, a question arose as to a possible conflict with that Committee's jurisdiction. Since the North Pacific Fisheries Act of 1954 was considered originally by the House Committee on Merchant Marine and Fisheries, to avoid this possible conflict, H.R. 9181 was introduced in the House so as to amend only the Northwest Atlantic Fisheries Act of 1950 leaving the proposed amendments to the North Pacific Fisheries Act of 1954 for consideration by the House Committee on Merchant Marine and Fisheries. For this reason, H.R. 9181 as passed by the House of Representatives with the technical and clerical amendments and subsequently referred to the Committee represents only that proposal which would amend the Northwest Atlantic Fisheries Act of 1950.

CONCLUSIONS AND RECOMMENDATIONS

The Northwest Atlantic fishery is important, not only to the New England fishing industry and the United States as a whole, but also to other nations of the world. If a maximum sustained catch is to be maintained, effective conservation and enforcement measures must be taken.

The two protocols which would be implemented by H.R. 9181 were initiated by the United States and supported by its fishing industry. The estimated cost of U.S. participation in the new enforcement scheme is nominal. No new policy would be involved by our participation in the new enforcement procedure as the United States is already a participant in four other fishing conventions which authorize international inspection by signatory nations.

Due to the fact the new enforcement procedures takes effect on July 1, 1971, it is essential that H.R. 9181 become law so that the United States can fully participate in and benefit from the scheme for joint international enforcement.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

I ask unanimous consent to modify my request so that the time be taken out of the time of the distinguished Senator from Wisconsin.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EMERGENCY LOAN GUARANTEE ACT

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate S. 2308, a bill to authorize emergency loan guarantees to major business enterprises.

The time between now and 10:30 this morning is to be equally divided between the distinguished Senator from Texas (Mr. TOWER) and the distinguished Senator from Wisconsin (Mr. PROXMIRE).

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Texas.

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time consumed be charged equally to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. I yield myself such time as I may require.

Mr. President, the motion to call off debate on the $2 billion emergency loan guarantee bill for big business should be rejected. Those of us who oppose this bill are willing, under reasonable circumstances, to agree to a time limit on debate. Yesterday, the Senator from Connecticut, the Senator from Ohio and I agreed to limit debate on the emergency guarantee bill and pending amendments if the floor managers would agree to reduce the guarantee authority to $250 million, which is the amount being sought by the Lockheed Aircraft Corp. This would limit the bill's assistance only to Lockheed Aircraft Corp., which was the position initially taken by the administration.

Yesterday afternoon, we reached a tentative agreement with the bill's floor managers—the Senator from Alabama (Mr. SPARKMAN) and the Senator from Texas (Mr. TOWER). Under this tentative agreement, we agreed to limit debate on all pending amendments to 30 minutes and debate on the bill to 1 hour, if the Senate approved an amendment reducing the guarantee authority from $2 billion to $250 million.

I believe this was a fair and reasonable offer on our part. It was made in good faith. It would have permitted an up or down vote on the Lockheed loan guarantee, which is the main reason why we are asked to act by the start of the recess. This vote could have occurred last night. It could have occurred this morning. It could still occur this afternoon if the backers of cloture would withdraw their petition. Unfortunately, the tentative agreement was rejected by the floor managers of the bill who are now seeking cloture.

If aid to the Lockheed Aircraft Corp. is so urgent, why are the sponsors of the legislation so anxious to avoid a simple up or down vote? We gave them a chance yesterday. They rejected it. So they must bear their big share of responsibility for dragging out debate on the bill by refusing to agree to a reasonable compromise.

It is difficult for me to understand why our offer was rejected. It would have permitted the Senate to decide the question of the Lockheed loan guarantee promptly. By insisting on a so-called generic bill, the floor managers are jeopardizing the Lockheed loan guarantee itself. We have been told repeatedly how urgent it is to approve the Lockheed guarantee to avoid putting the company into bankruptcy. And yet when the bill's proponents were given a chance to vote directly on the Lockheed loan, they rejected it.

It seems to me to be highly unfair for the proponents of the legislation to maintain a rigid, uncompromising position on the bill and expect the Senate to vote for cloture. Why are they so insistent on retaining the general, $2 billion guarantee authority in view of the overwhelming case against a generic bill?

The Under Secretary of Defense is strongly to a generic $2 billion bill. He said it would weaken our defense procurement system.

The Secretary of Defense admitted in a press conference that there was a difference of opinion within the administration on the need for a general bill.

The administration's original bill was confined only to Lockheed.

The Under Secretary of the Treasury testified that he knew of no companies other than Lockheed who are in need of Federal loan guarantee assistance.

The Secretary of the Treasury has testified that he will accept either a general bill or a Lockheed bill, but he is primarily interested in saving Lockheed. He testified in committee that he preferred a Lockheed-only bill.

All of the independent economists and legal scholars who testified were strongly opposed to a general bill.

The business community is overwhelming opposed to a general bill.

The Congress is sharply divided on the wisdom of a general bill—such a bill just squeaked through the House Banking Committee by a vote of 18 to 16.

Mr. President, if the managers of the bill are so concerned about saving Lockheed, why are they delaying a Senate vote by insisting upon a generic bill which has generated so much controversy, and only lukewarm support at best from the administration? Their position does not make any sense unless they are afraid the Senate will reject the Lockheed guarantee on a straight up or down vote. That is the real reason why we are voting on cloture today.

Mr. President, those who want to bailout Lockheed are not willing to subject their proposal to a vote on the merits. Really, in a sense, it is they who are preventing the Senate from working its will.

Mr. President, those who are opposed to the generic bill are not conducting a filibuster. But we strongly feel that more debate is needed on this sweeping proposal which could do irreparable damage to the national economy. I believe that most Senators understand the Lockheed situation, but many Senators are unaware of the great harm which could be done to the national economy if we approve a $2 billion loan guarantee bill for big business. Our only chance is to educate the Senate through more discussion and debate, since only a small part of the hearings were focused on a general bill.

It has been charged that we are conducting a filibuster to kill Federal aid to Lockheed. Nothing could be farther from the truth. We have demonstrated our good faith on this question. We have agreed to a straight vote on Lockheed. It is the other side that is obstructing Senate action on Lockheed.

Mr. President, I hope the Senate will vote again to reject the cloture petition. I realize that a majority of the Senate wants to vote on the Lockheed question. I respect that majority opinion. In fact, I agree with it. I am ready to vote on Lockheed right now. But I am not ready to vote on an ill-conceived generic bill which could substantially weaken our free enterprise system.

Mr. President, by refusing to vote on the Lockheed question, the sponsors of the legislation have forfeited any legitimate argument they may have for cloture. By now, I think their reason for clinging to a generic bill should be painfully obvious. They apparently feel that a generic bill will make the Lockheed bailout more palatable and less odious. Are they worried that the Senate would reject a Lockheed bill but that it might vote for a general bill?

Mr. President, everyone in this Chamber knows that we have a Lockheed bill before us. The newspapers call it the Lockheed bill. The CONGRESSIONAL RECORD calls it the Lockheed bill. What is wrong with voting on a Lockheed bill if that is what it is? Is the concept of aid to a large corporation so repugnant that it has to be disguised, whitewashed, and concealed? Is the Lockheed pill so bitter that it has to be sugar coated before it can be swallowed by the Senate?

Mr. President, the integrity of the Senate is on trial. If we go ahead and invoke cloture and pass a $2 billion guarantee bill, we are not really kidding anyone but ourselves. If we want to bail out Lockheed, let us be honest enough and courageous enough to submit the proposition to the Senate for an up-or-down vote. Let us stop playing games with a generic bill tailored exclusively for one company. Let us call a spade a spade and get on with the Senate's business.

I urge the Senate to reject the cloture petition in order to convince the sponsors of the legislation to permit an up-or-down vote on Lockheed.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

The Senator from Wisconsin is obviously trying to shift the blame for the filibuster onto the proponents of the bill. He says that great harm would be done to the national economy if we enact a generic bill. That is not the opinion of the Chairman of the Federal Reserve Board. He says:

> We have nothing that can prevent a national emergency or cause injury to the national economy from failure of a large and well-established and credit-worthy firm.

That was in his testimony on behalf of a generic bill.

The Senator from Wisconsin knows that the Senator from Ohio has an amendment that would, in effect, make this a straight Lockheed bill by reducing the amount to $250 million and, I believe, also provides for the abolition of congressional review by a majority of the Members of the Senate. If that amendment were to come to a vote, I think it would be rejected and we could get a test on that because the Senator from Ohio could direct consideration to the measure in bringing up his amendment and not vote it up or down.

One thing is clear, and that is that a majority of the Members of the Senate will vote for a generic bill because they believe that the broad authority should exist.

The Senator from Wisconsin has suggested that all of us who favor a generic bill are dishonest, that they do not have the courage to vote up or down on a straight Lockheed bill, that all of us—he is suggesting a majority of the Senate, if indeed a majority ever does get to vote for this measure—are dishonest——

Mr. PROXMIRE. Oh, no—no——

Mr. TOWER. That they want to bail

out Lockheed under the guise of doing something else. That was clear in the suggestion of the Senator from Wisconsin, and he knows it.

Mr. PROXMIRE. Oh, no—no—will the Senator from Texas yield at that point?

Mr. TOWER. I will not yield——

Mr. PROXMIRE. The Senator knows that is not true, that I did not say that——

Mr. TOWER. Mr. President, I call for the regular order.

The PRESIDING OFFICER (Mr. STEVENSON). The Senator from Texas declines to yield.

Mr. TOWER. The implication was plain. The Senator from Wisconsin says that this is sugar-coated Lockheed legislation; that we are not honest enough to get a straight vote on Lockheed and, therefore, we are forcing on people some sugar-coated legislation, that Senators who want to support Lockheed and do not want to vote for it can vote for a generic bill and, therefore, they are covered and they have an explanation. That is plain in what the Senator from Wisconsin said, and I reject that, because I believe that the Members of this body are honorable men, men of conviction and men capable of voting on the issues regardless of how tough they may be. They will bite the bullet and do the right thing regardless of what the appearances may be, regardless of what they consider to be the national interest.

I reject the reference that it is the proponents of the measure who are trying to prevent the Senate from having an opportunity to vote it up or down.

Now the Senator from Wisconsin may be successful in his filibuster and he may be able to prevent a vote on this before August 6, but let it be made clear that it is the opponents of the legislation, not the proponents, who are preventing the Senate from the privilege of voting on this issue.

Mr. GAMBRELL. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I yield to the Senator from Georgia such time as he may require.

Mr. GAMBRELL. Mr. President, I should like to say that the day before yesterday, the Senator from Wisconsin and the Senator from Connecticut spent virtually the entire day arguing against doing something special for Lockheed, and then had the temerity yesterday to call a press conference and offer a deal to do something special for Lockheed and ask for a vote just on Lockheed as a concession for giving limited time on the debate of the whole matter.

It seems to me that this is a rather devious approach and obviously an effort to so confuse the legislative purpose as to achieve their ultimate result, which is to defeat any loan to Lockheed or anyone else.

The proponents of the bill yesterday made a vigorous effort to determine if there were some way we could bring this entire debate to a close if it were seriously considered as to whether we could make some arrangement to terminate the debate on the issue in order to let the Senate get on with its important business.

I do not see that the Senator from Wisconsin can validly come before this body this morning and say that the proponents are trying to confuse the issue. The proponents are not willing to vote on the straight Lockheed bill. The vote on the original amendment by a vote of 60 to 35 showed that this Senate would have been willing to go forward with a bill that would benefit Lockheed, obviously. It would obviously give Lockheed an opportunity to qualify for a loan.

It seems to me clear on the record that the Senate is anxious to get on with the business of passing a bill that not only will give Lockheed an opportunity to qualify in the time that they have, but also will give other companies the same right to obtain credit assistance under this legislation.

I yield the floor.

Mr. PROXMIRE. Mr. President, how much time remains to me?

The PRESIDING OFFICER. The Senator from Wisconsin has 8 minutes remaining.

Mr. PROXMIRE. Mr. President, how many minutes remain to the Senator from Texas?

The PRESIDING OFFICER. The Senator from Texas has 11 minutes remaining.

Mr. PROXMIRE. Mr. President, I yield to the Senator from Connecticut 3 minutes.

Mr. WEICKER. Mr. President, very briefly, in response to the comments that have been made, I think the headlines that appeared in the Baltimore Sun this morning best describe the situation that happened yesterday. That headline read "Lockheed Supporters Duck Vote." That is exactly what happened yesterday. The Lockheed supporters ducked a vote.

To the Senator from Georgia, it was made very clear by the Senator from Wisconsin, the Senator from Connecticut, and the Senator from Ohio that all we wanted to do was, not to advocate special legislation for Lockheed, but rather to get a bill on the floor of the Senate of the United States that told it as it was. And we were willing in order to achieve a degree of integrity in the legislation to give up our right to debate, making it very clear, that were the bill changed to such special legislation, we would vote against it. In fact, I was candid enough to make the observation at 10:30 in the morning, that were that compromise to be accepted by the proponents of the bill, it would weaken their position. When the whip counts were taken later in the day, that proved to be the case. Thus there was no attempt to get a bill on the floor to telling it as it is.

There has been no attempt to sidestep or evade the issue at all by the Senator from Wisconsin, the Senator from Connecticut, and the Senator from Ohio.

We felt at best that if we could succeed on the compromise, we could have a bill that told it as it was. Second, we would do away with any encroachment on the free enterprise system. And if the compromise was rejected, as it was, it would make it clear that Lockheed could not stand on its own feet.

The reason that the generic bill is more popular, I would imagine, than a bill directed only at Lockheed, is that there is the possibility in it of something for every State. That is a lot more appealing than the narrow mission of helping just the Lockheed Corp.

Mr. President, as to the charge of a filibuster, it is very clear as to who has been conducting a filibuster. First of all, the minute it became clear that the Stevenson amendment had a chance of being adopted, the proponents of the bill wanted to extend the debate.

We could have had a vote last night on the compromise. The compromise was rejected by the proponents of the bill. So, it appears clear that the headline appearing in this morning's Baltimore Sun "Lockheed Supporters Ducked Vote" is accurate.

I think it has been a sorry affair from the beginning. Last night it reached its lowest point.

I would hope that the Senate of the United States would allow the debate to continue today. I would hope that we would have an opportunity once again to put our heads together in order that we could dispense with the matter. However, let us dispense with the matter with eyes wide open and with the idea that whatever we do here will be looked upon with pride by the American people.

Mr. TOWER. Mr. President, we get the continuing suggestion here that Senators who would vote for a generic bill, but would not vote for a straight Lockheed bill, are personally dishonest and dishonorable——

Mr. WEICKER. Personal privilege. Nobody has made that statement.

Mr. TOWER. And have not the courage to vote for something as it appears to be. There is nothing hidden in this bill. It should be pretty obvious to everybody that Lockheed will benefit from it, so let us not say it is all covered up and we are not telling it like it is. We have been telling it like it is on this floor, or like what we think it is, for the last 2 weeks. The fact of the matter is we are not ducking the vote. We will vote on the issue right now this very minute.

The Senator from Ohio could have brought his amendment up yesterday afternoon. He chose not to. He could have gotten a vote on it then. We would have had a vote. I would have agreed to controlled time for the Senator from Ohio, and we could have determined whether or not there was going to be a straight Lockheed bill or not, but the amendment was not brought up. They have had adequate opportunity to bring that up over the past 10 days and have the time.

Mr. President, let us understand who is precisely responsible for ducking the issue. It is the other side because they know they do not have the votes, and they are determined to filibuster this bill through the 6th of August.

Mr. PROXMIRE. Mr. President, how much time remains to both sides?

The PRESIDING OFFICER. The Senator from Wisconsin has 4 minutes remaining. The Senator from Texas has 9.

Mr. PROXMIRE. Mr. President, I yield the remainder of my time to the Senator from Ohio.

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. There is insufficient time remaining to the Senator from Wisconsin for a quorum call.

Mr. PROXMIRE. Mr. President, would the Senator from Texas permit us to have a quorum call out of his time so that I can discuss the matter with my colleague for no more than a minute.

Mr. TOWER. That is all right. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. It will take unanimous consent.

Mr. TOWER. Mr. President, I ask unanimous consent that I be permitted to suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. TOWER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I think the issue that is before the Senate has become abundantly clear. The true issue is whether we are going to vote for authority that would permit a Government guarantee of a loan of $250 million to the Lockheed Corp.

That is what the public generally understands as the issue in this bill. That is basically the Senate's understanding. As a result of what happened yesterday, I think it has become abundantly clear that the Senate does not wish to take that position.

My amendment was not called up yesterday because I feel that the public generally has not gotten full word on what is in this bill. I think the general public should have an opportunity for a full discussion of this matter and become acquainted with the broad impact and implications that would be involved in passage of a generic bill.

It is said that we want a separate vote on the Lockheed issue. We do want a separate vote on the Lockheed issue, but I would like to suggest something else. I think we should have, and I favor, a separate vote on the generic issue without Lockheed in it. How that issue may arise, I am not certain.

The history of the situation in which we find ourselves now is that in committee—where we heard testimony almost entirely on the Lockheed issue—with some information on a generic bill at the end because of the suggestion of committee members—it was thought there were not sufficient votes to report a Lockheed bill. The switch was made to a generic bill, or switching from a $250 million guarantee to a $2 billion guarantee, putting in a little bait, it might be called, for Senators from other States and interests which might have a business threatened in their communities, so that they could get help from this bill. It was a combination of those two issues which permitted the bill to come from the committee.

We should try to work this out as was attempted yesterday, until it was found through a poll that the Senate would be against the Lockheed bill. I would like to see a separate generic bill brought up. What would have to be done would be to get the assurance of the leadership on both sides, which should not be too hard, for a separate generic bill at an early date, and take the amendment and get a separate vote on the Lockheed issue, and see if the vote goes up or down.

I have every confidence from the poll conducted yesterday by the sponsors that the Senate will not vote for the Lockheed issue. The Senate should also examine into whether there should be a separate vote on the generic bill without the Lockheed issue involved. To some extent, this was the same issue involved in the Stevenson amendment, but I do not think it was understood that it was. At a later time I hope to bring that issue before the Senate and point out that they should have an opportunity to stand up and tell the country whether or not they think this separate loan authority, disregarding the Lockheed Corp., should be provided.

The basic impact of the statement of the Chairman of the Federal Reserve Board was that authority of this sort is needed to handle temporarily liquidated corporations, such as we have had in this country in the past 2 or 3 years. That is not what is involved in this bill.

Mr. TOWER. Mr. President, I yield to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that all committees may be permitted to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize loan guarantees to major business enterprises.

Mr. BYRD of West Virginia. Mr. President, if neither side wishes to speak further, or has time, I suggest the time be yielded back; and I ask unanimous consent that the mandatory quorum call begin to run now.

Mr. TOWER. I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. STEVENSON). Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read the cloture motion as follows:

> CLOTURE MOTION
>
> We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.
>
> John Tower, Bill Brock, Henry Jackson, Alan Cranston, William Saxbe, Jacob Javits, Hugh Scott, John Tunney, Wallace Bennett, Marlow W. Cook, Clifford P. Hansen, Henry Bellmon, Charles Percy, Richard S. Schweiker, Charles Mathias, and Robert Griffin.

CALL OF THE ROLL

The PRESIDING OFFICER. Under rule XXII, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names.

[No. 177 Leg.]

Aiken
Allen
Bellmon
Bentsen
Boggs
Brock
Burdick
Byrd, W. Va.
Cannon
Chiles
Cotton
Cranston
Dominick
Eastland
Ellender
Ervin
Gambrell
Goldwater
Griffin
Hruska
Hughes
Mansfield
Mathias
McGee
McIntyre
Metcalf
Montoya
Pell
Prouty
Proxmire
Randolph
Ribicoff
Schweiker
Scott
Smith
Sparkman
Stennis
Stevenson
Taft
Tower
Weicker
Young

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) is necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the presence of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana (putting the question).

The motion is agreed to, and the Sergeant at Arms is directed to execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names.

Allott
Anderson
Baker
Beall
Bennett
Bible
Brooke
Buckley
Byrd, Va.
Case
Church
Cook
Cooper
Curtis
Dole
Eagleton
Fannin
Fong

Fulbright
Gravel
Gurney
Hansen
Harris
Hart
Hartke
Hollings
Inouye
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy
Long
Magnuson
McClellan
Miller
Mondale
Moss
Muskie
Nelson
Packwood
Pearson
Percy
Roth
Saxbe
Spong
Stevens
Symington
Talmadge
Thurmond
Tunney
Williams

The PRESIDING OFFICER (Mr. STEVENSON). A quorum is present.

The question is, Is it the sense of the Senate that debate on the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises shall be brought to a close?

On this question, the yeas and nays are mandatory under the rule, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. PELL. On this vote I have a pair with the senior Senator from Oregon (Mr. HATFIELD). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. RIBICOFF (when his name was called). On this vote I have a pair with the Senator from Oregon (Mr. HATFIELD). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. MOSS. On this vote I have a pair with the Senator from Rhode Island (Mr. PASTORE) and the Senator from Indiana (Mr. BAYH). If they were present and voting, they would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. MOSS subsequently said: Mr. President, in announcing my pair, I believe I announced it incorrectly. I have a pair with the Senator from Washington (Mr. JACKSON) and the Senator from Indiana (Mr. BAYH). If they were present and voting, the Senator from Washington (Mr. JACKSON) would vote "yea" and the Senator from Indiana (Mr. BAYH) would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Rhode Island (Mr. PASTORE), are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), would vote "yea."

I also announce that, if present and voting, the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Rhode Island (Mr. PASTORE), would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) is necessarily absent and his pair has been previously announced.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The yeas and nays resulted—yeas 53, nays 37, as follows:

[No. 178 Leg.]

YEAS—53

Allott
Anderson
Baker
Beall
Bellmon
Bennett
Bentsen
Boggs
Brock
Byrd, W. Va.
Case
Cook
Cooper
Cotton
Cranston
Curtis
Dole
Dominick
Fannin
Fong
Gambrell
Goldwater
Griffin
Gurney
Hansen
Hollings
Hruska
Hughes
Inouye
Javits
Jordan, Idaho
Magnuson
Mathias
McIntyre
Miller
Montoya
Packwood
Pearson
Percy
Prouty
Randolph
Roth
Saxbe
Schweiker
Scott
Smith
Sparkman
Stevens
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—37

Aiken
Allen
Bible
Brooke
Buckley
Burdick
Byrd, Va.
Cannon
Chiles
Church
Eagleton
Eastland
Ellender
Ervin
Fulbright
Gravel
Harris
Hart
Hartke
Jordan, N.C.
Kennedy
Long
Mansfield
McClellan
McGee
Metcalf
Mondale
Muskie
Nelson
Proxmire
Spong
Stennis
Stevenson
Symington
Taft
Weicker
Williams

PRESENT AND GIVING LIVE PAIRS AS PREVIOUSLY RECORDED—3

Moss, for.
Pell, for.
Ribicoff, for.

NOT VOTING—7

Bayh
Hatfield
Humphrey
Jackson
McGovern
Mundt
Pastore

The PRESIDING OFFICER. On this vote, the yeas are 53 and the nays are 37. Two-thirds of the Senators present and voting not having voted in the affirmative, the motion is rejected.

CLOTURE MOTION

Mr. TOWER. Mr. President, I send to the desk a cloture motion and ask that it be read.

The PRESIDING OFFICER. Under rule XXII, the clerk will state the motion.

The assistant legislative clerk read the cloture motion, as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

John Tower, Hugh Scott, William B. Saxbe, David H. Gambrell, Robert P. Griffin, Alan Cranston;
Bill Brock, Charles McC. Mathias, Henry Bellmon, Marlow W. Cook, Gordon Allott, Howard H. Baker Jr.;
John V. Tunney, Glenn Beall, Robert Dole, Jacob Javits, Wallace F. Bennett, Charles Percy.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1972

The PRESIDING OFFICER (Mr. STEVENSON). Under the previous unanimous-consent agreement, the Chair lays before the Senate H.R. 10061, the Labor-HEW appropriations bill, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 10061) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

Mr. MAGNUSON. Mr. President, may we have order?

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, time for debate is under control.

Who yields time?

Mr. MAGNUSON. Mr. President, it is impossible to hear what the Chair is saying.

The PRESIDING OFFICER. The Senate will be in order. The Chair recognizes the Senator from Washington.

Mr. MAGNUSON. Mr. President, I should like to present the usual motion and ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be considered as original text for purpose of further amendment, provided that no point of order shall be considered to have been waived by reason thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 15, after "1973", insert a colon and "*Provided further*, That $20,000,000 of this appropriation shall be used by the Office of Economic Opportunity to finance Emergency Food and Medical Services programs in eligible areas of exceedingly high unemployment, as defined in section 6 of the Emergency Employment Assistance Act of 1971, to be reimbursed to the Manpower Training Services Appropriation by the Office of Economic Opportunity immediately upon enactment of an appropriation Act for the Office of Economic Opportunity in fiscal year 1972.

On page 5, line 26, after the word "rendered", strike out "$81,391,000" and insert "$91,391,000".

On page 7, at the beginning of line 12, strike out "$35,500,000" and insert "$36,750,000".

On page 9, line 14, after "(Public Law 89–793)", strike out "$581,201,000" and insert "$658,201,000"; and, in line 15, after the word "Which", strike out "$55,193,000" and insert "$194,993,000".

On page 10, at the beginning of line 13, strike out "$312,753,000" and insert "$329,652,000".

On page 10, line 23, after the word "Act", strike out "$326,651,000" and insert "$333,651,000".

On page 11, line 7, after the word "Act", strike out "$82,771,000" and insert "$122,771,000".

On page 12, line 1, after the word "countries", strike out "when required by the law of such countries;"; and in line 4, after the word "aircraft", strike out "$94,425,000" and insert "$99,840,000".

On page 12, line 13, after "(42 U.S.C. 2681-2687)", strike out "$266,704,000" and insert "$281,704,000"; and, in line 17, after the word "facilities;", insert "$8,300,000 for grants and $6,700,000 for loans shall remain available until expended for hospital experimentation projects pursuant to section 304 and section 643A of the Public Health Service Act;".

On page 13, line 19, after "(42 U.S.C. 253a)", strike out "$85,700,000" and insert "$96,682,000".

On page 14, line 24, strike out "$8,956,000" and insert "$9,755,000".

On page 15, line 3, after the word "Act", strike out "$237,531,000" and insert "$258,233,000".

On page 15, line 8, after the word "Act" strike out "$211,624,000" and insert "$252,590,000".

On page 15, line 12, strike out "$41,828,000" and insert "$44,948,000".

On page 15, line 17, after the word "diseases", strike out "$148,204,000" and insert "$163,629,000".

On page 15, line 23, after the word "stroke", strike out "$108,590,000" and insert "$139,187,000".

On page 16, line 5, after the word "diseases", strike out "$106,662,000" and insert "$112,979,000".

On page 16, line 12, after the word "research", strike out "$168,490,000" and insert "$179,318,000".

On page 16, line 17, after the word "development", strike out "$109,668,000" and insert "$126,093,000".

On page 16, line 22, after the word "disorders", strike out "$36,022,000" and insert "$40,187,000".

On page 17, line 5, after the word "sciences", strike out "$26,436,000" and insert "$31,991,000".

On page 17, line 10, after the word "resources", strike out "$71,948,000" and insert "$75,948,000".

On page 17, line 14, after the word "Sciencies", strike out "$3,763,000"and insert "$4,288,000".

On page 17, after line 17, insert:

"HEALTH MANPOWER

"To carry out, to the extent not otherwise provided, sections 301, 306, 309, 311, 422 with respect to training grants title VII, and title VIII of the Public Health Service Act, $206,306,000, and an additional $5,000,000 to carry out programs in the family practice of medicine, as authorized by the Family Practice of Medicine Act of 1970 (S. 3418, 91st Congress)."

On page 18, line 8, after the word "Act", strike out "$22,781,000" and insert "$25,086,000".

On page 18, line 14, after the word "provided", strike out "$3,565,000" and insert "$5,065,000".

On page 18, line 18, after the word "Health", strike out "$11,442,000" and insert "$11,792,000".

On page 20, line 20, after the word "of", strike out "$55,212,000" and insert "$60,700,000".

On page 22, line 22, after the word "parts", insert "B"; in line 24, after the word "Act", strike out "$688,836,000" and insert "$670,551,000"; in the same line, after the word "which", strike out "$575,000,000" and insert "$560,000,000"; on page 23, at the beginning of line 3, strike out "$15,000,000" and insert "$12,500,000"; in line 5, after the word "and", strike out "$30,000,000" and insert "$21,715,000"; and, in line 8, after the semicolon insert "$5,000,000 for grants under part B of the Developmental Disabilities Services and Facilities Construction Act, to remain available until expended:".

On page 24, line 3, after "1965", strike out "$33,700,000" and insert "$44,200,000".

On page 24, after line 3, insert:

"YOUTH DEVELOPMENT AND DELINQUENCY PREVENTION

"For carrying out, except as otherwise provided, the Juvenile Delinquency Prevention and Control Act of 1968, $15,000,000."

On page 24, line 14, after "(74 Stat. 364)", strike out "$99,163,000" and insert "$100,140,000".

On page 25, line 6, after the word "Service", strike out "$39,537,000" and insert "$40,481,000".

On page 28, line 6, after the word "Youth", strike out "$14,251,000" and insert "$16,251,000".

On page 32, line 21, after the word "of", where it appears the second time, strike out "$600,000,000" and insert "$580,000,000".

On page 32, after line 21, insert a new section, as follows:

"SEC. 209. None of the funds contained in this title may be used for payments to any State for fiscal year 1972 for services, staff training, and administrative expenses under titles I, IV (part A), X, XIV, and XVI of the Social Security Act which, in the aggregate, exceed 115 percent of the aggregate amount estimated for these purposes for such State for fiscal year 1971."

On page 33, after line 5, insert:

"NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

"SALARIES AND EXPENSES

"For necessary expenses of the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91–345), $200,000."

On page 33, after line 11, insert:

"NATIONAL COMMISSION ON MARIHUANA AND DRUG ABUSE

"SALARIES AND EXPENSES

"For necessary expenses of the National Commission on Marihuana and Drug Abuse, authorized by section 601 of the Act of October 27, 1970 (Public Law 91–513), as amended by the Act of May 24, 1971 (Public Law 92–13), $1,228,000 to remain available until expended."

On page 35, after line 4, insert:

"COMMISSION ON RAILROAD RETIREMENT

"SALARIES AND EXPENSES

"For necessary expenses of the Commission on Railroad Retirement, established by the Act of August 12, 1970 (Public Law 91–337), $483,000: *Provided*, That the unobligated balance of the appropriation granted under this heading for the fiscal year 1971 shall remain available during the current fiscal year."

Mr. MAGNUSON. Mr. President, at this point also, in order to facilitate a study of the committee recommendations by Members of the Senate, their staffs, and others, I ask unanimous consent to have printed in the RECORD a table and summary which shows in detail the progress of the bill and the figures up to date.

There being no objection, the table and summary were ordered to be printed in the RECORD, as follows:

Departments of Labor-Health, Education, and Welfare and Related Agencies, 1972 (H.R. 10061)

SUMMARY OF BILLS

Budget estimates, 1972, including unauthorized amounts and Emergency Employment Assistance	$23,598,753,000
Budget estimates, 1972, excluding unauthorized amounts and Emergency Employment Assistance	20,223,638,000
House Committee recommendations	20,364,746,000
House passed bill	20,461,247,000
Senate Committee recommendations	21,032,725,000
The bill as reported to the Senate:	
Total increases recommended by committee over House allowance	+571,478,000
Under the included estimates	−2,566,028,000
Over the excluded estimates	−2,566,028,000
Items included in the $571,478,000 increases recommended:	
LABOR	
Workplace Standards Administration, salaries and expenses	+$10,000,000
Bureau of Labor Statistics, salaries and expenses	+1,250,000
HEALTH, EDUCATION, AND WELFARE	
Health Services and Mental Health Administration:	
Mental health	+77,000,000
Comprehensive health planning and services	+16,899,000
Maternal and child health	+7,000,000
Regional medical programs	+40,000,000
Disease control	+5,415,000
Medical facilities construction	+15,000,000
Patient care and special health service	+10,982,000
National Institutes of Health:	
Division of biologist standards	+799,000
National Cancer Institute	+20,702,000
National Heart and Lung Institute	+40,966,000
National Institute of Dental Research	+3,120,000
National Institute of Arthritis and Metabolic Diseases	+15,425,000
National Institute of Neurological Diseases and Stroke	+30,597,000
National Institute of Allergy and Infectious Disease	+6,317,000
National Institute of General Medical Sciences	+10,828,000
National Institute of Child Health and Human Development	+16,425,000
National Eye Institute	+4,165,000
National Institute of Environmental Health Sciences	+5,555,000
Research resources	+4,000,000
John E. Fogarty International Center for Advanced Study in Health Sciences	+525,000
Health manpower	+211,306,000
National Library of Medicine	+2,305,000
Buildings and facilities	+1,500,000
Office of the director	+350,000
Social and Rehabilitation Service:	
Special programs for the aging	+10,500,000
Youth development and delinquency prevention	+15,000,000
Research and training	+977,000
Salaries and expenses	+944,000
Office of Child Development	+2,000,000
RELATED AGENCIES	
National Commission on Libraries and Information Science, salaries and expenses	+200,000
National Commission on Marihuana and Drug Abuse, salaries and expenses	+1,228,000
Commission on Railroad Retirement, salaries and expenses	+483,000
DECREASES	
Social and Rehabilitation Service, rehabilitation services and facilities, basic State grants	−18,285,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1972

TITLE I U.S. DEPARTMENT OF LABOR

Appropriation/activity	1971 comparable [1] [2]	1972 Budget estimate [3]	New budget (obligational) authority recommended in the House bill	New budget (obligational) authority recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1971	Budget estimates, 1972	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MANPOWER ADMINISTRATION, SALARIES AND EXPENSES [4]							
Planning, research and evaluation	$4,628,500	$5,034,300	$4,685,000	$4,685,000	+$56,500	−$349,300	
Training program development and administration:							
Training and employment	18,575,455	34,641,900	9,554,800	9,554,800	−9,020,655	−25,087,100	
Trust fund transfer	*(13,023,700)*		*(13,547,500)*	*(13,547,500)*	*(+523,800)*	*(+13,547,500)*	
Job Corps direction	10,059,800	10,292,600			−10,059,800	−10,292,600	
Institutional training administration	2,711,200	2,784,300	2,784,300	2,784,300	+73,100		
Apprenticeship services	7,408,686	8,150,800	8,150,800	8,150,800	+742,114		
Unemployment insurance	81,700	7,485,500	491,500	491,500	+409,800	−6,994,000	
Trust fund transfer	*(5,629,000)*		*(6,994,000)*	*(6,994,000)*	*(+1,365,000)*	*(+6,994,000)*	
Civil Rights compliance	88,900	833,500	85,400	85,400	−3,500	−748,100	
Trust fund transfer	*(672,700)*		*(716,700)*	*(716,700)*	*(+44,000)*	*(+716,700)*	
Executive direction:							
General administration	3,925,600	4,383,400	2,332,700	2,332,700	−1,592,900	−2,050,700	
Trust fund transfer	*(420,300)*		*(596,100)*	*(596,100)*	*(+175,800)*	*(+596,100)*	
Financial and management services	4,792,159	7,582,100	3,146,400	3,146,400	−1,645,759	−4,435,700	
Trust fund transfer	*(2,476,100)*		*(2,267,600)*	*(2,267,600)*	*(−208,500)*	*(+2,267,600)*	
Manpower management data systems	3,597,600	8,533,600	6,337,100	6,337,100	+2,739,500	−2,196,500	
Trust fund transfer	*(1,633,200)*		*(1,725,100)*	*(1,725,100)*	*(+91,900)*	*(+1,725,100)*	
Total, Manpower Administration, salaries and expenses	55,869,600	[33] 89,722,000	[37] 37,568,000	[37] 37,568,000	−18,301,600	−52,154,000	
Total, trust fund transfers	*(23,855,000)*		*(25,847,000)*	*(25,847,000)*	*(+1,992,000)*	*(+25,847,000)*	
Total available	79,724,600	89,722,000	63,415,000	63,415,000	−16,309,600	−26,307,000	
EMERGENCY EMPLOYMENT ASSISTANCE							
Emergency employment assistance		983,419,000				−983,419,000	
Federal support		16,581,000				−16,581,000	
Total, emergency employment assistance		1,000,000,000	(44)	(44)	(44)	[44] −1,000,000,000	(44)
MANPOWER TRAINING SERVICES [5]							
Private sector, on-the-job training	260,700,000	260,500,000	260,500,000	260,500,000	−200,000		
Public sector, on-the-job training	126,800,000	125,800,000	35,400,000	35,400,000	−91,400,000	−90,400,000	
Institutional training:							
Regular	327,576,000	324,852,000	324,852,000	324,852,000	−2,724,000		
Job Corps	156,735,000	197,197,000			−156,735,000	−197,197,000	
Inschool work support	329,800,000	235,500,000			−329,800,000	−235,500,000	
Postschool work support:							
Operation Mainstream	38,800,000	38,800,000			−38,800,000	−38,800,000	
Out of school	127,000,000	127,000,000			−127,000,000	−127,000,000	
Special targeting	177,900,000	172,800,000	52,000,000	52,000,000	−125,900,000	−120,800,000	
Computerized job placement	22,274,000	22,274,000	22,274,000	22,274,000			
Program support	55,412,000	61,673,000	53,773,000	53,773,000	−1,639,000	−7,900,000	
Total, manpower training services	[7] 1,622,997,000	[10] 1,566,396,000	[38] 748,799,000	[38] 748,799,000	−874,198,000	−817,597,000	
FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES [6]							
Payments to Federal employees	84,400,000	80,000,000	80,000,000	80,000,000	−4,400,000		
Payments to ex-servicemen	220,775,000	174,500,000	174,500,000	174,500,000	−46,275,000		

Footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1972—Continued

TITLE I—U.S. DEPARTMENT OF LABOR—Continued

Appropriation/activity (1)	1971 Comparable [1] [2] (2)	1972 Budget Estimate [3] (3)	New budget (obligational) authority recommended in the House bill (4)	New budget (obligational) authority recommended by Senate committee (5)	Increase (+) or decrease (−), Senate bill compared with— Appropriations, 1971 (6)	Budget estimates, 1972 (7)	House bill (8)
FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES—Continued							
Trade adjustments assistance	$11,905,000	$20,000,000	$20,000,000	$20,000,000	+$8,095,000		
Total, Federal unemployment benefits and allowances	[7] 317,080,000	274,500,000	274,500,000	274,500,000	−42,580,000		
Limitation on Grants to States for Unemployment Insurance and Employment Services [8]							
Unemployment insurance service	*(369,047,000)*	*(411,000,000)*	*(411,000,000)*	*(411,000,000)*	*(+41,953,000)*		
Employment Service	*(374,453,000)*	*(395,000,000)*	*(395,000,000)*	*(395,000,000)*	*(+20,547,000)*		
Total, Limitation on Grants to States for Unemployment Insurance and Employment Services	*(743,500,000)*	*(806,000,000)*	*(806,000,000)*	*(806,000,000)*	*(+62,500,000)*		
Subtotal, Manpower Administration—Federal funds	[7] 1,995,946,600	2,930,618,000	1,060,867,000	1,060,867,000	−935,079,600	$1,869,751,000	
Subtotal, Manpower Administration—Trust	*(767,355,000)*	*(806,000,000)*	*(831,847,000)*	*(831,847,000)*	*(+64,492,000)*	*(+25,847,000)*	
Total, Manpower Administration	2,763,301,600	3,736,618,000	1,892,714,000	1,892,714,000	−870,587,600	−1,843,904,000	
LABOR-MANAGEMENT SERVICES ADMINISTRATION							
Labor-management relations services	536,900	788,000	788,000	788,000	+251,100		
Labor-management policy development	1,015,100	1,363,300	1,363,300	1,363,300	+348,200		
Administration of reporting and disclosure laws	11,173,111	12,938,778	12,938,778	12,938,778	+1,765,667		
Veterans' reemployment rights	1,744,527	2,042,229	2,042,229	2,042,229	+297,702		
Federal labor-management relations	1,937,000	4,274,373	4,274,373	4,274,373	+2,337,373		
Executive direction and administrative services	1,228,120	1,391,320	1,391,320	1,391,320	+163,200		
Total, Labor-Management Services Administration	[7] 17,634,758	22,798,000	22,798,000	22,798,000	+5,163,242		
WORKPLACE STANDARDS ADMINISTRATION							
Improving and protecting wages of the Nation's workers	25,831,316	28,157,000	28,157,000	28,157,000	+2,325,684		
Government contract wage standards	2,283,900	2,664,800	2,664,800	2,664,800	+380,900		
Improving safety and other working conditions of workers	14,778,396	32,541,300	32,541,300	42,541,300	+27,762,904	+10,000,000	+$10,000,000
Advancing opportunities and status of women	1,177,200	1,394,900	1,394,900	1,394,900	+217,700		
Federal contract compliance	1,604,900	2,705,800	2,705,800	2,705,800	+1,100,900		
Workmen's compensation	[9] 7,337,000	8,184,400	8,184,400	8,184,400	+847,400		
Program development and administration	5,020,400	5,742,800	5,742,800	5,742,800	+722,400		
Total, Workplace Standards Administration	[7] 58,033,112	81,391,000	81,391,000	91,391,000	+33,357,888	+10,000,000	+10,000,000
FEDERAL WORKMEN'S COMPENSATION BENEFITS							
Federal civilian employees benefits	95,627,200	75,600,000	75,600,000	75,600,000	−20,027,200		
Armed Forces reservists benefits	10,775,000	9,500,000	9,500,000	9,500,000	−1,275,000		
War Claims Act benefits	400,000	400,000	400,000	400,000			
Other benefits	2,997,800	4,500,000	4,500,000	4,500,000	+1,502,200		
Total, Federal workmen's compensation benefits	109,800,000	90,000,000	90,000,000	90,000,000	−19,800,000		
BUREAU OF LABOR STATISTICS							
Manpower and employment	10,036,200	12,521,500	11,271,500	12,521,500	+2,485,300		+1,250,000
Prices and cost of living	4,476,300	5,594,000	5,119,000	5,119,000	+642,700	−475,000	
Wages and industrial relations	4,266,200	5,841,800	5,430,800	5,430,800	+1,164,600	−411,000	
Productivity, technology and growth	1,831,500	2,003,200	2,003,200	2,003,200	+171,700		
Foreign labor and trade	548,300	590,500	590,500	590,500	+42,200		
Executive direction and staff services	5,417,600	6,775,500	6,775,000	6,775,000	+1,357,400	−500	
Revision of the consumer price index	1,587,100	4,309,500	4,310,000	4,310,000	+2,722,900	+500	
Total, Bureau of Labor Statistics	28,163,200	[24] 37,636,000	35,500,000	36,750,000	+8,586,800	−886,000	+1,250,000

Footnotes at end of table.

Appropriation/activity	1971 Comparable [1,2]	1972 Budget Estimate [3]	New budget (obligational) authority recommended in the House bill	New budget (obligational) authority recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1971	Budget estimates, 1972	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
BUREAU OF INTERNATIONAL LABOR AFFAIRS							
International organizations affairs	$237,200	$258,400	$258,400	$258,400	+$21,200		
Foreign labor and manpower policy and program development	389,900	439,900	439,900	439,900	+50,000		
Labor and manpower technical services	150,100	203,800	203,800	203,800	+53,700		
Trade negotiations and economic policy development	586,400	630,300	630,300	630,300	+43,900		
Executive direction and management services	426,200	463,600	463,600	463,600	+37,400		
Total, Bureau of International Labor Affairs	1,789,800	1,996,000	1,996,000	1,996,000	+206,200		
SPECIAL FOREIGN CURRENCY							
Overseas labor conference support	75,000	300,000	100,000	100,000	+25,000	−$200,000	
Overseas labor and manpower technical cooperation		225,000				−225,000	
Total, Special Foreign Currency	75,000	525,000	100,000	100,000	+25,000	−425,000	
OFFICE OF THE SOLICITOR							
Fair labor standards	681,400	725,010	725,010	725,010	+43,610		
General legal services	904,860	960,146	960,146	960,146	+55,286		
Manpower legal services	551,300	746,220	589,220	589,220	+37,920	−157,000	
Trust fund transfer	*(157,000)*		*(157,000)*	*(157,000)*		*(+157,000)*	
Legislation and legal counsel	396,040	421,894	421,894	421,894	+25,854		
Labor-management laws	446,140	479,464	479,464	479,464	+33,324		
Labor relations and civil rights	732,400	772,220	772,220	772,220	+39,820		
Field legal services	2,826,940	3,211,794	3,211,794	3,211,794	+384,854		
Administrative and management services	479,520	534,252	534,252	534,252	+54,732		
Total, Office of the Solicitor, salaries and expenses	7,018,600	7,851,000	7,694,000	7,694,000	+675,400	−157,000	
Total, trust fund transfers	*(157,000)*		*(157,000)*	*(157,000)*		*(+157,000)*	
Total available	7,175,600	7,851,000	7,851,000	7,851,000	+675,400		
OFFICE OF THE SECRETARY							
Executive direction	3,009,700	3,458,600	3,458,600	3,458,600	+448,900		
Management and central services	7,224,411	6,666,000	6,051,000	6,051,000	−1,173,411	−615,000	
Trust fund transfer	*(615,000)*		*(615,000)*	*(615,000)*		*(+615,000)*	
Appeals from determinations of Federal employee claims	187,700	197,400	197,400	197,400	+9,700		
Promoting employment of the handicapped	722,000	760,000	860,000	860,000	+138,000	+100,000	
Total, Office of the Secretary, salaries and expenses	11,143,811	11,082,000	10,567,000	10,567,000	−576,811	−515,000	
Total, trust fund transfers	*(615,000)*		*(615,000)*	*(615,000)*		*(+615,000)*	
Total available	11,758,811	11,082,000	11,182,000	11,182,000	−576,811	+100,000	
Total appropriations, Department of Labor	[7] 2,229,604,881	[10] 3,183,897,000	1,310,913,000	1,322,163,000	−907,441,881	−1,861,734,000	+$11,250,000
Total trust funds	*(768,127,000)*	*(806,000,000)*	*(832,619,000)*	*(832,619,000)*	*(+64,492,000)*	*(26,619,000)*	

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION							
MENTAL HEALTH							
1. Research:							
(a) Grants	$90,600,000	$92,400,000	$92,400,000	$94,400,000	+$3,800,000	+$2,000,000	+$2,000,000
(b) Direct operations	26,573,000	28,059,000	28,059,000	28,059,000	+1,486,000		
Subtotal	117,173,000	120,459,000	120,459,000	122,459,000	+5,286,000	+2,000,000	+2,000,000

Footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1972—Continued

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

Appropriation/activity	1971 Comparable [1] [2]	1972 Budget Estimate [3]	New budget (obligational) authority recommended in the House bill	New budget (obligational) authority recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1971	Budget estimates, 1972	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION—Continued							
MENTAL HEALTH—continued							
2. Manpower development:							
(a) Grants	$116,350,000	$113,300,000	$120,050,000	$120,050,000	+$3,700,000	+$6,750,000	
(b) Direct operations	5,832,000	6,365,000	6,365,000	6,365,000	+533,000		
Subtotal	122,182,000	119,665,000	126,415,000	126,415,000	+4,233,000	+6,750,000	
3. State and community assistance:							
(a) Community mental health centers:							
(1) Construction			10,000,000	20,000,000	+20,000,000	+20,000,000	+$10,000,000
(Obligations)	(27,678,000)		(10,000,000)	(20,000,000)	(−7,678,000)	(+20,000,000)	(+10,000,000)
(2) Staffing	90,100,000	105,100,000	135,100,000	145,100,000	+55,000,000	+40,000,000	+10,000,000
Subtotal	90,100,000	105,100,000	145,100,000	165,100,000	+75,000,000	+60,000,000	+20,000,000
(b) Narcotic addiction and alcoholism programs	21,595,000	45,193,000	70,193,000	125,193,000	+103,598,000	+80,000,000	+55,000,000
(c) Mental health of children			10,000,000	10,000,000	+10,000,000	+10,000,000	
(d) Direct operations	3,478,000	6,459,000	6,459,000	6,459,000	+2,981,000		
Subtotal	115,173,000	156,752,000	231,752,000	306,752,000	+191,579,000	+150,000,000	+75,000,000
4. Drug abuse initiative		67,000,000	67,000,000	67,000,000	+67,000,000		
5. Rehabilitation of drug abusers	20,584,000	21,323,000	21,323,000	21,323,000	+739,000		
6. Program support	13,460,000	14,252,000	14,252,000	14,252,000	+792,000		
Total, mental health	388,572,000	[25] 499,451,000	581,201,000	658,201,000	+269,629,000	+158,750,000	+77,000,000
SAINT ELIZABETHS HOSPITAL (INDEFINITE)	22,848,000	23,144,000	23,144,000	23,144,000	+206,000		
(Obligations)	(45,327,000)	(49,709,000)	(49,709,000)	(49,709,000)	(+4,382,000)		
HEALTH SERVICES RESEARCH AND DEVELOPMENT	57,678,000	62,070,000	62,070,000	62,070,000	+4,392,000		
COMPREHENSIVE HEALTH PLANNING AND SERVICES							
1. Partnership for health:							
(a) Grants:							
(1) Planning	22,000,000	25,000,000	25,000,000	25,000,000	+3,000,000		
(2) Formula	90,000,000	100,000,000	90,000,000	95,000,000	+5,000,000	−5,000,000	+5,000,000
(3) Project	108,813,000	133,713,000	153,713,000	+158,713,000	+49,900,000	+25,000,000	+5,000,000
Subtotal	220,813,000	258,713,000	268,713,000	278,713,000	+57,900,000	+20,000,000	+10,000,000
(b) Direct operations	8,234,000	10,919,000	10,919,000	10,919,000	+2,685,000		
Subtotal	229,047,000	269,632,000	279,632,000	289,632,000	+60,585,000	+20,000,000	+10,000,000
2. Migrant health	15,062,000	18,101,000	18,101,000	20,000,000	+4,938,000	+1,899,000	+1,899,000
3. National Health Service Corps	3,000,000	10,000,000	10,000,000	15,000,000	+12,000,000	+5,000,000	+5,000,000
4. Medical care standards and implementation	6,691,000	7,068,000	7,068,000	7,068,000	+377,000		
5. Program direction and management services	2,395,000	2,471,000	2,471,000	2,471,000	+76,000		
Total	256,195,000	307,272,000	317,272,000	334,171,000	+77,976,000	+26,899,000	+16,899,000
Less: trust fund transfer	−4,519,000	−4,519,000	−4,519,000	−4,519,000			
Total appropriation	251,676,000	[26] 302,753,000	312,753,000	329,652,000	+77,976,000	+26,899,000	+16,899,000
MATERNAL AND CHILD HEALTH							
1. Formula grants	117,850,000	119,650,000	119,650,000	123,394,000	+5,544,000	+3,744,000	+3,744,000
2. Project grants	83,350,000	90,380,000	90,380,000	93,636,000	+10,286,000	+3,256,000	+3,256,000
3. Research and training	16,935,000	21,106,000	21,106,000	21,106,000	+4,171,000		
4. Program management	4,083,000	4,477,000	4,477,000	4,477,000	+394,000		

Footnotes at end of table.

Appropriation/activity	1971 Comparable[1] [2]	1972 Budget Estimate[3]	New budget (obligational) authority recommended in the House bill	New budget (obligational) authority recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1971	Budget estimates, 1972	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MATERNAL AND CHILD HEALTH—Continued							
5. Family planning services:							
(a) Grants and contracts	$37,765,000	$88,815,000	$88,815,000	$88,815,000	+$51,050,000		
(b) Direct operations	1,510,000	2,223,000	2,223,000	2,223,000	+713,000		
Subtotal	39,275,000	91,038,000	91,038,000	91,038,000	+51,763,000		
Total	261,493,000	326,651,000	326,651,000	333,651,000	+72,158,000	+$7,000,000	+$7,000,000
REGIONAL MEDICAL PROGRAMS							
1. Grants	99,500,000	40,500,000	70,500,000	110,500,000	+11,000,000	+70,000,000	+40,000,000
(Obligations)	(70,298,000)	(75,104,000)	(115,104,000)	(155,104,000)	(+84,806,000)	(+80,000,000)	(+40,000,000)
2. Technical assistance and disease control	8,811,000	8,883,000	8,883,000	8,883,000	+72,000		
3. Program management	3,297,000	3,388,000	3,388,000	3,388,000	+91,000		
Total	111,608,000	52,771,000	82,771,000	122,771,000	+11,163,000	+70,000,000	+40,000,000
DISEASE CONTROL							
1. Prevention and control	39,496,000	38,500,000	38,500,000	38,500,000	−996,000		
2. Laboratory improvement	7,461,000	7,788,000	7,788,000	7,788,000	+327,000		
3. Occupational health	17,662,000	25,216,000	25,216,000	26,966,000	+9,304,000	+1,750,000	+1,750,000
4. Radiological health	10,377,000	11,574,000	11,574,000	11,574,000	+1,197,000		
5. Community environmental management	4,962,000	5,875,000	8,875,000	12,540,000	+7,578,000	+6,665,000	+3,665,000
6. Program direction	2,382,000	2,472,000	2,472,000	2,472,000	+90,000		
Total	82,340,000	[27] 91,425,000	94,425,000	99,840,000	+17,500,000	+8,415,000	+5,415,000
MEDICAL FACILITIES CONSTRUCTION							
1. Construction grants:							
(a) Hospitals and public health centers	16,400,000		16,400,000	16,400,000		+16,400,000	
(b) Long-term care facilities	20,800,000		20,800,000	20,800,000		+20,800,000	
(c) Outpatient facilities	70,000,000	70,000,000	70,000,000	70,000,000			
(d) Rehabilitation facilities	15,000,000	15,000,000	15,000,000	15,000,000			
(e) Modernization	50,000,000		50,000,000	50,000,000		+50,000,000	
Subtotal	172,200,000	85,000,000	172,200,000	172,200,000		+87,200,000	
2. Direct loans	30,000,000	30,000,000	30,000,000	30,000,000			
3. Interest subsidies	5,000,000	20,300,000	20,300,000	20,300,000	+15,300,000		
(New loans subsidized)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)			
4. District of Columbia medical facilities	15,000,000		40,627,000	55,627,000	+40,627,000	+55,627,000	+15,000,000
5. Administration and technical assistance	3,154,000	3,577,000	3,577,000	3,577,000	+423,000		
Total	225,354,000	138,877,000	266,704,000	281,704,000	+56,350,000	+142,827,000	+15,000,000
PATIENT CARE AND SPECIAL HEALTH SERVICES	85,730,000	71,682,000	85,700,000	96,682,000	+10,952,000	+25,000,000	+10,982,000
NATIONAL HEALTH STATISTICS	13,052,000	15,900,000	15,900,000	15,900,000	+2,848,000		
RETIREMENT PAY AND MEDICAL BENEFITS FOR RECOMMISSIONED OFFICERS (INDEFINITE)[14]	19,501,000	23,196,000	23,196,000	23,196,000	+3,695,000		
BUILDINGS AND FACILITIES							
(Obligations)	(11,052,000)	(3,127,000)	(3,127,000)	(3,127,000)	(−7,925,000)	( )	( )
OFFICE OF THE ADMINISTRATOR	11,892,000	12,359,000	12,359,000	12,359,000	+467,000		
Total, Health Services and Mental Health Administration	1,531,744,000	1,620,279,000	1,886,874,000	2,059,170,000	+527,426,000	+438,891,000	+152,296,000
NATIONAL INSTITUTES OF HEALTH							
RESEARCH INSTITUTES (ANALYSIS BY APPROPRIATION)							
Biologics Standards	8,725,000	8,956,000	8,956,000	9,755,000	+1,030,000	+799,000	+799,000
National Cancer Institute	230,462,000	[17] 23,4338,000	[39] 237,531,000	[39] 258,233,000	+27,771,000	+23,895,000	+20,702,000
National Heart and Lung Institute	191,627,000	195,492,000	211,624,000	252,590,000	+60,963,000	+57,098,000	+40,966,000
National Institute of Dental Research	34,703,000	38,829,000	41,828,000	44,948,000	+10,245,000	+6,119,000	+3,120,000

Footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1972—Continued

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

Appropriation/activity	1971 Comparable [1] [2]	1972 Budget Estimate [3]	New budget (obligational) authority recommended in the House bill	New budget (obligational) authority recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1971	Budget estimates, 1972	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
NATIONAL INSTITUTES OF HEALTH—Con.							
RESEARCH INSTITUTES (ANALYSIS BY APPROPRIATION)—Continued							
National Institute of Arthritis and Metabolic Diseases	$134,425,000	$135,433,000	$148,204,000	$163,629,000	+$29,204,000	+$28,196,000	+$15,425,000
National Institute of Neurological Diseases and Stroke	99,482,000	96,521,000	108,590,000	139,187,000	+39,705,000	+42,666,000	+30,597,000
National Institute of Allergy and Infectious Diseases	98,124,000	99,342,000	106,662,000	112,979,000	+14,855,000	+13,637,000	+6,317,000
National Institute of General Medical Sciences	154,527,000	150,400,000	168,490,000	179,318,000	+24,791,000	+28,918,000	+10,828,000
National Institute of Child Health and Human Development	93,676,000	103,232,000	109,668,000	126,093,000	+32,417,000	+22,861,000	+16,425,000
National Eye Institute	30,406,000	32,639,000	36,022,000	40,187,000	+9,781,000	+7,548,000	+4,165,000
National Institute of Environmental Health Sciences	19,990,000	25,271,000	26,436,000	31,991,000	+12,001,000	+6,720,000	+5,555,000
Research Resources	66,431,000	68,069,000	71,948,000	75,948,000	+9,517,000	+7,879,000	+4,000,000
John E. Fogarty International Center for Advanced Study in the Health Sciences	3,682,000	3,319,000	3,763,000	4,288,000	+606,000	+969,000	+525,000
Special Cancer Research Initiative	....	100,000,000	100,000,000	100,000,000	+100,000,000	....	....
Total	1,166,260,000	1,291,841,000	1,379,722,000	1,539,146,000	+372,886,000	+247,305,000	+159,424,000
HEALTH MANPOWER							
1. Medical, dental, and related health professions:							
(a) Institutional support	147,350,000	256,358,000	....	....	−147,350,000	−256,358,000	....
(1) Family practice of medicine	....	....	....	5,000,000	+5,000,000	+5,000,000	+5,000,000
(b) Student assistance:							
(1) Direct loans	25,000,000	25,000,000	....	30,000,000	+5,000,000	+5,000,000	+30,000,000
(2) Scholarships	15,500,000	15,500,000	....	18,500,000	+3,000,000	+3,000,000	+18,500,000
Subtotal	40,500,000	[45] 40,500,000	....	[45] 48,500,000	+8,000,000	+8,000,000	+48,500,000
(c) Construction	131,600,000	98,000,000	....	....	−131,600,000	−98,000,000	....
(d) Educational grants and contracts and direct operations	14,924,000	17,050,000	....	17,050,000	+2,126,000	....	+17,050,000
Subtotal	334,374,000	411,908,000	....	70,550,000	−263,824,000	−341,358,000	+70,550,000
2. Nursing:							
(a) Institutional support	11,500,000	18,837,000	....	....	−11,500,000	−18,837,000	....
(b) Student assistance:							
(1) Direct loans	17,110,000	17,110,000	....	21,000,000	+3,890,000	+3,890,000	+21,000,000
(2) Scholarships	17,000,000	17,000,000	....	22,000,000	+5,000,000	+5,000,000	+22,000,000
(3) Traineeships	10,470,000	10,470,000	....	12,470,000	+2,000,000	+2,000,000	+12,470,000
Subtotal	44,580,000	44,580,000	....	55,470,000	+10,890,000	+10,890,000	+55,470,000
(c) Construction	9,500,000	....	....	....	−9,500,000	....	....
(d) Educational grants and contracts and direct operations	9,196,000	10,720,000	....	10,720,000	+1,524,000	....	+10,720,000
Subtotal	74,776,000	74,137,000	....	66,190,000	−8,586,000	−7,947,000	+66,190,000
3. Public health:							
(a) Institutional support	9,571,000	9,571,000	....	15,571,000	+6,000,000	+6,000,000	+15,571,000
(b) Traineeships	8,400,000	8,400,000	....	10,400,000	+2,000,000	+2,000,000	+10,400,000
(c) Direct operations	530,000	573,000	....	573,000	+43,000	....	+573,000
Subtotal	18,501,000	18,544,000	....	26,544,000	+8,043,000	+8,000,000	+26,544,000
4. Allied health:							
(a) Institutional support	9,750,000	10,000,000	....	15,000,000	+5,250,000	+5,000,000	+15,000,000
(b) Traineeships	3,750,000	3,750,000	....	7,750,000	+4,000,000	+4,000,000	+7,750,000
(c) Educational grants and contracts and direct operations	5,987,000	16,904,000	....	20,000,000	+14,013,000	+3,096,000	+20,000,000
Subtotal	19,487,000	30,654,000	....	42,750,000	+23,263,000	+12,096,000	+42,750,000

Footnotes at end of table.

Appropriation/activity (1)	1971 Comparable [1, 2] (2)	1972 Budget Estimate [3] (3)	New budget (obligational) authority recommended in the House bill (4)	New budget (obligational) authority recommended by Senate committee (5)	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1971 (6)	Budget estimates, 1972 (7)	House bill (8)
NATIONAL INSTITUTES OF HEALTH—Con.							
HEALTH MANPOWER—continued							
5. Program direction and manpower analysis	$5,272,000	$6,682,000	------------	$5,272,000	------------	−$1,410,000	+$5,272,000
Total	452,410,000	[15, 16] 541,925,000	[40] (------------)	[40] 211,306,000	−$241,104,000	−330,619,000	+211,306,000
NATIONAL LIBRARY OE MEDICINE	21,510,000	21,981,000	$22,781,000	+25,086,000	+3,576,000	+3,105,000	+2,305,000
BUILDING AND FACILITIES	------------	3,565,000	3,565,000	5,065,000	+5,065,000	+1,500,000	+1,500,000
(Obligations)	(6,715,000)	(6,981,000)	(6,981,000)	(8,481,000)	(+1,766,000)	(+1,500,000)	(+1,500,000)
OFFICE OF THE DIRECTOR	10,886,000	11,442,000	11,442,000	11,792,000	+906,000	+350,000	+350,000
SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)	28,944,000	25,545,000	25,545,000	25,545,000	−3,399,000	------------	------------
HEALTH EDUCATION LOANS:							
Payment of sales insufficiencies and interest losses	3,083,000	4,000,000	4,000,000	4,000,000	+917,000	------------	------------
Total, National Institutes of Health	1,683,093,000	1,900,299,000	1,447,055,000	1,821,940,000	+138,847,000	−78,359,000	+374,885,000
SOCIAL AND REHABILITATION SERVICE							
GRANTS TO STATES FOR PUBLIC ASSISTANCE							
1. Maintenance assistance	5,617,189,000	6,655,321,000	6,655,321,000	6,655,321,000	+1,038,132,000	------------	------------
2. Assistance to repatriated U.S. nationals	770,000	687,000	687,000	687,000	−83,000	------------	------------
3. Medical assistance	3,216,142,000	3,827,619,000	3,827,619,000	3,827,619,000	+611,477,000	------------	------------
4. Social services	756,886,000	838,200,000	838,200,000	838,200,000	+81,314,000	------------	------------
5. State and local training	45,070,000	43,866,000	43,866,000	43,866,000	−1,204,000	------------	------------
Subtotal, noncontrollable	9,636,057,000	11,365,693,000	11,365,693,000	11,365,693,000	+1,729,636,000	------------	------------
6. Child welfare services	46,000,000	46,000,000	46,000,000	46,000,000	------------	------------	------------
Total	[18] 9,682,057,000	[15, 19] 11,411,693,000	*11,411,693,000	*11,411,693,000	+1,729,636,000	------------	------------
WORK INCENTIVES							
1. Training and incentives	71,780,000	197,136,000	181,136,000	181,136,000	+109,356,000	−$16,000,000	------------
2. Child care	26,400,000	78,000,000	78,000,000	78,000,000	+51,600,000	------------	------------
Total	98,180,000	275,136,000	259,136,000	259,136,000	+160,956,000	−16,000,000	------------
REHABILITATION SERVICES AND FACILITIES							
1. Basic State grants	503,000,000	518,000,000	575,000,000	560,000,000	+57,000,000	+42,000,000	−15,000,000
2. Innovation	3,200,000	------------	------------	------------	−3,200,000	------------	------------
3. Rehabilitation service projects	27,650,000	52,210,000	57,210,000	57,210,000	+29,560,000	+5,000,000	------------
4. Vocational rehabilitation facilities	1,750,000	------------	3,051,000	3,051,000	+1,301,000	+3,051,000	------------
5. Grants for the developmentally disabled:							
(a) Formula grants	11,215,000	11,215,000	30,000,000	21,715,000	+10,500,000	+10,500,000	−8,285,000
(b) Service project grants	23,575,000	23,575,000	23,575,000	23,575,000	------------	------------	------------
(c) University affiliated facilities	------------	------------	------------	5,000,000	+5,000,000	+5,000,000	+5,000,000
Subtotal	34,790,000	34,790,000	53,575,000	44,790,000	+10,000,000	+10,000,000	−8,785,000
Total	570,390,000	605,000,000	688,836,000	670,551,000	+100,000,000	+65,000,000	−18,000,000
SPECIAL PROGRAMS FOR THE AGING [20]							
1. State planning and service grants:							
(a) Community programs	9,000,000	9,000,000	9,000,000	15,000,000	+6,000,000	+6,000,000	+6,000,000
(b) Areawide projects	2,200,000	5,200,000	5,200,000	5,200,000	+3,000,000	------------	------------
(c) Planning and operations	4,000,000	4,000,000	4,000,000	4,000,000	------------	------------	------------
Subtotal	15,200,000	18,200,000	18,200,000	24,200,000	+9,000,000	+6,000,000	+6,000,000
2. Foster grandparents	10,500,000	10,500,000	10,500,000	15,000,000	+4,500,000	+4,500,000	+4,500,000
3. Retired senior volunteer program	500,000	5,000,000	5,000,000	5,000,000	+4,500,000	------------	------------
4. White House Conference on Aging	1,650,000	------------	------------	------------	−1,650,000	------------	------------
Total	27,850,000	[28] 33,700,000	33,700,000	44,200,000	+16,350,000	+10,500,000	+10,500,000

Footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1972—Continued

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

Appropriation/activity	Comparable 1971[1][2]	Budget estimate, 1972[3]	New budget (obligational) authority recommended in the House bill	New budget (obligational) authority recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1971	Budget estimates, 1972	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SOCIAL AND REHABILITATION SERVICE—Con.							
YOUTH DEVELOPMENT AND DELINQUENCY PREVENTION[21]	$15,000,000	$10,000,000	[42] (.......)	$15,000,000		+$5,000,000	+$15,000,000
RESEARCH AND TRAINING							
1. Research:							
(a) Social and rehabilitation projects	29,257,000	24,125,000	$29,257,000	29,257,000		+5,132,000	
(b) Income maintenance projects	9,000,000	11,000,000	11,000,000	11,000,000	+$2,000,000		
(c) Special centers	14,918,000	12,375,000	13,941,000	14,918,000		+2,543,000	+977,000
Subtotal	53,175,000	47,500,000	54,198,000	55,175,000	+2,000,000	+7,675,000	+977,000
2. Training:							
(a) Rehabilitation	33,065,000	14,650,000	33,065,000	33,065,000		+18,415,000	
(b) Community services	8,900,000	4,000,000	8,900,000	8,900,000		+4,900,000	
(c) Aging	3,000,000	3,000,000	3,000,000	3,000,000			
Subtotal	44,965,000	21,650,000	44,965,000	44,965,000		+23,315,000	
Total	98,140,000	[29] 69,150,000	99,163,000	100,140,000	+2,000,000	+30,990,000	+977,000
SOCIAL AND REHABILITATION ACTIVITY OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)	4,000,000	10,000,000	8,000,000	8,000,000	+4,000,000	−2,000,000	
SALARIES AND EXPENSES	36,272,000	40,881,000	39,937,000	40,881,000	+4,609,000		+944,000
Less: trust fund transfer	−390,000	−400,000	−400,000	−400,000	−10,000		
Total appropriation	35,882,000	[30] 40,481,000	39,537,000	40,481,000	+4,599,000		+944,000
Total, Social and Rehabilitation Service	10,531,499,000	12,455,160,000	12,540,065,000	12,549,201,000	+2,017,702,000	+94,041,000	+9,136,000
SOCIAL SECURITY ADMINISTRATION							
FEDERAL FUNDS							
PAYMENTS TO SOCIAL SECURITY TRUST FUNDS							
1. Matching payments for supplementary medical insurance	1,245,282,000	1,376,400,000	1,376,400,000	1,376,400,000	+131,118,000		
2. Hospital insurance for the uninsured	878,688,000	503,351,000	503,351,000	503,351,000	−375,337,000		
3. Military service credits	105,000,000	235,000,000	235,000,000	235,000,000	+130,000,000		
4. Retirement benefits for certain uninsured persons	370,916,000	350,546,000	350,546,000	350,546,000	−20,370,000		
Total	2,599,886,000	2,465,297,000	2,465,297,000	2,465,297,000	−134,589,000		
SPECIAL BENEFITS FOR DISABLED COAL MINERS[41]		[41] 644,249,000	[41] 644,249,000	[41] 644,249,000	+644,249,000		
Definite		(384,615,000)	(384,615,000)	(384,615,000)	(+384,615,000)		
Indefinite		(259,634,000)	(259,634,000)	(259,634,000)	(+259,634,000)		
Total		644,249,000	644,249,000	644,249,000	+644,249,000		
SOCIAL SECURITY ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)		750,000				−750,000	
Total, Federal Funds	2,599,886,000	3,110,296,000	3,109,546,000	3,109,546,000	+509,660,000	−750,000	
TRUST FUNDS							
Limitation on salaries and expenses	*(1,044,708,000)*	*(1,134,640,000)*	*(1,134,640,000)*	*(1,134,640,000)*	*(+89,932,000)*		
Limitation on construction	*(2,800,000)*	*(18,194,000)*	*(18,194,000)*	*(18,194,000)*	*(+15,394,000)*		
(Obligations)	(20,357,000)	(13,314,000)	(13,314,000)	(13,314,000)	(−7,043,000)		
Total, Social Security Administration	2,599,886,000	3,110,296,000	3,109,546,000	3,109,546,000	+509,660,000	−750,000	
OFFICE OF CHILD DEVELOPMENT[22]							
1. Research and demonstrations	5,500,000	13,500,000	11,500,000	13,500,000	+8,000,000		+2,000,000
2. White House Conference on Children and Youth	2,541,000	304,000	304,000	304,000	−2,237,000		
Subtotal	8,041,000	13,804,000	11,804,000	13,804,000	+5,763,000		+2,000,000

Footnotes at end of table.

Appropriation/activity (1)	Comparable 1971 [1] [2] (2)	Budget estimate, 1972 [3] (3)	New budget (obligational) authority recommended in the House bill (4)	New budget (obligational) authority recommended by Senate committee (5)	Increase (+) or decrease (−), Senate bill compared with— Appropriations, 1971 (6)	Budget estimates, 1972 (7)	House bill (8)
TRUST FUNDS—Continued							
OFFICE OF CHILD DEVELOPMENT—continued							
3. Head Start:							
(a) Full-year programs	$278,308,000	$290,552,000			−$278,308,000	−$290,552,000	
(b) Experimental programs	3,200,000	3,200,000			−3,200,000	−3,200,000	
(c) Summer programs	46,579,000	48,920,000			−46,579,000	−48,920,000	
(d) Career development and technical assistance	18,000,000	18,000,000			−18,000,000	−18,000,000	
(e) Evaluation	2,500,000	3,000,000			−2,500,000	−3,000,000	
(f) Parent and child centers	5,000,000	5,792,000			−5,000,000	−5,792,000	
Subtotal	353,587,000	369,464,000			−353,587,000	−369,464,000	
4. Salaries and expenses	8,321,000	9,800,000	$2,447,000	$2,447,000	−5,874,000	−7,353,000	
Total	369,949,000	[15] 393,068,000	[42] 14,251,000	[42] 16,251,000	−353,698,000	−376,817,000	+$2,000,000
DEPARTMENTAL MANAGEMENT							
Office for Civil Rights	9,640,000	11,879,000	11,879,000	11,879,000	+2,239,000		
Less: trust fund transfer	−947,000	−1,049,000	−1,049,000	−1,049,000	−102,000		
Total appropriation	8,693,000	10,830,000	10,830,000	10,830,000	+2,137,000		
DEPARTMENTAL MANAGEMENT							
1. Executive direction	9,838,000	8,251,000	8,251,000	8,251,000	−1,587,000		
2. Public information	784,000	808,000	808,000	808,000	+24,000		
3. Community and field services	5,835,000	6,469,000	6,469,000	6,469,000	+634,000		
4. Legal services	4,969,000	5,235,000	5,235,000	5,235,000	+266,000		
5. Financial management:							
(a) Audit	13,607,000	14,604,000	14,604,000	14,604,000	+997,000		
(b) Other	2,675,000	2,844,000	2,844,000	2,844,000	+169,000		
Subtotal	16,282,000	17,448,000	17,448,000	17,448,000	+1,166,000		
6. Facilities engineering and construction	6,437,000	6,755,000	6,755,000	6,755,000	+318,000		
7. Administrative management	6,471,000	6,982,000	6,982,000	6,982,000	+511,000		
8. Surplus property utilization	1,519,000	1,577,000	1,577,000	1,577,000	+58,000		
Total	52,135,000	53,525,000	53,525,000	53,525,000	+1,390,000		
Less: trust fund transfer	−5,725,000	−5,955,000	−5,955,000	−5,955,000	−230,000		
Total appropriation	46,410,000	[31] 47,570,000	47,570,000	47,570,000	+1,160,000		
Total, Departmental Management	55,103,000	58,400,000	58,400,000	58,400,000	+3,297,000		
Total, new budget (obligational) authority. Department of Health, Education, and Welfare	[19] 16,771,274,000	[15] [19] 19,537,502,000	19,056,191,000	19,614,508,000	+2,843,234,000	+77,006,000	+558,317,000
Limitation of trust fund transfers	*(1,059,089,000)*	*(1,164,757,000)*	*(1,164,757,000)*	*(1,164,757,000)*	*(+105,668,000)*		
Consisting of—							
Definite appropriations	16,728,925,000	19,231,528,000	18,750,217,000	19,308,534,000	+2,579,600,000	+77,006,000	+558,317,000
Indefinite appropriations	42,349,000	305,974,000	305,974,000	305,974,000	+263,625,000		

TITLE III—RELATED AGENCIES

Appropriation/activity (1)	Comparable 1971 (2)	Budget estimate, 1972 (3)	House bill (4)	Senate committee (5)	Appropriations, 1971 (6)	Budget estimates, 1972 (7)	House bill (8)
RELATED AGENCIES							
National Commission on Libraries and Information Science		[32] $200,000	(43)	$200,000	+$200,000		+$200,000
National Commission on Marihuana and Drug Abuse	$700,000	[33] 1,228,000	(43)	1,228,000	+528,000		+1,228,000
National Labor Relations Board	41,827,000	[34] 48,468,000	$48,468,000	48,468,000	+6,641,000		
National Mediation Board	2,454,000	2,796,000	2,796,000	2,796,000	+342,000		
Railroad Retirement Board:							
Payment for military service credit	19,969,000	20,757,000	20,757,000	20,757,000	+788,000		
Limitation on salaries and expenses	*(19,160,000)*	*(18,838,000)*	*(18,838,000)*	*(18,838,000)*	*(−322,000)*	(--------)	(--------)

Footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1972—Continued

TITLE III—RELATED AGENCIES—Continued

Appropriation/activity (1)	New budget (obligational) authority fiscal year 1971[1,2] (enacted to date) (2)	Budget estimates of new (obligational) authority, fiscal year 1972[3] (3)	New budget (obligational) authority recommended in the House bill (4)	New budget (obligational) authority recommended by Senate committee (5)	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1971 (6)	Budget estimates, 1972 (7)	House bill (8)
RELATED AGENCIES—Continued							
Commission on Railroad Retirement	$300,000	[35] $483,000	(43)	$483,000	+$183,000	----------	+$483,000
Federal Mediation and Conciliation Service	9,722,000	10,289,000	$10,289,000	10,289,000	+567,000	----------	----------
U.S. Soldiers' Home (trust fund appropriation):							
Operation and maintenance	10,557,000	11,353,000	11,353,000	11,353,000	+796,000	----------	----------
Capital outlay	128,000	80,000	80,000	80,000	−48,000	----------	----------
Office of Economic Opportunity	894,268,000	[36] 780,410,000	(43)	----------	−894,268,000	−$780,410,000	----------
President's Council on Youth Opportunity	300,000	----------	----------	----------	−300,000	----------	----------
Cabinet Committee on Opportunities for Spanish-Speaking People	725,000	890,000	(43)	----------	−725,000	−890,000	----------
Occupational Safety and Health Review Commission	75,000	400,000	400,000	400,000	+325,000	----------	----------
Total, related agencies	981,025,000	877,354,000	94,143,000	96,054,000	−884,971,000	−781,300,000	+1,911,000
Limitation on trust fund transfers	*(19,160,000)*	*(18,858,000)*	*(18,838,000)*	*(18,838,000)*	*(−322,000)*	(----------)	(----------)
Grand total	19,981,903,881	23,598,753,000	20,461,247,000	21,032,725,000	+1,050,821,119	−2,566,028,000	+571,478,000
Limitation on trust fund transfers	*(1,846,376,000)*	*(1,989,595,000)*	*(2,016,214,000)*	*(2,016,214,000)*	*(+169,838,000)*	*(+26,619,000)*	----------
Consisting of—							
Definite appropriations	19,939,554,881	23,292,779,000	20,155,273,000	20,726,751,000	+787,196,119	−2,566,028,000	+571,478,000
Indefinite appropriations	42,349,000	305,974,000	305,974,000	305,974,000	+263,625,000	----------	----------

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[1] 1971 appropriations are adjusted to be comparable to the 1972 estimates and to reflect the limitation contained in sec. 410 of Public Law 91–204.

[2] Includes 1971 supplemental appropriations to finance pay act costs in 1971. Authority to transfer funds between appropriations was granted thereby permitting absorption of the increased pay costs in addition to supplemental appropriations provided. (Public Law 92–18).

[3] Includes budget amendments for 1972 increased pay costs (H. Doc. 92–93) as follows:

Department of Labor	$12,063,000
Department of HEW	63,715,000
Related agencies	4,066,000
Total	79,844,000

[4] Formerly titled "Manpower Administration, salaries and expenses," "Bureau of Apprenticeship and Training, salaries and expenses," and *"Limitation on Unemployment Insurance Service, salaries and expenses."*

[5] Formerly titled "Manpower training activities."

[6] Formerly titled "Unemployment compensation for Federal employees and ex-servicemen and trade adjustment activities."

[7] Includes supplemental appropriations for program costs in 1971 in the following amounts:

Manpower training services	$105,000,000
Federal unemployment benefits and allowances	50,675,000
Labor Management Services Administration: Salaries and expenses	500,000
Workplace Standards Administration: Salaries and expenses	9,218,000
Total	165,393,000

[8] Formerly titled *"Limitation on grants to States for unemployment compensation and employment service administration."*

[9] Formerly titled "Employees' compensation claims and expenses."

[10] Funding in 1972 for manpower activities provided for under the Economic Opportunity Act of 1964, contingent upon enactment of proposed legislation is included in the President's budget estimates (amounts included are not specified in the President's budget).

[11] Funds formerly included in Environmental Health Service, "Air Pollution Control" and "Office of the Administrator" are included under appropriations for the Environmental Protection Agency in the 1972 estimates.

[12] Funds formerly included in Environmental Health Service, "Environmental Control" are included under appropriations for the Environmental Protection Agency, "Disease control," and "Departmental management" within the Department of Health, Education, and Welfare in the 1972 estimates. In 1971, $28,385,000 of this appropriation was transferred to other accounts within the Department of Health, Education, and Welfare. All of balance of the 1971 appropriations under the heading "Environmental Health Service" was transferred to the Environmental Protection Agency.

[13] Formerly titled "Communicable diseases."

[14] Formerly titled "Retired pay of commissioned officers."

[15] The following amounts for 1972, contingent upon enactment of proposed legislation, are included in the President's budget estimates:

Health manpower	$458,275,000
Grants to States for public assistance	225,000
Youth development and delinquency prevention	10,000,000
Child development	376,817,000
Total	845,317,000

[16] "Dental Health" and "Construction of Health, Educational Research, and Library Facilities" are included in "Health Manpower" in the 1972 estimates.

[17] Does not include 1971 supplemental appropriation for program costs in 1972 in the following amount:

Cancer research initiatives	$100,000,000

[18] Includes supplemental appropriation for program costs in 1971 in the following amount:

Grants to States for public assistance	$1,047,587,000

[19] The President's budget indicates that supplemental appropriations will be requested in the following amounts for 1972 if proposed legislation is enacted:

Grants to States for public assistance	−$495,000,000
Welfare reform	580,744,000
Community assistance	162,000,000
Total	247,744,000

[20] Formerly titled "Programs for the aging."

[21] Formerly titled "Juvenile Delinquency Prevention and Control."

[22] Formery titled "Office of Child Development."

[23] Reflects proposed budget amendment of −$260,000 reducing the estimate by this amount which was formerly budgeted for reimbursement to HEW for State Merit System activities now transferred to the Civil Service Commission. (H. Doc. 92–93.)

[24] Includes proposed budget amendment of $2,620,000 to provide for improvements in statistical measures of economic activity, including employment, prices, and wages. (H. Doc. 92–130.)

[25] Includes proposed budget amendments of $7,000,000 for prevention and treatment of alcohol abuse and alcoholism (H. Doc. 92–93) and $67,000,000 to combat the drug abuse problem (H. Doc. 92–133).

[26] Includes proposed budget amendments of $15,000,000 to set up Family Health Center programs to deliver health care in medically underserved areas (H. Doc. 92–93), $10,000,000 to initiate the Emergency Health Personnel Act (National Health Service Corps) of 1970 (H. Doc. 92–93), $10,000,000 for block formula grants for public health services to support local efforts to control venereal disease and community immunization activities (H. Doc. 92–130), and $15,000,000 for the continuation of the rodent control program at the same level as 1971 (H. Doc. 92–130).

[27] Includes proposed budget amendment of $8,435,000 to fund functions of the National Institute for Occupational Safety and Health, as authorized by the Occupational Safety and Health Act of 1970 (H. Doc. 92–93), and $2,000,000 to implement the Lead-Based Paint Poisoning Prevention Act, Public Law 91–695 (H. Doc. 92–130).

[28] Includes proposed budget amendment of $7,850,000 to maintain and expand the 1971 level of operations (H. Doc. 92–117).

[29] Includes proposed budget amendment of $2,150,000 for research and training activities under the Older Americans Act, Public Law 89–73, to continue at the 1971 level of operations (H. Doc. 92–117).

[30] Includes proposed budget amendment of $1,800,000 to finance the cost of 55 additional positions to operate a revised quality control system in the administration of maintenance payments to public assistance recipients. (H. Doc. 92–93).

[31] Reflects proposed budget amendment of −$651,000 reducing the estimate by this amount due to the transfer of the Office of State Merit Systems from HEW to the Civil Service Commission. (H. Doc. 92–93.)

[32] This amount is a proposed budget amendment to provide for initial costs for 1972 for this new Commission established by Public Law 91–345. (H. Doc. 92–130.)

[33] This amount is a proposed budget amendment to provide for the expansion of the marijuana and drug abuse study currently underway by the Commission in accordance with the recently enacted amendment authorizing additional appropriations. (H. Doc. 92–139.)

[34] Includes proposed budget amendment of $2,450,000 to provide funds to handle unanticipated workload due to large increases in number of cases filed under the National Labor Relations Act. (H. Doc. 92–130.)

[35] Includes proposed budget amendment of $483,000 to provide funds for the Commission to carry out study of the benefit and financing structure of the railroad retirement system for report to Congress as directed by Public Law 91–377 in order to put system on a sound actuarial basis. This proposal replaces previous request (S. Doc. 92–18) for 1971 supplemental appropriation not acted on due to late transmission. (H. Doc. 92–130.)

[36] Contingent upon enactment of proposed legislation.

[37] House bill authorizes transfer of $25,847,000 from unemployment trust fund for which no request was made in the budget and defers action on $26,207,000 included in the budget for activities previously authorized by the Economic Opportunity Act which expired on June 30, 1971. Thus, the only change in the House bill from the budget request is a reduction of $100,000 for planning, evaluation, and research.

[38] Represents full budget request minus $817,597,000 authorized by the expired OEO Act.

[39] Does not include $100,000,000 advance appropriation for fiscal year 1972 for the National Cancer Institute contained in the Second Supplemental.

[40] The House did not consider this item because authorizing legislation for most of the appropriation has not been passed. The Senate Committee has included funds for those health manpower activities for which authorizing legislation exists.

[41] Covers estimated obligations for 3 fiscal years as follows: 1970—$6,734,000; 1971—$252,900,000; 1972—$384,615,000.

[42] The House and Senate did not consider an estimate of $376,817,000 for Head Start which is dependent on proposed legislation.

[43] The House did not consider this item.

[44] Not considered by the House and Senate in this appropriation bill. To be considered in a special and separate appropriation bill.

[45] Includes $11,841,000 for activities of the Division of Dental Health.

*The proposed general provision limiting social services, administration, and training to 110 percent of the 1971 budget estimate was deleted by the House committee: according to the May State estimates, the cost of dropping this limitation is about $232,000,000. The Senate committee concurred with the House action.

Mr. MAGNUSON. Mr. President, may I inquire how much time is allotted to the appropriations for Labor and HEW, both on the bill and on amendments?

The PRESIDING OFFICER. The clerk will read the agreement.

The assistant legislative clerk read as follows:

Ordered, That effective on Friday, July 30, 1971, at 11:00 a.m., whether or not cloture has been invoked on S. 2308, or whether there is any other business pending before the Senate, it shall be put aside and the Senate proceed to the consideration of H.R. 10061, Labor, HEW appropriations bill, with time for debate on the bill to be limited to 3 hours to be equally divided and controlled by the Majority and Minority Leaders or their designees and that debate on any amendment to the bill, except committee amendments which shall come out of the time on the bill, be limited to 1 hour to be equally divided and controlled by the mover of the amendment and the manager of the bill and time on amendments to amendments be limited to 30 minutes under the same conditions.

Mr. MAGNUSON. Mr. President, now I yield to the distinguished Senator from New Mexico (Mr. MONTOYA), on my time on the bill, such time as he may require.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT AMENDMENTS OF 1971

Mr. MONTOYA. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2317.

The PRESIDING OFFICER (Mr. STEVENSON) laid before the Senate the amendment of the House of Representatives to the bill (S. 2317), an act to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, which was to strike out all after the enacting clause, and insert:

TITLE I—THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Sec. 101. This title may be cited as the "Public Works and Economic Development Act Amendments of 1971".

Sec. 102. (a) Paragraph (1) of subsection (a) of section 101 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131) is amended by striking out "and" at the end of subparagraph (B), by striking out the colon at the end of subparagraph (C) and inserting in lieu thereof the following: "; and", and by adding at the end thereof the following:

"(D) in the case of a redevelopment area so designated under section 401(a)(6), the project to be undertaken will provide immediate useful work to unemployed and underemployed persons in that area.".

(b) Subsection (c) of section 101 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131) is amended by inserting immediately following the first sentence thereof the following: "In the case of any State or political subdivision thereof which the Secretary determines has exhausted its effective taxing and borrowing capacity, the Secretary may reduce the non-Federal share below such per centum or may waive the non-Federal share in the case of such a grant for a project in a redevelopment area designated as such under section 401(a)(6) of this Act.".

Sec. 103. Section 105 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3135) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and not to exceed $800,000,000 per fiscal year for the fiscal years ending June 30, 1972, and June 30, 1973. Any amounts authorized for the fiscal year ending June 30, 1972, under this section but not appropriated may be appropriated for the fiscal year ending June 30, 1973. Not less than 25 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending June 30, 1972, and June 30, 1973, under authority of the preceding sentences shall be expended in redevelopment areas designated as such under section 401(a)(6) of this Act."

Sec. 104. Subsection (c) of section 201 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

Sec. 105. Section 302 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3152) is amended by striking out "and June 30, 1971" and inserting in lieu thereof "June 30, 1971, June 30, 1972, and June 30, 1973".

Sec. 106. Section 401 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161) is amended as follows:

(1) Paragraph (2) of subsection (a) is amended by striking out "40 per centum" and inserting in lieu thereof "50 per centum".

(2) Paragraph (6) of subsection (a) is amended to read as follows:

"(6) those communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) which the Secretary determines have one of the following conditions:

"(A) a large concentration of low-income persons;

"(B) rural areas having substantial outmigration;

"(C) substantial unemployment; or

"(D) an actual or threatened abrupt rise of unemployment due to the closing or curtailment of a major source of employment.

No redevelopment area established under this paragraph shall be subject to the requirements of subparagraphs (A) and (C) of paragraph (1) of subsection (a) of section 101 of this Act. No redevelopment area established under this paragraph shall be eligible to meet the requirements of section 403(a)(1)(B) of this Act:

"(7) those areas where per capita employment has declined significantly during the next preceding ten-year period for which appropriate statistics are available."

Sec. 107. The first sentence of section 402 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3162) is amended by striking out "thereof" and all that follows down through and including the period at the end of the sentence and inserting in lieu thereof the following: "of such reviews shall terminate or modify such designation whenever such an area no longer satisfies the designation requirements of section 401, but in no event shall such a designation of an area be terminated prior to the expiration of the third year after the date such area was so designated."

Sec. 108. Subsection (g) of section 403 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3171) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

Sec. 109. Subsection (d) of section 509 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3188a) is amended by striking out the period at the end of the first sentence thereof and inserting in lieu thereof a comma and the following: "and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed $305,000,000."

Sec. 110. Section 512 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3191) is amended to read as follows:

"Sec. 512. There is hereby authorized to be appropriated not to exceed $500,000 for the two-fiscal-year period ending June 30, 1973, to continue the Federal Field Committee for Development Planning in Alaska for the purpose of planning economic development programs and projects in Alaska in cooperation with the government of the State of Alaska. Nothing contained in this section shall be construed as precluding the establishment of a regional commission for Alaska.".

Sec. 111. Section 2 of the Act of July 6, 1970 (Public Law 91–304) is amended by striking out "1971" and inserting in lieu thereof "1972".

Sec. 112. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance under the Public Works and Economic Development Act of 1965.

TITLE II—APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Sec. 201. This title may be cited as the "Appalachian Regional Development Act Amendments of 1971".

Sec. 202. The second sentence of subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows: "To carry out this section there is hereby authorized to be apppropriated to the Commission, to be available until expended, not to exceed $2,700,000 for the two-fiscal-year period ending June 30, 1973 (of such amount not to exceed $525,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff), and not to exceed $3,300,000 for the two-fiscal-year period ending June 30, 1975 (of such amount not to exceed $575,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff).".

SEC. 203. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "1971" and inserting in lieu thereof "1975".

SEC. 204. Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended to read as follows:

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $175,000,000 for the fiscal year ending June 30, 1971; $175,000,000 for the fiscal year ending June 30, 1972; $180,000,000 for the fiscal year ending June 30, 1973; $180,000,000 for the fiscal year ending June 30, 1974; $185,000,000 for the fiscal year ending June 30, 1975; $185,000,000 for the fiscal year ending June 30, 1976; $185,000,000 for the fiscal year ending June 30, 1977; and $180,000,000 for the fiscal year ending June 30, 1978."

SEC. 205. There is inserted after section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) a new section as follows:

"APPALACHIAN AIRPORT SAFETY IMPROVEMENTS

"SEC. 208. (a) In order to provide a system of airports in the Appalachian region which can accommodate a greater number of passengers in safety and thereby increase commerce and communication in areas with developmental potential, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to make grants to existing airports for the purpose of enhancing the safety of aviation and airport operations.

"(b) Such airport safety improvement projects may include (A) approach clearance, the removal, lowering, relocation, and marking and lighting of airport hazards, navigation aids, site preparation for navigation aids, and the acquisition of adequate safety equipment (including firefighting and rescue equipment), and (B) any acquisition of land or of any interest therein, or of any easement through or other interest in airspace which is necessary for such projects or to remove or mitigate or prevent or limit the establishment of, airport hazards.

"(c) Grants under this section shall be made solely from funds specifically made available to the President for the purpose of carrying out this Act in accordance with the provisions of this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provisions of law.

"(d) Except as context otherwise indicates, words and phrases used in this section shall have the same meaning as in the Airport and Airway Development Act of 1970 and the Federal Aviation Act of 1958, as amended.

"(e) Federal assistance to any project under this section shall not exceed 90 per centum of the costs of the project, except for assistance for navigation aids which may be 100 per centum.

"(f) The Secretary is authorized to incur obligations to make grants for airport safety improvement projects, in a total amount not to exceed $40,000,000 during the period ending June 30, 1975. There are authorized to be appropriated to the President such sums as may be required for liquidation of the obligations incurred under this section."

SEC. 206. (a) The third sentence of subsection (c) of section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended by striking out "health services" and inserting in lieu thereof the following: "health and child development services, including title IV, parts A and B, of the Social Security Act. Nothwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approved by the Commission, such State shall be considered as meeting such requirement".

(b) Subsection (d) of such section is amended by adding at the end the following: "The Federal contribution to such expenses of planning may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal or Federal grant-in-aid programs. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by this subsection."

SEC. 207. (a) The first sentence of subsection (a)(1) of section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended by inserting before the period at the end: "; and to control or abate mine drainage pollution."

(b) Subsection (b) of such section is amended to read as follows:

"(b) Notwithstanding any other provision of law, the Federal share of mining area restoration project costs carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. For the purposes of this section, such project costs may include the reasonable value (including donations) of planning engineering, real property acquisition (limited to the reasonable value of the real property in its unreclaimed state and costs incidental to its acquisition, as determined by the Commission), and such other materials and services as may be required for such project."

SEC. 208. (a) The catchline for section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended to read: "ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED LOW- AND MODERATE-INCOME HOUSING PROJECTS".

(b) Subsections (a), (b), and (c) of such section are amended to read as follows:

"(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or public bodies, for planning and obtaining federally insured mortgage financing for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221, 235, or 236 of the National Housing Act, in any area of the Appalachian region determined by the Commission.

"(b) No loan under subsection (a) of this section shall exceed 80 per centum of the cost of planning and obtaining financing for a project, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectured fees, site options, application and mortgage commitment fees, legal fees, and construction loan fees and discounts. Such loans shall be made without interest, except that any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for an insured or guaranteed loan for such project. The Secretary shall require payments of loans made under this section, under such terms and conditions as he may require, upon completion of the project or sooner, and except in the case of a loan to an organization established for profit may cancel any part or all of such a loan, if he determines that a permanent loan to finance such project cannot be obtained in an amount adequate for repayment of such loan under this section.

"(c)(1) Except as provided in paragraph (2) of this subsection, no grant under this section shall exceed 80 per centum of those expenses, incident to planning and obtaining financing for a project, which the Secretary considers not to be recoverable from the proceeds of any permanent loan made to finance such project, and no such grant shall be made to an organization established for profit.

"(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant shall exceed 10 per centum of the cost of such project."

(c) Subsection (e) of such section is amended by striking out "The Secretary is further authorized to" and inserting in lieu thereof "The Secretary or the Commission may".

SEC. 209. (a) The catchline for section 211 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 211) is amended by adding at the end "AND VOCATIONAL AND TECHNICAL EDUCATION DEMONSTRATION PROJECTS."

(b) The first sentence of subsection (a) of such section is amended by inserting "and operation" after "equipment".

(c) Subsection (b) of such section is amended to read as follows:

"(b)(1) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping, and operating vocational and technical educational project which will serve to demonstrate areawide educational planning, services, and programs. Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this Act and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

"(2) No grant for the construction or equipment of any component of a vocational and technical education demonstration project shall exceed 80 per centum of its costs.

"(3) Grants under this section for operation of components of vocational and technical education demonstration projects, whether or not constructed by funds authorized by this Act, may be made for up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such component is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of vocational and technical education demonstration projects shall be made after five years following the commencement of the initial grant for operation of the project. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3134), an education-related facility constructed under title I of that Act may be a component of a vocational and technical education demonstration project eligible for operating grant assistance under this section.

"(4) No grant for expenses of planning necessary for the development and operation of a vocational and technical education demonstration project shall exceed 75 per centum of such expenses.

"(5) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.

"(6) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal share in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection."

Sec. 201. (a) Section 214(a) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended to read as follows:

"(a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, or for which there are insufficient funds available under the Federal grant-in-aid Act authorizing such programs to meet pressing needs of the region, the President is authorized to provide funds to the Federal Cochairman to be used for all or any portion of the basic Federal contribution to projects under such Federal grant-in-aid programs authorized by Federal grant-in-aid Acts, and for the purpose of increasing the Federal contribution to projects under such programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal grant-in-aid program is proposed to be made under this subsection, no such Federal contribution shall be made until the responsible Federal official administering the Federal grant-in-aid Act authorizing such contribution certifies that such program or project meets the applicable requirements of such Federal grant-in-aid Act and could be approved for Federal contribution under such Act if funds were available under such Act for such program or project. Funds may be provided for programs and projects in a State under this subsection only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act, for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this subsection. Funds provided pursuant to this Act shall be available without regard to any limitations on areas eligible for assistance or authorizations for appropriation in any other Act. Any findings, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program."

(b) The first sentence of subsection (c) of such section is amended by striking out "December 31, 1970" and inserting in lieu thereof "December 31, 1974".

Sec. 211. Subsection (a)(2) of section 302 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 302) is amended to read as follows:

"(2) to make grants to the Commission for investigation, research, studies, evaluations, and assessments of needs, potentials, or attainments of the people of the region, technical assistance, training programs, demonstrations, and the construction of necessary facilities incident to such activities, which will further the purposes of this Act. Grant funds may be provided entirely from appropriations to carry out this section or in combination with funds available under other Federal or Federal grant-in-aid programs or from any other source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share, as the Commission determines appropriate."

Sec. 212. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"Sec. 401. In addition to the appropriations authorized in section 105 for administrative expenses, in section 201 for the Appalachian Development Highway System and Local Access Roads, and in section 208 for Appalachian Airport Safety Improvements, there is hereby authorized to be appropriated to the President, to be available until expended, to carry out this Act, $268,500,000 for the two-fiscal-year period ending June 30, 1971; $282,000,000 for the two-fiscal-year period ending June 30, 1973; and $294,000,000 for the two-fiscal-year period ending June 30, 1975."

Sec. 213. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "1971" and inserting in lieu thereof "1975".

Sec. 214. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or actively receiving Federal financial assistance under the Appalachian Regional Act of 1965.

Mr. MONTOYA. Mr. President, the Senate today can complete action on legislation continuing two proven programs of great benefit to millions of Americans. S. 2317 authorizes extension of the Appalachian Regional Development Act of 1965 and the Public Works and Economic Development Act of 1965. This bill and S. 575 were introduced by Senator RANDOLPH and myself, along with cosponsorship of other Members.

This legislation was passed by the Senate on July 21 following failure of the Senate to override the Presidential veto of S. 575 which, in addition to continuing these programs, also authorized an accelerated public works program.

The House of Representatives passed S. 2317 on July 28 after adding one amendment. This amendment, I believe, improves the legislation by providing that unfunded authorizations under the Public Works and Economic Development Act for the fiscal year 1972 be carried over to the fiscal year 1973.

In approving S. 2317, the Senate increased authorizations for the Economic Development Administration from $550 million, as provided in S. 575, to $800 million. This increase, together with liberalized criteria for participation in EDA programs, is intended to stimulate public works construction activities and thereby reduce unemployment. In the event that the full $800 million is not appropriated, it is desirable for the unfunded authorization to be available in 1973.

Mr. President, it is important that the Appalachian and Economic Development programs receive permanent authority to continue their operations. Therefore, I recommend that the Senate concur and adopt S. 2317 as amended by the House of Representatives.

I move that the Senate concur in the amendment of the House.

Mr. RANDOLPH. Mr. President, I am gratified that the Senate today has the opportunity to extend two important programs with which I have been associated for more than 6 years. During that time, the Appalachian and EDA programs have been valuable mechanisms through which many American communities and millions of people have benefited. When President Nixon vetoed S. 575, he called particular attention to the achievements of the Appalachian and Economic Development programs. It was obvious that he did not oppose their extension. His veto was based on the inclusion in S. 575 of the accelerated public works program, about which the President had serious reservations.

The Senate failed to override his veto but has now developed legislation continuing the Appalachian and Economic Development programs. By its action today the Senate can send this bill to the President, thereby, giving him the opportunity to reaffirm his confidence in these programs by signing it into law.

My colleague from New Mexico (Mr. MONTOYA) the chairman of our Subcommittee on Economic Development, has explained the amendment to S. 2317 added by the House of Representatives. I concur in his observations that this is a good amendment which will improve the legislation before us.

Mr. President, the Appalachian and EDA programs are important to this country because they are concerned directly with the welfare of people. They have proven themselves to be viable instruments for community improvements to enable more of our citizens to share in the great abundance of the American economy.

I know firsthand what has been accomplished in the past 6 years in West Virginia and elsewhere in the country. I am therefore gratified that the President has endorsed these two programs and that the Congress has given its approval by moving swiftly to pass this legislation by large majorities in both Houses.

Mr. President, I urge the Senate to complete this action by accepting S. 2317 as amended.

Mr. JAVITS. Mr. President, let us understand what this is all about. This is a bill which the President vetoed and which subsequently came back and which we adopted certain aspects of, which we thought would now not be vetoed and which we are now joining without a conference and without the House amendments; is that correct?

Mr. MONTOYA. That is correct.

Mr. JAVITS. What did the House do to the bill?

Mr. MONTOYA. There is only one simple amendment——

Mr. MAGNUSON. Mr. President, I am going to ask unanimous consent that the time taken on this discussion not be taken out of the time limitation on the HEW appropriation bill. I thought this was going to take only about 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. It is a very simple amendment, in which the House provided that any unused authorization for the first year would carry over to the second year.

Mr. JAVITS. It is a 2-year bill?

Mr. MONTOYA. That is right.

Mr. JAVITS. What is substituted is the alleged $2 billion in public works which was in the veto.

Mr. MONTOYA. $500 million.

Mr. JAVITS. That is the net substitution.

Mr. MONTOYA. Yes.

Mr. JAVITS. Which stands in the place of the $2 billion?

Mr. MONTOYA. That is right.

Mr. JAVITS. Is there any assurance that the administration will not again turn this bill back?

Mr. MONTOYA. We have no assurance. We have the opinion of our colleagues on the other side of the aisle that the President might sign this.

Mr. JAVITS. I thank the Senator very much.

Mr. BAKER. Mr. President, in response to the queries by the Senator from New York, title I is missing completely from the bill and it was passed by the House without the so-called accelerated works program. However, there is an addition to the traditional title V, the EDA bill, $880 million in excess of the bill which we passed with title I appended. It is my hope that the bill will be approved by the President. It is my hope that the Senate will concur in the House amendments. They are really not important to the issue at hand. It is also my hope that we will take up shortly the bill reported yesterday in the Public Works Committee, for economic disaster relief, which will replace in part, I believe, and more effectively, the provisions of and the import of title I in the bill that was vetoed.

Mr. MONTOYA. The addition was $250 million a year, increasing the authorization to $800 million. The addition in the new bill totals $500 million for 2 years.

Mr. BAKER. I do not want to be in conflict with the distinguished chairman, but let me simply say that it is my understanding the functions of HEW as provided in the bill are now incorporated in titles II and III of the bill. The total funding level is $880 million. Where that new money arose, I do not know.

Mr. JAVITS. That will be the impact of it, the $800 million.

Mr. BAKER. $800 million.

Mr. JAVITS. Is there any difference in the technique introduced as a result of this change in the terms of the bill?

Mr. BAKER. There is no change in the program design, or in implementation of same. This is a good program.

Mr. JAVITS. The alleged impact of the amendment, then, will be the same as it was under the veto.

Mr. BAKER. Yes. That is my estimate.

Mr. President, I am pleased to join Chairman RANDOLPH, Senator COOPER, and Senator MONTOYA in endorsing S. 2317 which contains a 4-year extension of the Appalachian Regional program and a 2-year extension of the Public Works and Economic Development program. This legislation represents the culmination of several months of intensive work which has demonstrated the legislative capability of these able men.

S. 2317 replaces S. 575 which originally contained the extensions of Appalachia and EDA. To get back into what seems now ancient history, the bill originated in the Senate Public Works Committee as simply an extension of the excellent Appalachian Regional Development program with some modification of and elaboration upon program authority. As the bill progressed it gathered titles and controversy until it was sent to the President so encumbered with measures of dubious merit that it was vetoed. That veto was sustained in the Senate by the votes of many Senators keenly interested in the continuation of the Appalachian program, but there has never been at any time during the development of this bill any indication that support for the Appalachian program had diminished. The President in his veto message stated that he supported the program 100 percent. I know that, while it was with some anxiety that I voted to sustain that veto, it was also with confidence that this extension which comes to the Senate today would be placed in first priority.

I am pleased that S. 2317 has come to the floor so quickly and without the problem of an accelerated public works proposal appended to it. I am confident that it will win the support of this body.

Mr. COOPER. Mr. President, I hope we can get agreement as to what changes have actually been made in the bill. In the first bill, S. 575, the House added a new title I—a $2 billion accelerated public works program.

S. 575, as passed by the Senate, had two titles extending the Public Works and Economic Development Act and the Appalachian Regional Development Act. The bill authorized $3.5 billion for these two programs.

As I said, the House added a new title and an additional $2 billion.

I supported the veto of S. 575, as the Senator knows, and the Senate sustained the veto. After the Senate vote, the Senator from New Mexico (Mr. MONTOYA), and the Senator from West Virginia (Mr. RANDOLPH) on the majority side, and the Senator from Tennessee (Mr. BAKER) and I, on the minority side, met with the chairman of the House Committee on Public Works, Representative BLATNIK, Representative JONES of Alabama, and Representative HARSHA, on the minority side. We tried to work out some amendments to the vetoed bill which we hoped would be agreed to by the Senate and by the House and which we hoped would be satisfactory to the President. This is what was done.

An additional $250 million per fiscal year for fiscal years 1972 and 1973 was added to title I of the Public Works and Economic Development Act—grants for public facilities. In addition, the eligibility criteria in section 401(a)(6) of the act was somewhat expanded. That would enable some of the $500 million added to the bill to be used under certain circumstances for public works.

We also provided that, whatever the amount appropriated under the authority in title I of EDA during the 2-year extension of the program, no more than 35 percent of that sum could be used in accelerated public works. For example, if $800 million, the full fiscal year 1972 authorization, should be appropriated for the public facilities grants—at least 25 percent but no more than 35 percent of that amount could be used for accelerated public works. That would be as I calculated it——

Mr. JAVITS. Roughly $250 million.

Mr. COOPER. It would be $280 million. So, that is the most that could be used for accelerated public works. And it would be less if the full authorization is not funded. In view of the history of appropriations for this program, I think it is unlikely that the full $800 million will be appropriated. For example, only this year the Senate passed the appropriations bill for this program and approved approximately $106 million for public facilities grants.

I think my colleagues will agree with me that that is exactly what happened. We brought that proposal before the Senate Public Works Committee and approved it. Every one of the Members of the majority and minority sides of the committe approved it. The bill S. 2317 passed the Senate without any question on July 21.

So, I think that is the proposal before the Senate. I am taking a good deal of the time of the Senator from New Mexico because I am responding to a Member on this side who helped to sustain the veto, and I think he has a right to know about the changes in this bill.

Mr. JAVITS. Mr. President, may I say to my colleague that I voted to sustain the veto because I thought that was right and that a better job could be done on the bill. I am very much satisfied. I welcome very much what the Senator from Tennessee (Mr. BAKER) has said on the considered judgment of the other measure which would be a measure for disaster relief. I think this is the correct way in which to do it.

I make the point only because Senators like myself, who are well known to be very favorable to labor, were considered to have cast an antilabor vote.

Our job here is to vote as we think is required in the best public interest, and that includes labor matters. And when one can justify what one has done in the longer view of the public interest, it is important that the record be made clear so that we are able to do so.

Mr. COOPER. Mr. President, I owe a debt of gratitude to the chairman of the committee, the Senator from West Virginia (Mr. RANDOLPH), and to the chairman of the subcommittee (Mr. MONTOYA), and I want also to pay tribute to the ranking minority member of the subcommittee, the Senator from Tennessee (Mr. BAKER). They have all put their efforts into this matter. We hope that this legislation will be signed by the President.

As has been said, the other bill which was proposed by Senator BAKER for economic disaster relief, S. 2278, would go more directly to the problems of unemployment than title I of the vetoed bill. The Baker proposal has been amended somewhat but it was approved by the Committee on Public Works yesterday and will be reported to the Senate on Monday.

Mr. JAVITS. Mr. President, I hope very much that the President will not veto the bill. I hazard the guess that if he were to do so, he would not find quite the same receptivity in this Chamber that he did before.

Mr. RANDOLPH. Mr. President, I believe that the colloquy which has taken place between several Senators is helpful as we formalize S. 2317 and forward that important measure to the President of the United States, hopefully, today.

I do feel that the inquiry made by the able Senator from New York (Mr. Javits) is helpful in giving the members of the Public Works Committee of the Senate—both Democrats and Republicans who have worked closely on this measure—the opportunity to respond to the questions asked by the Senator from New York.

The Senator from New York a few days ago joined with 87 of his colleagues in the passage, by a vote of 88 to 2, of S. 317. That measure has now passed the Senate and has been amended in the House only by the addition of a carryover amendment. It is exactly the measure that we will be voting on at this time and will be sending to the President of the United States.

I hope, as has been expressed, that the President will sign this legislation. The Appalachian provisions are identical with those in S. 575. Authorizations for the economic development provisions are raised, and that is clearly understood. However, in so doing we have not tried to provide the answer for accelerated public works, which was not approved by reason of the failure to override the veto. We have included in the public works and economic development section the oportunity to carry forward the necessary construction of facilities in approximately 1,100 areas of the country that are eligible for the type of facilities which the Senator from New York supports so very often in this body.

The Senator from Tennessee and the Senator from New Mexico and others of the Public Works Committee—in fact, all of us—have now very promptly, and yet with well-reasoned consideration, reported disaster relief legislation.

As the Senator from Kentucky knows, it is stopgap legislation to provide immediate relief to those areas of the country where the impact of unemployment is heaviest. Then, we shall have another job to do. In the fall or coming months we will give consideration and hopefully present to this body legislation which is planned to take care of economic situations which may arise in this and allow us to act, not in a haphazard fashion, but to have on the shelf the tools with which to work. Just as in the case of hurricanes, tornadoes, and floods we have appropriated money here to take care of human needs, we must be prepared for other circumstances, critical in nature, which are caused not by natural disorders of this earth but by the economics of this country getting out of control and causing inflation or unemployment in the country.

All of us on the Committee on Public Works appreciate the inquiries, the questioning of the Senator from New York. I especially commend all those who worked earlier on S. 575 and now on S. 2317. I express the further hope, as I have many times, that the President will sign this legislation and give us the opportunity to fulfill our responsibility to the American people and to the communities in this country.

Mr. JAVITS. Mr. President, I thank the chairman of the committee very much. Also, I wish to thank very much the Senator from New Mexico (Mr. Montoya), the Senator from Tennessee (Mr. Baker), the Senator from Kentucky (Mr. Cooper), and all Members for what I know to be a difficult and fine job.

Mr. COOK. Mr. President, I rise today in support of the appropriations bill for the continuation of the Appalachian Regional Commission. I believe this program to be a unique venture in Federal-State cooperation. The success of the program has been aptly demonstrated both in Kentucky and other participating States. It has allowed the State and local units of government to assume a full partnership role with the Federal Government in bringing to bear maximum leadership and resources on the problems confronting the Appalachian region.

Far from creating a drain on the Treasury of the United States, the supplementation feature of the basic act has been the key to the mobilization of the available, non-Federal financial resources. Also, because the States utilize the administrative capability of local and State people, the administration of the program is both efficient and economical. Unlike many agencies or commissions, it has no field staff.

Thus, the Appalachian dollars appropriated today will be well spent tomorrow.

I urge its speedy adoption.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico to concur in the House amendment.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (H.R. 10090) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian Regional Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1972, and for other purposes, in which the concurrence of the Senate is requested.

HOUSE BILL REFERRED

The bill (H.R. 10090) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian Regional Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1972, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1972

The Senate resumed the consideration of the bill (H.R. 10061) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes.

PRIVILEGE OF THE FLOOR

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the legislative assistant to the Senator from New Hampshire (Mr. Cotton) be permitted to have the privilege of the floor during rollcall votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. MONTOYA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. BYRD of West Virginia. Mr. President, I suggest the time be equally divided between both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, as Senators may recall, congressional action has already been completed on the Office of Education appropriation bill for 1972. The bill now before the Senate covers the balance of the authorized programs—and I underscore the word "authorized"—for the Departments of Labor, and Health, Education, and Welfare, and the related agencies.

For the last 2 years, our committee has expressed its concern about the apparent downgrading of health as reflected by the budget request.

This year we were told the administration would propose a "national health strategy" designed to overcome the "piecemeal" approach to dealing with the health care crisis. An amended budget was transmitted to Congress to implement this "health strategy."

The committee applauds the $67 million initiative to deal with the problem of drug abuse, the $100 million increase for cancer research and the $90 million increase proposed for health manpower.

But beyond these three increases, the budget for health is at a virtual standstill, a step backward in view of today's inflated dollar.

Our committee recognizes that increased funding alone is not the sole answer to providing an adequate level of health for all our people. But the committee is equally persuaded that the budget request which with few exceptions, shows a year-to-year decline in real dollars and level of effort, fails to deal effectively with the magnitude of the problem. Consequently, for the third successive year, our committee must express grave concern about the apparent downgrading of health as reflected by the budget request.

Crippling cuts were recommended in such major health programs as the regional medical program, Hill-Burton medical facilities construction, the public health service hospital system, and various biomedical research programs. Health problems still beset the American people and this must be recognized as a serious threat to our society.

All of us on the committee are mindful of the importance of holding down Federal expenditures in an inflationary period, but we feel that we would not be fulfilling our responsibilities were we not to exercise independent judgment in considering this appropriation bill.

The Congress must again reassert its leadership in the health field.

The House, in its action on the budget request, recognized this principle and added approximately $418 million over the budget estimates to take care of what they describe as "some of the more glaring deficiencies."

But some gaps still remained, and it was up to this committee to treat these remaining issues, and carefully review all these programs.

The committee has recommended approximately $228 million that the House did not consider because of no authorization at the time they concluded hearings. Most of that is in health manpower, as will be found from the charts I will have printed in the RECORD.

The Senate committee recommendations amount to approximately $343 million over the House for those programs that the House did consider.

Although that is a significant sum, it should not be termed "inflationary." It should be carefully noted that only about one-third of the Senate increase would actually be expended in fiscal year 1972, with the remaining two-thirds being expended in subsequent years. This is not extraordinary but rather reflects the necessary time lag between appropriations and actual expenditures, the letting of contracts, the approval of grants for biomedical research, and all the other things that go into the health field. The point to be made here is that the expenditure increases over the budget request—not the appropriation figures—are the amounts that affect the anticipated fiscal year 1972 budget deficit.

Thus, the bill will increase budget expenditures by about $125 million over the House for these programs. At a time of a trillion dollar economy and a plus-$200 billion Federal budget, $125 million hardly seems too high a price to pay or too large an investment to make in the health and well-being of the American people when all factors are considered.

Certainly a Nation as wealthy as ours can afford the increase in this bill. In fact, our ranking as 13th in that key indicator of health—infant mortality rates—strongly suggests that we are not investing enough in health. It is the belief of this committee that the citizens of the United States, with its great abundance, should have the best health and lowest infant death rate. This committee shares that expectation and has recommended a bill that will take us one step closer to that goal.

HIGHLIGHTS OF THE BILL

The following is a summary of the key increases over the budget request recommended in the Senate bill.

There are many, many items in this bill. I need not tell the Senate about its length, its importance, and its complexity. We heard literally hundreds of witnesses on all phases of the HEW operations. I do not know how many line items are in the bill, but there are well over 200 or 300, and those are subdivided into other items and thousands of individual projects within the field of health and social rehabilitation. I am going to quickly review here—and it has all been put into the RECORD—the key increases over the budget recommended by the Senate bill for the Department of Labor, and HEW.

DEPARTMENT OF LABOR

We recommend $10 million over the budget request and $11,125,000 over the House bill. Ten million dollars is for improving the safety and other working conditions of workers, and $1,125,000 is to restore the House cut in the Bureau of Labor Statistics.

The purpose of the increase of $10 million over the budget request and $11 million over the House figure is to implement the bill that Congress passed some time ago for occupational safety and working conditions of workers in our Nation. That bill brought several million people in the labor force under the safety provisions and we need to support that program into full effect. This is not to be confused with separate labor safety bills involved in mining, the railroad labor safety bill, the maritime safety bill, and other acts covering definite occupations in the United States as specified.

We come now to the health part of the bill and the social services and rehabilitation requests that are involved with the health of the American people.

Of course, we had to consider the whole social security matter, but that is a fixed amount of mandatory expenditures, that we must review every year. I shall come to that a little later.

In the field of mental health, we recommend $158 million over the budget request and $77 million over the House bill. That should be broken down further into several important items.

For instance, for psychiatric training, the House bill includes an increase of $6,750,000 over the budget to restore this program to the 1971 level, and we concur in the House action.

Under this section, also, there is construction of community health centers. These are very important to the United States. We just do not have enough of them. We think there should be more centers established—new ones—because they, according to all the testimony, if one will read it, do a great job at the local level.

CONSTRUCTION OF COMMUNITY MENTAL HEALTH CENTERS

The budget requested no funds. The House bill includes $10 million to keep this program alive. We concur in the House action, and has added an additional $10 million for a total of $20 million to provide a minimum level to each State under the formula allocation.

With regard to staffing of community mental health centers, I do not know how many witnesses appeared before the Senator from New Hampshire, me, and other committee members. The great plea, based on facts, was that we were very, very short of staff in these centers, people who are trained to handle the problems of people in these community health centers. Even the ones in existence are largely understaffed.

STAFFING OF COMMUNITY MENTAL HEALTH CENTERS

The House bill includes an increase of $30 million over the budget, to fund all approvable applications regardless of how construction was funded. We concur in the House action and have added $10 million in anticipation of a greater number of approved applications.

With regard to mental health of children, I intend to stress the importance of this item to Members of the Senate. The budget requested no funds for "Title IV—Mental Health of Children," contained in Public Law 91-211. The House bill includes $10 million over the budget to initiate this program, and we strongly concur in the House action.

Some of us thought there should be even more, but at least this will get the program going. Title IV has been on the statute books long enough, these needs have been with us even longer, but we have never been able to convince the budget authorities to recommend its funding.

ALCOHOLISM PREVENTION AND CONTROL

The budget contained no funds for formula grants to States. This is where a State or local subdivision of government—it might be a county or a city—attempts to establish rehabilitation programs and centers for alcoholics. There is ample local participation in many cases. Sometimes these centers are farms that were purchased by the county, or a State allocates funds to work on this important matter. The House bill includes $25 million. We not only concur in the House action, but have added $55 million for alcoholism grants. We think this is very important.

In the field of drug abuse—the two go together in the line item in this bill—the House bill includes the full increase of $67 million included in the budget amendment submitted by the President on June 21. We concur in the House action.

Sixty-seven million dollars will be added to the funds now in the bill, and this will be provided for these programs of drug abuse control. The President has been striving for this program. He has appointed a new coordinator, Dr. Jaffe, a man who is very distinguished and knowledgeable in his field. They are trying to put together all the programs in the various departments, of which there are many, to see if we can coordinate this effort.

The $67 million, coupled with what was already in the bill, some of it in other areas, will add up to $150 million for drug abuse and this program should prove to be initiated with good promise of success.

HOSPITAL IMPROVEMENT

The bill includes $2 million over the budget and House bill for State mental hospital staff improvement programs.

That is not a very large amount, but it helps to accomplish a great deal in State and local institutions devoted to care of the mentally ill. The HIP program helps to provide staff improvement and the better coordination of State mental health programs.

COMPREHENSIVE HEALTH PLANNING AND SERVICES

The $26,899,000 over the budget request and $16,899,000 over the House bill. The House bill includes $16 million over the original budget and $9 million over the amended budget to initiate a concerted effort to control venereal diseases, of which the number of cases is now rising, especially in the last 2 years, at an almost shocking rate. So we added to that amount.

The committee concurred in the House action and has added $5 million to State formula grants for VD control. We also added funds to improve migrant health services, and to increase the effort to establish comprehensive health centers, especially in model cities and in the urban areas.

Now we come to a relatively new program, regional medical programs. As I say, this is something of a new program, as programs go, though it has been in effect, now, 3 or 4 years, after a very modest beginning. It has turned out to be one of the finest programs in the United States. It has enlisted the support of something like 180,000 physicians, dentists, nurses, auxiliaries, trainees, and all the people involved in the health field, and most of them are volunteering their time and efforts. These 55 or so regional medical programs cover the United States. Their individual efforts are particularly helpful in the rural areas, and our hearing record is full of examples.

This program is just coming to fruition, and some amazing results have occurred. The States have plans, out West where the Senator from Nevada and I live, where there are long distances between population centers—Colorado, Montana, and those places—several of these programs are already doing tremendous work. They are devoting their time and efforts to going to small communities where there are no facilities at all, and seeing what they can do.

Even if, perhaps, they cannot do much, they will see to it, through their voluntary efforts, that the patient or person involved will be brought to a medical center. RMP's have also initiated emergency mobile care units. Some of these that treat coronary problems or heart attack victims have saved hundreds of lives. The success of those units is truly dramatic, and they have also gone into prevention work in the schools and the small communities.

We think this is one of the finest programs ever initiated, so we put in $70 million over the budget request and $40 million over the House bill. The present occupant of the chair (Mr. TUNNEY) knows what I mean, for the program has been at work in some of the most remote areas of California. Sometimes we do not think of California as having remote areas, but they are there. The Senate increase is to enable the RMP program to work in tandem with health maintenance organizations to improve the delivery of health care, especially in the area of kidney disease, and the early detection and prevention of respiratory diseases in children.

We had a lot of exciting and interesting testimony in the field of what they are doing in kidney diseases. They are making some progress in transplants. The Senator from New Hampshire and I have always been rather frustrated about the fact that when kidney machines are needed, there are never enough to go around and, of course, the costs are prohibitive. This program will help that.

We had some testimony that kidney transplants are now working in about 6 out of 10 cases or 7 out of 10. But when they do not work, the patient has to fall back on these expensive machines, and we want to see, under the regional medical programs, these machines made more available and personnel trained to operate them. Some of this effort should also go toward development of new types of machines or techniques that could reduce these astronomical costs that are so prohibitive.

So we are pleased with this item. We feel the money will not only be well spent, but will be spent for one of the finest programs in health that we have ever supported. RMP is not without its share of mistakes, and our report makes reference to some, but RMP has achieved more in a short time than most of us who helped to initiate this program ever dreamed could be accomplished.

DISEASE CONTROL

The $8,415,000 over the budget request and $5,415,000 over the House bill. The original budget contained no funds to carry out the Lead Based Paint Poisoning Prevention Act. Finally a budget amendment of $2 million was submitted on June 16. The House bill made that $5 million, and we added $2,500,000 for a total of $7,500,000 for implementation of the act.

I understand there will be an amendment or amendments offered by Senators from the floor to increase that figure. We did not have all the figures we needed to arrive at this amount, but we did suggest that many things can be done at the local level to avert the tragedy of lead-based paint poisoning, particularly at clinical centers, where they can diagnose this problem very quickly. We know how to prevent it, and we are strongly urging that the cities where this condition is most prevalent, where the problem is greater than, perhaps, in some of the rural areas, pass stricter building codes—that does not cost any money—and prohibit the use of lead-base paint in the remodeling of a tenement area or other housing. We are doing it in automobiles, or trying to, and they can do it by the simple procedure of enacting some tough building codes and then enforcing them.

In the meantime, we are going to help out here with the necessary research, and provide, we hope, the cities and the States with matching grants. It is mainly children and young people who become poisoned in this manner and the tragedy is that it could all be prevented.

That is about as far as the committee can go. We may provide a little more money in this field, but we, the Federal Government, cannot go around and remodel every structure in the United States that someone, years ago, put lead paint on. I do not see how we could do that. But we can certainly stop it in the future, because every time they remodel or build anew, they have got to get a building permit. We need some tough local ordinances, and State laws if necessary, so that they cannot get the permit without agreeing not to use these types of paint.

Our recommendation also restores the cut in the Arctic Health Research Center and provides additional funds for occupational safety and health and a human ecology center.

MEDICAL FACILITIES CONSTRUCTION

Now, this is more than a serious problem. We are short, conservatively, 50,000 doctors in the United States, 62,000 or perhaps 70,000 dentists, and 150,000 nurses. A part of the reason for these shortages is that the medical schools, the schools of nursing, the dental schools and all the health professions are in financial trouble. They have not been able to fulfill the obligation and responsibility in the way they want to, because of the lack of facilities to handle enough new students.

We had a goal, 2 years ago, in this bill, that we at least try to enroll in the existing medical schools 1,500 new students in the freshman year. We fell far short of the goal; we got about 546. A lot of the shortage is because they cannot get in; there are more applicants than there is space available for them. This was a very serious problem with us, and we suggested $142,827,000 over the budget request and $15 million over the House bill, for medical facilities construction. The budget included no funds for construction grants for hospitals and public health centers, long-term care facilities, or modernization. The House bill includes an increase of $87,200,000, the same as the comparable 1971 appropriation for these activities. Our committee concurs in the House action.

Only a portion of these funds would help, directly, the health professions schools. But some of us still think we have to do more in this field and that we have to have some help from the budget and the people downtown in order to encourage these medical schools and the other places to be able to try to meet at least a part of our need.

Both the House bill and the committee recommendation includes $40,627,000 over the budget to fund the provisions of the District of Columbia Medical Facilities Act. These are hospitals in the area which are not eligible under the regular Hill-Burton grant formulas. The committee has also included $15 million to complete an experimental hospital, here at Georgetown University in the District of Columbia.

PUBLIC HEALTH SERVICE HOSPITALS

Public Health Service hospitals are scattered throughout the United States. We put in $25 million over the budget request and $10,982,000 over the House bill. The budget request included no funds to operate the PHS hospitals after June 30, 1971. The hospitals are now open by virtue of special language in the continuing resolution, which we passed a few weeks ago. The committee recommends an increase of $19.5 million over the budget request and $5.5 million over the House bill to operate the hospitals for the remainder of the year and an additional amount of $5,500,000 for much needed minor repairs at the hospitals as well as to expand the program of training of paramedical personnel at the hospitals. Some of these people, as well as the PHS hospitals, might be used very effectively to implement the drug control program.

NIH MEDICAL RESEARCH

This includes all the National Institutes of Health. I could name them, but they will be in the record. This is all research money for grants and contracts as it pertains to biomedical research—and the training of people who can handle research in all these different fields. We were $247,305,000 over the budget request and $159,424,000 over the House bill. The House bill approved the increases in the budget request and added $87,881,000 to bring up to the 1971 program level all research and training grant and contract programs that were cut below that level in the budget. Our committee concurs in the House action and has included an additional $159,424,000 for selected research initiatives in many areas that are detailed in our report.

To cite just two:

Total funds available to the National Cancer Institute for fiscal year 1972 amount to $358 million, an increase of $128 million over 1971 and double the amount available in 1970. This represents the most spectacular funding increase of all the Institutes.

In recognition that heart disease is the Nation's No. 1 killer, we recommended $252 million for the National Heart and Lung Institute, an increase of $61 million over 1971.

NIH HEALTH MANPOWER

This is $42,576,000 over the budget request for authorized programs and $211,306,000 over the House bill. The House bill did not consider any of the items under this heading because at that time action had not been completed on the authorizing legislation. In recognition of the recent extension on the health manpower student assistance authorization, the committee has included $211,306,000 for the authorized health manpower programs, which are primarily student assistance. This is the minimum we need.

The increase we provided here in health manpower could assist over 18,500 more students of nursing, veterinary medicine, optometry, pharmacy, podiatry, osteopathy, dentistry, and medicine meet the costs of their education and training. Enactment of these recommendations would also expand the training programs in allied health and Public Health, which are so important in meeting our health manpower needs.

OTHER NIH

Other NIH programs in general, would receive $4,955,000 over the budget request and $4,155,000 over the House bill. The major increases are for the operations of the National Library of Medicine, the equipment for the Dental Health Center, and NIH overall program direction.

At the end of my introductory remarks I will add more detailed comments about these and other health programs in this bill.

SOCIAL AND REHABILITATION SERVICE

This is a very complex and, I must say, confusing portion of our health effort in HEW. I do not want to imply that we are criticizing in any way the work they are doing, but it is pretty difficult at times not to find what we think is some overlapping and duplication.

The Department keeps telling us they are looking at that day to day, week to week, and are trying to coordinate these efforts; but we feel there must be some duplication. That is not necessarily bad in all cases. People in need must be helped. But we are trying to get as much as we can for the dollar we appropriate, and I think some of these programs have not been too efficient or as efficient as they could be. I am hopeful that they will all become more efficient. But we are not going to be niggardly so far as finances are concerned with the Federal Government's participation in this very important part of American society. So we put in $94,041,000 over the budget request and $9,136,000 over the House bill.

REHABILITATION SERVICES AND FACILITIES

The committee recommends $688,836,000, $65,551,000 over the budget request but $18,285,000 below the House bill. We shifted around the priorities, as it were, because our increase over the budget is primarily for basic State grants where funds go to the States and help them handle the program and case load in the field of rehabilitation services. This is mainly services and manpower, when we get down to it. It does not involve bricks, mortar, and equipment. We hope it is getting out to the people involved, who need this help.

We also increased the formula grants to States for programs under developmental disabilities—that is an increase of $10.5 million, almost 100 percent greater than for 1971, and we added $5 million for the university affiliated facilities which contribute significantly to the objectives of the Developmentally Disabled Act.

SPECIAL PROGRAMS FOR THE AGING

The House bill includes $33,700,000 for these programs, which dovetail into four or five others in the bill, and that was the same as the amended budget request. It includes programs such as foster grandparents, retired senior volunteer programs, and we added $10,500,000 to the bill for the community programs for the aging and the foster grandparents program.

YOUTH DEVELOPMENT AND DELINQUENCY PREVENTION

The House bill did not consider this item because action had not been completed on the authorizing legislation. Our committee recommends $15,000,000, an increase of $5 million over the budget request, to carry out the provisions of the act which was extended through fiscal year 1972 by enactment of Public Law 92–31.

REHABILITATION AND SOCIAL WORK RESEARCH AND TRAINING

The House bill added $30,013,300 which almost restores this program to the 1971 level. We concur in the House action and added $977,000 to completely restore the budget cut in the research area.

For all other SRS activities we recommended the same as the budget estimate and $4,855,000 over the House bill. The amount includes restoration of House cuts in areas such as child development research and demonstrations, SRS salaries and expenses, and selected small items which the House did not consider.

I must say, in all fairness, that the House has a bill that is almost comparable to ours, and I am hopeful that we will not have too much trouble in conference. The House has what I would say is a good bill in these fields.

The administration has suggested, and I think with legitimate reason, that we place a limitation on the HEW grants to the States and other divisions of government under welfare for the Federal contribution, toward the costs of services, service and administrative personnel. Last year they suggested 110 percent. That would mean that no State could "up" their personnel and services in administration of welfare programs by more than 10 percent over the previous year. The administration was trying to hold down these soaring costs.

Based on the fact that if we can limit some of that, or apply Parkinson's law occasionally, we might have more money to get down to the people where we really want it to go. There is mixed opinion about this. I guess every Senator has heard from his Governor—I know that I have—that we should not have this in the bill; but the full committee did put in the limitation, at 115 percent rather than 110 percent. I suspect that there will be amendments from the floor to knock this out. We will have a rollcall vote on it. But I want to say, here and now, that I think there has got to be some curbing of this almost fantastic enlargement of administrative personnel staffs, percentagewise. The bill is bigger. The need is bigger. The money is bigger. The programs are bigger. I understand all that, and maybe this is not the way to go about it, but we have got to get some handle on these costs.

Mr. COTTON. Mr. President, will the Senator from Washington yield, on my time?

Mr. MAGNUSON. I am happy to yield to the Senator from New Hampshire.

Mr. COTTON. On that point, I would express the hope, as I believe the distinguished Senator from California (Mr. CRANSTON) and the distinguished Senator from California (Mr. TUNNEY) will be offering amendments to strike this out, that they would offer the amendments early in consideration of the bill, perhaps as soon as the opening statements are concluded, for this reason: Whether it is stricken out, it will affect somewhat, so far as I am concerned, the chances of taking to conference some additions to the bill. If we lose this limitation, or some limitation, we may be more likely to run into a veto. To say it colloquially, we could get away with it by not being quite so generous.

I would also serve notice that it is my intention, at some point in debate, to offer a substitute of 120 percent rather than the 115 percent as reported by the committee.

Mr. MAGNUSON. I thank the Senator for his comments. This is published in the hearings as to the number of States affected. Last year, we amended the 110 percent, to 115 percent. Although some States are not affected, they are increasing their administrative employment and services. In some States these costs have gone up 20 or 30 percent.

I do not mean to be too critical, because these programs are bigger and larger, and there is more responsibility attached to them, but when we look at the employment figures they are somewhat startling, as to the percentages of staffing and the administrative expenses in the total welfare program.

115 PERCENT LIMITATION

The budget included proposed bill language to limit the amount of funds that could be granted to a State in 1972 for "services, staff training, and administrative expenses" in connection with the public assistance program to 110 percent of the amount granted in 1971. The House bill does not include any part of this language in the bill. The Senate Appropriations Committee included a modified provision with the percentage limitation set at 115 percent rather than the 110 percent as proposed by the administration.

In summary, the recommendations before the Senate in this appropriation bill total $21,032,725,000, an increase of $1,050,821,000 over last year and $571,478,000 over the House bill. That is the magnitude of the program. If we were to include the trust funds involved, the HEW bill would be close to $79 billion. That is startling, is it not, Mr. President? Yet, in all fairness, when we look at our priorities, it is not so startling. It is the thing we want to do most of all. We have come a long way in our effort to reestablish what we think are the better priorities for our country and the use of our money; but, with the trust funds, and with the social security which is involved, it will be close to $79 billion.

We have done what we think is best by congressional action to raise social security benefits, and improve welfare. All this has happened in the past 2 or 3 years. I think it is a good reestablishment of this Nation's priorities. In a trillion dollar gross national product, this country can well afford $79 billion for the health and welfare of its people.

Subtracting the approximately $228 million of the committee's recommendations that the House did not consider from this increase—because of the lack of a budget estimate or the lack of an authorization when they considered the bill—the Senate committee's recommendations amount to approximately $343 million over the House for those programs that the House did consider. And this $343 million increase should result in considerably less than $150 million in fiscal year 1972 expenditures. I say this in anticipation of that term "inflationary measures." In the fiscal year 1972 expenditures, some of this is for a contract that goes on beyond the fiscal year. So I do not believe there is anything inflationary, as the President has twice suggested, about this HEW bill.

Mr. President, the committee believes wholeheartedly in these recommendations. They are sound recommendations, and they are reasonable. We can defend them in conference. Therefore, the committee is hopeful that additional amendments with one or two exceptions which we have discussed here—will not be loaded upon this bill, making this bill seem unreasonable in size—difficult to get through conference and difficult to acquire a presidential signature.

Another item, if we consider that we would be under the budget request, is a separate item that has to be discussed separately. The President sent to the committee a $1 billion request in the budget to implement what they call the Employees Emergency Employment Act, which the Senate passed.

The President vetoed the accelerated public works bill, and he said that was not the way to get at unemployment. I disagreed with him, but he sought to say in some way—and I think he meant to say—that the Emergency Employment Act would be a substitute. This is the act which allows subdivisions of Government to hire more people to do public work. The Senate passed it by a strong vote; he signed it and then sent up a $1 billion request for funding.

In that bill we authorized $1 billion.

The request came quite late for us, and too late for the House to consider it at all.

The House, after they passed this bill on Tuesday last, did hold a hearing on the $1 billion request, and we had a short hearing in our committee just prior to marking up the bill in the full committee. But obviously there was not enough time to find out more about it, what it intended to do, and what the plans were, what the guidelines were going to be. Some people throughout the country are already dividing up the jobs, and they have not got the money yet. They are making big statements in the paper about how many people are involved.

I think it is probably a good program. It can be used for all kinds of things, but the administration insist it is going to be temporary. I am strongly in favor of the $1 billion being poured into our economy. It would mean a great deal out in my country where we are having some serious unemployment problems. I was hoping we would have the accelerated public works bill, too. In this last bill here, the Appalachian bill, we do have some money for EDA, which is primarily also public works. We are hopeful we will get more of that.

As I say, these are important programs, and the committee did recommend that we take this matter up the first of the week, hopefully Monday or Tuesday. The House has also recommended that they do the same thing. It would be a separate item, a special resolution. It should not take too long.

Mr. ELLENDER. Will the Senator yield?

Mr. MAGNUSON. Yes, I yield.

Mr. ELLENDER. I wish to say that this morning I talked to the House side. A resolution will come up Monday, and they will have hearings Monday and Tuesday, so that Congress can act before the holiday.

Mr. MAGNUSON. I will do everything I can to see that that bill is enacted. We are going to have to discuss the actual amount—I understand that—but it will be enacted into law before we leave on any recess.

The White House, of course, is very anxious to get the bill implemented as quickly as possible.

In conclusion, I need not stress, Mr. President, that all of these programs, and there are many, are all worth while, and their objectives are good, and they are important to our Nation and to every citizen and every family. They are important to the well-being of our society.

The Senator from New Hampshire and I could be here until tomorrow night just explaining some of them, or discussing some of them, or justifying some of them.

They assist those who are unable to assist themselves, especially the young and the aged. They will help build much needed medical facilities. We hope they will reduce unemployment. We are employing a lot of people in HEW. I do not know whether my colleagues in the Senate will believe what I say, but this is true. We had an awful time getting it out of the Department, but we finally did. We asked them the simple question. We said, "How many people do we have on the payroll? Directly or indirectly because sometimes there is a case where the State pays half and we pay half." They finally came up with the figure of 860,000. That is made up of 750,000 that are non-Federal employees and 110,000 that are Federal employees.

Part of that, of course, is the social security offices, too, which are scattered pretty near in every county. But 860,000 is the figure. Then we know the Post Office employs about 700,000. We ought to make some dent in the unemployment, putting the two of them together, just these two Departments of Government. It makes us wonder, but I do not know how else we are going to achieve all the objectives of the programs involved.

Let us just take the dental field. This appropriation will help the young and the aged. Over 50 percent of all children in the United States under 16 years of age have never been to a dentist. What costs will that involve in future years? It will involve tremendous costs. Just think of what this could do for these young people in saving them the cost, so that they could live a longer time with better teeth. Over 50 percent of all children are involved.

It will help train, we hope, countless men and women who are not available today to help deliver adequate health care to the people. This bill will help to bring about much needed improvements in the health care delivery systems of our Nation. Above all, we hope they will help to solve some of the mysteries of diseases and sicknesses that plague all mankind.

In response to encouragement by the chairman of the full committee, the distinguished Senator from Louisiana, we have brought this bill to the floor at a much earlier date than has been our experience in the past. We have actually spent over 3 solid months on this bill, and the Senator from New Hampshire and I will be glad when it is over with this year. It is not that we did not think that we were doing the right sort of thing. It makes one feel good to be able to do this and participate in it, but it has taken a long time. We have brought it to the floor at an earlier date than usual, and we are anxious to move forward in conference and get the bill to the President for his signature.

The funds included in the bill, together with the State and local matching contributions, can enable this Nation to take strong strides toward a better and healthier America.

This is a good bill, and I sincerely hope my colleagues will support its passage.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Now, Mr. President, before I sit down, I want to propose another request. Because of debate limitations on this bill I do not want to take any more time. I would like to add a number of comments about the Department of Health, Education, and Welfare and in particular the health programs that they administer.

Within the Department of Health, Education, and Welfare the Health Services and Mental Health Administration—HSMHA—takes in many of those activities that are directly involved in providing health services. We examined with particular care the budget requests for programs that make up HSMHA and the progress being made by this relatively new agency in improving the organization and delivery of health care.

On the whole we were favorably impressed by the advances HSMHA has made during its third year in utilizing their many and diverse authorities toward the accomplishment of this common mission. In a number of functions, our committee was convinced that the budget requests were inadequate, and that underfunding of health programs would undermine objectives and goals that could easily be obtained, and the following comments are applicable to this entire budget.

After a careful program-by-program review, our committee perceived two principal problems in considering this bill. The first was recognized by the committee in considering last year's budget and has become a trend—the underfunding of important health programs. Three examples are: First, community mental health centers which hold great promise, particularly as they turn to treatment of such crucial problems as alcoholism, and mental disorders of childhood; second, biomedical research, and the training of young research scientists, activities where the investment of the Federal Government has been handsomely repaid in important new discoveries; third, the regional medical program which is serving to improve the health of our citizens by bringing to the bedside the latest developments in medical research.

We all recognize that full funding of all health authorizations this year is not possible and may not be desirable, but view with alarm the ever-widening gap between the amounts authorized and amounts requested in the budget.

The second problem involves the organization and management of the Department of HEW. Which is a more serious problem that cannot be solved by simple allocation of more funds. Despite the administration claim that it has an "interlocking strategy" in seeking creative solutions to the health problems of the 1970's, the Department has yet to come forth with a convincing comprehensive long range plan for solving the Nation's critical shortage of health manpower.

For example, we are still concerned about the slowness in utilizing discharged military corpsmen for work in civilian life. Another example is the continuing confusion in the Department about the organizational focus for health manpower activities. We believe there is a weak link in the Department's overall policy for the training and utilization of allied health personnel to assume tasks traditionally performed by physicians. Demonstrations of new types of health manpower, that is, Medex physician's assistant program are supported by the National Center for Health Services Research and Development. The weak link exists in getting successful demonstrations into widespread practice.

Our Nation can no longer afford procrastination in efforts to rapidly expand our supply of health workers. Professional schools must increase their output, and the present supply of health professionals must be used in a more innovative fashion. Last year we urged that a variety of demonstrations in creative utilization of health manpower be launched immediately to assess which best fit into the American health scene. The committee provided additional funds to the regional medical program for this specific purpose. Again this year, we urge that the regional medical program and the NIH health manpower program take the lead in assuring that such successful projects as Medex are replicated on a widespread scale throughout the health system.

For several years, we have offered the opinion that programs in prevention of illness and injury have not received sufficient emphasis by the Department. In its more traditional roles, the medical profession saves relatively few lives at relatively high cost. If significant impact on such mass killers as lung cancer, emphysema, heart disease, and injuries is to be made, we must look more to research into the basic causes of such disease as well as modification of social and environmental factors. Our ability to develop a cancer vaccine, or to change present patterns of cigarette smoking, environmental pollution, overeating, dental decay, and faulty product design holds greater potential for saving lives and prevention of suffering than massive new investments in hospitals and doctors.

Our approach toward preventive medicine is both humanitarian and pragmatic. The occurrence of preventable diseases and accidents are tragedies which we cannot tolerate. They represent the needless waste of resources, human and economic, in that they cause a demand for remedial and rehabilitative health services that could be reduced.

In this respect, we recognize that preventing premature deaths, illness and injury is, in concept, a major part of the administration's "health strategy." However, in practice, the budget proposal fails to deal effectively with such programs as alcoholism, health research other than cancer research, communicable diseases, and lead-based paint poisoning in children.

My review of specific programs in health and HSMHA must start with mental health where our recommendation would provide an increase of $108.7 million over budget estimates, $27 million more than the House allowance, and almost $220 million more than was appropriated in 1971.

Our committee heard extensive testimony regarding the remarkable advances that have occurred in the mental health field over the past several years. The reduction in the number of patients confined to mental hospitals demonstrates quite vividly the effectiveness of having a total approach to the problems of mental health and illness. These patients now number 339,000—nearly a quarter of a million fewer than in 1955. The results are significant; however, these efforts must be built on if we expect to maintain a program of national effort. Any curtailment of this effort could seriously endanger the tremendous advances which have evolved through the use of this total approach toward improving the mental health of the Nation and toward preventing mental illness among its citizens. These changes are the hallmarks of work and progress from the general public, from voluntary and professional groups and associations, from the Congress and from the President. The support for an enlarged national effort sprang from a growing awareness of the threat of mental illness to the people of the United States.

In a period of time, when about half of the Nation's hospital beds are still occupied by psychiatric patients and mental illness still touches one family in three and one person in ten requires treatment for a mental disorder of some kind during his life, we can ill-afford any reduction in effort. This Nation spends upward of $3.8 billion a year on direct mental health services. A very large part of these expenditures is for custodial care and contributes little to the prevention or cure of the mental illnesses. Another $16.9 billion, it is estimated, is the cost to the Nation indirectly through loss of earnings, loss of output because of excess absenteeism and a lower productivity on the job, loss of tax revenues, and so forth. Apart from these staggering economic losses, on humanitarian grounds alone, our Nation cannot afford the continued loss of human resources represented by an estimated 10 percent of our population with mental and emotional problems. For these reasons our committee has taken steps to include in the budget for 1972, funds needed to provide the necessary resources to continue a total approach toward solving the problems caused by alcoholism, narcotic addiction, juvenile delinquency, mental health of children, and other general and specific areas of mental illness.

The committee is convinced that the first line of defense against mental illness lies in the ability of our people to obtain basic treatment and preventive services at the community level. An increase of $10,000,000 is provided over the House action for construction of community mental health centers. An increase of $10,000,000 is provided over the House allowance in order to fund the backlog of staffing grant applications for those centers that are ready to become operational but left unfunded in 1971, and to fund anticipated applications expected to be approved in 1972. It is our opinion that maintaining a patient's ties to the home and family is one of the most effective techniques available for the treatment and care of our elder citizens. Through the expansion of the community health center program the aged will be able to maintain meaningful and rewarding roles in the community.

Few illnesses, if any, compare with alcoholism in the number and variety of tragedies that they create. Alcoholism afflicts over 9,000,000 individuals and indirectly affects 27 million more Americans. The grim annual toll that is linked to alcoholism and alcohol abuse is 85,000 lives and $15 billion, heaped upon incalculable social and personal suffering. It has already been acknowledged that the alcoholic needs our care, not our condemnation. In view of the staggering dimensions of this problem we recommend an increase of $25,000,000 for alcoholism community assistance formula grants and $5,000,000 for alcoholism project grants above the budget request.

We are also aware of the need to provide greater resources that will serve to reverse the tide of pathology and pain that threaten so many of our children and often result in juvenile deliquency and antisocial behavior. Perhaps no investment of our mental health resources would bring greater proceeds than those aimed at eliminating the mental illness and improving the mental health of children. We recommend additional funds in the amount of $10,000,000 for treatment services for children as authorized under part F of the Community Mental Health Act as amended.

Drug abuse, one of the most serious problems of our time, particularly among the young, must be brought under control. In order to make strides toward resolving this monstrous problem, we have recommended the additional $67,000,000 requested in the amendment to the budget estimates.

Within the grants and projects programs of the partnership for health, Federal, State, and local efforts to curtail communicable diseases have faltered over the past few years.

Immunization levels against some of the major childhood diseases have fallen dangerously low, especially among the urban and rural poor in the one to four age group. The significance of these declining levels is reflected in the increased incidence of disease. In 1970, outbreaks of measles and diphtheria became common. Even though the number of cases of poliomyelitis in 1970 was small it is almost twice as many as reported in 1969. However, the real danger is the potentiality for rapid spread of the virus when it is introduced into a population which is poorly protected. These additional funds which will be awarded to States and communities will provide the resources necessary to undertake a coordinated national immunization program against measles, poliomyelitis, rubella, diphtheria, pertussis, and tetanus.

Our committee recommends an increase of $5 million over the House allowance for section 314(d), formula grants to States for health services. This amount will provide for one-half the increase requested by the President's budget amendment. As stated in the amendment the States will be encouraged to use this additional amount for venereal diseases, measles, and other communicable diseases.

We also join with the House in recommending an additional increase of $20 million for communicable disease control. Of the amount, $16 million is to be directed toward combating the spread of venereal disease, and the other $4 million toward other communicable disease control activities.

These additional funds will enable States and communities to carry out programs to control gonorrhea and to achieve the eradication of syphilis. Assistance will be provided to States and large cities to support a nationally coordinated gonorrhea control program concentrated in urban areas of high incidence. This assistance will enable the States to apply current gonorrhea control technology and proven measures for the diagnosis, treatment, and prevention of syphilis.

We have noted that the President's budget as originally submitted contained no funds for the National Health Service Corps and that subsequent thereto a budget amendment for $10,000,000 was presented. While pleased that a request was submitted for this program, our committee felt that an additional $5,000,000 could be effectively utilized. The increase will allow for recruitment of additional health personnel for assignment to areas with critical medical manpower shortages.

Our committee also recommended an increase of $1,899,000 for a total of $20,000,000 for the migrant health program. This will provide for improving the quality and supporting additional comprehensive health services to migrants and/or seasonal farm workers who can least afford medical care.

The maternal and child health programs are a major national resource for providing basic preventive maternal and child health services and for the location, diagnosis and treatment of children with crippling or potentially crippling conditions especially in rural areas. They respond to the serious deficiencies that exist in the amount and quality of care received by poor children as compared with middle class children which result in an excess of preventable deaths, illnesses and handicapping conditions among the poor.

We have been impressed with the high degree of success achieved by the maternal and child health programs in delivering comprehensive health care to the Nation's mothers and children. These programs respond to the serious deficiences that exist in the amount and quality of care received by poor children as compared with middle class children which result in an excess of preventable deaths, illnesses and handicapping conditions among the poor. The increase recommended will insure that quality medical care can be made available rapidly to substantial additional numbers of poor children and their mothers.

Although we have recommended an additional $7 million for maternal and child health programs, the administration requested a substantial increase of $65 million which has also been approved and I compliment their good judgment.

Last year our committee urged the prompt initiation of a new dental care program for children. It is pleased to learn that seven projects designed to provide comprehensive dental care to about 10,000 children are now underway. The committee believes that much more needs to be done to reduce the amount of Federal dollars being spent to treat dental conditions in adults that could have been prevented by proper care in early childhold. Two-thirds of all children in families with incomes under $4,000 have never been to a dentist compared to 40 percent in families with an income of $4,000 or more. Children at the low-income level are five times as likely to have cavities as the middle class child. We therefore urge expanded efforts in the dental care of the poor child and have included a total of $1,500,000 for this purpose, an increase of $640,000 over the House allowance.

Our committee has added $3,744,000 to the bill to respond to the crisis in the States relative to a shortage of resources necessary to continue the provision of quality medical care to crippled children especially in rural areas. Through this State grant program providing services to crippled children, some 490,000 such children—most of them under 15 years of age—receive highly specialized medical and surgical care. By early detection and treatment of such conditions, many children who might otherwise have been permanently disabled become productive, self-supporting adults. In recent years effective treatment methods for crippled children have become more complicated technically and more costly; a number of States are reducing or eliminating services in order to compensate for the medical care inflationary spiral. In recognition of this factor, the committee has increased the budget to assure effective continuation of this progressive program.

Our committee concurs with the increase of $53,250,000 in 1972 for family planning project grants which will provide services to approximately 900,000 additional women. This will bring the total of women being served by all active National Center for Family Planning Services project grants to approximately 1,560,000 when all the center's projects are full operational. With the total number of women being served under the maternal and child health state formula grant program and the maternity and infant care project grant program, about 2,250,000 women will benefit from family planning service programs funded in 1972.

For the regional medical programs, our committee has recommended $122.7 million, an increase over the House allowance of $40 million and $70 million over the budget request. Including those funds from 1971 that have been held in reserve, this will make $167,271,000 available in 1972 to this important program.

Our committee heard considerable testimony, both this year and previous years, from knowledgeable witnesses that the health care system in this country is both inefficient and inadequate. The extent of these inefficiencies and inadequacies have never been accurately measured or described, but there is one common theme that was derived from all of this testimony, and that is more needs to be done. Once again we must express deep concern regarding the need to strengthen the regional medical program effort. We believe, as do these expert witnesses who have testified before us, that the regional medical programs play an important role in the organization and delivery of health services. If this program is to fulfill its basic mission it must have the resources necessary to meet the challenges confronting it.

Last year our committee heard testimony to the effect that this program was at a critical stage of development. The early problems associated with institutional and professional isolation were passing and significant improvements were emerging in health planning and in the delivery of health care as well.

In our report we have detailed a number of specific programs that we feel the RMP's should emphasize, including kidney diseases; the early detection and treatment of chronic respiratory disease in children; ambulatory care, emergency services and prevention, or "health maintenance" in contradistinction to crisis care; and questions pertaining to special surgical teams and facilities. We hope the regions will take note of these items.

While we are highly impressed with the evidence presented on the successful RMP programs in many regions of the country, we are eqully aware that there have been instances where delays in getting a program underway have been the rule rather than the exception. Even more questionable is the possibility that in some instances the flexibility and individuality allowed regional programs under this legislation have been stretched to highly questionable, if not illegal limits. We would be distressed if such practices prove to be both factual and on the increase, and impair what otherwise promises to be one of the most effective mechanisms for effectuating improvements within health delivery systems and the relationships between and among everyone involved in such health care. Our committee will expect the HSMHA and the Nationl Advisory Committee to immediately address themselves to these questions.

One of the most promising of potential improvements in the delivery of health care are HMO's, health maintenance organizations or group practice, and other adaptations of prepaid health care that are contemplated. We feel that RMP is in perhaps the best position to contribute effectively to proving out such programs, and were informed that RMP stands ready to work in tandem with others, Federal agencies as well as public and private organizations, to prove out such proposals and would approve the use of a portion of the increase provided in such projects.

Under medical facilities construction, both the House and Senate committees were faced with administration recommendations that appear more intended to repeal the Hill-Burton Act through fiscal strangulation than to continue this program that has meant so much to almost every community in our Nation.

Our recommendation of $281.7 million would be $56.3 million over the 1971 appropriation, and only $15 million greater than the House allowance, but $142.8 million over the budget requests. I strongly urge approval of our recommendation and would urge the President to allow these funds to be expended.

Over the last two decades the $3 billion appropriated by the Congress for the Hill-Burton program has generated more than $7 billion in State, local, and private contributions and resulted in the construction of over 425,000 new hospital beds. Last year the Congress, by overwhelming majorities in both bodies, renewed the program for 3 years at a level of close to $3 billion and a veto of that legislation was decisively overridden.

While the Hill-Burton program has provided much-needed assistance in the construction and modernization of hospitals there remains a tremendous need for new hospital construction and for modernizaton of obsolete facilities. At the same time hospital costs are rising at an unprecedented rate. Our committee heard testimony concerning the financial problems of hospital operations. While the new loan guarantee program may be a good move toward stimulating more construction, we are concerned that this form of assistance might also have the effect of further increasing the cost of hospital care which is already prohibitive for many Americans. Much concern has been expressed over the ability of health facilities to meet the financial requirements associated with these loans. We feel that a reasonable grant program for inpatient construction and modernization should be continued in order to provide assistance to the many hospitals which have specific financial problems in operating, such as teaching hospitals and hospitals in poor urban settings. Our committee concurs in the House increase of $87,200,000 in construction grants in order to continue a balanced program of grant support, as was done in 1971.

While we might well have questions about the loan guarantees with interest subsidies, our committee was even more concerned over the delay in implementing that new program, and we are hopeful that progress will be made soon to get it underway. We concur with the House action of appropriating $30 million to capitalize the Fund for direct loans. The Department has requested special commitment authority instead of an appropriation. In view of the critical need to make the loan program available to publicly owned hospitals immediately, the commitment authority procedure appears to be unduly hindersome and might prove to be awkward to operate efficiently.

For patient care and special health services within the Public Health Service hospitals, the committee has recommended an increase over the 1971 appropriations of $10,952,000 and $25 million more than the budget requested.

Our committee is greatly concerned over the possible impact of the Department's plan for converting the Public Health Service hospitals to community control and use, although we received assurances given by the Department that it recognizes the need to include provision in its plans for equal or superior care for its beneficiaries, expanded use of the facilities oriented to community needs and provision for the protection of the rights of employees.

Our committee is willing to defer judgment until the current efforts of the Department can be evaluated and agrees with the Department that efforts must be made to work closely with beneficiary groups, employee organizations and community agencies in exploring alternatives to the present system of providing care for its beneficiaries.

However, we believe that adequate funds must be provided to insure continued operation of the PHS hospitals in this interim period. Therefore, to assure their continued operation at the current level of operation, we have added $19,500,000. The recommended increase would also provide for training of additional physician's assistants and other paramedical personnel to increase the available manpower for the delivery of health care.

The fate of the commissioned corps of the U.S. Public Health Service continues to remain in doubt, resulting in loss of morale, and reduction in efficiency of this organization. The corps has a proud tradition, and should not be allowed to wither on the vine. Last year, our committee urged the Department to come forth with a definitive plan for expanding the role of the corps to provide direct health care in rural and urban areas of the country which are in greatest need and are unable to attract trained professionals. We are dismayed to learn that the Department might consider abolishing the commissioned corps of PHS. Before such action is taken or any final decisions reached, we would expect the Department to consult with the appropriate committees of the Congress.

Our committee has heard convincing testimony that the commissioned corps of the PHS is one of America's greatest health bargains. These doctors, teachers and administrators are paid on a military scale beginning at $1,000 a month and ending at $2,000 a month. This income is tiny in comparison with what these doctors could earn in private practice. And yet they unselfishly devote extra hours, weekends and holidays to their jobs.

Consequently, our committee again urges that consideration be given to expanding the role of the corps to provide direct health care to medically underserved populations in rural and urban areas which are in greatest need and are unable to attract trained professionals.

NATIONAL INSTITUTES OF HEALTH

The initial budget requests for the National Institutes of Health was a lackluster, pedestrian document that did not rise to the readily identifiable opportunities for pressing the fight against disease and disability, and it failed to make adequate provision for the optimum use of the research tools that are already at hand. Our recommendations are more in keeping with the dynamic nature and the superb capabilities of the medical research establishment in the United States that is unmatched by any other in the world.

Obviously, it is not reasonable to attack all known ills to which the human flesh is heir simultaneously and with equal emphasis. But it is our carefully considered conviction that the American public is in complete agreement with us with regard to reconsidering our priorities and halting the decline in our biomedical research efforts.

Further degradation in that effort, whether or not we rapidly succeed in effectively guaranteeing the right of health by reorganizing our systems of delivery of health services, is simply not defensible on the basis of the established record. It will take relatively little further attrition to reduce the programs of the National Institutes of Health to a routine and uninspired state.

On the other hand, if that should happen, it would take years and billions of dollars to rebuild it to the point where it could, once again, take the lead in strengthening and maintaining the fundamental foundation—which is biomedical research—upon which the Nation's health inevitably rests.

Our approach toward the NIH budget and the requests presented is both humanitarian and pragmatic. To recapture lost ground is far more costly, therefore, we consider our recommended increases to be substantial savings. The occurrence of preventable diseases and accidents are tragedies which we cannot tolerate. They represent the needless waste of resources, human and economic, in that they cause a demand for remedial and rehabilitative health services that could be reduced.

Throughout this budget we have helped to improve the capabilities of those programs that will aid in the prevention of disease and accidents. Throughout this budget we have helped to increase those programs that will add to the supply of skilled health manpower. Throughout this budget we have helped to increase those programs that comprise the foundation of our Nation's health, biomedical research, and this is especially true within the National Institutes of Health.

The regular budget estimates showed no evidence of any desire to recover lost research momentum.

For the research components of NIH there is an overall increase of only 2.2 percent which fall far short of the inescapable increase in the cost of research, as of almost everything else, and would therefore inevitably require another small retreat on virtually every health research front.

Research on diseases of the heart and lung—the leading cause of death in this country—was allowed an anemic increase of 2 percent.

For research on stroke and the tragically crippling neurological diseases, there is actually a decrease of 3 percent.

For the Institute that supports research on kidney failure, arthritis, digestive diseases, diabetes and other metabolic diseases, there is a miniscule increase of 0.7 percent and for allergy and infectious diseases, an increase of 1.2 percent.

For the new National Eye Institute, which is not yet fully staffed and is only just getting its major programs under way, the budget allows a bare-minimum cost-of-living increase of 7.3 percent.

In the National Institute of Child Health and Human Development there is a modest program increase for family planning and population research but this is partly offset by a significant reduction in funds for research on aging.

And for the Institute that supports research and training in the fundamental biomedical sciences and such fields as radiology, anesthesiology and pharmacology that are relevant to the missions of all the other Institutes—and that also has pioneered in the development of automated laboratory equipment—there is another decrease of nearly 3 percent.

That initial budget recommended, and a subsequent supplemental appropriated, an additional $100 million to launch a cancer conquest program. This committee was encouraged by this apparent evidence that the administration was, at long last, ready to move ahead with research on the major diseases and was particularly impressed by the President's emphatic statement that he would "ask for whatever additional funds can be effectively used." Administration witnesses have presented this action as marking the resumption of more vigorous support for medical research which has been allowed to lag during the past few years.

We firmly believe that the opportunities for significant advances are no less in many of these other fields. In fact, expert witnesses have testified that the prospect of preventing or curing a number of serious diseases and disabilities is considerably better—in terms of the expectation of success and the length of time in which it might be achieved—than it is for most forms of cancer. They have in fact, expressed concern over the danger that the public will be led to believe that the cancer conquest program promises more than it can deliver.

Because we believe that adequate resources for research in these fields must also be made available, we have recommended selective increases to the appropriations for each of the institutes and research division of NIH. These increases total $159,242,000 over the House allowances, would be $372,886,000 above 1971 levels of funding and are $247,305,000 above the budget estimates.

Compared to 1971, excluding the $100 million already approved for the cancer program, these increases include: $61 million for heart and lung; $39.7 million for neurological diseases and stroke; $32.4 million for child health; $29.2 million for arthritis—kidney—and metabolic diseases; $27.7 for cancer $24.8 for general medical sciences which includes bioengineering; $14.8 for allergy and infectious diseases; $12 million for environmental health; $10.2 million for dental research; $9.7 million for the Eye Institute; and $9.5 for the support of research resources.

These additional funds will not only help increase biomedical research efforts, but restore cuts in research training grants.

In our report last year, we expressed great concern about the serious cutback in funds for research training and repeated its opposition to what seemed to be a subtle policy of reducing health research training so that eventually support for health research projects could also be reduced. The shift in policy on future research-support, as exemplified in the cancer conquest program with its open ended promise of whatever additional funds can be effectively used, inevitably creates an even greater need for well-trained investigators and well-equipped facilities to carry out the expanded research programs.

Our committee shared the surprise of our counterpart in the House at the reduction in the budget estimates for training grants and concur in the House action restoring the training grant funds to their 1971 program level. We also concur in the restoration to the appropriations for the Institutes of the $23 million salary-component of the training grant funds which had been transferred to the budget request for the Bureau of Health Manpower Education—an unaccountable action that has been widely criticized even by its purported beneficiaries. No funds have been added to the NIH appropriations specifically for research training only because the committee deferred to the agreement between the Department and the Office of Management and Budget to make no change in these programs until the training grant study has been completed. This study has now been gestating for more than a year and the need to expand the research-training programs is clearly becoming urgent. We, therefore, intend to take a very close look at research-training needs during next year's hearings whether or not the study results are then available. Meanwhile, the committee has no objection if some of the increased funds are used for training grants or fellowships in the general areas for which they are provided.

Due to the cumulative effect of expenditure controls and inflation, the total number of research projects that NIH has been able to support has steadily declined—from 14,170—totaling $439 million—in 1964 to an estimated 11,000—totaling $671 million—in 1971. Meanwhile, the number of grant applications that were judged meritorious and approved but for which no award could be made rose sharply from 454—totaling $15 million—in 1964 to 3,265—totaling $149 million—in 1971. In dollar terms, even with the House increase, NIH will have only $136,251,000 to fund approved new research projects for which the requests total $274,146,000. The proportion of approved grants that the various Institutes will be able to fund varies considerably and in three important areas it falls well below 50 percent. The Child Health Institute will only be able to fund 34 percent of its approved new research grant projects, the General Medical Sciences Institute only 40 percent, and the Arthritis Institute only 44 percent. We believe that the Institutes should be able to fund at least 50 percent of meritorious grant applications, and therefore added a total of $15,650,000 to the appropriations for these three Institutes to enable them to fund at least half of their approved competing grant applications.

New machines and procedures, developed through the joint efforts of experts in the fields of medicine, chemistry, engineering, and others—in essence, biomedical engineering—rank next to health manpower in offering great promise that the quality of health care might be improved for the American people. The artificial kidney machines are just one example of the fruits of such joint efforts. New testing procedures that involve the utilization of computers have brought greater reliability and dependability into routine and highly sophisticated testing procedures in clinical laboratories, while at the same time unit costs have been lowered.

Bioengineering is a part of biomedical research, and for all such activities we feel that a more nearly adequate level of support for these efforts should now be provided the National Institutes of Health. These programs constitute the keystone to any long-range effort to understand and prevent premature deaths, illness, and injury.

We have strongly encouraged the NIH to direct their precious resources at those disease problems that are most important and widespread, where effective means for dealing with the problem are available, where new opportunities have emerged—as in cancer research—and where the likely benefits justify the expected costs.

Our committee is of the opinion that areas of great concern in addition to cancer research meet this criteria and we consequently added funds for selective research initiatives, some of which are mentioned in our report. We would urge the NIH to take the initiative in programing its funds to assure that the results of basic research are applied and translated into the health delivery system of our Nation with all sense of urgency.

HEALTH MANPOWER

Health manpower, which to our committee is all inclusive from the most highly skilled surgeon to the rehabilitation therapist or laboratory technician, ranks next to biomedical research and the improvement of health care delivery systems as the highest of priorities in health. No area is more complicated than health manpower in this budget.

Although the Bureau of Health Manpower Education within NIH has the largest single line item devoted to health manpower, almost every agency within DHEW has programs that contribute significantly toward resolving shortages of various skilled personnel that are sorely needed if we are to achieve greater quality in the care and treatment of those who are ill and deliver such quality health care to greater numbers of the American people.

Our committee addressed itself with particular concern to all of those other programs in this bill that are within care and treatment, or prevention and rehabilitation in relation to health manpower and the delivery of health care.

Funds have been increased or restored to a variety of such programs: psychiatric residencies in mental health; training of auxiliaries in the Public Health hospitals; training of future teachers and researchers under the several Institutes of NIH; training, especially of those working with the handicapped, under the Social and Rehabilitation Service. All of these and other programs contribute significantly toward meeting severe shortages of all types of specialized personnel who are needed within the delivery systems of health care.

The Bureau of Health Manpower is directly and almost exclusively responsible for programs that deal with allied health, public health, nursing and the health professions. This includes all of the training programs and the students in medicine, dentistry, osteopathy, podiatry, pharmacy, optometry, veterinary medicine, nursing and allied health—which includes all of the paramedics and auxiliaries who assist all other health manpower categories.

For all those categories, various Federal programs of student assistance have helped thousands of students to defray ever increasing personal costs and tuition and fees charged by schools and colleges; institutional support for those schools involved in such training programs has assumed a relatively significant portion of those costs; traineeships have helped to produce the people who will ultimately take the place of those currently involved in teaching positions and help to staff new schools and colleges that are so desperately needed; construction programs have helped State, local and private resources to build new teaching facilities and modernize outmoded structures.

When the President's budget was submitted to the Congress in January $541,925,000 was requested to support all of those activities within the Bureau of Health Manpower. At that time, only those programs within allied health and public health were authorized for fiscal 1972, and the request for those programs constituted only 9 percent of the total. The balance of the programs in nursing and the health professions involved authorizations that would expire and the budget request was based upon legislation that would be submitted for consideration by the Congress.

That legislation was submitted, but significantly modified both in the House and Senate during exhaustive review and debate within the respective bodies. That legislation is now in conference and although an early resolution of differences is expected, it is unknown what form it will take or whether it will subsequently be signed into law. Without authorizations, this committee could not proceed on the basis of vague possibilites.

Late in the 1971 fiscal year the Congress did pass, and the President signed, emergency legislation which extended the student assistance programs for nursing and the health professions. Direct institutional aid and construction programs have expired for those two categories, but this combination of authorized and unauthorized programs within the Bureau of Health Manpower presents the entire Congress, with a complex and difficult set of questions.

To consider these individual parts and components of the total health manpower package administered by the Bureau as isolated programs is difficult. The House committee, because of this unique situation, did not consider any requests for appropriations under these titles and no allowances are provided in the House bill.

Because of the concern we all had for making it possible for students now enrolled in these programs to meet their personal financial needs, and because of our great concern that the enrollments within all these programs be increased, we are convinced those currently authorized programs should be funded in this bill.

In consultation with administration officials, revised requests for those currently authorized programs were reviewed. The recommendations of our committee are $42,576,000 greater than those presented on behalf of the Bureau and these increases will raise the levels of funding for student assistance programs—direct loans and scholarships—and traineeship programs.

Those additions will allow for an increase of 4,500 direct loans and 3,500 scholarships for students enrolled in veterinary medicine, optometry, pharmacy, podiatry, osteopathy, dentistry, and medical schools and colleges

Those additional funds will provide 5,500 more direct loans and 5,000 more scholarships for nursing students.

Those funds will provide at least 200 more traineeships for the teachers and instructors needed for schools of nursing.

Those funds will provide an opportunity for at least 3,500 State and local public health workers to participate in short or long-term training programs, especially those which can help them improve community efforts in preventive medicine.

Those funds will provide an additional 1,300 traineeships for teachers and instructors in allied health programs within community colleges, vocational, and technical institutes.

Those funds will fund a new program that will provide 1,000 scholarships for students of exceptional financial need who can then enter allied health training programs.

The committee recommendations for health manpower total $211,306,000 and for the programs involved, that will give an increase of $58,846,000 over 1971 expenditures and would allow $42,576,000 more than the Bureau recommended. Over half of these funds are for student assistance, either direct loans or scholarships.

Although an exhaustive review was not possible in the time available or with the documentation presented, it was obvious that compared with prior years, funds for student assistance were being stretched to cover greater numbers of individual students at substantially reduced levels of individual loans and grants. While it is not our intent to give eligible students a totally "free ride," we do want to provide sufficient funding for those programs so that no eligible student will be denied access to these training programs he or she is qualified to pursue because of financial need.

As we emphasized in our report on the Office of Education appropriations, we are "of the opinion that middle income families are fast becoming the forgotten Americans. Nowhere is this trend more evident than in the student aid programs—both existing and proposed." That distressing trend is even more greatly magnified within the health professions and nursing student aid programs.

The interpretations that some deans and university student aid officials have placed upon regulations and guidelines adopted by DHEW have had the effect of redirecting such student aid funds among institutions and within participating schools and colleges, often with little relationship to the actual circumstances of individual students and their families. Those regulations and guidelines have in some cases impaired and flexibility of student financial aid officers to such an extent that some consider their position void of any discretion or decisionmaking. Such confusion must be avoided.

The original budget request for student aid under the health professions would have limited access exclusively to those students in medicine, osteopathy and dentistry. We have totally rejected that proposal. The allowances recommended will be open on an equal basis to all the eligible schools, colleges and individual students in veterinary medicine, optometry, pharmacy, podiatry, osteopathy, dentistry and medicine.

Our committee has been a strong supporter of all programs for the disadvantaged and has included substantial increases for such programs in this bill and in the Office of Education appropriations recently signed into law. It is apparent that greater opportunities should be afforded disadvantaged students within all health manpower programs. Nevertheless, we are concerned that the pendulum might be swinging too far in student assistance programs under these titles and hope that the Department of Health, Education, and Welfare will take steps to prevent this from happening.

A final action of the committee in health manpower involves the measure passed by the Congress, dealing with the family practice of medicine, during the 91st Congress. There is no dispute that the most serious shortages within the private practice of medicine is that of general or family practitioners. Without exception, the outside witnesses appearing before the committee agreed with these needs and many requested early implementation of that legislation. We have provided the modest sum of $5,000,000 to be allocated under the provisions of the act, and view this amount as a first installment and will be receptive to a supplemental request for greatly increased funding for the item.

In reference to the health manpower legislation currently pending, we discussed with administration and Bureau officials the serious implications of any delay in the implementation of whatever version of institutional assistance is finally enacted. The serious financial plight of many health professions medical and nursing schools, both public and private, is widely acknowledged though little understood.

The committee was assured that every effort would be made to implement the provisions of that legislation at the earliest possible time. The committee was also repeatedly assured that a supplemental appropriation request would be transmitted to the Congress to allow obligations to be made early during fiscal year 1972.

This is imperative because there are no funds in this bill for institutional support of schools of nursing or the health professions. There are no construction funds in this section for any of these programs—funds that could assist State, local, and private resources that in some instances stand ready to initiate new schools and colleges in the health professions and nursing. We will expect the Bureau and the Department to recognize the urgencies involved and submit that supplemental appropriation request for health manpower at the earliest possible time.

I would also like to offer a brief commentary upon the relationship of these funds and programs within the Bureau to the educational community and the appropriations process of the Congress. The recipients of health manpower funds are either students or the particular institutions they attend, and the basic issues of administration of these funds are replicated many times over in similar programs within the education budget. It might be well for the administration to give serious consideration to placing these funds within the requests of the education appropriation bill and allow the Congress the opportunity of considering them in that context rather than here.

In summary, $40,500,000 has been provided for scholarships, an increase of $8,000,000 over comparable funds available in 1971; $51,000,000 has been provided for direct loans, an increase of $8,890,000 over 1971; $30,620,000 has been provided for traineeships, an increase of $8,000,000 over 1971; $30,571,000 has been provided for institutional support in public health and allied health, an increase of $11,250,000 over 1971; and $48,343,000 has been provided for educational grants and contracts and direct operations, an increase of $17,706,000 over 1971. Program direction and manpower analysis was retained at the 1971 level, and $5,000,000 was added to implement the Family Practice of Medicine Act.

Two additional items within NIH merit special comment, the National Library of Medicine and the Fogarty International Center for Advanced Study in Health Sciences. For the Library our committee has recommended an increase of $3.5 million over 1971, which is $3.1 million over the budget estimates and $2.3 million over the House allowance.

The grant of an inflation allowance to all the research institutes by the House was vital to their programs, but in the case of the Library of Medicine to base such computations upon the grant activities is not equitable. The extramural activities of the research institutes absorb 86 percent of their funds, but at the Library the grant programs account for less than 28 percent of the funds.

A cost-of-living increase that only applies to the grant programs of the Library would leave the bulk of their activities untouched. Major elements of the Library's expenditures have, in fact, been rising by more than 6 percent—the cost of books has gone up 10 percent per year, along with printing, and specialized journals 14 percent. Therefore, we added $805,000 for these activities, including contracts, to assure the National Library of Medicine would be able to maintain their 1971 level of program.

Within the Library program is the Lister Hill National Center for Biomedical Communications, that has existed in little more than name since its inception in 1968. With a modest budget, composed mainly of additions the Congress has provided above their requests, the Lister Hill Center has supported several prototype demonstrations in biomedical communications. The satellite communications link with remote regions in Alaska and the two-way television network in New England are dramatic examples.

Such projects need to be expanded, and the center should become more aggressive in stimulating an awareness of and interest in the ways in which modern communications techniques can be adapted and expanded to serve all facets of health services, biomedical research, and the training of health professionals.

The enactment of our recommendations would add $1 million to these programs of the Lister Hill National Center for Biomedical Communications over their 1971 level of expenditures.

The John E. Fogarty International Center for Advanced Study in Health Sciences in its brief 3-year history has developed an impressive set of programs for the advancement of health sciences.

Conferences and seminars play a key role in the center's activities, serving as an important channel for the communication of research, scientific and medical knowledge to the biomedical community. During the course of a year they provide opportunities for over a thousand American and foreign scientists, physicians and other bimedical professionals to review, discuss and exchange ideas to improve their understanding of and provide solutions to biomedical problems.

The scholars-in-resident program brings to this country distinguished foreign scholars, for periods of up to a year, for advanced studies in the health sciences. Since the inception of the program, resident scholars have been concerned with certain aspects of cancer, blood chemistry, heart arrhythmias, and biophysical chemistry, and the interchange of knowledge is beneficial to everyone.

The international postdoctoral fellowship program brings talented young foreign scientists to this country for work on current research problems in American laboratories and clinics, and has been in existence for many years, 1969 was the high point of this program when there were 173 postdoctoral fellows and last year that had slipped to 122.

The recommendations of our committee would increase the levels of program support at the Fogarty Center. The total would be $969,000 above the budget estimates, $606,000 over the amount appropriated in 1971, and $525,000 over the House allowance.

In view of the value of the international postdoctoral fellowships program to its foreign participants, we have suggested that consideration be given to broadening its scope, or creating a parallel program, so that talented young American scientists can be similarly sent abroad to work in foreign laboratories and clinics and also thus broaden their experience.

I would especially like to commend the Fogarty Center for initiating a series of surveys of biomedical research activity in other countries by scientists drawn from the professional staff of the various institutes and university faculties. I have special reference to studies on various aspects of medicine as practiced in the People's Republic of China.

With the lessening of tensions between our two countries, it behooves the United States to become far more aware of the health capabilities in China. I would also hope that the Fogarty Center would extend invitations to appropriate representatives of the research, scientific, and medical communities in China to attend their conferences and seminars.

SOCIAL AND REHABILITATION SERVICE

The Social and Rehabilitation Service accounts for over half the total appropriations in this bill, but almost $11.5 billion of this is in grants to States for public assistance. Grants and programs over which this committee has no control—programs which have almost gone out of control for everyone, from the President, to Governors and mayors, to the neighborhood social workers.

Welfare reform legislation is one of the priority items before this Congress, and although this committee is greatly interested in the reform proposals advanced by the President and others, that legislation is not within our jurisdiction and we could not base this budget upon proposed changes in the law. During our review of both SRS and the Social Security Administration programing for fiscal year 1972, we were disturbed over projected changes based upon passage of welfare reform legislation. This was most evident in regards to medicaid/medicare regulations and guidelines, especially in reference to hospital and nursing home care.

Although we are all anxious to improve the administration of these programs, provide better care for those eligible, and secure the greatest benefits and savings possible under these titles, existing law must prevail. Until such legislation is passed, with appropriate effective dates established, and then approved by the President, no changes in guidelines or regulations based upon such legislation should be implemented.

Both our committee and the House have refused to approve a cutback in the budget for research and training activities in SRS. We restored these programs to the 1971 level by providing $23,315,000 over the budget request. The entire increase is to be applied to the rehabilitation and social work training programs. We believe that there is an ongoing commitment to support those programs. In addition, these training programs appear to be among the most productive in the Federal Government as these highly motivated people not only render much needed services, but are responsible for assisting those dependent upon public agencies to return to more productive lives and roles in our society.

Within the rehabilitation services and facilities programs it is estimated that 980,000 disabled persons will be served by the State programs involved and that 288,000 will be rehabilitated. In accordance with a budget request, an additional $23 million over the 1971 appropriation has been allowed for expanding a special effort to rehabilitation public assistance recipients who are handicapped, in addition to those who would otherwise be rehabilitated under the regular basic grant program.

In special programs for the aging our committee has recommended an increase of $10.5 million over the House allowance and budget estimate, and an increase of $16,350,000 over the amount available in 1971.

We recognize the very serious problems of our older citizens and feel that increased resources should be provided to assist local communities in expanding direct service benefits to older Americans. We also feel that there is a great need for low-income older persons to be provided service opportunities through the foster grandparent program.

The budget request maintained the same level as fiscal year 1971 for the community grant and foster grandparent programs, and increased the areawide projects by $3 million and the RSVP program by $4.5 million. We have approved those increases and also proposed the addition of $6 million for community grants and $4.5 million for the foster grandparent program.

These additional funds will provide the necessary impetus for an expansion of State services to many elderly who would otherwise not benefit under these programs, and establish a pattern of necessary growth in providing opportunities for older persons to supplement their incomes through services to institutionalized children who are physically or mentally handicapped.

Within these programs of SRS we have also approved a $10.5-million increase for the formula grants to States under the Developmentally Disabled Act. That program provides treatment for the mentally retarded, and persons with epilepsy, cerebral palsy, and other neurological conditions. Our concern about the urgent need to improve these services and facilities prompted this increase will amount to almost a 100-percent increase over their 1971 level of funding.

We have provided an additional $5 million for the administration operation of demonstrations and training programs for children with developmental disabilities, and they also help train the specialized health manpower personnel who can provide these services.

We also approved an additional $3,051,000 over the budget requests in order to complete the Federal contribution towards the construction of a rehabilitation facility in Chicago. This particular facility is affiliated with the medical schools there, and a number of prominent doctors and specialists in rehabilitative medicine. I would also comment that a goodly portion of their work is devoted towards the prevention of disabling conditions, where the elderly care of an accident victim is so important. Here again, State, local and private funds are involved and we did not feel that our fair share should be allowed to lag behind.

Mr. President, this completes my additional commentary about these appropriations and funding levels for health programs administered by DHEW. I am sure my list is not complete; that I have left some unmentioned; but as I stressed in the beginning of my remarks: this is a very complex and complicated bill.

The approval of our recommendations, the passage of this bill and approval by the President are the first steps toward achieving greater progress toward our goals of better health for a greater number of our citizens. If these funds are allowed to flow out into the countless programs involved then we can achieve that goal, and we can also solve some of the mysteries of diseases that plague all of mankind.

Mr. MAGNUSON. I yield the floor to the distinguished Senator from New Hampshire (Mr. COTTON).

Mr. COTTON. Mr. President, may I inquire how much time on the bill is left?

The PRESIDING OFFICER. The Senator from New Hampshire has 88 minutes.

Mr. COTTON. Mr. President, I yield myself 4 minutes at this time.

In order that we may have available time on the bill to yield in case we have some important amendments that require a little more time than the agreed allowance, and because of the fact that the chairman, the distinguished Senator from Washington, has so well covered the bill and the problems in the bill, I will not make any general statement whatsoever on the bill at this time.

Mr. President, I repeat that I sincerely hope the distinguished Senators from California will offer their amendment regarding the limitation as soon as possible so that we can dispose of and settle that question before we have to deal with other amendments that may tend to increase the bill beyond what the commitee brought in. There is a practical reason for that. I have no idea what the attitude of the President, the administration, or the Department of Health, Education, and Welfare will be after Congress completes its deliberations and conference, but I do have the feeling that if some limit is placed so we do not continue to have an open-ended appropriation—on the administration of funds and not on the money that goes to the poor and other recipients—we may have a great deal more ease in getting by a possible adverse action by the Executive when the bill is completed. So I hope we can settle that matter first because it well could affect the attitude of the committee and the managers of the bill on some of the very worthy and worthwhile amendments that I am sure will be offered.

I simply wish to say that the Senator from Washington (Mr. MAGNUSON) deserves great credit for the long, hard work he has devoted to this bill, and for his leadership in the subcommittee. I am not in agreement with him on every point, but by and large we are united on the bill we are presenting. We owe a real debt of gratitude to the Senator from Washington (Mr. MAGNUSON), to Mr. Dirks, and members of the majority staff and the minority staff for the long, hard work they have done.

I can testify that the Senator from Washington and I have had to sit through many and many a long day in order to give adequate hearing to many outside witnesses, for instance, medical men, from all over the country.

Mr. President, I will not take up any more of the time. I reserve the remainder of my time.

Mr. BIBLE. Mr. President, will the Senator from Washington, the manager of the bill, yield to me.

Mr. MAGNUSON. I yield to the Senator from Nevada.

Mr. BIBLE. I thank the Senator.

Mr. President, I simply take this opportunity, first, to compliment the chairman of the committee for the alacrity with which he moved the bill forward; and I compliment him for the thorough job which he, as well as the Senator from New Hampshire, have done, under the stern guidance and strong hand of the Senator from Louisiana, who required them to work day after day. That is why this bill is here at this early date.

I compliment all who are involved and although I am a member of this subcommittee, I must confess I have been rather derelict in my duties, not because of desire but because I was handling another appropriation bill, the Interior appropriation bill. We expect to call up the completed conference report on this bill before the Senate next Monday or Tuesday.

I particularly commend the chairman and my fellow members of the committee for the particular emphasis they have given in this bill to the area of multiple sclerosis. This is one of the most devastating and least understood diseases of all mankind. We cover most all of the diseases in this bill. The Senator from Washington has commented on them very well, but in this particular bill I am delighted to see he has increased the level of funding for multiple sclerosis from $7.5 million last year to a more realistic figure of $10.5 million this year.

Additionally, I am very happy he has mandated the institute to explore the advisability of establishing more geographically dispersed centers for the study and treatment of multiple sclerosis. I am advised that today there is only one such public center, and that is at the Reed Neurological Center at UCLA. They may place their emphasis on other areas within the broad scope of neurological diseases and stroke. I do not know how much of their emphasis is given to multiple sclerosis.

One has only to have a dear friend fall victim to this particular disease to recognize its enormity, as well as the crippling effect of the disease. I think we are making headway; I am so advised, and I think we must make a lot more headway. I am glad we have pinpointed this particular disease this time and I compliment the chairman of the committee for his kind attention to it, and his interest.

Mr. MAGNUSON. We appreciate that. It is a most baffling disease.

Mr. BIBLE. It certainly is.

Mr. MAGNUSON. What causes it; how can it be treated? With sufficient research it might be something we could solve. The medical research people say it is the most baffling and frustrating disease and it affects many people.

Mr. BIBLE. It has hit many people I have known and I am sure it has hit many people the Senator from Washington has known in their youth, just as they come into adult manhood or womanhoood, in the age group between 20 and 30. To see a healthy young man or woman stricken at that age makes it that much more terrifying.

I do not pretend to be a doctor, but it reminds me of infantile paralysis. Thanks to the focus of attention that the chairman and others placed on that dread and baffling disease we have almost found the cure for infantile paralysis. I think the instances of infantile paralysis becoming are rare. I hope we can have the same effect on multiple sclerosis.

Mr. MAGNUSON. I thank the Senator.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Leonard, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. TUNNEY) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1972

The Senate continued with the consideration of the bill (H.R. 10061) making appropriations for the Departments of Labors, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes.

Mr. ALLEN. Mr. President, I call up the amendment which was submitted by me and the distinguished Senator from Indiana (Mr. HARTKE). It is at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be read.

The amendment was read, as follows:

On page 12, line 4, strike out "$99,840,000" and insert in lieu thereof "$107,840,000, of which $8,000,000 is for the prevention and suppression of tuberculosis".

Mr. COTTON. Mr. President, will the Senator yield to me on my time without losing his right to the floor?

Mr. ALLEN. I am delighted to yield to the Senator from New Hampshire.

Mr. COTTON. Mr. President, several Senators have approached the chairman of the committee and me with what we feel are highly desirable amendments involving small sums, and we might agree to them. I had suggested to two Senators over here who have such amendments that if we could thrash out this discussion that is about to take place on whether there will be any limitation on the State administration of welfare funds and get that settled it might make quite a difference in how the committee feels. I would not accept any amendments without putting them to a vote until we find out what is going to be the result. It makes a big difference in action downtown whether there is any limitation in this bill. It is the intention of this Senator at some time in the debate on the motion to strike out limitations, to offer a substitute raising limitations.

If we should happen to succeed in having even a semblance of limitation, I think we could be more generous in accepting these amendments. So if the Senator saw fit to withhold his amendment until the Senator from California had offered his amendment, and we had fought that out, it might make the difference between accepting it and taking it to conference and not doing that.

Mr. ALLEN. Mr. President, it is the desire of the Senator from Alabama to conform to the wishes of the distinguished senior Senator from New Hampshire. He would not, however, like to lose the position that he now has, and if unanimous consent could be given that this amendment be temporarily laid aside until the amendment in which the Senator from New Hampshire has expressed interest is disposed of, and then the Senate would return to the consideration of this amendment, that would be perfectly satisfactory.

Mr. COTTON. I would be glad to agree to that unanimous-consent request if we would add to it that after the Senator from Alabama has presented his amendment the two Senators who have been waiting here to present theirs, the Senator from Kentucky and the Senator from Kansas, would be allowed to be recognized after the Senator from Alabama—all of it coming after the disposal of the amendment of the Senator from California.

Mr. ALLEN. Certainly, I would have no objection to that. That would be satisfactory.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. ALLEN. Mr. President, is it the understanding of the junior Senator from Alabama, then, that after action on the amendment to be proposed by the distinguished Senator from California (Mr. Cranston), the Senate would return to the consideration of the amendment just called up by the junior Senator from Alabama?

The PRESIDING OFFICER. The amendment of the Senator from California or any amendment thereto. After the disposition of that amendment, it is the Chair's understanding that the Senate will return to the consideration of the amendment of the Senator from Alabama.

Mr. ALLEN. With that understanding, Mr. President, I yield the floor.

PRIVILEGE OF THE FLOOR

Mr. CRANSTON. Mr. President, I ask unanimous consent that during consideration of my amendment No. 346, I may have permission to have present two assistants, Fran Butler and Roy Greenaway.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 346

Mr. CRANSTON. Mr. President, I ask that my amendment No. 346 be called up.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be read.

The Assistant Legislative Clerk. It is proposed, by the Senator from California, for himself and other Senators, on page 32, beginning on line 22, through line 2 on page 33, to strike out section 209.

Section 209, proposed to be stricken, is as follows:

Sec. 209. None of the funds contained in this title may be used for payments to any State for fiscal year 1972 for services, staff training, and administrative expenses under titles I, IV (part A), X, XIV, and XVI of the Social Security Act which, in the aggregate, exceed 115 percent of the aggregate amount estimated for these purposes for such State for fiscal year 1971.

Mr. CRANSTON. Mr. President, I find it hard to believe that only 8 months after this body so firmly rejected, by a 2-to-1 margin, the inclusion of a welfare freeze provision in the Labor-HEW appropriations bill for fiscal year 1971, we are again forced to grapple with the same question. It was startling indeed to learn that yesterday afternoon, when H.R. 10061 had been ordered reported by the full Appropriations Committee, a new section 209, a provision to limit the Federal share of social service payments to 115 percent of the 1971 estimated expenditures had been added to the bill. Such a freeze would apply to administrative, social services, and personnel training expenses for all welfare programs—old age assistance, aid and medical assistance to the blind and disabled, and aid to families with dependent children.

I was joined yesterday by a bipartisan group of my colleagues—Senators Tunney, Bayh, Eagleton, Harris, Hart, Inouye, Javits, Kennedy, McGovern, Mondale, Nelson, and Talmadge, in introducing the amendment we are now considering—an amendment which would strike this regressive section from the bill. I am pleased to announce that Senators Percy and Stevenson have since joined us as consponsors of the amendment.

Mr. President, none of us would disagree that there is a vital need to reform our public assistance programs and to reduce the ever-spiraling costs of welfare. The Senate Finance Committee is even now holding hearings on an administration-backed bill, H.R. 1, which offers such reform. But to cut Federal expenditures now, at the expense of our already overburdened local governments, is certainly not the responsible answer. While Federal law requires that States provide aid to all eligible individuals, it provides for Federal assistance to accomplish this end. For the Federal Government to renege on its share of the financial burden for providing such programs would be unconscionable.

During this past year of recession and high unemployment, caseloads have been rising at an unusually high rate. In California, for instance, the number of AFDC recipients has increased by 28.9 percent since last year. And this is a relatively average increase. In Indiana, the caseload is up 58.9 percent, in New Hampshire, 56.7 percent, in South Carolina, 35.5 percent, in Texas, 50.5 percent.

Mr. President, I ask unanimous consent to have printed at this point in the Record a table indicating the percent of change in the AFDC caseload in each of our States and territories.

There being no objection, the table was ordered to be printed in the Record, as follows:

Percent increase, in AFDC recipients, April 1970—March 1971

Total	27.9
Alabama	33.4
Alaska	24.8
Arizona	23.6
Arkansas	37.1
California	28.9
Colorado	37.3
Connecticut	20.3
Delaware	28.7
District of Columbia	58.1
Florida	28.3
Georgia	30.6
Guam	28.7
Hawaii	29.4
Idaho	9.8
Illinois	47.5
Indiana	58.9
Iowa	16.7
Kansas	36.9
Kentucky	8.5
Louisiana	8.2
Maine	48.2
Maryland	23.4
Massachusetts	21.7
Michigan	48.7
Minnesota	31.5
Mississippi	11.1
Missouri	28.0
Montana	32.4
Nebraska	28.2
Nevada	33.5
New Hampshire	56.7
New Jersey	32.6
New Mexico	5.3
New York	17.8
North Carolina	19.2
North Dakota	14.7
Ohio	36.4
Oklahoma	11.9
Oregon	9.2
Pennsylvania	32.1
Puerto Rico	22.5
Rhode Island	20.4
South Carolina	35.5
South Dakota	15.3
Tennessee	25.0
Texas	50.5
Utah	15.2
Vermont	
Virgin Islands	24.9
Virginia	33.5
Washington	20.2
West Virginia	1.8
Wisconsin	30.3
Wyoming	20.6

Mr. CRANSTON. Mr. President, these figures are most telling of the burden State and local governments will be forced to assume if the Federal share of costs for these programs is only 15 percent—or even 20 percent more, as the Senator from New Hampshire (Mr. Cotton) will suggest—than it was during fiscal year 1971.

I ask unanimous consent to include in the Record at this point the text of a letter from the Governor of California (Mr. Reagan), to Chairman Magnuson—the Governor sent me a copy—describing the burden such a restriction would place on California. The cost of this provision to California taxpayers has been estimated at $80 million.

There being no objection, the letter was ordered to be printed in the Record, as follows:

STATE OF CALIFORNIA,
Sacramento, Calif., July 27, 1971.
Hon. WARREN G. MAGNUSON,
Subcommittee on Labor and Health Education, and Welfare, Committee on Appropriations, U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR MAGNUSON: It has been brought to my attention that the Senate Appropriations Subcommittee in its hearing on the Health, Education, and Welfare appropriation, is considering a proposal to enact a new Section 208 which would place a 110 percent ceiling on federal matching funds for the costs of administration, services and staff training.

On behalf of California, I wish to register our most strenuous objections to this proposal. Rising welfare costs are already threatening this state and other states with bankruptcy. Existing federal regulations prevent the reduction in scope, coverage and quality of social service programs that would be necessary if such a limitation were placed upon federal participation in the funding of these programs.

The total cost to state and local government in California could well amount to $100 million the first full year. No rational person questions the need for economies in welfare spending, but it makes no sense to seek federal savings at the expense of the states. This is simply a proposal to artificially limit federal reimbursement via a "back door" constraint in the President's budget, which would bypass fiscal provisions in the law, and would give states no lead time and no avenues for adjusting their programs accordingly.

A proposal to place a 115 percent limit on federal matching for these costs was killed on the Floor of the Senate last year when it was made clear that even that more generous ceiling would wreak fiscal disaster upon state and local governments. California was joined in opposition to the proposal by the Council of State Public Welfare Administrators, the Association of Public Welfare Administrators, the National Association of Counties, the National Governors' Conference, the League of Cities, and other state governments. The fiscal situation in welfare is worse now than it was at that time, and the present proposal is clearly and totally unacceptable.

The answer to the runaway costs of welfare lies in genuine reform of the welfare system. California is currently attempting to overhaul its own laws and regulations to bring about reform at the state level. It is my belief that the federal government could accomplish more by supporting reform efforts of this kind than by placing additional financial burdens upon the states while not changing the federal laws and regulations that have created the problem in the first place.

Sincerely,

RONALD REAGAN,
Governor.

Mr. CRANSTON. Mr. President, this is not the first time I have opposed the restrictive welfare freeze provision. Last November, with Senator HARRIS, I led the floor fight which resulted in a 2-to-1 approval of my amendment, No. 1076, to the fiscal year 1971 Labor-HEW appropriation's bill, and thus a rejection of section 208 of that bill. On July 12, I testified before Senator MAGNUSON'S Subcommittee on Labor-HEW appropriations, uring that the committee not include the President's requested 110 percent freeze on the Federal share of welfare supportive costs. The subcommittee did not include the freeze. The full committee did. So once again, today, I must plead with my colleagues to join the cosponsors of amendment No. 346 and defeat the 115-percent arbitrary freeze, or any arbitrary freeze provision to H.R. 10061.

Mr. MAGNUSON. Mr. President, I hope the Senator from California is not suggesting that anybody is reneging on payments. We are giving all the money that they ask for, and it is an open end. We are not reneging on any payments. We are merely suggesting that they might be able to do the work with fewer people in the administration and with fewer increases in services. Is that not right?

Mr. CRANSTON. I am not suggesting that anybody is reneging.

Mr. MAGNUSON. The Senator used the word in his speech.

Mr. CRANSTON. I do not want to use the word.

Mr. MAGNUSON. Explain it.

Mr. CRANSTON. I will withdraw the word "reneging." The States are depending on this money to handle the mandated increase in welfare. They do not have the capacity to handle it themselves—not my State of California, not the State of Michigan, not the State of Illinois, nor other States.

Mr. MAGNUSON. That may be, but it is an open end. We give the money that they request of us. I just thought that perhaps we might be able to get more money down to the people who need it by having fewer people in the front office. If there is any question about the delivery of health services to the people of the country, it may be because there is an increasingly high number of people in administrative jobs that are too well paid, and the help does not get down to the people in real need. All we are saying here is that perhaps we can take care of the situation by paying attention to Parkinson's law, if they will just read it. In all fairness to these offices, they try to do a good job, but many are overstaffed. I know the story. If the demand is great—and California would be a good example——

Mr. CRANSTON. Yes, it is.

Mr. MAGNUSON. Where these welfare rolls have just gone up by leaps and bounds. But none of the Governors want to take on this extra cost. What they should do, the Governors themselves, is take a look at some of these statistics and see if they cannot do a better job with the same number of people. You can go down to some of the offices—has the Senator ever visited one of them?

Mr. CRANSTON. I certainly have.

Mr. MAGNUSON. Sometimes it just seems to me they are bumping into one another down there, in some cases.

Mr. CRANSTON. Of course, the problem is that they are bumping into one another as more and more people come on welfare because of the recession, unemployment, and a federally mandated situation where the residency requirements are knocked out, and anyone who shows up in California must be taken care of.

Mr. MAGNUSON. Yes. But the money is there. We just say to go a little easy on things. Many States are—the Senator has an ably prepared chart here on the rise in the number of recipients.

Mr. CRANSTON. Yes.

Mr. MAGNUSON. But we have charts on the increase every year. If the amount for administration is increased over 20 percent a year, there will soon be more money for employees than there will be for welfare recipients.

We have to have some employees. They are well-meaning. They are dedicated people. I just think the administrative side of this welfare program is out of hand and they can get along with fewer people.

But oh, no, the Governors do not want to give up anything. They want to have some more revenue sharing. We are going to be sharing a deficit with them pretty soon here. Is that good business? We have a $24 billion deficit this year. I think there is some responsibility for the State people to take a look at their payrolls, too.

I do not know whether 115 percent is the correct figure or not. It is a reasonable effort. The administrative costs of welfare have swollen more than the payments to recipients. I know; we have gone through those figures. The percentage increases here far out run any other costs in the welfare program.

I am sure the Senator did not mean to say we were withholding any funds. Not at all.

Mr. CRANSTON. No funds are being withheld for those who go on welfare.

Mr. MAGNUSON. No; it has nothing to do with those on welfare.

Mr. CRANSTON. No, I understand that.

Mr. MAGNUSON. All right; let us get the record clear on that.

Mr. COTTON. Mr. President, has the Senator finished?

Mr. MAGNUSON. I am through.

Mr. CRANSTON. Mr. President, I would simply like to respond that I clearly recognize that an open-ended situation can lead to more carelessness than is advisable in swelling the rolls of those who administer this work at the State and local levels.

However, at a time when we are considering a total overhaul of welfare, when a bill that would bring that about has passed the House of Representatives and is being considered in a Senate committee, it would seem to me wiser to wait and see if we cannot come up with carefully thought out procedures, instead of imposing an arbitrary limit, to make sure that all people who are eligible for welfare will be processed at once, and also to make sure that the limitation does not act to prevent the implementation of programs designed to get people off welfare and keep them from working effectively, which is one of the most important aspects of an overhaul of the welfare program.

Mr. COTTON. Mr. President, I yield myself 5 minutes.

I am glad that the distinguished Senator from California has raised, and raised so clearly and in such a reasonable manner, the last point that he just made, because that is very much the point at issue in this whole problem. I am sorry that most of these explanations have to take place without many Members of the Senate having a chance to listen.

This problem has grown upon us. It should not exist, and I wish to say that I agree thoroughly with the senior Senator from California (Mr. CRANSTON), and I am sure with the junior Senator from California (Mr. TUNNEY), that this is not the way to deal with the limitation on the administration of these funds in the various States. It should be dealt with by a carefully considered change in the authorization by the proper legislative committee, and it is only with reluctance, and because of the extreme situation that has developed, that any of us—I think I speak for every member of the Appropriations Subcommittee—are seeking this temporary limitation in an annual appropriation.

I shall attempt to explain what that limit means in a moment, but, before I proceed to that, let me say I am not personally so much interested in what the exact limitation is, and as I have already given notice, and stated in the full committee—which was perhaps one of the reasons for the strong vote in the committee for the 115-percent limitation—at the proper time, after we have had a chance to explore the matter to some degree, the Senator from New Hampshire will offer a substitute to the amendment of the Senator from California, imposing a limitation of 120 percent instead of 115 percent.

The reason for that, Mr. President—or the first reason—is that if we can impose some limitation on the cost of administration and the open-ended commitment that the Federal Government has to provide its share of whatever costs may be expended by any State, whatever that State's particular problems are, whether they are wise or frugal, or not as wise or frugal, and if some limitation is put in this bill, I believe it will have some real effect on prevailing on the proper legislative committees of Congress to face up to this situation, and establish some kind of formula so that States are dealt with fairly as compared with each other.

We all know what goes on, and it is perfectly natural. It goes on in my State. My Governor has had me on the telephone within the last 24 hours. My commissioner of public welfare has had me on the telephone. But as a matter of fact—and I use my own State as an example—though it is a small State, it increased its estimate for fiscal 1972 by a greater proportion than the State of California has increased its estimates so far. But the Governor has not been very pressing in his conversations with me, because his own legislature would not go along with him on the State's share, so that as a matter of fact the estimates that we have here from my State—and I am sure from other States as well—are less than the amounts recommended.

Mr. MAGNUSON. Mr. President, will the Senator yield so that I may ask for the yeas and nays while enough Senators are here?

Mr. COTTON. I yield.

Mr. MAGNUSON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. COTTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COTTON. That does not preclude the yeas and nays on my substitute amendment when I offer it, does it?

The PRESIDING OFFICER. The Chair understands the order to apply only to the amendment of the Senator from California.

Mr. COTTON. Mr. President, that is the first reason for having some limitation, for its effect on the legislative committees which meet this problem.

The second reason is that what has happened is a race between States. All States, I am sure, are trying to do their duty in this respect. I am not reflecting on anyone or any government. But it has become a race between States to raise their estimates very high so that some other State will not get more of the money, the funds, than they get.

Listen to this: In fiscal 1968, the Federal Government was called on to pay for the administration—and not 1 cent of this money goes into the hands of the poor. That is already on the formula, and we pay the Federal share, and that is an open-end commitment, and no one is asking that it be changed. I am now talking about administration. In fiscal year 1968, the Federal Government's share was $460,483,000.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. COTTON. I yield myself 5 additional minutes.

In fiscal 1969, the Federal share was $611,743,000.

In fiscal 1970, the Federal share was $853,213,000.

In fiscal 1971, the Federal share was $1,255,386,000 for this administration within the States.

The estimates that we have in the tables—they are or will be before the Senate—for fiscal 1972 indicate that the Federal Government would have to pay $1,605,010,000.

Mr. President, there are all kinds of ways in which these estimates can be and are—I was going to use the word "jockeyed," but I will not use it, because I do not mean to cast any reflection on the utter sincerity and dedication of the people who are administering these programs in the States. But on the matter of expense, we have to fund the share of the Federal Government money that goes into the profits of the poor, and that is based on the per capita wealth of the State and other factors, so that it runs from 50-50 up the scale to 60 percent and 70 percent in some cases.

On the matter of administration, we have the formula of 50-50 on the actual administration, and then we have a formula of 75 percent Federal to 25 percent State on various services, such as counseling and referral, day-care centers, protective services, and looking out for the aged and children, and getting them foster homes; and some of these are very fine programs. By cutting down on their administration and increasing the services, the States can affect the percentage they have to pay and the percentage the Federal Government has to pay.

For example, in the States of Colorado and Pennsylvania, under their formula, the Federal Government has to pay 72 percent of all the money, both for administration and for these services. The lowest estimate is in Mississippi, where the Federal share is 54 percent, not quite 55 percent.

I know that California has a vast increase in its work roll, and I know that both the distinguished Senators from California are fighting the fight for their State and for the disadvantaged people in their State; and I respect them for it. But, on the record thus far, I am a little amazed to find that the State of California, under the 115-percent limitation, does not lose 1 cent, because their expenditures in fiscal 1971 for this administration and services was $309,812,000. Under the 115-percent limitation presently in the bill, the State of California would be allowed $356,284,000 an increase of almost $50 million. The estimate advanced from California to the Department of Health, Education, and Welfare—their estimate for the coming fiscal year of 1972—is $347,985,000. Under the 115-percent limitation, the State was allowed $356,284,000, so that under the 115-percent limitation, as of record now, the State of California would not lose a single cent.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MAGNUSON. I yield the Senator time on the bill.

Mr. COTTON. I thank the Senator.

Under the 120-percent limitation, the State of California could receive $371,775,000, which is an even higher figure.

I mention this simply because of the discussion concerning the hardship in California, and we recognize that the hardship there is greater than in most States.

Mr. President, there is a practical reason. The first reason, as I have said, is to try, by placing some limitation on the bill, to get the legislative committees to act and let us have a formula that will be fair between States, that will take care of the administration in the future. I do not think we will get that until we succeed in getting some ceiling in the bill.

It gives them a one-fifth increase—that is, 20 percent—a total of 120 percent better than last year. Very few States will be hurt. But it still will have a psychological impact and serve notice that we are not going to continue to have an open-end situation here which one State can and does take advantage of more than other States, and it results in a race between them.

Let me state another reason why there should be a limitation. If this keeps going up, according to the ratio of the figures I have just read, the time is soon coming when we cannot afford it, in the Appropriations Committee and in the appropriating process. We will not be able to afford it. We will have to skimp on worthy programs for the handicapped, the blind, juvenile delinquents, and other worthy programs. We will have to group some of them in order to meet the mounting costs of an open-end commitment to every one of the 50 States to pay whatever they choose to make us pay.

In a few minutes, after this whole matter is settled, there will be Senator after Senator—we have three already and more coming—who will get up and will be asking us—the House has already gone over the authorized budget by $237 million and the Senate has "upped" that to $809 million. There are very necessary parts of the budget that have not yet been authorized that will be in here in the supplemental, so when we jump the bill $1 billion, there is grave danger of going through what we have gone through before, a Presidential veto, with all our struggles, and all the delays that have resulted.

If we can have in the bill a ceiling for 1 year as to the increase—and as I have said before, I will suggest that we lean over backwards and make it 120 percent instead of 115 percent—I think that the manager of the bill can accept more of the worthy amendments than we can otherwise; because, frankly, if what I am told by the Secretary of Health, Education, and Welfare and the budget officers and representatives of the White House, not the President, great significance will be attached by the executive to whether we have blazed a trail by writing our own kind of ceiling in the expenditures of the administration.

We want to get a bill through the House and Senate, and we want to get it through early. We worked hard for that purpose, so that this money will not be wasted because of its coming in late. We want a bill signed by the President and enacted into law, if possible, before we go home for the recess.

I sincerely hope, as we lean over backwards and ask the Senate to substitute 120 percent instead of 115 percent, that we can take better care of the worthy causes in the bill and still get the cooperation of the Department and the executive downtown. That is why I hope, when the proper time comes, that I will be allowed to offer my substitute, and that it will meet with the approval of the Senate.

Mr. MAGNUSON. Mr. President, I want to repeat for the Record—I do not know whether all Senators were here then—that as of May 1, 1971, there were 860,000 people employed by HEW. I repeat, 860,000. That total is composed of 110,000 who are Federal employees and 750,000 who are supported through Federal grants and contracts in public or private agencies.

We have got to start taking a look at that figure as to whether it is all going for administration or whether not enough of the large sums which we are appropriating are going to the people that need it.

Let me repeat that figure: 860,000 people were employed under these appropriations by HEW as of May 1, 1971.

Mr. TUNNEY. Mr. President, I can understand the frustration of the distinguished Senator from New Hampshire (Mr. Cotton), and the distinguished Senator from Washington, (Mr. Magnuson), regarding the costs of the administration of welfare as well as the rising costs of social services. In that regard, I am frustrated, too—no one is more frustrated than I am in that regard.

However, I think that we have to realize that many of the administrative and social services required to be implemented by the States are required by Federal law. As a matter of fact, when the Governor of California recently attempted to cut back on welfare expenses by the State, he was held by the Secretary of Health, Education, and Welfare to be in violation of the law.

I do not know where the figures came from that the Senator from New Hampshire got from HEW. I do not know where HEW got them. But I can say that in a telephone call that my office initiated to the California Welfare Department today, they said that the 115-percent ceiling would cost the State of California an additional $80 million this coming year.

In a conversation we have had within the past week with the California County Supervisors Association, they said that if this ceiling is adopted in California, it will cost the counties an additional $54 million in the first year. They say that even a raise of the ceiling to 120 percent, which is in the amendment that will be offered by the Senator from New Hampshire, it would cost California $35.5 million and in Los Angeles County alone, the cost would be $17 million.

Administrative costs in California have gone up in the past few years an average of 27 percent per year.

In fiscal year 1969, the costs were $130,529,000.

In fiscal year 1970, the costs were $176,928,000.

In fiscal year 1971, the costs were $227,930,000. This is in Los Angeles County alone.

The projected cost of the ceiling for Los Angeles County in the first year would be $24 million.

Mr. President, the property taxpayers in California just cannot afford to have the Federal Government establish a plan according to Federal law and then welch when it comes to putting up the money to implement the law.

It is quite clear to everyone that one of the main reasons we have the incredible increase in administrative costs is that there has been such an incredible increase in the number of people on welfare.

This is particularly true in California where we have seen unemployment move up in the past 2 years by approximately 500,000 people. That does not mean that all those people are on welfare. But in California presently, we have 700,000 people unemployed. One of the major reasons that the welfare costs have gone up, of course, is due to unemployment. The Senator from Washington (Mr. Magnuson) knows that, because he has high unemployment in his State, too.

California has many high-priced Ph. D. engineers and aerospace engineers now on welfare. They were not on welfare 2 years ago. They do not want to be on welfare, but they are because they cannot get a job. There have been cutbacks in the aerospace industry both by the Government in its spending programs and in the commercial aircraft field, because there have not been enough sales to maintain the complement of engineers and blue-collar workers that we had 3 or 4 years ago.

So I think that when we talk about frustration over the increase in welfare costs, we should be thinking in terms of doing something about stimulating the economy and getting some of the people now on welfare back to work. And we would not have as many people on welfare and would not need as many people acting as administrators of the program or working in social services. I had heard with respect to social services that social services was designed to get people off welfare. That involves the child day-care center program, the rehabilitation, alcoholism, and drug addiction programs. These programs are good, solid programs. When Congress established these programs and had the requirement that the States have these programs, we were thinking of getting people off the dole.

I have to point out that in the last year we had an inflation of about 5 percent. And there will be a normal increase in both administrative costs and social services of about 5 percent in salaries as a result of inflation. That does not take into consideration the dramatic increase in the number of welfare recipients.

So, to arbitrarily put a figure of 115 percent on the allowable amount of increases in the administrative services and social services, it seems to me, is to belie the fact, which is that we have had a substantial increase in the number of people that have gone off welfare.

Mr. COTTON. Mr. President, will the Senator yield on my time?

Mr. TUNNEY. I yield.

Mr. COTTON. Mr. President, I do not have the information here. I would like to inquire, referring not to the administrative services, but to the relief record, as it varies between States, as to what percentage the Federal Government is obligated on California's relief and welfare.

Mr. TUNNEY. I am sorry. I did not hear the question.

The PRESIDING OFFICER. Would the Senate please be in order so that the Senators can hear?

Mr. COTTON. Mr. President, I am now referring to the fund that goes to the welfare recipients, those in California, the differences between the State and Federal Government's contributions, and so forth. I do not have that figure here. I wonder if the Senator from California could inform me not only on this administrative cost, but also with respect to what percentage of the Federal money is going to welfare recipients in California.

Mr. TUNNEY. I do not have the figures off the top of my head. I could get them for the Senator before the end of the day.

I can say that the increase in the AFDC, the percentage increase between April 1970 and March 1971 in California was a 28.9-percent increase. That is a vast increase in the number of recipients.

Mr. MAGNUSON. Mr. President, will the Senator yield on my time for a question?

Mr. TUNNEY. I yield.

Mr. MAGNUSON. Mr. President, I appreciate these figures. I know the problem. We have it in my State. However, I do not want the information to go abroad that we will not pay the money to any person who qualifies for welfare. We are merely saying that the administrative cost could perhaps be shaved a little bit. That is the idea.

The mere fact that the number on welfare increases does not necessarily mean that the number of people in administration should increase by the same percentage. I do not follow that argument, because that is assuming that they were not overstaffed to begin with. I contend that in the early days of the program, they have been overstaffed and they could cut down on some of them.

We are not cutting down on welfare payments at all. We are not touching them.

Mr. TUNNEY. I understand that we are not touching the welfare payments.

Mr. MAGNUSON. Mr. President, I hope the information will not go abroad we are cutting welfare payments. We are not doing that at all.

Mr. TUNNEY. I understand the Senator's point.

Mr. MAGNUSON. Mr. President, in my State, the No. 1 welfare has increased by 20 percent, the same as in California. That does not mean that necessarily there ought to be 20 percent more employees in the welfare department. There might have to be some. But it does not necessarily follow that formula.

I just do not know where we will end up. We have over 775,000 employees now that we pay for. Pretty soon there will not be anyone who is employed privately and making some money with which to pay taxes to pay to the welfare people if this keeps up.

Mr. TUNNEY. Mr. President, I just want to be sure that everyone understands the situation.

Mr. MAGNUSON. Mr. President, we have been sent special delivery letters. The problem in Los Angeles is tremendous. I know what happened there about the welfare recipients. However, I think that if the Senator were to go down there on some day without letting them know he was coming, he would find out where it would be possible to cut down on a few administrative jobs.

Mr. TUNNEY. Mr. President, I yield to my distinguished colleague.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. CRANSTON. I will yield on the Senator's time.

Mr. COTTON. Mr. President, in response to the distinguished Senator from California, we have been furnished figures that were compiled in HEW by the Social Rehabilitation Services. They are based on estimated costs on the basis of former years and the estimate for the coming year.

I want to add that we are not suggesting—and there have been words used such as "reneged" and "welshed"—any change in the functioning of the Federal Government in paying its full share, high as it is, for the money that goes to those who need relief.

It is said that this committee is attempting to freeze the cost. That is not quite accurate. We are not attempting to freeze the cost. The figure of 20 percent is used. I use that because that is what we had. They asked for a 20-percent increase over last year. It will be an increase in the case of California of something in the neighborhood of $50 million.

Mr. CRANSTON. Mr. President, I would like to make one general point and then ask a question of the Senator from New Hampshire.

The general point is that while I believe, along with other Senators who have spoken, that we have in the matter of the administrative costs on welfare, the provision that there be a 50–50 or 75–25 percent matching requirement, depending on the program. That does not mean that States are going to spend the money frivolously. Certainly in my State, where Governor Reagan is making a big point of seeking to save money on welfare, there is not going to be any waste of funds.

We are talking about money that will come from the pockets of the Federal taxpayers, who pay the fairest tax—the income tax. However, in the case of the State, the money comes in the form of revenue through the State property tax, which I think is the unfairest tax of all.

If we require the States to come forward with more money because we provide less, the money will have to come from the State tax, the property tax, and that is unfair.

We have the question of revenue sharing. This relates in effect to the earmarked revenue sharing, it seems to me, responding to the administration's position, that we should produce the funds from the Federal Government's purchasing power, particularly when the Federal Government is making requirements that compel the States to come up with the money if the Federal Government does not. There is a great deal of confusion as to the specific figures we are talking about for the various States. The statement has been made that no money will be lost to the State of California.

However, the Governors' Conference believes, in accordance with studies it has made, that the State of California will lose $80 million if there is a 115-percent ceiling.

We checked that out with the deputy director of the Welfare Office in California, through the welfare budget examiner, and he confirms that $80 million will have to come out of property tax and other revenues in California if there is a 115-percent ceiling.

The Senator from New Hampshire referred to a chart. It is a 1970 chart which appeared in hearings before the Appropriations Committee on the House side which indicates New York would be out $179,000 if there were a ceiling. However, there was a chart in 1971 from the same source indicating New York would be out $41 million if there is a 115-percent ceiling.

The chart the Senator from New Hampshire referred to is the 1970 chart, showing a $85,000 expense to the State of New Hampshire if there is a 115-percent ceiling.

On the other hand, a more recent 1971 fiscal year chart from the 1971 hearings shows the State of New Hampshire would have a cost to them of $1,258 million if there is a 115-percent ceiling.

Can the Senator explain the discrepancy in those figures?

Mr. COTTON. Mr. President, my chart contains exactly the figures the Senator referred to in connection with the 115 percent. My chart shows that the State of New York would be out $41.817 million. My State of New Hampshire would be out $1.258 million. So the figures I have been quoting from this chart—and this chart was furnished us and compiled on the record from the Department of Health, Education, and Welfare—are precisely the figures the distinguished Senator from California has been quoting.

I do not know how the Senator misunderstood me to quote other figures from this chart. I ask that the Senator not misunderstand me.

Incidentally, I would like to request Mr. Dirks, the clerk of the subcommittee, to have the pages placed, on the desk of each Senator, the chart that would show how each State would fare under a 120-percent limitation, in other words, permitting them a 20-percent increase over last year, so that each Senator can have that information on his desk.

These are the official figures as of now, taking into consideration the estimates furnished by every State of the Union on administration in connecting with the services.

On the matter of ever-increasing funds that must go to carry heavier relief, there is no question about making any change or suggesting any special revision.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Mr. President, what is the state of the time in this debate?

The PRESIDING OFFICER. On the pending amendment 15 minutes remain on each side. On the bill there is a total of 90 minutes remaining.

Mr. JAVITS. Mr. President, although I am supporting the amendment will the Senator yield to me for a few minutes?

Mr. COTTON. Mr. President, I yield to the Senator from New York on my time.

Mr. JAVITS. I thank the Senator.

Mr. COTTON. Mr. President, I wish to say to the Senator from New York that I will be very glad to yield time to him on the bill.

Mr. JAVITS. That is fine.

Mr. COTTON. But as soon as the time is evenly used up or yielded back on the amendment of the Senator from California I then wish to offer my substitute providing 120 percent. Then, we will have an additional half hour and I will see that the Senator has time on the bill.

Mr. JAVITS. I thank the Senator. I will be very happy to await that time, if that is agreeable to all concerned.

Mr. CRANSTON. Mr. President, I yield 5 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. PERCY. Mr. President, I thank the distinguished Senator from California. I express appreciation to him for offering this amendment, which does not in any way detract from my admiration and high regard for my colleague on the Committee on Appropriations, the Senator from New Hampshire (Mr. COTTON). I am sympathetic to his desire to see a limitation by way of a ceiling and not have open-ended runs, one might say, on the Federal Treasury. But I have to take into account the long-range solution to this problem of revenue sharing as advocated by the administration and Members on both sides of the aisle. It is not going to be an immediate innovation in government: it will not immediately answer this problem, but we will work with the problem that the States have and the local communities because we must not walk away from them.

I want to associate myself with the efforts being made today by the Senator from California (Mr. CRANSTON) in seeking to delete the ceiling imposed by the Appropriations Committee on Federal payments for social services.

The same amendment to put on a ceiling of 115 percent was offered in the committee on which I serve. I vigorously opposed it, and I am pleased it did not carry in subcommittee. I am dismayed it did carry in the full committee. I trust we can defeat it on the floor. If this limitation is not removed, it promises to cripple and discourage the States, counties, and cities whose direct responsibility it is to provide these services to needy people.

The limitation is both illogical and damaging in a fiscal sense. It applies not only to service expenses but also to administrative expenses including the costs of determining eligibility for programs, redetermination of eligibility and, at least in Illinois, since Illinois has not separated programs, social services rendered by public aid caseworkers. I am advised that in Illinois, the natural growth in the Department of Public Aid staff alone associated with the increase in the volume of cases will consume a major portion of the additional 15 percent.

The cost of this limitation in Illinois would be a devastating $20 million, and it is my understanding that many other States would incur similar setbacks. If we impose this limitation, Illinois would be forced to come up with an additional $20 million from somewhere to foot the bill. Had a 110-percent limit been imposed as the administration had requested, they would have been short some $30 million. Even if a 120-percent limit would be imposed, the State of Illinois would come out $16 million short. Who can afford this sort of financial burden, especially when it had not been counted on?

I submit this inquiry to the distinguished Senator from New Hampshire. If a 120-percent limit were imposed, is it not true the State of Illinois would come out $16 million short? These are the figures I received from the State of Illinois.

Mr. COTTON. These charts are very carefully drawn in the Department of Health, Education, and Welfare. I do not see how they can be inaccurate in view of the fact that they are carefully prepared with the estimates furnished by the States.

The 120-percent limitation on Illinois would mean that Illinois would have a limit of $115,663,000, and its loss would be $9,402,000. In other words, it shows that for the fiscal year 1971, the estimate is $88,548,000.

The estimate for the next fiscal year under the 120 percent is that it would be entitled to $106,258,000. That would mean, on their estimates of what they intend to spend, which is $115,660,000, that they would be short $9,402,000.

Mr. PERCY. On the 120-percent limitation?

Mr. COTTON. That is right.

Mr. PERCY. Well, I would like to reconcile, of course, the difference between the $9 million-plus and the $16 million, and I will get on the telephone and try to do that immediately. But whether it is $9 million short or $16 million short, it is still a disaster to the State of Illinois. We cannot afford this kind of financial burden, especially when this has not been counted on.

Beyond the fiscal impact of this limitation if it is finally enacted, the logic of its imposition simply does not stand up. Since the enactment of the 1967 amendments to the Social Security Act, the Department of Health, Education, and Welfare has been mandating and encouraging the States to expand and strengthen their efforts. Indeed, Congress has joined in this emphasis. The Federal Government has intensified and increased its demands upon the States to improve the delivery of social services. For us now to attempt to place an arbitrary limit on the availability of Federal funds on the basis of current or recent expenditures is illogical, frustrating, and counterproductive.

I think we who serve in the Congress should begin asking ourselves if we can ever expect more than we are getting from certain States and municipalities in the area of providing these most basic necessities to their citizens when they constantly have to deal with these sorts of inconsistencies in Federal policy. Administrators of State welfare programs will never be able to develop plans and deliver services with the stop-and-go, one-step-forward/one-step-backward policies we sometimes adhere to.

There is not a Senator in this Chamber who does not know that the costs of these services are constantly rising, that the numbers for whom these basic services must be supplied are likewise increasing. We can ignore these facts, but we cannot refute them. And I would submit that if we permit this limitation to be imposed in this bill we will simply continue to ignore the basic truth of the situation.

I say that with deep feeling and because of the nature of the economy. This is not the time to start to cut back on the very services that may help lift people from a condition of welfare to get themselves back on a payroll. I think this is the kind of money, for the most part, in which, in Illinois, we have tried to put 3,500 people back to work, taken them off welfare and put them into programs and training for jobs. We should not make this cut in social services when we have a goal which, if carried out, will result in a successful program that lifts people from dependence on a State to that of human dignity, which is only possible if we provide these services.

If proponents of this limitation believe that the State social service programs are not accomplishing the desired goals, we should examine the measures we are using to determine their effectiveness, for, in my judgment, we would be far wiser to set up workable standards for evaluation and audit of the programs than to merely cut off the funds. To cut off these funds without proper evaluative standards simply does not make sense to me.

I commend my colleague for his leadership on this important issue and urge the Senate to join us in support of this amendment.

Mr. COTTON. Mr. President, will the Senator yield to me for 2 minutes, on my time?

Mr. PERCY. I am glad to yield.

Mr. COTTON. The Senator from Illinois was not present when we opened this discussion. At that time I said, and I will say again, because I want the record to show, I agree with him that this is not the way to do the job. I agree with him that placing a limitation of increases for 1 year in an appropriation bill is not the best approach. The best approach is to have the legislative committee face up to this problem, because we have a situation now where the States are increasing their estimates because of fear that some States will get more than they do, and we are getting estimates that even their own State legislatures do not appropriate for. So we have a situation that is not fair as between the States.

We cannot remedy that, but if we have the psychological impact of the ceiling—no matter how slight, but a ceiling—for 1 year, it is the contention of the Senator from New Hampshire that it will lead to the legislative committee's grappling with this problem and getting a fair apportionment which will take this burden off our shoulders. If we keep this contest and race going, then somewhere else we are going to have to deny some very worthy causes in the HEW bill.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. CRANSTON. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, if the Senator is short of time, I will get some time from the bill. If the Senator will yield me 3 minutes, I will get 2 minutes on the bill.

Mr. CRANSTON. I yield 3 minutes to the Senator from New York.

Mr. COTTON. First, Mr. President, may I ask how much time is left on the amendment?

The PRESIDING OFFICER. The Senator has approximately 10 minutes left.

Mr. COTTON. Do I have any?

The PRESIDING OFFICER. The Senator from Washington has 15 minutes remaining on the amendment.

Mr. MAGNUSON. Mr. President, I yield such time as he needs to the Senator from New Hampshire.

Mr. COTTON. Mr. President, I yield 5 minutes to the Senator from New York

Mr. JAVITS. Two minutes will be sufficient.

Mr. COTTON. I yield 2 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, of all the States affected by this determination, New York probably is most affected. It would lose, on a 115-percent basis, as the Senator from New Hampshire (Mr. COTTON) has said, $41,817,000, and its allowance would be 86 percent of its 1972 estimated cost for the provision of administrative, training, and social services related to the handling of public assistance.

New York has a reputation—I think very justly so—for being the most efficient State in the Union in terms of State administration. I think Governor Rockefeller has very well earned that reputation. Payments to the aged, blind, and disabled, and to needy families amounted to $1.35 billion in fiscal 1971. The administrative cost was $214 million or roughly 20 percent which is a very efficient figure in terms of the kind of activities here involved

The two points that need to be emphasized in this debate are, first, that we are on the threshhold of major welfare reform, involving family assistance, increased training and job opportunity, and also developmental child care. Indeed, one of the real paradoxes in the welfare system is that at one and the same time that we are trying to call upon and encouraging people to go to work instead of being on welfare, we have not provided mothers with the day-care slots which are absolutely essential for that purpose.

So the first reason why this change should not be made now is that we are on the threshold of a totally new welfare system. We certainly do not want the existing one to break down until we reinstall the new one, and, in order to maintain the existing one at the maximum efficiency, we should not now pull the rug out from under the States.

Second is the question of the carrot and the stick. This is a 50- or, in some cases, a 75-percent reimbursement, not a 100-percent reimbursement. Yet, the argument is made that we simply have got to give the States some pressure in order to bring down costs.

Considering the fact that even the Empire State of New York is in a very serious financial condition, as everyone knows from the budget problems that just took place in that State, is it not a fact that the States are under enormous pressure to reduce costs?

All this limitation will do is not cut fat, but cut bone, at a time when the States can least stand it.

In short, Mr. President, what I predict is that my State is going to be the most injured——

Mr. LONG. Mr. President, will the Senator yield?

Mr. JAVITS. Let me finish the statement. In short, what I predict, Mr. President, is that this is a reform, whether desirable or not we can argue, which certainly is not desirable, in my view of things, at the point where we now stand in respect to the welfare plan of the country.

I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, we in the Finance Committee are working on a welfare bill at the present time, as the Senator knows. Two of the ways we are hopeful will reduce the future welfare burden relate to expansion of family planning services and providing child care services for mothers who want to work. The pending amendment would strike at both of those.

Long before my day, the Finance Committee existed and the Appropriations Committee did not. The Finance Committee at one time handled both functions.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. Mr. President, may I have 1 minute?

Mr. COTTON. One minute.

Mr. LONG. But now, in the matter we have been discussing, the Finance Committee is trying to find some answers to the welfare problem, and in our view one of the hopeful ways of doing something about this welfare mess is to provide for better family planning and better day care services for children. This amendment would strike at both of those, at the very time when we are trying to solve the problem.

We in the Finance Committee have the jurisdiction and responsibility to try to do something about the welfare mess. I would hope that the Senate would not take the Appropriations Committee language, because it closes the barn door before we can ever get around to finding the answer.

Mr. JAVITS. Mr. President, I thank my colleague very much. That is the most powerful support this amendment has received, and I hope very much the amendment will be voted down, on the testimony of the chairman of the Committee on Finance.

Mr. COTTON. Mr. President, I yield myself 3 minutes.

I congratulate the Senator from New York on receiving the powerful support of the chairman of the Committee on Finance. I was a little bit surprised, because the Senator from New York is usually so well informed, when he said this was a 50–50 sharing.

It is a 50–50 sharing on strict administration, but on all the services it is 75–25. So the share of the Federal Government ranges, in proportion to how the States adjust those sums, all the way from 72 percent in Colorado and Pennsylvania down to 54.7 percent in Mississippi.

If the distinguished chairman of the Committee on Finance is so anxious to preserve these services, instead of leaving this sort of situation where every State tries to outbid the other by getting big estimates in, so that some other State will not get something it does not get, if the legislative committee would adopt some kind of formula that would make sure that the Federal Government bore its full share, but that it bore it equally and fairly as between the States, we would not have to come up with these ultimate ceilings.

All we ask is a maximum 20-percent increase over last year, to exist for only 1 year, and our chief reason for it is our hope that the legislative committee will come up with the proper level.

It is not the best way to tackle this problem, and I hope the distinguished chairman of the Committee on Finance, who has rendered such comfort to the Senator from New York, will give the Federal Treasury a little comfort by coming up with a long-time, just formula, fair to every one of the 50 States.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, I first thank the chairman of the Committee on Finance, the Senator from Louisiana, for his very helpful statement in regard to the amendment. The Senator from New York was correct when he said it was the finest and most convincing statement that had been made in behalf of the amendment.

Mr. President, I yield 3 minutes to the Senator from South Carolina (Mr. HOLLINGS).

Mr. HOLLINGS. Mr. President, I agree with the statement of the Senator from New Hampshire generally that some limitation should be put on administration. Before the Appropriations Committee, this was the way it was presented: That we were expending, at the Federal level, some $8.7 billion, and it would cost us $1.6 billion to administer.

I did not realize at that time that it went into the social services aspect, and I can tell you quite frankly, we were having more welfare problems until recently in the more populous States, so that over the years, we have had the lowest cost for programs of social services, for years long standing. We are just beginning to experience such problems in my State and in my section.

In South Carolina, we commenced adult services for the first time on July 1—just this month—in the history of South Carolina. Only last year, we started on the day-care services, and expended some $250,000, and we have instituted contracts to take care of some 33-percent increase in day-care center activity, which would cost us in excess of some $5 million.

If we went along with the 115-percent increase, what we would do would be to eliminate the day-care center program in South Carolina, the very thing they are trying to tell us we ought to be getting into, and I think we should.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. LONG. Mr. President, last year we passed a bill, which did not become law because the House would not go to conference with us, and we had in that bill several hundred million dollars for child care in addition to what is presently being spent.

Here we are being asked to cut child care, while the House of Representatives is already asking us, and the Finance

Committee will certainly be asking the Senate, to vote for much more money for day care than is presently available. So here we are in the Finance Committee trying to find ways to expand child care while the Appropriations Committee is talking about cutting it, all at the same time.

Mr. HOLLINGS. It is my understanding, within the Appropriations Committee, when this matter was considered, that it did not entail day care services whatever, but just involved general administrative costs going up and up and up.

It is my understanding that that is not the situation in my State; therefore, I oppose the amendment.

Mr. CRANSTON. Mr. President, I yield 2 minutes to my colleague from California.

Mr. TUNNEY. Mr. President, the point I wanted to make to the Senator from New Hampshire and the Senator from Washington relates to earlier inferences that in California, in all probability, there might be an awful lot of fat in the administrative staffs.

I just recently talked with the deputy director of our State Department of Social Welfare, at which time I was told that in the State of California they are, in the midst of their hearings on cases that have been denied. They are now 9,000 cases behind and they have been told by HEW that they could be out of conformity, and thereby lose money.

It would take about 8 or 9 months, if they had no more new cases coming in, to be able to catch up with this backlog. The average social service case worker has between 70 and 80 cases, and the average aid payments worker has between 125 and 130 cases.

The point simply is that we should not, by this action, cut off, as the Senator from Louisiana has said, the very best payments of all, and that is those payments for social services which are designed to get people off of welfare, the child day care centers, treatment for alcoholics and drug addicts, job placement, job counseling—all those services which are so important, particularly when at the present time the average case worker handles between 70 and 80 cases.

I ask you, how many cases can one caseworker adequately provide for? Certainly not 70 or 80. I think it is quite clear that in the State of California, at least, there is not the fat that the Senator from New Hampshire has alleged. As a matter of fact, it appears that they are about to be sued for being out of conformity, because they do not have enough caseworkers to handle the casework they have.

Mr. COTTON. Mr. President, I yield myself 2 minutes.

I must have misunderstood the Senator from California, because the Senator from New Hampshire has not once made even an insinuation that there was any padding by the State of California. If so, he did not intend it.

Certainly the Senator from New Hampshire recognizes the problem, and recognizes that the problem is severe in California. It is just, as I said before, that one of the great misunderstandings here seems to be on where the figures come from. Because in the case of New York, California, and almost every other State, their figures do not jibe with the official figures that have been provided by the States to the Department of Health, Education, and Welfare, and those are all the figures this committee can go on. The 20-percent increase that we would allow in California is more than California has indicated they are going to request for 1972.

With respect to the day-care matter, let me remind this body that day care is not dependent upon this amendment, nor is it going to be lost by this amendment. Our committee is never given credit for trying to be generous in these matters. In this bill, we increased the day-care funds from $26 million last year to $78 million this year. So we have an appropriation here, as this bill comes to the Senate, of $78 million for the day-care centers.

Simply because we are trying to restrain some of the administration and not freeze it, but hold it to a 20-percent increase over last year, up jumps someone and bleeds and dies because this is going to hurt day care. We put in approximately $78 million instead of the $26 million of last year for day-care centers, and this committee is thoroughly in favor of day care.

I just cannot sit quietly here and hear this limitation—this very generous limitation—criticized as a blow at these services, because it is not a blow at these services. It allows an increase in addition to an increase we have already put in this bill from $26 million to $78 million for day care.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. I yield 2 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator did not explain that there are two different programs under which the Federal Government supports day care. One program is the work-incentive program, and the committee does provide more for that. But day care program is also provided by States, throughout the entire United States, under the social services program we have been talking about, and these are the funds that would be reduced by the action of the Appropriations Committee under the Cotton amendment. This is why we think the reduction should be deleted.

In other words, we do not have enough day care today. One reason why we have so many mothers on welfare is that those who wish to work cannot get day care. We are not able to arrange for enough day care as it is; we need much more than we now have. It does not make sense to cut Federal funds for that purpose.

Second, Mr. President, even more dependence on welfare can be reduced by family planning, and we are beginning to make headway in that area, with room left for much more progress. As a matter of fact, where family planning services were expanded in New Orleans, illegitimacy is being reduced tremendously, with a tremendous saving in welfare costs. So, by spending a little money, a great deal of misfortune, misery, wretchedness, and sorrow can be saved to people, and an enormous expenditure of money can be saved to the Federal Government, by better family planning.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CRANSTON. I yield 1 additional minute to the Senator.

Mr. LONG. Mr. President, I should like to point out that H.R. 1, which was sent to us by the House Ways and Means Committee and on which the Finance Committee is working now, provides for a closed end on these appropriations, with the exception of child care and family planning services. Unfortunately, the Appropriations Committee does not seem to know about that legislation, and they are trying to limit funds for these two items also. The House found child care and family planning essential, and I believe that the Senate too will agree that these are two areas in which we will help to solve the difficult problems involved in welfare reform.

I hope very much that the Senate will vote to strike from the bill this particular section.

The PRESIDING OFFICER. Who yields time?

Mr. COTTON. I yield myself 1 minute.

May I invite attention to the fact that in this bill is $91 million for family planning.

I realize that what the distinguished Senator from Louisiana has said is perfectly true, that there are two kinds of day care and two kinds of family planning—what the States do and what the Federal Government does. The Federal Government is financing, to the tune of 75 to 25, the work that the State does. All we are doing now is asking whether they can do it without increasing it more than 20 percent over last year.

Mr. President, unless we draw the line somewhere, the day soon will come when the Federal Government cannot finance these programs. There will not be $91 million for family planning; there will not be $78 million for day care; because we will not be able to do it. I think the States and the counties and the cities have some slight obligation if we go as far as we have gone.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. COTTON. Do I have time remaining, Mr. President?

The PRESIDING OFFICER. The Senator has time remaining.

Mr. COTTON. I yield 1 minute to the Senator from Nebraska.

Mr. CURTIS. In reference to the cost, I point out that if the Senate should pass H.R. 1, the Mills bill, the estimated Federal increased cost the first year will be $5.5 billion.

Mr. LONG. Mr. President, will the Senator yield?

Mr. COTTON. If I have time remaining, I yield.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. COTTON. I yield 2 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senate, by a unanimous vote, passed a bill last year that said that, in the area of family planning, we recognize that this requirement of 25 percent State funds is holding back on the expansion of family planning services. The bill we passed unanimously would have provided 100 percent Federal matching for family planning.

When H.R. 1 comes to the Senate floor, the Senate will have a chance to say how strong it wants to go into family planning. I am confident that the Finance Committee will have some recommendations proposing that a great deal more money be devoted to family planning, just as we provided last year, in a bill which was passed 82 to 0, on 100-percent Federal matching for family planning, because we want to get on with this program, which we think will help reduce dependence.

The PRESIDING OFFICER. Who yields time?

Mr. COTTON. Mr. President, I suggest that both sides yield back the remaining time, and I will offer my substitute. I cannot offer it unless the time is yielded back.

The PRESIDING OFFICER. The time of the Senator from California has expired, and the Senator from Washington has 15 minutes remaining.

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. COTTON. Mr. President, I send to the desk an amendment which provides that in section 209 of the bill, the fifth line, the figure "115" be stricken out and "120" be inserted in place thereof.

The PRESIDING OFFICER (Mr. Weicker). The clerk will report the amendment.

The assistant legislative clerk read the amendment as follows:

> On page 32, line 26, after the word "exceed", strike out "115" and insert "120".

Mr. COTTON. Mr. President, I invite attention to the fact that each Senator has on his desk a table which shows how each State would be affected if the 120-percent limitation is adopted. I do not say that we intend to spend the estimates, but they are increased by $148 million, all over the country out of the one billion and a half dollars of the moneys administered. In other words, we are paying now more than the $1 billion for administration and the other services, when the whole program, the money that goes into the pockets of the poor and for the aid of the poor and indigent is about $12 billion—we are paying about a quarter of a billion and a half dollars, for administration, and increasing it every single year, jumping it this year by more than a quarter of a billion dollars. So that this is, I think, a reasonable, temporary ceiling to put on the increase, around 20 percent this year.

Mr. BYRD of Virginia. Mr. President, do I correctly assume that the amendment being offered by the Senator from New Hampshire does not reduce existing appropriations but merely places a ceiling of a 20-percent increase on the appropriations for administrative expenses?

Mr. COTTON. That is right. It would allow an increase over the last fiscal year—an increase in 1972 over 1971—for administration in the States where the services are performed in connection with the programs, 20 percent over last year—puts a limit there of 20 percent.

Without some kind of ceiling, it is a perfectly open-ended obligation. They can spend all they want, hire all the people they want to hire, do anything they please, and we have to pay 50–50 on a strict administration cost of 75 percent of all such costs and other costs of the programs. This attempts to put a ceiling on the increase.

Mr. BYRD of Virginia. So, as I understand it, on the amendment offered by the Senator from New Hampshire, if adopted, there would be no ceiling on administrative costs. What the Senator from New Hampshire feels is that by permitting the increase of 20 percent in administrative costs, Congress would be fulfilling its full obligation.

Mr. COTTON. That is correct.

Mr. BYRD of Virginia. If I may ask the Senator another question, as I understand it, what the Committee on Appropriations is seeking to do, and what the Senator from New Hampshire is seeking to do, is to put some reasonable restraint or some reasonable limit on the soaring welfare costs, particulary in the field of the administration of welfare.

Mr. COTTON. That is correct. Leave untouched, I suppose, the welfare funds. This is just its administration and the administration of its programs.

Mr. BYRD of Virginia. If the Senator would yield me a minute or two——

Mr. COTTON. I am glad to yield the Senator 4 or 5 minutes.

Mr. BYRD of Virginia. Mr. President, in the colloquy with the Senator from New Hampshire, it seems to me that the proposal brought into the Senate by the Appropriation Committee as an amendment, or proposed to be amended by the Senator from New Hampshire, is a reasonable one.

It would permit the States to increase their costs by 20 percent and the Federal Government would pick up the tab. It is only when they go beyond the 20 percent that the Federal Government would say, "No, that is unreasonable. You have got to get this thing under control a little bit."

I think, instead of condemning the Appropriations Committee, that they are heading in the right direction and should be commended.

I hope and believe that the Finance Committee, under the distinguished chairmanship of the Senator from Louisiana, will go along the same line in regard to all of the appropriations affecting welfare.

If we do not get welfare costs under control, the whole program will blow up. As a matter of fact, I believe, that if we do not do that, the whole financial situation in the country may blow up.

Secretary of Health, Education, and Welfare Richardson testified before the Finance Committee this week that in the decade of the 1960's, the way he expressed it, the number of persons on welfare increased by 146 percent and yet in one year, from August 1969 to August 1970, it increased by 50 percent.

I do not know whether that is an indictment of the way the Department of Health, Education, and Welfare is being run out of Washington, but it is a startling fact. I think it is just vital that some effort be made to restrain the soaring costs of public welfare, which can be paid only by the taxpayer, which can be paid only by the wage earner—the money can come only from one place and that is out of the pockets of the man and woman who works for a living.

Therefore, I, for one, want to commend the Appropriations Committee and the distinguished Senator from New Hampshire (Mr. Cotton) for trying to put some ceiling on the costs of administering this gigantic program.

It certainly seems to me that 20 percent in one year is not a conservative increase.

Mr. COTTON. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. LONG. Mr. President, let me show why the Cotton amendment does not make good economic sense.

Nowhere in America is anyone making any better headway in family planning programs than in Louisiana. In New Orleans, Dr. Beasley, a very fine young man, is running a program showing how we can take welfare mothers and put them to work teaching other young women about family planning so that they will not become welfare mothers.

Under the Cotton amendment, the welfare rolls could be loaded down with women who had babies as a result of unwanted pregnancies because the amendment would not limit welfare payments. But it would limit services like family planning with which we hope to control the growth of the welfare rolls.

I must say that this is a poorly conceived economy. For every dollar that we do not spend to prevent illegitimacy, it will cost us thousands of dollars to support illegitimate children and their mothers through welfare. It is the most poorly conceived economy that I have seen since I have been a Member of the Senate.

We also know that there a lot of welfare mothers who would like to go to work but who cannot go to work unless they have someone to look after the children when they are at work. Again, the Senator's amendment says that it is all right to leave the mothers on welfare, but we should limit child care funds which will permit them to go to work.

I believe that instead we should be paying welfare mothers to help in day care centers so that they will be looking after not only their own children, but also the children of other mothers, who in turn could go to work and increase the family income to provide a better life for themselves and their dependents. The Cotton amendment is a poorly conceived economy.

When the Finance Committee looked at this matter last year, we thought it was better to increase funds for child care. We believed in it so strongly that we increased Federal matching for child care beyond the 75 percent of present law.

The Senator's amendment would limit the amount of money available for child care centers or for family planning, but the welfare rolls could keep on climbing while mothers are unable to work for lack of child care and while unwanted births continue to occur.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MAGNUSON. We have a time limitation here and everyone is yielding my time all over the Senate.

I want to take 1 minute for myself.

The PRESIDING OFFICER. The Senator from Washington is recognized for 1 minute.

Mr. MAGNUSON. Mr. President, I want to point out to my good friend, the Senator from Louisiana, that I think no one has been more careful about family planning than have the members on this committee and the Senator from Washington. We are not saying the Senator cannot have more people for what he is talking about, because he can have as many as he wants.

We are merely suggesting that through the whole warp and woof of welfare, we are asking next year for a raise of not more than 20 percent in employment and administrative expenses.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MAGNUSON. I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from Washington is recognized for 2 additional minutes.

Mr. MAGNUSON. Mr. President, what the Senator from Louisiana is talking about is something that I understand. And I agree with him on it. However, there are some parts of HEW that I think have been overstaffed. They could take the amount out of any place they want. No one is questioning what the Senator is talking about at all. I did not pinpoint this. No one did.

Mr. President, I want to point out that the two Senators were not present when I made my initial remarks on this matter.

Another thing we have to start thinking about, and the Senator's committee ought to start thinking about, is the number of people employed in HEW already. How many people does the Senator think were employed in HEW as of May 1? Could the Senator hazard a guess?

Mr. LONG. The Senator should not ask me the question if the Senator does not know the answer.

Mr. MAGNUSON. I know the answer.

Mr. LONG. Then why does the Senator ask me?

Mr. MAGNUSON. Because I think the Senator would probably estimate it far below the actual figure because he does not have any particular knowledge of the growth of this thing. We have 860,000 people employed under HEW today.

We have to start looking a little bit into this question of administration. There are some people in the HEW administration—maybe not in this particular case—where I think they could get along with at least as many people as they have now. An increase of 20 percent a year is all we are talking about. Someone has to suggest a limit on this some time. Maybe we ought to send them a copy of Parkinson's law. I do not think they would read it, though.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MAGNUSON. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from Washington is recognized for an additional minute.

Mr. MAGNUSON. Mr. President, I do not want the information to get abroad here that we are skimping on family planning. We are not doing so at all. We have increased those amounts. This bill is the largest bill in the history of the Senate—$21 billion. Someone has to pay for it.

Mr. LONG. Mr. President, will the Senator yield me 1 minute?

Mr. MAGNUSON. In just a minute. I will yield when I am through.

I have some impression here that we are trying to shut down or hold down some of these fine organizations that we have been the champion of for a long time. This is not directed to that. Does the Senator know what the trouble is with the amendment? No Governor in any of the States in the Union wants to employ their full share under State funds. The Senate can provide for employing 100 percent more, if we want to. There is no restriction. We could provide for 200 percent on what the Senator is talking about. But no State legislature and no State Governor wants to put in this money.

That is all this is about. It does not have anything to do with these programs. We believe in welfare and in family planning and all of these things.

I remember when the Senator from New Hampshire and I tried to get family planning in the bill, we got nowhere. We increased it by about 500 percent or more. I am talking about administrative people in the offices. The Senator can go down to any one of these State welfare offices on any given day, without telling them that he is going to come there, and he will understand what I mean.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. MAGNUSON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Washington has 8 minutes remaining.

Mr. MAGNUSON. Mr. President, I yield 3 minutes to the Senator from Minnesota and will then yield 2 minutes to some other Senator, whoever may wish it.

Mr. MONDALE. Mr. President, I wish to make one point. There is no question that this country is increasingly seeing the phenomenon of mothers who are working during the day. There is no question that the philosophy underlying the family assistance program, the present welfare program, is to encourage welfare mothers who live at home during the day to go to work. In addition to that question, there is the broader issue of what happens to those children while the mother is gone. These are the same children that often suffer from malnutrition and poor housing. They are often from broken homes. They live in an environment of despair and frustration. And they are often nonwhite, also.

If we really want to visit the next generation with an insoluble problem in terms of health services, let us pursue a national program of separating children from their mothers and putting them in cold, custodial day care centers where no one thinks of them for 8 hours a day, where there is no love, no affection, and no health care. There is nothing to make the child feel that he amounts to anything.

The Senator from Louisiana is saying, "Let us have decent day care centers where the child is going to have some love, some hope, and some decent care, and not just custodial care." If we do not adopt the Cranston amendment, I am very fearful that what we are doing is to drive the mothers to a job and then to drive the children some place where for 8 hours a day there is no care and no treatment. If our Subcommittee on Children and Youth, our Subcommittee on Education, and our Subcommittee on Health of the Committee on Labor and Pubic Welfare have learned anything it is this. The first 5 to 8 years of life constitute the most important period in any life. That can be a period of total and massive psychological and physical destruction, or a great, powerful, magnificent period of growth. That is why the quality built into these day care centers is essential to the health of America. That is why we cannot save money in that way without destroying a good deal of the promise of America's future.

Mr. President, that is why I support the Cranston amendment and why I am opposed to the Cotton amendment.

Mr. COTTON. Before the Senator came into the Chamber and wept these great big salty tears, we called attention to the fact that in the bill before us we have increased appropriations for family care from $26 million to $78 million; and in family planning we have provided another additional $52 million.

Mr. President, the States, if they want to, can use the 20 percent increase for family care, if that is what you want to do with it, and the Federal Government has to pay 75 percent of that, or they can use the additional 20 percent under this amendment for family planning, and we have to pay 75 percent of that.

Never in my life have I listened to so much furor about a bill. We have gone to the limit and increased worthy projects that mean so much to this country.

Whatever the Senator from New Hampshire has done by being conservative, and I plead guilty to it, he has never been conservative when it comes to health, education, and welfare. He has been on this committee for 12 years, and he has supported these increases for 12 years. It was not the Senator from New Hampshire; it was the committee that voted this reasonable ceiling.

So in response to all this discussion about the dreadful Cotton amendment let me say this: Put this reasonable ceiling on and we will feel free to accept one of these amendments that are calling for an increase of $1 billion or $2 billion, for some of these worthy causes.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COTTON. Mr. President, I yield myself 2 additional minutes.

After we have provided increases from $26 million to $78 million for day care, how can we let this matter run open ended and unbridled? Then, they approach us about the terrible Cotton amendment. I hope the Senator will not reject this amendment. The bill was raised over the budget of the House to the tune of $400 million and raised up to $800 million when it came to the Senate committee; and with some of the authorizations when they come in it could mean a supplement that will put it over $1 billion.

My suspicion is that if the Senate adopts this reasonable ceiling, it will be made palatable so we will not have to struggle through a veto.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COTTON. I yield myself 1 additional minute.

Mr. President, in the opinion of this Sneator, this amendment is practical. I am not talking about and weeping about some of these things that we are amply financing. As a practical matter, it will grease the wheels to get this bill signed by the President and become law without going up and down the Hill as we did last year and the years before.

That is all I have to say.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time so we may have a vote.

Mr. JAVITS. Mr. President, will the Senator yield to me for just 1 minute?

I know the Senator from Washington so well and have such high regard for him on this committee, I appreciate the depth of his feeling, but I really feel——

Mr. MAGNUSON. Mr. President, if the Senator is going to speak, I am not going to yield back the balance of my time.

The PRESIDING OFFICER. The Chair understood the Senator from Washington yielded 1 minute to the Senator from New York.

Mr. MAGNUSON. I yield such time as the Senator may require.

Mr. JAVITS. Mr. President, I am terribly sad to hear what the Senator from New Hampshire said because I believe he should appreciate the great pressure that Senators from States like mine are under by financial exigencies of our States; and it is very trying when such a devastating cut has been made in the whole welfare situation—in New York, for example—and there has been a tremendous social outcry.

I submit that because of the humanitarianism and the fairness of the Senator from New Hampshire.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

The PRESIDING OFFICER. The Senator from New Hampshire has 1 minute of his own remaining.

Mr. COTTON. And will the Senator from Washington yield to me 1 minute in addition?

Mr. MAGNUSON. I yield 1 minute to the Senator from New Hampshire.

Mr. COTTON. That makes 2 minutes.

Mr. President, I thank the Senator from New York for his kind statement.

The Senator from New York has served with me on this committee and he knows we have worked together to take care of the disadvantaged and the suffering in this country.

If I spoke strongly it is because I rather resented the distinguished Senator from Louisiana and others perpetually saying, "COTTON loads up the welfare rolls." It is almost a violation of the rules of the Senate. Those things are not usually said. "COTTON does not want to give any money for day care," it was said, when we have provided $78 million. "COTTON does not want to do anything for family planning," was another comment when we have more than $91 million in this bill for family planning. A $52 million increase over last year in both instances.

Mr. President, of course, if there is a worthy amendment offered that we think should go to conference we will accept it; but we will not be able to accept as many if we do not have some ceiling—and, good heavens, we are talking about a 20 percent in administration by the States, and I cannot understand why people think that is so unreasonable.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

IF A 115-PERCENT LIMITATION IS IMPOSED ON GRANTS TO STATES FOR PUBLIC ASSISTANCE

Mr. CHILES. Mr. President, since the 1962 amendment to the Social Security Act became law, the Department of Health, Education, and Welfare has been enticing States to enter into social service programs by providing additional Federal funds for services. Caseload standards in Florida have been reduced from 21 to 60 cases per worker in the aged, blind, and disabled program and 131 to 60 cases per worker in the aid to families with dependent children program. These caseloads were established by HEW and had to be adhered to in order to earn additional Federal funds. Florida met these requirements when the division of family services, on October 1, 1970, separated the functions of payments and services. This separation was necessary to be able to claim 75 percent Federal matching for this social service program. The committee report on this bill suggests that the 115-percent limitation is needed to discourage "the improper classification of some administrative activities as socal services." Officals in Florida tell me there is no improper classification in their program and a 115-percent ceiling would not be fair. Also, as I understand it, there is already a reduction to 50 percent Federal funds matching to States who have not separated the function of payments and services.

If the 115-percent limitation is based on the 1970–71 expenditures with no increase in future years, then the service program would have to be reduced each year or be discontinued entirely. Activities in the area of services to children and their families which would have to be severely reduced because of lack of funds include: Referrals for work and training, protective services for abused and neglected children, referrals for family planning, supportive services to families of drug users, services for school-age parents, referrals of AFDC youth for summer employment, foster care for AFDC children, services for unmarried, pregnant women, counseling services for children with behavioral disabilities, and all preventive services for children potentially eligible for AFDC.

Months have been spent in planning for improved and extended services for mentally retarded and delinquent children. These would not be possible if the proposed cap is placed on expenditures.

Day care—the cap would mean the discontinuation of the division's day care program in Florida, which is now gearing up.

Currently the division of family services in Florida has contracts for day care for children living in poverty in Brevard, Dade, Duval, Leon, Palm Beach, and Pinellas Counties. By June 1, 1971, additional programs will be in operation in Alachua, Broward, Hillsborough, and Orange Counties. Community planning is underway in 37 additional counties in which private funds are being secured to be made available to the State. Without the 75 percent Federal matching, current contracts would have to be canceled and planning for additional day care services stopped because neither the local communities nor the State has the fiscal ability to provide day care services.

To jeopardize to older, disabled adults through the application of the 115-percent cap is shortsighted from both a monetary and humanitarian viewpoint. Services help persons to remain in their own homes or to return to their homes from nursing homes, hospitals, and mental institutions; contributes to independent living and saves the taxpayers money. Services are directed at helping older people remain active in the mainstream of community life, slows down deterioration and ultimate physical and mental breakdown requiring medical and institutional costs. If funds are curtailed, services necessary to achieve these objectives must be eliminated. These include homemaker service, day care, chore services, health needs, home-delivered meals, transportation, et cetera. To reduce these services will ultimately increase expenditures of public funds.

The 115-percent limitation would eliminate approximately 129 service workers and supervisory positions. This is a 10-percent reduction in manpower.

The 115-percent limitation would affect the continuation of grants and aid to universities for establishing and continuing undergraduate social work courses. In fact, the State has notified Florida State University, Florida A. & M. University, Florida Technological University, the University of West Florida, and the State Board of Regents that, if the 115-percent limitation is approved, their grants and aid will be the first to be cut off.

It is evident from the above information that the services programs of the division of family services will be in serious jeopardy and ultimately nonexistent if Congress passes this 115-percent limitation of Federal matching for administration.

Mr. CRANSTON. Mr. President, has all time been yielded back?

The PRESIDING OFFICER. All time has been yielded back.

Mr. CRANSTON. Mr. President, I move to lay the pending amendment on the table.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. CRANSTON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from California (Mr. Cranston) to lay on the table the amendment of the Senator from New Hampshire (Mr. Cotton). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Oklahoma (Mr. Harris), the Senator from Minnesota (Mr. Humphrey), the Senator from Washington (Mr. Jackson), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Rhode Island (Mr. Pastore), and the Senator from Virginia (Mr. Spong) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson), the Senator from Rhode Island (Mr. Pastore), and the Senator from Minnesota (Mr. Humphrey) would each vote "yea."

I also announce that, if present and voting, the Senator from Virginia (Mr. Spong) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Colorado (Mr. Allott) and the Senator from Oregon (Mr. Hatfield) are necessarily absent.

The Senator from South Dakota (Mr. Mundt) is absent because of illness.

On this vote, the Senator from Oregon (Mr. Hatfield) is paired with the Senator from Colorado (Mr. Allott). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 37, nays 51, as follows:

[No. 179 Leg.]

YEAS—37

Bellmon
Bentsen
Brooke
Burdick
Cannon
Case
Chiles
Church
Cranston
Curtis
Eagleton
Fulbright
Gambrell
Gravel
Griffin
Hart
Hartke
Hollings
Hughes
Inouye
Javits
Jordan, N.C.
Kennedy
Mathias
Miller
Mondale
Moss
Muskie
Nelson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Stevenson
Symington
Tunney

NAYS—51

Aiken
Allen
Anderson
Baker
Beall
Bennett
Bible
Boggs
Brock
Buckley
Byrd, Va.
Byrd, W. Va.
Cook
Cooper
Cotton
Dole
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Goldwater
Gurney
Hansen
Hruska
Jordan, Idaho
Magnuson
Mansfield
McClellan
McIntyre
Metcalf
Montoya
Packwood
Pearson
Prouty
Randolph
Roth
Saxbe
Scott
Smith
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NOT VOTING—12

Allott
Bayh
Harris
Hatfield
Humphrey
Jackson
Long
McGee
McGovern
Mundt
Pastore
Spong

So the motion to lay Mr. Cotton's amendment on the table was rejected.

The PRESIDING OFFICER (Mr. Weicker). The question now recurs on agreeing to the amendment of the Senator from New Hampshire.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Mississippi (Mr. Eastland), the Senator from Minnesota (Mr. Humphrey), the Senator from Washington (Mr. Jackson), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson), the Senator from South Dakota (Mr. McGovern), the Senator from Rhode Island (Mr. Pastore), and the Senator from Minnesota (Mr. Humphrey) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Colorado (Mr. Allott) and the Senator from Oregon (Mr. Hatfield) are necessarily absent.

The Senator from South Dakota (Mr. Mundt) is absent because of illness.

On this vote, the Senator from Colorado (Mr. Allott) is paired with the Senator from Oregon (Mr. Hatfield). If present and voting, the Senator from Colorado would vote "yea," and the Senator from Oregon would vote "nay."

The result was announced—yeas 47, nays 43, as follows:

[No. 180 Leg.]

YEAS—47

Aiken
Allen
Baker
Beall
Bellmon
Bennett
Bible
Boggs
Brock
Buckley
Byrd, Va.
Byrd, W. Va.
Cannon
Cook
Cooper
Cotton
Dole
Dominick
Ellender
Ervin
Fannin
Fong
Goldwater
Gurney
Hansen
Hruska
Jordan, N.C.
Jordan, Idaho
Magnuson
Mansfield
McClellan
McGee
Montoya
Packwood
Pearson
Prouty
Randolph
Roth
Saxbe
Scott
Smith
Sparkman
Stennis
Thurmond
Tower
Weicker
Young

NAYS—43

Anderson
Bentsen
Brooke
Burdick
Case
Chiles
Church
Cranston
Curtis
Eagleton
Fulbright
Gambrell
Gravel
Griffin
Harris
Hart
Hartke
Hollings
Hughes
Inouye
Javits
Kennedy
Mathias
McIntyre
Metcalf
Miller
Mondale
Moss
Muskie
Nelson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Spong
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Williams

NOT VOTING—10

Allott
Bayh
Eastland
Hatfield
Humphrey
Jackson
Long
McGovern
Mundt
Pastore

So Mr. Cotton's amendment was agreed to.

Mr. COTTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COOK. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from California to strike section 209, as amended. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. Mr. President, a vote of aye is a vote to strike the section.

The PRESIDING OFFICER. The Senator is correct. The clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Minnesota (Mr. Humphrey), the Senator from Washington (Mr. Jackson), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from New Mexico (Mr. Montoya), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson), the Senator from South Dakota (Mr. McGovern), the Senator from Rhode Island (Mr. Pastore), the Senator from Minnesota (Mr. Humphrey), and the Senator from Indiana (Mr. Bayh) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Colorado (Mr. Allott) and the Senator from Oregon (Mr. Hatfield), are necessarily absent.

The Senator from South Dakota (Mr. Mundt) is absent because of illness.

On this vote, the Senator from Oregon (Mr. Hatfield) is paired with the Senator from Colorado (Mr. Allott). If present and voting, the Senator from Oregon would vote "yea," and the Senator from Colorado would vote "nay."

The result was announced—yeas 50, nays 40, as follows:

[No. 181 Leg.]

YEAS—50

Anderson
Bennett
Bentsen
Brooke
Burdick
Cannon
Case
Chiles
Church
Cranston
Curtis
Eagleton
Fulbright
Gambrell
Gravel
Griffin
Harris
Hart
Hartke
Hollings
Hughes
Inouye
Javits
Jordan, N.C.
Kennedy
Mathias
McIntyre
Metcalf
Miller
Mondale
Moss
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Ribicoff
Saxbe
Schweiker
Scott
Sparkman
Spong
Stevens
Stevenson
Symington
Talmadge
Tunney
Weicker
Williams

NAYS—40

Aiken
Allen
Baker
Beall
Bellmon
Bible
Boggs
Brock
Buckley
Byrd, Va.
Byrd, W. Va.
Cook
Cooper
Cotton
Dole
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Goldwater
Gurney
Hansen
Hruska
Jordan, Idaho
Magnuson
Mansfield
McClellan
McGee
Pearson
Prouty
Randolph
Roth
Smith
Stennis
Taft
Thurmond
Tower
Young

NOT VOTING—10

Allott
Bayh
Hatfield
Humphrey
Jackson
Long
McGovern
Montoya
Mundt
Pastore

So Mr. CRANSTON's amendment was agreed to.

Mr. CHURCH. Mr. President, before proceeding with my statement, I wish to congratulate the Senator from Washington (Mr. MAGNUSON) for his masterly efforts in bringing the Labor-HEW appropriations bill to the floor of the Senate for early consideration. In addition, I wish to compliment him for the genuine concern that he has always demonstrated for older Americans. In his capacity as the chairman of the Labor-HEW Appropriations Subcommittee, he has been in the forefront in obtaining more adequate funding for the elderly.

As the sponsor of three measures to increase appropriations for programs for the elderly, I shall direct my remarks to these provisions in H.R. 10061. These proposals, I am pleased to say, have the strong bipartisan support of the Senator from Vermont (Mr. PROUTY) and other members of the Committee on Aging, of which I am chairman.

First, the Appropriations Committee approved my amendment to raise funding under the Older Americans Act for the title III community programs on aging by $6 million, from $9 million to $15 million. With this amount, an additional 460 projects can be initiated to provide vital services to the elderly—such as transportation for the infirm and frail, meals on wheels for shut-ins, home health services, and many others. These services, I might add, enable many older Americans to live independently, instead of being institutionalized at a much higher public cost. Moreover, this amendment will permit an additional 700,000 older Americans to be served by community programs on aging, boosting the existing figure of 1 million to 1.7 million.

Equally important, H.R. 10061 includes my proposal to increase funding by $4.5 million for the successful foster grandparent program, from $10.5 million to $15 million. This will provide urgently needed employment opportunities for 1,800 low-income persons 60 and older, raising the present total from 4,200 to 6,000. This amendment will also enable an additional 3,600 neglected, retarded, and otherwise disadvantaged children to receive important supportive services which are not available. Moreover, this would increase the present total of 8,400 to 12,000.

For many of these older persons, the foster grandparent program is much more than a means of providing badly needed income to supplement inadequate retirement benefits. It is also a means to engage in purposeful activity; a means to help others; and a new and rewarding experience for many. Large numbers of foster grandparents now work beyond regular work hours to provide the love and care which these young children desperately need.

In addition, H.R. 10061 raises the funding requested by the administration for aging research and training in the National Institute of Child Health and Human Development from $7.18 million to $12 million. With this money, further research can be initiated for treatment of chronic diseases which plague aged and aging Americans. Equally important, additional personnel can now be trained in biomedicine.

Mr. President, I urge the approval of the fiscal 1972 Labor-HEW appropriations bill, H.R. 10061.

Mr. EAGLETON. Mr. President, a bipartisan group of Senators led by Senator CHURCH, chairman of the Special Committee on Aging, and Senator PROUTY, the ranking minority member of that committee, urged the Senate Labor-HEW Appropriations Subcommittee to increase funding for several programs in the aging field.

I am much pleased that the Senate bill provides the additional funds we proposed for three important programs, and I want to commend the Senator from Washington and his committee for their action.

The community grant program under title III of the Older Americans Act provides seed money to encourage the development of services at the community level that are desperately needed by many older people. These services include home-delivered meals, transportation, homemaker and home health services, and the establishment of senior centers.

Funding for this program has dropped from $14.5 million in fiscal 1969 to $9 million in the last 2 fiscal years. To continue this level of funding for another year would mean the initiation of very few new community projects.

The Senate bill increases funds for title III community grants by $6 million—from the budget request for $9 million to $15 million. These additional funds will permit the funding of some 460 new community projects serving 700,000 additional elderly persons.

The foster grandparent program provides part-time employment opportunities for low-income persons aged 60 and over to furnish supportive services to disadvantaged and institutionalized children. This is one of the most successful and popular programs funded by the Federal Government.

Currently 68 projects provide employment for 4,200 persons. There have been hundreds of applications for new projects, and there are some 8,000 persons on waiting lists at the existing projects.

The Senate bill provides an additional $4.5 million, increasing the funding from the fiscal 1971 level of $10.5 million to $15 million. These additional funds will provide employment opportunities for another 1,800 of the elderly poor.

Biomedical and behavorial research in aging is conducted under the auspices of the National Institute of Child Health and Human Development. In recent years, appropriations for this purpose have remained generally constant with little allowance for rising costs and virtually no room for growth.

The fiscal 1972 budget request would have cut funds for aging research by about 12 percent. The immediate effect of this budget cut would have been to preclude the awarding of any new aging research grants in fiscal 1972, and this includes not only new projects but the renewal of valuable projects that have been funded over a period of years.

The Senate Appropriations Committee has wisely added $4.82 million for aging research and training, raising the funding level from the $7.18 million requested to $12 million.

Mr. President, these funding increases total $15.32 million—in our terms a rather modest sum. Yet channeling them into these programs can mean new services and employment for thousands of older Americans and the difference between stagnation and progress in the vital area of aging research.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 384) providing for an adjournment of the two Houses from August 6, 1971, to September 8, 1971, in which it requested the concurrence of the Senate.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1972

The Senate continued with the consideration of the bill (H.R. 10061) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes.

The PRESIDING OFFICER. The Senate will now resume the consideration of the amendment of the Senator from Alabama (Mr. ALLEN).

The Senator from Montana (Mr. MANSFIELD) is recognized.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk read the amendment, as follows:

> On page 12, line 14, strike out "$281,704,000" and insert in lieu thereof "$331,704,000"
>
> On page 12, line 14, strike out "$172,200,000" and insert in lieu thereof "$222,200,000"
>
> On page 12, line 17, immediately after "facilities" insert ", of which $66,400,000 shall be available only for grants for the construction of public or other nonprofit hospitals and public health centers"

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the amendment of the Senator from Alabama be laid aside so that the amendment of the Senator from Montana may be considered?

Mr. MANSFIELD. Mr. President, very temporarily. I should have made that request and I forgot it. I do so.

Mr. ALLEN. Mr. President, I am glad to yield for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from Montana ask unanimous consent that the amendments be considered en bloc?

Mr. MANSFIELD. Yes, indeed.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

ADJOURNMENT OF THE TWO HOUSES FROM FRIDAY, AUGUST 6, 1971, UNTIL WEDNESDAY, SEPTEMBER 8, 1971

Mr. MANSFIELD. Mr. President, I shall not take more than 5 minutes, but first I ask unanimous consent that a concurrent resolution at the desk providing for the adjournment of Congress from August 6 until September 8 be called up for immediate consideration.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House of Representatives, which will be read by the clerk.

Mr. COTTON. Mr. President, reserving the right to object—and I shall not object—I understand that after the amendment of the majority leader is taken care of, the Senator from Alabama, the Senator from Kentucky, and the Senator from Kansas, by unanimous-consent agreement, are going to be recognized to call up their amendments. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The concurrent resolution will be read.

The legislative clerk read the concurrent resolution (H. Con. Res. 384) as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That when the two Houses adjourn on Friday, August 6, 1971, they stand adjourned until 12 o'clock meridian on Wednesday, September 8, 1971.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

THE RAILROAD STRIKE

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. Mr. President, when the Senator from Montana finds it convenient, in view of this concurrent resolution, which we know will be adopted, I would like to have the privilege of having considered a resolution giving the President the necessary authority to deal with the consequences of what in effect will be a national rail stoppage. I just wish to announce this to the Senate because this resolution will pose the question of what we do in the next 30-plus days should that eventuality overwhelm us.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

Mr. JAVITS. Mr. President, may the majority leader answer?

Mr. MANSFIELD. May we agree to the concurrent resolution first?

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 384) was agreed to.

Mr. MANSFIELD. Mr. President, let me say that the reason for action so far ahead of time is that, under the rules, the House would adjourn sine die on August 1. Therefore, to circumvent that happening, we must agree to this resolution today so that the House can act in accord with the Senate's action on the August 6 adjournment.

Second, I think that the distinguished Senator from New York has made a very good suggestion, and I would hope that he would undertake to carry out what he has stated when this bill is disposed of.

Mr. JAVITS. I thank the majority leader.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1972

The Senate resumed the consideration of the bill (H.R. 10061) making appropriations for the Department of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes.

Mr. MANSFIELD. Mr. President, I yield myself 5 minutes, and I yield back the remaining 25 minutes.

The Federal investment in health care programs has increased significantly over the past several years. This year the administration is urging the approval of legislation to establish health maintenance organizations and various proposals for national health insurance will be considered in the Senate and House. It makes no sense to me, however, to increase the demand for health services through Federal financial assistance programs when we fail to provide the needed resources for supplying the additional medical care.

While it is true that legislation has been enacted and is being expanded to increase the supply of health manpower, there has been very limited support for the construction of health facilities. In my State of Montana and in other States the Federal requirements under medicare for safety standards with respect to health care facilities have escalated the needs for construction and modernization.

The 1972 authorization for appropriations under the Hill-Burton Act amounts to $402,500,000. The PHS appropriations bill as approved by the Senate Appropriations Committee, however, would make only $172,200,000 available in grants to the States for the construction and modernization of hospitals and other health care facilities. The comparison is shown below:

Category	Authorization	Approved
Hospitals	$152,500,000	$16,400,000
Long-term care facilities	85,000,000	20,800,000
Outpatient facilities	70,000,000	70,000,000
Rehabilitation facilities	15,000,000	15,000,000
Modernization	80,000,000	50,000,000
Total	402,500,000	172,200,000

A PHS survey of the States showed that there is a backlog of $16 billion in new construction and modernization of health care facilities. Furthermore, the States report that they could match Federal funds on a 1-to-1 basis to the extent of $9 billion worth of construction and modernization of health care facilities over the next 2 years.

The bill as approved by the Appropriations Committee would make in excess of $50 million available in grants for the construction and modernization of health care facilities in Washington, D.C., under the District of Columbia Medical Facilities Construction Act. But only $172.2 million would be apppropriated in grants for all 50 States. No State, for example, would be allocated more than $300,000 for the construction of hospitals and public health centers.

My amendment would add $50,000,000 to the bill for the construction of hospitals and public health centers. This would make $66.4 million of the $152.5 million that is authorized available for pressing needs. States have the option, under existing law, to use these funds for new construction or modernization.

Mr. President, I hope the committee will give the most serious consideration to this amendment and will find its way clear to adopt it.

Mr. MAGNUSON. Mr. President, the committee considered this matter at some length. I think it is the consensus of the committee that, because of the fact that some of this construction money is mandatory—and it should be—possibly we should take this amount to conference, but I would ask for a voice vote on it, if the Chair will put the question.

Mr. MANSFIELD. Mr. President, I yield back the balance of my time.

Mr. MAGNUSON. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I want the RECORD to show that the vote was unanimous.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, will the Chair have the clerk state the pending amendment?

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 12, line 4, strike out "$99,840,000" and insert in lieu thereof "$107,840,000, of which $8,000,000 is for the prevention and suppression of tuberculosis".

Mr. ALLEN. First, Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of the amendment: My distinguished senior colleague from Alabama (Mr. SPARKMAN), the distinguished Senator from Montana (Mr. METCALF), the distinguished Senator from Hawaii (Mr. INOUYE), and the distinguished Senator from Alaska (Mr. GRAVEL).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I wish to commend, at the outset, the distinguished Senator from Washington (Mr. MAGNUSON), the chairman of the Appropriations Committee, (Mr. ELLENDER), and all of the members of this subcommittee and of the full committee for the dedicated work that they have put in on this measure over the last 3 months. We are very fortunate indeed, in Congress, to have the appropriations bills all so far along. The House passed the bill now under consideration only last Tuesday, I believe, July 27, but because the Senate committee had been working on the Senate appropriation bill, it was able to make the substitution and bring the bill to the floor at this time.

However, the final markup of the bill, I believe, was had only yesterday, which did leave the possibility of some matters not coming to the attention of agencies and persons having an interest in appropriations under consideration by the committee. I should like to speak in behalf of this amendment, which would add $8 million for project grants for tuberculosis prevention and control.

Last year, some $5.3 million was available in project grants to combat tuberculosis, but under the present bill, no sum of money whatsoever is made available to fight tuberculosis on a project grant basis. That would be a basis of fighting the disease where it is present, providing project grants to fight the disease in areas of high incidence of the disease, rather than under some formula that does not take that into account.

When the Department of Health, Education, and Welfare shifted its support for the control of tuberculosis from project grants to formula grants the funds available to the 29 States with the most severe tuberculosis problems were reduced. To some extent these cutbacks were offset by project grants under section 314(e) and section 317 of the Public Health Service Act. In 1971, for example, $5.3 million was available in project grants to combat tuberculosis. The 1972 budget, however, includes no funds for the control of tuberculosis through project grants.

It is an extremely shortsighted policy to eliminate these funds for the control of tuberculosis when we have been making such excellent progress. For example:

First. Beginning in 1966, the rate of new active tuberculosis cases began to decrease each year. From 1968 to 1969, the new cases decreased by 8.9 percent compared to an average decrease of about 5 percent for the 5-year period 1961–65.

Second. A great proportion of active cases are now being treated on an outpatient basis. In 1969, only 36 percent of patients with active disease were hospitalized compared to over 50 percent in 1964.

Third. According to data compiled by the American Hospital Association, the average length of stay in non-Federal tuberculosis hospitals decreased from 202 days in 1961 to 132 days in 1969.

Fourth. As a result of fewer patients being hospitalized and a shorter stay for those hospitalized, approximately 12 million bed days are not needed. This saved the State and local governments over $430 million in tuberculosis hospital costs for the 5-year period 1965–70.

These gains, however, will be reversed unless we continue the fight against tuberculosis because there are significant unmet needs:

First. One fourth of the active tuberculosis cases at home, the No. 1 priority in tuberculosis control, are not on chemotherapy.

Second. More than half of the children under 5 years of age who are known household contacts are not being given preventive treatment. Children at this young age are at high risk of developing the disease, frequently in the form of meningitis, which is fatal if not treated.

Third. Only 37 percent of the close contacts of active cases are being treated, yet the chance of disease developing among those in this group who have recently been infected is around 8 percent.

This data is convincing proof that we must improve our tuberculosis programs.

To attain the goal of eradication, the extremely effective preventive and therapeutic drug treatments which are available today must be used to reduce the incidence of new cases which, in 1970, numbered 37,000 in the United States.

In 1969, before the Public Health Service switched from project grants to formula grants for tuberculosis control, Alabama received $850,000. In 1971, Alabama will have less than one half of this amount for the control of tuberculosis from Federal sources. This is a particularly pressing health problem since Alabama has the third highest new case rate of active tuberculosis in the United States. The new case rate for Alabama is 33.9 per 100,000 population as compared with a national average of 18.3. Project grants would put the funds where needed, where the disease is.

The amendment I propose would make $8 million available in project grants under the authority of section 317 of the Public Health Service Act for tuberculosis control. This will permit the funds to be directed to those States and cities where the tuberculosis problem is most severe. We must have as our goal the eradication of tuberculosis and these funds will allow substantial progress toward that end.

I have a telegram from Dr. Ira L. Myers, State health officer for the State of Alabama, that I should like to read into the RECORD——

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ALLEN. I am delighted to yield to the Senator from Washington.

Mr. MAGNUSON. The Senator, to save time, could put that wire in the RECORD.

Mr. ALLEN. All right.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MONTGOMERY, ALA.

Hon. JAMES B. ALLEN,
Senate Office Building,
Washington, D.C.

It is our understanding that an additional $20,000,000 was added in the House to the President's budget request for the Department of Health, Education, and Welfare's budget for communicable disease control, namely, VD, TB, and vaccination assistance.

We received information from Washington today which indicated the House approved the $20,000,000 for VD and vaccination assistance but TB control programs would not be eligible for grants which would be funded under the 314 "E" categorical grant mechanism.

As you know, Alabama desperately needs funds for TB control to make up for the recent cutbacks in Federal spending. It is our hope that this appropriation bill can be amended to include funds for TB as well as VD and immunization.

What progress has been made in recent years will be dissipated if there are no funds for TB control. In 1965 the new active case rate per 100,000 population was 40.6 and in 1970 the new active case rate was 33.8. Of the fifty States in the Nation, Alabama ranks number three in active case rate exceeded only by Hawaii and Alaska. There continues to be more than 1,000 new active TB cases reported in Alabama annually. Currently, there are 4,000 diagnosed TB cases receiving anti-tuberculosis drugs and an additional 10,000 persons are on prophylactic medication to prevent their developing active TB. In excess of 260,000 individuals are receiving TB control services in Alabama annually.

Your continued support of TB control funding at the national level is greatly appreciated. These Federal funds will enable us to continue quality TB control services in Alabama.

IRA L. MYERS,
State Health Officer.

Mr. MAGNUSON. It is somewhat unfortunate that we did not hear any witnesses on this particular matter, except in a general way. But I understand what the Senator is talking about, and I would hope that he would modify his amendment to provide $6 million, and we would make it clear that it would be for project grants, and that the additional money added to the $95 million in the bill would be shown, as a result of this colloquy on the floor, to be for the tuberculosis purposes that the Senator suggests.

Mr. ALLEN. The distinguished chairman would take the matter to conference under those circumstances and, of course, since it is the will of the Senate, urge the conferees to agree to the amendment?

Mr. MAGNUSON. There is another reason. Tuberculosis is one field in which we have made substantial progress. I recall that when I was handling the Veterans' Administration medical appropriations, we used to have TB wards in all these hospitals, and many of the large general hospitals would have TB wards. Counties would have a TB sanitarium. We have made great progress. Most of those wards have disappeared. There are no more wards in veterans hospitals for TB cases. TB cases are not as numerous, and they are taken care of in the general wings and are not isolated.

I think it is well that we do this, because tuberculosis is a fickle disease. We may have put it down, but we want to be sure it does not come back up, as has happened in Alabama.

So I would be glad to take to conference $6 million, if the Senator would modify his amendment.

Mr. ALLEN. I appreciate that.

I invite attention to the fact that, even though the House report seeks to earmark some $20 million—$16 million for venereal disease control and $4 million for vaccine programs—that earmarking is not in the bill itself.

Mr. MAGNUSON. That is correct.

Mr. ALLEN. So that those recipients of the appropriations in the House bill would have to reply on the language in the committee report.

It is the understanding, then, of the junior Senator from Alabama, by the colloquy that is taking place between the distinguished Senator from Washington and the junior Senator from Alabama, that the legislative intent would be manifested to make the additional $6 million available in the form of project grants for the treatment and care of tuberculosis patients.

Mr. MAGNUSON. That is correct.

Mr. ALLEN. It will be with that understanding that the amendment will be modified and agreed to by the Senate?

Mr. MAGNUSON. That is correct.

Mr. FANNIN. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. FANNIN. Since the Indians have the greatest problem in tuberculosis of any group in our Nation, I wonder whether they would be considered covered by this, or would it be under the Indian Health Service and not the Public Health Service, the Interior bill?

Mr. MAGNUSON. I believe this would be under the Interior bill. I am not too familiar with the Interior bill, but it includes Indian health.

Mr. FANNIN. We do have the greatest problem on Indian Reservations. When the distinguished Senator from Alabama mentioned that the money should go where the problem is involved, I am very concerned, because the problem is very much involved on the Indian reservations.

Mr. MAGNUSON. It would not be germane to this bill.

Mr. FANNIN. It would not be germane to this bill. At the same time, I think the distinguished Senator from Alabama would support additional money being spent on Indian reservations.

Mr. ALLEN. Yes. The Senator from Alabama said that the money should go where the need is.

Mr. FANNIN. I thank the Senator.

Mr. MAGNUSON. I say to the Senator from Arizona that we have the same situation with some of the Alaska natives.

Mr. FANNIN. I thank the Senator.

Mr. ALLEN. Mr. President, without changing the original purpose of the amendment as outlined in my remarks, I send to the desk a modification as suggested by the Senator from Washington, and I ask that the amendment be so modified.

The PRESIDING OFFICER. The clerk will state the modification.

The assistant legislative clerk read as follows:

On page 12, line 4, strike out "$99,840,000" and insert in lieu thereof "$105,840,000."

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. ALLEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on amendment has been yielded back. The question is on agreeing to the amendment, as modified, of the Senator from Alabama.

The amendment, as modified, was agreed to.

Mr. ALLEN. I thank the distinguished Senator from Washington for his cooperation.

Mr. PEARSON. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 19, line 25, insert the following:

OFFICE OF EDUCATION

EMERGENCY SCHOOL CONSTRUCTION

For design and construction of a high school facility at Fort Leavenworth Unified School District 207, Kansas, $1,592,000.

Mr. PEARSON. Mr. President, this amendment would provide for an appropriation of funds to the school district at Fort Leavenworth in the State of Kansas.

This school district, which now serves 2,267 children in grades from kindergarten through high school, is located entirely within the boundaries of the Federal installation at Fort Leavenworth, which includes the Army Command and General Staff College, a Federal penitentiary, and the Fort Leavenworth National Cemetery. This district is unique in that it is composed entirely of Federal lands, exempt from taxation. There is no significant tax base upon which to levy for the purpose of raising school funds, whether for operating purposes or for the construction of new facilities.

The school district is dependent on the prospect of Federal funds, and Federal funds alone, to finance the construction of new classrooms to house new children as they come onto the installation. As a result of recent military housing projects at Fort Leavenworth, requested by the executive branch and followed by authorization and appropriation by the Congress, the present school facilities have grown badly overcrowded.

Three hundred units of family housing have recently been constructed or are now under construction at Fort Leavenworth, and at the rate of 2.17 children per household—an estimate based on previous experience at the base—as many as 650 additional children will have to be crowded into the present inadequate facilities. These are all so-called A category children, whose parents both live and work on a Federal installation, and their needs deserve, in my judgment, the first priority in funding for programs under impact area aid legislation.

The unique circumstances of Fort Leavenworth, with its total and complete reliance upon Federal funds under Public Law 815, calls for immediate action by the Congress to fund a request, submitted by the school district, for $1,592,000 to construct 17 new classrooms. This is the purpose of my amendment. It would provide a direct grant to the school district, so that work could begin at an early date on the new building.

This amendment was not prepared in haste, Mr. President, and it is not offered as a gesture or a show of interest. In an effort to convey the seriousness of this problem to the Federal officials responsible, I wrote on April 14 to Elliot Richardson, Secretary of Health, Education, and Welfare, calling on him to take action to fund the Fort Leavenworth application. Subsequent communications with the Office of Education indicate that there is a great deal of sympathy for Fort Leavenworths' problem, but it is simply not possible to fund their application at present funding levels.

In addition, I have introduced legislation to relate the priority of applications under Public Law 815 to the increase in military housing which brings new children onto a Federal installation. Secretary Richardson has expressed his interest in the concept of this bill, which has been referred to the Committee on Labor and Public Welfare. There is, however, no immediate prospect of hearings there, and any delay in funding for the Fort Leavenworth district will only serve to expand the problem and make its ultimate solution costlier both in terms of Federal resources and in terms of the reduced quality of education for students in Unified School District 207.

I am informed by the Office of Education that it would require an appropriation of some $120 million to put enough funds in the program so that Fort Leavenworth could have its urgently needed new school. Considering the past pattern of appropriations under this law, there is no hope that enough funds would become available. This year the appropriation amounted to $20 million.

The only course of action open, Mr. President, lies in this amendment. If it is not adopted, the district will be forced, when the school term begins this fall, to take over a World War II barracks building now being used as a preschool for children under the age of 5. The preschool, which does not require the kind of permanent classroom facility used for elementary and secondary education, would have to find some place else to meet—and there simply is no other facility available. Not only would a continuation of the present situation work a hardship on these preschool students and the teachers, but it would mean the new students entering the school system this September would have to be packed into the barracks and other buildings like so many "military brats"—to use an old phrase—whose needs somehow have been forgotten or ignored in the grinding wheels of Federal bureaucracy.

It would be false economy, Mr. President, and an abrogation of the Federal responsibility, if these young students are not provided the opportunity to seek their education in an adequate classroom with adequate lunchroom facilities to provide for their nutrition. These are the sons and daughters of the men who serve this country, including some of the best minds in the field of military training and instruction. It is simply not good policy, much less good government, to allow the children of Federal employees at a permanent installation in this country to suffer the loss of educational opportunity that inadequate classroom facilities such as those at Fort Leavenworth would impose.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter to Mr. Elliot L. Richardson, Secretary of Health, Education, and Welfare, dated April 14, 1971.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washingon, D.C. April 14, 1971.

Hon. ELLIOT L. RICHARDSON,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: This is to convey my strong interest in the application of Unified School District No. 207 at Fort Leavenworth, Kansas, for school construction funds under P.L. 81–815.

Fort Leavenworth is the site of the U.S. Army Command and General Staff College, and the school district there also serves the federal penitentiary. Since fiscal year 1966, 400 units of family housing have been constructed by the Army or are now under construction at the federal reservation there. Contracts for 150 new housing units have been let in the past week, and contracts for an additional 150 units are now under preparation, both projects having previously been funded by the Congress. These two projects could bring as many as 651 additional children into the already overloaded school district.

The district covers a total area of approximately ten square miles, entirely comprised of federal lands exempt from taxation. The tax base of the district is, in fact, so low it provides an annual income of only $9,000. The district has no source of funds for the construction of new school buildings other than the federal government under the provisions of Public Law 81–815.

The action of this Administration and the previous one in requesting a limited amount of funds for expenditure under Public Law 815 has been for a number of years reflected in the limited appropriations made under this law by the Congress. In this situation, children at Fort Leavenworth are going to class in cafeterias, libraries, auditoriums, and in World War II barracks buildings to which they are bussed from hour to hour. No new school construction has taken place on the installation since 1965. Because I am aware of the heavy backlog of unfunded projects under Section 5 of Public Law 815, I would like to urge your early and favorable consideration for giving to the application of Fort Leavenworth the highest priority possible under the law.

I am this week introducing legislation to relate the priority considerations of the law directly with the increase of military family housing at installations such as Fort Leavenworth. This bill would affect only those districts such as Fort Leavenworth where the entire school population is comprised of children whose parents live and work on the federal installation. Because the prospect of a drastic decline in the quality of education for children of military personnel assigned to Fort Leavenworth is quite real and is a problem that will not solve itself, I hope you will be able to take action that will bring about early funding of the application, which has been with your agency since 1968.

Very truly yours,
JAMES B. PEARSON,
U.S. Senator.

Mr. PEARSON. Mr. President, I have discussed this matter with the distinguished chairman of the committee and the ranking Republican member, and I hope it will be accepted.

Mr. MAGNUSON. Mr. President, I think this is really an emergency situation, and I want to be sure the RECORD shows that the Senator's amendment would be a separate amendment in the bill. Technically, it comes under the Office of Education bill, but it is germane to the this appropriation. So I would be glad to take it to conference as a separate item.

The PRESIDING OFFICER. Does the Senator move the adoption of the amendment?

Mr. PEARSON. Mr. President, before moving the adoption of the amendment, I am advised that the amendment as it is now drafted does not insert itself in the right place in the bill, and I ask unanimous consent that it be inserted in the proper place.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is all time yielded back?

Mr. PEARSON. I yield back the remainder of my time.

Mr. MAGNUSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. BOGGS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. I yield to the Senator from Delaware such time as he desires, from the time on the bill.

Mr. BOGGS. I thank the chairman.

I want to ask a question. This is necessary to clear up in my mind, and I think for the record, a question which arose due to the fact that, in trying to hasten the consideration of the proposed legislation, as we should, our subcommittee met a day before the House considered the bill, so we did not have it in final form.

I ask the distinguished chairman this question relative to the appropriation for the National Institutes of General Medical Sciences. Let me say that I am especially pleased that this appropriation has been increased for fiscal 1972, an increase of almost $25 million over last year.

Can the chairman tell me whether or not part of this increase was to be applied to collaborative research and development? It is my understanding that the budget estimates would have reduced this most important item from $4,548,000 in 1971 to $3,607,172.

Mr. MAGNUSON. Mr. President, the Senator's figures are correct. We checked on this and the House restored the budget cut, as I understand it, for research and development that the Senator speaks of. Additional funds provided by our committee will be more than adequate, we are told, to allow the Institute Director to increase the collaborative research and development program.

Mr. BOGGS. I thank the Senator.

Mr. MAGNUSON. I hope this colloquy will be read by them so that they will know this is what we mean and that this is the legislative intent.

Mr. BOGGS. Mr. President, let me congratulate the chairman, the Senator from Washington (Mr. MAGNUSON), and the ranking minority member the Senator from New Hampshire (Mr. COTTON) on their work on this bill. They and the other committee members have labored long and hard in an attempt to report a reasonable bill.

I might add that this is the second major appropriations bill reported by this subcommittee this year. The education bill has already been passed and signed by the President.

I would also like to mention the fine work done in recent months by Mr. Harley M. Dirks, Mr. William J. Kennedy, and other members of the staff.

Mr. President, there is one item in the bill that I should like to mention. The subcommittee has seen fit to increase the appropriation for the National Institute of General Medical Sciences to a total of $179,318,000. This represents an increase of nearly $25 million over fiscal year 1971.

This Institute, while perhaps not so glamorous as some of the others, has performed most valuable work in the fields of genetics and in biomedical engineering.

NIGMS, in the past 2 years, has also collaborated with the National Bureau of Standards in the development of standard reference materials for use in laboratories throughout the country. The subcommittee has taken note of this most important project, and in its report has said:

> Such national standards are essential if laboratory tests performed in different parts of the country—or indeed, in different laboratories anywhere—are to be comparable and provide a reliable and unvarying basis for diagnostic and therapeutic decisions. Within the increase provided no reduction will occur and this program will continue.

I heartily concur with this thought and I would hope that NIGMS not only continues its collaborative program without reduction but will expand it. The record established in the committee indicates that part of this increased appropriation should go to expanding the interagency agreement between NIGMS and the National Bureau of Standards this year.

Mr. MAGNUSON. Mr. President, the bill is open to further amendment. I do not know whether the Senator from Kentucky (Mr. COOK) will be here momentarily, but I know that he has an amendment.

Mr. President, while we are waiting, section 102 of the joint resolution, Public Law 92–38, for continuing appropriations, places the following limits on the availability of funds under the authority of a continuing resolution:

> Until enactment of the applicable appropriation act by both Houses without any provision for such project or activity.

In other words, the authority to continue certain NIH health manpower programs, which we could not consider in the bill, because they are not yet authorized, may cease with Senate enactment of this bill.

The amendment would allow the programs to continue in operation at the fiscal year 1971 rate, on the budget estimate, whichever is lower, until October 15, 1971. This is a practice that has been followed in the past.

So, Mr. President, on page 17, line 4, before the period, insert this new language which will take care of this matter.

The PRESIDING OFFICER. Will the Senator please send his amendment to the desk.

Mr. MAGNUSON. Mr. President, I offer the amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read the amendment as follows:

> On page 8, line 3, after the period insert: ": *Provided that*, in addition, any projects or activities provided for herein which were continued during the fiscal year 1971 but for which legislative authorization has expired, may be continued at a rate for operations not to exceed the current rate or the rate provided for in the budget estimate, whichever is lower, until October 15, 1971, and expenditures made pursuant to this proviso shall be charged to the applicable appropriation whenever a bill containing such applicable appropriation is enacted into law".

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has now been yielded back.

The question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, the Senator from Kentucky (Mr. Cook) has an amendment.

Mr. COOK. Mr. President, I send an amendment to the desk and ask that it be stated. It is an amendment to increase by $5 million the appropriations for the Youth Development and Delinquency Prevention Administration of the Department of Health, Education, and Welfare.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read the amendment as follows:

> On page 24, line 7, strike out "$15,000,000" and insert "$20,000,000".

Mr. COOK. Mr. President, I present this amendment on behalf of myself and the distinguished Senator from Indiana (Mr. Bayh) for the following reasons: The Senator from Indiana and I conducted hearings on the extension of the juvenile delinquency program in HEW. At that time, there was a great deal of discussion in regard to the juvenile delinquency program in HEW and the programs that had been established within the juvenile delinquency administration on the part of the LEAA in the Justice Department.

In the past decade, there has been an increase in arrest rates for juveniles of 148 percent for violent crimes and 85 percent for crimes against property. The Federal Bureau of Investigation recently reported that—

> The involvement of young persons as measured by police arrests is escalating at a pace almost four times their percentage increase in the national population.

Thus, it is obvious that the Federal Government must devote more of its resources to attacking the problem of juvenile delinquency.

Mr. President, the most logical way to solve a problem of this proportion is to attack it at its roots. The Youth Development and Delinquency Prevention Administration has adopted this philosophy as a realistic approach to the dilemma of increasing juvenile delinquency in America. As a result of careful study, meetings in various parts of the country with experts in the field, and consultation with representatives of many academic disciplines relative to this problem, the Youth Development and Delinquency Prevention Administration has developed a national strategy for delinquency prevention.

This strategy concerns itself not only with the question of why so many young people commit crimes, but also, what circumstances prevail in the lives of that vast majority who do not. The Youth Development and Delinquency Prevention Administration approach also recognizes that there should be a useful and necessary division of labor between agencies of control such as the police, the judiciary, and correctional systems on the one hand and those responsible for youth development and delinquency prevention on the other.

During this past year, Youth Development and Delinquency Prevention Administration has worked with State planning agencies in an effort to formulate comprehensive delinquency prevention programs which will alleviate many of the underlying social ills which are so deeply interwoven into the problem of juvenile delinquency. There are now such comprehensive programs in 13 States. An additional $5 million would enable such comprehensive programs to be developed in approximately 20 additional States.

In other words, this $5 million would make it possible for the Youth Development and Delinquency Prevention Administration to continue to support rehabilitation and prevention grants at the 1971 level and add 20 new comprehensive community delinquency prevention systems at $250,000 per program. These comprehensive programs would increase services in the community for hundreds of young people across the country. In addition, after the funding of these much needed new programs, effective technical assistance, program monitoring and evaluation will occur so that program results will be known and can be used in other parts of the country.

Just one example of a highly successful program which could be duplicated in other communities if there is increased funding for the Youth Development and Delinquency Prevention Administration is the teenpost youth leadership summer program in southern California. In this program, 80 young people who have just finished their junior year in high school who are low achievers with high potential, are selected and worked with during their summer vacation. In 3 years of operation, it has been found that the participants in this program have returned to their respective high schools and have demonstrated leadership qualities which were previously dormant. This program has the highest endorsement of the superintendent of schools for Los Angeles County since it has reduced school-community tensions, increased student motivation and improved teacher morale.

Mr. President, additional programs of this nature are sorely needed for the prevention of delinquency in the United States. If we are to ever combat the rampant increase of juvenile crime, we must face up to the fact that Congress has been woefully unwilling to provide funds earmarked for the prevention of delinquency. The Youth Development and Delinquency Prevention Administration, as the only Federal agency exclusively concerned with youth development and juvenvile delinquency, desperately needs additional funds to fight delinquency.

I hope that all of my colleagues in the Senate will join with me and express their commitment to our country's greatest resource: its young people.

Mr. President, I thank the chairman very much for giving me this opportunity. This is an increase from $15 to $20 million, but I must say that the bill itself establishing a continuation of the juvenile delinquency program which this Congress passed authorized up to $75 million.

So, we can see that this is a program that has been in existence for a short time. We are moving into it slowly. There has never been an attempt to fund it at its full value. I would hope under the circumstances, frankly, that we could raise this figure to $20 million so that in conference with the House we might come up with a respectable and responsible figure. This would make it possible for the Youth Development and Delinquency Administration to function for the rest of the fiscal year with some degree of responsibility and with the knowledge that the funds that have been appropriated to them do not constitute only a pittance to accomplish nothing, but rather a figure which would permit the accomplishment of some concrete results.

Mr. MAGNUSON. Mr. President, this is a fairly new program. For 1971, the comparable appropriation is $15 million. The Budget sent up the figure of $10 million. The House did not consider it at all. The Department appealed for the $10 million. The Senate committee has now recommended the $15 million, which brings it up to the 1971 comparable appropriation. However, it has a great deal of merit, as the Senator from Kentucky pointed out. Some of these programs are just beginning to show promise. We do not want to be skimpy about it, to strangle them or to shut them down or keep them at a level at which they will be in trouble with respect to keeping on with the program. They want to go on with the program. I would be willing to accept $5 million. Inasmuch as the House has provided zero, we will probably have to do some compromising in the conference.

Mr. COTTON. Mr. President, I concur with that.

Mr. COOK. Mr. President, may I say to the distinguished manager of the bill that during the course of the hearings on the continuation of the program, we received assurances in the record from Secretary of HEW Richardson and from Attorney General Mitchell that they would create a council and set up an ongoing relationship between the two agencies so that the juvenile delinquency program at HEW and the juvenile delinquency program at LEAA, under Jerris Leonard, would be coordinated.

Mr. MAGNUSON. So that they would not be duplicated.

Mr. COOK. The Senator is correct, so that there will not be any duplication.

Mr. MAGNUSON. This is a verv important matter. We tried to do all we can. In HEW, it is a program involving all of the States and the Department of Justice and the administration.

The Senator from Washington sometimes is tempted when we are writing up an appropriation to add a couple of million dollars, which would be 100 percent Federal grants for anyone that would build a woodshed.

Sometimes I feel that way about it. But I know that it is not as simple as that any more and that therefore we must continue these special programs.

Mr. President, I yield back the remainder of my time.

Mr. COOK. Mr. President, I yield back the remainder of my time. I move the adoption of the amendment.

The PRESIDING OFFICER (Mr. WEICKER). All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kentucky (putting the question).

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself and Senators SCHWEIKER and JAVITS.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page 12, line 4, strike out "$99,840,000" and insert in lieu thereof "$107,340,000."

Mr. KENNEDY. Mr. President, this amendment refers to the lead based paint poisoning provisions of the legislation.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MAGNUSON. Mr. President, I understand that the Senator from Massachusetts has 3 amendments.

Mr. KENNEDY. The Senator is correct.

Mr. MAGNUSON. The Senator is now discussing the amendment which deals with disease control. That concerns lead paint poisoning.

Mr. KENNEDY. The Senator is correct.

Mr. President, first of all I commend the chairman of the committee and the members of the committee in the development of this appropriation legislation. I had an opportunity to appear before the committee and itemize a number of different items that I thought were particularly deserving.

I must say that I am deeply impressed by the work and by the courage shown by the members of the Appropriations Committee in establishing some realistic figures.

The PRESIDING OFFICER. The Chair advises the Senator from Massachusetts that the amendment which he has offered is not in order, insofar as the figure he seeks to amend has already been amended. It would take unanimous consent to alter it a second time.

Mr. KENNEDY. Mr. President, as I understand it, this figure has already been increased.

Mr. MAGNUSON. Mr. President, what happened was that the first budget sent up to us had no regular money in it at all.

Mr. KENNEDY. That is correct.

Mr. MAGNUSON. Mr. President, after a lot of correspondence between ourselves and the budget, urging that they do something on this program, they sent up a budget item of $2 million.

Mr. KENNEDY. The Senator is correct. They then increased it to $7.5 million.

Mr. MAGNUSON. Under the community and environmental management, the House included $5 million. We increased it to $7.5 million. That is the history thus far.

Mr. KENNEDY. That is correct. However, as I understand from the Chair, the whole title has been amended, which therefore precludes any increase in this particular section.

The PRESIDING OFFICER. This particular figure has been amended, and therefore cannot be amended again except by unanimous consent.

Mr. KENNEDY. Mr. President, might I inquire from the Chair what the figure is at the present time?

The PRESIDING OFFICER. The figure was originally $99,840,000. That was raised to $105,840,000. The increase is $6 million.

Mr. KENNEDY. Mr. President, once again do I understand that since the title has been adjusted and increased, it therefore precludes the opportunity of adjusting that figure upward any further without unanimous consent.

The PRESIDING OFFICER. The Chair advises the Senator from Massachusetts——

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Senator from Massachusetts be allowed to offer his amendment.

Mr. ALLEN. Mr. President, reserving the right to object, I believe the amendment has reference to the section entitled "Disease Control." The amount referred to appears in line 4, page 12.

Mr. KENNEDY. The Senator is correct.

Mr. ALLEN. I would like to state to the Senator from Massachusetts that the amendment that has been made which raises the amount of $99 million to $105 million, was to provide additional money or some money for project grants for TB.

There was a colloquy to the effect that it was the legislative intent that this money be used for project grants, rather than a formula allocation. That was not put in the bill. The junior Senator from Alabama has no objection to another change of the amendment provided it does not detract from the $6 million that already has been added for the purposes for which it was allocated. I have no objection, as long as that is not changed.

Mr. KENNEDY. I would include that in my request for unanimous consent. Would the Senator from Washington be agreeable?

Mr. MAGNUSON. Someone else was talking to me here. When the banker sticks his head out here, he gets so many customers.

Let the Senator from Alabama or the Senator from Massachusetts submit the request.

Mr. KENNEDY. As I understand the situation, the amendment can be stated in a different way, and may not require a unanimous-consent request.

Therefore, I would like to withdraw the amendment and perfect it while we consider one of the other two amendments.

Mr. MAGNUSON. Very well.

Mr. KENNEDY. Therefore, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. KENNEDY. Mr. President, I send to the desk another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

On page 10, lines 23 and 24, strike out "$333,651,000" and insert in lieu thereof "$339,651,000, of which $6,000,000 shall be used for purposes of detection and treatment of sickle cell anemia".

Mr. ALLEN. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. ALLEN. The Senator realizes that the tentative objection raised by the junior Senator from Alabama was not aimed at his amendment, but was raised merely for the purpose of protecting the amendment already made.

Mr. KENNEDY. Yes; I understand. I support the amendment of the Senator from Alabama. I think it is a useful and helpful amendment and I hope we can work out the consent agreement to protect the rights and adjustments made by the junior Senator from Alabama.

Mr. ALLEN. I thank the Senator.

Mr. KENNEDY. Mr. President, this amendment would provide an increase of some $6 million for treatment of sickle cell anemia.

This is a disease which affects hundreds and thousands of American citizens. At the present time there is some $6 million in the legislation, but those funds are directed toward the NIH solely for the purpose of research, and, as I understand, have gone to the Heart and Lung Institute at NIH.

Here we hope to provide a similar amount for the treatment of sickle cell anemia. About 10 percent of the black people of this country have this disease. It is a hereditary disease. One out of 500 newborn black infants have the disease. Woefully little has been done in addressing ourselves to this particular problem.

I applaud the increases that have been made by the Committee on Appropriations in support of the research in this area with NIH. I hope we will be able to provide a similar amount for the actual treatment of victims.

Today between 50,000 and 100,000 citizens of this Nation suffering from sickle cell anemia and I think this amendment would be extremely helpful as we address ourselves to this particular health problem.

Mr. MAGNUSON. Mr. President, this is a matter that I am generally familiar with. Actually, we had very little specific testimony on this matter but one witness in particular from New York I believe gave us some compelling testimony. We also had the statement the Senator from Massachusetts made to the committee and I understand the President made special mention of it in his pronouncements, and the Secretary also.

I think the Senator should be complimented for bringing these facts to the attention of the Senate.

It is a part of the whole program to decrease the fatality rate among children. Today we stand 13th among the nations of the world in infant mortality, which is usually the yardstick in determining the health of a nation. That is not a good record. These are the kinds of things that we have to find out.

Mr. JAVITS. Mr. President, I have joined with Senator KENNEDY in an amendment to increase the appropriation to combat sickle cell anemia, an inherent blood disease found almost exclusively in Negroes.

In the President's health message he highlighted this administration's commitment to mount a special initiative to deal with sickle cell anemia, but I believe more must be done. Sickle cell anemia, an inherited blood disease has by neglect become a national disgrace. It is a painful, crippling, blood disease that kills one out of every 500 black people in this country. Two million other black Americans carry the sickle cell trait today and yet there is no program to stop it from being passed to the next generation.

It is clear that we urgently need concentrated research into the causes and treatment of the disease. The carriers of the disease must be located and identified.

There is no greater tragedy than that of a young person who from birth is unable to fulfill the promise of his life. I ask unanimous consent that an article entitled "Sickle Cell Anemia and its Effect on Black People," by Dick Campbell, executive director of the Foundation for Research and Education in Sickle Cell Disease, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SICKLE CELL ANEMIA AND ITS EFFECT ON BLACK PEOPLE

(By Dick Campbell)

Until four years ago, I never heard of sickle cell disease. But I make no apology for my ignorance. I just happen to be one of millions of black people who four years ago (and even today, for other millions) never knew that such a disease existed. A recent survey in Richmond, Virginia, revealed that only three out of ten black persons had ever heard of it. Yet, reliable scientific research shows that more than 10 per cent of all black people in America carry a sickle cell "trait" and are affected by it to a greater or lesser degree.

Apparently the disease began in Africa and the Mediterranean area centuries ago, and anyone whose ancestors came from these regions may carry the disease in any of its forms. But the disease does not affect black people alone. It is also prevalent among Latin Americans, Puerto Ricans, Indians, Asians and people of the Caribbean. However, it is the black community that bears the brunt of the disease by overwhelming odds.

Sickle cell disease is not contagious. It is an inherited blood disease, an anemia, for which there is no known cure. In sickle cell anemia, hemoglobin, the substance which gives blood its red color, is abnormal. It has undergone a change in molecular structure which causes it to crystalize within the red blood cells when they give up their oxygen. In the process the cell assumes a crescent or sickle shape.

The outcome of this sickling process is two-fold. The patient may suffer from such symptoms as poor physical development, pallor, weakness, listlessness, chronic ulcers on the ankle, a yellow cast to the eyes or severe abdominal pains. Simultaneously, his body may suffer other internal disorders. The body processes which would destroy a normal red blood cell in about 120 days would destroy a sickle cell in a fraction of that time.

This does not mean that the body no longer produces red blood cells; it means that the body cannot match the destruction of old cells with new ones. In addition, the very shape of the sickle cell affects its free passage through the smaller blood vessels. There is a constant risk of the "piling up" of these twisted or crescent shapes. With oxygen movement at a minimum, resistance to infection is weakened and the likelihood of disease increases in many of the body's vital organs.

However, the 10 percent of the black population who carry only the sickle cell "trait" in their blood and not the severe form (anemia) might live a normal life, suffering no ill effect. The chief danger of the "trait" lies in its being passed down from generation to generation. Laboratory studies show that if two people with sickle cell "trait" marry and have four children, one is likely to inherit the severe form, two will probably inherit the "trait" (and thus become carriers themselves), and one may escape with no form of the disease at all.

But even those who carry only the "trait" are warned to be cautious. The New York Times recently reported the case of four black Marine Corps recruits who passed out during rigorous boot training exercise at high altitudes and never regained consciousness. All died later. They had the "trait" in their blood and never knew it until recently. The Army does not test people for sickle cell disease and the ordinary blood test does not reveal the "trait." This is only one of a multitude of failures on the part of the government to recognize and accord sickle cell disease the serious attention it merits.

However, during a conference on genetic diseases held in Washington, D.C., during the week of December 7, 1970, it was revealed that the Army has begun offering tests at two military installations here in the States.

One must take a special test for sickle cell disease. The test was formerly quite complex, but now it is simple and quick, thanks to a growing number of biologists, chemists and medical people who have developed new testing methods. Added to this has been the emphasis on education and research by concerned organizations such as the Harlem-based Foundation for Research and Education in Sickle Cell Disease which is alerting both races to the serious implications of the disease.

Last year, the Foundation instituted a pilot health program through the New York Board of Education and tested more than 6,000 Harlem school children for sickle cell disease. The full results of the tests are not yet available, but preliminary indications are most discouraging. The two physicians who supervised the pilot program and who originated the idea, Dr. Yvette F. Francis of Jamaica Hospital, Queens, and Dr. Doris L. Wethers of Knickerbocker Hospital in Harlem, both pediatricians and both young Yale Medical School graduates, have a pretty good idea of what the tests will reveal. But the New York State Board of Education has done nothing to make the data available. Neither has the New York City Health Services Administration concerned itself about the disease.

Only a few months before the tests got under way in the schools, the new Harlem Hospital opened its doors to the public with a Community Health Fair. This was in April, 1969. The Foundation was a participant in the Fair and tested 47 black people for sickle cell disease who came in off the streets at 135th Street and Lenox Avenue. Among those tested were adults, teenagers and children, male and female. Believe it or not, 7 out of 47 showed a sickle cell "trait." That's *better* than 10 per cent. That's more than 15 per cent. So Doctors Francis and Wethers knew what to expect in the schools even before the tests began.

The data, once released, could pose this serious question: Does the city, state and nation now have another major health problem on its hands? Or, why has sickle cell disease, in comparison with other diseases, been conveniently ignored by health authorities for decades? Was it because it affected mostly black people?

The National Institutes of Health, through the Department of Health, Education and Welfare, publishes an attractive brochure on sickle cell disease which sells for 10c a copy. It goes into great detail in layman's language on the "What, How and Why" of sickle cell anemia. But nowhere in this brochure is there anything which alerts the reader to its incidence among black people. It does state that "the U.S. Government through the Department of H.E.W. is waging a war against sickle cell anemia." But the "war against sickle cell anemia" being waged by the Health, Education and Welfare Department, at best, seems more like a "mini war" than a serious all-out effort to contain or eradicate this major health problem.

For instance, in a report of the *Journal of the American Medical Association* (Oct. 26, 1970) Dr. Robert B. Scott, a hemotologist at the Virginia Commonwealth Medical College University Health Science Center, points out that research grants from N.I.H. and H.E.W. in 1968 listed 92 for leukemia, 66 for muscular dystrophy, 65 for cystic fibrosis and 22 for sickle cell anemia. Yet, in 1967 the JAMA says there were an estimated 1,155 new cases of sickle cell anemia, 1,206 of cystic fibrosis, and only 813 of muscular dystrophy. Is this an "all-out war" on sickle cell anemia by the N.I.H.?

But if the intent on the part of the government is negative, private interest and support is worse. Take for instance the amount of money raised by volunteers and private institutions for these same diseases in the same year, 1968. Again quoting Dr. Scott in the JAMA, over $7,203,000 was raised for muscular dystrophy; $1,998,716 for cystic fibrosis, and less than $50,000 for sickle cell anemia. Yet on the basis of population, neither muscular dystrophy, nor cystic fibrosis, nor hemophilia, nor diabetes in children can match the frightening statistic of sickle cell anemia among black people.

Consider the implications of the disease in a black family, which means "poor" or with very limited financial resources at best. Quoting Dr. Francis and Dr. Wethers of the Foundation, in a recent prospectus on the disease. "One chronically ill child in a family, regardless of its economic circumstances, can be devastating. The existence of more than one, or even the threat of its recurrence can be overwhelming. From earliest infancy there is the problem of medical attention with suffering and expense. In the case of school-age children constant absences from school, in addition to the frequent bouts of pain and fatigue, are a severe handicap to school achievement. Ordinary physical activity is limited, competitive sports are not desirable, and the entire educational program selection must be geared to the individual's physical capabilities.

"The choice of a vocation for the individual with sickle cell disease should be made with care; certain activities are inadvisable. Individuals with the severe form of the disease are limited to sedentary occupations. Employers of patients with sickle cell disease must have an understanding of the illness, and must be willing to accept an employee who may lose lots of time from work.

"A man with sickle cell anemia may find it difficult to hold a job and support a family. A woman with the disease superimposes a chronic illness on the problem of homemaking. She may have severe difficulty with all phases of her pregnancy and delivery. The life span of individuals with sickle cell anemia is limited. Few live beyond their forties."

And so it goes. Incredible? Indeed it is! How could an intelligent society allow a thing like this to go literally unnoticed, untouched by powerful scientific laboratories, ignored by public health authorities and refused public funds to even assess the extent of the disease among black school children in the ghetto?

No wonder the young black militant student, when told that the Foundation's request for funds from the government to continue research and education would not be forthcoming, responded, "Genocide baby, genocide!"

So what's the answer? Let's face it. For now, black people will have to carry the burden of major costs, whatever they are, to get some kind of program off the ground. The man is not about to come through for you. I sat in a meeting at the Health Services Administration several months ago and heard a white European doctor on the city payroll downgrade sickle cell disease as "extremely low priority compared to the lead-poison program." And I thought at that time and said to him, "All you have to do to eradicate lead-poisoning is to go into the ghetto and scrape all the lead paint off the tenements and re-paint with non-lead. Or better still, tear down the slums and re-build low-cost housing for low-income groups. This has to be done anyway and the sooner you do it the better."

But of course you can't do that with sickle cell disease. It involves millions of people, not lead paint, and in this country it involves black people. So the direction is clear. It will take money, lots of it, to keep the lab work going, and to make it easy for the general practitioner in medicine to adopt new screening and testing procedures. Paramount also is the need to mount a program of education that will create widespread awareness of the disease, and to encourage black people who are about to marry to take sickle cell tests. And, of course, there is the continuing need for appropriate patient services which demand equally high priorities.

Clubs, lodges, churches, PTAs, fraternities, sororities and other organizations of black people will have to adopt aid programs that will benefit those carrying on the fight. Over 600,000 black people in this country are seriously ill with sickle cell anemia, and as the population grows so will the disease. The need for massive funds is evident, but there are no donors to give millions for sickle cell anemia as in the case of other similar diseases. Sickle cell disease affects black people, which means poor people, and where are the millions coming from?

But the Foundation is hopeful—even though today it is far from its goals to coordinate local activities with a national program, to provide for research and education, and to extend direct services to patients on all levels. The goals are ambitious, but not unreachable, especially when the future of a people is in its own hands.

Mr. TUNNEY. Mr. President, I strongly support the amendment offered by the distinguished Senator from Massachusetts (Mr. KENNEDY) to strengthen the efforts we are making against the blight of sickle cell anemia. This tragic disease—associated primarily but not exclusively with blacks—was first described in 1910. The disease affects the blood protein hemoglobin and alters the hemoglobin molecules in such a way that they stack up in parallel in the red blood cells—giving the cells a characteristically "sickled" appearance. These sickled cells may then block small blood vessels causing recurrent painful "crises" with possible necrosis of the surrounding tissue. In addition, the oxygen-carrying capacity of the abnormal hemoglobin is reduced—a condition which results in severe anemia. Median survival age for those who have the disease is 20.

Sickle cell anemia is an inherited disease. The abnormality is inherited as an incompletely dominant characteristic. Some individuals have sickle cell anemia while others carry the "trait." These latter individuals are usually not at risk themselves—except under certain environmental condittions such as high altitudes—and have a normal life expectancy. Two carrier individuals, however, may pass the trait on to their offspring producing an individual with the disease.

Incidence of sickle cell anemia varies in different parts of the world. In the United States, the disease occurs in approximately 1 in 400 to 1 in 500 live Negro births. An additional 2 million are estimated to carry the trait. Although there is a wide range of variation in the severity of the disease process, those afflicted rarely survive to adulthood. For this reason, the disease is most often seen in children and young adults. Generally, the presence of the disease is not detectable until the child is 6 months old but symptoms of the disease or the presence of the trait is usually detectable before the age of two.

Screening tests have been devised which will identify easily and inexpensively those who have the disease or who carry the trait. The most popular of these diagnostic tests appears to be Sickledex, produced by Ortho Diagnostics. Blood samples can purportedly be tested with high reliability at approximately 50 cents per sample. Other tests are being devised which may screen at even lower costs.

Research in sickle cell anemia has concentrated upon the decipherment of the mechanism responsible for sickling, the development of diagnostic tests, and therapy for those with the disease. The first problem has been tackled quite successfully through the efforts of a number of researchers who were finally able to detect the specific abnormality responsible for the sickling of the hemoglobin. Methods of detection and therapy are improving, but it appears that a great deal of research still needs to be undertaken.

We would hope that efforts to control sickle cell anemia would be directed toward additional support of research in the causes and treatment of the disease and education, screening, and voluntary genetic counseling for potential carriers.

Research in sickle cell anemia is being conducted at a number of universities—notably at Howard University in Washington—and is being supported at the Federal level by the National Institutes of Health. Most of this research is being directed at devising new methods of detection and treatment. The ultimate treatment, of course, would involve some sort of genetic manipulation aimed at changing the inherited genes; but development of this type of treatment probably lies in the distant future. Direct Federal support for the past year for research in the cause, treatment, and detection of this disease has been provided through the National Institutes of Health as follows:

National Heart and Lung Institute	$763,000
National Institute of Allergy and Infectious Diseases	623,000
National Institute of General Medical Sciences	109,000
National Institute of Child Health and Human Development	43,000
Total	1,538,000

Programs to educate those who have sickle cell anemia or who might carry the trait are being supported basically by small volunteer organizations around the country. Organizations such as the Foundation for Research and Education in Sickle Cell Anemia—New York—have begun to establish programs to educate and screen for the disease. Although blood tests for sickle cell anemia are now available without cost at most municipal hospitals, it is still difficult to expose the bulk of the affected population to the tests. Because the disease does not normally appear in newborn infants, it is not feasible to screen at birth individuals who may carry the disease. Some authorities have suggested testing at the time of marriage. While such testing would obviously be of benefit, it would not detect the presence of the trait until the individual reached marriageable age, nor would it screen that portion of the population which did not marry or which had children without benefit of marriage.

Testing prior to induction into the military would reach another segment of the population—but again would fail to provide tests for everyone involved. Tests such as these, however, would obviously provide steps in the right direction.

Other problems arise with respect to screening—practical and philosophical problems with regard to the best use of the test results. At present, the most feasible approach to problems of inherited diseases lies in genetic counseling of the parents on a strictly voluntary basis. For example, two individuals who married and who were both found to carry the sickle cell trait would have a 75 percent chance of passing the trait or the disease on to their offspring. They should be able to find this out quickly and easily so as to make decisions about their family with the fullest information. Clinics which do provide voluntary genetic counseling services are now open in several States and anyone who feels that he may have a genetic problem—such as a family history of an inherited disease—may voluntarily visit one of the clinics and receive the benefit of its services.

In conclusion, Mr. President, this amendment will aid our efforts against this terrible disease and I support its passage.

Mr. COTTON. Mr. President, will the Senator from Massachusetts yield for a question?

Mr. KENNEDY. I yield to the Senator from New Hampshire.

Mr. COTTON. How many amendments does the Senator from Massachusetts have?

Mr. KENNEDY. Three.

Mr. COTTON. What do they total?

Mr. KENNEDY. In the neighborhood of $19.5 million.

Mr. COTTON. I think those are probably meritorious amendments. I will leave it up to my chairman to accept them, as he chooses.

Mr. President, we now have added $62.5 million to the bill before we take up those other amendments. Of course, the committee worked long and hard and we thought we were doing as well as we could. I simply want to make clear I would be happy to go along with my chairman.

Mr. MAGNUSON. I am glad to yield back my time and I will accept the amendment.

I think the Senator from Massachusetts is to be complimented for the statement he made before our committee and for what he has done in this matter. I do not necessarily agree to accept the amendments, but I do wish to ask the Senator from Washington how many more amendments we have.

As far as I know there is just one more amendment, the amendment of the Senator from Indiana.

Mr. COTTON. That involves how much money?

Mr. MAGNUSON. As far as I know, he is suggesting $10 million, but I am going to suggest we might be able to take $7.5 million.

Mr. COTTON. I will not interpose an objection. I was getting a little worried about the aggregate.

Mr. MAGNUSON. As far as we know, this is the last one.

Mr. KENNEDY. There is one other amendment. As I mentioned the other day in introducing the distinguished Senator from New Hampshire to the dean of a great medical school, there are few people in this body who have been more committed to meeting the health needs of our people. I know he raises these questions with a good deal of reluctance. As I mentioned before, I think the Committee on Appropriations has done an extremely commendable job in moving as far as they have in connection with these items.

Mr. President, $6 million was provided in the President's budget for research on sickle cell anemia, but there was nothing provided for treatment. When we have 50,000 to 100,000 people suffering from this disease, treatment would seem to be a wise investment.

Mr. COTTON. I thank the distinguished Senator for his very courteous and kind words. I appreciate them. I have been equally impressed with his dedication in these matters.

I must say and honestly admit that the Senator from New Hampshire was rather disappointed in the fact that we failed in the one objective I thought we should attain and if we had succeeded we could have had a number of meritorious amendments and still get by when it comes to the showdown.

Certainly, with respect to the amendment of the Senator from Massachusetts I would be perfectly willing to join the chairman of the committee in taking it to conference. However, I was trying to find out how many more amendments we have because when we get to $100 million it is getting a little too far.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JAVITS. I appreciate, having lived through what the Senator from New Hampshire (Mr. COTTON) has lived through much longer than I had when I was on the Appropriations Committee, what he has to go through. At the same time I know the tenacity with which the Senator has fought for what he believes to be right.

I would like to take a minute to join the Senator from Massachusets (Mr. KENNEDY) in assurances to the Senator from New Hampshire and the Senator from Washington. Knowing how deeply I am involved in these health matters, there are few more rewarding programs going to oppressed people or to depressed people than those with respect to which the Senator is moving. I have no other amendment to offer. Rather than take the time of the Senate, I join the Senator from Massachusetts (Mr. KENNEDY) in these amendments, and I assure the Senator that in conference he will have a very strong case in respect to these matters.

Mr. COTTON. I am sure that is true. I thank the Senator.

Mr. MAGNUSON. Mr. President, I yield back the balance of my time.

Mr. KENNEDY. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I would like to call up again the lead poisoning amendment.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the amendment be in order at this time?

Mr. KENNEDY. Mr. President, I ask unanimous consent that the amendment be in order at this time.

Mr. ALLEN. Mr. President, reserving the right to object——

Mr. KENNEDY. Mr. President, may the amendment be read?

Mr. ALLEN. Mr. President, may the amendment be read first?

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read the amendment, offered by Mr. KENNEDY (for himself, Mr. SCHWEIKER, and Mr. JAVITS), as follows: On page 12, line 4, strike out "105,840,000" and insert in lieu thereof "$113,340,000".

The PRESIDING OFFICER. Is there objection to the consideration of the amendment?

Mr. ALLEN. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, the amendment will be considered. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I appreciate the Senator from Alabama withholding his objection.

This increase of $7.5 million would be in addition to the amount by which the Senator from Alabama had increased funds under that item.

Mr. President, as the Senator from the State of Washington indicated, the administration requested only $2 million under this title, in spite of the fact that there is a total authorization of approximately $30 million in HEW funds and HUD funds—some $24 million in HEW, and some $5 million in HUD. In spite of the fact that lead poisoning exists among hundreds of thousands of children in this country, the administration requested only $2 million. Nonetheless, the Senate Appropriations Committee provided some $7.5 million for HEW. The House of Representatives had reached a figure of some $5 million.

The amendment which I have introduced on behalf of the Senator from New York (Mr. JAVITS) and the Senator from Pennsylvania (Mr. SCHWEIKER) would increase the Senate figure an additional $7.5 million, which would make a total of a $15 million program out of a $25 million authorization.

Mr. President, there are some 52 applications from cities throughout this country, totaling some $45 million, for support under this program. We know from a survey that was taken recently, that one city wants to survey some 43,000 children, and they expect some 3,300 will be sick from lead poisoning. At least a thousand of them will need some immediate care.

The best figures that the Department of Health, Education, and Welfare has indicate there are some 16,000 severe cases of lead poisoning each year. It costs approximately $1,800 to treat one child with severe lead poisoning. This comes to a figure of some $29 million just to treat the children that would have this disease every year.

Unlike many of the other programs that we consider in Congress and the Senate, we know very well how to treat these children, and we know very well that if we treat them, serious disabilities will be avoided. We appropriate great sums of money for research, studies, planning grants, and other kinds of programs which are worthwhile, but whose effects are less direct. We know that the money appropriated under this amendment can have a very direct effect, a direct impact on the health and well-being of children in this Nation. All the research has been done on this program; studies have been done; and all that we really need now is to provide the resources to help various city groups and other health agencies to go about treating children. With this amendment we know that, for example, some 4,000 children in this country who are severely affected by lead poisoning could be treated and made healthier. I think this is an important amendment.

We on the Health Subcommittee had extensive hearings on this area 2 years ago. I feel this amendment will give us a completely justifiable sum for this program. As a matter of fact, as a conferee and as one who sponsored the initial legislation, I know that last year some $40 million passed the Senate unanimously, even though only $30,000 was authorized. I would hope that we would be able to take this amendment to conference, and I am sure that it will be in good hands in the hands of the chairman of the committee.

Mr. MAGNUSON. Mr. President, I think that the committee has paid as much attention to this particular item as we did any of the smaller dollar items in the bill. We were disappointed that the budget sent up zero in the beginning and then came up with just the $2 million, but only to get a little life into the program.

Now, if my colleague from New Hampshire is willing to take this to conference, I am, but before I do, I wish to say one thing. I know about the 52 cities that are all applying, and I just want to suggest and to serve notice now that if I have anything to do with this bill next year—and after I go through 3 or 4 months of this, I am not so sure I want to do it again until I get that rest in between—I am going to be pretty cautious about any more appropriations until these cities do one thing—this does not cost a nickel—and that is adopt some stiff building code regulations and enforce them.

That is how to prevent most of this. And they just will not do it. I do not know why. The real tragedy throughout these health programs is where we know how to prevent the illness or disease, and it is preventable and we fail to do just that. Failing to follow preventive measures brings on all sorts of tragic results and the waste of human and economic loss.

These cities should adopt ordinances that would take care of this problem. As the Senator from Massachusetts said, we know what to do in this case. Until they do, I am going to frown upon any further appropriations except to take care of those youngsters who suffer from the poisoning. I do not know why cities do not do this. When one remodels a place—it might be in an area where lead poisoning is prevalent—one has to get a building permit. In most cities you would have to get a permit.

But the cities do not go down and inspect them for paint, although they should know this is going to happen. But they have no hesitancy in coming along and applying for Federal funds. That is fine; but they have got to do the job themselves. In the Committee on Commerce—the Senator from Indiana (Mr. HARTKE) and the Senator from New Hampshire are here—they and some of the rest of us had to meet the problem in relation to toys, where poisoning is a great problem, and we finally got some pretty strict regulations.

If we can set up that independent commission on product safety, we are going to see that they get some money to enforce it. So I am perfectly willing to go ahead with this, because these are youngsters who now need to be taken care of. But these cities, before they apply to us again, had better have some pretty stiff laws as a condition precedent, or they are not going to get any money from me.

Mr. KENNEDY. Mr. President, I applaud the comments of the Senator from Washington. He is entirely correct, and I believe he has found the correct approach for addressing ourselves to this problem. The contributions made in this area by the distinguished Senator from Pennsylvania (Mr. SCHWEIKER) and others in amending the HUD legislation, to provide some rather strict requirements for buildings and building codes, I think are enormously commendable.

But the Senator is correct. I remember, about a month ago, visiting Lincoln Hospital in New York City. They had a number of children there who were being treated for lead poisoning. They found that the number of such cases was actually expanding. For a while they actually thought the disease might be communicable, in spite of all the research. Then this hospital, which today provides services to tens of thousands of citizens in a large borough of New York City, found that it had lead-based paint on its walls, and that while children were awaiting treatment in the pediatrics ward, they were peeling this paint off and eating it.

So here was a hospital in a major city area itself contributing to the problem. Now, if you travel up there, you will find large screens and canvases on the walls, put up recently to stop this poisoning.

I think the Senator is correct in his statements on the desirability of stricter enforcement of housing and building codes. I applaud his comments, and I am appreciative of his willingness now to try to provide for those children who, through no fault of their own, are already afflicted with this disease.

Mr. JAVITS. Mr. President, although I support the committee's $5.5 increase over the budget request for Lead Based Paint Poison Prevention Act (Public Law 91–695) I have cosponsored this amendment to increase the appropriation from $7.5 million to $15 million.

Lead exposure is one of New York City's major pediatric problems. It is estimated that 450,000 apartment units in New York City are in such a state of disrepair that a child living in them will be exposed to the hazard of lead paint poisoning. Currently, approximately 120,000 children are living in these dwellings and its is estimated that 6,000 to 8,000 of these children have significant levels of lead in their blood. Almost all areas of New York City report some lead poisoning cases because any dwelling with lead painted interior surfaces can become a source of toxic lead. At the present time, we have high incidence areas in the South Bronx, North Manhattan, Central Brooklyn, and the Rockaway section of Queens. These areas represent once fine neighborhoods where high quality lead paint had been used extensively.

Health officials in New York City banned the use of high content lead paint on indoor surfaces in 1959. However, dangerous buildings containing toxic levels of lead were generally built before World War II. It is in such older buildings a young child gains access to paint which contains high levels of lead.

Deaths reported due to lead poisoning have dropped sharply over the part 10 years in New York City. There were 12 in 1959 and two in 1970. At the same time, the number of lead poisoning cases reported to the Health Department has increased over the last 10 years from 171 in 1959 to 727 in 1969. In 1970, 2,649 cases were discovered. In the first 5 months of this year, there have been 669 cases. By our current definition any child with 0.06-milligram percent of lead in his blood is considered to be a "case." This value is accepted as a significantly abnormal level of lead in the blood. These children as a rule do not have symptoms, but this level of lead in the blood does indicate two things: First, that the child has access to lead in his environment and, second, that the child is taking the lead into his system, probably by eating. This level of blood lead, therefore, signals a potentially harmful situation.

Current knowledge on lead poisoning leaves much to be desired. The minimal level of chronic lead exposure which can cause damage to a child's nervous system is not known. The 0.06-milligram percent level represents a borderline beyond which danger may lie. When a child with 0.06-milligram percent is located, it is important that he be brought under medical supervision and his surroundings carefully examined for lead-containing substances which could on further ingestion cause a toxic level to occur.

The New York City Bureau of Lead Poisoning Control annual budget is approximately $2.2 million. It is based on a projection of 100,000 children tested, 2,500 of whom are found "positive." It is divided into three distinct functions:

First. Finding and testing children for elevated levels of blood lead.

Second. Testing dwelling units for "leaded" surfaces.

Third. Case followup and program administration.

1. FINDING AND TESTING CHILDREN

First. Forty-four community health workers are responsible for locating individual children exposed to lead poisoning and bringing them in for testing—cost $290,750.

Second. Twenty-one thousand part-time clinician hours and 100,000 part-time clerk and aide hours are provided for drawing blood samples and doing the required ancillary work—cost $615,300.

Third. In the Department of Health laboratories, 33 employees analyze blood and paint samples—cost $334,150.

Total cost of finding and testing children, $1,240,200, or $12.40 per child tested.

2. TESTING DWELLING UNITS FOR "LEADED" SURFACES

In the inspection unit, 56 individuals, including 15 teams, composed of a sanitary inspector and a community liaison trainee, are responsible for investigating the home and secondary environments of all cases. This unit reinspects apartments after the 5-day period allowed the owner to correct the violation, orders the emergency repair program to do the repairs if the landlord has not complied; and performs reinspections checking the quality of work in apartments where owners have complied.

Total cost of testing dwelling units for "leaded" surfaces, $323,000, or $129 per case.

3. CASE FOLLOWUP AND PROGRAM ADMINISTRATION

Central administration and surveillance of all tests and cases, computerized recordkeeping, research, epidemiology, and program direction reside in a 44-man central bureau staff.

Total cost of case surveillance and administration, $651,335, or $6.51 per child tested.

The New York City emergency repair program budget in addition to the New York City $2.2-million budget previously decreed is directly related to the amount of lead found in each apartment. They are currently finding fewer "leaded" surfaces than they believe are actually present in the units we inspect. An average of 30 paint samples are taken from each dwelling unit. Twenty-three percent of surfaces tested are positive; that is, contain greater than 1-percent lead. Of apartments tested in 1970, 69 percent required repairs. However, our sampling techniques have improved so that lead is found in 81 percent of the apartments tested in 1971.

It is now costing an average of $450 per apartment to repair the leaded surfaces we find. In most cases walls are covered with wallboard from floor to ceiling.

They are now testing a new X-ray fluorescence analyzer to detect lead in apartment surfaces. Preliminary reports of machines of this type indicate that 48 of the 51 apartments tested had significant amounts of lead, on an average of two surfaces per room in each apartment. It is expected that repair costs will increase to $1,263 per apartment if the X-ray fluorescence analyzer detects as much lead as preliminary reports would indicate.

Anticipated cost of "deleading" an apartment:

First. Direct labor—one crew chief and three repair aides per crew—5 days, $476/apartment.

Second. Materials—sheetrock, tape, doors, trim, paint, and hardware, $531/apartment.

Third. Other supplies and equipment, $115/apartment.

Fourth. Overhead—Ancillary and supervising staff, $141/apartment.

Total cost of "deleading" an apartment, $1,263/apartment.

Based on this estimate, a program which repairs 2,500 apartments a year would cost in the range of $3,157,500 for apartment rehabilitation to be paid by the landlord or Government agency.

CONCLUSION

The New York City experience affords my colleagues an opportunity to see the extent of the lead poisoning problem and the magnitude of the effort in both personnel and financial resources necessary to attack it. In 1970, 2,649 cases of lead poisoning were uncovered in New York City. Yet, it is estimated that an additional 5,000 young children were not located by our program.

The solution to the problem of lead poisoning is the eradication of substandard housing. Until such time as the social commitment is made to prevent lead poisoning by eliminating the source, screening programs to seek out children in danger from toxic lead are necessary. In this way damage to the child may be prevented by treatment, and repair of his environment will lessen the likelihood that further episodes of lead poisoning will occur.

Effective wide-scale community lead poisoning prevention programs can only become reality with major Federal support. I strongly urge my colleagues to support the $7.5 million addition to the committees appropriation of $7.5 million of the total $30 million authorized by the Lead-Based Paint Poisoning Prevention Act of 1970—Public Law 91-695—be appropriated in order that New York City and others may protect children from this very serious and entirely preventable disease.

Mr. KENNEDY. I yield back the remainder of my time.

Mr. MAGNUSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY).

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I send to the desk a final amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 10, line 13, strike out "$329,652,000" and insert in lieu thereof "$335,652,000."

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, this amendment, which would add some $6 million to the comprehensive health center program, is introduced in behalf of myself, the ranking minority member of the Health Subcommittee, Mr. DOMINICK, and the ranking minority member of the Committee on Labor and Public Welfare, Mr. JAVITS.

I think if there has been an experiment in the domain of health services which has been truly revolutionary in concept and yet enormously well received, it has been the development of these comprehensive health centers scattered throughout this country. They exist in urban as well as rural communities, and are providing vitally needed comprehensive health care to tens and even hundreds of thousands of people in this Nation.

In our trips around the country, we have heard uniformly of the success of these programs in various communities.

The committee made an increase of some $3 million over the amount which was requested by the administration. This amendment would add, on top of the $3 million, an additional $6 million, which would mean there would be a total of $9 million above the approximately $133 million which was requested by the administration.

This additional sum, Mr. President, under the existing plans and programs of the administration, would provide for reaching out to more than 100,000 more people through existing neighborhood health centers, health stations which are satellites of the neighborhood health centers, and new centers. With the addition of what I do not think is an excessive amount of resources, only $6 million, more than 100,000 Americans throughout the length and breadth of this country will at least have some contact with the health care system.

It is a modest amendment, but with the enormous success of the program to date, I think the amendments we have offered today build upon a very sound foundation in terms of past achievement. I hope we can provide some very valuable additional health services to the people of the country.

Mr. MAGNUSON. Mr. President, of course, there are a number of these comprehensive health centers in the country, and we should encourage them, because there is a great deal of voluntary work, a great deal of local contribution in connection with them and to a great extent they are engaged in preventive medicine. I would think there is a return of more than half again for every bit of seed money, or perhaps a great deal more.

Mr. KENNEDY. Yes.

Mr. MAGNUSON. We do want to establish more. Although there are scores of them, there are not enough to cover the whole country, and the $6 million would be helpful in that respect.

If the Senator from New Hampshire agrees with me, I would be willing to take this matter to conference, because this is a broad program which needs a great deal of money, but the community runs it, there is a local awareness, and they get together and they accomplish their laudable objectives.

If the Senator from New Hampshire is agreeable, I am prepared to yield back my time.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. MAGNUSON. I yield.

Mr. JAVITS. I thank the Senator for what he has said. This is a part of a quality program, as these programs certainly have proved to be. Two of the most effective things that we have found, in the struggle against poverty in a legislative way, have been the importance to the poor of health and legal services. These are the two big things which no one had realized were so profoundly and so deeply needed: dignity and the preservation of health. Also, as we strive to bring into the work force the welfare client and the poor, we realize how listless one can be without any motivation, not because one may not wish to or may not be well disposed, but strictly because one is physically unable, for many reasons associated with poverty, to do what is necessary to get started to do a day's work.

I am very glad that the Senators have agreed to accept this amendment. One peripheral point: It will be realized that we are inclined also to use community health centers in the struggle against narcotics and drug abuse. I know the Senator from Washington intends to take the amendment to conference; I am really trying to fortify the amendment with the critical points which commend an increase. These centers, especially as we come to new methods of treatment, acquire a new character; and unless they are funded and staffed with competent personnel, known and respected in the community, the narcotics addict will not trust them.

Mr. MAGNUSON. Yes. We are encouraging, in this bill—I am not talking about purely rural areas, because there would not be possible there the comprehensive approach—but the smaller towns of 5,000, 6,000, and up to 10,000, which may not have such services, where all can get together and the program is very effective.

I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, just a final comment. As I understand, there are approximately 40 or so of these neighborhood health center programs, now. I think the chairman of the committee would agree with me that they have met with virtually uniform success.

This rather modest increase would provide for several additional new health centers. It would continue in a small but significant way, our commitment to this concept. It would provide for a small but important expansion of the program. Although the figure is modest, I think it is important.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MAGNUSON. Under the objective here, when we use the word "comprehensive," we do not mean the size of the operation. It can be a mobile health center, in the back of a truck or trailer, but it gives comprehensive health services to a particular area.

Mr. KENNEDY. I have seen them developed at a cost of $50,000, and they range anywhere from $50,000 to in excess of $3 and $4 million. More than 100,000 people will be touched by this amendment, and I hope the Senate will approve it.

Mr. President, I yield back the remainder of my time.

Mr. MAGNUSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. HARTKE. Mr. President, I have an amendment at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 22, line 24, strike out "$670,551,000" and insert in lieu thereof "$675,551,000."

On page 23, line 8, strike out "$5,000,000" and insert in lieu thereof "$10,000,000."

Mr. HARTKE. Mr. President, there are more than 6 million retarded children in the United States today. Until recent years, it was assumed that once a person's condition was diagnosed as mentally retarded and he was assigned to one of the intelligence or behavioral levels, he would stay at that level for the rest of his life. He was treated, trained or educated at that level, if some program was available to him. As a result, the individual either remained at the assigned level or deteriorated.

Fortunately, medical science and education have gained new insights in the past few years, and there are now several programs underway for the mentally retarded which give them the challenge and opportunity for further mental and social growth. Many mentally retarded persons are no longer doomed to stay at the same level at which they are tested, but are encouraged to move upward with professional help.

The problem of mental health is a growing one. While the proportion of 10- to 14-year-olds in our Nation's population will increase more than 10 percent over the next decade, the proportion of children in this age group who are in mental hospitals will grow by more than 100 percent. The rates for older children are almost as startling.

One of the programs which has succeeded in offering a ray of hope to the mentally retarded is the Developmental Disabilities Services and Facilities Construction Act. Under title I of Public Law 88–164, money was provided for the construction of clinical facilities to give inpatient and outpatient services for the mentally retarded—facilities which will aid in demonstrating special services as well as training specialized personnel needed for research, diagnosis, treatment, education, training or care of the mentally retarded.

Part B of this act provides construction funds to university-affiliated facilities, while other parts of the act provide construction funds for State facilities and community facilities. It is to the university-affiliated facilities that I wish to address my remarks.

When the Labor-HEW appropriations bill was passed by the House, no funds were included for the construction or programs of university-affiliated facilities for mentally retarded. Nor were any funds for this purpose appropriated last year. Congress has authorized $37 million for the university-affiliated centers, yet we have failed in recent years to appropriate those funds.

Recently, I testified before the Labor, Health, Education, and Welfare Appropriations Subcommittee to urge that $10 million be appropriated under part B of the Developmental Disabilities Act. The distinguished chairman of that subcommittee, Mr. MAGNUSON, has a long record of active concern for mental health. He and the members of his subcommittee afforded me a most cordial hearing and demonstrated their awareness of the importance of university-affiliated facilities by including an appropriation of $5 million for the part B programs.

I and millions of others throughout this Nation are most grateful to my distinguished colleagues for the addition of this line item in the appropriation bill. At the same time, I am compelled to take note of the needs of the 20 university-affiliated facilities throughout the country. These facilities include:

The University of Alabama.
The University of California.
The University of Colorado.
Georgetown University.
The University of Miami.
Georgia Retardation Center.
Indiana University.
The University of Kansas.
John F. Kennedy Institute of Johns Hopkins University in Maryland.
Children's Hospital Center in Boston.
Eunice Kennedy Shriver Center in Waltham, Mass.
New York Medical College.
The University of North Carolina.
The University of Cincinnati.
Ohio State University.
The University of Oregon.
The University of Tennessee.
Utah State University.
The University of Wisconsin.
The University of Washington.

Each of these 20 centers has given more than their 1-to-3 matching financial requirements for construction, and in many instances the university participation has doubled, trebled, and quadrupled. We have appropriated money for construction, but then we left each of these facilities out in the cold by failing to appropriate any funds for the operation of their programs. How can we expect these centers to be effective without providing them with the funds they need to carry on their work?

The public's attention is focused on the high incidence of developmental disabilities in impoverished segments of the population and the overwhelming need to take action to eradicate these conditions. If we are to prevent or to ameliorate the problem of mental retardation, there must be a corps of professionals and technicians who are not only well motivated but also well equipped to confront all aspects of this problem expertly and humanistically. In other words, Mr. President, there is a clear need for manpower.

The university-affiliated centers fill this need. They prepare highly competent individuals to assume responsible and pivotal roles in schools, community and residential agencies, clinics and hospitals engaged in the care and treatment of the disabled. The disciplines involved in the interdisciplinary approach include: pediatrics, neurology, psychiatry, social service, psychology, speech and hearing, nutrition, nursing, special education, physical and occupational therapy, and vocational rehabilitation, to name a few.

The foremost objective of the program is the training of professionals and paraprofessionals to become effective agents for change.

Mr. President, I can think of few more worthy programs than the university-affiliated centers authorized by the Developmental Disabilities Act of 1970. They are a vital part of the growing national commitment to cope with mental retardation.

That is why I am offering an amendment today which would increase the appropriation for these facilities to $10 million—$5 million more than the appropriation recommended by the subcommittee.

By appropriating this modest amount, we can assure that the valuable work of university-affiliated facilities throughout the Nation will continue at an adequate level. If we fail to make this appropriation, many of these centers will be forced to make sharp cutbacks in their operations. Even now, buildings stand virtually empty in some university-affiliated centers while long lists of mentally retarded children needing immediate attention continue to grow.

It is important for us to realize that the amendment I propose today does not provide funds which duplicate other Federal programs. It provides money to support programs which are not eligible for support under any other Federal program.

The university-affiliated centers is an attempt to have disciplines from various departments in colleges or schools relate to one another in a method of planning that will allow the university to use and move out into the community as part of the teaching experience for the students who come to the university.

Because of their dynamic and innovative programs, they are attracting people of high caliber who would otherwise never have come to the field. Because of these programs, the university can move out into the community rather than remain as an isolated and apathetic ivory tower.

The time has come for us to make good on the commitment to universities which we made several years ago when Congress authorized construction funds for university-affiliated facilities. And the time has come for us to make good on our commitment to the mentally retarded and to their parents and families. To allow buildings to be constructed and then to permit them to remain underused is to participate in a hypocritical folly to which none of us would wish to be a part.

Mr. President, I urge the adoption of this amendment so that we may at long last begin to fulfill our commitment to the mentally retarded of this country.

I have discussed this matter with the Senator from Washington, the manager of the bill, and the Senator from New Hampshire, who is the ranking minority member of the committee. I compliment them on the fact that, although $37 million has been authorized for this program, and no additional funding has occurred on the program since 1970, the committee did put in $5 million additional.

If I could modify the amendment to increase that request by $3.5 million instead of the $5 million requested, I would hope that the committee would see fit to take it to conference.

Mr. MAGNUSON. I appreciate the Senator modifying his amendment. Many Senators are interested in this matter. We did not hear too much about it, but I would be perfectly willing to talk with the House about this.

Mr. HARTKE. Mr. President, I ask unanimous consent to modify my amendment so that the increase will be $3.5 million instead of $5 million—a total of $8.5 million in that program.

Mr. COTTON. Mr. President, I am perfectly willing to agree to take it to conference.

So far as the chairman knows, this is the last amendment?

Mr. MAGNUSON. So far as I know, this is the last amendment.

Mr. COTTON. I just want to make sure that the RECORD shows that when we cut out section 9, on the motion of the Senator from California (Mr. CRANSTON), we added $185,547,000 to this bill. Since then, we have added in amendments, $83,700,000, and this amendment will add——

Mr. MAGNUSON. The total is $8.5 million. We added $5 million, and the amendment provides for $3.5 million more.

Mr. COTTON. So we have added approximately $270 million to this appropriation bill on the floor today.

I am happy that this is the last amendment. I think it is a very worthy one, and I will go along with the chairman of the committee.

Mr. HARTKE. I thank the Senator from New Hampshire.

Mr. DOLE subsequently said: Mr. President, I ask unanimous consent that I may be joined as a cosponsor of the Hartke amendment to H.R. 10061, increasing the appropriation for university affiliated facilities.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President I yield back the remainder of my time.

Mr. HARTKE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Indiana, as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. CRANSTON. Mr. President, I wish to express my admiration for the outstanding achievements of the Senator from Washington (Mr. MAGNUSON), chairman of the Labor-HEW Subcommittee of the Appropriations Committee, which are reflected in the Labor-HEW appropriation bill reported from committee.

I would like to express my gratitude also for the outstanding contributions made to the bill by the ranking minority member of the subcommittee (Mr. COTTON) and to all the other members of the committee for their support of this measure.

The bill corrects many of the deficiencies which appeared in the administration's budget request and, I believe, particularly with respect to the HEW budget, places proper weight on the vital areas of health research, the provision of mental health services for children, as well as the community mental health centers program, and programs to prevent and treat alcoholism.

I am particularly gratified that the committee has highlighted the important contribution that discharged military corpsmen can make to the civilian medical community, and has urged that both regional medical programs and the NIH health manpower programs take the lead in assuring that programs which can maximize their utilization in the health system are supported.

The committee's recommendation parallels amendments I have made to the Health Manpower Training Act, now in conference, to encourage the development of programs at medical schools to train physicians' and dentists' assistants. Returning medical corpsmen are ideally suited for these new roles in the health system and I believe that with both the Senate Appropriations Committee and the Labor and Public Welfare Committee having expressed their interest in the expansion of such programs, we will see a greater utilization of these veterans with valuable skills in our health system.

I have also introduced legislation which would encourage the Veterans' Administration through its hospital system, to develop career roles for these returning veterans, and I have great expectations that the excellent VA system of hospitals and other medical facilities, which contributes so much to the training and education of the Nation's health manpower, will be able to substantially increase the Nation's ability to utilize these men, with the expanded authority contained in my proposals.

Among other areas which the committee singled out for particular emphasis were regional medical programs and training for rehabilitation and social work. Each of these highlighted areas are areas in which I have expressed my concern that these programs receive funding adequate to their needs and their ability to utilize fully.

I am very pleased that the committee has included in its recommendations, increases for many of the health programs, which I highlighted in testimony before the subcommittee on July 13.

COMMUNITY MENTAL HEALTH CENTERS

I am gratified the committee has recommended an appropriation of $20 million for construction for community mental health centers, a $10-million increase over the House recommendation. This will correct the failure of the administration to request any funds for this purpose. I had suggested a substantial amount be recommended for construction purposes, and based that suggestion on a projected need of from $35 to $50 million which the Director of NIMH had estimated during hearings before the House Appropriations Committee.

I am glad that the committee has recommended this amount, and I am particularly delighted that they also have recommended a substantial increase in the sums appropriated for staffing grants for community mental health centers, $145.1 million, which represents an increase of $10 million over the House recommendation and $49 million over the budget request.

A specific program which was authorized in the last Congress was a program for child mental health services. The administration did not include any funds in its budget request for this purpose. However, I am extremely gratified that the committee has recommended that $10 million be appropriated for this purpose, which is almost identical to the amount I had recommended in my testimony before that committee. I feel that with this additional support, major steps can be taken to reach the large numbers of children—some 10 million—who are in need of some form of mental health services.

In another important program within the National Institute of Mental Health, I am delighted that both the Senate committee and the House committee have concurred in restoring the $6.7 million cut to the NIMH budget for psychiatric training. This restoration will avert the projected consequences of the proposed cut, which I had feared would result in serious crippling of mental health programs nationally.

ALCOHOLISM

I was also particularly gratified that the Senate committee has recommended an increase of $45 million for community assistance formula grants for alcoholism programs and $35 million for alcoholism project grants above the budget request of the administration.

I believe this will enable programs in the prevention and treatment of alcoholism to make some impact on controlling the epidemic of alcoholism in our Nation.

NATIONAL HEALTH SERVICE CORPS

Another important program which will improve the provision of health services, particularly in areas of serious manpower shortages, is that of the National Health Service Corps. I am delighted that the committee has recommended a $5-million increase over the amount in the budget request for this vital program.

REGIONAL MEDICAL PROGRAMS

Another dynamic program in the area of health services is that of regional medical programs. The committee has recommended an appropriation of $122,771,000, an increase of $40 million over the House allowance and $70 million over the budget request. Again this is very close to the amount I had recommended to the committee, and I am pleased with the recognition they have given to the importance of these programs to the Nation's health system, by recommending an adequate level of financial support.

NATIONAL INSTITUTE OF HEALTH

I had devoted a considerable portion of my testimony before the Senate Appropriations Committee to the all-important area of Federal support of biomedical research, and had pointed out that NIH programs have suffered a consistent reduction in level of effort since fiscal year 1969 because of price wage increases even where funding amounts have been maintained at the same level. I had recommended that the NIH research budget be increased an amount almost equal to the committee's recommended increase of $247,305,000 over the President's request.

Those institutes which I had specifically mentioned in my testimony and which did receive increases comparable to those I had recommended were: the National Heart and Lung Institute, for which the committee recommended more than $57 million over the budget request and almost $41 million over the House recommendation; the National Institute of Dental Research, for which the Senate committee recommended an increase of over $6 million over the President's request, and $8 million over the House recommendation; the National Institute of Arthritis and Metabolic Diseases, for which the Senate committee recommended an increase of over $28 million over the administration request and over $15 million over the House recommendation; the National Institute of Neurological Diseases and Stroke for which the Senate committee recommends an increase of over $42 million over the President's budget and $30 million over the House recommendation; the National Institute of General Medical Sciences, for which the Senate committee recommended an increase of almost $29 million over the administration request and almost $11 million over the House recommendation; the National Institute of Allergy and Infectious Diseases, for which the Senate committee has recommended an increase of over $13 million over the administration request, and $6 million over the House recommendation.

I wish to express particular gratification at the Senate recommendation for an increase in the support for the National Institute of Child Health and Human Development in the amount of a $22-million increase over the budget request. Some of this additional financial support will be devoted to the very important area of population research so vital to the 20th-century problem of population growth beyond our capacity to support it.

SOCIAL AND REHABILITATION SERVICE TRAINING

An area that is of particular concern to me is that of training programs in rehabilitation counseling, occupational and physical therapy, and other training programs related to the rehabilitation of those individuals who suffer from physical or mental handicaps. This program had suffered from a particularly severe budget cut in the administration's proposed 1972 budget, a cut of some 47 percent. The Senate committee has concurred in the House's recommended increase of almost $45 million for these programs, and in addition has recommended an additional $7,675,000 to restore the amount cut from the budget for research in this area. This is identical to my recommendation to the committee, and I am particularly pleased with the action taken in this area.

I should also like to express my appreciation to the members of the committee for its action in recommending an appropriation of $483,000 for the Commission on Railroad Retirement, as well as authorizing the carryover from fiscal year 1971 of some $300,000. This action will enable the Commission to carry out its study in preparation for recommendations that will place the railroad retirement system on a sound actuarial basis, and is identical to the recommendation I had made to the committee.

I am also pleased that the Senate committee has recommended a substantial increase of $3 million over the budget request for the National Library of Medicine.

Although my recommendations and the committee's were not identical in all instances, I believe that, on balance, Senator MAGNUSON and the committee have recommended a reasonable balance among many deserving and competing programs. I urge the Senate to give its support to the recommendations made by the committee in these important areas of direct concern to so many in our Nation. It is important that we maintain and, wherever possible, expand those programs which can alleviate the crisis in health which is facing our Nation. I believe that special thanks are due the Senate committee members for the excellent bill they have reported.

Mr. WILLIAMS. Mr. President, I commend the committee upon the passage of the Labor-HEW appropriation bill today. While all appropriations bills require the expenditure of a great deal of time and effort on the part of committee members, this particular appropriation for the Departments of Labor and Health, Education, and Welfare, containing as it does such sizable expenditures in the areas of social service, and such significant programs relating to human needs, demands an unusual amount of attention and sensitivity.

I have noticed with satisfaction time and again, during the consideration of this bill, the responsiveness which my colleagues on this important committee have shown to suggestions forthcoming from myself and others as to the various programs and items included in this legislation. While it might be supposed that in such a large appropriation some programs might not be as carefully scrutinized, or some requests as carefully considered, I have found the contrary to be the case. I have received the utmost cooperation from my colleagues on the Appropriations Committee in connection with my recommendations and I am certain that this holds true for others as well. I have been deeply impressed by their attention to the many significant social programs included herein, a concern which reflects their great commitment to individual needs, to solving the problems of the disadvantaged, the poor, and the sickly, and the helpless, and I wish to express my sincere appreciation for their labors.

I am particularly pleased to note that the Senate Appropriations Committee added $10 million for the additional inspections and program operations under the Occupational Health and Safety Act. I had expressed to the committee my hope that sufficient funds would be provided to permit the hiring of at least 1,000 new inspectors for this vital safety effort during this fiscal year, and I feel confident that with the additional funding approved by the committee, greatly increased staffing and program activity will be possible.

I also note that the committee has almost quadrupled the amount which the administration had requested for the prevention of lead-based paint poisoning, a particularly vital program in my estimation.

I am especially glad that the requests of the junior Senator from Iowa (Mr. HUGHES) for increased funding for the study, prevention, and treatment of alcoholism have been given thoughtful consideration, and the amount of $80 million for this purpose has been added to the administration request, in large measure fulfilling the recommendations of Senator Hughes for this important social program.

Once again, I express my appreciation for the committee's commendable efforts on behalf of the bill.

Mr. KENNEDY. Mr. President, I should like to add my endorsement of the work of the Appropriations Committee in reporting this bill.

It is widely acknowledged that we have grave problems in the delivery of health care in this country. The administration has acknowledged these problems in its health message, special analysis, and other supportive materials to its proposed fiscal year 1972 budget. The administration attributes the "crisis" in health care in part to the increase in Americans' ability to buy health services, without a corresponding increase in our resources for providing health services. They cite medicare and medicaid as contributing to the increased demand for services and urge programs to increase our resources for supplying services. I concur in this analysis, though it is only a partial explanation of this Nation's health care crisis.

One would think that the response to this diagnosis would be to increase our health care resources at a greater rate—so they can catch up with the demand.

Unfortunately, while the administration's diagnosis of the illness is correct, their treatment is wrong. Once again in fiscal year 1972, pressures to limit the health budget have prevailed. Once again, the proposed budget raises funds for buying services at a greater rate than funds for creating resources to provide services. The proposed fiscal year 1972 budget increases by 8 percent the Federal outlays for buying services through medicare, medicaid, and other programs. By comparison, Federal outlays for creating resources to provide services increase barely 7 percent in fiscal year 1972. I might add that the 8 percent increase in medicare and medicaid amounts to $4.2 billion, while the 7-percent increase in funds for resource development amounts to only $38 million. Actually, the increase of $4.2 billion in outlays for services is conservative, because it presumes cost reducing changes in the medicare and medicaid programs which have not yet been implemented. One of these changes the administration calls a "cost-sharing feature" whereby the beneficiary pays a larger share of his hospitalization.

This year, instead of trying to redress the imbalance in supply and demand, the administration's budget will deepen the health care crisis. It cuts or gives marginal increases in almost every area of health resources:

The administration's budget provides additional funds for a special cancer program, but takes them out of the hides of virtually every other health research program. The administration refuses even marginal cost-of-living increases to virtually every program at the National Institutes of Health, and actually cuts research at a number of Institutes. Moreover, the budget slashes the research training and fellowship programs, which will produce the trained researchers who are the heart of medical research in this country.

I commend the Appropriations Committee for raising the NIH appropriations to a more reasonable level.

The President's budget proposes an increase for producing health manpower, but it is trivial compared with the need. The Health Subcommittee is currently in conference with the House on legislation that authorizes several times the funds requested by the administration, and initiates a landmark effort to produce the doctors, dentists, nurses, and health professionals that we so badly need in this country.

The Senate passed its manpower legislation by a vote of 88 to 0. The House passed theirs with only three dissenting votes. Both bills authorize many times the President's program.

Unfortunately, this appropriation could not be included in the bill before us—and will be funded through a supplemental request. The Senate should be aware of this future major addition and be prepared to support it at maximum funding levels.

One of the most tragic areas of our health care crisis is in the rural and inner city areas of our country where doctors are simply no longer available. Despite this need, the administration last winter attempted to pocket veto the Family Practice of Medicine Act and has asked for only half of what the Congress intended for the Emergency Health Manpower Act. Both of these acts would improve the availability of doctors to rural and inner city areas.

I commend the committee for their action in these areas. I intend to use their appropriations action to test the constitutionality of the veto of the Family Practice Act.

Mr. President, with the increases proposed by the committee and with full funding of the manpower supplemental in the future, we will go a long way to correcting the imbalance between supply and demand which the administration's budget propagates.

But correcting the health crisis is not only a matter of supplying enough health services—it is also a matter of revamping the health delivery system. The administration's budget refers to this area as "efficiency" and "prevention." The administration acknowledges the need for reorganization of our health care system, but in the meantime, it has effectively made cuts in virtually every Federal program designed to support innovative approaches to supplying health care.

I want the Senate to understand that the President's budget would allow us to fund not one new neighborhood health center under the Partnership for Health Act; not one new community mental health center; not one new maternal and infant care center; not one new children and youth center.

Mr. President, this administration's health budget, when contrasted with its rhetoric regarding the need to assure health care reform, presents a credibility crisis of massive proportions.

In addition, while holding back these programs, the administration's budget suggests a trivial increase for the regional medical programs—the one program which involves broad groups of physicians and medical schools in attempts to improve the organization and delivery of health care on a regional basis. This program can be the backbone of our efforts to reorganize health care in this country. It can be the basis for future area health education centers, health maintenance organizations, and other essential new health service organizations.

We have before us in the Health Subcommittee legislation to encourage and fund HMO's and area health education centers. We will report a comprehensive bill to the Senate later this year. While these future programs are taking shape, however, we cannot neglect the programs which are the foundation of these future efforts.

I commend the Appropriations Committee for recognizing this and substantially increasing the proposed budget in these areas.

Mr. President, we cannot afford to further aggravate the health crisis in this country by further increasing the demand, while delaying against a major investment in resources to provide care. Nor can we just talk about reorganizing health care while refusing adequate funds to the Federal programs best equipped to bring this reorganization about. We have seen too much empty rhetoric in the area of health. I urge the Senate to support strongly the bill before us and to go to conference with the House prepared to fight for the Senate proposals.

The health crisis is real and pressing, both in economic terms and in terms of human suffering. I do not believe we can delay any longer in responding to both the human suffering and the economic problems facing us.

Mr. HOLLINGS. Mr. President, I was interested in the testimony in committee on a research technique for the reduction of cholesterol level in the treatment of atherosclerosis. The surgery is known as a partial illeal bypass. The House heard the same testimony earlier and in its report expressed the expectation that the Heart and Lung Institute would start a collaborative study to validate the technique of the partial illeal bypass. Is my understanding correct that the intent of this bill now is to fund that collaborative study at a level of $2 million in fiscal year 1972, within the total increase for the Heart and Lung Institute of $57 million over the budget estimate?

Mr. MAGNUSON. The Senator from South Carolina is correct.

Mr. MONTOYA. Mr. President, I would like to express my continued approval of the activities of Senator MAGNUSON in his leadership of the HEW Subcommittee on Appropriations. Despite the pressures to hold down Federal expenditures in the health field, the committee has been able to formulate a program that is more responsive to the needs of the American people. I particularly take pleasure in several items contained in this bill. The Senate has increased by $40 million the amount to be appropriated to regional medical centers. These centers have made a valuable contribution and fully deserve this increase. It is clear that no discontinuation of these programs should take place.

The Pediatric Pulmonary Center in Albuquerque has been responsible for considerable contributions to the health care of children with pulmonary disorders. It is a program that is essential to a balanced health care services system in the community. It has worked in cooperation with other services and has represented a health input to Albuquerque which cannot be replaced.

Senator ANDERSON and I share immense gratitude to the committee for the inclusion of $500,000 for continuation of the activities at the Primate Center at Holloman Air Force Base. The project, which represents the largest and most successful breeding colony of chimpanzees in the free world, was in danger of discontinuation due to lack of funds for the Air Force base which had supported it in the past.

The work being done at the Primate Center is disseminated throughout the free world. This research includes Mercury research with the Rhesus monkey and comparative toxicology studies on saccharin and other food additives. Especially important are the continuing studies on the effects of PCB, a compound widely used in everyday life the effects of which are unknown and research relating to cadmium, a very common metal which directly affects man.

In addition Hollomon has one of two centers in the United States for the study of drug abuse and the effects of the use of strong narcotics.

Because the primate center at Hollomon is the only one in the free world successful in breeding chimpanzees, its contributions have been particularly valuable to the scientific community and the Nation. I am delighted the committee had the good judgment to include funds under NIH sufficient to carry on this essential work.

I further applaud the $67 million initiative to deal with the problem of drug abuse, the $100 million level for cancer research and the $90 million increase for health manpower The sum of $15 million has also been added to rat control programs and $2 million to combat lead-based paint poisoning in children. The $7 million to deal with the problems of alcoholism is also encouraging. These represent a responsible position for the Senate to take in each of these extremely critical areas. Funding at lesser amounts would represent neglect and a lack of understanding of the important work needed in the next year.

But beyond these few increases, the budget for health is at a stationary level. Although the Senate Committee supported a net increase of $571 million, we find these increases being consumed by inflation.

Crippling cuts were recommended in such major health programs as the regional medical program, Burton-Hill medical facilities construction, the Public Health Service hospital system and various medical research programs. But these cuts, aimed at slowing inflation, can be seen as false economy. It is only logical that inflation will continue in the health care industry if there is a lack of supply of trained manpower. If there are reductions in biomedical research and training we cannot possibly hope to stem health care inflation. Severe cuts are a form of sacrifice that will cost us dearly in the future. We cannot, for example, cut the research and manpower training foundations upon which our health care system is built. To do so would only hurt our future ability to deal with national health needs.

The cry is for economy but in fact we would be wasting money by deemphasizing research and training expenditures now. We would force ourselves to pay much more for these at some later date. Our Nation can no longer afford procrastination in efforts to rapidly expand our supply of health workers. We must increase our output of professional workers to meet the needs of the future.

Essential preventive programs for alcoholism, health research including cancer research and communicable disease prevention must proceed. We must grasp the opportunity for funding preventive medical programs that will reduce not only future expenditures but the amount of human suffering as well.

Mr. President, I applaud the action taken by the committee and strongly urge passage of the appropriation bill.

Mr. MAGNUSON. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, as I am the ranking Republican member of the committee which deals with the legislative part of this appropriation, I should like to invite the Senate's attention to a few matters which will be helpful in what we are doing.

The observations of the Appropriations Committee relating to the authorization of health manpower programs and to the utilization of returning medical corpsmen are very appropriate at this particular moment as we are now deeply locked in a conference endeavoring to decide how we are going to assure that institutions of learning will bring us more physicians and more physicians' assistants.

Senator KENNEDY heads the conferees on the part of the Senate and the conferees will take tremendous heart from the declarations of the Committee on Appropriations. They are contending for exactly the points for which we are contending, and I might say that it is an extremely difficult and hard-fought conference.

If the Senate expresses its view affirmatively on this bill, I think we can take it that we have the right to go into conference in a strengthened position, contending for more adequate support for medical schools and schools teaching the allied health profession than we have even had before, especially in view of the affirmative and eloquent declarations on that subject which are found in the committee's report at pages 5, 6, and 7.

Mr. President, on another part of this measure, it will be noted that no appropriations are provided for Economic Opportunity Act programs generally, nor for Headstart, nor for the Neighborhood Youth Corps. All these await authorization.

It is very important that the Senate be advised on all those points because we hope and expect that we should be able to give legislative authority within the next 2 months and that supplemental appropriations will be forthcoming promptly for the purpose of adequately funding those programs.

The same is true of the Emergency Employment Assistance Act, which has just become law. The administration's estimates have just been sent up. This matter is worrying many of us here, in view of the fact that unemployment stays at an unacceptable level—in the area of 6 percent—in this country.

Finally, Mr. President, it has become almost the custom that the appropriations for summer jobs come under the heading of Neighborhood Youth Corps—immediately before the summer season—and are counted in previous appropriation requests and actions. I am sure there will be a request shortly—before the summer—in a supplemental to deal with the problem of summer jobs. It is my hope that this matter will be resolved in the Office of Economic Opportunity supplemental appropriations request rather than waiting until immediately prior to the beginning of summer as has been the past custom. This is not a good practice because it inhibits proper training and proper preparation for the absorption of these resources; hence I shall do my utmost to seek additional funds for summer jobs under the manpower training provisions of the Economic Opportunity Act when they come before us by way of a supplemental. I shall of course lay the necessary testimony before the Appropriations Committee, but I wish now only to emphasize the fact that we should not take it for granted that, come late spring, I or someone else standing in my place, will come in and seek the necessary money for summer jobs, but we should realize it is most provident that they will provide more leadtime in this particular case. I shall make every effort to bring about such a provision with respect to the poverty program supplemental when it is considered.

Mr. President, on another matter, in testimony submitted to the Appropriations Committee I expressed my grave concern that the fiscal year 1971 budget proposed a $6.7 million cut in NIMH support for psychiatric residency training which I believe would be the first step in the elimination, over a 3-year period, of the total NIMH program of $34 million to train psychiatrists.

This action would undermine psychiatric training in our country and result in the loss of thousands of psychiatric residencies at a time when we can least afford to lose psychiatric manpower.

We are facing a serious national problem with alcohol abuse and alcoholism and a drug crisis in our Nation. We must take special steps to prevent their spread and rehabilitate their victims. To carry out all of these programs, we will need more rather than fewer of our trained professionals in psychiatry.

Yet, if the phaseout of psychiatric residency training is effected, we stand to lose a shocking 36 percent of the psychiatric residency positions throughout the country—a loss of 1,528 positions of the current total of 4,275.

These cuts will not only be reflected in a loss of graduate psychiatrists, but also in a substantial loss of immediate services, especially to the poor, who receive most of their mental health care from psychiatric residents in hospital clinics and other public agencies.

Presbyterian Hospital in the Bronx, N.Y., provides a good example of this. This hospital serves an area of New York City with a large population of blacks and Puerto Ricans. The hospital's group of young physicians being trained as residents and now supported by stipends from NIMH take care each week of 830 patients. Of these patients, 24 percent are black, 15 percent are Puerto Rican, and the remainder are whites at the poverty level. You will find this prevailing situation not only throughout New York City, but also in many other parts of the country.

In New York City alone, more than 700 of the psychiatric residents are members of the minority groups they serve. Thus, any cutbacks in support for these residencies would be particularly damaging because it would eliminate the training of just those people most qualified to meet the mental health needs of the urban poor.

If we are to mount national programs for drug abuse, alcoholism, and many other behavioral problems, a $6.7 million cut in psychiatric training is false economy.

Paraprofessionals or indigenous workers are necessary to make programs to combat drug abuse and alcoholism, and to help solve problems of the young, the old, and the emotionally and mentally ill operable; but they must be trained and directed by qualified personnel. If we lose valuable numbers of the psychiatric profession, we will also lose our capability for training paraprofessionals and indigenous workers.

A recent Public Health Service survey shows that nearly 20 million Americans either have had a mental or emotional breakdown, or thought themselves close to it. As I have said before, expanded programs in drug abuse, alcohol abuse and alcoholism, childhood and adolescence and the mental health needs of the aged, call for increasing cadres of psychiatrists to meet these needs.

I am pleased that the Senate and House Appropriations Committees restored the full $6.75 million and concur in the statement contained at page 18 of the committee report restoring the $6,750,000 cut from the NIH training programs. To reduce the ranks of our psychiatric professionals could come at no less propitious time—a time when our veterans, our children, our poor, our minority groups, our drug addicted and alcoholics desperately need help. We, as a nation, will be the losers if they do not receive that help.

Mr. President, I ask unanimous consent that the text of a resolution prepared by the New York Society for Clinical Psychiatry concerning the proposed cutbacks be printed at this point in the RECORD.

There being no objection, the resolution ordered to be printed in the RECORD, as follows:

RESOLUTION

The committee on psychiatric residency training of New York City, in emergency meeting assembled, hereby unanimously declares that—

Whereas, the need for mental health services is at an all-time high among children, adolescents, senior citizens, drug addicts, alcoholics and other groups, especially the poor and under-privileged, and the Administration has declared that a "crisis in health care" exists, and

Whereas, the vast bulk of the mental health care of the indigent poor and of the minority groups in the "inner city" and ghetto areas is supplied by young psychiatric residents, who spend about two of their three years of training serving in hospital clinics, community mental health centers, and other public agencies, and

Whereas, as psychiatrists-in-training in the 364 training centers in this country, there are now over 100 black physicians, over 350 physicians of Spanish extraction, and over 700 women physicians recruited into the psychiatric profession from these minority groups with the conviction that they, better than any others, can serve their own groups with understanding and compassion, but with the recognition that while this represents a great step forward, it is only a beginning, to curtail which would be a tragic loss to those minority groups, and

Whereas, in the approved, proposed, and already-built community mental health centers, as well as in other public agencies, there is a serious shortage of mental health personnel, necessitating an increase, rather than a decrease, in the manpower pool of psychiatrists, which is fed at its source by the psychiatric residency training programs, and

Whereas, curtailment of these vitally needed psychiatric resources at this critical time in the history of our country would not only be "penny wise and pound foolish", but might tragically increase the number of unproductive citizens by depriving them of this help,

Therefore, be it unanimously resolved by the undersigned, who comprise all of the directors of psychiatric training in all of the accredited training institutions in the City of New York, that we:

1. Vigorously protest the cut of $6.7 million in the psychiatric residency training appropriations in F.Y. 1972, and

2. Earnestly deplore the elimination of one-third—over 1,000—of the psychiatric residents now in training, at the very time when their services are desperately needed in the "inner city" and ghetto areas, and when the future of the mental health of the community rests in their hands, as much as in those of their fellow-psychiatrists who are now in institutional practice and public service (58%), as well as in private practice, and

3. Respectfully petition the Congress to restore adequate funding for the entire program of psychiatric residency training.

Respectfully submitted,

SHERVERT H. FRAZIER, Jr., M.D.,
DAVID KAIRYS, M.D.,
Cochairmen.

LIST OF COMMITTEE ON PSYCHIATRIC RESIDENCY TRAINING OF NEW YORK CITY

Harvey Bluestone, M.D., Bronx Lebanon Hospital, Bronx, N.Y.

James P. Cattell, M.D., Jewish Memorial Hospital, N.Y.C.

Henry Caulfield, Albert Einstein College of Medicine, Bronx, N.Y.

Elizabeth B. Davis, M.D., Harlem Hospital Center, Harlem, N.Y.C.

Harry Esecover, M.D., Hillside-Queens Hospital Center, Glen Oaks, N.Y.

Aaron H. Esman, M.D., Madeleine Borg Inst., Jewish Board of Guardians, N.Y.

Abraham N. Franzblau, M.D., Mount Sinai Inst. of Psych., N.Y.C.

Shervert H. Frazier, Jr., M.D., Psychiatric Inst., Presbyter. Hosp. N.Y.C.

Donald Gerard, M.D., Montefiore Hospital Med. Center, Bronx, N.Y.

Moe A. Goldberg, M.D., Veterans Administration Hosp., Manhattan, N.Y.

William S. Greenspon, M.D., Brooklyn Psychiatric Centers, Brooklyn, N.Y.

Edward Hanin, M.D., St. Vincent's Hospital & Med. Center, Greenwich Village, N.Y.C.

Morris Herman, M.D., Bellevue Hospital, N.Y.U. Med. Center, N.Y.C.

Albert S. Hotkins, M.D., Bureau of Child Guidance, Queens, N.Y.

Theodore J. Jacobs, M.D., Albert Einstein Col. of Med., Bronx, N.Y.

David Kairys, M.D., Mount Sinai Inst. of Psychiatry, Manhattan, N.Y.

Steven Katz, M.D., Roosevelt Hospital Med. Center, Manhattan, N.Y.

Stuart L. Keill, M.D., Assoc. Comm. Mental Hygiene, N.Y.C.

Gabriel Laury, M.D., Kings Park State Hosp., Kings Park, N.Y.

Robert Michels, M.D., Psychiatric Inst., Columbia-Presbyt. Med. Cent., N.Y.C.

Simon Nagler, M.D., Metropolitan Hosp. Center, Harlem, N.Y.C.

Bertrand New, M.D., Staten Island Hospital, Staten Island, N.Y.

George O. Papanek, M.D., St. Luke's Hosp. Med. Cent., N.Y.C.

Burton Pfeffer, M.D., Post-Graduate Center, Manhattan, N.Y.

Henry Pinsker, M.D., Beth Israel Hosp. Med. Cent., Greenwich Village, N.Y.C.

Harry I. Weinstock, M.D., City Hosp. Cent., Elmshurst, L.I., N.Y.

Peter Wilson, M.D., Cornell Med. Cent., N.Y. Hosp., Manhattan, N.Y.

Mr. JAVITS. Mr. President, let me express my appreciation to the Senator from Washington (Mr. MAGNUSON) and the Senator from New Hampshire (Mr. COTTON) who, with their traditional understanding of this situation, have accommodated so much that Members hold so dear in the programs of health and education, poverty, and related matters, which represent such a high-minded, humanitarian aspect of life in this country.

Mr. KENNEDY. Mr. President, I, too, want to join the ranking minority member of the Committee on Labor and Public Welfare in commending Chairman MAGNUSON and his committee. As chairman of the Subcommittee on Health, we have reviewed the items in the appropriation that are directed toward the health needs of the Nation.

Chairman MAGNUSON and the ranking minority member, the Senator from New Hampshire (Mr. COTTON), and the members of the committee, have done an exemplary job in allocating resources to the health needs of the Nation. Many new programs which need help and support are limited only by the amount of resources which can be allocated due to financial exigencies. They have shown a tremendous grasp and understanding of the vital health needs of the country. As chairman of the Health Subcommittee, I want to commend them, and the members of the committee generally, for the superlative job they have done in this area.

The PRESIDING OFFICER (Mr. BIBLE). All time has now been yielded back.

The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Indiana (Mr. BAYH) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Colorado (Mr. ALLOTT) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Arizona (Mr. GOLDWATER) and the Senator from Ohio (Mr. SAXBE) are detained on official business.

If present and voting, the Senator from Colorado (Mr. ALLOTT) and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The result was announced—yeas 88, nays 0, as follows:

[No. 182 Leg.]

YEAS—88

Aiken
Allen
Anderson
Baker
Beall
Bellmon
Bennett
Bentsen
Bible
Boggs
Brock
Brooke
Buckley
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Case
Chiles
Church
Cook
Cooper
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ellender
Ervin
Fannin
Fong
Fulbright
Gambrell
Gravel
Griffin
Gurney
Hansen
Harris
Hartke
Hollings
Hruska
Hughes
Inouye
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Metcalf
Miller
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Prouty
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott
Smith
Sparkman
Spong
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—12

Allott
Bayh
Goldwater
Hart
Hatfield
Humphrey
Jackson
Long
McGovern
Mundt
Pastore
Saxbe

So the bill (H.R. 11061) was passed.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

Mr. MAGNUSON. Mr. President, there was a mistake in the Hartke amendment, not in the figures the Senate voted on, but in the amendment, and I ask unanimous consent that the clerk be allowed to correct it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON, Mr. President, I move that the Senate insist on its amendments and request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. STENNIS, Mr. BIBLE, Mr. BYRD of West Virginia, Mr. PROXMIRE, Mr. MONTOYA, Mr. HOLLINGS, Mr. ELLENDER, Mr. COTTON, Mr. CASE, Mr. FONG, Mr. BOGGS, Mr. PERCY, Mr. BROOKE, and Mr. YOUNG conferees on the part of the Senate.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any technical corrections in the Senate-passed bill that may be necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, the number of colloquies the Senator from Washington (Mr. MAGNUSON) has participated in today bears witness to the knowledgeable way he chairs the Appropriation Committee for Labor, and Health, Education, and Welfare. His judicious handling of the many parts of this complicated legislation, both in committee and on the floor, is deserving of thanks and commendations from the Senate.

The distinguished ranking minority member, the Senator from New Hampshire (Mr. COTTON), helped with the tremendous workload this particular committee had. His clear thinking, and willingness to defend his position contributed to a most interesting and educational debate today.

The importance with which this legislation is viewed, can be verified by the large number of amendments offered here today. The senior Senator from California (Mr. CRANSTON) was most thorough in his analysis. His comments and observations are always welcome. Supporting the above amendment, the junior Senator from California (Mr. TUNNEY), displayed his ability to succinctly articulate his ideas. Comments like these are always helpful and welcome in this body.

The Senator from Alabama (Mr. ALLEN) deserves special recognition for offering his important amendment to the bill and guiding it to acceptance by the Senate. Adding their informative comments to the discussion today were the Senator from New York (Mr. JAVITS), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Illinois (Mr. PERCY), and the Senator from Louisiana (Mr. LONG). The general awareness of the issues at hand is increased by participation like we have witnessed here today.

Two additional amendments that were the basis for some outstanding colloquies on the Senate floor, were offered by the senior Senator from Massachusetts (Mr. KENNEDY) and the Senator from Indiana (Mr. HARTKE): This appropriation bill covered such a wide area of special fields that this body owes these gentleman a high commendation for their thorough work done on their respective amendments. Again, to Senator MAGNUSON and to Senator COTTON and the whole committee involved with this appropriation measure, commendation is due for the knowledgeable job they have done.

Again, the Senate owes thanks to the chairman of the Appropriations Committee (Mr. ELLENDER), who has led the appropriating to complete more bills earlier in the year than in recent years. By the time we recess all appropriating that have been forwarded to the Senate from the House will have been passed. It is a record with which the Senate is justly proud.

SENATE JOINT RESOLUTION 144—INTRODUCTION OF A JOINT RESOLUTION TO PROVIDE THE PRESIDENT WITH TEMPORARY EMERGENCY POWERS TO ACT WITH RESPECT TO THE CURRENT RAILWAY LABOR-MANAGEMENT DISPUTE

Mr. JAVITS. Mr. President, I send to the desk a joint resolution, to be received and appropriately referred, on behalf of myself, the ranking Democratic member of the Committee on Labor and Public Welfare, the Senator from West Virginia

(Mr. Randolph), and the Senator from Colorado (Mr. Dominick), the ranking member of the same committee on the Republican side.

Mr. President, this joint resolution would give the President the power, by Executive order, effective, however, only until September 15, 1971, to provide for the maintenance or resumption of railroad operations and services essential to the national or regional health or safety, if he determines that the current series of strikes is imperiling the "health or safety of the Nation or a substantial part of its population or territory."

We have already adopted a resolution which will put Congress in recess for over a month, beginning August 6.

The purpose of this joint resolution—as I am the ranking Republican member of the committee and of the subcommittee—is to insure that the Federal Government has the power, during the period when Congress is in recess, to take steps to deal with a regional or national emergency which may result from the current series of railroad strikes.

Here is the record, Mr. President, and this relates to strike action resulting from the United Transportation Workers Union activities and acts of its members:

The record is as follows:

On July 16, two carriers were struck, serving 25 States, with 48,000 employees, and running over 15,671 miles of track.

On July 4, 1971, the number of carriers increased to four; States served, 35; employees, 120,000; miles of track, 35,569.

On July 30, 1971—today—10 carriers; 38 States; 163,000 employees; 49,710 miles of track.

It is expected that on August 6, 1971, the day that we are due to adjourn, that number will have gone up to 15 carriers, 41 States, 258,471 employees, and 81,917 miles of track.

On August 11—assuming that this is the timetable—62 percent of the workers will be involved and 44.7 percent of the track mileage will be involved in the strikes.

Of course, one need not luridly describe the problems we all know of, in the terms which we know can result from any major railroad strike.

Mr. President, I want collective bargaining to succeed, and I hope it does. I understand there will be intensive collective bargaining this weekend. Indeed, my hope and desire, and my career here, have been based on the fact that I wish nothing to interfere with free collective bargaining; and there is nothing in the resolution which would interfere with free collective bargaining.

We must make the fundamental American freedoms of the workingman and of management and of the investors in the railroads compatible, however, with the public health and safety.

We could get to the point, in the month between August 6 and September 8, where the public health and safety could be safeguarded only by the power which the combination of the President and the Congress can give to continued operations.

So this resolution has that purpose, Mr. President.

Secondly, it may be necessary for the Committee on Labor and Public Welfare to deal with this matter next week. If this measure is referred to that committee, it will be a base upon which a hearing may be quickly held, upon which preliminary data may be gathered, upon which the report of the various Government departments that have an interest may be solicited; and therefore we will not be caught in that terrible box in which we have been caught before in national stoppages of railroads that have resulted in having a bill one day and action the next day.

For all those reasons, on my own initiative—I have not been prompted in this by the White House or by anyone else, but solely on my responsibility as the ranking Republican member of the committee, having had rather considerable experience with the problem—I have introduced the joint resolution and asked that it be appropriately referred.

I ask unanimous consent that the text of the resolution and various newspaper articles discussing the situation may be printed in the Record as a part of my remarks.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution and the newspaper articles will be printed in the Record.

The joint resolution and newspaper articles follow:

S.J. Res. 144

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas certain labor disputes between carriers represented by the National Railway Labor Conference and the Eastern, Western, and Southeastern Carriers Conference Committee and certain of their employees represented by the United Transportation Union remain unsettled; and

Whereas strikes have commenced against certain of such carriers and are scheduled to commence against other such carriers in the near future as a result of such dispute; and

Whereas those carriers against whom strikes have been called are unable to continue to provide rail transportation services; and

Whereas such strikes, together with additional strikes against other carriers, may threaten the health and safety of the nation, or a substantial part of the population or territory thereof by depriving the nation, or regions thereof, of essential transportation services; and

Whereas there is a need for emergency legislation to enable the President to take such steps as may be necessary or appropriate to safeguard the national or regional health and safety pending the return of Congress from its scheduled recess: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in the event that the President determines that the above dispute imperils the health or safety of the nation or a substantial part of the population or territory thereof, he may issue an executive order or orders providing for the maintenance or resumption of railroad operations and services essential to the national or regional health or safety effective until September 15, 1971.

Sec. 2. (a) Any executive order issued by the President pursuant to this joint resolution shall be enforceable upon suit by the Attorney General, through such orders as may be appropriate by any court having jurisdiction over any of the parties.

(b) In granting relief under this section, the jurisdiction of the court shall not be limited by the provisions of sections 6 and 20 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (15 U.S.C. 17, and 29 U.S.C. 52) or the provisions of the Act entitled "An Act to amend the Judicial Code, to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 101–115).

[From the Baltimore Sun, July 27, 1971]

Grain and Coal Hard Hit by Expanding Rail Tie-Up

(By Linda Charlton)

The effects of the railroad strike were felt most sharply yesterday by the grain and coal industries, poultry producers, manufacturers of grain products, steel mills and auto plants.

Passenger service was curtailed in several areas. Service in and out of New Orleans has been halted since the strike against the Southern Railway and the Union Pacific Railroad began July 16. With the expansion of the walkout yesterday to the Southern Pacific Company and to the Norfolk & Western Railway, commuter service in San Francisco and Chicago was affected. Passenger service between Denver and the West Coast was cut off by the Union Pacific strike.

The strike against the Norfolk & Western which normally runs 55,000 freight cars a day across 14 states from Virginia to Nebraska, threatened the coal-mining industry in particular. A spokesman for the railroad said that 250 coal mines served by the line curtailed operations when the strike was announced.

MINES FACE CLOSING

A coal industry spokesman said that the strike would mean the closing of 350 mines in West Virginia, Virginia and Kentucky if it continued past tomorrow. This would mean layoffs for 16,000 miners.

Officials at the Ford Motor Company's assembly plant in Claycomo, Mo., a suburb of Kansas City, began taking a parts inventory yesterday to determine how long the plant, which employs 3,800 workers, could remain open. It is served only by the Norfolk & Western.

The General Motors assembly plant in the Fairfax industrial district of Kansas City, Kan., laid off 3,500 of its 4,600 employes July 19 because of a parts shortage caused by the Union Pacific strike.

The Norfolk & Western headquarters are in Cleveland. The line carries coal to nearly 1,000 industires there, including utilities, steel mills and auto plants. No problems have been reported yet, however, since most of these industries usually maintain at least a 30-day supply of coal.

The strike caught grain farmers in many areas at harvest time, with no way to move their bumper crops to market. Wheat was piling up in grain elevators and the streets of some Nebraska towns. Two streets in Arnold, Neb., were being used to store grain, and Main Street in Stapleton, Neb., was piled with wheat.

At Julesburg, Colo., 140,000 bushels of wheat was unloaded on the ground, and five towns in Kansas were also forced to pile wheat in the open, where it is vulnerable to rain. This year's wheat harvest in Kansas is the largest in history.

Some manufacturing companies were able to find substitute transportation. A macaroni plant in Omaha used trucks to move flour from a Burlington Northern depot and macaroni products from the plant to the railroad. The plant is normally served by Union Pacific.

SOME SHUT DOWN

Others, such as the St. Louis Grain Corporation and Checkerboard Grain Company in St. Louis, were forced to shut down. D. R.

Walker, the manager of Checkerboard, said that the resulting lack of corn was a threat to the poultry industry.

"The strike could wipe out the chicken industry in the Southeast," he said. "It could ruin the economy of the area."

In Atlanta, Gov. Jimmy Carter took emergency action yesterday, lifting weight limits for trucks on state roads so Middle Western grain could be brought into the state. "The chickens," he said, "are on the verge of starvation."

The strike came at the height of the harvest season for fruit and vegetable farmers whose perishable produce—melons, grapes, lettuce and peas—is now ripening rapidly and may, growers say, have to be plowed under if the strike continues.

A spokesman for the Council of California Growers, O. W. Fillerup, said yesterday, "Everybody is going to be in serious trouble" if rail transportation does not become available within three or four days. Several packing companies were shut down yesterday, and the council estimated a $2.5-million to $3-million daily loss to growers.

Pea farmers in Oregon wired President Nixon for immediate assistance, saying that their entire crop may be lost.

[From the Wall Street Journal, July 28, 1971]

Rail Walkout Knifes Through the Economy; Mills and Mines Closing as Impact Grows

The United Transportation Union's strike against four major railroads is cutting an ever-widening swath through the nation's economy.

Moreover, the impact will intensify considerably if the UTU, as threatened, strikes six more lines this Friday and five others a week after that, a spot check by The Wall Street Journal finds.

After a dozen days of strike against the Union Pacific and Southern railroads and four days of walkout against the Norfolk & Western and Southern Pacific roads, these were the consequences:

The National Coal Association says 250 mines have been forced to close.

For want of transit, thousands of bushels of wheat have piled up on Midwestern prairies. And, for want of wheat, two flour mills have been forced to close and a number of others have had to curtail operations, the Millers National Federation reports. "Mill closings will inevitably lead to baker close-downs, and the possibility that bread won't be available to consumers in some areas served by struck railroads," a spokesman for the trade group asserts.

Some 11,500 commuters in San Francisco have been forced to arrange alternate transportation, most notably car pools and buses.

In Washington, Labor Secretary James D. Hodgson called on both sides to voluntarily agree to binding arbitration of the dispute by a neutral three-member, panel. But the United Transportation Union rejected the proposal, which the railroads were known to favor.

White House Press Secretary Ronald L. Ziegler said the Nixon administration "will continue to work toward a voluntary settlement" of the strike. "We have no plans at this time to send legislaion to the hill," he said.

Asked if the legislation might be sent to Capitol Hill by Friday, when the UTU has threatened to strike six more roads, Mr. Ziegler said: "There are a number of days between now and Friday."

Government sources have said that various legislative proposals are in the drafting stage and that there hasn't been any final decision on whether, or when, the administration will send something to Capitol Hill.

Transportation Secretary John Volpe wired Governors asking them to assess the "present and impending" economic impact of the strike in their states. Mr. Volpe asked for replies by today. A government source said the replies could help the administration determine how much damage the strike is causing and would send the evidence of such damage, if the administration decides to ask Congress to halt the walkout.

Apparently chiding the UTU, Mr. Hodgson said, "The three other unions earlier involved with the UTU in this dispute have negotiated new contracts. Another railway union has settled its dispute, accepting and implementing many wage and rules changes which are at issue now."

He continued: "to revert to arbitration at this point when we have established the right to the exercise of economic strength through court action would be foolish."

At the White House yesterday, Mr. Ziegler stressed that the administration sent legislation to Congress in February 1970 that would "do a more effective job" of handling emergency transportation strikes than the present procedures. The current impasse is one more indication that Congress should enact a permanent reform measure, he asserted.

Hearings on the administration's permanent reform bill opened yesterday before a House commerce subcommittee. The witnesses were members of Congress who have introduced some of the more than a dozen reform measures currently pending in the Senate and House.

BULK COMMODITIES HARD HIT

Bulk commodities have been hardest hit by the strike to date. Thousands of workers have been laid off in the coal fields because mine operators are running out of places to stack their diggings.

Yesterday, Eastern Associated Coal Corp., a subsidiary of Eastern Gas & Fuel Associates, announced in Pittsburgh it was closing a mine in Kopperston, W. Va., affecting 700 employees.

Consolidation Coal Co., closed its large Itmann mine, near Bluefield, W. Va., idling 900 persons, and a preparation plant at Pageton that employed 34.

A Consolidation Coal spokesman said operations were continuing at mines, including the Franklin Mine, also served by one of the struck carriers. "In the next few days we'll be stockpiling where it's possible to stockpile," the spokesman said. But he didn't have any doubt there would be further closings when the available space was exhausted.

Carl E. Bagge, the National Coal Association's president, sent a letter to President Nixon urging "immediate government action to bring the rail strikes to a halt.

"Immediate government intervention is essential to protect the national health and welfare," Mr. Bagge wrote the President. "A lengthy closing of mines not only would have a serious economic effect in Appalachia and other coal regions, but it could exhaust coal stockpiles at many utility plants and other vital installations with grave consequences for the nation," he added.

Auto plants, usually among the first to be closed by a rail strike because they, too, don't have any place to store their output, have so far generally escaped the agonies of this transit strike because this is annual model changeover time. But the situation could deteriorate rapidly. Many of the plants are closed, or are working reduced schedules, anyway, as they prepare for 1972 model cars.

Only one General Motors Corp. plant, in Fairfax, Kan., closed earlier than scheduled for retooling, rather than because of transportation woes.

The strike's impact, though, could worsen. GM said that if the walkout continues into next week the company would have difficulty in meeting its model 1972 start-up schedules at many of its plants. It's understood that 1972-model production was scheduled to begin at GM about mid-August.

In the chemical industry, ironically, the threat of an earlier strike prompted some plants to build inventories that they can now draw on. But Allied Chemical Corp. said the rail walkouts have forced it to curtail soda production at Green River, Wyo., and chlorine and caustic output at Brunswick, Ga.

In some segments of the food industry, the strike impact has been severe, and it could get worse if the walkouts are prolonged, or expanded.

The Council of California Growers estimated that California farmers may lose $3 million a day because they can't get perishables to market. Losses to related California industries, it said, could lift the total cost to the state to more than $11 million daily.

And Robert Mendelson of Mendelson-Zeller Co., one of California's food merchants, warned that Eastern consumers may start feeling the impact too, as some food prices start "doubling and quadrupling in the next three to four days."

Soaring trucking prices are going to be responsible in part for the higher food quotes in the East, food shippers complained. "Last week, the price for a truck to New York was $1,800," said Walter M. Tindell, general manager of Blue Anchor Inc., a Sacramento-based cooperative that sells California and Arizona fruits, grapes and berries. "Now," he said, "they're being quoted at $2,500 and you can't get them."

Meat supplies, too, are snarled. Farmer John, a division of Clougherty Packing Co., said it has laid off 800 of its 1,200 employes in Los Angeles because the strike has cut off its normal supply of 25,000 to 30,000 hogs a week.

Among flour mills, Seaboard Allied Milling Corp. said it has closed a mill at Topeka, Kan., and that it's running into higher transit costs at other mills because of the rail strike.

Conagra Inc., Omaha, Neb., said two of its 15 flour mills are operating at only 50% of their top capacity.

Borden Inc. said the strike impact on its dairy and foodstuff deliveries is "quite serious." Edward Demlien, distribution director, said the company is "covering our position as best as possible but trucks can't maintain support for too long."

Mr. Demlien declined to estimate the effect on earnings, but conceded the added transport costs are "substantial."

Kellogg Co. declared it has been forced to limit operations. A plant in Omaha, was closed for five days last week and it is operating at 50% of capacity this week because it can't get rail transportation.

The Omaha plant, Kellogg said, is the only one in the nation producing Sugar Pops and Sugar Smacks cereals.

A Fair Rail Settlement Waiting

The plea of Secretary of Labor Hodgson for voluntary action by the United Transportation Union and the nation's railroads to arbitrate their long dispute over work rules represents a despairing Administration effort to avoid recourse to Congress once again for emergency legislation to end strikes in this industry. In a real sense, there is nothing to arbitrate. The ingredients for a fair settlement were laid down eight months ago by a Presidential fact-finding board.

The U.T.U., which likes to think of itself as the most progressive of the rail unions, has lagged behind everybody else in going along with the board's sound proposals for abolishing featherbedding practices that should have disappeared a generation ago. It still insists on getting the projected pay increase of 42 per cent over 42 months without the locomotive engineers and other rail crafts in modernizing work rules.

The only time the U.T.U. has shown a willingness to face reality has been when a railroad was in danger of liquidation, as in the case of the foundering Jersey Central. Similarly, the modified rules worked out last week by the U.T.U. and the Chicago and North Western reflected the exigencies of the special situation on that trouble-beset carrier. They offer little pattern for a national pact.

The selective strikes the U.T.U. has called against four major railroads have already caused widespread economic distress. The toll will become much worse if the union carries out its threat to tighten the noose with strikes against six more lines this Friday and another five a week later.

If the deadline for a broader strike arrives without either a negotiated settlement or bilateral acceptance of the Hodgson arbitration plea, the necessary course will be a Presidential recommendation to Congress for a law mandating the full package of wage increases and rules changes proposed by the Nixon emergency board last November.

[From the New York Times, July 30, 1971]

WHEAT PILE ON STREET NO JOKE TO TOWN IN NEBRASKA

(By Douglas E. Kneeland)

STAPLETON, NEBR.—From Logan County's modern, low-built brick courthouse, the sign and the American flag on the brand new building of the Bank of Stapleton across the way are barely visible as they peep over the top of the mound of wheat that fills a block on the south end of this town's drowsy Main Street.

"One of the farmers said that was a pretty good place to be piling it, right between the bank and the courthouse," Ed Cook, the youthful, closecropped county agricultural extension agent, said with a smile, "since it seems like they each get about half of it anyway."

That was a joke. But the wheat, which looks like a misplaced sand dune in the downtown section of this village of 310 persons about 30 miles north of North Platte, is not entirely a laughing matter to the farmers and businessmen here.

Like the poultrymen in the Southeast, the coal miners in West Virginia and the produce growers in California, the local people have been affected by the lengthening strike of the United Transportation Union against four railroads, the Union Pacific Railroad, the Southern Railway, the Norfolk & Western Railway and the Southern Pacific Company.

The economic disruption here and in other Nebraska towns served by the Union Pacific so far has not been as serious as it has been in some other areas. Barring heavy rain or extremely high wind, the wheat piled on the ground here and in some other villages for lack of storage facilities will keep considerably longer than the lettuce and other fresh vegetables and fruits in California, for instance.

FARMERS IN GOOD SHAPE

But about 200,000 bushels of wheat from this year's bumper crop, almost $250,000 worth at $1.25 a bushel, are stacked in the streets of Stapleton.

In the last few autumns, good yields combined with a shortage of boxcars forced farmers throughout Nebraska to leave large quantities of corn and milo on the ground while they were awaiting shipment. But Stapleton has never had to resort to the current extreme.

Now, the grain in the street is making some people here a little nervous. One of them is Edwin H. Burnham, the tanned, graying president of the bank, who is half owner of the Stapleton Mill and Elevator Company, which has purchased the wheat from area farmers.

"We felt we owed our farmers that," Mr. Burnham said, "so we stuck our necks out."

But the wheat is not insured. Shaking his head, the bank president added:

"I told my manager at the elevator that if we should have a cyclone and it picked up all this wheat and took it off someplace that he and I were going to get a tent and head for the hills, because our creditors are really going to be after us."

Since the farmers were able to sell their wheat, he said, they have not been placed in financial difficulty by the strike and have not had to seek additional loans or extensions on present ones.

Still, some of the farmers are fretting a bit about what will happen if the strike continues for a prolonged period.

"The big problem now is the elevator's getting rid of it so they can take care of the next one that comes along," said Howard Tunnell, a grizzled 72-year-old who calls himself a "suitcase farmer" because he lives in town and operates his wheat and corn acreage out in the country. "If they think they've got problems now, wait until the rye and barley and corn and milo come along."

The town encountered its first difficulty because the strike came at the peak of the wheat harvest, which is just about over in this area. At the same time, the elevator company's storage facilities were crammed with more than 200,000 bushels of wheat and corn that were being held from previous harvests under Government loan programs.

"They never called for any of it last winter, that's why we're in trouble," complained Leonard Rozmiarek, sitting behind the counter in the elevator company's small, wood-frame office. "That grain bin right out here would hold all that street's got, but it's full."

Meanwhile, Stapleton has lived good naturedly with its dunes of wheat, which the town council permitted to be piled in the street because its hard surface and gutters would provide drainage in case of rain.

The courthouse, the bank and the fire station on that end of the street all have other entrances. The only other business on the block is a barbershop, which can be reached by the sidewalk.

"Nobody's complained," Arthur M. French, publisher of Stapleton Enterprise, a weekly, said with a grin. "Of course, it's piled in front of the bank and he owns the grain, you might say."

Agreeing that the wheat had caused no real problems in town, Mr. Cook, the extension agent added:

"One guy did get kind of loaded on a Friday night and tried to drive through it. He didn't think it should have been there. But we don't have much of a traffic problem."

Mr. RANDOLPH. I commend the Senator from New York (Mr. JAVITS) for introducing the Senate joint resolution to enable the President to maintain railroad operations and services essential to national or regional health or safety. I have joined with him in sponsorship of this measure because I feel we are on the verge of being confronted with a situation that threatens the health and safety of our Nation. Assuredly, both of us desire the collective-bargaining process to proceed. We hope that management and labor, through their negotiators and with the aid of Federal mediators, can bring a settlement to the current dispute. However, the prospects for such a settlement do not appear promising at this moment. We are entering upon a crisis period in this country from the standpoint of the movement of essential products. It is time for affirmative action to safeguard the health and safety of the American people. This resolution will provide the needed authority for the President to act in a short time margin.

On July 24 the Norfolk & Western Railway, which handles heavy tonnages of coal from the State of West Virginia, was struck. Coal today is an energy source which is absolutely necessary in this country to prevent brownouts, blackouts, and electrical power disruptions in this country, which certainly would further impair the health and safety of the American people.

As Senators know, we currently are on the ragged edge of an energy crisis in the United States of America, even with the continuous mining and movement of coal. The halting of our rail transportation system not only stops the movement of coal to market areas but also production.

On August 6 two other important coal carrying railroads, the B. & O. and the C. & O., will be added to the Norfolk & Western. These two carriers are also heavy movers of coal as well as other vital products, such as steel and chemicals. Clearly, there are other essential goods whose shipment will be halted during a rail stoppage. I have emphasized the products which move from our State of West Virginia and have a national impact.

I underscore and I speak with vigor about the necessity of standby authority for the President of the United States. This resolution is not designed to thwart collective bargaining—not in any wise to be interpreted as an effort to stop negotiations. Rather, it enables us, during the period when apparently Congress will be in recess, to achieve a responsible position as a legislative body and as individuals.

I think we need to witness, as much as anything in this Nation today, a rebirth of responsibility on the part of individuals as well as collective bodies, cluding Government.

Through this emergency legislation we will be fulfilling our grave obligation to protect the health and safety of our Nation.

Mr. JAVITS. Mr. President, I am very grateful to my colleague for his remarks and his cosponsorship. It is critically important that our approach on this matter be bipartisan, or rather non-partisan; and the statement of so eloquent a spokesman for the workmen of the United States fortifies my belief that this effort shall not disturb the collective bargaining process.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BYRD of Virginia. Mr. President, the figures submitted by the Senator from New York are disturbing. I do not know what the Senator's resolution proposes, but I am wondering whether the Senator feels, in the event these strikes are not settled, some question as to whether it is wise for Congress to go into recess, or whether we should be here on the job if the railroads of this country are coming to a halt.

Mr. JAVITS. I would say that my colleague from Virginia speaks in the high tradition that he has himself established and that his family name implies.

I think we simply have to see what happens. I have suggested a way in which someone may be vested with the authority during the recess. Let us remember that no power on earth can put 600,000 men back to work who do not want to work.

Railroad workers have shown real patriotism. No matter how angry they may have been at their conditions, or at the frustration of not being successful in collective bargaining, they have traditionally responded when we have called, and I believe that it can be effective to give this authority for a very short time to the President.

As I say, it can be effective; it is not necessarily the optimum, but we will have to judge, all of us and the President, on the basis of what we face next week, as to whether what would be a rather reluctant decision for so many Members has to be made.

My position was to find something which would seize the appropriate committee of the subject, and I believe this resolution—as I believe the Senator from Virginia will be satisfied when he reads it—will seize the appropriate committee of the subject.

Beyond that, I simply cannot state.

Mr. BYRD of Virginia. I thank the Senator from New York, and I shall read his resolution with great interest. I hope that it will solve the problem, because many plans have been made by many Members. But I still feel that if the transportation system of our Nation has ground to a halt, it is somewhat doubtful whether Congress should go into recess.

I thank the Senator from New York.

The PRESIDING OFFICER (Mr. Bible). The resolution will be received and appropriately referred.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

"EXECUTIVE PRIVILEGE" OF SENATE FOREIGN RELATIONS COMMITTEE?

Mr. MILLER. Mr. President, the Senate Foreign Relations Committee is reported to have voted yesterday to hold up the entire foreign aid bill in an effort to force the Secretary of Defense to provide the committee with his Department's 5-year plan for foreign military assistance.

This is but another example of the committee's increasing disaffection over the claims of "executive privilege" which have been asserted from time to time over the last several years by successive administrations.

The committee has sought to have the President's Assistant for National Security Affairs testify before it without success, and only yesterday former Ambassador Averell Harriman testified that he could see no good reason why Dr. Henry Kissinger should not be willing to accede to the committee's wishes.

As far as long-range plans for military assistance are concerned, I can see no good reason why these should not be made available, on a confidential basis, to the proper congressional committee Whether that committee should be the Foreign Relations Committee or the Armed Services Committee is something for the two committees to work out between them, and, failing that, for the full Senate to determine.

Also, I am inclined to agree with former Ambassador Harriman, especially if the testimony of the President's Assistant for National Security Affairs is kept confidential and as long as the questions put to him before the Foreign Relations Committee are relevant to that committee's jurisdiction. Similarly, it seems to me that he should be willing to testify, certainly on a confidential basis, before the Senate Armed Services Committee with respect to matters relevant to that committee's jurisdiction.

I might point out that the President's Counselor for the Office of Management and Budget, Dr. George Schulz, has testified before several committees of the Congress on many occasions.

But while I am about it, there are some of the Members of the Senate who are wondering whether the Senate Foreign Relations Committee has developed an "executive privilege" of its own with respect to the other Members of the Senate. I refer specifically to the fact that the Senate Foreign Relations Committee received copies of the Pentagon papers from Daniel Ellsberg nearly a year and a half before the rest of the Members of the Senate found out about them from the newspapers. Why were these kept from the rest of the Senate all that time? Certainly the Senate could have been called into secret session to be told about them. I believe the Foreign Relations Committee owes an explanation to the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Allen) laid before the Senate the following letters, which were referred as indicated:

U.S. Metric Study Interim Report Entitled "Testimony of Nationally Representative Groups"

A letter from the Secretary of Commerce, transmitting, pursuant to law, a U.S. Metric Study Interim Report entitled "Testimony of Nationally Representative Groups" (with an accompanying report); to the Committee on Commerce.

Report on Administration of Foreign Agents Registration Act

A letter from the Attorney General, transmitting, pursuant to law, a report on administration of the Foreign Agents Registration Act, for the calendar year 1970 (with an accompanying report); to the Committee on Foreign Relations.

Reports of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improved Controls Needed Over Extent of Care Provided by Hospitals and Other Facilities to Medicare Patients," Social Security Administration, Department of Health, Education, and Welfare, dated July 30, 1971 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Savings Availably by Transferring Army Inventory Accounting From Stock Funds to Industrial Funds at Installation Level," dated July 30, 1971 (with an accompanying report); to the Committee on Government Operations.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Allen):

A joint resolution of the Legislature of the State of California; to the Committee on Armed Services:

"Assembly Joint Resolution No. 35

"Relative to the retention of judge advocates and law specialist officers for the armed forces

"Whereas, There is under consideration in the Congress of the United States federal legislation which is designed to amend Title 37, United States Code, and to provide for the procurement and retention of judge advocates and law specialist officers for the armed forces; and

"Whereas, The California Legislature in 1969 adopted a resolution which memorialized the Congress of the United States to enact appropriate legislation to provide for the procurement and retention of judge advocates for the armed forces, and the same resolution expressed approval of the subject matter and the contents of the then pending federal legislation which sought to achieve the desired result; and

"Whereas, The currently pending federal legislation is designed to further the retention of judge advocates of the Army, Navy, Air Force, and Marine Corps and of law specialists of the Coast Guard, because the retention rate of legal officers by the armed services is now dangerously low and legal careers with the armed forces should be made more financially acceptable; and

"Whereas, The Military Justice Act of 1968 has extended to service personnel the right-to-counsel safeguards which the United States Supreme Court in recent years has granted to defendants charged with crime in the civil courts, and the same statute requires the armed services to provide qualified and experienced lawyers as military judges in trials by special and by general courts-martial, and the four military services are very hard pressed to obtain and retain at least 700 additional military lawyers in order to satisfy the requirements of the statute; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the Congress of the United States to enact early appropriate legislation approving the procurement and retention of judge advocates and law specialist officers for the armed forces; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, to the Chairman of the Senate Committee on Armed Services, to the Chairman of the House Committee on Armed Services, to the Secretary of Defense and the respective Secretaries of the Army, Navy, and Air Force, and to the executive secretary, Judge Advocates Association."

Resolutions of the Commonwealth of Massachusetts; to the Committee on Foreign Relations:

"Resolutions Memorializing the Congress of the United States To Discontinue Foreign Aid to Opium-Producing Countries

"Whereas, Heroin is the greatest single cause of death of persons between the ages of eighteen and thirty-five in New York City; and

"Whereas, Federal Law Enforcement Agencies estimate that the economic cost of heroin addiction in the United States approaches eight billion dollars annually; and

"Whereas, It is estimated that eighty per cent of the heroin in America comes from opium grown in Turkey which in turn receives two hundred million dollars in foreign aid; therefore be it

"Resolved, That the Massachusetts House of Representatives respectfully urges the Congress of the United States to discontinue foreign aid to opium-producing countries; and be it further

"Resolved, That a copy of these resolutions be forwarded by the Secretary of the Commonwealth to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from the Commonwealth.

"House of Representatives, adopted, July 21, 1971."

A resolution of the Legislature of Guam; to the Committee on Appropriations:

"Resolution No. 211

"Relative to requesting the United States Congress to appropriate funds to the government of Guam pursuant to the Guam Development Fund Act of 1968.

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the Senate and House of Representatives of the United States of America enacted Public Law 90–601, 90th Congress, S. 1763 on October 17, 1968, which Public Law was designated the Guam Development Fund Act of 1968; and

"Whereas, the Guam Development Fund Act of 1968 authorized an appropriation to the Secretary of the Interior in the sum of Five Million Dollars ($5,000,000.00) to be paid to the government of Guam for the purpose of promoting economic development in the territory of Guam; and

"Whereas, the government of Guam has complied with the provisions of the Guam Development Fund Act of 1968 by submitting to the Secretary of the Interior a plan for the use of such funds, which plan met the requirements of Section 3 of the Guam Development Fund Act of 1968, by designating an agency for the administration of the plan, by setting forth the policies and procedures to be followed in furthering the economic development of Guam, and by setting forth fiscal control and fund accounting procedures necessary to assure proper disbursement, repayment, and accounting for such funds; and

"Whereas, the need for the funds authorized to be appropriated are substantial, there being many possibilities for economic development in Guam which require either costly investigation or long term investment before being realized; now therefore be it

"Resolved, that the Eleventh Guam Legislature does hereby on behalf of the people of Guam respectfully petition and request the Congress of the United States to appropriate the necessary funds provided for under the Guam Development Fund Act of 1968; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the Senate, to the Speaker of the House of Representatives, to the Chairman of the Senate Committee on Interior and Insular Affairs, to the Chairman of the House Committee on Interior and Insular Affairs, to the Secretary of the Interior, to Guam's Washington Representative, and to the Governor of Guam.

"Duly and regularly adopted on this 2nd day of July, 1971."

A resolution adopted by the Osage Tribal Council, Pawhuska, Okla., praying for the enactment of legislation to create a new post of Assistant Secretary for Indian Affairs in the Department of the Interior; to the Committee on Interior and Insular Affairs.

A resolution adopted by the City of Pawtucket, R.I., praying for the enactment of legislation relating to exclusion from the mails of certain material offered for sale to minors; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the Committee on Appropriations, with amendments:

H.R. 10090. An act making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian Regional Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1972, and for other purposes (Rept. No. 92–327).

By Mr. SYMINGTON, from the Committee on Armed Services, with an amendment:

H.R. 9844. An act to authorize certain construction at military installations, and for other purposes (Rept. No. 92–326).

By Mr. HOLLINGS, from the Committee on Commerce, with amendments:

H.R. 2587. An act to establish the National Advisory Committee on the Oceans and Atmosphere (Rept. No. 92–333).

By Mr. FANNIN, from the Committee on Interior and Insular Affairs, without amendment:

S. 959. A bill to designate the Pine Mountain Wilderness, Prescott and Tonto National Forests, in the State of Arizona (Rept. No. 92–329); and

S. 960. A bill to designate the Sycamore Canyon Wilderness, Coconino, Kaibab, and Prescott National Forests, State of Arizona (Rept. No. 92–330).

By Mr. BURDICK, from the Committee on Interior and Insular Affairs, without amendment:

S. 74. A bill to provide for the conveyance of certain real property of the United States to the University of North Dakota, State of North Dakota (Rept. No. 92–328).

By Mr. METCALF, from the Committee on Interior and Insular Affairs, with an amendment:

S. 602. A bill to provide for the disposition of judgments, when appropriated, recovered by the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont., in paragraphs 7 and 10, docket numbered 50233, U.S. Court of Claims, and for other purposes (Rept. No. 92–334).

By Mr. METCALF (for Mr. ANDERSON), from the Committee on Interior and Insular Affairs, with amendments:

S. 447. A bill to modify the boundaries of the Santa Fe, Gila, Cibola, and Carson National Forests in the State of New Mexico, and for other purposes (Rept. No. 92–332).

By Mr. STEVENSON, from the Committee on the District of Columbia, without amendment:

H.R. 5638. An act to extend the penalty for assault on a police officer in the District of Columbia to assaults on firemen, to provide criminal penalties for interfering with firemen in the performance of their duties, and for other purposes (Rept. No. 92–322);

H.R. 7931. An act to amend the District of Columbia Code with respect to the administration of small estates, and for other purposes (Rept. No. 92–321);

H.R. 2894. An act to incorporate the Paralyzed Veterans of America (Rept. No. 92–323);

H.R. 2594. An act to amend chapter 19 of title 20 of the District of Columbia Code to provide for distribution of a minor's share in a decedent's personal estate where the share does not exceed the value of $1,000 (Rept. No. 92–324); and

H.R. 2591. An act to amend section 8 of the act approved March 4, 1913 (37 Stat. 974), as amended, to standardize procedures for the testing of utility meters; to add a penalty provision in order to enable certification under section 5(a) of the Natural Gas Pipeline Safety Act of 1968, and to authorize cooperative action with State and Federal regulatory bodies on matters of joint interest (Rept. No. 92–325).

By Mr. EAGLETON, from the Committee on the District of Columbia, without amendment:

H.R. 6638. An act to amend the Act of August 9, 1955, relating to school fare subsidy for transportation of school children within the District of Columbia (Rept. No. 92–320).

By Mr. MANSFIELD (for Mr. FULBRIGHT), from the Committee on Foreign Relations:

S. Con. Res. 38. An original concurrent resolution commending the President for initiating a proposed "Journey for Peace." Ordered to be placed on the calendar.

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with an amendment:

S. 18. A bill to amend the U.S. Information and Educational Exchange Act of 1948 to provide assistance to Radio Free Europe and Radio Liberty (Report No. 92–319).

By Mr. NELSON, from the Committee on Labor and Public Welfare, with an amendment:

S. 2007. A bill to provide for the continuation of programs authorized under the Economic Opportunity Act of 1964, and for other purposes (with supplemental and individual views) (Rept. No. 92–331).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MONDALE:

S. 2379. A bill for the relief of Esther Ramos Pechada. Referred to the Committee on the Judiciary.

By Mr. HARTKE:

S. 2380. A bill to amend the act of November 5, 1966 (80 Stat. 1309), providing for the establishment of the Indiana Dunes National Lakeshore, and for other purposes. Referred to Committee on Interior and Insular Affairs.

By Mr. MATHIAS:

S. 2381. A bill for the relief of En Foo Chi. Referred to the Committee on the Judiciary.

By Mr. McGEE (for himself and Mr. FONG):

S. 2382. A bill to provide overtime pay for intermittent and part-time General Schedule employees who work in excess of 40 hours in a workweek. Referred to the Committee on Post Office and Civil Service.

By Mr. BURDICK (for himself, Mr. HRUSKA and Mr. MATHIAS):

S. 2383. A bill to amend certain provisions of chapter 311 of title 18, United States Code, relating to parole. Referred to the Committee on the Judiciary.

By Mr. BURDICK:

S. 2384. A bill to amend section 612 of the

Federal Aviation Act of 1958, relating to airport operating certificates, in order to authorize and direct the Secretary of Transportation to provide financial assistance to certain small airports to cover the cost of acquiring, installing, operating and maintaining facilities and equipment required by such a certificate. Referred to the Committee on Commerce.

By Mr. MONDALE:

S.J. Res. 143. A joint resolution relating to peace for Pakistan. Referred to the Committee on Foreign Relations.

By Mr. JAVITS (for himself, Mr. Randolph, and Mr. Dominick):

S.J. Res. 144. A joint resolution to provide the President with emergency powers to act with respect to the current railway labor-management dispute. Referred to the Committee on Labor and Public Welfare.

By Mr. TOWER:

S.J. Res. 145. A joint resolution to designate the period beginning June 18, 1972, and ending June 24, 1972, as "National Engineering Technicians Week." Referred to the Committee on the Judiciary.

By Mr. FULBRIGHT (for himself and Mr. Church):

S.J. Res. 146. A joint resolution to repeal Public Law 87-733. Referred to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARTKE:

S. 2380. A bill to amend the act of November 5, 1966 (80 Stat. 1309), providing for the establishment of the Indiana Dunes National Lakeshore, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

INDIANA DUNES NATIONAL LAKESHORE EXPANSION

Mr. HARTKE. Mr. President, today I introduce legislation for the purpose of expanding the existing boundaries of the Indiana Dunes National Lakeshore. It has been 5 years since Congress approved legislation creating that lakeshore, but at that time certain prime natural lands were not incorporated within the boundaries of the park. On the basis of studies and observations by respected naturalists, geologists, and authorities in other pertinent fields, along with concerned private citizens, and allied conservation groups it has now become obvious that carefully selected additions must be made to the present lakeshore area, and as quickly as possible.

The areas recommended for inclusion are designed to make the park more unified, viable and safe from future encroachments. Most of the areas were part of the original park proposals and early bills. I believe the additions incorporated within this legislation make sense, are in accord with sound land use policy, and are favorable to the healthy development of the entire region and the quality of life for its people.

Mr. President, this legislation affords us an opportunity to save additional areas of unique conservation value and to assure full realization of the lakeshore's purpose. It is an opportunity that exists now, but, if lost, will not come again. Therefore, I hope the Congress will approve these additions to the Indiana Dunes National Lakeshore, thereby conserving this unequaled natural resource for the present and the future.

I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2380

A bill to amend the Act of November 5, 1966 (80 Stat. 1309), providing for the establishment of the Indiana Dunes National Lakeshore, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of November 5, 1966 (80 Stat. 1309), providing for the establishment of the Indiana Dunes National Lakeshore, is amended as follows:

(a) by deleting "'A Proposed Indiana Dunes National Lakeshore', dated September 1966, and bearing number 'LNPNE-1008-ID'" from the last sentence of section 1 and inserting in lieu thereof "'Boundary Map, Indiana Dunes National Lakeshore', dated July 1971, and bearing the number '626-91001'";

(b) by redesignating subsection 2(b) as 2(d) and amending the first clause thereof by deleting the words ". . . under subsection (a) of . . ." and inserting in lieu thereof the words ". . . and scenic easements under . . ."

(c) by adding new subsections 2(b) and 2(c), as follows:

"(b) The Secretary may acquire scenic easements over any lands within the area designated 'Conservation Easement Area' on the map described in section 1 of this Act: *Provided,* That the Secretary may acquire such scenic easements by condemnation only upon his certification that

"(1) it is necessary and appropriate to protect the scenic value of the lakeshore and its immediate vicinity;

"(2) he has made reasonable efforts in good faith to provide such protection through voluntary methods of conference and negotiation or the acquisition of such interests as are necessary to provide such protection by negotiated purchase or donation, but that such efforts have been unsuccessful; and

"(3) he has furnished at least sixty days notice to the party or parties in interest of his intention to utilize the authority provided under this subsection to acquire such scenic easements by condemnation.

"(c) In any instance in which the Secretary determines that the cost of acquiring a scenic easement pursuant to subsection (b) of this section will exceed 25 percent of the cost of fee simple acquisition, he may acquire fee title to the property and shall thereafter utilize the authority contained in section 5(a) of the Act of July 15, 1968 (Public Law 90-401; 82 Stat. 354) to convey a freehold interest in such property, retaining for the United States only such interests as are deemed necessary by him to carry out the purposes of this Act."

(d) by revising the first sentence of subsection 4(b) by inserting between the words "before" and "January 4, 1965" the words ". . . January 1, 1970, or, in the case of improved property located within the boundaries delineated on a map identified as 'A Proposed Indiana Dunes National Lakeshore', dated September 1966, and bearing the number 'LNPNE-1008-ID', which map is on file and available for public inspection in the office of the Director of the National Park Service, Department of the Interior, before . . ."

(e) by revising section 10 to read as follows:

"Sec. 10. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act."

By Mr. BURDICK (for himself, Mr. Hruska, and Mr. Mathias):

S. 2383. A bill to amend certain provisions of chapter 311 of title 18, United States Code, relating to parole. Referred to the Committee on the Judiciary.

Mr. BURDICK. Mr. President, I am introducing for myself, Mr. Hruska, and Mr. Mathias, today, legislation designed to expand and create opportunities for the rehabilitation of criminal offenders. In recent months, I have witnessed the emergence of a new mood in this Nation based upon a realization that the fundamental problem of crime is the recidivist—the repeated—who is not corrected by our correctional system. The cost of recidivistic crime to our society in terms of life, limb, property, taxes and earning power is billions of dollars every year. Most crimes committed in this country are committed by "graduates" of our institutions of criminal justice. It is time that we reassess our correctional strategy to make a maximum possible effort toward rehabilitation.

There will be no panaceas for rehabilitating offenders. It will be necessary for us to bring all possible resources together in our efforts to treat the offender. And we must treat each offender as an individual, so that as many as possible can and do reconstruct their lives in such a way that they will reenter society to behave lawfully.

In the last Congress, we enacted Public Law 91-492, which provided one step toward meeting these goals. This vital legislation provided the opportunity for parolees and probationers to be referred to halfway houses when their supervising officers saw need for it. This was not only a step toward providing the necessary working level linkages of our probation and parole authorities with the institutions, but enabled these officers to tailor a treatment program to the needs of the individual. I envision the legislation which is being introduced today as a next vital step on the pathway toward achieving these same goals.

Our experiences have demonstrated that there is a need for correctional authorities to have sufficient latitude to release an offender to the community when the evidence has accumulated that the individual is ready to be released. There is a different point at which prison experience has had its maximum effect for each offender.

When an offender is held in an institution long beyond his optimum time for release, he may become bitter and express this bitterness when he finally is released by further aggressive acts against society.

Legislation which I introduce today gives the Bureau of Prisons new authority to recommend parole for individual offenders when they are ready for release to halfway houses and to their communities under appropriate supervision. It gives the board of parole latitude to approve release at an earlier point in the sentence of certain prisoners when the circumstances in the case warrant it. However, a fourth condition which the prisoner must meet before he can be recommended and approved for parole would be added to the statutes, requiring that the individual must make a positive effort toward his own rehabilitation before he is eligible for parole release at any point.

The language of this bill preserves all existing options for the sentencing judges to determine length of sentence, including a minimum length if in the discretion of the court it is warranted.

I cannot state with any degree of certainty that this legislation would reduce crime by 1 percent or by 2 percent or by any stated percentage. I do not believe that this or any other piece of legislation will present quick or painless answers to the problems of crime in this Nation. But I believe that the concept embodied in this legislation is essential to give our correctional authorities an additional tool to deal with criminal offenders.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an analysis of the bill.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS

SEC. 1. Amends 18 U.S.C. 4202 to provide eligibility for parole within the discretion of the U.S. Board of Parole after completion of one year of sentence for certain sentences longer than three years duration; retains minimum sentence of fifteen years for life terms.

SEC. 2. Amends subsection (a) of 18 U.S.C. 4203 giving authority for the Bureau of Prisons to prepare studies of inmates and make recommendations to the Board of Parole; recodifies three present criteria for the Board of Parole to apply in exercising its jurisdiction, adds a fourth condition, that the individual must have made positive efforts towards his own rehabilitation.

SEC. 3. (a) Continues present authority of sentencing judge to impose a minimum term during which a prisoner may not be eligible for parole.

SEC. 3. (b) Provides for the Bureau of Prisons to prepare the report and recommendation to the Board of Parole for all prisoners eligible for parole.

SEC. 4. Leaves unchanged existing mandatory minimum sentences for certain crimes.

Mr. HRUSKA. Mr. President, it is with pleasure that I join as cosponsor on the bill introduced by the junior Senator from North Dakota (Mr. BURDICK), chairman of the Subcommittee on Penitentiaries of the Committee on the Judiciary. The bill he introduces is designed to amend certain provisions of chapter 311, section 4202, of title 18 relating to parole.

The bill would make the present indeterminate sentence option now available to judges the first option and would further make the fixed term sentence the second or less preferred option. In addition, the bill would add as a requirement for eligibility for parole at the discretion of prison officials that the prisoner must have made positive efforts toward his own rehabilitation.

The bill treats with sentencing, which is a part of the title on that general subject contained in the report of the National Commission on Reform of Federal Criminal Laws. Report of that Commission was made earlier this year. It is now being considered by the Subcommittee on Criminal Laws and Procedures, of which the senior Senator from Arkansas (Mr. MCCLELLAN) is chairman. Some hearings have already been held on it. Others are scheduled.

It is well that the Senator from North Dakota proposes this amendment to section 4202 of title 18, because thereby we will have a specific proposal on this point when the attention of the Subcommittee on Criminal Laws and Procedures will be focused on that part of the National Commission's report dealing with sentencing.

The Senator from North Dakota should be commended for his attention to this particular point. It will be of assistance and guidance in consideration of this subject.

By Mr. BURDICK:

S. 2384. A bill to amend section 612 of the Federal Aviation Act of 1958, relating to airport operating certificates, in order to authorize and direct the Secretary of Transportation to provide financial assistance to certain small airports to cover the cost of acquiring, installing, operating, and maintaining facilities and equipment required by such a certificate. Referred to the Committee on Commerce.

Mr. BURDICK. Mr. President, airport safety was one of the primary concerns of all of us when we passed the Airport and Airways Safety and Development Act last year. Under this act, the FAA Administrator was empowered to require that airports serving air carriers certificated by the CAB obtain an "airport operating certificate." The operating certificate was to be issued upon conditions "reasonably necessary to assure safety in air transportation."

The FAA has now published its notice of proposed rulemaking to enforce this section of the 1970 act (docket No. 10607, notice 71-14). The financial burden of complying with the proposed conditions for the issuance of an airport operating certificate has placed in serious jeopardy the continued existence of many of our Nation's airports.

I do not question the wisdom or necessity of the FAA guidelines as presently proposed, although I am assured they are undergoing wide-ranging review prior to final promulgation.

However, what has become clear since the proposed regulations were published is that a vital link in our airways system—the airport serving our smaller communities—may not survive even a relatively modest increase in their cost of operations and certainly not an increase of the magnitude that would be required to comply with the airport certification requirements now being proposed by the FAA. These airports must provide most of the services offered by large airports. On snowy days, their runways must be cleared. In times of crisis, they must be able to respond to the call. Yet, most of them are operated on annual budgets of less than $100,000. Most of these airports have reached a point of desperation.

For these reasons, I am introducing an amendment to provide full Federal funding of the costs of the acquisition, installation, operation, and maintenance of the equipment and facilities which the FAA may require of small airports for the issuance of an operating certificate. This assistance would be available only to airports which enplane less than 0.25 percent of the country's total passenger enplanements.

This would include the vast majority of our airports. Of approximately 540 air carrier airports, some 463 are small hubs or nonhubs. These airports enplane only a small percentage of total U.S. passengers in a given year, but they are a necessary ingredient in our national air transportation policy.

Such airports are especially vital to a State such as North Dakota. North Dakota presently receives certificated air service at seven airports. In today's air age, it is imperative that this service be maintained and enhanced.

Available information indicates that air service to communities such as those in North Dakota cannot be maintained without the assistance urged in my bill.

Take, for example, the airport at Williston, N. Dak. Williston is the sixth largest city in North Dakota, with a population of 11,280. Williston serves as the hub for a thriving North Dakota oil producing industry. Air service is essential. The director of the North Dakota Aeronautics Commission, Harold Vavra, has informed me that it would cost Williston $99,000 annually to comply with the airport certification requirements now being proposed. This represents a total of $30.28 per passenger boarding on the CAB-certificated airline at Williston. This is more than the $30 average passenger fare per boarded passenger. Mr. Vavra has furnished me information indicating that similar situations exist in all North Dakota airports. I ask unanimous consent that the July 12, 1971, letter of the North Dakota Aeronautics Commission to the Federal Aviation Administration be printed in the RECORD following my remarks.

Mr. President, I believe the program created in the bill I introduce today is both justified and needed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NORTH DAKOTA
AERONAUTICS COMMISSION,
Bismarck, N. Dak., July 12, 1971.

FEDERAL AVIATION ADMINISTRATION,
OFFICE OF GENERAL COUNSEL,
Washington, D.C.

Attention: Rules Docket GC-24.

Subject: Comments—Airport Operating Certificates Docket No. 10607. "Notice of Proposed Rulemaking #71-14".

DEAR SIRS: In accordance with the Federal Aviation Administration's Notice of Proposed Rule Making No. 71-14, published May 14, 1971 in the Federal Register under Docket No. 10607, I request that the following late filed response of the North Dakota Aeronautics Commission be accepted as part of the record of this proceeding. Because of matters beyond my control, it was impossible to deliver this response in Washington, D.C. by July 13, 1971.

PART 139.49 "AIRPORT FIREFIGHTING AND RESCUE EQUIPMENT"

The State of North Dakota has a total of seven public airports served by Civil Aeronautics Board certificated scheduled airlines.

These seven public airports serviced by CAB certificated airlines are all non-hub type airports based upon their annual passenger enplanements with the exception of Fargo, N.D., which is a small hub.

The seven airline airports in North Dakota served by CAB certificated carriers, enplaned the following passengers during calendar year 1970:

CITY, 1970 PASSENGER ENPLANEMENTS, AND TYPE OF AIRLINE EQUIPMENT

Bismarck/Mandan, 55,364, Boeing 727–100; Boeing 727–200; Convair 580; Boeing 737–200.

Devils Lake, 2,450, Convair 580 prop jet.

Fargo, 86,843, Boeing 727–100; Boeing 727–200; Convair 580.

Grand Forks, 47,586, Boeing 727–100; Boeing 727–200; Douglas DC–9.

Jamestown, 3,700, Boeing 727–100 and Boeing 727–200.

Minot, 37,215, Boeing 727–100 and Boeing 737–200; Douglas DC–9.

Williston, 3,598, DeHavilland Twin Otter Prop Jet.

COST OF FIRE & RESCUE SERVICE PER ENPLANED PASSENGER IS PROHIBITIVE—WILLISTON, N.D.

Proposed Part 139.49 proposes rule making that a city such as Williston, N.D., with about 3,598 annual passenger enplanements with small (less than 12,500#) DeHavilland Twin Otter Prop Jet aircraft service, with less than five scheduled departures daily, will be required to provide INDEX no. 1 firefighting and rescue equipment and service. These aircraft gross less than 12,500 pounds max gross, but are operated by a CAB certificated airline.

The cost of the firefighting and rescue equipment and building to house same under INDEX No. 1 is estimated at a minimum of $90,000. The cost of personnel on a seven day per week basis is estimated at $50,000. Amortizing the $90,000 cost over a period of ten years, at a cost of $9,000 per year, plus $50,000 in salaries, levels out to an annual cost of about $59,000. This figures out at a cost to the City of Williston, N.D. of $16.40 (fire and rescue protection) per each enplaned passenger at the Williston Airport. This excessive amount by any standards of measurement is *highly unreasonable, unjust and not in the public interest*.

The additional costs to comply with proposed Section 139.67 public protection for persons and animals such as periphery cyclone fencing around the airport, plus security personnel and provision for emergency runway lights would add a minimum of an additional $40,000 per year operating expense which represents a total additional overhead annual expenses of $99,000 when applied against the annual enplanement of 3,600 passengers at Williston, N.D., will cost the City of Williston, N.D. a total of $30.28 per each enplaned passenger boarding the CAB certificated airline.

The average passenger fare per boarded passenger at Williston is about $30.00, compared with fire, rescue and security costs of $30.28 per each boarded passenger. There is absolutely no economics in this proposed rule making as it applied to non-hub airports and if adopted as proposed, will serve only one purpose, which is to decertificate and eliminate scheduled airline service to Williston, North Dakota, now provided by a CAB certificated airline.

Section 51 of the Airport and Airway Development of 1970, which is now Section 612 of the Federal Aviation Act of 1958, which is an act of Congress, states that the Federal Aviation Administration shall prescribe such terms, conditions and limitations as are *reasonably necessary*, to assure safety in air transportation. The foregoing clearly shows that the proposed regulations are not only unreasonable as they apply to small non-hub airline airports, but will serve the principal purpose of abolishing CAB certificated airline service to Williston, N.D. and to hundreds of other small non-hub airports in the United States.

DEVILS LAKE, N. DAK.

Devils Lake, N.D. is served by North Central Airlines with one turn-around Convair 580 prop jet service per day (one landing and one take off per day). During calendar year of 1970, Devils Lake enplaned 2,450 airline passengers, during which time Devils Lake was served with two round trips per day. Effective June 1, 1971, North Central suspended one round trip per day leaving the City with only one round trip per day. It is forecasted that with one round trip per day that Devils Lake's passenger boardings will drop to an estimated 1,200 during calendar year 1971.

The cost of firefighting and rescue equipment and necessary building to house equipment and fire fighting personnel sited upon the Devils Lake Municipal Airport is estimated at $90,000. The cost of personnel to man the equipment on a seven day a week basis, is estimated at $50,000. Amortizing the $90,000 cost over a period of ten years, sets up a cost of $9,000 per year for this item, plus $50,000 in salaries, which totals to an annual cost of $59,000.

This figures out at a cost to the City of Devils Lake of $49.17 (fire and rescue service) per each enplaned passenger boarding the CAB certificated airline at the Devils Lake Municipal Airport.

Additional costs to comply with proposed Section 139.67 (Public protection for persons and animals) would include airport periphery cyclone fencing plus airport security personnel and provisions for emergency runway lights (these are in addition to regular runway lights) would add a minimum additional cost of $40,000 per year operating expenses. The combined added annual expenses total $99,000 when applied against the annual passenger boardings of 1,200, the cost to the City of Devils Lake will add up to $82.50 per boarded passenger at the Devils Lake Municipal Airport for the privilege of boarding a CAB certificated airline there.

The average passenger fare per boarded passenger at Devils Lake is about $41.00, the fare to Minneapolis, Minnesota. The cost of providing passenger security, fire protection under the proposed FAA rule is forecasted at better than twice the gross ticket revenue produced by each boarding passenger on North Central Airlines.

It is obvious that a federal regulation that imposes such a cost burden upon the City of Devils Lake could have only one objective, which is to eliminate in its entirety, scheduled airline service at Devils Lake, N.D. presently provided by a CAB certificated airline.

JAMESTOWN, N. DAK.

Jamestown, North Dakota is served by Northwest Airlines, Inc., with Boeing 727–100 aircraft with three departures daily. During the 1970 calendar year, Jamestown boarded 3,700 passengers.

Jamestown, N.D. under Part 139.49, as proposed, falls in INDEX No. 3, but due to the fact that Jamestown has less than five departures per day, Jamestown automatically falls into INDEX No. 2 for standards for fire fighting and rescue equipment.

Here again, the annual cost for fire fighting and rescue personnel and amortization charges for equipment and a new building upon the airport is estimated at $120,000.

This figures out at a cost to the City of Jamestown, N.D. of $32.43 (fire and rescue service) per each enplaned passenger boarding the CAB certificated airline at the Jamestown Municipal Airport.

Additional costs to comply with proposed Section 139.67 (Public protection for persons and animals) would include airport periphery cyclone fencing plus airport security personnel and provisions for emergency runway lights (these are in addition to the high intensity regular runway lights), would add a minimum additional cost of $50,000 per year operating costs. The combined added annual expenses total $170,000 when applied against the annual passenger boardings of 3,700, the cost to the City of Jamestown will add up to $46.00 per boarded passenger at the Jamestown Municipal Airport for the privilege of boarding a CAB certificated airline there.

The average passenger fare at Jamestown is $35.00, while the cost of fire, rescue and security would be greater compared with the gross passenger revenue by $11.00 per boarded passenger.

BISMARCK, N. DAK.

Bismarck/Mandan is served by Frontier, Northwest and North Central Airlines. These airlines utilize Boeing 727–100; Boeing 727–200; Boeing 737–200 and Convair 580 turbo prop aircraft.

During the 1970 calendar year, Bismarck/Mandan boarded a total of 55,364 airline passengers. The Bismarck Municipal Airport has more than five scheduled departures daily, therefore comes under Index III, for aircraft not more than 160 ft. long.

The cost of fire fighting and rescue equipment and necessary airport building to house equipment and fire fighting personnel at the Bismarck Municipal Airport is estimated at $200,000.

The cost of wages for personnel to man the equipment on a seven day week basis is estimated at $150,000. Amortizing the $200,000 capital cost over ten years, will result in an annual direct operating expense for the Bismarck Municipal Airport of $170,000 per year.

This figures out at a cost to the City of Bismarck of $3.07 (fire and rescue service) per each enplaned passenger, boarding the CAB certificated airlines at the Bismarck Municipal Airport.

Additional operating costs to comply with Section 139.67 (Public protection for persons and animals) would include airport periphery cyclone fencing plus airport security personnel and provisions for emergency runway lights (these are in addition to regular high intensity runway lights) on a fully amortized and annual cost basis estimated at $50,000. The combined total annual operating expenses, $50,000 plus $170,000 totals $220,000, when applied against the annual passenger boardings of 55,364, the cost to the City of Bismarck will add up to $4.00 per boarded passenger at the Bismarck Municipal Airport.

FARGO-GRAND FORKS AND MINOT, NORTH DAKOTA

Proposed Part 139 would also impose unreasonable costs upon the airline cities of Fargo, Grand Forks and Minot, considering that these three cities are also non-hub type airports. The cost to each City would be in the range of $4.00 to $6.00 per enplaned passenger on the CAB certificated airlines serving these cities.

CONCLUSION

Because of the *unreasonable costs* involved in the compliance with proposed Part 139 "Airport Operating Certificates", at all *non-hub* and *small hub airline airports* in North Dakota and the United States, I propose that the Federal Aviation Administration amend its proposed Part 139 to grant a permanent waiver to all airline airports in the non-hub and small hub category, which would waive or exempt all airline airports being served by CAB certificated airlines from compliance with the following proposed regulations in Part 139:

FULL WAIVERS FOR THE FOLLOWING PARTS ON NON-HUB AND SMALL HUB AIRPORTS

Part 139.47(b)—Installation of emergency runway lighting system in addition to primary runway lighting system.

Part 139.49—Airport fire fighting and Rescue Equipment and Service.

Part 139.51—Handling and storing hazardous articles and materials.

Part 139.67—Public Protection.

Part 139.71(b)(7)—Coefficient of friction measurement equipment.

Part 139.83(b)—Measure runway slipperiness for various seasons.

Part 139.83(b)(1)—Part 139.83(b)(2)—Part 139.83(b)(3): Coefficient of friction.

Part 139–85—Safety Areas (This Section was not written to consider problems or conditions during high winds in heavy snow areas).

Part 139–89—Airport fire fighting and rescue equipment and service.

Wherefore, the foregoing considered, the North Dakota Aeronautics Commission respectfully requests, due to the unreasonableness of many parts of newly proposed Part 139, that:

(1) All non-hub and small hub airports (as defined in Airport Activity Statistics of Certificated Route Air Carriers), be completely exempted from newly proposed Part 139, or if the Federal Aviation Administration refuses to amend its proposed Part 139 to accomplish such an exemption, then that permanent waivers be granted in Part 139 to all non-hub and small hub air carrier airports waiving the effectiveness of eleven parts of subparts listed.

Respectfully submitted,
HAROLD G. VAVRA,
Director.

By Mr. MONDALE:

S.J. Res. 143. A joint resolution relating to peace for Pakistan. Referred to the Committee on Foreign Relations.

Mr. MONDALE. Mr. President, even in a world numbed by mass death and suffering, the horror in East Pakistan seems without parallel. Hundreds of thousands have died from disease, starvation, and brutal military repression. According to an authoritative report by the World Bank, even the most immediate efforts will not save hundreds of thousands more from dying of starvation.

And now more than 7 million people are crowded in the hopelessness and squalor of refugee camps in India.

It is as if the population of two States the size of Minnesota had been driven from their homes to an impoverished and disease-ridden exile in a foreign land—or as if the majority of the people in Minneapolis-St. Paul or St. Louis or Denver or San Francisco, had been killed or were about to die.

I think most of us find it very difficult to grasp the sheer magnitude of this tragedy, to understand the almost endless individual tragedies—the loved ones lost, the life work destroyed—which are the life and blood reality of the great statistical disaster.

But I think the American people are coming to understand clearly one element of this tragedy—the unconscionable neglect our own Government has shown for any real effort to alleviate it.

There is no need to recount here the long string of misrepresentations and empty assurances which the United States has made while it went on arming a repressive regime in East Pakistan and maintaining callous silence though millions were in torment.

But it is not too late to summon statesmanship in this ghastly problem. It is not too late to make real the rhetoric we hear so often about this Nation's concern for human life and for a generation of peace.

Congressman FRASER and I are introducing jointly in the House and Senate a resolution declaring that it is the sense of the Congress that the President should move immediately to seek the cooperation of the Soviet Union and the Peoples' Republic of China to work to stop the fighting and dying in East Pakistan.

As the Washington Post observed this morning, bureaucrats will find, as always, a thousand reasons why we should not act. I would only answer, as the Post did, that there are millions of reasons—the millions of men, women, and children whose lives are at stake in East Pakistan—to try this or any other means in an effort to foreshorten this catastrophe.

For the basic potential reality of all this is simple—this country has no interest in the subcontinent which can justify acquiescence in one more death in East Pakistan.

Mr. President, I ask unanimous consent that the editorial from the Washington Post and the text of my resolution be printed at this point in the RECORD.

There being no objection, the joint resolution and article were ordered to be printed in the RECORD, as follows:

S.J. RES. 143

Whereas the civil strife in East Pakistan has brought the death of hundreds of thousands and great human suffering to millions; and

Whereas the persistence of that strife is a clear and present threat to the peace of the area and thus a potential threat to the peace of the entire world; and

Whereas the President has stated his intention to seek the cooperation of the USSR and the Peoples' Republic of China in building a generation of peace for all mankind;

Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That it is the sense of the Congress that the U.S. should urgently seek the diplomatic cooperation of the USSR and the Peoples' Republic of China in a joint effort to enable the Government of Pakistan to take whatever steps may be necessary to end the civil strife in East Pakistan; to return to the area a legally and democratically elected government without prejudice to the policy that government may follow once in power; to facilitate the rapid and unhindered return to their homes and property, without reprisal, of all refugees driven from East Pakistan as a result of the civil strife; and to re-establish, to the extent feasible, conditions affording a prompt resumption of commerce and economic development in East Pakistan.

[From the Washington Post, July 30, 1971]

A PROPOSAL ON PAKISTAN

In Pakistan, the world is witnessing a holocaust unmatched since Hitler—and "witnessing" is the operative word. While hundreds of thousands have died and millions have fled, the world has done little but look on in paralyzed horror, sighing for the victims and offering the survivors among them alms but taking no effective measures to ameliorate even the incontrovertibly international aspect of the tragedy: the forced flight of terrorized Pakistani refugees to India. After the catastrophe of the Nigerian civil war, one might have hoped the international community would have been prepared—in mental outlook, anyway—to prevent a repetition of it. But no.

The great nations with an interest in the subcontinent have been unwilling to halt their separate routine quests for national advantage merely for the sake of reducing the toll of human misery. The Russians are perhaps least to be blamed: they did not have an important position in Pakistan and they have used its agony merely to consolidate their position in India. The Chinese, on the other hand, have adopted a policy of totally craven expediency. They have rejected the Bengalis' cause of popular revolution against an unjust tyranny, and they have encouraged the oppression of the Bengalis by the Pakistani government, even to the point of offering to defend Pakistan against outside (meaning Indian) intervention.

American policy is, for Americans, even more regrettable. For "strategic" reasons which come down to no more than an outmoded habit of military alliance with Pakistan, the United States has kept up a flow of arms and has asked Congress for new economic aid (so far denied), all this under the pretext of gaining a friend's leverage in order to steer the Pakistanis back on a moderate course. There has not been a whit of evidence, however, that the Pakistanis have paid any heed to whatever American urgings may have been privately conveyed. On the contrary, the outpouring of refugees continues, at upwards of 20,000 a day, and the United States is widely blamed for facilitating it.

What are the alternatives? One is an Indian-Pakistani war. This is far from unlikely, in view of the domestic pressures upon both governments. Pakistan's policy of expelling its citizens across the border and India's policy of aiding the Bengali insurgency movement could provide the spark for broader hostilities at practically any moment. Such a war would add new dimensions of despair to the subcontinent, and it would intensify the political play on the Moscow-Peking-Washington triangle.

But, as well, a war would give U Thant and the international community which he represents an opening to deal with the basic problem of Pakistani cruelty. Everyone can see the death by starvation or cholera, in whatever numbers, and perhaps the greatest trans-border migration of peoples in modern history, and the imminent threat of war. Yet none of these has been adequate to mobilize Mr. Thant and the United Nations. But if a few people of one nationality were shot by a few soldiers of another, then the Security Council presumably would meet and the whole ponderous apparatus of international conciliation and problem-muffling might grind into gear.

The other alternative, as we see it, can only come either from an immediate joint appeal to Pakistan by the United States, the Soviet Union and the People's Republic of China or from separate but parallel appeals from these three. They would have to ask and help Pakistan to take the steps necessary to restore normal conditions, difficult—indeed impossible—as that task may seem now. The mechanics of American-Soviet-Chinese pressure are hard for an outsider to imagine (hard for an insider, too, no doubt). Yet it is plain that together the three countries, and only they, have the requisite influence to induce Pakistan to change course, and the problem is to find a way to bring it to bear.

There are, of course, a dozen reasons diplomats and politicians can give you why such a proposal is unrealistic and unworkable. Basically, it would require three extremely wary mutual rivals to collaborate, as they have never done, and to collaborate in an important arena of their rivalry. The argument for trying out the proposal, though, is quite simple: it could spare 10 or 20 or 80 million people terrible additional suffering, not to say—for many of them—their lives. Forlorn or visionary as it may be, no possibility for limiting the effects of the Pakistani tragedy ought to be abandoned out of hand. And if the United States is not to make a real and positive contribution, then at the least it ought to end its current policy of aid, however limited, to Pakistan.

By Mr. JAVITS (for himself, Mr. RANDOLPH and Mr. DOMINICK):

S.J. Res. 144. A joint resolution to provide the President with emergency powers to act with respect to the current railway labor-management dispute. Referred to the Committee on Labor and Public Welfare.

(Statement in connection with this joint resolution are printed earlier in the RECORD.)

By Mr. TOWER:

S.J. Res. 145. A joint resolution to designate the period beginning June 18, 1972, and ending June 24, 1972, as "National Engineering Technicians Week." Referred to the Committee on the Judiciary.

NATIONAL ENGINEERING TECHNICIANS WEEK

Mr. TOWER. Mr. President, I introduce today a joint resolution which would request and authorize the President of the United States to proclaim the week from June 18 to June 24, 1972, as "National Engineering Technicians Week." This gesture, on the behalf of the American people, would be a sincere expression of our appreciation for the worthy aspirations of the American Society of Certified Engineering Technicians.

The society was formed in 1964. Since that time, this young and aggressive organization has worked hard in establishing the position of the engineering technician. These endeavors have been instrumental in asserting the role of the engineering technician as an integral part of the national and local communities, engaged in sound, professional practices.

The goals of the society are significantly worthwhile. The society desires recognition of its members as a vital component of the engineering and scientific team in the service of the national public welfare. Furthermore, it seeks to promote the educational, social, economic, and ethical responsibilities of the profession.

The society has made great strides toward the achievement of these goals, and I would like to assist it in its efforts. I believe that it is altogether fitting and proper for the achievements of this organization to be recognized by the proclamation of a National Engineering Technician Week in their honor. All of America will be furthered by the realization of their goals.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 145

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period beginning June 18, 1972, and ending June 24, 1972, is hereby designated as "National Engineering Technicians Week", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such day with appropriate ceremonies and activities.

By Mr. TUNNEY (for himself and Mr. CRANSTON):

S. 2374. A bill to establish a national program to control air and water pollution and to aid in the preservation of the environmental quality of the Lake Tahoe area. Referred to the Committee on Public Works.

(The above bill was introduced yesterday and referred to the Committee on Public Works. Through an inadvertence the text of the bill was omitted from the RECORD. It reads as follows:)

S. 2374

A bill to establish a national program to control air and water pollution and to aid in the preservation of the environmental quality of the Lake Tahoe area

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Lake Tahoe Environmental Quality Act of 1971".

SEC. 2. The Administrator of the Environmental Protection Agency is authorized to enter into agreements with the Tahoe Regional Planning Agency to carry out one or more projects to develop and demonstrate comprehensive water and air pollution control programs in any areas subject to the jurisdiction of the Tahoe Regional Planning Agency. Such demonstration programs and projects shall give special emphasis to environmentally vulnerable areas which are increasingly in demand as popular recreational centers, and shall include:

(a) Preparation of detailed plans for further development and conservation of the region's limited water resources, accompanied by a study of possible alternative sources of water for municipal uses within the Lake Tahoe Basin;

(b) Development of reliable and economical recycling methods and programs of effluent reclamation for municipal and recreational purposes within the Lake Tahoe Basin;

(c) Development of a comprehensive basinwide program for storm sewer collection and treatment, taking into consideration the environmental effects of standard storm-sewer construction methods and exploring alternative methods;

(d) Development of data on the relation of urban development in the Lake Tahoe Basin to soil siltation of streams and its consequent effects upon water quality;

(e) Development of general plans for meeting the demands of user populations within the limits imposed upon the area by its fragile ecology;

(f) Development of an air pollution control program to monitor existing and anticipated air pollution, to assess the impact of automobile and other emissions upon air quality with a view to establishing air quality standards for the future.

SEC. 3. In carrying out this section, the Secretary of the Interior and the Secretary of Agriculture shall cooperate with the Administrator of the Environmental Protection Agency for the purpose of offering for the use of the Tahoe Regional Planning Agency such of the personnel and facilities of the Environmental Protection Agency, the Department of the Interior, and the Department of Agriculture as may be appropriate.

SEC. 4. The Administrator shall review, in consultation with the Tahoe Regional Planning Agency, all expenditures of Federal funds, all Federal insurance, and all Federal guarantees of loans within the area subject to the jurisdiction of the Tahoe Regional Planning Agency, and no such funds shall be expended and no such insurance or guarantees provided unless the Administrator shall certify that such expenditures, guarantees, or loans are consistent with Federal laws governing air and water quality and with the regional plan or plans adopted by such agency.

SEC. 5. The Administrator shall report to Congress not later than June 30, 1974, the results of the demonstration programs and projects authorized by this section together with his recommendations, including any necessary legislation, based upon the findings of the projects in the Lake Tahoe Basin.

SEC. 6. There is authorized to be appropriated $6,000,000 to carry out the provisions of this section, which sum shall be available until expanded.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 400

At the request of Mr. MONDALE, the Senator from Illinois (Mr. STEVENSON) was added as a cosponsor of S. 400, a bill to establish a Criminal Justice Reform Administration.

SENATE JOINT RESOLUTION 117

At the request of Mr. MCINTYRE, the Senator from Montana (Mr. MANSFIELD), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Alaska (Mr. GRAVEL), and the Senator from Oregon (Mr. PACKWOOD), were added as cosponsors of Senate Joint Resolution 117, requesting the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day."

SENATE JOINT RESOLUTION 135

At the request of Mr. TOWER, the Senator from Nevada (Mr. BIBLE), the Senator from Virginia (Mr. BYRD), the Senafrom New Jersey (Mr. CASE), the Senator from Florida (Mr. CHILES), the Senator from Nebraska (Mr. CURTIS), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), the Senator from Montana (Mr. MANSFIELD), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Delaware (Mr. ROTH), the Senator from Alaska (Mr. STEVENS), and the Senator from South Carolina (Mr. THURMOND), were added as cosponsors of Senate Joint Resolution 135, designating National Law Enforcement Officers Day.

SENATE RESOLUTION 160—SUBMISSION OF A RESOLUTION RELATING TO THE U.S. POLICY TOWARD CUBA

(Referred to the Committee on Foreign Relations.)

Mr. FULBRIGHT submitted the following resolution:

S. RES. 160

Resolved, That the President be advised that it is the sense of the Senate that he should take steps to review United States policy toward Cuba with the objective of beginning a process which would lead to the reestablishment of normal relations between the United States and Cuba.

SEC. 2. It is the further sense of the Senate that as a part of this process the United States should support reexamination by the Organization of American States of resolutions of that Organization relevant to Cuba.

SENATE CONCURRENT RESOLUTION 38—ORIGINAL CONCURRENT RESOLUTION REPORTED COMMENDING THE PRESIDENT FOR INITIATING PROPOSED "JOURNEY FOR PEACE"

(Ordered to be placed on the calendar.)

Mr. MANSFIELD, for Mr. FULBRIGHT, reported the following original concurrent resolution:

S. CON. RES. 38

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be and is hereby commended for his outstanding initiative in furtherance of the foreign relations of the United States and world peace by deciding to undertake "a journey for peace" to the People's Republic of China.

Resolved further, That the Congress offer and does hereby offer its full support to the President in seeking the normalization of relations with the People's Republic of China.

AIRWAY MODERNIZATION AND AIRPORT DEVELOPMENT—AMENDMENT

AMENDMENT NO. 347

(Ordered to be printed and referred jointly to the Committees on Finance and Commerce.)

AIRPORT CERTIFICATION REQUIREMENTS MAY CLOSE MANY SMALLER AIRPORTS

Mr. BAKER. Mr. President, the Airport and Airway Development Act of 1970—Public Law 91-258—was historic legislation in many respects. It created a new aviation trust fund to assure that the increased new taxes imposed on users of our Nation's airport and airway system would be used to finance badly needed facilities which would enhance air safety. The House version of the legislation, moreover, contained a provision to require the Administrator of the Federal Aviation Administration to certificate all U.S. airports receiving scheduled airline service no later than May 21, 1972. The Administrator was empowered to establish "minimum safety standards" for the operation of all such airports, and affected airports were not to be certified unless they could comply with the national standards.

The Senate accepted the House provision in conference as a reasonable step to increase the operational safety of our aviation system. Other elements of the system—the aircraft, airmen, controllers—previously had been certified for safety purposes and the airport was a logical addition.

The Federal Aviation Administration rulemaking with respect to the airport on May 14, 1971, published in the Federal Register its notice of proposed operating certificate requirements and noted that comments from the public would be accepted through July 13.

Comments which I have received from airports in the State of Tennessee and across the Nation indicate clearly that some of the minimum safety standards proposed in the notice of proposed rulemaking would be so costly and require such immediate implementation as to require some airports either to close or, at a minimum, to refuse airlines the use of their facilities.

There are approximately 540 commercial air carrier airports; only 25 are in large hubs, 38 in medium, 88 in small and some 375 in the nonhubs. These 375 make up 70 percent of all airports receiving airline service yet combined enplane only about 4 percent of the entire passenger enplanements in the country. Many of these airports have an operating budget below $150,000 a year—some less than $100,000. The proposed matching expenditures in the regulation would more than double the operating cost for many of these smaller airports.

The particular aspects of the FAA proposed rulemaking which seems to concern most communities revolve around the requirements for fire, crash, and rescue equipment and full-time employees to man and operate this equipment. The requirement that this equipment be able to respond any place on the airport operational surface within 3 minutes and the requirement for security fencing around the landing area perimeter are also grave concerns.

The FAA has received approximately 200 comments concerning the proposed regulation from all sizes and category airports. I have been most impressed by the concern and thoroughness with which Mr. Chester Bowers, director of airport service, and Mr. Bass Lockett, chief of the new airport certification group, have undertaken their task of completing the final certification regulation. These men appear keenly aware of the problem besetting our Nation's airports and have assured me that their regulation will be reasonable and contain modifications from the stringent proposal offered earlier this year.

Last week the Commerce Committee reported S. 1437, legislation amending the Airport and Airway Development Act of 1970. With the feeling that it is up to the Federal Government to be sure that loss of service is not the cost of Federal regulation of our Nation's airports, and that the purpose of the airport/airways trust fund is to improve and modernize our airport/airways system, I offer this amendment to S. 1437, Airport/Airways Development Act. It would do the following:

First. Extend the date of airport certification implementation from May 20, 1972, to May 20, 1973, in order to allow the FAA and our Nation's airports the necessary time to establish and comply with reasonable, minimum safety standards. With less than 10 months remaining before the national airport certification program is to be completed, final regulations have not been issued and thus airport sponsors do not yet know what requirements they finally will have to meet. Given the extensive amounts of equipment which undoubtedly will be required, however, and the necessity of obtaining funds for their purchase, a reasonable extension of the present deadline seems quite reasonable.

Second. Make all airport safety equipment and modifications, required as a result of the standards established by the Administrator to obtain an airport operating certificate, eligible for 82 percent Federal participation for funding. Safety equipment and modifications shall include, but not be limited to—airport firefighting and rescue—vehicles, housing, and equipment; lighting required for aircraft operational areas not otherwise eligible for greater Federal participation; equipment required for the security of navigational aids and aircraft operating areas; equipment required to measure and maintain the runway coefficient of friction at a level consistent with minimums set by the Administrator. The Administrator shall establish and maintain a complete list of items eligible for Federal funding under this section.

Third. Reimburse those airports having purchased, or already implementing, safety requirements under the regulation subsequent to May 21, 1970.

While I firmly believe that the airport certification program will, when implemented, provide an added measure of safety to passengers on airline aircraft, to general aviation flyers, and to the public, I am concerned about the short term effect on our national aviation system.

We all know that, partially because of the economic slowdown, airlines have reduced or eliminated scheduled service to many smaller communities. If additional communities are required to refuse airline service because they are financially unable to meet the minimum safety requirements imposed under Public Law 91-258 by the FAA, the cumulative effect on the Nation may be worse still.

Regardless of what standards are set, a major impact will still be felt by our small communities which are presently struggling to retain adequate air service. These communities do not have the resources to finance some improvements this new safety measure will impose, and they certainly cannot pass these costs on to our already financially troubled air carriers, who are presently cutting back, or attempting to eliminate completely, service at many of these small communities.

Mr. President, I have noted a lack of factual data or an authoritative study as to the cost-benefit relationship of firefighting and rescue equipment at airports. I believe it appropriate that this legislation should instigate the National Transportation Safety Board to study the cost-benefit of crash/fire rescue equipment at different size airports. The NTSB should consider:

First. The exposure and post effectiveness of crash/fire rescue at airports.

Second. Alternate means of enhancing airport safety such as visual and instrument navigational aids and control towers at airports presently lacking these devices.

I have obtained a brief and incomplete summary sheet of such data that I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY SHEET—BASED ON A REVIEW OF ALL ACCIDENTS AS REPORTED BY THE CAB BUREAU OF SAFETY AND MORE RECENTLY THE NATIONAL TRANSPORTATION SAFETY BOARD

Year	Total accidents with fire	Accidents on, or accessible from, airports				Number of accidents where CFR might have saved lives
		Total	Fatal	Killed/Injured		
	(1)	(2)	(3)	(4)		(5)
1955	20	8	3	39	1	0
1956	19	9	1	22	2	0
1957	33	20	1	12	2	0
1958	31	16	2	71	23	0
1959	34	15	3	6	0	0
1960	14	4	1	22	10	0
1961	12	8	3	99	13	3
1962	11	7	3	121	14	1
1963	8	4	3	21	31	2
1964	15	8	1	50	17	0
1965	18	10	1	43	49	1
1966	13	5	1	83	4	0
1967	17	11	1	1	1	1
1968	16	7	1	25	24	1

NOTES

Figures for the years 1955–1959 include both air carrier and general aviation (over 12,500 pounds) accidents; 1960–1968, air carrier only.

Col. (1): "Accident" includes all incidents where death, serious injury, or aircraft damage occurred at any time from start of aircraft engines to engine shutdown. The total number of accidents in which fire, of major on minor importance, was present. The total accidents are not those of just scheduled passenger service; they include all accidents in all types of air carrier operations, i.e., scheduled and nonscheduled; revenue and nonrevenue including training; domestic and international; passenger and cargo.

Col. (2): Total number of accidents of those shown in (1) which occurred on or in the immediate vicinity of any airport.

Col. (3): Total number of accidents of those shown in (2) in which occupant fatalities occurred.

Col. (4): Number of aircraft occupants either killed or injured in those accidents shown in (3).

Col. (5): Number of fatal accidents in which it is reasonable to assume that airport-based fire/rescue services might have been a factor in saving lives, assuming adequate services were available at all airports.

Mr. CURTIS. Mr. President, I am joining Senators BAKER and BROCK in the cosponsorship of an amendment to S. 1437 because it is a reasonable, sensible, and practical answer to a very serious problem facing the airports of the Nation, particularly those small airports which provide commercial airline service to the rural areas.

The Federal Aviation Administration has prepared some regulations for implementing the new airport certification requirements that it is administering. The proposed regulations contain some very strict safety requirements. Everyone wants the airports to be as safe as possible.

There has been some criticism to the effect that the proposed requirements are too strict. I am not a technical expert in this field. I do know that the airports of Nebraska, particularly those serving the smaller communities and rural areas, need additional time to meet the proposed requirements, and I do know that some of them have complained to me that the proposed regulations contain stricter safety requirements than they feel they are able to afford.

If these smaller airports cannot meet the requirements under the present law, they run the risk of being put out of business and of giving the Civil Aeronautics Board and the commercial airlines one more reason for cutting back airline service to many of our smaller cities and towns.

I respectfully request permission at this point, Mr. President, to include a letter which I wrote to Mr. John H. Shaffer, Administrator of the Federal Aviation Administration, setting forth my concern in this matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 21, 1971.

Mr. JOHN H. SHAFFER,
Administrator Federal Aviation Administration, Department of Transportation, Washington, D.C.

DEAR MR. SHAFFER: I am deeply concerned about the airport certification regulations which your agency has proposed and their impact on the small and non-hub airports of the Nation.

It is my studied opinion, based on information which I have received from Nebraska sources, that you are going beyond the intent of Congress and that the regulations if allowed to stand untempered by reason will regulate many of the airports in rural America out of business.

I do not believe it is prudent or logical to force a vast number of people to go back to the horse and buggy because they can't afford the equipment that a government agency says it would be nice to have, and therefore should be required. The safety of the horse and buggy is not all that good, nor is the safety record of the small airport serving small and medium-sized communities all that bad.

I am sure you are aware that the most difficult proposed regulation for the small and non-hub airport to meet is the one pertaining to fire-fighting equipment. It is not only very expensive, but it is unreasonable in terms of the types of situations that occur requiring such equipment on the airport proper. I do not have facts to back this up, but I am advised by authorities on the subject that landing and takeoff crashes very, very seldom occur on the airport proper, but rather occur in the surrounding area where they would be out of reach of the fire and rescue equipment which you are prescribing for the airport. It would seem more logical to require that such equipment be located in the residential and industrial areas surrounding the airports. But even then the truest and most effective fight for safety is largely lost by the time that fire and rescue equipment is needed. A far more effective and less expensive way to bring safety to the pilots, passengers and potential ground victims is through the requirement and funding of additional navigational aids which serve to prevent accidents.

There is one point which I want to make very clear. The small cities and towns of rural America are in danger of losing their air carrier service because of the economic squeeze on the carriers. My own state of Nebraska presently faces prospects of the loss of airline service to four or five communities. If your proposed regulations are adopted, the threat will extend to even more communities, and the airlines faced with economic troubles will have a further basis for discontinuance of service—a discouragement at a time when they need encouragement to keep up this vital service.

I respectfully request that you modify the proposed regulations and defer their application until the small and hub airports can respond realistically to meet the new requirements. If this cannot be done, I shall press for the adoption of legislation by Congress to extend the effective date for the new regulations.

Sincerely yours,

CARL T. CURTIS,
U.S. Senate.

Mr. CURTIS. I also wish to make known to the Senate the reply that I received today from Mr. Shaffer.

FEDERAL AVIATION ADMINISTRATION,
Washington, D.C., July 28, 1971.

Hon. CARL T. CURTIS,
United States Senate,
Washington, D.C.

DEAR SENATOR CURTIS: Thank you for the letter of 21 July 1971 containing your views on the airport certification program.

The Airport and Airway Development Act of 1970 amended Title VI of the Federal Aviation Act of 1958 to include a new Section 612(a) which states, "The Administrator is empowered to issue airport operating certificates to airports serving air carriers certificated by the Civil Aeronautics Board and to establish minimum safety standards for the operation of such airports."

As you are probably aware, the Act specifies that, "Each airport operating certificate shall prescribe such terms, conditions, and limitations as are reasonably necessary to assure safety in air transportation, including but not limited to, terms, conditions, and limitations relating to—

"(1) the installation, operation, and maintenance of adequate air navigation facilities; and

"(2) the operation and maintenance of adequate safety equipment, including firefighting and rescue equipment capable of rapid access to any portion of the airport used for the landing, takeoff, or surface maneuvering of aircraft."

We have, in close coordination with all interested parties, developed proposed minimum safety standards including standards for aircraft firefighting and rescue equipment. To date, the coordination has included numerous open meetings with industry, the issuance of an Advance Notice of Proposed Rule Making and consideration of comments received, and the issuance of a Notice of Proposed Rule Making (NPRM). Comments on the NPRM were due by 13 July 1971 and after they have been reviewed, we will reexamine the airport firefighting and service needs before finalizing the rule.

At many of the smaller airports firefighting service is provided by trained volunteers who serve at little or no cost to the airport. Also, the cost of the fire station (where required) is shared by the Federal government up to approximately 50% and when the airport is certified, it will be eligible to receive approximately 50% of the aircraft fire and rescue equipment costs.

We have received many letters from most all segments of the civil aviation community containing views similar to those you expressed. Although we have not had an opportunity to fully evaluate all of the comments, it appears that the proposed airport certification rule, as proposed, will be modified in certain areas. I assure you that all comments relative to implementing the Airport and Airway Development Act will be seriously considered prior to issuing a final rule.

Sincerely,

J. H. SHAFFER,
Administrator.

I believe that this bill will meet the problems posed by the new certification requirements. It will help the airports of Nebraska meet the requirements, and, therefore, I am pleased to cosponsor it.

FEDERAL ELECTION CAMPAIGN ACT OF 1971—AMENDMENTS

AMENDMENTS NOS. 348 THROUGH 350

(Ordered to be printed and to lie on the table.)

Mr. PROUTY. Mr. President, on behalf of myself and Senator BAKER I send three amendments to amendment 308 to S. 382 to the desk and ask that they be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Mr. President, all of us should be aware of the fact that the American people are sick and tired of weak and ineffective laws regulating Federal elections. I am confident that this Congress will restore the confidence of the American people in our Government by enacting the Federal Elections Campaign Act of 1971.

Senator BAKER and I worked long and hard with many of our colleagues on the Senate Commerce Committee to strengthen S. 382 as originally introduced. Together with our colleagues on that committee we made substantial progress toward drafting an effective and meaningful piece of legislation. In all candor we were not completely successful in our efforts to develop a strong bill because some of our colleagues on the Commerce Committee favored tabling all amendments suggested to the bill not relating to title I.

As the ranking Republican member of the Committee on Rules and Administration, I continued the fight to see that the legislation was considered in its entirety. Other members on the Rules Committee agreed with me and we succeeded in developing a strong and sound approach to the whole subject of political campaigns for elections to Federal offices. The bill reported by the Senate Rules Committee completely overhauls the laws regulating campaigns for Federal office. It is a strong, no-nonsense bill that will restore the faith of the American public in the elections process.

It is a tough bill imposing penalties on political candidates who do not strictly adhere to its requirements.

It closes every single loophole in existing law.

The unregulated District of Columbia Political Committee is dead.

The myth that a candidate is not responsible for other committees which happen to support him is ended.

Mr. President, enactment of S. 382 will completely change political campaigns in America. The people will know all the facts about campaign financing. Moreover, candidates will be strictly limited on the amount of money they can spend on the communications media.

I am disappointed that apparently partisan political considerations have led to the introduction of amendment 308 as a complete substitute for the excellent piece of legislation reported by the Senate Rules Committee.

Passage of amendment 308 as it is now structured would again substitute a weak bill for a strong bill.

It would substitute an incumbents bill for a fair bill.

It would encourage the creation of unpaid debts.

It would make it more difficult for the American people to know where political committees get their money from and how they spend it.

It would perpetuate the lack of confidence of the American people in our election process by refusing to give the enforcement authority to an Independent Federal Elections Commission.

The amendments being introduced by Senator BAKER and me to amendment 308 represent an attempt to restore some of the provisions contained in the bill reported by the Senate Rules Committee.

First, we believe that the Rules Committee was correct in exempting all Federal candidates from the equal time requirements in section 315(a) of the Federal Communications Act. Witness after witness testified that the equal time requirements of section 315(a) are in effect "no time offered requirements", because broadcasters are inhibited from giving free time to any candidate.

Amendment 308 by exempting presidential and vice presidential campaigns from equal time requirements recognizes the fact that section 315 has not worked in the interest of having an informed democracy. However, by not including all candidates for Federal office under the exemption, amendment 308 merely represents an effort to provide special protection for every incumbent Senator and Congressman. The American public deserves to expect more from this Congress than legislation designed to protect incumbents.

Our second amendment to amendment 308 would restore the interchangeability feature contained in the Rules Committee bill with respect to spending limitations. Again all the evidence warns against an arbitrary overstructuring of political campaigns by Congress unless Congress wants to deliberately increase the percentage of incumbents reelected to office. Is it not enough that since 1940 93 percent of all incumbents for Federal office have been reelected?

We have given ourselves the franking privilege.

We have name recognition in our States or congressional districts.

We have the ability to make news headlines by our stand on the issues and the way we vote.

Now amendment 308 attempts to give us a further advantage by placing separate but identical limitation on broadcast and nonbroadcast communications media. It in effect is implying that a campaign in New Hampshire, Maine or Wyoming is the same as a campaign in New York City, New Jersey, or California. Since campaigns in fact have very different requirements in different parts of the country, the Rules Committee correctly permitted the individual candidate to spend money on either broadcast or nonbroadcast communications media as long as he stayed within his overall limitations.

Our final amendment, Mr. President, restores the fair labeling provision contained in a Rules Committee bill.

Mr. President, disclosure of political contributions and expenditures is meaningless unless the American people are given the opportunity to easily obtain the facts. My amendment which was overwhelmingly adopted by the Rules Committee simply required political committees to place a notice on the material they used for soliciting contributions. That notice did two things.

First, it certified to the potential contributor that the political committee had complied with the Federal Disclosure Act. Second, it informed the potential contributor that he could purchase a copy of the report of contributions and expenditures from the Government Printing Office.

Mr. President, the American citizen should be entitled to this information. We should make certain the American citizen who wants to contribute to committees be given the opportunity to obtain the information about how the particular committee spends its money. I might point out, Mr. President, that long ago we protected stockholders in our Nation's businesses by requiring corporations to issue stockholders' reports. It is about time we afforded the same opportunity to those dedicated Americans who contribute money to political committees in the hopes that our democracy will more effectively work.

I support a number of other amendments to amendment 308 and I sincerely hope that when we get to consideration of this important bill we can amend amendment 308 so that it will reflect the same strength as the bill reported by the Rules Committee.

As a matter of fact, Mr. President, I am in hopes that we can further improve the Rules Committee bill by adopting an Independent Federal Elections Commission to make certain that the Federal Elections Campaign Act of 1971 becomes a piece of legislation which is enforced with fairness, impartiality, and effectiveness.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 348

On page 2, line 7, insert "(1)" before "Section".

On page 2, strike lines 10 and 11, and insert in lieu thereof the following: "and the following: 'other than Federal elective office (as defined in subsection (c) of this section),' ".

On page 2, between lines 11 and 12, insert the following:

"(2) Section 315(a) of such Act is amended by inserting after the first sentence thereof the following: 'If a licensee permits a legally qualified candidate for Federal elective office to use his broadcasting station in connection with such candidate's campaign for nomination for election, or election to such office, the licensee shall afford such candidate maximum flexibility in choosing his program format.'"

AMENDMENT No. 349

On page 4, beginning with line 16, strike down through line 7 on page 5 and insert in lieu thereof the following:

"(2) (A) No legally qualified candidate in any primary, runoff, general, or special election for a Federal elective office may spend for the use of broadcasting stations on behalf of his candidacy in such election a total amount in excess of—

"(i) 5 cents multiplied by the estimate of resident population of voting age for such office, as determined by the Bureau of Census in June of the year preceding the year in which the election is to be held; or

"(ii) $30,000, if greater than the amount determined under clause (i).

A legally qualified candidate for nomination for election to the office of President may not spend a total amount for all primary elections held for such office in which he is a candidate in excess of the limitation provided by the first sentence of this paragraph.

"(B) In addition to the amount which he may spend under paragraph (2) (A) of this subsection for the use of broadcast communications media in connection with his campaign, a candidate for Federal office may spend for such use any unspent portion of the amount he is authorized to spend for the use of nonbroadcast communications media under section 103 of the Federal Election Campaign Act of 1971.

On page 8, strike lines 6 through 21 and insert in lieu thereof the following:

(c) (1) No legally qualified candidate in any primary, runoff, general, or special election for a Federal elective office may spend for the use of nonbroadcast communications media on behalf of his candidacy in such election a total amount in excess of—

(A) 5 cents multiplied by the estimate of resident population of voting age for such office, as determined by the Bureau of Census in June of the year preceding the year in which the election is to be held; or

(B) $30,000, if greater than the amount determined under subparagraph (A).

A legally qualified candidate for nomination for election to the office of President may not spend a total amount for all primary elections held for such office in which he is a candidate in excess of the limitation provided by the first sentence of this paragraph.

(2) In addition to the amount which he may spend under this subsection for the use of nonbroadcast communications media in connection with his campaign, a candidate for Federal office may spend for such use any unspent portion of the amount he is authorized to spend for the use of broadcast communications media under section 315 (c) of the Communication Act of 1934 (47 U.S.C. 315(c)).

AMENDMENT No. 350

On page 22, after line 23, add the following new section:

(f) (1) Any political committee shall include on the face or front page of all literature and advertisements soliciting funds the following notice:

"In compliance with Federal law a report has been (or will be) filed with the Comptroller General of the United States showing a detailed account of our receipts and expenditures. A copy of that report is available at a charge from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402."

(2) (A) The Comptroller General shall compile and furnish to the Public Printer, not later than the last day of March of each year, an annual report for each political committee which has filed a report with him under this title during the period from March 10 of the preceding calendar year through January 31 of the year in which such annual report is made available to the Public Printer. Each such annual report shall contain—

(i) a copy of the statement of organization of the political committee required under section 303, together with any amendments thereto; and

(ii) a copy of each report filed by such committee under section 304 from March 10 of the preceding year through January 31 of the year in which the annual report is so furnished to the Public Printer.

(B) The Public Printer shall make copies of such annual reports available for sale to the public by the Superintendent of Documents as soon as practicable after they are received from the Comptroller General.

EMERGENCY LOAN GUARANTEE ACT—AMENDMENT

AMENDMENT NO. 351

(Ordered to be printed to lie on the table.)

Mr. TAFT submitted an amendment intended to be proposed by him to the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

PUBLIC WORKS APPROPRIATIONS, 1972—AMENDMENT

AMENDMENT NO. 352

(Ordered to be printed and to lie on the table.)

Mr. INOUYE. Mr. President, the Senate will consider on Saturday the bill containing appropriations for the Atomic Energy Commission. Contained in this measure are funds for a 5-megaton underground nuclear test, called Cannikin, to be detonated on Amchitka in the Aleutian Islands some time this fall. I am offering this amendment to postpone the use of these funds for the Cannikin test until May 31, 1972, because I do not believe that this test can be conducted with adequate assurances of safety not only for the environment but more importantly for the residents of the Pacific Basin.

In October of 1969, the Atomic Energy Commission detonated a 1-megaton nuclear test on Amchitka. Prior to that time, I became increasingly concerned that this test activity could trigger an earthquake which could cause a disastrous tidal wave or tsunami. In an attempt to evaluate all the available data on the possibility of triggering earthquakes as a result of a multimegaton explosion and the possible resulting destructive tsunamis, I have gathered and studied available information on this subject.

In the course of my investigation I learned that a panel of experts was appointed in 1968 by the President's Office of Science and Technology to evaluate the effects of multimegaton underground nuclear tests. One of their conclusions was that the need for a test of this nature should be compelling in light of the possible risks which could occur from its detonation. I believe that certain portions of the report bear repeating at length. This panel's report states:

> The Panel is seriously concerned with the problem of earthquakes resulting from large-yield nuclear tests. Although the possibility that underground nuclear tests might initiate one or more earthquakes has been suggested in the past, new and significant evidence demonstrates that small earthquakes do actually occur both immediately after a large yield test explosion and in the following weeks. The largest of the observed associated aftershocks have been between one and two magnitudes less than the explosion itself. However, there does not now appear to be a basis for eliminating the possibility that a large test explosion might induce, either immediately or after a period of time, a severe earthquake of sufficiently large magnitude to cause serious damage well beyond the limits of the test site.

In fact the AEC's environmental impact statement acknowledges that the understanding of "earthquake mechanisms is still developing and is not subject to exact calculations." In addition the AEC environmental impact statement also adds that "the possibility of Cannikin causing the premature release of a large quake cannot be ruled out."

It is acknowledged that the Alaska-Aleutian area is one of the most seismically active areas in the world. This area is prone to earthquakes and in the past 71 years, eight earthquakes of the magnitude of eight or more on the Richter scale have occurred. Further in 1970, 68 quakes alone have registered on the Richter scale and on Sunday, July 25, a quake registering 6.5 on the Richter scale took place in the Aleutians. I emphasize that the 68 earthquakes recorded in Alaska last year were only those earthquakes recorded on instruments. In addition, many earthquakes of lesser magnitude occur in unpopulated areas and are never recorded.

Let me emphasize that the Cannikin test is expected to be a multimegaton blast, equivalent to the force of nearly 5 million tons of TNT—that is approximately 250 times more powerful than the bomb dropped on Hiroshima. The AEC's experience with underground nuclear tests is with their Nevada test sites, an area much less active seismically than the Aleutians. In the face of the Atomic Energy Commission's own admission that the available knowledge of predicting seismic activity is still developing and other scientists' views that such nuclear tests could possibly trigger such seismic activity, it is clear that there are risks involved in the detonation of Cannikin.

As I have stated, a number of scientists believe that such an underground nuclear test can trigger earthquakes. As you are probably aware, tidal waves or tsunamis are principally caused by underground earthquakes with vertical ground movement. The Atomic Energy Commission's environmental impact statement characterizes the likelihood of Cannikin creating the risk of tsunamis as "negligible" and "highly unlikely." Frankly, this admission does little to allay the fears to the people living in the Pacific rim. Hawaii has been devastated in the past by tidal waves. A 1946 earthquake in the Aleutians produced a tidal wave which took the lives of 159 men, women, and children and caused property damage estimated at $25 million in Hawaii. Three subsequent earthquakes in Chile and the Aleutians in 1952, 1957, and 1960, which caused tidal waves, have cost 61 lives and caused approximately $30 million of property damage. The possibility of a tsunami is not ruled out, and adequate assurances cannot be given by the AEC or anyone else that a tsunami will not result. It appears that there is a hazard, and no matter how small the possibility of such an event I am convinced that preparations for the blast should not proceed.

Serious questions as to possible environmental damage has been raised as a result of the Cannikin blast. A specter of the contamination of the water around the Amchitka Island following this test has been raised. Again, the AEC's environmental impact statement uses language such as "unlikely possibility" to characterize the possibility of contaminating the ocean. The environmental impact statement sets forth various models as to the likelihood of radiation-contaminated water reaching the surface. However, no explanation is given in the statement as to why one model is to be accepted over the other. Assuming the AEC's worst possible alternative occurs, there is no discussion in the impact statement as to the possibility of the release at the same time of discharged radioactive materials around Amchitka from the two previous nuclear tests conducted at the same time.

In light of the seismic and environmental risks from Cannikin, the question becomes whether there is a compelling necessity to proceed with this test. I do not believe that the need for this test has been established. As was publicly revealed for the first time during the floor debate on the Atomic Energy Commission's authorization bill, Cannikin will be used for the development of a warhead for the Spartan missile of the Safeguard anti-ballistic-missile system. The high-yield Spartan warhead was originally conceived as a system to protect populated areas from an attack by the Chinese. The rationale for the Safeguard system has been changed to that of a defense of our Minuteman sites. In light of the shift of purpose for the Safeguard system, it is doubtful if the testing of a large Spartan warhead is of compelling technical value. Secretary Packard's letter to the chairman of the Joint Atomic Energy Committee called Cannikin "essential to the optimum defensive deployment of Safeguard." However, Secretary Packard did not state that Cannikin was essential to the deployment of Safeguard, but only essential to the optimum deployment of Safeguard. Further, there are indications that the Safeguard system will require a new, improved Spartan with a short-range lower yield warhead. Thus, the testing will at best involve an obsolete component of the Safeguard missile defense.

In addition to the above factors, I believe recent diplomatic initiatives point to the need, at the very least, to postpone this test until May 31, 1972. The hopeful statements emanating from the SALT talks concerning a possible agreement on the ABM indicate the likelihood that the system may not be deployed as now conceived. It would be most unfortunate if such a large multimegaton blast would be permitted to proceed and threaten the climate for an agreement with the Soviet Union at the SALT talks in Helsinki. In addition, I believe the adoption of an amendment to postpone this test would remove a potential obstacle to the President's journey for peace to Peking and express our support for his efforts to achieve a lasting peace in the Far East.

I am aware that the President and other officials of the administration are now conducting an additional review as to the need and advisability of proceeding with the Cannikin blast. I have been advised that the Under Secretaries Committee of the National Security Council, which is conducting this review, composed of Presidential Assistant Henry Kissinger and representatives of the Department of State, Joint Chiefs of Staff, and Central Intelligence Agency, has or will in the near future submit to the President its recommendations on whether the United States should proceed with Cannikin. Apparently, the White House has received conflicting recommendations as to the advisability of proceeding with Cannikin. According to an article appearing in the Washington Star on July 26 it appears that the State Department, Office of Science and Technology, Environmental Protection Agency, Council of Environmental Quality, and USIA have an Environmental Quality, and USIA have expressed reservations over proceeding with this test.

I also want to reiterate that this amendment in no way ties the President's hands. It contains a provision which permits the President to order the detonation of Cannikin for compelling reasons of national security. As I have emphasized, I have not seen compelling evidence which convinces me of the necessity for this test. To my mind innumerable factors point to the need to postpone this test: The location of Amchitka in one of the most seismically active regions of the world; the possibility that this test may be obsolete technically; current diplomatic developments—the SALT talks and the President's impending China visit; and the possibility of a devastating tsunami affecting the peoples located in the Pacific rim—Hawaii, Alaska, California, Canada, and Japan.

I urge your favorable consideration of this amendment and ask unanimous consent that the text be printed in the RECORD at the end of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 352

On page 5, line 11, insert the following: new Section 103. None of the funds appropriated by this act shall be obligated or expended, directly or indirectly, to detonate any underground nuclear test scheduled to be conducted on Amchitka Island, Alaska before May 31, 1972: Provided, however, that the President may schedule such a test on the grounds of compelling national security requirements; Provided, further, that the President shall submit to the Congress no later than sixty days prior to the scheduled test a report on these requirements.

NOTICE OF HEARINGS IN ROANOKE, ALA., AND MIAMI, FLA., ON UNEMPLOYMENT AMONG OLDER WORKERS

Mr. RANDOLPH. Mr. President, the Senate Special Committee on Aging is continuing its study of widespread unemployment among older workers. During the past 2½ years, the jobless level for persons 45 and older has risen sharply from 596,000 to 1,025,000—for a 72-percent increase.

The committee's initial hearing on this subject was held in South Bend, Ind., on June 4. Our next hearings, which I will have the responsibility to chair, will be conducted on Tuesday, August 10, 1971, in Roanoke, Ala., at 12 noon, at the National Guard Armory, and on Wednesday, August 11, 1971, in Miami, Fla., at 10 a.m. at the Metropolitan Senior Center, 1407 Northwest 7th Street.

I express appreciation to our committee chairman, the Senator from Idaho (Mr. CHURCH) for his cooperation in pursuing an intensive inquiry into the employment difficulties of older workers. Members of the Senate, generally, are concerned with this accentuated problem.

NOTICE OF HEARINGS ON CORPORATE SECRECY

Mr. NELSON. Mr. President, pursuant to authority granted at the organization meeting of the Select Committee on Small Business, held on March 11, 1971, I announce the resumption of public hearings before the Subcommittee on Monopoly on the subject, "The Role of Giant Corporations in the American and World Economies." Part 1 of those hearings was held in 1969 and entitled "Automobile Industry." Part 2 will begin on November 9, 1971, and will be entitled "Corporate Secrecy."

During recent weeks this country has been giving more than usual attention to the issue of secrecy in Government generally and the Defense Establishment in particular. More and more people are wondering who makes the rules on what shall be secret and what shall be disclosed, what the rules are, and whose mistakes and excesses the rules are intended to protect from the light of day.

But the classifiers and the protectors of secrets at the Department of Defense may well be rank amateurs, when compared with those who protect the secrets of those vast, powerful, multinational "private governments," the giant business corporations. It is with that system of secrecy, probably the best fortified and most labyrinthine in the world, that the hearings to resume this fall will be concerned.

NOTICE OF HEARING ON BILLS RELATING TO OFFSHORE TERRITORIES

Mr. BURDICK. Mr. President, I wish to announce that the Subcommittee on Territories of the Committee on Interior and Insular Affairs has scheduled a hearing for Wednesday, August 4, to consider the following bills relating to our offshore territories:

S. 2030—To amend section 6(b) of the Revised Organic Act of the Virgin Islands relating to qualifications necessary for election as a member of the legislature;

S. 2031—To amend the Revised Organic Act of the Virgin Islands to permit sessions of the legislature at places other than Charlotte Amalie, Saint Thomas;

S. 1733—To amend the act of September 26, 1970 (84 Stat. 884); and

S. 1215—To authorize the Secretary of the Interior to conduct a study with respect to certain land acquisitions by the United States in Guam.

The hearing will begin at 10 a.m. in Room 3110, New Senate Office Building. Anyone who wishes to be heard in connection with this proposed legislation should contact the committee staff in order that a witness list may be prepared.

ADDITIONAL STATEMENTS

THE RAIL STRIKE

Mr. TOWER. Mr. President, we are confronted with a rail strike that threatens the economic security of the entire Nation.

The so-called "selective strike" method is being employed by the United Transportation Union on a nationwide basis. This method was, for the first time, upheld recently by the Supreme Court. It is now quite obvious that this procedure represents something more than just a union's expression of its demands.

As of today 10 rail carriers will be shut down. This has interrupted services throughout the Nation that are critical to the continuation of our economic system. In other words, we are faced with a national emergency. The strike has broken the links of our national transportation system.

Every Senator knows the facts of this national emergency. We have been bombarded by our constituents in recent days to the effect that if this situation is not resolved in a matter of days they will face economic disaster.

Mr. President, national strikes in the transportation industries, particularly those dealing with the railroads, are becoming a national disgrace. The current strike is being continued simply because both sides know that in the end Congress will resolve the dispute. When we settle the dispute we will do so in a matter of hours. Our overriding concern will be, not the particulars of the contract, but rather the restoration of rail service.

There is little doubt that resolving the strike should be paramount in our mind. However, there is a great deal of doubt as to whether the Congress of the United States should be in the business of resolving labor-management disputes.

Mr. President, nearly 17 months ago the President of the United States sent to Congress a bill to establish a permanent and rational method with which to deal with these disputes. I am a cosponsor of this bill which is commonly referred to as the "Emergency Public Interest Protection Act." Since that time a number of alternative bills have been introduced in the Senate and the House of Representatives. The issue deserves priority consideration.

Yet, before the week began only 1 day of hearings had been held on this matter. On June 15 of this year the Senate Labor and Public Welfare Committee held hearings and received testimony from Secretary of Labor Hodgson. The committee has not announced when these hearings will be resumed.

It is somewhat of a coincidence that just this week the House Committee on Interstate and Foreign Commerce opened its hearings on permanent legislation to deal with emergency disputes in the transportation industries. While these hearings are late in surfacing, I am hopeful that they will result in some substantive action. However, I am somewhat pessimistic since it seems action only results when we are faced with a crisis.

At this point in time, it again seems probable that the Congress will be forced to settle the dispute. The administration has not yet sent emergency legislation to the Congress in the hope that the dispute will be resolved voluntarily by the two parties involved. I have always felt that it is in the Nation's best interest if such disputes are solved within a collective-bargaining environment as free as possible from Government intervention.

However, the current mechanisms employed under the Railway Labor Act do not lend themselves very easily to collective bargaining. The Emergency Public Interest Protection Act would both free the Congress from acting in the typical stopgap manner and would give the President a number of options to work with under such emergency situations. Even more important these options would provide the disputants with the necessary incentive to reach an agreement voluntarily long before the Government intervened.

Mr. President, Congress has a responsibility to the American people to solve this problem. While this strike continues, the economy of this country and the millions of Americans who live within that economy are suffering. They are a third party to this dispute and are forced to bear the brunt of its results. These people must be protected from disputes of which they played no part and have no power to settle. It is the responsibility of this Congress to enact permanent legislation to deal with this deplorable situation. If we have to settle this dispute through the emergency stopgap method which we have used no less than three times since the President issued his reform recommendations, it will again highlight the lack of positive action on this most pressing problem. If we as lawmakers, and not arbitrators, are forced to dictate the provisions of a labor contract, I can only hope that it will be the last time we do so.

SOVIET NAVAL POWER INCREASES

Mr. YOUNG. Mr. President, on July 29 the Washington Evening Star published a story, with a UPI dateline at London, entitled: "Jane's Sees Soviet Nuclear Lead in 1970's." Since Jane's has long been recognized as the most reliable authority in the entire world on naval power, the story presents an alarming situation.

If Russia continues feverishly to build up her naval might, and we continue, as we have been, to reduce appropriations and thus diminish our naval strength, we could well become a second-rate naval power to Russia as early as the 1970's.

Russia already has a well-equipped, vast army far more powerful than ours. In other military categories as well, such as fighter planes, Russians are either equal to or superior to us.

Mr. President, it would be a sorry day for the United States if we permitted ourselves to become a second-rate power to Russia. I ask unanimous consent that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"JANE'S" SEES SOVIET NUCLEAR LEAD IN 1970'S

LONDON.—The Soviet Union will have the nuclear punch by the mid-1970s to destroy virtually all American land-based missiles and bombers in one surprise attack, the authoritative Jane's Fighting Ships said today.

It said this leaves America's 41 Polaris and Poseidon submarines as "the most survivable" U.S. strategic deterrent forces for the foreseeable future.

The 1971–72 edition of Jane's painted this grim picture of declining American and booming Soviet naval and ballistic missile strength:

The size and relative capabilities of the U.S. Navy continue to decline "at an alarming rate". The Soviet fleet now represents "the super-navy of a superpower."

LEADS IN TWO CATEGORIES

The Soviet Navy has already exceeded the United States in active surface ship and submarine numbers. It has near parity in nuclear submarine strength and a larger nuclear submarine building program.

The only category of warships in which the U.S. Navy now and for the near future maintains a decisive advantage is the aircraft carrier.

The Russians have gained superiority over the United States in numbers of intercontinental ballistic missiles and the megatonnage that can be delivered. Current Soviet construction of six submarines a year could give the Soviet Union parity if not superiority in Polaris-type submarines by 1975.

"Soviet progress in the strategic weapons area is of utmost concern to U.S. Defense leaders," Jane's said, "because improved guidance and multiple warhead technology (MIRV) could permit the predicted Soviet strategic forces of the mid-1970s to destroy virtually all U.S. land-based intercontinental ballistic missiles in a surprise first-strike attack.

RUSSIAN MISSILE SUBS

"Simultaneously, Soviet missile submarines could destroy most U.S. manned bombers before they could become airborne.

"Accordingly, the U.S. Navy's 41 Polaris-Poseidon submarines are acknowledged as the most survivable U.S. strategic deterrent forces for the foreseeable future."

Jane's estimated current Soviet naval strength at 83 nuclear powered submarines, 318 conventionally powered submarines, two helicopter carriers, 26 cruisers including missile ships, 100 destroyers including missile armed vessels, 130 small frigates and corvettes and nearly 800 smaller craft.

The U.S. Navy in 1972, Jane's said, will have a force of 13 attack carriers compared with 16 three years ago, three antisubmarine carriers instead of six in 1969, 160 cruisers, frigates and destroyers.

THE RAILROAD STRIKE

Mr. SPONG. Mr. President, today I sent a telegram to the White House urging President Nixon to exert every pressure to bring about a settlement of the present rail strike. I ask unanimous consent that the text of the telegram be printed in the Record.

There being no objection, the telegram was ordered to be printed in the Record, as follows:

The President,
The White House,
Washington, D.C.:

Your initiative in meeting with union and company negotiators is a welcome and constructive step toward resolving the spreading rail strike. I want to urge you to keep the parties at the White House, behind locked doors if necessary, until some agreement is reached.

As I am sure you appreciate, failure to resolve this dispute could have the most serious consequences for the economy. It is estimated that the shutdown of Southern and Norfolk & Western operations in Virginia affects 50,000 jobs and already has had a serious impact on mining and shipping industries.

The public has a vital stake in these talks. It needs your strong voice to represent it and an unflinching assertion of Presidential pressure to resolve the impasse. I am hopeful you will provide that leadership.

William B. Spong, Jr.,
U.S. Senator.

TRASH DISPOSAL AT VIRGINIA BEACH, VA.

Mr. BYRD of Virginia. Mr. President, on July 11, the Washington Post published an article describing an imaginative approach to the problem of trash disposal which has been undertaken in the city of Virginia Beach, Va.

The city has compressed much of the waste collected there for nearly 5½ years and has piled it up, covered it with dirt, and created a hill which is humorously referred to as "Mt. Trashmore." Besides providing for waste disposal this has created a hill 72 feet above sea level, the highest point of elevation in a generally flat seaside area.

I think this is a fine example of the kind of initiative which is so much needed to solve the many environmental problems that we face in the United States today.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Trash Disposal at Virginia Beach, Va.

(By Myra MacPherson)

Virginia Beach.—There are mountains and there is Mt. Trashmore.

It looms beside the Virginia Beach-Norfolk Expressway and is seen by thousands of tourists on their way to the beach nine miles away. It is 72 feet high, 800 feet long, 100 feet wide, 15 per cent dirt and 85 per cent garbage.

Standing on top of Mt. Trashmore the other day, general foreman Frank Ennis gazed down at sea gulls circling where orange dump trucks and compactors were spreading around another load, and he reflected on the relativity of it all.

"It may not look so big until you start considering it's all garbage and then it's a right big hill. To someone from West Virginia it's just a lump on the ground, but to us it's a mountain."

It is, in fact, the highest elevation in this sea level resort area and it has been growing relentlessly at the rate of about 1,000 tons of refuse a day for 5½ years.

Mt. Trashmore is one answer to the growing problem of what to do with all the junk the world throws away, since ecology awareness had made the old rat-infested dump, ocean dumping, and air polluting incinerators un-American, unacceptable and unhealthy.

In 1969, the Health, Education and Welfare Department partially funded this city's project to demonstrate man's ability to do something positive with his garbage. Authorities call the project by a much duller name, sanitary land fill, and cringe at the common Mt. Trashmore label, but they are stuck with it.

They will dress up Mt. Trashmore next month, start seeding grass and landscaping it in September and hope to have a recreational site by next summer. It'll take an estimated $250,000 in state, federal and local funds to turn the trash mountain into a soapbox theater and concerts, along with tennis courts, picnic grounds and baseball diamonds.

One federal government officials said the experiment seems such a success that subsequent Mt. Trashmores may forever change the topography of our country's flat regions.

"There's nothing these level areas need more for recreation than a change in topography—you can have ski slopes, riding trails and such" said Kent Anderson of the Environment Protection Agency. He said that a "feasibility study" is now underway to see if the Chicago area is ready for a similar, but even bigger pile—a 1,000-foot-high mountain.

The other day, a visitor on top of Mt. Trashmore, steeling himself as the wind wafted a faint but unmistakable aroma up from where the workmen were unloading, asked how you keep garbage from smelling.

"Tell you the truth, there's no way. Only thing you can do is quickly follow it with dirt and that stops it," said Ennis. "I tell anyone who complains to just stick his nose in his own garbage can. It don't smell like perfume either. And you're multiplying that with trash from about 400,000 people—180,000 from Virginia Beach and the rest of Norfolk."

To the unscientific mind, it seems a minor miracle that nothing chemically needs to be done to treat the trash. It is compacted into about 100 pounds per cubic foot, spread one layer on top of another, then topped with a covering of dirt which comes from the bed of a man-made lake at the foot of the mountain.

Mt. Trashmore is a burial ground for old tires, mattresses, springs, automobile parts, garbage, tree limbs. "You name it, you're standing on it," said Ennis, walking over the mountain. A blue plastic milk bottle, a doll's face, rusted beer cans, chunks of sponge rubber and a basketball and several car tires stuck up through the dirt. "Tires are our biggest headache. They're so buoyant they just keep bouncing back up," said Ennis.

One lone flower grew nearby. "That's nothing," said Ennis. "We've had watermelon and cantaloupe vines start up from thrown away rinds with seeds in 'em. No tomato vines yet, though."

Before the grass seeding an asphalt soapbox derby lane is laid, the mountain will be topped with about six feet of dirt. Tests have been run constantly by scientists at Old Dominion College to check the ground water for possible pollution. There has been none, and only a small, normal amount of methane gas has been reported. The secret is in compacting the material and covering it with fill so that there is no oxygen.

"You need oxygen to generate methane and odors," Ennis said.

He should know. Neither Ennis nor surrounding neighbors will ever forget that summer a few years ago when it rained for 17 straight days and they couldnt get dirt cover on.

"It was a right strong odor," Ennis reflected.

But he defends Trashmore by saying, "this whole area was just an ordinary dump heap. When we came in there were thousands of rats and snakes. You used to pop those rats with shotguns. Since we started, we haven't seen a single rat. There are no holes for them to live in when you land-fill."

Some areas of the country bury land fill in the ground, but in Virginia Beach the water table is too near the surface for this method. And besides, as they say, the area needed a hill. Federal and local funding came to $100,000 for three years. The city spent an additional $286,475 last year and this year, adding smaller trash mounds at the foot of Trashmore to make soap box derby deceleration lanes and parking lots.

Unlike most projects, the fact that the building of Trashmore lasted almost two years longer than planned is considered an overwhelming success. It means they managed to get more garbage and trash into a denser area than originally estimated. "And that original estimate never even included Norfolk's trash," Ennis said.

Land fill is considered one of the more economical ways to dispose of refuse, far cheaper than incinerating and far more desirable than open dump grounds.

"People think open dump grounds are cheap, but not when you consider what a community pays out in rat poison control, mosquito spraying and the just plain esthetic cost to you," said Anderson. "It isn't something you can measure."

Next month, when Mt. Trashmore stops accepting garbage, the city of Virginia Beach will not go back to an open dump heap. Several hundred acres in a remote woods 20 miles from the beach have been set aside for another Mt. Trashmore. It will be only 45 feet high but will be spread over a wider area.

They expect it to keep the area's trash and garbage problem solved for another 20 years.

VISIT TO UNITED STATES BY EMPEROR HIROHITO, OF JAPAN

Mr. ROTH. Mr. President, I was pleased to read earlier this week of the suggestion by Prime Minister Eisaku Sato that Emperor Hirohito pay an official visit to the United States. I hope that the President will extend such an invitation in the very immediate future.

One of the strong bulkwarks for peace in the Asian area during the past 25 years has been the close cooperation between the United States and Japan. It is my belief that peace in the Far East, as well as throughout the rest of the world, depends in very large measure upon these two countries continuing in a spirit of friendship and close cooperation.

Japan is emerging from the postwar period as one of the superpowers of the world. Her economy is the fastest growing in the world and some predict it will result in a gross national product that will exceed that of all other nations, including the United States before the end of the century. Whether or not these predictions come true, it is absolutely imperative, in my judgment, that these two industrial giants, the United States and

Japan, work together in friendship for the development and stabilization of conditions in the Far East.

I, for one, applaud the action of the President in his brilliant diplomatic stroke of opening discussions between the People's Republic of China and the United States. Despite the difference between China and ourselves, it is of critical importance that there be direct communication between these two nuclear nations. In seeking the normalization of these relations, it is, however, important that we do not estrange our allies and friends. I believe this is especially true of Japan, who, because of her industrial might, will be a most important factor in world politics—perhaps even more important than China with her hundreds of millions in the foreseeable future. Japan could very quickly become a major nuclear power in the event she felt isolated. Another nuclear power would serve no one's interest, neither Japan's nor ours.

The people of Japan both admire and fear Red China. They admire her because of a common Oriental heritage; but they fear her because of her size, both in land and population. I think it is fair to say that they would feel their nation especially endangered if Korea or Formosa were to fall into hostile hands.

Today, there are four great powers in the Pacific—Russia, China, the United States, and Japan. Obviously a relaxation of tensions in that vast area cannot come about without the cooperation of all four powers, particularly that of China and Japan. For that reason, I think as we seek to normalize relations with mainland China we must keep foremost in our minds the need to proceed with the cooperation and close counseling of our ally, Japan.

It is, therefore, my strong hope that President Nixon will invite Emperor Hirohito to visit the United States as a symbol of the great friendship which exists between these two nations. Such a visit would also serve to dispel any notions that the United States seeks to improve relations with one nation at the expense of another.

I hope additionally that there will be the closest consultations between the United States and Japan on matters involving China and the Far East. Peace in our time demands no less.

Mr. President, on Wednesday the New York Times published an article by C. L. Sulzberger relating to the extraordinary steps President Nixon has taken in the quest for peace in the world. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MINORITY LEADERS

(By C. L. Sulzberger)

LONDON.—An extraordinary political aspect of this era is the ascendancy of the minority leader who, despite absence of clear-cut national backing, audaciously pushes through programs of momentous import. The three outstanding cases in point are U.S. President Nixon, British Prime Minister Heath, and West German Chancellor Willy Brandt.

Mr. Nixon gained office on Nov. 5, 1968, with only 43.4 per cent of the popular vote, the lowest percentage since Woodrow Wilson's in 1912. Mr. Brandt assumed power with 42.7 per cent in September, 1968. He managed to get the chancellery by making a coalition with the small Free German party. When Mr. Heath won in June, 1970, his Conservatives were supported by but 46.4 per cent of the voters.

In each case a government representing less than half the people took over. Yet, because of different quirks in electoral laws or national possibilities, each was able to assume control and each has made the most of his opportunity. Although they won by a whisker, the three Western leaders have shown vision, cut and thrust.

Mr. Nixon took two huge steps to alter the entire framework of inherited foreign policy by starting unilateral disengagement from the Indochina war, although widening its scope to accomplish this, and by opening new relationships with China that will have repercussions in Asian policy, Russian policy and European policy.

This has been a carefully coordinated approach. The President encountered much political trouble at home by permitting U.S. participation in invasions of Cambodia and Laos, to strengthen South Vietnam's flank as American troops withdrew, and by refusing to be stampeded into pellmell retreat from Indochina as demanded by opponents.

Yet he always warned that he could control the situation, telling me last March, "Those who think Vietnam is going to be a good political issue next year are making a grave miscalculation." The connection with his maturing China policy was clearly implied when, in the same conversation, he said he hoped to "open the door of cooperation to China" and "in this way there will be a chance of building a world that is relatively peaceful."

Initially the wisdom and balance of Mr. Nixon's judgment ran counter to the emotional misjudgments of his opponents. One result was that his popularity, as measured by opinion polls, plummeted before the dramatic announcement of his planned Peking trip reversed the trend.

Mr. Heath's problem in Britain has certain similarities. The Prime Minister is determined, despite a considerable majority opposing the idea, to bring his country into the European Common Market and thus to terminate all vestigial pretensions to the tradition of world empire and great-power status.

Although the Labor party has double-crossed its own policy and swung against joining "Europe," which it previously wanted to join, Mr. Heath has shown more guts than any Prime Minister since the wartime Churchill and is determined to ride the issue with a tight rein, or fall in the effort.

Mr. Brandt is in somewhat the same position. He is pressing for a definitive West Berlin access formula with Moscow, using the Western allies as his spokesman (because this remains their legal obligation) as a precondition to an entirely new relationship with the Soviet Union and its East European allies.

This would erase the last bits of Adenauer's old policy and open the way for friendly relations with every European Communist land and less strained association with East Germany.

In each instance, as drastic innovations were introduced by resolute minority chieftains, their already doubtful popularity sagged. Mr. Nixon and Prime Minister Heath declined to new lows in the polls and Mr. Brandt's position appeared so weak that his opposition began to discuss ways of upsetting him. Yet Mr. Nixon and Mr. Heath are well on the way to reversing the ebb tide and Mr. Brandt's moment may come.

Clearly democracy need not always abide by what appears to be old-fashioned majority rule. When guided by firm and visionary leadership, it can change its own inchoate mind and follow policies that have previously been the subject of fevered argumentation. If Nixon, Heath and Brandt can all get away with their programs, the world will receive its greatest face-lifting since the second great war.

FORMER UNDER SECRETARY GEORGE W. BALL OPPOSES WAR POWERS LEGISLATION

Mr. GOLDWATER. Mr. President, on Tuesday, the Honorable George W. Ball, former Under Secretary of State, presented his thoughtful and original commentary to the Committee on Foreign Relations on the subject of the war powers legislation pending in that committee.

In view of the great realm of experience from which Mr. Ball speaks, having served in the executive branch five separate times over the last 38 years, and the obviously high grade of thinking that went into his presentation, I am amazed that no member of the committee has seen fit to place Mr. Ball's statement in the RECORD where it can be easily studied by persons with an interest in this subject.

It is particularly impressive to me to notice that Mr. Ball takes a realistic approach to the issue even though he confesses to hold a sympathetic view toward the desire of Congress to gain a major voice in shaping policies that can lead into war. Even so, he concludes—

> It would be far better if the Congress . . . could develop an effective *modus operandi* with the President . . . a working arrangement that would assure the kind of participation which the drafters of the current legislative proposals have in mind without having to freeze the procedures in legislative aspic.

Coming from an individual who some observers credit with being the only dove in the high ranks of the Johnson administration during its early days, this is a pretty strong warning to steer clear of the war powers proposals. There must be some frightful drawbacks attached to them to arouse such a mortal thrust from a person who shares so many of the concerns and attitudes which the authors of these bills themselves hold.

At the root of the trouble Mr. Ball has with the measures is his belief it was the original purpose of the Founding Fathers to leave a "deliberate ambiguity" in the Constitution as to where the war powers lie so as to guarantee "flexibility" of action. Contrary to the basic assumption made by the sponsors of this legislation, Mr. Ball contends the Constitution does not deposit the controlling powers in the field of military affairs with Congress. Instead, he believes the framers of the Constitution wanted "to encourage a spirit of institutional free enterprise with active competition between the two coordinate branches." By means of this contest the two political branches were expected to work out their own arrangements that would best suit the changing needs and moods of the country.

In other words, Mr. President, the war powers bills fly directly in the face of a deliberate decision by our Founding Fathers not to spell out the borderlines which separate the war powers of the President from those of Congress.

In consequence, Mr. Ball points out:

> What this immediate project represents is an attempt to do what the Founding Fathers felt they were not wise enough to do.

While we are thinking this over, we might search for the answer to Mr. Ball's next problem:

> (H)ow does one draft a statute that would make it possible for the Congress to contribute its wisdom, and play at least a co-equal role with the Executive, in shaping fundamental decisions that may lead to war, without inhibiting the President in doing whatever is necessary in circumstances of crisis and emergency to protect the vital interests of our country?

To this we might add one more question, which is, just who among us is qualified to write such legislation—a document the Founding Fathers themselves felt inadequate to draft?

Mr. President, there are many other ideas in Mr. Ball's testimony which are well worth considering, not the least of which is the challenging proposition that the Neutrality Acts adopted in the aftermath of World War I may have prevented the United States from taking firm action which would have averted World War II. This leads Mr. Ball to wonder what catastrophe the United States might be swept into should the war powers legislation pass and prevent our Nation from taking action where and when it is needed to nip some future disaster at the bud.

Mr. President, I know all Members of Congress would benefit from reading Mr. Ball's testimony; and for this reason, I ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. GEORGE W. BALL

Mr. Chairman, this is a useful time to be considering the procedures for the exercise of the nation's war-making powers. For a long time we have been embroiled in a frustrating struggle in Indo China that has progressively lost the support of the American people, and today we are trying to extricate ourselves from a mess.

Although I think it necessary that we examine in an atmosphere free from passion and anger the course of action that led us, by a succession of faltering steps, more and more deeply into Southeast Asia—and I hope this Committee will play a major role in that inquiry—it is even more urgent that we concentrate on the future.

For a long while it has been apparent that much of the Senate—and principally this Committee—have considered the Vietnamese war from a set of assumptions quite different from those held by three Administrations and this fundamental difference has served to impede the candid exchange that is indispensable if our constitutional arrangements are to work very well. What has occurred is, in essence, a constitutional breakdown—a failure of the system of checks and balances, that has left us with a conceptual argument as to where the authority to commit this nation to war may reside and how that power is to be properly exercised.

Flexibility, we have been constantly told, has, more than anything else, contributed to the survival of our constitutional system. When that flexibility derives from what I suspect was deliberate ambiguity on the part of the drafters of the constitution the result can be frustrating.

Certainly the Founding Fathers foreswore their normal clarity in defining the relation between Congress and the Executive in regard to the whole area of our foreign policy. Since what they wrote was in response to their experience under a monarchy, their principal preoccupation was more to prevent the despotic use of power than its efficient employment. The objective of the doctrine of the division of powers, as Mr. Justice Brandeis said in a famous dissent in *Myers* v. *United States*, was not, after all, "to avoid friction, but, by means of the inevitable friction incident to the distribution of powers among three departments, to save our people from autocracy." Given this constitutional concept, it was inevitable that the effective distribution of powers would be subject to periodic tidal flows, with authority shifting from one branch to the other and then back again to reflect not only changes in the objective situation that the nation faced, but the disparate personalities of the individuals who from time to time dominated each branch, as well as fluctuations in the mood of the country.

As every schoolboy knows—or might have been expected to know before we elevated basket-weaving above the study of history—the Constitution does not clearly delegate authority over foreign policy to either the President or the Congress. All it does is to confer on the President certain powers by which he can affect our foreign relations, while assigning certain other powers to the Congress and still others specifically to the Senate. The result is to encourage a spirit of institutional free enterprise with active competition between the two coordinate branches. Sometimes that competition has been restrained or at least cushioned by the fact that the President and the leading personalities of the legislative branch approached the problems of our foreign relations from similar, if not identical, philosophical positions—sometimes not.

Beginning, notably, with the Korean War the President staked out a strongly independent position with regard to that extension of foreign policy involving the deployment of American forces; and, though President Eisenhower expressed a less assertive view, the last three Presidents have, in practice, used their claimed authority with considerable freedom—particularly in Southeast Asia. Now we are suffering some of the consequences, as our protracted unhappy experience makes it everyday more emphatic that a democracy cannot fight a war in which the people do not believe without doing harm to its own integrity and authority. It is—or should be—the special role of the Congress to assure that this does not occur again, since, on a day-to-day basis Congress stands as the best representative of the peoples' views and opinions. Obviously, it is not an infallible instrument for that purpose, since it is not immune to the passions and excitements of the moment—but a Congress, aware of its power and sensitive to the responsibility that goes along with that power, should be able to ask the hard questions involved in an actual or threatened military operation with a certain degree of objectivity where—as recent experience has shown—the Executive may be so absorbed by operational problems—by tactics as opposed to strategy—that, instead of asking whether we should commit more forces to secure certain given objectives—or indeed whether those objectives are worth the cost already incurred—he instead asks how can we utilize more resources to do the job.

It is for this reason it is essential that the Executive and Congress must work closely together not only in the actual conduct of a war but, even more, in shaping the policies that help create the situations that lead to conflict—and, finally, in the hard decision as to whether, when a crisis comes, the United States should react with military means.

I am, therefore, sympathetic with the desire of Congress to gain a major voice in the decisions that can—either step-by-step or abruptly—result in sending our young men to war.

In the fifties and early sixties when the Cold War was at its chilliest many Americans consciously or subconsciously concluded that what appeared as an act of aggression or a challenge to established government anywhere in the world became almost automatically a matter of urgent American concern—at least to the extent that the aggressor or challenger might appear to be drawing support from one of the two major Communist powers. At the same time many—both in and out of the government—came to believe that, given the superiority of our power, there was almost no area outside the Iron Curtain where we could not effectively use our power to check what appeared as aggression. In retrospect it was, I suppose, inevitable that, sooner or later, we would try to apply our power where the terrain, both political and physical, made its effective application impossible. That has been the situation in South Vietnam, and it was probably a good thing that—if we had to learn by experience—we should encounter such a discouragement sooner rather than later; for our Vietnamese involvement is finally compelling us to reassess our responsibilities, test our working assumptions and seek to redefine our role in a world that has substantially evolved from the world of twenty years ago when we dealt with the situation of Korea.

What the Committee is attempting to do here is a part of this broader effort. By assuring Congressional participation in the key decisions, it is an attempt to erect a carefully designed procedural impediment to the kind of creeping involvement to which we succumbed in Vietnam. Yet, admirable as is the objective, it is a problem that must be approached with a great deal of caution. In fact, I should point out that what this immediate project represents is an attempt to do what the Founding Fathers felt they were not wise enough to do: to give precision and automatic operation to the kind of legislative-executive collaboration which they deemed essential to prevent the unrestricted use of American forces by the Executive acting in the pattern of monarch, while at the same time assuring him sufficient flexibility to defend the country against any threats that might suddenly appear.

To be sure, since the drafting of the Constitution, we have had two centuries of experience, and, with this as a guide, Congress is perhaps now better equipped to make precise what the Founding Fathers chose to paint only with a broad brush. Yet, if experience encourages the Congress to go ahead with this attempt, it also underlines some of the dangers and difficulties of doing so; for, in seeking to provide precise guidelines to govern future situations, we must recognize that the world is in a state of rapid transformation and, as the Founding Fathers perceived, it is impossible to anticipate at any given moment the unlimited variations which the future is capable of presenting. Thus, any legislation that is finally drafted should be developed only after the most exhaustive study and debate, making sure that it reflects something more than a transient situation in the life of our nation or a momentary mood of the American people.

In seeking to codify prevailing ideas as to the role of Congress in foreign policy, we must contantly bear in mind that legislation is a blunt instrument. Lke it or not, that is a fact from which there is no escape, since it derives from the nature of legislative bodies and from the limited means through which they can express their decisions in permanent form.

I know of no better illustration of the dangers involved than the history of the Neutrality legislation, which the Congress passed in the years from 1935 to 1937. This, like the legislation now before us, was a good faith effort to assure that the United States would not be drawn into another conflict like that of the First World War. It was legislation that reflected the prevailing mood—disillusion with our involvement in a conflict that had not solved the world's problems as we had innocently hoped and a conviction borne of economic depression, that the United States should give priority to its pressing domestic problems and should, therefore, not involve itself too intimately in the affairs of other parts of the world.

By 1937, it is worth noting, public opinion polls were showing that a large majority of Americans believed our participation in the First World War had been a mistake, just as a large majority now believe that our involvement in South Vietnam was misbegotten. In January 1938 a piece of legislation called the Ludlow Amendment, which would have required a popular referendum before a declaration of war, was defeated in the House by only twenty-one votes, in spite of a massive effort by the Administration to mobilize a position against it.

The immediate background of the Neutrality legislation was the disclosures of an investigating committee under Senator Nye, a man of deep isolationist convictions who died only last week. This Committee had just shown, to the satisfaction of a large body of American opinion, that the imperial ambitions of a few European leaders had caused the First World War and that the United States had been drawn into that war through insidious propaganda and the conspiracy of munitions makers—or what I suppose we would call, in the modern idiom, the "military-industrial complex."

By passing a series of Neutrality Acts, Congress believed that it would forestall the repetition of such a disaster. Those acts were sweeping in scope, establishing rigid governmental control over the shipment of munitions abroad, prohibiting the export of arms to belligerent nations, forbidding private loans or credits to nations at war, and authorizing the President to forbid travel by Americans on the ships of warring states. Many experts were convinced that no loophole had been left through which this country could again be drawn into conflicts with other nations.

We all remember the somber history of these Congressional acts, and what an impediment they imposed to participation by the United States in the timorous politics of Europe which paved the way for Hitler's conquests and another world catastrophe—a catastrophe which, as recent disclosures have made quite clear, could have very probably been averted if the United States had lent a steadying hand to reinforce the will of the flatulent statesmen then guiding European destinies.

I mention this incident not because it is in any way an exact parallel—certainly this Committee is approaching its present task with far more sophistication and understanding than was displayed by Congress in the 1930s. But it is a cautionary tale that we should bear in mind in trying to answer the hard question we are discussing here today: how does one draft a statute that would make it possible for the Congress to contribute its wisdom, and play at least a co-equal role with the Executive, in shaping fundamental decisions that may lead to war, without inhibiting the President in doing whatever is necessary in circumstances of crisis and emergency to protect the vital interests of our country? In seeking to answer that question, let us be quite certain that Congress does not let itself be influenced in the design of that legislation by the transient mood of disillusion and disenchantment which our Vietnamese embroilment has created, just as Congress in the 1930s was seriously misled by the revulsion of the American people against its then recent experiences with war and depression.

As one who has served in the Executive branch of our Government five separate times over the last thirty-eight years, I approach the present effort with uneasiness. Certainly, it would be far better if the Congress—and particularly the Senate—and, most important of all, this key committee of the Senate, could develop an effective modus operandi with the President, the Secretary of State and the other major figures in the Executive branch who play a role in the decisions affecting our foreign affairs—a working arrangement that would assure the kind of participation which the drafters of the current legislative proposals have in mind without having to freeze the procedures in legislative aspic. In saying this, I do not mean to be critical of this Committee, for much of the lack of easy rapport between the two ends of Pennsylvania Avenue results, in my judgment, from certain bad habits which the Executive Branch has acquired over the past two decades. But, if that is more than one can reasonably expect—and experience would suggest that it may be—then let us carefully test what is now proposed against our experience and design the necessary legislation with enough flexibility to make it workable.

RETIREMENT OF COL. JOSEPH E. O'LEARY

Mr. GRAVEL. Mr. President, many of us know Col. Joseph E. O'Leary.

In his capacity as chief of the Army's Legislative Liaison Office, Joe O'Leary has dealt intimately with our constituents' problems; he has helped us understand Army policy and programs; he has escorted us on official visitations.

The U.S. Army plays a major role in the life of Alaska and consequently I have had many occasions to call upon Joe O'Leary for assistance.

He has been an outstanding representative for the Army, totally reliable, knowledgeable, and trustworthy.

Today, Joe O'Leary retires after 29 years of Army service. I know many Members of the Senate join me in wishing him well in his future endeavors as a Washington consultant.

Joe is the type of person who adds credit and glory to the cause of public service.

I ask unanimous consent to have printed at this point in the Record a résumé of Colonel O'Leary's career.

There being no objection, the résumé was ordered to be printed in the Record, as follows:

Col. Joseph E. O'Leary

Colonel O'Leary will retire from the United States Army in July of this year with credit for 29 years in the service of his country. He entered the Army in October 1942 from Texas A&M University, College Station, Texas, where he was awarded a Bachelors Degree. Although he had served as a Major in the ROTC Cadet Corps, he was required, along with his fellow graduates, to attend the Infantry Officers Candidate School at Fort Benning before being commissioned. Colonel O'Leary graduated number one in his class and was assigned to Fort Benning as a member of the 124th Infantry, the school troops brigade. In 1944 he attended the Advanced Infantry Officers Course at Benning and in early 1945 he completed the Command and General Staff College course at Ft. Leavenworth, Kansas. Following this he was transferred to the 41st Infantry Division in the Pacific Theater where he participated in the Southern Philippines campaign.

When World War II ended he was assigned to the 24th Infantry Division in Japan and for the next two years served as Aide-de-Camp to the Commanding General, 24th Infantry Division. Now holding the rank of Captain, he greeted with enthusiasm the first boatload of dependents to arrive in Japan, for among the passengers was his fiance, Miss Rosemary Walker, daughter of Colonel and Mrs. I. G. Walker, also stationed in Japan. Captain O'Leary and Miss Walker were married in Kyoto in September 1946. Two sons and two daughters blessed this marriage; Joseph E. III, now serving as a 1st Lt. in the 172d Infantry, Terry O. Dittman, married to David Dittman and living in Anchorage, Alaska with daughters Danny and Dana; Kathleen who is a high school senior and an employee of Senator Mike Gravel of Alaska; and Michael who attends school in Alexandria.

Colonel O'Leary finished his tour in Japan as a battalion commander in the 19th Infantry Regiment. Upon his return to the United States he was assigned as an instructor in the Junior ROTC Program for four high schools in St. Joseph, Missouri. With the outbreak of the Korean War, he became an advisor to the Korean Army, serving in Korea from October 1950 until March 1952. He participated in six campaigns with the 30th Regiment, 9th Division ROK and served as the director of training at the Korean Infantry Officer Candidate School. For the next three years be served in the Pentagon in the Office of the Assistant Chief of Staff G–2 (Intelligence). From June 1955 until 1958 he served in the Intelligence Division of the Supreme Headquarters Allied Powers Europe (SHAPE), Paris, France. Returning to the United States he was assigned to the Staff of the Command and General Staff College at Fort Leavenworth where he received an award as outstanding instructor from the Commandant, the then Major General Harrold K. Johnston.

For the next 39 months, Colonel O'Leary commanded units of the 1st Infantry Division at Fort Riley, Kansas, and was cited by Major General Jonothan O. Seaman for outstanding performance as Deputy Commander and later Commander of the 16th Infantry. He served seven months in Germany during the 1st Division's participation in the reinforcing of US Troops in Western Europe and Berlin.

While in Europe he received orders for Vietnam. He arrived in MACV in June 1964 and was assigned as the Senior Advisor to the Province Chief of Go Cong Province in the Mekong Delta, at a time when 95 percent of this province was controlled by the Viet Cong. Eight months later this control had been reduced to 60 percent and Colonel O'Leary was again cited for outstanding service by General Westmoreland. He was assigned to Saigon and served the remaining portion of his tour in the Office of J–3 (Operations) where he was once again cited for outstanding performance.

He attended the Army War College at Carlisle Barracks, Pennsylvania, in 1965 and 1966 and during this same period received his Masters Degree in International Relations from George Washington University.

He assumed Command of the 172d Infantry Brigade (Mechanized) at Fort Richardson, Alaska, in July 1966 and was cited for outstanding leadership by Major General J. Folda, the C.G. of U.S. Army Alaska. During 1967 and 1968 he served as the G–3 (Operations) officer, U.S. Army Alaska and was again cited for outstanding performance by Major General Kelly Lemon who was then C.G., USARAL.

In December 1968 he received word of his forthcoming assignment as the Chief of the

Senate Liaison, Office of the Chief of Legislative Liaison, and has served in that position since July 1969.

Colonel O'Leary has been awarded the Legion of Merit with cluster, the Bronze Star Medal, the Air Medal, the Army Commendation Medal, the American Campaign Medal, the Asiatic-Pacific Campaign Medal, the World War II Victory Medal, the Army of Occupation Medal (Japan), the Korean Service Medal, the Armed Forces Expeditionary Medal, the Combat Infantryman's Badge (two awards), the Expert Infantryman's Badge, the Republic of Korea Presidential Unit Citation Badge, the Chungmu Military Service Medal with Gold Star from the Korean Government, the Distinguished Military Service Medal from the Korean Army, the Vietnamese Medal of Honor, first class, the Vietnam Service Medal, and the Vietnam Campaign Medal.

Colonel O'Leary intends to remain in the Washington area as a consultant and will reside at 416 Underhill Place, Alexandria, Virginia 22305.

"NO" TO AGE DISCRIMINATION IN EMPLOYMENT

Mr. PERCY. Mr. President, on July 21, the Washington Post published an article by Mike Causey in his "Federal Diary" column, commenting on a legislative proposal to set age limits on employment within Government agencies. The policy now being considered would allow a 21, 30, or 35.5 age cutoff for any Government job deemed appropriate.

I wish to make known my opposition to this proposal as I understand its possible application. Unemployment among middle-aged and older workers is already high, yet this proposal will only add to unemployment in this age group. If the Government is to take any action which would affect middle-aged and older workers, I strongly suggest that this action be in the direction of opening up new jobs and of providing better retraining programs.

It would be foolish to deny that the processes of aging can render an individual unsuited to a particular job, but the ages at which different individuals become ill suited for certain jobs vary widely. Do we want to ignore these wide differences and exclude older people—otherwise perfectly capable—from performing certain jobs? Many older people keep themselves in remarkably good physical condition, and work hard to keep their minds open, alive, and alert. Do we want to lock these individuals out from certain Government jobs?

Earlier this year, I introduced a bill to establish counseling, training, supportive services, and research activities in the Department of Labor to assist middle-aged and older workers who are unemployed or who are seeking new employment. I ask that those individuals who are now endeavoring to set age limits on jobs abandon this idea and join me in opening up more job opportunities for this age group and in ending age discrimination.

The rationale behind this "age setting" proposal contrasts strongly—and unfavorably, in my opinion—with the thinking of an 84-year-old man who was recently named "Outstanding Senior Citizen" by the delegates to the Illinois State Conference on Aging, held on July 14 in Springfield. Howard Bede of Highland Park, Ill., was given this high honor because he has worked tirelessly and effectively over the years to make people recognize that older individuals can contribute to society, and that retirement need not mean inactivity. Beginning in 1959, Mr. Bede started developing a school volunteer program for senior citizens. He fought hard to open doors for elderly people through volunteer work in the Winnetka, Ill., school system and in neighboring school districts.

The needs and aspirations of older people are sometimes thoughtlessly and cruelly ignored. In recent years there seems to have been a definite trend toward prematurely pushing people out of the mainstream of American life. I think this movement is wrong and terribly shortsighted, and I ask my colleagues to heed the message of Mr. Bede; namely, that older people can contribute meaningfully to our society if they are only allowed to do so. It is most important that we think carefully about all of the unfortunate consequences of writing into the law unnecessarily low age limitations on certain Federal jobs.

So that Senators may have a more complete picture of the proposal now under consideration, I ask unanimous consent that Mr. Causey's column be printed in the Record together with testimony that I am giving today before the Subcommittee on the Aging of the Senate Labor and Public Welfare Committee.

There being no objection, the article and testimony was ordered to be printed in the Record, as follows:

Executive Wants To Set Age Limits

(By Mike Causey)

Promising such authority would be used wisely and sparingly, the administration asked Congress to permit it to set maximum age limits for government job candidates.

Civil Service Commission boss Robert E. Hampton said the legislation would reaffirm the "clear policy against age discrimination," but at the same time would allow a 21, or 30, or 35.5 age cutoff for any job deemed appropriate.

At the moment only a few agencies—FBI, CIA and Interior Department among them—have authority to set age limits for jobs. Interior uses it only for park policemen positions. Most, however, according to the 40-plus set, have unofficial but very real guidelines that make it tougher to get work with the onset of gray hair.

The government argument is that it would be fairer for the President's agent—presumably CSC—to have the authority than to have age limits set legally on an occupation-by-occupation, agency-by-agency basis.

Presumably, the CIA finds it uneconomical to train 60-year-old candidates who might be called upon to make a mid-night parachute drop or swim a shark-infested lagoon in line of duty. Officials say there are other jobs which age limits are necessary for the good of the government.

But union officials, as might be expected, are not wild about the proposal. They envision a youth push that would carve out more and more jobs for young people—a move that would hurt men seeking second careers in government and could hamper job-hunting efforts of middle-aged housewives seeking new jobs, or reemployment, with Uncle Sam.

Military retirees who leave the service in their mid-40s could also be hurt by the age-limit legislation—depending, of course, on how it was used.

Many retired enlisted men enter apprentice training programs on leaving the armed forces. The jobs do not pay all that much, but with their military retirement incomes they make for a comfortable life and give government the skills of mature, well-trained workers.

Opponents of the age-limit legislation foresee the day when apprenticeship programs—because of cost and investment involved—might be limited to younger people, completely cutting out the 40-plus candidates.

They also see it as a foot in the door, initially for the Federal Aviation Administration, to bar certain air traffic control trainee jobs to older applicants.

American Federation of Government Employees chief John F. Griner warns that the legislation also includes "provisions for selection out that is, for firing without any appeals procedure . . ." based primarily on age.

Pay: Although most federal workers are counting on an automatic 6 per cent pay raise next January, administration salary watchers believe the day of across-the-board raises is gone forever.

The next boost will result from Bureau of Labor Statistics data on private industry wage gains that will be linked to "key" jobs in the federal service. But all the publicity over "inflated" mid-management jobs has given the budget-conscious administration ideas.

Unemployment Among Middle-Aged and Older Workers

(Testimony by Senator Charles H. Percy)

Mr. Chairman and members of the subcommittee: I welcome this opportunity to testify this morning on the problem of unemployment among middle-aged and older workers. This is a problem which has concerned me deeply for some time, and one which unfortunately seems to be getting worse. Its seriousness is dramatically illustrated by up-to-date figures provided by the Bureau of Labor Statistics of the Department of Labor:

Beween January 1969 and June 1971, the number of unemployed individuals aged 45 and older rose from 596,000 to 1,025,000 or by 72 percent.

During the same period, the number of persons in this age group out of work for 15 weeks or longer rose from 115,000 to 353,000, or by about 207 percent. This means that about one out of every three unemployed persons aged 45 and older—as opposed to one out of four younger individuals—has been looking for work for 15 weeks or longer.

The number of mature workers out of work for very long periods—27 weeks or longer—rose from 48,000 to 205,000 or by 327 percent from January 1969 level.

The average duration of unemployment for persons 45 and older is 17 weeks. For all other unemployed persons, the average is 10.3 weeks.

A report issued by the Senate Special Committee on Aging projects that if current labor force participation trends continue, one out of six men now in the 55–59 age category will no longer be in the work force by the time he reaches age 65. Ten years ago this ratio was only one in eight. And the Committee suggests that if major policy changes are not made, this problem will intensify during the 1970's.

Unemployment hangs like a black cloud over the entire nation, but it most seriously threatens the middle-aged and older worker. It is much easier for the younger worker to increase his job opportunities simply because he is more mobile than the older person. More often than not, older persons are tied down to a given location because of home mortgages and children in school. Older people cannot readily cancel debts and say good-bye to friends and ties of long-standing to take jobs in other cities. Thus their job market is somewhat more restricted than that of the younger worker, who can more easily relocate to another city where employment prospects are better.

In addition to his reduced mobility, the older worker must cope with age discrimination in employment. One study has revealed that more than half of all private employers in states without age discrimination legislation in 1965 admitted to making use of age limits in hiring practices. Although discrimination is widespread, only 15 court proceedings have been instituted under the Age Discrimination in Employment Act of 1967 by the end of 1970. Because of the costs of training and retraining workers, private companies and industries assume it is more profitable to hire younger people. Ironically, many employers overlook the fact that the older worker's less mobile, but more stable, situation offsets to some degree his shorter working future. Companies may incur the same, or an even greater, loss by hiring the younger but more mobile worker who decides to relocate or change jobs than by hiring the older but more stable worker.

Mr. Chairman, the effects of unemployment on the younger worker can be discouraging. The effects on the older worker can be tragic.

One of the most serious consequences of unemployment for the older worker is a reduced or lost income during his years of retirement. Because of serious deficiencies in many private pension plans, the end of one's job may also mean the end of one's pension coverage—even though an individual may have contributed hundreds or thousands of dollars over the years toward his pension account. The end of one's job may mean the total or near-total erosion of his lifetime savings.

Even if the older worker manages to escape the total loss of private pension coverage or his lifetime savings, he may not escape suffering from reduced Social Security benefits caused by unemployment during his later working years. The reason for this is that Social Security benefits are based on a person's lifetime earning record.

Unless appropriate action is taken, older persons currently unemployed will join the ranks of the "older poor,"—those living at or below the nationally established poverty level. Yet already, the "older poor" total five million Americans—or a full quarter of the elderly population.

Despite all these grim facts, only a very small percentage of the nation's job training and retraining efforts are focused on workers 45 years of age and over. In 1970, only 4 percent of all enrollees in manpower programs were older workers.

Mr. Chairman, as a supporter of the President's revenue sharing proposal, I am reluctant to propose another categorical program. Categorical programs are inconsistent with revenue sharing. However, I think we must be realistic and fair with the states in recognizing that revenue sharing has not yet been enacted, but still something to work toward. In the meantime, the states and cities cannot do without certain high priority programs, and I strongly believe the Federal Government must help the states zero in on a problem as serious as the current problem of unemployment among older workers.

To provide increased employment opportunities for middle-aged and older workers, I have introduced S. 1580, a bill entitled the "Middle-Aged and Older Workers Employment and Community Service Act."

Title I of this Act would do the following:

(1) Direct the Secretary of Labor to designate full-time personnel experienced in manpower problems of middle-aged and older workers to have responsibility for leadership, development, and coordination of the programs initiated under this legislation;

(2) Direct the Secretary to establish a central office within the Department of Labor to provide information on and special attention to the problems of middle-aged and older workers and the programs concerning such workers;

(3) Authorize the Secretary to conduct research and demonstration projects to focus on the special problems of the mature worker.

Title II would establish a "Midcareer Development Service Program." This program would be administered by the Manpower Administration of the Department of Labor, to assist older workers to find employment by providing training and counseling services to them. For employed persons who find themselves in "dead-end" jobs, supportive services would be offered to enable them to upgrade their skills and to foster occupational advancement. The authorization under this Title would be $140 million during fiscal 1972, and $210 million during fiscal 1973.

Title III of this bill would establish a "Community Senior Service Program" for persons aged 55 and older who lack opportunities for other suitably paid employment. The Secretary of Labor would administer the program and the Federal Government would pay up to 90 percent of the program cost. Older citizens would be paid at least the minimum wage in work which would contribute to the general welfare of a community. Thus this legislation seeks not only to help older workers, but also to utilize their talents and contributions to make improvements in our clinics, hospitals, schools, day-care centers and libraries, and in our environment. The projects operated under this Title would be coordinated to the fullest extent possible with projects now operating under the Economic Opportunity Act of 1964 and with other existing related programs. The bill authorizes $35 million for fiscal 1972 and $60 million for fiscal 1973 to carry out the purposes of this Title.

Title IV, the "Special Reports and Studies" provision, calls for:

(1) A study of the feasibility of extending unemployment compensation benefits for unemployed workers aged 55 and over who have exhausted their unemployment compensation;

(2) A report on the means of eliminating the lack of coverage and other inadequacies in the workmen's compensation and disability insurance programs, health insurance, and pension plans—particularly as they affect adversely the employment of middle-aged and older workers;

(3) A report on present programs of private nonprofit organizations to furnish job opportunities on a full or part-time basis for individuals 55 years and older;

(4) A study of part-time employment in the executive branch of the Federal Government to help increase part-time job opportunities for older persons in the executive branch.

These, then, are the major provisions of S. 1580, and I urge early and favorable action by this Committe on this legislation. Unemployment among older workers is rapidly increasing, and positive action is needed soon.

It is a sad irony that as we achieve major advancements in medicine and technology which make it possible to prolong the lifetime of an individual, we also seem to be pushing middle-aged and older persons out of the mainstream of American life. There is a definite trend toward limiting the options for employment, recreation, and education for older persons. While we must, of course, focus much of our attention on the needs and problems of the young, we must not do so at the expense of the needs of older people.

More and more frequently, and in more and more ways, we seem to be saying to the older person: "You are neither needed nor wanted." This is a strong statement, but I think some bluntness is required if the public is to become fully aware of the effects on older people of our thoughtless actions—or apathy.

Mr. Chairman, nothing is more damaging to the human spirit than the belief that one's capacities are unused or unwanted. I think we can not only lift the spirit of older Americans but tap a vast and valuable pool of human resources by passing S. 1580.

STRENGTHENING WOMEN'S RIGHTS

Mr. PROXMIRE. Mr. President, since the ratification of the 19th amendment in June of 1919, this Nation has pledged itself to a policy of equal political rights for all Americans, regardless of sex. It is now time, I believe to assert this same policy for all nations.

The first step we can take in this effort is to ratify the U.N. Convention on Political Rights for Women. Through this instrument, we will place our support behind the worldwide movement to advance the rights of all human beings.

We must clarify once again that ratification of this type of measure will not in any way have a detrimental effect on either the rights American women enjoy today, nor the ones we hope to strengthen in the near future. The Treaty on Women's Political Rights provides that women shall have equal rights in voting in all elections, in running for elected office, and in holding a position of public responsibility.

The State of California recently studied what steps State governments could take to insure equal rights for all. In reference to political rights, the Report of the Advisory Commission on the Status of Women stated:

> There are no significant statutory disabilities to prevent women from assuming fully the duties and exercising the rights of political equality.

Mr. President, when the convention was first submitted to this body, the conclusion of the Secretary of State on this subject was substantially the same:

> No substantive legal questions are involved in the United States becoming a party to this convention.

By a simple act, a two-thirds vote of this legislative body, we can show our desire to extend the rights of women all over the world. This cannot help but strengthen the rights of men as well, as all humankind begins to contribute to the effort to build a better world. By a simple act, we can put ourselves on record in support of the cause of human rights. In the words of the California commission, such steps "will enable women to make the maximum contribution to society."

This, Mr. President, is our goal. One of the most basic steps toward that goal is the ratification of the Convention on Women's Political Rights. I ask that the Senate ratify this treaty as soon as possible.

EAST PAKISTAN: BIAFRA REVISITED

Mr. PEARSON. Mr. President, continuing disorders in Pakistan have left an estimated 200,000 people dead, created more than 6 million refugees, and severely reduced the prospects for a fall harvest adequate to meet the needs of the people of East Pakistan. The spectre of a mass starvation in East Pakistan, far exceeding the death toll of Biafra, may become a grim reality this fall. This massive loss of life is made all the more tragic because it can be prevented. In a world with surplus food, death by starvation due to political disputes is the ultimate obscenity perpetrated by man upon man.

Although the need for swift action is readily apparent, the distribution of emergency food supplies is not simply a matter of transporting food from Americans to Pakistanis. In order to get the food to the people, normal channels for the distribution of food in affected areas must be reestablished. These channels will not be restored until a series of political accommodations between the Government of Pakistan and dissident elements in the East are reached. Our Government must, in good conscience, attempt to use every legitimate means at its disposal to facilitate a political settlement and restore the means to transport available relief supplies to the people of East Pakistan.

The United States is in a moral-political dilemma similar to the one encountered during the civil war in Nigeria. On the one hand, it is morally unacceptable for Americans to stand idly by while thousands of people die horrible, needless deaths by starvation. On the other hand, we must recognize that exerting pressure on the Government of Pakistan to reach accommodation with opposition forces in the East is direct interference in the internal affairs of a sovereign nation.

How, then, do we balance our concern for the people of Pakistan with our desire to refrain from political intervention in the internal affairs of nations around the world?

As a general principle of our foreign policy, noninterference in the internal affairs of sovereign nations is founded upon two basic ideas. First, Americans are rarely directly affected by internal politics of sovereign nation-states. Second, Americans now recognize that their nation's power to intervene around the world is finite; the United States cannot be the arbiter of the disputes of all mankind.

In the case of the situation in Pakistan, however, neither of these general principles is valid. The futile deaths by starvation in East Pakistan do have a direct impact upon Americans, perhaps more of an impact than spectacular Byzantine, violent changes of government which occupy the time and energies of diplomats. Each American who is aware of the situation in East Pakistan dies a little each day his Government fails to do its utmost to alleviate the suffering in that area.

As for the second principle, in this case, at this time, the United States and other donor nations do have a good deal of influence over the Government of Pakistan. That Government is dependent upon the capital and commodity flows from the members of the aid consortium headed by the World Bank, which supplies foreign assistance. Surely the taxpayers of the United States and other consortium members cannot condone that continuation of economic, and certainly not military, assistance to a government which systematically excludes a part of its population from sharing in the benefits of that assistance, or worse yet, kills them with it. It would seem that the Government of the United States, following the lead of the consortium, should make clear to the Government of Pakistan that continuation of aid is dependent upon an end to the killing of civilians in the east wing and the distribution of adequate food supplies to all people of the East, without regard to religion or political affiliation.

Mr. President, should the State Department fail to impress upon the Pakistanis that many Americans cannot condone the unnecessary starvation and brutal killing of fellow human beings, Congress may find it necessary to suspend, by law, economic and military assistance to Pakistan.

PRESS BEHAVIOR

Mr. GOLDWATER. Mr. President, since publication of the Pentagon papers by the New York Times and other newspapers there has been so much argument and discussion about it that some of the basic considerations have become obscured.

Because of this, a speech July 10, 1971, by publisher James S. Copley, of San Diego, to the California-Nevada Associated Press Association is especially important. Mr. Copley beyond the question of legality and security raises the matter of press behavior.

He pointed out that freedom of the press carries with it a high degree of responsibility on the part of individual newspapers to present the news fairly and completely and dispassionately, adding:

> In this regard, I believe that time will show the New York Times, and other newspapers that have elected to identify with the Times have done professional journalism a disservice.

Mr. Copley insisted that what really happened had nothing to do with freedom of the press.

He explained—

> The New York Times came into the possession of stolen documents which the Government regards as sensitive. Making no known effort to procure their declassification to permit their legal publication—and against the advice of the Federal Government—the Times elected to publish the documents. In short, there was a straightforward route to follow, not in anyway involved with freedom of the press, and the Times chose not to follow it.

Mr. Copley reminded his audience that the Supreme Court did not in any way condone the fact that the Times and its colleagues received stolen property and that they did so knowingly.

Mr. President, I believe Mr. Copley's assessment of this important question is one with which all Senators should be conversant. Therefore, I ask unanimous consent that Mr. Copley's address be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

WELCOMING REMARKS OF JAMES S. COPLEY AT THE CALIFORNIA-NEVADA ASSOCIATED PRESS ASSOCIATION

It is a pleasure for me to welcome you to this meeting of members of the California and Nevada Associated Press Association—special because my home town is across the bay.

It also is a special privilege for us to assemble in Coronado in the spirit of a co-operative that dates its origin back to 1848.

Indeed, we should remind ourselves that—in this fast-moving, ever-changing world—there are certain fundamental values that remain with us. One is The Associated Press and the spirit, which it represents, of a dedication to objective, dispassionate reporting of man and his doings.

This objective, dispassionate reporting is what The Associated Press was created to accomplish, and, despite all the change, all the turmoil, since 1848, that is what The Associated Press—our Associated Press—is accomplishing today.

This, then, is what makes our co-operative unique: unchanging dedication to a journalistic ideal which, really, is unmatched anywhere in the world.

Only in the United States of America do we have publishers, broadcasters and others in the communications industry banding together in one organization for the sole purpose of having unbiased and objective news reports. The AP has no other purpose.

Much of the post-war world has seen the development of national news services frequently supported in whole or part by government funds—with the inevitable results.

Speaking from my own experience with the Inter-American Press Association, attempts to make the flow of news conform to government controls unfortunately continue in many areas of the world.

It is good, then, that the basic principles of The Associated Press have remained unchanged for more than a century.

Methods of gathering, distributing and displaying news, however, are changing rapidly, as we all know.

As you saw earlier in the film, we have AP men whose primary writing tool is a CRT console. We have a technical staff whose mission no longer is limited to the care and feeding of M15 teleprinters.

So, with our basic mission of objective news unchanged, there is great change under way *in the methods* we use to accomplish that basic mission. As is already evident, this is not change simply for the sake of change.

One of the great strengths of The Associated Press has been its strong state and regional reports. After World War II, many thought there would be a diminishing of interest in local news as we faced tremendous international and national challenges.

However, in recent years, there has been a significant change in public attitude. Government and international problems have grown so enormously that the average citizen, as an individual, has felt a sense of frustration in trying to influence them or make his views felt. As a result, he has turned toward those things that he feels he *can* deal with and influence.

His interest has sharpened in the local and regional events that affect him directly and personally, problems in schools . . . in traffic . . . in the hundreds of urban ills that plague suburbs and cities.

If San Francisco solves a school problem, it is of interest in Los Angeles, Reno and Phoenix, to mention just a few cities.

In short, the reader's interest in local and regional news has been intensified. It is closer to home and he can play a part in it.

This is not to say that he has lost his interest in national affairs. To the contrary, he is deeply interested in them, and our obligation to him in this regard is very great.

This obligation is sharply underscored by the current crisis created by the publication of secret state documents by the New York Times and other newspapers, and by the Supreme Court decision that followed.

The reading public is hungry for news of the matter. In this case, however, it is not just news. It is news that involves us very deeply.

Consequently, it would be idle were we, responsible members of an old and respected press association, to complete this meeting without facing up to a few of the realities which the crisis embodies for us.

Viewed soberly, it is plain that an almost monumental challenge has been laid down to our basic dedication to pursue and present the news to our readers fairly, and in complete and dispassionate form.

In this regard, I believe that time will show the New York Times, and other newspapers that have elected to identify with the Times, have done the profession of journalism a disservice.

The Times has contended that the First Amendment of the Constitution of the United States of America is in issue.

But is it really?

The First Amendment prohibits the Congress from passing laws abridging freedom of the press. I doubt if there is any likelihood that Congress has any such intent.

What has happened really has nothing to do with freedom of the press. The New York Times came into the possession of stolen documents which the government regards as sensitive. Making no known effort to procure their declassification to permit their legal publication—and against the advice of the federal government—the Times elected to publish the documents. In short, there was a straightforward route to follow, not in any way involved with freedom of the press, and the Times chose not to follow it.

Apart from questions of the relative sensitivity of each of the 7,000 documents involved; apart from the damage that may come from giving the world an accurate insight to our private, national reasoning processes; apart from the possibility that our enemies may benefit in their cryptographic analysis from seeing the exact text of our secret communications; apart from all of these things there is another matter which affects all of us here.

The Supreme Court did not rule on this. The Court merely declared that, in its opinion, publication of the material in the hands of the Times and its colleagues would not gravely injure the United States of America.

The Court did not in any way condone the fact that the Times and its colleagues received stolen property and that they did so knowingly. This behavior certainly cannot enhance the luster of our great profession.

Against this background it is imperative that journalists at large meet fully their obligation to the public to pursue with great aggressiveness every critical element of the issue.

For instance, too little is known so far concerning the how, the why and the wherefore of the stolen papers. The reading public is hungry to know who were the various people involved in the theft, how the Times received the documents and how other newspapers also received them.

They are curious to know who harbored Mr. Ellsberg, why the Times has not yet been prosecuted for unauthorized possession of stolen goods, how this whole chain of events is affecting our international relations, and the answers to many other questions.

In short, we are involved in a serious news story and, as is our tradition, we must do the job fully and fearlessly, even though it may affect us adversely.

As all of these grave issues swirl about us, I believe it will be beneficial for us to reflect again upon facts which we all know but rarely articulate.

First, a free pass is a tap-root element of the wonderful society we call The United States of America.

Second, a free press is, in itself, not a guarantee that the obligations of our profession to the people will be fully discharged. We must be a *responsible* press as well as a free one; a law-abiding, dependable and fair press.

These are the qualities that bring us respect, and the word "respect" goes to the heart of it all.

Without respectability there is no credibility; and without credibility, all else—even the exciting technological development we have just seen on film—will lose meaning.

For technology is only a means to an end—and the end that we are seeking demands freedom, responsibility, dependability, respectability, credibility.

These words are not going to lose their meaning. They represent the highest ideals of our profession—they give the only real meaning to our business.

The great and responsible journalists of this country will see to it that they remain our ideals . . . that these words continued to mean what they say.

There is just too much at stake.

Thank you, ladies and gentlemen. Feel welcome in San Diego. While there is much to be done in our meeting, there is also much to be seen in our fine city. Enjoy your stay.

HARRY E. BOYD, RETIRED EDITOR OF CEDAR RAPIDS, IOWA, GAZETTE

Mr. MILLER. Mr. President, one of Iowa's most distinguished editors retired on July 1. Harry E. Boyd has been one of those editors who believe that an editor has a responsibility to the community, not the community to the editor. As he is fond of saying, "you can get some things done if you are not kicking people in the face all of the time."

Editor Boyd remarked—

> I've always felt the editor of a paper should be as close to work in the community as he can get. It makes more sense to be in at the planning stage and shoot off your mouth, rather than let them get committed and then throw rocks.

Harry Boyd, during his 42 years of meeting the Cedar Rapids Gazette's deadlines, has always insisted that a newsman's duty is to get it right, not necessarily first.

Because the Gazette has adhered to the Boyd precepts, it deservedly has earned the reputation of being one of the finest newspapers in the Nation.

I ask unanimous consent that a feature article on this outstanding editor, written by Phyllis Fleming, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Cedar Rapids Gazette, July 25, 1971]

BOYD RETIRES AFTER 42 YEARS OF GAZETTE DEADLINES

(By Phyllis Fleming)

The Gazette's new city hall and police reporter had spent more years playing the alto sax professionally than he had the typewriter.

But, he didn't see a musical career for himself and he was confident that The Gazette would provide a stepping stone to a job on a big Eastern paper.

Recalling those days in June, 1929, Gazette Editor Harry E. Boyd chuckled and said, "I figured I'd be here about three years then I'd become editor of the New York Times."

But, The Gazette job proved to be a good fit. His intentions of going East faded and he later turned down a job with the Associated Press in Washington, D.C.

Now, 42 years later, Boyd, who retired as Gazette editor July 1, can look back on years of providing leadership not only for The Gazette but for the community.

"If you are going to tell people what to do, you must get out and do some of the work yourself," Boyd said. "None of these things get done except by teamwork involving a lot of people." So Boyd, a man with a wry sense of humor and the ability to listen, has been active in many state and local organizations.

And though he never left The Gazette, he did reach the bigger reading audience he had hoped for as a young man. For eight years (until 1957), he wrote a nationally syndicated column of light humor. At its peak, "My America" ran five days a week in 70 papers with a circulation of over two million.

CAREER PLANS CHANGED

Looking back, Boyd said he never regretted the day "Old Dad" Lazell, former editor of the Cedar Rapids Republican and a faculty member at the University of Iowa journalism school, talked him into going into journalism.

Lazell was his registration adviser and Boyd was having a problem getting his commercial art course schedule lined up.

Boyd had some experience with newspapers—as an eighth grader he was the editor and sole staff member of the "Weekly Snooze," a hand-lettered publication which he passed around once a week to friends and classmates; he had written humorous pieces for the high school paper and he had been staff artist for the Sioux City Journal.

So the switch in career plans was made, and Boyd enrolled in the school of journalism

At 21, he was older than most entering students, and his plans for paying his way through college were a little out of the ordinary. During the following four years, he played three or four nights a week in a dance band, sometimes going to class the next morning in a tuxedo.

While still in high school in Sioux City, Harry started to play the alto sax by ear and played in orchestras. He continued with this part time through a year at Morningside college in Sioux City, then for three years played full time with orchestras out of Sioux City and Chicago including the Morro Castle Revue orchestra on the Keith-Orpheum vaudeville circuit.

In 1925 he enrolled at Iowa U. The first year he played sax and clarinet in Doc Lawson's orchestra; for the next three years he played in and managed his own five-piece band, Harry Boyd's Music. They once went as far as the University of Nebraska to play a dance. Travel was by train and the fee was $450.

"BEST WAY" TO FINANCE COLLEGE

But music was never a "lifetime thing, just the best way to get through college."

Boyd recalled his first few days at Iowa U. After he had registered, paid for books, room and tuition, he had $15 left, but he had a job. In addition to the nighttime orchestra dates, he and several other students provided mealtime music at Kitty Mayme's, a downtown Iowa City restaurant, and got their meals in return.

Meanwhile, Boyd was busy on campus. He was art editor and editor of Frivol, campus humor magazine; editor of the Daily Iowan, campus newspaper; president of a senior men's honorary, and got top grades. He was graduated summa cum laude in 1929.

He was all set to go to the Des Moines Register at $35 a week, "but I had the feeling they didn't really have a job for me," he recalled. When The Gazette's Verne Marshall offered $50 a week and a specific job, Boyd took it. "That was big (salary) in those days," he said, noting that it was just before the stock market crash.

Boyd had been city hall and police reporter for a year when the opportunity to become editorial writer came along in an unexpected way.

The man who had been editorial writer had a drinking problem and there were days when he didn't show up. He failed to show up once too often. On that day, Boyd was sitting at his desk when Marshall, then managing editor, walked over and asked, "Can you write editorials?" Boyd said, "Well I can try." "Marshall said, "Get there and start writing."

And write editorials he did until his retirement. In these early days he was the only editorial writer, with 1½ columns to fill weekdays; two columns on Sunday. His weeks averaged about 60 hours with Friday nights especially late, 2 to 3 a.m., because both Saturday and Sunday pages were being taken care of then.

Boyd was named associate editor in 1932 and editor in 1941. His writing chores have been heavy. In addition to editorials, he succeeded Marshall as the author of a front page column called "Current Comment". This was dropped in 1942 when The Gazette went to a full editorial page.

He next wrote a weekly column, "Strictly Informal", which was the forerunner to the light humorous items he dealt with in "My America".

POLITICAL CONVENTIONS

Boyd covered all but one of the national political conventions for The Gazette beginning with the Democrats in 1932 up through both Republican and Democratic in 1964.

"I think I had more fun at the national political conventions than anything else," he said, even though he and Frank Nye, Gazette associate editor who accompanied him to many of them, were usually up half the night working.

He recalls the 1932 convention in Chicago with special fondness. "For anybody from out in the sticks, it was quite a show."

Will Rogers sat right in front of him in the press gallery. Damon Runyon of "Guys and Dolls" fame was there as a Hearst reporter. Runyon's typewriter was just back of the speakers rostrum. He stood at the typewriter all day long and kept up a running story on the convention.

Will Rogers figured in a funny story from this convention.

Just a few weeks before, Iowa Sen. L. J. Dickinson had given the keynote speech at the national Republican convention and he had painted a glowing picture of the economy despite the fact that this was during the midst of the Depression. The speech was apparently a memorable one.

At the later Democratic convention, W. Earl Hall, former editor of the Mason City Globe-Gazette, was seated at the back of the press box. He passed a note up to Will Rogers asking for "the autograph of the world's greatest humorist." Boyd recalls that without even hesitating, Rogers quickly signed "L. J. Dickinson" and sent the note back to Hall.

At a later convention, Nye and Boyd were working on stories in their hotel room. Boyd was lying on the bed with a small typewriter on his chest typing a story. Suddenly Nye realized he didn't hear typing. He looked over and there was Boyd sound asleep with his fingers poised over the typewriter keyboard.

COUNTED IN DELEGATION

Then there was the time that Boyd and Nye got counted as part of the Alabama delegation during an Alabama caucus.

Asked if reporters from earlier days weren't more colorful than they are now, Boyd agreed, but added, "They were more colorful because they didn't worry much about the facts. They are less colorful now, but much more professional than they used to be."

He emphatically says that newspapers of today are better than they were 20 years ago.

"All daily newspapers have become more responsible in reporting. There was a lot of fire horse, gee whiz, sob sister writing" in the early days.

Today there's less "gee whiz" and more attention to factual, reliable handling of the information.

He sees at least two reasons for this—the field of coverage has broadened a great deal and become more complex and better trained people have been made available to newspapers by the colleges.

Recalling his own days as city hall reporter, he said the two biggest proposals at one point were new street numbers and whether a parking lot or a park should be placed on municipal island. "The discussions dragged out for about a year," he said. "Now many council meetings have a dozen problems that are really tough."

Boyd thinks newspapers are here to stay, but that they are going to have to speed up production by using more mechanical techniques. He also sees more emphasis on interpretive reporting than concentration on spot news.

EMPHASIS ON GETTING IT RIGHT

"Television and radio take the cream off getting a story first. Newspapers must place emphasis on getting it right rather than first."

Referring to recent attempts to subpoena reporters' notes, Boyd sees "constant nibbling at the press and broadcasting in an attempt to trim them down. A lot of people are mad at them. The better a newspaper does its job the more people are mad at it. People don't like to read what they don't already think."

And what is the job of today's newspaper? The same as the job was when he started, Boyd said; to get as complete and as accurate information on what is going on as it can get and to do whatever it can do in interpreting facts to help the reader.

"The same things make news now that used to make news." Innovations in handling the news haven't changed that, Boyd said.

Asked if the courts should be able to subpoena reporters' notes and expect to get them, Boyd said, "My first reaction is no" but he said he hadn't thought this problem completely through.

Commenting on his own days of notetaking, Boyd said, "I never had any notes they could subpoena in court and get anything out of."

"I never took many notes," he said, recalling the first feature story he was assigned to do by John Battin, Gazette city editor. The subject was a recently retired railroad engineer and Boyd got all set with his notebook and pencil. As the man talked he made a few marks in the notebook, then the man asked, "now what have you there?" Since Boyd had only a few scribbles, he was forced to fall back on his memory to recount what the man had told him. It worked, too.

Asked just what he thinks the role of a newspaper in the community is, Boyd said the newspaper should, through editorials, say what it thinks, but it shouldn't tell others what to think. Neither is it necessary for the newspaper to have an opinion on every subject that comes up.

GET OWN WORDS BACK

Boyd doesn't think newspapers have the "crackdown" power that some ascribe to them, but he does think "people rely more on what they read in the newspaper than they think they do."

"You can see it in writing editorials, in having your own arguments come back to you in your own words. The person may not even remember where the words came from."

Boyd was an editor who actively participated in many community and state activities. The list of his activities, a long one, includes 23 years on the board of the public library (15 years as president); member of the Mercy hospital board since 1952; member of the Chamber of Commerce board and member of many Chamber committees; chairman of the Iowa College-Community Research council for nine years; member of the Iowa commission for reorganization of state government; member of the board of the Iowa Good Roads Assn.; chairman of the Mental Health center board. Listed in "Who's Who", he is also a member of many professional and social groups.

"I've always felt the editor of a paper should be as close to work in the community as he can get. It makes more sense to be in at the planning stage and shoot off your mouth, rather than let them get committed and then throw rocks."

He admitted that this probably "makes for a little less interesting reading, but for a better community."

He also sees community activity as a way of getting information first hand, of keeping in touch with business people and finding out what they can and will do.

He believed in getting out of the office and meeting people, in talking to policemen, people on the streets, at the coffee counter, etc.

Referring to people who come into the office, he said, "You can almost be sure they're not representative of a group. You need to balance them off by getting out and talking to people."

Asked how he would describe The Gazette's general political stance, Boyd said, "Independent, but leaning Republican. We have supported Democrats." He recalled that when he came to Cedar Rapids, the town was a G.O.P. stronghold but he pointed out that this is no longer true.

EDITORIAL POLICY

Speaking generally about editorial policy, Boyd said, "You can't get too far out of line with the general tone of the community. You can get some things done if you are not kicking people in the face all of the time."

Boyd recalls that one of his first editorials dealt with the need for an access highway north out of town along the line of Center Point road.

This is approximately the line of the Cedar Valley roadway which is nearing construction. "There is satisfaction in picking away at something like this."

He also recalled how The Gazette was able to dissuade the Legion from building a proposed bowling alley across what was then the end of Fourth avenue SE. The street was already blocked by the Union depot and many thought the depot would be there forever. The Gazette position was that another through street was needed downtown and if the depot was ever moved, Fourth avenue would be ideal. A few years later the depot was gone and Fourth avenue went through.

Not everything is successful. "We wrote quite a lot about storm sewers, but didn't get much accomplished," Boyd said.

Looking at the expansion of Cedar Rapids during his tenure, Boyd called the growth "a healthy type, about 2½ percent a year, no big booms or no bad setbacks." He credited this partly to a good group of businessmen and to a Chamber of Commerce that steered toward balanced growth.

However, he said, he has had a feeling in the last few years that there has been a "diffusion of leadership. We lost something we had 10 years ago by so many groups going off in their own direction without enough (coordinated) direction."

Boyd sees continuance of good leadership as the community's biggest problem. "Older (leaders) need to give younger leaders more opportunity to step in and show what they can do . . . We've got a lot of good young people here but they don't get much opportunity to work on really basic problems."

BASIC PROBLEMS

Basic problems mentioned by Boyd included leadership, highway arteries and jobs. "It's essential to keep industries that can provide jobs. Jobs are what solve most of the problems. It takes money and you don't have it without jobs."

Boyd called the recently proposed Target '76 "a program that makes good sense. We've got to get rid of a lot of overlapping government agencies and get more regional type management."

He continued, "The city isn't going to prosper unless the region prospers so some of the leadership has to come from the region."

We no longer can afford duplication of facilities and manpower, Boyd said. "I think we are going to have to have more rapid progress in county consolidations and school consolidations but it won't be easy."

Looking back over years of dealing with politicians and various officials, Boyd said, "As a general rule, politicians are much better than they get credit for. They are more conscientious than people give them credit for. . . . Not all are as bright as they ought to be but most try to do as good a job as they can. This has been especially true in Cedar Rapids. We are lucky to have a lot of good city officials . . ."

Asked if he would like to be starting again instead of retiring, Boyd said no, that he had worked during an interesting time—the Depression, World War II, beginning of atomic age—and added:

"I'd kind of hate to be starting now because there are so many problems there don't seem any answers to."

Asked to specify, he mentioned the Near East and Southeast Asia and said, "I wonder whether we'll ever get solutions that are very satisfactory." He also cited the great need for funds faced by states, semi-public organizations and cities; needs without any obvious solutions.

CONTINUE AS CONSULTANT

Though Boyd will no longer be faced with daily deadlines at The Gazette, he will continue as a consultant. Editorial responsibilities will continue to be handled by the three editorial writers, Associate Editor Frank Nye; Art Heusinkveld, editor of the editorial page, and Jerry Elsea, and three other members of the editorial board named earlier this spring.

Boyd, 67, and his wife of 46 years, Dorothy, reside at 450 Forest drive SE. Their daughter, Mrs. James Read, lives in Minnetonka, Minn. Their son, John, is an assistant professor of English literature at Cornell university.

A PROPOSAL ON PAKISTAN

Mr. SAXBE. Mr. President, the lead editorial in today's Washington Post calls for—

> An immediate joint appeal to Pakistan by the United States, the Soviet Union and the People's Republic of China or from separate but parallel appeals from these three.

It also states:

> In Pakistan, the world is witnessing a holocaust unmatched since Hitler . . .

Mr. President, on July 12, 1971, on page 24485 of the RECORD, I said:

> I believe that the Pakistan strife may provide an opportunity for the United States, the Soviet Union, and the People's Republic of China to attempt to reconcile a most difficult problem and thereby strengthen their common efforts at international cooperation. The President may wish to call for an international conference to discuss this problem. I also stated, let us recognize Yahya's policy for what it is—the most brutal and deliberate genocide since Adolph Hitler.

Today I wish to announce that the Saxbe-Church amendment to suspend aid to Pakistan has 33 cosponsors, with the addition of the Senator from Alaska (Mr. GRAVEL). I invite the attention of Senators to a number of articles on Pakistan and ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 30, 1971]

A PROPOSAL ON PAKISTAN

In Pakistan, the world is witnessing a holocaust unmatched since Hitler—and "witnessing" is the operative word. While hundreds of thousands have died and millions have fled, the world has done little but look on in paralyzed horror, sighing for the victims and offering the survivors among them alms but taking no effective measures to ameliorate even the incontrovertibly international aspect of the tragedy: the forced flight of terrorized Pakistani refugees to India. After the catastrophe of the Nigerian civil war, one might have hoped the international community would have been prepared—in mental outlook, anyway—to prevent a repetition of it. But no.

The great nations with an interest in the subcontinent have been unwilling to halt their separate routine quests for national advantage merely for the sake of reducing the toll of human misery. The Russians are perhaps least to be blamed: they did not have an important position in Pakistan and they have used its agony merely to consolidate their position in India. The Chinese, on the other hand, have adopted a policy of totally craven expediency. They have rejected the Bengalis' cause of popular revolution against an unjust tyranny, and they have encouraged the oppression of the Bengalis by the Pakistani government, even to the point of offering to defend Pakistan against outside (meaning India) intervention.

American policy is, for Americans, even more regrettable. For "strategic" reasons which come down to no more than an outmoded habit of military alliance with Pakistan, the United States has kept up a flow of arms and has asked Congress for new economic aid (so far denied), all this under the pretext of gaining a friend's leverage in order to steer the Pakistanis back on a moderate course. There has not been a whit of evidence, however, that the Pakistanis have paid any heed to whatever American urgings may have been privately conveyed. On the contrary, the outpouring of refugees continues, at upwards of 20,000 a day, and the United States is widely blamed for facilitating it.

What are the alternatives? One is an Indian-Pakistan war. This is far from unlikely, in view of the domestic pressures upon both governments. Pakistan's policy of expelling its citizens across the border and India's policy of aiding the Bengali insurgency movement could provide the spark for broader hostilities at practically any moment. Such a war would add new dimensions of despair to the subcontinent, and it would intensify the political play on the Moscow-Peking-Washington triangle.

But, as well, a war would give U Thant and the international community which he represents an opening to deal with the basic problem of Pakistani cruelty. Everyone can see the death by starvation or cholera, in whatever numbers, and perhaps the greatest trans-border migration of peoples in modern history, and the imminent threat of war. Yet none of these has been adequate to mobilize Mr. Thant and the United Nations. But if a few people of one nationality were shot by a few soldiers of another, then the Security Council presumably would meet and the whole ponderous apparatus of international conciliation and problem-muffling might grind into gear.

The other alternative, as we see it, can only come either from an immediate joint appeal to Pakistan by the United States, the Soviet Union and the People's Republic of China or from separate but parallel appeals from these three. They would have to ask and help Pakistan to take the steps necessary to restore normal conditions, difficult—indeed impossible—as that task may seem now. The mechanics of American-Soviet-Chinese pressure are hard for an outsider to imagine (hard for an insider, too, no doubt). Yet it is plain that together the three countries, and only they, have the requisite influence to induce Pakistan to change course, and the problem is to find a way to bring it to bear.

There are, of course, a dozen reasons diplomats and politicians can give you why such a proposal is unrealistic and unworkable. Basically, it would require three extremely wary mutual rivals to collaborate, as they have never done, and to collaborate in an important arena of their rivalry. The argument for trying out the proposal, though, is quite simple: it could spare 10 or 20 or 80 million people terrible additional suffering, not to say—for many of them—their lives. Forlorn or visionary as it may be, no possibility for limiting the effects of the Pakistani tragedy ought to be abandoned out of hand. And if the United States is not to make a real and positive contribution, then at the least it ought to end its current policy of aid, however limited, to Pakistan.

[From the New York Times, July 30, 1971]

PAKISTAN REGIME IS PREPARING FOR LONG GUERRILLA WAR IN EAST

(By Malcolm W. Browne)

DACCA, Pakistan. Pakistan's military Government is waiting for what it fears may be a protracted guerrilla war in East Pakistan, and Government strategists are drawing from the writings of Mao Tse-tung and other experts in their plans.

"Ours is a regular army," a high-ranking Pakistani officer in an interview. "We recognize that regular armies are not suitable for guerrilla campaigns, as the Vietnam experience has shown. We can shield the nation against external threats, notably India, but only the people can conduct anti-guerrilla warfare."

Pakistan's army, which consists mainly of West Pakistanis, attacked Bengali dissidents on March 25 to re-establish the authority of the national government and to supress the separatist movement.

Tens of millions of East Pakistanis, it is reported, fled the major towns for the relative security of the countryside and several million crossed the border into neighboring India.

OPEN BATTLES FOUGHT

Initially, the Bengali separatists fought the army in open battles. Bengali forces included almost all of East Pakistan's police and militia forces, as well as the East Bengal Regiment, a unit in the national army.

But the national army quickly seized all the major towns in East Pakistan and wiped out opposition strongpoints. Resistance became sporadic and took the form of sniping and sabotage on railroad lines.

During the last two weeks, however, guerrilla activity has accelerated and has begun to pose a problem for the military authorities. The three divisions of troops, armor and artillery now being maintained in East Pakistan have not been able to prevent the dynamiting of power installations, bridges, roads and houses by guerrillas.

Most experts speculate that Bengali guerrillas who went to India on March 25 have now had time to receive training and weapons in Indian camps and are now back in action in East Pakistan. According to one estimate, there are 30,000 active guerrillas in the province. One step toward countering this force was taken by the Government on July 15 when it organized the new Razakar (Volunteer) force.

AUXILIARY MILITIA FORMED

Razakar units are hamlet militia responsible to the local police as a kind of auxiliary. Anyone over 14 may join after a loose screening procedure. After brief training the recruit is given a rifle and paid about 70 cents a day while on duty.

"The Razakars guard vulnerable points such as power stations, bridges and so forth, but they should be especially helpful as members of rural communities who can identify guerrillas," an army officer said.

The Government says it has already recruited more than 22,000 Razakars of a planned force of 35,000.

"The people are definitely giving us information about the guerrillas," the officer said. "The people realize that the guerrilla operations are hurting the economy and that this hurts the people. If we can convert this resentment into support for us, we'll overcome the guerrilla problem."

The officer said the army was increasingly successful in determining guerrilla infiltration routes and in ambushing them.

"Mao Tse-tung teaches that roving rebels accomplish nothing and that successful guerrillas must have a base inside their target country," he said. "This we are denying them."

[From the Christian Science Monitor, July 29, 1971]

Caught Amid Welter of It All Are Poor, Simple Bengalis

(By Henry S. Hayward)

Hong Kong.—Four full months after the onset of the Pakistani civil war, neither India, Pakistan, nor the outside world seem to have made any real progress toward correcting the difficulty, or even stemming the tide of fleeing humanity which continues almost unabated.

You don't need to be physically present in northeastern India or East Pakistan to realize how desperate the situation there has become.

Caught amid the welter of it all are the millions of poor, simple Bengalis of East Pakistan—the hapless victims of this great upheaval.

The great difficulty confronting anyone—be they nation or individual—who wishes to help is that Pakistan continues to regard the problem as its own internal affair. And India, the recipient of the influx, is not on sufficiently good terms with its Muslim neighbor to work out a solution to the problem without raising the specter of self-interest.

A mere itemization of the latest developments shows how the situation continues to deteriorate.

Best estimates are that nearly seven million refugees have arrived in India from East Pakistan since last March. Almost without exception they have come by foot, or oxcart at best. Some have come a hundred miles or more.

They are still coming at the rate of 50,000 a day. A few days ago a correspondent on the scene reported large numbers of new refugees walking toward the Indian border from the Barisal region and Faridpur. The walking tide was estimated at 400,000 to 500,000 people.

At least two million children are involved in the Hegira. Many of them are suffering from malnutrition. India now has 700 centers operating to provide milk, but even so they can service only 600,000 children.

The representative of the League of Red Cross Societies in Geneva, Norwegian Col. M. D. Erla, said in New Delhi the other day:

"I have seen many catastrophes but none like this."

He said that the plight of the refugees was worse than those in Biafra—and that no solution was in sight.

On the other side of the border, a visiting Canadian parliamentary delegation summed up its findings on the situation in East Pakistan by saying:

It was bad enough a month ago when this correspondent watched the tide of Bengali refugees flooding into the Indian areas just north of Calcutta. Indian sources say the figures exceed six million.

It was just as grim when one went to the East Pakistan side of the border and heard the whispered explanations of frightened residents as to why this massive, historic, heart-wrenching exodus is taking place.

The story is one of racial and religious hatred, of poverty and disease, of political maneuvering, military repression, and the suspension of democracy.

"At best you can say life is semi-normal."

One effort to stem the outflow of refugees and persuade those who have fled to return to East Pakistan is being made by Tunku Abdul Rahman, former prime minister of Malaysia and current secretary-general of the Islamic Secretariat. He is working on a plan to provide safe-conduct guarantees for refugees who wish to return to their homeland.

The problem is that before most of these terrorized, penniless people can be persuaded to return they must be convinced they will not again become victims of military persecution on racist, religious, or political grounds.

Despite repeated denials by the Pakistan Government and the Pakistan Army, the refugees now coming out of East Pakistan still complain of their homes being looted and burned by Pakistani soldiers. They also claim their women and girl children are often taken away—where, they do not know.

Aside from the cost in terms of human misery, which is staggering to any beholder, the cost in terms of money also is great. India is reported to have spent the equivalent of £280 million ($672 million) already on the refugees.

This new financial burden is not one Indian can shoulder for long without imposing heavy additional taxes on its own population.

[From the New York Times, July 29, 1971]

Pakistan Says India Killed Five in Shelling

Dacca, Pakistan.—Pakistani authorities charged Tuesday that an Indian artillery barrage killed five civilians and wounded 13 in the district capital of Comilla in East Pakistan.

Comilla, which is close to the Indian frontier, was reported shelled last week and Pakistani officials said one civilian was killed. Shelling across the frontier occurs almost daily and has resulted in many disputes between the Indian and Pakistani Governments.

Meanwhile, military authorities here discounted the effectiveness of the two-week-old offensive being conducted by Bengali separatists. Handbills posted in Dacca have warned the population to evacuate the city by Aug. 1 to avoid injury in the coming clashes between guerrillas and the Pakistani army.

New Delhi.—The East Pakistan refugee problem has no parallel in human history, Col. M. D. Ezla of the League of Red Cross Societies said Tuesday. Colonel Ezla, a Norwegian, is here to help the Indian Red Cross aid the seven million refugees who have crossed from East Pakistan.

[From the Washington Post, July 29, 1971]

10 Million Pakistan Exiles Predicted by End of Year

(By Marilyn Berger)

Angier Biddle Duke, who headed an International Rescue Committee team studying the plight of Pakistani refugees in India, predicted yesterday that the continuing tension in the region would bring the number of refugees to 10 million by the end of the year.

Duke, a former U.S. ambassador, was in Washington to seek U.S. government cooperation in a number of programs the IRC has started in India to aid the refugees. In a report that Duke gave yesterday to Francis L. Kellogg, special assitsant to the Secretary of State for refugee affairs, the IRC reported on "the desperate air of tension the Pakistani army has tried to maintain along the border by mortar fire to which the mission can bear personal witness."

The report stated: "There is no indication that the exodus has been halted. If the present trend continues, the figure is likely to go to seven million before July is out. Seven million is the total population of Cuba."

Indian sources indicated the prediction was correct. The movement of refugees from East Pakistan started on March 25 when the forces of the Pakistani central government cracked down, allegedly to prevent the establishment of a secessionist state. Reports from the scene told of rape, murder and other atrocities, and Bengalis poured into India to escape what was widely described as a bloodbath.

State Department officials said yesterday that military activity in East Pakistan has largely subsided since May although action against guerrillas continues. These officials also note that the flow of refugees has dropped to "as low as 20,000 a day."

Duke said that the continuing state of tension rather than any actual bloodshed is enough to keep the refugees coming into India. He said the IRC was setting up programs to use refugee doctors and teachers to work with the Bengalis who are filling camps in India. He said the IRC hoped to raise $1 million and to get additional funds, partly from the U.S. government, to run a program that would cost $2 million over the next six months.

But Duke said that any attempt to work with the refugees is nothing more than a palliative. "Political solutions for the return of the Bengali refugees must be found," the IRC mission report said.

There is concern within the U.S. government that the continuing drain on India caused by the presence of the refugees could lead to an explosion.

Some officials are also worried that the end of the monsoon rains in October could bring more bloodshed. Intensified civil war with a greater flow of refugees could create still greater strains on India.

A possible Indo-Pakistani conflict carries with it the potential for a Sino-Soviet confrontation, U.S. officials have noted. Pakistan is understood to feel confident of Peking's support, while India has been backed by the Soviet Union.

The United States, meanwhile, has sought to keep up a dialogue with both sides. Assistant Secretary of State Joseph J. Sisco saw both the Indian and Pakistani ambassadors on Tuesday before he left for Israel. The United States has welcomed Pakistani President Yahya Khan's willingness to accept a United Nations presence along the border.

The Indians have turned down the Secretary General's proposal, refusing to be "equated" with Pakistan in this situation. Indian officials say further that it is impossible to seal a 2,720-mile frontier with no natural geographic barriers.

The United States has officially taken a low-key stance, urging restraint on both India and Pakistan and quietly nudging Yahya to reach a political accommodation with the Bengalis that would allow the refugees to return.

WAITING AT FORT DETRICK

Mr. MATHIAS. Mr. President, 2½ years have passed since the President decided to end Federal activities in the field of biological warfare and to close out the research and development facilities used for that purpose at Fort Detrick, Md.

Two and one-half years have passed since I first tried to explore with the administration ways of putting the facilities at Fort Detrick to work to advance the health and welfare of mankind.

Two and one-half years of letters, phone calls, meetings, studies, consultations, pledges, amendments—you name it—have passed. And despite the solid support of the scientific community, despite the fact that Fort Detrick is an incomparably equipped facility, despite the fact that if we fail to use it we will eventually have to duplicate it elsewhere, despite the fact that a single phone call would set it to work immediately on the cause and cure of cancer and other diseases—nothing has been done.

In January, the President proposed a massive national effort for the conquest of cancer. He said:

> It is important that this program be identified as one of our highest priorities and that its potential for relieving human suffering not be compromised by the familiar dangers of bureaucracy and red tape.

The president of the American Association for Cancer Research, Dr. James Holland, has described Fort Detrick as "a magnificently specialized laboratory" which could rapidly be transformed into "a bastion in the fight against cancer." And a number of other experts in this field have testified that the men and equipment at Fort Detrick are ready and able to start work right now on research into cancer and other diseases.

I have recently been informed, for example, that the vaccine now used to combat equine encephalomylitis among horses in the Southwest is a byproduct of work done some 11 years ago at Fort Detrick and that all the necessary equipment to make the vaccine is already set up there.

The simple fact is that we have, in Fort Detrick and its scientists and its equipment an invaluable resource—altogether representing a quarter of a billion dollar investment on the part of the American people—which we are failing to utilize because of precisely those dangers that the President warned us against—the dangers of "bureaucracy and redtape."

In May of this year, after some 6 months of leisurely deliberation, the Department of Health, Education, and Welfare approved and sent to the White House a number of alternative proposals for turning Fort Detrick into a national laboratory for combating cancer and other diseases. Some 2 months have passed and the White House has yet to make a decision.

Today we are considering the appropriations bill which includes the funds for such public health research programs.

For 2½ years the team of scientists and skilled personnel at Fort Detrick have been waiting for that single, simple phone call that will tell them: "Go to work and help find a cure for cancer and for other diseases that continue to afflict mankind."

They should not have to wait another day.

THE CASE OF THE $20,000 "JUNK"

Mr. HARTKE. Mr. President, I ask unanimous consent that there be placed in the Record a number of newspaper articles discussing the recent incidents involving complaint letters written to General Motors, placed on microfilm, disposed of, discovered by junk dealers, and then repurchased by General Motors for $20,000. Several of the articles discuss complaints about the Corvair heater, on which the Committee on Commerce has recently held hearings. I think that Senators will find them notably interesting.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Detroit News, Apr. 28, 1971]

GM Buys Back Recorders To Keep Them From Nader

(By Robert W. Irvin)

The General Motors Corp. has paid $20,000 for more than 100,000 of its own microfilm records of owner complaints apparently to make sure they don't fall into the hands of Ralph Nader.

That was the word today from Floyd Avery and Ken Simpson, who got the money April 20 after finding records.

GM admitted that "several cartons" of microfilm copies of outdated Chevrolet owner relations customer files from the early 1960's were discovered last week in a Detroit area salvage yard.

"These microfilms of obsolete files had been retired under normal business procedures and were processed for destruction several years ago," GM said. "When GM learned they still were in existence, it reacquired them from the salvage operator."

"Yeah, we sold them back to GM and got 20 big ones from them—$20,000," said Avery.

He and Simpson are owners of the Downriver Industrial Surplus Corp., of Wyandotte. They also run a music store in Wyandotte.

The microfilm records—each about a half inch by half inch—were mounted on 3-by-5-inch cards. There were 18 boxes full of these cards.

Avery, of Riverview, and Simpson, of Wyandotte, acquired the records when they purchased the contents of Sam's Radio Electronic Surplus at 11762 Cloverdale, Detroit, for $7,500.

"The records happened to be in the store," Simpson said.

"We were in the process of moving all the surplus equipment when a customer came in and bought some of these cards from us for 6 cents each," Simpson recalled.

"We didn't know what they were but, when the guy came back later and wanted to buy the whole lot, we got suspicious."

So, Simpson said, "I held up one of the cards to the light and saw the Chevrolet heading on the film."

It was then that he and Avery decided they may have found something valuable.

Nader gets into the picture at this point but the circumstances are unclear. Simpson and Avery say someone from Nader's office in Washington called and asked for the film.

Nader's people say the Detroiters called them and offered to sell the film. The Nader people said they were willing to take it as a gift.

In any event, GM apparently moved quickly to see that Nader, its archcritic, didn't get the film.

"We used Nader as a hammer, let's face it," said Simpson.

"We arrived at a figure with GM of 20 cents apiece or $20,000 for the batch."

Actually, said Avery "we gave them 105,000 for the $20,000 and then they went searching the building for more boxes.

"We found another with 7,000 more," he said. "We gave them those for nothing."

Simpson said GM "implied that the film may have been stolen but we told them we bought the warehouse and they agreed there was nothing illegal about our acquiring the cards."

Asked if they had thought about simply giving GM back its property, Avery, 44, said:

"I'm old but I'm not senile."

"I'm not over this yet," Avery said, "It's like so much gold. It's like hitting the sweepstakes. I guess we're just lucky. How else do you explain it?"

"I personally will be indebted to GM for quite a while," said Simpson, 31, "It's going to be a long time before I top this sale."

However, Simpson and Avery appeared a little worried about the publicity their business deal was getting.

"GM's a big outfit for me to pull their tail and my name ain't Nader," Avery said. "Everybody keeps telling me not to worry but they know who I am and that scares me . . ."

"I don't think they'll do anything to us," Simpson said. "I wouldn't talk if I didn't have the money."

"We got a $20,000 cashier's check from the National Bank of Detroit," Simpson said. "We asked how they went about selling GM the film, Simpson said:

"We just contacted GM customer relations early last week. They forwarded the call to four different people. Finally, we dealt with a W. E. Ludwick. I guess he is in the records division."

They told him they had some GM complaint files that he would be interested in.

"We agreed to meet the next day at 9:30 a.m. but he was there an hour early," Simpson said.

"They told us each card was a complaint about a Chevrolet car," Avery said. "They were from 1962 to 1965."

As soon as GM paid for the films it hauled them away. But Avery and Simpson admitted they didn't give GM quite all the cards.

They had a couple as souvenirs.

[From the Detroit Free Press, Apr. 28, 1971]

Microfilms Bring $20,000—GM Buys Back Missing Files

(By Tom Nugent and Larry Adcock)

General Motors Corp. paid $20,000—sight unseen—for more than 100,000 microfilmed copies of the automaker's customer complaints that two downriver salvage dealers found in their Wyandotte warehouse.

The complaints, about Chevrolet products including the highly controversial Corvair, covered the years 1964 and 1965.

The microfilm mysteriously disappeared from the Chevrolet Division Customer Relations Department sometime after 1965, a GM spokesman said Tuesday.

The records were found by scrap dealers Floyd E. Avery and Kenneth A. Simpson March 1, after they moved a shipment of industrial surplus goods purchased from Sam's Radio Electronics Surplus, 11762 Cloverdale, Detroit, to their Downriver Industrial Surplus warehouse in Wyandotte.

The microfilm was contained in 19 cardboard boxes marked "GM."

Complaints were about various Chevrolet products, including the controversial Corvair, the subject of numerous safety investigations and lawsuits during the '60s.

Avery and Simpson said that Ralph Nader's Center for Auto Safety in Washington learned of the microfilm discovery shortly before GM's offer. GM was aware of Nader's interest before the April 20 purchase, Avery said.

High-echelon Chevrolet executives instructed W. E. Ludwick, assistant manager of Chevrolet Customer Relations, to pay the asking price of 20 cents per microfilm card—or $20,000—sight unseen, according to John Cutter, chief of Chevrolet public relations.

"He (Ludwick) told us that if 'Nader ever got these, we'd be hurting.'" Avery said Tuesday. "He was really in a panic."

Ludwick could not be reached Tuesday, but Cutter explained:

"These microfilms of obsolete files had been retired under normal business procedures and were processed for destruction several years ago. When GM learned that they were still in existence, it reacquired them from the salvage operator."

Cutter would not confirm the purchase price, and said: "I don't know whether anybody's evaluated the contents. We simply wanted to see what was inside."

GM officials could not explain the disappearance of the files and insisted that curiosity was their only motive for re-claiming them.

Avery and Simpson didn't know how Sam's Radio Electronics Surplus got the microfilm. The owner of Sam's Surplus could not be reached for comment Tuesday night.

Avery said that he and Simpson discovered the files after they purchased all of Sam's Surplus stock in a $7,500 transaction.

"We didn't know what we had," Avery said, "until a guy offered us 6 cents a card. Then we said "Whoa, wait a minute. This stuff must be pretty important to somebody.'"

Soon thereafter, Avery said, Nader's office offered to pay for shipping the files to Washington.

Avery declined, and called GM.

He said Ludwick arrived the next morning a full half-hour before Downriver Industrial's 9 o'clock opening. Avery said Ludwick readily agreed to the $20,000 purchase price and delivered a cashier's check (acct. No. 1382898–0720–0032–000–81, the National Bank of Detroit) the same afternoon.

"Ludwick said his records department at Chevy had 45 people waiting to go through the files when they got back to headquarters," Avery said. "He said they wanted to make sure that everything was there.

"You should have seen the panic when he thought one case was missing. He searched everywhere for it. We found it later, and returned it to him."

Cutter responded: "When it was identified as owner relations files, it was determined that we should obtain them and see if it was necessary to retain them for any further purpose."

The complaints documented in the missing microfilm came coincidentaly at the height of Nader's crusade against safety defects in the Chevrolet Corvair.

His book, "Unsafe at Any Speed," rocked the auto industry and produced numerous congressional hearings aimed at the question of auto safety.

Nader and others—including Carl F. Thelin, a former GM engineer—charged that GM had suppressed test reports and other documents during the controversy. GM officially denied the charges at the time.

Cutter responded to the possibility of a connection between the charges and the disappearance of the microfilm by snapping:

"If you think GM went out and hid those files in a warehouse, you're barking up the wrong tree."

Nader's office said Tuesday that it would pursue the question of such a connection.

[From the Detroit News, May 1, 1971]

Files Reveal Corvair

(By Robert W. Irvin)

An analysis of scores of microfilms of Chevrolet owner complaints shows that many of the customers were dissatisfied with dealer service and an even larger number complained specifically of problems with the Corvair.

These documents, some of them dating back nearly 10 years, are from the batch of more than 100,000 General Motors scheduled for disposal but which instead fell into the hands of two Wyandotte scrap dealers.

The dealers in turn sold the film back to GM for $20,000. The film is now considered valuable because of the safety controversy surrounding the Corvair and lawsuits which have been filed because of accidents involving it and other GM cars.

However, not all the missing film has been returned to GM. The Detroit News and WWJ–TV yesterday acquired about 250 holders containing microfilm records.

An analysis of more than 100 complaints showed that nearly one in four dealt with early models of the Corvair, the trouble-plagued rear-engine car which Ralph Nader charged was unsafe because of a faulty suspension design.

The complaints in the random sampling by The News and WWJ–TV, however, did not uncover any specific mention by a customer of a Corvair handling problem.

Rather, the Corvair owners complained of a variety of other problems, including engine fumes entering the passenger compartment through the heater, in one instance. This is a problem which last year prompted federal safety officials to issue a public warning to Corvair owners.

Sales of the Corvair fell after Nader's charges in the mid-1960's and the car was taken out of production in 1969.

About one in five of the complaints sampled indicated dissatisfaction with the way dealers handled servicing of the cars.

However, it is not unusual to find such complaints about service in a batch of letters to a car division. The customers likely would not be happy with the service or they would not write in the first place.

But when it comes to trouble with dealers, it would be hard to top the problems of a Kenosha, Wis., man who wrote Chevy about the problems in his 1960 Corvair.

"I can't get any warranty work done," he said, "and the dealer threatened to call the police if I didn't get my car out of there. I will never buy or encourage anyone to buy a Chevrolet product again."

A Corvair owner who complained about gas odors was Mary Healy, of Washington. Asked last night about the matter, Miss Healy said she sent several letters to GM about the fume problem but "they just kept referring me back to the dealer."

She said the dealer eventually solved that problem but never did solve another complaint of poor gas mileage.

She said she was "very dissatisfied with the Corvair" but still bought another when she traded in her 1961 model in 1965.

"I like its body and I like the way it handles. It's the perfect car for me," she said.

"But even with the '65, I sometimes smell gas fumes and have to keep a tight grip on the wheel because it vibrates when I drive fast. So I drive slow most of the time."

More GM Files Discovered

(By Tom Nugent and Larry Adcock)

Missing pieces of General Motors Corp. microfilm continued to surface in Detroit Friday, as downriver salvage dealers Kenneth Simpson and Floyd Avery presented the company with 1,200 additional customer files and a Rockwood auto worker announced that he had 750 of them.

Avery and Simpson discovered more than 100,000 microfilmed GM customer complaints at their Downriver Industrial Surplus warehouse in Wyandotte March 1. They sold them to General Motors for $20,000 on April 20.

"Mr. Floyd Avery has turned over to the Chevrolet Motor Division without charge an additional box of microfilm files which he found in the process of moving and unpacking material purchased recently from another salvage operator," GM spokesman John Cutter said Friday.

"A preliminary sampling indicates the box contains about 1,200 files of customer correspondence covering a period in the early part of 1962," he said.

Avery said late Friday that he and Simpson had agreed to turn over any additional files which they uncovered as part of the initial $20,000 purchase price.

Meanwhile, Ford auto worker Emil Sieniarecki of 11246 Loranger, Rockwood, said GM Friday offered him 20 cents per customer file for approximately 750 files which he discovered in his home Wednesday.

Sieniarecki said he refused to accept GM's offer, and would press for all he could get before selling the files.

Both the U.S. Department of Transportation and Ralph Nader's Center for Auto Safety in Washington have asked to see the files, which GM says were processed for destruction in the late 60s before disappearing.

Nader Thursday called for a Congressional investigation of the files—which include both customer complaints and GM responses to them during the early 60s. Nader said the files may relate to three separate legal actions now pending against GM.

[From the Detroit Free Press, Apr. 29, 1971]

Complaints To Be Examined, U.S. Eyes Files GM Bought

(By Larry Adcock and Tom Nugent)

The U.S. Department of Transportation announced Wednesday it will inspect the microfilm files of customer complaints that General Motors Corp. quietly purchased recently for $20,000 from two Wyandotte salvage dealers.

Lawrence Schneider, chief counsel for the department's Auto Safety Bureau, said in Washington that he will come to Detroit possibly next week, to examine the 106,000 microfilmed Chevrolet owner complaints because some of the correspondence could apply to two current federal legal actions against GM:

A lawsuit filed last November by the Transportation Department against GM, alleging that the auto maker used defective wheels on Chevrolet and GMC pick-up trucks.

A continuing investigation into allegations that nearly a million Corvairs have heaters that spew deadly carbon monoxide fumes.

Schneider said he asked GM officials not to destroy the files they recovered last week. "I've been assured that the files will not be destroyed, and that we can view them," Schneider said.

Schneider said the corrospondence also could apply to a class action lawsuit filed by Detroit attorney Richard Goodman last fall on behalf of 700,000 Corvair owners.

Goodman says his suit against GM, filed before Wayne County Circuit Court Judge Theodore Bohn, asks the corporation to recall the Corvairs and replace allegedly defective heaters.

Goodman says he has a court order requiring GM to turn over such documents as customer complaints and he intends to use the court order.

John Cutter, public relations official for Chevrolet Division, refused a Free Press request Wednesday to examine the $20,000 files.

"We've got a right to look at them ourselves!" he snapped.

Cutter said that from preliminary samplings "we believe that they (the microfilm files) are not covered by any order requiring the production of copies of customer complaints in any litigation pending before Judge Bohn. At any rate, these microfilms will be held and reviewed against any outstanding court orders to which they may be pertinent."

Cutter maintained Wednesday that GM is still unaware how the microfilm files left the Chevrolet Division.

The Free Press learned through its own investigation, however, that on Aug. 18, 1966, GM sent 29 cases of microfilmed Chevrolet customer complaints to its own warehouse.

The cases were stored next to signs and props that were used in previous auto shows. A few months later, GM called Morris Levine, the owner of the Levine Metal Scrap Material Co., 1527 Gillett, to remove the show items.

Apparently, Levine inadvertently took the 29 cardboard boxes containing the microfilm as well. Some time later, Levine sold 19 of the 29 cases of microfilm for $10 or $15 to Harold Keshner, who was a partner of Samuel L. Schwartz in Sam's Radio Electronics Surplus, 11762 Cloverdale, Detroit. The whereabouts of the other 10 cases are unknown.

A clerk at Levine's scrapyard said Wednesday he remembers storing the boxes of GM microfilm.

Schwartz said it was quite possible his company received the microfilm from Levine, who could not be reached Wednesday, but he could not recall specifically. Neither company maintains elaborate records.

"I tried to sell it (the microfilm) to a Mineola (N.Y.) film-processing company when I got it—for a penny apiece. They turned it down. The stuff just laid in our warehouse for years. A couple times, I almost tossed it in the garbage. Then those guys from Wyandotte took it away," Schwartz said.

Last week, W. E. Ludwick, assistant manager of Chevrolet Customer Relations Department, paid Wyandotte scrap dealers Floyd E. Avery and Kenneth A. Simpson $20,000 for the microfilm records.

Cutter said payment was not made with a corporation check because Avery and Simpson demanded a cashier's check. (A cashier's check cannot easily be traced to the payer.)

But Avery told the Free Press that Ludwick said: "What do you want, cash or a cashier's check?" Avery said he asked for the cashier's check when given that choice.

Ludwick's secretary said Wednesday he was "tied up in a meeting all day" and could not be reached for comment.

Meanwhile, Chevrolet's Customer Relations Department employes continued to examine the recovered microfilm, according to Cutter, which was contained in only 16 cases.

That left 13 cases unaccounted for Wednesday, the difference between the original 29 and the 16 that Cutter says were recovered from the salvage dealers.

Cutter said that GM had not recovered the other 13 cases.

In Washington Wednesday, the office of Ralph Nader, GM's archcritic, remained fascinated with GM's unusual purchase.

A spokesman for Nader said: "There's not much we can do now. GM has the records. We can just wait and see. We sure are interested, though."

[From the Detroit News, Apr. 30, 1971]

NADER DEMANDS QUIZ ON GM's $20,000 FILES

(By Robert W. Irwin)

Ralph Nader has demanded a congressional investigation on grounds that General Motors Corp. suppressed records of owner complaints which should have been made public in court suits involving GM cars.

The existence of the records—reduced to tiny squares of microfilm—came to light this week when it was revealed that two salvage dealers had sold the material back to GM for $20,000.

The U.S. Transportation Department's National Highway Traffic Safety Administration (NHTSA) has promised to send an investigator to Detroit to examine the microfilm.

But the Nader camp said that is not good enough and charged there are court cases, including one still pending in Detroit, where GM claimed it did not have the information which may be contained on the microfilm.

Gary B. Sellers, attorney for Nader, said, "Certainly we want a congressional investigation. On the face of it, these microfilm records are inconsistent with the sworn statements by GM in court.

"We have some of the microfilm and will get more. Since we can't reconcile these files with the court records, there should be a public hearing with people testifying under oath.

"It is not enough to have a check behind closed doors by an NHTSA investigator. That is not going to solve the problem."

Sellers also called on the Michigan Bar Association to investigate the matter.

"It has a responsibility here," Sellers said. "They should certainly look at these discrepancies. If the association does not convene a panel and investigate they are remiss in their duty. They've got a scandal on their hands.

"It's not a moral duty—it's a legal duty. There is a clear appearance of a violation of law."

The Nader group has made no normal request for the bar association to investigate.

Sellers listed some cases where lawyers for plantiffs suing GM because of accidents involving GM cars asked for information about any complaints that may have been received about similar cars.

Sellers said that all of the court case transcripts that I have "contain the assertion by GM that they don't keep complaints and that if they do, they are organized and collated in the way the 100,000 records on microfilm were in fact kept.

"GM has been claiming ignorance when it has not been ignorant. This is vital information for a widow or a parapalegic victim of an accident in a GM car. It can be important for them to show that GM was on notice but didn't do anything.

"With the information such as is in these files, a plaintiff has a much better chance of justice. For GM to tell him he has to pay for such information is what you would expect from the 17th century.

"Congress owes it to the public and at least to all the people in the last five years who have gone to court, spent thousands of dollars and got nothing or one-tenth of what they were entitled to, to investigate.

"This would not be special treatment, just a fair shake."

Sellers said GM "has a conscious policy to collect this information and somebody made a decision to lie about it under oath. These microfilms expose a great, big hoax that has gone on for years."

Sellers said he believes GM would never have allowed the microfilm to be discarded in the first place if it had not already reduced the records to computer tape. "It may be that they can push a computer button and it would all be available," he said.

Sellers and Nader will be in Detroit next week to lecture at a lawyers' forum. Sellers said. "We are going to ask GM for a look at the microfilm. It would be nice if they let us. I'd like to think they have nothing to hide."

Meanwhile, GM said it is willing to let the government look at the files but has not actually had a request to do so.

GM got the films April 20 after paying two salvage dealers $20,000 for them.

The GM spokesman said:

"At 10 a.m. the following morning, GM telephoned the NHTSA in Washington and advised them that we had learned about the files on Tuesday, that we had acquired them the night before and that they were in our possession.

"On Friday, April 23, in answer to a phone inquiry from the NHTSA, the government was advised that we had purchased the microfilm files from F. Avery Industrial Surplus in Wyandotte, Mich., that they appeared to be outdated Chevrolet owner relation files that had been discarded several years ago, that there were approximately 100,000 such files and that a sampling indicated that they included customer correspondence during 1961–62–63.

"During a telephone conversation on Tuesday, April 27, General Motors suggested that in order to fully understand what the files contained, a representative of the NHTSA might come to Detroit to inspect them."

Lawrence Schneider, chief acting NHTSA counsel, said yesterday a team of investigators from his office planned to visit Detroit "soon" to examine the records but no date has been set for the visit.

[From the Detroit Free Press, May 2, 1971]

GM LETTERS TELL OF CAR FAILURES

(By Tom Nugent and Larry Adcock)

The letter was addressed to General Motors, from a sporting goods salesman in Cleveland, and it was frightening to read.

"Through sheer luck," wrote E. V. Bracher in April of 1962, "Mrs. Bracher and I escaped serious injury in a 1961 Chevrolet station wagon recently when a rubber hose on the right-front wheel ruptured releasing the oil pressure to all four wheel brake drums.

"I applied the brakes and to my utter surprise and horror the foot pedal went clear to the floor. It happened so quickly that my reaction was not fast enough to keep me from rolling through the red light, though I did stop the car on the shoulder using the parking brake.

"Had the timing been two or three seconds different, we would have tied into a heavily loaded 18-tire high-bed steel truck which rolled into the intersection just as we rolled through . . .

"As this happened with our field personnel before, I am inclined to believe this is an inherent weakness of Chevrolet cars."

Though it is more frightening than most, Mr. Bracher's letter may be one of the reasons General Motors last week paid—no questions asked—$20,000 to two downriver salvage dealers for missing microfilms of more than 100,000 customer complaints, compliments and inquiries.

Enclosed in three-by-five plastic cards, the microfilm contained more than 100,000 customer communications addressed to Chevrolet during the years 1961, 1962 and 1963.

GM at first refused to let newsmen look at the recovered files.

But the Free Press last week obtained more than 1,000 of them. A careful review of the files shows:

More than 80 percent of the correspondence consists of complaints. Perhaps half of these refer to dealer service problems, rather than inherent defects in Chevrolet products. The majority of inherent defects described are minor—squeaky windows, dashboard rattles, missing parts.

Approximately 25 percent of the complaints refer to the controversial Corvair, the subject of numerous lawsuits and government investigations during the last six years. Government officials and Ralph Nader have charged that nearly a million Corvairs built in the early 60s have both dangerous handling and carbon monoxide leakage problems.

Oil leaks, poor gas mileage, transmission trouble, wheel alignment problems, erratic carburetors and bad paint jobs—in that approximate order—make up most of the complaints.

There are funny letters, like the one from the man who attached a picture of a covered-wagon drawn by a horse and a note saying that things were a lot better in the good old days. "When you did not have to worry about a dealer giving you a runaround."

And then there are the frightening letters, the ones from people who said they had experienced the Corvair fumes and the bad handling that made Nader's name and campaign household terms in the mid-60s.

"Fumes are so bad in the cab that it burns your eyes," wrote John Hatton from Paris Crossing, Ind., in February, 1961. "Every once in a while when the motor starts after running awhile it will belch a cloud of fumes and smoke up into the cab."

Responding to Hatton, GM agreed to replace the (Corvair) truck's valve cover kit in order to stop the engine leak.

"My son was driving on Route five out of Harborcreek," wrote James Eisut of Harborcreek, Pa., about his 1960 Corvair, "when the car stopped fast and went into a spin. A car just behind them almost hit them as they went into a spin. I can only thank God that my son was not killed . . . I have heard there were four or five Corvairs that have done this, and I am wondering what General Motors are doing to make their cars safer on the road."

In this case, GM ruled that the "failure was due to factors beyond control of the dealer and/or manufacturer," and refused to pay for repairs.

"The straw that broke the camel's back was two weeks ago," wrote Virginia Happer of Kansas City in 1962. "We were driving between Lexington and Carrolton when our right front wheel broke and by some miracle we avoided having a bad accident."

GM repaired Miss Happer's car, but refused to pay for parts, saying that the wheel was not inherently defective.

Most of the correspondence is routine—dull stories of broken seat springs, stuck windows, funny noises—and you might at first be tempted to think the whole pile of plastic film worthless.

But GM didn't. GM paid $20,000 for it.

[From the Detroit Free Press, May 2, 1971]

GM DEFENDS BUYING BACK FILM

(By Larry Adcock and Tom Nugent)

In an unusual two-hour meeting with reporters Saturday, General Motors Corp. executives insisted that the major reason they paid $20,000 for 106,000 outdated microfilmed customer complaint files was to help the federal government in legal actions against the company.

The officials said that they did not want the files to fall into the hands of GM critic Ralph Nader only because they did not feel Nader had the manpower or the money to properly evaluate the 19 cardboard boxes of microfilm.

At the same time, the executives revealed that GM will begin a massive, month-long evaluation involving 38 technicians and a battery of clerks who will comb through the files, which are from the early 1960s.

GM quietly purchased the files April 20 from two Wyandotte scrap dealers, Floyd Avery and Kenneth Simpson. The dealers told GM at the time that Nader also had offered $20,000 for the files, which was not true, and GM arrived hours later with a cashier's check.

GM said it had thought the files had been routinely shredded and burned in August, 1966, until Avery found them. Apparently, the files were carried out of a GM warehouse by mistake by another scrap dealer.

The GM executives, Louis A. Bauer, Chevrolet Division comptroller; Frazer F. Hilder, an assistant general counsel for GM; and Walter E. Ludwick, Chevrolet Division assistant manager for customer relations, invited reporters Saturday morning to scan the mounds of three-by-five microfilm cards in GM's warehouse at 6001 Cass.

However, a request by the Free Press to participate in GM's planned month-long evaluation effort was refused. The GM officials also said Nader will not be permitted to view the files, although he said several days ago in Washington he plans to make that request this week.

"Anyone can understand (Nader) wanting to get more detail into his running vendetta (against GM)," said Hilder.

Bauer said he personally made the decision to pay $20,000 for the files. He said the company was "curious" about the contents of the files and Hilder added that, as a member of the bar, he felt an "ethical obligation" to obtain them for use by the government or in civil suits involving the company. Among a number of customers' suits filed against GM have been several involving the Corvair.

About 25 percent of the microfilmed complaints, which were discarded by the company at the height of the Corvair controversy, relate to the Corvair, a sampling of 1,000 of the files indicated.

Specifically, there are three pending legal actions against the giant auto maker that interest Lawrence Schneider, chief acting counsel for the U.S. Transportation Department's auto safety bureau:

A lawsuit filed last November by the Transportation Department, alleging that GM used defective wheels on Chevrolet and GMC pick-up trucks.

A continuing investigation into allegations that nearly a million Corvairs have heaters that spew deadly carbon monoxide fumes.

A class action suit filed last fall by Detroit attorney Richard Goodman on behalf of 700,000 Corvair owners, demanding that GM recall the subcompacts and replace allegedly defective heaters.

The Saturday morning meeting with reporters and the invitation for them to look through the files came three days after the Free Press was refused an opportunity to examine them.

One executive explained the company changed its mind because: "We didn't think this story was going to go on day after day like a Dick Tracy comic strip."

Saturday's press meeting, the executives explained, was in the interest of "clarity" and "accurate reporting." They said they had found no substantial inaccuracies in reportage so far, but Hilder complained.

"The public reaction is that this entire transaction is meant to get these (microfilm files) back and burn them."

But, to a man, the executives did not acknowledge the significance of two coincidences of timing in the microfilm story:

Ludwick scheduled the complaint correspondence for destruction on Aug. 18, 1966, according to a Free Press investigation.

On that same date, the U.S. House of Representatives confirmed a bill already approved by the Senate to give the Transportation Department authority to examine customer complaint files of the auto companies. The law went into effect on Sept. 9, 1966.

The destruction date of the microfilm records came at the peak of Corvair criticism. Nader's book, "Unsafe at Any Speed," was published in the fall of 1965, and there were already several lawsuits filed against GM involving Corvairs.

But Ludwick dismissed the coincidences by saying the destruction was "routine procedure," then shrugged: "Why save them if there was no reason?"

[From the Detroit News, May 2, 1971]

GM GETS THOUSANDS OF COMPLAINT LETTERS A MONTH

(By Robert W. Irvin)

The uncovering last week of 100,000 complaints from Chevrolet owners has provided a revealing look at the way the auto companies have handled gripes from their customers.

One competitor of GM joked:

"We don't give our files to junk dealers and then buy them back for $20,000." The reference was to Chevrolet's plight of having to buy back files it had once marked for discard.

The companies get thousands of complaint letters a month. How they process the complaints and how they keep the files varies from company to company. But the Big Three firms have all conceded in recent months that the past systems have not always worked well.

So they now all have new programs for receiving complaints. Ford has a "We Listen Better" program, inviting people to write and offering a speedy response.

Then there is the "Chrysler cares" program with "Your man in Detroit," Byron J. Nichols, a company-created ombudsman who receives complaints about the No. 3 auto firm. Nichols' staff has been getting about 400 letters and 100 telephone calls a day.

General Motors has an "open line" program under test. With this setup, a person in the Chicago area can call Detroit toll-free to register a complaint with GM headquarters.

GM has expected 300 calls a day, but has been getting only 100.

Since the program started May 5 about 2,600 calls have been received. An analysis of the first 1,752 showed that all but 97 were related to cars.

Of those, about one-fourth dealt with new models still under warranty, about half concerned older models and the other one-fourth involved miscellaneous comments about service, styling and the like.

Naturally, all this material isn't going to be saved for 21st-century historians.

Methods of disposing of records vary. Chrysler keeps all correspondence about warranty claims on computer tapes. Correspondence dealing with service or other matters is kept in file folders for six years. Then it is destroyed by burning under supervised control.

American Motors keeps all such material in folders for five years, then destroys them by burning or shredding.

The Lincoln-Mercury Division of Ford Motor Co. keeps the material for one year at its Dearborn headquarters, then stores the material elsewhere for two more years. After three years, the L–M records are burned at the Rouge Plant powerhouse where, presumably, they help produce heat and electricity.

Ford Division used to keep customer complaints five years before destruction but now keeps them indefinitely on microfilm.

GM's policy used to be to keep the material for two years, but this is being redefined in view of the microfilm fiasco.

The films containing the 100,000 complaints from the early 1960's, which Chevrolet had targeted for disposal several years ago, have now surfaced and have aroused the interest of officials in Washington.

Consumer crusader Ralph Nader and his aides also want to look at them, charging they may contain information that should have been made public in court cases in recent years. They want Congress to convene a hearing to look into this.

The federal safety agency, meanwhile, wants to look at them to see if the files have any bearing on three cases in dispute between the government and GM involving truck wheels, Corvair exhaust fumes and the stability of the Corvair.

But if Nader and government investigators do indeed attempt to survey some of these 100,000 complaints from the early 1960's it is questionable what would be proved.

An inspection Friday by two newsmen of over 250 complaints showed no cases of accidents or fires.

The more than 250 microfilm records obtained independently by The Detroit News and WWJ–TV showed only two things clearly.

Many customers were dissatisfied with dealer service. This helps explain why in recent years the auto companies have been called to task by officials in Washington for alleged shoddy repair practices.

Investigators who look at these files could conclude that GM was on notice 10 years ago that there was a fume problem with the Corvair but failed to correct it.

For example, a Wayne, Neb., man with a Corvair Greenbriar wagon wrote that the "warm hot air heater is causing the car body to be filled with fumes to the point where it is dangerous to our passengers. We asked the dealer to work on this several times but have no results."

A Livermore, Calif., man complained of a faulty heater in a 1961 Corvair Monza, saying the heater could not be turned off even after five trips to a dealer.

"One experience remains very vivid in our minds," he said, recalling a "summer vacation crossing the desert—over 100 degrees outside and the heater going full blast."

A Tams, W. Va., man with another early Corvair, said "fumes from the motor through the manifold heating system causes great discomfort even in summer when the heater is not turned on."

A Cos Cob, Conn., man complained of odors in his Corvair Lakewood station wagon, saying that despite three trips to the dealer in four months they "still do persist, persist, persist."

"The odor is so strong that it is possible to distinguish a change in odor with changes in the brands of gasoline," he wrote. "But the odor is not a laughing matter, although friends often remark that they notice I have changed brands of gasoline."

A man from Zwingle, Iowa, complained the fumes were so bad in his son's Corvair Monza that he had to leave the windows open when he was driving.

Actually, Corvair owners found more than just the heater to gripe about. Their complaints ranged all over the car (although none in the batch surveyed complained about handling).

A Kewanee, Wis., writer concluded a lengthy letter about his Corvair van by saying, "The oil leaks faster than I can put it in. I need another valve job because I can lay a better smoke screen than a Navy destroyer."

He followed that up with a telegram a few days later saying that since he had mailed the letter the engine threw a connecting rod.

The files do contain many complaints about the Corvair. Particularly damaging to GM and Chevrolet is the considerable number of those complaints which dealt with exhaust fumes.

Federal safety officials have warned that the problem of the exhaust fumes was never solved by GM despite the fact that the car continued in production until 1969.

[From the Detroit News, May 2, 1971]

GM Aides Deny Buying Films To Balk Nader

(By Robert W. Irwin)

General Motors officials denied Saturday they were trying to keep records of consumer complaints out of the hands of Ralph Nader when they paid $20,000 for microfilm found by two junk dealers.

Frazier F. Hilder, an assistant general counsel of GM, said the firm bought the microfilm from some junk dealers because some of the documents might figure in federal inquiries or law suits.

GM officials thought they had scrapped the microfilm five years ago. When it reappeared last week in the hands of some Wyandotte salvage operators, GM repurchased it.

The officials conceded the salvage operators mentioned that Nader, GM's arch-critic, supposedly was willing to pay 20 cents each for the records, but they said that wasn't why they bought them back.

Hilder denied that "the purpose of the entire transaction was to burn them up."

"It was not our purpose to conceal these records," he said. "We thought we had an obligation under changed circumstances to acquire them and make them available to the courts and the government, under ethics of the bar association."

Louis A. Bauer, comptroller of the Chevrolet Motor Division, who authorized the payment, said "as the former owners we felt we had an obligation to get them back when they reappeared even though we were held up in the process."

This was a reference to the amount of money Walter E. Ludwick, assistant manager of Chevrolet owner relations, had to turn over to the scrap men, Kenneth A. Simpson and Floyd Avery, to get the records.

The three company executives, along with two public relations men, showed the documents to newsmen Saturday and sought to explain the circumstances of the case.

The film is now stacked in boxes in a sixth-floor room of the old Cadillac office building at 6001 Cass in Detroit. Chevrolet uses the quarters for its service offices and will begin examining the microfilm Monday.

The officials said the job of examining the records under microfilm readers would take 28 people about a month. The officials said the federal government was free to send an investigator, but that nothing probably could be learned unil the study of the 100,000 records was completed.

* * * * *

Hilder said he doubted if the records would be of much use to plaintiffs, as has been suggested by the Nader camp.

Nader has called for a Congressional investigation on grounds GM did not reveal the existence of such records and that they could have been used in litigation to show a pattern of certain types of problems.

"I don't believe the information that will be divulged will be of any great benefit because more current information has not particularly helped. These cases are won or lost on engineering tests," Hilder said.

Bauer said GM was continuing the investigation of how the records, which were supposed to have been scrapped Aug. 30, 1966, instead were stored away for five years.

"We are not going to give up until we solve this," he said. "We are trying to avoid the kind of exposure we find ourselves in presently."

He agreed with present news reports that Avery and Simpson bought the records from Sam Schwartz, an electronics shop owner in Detroit, and that a partner of Schwartz, Harold Keshner, acquired them earlier.

Bauer said Keshner apparently got them from Morris Levine, a Detroit scrap dealer who has been picking up discards from Chevrolet for years.

Bauer said Levine is now in London but that he talked with him by telephone Friday and that they arranged to meet Wednesday after he returns to Detroit.

"We're looking forward to our date with him to see if he can shed any light on it," Bauer said. "He said he had no recollection of the matter but was not responsive to our questions on the phone."

The GM officials said they now have a new method for recording the complaints on computer cards, but that after two or three years the material usually is destroyed as over age, with files figuring in pending cases withheld.

Ludwick said Chevrolet gets an average of 50,000 complaints a year and it would not be practical to keep the records indefinitely—"it would be a monstrous job to keep them for 10 years." The present files only go back to March, 1969.

[From the Detroit News, May 3, 1971]

Nader Asks GM To Buy Back All Corvairs Still on the Road

(By Robert W. Irvin)

Ralph Nader claimed today that information contained in General Motors customer complaint records on microfilm shows why GM should buy back all Corvair cars still in use.

He said last week's microfilm episode also makes it imperative that the federal government ask Congress to require the auto companies to keep customer complaint records for the average lifetime of a car. This would require an amendment to the traffic safety act.

He also said the auto companies should send computer print-outs of complaint records to federal safety officials every two months.

He urged that this be done immediately on a voluntary basis.

Nader made the requests following disclosure that General Motors paid $20,000 to buy back 100,000 Chevrolet complaint records from the early 1960's. GM thought the records had been destroyed but instead they fell into the hands of scrap dealers from whom they were repurchased.

GM held a press conference Saturday to deny the records were bought back to keep them out of Nader's hands. GM said they were procured because they now might affect law-suits as well as a federal investigation of the Corvair.

Newsmen, who examined a sampling of the records, concluded that one-fourth of them dealt with the Corvair, the rear engined car Nader attacked as being unsafe and which was finally dropped from production in 1969. It is estimated that more than 300,000 are still on the road.

Nader said that the recently uncovered films "make it all the more evident that GM has got to buy back all the Corvairs still on the road."

"The records show more conclusively than ever before that GM has been continually lying about engine fumes and other Corvair defects and has surpressed a large number of owner complaints," Nader said.

"GM had incredible reports on carbon monoxide in the Corvair, but still denied it."

The government has warned Corvair owners that there is a danger of engine fumes entering the passenger compartment through the heater system. GM claims there is no problem if the engine is well-tuned. Newsmen who examined the old files found letters from many Corvair owners complaining of exhaust fumes.

Nader said the case "shows the government is going to have to seek an amendment to the traffic safety act to require records be kept for the lifetime of a car—about 11 years."

"This is something we considered when the act was being written in 1966 but we considered it just a technicality."

However, he said it is now clear the safety administration should have "routine access to these records. They can't rely on the companies and this case proves it."

"Until the law is changed, it is important that the government be given voluntary access to the records across the board."

Nader laughed at assertions by GM officials that it would be a "monstrous job" to store the records for 10 years. Right now, he said, "it is ridiculous for them to put the records on microfilm and then burn them after a year or two."

Chevrolet says that it keeps the complaints for only two years because it gets 50,000 a year. Ford division also puts complaints on microfilm, but said that it keeps its records indefinitely.

GM, Nader quipped, "has had flammable fabrics in its cars, but now it has flammable records too."

Nader said the case "is also another argument for the need of a consumer representative on the GM board of directors.

"There should be a high-level investigation within GM on whether this sloppy handling of records has allowed trade secrets to slip to competitors through junk dealers. They let microfilm get through, who knows what else."

Nader lightly suggested that GM ought to retain Vincent Gillen to study the security system. He is the New York detective GM hired to investigate Nader in 1966. As a result of it, Nader won a large court settlement from GM for invasion of privacy and Congress passed the safety law.

Meanwhile Chevrolet today began the job of examining the old records one-by-one and preparing a report for the government on what they contain—a job that the company expects to take a month or more.

[From the Detroit News, May 4, 1971]

In Corvair Case—GM Called Evasive

(By John Gill)

A Detroit attorney representing Corvair car owners today charged General Motors Corp. with being "deliberately evasive" in failing to produce customer complaints against the car when formally asked to do so.

Attorney Richard Goodman, who has filed two suits against GM in Wayne Circuit Court, said he had asked the corporations to produce complaints it received regarding fumes in Corvair models 1960 through 1963.

"In response, they listed only a handful, maybe five or six," said Goodman.

Yet, he said, GM had perhaps 100,000 complaints regarding their cars on microfilm although they did not produce them.

Goodman noted that two downriver scrap dealers recently discovered more than 100,000 microfilms of Chevrolet customer complaints for the early 1960's in their warehouse.

GM last week paid the scrap dealers $20,000 to recover the microfilms.

"According to what I read, about 25 percent of these complaints related to the Corvair and a very substantial number relate to fumes," said Goodman. "None of those did he get. This is evasion or worse."

In a statement released yesterday, GM said:

"As you know, we believed that these obsolete files were discarded and processed for destruction in August, 1966.

"They did not come to light until Mr. Floyd Avery (one of the scrap dealers) phoned Chevrolet on April 19, 1971.

"General Motors is confident that its responses in lawsuits made in the past were accurate at the time they were made.

"Until Chevrolet completes its review of the microfilms of these owner correspondence files, we will not know if the information they contain is relevant with respect to any particular lawsuit.

"As we pointed out on Saturday, we estimated that due to the magnitude of the job, it will take approximately a month for Chevrolet to complete that project.

[From the Detroit News, May 14, 1971]

GM Takes Another Pratfall

The bigger they are, the harder they fall. And, as General Motors picks itself up from its latest pratfall, the shock waves reach back in time to the Corvair of the early 1960's and forward to another GM-Nader-government free-for-all.

General Motors' clumsy move to buy back microfilmed Corvair-owner complaint records proves the company spends $20,000 without a first thought, let alone a second. Upon discovering the microfilm had not been burned as part of normal record disposal, GM paid two scrap dealers "twenty big ones." That was enough to attract attention from anyone except the GM people who should have known better.

Once the glare of publicity hit this "business transaction," Ralph Nader surfaced for another round of GM-baiting. This time, as in his previous battle over the company's private eyes, Nader had GM tripping over its own feet.

For one thing, it is difficult to make anyone believe GM didn't think the microfilm might be incriminating. Twenty big ones say the opposite. Nader now charges the mircofilm verifies almost every accusation ever made against the Corvair even though neither he nor anyone else know what the 100,000 or so records actually list as statistically reliable complaints.

Nader's charges are ready-made for headlines while GM just shuffles its feet because it isn't prepared with an adequate defense. By the time the company can say anything, the public will be too Naderized to bother listening.

Moreover, GM will have suffered all the notoriety of a $20,000 payout for nothing. Once the "word" on the microfilms was out, GM should have realized the records could be subpoenaed by almost anyone with a legal ax to grind.

All in all, l'affaire microfilm is a very messy business. General Motors takes another fall on its corporate rearend, commonly known as the Corvair. Ralph Nader wins another round against GM without ever landing a blow based on fact. Two scrap dealers jump with joy over $20,000 and perhaps wonder how much they would have made if they had sold their silence, too.

[From the Detroit News, May 4, 1971]

GM Charged With Evasive Tactics in Corvair Suits

(By John Gill)

A Detroit attorney representing Corvair car owners today charged General Motors Corp. with being "deliberately evasive" in failing to produce customer complaints against the car when formally asked to do so.

Attorney Richard Goodman, who has filed two suits against GM in Wayne Circuit Court, said he had asked the corporation to produce complaints it received regarding fumes in Corvair models 1960 through 1963.

"In response, they listed only a handful, maybe five or six," said Goodman.

Yet, he said, GM had perhaps 100,000 complaints regarding their cars on microfilm although they did not produce them.

Goodman noted that two downriver scrap dealers recently discovered more than 100,000 microfilms of Chevrolet customer complaints for the early 1960's in their warehouse.

GM last week paid the scrap dealers $20,000 to recover the microfilms.

"According to what I read, about 25 percent of these complaints related to the Corvair and a very substantial number relate to fumes," said Goodman. "None of those did he get. This is evasion or worse."

In a statement released yesterday, GM said:

"As you know, we believed that these obsolete files were discarded and processed for destruction in August, 1966.

"They did not come to light until Mr. Floyd Avery (one of the scrap dealers) phoned Chevrolet on April 19, 1971.

"General Motors is confident that its responses in lawsuits made in the past were accurate at the time they were made.

"Until Chevrolet completes its review of the microfilms of these owner correspondence files, we will not know if the information they contain is relevant with respect to any particular lawsuit.

"As we pointed out on Saturday, we estimated that due to the magnitude of the job, it will take approximately a month for Chevrolet to complete that project.

"Thereafter, it will take some time to match up the Chevrolet data with the contents of the files of individual court cases and only when that process is completed can GM make a determination if any answers previously given should be supplemented."

Goodman charged that GM knew "all about these complaints."

"They know nobody can chase each one of these down because there are limits to our resources and GM knowingly takes advantages of that," he said.

"GM also knew all about these fumes, their own engineers knew, but they were so anxious to get this car out on the road that somebody high up in the company said the public be damned."

Goodman has filed two suits in Wayne Circuit Court involving the Corvair.

One demands that GM recall 700,000 Corvairs and equip them with different heaters.

The other involves Richard Stetter, a Detroit schoolteacher, who claims he was overcome by fumes in his 1963 Corvair in December, 1963. His Corvair, he claims, rammed an abutment when he lost consciousness, paralyzing him from the waist down.

Goodman said he is forbidden to discuss any documents he sees that GM produces in the Stetter case.

"Three weeks ago GM secured an order from Judge Theodore Bohn under which I am forbidden to talk with the press about documents that come to my attention in the case under pain of contempt of court," said Goodman.

"This puts me in a funny position. I've seen lots of explosive documents concerning what GM knew about fumes but I'm not allowed to talk about what I've learned or I'll go to jail."

Nader Aide Sees Part of GM File

(By Larry Adcock and Tom Nugent)

An aide to Ralph Nader said Wednesday he has already seen one customer complaint from the General Motors microfilm files discovered last week that would have helped a Corvair owner in a suit against the auto maker.

According to Gary B. Sellers, the suit by a Pennsylvania Corvair owner came prior to August, 1966, when GM processed the files for destruction.

The 106,000 files—except for a few hundred obtained by reporters—were sold to GM for $20,000 by two Wyandotte scrap dealers who found them in their warehouse.

Sellers saw 250 of the files which had been purchased by the Detroit News.

Sellers said the file he saw—correspondence from a man in Wayne, Neb.—complained of fumes entering a 1961 Corvair Greenbriar station wagon through the heater. He said GM had reported receiving only one other complaint of fumes when answering plaintiff's questions in the Pennsylvania case.

Sellers' remarks came on the opening day of a conference sponsored by the Michigan Bar Review Center for lawyers across the country involved in lawsuits against auto companies.

An example of GM's lack of candor, Sellers said, is the January, 1966, testimony by Aloysis F. Power, then GM's general counsel, before the Michigan Senate Interim Committee of the Highway Safety Committee. Power said:

". . . We can advise you regarding litigation already terminated. In the only two cases in which this claim that the Corvair is defectively designed has been tried and decided, the juries in both instances returned verdicts in favor of General Motors."

Power's testimony, Sellers maintained, failed to include mention of out-of-court settlements on design cases in which GM paid more than $150,000.

Power's testimony was repeated in March, 1966, by James Roche, GM chairman of the board, as part of his testimony before a U.S. Senate subcommittee hearing on traffic safety.

A GM spokesman acknowledged Wednesday there were 10 cases settled out of court by GM.

The spokesman noted another statement by Roche in his Senate testimony: "A settlement does not constitute any admission on the part of either party to the settlement."

Nader will address the lawyers' conference Thursday.

[From the Detroit News, May 5, 1971]

NADER AIDE TELLS LAWYERS TO HARRY GM

(By Robert W. Irvin)

Ralph Nader's attorney looked over some copies of General Motors' complaint records and spotted one from a Corvair owner.

The Corvair was a 1961 greenbriar wagon and the owner was a man from Wayne, Neb. He was writing GM to complain that, because of a defect, engine fumes were entering the passenger compartment through the heater.

Nader's attorney, Gary B. Sellers, described the complaint as important in a Pennsylvania suit filed by another Corvair owner, because GM said it had received only one complaint of fumes in 1961 Greenbriars.

Sellers said the Nebraska man was one of several owners of various types of Corvair sedans and wagons who complained of exhaust fumes in cars, while GM tried to minimize this.

Sellers found some of the complaints yesterday while going through microfilm records acquired by newsmen.

Sellers outlined some of his findings in a lecture to a law-engineering seminar sponsored by the Michigan Bar Review Center.

The talk was to instruct lawyers how to go about prosecuting cases against the auto companies.

Sellers said the GM microfilms—part of a collection of more than 100,000 complaints—could prove valuable to lawyers in suits.

The files came to light last week when it was revealed that GM had purchased them from two scrap dealers for $20,000. They cover complaints of Chevrolet owners in the early 1960's.

Sellers said the attorneys should press for action against the GM attorneys involved in recent accident litigation cases on grounds that they suppressed evidence.

He also wants a formal grievance filed against the GM attorneys with the State Bar of Michigan.

But, he declared, he doubts either action will be taken.

"It is ironic and tragic," he said of attorneys. "They are so jaded and used to being lied to that they almost accept it. They do not see it as productive to purchase the remedies they have."

Sellers said that some "won't even try to reopen the cases when you show their clients have been defrauded."

"Their performance is incredibly disappointing," he declared. "They have tolerated incredible abuses of the judicial system then folded their tents and gone on to the next case. The public is the loser."

Sellers, who now rivals Nader in criticizing GM, is a native Detroiter, the son of a local surgeon.

He graduated from the University of Michigan Law School in 1963. After a year with a large corporate law firm in Washington, he went to work for the government as a legislative attorney in the Office of Management and the Budget.

That is when he got to know Nader.

"Ralph called me while I was working on the coal mine safety bill," Sellers said.

Sellers, 35, quit the government in 1969 after President Nixon came to office.

He had taken a job with another large law firm "but then Ralph called me and asked if I would work for him," he said. "I gave it some thought and took a pay cut and have worked for him for two years," he said.

Asked why, Sellers declared:

"I didn't want the biggest decision in my life to be something I didn't do."

Explaining his motive, Sellers said:

"Very few people have seen the inside of the federal government and the constipation it suffers from and left and tried to something about it.

"I felt I could help Ralph in a way that others who work for him couldn't."

"What he is doing is the kind of good citizenship that others should be doing. He is a visionary and a remarkable man.

"In terms of productivity and efficiency, in terms of an individual, he does more than 10 to 20 times more than anyone else in Washington."

Sellers said Nader's "solutions are structural, modest, temperate solutions."

[From the Grand Rapids Press, May 7, 1971]

NADER SEEKS MICHIGAN BAR SIFT OF GM CORVAIR DEFENSE

DETROIT.—Consumer advocate Ralph Nader said Thursday that a formal request will be made to the Michigan Bar Association to investigate the conduct of General Motors and its attorneys in their defense against charges that the Corvair is unsafe.

"There's a very serious issue here as to whether the integrity of the courts and the rights of claimants and their next to kin were not seriously violated by GM's supression, distortion and prevarication in replying to interrogatories," Nader declared at a news conference.

Nader was referring to the discovery last week of some 106,000 microfilm files of old GM customer complaints which turned up in the possession of two scrap dealers in Wyandotte, Mich.

The files reportedly deal in part with complaints about the Corvair which GM stopped producing in 1969.

Nader said the complaints dealt with handling hazards and the leakage of carbon monoxide fumes into the passenger compartments of the Corvairs.

DISCLOSURE DENIED

Nader said GM attorneys had refused to disclose what was asked of them during legal proceedings and such action, in effect, constituted a fraud in the litigation of the cases in which Corvair owners had sued the company for damages.

He said similar action was taken by the attorneys during the 1966 Senate hearings into the safety of the Corvair.

Nader said that all the auto companies should be required to provide a computer printout of consumer complaints every two months to the federal Department of Transportation to alert the government for enforcement of the auto safety standards.

Nader said a million Americans are still riding in Corvairs. He contended that early models are unstable and most models have carbon monoxide leakage far above what is considered a safe level.

"Most people obviously don't know that, because carbon monoxide is colorless, odorless and tasteless," he said.

He said similar patterns have been seen in the drug industry and all consumer industries where products are sold in ways that could be harmful to the consumers.

PUBLIC SERVICE

Nader said that the salvage dealers who disclosed their discovery of the microfilm—and through their cooperation with the news media—had performed a public service.

Earlier, Gary Sellers of Detroit, an attorney colleague of Nader, said a cursory examination of microfilm of 250 GM customer complaints showed one which would have been of help to him in a recent court case against GM.

The scrap dealers sold most of the microfilm back to GM for $20,000 but several hundred additional film prints were obtained by news media. Sellers said it was during an examination of some of these that he spotted the complaint file that would have helped him.

[From the Detroit News, May 7, 1971]

NADER ASKS PROBE OF GM LAWYERS

(By Robert W. Irvin)

Ralph Nader said he is going to request formally that the Michigan Bar Grievance Board investigate the conduct of General Motors attorneys in defending accident cases brought against the corporation.

Nader told a news conference yesterday that the case of the missing General Motors microfilmed complaints raises "a very serious issue—if the integrity of the courts and the rights of plaintiffs have not been seriously violated."

It is Nader's contention that material which turned up in recently uncovered complaint records should have been made available to attorneys for people suing GM. Nader said the conduct of GM's attorneys should be investigated.

Richard Senter, administrator of the Michigan Bar Grievance Board, said he had had no contact with Nader, but that if a request were filed it would be handled as any other.

He said the office, which operates under the Michigan Supreme Court, would investigate to determine whether there was a possible violation of the standards of conduct. If so, a hearing could be ordered.

Senter said there were 2,010 complaints fully investigated in the last bar year ending in September and "only 109 resulted in discipline in any degree."

Nader spoke to reporters after a speech to the Michigan Law Review Center. He said executives in a corporation ought to be more accountable for their conduct.

He said judges ought to be able to give stiffer penalties to executives found guilty of wrongdoing and even suggested it might be possible to order a company executive to work on the assembly line for a few weeks as the result of a product liability case.

Nader said the complaint records included those from Corvair owners and "this opens up a new chapter in the Corvair matter. It raises very serious questions of corruption of the judicial process by attorneys in the Corvair cases by refusing to disclose what was asked."

"Beyond the hazards of the Corvair is the whole issue of corporate responsibility," Nader said. "It is a matter of why executives won't tell the truth under court order—and this is not limited to GM.

"The Corvair case matured faster, but we have seen similar cases in the drug and other industries.

"The real significance of the Corvair situation is that it is going to open up the need for fundamental corporate reform—making the engineers responsible for what they do."

Nader was asked if he would have gone about things any differently if he had received the complaint records uncovered by two scrap dealers who turned around and sold the goods to GM for $20,000.

Nader said that by telling about the records to newsmen "in many ways, the scrap dealers have performed a public service. It's interesting how the profit motive colliding with another profit motive has helped the public."

Asked what he thought about GM's ethics. Nader said, "GM operates in a buyer-seller regionship where anything goes that is permitted. There is very little restraint by this corporation where the law is not just around the corner or the policeman is at the door."

He said GM "is not unique" in this respect "just bigger."

He also said "the real cost of a car is in the styling changes." He said the auto companies "always say safety and pollution changes are responsible for price increases."

"They ought to make styling optional and safety standard," he said, adding that "it actually costs less now to produce a safer instrument panel; the collapsible steering column cost only a very few pennies more, and safety door latches are made of the same materials but have a different design."

THE CONTRIBUTIONS OF AGRICULTURE TO MANKIND

Mr. MILLER. Mr. President, it is ironic that agriculture, our most basic industry, is also the least recognized for its contributions to our Nation and the world.

I have been saying for a long time that it is essential that ways be devised to increase the nonagricultural segment's awareness and understanding of the significance of agriculture and the close interdependence of rural and urban America.

Movement in this direction of improving the farmer's image is now taking place on two fronts: John Megown, chairman of the Iowa Agriculture Promotion Board, has called for a "summit conference" of concerned individuals involved in public relations activities of various industries whose economic well-being is tied to the well-being of agriculture. Such a summit conference has been endorsed by Iowa Governor Robert Ray and there are indications that the proposal is gaining momentum.

The distinguished Senator from Nebraska (Mr. CURTIS) has embarked upon a campaign to inform presidents of major industries of agriculture's importance to them and has suggested that more of their public relations dollar be channeled into stressing agriculture's contributions and achievements.

So that the readers of the CONGRESSIONAL RECORD may be informed of the scope of this movement, I ask unanimous consent that the following items be printed in the RECORD:

First. The text of Senator CURTIS' letter.

Second. A report on responses to his suggestion that a portion of the advertising budget be devoted to telling the story of agriculture.

Third. A speech by John Megown to the Nebraska Agricultural Communications Seminar, University of Nebraska, on June 28, 1971.

Fourth. An editorial entitled "Agriculture's Story," published in the Lincoln, Nebr., Journal of July 5, 1971.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

SENATOR CURTIS' LETTER

DEAR SIR: I am writing to you in behalf of a very important group of your customers—the farmers of America.

I am sure that you are interested in the economic well-being of rural America. I am sure that you will agree that unless the income of farmers is improved, their ability to purchase your products and the other products of American industry will be greatly curtailed.

The American farmer is greatly misunderstood by the urban and suburban consumers of America. For instance, these consumers tend to relate the price of steak or hamburger in a grocery market or a restaurant with farm income. Nothing could be more erroneous.

Farmers do not sell steak or hamburger. They raise and sell cattle. Farmers do not sell bread or cereal. They raise and sell wheat, corn and oats. It is a hard, cold fact that the sellers of cattle, wheat, corn, oats and the other basic agricultural products have scarcely had a raise in the last twenty years. I am sure that you are aware of the many substantial increases in income that have come to most other Americans in the same period of time.

American agriculture is the most efficient in the world. Because of this, the average worker in our country can buy the best food in the world for his family for approximately 16 per cent of his income. We have an affluent society because the average worker has 84 per cent of his income left to buy other products after he purchases his food. And yet the farmer—the producer of that food—receives only two-fiifths or less than half of the 16 per cent spent for food.

This brings me to the main purpose of my letter to you.

I am wondering whether you now direct, or have ever considered directing, a portion of your company's advertising and promotion budget toward fostering a better public understanding of the farm income problem and other problems of agriculture. I believe this could be a means of helping your best customer get his story told to the public at large. I am not referring to the advertising which you do in farm publications and markets, but rather to the advertising and promotional efforts beamed to the big metropolitan centers where the food-consuming public resides and the role of the farmer is so grossly misunderstood.

If you do not already set aside a certain portion of your advertising and promotion budget for this purpose, I strongly urge you to consider doing so. I would hope that it can be a significant portion. I say this not only for the benefit of the farmer but also for the benefit of your company and your industry as well as the American economy as a whole.

American agriculture is made up of millions of individual farmers. They are at a great disadvantage in the matter of public relations. They are not getting a fair shake in the Nation's economy now and have not for years.

The people of rural America—your best and biggest customers—deserve much better. They deserve and need your help, toward the end that better public understanding and appreciation for the role of agriculture is cultivated, and toward the further and more important end that the public will support those sound measures required to permit American farmers to share in the prosperity a majority of other Americans enjoy. If those ends are not achieved, I am genuinely concerned as to what end ultimately is in store for business and industry in this country and for the economy of the Nation as a whole.

Sincerely,

CARL T. CURTIS,
U.S. Senate.

REPORT BY SENATOR CARL CURTIS ON RESPONSES HE RECEIVED TO LETTERS ASKING LARGE CORPORATIONS TO DEVOTE A PORTION OF THEIR ADVERTISING BUDGETS TO TELLING THE STORY OF AGRICULTURE

I have received about 40 replies to more than 100 letters which I sent to the presidents of major corporations. The information is not really conclusive, but it does indicate the following:

(1) A few companies as part of their advertising campaigns devote a small portion of their efforts to creating a better public understanding of farmers' problems.

(2) None of these companies has really undertaken a mass circulation or mass media approach, mainly because the expense of such an approach would cut sharply into the budget for advertising the firm's own products.

(3) There is a general desire to do something to help tell the story of agriculture to the public at large, but a general frustration over how to do it effectively on a company-by-company basis.

(4) One large company with a great deal of experience in mass media advertising estimates it would cost $10,000,000 "just to make a dent" toward improving the image of agriculture in the public mind in the Nation at large.

(5) The desire to help brought forth these pertinent suggestions:

(a) That one organization such as the United States Chamber of Commerce or the National Association of Manufacturers or the National Advertising Council undertake to co-ordinate and conduct a mass media effort.

(b) That it might be best if agricultural organizations formed their own American Agricultural Advertising Council for this purpose, to solicit funds from participating industries or firms and to direct the preparation and placement of the advertising. This Council could work with the National Advertising Council in securing free "institutional advertising" in newspapers, for example.

(c) That even the smallest companies, which can't possibly conduct an effective advertising campaign in behalf of the farmer while at the same time advertising their own products, could and probably would contribute to a larger, general effort. Some of these companies contribute to 4–H activities now.

(d) That a co-ordinated, general effort should include not only newspaper, radio and television advertising, but also should provide films for meetings and a speakers' bureau on agricultural subjects (it would be most effective to have farmers actually doing the speaking wherever possible).

(e) That some companies and manufacturing industries already have films which they circulate on agricultural subjects, although these are primarily on rural economic development showing the dependence not only of industry on agriculture but also of agriculture on the specific products or manufacturing group being advertised.

STAND UP FOR AGRICULTURE

(By John Megown)

Today I'm supposed to be speaking on the subject of agricultural communications in America. This topic usually engenders harangues against such targets as the Department of Agriculture. I could suggest here, for instance, that the Congress fund *two* Departments of Agriculture. The one for consumers, which exists now. And a brand new one for, believe it or not, the farmers.

The topic of agri-business likewise usually compels the speaker to criticize the President of the United States, whomever he might be at the moment. A speaker like myself might say to President Nixon, for example, that that recent county fair on the White House lawn looked just like any other circus.

Those are the kinds of comments most agri-business speakers feel obliged to make. And they do have a serious purpose; to make the agri-business and farmer audiences, audiences painfully aware of the farmer's second-class citizenship in this country; audiences painfully aware of low farm prices; to make these audiences feel better. It's like giving a man a bullet to bite on while his leg is being amputated.

But today I'm going to dispense with those kinds of gratuitous remarks because, even if they do make us feel momentarily better, they achieve no results . . . and they don't really address themselves to the group who's most heavily to blame for agriculture's current state. And I'm not talking about the people in the Department of Agriculture;

or about any past, present or future President.

I'm talking about the people who are truly to blame . . . those of us in the business of agriculture.

Let me give you a hypothetical example, from another field, of what I believe is wrong with our own business and some of the people in it.

In a recent Eastern-state election there was a fine, moderate man running for the United States Congress. His credentials were impeccable. He was well-educated, but not an egg-head; he was a successful businessman, but a socially-conscious one. His two sons had served with honor in Viet Nam; his daughter planned to enter the Peace Corps on graduating from college. To a man, whether right or left wing, black or white, everyone with whom this man came in personal contact liked and respected him. I repeat: everybody with whom he came in *personal* contact liked and respected him.

The man had one problem, the way he looked and sounded on radio and television. Before a microphone or camera he appeared dull to the point of blandness. His advisors were worried that this deficiency, if such it was, could cost him the election. The candidate disagreed and was even contemptuous of their advice. His candidacy, he insisted, would rise or fall on his integrity and his personal magnetism . . . whether or not that magnetism showed to best advantage over the electronic media.

His staff persisted; wouldn't he please consent to a professional makeup man; to some pointers from a media expert; to certain little tricks which would make him look more natural and interesting. They showed him his slipping polls, they forced him to watch his lackluster performances. But the man was adamant. He would not be seduced by the cynical magics of Madison Avenue.

The man of principle lost the election to a lesser man, a bona fide carpetbagger whose only interest was his own career.

Now some of you are thinking of the "good" candidate, he's a man to be admired, even if he was defeated. But I question that. If, as he claimed, he was really the best man, and had our country's best interests at heart, then he would not have been so stubborn, so resistant to modern techniques and the tools at hand. Think of it this way. Because of his reluctance, whether it was the reluctance of principle or petulance, he allowed an obviously inferior, self-serving opponent to be seated in our Congress. If practicality had been his first principle, then he could have had his ultimate principle, too: the betterment of the United States.

In traveling around the country, I meet a lot of agri-business people and farmers who are like that other fine-principled man. Certainly, they are correct in feeling bitter and righteous about the lot of the farmer in America today. Certainly, they stand on the finest principle when they insist that without the past contributions of agriculture, this country would not be half what it is today.

But what are they willing to do about these feelings? They speak of elections, and while there are many fine legislators sympathetic to the farmers' plight, it's obvious by now that there aren't, and never will be, enough of them to affect the necessary changes. They speak of impending shifts in the Department of Agriculture. But, since 1948, many observers have noted that under three Democratic and two Republican Presidents, the Department of Agriculture has become bureaucratically mired down.

So what are these agri-business people and farmers left with, now that they understand that these past approaches have failed miserably? They're left with something like our man of principle's final emotion: a bittersweet satisfaction derived from knowing he was right.

But I say to you that the fruits of that kind of defeated satisfaction are sour indeed when compared to the fruits of getting what is rightfully ours. And those sweet fruits are today ripe and ready to fall into our hands.

And how to do this? I propose we in agriculture hold a "rap session" or summit conference for agriculture's key public affairs leaders and experts; and let them determine how our story can best be told.

The story begins roughly 10,000 years ago, or did you think that agriculture was as old as man himself? It isn't; where man is between 1 and 2 million years old, agriculture, the deliberate planting of seeds and other material, is a mere 10,000 years old.

10,000 years. A long time, yes, unless you set it against the eons of darkness man had to endure before.

A long time, yes, unless you consider that for murderous milleniums man literally had to risk his life for the little food he got.

And what has happened in this mere, paltry, speck of 10,000 years? Nothing less than the founding of civilization . . . the same civilization man instinctively sought when he left the boiling waters of prehistory for the cold rock of this planet.

And how was this civilizing process accomplished? I quote the historian Gordon W. Hewes: "Agriculture does not by itself create civilization, but without agriculture civilization cannot develop."

Who fed the Pharoahs? Farmers.

Who fed Michelangelo? Farmers.

Who fed Henry VIII? Many farmers.

Which brings our historical evaluation of agriculture to the young, yearning land of America.

After the initial discovery of agriculture, and the inimitable discoveries of animal husbandry and the plow, farming remained pretty much unchanged for thousands of years. Countries which could otherwise have become lastingly important, faded or failed because they lacked a strong agriculture to depend on.

For instance, had some of those Spanish galleons been carrying manure instead of gold, we'd all be eating a lot more tacos today.

America was the stalwart exception to this historical foible. From our country's inception, our farmers were pioneers not merely in the sense of being land-settlers and forest-clearers; they were also pioneers in terms of innovative agricultural techniques. There was a unique, new land of hungry dreamers to be fed and our farmers took on this responsibility eagerly.

So successful was our agriculture that, shortly, less than one fourth of the population was feeding the other three fourths of the population, giving to the majority the time and way to realize the dream of America . . . in business, science, medicine, architecture, the arts. And thanks to our phenomenally strong agriculture, those dreams were realized.

Looking back, today we can say honestly that as surely as Abraham Lincoln emancipated the slaves, the American farmer emancipated all of us.

And concurrent with this miracle of abundance was another miracle . . . that of food quality. If any of you have spent any time in foreign lands, you know what I'm talking about. Have you ever seen, let alone eaten, beef in Spain? Or tomatoes in Britain? Or eggs in France? Not only are the products inferior to begin with, they are dispersed so haphazardly by the farmers and distributed so indifferently by the wholesalers and stored so carelessly by the retailers that they are, by our standards, nearly inedible. You find in no other land . . . as you have found in American agriculture since its beginning . . . the careful pride which characterizes the growing and dissemination and storing of food.

And I emphasize: these standards were not established after the discovery of electricity or the refrigerated box car; they were established long before . . . at the time the first seeds were cast into the passionate womb of the new American democracy.

And what of American agriculture today? It's the envy of the globe.

Today 5% of the people in the United States produce enough food and fiber for the other 95%. Let me give you an example of what this means.

This man here (indicating a man in the front row) can single-handeled supply 42 of you people . . . by himself . . . with all you food and fiber needs. No wonder he looks so damned tired.

If other countries were willing, if they were truly concerned for their people . . . especially those countries in Latin America where the dictators swear their inaugural oaths on their Swiss bank books . . . if the world would let us, we could feed every man, woman and child on this earth. No other industry even approximates this kind of efficiency.

Moreover, agriculture is an unequaled boon to our own economy. To most Americans, that's a surprising statement. They still think that the farmers' major contribution to our society is his daughters . . .which he's always naively putting at the disposal of traveling salesmen. That's a round-about way of blaming the farmer for yet another crime: the population explosion.

The farmers' real contribution to our economy is almost unimaginably large. Three out of every ten jobs in our country today are related to agriculture. Agriculture's assets total $307 billion, equal to roughly two-thirds of the value of all corporations in the United States; or about one-half of the market value of all corporation stocks on the New York Stock Exchange. Those are figures which would please the most discerning traveling salesman or politician.

These are just a few of the seeds the farmer has planted in our history and in our country; and now, as I suggested earlier, he must pick their ripe fruits before they spoil.

He must, as I also suggested earlier, forego the easy pleasure of standing on easy principle and pursue the more tiring and frustrating course of dealing diectly with the misunderstanding and indifference which demeans not only his economic status, but his status as a human being as well.

Farmers daughters jokes aside, the farmer has been traditionally disparaged in our society. When Napoleon said that "An army travels on its stomach" he was absolutely correct. All armies, any army. Whether it was the army of men who built our transcontinental railroad; or the army which rended a scaborous desert into a shining black ocean of oil; or the army which battled so selflessly the horrors of Hitler . . . all these armies had to be fed, and were fed, by the equally admirable efforts of our farmers.

Still, the farmer; that man whose efforts fed and clothed those who would build the empire; that man whose efforts made our children stronger than the children of any land had ever been before; that man whose efforts gave the hungry of other countries a chance for peaceful sleep in a hopeless night; this same man, in his own land, has always been treated as if he were not quite the equal of those whom he fed.

Oddly, this treatment has rendered him both advantages and disadvantages.

I live in a town of wide, clean streets and green, full-blooming trees. On good summer days the clear sky is as blue as it was in schooner days. My son is safe here; on Saturday afternoons he can go alone and unthreatened to the movies, if the movies showing are themselves not a threat; nights, alone and unthreatened, he can go alone to ball games. At dusk, with good and lasting friends, my wife and I can sit on the patio enjoying a drink and food . . . we try to have beef and pork and lamb and poultry and grain and dairy products every single day . . . did I leave anybody out? . . . and we can both feel secure . . . like knowing, as a child, that your father's at home.

But, the way I read a hot wind gone suddenly cold and carrying on it the germs of an impending storm, I sense coming to my town the same problems that have blighted our large cities, that make them look today as ruined and long-dead as an Aztec temple.

Thankfully, a farmer doesn't have to face these dreads and that's one of the advantages I spoke of. For if the empire has snubbed him, it has inadvertently spared him its worst. Excepting relatively rare cases, the farmer, unlike his urban counterpart, does not have to fear street-danger or smog or see sinking before him, as certainly as Edgar Allan Poe's House of Usher sank, the beauty and values which once permeated all of America.

My company last year printed and passed out several thousand "I'm proud to be a farmer" bumper sticks. And, in the sense of being one of the world's most efficient and productive workers; and, in the sense of being one of the few Americans not threatened by urban erosion, the farmer has a lot, I think, to be proud and happy about.

The only kind of race-riot his children are ever going to see will be between two drunken stock-car drivers.

But, conversely, the empire's snubs have also worked to the farmers' distinct disadvantage. Hence, low farm prices. Hence, a myriad of unfilled promises by all administrations for the past three decades. Hence, a little-noticed but somewhat arrogant move on the part of CBS television. They recently cancelled several of their programs which had decent ratings . . . in an avowed attempt to "de-ruralize" their image.

Now, I'm hardly suggesting that CBS' action comprises a major assault on American farms and farming, but I do think it's typical that they used the phrase "de-ruralize" in such a negative manner. And their attitude is shared by a great number of urban Americans.

All they want, farmers of America, is your food and your daughters.

So if we cannot depend on our politicians; if we cannot depend on the goodwill of those we feed and help employ; if we cannot depend on any of the past methods we've used to better our lot . . . I suggest we try new ways. I suggest that, unlike our fine-principled congressional candidate, we use the methods and tools of today to tell all Americans our story.

And the object of telling our story? Not anything as grandiose or dreamy as making fast friends with the American consumer. He has his problems, too. He can match us gripe-for-gripe.

No, the object of telling our story is to make the communications aspect of our business as effective as the food-producing aspect.

So, in the closing minutes, I'd like to review certain things that have already been done by some agriculturally-oriented people. I hope you will be inspired to think of ways to adapt their programs to your own uses, and to evolve new programs of your own.

(Item) I've already mentioned my company's. "I'm proud to be a farmer" bumper stickers. We went further. To endorse each aspect of farming, we printed hundreds of thousands of stickers saying "Beef is good food," "Pork is good food," "Milk is good food," "Lamb is good food," and "Eggs are good food." They were plastered everywhere; on meat counters, dairy cases, doorways, trucks and cars. Their purpose? To remind Americans of how various and plentiful good food is in this country.

(Item) A farm family near Marion, Iowa, regularly conducts farm tours for grade school children, and conducted one special tour for city businessmen. They put price tags on all the farm equipment. The purpose of this tour? To prove to city people that running a farm is a costly operation and a grave risk for the farmer.

(Item) The advertising agency of the Iowa Development Commission has been asked to develop several public service commercials and advertisements for agriculture. They would resemble those you see for the Peace Corps and Savings Bonds. The purpose of these commercials and advertisements? To hammer home the importance of agriculture to everybody.

(Item) Farmland Industries recently produced two series of four-color Sunday supplement advertisements which told the urban audience the real facts about food prices and rural ecology. They also ran an ad telling the importance of agriculture in the Rotary magazine. The purpose of the advertisements? To prove that farms have nothing to do with food prices as such, and to show that a lot of "farm pollution" talk is impetuous.

(Item) Senator Carl Curtis of Nebraska has launched a one-man campaign to inform presidents of rubber companies, petroleum companies, steel companies, farm machinery companies and truck companies about the interdependence of their own businesses and agriculture. He has suggested that they put aside a certain portion of their advertising and sales promotion budget for the purpose of fostering a better public understanding of American agriculture. The purpose of Senator Curtis's campaign? To enlist the aid of those who should be our friends, those whom our efforts help support.

(Item) In Oregon a group of farm wives formed "Women for agriculture," an issues-oriented public relations and educational group. Touring their state, they give speeches, lobby in the state legislature, conducted tours, set up displays and show films. The purpose of their group? To show city people, particularly city housewives, that farming is not the easy or profitable life so many uninformed citizens presume it to be.

As you can see, some of these programs were expensive and demanded professional talent; but a great number of them were grass-roots programs, done by the farmers and their families very inexpensively. And each in its way, whether it was the quiet way of the farm tour for grade school children, or the bugle-blasting way of the four-color Sunday supplement advertisement; each in its way contributed to a common objective . . . familiarizing urban America with farm products and farm problems.

I mentioned earlier the possibility of a summit conference or rap session involving key public affairs people from various agricultural groups. I think such a conference would benefit everybody in agriculture.

For if 50 or more people representing such diverse groups as state agricultural public relations and promotional groups, such as yours here in Nebraska and ours in Iowa; and from private groups such as "Women for Agriculture" in Oregon and the "Agri-Leaders" from Ohio; if all of us could sit down in one place and discuss all the ways we could improve the image of agriculture in America, we would start reaping the sweetest fruits of our labor.

I've already spoken to Governor Ray of Iowa about the basic idea of a summit conference and he's enthusiastic . . . so enthusiastic that he's recommended that if such a revolutionary conference were to be held . . . Des Moines would be a logical site.

I hope all of us here at this conference will discuss among ourselves, and our friends and neighbors at home, how such a conference might best be achieved.

As we've already determined, there's no reason that we in agriculture should feel inferior to any other segment of the country. To argue our case, we have Gordon W. Hewes' statement that civilization could not have developed without agriculture. To argue our case we can remind our urban neighbors, and all our politicians, that 3 out of every 10 jobs in our country today are related to agriculture. And that agriculture's assets total $307 billion. And to argue our case we can prove that American agriculture is producing food cheaper—in terms of an hour's labor by the consumer—than ever before.

The problem now is to get that story out and impressed on the consciences and minds of politicians and consumers. We've discussed the ways in which that has and can be done . . . from the farm tours for urban businessmen to the agricultural rap session.

I believe in the end that all these efforts will be worth it.

I believe in the end that Americans everywhere will understand that in saying "Stand up for agriculture" a person is really saying "Stand up for America." For our whole economy is based on a strong agriculture.

I believe in the end that the lot of all of us will improve. And I don't mean just more traveling salesmen coming around to bother our daughters. I mean the American farmer getting and keeping the respect and consideration his efforts long ago earned him. Thank you.

Agriculture's Story

An impressive array of farmers, their leaders and their friends gathered in Lincoln last week to take up a time worn task—finding a way to make big city America aware of the contributions and the problems of agriculture.

The seminar sponsored by the Nebraska Committee on Public Relations for Agriculture was longer on enthusiasm and good intentions than on a specific action program that might be undertaken.

But it did turn up at least one constructive idea: the call by John Megown, chairman of the Iowa Agriculture Promotion Board, for a "summit conference" of agricultural leaders from over the nation who are in tune with the public relations sides of their industry.

There is nothing terribly imaginative about the idea, but it undoubtedly is the thing that must be done before any sort of nation program can be put together. The assignment of carrying agriculture's story to urban dwellers simply is too formidable for anything less than a comprehensive, well-financed, nationwide effort.

Should the opportunity be presented to tell this story, there is plenty to say. Sen. Carl Curtis, in a statement relayed to the seminar by his administrative assistant, Don Shasteen, put the pitch in its best perspective.

An impressive case was made by Curtis that the fabulous productivity of American agriculture, as much as any other single factor, is responsible for the unexcelled standard of living in this country.

Because consumers need spend a much smaller portion of their paychecks for food than is true in virtually any other country in the world, they have enough money left over to buy the conveniences and luxuries, to take the vacations, and engage in all sorts of leisure and recreation, that characterize American affluence.

It wouldn't be stretching anything for agriculture to content that—to use a term some big city consumers and editors like to turn on farmers—the farmers of America are "subsidizing" the rest of the country by making food available at such a small portion of their incomes—though farmers themselves, ironically, are not able to share to the same degree in the abundance of the economic system.

This is the story agriculture has to tell. In some way, we should get on with the telling.

MIRIAM OTTENBERG'S INTERPRETATIVE REPORT ON THE OUTLOOK FOR NO-FAULT AUTO INSURANCE

Mr. HART. Mr. President, recently the Washington Evening Star published a three-part series by Miriam Ottenberg on the outlook for no-fault auto insurance. Her comprehensive report provides an incisive analysis of the progress of no-fault auto insurance reform in the States. After reading her series, perhaps Senators will agree with me that progress has been at a snail's pace, and that the reform plans enacted will benefit mainly the pocketbooks of insurance companies, their agents, and lawyers.

In August 1970, Massachusetts enacted an auto insurance law permitting an accident victim to collect up to $2,000 in benefits from the insurer of the car in which he was riding without having to show that someone else was "at fault." The law provides that the accident victim can't sue for his compensated loss up to $2,000, and for "pain and suffering" damages, unless he had medical expenses of $500 or more.

During the last few months, Delaware, Florida, Illinois, and Oregon have enacted auto insurance reform plans. Florida's is the only law that can be labeled even a limited or partial "no-fault." It is similar to Massachusetts' except that benefits are $5,000, and an accident victim needs $1,000 in medical expenses to sue for "pain and suffering" damages.

Delaware, Illinois, and Oregon compel—as do Florida and Massachusetts—the motorist to buy medical and wage loss benefits to protect his passengers and himself. But, unlike the Massachusetts and Florida plans, these States place no limitation on the victim's right to sue for compensation already received from his own insurance company. The tort-liability suit with all its inefficiences and waste is not eliminated.

In Delaware and Oregon, the tort suit remains without any limitation for "pain and suffering" damages. In Illinois, the right to sue for "pain and suffering" is limited to 50 percent of the first $500 of medical costs and to 100 percent where such costs are over $500.

Basically, the Delaware, Oregon, and Illinois plans provide some compulsory medical and lost wage benefits on top of tort-liability insurance. Since every motorist still can be sued, he will be forced to buy liability insurance to protect himself.

Delaware's law is based on the Insurance Company of North America's—INA—proposal, and was supported by insurance agent associations and other insurance trade groups. Illinois' plan parallels the "dual protection" plan proposed by the National Association of Independent Insurers whose member companies write over 50 percent of the private passenger cars in this country. The Oregon law was pushed by agent associations.

The point is, Mr. President, that these bogus reform plans will continue to enrich their sponsoring groups at the expense of policyholders and accident victims. Under these State plans, insurance companies will make greater underwriting profits and receive the same high level of premium dollars for investment.

Insurance agents will continue to prosper through their commission arrangements and because these plans tend to discourage development of lower cost group insurance programs. Lawyers will continue to be kept busy in the auto accident field. Auto liability lawsuits are not being eliminated—instead, they are being subsidized by the first-party benefits received.

In short, Mr. President, vested interests will continue to devour the lion's share of the liability insurance premium dollar, as shown by the table which I ask unanimous consent to have printed in the RECORD at this point. Insurance agents and lawyers—the system's middlemen—as the table shows, took $2.6 billion or 60 percent of what was paid in benefits.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AUTO LIABILITY INSURANCE—1970

[In billions of dollars]

	Personal injury	Property damage	Total
Premiums	6.6	2.9	9.5
Less, insurance costs:			
Overhead and adjusting	1.4	.8	
Sales commissions	1.0	.3	
Subtotal	2.4	1.1	3.5
Total	4.2	1.8	6.0
Less, legal costs:			
Fees:			
Trial lawyers	1.0		
Insurance lawyers	.3		
Litigation	.1		
Subtotal	1.4	.1	1.5
Net compensation	2.8	[1] 1.7	4.5
Compensable economic loss [2]	6.8	6.3	13.1

[1] Auto collision insurance provided another $2,100,000,000 of compensation for property loss.

[2] Wage and medical loss, future earnings of fatality victims with dependent survivors and property damage.

Source: U.S. Senate Antitrust and Monopoly Subcommittee. Derived from: Motor vehicle crash losses and their compensation in the United States, Department of Transportation (1971), table 2 at p. 6—adjusted by Bureau of Labor Statistics' price and wage indexes to 1970; "Best's aggregates and averages" 31st annual ed. (1970); Automobile personal injury claims, Department of Transportation, pp. 73. 80 (1970); Automobile accident litigation, Department of Transportation, p. 7 (1970); and, "Best's Review" (Prop. Liab.), July 1971.

Mr. HART. Mr. President, we in government are ill-serving the people if we perpetuate this kind of inefficiency and waste while permitting seriously injured victims to go without compensation and rehabilitation.

During the hearings on the national no-fault auto insurance bills—S. 945 and H.R. 7514—evidence submitted showed that the Illinois plan, for example, was promoted and editorialized in that State as a "no-fault" system even though it does not eliminate the tort lawsuit. The average auto insurance buyer doesn't understand the present auto insurance fault-liability system, let alone a no-fault, no-lawsuit system. A Gallup poll last April showed that 81 percent were uninformed and undecided about no-fault auto insurance. Yet those who did understand, 4 to 1 favored "no-fault" over the present system.

The Delaware, Illinois, and Oregon plans, according to Secretary Volpe and the administration, do not comply at all with the administration's basic goal for meaningful reform.

The Department of Transportation's final report says—at page 136:

> The goal of the system should be that no recovery for any loss of a type covered by the applicable required coverage would be permitted in any private action for damages.

The administration's concurrent resolution before Congress "with respect to motor vehicle insurance and an accident compensation system" state that "new and updated approaches to insurance and accident compensation" should "be built upon the following principles"—one of which is:

> 3. such benefits ["basic benefits payable to all accident victims without regard to fault"] should provide compensation for all economic loss, subject to reasonable deductibles and limits, and the tort lawsuit should be eliminated, at least pro tanto, avoiding the adversary process for the mass of accidents.

The Delaware, Illinois, and Oregon plans do not in any way "eliminate" and "avoid" the "adversary process for the mass of accidents." For that matter, neither do the Massachusetts and Florida limited no-fault plans.

In fact, we have been told that the Legislatures of Delaware, Illinois, Oregon, and Florida were aware of the concurrent resolutions, and some legislators in these States even thought that the resolutions had been passed by Congress.

Yet, the administration continues to press for "no-fault" reform on a State-by-State basis without any meaningful legislative recommendations for enforceable standards with "teeth" in them.

Thus, the administration is acquiescing and allowing the public to be hookwinked into believing that they are getting meaningful no-fault auto insurance reform. As the Christian Science Monitor aptly said in an editorial last May, "the Administration is throwing the issue of reform to the State legislative courtyards where the foxes have a free run." If the States continue to "go it alone," "the foxes" are really going to fatten themselves at the expense of policyholders and accident victims. And, tragically, the more serious an accident victim's injuries are, the less is his chance of being sufficiently compensated and rehabilitated under the counterfeit plans being enacted in the States.

Congress, by failing to enact a meaningful national no-fault auto insurance plan, is ignoring the needs of 108 million motorists for lower cost auto insurance, and the need of accident victims and their dependents for sufficient and humane treatment.

By ignoring this national problem, it would not be surprising if Congress itself would be accused of complicity in the calculated deceit of consumers, as is now being practiced in those States that are bothering to do anything at all.

I urge Senators to read Miss Ottenberg's excellent report.

Mr. President, I ask unanimous consent that the Washington Evening Star series on no-fault auto insurance; the Christian Science Monitor editorial of

May 17, 1971; and a New York Times report of the Gallup poll on no-fault auto insurance be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From the Washington Star, July 6, 1971]

Lawyers Lobbying Against No-Fault Insurance

(By Miriam Ottenberg)

A concerted drive by trial lawyers to block any major change in the way auto accident damages are handled is frustrating the Nixon administration's hope of getting major insurance reform on a state-by-state basis.

The reform effort centers on "no-fault" legislation, a system by which a motorist's insurance company pays his hospital bills and other expenses, without regard to who caused the accident.

Congressional investigations and the Department of Transportation's two-year study have concluded that the "no-fault" plan for compensating auto accident victims is the way to lower rates and provide prompter, more certain benefits. Proposed legislation is running into roadblocks in state legislatures.

The lagging pace of state-by-state action, the active campaigning to kill "no-fault" plans even before they get a hearing, is sure to bring national repercussions. The Nixon administration made it clear months ago that if the states don't adopt "no-fault" individually, the Federal government will move.

Hearings have been held in the Senate and House on a "purer no-fault" than any legislation passed by a state. It is purer in the sense that lawsuits would be permitted only where the victim has suffered "catastrophic harm".

Payments up to $36,000 for lost wages and all medical and rehabilitation expenses could be paid by the victim's own insurance company without going to court.

The limits on lawsuits are aimed at removing one of the big reasons why insurance rates stay high and benefits are spread so unevenly under the present system.

Government studies show that approximately 25 percent of the motorist's premium goes for attorneys' fees and claims adjustment expenses. By the time insurance overhead is figured, 58 percent of the premium is consumed.

Like the legislation now in Congress, most of the pending state "no-fault" bills also restrict auto damages suits. The trial lawyers who specialize in that practice are leading the battle against those state bills.

Most of the state legislatures meeting this year have already gone home or are near the end of their sessions. Here's the "no-fault" box score:

Bills introduced in 33 legislatures, including measures simply to study "no-fault".

Seven measures to study "no-fault" passed, two more await the governor's signature, most are regarded as a stall to prevent legislation.

The study measures are law in Hawaii, Idaho, Montana, New Jersey, New Mexico North Dakota and Tennessee. Study bills have passed the legislature in Maine and Texas but have not yet been signed.

Four insurance reform measures passed by state legislatures at this session. Two of them (in Delaware and Oregon) are regarded here as costly shams because they simply lay compulsory "no-fault" coverages atop the present expensive system; the third, in Florida, is a bill closer to "no-fault" principles and became law without the governor's signature.

The fourth measure was passed in Illinois June 30, the last day of the session. It has been described by a state legislator who futilely sought genuine "no-fault" legislation as "one of the most spurious 'no-fault' bills introduced anywhere" because it limits benefits without passing the savings on to the motorists and without limiting the right to sue.

The new "no-fault" states join Massachusetts, whose law became effective Jan. 1. It has just been upheld as constitutional by the Massachusetts Supreme Court. The pioneer was Puerto Rico, whose government-run system has been in operation for 18 months.

Some hope is held for action in Michigan, but the rest are dead or unlikely to pass this session.

The bills that passed and the ones that died reflect the lobbying activity of both the insurance industry and the trial lawyers. But lawyers and insurance men are split on "no-fault."

A third of the insurance industry—the companies forming the American Insurance Association—is working hard for the "pure no-fault" bill it has succeeded in getting introduced in a number of state legislatures.

A second group, the National Association of Independent Insurers whose 350 companies write about 55 percent of all auto insurance, favors a limited reform which would allow injured motorists to sue for more than their no-fault benefits and allow insurance companies to sue each other to recover the money paid to injured policyholders.

The third big group, the American Mutual Insurance Alliance, writes about 10 percent of the business and also favors only limited reform.

The limited plans proposed by two of the three associations would require the whole panoply of doctors, lawyers and adjusters as the insurance companies sue each other or go to arbitration. Proponents of more complete "no-fault" say the cost savings to policy holders would be minimal under these plans and smaller premiums unlikely.

The trial lawyers do not like even these partial "no-fault" plans and lobby against them wherever they are proposed. They contend the halfway measures are the first step toward total destruction of the "fault" system.

ABA TAKES ANOTHER LOOK

Although some trial lawyers privately protest that the bills would take away their livelihood—and the fees which total one-third to nearly one-half of what the victim collects—their public attitude is that the "no-fault" system won't accomplish what its proponents claim for it.

Most outspoken of the legal opponents is the American Trial Lawyers Association with a membership of about 25,000. The American Bar Association, with 150,000 members went on record in 1969 to retain the present system but has named a special committee to take another look and present the ABA position to legislatures.

Not all ABA members oppose "no-fault" in auto accident cases. The "no-fault" bills in state legislatures were written by lawyers but more of them were law professors than trial lawyers.

Lawyers with poor clients who have to pay higher premiums than their more affluent neighbors and corporation lawyers who frown on ambulance chasers are numbered among those favoring "no-fault."

WORKING FOR CANDIDATES

It is the trial lawyers group that shows up most often in the state-by-state fight to stop "no-fault" legislation.

In some states, they've got the votes to kill "no-fault." They're raising money to elect candidates they know will oppose "no-fault."

A group of Ohio attorneys, mostly members of the Ohio Academy of Trial lawyers, has started a fund called ADOPT (Attorneys Dedicated to Ohio People Totally) to aid candidates who push legislation the attorneys say is in the best interests of the public. Their first target: "No-fault." The one no-fault bill introduced in Ohio got nowhere.

SELF-INTEREST SEEN

A brochure issued by the Texas Trial Lawyers Association asks members to contribute to LIFT (Lawyers Involved for Texas), a fund to elect legislators who will oppose no-fault plans among other issues. The brochure quotes a Texas newspaper as reporting that six of the eight candidates backed by LIFT won the Democratic nomination in this year's primaries.

Frankly recognizing self-interest, the Connecticut Trial Lawyers reportedly raised funds from the sheriffs and constables, who were apparently fearful that "no-fault" legislation would mean fewer legal papers to serve and thus lower incomes for them.

Rep. William R. Cotter, D-Conn, ran afoul of the lawyers when he was insurance commissioner of Connecticut and tried to get a modified no-fault plan through the legislature.

COMMITTEE DIDN'T ACT

His bill, which an actuary later testified would save about 15 percent in the cost of insurance, was referred to the Judiciary Committee of the General Assembly where 32 of the 34 members were lawyers. They were not made any happier by the bill's provision to reduce contingency fees of the lawyers to 25 percent of the settlement.

Despite the editorial support of every major newspaper in the state, the committee refused to report it out.

Since then, Cotter has been elected to Congress but "no-fault" legislation was introduced again in Connecticut this year. Again, the committee refused to act. Public opinion forced it out of committee but members compromised on a study of "no-fault" which Cotter says is a stall. Even that did not pass.

In Maryland, too, the Judiciary Committee was the wrong committee to get "no-fault" legislation. The bill was introduced by a first-term member of the House of Delegates, Charles S. Blumenthal, who says "no-fault" is "probably the most important piece of consumer legislation in this country today."

NO MORE APPEASEMENT

Speaker of the House Thomas Hunter Lowe, a lawyer, referred the "no-fault" bill to the Judiciary Committee although every other insurance bill during the session went to the Economic Matters Committee which has an insurance subcommittee.

Of the 23 members of the Judiciary Committee, 21 were lawyers and most cross-examined Blumenthal, who is an engineer. One of the members asked Blumenthal how he would feel if his livelihood as an engineer were threatened. The committee voted almost unanimous to give the bill an unfavorable report.

Next time, Blumenthal vowed, he is going to introduce a "pure no-fault" bill with none of the compromises he had thought would appease the lawyers. He said he also will propose that insurance companies be unable to cancel auto polices except for nonpayment of premiums or a suspended driver's license and would have to write insurance for anybody with a driver's license.

COMMERCIAL REFUSED

He is aware this might alienate even the insurance companies that went along on this year's bill, but he is finished with compromises.

Across the country, lawyers are pouring money into newspaper ads and television commercials aimed at convincing people that "no-fault" is unconstitutional, un-American, undemocratic and immoral.

In New York, they have used the underground press along with full-page ads in the big papers. In Philadelphia, they went so far in their attack that some radio stations refused to use the commercials.

In New York, they brought out all their negative techniques. The major target was Gov. Nelson Rockefeller's bill, a "pure no-fault" measure written by his former insurance commissioner and pushed by the governor in a special message.

The Senate committee considering "no-fault" legislation hired as "special counsel" a respected trial lawyer, who claimed he was neutral but asked such loaded questions that even the committee chairman finally called it quits.

LAWYER LOBBY BLAMED

Then the lawyers used a technique employed in other states where substantial "no-fault" bills appear to be gaining ground. So many partial "no-fault" or study bills were introduced that everyone became confused.

As the New York session neared an end, proponents decided not to rally behind a weak compromise, preferring to try again next year. The session ended without "no-fault" legislation. Headlines blamed the "lawyer lobby."

Even the White House fails to score against the lawyer lobby. The White House insurance expert, George Crawford, went to Denver to explain the administration's state-by-state approach. The bill moving through the legislature was not all the administration wanted, but it was moving.

It stopped moving, though, when Richard Marcus, president of the American Trial Lawyers Association, wrote to his friends in Colorado that the bill was not as favorable as they thought. He suggested that they reconsider.

PAMPHLET OFFENDED LAWYERS

Despite White House interest, when the Colorado legislators went home, the bill that had sailed through the Colorado House before Marcus sent his letter, remained bottled up in the Senate Judiciary Committee.

Although some of the battling lawyers blame the agitation for "no-fault" on insurance interests, sometimes there's an alliance between an insurance faction and the lawyers to kill "no-fault."

In Hawaii, the governor and leaders of key committees had reportedly agreed on "no-fault" and hopes were high for the bill's passage. But when the vote came, the coalition collapsed. Insurance agents were credited along with lawyers for that defeat.

In Minnesota, lawyers put out a pamphlet so misrepresenting both "no-fault" and how the present system works in practice that even some of their colleagues took offense.

STUCK IN COMMITTEE

The author of the maligned bill is Jack Davies, a law professor and veteran of 13 years in the Minnesota legislature, who's convinced his measure will be passed if he can get it to the floor. But he can't get it out of the House insurance committee, with its insurance agent members, or the Senate Commerce Committee which has 9 lawyers.

Even a compromise couldn't budge them. Nevertheless, he predicts, "one way or another, we'll get it to the floor in the next legislative session and it will pass." The Davies measure has now been introduced in other legislatures.

In Pennsylvania, the outspoken insurance commissioners, Dr. Herbert S. Denenberg said the trial lawyers are unintentionally aiding the cause of "no-fault" insurance because their public statements are so extreme.

"There's tremendous pressure of public opinion for a change," he reported. "The legislators say they're getting more complaints about insurance than about welfare. People here know that the auto compensation system isn't run for them but for the trial bar."

BUDGET OVER $200,000

Study bills have been introduced in Pennsylvania as they've been in 17 states. Like Cotter, Denenberg flatly calls them a stall.

"You can study it to death and that's what they're trying to do," he said. "We've got a system so bad now that it would be hard to come up with a worse one. People have been studying this for forty years. We can come up with legislative solution without more study. I'm a professor and I'm all for study but not on this."

In Michigan, it is rumored that the trial lawyers' budget for opposing "no-fault" runs from $200,000 to $250,000. There have been some emotional debates with the trial lawyers on television and they imported a law professor from Massachusetts who has been traveling around the country for the trial lawyers, opposing "no-fault."

All the techniques tried elsewhere are now on display in Michigan—the multiplicity of bills, the efforts to get the bills assigned to the Judiciary Committees, the public relations campaign.

Proponents, however, are still fairly confident they can get meaningful "no-fault" legislation in Michigan this year.

If Michigan bill fails as the other strong "no-fault" bills have failed indications are that some of the organizations still pushing the state-by-state approach will switch to Federal legislation.

[From the Washington Star, July 7, 1971]

More for Less With No-Fault

(By Miriam Ottenberg)

Today, an auto accident victim is more likely to get all his medical bills taken care of in Puerto Rico than in the District.

He is likely to be compensated for lost wages and other economic losses much more promptly in Boston than in New York City.

And beginning in January, he is more likely to have his auto insurance premiums reduced by 15 percent in Miami than in Cleveland.

After January, he is more certain of getting $10,000 to cover the expenses of his injuries in Dover, Del., than in Denver.

Also next year an accident victim in Oregon will be able to collect up to $3,000 for medical expenses and $6,000 for lost wages without going to court. And if he lives in Illinois, his auto insurance company will have to pay him triple damages if the medical bills for his accident aren't paid within a month after they're presented.

The certainty and promptness of payment and, at least in Puerto Rico, Massachusetts and Florida, the likelihood of future decreases in premiums or increases in benefits are all hallmarks of the "no fault" plans which now have cleared the legislatures of five states and Puerto Rico.

Under these plans, the insured motorist looks first to his own insurance company to pay for his auto accident injuries, without regard to who caused the accident.

For one reason or another, usually a lobby in the state legislature, few of the plants emerged as the sponsors originally intended and none meets the ideals spelled out by the Department of Transportation after its two-year 23-volume study of crash losses and compensation.

As Gov. Francis E. Sargent of Massachusetts testified before the House Commerce subcommittee studying "no fault" legislation: "The bill finally passed in Massachusetts was a mixed bag, the concept there but the details distorted and real reform doubtful as the result of efforts by those who decided to cripple the bill when they saw it could no longer be defeated."

In Florida, the lawyers put up a mighty battle, but public demand for the legislation was so great that a bill stronger than the Massachusetts measure was passed. Although the governor pronounced himself pleased with the measure, he allowed it to become law without his signature.

In Delaware, proponents of a more complete "no fault" plan warn that when the people of Delaware find their insurance rates going up, they'll react by saying somebody sold them a bill of goods.

The Delaware plan—and the similar Oregon measure just signed by the governor—so far are the farthest from the ideal because they put no limitation of any kind on court suits.

One of the big arguments for "no fault" plans of the type visualized by the Department of Transportation and proposed in the Hart-Magnuson and Moss bills in Congress are that they limit the right to sue for damages to only the most serious cases.

That is why trial lawyers are so opposed. They claim it is unconstitutional to restrict the right to sue but the Massachusetts Supreme Court has just upheld the constitutionality of that state's "no fault" law.

To proponents of "no fault," the more limited the right to sue the more effective the operation of the law, for two reasons:

First, with fewer contested cases, fewer legal fees, fewer insurance adjuster expenses and court costs, the expenses of insurance go down and insurance companies can lower their premiums. That is what the legislatures of Massachusetts and Florida figured when a rate cut of 15 percent was written into the law. Now the Massachusetts insurance commissioner is predicting that rates next year will be reduced by 25 percent or more and could drop even farther if the legislature extends "no fault" to cover property damage.

SECOND REASON CITED

The second reason for limiting suits is that the individual motorist would not have to pay so much for liability insurance.

If only the injured who suffer "catastrophic damage" could sue—as under the Hart-Magnuson and Moss proposals—fewer than 5 percent of the accident victims would fall into this category. Since liability insurance would be needed only to cover the comparatively rare "catastrophic damage," the premium rate would be low.

But where suits are unlimited, motorists must carry their current high-cost liability insurance or face bankruptcy in case an injured motorist sues them.

In Delaware, not only is there no limit on suits but the jury cannot be told how much the claimant has already recovered through his own insurance company.

AWARDS LIMITED

While Illinois puts no limit on suits, it does set up a formula to limit what the victim can receive for "pain and suffering." Under this formula, the award can be no more than 50 percent of the first $500 medical expense and 100 percent of medical expenses over $500.

Thus, if medical expenses totaled $1,000, the victim could go to court and collect $750 from the other driver's insurance company to add to the $1,000 he got from his own insurance company.

When Illinois' insurance commissioner was explaining his plan to the House Commerce subcommittee exploring "no fault." Rep. Bob Eckhardt, D-Tex., commented caustically that while "pain and suffering awards" were being limited under the plan, this savings was not being passed along to the consumer in the form of lower premiums.

Nor have premiums been lowered in Delaware or Oregon, where all the costs of litigation remain. In these states, the "no fault" plans have just been laid atop the old "fault" system. The motorist has to carry both liability and "no fault" coverage to protect himself from the other motorists suit as well as to be compensated for his own injuries

CUTOFFS ARE SET

In Massachusetts one of the reasons premiums were lowered is that suits are not permitted until the injured has received at least $500 in payment of medical costs.

The Florida cutoff of $1,000 is expected to take care of the vast majority of claims. Massachusetts with its $500 cutoff has already experienced a 60 percent decrease in claims.

That's why Sargent expects to cut premium costs further in the coming year.

There is little uniform about the state "no-fault" laws passed so far. Even what the injured will receive from his insurance company varies widely—up to $5,000 in Florida, $2,000 in Massachsuetts and $10,000 in Delaware.

State legislatures, taking a "wait-and-see" attitude, want to test the Massachusetts experience further before they start moving. A longer and more indicative experience, however, already is available in Puerto Rico.

FOES PROVED WRONG

The government operated system in Puerto Rico has been operating now some 18 months. It was the first no-fault plan to function in this country and all the arguments against it have been proved wrong.

Critics said the expense of it would break the island. Actually, it has piled up such a surplus that the island will be able to increase the benefits or lower the premium, which now costs each Puerto Rican car owner $35 a year.

The prophets of doom had predicted that claims could not be handled promptly under the "no fault" system. In practice, death claims for funerals expenses are paid within 48 hours and disability payments are paid within two weeks.

Under Puerto Rico's compulsory insurance plan—where policies can't be canceled as they are in the states—90 cents of every premium dollar is available for benefits. That compares with as little as 45 cents on the dollar in the states with "fault" plans.

In Puerto Rico's first year of "no fault" operations, the administrators collected $17.5 million in premiums. They paid out or set aside for payments $6 million in benefits to 28,000 accident victims of survivors.

Puerto Rico's plan pays all medical and hospitals expenses for an accident victim, as well as up to $5,000 for loss of limbs or sight and up to $15,000 in survivor's benefits.

Also paid are 50 percent of lost income, though the benefits only go to $50 a week the first year and $25 the second. The low figures reflect the low earning rate, but plan officials are going to ask the island legislature to raise the loss-of-income compensation to 75 percent of regular pay up to $100 a week.

The injured person can still sue for damages but only if his "pain and suffering" exceeds $1,000 in value or his economic loss exceeds $2,000. But those people who are now getting medical benefits for the first time are showing no rush to sue and the system seems to be succeeding beyond the hopes of its most ardent supporters.

Puerto Rico comes the closest and Delaware and Oregon the farthest away from the proposed legislation now pending on Capitol Hill. Hearings have been completed on the Hart-Magnuson bill before the Senate Commerce Committee and on a similar Moss bill before the House Commerce subcommittee on commerce and finance. Neither bill has yet been reported out of committee.

The congressional measures illustrate where the state "no-fault" measures fall short, where the determined watering-down by special interest groups has limited their effectiveness.

PLANS COMPARED

Here are some of the ways in which the Hart-Magnuson and Moss bills do more for the insured than the state plans:

1. They would wipe out some of the biggest complaints against insurance companies today—unavailability of insurance, canceled policies and failure to renew policies.

An insurance company could not reject an applicant for "no-fault" insurance unless the driver had no license or didn't pay at least a part of his first premium. Once issued, a policy could not be canceled or renewal refused unless the driver had his license suspended or revoked or failed to pay his premium.

The only out for the insurer would be a finding by its home state insurance regulator that writing more policies would endanger the solvency of the insurance company.

REHABILITATION STRESSED

2. Rehabilitation—stressed in the administration's proposed concurrent resolution on "no fault" now before Congress as "a primary function and objective of the compensation system"—is fully covered in the pending congressional bills but virtually ignored in the state measures.

The congressional bills refer to payment of "all appropriate and reasonable expenses necessarily incurred for physical and occupational therapy and rehabilitation."

The stress on getting the injured back on the job is absent from the state bills. The most they mention is payment for prosthetic appliances—artificial limbs and the like.

3. Since prompt payment of claims is one of the goals of "no fault" legislation, the Hart-Magnuson and Moss bills seek to speed payment by providing that if the insurance company does not pay the claim within 30 days of receiving proper proof of losses, interest on the claim will mount at the rate of 2 percent a month for a total of 24 percent a year.

Some state plans provide for interest on unpaid claims at the rate of 6 percent a year. Illinois carries the threat of triple damages if bills are not paid. Delaware, with legislation promoted by insurance interests, carries no interest requirements. Massachusetts also carries no interest provision, but does provide that where a claim remains unpaid more than 30 days, the injured party can sue—which means going through the whole court logjam that "no fault" legislation is supposed to avoid.

PROBLEMS ATTACKED

4. The ever-rising rates, the myriad of rating classifications which separate a man by hundreds of dollars from the rate paid by his neighbor, the rating territories which lead to "red lining" (where insurance is not sold) all would be attacked in the congressional measures.

Without going to federal regulation, the Hart-Magnuson and Moss bills would set up a system by which the insurance companies would report their claims and loss experience to the Department of Transportation.

The number of risk classifications and rating territories would be reduced. Statistical agents would analyze each company's claims and loss experience. Finally, DOT would provide the state insurance supervisory authorities and the general public a comparison of rates and claims-payment practices.

This setup is aimed at two goals. One is to alter the present classification pattern under which companies compete for the best driving risks while other drivers (who may never have had an accident but fall in the "wrong" age classification) are forced into assigned risk pools.

GOALS CONFLICT

The second goal is to increase the information available on the operations of various insurance companies and ease the task for motorists shopping for a company.

Of course, the two goals are inseparable. There's no point in shopping if you can't afford to buy. But the theory is that between "no fault" insurance with its implied savings and lesser competition for preferred risks, motorists will be able to afford insurance they can't buy now.

The administration has said it wants the states to experiment with different "no-fault" plans until the most effective emerges.

So far, however, no experimentation has gone nearly as far as the proposals before Congress, not as far as the DOT proposals, not even as far as the cautious authors of state legislation wanted to go.

CAUTIONS ON LIMITS

None of the state plans, in the view of DOT planners, is very adventurous in pushing up the limits of what a victim can get from his own insurance company.

Although it is cheap to provide high limits of coverage to insure against real catastrophe, the states are hanging back. They cover payment of only the lesser claims by a victim's own insurance company and leave the rest to the overcrowded courts.

"The whole idea of 'no fault,'" commented a DOT planner, "is to get more dollars into the hands of the people who really need them, and that can't be done with limits of $2,000 or even $10,000."

He contrasted that element of the state plans with the Hart-Magnuson and Moss proposals for payment of all medical, rehabilitation and incidental expenses not covered by some other source and a monthly payment to the wage earner of 85 percent of his lost income or $1,000—whichever is lower—for up to 36 months.

And he cited the DOT proposals of unlimited medical and rehabilitation benefits and payment of wage losses for up to three years.

In the view of those who see genuine "no fault" plans as the surest way to get a much higher proportion of the premium dollar to victims in compensation for their losses, three of the five state measures are not really "no fault" plans at all.

Only Massachusetts and Florida—aside from Puerto Rico—are rated as good intermediate steps on the road to "no fault."

[From the Washington Star, July 8, 1971]

LAWYER-CRITICS STATE CASE AGAINST NO-FAULT

(By Miriam Ottenberg)

A trial lawyer says he and his group oppose any law that would reduce the rights of innocent auto accident victims to get full payment for their injuries.

An administration spokesman says that is fine in theory but the victims are not getting full payment now. For example, the average economic loss of a permanently, totally disabled accident victim amounts to $78,000 but his liability insurance payments average $12,556.

The issue in this debate is a change in the method of compensating auto accident victims that could ultimately affect the nation's 108 million motorists—depending on whether it is done state-by-state or federally.

In Washington and in state-houses across the country the debate centers on "no-fault" insurance, through which a motorist's own insurance pays his hospital bills, lost wages and other economic losses regardless of who caused the accident.

POSITIVE ADVANTAGES

The certainty of getting claims paid, the possibility of lowered premium costs and elimination of long delays while claims await their turns on crowded court calendars are among the positive advantages of "no-fault" cited by its advocates.

Ranged against "no-fault" legislation are the American Bar Association, the American College of Trial Lawyers and the American Trial Lawyers Association. Some of them however, oppose provisions in state proposals that do not appear in other state measures or in the measures now pending in Congress. And on occasion, they attack a provision that is already being amended.

Richard Marcus, American Trial Lawyers Association president, complained bitterly in an interview that a 9-year-old boy could lose his leg but would not be allowed to sue under bills pending in Congress because his permanent partial disability would be less than 70 percent.

SECTION RECONSIDERED

The section of the Hart-Magnuson bill in the Senate and the Moss bill in the House which set the 70 percent disability measure is being reconsidered.

Commerce Committee staffs in the House and the Senate are redrafting that section of the bill.

Marcus also complained that "no fault" insurance would not extend to what he called the preponderance of auto insurance coverage—vehicle damage. Therefore, he argued, the public is being misled into supporting incomplete "no fault."

Vehicle damage insurance was not covered in the Congressional "no fault" proposals, but there is a growing feeling that inclusion of vehicle damage in "no fault" coverage could become a powerful lever on auto makers to provide safer and less fragile cars.

That measure is being pushed by Rep. Bob Eckhardt, D-Tex., who said he would try to amend the bill on the House floor to include property damage if the amendment is not passed in committee where it is under study.

An outspoken critic of "no fault," Edward W. Kuhn, chairman of the ABA's Special Committee to Achieve Justice Through the Adversary System, said he objected to "no fault" plans because they ask the injured person to give up his claims for pain and suffering and "loss of life's pleasures, inconvenience, future impairment of earning capacity, disfigurement, loss of limbs" and other losses in return for certainty of payment of his medical and hospital bills and some loss of earnings.

Dean Sharp, assistant counsel for the Senate Anti-Trust Subcommittee, has been investigating auto insurance practices for eight years, and contends that even the innocent victim is being short-changed today.

Interpreting a Department of Transportation study, Sharp said that out of a half a million accident victims, more than 50 percent were disqualified under the present system from receiving any compensation. Many were in accidents involving only one car, or were merely occupants, or were judged at fault or to have contributed to the accident even in a minor degree.

DOT STUDY INTERPRETED

The remaining 214,000 were paid some compensation and thus could be considered innocent victims. Yet said Sharp, half of these 214,000 victims received nothing for their pain and suffering although many were very seriously injured.

In fact, Sharp added, 52,000 of these innocent victims received less than half of their out-of-pocket medical and wage loss.

Sharp also took issue with a Kuhn warning that "no fault" insurance would injure the deterrence factor of the present liability system and increase careless driving.

INSURANCE FIRM PAYS

Because of auto liability insurance, Sharp contended, there is no individuaal financial accountability under the present system. The insurance company, not the individual driver, pays for the injuries he caused. Sharp cited a Michigan study showing that one out of three guilty drivers does not even know whether the person they injured was compensated.

"How much deterrence is there in that?" Sharp asked.

Kuhn also told the Senate Commerce Committee that his committee did not accept the contention that automobile cases are clogging the courts. In answer, Sharp cited a DOT study showing that the average time lapse in the courts to final settlement of a seriously injured victim's claim is 19 months. In metropolitan areas where the majority of the population lives, the time lag to settlement goes up to five years.

One of the most frequently aired arguments by lawyers against "no fault" is that it pays the medical expenses of the person who caused the accident and got injured along with the innocent victim.

Answering that argument in a speech to the Virginia State Bar, Richard F. Walsh, DOT's deputy director of policy and plans, said "no fault" insurance is "morally neutral" about accident causation in the same way hospitalization insurance is about the culpability of the patient in causing his own ill health.

By contract, he went on, the present system of auto liability insurance is consciously designed to protect the wrongdoer, not the innocent victim. Liability insurance, he said, frees the wrongdoer from the financial consequence of his negligent driving and shifts the cost to the entire insuring population—wrongdoer and non-wrongdoer alike.

CONTENTION DISPUTED

Walsh disputed the contention frequently aired by lawyer-opponents that there is no widespread public clamor for changing the present reparations systems. He cited DOT studies showing that when initially asked, the majority of motorists will express general satisfaction with the system. But when they're given a choice, they tend to express a preference for a "no fault" system over the present one.

He cited a class of drivers—unhappy claimants, canceled or rejected insurance applicants and clean risks forced into assigned risk pools—all greatly dissatisfied with the present system and quite vocal about it.

Finally, he pointed to the "significant general resentment" over the cost of auto insurance which has created the present favorable climate for change.

The question of whether "no fault" insurance would cost less than the present insurance is being raised by a number of attorneys.

ILLINOIS JUDGE'S VIEWS

One of them, Illinois Circuit Judge John T. Reardon, chairman of ABA's Special Committee on Automobile Insurance Legislation, said he was convinced that it is foolish to believe greater benefits can be provided at lesser cost. He thought it more likely that "no fault" would provide lesser benefits at lesser cost.

On that score, Walsh told his Virginia bar audience that "most advocates of 'no fault' plans believe they can produce significant reductions in premium cost. What seems irrefutable is that they will get a much higher proportion of the premium dollar to victims in compensation for their losses."

He said that had already been proved convincingly in Puerto Rico and predicted it will also be proved in the states which have adopted "no fault" laws.

Second only to the debate over "no fault" is the argument over whether the federal government should take the lead in reforming the auto reparations system or leave it to the states.

What proponents of "no fault" fear is that some states, to avert even federal guidelines, will adopt meaningless and costly plans.

George Bernstein, federal insurance administrator, takes the view that the states should be given a chance—"whether it is a chance to act or a chance to fail—before we change the current insurance system."

"I don't think," he said, "that this question should be answered on a federal level until and unless we really have to."

DOT PREFERENCE

DOT at this point favors the state-by-state approach, arguing that moving in stages toward nationwide no-fault, would provide an opportunity to test its virtues and discover its flaws.

The National Association of Insurance Commissioners—the insurance regulators in the states—went on record in 1969 against federally ordered changes but for experimentation with different "no fault" alternatives on a state-by-state basis.

At its recent meeting in New York, the NAIC specifically recommended to state legislatures that at a minimum, they should enact modified "no fault" coverage that would provide prompt payment for economic loss, distribution of auto insurance claim dollars comparable to his actual economic loss and distribution of a larger percentage of the premium dollar to the victims suffering economic loss.

NAIC'S TARGET

The NAIC's target was such practices as the award of four or five times the actual loss for nuisance claims while the seriously injured get only 10 to 15 percent of their loss. The NAIC also wanted the victims getting a larger slice of the insurance pie, rather than having such a large chunk going for legal fees, adjusters' expenses and insurance overhead.

Proponents of meaningful "no fault" plans, seeing how few states have acted so far, question how many will come up with any plan that really saves money for the customer and gives him a larger return for his insurance dollar.

Herbert S. Denenberg, Pennsylvania insurance commissioner, who likens the present automobile insurance and reparations system to "a legalized racket of colossal and cruel proportions," clearly sees the need for federal pressure, federal monitoring and some minimal federal guidelines with which the states must comply.

COTTER PREDICTION

A former insurance commissioner, Rep. William R. Cotter, D-Conn., who tried and failed to get a modified "no fault" plan through the Connecticut legislature before he was elected to Congress, predicted that most of the states will not move toward insurance reform because of powerful legal lobbies.

"I think it's about time the federal government enacted some legislation which would supersede state action in this area," said Cotter. "If the states don't act, the federal government must intervene."

He would like to see federal legislation passed now to become effective only where states have not acted within a reasonable time. He thinks with this hanging over their heads, state legislatures might move.

CHANCE FOR STATES

The White House insurance expert, George Crawford, who saw in Colorado how "no fault" legislation—even a measure that failed to meet DOT's standards—was lobbied to death, said:

"We've come out for reform of a system we think needs reform. We think the states ought to be given a chance to reform themselves. If they don't do it within a reasonable time, we would want to rethink our position about leaving it up to state discretion."

Will the states do it? And what kind of laws will they pass?

By year's end, a committee named by the National Conference of Commissioners on Uniform State Laws will have a workable draft of a "uniform automobile accident claims act" to be put before state legislatures at their next session. The final version will come later.

OTHERS INVOLVED

Working with the law drafters will be a committee of 25 representing industry, the bar, consumers and others intimately concerned about the insurance crisis.

The forthcoming uniform proposal would take care of the interstate problems that are bound to develop as a motorist from a "no fault" state collides with a motorist from a "fault" state.

In addition to standardizing the law, the legislation that emerges will show the states what kind of "no fault" law can do motorists some real good—not only by providing more and prompter benefits but also by lowering premiums.

How close states come to that ideal depends on the power of lawyers or insurance men or both in state legislatures and how incensed the public is about increasing rates and dwindling benefits.

SPECIAL SITUATION

Those following state-by-state developments most closely see in every state that has acted so far a special situation within the state.

In Massachusetts, for instance, high rates were only part of the story. The system of paying accident claims had so broken down that four out of five personal injury claims involved a lawyer—in contrast with Georgia where less than one out of five claims brought a lawyer into the picture.

Massachusetts Gov. Francis E. Sargent used prime-time television to talk about insurance and drew the biggest listening audience that night. The public was ready, was demanding a change—and got it.

In Illinois, where the country's largest auto insurance companies have their headquarters, people couldn't get insurance in Chicago's central city or they couldn't afford it. Twenty-two auto insurers went broke in the last decade which has made the people both aware and wary of auto insurance.

COOK COUNTY LOGJAM

And the circuit court of Cook County (Chicago) was so clogged that it took accident victims nearly five years to go to trial in an attempt to recover losses. It was in that atmosphere that Gov. Richard B. Ogilvie pushed legislation through the General Assembly.

Delaware had a problem repeated in every state in the corridor from Boston to the District.

The increased number of cars on the road have bred accidents which in their turn produced more insurance cancellations and higher rates.

Only two states in the corridor have produced legislation so far—Massachusetts and Delaware. Pennsylvania may act yet despite a powerful lawyer lobby. New York tried hard and failed. Lobbyists outdistanced "no fault" sponsors in Connecticut and Maryland. New Jersey is going to "study" and the District of Columbia has not moved yet.

Administration spokesmen wedded to the state-by-state approach believe that other sections of the country have equally severe problems, which will prompt them to try "no fault"—particularly if federal action seems pending.

At the same time, however, they acknowledge that most of the "no fault" laws got through legislatures because they did not rock the boat too much. These laws enabled insurance companies to sell more insurance and didn't pain the lawyers too much because the law suits are permitted much of the time.

There's one hopeful note for more effective "no fault" laws either at the state or federal level. The motoring public, the consumers, are beginning to show up at hearings on "no fault" legislation.

The Consumers Union, with 2 million subscribers to its monthly Consumer Reports, is pushing for a thorough-going federal "no-fault" system through the Hart-Magnuson and Moss bills.

Opponents of "no-fault" have said all along that the public liked the present system of paying auto-insurance claims. Now the public is beginning to say, "No, we don't". And the politicians might listen.

[From the Christian Science Monitor, May 17, 1971]

Counterfeit Reforms?

In a recent Gallup poll, 15 percent of those interviewed backed "no-fault" auto insurance reform, and 4 percent opposed it. That left a whopping 81 percent either uninformed or undecided.

It's because of that four-fifths of the public at loose ends about no-fault reforms that a good deal of mischief may be brewing.

It was charged this week, by a young Boston lawyer, that American trial lawyers—who often make careers in settling claims under the present "fault" system—have begun a stealthy campaign to ruin the insurance reform's chances, or, probably more accurately, to see that reform bills that emerge in state legislatures obfuscate the real issues involved.

There is, really, nothing surprising in the trial lawyers' (as well as insurance groups') seeking to influence the writing of such legislation. This is commonplace in a free political system. One would expect lawyers to be adept at it. The writing of legislation, with maneuverings via amendments and committee votes is a bargaining and at times adversary process.

It is not accurate therefore simply to accuse lawyers' groups with dastardliness in arguing their case. After all, the legislative process also gives their opponents opportunity to counter them.

This said, and keeping in mind how many Americans haven't a firm notion of what "no-fault" reforms are all about, the public should be warned that propagandizing by special interest groups may camouflage some sell-out or watered-down state insurance reform legislation. This is especially so because state legislatures are often communities of lawyers not likely to vote against their brethren.

The Nixon administration in March announced the results of a massive auto-insurance study. It came out in favor of the no-fault principle. However, it skirted the issue of moving toward such reform. Through Transportation Secretary John Volpe, it said the states should work out their own programs. It passed up the option given to the federal government two decades ago by the Supreme Court, which said the federal government had the right to govern auto insurance as interstate commerce. By so doing, unfortunately, the administration is throwing the issue of reform to the state legislative courtyards where the foxes have a free run.

Actually, Congress may ignore the administration's tactic and press for no-fault reforms on its own. It is considering the so-called Hart-Magnuson proposal for federal standards, leaving it to the states to carry them out. Given the general confusion over no-fault insurance, the bill's prospects are uncertain.

It is beyond the scope of this editorial to sketch in the full range of variations on the no-fault principle which are being considered. Basically, in a no-fault system the auto owner's own insurance company pays his costs for car repairs, injury expenses, or time lost from work; it does so directly, without going through the often costly legal process of proving one driver or another at fault, and then making the at-fault party's insurer pay.

Various proposals would make all forms of coverage (collision, property damage, and so forth) compulsory. Others would make only some compulsory. Further, the dollar threshold for where the "no-fault" principle would end and where legal action to pin costs on the at-fault driver would begin also varies.

The no-fault system's money-saving gains would likely derive largely from the injury side of claims settlements, which amount to only about a third of all claims. This fact should help moderate expectations for windfall savings for policyholders.

In our view, however, enlightened no-fault reforms seem in order. And we would favor a consistent system throughout the states. Massachusetts' no-fault system—although a watered-down one—appears to be reducing the kind of unprincipled injury claims that have so annoyed policyholders faced with annually mounting premiums.

According to the Department of Transportation study, Americans spend $15 billion a year on auto accident costs. To be sure, more than just insurance reform is needed. Drunken drivers must be gotten off the road. Legislation to compel automakers to make cheaper-to-repair as well as safer vehicles should be followed up. Also, the year-to-year trend toward more accidents per car must be reversed.

But a no-fault system would help, and so the public should be on guard against any attempts to divert their attention from the need for reforms, whose options are complicated enough as it is.

[From the New York Times, Apr. 22, 1971]

Poll Finds No-Fault Insurance Backed When It Is Understood

WASHINGTON, April 21—The Gallup Poll reported today that "most Americans who presently understand" the no-fault automobile insurance concept are in favor of it.

However, a national survey April 3 and 4 showed that only 42 per cent of those interviewed had heard or read about such insurance and only "about half this number" could give a correct description of its main features, according to Dr. George Gallup's American Institute of Public Opinion.

Among the "relatively small group" of persons able to give correct descriptions, opinion was 4 to 1 on the favorable side, the institute reported. It said the knowledgeable group represented about one-fifth of the country's adult population.

Under the no-fault concept, insurance claims would be paid without regard to which driver caused the accident. Medical costs, lost wages and other tangible losses of the policy holder would be covered by his own insurance company rather than by the liability insurance of the driver at fault.

A House Commerce subcommittee opened hearings yesterday on bills to mandate a national system of compulsory no-fault automobile insurance.

The Nixon Administration favors the no-fault principle but wants the states rather than Congress to enact the necessary legislation.

Massachusetts now has the only no-fault law. It has been in effect since Jan. 1 and provides coverage for bodily injury up to $2,000 while retaining the liability concept for higher losses. No-fault bills are pending in 27 state legislatures.

Results of the Gallup Poll, based on interviews with 1,519 adults questioned on no-fault insurance, were:

	Percent
Approve	15
Disapprove	4
Uninformed or undecided	81
Total	100

STRIKES ARE DESTROYING OREGON'S ECONOMY

Mr. PACKWOOD. Mr. President, our depressed national economy has had a more disastrous impact on Oregon than on almost any other State in the Nation. Now to add to our difficulties, the people of Oregon are faced with not one, but two, transportation strikes, which individually would wreak havoc, but which together are virtually strangling our economy.

Negotiations between the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association were broken off on June 30, when their contract expired. A longshore work stoppage began immediately up and down the west coast, and negotiations have still not resumed. As of the last count, over 150 ships were idled at 24 ports from Seattle to San Diego, including many in my own State of Oregon.

To further compound the already critical transportation problems facing Oregon's shippers as a result of the dock strike, the United Transportation Union called "selective" strikes against the Union Pacific on July 16 and the Southern Pacific on July 24. Untold damage is being suffered by Oregon's shippers, by thousands of employees not involved in the labor dispute, but nevertheless laid off because of the resulting business slowdown, and as always, by the general public. Oregon cannot endure for many more days—even hours—the death grip which is very rapidly suffocating our economy.

I ask unanimous consent to have printed in the RECORD a sampling of the letters I have received from concerned citizens and businesses who are personally and directly feeling the calamitous effects of these two strikes.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

CAL-WOOD DOOR,
Santa Rosa, Calif., July 22, 1971.

Hon. BOB PACKWOOD,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR PACKWOOD: We are manufacturers of Hardwood flush doors serving the Western home building market, employing 130. In approximately one week, we will be forced to *shut our doors* due to the present West Coast Long Shoremans strike.

As only one of 17 like manufacturers that depend on West Coast importation of raw materials, more than 2,000 employees will be effected. This does not take into consideration the many more thousands that will be effected in the building trades because of our lack of ability to supply a very necessary component to the home building industry.

We need some immediate governmental intervention to end this disastrous strike.

Very truly yours,

IAN MACDONALD,
President.

SUNSET VOLKSWAGEN,
Beaverton, Oreg., July 6, 1971.

ROBERT PACKWOOD,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR PACKWOOD: A prolonged dock strike will put us out of business. Needed inventory is due in (city) July 12th and monthly thereafter. Many families count on it.

Sincerely,

L. W. KINCAID,
General Manager.

MILWAUKIE, OREG.,
July 8, 1971.

Hon. ROBERT PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PACKWOOD: The strength of our economy and its recovery is contingent upon continued production. Prolonged strikes and inordinate wage settlements are deterrents to a healthy economy as you well know.

In our case, our inventory supply is threatened by the West Coast dock strike. Current shipments are due. They are critical to the well-being of our 55 employees. The financial loss to dealers cannot be sustained without stark jeopardy.

Your expression of concern and your influence is vital—and most appreciated.

Very truly yours,

PAUL KOCH.

JULY 12, 1971.

Senator PACKWOOD:

The West Coast Longshoreman's strike with all the earmarks of a long work stoppage is going to be disastrous to sawmills like ours which depend 100 pct. on cargo shipments of their products to the U.S. Atlantic coast. It is impossible for us to ship rail and with the administration's wanting to hold prices down this strike is driving them up. We cannot stand such a strike as is indicated and if we are forced to close which is a possibility another 380 people will be added to the unemployment rolls, therefore we ask that the "Taft-Hartley law" be activated and a commission appointed to settle this longshore situation.

One big danger is that a 90 day West Coast longshore strike will lead right up to a scheduled East Coast longshore strike September 30th.

STANLEY BISHOPRICK.

GATEWAY VOLKSWAGEN, INC.,
Portland, Oreg., July 6, 1971.

Senator BOB PACKWOOD,
Portland, Oreg.

DEAR SENATOR PACKWOOD: The West Coast now being involved in a dock strike affects not only our business but many. Our requirement of inventory is due and badly needed. Between our firms, Gateway Porsche Audi and Gateway Volkswagen, Inc., we have some eighty-five employees. I personally have worked diligently at building up a successful business and I do not hesitate to tell you that a continuation of this strike would be disastrous to my firms, as well as to the above mentioned personnel.

Your personal assistance in bringing about an early conclusion to the West Coast Dock Strike will be appreciated by myself and hundreds of others dependent on shipping services.

Very truly yours,

BEN MORDEN,
President.

BERGER & PLATE CO.,
San Francisco, Calif., July 13, 1971.

Hon. ROBERT PACKWOOD,
U.S. Senate Office Building,
Washington, D.C.

MY DEAR SENATOR PACKWOOD: As one of the major export-import firms on the West Coast, we urge you to do everything possible to expedite the settlement of the present strike that is preventing shipments from the West Coast of the United States.

This strike is causing millions of dollars of losses and untold damage and suffering in missed and lost opportunities. I don't need to point out to you that business lost of this nature is not the type that will be regained in the future. Any effort expended on our behalf will be most welcome. Thank you very much for your cooperation.

Very sincerely yours,

W. R. SMITH.

MERLE TAYLOR VOLKSWAGEN, INC.,
Albany, Oreg., July 9, 1971.

Senator ROBERT PACKWOOD,
New Senate Office Building,
Washington, D.C.

SENATOR PACKWOOD: I am writing to express my concern over the dock strike currently in progress along the Columbia River docks in Portland, Oregon. Being a foreign car dealer, I receive my shipments through these very docks. A prolonged dock strike will put us out of business. Needed inventory is due in Albany immediately, and at this time there is no hope of receiving a shipment of cars.

Anything you can do to help end this strike would be deeply appreciated by myself and other Volkswagen dealers in the Northwest.

Thank you for your help in this matter.

Respectfully,

MERLE F. TAYLOR,
President.

BILL JOHNSON VOLKSWAGEN,
Corvallis, Oreg., July 9, 1971.

ROBERT PACKWOOD,
Senate Office Building,
Washington, D.C.

DEAR SIR: I urge you to do everything in your power to prevent a prolonged dock strike.

Needed inventory is due in Corvallis July 12th and monthly thereafter in order for us to stay in business.

Anything that you can do to help would be appreciated.

Yours truly,

WILLIAM H. JOHNSON.

PORTLAND, OREG.,
July 28, 1971.

Senator ROBERT PACKWOOD,
U.S. Senate,
Washington, D.C.

With regard to the strike of the International Longshoremen and Warehousemen's Union of the Pacific Coast, including the Columbia River District and Puget Sound area, we, the Portland Wheat Club of Japan, as representative of the Grain Importers Association in Japan, would like to bring your attention to the following important points:

(1) The Japanese monthly requirement for wheat is approximately 400,000 to 450,000 metric tons, out of which about 60 percent is U.S. wheat exported from the West coast. There are now ten vessels waiting in the Columbia River District and Puget Sound to ship 150,000 tons of wheat to Japan and more vessels are coming to take "July" and also "August" wheat.

(2) The wheat stock situation in Japan, which is normally maintained at a relatively low level (1.2-1.3 months supply) and is heavily dependent on very regular imports, will be at a dangerously low level unless the strike is ended soon.

(3) The Japanese Food Agency has already been forced to change its supply source to some extent from the United States to other countries such as Canada and Australia. Each week the Food Agency is turning more and more to these sources outside the United States in order to meet the monthly demands. This is bringing a real and irreplaceable loss in terms of export volume from Pacific Northwest coast ports. Even more serious is the possibility that it might create a realignment of supply sources which could result in some permanent loss of market for this area.

(4) In addition, our member Japanese trading firms are incurring serious direct and indirect financial losses due to this inability to load wheat already purchased from the U.S. for which vessels are chartered, etc.

We, hereby, request that you act with maximum effort to have the PMA and ILWU back to work on grain ships at the earliest possible date.

JUNICHI TAKATA,
Chairman of the Portland Wheat Club.

SALEM, OREG.,
July 28, 1971.

Senator BOB PACKWOOD,
New Senate Office Building,
Washington, D.C.:

Longshore, rail strike causing severe problems to farmers imminent economic loss to producers and consumers. Hay and grain is perishable need solution now

David F. Nelson,
Executive Vice President, Farm Bureau Federation.

Tacoma, Wash.

Hon. Bob Packwood,
U.S. Senate,
Washington, D.C.:

The strike of ILWU which began July 1 and which is expected to extend at least through August, when coupled with UTU strike against Union Pacific and Southern Pacific Railroads have devastating impact.

To Weyerhaeuser alone there is the effect of sales lost or postponed at high cost as follows:

ILWU work stoppage—500,000 export tons July and August.

UTU work stoppage—15,000 domestic tons per week.

The result is:

1. Artificial domestic price increases.
2. Costly congestion.
3. Potential loss of export dollars and adverse balance of payments.
4. Unemployment on west coast, greatest in Oregon and California.
5. Loss of profits.

Respectfully suggest you may take following action:

1. Request administration introduce continuous bargaining sessions for both rail and longshoremen's strikes.
2. Implement passing legislation enacting to law presidential emergency board recommendation No. 178.
3. Begin hearing on and work to enact to law S. 2060 amending Railway Labor Act and providing procedures for settlement of railway strikes.

John L. Arm,
Vice President.

Mash Sales Corp.,
Portland, Oreg., July 26, 1971.

Senator Robert Packwood,
U.S. Senate, Washington, D.C.

Dear Senator Packwood: I am not normally one to complain, but the economic repercussions of the two strikes presently facing us in the Northwest can, if continued, become catastrophic.

We are in the distribution business and due to the Union Pacific and Southern Pacific strike are unable to replenish our inventories from the east and because of the longshore strike, are unable to receive our import supplies from Japan or ship to one of our major markets, Hawaii. Our normal level of inventory allows us about a three week cushion, which is rapidly approaching.

These strikes, to my way of thinking, are indefensible because wages are not the issue. The longshoremen are complaining because they want the opportunity to treble our costs of shipping containers and object to the fact that shippers went to containers to prevent damage and *pilfering*.

The railroad work rules are so archaic they have put the unnecessary burden on the railroads and consumers in the terms of higher freight rates.

I am writing to ask that you do something in Congress before the economy of our country and the health of my company are affected.

Yours truly,

Hall M. Simons.

Western Transportation Co.,
Portland, Oreg., July 27, 1971.

Hon. Robert Packwood,
U.S. Senate, Washington, D.C.

Dear Senator Packwood: This company is an inland water carrier which is vitally involved in the movement of commodities serving the forest products industry and other waterfront oriented industries on the Columbia river system. We interchange a great volume of freight with the railroads at the terminals and distribution centers here in Portland.

We have followed closely the developments in the railway labor contract negotiations and cannot agree with the efforts of the UTU in its attempt to thwart the work rule modifications as worked out by the Presidential fact finding board. We believe the UTU's case lacks merit.

The strike by the UTU against the Union Pacific and Southern Pacific railroads is having a widespread effect on manufacturing plants, shippers and the public generally, and is causing plants to curtail or shutdown, and unemployment and economic hardship on a widespread and growing segment of the economic life of this area to result.

This cannot be permitted to continue.

We urge immediate enactment of legislation which will require the UTU to accept the work rule modifications as set forth in the Presidential Emergency Board Recommendation No. 178.

We also urge the prompt enactment of legislation along the line of Senate Bill No. 2060 to set up means by which damaging strikes in the transportation industry generally would be prevented.

We earnestly urge your immediate and vigorous effort in behalf of these measures.

Very truly yours,

G. H. Jackson,
President.

Western Wood Products Association,
Portland, Oreg., July 23, 1971.

Hon. Robert W. Packwood,
U.S. Senate, Washington, D.C.

Dear Senator Packwood: Citizens in Western states and members of this Association are vitally concerned with the current labor strike situation which is affecting the Western and hence, the national economy, due to the tie-up of railroad and cargo shipping services. There are several other disputes which, like these, are in reality strikes against the public. The effect of these strikes, particularly those relating to shipping services, is as follows:

1. Inflation is increased through artificial increases in domestic prices.

2. There is a loss of profits, income and earnings which reduces funds available to benefit individuals, businesses, state and local governments and the Federal government.

3. Unemployment is increased particularly in Western States as lumber mills, plywood mills, and other industries are forced to postpone shipments or close. Home building and other essential industrial activities will be affected seriously.

4. There is a potential loss of export dollars and the adverse balance of payments position is increased to the detriment of the entire economy.

5. There is a costly congestion of traffic in rail and shipping centers, and the essential shipment of supplies to provide material and security for national defense as well as for essential domestic purposes, is interfered with or halted.

It is respectfully requested that you and other members of Congress take the following action:

1. Request the Secretary of Transportation and the Secretary of Labor to insist that parties to the strikes affecting public interest to engage in continuous bargaining sessions of 15 hours a day until there is a settlement.

2. Introduce or indicate your support and vote for legislation enacting into law the provisions of Presidential Emergency Board Recommendation No. 178 relating to railway labor disputes.

3. Request and use proper legislative techniques to assure that the leadership and appropriate committees in Congress provide hearings and emergency procedures to enact measures such as S. 2060 by Dominick providing procedures for settlement of railway strikes and broadening or amending it to include appropriate amendments of maritime laws to make the same procedures applicable to all other forms of public transportation as well.

Respectfully yours,

Wendell B. Barnes,
Executive Vice President.

Fibreboard,
Springfield, Oreg., July 26, 1971.

Hon. Robert Packwood,
U.S. Senate, Washington, D.C.

Dear Bob: The current labor strikes by longshoremen and railroad workers are bringing the economy in Oregon to an abrupt halt. You already know the effect of such strike against the public.

We respectfully request that you do all you can to urge the Secretary of Transportation and the Secretary of Labor to insist that all parties to strikes affecting public interest engage in continuous bargaining sessions until there is a settlement. If the railroad strike is not settled soon, then please do what is necessary to help the President take emergency action.

Respectfully yours,

Ralph G. De Moisy.

Current Strike of United Transportation Union

Cascade Wood Products, Inc.,
White City, Oreg., July 27, 1971.

Robert Packwood:

1. We are forced to lay off 375 employees in an existing high unemployment area. Other companies in this area are in a similar situation.

2. Our customers were already running with minimum inventories, and our inability to deliver millwork items will have an impact on housing in most areas of the eastern United States.

3. We feel it is most unfair, or even criminal, for a small segment of the society to further their own goals at the expense of the whole nation, particularly since it is essentially a government-regulated public utility.

4. We would like a personal answer as to your immediate actions and long-range plans to take this unreasonable power out of the hands of a few apparently selfish, irresponsible people.

Dean Collins,
General Manager.

Portland, Oreg.,
July 29, 1971.

Senator Bob Packwood,
Senate Office Building,
Washington, D.C.:

We believe it is time that we submit to you an urgent appeal to issue an immediate injunction against the United Transportation Union actions of using piece-meal walkout against the American Assn. of Railroads in order to obtain and strengthen their archaic work rules and further jeopardize the future of our great transportation system. Our firm represents several hundred shippers and receivers of various commodities throughout the Pacific Northwest and this strike as it continues is producing vast hardships on our clientele and if allowed to continue will force many into bankruptcy. Our firm on behalf of the people we serve has been asked to request immediate congressional action to halt this strike and appoint a Presidential emergency board to study these issues and reach equitable settlement.

Sincerely,

Associated Traffic Corp. of Oregon
Offices and Associated Traffic
Corp. of Washington.

Chicago, Ill.,
July 28, 1971.

Hon. Bob Packwood,
U.S. Senate, Washington, D.C.:

Selective strike against four railroads has closed Quaker Oats food manufacturing plants and distribution centers at Los Angeles, Denver, Portland, Oreg., Chattanooga, Tenn., Danville, Ill., and Doraville, Ga. Strike scheduled for Friday will close Kansas City and deliveries to all grocery distributors in the major markets of Houston, St. Louis, and Chicago will be disrupted. Altogether, delivery of essential food products to at least 50 percent of United States impaired. The struck railroads are partially protected by strike insurance and the striking employees receive unemployment compensation plus union benefits, employees of companies like ours and the general public are the innocent victims. This is not an unusual circumstance, but simply the latest in a long series of transportation disruptions which clearly demonstrates the inadequacy of present machinery, including single-shot congressional action, to cope with the transport labor situation. It is essential that legislation providing for finality of negotiations without a strike similar to that proposed by the administration step and H.R. 3596 be enacted before summer recess. Your leadership in coping with this national emergency is urgently requested.

Robert D. Stuart, Jr.,
President.

Portland, Oreg.,
July 29, 1971.

Hon. Robert Packwood,
U.S. Senate,
Washington, D.C.:

Please use whatever influence you can to help settle the railroad strike. We desperately need to start shipping into our major market areas in southern California or soon will have to consider shutdown.

Carl A. Pearson,
General Manager.

Simpson Timber Co.,
Seattle, Wash., July 27, 1971.

Bob Packwood,
U.S. Senate, Senate Office Building, Washington, D.C.

Dear Senator: A prolonged railroad strike on top of our present West Coast Longshoremen's strike will destroy present healthy markets for West Coast forest products.

Momentum in housing, only recently established, will take months to recover.

Western rail lines now struck are among the nation's key carriers of forest products. Whatever you can do to persuade effective negotiations and a quick settlement will be appreciated.

Dave James,
Vice President, Public Affairs.

Roseburg, Oreg.,
July 28, 1971.

Hon. Robert W. Packwood,
U.S. Senate,
Washington, D.C.

Dear Senator Packwood: I wish to recommend you endeavor to have the Senate intervene in the railroad strike because my position, along with thousands of others, is in jeopardy if this work stoppage is allowed to continue more than a few days.

It is also my recommendation you get behind S-2060 for immediate passage, so we will not have recurrence of this strike in the near future.

Respectfully yours,
Robt. G. Harper.

Medford, Oreg.,
July 20, 1971.

Hon. Robert W. Packwood,
Senate Office Building,
Washington, D.C.:

As a result of UTU strike action against SP, Medical Corp. will commence shutdown procedures affecting plywood and lumber production and 635 employees. Similar action will start at Southern Oregon Plywood affecting over 200 employees.

You should insist immediate and continuous bargaining session and request legislative enactment to carry out Presidential Emergency Board recommendation number 178 by hearing and vote on S. 2060.

R. F. Higgins,
Vice President and Manager.

Dillard, Oreg.,
July 29, 1971.

Senator Bob Packwood,
Washington, D.C.:

The strike by the UTU is resulting in production restriction and will force employee curtailment. Need immediately relief by Government legislation. Number of employees directly affected in my operation is approximately 150.

Henry Longton,
Assistant Group Vice President.

Portland, Oreg.,
July 26, 1971.

Senator Robert Packwood,
U.S. Senate,
Washington,. D.C

Dear Senator Packwood: I am deeply concerned, both as a businessman and as a citizen with the UTU's strike against the railroads which is so seriously threatening our economy. While I cannot argue the fact that higher wages are necessary in order to keep up with the rising cost of living. I wholeheartedly agree with managements position regarding outmoded and costly work rules.

I have watched our lumber freight rates increase time after time during the last few years and know that this will continue as long as the railroads are not allowed to streamline their operations and eliminate those jobs which no longer serve a purpose. The unions position that workers should be paid for work that they do not perform is simply untenable and contrary to our nations well being and way of life. If this trend continues it could lead to nationalization of our railroads which would be a tragedy.

I trust that you and your colleagues realize that most of your constituents feel as I do and will use the power of your offices to enforce the recommendations of the Presidents Committee.

Very truly yours,
Harvey Knapp.

Botsford & Goodfellow, Inc.,
Portland, Oreg., July 21, 1971.

Hon. Robert Packwood,
U.S. Senator from Oregon,
Senate Office Building,
Washington, D.C.

Dear Senator Packwood: This is to inform you of a dire situation that faces the Hermiston, Oregon potato growers. These growers represent approximately five to six thousand acres of potatoes, with an investment of some $5,000,000.00. They are faced with a complete disaster unless you, as the representative of these people, will pass some sort of legislation to halt the strike against the Union Pacific Railroad and other railroads by the United Transportation Union.

The potato crop, in addition to various other crops, is definitely going to be a disaster unless the railroad can get back into operation. The principal market for the potatoes is the east and middle west and there is no other facility available to the growers of this area for rail shipment.

We urgently request you to do everything possible on our behalf to bring this strike to a quick end, as the harvest is in progress now and even four or five days will bring extreme losses to this area and other Northwest regions.

We certainly appreciate anything you can do to bring the Union Pacific Railroad, along with all railroads, back into operation for the benefit of the economy of the State.

Yours very truly,
John S. Botsford.

First National Bank of Oregon,
Heppner, Oreg., July 21, 1971.

Hon. Robert Packwood,
New Senate Office Building,
Washington, D.C.

Dear Senator: This letter is written requesting your immediate action in doing what you can to get the Railroad Strike settled as soon as possible. It appears at this point it is going to take congressional action to settle the issues at stake and I feel the earlier Congress gets involved the better it will be for everyone concerned.

The Strike against Union Pacific is already being felt greatly here in Eastern Oregon, as farm products are starting to be harvested. Without Railroad service to carry the specific products to their respective markets the impact on our agricultural economy will be terrific. The impact the strike will have on our lumber industry here in Oregon if it continues could be enormous, as inventories continue to build with no means of transportation to their markets. Employment at many mills and other marketing outlets are being curtailed as a direct effect of the strike.

I am confident you are well aware of the impact the strike will have on the Oregon economy and know you will do your part as a Representative of our good State in getting it settled as soon as possible.

Thank you for taking time to read this letter.

Sincerely,

H. Sager,
Manager.

Normarc, Inc.,
Tangent, Oreg., July 20, 1971.

Hon. Bob Packwood,
U.S. Senate,
Washington, D.C.

Dear Sir: We are deeply concerned over the railroad strikes, and the effect these strikes will have on the agricultural economy of Oregon.

Our grass seed harvest in the Willamette Valley is underway, and the movement of this seed to the consumers in the South and Southwest for this shipping season starts the latter part of July, and runs to late October. As the seed is needed for Fall planting, any delay in shipment will be disastrous to the entire seed industry.

Obviously, workers have rights, as much as everyone else, but it appears to us that some better answers can be found to their problem, than injuring the economy.

Yours very truly,
Joseph O. Jacob.

Dean Distributing Co.,
Portland, Oreg., *July 26, 1971.*

Hon. Robert W. Packwood,
U.S. Senate,
Washington, D.C.

My Dear Senator Packwood: With the Union Pacific and Southern Pacific Railroads out on strike the economy of your State is very seriously threatened.

There is no greater service you could render your constituents in the State of Oregon than devoting the efforts of your office to a speedy end to this unjustified strike.

The cost of railroad feather-bedding must be borne ultimately by the consuming public. People who must work for a living should not be forced to pay wages to people who do not want to work for the money they receive.

Because feather-bedding has been a way of life for many years for the railroad union and railroad management and the consuming public can no longer afford the expense of this luxury, I am certain this strike will continue for a long time unless our Government takes a very firm stand. Because of the extreme cost of this strike to the economy of your State, I urge you to put forth all reasonable effort in bringing this strike to a just conclusion at the earliest possible time.

Sincerely yours,

Eldon N. Dean.

Clear Fir Sales Co.,
Springfield, Oreg., July 26, 1971.

Hon. Robert Packwood,
U.S. Senate,
Washington, D.C.

Dear Senator Packwood: We are vitally concerned with the current labor strike situation which is affecting the West Coast economy due to the tie-up of railroad and cargo shipping services. There are several other disputes which, like these, are in reality strikes against the public.

It is respectfully requested that you and other members of Congress take the following action:

1. Request the Secretary of Transportation and the Secretary of Labor to insist that parties to the strikes affecting public interest to engage in continuous bargaining sessions of 15 hours a day until there is a settlement.

2. Introduce or indicate your support and vote for legislation enacting into law the provisions of Presidential Emergency Board Recommendation No. 178 relating to railway labor disputes.

3. Request and use proper legislative techniques to assure that the leadership and appropriate committees in Congress provide hearings and emergency procedures to enact measures such as S. 2060 by Dominick providing procedures for settlement of railway strikes and broadening it to include all other forms of public transportation as well.

Respectfully yours,

John Ruddy,
General Sales Manager.

Nicolai Co.,
Portland, Oreg., July 27, 1971.

Hon. Robert Packwood,
U.S. Senate,
Washington, D.C.

Dear Senator Packwood: The Nicolai Company, producing 20% of the Fir and Hemlock doors used in the United States, will have to cease operations this weekend unless we can receive some relief from the railroad strike. Being on a Union Pacific siding, we were the first door manufacturing plant hit.

We have partially offset the effect of the stevedore strike by scheduling imported plywood and door parts to Canadian ports and trucking these raw materials to Portland. We can get some Canadian and Washington State lumber into Portland by truck and Burlington Northern Railroad. We cannot, however, get our finished products moved to our markets in the mainland United States and Alaska.

While many may erroneously think the railroad strike is affecting only a small segment of the employment in the West, the near and long-term effect on the nation, as a whole, will ultimately have to be reckoned with by Congress:

1. Homes in construction and desperately needed will not be completed.

2. Financing costs of uncompleted homes will be staggering, and those built under government programs will ultimately have to be further subsidized.

3. After over a year of operating losses, many forest products manufacturers were just beginning to make a profit. How long these can hold on is problematical.

4. Excess costs will further increase prices in home construction throughout the United States.

As a businessman, I cannot conceive how a government can establish the sales prices of a railroad's service, protect and finance bankrupt railroads, appoint fact-finding bodies regarding working rules and then be incapable of dealing with the problem. I don't know how much struck railroad capacity is enough for Congress to act; 20%, 30% or 50%. Action is desperately needed now.

Legislation on the provisions of the Presidential Emergency Board Recommendations No. 178, enactment of S. 2060 or other such legislation is needed this week, now that negotiations have failed. Your leadership and support are urgently requested.

Very truly yours,

Paul H. Karstedt,
President.

American Plywood Association,
Tacoma, Wash., July 23, 1971.

Hon. Robert Packwood,
U.S. Senate, Washington, D.C.

Dear Senator Packwood: The forest products industry, and specifically the softwood plywood producers, are deeply concerned about the series of selective railway work stoppages facing our nation at this time.

As new home construction continues to show more activity after two years of depression, and the nation's housing goals appear to be within reach after all, the major home building materials—lumber and plywood—are threatened with short supply because they can't be transported to market.

A short two and a half years ago we all saw what happens to plywood and lumber prices when demand exceeds supply at the *marketplace.*

If the Southern Pacific and the Norfolk and Western are struck by the UTU on July 24, joining the Union Pacific and the Southern railway systems, the effect on plywood production will be staggering. The production of mills affected by these lines is about 24 million sq. ft. daily, based on 1970 figures. This volume represents 44 percent of the total softwood plywood production of the United States.

Perhaps most important would be the result in terms of jobs if these mills are prevented from shipping their products. Some 15,400 mill jobs are involved directly, plus thousands of positions supporting these mills and related to the home building industry.

West Coast mills are already plagued by a prolonged dock strike which affects a limited amount of lumber and plywood going by barge and ship into Southern California. But the major impact of this strike has been to divert shipments of other goods to rail cars, which are already in short supply.

We urge the Congress to immediately take the following actions to end the rail strike and prevent its recurrence:

1. Implement the recommendations of the Presidential Emergency Board 178 revising the railroad work rules—which have been adopted by three major rail unions other than the UTU.

2. Enact legislation giving the President sufficient alternatives to deal with strikes of an emergency nature. (Senate Bill S–2060)

We appreciate your concern and hope that the Congress will take action before the summer recess in early August.

Sincerely,

Bronson J. Lewis,
Executive Vice President.

Edward Hines Lumber Co.,
Hines, Oreg., July 20, 1971.

Hon. Robert Packwood,
Senator From Oregon, Senate Office Building, Washington, D.C.

Dear Senator Packwood: We in Eastern Oregon are being seriously affected by the shut down of the Union Pacific Railroad. Our operation ships about twenty cars of forest products per day and due to our location the railroad is the only feasible method to get our products to market. We are currently working long hours to salvage the many millions of feet of timber that blew down in May of this year. If this timber is not manufactured into lumber promptly, it will stain in log form and suffer a tremendous loss in value.

We earnestly plead for your assistance in getting the Union Pacific back into operation.

Yours very truly,

Frank Blagen,
General Manager.

July 23, 1971.

Senator Robert Packwood,
Senate Office Building,
Washington, D.C.

Dear Senator Packwood: I am increasingly concerned about the apparent growing inevitability of a strike by the United Transportation Union against certain selected railroads; those railroads selected would seriously impair onr nation's interdependent railway system.

I work in the wood products industry which depends heavily on rail to facilitate moving its products to market. I don't have to tell you what an impact this strike would have in our aready critically depressed area.

I would appreciate your taking any action you could to alleviate this situation.

Thank you.

Richard L. Madden.

Boise Cascade Corp.,
Boise, Idaho, July 23, 1971.

Hon. John A. Volpe,
Secretary of Transportation,
Washington, D.C.

Dear Secretary Volpe: We are becoming very concerned with the effects of the strike against the Union Pacific Railroad Company, Southern Railway System, and potentially the Southern Pacific Transportation Company and Norfolk & Western Railway Company.

Boise Cascade Corporation, a multi-product company, operates in most of the areas served by the affected rail lines. At the present time, we are particularly impacted by the effect of the strike against the Union Pacific at our Eastern Oregon and Southwestern Idaho lumber and plywood mills located at LaGrande, Island City, Elgin, Joseph, Oregon; Emmett, Cascade, Council, McCall, and Barber, Idaho—all on the Union Pacific. As of this writing, the mill at Baum, Oregon, which produces Particleboard, is shut down because of the lack of rail transportation. We momentarily expect to have to close the other mills affected in this region by the rail strike.

We firmly believe that the work rules problem should have been solved long ago. We strongly support the rail carriers for their efforts in this respect. We propose that the Executive Branch of the Federal Government immediately take the following steps:

(1) The parties to the strikes affecting public interest should be required to engage in continuous bargaining sessions of a

minimum of fifteen hours a day until there is a settlement.

(2) The Administration should promptly do everything possible to expedite enacting into law the provisions of the Presidential Emergency Board recommendation No. 178 as it applies to the work rules.

(3) Every step possible should be taken to insure that the leadership and appropriate committees in Congress provide hearings and emergency procedures to enact Senate Bill 2060 and its related House Bill amending the Railway Act by providing procedures for settlement of railway strikes and broadening it to include all other forms of public transportation as well.

We do not believe in Congressional intervention in this or any other strike situation—except in dire emergencies. We believe the only form of legislation acceptable to the shipping public, as well as the carriers, would be as enumerated above. We urge your every effort to expedite the above recommendation.

Very truly yours,

F. L. SIGLOH,
Director of Transportation and Distribution.

UNITED TRANSPORTATION UNION STRIKE AGAINST RAILROADS BECAUSE OF OUTDATED WORK RULES

SOUTHWEST OREGON SHIPPERS' TRAFFIC ASSOCIATION, INC.,
Roseburg, Oreg., July 23, 1971.

Senator ROBERT PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PACKWOOD: Once again our nation is facing another serious economic adversity as a result of the subject strike over a change in out-dated work rules under which no industry can be expected to operate efficiently and/or perform the services required by a highly productive country.

Surely it is not unjust or unreasonable to require a full day's work for a full day's pay in return for the generous wage and fringe benefits agreed to by railroad management and accepted by three other unions and especially since these work rule changes were recommended by the Presidential Emergency Board No. 178.

Your able assistance and experience is sincerely requested to bring about a quick settlement of this issue which will permit railroad management to update these operational work rules. Another postponement will only aggravate the situation and possibly speed the railroad industry into nationalization or at least result in additional bankruptcies.

Thanking you for your attention.

Sincerely,

O. L. STEWART.

MENASHA CORP.,
North Bend, Oreg., July 21, 1971.

BOB PACKWOOD,
U.S. Senator,
Washington, D.C.

DEAR SENATOR PACKWOOD: As General Manager of the Menasha Corporation, North Bend Paperboard Division, I respectfully request that you support Senator Dominick's bill S-2060 giving the President alternative means of dealing with railroad strikes or support implementation of the work rules recommended by the Presidential Emergency Board, adopted by three of the four unions involved.

At our Neenah and Mensha mills rail service is curtailed, due to the Northwestern railroad strike, however, at our North Bend, Oregon mill, which is serviced only by the Southern Pacific and also by the longshoremen (now on strike), will be shut down, if the Southern Pacific is allowed to strike on July 24, 1971. This area is considered a depressed area and the closing of the existing operations would work a hardship on employers and employees, and the economy as a whole.

We request your help, Senator Packwood.

Sincerely,

E. C. MANDERS,
General Manager of Menasha Paperboard Division.

ALBANY, OREG.,
July 26, 1971.

Senator ROBERT PACKWOOD,
New Senate Office Building,
Washington, D.C.

Current rail situation causing curtailment and shut down. We solicit your assistance in settlement of this strike and strongly support the recommendations of the Presidential Emergency Board No. 178 and the nation's railroads.

GEORGE E. SWINDELLS,
Vice President.

PORTLAND, OREG.,
July 26, 1971.

Hon. BOB PACKWOOD,
Senate Office Building,
Washington, D.C.

DEAR SIR: Urgently request you do all in your power to bring a speedy settlement in the current labor dispute between Union Pacific and other railroads and United Transportation Union. Business disruption caused by this and other labor disputes beyond our control have caused us to cease operations and layoff operating personnel during the week of July 19. The continuation of inability to ship our products will make mandatory further cessation of operations. We believe the basis of settlement recommended by the Presidential Emergency Board #178 in November 1970 which was subsequently worked out with other unions was reasonable for all concerned and do not understand why the UTU should be permitted to cause such far reaching hardship for so many people in so many industries. Your assistance in resolving this dispute will be greatly appreciated.

KEITH L. MILLER,
Assistant General Manager.

ROGUE FOREST PRODUCTS,
Medford, Oreg., July 21, 1971.

R. M. NIXON,
White House,
Washington, D.C.

DEAR MR. NIXON: I am writing you this letter to inform you of a very serious situation facing all lumbermen on the West Coast. If the Southern Pacific Railroad goes on strike on Friday, there will be no way to transport the lumber and many mills and industries will be paralyzed.

At this date there are three other railroads on strike and the pending strike of the Southern Pacific on Friday will completely demolish the existing economic boom now in progress in the western states.

Your cooperation in resolving these difficulties at the soonest possible date will be appreciated as it is absolutely necessary to maintain the economic stability of this somewhat forgotten region.

Thanking you in advance.

Sincerely,

PHILLIP R. FIELDS.

EDWARD HINES LUMBER CO.,
Chicago, Ill., July 21, 1971.

Hon. BOB PACKWOOD,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PACKWOOD: The Union Pacific strike will force us to close our manufacturing operations in Grant and Harney County. Inasmuch as we are the principal source of employment, this will result in large unemployment and distress. The Union Pacific strike is also causing us to close our other manufacturing operations in western United States which are dependent upon the railroads to move our products. As you know, the Southern Pacific and other railroads will be struck shortly, bringing our western manufacturing operations to a complete halt.

The time has long since passed for Congress to drastically curtail the labor monopoly which exists in this country. Unless Congress sees fit to take effective action, our nation will become a secondary power.

Yours very truly,

JOSEPH J. FITZGERALD,
Executive Vice President.

Mr. PACKWOOD. Mr. President, these comments speak for themselves. They are from people who are caught in the midst of legitimate differences between labor and union bargainers. I have long advocated permanent labor legislation to deal with such situations equitably and consistently, but without endangering the public welfare and destroying an economy. I have been sorely disappointed that permanent legislation has not progressed beyond 1 day of hearings, on June 15. As of now, no further hearings have even been scheduled.

But the situation we face today cannot wait for permanent legislation—it cannot wait even for the 3 or 4 days it would take for Congress to legislate another ad hoc solution. We must have immediate resumption of good faith bargaining between all the parties concerned. I have pleaded with them to resolve their differences without further delay, to accept their responsibilities to the public. They do not want governmental intervention any more than I do, but if it is to be avoided, they must solve their differences immediately. Every hour of delay magnifies the disaster—and points with ever-increasing certainty to Government imposition of a settlement.

AIR COLLISION AVOIDANCE SYSTEMS

Mr. MOSS. Mr. President, on July 7 of this year, I introduced S. 2264, a bill to require the installation of collision avoidance systems and pilot warning indicator systems on air carriers and general aviation aircraft in order to minimize the danger of mid-air collisions.

At 1:04 a.m. today, I am informed, a Japanese Air Force jet and an All-Nippon 727 jetliner carrying 163 persons collided at 26,000 feet over the mountains of northern Japan. There were no survivors aboard the jetliner. This tragic collision has resulted in the highest death toll ever recorded in a plane crash.

The world's shock and horror at the news of this catastrophe are heightened by the knowledge that a collision avoidance system would have prevented this loss of lives.

In the past 4 years, two-thirds of this country's jetliner deaths were caused by mid-air collisions. A National Transportation Safety Board study projects 335 collisions and 792 fatalities in the forthcoming decade. The board is at present holding hearings in Los Angeles to investigate the tragic collision on June 6 of an Air West jetliner and a Marine phantom jet that deprived my State of Utah of 13 outstanding citizens and needlessly cost 50 lives. This collision, too, would not have occurred had the plane been equipped with collision avoidance systems.

Mr. President, it is urgent that we further investigate the technology of keeping airplanes apart in our increasingly crowded skies. I am pleased that the Senator from Nevada (Mr. CANNON) has announced that the Aviation Subcommittee will soon hold hearings on S. 2264 to protect the lives of air passengers.

An article in the July 20, 1970 issue of Aviation Week and Space Technology describes a time-frequency type collision avoidance system that has been successfully tested by several airlines. I recommend this study to Senators and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Anti-Collision Display Tested

New collision avoidance system cockpit display, which shows the presence of nearby aircraft that are not an immediate threat as well as indicating required escape maneuvers if a threat develops, has been praised by airline pilots in aircraft simulator tests.

The tests were conducted by Trans World, Eastern, and United airlines.

The collision avoidance display is conveniently combined with a conventional vertical speed indicator. This enables the single instrument to caution the pilot against a potentially hazardous maneuver as well as to show the required escape maneuver if needed.

The new display was developed by McDonnell Douglas Corp. for use with its Air Transport Assn.-sponsored time-frequency type collision avoidance system (CAS).

However, both Bendix Corp. and Wilcox Electric Co./Sierra Research Corp., which are developing similar systems, are expected to offer the same type display, company spokesmen indicate.

It could also find use in other types of collision avoidance systems where the relative altitudes of other aircraft are obtained and where vertical escape maneuvers are employed.

Previously, a separate CAS warning escape maneuver indicator was used. If the system called for a vertical escape maneuver, normally at a rate of 2,000 ft./min., the pilot had to refer to the separate vertical speed indicator while monitoring the CAS display.

By mounting the "climb" and "descend" escape maneuver arrows on the face of the vertical speed indicator, directly under the 2,000 ft./min. rate-of-climb/descent positions, the pilot can instinctively maneuver until the VSI pointer is directly over the illuminated arrow. Similarly, if the system calls for the aircraft to stop its climb or descent to avoid a collision, the pilot levels out until the VSI pointer is directly over the illuminated "level" bar, which corresponds to zero vertical speed.

SECTOR BARS

Additionally, the instrument face contains semi-circular sector bars along the upper and lower periphery that can be illuminated to alert the pilot to the presence of other aircraft which could become potential collision threats.

For example, if another CAS-equipped aircraft above is descending, or his own aircraft is climbing, and the two are in proximity to one another, when their vertical separation decreases to 3,300 ft., the system will illuminate the sectors around the upper periphery of the pilot's display extending from 2,000 ft./min. to 6,000 ft./min.

If his own aircraft is climbing, this cautions the pilot to limit his rate of climb to less than 2,000 ft./min., so the vertical speed indicator needle is not pointing at any of the illuminated yellow sectors. The display in the other equipped aircraft involved in this situation would have its lower peripheral sectors illuminated from 2,000–6,000 ft./min., alerting its pilot to hold or reduce his rate of descent to less than 2,000 ft./min. because of the traffic below.

ADDITIONAL WARNINGS

If the vertical separation between the two aircraft decreases further to 1,800 ft., an additional periphery sector will become illuminated, telling the pilot to limit vertical speed to less than 1,000 ft./min. If the separation further decreases to 1,300 ft., still another sector will illuminate to caution each pilot to reduce vertical speed to 500 ft./min.

The yellow peripheral lights signify traffic advisory information only and do not indicate that a collision threat yet exists. The yellow lights do not illuminate if the azimuth separation between the aircraft is sufficient not to represent a potential threat.

If there is traffic both above and below his own aircraft within 3,300 ft. or less, yellow lights will be illuminated both along the upper and lower portions of the instrument.

Located at the two lower corners of the instrument are "no turn" indicators, which may become illuminated when there is other proximity traffic at or very near to his own aircraft altitude, and the upper/lower yellow sector bars around the periphery are illuminated. If the red "no turn" indicators go on, this cautions the pilot not to turn, or to stop his turn.

To extinguish the "no turn" indications, the pilot must change altitude approximately 400 ft., in a direction opposite to the one where the presence of traffic is displayed in the form of illuminated sector bars.

If an equipped aircraft is climbing or descending and the yellow semicircular sector opposite the vertical speed indicator needle suddenly becomes illuminated, the pilot need only reduce his vertical speed until the needle no longer points to an illuminated sector.

MAYOR GIBSON OF NEWARK, N.J.

Mr. WILLIAMS. Mr. President, there has been much talk during recent years about the problems of America's cities. Some people have suggested that our largest cities are irrevocably on the road to ruin and have, in fact, become "ungovernable." Fortunately, there are other people who have faith in the potential of our cities, and are working to rehabilitate them.

In Newark, New Jersey's largest city, we are fortunate to have dedicated leadership, headed by Mayor Kenneth Gibson. Mayor Gibson knows better than anyone the severity of Newark's problems. He has often said that—

> Wherever the central cities of America are going, Newark is going to get there first.

Mayor Gibson knows that solutions will not come easily, but he is at least trying.

Last Sunday the New York Times magazine published an article about Mayor Gibson, the problems he is facing in Newark, and some of the things he is doing to solve them. The article is highly instructive for all who are interested in the future of America's cities. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine,
July 25, 1971]

Newark is a study in the evils, tensions and frustrations that beset the central cities of America. It is a city of 375,000, an estimated 61 per cent Negro, 11 per cent Puerto Rican. It is a city with an over-all unemployment of 14 per cent (25 to 30 per cent among blacks and Puerto Ricans); around 25 per cent of those who are employed work only part-time, and there are virtually no summer jobs and few programs for the city's 80,000 school children, who now roam the streets. As a result, one of every three Newarkers is getting some form of public assistance. There are, by conservative estimate, 20,000 drug addicts in the city, and only 7 per cent of them are being treated. Newark has the highest crime rate of any city in the nation; the highest percentage of substandard housing; the highest rates of venereal disease, new tuberculosis cases and maternal mortality, and it is second in infant mortality. Most of these rates, like the crime rate, are still rising. In the Central Ward, perhaps the worst ghetto in the East, decent black families live as virtual prisoners in housing-authority projects, afraid to let their children outside even to play. The city's first black Mayor, Kenneth A. Gibson, often says: "Wherever the central cities of America are going, Newark is going to get there first."

There are at least two Newarks, separate and distinct, divided from each other, existing in an atmosphere of mutual suspicion and racial tension. There is the white-dominated, business-oriented Newark, and there are the densely populated sections where blacks and Puerto Ricans live. Business Newark looks almost as prosperous as ever. A new Gateway motel and business-office complex has been built opposite the old Pennsylvania Railroad Station. The gleaming white marble facade of the Prudential Insurance Company's national headquarters dominates the shining storefronts along Broad and Market. Bamberger's is still there; Ohrbach's is still there. Business Newark does $3.5-billion worth of retail trade annually. But out to the west and south, in the Central and the South Wards, it is a different story. "It is a jungle," says one cab driver, and another adds: "This city is dead."

The juxtaposition of white authority and the jungle strikes one with a forcible impact. The Essex County Courthouse and Hall of Records sit on a knoll along High Street, and chock-a-block with these symbols of governmental stability are the devastated structures of the Newark ghetto. Shattered, gaping, sightless windows stare out at the county buildings, and only a short jog away, where Springfield Avenue runs into High, one comes upon the still ghastly rubble of a war-ravaged Newark.

It was here, in the long hot summer of 1967, that mobs rioted, looted and burned in one of the nation's worst race riots; four years later, blackened ruins still stand as testament to that outburst. Wrecked and gutted buildings offend the eye; trash of all kinds befouls the gutters. One hulk stands out—a store that looks as if its entire front had been blasted away by mortar fire. One gazes into the cavernous emptiness of its interior, wondering what keeps it upright. Across the street an abandoned theater seems about to totter inward upon itself, the deep bay of its former entrance piled high with rubbish. Up and down the avenue for blocks, the same sights are repeated; the blackened, hollow shells of buildings stand, some boarded up, some closed off by iron gratings, all in ruin.

"The only new thing added on the street in three years is another bar—and, of course, we needed that," says one Negro leader. He shakes a gray head and adds: "I was in Germany, where the cities were all destroyed in World War II. Now they have been completely rebuilt, spanking new—and here we can't rebuild the Central ward or Detroit or Watts."

Bad as the physical aspect of Newark is, the psychological and emotional factors are worse. The racial tensions inevitable in a city overwhelmingly black and Puerto Rican, but dominated for so long by a white minority, were intensified this winter by a record, 11-week teachers' strike. The strike closed about half of Newark's schools (the rest stayed open in an atmosphere of turmoil), and the black community reacted with outrage that at times exploded into fury. "The strike was eventually settled, but it is still with us," says a black leader. He explains:

"Parents whose children lost 11 weeks of school, and who perhaps couldn't graduate or who will be handicapped in the future, are frustrated and bitter. And the strike didn't settle the basic problem. Too many of Newark's teachers live in the suburbs; this is just a 9-to-3 job for them, and they are not concerned with the problems of black ghetto children. I taught in the Newark school system, and I know. Polarization? It couldn't be much worse. It was bad already, but now this is one of the worst polarized sections in the nation."

In this bleak picture there is just one ray of light and hope—the presence in City Hall of Newark's first Negro Mayor. Tour the city, talk to leaders of the black community, and you will hear the same phrases repeated over and over again. David Barrett, the bright, articulate 27-year-old president of the United Community Corporation, the community-service organization funded by the Federal Office of Economic Opportunity, perhaps expresses it best. His face lights up as he recalls the election of Mayor Gibson just one year ago.

"Expectations were very high," Barrett says. "You just expected that, overnight, things were going to be 10,000 times better. Now, of course, there is a gap between those high, perhaps quixotic, expectations and delivery. Still, the Negro and Puerto Rican communities feel that things are better, that there is a more sympathetic attitude, a better understanding at City Hall. This, as I see it, is the one great plus; Gibson's just being there is a positive plus."

Other community leaders agree. The Rev. Henry Cade, pastor of the Central Presbyterian Church, almost on the boundary line between the Central and South Wards, says: "There has been little positive movement since the riots of 1967. But there is a new kind of ethos, a new spirit in the community as the result of the last election." LeRoi Jones, who prefers to call himself Imamu Baraka—a short, bearded Negro poet who might weigh 120 pounds and who is one of the most controversial figures in Newark—concurs: "I think the biggest boost so far has been the feeling the community has that things are possible as the result of the election of Ken Gibson. People are not stifled and hopeless, as they were under the old, corrupt administration. Now there is someone in City Hall who gives them a feeling that things are possible."

But everyone recognizes that this hopeful mood cannot last unless there is positive action to change the sordid aspects of Newark. The Rev. Mr. Cade puts it this way: "What happens to a dream deferred? It can't be deferred too long, or it will turn into bitterness and rebellion."

The man on whom most of Newark pins its hopes sits in City Hall, boxed in on every side, unable to move toward the fulfillment of those hopes. Ken Gibson is not the typical politician. A short, chunky man, broad-shouldered, barrel-chested, with just the wisp of a mustache on his round face, he was trained as an engineer, and he weighs problems with an engineer's caution. He seems to lack dynamism on the public platform, abandoning the usual forms of political rhetoric to speak more drily about issues, but face-to-face he exudes a great deal of personal charm. No matter what the tensions of the day, he usually manages to seem calm, relaxed. Though slow to make up his mind, he appears confident and extremely sure of himself once he has arrived at a decision. And he is candid to a degree almost unheard of among politicians. Shortly after he took office last year, he disclosed that one man had hinted he would pay $15,000 to name the police director and that another had suggested Gibson could have "10 percent off the top of everything," all city contracts, all public works. Gibson reported the offers to prosecuting authorities and concentrated on the task of trying to solve the massive problems of Newark.

Now, after a rough first year in office, he discussed the problems, the hopes that he knows repose in him and the frustrations he faces. "How long can you sustain this kind of hope without action?" he asked. "I don't think I should be used as a narcotic. I don't think that the power structure or the establishment or whatever you want to call it should think that just my existence here will keep things from happening."

But he acknowledged that he sees little prospect of being able to move forward in a dramatic way. When he took office, he found himself saddled with a $65-million deficit, the heritage of the scandal-studded regime of Mayor Hugh J. Addonizio. Property taxes in Newark were already at a virtually confiscatory level (taxes on a small $15,000 home run to $1,000 or more a year); the city lacked other sources of revenue; Federal funds were being cut back; there was just no money.

Gibson proposed a broad tax package. The key and most controversial feature was a 2 per cent payroll tax to be paid by industry. The white business community was shocked. At one point, the Essex County Assembly delegation flatly refused to support the Mayor's proposals. But a compromise was eventually worked out: The State Legislature passed bills permitting Newark to collect a 1 per cent payroll tax and six other new levies. Then the City Council, still controlled by adherents of the white political machine that had always run Newark, balked. The Council eventually approved the payroll levy and two minor new taxes, but that was as far as it would go. Gibson suggested dismissing 400 city employes as an economy measure, but the Council would not agree. Gibson, unable to economize, was left with a tax package that, it was estimated, would raise only $20-million instead of the $35-million his fiscal experts had calculated the city would need. Part of the gap was closed when the Council decreed that an $8-million accumulated surplus in the separate Water Department account should be used for current expenses.

"The money we need is just to maintain operations," Gibson says, "to pay the police, firemen, clerks, staff. What we are talking about is just enough money to keep us afloat, enough money to let us live for another year. We aren't talking about changing things, improving things—just surviving." When the Water Department surplus was gone, the city was left with nothing to fall back on. "Now we have no surplus anywhere, absolutely nothing," Gibson says. "If anything extraordinary happens, if any crises, this city is just going to be out of liquid."

On his first anniversary in office, Gibson was able to announce three new programs funded by the Federal Government (they would supply $50-million in mortgage funds to rehabilitate 2,500 dwelling units, provide for the appointment of one of the nation's first municipal ombudsmen and establish round-the-clock storefront centers in each of the city's five wards to help citizens with personal problems). But the Mayor intends to keep pressuring for more state and Federal aid, and he confesses: "I'm afraid the amounts we manage to spring loose will be small compared to our needs. We will probably have to cut down on staff and change our way of doing things even to provide the basic services the city has now. Next year, if we are still in the same situation, we will simply have to cut back on staff, and this means we'll have to cut services—the number of times you collect the garbage and clean the streets. I think this is going to have to happen before we get more money. People, you see, just don't believe us. The mayors of our central cities have been crying about the lack of funds for so long that many people seem to think we'll find the money somewhere. They seem to take the attitude: 'Die first, and when we come to your funeral, we'll believe you.' "

One Negro, a lifelong resident of Newark, says: "Ken has been catching hell from all sides, but there is little he can do. Somebody way up above is going to have to make decisions about priorities in this country."

Most of the criticism from Gibson supporters concerns two issues: the selection of a new police director and the handling of the school strike. Both grew out of the one fact that dwarfs all else in Newark—the polarization of the races.

When Gibson was elected, there was a strong demand in the black community that he name a black police chief. Black leaders emphasize such words as "humanity" and "sympathy" and "understanding"; they do not feel that the white man, however good his intentions, can really understand the black man and his problems. They believe that only black teachers can really teach black children. They believe that a white-controlled police force will always arrest blacks for offenses whites might commit with impunity. And they believe that, since they represent 70 per cent of the population of Newark, they must have what they call "proportional representation" in all branches of municipal government—in other words, virtually complete control.

The first manifestation of this thrust for black power came in the pressure on Gibson to name a black police director. He disregarded it and appointed John L. Redden, who had joined the department in 1947 and had consistently scored highest on civil-service tests for advancement. In 1965 he was named deputy police chief, but he really came to prominence after the riots of 1967. He told the gubernatorial commission investigating the riots that gambling was rampant in Newark, and his testimony was one factor in leading the commission to conclude that there was "a pervasive feeling of corruption" at City Hall. To quiet the uproar, Redden was given command of a special gambling squad, and in a two-month crusade he cut such a swath that he was moved to a less sensitive job. He had an image of incorruptibility, but his appointment as police director satisfied no one. The blacks were displeased because Redden was white; the whites, because his record seemed to say he was the kind of man no politician could control. And so the City Council, black and white alike, voted 9–0 against Redden's confirmation.

Gibson was informed of the impasse half an hour before he was to take the oath of office on July 1, 1970, and even before he was officially Mayor he faced down the Council. He says he told the councilmen: "Listen, you are going to have a good relationship with the new Mayor or a bad one. Either Redden gets confirmed or I withdraw all my nominations here and now—and what's more I'm going to tell those people waiting outside just what it's all about." There were some 8,000 deliriously happy Gibson supporters waiting for the inaugural ceremony on the City Hall steps, and the Council could not face the reaction that would be provoked by the kind of speech Gibson threatened to make. Redden was confirmed.

Gibson has never regretted his choice. He had complete faith in Redden's honesty; he considered Redden the most capable man in the department and he thought a black police director would be sabotaged by his white department—and the black community would have to bear the onus for the failure.

"Those guys would have crucified a black director," he says. "At least Redden has some men he can work with. Redden is probably the only man in the department I have faith in as being able to do the kind of job that needs to be done. As far as Redden is concerned, I *know* I'm right."

Despite Gibson's assurance, though, this view is not accepted by the black community, not even by some of its more intelligent leaders. The Redden appointment was the first incident in a potentially dangerous trend, the tendency of the black community to want only black, to think that only black is right.

John Redden, who stepped into the bear pit at Gibson's urging, is stocky, round-faced, with thinning strands of sandy hair. He has a slow, sometimes wry smile, and is deliberate in his speech. He can also be tough. One of his first moves as police director was to shake up the department with wholesale transfers. His aim, he says, was "to improve the credibility of the department" by restoring public faith in it.

"In the nineteen-thirties the rackets took over this town," Redden says bluntly. "Longie Zwillman and Richie (the Boot) Boiardo and their kind ran it. It seemed to me that their object was to neutralize people who could hurt them. They paid off some people and neutralized others through fear or the desire that they just didn't want to be bothered taking the risk of bucking the system. The over-all effect was that the rackets had their way."

Redden is convinced that "the vast majority" of policemen "really believed that oath when they held up their hands and took it," but the top-level political corruption was so bad that in the end many just gave up. Gibson, he believes, "is dedicated to breaking that tradition and providing an improved service. This isn't going to be accomplished overnight." The reason it isn't, he explains, is that many of the conditions that need changing have been ingrained in the department for more than a century. As long ago as 1857, a Newark Mayor called the department "defective" and "inadequate," and a Bureau of Municipal Research study in 1943 noted an "apathy on the part of successive administrations" and "an accumulation of hopelessness and indifference on the part of the community."

Between 1950 and 1960 some 100,000 of Newark's white residents moved out, and Negroes and Puerto Ricans moved in. The two-way migration continued during the sixties. "Society was changing while institutions didn't change," Redden says. Now he wants "to make the racial composition of the department closer to that of the city." Toward this end, he has launched several special campaigns to lure Negroes and Puerto Ricans into the force.

"We decided to do something that all police literature would say is unprofessional and impossible," Redden explains. "We decided to make every effort to recruit police personnel wholly within the boundaries of Newark. Now we have some straws in the wind which indicate we may be able to do this. In our present recruit class of 27 men, there are 16 black men, and they have all been recruited through the normal civil-service procedures. As a result of the recruiting drive we put on in April, we have a list of 77 potential recruits, the largest list since 1962, and about half of them are black."

The Newark force has an authorized strength of 1,225 patrolmen, and fewer than 200 of them are black now. In the past, it has often been difficult to recruit Negroes, for they have looked upon the department as a hostile white enclave. If Redden can continue 50 per cent black recruitment, he hopes in time to break down some of this prejudice while bringing the composition of the force more nearly in line with that of the city.

Despite this campaign, there are still demands that Redden be replaced by a black police director. Such demands were especially prevalent during the explosive teachers' strike. The animosities aroused by that event were fierce, and Redden and his predominantly white force were caught in the crossfire.

It seems in retrospect that the strike, called by the Newark Teachers' Union, should never have happened. Mayor Gibson called it illegal, alienating some of his labor supporters, and he makes it clear that he thinks the black-controlled Board of Education was wrong to let the strike develop over peripheral issues, an attitude with which many black leaders strongly disagree.

Money was never a major factor in the stoppage because everyone realized the city had none. The strike erupted over two provisions in the previous contract, signed when the Addonizio forces controlled the Board of Education. The old contract called for binding arbitration of grievances and teacher exemption from so-called nonprofessional chores. The new board refused to honor these provisions, though it is axiomatic that when you try to rescind benefits won in a previous contract you are going to have a strike.

Gibson had appointed four black and Puerto Rican members to the school board—including Jesse Jacob, then its president—but he still did not have a majority of the nine members, and the board, once appointed, operates independently of City Hall. The Mayor, however, can exercise influence in times of crisis, and Gibson tried. He arranged a conference between board members and union leaders on the eve of the walkout, and he still believes the disagreement should have been settled then. But the new board members, joined by some of the old, stood fast, and their position was endorsed by the black community. David Barrett states the case this way: "The community's reaction was: 'Well, we didn't want that old contract in the first place, and it existed only because the previous Board of Education didn't represent us. Now we have a Board of Education that is representing the community, that is reflecting our will, and it should have the right to negotiate an entirely new contract.' "

Behind the stated strike issues was another, more basic prize: control of the schools. The black and Puerto Rican community saw the strike as an attempt by the teachers' union to dominate the schools, independent of community control; and community people, as Barrett says, became more determined than ever "to have some genuine say about what goes on in their schools, whether at the Board of Education level or the community level."

Barrett, who is now a computer programer, taught for one year at the Clinton Plaza Junior High School, and he draws on that experience to illustrate what he means about the white-black dichotomy in the schools of Newark. "I remember once we were in the teachers' room, and one teacher said: 'So-and-so's mother came in today. Why, you know, I didn't know she wasn't married.' In the Negro community, we accept these things; we know they exist—but we don't stigmatize the child because of it. Another time, another teacher. 'So-and-so's father came in today,' she said. 'He was the dirtiest man I ever saw!' It never seemed to occur to her that he was dirty because he was working at a dirty job to make a living; that he had to take time off from that job to come to school to see about his child; that all of this showed some kind of concern on his part, for which he should have been praised. The fact that this man came to school dirty from his job never would have made any impression on me at all.

"We're talking about attitudes and characteristics—about sensibilities. There is even a difference between white teachers who have been reared in Newark and live in Newark, and those from the suburbs. Those who live here are much closer in understanding of the students—not so close as black teachers, but much, much closer than some of the suburban teachers who have a tendency to misunderstand black kids on the human level."

There are 89 schools in the Newark system, staffed by 4,405 teachers. The school population is 85 per cent black and Puerto Rican; the teaching staff is almost two-thirds white. The racial balance among teachers is reversed in one of Newark's key schools, the Robert Treat Elementary School, in the Central Ward ghetto. Out of 1,100 students there, all are black except for five whites and about 20 Puerto Ricans, but the teaching staff of 65 is three-quarters black. During the strike, only four of the staff joined the strikers, and afterward the community refused to have them back.

Eugene Campbell, a tall, slender 33-year-old Negro with a full beard and mustache, is principal at Robert Treat. Born in Newark, educated in the city's schools and at Newark College, he is alert, quick and decisive in his movements. He is sometimes called an "ultramilitant," a term at which he bridles. Campbell sees the controversial provisions of the old teachers' contract as "ludicrous, absurd, downright ridiculous." To him, there is no such thing as a "nonprofessional chore." He explains: "Children who come in here have to be taught how to use the lavatory, how to use the cafeteria. The only place they've eaten is at home; they have to be taught the routine of the cafeteria, how to eat in a mess hall of 100 or more and to get out promptly when they're finished because we are crowded here." The old contract relieving teachers of such chores provided, Campbell says, "for the training of 252 aides to fill tasks being performed by 2,000 teachers." He snorts in derision. "One emotionally and culturally adjusted teacher is worth eight aides. Only the teacher has the respect of the students. Only the teacher knows how to control situations that may develop."

One of the more turbulent scenes during the strike occurred when 70 unionists picketed Robert Treat. "That caused a lot of bad feeling as far as the community went and as far as the students were concerned," Campbell says. "The students heard people on the picket lines calling their teachers scabs, whores, cursing them in vile language. One of our striking teachers was on the line, and I just got a barrage of phone calls from parents who were angry and upset by the whole performance."

All Newark seethed as the strike dragged on. One tumultuous meeting in Symphony Hall resulted in a small riot after the Board of Education voted to turn down a proposed strike settlement. The black community, enraged at the teachers when the strike was called, now cheered, shouted and applauded the school board's action insuring a prolongation of the shutdown. The reaction can be understood only if one understands what was at stake once the strike started: control of the schools, with race a fundamental issue.

The disturbance in Symphony Hall sorely tried Redden's men. They attempted, without success, to keep the aisles cleared, and in the midst of the fracas arrested the Rev.

Dennis Westbrooks, a Negro councilman from the Central Ward, and four juveniles, accusing them of obstructing an aisle. The audience turned in fury upon the policemen, who used nightsticks to quell the uproar. The arrest of the Rev. Westbrooks provoked a furious backlash. David Barret sums up community feeling: "Would they have arrested a *white* councilman for blocking an aisle? We considered this an outrage, and the whole black community demanded Redden's resignation."

Redden, unwilling to stir up emotions over old issues, prefers not to talk much about the incident now. It is known, however, that a delegation of blacks demanded that he suspend nine white policemen for their actions at the Symphony Hall riot. Redden flatly refused. "For what?" he is said to have demanded. "For trying to do their duty and maintain order?" It is also known that Redden offered to resign and let Mayor Gibson appoint a black police director. Gibson wouldn't hear of it. As tempers mounted, LeRoi Jones called Redden "a racist turkey," and Redden, having had enough, took a weekend for cogitation and then on his own authority issued a press release so blunt that it made some of Gibson's advisers quail. He denounced the inflammatory rhetoric used during the strike and suggested that the black community examine itself. He said:

"Reference has been made to police brutality. Admittedly, there have been instances of police brutality, but let us view it in the context of the display of violence and brutality in the community. In 1950 there were 24 criminal homicides in this city; in 1970 there were 143. This year promises to outstrip last year. Let us view it also in the context of the violence displayed and advocated . . . at public meetings . . .

"The present tensions parallel the conditions that existed before the riots in 1967. At that time a public issue, not of the police department's making, was used to inflame emotions. At that time the same type of demagogic rhetoric and violent conduct at public meetings was used to inflame passions. At that time, persons loaded the guns which were used to take the lives of 23 people. The blood of those persons is on the hands of those who loaded the guns more so than those who squeezed the triggers. The guns are being loaded again by those who would plunge this city into the same type of apocalyptic convulsions it experienced in 1967."

In the aftermath of this confrontation, Mayor Gibson moved forcefully. It is no secret in Newark that he used all his influence to end the strike. Though the manner of it pleased few, he settled it on the only possible terms, ratifying the arbitration and nonprofessional-chores clauses in the old contract and promising the black community that he would appoint a task force on education and that the Board of Education would set up a curriculum committee to study school programs.

(Since then Gibson has appointed to the board Lawrence Hamm, a 17-year-old black high school senior who led the Newark Student Federation in its demands for a greater voice in school affairs during the teachers' strike. In the board reorganization, Jacob was replaced as president by Mrs. Helen Fullilove.)

The resumption of classes brought no end to the polarization in Newark, for the black community saw the strike as just one incident in its drive for power. At the heart of this thrust is the slight, challenging figure of LeRoi Jones. He heads the Committee for a Unified Newark, which solidified Gibson support in the 1970 mayoralty election. He operates out of a headquarters at 502 High Street, a barren, dilapidated storefront at the intersection with Springfield Avenue. The door of his headquarters is plastered with the kind of slogans that raise the hackles of Newark's white residents. The most prominent placard begins: "Young Brother!! It's Nation Time!! Help Build a Black Nation. Become a Simba, a Young Lion . . ." It urges "innovation for revolution." Another placard shows a muscular black man grabbing a white arm holding a revolver and shoving it aloft so that the white man cannot shoot. It describes the goals of the black man in America as "freedom and independence," and declares: "NOTHING WILL STOP US FROM BECOMING MASTERS OF OUR OWN DESTINY."

Jones, when one meets him, seems more moderate than his slogans suggest. He does not rant, but talks quietly, reasonably, as if arguing the undeniable logic of his case. Though he insists that he is not the violent racist whites have pictured, there is the quality of steel behind his deceptive mildness. And some of the things he says in his unemotional way are bound to shock white traditionalists.

"These slogans," he explains, waving to the placards on the wall, "are made to seem violent and racist recause many people benefit by our not being in control. We've worked hard with preschool programs. We try to teach our children pride in our race. That's what these slogans mean. We try to build up a sense of pride and identity. It may shock white people, but it's sometimes easier for black children to identify with Stokely Carmichael than George Washington. After all, George Washington was a slaveholder. That's not to say anything against him, for that was the custom of his time. But the fact remains.

"Then take the situation in Newark. Most of the 20,000 narcotics addicts are in the black community, and the white community hasn't done much about it. How do you expect us to respond to George Washington and 'The Star Spangled Banner' when a situation like this is permitted to exist? If there was a situation like this in the white community, we could see President Nixon threatening to bomb the Turkish heroin growers or cut off trade with France because of its heroin refineries, but with us we don't have the power to deal with it that way. We can't go to a Congressman and say, 'If you don't vote economic sanctions against France and Turkey until this stops, we will see to it that you don't get re-elected.' We don't have that kind of power today. But we must get it."

Jones declares flatly—and it is a sentiment one hears throughout the black community—"There will have to be black control of the City Council in 1974. This neo-colonial situation must end. This city does $3.5-billion worth of retail business every year, and our percentage of it is less than six-tenths of 1 per cent. That is all that remains here. There's a Gold Coast here that surrounds the worst ghetto in the East. Nobody is asking for anything but equity, the kind of equity Americans have always believed in. But this will have to come in time from our own inner creativity."

Given the quality of the Newark schools, which have for years been graduating what Eugene Campbell calls "functional illiterates," does the black community in Newark have the resources to take over completely?

"No," Jones answers. "We are not totally able to run the city at this point. But we know that we have enough black men here now who have the kind of imagination and creativity that, given the opportunity, can be trained to take over these jobs. We certainly know we couldn't do it any worse than the way things were run by the past administration, which was not only racist but corrupt."

Capturing control of the City Council in the 1974 election will take some doing. Four of the nine members are elected at large; the other five represent the city's five wards. In the "at-large" election, the vote in the outlying, almost wholly white North Ward and other white residential districts is a heavy factor. And then there is the Byzantine nature of Newark politics. The old Italian-dominated white political machine maintained power for years by running council candidates who would split the black vote, and the Rev. Mr. Cade says there are rumors that the same tactic will be tried in the next contest. There is also an effort to try to drive a wedge between Mayor Gibson and the blacks led by LeRoi Jones. David Barrett recalls that after the school strike was settled some newsmen tried to get black leaders to say they were disenchanted with the Mayor, but he argues that this isn't so. "We may disagree on an issue or two, like the appointment of Redden and the school strike," he says, "but that doesn't mean we are going to split with the Mayor."

It all requires a delicate juggling act by Mayor Gibson. A true moderate, he must neither alienate his black support nor surrender to it, for he would never have been elected without a sizable white vote. His opponents in 1970 raised the cry that in office he would be the tool of Jones. Obviously, he hasn't been. If he had Redden wouldn't be police director and the teachers' strike might have been allowed to continue to an ultimate showdown. But Gibson makes no secret of the fact that he tries to work with Jones because Jones does, in truth represent powerful segments of the black community. Jones, he stresses, "is very good with young people, with high-school and college students especially. He provides them with a strong image they look up to and respect. And he's very dedicated to the things he believes in. He'll work seven days a week, sometimes 24 hours a day, and a lot of those who oppose him want to work a seven-hour day and a five-day week. I say to them, 'You aren't going to beat a man like LeRoi Jones that way.' "

Gibson pauses, smiles his slow, soft smile, and advances another argument: "I say to them, 'If he's as radical as you think he is, isn't it better to have him working within the political structure to get it changed rather than saying, "Let's blow it up'?" When I use that argument with people, there isn't any answer. They have to agree; they say, 'You're right.' "

There is, of course, another side of Newark, the powerful and important business community. Its principal spokesman has been Donald S. McNaughton, chairman and chief executive officer of Prudential Insurance. McNaughton is one of a growing breed of executives who believe that business must concern itself not just with balance sheets, but with the welfare of communities in which it thrives. He recognizes all the massive problems of Newark, but is still optimistic about the long-range future. He points out that Newark is the hub of Northern New Jersey, "the nation's fourth-largest market"; that it is a great sea, air, rail and highway center; that it is the third-largest financial center in the nation; that it is developing "a huge complex of higher educational institutions." In a recent speech before the U.S. Chamber of Commerce, he cited Newark's problems as symbolic of those of the central cities in which "we are living in a puzzling paradox: poverty and prejudice standing side by side with prosperity and plenty." McNaughton argued that the nation cannot go on this way and survive, and he perceived as "a basic difficulty" the fact that "we have no good system, in fact little system at all, for determining national priorities." He exhorted businessmen to recognize that the Federal Government must establish a sound, long-range priority schedule and to lend their talents to devising it. On this, he said, "the survival of democracy might depend."

Under McNaughton's leadership, Prudential has tried to act on this philosophy in Newark. It helped bankroll the new Gateway motel-business complex, which was needed, McNaugton says, because the demand for office space in Newark is steadily growing. It invested in the University Gardens housing project as a partner of the state under an arrangement to furnish low-income and middle-income housing. It invested more than $1-million in loans with low interest rates to restore three-family and four-family homes. McNaughton explains that the same could not be done for one-family homes "because they cannot afford to pay the taxes."

McNaughton hailed Gibson's election, saying, "Every indication is that he is a paragon of honesty." He assigned Prudential experts to work with the new Mayor in studying the city's finances and trying to get it on a sound operating basis. When the city could not afford the salary that would attract the best business administrator it could find, McNaughton induced the Newark Chamber of Commerce to contribute. The black community reacted with suspicion and hostility; it feared that white business was buying influence in the new regime at City Hall. McNaughton wrote a letter insisting that no one connected with the chamber should try to take advantage of the situation. Later, speaking of black resistance to the salary subsidy, he asked: "Would they rather we didn't do anything? What do they want from us? Do they want us to help the Mayor or don't they want us to help the Mayor?"

Such are the personalities and issues that dominate Newark. The men themselves, whatever their race, whatever their intentions or capabilities, are trapped in a situation that defies solution with the resources at hand.

A social worker says: "A couple of our workers got mugged in broad daylight in one of the housing projects. The women in that area of the Central Ward are scared to go out on the street, even in the daytime. I know one woman who has five children. She drives them to school in the morning, picks them up in the afternoon and takes them right into her apartment. She's afraid even to let them out to play."

A cab driver who works out of Penn Station says: "I'm lucky I don't work the streets. Some cab drivers have been mugged right on the street in broad daylight in the Negro section. They wait until the fare's been paid, then they come at you from both sides. It's like they come right out of the ground, it happens so fast. They wrench open the doors and take the money."

On April 1, Willie Gibson, the 60-year-old father of the Mayor, was on his way to a wake when he was punched, stomped and beaten by a gang of youths. He suffered serious head injuries and was taken to Beth Israel Medical Center, where he spent a week recovering.

Crime and violence hold much of Newark in thrall. Police Director Redden says: "There is a growing demand in the black and Puerto Rican community for better police services. I hear this wherever I go, whether among people who own their own homes or those who live in housing projects—wherever I go in the city there is this basic feeling that people want greater security."

Yet the police alone cannot deal with crime unless social conditions can be changed. And the changes needed are in those areas that have been stressed again and again in every central city of America: jobs, housing, health.

Housing in Newark is a special disaster. One social worker says that landlords in the Central Ward ghetto charge $150 to $160 a month for apartments in tumbledown buildings. The social worker himself had to move from an apartment in which the roof leaked so badly that the kitchen ceiling collapsed. "Every time it rained, you couldn't cook for the flood," he said, "and when you tried to get to the bathroom, you got a shower bath on the way." He searched, and the best apartment he could find—it rented for $125 a month—was in another tottering structure that had only one thing to recommend it: "It was clean."

The health problem staggers the imagination. Mayor Gibson says: "The number of people who die needlessly in heart-attack or accident cases from the lack of instant treatment must be fantastic." No doctor dares go into the Central Ward. No ambulance will go there unless the police have gone to the scene and summoned it. If the police are busy or the ambulance is tied up, the patient often dies.

"I remember a case we had last winter," Gibson says. "I was listening to the calls on the police radio. There was a bad accident near Newark Airport. The policeman on the scene kept calling and calling for the ambulance. 'Where's the bus?' he finally asked. 'It's on a heart-attack case,' he was told. 'This guy's bleeding to death. Can't you do something?' the policeman pleaded. he was told: 'The only ambulance we have is on the way to the hospital with the heart case.' The next morning, I read in the newspapers that two persons had died in that crash.

"We spend all kinds of money for space technology," he says, "but we can't put ambulances on the streets of Newark. And then there's this: Before I took office, Martland Hospital was trying to raise $5,000 for a cardiac machine to treat heart patients. They still haven't been able to raise the $5,000; they still don't have the machine. Now what is $5,000 in this country?"

Perhaps the frustrations that erode the human soul in Newark are best caught in an anecdote told by a black leader about a confrontation game developed by Federal experts and called "Urban Dynamics." Its object is to make different groups in a community aware of one another's problems. Black leaders from the ghetto are put in the position of the white power structure and confronted with its problems; the white, establishmentarian types take the roles of ghetto residents. The black leader who participated in this educational exercise says:

"You know, we reacted just the same way the white establishment does—*the very same way!* Faced with big tax increases, we took our money and moved our plants to the suburbs. Crime went up in the city—we moved out. We reacted just the way the white power structure does—*the very same way!*

"But what was amazing was to see the representatives of the white power class playing the game from the standpoint of the minorities. For the first time, they were really brought face to face with the problems of the black man in the central cities. No job. No decent place to live. Afraid of being mugged. Trapped. It was just too much. Some of them couldn't stand it. They'd just get up and walk out, saying, 'I'm not going to play *that* game any more.' And one became so frustrated and angry that he jumped up and cried out: 'Right on! Burn the city down!'"

Just so desperate is the stuation in Newark.

FIRST U.S. OFFICIAL TRADE DEFICIT IN 78 YEARS

Mr. FANNIN. Mr. President, of all the gloomy statistics published this week, the most alarming are the figures indicating the United States will have its first official trade deficit in 78 years.

Commerce Department figures show that imports exceeded exports by some $363 million in June. This was the first time in two decades that the United States recorded an official trade deficit for any one quarter—a total of $803 million for the 3-month period.

As a result, the United States ended up with a $372 million deficit for the first half of this year.

Secretary Stans says that there may be a deficit for the calendar year 1971. If so, I am told, this will be the first year since 1893 that the United States has had an official trade deficit.

Mr. President, you will note that I say "official trade deficit" in dealing with these statistics. The United States actually has been operating at a trade deficit for the past 5 years.

The system used by the Commerce Department to figure our trade standing is heavily biased in favor of showing a surplus. This is because the exports are figured on a c.i.f. basis and include products paid for by foreign governments using U.S. aid funds. Imports are figured on an f.o.b. basis which minimizes their value.

So it is obvious that when the official Commerce Department figures finally reflect a deficit—as they now do—the trade problem already has passed the serious stage and is now critical.

America, once the unchallenged champion of world trade, is sagging badly.

It is not a matter of national pride that causes my concern over the trade situation. I am not worried that the United States is losing, or has lost, its reputation as the manufacturing and technological champion of the world.

What does worry me is the fact that thousands of American jobs are drifting out to sea each month. The statistics simply go to prove what already is evident—American-made products are losing ground both in their home and foreign markets.

There are several reasons for our dilemma.

One of the main causes is the fact that our Government frittered away our trade advantages. The Kennedy-Johnson administrations allowed trade concessions, especially the unrealistic lowering of American tariffs, without demanding reciprocity by our trading partners. Today these trading partners look upon many many of their special trade privileges as sacrosanct.

Equally as important in causing our current dilemma is the fact that our unions have driven wages so high that many American-made products can no longer compete.

The Labor Department reported yesterday that first year wage increases averaging 10 percent were granted to workers as a result of labor contracts agreed upon during the first half of this year.

Wage increases are far outstripping productivity gains. When this happens, the American people pay for the excessive wage increases through inflation. American products become more expensive and less attractive both at home and abroad.

And American firms find themselves forced to relocate plants overseas or else go out of business. In either instance, jobs for Americans are lost.

Stopping this erosion of our economy is going to take strong and courageous action.

Some foreign governments are starting to realize that they have gone too far in their invasion of the American market. It has started to dawn on them that they could ruin our economy and thus kill off a good market. But their response generally has been much too little, much too late.

What we must have is a firm policy in the administration to end unfair trade practices by foreign manufacturers. Congress must act on proposed legislation to bring some equity in world trade. We must demand reciprocity.

All this will fail, however, if the labor union leaders do not face reality. The unions must stop misleading their workers into thinking that they are entitled to more and more pay for less and less work.

Here and there some unions have come to their senses and are cooperating with management in trying to keep their plants open in the face of stiff foreign competition.

Unfortunately, these instances of labor and management statesmanship are too few and far between. It seems to be more fashionable for union leaders to rush forward in a lemming-like charge to self-destruction. And when wage demands go out of sight, it is obviously easier for plant owners to simply pack up and move abroad.

Many union leaders have been calling for protection for American workers. In many cases, we have advocated the same actions by Congress and the administration.

It should be clear, however, that if unions are looking for strong protective barriers to keep out foreign goods so that they can assess the American people exorbitant charges for their services, then I believe they will have a long and unhappy wait.

I cannot believe that Congress would erect any meaningful protective barriers for American labor without some guarantee that union leaders start acting responsibly.

Needless strikes and exorbitant wage increases in certain key industries have knocked our economy out of kelter. These conditions are crippling our efforts to maintain employment in America and our place in the world markets.

Getting our economic system back into balance could be very painful, especially for those unions and workers who have managed to capture disproportionate wages.

If we do not start correcting some of the inequities at once, we may find that there is precious little left to salvage as far as trade is concerned.

TRUTH IN ADVERTISING

Mr. MOSS. Mr. President, I congratulate the U.S. Chamber of Commerce for its articulate statement of the problem confronting both the consuming public and the business community in the case of advertising, and for its concise propositions which support and affirm the basic tenets of the Truth in Advertising Act which Senator McGovern and I have introduced.

I wish to extend to the Chamber an invitation to testify on the Truth in Advertising Act when we hold hearings on the legislation in October. I urge all Senators to read the statement. I ask unanimous consent that the statement on advertising be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement on Advertising

Advertising is a principal medium used by businessmen to communicate information about themselves, their products and services. It also serves to communicate the appropriate desirability of products in the many instances where consumers already have sufficient information. It is a major influence in shaping the public's image of business.

Moreover, advertising is the consumer's principal source of information about products and services. The business community and consumers alike are the losers when advertisers use tactics and appeals which impeach the good standing, repute and credibility of the business world. In this sense, advertising is a critical element in assuring the consumer's right to quality and integrity in the marketplace—which is so basic to the Business-Consumer Relations Code propounded in 1970 by the Chamber of Commerce of the United States.

In furtherance of this right and the Code, we offer the following propositions concerning advertising:

1. The National Chamber believes that advertising in the spirit of the consumer's right to quality and integrity in the marketplace will possess certain fundamental characteristics: truthfulness . . . accuracy . . . informativeness . . . and relevancy to contemporary standards of good taste and proper values.

2. The National Chamber supports the principle of an effective, voluntary industry system of self-regulation of advertising to achieve the above characteristics through vigorous efforts within the full scope permitted by law.

3. The National Chamber urges all advertisers to have on hand prior to publication appropriate substantiation of factual advertising and to make such substantiation voluntarily available in response to reasonable inquiries.

4. The National Chamber encourages increased business efforts to expand consumer product information. Serious consideration should be given to systems of standardized information in appropriate product categories to facilitate consumer comparisons of important product features. In addition, trade associations should undertake information programs designed to inform consumers of the factors and considerations to be taken into account in selecting products or services.

5. The National Chamber believes added emphasis should be given to information relating to consumer health and safety. Particularly important, we believe, is the development of new concepts in advertising which draw consumers' attention to cautionary instructions on the product label.

Advertising is a tool of incalculable value to our marketing system. It has contributed enormously to the nation's economic growth and prosperity . . . to increased aspirations for all Americans . . . and to the ability of an overwhelming and growing majority of consumers to share in the fruits of economic affluence.

Advertising is also the source of information most relied on by consumers to discover the existence of new products and services, to find out about the characteristics of the various wares offered in the marketplace, and to learn how and where those wares can be obtained. Advertising thus benefits consumers as much as business.

By taking the steps proposed here, industry groups and individual advertisers will have demonstrated anew their contributions to the further assurance of quality and integrity in the marketplace.

MASSLIVING

Mr. WILLIAMS. Mr. President, there is widespread recognition among government officials and urban planners today that we must begin altering the traditional demographic patterns which are responsible for much of the decay, confusion, and urban sprawl, now existing in urban areas throughout the country. Many of the keenest minds in our society are at work on this problem, and they are exploring a number of promising paths toward solving it.

One of the leaders in this search for improved living patterns is a New Jersey man, Louis C. Ripa, chairman of the board of PAR, a planning firm located in Morristown. Mr. Ripa's plan for the future is a concept called "massliving," which is aimed at reestablishing the traditional neighborhood concept, in which people live, work, and socialize in one area, rather than traveling long distances for each activity. This concept was outlined in an article published recently in the Newark Star-Ledger. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Accent's on Neighborhoods

There's a brand new concept in city planning that is really very old. It's called "massliving" and it means breaking down the present isolation between city and suburb and getting back to the old-fashioned neighborhood idea in which people lived and worked and socialized all within the same area.

It has caught the fancy of many in the field of planning and one of its chief proponents is Louis C. Ripa, board chairman of a Morristown planning firm.

"We can no longer be satisfied with beautiful looking high rise mass housing and office buildings where people never meet their neighbors, or with costly highways and freeways that are best described as maddening parking lots," said Ripa.

"It is essential that we design future massliving facilities in such a way as to bring about a return to the old family or neighborhood concept that once existed before we got bogged down in impossibly congested center city complexes and equally ill planned suburban sprawls.

"Today's planning and design separates and isolates people, creating a great many human problems that never before existed. Tomorrow's planning and design must bring people together in human bondship."

Ripa says his goal is to restore the human element in living today. He says his concept applies not only to new towns, such as Rossmoor in Middlesex County which he planned, but to older cities such as Newark and New York.

The planner feels that government and private industry should combine constructing entire new neighborhoods which would consist of housing for persons of different income groups, light industry, shopping and recreation facilities.

These neighborhoods should be self-contained areas that would provide all the necessities and amenities of living, Ripa said.

Some commuting would be necessary and the planner called for construction of a high speed mass transit system that would connect the new neighborhoods to employment areas outside.

Ripa conceded that even partial implementation of his plan would be expensive.

"But it can be done," he said. "It's simply a question of wanting to do it and then going ahead and doing it."

Ripa said that many planners favor the same approach and see what to them are the quite obvious benefits. The chief task is convincing the politicians and the bureaucrats to use available funds more intelligently and to make additional funds available.

Rippa's firm has been involved in a number of planning projects including urban renewal in Newark and Orange and highways in New Jersey and in many other states.

"The urban renewal work is frustrating at times," he said "You have to do things exactly the way that you're told and you're not permitted to innovate at all."

Because of the paucity of "massliving" projects, Rossmoor is the only one with which Ripa is now involved. Begun in 1965 as a senior citizens project, the community, near the New Jersey Turnpike, is now planned for persons of all ages.

There are now 1,500 families living there and there will be 25,000 eventually. The town will eventually contain all the "massliving" elements, including shops, hospitals and light industry.

RAILROAD STRIKES

Mr. TALMADGE. Mr. President, railroad strikes are rapidly leading to a critical situation in the major poultry producing areas in the United States.

Strikes have already had severe effects on the poultry industry in Georgia, North Carolina, South Carolina, Virginia, and California.

These States supply about 32 percent of the Nation's broilers and 28 percent of the commercial eggs.

Last year, the now idled Southern Railroad alone shipped 1,560,000 tons of corn and soybean meal into Georgia at the rate of 28,000 tons per week. The loss of this source of transportation is creating havoc in the Southeast.

At present, feed inventories are extremely low and are declining daily in these States. This situation is developing despite such emergency measures as leasing all available trucks, operating trucks on a 24-hour basis, rationing feed to farms to a maximum 3 days' supply and increasing to a maximum the rate at which grain is being unloaded from barges.

The situation in Georgia is viewed so seriously that Gov. Jimmy Carter has repealed the weight limits on feed trucks.

The present trickle of grain being supplied to the areas by still-operating railroads is being further threatened by the jamming of railyards by the strikes that currently exist.

If this situation continues beyond the week ending August 7, the number of live birds will have to be reduced to prevent large scale starvation. Some North Carolina broiler processors report feed inventories down 50 percent with supplies adequate to maintain their flocks through only August 4. In Virginia the slaughter of some lightweight birds has already been scheduled for August 9.

With the forthcoming strike of one key railroad into the South the resultant feed shortage would most likely force starvation even before the birds could be slaughtered due to the inability of processors to immediately increase processing capacity.

The imminent feed shortages will further cause havoc with consumer prices. The forced slaughter of lightweight broilers will initially flood the market forcing prices sharply downward. This premature slaughter of broilers will cause supply shortages in ensuing weeks thus raising retail prices.

Under normal conditions, and in the absence of a strike, the average number of birds slaughtered weekly for the next 4 weeks in the States mentioned would be:

Georgia	8,475,000
North Carolina	5,857,000
Virginia	1,256,000
South Carolina	510,000
California	1,667,000
Total	17,765,000

The slaughter to avoid starvation of layers will most likely increase egg prices by 20 percent.

The number of eggs which would normally be produced per week is estimated at:

Georgia	109,000,000
North Carolina	77,000,000
Virginia	23,000,000
South Carolina	24,000,000
California	188,000,000
	421,000,000

Because of the shut-down of the Union Pacific Railroad and the Santa Fe, California, the leading State in commercial egg production with 40 million laying hens is expected to experience a critical feed shortage, since 26,500 tons of feed are required per day for the layers. More than 1 million tons of sorghum were shipped to California by the Santa Fe during 1970.

Yesterday, the Secretary of Agriculture issued a press release indicating the severity of the situation nationwide and pointed out the possibility of "sharply rising consumer prices" caused by shortages of food commodities.

In the Washington Post, July 30, I noted that top union and management officials had been summoned to a meeting at the White House to discuss the economic impact of the 2-week-old railroad strike. Let us all hope that something good will result from this meeting.

Mr. President, I ask unanimous consent that the news release by the Secretary of Agriculture and the article prepared by Mr. Frank C. Porter be printed in the RECORD.

There being no objection, the news release and article were ordered to be printed in the RECORD, as follows:

RAIL STOPPAGES CAUSING RAPID DETERIORATION IN MOVEMENT OF FOODS

WASHINGTON, July 29.—"Rail stoppages throughout the United States are causing a rapid deterioration of the orderly movement of essential food products from farm to market," Secretary of Agriculture Clifford M. Hardin announced today.

"In many areas of the United States critical problems are arising due to the inability of farmers to move their crops because of the rail strike. The Secretary pointed out that with the Santa Fe railroad scheduled to go out on July 31, nearly all rail movement of agricultural products from California will be eliminated. This comes at the time of peak harvest of fresh fruits and vegetables of all kinds, including lettuce, cantaloups, grapes, pears, peaches, plums and citrus products.

The Southeastern broiler producers, especially in Georgia and the Carolinas, have feed supplies for only a few days.

The wheat harvest in the Midwest is moving into full swing and in many areas wheat is being piled on the ground because elevators are glutted from the lack of rail movement.

The Secretary said that shortages of certain food commodities will begin to appear in some markets and that as additional railroads go on strike this could become extremely serious and result in sharply rising consumer prices.

"This tie up of rail transportation is having an adverse effect on our farm exports which are essential to our international balance of payments. This comes, unfortunately, just at the time when we have been able to get our farm exports to a record high. It will be a long-time problem if we lose important parts of those markets now", the Secretary said.

"Farmers are in a real bind," the Secretary said. "Income from their year's work depends on moving their products to market when ready."

[From the Washington Post, July 30, 1971]

WHITE HOUSE RAIL TALKS CALLED

(By Frank C. Porter)

With six more railroads due to be struck at 6 a.m. today, top union and management officials have been summoned to a morning meeting at the White House to discuss the economic impact of the two-week-old rail strike.

Meanwhile, prospects for a labor settlement in the steel industry brightened substantially. Despite a news blackout on the steel talks here in Washington, it was learned that the cost-of-living issue has been resolved.

The White House cited "the increasing economic impact arising from the continuation and expansion of the railroad strikes" in calling the 9 a.m. meeting.

Although President Nixon is not expected, attending for the administration will be George P. Shultz, director of the Office of Management and Budget, Chairman Paul W. McCracken of the Council of Economic Advisers and Secretaries James D. Hodgson of Labor and John A. Volpe of Transportation.

Also attending will be Assistant Labor Secretary W. J. Usery Jr., who has been mediating the railroad dispute, George A. Lincoln, director of the Office of Emergency preparedness, and Arnold Weber, Shultz's assistant.

The cost-of-living issue long had been viewed as the biggest single stumbling block to a steel settlement. The United Steelworkers of America had won an unlimited cost-of-living escalator in the can and aluminum industries and with some copper companies. And the union had indicated it would take no less from steel.

But there had been talk that some of the steel companies—particularly U.S. Steel Corp., the industry's largest—wanted to put a ceiling on cost-of-living pay increases.

Although details were lacking last night, presumably the union won an unlimited escalator that would award a penny an hour for every 0.4 per cent increase in the government's consumer price index.

Even so, U.S. Steel was banking its big blast furnaces at Gary, Ind., and other firms were following suit in anticipation of a strike at 12:01 a.m. Sunday.

On the other hand, the steelworkers union scheduled a 10 a.m. meeting today at the Shoreham Hotel of its basic steel industry conference, a committee of several hundred regional and local leaders with power to ratify any tentative agreement.

Whether the meeting was called to advise the members of the status of the talks or in anticipation of an actual agreement could not be determined.

The cumulative effects of the rail strike are beginning to paralyze sections of the country.

Ford Motor Co. announced in Detroit that it will close three assembly plants next week because of a parts shortage caused by the strike.

The Chicago assembly plant, which was to have begun production of 1972 cars next Tuesday, will be closed, idling about 3,300 employees.

The St. Louis plant will stop production of 1972 models, affecting 2,800 workers, and the Kansas City plant, which still is building 1971 cars, will lay off 2,500 employees.

California's Gov. Ronald Reagan wired Transportation Secretary Volpe that agriculture losses in his state now total $11 million a day and if the tieup continues, more than 100,000 Californians will lose their jobs.

Other sources said that with the shutdown of the Atchison, Topeka, Santa Fe—scheduled for today—farm shipments from California will virtually be cut off.

Gov. Tom McCall of Oregon also wired Volpe. He said the combined effects of the rail and West Coast Longshoremen's strike leave his state "facing a shattering compound of potential economic ruin unlike anything in its history."

Talks between the nation's railroads and the United Transportation Union resumed at the Labor Department yesterday afternoon under the mediation of Assistant Secretary Usey, but no progress was reported.

Hodgson has said the government won't go to Capitol Hill for a legislated settlement until all hope for a voluntary settlement is abandoned and the impact of the strike on the national economy becomes intolerable.

The UTU, which is resisting work rule changes sought by management, struck the Union Pacific and the Southern Railway two weeks ago and the Southern Pacific and Norfolk & Western last Saturday.

Scheduled to be struck today in addition to the Santa Fe are the Duluth, Messabe & Iron Range; Elgin, Joliet & Eastern; Bessemer & Lake Erie; the Alton & Southern and Houston Belt & Terminal.

Further strike notices have been filed for five more roads Aug. 6 and another three on Aug. 11.

NURSING HOME PROBLEMS

Mr. MOSS. Mr. President, last month the President of the United States took notice of the problems that confront older Americans and pledged the support of his administration in their solution. The primary thrust of the President's speech as reported in the press was the need to upgrade by withholding funds from substandard nursing homes which he described as "symbols of tragic isolation and shameful neglect."

Mr. President, during my 8-year tenure on the Senate Special Committee on Aging I have presided over more hearings into nursing home problems than any other Member of Congress. I have sponsored major remedial legislation which had the purpose of raising standards of care and providing safer and more adequate facilities for the nursing home residents. In the current series we have held 15 hearings and contemplate a few more prior to issuing our report to Congress. This report currently under preparation not only covers our hearings during this last year and one-half, but covers a 10-year time frame from the creation of the Committee on Aging until the present.

One of the things I have learned with certainty during this period is that there is no one easy solution to the problems found in the nursing home industry. While I am greatly pleased to have the President's expression of concern, I do admit to some uneasiness because of his remarks.

There is little doubt at this point that the administration has had a poor record on the issue of aging, so much so that I was moved to comment in April of last year that the elderly apparently rank in Mr. Nixon's priorities just above raising funds for the Democratic National Committee. Few of us who follow the needs of the elderly will soon forget the statements by administration spokesmen early in 1969 announcing a policy of shifting the Federal focus from care of the aged to care of young people. More recently the Committee on Aging has taken great exception to efforts to downgrade the administration on aging and with some important aspects of the planning for the forthcoming White House Conference on Aging.

This administration has also ordered the step-by-step dismantling of the medicare nursing home program—extended care facilities—in the most arbitrary fashion possible with new regulations resulting in retroactive denials of claims. More recently the administration has taken a position incorporated in House passed H.R. 1 to cut the cost of nursing home care under the medicaid program.

It does seem that the administration, by seizing upon the incendiary issue of substandard nursing homes, is playing on the fears of the elderly; it is what seems to be a trademark of this administration, making highly visible gestures to give the appearance of doing much while in reality doing little.

I make it clear that I am not in favor of the existence of substandard nursing homes. Everyone, including the American Nursing Home Association, applauded Mr. Nixon's pledge to withhold Federal funds from substandard institutions. At the same time I favor fiscal responsibility and do not believe we should tolerate duplicate medicare-medicaid payments or payment for unnecessary services. I am, however, very much in favor of high standards of care serving the needs of the infirm elderly. I am also in favor of integrity in Government. When the Government solicits the participation of a private industry in partnership with Government as we did in medicare then, it seems to me, the Federal Government at the very least owes the obligation of fair play.

Essentially, I am expressing my concern that the President's remarks under the pressure of a possible $33 billion deficit might signal arbitrary cutbacks in the medicaid program. Again there is evidence of this in administration-backed section 225 of last year's social security bill and this year's in section 207 with the same purpose—to limit Federal costs under the medicaid nursing home program. If cost saving is the intent of the administration, let them state their purpose openly instead of hiding behind the pretense of eradicating substandard nursing homes. In my judgment the improvement of our nursing home system will be a complicated and perhaps expensive proposition. Accordingly, I will watch carefully for whatever developments are forthcoming from the White House and from the Secretary's office.

I certainly hope there is no basis for my fears and that the Secretary of HEW will announce a railroad approach to identifying and eradicating the substandard nursing home. In all candor, however, let us admit that the nursing home problem, dramatic and serious as it obviously is, is just one of the many urgent problems facing the aged.

There are at most 1 million older Americans in nursing homes. Perhaps the majority of these receive adequate care. A far greater need—affecting in all probability 16 million out of our 20 million elderly—is the need of more substantial income. Secondly, medicare still only covers 47 percent of the health needs of the elderly. This problem affects almost all of our 20 million elderly and yet the President did not, to my knowledge, announce firm support for broadening the scope of medicare coverage. I could also mention housing. The Committee on Aging cites a projected need for 120,000 federally assisted units a year for the elderly and our current building rate is 41,000 federally assisted units. Some 6 million elderly continue to live in substandard housing. The President did propose his revenue-sharing plan as the solution to rapidly accelerating property taxes which because of their regressive nature rip into the fixed incomes of the elderly. Our current rate of inflation under the Nixon administration is about 6 percent and yet there was no reference by the President of any concrete plans for improvement.

All in all, many of us who have been identified with aging and the problems of the aged are delighted that the President has now spoken out on these important issues. There is much to be done if the White House really intends to make the effort. Time will be the judge of Mr. Nixon's performance. I fervently hope that our older Americans will not be found a year from now with an amplified collection of broken promises.

HOUSING FOR THE POOR AND THE ELDERLY

Mr. HART. Mr. President, for the past several years, much of the Nation's rhetoric has revolved around the call "to change national spending priorities."

Over that same period of time I have received many pleas from communities and individuals asking that housing for the poor and elderly be built in their communities, pleas which give human meaning to that rather sterile-sounding political rhetoric.

In an effort to help where I could, and at least to find out what chance each application had of being funded, I asked for a status report on the projects.

On July 22, the Department of Housing and Urban Development informed me by letter that in Michigan—

> We have pending applications for approximately 10,000 units of housing with a present target allocation of 2,400 units.

That information was in line with informal estimates given my staff previously that only about one-third of public housing applications from Michigan communities would be funded this fiscal year.

That gap between the demand and the money made available by the administration for public housing programs represents a losing effort to meet the need for such housing.

It is my understanding that the administration plans to use only $207 million of the $417 million of contract authority available for this program.

As a result, only 2,400 units of the Michigan demand of 10,000 will be funded. And the number of requests will grow as new applications are received.

If the full amount were used and allocated on the same basis as now planned, 4,400 of Michigan's 10,000 units could be funded.

That is still not enough, but it could spell the difference between reducing the backlog of unfunded applications or letting the number increase.

We may be told that to spend more on public housing will add to the budget debt and to inflationary pressures.

It is my guess that the unemployed construction workers around the country might question the fairness of that argument.

Equally important, because of planning and construction time, probably less than half of the funds would be spent this fiscal year.

And there are better ways to cut Federal spending. The national interest would be served better by spending $400 million for housing than by spending more than $70 billion on the Pentagon, $1 billion for antiballistic missiles or $100 million for a space shuttle system.

If a budget deficit is the big concern, I suggest the administration reduce its $3-billion tax break for industry rather than ask the less affluent and the elderly to wait still longer for decent housing.

It is interesting to note, I think, that these programs are sought not by large cities alone. A quick check of my files shows I have received requests for assistance from these Michigan communities:

Detroit, Trenton, Muskegon, River Rouge, Royal Oak Township, Traverse City, Greenville, Hancock, Lincoln Park, Marquette, Mount Pleasant, Clinton Township, Flint, Hamtramck, Inkster, Escanaba, Sumpter Township, Baldwin.

Grand Rapids, Southfield, L'Anse, Ann Arbor, East Tawas, Negaunee, Garden City, Munising, Evart, Ironwood, Melvindale, Lapeer, Gladstone, Ishpeming, Ypsilanti, Ferndale, Roseville, Sault Ste. Marie, and Gladwin.

It is my hope, then, that the administration will hear the appeal of each of these communities, and of all the communities in other States which have applied for public housing funds, and, hearing the pleas, will heed them by releasing the unused contract authority.

CARGO THEFT: A NEED FOR PROMPT ACTION BY CONGRESS

Mr. WILLIAMS. Mr. President, on July 7, I addressed the Members of this body on the present, drastic situation faced by this Nation with the mounting cargo theft being experienced at our airports. I mentioned then the opportunity we have in the presence of Senate Joint Resolution 54, to alleviate this problem, which is extremely serious at the airports in the New Jersey-New York metropolitan area.

A comprehensive article entitled "Washington Mounts Fight Against Freight Loss and Damage" was published in Traffic Management, which I bring to the attention of Senators at this time. Among other things, the author points up some of the more salient problems involved which provide an overview to the situation. The author points out that a major handicap to mounting a coordinated attack is the presence of responsibility in numerous bodies, but accountability for the attack in none of them, be they carriers, shippers, or law enforcement agencies. He warns, ominously, that we may be seeing now only the "tip of the iceberg" because reliable statistics on the causes of loss and damage are simply not being maintained by the industry.

This article stresses the need for Congress to take the initiative on this problem. But the point was driven home even more emphatically on the 6th and 7th of July, at a conference sponsored by the Department of Transportation and the Transportation Association of America. At that time, those who are most affected by cargo theft, the carriers and shippers, were unable to agree on what steps must be taken to bring a halt to the increasing loss and damage they are experiencing.

As the esteemed Senator from Nevada (Mr. BIBLE) stated when he introduced his bill, S. 942, to establish a Federal Commission on Security and Safety of Cargo:

> Losses, thefts and pilferages have produced inestimable damage . . . the question is: What shall we do to bring about immediate reform?

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON MOUNTS FIGHT AGAINST FREIGHT LOSS AND DAMAGE

(By Lawrence M. Lesser)

The federal government has launched a massive attack on the growing frequency of loss and damage to freight shipments in interstate commerce. Numerous federal agencies, the Congress, as well as many private organizations, are involved in the fight, which is costing American business more than one billion dollars a year!

The Senate Select Committee on Small Business, for example, estimated that in 1969 these losses cost the trucking industry approximately $828 million, the railroads about $210 million, ocean shipping companies more than $170 million, and U.S. airlines from $50 to $100 million. These figures are conservative, since competitive conditions often force shippers and carriers not to file claims or report all losses.

The small businessman, whether he be a carrier or a shipper, naturally is hardest hit when goods are damaged or missing. Unlike a large corporation, he can't afford the heavy paper work, delay and lengthy litigation often necessary in order to collect a claim. Moreover, if too many of his shipments are lost or arrive in damaged condition, he may lose his customers, his market, and even may be forced out of business.

GOVERNMENTAL ACTION

In order to help the businessman fight this problem, Washington is moving on several fronts. Here is a rundown of government activities dealing with loss and damage in transportation.

Congressional investigators are inspecting transportation facilities throughout the country in an effort to find out who is responsible and what can be done to reduce the rise in freight theft and damage.

Two congressional committees are probing into the causes of property damage and crime in transportation.

The Treasury Department has set standards for the handling, storage and owner identification of international cargo, and has required bonded warehousemen, customhouse brokers and carriers to submit lists of their employes.

The Interstate Commerce Commission and the Civil Aeronautics Board are conducting investigations into loss and damage, and both agencies will require carriers subject to their jurisdiction to submit detailed reports of all claims filed.

Senator Alan Bible (D.-Nev.), chairman of the Senate Small Business Committee, has sponsored legislation to establish a Commission on Security and Safety of Cargo that would develop long-range solutions within two years; the bill also would require ocean carriers to submit quarterly reports to the Federal Maritime Commission on lost or damaged cargo. And before the commission completes its work, the measure would require the Secretary of Transportation to issue regulations for the security and safety of freight by all modes.

TREASURY REGULATIONS

The new Treasury regulations, which became effective April 1, should have some immediate impact on the safety of cargo. They require district directors of Customs not to grant a permit to unlade cargo unless the terminal provides secure storage for freight with a high value-to-weight ratio or for cargo packages that have been opened.

Second, when a district director finds that a particular terminal area has a high incidence of theft or pilferage, he is directed to require the broker or consignee to fill out a prescribed pickup form which certifies a particular trucker or other agent to receive the merchandise. The district director can refuse the release of merchandise from Customs custody until the delivery is completed and verified under the supervision of a Customs officer.

Third, district directors are authorized to require carriers and proprietors of bonded warehouses to submit written lists containing data on all persons employed by them in the unlading, carriage, receiving, storage or delivery of imported merchandise, and to demand from customhouse brokers a list of all employees. A requirement for issuance and display of photo-identification cards within areas where there is a high incidence of theft and pilferage is still under review within the Treasury Department.

Unfortunately, the Treasury regulations deal only with commerce under Customs jurisdiction, which generally is limited to airports and seaports. The new directives do not cover the vast number of truck terminals, railroad yards and freight distribution centers throughout the United States where loss and damage to freight is an even greater problem.

The major handicap to mounting a coordinated attack is the widespread responsibility among carriers, shippers and law enforcement authorities for protecting cargo. Everyone is responsible, but no one is accountable.

Thus, Congress investigative and legislative activities are of the greatest potential significance for the formulation of long-term solutions. Next to the President, the Congress is the only body in the nation that can bring all concerned parties together to develop solutions. Recent hearings helped to focus national attention on the problem of theft and damage and have gotten people thinking about possible preventive measures.

CARGO SECURITY COMMISSION

The Commission that Senator Bible proposes would cover all phases of the distribution cycle and would rely on shippers, carriers, labor and government for input. "This is a complex, technical area," says an aide to the senator. "Let the shipper and the carrier have his input and come up with recommendations. Whether they involve legislative, regulatory or operational suggestions, you've got to get in and grapple with it. This bill gives them the opportunity to do so."

The proposed Cargo Security Commission would be charged with the following duties:

Define the causes and scope of the problem.

Evaluate methods to deter crime and damage.

Exchange data with the various carriers.

Study and evaluate present carrier liability limits and the adequacy of such limits.

Develop a uniform loss and damage reporting system by the different modes.

Create physical facility security standards and encourage voluntary acceptance by the various industries involved.

Evaluate the need for a federal licensing and/or identification system of all individuals engaged in cargo handling.

Complement programs of the different modes.

The proposed 10-member commission would contain air, truck, rail and water carrier representatives, two representatives of the cargo handlers labor organizations, one shipper representative and representatives of the Attorney General, Secretary of Transportation and Secretary of Commerce. Additional advisory members would come from the insurance industry, the regulatory commissions and other government agencies.

Loss and damage actually is a very broad area that encompasses theft, crime, pilferage and hijacking of freight. It also includes delay, concealed and visible damage, heat or cold and water damage, wreck, fire and catastrophe.

Just how far does the measure of loss extend beyond the actual value of the goods?

As one witness told the Senate Small Business Committee:

". . . The losses suffered by some of these firms have had an extremely serious impact on their business. The direct financial losses are only the most obvious consequence. Insurance rates have been increased. Some policies have been canceled. But even more important is the fact that business and profit opportunities have been lost, sometimes forever."

The hearings also revealed that attempted theft and pilferage may be a major cause of damage to freight.

LACK OF STATISTICS

Getting a solid grip on the problem is impossible today because none of the carrier modes maintain records of the causes of loss and damage. "Somewhere along the line, this area has to be covered," says a Small Business Committee investigator. "We can't tell how big the problem is till we find hard statistics."

Beginning with the third or fourth quarter of this year, the ICC and CAB will require large motor carriers and airlines to submit uniform quarterly reports of cargo loss and damage claims. The claims will be reported in the order they are filed and will be combined in dollar amounts by type of shipment, cause of claim and, as far as practical, the location where the incident occurred.

So far, the FMC has balked at imposing a similar requirement on the maritime industry, but Senator Bible's bill would also require ocean carriers to file reports.

What about the railroads, freight forwarders, water carriers and pipelines subject to ICC jurisdiction? Will they be required to submit reports on loss and damage claims?

"Certainly, if we put a requirement on the motor carriers, it will naturally follow that we'll do the same with the other modes," says Howard Domingus, assistant director of the ICC's Bureau of Accounts. "Once we get the first mode finalized, we'll follow right through with the others, with the possible exception of the pipelines, which don't have the same loss problems . . ."

Both the ICC and CAB also are probing all facets of the loss and damage problem, including limits of carrier liability, carrier claims-handling practices and statutory authority of the agencies to monitor loss and damage claim practices.

Surface carriers voluntarily set rules governing loss and damage claims. They are not contained in tariffs on file with the ICC. And although many shippers think otherwise, the ICC has no authority to settle individual claims between shipper and carrier. The only recourse a shipper has is to go to court.

Legislation has been introduced in Congress for several years now that would reimburse shippers for reasonable attorney's fees if they are successful in a suit brought against a carrier for loss and damage. Last year, the measure passed the Senate but died in the House as the 91st Congress ended. The bill now has been reintroduced.

The ICC investigation, Ex Parte 263, was initiated in response to complaints from shippers regarding a move by railroads, truckers and freight forwarders to limit their liability after Aug. 1, 1969 to not more than 50% of concealed damage. The rails supposedly withdrew their rule in Jan., 1970, but shippers claim that railroad agents still follow the philosophy imbedded in the rule.

More than half the complaints the ICC receives against carriers concern loss and damage claims. In 1969, the Commission received approximately 7,000 such complaints—up from 4,000 in 1968 and 2,500 in 1967.

Nearly all the complaints involve alleged failure by carriers to acknowledge that a claim exists, to answer inquiries regarding the status of a claim, or to settle one within a reasonable time. Shippers estimate that *concealed* damage claims alone total between $30 million and $50 million a year for all ICC-regulated carriers.

There are four fundamental questions involved in this proceeding:

Does the ICC have authority to investigate or consider this concealed damage matter?

Does the Interstate Commerce Act require procedures under Section 5(a) to relieve carrier groups of liability from the antitrust laws?

Have the carriers received 5(a) approval from the ICC sufficient to cover their joint action to limit their concealed damage liability?

Do the tariff-publishing requirements of the Act require that concealed damage claims rules of the carriers be filed in tariffs with the ICC?

SHIPPER VIEWPOINTS

The importance of this investigation to shippers and to business generally is underscored by the active participation of nearly 1,700 parties, including 193 members of Congress. Here are some shipper comments:

J. A. Boyd, president, Florida Furniture Dealers Association, Inc.: "It is time for a neutral source to intercede to work out more satisfactory rules and regulations for all on concealed damages and claims generally."

W. W. Clifton, traffic manager, Hastings Potato Growers Association: "We believe procedures are presently available with which claim procedures could be improved considerably, provided such procedures are made applicable to all regulated carriers and are fully and properly complied with."

James E. Ourand, manager, traffic and warehousing, Black & Decker Manufacturing Company: "Establishing reasonable procedures that would reduce the cost of processing claims would, in our opinion, significantly mitigate the loss and damage claim problem."

Four major meat shippers, George A. Hormel & Co., Oscar Mayer & Co., John Morrell & Co. and the Rath Packing Co., have suggested that the ICC require carriers to adopt the following measures with regard to loss and damage claims:

Pay interest at the prime rate on all claims for which they are liable.

Acknowledge receipt of each claim in writing within 15 days.

Investigate all claims to determine whether to acknowledge or deny liability.

Either acknowledge or deny liability in writing within 120 days after receiving the original claim, where possible.

On each claim, maintain a separate file which contains all documents and writings relating to the claim.

Pay claims within 14 days after acknowledging liability.

In case of failure to pay, allow shippers to deduct the full amount of the claim with interest, from any freight charges owed to the carrier.

Another major cause of damage, particularly to furniture, is rough coupling of railroad cars in freight yards. Addressing the annual meeting of the Freight Claims Division, Association of American Railroads in St. Louis, Mo. last May 19, R. C. Grayson, president and chief executive officer of the St. Louis-San Francisco Railway Co., told his fellow railroaders:

"If two space ships can be gently docked together while orbiting the moon at a speed of thousands of miles per hour, there ought to be a way to eliminate rough coupling in a railroad yard."

AIR CARGO LIABILITY

Like tariffs on file with the ICC, airline tariffs do not contain carrier rules relating to handling of claims. Shippers charge that the lack of uniformity, both in these rules and in carrier interpretations, is a source of constant irritation to them.

Air cargo liability limits are set by law, however; therefore, they do appear in tariffs on file with the CAB. International limits are set at $7.50 per pound for nearly all world airlines by the Warsaw Convention of 1929.

Liability on domestic traffic is limited to 50 cents per pound, not to exceed $50 per shipment, unless the shipper declares a greater value on the air bill when he tenders the shipment to the airline.

Many shippers are not aware of the limitation on liability for air shipments, even though the law presumes that the shipper knows. Neither are the airlines under any obligation to inform the shipper that their liability is limited or that the shipper can be covered for a greater amount by declaring a greater value to his shipment and by paying 10 cents per $100 value over the regular limit.

The CAB investigation, Docket 19923, may provide answers to the following questions:

What is the extent of the CAB's authority over airline practices relating to cargo liability, loss and damage?

Should the CAB require U.S. airlines to inform shippers of existing liability limits as well as the fact that shippers can elect to obtain greater coverage?

Are present domestic and international cargo liability limits adequate or should they be raised?

The scheduled airlines recently conducted their own study of carrier liability rates and concluded that present rates are adequate and should not be raised.

The Senate Small Business Committee, however, examined the study and found it inadequate. The Committee said the airlines failed to support their conclusion, adding that it was obvious from the number of complaints to the CAB that shippers felt present liability rates were too low.

The Committee also felt the airlines should be required to inform a shipper, at the time they receive his cargo, of the rate of liability and the means by which he can obtain increased coverage. (See box containing recommendations of Senate Small Business Committee.)

WHO IS RESPONSIBLE?

The two key questions with regard to loss and damage are: (1) Who has and who should have primary responsibility for protecting cargo against theft or damage? (2) Where does management responsibility end and public responsibility begin?

Carrier managements claim that despite increased security and protective devices, they cannot solve this problem without help from public law enforcement authorities. Shippers and congressional investigators counter that the carriers have not done all they could to assure safe transport of property, and have the pictures, which this reporter has seen, to prove it.

"In my judgment, these hearings over the last two years have brought out one fact crystal clear," says Senator Bible. "That is that the airlines, the trucking and the maritime transport industries must come to grips with this problem before it overwhelms us. Government agencies, likewise, must provide more affirmative attention than they have in the past."

As the senator stated when he introduced his bill to establish a Federal Commission on Security and Safety of Cargo:

"Losses, thefts and pilferages have produced inestimable damage in cargo. This is no longer a matter of dispute. The question is: What shall we do to bring about immediate reform?"

Findings of the Senate Small Business Committee

1. A uniform system of quarterly reports on damaged, lost, missing and stolen freight for all modes is the first step in mounting effective strategies of either prevention or apprehension.
2. The Department of Transportation, in conjunction with other federal agencies, should prescribe regulations establishing packaging, labeling and documentation requirements for property transported in interstate or foreign commerce.
3. The Civil Aeronautics Board should require all air carriers to inform the shipper of the carrier's rate and limit of liability, and the fact that the shipper can, by making appropriate declaration, obtain increased liability for his shipment. The carrier should have the shipper sign a document acknowledging receipt of this information and indicating acceptance or rejection of increased liability.
4. Concerned federal and local agencies should approach the problem on an intermodal basis by considering the truck, rail, air and maritime transport chain together.
5. Efforts of the private sector to deal with crime, theft and damage in transportation should be encouraged, promoted and aided by federal cooperation.
6. The efforts of the carriers, who have primary responsibility for the safety of goods in transit, should be recognized as a matter of high public interest and concern.
7. The DOT should take a more affirmative approach in dealing with this problem and eliminate the "rhetoric and vacillation now apparent."
8. Statutory authority should be granted to the Secretary of Transportation to establish, in consultation with other government agencies, minimal physical security standards at all U.S. airports, seaports and terminals.
9. Criminal data collected under the proposed recommendations should be submitted to the Department of Justice for analysis, research and recommendations for additional statistics as needed.
10. Federal agencies should submit legislative recommendations to Congress where greater statutory authority is required.

RECORDING FOR THE BLIND, INC.

Mr. TUNNEY. Mr. President, Mary Jane Cummings is a 22-year-old graduate of the University of Texas at Austin. She was the valedictorian of her class and maintained a 3.8 average.

Linda Edwards is a 23-year-old graduate of the Idaho State University where she had the highest average in her graduating class.

Ann Marie Pasquale was graduated from the Catholic University of America in Washington, D.C., with a near perfect 3.9 average in East Asian languages.

These three girls share much in common. They are all very young and very bright. They have all achieved significant academic honors throughout their college careers. They all have very promising futures. And, they have all been blind since birth.

They are just a few of the thousands of people who benefit from the work done by an organization know as Recording for the Blind, Inc., a national nonprofit organization which records and circulates textbooks and educational materials free of charge for any visually handicapped student or adult seeking an education. Blind students in elementary schools, high schools, colleges, and graduate schools as well as professionals from many fields require educational materials in pursuit of their vocations.

The nucleus of Recording for the Blind, Inc., are the volunteers whose work provides hundreds of visually handicapped men, women, and children with a comprehensive national circulating library of recorded educational material for the free use of anyone who, because of visual or physical impairment, cannot read.

There is no comparable storehouse of up-to-date recorded academic literature anywhere in the world. Recording for the Blind, Inc., not only records new books on request but retains a master tape of every book it records and, from its master tape library, supplies individual taped copies to any number of future borrowers. No other educational resource encompasses the exhaustive range of highly specialized recorded texts required by blind persons determined to maintain themselves in an increasingly specialized society.

Recording for the Blind, Inc., handles thousands of requests annually. When a visually handicapped student or professional is in need of any material, he makes a request through one of the local RFB units. A volunteer reader will then record the textbook for the student unless it has previously been recorded and is in the master tape library. He will then be supplied with a tape recording of the requested item.

All of the reading is done entirely by volunteers who have passed voice tests and have been trained in standard recording procedures at one of 17 recording units in cities across the country.

All of the tapes are provided free of charge. Last year in the State of California, 839 blind students benefited from RFB's services; 282 in Los Angeles County alone. Three hundred and sixteen books were taped and distributed. A total of 6,147 hours of work went into the recording of these books.

As of June 1971, RFB's master tape library contained 14,562 titles covering a broad spectrum of human knowledge. The Los Angeles unit of Recording for the Blind has six soundproof recording and monitoring booths. While a book is being recorded a monitor is also present to check the quality and the accuracy of the reading. In addition to the 356 volunteers in Los Angeles there are over 300 in San Francisco and over a 100 in Pomona who record texts and perform various other duties. The units are supported solely by contributions. There are no endowments.

Mr. President, were it not for the efforts of Recording for the Blind most blind students would have no hope of being able to compete on even terms with others both in college and in business. RFB's efforts have shown that blindness is no barrier to success. Whether it be in the law, teaching, psychology, business, social work, electronics, journalism or agriculture, it is difficult to find an area of endeavor too difficult or too challenging for an ambitious blind person to overcome.

I commend the work done by Recording for the Blind. I regret that more people are not aware of the tremendous efforts that are being made on behalf of the visually handicapped members of our society. All of us can benefit from observing the determination and the courage that is exhibited by the blind. All of us can learn from the strength that these people show in pursuit of their goal—and opportunity to compete with sighted persons and live a life of participation and dignity.

All of us can learn from the sacrifices of time and effort that many have given so that recordings might be available to the blind. Because of the efforts of Recording for the Blind, hundreds of men and women have become valuable contributing members of society—and hundreds more will have the same chance.

THE FARM CREDIT ACT OF 1971

Mr. ALLEN. Mr. President, it is with a considerable measure of pride that I reaffirm my support for the Farm Credit Act of 1971, S. 1738. I was a cosponsor of the bill introduced by my colleague, Senator TALMADGE. As a member of the Subcommittee on Rural Electrification and Credit, I was privileged to attend and preside over a substantial portion of the hearings held on this important piece of legislation.

There is no question that the Farm Credit System is one of the greatest success stories in the history of self-help. The System as we all know was originally founded and capitalized by the Federal Government. The farmers and ranchers who have utilized its services over the years have succeeded in completely retiring the Government investment and the System is now completely owned by the approximately 1 million agricultural producers who presently own some $2 billion in net worth in this System. As many of the witnesses appearing before our subcommittee emphasized, this Farm Credit System has succeeded in helping to overcome one of the traditional problems in rural areas, that of a lack of needed capital. It has served as the mechanism by which the farmers and ranchers in rural areas have been able to tap the central money markets in our economy and in this way have helped to finance the marvelously productive American agriculture of which we are all direct beneficiaries.

Our study of the existing Farm credit law and the proposed legislation revealed conclusively that this updating in the legal charter under which the Farm Credit System operates is badly needed.

During our consideration of this measure certain questions were raised concerning possible unfair competition for the farmer's excess funds between the Farm Credit System's sale of investment bonds and the commercial banks' time deposits.

It appeared to me as we heard testimony on this measure that it might well not be in the public interest to permit the Farm Credit System to sell its investment bonds at a higher interest rate than local banks could offer. Therefore, with the purpose in mind of maintaining a fair and equitable balance between the Farm Credit investment bonds and the time deposits of the commercial banks, I offered an amendment, adopted by the Senate Agriculture Committee, which assures that any Farm Credit obligations issued such as the present Farm Credit investment bond will be subject to the same limitations with regard to rate, amount, and maturity as those imposed on its member banks by the Federal Reserve Board.

In addition, we heard testimony which called for taxation of the Federal land banks. The committee gave these views considerable consideration, and at my request the Farm Credit Administration was asked to answer to the committee in greater detail with respect to the taxation issue. On examination of FCA statements and on reviewing the history of Farm Credit legislation, the committee decided that this matter was primarily within the jurisdiction of the Senate Finance Committee and the House Ways and Means Committee. We, therefore, suggest that those committees undertake a review of the tax obligations these institutions should bear to achieve equitable taxation compared with other lending institutions.

In my opinion, the amendment with respect to the investment credit bond and our careful consideration of the need to review possible inequities in the land bank taxation matter both resulted in a better balance among farm lending institutions.

This is a forward-looking piece of legislation which will permit the system the flexibility necessary to help meet the agricultural credit needs of the future and at the same time will assure that it continues to operate on a sound and responsible basis. It will continue to assure that the agricultural producers in every area of the Nation have access to a good and dependable source of credit to finance their operations.

There are many desirable provisions which serve to recommend this legislation. I would cite two of these provisions as examples. The Federal land banks are presently restricted to lending 65 percent of the normal value of agricultural real estate. There is no question that this was in former times a desirable and necessary limitation. However, these banks have accumulated 54 years of experience and expertise in the farm real estate financing business. The demands of modern agriculture are such that the limitation inhibits the capability of the Federal land banks to render the maximum of credit service to deserving agricultural producers. This legislation removes this unnecessarily restrictive loan limitation.

The second provision to which I will call your attention provides authority for the Federal land banks to finance nonfarm rural housing. Those of us representing rural areas are acutely aware of the need for sources of financing to facilitate the construction of housing in rural areas. Revitalization of our rural areas is an absolute requisite to a solution of the problems confronting our urban areas. The authority provided herein for the land banks to finance rural housing will not by itself accomplish the entire job of rural area development. It will, however, make a modest contribution to that end and the Farm Credit System is to be complimented for its recognition of this problem area and its willingness to make a contribution toward an overall solution.

The Farm Credit System is a tried and true mechanism. The bill before the Congress will permit the system to do an even better job than it has in the past. I am happy to reemphasize my support for the Farm Credit Act of 1971.

ALLEVIATING THE DOCTOR SHORTAGE

Mr. KENNEDY. Mr. President, we are all aware of the health-care crisis facing our Nation, a crisis intensified by the present shortage of 50,000 physicians. Many medical schools receive so many applications that they must turn away individuals who, given the opportunity, could be trained as physicians. I should like to bring to the attention of my colleagues an article titled "Alleviating the Shortage of Physicians," published in the June issue of Science magazine.

The article describes the efforts of the University of Miami School of Medicine to increase their output of physicians. A new program has been set up to accept applicants with a Ph. D. in the physical sciences. After 2 years of clinical training, the Ph. D.'s will be granted an M.D. degree. In addition, planning has been underway to shorten the time required for the total premedical and medical training.

If all medical schools adopted shortened curriculums, hundreds of additional physicians could be added to our health-care system each year, and many qualified applicants who are presently turned down by medical schools would have the opportunity to study medicine.

I ask unanimous consent that the article entitled "Alleviating the Shortage of Physicians" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALLEVIATING THE SHORTAGE OF PHYSICIANS

(By William J. Harrington, William J. Whelan, Bernard J. Fogel, E. M. Papper)

(NOTE.—Figures referred to not printed in the RECORD.)

The shortage of medical manpower in the United States has been characterized as "the most serious in any major occupational group" (1).

It has been estimated that 50,000 more physicians are needed than are available (2). Among other corrective measures, The Carnegie Commission on Higher Education has recommended a 50 percent increase over the next decade in enrollments in schools of medicine.

At the University of Miami School of Medicine, a program has been designed which will result in a more rapid increase in the output of physicians while implementations of long-range plans are under way. The program is based on the belief that many men and women with a degree of Doctor of Philosophy in a biological science and some with a degree in a physical or engineering science have already fulfilled most of the requirements of the first 2 years of medical school training. A preclinical program of a few months' duration, tailored to individual needs, should bring these exceptionally qualified candidates into our third-year curriculum, enabling them to obtain degrees of Doctor of Medicine within a total period of from 18 to 24 months.

If all 4-year schools of medicine introduced similar programs, several hundred additional physicians could be graduated over the next 2 to 3 years. The cost would be low. And most important, there would be better use of some of our best national talent.

BACKGROUND

The history of medical education in the United States is generally divided into pre- and post-Flexnerian eras. Nonuniformity was replaced by standardization, within the natural sciences, with recognition also of the humanities. While not intended, the gains were priced in a pattern of conformity which was close to stereotype of both medical school and premedical training.

Since the Flexner report (3), and especially over the past 20 years, there have been other reforms, individually less dramatic, but collectively striking. The need for physicians in World War II resulted in an "accelerated program" for medical students. And growing concern on the part of both faculty and students for more flexibility has led most schools of medicine to design multiple options in preparation for professional careers. There is now broader social as well as technological emphasis. Most schools of medicine have accordingly undertaken major changes in their curricula. These need no reiteration other than to recall the concepts of "core material" and "negotiable time," principles embodied in our own curriculum and readily adaptable to the proposed program.

Sputnik I led to national expansion of advanced education in natural sciences of all forms. For medical schools this thrust was reflected by a decline in the "quality" and in the number of medical school applicants. Both quality and quantity later returned to the previous standards as the pool of undergraduates enlarged. Nevertheless, responses to federal encouragements of the late 1950's and early 1960's are now measured in larger numbers of young graduates with exceptional educations in the sciences and fewer opportunities for their direct use. Recent trends in higher education, cutbacks in federal space programs, the establishment of new priorities for social sciences, and reductions in technologic training programs make it difficult for qualified young scientists to find or retain positions in their chosen fields. Careers in universities are also less secure than they were. Furthermore, the increasing social consciousness of young scientists has attracted them to careers which are directly concerned with the needs of their fellowman. Accordingly, more Ph.D.'s are now applying for admission to medical schools, and larger numbers of undergraduate students who would have pursued a graduate education are seeking entrance; there is more than a 20 percent increase in medical school applicants for 1971. Yet the Ph.D. with proven accomplishments in basic sciences in their most rigorous forms finds himself in competition for entrance into the *first* year classes of most medical schools—a redundancy, with waste of time and manpower.

PROPOSED PROGRAM

Twenty Ph.D.'s with outstanding academic records have been accepted into a special 2-year M.D. program at the University of Miami School of Medicine starting in July 1971.

These 20 Ph.D.'s, 17 men and 3 women, were chosen from the 130 applications received prior to the deadline for acceptances. Their major graduate disciplines are distributed as follows: anatomy (1), biochemistry (2), biology (1), chemistry (1), genetics (1), metallurgy (1), microbiology (3), molecular biology (1), pharmacology (2), physiology (5), and physics (2). Their present occupations range from graduate students just completing their Ph.D., to postdoctoral fellows, to college and university faculty. They range in age from 25 to 35 and come from 11 states across the United States. Four candidates, having minimum biological background, represent a special challenge, but their academic records have convinced the committee that the challenge can be met.

Admission. A special admissions committee of three clinicians and three basic scientists (4) selected the students. In June 1971 each student will take the part 1 test of the National Boards of Examiners, not for licensure credit, but to validate the waivers of courses in which the basic science departments of the School of Medicine judge the candidate already to be proficient. The results of the examination will also aid in the design of curriculum tailored to individual needs. Remedial course work will start in July, and deficiencies in biochemistry, biological structure, and physiology should, in large part, be overcome before the beginning of the regular school year in September.

Curriculum. Our present regular curriculum is diagramed in Fig. 1. The special program is projected for 2 years, this being the maximum time that any trainee should require. It consists of basic and clinical sections. Basic sciences will be emphasized in the period July to November 1971 and will be divided into an initial 10 weeks for remedial courses in biochemistry, biological structure, and physiology, followed by the regular second-year core course, 11 weeks in duration, in microbiology, pathology, pharmacology, and introduction to medicine. At the end of this 21-week period, part 1 of the National Board Examinations will be taken to measure accomplishments in those subjects for which a waiver had not been given. Depending on his performance, the trainee will then be admitted directly into core clinical training or will take additional work in the basic sciences, in a flexible period of up to 24 weeks' duration. Part 1 of the National Boards will be taken for licensure credit in June 1972.

The core clinical training, identical to the present third-year curriculum, will occupy 48 weeks, as follows: 12 weeks of medicine, 12 weeks of surgery, 6 weeks of pediatrics, 6 weeks of obstetrics and gynecology, 6 weeks of psychiatry, 4 weeks of neurology, and 2 weeks of anesthesiology. Students will therefore complete the overall program between November 1972 and June 1973, and will be required to take part 2 of the National Boards in June 1973.

Each student, upon successful completion of his basic science and clinical requirements, will have various options made available to him. He can make up any additional deficiencies which might be required for licensure in certain states; he can enter the regular elective program, or he can be awarded his M.D. degree and proceed immediately into an internship of his choice in this medical center or in other centers with which affiliations have been developed (Fig. 2).

This option would require the acceptance of interns into house staff programs at any time of the year. Participating institutions in this medical center will budget intern positions more randomly throughout the year. Regular commencement exercises are held here in January and June of each year. The award of the M.D. degree could take place at one of these times, or could occur at any time during the year.

COMMENT

The program described above is intended to be retained indefinitely, although the present imbalance in numbers of individuals with advanced degrees in sciences, relative to current national needs, will change. By our proposal, we do not imply any judgment on the extent of the claimed imbalance (5). Whatever its extent, in addition, there will always be candidates, highly trained, who seek a new career.

In various forms, some accelerated programs of a character different from the one proposed here are already established elsewhere (6), and the concept is endorsed by the Carnegie Commission (1).

Planning has been under way for 3 years in the University of Miami School of Medicine, to shorten the time required for the total premedical and medical training (Fig. 2) (7). Our overall planning includes a period of core training, suitable for either an M.D. or Ph.D. route. The Ph.D. to M.D. program described here is a part of the more comprehensive plan.

SUMMARY

A curriculum is described whereby qualified Ph.D.'s can become M.D.'s within a period of 18 to 24 months. It is feasible and logical not only for us, but for other schools of medicine. It is our belief that adequate safeguards have been included to preserve high quality in education while responding to the need not only for more physicians, but also for improved utilization of some of our best-trained manpower.

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JOHN PROTO

Mr. WILLIAMS. Mr. President, on August 1, Mr. John Proto, one of the foremost labor leaders in the State of New Jersey, will step down as an international representative of the United Steelworkers of America. Happily, he will continue as secretary-treasurer of the New Jersey Industrial Union Council. John Proto has been in the vanguard of the labor movement since the darkest days of the depression, and the working men and women of New Jersey have been the beneficiaries of his energies. I ask unanimous consent that an article, recounting some of Mr. Proto's career, published in the Newark Star-Ledger, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Steelworkers Are Losing Proto

(By Tom Gallagher)

John Proto, one of New Jersey's prominent labor leaders, will step down after 28 years as an international representative of the United Steelworkers of America on Aug. 1—the same day a nationwide steelworkers strike has been threatened.

Actually, such a work stoppage would be nothing new to Proto whose entire career in the labor movement has been uncomfortably spiced by one upheaval after another.

The likeable Proto's first job was as an apprentice with the Montclair Local 11 of the Bricklayers Union and he worked alongside of Jim McHugh, who has since risen to posts of prominence in his own Bricklayers International.

In 1932, during one of the worst depressions to ever hit the country, Proto was forced to move to the Worthington Pump works in Harrison and begin as an apprentice coremaker at 25 cents an hour.

As he recalls: "When jobs were nonexistent and you and your family still had to eat, believe me, that was big money."

With James Matles, who was later to become embroiled in a losing battle to hold off the raiding right-wing IUE under James Carey, Proto founded the first union at the Hudson County plant—a machinists' lodge—in 1935.

He became a charter member, treasurer and then president, a post he held until 1943 when he organized the plant for the steelworkers of the CIO. He quickly became an international representative with the labor union.

Proto actively supported James Murray who took over the international labor union from John L. Lewis and continued to support Murray's successor, David McDonald, until the latter was ousted by a union vote by I. W. Abel, the current leader of the steelworkers.

Outspoken in his beliefs about unionism, Proto was one of the first to step forward and become active in the move to merge the CIO with the AFL in the mid-1950s.

A staunch Democrat, Proto was bypassed for the post of secretary-treasurer of the State AFL–CIO at its 1970 convention and his supporters claim his political alliances were responsible for his failure to notch yet another success.

Proto harbors no ill-feeling regarding the 1970 convention and remarked:

"One of the biggest thrills in my life was the appearance of former Gov. Robert B. Meyner at my testimonial dinner at Thomm's Restaurant in Newark this past June, although earlier he had sent his regrets."

Although stepping down from his post, Proto is by no means divorcing himself from union activities.

He will continue as secretary-treasurer of the New Jersey Industrial Union Council until his term expires in 1972.

"But I hope to stay in the union movement as long as God spares me and I am permitted to do so." he said.

HOW WELL IS THE NEW JOB SAFETY AND HEALTH LAW BEING ENFORCED?

Mr. PROXMIRE. Mr. President, in a recent Senate speech I noted that job safety and health is an item which deserves priority ranking as our country shifts from a war- to a peace-oriented economy. The working men and women of our country deserve adequate protection against the hazards encountered at their places of work.

More than 3 months have passed since the Occupational Safety and Health Act took effect, authorizing Congress to improve protection for 57 million workers in 4.1 million places of work. Meanwhile, the Senate Appropriations Subcommittee on the Labor-HEW budget has added $10 million to the House figure of $32.5 million for the Department of Labor's OSHA enforcement activities. The Senate subcommittee has also added more than $1.7 million to the House figure of $25.2 million for HEW's OSHA enforcement, activities.

As a member of the Labor-HEW Appropriation Subcommittee, I am delighted that the subcommittee has taken these first steps toward the improvement of working conditions in America. But we must not lose sight of the fact that there is much more that can and should be done. As Assistant Labor Secretary George Guenther recently said:

> Despite the fact that wage levels in many foreign countries are lower than U.S. wage levels, my experience in the international safety movement is that, in many countries, safety conditions and health conditions in work places are at least as good and in some places are better than those that exist in the United States.

We cannot be proud of a situation which places the working people of America below the standards set by people in other countries. It is the responsibility of Congress to change the situation.

I ask unanimous consent to have printed in the RECORD the Guenther interview by Press Associates editor, Harry Conn, from which the preceding quotation was taken; also recent statements by United Steelworkers President I. W. Abel and AFL-CIO President George Meany, which indicate that there is considerable apprehension among labor leaders about the way OSHA has been enforced. There is probably no other legislation today which so directly affects so many working men and women at their jobs. For this reason, I commend the following materials to the attention of the Senate.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

LABOR DEPARTMENT'S SAFETY ROLE DEFENDED BY OSHA'S GUENTHER

(By Harry Conn)

WASHINGTON.—Last December organized labor achieved a long-sought goal in the passage of the Occupational Safety and Health Act of 1970.

The law went into effect, officially, on April 28.

Now, after almost three months of operation, there is growing concern within the trade union movement over many facets of the administration of the law by the Department of Labor and the Nixon Administration.

Spokesmen for labor see the program as lagging, under-budgeted, business-oriented, and without union participation. One union leader charged the Act is "in danger of becoming a hoax".

To examine these concerns and charges Press Associates held a one-hour, wide-ranging interview with Assistant Secretary of Labor George C. Guenther, director of the Labor Department's Occupational Safety and Health Administration (OSHA). Following are major excerpts from that interview:

SELECTION OF COMPLIANCE OFFICERS

Question: How many people with trade union background have been selected as compliance officers?

Guenther: In order to start the program, organized labor and everyone expected us to get into motion as fast as possible. If you or anybody else were asked to get a program involving a considerable amount of technical expertise into action fast, the first thing you would do is go out and get technical experts. This we have done.

We have been hiring in for our compliance staff, which consists of safety engineers having specific educational backgrounds in the professions. We have safety officers with equivalency experience but without the specific educational background required.

We certainly expect that while most of the applicants we have received from the AFL–CIO have not got the expertise we need at the moment, it is clear that from those ranks will come quite a few compliance officers as we develop our in-house training program.

Question: What is the educational level you are insisting upon for safety engineers?

Guenther: For safety engineers, a four-year engineer's degree.

Guenther: At this point in the time we would you be hiring in comparison to safety officers?

Guenther. At this point in the time we don't have the answer to that question. (He promised to furnish it later. These statistics showed that as of July 1, 1971 there were 331 compliance officers either at work or in training. Of these 15 were hygienists. There were no so-called safety officers listed.)

SAFEGUARDS AGAINST OCCUPATIONAL DISEASE

Question: There is concern about the small number of hygienists that have so far involved in compliance officer training. This is related to apprehension over the environmental aspects of this program.

Guenther: We are very much committed to increasing our capabilities in the hygiene and industrial area. At the present time we have at least one senior hygienist in each of the ten regional offices. We are just now in the process of re-evaluating our new hiring plans.

We are operating on stand-by appropriations. At the present time we are kind of in an off period in terms of hiring but we will be increasing our staff by some 400 persons in 1972 and in constructing guidelines for planning. One emphasis is on the industrial hygiene capabilities of our staff. So we will be adding some to those this year.

Question: Will hygienists be in large numbers?

Guenther: That's a little hard for me to answer. As you know, we are a decentralized operation and we are giving our regional administrators a good bit of leeway in terms of decision-making . . . We are asking them what they think they will need . . . we clearly need a number of industrial hygienists and we are going to be going after them.

Question: In the Moundsville, West Virginia chlorine plant situation, you issued the first OSHA citation on mercury hazards. Did a hygienist inspect the plant or was it one of the compliance officers?

Guenther: It was both. We sent a hygienist and a compliance officer to the plant.

Question: You know the union (Oil, Chemical and Atomic Workers) claims that the inspecting officers wore respirators to go into the chlorine room in connection with the mercury charge . . . If an inspector has to use a respirator to go into a room where people without gas masks are working eight hours a day without this protection, isn't that a cause for quicker and further action?

Guenther: My first comment is that I am not intimately familiar with all of the precise details of what went on in the course of our inspection in Moundsville. With regard to the particular case you cite, I believe it was considered by our compliance officer to be a routine matter to use a respirator for that type of an inspection.

I am informed that apparently there was some kind of temporary (chlorine) condition that existed there. However, in subsequent visits we went to great lengths to investigate for chlorine exposure; if my knowledge of the inspections is correct, I believe we found no such exposures . . . It is our judgment that imminent danger did, in fact, not exist . . .

NATIONAL ADVISORY COMMITTEE

Question: Why has the National Advisory Committee not actually been instituted so far in the program?

Guenther: We have experienced typical pains of bureaucracy in attempting to name members of the advisory committee. We are today in the final clearance process for the advisory committee. We consider it a most important group.

Question: From the people I have talked to, in the initial stages of a new agency like OSHA, when it is being set up, it is important that all voices be heard, labor and management. They are now being deprived of that voice in the formative stages.

Guenther: As to the general principle you have stated, I am in complete agreement. We have, however . . . , made it our business to consult broadly with labor and management and there is a variety of other interested groups. (Editor's note: One week after the interview, the National Advisory Committee was instituted.)

TRAINING PROGRAM CONTROVERSY

Question: I have heard union complaints about the $65,000 Boeing contract for training. Under the contract they feel it is largely orientation sessions. They are also very much concerned that corporate groups are giving the orientation. They feel instruction is needed. They feel that they have competent people and would like to work out similar programs involving various unions. Is that possible?

Guenther: Yes, and as a matter of fact, I expect to be talking to George Taylor (executive secretary of the AFL–CIO Standing Committee on Safety) on that subject tomorrow. With regard to their position that one day orientation sessions are no longer necessary on OSHA, I differ mainly, with all due respect to the AFL–CIO. There are other employees in the United States who are non-union, representing 75 or 78 percent of the total work force. While we believe that the AFL–CIO has done a pretty good job in orienting its members, particularly certain organizations such as the IUD, we have a long way to go in just very basically informing people in the country about the Act . . .

In regard to the fact that so-called management of the Boeing Company is going to be responsible for carrying out the program, the program will be structured along lines approved by the Department of Labor . . .

Question: And do you hope to work this out with union groups in the future?

Guenther: We do indeed.

THE FIVE TARGET AREAS

Question: In the five "most hazardous industries" that you have set up as initial targets, why is agriculture, which is considered the most hazardous industry, not included in this?

Guenther: Whoever considers agriculture the most hazardous industry is taking a somewhat arbitrary position in that we don't have the kind of statistics today to really give us the basis for such a statement. I think that it is clear that agriculture has numerous hazards and that the Act requires that we set standards and carry on a compliance program in the agricultural area. In fact, we are dealing closely with the U.S. Department of Agriculture to develop such standards. We have incorporated a few standards in our initial package . . .

Question: How much responsibility will USDA actually have in carrying out the program once standards are set?

Guenther: The Secretary of Labor has broad authority to delegate his authority and responsibility and it is not impossible that at some time there may be some delegation of authority to the Department of Agriculture. We are, however, not exploring that possibility to any great depth at the present time.

Question: Does USDA have any trained safety officers?

Guenther: At the present time, not very many, no.

Question: On the five target areas . . . the concern is that, for example, the metal industries and the steel industries are very hazardous. For many of these plants it will be two or three years off in the future before there is any sort of program that will be set up to meet their hazardous conditions.

Guenther: No one should leap to the conclusion that because we have selected target industries we intend to concentrate all our efforts on those five industries by any means. I am aware that there seems to be some thought along those lines and I want to disabuse it right now about our intentions . . . We will be involving ourselves in all kinds of inspections quite above and beyond the target industries.

FUNDING THE PROGRAM

Question: There is quite a bit of discussion on the whole question of budgeting and funding, how much the Department of Labor is asking and how much less Congress has given. What was the actual figure the Department asked for the next fiscal year, for fiscal 1972?

Guenther: We have requested about $32.5 million for fiscal 1972.

Question: How many compliance officers will this enable you to hire under the program?

Guenther: Our total staff increase will be in the neighborhood of 400.

Question: If 57 million workers are covered by the Act and you ask for $32.5 million, the question arises, which may not be fair, what does this amount to per worker? It gets to be rather small. I am wondering, though, that with 4.1 million workplaces, how many workplaces under the program can you inspect for environmental problems as well as safety problems?

Guenther: This, as you have indicated, is a most difficult question to answer. There are many areas of traditional safety activity which we must relegate to the past. OSHA has opened up the door to a whole new approach to occupational safety and health. One of our problems, frankly, is overcoming some of the historical approaches . . . One of the historical approaches is to attempt to evaluate the effectiveness on the basis of the number of inspections.

OSHA's basic requirements are that once we are in a workplace we shall be thorough and we shall take a look at all conditions that would require our attention. . . . So that based on a traditional approach to inspection, it is really impossible, with the vast array of standards we have to look at and other facts, for us to make any effort at the present time to say we will inspect one, two, three, four a year or however many in a day or a year.

INVOLVEMENT OF THE STATES

Question: The law provides for state participation but the state approach has also been the subject of a lot of controversy. The feeling is that too large a section of the OSHA budget is spent in working to bring the states in.

Guenther: Those provisions were present in the legislation from the very first occupational safety and health bill that was introduced in Congress in the Johnson Administration in 1968, and supported and endorsed by the AFL–CIO.

Question: We are told that in the (USDA's) meat inspection program there is not a single state that feels it can carry on unless it gets considerably more than the 50 percent matching funds, and most of them want something like 85 percent. In light of the experience in the meat inspection field, that states can't carry on their functions on a 50–50 matching fund basis, wouldn't (state involvement) be considerably more costly?

Guenther: The answer to this question is that experience will be our best teacher. I am aware of the meat inspection only very casually. As far as our relations with the labor and health departments and other departments in the states, we find there is great receptivity . . .

Question: Why not wait until the state programs are actually operating so you could see it and have a chance to evaluate it, and evaluate its personnel?

Guenther: It's possible to wait in a number of areas. We could have waited two years before publishing the initial standards package; rather than waiting two years, we waited one month from the effective date of the Act.

Question: Do you have any check on the qualifications that the states are demanding of their own personnel? Are they the same as OSHA?

Guenther: We recently published the 18B standards for comment. In fact, we have already begun to receive comments; quite a number of them from organized labor . . . We do require that compliance officers have the same kinds of backgrounds that Federal safety engineers, safety officers, industrial hygienists and others have to have. While I wouldn't want to take a firm position on this now, since our regulations are not yet final pending consideration of the comments which we are presently receiving, I would say that we would be requiring compliance in state personnel to be equal to that of the Federal.

Question: Are you demanding in state programs specific safeguards for workers' rights such as the access to plants, records and proper labeling?

Guenther: The basic consideration of the state plan agreement document is that the state plan shall be at least as effective as the Federal document. With regard to the specific question you asked, I don't quite recall the language so that I really can't give you any specific answer on it.

SAFETY AND IMPORTS

Question: The labor movement is very much concerned that a lot of low-wage imports are coming into this country made under unsafe and unsanitary conditions. I realize that this is out of your purview because it deals with imports.

Guenther: I doubt that the State Department would want to get involved in that one either. I don't think that anybody would. My comment would be that despite the fact that wage levels in many foreign countries are lower than U.S. wage levels, my experience in the international safety movement is that, in many countries, safety conditions and health conditions in work places are at least as good and in some places are better than those that exist in the United States.

(Note to editors: A complete text of the Guenther interview is available on request from PAI.)

[From the Daily Labor Report, Bureau of National Affairs, Washington, D.C., July 27, 1971]

IUD CHIEF PROTESTS OSHA REGULATION FOR DEVELOPMENT OF STATE STANDARDS

The right of workers "to be informed and to participate" in the implementation of the Occupational Safety and Health Act is being undermined and denied by the Department of Labor in its proposed procedures for approval of state enforcement plans, I. W. Abel, President of the Industrial Union Department, AFL–CIO, charges in a letter to Labor Secretary James D. Hodgson.

The proposed regulation would establish criteria for states to meet in order to assume the responsibility of the Labor Secretary in enforcing job safety and health standards within their own borders.

Abel says union people are "genuinely worried that certain aspects of the Department of Labor's proposed implementation of the Act violate both the spirit and the letter of the law. We believe that the subject deserves your close personal attention."

The "heart of the legislative concept" in the Act is the workers' right to participate in the development of policies, procedures, and standards, Abel said, including the enforcement process and the review and appeal of enforcement actions.

Proposals for state implementation, Abel charges, are lacking on specific guarantees of worker participation. Some of those missing from the proposal, he says, are: provisions for adequate protection for complainants against possible retribution by employers, a lack of prohibition of advance notice of inspections, a lack of guarantees for worker representatives to accompany inspectors during a "walk around", and the absence of barriers to placing health and safety inspection activities in state agencies that may have functions conflicting with protection of workers.

"The only conclusion we can derive from the proposed regulations," Abel writes, "is that the Department of Labor would nullify the obvious intent of Congress. Our lawyers believe that this proposed action is legally untenable." If the proposed state regulations are permitted to stand. Abel adds, "I can assure you it will create great bitterness and anger among union leadership and membership in the months and years ahead . . ."

AFL–CIO Leaders Critical of Health-Safety Law Administration

The AFL–CIO leadership, including President George Meany, is becoming increasingly fed up with OSHA's administration under Assistant Secretary George Guenther.

In fact, Meany's recent blast at OSHA is interpreted in labor circles as a "strong storm warning" of impending future difficulties.

Interviews with labor officials reveal widespread disenchantment with OSHA over these specific issues:

Delay provisions in the initial standards package which could postpone effective date of the regulations until February 1, 1972 (and even 180 days later in special circumstances).

The award of a $65,000 contract to the Boeing Company for "worker orientation sessions" which labor officials say they will encourage their members not to attend.

Labor's policy of giving employers 24-hour advance notice of inspection.

The Information Service program which some union officials say is being operated to keep public information about the program at an absolute minimum.

Slow Labor Department response to AFL–CIO requests that qualified work-experience of union members be substituted for academic training in hiring OSH inspectors.

The inadequate number of inspectors (labor wants 1,000, while OSHA predicts 230 for this fiscal year).

Budget allocations in which 56 percent of the 1971 funds of $11 million will go to the states which in the past have not done an adequate job in OSH matters.

Labor union officials are particularly unhappy over OSH's use of massive amounts of program money to "sell" the program to the states. What should be done, they feel, is for the federal government to gear up the enforcement, research, and standards program and let the states come forward with matching programs or face federal takeover.

The fear that the OSH Act will head for the same fate as the Federal Water Pollution, Meat Inspection, and Unemployment Compensation Reform measures. In these cases many unresponsive state legislatures developed a "holding action" policy waiting until the deadline for action passed.

The administering government agency was then formed either to (a) approve a state program that was seriously deficient, or (b) ask a reluctant Congress and the office of management and budget for large supplemental appropriations.

In the case of the Meat Act, as amply documented in the recent Nader Center for Responsive Law Study, the state virtually blackmailed the timid Agriculture Department into approving weak programs.

Labor union fears of state non-action are founded in the realization that some 30 states won't even reconvene their legislatures until next year and another 18 states will not meet until 1973.

"Even then," AFL–CIO's George Taylor said, "there is no assurance that OSH matters will be a state priority."

Meanwhile, the politically aware labor union officials plan to keep all lines of communication with the Labor Department open and operating. On their own, however, they are gearing up for a major union role. They are planning safety committee orientations, educational sessions so that workers are aware of their rights including the right to imminent danger inspections, and programs to fill what they feel are gaps in OSH's administration.

Union officials are also hoping that the OSH Act's co-sponsor, Sen. Harrison Williams (D–NJ), will hold oversight hearings in the near future.

Meany Blasts Labor Department on Compliance Hiring

Spokesman for organized labor charged that while as many as 5,000 trade unionists had applied for jobs as compliance officers with OSHA, few have been accepted. The charge was made by AFL–CIO Industrial Union Department President Peter Bommarito of the Rubber Workers.

Bommarito said that those who are working around hazardous conditions are eminently qualified to carry out inspections and enforcement.

OSHA's hiring policies also came under attack from AFL–CIO President George Meany, who said:

"We are urging the Department of Labor not to put all its emphasis on college degrees and civil service examinations. We are urging that the department seek ways of utilizing the invaluable experience of many able people who are working at their trades and understand the conditions and needs of those trades."

Meany also criticized the Labor Department for asking $25.3 million for inspection and enforcement during fiscal year 1971 (labor feels at least $150 million is necessary) and challenged OSHA's policy of stressing the role of the states. Meany said that the states have already failed the nation's workers in the health and safety area.

The labor chief also rejected OSHA's concentration on five "hazardous industries" and said this whole modus operandi permits some extremely hazardous situations in plants to wait almost a year before inspection. Labor officials also expressed their displeasure at OSHA's policy of giving employers 24-hour advance notice of inspections.

METRIC CONVERSION—A LONG OVERDUE CHANGE

Mr. PELL. Mr. President, today Congress received a report from the Department of Commerce urging that the United States change to the international metric system on a gradual basis over a 10-year period.

As the sponsor of legislation authorizing this study, I commend the Department of Commerce and the Nixon administration for recommending metric conversion—a belief I have long held.

The Secretary of Commerce has asked us to consider legislation which assigns responsibility for metric conversion to a central coordinating body and which outlines a 10-year conversion plan for the United States to become predominantly, though not exclusively, metric.

It would be my hope that Congress join with the administration in supporting metric conversion but that it carefully analyze, in this Congress, the different alternative legislative schemes for preparing the country for metric conversion.

I would note that the issue of metric conversion is probably one of the oldest, outstanding, unresolved issues to ever have been considered in the Congress. In 1790, when only France was on the metric standard, George Washington's administration recommended that the Congress consider metric conversion. Today, 181 years later, when 90 percent of the world is on the metric standards, the executive branch, as a result of my study, is asking the 92d Congress to consider again the question first considered by the First Congress of the United States.

I would also note that the French adopted the metric system in 1790 as a symbol of democracy, because the metric system was based on rationality rather than on the whims of the sovereign who arbitrarily chose lengths and weights based on incongruous measures such as the foot, the mile, and the pound.

Thus, I suppose that it is somewhat ironic that the United States, the world's oldest democracy, will probably be the last to leave the "imperial system" of weights and measures.

Over the years some people have suggested that the United States need not convert to metric, because its superior economic strengths should allow it to produce goods and services for the world's markets on its own terms. This argument no longer holds any validity. The U.S. world trade position is not improving. The United States is no longer the company store in a company town. There are now other competitors. Ninety percent of the nations of the world are trading in metric terms. If the United States is to remain a viable force in international trade, it has no choice but to go metric. There are probably few other artificial trade barriers for American exports that are more harmful than the U.S. custom of not trading in metric terms with the world's metric countries.

Most important, metric conversion could bring a significant number of economic benefits. It could mean new jobs. It could provide an impetus for American industry to modernize its outdated plants. It could mean an increase in the level of American exports. And finally, it could mean a more efficiently operating U.S. economy in which the consumer is able to make a more rational choice and in which the producer is able to more accurately estimate its productive capabilities.

The Federal Reserve has estimated that American multinational plants have over $78 billion in capital investments abroad. Much of this investment has been made in metric equipment. If the United States goes metric, our own American international firms will be able to put more of their machine tool investment in American companies than in European companies and thus, create more job opportunities for American workers.

A second way more job opportunities would be created in the United States would be as the result of the additional number of products such as American machine tool products which could be sold in metric countries.

A third way in which new jobs could be created through metric conversion would be as the result of the additional employees involved in the production of new goods and services needed for metric conversion.

For example, at least 3,000 engineers could be employed as metric consultants in the United States. For example, tens of thousands of new jobs could be created as the result of plant modernization programs involving the purchase of new equipment which might be encouraged by metric conversion.

In our consideration of the benefits of metric conversion, we must not forget the need to consider legislation assisting those who might bear high cost in converting to metric. For example, financial assistance might be provided to individual machinists who find it necessary to purchase new metric tools. And, loans and tax writeoffs might be considered for small businesses whose economic viability might be detrimentally affected by metric conversion.

Mr. President, the question is no longer should we go metric; the question is now when and how shall we go metric.

It would be my hope that the Congress would now move firmly and judiciously in developing a legislative plan for metric conversion.

Mr. President, I ask unanimous consent that the summary materials of the U.S. metric study be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

SECRETARY STANS RECOMMENDS TO CONGRESS COORDINATED, 10-YEAR CHANGEOVER TO METRIC SYSTEM

A systematic, nationally-coordinated U.S. changeover to the metric system of measurement over a 10-year period was recommended to Congress today by Secretary of Commerce Maurice H. Stans in a 188-page report, "A Metric America—A Decision Whose Time Has Come."

The Report was prepared by the Department's National Bureau of Standards in accordance with the Metric Study Act of 1968. It represents the results of three years of studies, surveys, and analyses by the Bureau with the cooperation of thousands of individuals and organized professional, educational, business, labor, and consumer groups throughout the country.

In releasing the Report, the Secretary said, "For many years, this Nation has been slowly 'going metric', and it would continue to do so regardless of national plans and policies. At the same time, the worldwide use of the metric system is increasing, and today ours is the only major nation which has not decided to take such a step. As the Report states, a metric America would seem to be desirable in terms of our stake in world trade, the development of international standards, relations with our neighbors and other countries, and national security."

Endorsing the Report's basic conclusion in favor of "going metric," Secretary Stans recommended:

That the United States change to the International Metric System deliberately and carefully;

That this be done through a coordinated national program;

That the Congress assign the responsibility for guiding the change, and anticipating the kinds of special problems described in the Report, to a central coordinating body responsive to all sectors of our society;

That within this guiding framework, detailed plans and timetables be worked out by these sectors themselves;

That early priority be given to educating every American schoolchild and the public at large to think in metric terms;

That immediate steps be taken by the Congress to foster U.S. participation in international standards activities;

That in order to encourage efficiency and minimize the overall costs to society, the general rule should be that any changeover costs shall "lie where they fall";

That the Congress, after deciding on a plan for the Nation, establish a target date ten years ahead, by which time the U.S. will have become predominantly, though not exclusively, metric; and

That there be firm government commitment to this goal.

"Some measurements and some dimensions would never be changed. It would be preposterous ever to tear up all our railroad tracks just to relate them to some round-number metric gauge. Americans would not be likely to translate into metric such sayings as 'a miss is as good as a mile,' or to rewrite the words to the song 'I Love You a Bushel and a Peck.'

"In sports, for example, going metric is not likely to present much of a problem. It would be quite unnecessary to change the length of U.S. football fields even if our version of football ever became an international sport. And I don't think you would ever hear a sports announcer say: The Washington Redskins have the ball, third down and 9.144 meters to go.

"These may appear to be trivial examples but they go to the heart of the matter when we say the rule of reason must apply in a national adoption of the metric system," Secretary Stans said.

Dr. Lewis M. Branscomb, National Bureau of Standards Director, said the Report is concerned with alternatives "realistically open to the United States. . . ."

In the preface, the author of the report, Metric Study Director Daniel V. De Simone, observes that current circumstances—unlike those prevailing when Thomas Jefferson and John Quincy Adams first considered the metric system's attributes—have made the time for a U.S. decision ripe because "the world has committed itself to the metric system, and even in the United States its use is increasing. For America, it is a decision whose time has come."

"In even a concerted program for going metric," the Report points out in Chapter V, "some things would be changed rapidly, some slowly, and some never. In most cases, things would be replaced with new metric models only when they wore out or became obsolete. This would certainly be true, for example, of existing buildings, aircraft carriers, railroad locomotives, power generating plants, and even such things as hair dryers.

"In many instances industry and commerce would make metric changeovers much as the housewife would when she broke her non-metric measuring cup. A pump in a chemical factory, for example, might with careful maintenance last ten years before it wore out and had to be replaced. But if a critical part failed after, say, five years, the user might well decide to buy a new pump of improved design and lower running cost, rather than fix the old one. And if he were going metric and metric pumps were available, the new pump would, of course, be one built to metric standards."

The proposed 10-year "optimum" period for a coordinated national changeover is based upon information and views contributed by many cross-sections of society, ranging from whole industries to individual citizens contacted by mail or telephone or at public hearings. Opinions and data were also collected from large and small firms, labor unions, professional and technical societies, and specialized groups.

In Chapter VII the Report calls it "perhaps surprising that any general pattern of agreement should have emerged from the U.S. Metric Study, considering the great diversity of the participants." At any rate, these representative feelings emerged:

"Some participants in the study preferred that the change be made more quickly; a few wanted more time. Nevertheless, all could be accommodated by a ten-year transition period, because those who could move faster would do so as soon as their customers and suppliers were ready. Those who needed more time could take it, since the Nation's goal in a ten-year program would be to become mostly (not entirely) metric.

"Most manufacturing firms judged that the ten-year period would be close to optimum for them. Weighing manufacturers according to size (i.e., value added in manufacturing), the Study found that 82 percent thought the changeover period should be ten years or less. The average of the periods chosen was 9.6 years.

"In its study the Department of Defense concluded: 'DOD is dependent upon the National Industrial Base, and the rate of conversion within the DOD will be dependent on how well conversion is carried out in industry.'

"Nonmanufacturing businesses, with generally much less hardware needing conversion, were in favor of a shorter transition period. They thought that the Nation as a whole might make the changeover in six to ten years.

"In the commercial weights and measures field, the adaptation to metric of devices now in use would take considerable time. The survey of this field points out that there are relatively few trained personnel who can do the work. Because of the large numbers and varieties of devices now in use, ten years would be required to complete adaptations."

Advocating a phased changeover guided by "the rule of reason," the Report holds that expectations of a "painless and casual drift" toward a comprehensive changeover would be just as unrealistic as an attempted "abrupt and mandatory" transformation that would prove to be intolerably disruptive.

"Our experience since Congress legalized the metric system in 1866 suggests that if the Nation prefers to drift to metric, it would still be having to cope with two measurement systems at the end of this century," the Report observes.

"Since the use of the metric system in the U.S. is increasing, throughout the prolonged period of gradual change there would be substantial costs and inconveniences, primarily those associated with maintaining dual inventories, training people in both measurements, and printing metric and Customary dimensions on documents and labels."

The complex question of the relative benefits and costs that would be involved in a planned 10-year metric changeover is discussed in Chapter IX of the Report, with accompanying diagrammatic representations of projections and analyses. Investigators for the Metric Study found that a simple aggregate profit-and-loss figure for the total effect of the proposed metric changeover could not be arrived at, for a variety of reasons: benefits and costs would occur at different times and would not be directly comparable; virtually all costs would be incurred during the transition period, when benefits would be only beginning; there would be many intangibles to consider, and some phenomena might be attributable only partly to a metric change.

But more important, the Report in Chapter IX points out that the real question is not what the cost of a metric changeover would be, but whether it would cost more to change by plan or without one. The Report concludes that it would be better to change by plan, explaining: "The cost and inconvenience of a change to metric will be substantial, even if it is done carefully by plan. But the analysis of benefits and costs made in this chapter confirms the intuitive judgment of U.S. business and industry that increasing the use of the metric system is in the best interests of the country and that this should be done through a coordinated national program. There will be less cost and more reward than if the change is unplanned and occurs over a much longer period of time."

Under the heading of intangible and indirect benefits, the Report cites a variety of potential "by-products" of conversion: "People, while making the metric change, would have opportunities to do other worthwhile things that are not directly related to any measurement system. Translating texbooks into metric terms would provide opportunities for curriculum improvements. In thinking out new metric standards, engineers would have an opportunity to weed out superfluous sizes and varieties of parts and materials, and even to incorporate superior technologies. International standards activities would be facilitated."

Other chapters in the Report review the two centuries of debate over the U.S. measurement system, compare the metric and Customary systems and the arguments for and against each, place the metric question "in the context of the future world," discuss problems needing early attention, and compare the differing experiences of Great Britain and Japan in going metric.

Appendices to the Report detail how the U.S. Metric Study was planned and carried out, present a selective bibliography of Metric Study documents and official reports of the U.S. and foreign countries, and give the text of an International Standards Organization recommendation on the uses and applications of units of the International System.

NOTE: Appendix Two of "A Metric America" lists twelve volumes of detailed special reports on the Metric Study's hearings and supplemental surveys, as follows:

Manufacturing Industry.
Nonmanufacturing Businesses.
Education.
Consumers.
International Trade.
Engineering Standards.
International Standards.
Department of Defense.
Federal Civilian Agencies.
Commercial Weights and Measures.
History of the Metric System Controversy in the U.S.
Testimony of Nationally Represented Groups.

Copies of *A Metric America—A Decision Whose Time Has Come* are available to the public from the Superintendent of Documents, Government Printing Office, Washington, D.C. for $2.25. It should be requested by title and publication number *NBS–SP–345.*

GOVERNMENT INVESTMENT IN HEALTH CARE

Mr. KENNEDY. Mr. President, I invite the attention of Senators to an article titled "Government Investment in Health Care," written by Mr. Irving J. Lewis, and published in the April issue of Scientific American. In the article, Mr. Lewis explores the wide range of proposed solutions for more efficient delivery of health care. Each solution has a prescription for extensive health insurance, involving different degrees of Government participation and subsidy.

Government reorganization will be essential for any orderly delivery of health services. Health manpower and facilities, research and planning, and the organization and delivery of services are all elements of health care capacity, and they will have to be molded into a rational system through financing and administration.

Mr. Lewis points out two myths which have influenced Federal spending for health. The first myth is that large grants for biomedical research alone will eventually bring better health care to everyone. The overwhelming health needs of the average consumer are for commonplace methods and procedures developed by laboratories and research of 25 years ago—vaccines, blood tests, diagnostic techniques, and preventive medicine. Heart transplants and other similar medical techniques are employed relatively infrequently.

The second myth is that lack of money is all that stands between the poor or the aged and good health care. This proposition would be true only if abundant medical services and facilities were available. The current inflation of medical prices has revealed the shortage of facilities and manpower in our health care system. Many rural and inner city areas have no doctors or hospitals available to service them even if they had the money to pay.

Mr. Lewis concludes by stressing the need for planning that will expand the capacity of our health care system. The expansion of facilities and manpower training centers to supply the energy for change offers the opportunity to create an effective health care system.

I ask unanimous consent that Mr. Lewis' article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT INVESTMENT IN HEALTH CARE

(By Irving J. Lewis)

"The problem of providing satisfactory medical service to all the people of the United States at costs which they can meet is a pressing one. At the present time, many persons do not receive service which is adequate either in quantity or quality, and the costs of service are inequitably distributed. The result is a tremendous amount of preventable physical pain and mental anguish, needless deaths, economic inefficiency and social waste. Furthermore, these conditions are largely unnecessary. The United States has the economic resources, the organizing ability and the technical experience to solve this problem."

In February, President Nixon sent a message to Congress proposing major new health-care programs, but the quotation above is not from his message. It is from the final report of the Committee on the Costs of Medical Care, dated October 31, 1932, and signed by Ray Lyman Wilbur, President Hoover's Secretary of the Interior. The Health-care "crisis" has been with us for a long time.

Now Congress has begun considering the Administration's new proposals and other far-reaching legislative measures. The debate on health, which will surely develop into a major domestic issue of the 1972 Presidential campaign, comes at a time when public attention is focused as never before on the rapid increase in medical costs and on the discrepancy between the capabilities of medicine and the actual delivery of health care. It comes, moreover, at a time when some important questions about health objectives have already been settled. In the past few years a number of legislative innovations have incorporated into our attitudes and into law the principles that all Americans are entitled by right to health care and that such care should be comprehensive in scope rather than categorical as to type of service, means of financing or population groups affected. The crucial questions are how, and how quickly, these principles are to be put into practice, by what means and at the sacrifice of what traditional relationships and alternative benefits.

The debate will deal with a wide range of proposals for more efficient delivery of health care and with various prescriptions for extensive health insurance, involving varying degrees of Government participation and subsidy. Complex as these matters surely are, their technical resolution may be the easier part of the task set before the nation. The more difficult decisions will concern matters that go to fundamental issues of public policy: political and economic ideology, the processes of government and the distribution of political, economic and professional power. The major confrontations will concern the allocation of resources and the control of costs; the relations among Federal, state and local governments; the prerogatives of Congress and of the Executive departments and agencies; the roles of private enterprise and the voluntary sector, and new powers for community organizations and consumers.

The health "industry" is now the third largest in the country. It employs more than three million people, and in the fiscal year 1969–1970 it accounted for more than $67 billion, or 7 percent, of the gross national product; only five years earlier the total was $39 billion, 5.9 percent of the G.N.P. Most of the increase in expenditure reflects inflation rather than more utilization, advanced procedures or better facilities. The U.S. compares unfavorably with other industrialized countries in an entire range of generally accepted health indexes. Medical care is poorly distributed, with some sections of the country—and poor people in all sections—badly served. Some 15 to 20 percent of the population is still without any health insurance; those who have substantial basic insurance can nevertheless suffer devastating expenses in a serious illness. Either the traditional fee-for-service gateway or the dreariness of out-patient clinics keeps people away from doctors until they are sick, after which the bias built into health insurance favors their hospitalization over other forms of treatment.

The Federal Government now foots almost a third of the total health bill: $21 billion in the fiscal year 1971, most of it for Medicare, Medicaid and other current-consumption programs that funnel money into an inadequate system and thus help to fuel the inflation in health-care costs. Obviously it will take still more Federal funds to improve the system. Finding that money will not be easy, and spending it in a way that does not merely further inflate costs will not be easy either.

Any attempt to fund a significant new Federal program collides head on with the Federal budget and the problem of its "uncontrollables": the relentlessly increasing expenditures, determined by prior legislative or budgetary action, for social security and veterans' pensions, welfare, Medicare and

Medicaid, interest on the debt, farm and shipping subsidies, highway construction and so on. The accumulation of these commitments combines with population growth and urbanization to press spending levels steadily upward; inflation sharpens the rise. Uncontrollable outlays increased from 64 percent of the budget in 1969 to 69 percent in the 1971 budget; together with defense and war spending (a different kind of uncontrollable) they accounted for 89 percent of the $201 billion proposed in that budget, leaving only $22 billion for all controllable programs!

The uncontrollables also mortgage future Federal spending. There are forecasts (perhaps overoptimistic) that Federal revenues will increase by more than $86 billion by 1976, but uncontrollables will consume about $56 billion of that, leaving only some $30 billion to cover any new or expanded programs in the next four years. A president has little flexibility in allocating budgetary resources, since each of the hundreds of Federal programs has its own clientele and claims; politics calls for satisfying as many of these as possible and tends to keep obsolete programs alive. The total budgetary dilemma is replicated within the Department of Health, Education, and Welfare and again in that department's spending for health.

Our Federal spending for health has been influenced in recent years by two successive myths. The first was that massive support of biomedical research would eventually bring better health care to everyone. Federal support for research, largely through the National Institutes of Health, grew to more than $1 billion in the 1960's. It has produced brilliant advances in the knowledge and practice of medicine but millions of Americans are left with inadequate medical care or none at all. Indeed, at this point the most widespread demand is not for heart transplants or other exciting innovations in medicine but for the more general availability of the now commonplace methods and procedures developed by laboratory and clinical research 25 or 50 years ago.

In the 1960's we accepted a second myth: that lack of money was what stood between the poor or the aged and good health care. This proposition could make sense only if abundant medical services were available on the open market. Since they are not, the inflation of medical prices was a major consequence of Government medical-benefit programs. Meanwhile, trying to control the total Federal bill, the Administration has not only curtailed benefits but also held constant or cut down health programs that are subject to restriction. As Medicare and Medicaid spending has soared the budgetary pressure has been exerted on biomedical research, manpower development, the organization of services and the construction of new facilities, accentuating the imbalance between the demand for health-care services and the capacity of the health-care system to respond.

To redress the imbalance we urgently need a strategy that will expand capacity, and that means investment as opposed to consumption. Investment supplies the energy for change and thereby offers an opportunity to shape a real medical-care system: more manpower and more innovative use of manpower, better distribution, rational organization, more emphasis on preventing sickness and on providing ambulatory care rather than institutional care. Most of these objectives are generally accepted; the operation has been how to proceed toward them. The Administration has hitherto emphasized financial incentives. For example, last year it asked for authority to give states a higher ratio of Medicaid funds for out-patient facilities; to enter into contracts with "health maintenance organizations," which would render Medicare services on a prepaid capitation basis and retain any savings they could generate, and to expand experiments with incentive reimbursements for hospitals.

There is a growing body of opinion, however, that incentives in payment programs will not be enough to produce either the needed changes or the required increase in capacity, that systems are developed only when external investment or a diversion of some part of current cash flow provides venture capital and that such capital must be supplied within the framework of the current-consumption financing programs. One suggestion for thus bringing consumption and investment together was made by the Task Force on Medicaid of the Department of Health, Education, and Welfare, which recommended the appropriation of 5 percent of annual Medicaid funds to organize neighborhood services for the poor and develop new sources of manpower; it suggested that such "front end," or start-up, money might also be a legitimate charge against Medicare's Social Security trust funds.

More far-reaching proposals were incorporated in legislation introduced last year by Senator Edward M. Kennedy in the Senate and Representative Martha W. Griffiths in the House—legislation that in its present form will provide the direct competition for President Nixon's new proposals. The Kennedy-Griffiths bill would extend comprehensive health insurance, funded by a payroll tax and general revenue and handled by the Federal Government, to all Americans. Most important, it would bind together investment and current benefits by establishing a Health Resources Development Fund within the new Health Security Agency to provide grants, loans and technical assistance for "comprehensive service systems"—group practices providing broad health care on a prepaid capitation basis. Such costs would become a direct charge to the insurance fund, so that money for investment would be built into the ongoing program.

By proposing grants and loan guarantees to help finance the establishment of health-maintenance organizations, President Nixon in his recent message recognized the need for direct investment. The decisions about the size of that investment and whether or not it is firmly linked to current spending programs—and thus made safely uncontrollable—may be even more significant than decisions on the method and scope of health insurance.

An expansion of Federal activities in health care, and in particular any attempt to control and limit Federal budgetary commitments, must surely impinge on the purviews of state and local governments, raising issues of political power with significance that extends beyond the field of health.

Until the enactment of Medicare and Medicaid, Federal-state cooperation in health care was primarily in the form of grants in aid. States, counties and municipalities provided what personal medical care was supplied by government, primarily for the poor. The state role for the general community was mainly in such traditional public health functions as sanitation, inspections and immunization. The Federal function included technical assistance, research, demonstrations and increasingly varied programs of grants-in-aid. With minor exceptions the Federal approach was nondirective, even when new programs to finance hospital construction and community mental health centers were developed. Furthermore, the Federal Government reached the cities and smaller communities only through the state health departments.

The Johnson Administration changed all that. Medicare is a national insurance program. Control (such as it is) rests with the Social Security Administration and the states are involved mainly in the certification of hospitals, nursing homes and other providers of care. The programs for the poor (neighborhood health centers and Model Cities projects) have largely ignored the states.

What was unforeseen was the major burden placed on the states by the revamping of the old categorical welfare programs of medical care into the new Medicaid program, in spite of Federal grants that cover as much as 83 percent of the cost. The fiscal impact on the states and cities has been close to disastrous. State and local expenditures for medical assistance rose from $764 million in 1965 to $2.3 billion in 1969. Frustrated and angry, administrators and legislators in the states have acted to cut back benefits and reduce the number of eligible people. The failure of Medicaid is generally acknowledged. It reaches only 15 million of the 30 to 40 million people who could potentially be covered. Last year the Task Force on Medicaid concluded that "the promise of Medicaid that some care, at least, would be available to all who need it has vanished into the obscurity of state determination of eligibility and the limitation of state resources."

With this experience one may ask whether national comprehensive health goals can be achieved with heavy reliance on state administration and appropriations, dependent as they are on shifting state political trends and the reluctance of most state legislatures to spend money on poor people. If the Federal Government is hard put to find the extra resources for expansion and improvement of health services, the states are surely even less able to cope with the need.

What if the Federal Government provides money and lets the states provide services to people? A cornerstone of the Nixon Administration's domestic policy, the "New Federalism," proposes to shift responsibility and power from the Federal Government to the states by providing more state and local control and decentralization of decision-making. For instance, the Administration's proposed Family Assistance Plan to reform welfare would place some of the budgetary burden of cash payments on the Federal Government but make the states responsible for the provision of social services such as day care and counseling; it did not pass last year and is stalled in the House Ways and Means Committee pending Administration revision. A similar future seems likely for the new revenue-sharing bill, which would in time turn billions in Federal tax collections over to the states; the states would then be expected to carry out services functions assigned to them under the New Federalism. Congress apparently prefers to keep the power over funds where it has been in Washington—and has shown no signs of approval.

The New Federalism also seeks to consolidate traditional special-purpose (categorical) grants into larger bloc grants and to transfer decision-making to the states and to regional directors of Federal programs. Here too the will of Congress to keep the power in Washington was demonstrated by its refusal during the past session to consolidate individual hospital grants made under the Hill-Burton Act and by its authorization of an enlarged communicable-disease program along the old categorical lines. Both actions were taken in share opposition to the Administration. Finally, in spite of the Administration's preference for financing health-care innovations through the Comprehensive Health Planning program, which has a strong state government emphasis, Congress showed its own preference for another Johnson-era proposal, Regional Medical Programs, with a different power base in the medical schools and medical societies.

It may be that some congressmen think poorly of the capability of state government and its responsiveness to social needs. It may also be that Congress, which is comfortable in its relations with Federal agencies in Washington, much prefers to retain power in its own hands and is therefore careful to recognize the political strengths of mayors and other special claimants to Federal funds.

The new Administration health program

includes as a major component a Family Health Insurance Plan that would replace part of Medicaid with a Federally financed and administered program of health insurance intended to cover an estimated five to six million poor families with children. Even such a limited insurance program could be an important move in the direction of national health insurance, since it would be a shift from a state-controlled program aided by Federal grants to direct Federal support of individuals. In facing this issue state health interests will have to balance concern about mounting state costs against concern about national health insurance and an expanding role for the Federal Government.

Some of the obstacles in the way of an effort to tie together funding for consumption and funding for investment arise from the complex division of powers in the health-care field, both among the Executive agencies and in Congress. In Congress the power relationships are changing and the power centers are shifting. For 20 years Senator Lister Hill of Alabama and Congressman John E. Fogarty of Rhode Island were the Congressional leaders on all medical legislation, Senator Hill as chairman of the Senate Labor and Public Welfare Committee and the Subcommittee on H.E.W. Appropriations and Congressman Fogarty as chairman of the House Subcommittee on H.E.W. Appropriations. Their sponsorship extended to all important health and mental health programs. The health establishment knew who its leaders were; indeed, Congressional power so exceeded Presidential power that Senator Hill and Congressman Fogarty were virtually able to determine the annual Federal health budget themselves.

This distinct leadership no longer exists. The legislative means chosen by the sponsors of Medicare was an amendment to the Social Security Act, since Medicare was to be financed, like Social Security pensions, through special pay-roll taxes. Because the Constitution requires that all tax measures originate in the House of Representatives, the initiative fell to the Ways and Means Committee, then and now headed by Congressman Wilbur D. Mills of Arkansas. The public-policy debate on health insurance for the aged and on expanded medical assistance for welfare recipients therefore took place in Ways and Means and in the Senate Finance Committee, now headed by Senator Russell B. Long of Louisiana.

The overwhelming financial consequences of Medicare and Medicaid and of any future national health insurance plan have thus brought a shift of power over health affairs to committees whose primary interest is in fiscal affairs. Alerted by the early underestimates of the price of the Medicare and Medicaid programs, they show much interest in cost control, less interest in improving health-care organization or expanding services to undercovered areas and population groups. Senators are of course aware of the implications of such shifts of power. In an effort to have hearings on national health insurance held before the Senate Labor and Public Welfare Committee rather than the Finance Committee, a 1970 version of the Kennedy bill was written to provide for financing from general revenue rather than by a payroll tax. That was unrealistic and the current bill calls for a payroll tax—and consequently has been referred to Finance.

The peculiarities of the Congressional committee system give special importance to the principle of linked funding for benefits and investment. Failing such linkage, consumption spending (or cutbacks) will continue to be handled by the Congressional money committees while the committees directly responsible for health try to find funds for planning, reorganization and the establishment of group-practice organizations.

The fragmentation within Congress is to some extent the result of fragmentation in the Executive Branch, which in turn reflects the pluralism characteristic of health affairs outside of government. Any attempt to rationalize the uncoordinated Federal health bureaucracy will necessarily impinge on the private sector, to the dismay of special interests. Even the simplest administrative tasks will be one of the most difficult politically: consolidation of the multitude of categorical grants for narrowly defined projects. This form of Congressional authorization bewilders administrators and requires an applicant to piece grants together if he wants to develop a unified program that will meet a broad health purpose. If reasonably integrated health-service systems are to be developed at the local level, consolidation will be necessary, but the interests operating against change include many voluntary associations, medical school researchers and state and municipal health-department professionals. Their strength reinforces Congressional unwillingness to give any president even the limited power to combine grants that President Nixon asked.

Beyond grant consolidation is actual Government reorganization. The orderly delivery of health services will require an orderly organization of programs and agencies. Health manpower and facilities, research and the planning, organization and delivery of services are all elements of health-care capacity, and they will have to be welded into a rational system through financing and administration.

Eventually the health debate will concentrate on the machinery of government. A way to begin is to unify under one operating head the programs of Medicare (from Social Security), Medicaid, the Public Health Service, the National Institutes of Health and the health programs of the Office of Economic Opportunity. Any serious rearrangement will surely provoke an uproar in the Executive agencies and among their Congressional champions. The Washington bureaucracy is resilient, and the long life of the Public Health Service in the face of successive reorganizations testifies to its staying power.

Another final essentially political problem is the difficult one of cost control. A direct effort to hold down costs—independently of the expansion of capacity that I have discussed—is necessary because spiraling public expenditures preempt funds that are required for real reform and other needed social programs and simply because consumers faced with thousands of dollars in medical bills demand it. Firm ceilings are not easily placed on public spending, however, and the complexity of medical-care economics is such that the cost consequences of any particular proposal are difficult to predict with certainty. Moreover, it is clear that an attempt to deal with costs will involve some measure of public administrative power at the price of restrictions on the freedom of patients as well as health professionals.

The two key determinants of cost are the physician and the hospital. The physician is motivated, by education and a kind of technological imperative, to utilize the latest procedures, the most sophisticated tests and so on. This attitude influences his decision as to who does and who does not require hospitalization, the highest-cost component of medical care. To the physician, cost considerations—the patient's or the insurance company's or the Government's—are secondary to what he considers to be the best and most advanced medical practice.

The influence of the physician is reinforced by the economics of hospital care. Since hospital income is derived mainly from room charges, the hospital administrator learns early in his training that the empty bed will be his most expensive commodity. (This is not true of prepayment-plan hospitals.) He sees his task as the maximizing of income, not the control of expenditures—a task made easier for him by insurance preference for hospital benefits and by Government reimbursement on the basis of "reasonable" costs.

To cope with these cost-influencing factors, the Administration last year proposed a number of measures such as improved reviewing of hospital utilization, limits on doctors' fees under Medicaid and experiments with hospital reimbursement at predetermined rates rather than on a cost-plus basis. The Administration's major reliance is on allowing profit-making as well as nonprofit health-maintenance organizations to retain any savings on prepaid capitation payments for the full range of services for Medicare as well as non-Medicare beneficiaries. The proposal does not specify the form of organization but rather stresses flexibility. It raises some major unresolved questions of public policy. To what extent should health care be encouraged as a profit-making activity? What performance standards should such an organization meet? Should corporate organizations at the local level be encouraged to multiply on the assumption that uncontrolled competitions cuts costs?

The House approved an Administration proposal to "put teeth in planning" and control the level of hospital use by providing that if a capital investment has not been approved by the appropriate planning agency, then reimbursement under Medicare-Medicaid may not include depreciation of that investment as an allowable cost if H.E.W. so decides. In the long run it may be necessary to go to a public-utility form of regulation to cover all hospital services, not just Medicare and Medicaid. This concept has traditionally been applied to economic situations bearing on the public interest. The regulation would presumably cover rate determination as well as the approval of patterns of service and purchases of equipment. (New York and California already have hospital franchising laws requiring agreement by local planning agencies that a proposed hospital construction is needed, a step in this direction.) The broadest national health-insurance proposals would attempt to deal with costs by assuming all health-care costs as a national budgetary charge in the first instance, and then allocating funds among regions for reimbursement to doctors and hospitals at predetermined rates or through negotiated budgets.

How far the country goes in developing constraints on costs will surely depend on the value it places on such principles as fee-for-service for doctors and the pluralism and competition so characteristic of health services today. The providers of health care constitute a potent political force and will play a large role in shaping public health policy. The path is likely to be one involving minimum confrontation with the medical professions and evolutionary rather than radical solutions—unless the day comes when Congress regards the public budgetary cost of health care as intolerable. One of the values of a broad health-insurance plan might be that it would hasten the day.

If this country is to achieve comprehensive health care, and do so (as I believe it must) without establishing a unitary national health service as in Britain, it clearly must create a real health-care system with structure and order. Today health care is offered by a bewildering array of autonomous individuals and institutions; an equally bewildering array of government programs supports their disparate efforts. A proliferation of neighborhood health centers and community hospitals, of group practices and even prepaid comprehensive insurance schemes will not be enough unless the parts are structured into an effective whole. Health care is ultimately a personal and family affair and the best setting in which it can be provided is the community. The health establishment needs organizations that can plan and manage the delivery of health care at the community level with real authority.

The precise nature of such a "community trustee" remains to be defined but some of its desirable characteristics are clear. It should be a peculiarly public-private mix with strong consumer involvement; this may make health professionals uncomfortable but they will have to realize that they can no longer go it alone. It should be based on a principle of geographic responsibility and be strong enough to exact from the medical resources of its area—physicians, hospitals and others—the performance of defined health-care functions. It should reflect at the local level a public-private, lay-professional alliance that reaches up to some form of health commission or board at the Federal level that can see the country's health needs whole. All of this may add up to one of the most complicated experiements in intergovernmental, interprofessional and public-private relations ever undertaken in the U.S., but anything less may not be enough. As the 1932 report on medical costs put it:

"Whatever means may be employed, the time has come for action. European countries may not have proceeded with the greatest wisdom, but they have acted. Most of them have developed organized systems of medical care. We in the United States, above all other countries, are now in a position to go forward intelligently. . . .

"Delay can no longer be tolerated. . . ."

PAKISTAN—HOW TO LOSE FRIENDS AND NOT INFLUENCE PEOPLE

Mr. SYMINGTON. Mr. President, the last four paragraphs in the second of two articles in the Wall Street Journal by Peter R. Kann emphasize only too well the absurdity of our current relationship with Pakistan.

They read as follows:

"We hear on Pakistan radio that two American ships are bringing ammunition to the army. But the Canadian people support our cause. We are grateful to the Canadian people," a teacher says, trying to be as polite as possible. "We understand that you must make money by selling guns to Pakistan, but please sell us rifles, too," a lawyer pleads.

A student says: "At Kent State you lost four students and the whole world protested. Here thousands of students have been killed by the army, but does the world care? You supply guns to the army. If we were European, you would care."

China, for short-term national reasons rather than long-term ideological ones, is the only other important power supporting Pakistan. "The cradle of democracy, America, and great revolutionary China are allies giving aid to the Pakistan army, which is suppressing our freedom and slaughtering our people. Why is this?" a college instructor asks.

During his meetings in Islamabad, Mr. Kissinger was pressed by some Dacca-based diplomats critical of America's friendly relations with the Pakistan government. Mr. Kissinger responded with a question. Would a change in American policy make East Pakistan independence likely in two years or five years rather than 10 years? There was no definitive answer. But whether Bangla Desh comes to pass in two, five, or 10 years, its citizens are likely to have long—and not very fond—memories of America's role in their revolutionary war.

I ask unanimous consent that the entire article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

East Pakistan Is Seen Gaining Independence, but It Will Take Years

(By Peter R. Kann)

Dacca, East Pakistan.—An independent East Pakistan seems to be one of those ideas whose time is coming.

Travels across the ravaged land and talks with military participants in the civil conflict, its innocent sufferers and its diplomatic observers leave the distinct impression that someday East Pakistan and West Pakistan will be separate legally as well as ideologically.

How soon Bangla Desh, or Bengal nation, comes to pass—and the diplomatic assessments tend to be in terms of years, not months—depends on many factors. These include the degree of support India is willing to give the liberation forces, the weight of economic pressures on West Pakistan, the severity of future famine in East Pakistan and perhaps the policies of America and other world powers.

For the moment, both the Pakistan army and the Bengali independence movement seem to be overly optimistic about their capabilities and prospects. The army, currently running East Pakistan as a kind of reconquered colony, says everything is under control and is rapidly returning to normal. But all around is evidence of social chaos, economic collapse, public hostility, and gradually mounting guerrilla opposition.

GUERRILLA WARFARE AND PATIENCE

Bengali liberation forces still talk of massive offensives that will "liberate" the land as early as this fall, or of the Indian army coming to their aid, or of the Pakistan army simply tiring and going away. But the Pakistan army, tough and tenacious, seems determined to hold on here at all costs. The Indians, while aiding the Bengali resistance, seem anxious to avoid full-scale war. Many Bengalis don't seem to comprehend that guerrilla war, which they are beginning to wage with some effectiveness, is their only hope and that it requires much time and patience.

The fighting began March 25 with attacks by the Pakistan army on civilians in Dacca. The amount of blood that has been spilled in East Pakistan since then appears to rule out any sort of political compromise. Diplomats say that a minimum of 200,000 and perhaps as many as a million people have been killed in four months, most of them Bengali civilians slain by the Pakistan army. Six million refugees have fled to India, and millions more are displaced persons still hiding within East Pakistan.

In the view of nearly all observers here, much more blood will flow, many more villages will be destroyed and many more people will be uprooted before the conflict ends.

If the war does result in Bangla Desh, America may be in trouble. By continuing to supply aid—and particularly arms—to the central government of Pakistan, the U.S. is increasingly coming to be viewed as an enemy by the Bengali people. Moreover, the longer the Pakistan army is able to maintain its hold on East Pakistan, the more likely it is that the Bengali independence movement will slip under Communist influence.

A PROBLEM FOR INDIA

This is one of the worries that lead some Indian policy makers to favor war with Pakistan. The odds are still against a full-scale war, but artillery exchanges erupt daily along the border. Presidential adviser Henry Kissinger, during recent meetings with American officials in Islamabad, the national Pakistan capital located in the West, is said to have called the odds for an Indo-Pakistani war better than one in three.

The scope of the Pakistan army's military problem here can be seen in a comparison with Vietnam. There, a million-man South Vietnamese army plus American troops and massive firepower must try to control a population of 17 million, many basically sympathetic to the government. Here, only 60,000 West Pakistani troops are trying to control a thoroughly hostile population of 75 million. East Pakistan, moreover, is surrounded on three sides by India, which is giving sanctuaries and supplies to the guerrillas. And the Pakistan army's supply routes from West Pakistan to the East must circumvent, by sea and air, 1,200 miles of India.

Of course, the Mukti Bahani, or liberation army, isn't the Vietcong. For one thing, the guerrillas aren't Communist. For another, they are not—or are not yet—very effective fighters. They have been at it for less than four months, and organization and discipline don't come naturally to most Bengalis.

LEARNING TO BE GUERRILLAS

But they are learning. In recent weeks they have been concentrating on disrupting the Pakistan army's lines of transportation; bridges are being dynamited and railroad tracks sabotaged. The key railroad line from Chittagong, East Pakistan's major port, to Dacca, its capital, has been put out of operation, and almost all supplies must move inland by riverboat. Electric power facilities in Dacca and elsewhere have been blasted. The guerrillas also are concentrating on assassinations of local people who collaborate with the army.

The Mukti Bahani enjoys some big advantages, though it is far from ready to benefit fully from them. Much of the land, outside the towns and off the main roads, is a vacuum that 60,000 soldiers can never hope to fill. At night the Pakistan army withdraws into military camps, but if and when the guerrillas learn how to use mortars and rockets, these camps could become traps rather than refuges.

The Pakistan army's crude and bloody tactics, while cowing most Bengalis, have been solidifying public support behind the independence movement and have left the Mukti Bahani with a sea of sympathizers in which to swim. A severe famine this fall or next, which Western economists consider likely, could possibly produce from the peasant sympathizers great waves of desperate and angry activists. "A nation with a well-fed army and an ill-fed people cannot survive," a Bengali professor says.

A clandestine meeting with a Mukti Bahani unit leader at a Moslem village deep inside East Pakistan provides some insight into guerrilla operations. It is early morning, and the leader is sitting in front of a peasant hut where he has been sleeping the past several nights. He is a former noncommissioned officer in the Pakistan army who, like almost all Bengali soldiers and policemen, joined the revolutionary movement in late March. (Some were subsequently killed, others fled to India.)

He leads a group of 37 men, armed mostly with Lee-Enfield rifles. But they also have one or more light machine guns, grenades and dynamite. Some of the arms as well as the ammunition are supplied by India, to which this unit fled for several weeks in April. The unit isn't short of weapons or bullets, the leader says.

It doesn't receive any direct orders but reports on its operations by runner to higher Mukti Bahani headquarters near, or across, the Indian border. The unit depends for food and lodging on local villagers, some of whom are paid and others of whom make "voluntary contributions."

The unit has launched two attacks in this area in the past few weeks, one a raid on a police station in which 11 weapons were captured. It also blew up a bridge along the road. When Pakistan army troops reached the site, they were ambushed by another unit of Mukti Bahani. The Pakistan army is said to have suffered at least a dozen casualties. This 37-man unit hasn't had any casualties to date, nor have any of the men quit the unit.

The leader thinks the Mukti Bahani will soon win the war because the people are behind it and because, he says, 300,000 Bengalis are getting military training in India. The statement about public support is probably accurate. But the claim about military training, according to more reliable sources, is probably a tenfold exaggeration. And believing in quick victory is both naive and dangerous.

LITTLE REALISM ON THE OTHER SIDE

The Pakistan army, however, is hardly more realistic. A Pakistan general in Dacca flatly states that all guerrillas in the area where the Mukti Bahani leader and his unit are operating have been eliminated. The general says army casualties in all East Pakistan are averaging only five a day; diplomats estimate them at more like 50.

Army morale still seems to be generally high. But the conflict's initial stage, in which the army ruthlessly recaptured rebel-held towns in a spree of killing, looting and raping, has been over for three months, and the new stage of guerrilla warfare will be much more grueling. Many Pakistan soldiers came to East Pakistan thinking they would be here for only a month or two of combat, not as a semipermanent occupation army. The flat, marshy riceland of East Pakistan is misery to soldiers from the dry hills of West Pakistan. Scattered reports say that some West Pakistan military officers—including a senior navy commander and an air-force general—are opposing the army's brutal tactics and slaughter of the civilian population.

The Pakistan army, however, doesn't appear to be cracking under any present strain. To most of the military men this is a kind of holy war for the preservation of Pakistan and the purity of the moslem religion. And if Pakistan's president, Yahya Khan, comes under political pressure in West Pakistan, it is more likely to come from hawks calling for even tougher measures than from doves. "West Pakistan will let itself be drained before it gives East Pakistan up," a European diplomat in Dacca says.

To help control the Bengali population, the army has been setting up a network of peace committees superimposed upon the normal civil administration, which the army cannot fully rely on. Peace-committee members are drawn from East Pakistan's non-Bengali minority (called Biharis) and from the membership of small, conservative religious-political parties like the Moslem League and the Jamaat-I-Islami. The peace committees serve as agents for the army, informing on the civil administration as well as on the general populace. They are also in charge of confiscating and redistributing shops and lands from "enemies of the people," like Hindus and pro-independence Bengalis. The peace committees also recruit razikars, or armed vigilantes. Many of them are common criminals who have thrown their lot with the army. "Biharis, Bengali opportunists, louts and thugs"—that's the capsule definition offered by one diplomat.

While the general Bengali population is terrified—and terrorized—by these local army collaborators, the collaborators also live in fear.

Dozens of peace committeemen have been assassinated by Mukti Bahani or by Bengali neighbors. In one town a peace-committee official sleeps on the floor of his house with three razikars lying on each side of him. In another town the peace-committee chairman has paid $625 protection money to the Mukti Bahani to prevent, or postpone, assassination.

In one roadside village a peace committeeman who two days before had turned several Bengalis over to the army was routed out of his bed at night by Mukti Bahani. He was given an hour to say good-bye to his mother. Then a "people's court" was convened in his front yard with neighbors summoned as jurymen. He was convicted and executed, and his body was left in the road as a warning to other collaborators.

Then there was this encounter by two reporters with a small-town peace committee. The Mukti Bahani had made a small foray into the town the previous night, firing a few stray bullets, destroying a telephone at the railroad station and robbing the station safe of about $3.00. The attack could hardly have been less effectual.

But to listen to the peace committee it had been an epic assault. "Forty Mukti Bahani came armed with automatic weapons," the committee chairman, an elderly Bihari, says. A half-hour later the tale had escalated into an attack by 100 Mukti Bahani men carrying machine guns. "What could we do?" he asks. "The razikar have only four rifles, the army is stationed 10 miles away, maybe there will be more attacks." The committeemen know that they themselves are targets. Death shrouds have been left at night on their doorstops as a sign that they are marked men.

Like the army, the peace committee blames all troubles on miscreants and goodas (criminals), Indian infiltrators and a few misguided individuals—all of whom are lumped together under the term "antielements." All townspeople support the army and the peace committee, these committeemen say. As they talk to the two reporters, several score townspeople stand around, silently listening.

The reporters leave, turning a corner out of sight of the committeemen. The townspeople follow and rush up to them.

"The man talking was a non-Bengali. . . . No one agrees with what he says. . . . The peace committee is a trap for the people. . . . The army kills many people here. . . . We cannot talk or we will be reported to the army. . . ."

The civil fighting has had calamitous economic effects. The immediate sufferers, of course, are the Bengalis, whose already desperately poor and overcrowded land has been rendered even poorer. Transportation is disrupted, commerce has collapsed, factories lie idle, public-works programs are at a standstill and crops go untended. One result, Western economists believe, could well be a severe famine late this year.

The rice crop will be affected because farmers have fled their paddies or fear to go out of their homes to tend the crop. Last year the food-grain harvest was 11.5 million tons; this year it will be no more than 9.5 million. East Pakistan's food-grain requirement is 13 million tons, and the deficit traditionally has been made up by imports, much of it through purchases for local currency of American surplus-food stocks. But now, because of the conflict, the distribution system can't handle the import load while the reduced crop makes the need greater.

One economist estimates that the distribution system would have to handle 300,000 tons of imports a month, whereas, even in normal times, it has never been able to carry more than half that amount. America already has stopped new food-grain shipments because rice is backed up on the docks of Chittagong. One reason, of course, is that to the Pakistan army administration, rice rates a lower priority than military supplies.

A LAND OF LITTLE HOPE

Even if famine can be averted both this fall and next, the economic punishment of this conflict will be felt for years, probably decades, and will cripple the land even if independence comes. In a sense it's like crippling a leukemia patient, for East Pakistan—with or without war—is a land of little hope. Already, 75 million people are packed within its frontiers, and the population will double in 25 years. People will then be living more than 3,000 to the square mile, and no one knows what they will live on.

But the economic situation here is also serious for West Pakistan. The West has always treated East Pakistan as a kind of economic fiefdom, pocketing foreign exchange from the export of East Pakistan's raw materials like jute and tea while using East Pakistan as a captive market for low-quality West Pakistani finished goods.

The main East Pakistan export is jute. Last year the jute crop was seven million bales. This year, Western economists say, the maximum will be 5½ million. But with the trading and transportation system disrupted, much of it may never reach the mills. Even then, the mills are barely functioning: Only 36% of the jute-mill workers have returned to their jobs, and mill output in June was only 20% of normal. Economists say if that situation continues for several more months, overseas jute buyers will begin turning to other suppliers.

Commerce is almost at a standstill in many areas. Most towns are reduced to a fraction of their former population; a majority of their people are dead, have fled to India or are hiding in the countryside. Retail trade in Dacca is only 35% of normal and in other towns considerably less. Even where shops are open, people have little money to spend and no inclination to spend it.

Western economists in Dacca say the economic crisis already is starting to spread to West Pakistan, where factory laborers are beginning to be laid off. West Pakistani goods that were sold in the captive market of East Pakistan aren't very competitive in other countries.

All this, plus the loss of East Pakistan tax revenues and the added costs of maintaining an army of occupation in East Pakistan, will have reduced Pakistan's foreign-exchange reserves to a critically low level by October, the economists here say. Whether foreign-aid donors will help bail out the Pakistan government remains to be seen.

America's aid program to Pakistan is in a state of considerable confusion, especially to the people here. Officials in Washington say economic aid is continuing to both West and East Pakistan on a case-by-case basis. But, in practice, this means the East is getting little help. The Nixon administration says it isn't granting any new military assistance to the central government of Pakistan. But goods contracted for prior to March 25 are still being sent, although the administration contends that these are generally sales of such things as communications equipment, not arms.

All this has left the Bengalis confused and angry, and it is awkward to be an American visitor in East Pakistan these days. Those few Bengalis who risk arrest by talking to a stranger invariably ask why America continues to ship supplies to the Pakistan army.

"We hear on Pakistan radio that two American ships are bringing ammunition to the army. But the Canadian people support our cause. We are grateful to the Canadian people," a teacher says, trying to be as polite as possible. "We understand that you must make money by selling guns to Pakistan, but please sell us rifles, too," a lawyer pleads.

A student says: "At Kent State you lost four students and the whole world protested. Here thousands of students have been killed by the army, but does the world care? You supply guns to the army. If we were European, you would care."

China, for short-term national reasons rather than long-term ideological ones, is the only other important power supporting Pakistan. "The cradle of democracy, America, and great revolutionary China are allies giving aid to the Pakistan army, which is suppressing our freedom and slaughtering our people. Why is this?" a college instructor asks.

During his meetings in Islamabad, Mr. Kissinger was pressed by some Dacca-based diplomats critical of America's friendly relations with the Pakistan government. Mr. Kissinger responded with a question. Would a change in American policy make East Pakistan independence likely in two years or five years rather than 10 years? There was no definitive answer. But whether Bangla Desh comes to pass in two, five, or 10 years, its citizens are likely to have long—and not very fond—memories of America's role in their revolutionary war.

UNIVERSAL VOTER REGISTRATION FOR FEDERAL ELECTIONS—THE CONSTITUTIONAL BASIS

Mr. KENNEDY. Mr. President, last Monday, in discussing my amendment—numbered 344—to S. 382, the Federal Election Campaign Act of 1971, I emphasized my view that there is ample constitutional justification for action by Congress to establish a program, to be carried out by the Census Bureau, for universal voter registration in Federal elections. See pages 27120–27121 of the Congressional Record for Monday, July 26, 1971. The linch-pin of the constitutional basis for such action is *Oregon* v. *Mitchell,* 400 U.S. 112 (1970), in which the Supreme Court sustained the literacy, residency, and voting age provisions of the Voting Rights Amendments of 1970.

Recently, I have received a detailed legal memorandum supporting the power of Congress to regulate voter registration in Federal elections. The memorandum was prepared by Prof. Kenneth Guido of the University of Kentucky Law School, an expert in the constitutional law of voting rights and voting procedures. Professor Guido is a consultant to the voting-rights project of Common Cause, for whom the memorandum was prepared, and the memorandum was provided to me by Common Cause.

Mr. President, I believe the memorandum will be of interest to every Senator concerned with improving the voting participation of the American people, and I ask unanimous consent that it be printed in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Power of Congress to Regulate Voter Registration for Federal Elections

(Written by Professor Kenneth Guido, University of Kentucky Law School; Consultant, Voting Rights Project, Common Cause; provided by Common Cause 2100 M Street, N.W., Washington, D.C. 20037)

The framers of the Constitution provided in Article I, Section 2 that members of the House of Representatives shall be elected by the people and that the voters shall have the "Qualifications requisite for Electors of the most numerous Branch of the State Legislature." The Seventeenth Amendment extended this to the election of Senators by the people who are to have the same qualifications as voters for members of the House of Representatives. Similarly, Article II, section 1 places the qualifications of Presidential electors under state authority. These provisions have been consistently interpreted to mean that now, as before enactment of the Civil War Amendments, the States have the authority to establish the qualifications for voters, to regulate the registration of voters, and to supervise elections. *Minor v. Happersett,* 21 Wall. 162, 170 (1874); *U.S. v. Reese,* 92 U.S. 214, 217 (1876); *McPherson v. Blacker,* 146 U.S. 1, 39 (1892); *Pope v. Williams,* 192 U.S. 621, 632 (1902); *Guinn v. U.S.,* 238 U.S. 347 (1914); *Lassiter v. Northampton County Bd. of Elections,* 360 U.S. 45, 50 (1959); *Carrington v. Rash,* 380 U.S. 89, 91 (1965); *South Carolina v. Katzenbach,* 383 U.S. 301, 325 (1966); *Oregon v. Mitchell,* 400 U.S. 112, 119 (1970).

But, this is only true in that states may enact legislation on the subject—as provided by section 2 of Article 1, the Seventeenth Amendment, and section 1 of Article II—that does not conflict with legislation enacted by Congress in exercise of its power to regulate federal elections under section 4 of Article 1 and its more general power under Article 1, section 8 "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers." See *Ex parte Siebold,* 100 U.S. 371 (1880) *Ex parte Yarbrough,* 110 U.S. 651, 663, 664 (1884); *Swafford v. Templeton,* 185 U.S. 487 (1902); *Wiley v. Sinkler,* 179 U.S. 58, 64 (1900); *U.S. v. Classic,* 313 U.S. 299, 315 (1941) "It is not true, therefore, that electors for members of congress (or president) owe their right to vote to the state law, in any sense which makes the exercise of the right depend exclusively on the law of the state." *Ex parte Yarbrough,* 110 U.S. 651, 663–64 (1884); accord, *Baker v. Carr,* 369 U.S. 186, 242–43 (1962).

THE HISTORY OF CONGRESSIONAL LEGISLATION

Historically, Congress has extensively regulated the conduct of federal elections under its constitutional authority. Almost immediately after the Constitution was ratified, legislation was passed by Congress. In 1792 Congress established the time for appointment, the number of presidential and vice presidential electors to which each state was entitled, and the manner in which they were to cast their ballots. Act of March 1, 1792; 1 Stat. 239; 3 U.S.C. § 1, 2, 10, 11, 14, and 15. And in 1804, Congress modified the manner of voting. Act of March 26, 1804, 2 Stat. 295; 3 U.S.C. § 8 and 9. Less than forty years later, in 1842, Congress enacted legislation which provided that candidates for the House of Representatives were to be selected from contiguous and compact districts, overturning a common state practice of electing representatives at large. See Act of June 25, 1842, c. 47, § 2; 5 Stat. 491; 2 U.S.C. § 3, expired by own limitation in 1929, *Wood v. Broom,* 287 U.S. 1. Congress in 1845 established procedures for the filling of vacancies to the electoral college and reappointment of electors if they fail to reach a decision on the day specified by earlier legislation. Act of 1845, c. 1; 5 Stat. 721; 3 U.S.C. § 3 and 4.

Congress, in 1851, enacted legislation regulating the time and manner for contesting an election of any member of the House of Representatives, including the time and manner of taking depositions and penalties for failure to testify. Act of Feb. 19, 1851, c. 11; 9 Stat. 568; 2 U.S.C. § 201 et seq.; superseded by P. L. 138; 83 Stat. 284; 2 U.S.C. § 381 et seq. And in 1865 Congress prohibited interference with the right to vote by any Army or Navy officer. Act of Feb. 25, 1865, c. 52, § 1, 13 Stat. 437; 42 U.S.C. 1972.

The first comprehensive package of legislation regulating federal elections was passed by Congress as part of the Reconstruction legislation right after the Civil War. This legislation, embodied in §§ 19–22 of the Act of May 31, 1870, 16 Stat. 254, and in the Act of June 19, 1872, 17 Stat. 347–349, made it unlawful to register falsely, to bribe a voter, to vote without a legal right, to make false returns, to interfere in any manner with officers of elections, and for any officer of an election to neglect any duty required of him by state or federal law. In addition, Congress authorized federal officers to register voters, and certify the results of elections, establishing complete federal control over federal elections. See *U. S. v Gradwell,* 243 U.S. 476, 482 (1916). Furthermore, Congress provided for the number and manner of apportionment of the House of Representatives, and required that all votes for representatives be by written or printed ballot. Act of Feb. 2, 1872, c. 11; 17 Stat. 28; 2 U.S.C. ——; Act of June, 18, 1929, c. 28 § 22, 46 Stat. 26, §§ 2, 6, 7, 8, and 9. Section 2 was superseded by 2 U.S.C. § 2a. *Smiley v. Holm,* 285 U.S. 355 (1932).

Congress repealed most of the sections passed as a part of the Reconstruction legislation in 1894 (Act of Feb. 8, 1894, 28 Stat. 36), with the hope expressed in the Committee Report which accompanied the repeal that the enactment of state laws to "protect the voter and purify the ballot" would be extended to "every state in the union." H.R. Rep. No. 18, 53d Cong., 1st Sess., p. 7.

After the turn of the century, however, Congress again found it necessary to enact legislation to protect the right to vote in Federal elections. Congress, in 1909, made it a crime: (1) for any officer or member of the armed forces to station Army or Navy troops at the polls or attempt to set the qualifications for voters to cast their ballot, and (2) for anyone in the service of the United States to solicit, be solicited for, or to make any political campaign contribution. Act of March 4, 1909, ch. 321, 35 Stat. 1902, 1903, 18 U.S.C. §§ 241 et seq. Congress in 1911 provided for the manner of nomination and election of members of the House of Representatives between the date of the census and the date of reapportionment. Act of Aug. 8, 1911, c. 5, 37 Stat. 15, 2 U.S.C. §§ 4 and 5. And in 1914 Congress established the time for the election of Senators.

Congress in 1925 and 1939 broadened federal control over the federal electoral process by enacting a set of statutes, supplementing those passed in 1909, that imposed criminal penalties upon certain financial transactions designed to influence candidates or voters. An offer to make an expenditure of money, or the receipt thereof, and a promise of appointment by a candidate to influence a persons' vote were explicitly declared to be unlawful, as were solicitations of political contributions of those employed by the United States or paid in part with federal funds, and political contributions by national banks, corporations or labor organizations. Act of June 25, 1948, c. 645, 62 Stat. 721, 18 U.S.C. §§ 597, 599, 609, and 610. The legislation of 1939 made it a crime; (1) for any person to initimidate voters; (2) for federal employees, or those paid in part by federal funds, to use their official authority over funds for public works projects, work relief, or employment in order to influence voters; or (3) for any person to solicit funds in a federal building or from persons on welfare. Act of Aug. 2, 1939, c. 410, 53 Stat. 1148, 18 U.S.C. §§ 594–95, 598, 600–601, 604–605.

In the decade of the forties, more additions were made regarding the manner in which federal elections were to be held. Legislation was enacted in 1940, which: (1) prohibited state or local employees paid in part or in whole with federal funds from using their position to intimidate, coerce or influence voters from taking an active part in partisan political campaigns and (2) prohibited firms or individuals contracting with the United States from making a political contribution of any kind. Act of July 19, 1940, c. 64, 54 Stat. 767, 772, 5 U.S.C. §§ 1501 et seq; 18 U.S.C. §§ 611. In addition, legislation was enacted during this period prohibiting anyone from polling a member of the armed forces on the way he intended to vote or had voted, and requiring political mailings to include the name of the person or group responsible for the distribution. Act of Sept. 16, 1942, c. 561, as added April 1, 1944, c. 150, 58 Stat. 146, 18 U.S.C. § 596; Act of Dec. 23, 1944, C. 706, 58 Stat. 914, 915, 18 U.S.C. § 612.

In the late fifties and early sixties additional legislation was passed under Congress' constitutional authority to regulate federal elections. In 1957, Congress amended 42 U.S.C. 1971, adding thereto a section prohibiting any person acting under color of law from interfering with any other person's right to vote in federal elections. P.L. 85–315, 42 U.S.C. 1971 (b). In 1960 Congress required retention and preservation for a period of time of all records and papers relating to registration, or any other act requisite to voting in federal elections, by the officer of the election or such other custodian as provided by state law. P.L. 86–449, 42 U.S.C. 1974. Moreover, to further protect the integrity of federal elections, Congress, in 1960, made it a crime for any person acting under color of law to willfully interfere with a person's right to vote in federal elections by force or threat of force. P.L. 90–284, 82 Stat. 73, 18 U.S.C. 245.

As this summary points out, Congressional regulation of the "time, place and manner" of federal elections, has fluctuated over time, depending upon what Congress perceived the need to be. To assume from this, however, that Congress has only narrowly drawn authority to preserve the integrity of elections is unwarranted.

THE SUPREME COURT PRECEDENTS

The Supreme Court has repeatedly upheld legislation enacted to protect the integrity of federal elections under Art. 1 § 4 and under Article 1, § 8, "to make all laws which shall be necessary and proper." Legislation that protected the right of qualified voters to have their votes counted, *United States* v. *Mosley*, 238 U.S. 383 (1915); *Ex parte Yarbrough*, 110 U.S. 651 (1884), and legislation that protected the franchise against less outright denials, such as alteration of ballots, *United States* v. *Classic*, 313 U.S. 299 (1941) or dilution by stuffing of the ballot box, *United States* v. *Saylor*, 322 U.S. 385, have been upheld as constitutional exercises of the power of Congress.

The extent of Congressional authority has stretched beyond overt fraud to encompass many other matters, including insidious devices which Congress believed had the propensity to undermine the legitimacy of the federal electoral process. Legislation setting the date for meeting of Presidential electors (3 U.S.C. § 5) has been held to preempt state law setting a conflicting date. *McPherson* v. *Blacker*, 146 U.S. 1 (1892). Legislation defining the basis of apportionment of Congress (2 U.S.C. § 2a) has been upheld as a constitutional exercise of Congress' power to regulate federal elections, with a federal circuit court stating that "whenever a member of Congress is to be elected, Congress seeks by statute to protect the elections of its members against *any possible unfairness* by compelling every one concerned in holding the election to observe strict and scrupulous regard of every duty connected therewith, under the powers and penalties pronounced by that statute" (emphasis added). *U.S.* v. *Jackson*, 25 F. 548 (C.C. Tenn. 1885). Legislation regulating the time and manner of conducting election contests has been upheld as necessary and proper under the power of the House of Representatives to judge election contests conferred by section 5 of Article 1. (2 U.S.C. 201 et seq.) *In re Voorhis*, 271 F. 673 (D.C. N.Y. 1923); *In re Loney*, 134 U.S. 372 (1890). And legislation requiring ballots to be preserved and produced upon request (2 U.S.C. 219; 42 U.S.C. 1974) has been upheld on a number of occasions. *In re Howell*, 119 F. 465, 467 (D.C. Pa. 1902); *Kennedy* v. *Lewis*, 325 F. 2d 210 (C.A. Miss. 1963), cert. denied, 377 U.S. 932, rehearing denied, 377 U.S. 935; *Sallion* v. *Rogers*, 187 F. Supp. 848 (D.C. Ala. 1960), aff'd 285 F. 2d 430, cert. denied, 366 U.S. 913; *U.S.* v. *Assoc. of Citizens Council of La.*, 187 F. Supp. 846 (D.C. La 1960); *U.S.* v. *State of Miss.*, 229 F. Supp. 925 rev'd on other grounds, 380 U.S. 128, on remand, 256 F. Supp. 344.

The Supreme Court has been particularly wary of the temptations to corrupt federal elections, viewing such behavior as a constant source of danger. *Ex parte Yarbrough*, 110 U.S. 651, 666–67 (1884), quoted with approval in *Burroughs v. U.S.*, 290 U.S. 534, 546–47 (1934). Consequently, it is not surprising to find federal courts upholding legislation that prohibited: (1) the making of expenditures to influence voting (18 U.S.C. 597), *U.S. v. Blanton*, 77 F. Supp 812 (D.C. Mo. 1948); *U.S. v. Foote*, 42 F. Supp. 717 (D.C. Del. 1942); *In re Cohen*, 62 F. Supp. 2d 249 (C.C.A. N.Y. 1932); (2) The solicitation of political contributions upon federal property (18 U.S.C. 603), *U.S. v. Thayer*, 209 U.S. 39 (1908); and (3) the prohibition of political contributions by certain corporations and labor unions in an election at which federal officers are to be elected (18 U.S.C. 610), *U.S. v. Brewers' Ass'n*, 239 F. 163 (D.C. Pa. 1916); *U.S. v. CIO*, 77 F. Supp. 355 (D.C. 1948); *U.S. v. UAW–CIO*, 352 567 (1957), rehearing denied 353 U.S. 943.

Finally, proscription of the distribution of statements which might be erroneously attributed to one or another candidate by the electorate (18 U.S.C. 612) without disclosing the name of the person responsible for their distribution has been held to be within the power of Congress to preserve the integrity of federal elections. *U.S. v. Scott*, 195 F. Supp. 440 (D.C. N.D. 1961).

The right of the people to choose their federal officials, whatever may the constitutional allocation of authority of the states and the federal government to regulate the election of state officials "is a right established and guaranteed by the constitution and hence is one secured by it to those citizens and inhabitants of the state entitled to exercise the right," *U.S. v. Classic*, 313 U.S. 299 (1941); See also, *Ex parte Yarbrough*, 110 U.S. 651 (1884); *U.S. v. Mosley*, 238 U.S. 383 (1915). Obviously, included within this right to choose is the right of all qualified citizens to have their vote counted, *U.S. v. Classic, supra; Swafford v. Templeton, supra; United States v. Mosley, supra; Ex parte Siebold*, supra; *In re Coy*, 127 U.S. 731; *Hagan v. U.S.*, 144 U.S. 263. It seems incongruous that such a simple proposition could ever be doubted when the nature and theory of a representative democracy, the principles upon which it is supposed to rest, and the history of the constitution are carefully considered. *Yick Wo. v. Hopkins*, 118 U.S. 356, 369 (1885). "If a government, the essential character of which is republican and its President and Congress are elected directly by the people, is to be anything more than a mere aggregation of delegated powers from the various states, it must have the authority to protect the integrity of its elections. Otherwise it is left vulnerable to open violence and insidious corruption," *Ex parte Yarbrough*, 110 U.S. at 657–58; *Burroughs v. United States*, 290 U.S. 534, 546–47 (1934), "and its best powers, its highest purposes, the hope which it inspires, and the love which enshrines it, are at the mercy of the combination of those who respect no right but brute force on the one hand, and unprincipled corruption on the other." *Ex parte Yarbrough*, 110 U.S. at 666–67; *Burroughs v. U.S.* 290 U.S. 534, 547 (1934). Therefore, it follows that the Congress is *obligated* to see that Federal elections are free from corruption and open to all citizens who are qualified. "This duty does not arise solely from the interest of the party concerned, but from the necessity of the government itself . . . and that the votes by which its members of Congress and its President are elected shall be the *free* votes of the electors, and the officers thus chosen the free and uncorrupted choice of those who have the right to take part in that choice." *Ex parte Yarbrough*, 110 U.S. 651, 662 (1884).

As recently as 1970, the Burger Court reaffirmed this principle. Justice Black found in the constitutional history authority for Congress to establish the voting age for federal elections, stating that "Congress has ultimate supervisory power over congressional elections . . ." *Oregon v. Mitchell*, 400 U.S. 112, 124 (1970). Justice Douglas, although he ruled upon the privileges and immunities clause of the Fourteenth Amendment in upholding the durational residency provision of the 1970 Voting Rights Act, stated that the "right to vote for national officers is a privilege and immunity of national citizenship," id. at 149, and that the choice of means to protect such a privilege presents a question primarily addressed to the judgment of Congress. Id at 150. Justices Brennan, Marshall and White did not state explicitly what their position was on Congress' authority to regulate federal elections but cited Justice Douglas' views in a footnote, and went on to base their affirmation of the durational residency provision of the 1970 Voting Rights Act on the right to travel. Id at 237, particularly footnote 16. Moreover, although Justices Stewart and Blackmun and Chief Justice Burger did not believe Congress' authority extended to include the reduction of the voting age requirement, in an opinion written by Justice Stewart they were careful to point out that Congress has the authority under Article I, section 4 and section 5 to pass such laws as are necessary to assure fair elections and to protect and facilitate the exercise of privileges of United States citizenship," citing both *United States v. Classic*, supra, and *Burroughs v. United States*, supra. Id., at 281ff.

THE SCOPE OF CONGRESS' AUTHORITY TO REGULATE ELECTIONS

Of particular importance in the area of voting rights is whether the right to choose Federal officials embraces the registration of voters.

It is fair to assume that the framers of the Constitution, in adopting Article I, section 4, did not have in mind modern registration statutes, "any more than they contemplated the application of the commerce clause to interstate telephone, telegraph and wireless communication, which are concededly within it. But in determining whether a provision applies to a subject matter," whether or not it was then in existence does not matter. *U.S.* v. *Classic*, 313 U.S. 299 316 (1941). In setting up an enduring framework of government, the framers intended the Constitution to last for an indefinite length of time, providing a set of fundamental principles which the Constitution itself defines to be applied to all the vicissitudes of the changing affairs of men. *Oregon* v. *Mitchell*, 400 U.S. 112 (1970). Consequently, the Constitution is not to be read as legislative enactments which are subject to continuous legislative revision with the changing course of history, but in light of its plainly elicited purposes. *U.S.* v *Classic*, supra; *Davidson* v. *New Orleans*, 96 U.S. 97; *Brown* v. *Walker*, 161 U.S. 591, 195; *Robertson* v. *Baldwin*, 165 U.S. 275, 281–82; *U.S.* v. *Reese*, 92 U.S. 214, 217.

Article I, section 4, authorizes Congress to regulate the time, place and manner of holding federal elections, and Article I section 8 authorizes Congress "to make all laws which shall be necessary and proper for carrying into execution" the powers of Congress. This leaves Congress free to select the means by which its constitutional powers are to be carried into execution, subject only to the limitation promulgated by Chief Justice Marshall in *McCulloch* v. *Maryland:*

> Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adopted to that end, which are not prohibited, but consistent with the letter and spirit of the Constitution are constitutional." 4 Wheat. 316, 421 (1819).

Thus whenever the Congressional decision is consistent with the "letter" and spirit of the Constitution, as a long line of cases has held from *McCulloch v. Maryland*, supra, to *Oregon v. Mitchell*, 400 U.S. 112 (1970), it will be upheld as a constitutional exercise of Congressional authority. See *Ex parte Virginia,* 100 U.S. at 345–346 (1880); *South Carolina v. Katzenbach,* 383 U.S. 301, 376–77 (1965); *Katzenbach v. Morgan,* 384 U.S. 649, 650 (1965) and the opinions of the Justices of the present Court in *Oregon v. Mitchell,* supra, in which all of the Justices affirmed their adherence to the principle of *McCulloch v. Maryland.*

The right to participate in the selection of federal officials includes the right to cast a ballot and to have it counted at the general election, whether for the successful candidate or not. Where the state law has made registration an integral part of the procedure of choice, or where in fact registration controls the right to make that choice, the right of the citizen to be free from arbitrary application of qualification regulations is likewise included in the right protected by Article 1, section 2. Cf. *U.S. v. Classic,* supra, at 319.

There is no merit to the argument that Article I, section 4, and the Fourteenth Amendment deal only with the denial of the right to vote, not with the registration of voters, and therefore give Congress no power over registration. Cf. *U.S.* v. *Manning,* 215, F. Supp. 272 (1962). The Supreme Court set the record straight in striking down the "grandfather clause," one of the first schemes to deny registration to voters. *Guinn* v. *United States,* 238, U.S. 347 (1915). The Court pointed out in that case that the Fifteenth Amendment did not take away the State's power to fix qualifications, but it requires the tests for suffrage to be non-discriminatory. As the District Court stated in *U.S.* v. *Manning:*

> Discrimination in the registration office is the worst kind of oppression of qualified voters, because it is oppression under color of law. *Discrimination by a registrar is especially harmful because it is the most effective method for denying the right to vote: it denies the right to vote before an individual has the chance to exercise it, and it bars not only the individual* concerned from all elections but inhibits other qualified voters from running the gauntlet of discriminatory and humiliating practices by a registar and his deputies. *It is unthinkable that Congress should not have the power to deal with the right to vote at the most vulnerable point in the electoral process.*

As the Supreme Court said, in an analogous context, in *Ex Parte Yarbrough,* 110 U.S. 651, 661–62 (1884):

> It is only because of the Congress of the United States, through long habit and long years of forebearance, has, in deference and respect to the states, refrained from the exercise of these powers, that they are now questioned.

When the states, by sophisticated registration requirements coupled with discriminatory practices by registrars, deny suffrage to qualified voters, they cannot complain if Congress exercises its authority under Article I, section 4, to regulate the electoral process in federal elections and its Fourteenth-Fifteenth Amendment authority to prohibit discriminatory denial of the right to vote in federal and state elections" (emphasis added). 215 F. Supp. 272, 278–88 (1962).

The Supreme Court on a number of occasions has addressed itself to the question of the extent of the function contemplated by Article I, section 4, and the other sections of the Constitution regarding suffrage. The response directly applicable to registration was made in *Smiley v. Holm,* in which the Supreme Court stated:

> "It cannot be doubted that these comprehensive words 'time, place and manner of holding elections for Senators and Representatives' embrace authority to provide a *complete code* for congressional elections, not only as to times and places, but in relation to notices, registration, supervision of voting, protection of voters, prevention of fraud and corrupt practices, count of votes, duties of inspectors and canvassers, and making and publication of election returns; in short, to enact the numerous requirements as to procedure and safeguards which enforce the fundamental rights involved." (Emphasis added.) 285 U.S. 366–67 (1932).

The history of the Constitution, the legislation which has been enacted thereunder and the decisions upholding its constitutionality all lead to one inescapable conclusion. When it comes to federal elections, Congress may adopt as its own or supplement state regulations, and even substitute its own voter registration laws. Simply stated, Congress "has a general supervisory power over the whole subject." *Ex parte Siebold,* 100 U.S. 371, 387; *Ex parte Yarbrough,* 110 U.S. 651, 661; *Ex parte Clarke,* 100 U.S. 399; *United States* v. *Mosley,* 238 U.S. 383, 386; *Newberry v. United States,* 256 U.S. 232, 255; *Smiley v. Holm,* supra.

SUPPORT FOR FARM CREDIT ACT OF 1971

Mr. FULBRIGHT. Mr. President, I should like to record my support for the Farm Credit Act of 1971, S. 1483.

Over 15,000 Arkansas farmers and 65 Arkansas farmer cooperatives now have nearly $300 million in loans outstanding from the banks and associations of the cooperative farm credit system. These farmer-owned institutions have served the farmers of Arkansas well. But, as in so many things, there is a time when change is necessary.

In Arkansas, as in many other rural States, we are very much concerned about rural development. As I read the Farm Credit Act of 1971, I see in it some things that would aid our rural communities. The Farm Credit System need make no apology for its present role in building our rural areas. The mere fact that it operates only in rural America, making loans of all kinds to both farmers and their cooperatives, aids the rural economy. But more needs to be done and this legislation will provide the means by which more can be done.

I have received a great deal of mail from my State unanimously supporting this legislation, and I would like to comment on the provisions in it which I believe are especially significant.

Rural housing: There is no question that adequate funds are needed to finance nonfarm rural homes. Substandard housing is the rule rather than the exception in rural America. The lack of available financing is one of the prime reasons people do not build new homes in the country. This results, of course, in an exodus from the country to our already overcrowded cities. The provision in the Farm Credit Act of 1971 to allow the Federal land banks to make these kinds of loans will not solve all the housing problems in rural America, but it is certainly a step in the right direction. The availability of money for nonfarm rural homes will do more than provide places for people to live. It will provide jobs, stimulate business and broaden the tax base in these communities. The companion provision which would allow the production credit associations to make loans for the repair and maintenance of these rural homes is equally important. I think it a tribute to the farmer-owners of the farm credit system that they recognize the needs of their rural neighbors and are asking the permission of the Congress to help them.

Farm-related business loans: Many farmers today are plagued by the fact that they need large and expensive equipment and machinery to operate efficiently. Though they need such equipment, frequently they cannot justify its use when its cost is considered. The answer for many farmers is to turn to custom operators; businessmen who provide on-the-farm services which the farmer, under ordinary circumstances, would provide for himself. However, these farm-related businessmen have difficulty obtaining sufficient financing. Again, the Farm Credit Act of 1971 offers assistance by allowing its institutions to make loans to those who provide these services.

Loans to farmers' cooperatives: The Banks for Cooperatives are now providing an estimated 60 percent of all funds borrowed by farmers' cooperatives. More than half of all the cooperatives in existence are owners of these Banks. Many of those which are not borrower-owners simply cannot meet the rigid eligibility requirements. In order for a cooperative to be eligible for a loan, 90 percent of its voting control must be held by farmers. Now many of these cooperatives do sell supplies or provide petroleum products to nonfarmers, but the nature of cooperatives is such that these nonfarmers do hold stock in them. It is also true that many farmers keep their investments in cooperatives after they retire. This, of course, affects the voting control requirement. The Farm Credit Act of 1971 offers a solution. It would establish the eligibility of a borrowing cooperative as one in which farmers hold 66⅔ percent of voting control. So again, the rural economy is stimulated by the business a cooperative brings into rural areas and by the jobs it provides.

The cooperative Farm Credit System was initially established with funds provided by the U.S. Government. The farmers and their cooperatives who borrow from this system have demonstrated their ability to successfully operate it. They have repaid the Government with interest. They now completely own the banks and associations and have invested more than $1 billion in them. In effect, all they are asking is for us to allow them to modernize their system so it can better serve them and their rural neighbors. We should not only grant that permission by enacting this legislation, but we should grant it with our thanks.

MRS. IRIS POWERS, THE ARMY'S CONSULTANT TO THE FAMILIES OF PRISONERS AND MISSING

Mr. DOLE. Mr. President, in my activities on behalf of American servicemen who are missing in action or held as prisoners of war in Southeast Asia I have come to know a number of wives, mothers, fathers, and children of these men. Many have been members of the national League of Families of Prisoners and Missing in Southeast Asia, and all have been unique in their determination to do everything and anything they feel will possibly benefit the men who are captive or missing in North Vietnam, South Vietnam, Laos, and Cambodia.

These family members have long been involved in efforts to help their men, but now attention is being given to helping them. The Department of the Army has appointed a national coordinator of the League of Families to the job of assuring that the families of missing and captured army personnel are receiving all possible official help in meeting their needs and dealing with the problems they fare in their daily lives—Mrs. Iris Powers whose son, Lowell, has been missing for more than 2 years has been named consultant to the next of kin of missing/captured Army members in Southeast Asia. This delightful and highly capable woman brings unparalled energy, dedication and knowledge of the families' needs to her job, and has already proven the wisdom of her selection in the first few months on the job.

The July 1971 issue of Soldiers magazine contains an interview with Mrs. Powers, and I believe it merits every Senator's attention. Therefore, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

SPEAK FOR THE SILENT

(Mrs. Iris Powers, Interviewed by MSG Jack Holden)

Editor's note: One of the gravest unresolved problems of the Indo-China War is the enemy's treatment of U.S. Prisoners of War (PW) and those Missing in Southeast Asia. President Nixon has announced that as long as our men are held captive the United States will maintain an armed presence in South Vietnam. The issue of securing more humane treatment for interned U.S. servicemen has also rallied the support of thousands of Americans in every walk of life. To help cope with the many facets of the problem, the Army appointed Mrs. Iris Powers as its Consultant to the Next of Kin (NOK) of Missing/Captured Army Members in Southeast Asia. During her first 130 days on duty the former National Coordinator of the National League of Families of American Prisoners and Missing in Southeast Asia examined the problems faced by the loved ones of these PWs and Missing. In the following interview "Soldiers" reveals some of Mrs. Powers' thoughts and findings. It's the view of a woman personally involved with a problem basic to bringing an early return of peace to America.

How did you become involved in the PW problem?

Believe me, it was not intentional. You see, just like thousands of mothers during the past several years I saw my son off to war. I didn't know it then but that was the start of my concern with this remote area called Southtast Asia. Until then it was just a place on a globe and I'll confess that not unlike many Americans I knew next to nothing about the Army.

How did his service lead you to your present job?

Lowell was always deeply interested in flying, so combining his talent with his desire to do something for his country naturally led him to the assignment he sought—duty as an Army helicopter pilot. After completing helicopter training in the States, Lowell was appointed a Warrant Officer and joined the 101st Airborne Division (Airmobile) in the northern sector of South Vietnam. This was his second tour in 'Nam. He has been officially listed as missing since April 2, 1969. He was piloting a troop-carrying helicopter and that day's mission was to land a contingent of South Vietnamese troops somewhere in the Hue-Phu Bai sector. The craft developed mechanical failure and crashed?

What happened then?

All hell broke loose. Just 2 minutes after the crash the helicopter exploded. Lowell had told the co-pilot who survived that he was "all right." In the confusion that followed no one knew whether or not he got free of the wreckage before the blast. That's the terrible part, not knowing whether he's alive or dead.

What actually caused you to do something about your concern for your son?

Personal tragedy has a way of making a person more thoughtful, more sensitive. And time, you can't believe how time can drag in such a situation. The unbearable frustration of just waiting and wondering makes sleep hard to come by, so hard that nights and days seem to blend into one long nightmare. Then I learned about the National League of Families of American Prisoners and Missing in Southeast Asia—a group that was not just talking about their tragedies; they were doing something about them too. Its members were in the same boat as myself. I became its national coordinator and became more knowledgeable about these women and their problems. The PW/Missing issue came to be paramount in my life. It gave me a sense of doing something both for my son and the many other soldiers who suffer similar fates.

What led you to this job?

I knew I could contribute something of value. While attending a White House meeting last winter along with other PW and Missing members' families I met President Nixon and he proved very sympathetic to many of my ideas. A later conference with an Army staff official convinced me that I should take this assignment and do what I'm hopefully accomplishing right now—helping the next of kin of Army Missing and PWs. They need all the help they can get.

What background do you bring to this job?

It seems I have always been working very closely with people and their problems. For more than 13 years I assisted several doctors in working with patients with varying degrees of mental and emotional problems. I could get these very troubled people to confide in me, to trust me. That ability has helped a lot in dealing now with people who, for the most part, are unfamiliar with the Army or how to secure Army assistance.

What are some of your other work experiences?

At the time of my son's disappearance I was a counselor with the World Campus Afloat, a branch of Chapman College in Orange, CA. Its campus is the former luxury liner the *R.M.S. Queen Elizabeth* now berthed in San Diego. The college demonstrates that learning can be fun and exciting. I enjoyed working with those young students, helping them choose their life's work. And then too, I lived in Asia for many years prior to World War II. My husband was an engineer and I came to know the Philippines, Hong Kong and mainland China quite well. I think I know something about how the enemy thinks, especially about our prisoners and missing men. You can expect them to continue their tough line. They can be short on humanitarian instincts—that is, "humanity" as we in the West define it.

Have you been abroad in connection with this job?

Yes, in May I went to Switzerland where I joined league representatives in Geneva in an appeal through the International Red Cross to the enemy to provide our men with more humane treatment.

What have you been doing in your job with the Army?

It's been a moving experience in every sense of the word. A great deal of travel is involved, making staff visits to all the Army area headquarters in the U.S. to talk with officials and with the NOK of PWs and Missing members.

With whom did you talk?

Army area commanders, Army Community Service officers, representatives of National Red Cross chapters, adjutants general and unit personnel staffs, finance officers and chaplains. They all were of great assistance in helping me find out how effective Army aid has been.

How effective has it been?

Perhaps not as effective as it might have been but it is improving. Remember that prior to 1969 our Government's stand on PWs and Missing was to say nothing while hoping Hanoi would release them in due time. With this policy in effect Army awareness of the needs of NOK was not always the greatest. Once we started demanding that the enemy provide humanitarian treatment for our men then their treatment started to improve.

What have you found during your visits to the NOK?

These fathers and mothers, sisters and wives are holding up quite well, all factors considered. There are more than 700 of them and I wanted to visit each personally, but time has just not permitted this. But I did manage to visit more than 150 and was able to gain insight into their problems.

What group has been hit the hardest?

Undoubtedly, the young wives whose husbands are PWs or Missing. When you realize who and what these men are as a group then you start to understand. These girls were married for only a brief time before their husbands were sent off to combat. They have all the desires of other women their age, desires for a home, family, personal fulfillment. All these are to some extent being frustrated. Their future is very uncertain. Some are starting to crack under the strain—that is, their view of the war is changing. They want their husbands home. The older NOK, the mothers and fathers, have gone through other wars and are more patient but they too yearn for their sons' return. This war has caused many divisions. All the NOK are patriotic but all want their sons and husbands home and the sooner the better. Their problems aren't material. They are, naturally, emotional.

What is your view of the war?

I thought from the start that we should have accomplished more on the battlefield. But now my concern is for our PW's and Missing. The American people must not forget these men and I strongly back our Government's efforts to secure their release.

What do you believe is the greatest contribution you can make toward helping these NOK and eventually the men themselves?

Obviously, we must first make the public more aware that none of the Army men listed as PWs or Missing in Southeast Asia are known to be in North Vietnam. Some press corps members and most of the public are amazed when I tell them this fact. We believe the PWs are held in South Vietnam by the National Liberation Front (Viet Cong) or in Laos or Cambodia by the North Vietnamese, although neither group has identified any of these men outside North Vietnam. The enemy admits it holds Americans but simply refuses to talk about this problem.

Is there a difference in conditions in South Vietnam as opposed to North Vietnam?

Oh yes. The small bamboo cages that confine Americans in concealed jungle sites in South Vietnam, such as escaped PW Major James Rowe described, are unlike the prison camps in the north. Our PWs in the south are constantly moved around with the enemy and face the constant danger of death or injury from Allied firepower and combat operations. This danger is never discussed in accounts that we read here in the States. Also, the unsanitary conditions these men must endure in no way meet Geneva Conventions requirements. Their treatment has been barbaric.

Has the letter writing campaign to Hanoi paid off?

This effort by the National League of Families and others has undoubtedly had some positive effect on the enemy. For one thing, our PWs in the north received more mail at Christmas time last year than in all other years combined. Then too, through this letter writing the enemy and the world learns that Americans do care about their fighting men, that they have not forgotten them. This realization helps temper Hanoi's thought that they can depend on U.S. disunity to gain in negotiation what they failed to gain on the battlefield.

What keeps you going?

Remembrances of my son and faith. My son was good natured and ambitious too. At 18, he was one of the leading thoroughbred race track callers in the Nation. But his sense of service and love of flying led him to the Army and piloting helicopters. Lowell didn't like the war any more than the next man but felt he had to do something for America. I'm not sorry he served but would be sorry if he were forgotten. I believe this country owes these men the debt of working for their release. I have faith that this will be done.

And about faith?

You must have faith in all sorts of things—spiritually, but also in one's self to overcome tragedy and deal with the uncertain. We must also have faith in our Government. One can only be hopeful that our men will one day be returned. Sometimes you can't see the light at the end of a tunnel but that doesn't mean you never will. Work toward it, and I believe the end will come into view much sooner.

Do you believe that your work with the Army and with the League of Families has been worthwhile in view of the fact that no U.S. PWs or Missing have as yet been returned?

This has been the most satisfying work I have ever done. You see, it's the working for future results that brings satisfaction. Dramatizing our men's plight and the plight of their families, I'm certain, will one day lead to their release and return to a hopefully more peaceful world.

OUTER SPACE LIABILITY

Mr. ANDERSON. Mr. President, agreement has been reached by the legal subcommittee of the United Nations Committee on the Peaceful Uses of Outer Space on a draft convention on international liability for damage caused by the launching of objects into outer space. This new international agreement will be considered this fall in New York when the full committee meets and thereafter it is likely that the General Assembly will consider it.

This is the third outer space agreement negotiated within the structure of the United Nations.

First, we had the treaty on principles governing the activities of states in the exploration and use of outer space, including the moon and other celestial bodies, which was ratified on October 10, 1967.

Second, we had the agreement on the rescue of astronauts, the return of astronauts, and the return of objects launched into outer space, which was ratified on December 3, 1968.

The third agreement may come before the Senate next year for its advice and consent to ratification. I believe the Senate should be kept apprised of the negotiations.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter of notification I received from the Department of State, the text of the draft convention, and a statement explaining the covention by Mr. Herbert Reis, U.S. Representative to the U.N. Outer Space Legal Subcommittee.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., July 6, 1971.

HON. CLINTON P. ANDERSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR ANDERSON: I am pleased to inform you that the Legal Subcommittee of the United Nations Committee on the Peaceful Uses of Outer Space adopted the draft Liability Convention at its meeting on Tuesday, June 29, 1971, in Geneva. The 28-member Subcommittee, having worked on this Convention for nearly eight years, will now refer the draft agreement to the full Outer Space Committee which will meet this September in New York. We are optimistic that the Committee will adopt the Convention and send it to the General Assembly for approval during the 26th Session, after which the Convention will be open for signature.

The deadlock of the last three years which has blocked completion of the Convention was broken in mid-June when the U.S.S.R. Delegation agreed to two proposals supported or originated by the United States. On the issue of an appeal procedure for a claim that is not resolved by diplomatic negotiations between the claimant and the launching State, the Soviet Delegation accepted a United States proposal that gives the claimant or the launching State the right to appeal to a claims commission on the question of responsibility and compensation. The claims commission's award is to be advisory to the governments concerned, unless they agree to regard it as binding.

The other issue concerns applicable law, that is, the rules to be applied to determine whether particular elements of an individual claim are compensable. The Soviet Delegation accepted a Belgian formulation, in turn based on a United States proposal, which in a straightforward way states the purpose of compensation to be the restoration of the injured party to the condition that would have obtained had the damage not occurred.

I have enclosed a copy of the draft Convention for your information and will keep you informed as it moves toward approval by the General Assembly.

Sincerely yours,
DAVID M. ABSHIRE,
Assistant Secretary for Congressional Relations.

DRAFT CONVENTION ON INTERNATIONAL LIABILITY FOR DAMAGE CAUSED BY THE LAUNCHING OF OBJECTS INTO OUTER SPACE

The States Parties to this Convention,

Recognizing the common interest of all mankind in furthering the exploration and use of outer space for peaceful purposes,

Recalling the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies,

Taking into consideration that, notwithstanding the precautionary measures to be taken by States and international intergovernmental organizations involved in the launching of space objects, damage may on occasion be caused by such objects,

Recognizing the need to elaborate effective international rules and procedures concerning liability for damage caused by space objects and to ensure, in particular, the prompt payment under the terms of this Convention of a full and equitable measure of compensation to victims of such damage,

Believing that the establishment of such rules and procedures will contribute to the strengthening of international co-operation in the field of the exploration and use of outer space for peaceful purposes.

Have agreed on the following:

ARTICLE 1

For the purposes of this Convention:

(a) the term "damage" means loss of life, personal injury or other impairment of health; or loss of or damage to property of States or of persons, natural or juridical, or property of international intergovernmental organizations;

(d) the term "space object" includes comtempted launching;

(c) the term "launching State" means:

(1) a State which launches or procures the launching of a space object;

(2) a State from whose territory or facility a space object is launched;

(d) the term "space object" includes component parts of a space object as well as its launch vehicle and parts thereof.

ARTICLE II

A launching State shall be absolutely liable to pay compensation for damage caused by its space object on the surface of the earth or to aircraft in flight.

ARTICLE III

In the event of damage being caused elsewhere than on the surface of the earth to a space object of one launching State or to persons or property on board such a space object by a space object of another launching State, the latter shall be liable only if the damage is due to its fault or the fault of persons for whom it is responsible.

ARTICLE IV

1. In the event of damage being caused elsewhere than on the surface of the earth to a space object of one launching State or to persons or property on board such a space object by a space object of another launching State, and of damage thereby being caused to a third State or to its natural or juridical persons, the first two States shall be jointly and severally liable to the third State, to the extent indicated by the following:

(a) if the damage has been caused to the third State on the surface of the earth or to aircraft in flight, their liability to the third State shall be absolute:

(b) if the damage has been caused to a space object of the third State or to persons or property on board that space object elsewhere than on the surface of the earth, their liability to the third State shall be based on the fault of either of the first two States or on the fault of persons for whom either is responsible.

2. In all cases of joint and several liability referred to in paragraph 1, the burden of compensation for the damage shall be apportioned between the first two States in accordance with the extent to which they were at fault; if the extent of the fault of each of these States cannot be established, the burden of compensation shall be apportioned equally between them. Such apportionment shall be without prejudice to the right of the third State to seek the entire compensation due under this Convention from any or all of the launching States that are jointly and severally liable.

ARTICLE V

1. Whenever two or more States jointly launch a space object, they shall be jointly and severally liable for any damage caused.

2. A launching State which has paid compensation for damage shall have the right to

present a claim for indemnification to other participants in the joint launching. The participants in a joint launching may conclude agreements regarding the apportioning among themselves of the financial obligation in respect of which they are jointly and severally liable. Such agreements shall be without prejudice to the right of a State sustaining damage to seek the entire compensation due under this Convention from any or all of the launching States that are jointly and severally liable.

3. A State from whose territory or facility a space object is launched shall be regarded as a participant in a joint launching.

ARTICLE VI

1. Subject to the provisions of paragraph 2, exoneration from absolute liability shall be granted to the extent that a launching State establishes that the damage has resulted either wholly or partially from gross negligence or from an act or omission done with intent to cause damage on the part of a claimant State or of natural or juridical persons it represents.

2. No exoneration whatever shall be granted in cases where the damage has resulted from activities conducted by a launching State which are not in conformity with international law including, in particular, the Charter of the United Nations and the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies.

ARTICLE VII

The provisions of this Convention shall not apply to damage caused by a space object of a launching State to:

(a) nationals of that launching State;

(b) foreign nationals during such time as they are participating in the operation of that space object from the time of its launching or at any stage thereafter until its descent, or during such time as they are in the immediate vicinity of a planned launching or recovery area as the result of an invitation by that launching State.

ARTICLE VIII

1. A State which suffers damage, or whose natural or juridical persons suffer damage, may present to a launching State a claim for compensation for such damage.

2. If the State of nationality has not presented a claim, another State may, in respect of damage sustained in its territory by any natural or juridical person, present a claim to a launching State.

3. If neither the State of nationality nor the State in whose territory the damage was sustained has presented a claim or notified its intention of presenting a claim, another State may, in respect of damage sustained by its permanent residents, present a claim to a launching State.

ARTICLE IX

A claim for compensation for damage shall be presented to a launching State through diplomatic channels. If a State does not maintain diplomatic relations with the launching State concerned, it may request another State to present its claim to that launching State or otherwise represent its interests under this Convention. It may also present its claim through the Secretary-General of the United Nations, provided the claimant State and the launching State are both Members of the United Nations.

ARTICLE X

1. A claim for compensation for damage may be presented to a launching State not later than one year following the date of the occurrence of the damage or the identification of the launching State which is liable.

2. If, however, a State does not know of the occurrence of the damage or has not been able to identify the launching State which is liable, it may present a claim within one year following the date on which it learned of the aforementioned facts; however, this period shall in no event exceed one year following the date on which the State could reasonably be expected to have learned of the facts through the exercise of due diligence.

3. The time-limits specified in paragraphs 1 and 2 shall apply even if the full extent of the damage may not be known. In this event, however, the claimant State shall be entitled to revise the claim and submit additional documentation after the expiration of such time-limits until one year after the full extent of the damage is known.

ARTICLE XI

1. Presentation of a claim to a launching State for compensation for damage under this Convention shall not require the prior exhaustion of any local remedies which may be available to a claimant State or to natural or juridical persons it represents.

2. Nothing in this Convention shall prevent a State, or natural or juridical persons it might represent, from pursuing a claim in the courts or administrative tribunals or agencies of a launching State. A State shall not, however, be entitled to present a claim under this Convention in respect of the same damage for which a claim is being pursued in the courts or administrative tribunals or agencies of a launching State or under another international agreement which is binding on the States concerned.

ARTICLE XII

The compensation which the launching State shall be liable to pay for damage under this Convention shall be determined in accordance with international law, and the principles of justice and equity, in order to provide such reparation in respect of the damage as will restore the person, natural or juridical, State or international organization on whose behalf the claim is presented to the condition which would have existed if the damage had not occurred.

ARTICLE XIII

Unless the claimant State and the State from which compensation is due under this Convention agree on another form of compensation, the compensation shall be paid in the currency of the claimant State or, if that State so requests, in the currency of the State from which compensation is due.

ARTICLE XIV

If no settlement of a claim is arrived at through diplomatic negotiations as provided for in Article IX, within one year from the date on which the claimant State notifies the launching State that it has submitted the documentation of its claim, the parties concerned shall establish a Claims Commission at the request of either party.

ARTICLE XV

1. The Claims Commission shall be composed of three members: one appointed by the claimant State, one appointed by the launching State and the third member, the Chairman, to be chosen by both parties jointly. Each party shall make its appointment within two months of the request for the establishment of the Claims Commission.

2. If no agreement is reached on the choice of the Chairman within four months of the request for the establishment of the Claims Commission, either party may request the Secretary-General of the United Nations to appoint the Chairman within a further period of two months.

ARTICLE XVI

1. If one of the parties does not make its appointment within the stipulated period, the Chairman shall, at the request of the other party, constitute a single-member Claims Commission.

2. Any vacancy which may arise in the Claims Commission for whatever reason shall be filled by the same procedure adopted for the original appointment.

3. The Claims Commission shall determine its own procedure.

4. The Claims Commission shall determine the place or places where it shall sit and all other administrative matters.

5. Except in the case of decisions and awards by a single-member Commission, all decisions and awards of the Claims Commission shall be by majority vote.

ARTICLE XVII

No increase in the membership of the Claims Commission shall take place by reason of two or more claimant States or launching States being joined in any one proceeding before the Commission. The claimant States so joined shall collectively appoint one member of the Commission in the same manner and subject to the same conditions as would be the case for a single claimant State. When two or more launching States are so joined, they shall collectively appoint one member of the Commission in the same way. If the claimant States or the launching States do not make the appointment within the stipulated period, the Chairman shall constitute a single-member Commission.

ARTICLE XVIII

The Claims Commission shall decide the merits of the claim for compensation and determine the amount of compensation payable, if any.

ARTICLE XIX

1. The Commission shall act in accordance with the provisions of Article XII.

2. The decision of the Commission shall be final and binding if the parties have so agreed; otherwise the Commission shall render a final and recommendatory award, which the parties shall consider in good faith. The Commission shall state the reasons for its decision or award.

3. The Commission shall give its decision or award as promptly as possible and no later than one year from the date of its establishment unless an extension of this period is found necessary by the Commission.

4. The Commission shall make its decision or award public. It shall deliver a certified copy of its decision or award to each of the parties and to the Secretary-General of the United Nations.

ARTICLE XX

The expenses in regard to the Claims Commission shall be borne equally by the parties, unless otherwise decided by the Commission.

ARTICLE XXI

If the damage caused by a space object presents large-scale danger to human life or seriously interferes with the living conditions of the population or the functioning of vital centres, the States Parties, and in particular the launching State, shall examine the possibility of rendering appropriate and rapid assistance to the State which has suffered the damage, when it so requests. However, nothing in this Article shall affect the rights or obligations of the States Parties under this Convention.

ARTICLE XXII

1. In this Convention, with the exception of Articles XXIV to XXVII, references to States shall be deemed to apply to any international intergovernmental organization which conducts space activities if the organization declares its acceptance of the rights and obligations provided for in this Convention and if a majority of the States members of the organization are States Parties to this Convention and to the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies.

2. States members of any such organization which are States Parties to this Convention shall take all appropriate steps to ensure that the organization makes a declaration in accordance with the preceding paragraph.

3. If an international intergovernmental organization is liable for damage by virtue of the provisions of this Convention, that organization and those of its members which are States Parties to this Convention shall be jointly and severally liable; provided, however, that:

(a) any claim for compensation in respect of such damage shall be first presented to the organization; and

(b) only where the organization has not paid, within a period of six months, any sum agreed or determined to be due as compensation for such damage, may the claimant State invoke the liability of the members which are States Parties to this Convention for the payment of that sum.

4. Any claim, pursuant to the provisions of this Convention, for compensation in respect of damage caused to an organization which has made a declaration in accordance with paragraph 1 of this Article shall be presented by a State member of the organization which is a State Party to this Convention.

ARTICLE XXIII

1. The provisions of this Convention shall not affect other international agreements in force in so far as relations between the States parties to such agreements are concerned.

2. No provision of this Convention shall prevent States from concluding international agreements reaffirming, supplementing or extending its provisions.

ARTICLE XXIV

1. This Convention shall be open to all States for signature. Any State which does not sign this Convention before its entry into force in accordance with paragraph 3 of this Article may accede to it at any time.

2. This Convention shall be subject to ratification by signatory States. Instruments of ratification and instruments of accession shall be deposited with the Governments of the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics and the United States of America, which are hereby designated the Depositary Governments.

3. This Convention shall enter into force on the deposit of the fifth instrument of ratification.

4. For States whose instruments of ratification or accession are deposited subsequent to the entry into force of this Convention, it shall enter into force on the date of the deposit of their instruments of ratification or accession.

5. The Depositary Governments shall promptly inform all signatory and acceding States of the date of each signature, the date of deposit of each instrument of ratification of and accession to this Convention, the date of its entry into force and other notices.

6. This Convention shall be registered by the Depositary Governments pursuant to Article 102 of the Charter of the United Nations.

ARTICLE XXV

Any State Party to this Convention may propose amendments to this Convention. Amendments shall enter into force for each State Party to the Convention accepting the amendments upon their acceptance by a majority of the States Parties to the Convention and thereafter for each remaining State Party to the Convention on the date of acceptance by it.

ARTICLE XXVI

Ten years after the entry into force of this Convention, the question of the review of this Convention shall be included in the provisional agenda of the United Nations General Assembly in order to consider, in the light of past application of the Convention, whether it requires revision. However, at any time after the Convention has been in force for five years, and at the request of one-third of the States Parties to the Convention, and with the Concurrence of the majority of the States Parties, a conference of the States Parties shall be convened to review this Convention.

ARTICLE XXVII

Any State Party to this Convention may give notice of its withdrawal from the Convention one year after its entry into force by written notification to the Depositary Governments. Such withdrawal shall take effect one year from the date of receipt of this notification.

ARTICLE XXVIII

This Convention, of which the English, Russian, French, Spanish and Chinese texts are equally authentic, shall be deposited in the archives of the Depositary Governments. Duly certified copies of this Convention shall be transmitted by the Depositary Governments to the Governments of the signatory and acceding States.

In witness whereof the undersigned, duly authorized, have signed this Convention.

Done in ——, at the cities of London, Moscow and Washington, the — day of — one thousand nine hundred and —.

STATEMENT BY HERBERT REIS, U.S. REPRESENTATIVE, TO THE U.N. OUTER SPACE LEGAL SUBCOMMITTEE, GENEVA, JUNE 30, 1971, ON THE OUTER SPACE LIABILITY CONVENTION

Mr. Chairman, the United States Delegation is pleased at the agreement reached in the Outer Space Legal Subcommittee yesterday on the draft Convention on International Liability for Damage Caused by Space Objects. We take pride in the fact that the Subcommittee adopted a number of United States suggestions for the solution of principal unresolved problems and that a number of U.S. formulations on important points have been incorporated into the text.

The United States Delegation considers that the text of the Liability Convention is sound. From a purely national viewpoint, it achieves the indispensable by offering a reasonable expectation of the prompt and fair payment of compensation to American citizens who may be injured by re-entering fragments of man-made space objects launched by another country. The twenty-seven other members of the Outer Space Committee who have participated in these negotiations may likewise be assured that the Convention offers this prospect to their citizens.

The reasonable expectation of prompt and fair compensation may seem an easy and obvious goal to those with a feeling for justice and a decent respect to the opinions of mankind. That has not been so. The only existing assurance of compensation is the broad general concept of what in international law is termed the principles of State responsibility and the general rule of Article VII of the Outer Space Treaty of 1967. That rule states that "Each State Party to the Treaty that launches or procures the launching of an object into outer space, including the Moon and other celestial bodies, and each State Party from whose territory or facility an object is launched, is internationally liable for damage to another State Party to the Treaty or to its natural or judicial persons by such object or its component parts on the Earth, in air space or in outer space, including the Moon and other celestial bodies." As a participant in the negotiation of the Outer Space Treaty some five years ago, I would say that we did strike new ground in achieving agreement on the Article VII rule. But the principal advantages of the Outer Space Treaty lie elsewhere—in the commitment not to orbit nuclear weapons and the other measures of arms limitation concerning specified military activities on celestial bodies, in the agreement that outer space and celestial bodies lie beyond the sovereignty of any country or countries, in the principle that outer space and celestial bodies are open to peaceful exploration and use by every country.

The participants in the Outer Space Treaty negotiations realized that while there was a need for a general statement on the responsibility of a State for any damage that its space objects might cause, the Outer Space Treaty, being a Treaty on Principles, could not deal at length with the complex of rules and procedures that would be required if the liability of the launching State was to have any practical meaning. Moreover, in these negotiations we had only begun to think through the problems of liability.

In short, Article VII of the Outer Space Treaty does not offer our citizens or others the prospect of fair and prompt payment of compensation. The draft Liability Convention offers precisely this expectation. To note only four of its substantive rules, the Convention includes; *first*, the principle that a launching State is absolutely liable for damage caused on the surface of the Earth and to aircraft in flight. The text expressly contradicts what could otherwise be asserted to be a presumption that a victim or his heirs would be obliged to show negligence on the part of the launching State in order to be entitled to compensation. *Second*, the Convention expressly overrules what might otherwise be thought to be the general rule that a State need not recognize a claim by another State on behalf of a citizen who has been injured unless the citizen or his heirs has pursued the remedies that the courts or administrative agencies of the State that caused the damage might offer. Whatever the value of such a principle, at other times and in other contexts, it would, if applied to the case of space fragments, effectively frustrate the possibility of recovery by our citizens. *Third*, the Convention establishes the principle of joint and several liability as among co-participants in a joint space activity. Its practical effect is to make each participant fully liable to the State whose citizen may be injured by a joint space activity; the claimant State need proceed against one participant only. It is left to the party proceeded against to seek appropriate restitution from its space partners. *Fourth*, the Convention establishes the rule that compensation is to be paid "in accordance with international law, and the principles of justice and equity, in order to provide such reparation in respect of the damage as will restore the person . . . on whose behalf the claim is presented to the condition which would have existed if the damage had not occurred." This formula should facilitate the payment of full compensation. As Dr. Vranken, the Representative of Belgium said in introducing the text of what is now Article XII of the Convention, "Thus, the proposed text provides a basis for invoking the full panoply of principles in the arsenal of science and law in order to obtain optimum satisfaction for the victim in a given situation."

But it is in a *fifth* area that the draft Liability Convention achieves what amounts to a peaceful revolution in the existing law of protection of citizens. For the Convention contains a set of detailed articles, agreed on what amounts almost to a worldwide basis, to resolve claims that have not been settled to the satisfaction of claimant and launching States. Anyone who has had experience with presenting international claims and considering their payment knows that such matters, which are customarily handled through diplomatic channels, are almost invariably extremely slow, subject to abusive delays and often productive of a barely rudimentary justice. Claims for nationalization, for war damage and for wrongful death typically take many years to resolve, if they are resolved at all and, when they are resolved, often involve the payment of only a small portion of the loss.

The Outer Space Liability Convention is different. It sets a definite time limit of one year on the period for diplomatic negotiations for a mutually acceptable solution of a claim. Thereafter, if there has been no such settlement either party may proceed, without asking the consent of the other, to an impartial arbitral tribunal whose jurisdiction is to consist of determining whether the launching State in fact caused the damage and, if so, the amount of compensation the claimant State may properly claim under the law of the Convention. These procedures for arbitration are articulated in sufficient detail as to give reasonable guarantee that the arbitration will not be frustrated by the bad conduct of any one of the parties.

The Convention provides that the arbitral procedure shall culminate in the arbitral body's handing down an award constituting a recommendation to the parties, who are required to consider it in good faith. The text also reminds disputing States that, if they wish to do so, they may agree to treat the arbitral award as legally binding.

The United States is, of course, a country with a large territory whose people may on future occasion suffer injury caused by fragments of man-made space objects or associated launch vehicles, and it is also a major space power. We think the present Convention is desirable from the viewpoint of claimant and launching State alike. It offers the reasonable expectation of prompt and fair compensation but does not in any way seek to "penalize" a launching State whose particular space launching has caused injury. It holds a launching State liable for damage traceable directly to the launching, flight and re-entry of a space object associated launch vehicle but does not cover what some delegations earlier called remote or indirect damage and for which there is only a hypothetical causal connection with a particular space activity. It offers vindication to a claimant State that has been wrongly denied just compensation but offers protection to a launching State against inflated or frivolous claims. It is a victim-oriented Convention but one that is fair to and considerate of the challenges that face countries engaging in space activities.

With regard to the final clauses, I might note that the all-States accession clause has been used in the Liability Convention in view of the fact that the Convention implements the Outer Space Treaty of 1967 which contains an accession clause of this character. So, for that matter, does the Astronaut Agreement of 1968. It goes almost without saying that neither the all-States clause nor any act of signature, ratification or accession under this clause affects the status, positions, or claims of States or other political entities, in particular those situated in Europe.

Mr. Chairman, at the first session of the Outer Space Legal Subcommittee, the United States proposed a brief set of principles to govern liability for damage caused by space fragments. In 1963 we introduced the first complete treaty proposal on liability. While we are proud of our initiative, we are obliged to recognize that those early proposals were overly simple and not adequate to the large variety of factual circumstances surrounding space activities and developing patterns of space cooperation. What we now have before us is a long and complex treaty that is both realistically detailed and, we believe, sufficiently flexible to permit justice to be done.

Mr. Chairman, the United States will wish at the September session of the Outer Space Committee, when the draft Liability Convention is next considered, to review in greater detail the meaning and purport of the provisions of the Convention. I reserve the right of my Government to do so at that time.

RICHARD ROBBINS OF PRATT, KANS.

Mr. DOLE. Mr. President, one of Kansas' most distinguished and respected former citizens was recently memorialized in an editorial published by the Emporia Gazette. The late Richard Robbins of Pratt, Kans., was recalled with warmth and knowledgeable insight by his longtime friend Harold Parsons Trusher, who pointed out several incidents which exemplified the qualities for which Dick Robbins was admired and respected by all who knew him in business, political, and civic affairs—or just as a friendly and immensely involved and concerned person.

Many Members of the Senate and House of Representatives from States other than Kansas knew Dick Robbins through his participation in Republican Party politics, and I believe they, as well as many other Americans who benefited from his acquaintance would enjoy the tribute to him published in the July 12 Emporia Gazette. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DICK ROBBINS: THE LAST OF THE GIANTS

When Girdner Crofoot called to tell me of Richard Robbins's death, my first and continuing reaction was "The Last of the Giants is gone." For Dick was a Giant intellectually, ethically, financially and socially. He had no facade or front dressing; he needed none. He was genuinely interested in every person and in every problem. He never contradicted anyone. If told some preposterous story, he merely replied, "It could be."

Born in southwestern Kansas, he was sent to live with an aunt in Hartford, Conn., as a boy to attend the Hartford High School. At that time this school was ranked with the Ivy prep schools of New England. Latin, mathematics, English and even Greek . . . Upon graduation he entered Yale from which he graduated in 1913.

He spent some time at Carnegie Tech. How much I don't know.

Dick once told me that from his six years of Greek, he got only the ability to converse with his bootblack. But he was very high on Latin, saying it was the foundation of our language, and of great benefit to anyone wishing to understand precise English.

Somehow he became acquainted with the Mellons, the DuPonts, and the General Motors crowd. Some or all of them must have financed the organization of Trans Western Airways in the late 1920's. Dick served as President of T.W.A. from 1931 to 1935.

It was during his presidency that President Roosevelt cancelled the air mail contracts between the government and the private air lines. He decreed that the Army Air Corps should fly the mail. The training for flying a bomber under most favorable conditions and the training for flying passenger planes regardless of weather, apparently were quite different. At any rate, the losses of pilots and planes by the Army Air Corps were so great and so constant that the plan soon was abandoned and the contracts were reopened with the private carriers.

During one of his campaigns President Roosevelt made an impassioned radio address expressing his sympathy for the "forgotten man." In depression times it was most effective politics. Pundits gave Roosevelt great credit for creating the phrase.

Not so, said Dick. That is the phrase of William Graham Sumner. Sumner was the very great professor of the Science of Society at Yale long before Dick's time.

I am able to report that Dick was correct. Sumner used the "Forgotten Man" as the subject of a lecture before the Brooklyn Historical Society on Jan. 30th, 1883 (Essays of William Graham Sumner, Volume 1, Page 467).

Sumner's example went something like this: Do-gooders A and B have a meeting, and contrive to do something for downtrodden D. And C pays for it. C is the forgotten man. Quite differently than the way Roosevelt used it, Dick would chuckle.

Dick told me that when he was in Pittsburgh he at one time owned two shares in the Mellon family holding corporation, which came to be worth $28,000 per share. The younger Mellons wanted to split it up 100 or 1,000 for one but Andrew Mellon, then the Dean of the family, said no, he wanted it to be the highest priced stock in the world.

After his TWA days Dick returned to Kansas, where his heart remained ever after. He maintained his eastern contacts and was frequently in Chicago and New York.

In 1941 he was elected a director of the Santa Fe and continued in that position until he retired in 1967 at the age of 75. I suspect they must have changed the by-laws to permit him to remain on the board at that age. But in addition to being immensely popular with all the Santa Fe crowd he happened to own more stock than most of the other directors combined.

During the 20 years before his death in 1951, Lacy Haynes was unquestionably the most powerful political force in Kansas. He had a secure base as Kansas Manager for the Kansas City Star, but he also had the faculty for making friends and knowing which ones would make good elected officials and also who could be elected. Mr. Haynes and Mr. Robbins became close friends. Dick was a Western Kansas man. Circulation of the Kansas City Star did not extend much west of Emporia so the combination of the two was perfect, at least mathematically. Dick Robbins never ran for public office (nor did Mr. Haynes). They were in politics for the joy of it and both had the confidence of all the political figures worthy of mention. This did not prevent Dick, in 1952, from supporting Robert Taft, his Yale friend, instead of Dwight Eisenhower, a fellow Kansan. But, of course, the Taft movement in Kansas was quickly smothered.

In 1964 Dick furnished the balance of power which elected Sam Mellinger as Republican National Committeeman. And after Sam's untimely death in 1966, Dick used all his influence for the election of Jerenne Mellinger as Republican National Committeewoman. Dick has high regard for the Mellingers.

Some five years ago the Davy Evanses, J. L. Morgans and Truslers were in New York together. Dick Robbins chanced to be there at the same time. Among other rallies he took us to the University Club for a luncheon. During his T.W.A. days, Dick's first assistant was Charles Lindbergh and they both stayed at the University Club. Mr. Lindbergh was a national hero and so many people wished to shake his hand that Dick said it was hard to find time for dinner together.

When we were with him at the University Club in 1966 several of the old-time waiters came around to speak to him and ask about Lindbergh. This after a lapse of 30 years.

For this particular afternoon I had obtained tickets for the smash English comedy "Half a Sixpence." When luncheon was over

Dick said he would get the cabs to take us to the theater. But there were no cabs (in New York one cannot call a cab, for the driver is legally bound to stop for the first pedestrian who signals him). Dick tried to get limousines but the only ones in sight had stony-faced drivers who were waiting for their mistresses to finish lunch. It was an extremely hot day. We were all in wool clothes, and Dick was sweating not only from the heat but intense frustration. It is the only time I have ever seen Dick Robbins unable to accomplish his purpose. As time was running on, and I had paid substantially for the theater tickets, I finally suggested we get on one of the crowded Fifth Avenue buses and ride 10 blocks south. Then walk westward to the theater. Dick did not like the idea, but it was the only idea there was. So this we did and thoroughly enjoyed the show, although the four-block walk from the Fifth Avenue bus to the theater, facing the blazing sun, has not been forgotten by any of us.

Dick seldom missed a Republican National Convention. Others have written about his political power. And also about his immense land, cattle, and securities operations. So I shall not attempt to touch on them.

I might add a recollection which rather illustrates Dick's innate modesty. George Davis of Kansas City was one of the important directors of the First National Bank. He also owned a great deal of land in Chase, Morris and Wabaunsee counties. After Mr. Davis's death, the president of the First National Bank called Dick and asked him to be a director of the bank, to take George Davis's place. Dick replied, "I will be flattered to sit on the Board, but I doubt I can take George Davis's place."

In April of 1967 Dick had the good fortune to marry the very charming Mrs. Vigil Teeter, widow of a Hutchinson banker and long family friend. I think the remaining four years of his life were among his most happy ones.—Harold Parsons Trusher

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GOV. ALFRED M. LANDON'S RECORD ON U.S. POLICY TOWARD CHINA

Mr. DOLE. Mr. President, the State of Kansas and the Republican Party have been extremely fortunate to have had the longstanding counsel and service of a man whose vision, wisdom, and commonsense have been timely and highly reliable. I am, of course, speaking of Alfred M. Landon, former Governor of his State, 1936 presidential nominee of his party and a true elder statesman of his country.

Over the years Governor Landon has been outspoken on a broad range of topics, and his thoughts and analyses have in the light of history proven to be incisive, free from the influences of momentarily popular expediencies and frequently are shown to be uncannily accurate, and influential on future policies.

One subject of particular interest to Governor Landon in recent years has been the state of relations between the United States and mainland China. For years he has been pointing out the pragmatic necessity of drawing the world's most populous country into the mainstream of international life, and over the last few years he has encouraged this country's leaders to open doors to greater communications with mainland China and its leaders. Governor Landon has, of course, enthusiastically supported President Nixon's initiatives toward China, and I believe the Senate would find it informative to study Governor Landon's consistent advice and advocacy for such a change in American foreign policy. I ask unanimous consent that three speeches by Governor Landon, the first given at Columbus, Ohio, on October 20, 1964; the second at Independence, Kans., on February 18, 1969; and the third given July 14, 1971, at Topeka, Kans., be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

For an Open Door Policy

(By Alf M. Landon, Ohio Petroleum Marketers Association, Columbus, Ohio, Oct. 20, 1964)

I speak tonight of the world-shaking and world-shaping changes that occurred just 5 days ago. In close to one 24-hour period, we had the Russian upheaval—the Chinese bomb—and the British election.

A future historian may well mark the middle of October 1964, as the start of a chain of decisions that shaped the lives of all the world peoples.

Those changes are and will continue to be controversial. They involve a reversal of not only our basic foreign policies, but of other countries also.

Right now, it would be hard to find a subject on which there are more widespread and divergent views than relations with China and Russia.

Five days ago, China exploded its first nuclear bomb—an event of more immediate political than military significance.

China is a long way from the stockpile of nuclear weapons—or ways and means for their effective use—that military action or threat of action requires.

Mao accompanied the firing of the bomb with a formal proposal: "to governments of the world that a summit conference of all the countries of the world be convened to discuss the question of the complete prohibition and destruction of nuclear weapons."

This proposal is more of interest and significance than the bomb itself, because of Mao's previous belligerent position—the size of China—her natural resources—the political place it occupies with the nonalined countries of Asia and Africa.

I completely disagree with Senator PASTORE, who said that—while he agrees with the need for that conference of nuclear powers—he did not believe in letting Mao take the initiative.

Of course, there is nothing new in Mao's proposal. Disarmament or limitation of armaments is an old vision of mankind. Who cares about the initiative? We should be alert to any opening for a realistic discussion of these ideal international relations.

Secretary of State Rusk's first reaction was that it was simply Mao's smokescreen for his other plans.

So what? Mao has probably not suddenly changed from his Genghis Kahn role to that of a great humanitarian leader—unless it fits his policies for Chinese and Communist conquest of the world. But it could be that he has.

We must be alert to that possibility. Of course, Mao is thinking of China's interests first—just as we must think first of America's interest.

America would be in a stronger and better position if we approached Mao's formal proposal to all the countries of the world with cordiality and caution rather than with coldness and negativity.

China is showing the same internal strain as Russia and other Communist countries in the failure of the Marxian principles to work. There is the same doubt and confusion in top Chinese circles that there is in Russia and the European Communist countries.

With China's economy having a bad time, Mao's proposal would relieve China of the financial burden and staggering cost of building real nuclear power and the effective means of delivering it. It would also be the best way of getting into the world markets China needs—and laying the ground for mending Mao's relations with other peoples and governments he badly needs. And it would give him a better opportunity for subversive activities if diplomatic relations are established and China is admitted to the United Nations.

It can't be stated too often that of even greater importance and significance in the life of the world than the successful explosion of the Chinese bomb itself was Mao's call for a summit meeting of all nuclear powers and nations possessing nuclear power for the destruction of nuclear weapons.

Equally important—that is a total reversal of Mao's hitherto belligerent position of deliberately planning a nuclear war for Chinese Communist conquest of the world.

Mao, in his planning for a nuclear war, has said, according to no less authority than Pandit Nehru, that the loss of 200 million Chinese or more in that war meant nothing because there will be more of them left than any other peoples in the world.

There is no doubt in my mind of the intrinsic value of Mao's proposal for a summit meeting of nuclear powers, to be followed by a meeting of all countries, for the purpose of limiting the spread of nuclear technology for military purposes.

It is not only the holocaust of a nuclear war that confronts us. It is the question of the effect on unborn generations—in simply testing for one—that no one knows for sure and won't know for another 25 or 30 years or more.

The dramatic and unexpected change in Russia's leadership 5 days ago sent shock waves into every foreign office and stock market in the world. Of more than passing interest to all peoples is that the first grab of the new Russian leaders was of editors and broadcasters to insure control of the dissemination of the news.

There is little doubt in my mind as to the vital place that Leonid Brezhnev, the new head of the Soviet, as Chairman of the Soviet Central Committee, now occupies and the vital part his policies will play in any design for stability and peace in the world.

It may cause more of a pause among some of the nonalined nations on deciding when to get off their fence and what side to land on.

If the new leadership in Russia continues Khrushchev's basic policy at home, the same as abroad, it has the advantage of a fresh start unhandicapped by personal likes and dislikes that have played such a part in all governments and international relations throughout history.

Certainly, for the time being, world foreign policies will be in a confused state. There is no area in the total world picture where we and the Russians are not involved to some extent and generally deeply.

The first appraisal will be on the effect of the transition in Russia.

The internal change in policy is not yet apparent. One vital devision is on continuance of reversal of Khrushchev's policies of diluting the unworkable Marx-Lenin dogmas with the capitalistic principles of individual incentive profit motives—freer discussion.

A shock to the Communist world—along with the bitter split between Russia and China—is the split in Russia between the moderates and the Stalinists. These divisions have been aggravated by the letter of Togliatti written to Khrushchev that was released after the Italian's death several weeks ago.

Togliatti, the leader of the biggest Communist Party in any country outside the Communist bloc, wrote Khrushchev that the failures of the Communist dogmas of Marx and Lenin were evident—that they no longer could be concealed. Togliatti emphasized that mankind inherently demanded freedom of discussion and spiritual values instead of purely materialistic policies.

Not to be overlooked in the problem confronting Brezhnev's formulation of his policies is the change taking place—with more looming ahead—in the European Communist bloc. Poland, Hungary, Rumania, and others are following the example set by Yugoslavia in achieving a measure of national independence.

But the big foreign question was Chairman Brezhnev's relations with China. There was no hesitation regarding that. He did not wait 48 hours to settle the crucial question in his international policy—whether he was going to continue Khrushchev's policies with China—or reverse them.

Mr. Brezhnev turned loose in Pravda a slashing attack on Peiping.

In that, he supports and maintains Khrushchev's policies that Mother Russia's vital interests preclude allowing China to establish positions of strength on its boundary line with Russia—the longest boundary line between countries by far in all the world.

Then came a flat statement from top Soviet leaders calling on all the people of the world to "struggle for the complete ending of nuclear weapons tests." Whether that was meant as a friendly answer to Mao's proposal or not remains for further developments. At least, it was a statement of like intent.

Then there is De Gaulle. France refused to sign the ban nuclear bomb testing treaty. Keep in mind that the French nuclear power is more sophisticated and highly developed than that of the Chinese.

That brings me to our own American policies in the light of the accomplished Chinese nuclear bomb—and Secretary of Defense McNamara's recent prediction that in a decade or two, "tens of nations" will have usable nuclear weapons.

President Johnson—in last Sunday's national broadcast—went all around Mao's formal proposal. While keeping the door open by his general statements of policy—he did not get into it. A President cannot be expected to discuss in a public address a matter of such importance until he has had time to give it serious and vigilent consideration and to consult with our allies.

He did invite Mao to join the nuclear test ban treaty.

Since 1948, I have urged the recognition of Red China and its admission to the United Nations. I have said that discussions of limitation of world armament—a world court—even the United Nations—were useless without including China, with a fourth of the world's population; that China could no more be ignored than Pikes Peak. It would be as if the jurisdiction of the Kansas Supreme Court did not cover the largest county in Kansas. Above all, why cement the Orient and the Occident together?

Therefore, if we are to seriously examine Mao's proposal for a summit conference of nuclear powers to deal with control of nuclear weapons—as I believe we should—in all good faith—we must be prepared to reverse our policy of nonrecognition of China and opposition to its admission in the United Nations. Maybe that will give the U.N. the lift it badly needs.

All that follows—one step after the other—as day does night.

Perhaps the time is ripe for the five nuclear powers to meet preliminary to a larger meeting of all governments.

I emphasize the "perhaps"—until preliminary discussions have taken place with Mao—with Chairman Brezhnev—with the Russian Premier Alexi Kosygin—with the new British Prime Minister, Harold Wilson—with De Gaulle of France—Ehrhardt of West Germany—with Japan—with the other great nations of the Western Hemisphere.

With Mao himself, no one knows just what kind of a workable agreement can be arrived at to preserve mankind from the spread of nuclear weapons testing and possible nuclear war.

If agreements come among the powers of nuclear limitation, we must keep in mind that they will involve a host of major decisions affecting every facet of international relations.

Most certainly, while Mao's changed policy—whether he means it or not—in the final analysis—points in the direction of world disarmament—it calls for serious intent and prompt consideration. It must be approached with caution and vigilance in searching for a meeting of minds on all the vital questions involved in protecting national interests and security in this meeting of the major nuclear powers.

We have been getting the cart before the horse in all this talk about eroding nationalism as necessary to establishing a world without arms.

We are always going to have national interests and patriotic love of country. There never will be a world of peoples without a country.

But a world without at least nuclear weapons is a practical proposition—if we do not try to swallow too much at one gulp—and worth thorough and complete explorations with our associated free nations. That calls for negotiation with Mao to find out what his real intentions are.

It is President Johnson's responsibility to move promptly and firmly in these first steps—though making it clear that we are looking for general world peace—not responding to blackmail.

This is the time for nonpartisan foreign policy. Republican party representatives should be included and have a full and complete part in all negotiations from the first to the last. They should be as fully and completely informed as the President himself.

I would now agree to putting off the United Nations meeting to consider Russia's nonpayment of dues. What was a major point of difference becomes somewhat of a minor one now and should not interfere with considering—negotiating—and settling, one way or the other, this momentous proposal of Mao.

If it fails, we can well see the collapse of the United Nations—and a rush of nations to join the nuclear club—as it were.

With France—and probably Egypt and Israel—getting in—Prime Minister Wilson may change his mind that Britain should depend on the United States of America in another major war and not set aside Britain's independent nuclear weapons in its own defense.

I must confess I am disappointed at all the attention being paid to discounting the significance of the Chinese bomb itself—and the failure to pay more attention to Mao's infinitely more important proposal for a conference of the present five nuclear powers—America—Russia—France—Great Britain—and now China—leading to a worldwide meeting on nuclear disarmament.

One factor is sure. The military might of the free world nations—their enormous resources—their immense economics—preclude any suspicion that China's bomb is worth being concerned about—any more than any other nuclear nations.

If Mao's proposal is simply a change in tactics—the quicker that is known, the better it will be for all the peoples of the world.

If it is a change in policy—that might—only might—join the nations of the world together in a workable agreement that recognizes and protects their national interests and, at the same time, removes the menace of the holocaust of a nuclear world war and the threats to the health of future generations in even preparing for one by increased and continuous testing of nuclear weapons.

I am simply arguing that America should at least keep the door open for the pooling of the resources of energy and experience of mankind in pushing the new opening for an operational agreement for peace. That has always been America's traditional policy.

A universal dominion for peace has hitherto been beyond the grasp of mankind. It may now be within man's grasp—and who gives a tinker's dam who gets the credit—just so the job is done.

EPOCHAL 4 YEARS AHEAD

Tonight I outline briefly the emotion-packed high-tension decisions in foreign affairs staring our President and the Congress and the governments of the world in the face that will shape the destiny of mankind for years to come. The big powers are all facing internal troubles. The Soviet invasion of Czechoslovakia has split world Communism.

There has been quite a flurry of activity in the last 30 days or so toward better political relations and workable accommodations between governments—rather than building stronger military positions.

1. The prelude was President Nixon's immediate acceptance of China's suggestion last November for a renewal of the Warsaw talks after a year or more had gone by without any meeting.

2. Then came Italy's announcement of negotiations with China, leading to establishing formal diplomatic relations between the two.

3. Then came the French proposal for a four power conference to work for a liveable solution of the perilous guerrilla wars in the Middle East.

4. Now Canada is exploring with China arrangements for establishment of formal diplomatic relations.

Early in 1968, there was the Chinese-Albanian treaty that gave China a military base for the first time in Europe.

That was followed by the Soviet's brutal and barbaric rape of Czechoslovakia that leaves the biggest Russian army in Europe since World War Two.

Put together—these make an impressive list of forces in motion that call for fresh thinking and realistic, responsible decisions leading toward peaceful solutions of unresolved difficulties in foreign affairs.

Nothing will do as much to relieve this tension as the successful outcome of renewal of de facto discussions between China and the United States. Day after tomorrow—on February 20—the conversations start again in Warsaw at the embassadorial level for the first time in over a year. Their effect may be nothing. Their consequences can be incalculable.

The attention of foreign offices all over the world will be focused on Warsaw next Thursday. China and Russia—the Orient and the Occident—are not natural allies.

As a matter of fact, the United States government gave China de facto recognition in 1955 under President Eisenhower, when we began these ambassadorial talks in Warsaw. Now President Nixon is looking forward to this Warsaw meeting with interest as the opportunity to cover a wide range of Chinese-American affairs, in the light of substantive changes in the past several years in international relations.

The Middle East is linked with Vietnam in the mounting crisis of international relations.

In his presidential election campaign, Mr. Nixon said, quote:

"The next President must conduct a series of meetings at the presidential and other levels with the leaders of the Soviet Union. I would always talk with the Soviets. I think we have got to have negotiations with the Soviet Union. There are certain areas—the

Mid-East is an example—where the U.S. and the Soviet Union simply have to sit down and talk; otherwise we are headed toward a confrontation that could explode into a nuclear war in the Mid-East."

I would add Vietnam as paralleling the Mid-East—as far as the possibility of a military confrontation with Russia is concerned.

Three weeks ago, the Soviet blamed the United States for increased fighting in Laos. England—co-chairman with Russia to protect the neutrality of Laos—in a formal reply to another Soviet lie—placed the blame for increased fighting in Laos right dab on the Communists.

It has been obvious from the start that the Soviet is the key to a realistic settlement of the Vietnam war—just as it is in the Middle East. The Soviet's ambivalent policy and customary duplicity with Czechoslovakia has heated up the cold war and generated old major questions that fading NATO has never answered. Dennis Healy—British Defense Minister—the other day—pointing to a potential drift of the world into two super power spheres controlled by the United States and the Soviet Union—warned:

"If Europe is not prepared to maintain a common and unified position on the problems now being debated by America and Russia—then it can hardly expect to have the slightest influence on any such dialogues."

Once more, it has opened the question of whether it is a swing to the beastly barbarism of Stalin the Terrible of conquering the world by force—and how far the Soviets can be trusted in negotiations for a meaningful—actual—and sincere coexistence based on peace and national growth.

At the same time—inside Russia—freedom has been stifled within the past months by secret trials—censorship and secret police.

Despite all this double talk and the cold war tactics of the Soviet—as I said years ago—as long as we are talking, we are not shooting.

In the Middle East—our President is confronted with explosive events over which he had no control that called for immediate crucial decisions.

Basically, they are of coexistence also. They are the open and continuing adjustment to the first Israeli government—since the Roman conquest. In all the Middle East, there were centuries of relative peace under the Roman Empire—under the Islamic Califs and the Ottoman Empire—when that area slept for centuries except for two Christian crusades. By the beginning of the 20th Century, peace was shattered by the rise of Arab nationalist governments at the time of the first World War and the Israeli government at the end of World War Two—and really has not been restored since then.

In a nutshell, it is the case of two new competing nationalisms that exists elsewhere today.

Another obvious potentially explosive case that will sooner or later dominate international relations is the new developing nationalism of China—a huge country with one-fourth of the world's population—virtually untapped immense natural resources and expanding nuclear power.

Despite our de facto recognition, the United States really refuses to face the fact of the existence of China—just as the Arabs refuse to face the fact of the existence of Israel. President Nixon now has the opportunity—in concert with other Asian allies—to correct our unrealistic China policy based on the premise that America occupied such a preeminent position in world affairs that its boycott of China would work.

With one stroke of his pen, President Nixon can make the biggest—the most constructive and substantive change in the world's international affairs—by taking the lead in coordinating normal relations with China—just as President Franklin Roosevelt did in 1933 by establishing diplomatic relations with Russia—after the United States and Soviet Russia had established de facto ties in a number of fields in President Coolidge's administration.

Professor James C. Thomson, Jr., of Harvard—Asian specialist in the State Department from 1961 to 1966—said recently:

"There can be no viable peace and little stability in East Asia until deadlock gives way to mutual accommodations in Sino-American relations."

I supported Mr. Roosevelt in this Russian policy. Since 1948, I have urged recognition of the existence of China by the United States and its admission to the United Nations.

For really the first time since President Johnson rejected China's proposal in October, 1964, for a conference of world powers to abolish nuclear weapons—China is showing interest in renewing conversations that can lead to meaningful changes.

Then the Soviet—after two years of silence ignoring it—accepted President Johnson's invitation to discuss limitation of the arms race.

The China policy remains an open question for our new President—who is not tied to a previous fixation that the peace of the world depends on the United States' cold war containment policy.

If China is changing its policy of isolation—and other great countries like Italy and Canada are once more establishing normal diplomatic relations—that will be a far better foundation for avoiding a nuclear war than the non-poliferation treaty that is now pending ratification in the U.S. Senate.

As I have said repeatedly in my strong support of President Johnson's building bridges with Russia and China—I did not want to sleep in the same room with Kosygin—with my pocketbook in my pants over the back of a chair. The same goes for Mao.

Diplomatic recognition and diplomatic relations do not involve trust between two governments.

Look at Indonesia. That incipient power kicked out the Chinese Communists' attempt to conquer it by subversive tactics and assassination; yet both countries still maintained their diplomatic relations. Look at India—that still maintains diplomatic relations with China—despite that country's crossing the Himalayas and taking Indian territory by force.

With the substantive changes in the last few years in world affairs—President Nixon has the opportunity to encourage and develop new and better contacts in our de facto relations with China.

China may be thinking that way, too.

Diplomatic relations does not necessarily mean friendly relations. It is the oldest way known to mankind to relieve tensions—by talking.

It can be a big factor in a satisfactory settlement of the Vietnam War—for that war is a part and parcel of entire international relations. It can open big new markets in China for American products—agricultural and manufactured. Oh, yes, I know that transistors, sewing machines, textiles and steel from Japan are selling in American markets. However, a government policy that prevents its citizens from trading with one-fourth of the world's population does not make sense.

The recognition that a Chinese government actually exists is much more than a shift in our foreign policy. Merely developing better diplomatic relations between the United States of America and China will be a change that will be felt around the world . . . a favorable one—except in the Kremlin. It will transform all international relations and shape immediately a new political world.

I am not talking about a treaty of any kind—or the complicated questions involved in China's admission to the United Nations. Nor does it involve any question of so-called hawks or doves—negotiating political problems from superior—or sufficient—military strength—or that political problems must be settled preceding any discussion of limitations on arms. It is just the first step that, in time, can well lead to other more complicated steps. It is simply a thaw that permits work to start in the seedbed of sounder international relations. This will not be accomplished over night or in one harvest.

The simple mutual exchange of embassies between governments enables each country to better understand the thinking of the other.

However, that is more than a procedural form. It provides face to face discussion of more difficult matters. There will be a long way to go to reach any workable settlement of new and viable peaceful international relations in Asia and elsewhere in the world.

Because Mr. Nixon made no fixed and definite prediction in his campaign on his foreign policies, he is now able to take a fresh look at international affairs. He is in a flexible position where he can follow a reasonable and realistic quid pro quo policy.

The London Times describes President Nixon's foreign policy position as an enigma. So far, this mystery has brought about some indications—slight as they may be—of more flexibility in China's and Russia's foreign policies. If President Nixon succeeds in building with China simple diplomatic relations—that means far-reaching changes of infinite importance in our own policy—which was based on the old balance of power theory of Russia and the United States supervising world affairs. President Nixon has already made it clear that his policy will be coordination and cooperation with other governments when and where that is possible.

In a nutshell, the conference to be held at Warsaw between America and China can have more significance than the peace conference now going on in Paris.

That will take some time to develop just what change the Soviet and Mao really intend in their heretofore intransigent positions. It is somewhat obscure whether China really has a stable government. The upheaval in China may have put Mao in a position where he, too, wants to create a diversion. That can also be true of the Soviet.

For sure, one place it can manifest itself is in the Paris Conference with the Vietnamese. For both Russia and China are keys to the settlement that may be arrived at there.

So that change, if any, in Moscow's and Peking's foreign policy is not for the future. It is immediate—not only for the end of the Vietnam War—but also for our domestic problems—for the streets and alleys of America—as well as the jungles and rice swamps of Vietnam.

If we want to move toward a general relaxation of tension in the world, the quickest way is to move toward a basic change in our China policy.

We have been repeatedly admonished that—if we just had patience—we could win the Vietnam War. In a nutshell, I am arguing that we need that same patience to find a sound, peaceful political solution to foreign affairs.

Establishing normal diplomatic relations involves no concessions by either government. The impact of diplomatic relations between China and America will have the same effect on our defensive role in Asia and governments throughout the world as beginning the withdrawal of American troops from South Vietnam.

A reversal of a major policy is never easy for any government. Our President can well be confronted at any time with serious events over which he has no control that will call for immediate crucial decisions.

Mere establishing of diplomatic relations with China is only the beginning of a realistic change in the American concept that Communists are straight from hell and that the Chinese are double-damned. That has been drilled into us for a generation. And, of course, China has that same picture of us. They called our soldiers "foreign devils" and "devil devils." What is evil to the Chinese is not evil to Americans. Anyhow, you do not abolish evil by ignoring it.

These are truly fast changing times. Therefore, it is essential to have the first complete inventory of our world affairs. "The Cost of World Leadership," recently published by the American Bankers Association, is a realistic appraisal of our nation's involvements.

James W. Fulbright, as Chairman of the Foreign Relations Committee of the Senate, has just started the essential sweeping detailed review of our foreign policies—excepting Vietnam. "It is hoped," the powerful and courageous Senator said, "that this review will result in constructive recommendations concerning the involvement of the United States armed forces abroad—the impact of United States overseas commitments and the military capacity to honor them"—such as—

1. By treaty, the United States may now be committed under varying circumstances to use its armed forces in defense of 42 countries.

2. Five major congressional resolutions delegate various degrees of authority to the President to involve the United States in military—economic or political action abroad in places such as Formosa—the Middle East—Berlin—Cuba and Southeast Asia.

3. Bilateral economic aid is provided to 73 countries and military aid to 48 countries.

4. The proposed 1971 budget estimates an expenditure of 81.5 billion dollars for national defense, plus 3.7 billion dollars for international affairs and finance.

As Senator Fulbright so correctly said, "These foreign commitments and other foreign involvements which may be short of commitments—obviously have a significant impact on United States diplomacy and vice versa."

Another dire necessity is an inventory that covers the state of our national defenses. Our President has wisely frozen the construction of the "thin" ABM system.

Our national security depends on the efficiency of our national defenses. Our political policies—domestic as well as foreign—depend on the state of our national defenses.

I do not believe the American people are aware of the extent of the lag that has occurred in the last five years in stretching out our military equipment beyond the safety factor because of the cost of the Vietnam War.

This calls for a complete reassessment and re-evaluation of what America needs to provide a margin of safety for its existence as the greatest and most powerful republic in the world. America seeks neither land—nor colonies—nor gold—nor domination of other peoples—as the Russian hierarchy and the Chinese hierarchy do. We do not need any of these for our existence—as the fearful men in Moscow and Peking believe they need for their existence. The growth and development of nuclear weapons and mass communication has not only eliminated the old balance of power policy. That is also restricting dreams of world conquest by any would be conquerers.

In the last five years or so there has been a dangerous lag in our military hardware equipment inventory—particularly in the Air Force—both in obsolescence of the present equipment and in its numbers.

Senator Stuart Symington told the Senate last October that "The United States has not produced a single new fighter plane since 1955—despite spending billions of dollars on aircraft development. . . . The Soviet Union has flown 18 new fighter models, seven of which were first photographed at the July, 1967, Moscow Air Show."

Without going into details of the hearings before the Armed Forces Committee of the U.S. Senate—this highly dangerous status of our Air Force needs to be corrected forthwith—regardless of cost.

The same is true—to some extent—of the Navy. Building nuclear powered submarines and carriers has lagged—along with the modernization and improvement of our strategic missiles. I quote President Nixon as of last October: "America must come to grips with two critical facts: First, the Soviet Union is making a very impressive bid to become the world's No. 1 sea power. Second, the United States has not been doing what it should to keep them from overtaking us."

There is a drastic need for an overhauling of Defense Department planning and buying methods. I am not advocating a crash program. I am advocating an orderly program that will be based, say, on the next four years—each year fitting into the previous year in the essential and critical rebuilding of our national defenses. The Army, the Navy and the Air Force plan to supplement each other and do the specialized work they are best equipped to carry out efficiently.

Along with the political crisis in world affairs is the monetary maelstrom highlighted by the failure to find any long lasting solution to the world's currency problems.

I have always believed—and still do—that chronic deficit financing created economic and political instability that produces restlessness—turbulence—uncertainty—trouble—that make difficulties in the development of a sound equitable policy by a government recognizing its responsibility in maintaining and expanding opportunities for the good life. By that, I mean the happy—healthy life. By and large—our American government has given the American people the greatest measure of happiness of any peoples in the world. That does not mean that we cannot do a still better job now.

National security—full employment—national growth—a rising standard of living and a stable currency are what any one—right or left—would be happy to achieve.

All these factors must be kept in focus—as they are all intermeshed with our foreign policies on trade—the price of gold—confidence in our national administration—ability to keep its agreements with other governments—creating new markets by political and financial assistance—opening up new markets in Africa, Asia and the Western Hemisphere—all with practically unscratched immense natural resources.

The left think that goal can be reached only by a planned and controlled inflation—and that talk of a balanced budget is for the birds. That is the Keynesian theory of the new school of economics—despite the fact that, in all history, there has been no example of a controlled inflation. Yet it is this very lack of balance that underlines that inflation is still a serious problem that handicaps effective organization of sound and workable domestic programs.

They even ignore current history of the United States, England and France—all with that same goal and the same road of mounting inflation, and that the West German mark is the strongest currency because it has followed the old time tested fiscal policies of a balanced budget.

The English pound and the French franc have gone through one crisis after another and have been steadily devalued. The pound sterling is no longer a reserve for banking and government funds in the world. Both the pound and the franc have been saved temporarily from further devaluation only by foreign aid from other countries.

Whether they can survive this year without disastrous devaluation is still a monetary question that directly affects the life of every Frenchman and Englishman and many, many other peoples, also. If the franc and the pound are devalued, the pressure on the American dollar is greatly increased.

Our dollar has been in an extremely precarious position for several years. It was saved two years ago by the courageous action of William Martin, Jr., Chairman of the Federal Reserve Bank, in raising interest rates as a brake on inflation. They were lowered when it accomplished that purpose. They were raised again two months ago to prevent a new surge of inflation. Inflation, in simple terms, means a new surge in boosting the cost of living.

Another courageous and powerful leader in the Congress from Arkansas is Wilbur D. Mills, who—as Chairman of the House of Representatives Ways and Means Committee—actually controls the fiscal legislation of the Congress. Congressman Mills said recently that tax legislation required vigorous and strong leadership by a president.

It can also be said that the support of Chairman Mills and his House Committee is also essential to a president in persuading the Congress to enact his fiscal recommendations. Mounting inflation has changed more governments than wars. Therefore, accord between President Nixon and Chairman Mills on fiscal and trade legislation is of the utmost importance and necessity for our stable national economy, and sound national growth that are the base of our national leadership for world peace.

Last Thursday, Under-Secretary of State Richardson in Paris at the International Economic Forum, clarified another major Nixon policy—pledging the administration's support for "a more open system of world trade." Mr. Richardson—referring specifically to America's monetary policy—said:

"We intend to intensify our efforts to restore price stability and to go about it properly. It is a basic objective of the new administration to regain control of the price and wage situation in the United States. To this end, we shall hold to a sound budgetary position."

Thus, our President continues to waste no time laying the crucial decisions right on the line on foreign policy—national defense—banking and trade—in a strong way that dispels doubts and wins support from bi-partisan sources.

Basically—these vast and intricate issues are as old as the protests of the prophets on the hills of Judea against the leadership of their world; as new as mass communications, mass production, mass population, malnutrition, automation, super jets, spacecraft, and the shadow of mass death in a nuclear war. That is the time we live in.

America—still a young nation—and with the greatest economic resources in the world, the greatest popular government in this world in size, with blocs of voters still influenced in their thinking by older ethnic origins, with a great variety of interests, both domestic and foreign, the Atlantic coast historically more interested in Europe and the Pacific coast in Asia, with the greatest mass communications in the world, requires a national leadership with the back-up ability to get over to American voters the soundness of his policies. A president who has that ability can mold the whole atmosphere and tone of American political—social and economic life.

In his hands is the fate of civilization. All over the world, countless millions of faces are turned toward him—watching for his fateful decisions.

That is the destiny of our President. Mr. Nixon is not shrinking from it.

POLITICS AND POLICIES

I shall deal with both tonight because they are intertwined.

The first is the art of winning primaries and elections in the dust of the arena.

The second deals with issues and the back-breaking details of the art of governing a great and mighty people in a free and open society. Timing is as important in both as in a football game.

The future historian will give President Nixon a distinguished place in history in both fields.

His administration marks the first basic change in the United States of America's foreign policy over twenty years. It is a complete and total reversal of the policies of the Truman-Eisenhower-Kennedy and Johnson administrations' foreign policy of containment of Communism by military force.

Take a look at the workable way Richard Nixon developed his new china policy in February, 1969, with a proposal for trade and cultural exchange, his first almost unnoticed small step toward a more normal relation between that government and the United States of America. The president knew, despite the flexibility a president has in foreign affairs, he would face organized opposition in both political parties.

Up to that time, America had vigorously supported Chiang Kai Shek in Formosa against China—refused to recognize the established Mao government—opposed admission to the United Nations and even refused in October, 1964, to accept Chou and Mao's proposal for a world conference for discussion to eliminate nuclear weapons immediately after their first nuclear bomb. I immediately urged that we do so. U Thant, Secretary General of the United Nations, endorsed my remarks the next day.

In May, 1964, I said we could not win the Vietnam War by bombing. I critcized President Johnson's description of our military forces as trainees or advisors as a deliberate intent to deceive, saying, "A song *'It Is Classified'* ought to be written to the tune of 'Old Man River.' " Wes Gallagher, General Manager of the Associated Press, said the same month, speaking of the suppression of Vietname news by Washington, "This was not political censorship but it was an attempt to create an image for the public that was neither justified nor true by manipulating news at the source."

A historian told me of the inability of government agencies to apply security classifications uniformly, with often the same document being stamped "secret" by one department agency, "confidential" by another, and being unclassified by a third. No wonder—when 32,000 people in the Defense Department have been given the authority according to recent testimony by an assistant secretary of defense before a congressional committee to decide security classifications.

As Arnold Toynbee said, "In the Foreign Office during the First World War, I had watched official documents being made and had sometimes myself had a hand in the making of them, and I had learnt that one purpose for which no official document has ever been made is to provide information for historians."

Change is slow in basic foreign policies by governments in international relations. Over two years after the February, 1969, initiative, the new foreign policy of President Nixon with China, based on developing cultural and trade exchange, broke to the astonished world by the famous Ping Pong Games.

That is not as ridiculous as the Divine Right of Kings, which was used for many centuries to mark changes in government policies.

There are many major questions yet to be settled between these two major powers and there is a long way to go in establishing a more settled relation between them. In the words of the old hymn, one step at a time is good enough for me. That is the course President Nixon has set for his administration and the United States of America.

With a second major power—Russia—there is a realistic recognition by the Nixon administration of the existence of the Communist bloc in Europe—just as it is recognizing the existence of China, the largest country in the world, for the first time, under a Communist regime.

Another change is possibly evident. That is Russia's present increased interest in establishing better relations with Europe and the United States of America. The spread of polemics against either is subsiding from Peking and Moscow. It remains to be seen whether this is a change in strategy or a change in policies.

Now the Soviet Union has renewed the proposal for a disarmament conference of the five nuclear powers—United States of America, Russia, China, France and Britain. That can be a most important meeting for extension of peace in the world and indeed even survival of life.

Also, there is a new change in European governments in their Russian policies that fits the new approaches of the American president and the Russian and Chinese leaders.

Brandt, in western Germany, is reversing the militant policy of Adenauer toward Russia. France has abandoned its opposition to England's admittance to the European Common Market. That means that other European countries will now be joined in this gigantic economic bloc with accompanying influence for a more stable and tranquil world in widespread international relations.

There was the talk at Lisbon initiated by Russia to discuss possible reduction of Russian troops in Europe. No definite agreement was reached. However, the talks are to continue.

There was the conference at Brussels on the future role of NATO—to be continued with the possibility of at least reaching a more constructive policy. The talks at Helsinki on limitations of nuclear weapons are also continuing.

With Japan, a great economic power with growing military potential, our president is establishing a new, realistic relationship, just as he is all over the world. We are phasing out many of our military bases in Japan and are returning sovereignty in Okinawa to that power.

China is facing—on her Asian flank—the growing power of Japan, and—on her European flank—Russia—centuries old traditional enemies, while, with America, it is facing a traditional friendship.

North Vietnam is also looking over its shoulder at the new incipient constructive relations being worked out by the Nixon administration with other governments all over the world, and Russia, China and the two Vietnams, in particular, which recently won the praise of Speaker Carl Albert and Senate Majority Leader Mike Mansfield.

For some years, I have said on several occasions that the Vietnam War was part and parcel of the entire world situation.

It may well be that the changing international relations I have outlined will be a bigger factor in moderating the truculent militant position of North Vietnam and obstinate American miscalculations of the 1960's that have prevented peace in Vietnam than the so-called Vietnamization policy of President Nixon in settling the Vietnam War.

In the Middle East, there is an armed truce that has lasted for almost a year. There, again, the strong support President Nixon is giving to Israel in contrast to his predecessors may well be a factor in creating a more cautious attitude on the part of both sides. At least, the longer the present lull continues, the more hope there is for a modus vivendi there. Rexford Tugwell, who served on President Roosevelt's first Brain Trust, and who is now a Center Fellow, in his recent article, "A New Dealer Looks at Nixon," sums up the president's foreign policy, saying, ". . . prospects of a viable coexistence were open for the first time since 1945."

That brings me to the pressing and complex problems of America's expanding inflationary industrial society.

It is a simple solution to lay the blame on the Vietnam War. However, ending that war is not going to solve acute and deplorable problems of unemployment, inflation and taxation that are basic.

Nor is the solution a simple one of revenue sharing with cities and states—regardless of the sponsorship amount or the channels through which it is funneled. It comes right smack dab on the ability of people of our great debt-ridden cities to govern themselves—the quality and the ability of the leadership they have selected over the years.

The paramount problem is that the cities' leadership has not fitted public services to municipal income. In a nutshell, it is poor bookkeeping and inept accounting. The cities' leadership has too often refused to raise taxes to cover new services. That leadership has indeed pushed through new services often at the cost of adequately maintaining old and more essential services—a change, incidentally, that can be applied to many of our schools and colleges. Often it has meant the cities' administrations pointed with pride at shamefully offering more services but less adequately than ever before. I must say, that applies to many of our state administrations also.

Before we start bailing out the large cities, we should first inquire as to the extent to which they have been willing to tax themselves for the support of city functions and school services. There appears to be no national study which has thoroughly analyzed this matter of local effort. However, a study from the State of New York indicates that there is a substantial question as to whether the large cities have made reasonable tax effort. The school districts of the five largest cities in New York State are fiscally dependent upon the city government.

In terms of tax effort, New York City levies 16.6 mills for schools while the 56 independent cities in New York State average 19.50 mills. Both of these figures reflect comparable rates of assessment. Very clearly the smaller cities appear to be making greater effort from their own tax sources than the larger cities.

By way of another comparison, Wichita, when adjusted to relative assessment rates with New York, is levying 25 mills for elementary and secondary schools, compared with the 16.6 mills in New York City.

Social Security is another example of a problem that will not be resolved by ending the Vietnam War. The average working man finds himself bedeviled by a constantly mounting burden of Social Security taxes—the largest single tax bite in the country for the average citizen, aside from federal income tax. Yet it is clear that what is returned to Social Security recipients is inadequate to their basic living needs. In short, we are chained to a Social Security system which is sadly outdated, both in what it pays its beneficiaries and in how it is financed.

For a starter, a perfect cutback satisfactory to all except a few daydreamers is to eliminate Social Security payments to those whose outside income from any source is sufficient to maintain a decent living standard, and thus remove this big part of the burden from the laboring man, who bears the brunt of inadequate Social Security payments.

As we look over the world tonight, change is not only here at home, but elsewhere—and not only in government. It is evident in churches and businesses. It is evident in technology—education—science — education and fiscal problems. It is evident in mores and traditional values. Free and open governments are threatened by the burden of big government—big business and big labor.

Democratic processes and civil rights are threatened by mobs on the streets in cities and planned and unplanned violence here in America and throughout the world.

The threat to our democratic process comes from both what in the vernacular are called the right and the left.

It comes from those whose fear of an incipient police state limited their concern at rising disorder and rioting on city streets, and a shocking growing crime rate.

Those who are excited and concerned in favor of a volunteer army instead of a peace time draft have not the long view of their course of action. That means that, for the first time in the United States of America, we would have a sizeable career army. A draft army is a civilian army, anxious to serve their required training and get back to their plans at home. A regular sizeable volunteer army means men who plan to make that their life's work because they like it. So, for the first time, we would create a military class in America.

While I have repeatedly urged over the years on many occasions the foreign policies initiated by President Nixon for world peace, I have always said our great and beloved country must not be second militarily to any nation. I am greatly concerned that we are drifting into that critical and perilous situation. As I have put it, I was willing to sleep in the same bedroom with Khrushchev (now Kosygin) but not to leave my wallet in my pants over the back of a chair.

A definite factor in the rising tide of neo-isolationism — protectionism — anti-militarism—is the reaction to the two crusades of world wars, with their romantic idealistic slogans.

The revelation of the duplicity of President Johnson's administration regarding its military policies in the 1964 election is a repetition of the duplicity of Franklin Roosevelt's military policies in the 1940 presidential election.

President Johnson had us in the Vietnam War before he even had the Tonkin Resolution to stretch into the fantastic interpretation of a congressional declaration of war—directly contrary to his public military position and promises in his campaign for reelection in 1964.

That was also true of President Roosevelt. He had us committing belligerent acts long before his campaign for re-election in 1940—or asking Congress for a declaration of war.

I repeatedly called on Mr. Roosevelt to be frank with the American people and to trust them to follow his leadership.

All this brings to a head what, to me, is the basic issue. It is indeed terrifying how a succession of American presidents have exercised the equivalent of the old discredited divine right of monarchs by waging wars on their own initiative, while, at the same time, misleading the Congress and the public and acting without adequate constitutional authority.

Senator Fulbright is trying to arouse the Congress to the need of reclaiming its constitutional responsibility and authority in this matter of war and peace that has priority over any other act of government. The Congress—a representative legislative body—does not have, and should not have, control over fighting a war. It does have a constitutional authority and control over whether a war is to be fought.

A distinguished professor of history wrote me after the 1936 election that he did not know of a people who would be as far involved as Americans who ever recovered their liberty. I disagreed, because of our widespread and broad-based educational system.

Now this excellent widespread educational system so essential in the development of our capitalistic-socialistic government—based on the old progressive party slogan, "Pass Prosperity Around," is also equipped to ask its local, state and national administration for an accounting.

No other country anywhere in the world—at any time—has had an educational system resembling that of the United States of America in its scope and in the vast number of grade schools, high schools, colleges and universities—each level fitting into and reinforcing the other. The local school concept is an ever-broadening one.

When President James McCain, of Kansas State University, was lent to the government of Iran by our government at their request to help them start their educational system, he emphasized the necessity of starting with an educational system in the primary and grade schools. I quote from his report to the National Ministry of Education:

"It has been often demonstrated that the quality of a university seldom rises above that of the secondary schools preparing its students. In more than one of my conferences with university officials, I heard the complaint that Iranian universities were forced to lower their academic standards to match the substandard preparation of their students."

I regret that some of our schools of higher learning here in America are lowering their standards, many voluntarily.

The trouble our schools are in today comes not so much from public indifference to the vital problems of a viable educational system as it does from many educators' indifference to the value of public interest responsibility expressed through the unique American system of local and state school boards.

No other country in the world has the highly important local school boards that provide, through our local schools, the widespread educational system so essential to the free and open society of our great and beloved country. These school boards and boards of regents for colleges and universities serve for many long hours, not as bureaucrats, but as unpaid public spirited representatives of their fellow citizens.

The school boards and boards of regents have been the vital link between our great pioneer system of free public education and public support for our schools. These boards must continue to see that public schools serve the genuine needs of the people, as well as to lead in stimulating the necessary public support of our schools—schools which have made Americans the best educated people in the world. The schools cannot continue their achievement unless educators and people, represented by their school and college boards, see eye to eye on the nation's needs.

RETIREMENT OF U.S. JUDGES AT AGE 60—RECOMMITTAL OF S. 2330

Mr. BURDICK. Mr. President, I ask unanimous consent that Calendar No. 275, S. 2330, be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. BYRD of West Virginia. Mr. President, reserving the right to object, and of course I shall not object, but just for the record, I ask the distinguished Senator if this matter has been cleared with the chairman of the Committee on the Judiciary and the ranking minority member thereof.

Mr. BURDICK. It is my understanding that it has.

Mr. BYRD of West Virginia. I thank the Senator. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANNOUNCEMENT ON VOTE OF SENATOR SPONG ON THE MOTION TO TABLE THE COTTON AMENDMENT

Mr. BYRD of West Virginia. Mr. President, due to a failure of the group alert system, the bells, and other notification procedures, the distinguished junior Senator from Virginia (Mr. Spong) missed the vote today on the motion by the Senator from California (Mr. Cranston) to lay on the table the amendment of the Senator from New Hampshire (Mr. Cotton).

Had he been properly notified, the Senator from Virginia would have voted on the question, and he would have voted against the motion to lay on the table the amendment of the Senator from New Hampshire.

I make this statement for the record in explanation of the reason why the junior Senator from Virginia missed that vote.

The PRESIDING OFFICER. Is there further morning business?

THE RHODESIAN EMBARGO

Mr. BYRD of Virginia. Mr. President, Robert S. Allen, the able Washington syndicated correspondent, sent a column to the many newspapers which carry his service, on Tuesday, July 27, entitled "Must U.S. Pay Soviet Millions for United Nations Embargo?"

Mr. President, that column by Mr. Allen calls attention to what I think is a very important problem to be considered by Congress—namely, whether the United States should be dependent upon Communist Russia for 60 percent of its chrome ore.

Mr. President, chrome is a vital defense material. It is necessary and essential for the construction of jet aircraft, nuclear submarines, and many other military weapons. It does not seem very logical to me for our Government to be spending $70 billion for defense and yet be dependent upon Communist Russia for a vital defense material. The reason we are dependent upon Communist Russia for this material is that most of the chrome is obtained from two sources—Rhodesia and Russia.

A few years ago, beginning in 1966, President Johnson, by unilateral action on his own part, without submission to Congress, declared an embargo on all trade with Rhodesia. As a result, the United States no longer can obtain chrome from Rhodesia and must buy chrome at a highly inflated price from Communist Russia. Yet, it is because of the potential threat of Russian aggression that our country finds it necessary to have the tremendous budget we have.

With that in mind, on March 29 I introduced S. 1404. The cosponsors of this measure are the Senator from North Carolina (Mr. Ervin), the Senator from Arizona (Mr. Goldwater), the Senator from Florida (Mr. Gurney), and the senior Senator from Arizona (Mr. Fannin).

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BYRD of West Virginia. Mr. President, if the Chair will recognize me, I will yield my time to the able senior Senator from Virginia.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. BYRD of Virginia. I thank the Senator from West Virginia.

Mr. President, a hearing was held on S. 1404 by a subcommittee of the Committee on Foreign Relations; and immediately following that hearing, the chairman of the subcommittee told reporters that he would recommend that the Foreign Relations Committee not approve S. 1404.

Subsequent to that, I read into the record, on the floor of the Senate, all the testimony before the Foreign Relations Subcommittee—those who favored S. 1404, including former Secretary of State Dean Acheson, and those who oppose it, who appeared before the committee in opposition to S. 1404.

I feel very strongly, Mr. President, that the Senate itself should have an opportunity to vote on this measure, and I intend to see that it is presented to the Senate in one form or another, so that the Members of the Senate can decide for themselves whether it is logical for the United States to be dependent on Communist Russia for a vital defense material.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a column written by Robert S. Allen, of Tuesday, July 27, captioned, "Must U.S. Pay Soviet Millions for U.N. Embargo?"

There being no objection, the column was ordered to be printed in the RECORD, as follows:

MUST U.S. PAY SOVIET MILLIONS FOR U.N. EMBARGO?

(By Robert S. Allen)

WASHINGTON.—Congress is going to have the chance to determine whether the U.S. continues to pay millions of dollars annually to Russia for vital supplies of metallurgical chrome essential for key weapons production—because of complying with the United Nations embargo against Rhodesia.

Sen. Harry Byrd, Ind-Va., is forcefully setting the stage for a showdown vote on the issue of paying this UN-imposed tribute to the Soviet—at a cost last year of $13.7 million and certain to be higher this year. Since the UN embargo in 1966, Russia, which now provides 60 per cent of U.S. chrome needs, has hiked the price from $25 to $72 a ton—188 per cent.

The punitive embargo was levied against Rhodesia by a bloc consisting of communist, black African and Arab states.

Prior to the sanctions, Rhodesia was this country's largest single source of metallurgical chrome that is critical in the manufacture of jet aircraft, missiles and nuclear submarines. There is no U.S. production of this indispensable ore.

As a consequence of the UN embargo, in which Russia played a leading role in the Security Council, not only has the Soviet gained a highly lucrative trade asset, but now has a potentially crippling hand on U.S. weapons output and the communications and transportation industries. Says Senator Byrd:

"The constant increase in price of this essential ore is bad enough, but what concerns me most—and what prompted me to introduce my bill—is that the United States has placed itself in the position of dependence upon Russia for a strategic commodity. To me, that is dangerous and wholly illogical. It just doesn't make sense."

Last year the U.S. imported a total of 703,000 tons of chrome—of which 409,000 tons came from Russia, 135,000 tons from Turkey, 97,000 tons from South Africa, and 62,000 tons from other countries.

LINE OF ATTACK

Sen. Byrd's bill proposes a direct attack on this grave problem.

It would amend the 1945 act under which the U.S. joined the United Nations to "provide that the President could not prohibit imports of a strategic material from a free world country as long as the importation of the same material is permitted from a communist-dominated country."

A number of Democratic and Republican senators are co-sponsoring this remedial legislation. Also, former Secretary of State Dean Acheson is vigorously supporting it. He strongly urged its enactment at hearings held earlier this month by a Senate Foreign Relations Subcommittee.

It was opposed by the State Department—which reportedly is covertly lobbying against it by trying to prevent a showdown vote in the full Senate.

With Congress due to shut down next week for a month's vacation, this significant test is unlikely before fall. But Byrd will definitely force a roll call vote because under Senate rules he can offer his measure as an amendment to pending legislation.

Exactly when that will be done is not being disclosed.

LEAKY EMBARGO

From available information, the U.S. apparently is the only big country taking the sanctions against Rhodesia seriously.

Latest UN reports disclose that a number of nations are disregarding the embargo—foremost among them Switzerland, Portugal, South Africa, Zambia, Batswana and Malawi. Another 25 UN members have declined to even answer inquiries about the matter from Secretary General U Thant. Many others stated they had never had any trade with Rhodesia to begin with.

On top of all that, enforcement of the boycott has been largely a bust.

Last year a special UN committee reported more than 60 violations, and since then numerous other infractions have brought the total to well over 100.

The State Department raised three main objections to Byrd's bill—Rhodesia is ruled by a minority; it threatens world peace; the embargo is effective.

Byrd derides the first two arguments as "positively ludicrous" and "obviously absurd," and the third as patently unfounded. He also bluntly stresses the senselessness of "continuing to be dependent on communist Russia for a material vital to our national defense."

"We are spending billions of dollars for weaponry as a protection against possible Russian aggression," points out the Virginia legislator. "Russia is the number one reason—and indeed almost the sole reason—for our huge defense expenditure."

As for Rhodesia being governed by a minority, Byrd caustically notes: "If the United Nations were to impose economic sanctions on every country ruled by a minority, it would have to begin with one of the most prominent members of the Security Council—the Soviet Union, where 240 million people are ruled by a tiny handful of communist party leaders."

And as for Rhodesia threatening world peace, that's so asinine it's not worth answering. "No one actually believes that," snorts Byrd.

"My legislation does one thing and one thing only," he asserts. "It simply provides that the President could not prohibit imports of a strategic material from a free world country if imports of the same material are permitted from a communist-dominated country. I firmly believe that is fair and proper and just, and it is my determined intention to ensure that the Senate is given the chance to register its will on this vital question."

* * * * *

SPACE CONTRADICTION

The U.S. leads the world in space exploration, but it has only a small tin hanger in which to display its history-making craft and other equipment.

Sen. Barry Goldwater, a licensed pilot, indignantly wants to do something about that. He is trying to get Congress to provide money for a National Air and Space Museum that was formally authorized way back in 1966.

Plans for the museum are drawn up and ready and waiting. But the project has been stalled for five years because the Senate committee in approving the authorizing bill included in its report a hobbling comment, "Appropriations should not be requested unless and until there is a substantial reduction in our military expenditure in Vietnam."

Actually, this statement is merely a declamation and does not have the force of law. But it has been observed as such by default.

Sen. Goldwater, in his drive to get funds to start construction of the Air and Space Museum, told a House Appropriations subcommittee the pronouncement is no longer binding. He contends its effectiveness has lapsed. He also noted that since the statement, Congress has voted money to renovate two Smithsonian display buildings—the National Portrait Gallery and the Renwick Gallery.

Sen. Goldwater also forcefully stressed that when the Wright Brothers' 1903 Kitty Hawk plane was returned to the U.S. from England, an explicit promise was made to the executor of the Wright estate that a "distinctive museum" would be erected to house the historic craft.

"Some 23 years have gone by since that pledge was made," Goldwater declared, "and it's still unfulfilled. That's not very creditable to us as a nation."

ORDER FOR ADJOURNMENT FROM SATURDAY, JULY 31, TO 11 A.M., MONDAY, AUGUST 2, 1971

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until 11 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum. I presume this will be the last quorum call of the day.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BYRD OF VIRGINIA TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that on tomorrow, immediately following the recognition of the two leaders under the standing order, the distinguished senior Senator from Virginia (Mr. BYRD) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF PUBLIC WORKS APPROPRIATION BILL

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that at the conclusion of the remarks of the distinguished Senator from Virginia (Mr. BYRD) on tomorrow, the Senate proceed to the consideration of H.R. 10090, a bill making appropriations for public works.

The PRESIDING OFFICER (Mr. BURDICK). Without objection, it is so ordered.

PROGRAM

Mr. BYRD of West Virginia. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 10 o'clock a.m. and, immediately after the recognition of the two leaders under the standing order, the distinguished senior Senator from Virginia (Mr. BYRD) will be recognized for not to exceed 15 minutes, following which the Senate will proceed to the consideration of H.R. 10090, a bill making appropriations for public works. A time agreement has been entered into whereby 1 hour will be allocated to debate on the bill, with 30 minutes on any amendment thereto. A rollcall vote has already been ordered on final passage. There may be other rollcall votes on amendments.

Following disposition of H.R. 10090, a bill making appropriations for public works, the Senate will probably resume the consideration of S. 2308, to authorize emergency loan guarantees to major business enterprises. A cloture motion was sent to the desk on that bill today, with a vote to occur thereon, on Monday next, in accordance with rule XXII.

ADJOURNMENT TO 10 A.M.

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 2 minutes p.m.) the Senate adjourned, until tomorrow, July 31, 1971, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 30, 1971:

DIPLOMATIC AND FOREIGN SERVICE

Edwin W. Martin, of Maryland, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Burma.

U.S. COAST GUARD

The following-named temporary officers to be permanent commissioned officers of the Coast Guard in the grade of lieutenant (junior grade):

Timothy C. Hess
Thomas B. McCarty
John A. McGough
Robert C. Herold
Arthur R. Wittum
Malcolm W. Gray
James H. Oliver
John H. Powers III
Lavere E. Amundson
Frank C. Lewis
Dennis W. Mahar
John F. Weseman
Karl Kaufman
Ernest R. Smith, Jr.
Michael W. Wade
Thuren M. Drown
Brian W. Mills
Donald L. Dobbs
Frank K. Cole
Brian Pickhover
Carl D. Fry
Robert L. Melville
Paul C. Monette
Michael L. Kelly
Gerald F. Arens
Michael G. Cavett
Raymond L. McFadden
Richard F. Mattingly, Jr.
Herman F. Hirsh III
Gerald D. Johnson
Robert J. Parsons
David W. Thiel
Thomas E. Ross III
Douglas D. Lundberg
Robert B. Swart
Thomas B. Urbanowicz
Calvin F. Perkins, Jr.
Donald F. Walker
Theodore T. Musselman
Duane I. Preston
Richard A. Gelinas
Robert F. O'Toole
Paul J. McClendon
Gerald R. Murphy, Jr.
John S. Wenter
Stephen A. Dickerson
Robert A. Happel
William E. Pitt, Jr.
Jon C. Deichert
Harvey A. Hudson
Philip K. Hauenstein
Donald A. Kirkham
Jerry E. Bowersox
Robert B. Millson
James L. O'Brien
Robert M. McAllister
James L. Jones
Gary A. Bird
Theodore C. Scheeser
Paul E. Hill
John E. Steve
Richard L. Youdal
Robert L. Hoyt
William J. Hamilton
Michael T. Burnett
Ronnie T. Wheeler
John H. Burger
Paul D. Huffman
Miller R. Chappell
Curtis J. Olds, Jr.
Carl R. Sosna
Richard D. Carmack

The following-named officers of the Coast Guard for promotion to grade of lieutenant:

Charles H. Eason
Timothy C. Hess
Thomas B. McCarty
William F. Nettell
John A. McGough
Preston L. Foskey
Thomas B. Urbanowicz
Robert C. Herold
Arthur R. Wittum
Malcolm W. Gray
James H. Oliver
John H. Powers III
Lavere E. Amundson
Frank C. Lewis
Dennis W. Mahar
John F. Weseman
Karl Kaufman
Michael W. Wade
Ernest R. Smith, Jr.
Thuren M. Drown
Brian W. Mills
Donald L. Dobbs
Frank K. Cole
Brian Pickhover
Carl D. Fry
Robert L. Melville
Paul C. Monette
Michael L. Kelly
Gerald F. Arens
Michael G. Cavett
Raymond L. McFadder
Richard F. Mattingly, Jr.
Herman F. Hirsh III
Gerald D. Johnson
Robert J. Parsons
David W. Thiel
Thomas E. Ross III
Douglas D. Lundberg
David A. Potter
Fred L. Ames
Walter F. Malec, Jr.
William R. Hodges, Jr.
Norman V. Scurria, Jr.
Glen J. Pruiksma
Thomas H. Jenkins
Larry V. Grant
Richard W. Schneider
James T. Ingham
Larry J. Olson
Richard J. Asaro
Terry R. Fondow
Norman C. Edwards
Nicholas Stramandi
Victor P. Primfaux
Michael J. Edwards
Joseph F. Olivo, Jr.
John T. Tozzi
Frank J. Scaraglino
Joseph E. Cassaday
John H. Legwin III
Dennis P. Purves
Mont J. Smith
Arthur W. McGrath, Jr.
Alexander T. T. Polasky
Kenneth B. Allen
Richard B. Meyer
Ralph W. Brown, Jr.
Michael E. Tovcimak
Ronald F. Schafer
James G. Soland
Stanley M. Phillips
Fedrick V. Minson
John A. Bastek
Robert J. Lachowicz
William F. Mueller
Kenneth J. McPartlin
John J. Mulligan, Jr.
Leighton T. Anderson
Peter A. Poerschke
William C. Hain III
James M. MacDonald
John R. Taylor
Daniel J. Schatte
Larry E. Parkin
Gregory T. Wilson
Brian P. M. Kelly
Dennis L. Bryant
Thomas S. Johnson III
Ronald K. Losch
Clifton K. Vogelsberg, Jr.
James T. Paskewich
William R. Johanek
David L. Powell
Steven J. Delaney
Daniel B. McKinley
John R. Ryland
Theodore J. Sampson
Thomas H. Collins
Richard W. Hauschildt
George R. Perreault
Ronald S. Matthew
Stephen R. Welch
Ernest R. Riutta
Edmund I. Kiley
John A. Magiera
Peter M. A. Tennis
James W. Milas
Glendon L. Moyer
James L. Hested
Paul N. Fanolis
Edward C. Karnis
John K. Kastorff, Jr.
George H. Mercier
Richard L. Maguire
Walter R. Guest
James C. Haedt
Phillip J. Stager
James A. Smith
Juan T. Salas
Thomas E. Thompson
Paul Ibsen
Ronald L. Edmiston
Paul V. Gorman, Jr.
Robert B. Bower
John D. McDevitt
Richard R. Clark
James C. Clow
Douglas A. Macadam
Stephen L. Swann
Floyd W. Thomas
Victor E. Hipkiss
Robert P. Bender
Robert B. Vanasse
Arthur F. Shires
Kenneth R. Riordon
Stanley C. Brobeck, Jr
Kevin V. Feeney
Dennis M. Majerski
Peter D. Lish
Lonnie E. Steverson
Edward C. Cooke
Ronnie L. Sharp
Ronald F. Hough
Joel E. Karr
William J. Theroux
Graham J. Chynoweth
Robert E. Gronberg
Dennis R. Erlandson
Roger D. Mowery
Jack W. Scarborough
Anthony H. Schieck
Jeffrey S. Wagner
Mark J. Costello
James L. Lambert
Frank P. Murray
Roy C. Samuelson, Jr.
Roger B. Streeter
Dennis L. McCord
Richard L. Cashdollar
Harold B. Dickey
Charles J. Hermann
Edward B. P. Kangeter III
John R. Vitt, Jr.
Thomas D. Brennan
Francis T. E. Marcotte
Bruce E. Weule
Terry L. Grindstaff
Wayne Young
John W. McBride
George T. Oakley
Wayne K. Six
Geoffrey M. Harben
John A. Mantyla, Jr.
Jay A. Creech
William F. Holt
John R. Hruska
Robert K. Jones
Olav R. Haneberg
Roger J. Beer
Ronald C. Hoover
Michael M. Storey
Robert B. Swart
Calvin F. Perkins, Jr.
Donald F. Walker
Theodore T. Musselman
Duane I. Preston
Richard A. Gelinas
Robert F. O'Toole
Paul J. McClendon
Gerald R. Murphy, Jr.
John S. Wenter
Stephen A. Dickerson
Robert A. Happel
William E. Pitt, Jr.
Jon C. Deichert
Harvey A. Hudson
Michael A. Haponik
Philip K. Hauenstein
Donald A. Kirkham
Jerry E. Bowersox
Robert B. Millson
James L. O'Brien
Robert M. McAllister
James L. Jones
Gary A. Bird
Theodore C. Scheeser
Paul E. Hill
John E. Steve
Richard L. Youdal
Robert L. Hoyt
William J. Hamilton
Michael T. Burnett
Ronnie T. Wheeler
John H. Burger
Paul D. Huffman
Miller R. Chappell
Curtis J. Olds, Jr.
Carl R. Sosna
Richard D. Carmack

The following-named Reserve officers to be permanent commissioned officers of the Coast Guard in the grade indicated:

Lieutenant commander

Gerald T. Willis.

Lieutenant

Roland H. Boughton
James B. Wallace
Norman E. King
Frank M. Readinger
Carl J. Muehlenbeck
Edward K. Roe, Jr.
Clinton W. Carter

The following-named officer to be a permanent commissioned warrant officer in the Coast Guard, in the grade of chief warrant officer (W-2), having been recalled to active duty from the temporary disability retired list.

George T. Causey.

HOUSE OF REPRESENTATIVES—*Friday, July 30, 1971*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Eye hath not seen, nor ear heard, neither have entered into the heart of man, the things which God hath prepared for them that love Him.—I Corinthians 2: 9.

Eternal God, from whom cometh all things good and true, in the quiet of this moment we open our hearts unto Thee. Thou art everywhere and now in this silence we would find Thee and be found by Thee.

"Spirit of God, descend upon my heart;
Wean it from earth; through all its pulses move;
Stoop to my weakness, mighty as Thou art,
And make me love Thee as I ought to love."

Strengthen Thou our faith, restore our courage, make us great in goodness and good in our greatness that we may triumph over wrong and conquer every evil intention. Put beneath us Thy strong foundation and send us out into this day to be Thy loyal and loving children.

In Thy holy name we pray. Amen.

ORDER OF BUSINESS

Mr. KOCH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withhold his point of order until the Chair disposes of the Journal?

Mr. KOCH. Mr. Speaker, I prefer not to, because I intend to pursue that aspect at a subsequent time, and I, therefore, insist on my point of order.

The SPEAKER. Will the gentleman from New York withhold his point of order until the Chair receives a message?

Mr. KOCH. Very well, Mr. Speaker.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 943. An act to provide mortgage protection life insurance for service-connected disabled veterans who have received grants for specially adapted housing;

H.R. 3146. An act to authorize the Secretary of Agriculture to cooperate with the States and subdivisions thereof in the enforcement of State and local laws, rules, and regulations within the national forest system;

H.R. 6239. An act to amend the maritime lien provisions of the Ship Mortgage Act of 1920; and

H.R. 9181. An act to amend the Northwest Atlantic Fisheries Act of 1950.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1316. An act to amend section 301 of the Federal Meat Inspection Act, as amended, and section 5 of the Poultry Products Inspection Act, as amended, so as to increase from 50 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of any cooperative meat or poultry inspection program carried out by any State under such sections; and

S. 2378. An act to confer U.S. citizenship posthumously upon Abdul Mushin Gallozi.

CALL OF THE HOUSE

Mr. KOCH. Mr. Speaker, I renew my point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOGGS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 222]

Abourezk
Anderson, Tenn.
Ashley
Boland
Bray
Carter
Celler
Chisholm
Clark
Clay
Collier
Dellenback
Dent
Devine
Diggs
Donohue
Edwards, La.
Esch
Fish
Foley
Frenzel
Gallagher
Gray
Grover
Hagan
Heckler, Mass.
Holifield
Horton
Hosmer
Hungate
Jacobs
Jonas
Jones, N.C.
Jones, Tenn.
Kemp
Long, La.
McClure
McCulloch
Mann
Metcalfe
Michel
Nelsen
Poage
Purcell
Quillen
Riegle
Saylor
Scheuer
Scott
Sisk
Stafford
Stephens
Symington
Tiernan
Van Deerlin
Whalley
Widnall
Wydler
Wyman
Yatron
Young, Tex.

The SPEAKER. On this rollcall 372 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE JOURNAL

Mr. BOGGS. Mr. Speaker, I move that the Journal be approved, and I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the approval of the Journal.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. KOCH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. Two hundred one Members are present, not a quorum.

The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—**yeas 374, nays 10, not voting 49,** as follows:

[Roll No. 223]

YEAS—374

Abbitt
Abernethy
Abourezk
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Archer
Arends
Ashbrook
Ashley
Aspin
Aspinall
Badillo
Baring
Barrett
Begich
Belcher
Bell
Bennett
Bergland
Betts
Bevill
Biaggi
Biester
Bingham
Blackburn
Blanton
Blatnik
Boggs
Boland
Bolling
Bow
Brademas
Brasco
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Byrne, Pa.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Carey, N.Y.
Carney
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Collins, Tex.
Colmer
Conable
Conte
Corman
Cotter
Coughlin
Crane
Culver
Daniel, Va.
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Denholm
Dennis
Derwinski
Dickinson
Dingell
Dorn
Dow
Dowdy
Drinan
Dulski
Duncan
du Pont
Dwyer
Edmondson
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Fraser
Frey
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Garmatz
Gaydos
Gettys
Giaimo
Gibbons
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Gubser
Hagan
Haley
Hall
Halpern
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Harvey
Hastings
Hathaway
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hillis
Hogan
Holifield
Howard
Hull
Hunt
Hutchinson
Ichord
Jacobs
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Karth
Kazen
Keating
Kee
Keith
King
Kluczynski
Kuykendall
Kyl
Kyros
Landgrebe
Landrum
Latta
Leggett
Lennon
Lent
Link
Lloyd
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKay
McKevitt
McKinney
McMillan
Macdonald, Mass.
Madden
Mahon
Mailliard
Martin
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mikva
Miller, Calif.
Miller, Ohio
Mills, Ark.
Mills, Md.
Minish
Mink
Minshall
Mizell
Mollohan
Monagan
Montgomery
Moorhead
Morgan
Morse
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Konski
O'Neill
Passman
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pirnie
Podell
Poff
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Pryor, Ark.
Pucinski
Quie
Railsback
Randall

Rarick
Rees
Reid, Ill.
Reid, N.Y.
Reuss
Rhodes
Riegle
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
St Germain
Sandman
Sarbanes
Satterfield
Scherle
Schmitz
Schneebeli
Schwengel
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Spence
Springer
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stubblefield
Stuckey
Sullivan
Symington
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Terry
Thompson, Ga.
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Udall
Ullman
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Wampler
Ware
Watts
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Charles H.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Young, Fla.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—10

Abzug
Collins, Ill.
Conyers
Dellums
Kastenmeier
Koch
Mitchell
Rangel
Ryan
Stratton

NOT VOTING 49

Baker
Bray
Brooks
Carter
Clark
Clay
Dellenback
Dent
Devine
Diggs
Donohue
Downing
Eckhardt
Edwards, La.
Esch
Frelinghuysen
Frenzel
Gallagher
Gray
Grover
Gude
Hébert
Horton
Hosmer
Hungate
Jonas
Jones, Tenn.
Kemp
Long, La.
McClure
McCulloch
Mann
Metcalfe
Michel
Nelsen
Poage
Purcell
Quillen
Saylor
Scheuer
Scott
Snyder
Stafford
Van Deerlin
Whalley
Wiggins
Wilson, Bob
Wyman
Yatron

So the Journal was approved.

Mrs. ABZUG changed her vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR ADJOURNMENT OF CONGRESS FROM FRIDAY, AUGUST 6, 1971, TO WEDNESDAY, SEPTEMBER 8, 1971

Mr. BOGGS. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 384) and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 384

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Friday, August 6, 1971, they stand adjourned until 12 o'clock meridian on Wednesday, September 8, 1971.

The SPEAKER. Under the rules and under the law, this vote must be taken by the yeas and nays.

The question is on the resolution.

The question was taken; and there were—yeas 334, nays 41, not voting 58, as follows:

[Roll No. 224]

YEAS—334

Abbitt
Abernethy
Abourezk
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Arends
Ashbrook
Ashley
Aspin
Aspinall
Badillo
Baker
Baring
Barrett
Begich
Belcher
Bell
Bennett
Bergland
Betts
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bow
Brademas
Brasco
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Byrne, Pa.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Carney
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Chisholm
Clancy
Clawson, Del
Collier
Collins, Ill.
Collins, Tex.
Colmer
Conable
Conte
Conyers
Cotter
Coughlin
Crane
Culver
Daniel, Va.
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
Delaney
Dellums
Denholm
Dennis
Derwinski
Dingell
Dow
Dowdy
Drinan
Dulski
Duncan
du Pont
Dwyer
Edmondson
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Fascell
Fish
Fisher
Flood
Flowers
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Fulton Pa.
Fuqua
Galifianakis
Gallagher
Garmatz
Gaydos
Gettys
Giaimo
Gibbons
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gubser
Gude
Hagan
Halpern
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harvey
Hathaway
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hogan
Holifield
Howard
Hull
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kazen
Keating
Kee
Keith
Kemp
Kluczynski
Koch
Kuykendall
Kyl
Kyros
Landgrebe
Landrum
Latta
Leggett
Link
Lloyd
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKay
McKevitt
McMillan
Macdonald, Mass.
Madden
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mikva
Miller, Calif.
Mills, Ark.
Mills, Md.
Minish
Mink
Minshall
Mollohan
Monagan
Moorhead
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Konski
O'Neill
Passman
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Poff
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Pryor, Ark.
Pucinski
Purcell
Quie
Railsback
Randall
Rangel
Rarick
Rees
Reid, Ill.
Reid, N.Y.
Reuss
Riegle
Robinson, Va.
Rodino
Roe
Rogers
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Ruppe
Ryan
St Germain
Sandman
Sarbanes
Satterfield
Scherle
Schneebeli
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Slack
Smith, Calif.
Smith, Iowa
Spence
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Stokes
Stratton
Stubblefield
Stuckey
Sullivan
Symington
Talcott
Taylor
Thompson, N.J.
Thomson, Wis.
Tiernan
Udall
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Wampler
Ware
Watts
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H.
Winn
Wolff
Wright
Wydler
Yates
Zablocki
Zwach

NAYS—41

Archer
Broyhill, N.C.
Clausen, Don H.
Corman
de la Garza
Dorn
Findley
Flynt
Gross
Haley
Hall
Hillis
Jacobs
King
Lennon
McKinney
Miller, Ohio
Mitchell
Mizell
Pirnie
Rhodes
Roberts
Robison, N.Y.
Runnels
Ruth
Schmitz
Schwengel
Sebelius
Skubitz
Steiger, Wis.
Teague, Calif.
Terry
Thompson, Ga.
Thone
Ullman
Waldie
Wyatt
Wylie
Young, Fla.
Young, Tex.
Zion

NOT VOTING—58

Blanton
Bray
Brooks
Carey, N.Y.
Carter
Clark
Clay
Cleveland
Dellenback
Dent
Devine
Dickinson
Diggs
Donohue
Downing
Eckhardt
Edwards, La.
Esch
Evins, Tenn.
Frenzel
Fulton, Tenn.
Gray
Grover
Harsha
Hastings
Hawkins
Hébert
Horton
Hosmer
Hungate
Jonas
Jones, Tenn.
Lent
Long, La.
McClure
McCulloch
Metcalfe
Michel
Montgomery
Morse
Mosher
Nelsen
Poage
Quillen
Saylor
Scheuer
Scott
Smith, N.Y.
Snyder
Springer
Stafford
Staggers
Stephens
Teague, Tex.
Van Deerlin
Whalley
Wyman
Yatron

So the concurrent resolution was agreed to.

Mr. LENNON changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON PUBLIC WORKS

The SPEAKER laid before the House the following communication from the chairman of the Committee on Public Works; which was read and referred to the Committee on Appropriations:

WASHINGTON, D.C.,
July 29, 1971.

Hon. CARL ALBERT,
Speaker of the House,
Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the provisions of section 11(b) of the Public Buildings Act of 1959, the House Committee on Public Works on July 29, 1971, approved a report of building project survey for the construction of a courthouse and Federal office building in Las Cruces, N. Mex.

Sincerely,

JOHN A. BLATNIK,
Chairman.

PARLIAMENTARY INQUIRY

Mr. CONYERS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman from Michigan (Mr. CONYERS) will state his parliamentary inquiry.

Mr. CONYERS. Mr. Speaker, in view of the fact that the Senate has put the Lockheed matter over until Monday, would a motion to adjourn be in order?

The SPEAKER. The Chair will state that of course a motion to adjourn is always in order, and the relevance of side or collateral issues is unimportant.

Mr. CONYERS. I thank the Speaker.

MOTION TO ADJOURN

Mr. CONYERS. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion to adjourn.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. CONYERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. Two hundred forty-three Members are present, a quorum.

Mr. CONYERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the motion to adjourn was rejected.

FREEDOM OF THE PRESS, TV STYLE

(Mr. PIKE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PIKE. Mr. Speaker, the lucky American people who were watching the "Today Show" on NBC this morning got a classic example of freedom of the press, TV style, in action.

Comedian George Jessel was the guest, and was being himself. He had the bad judgment to make very unfavorable comparison between Pravda, the New York Times and the Washington Post. His hitherto genial host on the "Today Show," Mr. Ed. Newman, turned suddenly and powerfully ungenial. He told Mr. Jessel that opinions such as that were simply not to be uttered. Mr. Jessel was not told that his judgment was bad or his opinion was wrong, just flatly that he might not say anything that bad about the media on the media. Mr. Jessel was cut off.

And that is the way it is, "Today," with freedom of the press and freedom of speech in America.

RAIL AND DOCK STRIKE

(Mr. DELLUMS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, the present rail and dock strike has meant that each day millions of dollars worth of food is rotting in the fields and warehouses of California; it is truly insensible and inhumane to allow these vast quantities of food to be destroyed. There are millions of people in the world who desperately need this food. Since it is unrealistic to assume that the U.S. Government could authorize a program to distribute this food within our own country, it has been suggested to me by Miss Cynthia Iammediato of San Francisco that the U.S. Government undertake immediate action to provide funds to assist the 6 million or more victims of the Pakistan civil war by providing them with this food. Let me quote from the contents of those secret messages that the distinguished Senator from Massachusetts disclosed:

> Prospects for averting widespread hunger, suffering and perhaps starvation are not, repeat, not good.

We have a responsibility to both the people of East Pakistan and the people of the world to assist these victims of a political tragedy. And so I call for the President to immediately establish a program to ship vegetables and other crops that are rotting in the fields and in the warehouses of Western States to the people of East Pakistan. For the relatively small amount of money that must be appropriated in order to ship to these victims of starvation. Food that would otherwise go to waste—we would be accomplishing an extremely vital task. A task that we should assume is an obligation to our fellow man.

RECOMPUTATION OF MILITARY PAY

(Mr. PICKLE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, I am today introducing legislation that would reestablish the recomputation principle in military retired pay.

The present policy, which was enacted in 1958, reduced significantly retirement pay benefits. Presently, a retired military man's pay is a percentage of his active duty pay at the time he retires. This system has resulted in many retirees, who retired within months of each other, receiving different retirement benefits. My bill would provide that a retiree's pay be based on a percentage of the active duty pay presently being given to the active duty personnel of the same rank as the retiree.

Our military retirees are men and women who have dedicated the major portion of their adult lives to the defense of our country. They should be able to enjoy a good standard of living after their retirement.

At a time when we are talking about creating a voluntary military system, I think we should take a careful look at the retirement program. Private industry uses attractive retirement systems to attract career employees. We should use much the same incentive in attracting career military personnel.

Mr. Speaker, I urge that Congress take immediate action on recomputation. Our military retirees have waited long enough.

PROVIDING FOR CONSIDERATION OF H.R. 8432, EMERGENCY LOAN GUARANTEE ACT OF 1971

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 566 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 566

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8432) to authorize emergency loan guarantees to major business enterprises. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Banking and Currency now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI, and clause 4, rule XXI, are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Mississippi is recognized for 1 hour.

Mr. COLMER. Mr. Speaker, I yield the usual 30 minutes to the gentleman from California (Mr. SMITH) and pending that I yield myself such time as I may consume.

Mr. Speaker, as a reading of the resolution has already apprized you, the resolution provides an open rule with 3 hours of general debate, waiving points of order on two provisions of the bill, one as to germaneness and another as to appropriations. The bill will be open for amendment under the 5-minute rule.

Some dissatisfaction was expressed on the floor about the time limit of 3 hours of general debate. I should like to emphasize what we already know, namely, that in general debate very few Members are present. But under the 5-minute rule, when time is important, the Members are here to pass upon amendments. In that connection, Mr. Speaker, I hope that those in charge of the bill, even though it is Friday and Members want to get away, will not curtail sharply time on these amendments.

In my view, after several years serving in this body, I feel it is ridiculous to have an important amendment here and then have the time limited, and maybe limited to 20 minutes, when 25 people will stand up and say they want to speak on it, with the result they will get about three-quarters of a minute each. So I hope those who are in charge of the bill on the floor in the Committee of the Whole will not follow that policy here today, because this is a very important bill.

Mr. Speaker, if I may be personal for just a moment, I do not think there is a bill that has been considered in this body, certainly this year, that has given me more personal concern than has this bill. Why do I say that? Because as usual, there are two sides to this issue. It seems to me they are pretty sharp here.

One of them is, of course, the question of lending money to a gigantic industry to keep that industry in business, to give it an opportunity to furnish employment, and to serve as a backlog for defense production, but above everything else, this occurs at a time when unemployment we are told is higher than at any other time in recent years. Here we could do away with—I have forgotten how many thousands of workers, and I will yield to someone briefly if he can furnish me that information.

Mr. PATMAN. It is 60,000.

Mr. COLMER. The chairman of the committee says about 60,000 people, and I appreciate his having my memory refreshed.

We are passing bills every week here to train people to work, and yet, by pulling down this plant, we would turn back 60,000 people and put them on the unemployment side of the ledger. That is very, very important particularly at this period.

Now what was the other side of the coin that gave me so much concern? It was that we would in a sense be embarking here on a new venture. I could not say we would be setting a precedent, but at least we would be laying the groundwork to get into the big league in the area of guaranteeing loans.

But, Mr. Speaker, when I analyze what is involved here, namely the loss of 60,000 jobs, the adverse effect if not liquidation of some 35,000 contractors and subcontractors plus 11,000 additional jobs furnished by small business enterprises; the sharp reduction in revenue to the Government and the general bad effect upon the whole economy of the country, I am driven to the conclusion that the best interest of the country and its taxpayers lies in some remedial relief to this huge industry.

Incidentally, I do not happen to be one of those who subscribes to the theory that big business is necessarily bad business just simply because it is big.

In connection with the unemployment which would result from the bankruptcy of this huge enterprise, I want to again remind my colleagues that for many months now there have been many bleeding-heart appeals to bring about full employment as well as to help small business.

If it is wrong as a matter of principle for the Government to guarantee loans to big business, under the same yardstick is it not bad to guarantee them to small business?

So I say, after wrestling with my conscience—and I really mean that—for weeks on this problem, I came around, I admit rather reluctantly, to the conviction that this legislation is justified.

Let me say in that connection that I do not have a Lockheed plant or a subsidiary of Lockheed in my State, so far as I know, and certainly not in my congressional district. I do not have these people who will be thrown out of employment in my district. I do not own one dime's worth of stock in Lockheed or any of its subsidiaries.

But I am interested in the economy of this country, both present and future.

I am not going to go into the merits of the bill we have here. The gentleman from Texas and others will do that. But we have a bill here that provides for setting up a board. I understand there will be amendments offered to change the personnel of that board, but I do not have time to go into all that. This would make it an overall general piece of legislation that would affect others than Lockheed in the future.

There is kicking around in the House and kicking around in the other body—which incidentally, usually, I say again regretfully, calls the turn—a proposal that would make this just applicable to the Lockheed enterprise. I do not like that. As conservative as I am reputed to be, I would prefer to see general legislation that was applicable to all industries which could qualify rather than picking out one and singling it out to have what we consider favorite treatment under this bill.

I do not know what is going to happen. That is not going to be conclusive with me. But I do prefer the broader approach.

I want to close with one thought, and I offer it for your serious consideration. During the hearings before the Rules Committee on this bill I took the liberty of suggesting to the chairman of the Committee on Banking and Currency and others present that the banks involved here should be required to participate to some limited extent in this guarantee. Why did I come to that conclusion? The banks, we are told, have a stake here of $400 million. They have a big stake. We are told that one of the reasons for this legislation, is that if Lockheed goes into bankruptcy then its assets will be practically worthless because of the peculiar type of their tools, and other assets. The banks would thereby lose the major portion of their loans.

Of course, the same, I have to admit, would be true if they went bankrupt after this loan was provided.

I come back to my small business loans. In small business loans—at least a large percentage of them—the Government guarantees the loan, but the local bank participates in it. So I am suggesting here, and I am constrained to offer an amendment under the 5-minute rule that the banks participate to the extent of 10 percent in the risk loan. They already participate to the extent of $400 million, yes, but they should participate in this loan that the Federal Government is asked to give up to the extent of 10 percent.

Some of my friends who are very much interested in this legislation say that that will upset the applecart and that it would have to go to conference. Well, you are going to have to go to conference anyhow, I assume, because it will be a very rare occasion if the other body takes what this body passes. As a matter of fact, I understand the current situation at the other end of the Capitol is that they are going back to the one-shot $250 million bill.

So, Mr. Speaker, I have unburdened myself of what was on my mind here for your consideration. I am not going to fall out with anyone who differs with me on the conclusions I have reached, because, after all, I realize that it is a very difficult situation. Let us deliberate with but one objective in mind—the best interest of the country.

I hope the rule will be adopted and a satisfactory bill passed.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 566 covers the provisions under which H.R. 8432, the Emergency Loan Guarantee Act of 1971, will be considered by the House. It provides for 3 hours of debate under an open rule. The original bill was stricken and a substitute prepared in the nature of an amendment. Points of order are waived against the substitute under clause 7, rule XVI and clause 4, rule XXI. The first waiver is to protect the substitute from being stricken on the basis of some part of it being nongermane. Inasmuch as the entire substitute is an amendment, if any part is nongermane the entire substitute would fail. The second provision has to do with the restriction against any committee appropriating money which does not have the authority to do so. Possibly some of the language in the substitute could be considered as appropriation language. Any amendments can be offered to the committee amendment.

Mr. Speaker, the purpose of the bill is to establish standards and procedures to control the granting of emergency loan guarantees to major domestic businesses whose failure would seriously damage the growth of the economy and the national employment situation. The bill authorizes such loan guarantees in the aggregate amount of $2,000,000,000, with any single borrower limited to $250,000,000 in loan guarantees. Authority to make loan guarantees under the legislation expires on December 31, 1973.

H.R. 8432 creates an Emergency Loan Guarantee Board to administer the program and promulgate rules. It is to be composed of the Secretary of the Treasury, as chairman, the Chairman of the Board of Governors of the Federal Reserve System, and the President of the Federal Reserve Bank in the district in which an applicant firm is located.

The bill provides that after October 1, 1971, the Board may not make a loan unless it notifies Congress, a period of 29 days elapses, the Congress being in session. During that period either body, by resolution, may disapprove the loan guarantee proposed to be made.

Economic criteria must be met by any company seeking loan guarantee assistance. As set forth in section 4, they require that; first, the loan be necessary to enable the borrower to continue to furnish goods and services it produces; second, credit is not otherwise available on reasonable terms or conditions; and, third, the earning power of the borrower, together with the pledged security, furnish reasonable assurance of loan repayment. Further, the bill requires that: first, the lender certify to the Board that it will not make the loan without a guarantee; and, second, the guarantee be for a maximum of 5 years and may be renewed once for a term of 3 years.

The Lockheed Aircraft Corp.'s situation is illustrative of the type of problem which can arise. It is a large firm handling a number of defense contracts. It is also one of only three companies producing large commercial aircraft.

The production of the L-1011 airbus has led to the current difficulties. At this time, some 24 banks have already advanced Lockheed about $400,000,000. Airline companies which have ordered the L-1011 have put up some $240,000,000 in advance purchase payments.

There is no additional cost to the Government. The bill was reported by a vote of 23 to 11. The administration supports the legislation.

Mr. Speaker, admittedly this is a controversial matter. Some would prefer the one-time $250 million guaranteed loan to Lockheed. Some prefer the $2 billion situation as contained in this bill. Some undoubtedly feel that the Government should not engage in attempting to keep private enterprise from going bankrupt. Undoubtedly amendments will be offered.

In this respect, Mr. Speaker, it is my understanding that the leadership and those in charge of the bill on both sides of the aisle and others have arrived at a tentative agreement to go back to the original $250 million one-shot loan for Lockheed.

That could be handled in several different ways under the rule as it is presented. However, it is my understanding that the manner in which they will try to proceed is that when we reach the stage of the reading of the bill, at that particular time a unanimous-consent request will be made that the bill be considered as read for purposes of amendment. Some four amendments will then be offered, hopefully by unanimous consent to be considered en bloc. These will be to the substitute in the nature of an amendment in order to redirect it to the original bill which was proposed by the gentleman from Wisconsin (Mr. Reuss). It will be along the lines of a Senate bill, but with some amendments. In any event, the $2 billion will be reduced to $250 million, and the board structure will be changed somewhat. Also, there are certain other amendments. That is the procedure that I understand has been more or less agreed to.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Wisconsin.

Mr. REUSS. Everything the gentleman has said seems to be in exact accord with the facts, except the sponsorship of the amendments by the gentleman from Wisconsin.

Mr. SMITH of California. I am sorry. I saw the gentleman from Wisconsin sitting there, but it is my understanding that the gentleman from Ohio (Mr. Ashley) will offer these amendments. In any event, I believe that is the procedure that we will reach.

Although precisely accurate figures cannot be made as to what the results will be if Lockheed goes bankrupt, testimony indicated that at least 35,000 persons now gainfully employed would be immediately affected. Possibly as many as 60,000, including skilled technicians and engineers, would find their employment jeopardized. A tremendous amount of the products used in the L-1011 are obtained through subcontracts. Testimony indicated that possibly 35,000 small businesses would be damaged if Lockheed goes under.

It is extremely difficult to be precise on the overall loss, but estimates indicate that possibly $750 million would be lost in taxes. This could affect cities, counties, States, and the Federal Government. Approximately $1.4 billion in materials have been ordered and are waiting to be fabricated. Think of how many people will be affected from that standpoint of their business, their profits and taxes if Lockheed is permitted to go bankrupt.

In attempting to consider further ramifications it seems reasonable to me that if all these people become unemployed, they will have that much less money to spend for food, clothing, gasoline, and other necessities of life. It is almost unbelievable what the ramifications might be if one of our largest defense corporations like Lockheed goes bankrupt.

There seems to be some misunderstanding from the standpoint of this being a cost to the taxpayer. Actually no money is involved. There will not be an appropriation. The Federal Government is simply guaranteeing a loan which the banking institutions will make. The banks have loaned as much money as they can under the circumstances. After all they put out their depositors' money and if they loaned further money without a guarantee they might find themselves in extreme difficulty with the bank examiners.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Speaker, the gentleman made a statement about the procedure to be followed, and I believe he did not continue on to give the rest of the procedure. The gentleman from Ohio (Mr. Ashley) will introduce the four amendments, and ask that they be considered en bloc—which we hope will be accepted—but in the event an objection is heard, why, then, the gentleman from Ohio (Mr. Ashley) will offer each amendment individually at the appropriate places.

I believe that is the way we expect to handle it.

Mr. SMITH of California. I thank the gentleman from Texas.

It seems to me that there are changes around here every 30 or 40 seconds. I understand that would be the way it will be handled, by asking unanimous consent to consider the four amendments en bloc. If that is not granted they will be taken up individually. After that, other amendments could be offered.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Ohio.

Mr. ASHLEY. Let me say that the understanding we have between us continues in effect. I believe the chairman was simply trying to indicate that there will be an effort made to have the amendments considered en bloc. That failing, they will of course be offered separately.

Mr. SMITH of California. Actually, the amendments all relate to cleaning up the substitute, and then if there are further amendments which someone wishes to offer they can do so. It would be a much better procedure, I think, to consider the four amendments en bloc.

Mr. ASHLEY. The four amendments in question are those, as has been indicated by the gentleman in the well, and they have been agreed upon by the leadership on both sides of the aisle, and by the chairman and ranking minority member of the Committee on Banking and Currency.

Mr. SMITH of California. And I assume the gentleman will explain them in detail during general debate?

Mr. ASHLEY. That is correct.

Mr. SMITH of California. The effect of this, as I say, is simply to guarantee this loan, and I mentioned about the banks. There is property that will be pledged. All the property that is securing the bank loans at the present time, this is going to be subjected to this loan.

If Lockheed obtains the loan and then goes bankrupt, the Government will have to take care of its guarantees. However, all of Lockheed's assets with the exception of a few million dollars in debentures and unpaid wages at the time of bankruptcy if it occurs after the loan is made, is pledged as security. Their property is well worth more than $250 million.

I do not see how the Government can possibly lose by guaranteeing this particular loan, because they will have all of that real estate and property which would be taken over as a first lien in case they go bankrupt. In addition to that, no dividends will be paid and nothing will be paid to the banks in connection with their pending loans until such time as the $250 million is repaid. More than enough orders are pending not only to repay the $250 million which Lockheed will apply for, but also to make a profit so that other loans can be repaid.

On Wednesday we passed a bill costing almost $4 billion. A considerable amount of the money therein is for the purpose of creating about 150,000 jobs.

That is taxpayers' money. This bill if passed would retain probably as many as 150,000 people on their present jobs without costing the taxpayer any money.

Due to the cutback in defense contracts thousands of people in southern California have lost their employment. If Lockheed goes bankrupt the unemployment will be materially increased and will become extremely critical. This would be extremely unfortunate at a time when efforts are being made to expand our economy.

Mr. Speaker, we have many, many programs where loans are made to assist businesses. We have many programs in connection with job training. All of these cost the taxpayer money. This program in my opinion will not cost the taxpayer any money. It seems to me that it is the best possible thing we can do to help solve some of our many problems.

Over the years Lockheed Aircraft Corp. has been a stalwart from the standpoint of keeping the United States of America the No. 1 Nation in the world. Before World War II they developed the Hudson bomber.

I think some of you will remember that bomber was a great help, and played a tremendous part in keeping England from being defeated prior to our entering the war, when there were no other aircraft available.

Probably England might have fallen if it had not been for the Hudson bomber over there. It was a good work horse.

When Boeing started making the B-17, the Department of Defense and the Government wanted more B-17's. They requested Lockheed to build it also. Lockheed set up a line and cooperated to do it at that time—and we did it—Lockheed did it—they set up a line and turned out the B-17 as fast as they possibly could. You know what a big help the B-17 was at that time during World II to the end.

Then they developed the P-38 which was a rather peculiar looking aircraft, but a really good fighter plane. I have flown in it many, many times. It was mighty helpful. Other companies were inventing other fighters. The P-38 certainly did its share to help maintain the United States of America and to keep it the No. 1 Nation. I think Lockheed deserves some help from us now for the good they have done to keep the United States in its position. Mr. Speaker, I certainly hope the House will pass appropriate legislation.

Mr. Speaker, I reserve the balance of my time and urge the adoption of the rule.

The SPEAKER. The gentleman from California has consumed 12 minutes.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the distinguished and able chairman of the Committee on the Judiciary, the gentleman from New York (Mr. CELLER).

Mr. CELLER. Mr. Speaker, I echo the sentiments that the gentleman from California just addressed to you concerning the excellent performance of Lockheed Corp. during World War II—during that war and since then. They have completed some 20,000 defense airplanes and, certainly, they have made many significant contributions to our defense effort including certain types of sophisticated military aircraft such as the Aegena rocket and the Polaris missile program. I think Lockheed is worth saving at the present time.

We hear tell much about a loan of this kind being a sort of socialization of our economy and that it would erode the strict discipline of the private enterprise system. That is just a lot of balderdash.

There are many precedents for the public sector coming to the aid of private business and private industry. I have but to refer to the RFC, the Reconstruction Finance Corporation. I have done some research concerning the RFC which rescued from the teetering brink of bankruptcy many, many thousands of business entities—and we were and are none the worse off as a result of that—and there was no deterioration of our private enterprise system.

The RFC was in existence for 25 years. It loaned $40 billion to all manner and kinds of industries and businesses. The largest loan was made to a defense company—the Kaiser Corp. which received $111 million in 1942. That loan was paid at 4 percent interest.

Other loans were made to—

The Lustron Corp. of Ohio received $32.4 million.

An aircraft company, the Glenn L. Martin Co., received $33.5 million.

Reynolds Metal Co. received $51.2 million.

The Baltimore & Ohio Railroad received $80 million.

I do not think the loan that we would now guarantee with reference to the Lockheed Corp. is any different than the aforesaid loan made by the RFC. Nor do I see any difference in principle between the Federal guarantee of bank loan to Lockheed and subsidies that we pay to farmers and the subsidies given to the merchant marine and the airlines and railroads and the mail subsidies to magazines and the indirect subsidies that are provided by the establishment of quotas for importers. And what about the loans of the Small Business Administration, set up to take small business firms out of the financial doldrums. Although smaller, these are just as large in principle as the Lockheed loan.

All of these subsidies and programs put a crutch under certain groups to compensate for—and in a very moderate way—what might be economic disadvantages beyond their control. That is common justice. By no stretch of the imagination does such Federal help dull private initiative as for the criticism against this help, it all depends upon whose ox is gored.

A certain group of men are now objecting to this Lockheed proposal although they espoused the granting of aid to the American Motors Co. That aid was a matter involving $20 million.

To those friends of American Motors who would now object to aid to Lockheed, I would say:

> And why beholdest thou the mote that is in thy brother's eye, but considereth not the beam that in thine own?

What difference does it make with reference to giving aid to American Motors and giving similar aid to the Lockheed Corp.?

The Export-Import Bank loan program involves loans by private bankers to international traders through guarantees by the private sector. Are such loans any different from the guaranteed loans with reference to the bill before us?

Mark you well this: In 1967 the Douglas Aircraft Co. received a "V" loan guarantee for $75 million to meet pressing financial problems growing out of defense contracts. It paid the loan and today is a flourishing company. Should we treat Lockheed any differently than we treated more or less its competitor, Douglas Aircraft? I do not think so.

And what about the impact on the economy if we let Lockheed go down the drain—and go down the drain it will unless this guaranteed loan is approved by us. There are 4,000 suppliers in 35 States. There impends 60,000 jobs. Recently we appropriated, I believe $2.5 billion to help solve joblessness. That bill provided for the saving of 150,000 jobs and it involved appropriations. If this loan is paid, there will not be a penny cost to the Government, and we will have saved 60,000 jobs. Thirty-five States are involved because suppliers exist in 35 States.

In my own State there are suppliers on subcontracts involving over $67½ million. In California contracts involve over $438 million; in Texas, over $113 million. The impact on those suppliers in 35 States if Lockheed fails would be enormous. Bankruptcy may be their fate.

This is no mere bailout for Lockheed. Beyond the $400 million loans already made by banks to Lockheed, many others are involved, including thousands of stockholders, airlines who have made advanced payments for planes in a sum of $250 million, subcontractors who have a stake in Lockheed in the sum of $350 million. The total investment in the L-1011 is estimated at about $1.4 billion. All this is outside the amount the British Government has in the Rolls-Royce engine, used in the Tri-Star airbus. Britain bestows about $5 million per weeks to Rolls-Royce to keep it from bankruptcy.

If Lockheed goes under, and is not rescued, $1 billion of domestic investment will go down the drain. This would include—says the Secretary of the Treasury—a $500 million loss in Federal tax revenues, plus loss in local and State taxes, plus cost of unemployment and welfare benefits to those bereft of jobs.

At stake, too, are jobs—thousands of jobs. At Lockheed, there are 17,800 employees on the L-1011. The suppliers employ 16,000. That adds up to almost 34,000 jobs. All in all, probably 60,000 jobs impend. This is no fleabite in a period of great distress due to unemployment and underemployment.

Joblessness is over 6 percent in New York City. Joblessness hit 7 percent in Philadelphia. Among blacks in places, it is 20 percent.

There is danger of monopoly. There was testimony by Chairman Haughton of Lockheed that if his company failed, McDonnell Douglas will have an open field, with no competition, with its wide-bodied DC-10 and would inherit a wide-bodied trijet monopoly.

Haughton says this would be a monopoly position valued at about $20 billion.

If Lockheed were forced out, it would be most difficult for another aerospace trijet company to enter the field to compete with McDonnell Douglas. It would not be possible for a new company to get into action, unless willing to risk hundreds of millions of dollars for essential designing, engineering, tooling, and testing for a viable plane. It would take 4 years to get into gear. It would thus lag 4 years behind an airplane in-being already flying. I deplore the likelihood of monopoly and thus support the bill.

What of our balance of trade? This past Tuesday Secretary of Commerce Stans warned that our balance of trade is turning against us and soon we shall have a negative balance. By not helping Lockheed we shall be weakening this deteriorating balance of trade. There are few places in the world, where one flies—in other than American aircraft—because we have the advantage in the high technology-aerospace field.

To permit the bankruptcy of Lockheed would remove a major factor contributing favorably to that trade balance.

In the air cargo area Lockheed's C-130

Hercules transports have been built for U.S. and over 20 foreign nations during the last 15 years. This airplane is still selling worldwide. Remove Lockheed and irreparable injury is done. We would accelerate our trade deficit.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri (Mr. HALL).

Mr. HALL. Mr. Speaker, I would like to return to a discussion of the rule without reference to the substance matter of what that rule under the procedures of this House would make in order.

Mr. Speaker, I am particularly interested in the waivers of the points of order involved in this rule, and I appreciate the gentlemen on both sides of the aisle making adequate explanation today of why, under the proposed legislation this makes in order, that those rules were felt necessary. It is my feeling that the representative process of a republic operating under a limited constitution should be the most cherished possession of any elected Representative in Congress. Indeed, it totally embraces the public trust.

High judicial decisions have held to the one-man, one-vote principle in the people's House of Congress, and even now closely related decennial redistricting faces most of us. It follows, therefore, that each elected Representative is coequal with the other 434, just as the legislative branch is coequal with that of the judicial and the executive branches.

As the elected Representative seeks to inform himself so as to cast an enlightened vote on any pending matter, it becomes the responsibility of the manager of the legislation before the House to yield to said Member the right to seek such information, and the manager should so explain, especially when deviating from the established rules of procedure such as waiving points of order.

Waivers of points of order by unanimous consent or vote of the House on motion of the Committee on the Rules defies:

First. The rights of the individual and/or his constituency during the working of the will of the parent body.

Second. The representative process is injured and in fact, the thinking, distillation of information into intelligence, and the exercise of considered opinion or mature judgment is damaged—all a part of the truly exercised representative process, and

Third. Upsets the balance between the authorizing and/or legislative committee vis-a-vis the appropriating or operating committee of the House of Representatives structure—currently under study by the Joint Committee on Congressional Operations.

Records are available as to whether or not waivers of points of order and/or "closed rules" have been instituted by the "leadership"—including the Parliamentarian—by the committee seeking the rule, be it legislative or operating; or by the Committee on Rules.

This practice along with overuse of "unanimous consent," certainly violates the spirit of the Reorganization Act of 1970 as applicable to the House, and is frequently a means of avoiding the requisite number of days that bills and reports are available to the Members prior to consideration, and the House as a whole working its will either directly or in the Committee of the Whole House on the State of the Union.

Although the need for haste in the people's body—House of Representatives—in originating and completing appropriation bills is apparent—yet often unnecessary and out of time-phase with the other body—this should never be done at the expense of violating the principle of checks and balances wherein longstanding rules of the House require authorization prior to appropriations. How else are we to preserve the sanctity of oversight, surveillance, review, and jurisdiction of legislative committees over the law as implemented by the executive and/or judicial branches?

Mr. Speaker, with each legislative day, the practice is becoming more ingrained in this House. And it is, indeed, tragic to observe individual and representative freedom erode and slip away, each time we permit ourselves to yield to "expedience."

Mr. GROSS. Mr. Speaker, will the gentleman from California yield the gentleman from Missouri 1 additional minute?

Mr. SMITH of California. I yield the gentleman 1 additional minute.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I want to commend the gentleman for his statement and say that the suspension of clause 4, rule XXI, as this rule provides, ought to be the concern of every Member of this House, if only because of the tremendous amount of money involved in this bill. This is a $2 billion bill, and I am amazed that not one single member of the Appropriations Committee has gotten on his or her feet to protest this kind of a rubberstamp appropriation process in this huge amount.

I am utterly amazed that the rules would be suspended to appropriate this amount of money in this fashion. I hope the previous question is voted down so that the rule can be amended to strike this provision.

Again I thank my friend from Missouri for a statement that needed to be made, and for yielding to me.

Mr. HALL. Mr. Speaker, I appreciate the gentleman's comments. I repeat, we are becoming more ingrained and the Appropriations Committee is becoming more and more a fraternity.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I can certainly appreciate the deep reservations that some Members of this body will have, that inherent in this legislation that the rule makes in order is the possibility that we are somehow discarding the discipline of the marketplace to the extent that we would perhaps place in jeopardy the system of competitive free enterprise. I think also that it is perhaps going to be somewhat difficult this afternoon to discuss this legislation in the terms of the larger objectives that I think we ought to be pursuing.

It has been so completely identified in the minds of the public as a Lockheed bill that I believe perhaps to a certain extent this has regrettably taken our minds from the main issue involved.

I believe that the most powerful argument in favor of the loan guarantee in this legislation is the very serious question which confronts us today of whether or not we are going to remain competitive in the international market. It seems to me that statistics which have been released just recently, within the past few days, indicate quite clearly that this is a question which is going to become increasingly urgent in the next decade. The $6- to $7-billion trade surplus we enjoyed during the mid-1960's has declined during the past 3 years to an average of less than $2 billion.

This year, as we noted this week, we face the very real possibility for the first time since 1893 of being confronted by an actual trade deficit. I believe the deficit for the most recent quarter of the current year was nearly $800 million.

It is the high technology exports of our country which are capable of helping the United States to maintain a favorable position as far as our balance of payments is concerned.

I would point out we have today a very fragile surplus as far as agricultural products are concerned. We have a chronic deficit of about $2 billion in raw materials. We have a rapidly growing deficit in low technology products. The 1951 to 1955 average that we enjoyed was a surplus of $1.8 billion. This has been converted as early as 1965 to a deficit of $2.9 billion. In 1970 that deficit in low technology products had increased to $6.1 billion. The figure for this year will surely be even worse in that regard.

It is only, I repeat, in the high technology products that we have had a large surplus recently, and in 1970 that amounted to $9.6 billion.

But even this facet of the balance of payments picture reveals we have been static for the last 5 years, going back to 1965.

If that declines further because of the increasing diffusion of high technological capabilities then obviously our present trade difficulties are only going to be compounded, and a protectionist mentality may overcome the country, which would do irreparable damage to the entire U.S. economy and to the world economy as well.

Let me point out that the growing diffusion I speak of in high technology capability stems in large part from the increasing participation of foreign governments in the financing and risk bearing in some of these costly operations that are necessarily involved in producing these high technology products.

The European A300–B, which is a direct competitor, I am told, of the L–1011, is being jointly financed by France, Germany, and the Netherlands. Total Government supplied equity capital amounts to $425 million out of an overall total of $450 million.

We had testimony a few days ago before a subcommittee of this House, by Secretary of Commerce Stans. In his statement before that subcommittee he concluded—and I paraphrase his testimony at this point—that it is going to be necessary to develop new incentives, new regulations, and new mechanisms of Government-business cooperation if our high technology export position is to be preserved.

It seems to me that this bears very directly on the whole Lockheed situation, because of the Rolls engine. There is a lot of opposition to assisting production of the L–1011 on the grounds that we will not be using the General Electric engine.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. SMITH of California. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, there is opposition in this Chamber because we are going to use the Rolls-Royce engine. Let me point out that this will put the manufacturer of the L–1011 in a much better position then to gain some of the European market, and particularly if Britain joins the Common Market, as now seems likely to be the case. It will give them a much better opportunity than if the DC–10, a solely American product, including the GE engine, is the only export product we have in this regard.

The estimates I have seen indicate that 100 or more planes conceivably could be involved in this because of sales to the European market.

Also, if the L–1011 drops out, there is the distinct possibility that the A300–B may capture some, or more of the American market than it would likely obtain if there were two American competitors for the domestic market. So, the Lockheed loan directly involves the question of our export problem and of maintaining a competitive airframe industry.

There is good reason to believe that the assumption that the DC–10 could pick up all of the potential L–1011 domestic market is erroneous—it is erroneous, I repeat—for the simple reason that the $240 million that the airlines would lose if Lockheed went under is certainly going to limit their ability to buy tri-jets for many years to come. Thus, there would not be merely a shift in demand to obtain these airframes, but I submit there would be a significant reduction of demand for tri-jets due to pinched profits and decreased investment capabilities. I am told Eastern Airlines, for instance, has money tied up in the L–1011 equal to one-third of its net worth. The obvious consequence of the Lockheed bankruptcy would be less employment, as my colleague from California has already pointed out. There would also be less employment, less production, and less in tax revenues from the airframe industry. This is not to mention the further consideration and the further possibility that one or more of our American carriers, that is, airlines, might have to be rescued by a future Government loan or, more likely than that, that we would see further mergers and lessened competition in the trunk airline industry.

So, if we in our debate this afternoon consider this, we also ought to be considering this problem in the context of some of these larger questions that are certainly involved, namely, of preserving the competitive position of the United States, particularly in this area of high technology products.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana (Mr. MADDEN), a member of the Committee on Rules.

Mr. MADDEN. Mr. Speaker, the rule under consideration calls up for House action on an unprecedented legislative request that the American taxpayers, through their Representatives in Congress, should come to the aid of mammoth corporations on the verge of bankruptcy. The usual strategy has been used by the powerful corporation and banking lobbies to present this bill at a very critical time of the session when the Members are about to leave for their annual August recess. Generally, legislation that cannot withstand the investigation and study of all the Members of this body, where the hearings before the congressional committee are brief and curtailed, always comes before the Congress in the last days before adjournment or recess vacation.

This legislation started several weeks ago as a request of the tottering Lockheed Corp. for a $250 million loan. The powerful lobby behind this bill decided a few days ago that they could add another $1,750,000,000 to this amount and pressure it through the Congress with the help of one of the most powerful lobbyists in Washington.

When this bill was before the Rules Committee last Monday I inquired if there was any testimony before the Banking and Currency Committee that if this $250 million request for a loan were given to Lockheed would that terminate this legislation and place Lockheed in a position to continue operation and eventually pay the loan with interest back to the American taxpayers. The answer was that there could be no assurance of repayment, or some of the large banks of the Nation would gladly make the loan as an ordinary business transaction. No hearings have been held by the House Banking and Currency Committee on all the angles and facts regarding this legislation. The Banking and Currency Committee held no hearings from lending institutions other than the banks whose self-interest is directly tied to Lockheed. The $1.75 billion in addition to the Lockheed loan would be distributed by the Secretary of the Treasury coupled with the advice of a couple officials representing the Nation's largest banking institutions. The New York Times stated the other day if such a situation developed that it would constitute a significant step toward establishment of fascism in the United States.

I read in the report on this bill excerpts from a letter of July 22, 1971, from Thomas S. Kleppe, Administrator of the Small Business Administration, and I read verbatim from two of the paragraphs of his letter:

> Normally, we would not consider as eligible for a business loan an applicant which is facing bankruptcy, as we must find under our statute a reasonable assurance of repayment ability. This would obviously be difficult to do in most cases.
>
> We do not have a record of loans made to firms facing bankruptcy, if there ever were any at all.

This administration has been very hesitant in releasing money to finance so many urgent programs which would aid our economic situation throughout the Nation and provide needed help for millions of our citizens. I notice in the report a breakdown of some of the things that could be done with the millions involved in this legislation on much-needed programs, to wit:

> Using fiscal year 1971 estimates for budget authority, this sum represents more than ten times the full funding of the Teacher Corps; three times the full funding of the Food and Drug Administration; roughly two and a half times the full funding of Education for the Handicapped; and is roughly equal to the full funding of the School Lunch Program. Put another way, $250 million would buy 17,500 low cost housing units of 3.5 to 4.5 rooms; 3,750 new public elementary and high school classrooms; 450 public health centers for a population of 50,000 to 100,000; 78 hospitals of 125 beds each; $125 annual pay increases for some 2,050,000 public school teachers; and $25 in increased aid for each of approximately 10 million educationally deprived children.

Mr. Speaker, if this legislation is passed today there, no doubt, will be many big business conglomerates who will be knocking at the Federal Treasury to secure loans or grants and follow the policy set down if the Lockheed legislation is approved by the Congress. On July 21 of this year I received a letter from one of my constituents in the first district of Indiana, demanding to know why one of America's great financial conglomerates, the Gulf and Western Corporation, has already, within the last few months, closed eleven factories and business operations in Michigan, Indiana and Ohio, which has idled thousands of workers. I shall include this letter from James N. Anogianakis with my remarks. Mr. Anogianakis sets out the names of the 11 industries closed by the Gulf and Western Corp., one of which, Taylor Forge, is located in my district.

Mr. Speaker, if this legislation is passed today maybe the Gulf & Western Industrial Products Co. will be before the Congress asking for financing similar to the Lockheed Corp.

The letter follows:

GARY, IND.
July 21, 1971.

Hon. RAY J. MADDEN: I have put off writing to you the past several weeks in hopes of seeing you personally while in Gary, but since this has not come about I am putting it in writing.

Several weeks ago we were told that the Board of Directors of Gulf & Western had decided to close the Gary plant of Taylor Forge and we, members of Local 1231, International Brotherhood, Iron Shop Builders, Blacksmiths, Forgers & Helpers, were disturbed very much. It is not only the closing of this plant, in which we are employed, but also the closing of ten (10) other plants which, put together, has a very disturbing effect on the National Economy.

Why does the Government allow conglomerates such as Gulf & Western to buy up a number of small plants then after operating them for a year or so close them?

This evening we were informed that the Bargaining Committee had a meeting with company officials for tomorrow, but was canceled due to the company officials having a meeting with the Air Force. The hammers, boring mills, heat treat furnaces (about 1 year old), rotary furnaces, etc. are all property of the Air Force, and we feel that this conglomerate has been making money with our money (as taxpayers) and now they tell us "We are not making enough money so we are closing your plant." I feel that such an organization does not deserve nor does it merit to have another Government contract. In the speech that the plant manager of the Cicero plant gave his workers he stated that they were quoting on an order with the Atomic Energy Commission which would total $4,000,000 over the next 2 or 3 years, they are also quoting on 6 million dollars worth of business for the Silent Sub Program and in view of their inability to properly maintain and operate the other plants that they have swallowed up they should not be considered for this vital Government work. Why???????? They acquired the Gary Plant of Taylor Forge with all of this Government equipment and they can't make it go, how can they properly supply the above two projects????????

In going back to the closing of plants here they are:

1. Bay Casting in Holland, Michigan.
2. E. W. Bliss Company's foundry in Hastings, Mich.
3. Scott's Inc. in Holland, Michigan.
4. Chase Manufacturing Company in Douglas, Michigan.
5. Grand Rapids Brass Plant of the Crampton Division.
6. Good Roads Machinery Div. of the E. W. Bliss Company in Minerva, Ohio.
7. Michigan Plating of Detroit.
8. Furniture City Plating of Grand Rapids.
9. Industrial Products at Grand Rapids.
10. Kamis Engineering in Pennsylvania.
11. Taylor Forge, in Gary, Indiana.

The above plants are part of the Gulf & Western Industrial Products Company alone and do not include other plant closings which have recently taken place in other Gulf & Western groups.

They built a 3 million dollar Lab and office building and an Etch house which will make for a substantial tax write off, which should be looked into.

Mr. Madden, in closing, I and many of our local 1231 members who have read this letter, hope that you can take some action directly or indirectly that something can be done with these giant octopus that have been condoned by the Government up to now. Would like to have you come, if possible, to our next scheduled union meeting, on Sunday, August 8, 1971 at the Union hall on the Southwest corner of 6th and Massachusetts.

Respectfully yours,

James N. Anogianakis.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. Conyers).

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, I would like to associate my remarks with those of the gentleman from Missouri and the gentleman from Iowa. I would, in fact, ask that this rule be discussed with at least a quorum present. It is a $2 billion piece of legislation and it was brought on the floor of the House while the other body is currently debating the matter.

Mr. Speaker, it would seem to me that the Committee on Rules might explain, if it is concerned with having full debate, as the distinguished chairman claims, why it is that on a number of bills it reports a rule which severely limits full consideration by the Members. I refer, for example, to the most recent instance in my memory, H.R. 1, the amendments to the Social Security Act which were debated on June 21, where a closed modified rule waiving numerous points of order was reported. It seems to me that under such rules we are not considering fully the rights of all the Members to be heard here on these very important questions. I think the procedures by which we waive important points of order represent a very dangerous method to report out legislation.

With proper time for consideration, we might begin to consider the fact that no one has suggested that Lockheed might be able to take other steps, and that they might be able to liquidate part of their vast assets that presently exist. We might at least discuss all of the alternatives.

This bill, however, is brought to us as if we have no choice except to establish a policy which would loan money to this and other ailing corporate giants, or else let them go down the drain.

This legislation represents the height of folly in an upside-down welfare state in which we give further credence to the claim being made more frequently in this country that the rich get richer and the poor poorer.

The SPEAKER. The time of the gentleman has expired.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. Reuss).

Mr. REUSS. Mr. Speaker, I had intended to offer an amendment to the rule extending the time of general debate from 3 hours to 5 hours.

I was distressed that the request for 6 hours had not been granted, because to me it seemed that on as important a bill as this a longer time than 3 hours was needed in order to debate the issues. On the Committee on Banking and Currency alone, 17 individual members expressed their individual, additional, separate and dissenting views, and because of that I felt that they needed more time.

Here we have a $2 billion bill with 3 hours of debate. That is $666 million an hour.

That is a pretty good ratio—a $2 billion bill, with a bare quorum here to consider it, and 3 hours of debate. Never has so much of the taxpayers' money been given away, by so few, and in so little time.

But, fortunately, I apprehend from the remarks of the gentleman from California (Mr. Smith) and other Members, that an understanding, an arrangement, has been made whereby the $2 billion will be contracted to $250 million, and whereby safeguards to the taxpayers will be offered. This being so, I think that there has been tentatively achieved a bill only one-eighth as bad as the bill that emerged from the House Committee on Banking and Currency.

Accordingly, the reasons for my proposed amendment having largely been dissipated, and the Members, including myself, being anxious that we get on with the debate of this bill, I do not intend to offer my amendment.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MITCHELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. MITCHELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. One hundred eighty-nine Members are present, not a quorum.

The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 325, nays 68, not voting 40, as follows:

[Roll No. 225]

YEAS—325

Abbitt
Abernethy
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspinall
Baker
Baring
Barrett
Belcher
Bell
Bennett
Bergland
Betts
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bow
Brademas
Brasco
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Byrne, Pa.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Carey, N.Y.
Carney
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Clausen, Don H.
Cleveland
Collier
Collins, Tex.
Colmer
Conable
Conte
Corman
Cotter
Coughlin
Culver
Daniel, Va.
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Denholm
Dennis
Derwinski
Dingell
Dorn
Dow
Dowdy
Downing
Duncan
du Pont
Dwyer
Edmondson
Edwards, Ala.
Edwards, Calif.
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Garmatz
Gaydos
Gettys
Giaimo
Goldwater
Gonzalez
Grasso
Gray
Green, Oreg.
Griffin
Griffiths
Gubser
Hagan
Haley
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harsha
Harvey
Hathaway
Hawkins
Hébert
Heckler, Mass.
Hicks, Mass.
Hicks, Wash.
Hillis
Holifield
Howard
Hull
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Karth
Kazen
Kee
Keith
King
Kluczynski
Kuykendall
Kyl
Kyros
Landgrebe
Landrum
Latta
Leggett
Lent
Link
Lloyd
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKay
McKevitt
McKinney
McMillan
Macdonald, Mass.
Mahon
Mailliard
Mann
Martin
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Miller, Calif.
Miller, Ohio
Mills, Ark.
Mills, Md.
Minish
Mink
Minshall
Mizell
Mollohan
Monagan
Montgomery
Moorhead
Morgan
Mosher
Moss
Murphy, N.Y.
Natcher
Nedzi
Nichols
Obey
O'Hara
O'Konski
O'Neill
Passman

Patman
Patten
Pelly
Perkins
Pettis
Peyser
Pickle
Pike
Pirnie
Podell
Poff
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Pryor, Ark.
Pucinski
Purcell
Quie
Railsback
Rarick
Rees
Reid, Ill.
Reid, N.Y.
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rostenkowski
Roy
Roybal
Ruppe
Ruth
Sandman
Sarbanes
Satterfield
Schneebeli
Scott
Sebelius
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Spence
Springer
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Sullivan
Symington
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Terry
Thompson, Ga.
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Udall
Ullman
Vander Jagt
Vanik
Veysey
Waggonner
Waldie
Wampler
Ware
Watts
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H.
Winn
Wolff
Wright
Wyatt
Wylie
Young, Tex.
Zablocki
Zion
Zwach

NAYS—68

Abourezk
Abzug
Archer
Ashbrook
Aspin
Badillo
Begich
Burke, Fla.
Chisholm
Clancy
Clawson, Del
Collins, Ill.
Conyers
Crane
Dellums
Dickinson
Drinan
Dulski
Eckhardt
Eilberg
Fulton, Pa.
Gibbons
Goodling
Green, Pa.
Gross
Gude
Hall
Halpern
Hammerschmidt
Harrington
Hechler, W. Va.
Helstoski
Henderson
Hogan
Ichord
Jacobs
Kastenmeier
Keating
Kemp
Koch
Long, Md.
Madden
Michel
Mikva
Mitchell
Morse
Murphy, Ill.
Myers
Nix
Randall
Rangel
Reuss
Riegle
Rosenthal
Roush
Rousselot
Runnels
Ryan
St Germain
Scherle
Scheuer
Schmitz
Schwengel
Seiberling
Stokes
Wydler
Yates
Young, Fla.

NOT VOTING—40

Blanton
Bray
Brooks
Carter
Clark
Clay
Dellenback
Dent
Devine
Diggs
Donohue
Edwards, La.
Esch
Frenzel
Grover
Hastings
Hays
Horton
Hosmer
Hungate
Jonas
Jones, Tenn.
Lennon
Long, La.
McClure
McCulloch
Metcalfe
Nelsen
Pepper
Poage
Quillen
Saylor
Smith, N.Y.
Snyder
Stafford
Van Deerlin
Vigorito
Whalley
Wyman
Yatron

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mr. Van Deerlin for, with Mr. Clay against.

Mr. Jones of Tennessee for, with Mr. Brooks against.

Mr. Dent for, with Mr. Diggs against.

Mr. Stafford for, with Mr. Dellenback against.

Mr. Grover for, with Mr. Frenzel against.

Mr. Carter for, with Mr. Snyder against.

Until further notice:

Mr. Hays with Mr. Devine.

Mr. Blanton with Mr. Horton.

Mr. Clark with Mr. Hosmer.

Mr. Pepper with Mr. Bray.

Mr. Hungate with Mr. Esch.

Mr. Yatron with Mr. Quillen.

Mr. Lennon with Mr. Hastings.

Mr. Long of Louisiana with Mr. McClure.

Mr. Donohue with Mr. Nelsen.

Mr. Vigorito with Mr. Metcalfe.

Mr. Smith of New York with Mr. Whalley.

Mr. Wyman with Mr. Jonas.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORT ON HOUSE CONCURRENT RESOLUTION 370 UNTIL MIDNIGHT SATURDAY

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until Saturday midnight, July 31, to file a report on House Concurrent Resolution 370, regarding the closing of Public Health Service hospitals.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

EMERGENCY LOAN GUARANTEE ACT OF 1971

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8432) to authorize emergency loan guarantees to major business enterprises.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8432, with Mr. CHARLES H. WILSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 1½ hours and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 1½ hours.

The chair recognizes the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, if the members of the committee—if the Members of the House will be patient, I believe we can finish this bill in reasonable time. Certainly, we will not take all of the 3 hours allotted to us for general debate although we would like to have reasonable time to explain to the Members of the House, because necessarily the testimony had to be shortened and we did not have time to make the proper legislative history. The only way you can make it otherwise is by discussion on the floor of the House. We do not have sufficient time for that. There will be no effort made to unduly shorten the time under the 5-minute rule so far as I am concerned.

Mr. Chairman, H.R. 8432 was originally sent to the Congress as an emergency measure to assist the Lockheed Aircraft Corp. and to guarantee principal and interest to 24 commercial banks on $250 million of credit.

This bill was amended in the Banking and Currency Committee and it now provides for an emergency loan guarantee board with authority to guarantee up to $2 billion of bank loans for major corporations.

The larger measure—the $2 billion—was approved narrowly in the committee with the key vote recorded as 18 for and 16 against with three absent. A switch of one vote, it is obvious, would have changed committee report accompanying H.R. 8432 reflecting the sharp divisions within the committee, particularly on the issue of aid for Lockheed versus a general catchall $2 billion fund.

The bill as reported from the committee would grant authority to the Emergency Loan Guarantee Board to guarantee loans to major businesses when credit is not available from private sources and when the failure of the corporation would "adversely and seriously affect the economy of or employment in the Nation or any region." The Board could commit the Federal Government's backing to up to $2 billion, but no single loan guarantee could exceed $250 million.

The Board would be composed of the Secretary of the Treasury and two officials of the Federal Reserve System—the Chairman of the Board of Governors and the president of the Federal Reserve bank in the district where the enterprise to be aided is located.

Mr. Chairman, the parliamentary situation which developed in the Banking and Currency Committee did not allow the members to perfect the legislation before us. And it is my hope that the necessary improvements can be accomplished on the floor of the House. The bill, as it now stands, has serious defects and it is important that the perfecting amendments be adopted.

NO TESTIMONY ON BROADER BILL

First of all, we have had virtually no testimony in the Banking and Currency Committee concerning the $2 billion bill and the Emergency Loan Guarantee Board. The hearings were devoted primarily to a discussion of Lockheed, its problems and needs. To vote a $2 billion catchall package without hearings would, in my opinion, be the height of legislative folly.

Such a mammoth undertaking could be justified only after lengthy hearings and only after we have spelled out specific criteria and legislative guidelines. Also, it would seem wise for the House to have some idea of who the beneficiaries might be and what priorities might be established for the consideration of the applications. When we are talking about major enterprises—as this bill does—$2 billion will not cover much ground and we need to know how the favored few will be selected for special Government aid—or whether the Congress will be requested repeatedly to increase the fund.

It is my suspicion that the administration will be back up here asking for more money for this Emergency Loan Guarantee Board just as soon as the first handful of corporations grab off this $2 billion. If we adopt the bill as reported by the committee, we are establishing an open end slush fund and there is not one of us who can tell the taxpayers just how and when this fund will be utilized.

The possibilities are endless—and frightening. For example, the Chairman of the Federal Reserve Board told the committee that he very likely would have used such a fund to bail out the Penn Central Transportation Co. last year. We can be thankful that no such fund existed at that time.

A loan guarantee, as suggested by the Federal Reserve Chairman, would have papered over the gross deficiencies, the mismanagement, and, at times, outright illegal practices of this huge railroad conglomerate. The bankruptcy has brought reorganization of the railroad, and improvement in its financial picture and a general house cleaning. The railroad operates under a court-appointed trusteeship and, in my opinion, the reorganization was much in the public interest.

The Banking and Currency Committee has issued five reports detailing the mismanagement and questionable practices of Penn Central and none of these revelations would have been possible had a loan guarantee been made available to Penn Central to perpetuate its management team. The public would never have known the facts and down the road we would have been faced with an even greater corporate disaster with serious ramifications for our transportation industry and our entire economy.

LIMIT BILL TO LOCKHEED EMERGENCY

Mr. Chairman, these are the kind of dangers that we are flirting with when we talk about providing a vague board to dispense loan guarantees willy-nilly across the land. It is a dangerous situation and I urge my colleagues to amend this bill and limit it to the immediate problems of Lockheed Aircraft Corp. In such a way, we can deal with an emergency situation—as outlined by the administration—and not establish a precedent to provide endless welfare for big business to the detriment of our free enterprise system.

The administration originally requested no more than $250 million for Lockheed and there is no reason for this Congress to go beyond this initial recommendation. No one in this administration has been able to tell us the name of a single corporation they have in mind after Lockheed gets its loan. By the administration's own testimony, there are no known emergency cases—other than Lockheed—and, therefore, there is no reason for the Congress to rush in to a $2 billion program for big business.

Secretary Connally testified before the Banking and Currency Committee and stated:

> Our principal concern of the moment is to obtain sufficient legal authority to permit us to Federally guarantee up to $250 million of additional bank credit to the Lockheed Aircraft Corporation.

From these words, it is obvious that the Congress would be meeting the immediate desires of the administration if it voted simply a $250 million guarantee for Lockheed. We also have the testimony of the Deputy Secretary of Defense, David Packard, whom the administration has attempted to silence. But his words remain in the record and he states emphatically that the $2 billion bill would create problems for the Defense Department, if not for the economy generally.

Mr. Packard, before assuming his present job, was one of this Nation's leading businessmen, heavily engaged in defense contracts and I do not think that we can easily ignore his advice.

The $2 billion tag is bad enough but it is made even worse by the nature of the Board which would administer the fund. Even the Federal Reserve Chairman felt it was a mistake to give the Federal Reserve System a majority of the three-man Board. Dr. Arthur Burns stated:

> Thus it would create confusion as to whether the Administration or the Federal Reserve System should be held accountable for the new Boards' actions. Both the Administration and the System would be given the appearance of responsibility without the authority to exercise it.

The question of who should administer the fund must be considered carefully and it is my opinion that the Board should be broad based, representing not just financial experts but people who are familiar with the general needs of the economy. There are worthwhile opinions beyond those of bankers and financial experts and they should be represented on any Board which is committing massive amounts of Federal tax moneys.

THE IMMEDIATE LOCKHEED SITUATION

While I feel that the $2 billion open-end slush fund is a mistake, I do feel that we can vote a more limited bare-bones authority to help Lockheed over its immediate troubles. It is unfortunate that we do not have more options open to us on the Lockheed situation, and I do not think that there are many who are overjoyed about the necessity of bailing out this aerospace giant and the commercial banks.

But we find ourselves faced with a difficult situation which has been created by months of inactivity and apathy on the part of this Republican administration. We now have nationwide unemployment of about 6 percent—nearly 5½ million people looking for work and hundreds of thousands of others who have become discouraged and who have dropped out of the labor market. In some areas of the Nation, the situation is even more critical and one of these areas is southern California.

The aerospace industry has been plagued by rising unemployment in recent years and there are estimates that 400,000 workers have been dropped from this industry since 1967. Some estimates indicate that Lockheed, itself, has laid off 18,000 people in the last 2 years.

All of this raises large questions about the administration's failure to act earlier on the economy and to provide some imaginative approaches to special unemployment in the aerospace industry and other areas shifting from wartime to peacetime projects. These problems did not occur just in the last few months and they are surely not limited to Lockheed. President Nixon's answers have been to veto major employment bills sent forward by the Congress and we have seen little in the way of a program to alleviate unemployment in any sector.

Now we have this administration coming forward seeking aid for a single industry and a single group of workers. All of us in the House can sympathize with the plight of these workers at Lockheed and I am in favor of providing assistance. At the same time, I hope that the administration—after spending all of this time and energy on Lockheed—will broaden its horizons and do something for the economy generally. I trust that no one—on either side of the aisle—believes that we can cure unemployment and stabilize the economy by chasing around the country shoring up individual corporations with guaranteed bank loans. We must have a more imaginative and more workable solution than this.

The Congress would have much more flexibility in dealing with Lockheed if we had a booming economy with an abundance of job opportunities. These Lockheed workers would have had a greater opportunity for jobs if this administration had not allowed the economy to slip so badly in recent months. The administration has sat idly by while the conditions have developed that require the Congress to take emergency action to help Lockheed.

In addition to the thousands of workers at Lockheed, we must also be concerned about the subcontractors and suppliers across the Nation. In data submitted for the hearing record, the chairman of the board of Lockheed, Daniel J. Haughton, stated that the failure of his corporation would have an impact on "3,500 subcontractor firms who supply both the L–1011 and Lockheed's military programs."

Some of these 3,500 subcontractors referred to by Mr. Haughton, page 25 of the printed hearing record, are directly involved with the L–1011 project. While these subcontractors are of varying sizes, it is obvious that some fall into the small business category and that is one of the reasons why I am so concerned about the future of this corporation.

THE ROLE OF THE COMMERCIAL BANKS

The most disappointing aspect of this entire controversy about Lockheed has been the failure of the commercial banks to meet their responsibilities. We would not be here today considering aid to Lockheed if there had not been a major breakdown in the banking system.

The 24 commercial banks which are involved in the loans to Lockheed could make the additional credit available without harm to their stockholders or corporate structure. There is no question about this.

Dr. Leslie C. Peacock, president of Crocker National Bank, San Francisco, Calif., established this fact beyond any question when he appeared before our committee. In discussing the Lockheed loan and its consequences to the banks, he stated:

My own bank could absorb this loss without financial strain and without raising a question of public confidence in the safety of the institution. While I should not presume to speak for other banks, I daresay that they are in the same position.

Yet, here we stand, as the House of Representatives, preparing to do something which the commercial banking system could do for itself.

It was President Nixon, in his state of the Union message, who told the nation:

> But let us stop helping those who are able to help themselves but refuse to do so.

But the banks have awesome power, and they are demonstrating it once again. They have the power to refuse to carry out their responsibilities—when they are able to do so—and force the Congress of the United States to commit the taxpayers' money to this private project. This legislation is example No. 1 of the power of the banks to make the Federal Government do their bidding.

What makes it all the more galling is the fact that the banks have accepted massive Government subsidies to cushion them against the problems of making just such difficult loans. I refer to the so-called bad debt reserve which the banks have been allowed to set aside, and this provision was placed in the Nation's tax laws to encourage "venture" or "risk" loans and to allow the banks to help the economy through emergency credit problems. It was designed for just such a situation as faces us in this Lockheed proposal.

For years, the banks have been setting aside 2.4 percent of their loan portfolios for bad debt reserve. In other words this has been an automatic write-off for tax purposes regardless of what the actual losses might be in any given year. While writing off 2.4 percent, the banks' actual loan losses have been only 0.2 percent through the years. The difference has been a tremendous subsidy to the banks.

In fact, the 24 banks here have received more than $1 billion in outright tax subsidies through the automatic bad debt writeoff. This is four times the $250 million that Lockheed needs. The taxpayers have given the banks this subsidy, and now it is time that the banks used it to meet what we are told is a national public need.

Mr. Chairman, I place in the RECORD a copy showing the loan loss reserves of these 24 banks which, incidentally, control one-third of the assets of the U.S. banking system.

LOAN LOSS RESERVES OF LOCKHEED BANKS

Listed below are the balances in the loan loss (bad debt) reserve accounts of the banks which have participated in the outstanding Lockheed loan.

Balance in reserve, Dec. 31, 1970

[Bank and amount]

Bankers Trust Co	$102,644,000
Bank of America	267,353,000
Bank of California	18,040,915
Chase Manhattan	304,302,000
Chemical Bank	122,353,000
Citizens and Southern National Bank	23,311,511
Continental Illinois National Bank	121,557,000
Crocker National Bank	46,000,673
First National Bank of Atlanta	9,545,443
First National Bank of Boston	55,617,000
First National Bank of Chicago	97,448,000
First National City Bank	302,108,000
Fulton National Bank	4,458,097
Girard Trust Bank	23,416,000
Irving Trust Co	44,000,000
Manufacturers Hanover Trust Co.	156,773,000
Mellon National Bank	56,562,000
Morgan Guarantee Trust Co	113,745,000
Pacific National Bank of Washington	8,933,367
Philadelphia National Bank	29,165,000
Security Pacific National Bank	87,489,400
Trust Company of Georgia	5,937,289
United California Bank	56,578,000
Wells Fargo Bank	67,655,255
Total	2,124,992,950
Tax subsidy (48 percent tax rate)	1,019,996,616

Mr. Chairman, there is no excuse for the banks accepting this subsidy if they are not willing to meet their responsibilities to make "venture" loans. It is silly to suggest tacking a Government guarantee on top of a "bad debt" subsidy. The bad-debt reserve provision of the tax law should be repealed if the banks are unwilling to make these types of loans without insisting on a "double guarantee" from the taxpayers.

Mr. Chairman, I find it very difficult to understand why some of the Nation's most illustrious bankers would be seeking Federal intervention in their banking affairs by requesting Government participation in the Lockheed loan. There may well be degrees of risk in the Lockheed venture, but this hardly is an excuse for the banks to hide from their responsibilities. In fact, bankers have always told us that "risktaking" was one of the fundamental tenets of our banking and free enterprise system.

One of the banks to come before the committee was the First National City Bank of New York. Recently the chairman of the board of this institution, Walter B. Wriston, was quoted as saying:

> Where we have gone wrong is to expect government to manage in order to build a riskless society. What the people of the world are really asking for is a return to risk. They want the education and opportunity to take risks. They want to participate in a system that is built on risks.

Mr. Chairman, however, we cannot deal with this problem of the banks today. But I hope that the Members of the House, Lockheed, the workers, the subcontractors, and the taxpayers will long remember the refusal of these 24 institutions to help the country in a time of great need.

In conclusion, I urge that the House vote a "bare bones" $250 million loan guarantee for Lockheed Aircraft Corp. and nothing more. I urge that this be done in such a manner as to fully protect the taxpayers and provide the Federal Government with proper compensation for the risks that it is taking.

Once again, let me say to my colleagues that we would not be here today considering Lockheed's problems if, first, the administration had taken more vigorous steps to stimulate the economy and provide employment opportunities and, second, the commercial banks had met their responsibilities to provide for the credit needs of the Nation.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania, a member of the committee.

Mr. BARRETT. Mr. Chairman, I rise in opposition to H.R. 8432. I am opposed to it in its present form, its original form, and any other form that may be contrived. This is a bad bill. It is both premature and precipitious. It will reward corporate mismanagement. Miscalculations, and blunders. It is presented to the House for action after 5 days of hearings which dealt almost exclusively with the present plight of the Lockheed Aircraft Corp., and that company's need for a $250 million loan guarantee. That need, Mr. Chairman, was not fully explored or developed; it had originally been scheduled for 12 days of hearings. The report contains the views of 15 members of the committee who are opposed to the bill. Views which ably and clearly present cogent reasoning and arguments for the defeat of H.R. 8432.

Mr. Chairman, while the bill is tailored to provide the loan guarantee which the administration has so strenuously sought, it goes beyond that purpose and establishes a precedent and new concept in the relationships of Government, big business, and the financial marketplace which may be dangerous to our economy and form of government. We are faced with a proposal which provides for the Federal Government underwriting of loans to big business, by big banks.

Mr. Chairman, we have heard much in this Congress of revenue sharing—well this is another form of that concept—the proposal could be called the Financial Responsibility Sharing Act, instead of the Emergency Loan Guarantee Act, for it calls upon the sharing of the financial responsibility of the Federal Treasury with big business.

It presents the opportunity for poorly managed big business to raid the Federal Treasury through the back door. It is another effort to bail out big business and big banks by providing for these guarantees.

The committee hearings did not really deal with the measure before the House. There is a great void as to legislative history and intent. The proposed legislation is seriously defective in that it fails to establish proper and adequate criteria or guidelines for an enterprise to merit sharing the Government's financial responsibility. Section 4 of the revised bill reads in part:

> A guarantee of a loan may be made under this act only if—(1) the board finds that (A) the loan is needed to enable the borrower to continue to furnish goods or services and failure to meet this need would adversely and seriously affect the economy of or employment in the Nation or any region thereof.

How large does the borrower, or enterprise, as it is elsewhere referred to, have to be to apply for a guarantee? It must certainly be of great size—big business—to "seriously affect the economy of or employment in the Nation or any region thereof."

Also of importance is: How is the "region" going to be defined or delineated and by whom? These are serious and important considerations. Are we to leave these and other items of similar import to the Emergency Loan Guarantee Board? If so, why is there any need for congressional review as established in section 12?

Gentlemen, these are just a few of the legislative items of a technical nature which were not covered, uncovered, developed, or what have you by the committee.

There are many, many other aspects of the effects of this legislation which were not explored or inquired into by the committee because of the near panic atmosphere set by the initial witnesses and administration spokesmen.

Representatives from 24 of the Nation's leading banks which now have loans to Lockheed totaling $400 million, the largest single loan being $30 million, appeared before the committee. These banks also undoubtedly have many millions of dollars lent to suppliers and subcontractors of Lockheed. It is the contention of the banks that many of these will fail if Lockheed does not get additional financing. They indicated that they will not lend another dollar to Lockheed without the Government guarantee. I question that position in light of what they already have invested. Further, the airlines which have orders with Lockheed stand to lose about $250 million if the L–1011 program folds and they are also borrowers of these banks. These banks now hold one-third of the total commercial banking assets of the country, which totals approximately $165 billion, and have loss reserves of $2¼ billion. They have the assets and are in a financial position to make the additional loans to Lockheed. So, there are a combination of factors that raise serious question as to the need for Government involvement in the Lockheed affair.

Further, there is a question as to the competency of the Lockheed management. Deputy Secretary of Defense Packard said: "There was ample evidence of poor management on the part of Lockheed," referring to that company's handling of defense contracts. Secretary Packard also raised serious question as to whether Lockheed should have undertaken and should continue the L–1011 program.

The Dow Jones News Service on June 1, reporting from Paris on an interview with A. C. Kotchian, Lockheed president, reports him as having said that even if Congress fails to approve a $250 million loan guarantee to Lockheed, the company will not give up in its efforts to get the L–1011 Tri-Star program off the ground.

Mr. Kotchian and a number of the witnesses noted that it was the British Government that insisted on some sort of U.S. backing for the Tri-Star, implying that failure to obtain the Government guarantee would result in the cancellation of the contract for the Rolls-Royce engines for the plane. Let us take a look at that. Rolls-Royce and the British Government have already invested well over $100 million in the program. They also have 30,000 jobs at stake and their reputation in the jet engine field. Mr. Kotchian indicated that there may be some other kind of backing that might satisfy the British. So again there is serious question about our involvement, without worrying whether we should be concerned with the British on this matter.

Mr. Chairman, the committee did not begin to explore the total ramifications of the bill before us and what it can mean to the relationships between Government, big business, and the financial marketplace. However, the hearings before the Appropriations Committee on the Department of Defense appropriations for fiscal year 1972 did take some testimony regarding the Lockheed Aircraft Corp. On May 25, Mr. Jack H. Vollbrecht, president of Aerojet-General Corp. testified. I believe some of his testimony is pertinent. The question was asked:

> If the loan guarantee is not authorized or approved by Congress and Lockheed is forced into bankruptcy, do you believe our defense programs with Lockheed would be placed in jeopardy or is there a way for us to obtain our weapons systems under a receivership situation?

Mr. Vollbrecht replied:

> I don't see any reason why they would be placed in jeopardy. I think it would be healthy, frankly, I really do. I have no qualms at all about it.
>
> For one thing, Lockheed is not a single enterprise. It is a group of enterprises under one corporate group and most of those defense contracts are separated very clearly into one or another of the operating units. There is no reason why they could not continue on without any interruption at all as long as the people running them were assured, "keep going, fellows."
>
> After all, the Government is funding these contracts and as long as the Government is willing to keep providing the necessary funds to those people, there is no reason for them to stop.

Mr. Packard said the same thing that even if the L–1011 program were to fail it would not seriously impair the defense contracts with Lockheed. So if there is some concern over our defense posture it is not shared by the Department.

Mr. Chairman, I believe of great interest is the testimony of Mr. Vollbrecht regarding the general attitude of the aerospace industry toward the Lockheed guarantee proposal. Commenting on the L–1011, he said:

> In the L–1011 it is a clear case where the company undertook a venture which, for whatever the reasons might have been, simply didn't succeed, or hasn't succeeded up to this point without coming in and saying that the Government must participate in the thing in order to make it succeed.
>
> Now, the point that upsets me about it is that this technique is what defense contractors have used historically to avoid going broke, to come in through normal Government channels of getting bailed out of their bad bids. In this case there wasn't any basis for the Government to bail them out and, by God, they had to surface. They had to come up and say, "you know, we have got to have some other way for you to do it. Here is a technique."
>
> I say all you are doing is making the game clear to everybody. You can still play this game and if you are clever enough you will get away with it.
>
> I just tell you, gentlemen, you have a good opportunity to make an example of a contractor who is a bellwether in this industry either way and the industry will read it exactly the way you treat them. It is common talk among the industry and they are waiting to see, and don't think they won't read those signs. There is no way you can cover them up. So if you want to continue having troubles with an industry who will come right back and say, "Well, what are you treating me different for? What is different about me? My problems are just as real to me as Lockheed's are to them." I think that is fair. I would expect to be able to come in and say "My God, we made a horrible mistake and we are about to go under and we want to be bailed out. And I'd want to know why you are not going to bail me out. If you say no, I want to know why."

Mr. Chairman, what is very clear from this exchange is that passage of this bill in any form may well be accepted as a signal for large defense contractors to ignore accepted business responsibility, operate in a very loose fashion, lose money if need be without concern because the Government will bail them out.

This you must agree is a very dangerous concept and attitude.

Will the Government be expected to underwrite the aerospace industry?

Will the program stop at $250 million?

Will it stop at $2 billion?

Where will it stop?

Again, I say that this is a bad bill and should be defeated regardless of the form it takes.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the distinguished gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, to sum it up, I understand you are going to support the $250 million emergency loan program to Lockheed?

Mr. PATMAN. Surely, surely, I am going to support this bill with amendments. Lockheed has made a case and we cannot run the risk of not doing so. This could trigger a depression. Business and labor in 35 States are involved. This is no time to run that risk. We are losing in the fight against inflation and unemployment.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. I recall that the gentleman from Texas vigorously opposed the so-called bailout of Penn Central.

Would you tell us briefly what the difference between the Penn Central situation and the Lockheed situation is?

Mr. PATMAN. Yes; I can tell the gentleman.

Mr. ANDREWS of Alabama. Because at the time of the bailout they were on the verge of bankruptcy.

Mr. PATMAN. I will tell the gentleman something that has never been told, and never been printed.

Mr. ANDREWS of Alabama. Well, I will be glad to hear it.

Mr. PATMAN. A Penn Central director called me up one Friday night and said they wanted to see me, and they must see me immediately. I said, "All right, I will see you. Tomorrow is Saturday, but I will meet you Saturday morning."

They said they would be down, and

they were, and they were in my office all day long, and we had an Under Secretary and an Assistant Secretary of the Treasury, and we had other people, and we discussed this all day long. But when it got right down to doing something about it, they would not under any considerations agree to have the Government get its money back first. They would not subordinate any of their obligations to the Government's loan. They wanted that absolutely free and over and above any assets that they had. It was unlike this. Lockheed said, "Yes, we will pay the Government back first. We will subordinate even the banks, we will subordinate their obligations to the Government, we will let the Government be paid back first."

And this bill is written so that the Government of the United States, whatever money is paid out of the $250 million, will be paid back before anyone else gets paid.

Mr. ANDREWS of Alabama. Will the gentleman yield for one further question?

Mr. PATMAN. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. If I understand the facts in this case correctly, the banks have already put in $400 million into this, and Lockheed is already $400 million in debt to the bankers.

Mr. PATMAN. That is right.

Mr. ANDREWS of Alabama. And this would add $250 million to the indebtedness of Lockheed?

Mr. PATMAN. This $250 million is to be an obligation.

Mr. ANDREWS of Alabama. Will it be fresh money?

Mr. PATMAN. It will be fresh money.

Mr. ANDREWS of Alabama. It will be fresh money from the banks?

Mr. PATMAN. In addition to the $400 million.

Mr. ANDREWS of Alabama. From the banks?

Mr. PATMAN. If the Government guarantees it.

Mr. ANDREWS of Alabama. I understand that.

Mr. PATMAN. And the banks collect the interest in addition to that.

Mr. ANDREWS of Alabama. You mean the banks will collect the interest?

Mr. PATMAN. The banks will collect the interest.

Mr. ANDREWS of Alabama. That will make the total indebtedness of Lockheed to those banks $650 million, $250 million which is guaranteed by the Federal Government?

Mr. PATMAN. That is exactly right.

Mr. ANDREWS of Alabama. The gentleman from Texas has stated that these 24 banks have, as I believe you call it, a debt reserve?

Mr. PATMAN. A bad-debt reserve.

Mr. ANDREWS of Alabama. A bad-debt reserve, a slush fund, that was provided by the U.S. Government in the form of tax exemptions of $1 billion?

Mr. PATMAN. That is the total subsidy to these 24 banks.

Mr. ANDREWS of Alabama. The total is $1 billion?

Mr. PATMAN. That is right. That is after taking all their losses and deductions.

Mr. ANDREWS of Alabama. What would the gentleman from Texas estimate the assets of Lockheed to be?

Mr. PATMAN. The total assets I assume are about $1.4 billion.

Mr. ANDREWS of Alabama. One final question, if the gentleman will yield further?

Mr. PATMAN. I yield further to the gentleman from Alabama.

Mr. ANDREWS of Alabama. Why will not those banks make this $250 million additional loan without Government guarantees when Lockheed has $1 billion plus of assets?

Mr. PATMAN. Not only that, they want to get the benefits of any tax deductions in the future too, that is what they have in hand.

Mr. ANDREWS of Alabama. But my question is why will they not add $250 million to that debt?

Mr. PATMAN. That is what I cannot understand. And when one member of the committee asked the Bank of America man, who was one of the two who were answering for the 24 bankers there, said, "Why don't you use this bad debt reserve that runs to $1 billion for the 24 banks who are sitting here? There is only a $250 million loan asked for?" he said, "We are saving that for a rainy day." And one of the members spoke up and said, "We are facing a hurricane right now."

Mr. ANDREWS of Alabama. I thank the gentleman.

Mr. STEPHENS. Mr. Chairman, if the gentleman will yield, in answer to the question raised by the gentleman from Alabama (Mr. ANDREWS) the banks have obligated themselves for $400 million. They are now in the position of having been told by the bank examiners, whose people have come and looked at their loan portfolios, that "Lockheed loans are in the realm of classified loans," and that, "you should not, in the best interest of the bank, pay out any further advancement without additional collateral." Lockheed cannot put up any additional collateral. Under the law the banks could—I say could—advance more money even if the loans are classified. But under sound banking practices it is unwise for them to do so.

That is the answer, I believe, to the question asked by the gentleman from Alabama (Mr. ANDREWS).

Mr. PATMAN. I am not willing to accept that, with all due respect to my friend, the gentleman from Georgia (Mr. STEPHENS). You know, that classified loan—that does not mean they are classified to the extent that no further loans can be given to the people who made the loan.

I received from the proper regulatory agency the rules on that which are the same for the Comptroller of the Currency and the FDIC and the Federal Reserve Bank Board. The rules are that when they are classified ordinarily, you know, they look with disfavor on the loan—but there were evidences even among these 24 banks, where they had made loans to the same people that they had classified loans on. That does not deter them from making further loans.

The statement went further and said that sometimes it is a good thing to make a loan on a loan that has been classified, because they could figure out for themselves that it would probably lead to a better condition for the borrower and he could pay back all of his debts, or a little better.

So, that is not an absolute deterrent. It does not stop the making of loans and certainly in a case like this where they have $400 million at stake and where they have a 2.4-percent deduction for bad debt reserves—whether they have any bad debts or not—they get it anyway—and they could make a billion dollars that way and they can still get these bad debt reserves—and nobody else gets them. Other businesses did not get them. The railroads do not get them, individuals do not get such bad debt reserves. Only the banks like these 24 banks here.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. KEATING. Mr. Chairman, on the Federal guarantee of the $250 million loan, will Lockheed get a lower interest rate on this loan than others in the marketplace?

Mr. PATMAN. That is to be negotiated—and that is the best information we could get.

What brought us down to this is that there was an agreement made by the different people involved and the Secretary of the Treasury, Mr. Connally, did read that agreement. There the British Government gives us notice—written notice that if we do not pass this—if we do not get ourselves in the position of living up to our part of the contract by August 8 that they will be out—do not consider them in any longer. That is a written notice from the British Government

Also Rolls-Royce—there was the same kind of notice. If we do not put ourselves in a position to comply with our parts of the contract by that time, they are out.

Therefore, if we were to permit this Lockheed Corp. to go bankrupt, there is $1,400,000,000 that would just go into the sand. It would not be worth anything. You take airplane parts and buildings and the know-how and the machine tools—they would be absolutely worthless. We were told that $250 million will make them a going concern and save all this. They can pay their debts. So for that reason, that dateline is what attracted my attention—we do not want to run that risk and we should pass this thing quickly and get it over with and get ourselves in a position to comply with our part of the contract.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. ST GERMAIN. Essentially, so far as the question of why banks will not go in for more than $250 million, it was never really answered to the committee; was it? As a point of fact, some allegations were made but they never did answer it. Is it not a fact that if this guarantee is granted and they then subrogate themselves to the $250 million that will be guaranteed by the Federal Government, there is an open end and the banks will end up with more security than they have at the present time from Lockheed?

Mr. PATMAN. Is the gentleman talking about the $300 or $400 million?

Mr. ST GERMAIN. The $400 million. After the $250 million guarantee, the banks will have more assets securing those loans than they presently have.

Mr. PATMAN. They would have additional assets. At one time they were valued at $131 million. Now they are estimated to be worth $300 million or $400 million. Much of it is land that has appreciated to great value. I am willing for them to use it in connection with this $250 million to save themselves, to enable them to pay their debts and to pay income taxes to the Government as they have in the past. Then we will all have fewer problems.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. MAHON. I would like to have the gentleman's comments in regard to a very serious problem which now confronts the Committee on Appropriations, and which will probably confront the House next week.

There is pending before the Committee on Appropriations a budget estimate for $1 billion to create public jobs—the Emergency Employment Act of 1971. This legislation recently passed the Congress and was signed by the President. The President has asked me and certain other Members of Congress to move quickly on the matter. There is a great push to get this $1 billion proposal enacted in order to create a certain number of public employment jobs. How productive those jobs would be I personally think is quite doubtful. I am frank to say that I am most skeptical about the efficacy of the $1 billion proposal.

Now, jobs are involved in the pending bill. Whether or not a bankruptcy would wash out those jobs I am not sure; I am not familiar with all the facts. But as between the $1 billion proposal which we contemplate may be before us next week and the problem of jobs involved in the pending bill, how would you equate those matters?

Mr. PATMAN. May I suggest to the gentleman that he hold up on that a week or two. We are going to have a hearing on a bill that I think will solve all those questions and not use more than $1 billion.

Back in 1932 Fiorello La Guardia came down the center aisle of the Chamber waving a bill that had been introduced in mimeographed form. It had not been printed or referred to a committee. It was known as the reconstruction finance bill.

Mr. La Guardia said:

> Mr. Speaker, this bill helps out only the banks, the railroads, and the insurance companies.

And he was right. I voted for it. Others voted for it. We passed it because it would help the banks, help the building and loans, help to liquefy their frozen assets and put the country back on the track. Those three institutions were the ones who could do the most. Later they converted it so as to help anyone who had an application for a worthy project and they could get it considered if the bank would not make them a loan at a reasonable rate of interest. In that way the RFC handled $40 billion in credit to help the people; $40 billion they could expend. They had a capitalization of $500 million, and they could expend 17½ to 1. That act enabled them to do that. We had that from 1932 to 1953, and we should have had the RFC all the time. It should never have been abolished or repealed. But it was.

Now, you can take a billion dollars of that money and have a National Development Bank. You would be able to expend on the basis of 20 to 1, which is an orthodox figure. That would create a $20 million bank, which should take care of our credit needs for the foreseeable future. You could use that $1 billion for that purpose, I will state to the distinguished chairman of the Appropriations Committee, to solve many problems for many years to come.

Mr. MAHON. Does the gentleman support the proposed Lockheed loan for the purpose of making sure that we do not have greater unemployment, or does he support it for the purpose of making sure that these enormous defense contracts are not put in jeopardy, or what is the basis for the gentleman's support of the Lockheed loan?

Mr. PATMAN. No. 1 is unemployment. This bill requires no money—no appropriations. This bill will keep jobs—keep people employed. That is what this bill is about.

Between 60,000 and 70,000 people will be put out of jobs here. We already have between 5 million and 6 million people walking the streets, and we do not want to add to that, 10 percent more.

That is not all. National security is involved here. We do not know what is going to happen in the world. We want to be able to defend ourselves. If we destroy the know-how that is in the Lockheed Co., with the 71,000 employees and all the machine tools, we will be destroying a great deal of what we may need and need urgently.

Mr. MAHON. Mr. Chairman, will the gentleman yield further?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, it is argued that if Lockheed goes bankrupt, these jobs will not be jeopardized, that these contracts will continue, and the work will continue, and the people who are employed on these contracts will not lose their jobs. Did the gentleman explore that aspect of the matter, and if so, what were his conclusions?

Mr. PATMAN. It will create a monopoly. The more contractors that go out of business, the greater the monopolies will become. We have had a great deal of sad experience in dealing with monopolies. Now is no time to give them a greater and stronger grip on the throats of the American people.

Mr. PIKE. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. PIKE. Mr. Chairman, I am concerned about this job aspect too, and I do not know a thing about bankruptcy but I do know a little bit about building airplanes. What I find it difficult to understand is how we are going to lose these jobs if the company that is building the engines is already in bankruptcy and it can continue to build the engines, but the company that is going to build the airframes cannot continue to build airframes if it goes bankrupt. Will the gentleman please explain?

Mr. PATMAN. I do not know where they are getting their money, but they are spending $5 million a week right now, which is in the direction of helping us if we get into a position to carry on this contract.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, I would like to answer the question that has just been asked. The British Government is paying out between $3 million and $5 million a week to keep Rolls-Royce going. They are taking a gamble at this time that the planes will be built for which they are going to furnish this particular engine.

Mr. PATMAN. That is correct.

Mr. WIDNALL. The government itself is paying out that amount.

Mr. PATMAN. That is correct.

Mr. WIDNALL. We have nothing to do with that. We are not guaranteeing any of that, but if we can pass this program, it will tie in with the other, and the whole thing can be continued.

Mr. PATMAN. And we will get the benefit of every dime of it.

I must cease and desist, because I have yielded more time than I should have, and I apologize for it.

I reserve the balance of my time, Mr. Chairman.

The CHAIRMAN. The gentleman consumed 46 minutes.

Mr. WIDNALL. Mr. Chairman, at this time I yield myself such time as I may consume.

Mr. Chairman, the Lockheed situation was brought to our attention a number of months ago. As a matter of fact, a bill was introduced on May 19, 1971, with 19 sponsors in the House of Representatives from both political parties. Nine of the sponsors were from our particular committee. That bill provided for $250 million in assistance through a loan guarantee fund.

In going through the committee, in the wisdom of the committee at that time, it was felt it would be wise to increase the amount to $2 billion so that more guarantees could be provided. As circumstances have been changing from day to day, and as time is running out, we are to the point where we have to act promptly in an urgent situation, so we have felt and we believe that in coming in here today, actually we should compromise the amount and bring it down to the original amount that was sponsored by many Members of the House, which is $250 million. I think it will do the job. I think it is urgently needed in the national interest, not only in the interest of Lockheed Aircraft, but also first and foremost in the national interest and in the interest of employment in the United States.

We have watched this steadily deteriorating situation. We can only compound the situation if we refuse to act to assist Lockheed at this time.

I hope every Member understands that the proposal does not propose giving cash to anybody. It is a loan guarantee fund.

The proposal also means that the U.S. Government, for its loan guarantee, will have a first call on the assets of the Lockheed Corp. in case of major difficulty, in case it is necessary to go into bankruptcy.

We all feel that the $250 million can be justified as responsibly needed in order to keep the company going and provide the means of producing this civilian airplane, for which there are 103 firm orders at the present time. These firm orders when delivered can more than cover the amounts that would be involved in the Government guarantee.

The Lockheed situation represents an almost unimaginable combination of circumstances which have combined to pose a major economic problem. It has highlighted philosophic questions which go to to the root of our free enterprise system despite the fact that loan guarantees are hardly unique, and, in relation to the loans we have guaranteed, this one is definitely not large. Furthermore, it has posed the question of whether it is in the public interest for the Government to keep certain large corporations in business or not and a host of corollary questions.

There is no question regarding certain facts in this case. First, is the fact that Lockheed is the largest defense contractor in the country. Second, that it is a major factor in our aerospace industry, nor that that industry is already depressed as a result of the reductions in defense procurement and space exploration and the elimination of the SST. There appears to be no doubt whatsoever that if a guaranteed loan is not made available to Lockheed within a few days that it will go into bankruptcy and if this happens the L–1011 Tri-Star airbus is dead.

If this happens, there seems to be no doubt that some 60,000 people in 35 States will be added to the unemployment rolls, that $1.4 billion of investments and loans already made will be lost, and that defense contracts in process at Lockheed will have to be renegotiated.

Some of the bill's opponents suggest that if Lockheed goes into bankruptcy, many of its defense-related activities will be continued. I think it is quite likely that this is so, which means that some 62,000 of their 72,000 employees might not lose their job. But no one who has appeared before us, or submitted statements, who knows anything about the aerospace or airline business, thinks that the L–1011 program could survive Lockheed's bankruptcy. No matter what confusing statements are made by this bill's opponents, this means that up to 60,000 people will be put out of work if this firm goes bankrupt.

It should be clear then that if we are concerned about problems of unemployment, then it is in the public interest to consider what appropriate steps might be taken to avoid such a massive layoff.

Some other consequences of Lockheed's failure are not so certain, but there seems again to be a little doubt that if it fails, 50 percent of the $1.4 billion which has been invested so far in the L–1011 will be a tax deductible loss—with a cost to the Government of $750 million. The Treasury estimates the loss of income taxes at $65 to $95 million. In addition to this aggregate cost, loss recognition by creditors, shareholders, and suppliers will result in estimated short-run Federal revenue losses of $275 to $340 million.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New York.

Mr. CELLER. Is there not also a danger, if Lockheed should go under and face bankruptcy, there would be a monopoly in the broad-bus aircraft field, leaving McDonnell-Douglas solely in the field, which would be in the neighborhood of a $20 billion monopoly for the next 4 years?

Mr. WIDNALL. There is definitely that danger.

Testimony has made it clear that in certain industries, of which the aircraft industry is a prime example, the development and marketing of a product involves the aggregation of massive amounts of money, extremely diverse and sophisticated skills, and years of lead-time. Because of this, we are forced to recognize that the failure of the L–1011 project would mean we have only one other domestic producer of this generation of aircraft; namely, McDonnell-Douglas, with the DC–10. Despite the fact that Boeing may have the money and the expertise, they do not have time to get in this market. For reasons I will mention later, we consider it extremely important for the United States to preserve its superiority in the aerospace industry. But first, I want to point out the value of having strong competition in the manufacture of any generation of aircraft. Floyd Hall, chairman of the board of Eastern Air Lines, put it in very clear terms. He said:

> For forty years, competition among the aircraft manufacturers has been the major force that has brought progress in safety, comfort, speed, technological design, and the two factors of purchase price and operating costs which are the airlines' major resources in holding down the price to the consumer.
>
> Today we firmly believe that one of the main reasons the DC–10 and the L–1011 will each be exceptional airplanes is that the intense competition between the two is producing exceptionally high quality performance by the makers.
>
> Because of price competition between Lockheed and Douglas for the initial Tri jet orders, the base price offered to Eastern for the DC–10 with the General Electric engine dropped from $15.4 million to $14.9 million within a relatively short period in 1967 and 1968. Over the same period, the base price for the L–1011, with the Rolls Royce engine, dropped from $16.1 million to $14.25 million. . . . Thus, Eastern initially saved over $32 million on an order of 50 airplanes by selecting the L–1011, and almost $100 million over the initial offering price on the L–1011 itself.

Other testimony bore out Mr. Hall's contention that due to competition, both our domestic trijets are more economical to purchase and operate and offer more safety features. While I am sure Lockheed's bankruptcy would not motivate McDonnell-Douglas to reduce the quality of the DC–10, the competitive discipline on the price would disappear. Also, there would be significant delays in delivering the other benefits of the trijets to the public, and who knows how long it would be until a new generation of aircraft improvements would appear.

There is no doubt whatsoever that there have been immeasurable benefits to the American public in terms of better, safer, faster, and more economical air transportation as a result of the competition between our domestic producers.

But continuing my comments on costs associated with Lockheed's bankruptcy. Additional unemployment compensation will amount to $50 to $75 million, depending on the duration of the adjustment period. It is quite obvious that any way you look at it, Lockheed's bankruptcy will cost the taxpayers far more money than the $250 million which we are being asked to guarantee.

These are only the short-run costs. Badly needed sales of aircraft abroad, with resulting service and maintenance revenues, would be lost with an adverse long-term impact on our already critical balance of payments. This, by itself, is a problem of the first magnitude.

Let me make a short comment on foreign procurement in connection with this airplane and with the Douglas airplane. In the case of the Douglas airplane there is to be foreign procurement of 15 percent of the amount involved. In the case of the L–1011 it is necessary to have foreign procurement of 17 percent of the amount involved. So there is foreign procurement in both programs regardless. There is just a 2-percent difference between the Lockheed and Douglas programs.

Most of the world flies on American aircraft. In fact, our exports of aircraft, replacement parts, and service have been major factors in our efforts to maintain a favorable balance of trade. Having debated legislation here on this floor only a few weeks ago to broaden the activities of the Export-Import Bank, I need not review now all the facts regarding the serious decline in our Nation's trade balance. Let me just remind you that the only category of goods in which the United States maintains a clear competitive advantage is in the technologically intensive products. Maintaining the value of the dollar in international markets—that is, avoiding an official or de facto devaluation of the dollar—is dependent on maintaining a favorable balance of trade. Aircraft are essential to that. The foreign market for trijets is estimated at some $27 billion. There is one foreign producers of a trijet, but Lockheed already has some few foreign sales for the L–1011 and seems reasonably certain to get others if it survives.

Every citizen who uses dollars—and I cannot think of any who does not—has an interest in what happens to our balance of payments. Maintaining a strong, productive, and competitive aircraft industry is in the public interest. I realize that there are many citizens who do not recognize the significance of this kind of consideration, but this is all the more reason why we here in the Congress must give responsible attention to such considerations.

Let me summarize, then, that I think it is clear that the public welfare is inextricably intertwined with the activities of certain of our major corporations.

Congress has repeatedly recognized this when the corporation is in the nature of a public utility, but it is obviously also true in the case of a firm such as Lockheed.

Having established this, we have examined what assurance there is that $250 million would save the company, and why, in a free enterprise society, the Government should get involved. Let me treat the first point first.

I mentioned at the start the unimaginable series of events which led to Lockheed's problem. In a 2-year period, they had to write off a $484 million loss on four defense contracts. Both the company and the Department of Defense admit that they share in the blame for this. This is in the record. Both the company and the Department of Defense admit they share in the blame for this.

Who was most at fault, we cannot determine without extended litigation, but be that as it may, it induced a liquidity crisis for Lockheed which it was about to resolve with additional unassisted private credit, when Rolls-Royce suddenly announced bankruptcy. This was followed by a renegotiation of the engine contract at higher cost, and the bankers' decision that further credit could not be extended to Lockheed without a guarantee.

Despite all these problems, the best brains in banking, defense, and aerospace, all estimate that $250 million will pull Lockheed through its liquidity crisis and keep it alive. The banks will make the loan if the Government will guarantee it.

From all this, I think, it should be clear to all of us that granting a loan guarantee which does not cost any tax money would be a good bargain for the taxpayer. But it leaves open the question of why the Government should involve itself in this way.

The real question before us today is, whether we can, or will, apply enlightened flexibility to our interpretation of the unwritten policies concerning the relationship between government and business.

Personally, I have long cherished the free enterprise concept that any business, large or small, is a risk venture, undertaken by the owners for their own benefit, and that the Government's principal responsibility is to maintain an environment in which industriousness, honesty, and integrity bring their own rewards. Under the Constitution and our cherished concepts of free enterprise, our Nation has achieved the highest standard of living of any nation in the world and I say to you that it is this very success which has made us intolerant of failures and sympathetic to the needs of those who for any reason have shared less in our bounties. But it is both right and proper, and we apply the same measured flexibility to our concepts of free enterprise that we apply to interpretation of the Constitution.

Since at least the early thirties, we have been directing some portion of our Government's resources with more concern for the public welfare than the cost. When we have sought the reasons for the problems our programs sought to alleviate, it has not been to fix blame, but to provide us with the guidance needed to shape corrective measures. Despite disagreements, we have inaugurated a broad range of Federal programs providing one form of assistance or another to a wide variety of businesses—not for the sake of the business or its owners—but to provide jobs or other benefits to the public. Let me cite a couple.

Tax incentives have been widely used. Do you recall why we passed the investment tax credit? It was to stimulate capital investments, improve productive capacity, create jobs, reduce unit costs, and improve the standard of living of our population. The tax credit went to the business firms, but we judged that the lost revenue would be more than offset by benefits to other citizens.

Do you justify that most controversial of tax incentives, the "oil depletion allowance," because you want to make oil companies rich, or because you want to assure adequate supplies of oil and gas to run our transportation systems and heat our homes?

FHA's mortgage insurance protects lenders against losses on the money they lend to homebuyers. The buyers pay the insurance premium and the lenders collect any payoffs, but we are proud of this program after 37 years of its operations, not because it has made mortgage lending profitable for banks, insurance companies, and others, but because it has made decent, safe, and sanitary housing available to millions of our citizens.

I hold up before you this massive catalog entitled, "Catalogue of Federal Domestic Assistance." I could read from it now until the recess to demonstrate my point that the Federal Government has repeatedly provided some form of assistance to a variety of organizations when the public interest justified it.

The distinguishing feature in the Lockheed case is the size of the corporation. Here we have a case of a multimillion-dollar corporation and a consortium of 24 large banks asking for a loan guarantee of $250 million. The opponents of the proposal have fostered the impression that the loan is for the benefit only of this large corporate entity. Nothing could be further from the truth. It has been clearly established that 35,000 of Lockheed's suppliers in 32 States will be hurt by our failure to grant this loan guarantee—and 27,000 of these firms are small businesses employing less than 500 people.

It would be the height of folly not to recognize the interdependency of large and small business firms or the very valuable contributions that large corporations can make to the economy and our standard of living.

Just in case you have not had the opportunity to consider the importance of a large firm like Lockheed to our economy, let me point out a few facts. First is the fact that American superiority in the manufacture of aircraft has made us a world leader in this field. The maintenance of this superiority is not just a matter of national pride. It is absolutely essential to the maintenance of a favorable trade balance. Of more direct and understandable importance, is the fact that 17,800 people were employed by Lockheed just on the L–1011 project prior to Rolls-Royce's receivership. Lockheed's suppliers were employing another 16,000 people in 32 States in support of the L–1011. Everything we have been able to discover confirms the contention that the failure of this firm would plunge these 33,800 into unemployment posing immediate problems for us and would also have a severe adverse effect over the long run on our Nation's balance of payments. Is it in the national interest to let this happen? I think not.

The question that Lockheed has raised is not whether Lockheed itself is so important to our economy, but whether the public interest is better served by occasional Government assistance to specific large corporations.

In considering those policy questions, it would be foolish to overlook the scope of the large corporation's value to all the people. From what I have already said, it is obvious that the magnitude of Lockheed's L–1011 program is so great that in pure dollar terms, it would be cheaper to just give them $250 million than to let them go broke—but far from this we propose only to guarantee loans made by private industry. If this is not a bargain for the taxpayer, I do not know what is.

Some have contended that the extension of this guarantee is the first step on the road to socialism. Whether this is so or not depends on the conditions which we establish for loan guaranty eligibility. One condition we have written into this bill is the requirement that the administrators make a finding that the extension of the loan can reasonably be expected to restore the beneficiary to a viable self-supporting condition. In Lockheed's case, the company has a long distinguished and profitable record. All the experts predict that if its present liquidity problem is alleviated, it will again be profitable. Under these conditions, it seems unlikely that the Government-guaranteed loan will be the forerunner of Government ownership and operation.

I think this is an extremely important condition and I think it should be imposed in the cold light of economic reality. If it is, I see no danger of this being a route to socialism. On the contrary, I think it is time for us to recognize that Lockheed is typical of the kind of enterprise it takes in this age of technology to produce this kind of product. We are proud of our worldwide excellence in fields like this and well we should be. It is folly to confuse our concepts of small businessmen competing fiercely with the risks involved in putting together a project of the magnitude of a new airliner. Lockheed's dilemma has forced on us the recognition that, in some fields, competition between giants in an international arena is the way of life. It is to preserve this competition in a free enterprise environment that we propose this bill. The welfare of too many of our citizens—both those directly involved in the project and those who must bear the burden of its failure—dictate that it is in the public interest to help preserve basically healthy firms such as this.

H.R. 8432 is responsive to the problem before us and is responsible in its respect to our Nation's values. I urge its prompt enactment.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. As I understand, the national and international market survey for the trijet airbus configuration that is in the same category as the L–1011; there is somewhere in the vicinity of 1,100 aircraft that could be sold in this particular family of aircraft.

Is this essentially what the testimony has revealed before the gentleman's committee?

Mr. WIDNALL. That is correct.

Mr. DON H. CLAUSEN. Those involved in the aircraft manufacturing field building this type of jet airbus include the Lockheed Corp., the McDonnell Douglas Corp. here in the States, but I think a most significant fact is the international competition that will come as a result of the construction and sale of the A–300 being built by the consortium in Europe; is that correct?

Mr. WIDNALL. That is true.

Mr. DON H. CLAUSEN. And with the planned building of the L–1011 using Rolls-Royce engines, it is my understanding that there will be an opportunity for Lockheed to sell somewhere in the vicinity of 50 and possibly 100 aircraft to European airlines, primarily because the Rolls-Royce engine will be used in the aircraft?

Mr. WIDNALL. It has been stated that the aircraft certainly can be sold overseas. The prospects for its sale are enormous.

Mr. DON H. CLAUSEN. For this reason and the many dire economic consequences that will evolve if this loan is not approved, particularly in California, I intend to support this guaranteed loan.

Mr. MITCHELL. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Maryland.

Mr. MITCHELL. Thank you very much for yielding.

Do you know, or does any Member of this House know, what percentage or how much, if any, of the one-quarter billion dollars which Lockheed might get will be used in the development of a new Greek aviation industry with which we understand Lockheed has now entered into contract negotiations?

It is ironic that while some in this Congress are trying to bail out Lockheed, according to the press reports, Lockheed has entered into negotiations with both the French and the Greek aviation industries to help build up the Greek aviation industry. Do we have any guarantees that no portion of this quarter of a billion dollars will be used in that particular endeavor?

Mr. WIDNALL. To the best of my knowledge it will not be used. But I would state to the gentleman from Maryland that the Greek question that the gentleman presents now is something that was not alive at the time we held our hearings. This was never discussed.

Mr. MITCHELL. But now that it is alive, it seems to me it would be imprudent for us to move ahead on this without having some guarantees or some knowledge of how much of that money will be going to the industries ruled by the Greek junta.

Mr. WINDALL. If the gentleman feels that that should be done right exactly at this moment, it is going to kill this bill we have before us, and it is going to kill the Lockheed company.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I now yield to the gentleman from New York (Mr. CELLER).

Mr. CELLER. Recently, Secretary of Commerce Stans deplored the fact that we are facing a deficit in our balance of trade. Would not the gentleman agree that if Lockheed goes into bankruptcy, or fails and goes into receivership, that our deficit in our balance of payments would be accelerated because Lockheed does a great deal of business by exporting its planes to European airlines and to European entities, if this would deprive Lockheed of its ability to do that, to the extent their exports would be curtailed, then our balance of trade would be affected. So that it is to our advantage, at least from that aspect, to continue Lockheed.

Am I correct in that assumption?

Mr. WIDNALL. I will yield to the gentleman from Ohio (Mr. J. WILLIAM STANTON) to answer that question.

Mr. CONYERS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred three Members are present, a quorum.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. Yes; I will yield to the gentleman from Ohio.

Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Chairman, I take this time simply because the gentleman from New York (Mr. CELLER) wanted an answer in regard to the effect on our balance of payments if the Tri-Star is not built.

I have some figures here from the Secretary of Commerce, and the Commerce Department, that reveals that Lockheed, on potential sales to England of 38 planes, the trade balance effect would be approximately $300 million.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, no matter how one votes on H.R. 8432, the Emergency Loan Guarantee Act, our constituents will be deeply divided over our decisions. If you vote for the bill, the management and stockholders of Lockheed Aircraft Corp. will applaud you; the Nixon administration will be pleased; some bankers will be delighted by the profits this will bring to their institutions; but everyone who is concerned over the structure and direction of our economy will truly wonder and worry where the passage of such a bill would eventually lead the free enterprise system in the United States.

Had this bill become law only a few months ago, the same people who ran the biggest railroad into disaster would today still be directing the operations from Penn Central, financed by loans guaranteed by the Government of the United States. Instead, Penn Central was forced into receivership, and the courts are in the process of straightening out one of the worst examples in modern times of corporate chaos and over-extended, mismanagement.

For there is little doubt in the minds of those who have worked on this legislation that Penn Central would have qualified for a bail-out guaranteed loan under H.R. 8432 as reported by the committee, had this bill been enacted prior to Penn Central's collapse.

The immediate stimulus to the bill before us is the financial brinkmanship of Lockheed. There is great controversy in our committee, and among informed people throughout the country, whether Lockheed should be saved from bankruptcy proceedings. But assuming that Lockheed's battered management does indeed deserve to be rescued from this prospective fate under the theory that the entire economy would be adversely affected by a Federal court-directed reorganization of its corporate and financial structure, Lockheed would qualify at the maximum for a guaranteed loan of only $250 million out of a total guarantee fund in this bill of $2 billion. What firms are lining up in the wings for the remainder? How far do we carry this concept of bailing out very big businesses by making available to them the full faith and credit of the United States, while at the same time thousands of other business firms would have no chance whatsoever of qualifying for help under this legislation because their prospective failure—while mighty serious to them and to their stockholders and suppliers and employees—would not "seriously and adversely affect the economy of or employment in the Nation or any region thereof?"

THE RUSH TO BIGNESS

Obviously, only major business enterprises—the biggest—are in the favored category covered by this bill. The march to supersize business, which has been so frightening in recent years, would be accelerated into a stampede, on the theory that if you are big enough the Government can not allow you to fail, no matter how inept the management, or how stupid the blunders that management might commit.

Penn Central provides a classic case history of corporate blundering and stupidity, laced with disregard of corporate ethics and public responsibility. Nevertheless, Penn Central would have qualified, undoubtedly, for a guaranteed loan under H.R. 8432; and Lockheed undoubtedly will, too, because this bill was initiated primarily to benefit Lockheed. Which corporation comes next for help out of the $2 billion provided in this bill? After Lockheed, there would still be $1,750 million available in the guarantee fund, to bail out at least 7 other huge corporations, but no one has ventured to tell us which firms might be in line and waiting. Unlike Lockheed, the others would not even have to go through the ordeal of a congressional investigation into their operational mistakes. Instead, three men—the Secretary of the

Treasury, the Chairman of the Federal Reserve Board, and the president of one or another Federal Reserve Bank would make the loan guarantee decisions in each instance, and then Congress would have the incredibly short period of 20 days to review each case and say no. The Lockheed loan apparently would not be subject to such a veto.

Mr. Chairman, I am against this bill, and I shall vote to recommit it to committee for further study. If that fails, I will vote against it.

If it is amended to restrict the loan guarantee just to $250 million to bail out Lockheed, it would be a much better bill, but one which I would still have deep misgivings about. If it were amended to include the Comptroller General, along with the Treasury Secretary and Federal Reserve Board Chairman, in the 3-man board passing on loan guarantee applications, that, too, would be an improvement.

But nothing which can be done to this bill will make it smell sweet. The whole concept is wrong.

SAVING LOCKHEED—OR LOCKHEED'S PRESENT MANAGEMENT

If we are convinced that Lockheed's continued operation under the present management—mind, Mr. Chairman, I did not say its continued operation, because the firm would continue in business in any event, even if in reorganization; I said if its "continued operation under present management"—is essential to the economic health of the Nation, then let us have the courage to lend Lockheed whatever Federal funds it needs to tide it over, and lend the money at the going interest rate, and make money for the Federal Treasury on this deal. This is what I have urged right along—direct loans which would bring revenue back to the Treasury, rather than to the banks. Under this bill, the banks will lend out the money without risk, but collect millions upon millions of dollars of interest, while the Government takes all the risks.

Mr. Chairman, while it is not easy for any Member to make up his mind as to the right vote on this legislation, because of so many scare stories about the jobs which otherwise might be lost, there is more than enough information available to any Member who sincerely desires to dig through the facts. The hearings of our committee ran for only 5 days, but there are 463 pages of facts, data, and informed opinions in the printed volume available to every Member, showing that Lockheed will still produce planes whether or not this bill passes.

Our committee report contains a short discussion of the legislation in the majority views—actually a majority of 18 to 16 on the crucial vote—but it also contains 17 other statements of views—including four sets of individual views—one favorable and three critical—three sets of additional views—one favorable and two critical—one supplemental statement—favorable, but consisting almost entirely of the Treasury Secretary's prepared testimony—one set of separate views—critical—and eight sets of dissenting views—all highly critical.

When a committee divides 18 to 16, and not on party lines, on a bill which obligates the Federal Government for $2 billion of guaranteed loans to the very biggest businesses in the country, with disguised subsidies of many millions to banks, it seems to me that every Member would want to know the facts which led to such unusual disparity of opinion in the committee handling the bill.

Mr. Chairman, in my opinion, as I said in my dissenting views in the report, there are three basic choices open to Members of the House regarding H.R. 8432. They are to:

First, approve the bill in its present form despite the fact that virtually no testimony has been given, nor has there been any study by members of the committee, as to the scope, need, and effect of this legislation.

Second, amend the bill so that the assistance it provides is restricted solely to the Lockheed Aircraft Corp. Assistance for Lockheed was all the committee actually considered, and there is a real question in my mind as to whether that consideration even began to approach a level that could honestly be described as adequate.

Third, recommit H.R. 8432 to the committee for further hearings and in-depth study to determine whether:

First, the Nation's economy requires the Government to provide loan guarantees to large corporations which have so mismanaged their affairs and/or misjudged economic circumstances that they are no longer creditworthy without the full backing of the Government;

Second, reorganization of the Lockheed Aircraft Corp., sustaining those company programs and divisions which are viable and sound, would be in the best interests both of the corporation and the country.

A point that should be continually held in focus during debate of this issue is that this bill grew out of the Lockheed Aircraft Corp.'s application for a $250 million loan guarantee to produce its L-1011 Tri-Star commercial jet airliner. And that is all Lockheed requested. It did not say that failure of the L-1011 program would result in a halt of all work underway or contracted for among all of its divisions. Quite the contrary. Both Lockheed and the Department of Defense have made it clear that defense production work, which comprises over 80 percent of all Lockheed production, would continue regardless of the fate of the L-1011 program. So in effect Lockheed requested assistance to help sustain a relatively small part of its overall activities—a program entirely in the commercial sector, having nothing whatsoever to do with defense.

Several months ago the Federal Reserve Board, while routinely helping to swing the Nation's economy from tight money-high interest rate inflationary conditions to loose money, high interest rate inflationary conditions, proposed the creation of an Emergency Loan Guarantee Board to protect large corporations in instances where management had failed to deal successfully with ordinary business and industrial problems and found survival impossible due to Fed-inspired economic cycles. Barring the Lockheed situation, that limp proposal probably would have been placed on a gray shelf where it would have had a visibility quotient of nearly zero.

That idea, which should have been abandoned, was instead administered a life-giving transfusion in the Halls of Congress by people too embarrassed to admit they want to bail out an inept corporation whose leadership has found it impossible to avoid disastrous collapse of one program, and 24 of the Nation's largest banks—the people who played leading roles in producing this debacle with loans totaling $400 million. These circumstances, manipulated by such people, have resulted in the presentation of H.R. 8432 as amended, a bill which would otherwise be recognized as a shambling legislative Frankenstein. We can all look forward to witnessing it stumbling through the economy, leaving havoc in its wake, making a mockery out of the words "free private enterprise system." It certainly is free and enterprising—free credit for failing management enterprising enough to remain afloat a little longer at the expense of the taxpayer. This is neither capitalism or socialism. It is a freak produced by the worst elements of both systems.

Legitimate need for H.R. 8432 as amended completely escapes my understanding. Not one witness from the private sector came forward during our abbreviated 5-day hearings to testify that this broad and blind bill, providing $2 billion in Federal loan guarantees for big business, must be substituted for the administration measure which lends assistance to Lockheed alone. Not one industrialist was heard to state during the hearing that the large corporations of this Nation now require establishment of what I think has correctly been referred to as "a $2 billion slush fund." Silence on the part of the very people this bill is designed to help leads inescapably to the conclusion that the legislation, in their view, is not needed. Those who disagree should compile a corporate list and make it public with the consent and approval of the companies identified.

The absence of response, however, will not last forever. Business and industrial entities, which will fail to meet the test of our competitive system and cannot justify the continued existence of failing programs, will come limping forward to present the case for their particular emergency—a $2 billion gift cannot be ignored. Moreover, it is naive to assume that business and industrial entities are entitled to only one emergency loan guarantee. Having justified it once, how then is it possible that the next emergency of incompetence is not equally worthy of action? The result will be failproof corporate management relieved of the necessity of continually standing the test of competition, permitted to repeat its mistakes ad infinitum at the expense of the taxpayer. Viewed honestly, this is the free enterprise system working in reverse—working its way to self-annihilation in the name of public interest.

One of the most noteworthy things about H.R. 8432 as amended is what it does not say. Having stated that the legislation will be used to prevent damage to the Nation's economy, the bill's authors conspicuously omit any criteria under which to develop standards by which the measure can be exercised. What constitutes economic damage? What degree of damage—whatever that is—is required to implement the legislation? Would the use of $2 billion in available loan guarantees actually work against the best interest of economic development in view of the fact that the Federal Government has not indicated the slightest desire to establish a national economic development policy? In lieu thereof, it would appear the Nation will develop an economic policy under guidelines established through experience of guaranteeing loans for corporations which can no longer succeed

By the same token, absolutely no consideration was given to the idea that a substantial portion of the $2 billion in loan guarantees provided under H.R. 8432 as amended could and should be used to serve priority areas of the Nation's economy. Not one word was mentioned by witnesses about financing urgently needed public works and facilities or the construction of low- and moderate-income housing. No effort was made even to identify priority areas—or to establish a priority system under which the legislation will be used.

This bill is a blatant admission that the taxpayers of this Nation are required to foot expenses for large, failing businesses, and industrial and the financial institutions which have irresponsibly funded questionable programs administered by managements which will now be able to demonstrate their reliability, not by performance but rather by being able to lean comfortably on the full faith and credit of the U.S. Government. The crowd in the Kremlin, to say the least, must be smirking over our monumental lack of confidence in our economic system. This bill says in effect that capitalism as we know it can not be expected to work for the large corporate structures, which I for one had thought benefit most from it.

It is nothing more than self-deception to assume that the use of loan guarantees for large corporations who have otherwise run out of credit is a meaningful way of preventing increased unemployment. All that really takes place under this approach is the purchase of time to delay the day of reckoning which is inevitable, given the fact that the management that worked itself into a hole will simply be permitted to dig a little deeper with additional funds—or dig another hole under the banner of another program. Incompetence cannot be corrected by scattering $2 billion in guaranteed loans around the countryside with the prayer that miracles will somehow occur where the money falls. What is far more likely to happen is that unemployment will increase in direct proportion to the capital invested in what is either an ill-conceived and/or mismanaged program. The use of loan guarantees to funnel more money into these programs means that eventual unemployment due to the final collapse of these programs will be greater than would have been the case had the projects in question been allowed a decent, merciful death. This kind of attrition in our free enterprise capitalistic system occurs by the thousands among our small- and medium-sized businesses and industries every year, and the people of this Nation do nothing more than collectively shrug their shoulders and put the cause of death down as due to natural causes under the system.

To those people who favor H.R. 8432 as amended and point with satisfaction to existing Federal loan guarantee programs to support their position, I say that those programs by and large are designed for the little man who cannot obtain adequate capitalization at reasonable cost under conventional loan conditions from financial institutions in order to get into business. There is not one Federal loan guarantee program in existence which was designed to funnel millions of dollars of risk-free bank loans to those members of the Fortune magazine 500 list who have managed to run through their monumental resources and must turn with outstretched hand to the taxpayers of this Nation for still more money. The only instance that even remotely resembles the ridiculous situation I have just described is the Defense Production Act, which cannot be applied to commercial business and industrial purposes.

There are alarming similarities between the Lockheed situation now confronting Congress and the collapse of the Penn Central Railroad a little more than a year ago. Like Lockheed, the Penn Central came to the administration and to the leadership of Congress to request a Federal guarantee of a $225 million loan under the Defense Production Act. It was impossible to bend an interpretation of the act to serve Penn Central under these circumstances, and the administration reluctantly but correctly let the railroad proceed to reorganization, which apparently is succeeding. Since then Congress has guaranteed Penn Central obligations, but only after inept and self-serving management has been replaced. The widely read Home Banking Committee staff investigation report on the railroad and the abuse of its resources by top management has made it undeniably clear that the administration would have made a serious blunder had the loan guarantee been granted and used to avoid reorganization. Today, this Congress is on the doorstep of the same basic decision. We are being asked to provide a $2 billion program for unnamed companies whose affairs are so badly mismanaged that all sources of credit under the system have been shut off to them.

To the shock of House Banking and Currency Committee members, Federal Reserve Board Chairman, Dr. Arthur F. Burns testified that he would have approved authorization of a loan guarantee for the Penn Central had H.R. 8432 been in existence at the time the railroad was lobbying the White House and the Hill. It goes without saying that the Nixon administration would have unhesitatingly followed the same course since it had helped originate the idea of a Penn Central loan guarantee and has given its full support to a $2 billion loan guarantee program.

It is an exceedingly difficult thing to be adult—to be honestly responsible—when dealing with our personal affairs let alone the affairs of state. However, there's no way to avoid recognition of responsibility. This House cannot pull the silk edge blanket of political security over its head and childishly whisper to the Nation that it thinks it is doing right in approving this bill in its present form in order to avoid increased unemployment and growing lack of confidence in our economy. This bill is an indictment of our economy and our system. It is a declaration of no confidence and a non-plan for the future. Therefore, this legislation should be recommitted to the Banking and Currency Committee for further hearings and restudy.

Mr. PATMAN. Mr. Chairman, I yield to the gentleman from Wisconsin (Mr. Reuss).

Mr. REUSS. Mr. Chairman, any proposal that the Federal Government come to the aid of a failing company has to be viewed with the greatest skepticism. Under our system of free enterprise, the rewards of success go to companies and their stockholders. So it is only fair that the penalties for failure fall upon them as well. We start down a dangerous road when the Government starts getting into the business of insulating corporations from the consequences of bad management and bad fortune.

It is the possibility of failure which provides the greatest incentive for businessmen to operate efficiently and economically, and to produce the best possible product. For those businesses that cannot make it, we have a carefully worked out system of bankruptcy laws designed to make certain that all interested parties are treated as fairly as possible. This system has served us well, I would hate to see us depart from it.

My strong inclination, therefore, is to leave Lockheed, and its creditors, customers, and suppliers to work out their problems for themselves. There is one problem, and that is the workers who are now working on the L–1011, Lockheed's commercial airbus. If Lockheed goes into bankruptcy, there are strong indications that the 16,000 employees now working on the L–1011 will lose their jobs. While all of Lockheed's defense programs would continue without any loss of jobs, we still must be concerned about these 16,000 workers in the L–1011 program.

If the Federal Government were doing a proper job of managing the economy, no special steps would be needed to take care of these workers. There would be full employment without inflation, and any displaced workers would be able to move easily to other jobs. Unfortunately, this administration has so mismanaged the economy that unemployment is hovering around 6 percent nationwide. It is even higher in the southern California area where the L–1011 is being built. Faced with this grim reality, I would be willing to consider appropriate legislation to aid Lockheed and its workers.

But the bill before us today is not the way to do it. The bill reported by the committee is nothing but a $2 billion slush fund for big business and big banks. It is not a bill for the welfare of Lockheed employees. It is a bill for the welfare of giant corporations and their creditors. If this $2 billion bill is passed, more shaky and mismanaged corporate giants will be elbowing for a place in line before the month is out. Lockheed's slogan is "Look to Lockheed for Leadership" and you can be sure that that's just exactly what they are going to be doing if we set up this $2 billion slush fund for all of them to pick over.

Setting up a $250 million pot is bad enough. A $2 billion pot is eight times worse. At least with a Lockheed-only bill, Congress will have had some voice in deciding whether or not the guarantee should be made. Under the bill, as it now stands, however, the only chance for Congress to head off a guarantee is under the 20-day "One House Veto" section. Even if this provision is constitutional, which it probably is not, 20 days is not enough time for Congress to reach a judgment on questions of this magnitude. It took the Banking and Currency Committee weeks just to extract from Lockheed and the administration the information we needed to begin hearings. And this was a situation in which Lockheed and the administration knew there would be no congressional action unless the information was forthcoming. Under the present bill, however, there is no such incentive. In fact, the incentive is just the opposite. All a company has to do is withhold the necessary information from Congress for 20 days and they are home free.

Another problem with the present version of H.R. 8432 is that the taxpayers, who take all the risk, get nothing in return, while the banks and their failing corporate debtors take no risk at all, but get all of the benefits.

Under the bill, the banks are allowed a "reasonable" rate of interest. What this rate will be both the banks and Treasury Secretary Connally refused to say during the hearings. Clearly, however, since the banks are assuming no risk at all on this $250 million in Government-guaranteed loans, the interest they charge should be minimal—certainly no more than the interest rate they charge on riskless loans.

In addition to the interest, the present bill says the Government should receive a "guarantee fee," but it does not say what that fee should be. To be fair to the taxpayers, this guarantee fee ought to be large enough to compensate the Government for the real risk they assume of having to pay off on the $250 million guarantee. But Treasury Secretary John Connally, who will be the Federal Government's chief negotiator on the guarantee if this bill goes through, does not see it that way at all. In his testimony before the committee on July 20, he said:

> I certainly think we will get a fee commensurate with the risk that we take, and if we do that, it will be a relatively small fee, because we are taking a relatively small risk—I do not think we are taking any risk at all, to tell you the truth. (Hearings, p. 357.)

However, the 24 banks involved have a much different view of the risk involved. Chauncey J. Medberry III, chairman of the board of the Bank of America and chief spokesman for the 24 banks, told the committee on July 15 that the banks would not lend the additional $250 million without a Government guarantee "because we feel the risk is too great for us to assume prudently"—hearings, page 165. Even if the banks got the same priority as to Lockheed's collateral that the Government would get, Mr. Medberry said he would not lend the money "because of the risk involved"—hearings, page 193.

We therefore have the unusual spectacle of Treasury Secretary Connally, who is supposed to drive a hard bargain on behalf of the taxpayers, giving the game away right at the outset and leaving the taxpayer with no return at all for assuming a risk which even the banks acknowledge is very substantial.

The Senate Banking, Housing and Urban Affairs Committee was nowhere near as generous with the taxpayers' money as Secretary Connally. In its report on the bill, the Senate committee said:

> The committee intends that the guarantee fee shall be adequate to support the Government's administrative cost in handling the guarantee, and will reflect the risks assumed by the Government in making the guarantee. (Report, p. 12.)

However, the Senate committee neglected to spell this out adequately in their version of the bill. Therefore, H.R. 8432 must be amended to require that the Government's guarantee fee be large enough to compensate the taxpayers for their risk. This is no small matter, either. A 3-percent guarantee fee on a $250 million loan over the 5-year life of the loan would come to some $37½ million.

There is an even more basic unfairness lurking in this $2 billion welfare program for big businesses. If $2 billion is set aside to aid big businesses, that simply means there is going to be $2 billion less in loans and credit available for deserving small businesses and anyone else who needs credit. Even Secretary Connally admitted this in the hearings, although with great reluctance:

> Mr. REUSS. If we do pass the bill you recommend, the $2 billion Senate bill, and it is used, then the $2 billion that big business is getting means $2 billion less for the rest of the economy, does it not?
>
> Secretary CONNALLY. Well, obviously it has that impact. (Hearings, p. 356.)

However, Secretary Connally declined to embrace my suggestion that the name of the bill therefore be changed from the "Emergency Loan Guarantee Act" to the "Anti-Small Business Act."

Deputy Secretary of Defense David Packard criticized the broader $2 billion bill for this same reason, although he later tried to withdraw that portion of his statement in order to adhere to the administration's line. In his prepared statement, Secretary Packard said:

> There is another reason I believe broad legislation is unwise. A Government guarantee for a particular company or a particular industry does not generate more credit for the economy. For example, this guarantee only diverts the credit banks can offer someone else to Lockheed. We can afford to divert $250 million under the circumstances. To provide a mechanism whereby $2 billion could be diverted to firms in the defense industry or any other special industry is quite something else. (Hearings, p. 293.)

Lest there be any doubt that this is sound, conservative economic doctrine, let me quote from the testimony of Alan Greenspan before the Senate Banking Committee on June 21. Mr. Greenspan is a respected conservative economist and an adviser to President Nixon. In testimony opposing the Lockheed loan guarantee, he said:

> Moreover, it is important to remember that when the Federal Government guarantees private credit, it does not add to the total financial resources available. It only moves one borrower up in the credit-rating queue at the expense of other borrowers who are not fortunate enough to have such a guarantee. (Senate Hearings, pp. 718–719.)

The Investment Bankers Association of America opposed the $2 billion bailout bill on the same grounds. In a letter to Chairman Patman, the association, which represents some 620 investment banking firms throughout the country, said that they opposed Federal loan guarantees under conditions of monetary and fiscal restraint because this kind of assistance—

> Would divert available credit to the assisted enterprise, away from other enterprises which also need credit, thereby substituting the judgment of those administering the program for the market mechanism. (Hearings, p. 456.)

Let there be no doubt, therefore, about what a vote for this bailout scheme means. Every loan dollar the Federal Government guarantees for some faltering big corporation means a dollar less in credit for small businessmen, homebuyers, people who must borrow to put their children through college, anyone who needs an auto loan, or a home-repair loan, or any kind of credit at all. A vote for this bill is a vote to take loan money out of their pockets and put it in the pockets of big business.

This country's experience with the Reconstruction Finance Corporation in the 1930's and 1940's is often cited as a precedent for the kind of broad-scale business bailout scheme we have before us.

The RFC did many good things during the depression and during World War II. It was an appropriate response to those two serious national crises. But when the RFC was carried on after the war—after the emergencies which called it forth had passed—it fell on evil days. During the late 1940's, charges of corruption and political favoritism surrounded the RFC. Hearings before a Senate Banking Subcommittee headed by Senator FULBRIGHT in 1950–51 revealed what Business Week magazine called at the time "a sordid story of graft and corruption."

Former President Herbert Hoover, who began the RFC back in the depths of the depression, testified at those hearings. He began his testimony by saying—

> I believe that the RFC should be liquidated.

He said:

> The social and economic purpose of the RFC, he said, had become submerged in support of risky business, and in bailing out creditors on a large scale.

He saw no reason, he went on, why the taxpayers' money should be used to subsidize larger peacetime business.

Large RFC loans, he said, have led to favoritism and corruption.

Jesse Jones, who headed the RFC for 13 years, also turned against his old agency after the war. In a letter to the Fulbright committee in April of 1950, he said he was "saddened" by the way the RFC "is now being misused." The RFC, he said, should be given a decent burial, lock, stock, and barrel.

He went on to say—

> Government lending in competition with private business is not a proper function under our free enterprise system. When the Government finances business it is competing with private enterprise from which it gets much of its income. When it finances improvident business it takes from the profits of competing business, gets no taxes from the improvident, and loses on its loan.

As an example of the kind of RFC loan he did not like, Jesse Jones described a loan which has some striking similarities to the proposed loan to Lockheed:

> As publicized, the Kaiser-Fraser loan was made to put men to work. The country can absorb only so many automobiles, and if Mr. Kaiser does not make them, others in the industry will, and with private funds. If Mr. Kaiser does not employ the men to make automobiles, the industry in that same vicinity will.

Mr. Jones made another important point. He said:

> Money lending is just as much a vocation as any other calling in life, including that of politics and statesmanship. A successful money lender would probably not make much of a success in politics, and the reverse is probably true.

What, then, does the RFC experience teach us? It teaches us, I suggest, that the Federal Government should get into the business of making and guaranteeing loans only in the most extreme circumstances.

Another lesson is the danger in allowing Government officials, and especially politicians, to decide who shall and who shall not get credit in a free marketplace economy. The opportunities for favoritism and corruption are just too great. If men were angels, we would not have to worry about this. But they are not, so we must.

The bill before us sets up a $2 billion slush fund, with a political appointee holding a most prominent position on the Board which is to dole out the boodle. If I were the chairman of the Republican National Committee, I would sleep sounder at night if I knew that I had this $2 billion available for "emergencies."

Under this bill, we could change the name of the Emergency Loan Guarantee Board and revive the same initials used by the RFC—we could call it the "Republican Finance Committee."

Mr. Chairman, we should learn from our experience. It would be a mistake to set up a new RFC today. It would be subject to the same abuses as the RFC of the late 1940's. We should not start down that road again.

The bill should be voted down.

Mr. PATMAN. Mr. Chairman, I yield to the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Chairman, it is my understanding that this legislation will permit banks to lend $250 million to Lockheed at a potential interest profit of $50–$75 million without the slightest risk involved.

Whatever happened to risk capital? Free enterprise?

Was it Prof. Harold Hill, the music man, who spoke of "an ironclad lead to a three rail shot?"

Mr. PATMAN. Mr. Chairman, I yield to the gentleman from Connecticut (Mr. COTTER).

Mr. COTTER. Mr. Chairman, I will vote against this bill.

My overriding concern is that this legislation establishes a dangerous and unnecessary precedent: the Federal Government now takes it upon itself to bail out private companies which have failed to measure up in the free enterprise system. There is no need at this time for a new Reconstruction Finance Corporation.

The loan to Lockheed is unconscionable. First, I am not satisfied that all private lending sources have been exhausted. Second, I do not believe that Lockheed will survive even if the loan guarantee is granted, because the economic survival of Lockheed is tied to the L–1011 which cannot be a commercial success. Third, I feel that such a bail-out will seriously affect the ability of the U.S. Government to establish more realistic contracting procedures in the defense area. Finally, and most importantly, I believe that this Lockheed loan constitutes an unfair competitive advantage to the other airplane manufacturers and, in essence, constitutes substantial subsidy for the British engine manufacturer, Rolls-Royce, which is in competition with U.S. companies.

Furthermore, I have listened to the argument that our defense posture will be weakened by the bankruptcy of Lockheed; Deputy Secretary of Defense Packard effectively answered this argument. He asserted that the Federal Government would get its military equipment even if Lockheed went bankrupt.

Another argument that is raised, and one that I am very sensitive about, is unemployment caused by the cancellation of the L–1011, I just want to point out that my additional views to the committee report, which I will insert, demonstrates that the L–1011 will not be a commercial success and that I feel these employees will be out of jobs anyway. What we are being asked to do by approving this loan guarantee is further waste our scarce Government resources on an uneconomic project. I believe that the men and women involved in the L–1011 should have jobs, but I submit that supporting a project that has no chance for commercial success cannot be justified to the American taxpayer.

Therefore, Mr. Chairman, I will vote against the entire bill.

At this point I would like to insert my additional views on this legislation:

ADDITIONAL VIEWS OF WILLIAM R. COTTER ON H.R. 8432

I oppose the Federal government Loan guarantee of $250 million to the Lockheed Corporation.

I voted for the $2 billion Emergency Loan Guarantee Act because the parliamentary situation in the Committee precluded a vote specifically on the Lockheed issue and other important issues.

I believe that this $2 billion Emergency Loan Guarantee Act is the best means to kill the Lockheed loan because the bill is so seriously defective that the House will reject it.

The concept of a Reconstruction Finance Corporation has some validity when the economic condition of the country warrants it. However, the current economic condition of our Nation, serious as it is, does not indicate that there is a pressing need for such expansive legislation at this time. Furthermore, this bill would be an ineffective tool for assuring that both the economy and the taxpayer are being helped.

Should the economy deteriorate to the degree it did during 1928–1932, I am confident that the Congress would act expeditiously to establish a Reconstruction Finance Corporation. Now is not the time for such expansive legislation and Lockheed is not a worthy recipient of any additional Federal financial assistance.

L–1101'S AS LOCKHEED'S ECONOMIC "LIFE JACKET"

There is little doubt in my mind that Lockheed should be left to fend for itself in the private sector of the economy.

My views aside, the $250 million guarantee to Lockheed, which is the major impetus behind this general bill, should be decided specifically by Congress. The House Banking and Currency Committee has held hearings, the staff has provided an informative report, and the Members of the Committee have devoted numerous hours studying the complex arguments surrounding this proposal. All of this activity on the Committee bill is for nothing if we say to the Executive Branch "we have studied the issue carefully, we have made up our minds, now you decide." This, I submit, is foolhardy and irresponsible.

Therefore, I believe that the Members of the House should vote specifically on the Lockheed loan. In my opinion, the facts of the case suggest that, even with this $250 million Federal loan guarantee, Lockheed will fail. The reason is simple: the L–1011 Tristar, Lockheed's first major civilian aircraft since its economically disastrous Electra program in the early 60's, will not be a commercial success. The success of L–1011 is the most necessary ingredient in the economic survival of Lockheed.

To believe that Lockheed will become economically viable with this $250 million guarantee is to assert that the L–1011 will be Lockheed's "economic life jacket". This is not the case!

Briefly, the L–1011 is a 250 passenger airbus with a U.S. airframe and British RB 211 Rolls-Royce engines. The British "won" the contract competing with other U.S. engine manufacturers by underbidding U.S. contractors, and are now in the process of increasing RD 211's costs and cutting back on the engine performance requirements. As a result, the final cost of the aircraft is unsettled.

The chance of economic success for L–1011 would be increased if it were a highly specialized aircraft, but the field is burgeoning with competition. The U.S. competition is the McDonnell Douglas DC–10 with a G.E. engine. The French-German entry is the A 300B. Given the state of the airline market there can be only the most serious doubts raised that the L–1011 will be a commercial success.

To make money on an airplane, the aircraft company must reach a "breakeven point", i.e. sell a certain number of aircraft, before there is any profit. Lockheed management estimates the breakeven point is 220 L–1011's, but the firm orders (not including tentative options) are now at 103. By Lockheed's own estimates this is 117 planes short of the breakeven point.

In addition, a study by the Office of Systems Analysis of the Department of Defense, a study by the way that was conveniently classified, demonstrated that Lockheed will have to sell 390 L–1011's before it turns a profit!

If this were not devastating enough, the airline companies, facing continuing serious losses, seem reluctant to continue progress payments on the L–1011 without very strong guarantees. For the record, these are the preconditions that Delta Airlines (which has a firm order for 24) has required before it pays any more to Lockheed for the L–1011:

"1. Lockheed must demonstrate that it has available an unrestricted loan agreement of $650 million on terms and conditions satisfactory to Delta's management [a U.S. loan guarantee is not specifically required].

"2. Delta must have satisfactory evidence that Lockheed and Rolls Royce (1971) have executed a firm contractual agreement for the continued manufacture, sale and delivery, as well as customer support requirements, of the RB–211 engines [this contract must be satisfactory to the other airline customers of Lockheed as well].

"3. Delta and other U.S. purchasers of the L–1011 aircraft and Air Canada and Rolls Royce are prepared to execute contractual arrangements satisfactory to them for the manufacture, sale and support of the RB–211 engines and spare parts therefor and that Delta's management must have received assurances reasonably satisfactory to it that Rolls Royce (1971) will support the RB–211 engines throughout the normal life of the L–1011 aircraft. We see one way to accomplish this, at least in part, by the placement of a substantial order for the L–1011 Rolls Royce Powered aircraft by British European Airways. During the past few weeks two Delta officials spent a week in Derby and London renegotiating Delta's RB–211 spare engine contract and holding a series of discussions with the Rolls Royce management and technical people. Subject to the program going forward, we believe we have resolved most of the outstanding issues of the renegotiation of the RB–211 spare engine contract. It might also be added that there seems to be some solid evidence that the new management of the Rolls Royce Aero Engine Division is a good one and that there are no known factors at this time which prevent the development of the engine."

"4. Delta, U.S. purchasers of the L–1011 aircraft and Air Canada and Lockheed are prepared to execute contractual arrangements reaffirming current orders for the L–1011 aircraft which would reflect revised delivery schedules, changes in price, specification and revised payment schedules.

"We have also as preconditions from our Board that Lockheed must satisfy us that its principal vendors will continue with the L–1011 program and that they are financially able to continue that program; that we receive a ruling from the Internal Revenue Service that each of our L–1011 aircraft to be delivered under the amended contract will be eligible for the investment tax credit.

"A further precondition includes the restructuring of the financing agreement with the United Kingdom banks and Delta and we expect to receive in the near future an unconditional letter from Lazard Brothers, the merchant banker for the financing, that the commitment will remain in full force and effect until the new financing becomes effective. The final condition is that at the time we propose to enter the amended contract with Lockheed that the Department of Defense shall have paid to Lockheed all amounts then due under its C5A, SCRAM, Cheyenne and shipbuilding contracts. *We understand that the other airlines have preconditions similar to ours, and for Delta's part we have continually stood willing and able, and do now, to discuss open matters on these preconditions at any time.*"

I have serious doubts that Lockheed and Rolls Royce can meet these stringent conditions. If these conditions are not met, the 103 firm orders for L–1011's are in serious trouble and Lockheed will be still further away from its productive goals needed to make the L–1011 a success.

I conclude from this and other data that the L–1011 will not be a commercial success.

As has been pointed out over and over again, if the future were so rosy for Lockheed's L–1011, private investors would be flocking to Lockheed's door. Since this has not been the case, I cannot justify why the American taxpayer should guarantee any further loans.

Finally, I am sensitive to the adverse employment aspects in California and other areas should the L–1011 fold. But given the future for the L–1011, I believe that even if the loan guarantee is granted, Lockheed L–1011 employees and the employees of the L–1011 subcontractors will still be facing unemployment but the cost to the government will be $250 million plus interest. The Lockheed loan should not be approved.

CONGRESS SHOULD DECIDE

Another glaring inadequacy in the Committee bill is that the Congress abrogates its responsibility to decide on the merit of these major loans. By establishing an Emergency Loan Guarantee Board that has the authority to approve loan guarantees, Congress has, in effect, removed itself from the decision process.

I believe that the Federal government should be the "banker of last resort" only after the specific Executive and Congressional authorization of each loan. The bill would be immeasurably strengthened by the requirement that Congress must specifically approve each loan the Board feels is necessary.

This proposal would assure that guaranteed loans of dubious merit, such as the Lockheed loan guarantee, would be analyzed and specifically approved or disapproved by the Congress.

Again, the Emergency Loan Gaurantee proposal is justified in terms of the national interest, and the representatives of the American people, the President through his representatives on the Loan Guarantee Board *and* the Congress should be required to approve each loan.

During my questioning of Arthur Burns, former Counsellor to President Nixon and current Chairman of the Federal Reserve Board, I asked if he saw any serious objections to having Congress specifically authorize each loan. Chairman Burns answered, "I see no objection to this procedure, no, not at all. On the other hand, I do not think that general machinery for dealing with emergencies, possible emergencies, of the kind that is provided for by the Federal Reserve bill and the Senate bill, is needed and therefore I prefer it. But I see no objection to the procedure that you suggest."

ARE THE TAXPAYERS PROTECTED?

The Committee bill provides little protection for the taxpayer.

Despite the assertion of the witnesses that the government and, in turn, the American taxpayer will be protected, there are no specific requirements in the bill that this must be done before the loan is approved. In testimony before the Committee, the witnesses assured the Members that there were "understandings" that Lockheed creditors would subordinate their prior claims against Lockheed, should Lockheed fail. I am very skeptical about such "understandings" since they do not appear to have much legal validity.

Tragically enough, the Committee bill provides no clarification on this point in Section 6(f), the section dealing with this requirement. The only financial institution that is required to subordinate its prior lien on the affected company's assets is the financial institution that provides the loan that the Federal government guarantees. Should, for example, the Bank of America decide to provide the entire $250 million to Lockheed under the government's guarantee, *only* the Bank of America will have to subordinate its prior lien rights leaving the Federal government and the taxpayer in the very undesirable position of having to pay the $250 million plus interest.

This bill, at a minimum, should be amended to require that all creditors legally subordinate their liens against the affected company so that the American taxpayer is protected.

In summary, the Committee bill is very seriously defective. At a minimum, these substantive changes should be made:

The Lockheed loan which cannot be justified on economic grounds should be specifically excluded from any loan guarantee program.

The bill should require meaningful Congressional participation by requiring specific Congressional authorization of each loan.

To protect the American taxpayer, all secured creditors of a company seeking a Federal loan guarantee should be required to subordinate their liens against the company to the U.S. government's lien.

Mr. PATMAN. Mr. Chairman, I yield to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I rise to voice my opposition to the pending legislation, the Emergency Loan Guarantee Act. No matter how this bill may be worded, we all know its main purpose: to rescue the Lockheed Corp. from almost certain bankruptcy through the use of tax dollars.

I remain unconvinced by the many pages of printed matter I have read and the many hours of debate I have listened to that it is in the national interest to bail out Lockheed from its financial difficulties.

There is no evidence that the national economy would be irreparably harmed by Lockheed's filing of a petition of bankruptcy and undergoing reorganization.

There is no evidence that the national defense would be irreparably harmed by Lockheed's filing of a petition of bankruptcy and undergoing reorganization.

There is no evidence that businessmen and consumers would regard a Lockheed bankruptcy petition as catastrophic.

And there is no evidence that the Nation's unemployment situation would be seriously affected one way or the other by Lockheed's bankruptcy petition and reorganization.

In what way, then, is it a disaster to the national interest for Lockheed to file for bankruptcy and to undergo reorganization in accordance with the law? A stronger, more efficient, and better-run company might actually result from this process.

The proponents of this legislation very rightly point out that no matter what its origin or original purpose the bill we now have before us is a generic one, a bill designed not only to aid Lockheed, but to aid other major businesses that may face a similar situation. This makes the proposal even more objectionable. I oppose it because it establishes a bad precedent and because it represents a further perversion of our national priorities.

Mr. Chairman, I am not opposed in principle to an active role for the National Government in the economy. But I do oppose involving the Government in what could become an endless succession of rescue efforts for failing businesses. This bill establishes a very dangerous precedent by authorizing $2 billion in loan guarantees for just such a purpose.

Where will it all end? Where will we draw the line? How many tax dollars will we eventually be forced to commit to this questionable practice? I warn my colleagues that on the basis of past experience we are only dealing with the camel's nose today. We must say "no" at this point or face the inevitable consequences.

Then there is the question of national priorities. I personally feel, Mr. Chairman, that at a time when we are constantly warned about budgetary constraints and limitations by the administration we have more urgent and pressing needs for $2 billion than to rescue big business from mismanagement.

We need to fund comprehensive programs to put the unemployed back to work. We need to fund programs to rebuild our decaying cities. We need to fund programs to assure the delivery of quality medical care to all our citizens. We need to fund programs to educate and properly nourish our young and to provide for our elderly. We need to fund programs to preserve our environment.

These and similar programs, with nationwide impact and far reaching benefits, should take priority over special interest legislation for a few big businesses.

I urge my colleagues to defeat his bill. We must not continue to pervert our national priorities by squandering scarce resources on legislation of dubious national value.

Mr. WIDNALL. Mr. Chairman, I yield to the gentleman from Ohio (Mr. J. WILLIAM STANTON) such time as he may consume.

Mr. J. WILLIAM STANTON. Mr. Chairman, there have been statements made in recent weeks which contend that there will be a favorable impact in the Nation's balance of trade if the L–1011 program is terminated and DC–10's are sold in its place. These statements are highly inaccurate. In fact, this development will result in an unfavorable balance of trade of at least $300 million.

There are hard economic facts underlying these estimated effects. First, it is not generally recognized that there is only a small difference in the amount of foreign manufactured parts for both aircraft. The costs of the Rolls-Royce engine being produced for the L–1011 is largely offset by the costs for wing and fuselage assemblies produced in Canada, Italy, and Japan for the DC–10. This foreign content cost differential is approximately $550,000 per aircraft—less than 4 percent of the total contract price.

Second and more important, this small difference in foreign procurement costs will be more than offset by the number of L–1011's expected to be sold in the United Kingdom. If there were no Rolls-Royce powered L–1011 program, these United Kingdom requirements would be fulfilled by the European-built A–300B, according to all indications from many British officials. It should be remembered that a substantial part of the A–300B will be built in the United Kingdom. If counter argument is made that A–300B is G.E. powered, then do not fail to note that 40 percent of the work by value on this engine is performed in Europe.

For Lockheed's projected 409 aircraft program for the L–1011, sales of only 16 L–1011 aircraft in the United Kingdom would more than offset the difference in foreign procurement cost between the L–1011 and the DC–10. It is expected that a minimum of 38 trijet sales will be lost in the United Kingdom to the A–300B if there were no L–1011 program. This number of additional sales alone would provide a favorable balance of trade for the L–1011 program amounting to approximately $300 million.

Worldwide, the continuance of the L–1011 program is estimated to result in a favorable balance of payments to the United States amounting to between $500 and $600 million.

Mr. WIDNALL. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania (Mr. WILLIAMS).

Mr. CONYERS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and three Members are present, a quorum.

The gentleman from Pennsylvania (Mr. WILLIAMS) is recognized for 8 minutes.

Mr. WILLIAMS. Mr. Chairman, this legislation that we are considering today, H.R. 8432, the Emergency Loan Guarantee Act, is one of the most important pieces of legislation that will come before Congress during this session. Never has a bill been so important and, at the same time, so misunderstood. I hope that my comments today will clear up these misunderstandings and enable you to support H.R. 8432.

One of the most important issues facing us today is the condition of our economy. We all know that unemployment has been rising. We all know that tax revenues have been below expectations. These are conditions which we all want corrected, and favorable action on H.R. 8432 will be a long step in the right direction.

This bill provides for a $2 billion loan guarantee program. The $2 billion emergency loan guarantee program establishes an Emergency Loan Guarantee Board consisting of the Secretary of the Treasury, the Chairman of the Federal Reserve, and the President of the Federal Reserve Bank, of the district in which an enterprise is located.

This bill also establishes strict guidelines to be followed by the Board in guaranteeing any loans. In effect, the only corporations or companies that could receive a Government-guaranteed loan would be those with a temporary liquidity problem and not those which are perennial "losers."

This bill even provides that when the inability of an enterprise to obtain credit through normal sources is a result of poor management, the Loan Guarantee Board shall require changes in management before guaranteeing any loans.

During the time that any enterprise has a Government-guaranteed loan, the enterprise cannot pay a dividend on its common stock or make any payment on any other indebtedness until the Government-guaranteed loan is fully repaid.

This bill even provides that under a Government-guaranteed agreement, the lender must give the Government-guaranteed loan a priority on any collateral securing earlier outstanding loans. In addition, the bill makes provisions for a guarantee fee and service charge to be paid to the Federal Government.

Obviously, these provisions of the bill will prevent any rush of corporations or companies to secure Government-guaranteed loans.

Now let us talk about Lockheed. Lockheed has been a profitmaking company for many years. They find themselves in their present difficulty due primarily to the Defense Department, under Secretary Robert McNamara, developing and using the total package procurement system.

Under this total package procurement system, the Pentagon would get an idea about a new type of aircraft, missile, or other military hardware, and decide how many of them they wanted. Then they would ask the suppliers for a bid on the total package.

Under the total package procurement program, the defense suppliers were forced to bid on the research and development necessary for the new equipment; the production of the prototypes, the setting up of the production line and producing the required number of units.

The pricing of any program which includes research and development is totally impractical, as a price cannot be set in advance on any research and development program. If it were possible to put a price on research and development, the Congress could appropriate a billion dollars for the research needed to discover a cure for cancer within a period of 1 year. What would probably happen is 1 year from now, we would have neither the $1 billion, nor the cure for cancer.

In referring to the C–5A contract which the Government had with Lockheed, Deputy Secretary of Defense David Packard testified:

> The total package procurement type of contract is unworkable for this type of program.

Yet, it was under the total package procurement type of contracts that Lockheed was forced to take a total loss of $485 million.

The total package procurement program was such a failure that the Defense Department is no longer using it. Again, Secretary Packard stated:

> During the last two and one-half years, we have been trying to correct these procurement practices that have been followed in the past. Some progress has been made, but we have much more to do.

Lockheed, their subcontractors, and certain airlines now have over $1.3 billion invested in the L–1011, a commercial plane called the Tri-Star. Some L–1011's have been produced and are now undergoing flight tests to obtain the necessary certification. One Member of the other body stated that the L–1011 would not fly. The fact is that an L–1011 flew from the United States to the Paris air show and performed admirably at the show.

Lockheed has over 100 firm orders for the L–1011 and the proposed $250 million Government-guaranteed loan to Lockheed would be repaid with the production of the 100th plane.

Due, principally, to the losses suffered by Lockheed under the total package procurement program, 24 banks have loaned to Lockheed $400 million. The fact is that these same 24 banks were making the arrangements to lend to Lockheed the additional $250 million needed to complete the L–1011 program when Rolls-Royce went into receivership, and the L–1011 is equipped with Rolls-Royce engines.

Bankruptcy of Rolls-Royce caused the bank loans to Lockheed to become classified and, therefore, the banks were unable to lend the additional $250 million to Lockheed. A classified loan is one that has developed a degree of risk, and the financial regulatory agencies do not look with favor on extending additional credit to companies whose loans have become classified.

However, the 24 banks have sufficient confidence in Lockheed's ability to recover that they have agreed to subordinate their loans to the Government-guaranteed loan. Also, Lockheed Corp. has made approximately a $14 million profit during the first 6 months of this year.

The thought has been advanced that the L–1011 should use the GE engine. This is impractical as it would cost $150 million to redesign the L–1011 airframe for the GE engine and a delay of 6 months would be encountered. Today, the British Government is subsidizing the Rolls-Royce to the extent of £1.5 to £2 million per week, and the fact that the L–1011 is using the Rolls-Royce engine will increase its foreign sales.

The continuation of Lockheed as a profitmaking company, and continuing Lockheed's subcontractors in business, means 60,000 jobs, and the loss of these jobs would endanger our economy. This means 60,000 working people paying taxes, and not 60,000 unemployed people collecting unemployment compensation benefits and, eventually, welfare.

Let us take a look at the past history of Lockheed. From 1961 through 1968, Lockheed paid $328.9 million in Federal corporate income taxes alone. Of course, this does not include the millions of dollars paid in Federal income taxes by Lockheed's employees, their subcontractors, and the employees of the subcontractors.

During this same period of time, Lockheed had net earnings of $344.2 million. This sum of money was paid to the stockholders who, in turn, paid Federal income tax on it.

Now, let us look at some of the arguments against the Emergency Loan Guarantee Act. The first is that the Federal Government should not be interferring in private enterprise, and that this bill would provide a precedent. The fact is that the Reconstruction Finance Corporation was formed in 1932 when this country was in the middle of the great depression. The RFC was formed to give assistance to private companies and corporations in order to enable them to expand, modernize and to continue as profitmaking organizations hiring more people. The RFC did a fine job in helping this country to get out of the depression.

During the life of the RFC, over $38 billion was loaned to private enterprise in the form of direct Government loans. Almost $2 billion was loaned to States, their political subdivisions and government agencies. The fact is that on the loans made directly to private enterprise, the operation of the RFC showed a profit. Since the RFC made loans to private enterprise from 1932 until the early 1950's, this bill before us today is certainly not establishing a precedent.

If you think that Federal guaranteed loans are anything new, just consider the testimony by the Secretary of the Treasury, John B. Connally. He stated that Federal guaranteed mortgage loans at the end of this fiscal year are expected to exceed $140 billion; there will be $10 billion of outstanding Federal guarantees for low-rent public housing; Small Business Administration loans, and guarantees are expected to reach almost $4 billion within the next year; and loans plus guarantees by the Export-Import Bank are projected to exceed $9 billion dollars.

In addition, in 1967, the Federal Government made a direct $75 million loan to Douglas through the V-loan program.

The argument is also advanced that some things have a greater priority, such as housing, education, and poverty programs. The answer to that argument is that if we do not have corporations, companies, and working people to pay the necessary taxes, we will not have any money for any social programs.

An amendment will be offered today to provide for the U.S. Government to make the $250 million loan directly to Lockheed so that the Federal Government will get the interest on the loan. The fact is that we have just finished fiscal year 1971 with a deficit of at least $23.3 billion, and the Department of the Treasury is having difficulty in borrowing enough money to meet its own obligations. The fact is that today the Treasury Department is paying 5.83-percent interest on short-term borrowing of 182 days, and it is having difficulty in securing any long-term credit at interest rates of over 7 percent.

An amendment will also be offered to reduce the $2 billion Emergency Loan Guarantee Act to a maximum obligation of $250 million from the present $2 billion. The reduction to $250 million would make this simply a Lockheed loan guarantee bill, and if another major corporation, or company encounters a temporary liquidity problem, we would not be able to assist them without going through another extensive, lengthy legislative process.

Consider the statement made by Dr. Arthur F. Burns, Chairman of the Federal Reserve, in which he stated:

> Developments over the past year or so have underscored the need for standby authority for Government guarantees of loans to business firms in emergencies where the alternative could be severe damage to the national economy. We hope that such guarantees will be needed only rarely, if at all. But, in the light of recent experience, the prudent course is to put in place loan guarantee machinery, to provide better protection against the risk that a temporary liquidity problem of one business enterprise may grow into a major national problem.

In conclusion, the fact is that a vote for H.R. 8432 is a vote for maintaining 60,000 jobs, and a vote to strengthen our economy. It is also a vote to continue a substantial revenue to our Federal Government, and to the other governments at various levels.

I urge my colleagues to support H.R. 8432.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, when this legislation was introduced some months ago I confess I viewed it with considerable concern. However, during the extended hearings before our committee I became convinced, as I think most of us did who heard the testimony, that there was and there is ample justification, most persuasive justification, for a Federal guarantee of $250 million of bank credit to the Lockheed Corp.

Let me say, Mr. Chairman, that initially I had reservations about the precedent that might be involved in this kind of legislation and that such a guarantee might be construed as an assault upon our bastion of free enterprise. However, in point of fact, Mr. Chairman, the precedent argument is not very telling.

As others have indicated, the Federal Government has guaranteed far in excess of $100 billion in home mortgages.

Mr. CONYERS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred Members are present, a quorum.

The gentleman from Ohio (Mr. ASHLEY) will proceed.

Mr. ASHLEY. As you know, Mr. Chairman, the Export-Import Bank, an agency of the Federal Government, continues to guarantee hundreds upon hundreds of millions of dollars of export credit and that the Small Business Administration guarantees small business loans based upon this same principle. So, we cannot really take the position that this legislation represents a marked departure from past practices.

Mr. Chairman, I had reservations with respect to the management capability of Lockheed but I must say that the hearings were quite convincing on this point. As the gentleman from Pennsylvania who preceded me in the well has indicated, the difficulty is not one of bad management, but one that emanates very largely from the extraordinarily difficult position of having to bid under the total package procurement policy of the past administration.

I had reservations, Mr. Chairman, about the role that commercial banks should play, but I must say that we did have the direct testimony of the 24 major banks which extended $400 million worth of credit to Lockheed. There does come a point with commercial banks, considering the risks involved, where they reach the end of the road. This point has been reached.

Unless they do have a Federal guarantee, they simply cannot continue to extend credit to the Lockheed Corp.

Initially, I had reservations about the actual impact of a Lockheed bankruptcy, whether or not the reports might not indeed be exaggerated. But here again the testimony was irrefutable that there will be extremely serious unemployment ramifications if Lockheed does not survive; that there will be adverse defense implications, enormously severe trade implications, and that there will be the loss of $400 million to the banks, $240 million to the airlines and $250 million a year in tax receipts if Lockheed is allowed to go under.

Finally, I have reservations about the risks to the taxpayers, as I am sure we all have had, but here again, Mr. Chairman, the fact of the matter is that there is little risk to the taxpayers under the legislation that is being advanced today.

I say that because in the first place there are firm orders of nearly 100 aircraft. After the sale of 101 aircraft the Federal guarantee will be expunged—and that is all but a certainty. But in the event that something should happen, as one of the speakers has pointed out, the collateral position of the banks is second to that of the Federal Government, so that there is really no way in the world that the Federal guarantee can cost the taxpayers one single dollar.

Even so, I have had reservations about the form of the bill that is before us now. It is for this reason, Mr. Chairman, that I will offer the four amendments that have been referred to earlier.

Under the pending legislation $2 billion is established as a guaranteed loan fund authorization. There has been no justification for this amount. The principal amendment that I will offer will be to reduce this to $250 million. There will be an ongoing, continuing mechanism for the Loan Guarantee Board to consider future applicants, if there be such. But there must be and there will be under my amendment the requirement that the Board come to the Congress for replenishment of the loan guarantee authority on a case-by-case basis. This will assure the proper kind of congressional consideration by both Houses of Congress.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I would ask the gentleman if I did not see a picture of 24 or 27 bankers during the hearings before the Committee on Banking and Currency, who appeared in behalf of this legislation?

Mr. ASHLEY. I do not know if the gentleman did or not. I think there was such a picture in one of the newspapers; yes.

Mr. GROSS. Well, were they there?

Mr. ASHLEY. Yes, they were there.

Mr. GROSS. If this risk is so good, does the gentleman mean to tell me that 27 bankers, or whatever it was—24 or 27—cannot find $250 million?

Mr. ASHLEY. The reason that there is essentially no risk to the taxpayers is because the banks are willing to subordinate their collateral position to that of the Federal Government. That is why——

Mr. GROSS. We can go into that later.

Mr. ASHLEY. Let us go into it now.

Mr. GROSS. But if this risk is so good, why do they not put up the money?

Mr. ASHLEY. The point of the matter is that the banks have put up $400 million already. They are collateralized to that extent. And in their judgment it is not warranted, on the basis of risk, to loan another $250 million without a Federal guarantee.

Mr. GROSS. I have heard most of the debate this afternoon. I have heard more than one Member say the Government would have a first lien on Lockheed's property, and other Members say that the Government would have priority.

Now, is there anything in this bill that guarantees a first lien to the Federal Government? I am not interested in a priority arrangement.

Mr. ASHLEY. The fact of the matter is that the Federal Government will have the first lien on the collateral that presently supports the $400 million of bank credit already extended.

Mr. GROSS. But there is no such provision in this bill.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman.

Mr. ECKHARDT. I agree with the gentleman's proposed amendment, but I am not sure though that I can support the bill even if it is amended. I want to ask a question about this of the gentleman.

It seems to me, it is entirely possible that the provision of section 6 which affords the guaranteed loan a priority superior to all other priorities under the bankruptcy act may go too far. Of course, it must be understood that this loan will be made prior to any bankruptcy or any chapter 10 reorganization.

Now if there is a prior lien to all possible claims, this means that the prior lien must be ahead—that it must be acclaimed ahead even of the administration of bankruptcy, which includes of course the wages of employees after the Section 10 reorganization—and it includes also the placing of this claim ahead of—

Mr. ASHLEY. Yes, ahead of the preferred creditors.

Mr. ECKHARDT. Yes, it places this claim ahead of preferred creditors, even the Federal Government. So what you will be doing is to place the banks ahead of the United States as creditors.

Mr. ASHLEY. Let me say that the preferred creditors in the Lockheed situation have agreed to the subordination of their collateral position.

Mr. ECKHARDT. But that is not quite the answer, I am afraid.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman.

Mr. ROUSSELOT. Mr. Chairman, I would like to reply to the gentleman from Texas (Mr. ECKHARDT) and with reference to his concern. I, too, was concerned about the same issue that the gentleman has raised.

The Treasury Department recommended language to amend section 6 of the original bill to accomplish what the gentleman from Texas has suggested. This amended section 6 as it appears in this bill before us which would only be utilized if the Government did have to foreclose on Lockheed. I believe that the language was accepted in the Senate version—in our House version, and it was understanding that such language will correct the situation raised by the gentleman from Texas.

I believe the gentleman from Georgia (Mr. STEPHENS) was also concerned about that and made sure this was corrected in committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WIDNALL. Mr. Chairman, at this time I yield 5 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield briefly?

Mr. WYLIE. I yield briefly to the gentleman.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding.

I would like to reply to the gentleman from Iowa (Mr. GROSS). When the 24 bankers were sitting before our committee, as the gentleman has suggested, the issue he has raised was discussed as to why the banks were not in a position to go further with additional loans than they already have gone. The answer was, as I understand it, was because of various Federal and State bank regulations. That is why the bankers came before the committee. The bankers clearly admitted that the problem existed and that is why they felt it would be up to the Congress to help to correct that situation. And allow them to overcome Federal administrative restrictions.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for his contribution.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman.

Mr. WIDNALL. I would just like to make this comment about the picture referred to by the gentleman from Iowa (Mr. GROSS). On the front page of the newspaper that published the picture, it said that the picture was taken at the House Commerce Committee.

So I do not know whether the record should be corrected so far as the paper is concerned or so far as the record here is concerned. But there was a miscaption.

Mr. WYLIE. I thank the gentleman.

Mr. Chairman, I speak as one who, when this idea first surfaced was inclined to be against it but willing to listen. As a member of the Banking and Currency Committee I was privileged to participate in the hearings on this bill. I learned that it was not a blatant case of a big corporation asking for a give-away from the Federal Treasury with no strings attached, as first presented by opponents. It was not a direct loan from the Federal Government. The administration and Lockheed are asking for the guarantee of a loan which, I am convinced will never cost the United States a single penny.

If it is that good, why do the banks need a guarantee? That question has been repeated over and over again here today. Lockheed was only a few days away from the execution of the new $600 million agreement, having virtually completed negotiations with all of the 24 lending banks, and the documents were virtually all completed and awaiting signature.

Before either the defense settlements or the credit agreement could be made final, however, we sustained another major and unexpected blow in the receivership of Rolls-Royce.

Shortly after that, or while that process was going on, Rolls-Royce company went into receivership, and that was the reason the 24 leading banks then refused to sign the documents. They could not sign them because their loans immediately became what we call classified loans. That has been mentioned here before today.

Shortly after that Great Britain entered into an arrangement to give Rolls-Royce $5 million per week to keep them in business, which they have been doing since Rolls-Royce went into receivership, but they are continuing this arrangement only until such time as they are sure Lockheed will continue in business, and they say that that involves a loan guarantee by the U.S. Government.

When Secretary Connally was before the committee—and I refer to page 368—I said:

> Mr. Secretary, I find this problem that we have been discussing here to be very complex, almost an entangling wilderness to me.
>
> When we started on this question before this committee, we were told that we needed this guarantee of a loan to keep some 30,000 workers from unemployment, and that, therefore, the guarantee is good for the whole economy. I guess there is that prospect, isn't there if this loan is not guaranteed?

Secretary Connally said—

> There is no question about it.

Then I said—

> If this loan is not granted, do you feel that there is some question as to the viableness of this corporation as an ongoing enterprise?

Secretary Connally—

> Yes, sir; I believe so. And I say without the loan, they are going bankrupt.

I asked Dr. Arthur Burns about this when he appeared before the committee because, basically, I believe in the free enterprise capitalistic system that we have, that those business enterprises which are efficient, well-managed, and offer a good product at a price that people are willing to pay and possess good business foresight will survive and prosper, and that those firms lacking in one or more of those areas will fail, leaving the efficient to survive and serve the best interests of our society.

Dr. Burns, in the RECORD on page 422, said, in response to my question along these lines—

> Well, I am getting on in years. I look back to the happy days when the Federal Government never interested itself in questions of this sort.
>
> Some may regret this, but I for one think that the guarantee authority has helped this country. I think it has helped to maintain national prosperity.

There is more involved than political philosophy or whether Lockheed could or should not go ahead with building a new aircraft called the TriStar, or whether the taxpayers should be called upon to assist a business enterprise.

It boils down to three basic considerations in my way of thinking:

One, are we going to take a chance on 30,000 to 60,000 people being out of work and the ripple effect it will have on our economy?

Two, Lockheed is our largest defense contractor. Regardless how much we all yearn for peace, and irrespective of Vietnam, we cannot ignore the possibility that we may be called upon to defend ourselves at some point in the future. We must maintain a reserve of readiness, and Lockheed's potential is part of that reserve.

Three, there is the realization that this Nation's ability to transport people is sadly amiss. Railroad passenger service lost money.

The urban mass transit authorities are in trouble. We passed a $4 billion mass transportation bill last year. Only three airline companies made money last year. And yet we must provide wings or wheels for people to get around in this world of ours. Maybe this is the real issue.

In conclusion I say in any event I now feel that this bill is the only road out of this entangling wilderness, and I now support it.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut (Mr. McKINNEY).

Mr. McKINNEY. Mr. Chairman, when I was first confronted with this proposition, I must say my answer was negative. The time is very limited, and the day is long, but I think I would like to take the Members very briefly through some of the reasoning and some of the opposition to the bill which I have heard.

There are those who say this would establish a precedent for the Government of the United States. Nothing could be further from the truth. We have had the FDIC, the FHA, the SBA, foreign subsidies, and the Overseas Investment Act. In fact, this very year we will require through the Overseas Investment Act that the taxpayers of this country refund between $300 million and $500 million to corporations that have had their profits taken away in South America. We also have the Export-Import Bank. The very competitor that is mentioned here, that would become a monopoly should Lockheed fail, was the recipient within this very decade of a V-loan, which has made it possible for the McDonnell-Douglas Company to survive and be where it is today.

There are those who said we are favoring big business. Let us take a look at what we are dealing with. Lockheed is not a massive business by itself. We are dealing with 60,000 subcontractors, 27,000 of whom are small businesses. In one of the smallest States in the United States, my State alone, $66,700,000 worth of business and all the jobs that these dollars imply will go down the drain if this bill does not pass.

There are those who have said here that the Penn Central would have been saved under this bill. That is an out-and-out mistake. The Penn Central could never have qualified under this legislation. The Penn Central was bankrupt. Lockheed Aircraft is not bankrupt if the L-1011 goes ahead. They are simply totally nonliquid, mainly because of the ridiculous purchasing policies and a very doubtful contract by the Department of Defense.

People then say we are saving the banks. Let us analyze that question and look at it very carefully. If this legislation goes through and Lockheed still fails, the banks lose $400 million. If Lockheed goes under right now, the banks merely lose the difference between the collateral they have and the $400 million or a total of $235,000, and the receivers of Lockheed have the right to sue the Pentagon and this Government for the decision that was made between the Pentagon and Lockheed management—and I, though not a lawyer, feel very sure they would win some of the money back, thus costing the taxpayer more.

Returning to the cost to the taxpayer, this particular bill does not cost the taxpayer one solid dime. In fact, the RFC and the Export-Import Bank, which guarantee loans, are two of the few things this Congress has ever done that have ever made the taxpayer a dollar.

The taxpayer, if Lockheed goes under, is faced with the tax write-offs of every individual investor and every corporation that loses money, and the country will be faced with greater unemployment and increased welfare payments and their ensuing effect on the economy of the Nation not to mention the loss of revenue to the States and communities in which Lockheed does business. Even Eastern Airlines, one of the few airlines making money, will lose one-third of its assets and probably have to go in default of its loan note and interest payments.

There is one other thing we say, that the banks could lend the money, because they have a reserve. Under Federal law, the very agencies we on Banking and Currency criticize for not doing their job, have stated that Lockheed cannot be loaned any more money, that these loans are substandard and are classified.

The truth of the matter is we come to a very basic question. Research and development in the aerospace industry, is an incredible expense, which is the most undercapitalized industry in the United States, for the gross product it delivers. The banks have extended the necessary credit to make up the difference. The message is out they can go no further. It is probable that if we looked at the bank's reserves, we would find them entirely and totally eaten up with aerospace loans which are questionable at the very best.

There is also the complaint that we are supporting foreign products. In fact, though the L-1011 contains the British engine, the entire gross worth of the L-1011 is only 17 percent foreign product. The DC-10 is 15 percent foreign product. We are not subsidizing foreign product by any more than a 2-percent difference in the gross cost of the planes. In fact without this foreign product the plane is not acceptable for export.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WIDNALL. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. McKINNEY. Mr. Chairman, the last point I should like to try to get across is simply this: You and I went against, I believe, every principle we believe in, voting in this House to spend $2.2 billion to create dead-end jobs, to put men and women in places where they will have nowhere to go from, to create a situation of makework. With no cost to the taxpayer, but simply a little faith in this economy and in the future of our aerospace technology, we can keep 60,000 people working by passing this bill.

That is the highest priority in the United States of America today, keeping people working.

Mr. PATMAN. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD. Mr. Chairman, I would like to relate a fable entitled, "The Repeal of Darwin," to the Members of the House. I believe it has been attributed to Aesop but I cannot tell for sure. I do not believe it is a hoax, but I have submitted a copy to the National Review for authentication, just in case.

Once upon a time, dearly beloved there lived in the kingdom of US a dinosaur who became so fat and slothful he could no longer compete in the Jungle of Free Enterprise with the McDonnell lions or the Boeing tigers.

So the dinosaur who, although slothful, was a resourceful beast, betook himself to the backyard of his ever-loving Uncle Samuel, who ruled the kingdom of Us, and said, "Uncle, you must feed me or else what are you going to do with 80 tons of dead, stinking dinosaur meat in your back yard?"

Ever loving Uncle Samuel said "Of course, I must feed you. But how can I justify this to my nieces and nephews who pay taxes to support me?"

And the dinosaur said—"Uncle Samuel, if you will only feed me, I will give to you in return:

"A C–5 airplane that will do marvelous things never before seen by the eyes of your nephews and nieces;

"A SRAM missile motor;

"A Cheyenne helicopter that will be swift as an eagle but agile as a hummingbird;

"Naval ships galore at costs much less than the lions and tigers could match;

"A tunnel that would serve you well."

"If you will feed me, I will even venture into the Jungle of Free Enterprise where all of the animals of the kingdom can frolic without your having to worry about protecting them. Here, I will construct another marvelous airplane—the L–1011 that all of your nephews and nieces will admire and covet."

And Uncle Samuel said, "Surely if you can perform these deeds you should be fed. Even my nephews and nieces will agree to that."

Even when the C–5 aircraft could not perform as was promised and cost twice as much, Uncle Samuel fed the dinosaur with a soft contract settlement.

Even though the SRAM missile motor couldn't perform, Uncle fed the dinosaur.

Even though the Cheyenne helicopter could not fly any more than an ostrich or an auk.

Even though the Navy ships cost more than agreed upon.

Even though the tunnel exploded killing 17 people.

Despite all this, Uncle Samuel went on feeding the dinosaur and the nephews and nieces didn't complain because they had been told that Uncle Samuel always knew what was best for them when a question of national defense was concerned and national defense was a very Sacred Cow in the Jungle of Free Enterprise.

Despite all of this favored treatment the Dinosaur could not survive without help from his Uncle Samuel in the Jungle.

His L–1011 would not fly without further financial help from Uncle Samuel.

The nieces and nephews who paid the taxes for the C–5 overruns, the Cheyenne, the SRAM and the others objected.

They said that, where national defense was concerned, they didn't mind so much being bilked, but in the Jungle of Free Enterprise, the law was survival of the fittest.

But Uncle Samuel was wiser than his taxpaying nieces and nephews. He said, "What am I going to do with 80 tons of dead stinking dinosaur meat in my back yard. So therefore, I hereby repeal Darwin and declare that from henceforth the rule is the survival of the politically fattest and that because the Lockheed dinosaur is one of the politically fattest in the Jungle, it must be made to survive no matter how much it costs my taxpaying nieces and nephews.

And so, Mr. Chairman, in that not so far off and not so mythical country, which had brought to its people the highest standard of living in the known world by rewarding the leanest and fittest of the animals, the Law of Darwin was repealed and there began a new era in which sloth and mismanagement were not punished and, on the contrary, political power and influence were rewarded, and, until the country of Us fell apart, nobody was hurt except for the nieces and nephews who had to keep paying for their Uncle's soft-headed governmental policies.

I hope this fable will never happen to the United States of America.

Mr. WIDNALL. Mr. Chairman, I now yield 5 minutes to the gentleman from New York (Mr. LENT).

Mr. Chairman, will the gentleman yield to me?

Mr. LENT. I yield to the gentleman from New Jersey.

Mr. WIDNALL. I just regret that the Aesop fairy tale that was just recited left out a very essential element; namely, that the prehistoric animal was forced to swallow a $200 million pill by Uncle Samuel. And that is all a part of the record.

Mr. LENT. Mr. Chairman, I rise in support of the bill. It seems very clear to me that this body has little alternative but to act favorably on this measure which is so critical to our Nation's delicately recovering economy.

During the course of the debate on this measure, we have been told that to guarantee these loans would be to endorse poor management and to encourage further overextensions by other private giants who know that the Federal Government will be there holding the net if they topple. This notion has clouded the immediate issue at hand, Mr. Chairman—whether the Congress can, in good conscience, reject the immediate welfare of a great many American people.

Absolutely no precedent is set by this legislation. We all know that loan guarantees to banks have been accepted for years. Further, nearly the whole of loans extended by the Small Business Administration, FHA, and Veterans' Administration home loans have long been guaranteed by the Federal Government. The Government has over $100 billion in loan guarantees outstanding, so this loan guarantee is not unique.

Those who say that this action would be a featherbed maneuver to rescue big business miss the point here, Mr. Chairman. This important measure is designed to assist those who are employed to keep those jobs.

I need not again reiterate here the facts and figures illustrating the tremendous adversity that would befall the country if we do not act favorably on this measure. They have been amply stated by prior speakers.

All of us are well aware of how much and how many would go down the drain if we let this important question be decided on the basis of whether an economic wrist slap is in order for poor management practices.

I, for one, just do not wish to opt for the possibility of another 60,000 Americans being thrown out of work in this Nation at this critical period.

Neither do I wish to take part in the eulogies for the many small businesses which stand to be gutted if we deny this proposal.

Further, it seems clear to me that simple mathematics would rule out the alternative of a possible half-billion-dollar Federal revenue loss, coupled with the eventual leap in unemployment compensation and welfare payments, should we reject this measure.

The pure and simple fact, Mr. Chairman, is that if we do not act favorably upon this bill, the catastrophic effect would immediately be felt across the entire country, and an economy which is just beginning to demonstrate signs of brightness would be guillotined.

I do not want the resulting tremors of a massive bankruptcy thrust upon my own district, which has already been hard hit by unemployment in the aerospace and technical professions.

I fervently hope that we will experience no more Lockheeds. On the other hand, the overriding immediacy of the possible collapse would seem to dictate that we act here, not with the thought of meting out punishment, but rather with the interests of the thousands of workers likely to be affected in mind.

I hope my colleagues will join me in my reluctance to participate in writing the 60,000 pink slips that are likely to be issued if we choose the former motivation in making our judgment. I urge my colleagues to support this bill.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia (Mr. STEPHENS).

Mr. STEPHENS. Mr. Chairman, in the interest of time, about which all of us are now concerned, I will limit my remarks to 5 minutes so that some of the other Members may have an opportunity to talk.

Mr. Chairman, I was very interested in the fable that my colleague from

Pennsylvania (Mr. MOORHEAD) gave us a little while ago. I will now take a couple of minutes to tell the truth and let the fables speak for themselves.

Mr. Chairman, the truth is: This is an emergency. We support this legislation for the purpose of helping people keep jobs that already exist in this industry.

We heard Mr. MAHON ask the difference between this bill and the bill for $1 billion to create jobs. The latter is a direct grant of appropriated funds to try—or hope—to create jobs that do not exist. The bill, we support, is to put up no Federal money to keep jobs already held by people. There is a vast difference.

To move to another truth, the Defense Department reputedly is not in agreement on the degree of responsibility its procurement contract demands has had on the terriffic financial difficulties in which Lockheed found itself.

Mr. Chairman, I do not care about the conflicting reports that have been circulated. All I know is based upon the direct evidence before our committee. The Deputy Secretary of Defense Mr. Packard made the statement that the Lockheed financial difficulty is partially fixed in the way Lockheed had to bid and the way Lockheed had to operate on defense contracts.

All we are asking is this: Since the Government is partially responsible under the uncontroverted evidence, then the Government should take partial responsibility to help undo this difficult situation. This seems to me to be a fair and an honorable position.

Now, let us look at some other truths.

First. No precedent is set by this legislation. Guaranteed loans to banks have been an accepted practice for years. Almost the entire program of the Small Business Administration, Veterans' Administration home loans, and Farmers Home Administration is now financed by the Government guarantee of loans made by banks and private enterprise. The same procedure has been a major factor in the financing of the program of the Export-Import Bank and student loans for education.

Second. No money is loaned by the Government under the bill. Private banks make the loan. The money advanced is the money of the banks.

Third. The United States will be paid for each guarantee. A guarantee fee shall be prescribed and collected by the Government in connection with any loan.

Fourth. The United States gets a first lien. The Government shall have a priority with respect to any bank's interest in any collateral securing any guaranteed loan and any earlier outstanding loan.

Fifth. No loan will be guaranteed except as a national emergency. The burden of proof is on the applicant to show that its failure "would adversely affect the economy of or employment in the Nation of any region thereof."

Sixth. Allegations that this legislation is for big business is a myth. This legislation is designed to help people. It is to help those who are employed already to keep their jobs. This is the point of national emergency in this bill.

The Supreme Court some years ago punctured the myth of the impersonal and impregnable qualities of corporate entities by saying it would "pierce the corporate veil" to find the substance of a matter under legal investigation. All evidence before the Banking and Currency Committee shows that this has been done and that certainly the substance of the legislative aim here is to help people. The dire circumstances of Lockheed Corp., makes it only the vehicle through which help may be rendered.

Seventh. Specific application of legislation to Lockheed. The initiation of this legislation was founded in the national need to give the employees of Lockheed Corp. and its subcontractors and their employees a fighting chance to keep their jobs. All evidence before the Banking and Currency Committee on the Lockheed situation clearly shows this has been the case.

Eighth. Some 27,000 small businesses adversely affected. The Secretary of the Treasury produced before our committee a stack of computer data that shows that 34,000 business entities would be adversely affected by a Lockheed failure. Of these, he said 27,000 were small businesses.

Ninth. Some 60,000 jobs may be lost. Evidence shows that subcontractors and major suppliers are in at least 35 States. At least 17,800 Lockheed employees on the Tri-Star program will be eliminated and 16,000 jobs at subcontractors and suppliers will be lost if Lockheed fails. Indirectly, other jobs will disappear in services such as waiters and waitresses, insurance agents, filling station jobs and the like. Computer data based on facts supplied by economists show a national economic effect in the loss of 60,000 jobs; 53,000 shareholders also would have investment losses. Thousands of these are small investors whose life savings are involved.

Tenth. A $500 million loss in direct revenue to the United States. Undisputed testimony provided the committee shows at least half a billion dollars will be lost in direct revenue to the Government if Lockheed goes into bankruptcy. This consists only of corporate income and taxes both of Lockheed and its subcontractors and suppliers and the people who now work for them. This does not include revenues the States will lose. It does not include write-off losses at the banks on the $400 million now on loan nor losses to airlines in advanced payments for the L–1011.

Eleventh. The Government risk. Even though putting up no money—the Government will be only an endorser—the Government gets a fee and takes a first lien and mortgage on all assets of the company which has an estimated net worth of $285 million and will incur only a contingent liability of $250 million to save itself from a sure loss of $500 million. At the same time it will be serving the national need to save thousands of jobs.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I will be glad to yield to my colleague, the gentleman from Georgia (Mr. DAVIS).

Mr. DAVIS of Georgia. Mr. Chairman, I thank the gentleman for yielding and I want to associate myself with his remarks. As a Member of this House who represents the Lockheed Georgia plant I want to say that I sincerely hope that the membership of this committee will see fit to support the legislation in such form as it may be in at the time the committee finishes its deliberations.

Mr. Chairman, the Emergency Loan Guarantee Act of 1971 is being considered today not just as a remedy for the financial ills of a particular corporation, but as preventive medicine for the unemployment epidemic which will surely result if we turn our backs on the people in the aerospace and defense industries as they attempt to convert their efforts to civilian-oriented projects.

There has been a lot of talk recently in the Congress about the need for changing national priorities. If it is to be anything more than talk, I am convinced that we must stand up to the responsibility we owe the American people to plan this readjustment rationally.

We must wake up to the fact that unless the Government intervenes to assist firms in reorientation to a new market, we will encounter built-in resistance to our efforts to change national priorities.

We all know that the Lockheed Corp. is looking for guarantees on a commercial venture, and that this, the firm's first such project in a number of years, is at the heart of this controversy. But have we stopped to consider Lockheed's recent research in rapid transit and in STOL and VTOL aircraft, types of transportation sorely needed in our country today. The firm has the potential to do much more in this realm. We would be making a tragic mistake if we were to throw away a vast corporate resource which can be harnessed to our changing priorities.

I would like to examine several other key elements in the case before us today.

First, in December of last year, the Lockheed Corp. was asked by the Department of Defense to assume $480 million in losses on various programs. Within 48 hours after this agreement had been mutually accepted, word was received that Rolls-Royce had gone into bankruptcy. This is the essence of Lockheed's current financial dilemma—a crisis for which the Federal Government bears substantial responsibility.

Second, there are definite precedents for assisting large firms, and usually the rationale for such support centers on the value of competition in our economy. For instance, American Motors was granted a $20 million tax aid in 1967 in order to assure that a fourth major competitor be kept in the automobile industry. Another example was disclosed by Mr. C. J. Medbury, chairman of the board of directors, Bank of America, in testimony before the Senate Banking Committee. He said:

> Loans have been guaranted to promote competition. Some of the major aluminum reduction plants operating today were financed with such support.

There is, too, the quite direct precedent for assistance in the $75 million V-loan arranged for Douglas Aircraft in 1967, when it was in trouble with its commercial programs.

Is not the argument for maintaining

competition at least as strong in Lockheed's case?

While the Lockheed Corp. seeks loan guarantees on a commercial project, the success or failure of this bill will determine the ability of the corporation to perform its defense functions. If the company were dissolved, competitiveness in many types of Government bidding and competition in innovative aerospace design would be significantly reduced in the future.

Third, minimal risk is involved. The Lockheed L–1011 Tri-Star jet is flying and performing well. According to Mr. John H. Shaffer, Administrator, Federal Aviation Administration, in testimony before the Senate Banking Committee on June 10:

> The L–1011 is further advanced and more trouble free than were many earlier commercial jet aircraft at the same stage of their development. We have actually invested some 50,000 man-hours on our certification process thus far. And that means we are about 60% of the way through our certification program.

Banks have already illustrated their faith in the program by putting up more than $350 million. They have supplied an additional $50 million under a verbal commitment and agreement while this legislation is sought. Lockheed seeks the loan guarantee for an additional $250 million not because of a lack of faith on the part of bankers, but because there is a limit to what private bankers can do. They are demonstrably willing to invest in Lockheed. Some of these institutions have actually reached the limit of their loan authority in the absence of the guarantee, and the bill we are considering today would free those who so desire to invest more in the Lockheed project.

The taxpayers' money is protected under the proposal in the form of a prior lien on all assets. I quote the additional views on H.R. 8432 by one of the most respected men in this body, my dear friend and colleague, ROBERT STEPHENS, of Georgia:

> The government shall have a priority with respect to any bank's interest in any collateral securing any guaranteed loan and any earlier outstanding loan.

Most importantly, Lockheed will be able to repay the guaranteed portion of its bank loan in 1974, after delivery of approximately 100 aircraft. Lockheed already has firm orders for 103 L–1011's and options for 75 more. The estimated market for the basic wide-body airbus is some 775 aircraft by 1980.

Fourth, there is adequate precedent for the amount of the Federal guarantees proposed in H.R. 8432, as reported out of the Banking and Currency Committee. I would quite frankly support a bill designed for Lockheed's needs alone. However, let me point out to the Members of this House that the $2 billion figure offered in this bill when it came to the flood is dwarfed by more than $140 billion in federally guaranteed mortgage loans estimated for the next fiscal year. I would further like to point out that even the "broad" committee bill being considered here is quite limited in scope when compared with the loan program of the old Reconstruction Finance Corporation. It is my understanding that RFC made over 362 loans in amounts of at least $1 million each during its two decades of service.

Finally, Mr. Chairman, I would like to point out that what is before us today is not a question of whether we should promote the corporation at the expense of individuals, but rather a clear-cut case for saving the tens of thousands of "little people" who work for Lockheed and its subcontractors, who will have been deliberately forgotten if the loan guarantee is rejected. I would like to remind the House that when we talk about loan guarantees for this company, we are talking about significant numbers of jobs, people and human lives will be hurt in this instance if Lockheed fails.

I do not believe that the country can afford the loss of the services of this firm. I do not believe that we can afford to toy with disaster for the estimated 34,000 subcontractors. I do not believe that we can afford another 60,000 unemployed if the L–1011 project is abandoned. The Congress must not turn its back on these Americans.

Mr. GETTYS. Mr. Chairman, throughout all of the debates and discussion on the matter of a loan guarantee for Lockheed, many statements have been made raising the question of whether we should bail out a large corporation. Of course, this is a legitimate question, but I believe we must look behind that question to determine what the real issues are and what the consequences would be if we allow a big corporation to go into bankruptcy.

The first effect is jobs—and that matter has been discussed many times, indicating how there would be a very adverse effect on our economy in many parts of the country. Another effect is the hundreds of millions of dollars lost in tax revenue to the Government both from the declaration of a billion and a half dollars in investment losses and from the unemployment and underemployment of tens of thousands of workers.

There are many other adverse effects which can be discussed in this unique case—but one that has received far too little attention up to now is the ripple effect on subcontractors, and even more importantly on small business firms.

One of the peculiarities of the aircraft manufacturing business is that a big prime contractor—like Lockheed—is completely dependent on thousands of small businesses which specialize in building aircraft parts and electronic components. This is why the aerospace industry always shows a very high percentage of small businesses in its list of suppliers. Currently, for example, over 70 percent of Lockheed's subcontractors and suppliers are small businesses—and the total number of them in all tiers on the L–1011 program alone is over 22,000. These numbers do not include firms which supply paper and pencils and furniture and adding machines and other office supplies. They include only those which contribute directly to production of the L–1011 airplane.

This dependence of the large prime contractor on small business occurs primarily because most of these small firms are specialists in some particular area and they can make their product better and cheaper than it can be made by the large prime. There are tens of thousands of parts that go into any airplane and thousands of small businesses make most of those parts.

Because of the specialty nature of the small business subcontractor, he is just as dependent on the large company as the large company is dependent on him. His machinery, his equipment, and his plant buildings are all geared to manufacture parts that are suitable for aerospace products. His equipment and all of his facilities cannot be turned readily, if at all, to the manufacture of furniture or textiles or tin cans or any of the requirements for consumer goods.

All of this means that when a major project like the L–1011 goes down or when a major aerospace company like Lockheed goes down, the adverse ripple effect among thousands of small businesses would be very severe indeed.

In the first tier of L–1011 subcontractors—that is, those companies which have direct contracts with Lockheed on the L–1011—there are 1,012 small business firms who hold contracts even at this early stage in L–1011 production which are valued at more than $120 million. In the second, third and lower tiers of subcontractors on the L–1011 program the latest estimates are that 22,094 are small businesses. The value of their contracts even at this early stage is estimated to be about $400 million.

It is estimated that 33 percent of all L–1011 subcontract dollars will end up with small business firms as these dollars flow down through the various tiers of suppliers. This means the L–1011 program if it goes to the 409 airplane deliveries now projected by Lockheed would produce over $1 billion worth of business for small business firms.

Because of the specialty nature of these small businesses many of them show that their L–1011 contracts are a major part of their business, and in a number of cases it is 75 percent or more. Thus, if the L–1011 contracts are canceled these firms would be left with idle machinery and plant space—thousands of idle employees—but with the overhead going on. Such a situation could be disastrous for dozens of small firms—could have a severe adverse impact on hundreds of others—and even where L–1011 contracts are minimal, the adverse financial impact could be very substantial.

With all these facts in mind, it is improper and inaccurate to say that we are voting on the question of whether to bail out a big corporation. Instead, we must consider also the severe ripple effects on thousands of small businesses who are the innocent bystanders in this unique situation.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. KEATING).

Mr. KEATING. Mr. Chairman, today the Congress is being asked to approve a $2 billion Federal loan guarantee program. I wish to register my strong objections to the passage of this bill.

The timing of the request has been too hasty from the time when the legislation was introduced to the time it has come before us on the floor.

I believe a reasoned analysis of the facts which were presented before Senate and House hearings dictates a negative response to this proposal.

I would like to briefly review the different aspects of this legislation.

Should the Federal Government involve itself in this kind of financial relief? Many have expressed support of this legislation on the basis the Federal Government was taking action to preserve a large company with a large number of employees at a time when our economy needs all the jobs it presently has. Nevertheless, most admit this is "stopgap" legislation. The specific request for this legislation was triggered by the Lockheed Corp. tottering on the verge of bankruptcy and threatening to go out of the business of producing Tri-Star aircraft. The immediate relief sought was Federal guaranteed financing to keep Lockheed going and keep the men on their jobs.

Those who object strenuously to Federal interference in the private sector have been told that the measure is just a temporary type of relief and is not meant to be a permanent solution by the Federal Government.

Testimony before House and Senate committees included Treasury officials, Lockheed officials and bankers and suppliers directly connected with the Lockheed operation. To my knowledge, not one independent or impartial witness testified in favor of the Lockheed loan.

I am afraid because of the manner in which this legislation has been handled we are relying on what may be pure speculations, and possibly in some cases gross exaggerations. If we act on the information we now have available, I am afraid we are placing ourselves in a position where we can be accused of being participants in a financial hoax, the cost of which will be borne by the American public.

Mr. Chairman, in support of this strong conviction, I offer the following facts for your consideration.

When Lockheed assistance was proposed, the initial fear was that it would create a precedent. This fear now has become fact. Prior to the time the Lockheed assistance legislation emerged from committee, it carried with it $1,750,000,000 worth of assistance for other corporations to call upon in the future.

Employment figures given in committee testimony have been blown out of proportion to what the employment situation really is. Lockheed's president testified that some 11,000 Lockheed workers would be laid off if Lockheed terminated production of the Tri-Star. Additional testimony was given by administration officials indicating that 10,000 out of 16,000 suppliers and subcontractors would also lose jobs because of Tri-Star termination. In round figures, this comes to a direct layoff of some 20,000 workers as a result of Lockheed's failure to continue with the Tri-Star. However, the figure we hear so often here in the House and in the other body and the figure the American public hears and reads is not 20,000 but 60,000 jobs lost because of Lockheed's failure.

This 60,000 figure results from a job loss multiplication which apparently Lockheed officials and Treasury bureaucrats have engaged in. This is a gross exaggeration of the job situation that will result if Lockheed fails to obtain Federal help.

If these supplying and manufacturing jobs are lost to Lockheed, they will in all likelihood be assumed by other American manufacturers and suppliers. The number of service-oriented jobs will not decrease to the extent stated by Lockheed proponents.

The reason this fact is not obvious to committee members and the general public is that complete testimony has not been given by other representatives of the aerospace industry and the financial community. All impartial witnesses, such as economist John Kenneth Galbraith, who did testify stated that the employment impact would not be as adverse as Lockheed indicated.

I might add that because of the heavy financial interest involved in this legislation, there was tremendous pressure exerted to have some members of the aerospace industry refrain from testifying and to move this legislation through as quickly as possible.

Another example of a distortion of the facts before us occurs in the discussion of how much of the Tri-Star plane and engine is produced in foreign countries and how much of the competing plane, the DC-10, is made in foreign countries.

A Lockheed factsheet claims that the Tri-Star aircraft with three Rolls-Royce engines is produced by dollar cost 17 percent in foreign countries. The competing aircraft, the DC-10, according to testimony given by Treasury officials is to be produced by dollar cost 15 percent in foreign countries. Aerospace industry sources other than Lockheed indicate that these figures are not accurate.

The true figures, it appears, are as follows. For the Lockheed L-1011, the figures are 24 percent foreign made for the initial cost of the aircraft. Estimates go up as high as 40 percent when one considers the 15-year life of the aircraft.

This is caused by the fact that the engines for the L-1011 are made in England and Northern Ireland while the engines for the DC-10 are made in the United States. The 15 percent foreign-made figure for the DC-10 may be accurate but officials manufacturing this aircraft have not submitted cost estimates to either of the committees which held hearings on this bill.

These figures are important because of the argument that this legislation is tantamount to the exportation of jobs at a time when the domestic employment market is weak. Instead of encouraging efficient industry and domestic manufacturers, we are being asked to export employment on the basis of one-sided facts and one-sided exaggerations.

My office contacted the Treasury Department last Wednesday and asked for the source of the percentages given in the hearings. We were told that Lockheed had prepared its own factsheet. One of Lockheed's bankers had information pertaining to the domestic-foreign ratios.

Incidentally, the fact that the hearings before the House committee were not made available to members until Wednesday of this week, less than 48 hours before the vote, attests to the way this legislation is being pushed through the Congress.

One fact which has not been given the attention it dserves is Lockheed's capability to be an efficient commercial jet aircraft manufacturer and seller. It is not that now.

To date Lockheed has failed to deliver its first commercial passenger jet aircraft. Indeed Lockheed lost $25 million on its last entry into commercial aircraft, the Electra turboprop program.

Mismanagement which Lockheed is now experiencing in the commercial aircraft field may well be evidenced in its gross underbidding in the C-5A competition. Deputy Secretary of Defense David Packard testified that Lockheed underbid Boeing by $390 million on the C-5A contract. It then proceeded to have cost overruns on this project alone in excess of $1 billion. In my opinion, this legislation is nothing more than a reward for this gross inefficiency.

In support of this opinion is the unanimity of the 24 leading banks acting as proponents for this legislation on Lockheed's behalf. These banks, with a thorough knowledge of Lockheed's past history of inept management now refuse to risk any more of their capital on Lockheed's chances of success. The banks have already pumped $400 million into Lockheed. Now they firmly take the stand that the risk of future investment in Lockheed is too great for them and their shareholders. With unprecedented brashness, they appear before our committees and ask for the help of the American taxpayer.

I believe we should learn from the wisdom of these bankers and not suffer because of it. What the bankers will not ask of their shareholder, I will not ask of the American taxpayer. I believe our obligation to the American public is at least as responsible as a bank director.

Another important element in this loan proposal is its basic unfairness. We are requested to provide guaranteed money—presumably it will carry a less than market interest rate because it is guaranteed—while other aerospace firms must compete in the financial market for funds they need to develop and expand their industries. Present corporate financing rates are as high as 9.5 percent.

Lockheed aid has been compared in committee testimony to existing Government-aid programs, such as FHA, SBA, and so forth. I submit, gentlemen, that there is one basic difference and the difference is fundamental. Existing governmental programs are set up on a permanent basis to provide Federal assistance in areas which have been deemed to merit constructive support. These programs are not designed as stopgap measures to protect companies on the verge of bankruptcy. Proponents have tried to compare this to the Reconstruction Finance Corporation which was set up in the 1930's and terminated after World War II. The purpose of the RFC was to provide money at a time when none was available at all. Most bankers will admit today that capital is available for economically viable programs. The simple fact of the matter is that this does not meet that requirement.

Another argument by proponents of this bill is the comparison of this loan to the V-loan of $75 million to Douglas Aircraft Corp. in 1966. In this loan it was stated by the Defense Department that—

> The loss of the productivity capacity of Douglas would seriously impair highly important defense and space programs.

In this case, Deputy Secretary of Defense Packard has stated that Lockheed's defense programs will continue even if the company goes into bankruptcy.

In discussing this bill we find ourselves constantly confronted with a one-sided view of reality. We are told that the L–1011 Rolls-Royce engine is not as polluting or as noisy as the DC–10 engine which could replace it. The DC–10 engine and aircraft are certified by the FAA and flying today. The L–1011 engine in the Tri-Star is not yet certified and has not yet met the FAA standards for full certification. The arguments about pollution and noise are mathematical and testing extrapolations thrown at us in the hopes that we will fail to see an accurate comparison between the two engines.

The basic question arises whether the Federal Government will in the future be required to pour more money into Lockheed or will be able to recoup its investment.

The entire aerospace industry is in a soft position. Thirty companies surveyed by Aviation Week and Space Technology reported combined peak employment of 941,955. At the end of 1970, their combined employment had declined to 606,294 and by June 1971 to 552,492 for a decrease of 390,000 employees from the peak. Most major companies expect employment reductions to stop by the end of 1972, although some companies see declines extending into 1973.

It is appropriate for us to ask whether in this kind of market Lockheed's chances of viability with the Tri-Star program are good.

The Department of Transportation and NASA conducted a study which indicated that there would not be enough potential market for multiple producers of this type of aircraft. The fact that McDonnell-Douglas has this type of aircraft on the production lines today and has delivered some, does not bode well for Lockheed's L–1011.

The findings of this report tend to be confirmed by recent actions by United States airlines which have dropped orders and options for the DC–10 and revised orders and options for the L–1011. Three U.S. airlines which had placed orders and options for the short-range model of the DC–10 have decreased these orders and options by a total of 44 aircraft since the beginning of the year because of the state of the economy and the airline industry.

Those who say that this bill should be passed argue that Lockheed's bankruptcy will disrupt our economy. While bankruptcy is distasteful, under bankruptcy law, the Lockheed corporation and function will not disappear. Its form may be altered and function changed somewhat but the majority of its employees and all of its economically viable programs will survive. The people who have the most to fear in losing their jobs under bankruptcy reorganization are the present inept management.

Proponents of the bill have stated that it is necessary to maintain competition in the commercial aircraft industry. As I have already pointed out, the fact of the matter is that the Lockheed Co. has never produced a commercial jet aircraft.

Our task as legislators is to create a tax climate and business climate that encourages competition and rewards productivity. This bill disregards these basic concepts.

It is extremely distressing to me to see my colleagues place themselves in the shoes of bankers and money lenders where we will be called upon to judge individual loans to specific corporations. I would again point to the fact that no impartial bank supported this legislation.

This bill should be rejected.

Mr. WIDNALL. Mr. Chairman, I yield to the gentleman from California (Mr. BELL).

Mr. BELL. Mr. Chairman, I rise in support of a $250 million Federal Government loan guarantee to Lockheed Aircraft Corp.

The Reconstruction Finance Corporation, in its lifetime of over 25 years, disbursed more than $40 billion in direct loans. The RFC saved hundreds of firms from the ills of the thirties; it has been generally acknowledged as a financial success.

In the interest of the common economic and social welfare, Federal guarantees and loans have risen from $94 billion in 1961 to $131 billion in 1966 to an estimated $191 billion in 1971.

In passing the Lockheed loan guarantee, Congress will not be establishing a dangerous precedent but continuing an extremely useful and necessary practice. The ills that would follow the collapse of Lockheed's L–1011 program well exceed the amount of the loan guarantee.

First, it has been estimated that a total of 60,000 employees will end up without jobs if the L–1011 is shut down. If present history is relevant, by next year only one in 10 of those laid off will have found new work.

The average age of the laid-off employees would be 44 years; approximately 5,000 of those employees are rapidly approaching the age of retirement. And yet, a large percentage would not be eligible for pension benefits despite the moneys that they have paid into the Lockheed fund.

As the unemployed enter the welfare rolls, the cost to the county, State, and Federal governments would staggeringly increase. The purely human loss of the unemployment is unestimateable.

Second, the loss of the L–1011 program would seriously hamper the already economically pressured airlines. One major airline corporation has estimated that the loss to them alone would be between $110 and $125 million; three domestic airlines have contracted for the wide-bodied trijets.

Third, 27,000 small businesses would be adversely affected by the program failure. The Federal Government pledged nearly $4 billion to aid and sustain these same small businesses last year.

Fourth, if—as seems likely—the bankruptcy of Lockheed results, the Federal Government itself would be a prime loser. Assistant Secretary of Defense David Packard predicted that a Lockheed bankruptcy would adversely affect the cost of performing under existing contracts. It would inevitably result in substantial delays in military procurement.

The Treasury would suffer severe tax losses. Lockheed's creditors would likely deduct $1 billion in investment losses on their tax forms; the resultant tax loss would substantially exceed the $250 million guarantee.

As you have obviously gathered from the debate on the floor today and in the committee rooms during the past month, the list of severe harms that might follow the failure of Congress to pass the Lockheed loan guarantee is unending.

What risk to the taxpayer, though, is involved in the passage of such a guarantee?

The Government's prime collateral on a guaranteed loan to Lockheed is delivery of the aircraft. Lockheed has firm orders for 103 L–1011 aircraft, and options for 75 more. According to Secretary of the Treasury John Connally, these sales alone will almost generate enough cash to pay off the loan guaranteed by the Government.

Even if Lockheed were still to fail, however, the taxpayers' money would nonetheless be fully protected. The amount of loan guaranteed by the Government shall be secured by a prior lien on all of the company's assets and by the top priority in bankruptcy.

Mr. Chairman, I am sure that, after weighing the risklessness of the Lockheed loan guarantee against the expansive harms of the failure of the L–1011 program, Congress will overwhelmingly pass even the present version of H.R. 8432.

However, a major amendment is in order. The original bill introduced into the House was a simple $250 million Lockheed loan guarantee. The legislation now before us has been labeled by some a $2 billion welfare program for large corporations.

It might be that, with the economy in its severe condition, the time has come for another Reconstruction Finance Company. But such a major creation requires indepth hearings; no hearings have been held on the broad legislation before us.

It might be that the provision for a legislative veto will provide adequate protection against the misuse of the $2 billion. But the provision is constitutionally dubious and legislative vetoes of executive decisions have been largely ineffective in the past.

It might be that the failure of the House to pass H.R. 8432 as it currently stands before us will lead to long conference sessions and the failure to pass final legislation before the congressional recess. But there is no reason to believe that Lockheed will file bankruptcy when it knows that a guarantee will definitely be legislated in September.

The free enterprise system has served us well. Let us continue to work with it and not against it.

Mr. WIDNALL. Mr. Chairman, I yield

to the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Chairman, I have given considerable thought to the Emergency Loan Guarantee Act of 1971. In reviewing the public dialog, I find that much of it fails to focus upon the really basic issue.

Many of those against this measure argue that by aiding private business firms, it perverts the free enterprise system. Yet, the use in our economy of Government resources to assist private enterprise is not a new concept. Innumerable Government-guaranteed loan programs already exist. For example, Government offers political risk insurance to those who invest abroad. Subsidies are available to farmers. Washington underwrites loans for small business. The Federal Government also conducts extensive student and housing loan guarantee programs.

By the same token, many proponents of H.R. 8432 present equally spurious arguments. It is contended that if the Lockheed Corp. is allowed to fail, the level of unemployment thereby generated will affect over 30,000 businesses. In my opinion, this assertion is fallacious for two reasons.

First, military orders will not be canceled should Lockheed go out of business. These orders probably will continue to be produced in the same facilities and by the same labor force but under new management and a new financial structure. Conceivably, Lockheed's demise might eliminate the civilian aircraft—L–1011—project. Nevertheless, it is quite probable that orders for this aircraft would be transferred to McDonnell Douglas which produces the DC–10. In fact, the McDonnell Douglas' DC–10 production line is located near the Lockheed L–1011 plant.

H.R. 8432 supporters also maintain that the Department of Defense's total package procurement approach, rather than Lockheed management, is largely to blame for this firm's financial plight. As a member of the House Armed Services Committee, I have been exposed to this issue for several years. My studies lead me to conclude that the fault clearly rests with Lockheed officials. Lockheed's C–5A bid was completely unrealistic—several hundred million dollars lower than that of its principal competitor whose specifications provided for a lighter aircraft. This either is ineptitude or a deliberate "buy-in". In either case, management must accept the responsibility. Operating performance subsequent to the C–5A contract award is replete with inefficiencies.

Rather, the critical issue, as I see it, is whether the proposed plan provides for an efficient utilization of limited Government resources. In other words, is this proposed new loan program a sound one? I believe it is not.

First, should this legislation be approved, its benefits will be restricted to unprofitable firms. This discriminates against the loan applicant's more efficient competitors. Further, attempting to salvage ailing enterprises inevitably will perpetuate corporate inefficiencies since normal market forces are not allowed to prevail. Assured of their firm's continued existence, corporate officials are spared the urgency of changing their ways.

Second, in order to protect its guarantees, the Federal Government undoubtedly would be tempted to give contract preference to its loan clients. Not only would this favor less efficient firms but, concurrently, would inflict higher cost procurement awards upon the taxpayers.

Third, this program would attract applications from every ailing corporation in the United States. By determining which sick firms shall be saved and which shall be allowed to expire, the Government, in effect, substitutes its judgment for that of the marketplace.

Fourth, H.R. 8432 provides that, subsequent to October 1, 1971, Congress shall ratify all emergency loan guarantee decisions. The ramifications of subjecting loan guarantees to a political decision are clearly evident.

Mr. Chairman, I have voted affirmatively for several Government loan guarantee measures. However, for the aforementioned reasons, I am convinced that passage of H.R. 8432 will not enhance our existing Federal loan guarantee arsenal. Consequently, I shall vote against this measure today.

Mr. WIDNALL. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. Blackburn).

Mr. BLACKBURN. Mr. Chairman, in the last few moments we heard the comments of the gentleman from Pennsylvania (Mr. Moorhead) in which he characterized the Lockheed Corp. as a rotting, deteriorating, giant dinosaur, or something of that sort.

Mr. Chairman, I think we are all aware that the corporate entities in this country are made up of individuals, that no corporation functions without individuals whether they be management or labor. To characterize the tens of thousands of individuals who are employed by Lockheed as a rotting dinosaur does them a disservice, and I want to rise up on behalf of the employees of Lockheed, their families, their children, and others who are dependent upon them to say that they are quite viable individuals who are dependent upon Lockheed surviving for their own survival.

I vehemently object to the characterization of these individuals in their corporate body as being a rotting dinosaur.

Mr. MOORHEAD. Mr. Chairman, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD. I wish to say to the gentleman that I, too, support the workers of Lockheed. I believe that if Lockheed went through a corporate reorganization as the Penn Central in my State did, the workers would continue to work, and I say God bless the workers of both Penn Central and Lockheed.

Mr. BLACKBURN. I wish I could share the optimism of the gentleman, but I am thoroughly convinced that if we are going to do a service to the employees of Lockheed, we will support this measure.

Mr. WIDNALL. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. Goldwater).

Mr. GOLDWATER. Mr. Chairman, we are about to vote on a measure that will vitally affect both the security of this great Nation, and the hopes and dreams of thousands of Americans. I urge you to consider carefully the wider consequences of your actions, and the importance of backing Lockheed for the future of this country.

Lockheed is the Nation's largest defense contractor. Recent revelations have brought home the frightening fact that we are lagging behind Russia in many areas of our national defense. Should you, then, vote against a measure to safeguard the continued existence of a company which is responsible for all classified defense satellites, the U–2 and SR–72 reconnaissance aircraft, the strategically important Polaris and Poseidon missile systems, and antisubmarine warfare systems?

At a time when the economy is sluggish, and the unemployment rate is high, should you vote against a measure which would prevent the loss of millions of dollars in tax revenues, would insure thousands of jobs, and the return of $1.4 billion in investments?

Most important of all—what about the American people? The lives of thousands of people, in nearly every State of the Union, will be radically affected if Lockheed is not saved. In my district alone, 17,000 jobs will be eliminated if Lockheed goes under. Add to that, thousands more—at AVCO's plant in Tennessee, where the wings of the L–1011 are being built; in Iowa, at Collins Radio; in New England, where Hamilton Standard is building the plane's air conditioning system.

I urge you to consider the human costs when casting your vote. Lockheed's employees are the backbone of this country—people who have linked their lives with faith in our technological and aeronautical superiority, people who have dedicated themselves to making America the world leader in aerospace and defense. Over the past few years we have been undercutting that faith in our country—are we now to deal it a death blow?

Earlier this spring as a member of the Science and Astronautics Committee I attended the Paris Air Show. Before my trip to France, I was convinced that, despite the aerospace cutbacks, America still stood first in the world in aviation. I returned to this country with the depressing knowledge that we are rapidly becoming a second-rate power; our preeminence in the skies is vanishing. The costs of having Ph. D.'s driving taxies and selling hamburgers are making themselves felt on the international level.

I would be the first to agree with a realinement of national priorities to provide more money for human needs. But at what point does this become a matter of cutting off our noses to spite our faces? Let us be really honest about human needs. Let us ask whether it is better to guarantee a job, or to invest it in destroying souls on welfare. We all know that there is severe discrimination against the older person in today's job market. What will happen to Lockheed's workers, who average 44 years of age?

What will happen to these highly skilled people in this period of severe aerospace cutbacks? No one can tell me and make it stick that they are all going to be taken over by other companies—it has not happened, and it will not happen.

I will tell you what will happen. Take the 30,000 people working on the L–1011 program. Because the job market in southern California is so bad, most of them will go on welfare. At an average case cost of $2,326, this means an expenditure of $697.8 million—almost three times the loan guarantee. And this is not recoverable money—it is irretrievably lost. It will not maintain human dignity, it will not create a salable property, it will not generate tax revenues.

This is a point that has been lost sight of in the great debate over "giving" money to Lockheed. We are not giving money to Lockheed. We are asking the Government to perform a service which it provides to almost every sector of the American society—loan guarantees. There are currently outstanding more than $137 billion in federally insured and guaranteed loans. During the past year alone, $436 million was loaned, not guaranteed, but directly loaned, for sales of Boeing and McDonnell Douglas jumbo jets. Our maritime industry, a bottomless pit of a money-loser, gets an annual subsidy of more than $300 million—not a loan, not a guarantee, but a subsidy.

Why, then, the great debate over a loan guarantee to Lockheed? It is not as if this were the first time for such assistance to an important defense contractor. In 1967, Douglas Aircraft received a $75 million loan guarantee under similar circumstances, and Douglas has not defaulted on this loan.

Many people have accused me of abandoning conservative principles to support the loan guarantee. But I cannot see any inconsistency in supporting the continuation of private enterprise over the expansion of welfare rolls. I cannot see any inconsistency in supporting our national defense and technological leadership over deterioration of our pool of knowledge and skills.

On the other hand, I can see an inconsistency in giving my constituents SBA loans for disaster assistance, HUD and VA loans for their houses, and HEW loans for their education—and then rendering them unable to pay off these loans by depriving them of their livelihood.

I ask you, then, to consider the costs. Weigh in your souls the cost of a loan guarantee—not money, just the prestige of the Federal Government—against the human cost of the collapse of a major national corporation. If your concern is human needs, then I think your decision must clearly be in favor of granting Lockheed the loan guarantee. This is not a budgetary abstraction—these are the American people watching and waiting for your decision.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from California.

Mr. CORMAN. I thank the gentleman for yielding. I wanted to conclude the Hans Christian Moorhead fairy tale that the gentleman told us a while ago. If there were a dinosaur in that back yard, he found it very crowded. Among others who were there before Lockheed arrived, were the great steel manufacturers from Pennsylvania who 10 years ago said, "We can't compete in the jungle. You must impose import quotas to protect us."

The farmer was there forty years ago saying, "We must have cash grants to maintain stable farm prices."

Fifty years ago, the oil industry was there saying, "We must have the most favorable of all tax laws if we are to survive."

Over a century ago, the railroad industry said, "We can span this continent with a rail system if Uncle Sam will subsidize us."

More seriously, since this Nation was founded, it has taken a variety of steps to assist business in our free enterprise system. It is neither new nor novel.

Generally, the most costly, least effective method of assistance is the tax loophole. We never even know how much that is costing, but it is clearly in the billions every year.

Cash subsidies are expensive. We pay farmers alone nearly $4 billion a year, and there are many other businesses in that line with their hand out.

Another favorite request of business is the imposition of import quotas, which are very helpful to industry but often very costly to both American consumers and American exports.

Direct Government loans, which do add to our gigantic national debt now amount to $54 billion.

The least expensive help that the Government can give to free enterprise in need is a loan guarantee. We have done that for a current total of $137 billion.

The request of Lockheed is a very modest request on the part of a fine company with fine workers. They ask not a penny. They ask for a loan guarantee. The risk in granting the loan is minimal. The result of refusal would be thousands of additional aerospace workers in the unemployment lines or welfare offices.

I urge my colleagues to support the loan guarantee.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. That is cutting down the time already, Mr. Chairman, but we will get it on the 5-minute rule.

I had hoped we would not hear the things that we have already heard, such as a quid pro quo, because there is a great deal of pressure being put on in other ways on this legislation.

I compliment the gentleman from Ohio (Mr. Keating) for his thorough analysis of the hearings. Unfortunately, they were not extensive hearings. Mr. Galbraith did not testify. The hearings were brought to a screeching halt. We heard one witness opposing this, one labor man from the State of New Jersey, who unfortunately did not have the facts and figures at his fingertips. Other than that, the whole thing was stacked. Talk about the railroads. Here is a railroad job for sure all the way.

As to the number of jobs that will be lost if this legislation fails, it is not 60,000 as the administration states, but let us listen to what Mr. Haughton had to say about the employees. There are 10,000 employees working on the L–1011. He stated furthermore that even though the L–1011 continues, by the end of 1975, 3 years from now, the total number of Lockheed employees will go from 72,000 now to 59,000, there will be over 13,000 fewer employees.

And how many people will be employed on the Rolls-Royce engine? Mr. Haughton's testimony once again is that there are 30,000 jobs in Britain and Ireland for these engines that are going to be produced in foreign countries, and they are looking to us. They say the British Government is doing a great deal for Rolls-Royce. Why should not they? They are creating 30,000 jobs. It costs $3.3 million per set of engines.

Let us look at another factor here. On the Export-Import Bank, one of my respected colleagues tried a comparison on the Export-Import Bank. Show me one Export-Import loan that was granted to bail out a firm on the verge of bankruptcy, because of inefficient, incapable management. This incidentally, this term, was used by Secretary of Defense Packard. He said the problems were due to inefficient management.

Furthermore, Mr. Haughton projects success even with this loan guarantee based on $2 billion in defense work over the next 2 years—and Members can bet their lives the company will get it. It all boils down to this: No matter what, the American people are going to have to subsidize and keep Lockheed going. That is the thrust of this legislation.

Mr. WIDNALL. Mr. Chairman, I have no further requests for time.

Mr. PATMAN. Mr. Chairman, I have just a few requests.

I yield the gentleman from California (Mr. Hanna) 3 minutes.

Mr. HANNA. Mr. Chairman, being a modest and humble man, I am not in the well of the House to persuade anybody to change his mind. I may be wrong, but it has been my observation that in spite of the great wisdom and compelling rhetoric of those who take the well, they do not sway opinions on the issues back and forth, and cause the gentlemen in this House to change their minds.

Rather I take this well to bring comfort to those who take the position I do and support this legislation. I bring that comfort too from a rather humble base, because in this situation there are enough facts to support either side and enough experts to support any position. This, I suggest, is a place where we could take the kind of decisionmaking process that the great Chief Justice John Marshall took when he had a very difficult case before him. He listened carefully and then decided. Having taken his decision, he turned to his clerk and said, "This is my decision. You find the authority to back it up." I can assure the Members that if we use that process we can find whatever authority we need to back up a decision. In all the wisdom that has been presented, we will find there is plenty of such authority to back us up.

The other place where we might take some comfort is in the remembrance—a rather humble one, too—that this country is great first because of the great things this Congress had done for it. This country is also great because it has been able to move ahead in spite of what this body has done.

I do not know whether this is one of the issues which will be great for the country because of what we have done or that it will remain great in spite of what we have done. I suggest you can make your decision and find the comfort you need in terms of looking at this as a practical, operating politician.

There is no problem. If you go home and somebody argues you should have decided the other way you should say to them, "You might be right, but that was not the sole view I held, and I was persuaded by some viewpoints I should like to expose to you." And you can say, "If you think I am wrong and have been that wrong that much, why do you not run for Congress, too?" There are very few who will pick up that challenge.

This is one time, I assure you, there are facts and facts and facts, and material and material and material. How much of it is operative is really difficult to decide, but I can tell you it is important to this country that it retain some of the capabilities which are in this company. It is important that at this time when our economy is being knocked around by so many blows that we fend off as many of them as we can.

I think this is a kind of defensive move. I am not trying to persuade you with a lot of facts, nor am I saying to you I have any great wisdom. I say as a practical matter I have made my decision. I know my clerk can find plenty of authorities to back it up. Those of you who are with me should take comfort in the ranks because you, too, can be supported.

Mr. PATMAN. Mr. Chairman, I have two more requests for time. I yield 1 minute to the gentleman from New York (Mr. Koch).

Mr. KOCH. Mr. Chairman, we had 30 witnesses come to our committee. Only one testified against the bill because the committee cut the hearings short.

If you pass this bill the word will go out that if you are a billion-dollar corporation you can come to this Congress and get financial assistance but if you are one of the more than 11,000 small corporations or individuals who went bankrupt last year, if you are a "momma and pappa" store, you must sink or swim on your own.

Is that what we want this Congress to do?

This bill, whether it be a $2 billion bill or a $250 million bill, is wrong. I hope in the 5-minute rule period following general debate, I will have an opportunity to talk again and go into further detail.

Mr. PATMAN. Mr. Chairman, I yield 1 minute to the gentleman from Maryland (Mr. Mitchell).

Mr. MITCHELL. Mr. Chairman, when the administration originally asked for a $250 million loan guarantee for Lockheed, I thought that I had the dubious privilege of seeing the greatest depths to which the Government could sink. The great difference shown to this corporation, coupled with the callous indifference, often malice, shown to the poor, black, and other minorities of this country, lays bare the hypocrisy so misnamed as democracy. I was wrong, not about the meaning of the guarantee, but in my judgment of the depth of the abyss to which this Government could sink. The bill now before the house is eight times as large as the one previously mentioned and infinitely worse.

In the words of Senator Robert Taft—

> The breadth, magnitude and lack of enforceable controls in this measure makes it a financial gulf of Tonkin resolution.

The key, though, to this whole sorry state of affairs is still Lockheed, whether one is considering a broad or narrow bill. For Lockheed is the exemplar of the "need" for this guarantee program, a program to save businesses, as long as they are large enough and have built enough weapons. If Lockheed's present position does not hold up as evidence for a program of Federal big business welfare, then the whole program must fall. So, I want, first, to address myself to the question of Lockheed's case, in general, and to the L–1011 in particular.

The plane itself raises many serious doubts. The first, and probably most important one, turns on the question of utility and for whom that utility is intended.

The argument has been made that Lockheed's plight, coupled with the losses of the airlines last year, dictate Government intervention into, and planning for, the transportation industry. I agree that there should be governmental planning for the transportation industry, but the need is not in aerospace where the Lockheed loan guarantee leads. In particular the need for mass urban transit is clearly evident, but the people who would use such a system do not find as receptive an audience in the White House and Department of Treasury as do Lockheed, the airlines, and their customers.

Beyond such a simple governmental allocative problem, though, is the question of the specific plane, the L–1011.

First, there are those wonderful engines, the RB–211's; at least Lockheed keeps assuring us that they are wonderful. In view of Lockheed's management record, encompassing not only the C–5A, SRAM, the Cheyenne helicopter, but also the electra prop-jets of the 1950's.

I cannot accept Lockheed's word on faith. When McDonnell Douglas left the choice of engine for the airlines to decide, the General Electric CF–6 engine was selected. This casts great doubt upon the superiority of the RB–211. Lockheed claims that it reevaluated the engine situation and found the Rolls-Royce product superior. But it failed to highlight the extensive role that retooling costs must have played in that decision. Mr. Haughton simply states that switching to the General Electric engine could cost an additional $150 million for 220 planes, thereby implying that the Rolls-Royce engine is some better for less.

But the real consideration is the intimate attachment between an airframe and the engine for which it was designed. As Secor D. Browne, chairman of the Civil Aeronautics Board stated before the banking and currency committee:

"Since an airframe is always designed around its engines, the production of the RB–211 engine was the key to the continuation of the L–1011 aircraft as designed."

So the vaunted reexamination does not really mean as much as Mr. Haughton would have us believe. To reexamine the engine choice after design of the frame was begun will, necessarily, favor the previous engine. And this engine, while undoubtedly superior on paper, has run into severe problems in its actual development, and may never reach its potential. Other Lockheed projects have failed to achieve their full expected potential; the most blatant in memory is the C–5A. Any plane predicated upon the success of this engine is in an extremely doubtful position.

But, forget the realities of production, says Lockheed; we need the plane to provide competition for the DC–10. One may question this in view of the existence of the A–300B, short-range airbus, and the projected development of a smaller 747 by Boeing to compete for the airbus market. The fact is that the domestic air market grew tremendously during the last decade, and the building plans of both manufacturers and airlines were predicated upon that growth, or rather an extrapolation of it. The market will be smaller, and perhaps a contraction of the supply is in order. Certainly to argue as do Mr. Haughton and Mr. Connally that there is some a priori good about having three airframe manufacturers as opposed to two is the height of lunacy.

It might just be the case that Boeing and McDonnell Douglas can handle the airframe market by themselves. The projections of the total airbus market certainly do not contradict this, since each L–1011 is really only going to be replacing a DC–10.

In this kind of tough market, there is every reason to believe that the L–1011 cannot compete—and that the Government would be backing a vast misallocation of resources in pursuing its development any further. First it is interesting to apply the argument that Lockheed uses to show its own advantageous position in relation to manufacturers, that of the headstart. While Lockheed prides itself on being ahead of Boeing, it neglects the fact that McDonnell Douglas is ahead of Lockheed.

The 747 has distinct advantages. Since both it and the DC–10 will come in several versions, an airline could buy similar planes for different routes. For example, the purchase of a 747 for a flight from New York to Atlanta could be complemented with a short version of the same plane for a flight from New York to Washington. The obvious advantage is the saving in duplicated spare parts and labor procedures. The L–1011 has no comparable advantage.

In fact, the only real advantage for the purchase of the L–1011 is the preferential financing provided by the British. And this, plus the aforementioned engineering considerations of engine compatibility, lock the L–1011 into close agreement with the British. Yet the agreement is not as firm as Mr. Connally and Mr. Haughton would have us believe.

According to Mr. F. D. Hall, chairman of the board, Eastern Airlines, Inc.:

> The British Government has also indicated in recent months a clear readiness to accept the trend to less competition if necessary. They refused to subsidize the British Aircraft Corp., to build a short-range airbus to compete with the A-300B, and every aspect of their approach to the RB-211 engine problem has manifested a readiness to drop that project as well, if necessary.

And, according to my preliminary reading of the contract of the 10th of May, the British have two very readily available reasons to break the agreement, leaving the U.S. Government backing an airframe with no engines.

According to article 40 of the contract:

> Before seeking the authority of Congress—the U.S. Government satisfied itself, having regard to the orders for L-1011 aircraft placed with Lockheed and the orders for L-1011 aircraft that might reasonably be expected to be placed with Lockheed, that Lockheed will be able to carry out the L-1011 project.

I know of no such study, and I doubt if the British Government does either, because I doubt that it exists. Directly following that provision is another that the airlines—

> Affirm their intention to continue their participation in the L-1011 program.

Then, the agreement further specifies:

> If the conditions specified—above—shall not have been satisfied before August 8, 1971 the obligations of Rolls-Royce and Lockheed under this basic agreement shall not take effect at all and the basic agreement on that date cease to be binding in any respect.

Yet Mr. Haughton tells us that some of the airline agreements will not be confirmed until the 1st of September. If the British need any excuse to back out, they certainly have at least one. Then the "best" that could be expected from a disastrous situation is a game of international power politics to complement the one that the President is trying to play domestically.

Aside from competition, another word that appears frequently in testimony is saving, usually of $1.4 billion, as if sponsoring this misadventure would bring back money previously misspent, or turn it into instant production. Mr. Alan Greenspan, noted economic consultant of the firm of Townsend-Greenspan & Co., part-time consultant for the Federal Reserve Board, and former economic aide in President Nixon's campaign, stated flatly:

> There appears little chance of full recovery of the $1 billion-plus already invested in this project.

The argument to save this money is one without foundation. If the investment is worth saving, that is if the L-1011 is viable, one wonders why there are no long lines of buyers clambering for this hope diamond of the skies.

Beyond the question of the Tri-Star itself, there are those who would argue that we must support Lockheed, out of gratitude, out of penitence, or for security. For those who remember—with the great assistance of Lockheed statistics—all that this country owes to Lockheed, I commend the article by Mr. Morton Mintz from the Washington Post of July 18, which I entered into the RECORD of July 20, beginning on 26271, explaining all that we have to be grateful for in the C-5 program. And, of course, this gratitude should be reinforced by the performance of Lockheed on the SRAM engine, its ship-building contracts, and the Cheyenne helicopter. There has been an attempt to put aside these failures and blame the whole sorry scene on now departed procurement policies, specifically total package procurement.

Whatever the problems introduced by those policies were, blaming all of Lockheed's failure on them overlooks the fact that some contracts that have turned out badly, especially in shipbuilding, were not negotiated under TPP. And additionally one cannot forget that Lockheed willingly decided to work under these contracts—and, to some degree, they must be regarded as a Lockheed management decision. While certainly the Department of Defense is not blameless, Lockheed is culpable also for its own failures.

Then, there are those who are feeling guilty in the wake of the settlements of the C-5A and the Cheyenne. But, viewed dispassionately, those settlements were not overly harsh, especially in view of the design of the company, to underbid, to bid in, and, through the use of various escalator clauses, rectify its own intentional wrong.

The C-5 bid from Lockheed was $390 million below its nearest competitor, a difference designed to secure the contract, nothing more. In spite of that part of the C-5 settlement was a $100 million loan to Lockheed that does not demand any repayment until 1974, and then only at the prime rate of interest, a curious figure for a company with something less than an AAA.

Then the last of the true Lockheed supporters are those who are so worried about national defense. The first reservation that comes to mind is, of course, the meaning of national defense. Some of us sincerely wonder how long a country that neglects the needs of its people is defensible, from a military standpoint alone, no matter how elaborate a military establishment that country constructs.

On those grounds alone, this fraudulent diversion of much needed public funds, puts to lie the contention that national defense is the primary concern. Beyond that, for those who are still interested in the physical defense plant, the missiles and space division will surely remain intact, no matter what the disposition of the whole company. The picture painted by the defenders of the national interest is one of a sheriff's sale, where the valuable properties would be dismembered, thereby destroying one of our great defense resources. The truth is that the most likely form of reorganization is not a sheriff's sale of the assets, but a reorganization of the company. And even if assets are sold off, the one "essential" to national defense, the missiles and space division, is solid, and it would be in the interest of creditors to make sure that it remain so.

The division dismembered is worth less than the division whole. No matter how avaricious and despicable the creditors, and how rapacious their desires toward Lockheed, their interest has to serve the "national security." And there should be no problem finding a buyer—at this point, when nothing is sure, the president of North American Rockwell has publicly offered to buy the division.

Now, beyond the question of Lockheed itself, there is a broader one of the desirability of supporting anything in the aerospace industry. I do not quarrel with the right of the Government, indeed its duty, to subsidize those parts of the economy that need subsidy to remain operating in the public interest. But I am not convinced that continued subsidy to aerospace is in the public interest.

By subsidizing a part of the economy, the Government is at least maintaining the present level of economic investment in that area, which obviously brings up the question of whether the present level is justified. I have already touched on one part of the overexpansion, the tremendous boom in civilian air travel in the last 10 years. Since there is a lead-time factor, necessitating planning for future increases, the airframe industry got caught when the boom began to level off. But there is another source of this over-supply, one of much greater import. The air war in Southeast Asia, especially the jet-fighter and helicopter missions, consumed large portions of our air defense. In response to this rise in demand, the aerospace industry grew, and was left without a market when the temporary bombing halt in 1968 signaled a lowering of the consumption of fuselages, if not of lives.

In the words of Mr. Greenspan:

> If Lockheed is continuously propped up without a major reversal in the long-term aerospace outlook, some other major company in the industry must find itself in trouble. Unless we are willing to embark upon a major new aerospace weapons expansion, some contraction in the industry, some further losses of jobs, mergers and possibly bankruptcies, appear inevitable.

I do not advocate abandoning the present employees in the aerospace industry. I think that we should invest in their retraining so that they may lead socially useful lives. But we must face the fact that their skills are in great oversupply.

But, the question naturally arises, where does this leave Lockheed, what can the management do if the Congress fails in the hour of need? The picture painted by the management of the company, and by the administration is one of absolutely desperation, but must it be? The easiest solution would be to simply offer the presently unencumbered assets—specifically the missiles and space division—as collateral for the desired loan. In his testimony before the Banking and Currency Committee, Mr. Haughton said that he was willing to put up anything, but did not remember if the presently free property—which will become collateral in the collateral pool formed by the Secretary of the Treasury—had been specifically offered to the 24 banks.

Certainly a firm offer is not beyond the power of such a large corporation as Lockheed?

Beyond that—and I agree that the prospects for continued loans, assuming some degree of sanity on the part of the bankers, are indeed bleak. Lockheed should be willing to sell off profitable subsidiaries to raise the necessary cash. Mr. Haughton likes to term the present situation a temporary liquidity crisis, not reflecting up the basic soundness of the company; if this is so, he should be willing to sell the obviously profitable, and therefore attractive, operations, and stand by the rest of the company, in its financial soundness. Lockheed has already seen the viability of this alternative, having sold licenses, a computerized hospital information system, and a subsidiary, Ventura Manufacturing Co.

Of course these are not of the size needed to sustain Lockheed in this crisis, but they point up the alternative available. Lockheed's reluctance to sell anything large is only plausible if Mr. Haughton and his management do not think that programs like the L–1011 can support the company. But if they cannot, that must reflect upon their viability, and the worth of the programs. In its crudest sense, if the L–1011 is not good enough to support Lockheed, I do not know why this Government should become involved with it.

But even if sale fails, the company does not have to be dismembered in reorganization. Chapter X reorganization is a very broad alternative, starting with appointment of a trustee whose job is to find a fair and equitable solution.

If he finds it possible, he may even retain the present management. Lockheed's only argument against this form of reorganization is that customers and suppliers would stay away from a company whose future is in so much doubt. But I submit that Lockheed's future is in doubt right now. Witness after witness at banking and currency has said that this loan guarantee will not assure that Lockheed can continue. A thorough reorganization by a competent trustee could only seem to increase confidence in Lockheed's future. And there is precedent for reorganization of large companies. Both Paramount and 20th Century Fox were reorganized during the depression, a time when confidence could hardly be described as abounding.

At the very least, reorganization in Federal court would bring the decisionmaking out from the closed board room and into open court. William McC. Martin, former Chairman of the Board of Governors of the Federal Reserve System, has said that he would much prefer that the guarantee, if it is to be made at all, be made after all the facts have been brought out in open court. As the situation presently stands, the Congress is being asked to play banker for a huge corporation, without ever—thanks to the intervention of the administration—being able to investigate the company's books. In fact, some of us might even attribute at least a portion of the lack of confidence in Lockheed to its unwillingness to tell the whole truth to the public.

Even so simple a thing as the breakdown of cash flow and profits by division was almost impossible for the Banking and Currency Committee staff to obtain. I do not wish to impute sinister motives to such honorable men as Mr. Haugnton and his associates, but the company's record is not one of outstanding disclosure. If nothing else reorganization would remedy this situation. If, after the necessary information becomes available, a guarantee is still necessary, it may still be considered. But a thorough investigation, by someone not involved with the company, is certainly needed before the taxpayers' money is precipitously squandered.

But, as I said at the beginning of my remarks, this is not the whole of the enormity facing us. In all the efforts to avoid appearances of special privileges for Lockheed, special privileges for several Lockheeds have been created by this bill, so accurately referred to by Chairman Patman as the Campaign Financing Act of 1971. The bill is broad all right, so broad that the unintended implications are almost infinite. The Department of Defense is very concerned about the effect that this will have upon procurement policies, allowing of the type shown by Lockheed, and well they should be. In the words of Mr. Packard's original testimony:

> This problem we face with Lockheed is the result of past procurement policies, practices, and attitudes of both the Department of Defense and the industry that develops and produces defense products. In the case of Lockheed, both the Department and the company are at fault. Past policies have encouraged defense contractors, large and small, to take on programs beyond their means . . .
>
> For this reason, we, in the Department of Defense, do not need nor want a broad loan guarantee bill which will only encourage a continuation of these practices which have caused this trouble.

I cannot elaborate on this fine description of the disaster that this bill prefigures. But there are other problems which have remained unforeseen due to the lack of an articulate spokesman in the area in which they will arise.

Whether this Congress realizes it or not, it is setting a precedent that can only drag us in deeper into the financing of large corporations. According to Mr. Greenspan, the credit needs of this country are going to be far in excess of the supply.

By beginning this guarantee pool, for guarantees far in excess of anything done before, we will open the flood gates for a torrent of demands. This is bad enough in itself, but the relative lack of control to be over this pool makes misuse very likely. I do not wish to impugn the intentions of Mr. Connally and Mr. Burns—as well as whoever the third member eventually becomes—but it would be reasonable to expect them to respond to business pressures and rather than to the needs of the public, since they are greatly removed from the needs and desires of the people. The only contact that they will be able to maintain will be with that ambiguous phrase, the public interest, already so maligned in the Lockheed disaster. As Mr. St Germain said in committee, to Mr. Haughton:

> I wonder if you know of any bankruptcy, other than perhaps that of a firm producing pornographic literature and films, that would be in the public interest.

Given such an ambiguous criterion, final determination is only going to be determined by the pressures that can be applied. I leave it to your past experience to discover what pressures will prevail.

We are told that we will be given 20 days' written notice of a guarantee by this triumvirate, but can anyone believe that this will be a sufficient safeguard to retain any degree of congressional control? We will be dependent upon the information provided by the Board, making each subsequent guarantee an intensification of all that is wrong with the present case. Chairman Patman has said that the undue haste with which this guarantee has been processed has "placed the Banking and Currency Committee and the House of Representatives in a situation where there must be an overdependence on the representations made by this administration." I submit that this can only become worse as the Congress must turn to other business in the future, and more guarantees are desired.

Then there is the problem of security for the Government. In the Lockheed case, there is a collateral pool for all of the banks holding liens. But this bill does not provide for that kind of an agreement in future loans. It requires that the institution actually loaning the money agree to subrogate its interest to that of the U.S. Government. Now, in cases where there are many other loans, if the property under lien by the Government fails, the other liens remain untouched.

In other words, the Government is stuck for the principal and interest of the cosigned loan, pending, of course, the patriotism and public spiritedness of Chase-Manhattan.

Finally there is a question of the method of the guarantee itself. The guarantee mechanism can only siphon off existing credit; it does not create anything new. In effect all that is happening is that the Government is redirecting the existing credit supply into businesses that it deems deserve it. Now this would not necessarily be bad except that this bill is designed just for large industry—maximum guarantee of $250 million—meaning that money is going to be siphoned to large businesses, and, in particular, if Lockheed is any indication, large defense businesses.

For this misadventure has shown that the Government thinks first of the spearmakers, no matter what that means to those who will be gored. Forget the small businessmen and the poor who need that money. From now on it will be dispersed in the national interest; that is, those who can interest the National Government.

On July 24, the President urged us to act upon this matter "with all deliberate speed." He explained that he meant by August 6 to meet the deadline established by Great Britain. In 1954 the Supreme Court ordered that the schools of this Nation be desegregated, "with all deliberate speed." That process has taken 17 years, Mr. Chairman, and is not yet in sight of completion.

But on Lockheed, the President did not even give us 17 days. The orders of the Supreme Court of the United States, issued in accordance with the Constitution, are carried out in slow motion, while the demands of the bankers, issued in accordance with their profit-and-loss statements, are run at 32 frames a second. The timing is out of a silent Groucho Marx comedy, and the logic is the purest in enforcing human rights, we are deliberate; in advancing corporate interests, we are speedy. When we legislate in such fashion and under such pressure, it is no wonder that this body has fallen in power and prestige, and continues to fall, vis-a-vis the executive. Mr. Chairman, we are not losing influence, we are squandering it.

The arguments presented for this bill, and the way it is being handled, are an insult to our intelligence as legislators and to the dignity of this body.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The CHAIRMAN. Is their objection to the request of the gentleman from Texas?

Mr. DINGELL. Mr. Chairman, reserving the right to object, I would like to ask the chairman of the committee and the ranking minority member whether they propose to curtail the right of Members to debate and to offer amendments under the 5-minute rule.

There are a lot of Members who are not on the committee and who have not had an opportunity to say anything on this bill and I would like to know before we grant such a unanimous-consent request whether or not the leadership on the two sides of the aisle propose to curtail the right of any Member to speak under the 5-minute rule and to debate.

Mr. PATMAN. There is no intention to keep any Member from speaking under the 5-minute rule.

Mr. DINGELL. I would like to hear from my friend on the minority side.

Mr. WIDNALL. There is no intention to do that.

Mr. DINGELL. I think that is very clear.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HANLEY. Mr. Chairman, at the outset of the Banking and Currency Committee hearings on this legislation, I was disposed against the measure, largely on the basis of my feeling that it represented an unwarranted governmental intervention into the free marketplace. Lockheed was in the process of building a commercial aircraft, it was developing quite serious financial problems, and the banks which were making loans to Lockheed for the Tri-Star project were turning off the tap. Certainly, this is a serious economic and financial problem, but it is not an unprecedented one. It happens in the business world, but perhaps not so often on such a scale.

In essence, I found it impossible for me to ignore the arguments presented by the administration. As the chairman said in his individual views in the committee report,

> The Administration has told us that failure to pass legislation to assist this corporation will result in dire economic consequences, more unemployment, damage to subcontractors and suppliers, and a general lack of confidence in the economy. While it is my personal belief that there are better and more equitable ways to provide employment and economic stimulation, it is difficult to ignore the conditions put forward by the Administration.

Mr. Chairman, I associate myself completely with these remarks. For a long time now, I have been publicly and urgently pointing out the need to make basic changes in the administration's economic game plan. That plan is not working. Unemployment continues to rise and to become more persistent. The economy is not growing. It is not producing additional profits, additional jobs, and additional revenues for the various levels of Government. Interest rates are creeping up again. It looks like we are heading for the worst balance-of-payments deficit in a long time.

In the face of these facts, I feel that it is my responsibility in the national interest to support this legislation. The administration has told us that the collapse of Lockheed is going to make the economic picture a good deal more horrendous than it is now. I do not want that to happen, and so I reluctantly support the Government guarantee of those added loans which Lockheed needs from its bankers.

I say reluctantly because I wish the administration had proposed legislation of a broad nature to correct the ills of the economy. I would rather see concrete and positive steps to deal with the national economy to get it moving again. I intend to continue to press for this kind of action.

Mr. Chairman, we have bushels of assurances from the administration that this guarantee will cost the taxpayers not a cent. I accept these assurances from the President and his spokesmen, and I will support his legislation.

I plead again for administration leadership to deal with the sorry state of the national economy, only a small part of which is the Lockheed episode.

Mr. FRENZEL. Mr. Chairman, as a member of the Banking and Currency Committee, I had the opportunity to listen to and review the testimony presented on H.R. 4832 and to question representatives of the Lockheed Co., the 24-bank consortium, members of the administration and other witnesses. There can be little question that Lockheed is in serious financial difficulty, not all of which is its own doing. Certainly, many other circumstances, such as the total package procurement policy of the Defense Department, the subsequent one-sided settlement between the Defense Department and Lockheed, the unexpected collapse of Rolls-Royce, and unpredictably severe inflation—Government generated—have contributed to the unfortunate conditions that exist today.

But in spite of this evidence, I voted against H.R. 8432 in committee, and I still oppose the bill today.

In my judgment, it is neither the duty nor the jurisdiction of Congress to be an insurer of last resort. I believe this Congress will find it very difficult to determine equitably when it is in the public interest and for the public good to guarantee the obligation of one private corporation and when it is fair to turn down another firm which finds itself in the same financial circumstances, but for one reason or another, perhaps size, has less political muscle.

At this point I would like to read a portion of a letter—which has been edited to remove personal references—which I received from constituents who are wondering how we can assist Lockheed when their own enterprise is in difficult financial conditions through no fault of their own. They are, of course, without prospect of Government assistance.

> This letter is not being written as a "plea for help," but, more or else, I guess I need a "listening post."
>
> I have been reading with much interest regarding the Federal Government's intervention into helping Big Business out of their financial dilemmas, mainly Lockheed Aircraft Corporation.
>
> I am writing as a wife of a husband who is in "small business." For the first 3 months of 1971, we suffered great financial losses due to the price war that was on.
>
> The last three months, we have literally lost all motor traffic going into our store: reason, Sewer Commission installing of sewers—literally closing us off from all vehicle traffic. This project was to have been completed July 1, we now hear, maybe some time in August. By that time summer (when we do the bulk of our business) will be over. Next comes the city to widen the street by the store, plus installation of sidewalks and gutters—all well and good for progress, but what happens to business in the meantime, us in particular.

I believe that this letter points out the difficulty the people of this country have to find a distinction between the problems of Lockheed, the giant corporation and the cumulative total problems of many smaller businesses.

Once this bill has been passed I doubt that the Federal Government can ever again allow a large company to fail. The precedent that we will establish by this Federal bailout has enormous consequences which ought to be carefully considered today.

By guaranteeing the Lockheed loan, we are reversing the incentive system that has prevailed in this country's economic system since its founding. We are, in effect, rewarding failure. As long as we have provided a general indemnity against failure, it really makes no difference whether the calamity occurs by reason of mismanagement or misfortune. When the Government provides a guarantee against failure, it creates new and different incentives which will encourage in speculative ventures. We will be greatly reducing incentives to sharpen up management practices and improve total corporate efficiency. The incentives of the marketplace will be reversed.

When H.R. 8432 was first introduced, it contained a $250 million loan guarantee which was understood to apply to Lockheed exclusively. In the past several months, a one-quarter of a billion dollars has ballooned to $2 billion. The bill before us today contains a $2 billion grab bag—less a quarter of a billion for Lockheed—for additional future bailouts. This large goody-bag will simply be available as a target for other companies in distressed circumstances, and it will provide an incentive for them not to solve their own problems themselves.

Incidentally, this bill does provide for a congressional review of loans from the $2 billion grab bag. However, the timing is set up in such a way that the review is meaningless. Therefore, even though, in my judgment, the $250 million proposal sets the same precedent as the $2 billion proposal, at least the Congress retains for itself the review of future bailouts under the $250 million proposal.

Therefore, I have supported and will continue to support, an amendment to H.R. 8432 which would reduce the $2 billion total to $250 million.

Mr. Chairman, I believe that the granting of any Federal loan guarantee will serve as a precedent to commit this country for the future. We will, in effect, be telling the business corporations of this country that they may enjoy the benefits of a free enterprise system on the up or growth side but that we, the Federal Government, are willing to nationalize them on the downside. This precedent is one that I cannot support, and I urge the House to defeat H.R. 8432 today.

If the House, in its wisdom, determines that Lockheed's loan must be guaranteed, I would urge that the $250 million guarantee be passed rather than the $2 billion. Both proposals are contrary to our economic system and would set dangerous precedents, but the smaller is the lesser of two evils.

Mr. BROYHILL of Virginia. Mr. Chairman, I rise in support of H.R. 8432, the Emergency Loan Guarantee Act of 1971.

In spite of allegations to the contrary, I do not believe the first would-be beneficiary of this legislation, Lockheed Aircraft Corp., will be rewarded for mismanagement by its enactment. Some mismanagement may be involved in Lockheed's present plight, but the $484 million loss Lockheed was forced to take under the now discredited total package procurement concept of our Defense Department caused Lockheed to be unable the finance their inventory buildup on the L–1011 commercial transport program in spite of their ability to operate at a small profit.

I do not believe we will be establishing a new principle with enactment of this legislation. Creation of a loan guarantee board with sufficient funds available to make guarantees to companies which have a significant impact on the economy of this Nation is no different, with the exception of the size of the beneficiaries involved, than our creation in other years of governmental funds to guarantee loans through the Export-Import Bank, the Federal Housing Administration, the Veterans' Administration, the Small Business Administration, and other Government agencies.

But I believe debate about whether or not we should provide Government-guaranteed loans for large corporations as we already do for small businesses, other nations and individuals, obscures the real issue at stake in the case of Lockheed or any other corporation on whose existence thousands upon thousands of jobs depend. When we think of large corporations, all too often we forget we are thinking of groups of people. We are thinking in the case of Lockheed of 60,000 workers doing 60,000 jobs for Lockheed and its suppliers, who may well be added to the unemployment compensation and welfare rolls if Lockheed declares bankruptcy.

These people whose jobs depend upon the success or failure of Lockheed are highly skilled teams of engineers; administrators; planners; assemblers, and have made their careers in the aerospace industry in the years in which this Nation has demanded its expansion. They are not young people, ready to start over, in an already-depressed market. I understand that in the section of Lockheed where the L–1011 trijet transport is being built, the average age of the workforce is 45, with approximately 10,000 employees over 50, 5,800 over 55 and 4,000 over 60. If their section of Lockheed's operations fails, they will enter a labor market where the rate of unemployment is already one-third greater than the national average and the aerospace industry has declined approximately 30 percent in the past 2½ years.

Thousands of engineers and scientists are already unemployed across the Nation today. Thousands more have felt lucky to find work in jobs far below their level of ability. Many have existed for months on unemployment and welfare benefits. A few years ago we could not train them fast enough, to keep up with the Nation's rapid industrial expansion. Now we must retrain them in other fields or watch them and their families suffer immeasurably because of our callous indifference to their plight.

A few weeks ago, in recognition of the alarming rise in unemployment, Congress voted two and a quarter billion dollars to create some 150,000 "make work" jobs. Today, 60,000 jobs hang in the balance awaiting our decision on this bill which would not require cash, but only a loan guarantee. These are productive jobs, to turn out goods and services of benefit to our Nation, not "make work" jobs, and I think we have an obligation to save them.

Mr. Chairman, I urge enactment of the Emergency Loan Guarantee Act of 1971.

Mr. HORTON. Mr. Chairman, I am opposed to H.R. 8432. We were originally asked to authorize the Treasury to guarantee $250 million in bank credits to the Lockheed Aircraft Corp. When it became evident that the Congress would refuse to bail out this one corporation suddenly in desperate financial condition, the technique changed. Now we are faced with a $2 billion "generic" measure open to any number of large companies. In seeking to disguise bailing out Lockheed, we are now asked to authorize an incredulously far-reaching welfare program for big corporations facing "temporary adversity." This is a most curious interpretation of the free enterprise system.

Why is Lockheed in need of a loan guarantee? Because of its own mismanagement and miscalculations, it is conceded, which resulted in large cost growth and overruns. There are serious charges that Lockheed submitted low bids on military contracts, knowing that it could count on the Department of Defense to help out with contract modifications. These policies could not be covered up completely, however. The General Accounting Office, congressional committees and DOD itself have found Lockheed to be seriously mismanaged. In testimony on Lockheed defense contracts, Deputy Secretary of Defense Packard stated:

> There was ample evidence of poor management on the part of Lockheed.

He also made the following statement on Lockheed and the L–1011, a 250 passenger airbus:

> Post policies have encouraged defense contractors, large and small to take on programs beyond their means. This is what happened with the L–1011. Lockheed could assume ways would be found to cover large overruns which might occur on their defense programs. This had always been done in the past. This, I am sure, was the calculation the Lockheed management made in deciding whether to take on a major program such as the L–1011 which even at best would stretch the company resources to the limit.

Treasury Secretary Connally has said there is little risk in giving Lockheed the $250 million loan guarantee. If this is so, why have 24 of the Nation's leading banks refused to lend a dollar to Lockheed without a Government guarantee? In making their case that Lockheed is no longer credit worthy, the bankers have convinced me that Lockheed is unworthy of any handout, particularly one supported by the taxpayer.

It has been plausibly suggested that Lockheed could fail even with a $250 million Federal loan guarantee. The potential market for the L–1011, Lockheed's first major civilian aircraft since the Electra fiasco, leaves serious doubts about whether it would be a commercial success. By Lockheed's own estimates, the breakeven point is 220 L–1011's. A DOD study reportedly puts the breakeven point at 390. Yet, Lockheed has only 103 firm orders for L–1011's, and the competition in this wide-bodied commercial aircraft market is substantial.

My overriding concern with H.R. 8432 is that it would result in an unwarranted intrusion into the private sector. This legislation would undermine one of the most significant disciplines of the marketplace by eliminating the threat of failure. It strikes at the heart of the free enterprise system and sets a very dangerous precedent.

Despite the far-reaching effects this legislation could have on our economy, hearings have not been held on this specific bill. Certainly we should not act favorably on this measure until a comprehensive and searching analysis can be made in House hearings.

Mr. Chairman, we should remember that this is not the first time the Government has been asked to aid private companies. We have an excellent program for aiding small businesses, but the standards we use to judge which small firms should receive help are far higher than those being applied to the Lockheed case. It is a double standard when the Federal Government requires sound fiscal and managerial policies of small businesses, but then sets up a special category to help a large corporation that would go under without Government aid.

From the standpoint of the Nation's taxpayer, the aerospace industry, and our free market economy, I cannot find merit in the emergency loan guarantee fund.

Mr. PODELL. Mr. Chairman, today we are called upon to consider a highly publicized and certainly controversial bill, H.R. 8432, the emergency loan guarantee fund.

This measure would provide up to $2 billion in guarantee authority for loans to major businesses unable to pay their debts, provided the collapse of such enterprises would damage the economy of the country or a region. H.R. 8432 would limit loan guarantees to any one enterprise to $250 million.

In addition, H.R. 8432 would establish a three-member Emergency Loan Guarantee Board composed of the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the Chairman of the Federal Reserve bank in the district of any given applicant.

Loans guaranteed under the act would have to be repaid within 5 years, but could be renewed for an additional 3 years. Guaranteed loans would bear interest at rates determined by the Board to be reasonable, taking prevailing interest rates into account.

The authority of the Board to enter into any guarantee or to make any commitment to guarantee would terminate on December 31, 1973.

While I wholeheartedly support efforts at resuscitating American businesses which have fallen on hard times, I am opposed to legislation that discriminates against the small businessman in favor of rich and powerful corporations. The small businessman has suffered tremendously during recent years. Last year alone, over 10,000 businesses with aggregate liabilities of $1.9 billion failed in the United States. Why has no one attempted to protect these firms from failure by offering legislation designed to save them?

Many outstanding economists, including John Kenneth Galbraith and Milton Friedman, are opposed to H.R. 8432 on the basis that it would erode the free enterprise system. They contend that it would eliminate the discipline of the marketplace by eliminating the threat of failure via a dangerous governmental intrusion into our free enterprise economy

We are all well aware that the $2 billion emergency loan guarantee bill currently under consideration arises from the administration's attempt to bail the Lockheed Aircraft Corp. out of financial trouble.

Lockheed finds itself in severe financial straits as a result of a multiplicity of reasons. The negative impact of inflation, recession, and shifting demands for military and others goods and services on the aerospace industry has contributed to Lockheed's current plight. Nevertheless, it is particularly striking that perhaps the most serious problem from which Lockheed suffers is miscalculations on the part of its own management. Indeed, management miscalculations on a number of Government contracts have resulted in losses to Lockheed approaching $500 million.

In addition, Lockheed has produced several boondoggles for which it had entered into contract with the Government, including the C–5A which still fails to meet Air Force requirements and cost the American taxpayer $2 billion in cost overruns. The Cheyenne helicopter development program is another example of Lockheed mismanagement. Originally it was set to cost $95 million. Due to faulty preparation, nearly $100 million more than that fixed price has already been spent and this helicopter has never flown. This same Lockheed management team has lost $60 million on its last commercial aircraft, the Electra. It has also produced the F–104 which the U.S. Air Force still declines to use and which has been grounded by the primary purchaser, the German Government.

Currently, Lockheed has staked its latest commercial venture the Tri-Star superjet on Rolls-Royce, a failing British company.

My primary objection to this proposed legislation arises from the fact that under the provisions of H.R. 8432, small businesses would not be eligible for a loan guarantee. Thus, large corporations would be exempted from the element of risk which small businessmen face daily in their effort to succeed and prosper.

Our present economy languishing under the twin problems of inflation and recession is in definite need of strong efforts to help reverse it. The solution to this problem, however, lies not in a short-term shot in the arm for large corporations, but rather in major surgery aimed at aiding all businesses. Merely treating the symptoms of a diseased economy by aiding giant corporations fails to eradicate the existing problem. We need to take legislative steps to reinvigorate our economy that will be broad and far reaching.

If we act otherwise, our firms will gain access to credit not on the basis of economic merit, but on the basis of political clout.

Mr. CLANCY. Mr. Chairman, I rise in opposition to House Resolution 8432. This bill is written primarily to help Lockheed Aircraft Corp.

We should oppose this bill because, quite simply, it is bad business.

It will further unbalance our already deleterious balance of payments with foreign countries.

It, in effect, will export jobs to other countries while our own communities are feeling the economic hurt of growing unemployment.

It would indirectly subsidize the manufacture of an aircraft at a time when air travel is diminishing and there is insufficient demand for a new plane of this type.

Finally, a major cause of Lockheed's financial dilemma is poor management on the part of Lockheed and we should not perpetuate such mismanagement.

The competition has already beaten Lockheed in the marketplace. Only yesterday, the Federal Aviation Administration certified the DC–10 which is a McDonnell Douglas counterpart to the L–1011 Tri-Star that Lockheed would produce. American Airlines and United Airlines will be flying the DC–10 soon.

The Rolls-Royce engine for Lockheed's L–1011 would not be tested until November of 1972 and it would not be available in the aircraft until April of 1973. What tests have been conducted indicate the Rolls-Royce RB–211 engines are louder than standards permit and spectators have said it produces visible smoke. The engines produced by General Electric for the DC–10 are quieter than the standards and are smokeless.

During ceremonies yesterday when the first DC–10 was delivered, James F. McDonnell, chairman of McDonnell Douglas, commented on the state of the aircraft business. He said his company has orders for 133 of the new planes but he added that McDonnell Douglas will have to sell 438 before the company will break even and start making a profit. Meanwhile, the airlines are dropping their options to order more new airplanes because the air travel business is declining.

Lockheed has orders for only 110 Tri-Stars—if they are produced 2 years from now. The clear implication from this fact and Mr. McDonnell's observation is that there is no way that Lockheed can soon repay the $250 million loan which this bill would guarantee.

Lockheed is on verge of bankruptcy and its situation has been compared to the problems of keeping small businesses in operation. This is an erroneous comparison. Small Business Administrator Thomas S. Kleppe has said:

> Normally we would not consider as eligible for a buisness loan an applicant which is facing bankruptcy as we must find under our statute a reasonable assurance of repayment ability.

There is no such assurance in Lockheed's situation.

The handout to Lockheed is tantamount to exporting employment to England where Rolls-Royce would manufacture the RB–211 engines for the Tri-Star. If Lockheed proceeds to produce the Tri-Star, its engines will be built by employed English factory workers. Yet only last week here in America, General Electric announced it will lay off more than 7,000 persons because of a decline in business and orders for jet aircraft engines.

To make another comparison of the DC–10 and the Tri-Star L–1011:

The engines of these comparable airplanes comprise 20 percent of their material and production costs. About 16 percent of the equippage for both the DC–10 and L–1011 must be imported. If the L–1011 is built, that means that 20 percent more of its cost will be imported. In total then, 36 percent of the L–1011 would be imported while only 16 percent of the homegrown DC–10 must come from foreign countries. Production of the L–1011 further unbalances our overloaded balance of payments.

Gentlemen, we are tending the business of our country. From this information, we can come to only one conclusion: Guaranteeing a $250 million loan to Lockheed is bad business.

Mr. BRASCO. Mr. Chairman, as the debate over the case of Lockheed has mounted in intensity and feeling, emotion has begun to win out over facts. It is time for us to return to consideration of some of these facts, for they are inescapable.

I believe that they make a strong argument for some form of Government guarantee in order to maintain this company as a viable economic entity. The Nation and our economy need such action on our part.

Certainly I have not been a friend of what has been termed "the military-industrial complex." Further, I have been a consistent and vehement critic of the massive cost overruns that have plagued the aerospace industry in the past few years. My comments have been offered on the floor of this Chamber more than once.

I will be the first to admit that Lockheed has been the victim of horrendously bad management. For the people who have made these mistakes at the top, and who are responsible for much of the company's troubles, I have no sympathy whatsoever. For all I care, they can be dispensed with in any further action taken by the Government or the company.

Granting all these factors, let us turn to the economic realities and the human equation confronting us. Also, let us consider that much abused term, "the national interest."

In January of this year, Lockheed employed approximately 30,000 workers. About 60,000 jobs were created through subcontractors who depended upon Lockheed for their livelihoods and contracts.

As of June of this year, the economic setbacks suffered by the company had reduced its payroll to approximately 16,000, a significant figure in terms of human suffering. At least another 30,000 workers employed by subcontractors are still dependent upon Lockheed's survival for their livelihoods. In sum, there are about 35,000 firms doing some work for Lockheed across the Nation. Seventy percent of them, according to the figures made available, are small business people.

The Government proposes to guarantee a $250 million loan by a consortium of banks to the Lockheed Corp. for a period of 2 years. In other words, the Government is proposing to cosign a note for this corporation for a very limited time period. After that, the guarantee would expire. This is, therefore, a 2-year emergency measure offered in an effort to help the company over a temporary economic hump. Britain is doing much more for Rolls-Royce, and that is partially dependent upon the salvaging of the Lockheed Corp.

Mr. Chairman, what do the taxpayers of the Nation receive under the terms of this proposed guarantee? I believe they receive a considerable amount.

Sixteen thousand Lockheed jobs are saved. Sixteen thousand families will continue to have a breadwinner that is working in a severely depressed economy. At least another 30,000 plus jobs will be saved in the small business subcontracting area. I believe that this close to 50,000-job figure would have a significant impact upon a good many local and State economies.

Certainly I have no vested interest in such an action. The jobs saved will hardly be in my home district. The men still employed will hardly vote in the city of New York. But the jobs saved will be American jobs. The families aided will be American families. The economy aided will be the national economy at a time when it can ill afford another cruel blow after the many it has taken in the past several years.

Lockheed's assets will be saved and maintained intact, along with its accumulated facilities and technology. There are only a handful of these massive aerospace giants, and though several of them have made some terrible mistakes in contracting in recent years, still the Nation needs them. This is true not just because of the jobs they represent and the taxes they pay, but also because of the assets they present to the Nation as a whole. They represent entities capable of turning out the immensely complicated weapons systems the Nation's defense requires now and will need in future years. We simply cannot dismember one of them as we would a tinker toy, in the expectation that we would be easily able to put it back together again in an instant.

Lockheed, prior to sustaining such heavy losses, paid some $50 million annually in Federal taxes. Adding the tax revenue accumulated from Lockheed employees, the Federal Government benefits by several hundred million dollars, which I believe almost everyone will agree is a vast amount of capital. This does not even begin to count the Federal taxes paid by the workers who are employed by the subcontractors, as well as the subcontractors themselves. It is also well to bear in mind the fact that many of these subcontractors and the Lockheed plants themselves represent enormous portions of local and State tax bases in literally hundreds of communities across the Nation.

Another worthwhile fact to bear in mind is that Lockheed has in preparation a new commercial aircraft in the form of the L–1011. This aircraft is vital to continued competition among producers of such aircraft. This Nation is the leading producer and exporter of such commercial aircraft. Development and sale of this new plane will substantially aid our balance of payments, which in recent months has begun to emerge from the financial pages onto the front pages.

Mr. Chairman, I do not enjoy the role of defender of this guarantee. Yet I believe that we must understand the unassailable logic of the plan. We simply cannot afford to throw the baby out with the bath-water by allowing this corporation to suffer the ultimate fate of bankruptcy.

Listening to the emotional opposition facing this measure here today, I recall with irony that on July 12, President Nixon signed into law a bill which we, as concerned legislators, had passed to create 150,000 new jobs, at a cost to the taxpayer of approximately $2.25 billion over 2 years. Shouldn't we now be concerned enough to save some 50,000 jobs already in existence—at no cost to the taxpayers?

In the end, the total national interest is by far best served by keeping this company alive, producing and serving the Nation. For these reasons, I shall support the guarantee to Lockheed. Thank you.

Mr. GONZALEZ. Mr. Chairman, we are told that the bill we have before us is the Lockheed bill, but that is not so. This bill is not the bill that was introduced for the rescue of a single company. This bill is not the bill that the Committee on Banking and Currency had hearings on, and it is not even the same conception as we had in that bill.

This bill is one that no one has had any hearings on. It creates an authority eight times as great as is needed to effectuate the rescue of Lockheed. It creates a vaguely defined board to administer that authority. It creates a board with powers even more vague than the board itself. It provides a maximum of risk to the public with a minimum of protection.

If we are going to rescue Lockheed, let us be honest about it, and pass a bill for that purpose. But it is needless, dishonest, and irresponsible to pass this bill, because its intention, its conception, its provisions, are wholly inappropriate for the purpose of saving that great company.

It may well be that we have need of some general government authority to provide assistance to beleaguered businesses. If that is so, this bill does not provide anything like the resources we would be called upon to provide for that purpose. It certainly does not provide the administrative machinery that is needed for that purpose.

It seems the essence of irresponsibility to provide eight times the authority that is needed to do a particular job, and this bill does just that.

We are being asked to act in panic, when the time is for deliberation. This legislation sets a far-reaching precedent, one that we should not lightly establish.

We used to have the Reconstruction Finance Administration, and that worked very well indeed. It had the machinery to administer a program to rescue sick companies, and it had the authority. The Reconstruction Finance Corporation did its job very well, and even returned money to the Treasury.

But this bill does not provide that kind of machinery or authority.

At the very outside we should approve this bill only if its authority is cut to the amount needed to effect a rescue of Lockheed under proper conditions and procedure. Even at that we ought to provide for some logical, well-defined body to administer the program, and we ought to sharply define its powers. This bill sadly needs perfecting, and its general vagueness and weakness fully reflects the slapdash draftsmanship and entire lack of consideration the bill had in committee.

If this were a bill to rescue a string of small businesses, it might never have seen the light of day. If it were a two billion-dollar welfare program we would have had elaborate hearings and discussion and ample provision to protect the public purse and the public interest. Not so this bill.

We cannot act responsibly, if we act in all the haste that has been urged upon us. We cannot act responsibly if we provide eight times the authority required to rescue Lockheed. We can save Lockheed and protect the public interest at the same time—but not by approving this bill as it stands, willy-nilly. There is no need for such unseemly haste and there is no need for us to compound a very sad and tragic situation by creating an even worse one.

It may be that we will find ourselves faced with a continuing emergency, and we ought to view this bill in that light.

We ought to undertsand that in such circumstances there is need for sober thought and careful action. If we aim to provide a general industrial rescue authority, we can only do so by the kind of careful action that created the successful Reconstruction Finance Corporation. That model is one that worked, and which the previous Republican administration destroyed. Now, we have another Republican administration demanding a vague, poorly defined, unknown risk to be taken in the name of Lockheed, but for what real purpose no one will say.

What is the real meaning of this bill?

What is the real meaning of its authority?

How is it possible to define an administering authority that is subject to change, depending on where the problem is?

How are we to know who even works for the board, since we are not providing for any professional staff?

How are we to know the risks, when we are not told?

How are we to protect the public interest?

Why do we need eight times the authority that Lockheed asked for, and the administration asked for?

With so many unanswered questions, how can we approve this bill, in its present form?

Mr. ANNUNZIO. Mr. Chairman, I support the legislation before the House today because I will always vote for legislaton that creates or protects jobs, and that is exactly what we are dealing with today.

In Lockheed alone, we are dealing with some 60,000 human beings who stand to lose their jobs if we do not pass this legislation. I fully realize that, if Lockheed were forced into bankruptcy and a reorganization took place, some of the 60,000 employees would indeed keep their jobs, but there would also be many who would be laid off and I, for one, do not want to be in a position of having to pick out who stays and who goes in the event of a bankruptcy reorganization.

My concern then, quite clearly, is not so much to the merits of the management capability or, if you will, the mismanagement of Lockheed, or whether or not the aircraft now being built by Lockheed can be sold in sufficient quantity and prove airworthy enough to sustain the economic position of Lockheed. Let us assume for a moment that every charge made by the opponents of this legislation concerning the management capabilities of Lockheed and the shortcomings of the L–1011 are true. What these opponents of the legislation are asking us to do is to punish, not only those who are responsible for the mistakes, but those whose only crime is being employed by Lockheed. Of course, it would be no problem for the top management of Lockheed, which is being charged with the mismanagement, to obtain new employment if this legislation fails to pass and Lockheed were indeed forced into a bankruptcy. But the same is not true for the thousands of workers many of them blue collar types, who would find it extremely difficult to find employment, given today's unemployment situation.

For the past 2 years, I have heard Member after Member of this body stand in the well to decry unemployment and to offer legislation and suggestions to reverse the unemployment trend. I, too, am concerned about unemployment and I, too, have stood in the well and spoken out about the problems of unemployment and, because of this, I cannot today vote for legislation that, rather than curing the unemployment problem, would compound it.

We have many Federal programs to provide job assistance for the unemployed and the underemployed, and Congress has been highly initiative, if not inventive, in formulating these programs. We spend millions of dollars a year on job training programs and constantly strive for more legislation to increase the programs. How, then, can we vote for legislation that may well put 60,000 people out of work.

Mr. Chairman, the Small Business Administration presently has outstanding more than $2.5 billion in loans and guarantees to small businesses that are in much the same shape as Lockheed. The only difference is that these companies are small business and Lockheed is big business. If the legislation before us today were to provide the same amount of funds and under the same terms for small business, this legislation would have passed on the consent calendar and the only debate that would have taken place would have been colloquies among the Members of this body extolling the virtues of what a wonderful opportunity it is to help small business. In effect, the Lockheed bill may well be a small business bill, in at least part, for in addition to the employees who stand to lose their jobs, there are hundreds and thousands of small business subcontractors who are in a position to lose their businesses if they lose their Lockheed contracts.

In conclusion, Mr. Chairman, let me suggest that a vote for this bill is a vote to keep food on the dinner tables of thousands of Americans, and a vote against the bill is a vote for "jobocide."

Mrs. GRASSO. Mr. Chairman, I will vote for this legislation which, by assisting the Lockheed Corp., will secure the objectives of maintaining the economy, preserving jobs, and protecting the interests of the American taxpayer.

After long and careful thought, after the realities are weighed and the alternatives considered, this is my judgment.

Mr. Chairman, as a strong believer in our free enterprise system, I have special misgivings about the injection of this save-fail factor in our legislative structure. I deeply regret that the incentives afforded by our system for corporations to produce efficiently—the hope for profit and the penalty of failure which has for so long resulted in excellent products that stand up well in the competitive market—must be supplemented by congressional enactment of legislation. Nonetheless, I am now convinced that the survival of significant segments of our economy, jobs for workers and preservation of the essential role of management, depend on the availability of the assistance which this legislation provides.

The immediate purpose of this legislation is to prevent bankruptcy of the Lockheed Corp., by assuring financing that will allow the company to continue work on the L–1011 Tri-Star airbus.

Yet, the issue reaches well beyond the Lockheed Corp., beyond the question of bankruptcy for a giant firm and all the technical considerations that accompany such a situation. The heart of the matter, it seems to me, is the national interest.

The argument that Lockheed is essential for the national defense has been made as reason enough to save the corporation. This is indeed the narrow view. Surely, there are divisions of Lockheed that are strong and necessary contributors to the national defense effort. But their products, after all, could be manufactured elsewhere and by other hands. We are even led to believe they might be produced more efficiently.

The broad view, however, encompasses much more than items of steel, conveyances of peace, or even machines of war. It represents the vast and tragic waste of our most precious national asset: the creativity and industry of our human resource, the very lives of our people.

Indeed, the severe unemployment situation that already exists in our country—Connecticut is an example with an unemployment rate of over 10 percent—is what our national interest is all about. We know that without a loan the fate of Lockheed is sealed. The corporation will fold. And if Lockheed goes, so will the jobs of a substantial number of the 75,000 persons directly employed by Lockheed, and many thousands more who work for subcontractors dependent on the Lockheed Tri-Star, a three-engine jumbo jet, the major commercial product for Lockheed in this decade. The human tragedy would be compounded many times over.

No one can deny the impact of Lockheed today. Its impact on the economy of Connecticut alone—indeed, on my Sixth District—is tremendous. Right now estimates for the amount of money at stake in Connecticut range from $42 million to $66,753,000 to $97,232,000. However, by their own word, Hamilton Standard, located in Windsor Locks, has $78.7 million in contracts and subcontracts, United Aircraft Co.'s Pratt & Whitney division at Southington has $67,000 in subcontracts, and the Electronic Specialty Co. of Thomaston has $28,000 in subcontracts. Elsewhere in the State, substantial sums are involved at United Aircraft Co.'s Norden Division in Norwalk, $25,000 at North American Rockwell in Fairfield, $1,854,000 at Barnes Engineering in Stamford, and a spokesman for A. W. Hayden in Waterbury says that their subcontracts amount to a large six-figure sum. In all, somewhere between 500 to 700 Connecticut workers are involved.

My own district, with its unusually high unemployment figures—with Bristol's rate at 24.5 percent, New Britain at 14.5 percent, and Torrington at 14.3 percent—would be especially hard hit if Lockheed were to fail. According to figures furnished by the Lockheed Corp., Litchfield County companies, which include Torrington, would lose $388,844—resources we can ill afford.

Mr. Chairman, my concerns are practical through and through. This legislation should be enacted into law for one reason and one reason alone: the national interest. Without the assistance provided in this legislation, Lockheed will not only fail, but so will other firms, as still others fall on even harder times than they are now enduring. Thousands and thousands more Americans will join the ranks of the unemployed.

The welfare of our Nation, its economic viability—in sum, its future—is my concern.

Mr. HAGAN. Mr. Chairman, I rise in support of H.R. 8432, the Emergency Loan Guarantee Act.

This act provides that a guarantee of a loan may be made if the Emergency Guarantee Loan Board finds that a loan is needed to enable the borrower to continue to furnish goods or services and the failure to meet this need would adversely and seriously affect the economy of or employment in the Nation or any region thereof.

It also requires that such credit be not otherwise available under reasonable terms or conditions to the borrower and that the prospective earning power of the borrower together with the value of the security pledged furnishes reasonable assurance of the repayment of the loan.

It is understood that without this loan authority the Lockheed Corp. would be headed for bankruptcy. Such bankruptcy would endanger many essential defense programs.

Lockheed's Polaris and Poseidon's missiles systems are critical elements in our national defense network.

We know that Russia is slowly and surely not only catching up with the United States but surpassing the United States in its military prowess.

It is essential for the defense of our country that there be no interruptions nor delays in the procurement of defense systems to protect our Nation.

The Army must count on the Cheyenne helicopter in its arsenal of weapons.

The C–5 is just coming into its own for the Air Force in giving the United States a lift capability direly needed if we are to remain a first-rate power in this troubled world.

Lockheed's shipbuilding is needed to continue the modernization of our fast-becoming obsolete Navy.

Lockheed's defense efforts have been part of its problem and yet these were for national needs.

America can no longer say we cannot afford a first-class defense establishment. To have such establishment we must have the wherewithal to produce these systems as a deterrent to those who would use military power to defeat our interests around the world.

In addition to our defense needs, the bankruptcy of Lockheed would have a tremendous economic impact in loss of jobs which will affect all of America. In this time of high unemployment we can ill afford a loss of 30,000 jobs.

I submit, this aid to Lockheed is not setting a precedent since the Government has done it in many ways such as the RFC, export-import loans, in guaranteeing bank deposits and savings and loan deposits. We would now be guaranteeing an investment in the Nation's largest defense contractor.

If the spirit of competition is to continue among our defense contractors so that the end products will be superior products, then we must assist the Lockheed Corp. at this critical period.

Remember this is not a gift but a guaranteed loan to a company that has produced in the past and can do so in the future. I urge my colleagues to support this proposal with all its built-in safeguards not just for Lockheed but for the Nation.

Mr. HAMILTON. Mr. Chairman, I rise in opposition to H.R. 8432, a bill to provide guarantee authority for loans to major businesses unable to pay their debts.

I oppose this measure because it is damaging to our economic system, rewards bad management, and would be a misallocation of our financial resources.

DAMAGE TO THE ECONOMIC SYSTEM

Twenty years ago, the Hoover Commission on Government Organization stated that direct lending by the Government to persons or enterprises opens up dangerous possibilities of waste and favoritism, and invites political pressures. It is not the function of a democratic government to pick up the tab for the failures of private enterprise. Neither is it the business of the Government to decide which firms are important enough to continue operations, regardless of their financial situation.

The bill now being considered would put the Government in exactly that position. It would, by guaranteeing loans to Lockheed, enable that company to fulfill a commercial—rather than a defense—contract, by which Lockheed would benefit over its competitors in the field of aircraft manufacture. This would be a most undesirable precedent which would inevitably increase Federal control over business. Passage of the bill would weaken the discipline of the marketplace by eliminating the threat of failure. Economic factors, not political judgments, should determine whether a company survives.

If large companies can obtain Federal aid whenever they are in trouble, the Government could soon begin to regulate corporate financial practices and bank lending procedures. Once this practice was initiated, it would be difficult to shut off. Pandora's box would be open.

Federally guaranteed loans of the magnitude in the bill are also undesirable since it is the taxpayers who will repay the banks if Lockheed cannot. The banks would have no risk for making the $250 million loan, yet they will be earning substantial amounts of interest on a no-risk investment. Moreover, this procedure is open-ended since Lockheed may come back at a later date and request additional funds guaranteed by the Government.

If Lockheed's project for an "airbus" is commercially viable, it could be financed in the commercial money market without recourse to Federal guarantees. If not, why should the Government and the taxpayers pick up the tab?

As the Hoover Commission feared, to place the Federal Government in a position where it can pick and choose which private enterprises should or should not be allowed to slip into bankruptcy proceeding must inevitably lead to subsidization of the least efficient concerns in an industry.

REWARD BAD MANAGEMENT

This bill rewards bad management. Lockheed's project track record does not inspire confidence in its management:

It has incurred enormous cost overruns on the C–5A cargo plane and the SRAM missile.

Its management deliberately misled the Pentagon and reduced its bidding price by 10 percent on the C–5A program in order to underbid its competitor.

It has been investigated by the Securities Commission for less than full disclosure on a bond issue, thus misleading the public.

Many economists have noted that it is often the mere threat of bankruptcy that jolts business from inefficient practices in production, financing and marketing a product.

This broad legislation could intensify the Pentagon's already serious problem of holding private businesses up to adequate standards of performance on defense contracts. Lockheed has contributed to this problem by not meeting standards on the C–5A and SRAM projects.

MISALLOCATION OF FINANCIAL RESOURCES

This bill misallocates financial resources. Government loan guarantees tend to reduce the size of the pool of long-term savings available for non-guaranteed private borrowing. Since the total supply of savings is limited, and the guarantees compete with other potential users of the savings pool, their utilization would siphon off great blocks of funds and raise interest rates on those funds remaining in the pool to non-guaranteed borrowers.

Also, the bill is grossly unfair to small businesses, which would not qualify for guaranteed loans under its provisions. Eliminating risks for large corporations would concentrate technological innovation in such corporations at the expense of smaller competitors. Why should large business concerns be favored?

Subsidizing the Lockheed airbus will cut into orders for a competitor's aircraft product. The measure would thus protect Lockheed jobs at the expense of jobs in a competing firm. Since the engines for the airbus are to be British, Federal aid to Lockheed will also aid foreign producers and workers to the disadvantage of domestic jet engine manufacturers and workers.

Should the alternative to Federal aid be bankruptcy, it should be noted that this does not necessarily mean loss of jobs. The Penn Central Railroad submitted to bankruptcy proceedings, but it is still in operation.

The national economy is in trouble, but a program of loan guarantees attacks the symptoms, not the causes of this trouble. Such a program would not be a fundamental strengthening of the economy. It only prolongs the ills that affect it.

Mr. BURLISON of Missouri. Mr. Chairman, in considering the emergency loan guarantee fund bill today, we are considering a measure which could have far-reaching consequences and multitudinous implications in the years to come. If passed, this bill could cause an erosion in the free enterprise system which could eventually lead to its demise. Not only are the questions of national security, unemployment, and competition within the industry involved, but also the questions of efficiency, responsible management, cost overruns, precedents, and the survival of the free enterprise system. Truly, this is a matter for serious study and contemplation. Admittedly, we long ago departed from an absolutely pure free enterprise system. Special interest power blocs have from time to time been able to get special privileges and preferences as a result of their excessive political power. I believe, nevertheless, that our system has remained fundamentally and basically one of free enterprise capitalism. To guarantee the success of big business generally is a radical departure and an admission that the hope for a free and competitive economy is gone forever. I am not ready for our Government to take this step.

The emergency loan bill would provide up to $2 billion to guarantee loans to major businesses unable to pay their debts. These loans would be made only when the collapse of such firms would damage the economy of the country or a region of the country. It is seen that such a broad criterion would be universal and all inclusive. I do not see how the end result could be anything other than the complete socialization of American industry.

The original proposal was to guarantee a loan to Lockheed Corp. for $250 million. However, in order to gain support for the Lockheed loan, the measure was broadened to include any major corporation who met the qualifications, and the guarantee figure was increased to $2 billion. This action is seen by some as little more than an effort to gain additional votes for Lockheed by hinting at the possibility of making future guarantees available to other financially disabled companies.

I would like to take this opportunity to point out some of the possible effects of passage of this bill.

The small businesses would be put at a great disadvantage. Under this bill they would not qualify for guaranteed loans, thus causing all major innovative risk-taking to be shifted to the larger corporations. The small competitor would be forced out of competition in this area.

The people of this Nation pay a substantial amount of their income into various forms of taxation. This money is urgently needed for housing loans, job creating programs, education, and a host of other programs of direct benefit to the taxpayer. To tie up $2 billion for large corporations where there are so many other desperate needs for funds is highly questionable.

In a strictly business sense, the loan guarantee is not sound. According to a Defense Department analysis, Lockheed has at present orders for only 103 of the approximately 390 Tri-Star planes it must sell to break even. There is a strong possibility that the number of people laid off would not be as great as predicted. Several Lockheed employees work on other projects in addition to the Tri-Stars. The termination of the Tri-Star project would actually create thousands of jobs in competing firms. Those who cite tax revenue losses fail to recognize that the competing firms would nearly make up for any loss of revenue from Lockheed. For instance, McDonnell Douglas of St. Louis would surely take up much of the Lockheed slack.

If this bill is allowed to become law, the opportunities for fraudulent practices in dealing with the Government would be greatly increased. Because Government would have a strong interest in companies whose loans it guarantees, a conflict of interest could easily develop in the awarding of contracts. The door would also be opened for the perpetuation of deceptive bidding.

I seriously question the wisdom of the Government stepping into the free enterprise system to this unprecedented extent. The discipline of the market would be eliminated and with it the control exercised by the threat of failure. I agree with those who say that economic factors, rather than political factors, should determine the survival and prosperity of a company.

Unfortunately, this matter seems to have degenerated into a very partisan issue. I say this for the reason that the President and the Republican side of the aisle appear to be supporting the issue almost 100 percent. I believe their position is a shortsighted one because as I have noted earlier, the precedent that this legislation will set may well spell the end of the free enterprise system as we have come to accept it.

Hopefully, Mr. Chairman, the House will vote down the bill.

Mr. PIKE. Mr. Chairman, last year in the United States of America there were produced 6,550,203 automobiles, of which over 6,350,000 were produced by only three large corporations. Two small corporations produced the rest; 6½ million automobiles.

In contrast to that 6½ million automobiles, there were produced in America last year less than 9,000 aircraft, of which more than half were for general aviation. Five companies produced 6½ million automobiles, but to produce 9,000 aircraft took 20 aircraft companies.

Twenty companies to produce 9,000 planes. Five companies to produce 6½ million automobiles. It is my personal judgment that the demand for aircraft in America, both military and civilian, large and small, is not such that the Nation can sustain all those aircraft corporations without continually subsidizing them.

If we bail out the biggest one this year, one or more of the smaller ones will fold next year or the year after. What we are short of in America is not facilities for producing aircraft. We have a glut of facilities for producing aircraft. What we are short of in America is facilities for producing aircraft engines. For the really powerful engines needed to propel both our giant commercial planes, our large military aircraft and our small fighter aircraft, we have in actuality only two producers of engines in all of America—the General Electric Corp., and Pratt & Whitney. It has been said by others who have looked at this problem that we really only have 1½, because much of the Pratt & Whitney work is subcontracted into Canada.

Let us assume that everything which the proponents of this loan to Lockheed tell us regarding jobs, regarding the gold flow, regarding the economy of the Nation generally, is true this day, this week, this year. I believe we have to look a little further than this day, this week, and this year. By bailing out this airframe producer this time, we will simply transfer the peril to other airframe producers in other places next year. This is a way of postponing a problem, but is certainly not a way of solving it.

The great danger to our aircraft industry and to our national defense lies in the lack of producers of aircraft engines. By bailing out an engine producer in England, we can only be hurting our own engine industry.

What this bill does in essence is have the Government take an active part in a program which adds to a capability already in surplus, and weakens a capability already dangerously weak. It is for this reason that I shall vote against this bill.

Mr. PELLY. Mr. Chairman, I rise in support of the Emergency Loan Guarantee Act. The substantial decrease in spending for space exploration, the cutback in commercial aircraft orders and the downturn in our economy have caused a severe employment crisis in the District I am proud to represent, so I am keenly aware of the need of legislation to avoid unemployment.

My mail has taken both sides of this question, and I have waited a long while, during which time I gave deep study to the issues, before reaching the decision to support this legislation.

One of the facts that is generally overlooked is that the precedent for this legislation was set a long time ago. The Reconstruction Finance Corporation was passed by the Congress and approved on January 22, 1932. Signing this legislation nearly 40 years ago, President Hoover said its purpose was "to permit business and industry to carry on normal activities free from the fear of unexpected shocks and retarding influences."

During the life span of the RFC, more than $40 billion worth of loans were made to corporations, banks, special wartime companies and local governments.

In addition, Mr. Chairman, more than $140 billion in Federal funds have been voted to guarantee home loans for Americans. Some objection is raised because this bill would help big corporations, but already we have established a Small Business Administration to guarantee 90 percent loans to small businesses that have been unable to obtain bank credit. In fiscal year 1972 alone SBA is authorized to guarantee $3.2 billion in loans to small businesses of America.

As I said, the precedent was set a long while ago.

We must look now at the future. Failure of this major U.S. enterprise would result in direct loss of 60,000 jobs throughout the country, financial hardship for 35,000 subcontractors and suppliers—of which 27,000 are small business, some located in my congressional district. Failure of Lockheed will result in increased procurement costs to the Department of Defense, a loss of tax revenue to the Federal Government and a substantial adverse effect upon our already critical international trade balance. This cost to the Government will exceed the amount of the $250 million loan guarantee.

Our Government guarantees corporation investments in foreign underdeveloped countries. What is the distinction between guarantees to provide jobs and help the economy at home as against helping other nations?

Mr. Chairman, I do not feel too kindly in supporting this emergency loan guarantee bill because many of my colleagues and many Senators who urge its passage opposed the money for the supersonic transport which involved 50,000 jobs. But, considering the national interest—both defense and economic interests—I feel the responsible course for me is to support H.R. 8432.

Mr. HELSTOSKI. Mr. Chairman, our system of capitalism as an economic system is purported to have one overriding virtue—that of providing strong incentives for corporations to produce efficiently.

The capitalist theory is that the hope of profit and the fear of failure will reward the most efficient, and the least efficient will be forced out of the economic picture. Because of this hope of profit and the fear of failure, it becomes necessary to compete in the marketplace by creating the best products with the least waste.

The legislation before us today, if approved, will remove incentive and will become an instrument that rewards inefficiency. The fund proposed in this legislation would greatly weaken the incentives of major corporations to cut waste and to hold down costs, thereby propagating and rewarding inefficiency.

Proponents claim that Lockheed's demise will severely affect national security because of Lockheed's production of items essential to national security, and that its bankruptcy will produce severe local unemployment. If that be the case, then we can find remedies to correct them, but these do not justify a general measure to use public funds to prevent bankruptcies among major corporations.

Mr. Chairman, our industrial efficiency has been built upon the standards required to compete in the atmosphere of a free enterprise market. By rewarding inefficiency we will place additional pressures upon those firms who live up to industrial standards of fair and proper competition in a free and open market upon which our industrial supremacy has been built.

We have no obligation to Lockheed, or to any other industrial enterprise, to bail out their inefficient operations. There are many persuasive arguments for not taking on this obligation to guarantee any loans of this type as a matter of public policy.

It is my intention to vote against this legislation for I have come to the conclusion that the people of this country have little to gain and much to lose if their tax money is used in the manner suggested by this legislation.

Passage of this legislation cannot be justified. First, there is a good chance that the taxpayers will lose their quarter of a billion dollars that will go to Lockheed. The bankers, in supporting the concept of this loan, are themselves unwilling to take the risk of putting up their bank dollars with the Federal Government stating that the taxpayer will guarantee the loan. Why should our taxpayers assume this risk?

In addition, Mr. Chairman, this legislation is unfair to small business. The title itself expresses itself to "authorize emergency loan guarantees to major business enterprises." There is nothing in the entire text of the bill which would direct some of these guaranteed funds to small business endeavors. It is difficult enough for a small business concern to obtain a loan through SBA to start a business, but nothing in this legislation will enable such businesses to obtain relief in case of bankruptcy. Last year more than 10,000 businesses, most of them small ones, failed. Their aggregate liabilities were $1.9 billion, but no one in the administration or in Congress rose up to help them survive.

I know of one small business firm in my congressional district which stands to go bankrupt because of the administration's action. This firm is a manufacturer of electronc equipment and has a contract from the Pakistan Government in the amount of $230,000, but is unable to ship the contracted for equipment because their export license has been canceled. The company cannot receive payment until the material is actually placed on board a vessel. Yet, replacement parts of similar components are being shipped on the basis of other export licenses. Furthermore, the concern is the sole supplier of parts and equipment essential to the Naval Air Systems Command, playing a vital role in our national defense picture. Yet, their plea for assistance and survival, on the verge of bankruptcy as this point, has fallen on deaf ears in the administration. Even though the dollar amount of this contract is relatively small, the loss of this material which is ready for delivery and the dollar loss in special equipment to make these parts will cause bankruptcy of this small business concern. Since in this case the Government is the sole barrier to and the cause of this company staying in business, will it grant funds to help this organization stay in business? Nothing in this legislation provides for such relief.

Mr. Chairman, procurement and bidding practices have been such that many contracts awarded to Lockheed were known to be too low in the offered bid. The hope was that the Government would cover the "losses" on the contracts. This has happened in many instances already known to the Defense Department. I do not wish to be a participant permitting a mismanaged industrial giant to use the taxpayer as a means of maintaining its industrial structure without meeting the need to change management. Under the bankruptcy laws, this would be necessary.

Should this bill become law, we would be setting upon a new course which would take us away from the business system with which this country has enjoyed so much success.

I know that there has been heavy lobbying done in behalf of this bill, but none of the arguments advanced in its favor have changed that fact that we would be rewarding inefficiency at the expense of the taxpayer.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of H.R. 8432 and urge its favorable passage by my colleagues. We have heard many conflicting reports about this legislation and just exactly what it will and will not do. I personally believe the main accomplishments we will realize from the bill is the savings of thousands of jobs in different parts of the Nation. This includes not only the jobs of Lockheed employees, but the jobs of employees in those companies who supply parts for Lockheed products.

We have heard charges that we will be setting a precedent by passing this legislation today. I believe if my colleagues will stop and think for a moment they will realize that the Congress set the precedent many years ago. The precedent was set when the Small Business Administration was established.

It should also be noted that this is not a direct loan, as is the case with some SBA loans, but it is a guaranteed loan. The Federal Government will retain first mortgage on Lockheed properties and will also receive a guarantee fee. Plus, the Senate or the House will have a veto over any loans approved by the Emergency Loan Guarantee Loan Board.

We have heard a lot about the high rate of unemployment existing in this Nation. Unless we want to see a significant rise in the unemployment rate, we had best pass this legislation. If we fail to act, we will be placing thousands upon thousands of American men and women in the ranks of the unemployed.

Mr. FULTON of Tennessee. Mr. Chairman, the AVCO plant in Nashville, Tenn., is the largest U.S. subcontractor on the Lockheed L–1011 program. AVCO builds the L–1011 wing, and about 3,000 Tennessee jobs are at stake if the L–1011 is canceled. But, as important as this is to the State of Tennessee, it is perhaps even more important when we consider the ripple effect from the AVCO plant to its own second-tier subcontractors on the L–1011 program.

In testimony provided to the Senate Banking Committee, the president of AVCO described the disastrous effects on one medium-size AVCO subcontractor. This medium-size subcontractor had taken a gamble, along with many other subcontractors on the L–1011 program, in that they had spent money far beyond their receipts from progress payments and thus became one of the investors, which in total amounts at this time to almost $1½ billion.

This particular second-tier subcontractor, as of the end of May of this year, had expended $16 million on the L–1011 program over and above the progress payments they had received. The net worth of that company is $12.8 million, and it, therefore, is obvious that cancellation of the L–1011 at this time would throw such a company into bankruptcy and wipe out their employees as well as the company itself.

This is just one dramatic example of the ripple effect that will occur from our failure to help provide the peak financing required for continuance of the L–1011 program.

But there are many other examples that spring from AVCO subcontracts—and particularly among small business firms.

Out of the AVCO Tennessee plant, there are 414 subcontracts with business firms which employ less than 500 people. They average almost exactly 100 employees each. One listing provided to the Senate committee shows 14 small business firms whose L–1011 business with AVCO constitutes over 75 percent of their total business. Two of these firms are located in Tennessee and the others are located in four other States.

It is obvious that in these 14 cases, cancellation of the L–1011 would be catastrophic on the small business companies and their employees alike.

In many of the other small business firms which have contracts with AVCO, the adverse effects would be very severe, even though not quite as dramatic as in the cases I have listed.

Taking these cases one by one, and examining them individually, is still further explanation for why it is inaccurate and unfair to claim that our actions on the Lockheed matter are merely to bail out a big corporation, the British Government and Rolls-Royce, big airline companies, or big banks. Instead, it is far more important to consider the disastrous effects on tens of thousands of workers, tens of thousands of subcontractors and many thousands of small businesses.

Mr. Chairman, a list of the 14 business firms follows:

Jenks Metals, 741 Massman Drive, Nashville, Tennessee.

Missouri Metal Shaping, 9970 Page Blvd., St. Louis, Missouri.

Precision Specialties, Inc., 203 Aspen Street, LaFollette, Tennessee.

Mikol Missile Air, 18215 South Broadway, Gardena, California.

Aerostructures, Inc., P.O. Box 151, Rhome, Texas.

B & B Mfg. Co., Boyd, Texas.

SKP Industries, 1930 Main Street, Grand Prairie, Texas.

Triangle Tool & Eng., 3301 South Pipeline Road, Hurst, Texas.

B. C. Company, 114 North East 15th Street, Grand Prairie, Texas.

Crown Distributors, Inc., 100 North University Street, Ft. Worth, Texas.

Polyphase Machine Co., 43–22 50th Street, Woodside, New York.

Continental Forge Co., 512 East Carlin Street, Compton, California.

Tube Products, 2508 Decator Street, Ft. Worth, Texas.

Putoma Corporation, 5101 California Parkway, Ft. Worth, Texas.

Mr. STOKES. Mr. Chairman, some call it "socialism for the rich" and others call it "welfare for the rich." But whatever we call it, the Emergency Loan Guarantee Act is another indication of the Nixon administration's total oblivion and lack of concern about the real needs of the American people, and particularly the needs of those who happen to be poor or members of one of the minority groups.

While minority businesses are floundering and dying for lack of operating capital, while more than 5 million Americans are out of work, while financial aid to needy students has dwindled to the point where many young people are deprived of the benefits of higher education, while only $5 million can be spared to treat the more than 400,000 children affected by the poison in lead-based paint, while the food stamp program has been cut to increase the number of the hungry, while the administration decides that $2,400 is a sufficient annual income for anyone—while all this is happening right now, Mr. Chairman, the President has decided that he can spare $2 billion to save certain industrial behemoths which are failing because of mismanagement by their own executives.

If the corporation had been properly managed and if it had had a salable product, this whole question would never have come up. If Lockheed's management is inept and if it has an airplane that nobody wants to buy, it had better just fold up. And the $250 million which, according to the President, is there for the asking could then be spent in, for example, placing the 11,000 people who will need some help finding employment commensurate with their skills.

Mr. Nixon can make all the public declarations he chooses on our budgetary deficit, our "financial crisis." He can veto a bill to create public service jobs on the grounds that such a measure would be inflationary. But when he then turns to the corporate establishment, hands it $2 billion, and tells it that it no longer need fear failure, it suddenly becomes all too clear that there is a wide discrepancy between what President Nixon says and what President Nixon does.

There is nothing less at issue here than our future as a nation. For if there is to be a future at all, then our priorities had better be rearranged—now.

Let us take the $2 billion so generously proffered by the administration and spend it where it is really needed. As I said earlier, we could begin with the individuals who will, unfortunately, suffer as a result of Lockheed's demise. Let us then take some of the money and put it into transportation. But we need not waste it on the Tri-Star, for which there is virtually no demand. No, instead we could spend it on pollution-free, comfortable and inexpensive inner city and intercity public transportation; in doing so, we would be taking a significant step toward making our cities convenient, clean, and economically feasible places in which to live. Then we could turn to the people who now inhabit our cities. We could create thousands of jobs and help hundreds of small struggling enterprises with a fraction of this money. And for those persons who would not be fortunate enough to get jobs under our program, we would provide them with assistance—a minimum annual income, food stamps, educational assistance for their children—until such time as they too could find work.

Two billion dollars could go a long way if we but find a better way to spend it.

Mr. LLOYD. Mr. Chairman, the overriding consideration in my support of the bill to guarantee the loan to Lockheed was the unquestioned fact that, in the absence of such action, there would be an immediate impact of unemployment involving not only the 63,000 employees directly affected but tens of thousands of others working for subcontractors. It would not be consistent for us to appropriate new money to create jobs in the public sector as we have already done in this House and then allow the destruction of useful jobs in a basic industry by failure to act in the national interest.

Also, I prefer the bill finally considered by the House in the amount of $250 million to the originally proposed "umbrella" legislation which would have authorized appropriation of $2 billion and provided a tacit temptation to other companies to operate at too long a risk.

I agree with Dr. Arthur Burns, Chairman of the Federal Reserve Board, that there would be "enormous" economic repercussions if Lockheed's L–1011 program goes under. Additional private financing to Lockheed in addition to their present $400 million debt is not available without this Federal guarantee.

In my opinion, there is little or no risk in the loan guarantee. Lockheed is ready, willing, and able to proceed with its commercial and defense contracts, and the Federal Treasury secures a first lien against Lockheed assets, which have a value in excess of $1 billion.

There is ample precedent for this action. The Reconstruction Finance Corporation made loans and guaranteed loans to big business for years. We have a successful and ongoing program of guaranteeing loans to small business, which evidence proves has saved thousands of small businesses from bankruptcy. We have loan guarantees exceeding $9 billion to foreign borrowers under the Export-Import Bank to purchase U.S. products. We guarantee mortgage loans in excess of $140 billion. We would be shortsighted indeed to allow an economic tragedy to descend upon this country, already struggling with the unemployment created by transition from war to a peacetime economy, under the gross and narrow misconception that we are establishing a new precedent.

Mr. HARRINGTON. Mr. Chairman, I rise to oppose the guaranteed loan for Lockheed because it is bad business, it is undeserved and could only be done at the expense of other airplane manufacturers. If we were to put this loan in the proper perspective, we would find we were making a business transaction none of us would make individually. I cannot blame the bank executives for wanting to back this loan. From a purely business point of view, what could be better than reaping interest on a loan they cannot lose? That is the case before us.

Lockheed has asked for loans amounting to $250 million from a group of 24 banks. The banks' analysis shows that Lockheed's condition is so flimsy that they refuse to take a chance—unless the Government can guarantee they will get their money back. But the concept of interest on a loan relates to risk. The banks' reward for taking a risk is the interest it will gain when the debt is repaid. But here there is no risk and the banks will be reaping huge benefits from the interest while the Government pays the bill.

And what does the country stand to gain from this risk? Lockheed refuses to guarantee it will produce the Tri-Star even if the $250 million is approved. There is the strong possibility that instead of manufacturing the plane, the company will go bankrupt anyway and the Government will be forced to repay the loan. Lockheed has already borrowed $400 million to build the Tri-Star, and $500 million is tied up in assets to support another project, the C–5A, a venture which has cost this country more, much more, than it bargained for.

In my own district, Mr. Speaker, General Electric has recently announced a layoff. If this loan passes, I could not question their bitterness. GE would be angry and deserve to be because, in this instance, the Government is supporting one company over its competitor. Lockheed's jets for the Tri-Star are manufactured in Britain by Rolls-Royce. GE makes a jet with the same performance capability for the McDonnell Douglas DC–10. If McDonnell Douglas and GE managed to make a plane very similar to the Tri-Star without Government support, why then should the Government then artificially maintain Lockheed to siphon away contracts from the DC–10?

This action cuts DC–10 orders—orders which McDonnell Douglas sorely needs. Because of the generally sagging airplane manufacturing industry and the sharp decline in airline travel, McDonnell Douglas has recently lost $540 million in orders. Clearly, the industry is hungry for business. There can be no reason for this support when other companies are suffering even with sound management policies.

In sworn testimony before the Securities and Exchange Commission, Lockheed executives admitted to underbidding by 10 percent its figures on the C–5A to win the contract from Boeing. The C–5A now has a $2 billion cost overrun with a unit cost of $60 million instead of $23 million each. Technical problems beset the plane and the General Accounting Office reported the plane in all likelihood will be unable to perform its major function. That 10-percent underbid is costing the country millions.

But Lockheed's mismanagement goes back a long way, to the time when the company executives decided that turboprop jets were the wave of the future. The company geared for this new form of air transportation while the others, particularly Boeing, Douglas, and Convair, began manufacturing pure jets. The pure jets won. Lockheed, in fact, has not had a commercially successful large venture in 20 years. Unable to dig its way out of the hole, Lockheed tacks on its losses to each new project it can sell to a gullible buyer.

But this time we are the buyer and the time has come to say: "No sale." It is time to end this mistake because this is a private venture in which there is no national interest. Lockheed contends that 31,000 jobs in southern California are at stake. Both McDonnell Douglas and North American Rockwell are located in southern California. If Lockheed does go bankrupt, its employees will still be able to get jobs. This loan is too expensive a remedy for the number of jobs it will retain. The $250 million, if applied to a public service employment program, would create 300,000 jobs instead of 31,000. These men will be able to work for other companies who will be hiring more men to deliver the increased sales. The only ones at Lockheed who need fear losing their jobs are the executives themselves, the men who are pleading this loan.

Their consistent mismanagement has been the downfall of this company. Their constant overruns coupled with poor equipment, as was the case with the SRAM rocket which was built with an engine incapable of meeting its specifications, have ruined the company. Within the industry, Lockheed is viewed with suspicion, a suspicion which is deserved. TWA executives have said they will refuse to accept the Tri-Stars they ordered unless the planes meet specifications. Lockheed has demonstrated its inability to meet specifications but with the added irony that it usually costs the customers million of dollars more.

Lockheed is a sinking boat. In a way, it is a parallel to Vietnam, for just as we are expected to pour men into a lost cause, so we are now expected to pour money into an equally disreputable venture. It is too late for Congress to supply the bucket of cash to bail this company out. It is time, it is not too late, to put an end to this failing venture.

Mr. BROOMFIELD. Mr. Chairman, I rise in opposition to the Emergency Loan Guarantee Act. My objections are based on two criteria: First, on a general level, the concept of the Federal Government loaning money to support private industry augurs the birth of a dangerous practice; and, second, as regards the specific firm for which this bill was designed—Lockheed—I would seriously doubt that their business practices and irresponsible management merit our relief.

In my opinion, the Government should avoid interference within a freely competitive marketplace. Free enterprise assumes that each member of the business community should labor under the same difficulties, encountering identical problems of production costs toward reaching a common goal. But this legislation would reward that company which through its own efforts has failed or miscalculated and penalize, in a sense, that which succeeded.

By assuming responsibility for loans to private corporations, the Government will not only be subsidizing industry, but the banking community as well. Given the opportunity to have their loans cosigned by the Government, why should not bankers try to exercise this option as often as possible? The consequences are all too apparent. Banks would be empowered to coerce us into constructing an artificial floor under their transactions in the guise of revitalizing the economy. Lending institutions would be encouraged to extend money to industries when prudence might dictate otherwise, secure in the knowledge that, if necessary, they can be bailed out by this law.

Mr. Chairman, history reveals that intrusions such as these into one sector of the economy often have ramifications which spread far beyond our initial intent. We must, therefore, use all deliberate caution before moving ahead. We have only a limited number of precedents to guide us in this area, and none are appropriately analagous to the present situation. The overwhelming weight of evidence demonstrates that this bill will serve as a dangerous precedent which will lead us into areas that in the past we have wisely avoided.

In addition, this measure is designed to protect only our largest corporations. It acts to discriminate against those small businessmen of whom over 11,000 went bankrupt last year. Granting, for reasons of discussion only, that the Government has the right to guarantee loans for private enterprises, why should we ignore small businesses which comprise 99 percent of all corporations. My impression in the past has been that we have sorely neglected these smaller forms which are most vulnerable to fluctuations in the economy.

Turning to the specific corporation for which this measure has been introduced, Lockheed, I have further misgivings over and above the general prohibitions that I have enumerated thus far. Lockheed has demonstrated by its record of the past decade serious managerial inadequacies. Yet this bill, which has been advanced on the grounds that it is needed to forestall imminent bankruptcy, holds no provisions for the removal of the present managerial staff. The same personnel which has steered Lockheed upon financial rocks will be entrusted with those funds appropriated for its relief.

The record reveals ample proof of this company's corporate irresponsibility and incompetence. The C–54 cargo plane, the production of which was accomplished with a $2 billion cost overrun as well as the Cheyenne helicopter program are but two examples. Indeed it could be said that during the past decade the Federal Government has done more than enough to assist Lockheed; defense contracts have been consistently renegotiated in its favor whenever cost overruns have occurred.

Since Lockheed is a major Defense Department contractor, there has been some degree of doubt as to how its possible failure might affect our defense posture. In this regard, the testimony of Deputy Defense Secretary Packard is worth noting. He has assured us that in the event of bankruptcy, work on all defense related projects would still continue. If it were suggested that this loan is necessary to provide for the completion of defense contracts, then I would view this proposal in an entirely different light. However, this is not the case. The money is earmarked only for use in the development of the Tri-Star 1011, a commercial plane.

Proponents of the Emergency Guarantee Loan Act have warned of a serious rise in unemployment should Lockheed go into receivership. However, a study of the evidence available indicates that these fears are not entirely justified. While there will be some degree of job losses, 85 percent of the firm's employees are engaged in defense work and will retain their employment.

In addition, the Tri-Star utilizes a British-built engine. McDonnell Douglas Aircraft which is building a similar class aircraft, the DC-10, uses an American-built powerplant. General Electric, contractor for the DC-10 engine, has estimated that if McDonnell were to hold the entire market for this class of plane, 10,000 additional American jobs would be created at their plant alone.

Pursuing this subject, we learn from a Department of Defense study that in order to break even, Lockheed would have to sell almost 400 Tri-Stars. Given this fact, and the fact that Bankers Trust, one of Lockheed's major creditors has projected that the market for this class aircraft is between 400 and 500, we are lead to the logical conclusion that there is hardly enough demand to justify or sustain two suppliers. As a result of subsidizing one competitor we may in the long run be adversly affecting the stability of both corporations. Thus we may generate large-scale unemployment at both McDonnell and Lockheed.

In conclusion, let me reiterate that this loan guarantee is for all intents and purposes, unprecedented in our history. It stands as a dangerous form of subsidy to our free enterprise system. At the same time the Lockheed Corp. has failed by its past record of mismanagement to indicate the capabilities necessary to compete in the aerospace industry. And finally, while in the short run it may seem to prevent unemployment, in the long run it could very well generate a great deal more unemployment than presently envisioned.

Mr. BINGHAM. Mr. Chairman, I have devoted a great deal of study to the matter before us, and I have listened to the debate.

I find myself completely unable to support the bill as it was reported out of committee. It is a hastily drafted piece of legislation which has had by no means the hearings, consideration, and study that should be given to the establishment of a program of such importance.

It may well be that this country now needs an updated form of Reconstruction Finance Corporation, with proper procedures, safeguards, and clear criteria for action. Certainly this bill does no such thing. Some of its provisions strike me as little short of fantastic: for example, the provision that the three-man board set up to approve loan guarantees can veto any transaction affecting the assets of a company given a guarantee. How Lockheed or any other company could operate under such a cloud of possibly arbitrary second guessing, I do not know. Nor is it clear how the veto power would be operated, at what point in the business process, or on what basis.

A bill limited to the Lockheed situation would be far preferable. It would, at least, be honest. It could be said to have followed intensive hearings in both houses of Congress on the merits of the situation. It would not open the door to all sorts of unforeseen future transactions, possibly having political origins, over which the Congress would have only an awkward and insufficient power of veto.

However, I will be constrained to vote against the bill even if it is limited to the Lockheed situation, although I frankly find the decision much more complicated than it has been painted by some distinguished newspapers and by some of my colleagues. I can see many good arguments for the Government issuing a guarantee in such a case, and I am not excessively bothered by the principle. The U.S. Government does issue guarantees in many different kinds of situations, if there is a good reason to do so, and in this respect there is no reason to discriminate against large corporations. The Government also makes loans, to large as well as to small corporations. I am advised, for example, that the McDonnell Douglas Corp. had the benefit not long ago of a $75-million Government loan, under the V-loan program, at a time of financial stringency. And I am very concerned by the prospects for unemployment and economic hardship that may flow from a refusal by the U.S. Government to make the requested guarantee for Lockheed.

But fundamentally I run into this difficulty: If the business proposition that we are being asked to underwrite is as sound as it has been described to be, so that the risk of loss under the guarantee is insubstantial, then why are the banks not willing to take the risk? Of course, I can understand why the banks would prefer to have the guarantee, but I think they can find a way to preserve their investment, which is enormous, without the guarantee, if the demand for the plane is really there and if Lockheed is able to carry the contracts through to fruition. If those conditions are not present, then the Government should not be expected to issue the guarantee. I personally have grave doubts that, with the present economic difficulties facing the airlines, with their current low-average-load factors, the prospects for the F-1011 are actually not too bright. I am very much afraid that the company and the banks may very well be back for further help on the doorstep of the Congress a year or so from now, even if the present guarantee is made and the loan issued. And the arguments that will then be made will be the same arguments that have been made here today. And if the Government does not provide the further assistance, it will then have the Lockheed company on its hands, and that is not a pleasant or a desirable prospect.

Mr. MONAGAN. Mr. Chairman, I am opposed to the passage of H.R. 8432 in its final form.

While I might have considered supporting the bill as originally reported, the reduction through the amendments of the guarantee to a single company creates in my mind a danger that if we pass this bill, we shall be setting the stage for innumerable individual repeat performances whereby Government could itself become a sort of banker for large industry.

In the case of the broader proposal, I believe that its expressed principle is sound—that is that there should be a fund of Government assistance available to tide over difficult times companies which are sound, but whose assets are not liquid. The record in depression days of the RFC—one of the most successful Government ventures in history—proves, I believe, that the broad proposal is valid and workable.

Whether in fact it was embodied in H.R. 8432 is, of course, another question.

With the changes in the legislation, however, the bill before us has become an aid proposal for one company. It singles out some organization among many competing entities in this industry and sustains it—in spite of management defects—against its competitors who are still in business without the benefit of Government guarantee of their borrowings. This is objectionable because it interferes with the operation of the market and penalizes companies which have been efficient enough to keep out of economic difficulty.

I realize that there are economic implications for Connecticut in the continuance of operation of this company, but there are also competing companies and it seems clear that Government should be extremely hesitant to become involved on one side of a competitive situation.

I believe also that even without the guarantee, the most that the company would face would be a reorganization which would result in a rescheduling of its debts and possible changes in management which could prove to be beneficial in the long run. With such a reorganization, its subcontractors would continue.

For these reasons, then I shall vote against the bill.

Mrs. ABZUG. Mr. Chairman, the fact that we are considering this bill today is a stark comment on our misplaced national priorities. We work and struggle for years just to get committee hearings on legislation which will house the homeless, employ the jobless, or feed the hungry, but when a big corporation—or more correctly, the big banks supporting a big corporation—snap their fingers, we all jump to respond to their needs.

What does the proposed guarantee of $250 million to Lockheed alone represent?

It represents 2½ times what the administration has requested for Federal air pollution programs for the new fiscal year.

It represents twice what is budgeted for highway safety.

It represents 2½ times what has been requested for cancer research.

It represents 13 times what we will

spend in fiscal year 1972 for health care for the children of migrant workers.

And what could $250 million do, where might it go, if not poured down the bottomless, greedy hole which Lockheed and its bankers represent?

It could be invested in housing.

It could be invested in schools.

It could be invested in our environment.

It could be invested in generating jobs for our ever-increasing army of unemployed.

We are told that this is a sound company, that the Tri-Star is a sound project. In the same breath, we are told that our Nation's largest banks, institutions whose business it is to know what is financially sound and what is financially unsound, will not risk another nickel on this company and this program unless we put up a quarter of a billion dollars of the taxpayers' hard-earned money as a guarantee. And this despite the fact that they will be earning 9 or 10 percent interest on such a loan. I do not think that anyone here would personally cosign for someone else's loan under such circumstances. If you would not risk your own money this way, you should not risk the people's money either.

The administration which tries to scare us by claiming that 60,000 jobs will be lost if we do not pass this bill is the same administration which recently vetoed a public works bill designed to provide over 200,000 jobs. It is the same administration whose ill-conceived, ill-executed economic policies have lost 2½ million jobs since 1969.

Senator TAFT, who has never been described as a spendthrift or a foe of our economic system, has called this bill a financial Gulf of Tonkin resolution.

It does not merely bail out Lockheed, but throws open the Treasury doors to any corporate comer whose banks want risk-free income at the public's expense.

It sets a precedent which could end up costing us billions upon billions of dollars.

It totally surrenders our legislative power of the purse.

It represents everything that is wrong with our ordering of national priorities.

I respectfully urge its defeat.

Mr. ROSTENKOWSKI. Mr. Chairman, I would, at this time, like to voice my opposition to the bill that is before the House today which would cast the Government in the role of guarantor for a loan to a private corporation. I believe such action would establish a dangerous congressional precedent.

It would be in my opinion, a serious, perhaps irreversible, intrusion into our free enterprise economy, the consequences of which might not be fully clear for years to come. It could possibly undermine the discipline of our American system by virtually eliminating the threat of failure in large business ventures. If corporations which deal with the Government were to operate in an atmosphere of total security fostered by such a guarantee, what incentives would there be to maintain an efficient operation? This is especially true when the company involved is presently the largest civilian contractor with the Government.

Mr. Chairman, last year in my city of Chicago, hundreds of small companies were forced to go out of business because they could not obtain sufficient capital. I, therefore, do not feel that we in good conscience can justify a loan of such magnitude to a single American enterprise.

Many of my colleagues have today expressed concern about the consequent loss of jobs if Lockheed were forced to suspend operations. In a period of such high unemployment, their concern is admirable but all available evidence indicates that the resulting loss of jobs in this case has been greatly overstated.

Lockheed's chief competitors have declared on several occasions that they have the potential to absorb a minimum of 20,000 employees by January of 1972, in the areas of the country that would be hurt the most.

Mr. Chairman, less than 3 weeks ago, the President signed into law the Emergency Employment Act of 1971. In this act, the Congress provided $2.5 billion for the express purpose of providing jobs for those thousands of unemployed. If the $250 million that we are so concerned about today could be somehow channeled into the emergency employment program, the jobs created would far outweigh the loss of jobs created by the demise of a single corporation.

Mr. RANDALL. Mr. Chairman, I oppose H.R. 8432, which has been described as the Emergency Loan Guarantee Act of 1971. I add as a footnote to the above statement I supported the amendment of the gentleman from Ohio which was one of limitation, solely upon the premise as the lesser of two evils.

Although the Ashley amendment was passed on a voice vote and there was no opportunity to be recorded, I supported that amendment upon the theory that if the Loan Guarantee Act was bad when it guaranteed $2 billion to any applicant who might come forward, then by the adoption of the limitation amendment it would be only one-eighth as bad because as to any single borrower there would be a guarantee limit of only $250 million.

I cannot let it stand that the Ashley amendment is wholly good because it is a special interest amendment. We cannot kid ourselves. It will benefit one aircraft frame manufacturer. I have carefully used the word, "frame." Moreover it will benefit one foreign aircraft engine manufacturer. Neither of our two, and we have only two aircraft engine manufacturers in the United States, will be benefited.

Mr. Chairman, as certain other Members have expressed themselves, I have had to wrestle with my conscience to reach a conclusion as to whether to support or oppose this bill on final passage. In the course of my study of the pros and cons of this bill, the first signal of caution raised as a kind of cautionary flag was the fact the Committee on Banking and Currency divided 18 to 16 which means it was barely reported out.

The principle of this kind of a loan is, in my judgment, not good because it sets a precedent from which we may never be able to get away from. Of course, I believe in the free enterprise system. Those who claim it is dead surely cannot be right.

Those who say that this country is in such bad shape that the failure to guarantee this loan for one company means we will be plunging into a depression must surely be prophets of doom and gloom of a very special kind. I know we are in a recession but I also know that there remains about 20 aircraft manufacturers that can carry on. Perhaps I should say there are 20 who manufacture aircraft frames. Remember there are only two who manufacture aircraft engines, Pratt & Whitney, and General Electric. But we are not helping our country where we are short and weak in the area of aircraft engines. Instead, this loan will benefit a foreign aircraft engine manufacturer, Rolls Royce.

Such theatrical statements that if we do not approve this loan we are shooting craps with the national interest is just not in accordance with the facts. Surely no one can argue this legislation is necessary for the maintenance of our national defense capabilities.

The Federal Government's subsidization of large corporations is contrary to the principle of free competition. If we pass this legislation, in the future all any company would have to do to qualify for a guaranteed loan is to convince this Emergency Guarantee Board, composed of the Secretary of Treasury, Chairman of the Board of Governors of the Federal Reserve System and the President of the Federal Reserve Bank in the District in which the firm is located that its collapse would seriously and adversely affect the economy of this Nation.

I have heard a lot about mismanagement of the corporation most talked of in connection with this loan. As I see it at this point, if this bill is passed and becomes law, what we are doing is to reward poor corporate management. If we pass this legislation we will be asked in the future to provide guaranteed loans for any company whose affairs are so badly mismanaged that all sources of credit have been shut off to them. This legislation should be recommitted to the committee for further hearings and restudy.

Mr. STRATTON. Mr. Chairman, in many ways the vote on this legislation to provide relief to the Lockheed Corp. is a difficult one to cast.

I have seen the L–1011 at the Paris Air Show. It is a very impressive aircraft and I would like to see it fly commercially. The Lockheed Corp. has had some problems with some of its key defense contracts, but it has also done some very outstanding defense work and its aircraft have generally been outstanding in their performance. I would certainly hate to see their professional skills and capabilities removed from the aircraft and defense production field. Especially am I disturbed at the thought that any failure on our part to act may bring on unemployment among the men and women who are loyal Lockheed employees.

But, Mr. Chairman, there are some other factors which trouble me deeply about this proposal. In the first place, I wonder how many realize that the Federal Government has already agreed to underwrite $750 million of the $1 billion overrun which Lockheed came up with on the C–5A. Last year the Defense bill contained $200 million for that purpose. The second installment is in the 1972 Defense authorization bill, which we have already passed here in the House—a whopping $357 million. And the balance, presumably, will be paid in fiscal 1973. No matter what Lockheed's difficulties may be, is not $1 billion of the taxpayers' money just a little too much to pay to assist one single, private company? Is not $750 million enough without our going another $250 million into the hole?

Second, Mr. Chairman, I have very grave doubts whether the economic outlook for these new jumbo jets is very good, in spite of the quality of the Lockheed Tri-Star.

As everyone already knows, the 747's are flying with very small passenger loads. The demand just is not there and the airlines are already cutting back on their orders for 747's. Moreover, the first two DC–10's, the most direct competitor of the Tri-Star 1011, have already been delivered to the airlines and are scheduled to be in service by the middle of August. Under these circumstances, where is the market going to be for these 1011's to make the venture economically successful? It may be a great plane, but I am afraid the 747 and the DC–10 have beaten Lockheed to the draw.

Finally, Mr. Chairman, I am deeply troubled by the fact that this loan guarantee is being used to help not only Lockheed but also to help the British Rolls-Royce Corp. In other words, the American taxpayer is being asked to underwrite the purchase of foreign engines for this aircraft at a time when American employees are already suffering the loss of their jobs in American industry because of a new rising floodtide of foreign imports to our shores. The electrical industry has already lost some 2,000 jobs as a result of foreign import competition and it is estimated this figure could go as high as 100,000 jobs. Only yesterday I took the floor of this House to protest the recent action of the TVA in buying Swiss turbines instead of American-made turbines, such as those from General Electric Corp., built in Schenectady in my own district. I pointed out that had this contract gone to Schenectady General Electric it would have meant 900 jobs for Schenectady workers for 1 whole year.

Without a doubt the purchase of British engines for this aircraft would have a very damaging effect on American jobs at a time when we are already gravely disturbed by mounting unemployment around the country. To go to this extent, Mr. Chairman, to damage American jobs and American products strikes me as a very unwise action indeed, and one that could deeply harm the American worker.

Therefore, I shall vote against the pending legislation and I hope it will be defeated.

Mr. DULSKI. Mr. Chairman, I oppose the pending legislation, H.R. 8432, the emergency loan guarantee fund bill.

I am seriously concerned about the precedent which we would be establishing.

I recognize the special problems of the Lockheed Corp., which originally prompted congressional consideration of financial assistance to this defense-oriented company.

During the course of consideration of help to Lockheed, it was decided to switch signals from legislation directed to the interests of this single company to broad legislation covering any major corporation whose financial difficulties threaten the economy.

I am quite familiar with the problems throughout the Government and civilian levels when a major company runs into financial reverses that threaten the company's future and the jobs to large numbers of employees.

It is well understood in the business community that some types of enterprise are considered "risk business" and that their fortunes depend upon many factors beyond the control of the company or the community. This applies, in particular, to those companies in the defense business, but it can and does apply just as easily to companies whose products suddenly lose public demand because of either oversupply or change in public fancy.

We have had considerable experience with programs, as well as with local initiative in finding ways to provide new employment for displaced workers. Such programs are on the books right now.

I cannot agree with those who feel we should launch into a new area of providing financial relief for private industry. I do not see how such an imposition upon the public purse can be justified. What is more, I am not at all certain about our ability to write into law an adequate definition to insure that these loans to big business—and this bill would assist just big business, not the average and small businessman—would be used only in emergency circumstances.

In this respect it seems to me that we very well could be providing an "out" for companies who are simply inefficient and/or mismanaged. Thus, it could be likened to a reward for inefficiency.

Mr. Chairman, I oppose this legislation as it comes from the committee, or even if it is changed back to the original Lockheed relief concept because I do not feel that the American taxpayers can rightfully be expected to bail out such companies.

Enactment of this legislation would be setting a dangerous precedent. Its ramifications could be endless and could cause more problems than it solves.

Mr. MOORHEAD. Mr. Chairman, despite the fact that I supported the Ashley amendment, I think that this is still a bad bill—bad for the country. Lockheed is not going to succeed on the L–1011 program because they cannot sell enough of these airplanes. McDonnell Douglas has publicly admitted that they must sell as many as 460 planes in order to make a profit. Yet on a comparable basis, Lockheed's plane is more expensive and, therefore, they are going to have to sell even more in order to make a profit. Yet they cannot because the total market is not there. Even Lockheed agrees that there are only about 775 planes to be sold on the market. If you add 460 for McDonnell Douglas and at least an equal amount for Lockheed, that comes to at least 920 planes; but the market is only 775 planes. Therefore, someone is going to lose money. There are no two ways about it. If we bolster Lockheed now, either they will be back for more later or McDonnell Douglas will be forced into a loss position. It is just bad business any way you look at it.

Admittedly, this measure may save some jobs until after next year's election but that is all. If Lockheed continues in this program, it will not be a panacea for employment since the L–1011 is not a great creator of domestic employment since the foreign engine manufacturer employs as many people as Lockheed on the L–1011. Forty-two percent of the L–1011 costs are for foreign employment, not domestic. Therefore, the L–1011 program is not a great domestic employment generator.

The fact is that because this measure constitutes bolstering a loser, it sets a dangerous and unwise precedent.

It sets a very unfortunate precedent which could change the basic incentive system that has been so vital to success of our economy. One vital incentive to succeed is the risk of failure. Stripped of that incentive, our system could become bloated with an array of "public sector problems" as the banks now call them.

The Congress has been warned time and again against setting this kind of precedent by businessmen, economists, the Deputy Secretary of Defense Packard, and even by heads of major aerospace firms such as Fred Borch, chairman of the board of General Electric, William Allen, chairman of the board of Boeing, and Jack Vollbrecht, president of Aerojet General Corp.

For example, before the House Appropriations Committee in May, Mr. Vollbrecht ominously warned the Congress.

> I just tell you, gentlemen, you have a good opportunity to make an example of a contractor who is a bellwether in this industry either way and the industry will read it exactly the way you treat them. It is common talk among the industry and they are waiting to see, and don't think they won't read those signs. There is no way you can cover them up. So if you want to continue having troubles with an industry who will come right back and say, "Well, what are you treating me different for? What is different about me? My problems are just as real to me as Lockheed's are to them." I think that is fair. I would expect to be able to come in and say, "My God, we made a horrible mistake and we are about to go under and we want to be bailed out," and I'd want to know why you are not going to bail me out. If you say no, I want to know why."

This measure is unsound from a business and economics standpoint and most unwise from a standpoint of establishing a dangerous precedent.

It does not help small business.

DOES THE LOCKHEED BILL REALLY HELP SMALL BUSINESS?

The claim has been made that this is really a small business bill. The figure 35,000 suppliers has been used freely in describing Lockheed subcontractors.

This figure relates to all Lockheed subcontractors on all programs and contracts, including military.

However, both Secretary Packard and Secretary Connally testified that Lockheed's military contracts would be completed regardless of what happened to the corporation.

How many subcontractors would you you estimate would be affected by the termination of the L–1011 program?

The Treasury Department in supplying the House Banking Committee with material on subcontractors came up with a list of only 66 subcontractors that had a minimum of $10,000 content per airplane.

More than 75 percent of the business done by these 66 subcontractors is carried out by the 10 largest subcontractors.

Of these 10 largest subcontractors, seven are among the 300 largest corporations in the United States and nine are among the top 1,000 corporations in the United States.

On the basis of these figures how can it seriously be contended that this bill in any substantial way will help small business?

It is abundantly clear from the above data that the claim that H.R. 8432 is a small business bill is simply a smokescreen for bailing out not only the Lockheed Aircraft Corp., 24 of the largest commercial banks in the United States, and some of the major air carriers in the country, but is also a bailout for additional major industrial corporations. In fact, very few small businesses are substantially affected by the Lockheed program.

LOCKHEED'S 10 LARGEST U.S. SUBCONTRACTORS

Name of company	Rank by assets [1]	Total commitments to Lockheed as of May 24, 1971
Avco Aerostructures Division	81	$299,193,100
Menasco Manufacturing Co.	(2)	56,722,000
Hamilton-Standard Division (United Aircraft Corp.)	67	38,732,600
Collins Radio	225	32,567,800
Sundstrand Aviation (Sundstrand)	250	25,423,500
Murdock Machine & Engineering Co. (CCI)	654	17,847,600
Sperry-Rand Corp	75	13,299,000
Curtiss-Wright Corp	300	13,027,000
Aluminum Co. of America	30	11,860,400
Instruments Systems Corp	912	11,784,000
Total		[3] 520,557,000

[1] Fortune Magazine, May 1971.

[2] Not available.

[3] 75.8 percent.

FOREIGN SUBCONTRACTOR'S SHARE OF THE L–1011

Both Lockheed and the administration contend that the company's L–1011 airbus program holds such a prominent place in the Nation's economy that irreparable damage would result from termination of aircraft production.

However, Lockheed displayed far less concern about the benefits the L–1011 could bestow on the Nation's economy when it launched its airbus program. Data supplied by the company itself during the House Banking and Currency Committee hearing on the Lockheed loan guarantee legislation shows that foreign subcontractor costs amount to at least 24 percent of the overall price of each L–1011 produced.

Lockheed's board chairman, Daniel J. Haughton, testified that L–1011's will be priced at about $15 million when the planes go into production. Of that total $3.5 million will represent foreign subcontractors' share of the cost.

These findings have been confirmed by aerospace and civil aviation executives, engineers, and technicians who conducted an exhaustive study of economic consequences of eliminating the L–1011 program. In addition to verifying the Lockheed data, their study showed that only 12 percent of the overall price of the McDonnell Douglas DC–10, Lockheed's chief competitor in the airbus market, is reflected in foreign subcontractor costs. The group found that $1.8 million of the DC–10 cost will go to foreign subcontractors—almost entirely to one subcontractor, McDonnell Douglas subsidiary in Canada.

Moreover, Lockheed-supplied data shows that not only will a large part of the revenue generated by L–1011 sales flow out of the country, but in addition Lockheed's foreign subcontractors employ almost as many people as are directly and indirectly working on the L–1011 in the United States.

Haughton testified that a total of 33,800 people are working on the L–1011 or employed by that program's domestic subcontractors. Rolls-Royce of England employs 30,000 persons alone to produce the L–1011 engines.

Ironically, the structure of the L–1011 program has provided in foreign countries nearly twice the number of jobs that it now is sustaining in the United States. Haughton has said that direct and indirect domestic L–1011 employment has been reduced to 15,800 since the beginning of the year. By the same token, production of the L–1011 will automatically mean a substantial division of employment between the United States and foreign countries. In sharp contrast with this, McDonnell Douglas' DC–10 program work force is comprised almost entirely of U.S. taxpayers.

Obviously, termination of the L–1011 program and the switch of wide-bodied airbus orders to McDonnell Douglas will mean increased employment in the United States.

At a minimum, any loan guarantee should make a provision that the airlines of the foreign engine supplier agree to purchase a specified number of the completed L–1011's.

Mr. ARCHER. Mr. Chairman, I rise in opposition to H.R. 8432 because I feel the path we would be taking is a dangerous one.

The American system of free enterprise has demonstrably shown itself to be the most flexible and productive economic system in man's history. It reached this unequaled greatness through the unhampered initiative and drive of individuals competing and cooperating in the free market. Government intervention in the workings of our capitalist system has deliberately been limited, for when even well-intentioned Government intrusions are allowed they more often than not hamper the discipline of the marketplace, forcing distortions in the Nation's allocation of resources and a long-run decline in the progress and prosperity of the people.

All too often the proponents of governmental intervention in private enterprise look only at the immediate results of an act or policy affecting one or merely a few groups. The observation that the Government stands to lose more in lost revenues resulting from the collapse of Lockheed than it would risk by guaranteeing a $250-million loan is compelling. But the long-term costs will be measured in more than dollars and cents. Any governmental tampering with the efficiencies and discipline of the marketplace will result in consequences of long duration and substance which will affect all of our society. Congress must be careful not to overlook the woods in a precise and minute examination of a particular tree. H.R. 8432 will drastically affect more companies and people than just the Lockheed Aircraft Corp., and its subcontractors.

What originated as a $250-million guarantee for one firm has already blossomed into a $2-billion measure open to any number of large companies. This legislation reported by the committee is the blueprint for a new, precedent-setting Federal loan guarantee program that cannot help but become a far-reaching welfare program for big corporations. The legislation is claimed to be a well-devised mechanism for the granting of loan guarantees to enterprises facing "temporary adversity." However, when realistically appraised it reveals itself as a potentially drastic step toward governmental dominance of the free market. To qualify for a guarantee, a company would merely have to convince the new Emergency Loan Guarantee Board that its collapse would "seriously and adversely affect the economy of the Nation or any region thereof." This will mean that once an enterprise has grown to substantial size it will always have the Government as an insurer of last resort. This Federal subsidization of large corporations is directly contrary to the spirit of free competition which has in the past inspired our economic system to so plentifully provide for us.

The argument of the committee that the Federal maintenance of large corporations insures competition overlooks the flexibility of the free marketplace. The company aided by the Government will continue to compete in the short run in its business field; but what of the potential competitors which are impeded from entering the field because of governmental favoritism toward the corporate giant? Surely the broader effects of such Federal preference will be the stifling of potential competition in areas of vital concern. Arbitrary manipulation of the discipline of the marketplace can in the long run only inhibit free competition.

This legislation is not necessary for the maintenance of our national defense capabilities. Deputy Secretary of Defense David Packard appeared before the committee on June 9, 1971, and testified that the loan guarantee could not be justified on the basis of national defense, as preventing a Lockheed bankruptcy was not essential to the national defense structure: "Continuation of existing programs probably could be worked out satisfactorily with a bankruptcy receiver, or a trustee in reorganization." As Secretary Packard stated, the thrust of the issue is an economic one. Further testimony of Mr. Packard revealed that this legislation will even hamper free competitive bidding by Government contractors because it in effect subsidizes the low bidder who fails to perform his contract obligations. For this reason, the Deputy Secretary of Defense opposes H.R. 8432.

If our economic system is to continue its remarkable growth and development, it must be allowed to provide the opportunity for success that has so well stimulated the initiative of business in the past. And if our system is to provide the chance for success, it must also be willing to accept the risk of loss. If we remove this risk by Government guarantee, we will remove at the same time the incentive for extra effort and efficiencies in the marketplace. If we guarantee security, we sacrifice and limit the advantages and rewards of added achievement.

Congress should ponder the consequences of this proposal not only as it will affect a group interest in the short run, but as it will affect the general interest in the long run. H.R. 8432 must be opposed in order to prevent a harmful and precedent-setting Federal intervention in the realm of private interprise. It is the duty of the Congress to carefully preserve and protect for generations to come the legacy of opportunity which is embodied in the free enterprise system and which will be severely infringed by passage of this legislation.

Mr. RARICK. Mr. Chairman, I rise in opposition to H.R. 8432, the bill to authorize emergency loan guarantees to major enterprises.

First, there are no provisions as to types of business enterprises to be aided. Such a decision is left entirely in the hands of a board under the control of the administration—chaired by the Secretary of the Treasury and made up of the Secretary and two members of the Federal Reserve Board—its Chairman, and the president of the Federal Reserve Bank in the district from which the loan application originates. This has all the appearances of another stacked deck against the American taxpayer.

Second, and certainly more important, I object to the makeup of the Board which will decide the policies of the Emergency Loan Guarantee Act. Recent newspaper articles indicate that the President is attempting to gain control of the Federal Reserve Board increasing its members. Such a move by the administration seems to indicate a move toward more and more socialism. I am unalterably opposed to any measure that will increase existing Federal control over the lives of individual American citizens, much less a program that is further destructive to free enterprise.

To allow the administration to control policies as to which company would be eligible for guaranteed loans to avoid bankruptcy is to court financial disaster. The American dollar is already under attack.

I refuse to be a party to any measure that would allow the administration to bail out any and all preferential companies from financial ruin without any strings attached.

I feel that this bill represents an attempt by our Government to trespass on forbidden territory. Adoption of this bill would only enlarge a Government-created problem. This chances too much additional power in the Federal Reserve Board.

I intend to cast my people's vote against H.R. 8432, the bill to authorize emergency loan guarantees to major business enterprises and ask that related news articles follow my remarks.

[From the Christian Science Monitor, July 30, 1971]

MR. NIXON WANTS THE FED

One expectable result of growing anxiety about the state of the American economy is the White House reaching for control over "The Fed" (The Federal Reserve Board).

According to latest reports Mr. Nixon wants to "pack The Fed" with five more governors of his own choosing. The Fed would, obviously, prefer to remain unpacked.

The issue is as old as time, but with vivid current meaning.

The ancient issue is control of the money supply. Does the king, palace, president, or whatever you want to call it, have a monopoly through the minting of coins and fixing the fineness of those coins on control of the money supply? Or does the banking and merchant community have its own separate money supply in the form of bank notes and credits which it regulates to its tastes regardless of the interests of the palace?

In medieval times (and even later) kings in financial trouble were known to "clip the coins" (literally shave off the edges) to get more spending money for their various needs. This was the original form of devaluation of the currency. It has been widely practiced down through the ages. It made it possible for the king to pay off his debts with cheaper money.

The Federal Reserve Board was set up as a separate and independent institution for the specific purpose of keeping politics out of management of the money supply. It was modeled on the Bank of England. It was empowered to relax or tighten the supply of money in its own good judgment. Under the original Bank of England-Federal Reserve system the palace, or Treasury, lost control over the money supply. The interests of the banking and merchant community took precedence over the political interests of the government.

In these times government increasingly wishes to be able to manage the money supply as one of its controls on the economy. The Bank of England, long under siege from the Treasury, was finally captured when Labour took office under Harold Wilson in 1964. In Washington the Federal Reserve still holds out as an independent source of credit and money.

The issue has come to a head. The Fed had been practicing an easy-money policy until some six months ago. It then became anxious about the contining pace of the inflation. The Fed is now over on a tight-money policy which is why interest rates are going up. But at the White House Mr. Nixon is more concerned about unemployment than about inflation. He wants an easy-money supply to stimulate the sluggish economy and produce jobs. So The Fed and the White House are working at cross-purposes.

Should the White House have the ability to force The Fed to conform with its economic policies?

Every president since the founding of The Fed has wanted to be able to control it. One reason Arthur Burns is now chairman of The Fed is because Mr. Nixon thought he would be more amenable to White House wishes than was his predecessor, William McChesney Martin. It is natural for a president to want control over The Fed. Whether he should have it is another matter about which we reserve judgment.

But meanwhile the move to gain control by appointing five more governors tells us how anxious the White House is about the state of the economy and how deeply concerned it is over the fact that employment is not going up as Mr. Nixon wishes it would.

[From the Evening Star, Washington, D.C., 1971]

BURNS' COMMENTS DRAW ADMINISTRATION'S ANGER

White House officials are floating reports that President Nixon is considering moves to curtail the independence of the Federal Reserve Board, apparently to show they are angry at Chairman Arthur F. Burns for criticizing administration economic policies.

High-ranking officials outside the White House said yesterday there is no chance that such proposals will be pressed, or that Congress would support Nixon if he tried.

There was speculation that the reports were floated to warn Burns to mute his public criticism and stick to the traditional role of a central banker in carrying out monetary policy.

The White House carefully avoided squelching the reports completely.

Press Secretary Ronald L. Ziegler said publicly that Nixon is not "considering" or "discussing" proposals to infringe the Federal Reserve's independence "at this point." He declined several opportunities to deny flatly that such proposals are under study in the White House.

SUGGESTIONS ADMITTED

Ziegler later told a reporter that the President does not have the proposals "under active consideration at this time," but added that "there are those in the administration who have made such suggestions."

He did not deny that he had confirmed the reports privately.

Herbert G. Klein, director of communications, said there have been "general discussions over a period" about whether the Federal Reserve has too much power, but said he does not know whether the issue has become more immediate.

United Press International had quoted administration officials as saying that key advisers had urged Nixon to press for expansion of the Federal Reserve Board from seven to 14 members, to increase his influence.

Dow Jones followed with a report that the administration is seriously considering, instead, legislation to bring the Federal Reserve into the executive branch, thus ending its independence directly rather than by adding pro-Nixon members.

HILL LEADERS DENY KNOWLEDGE

It appeared that the reports about curtailing the Federal Reserve's independence originated in the White House, without the knowledge of officials in other agencies dealing with the economy.

These officials said the reports came as a surprise, and ridiculed the idea of "packing" the board's membership or moving it into the executive ranch.

"Bananas," a high-ranking official said, calling the reports "nonsense."

Republican and Democratic members of Congress who deal with the Federal Reserve also denied knowledge of administration efforts to infringe its independence.

Burns, formerly Nixon's closest economic adviser, reportedly has irked the President by contradicting the administration's claims of progress in curbing inflation, and by calling repeatedly for stronger action to stabilize wages and prices.

Nixon has rejected Burns' proposal for establishment of a wage-price review board.

[From the New York Times, July 30, 1971]

"LEAKS" ABOUT RESERVE SCORED BY WHITE HOUSE

WASHINGTON.—A high White House official said today that the "leaks" earlier this week about possible consideration by President Nixon of a change in the status of the Federal Reserve Board "were not a legitimate expression of Presidential opinion."

This official who, following the custom of immediate Presidential advisers, declined to be named, registered to The New York Times his distress on two points:

The President was inaccurately portrayed by lower-level White House sources as considering legislation to increase the size of the Federal Reserve Board or to bring it into the executive branch of the government.

That Ronald L. Ziegler, the White House Press Secretary, had not more firmly denied the reports when queried yesterday.

Meanwhile, it has been established on good authority that the "leaks" came from the office of Herbert G. Klein, the President's director of communications, though not necessarily from Mr. Klein himself.

Reporters from United Press International and Dow-Jones News Service were given the "story" and were told that the President was "furious" with Arthur F. Burns, chairman of the Federal Reserve Board, who has differed with the administration on several points.

The same source told of presidential consideration of the changes in the status of the Federal Reserve. The Treasury and Council of Economic Advisers immediately declined any knowledge of such a plan.

Today the denial extended to the White House itself. But the situation will probably remain in some confusion until the President issues a statement of some kind, either directly or through Mr. Ziegler.

While it can be accepted that Mr. Nixon is not contemplating any legislative actions affecting the status of the Federal Reserve—which in any event would be highly controversial—it is plausible that he has been nettled by some of Mr. Burns' public comments.

Mr. LINK. Mr. Chairman, H.R. 8432 started out as a $2 billion big business assistance fund from which loans could be made to ailing corporations, notably Lockheed—the company asking for immediate help. As amended to enhance passage, the bill would provide in effect, a $250-million loan guarantee for Lockheed alone.

An amendment applying the same requirements to Lockheed as to loans by the Small Business Administration, whereby the lending bank guarantees 10 percent of the loan and the Government 90 percent, was offered and defeated. With that amendment, I could have given reasonable consideration to H.R. 8432. Without it, I cannot support the bill.

I have grave reservations when the same banks that have already invested $400 million in Lockheed refuse to guarantee or arrange for 10 percent of another $250 million. I cannot help but think of Federal Land Bank loans that by law are limited to lend only 65 percent of the value of the land. The Federal Land Bank does not offer a 100-percent guaranteed loan to farmers. Nor are 100-percent guarantees available to homebuilders or small businessmen.

In the Committee report, one of several disssenting views is that of Congressman EDWARD I. KOCH. I quote a part of his statement:

The argument was advanced by Deputy Secretary Packard and others that what is proposed here is similar to the assistance given to small businesses by the Small Business Administration.

In response to a question I put before Mr. Packard on whether the SBA provides assistance to a small firm at the edge of bankruptcy, he responded:

"Yes, they come in on the edge of bankruptcy. This is one of the purposes, to help small business, and among other things to keep them from going into receivership."

A very fundamental question should be asked at this point: Is it the function of government to bail out bankrupt businesses—large or small? Because I was surprised at Deputy Secretary Packard's response and reference to SBA procedures, I wrote to the SBA to ascertain its policy on loans to small businesses on the verge of bankruptcy. I received the following response from the Administrator of the Small Business Administration, Thomas S. Kleppe, which speaks for itself.

"U.S. GOVERNMENT,
"SMALL BUSINESS ADMINISTRATION,
"Washington, D.C., July 22, 1971.

"Hon EDWARD I. KOCH,
"House of Representatives,
"Washington, D.C.

"DEAR MR. KOCH: This letter will reply to yours of July 20, 1971 requesting information relating to whether the Small Business Administration would make loans to small businesses to avoid bankruptcy.

"The prohibitions which you cite in your letter would not necessarily preclude such loans, although they might, depending on the circumstances of a particular case.

"Normally, we would not consider as eligible for a business loan an applicant which is facing bankruptcy, as we must find under our statute a reasonable assurance of repayment ability. This would obviously be difficult to do in most cases.

"We do not have a record of loans made to firms facing bankruptcy, if there ever were any at all.

"I hope that this information is helpful. Please let us know when we can be of further service.

Sincerely,

THOMAS S. KLEPPE,
Administrator."

Now a word about the security of jobs involved, which figures most heavily in my concern about this bill. Going bankrupt would not necessarily mean that the company would go out of business. It could go into receivership and be operated by court-appointed trustees, and if it has any value at all and the airplanes it is making have any future, it could continue. A reorganization of management and closer scrutiny could benefit both the company and its workers.

Penn Central Railroad went bankrupt. The trains did not stop—workers did not lose jobs and now it is being straightened out under new management and direction of Federal courts.

The Lockheed plea for help in order to protect jobs for its workers and their families is a bit ironic when one considers the company is under contract with the now bankrupt Rolls Royce Co. of England to build the engines for their new L–1011 planes.

Mr. Chairman, H.R. 8432 could set a precedent whereby we could find our Government bailing out increasing numbers of large corporations at their request.

It is a travesty of justice for the taxpayers of our country to afford this kind of guarantee to a large company on shaky financial ground when taxpayers themselves are refused similar privileges.

For the foregoing reasons, I cannot support H.R. 8432.

Mr. DANIELS of New Jersey. Mr. Chairman, I want to indicate my support for the Emergency Loan Guarantee Act of 1971, guaranteeing a $250,000,000 loan to be made by private lending institutions to the Lockheed Corp.

I want to say, first, that in normal times I woud not be willing to support such legislation. In normal times, however, the men and women employed by the Lockheed Corp.—and who will be laid off and out of work as a result of Lockheed's bankruptcy—will have no other jobs available to them. We are experiencing now one of the worst periods of unemployment in American history. I know that there is some disagreement as to the exact number of expected layoffs. But, to suggest that there is any real difference between allowing the layoff of 60,000 or 35,000 or 16,000 men from good paying jobs when no other jobs exist, is idle and irresponsible quibbling over other people's livelihoods. If we are in a position at this time to maintain the employment of 16,000 men, or even 5,000 men, on a worthwhile project, which itself will add to the number of available jobs, then it is irresponsible and unreasonable for us to do nothing.

This is not an appropriation bill. No money is being expended from the Federal treasury. What the Federal Government is saying by enacting this bill into law, is that there is a sufficient national interest to the national welfare in the continued viable operation of the Lockheed commercial Tri-Star project and that the Federal Government will stand behind a $250,000,000 secured loan made by private lending institutions.

I believe that it is in the national interest to do this, not only because of the employment issue which I raised earlier, but because of the severe impact on our currently deteriorating balance of trade. There is, and will be, a large market for these aircraft. Certainly the McDonnell Douglas DC–10 and the Boeing 747 have indicated such a market. Not only are American domestic airlines purchasing the planes, but foreign governments as well are interested in the market. The DC–10, the Boeing 747, and the Lockheed Tri-Star are not, however, the same plane. They are similar but their differences are so substantial that they represent different portions of the airline market. Thus, if the Tri-Star is not built, that portion of the market would be picked up by foreign competition. Jobs that otherwise would have gone to Americans will go to foreign workers on foreign planes which will be sold to U.S. airlines to fill what would have been the Tri-Star position in the airline market. Thus, not only will we lose the wages, there will be an actual currency drain from the United States at a time when we can least afford it.

I have no pecuniary or political intertest in the Lockheed Corp. There is no

Lockheed subsidiary in my congressional district nor is there a Lockheed subsidiary in the State of New Jersey. And, although there are a number of New Jersey companies which have contracts with the Lockheed Corp., none is in my congressional district. But, what happens in California, or in Georgia, or in Kansas, or in any other State of the Union, affects my constituents in Hudson County, N.J. If people on the other side of this great country are out of work, they can not afford to buy products manufactured by workers in New Jersey and in Hudson County. And if workers in Hudson County are subsequently laid off because no one will buy the products that they make, then the people in the service industries will also suffer in Hudson County. So in voting for this legislation, which may seem only to protect the jobs of men and women in California, I am seeking not only to protect the jobs of Lockheed workers, but the livelihood and security of my own constituents.

Mr. PATMAN. Mr. Chairman, I suggest that the Clerk read.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the committee amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Loan Guarantee Act".

ESTABLISHMENT OF THE BOARD

SEC. 2. There is created an Emergency Loan Guarantee Board (referred to in this Act as the "Board") composed of the Secretary of the Treasury, as Chairman, the Chairman of the Board of Governors of the Federal Reserve System, and, for the purpose of considering and acting upon an application for a guarantee of a loan to any enterprise, the president of the Federal Reserve bank in the district of which such enterprise is located as determined by the Secretary of the Treasury. Decisions of the Board respecting procedures and other administrative matters may be made by the two permanent members of the Board. Decisions of the Board with respect to the granting or denial of an application for a guarantee of a loan to any enterprise shall be made by majority vote of all the members of the Board consisting of the two permanent members and the president of the Federal Reserve bank in the district of which said enterprise is located.

AUTHORITY

SEC. 3. The Board, on such terms and conditions as it deems appropriate, may guarantee, or make commitments to guarantee, lenders against loss of principal or interest on loans that meet the requirements to this Act.

LIMITATIONS AND CONDITIONS

SEC. 4. (a) A guarantee of a loan may be made under this Act only if—

(1) the Board finds that (A) the loan is needed to enable the borrower to continue to furnish goods or services and failure to meet this need would adversely and seriously affect the economy of or employment in the Nation or any region thereof, (B) credit is not otherwise available to the borrower under reasonable terms or conditions, and (C) the prospective earning power of the borrower, together with the character and value of the security pledge, furnish reasonable assurance that it will be able to repay the loan within the time fixed, and afford reasonable protection to the United States; and

(2) the lender certifies that it would not make the loan without such guarantee.

(b) Loans guaranteed under this Act shall be payable in not more than five years, but may be renewable for not more than an additional three years.

(c) Loans guaranteed under this Act shall bear interest (exclusive of guarantee fees and service charges, if any) at rates not to exceed a rate determined by the Board to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risk assumed.

SECURITY FOR LOAN GUARANTEES

SEC. 5. In negotiating a loan guarantee under this Act, the Board shall make every effort to arrange that the payment of the principal of and interest on any plan guaranteed shall be secured by sufficient property of the enterprise to collateralize fully the amount of the loan guarantee.

REQUIREMENTS APPLICABLE TO LOAN GUARANTEES

SEC. 6. (a) A guarantee agreement made under this Act with respect to an enterprise shall require that while there is any principal or interest remaining unpaid on a guaranteed loan to that enterprise the enterprise may not—

(1) declare a dividend on its common stock; or

(2) make any payment on its other indebtedness to a lender whose loan has been guaranteed under this Act.

The Board may waive either or both of the requirements set forth in this subsection, as specified in the guarantee agreement covering a loan to any particular enterprise, if it determines that such waiver is not inconsistent with the reasonable protection of the interests of the United States under the guarantee.

(b) If the Board determines that the inability of an enterprise to obtain credit without a guarantee under this Act is the result of a failure on the part of management to exercise reasonable business prudence in the conduct of the affairs of the enterprise, the Board shall require before guaranteeing any loan to the enterprise that the enterprise make such management changes as the Board deems necessary to give the enterprise a sound managerial base.

(c) A guarantee of a loan to any enterprise shall not be made under this Act unless—

(1) the Board has received an audited financial statement of the enterprise; and

(2) the enterprise permits the Board to have the same access to its books and other documents as the Board would have under section 7 in the event the loan is guaranteed.

(d) No payment shall be made or become due under a guarantee entered into under this Act unless the lender has exhausted any remedies which it may have under the guarantee agreement.

(e) (1) Prior to making any guarantee under this Act, the Board shall satisfy itself that the underlying loan agreement on which the guarantee is sought contains all the affirmative and negative covenants and other protective provisions which are usual and customary in loan agreements of a similar kind, including previous loan agreements between the lender and the borrower, and that it cannot be amended, or any provisions waived, without the Board's prior consent.

(2) On each occasion when the borrower seeks an advance under the loan agreement, the guarantee authorized by this Act shall be in force as to the funds advanced only if—

(A) the lender gives the Board at least ten days' notice in writing of its intent to provide the borrower with funds pursuant to the loan agreement;

(B) the lender certifies to the Board before an advance is made that, as of the date of the notice provided for in subparagraph (A), the borrower is not in default under the loan agreement: Provided, That if a default has occurred the lender shall report the facts and circumstances relating thereto to the Board and the Board may expressly and in writing waive such default in any case where it determines that such waiver is not inconsistent with the reasonable protection of the interests of the United States under the guarantee; and

(C) the borrower provides the Board with a plan setting forth the expenditures for which the advance will be used and the period during which the expenditures will be made, and, upon the expiration of such periods, reports to the Board any instances in which amounts advanced have not been expended in accordance with the plan.

(f) (1) A guarantee agreement made under this Act shall contain a requirement that as between the Board and the lender, the Board shall have a priority with respect to, and to the extent of the lender's interest in any collateral securing the loan and any earlier outstanding loans. The Board shall take all steps necessary to assure such priority against any other persons.

(2) As used in paragraph (1) of this subsection, the term "collateral" includes all assets pledged under loan agreements and, if appropriate in the opinion of the Board, all sums of the borrower on deposit with the lender and subject to offset under section 68 of the Bankruptcy Act.

INSPECTION OF DOCUMENTS; AUTHORITY TO DISAPPROVE CERTAIN TRANSACTIONS

SEC. 7. The Board is authorized to inspect and copy all accounts, books, records, memoranda, correspondence, and other documents of any enterprise which has received financial assistance under this Act concerning any matter which may bear upon (1) the ability of such enterprise to repay the loan within the time fixed therefor; (2) the interests of the United States in the property of such enterprise; and (3) the assurance that there is reasonable protection to the United States. The Board is authorized to disapprove any transaction of such enterprise involving the disposition of its assets which may affect the repayment of a loan that has been guaranteed pursuant to the provisions of this Act.

MAXIMUM OBLIGATION

SEC. 8. The maximum obligation of the Board under all outstanding loans guaranteed by it shall not exceed at any time $2,000,000,000, but in no event shall the Board guarantee loans to any one borrower in an amount greater than $250,000,000.

EMERGENCY LOAN GUARANTEE FUND

SEC. 9. (a) There is established in the Treasury an emergency loan guarantee fund to be administered by the Board. The fund shall be used for the payment of the expenses of the Board and for the purpose of fulfilling the Board's obligations under this Act. Moneys in the fund not needed for current operations may be invested in direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof.

(b) The Board shall prescribe and collect a guarantee fee in connection with each loan guaranteed by it under this Act. Sums realized from such fees shall be deposited in the emergency loan guarantee fund.

(c) Payments required to be made as a consequence of any guarantee by the Board shall be made from the emergency loan guarantee fund. In the event that moneys in the fund are insufficient to make such payments, in order to discharge its responsibilities, the Board is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Board with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations.

FEDERAL RESERVE BANKS AS FISCAL AGENTS

SEC. 10. Any Federal Reserve bank which is requested to do so shall act as fiscal agent for the Board. Each such fiscal agent shall be reimbursed by the Board for all expenses and losses incurred by it in acting as agent on behalf of the Board.

PROTECTION OF GOVERNMENT'S INTEREST

SEC. 11. (a) The Attorney General shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of the issuance of guarantees under this Act. Any sums recovered pursuant to this section shall be paid into the emergency loan guarantee fund.

(b) The Board shall be entitled to recover from the borrower, or any other persons liable therefor, the amount of any payments made pursuant to any guarantee agreement entered into under this Act, and upon making any such payment, the Board shall be subrogated to all the rights of the recipient thereof.

CONGRESSIONAL REVIEW

SEC. 12. (a) The Board shall not guarantee or make a commitment to guarantee any loan after October 1, 1971, unless—

(1) at least twenty calendar days prior to making such guarantee, the Board transmits to the Congress a notification of its intention to make such guarantee together with a detailed justification therefor; and

(2) a period of twenty calendar days of continuous session of the Congress following the date on which the notification is transmitted elapses, and during such period there is not passed by either the Senate or the House of Representatives a resolution stating in substance that the Senate or the House of Representatives, as the case may be, does not approve the proposed guarantee. For the purposes of this paragraph, in the computation of the twenty-day period there shall be excluded the days on which the Senate or the House of Representatives is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die.

(b) The provisions of sections 910–913 of title 5 United States Code, shall apply for the procedure to be followed in the Senate and House of Representatives in the exercise of their respective responsibilities under subsection (a) in the same manner and to the same extent as such provisions apply to the procedure followed in the case of reorganization plans; except that references in such provisions to a "resolution with respect to a reorganization plan" shall be deemed for the purposes of this section to refer to a resolution of disapproval under subsection (a) (2).

REPORTS

SEC. 13. The Board shall submit to the Congress annually a full report of its operations under this Act. In addition, the Board shall submit to the Congress a special report not later than June 30, 1973, which shall include a full report of the Board's operations together with its recommendations with respect to the need to continue the guarantee program beyond the termination date specified in section 14. If the Board recommends that the program should be continued beyond such termination date, it shall state its recommendations with respect to the appropriate board, agency, or corporation which should administer the program.

TERMINATION

SEC. 14. The authority of the Board to enter into any guarantee or to make any commitment to guarantee under this Act terminates on December 31, 1973. Such termination does not affect the carrying out of any contract, guarantee, commitment, or other obligation entered into pursuant to this Act prior to that date, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENTS OFFERED BY MR. ASHLEY

Mr. ASHLEY. Mr. Chairman, I offer four amendments and ask unanimous consent that they may be read and considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. ASHLEY:

On page 6, line 21 strike "and, for the purpose of considering and acting upon", and strike lines 22 through 25, and on page 7, strike lines 1 through 8, and insert in lieu thereof "and the Chairman of the Securities and Exchange Commission. Decisions of the Board shall be made by majority vote."

On page 8, strike lines 9 through 14 and insert in lieu thereof the following:

"(c) (1) Loans guaranteed under this Act shall bear interest payable to the lending institutions at rates determined by the Board taking into account the reduction in risk afforded by the loan guarantee and rates charged by lending institutions on otherwise comparable loans.

"(2) The Board shall prescribe and collect a guarantee fee in connection with each loan guaranteed under this Act. Such fee shall reflect the Government's administrative expense in making the guarantee and the risk assumed by the Government and shall not be less than an amount which, when added to the amount of interest payable to the lender of such loan, produces a total charge appropriate for loan agreements of comparable risk and maturity if supplied by the normal capital markets."

Page 12, line 18, strike out "$2,000,000,000" and all that follows thereafter down through the period on line 20, and insert in lieu of the matter stricken the following: "$250,000,000."

Page 15, strike out line 1 and all that follows thereafter down through page 16, line 6. And redesignate the succeeding sections accordingly.

The CHAIRMAN. Is there objection to considering the four amendments en bloc?

There was no objection.

The CHAIRMAN. The gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes in support of his amendments.

Mr. ASHLEY. Mr. Chairman, these four amendments that have just been read were presented as a result of an essential agreement reached by the leadership of the House on both sides of the aisle and by the chairman of the Committee on Banking and Currency and by the ranking minority member.

The most important of these amendments, Mr. Chairman, is the amendment that would reduce the guarantee authorization from $2 billion to $250 million. If this amendment is adopted, it would follow then that section 12 of the legislation before us would not be necessary.

Section 12, which is based, of course, on an overall guarantee authorization of $2 billion, would establish a mechanism for congressional review of very doubtful constitutionality. What it would do in effect would be to say that when the Emergency Loan Guarantee Board decides affirmatively in the future on an application for a loan guarantee, the matter would be referred to the Congress and that each body, the House and Senate, would have 20 days in which to concur or, rather, to express opposition to such action by the Emergency Loan Guarantee Board. As I say, the Attorney General has indicated that this legislative approach is of doubtful constitutionality.

It has been my premise, now concurred in by most, that a far more direct means of assuring a quick review of future loan guarantee applications would be to limit the amount of authorization in the first instance to $250 million.

The Loan Guarantee Board would be in existence and it would be available to entertain future applications. Were such an application to be considered favorably by the Board, it would then become incumbent upon the Board to come to the Congress for loan guarantee authorization replenishment. So if the $250 million loan guarantee goes to Lockheed, there would be no more authorization available until such replenishment. This will assure all the time that the Congress needs, both bodies of the Congress, to consider the matter, rather than having forced upon it this 20-day provision.

Mr. GROSS. Mr. Chairman, will the gentleman yield for one quick question?

Mr. ASHLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Would the entire $250 million be dedicated to Lockheed?

Mr. ASHLEY. Yes.

Mr. GROSS. Or, would it be available to be spread out elsewhere?

Mr. ASHLEY. Well, the first $250 million of loan guarantee would be allocated to the Lockheed Corp.

Mr. GROSS. I thank the gentleman.

Mr. ASHLEY. I think we should make clear that this is not legislation, despite appearances to the contrary—for the sole benefit of the Lockheed Corp., because we do establish an Emergency Loan Guarantee Board that is ongoing and continuing to entertain future applications that may arise.

The other two amendments, Mr. Chairman, involve the composition of Emergency Loan Guarantee Board. It was felt strongly by members of the committee—in fact by Dr. Burns himself—that the composition reflected in the legislation gives the Federal Reserve too much of a voice because it says that the Board shall be comprised of the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the President of the Federal Reserve Bank representing the area in which the application is being made. We have changed that in the amendment to which I am addressing myself. It would keep the Secretary of the Treasury and the Chairman of the Federal Reserve Board, but in lieu of the President of the particular Federal Reserve Bank, we would instead have the Chairman of the Securities and Exchange Commission.

Now, finally, and this is a point that has been been raised by others——

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent (at the request of Mr. GROSS) Mr. ASHLEY was allowed to proceed for 1 additional minute.)

Mr. GROSS. Will the gentleman yield for another quick question?

Mr. ASHLEY. Yes.

Mr. GROSS. If there is $250 million—and only $250 million—and it is earmarked for Lockheed, why have a Board? And what do you mean by the first $250 million?

Mr. ASHLEY. Because it would be the function of the Board to entertain such future applications from distressed companies affecting the national interest as might present themselves. If the Board, a continuing body, were to find the application was meritorious then, as I say, it would be incumbent upon the Board to request the Congress to replenish the exhausted guaranteed authorization.

Mr. GROSS. Well, then, we are just going through an exercise it seems to me in abolishing the $2 billion provision, because if you are going to create a Board to help distressed industries everywhere they may stick their heads up, I do not see any difference.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I think the gentleman unintentionally made a rather unequivocal statement which I think he would like to retract. The gentleman said that the $250 million in the bill, if his amendment is adopted, is allocated for Lockheed. Under his amendment it is not allocated to Lockheed. It is presumed that the Board which will make the determination will give this first $250 million to Lockheed.

Mr. ASHLEY. Let us not delude ourselves. We know perfectly well that that is what is contemplated.

Mr. BROWN of Michigan. But the gentleman says it is allocated by the legislation. It is not allocated by the legislation. That is why a Board would be in existence.

Mr. ASHLEY. Well, the gentleman can have it his way, but let us say the odds are 100 percent that the Lockheed Corp. is going to be the beneficiary of the first $250 million.

Mr. BROWN of Michigan. It is not a question of me having my way. It is a question of what the legislation provides.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(By uanimous consent, Mr. ASHLEY was allowed to proceed for 3 additional minutes.)

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Georgia (Mr. LANDRUM).

Mr. LANDRUM. Mr. Chairman, the gentleman has stated that $250 million is allocated in this bill to the Lockheed Corp., but as I understand his amendments there is no amount of money beyond the $250 million allocated to any corporation or any applicant. Is that correct?

Mr. ASHLEY. That is true.

Mr. LANDRUM. All we do is to set up a board here which receives applications and passes the applications on to the Congress, and then it will be up to Congress to determine if a future amount should be allocated to any applicants. Is that correct?

Mr. ASHLEY. Precisely. The gentleman is entirely right.

Mr. COLLIER. Mr. Chairman, would the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Illinois.

Mr. COLLIER. Mr. Chairman, I would like to allude very briefly to a statement that was made previously, and in the same breath remind that speaker that one of our late, great contemporaries and statesman, Bernard Baruch, once said:

> Every man has the right to his opinion, but no man has the right to be wrong in his facts.

Mr. Chairman, I refer to the statement made by the gentleman from New York (Mr. KOCH) who said that if you are a $1 million corporation you can seek and get relief, but if you are a small business you cannot.

Permit me to suggest to the gentleman that since 1963 until the end of the fiscal year the Small Business Administration has approved $7.6 billion in guaranteed loans for small businesses.

Mr. ASHLEY. Finally, Mr. Chairman, let me say that the——

Mr. DINGELL. Mr. Chairman, will the gentleman yield for a question?

Mr. ASHLEY. Mr. Chairman, I would prefer not to yield to the gentleman from Michigan at this moment, because I do want to address myself to the final amendment that the Members will be asked to pass upon, which is the result of the work of our colleague, the gentleman from Wisconsin (Mr. REUSS).

What this seeks to do is to assure that there is no inappropriate enrichment on the part of the banks that are taking no risks in the issuance of the credit of $250 million to Lockheed. The risks, to the extent that there are risks, are being taken by the Treasury of the United States and the taxpayers, and this is going to be reflected in the interest rates that the banks should get and will get for essentially a risk-free loan. It is on this basis that the gentleman from Wisconsin (Mr. REUSS) has insisted upon this language that has the approval of both sides of the aisle.

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from New York.

Mr. KOCH. Mr. Chairman, there was reference made, I believe, to the fact that the Small Business Administration has made loans to bankrupt corporations in the past. In view of that I wrote to the Small Business Administration and I received this reply very shortly that says that "normally we do not consider as eligible for business loans an applicant which is facing bankruptcy because we must find under our statute a reasonable assurance of repayment ability."

The fact is that the Small Business Administration does not make this kind of a loan.

Mr. COLLIER. Mr. Chairman, will the gentleman yield, because I think that the record should show——

Mr. ASHLEY. Mr. Chairman, I must refuse to yield additionally to the gentleman because I believe it is best that we address ourselves to the pending amendments which are critical to the passage of this legislation.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(On request of Mr. DINGELL, and by unanimous consent, Mr. ASHLEY was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, I would like to know who are the other persons who have sought assistance under the provisions of the legislation before us.

Are there any other applicants or applications?

Mr. ASHLEY. To the best of my knowledge there have been no other applicants under the provisions of this legislation.

Mr. DINGELL. Is there anything in the hearing record of the committee which would indicate that there is any need for any assistance by any corporation or individual business or association?

Mr. ASHLEY. Yes; there is, I will say to the gentleman.

Mr. DINGELL. Will the gentleman tell us who they are?

Mr. ASHLEY. Yes, I will. There has been testimony from the Department of the Treasury that this kind of assistance may be indicated in the months and years ahead, and that it really is on this basis that a continuing board in their view should be established. The committee was satisfied on this point.

Mr. DINGELL. I would advise my good friend first of all that legislation like that was rejected by the Commerce Committee not very long back for a large number of so-called transportation companies. I would point out that at that time it was indicated that something like 18 railroads that may or may not come in under it and I am aware that at least two airlines that are in difficulty.

Mr. ASHLEY. It was the testimony of the Treasury to establish the Board to receive applications that may arise in the future.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman.

Mr. McKINNEY. Mr. Chairman, is it not true that we had testimony that Lockheed is not, in effect, bankrupt? The fact is that they have been required to put up capital assets and cash for this program that costs so much they are nonliquid and that if they are kept liquid, all of the materials and assets they have will become worthwhile and they are not in any way bankrupt.

Mr. ASHLEY. The gentleman is correct. The problem is essentially one of the cash flow. They are not the only private company that finds itself in distress.

Mr. McKINNEY. I would suggest to the gentleman from New York that if he would ask the Small Business Administration, the Small Business Administration makes loans to nonliquid corporations. This is their policy.

Mr. ST GERMAIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Iowa asked the question why we needed a board if, in effect, the $250 million is for Lockheed and that is the extent of it, and there are no other requests?

Mr. Chairman, I would submit a different answer. I would submit that the board is necessary in this instance because the projections on the number of planes to be—that are ordered and under firm order are very optimistic.

As I stated earlier, this also presupposes $2 billion at least in defense contracts for the next 2 years. It has been my contention throughout the hearings, and others feel the same way, that $250 million is just a first step and that they will be back for more in the very near future.

Once we are hooked, we will be on the hook for a whole lot more.

Once again, on this item on the SBA, you go to the SBA for a loan and you mortgage everything that you own—your life insurance policies, your wife's pocketbook, your home, your automobile—everything you own personally is mortgaged.

You do not compare a SBA loan with this, just as you do not compare an Eximbank loan with this one.

I will conclude very quickly here by inserting another note, as to which other corporations might apply in the future. As was stated, there were 11,000 failures in the last year—1970—business failures. So we might look into the campaign contributions and I think we would find that Lockheed executives in the last campaign contributed $38,000 to the Republican Party and $1,000 to the Democratic Party. This might be a bellwether and this might be an indication, if one looks at other firms of this type with large contributions, as to where the next one might go.

Mr. Chairman, I yield back the balance of my time.

Mr. WILLIAMS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to take issue with the statement just made by my esteemed colleague to the effect that the Lockheed Corp. made political contributions. If they did that, they violated the law and he should furnish that information to the Attorney General.

Mr. KOCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, Lockheed belongs in bankruptcy. It belongs in bankruptcy just as the Penn Central belonged in bankruptcy. We were told that if Penn Central went into bankruptcy the railroad would stop moving and the country would come to an end. Yet the Republic still stands.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I yield to the gentleman from California.

Mr. MOSS. When the gentleman says "bankruptcy," does he really mean chapter X, reorganization?

Mr. KOCH. Exactly; reorganization.

Why do you think these banks will not make the loan? The gentleman from Iowa (Mr. Gross) raised the question before—why? Someone said, "We have never gotten the answer."

We got an answer. We got an answer from Mr. Medberry, spokesman for the banks. He said the loan is not bankable. Let me read some of the testimony:

> Mr. Koch. Let's assume for the moment that everybody at this table agreed to subordinate their loans to the bank or banks that come in and offer the additional 250 to continue this. Wouldn't you jump at that offer?
>
> Mr. Medberry. No, I certainly would not.
>
> Mr. Koch. Tell me why not.
>
> Mr. Medberry. Because of the risk involved. And I tried to put that into my testimony.
>
> Mr. Koch. Risk in the new $250 million loan?
>
> Mr. Medberry. I stated that the Government still had some of the continuing risk on its guarantee. The bank, however, would have no risk on that 250 if the U.S. Government would guarantee it.
>
> Mr. Koch. Let me ask you this. Do you see any appreciable risk if all other loans were subordinated to your making an additional $250 million loan which had a preference in the situation?
>
> Mr. Medberry. Yes, Mr. Koch, I do.

Here we have the heart of the matter. These banks will not make the loan. No one will make the loan even if they are given the same preferential position with the subordination privileges that they are offering to the Federal Government, because they say it is not a bankable loan.

Do you know why? Because the collateral is not any good. Mr. Medberry in effect, said, "What are we going to do with a design, a wing, or some other part if there is a foreclosure?" You cannot sell it. No other company is going to buy it. So when they talk about the assets of this corporation, those are not bankable, and that is why the banks want us to guarantee the loan.

Let us talk about some other testimony. Let us talk about the testimony of Dr. Burns, chairman of the Federal Reserve Bank. I have a high personal regard for him. He lives in my district, a marvelous and decent man. But do not bank on his testimony in this case. Let me tell you why. We asked him, knowing what he knows now, would he still with hindsight given the opportunity have provided Penn Central with the same loan guarantee? With hindsight, he said he would. Can you imagine that? He said that, knowing what has since happened with Penn Central, knowing that the trustee in bankruptcy is suing those officers and directors, and that maybe we will recover some of those assets, he still would have given them the loan guarantee.

I say do not rely in this case on Dr. Burns' advice.

Let us consider the testimony of Mr. Packard, Assistant Secretary of Defense. Someone on this floor during general debate has said that we have got to worry about the defense industry. Assistant Secretary of Defense, Mr. Packard, specifically made it clear that this loan guarantee has nothing to do with defense industry considerations.

In conclusion, I want to tell you why I really am adamantly against this bill. If we do not guarantee the loan I firmly believe the banks are going to put the money up. Do you know why? They told us they had $4.5 billion in loans outstanding to them related to industries doing business with Lockheed. All of them are not directly related to this particular L-1011 program, but they are related to Lockheed and its suppliers. Do you think they are going to let their $4.5 billion go down the drain or even be endangered?

They want to make suckers out of us, and we ought not let them do it. I will vote no on final passage.

Mr. MOORHEAD. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. MOORHEAD. Mr. Chairman, I rise in support of the amendment offered by Congressman Ashley of Ohio. I should begin by stating that I am opposed to any loan guarantee for the Lockheed Aircraft Corp. Nonetheless, I believe that this $250 million is the issue that Members of this House should be considering. This $250 million loan guarantee for Lockheed is what the administration has been seeking. No one has come forth with the names of any other large corporations in need of financial assistance. As it exists now, if we were to pass on a measure that included $2 billion in guarantees, we would be aiding an unspecified corporate John Doe.

During the proceedings of the Banking and Currency Committee, the testimony heard was confined almost solely to the Lockheed situation. We heard Lockheed's management, Lockheed's bankers, Lockheed's customer in the person of Secretary David Packard and we heard Treasury Secretary Connally who proposed the original administration bill. All of this testimony concerned just a $250 million loan guarantee to Lockheed. The administration's bill included just a $250 million loan guarantee for Lockheed. It did not involve $2 billion in loan guarantees. We just have not considered the substance of the $2 billion bill sufficiently to warrant consideration by the House.

The administration has not sought $2 billion in guarantees as contained in the committee bill. As a matter of fact, Secretary Packard has stated his opposition to this broad bill since an unwise precedent of the Federal Government bailing out private enterprise on a wholesale scale would be set.

Secretary Connally when he appeared before the committee indicated that the administration would be willing to accept either a broad bill or the narrower version contained in Mr. Ashley's amendment.

So it appears to me that if we pass the narrower $250 million in guarantees embodied in the Ashley amendment, we will be giving the administration what they profess to want—which is to bail out their friends at Lockheed.

In summary, I intend to vote for the Ashley amendment. If we are being faced with a choice that involves two evils, I will choose the lesser of the two evils—and I think that blowing $250 million is only one-eighth as bad as blowing $2 billion on giveaways to big business.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Chairman, is the gentleman familiar enough with the amendment of the gentleman from Ohio (Mr. ASHLEY) to say whether it leaves intact section 9 of the bill, which relates to the fund from which this guarantee will be paid? If it does, is the gentleman aware that section 9 includes an unlimited fund which totally bypasses the appropriations committee and is not limited either to the $2 billion or the $250 million, and which provides money can be spent on the expenses of the board, irrespective, I suppose, of how much they are, without going to the Appropriations Committee and with no oversight on the part of this Congress with respect to the spending of this board?

Mr. MOORHEAD. It is my understanding of the Ashley amendment that it is limited to $250 million, and that if additional loan guarantees are required, they must come back to the Congress to replenish the loan guarantees.

Mr. Chairman, I will yield to the gentleman from Ohio to explain that.

Mr. ARCHER. It is a fund out of which the guarantees would be paid, if there is a loss, and this fund includes a provision that the expenses of the board shall be paid from the fund, and there is no provision for coming back to the Appropriations Committee of this body to have an oversight as to how this board will function and spend the taxpayers' money.

In addition, it proceeds on to say the board can issue bonds which will be bought by the Treasury out of the Liberty Bond series and will automatically increase the national debt without having to come back to this Congress and without having to go through the appropriations procedures involved in other matters. Will that continue to remain in the bill?

Mr. MOORHEAD. As I understand it, section 9 would remain the same. The loan guarantees would be the big thing—and nobody will accept a guarantee if there is no fund behind it. The guarantee would be limited to $250 million.

Mr. ARCHER. I suggest the gentleman read section 9 of the bill and if it is not changed by this amendment, it is exactly as I have stated it is in the bill.

Mr. MOORHEAD. If the Ashley amendment is adopted, it will be permissible for the gentleman to offer an amendment correcting the defects of section 9, but I think the biggest defect is in section 8, and I think the Ashley amendment corrects that defect.

Mr. REES. Mr. Chairman, I move to strike the requisite number of words.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield, and I will clarify a point on section 9?

Mr. REES. Mr. Chairman, if the gentleman will permit me to work into my 5 minutes a bit, I would be happy then to yield to the gentleman.

The first amendment of the group of amendments under consideration is a very simple amendment, which states that the three-member board will consist of the head of the Federal Reserve, the Secretary of the Treasury, and the Chairman of the Securities and Exchange Commission.

The second amendment, is an amendment which makes sure the Government does not grant a giveaway interest rate. There were several comments on the floor about giving Lockheed an interest rate of perhaps 7 percent while McDonnell Douglas financed their DC-10 by borrowing at a 9 or 10 percent rate. We have language here suggested by the gentleman from Wisconsin (Mr. REUSS) to take care of this dilemma, which says the board must take into consideration "the total charge, which is not less than the finance charge being charged by private lenders for loans of comparable risks and maturity." This was done to protect the other efficient companies in the aerospace industry who go out on their own and borrow money in the money market.

The third amendment goes into the obligation. The gentleman from Texas asked a question on this. This is section 8 of the bill. It states that "the maximum obligation of the Board under all outstanding loans guaranteed by it shall not exceed at any time"—and then the language of the amendment will strike the $2 billion and insert "$250 million." That is the maximum obligation of the board.

When we get to section 9, it says that the funds shall be used for the payment of the expenses of the Board and for all other purposes in fulfilling the Board's obligations under the act. I would assume under this bill, if amended by the Ashley amendments, we would have the situation that the Board would grant a loan guarantee of $250 million to one company, Lockheed Aircraft, and that if any other funds were needed by the Board they would be from the income of the loan guarantee fee or through the congressional appropriations process. If the Board wished authorization for guarantees they would have to come to the Congress and ask for more authorizations guarantees.

This is my analysis of section 9 and of section 8.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Texas.

Mr. ARCHER. It seems to me very clear that the Secretary of the Treasury is empowered to go into the bond market and sell the securities of this country and add to the national debt without coming back to the Congress in order to put funds into this guarantee fund, so-called, and that this guarantee fund will be used not only to pay losses but also to pay expenses, whatever they might be, and there is no provision for coming back to the Congress.

Mr. REES. The maximum obligation authorized by section 8 would be $250 million. Once that obligation were used up the board would have nothing to do other than overseeing the $250 million guarantee.

Mr. ARCHER. As I read section 8, it says that this is the maximum amount of the loan guarantee. Section 9, which follows it, does not say that the loan guarantee is the amount that will be in the fund. The fund is stated to be capable of paying the expenses of the board in addition to the loan guarantee.

Mr. REES. There is another question which might be of interest to the gentleman. A loan guarantee does not actually mean that the board goes out and sells Government bonds on the market. A loan guarantee is a guarantee. One does not go out into the market for funds until there is a default on the guarantee.

Mr. ARCHER. I understand that all of this is based on the assumption there will be a loss and payment will have to be made in the future.

When we talk about the expenses of the board we are talking about something in addition to anything under the loan guarantee. This fund is set up to pay those expenses, and the Secretary of the Treasury is empowered to sell bonds directly without coming back through this Congress, and to increase directly the national debt.

Mr. SCHEUER. Mr. Chairman, I rise today to urge my colleagues to vote against this measure and authorize $2 billion in guaranteed loans to corporations, including a $250 million loan guarantee to the Lockheed Corp. I believe that it would be a disastrous mistake to approve the use of public funds to try to insure the survival of a company whose management has demonstrated not only gross inefficiency and management, but also a contempt for the Government and the public.

According to sworn testimony in a Securities and Exchange Commission investigation. Lockheed management deliberately misled the Pentagon on the original cost of the C-5A program in order to win the contract and has continued to withhold information from the Pentagon relating to cost and technical problems of that program. I need not go into the numerous other well-documented examples of mismanagement demonstrated by Lockheed officials concerning the Cheyenne helicopter and the SRAM rocket development. The Lockheed management does not deserve to be rescued.

Furthermore, despite all the dire predictions coming from Lockheed officials as to the national economic consequences of failure to guarantee a loan, the only certain result of bankruptcy would be replacement of the Lockheed management and a temporary loss of the 31,000 jobs connected with the L-1011 project. Bankruptcy would not mean that subcontractors would lose their businesses, that hundreds of thousands of jobs would be wiped out, or that the Government would lose its prime defense contractor. It would simply mean the dissolution of Lockheed as a corporation in its own right and the reorganization of Lockheed projects and services.

Thus our national economic stability

is not really at issue here. What is at issue is a proposed policy to authorize the systematic use of public funds to rescue large corporations from bankruptcy on the basis of size and numbers alone. Under the proposed bill, any corporation, no matter what it produces and no matter how inefficient its procedures, becomes eligible for a guaranteed loan so long as it employs enough people. In passing this bill we are thus removing all the traditional incentives under our free enterprise system for efficiency and expertise in corporate management.

It has been argued that Lockheed's current crisis has been brought about not by mismanagement but by unforeseen and uncontrollable economic circumstances such as Government cancellation of contracts and the general economic depression. The Government should, therefore, bail out this blameless and innocent corporation. This argument not only ducks the basic issue of reward for poor management, but also fails to provide justification for a bill which would support large, blameless firms but not small ones.

The present state of the economy is such that almost every company in the country can point to losses resulting from inflation, cancellation of contracts and orders, and a general slowdown of the economy. No one is to blame for these losses. In every large city small businesses are folding due to the general deterioration of the economy. Why, then, should the Government supply risk-free loans to large corporations any more than it aids small- and medium-sized businesses which may be suffering similar fates? As John Kenneth Galbraith so accurately points out, this is not "old-fashioned socialism for the poor, but new-fashioned socialism for the rich." A policy which rewards size while it ignores quality will foster the most undesirable type of "economic growth" imaginable. It will not help our economy, but rather undermine the basic principles of the free market system.

There is one further compelling reason not to vote for this bill. Everyone who casts a vote today to support Lockheed is casting a vote for the status quo in the allocation of national resources. With the end of the Vietnam war at least in mind if not in sight, this Congress should be looking for new areas in which to invest our national resources. The present bill, designed to prevent the death of large and primarily defense-oriented enterprises, would have the effect of further committing Government funds to defense producers. If this country ever hopes to reorder its priorities, it must stick by the free market system of supply and demand and not commit itself indefinitely to the large defense interests which have become wedded to Government over the past two decades. This bill would only further commit this Government to support enterprises to which it is already overcommitted.

Mr. PATMAN. Mr. Chairman, I wonder if we can get an agreement on time. We have this one amendment under consideration. How many Members would like to speak on this? I should like to ask unanimous consent, just on this one amendment, that we close debate in a certain length of time. I do not want to cut any Member off, if any Member wants to speak on this particular amendment and all amendments thereto.

The CHAIRMAN. Does the gentleman from Texas ask unanimous consent to limit debate?

Mr. PATMAN. Yes, Mr. Chairman, I ask unanimous consent that all Members standing may have 5 minutes and then the discussion close at that time.

The CHAIRMAN. How much time is the gentleman asking?

Mr. PATMAN. Each Member who is standing may be given 5 minutes and at the end of that time the discussion will close.

The CHAIRMAN. Will the gentleman kindly state to the Chair how much time he wants?

Mr. PATMAN. On this amendment and all amendments thereto.

Mr. THOMPSON of Georgia. Mr. Chairman, reserving the right to object, will the gentleman give a time certain? I would not object to a time certain, but I do not know how much time the gentleman is talking about. I would like to reserve the right to object.

The CHAIRMAN. How much time does the gentleman want?

Mr. PATMAN. Forty minutes. There are eight standing, Mr. Chairman. I ask unanimous consent that all debate on these amendments and all amendments thereto close in 40 minutes. I am referring to the Ashley amendments and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. Mr. Chairman and members of the committee, I would not like to have this debate close leaving the impression that only those who are inclined to be ill disposed toward business or the free enterprise system or who want to make it a political whipping boy are opposed to this bill. I believe the committee knows that I do not belong to this school of thought. I am a free enterprise man and I am opposed to this bill for that very reason.

Not everyone of my general persuasion agrees on this matter, as is only natural, because it is a controversial bill; but let us consider the bill for just a moment.

It sets up a governmental board to take care of sick and ailing industries which come in and want to apply for Government assistance. I submit that this is an unhealthy practice. These industries must come in to a political body, and these men on the board are going to be under terrific political and economic pressure. Their judgment is a flexible one under this bill, as it probably has to be. Under the bill they can waive requirements, as may be necessary. I submit to the committee that what will happen is that the friends of the administration in power, whatever that administration may be, are going to get loans, and are going to get waivers, and are going to get favors, and we will have a very sick and unhealthy climate created.

This would be true under either the present bill or the bill with the amendment now proposed. The bill is perhaps a little better with the amendment in it, but nevertheless it is a special-interest measure with the amendment, because it is designed and tailored for one particular corporation. Even though under the proposed amendment you do have to come back to the Congress to obtain additional loans, which is a slight improvement, I submit that this body, too, is very ill qualified to pass upon applications of that kind. The bad principle still remains.

The question of employment and the question of national defense have been exaggerated here, because everyone knows that this company, the Lockheed Corp., if it does go into bankruptcy, is going to reorganize under section 10 of the Bankruptcy Act, and the trustee appointed by the court is still going to run the business as is necessary in order to make a profit.

The main thing wrong with this bill is that it is inconsistent with free enterprise, because it starts us down the wrong road. It brings about an illegitimate marriage between Government and industry which cannot work properly. It sets a bad precedent from which we are never going to be able to get away.

Perhaps, Mr. Chairman, I am too much of a purist, because I believe in free enterprise, and it is possible that free enterprise in this country is, perhaps, already dead. However, I do not want to help celebrate its funeral here this afternoon by further voting for and accelerating its demise.

Therefore, Mr. Chairman, I oppose the bill.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. PIKE).

Mr. PIKE. Mr. Chairman, I know I oppose this bill and I think I oppose this amendment too.

We have in the United States of America five automobile manufacturers and last year they manufactured 6,550,203 automobiles and three of them manufactured 6,300,000 of those automobiles.

We made less than 9,000 planes in all of America last year, but we used 20 manufacturers to do it.

We are not short of airframe producers in America. We are short of aircraft engine producers in America. We have 20 companies making airframes while there are only two companies in the United States of America who make the big engines which we need to drive the planes. We have Pratt & Whitney and we have General Electric.

So, what this bill does is it bails out another airframe manufacturer, of which we have a surplus coming out of our ears. It sends all of the money for the engines on the L-1011 over to a competitor in England. We are not helping America where America is weak and that is the aircraft engine manufacturing process. We are helping America where we have a surplus and a capability coming out of our ears.

Mr. Chairman, as to this particular amendment, what concerns me about it is what we are saying. We are saying we are going to save the biggest one. Well, if we have this surplus aircraft manufacturing capability which I see in America, if we save the big one today, the next to the biggest one is going to be in next year and then the smaller ones are going to be in the year after that, because what we are doing is preserving something for which there is not an adequate demand at the present time.

What we are saying by this amendment is that we are favoring the very biggest and we are going to save it, but if you are anything less than that, we are going to let you go down the drain.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. I am sure the gentleman from New York (Mr. PIKE) recalls that 4 or 5 years ago the Congress did approve legislation that financially helped one of the smallest automobile manufacturers by a very significant change in the tax laws. So, there is a precedent for helping industry. The gentleman mentioned the automotive industry and the Congress did do that a few years ago.

Mr. PIKE. But we have still only three major automobile manufacturers and besides that you have American Motors and Checker. We have 20 aircraft manufacturers in America and I will bet my bottom dollar that if we pass this legislation and one of the smaller ones comes in which is in real difficulty, they will not in a million years get the kid glove treatment which has been given here to the biggest defense contractor in the country.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I wish to point out something about bankruptcy reorganization under chapter 10, and reorganization that preceded that under 77(b), that has not been fully appended here.

Now, I was very fascinated by the gentleman from Pennsylvania's comparison in his parable concerning the dinosaur in the backyard. I think he made it aptly as an illustration of the fallacy of disturbing economic Darwinism, but I would like to point out that there is not a dinosaur in our backyard which will die and rot if we do not feed it. A corporation is not a human being, and it is not any kind of animal being. It is a great complex of relationships, of powers, of lines of control and ties and forces which, operating in a certain pattern, can produce certain results. Such a corporation owns property, it employs people, but the dissolution of the corporation itself is not the death of a dinosaur, it is the unloosing of these strings and ties so that they may be taken up by other business forces.

I would like to point out to you that 77(b) has been used for reorganization of a number of large corporations. Twentieth Century-Fox, for instance, and many other big corporations.

A court order approving a chapter 10 petition is no warrant that a reorganization is assured, but it provides a reasonable opportunity for a disinterested trustee under court supervision to explore the prospects of a plan.

In this particular instance, this devise could be used under reorganization of a corporation: The trustee may determine himself what portions of the corporation to operate, those parts that are necessary as, for instance, for defense. Were Lockheed in reorganization section 216 (10) (11 U.S.C. 616 (10)) would permit the chapter 10 trustee to sell an operating division and keep and operate another one. The retained division could be the recipient of favorable contracts or of renegotiated contracts that might pull them out of their difficulties.

But let me point out to you one thing that this bill does, it overreaches. It provides that once we make this $250 million additional loan, "The Board shall take all steps necessary to assure such priority against any other persons." See section 6(f)(1). Let us suppose that this corporation does go into reorganization under chapter 10. If it does, these claims of the bank are, or may be arguably, superior even to the costs of administration under chapter 10.

This would mean that Lockheed employees, suppliers, subcontractors, and all others who supply goods and services to the trustee cannot be paid unless the guaranteed loan is paid in full or adequate and sure provisions are made therefore.

So what we will do if we pass this law is assure that, if this loan does not work and does not pull Lockheed out of its dire financial difficulties, chapter 10 reorganization will not be practically available because employees, suppliers, subcontractor, and all others who supply goods and services to the trustees may not be assured payment. The banks have a $250 million claim at least arguably superior to theirs. We thus assure bankruptcy or strongly incline the result toward bankruptcy.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Chairman and members of the Committee, I rise in support of the amendment offered by my colleague, the gentleman from Ohio (Mr. ASHLEY).

I think that in many ways the amendments that the gentleman has offered improve the bill that was presented to the Committee earlier, and which came out of our committee.

I am particularly pleased that the gentleman saw fit to change the membership of the Board in which the membership of the Board, as you all now know, will be made up by the Secretary of the Treasury, the Federal Reserve Board Chairman, and the Securities and Exchange Commission Chairman.

Beyond that, Mr. Chairman, I would simply like to say that, as one of the members of the committee, that my first feelings and observations concerning this matter were to be against it. The witnesses appeared and testified over a period of several weeks. And when you sit there hour after hour and you hear the testimony of the Chairman of the Federal Reserve Board and the testimony of the Secretary of the Treasury of the United States of America, and you hear the thoughts and the thoughts of other such people who are in charge of the finances of this country, you could come to only one basic conclusion, in my opinion, the thought of bankruptcy of this particular corporation and the after effects that this would have on employment throughout our country, are devastating to think about.

I figured that they know far more about the intricacies of the financial industries of this country than I do, and I am willing to accept their word for it.

Mr. Chairman, I shall vote for the amendment and vote for the bill.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROYBAL).

Mr. ROYBAL. Mr. Chairman, the following statistics should be carefully considered. The $500 million in corporate and personal income tax revenues, $1.4 billion in investments, a $2.5 billion sales backlog, and thousands of jobs are in jeopardy if the Congress does not adopt the proposed $250 million loan guarantee to the Lockheed Aircraft Corp. in some form.

The cancellation of the L–1011 aircraft would have severe repercussions to the areospace industry in southern California. It is virtually certain that the 17,000 Lockheed employees assigned to the L–1011 program, plus an additional 15,000 employed by subcontractors, would immediately be left without jobs. This would add 32,000 to the 130,000 already unemployed in aerospace alone. Unemployment now stands at 6.1 percent of the labor nationally, and at 7.5 percent in the five-county area of southern California. More than 345,000 people are out of work in those five counties—265,000 in Los Angeles County alone. The collapse of Lockheed would not only increase, but complicate, the unemployment picture in that area of California.

Moreover, the average age of the Lockheed-California company employee is 44.4 years, while the average seniority is 13.5 years. Of this total work force, there are 10,000 employees over 50 years of age; nearly 6,000 over age 55; and 4,000 over age 60. One can sympathize with these older workers who, in the event of bankruptcy, would indeed have difficulty finding work in an already depressed aerospace industry.

These statistics are bleak and do not begin to account for the many thousands of workers who have exhausted their unemployment benefits or are currently underemployed. If Lockheed should collapse, I am certain that thousands more would be driven to some form of Federal assistance—eventually welfare. Currently one out of every eight persons, or more than 907,000 persons, are receiving welfare assistance in Los Angeles County. Each additional welfare recipient caused by unemployment and the exhaustion of unemployment benefits represents an additional cost—to the county of $365 per year; to the State of $698 per year; to the Federal Government $1,163 per year, for a total of $2,326 per welfare case per year. The collapse of Lockheed might well result in the addition of 60,000 additional individual welfare cases in southern California alone at an astronomical cost to the local taxpayer in additional local property taxes and State and Federal income taxes. From these statistics one can see that Lockheed's collapse would be disastrous to the Nation's economy in general and to those workers involved in particular.

I am convinced that we must continually bear in mind the grave threats to the unemployment situation and consequently to the Nation's economy which would result if the Lockheed Aircraft Corp. perishes. I believe the benefits to the aerospace industry and to the Nation's economy would be heightened with the granting of this loan guarantee. It is a modest risk on the part of the Federal Government. Weighed against the certain disaster facing those to be added to the unemployment and welfare roles if we fail to act, I urge my colleagues to support this proposal for a guaranteed loan.

Mr. SCHERLE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. SCHERLE. I thank my distinguished colleague for yielding.

Mr. SCHERLE. Mr. Chairman, Congress is in the midst of debating whether to provide emergency loan guarantees for corporations on the skids. The focus and principal cause of the controversy is Lockheed Aircraft, a major producer of civilian and military airplanes. Lockheed officials contend that unless the company can borrow $250 million immediately, it will go bankrupt. But Lockheed is so widely known as a poor credit risk that no bank or consortium of banks will lend the money unless the Federal Government guarantees the loan. It is widely acknowledged by just about everyone in the business community—except Lockheed officials—that bad management is the source of the company's troubles. Bankrolling Lockheed would amount to subsidizing sloppiness and rewarding inefficiency and waste in the private sector with public funds.

The administration supports the measure because it does not want to see a major defense contractor go under, and because it wants to avoid the possibility of throwing 60,000 people out of work. If Lockheed declared bankruptcy, however, its creditors would probably take over management of the company rather than liquidating it, and a new and healthier enterprise might emerge.

Regardless of the fate of this one company, however, the Government should not get into the business of subsidizing the mistakes of private corporations. If we wish to preserve even a vestige of the free enterprise system, which is the source of this Nation's strength, we should insist that private businessmen take the consequences of their own errors without looking to Uncle Sam to bail them out. Entrepreneurs who are willing to take risks in order to make profits must also be willing to accept losses. Lockheed's managers certainly do not come to us asking to share their profits—in fact, this company has been one of the prime offenders in giant cost overruns—so why should we absorb their losses?

The Lockheed proposition, moreover, could have limitless ramifications. Many big companies could argue that their continued prosperity affects the national interest. If we rescue Lockheed from the consequences of its own bad management, why not countless others? What incentive will faltering companies have to compete effectively in the marketplace if they can always fall back on Federal aid? The American taxpayer already bears far too many burdens to assume what is rightfully the responsibility of private enterprise.

Mr. GROSS. Mr. Chairman, at the outset let me say that I have not been entertained lately by the bankers of New York or anywhere else, and I do not feel at all left out. And I have not been paid any honorariums lately to the tune of $6,000 or even $1,500, and I do not feel left out.

Mr. Chairman, I am opposed to this amendment to provide $250 million for the reason that I think it is a come-on. It is less worse than $2 billion, but I believe it is a come-on. I would not be at all surprised to learn that manipulations are already going on, and this bill, if it is approved for $250 million, will come back from the other body doubled, to the tune of about $500 million, and perhaps more. I wonder if we will hear anyone on the floor of the House, if this passes—and I hope it does not—stand on the floor of the House today and say that this bill will come back from the other body with only the $250 million in it as approved by the House.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. REUSS. I will be glad to stand up and say that if a bill providing $250 million passes, and if I am a member of the conference committee, I will fight to the end to see that no more is added, and I will vote against any such proposal.

Mr. GROSS. I know the gentleman's feelings on this matter. But I was waiting for the gentleman with the plaid vest to rise and say that the House conferees will fight to the end for $250 million and no more.

Mr. Chairman, I have heard practically all the debate this afternoon, and I am beginning to wonder whether this bill is to bail out Lockheed or the British Rolls Royce engine company. It seems to me that I heard a little while ago from, I believe it was the gentleman from Rhode Island, that the crack of the dinosaur's tail was in England and Ireland.

Mr. ST GERMAIN. That is correct, 30,000 jobs.

Mr. GROSS. So, is this a bill to bail out Lockheed or is it a bill to bail out Rolls-Royce? I am not interested in bailing out Rolls-Royce. We ought to do business, as others have suggested, in the United States of America. This country can provide an engine capable of flying any plane, and I am not interested in bailing out the British in this deal.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. PATMAN. I assure the gentleman that, as far as I am concerned, if the House adopts the amendment providing a $250 million guarantee, conferees will be appointed upon my recommendation and Mr. Widnall's recommendation that will stand by the will and desire of the House.

Mr. GROSS. "Until death do us part." I have heard the Chairmen of other committees arise on the floor and make the same statement. I will not go into detail now, but some of them are on the floor now, one in particular. They tell us that the Senate is not going to write legislation for the House, and all too often we have gotten it right between the eyes in conference with the Senate.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Chairman, the amendment in fact does improve the bill that came out of the committee to a great degree. Yet we should consider the fact that on a piece of legislation as important as this, we had one witness, Chairman Burns of the Federal Reserve Board. He was the only witness we had on this item. He testified for approximately 2½ hours on the last afternoon of the hearings.

Once again, I repeat, we are legislating without really having studied the matter at all.

As for the American Motors situation, we have heard that referred to by the very capable minority leader, but it seems to me that was an amendment sneaked in on the Senate side.

Mr. GERALD R. FORD. If the gentleman will yield, my recollection is that it was a very beneficial tax proposal for American Motors from Wisconsin. I do not believe the distinguished chairman of the Ways and Means Committee and the ranking minority member would try to sneak anything through.

Mr. ST GERMAIN. I said it was sneaked in on the Senate side. It was a Senate amendment and, when the legislation came back to us, as with all legislation in this area, there was no opportunity to vote on the separate item, so we had to buy it.

Mr. GERALD R. FORD. I am not sure how it was approved in the other body, but the fact is that American Motors got a very generous tax benefit.

Mr. ST GERMAIN. I agree wholeheartedly, and I yield to the gentleman no further.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman. Mr. Chairman, I am sure the gentleman from Rhode Island would recall that Deputy Defense Secretary Packard said he did want a very minimal amount, $250 million to be exact, so I do think we ought to legislate it that way.

Mr. ST GERMAIN. We ought to bring that up.

Mr. ROUSSELOT. Yes, let us talk about it.

Mr. ST GERMAIN. Mr. Packard came before the committee and said he wanted $250 million. He came before our committee, and he changed his testimony. He wanted $250 million, but the administration wanted $2 billion. I wonder where the gentleman stands now?

Mr. ROUSSELOT. If the gentleman remembers, Mr. Packard was very candid in his remarks, saying he favored a $250 million loan guarantee, because, he stated, that the Defense Department shared the responsibility in making it very difficult for Lockheed to perform on this unbelievable contract introduced by Secretary McNamara, as the gentleman knows. So the record does show that there were several witnesses who favored the $250 million loan guarantee.

Mr. ST GERMAIN. But by the same token, when I asked Mr. Haughton if he would do it over again, would he once again bid on this type contract, he said, "I probably would."

The fact remains that Mr. Packard came up and in his original testimony said he favored $250 million, and then he was forced to go for the $2 billion, and I end on this note. Where will the administration stand when this comes out at $250 million?

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, I will not take the 3½ minutes, but I hope the House will adopt these amendments offered by the gentleman from Ohio (Mr. ASHLEY), and we will send the legislation to the Senate. I hope the Senate will adopt it completely. If they do not, I believe they will substantially. But if they were to attempt to raise it by any amount above $250 million, we will ask for a conference. On that conference will be men and women who believe in carrying out the spirit and the will of the House, and we will be adamant in that. I assure the Members I personally believe this is in the best interests of our country and in every way in the interests of the taxpayers especially, as well as everybody else. I hope and trust the amendments are adopted by a big vote so as to impress the other body.

The CHAIRMAN. All time has expired.

The question is on the amendments offered by the gentleman from Ohio (Mr. ASHLEY).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. COLMER

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: Page 7, on line 10 insert "(a)" immediately after "SEC. 3." and insert immediately below line 13 the following new subsection:

(b) No guarantee agreement made under this Act shall provide for the payment under a guarantee of more than 90 percent of the outstanding unpaid balance of principal and interest which is due and owing on a guaranteed loan at the time payment under the guarantee becomes required.

Mr. COLMER. Mr. Chairman, I ask unanimous consent that the amendment may be reread, because there was so much confusion in the Chamber I could not even hear it myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk reread the amendment.

Mr. COLMER. Mr. Chairman, let me say, if I may have the attention of those who are interested in this bill.

What I am trying to do here is to place this loan upon a parallel basis with the loan that is made under the SBA to small business.

I addressed the House briefly earlier today on the rule and pointed out I had wrestled with this problem in my own conscience for the last several weeks trying to make up my mind whether it was to the interests of the country or not to have this loan made. I reluctantly came to the conclusion that it was to the best interests of the country, for the reasons that have already been adduced here this afternoon and which I do not have time to reiterate.

I find it very difficult to understand how some of the people who call themselves "liberals" can oppose this bill when the people whom they are most interested in are the people who would be the greatest beneficiaries of this loan—the working people.

But I come back to the proposition and reiterate what I said earlier, that I do not believe big business within itself is bad business. I believe under our system of government little business and big business should be treated alike.

Under the SBA—I believe it is section 7 of that bill—the Government guarantees 90 percent of the loan and the bank guarantees 10 percent. So what this amendment would do, in just a word, is to say that in addition to the liabilities—and I recognize that—which the banks already have, of some $400 million, because of the great stake they have in the Government coming to their rescue here, they ought to be willing to participate for an additional 10 percent of the risks involved in this new loan.

That is all there is to it.

I have not counted any heads around here, and I do not know what chances you have of passing this bill or what chance you have of losing it, but I say it would make it much more palatable to a lot of us who have had trouble making up our minds if this amendment were adopted.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I am happy to yield to my good friend from Maryland.

Mr. LONG of Maryland. I applaud the gentleman's amendment. I think he has introduced something which is equitable and worthwhile. I do think big business should certainly not be treated any more generously than small businesses.

Would not the gentleman agree that this is a kind of a 10-percent token of good faith? If the banks and others are not going to put up 10 percent to save their own skins, then it may not be worth saving.

Mr. COLMER. I thank the gentleman for his comments.

I now yield to my good friend from Alabama (Mr. ANDREWS).

Mr. ANDREWS of Alabama. If I remember correctly, the bankers told the committee they would not guarantee one dime of the $250 million. Is that not right, Mr. Chairman? In other words, they have a 100-percent guarantee and not 90 percent like small business applicants have. Is that not right?

Mr. COLMER. Well, of course, if the gentleman will permit me——

Mr. ANDREWS of Alabama. It might be true the gentleman's amendment would make it such that the bankers would not accept this guarantee.

Mr. COLMER. Well, if they do not, then they run the risk of losing their $400 million.

Mr. ANDREWS of Alabama. Well, it is right that they said they would not.

Mr. COLMER. Very well. But let the Congress act. It is the responsibility of the Congress to try to protect the taxpayers.

Mr. LONG of Maryland. Would the gentleman yield again for a question?

Mr. COLMER. I am very glad to yield to the gentleman.

Mr. LONG of Maryland. Would the gentleman's amendment then allow the $250 million to be put up with an additional 10 percent by the companies, or does this knock $25 million off and the Government then only guarantees $225 million?

Mr. COLMER. The bank puts up the money, the $250 million. All this amendment would do is to say that in the event the company went bankrupt they would share up to 10 percent in the losses.

Mr. LONG of Maryland. And the Government would only lose then $225 million. Is that right?

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment may have superficial appeal, but I earnestly suggest that it should be voted down.

The very distinguished chairman of the Committee on Rules has suggested to us that we should not treat big business any differently than small business. He suggests further that since the Small Business Administration loans are made at 90 percent that this rule should be applied to the legislation under consideration here. This is a comparison of apples and oranges, because, as a matter of fact, under the Small Business Administration program the Government does not insist that its position in terms of collateral be prior to that of other creditors, but in this legislation this is what is provided for. So there is no similarity between the operation of the Small Business Administration program and this program. Yet it is insisted under this amendment that the banks be guaranteed only 90 percent of the risk.

Mr. Chairman, let me make this clear. This is shooting craps with the national interest, because we have the testimony of the 24 banks involved that they are so far committed, $400 million worth, that they, in the absence of a guarantee of the extent of the loan, not 90 percent or 99 percent, will not make it.

So, if we were to adopt this amendment and if this were to be written into the law, we would be saying to the banks, "You either contradict the testimony that you gave before the committee to keep Lockheed solvent on this basis or you do not." This is shooting craps with the national interest.

Mr. Chairman, I would strongly urge that there is no similarity between the SBA program and this particular legislation. Superficial appeal, yes. But let us look beyond the superficial appeal. The programs are not comparable; they are not parallel.

Mr. Chairman, we had better realize what we are talking about at this 11th hour is a most complex kind of arrangement where the banks have said they will take a secondary position in terms of collateral—totally secondary to the position of the United States—if there is the 100-percent guarantee.

Mr. Chairman, if we are going to start to pull apart the agreement and the package that has been entered into on a preliminary basis and that package involves Great Britain, our State Department, our Treasury Department, and all that has gone into this, then I say we are doing it at the peril of the national interest.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I concur in what the gentleman says. Would not the gentleman agree that, really, to have the banks subordinate their loans to the Government's lien, is worth a lot more than 10 percent?

Mr. ASHLEY. The fact of the matter is that the banks' agreement to take a secondary position was based upon the 100-percent guarantee.

Mr. Chairman, if we adopt this amendment, the banks, obviously, are going to say that this is not a part of the preliminary agreement that we reached; if it is only 90 percent, then we will have to take another look at the position we took with respect to the collateral.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding. I understand the position of the banks, because they are in this thing to the extent of about $400 million, are they not?

Mr. ASHLEY. At the present time they are.

Mr. LONG of Maryland. However, this is money they are going to lose if the whole enterprise collapses.

Mr. ASHLEY. That is true.

Mr. LONG of Maryland. I am a little bit puzzled as to why the banks will do something to the extent of $400 million but they will not go out on the limb for another $25 million in order to save the $375 million.

Mr. ASHLEY. I can only respond to the gentleman that it does come at a point at which the risk involved simply does not permit the banks to extend further credit.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MOSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

I want to agree with the gentleman from Ohio that this is not in fact comparable to the Small Business Administration loans. However, I think it might be advisable for us to make it more like Small Business Administration loans and ask for this 10-percent participation by the lending institutions in this additional $250 million.

I think one of the points that ought to be made here is that they have a rather curious arrangement under the present loans of $400 million, and I assume the requirement of 20 percent being maintained in the lending institutions as compensating balances will continue for this added $250 million. Now, they have the use of about $80 million as compensating balances under their present $400 million of loans. They are going to be placed in a more favorable position with this new $650 million package. I might point out that not the Government of the United States, but these lending institutions which are going to subordinate their loans are going to be placed in a more favorable position because of this, because the Government of the United States is doing 90- to 95-percent of the business with Lockheed, and in the event of bankruptcy, under the situation existing at this moment, has a prior claim over all the creditors.

And that becomes less; as a matter of fact, the Government is going to have to support the role as a creditor against Lockheed on this loan guarantee agreement.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, would the gentleman from California agree with me that this gigantic corporation should be able to pull in its belt and find somewhere $25 million?

Mr. MOSS. Of course it could.

We have been discussing here all afternoon everything but the realities of the situation. The alternative is not bankruptcy and forced liquidation of the Lockheed Corp., the alternative would be to go into a Federal court and seek an orderly reorganization under chapter 10 of the bankruptcy laws. And the trustee would be empowered to insure and in fact would have to insure the continued operation of the company.

The only people who might be hurt would be Rolls-Royce because they would not come under that. Undoubtedly an arrangement would have to be made to produce the engines required here domestically rather than across the ocean.

Mr. LONG of Maryland. Mr. Chairman, if the gentleman will yield further, I think the gentleman would agree that bankers are pretty practical people, and that, if a group of banks gave another group a proposition like this, the latter would leap at it. As a matter of fact, I would like to make a little wager to someone on the other side——

Mr. LONG of Maryland. Then I would like to wager a dinner at a clean restaurant—if one can be found in Washingtin—that the banks would not turn down this proposition.

Mr. MOSS. The practicalities of the lending institutions are evidenced and brought sharply into focus by the fact that we are at this moment considering this legislation.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I want to rise in support of the amendment offered by the chairman of the Committee on Rules, the gentleman from Mississippi (Mr. COLMER). There seems to me to be nothing very unusual about this procedure, because when we were talking about the SST it was alleged that it was foolish to put in Federal money into that project if the banks were not willing to put up any of their own money. So, I do not believe it is unreasonable in this case to suggest that the banks ought to put up 10 percent of the money for the Lockheed loan. The two situations seem to me to be similar. I believe that the gentleman from Mississippi is offering a very sound amendment.

Mr. J. WILLIAM STANTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I take the time of the Committee at this late hour for a very important reason, and that is to point out to the Committee and to point out to the very distinguished chairman of the Committee on Rules, the gentleman from Mississippi (Mr. COLMER), who I would say would rank as the most beloved Member of this House, that the amendment that he has introduced, as the gentleman from Ohio (Mr. ASHLEY) has tried to explain, completely eliminates the possibility of the Secretary of the Treasury making any arrangements and completing the arrangements that have been made, that brought this bill before us today.

I will tell you why this is so: First of all, the difference between the Small Business Administration and what we are doing here has been explained. You should understand this, also, that the banks, as I understand it, have $400 million invested, and they have collateral. We are making a loan guarantee of $250 million. We are taking the collateral and we are now into a $650 million program for the banks.

What the gentleman is insisting upon is that the banks participate in 10 percent of any loss, as I understand the gentleman's amendment, and the Federal Government would participate in 90 percent. But I say to you that already the banks have some 62 percent involved when you consider the $650 million.

In addition to this, if this bill goes through, there are some $450 million in commitments with the airlines, suppliers, and the rest, in addition to what is already paid into the particular program. You have no loan guarantee with that.

So I say to the very distinguished and very popular chairman of the Committee on Rules that this would be a very crippling amendment in my opinion, and I wish sincerely that the gentleman would reconsider his amendment.

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman.

Mr. STEPHENS. Mr. Chairman, I want to point out that I value the opinion of the gentleman from Mississippi. But I want to point out to the House that we considered this in committee. This proposal was made in the committee. This proposal would add no security whatsoever to what they are already giving.

In addition to that, we would be putting the banks in a much more precarious position than they are already in.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yiled?

Mr. J. WILLIAM STANTON. I yield to the gentleman.

Mr. GERALD R. FORD. Mr. Chairman, let me make two points very, very quickly.

First, the Government is giving a 100-percent loan guarantee under the bill and the Government is not going to lose a dime because they have all of the assets of Lockheed available. Therefore, the Government's position is better than if this amendment were to be passed.

The second point is—and this is the important point—this is an arrangement that has been finely drawn after much negotiation. It is an agreement on many sides. If any action is taken that undermines that arrangement in toto, then the whole thing falls apart and you will have the most adverse impact on the economy of the United States, at least during my service in the Congress over the past 22 years.

I warn you that any adverse action that is taken to disturb this arrangement would have very serious ramifications throughout the United States.

I hope this amendment is defeated, Mr. Chairman, as much as I like, admire, and respect the distinguished gentleman from Mississippi.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman.

Mr. COLMER. Mr. Chairman, in reply to the very able and lovable leader of the minority, may I ask him for whom he speaks, when he says it is all cut and dried and agreed to. Is he speaking for the House? Is he speaking for his side as a party? Who is he speaking for? Is he speaking for a few who have gone together here and who have said this will not work out and something should be worked out?

I wrote up quite a speech here earlier today why I would vote for the bill.

I still think they ought to participate in this. They are the people who stand to lose $400 million unless the Government comes to their rescue.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman.

Mr. LONG of Maryland. Mr. Chairman, I am a little puzzled by the statement made by the minority leader that the Government is in a sense guaranteeing against losing this money because the banks have put up this $400 million and stands behind it.

If that is—if this is such a good proposition that the Government cannot possibly lose this $250 million, why has not some consortium of banks come forward to do what the Government is being asked to do?

Mr. GERALD R. FORD. The banks have already put up $400 million. They have certain collateral that protects this interest. They will put up $250 million more except the U.S. Government will guarantee this portion of the total borrowings. The U.S. guarantee is protected by the $400 million in collateral that the banks have at the present time. So the Federal Government has $650 million in collateral to protect a $250 million loan.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I admire and respect the distinguished and able chairman of the Committee on Rules very much. In fact, he is one of the most popular Members of this House and he deserves that recognition and that honor.

When the gentleman mentioned the subject to me I thought it sounded very good. But when I began to consider the fact that we are working with a deadline, first, and a definite amount, second, I take a different view. The package deal has been put together by the Secretary of the Treasury and others relating to this. We have been given notice that the British Government will not live up to its agreement longer than August 8. If we do not come through with our part before that time, they are no longer responsible. We have the same notice from Rolls-Royce. Therefore, we must operate under a deadline.

It is possible that many of you object to that. I object, too, but at the same time it is a package deal. We must do it or not do it. It is a question of whether we want to save this company, to save some 34,000 small businessmen, and at the same time it will prevent further unemployment. I believe in view of the fact that this deadline is approaching, and in view of the fact that we are dealing with a definite amount, $250 million, any change in this arrangement will probably result in a dispute between the two Houses. We would then go to conference and possibly be delayed longer than the deadline.

We are running that risk. It is not necessary to do it. This is too small to run such a risk. It means a lot to our country, to the unemployed people, and we want to do something that will be helpful. I believe passing this bill as it has been recommended here up to now will get the job done.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi, the distinguished chairman.

Mr. COLMFR. I thank the chairman of the Banking and Currency Committee, and I return all the compliments he paid me without reiterating them.

Has the Senate acted upon this bill?

Mr. PATMAN. They are acting on it now. We are trying to stop the filibuster. If we pass the bill now as we have it, we will stop the filibuster over there. Otherwise it will continue.

Mr. COLMER. Can the gentleman give us a U.S.F. & G. bond that that will happen?

Mr. PATMAN. No; but the leaders over there are pretty good, and yesterday the leaders agreed to do this and then they tried to change it. They were unsuccessful, and the people who really caused it to be scuttled I think are favorable to it now.

Mr. COLMER. The gentleman thinks so, but I would wager to my friend of long standing that the other body will not pass the package that you are asking for and you will have to go to conference. Now, you can work out this amendment if it is adopted. But I am sure the gentleman will agree with me that we in this body have our own obligation to legislate.

I want to ask the gentleman one question. This was considered in your committee; was it not?

Mr. PATMAN. It certainly was.

Mr. COLMER. And it was voted down by how many votes? Was it by a vote of 18 to 16?

Mr. PATMAN. That was the vote on the $2 billion proposal. That pertained to the $2 billion rather than the $250 million.

Mr. COLMER. I am informed——

Mr. PATMAN. Your proposal did not come to a vote.

Mr. COLMER. I am informed that it did.

Mr. PATMAN. The gentleman from Ohio (Mr. ASHLEY) said that it was apples and oranges, entirely different, not comparable.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORHEAD. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. MOORHEAD. Under the Small Business Administration law, no matter whether a bank has already made a loan, defers and agrees to let a guaranteed SBA loan have priority ahead of it, still under the law passed by the Congress of the United States the maximum guarantee is 90 percent. I submit that we should do no more for big business in the United States than to provide the 90-percent guarantee. If the banks are genuinely sincere, they will go along with it. Therefore, I support very strongly the amendment of the gentleman from Mississippi.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the chairman of the committee.

Mr. PATMAN. I wonder how many Members wish to be heard on this particular amendment. I intend to ask unanimous consent that debate be limited on the amendment and all amendments thereto to 10 minutes.

Mr. MOORHEAD. Mr. Chairman, I observe the gentleman from Louisiana standing. I would be glad to yield the rest of my time to him.

Mr. Chairman, I yield back the balance of my time.

Mr. WAGGONNER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, several months ago I discussed at length this proposed amendment with the members of the committee and a number of people on both sides of the aisle, who were concerned about what we might do that would parallel what we are doing in the instance of guaranteeing Small Business Administration loans. An honest effort was made, so the members of the committee tell me, to try to arrive at something that was workable—and they could not.

I admit there is something desirable about this amendment, something attractive. I am one of those who say that we on this occasion are doing nothing more than exercising the best of poor alternatives if we support this proposal, but I am one who is convinced that the best interests of this country will be served by supporting this guaranteed loan. We have other guaranteed loan programs. Some guarantee 100 percent such as participation certificates. There is no way for the Government to lose in this particular case.

If we had before us today a proposal creating a permanent program that was going to parallel for big business what SBA does, then by all means we should incorporate some feature such as this amendment proposes into the program, but we have reduced the bill now to a one-shot $250 million proposition. Whether there are any deals or not, there is real optimism and every reason to believe that if we pass this bill now, it having been reduced to a one-shot $250 million garanteed loan, the people on the other side of this Capitol early next week will consider this bill, and the filibuster over there will be ended.

Now, the banks are already in this proposition without a guarantee. They have $400 million of their money already on loan to Lockheed. They have subordinated that $400 million to this $250 million. The Government has first mortage on all Lockheed assets. Those agreements have been negotiated. They are in writing now. If, as I believe, there is something to be said for acting and acting now in the interests of the U.S. Government—and I criticize Lockheed for ever making the deal with Rolls-Royce in the first place, I would rather they had American engines, but with the prospect of Britain dropping out and with the overall picture what it is, as attractive as this amendment is, if we want this program consummated, if we want this loan made to serve the best interests of the economy and the Defense Establishment of this country, then I think we ought to vote down this amendment and, as distasteful as it is, let us vote finally for this proposal and I admit I am going to have to hold my nose to do it.

So, Mr. Chairman, I urge the rejection of the amendment offered by my colleague, the gentleman from Mississippi (Mr. COLMER).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. COLMER).

TELLER VOTE WITH CLERKS

Mr. DINGELL. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. DINGELL. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered; and the Chairman appointed as tellers Messrs. COLMER, ASHLEY, PATMAN, and J. WILLIAM STANTON.

The Committee divided, and the tellers reported that there were—ayes 176, noes 205, not voting 53, as follows:

[Roll No. 226]

[Recorded Teller Vote]

AYES—176

Abbitt
Abourezk
Abzug
Addabbo
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Archer
Ashbrook
Aspin
Badillo
Barrett
Begich
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boland
Brademas
Broomfield
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Byrne, Pa.
Chisholm
Clancy
Clawson, Del
Cleveland
Collins, Ill.
Colmer
Cotter
Crane
Culver
Daniel, Va.
Daniels, N.J.
de la Garza
Delaney
Dellums
Denholm
Dennis
Dingell
Dow
Downing
Drinan
Dulski
Eckhardt
Edmondson
Eilberg
Evans, Colo.
Fascell
Fisher
Flood
Fountain
Fraser
Frey
Fuqua
Galifianakis
Garmatz
Gaydos
Gibbons
Gonzalez
Green, Oreg.
Green, Pa.
Gross
Gude
Haley
Hall
Hamilton
Hammerschmidt
Harrington
Harvey
Hechler, W. Va.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hogan
Hosmer
Howard
Hutchinson
Ichord
Jacobs
Jarman
Jones, N.C.
Karth
Kastenmeier
Kazen
Keating
Koch
Kyros
Lennon
Link
Long, Md.
Lujan
McCloskey
McKay
Madden
Mailliard
Mann
Martin
Mazzoli
Melcher
Mikva
Miller, Ohio
Minish
Mink
Mitchell
Moorhead
Moss
Murphy, Ill.
Natcher
Nedzi
Nix
Obey
O'Hara
Perkins
Pickle
Pike
Powell
Preyer, N.C.
Pryor, Ark.
Quie
Randall
Rangel
Rarick
Reuss
Riegle
Roberts
Robison, N.Y.
Roe
Rogers
Roncalio
Rosenthal
Roush
Runnels
Ruth
Ryan
St Germain
Sarbanes
Scherle
Scheuer
Schmitz
Schwengel
Scott
Seiberling
Slack
Smith, Iowa
Steed
Steele
Steiger, Wis.
Stokes
Stratton
Stubblefield
Sullivan
Symington
Taylor
Teague, Tex.
Terry
Thompson, N.J.
Thone
Tiernan
Udall
Ullman
Vanik
Wampler
Watts
White
Whitten
Wolff
Yates
Young, Tex.
Zwach

NOES—205

Abernethy
Adams
Albert
Alexander
Anderson, Calif.
Anderson, Ill.
Annunzio
Arends
Ashley
Baker
Baring
Belcher
Bell
Betts
Blackburn
Blanton
Boggs
Bolling
Brasco
Brinkley
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Carey, N.Y.
Carney
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Clausen, Don H.
Collier
Collins, Tex.
Conable
Conte
Corman
Coughlin
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
Derwinski
Dickinson
Dorn
Duncan
du Pont
Dwyer
Edwards, Ala.
Edwards, Calif.
Eshleman
Evins, Tenn.
Findley
Fish
Flowers
Flynt
Foley
Ford, Gerald R.
Forsythe
Frelinghuysen
Fulton, Pa.
Fulton, Tenn.
Gallagher
Gettys
Giaimo
Goldwater
Goodling
Grasso
Gray
Griffin
Gubser
Hagan
Halpern
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harsha
Hathaway
Hawkins
Hébert
Heckler, Mass.
Hillis
Holifield
Hull
Hunt
Johnson, Calif.
Jones, Ala.
Keith
Kemp
Kuykendall
Kyl
Landgrebe
Landrum
Latta
Leggett
Lloyd
McClory
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKevitt
McKinney
McMillan
Macdonald, Mass.
Mahon
Mathias, Calif.
Mathis, Ga.
Mayne
Meeds
Miller, Calif.
Mills, Ark.
Mills, Md.
Minshall
Mizell
Mollohan
Monagan
Montgomery
Morgan
Morse
Mosher
Murphy, N.Y.
Nichols
O'Konski
O'Neill
Passman
Patman
Patten
Pelly
Pepper
Pettis
Peyser
Pirnie
Podell
Poff
Price, Tex.
Pucinski
Purcell
Railsback
Rees
Reid, Ill.
Reid, N.Y.
Rhodes
Robinson, Va.
Rodino
Rooney, N.Y.
Rooney, Pa.
Rostenkowski
Rousselot
Roy
Roybal
Sandman
Satterfield
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Smith, Calif.
Smith, N.Y.
Spence
Springer
Staggers
Stanton, J. William
Stanton, James V.
Steiger, Ariz.
Stephens
Stuckey
Talcott
Teague, Calif.
Thompson, Ga.
Thomson, Wis.
Veysey
Vigorito
Waggonner
Waldie
Ware
Whalen
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H.
Winn
Wright
Wyatt
Wydler
Wylie
Young, Fla.
Zablocki

NOT VOTING—53

Aspinall
Bow
Bray
Brooks
Carter
Clark
Clay
Conyers
Dellenback
Dent
Devine
Diggs
Donohue
Dowdy
Edwards, La.
Erlenborn
Esch
Ford, William D.
Frenzel
Griffiths
Grover
Hastings
Hays
Horton
Hungate
Johnson, Pa.
Jonas
Jones, Tenn.
Kee
King
Kluczynski
Lent
Long, La.
McClure
McCulloch
Matsunaga
Metcalfe
Michel
Myers
Nelsen
Poage
Price, Ill.
Quillen
Ruppe
Saylor
Snyder
Stafford
Van Deerlin
Vander Jagt
Whalley
Wyman
Yatron
Zion

So the amendment was rejected.

The CHAIRMAN. Are there any further amendments?

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk reads as follows:

Amendment offered by Mr. DINGELL: Page 12, on line 3, insert "(a)" immediately after "Sec. 7." and insert immediately below line 14 the following new subsection:

"(b) The General Accounting Office shall make a detailed audit of all accounts, books, records, and transactions of any borrower with respect to which an application for a loan guarantee is made under this Act. The General Accounting Office shall report the results of such audit to the Board and to the Congress."

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I would be very happy to yield to the distinguished Chairman, the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, we have considered the amendment offered by the gentleman from Michigan (Mr. DINGELL) and the other one, and we have agreed that we can accept them. We have conferred with counsel and others, and we are perfectly willing to accept them.

Mr. DINGELL. I thank the gentleman.

Mr. WIDNALL. Mr. Chairman, would the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, I would like to understand this amendment a little better. I do not have a copy of it in front of me.

Mr. DINGELL. I will be very happy to make a copy available to the gentleman.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield further?

Mr. DINGELL. I will be happy to yield to the gentleman from New Jersey.

Mr. WIDNALL. Does this mean that before the loan is made that there would have to be a GAO audit?

Mr. DINGELL. That is correct, there would have to be a GAO audit in regard to any loan guarantee that is made.

Mr. WIDNALL. If that is the case, this would mean that you could not possibly have the audit completed, and a copy of the audit could not possibly be ready in time to help the corporation.

Mr. DINGELL. The language of the amendment is as follows:

> The General Accounting Office shall make a detailed audit of all accounts, books, records, and transactions of any borrower with respect to which an application for a loan guarantee is made under this Act. The General Accounting Office shall report the results of such audit to the Board and to the Congress.

I would say to the gentleman from New Jersey that it does not require that the audit take place before the loan is made, but the audit must, in any event, take place.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, the amendment offered by the gentleman from Michigan (Mr. DINGELL) says that an audit shall be made on any applicant.

Mr. DINGELL. No, it does not. It says that:

> The General Accounting Office shall make a detailed audit of all accounts, books, records, and transactions of any borrower with respect to which an application for a loan guarantee is made under this Act.

Mr. BROWN of Michigan. "With respect to which an application for a loan guarantee is made under this Act," the GAO would have to audit anyone who made an application under the act.

Mr. DINGELL. The word is "borrower."

I would say to my friend, the gentleman from Michigan, that "borrower" is a word of the art, and is well understood. It means someone who borrows money. And if the gentleman will permit, with respect to which an application is made. We have here before us only one person who is going to apply for the money, and that is Lockheed. Since Lockheed is a borrower, Lockheed is going to get a GAO audit. And that is the thrust of this amendment. The audit does not come before the loan, but a GAO audit will be made.

Mr. BROWN of Michigan. If the gentleman will yield further, I think that this could be clarified so that the gentleman's intent is clear.

Mr. DINGELL. I say to the gentleman from Michigan that we are making the legislative history at this time, and it says we are going to have a GAO audit of the borrower.

Mr. BROWN of Michigan. But the language speaks to the application, it does not say with respect to the borrower who has received a loan guarantee.

Mr. DINGELL. For the benefit of my good friend, the gentleman from Michigan, a person who wants to get a loan is a borrower, and the words "with respect to which an application for a loan guarantee is made under this Act," is to define which borrower is going to be getting a GAO audit, because evidently there are many thousands of borrowers in this country.

The function of the amendment is a very simple one.

Mr. PATMAN. Mr. Chairman, would the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. PATMAN. In other words, this is after the fact, and it is not before the fact.

Mr. DINGELL. The gentleman from Texas is entirely correct. The audit is post facto as opposed to preliminary to.

Mr. PATMAN. After he has already borrowed the money.

Mr. DINGELL. The gentleman is correct, and I agree entirely with my good friend, the gentleman from Texas, and I hope my Republican friends will accept this amendment.

Mr. Chairman, I will yield to any Member of the minority who wishes to be heard.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Chairman, it is late, and there is lots of conversation going on, but I thought I heard the gentleman from Michigan (Mr. DINGELL) say this: That the legislative history on this amendment is that the audit would be after the loan guarantee is made.

Mr. DINGELL. That is the way I read the language of the amendment. But there has to be a full and complete audit made.

Mr. GERALD R. FORD. Mr. Chairman, I have no objection to such an audit, but it would be impractical to have such an audit prior to the applicant obtaining the loan.

Mr. DINGELL. I am not trying to make an unworkable arrangement out of the bill even though I do say to my friend that I do intend to vote against it.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman.

Mr. BROWN of Michigan. If that is your intent, would you not be willing to make it much cleaner by just taking out the part that deals with the applications so that it would read:

> To examine the books, records, and transactions of any borrower with respect to which a loan guarantee is made under this Act.

Mr. DINGELL. I would be happy to accept it, but I already have an agreement on the part of the minority Member and the chairman of the committee handling the legislation.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman.

Mr. MOSS. Mr. Chairman, I think the amendment improves the bill. But I would point out the unusual nature of the guaranteeing party asking for the audit after the fact of making the guarantee. This is an unusual and imprudent practice that this House is indulging in here tonight that we are going to guarantee it and then look over the books and find out if our judgment was good. That is not very good economics.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman.

Mr. ASHLEY. Mr. Chairman, I think the gentleman is mistaken. Under the legislation, the loan guarantee board of course has the authority to look into the books and records of the applicant in question; is that not so?

Mr. DINGELL. As I understand the bill, that is the way it works.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WIDNALL and Mr. DINGELL.

Mr. DINGELL. Mr. Chairman, I demand tellers with clerks.

The CHAIRMAN. The gentleman's request comes too late. Tellers have already been appointed.

The Committee divided, and the tellers reported that there were—ayes 163, noes 76.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DINGELL: Page 11, insert immediately below line 23 the following new paragraph:
>
> "(3) The Board shall not guarantee any loan under this Act unless such loan is treated as an expense of administration and receives the highest lien on the borrower's property and priority in payment under the Bankruptcy Act."

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the distinguished chairman of the committee.

Mr. PATMAN. Mr. Chairman, we have considered this amendment. The gentleman has been kind enough to give us a copy earlier in the day and, after conferring with Members and counsel on this side of the aisle, we might be inclined to accept and recommend it.

Mr. DINGELL. Mr. Chairman, I thank the gentleman from Texas for his gracious acceptance of the amendment.

Mr. Chairman, let me explain the genesis of this amendment very briefly to the Members. This is exactly the same language as was included in the Penn Central guarantee. This simply makes abundantly clear that the function of the bankruptcy laws would be in this instance and in the instance of this guarantee to assure absolute, unquestioned first priority to the United States in the event that Lockheed goes into bankruptcy.

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. WIGGINS. Mr. Chairman, under the amendment would the U.S. Government have priority over the claims of employees?

Mr. DINGELL. The gentleman is correct. The Federal Government under this would have claims over any creditor secured or unsecured, regardless of whether it was by lien agreement or by some kind of statutory assurance. The gentleman is correct, the U.S. Government claim would be superior to claims of employees as—I would inform the gentleman from California—the banks would under the proposal we have before us.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, do I understand that the Government would have priority over employees' claims?

Mr. DINGELL. The gentleman is correct, but under the bill we have before us, so would the bank.

Mr. WIDNALL. I cannot believe the Government would go for this.

Mr. DINGELL. I would tell the gentleman from New Jersey he is supporting legislation which would give the banks priority.

Mr. WIDNALL. No.

Mr. DINGELL. And I have no objection to seeing that the Federal Government has this priority.

Mr. WIDNALL. Mr. Chairman, I rise in opposition to this amendment. I just find it unbelievable that the House is being asked to support an amendment to a bill that will give priority over wage claims of employees. This is shocking to me.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

It would be shocking to me also.

Mr. WIDNALL. Mr. Chairman, I have not yielded yet—not yet.

Mr. Chairman, the contrast is always made with the banks and organizations like that. Under this proposed legislation, the banks are getting a loan guarantee of $250 million if they make the $250 million loan that the Government is allowed to guarantee, but their loans and liens would be subordinated to those of the U.S. Government, and it is clearly understood, we have understood all along, that we cannot wipe out wage claims.

These would have priority, and we would make no attempt to try to give other than first priority to those wage claims. It is something unbelievable to me.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. It is my understanding of the bankruptcy laws of the United States that wage claims have the highest priority, period. I am amazed that the gentleman from Michigan would offer an amendment which would take away the wage claims of employees and put them behind the U.S. Government. I do not believe we ought to change the bankruptcy laws in this legislation. I am for the employees, and Uncle Sam can take second place.

Mr. PATMAN. Mr. Chairman, I move to strike the requisite number of words.

That was in the original bill, section 6, commencing on page 4:

> The payment of the principal of and interest on any loan guaranteed pursuant to the provisions of this Act shall be secured by a first and prior lien on the property of the enterprise and shall be entitled to a priority superior to all other priorities in proceedings under the Bankruptcy Act.

But we struck that out. That was stricken out, and the other language did not include that and was inserted instead.

We struck out what the gentleman complains about. We struck it out of the original bill. That is what was in the original bill, and we did not like it; therefore, it was stricken out. If the gentleman will look at it, it was stricken out.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman from Texas yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. I cannot imagine the distinguished chairman of the Committee on Banking and Currency supporting an amendment which fundamentally amends the Bankruptcy Act.

Mr. PATMAN. I am against it. I am on the gentleman's side.

Mr. GERALD R. FORD. I knew the gentleman from Texas would be on the right side by opposing this amendment. Let us vote.

Mr. PATMAN. We struck that language.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

The gentleman from Texas accepted the amendment.

Mr. PATMAN. Surely. I accepted the amendment.

Mr. GROSS. Less than 5 minutes ago.

Mr. PATMAN. Yes. But it is not like the gentleman said it was.

Mr. GROSS. The gentleman heard it read by the reading clerk and accepted it. Now he seeks to disavow his position.

Mr. PATMAN. It is section 6, on page 4, which is what he was complaining about. That was stricken out of the bill. It is not in the bill.

Mr. GROSS. Mr. Chairman, I will take only another 30 seconds or so.

This whole bill is unbelievable. The gentleman from New Jersey (Mr. WIDNALL), says it is unbelievable that this amendment should be offered. The whole bill is unbelievable. If you vote for this bill here tonight you will not be driving a nail in the coffin of the free enterprise system; you will be driving the biggest spike you ever saw into it.

Mr. STEPHENS. Mr. Chairman, I move to strike the requisite number of words.

There seems to be confusion about what this amendment amounts to. In the interest of trying to pass a bill tonight, one that will be acceptable to everybody, that we might understand, I rise to oppose the amendment and say, let us vote it down.

Mr. KAZEN. Mr. Chairman, I move to strike the necessary number of words.

I take this time to ask the gentleman from Michigan (Mr. DINGELL), if this is the identical provision that was in the Penn Central bill?

Mr. DINGELL. The gentleman from Texas is entirely correct. This is exactly the same language that was in the guarantee legislation we passed on Penn Central.

So anyone who voted for the Penn Central bill voted to put the United States above the wages of the workers.

Mr. DINGELL. Will the gentleman yield further?

Mr. KAZEN. Yes.

Mr. DINGELL. I would like to make it very plain the amendment does not change the priority of the workers' interest nor does it change the priority of the Federal Government's interest with respect to workers' claims at all, but it changes under this proposal only one thing, and that is the relationship of the Federal Government's claims to other secured claims. It places the Federal Government's claims clearly above any other secured claim. It does not affect the impact of the Federal Government's claims with relation to labor claims at all. Under the bill before us the Federal Government's claims under this bill are prior to labor claims.

I know my good friend, the minority leader, confused us in the well of the House and was trying to confuse the House before, and the chairman is confused, along with other Members, but I hope that I have helped to clear this up.

Mr. GERALD R. FORD. Will the gentleman yield?

Mr. KAZEN. I yield to the minority leader.

Mr. GERALD R. FORD. Let me point out the difference between the Penn Central case and this one. In the Penn Central case we made the loan after the fact, after the company had gone into bankruptcy or under chapter 10. So the facts are totally different. They are not comparable. There is just no reasonable relationship between the two.

The gentleman from Michigan himself said on the floor of the House that employees' wages under his amendment are secondary to the claims of the United States. That is a fundamental change in the Bankruptcy Act of the United States, and I do not think we ought to change the Bankruptcy Act in legislation like this. We should not make employees' claims secondary to the Government's.

Mr. DINGELL. Will the gentleman yield?

Mr. KAZEN. I yield to the gentleman.

Mr. DINGELL. I want to make it very plain that we have already voted once on this language and if, as the gentleman from Michigan would have this House believe, the person who is going to get the benefit of this guarantee, Lockheed, is in the kind of shape that they are, there is nothing to be afraid of in regard to the amendment. If they are in bad shape, perhaps it would be well for us forthwith to kill the bill and save both the taxpayers and the employees from the monstrosity which is about to be foisted upon them.

Mr. KAZEN. Will the gentleman answer this question for me? Are the wages of workers considered to be unsecured?

Mr. DINGELL. Wages of workers are considered to be secured.

Mr. KAZEN. Secured?

Mr. DINGELL. Under the bankruptcy laws. That is correct.

Mr. KAZEN. Then, under your amendment, the interests of the United States will come before those, because they come before everything else.

Mr. DINGELL. Under my amendment, the Federal Government's claim would come before any secured creditor. Under the language of the bill before the House the claims of the U.S. Government would also come before any secured claims. It does not change the relationship at all between the two.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I only rise to find out just exactly what this bill does and what the amendment would do.

Frankly, I raised this same question on the bill as it is now written, because I think under section 6 there is a legal provision for making these claims superior to workers' claims, contractors' claims, or any claims that may arise after chapter 10 reorganization.

I would just like to point out what I am talking about. On page 11, section (c) of the bill, it states as follows:

> The Board shall take all steps necessary to assure such priority against any other persons.

That says "any other persons." It seems to me that such may include persons who may come in after the chapter 10 reorganization and who may make a claim for services rendered against the trustee——

Mr. THOMPSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Georgia.

Mr. THOMPSON of Georgia. The gentleman is a good constitutional lawyer. The gentleman realizes that the Constitution of the United States protects people from ex post facto law.

The Penn Central was in bankruptcy. The priorities of the parties had been established at the time we passed the guarantee. If that language was in there it could not have disturbed the priorities of the workers, because that had been established prior to that. Lockheed is not in bankruptcy.

If we do this, we put the U.S. Government ahead of the worker.

Mr. ECKHARDT. I am not talking about Penn Central. I am talking about Lockheed. What I am saying is that this law seems to me to give a prior claim, or to give permission to write in a prior claim and even to give a directive to make a prior claim for $250 million ahead of any labor claims that might arise after proceedings have been had under chapter 10.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. I think I can help my friends on the minority side understand this amendment because they seem to be confused about it.

The bill says that the Board must pay certain compensation, including the priority of Government claims.

The amendment says that the Board shall not guarantee any loan under this act unless such loan is treated as an expense of administration and receives the highest lien on the borrower's property and priority in payment under the Bankruptcy Act.

It does not change the labor lien, except where he consents thereto.

I hope that explanation will be of some help to my colleagues on the other side of the aisle in understanding the amendment.

Mr. ECKHARDT. I believe my colleague's amendment, as he explains it, would show an intent not to place the $250 million ahead of workers' claim. If that is true, the amendment would actually better the bill.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield further, what the amendment does is this: It does not affect the right of any person who does not agree to have his rights affected. This amendment would protect them.

Mr. ECKHARDT. If that is true the gentleman's amendment would improve the bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

PREFERENTIAL MOTION OFFERED BY MR. GROSS OF IOWA

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. GROSS. Mr. Chairman, it is now 8:45 in the evening and this amendment has just opened up another one of those lawyers' monopolies on the House floor. This could go on until midnight.

Why not adopt the preferential motion which I have just offered to strike the enacting clause. By adopting the motion we can settle this issue the way it ought to be settled—by killing this monstrosity and go home promptly.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. This amendment has been explained in such fashion that no Member can understand it. Why not vote it down and start all over?

Mr. GROSS. Why not vote to strike the enacting clause and get it all over with? That is the fate it deserves.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa (Mr. GROSS).

The preferential motion was rejected.

Mr. CELLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there seems to be so much confusion and disagreement as to what the amendment offered by the gentleman from Michigan (Mr. DINGELL), really means, that I think we should not approve it. We have had enough deliberation on it. I think that the committee should have time to consider it, and by so doing we will have their mature judgment on it.

Mr. Chairman, I would like to say insofar as the principles of the bankruptcy law are concerned, that claims of workers are superior to all other claims. If the wording of the so-called Dingell amendment impinges upon that principle it should be voted down. The workers' wages are sacred, and our prosperity depends upon the workers' wages. I need not go into that.

But I am sure we do not wish to interfere with the orderly procedure of the men who are earning their wages by the sweat of their brows.

There is no reason why, in view of all the confusion here, as to what this amendment means that we should not vote it down, then have the committee at a subsequent time give its mature judgment to it.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. GIBBONS TO THE AMENDMENT OFFERED BY MR. DINGELL

Mr. GIBBONS. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The Clerk read as follows:

> Amendment offered by Mr. GIBBONS to the amendment offered by Mr. DINGELL: Add the following: "Nothing in this amendment shall place the claim of the U.S. Government ahead of the wage earners of the borrowers."

Mr. GIBBONS. Mr. Chairman, I think the amendment explains itself.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, I suggest that time is getting late, and we ought to have time to terminate this bill, and I suggest and ask unanimous consent that we limit the debate on all amendments to 20 minutes.

Therefore, Mr. Chairman, I ask unanimous consent that all debate on all amendments close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. PELLY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIBBONS. Mr. Chairman, my amendment is a very simple amendment. It just clearly spells out that the lien that the U.S. Government obtains here shall not be prior to the liens of the workers, or the wage earners, or the borrowers. That is all that it does. It is very simple. It ends this argument that we have had here, and it answers the question of the gentleman from Michigan (Mr. GERALD R. FORD), and it answers the question of the gentleman from New York. Mr. CELLER).

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. GIBBONS), to the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL), as amended.

The amendment, as amended, was rejected.

The CHAIRMAN. Are there any further amendments?

Mr. ADAMS. Mr. Chairman, on that I ask for a division.

The CHAIRMAN. The Chair will state that the request of the gentleman from Washington (Mr. ADAMS) comes too late inasmuch as the result of the vote had been announced to the committee.

Mrs. HECKLER of Massachusetts. Mr. Chairman, earlier this week, I notified my colleagues of my intention to offer an amendment to H.R. 8432 that would require the Board to hold public hearings and publish transcripts of them.

With the acceptance of the $250 million figure, which makes the legislation specific rather than general, the point of my amendment becomes moot. That is why I shall not offer the amendment, and I felt an obligation to explain the reason to my colleagues.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CHARLES H. WILSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 8432) to authorize emergency loan guarantees to major business enterprises, pursuant to House Resolution 566, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MOSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 192, nays 189, not voting 51, as follows:

[Roll No. 227]

YEAS—192

Abernethy
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Anderson, Tenn.
Annunzio
Arends
Ashley
Baker
Baring
Belcher
Bell
Betts
Blackburn
Blanton
Boggs
Bolling
Brasco
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Mass.
Burleson, Tex.
Burton
Byrnes, Wis.
Byron
Cabell
Caffery
Carey, N.Y.
Carney
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Clausen, Don H.
Collier
Collins, Ill.
Collins, Tex.
Colmer
Conable
Corman
Daniels, N.J.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
Dickinson
Dorn
Downing
Duncan
Dwyer
Edmondson
Edwards, Ala.
Edwards, Calif.
Eshleman
Evins, Tenn.
Fish
Fisher
Flood
Flowers
Flynt
Ford, Gerald R.
Forsythe
Frelinghuysen
Frey
Fulton, Pa.
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gettys
Giaimo
Goldwater
Grasso
Gray
Griffin
Gubser
Hagan
Halpern
Hanley
Hanna
Hansen, Wash.
Hawkins
Hébert
Hillis
Holifield
Hunt
Johnson, Calif.
Kazen
Keith
Kemp
Kuykendall
Kyl
Landgrebe
Landrum
Leggett
Lent
Lloyd
McClory
McCollister
McCormack
McDade
McDonald, Mich.
McEwen
McFall
McKevitt
McKinney
McMillan
Mailliard
Mathias, Calif.
Mathis, Ga.
Matsunaga
Meeds
Miller, Calif.
Mills, Ark.
Mills, Md.
Mink
Minshall
Mizell
Mollohan
Montgomery
Morgan
Morse
Murphy, N.Y.
Nichols
O'Konski
O'Neill
Passman
Patman
Patten
Pelly
Pepper
Pettis
Pirnie
Poff
Price, Tex.
Pucinski
Purcell
Rees
Reid, Ill.
Reid, N.Y.
Rhodes
Roberts
Robinson, Va.
Rodino
Rooney, N.Y.
Rooney, Pa.
Rousselot
Roybal
Sandman
Scott
Sebelius
Shriver
Sisk
Smith, Calif.
Smith, N.Y.
Staggers
Stanton, J. William
Steed
Steele
Stephens
Stuckey
Teague, Calif.
Teague, Tex.
Terry
Thompson, Ga.
Thomson, Wis.
Veysey
Vigorito
Waggonner
Waldie
Wampler
Ware
Watts
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H.
Winn
Wright
Wydler
Wylie
Young, Tex.
Zablocki

NAYS—189

Abbitt
Abourezk
Abzug
Andrews, Ala.
Andrews, N. Dak.
Archer
Ashbrook
Aspin
Badillo
Barrett
Begich
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boland
Brademas
Broomfield
Brotzman
Burke, Fla.
Burlison, Mo.
Byrne, Pa.
Camp
Chisholm
Clancy
Clawson, Del
Cleveland
Conte
Conyers
Cotter
Coughlin
Crane
Culver
Daniel, Va.
de la Garza
Delaney
Dellums
Denholm
Dennis
Derwinski
Dingell
Dow
Drinan
Dulski
du Pont
Eckhardt
Eilberg
Evans, Colo.
Fascell
Findley
Fountain
Fraser
Galifianakis
Gaydos
Gibbons
Gonzalez
Goodling
Green, Oreg.
Green, Pa.
Gross
Gude
Haley
Hall
Hamilton
Hammerschmidt
Hansen, Idaho
Harrington
Harsha
Harvey
Hathaway
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hogan
Hosmer
Howard
Hull
Hutchinson
Ichord
Jacobs
Jarman
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Keating
Koch
Kyros
Latta
Lennon
Link
Long, Md.
Lujan
McCloskey
McKay
Macdonald, Mass.
Madden
Mahon
Mann
Martin
Mayne
Mazzoli
Melcher
Mikva
Miller, Ohio
Minish
Mitchell
Monagan
Moorhead
Mosher
Moss
Murphy, Ill.
Natcher
Nedzi
Nix
Obey
O'Hara
Perkins
Peyser
Pickle
Pike
Podell
Powell
Preyer, N.C.
Pryor, Ark.
Quie
Railsback
Randall
Rangel
Rarick
Reuss
Riegle
Robison, N.Y.
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Roush
Roy
Runnels
Ruth
Ryan
St Germain
Sarbanes
Satterfield
Scherle
Scheuer
Schmitz
Schneebeli
Schwengel
Seiberling
Shipley
Shoup
Sikes
Skubitz
Slack
Smith, Iowa
Springer
Stanton, James V.
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Sullivan
Symington
Talcott
Taylor
Thompson, N.J.
Thone
Tiernan
Udall
Ullman
Vanik
Whalen
White
Whitten
Wolff
Wyatt
Yates
Young, Fla.
Zwach

ANSWERED "PRESENT"—1

King

NOT VOTING—51

Aspinall
Bow
Bray
Brooks
Carter
Clark
Clay
Dellenback
Dent
Devine
Diggs
Donohue
Dowdy
Edwards, La.
Erlenborn
Esch
Foley
Ford, William D.
Frenzel
Griffiths
Grover
Hastings
Hays
Horton
Hungate
Johnson, Pa.
Jonas
Jones, Tenn.
Kee
Kluczynski
Long, La.
McClure
McCulloch
Metcalfe
Michel
Myers
Nelsen
Poage
Price, Ill.
Quillen
Ruppe
Saylor
Snyder
Spence
Stafford
Van Deerlin
Vander Jagt
Whalley
Wyman
Yatron
Zion

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Brooks against.

Mr. Price of Illinois for, with Mrs. Griffiths against.

Mr. Van Deerlin for, with Mr. Jones of Tennessee against.

Mr. Kluczynski for, with Mr. William D. Ford against.

Mr. Kee for, with Mr. Clay against.

Mr. Stafford for, with Mr. Dellenback against.

Mr. Carter for, with Mr. Horton against.

Mr. Grover for, with Mr. Myers against.

Mr. Bow for, with Mr. Esch against.

Mr. Ruppe for, with Mr. Bray against.

Mr. Johnson of Pennsylvania for, with Mr. Devine against.

Mr. Spence for, with Mr. Frenzel against.

Until further notice:

Mr. Hays with Mr. Hastings.

Mr. Aspinall with Mr. Jonas.

Mr. Foley with Mr. McClure.

Mr. Hungate with Mr. Bray.

Mr. Yatron with Mr. Diggs.

Mr. Donohue with Mr. Metcalfe.

Mr. Dowdy with Mr. Erlenborn.

Mr. Long of Louisiana with Mr. Snyder.

Mr. Edwards of Louisiana with Mr. Whalley.

Mr. Clark with Mr. Saylor.

Mr. Michel with Mr. Nelsen.

Mr. Quillen with Mr. Zion.

Mr. Wyman with Mr. Vander Jagt.

REQUEST THAT THE WELL BE CLEARED

Mr. GROSS. Mr. Speaker, I ask that the well of the House be cleared.

The SPEAKER. The well of the House will be cleared. Members desiring to change their vote or to vote "present" will do so from their seats or standing by their seats.

Mr. ROBERTS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 384. Providing for an adjournment of the two Houses from August 6, 1971, to September 8, 1971.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10061. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10061) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Magnuson, Mr. Stennis, Mr. Bible, Mr. Byrd of West Virginia, Mr. Proxmire, Mr. Montoya, Mr. Hollings, Mr. Ellender, Mr. Cotton, Mr. Case, Mr. Fong, Mr. Boggs, Mr. Percy, Mr. Brooke, and Mr. Young to be the conferees on the part of the Senate.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed, and to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 10061, DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATIONS, 1972

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10061) making appropriations for the Departments of Labor and Health, Education, and Welfare and related agencies for the fiscal year ending June 30, 1972, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. Flood, Natcher, Smith of Iowa, Hull, Casey of Texas, Patten, Mahon, Michel, Shriver, Mrs. Reid of Illinois, and Messrs. Conte and Bow.

CONFERENCE REPORT ON H.R. 6531, EXTENSION AND REVISION OF THE DRAFT ACT AND RELATED LAWS

Mr. HÉBERT submitted the following conference report and statement on the bill (H.R. 6531) to amend the Military Selective Service Act of 1967; to increase military pay; to authorize military active duty strengths for fiscal year 1972; and for other purposes:

Conference Report (H. Rept. No. 92–433)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6531) to amend the Military Selective Service Act of 1967; to increase military pay; to authorize military active duty strengths for fiscal year 1972; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—AMENDMENTS TO THE MILITARY SELECTIVE SERVICE ACT OF 1967; RELATED PROVISIONS

Sec. 101. (a) The Military Selective Service Act of 1967, as amended, is amended as follows:

(1) Section 1(a) is amended to read as follows:

"(a) This Act may be cited as the 'Military Selective Service Act'."

(2) Section 3 is amended to read as follows:

"Sec. 3. Except as otherwise provided in this title, it shall be the duty of every male citizen of the United States, and every other male person residing in the United States, who, on the day or days fixed for the first or any subsequent registration, is between the ages of eighteen and twenty-six, to present himself for and submit to registration at such time or times and place or places, and in such manner, as shall be determined by proclamation of the President and by rules and regulations prescribed hereunder. The provisions of this section shall not be applicable to any alien lawfully admitted to the United States as a nonimmigrant under section 101(a)(15) of the Immigration and Nationality Act, as amended (66 Stat. 163; 8 U.S.C. 1101), for so long as he continues to maintain a lawful nonimmigrant status in the United States."

(3) The first two paragraphs of section 4(a) are amended to read as follows:

"Except as otherwise provided in this title, every person required to register pursuant to section 3 of this title who is between the ages of eighteen years and six months and twenty-six years, at the time fixed for his registration, or who attains the age of eighteen years and six months after having been required to register pursuant to section 3 of this title, or who is otherwise liable as provided in section 6(h) of this title, shall be liable for training and service in the Armed Forces of the United States: *Provided*, That each registrant shall be immediately liable for classification and examination, and shall, as soon as practicable following his registration, be so classified and examined, both physically and mentally, in order to determine his availability for induction for training and service in the Armed Forces: *Provided further*, That, notwithstanding any other provision of law, any registrant who has failed or refused to report for induction shall continue to remain liable for induction and when available shall be immediately inducted. The President is authorized, from time to time, whether or not a state of war exists, to select and induct into the Armed Forces of the United States for training and service in the manner provided in this title (including but not limited to selection and induction by age group or age groups) such number of persons as may be required to provide and maintain the strength of the Armed Forces.

"At such time as the period of active service in the Armed Forces required under this title of persons who have not attained the nineteenth anniversary of the day of their birth has been reduced or eliminated pursuant to the provisions of section 4(k) of this title, and except as otherwise provided in this title, every person who is required to register under this title and who has not attained the nineteenth anniversary of the day of his birth on the date such period of active service is reduced or eliminated, or who is otherwise liable as provided in section 6(h) of this title, shall be liable for training in the National Security Training Corps: *Provided*, That persons deferred under the provisions of section 6 of this title shall not be relieved from liability for induction into the National Security Training Corps solely by reason of having exceeded the age of nineteen years during the period of such deferment. The President is authorized, from time to time, whether or not a state of war exists, to select and induct for training in the National Security Training Corps as hereinafter provided such number of persons as may be required to further the purposes of this title."

(4) The fourth paragraph of section 4(a) is amended by striking out "Secretary of the Treasury" and inserting in lieu thereof "Secretary of Transportation".

(5) Section 4(b) is amended by striking out "Secretary of the Treasury" each time it appears and inserting in lieu thereof "Secretary of Transportation".

(6) Section 4(d)(1) is amended by striking out "(except a person enlisted under subsection (g) of this section)".

(7) Section 4(d)(3) is amended by striking out "Secretary of the Treasury" each time it appears and inserting in lieu thereof "Secretary of Transportation".

(8) The last proviso of section 5(a) is amended by striking out "and" at the end of paragraph (1); by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon and the word "and"; and by adding a new paragraph as follows:

"(3) no local board shall order for induction for training and service in the Armed Forces of the United States an alien unless such alien shall have resided in the United States for one year."

(9) Section 5 is further amended by adding at the end thereof the following new subsections:

"(d) Whenever the President has provided for the selection of persons for training and service in accordance with random selection under subsection (a) of this section, calls for induction may be placed under such rules and regulations as he may prescribe, notwithstanding the provisions of subsection (b) of this section.

"(e) Notwithstanding any other provision of this Act, not more than 130,000 persons may be inducted into the Armed Forces under this Act in the fiscal year ending June 30, 1972, and not more than 140,000 in the fiscal year ending June 30, 1973, unless a number greater than that authorized in this subsection for such fiscal year or years is authorized by a law enacted after the date of enactment of this subsection."

(10) The first sentence of section 6(a)(1) is amended by striking out the period and inserting in lieu thereof a colon and the following: "*Provided,* That any alien lawfully admitted for permanent residence as defined in paragraph (20) of section 101(a) of the Immigration and Nationality Act, as amended (66 Stat. 163, 8 U.S.C. 1101), and who by reason of occupational status is subject to adjustment to nonimmigrant status under paragraph (15)(A), (15)(E), or (15)(G) of such section 101(a) but who executes a waiver in accordance with section 247(b) of that Act of all rights, privileges, exemptions, and immunities which would otherwise accrue to him as a result of that occupational status, shall be subject to registration under section 3 of this Act, but shall be deferred from induction for training and service for so long as such occupational status continues."

(11) The second sentence of section 6(a)(1) is amended by striking out "eighteen" each time it appears and inserting in lieu thereof "twelve".

(12) Section 6(b)(3) is amended by striking out "section 4(i)" and inserting in lieu thereof "section 5(a)".

(13) Section 6(b)(4) is amended by striking out "or section 4(g)".

(14) Section 6(d)(1) is amended by striking out "Secretary of the Treasury" each time it appears and inserting in lieu thereof "Secretary of Transportation"; and by striking out "section 4(d)(3) of this Act" each time it appears and inserting in lieu thereof "section 651 of title 10, United States Code".

(15) Section 6(d)(5) is amended by striking out "Environmental Science Services Administration" each time it appears and inserting in lieu thereof "National Oceanic and Atmospheric Administration".

(16) Section 6(g) is amended to read as follows:

"(g)(1) Regular or duly ordained ministers of religion, as defined in this title, shall be exempt from training and service, but not from registration, under this title.

"(2) Students preparing for the ministry under the direction of recognized churches or religious organizations, who are satisfactorily pursuing full-time courses of instruction in recognized theological or divinity schools, or who are satisfactorily pursuing full-time courses of instruction leading to their entrance into recognized theological or divinity schools in which they have been preenrolled, shall be deferred from training and service, but not from registration, under this title. Persons who are or may be deferred under the provisions of this subsection shall remain liable for training and service in the Armed Forces under the provisions of section 4(a) of this Act until the thirty-fifth anniversary of the date of their birth. The foregoing sentence shall not be construed to prevent the exemption or continued deferment of such persons if otherwise exempted or deferrable under any other provision of this Act."

(17) Section 6(h)(1) is repealed.

(18) Section 6(h)(2) is amended by striking out the designation "(2)" and the word "graduate" from the first sentence.

(19) Section 6(i)(1) is amended to read as follows:

"(1) Any person who is satisfactorily pursuing a full-time course of instruction at a high school or similiar institution of learning and is issued an order for induction shall, upon the facts being presented to the local board, have his induction postponed (A) until the time of his graduation therefrom, or (B) until he attains the twentieth anniversary of his birth, or (C) until he ceases satisfactorily to pursue such course of instruction, whichever is the earliest. Notwithstanding the preceding sentence, any person who attains the twentieth anniversary of his birth after beginning his last academic year of high school shall have his induction postponed until the end for that academic year if and so long as he continues to pursue satisfactorily a full-time course of instruction."

(20) Section 6(i)(2) is amended to read as follows:

"(2) Any person who while satisfactorily pursuing a full-time course of instruction at a college, university, or similar institution is ordered to report for induction under this title, shall, upon the appropriate facts being presented to the local board, have his induction postponed (A) until the end of the semester or term, or academic year in the case of his last academic year, or (B) until he ceases satisfactorily to pursue such course of instruction, whichever is the earlier."

(21) Section 6(j) is amended by (A) striking out in the third sentence "local board pursuant to Presidential regulations" and inserting in lieu thereof "Director"; and (B) adding at the end of such section the following "The Director shall be responsible for finding civilan work for persons exempted from training and service under this subsection and for the placement of such persons in appropriate civilian work contributing to the maintenance of the national health, safety, or interest."

(22) Section 6(o) is amended to read as follows:

"(o) Except during the period of a war or a national emergency declared by Congress, no person may be inducted for training and service under this title unless he volunteers for such induction—

"(1) if the father or a brother or a sister of such person was killed in action or died in line of duty while serving in the Armed Forces after December 31, 1959, or died subsequent to such date as a result of injuries received or disease incurred in line of duty during such service, or

"(2) during any period of time in which the father or a brother or a sister of such person is in a captured or missing status as a result of such service.

As used in this subsection, the term 'brother' or 'sister' means a brother of the whole blood or a sister of the whole blood, as the case may be."

(23) Section 9(j) is amended by striking out "or Treasury" and inserting in lieu thereof "or Transportation".

(24) Section 10(a)(3) is amended to read as follows:

"(3) The Director shall be appointed by the President, by and with the advice and consent of the Senate."

(25) Section 10(b)(2) is amended by changing the first semicolon to a colon and inserting immediately thereafter the following: "*Provided,* That no State director shall serve concurrently in an elected or appointed position of a State or local government without the approval of the Director;".

(26) Section 10(b)(3) is amended by striking out all down through the first period and the succeeding seven sentences, and inserting in lieu thereof the following:

"(3) to create and establish within the Selective Service System civilian local boards, civilian appeal boards, and such other civilian agencies, including agencies of appeal, as may be necessary to carry out its functions with respect to the registration, examination, classification, selection, assignment, delivery for induction, and maintenance of records of persons registered under this title, together with such other duties as may be assigned under this title: *Provided,* That no person shall be disqualified from serving as a counselor to registrants, including service as Government appeal agent, because of his membership in a Reserve component of the Armed Forces. He shall create and establish one or more local boards in each county or political subdivision corresponding thereto of each State, territory, and possession of the United States, and in the District of Columbia. The local board and/or its staff shall perform their official duties only within the county or political subdivision corresponding thereto for which the local board is established, or in the case of an intercounty board, within the area for which such board is established, except that the staffs of local boards in more than one county of a State or comparable jurisdiction may be collocated or one staff may serve local boards in more than one county of a State or comparable jurisdiction when such action is approved by the Governor or comparable executive official or officials. Each local board shall consist of three or more members to be appointed by the President from recommendations made by the respective Governors or comparable executive officials. In making such appointments after the date of the enactment of the Act enacting this sentence, the President is requested to appoint the membership of each local board so that to the maximum extent practicable it is proportionately representative of the race and national origin of those registrants within its jurisdiction, but no action by any local board shall be declared invalid on the ground that any board failed to conform to any particular quota as to race or national origin. No citizen shall be denied membership on any local board or appeal board on account of sex. After December 31, 1971, no person shall serve on any local board or appeal board who has attained the age of 65 or who has served on any local board or appeal board for a period of more than 20 years. Notwithstanding any other provision of this paragraph, an intercounty local board consisting of at least one member from each component county or corresponding subdivision may, with the approval of the Governor or comparable executive official or officials, be established for an area not exceeding five counties or political subdivisions corresponding thereto within a State or comparable jurisdiction when the President determines, after considering the public interest involved, that the establishment of such local board area will result in a more efficient and economical operation. Any such intercounty local board shall have within its area the same power and jurisdiction as a local board has in its area. A local board may include among its members any citizen otherwise qualified under Presidential regulations, provided he is at least eighteen years of age. No member of any local board shall be a member of the Armed Forces of the United States, but each member of any local board shall be a civilian who is a citizen of the United States residing in the county or political subdivision corresponding thereto in which such local board has jurisdiction, and each intercounty local board shall have at least one member from each county or political subdivision corresponding thereto included within the intercounty local board area."

(27) Section 10(e) is repealed.

(28) Section 10(f) is amended by striking out "$50" and inserting in lieu thereof "$500".

(29) Section 10 is further amended by adding at the end thereof a new subsection as follows:

"(h) If at any time calls under this section for the induction of persons for training and service in the Armed Forces are discontinued because the Armed Forces are placed on an all volunteer basis for meeting their active duty manpower needs, the Selective Service System, as it is constituted on the date of enactment of this subsection, shall, nevertheless, be maintained as an active standby organization, with (1) a complete registration and classification structure capable of immediate operation in the event of a national emergency, and (2) personnel adequate to reinstitute immediately the full operation of the System, including military reservists who are trained to operate such System and who can be ordered to active duty for such purpose in the event of a national emergency."

(30) Section 11 is amended to read as follows:

"Sec. 11. Under such rules and regulations as may be prescribed by the President, funds available to carry out the provisions of this title shall also be available for the payment of actual and reasonable expenses of emergency medical care, including hospitalization, of registrants who suffer illness or injury, and the transportation and burial of the remains of registrants who suffer death, while acting under orders issued under the provisions of this title, but such burial expenses shall not exceed the maximum that the Administrator of Veterans' Affairs may pay under the provisions of section 902(a) of title 38, United States Code, in any one case."

(31) Section 12 is amended by adding at the end thereof a new subsection (d) as follows:

"(d) No person shall be prosecuted, tried, or punished for evading, neglecting, or refusing to perform the duty of registering imposed by section 3 of this title unless the indictment is found within five years next after the last day before such person attains the age of twenty-six, or within five years next after the last day before such person does perform his duty to register, whichever shall first occur."

(32) Section 13(b) is amended by adding at the end thereof the following: "Notwithstanding the foregoing sentence, no regulation issued under this Act shall become effective until the expiration of thirty days following the date on which such regulation has been published in the Federal Register. After the publication of any regulation and prior to the date on which such regulation becomes effective, any person shall be given an opportunity to submit his views to the Director on such regulation, but no formal hearing shall be required on any such regulation. The requirements of this subsection may be waived by the President in the case of any regulation if he (1) determines that compliance with such requirements would materially impair the national defense, and (2) gives public notice to that effect at the time such regulation is issued."

(33) Section 15(d), is amended to read as follows:

"(d) Except as provided in section 4(c), nothing contained in this title shall be construed to repeal, amend, or suspend the laws now in force authorizing voluntary enlistment or reenlistment in the Armed Forces of the United States, including the reserve components thereof, except that no person shall be accepted for enlistment after he has been issued an order to report for induction unless authorized by the Director and the Secretary of Defense and except that, whenever the Congress or the President has declared that the national interest is imperiled, voluntary enlistment or reenlistment in such forces, and their reserve components, may be suspended by the President to such extent as he may deem necessary in the interest of national defense."

(34) Section 16(g)(3) is amended by inserting "bona fide" immediately before "vocation".

(35) Section 17(c) is amended by striking out "July 1, 1971" and inserting in place thereof "July 1, 1973". The amendment made by the preceding sentence shall take effect July 2, 1971.

(36) At the end of the Act add a new section as follows:

"PROCEDURAL RIGHTS

"Sec. 22. (a) It is hereby declared to be the purpose of this section to guarantee to each registrant asserting a claim before a local or appeal board, a fair hearing consistent with the informal and expeditious processing which is required by selective service cases.

"(b) Pursuant to such rules and regulations as the President may prescribe—

"(1) Each registrant shall be afforded the opportunity to appear in person before the local or any appeal board of the Selective Service System to testify and present evidence regarding his status.

"(2) Subject to reasonable limitations on the number of witnesses and the total time allotted to each registrant, each registrant shall have the right to present witnesses on his behalf before the local board.

"(3) A quorum of any local board or appeal board shall be present during the registrant's personal appearance.

"(4) In the event of a decision adverse to the claim of a registrant, the local or appeal board making such decision shall, upon request, furnish to such registrant a brief written statement of the reasons for its decision."

(b) Notwithstanding the repeal of section 6(h)(1) of the Military Selective Service Act of 1967 made by subsection (a)(17) of this section, any person (1) who is satisfactorily pursuing a full-time course of instruction at a college, university, or similar institution of higher learning, (2) who met the academic requirements of a student deferment prescribed in such section 6(h)(1), and (3) who was satisfactorily pursuing such a full-time course prior to the date of enactment of this Act and during the 1970–1971 regular academic school year shall be deferred from induction for training and service in the Armed Forces under the same terms and conditions such person would have been deferred under the provisions of such section 6(h)(1) had such provision not been repealed.

(c) The Secretary of Defense and the Secretary of Health, Education, and Welfare shall conduct a joint study of practicable means of meeting the medical needs of the Armed Forces through means which would require less dependence on medical personnel of the Armed Forces. In carrying out such study special consideration shall be given to the feasibility of providing medical care for military personnel and their dependents under contracts with clinics, hospitals, and individual members of the medical profession at or near United States military installations within and outside the United States. The results of such study, together with such recommendations as the Secretary of Defense and the Secretary of Health, Education, and Welfare deem appropriate, shall be submitted to the President and the Congress not later than six months after the date of enactment of this subsection.

(d)(1) Subject to the provisions of paragraph (2) of this subsection any surviving son or sons of a family who (A) were inducted into the Armed Forces under the Military Selective Service Act of 1967, (B) have not reenlisted or otherwise voluntarily extended their period of active duty in the Armed Forces, and (C) are serving on active duty with the Armed Forces on or after the date of enactment of this subsection, and such son or sons could not, if they were not in the Armed Forces, be involuntarily inducted into military service under the Military Selective Service Act as a result of the amendment made by paragraph (22) of subsection (a) of this section, such surviving son or sons shall, upon application, be promptly discharged from the Armed Forces.

(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any member of the Armed Forces against whom court-martial charges are pending, or in the case of any member who has been tried and convicted by a court-martial for an offense and whose case is being reviewed or appealed, or in the case of any member who has been tried and convicted by a court-martial for an offense and who is serving a sentence (or otherwise satisfying punishment) imposed by such court-martial, until final action (including completion of any punishment imposed pursuant to such court-martial) has been completed with respect to such charges, review, or appeal, or until the sentence has been served (or until any other punishment imposed has been satisfied), as the case may be. The President shall have authority to implement the provisions of this subsection by regulations.

(3) Notwithstanding the amendment made by paragraph (22) of subsection (a) of this section, except during the period of a war or a national emergency declared by Congress, the sole surviving son of any family in which the father or one or more sons or daughters thereof were killed in action before January 1, 1960, or died in line of duty before January 1, 1960, while serving in the Armed Forces of the United States, or died subsequent to such date as a result of injuries received or disease incurred before such date during such service shall not be inducted under the Military Selective Service Act unless he volunteers for induction.

Sec. 102. Section 1 of the Act of August 3, 1950, chapter 537, as amended (10 U.S.C. 3201 note), is amended by striking out "July 1, 1971" and inserting in place thereof "July 1, 1973".

Sec. 103. Section 9 of the Act of June 27, 1957, Public Law 85–62, as amended (81 Stat. 105), is amended by striking out "July 1, 1971" and inserting in place thereof "July 1, 1973".

Sec. 104. Sections 302 and 303 of title 37, United States Code, are each amended by striking out "July 1, 1971" whenever that date appears and inserting in place thereof "July 1, 1973".

Sec. 105. Section 16 of the Dependents Assistance Act of 1950 (50 App. U.S.C. 2216) is amended by striking out "July 1, 1971" and inserting in place thereof "July 1, 1973".

Sec. 106. Unless prohibited by treaty, no person shall be discriminated against by the Department of Defense or by any officer or employee thereof, in the employment of civilian personnel at any facility or installation operated by the Department of Defense in any foreign country because such person is a citizen of the United States or is a dependent of a member of the Armed Forces of the United States. As used in this section, the term "facility or installation operated by the Department of Defense" shall include, but shall not be limited to, any officer's club, noncommissioned officers' club, post exchange, or commissary store.

TITLE II—PAY INCREASE FOR UNIFORMED SERVICES; SPECIAL PAY

Sec. 201. Section 203(a) of title 37, United States Code, is amended to read as follows:

"(a) The rates of monthly basic pay for members of the uniformed services within each pay grade are set forth in the following tables:

"COMMISSIONED OFFICERS

"Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O-10 [1]	$2,111.40	$2,185.80	$2,185.80	$2,185.80	$2,185.80	$2,269.50	$2,269.50	$2,443.50	$2,443.50	$2,618.40	$2,618.40	$2,793.30	$2,793.30	$2,967.60	$2,967.60
O-9	1,871.40	1,920.60	1,961.70	1,961.70	1,961.70	2,011.20	2,011.20	2,094,60	2,094.60	2,269.50	2,269.50	2,443.50	2,443.50	2,618.40	2,618.40
O-8	1,695.00	1,745.70	1,787.40	1,787.40	1,787.40	1,920.60	1,920.60	2,011.20	2,011.20	2,094.60	2,185.80	2,269.50	2,361.00	2,361.00	2,361.00
O-7	1,408.20	1,504.20	1,504.20	1,504.20	1,571.10	1,571.10	1,662.60	1,662.60	1,745.70	1,920.60	2,052.60	2,052.60	2,052.60	2,052.60	2,052.60
O-6	1,043.70	1,147.20	1,221.90	1,221.90	1,221.90	1,221.90	1,221.90	1,221.90	1,263.30	1,463.10	1,537.80	1,571.10	1,662.60	1,803.30	1,803.30
O-5	834.60	980.70	1,047.90	1,047.90	1,047.90	1,047.90	1,080.30	1,137.90	1,213.80	1,304.70	1,379.70	1,421.10	1,471.20	1,471.20	1,471.20
O-4	704.10	856.50	914.40	914.40	930.60	972.30	1,038.30	1,097.10	1,147.20	1,197.00	1,230.30	1,230.30	1,230.30	1,230.30	1,230.30
O-3 [2]	654.30	731.10	781.20	864.90	906.00	938.70	989.10	1,038.30	1,063.80	1,063.80	1,063.80	1,063.80	1,063.80	1,063.80	1,063.80
O-2 [2]	570.30	622.80	748.20	773.10	789.30	789.30	789.30	789.30	789.30	789.30	789.30	789.30	789.30	789.30	789.30
O-1 [2]	495.00	515.40	622.80	622.80	622.80	622.80	622.80	622.80	622.80	622.80	622.80	622.80	622.80	622.80	622.80

"[1] While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is $3,000 regardless of cumulative years of service computed under section 205 of this title.

"[2] Does not apply to commissioned officers who have been credited with over 4 years' active service as enlisted members.

"COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YEARS' ACTIVE SERVICE AS ENLISTED MEMBERS

"Pay grade	Years of service computed under sec. 205											
	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O-3	$864.90	$906.00	$938.70	$989.10	$1,038.30	$1,080.30	$1,080.30	$1,080.30	$1,080.30	$1,080.30	$1,080.30	$1,080.30
O-2	773.10	789.30	814.20	856.50	889.80	914.40	914.40	914.40	914.40	914.40	914.40	914.40
O-1	622.80	665.10	690.00	714.60	739.80	773.10	773.10	773.10	773.10	773.10	773.10	773.10

"WARRANT OFFICERS

"Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
W-4	$666.30	$714.60	$714.60	$731.10	$764.40	$798.00	$831.00	$889.80	$930.60	$963.90	$989.10	$1,022.10	$1,056.00	$1,137.90	$1,137.90
W-3	605.70	657.00	657.00	665.10	673.20	722.40	764.40	789.30	814.20	838.80	864.90	897.90	930.60	963.90	963.90
W-2	530.40	573.60	573.60	590.40	622.80	657.00	681.90	706.50	731.10	756.60	781.20	806.10	838.80	838.80	838.80
W-1	441.90	507.00	507.00	549.00	573.60	598.50	622.80	648.30	673.20	698.10	722.40	748.20	748.20	748.20	748.20

"ENLISTED MEMBERS

"Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
E-9 [1]							$756.90	$774.30	$792.00	$809.70	$827.70	$843.90	$888.60	$975.00	$975.00
E-8						$635.10	652.80	670.20	687.90	705.30	722.10	740.10	783.60	870.90	870.90
E-7	$443.40	$478.50	$496.20	$513.60	$531.30	548.10	565.50	583.50	609.60	626.70	644.10	652.80	696.60	783.60	783.60
E-6	382.80	417.90	435.00	453.00	470.40	487.50	505.20	531.30	548.10	565.50	574.50	574.50	574.50	574.50	574.50
E-5	336.30	366.00	383.70	400.50	426.60	444.00	461.70	478.50	487.50	487.50	487.50	487.50	487.50	487.50	487.50
E-4	323.40	341.40	361.20	389.40	405.00	405.00	405.00	405.00	405.00	405.00	405.00	405.00	405.60	405.00	405.00
E-3	311.10	328.20	341.10	354.60	354.60	354.60	354.60	354.60	354.60	354.60	354.60	354.60	354.60	354.60	354.60
E-2	299.10	299.10	299.10	299.10	299.10	299.10	299.10	299.10	299.10	299.10	299.10	299.10	299.10	299.10	299.10
E-1	268.50	268.50	268.50	268.50	268.50	268.50	268.50	268.50	268.50	268.50	268.50	268.50	268.50	268.50	268.50

"[1] While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, or Sergeant Major of the Marine Corps, basic pay for this grade is $1,185 regardless of cumulative years of service computed under section 205 of this title."

SEC. 202. (a) Chapter 5 of title 37, United States Code, is amended by adding after section 302 a new section as follows:

"§ 302a. Special pay: optometrists

"(a) In addition to any other basic pay, special pay, incentive pay, or allowances to which he is entitled, each of the following officers is entitled to special pay at the rate of $100 a month for each month of active duty:

"(1) a commissioned officer—

"(A) of the Regular Army or the Regular Navy who is designated as an optometry officer;

"(B) of the Regular Air Force who is designated as an optometry officer; or

"(C) who is an optometry officer of the Regular Corps of the Public Health Service;

who was on active duty on the effective date of this section; who retired before that date and was ordered to active duty after that date and before July 1, 1973; or who was designated as such an officer after the effective date of this section and before July 1, 1973;

"(2) a commissioned officer—

"(A) of a reserve component of the Army or Navy who is designated as an optometry officer;

"(B) of a reserve component of the Air Force who is designated as an optometry officer; or

"(C) who is an optometry officer of the Reserve Corps of the Public Health Service;

who was on active duty on the effective date of this section as a result of a call or order to active duty for a period of at least one year; or who, after that date and before July 1, 1973, is called or ordered to active duty for such a period; and

"(3) a general officer of the Army or the Air Force appointed, from any of the categories named in clause (1) or (2), in the Army, the Air Force, or the National Guard, as the case may be, who was on active duty on the effective date of this section; who was retired before that date and was ordered to active duty after that date and before July 1, 1973; or who, after the effective date of this section, was appointed from any of those categories.

"(b) The amount set forth in subsection (a) of this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay."

(b) The table of sections at the beginning of chapter 5 of such title is amended by inserting

"302a. Special pay: optometrists."

immediately below

"302. Special pay: physicians and dentists."

SEC. 203. (a) Chapter 5 of title 37, United States Code, is amended by adding after section 308 a new section as follows:

"§ 308a. Special pay: enlistment bonus

"(a) Notwithstanding section 514(a) of title 10 or any other provision of law, a person who enlists in any combat element of an armed force for a period of at least three years, or who extends his initial period of active duty in a combat element of an armed force to a total of at least three years, may, under regulations to be prescribed by the Secretary of Defense, be paid a bonus in an amount prescribed by the Secretary, but not more than $3,000. The bonus may be paid in a lump sum or in equal periodic installments, as determined by the Secretary.

"(b) Under regulations approved by the Secretary of Defense, a person who voluntarily, or because of his misconduct, does not complete the term of enlistment for which a bonus was paid to him under this section shall refund that percentage of the bonus that the unexpired part of his enlistment is of the total enlistment period for which the bonus was paid.

"(c) No bonus shall be paid under this section with respect to any enlistment or extension of an initial period of active duty in the armed forces made after June 30, 1973."

(b) The table of sections at the beginning of chapter 5 of such title is amended by inserting

"308a. Special pay: enlistment bonus."

immediately below

"308. Special pay: reenlistment bonus."

SEC. 204. Section 403(a) of title 37, United States Code, is amended to read as follows:

"(a) Except as otherwise provided by this section or by another law, a member of a uniformed service who is entitled to basic pay is entitled to a basic allowance for quarters at the following monthly rates according to the pay grade in which he is assigned or distributed for basic pay purposes:

"Pay grade	Without dependents	With dependents
O–10	$230.40	$288.00
O–9	230.40	288.00
O–8	230.40	288.00
O–7	230.40	288.00
O–6	211.80	258.30
O–5	198.30	238.80
O–4	178.80	215.40
O–3	158.40	195.60
O–2	138.60	175.80
O–1	108.90	141.60
W–4	172.50	207.90
W–3	155.40	191.70
W–2	137.10	173.70
W–1	123.90	160.80
E–9	130.80	184.20
E–8	122.10	172.20
E–7	104.70	161.40
E–6	95.70	150.00
E–5	92.70	138.60
E–4 (over 4 years' service)	81.60	121.50
E–4 (4 years' or less service)	45.00	45.00
E–3	45.00	45.00
E–2	45.00	45.00
E–1	45.00	45.00

A member in pay grade E–4 (less than four years' service), E–3, E–2, or E–1 is considered at all times to be without dependents."

SEC. 205. (a) Chapter 7 of title 37, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 428. Allowance for recruiting expenses

"In addition to other pay or allowances authorized by law, and under uniform regulations prescribed by the Secretaries concerned, a member who is assigned to recruiting duties for his armed force may be reimbursed for actual and necessary expenses incurred in connection with those duties."

(b) The table of sections at the beginning of chapter 7 of such title is amended by adding at the end thereof the following new item:

"428. Allowance for recruiting expenses."

SEC. 206. Section 3 of the Dependents Assistance Act of 1950 (50 App. U.S.C. 2203) is amended to read as follows:

"SEC. 3. For the duration of this Act, section 403(a) of title 37, United States Code, is amended by striking out that part of the table which prescribes monthly basic allowances for quarters for enlisted members in pay grades E–1, E–2, E–3, and E–4 (four years' or less service) and inserting in lieu thereof the following:

"E–4 (four years' or less service)	$81.60	$121.50
E–3	72.30	105.00
E–2	63.90	105.00
E–1	60.00	105.00".

SEC. 207. Section 4 of the Dependents Assistance Act of 1950 (50 App. U.S.C. 2204) is amended by inserting immediately before ": Provided further" the following: "; or (7) for the calendar months in which such member serves on active duty for training (including full-time duty performed by members of the Army or Air National Guard for which they receive pay from the United States in accordance with section 204 of title 37, United States Code, if that training is for a period of 30 days or more."

SEC. 208. Section 7 of the Dependents Assistance Act of 1950 (50 App. U.S.C. 2207) is amended by striking out "to enlisted members on active duty for training under section 262 of the Armed Forces Reserve Act of 1952, as amended (50 U.S.C. 1013), or any other enlistment program that requires an initial period of active duty for training,".

SEC. 209. The foregoing provisions of this title shall become effective on October 1, 1971, except that section 203 shall become effective on such date as shall be prescribed by the Secretary of Defense, but not earlier than February 1, 1971, and section 206 shall become effective July 1, 1971.

SEC. 210. The enactment of this title shall not reduce the pay to which any member of the uniformed services was entitled on June 30, 1971.

SEC. 211. Not later than June 30, 1972, the Secretary of Defense shall report to the Chairmen of the Armed Services Committees of the Senate and of the House of Representatives on the effectiveness of the provisions of this title in increasing the number of volunteers enlisting for active duty in the Armed Forces of the United States.

TITLE III—ACTIVE DUTY STRENGTH LEVELS FOR FISCAL YEAR 1972

SEC. 301. For the fiscal year beginning July 1, 1971, and ending June 30, 1972, each of the following armed forces is authorized an average active duty personnel strength as follows:

(1) the Army, 974,309;
(2) the Navy, 613,619;
(3) the Marine Corps, 209,846; and
(4) the Air Force, 755,635;

except that such ceilings shall not include members of the Ready Reserve of any armed force ordered to active duty under the provisions of section 673 of title 10, United States Code, members of the Army National Guard, or members of the Air National Guard called into Federal service under section 3500 or 8500, as the case may be, of title 10, United States Code, or members of the militia of any State called into Federal service under chapter 15 of title 10, United States Code. Whenever one or more units of the Ready Reserve are ordered to active duty after the date of enactment of this section, the President shall, beginning with the second fiscal year quarter immediately following the quarter in which the first unit or units are ordered to active duty and on the first day of each succeeding six-month period thereafter, so long as any such unit is retained on active duty, submit a report to the Congress regarding the necessity for such unit or units being ordered to active duty. The President shall include in each such report a statement of the mission of each such unit ordered to active duty, an evaluation of such unit's performance of that mission, where each such unit is being deployed at the time of the report, and such other information regarding each such unit as the President deems appropriate.

TITLE IV—TERMINATION OF HOSTILITIES IN INDOCHINA

SEC. 401. It is hereby declared to be the sense of Congress that the United States terminate at the earliest practicable date all military operations of the United States in Indochina, and provide for the prompt and orderly withdrawal of all United States military forces at a date certain subject to the release of all American prisoners of war held by the Government of North Vietnam and forces allied with such Government, and an accounting for all Americans missing in action who have been held by or known to such Government or such forces. The Congress hereby urges and requests the President to implement the above expressed policy by initiating immediately the following actions:

(1) Negotiate with the Government of North Vietnam for an immediate cease-fire by all parties to the hostilities in Indochina.

(2) Negotiate with the Government of North Vietnam for the establishing of a final date for the withdrawal from Indochina of all military forces of the United States contingent upon the release at a date certain of all American prisoners of war held by the Government of North Vietnam and forces allied with such Government.

(3) Negotiate with the Government of North Vietnam for an agreement which would provide for a series of phased and rapid withdrawals of United States military forces from Indochina subject to a corresponding series of phased releases of American prisoners of war, and for the release of any remaining American prisoners of war concurrently with the withdrawal of all remaining military forces of the United States by not later than the date established pursuant to paragraph (2) hereof.

TITLE V—IDENTIFICATION AND TREATMENT OF DRUG AND ALCOHOL DEPENDENT PERSONS IN THE ARMED FORCES

SEC. 501. (a) The Secretary of Defense shall prescribe and implement procedures, utilizing all practical available methods, and provide necessary facilities to (1) identify, treat, and rehabilitate members of the Armed Forces who are drug or alcohol dependent persons, and (2) identify those individuals examined at Armed Forces examining and entrance stations who are drug or alcohol dependent persons. Those individuals found to be drug or alcohol dependent persons under clause (2) of the preceding sentence shall be refused entrance into the Armed Forces and referred to civilian treatment facilities.

(b) The Secretary of Defense shall report to Congress within 60 days after the date of the enactment of this Act with respect to (1) the plans and programs which have been initiated to carry out the purposes of subsection (a) of this section, and (2) such recommendations for additional legislative action as he deems necessary to combat effectively drug and alcohol dependence in the Armed Forces and to treat and rehabilitate effectively any member found to be a drug or alcohol dependent person.

TITLE VI—APPOINTMENT OF CERTAIN REGULAR TEMPORARY, AND RESERVE OFFICERS TO BE MADE SUBJECT TO THE ADVICE AND CONSENT OF THE SENATE

SEC. 601. Section 593(a) of title 10, United States Code, is amended to read as follows:

"(a) Appointments of Reserves in commissioned grades below lieutenant colonel and commander, except commissioned warrant officer, shall be made by the President alone. Appointments of Reserves in commissioned grades above major and lieutenant commander shall be made by the President, by and with the advice and consent of the Senate, except as provided in section 3352 or 8352 of this title."

SEC. 602. Section 3447(b) of title 10, United States Code, is amended to read as follows:

"(b) Temporary appointments of commissioned officers in the Regular Army shall be made by the President alone in grades below lieutenant colonel and by the President, by and with the advice and consent of the Senate, in grades of lieutenant colonel and above. Temporary appointments of commissioned officers in the reserve components of the Army shall be made by the President alone in grades below lieutenant colonel and by the President, by and with the advice and consent of the Senate, in grades above major."

SEC. 603. (a) The second sentence of section 5597(e) of title 10, United States Code, is amended to read as follows: "Such appointments shall be made by the President alone, except that appointments under subsections (f) and (g) in grades above lieutenant commander in the Navy shall be made by the President, by and with the advice and consent of the Senate."

(b) The second sentence of section 5787 (e) of such title is amended to read as follows: "Each such appointment to a grade above lieutenant commander in the Navy or to a grade above major in the Marine Corps shall be made by the President, by and with the advice and consent of the Senate."

(c) The first sentence of section 5791(b) of such title is amended to read as follows: "Permanent and temporary appointments under this chapter in a grade above lieutenant commander in the Naval Reserve and in a grade above major in the Marine Corps Reserve shall be made by the President, by and with the advice and consent of the Senate."

(d) The first sentence of section 5912 of such title is amended to read as follows: "Permanent and temporary appointments under this chapter in grades above lieutenant commander in the Naval Reserve and in grades above major in the Marine Corps Reserve shall be made by the President, by and with the advice and consent of the Senate."

Sec. 604. Section 8447(b) of title 10, United States Code, is amended to read as follows:

"(b) Temporary appointments of commissioned officers in the Regular Air Force shall be made by the President alone in grades below lieutenant colonel and by the President, by and with the advice and consent of the Senate, in grades of lieutenant colonel and above. Temporary appointments of commissioned officers in the reserve components of the Air Force shall be made by the President alone in grades below lieutenant colonel and by the President, by and with the advice and consent of the Senate, in grades above major."

Sec. 605. Section 275(f) of title 14, United States Code, is amended by inserting the following sentence after the second sentence: "An appointment under this section to a grade above lieutenant commander of an officer in the Coast Guard Reserve shall be made by the President, by and with the advice and consent of the Senate."

TITLE VII—MISCELLANEOUS PROVISIONS

Sec. 701. Section 412(d)(2) of Public Law 86–149, as amended, is amended by (1) striking out "the President" and substituting in lieu thereof "the Secretary of Defense", (2) striking out "January 31" and substituting in lieu thereof "March 1", and (3) adding at the end thereof the following: "Such justification and explanation shall specify in detail for all forces, including each land force division, carrier and other major combatant vessel, air wing, and other comparable unit: (A) the unit mission and capability, (B) the strategy which the unit supports, and (C) the area of deployment and illustrative areas of potential deployment, including a description of any United States commitment to defend such areas. Such justification and explanation shall also include a detailed discussion of the manpower required for support and overhead functions within the Armed Services."

And the Senate agree to the same.

F. Edward Hébert,
Melvin Price,
O. C. Fisher,
Charles E. Bennett,
Mr. Arends,
Alvin E. O'Konski,
Mr. Bray,
Managers on the Part of the House.
John C. Stennis,
Henry M. Jackson,
Harry F. Byrd,
Margaret Chase Smith,
Strom Thurmond,
John Tower,
Peter H. Dominick,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6531), an act to amend the Military Selective Service Act of 1967; to increase military pay; to authorize military active duty strengths for fiscal year 1972; and for other purposes, submit the following joint statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House, on April 1, 1971, passed and sent to the Senate H.R. 6531, which extended the induction provisions of the Military Selective Service Act of 1967 and related authorities for a period of two years, from July 1, 1971, to July 1, 1973. The bill also authorized increases in basic pay and basic allowance for quarters and subsistence and set the authorized strength of the active-duty forces for the fiscal year beginning July 1, 1971.

The Senate, on June 24, 1971, amended H.R. 6531 by striking all after the enacting clause and substituting new language in the form of an amendment.

As a consequence of Senate action, there existed 28 major differences in the House and Senate versions of H.R. 6531. The majority of differences involved amendments added by the Senate for which there were no comparable provisions in the House bill. Each of the differences is identified below, together with an explanation of the action taken thereon in the conference report to resolve the difference.

DIFFERENCE NO. 1

The Senate bill provided a ceiling of 130,000 on inductions in fiscal year 1972 and 140,000 on inductions in fiscal year 1973 and provided that these inductions can be exceeded only by Congressional authorization.

The House bill contained no similar provision. The House conferees were satisfied that the ceilings imposed were consistent with the planned inductions for the fiscal years concerned. They agreed that the ceilings could be raised by statute if such were found to be necessary. They also agreed that this legislative ceiling, combined with the legislative ceiling on the authorized annual average strengths for military manpower, would provide an important degree of legislative control over military manpower and should prevent a large increase in military manpower without Congressional approval.

The House conferees believe the induction limitation is consistent with the philosophy of the Executive Branch's efforts to move towards an all-volunteer force. The House, therefore, accepted the Senate amendment.

DIFFERENCE NO. 2

The Senate version contained a provision, referred to as the Mansfield Amendment, which declared it to be the policy of the United States to terminate all military operations of the United States in Indochina at the earliest practicable date and to provide for withdrawal of all U.S. military forces not later than nine months after the date of enactment, subject to the release of all American prisoners of war held by the Government of North Vietnam and forces allied with such Government.

To effect such policy, the provision urges and requests the President to:

(1) Establish a final date for withdrawal from Indochina of all U.S. forces contingent upon release of prisoners of war, such date to be not later than nine months after enactment;

(2) Negotiate with North Vietnam for an immediate cease-fire;

(3) Negotiate with North Vietnam for a series of phased withdrawal of U.S. forces in exchange for a corresponding series of phased releases of American prisoners of war, with withdrawal of all forces and release of all prisoners of war not later than date set by the President under No. (1) above or an earlier date agreed on by negotiation.

The Senate had voted in favor of the deadline in the Mansfield Amendment.

The House bill contained no such provision. On the contrary, the House has, on several occasions, rejected the idea of a specific deadline for withdrawal of U.S. troops from Vietnam. On the day that the House agreed to send H.R. 6531 to conference, June 28, 1971, the House specifically rejected a motion to instruct the conferees to accept the Mansfield Agreement.

In view of this vote and in view of the several previous instances when the House had rejected legislative amendments similar to the Mansfield Amendment, the House conferees vigorously opposed the Mansfield Amendment in its initial form and were adamant in upholding the will of the House. The Senate conferees were equally insistent on the position of the Senate and on inclusion of the substance of Mansfield Amendment as a prerequisite for final approval of the bill.

The conferees, therefore, debated this issue for an extended period; and the majority of the seven meetings held during the month that the legislation was in conference were devoted solely to this one provision.

On July 1 the conferees announced agreement on all of the other 27 differences, and the meetings since that time have been devoted to the Mansfield Amendment.

The conferees have agreed to the language of Title 5 as it appears in the conference report.

The language of the conference report expresses the provision as the sense of Congress rather than the policy of the United States. The conferees believe this language is more appropriate to properly reflect a policy position being taken by the Congress.

The provision, therefore, expresses the sense of Congress that the United States terminate at the earliest practicable date all U.S. military operations and provide for withdrawal of U.S. forces at a date certain subject to release of all American prisoners of war and an accounting for American missing.

The House conferees pointed out that the original language referred only to prisoners of war held by the Government of North Vietnam and forces allied with such government and was silent on Americans missing in Southeast Asia. More than three-fourths of the more than 1,600 American servicemen listed by the Department of Defense as prisoners of war or missing in Southeast Asia have never been accounted for by the other side. The Department of Defense has indicated there are over 375 men held in North Vietnam, in addition to more than 80 held in South Vietnam and several in Laos. However, the other side, in official statements, has accounted for less than 360. Only one man of all those missing in South Vietnam has been permitted to communicate with his family, and no list of prisoners has ever been furnished by the Viet Cong. An accounting for the missing, therefore, as well as release of acknowledged prisoners of war, will be necessary to end the ordeal of missing Americans and the anguish suffered by their families. The conferees, therefore, agreed to language which makes the orderly withdrawal of U.S. military forces at a date certain subject to the release of American prisoners of war by North Vietnam and forces allied with North Vietnam and "an accounting for all Americans missing in action who have been held by, or known to, such government or such forces."

In carrying out the intent of the provision the President is urged and requested by the language of the conference report to negotiate for an immediate cease-fire, to negotiate for establishing a final date for withdrawal of all U.S. forces contingent upon release of all American prisoners, and to negotiate for an agreement which would provide a series of phased and rapid withdrawals subject to a series of phased releases of American prisoners of war. As part of the latter negotiations would be the release of any remaining Americans held concurrent with withdrawal of all remaining U.S. military forces by a date not later than a date established by the President or such earlier date as agreed upon by negotiating parties. This language deletes the setting of a date nine months after enactment as proposed in the original amendment, however, the conferees agreed that it was imperative to emphasize negotiations to establish a cease-fire since such could bring a termination of the killing in Southeast Asia at the earliest date.

DIFFERENCE NO. 3

The House bill approved the strength authorization requested by the Administration for fiscal year 1972 of 2,609,409.

The Senate version provided for a reduction in the authorization of 56,000 below that authorized by the House. Thus the strength authorized by the Senate amendment is 2,553,409. The reduction imposed by the Senate language would reduce the Air Force's average strength by 3,000 for fiscal year 1972, the Navy's strength by 3,000, and the Army's strength by 50,000. The conferees agreed that the strength reductions could be absorbed by the Armed Forces in light of the reductions being made in U.S. forces in Vietnam.

Under the Senate version of the bill the authorized ceiling may be exceeded by the President acting alone only if he calls up Reserves.

The House conferees accepted the personnel strength limitations recommended by the Senate with, however, a clarifying House amendment. The amendment simply makes clear the right of the President to order to active duty National Guard and Reserve personnel to cope with civil disturbances, etc., without regard to the personnel ceiling limitations contained in this provision of the bill.

The conferees agreed that this legislative ceiling, combined with the legislative ceiling on inductions would help assure that if the President finds it necessary to make rapid military manpower increases in a future emergency, he would do so only by calling Reservists to active duty.

DIFFERENCE NO. 4

The House bill provided for an automatic third year of alternate service for conscientious objectors as recognition of the additional Reserve service incurred by a two-year draftee. The House bill also provided for the induction of conscientious objectors who do not satisfactorily perform their assigned alternate civilian service. Finally, the House bill provided that the program of alternate work or service to be performed by the conscientious objectors be established and supervised under regulations issued by the President and administered by the Director of Selective Service. This latter provision represents a departure from present practice which places responsibility for assigning work to a local draft board and responsibility for monitoring the individual's performance to the State Director of Selective Service. This provision reflects the belief that national requirements for workers of this kind exceed the number of individuals to be granted conscientious objector classification and that assignment of personnel on a national basis under the supervision of the Director of Selective Service can provide the flexibility for effective and full utilization of conscientious objectors in alternate civilian service.

The Senate amendments required conscientious objectors to be available for a third year of alternate service only if Reserves are called up in time of national emergency. The Senate language further prohibited induction of conscientious objectors in cases where a claim for conscientious objector status is filed after an induction notice is received.

After extensive discussion, the conferees of both bodies receded from their positions.

The conferees agreed to accept an amendment proposed by the House conferees which removes any requirement for a third year of alternate service but retains the House provision allowing for assignment and monitoring of conscientious objectors to alternate service by the Director of Selective Service. The Senate conferees accepted this amendment with the understanding that the Director of Selective Service may draw heavily on the experience and recommendations of the local boards and State Directors in assigning conscientious objectors to alternate service and that local arrangements under which alternate service is now performed with religious and other organizations will not be needlessly disrupted.

The Committee of Conference emphasizes its belief that the young man who is granted the classification of conscientious objector (I-O) and is then assigned to alternative civilian service may be required to parallel in his experience, to a reasonable extent, the experiences of the young man who is inducted in his stead. The inductee leaves home, gives up his current civilian pursuits, and is sent to some distant place with seldom the opportunity to more than briefly return home during his course of service. He subjects himself to a rigorous life, many times under the most uncomfortable of conditions, and at the risk of life and limb. He is governed throughout the period of service by a system of rules and regulations, the disregard of which subjects him to various disciplinary measures including fines and prison. Where he performs his duties is dictated by national needs, not personal desires.

Obviously, a civilian work program for a conscientious objector can not entail even a reasonable facsimile of the many burdens which are placed upon the inductee who took the conscientious objector's place in combat and may have given his life. The Committee is therefore adamant in its view that the Selective Service System should place the conscientious objector in an alternative work program which genuinely contributes to meeting valid national requirements for work that conscientious objectors are capable of performing, regardless of the location of such work.

The House conferees were adamant in their opposition to a Senate amendment which would have prohibited the induction of registrants who filed a claim of conscientious objection after receipt of their induction notice. Therefore, the Senate receded with the understanding that in unusual cases, local boards would have the discretionary authority of extending to such registrants a hearing on their late claim if the circumstances so warranted.

It should be stressed that the language of the conference report retains the existing statutory language defining a conscientious objector. This statutory language has been subjected to intense legal scrutiny and interpretation by the United States Supreme Court. Therefore, no purpose would be served by rewriting this language to invite further unnecessary litigation.

DIFFERENCE NO. 5

The House bill and the Senate amendment thereto differed substantially in their provisions relating to military pay.

The House bill provided substantial increases in basic pay, primarily for draftees and other men with less than two years of service, and also provided substantial increases in quarters allowance or Dependents Assistance Allowance for all personnel, the first such increase since 1963. The basic pay increases of the House bill would have an annual cost of $1,825.4 million. The quarters allowance increase of the House bill would have an annual cost of $640.1 million; the Dependents Assistance Allowance increase, an annual cost of $184.1 million. The House bill included no authority for an initial enlistment bonus.

The Senate amendment provided higher increases in basic pay for members of the uniformed services, at a total annual cost of $2,667 million. On the other hand, the Senate bill provided no increase in Basic Allowance for Quarters; it provided an increase totaling $79 million annually in the Dependents Assistance Allowance for junior enlisted personnel. The Senate amendment authorized the payment of an initial enlistment bonus of up to $6,000 for up to 6 years of service, as recommended by the Administration.

The Administration had proposed a $908 million basic-pay increase in fiscal year 1972, a $79 million increase in Dependents Assistance Allowance, and no increase in Basic Allowance for Quarters for fiscal year 1972. The Administration's proposal was defined as the first step of a two-step increase with additional basic-pay increases and substantial increases in Basic Allowances for Quarters to be requested in fiscal year 1973. The House bill essentially incorporated the fiscal year 1972 and fiscal year 1973 Administration proposals in the belief that the full increases were required in fiscal year 1972 if the Armed Forces were to have a reasonable chance of moving towards an all-volunteer force within two years. The Senate amendment as regards pay essentially carried out the recommendations of the Gates Commission, a Presidential commission which had made a series of recommendations for pay increases as part of a proposal for an immediate move to an all-volunteer force.

After extensive discussion, both houses receded from their position and the conferees agreed on a compromise on the three major pay issues which includes the following:

(1) The basic-pay increase of the House bill, totaling $1,825.4 million on an annual basis;

(2) A substantial portion of the Basic Allowance for Quarters increase proposed in the House bill, at a total cost of $409.8 million on an annual basis; and Dependents Assistance Allowance increases totaling $105.9 million on an annual basis. The House bill would have moved the Basic Allowance for Quarters and Dependents Assistance Allowance up to 100 percent of a proposed military standard which was based on FHA standards for comparable income groups. The compromise will raise Basic Allowance for Quarters and Dependents Assistance Allowance to 85 percent of that standard.

(3) Authority for an initial enlistment bonus providing for a first-enlistment bonus of up to $3,000 for individual enlistees for three years of service with the bonus limited to individuals enlisting or extending their period of obligated service in the combat elements. The authority to pay such bonus is temporary in nature and will expire on June 30, 1973.

The conferees reached the following compromise on their other differences in the compensation section of the legislation:

The House bill had provided for special pay for optometry officers in the Armed Forces on a graduated scale of $50 per month for optometrists in the grades of O-1, O-2 and O-3; $150 per month for those in pay grades O-4 and O-5; and $200 per month in pay grades O-6 and above. The Senate amendment had provided special pay for optometry officers at a flat rate of $100 per month regardless of grade. Information from the Department of Defense indicated that the inadequacy of the military officers' salary structure to attract and retain optometrists was most apparent in the earliest years of service and that the greatest retention value would accrue from having the bulk of special pay go to young optometry officers. The conferees emphasized that the extra pay should not be considered a precedent for authorizing additional special pay for other categories of officers.

The House, therefore, recedes.

The House bill had included Dependents Assistance Allowance payments for Reservists as requested by the Administration at an annual cost of $20 million. The Senate amendment had deleted this provision.

The Senate recedes.

The House bill had included a slight increase in Basic Allowance for Subsistence at a total annual cost of $37.8 million. The Senate amendment had deleted this increase.

The House recedes.

[In millions of dollars]

	Administration proposal	House proposal	Senate proposal	Agreed to by conferees
Basic pay	908.0	1,825.4	2,667.0	1,825.4
DAA	79.0	184.1	79.0	105.9
BAQ	0	640.1	0	409.8
BAS	0	37.8	0	0
Enlistment bonus	40.0	0	40.0	20.0
Recruiter expenses	2.9	2.9	2.9	2.9
Optometrists	0	.5	.6	.6
DAA reservists	20.0	20.0	0	20.0
Annual total	1,049.9	2,710.8	2,789.5	2,384.6

The preceding table compares the provisions agreed to by the conferees with the proposals of the House and Senate and the original Administration proposal.

H.R. 6531—Pay Provisions of Bill Agreed to by Conferees, based on a full year cost for fiscal 1972.

The conferees agreed that the pay provisions, except for UAA, of the legislation shall be effective on October 1, 1971. On this basis the fiscal year 1972 cost of the compensation increases will be $1,788.3 million, $738.4 million above the amount allotted for such purpose in the President's proposed fiscal 1972 budget. The members of the Conference Committee wish to point out that military personnel received a pay increase in January, 1971, and are scheduled to receive another such automatic increase in January, 1972. Thus, with the provisions of the present legislation, effective October 1, there will be three pay increases provided military personnel in a period of 13 months.

The Committee on Conference believes that the compensation package as agreed upon is a balanced program. It concentrates most of its increase in first-termer pay, while at the same time providing substantial increases in income for careerists which should have favorable impact on long-term retention. By providing increases in allowances which are nontaxable, the conference report increases the take-home pay over what would have been available to military personnel if all increases had been in basic pay. The conferees believe that the legislation will truly provide military personnel, at all grades, with realistic and competitive levels of pay which bears a sound relationship to civilian wages for equivalent levels of work and responsibility.

In the final analysis the effectiveness of the compensation increases in attracting and retaining career personnel will be most accurately reflected in the increase in income available to the individual. The following table, therefore, compares the regular military compensation for representative examples of various pay grade made available by the House and Senate bills and finally by the conference report as compared to present rates.

COMPARISON OF AVERAGE ANNUAL REGULAR MILITARY COMPENSATION[1]

Pay grade	House bill	Senate bill	Conferees' agreement	Present (Jan. 1, 1971) rates
Colonel/captain (O-6)	$27,197	$24,850	$26,389	$24.850
Lieutenant colonel/commander (O-5)	21,821	19,796	21,122	19,796
Major/lieutenant commander (O-4)	18,234	16,527	17,630	16,527
Captain/lieutenant (O-3)	15,025	13,591	14,501	13,516
Lieutenant/lieutenant (j.g.) (O-2)	11,474	11,138	11,045	10,166
Lieutenant/ensign (O-1)	8,985	9,611	8,659	7,807
Chief warrant/commissioned warrant (W-4)	17,653	16,088	17,074	16,088
Chief warrant/commissioned warrant (W-3)	14,537	13,097	14,023	13,097
Chief warrant/commissioned warrant (W-2)	12,299	11,108	11,859	11,104
Warrant officer/warrant officer (W-1)	10,138	9,195	9,738	9,033
Sergeant major/master chief petty officer (E-9)	$14,919	$13,417	$14,392	$13,417
Master sergeant/senior chief petty officer (E-8)	12,812	11,571	12,334	11,571
Sergeant/1st class chief petty officer (E-7)	11,063	9,980	10,634	9,980
Staff sergeant/petty officer, 1st class (E-6)	9,550	8,647	9,160	8,611
Sergeant/petty officer, 2d class (E-5)	7,691	7,248	7,356	6,889
Corporal/petty officer, 3d class (E-4)	6,457	6,329	6,189	5,253
Private 1st class/seaman (E-3)	5,893	5,831	5,663	3,931
Private/seaman apprentice (E-2)	5,484	5,530	5,311	3,345
Recruit/seaman recruit (E-1)	5,036	5,320	4,872	3,165

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[1] Regular military compensation is defined as basic pay, basic allowances for quarters, basic allowances for subsistence and the tax advantage which accrues because the allowances are not subjec to Federal income tax.

DIFFERENCE NO. 6

Both the House and Senate versions of H.R. 6531 restore to the President discretionary authority over student deferments.

The President has announced his intention to withdraw student deferments from all those who received them after April 23, 1970, the date on which the President announced his intentions to request from Congress authority to eliminate such deferments.

Under the House bill the President would have complete discretion to withhold or grant student deferments as of any date he sets.

The Senate amendments would prohibit the President from removing deferments retroactively from those who met the educational requirements for them during the regular 1970–71 academic year. Under the Senate amendments, therefore, such students would be deferred until graduation, or reaching age 24, or ceasing to pursue their course of study satisfactorily, whichever comes first. The President would, under the Senate version of the bill, have authority to eliminate student deferments for those who enter college in the summer of 1971, or later.

The Senate conferees were adamant in their views on this matter; and the House conferees, therefore, reluctantly receded and accepted the Senate language.

DIFFERENCE NO. 7

The House bill expanded the exemption presently in law for sole-surviving sons to include all members of a family if a father or brother or sister has been killed in action or died in the line of duty or subsequently dies or is totally disabled as a result of injury or disease incurred during service.

The Senate version provided that no person may be inducted who has lost a member of his immediate family through service in the Armed Forces or who subsequently died as a result of injuries received or disease incurred in the line of duty. The Senate version also provided that any surviving son or sons serving on active duty with the Armed Forces who were inducted and who would have been eligible for exemption from induction under the language of this provision may, upon application, be promptly discharged from the Armed Forces.

The conferees agreed to accept the Senate language with an amendment providing the sister or brother must be "of the whole blood" and providing further that the exemption applies in the case of family members lost subsequent to December 31, 1959. The language accepted by the conferees also retained the existing "sole-surviving son" exemption for those registrants who qualify on the basis of a loss of a member prior to December 31, 1959.

DIFFERENCE NO. 8

The House bill did not change current law which provides exemption from induction for divinity students.

The Senate amendment changed the status of divinity students from an exemption to a statutory deferment, making divinity students technically liable to service until age 35 if, for one reason or another, they do not pursue a career in the ministry until they reach that age. The exemption for ministers was left substantively unchanged.

Without the provisions of the Senate bill a divinity student would not be liable to the draft after he reached age 26, and it would therefore be possible to remain in divinity school until that point and then pursue some career other than the ministry and thereby avoid an obligation to military service.

The House conferees agreed that the Senate language more clearly carried out the basic intent of Congress in providing divinity students freedom from their military obligation on the assumption that they were going to practice in the ministry subsequent to their completion of training for the ministry.

The House, therefore, recedes.

DIFFERENCE NO. 9

The House bill prohibited the collocation and consolidation of local draft boards.

The Senate version provided that local boards may be either consolidated or collocated, but only after the approval by the governor of the state.

The Director of Selective Service informed the conferees that the House provisions would require the creation of 340 new local boards in sparsely populated counties, most of which have never had a board even during full mobilization. This would involve recruiting and training a minimum of 2,600 additional uncompensated personnel to serve as board members, government appeal agents and medical advisers and would require the establishment of 340 new offices.

However, the Director of Selective Service assured the conferees that even should the Senate language be adopted, there are no current plans to resume the nationwide collocation of boards across county lines, halted with the passage of the House bill.

The House, therefore, recedes.

DIFFERENCE NO. 10

The Senate amendment contained a provision relating to reentry rights into college whenever practicable for veterans who had been earlier inducted into the Armed Forces. Another provision would have made available government funds to pay counseling personnel for veterans in college who desire to participate in a counseling program.

The House bill contained no similar provisions.

The House conferees pointed out that these provisions, which had not been subject to hearings in either house, were outside the jurisdiction of the House Armed Services Committee and that, if desirable, they should be subject to the consideration of the Veterans' Affairs Committee which has jurisdiction in this legislative area.

The House conferees were adamant in their views on this matter and the Senate conferees, therefore, reluctantly receded.

DIFFERENCE NO. 11

The Senate amendment contained language providing for simultaneous registration to vote in Federal elections for 18-year-old men at the time they register for service, with a proviso that a governor might veto such voter registration for his state.

The House bill contained no similar provision.

The conferees were advised by the Director of Selective Service that the provision would cause severe administrative difficulties for the Selective Service System.

The House conferees, therefore, refused to accept the Senate amendment; and the Senate conferees, therefore, reluctantly receded.

DIFFERENCE NO. 12

The Senate amendment added two separate titles to the bill, Titles 5 and 6, to provide for the identification and treatment of drug and alcohol dependent persons in the Armed Forces and other measures relating to international drug traffic.

The House bill contained no similar provisions.

The language of the Senate amendment contained:

1. A statement of findings concerning the prevalence of drug and alcohol dependency in the Armed Forces;

2. Provisions to encourage drug and alcohol dependent persons to seek treatment and rehabilitation, and to provide such treatment and rehabilitation through Armed Forces facilities and personnel trained to deal with drug-dependent persons;

3. Findings of fact and requirements for periodic reports to Congress concerning international heroin and narcotic drug control.

The House conferees argued that the language of the Senate amendment could create considerable administrative difficulty for the Department of Defense in its present form. The language provided that drug and alcohol dependent persons "shall not be subject to disciplinary or other punitive action based on information given in seeking or receiving such assistance"—that is, treatment and rehabilitation. The House conferees pointed out that this language constituted a grant of amnesty from prosecution for whatever crimes or offenses which may be disclosed during treatment or rehabilitation, without regard to whether such offenses are related to drug or alcohol use. The amendment established a medical officer-patient privileged communication status for drug and alcohol dependent persons. The House conferees argued that this medical confidentiality provision could result in difficulty for the military services in obtaining full information as to the physical and mental capacity of its members and conflicted with the rules of evidence established for trials by courts-martial.

The Senate language also precluded the discharge for an unlimited period of time of any drug or alcohol dependent person who is responding to treatment and provided that a member in such an instance who has fulfilled his service obligation may not be discharged unless he requests it. The House conferees pointed out that the language of the Senate amendment conflicted with certain provisions of Title 10 of the United States Code.

The House has not had the benefit of hearings on or prior study of these provisions. Because of their broad implications and because of the importance and complexity of the issues involved, the House conferees could not support the language of the Senate amendment in the form in which it was brought to conference.

The House conferees pointed out that an issue of such serious nature and such complexity deserved to be treated fully in separate legislation rather than solely in a limited way as an amendment to legislation in another area. Adequate study and hearings by the appropriate committees by both houses should precede the adoption of detailed legislation on the drug and alcohol dependency problem.

On the other hand, the conferees of both houses were unanimous in their concurrence that drug abuse is a profoundly serious national problem that is having a grave effect on the Armed Forces.

The Senate conferees, therefore, after extensive discussion, receded from their amendment and the conferees of both houses concurred in a more limited amendment to read as follows:

SEC. 401. (a) The Secretary of Defense shall prescribe and implement procedures, utilizing all practical available methods, and provide necessary facilities to (1) identify, treat, and rehabilitate members of the Armed Forces who are drug or alcohol dependent persons, and (2) identify those individuals examined at Armed Forces examining and entrance stations who are drug or alcohol dependent persons. Those individuals found to be drug or alcohol dependent persons under clause (2) of the preceding sentence shall be refused entrance into the Armed Forces and referred to civilian treatment facilities.

(b) The Secretary of Defense shall report to Congress within 60 days after the date of the enactment of this Act with respect to (1) the plans and programs which have been initiated to carry out the purposes of subsection (a) of this section, and (2) such recommendations for additional legislative action as he determines necessary to combat effectively drug and alcohol dependence in the Armed Forces and to treat and rehabilitate effectively any member found to be a drug or alcohol dependent person.

The conferees desire that the language of the conference report as adopted be considered an interim step. It requires that positive action be undertaken by the Armed Forces towards identifying, treating and rehabilitating members of the Armed Forces who are drug or alcohol dependent persons and at the same time provides for a report to the Congress by the Secretary of Defense within 60 days after the enactment of this Act with plans and programs initiated and with recommendations for such additional legislative authority as may be required. In addition to requiring the Department of Defense to commence treatment and rehabilitation programs, this provision provides for a report to the Congress which will be of great benefit to the appropriate committees of each house in their study of possible further legislative action.

The conferees of both houses believe that additional effective legislation will probably be necessary to combat the serious drug-abuse problem in the Armed Forces and that consideration of such legislation should commence at the earliest practical date.

The conferees on the part of both houses have, therefore, agreed to the language in the conference report with the understanding that it is to be a prelude to further legislative action by the respective Armed Services Committees in the 92nd Congress.

DIFFERENCE NO. 13

The Senate bill contained a provision stating that no regulation issued under this act shall become effective until 30 days after the date on which such regulation has been in the federal register.

The House bill contained no such provision.

The House conferees agreed that the provision was in the interest of equity and, therefore, accepted the Senate language.

DIFFERENCE NO. 14

The Senate version of the bill provided a series of procedural reforms in the Selective Service System which would have guaranteed to each registrant asserting a claim before a local or appeal board a series of procedural rights as follows:

1. The opportunity to appear in person before any local or appeal board;

2. The right to present witnesses before a local board;

3. Attendance of a quorum of any local or appeal board during a registrant's personal appearance;

4. A written report upon request when a local or appeal board has rendered a decision adverse to the claim of a registrant; and

5. The right to be accompanied and advised by private counsel at a personal appearance before a local or appeal board.

The House bill contained no similar provisions.

The House conferees expressed the concern that some of these provisions would prevent Selective Service boards from carrying out their functions in an expeditious manner and might encourage harassing and delaying tactics by those desiring to disrupt the effective functioning of the Selective Service System. After extensive discussion the House conferees agreed to accept the Senate amendments with regard to items 1, 2, 3, and 4. The Senate conferees pointed out that under the language of their amendment these rights would be granted pursuant to such rules and regulations as the President may prescribe and the regulations under which the rights were granted should be drafted in such a way as to preclude abuses and obvious delaying tactics. The Senate conferees pointed out further that the right to present witnesses is specifically subject under their amendment "to reasonable limitations on the number of witnesses and the total time allotted to each registrant."

With the understanding, therefore, that the regulations implementing these provisions will be drafted in such a way as to protect the orderly and efficient functioning of the Selective Service System and not result in an unreasonable burden on local draft boards, the House accepted the Senate position on items 1–4.

The conferees agreed that granting the right of counsel at appearances before local and appeal boards would require an unacceptable increase in the workload of local boards, could not reasonably be instituted without the retention of an extensive legal apparatus to provide attorneys for each local board, and might result in inequities to registrants, giving an advantage to those whose economic status makes it easier for them to obtain counsel.

The Senate, therefore, recedes.

DIFFERENCE NO. 15

The House bill provided that to the extent practicable the members of a local draft board "shall accurately represent the economic and sociological background of the population which they serve but no induction shall be declared invalid on the ground that any board failed to conform to any particular quota as to race, economics, religion, sex or age." The bill provided this requirement shall be fully implemented by January 1, 1972.

The Senate version contained language providing that in making future local board appointments the President is requested to see that to the maximum extent practicable a board "is proportionately representative of the race and national origin of those registrants within its jurisdiction, but no action by any local board shall be declared invalid on the ground that any board failed to conform to any particular quota as to race or national origin."

The Selective Service System has been meeting with success in its efforts to date to increase minority membership on local boards. The conferees agreed that the Senate language would be sufficient to ensure continued movement in the direction of desirable representation on local boards and would, with the absence of an arbitrary deadline, be easier to administer.

The House recedes.

DIFFERENCE NO. 16

The Senate version contained language providing that physicians who serve for four years in doctor-shortage areas would be relieved of liability under the Selective Service Act.

The House bill contained no similar provision.

The House conferees pointed out that existing provisions in the law provide for occupational deferments when these are required in the national interest and that the President could utilize this authority for selected deferment of physicians if he so chooses.

The Senate, therefore, recedes.

DIFFERENCE NO. 17

The Senate amendment contained a requirement for four separate reports and studies to be made by the Executive Branch and to be provided to the Congress.

The House bill contained no such provision.

The House conferees agreed to accept the Senate provision for two of these studies, a joint Department of Defense—Department of Health, Education, and Welfare study of military use of civilian medical facilities and a study of the effectiveness of Title 2 of this Act in increasing the number of voluntary enlistments in the active-duty uniformed services of the United States. A study presently underway in the Department of Defense on use of civilian medical personnel and facilities can be restructured to include Health, Education and Welfare. The Department of Defense agreed the study of the effect of compensation increases on the number of volunteers is desirable.

The other two items called for in the Senate version of the bill were a modification and explanation of the manpower report presently required of the Executive Branch and a study of military housing. The House conferees agreed to accept the requirement for an expanded manpower report subject to an amendment deleting the portion of the Senate language which required the justification and explanation of manpower requirements to include a statement of the way in which missions, capabilities, strategies and deployments would be affected by a 10-percent reduction in authorized strength for each service below that recommended in the budget for the next fiscal year.

This later requirement, the conferees believed, would force the Secretary of Defense to submit an alternative military program in conflict with the proposals of his President.

The House conferees pointed out that the issue of military housing was already the subject of a sufficient number of studies.

The Senate, therefore, recedes on this latter item.

DIFFERENCE NO. 18

The Senate version of the bill contained language prohibiting enlistment after an induction order has been issued.

The House bill had no similar provision, in effect retaining current law which prohibits enlistment after an induction order is received.

The House accepts the Senate language.

DIFFERENCE NO. 19

The Senate version contained a provision prohibiting job discrimination against American citizens and their dependents in hiring on United States military bases in any foreign country.

The House bill contained no such provision.

The purpose of the Senate provision is to correct a situation which exists at some foreign bases, primarily in Europe, where discrimination in favor of local nationals and against American dependents in employment has contributed to conditions of hardship for families of American enlisted men whose dependents are effectively prevented from obtaining employment.

The House accepts the Senate provision.

DIFFERENCE NO. 20

The Senate amendment contained a provision that a high school senior who reached 20 years of age during his senior year be permitted to graduate prior to induction.

The House bill contained no similar provision.

Current law provides a deferment for a high school student until his 20th birthday or graduation, whichever occurs first.

The House accepts the Senate provision.

DIFFERENCE NO. 21

The Senate amendment contained a provision establishing an intensive counseling program for high school students to be administered by the Selective Service.

The House bill contained no similar provision.

In the opinion of the House conferees, the amendment raised a question as to whether the Federal government could, or should, attempt to make schools abide by the provision and the conferees agreed that while such counseling could be provided by Selective Service when requested, a mandatory requirement in the law is undesirable.

The Senate recedes.

DIFFERENCE NO. 22

The Senate amendment contained language providing that if calls for induction are discontinued because the Armed Forces achieve an all-volunteer basis, the Selective Service System shall be maintained as an active standby organization with personnel adequate to reinstitute immediately the full operation of the system, including military Reservists who are trained to operate such system and who can be ordered to active duty for such purpose in the event of a national emergency.

The House bill contained no similar provision.

The House accepts the Senate language.

DIFFERENCE NO. 23

The Senate amendment contained language requiring henceforth that appointment of Reserve officers of the rank of major/lieutenant commander and above be subject to the advice and consent of the Senate.

The House bill contained no similar provision.

The House conferees agreed to accept the Senate language with an amendment to apply the requirement uniformly to regular and Reserve officers and to limit the requirement to officers in the grade of lieutenant colonel/commander and above.

In substance, as a result of the amendment, temporary promotions in the grade of lieutenant colonel and above for both Regular and Reserve officers will be subject to Senate confirmation. Presently only those in the grade of general officer require this action.

In addition, permanent Reserve appointments in the grade of lieutenant colonel and colonel will be subject to Senate confirmation. The bill does not change existing law which requires confirmation for permanent promotions for Regular officers. It, therefore, makes uniform the system for all promotions for both components in the grades of lieutenant colonel and colonel.

DIFFERENCE NO. 24

The Senate amendment contained language providing that the National Advisory Committee of the Selective Service shall, in the performance of its function, give appropriate consideration to the needs of the civilian population, as well as the Armed Forces.

The House bill contained no similar provision.

The House conferees were able to persuade the Senate conferees that existing procedures within the Selective Service System now adequately provide for the purposes the Senate language is designed to achieve.

The Senate recedes.

DIFFERENCE NO. 25

The House language provides that aliens who claim nonpermanent status may remain in the United States for two years before being liable for service. The purpose of this language was to prevent nonresident aliens residing in the United States for periods in excess of 24 months from avoiding the requirements of the Selective Service law.

The Senate bill contained no such provision.

The Senate bill included four additions to the Act, proposed by the Administration, which had been rejected by the House. These four additions would provide induction exemption for the following four classes of aliens:

1. Aliens holding foreign-affairs-oriented occupations such as in a diplomatic or counselor capacity, or with a public international organization;

2. Aliens who are not in an exempted category but who are not yet residents in the United States for one year, so as to give the said alien sufficient time to acclimate to American culture and the English language;

3. Additional nonimmigrant aliens who are not now exempted from liability under the Selective Service Act, such as temporary workers, treaty traders, or investors, fiances of American citizens and temporary visitors for business or pleasure. Such persons, in point of fact, are not now subject to registration until after they have been in the United States for an extended period but the language was requested by the Department of State to clarify the law for foreign governments;

4. Any person who has served at least 12 months' active duty in the Armed Forces of a nation with which the United States is associated in mutual defense activities. The present legal requirement is 18 months.

The Senate conferees were able to persuade the House conferees that the Senate amendment was in the interest of equity for aliens.

The House recedes.

DIFFERENCE NO. 26

The law presently limits maximum length of service on local draft boards to 25 years.

The House bill would have reduced this to 15 years.

The Senate amendment compromised the limit at 20 years.

The House recedes.

DIFFERENCE NO. 27

The House bill provided an increase from $50 to $500 in travel pay for uncompensated Selective Service employees.

The Senate bill limited the increase to $250.

The Senate recedes.

DIFFERENCE NO. 28

The House bill provided that a person who receives an induction order while pursuing a full-time course of instruction at a college, university or similar institution shall have his induction postponed until the end of the term or the academic year in the case of his last academic year.

The Senate amendment made a revision to provide the induction shall be postponed until "the end of the semester or term, or academic year in the case of his last academic year." The Senate amendment, therefore, simply adds the word "semester" to preclude any misconstruction of the word "term."

The House recedes.

In addition, the conferees wish to point out that the amendment extending the authority to induct persons for training and service is retroactively effective to July 2, 1971. The intent of the conferees in making the effective date retroactive is to provide that the period beginning July 2, 1971 and ending on the date of the enactment of H.R. 6531 be treated as an induction period solely for the purpose of insuring that there will be no lapse in the entitlement of any member of the armed forces, or his estate, to the Federal tax benefits which are available to servicemen and their estates as a result of certain service during an induction period.

F. Edward Hébert,
Melvin Price,
O. C. Fisher,
Charles E. Bennett,
Mr. Arends,
Alvin E. O'Konski,
Mr. Bray,
Managers on the Part of the House.
John C. Stennis,
Henry M. Jackson,
Harry F. Byrd,
Margaret Chase Smith,
Strom Thurmond,
John Tower,
Peter H. Dominick,
Managers on the Part of the Senate.

PERSONAL EXPLANATION

Mr. FOLEY. Mr. Speaker, on the last vote just taken by the House I was in the Chamber, and I was on my feet seeking recognition for the purpose of registering my vote, but due to the confusion in the Chamber I was not recognized for the purpose of voting. Had I been recognized I would have voted "no."

LEGISLATIVE PROGRAM

(Mr. SMITH of California asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, I take this time for the purpose of asking the majority leader as to the program for the balance of this week, if any, and the program for next week.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Louisiana.

Mr. BOGGS. Mr. Speaker, in response to the inquiry of the gentleman from California (Mr. Smith), we have completed our legislative business for this week.

The program for next week is as follows:

On Monday we have the Consent Calendar, to be followed by four District of Columbia bills under unanimous consent. They are not controversial, and they are as follows:

H.R. 2995, regulate practice of podiatry,

H.R. 7096, establish health standards for employees of food establishments,

H.R. 8744, to amend Police-Firemen's Salary Act, and

H.R. 9580, to authorize the District of Columbia Commissioner to make agreements with Maryland and Virginia regarding trucking fees.

Then there are 12 suspensions, as follows:

House Joint Resolution 1, War Powers of Congress and the President,

H.R. 9798, Lincoln Home National Historic Site,

H.R. 760, Vessel Documentation Act,

H.R. 701, Duck Stamp Increase,

H.R. 7117, Fishermen's Protective Act Amendments,

H.R. 9442, Executive Level Positions for GAO,

H.R. 8689, Overtime Pay for Part-time GS Employees,

H.R. 3628, Equality of Treatment for Women Federal Employees,

House Concurrent Resolution 370, Public Health Service Hospitals Resolution,

H.R. 9261, Alien Ham Radio Operators,

H.R. 1074, Motor Carriers Reports to I.C.C., and

H.R. 7048, Federal-State Joint Communications Board.

To be followed on the same day by House Resolution 557, a resolution of inquiry on military aid, and a House Joint Resolution, the number will be given later, authorizing continuing appropriations for the time we will be gone on the August recess.

Tuesday and the balance of the week:

The Emergency Employment Act Appropriations. This is subject to a rule being granted.

This has been requested by the President.

H.R. 9910—Foreign Assistance Act. Under an open rule with 3 hours of debate.

H.R. 9727—Marine Protection Research and Sanctuaries Act. Under an open rule with 2 hours of debate.

I would like to emphasize that conference reports may be brought up at any time. I might especially call attention of the Members to the conference report on the draft bill which has just been filed and there are a number of conference reports on appropriation bills as well as a number of other important conference reports. We will recess on Friday, August 6 until noon, Wednesday, September 8. This resolution has been adopted.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman.

Mr. GROSS. What is the procedure under which this House Resolution 557 and this other unnumbered joint resolutions are being brought up? What is the procedure for bringing them up? They are not coming up, apparently, under suspension of the rules. Are these privileged resolutions?

Mr. BOGGS. The resolution of inquiry is a privileged resolution and we have permission to bring up the continuing resolution.

Mr. GROSS. If I may ask that—from what committee are they?

Mr. BOGGS. One is from the Committee on Appropriations and the other is from the Committee on Armed Services. An inquiry resolution is always privileged. We have had several inquiry resolutions in the past several weeks, as the gentleman knows.

ADJOURNMENT OVER TO MONDAY

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourns to meet on Monday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

NINTH ANNIVERSARY OF U.S. ARMY MATERIEL COMMAND

(Mr. FLYNT asked and was given permisison to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FLYNT. Mr. Speaker, on August 1, the U.S. Army Materiel Command will celebrate its ninth anniversary. This great organization, the "Arsenal for the Brave," is headed by an outstanding soldier, a leader of leaders, a dedicated citizen, a great humanitarian, a man whom I know is respected by all who have had the privilege of knowing him: Gen. Henry A. Miley, a distinguished public servant of the highest order.

In my personal dealings with General Miley, I have developed the greatest respect and highest admiration for this outstanding military leader and truly humane man. Under General Miley's able leadership, AMC provides the Army's weapons and equipment, including research and development, procurement and production, storage and distribution, inventory management, maintenance, and disposal. Some 13,000 military and 134,000 civilian personnel are directly employed in AMC's nationwide network of more than 180 military installations and activities.

Relatively young in relation to the rest of the Army, the U.S. Army Materiel Command inherited a tradition of excellence from the Technical Services which extends back to the earliest days of our Nation. Building on that proud tradition, U.S. Army Materiel Command has forged a record of logistics response to the needs of the fightingman that is unparalleled.

Its initial phase of consolidation and organization was interrupted by the demands of the Cuban crisis, and by the war in Southeast Asia. Through the magnificent efforts of the men and women of AMC, those logistical demands were met in an outstanding manner.

Commenting on AMC's performance,

on the occasion of its ninth anniversary, Gen. W. C. Westmoreland, Army Chief of Staff, stated:

> Since its establishment as a separate command, the Army Materiel Command has maintained the highest traditions of technical and professional competence. The versatility and dedication displayed by its members in the development and production of materials and weapons have led to great progress in Army operations and are worthy of the highest praise.
>
> The Army Materiel Command has contributed significantly to the efficiency and effectiveness of our national defense. I join all members of the Army in wishing you continued success in your future efforts to enhance our combat readiness.

Since November 1, 1970, Gen. Henry A. Miley, Jr., has been the commander of AMC. Boldly moving out from the base established by his predecessors, General Miley has made outstanding progress toward establishing and maintaining a viable and dynamic logistical base for the Army, in a period of decreasing resources.

Eminently qualified for assignment to his present position, General Miley is no stranger to logistics. A 1940 graduate of the U.S. Military Academy, this Boston-reared officer served with the Ordnance Corps during World War II from New Guinea to the Philippines.

Subsequently, he served on the faculty of the Ordnance School, received a master's degree in business administration from Northwestern University, attended the Army War College, and further broadened his logistical talents while assigned as Director of Procurement and Production, AMC; as Assistant Deputy Chief of Staff for Logistics, Department of the Army; and as Deputy Commanding General of Army Materiel Command, prior to his present assignment.

His only desire has been to serve his country, and to sustain and protect and provide for our soldiers wherever they are stationed.

Under the leadership of General Miley, AMC progress during the past year has been highlighted by the institution of management innovations designed to conserve resources and to establish and maintain a fully responsive logistical base for the Army in the face of steadily declining funds occasioned by the phase-down of the war in Southeast Asia.

Selected reorganization through consolidation or realinement of functions and activities has been undertaken to improve efficiency in operations. Reorganizations have primarily been directed toward increasing overhead efficiency, combining facilities to improve efficiency and to reduce costs.

Continuing an effort begun in October 1969 to seek significant improvements in weapons system acquisition procedures, AMC has intensified application of the "Should Cost Analysis" technique. The technique encompasses a detailed, intensive review of a contractor's management and production practices to identify and determine the costs resulting from mismanagement and uneconomic, inefficient practices. Elimination of such projected costs permits the Government to develop a negotiation cost objective based on reasonable attainable economies and efficiencies. Not intended to take the place of contractor management, the technique provides a means of ascertaining the most reasonable prices in the absence of normal competitive restraints and promises substantial cost savings. Seven such studies have been completed to date and three are currently in progress.

AMC also has selected two planned procurements for initial application of the "life cycle costing" technique. This is a technique by which the successful bidder in a price competition is chosen on the basis of cost of ownership rather than acquisition cost alone. In other words, the successful bidder will be selected on the basis of the lowest ultimate cost of an item to the Government during its useful service life. Considered is cost of acquisition, operating, maintaining, supporting and even disposing of an item.

Related to these efforts, training has been intensified resulting in expanded use of existing training courses as well as the development and utilization of 12 new courses in AMC schools, all geared to improving the materiel acquisition process.

An AMC-instituted program for reliability improvement of selected equipment—RISE—has led to the identification of 135 potential candidates for reliability improvement, with an estimated cost avoidance of $293 million. Objectives are: to survey performance of all AMC equipment to identify the components contributing the most to performance degradation and high maintenance cost; analyze the components identified to determine the degree of reliability improvement that can be made; and, to begin reliability improvement programs on those offering the greatest return on investment. Some 80 of the 135 potential projects are already underway or proposed for funding with a potential cost avoidance of $120 million.

Huge costs savings are being achieved through the substantially increased use of retread tires to meet the Army's tire replacement requirements. Retreading is now being accomplished in the United States and about 11 foreign countries, with the bulk of the work done by private industry. To date, 126 Army installations have reported 144,000 tires retreaded and savings of $5.4 million in the first half of fiscal year 1971. Savings for the entire year are estimated at $14 million. Plans are underway to begin retreading specific sized aircraft tires and the feasibility of rebuilding solid rubber tires, roadwheels, and tank track for combat vehicles is now under study.

The command readied a plan during the period which, assuming necessary financial support, will make it possible to complete its efforts to successfully comply with the pollution abatement requirements of Federal, State, and local laws in the production and operation of its equipment and facilities throughout the United States. Pollution sources slated for early emphasis include vehicles, industrial and military engines, aircraft, fuels and lubricants, and fixed facilities. In the later area, 258 sources of pollution were identified for corrective action at 51 AMC installations.

Sixteen defense items are involved in coproduction projects with six foreign countries and NATO, resulting in an estimated $562 million gold flow to the United States. New business for the military sales program in the first three quarters of fiscal year 1971 is $420 million as compared to $323 million for the entire preceding fiscal year.

In its continuing program to improve the present and future combat capability of the Army, AMC has made significant progress in the development and fielding of weapons and associated equipment:

Work is progressing on an Army technical data system—ARTADS—an effort to design and control the manufacture of a system that will assimilate and coordinate other field computer operations and further extend automation on the battlefield of the future. Scheduled to be absorbed are three major computer projects already in operation: Tactical operation systems—TOS; tactical fire direction system—TACFIRE—and the air defense control and coordinating system—ADCCS. Slated to be added is a fourth component part—automatic flight operation centers—AFCC.

Another advanced project is the AN/TRN-30, an omnidirectional radio ground beacon intended as an aid to navigation for Army aircraft. It is designed for use at base airstrips and remotely dispersed landing facilities where heavier aids such as ground control approach are not available or are impractical. The equipment is in two configurations, the pathfinder—man portable—and the tactical—semi-fixed—with range capability of from 15 to more than 100 nautical miles. When employed in conjunction with available aircraft automatic direction finders, it can provide bearing and indication of station to aircraft crews who can then correlate this information with topographical or aeronautical charts to determine position.

Army requirements were approved for a utility tactical transport aircraft system—UTTAS—to replace the UH-1 "Huey" as the Army's squad carrier. Industry will initially be requested to submit proposals for the engine development contract. The airframe development contract will follow at a later date. It is planned to select two airframe manufacturers for a competitive "fly off," at which time a single manufacturer will be selected for production. Promised is greater payload, airspeed, reliability, and survivability, resulting in a more cost effective machine for operational units.

First phase development was begun for a new heavy lift helicopter—HLH—capable of lifting 22.5 tons, nearly twice the payload of the Army's current model. Boeing Co.'s Vertol Division received a $12 million initial contract to design, develop, fabricate, test, and demonstrate selected advance technological components. This effort is expected to lead to a conceptual configuration for the huge bird which is viewed as promising a giant step forward in wartime logistics support of combat forces, over beachheads before port facilities can be created—over mountain ranges—through forests and swamps, while roads and bridges are being built.

A newly developed laser guidance technique for missiles was successfully demonstrated. In tests conducted at White Sands Missile Range, specially fitted large rockets were fired and guided to precise impacts at ranges of more than 10 miles by homing on laser beams reflected off a ground target.

Two types of far infrared thermal imaging systems were combat tested and evaluated in Vietnam with a high degree of success. These systems are passive and depend upon heat emitted from the targets and their background. One system, the night vision forward looking infrared—FLIR—is helicopter mounted for airborne surveillance, detection, recognition, and fire control. The other is the handheld infrared thermal viewer—AN/PAS-7—utilized by ground troops for the detection and recognition of personnel at short ranges. Potential commercial applications include the system's possible use for detecting flaws in materials.

A new high-explosive 155-millimeter rocket-assisted projectile has been developed which greatly increases the range and effectiveness of the Army's M-109 self-propelled howitzer. The projectile contains a rocket motor designed to ignite 7 seconds after firing to optimize range performance. Current plans call for utilizing the projectile also in the XM-198 155-millimeter lightweight towed howitzer now under development. A similar projectile has also been developed for use in 105-millimeter howitzer systems which, in combination with an improved propelling charge, provides increases in range from 12,800 to more than 15,000 meters.

A promising development in weaponry is the XM-204 soft-recoil 105-millimeter towed howitzer. In a soft-recoil system, approximately half the firing impulse is imparted mechanically into the recoiling parts during the run-up period resulting in a rapid forward motion. When firing occurs, it takes about half of the actual firing impulse to stop this forward motion before recoil can start. At the end of recoil, a short, controlled counter-recoil stroke returns the system to its latched position. Advantages are improved firing stability, reduced weight and package size, increased rate of fire and a greater range than its predecessors.

Now entering production is the high mobility GOER family of vehicles. A production contract was awarded in May 1971 for a mix of 1,300 vehicles including 812 cargo carriers, 371 fuel dispensing carriers and 117 wreckers.

Competitive requests for proposal were being readied for release to industry for the XM-800 armored reconnaissance Scout vehicle program. The Scout will have greater armor protection than the M-114 presently used in reconnaissance and security missions and will provide a balanced combination of mobility, agility, and detection capability in all weather. The plan is to award expanded contract definition—ECD—contracts to two or more contractors in the fourth quarter of fiscal year 1972.

New vehicles issued to Army units during the period include the M-561 1¼-ton truck, more familiarly known as the Gama Goat. The six-wheeled vehicle has separate tractor and carrier bodies connected by an articulation joint which permits them to pitch and roll in relation to one another and maintain tire-to-ground contact for exceptional cross-country mobility over all terrain.

These accomplishments are noteworthy, and I congratulate General Miley and the men and women of the Army Materiel Command on these significant accomplishments.

UNFULFILLED PROMISES: EDUCATION FOR MIGRANT FARMWORKERS

(Mr. BADILLO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BADILLO. Mr. Speaker, I want to call to the attention of our colleagues another program which is supposed to benefit migrant farmworkers, but which has failed to achieve its objectives.

Given the fact that up to half of the migrant labor force is under 25 years of age and fully a fourth are between 14 and 17, there can be little doubt that educational opportunities is the most pressing need of migrant farmworkers. Migrant children generally face educational barriers and haphazard educational opportunities because they move with their families or drop out in order to supplement family incomes.

The migrant amendment to the Elementary and Secondary Education Act was supposed to deal with this problem by providing grants to the States so that they and their localities could plan and operate compensatory education programs for migrant children during the school year and/or summer session.

In 1970, 45 of the 47 States eligible to participate in migrant programs drew upon an appropriation of about $51 million. Home States tend to work on a concentrated educational program for the regular school year so that children may leave early and arrive late while host States emphasize compensatory summer session programs for preteens and teenagers. Both types of programs are supposed to attack five major needs of migrant children: language training, health and medical care, cultural development, self-image improvement, and nutrition.

The National Committee on the Education of Migrant Children recently conducted a year-long study of the status of education for children of migratory farmworkers. Their report, Wednesday's Children, was highly critical of the program. The report notes that it is poorly funded at the national level and has low priority within the U.S. Office of Education.

Moreover, the program is the victim of poor planning and implementation. This results in unspent funds and, of course, no benefits for migrant children. For fiscal years 1967, 1968, and 1969, $12.1 million was returned unspent by the States and another $4.4 million was unallocated. Over these 3 fiscal years, then, $1.7 million of appropriated funds went unused. Think of the number of children who might have been reached with these funds.

One of the problems facing this program is the impossibility of estimating how many children are being served. At the time of NCEMC's study, neither unduplicated enrollment figures nor average daily attendance records for migrant children were available. NCEMC did turn up evidence, however, that many eligible students were not being reached by the program.

The study also criticized the fragmented, hit-or-miss approach adopted by most States. No national thrust or program leadership was provided by the Office of Education which has opted instead for a policy of deference to local and State practices. This lack of leadership has caused difficulties in many areas, not the least of which is the haphazard approach to staffing of the program.

Allow me to quote at length from the report on staffing policies in several northern States—Illinois, New Jersey, New York, Washington, and Wisconsin.

> It was in northern projects that the phenomenon of predominantly Anglo professionals serving predominantly Mexican-American, Negro, or Puerto Rican migrant children was most striking. In many communities, "home folks first" had been institutionalized into a fixed employment policy. (This is the policy of offering employment to local teachers or professionals regardless of special training or abilities.) In only one did minority groups give evidence of being strong enough to even begin to protest this policy.
>
> In a New York State school district with large numbers of poor Negro and Puerto Rican children, not a single principal or teacher in nine schools of the district was Negro or Puerto Rican. It was stated that several Negro teachers have been accepted for employment, but only one had ever taught there (he stayed one year) because the others had been unable to find suitable housing in the town. Of the eight school-year aides, four were Puerto Rican, two were Negro, and two were Anglo. In addition, two "reverse Peace Corps" volunteers from Costa Rica and Argentina were providing many educational and social services which were otherwise completely unavailable to Puerto Rican children and parents. In the 1969 summer migrant education project (pupil enrollment 70% Puerto Rican, 20% Negro, 10% Anglo), teachers had been 100% Anglo. However, the director reported utilizing a number of recruitment sources from outside the school system to try to build a more heterogeneous staff for the 1970 summer school.
>
> In all other summer projects visited (in the Northern states), all teachers were Anglo. However, one director and two supervisors were Mexican American, and a fairly substantial number of home-school coordinators, classroom and community aides were minority group members.
>
> As indicated by local questionnaire response, only 28% of the 1968-69 regular school year programs and 46% of the 1969 summer programs in our sample employed any migrant adults in any capacity.
>
> Of the large numbers of aides observed in 1970 summer migrant education programs, few were recruited from the migrant stream. In the Illinois and New Jersey projects we observed, there were, to the best of our information, no current or former migrants employed as aides. In a New York summer school, two teen-age aides were migrants (they expected to return to Florida and graduate from high school the following

school year). A Washington State summer school employed two former migrants as aides. In one Wisconsin summer school, ten of the 21 teen-age Neighborhood Youth Corps aides were migrants; in another Wisconsin community, one migrant mother was employed as the only aide in the summer school program.

The NCEMC also found "wide variations in the amount and quality of in-service staff training. In most projects, they found little evidence that in-service training programs were having an important impact on day-to-day classroom performance."

This is another example of a Federal program that needs to be made to work as intended before Congress attempts to write new legislation of benefit to migrant farm workers. The program has great potential, but this potential is not now being realized because of weak leadership from the Office of Education and inadequate funding for the program by the Congress. We can easily remedy these faults.

A POSITIVE APPROACH TO FOREIGN TRADE ILLS BY CHAIRMAN MILLS

(Mr. FULTON of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FULTON of Tennessee. Mr. Speaker, every day in many a painful way it becomes more and more evident that the administration's quixotic policies have not, are not and will not ease the many economic ills which continue to plague the Nation.

Indeed, it appears that unless the Congress exerts its leadership the current dose of Republican "prosperity" may well spell economic disaster for the country.

The latest ill is in the field of foreign trade where it appears the United States may, this year, run a staggering deficit for the first time in nearly a century.

Fortunately there are level heads and keen intellects who see the need for action now and have positive proposals.

Yesterday, in fact, some excellent recommendations on the urgent matter of eliminating our balance-of-trade deficit and reasserting America's will and ability to resume its leadership in this field were offered by Chairman WILBUR D. MILLS in a speech delivered at the Washington Press Club. I insert Mr. MILLS' speech in the RECORD at this point and commend it to the consideration of our colleagues:

REMARKS OF THE HONORABLE WILBUR D. MILLS

I was most pleased to agree to your President's request and to be the first speaker of the Washington Press Club's 1971–72 year. I don't know whether or not there is significance in the fact that the Washington Press Club operates on a fiscal year basis. I know the Federal Government from time to time has shifted its collection of taxes from one fiscal period to another for the obvious purpose of collecting more revenue at an earlier date.

I certainly assumed when I agreed to come that your Club is on a sound financial basis. In recent months, I have had the honor of addressing a number of gatherings throughout the country. In some instances, the parties are of the opinion that their financial plight needs the assistance of the Federal Government in the form of general revenue sharing. My message has been one of understanding of their problems but also one of assurance that the only general sharing that the Federal Government is capable of at this time is a general sharing of budgetary deficits. Thus, if this Club is interested at all in the possibility of revenue sharing, my message to you is the same.

I would nevertheless like to generally share a few thoughts with you on a different, but no less continuing, deficit this country faces. This is the deficit situation in the United States balance of payments. It was recently estimated that the United States balance of payments for the second quarter of this year will range between $6¼ and $7 billion, depending on the method of computing the deficit. This compares with a $5.5 billion deficit for the first quarter of this year in terms of official government figures on the official reserve transactions balance. Thus, on the basis of this most recent estimate, the United States deficit in its international transactions on the official settlements basis is running at an estimated rate in excess of $20 billion, annually. This situation, in my opinion, requires immediate attention and, I might add, affirmative action.

As you are aware, the post World War II economic policies of the United States were achieving by the end of the 1950's many of the goals which had been set forth—expanded international trade through trade liberalization, encouragement of economic growth abroad through foreign assistance programs, and an international monetary system with freely convertible currencies for most of the major countries.

In pursuing these policies, however, we failed to take into account that the outflow of dollars, on balance, represented a shift in productive capacities throughout the world. Further, we have not responded to some of the underlying reasons for the continued shift of productive capacities abroad and the economic adjustments that are resulting, which are discernible in terms of our balance of payments accounts.

Moreover, the measures previously adopted have not been successful in reducing the outflow of dollars. As our payments deficits have continued, the value of the dollar in international currency markets is becoming increasingly dependent on the willingness of others to hold large and increasing supplies of dollars. Thus, I submit that continued balance of payments deficits of the magnitude occurring the first quarter of this year and estimated for the second quarter are creating a crisis of confidence which the United States cannot afford.

It is usually concluded by those who recommend a passive stance by the United States on the payments deficits that the primary responsibility of the United States and the most effective action the U.S. can take is to control its inflation and restore vitality to its economy.

I could not agree more that this is the number one issue facing the country today, and obviously not just for balance of payments reasons. I have, of course, previously made my views known on the need for an effective incomes policy in view of our continuing inflation, the high rate of unemployment and pessimistic projections of capital investment trends.

The Administration may be committed to reasonable price stability and reasonably full employment (although there are some doubts about the later). In point of fact, neither is being achieved.

As it has been observed, we cannot reduce our payments deficits without becoming more competitive. I would observe we cannot become more competitive unless our producers are assured of some stability in their costs, and our workers are assured of some stability in their cost of living. Here again we have a crisis of confidence that deserves more action and less benign neglect, for even a benign irritation, if left unattended, can become fatal.

We cannot wait for fundamental adjustments in the international monetary system; nor can we afford the time it will take for other nations to make difficult but clearly required decisions regarding the value of their own currency and their own economic policies.

Between 1962 and this year, our gross national product rose 74 percent; and exports rose 99 percent. However, imports rose 144 percent over the same period. And although exports rose more than GNP, the United States exports declined as a share of total world exports. Thus, it is hard to refute the conclusion that our procedures have become relatively less competitive in world markets. We can no longer ignore the aggregate effect of trade practices and government actions abroad that place our producers at a disadvantage in this market and in expert markets.

As our international position has evolved from a position of leadership to one of partnership in international economic affairs, reflecting the shift in comparative economic strength, we must regain the flexibility to take action consonant with the economic adjustment problems we face.

Moreover, in exploring the possibility of action to alleviate immediate problems, we must assume that other countries will be understanding of our problems and cooperate in finding solutions. In my conversation with foreign officials, I find that they are strong and effective advocates against United States actions that might impinge on their own trade and economic interests. Just as important, I also find they are realists in recognizing that this country has the right and the obligation to take action or alternatively and sometimes preferably to seek their cooperation in preventing basic imbalances in economic forces from endangering the whole framework of international economic cooperation that both they and we have sacrificed so much to achieve.

In my opinion, the United States must act promptly to correct the disequilibrium in its international economic relations before further outflows of dollars bring about a crisis from which none of the trading countries of the world could completely escape.

There are a number of approaches which can be adopted which could bring about a more immediate redress in some of our international payments accounts. One of the approaches that was proposed by the Administration last year and included in the Trade Act of 1970 is the Domestic International Sales Corporation (DISC). This proposal recognizes that to some extent our own tax laws encourage investment in productive facilities abroad rather than export sales of products produced in this country.

I believe the DISC proposal to be responsive to some of the many pressures facing United States firms to shift their productive facilities to foreign countries rather than maintaining their productive facilities here. I believe it to be completely in the interest of the United States workers, many of whom are becoming concerned that the shift of productive facilities abroad is threatening their employment opportunities.

In view of the strong support of the Administration last year, I have been somewhat surprised that it has failed to formally forward the DISC proposal to the Congress this year or to request any priority action in this regard. I believe the DISC proposal should be given an order of high priority and have so indicated this to Administration officials.

Just as the role of the dollar in the international monetary system at this time makes it difficult to change the value of the dollar in reference to other currencies, some of the international trade rules agreed to years ago, while serving the interest of our trading partners are inconsistent with our own practices and place our producers at a disadvantage in world markets. One example is the border tax system based on the value added tax most European and many other countries have adopted.

The disadvantages to United States producers stemming from border tax systems, particularly in the European Economic Community, have been the subject of much international discussion, all of which has been quite fruitless in terms of removing the disadvantages to the United States. Despite the lack of accommodation on the border tax issue, the border tax system itself has implications for our current situation and may offer a temporary solution to growing unsatisfactory conditions in our trade balance, pending more fundamental improvements in our economic posture.

An export rebate/import surcharge approach is what I have in mind. Obviously, such a proposal has many significant ramifications in terms of both the position of the United States in the world economy and in its relations with individual countries.

However, the recent trends in trade are so disadvantageous as they relate to our balance of payments situation that every consideration should be given to this means of restoring some equality for United States producers in world markets. Obviously, a sizable border adjustment for balance of payments reasons would necessarily be temporary. On the other hand, if other countries with value added tax systems find it impossible to reach some arrangement with the United States on the effects of the border tax system, I feel that a permanent system of tax adjustment at the border reflecting the incidence of domestic taxes in the United States should definitely be considered.

I am aware that other countries and many interests in our own country will decry even the examination of this proposal. They will again point to international rules which prohibit such measures, even for legitimate balance of payments reasons. These same rules, of course, did not prevent at least three of our major trading partners in the last decade from adopting import surcharges and two countries also granting export rebates in response to their own balance of payments problems.

In my opinion, the Committee would welcome the opportunity to explore the ramifications of this type of an approach in view of our pressing balance of payments and balance of trade situation.

There are, of course, other measures that can be taken less directly related to the competitive position of domestic producing interest, but nevertheless meaningful in reducing the outflow of dollars.

One example is the authority given the President, as yet unused, to impose the interest equalization tax on short-term funds being placed abroad.

In 1970, short-term capital outflows rose to a level of about $1.1 billion. In the first quarter of 1971, this short-term outflow continued to worsen, reaching an annual rate of more than $1.3 billion. In the case of liquid bank claims, the outflow more than doubled—going from $119 million in 1970 to $288 million (at an annual rate) in the first quarter of 1971. The biggest shift, however, was in the category of nonbank liquid short-term capital flows. Here, our position changed from an inflow to the United States of $392 million in 1970 to an adverse outflow in the first quarter of 1971 to $640 million (on an annual rate basis)—a shift of over $1 billion. While the figures on short-term capital outflow still are not available for the second quarter of 1971, I think it is obvious that the situation worsened considerably, at least up until the time of the revaluation of the mark.

This precipitous outflow of short-term capital funds is something which the Congress realized might be happening when it last acted on the interest equalization tax. It was to check outflows such as those we have just experienced that the Congress gave the administration standby authority to impose the interest equalization tax on debt obligations of less than a year. The widest possible latitude was given the administration to exclude categories of debt involving business or personal transactions, to avoid affecting short-term loans made to assist business enterprises of U.S. persons. However, it was contemplated that this authority would be used in connection with nonbusiness related bank deposits, bank acceptances, commercial paper and certificates of deposit. These are the outflows motivated primarily by an interest rate gain or a gain due to exchange rate fluctuations.

The administration was given this authority to minimize this outpouring of short-term investment capital during difficult periods of stress. However, it was a real disappointment to me that the administration failed to use this authority during the period of difficult relationships with the mark earlier this year. An innovative policy on the part of the administration would have made use of this tool provided by the Congress to deal with this problem.

One of the major sources for the continued outflow of dollars has been the military assistance programs and related military activities abroad. In view of the seriousness of our balance of payments situation, quite aside from the question of our continued military presence in Europe, I feel that immediate talks should be held with our NATO allies toward the complete elimination of the net balance of payments costs to the United States for its share of defense commitments in costs to the United States for its share of defense commitments in Europe.

I have discussed the various approaches outlined above because of my conviction that the balance of payments situation demands action by the United States Government, cooperation of American commercial and financial interests that might be affected by these proposals, and the understanding and cooperation of our friends abroad. There undoubtedly are other measures that should be considered. Insofar as they involve proposals within the jurisdiction of the Committee on Ways and Means, I believe, the committee would give high priority to any responsible interim measure to reduce the dangers in our balance of payments problem.

I certainly recognize that some of these measures if implemented could have significant repercussions. I think we must recognize, however, that the continued strength of the dollar must rest as it has in the past on the productive and competitive capability of our own producers and their workers and the wisdom and expertise of our financial community.

As has been stated before, we cannot reduce the deficit in our balance of payments unless we become more competitive. We cannot become more competitive until we stem the inflationary tide and restore Vitality to our producing economy. Nor will more stable price trends suffice in view of the many disadvantages facing our producing interest. This is why temporary measures are necessary to mitigate these disadvantages until more sound conditions of trade can be established with the cooperation of our trading partners.

Quite aside from these measures I have discussed there is undoubtedly a need to reorganize and strengthen the international monetary system. The fundamental changes in that system that are required will obviously take a long time to accomplish. The extent to which any change in the international monetary system will be reflective of the long-run interests of the United States depends to a large degree upon the amount of confidence other countries have in our ability to act with wisdom and understanding. I believe that such confidence requires that we act now in those areas in which we can move toward restoring balance in our international accounts.

AIR SAFETY DEMANDS COLLISION AVOIDANCE SYSTEM

(Mr. FASCELL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FASCELL. Mr. Speaker, the tragic mid-air collision today in northern Japan hit close to home. The flight engineer on the All-Nippon Airways—ANA—Boeing 727 was Donn M. Carpenter, of Miami, Fla.

The air collision disaster, the worst single loss-of-life incident in aviation history, claimed over 160 lives.

This tragedy could have been avoided. Mid-air collisions need not—and, indeed, should not—occur. Inexpensive collision avoidance systems can, and must, be perfected.

In 1967, shortly after the mid-air collision in Asheville, N.C., which claimed the lives of 82 people, including nine Floridians and the Secretary-designate of the Navy, I introduced legislation to encourage the development of an effective, economical collision avoidance system for use by all aircraft.

Today, despite rapidly developing technology, the vast majority of aircraft flying over this country do not have the benefit of such a device. The present cost of collision avoidance systems is prohibitive for all but the commercial airlines.

Last year the House Government Operations Committee, of which I am privileged to be a member, issued a 2-year investigative report outlining the deficiencies in air traffic control improvement programs.

At that time I said that Federal aviation efforts to develop a low-cost collision avoidance system for small aircraft had failed to keep pace with the increasing traffic control crisis.

The magnitude of the problem is shown by the fact that approximately 80 percent of all aircraft are of the smaller general aviation category, flying under visual flight rules outside the control of radar and air controllers on the ground.

I believe that the technological capability exists to develop a reasonably priced collision avoidance system and that it is now appropriate for the Congress to direct the development of that system.

Accordingly, I am today introducing legislation to require the Secretary of Transportation to coordinate and take whatever steps necessary, including research and development, to make available as soon as possible a collision avoidance system for use on all civil aircraft.

The bill also specifically directs that the collision avoidance system must be sufficiently low in cost so that it will not impose an unreasonable economic burden on air carriers and other aircraft owners and operators.

Mr. Speaker, I urge our colleagues to join in support of this vital legislation. No effect is too great to avoid the tragic loss in life and property that inevitably accompanies a needless air disaster.

THE CROSS FLORIDA BARGE CANAL PROJECT

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Florida. Mr. Speaker, in the Public Works Appropriation bill, H.R. 10090, which passed this House yesterday, there were included funds for the phasing out of the Cross Florida Barge Canal project. My purpose in making this statement is to make it clear to my colleagues that the approval of funds for this project is for the purpose of terminating the project and that by no means can the term "continued funding" be misconstrued to read "continued construction."

The funds necessary for the termination of this project were agreed upon by the members of the Florida delegation prior to their approval of the Florida fund request. The Corps of Engineers has been directed to close down the project and the funds appropriated will be to allow completion of work on the existing canal projects necessary to leave construction on the project in a safe condition and the Corps shall have flexibility within the amount budgeted to take such settlement actions as may be appropriate in connection with this project. Careful research has been made of this stipulation in the bill and I have the concurrence of my distinguished colleagues, Congressman JOHN RHODES, ranking member of the Subcommittee on Public Works of the Appropriations Committee, that my understanding of the language of the bill is correct.

When agreement on this matter was reached by the Florida delegation it was so reported by several Florida newspapers and at this point I would like to include the text of one of these articles and call special attention to the reference to the delegation supporting the funds to close out the canal projects.

The recorded vote on the Public Works Appropriation bill will show that the members of the Florida delegation remain steadfast in their stated agreement that funds be appropriated for the phasing out of the Cross Florida Barge Canal and should not be misinterpreted as a vote to continue the canal.

The article follows:

[From the Fort Lauderdale News, May 27, 1971]

DELEGATION ON OPPOSITE BANKS AFTER CANAL DISPUTE

(By Tom Vinciguerra)

WASHINGTON.—The Florida congressional delegation's deep split over the shutdown of the Cross-Florida Barge Canal has lofted dark clouds over federally financed public works in South Florida.

The procanal old guard Democrats of the delegation, headed by Rep. Robert Sikes, D-Crestview, turned a delegation luncheon yesterday—traditional during Florida's annual pitch for pork barrel funds—into a eulogy over the demise of the delegation's historic unity on public works projects.

NEAR-DONNYBROOK

Pouring oil on troubled waters, Rep. Sikes, delegation dean, said: "If we fight each other's projects in this delegation, we lose cohesive ability to stand together and work for all of Florida."

The Florida luncheon in the Capitol, sandwiched between Senate and House appearances of Florida officials before congressional committees, nearly erupted into a donnybrook.

For years, Sikes said, the Florida delegation worked together to support each other's public works project. He said he hoped the luncheon would not be the last time the delegation was together.

Then the anticanal members of the delegation had their say. Republican Bill Young Pinellas County's freshman congressman who has been backing President Nixon's shutdown of the Cross-Florida Barge Canal all the way, was not moved by the historic split in the Florida delegation.

On his feet, Young told his colleagues: "Whenever politicians meet and always agree on something, the people better watch out."

He said he would continue to vote his convictions.

LAMENTS SPLIT

Rep. Charles Bennett, D-Jacksonville, canal advocate battling President Nixon's shutdown on legal grounds—he says the President can not withhold money the Congress votes to spend—said he was going through a "chilling experience with regard to government."

Bennett pledged to continue to judge each Florida project on its merits, but he lamented the split in the delegation over the canal.

Republicans J. Herbert Burke, R. Broward, and Louis Frey, Orlando, canal opponents, sent aides to the luncheon.

Rep. James Haley, D-Sarasota, who opposes the canal, quoted former Speaker Sam Rayburn as telling him once he had better reflect the views of 51 per cent of his constituents or he would not be a congressman long.

His constituency, said Haley, is against the canal.

Rep. Bill Chappell, D-Ocala, canal proponent, said the shutdown would do more to damage ecology than help it.

ENDORSE FUNDS

All the congressmen said they support the canal authority's request for $5 million to phase out the facility, which runs from Yankeetown to Jacksonville.

The $12.6 million request of the Central and Southern Florida Flood Control District (FCD), while endorsed unanimously, still was not seen as a shoo-in.

Under questioning, some of the Florida lawmakers mentioned the problems of cutbacks in government spending and the fight against inflation.

Between the lines, observers read that pork barrel backscratching in the Florida delegation is over. The FCD may have to rely on the South Florida congressmen alone to push through the budget request unscathed if push comes to shove over funds.

The shutdown will come behind closed doors of the committee, where strings are pulled. The old guard North Florida Democrats, who pull powerful strings in Congress because of their seniority, put the canal opponents in South Florida on notice.

CHILDHOOD LEAD POISONING

(Mr. RYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYAN. Mr. Speaker, I am pleased to announce to the House that today the Senate adopted an amendment to its version of the Labor-HEW Appropriations bill for fiscal year 1972, adding an additional $7.5 million to the $7.5 million reported by the Senate Appropriations Committee to fund the Lead-Based Paint Poisoning Prevention Act (Public Law 91-695). Thus, the Senate bill now contains a total of $15 million to combat childhood lead poisoning.

While this is a commendable step—and I particularly commend the senior Senator from Massachusetts (Senator KENNEDY) who offered the amendment on behalf of himself and the Senator from New York (Senator JAVITS) and the Senator from Pennsylvania (Senator SCHWEIKER)—the amount provided by the Senate is still $10 million below the amount authorized by the Lead-Based Paint Poisoning Prevention Act.

I urgently hope that the House conferees will accept the full amount provided in the Senate bill when they convene in conference, so that a meaningful Federal assault on childhood lead poisoning can begin.

HOGAN INTRODUCES RESOLUTION FOR SAFEKEEPING OF HUNGARIAN HOLY CROWN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 10 minutes.

Mr HOGAN. Mr. Speaker, I am today introducing a concurrent resolution expressing the sense of Congress that the Holy Crown of St. Stephen should remain in the safekeeping of the U.S. Government until Hungary once again functions as a constitutional government established by the Hungarian people through free choice.

I am very pleased, Mr. Speaker, that the following colleagues have chosen to cosponsor this resolution with me:

Mr. ADDABBO of New York.
Mr. ANDERSON of Illinois.
Mr. BRASCO of New York.
Mr. BYRNE of Pennsylvania.
Mr. CRANE of Illinois.
Mr. DERWINSKI of Illinois
Mr. DULSKI of New York.
Mr. FORSYTHE of New Jersey.
Mr. FUQUA of Florida.
Mr. HALPERN of New York.
Mr. HELSTOSKI of New Jersey.
Mrs. HICKS of Massachusetts.
Mr. HORTON of New York.
Mr. KEATING of Ohio
Mr. KEMP of New York.
Mr. LANDGREBE of Indiana.
Mr. MCKEVITT of Colorado.
Mr. MONAGAN of Connecticut.
Mr. PELLY of Washington.
Mr. PUCINSKI of Illinois.
Mr. ROUSSELOT of California.
Mr. SANDMAN of New Jersey
Mr. SCHERLE of Iowa.
Mr. WILLIAMS of Pennsylvania.

Last week, July 19-23, many of our colleagues rose in this Chamber and commemorated the 13th annual observation of Captive Nations Week. In my own remarks on July 21, I noted that every year, during this observance, much talk is bandied about, deep concern is expressed, and much tribute is paid to the many who suffer under Communist oppression. However, it is rarely possible to take some kind of constructive action which will live on after the well-meaning words have long since died away.

Mr. Speaker, today, just one week after rising in this Chamber to acknowledge our concern about the plight of the Captive Nations, some of us in this body are taking some constructive action in the form of the concurrent resolution which I am today introducing. While this resolution will affect only the peoples of one Captive Nation—Hungary—I believe it will indicate that the annual tributes of the American Congress during Captive Nations Week are not just so many empty words.

With this in mind, I would like to offer a word of explanation about the need for the resolution I am introducing today. In 1945, the Holy Crown of St. Stephen was entrusted to the U.S. Government for safekeeping until such time as Hungary became free once again to function as a constitutional government established through free choice. The Holy Crown is a national treasure of immense historical and symbolic significance to Hungarians, and American-Hungarians, who believe that governmental power is inherent in the Holy Crown itself.

In the course of recent diplomatic negotiations it has become apparent that a possibility exists that the Crown may be returned in an effort to promote American-Hungarian relations. My concurrent resolution expresses the sense of Congress that this not be done until Hungary again functions as a constitutional government established by the Hungarian people through free choice. We must not break our sacred trust and thereby indicate our lack of hope in Hungary's future. The Holy Crown of St. Stephen must be kept in trust in America, and we must uphold the belief of Hungarians everywhere that someday freedom and independence will return to Hungary, as well as to other Captive Nations.

Mr. Speaker, I ask that this concurrent resolution be included at this point in the RECORD.

H. CON. RES. 385

Concurrent resolution expressing the sense of Congress that the Holy Crown of St. Stephen should remain in the safekeeping of the United States Government until Hungary once again functions as a constitutional government established by the Hungarian people through free choice

Whereas the Holy Crown of St. Stephen is a national treasure of great symbolic and constitutional significance to the Hungarian people; and

Whereas the United States Government is in possession of the Holy Crown of St. Stephen, it having been entrusted to the United States in 1945 for safekeeping until Hungary should once again function as a constitutional government established by the Hungarian people through free choice; and

Whereas Hungary is presently under the control of an atheistic communist regime in whose interest it would be to destroy the Holy Crown of St. Stephen; and

Whereas the communist government of Hungary has proposed that the Crown be given to that government in order further to improve the atmosphere of American-Hungarian relations; and

Whereas relations between the United States and the communist government of Hungary have gradually been resumed, and discussions have taken place with a view to the settlement of various longstanding bilateral problems; and

Whereas it is possible that the Holy Crown may be considered as a negotiable item by the United States Government; and

Whereas the hopes of the oppressed people of Hungary for a future of freedom and liberty, and the hopes of their brothers and sisters the American-Hungarians in this country, will be dashed if the United States Government breaks its sacred trust and relinquishes the Crown: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the Holy Crown of St. Stephen should remain in the safekeeping of the United States Government until Hungary once again functions as a constitutional Government established by the Hungarian people through free choice.

CONGRESSIONAL MEDAL OF VALOR FOR NEXT OF KIN OF POW'S AND MIA'S

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 5 minutes.

Mr. TALCOTT. Mr. Speaker, the war in Indochina is tragic, cruel, and curious beyond description. Almost uniquely, there are no heroes—although magnificent acts of heroism have been performed.

"Loyalty," "bravery," "dedication," "duty," and "competence" are words practically unseen and unheard in the record numbers of the volumes written, recorded, and televised about this miserable war—although loyalty, bravery, dedication, competence, and performance of duty have been displayed in unsurpassed degree by our military forces who have been ordered to wage the longest, most frustrating war in our history.

Perhaps our POW's and MIA's will be the heroes—as well as the hostages and pawns—of this interminable war.

If the POW's and MIA's are not to be heroes—if they are, instead, to be merely human sacrifices on the altar of our fumbling forays into the thankless business of preserving peace and safeguarding personal security; or if they are, instead, to continue to be human pawns in the complex chess game of international politics between the free world and those marauders behind the iron, bamboo, and jungle curtains—then I humbly submit that the next of kin of our POW's and MIA's are heroes or heroines above compare.

I have been privileged to know and serve in combat with some extraordinary Americans—including recipients of the Congressional Medal of Honor—but never have I known a more patriotic, brave, courageous, or devoted group than the wives and families of our prisoners of war and those missing in action.

Never has a nation owed so much to so few.

None of us can appreciate the agony and grief, the interminable waiting, the distress of family separation at the most vital time of family life, the day-in, day-out frustration of not knowing whether one's loved one is dead or alive.

None of us can achieve the only desire of the next of kin; namely, that their servicemen be returned to freedom promptly, safely, and soundly. The next of kin are even more helpless.

We can, and should, express our compassion for the horrendous ordeal of our POW and MIA families, our gratitude for their service, our recognition of their heroism and valor. To offer a mere token of our Nation's gratitude and in recognition of the extraordinary loyalty, courage and valor of the next of kin of our POW's and MIA's, I have proposed and introduced House Joint Resolution 811 to establish the Congressional Medal of Valor, the complete text of which I insert at this point in the RECORD. I trust it is self-explanatory.

The resolution follows:

H.J. RES. 811

Joint resolution to establish the Congressional Medal of Valor and to authorize its award to certain next of kin of servicemen missing in action or prisoners of war in Indochina by the President with the advice and consent of the Congress

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

We, the Members of the Senate and the House of Representatives:

In humble gratitude for the heroic sacrifices of our servicemen who have become prisoners of war or missing in action while serving our Nation on missions in Indochina; and

Quite mindful that the only award their wives and families would ever want is the early safe and sound return of their men to freedom; but, nevertheless,

Recognizing the distress and frustration inflicted upon the families of these servicemen by reason of the paucity of information furnished by their captors to their families regarding their condition and whereabouts; and

Understanding the anxieties and mental tensions imposed upon the families of these men by reason of the refusal of their captors to permit satisfactory communication between prisoners and family; and

Appreciating the anguish and grief of not knowing for long periods of time whether one's husband, father, son, or brother is dead or alive, ill or well, injured or sound, tormented or at ease; and

Respecting their steadfast endurance of these and other agonies; their quiet patience—in the face of the interminable waiting; and their remarkable forebearance—in spite of continuous propaganda and psychological warfare waged directly and indirectly against them from home and abroad; and

Admiring their quiet personal bravery; their public gallantry—in spite of their private grief; their selfless spirit of mutual support—in spite of the dirth of public knowledge or appreciation of their plight; their loyalty to their Nation and its ideals—despite the drumbeat of doubts urged upon them by various foreign enemies and domestic adversaries; their devotion to their serviceman's principles and aspirations—despite his remoteness in time and distance; their amazing grace—even while their Government's policy concerning them appeared neglect or vacillating; their incredible good cheer as they continually prepared for a happy reunion—all the while inwardly saddened by the haunting knowledge that the dreams of such a happy reunion might never occur; their abiding faith that their Government was "doing all it could"—even when nothing significant but disappointment after disappointment transpired; and their refusal to espouse any bitterness concerning the gross inequity between the humane treatment accorded prisoners of our Government, and their families, and the inhumane treatment by the enemy; and

For these and other reasons too numerous to enumerate and too poignant for us to appreciate: Now, therefore, be it

Resolved, That:

We, the Senate and the House of Representatives of the United States of America, in Congress assembled, in great admiration and boundless gratitude.

Do hereby, establish the Congressional Medal of Valor for conspicuous bravery, courageous conduct, and loyalty far above and beyond the call of any civilian duty by next-of-kin of United States servicemen missing from combat missions or prisoners of war in Indochina; and

Authorize the President to make such awards at the time and in the manner he deems appropriate, with the advice and consent of the Congress; and further

Authorize such prerequisites of such award as the Congress may from time to time deem appropriate.

Every Member of Congress represents these unfortunate servicemen and these extraordinary American families who have displayed such valorous citizenship while enduring such extreme suffering. International justice may have failed for these valorous fellow citizens, but national gratitude should pour out to them.

We ought to continuously remind ourselves that most of us have endured this far away bestial war in a secure and safe place and have enjoyed a very comfortable, cozy, and affluent life—while our POW's and MIA's suffered and sacrificed and their families endured their agony, strain, and loneliness right here among us.

I hope that the Committee on Armed Services will hold hearings promptly and that every Member will extend this token expression of gratitude.

TAKE PRIDE IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a nation.

As reported by Geography for Today:

> Good land, plus a varied climate, plenty of farm machinery, and scientific know-how makes the United States the world's leading agricultural country. There have been years when the value of our agricultural products have been greater than all other countries combined. We not only produce enough crops to make our people the best fed on earth—but we have helped feed many other parts of the world.

In normal years for example the United States produces 27 percent of the world's cotton, 52 percent of the world's corn, 33 percent of the world's oats, to mention a few.

BUS AND TRUCK SAFETY ACT OF 1971

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, a headline in The National Observer of June 7, 1971, reads "Danger Rides With Big Rigs" and beneath it is the subheading "Beware: Faulty Trucks, Drivers Are on Roads." The bare statistics on truck accidents are frightening. According to the Bureau of Motor Carrier Safety, in 1969 alone there were 47,877 big-rig smashups that killed 1,953 persons, injured 24,106 and caused $102 million in property damage. And these figures do not tell the whole story, for they cover only a fraction of the trucks on U.S. highways.

The Observer article, written by August Gribbin, declares that motorists unwittingly test their luck on untold occasions just by mingling the family car with the big rigs on the highway. The Observer states that there is evidence that significantly large numbers of long-distance truck drivers take amphetamines and drink while driving. Many pilot seriously defective machines. Others force themselves to stay at the wheel after fatigue has made them dangerous.

In New Jersey, the danger of mixing cars and trucks together has become so serious that special lanes, separated from the others, have been added to the New Jersey Turnpike for the use of cars only.

Each year, more Americans are killed on our Nation's highways than died at the height of the Vietnam war. And although the Vietnam war and American casualties have now been reduced, the slaughter on the highways continues at a frightening pace.

Today, I am introducing the Bus and Truck Safety Act of 1971. This bill would require each truck and bus under the jurisdiction of the Interstate Commerce Commission to be equipped with a tachograph, a recording instrument which provides a permanent record by chart of speed in miles-per-hour, distance traveled, and the number and duration of stops, as well as other pertinent information.

Experience in foreign countries where the tachograph is mandatory equipment shows clearly that these devices promote speed control, serve as a warning to drivers and provide accurate records for owners, drivers and law enforcement agencies. Several States already have such laws or are considering them and this year alone bills to require tachographs on buses were introduced for the first time in Connecticut, Massachusetts, and Rhode Island. A bill to require the use of tachographs on other vehicles in addition to buses was introduced in New York.

Congress and the American people have acted to reduce the killing in Vietnam. Now it is time for us to act forthrightly to reduce the killing on our highways which takes far more lives. I am hopeful that hearings can be held on this bill and that Congress will enact it at an early date.

H.R. 10267

A bill to require that buses and trucks operated in commerce be equipped with instruments to provide a record of certain operating data, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

REGULATIONS

SECTION 1. (a) (1) Not later than the one hundred and eightieth day after the date of enactment of this Act, the Secretary of Transportation (hereafter in this Act referred to as the "Secretary") shall prescribe and publish regulations in the Federal Register establishing specifications for one or more instruments for installation in buses and trucks operated in commerce which shall (A) indicate the speed of such buses or trucks, in miles per hour, (B) provide a nonresettable odometer to record the total miles traveled by such vehicle up to at least one million miles, (C) indicate by a signal, whether visible or audible, to the driver of such bus or truck when it is exceeding a specific rate of speed, and (D) provide for a permanent visible record (by chart) or (i) the speed of such vehicle (in miles per hour), (ii) the distance traveled (in miles), (iii) driver changes (if any), and (iv) the number and length of periods during which the vehicle was not operated, and (E) be attached to such bus or truck and secured from unauthorized use with a lock or seal in such a manner as to automatically indicate on the record required by clause (D) each time any such instrument or instruments are opened.

(2) Such specifications shall include specifications with respect to (A) accuracy under various forces and conditions, (B) visibility or audibility, as the case may be, and (C) resistance of such instrument or instruments to impact and corrosion.

(b) The Secretary shall by regulations provide by whom and for what period of time any records made by such instruments shall be retained.

ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 2. The provisions of subchapter II of chapter 5, and chapter 7, of title 5, United States Code, shall be applicable with respect to regulations prescribed under section 1 of this Act.

PROHIBITED ACTS

SEC. 3. (a) It shall be unlawful for any person to operate or cause to be operated in commerce any bus or truck manufactured on or after January 1, 1974, unless such bus or truck is equipped with an instrument or instruments which comply with regulations prescribed by the Secretary pursuant to section 1 of this Act.

(b) It shall be unlawful for any person to operate or cause to be operated in commerce after January 1, 1976, any bus or truck manufactured before January 1, 1974, unless such bus or truck is equipped with an instrument or instruments which comply with regulations prescribed by the Secretary pursuant to section 1 of this Act.

(c) It shall be unlawul for any person to offer for sale for use in any bus or truck or to install in any bus or truck any instrument or instruments, which are represented by such person to comply with regulations prescribed by the Secretary pursuant to section 1 of this Act, unless such instrument or instruments in fact comply with such regulations.

PENALTIES

SEC. 4. Any person who willfully and knowingly violates section 3 of this Act shall be fined no more than $1,000 for each such violation.

DEFINITIONS

SEC. 5. As used in this Act—

(1) The term "commerce" means commerce between any place in a State and any place outside thereof, or between places in the same State but through any place outside thereof.

(2) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and any possession of the United States.

(3) The term "motor vehicle" means any

vehicle driven or drawn by mechanical power which is manufactured primarily for use on the public streets, roads, or highways, except any vehicle operated exclusively on a rail or rails.

(4) The term "bus" means any motor vehicle designed to carry more than eight passengers.

(5) The term "truck" means any motor vehicle designed to carry property in furtherance of any business activity.

The text of the article from The National Observer follows:

[From the National Observer
June 7, 1971]

DANGER RIDES WITH BIG RIGS—BEWARE: FAULTY TRUCKS, DRIVERS ARE ON ROADS

(By August Gribbin)

You may drive superbly—like an Al Unser of the sedan set. But skill avails little when a passing tractor-trailer heaves a wall of water from a wet road and drowns out your vision, or when a 70,000-pound van follows too closely down a steep hill and there's no way to elude it. Then you trust to luck.

In fact, motorists unwittingly test their luck on untold other occasions just by mingling the family car with the big rigs on the highway.

There is evidence that significantly large numbers of long-distance truck drivers take amphetamines and drink while driving. Many pilot seriously defective machines. Many force themselves to stay at the wheel after fatigue has made them dangerous. This despite industry concern and sometimes lavish spending on safety.

ACCIDENT RATES DECEIVE

Similar past allegations have had small impact, largely because they lacked proof. Many motorists recoil at such reports, for they've come to regard big-rig truckers as the best, most-courteous drivers on the road. Truckers change flat tries for elderly ladies and help other distressed motorists. Besides, it obviously takes skill just to maneuver a giant truck.

Truck companies and the American Trucking Associations, Inc. (ATA), the industry's trade organization and lobbyist, explain—correctly—that trucks' accident rate is lower than cars'. They say the rate keeps dropping even though more trucks take the road each year. The rate for all trucks is 14.6 accidents per million miles driven, according to ATA figures; later National Safety Council statistics put it at 12.6. The rate for cars is 27.7.

Yet the small Bureau of Motor Carrier Safety, the Department of Transporation's truck-safety policeman, has intensified and expanded its accident investigating and reporting in recent months. Its files now abound with illustrations of the threats big rigs pose.

Examples?

In early morning on U.S. Highway 70 outside Roswell, N.M., a tractor-trailer eased onto the wrong side of the road toward an onrushing Buick, which defensely swerved far onto the road shoulder. Still the truck rammed it, killing its four occupants.

Federal officials blamed the trucker, terming him "negligent, . . . inattentive, dozing, or very possibly disoriented" because a "psychological or physical disorder" made him unable to stay awake while driving in darkness.

A truck lugging bombs over U.S. 75, which meanders through Coalgate, Okla., tried to make a right turn in the town. The rig flipped. The bombs didn't detonate, but two persons suffered injuries; property damage totaled $10,000. Official finding: The truck's improperly secured load shifted, tipping the trailer.

Near Rockland, Fla., a tractor-trailer hauling grapefruit roared up behind a line of five cars pausing at a traffic light on U.S. 1. It didn't stop. Three persons died; six were hurt. Federal officials said the driver "had amphetamines in his possession."

ONE YEAR'S TOLL: 1,953 DEAD

Outside Ashton, Idaho, a runaway tractor-trailer hit a herd of cattle on a bridge, then bounded to a river bank below. The driver died. Federal officials said the truck's brakes were "almost nonfunctional and so badly neglected that [the truck] obviously had been in a dangerous condition for a relatively long period of time."

Investigators said the trucker had not kept the mandatory driving log properly, lacked a valid medical certificate, and apparently had not slept more than 2½ hours in the 29 hours preceding the crash. Among his effects was an empty whisky bottle with a partially dissolved tranquilizer in it.

Freakish, isolated incidents? Not at all.

Bureau of Motor Carrier Safety (BMCS) files contain reports of 47,877 big-rig smashups that killed 1,953 persons, injured 24,106, and caused $102,051,590 in property damage in 1969. The BMCS hasn't completed its 1970 tally yet, so The National Observer hand-counted 1970 reports of the six largest—and purportedly the most safety-conscious—trucking companies.

Those six carriers alone had at least 4,317 accidents in which 36 persons died and 96 others were injured seriously. The totals are conservative, because some carriers' files spanned only eight months.

Roadway Express Inc., Akron, Ohio, the nation's third-biggest carrier by ATA reckoning, topped the list with an 11-month record of 790 accidents, killing 16 persons and seriously injuring 21. R. R. Johnstone, Roadway vice-president, refused to converse about "such a sensitive subject as safety" over the phone.

Asked again, by telegram, to comment and to reply to a Roadway driver's criticism of Roadway's safety program he wired: "Suggest you review steady improvement in safety performance before accepting criticism of one driver as fact." In 1969 Roadway reported 869 crashes that took 29 lives and hurt 427 persons. How many were seriously injured isn't known. The bureau's 1969 figures don't show the degree of injury.

The file of the nation's biggest carrier, United Parcel Service, New York City, lacked a month's accounting from an Ohio subsidiary. Otherwise it reported 629 accidents, 10 fatalities, and 13 serious injuries. A company spokesman remarks: "Unfortunately we are all the victims of human folly—if not ours, then someone else's."

FIGURES DON'T TELL ALL

The nation's second-largest carrier, Consolidated Freightways, Inc., Menlo Park, Calif., reported 1,093 crashes that killed 26 persons and injured 492 in 1969. Consolidated's 1970 file shows 400 wrecks causing five fatalities and 13 serious injuries in eight months.

O. H. Fraley, Consolidated's executive vice-president, comments: "We don't like to talk in terms of the number of accidents. No other company does. The number of accidents is relative to the number of miles driven. The number might look large, but the frequency rate of truck accidents is going down. Our road-accident frequency in 1970 was 16 per cent lower than in 1969."

Not even the BMCS contends that its statistics realistically portray the state of big-truck safety. Its figures are far too conservative, for they cover only a fraction of U.S. trucks.

Arthur MacAndrew, chief of the bureau's compliance division, explains: "Some 18,000,000 U.S. vehicles carry truck-license tags. Of those only 5,000,000 are the medium and heavy trucks we're concerned with. About half of those big rigs engage in interstate commerce and thus come under our jurisdiction. Really we deal with and get our data from roughly 10 per cent of the nation's truck fleet."

Besides, bureau officials have discovered that at times companies don't report accidents. All mishaps causing $250 property damage, personal injury, or a fatality must be reported.

But last fall, for example, the bureau alleged that Thunderbird Freight Lines, Inc., of Phoenix failed to report accidents. For that and other reasons Thunderbird was fined $3,000.

Moody Suter, Thunderbird's vice-president for safety, comments: "They charged us with 15 counts of failure to file [reports of accidents causing $16,600 in property damages]. We got that cut to about six charges that we didn't contest."

Evidence of big-rig safety problems comes from other sources too:

The National Safety Council has compiled information from 23 states and tallied 725,000 big-rig crashes in 1969. They killed 4,700 persons.

The New Jersey Turnpike Authority says large trucks constitute 12 per cent of its road's traffic. But they're involved in 31.1 per cent of all accidents and in 61.8 per cent of all fatal accidents.

The University of Michigan's Highway Safety Research Institute found large trucks "overinvolved in accidents" in Oakland County, Michigan, which is traversed by main roads connecting Detroit with Flint and Saginaw. The discovery is based on one of the first applications of a formula that considers known accident-causing factors and comes up with "accident norms" for various kinds of vehicles.

John Reed, a former governor of Maine who heads the National Transportation Safety Board, declares: "I say the big trucks do pose a significant safety problem. The generally strict Federal regulations apply only to 10 per cent of the trucking industry. States' rules cover all trucks, but the states' rules aren't now good enough to get bad drivers off the roads. We need an upgrading of those regulations."

COWCATCHERS AND BETTER BRAKES

After analyzing a truck-caused New Jersey Turnpike pile-up that took six lives and involved six trucks plus 23 other vehicles, Mr. Reed's board recently recommended installing special bumpers on trucks. They would function like cowcatchers on locomotives and streetcars, preventing the high-riding trucks from shearing the tops off cars they hit—or that hit them.

The board suggested occasionally segregating trucks into special lanes, forbidding "overtaking and passing by heavy vehicles," and creating standards that would make trucks less prone to tip over. It also called for tougher truck-brake standards.

According to the Bureau of Public Roads, the average passenger car traveling 50 m.p.h. needs 122 feet for stopping; the average three- or four-axle truck needs 445 feet.

Dr. William Haddon, the physician who heads the Insurance Institute for Highway Safety and formerly ran the nation's traffic and highway safety programs, declares: "It's obvious that mixing small, fast-stopping vehicles with ponderous, slower-braking ones would create a problem. And it does. It's an inherent safety hazard."

The Department of Transportation has faced the problem. Its National Highway Traffic Safety Administration ruled in March that trucks built after Jan. 1, 1973, must be able to stop almost as quickly as automobiles.

"We agree there should be improvement in current truck-brake performance," volunteers Kevin Smith, manager of product reliability for the International Harvester Co., Ford, and other truck makers agree.

Yet manufacturers, trucking companies, and some Government officials consider the Transportation Department's braking specifications and deadlines unrealistic. They want the rule modified and delayed. A BMCS engineer estimates that the proposed new brake systems would add $2,200 to the cost of an 11-axle truck.

The ATA "seriously doubts" the new system can be developed by 1973. It frets that truck makers may be unable to warrant that trucks with the new brakes will function with existing trailers. Loss of this "compatibility" would cost trucker and shipper time and money.

Even if opponents fail to delay implementation, the brake rule's impact will come slowly. Just 150,000 new replacement trucks enter the long-haul fleet yearly. At that rate, it conceivably could take 33 years before the entire fleet had presumably better brakes.

THE FENDER DILEMMA

The reason: Trucks, unlike cars, live on and on. They are routinely rebuilt piecemeal as parts wear out. A truck that looks sparkling new may be just a new cab fitted onto an aged, overhauled diesel engine and chassis.

Other aspects of safety are being scrutinized too. Anticipating Federal regulation, truck makers are studying the feasibility of fenders to reduce spray from trucks on wet roads.

"It's a horrendous problem," says Gale Beardsley, Ford's chief heavy-truck engineer. He and others say that fenders big enough to permit the wheels' considerable vertical and horizontal movement would cause trucks to exceed width limits. They say fenders would necessitate major trailer modifications, cause maneuvering troubles, and inhibit the air flow that cools brakes.

Truck makers deny there's a hazard in the air blitzing that passing trucks give cars. About the alleged tendency of some tall trucks to flip over, International Harvester's Kevin Smith volunteers:

"There are no Federal standards governing this. But auxiliary stabilizing devices are available now." Ford's Mr. Beardsley adds: "Trucks tend to sit on the road. Their current stability characteristics are quite acceptable if drivers drive them with reasonable intelligence."

The motor-carrier bureau also has set new driver-qualification regulations. It has found "a marked increase" in accidents involving "unqualified," "reckless," "accident prone," "mentally and physically ill," "emotionally unstable," and "drunk drivers." So for the first time it has provided for "removal from service" of drivers convicted of "motor-vehicle crime involving drug or alcohol abuse or of fleeing the scene of a fatal or injury-producing accident."

"Of course, we have to rely mainly on voluntary compliance with rules," comments Kenneth L. Pierson, BMCS deputy director. "To police this industry, surveying company and driver records and examining all trucks, we'd need tens of thousands of inspectors." The bureau has 203 employes; 103 are inspectors.

STATES MAKE FEW CHECKS

The bureau's unarmed inspectors work with state police. They check trucks at weighing stations and other public facilities, crawling over and under rigs, looking for such things as bad brakes, malfunctioning lights, and faulty trailer connections.

In many states sporadic BMCS road checks and inspections of company files provide the only effective policing. Bureau officials say this. So do drivers.

Dale Crum, a trucker from Lemoyne, Pa., with 15 years and a million miles of driving experience, says: "Yes, I've had my outfits checked. Twice."

Ronald Perry of Dillsburg, Pa., another veteran driver, declares: "I've heard more about inspections than I've seen 'em. But the times the state police checked me they ambled around with their clipboards. Anybody could see they didn't know what to look for. They waved me through when my truck was fallin' apart."

A Department of Transportation official comments: "Relatively few states have tough regulations for police to enforce. The quality of regulation runs the gamut. For all intents and purposes Louisiana has no rules and no enforcement; Arizona has the best."

Seventeen states have adopted all of the Government's model motor-carrier strictures, which are the toughest; 14 have adopted a few. Except for California, whose laws are considered rigid, the remaining 18 states have weak state laws or none.

THE INSPECTION DEBATE

Bureau inspectors checked 46,731 tractor-trailer units in 1969. They found 10,781 vehicles—23.1 per cent—so unsafe that they had to be immediately barred from the highway until repairs were made. Some 8,400 of those vehicles had dangerously faulty brakes. The number of defective vehicles spotted was up 8 per cent over 1968.

"Those figures make us look bad," admits Will Johns, director of the trucking associations' safety operations. "But remember, the Transportation Department inspects only the dogs, the trucks that look and sound bad. You would expect it to detect a higher number of faults that way than it would if it checked all trucks."

Drivers confirm that Federal inspectors tend to be selective. But some contest Mr. Johns' conclusion. Mr. Crum says: "I feel that they [the inspectors] never touch the big companies. They see you're with a big outfit and they wave you by. They get the small carriers and the private individuals. But a lot of times the private individuals' equipment is as good if not better than we drive."

One veteran driver alleges he has had to drive with no brakes after his company told him to take the truck to a garage; it would not send a mechanic to him. He alleges seeing trucks "pass" company safety inspections and take the road with "brake drums completely broken off a wheel, and with broken fifth wheels."

The "fifth wheel" isn't really a wheel, but a heavy metal plate attached to the platform just behind the tractor cab. It holds the trailer coupler and lets it pivot during turns. A weakened fifth wheel could cause the trailer to break loose.

Mr. Perry, who quit trucking late last year to become a preacher, asserts: "I know companies let safety flaws go by. They let tires get down pretty slick. Brakes may be bad; the company figures it will get to fixing them next week. Some companies figure a truck's okay if it will make the next run."

Drivers concede that company higher-ups occasionally do order garage men not to let a truck with a single safety fault reach the road. But in the next breath the executives badger dispatchers to move urgently needed cargoes, the truckers say. "That's where everything falls apart: They feel they've got to keep the trucks rolling," says Mr. Perry.

"I drove for a small carrier once," a veteran driver relates. "Went across the Pennsylvania Turnpike from Ellwood City, Pa., clear through the Blue Mountain tunnel [roughly 130 miles], wiping snow from the windshield with a wrench because the wiper motor had been broken for some time. Here I was with two gear shifts to handle, plus a steering wheel and a wrench. When I told the guy [the truck owner] I wanted the wipers fixed, he said I was 'ridiculous,' and to 'get going.' "

BIG BARK, LITTLE BITE

Both driver and owner thereby broke the law. Federal regulations prohibit drivers from driving, and owners from letting them drive, unsafe trucks. Each safety violation carries a possible $100 to $500 penalty, applicable alike to $12,000-a-year drivers and to carriers like Consolidated Freight, whose 1970 revenues totaled $397,246,000. The BMCS can revoke a driver's license or ask the Interstate Commerce Commission to rescind a carrier's operating certificate in serious cases.

But prosecution is light. "We prosecute more than zero and less than 1,000 cases a year. We keep the laws; we haven't time to keep the statistics," declares Dave Benkin, the Federal Highway Administration's assistant chief counsel for motor-vehicle law. Mr. Pierson, BMCS deputy director, estimates the bureau prosecutes 500 cases a year.

The BMCS can levy fines for records-keeping violations, or it may turn these and other cases over to the Federal courts. "Commonly the courts impose minimum fines," says Mr. Benkin. "We get the impression the courts do not regard motor carrier violations as serious. We have had judges excoriating attorneys for 'making a traffic court of our court.' "

The bureau may use its administrative muscle as it did last year against Associated Transport, Inc., the country's seventh-ranked hauler in terms of revenues grossed.

The BMCS alleged that the company violated safety regulations 5,000 times within three years by operating unsafe, improperly equipped trucks; "having drivers drive more than 10 hours in one day"; "filing false [driver] logs"; and failing "to keep vehicle condition reports." The agency ordered Associated to begin a thorough safety program and dictated how the program must run. It levied no fine.

A SURVEY'S ALLEGATIONS

Thomas L. Mainwaring, an Associated executive vice-president, says, "We're co-operating fully and will continue to co-operate fully in carrying out this comprehensive safety program."

But BMCS actions leave some analysts unimpressed. Robert C. Fellmeth of Ralph Nader's Center for the Study of Responsive Law suggests in his book, *The Interstate Commerce Omission*, that the bureau does too little.

Mr. Fellmeth points to an analysis of 1,700 replies to a safety poll of 50,000 long-haul drivers. Eighty per cent of the respondents said they drove at times with inadequate brakes; 73 per cent said exhaust fumes seeped into their trucks' cabs; 70 per cent said their equipment had weak or broken springs; 56 per cent drove tractors with broken fifth wheels; 60 per cent said they drove on treadless tires; and 64 per cent assertedly piloted rigs with faulty lighting systems.

Moreover, 51 per cent of the drivers alleged that it was "fairly common" for drivers to exceed Federal driving-time limits; 61 per cent said "bennies" or "pep pills" were commonly used. Drivers complained of too little time off between duty stretches; of being forced to drive under hazardous conditions; and of being encouraged at times to mark their required log books inaccurately—and thus illegally.

The Government requires drivers to keep logs, to ensure compliance with work limits. No driver may legally drive more than 10 hours in a 15-hour "on-duty" period, which may include driving, waiting for repairs, loading or unloading, and the like. After that he must have eight hours off. He may legally work no more than 70 hours within eight consecutive days.

There's a reason why drivers push themselves illegally to the point of using pep pills. Big companies pay drivers 13 to 14 cents per mile, depending on the size of the truck. These truckers make $12,000 to $20,000 a year. A few make $25,000.

PRESSURES ON DRIVERS

Men working for small companies or driving their own "gypsy" rigs, usually heavily mortgaged, are paid by the load. The more loads they deliver, the more they earn. So they stay on the road, and they hustle.

One small-company driver relates:

"Once I drove five days straight. I was havin' trouble with the truck. Oil leaks. I repaired them as I went. I loaded and unloaded. And drove. My wife caught me and hugged me when I finally climbed from the cab. I don't remember anything from then until I woke up in bed some time later.

"Believe me," the driver urges, "there are companies whose dispatchers say, 'Don't worry about that book [the log]. You're a good man. You can do it. Keep going.' "

Much of what these drivers say is "absolutely untrue," argues Warren Ambler, general safety manager of Ringsby United, a large Colorado freight mover. He particularly denies that his company or others ever knowingly permit defective vehicles on the road.

Lloyd Rizer, vice-president of Navajo Freight Lines, another big Denver hauler, adds: "When you have a $30,000 piece of equipment and valuable cargo besides, you're just not going to question a driver or mechanic and risk breakdowns. You can't afford to turn a truck over or burn it up. You've got to be safety-conscious."

The ATA asserts that most companies, especially those under Federal jurisdiction, are sticklers for safety. They hold safety seminars for drivers and reward truckers driving the most accident-free miles.

Many companies have safety directors who patrol the roads to spot company drivers violating regulations. The directors may place letters of reprimand in offenders' personnel files. They may fine, suspend, or even fire drivers for grievous offenses.

Still, trucking executives say they have relatively little direct control over drivers. They say men sometimes feign fatigue or illness in the name of safety and slow deliveries of tens of tons of cargo. The shipping public "always wants its freight before breakfast," one executive says. "And if one company can't deliver it, its competitor can."

"SAFETY FACE" VS. "SAFETY FARCE"

The company's ability to avoid mishaps and to deliver the goods on time depends too on the uncontrollable: tangled traffic, foul weather, poorly designed highways, and "wild" motorists. In the light of this, the regulated carriers are proud of their accident records.

Pacific Intermountain Express (PIE) of Oakland, Calif., is considered one of trucking's most safety-conscious companies. Its extensive safety program and low accident rate have won PIE the trucking industry's highest safety award 10 times. It won in 1969 with an accident rate of 3.1 accidents per million miles. (The 1970 winner has not been announced.)

Ken Beadle, PIE's vice-president for safety, says: "As of the first quarter of 1971 we're ahead of that winning record. But safety is more than a business thing with all of us. It means dollars, but it also represents civic duty. We care about the motorists."

The ATA, whose members are the 50 states' motor-carrier-safety associations, rates safety high. It supplies books, driver manuals, films and slides, speeches, and other safety-campaign materials to its member groups.

Some 42 state members have safety councils made up of trucking-company executives. They sponsor auto rodeos for teen-agers, defensive-driving courses, and exhibits. Some run brief safety seminars at truck stops on major trucking routes.

But during a 9½-hour, shouted conversation above the growls of a tractor pulling 32,000 pounds of potentially dangerous chemicals, a driver yells: "The bosses call safety programs our 'safety face.' They're our 'safety farce.' "

This trucker has driven nearly a decade for top companies. He alleges that in the name of safety executives gig drivers for speeding over some routes but ignore offenders who must race over other routes simply to meet company-imposed schedules. He says safety directors clamp down on incorrect log entries made by drivers plying some routes and blink at persistent infractions by drivers who must work overtime to meet schedules on others.

"You say you're bushed and can't take an assigned trip, and you're forced to take 15 hours off, or maybe 24," the driver continues. "Your name goes to the bottom of the board (the assignment-rotation list). You needed a few hours rest, but you wind up with a day or two off, a smaller pay check, and a reputation as a crybaby. Your union chapel chairman just may or may not back you up if you stand pat. So you take the load. That's the system. Think it's safe?"

SUPPORT FOR BIPARTISAN PROPOSAL, NATIONAL LEGAL SERVICES CORPORATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 15 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, the Committee on Education and Labor is soon to undertake the markup of the legal services section of the Economic Opportunity Amendments of 1971. I take this opportunity to describe the strong support which exists for the bipartisan proposal to establish an independent Legal Services Corporation.

All told there are 121 Members of the House and Senate who have introduced the bipartisan Legal Services Corporation Act, H.R. 6360. There is a reintroduction of this bill today.

Like the legal services program itself, our bill is a nonpartisan effort to provide access to the legal system to people who cannot afford to pay the cost of legal services. It is our aim to insure the independence of this effort. The board is carefully balanced. The public, legal profession, legal services lawyers, and their clients are equally involved in determining the policies and procedures of this corporation.

I am including as part of my remarks today some of the editorials, letters, resolutions, and articles that have appeared in recent weeks.

It is a particular pleasure to include the following list of cosponsors, representing nearly one-third of the House membership on each side of the aisle:

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[From American Bar Association Journal, June 1971]

NEW NICHE FOR NATIONAL LEGAL SERVICES

(By John D. Robb)

Since its inception in 1965 the national legal services program, operating with the Office of Economic Opportunity, has expanded legal services to the poor and has gained wide support. However, external political attacks and conflicts and administrative problems within the OEO have given impetus to the development of plans to provide a new place in the Federal Government structure for the legal services program.

The national legal services program has operated within the Office of Economic Opportunity since its inception in 1965. A highly successful part of the war on poverty, it was created initially under an administrative interpretation of the Economic Opportunity Act of 1964. It has enjoyed statutory legitimacy since 1967 (42 U.S.C. § 2809). As a part of the community action program within the OEO for most of its existence, the legal services program has derived important advantages from this association. The quality of service to the poor has improved greatly and its availability has also expanded enormously as annual expenditures for legal aid have increased twelve times, from $5 million to $60 million, in six years. In addition, the linkage with the community action program generally has provided the legal services program with a broadly based community support that has helped to establish, nurture and expand individual programs—often in the face of apathy or opposition from other local groups, including (on occasion) local bar associations. But the OEO parentage also has involved legal services in numerous external and fratricidal conflicts that have sapped its strength and impeded its effectiveness.

Sharing the same roof wthin a larger agency has exposed the legal services program and its lawyer-administrators to the conflicting policies of the community action program and of the agency itself, as well as to political pressures exerted against their lay superiors within the agency. The Murphy amendment, which some Senators tried unsuccessfully to attach to the OEO appropriation in the fall of 1969 and which the American Bar Association opposed, would have given the governors life-or-death veto power over individual projects and would have precluded the exercise of professional judgment and action by legal services attorneys to bring actions against governmental agencies.[1]

Although it was the best organized of these external attacks, the Murphy amendment was but a reflection of the numerous day-to-day attempts by some members of Congress, governors, politicians and others to interfere with the effective functioning of the program.

These pressures have intensified recently as the OEO has endeavored to make the agency more responsive to the mayors and governors, whose departments and agencies have been frequent defendants in actions brought by legal services lawyers. The OEO's failure directly to override Governor Reagan's recent veto of the grant to the excellent California Rural Legal Assistance program is one of the dismal results of these pressures.

Internal conflicts within the OEO also have taken a sharp toll. Since 1967 the legal services program has fought three serious and determined efforts by administrators within the agency to have effective control of the program transferred from lawyers to laymen, an action that would have splintered the program's centralized responsibility to the Bar by transferring administration from Washington to ten widely scattered regions.[2] Only heroic efforts by the organized Bar, legal services lawyers, poverty community representatives and Congressional leadership have averted this. Transfer of the legal services program from the OEO is also part of the Nixon Administration's plan to "spin off" established programs and leave the OEO with research and experimental projects only.

As a result of the impairment of independence arising from the inclusion of legal services in a large agency, of the internal disruptions in the OEO and of the long-range plan to transfer the OEO's operating programs to other agencies, plans for a new home for the legal services programs are being developed and considered by the organized Bar, the Nixon Administration and numerous members of Congress.

Informal consideration of a new place for the legal services program by American Bar Association officials, the National Legal Aid and Defender Association, legal services lawyers and a few members of Congress has gone forward intermittently since early in 1968. Studies of the problem have been accelerated sharply in the past year. The Department of Justice, the Department of Health, Education and Welfare, the Department of Housing and Urban Development, the judiciary, the Administrative Office of the United States Courts, and a separate agency have been considered as prospects. At present an independent corporation is the leading candidate.

The first study, dated April 25, 1968, was prepared by lawyers in the legal services program at the request of American Bar Association officials. After a review of the alternatives, the study concluded that the independent corporation or agency offered the best solution. Initial deliberations in 1968 by an N.L.A.D.A. committee under the chairmanship of Howard Westwood of the District of Columbia leaned heavily in favor of the Justice Department. In February, 1969, William T. Gossett, then President of the American Bar Association, and Maynard J. Toll, president of the N.L.A.D.A., presented a memorandum to certain Cabinet officer members of the Nixon Administration's Urban Affairs Council. This urged an independent agency, foundation or quasi-public corporation as the ultimate place for the legal services program and an independent agency within the Office of the President as the immediate solution. In the same month, members of a subcommittee of the National Advisory Committee on the Legal Services Program and of the American Bar Association's Section of Individual Rights and Responsibilities, under the leadership of Earl Johnson of Los Angeles and Jerome J. Shestack of Philadelphia, prepared a proposal for a quasi-public corporation to be known as the National Justice Foundation and to be modeled after the Communications Satellite Corporation or the National Science Foundation.

In the summer of 1969 the American Bar Association Committee on Availability of Legal Services, of which F. William McCalpin of St. Louis was chairman, recommended the unification of all federally funded legal services programs under either a federally chartered nonprofit corporation or a commission under the executive branch.

In June of 1970, Jean and Edgar Cahn submitted a study, *Legal Services: Alternative Organizational Models*, to the President's Advisory Council on Executive Reorganization (the Ash Council) in which they recommended a transfer to the judiciary as the first choice and an independent agency as the second. The Ash Council opted for the latter and recommended the transfer of legal services to a "nonprofit corporation chartered by Congress". It went on to say, "The legislation to establish a public corporation could be modeled on the amendments to the Communications Act of 1934 which established the Public Broadcasting Corporation and should be considered in connection with the Administration's review of the Economic Opportunity Act of 1971." The Nixon Administration's legislation to implement this proposal was introduced in Congress in early May.

The most recent and thorough study is that conducted by the Committee on Right to Legal Services of the Section of Individual Rights and Responsibilities, under the chairmanship of William R. Klaus of Philadelphia, and cosponsored by the Standing Committee on Legal Aid and Indigent Defendants, entitled *The Corporation for Legal Services: A Proposal*. This four-months' endeavor, directed by Charles Edson of Washington, D.C., won the approval in principle of both sponsoring committees last February.

Drawing on the information obtained from a lengthy review of various governmental, quasi-governmental and private structures, including more than seventy interviews with key government and bar officials, members of Congress and others, this report, as finally revised in late March, 1971, also favors an independent agency in the form of a private, nonprofit corporation chartered under the laws of the District of Columbia. Also patterned on the Corporation for Public Broadcasting, which was established by Congress in 1967, the proposed corporation would be governed by a nonpartisan board comprised of representatives of the organized Bar, other distinguished lawyers, lawyers with legal services backgrounds and persons suggested by representatives of clients.

On March 18 and 19 of this year, separate but identical bills (H.R. 6361 and S. 1305) which enjoy strong bipartisan support from more than 100 members of Congress, were introduced in the House and Senate to create an independent, private, nonprofit corporation, the National Corporation for Legal Services, along the lines advocated by the Ash Council and the Edson report.

On April 30 the Board of Governors of the American Bar Association endorsed the independent corporation concept, supporting in principle "the creation of a federally funded nonprofit corporation to administer monies which will be used to fund programs which will provide a broad range of legal services to persons unable to afford the services of an industry, the charter of which shall contain assurances that the independence of lawyers involved in the legal services program to represent clients in a manner consistent with the professional mandates shall be maintained".

The Nixon Administration bills were introduced in the Senate (S. 1769) on May 5 and in the House of Representatives (H.R. 8163) on May 6.

The arguments in favor of lodging the legal services program within a larger existing agency are that it would provide stability and broader support for the program. However, there are serious conflicts of interests problems with respect to Justice, HUD and HEW, which are the most logical choices.

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[1] For a more detailed discussion and documentation, see my articles, *Controversial Cases and the Legal Services Program*, 56 A.B.A.J. 329 (1970), and *Poverty Lawyers' Independence—Battle Cry for Justice*, 1 N.M. L. REV. 215 (1971). See also Editorial, *Defeat of the Murphy Amendment*, 56 A.B.A.J. 244 (1970).

[2] See Editorials, *What Price Professionalism?*, 56 A.B.A.J. 1172 (1970), and *A Cloudy Legal Services Picture*, 57 A.B.A.J. 243 (1971).

Justice is the Federal Government's lawyer. It advises federal agencies, and it would be called on to defend them against the challenges to their actions and practices that legal services lawyers might find necessary to bring on behalf of their clients. Justice's additional role as federal prosecutor would increase the difficulty.

HEW and HUD have been among the most frequent defendants of the various federal agencies involved in suits brought by legal services lawyers. Although both agencies have small federally funded legal services programs of their own. HEW maintains and values close relations with the states whose welfare and other agencies are also frequently challenged by legal services program clients. Additionally, HUD is oriented to the problems of the cities, whereas legal services programs have an important role in rural areas.

It is unlikely that the legal services program's operation within these larger agencies could be free of the many agency-wide administrative and policy conflicts that have plagued it within OEO. It must be conceded that the controversial activities of legal services have made it an orphan, unwanted by existing agencies that might otherwise lay claim to its custody.

Either the judiciary or the Administrative Office offers a neutral and prestigious base of operations, much freer from political pressures than existing executive agencies. The furnishing of counsel to indigent defendants in the federal courts has operated comfortably within the Administrative Office under the authorization provided by the Criminal Justice Act. However, the success of a passive role of merely administering funds in a defender program provides no assurance that the more energetic civil legal services program, including its law reform or "law improvement" aspects, will find a similar congenial atmosphere. This arrangement, moreover, would impose further nonjudicial chores on an already overworked judiciary. The disputed activities of legal services programs might provoke attacks on the courts and multiply the staggering problems that now beset the judiciary.

A separate agency status would free the program from intra-agency domestic fights. That status would better insulate it from the day-to-day political and other outside interferences with the attorney-client relationship that have threatened the independence of its lawyers. Moreover, outside pressures would be directed against lawyer-administrators, who best understand the ethical imperatives against succumbing to those pressures.

The program can never be immune from attempts to subject it to political influence, including attacks during the authorization and appropriation processes in Congress, and its isolation in a private, separate agency may well lessen an administration's sense of responsibility for its well being, with a consequent loss of protection from attacks. Nor can the separate agency be guaranteed freedom from politically motivated appointments to its board of directors. So while there is no ideal solution, the separate corporation offers the legal services program a charter of freedom from many of the difficulties that have beset it in the past.

This plan seems best suited to accomplish the objectives of the Bar for a good quality program that preserves the standards and ethics of the profession, including the independence of the lawyers within the program. However, expanded, long-range support by the Bar, the poor, the legal services lawyers and Congressional supporters will be required if the program is to survive the attacks of its enemies in its more vulnerable proposed new position.

The American Bar Association has endorsed in principle the creation of a federally funded, nonprofit corporation to administer the national legal services program, the charter of which should assure the independence of lawyers in the program "to represent clients in a manner consistent with the professional mandates". Several bills are before the Congress to establish independent, federal corporations. In March identical bills to create a National Legal Services Corporation were introduced in the Senate (S. 1305) by Senator Mondale of Minnesota and in the House of Representatives (H.R. 6361) by Representative Steiger of Wisconsin. Each bill had wide cosponsorship. In the first week of May President Nixon sent a message on the subject to the Congress, and the Nixon Administration bills were thrown in the hopper, the sponsors being Senator Cook of Kentucky (S. 1769) and Representative Quie of Minnesota (H.R. 8163).

A major difference between the bills is the composition of the proposed corporation's board of directors. The Mondale-Steiger corporation has a board of nineteen members, of which only five would be appointed by the President. The Nixon Administration bills propose a board of eleven, with six being Presidential appointments. The Association's President, Edward L. Wright, stressed in Congressional testimony in early May that the interest of the Bar was the establishment of a sound program in which high-quality legal services are furnished in accordance with high professional standards "We are hopeful", he declared, "that the differences in the various approaches can be resolved satisfactorily and that meaningful legislation can be enacted at the earliest practicable moment."

Remarks of Representative William Steiger, Before ABA Young Lawyers Section, Panel on Extension of Legal Services to the Poor, Biltmore Hotel, New York City, July 8

We are here to explore the best way of delivering legal services to low-income persons. At the outset, it might be well to give you some of the personal history of the Legal Services Corporation legislation of which I am a sponsor.

Our bill is identified as H.R. 6360, introduced in the House by Democrat Lloyd Meeds and Republican William Steiger. Its companion bill is S. 1305, introduced in the Senate by Senator Mondale. The identical legislation enjoys the co-sponsorship of 125 Members of both Houses of Congress. It is commonly referred to as the Mondale-Steiger bill, as the Steiger-Meeds bill, as the Mondale-Meeds bill, as the Cranston bill, the Brooke bill, the Kennedy bill, the Taft bill, the Biester bill, and/or the bipartisan bill. More than 100 of us proudly attach our names to the legislation, and we hope that does not confuse any potential supporter of the bill. It is often noted that H.R. 6360 has broadly bi-partisan support. That is true. The bill has been introduced by exactly ⅓ of the Republican membership, and exactly ⅓ of the Democratic Members of the House. You who are students of Congress nevertheless know that while such broad sponsorship is a good start, we are still a long way from final passage.

In May, the Administration offered its own legislation for a Legal Services Corporation. It varies from the bipartisan proposal in some important respects, but chiefly in the make-up of the Board of Directors. Before 1971 is over, there will be a number of legal services battles. The greatest of these, and the last to be resolved, will be that of the Board of the new corporation.

Since the independence of the Board of Directors will be the heart of the controversy, let us examine the two proposed Boards.

It has been argued by a few of the young leaders of PLEA, the poverty lawyers for effective advocacy, that the corporation board ideally should be controlled exclusively by the poor and their lawyers.

On the other side, it is proposed by the Administration that the corporation board should be appointed exclusively by the President.

The bipartisan legislation strikes a balance. ⅓ representing the public sector by Presidential appointment; ⅓ representing the legal profession, by virtue of their office in the organized bar associations; ⅓ representing the legal services clients and their lawyers, by election of those groups.

Our board composition builds in two advantages. There is insulation from political control and pressure, because ⅔ of the Board is non-politically appointed, and no one appointive authority has a majority. It also builds in accountability to the legal profession, in the hope of maintaining high ethical and professional standards, and accountability to low-income clients who have an interest in the quality of services rendered.

The legislation was introduced for the first time this past March 18. It had been in various stages of drafting for over two years. As early as 1968 it was apparent that the OEO Legal Services attorneys could not provide equal representation to the poor if they must continually be watchful of political attack and pressure resulting from the program's location in the executive branch of the federal government. The choice of moving the OEO program to a non-profit corporation funded through OEO but administered by an independent Board of Directors, was a result of long and careful study by many people.

In the past two years, the concept of the National Legal Services Corporation has gained very wide acceptance. The American Bar Association Committee on Right to Legal Services and the President's Advisory Council on Executive Organization—called the Ash Commission—both reached the conclusion that the objective of legal services, that is, assuring that the Nation's poor have full access to our legal system under a program that is secure financially, independent professionally, and clearly visible to the people who are served, will stand the greatest chance of success by making the OEO program an independent corporation. The basic mission of the program is to be unchanged.

Unhappily, the Administration bill contains no requirement that there be participation by the poor, or their attorneys, on the Board of the legal services program. We believe that the presence of the poor is vital if the Board of Directors is to have credibility and if the program is to have visibility.

There are other basic differences between the two proposals. The Administration's bill would restrict legislative advocacy of issues on behalf of the poor. Ours would not.

The Administration's bill would set restrictions on cases that could be handled and circumstances under which appeals could be taken. No such restrictions are contained in the bi-partisan bill.

We truly believe that placing a statutory restriction on appeals and on legislative advocacy will undermine the purpose of the legal service program and will impose a burden on Legal Services attorneys that no private practitioner would tolerate. If we are to be true to our belief in equity under law, the role of the Legal Services lawyer must have the same flexibility as that of other lawyers.

Futhermore, the Code of Professional Responsibility carefully guarantees that lawyers be free to exercise independent judgment in serving a client, free of any restrictions.

ABA President Edward Wright delivered some compelling testimony during our Education and Labor Committee hearings of these proposals in May. In guiding the Committee with respect to the Code of Professional Responsibility, Mr. Wright's exchange with my co-sponsor Lloyd Meeds is worth noting. Let me quote it for you:

Mr. Meeds. What could you tell us generally, sir, about the duty of an individual attorney in seeking employment or accepting employment by an organization which had adopted regulations which in effect compromised the ability of the individual attorney to in all respects represent the client to the full extent of his ability and to take advantage of all available mechanisms to proceed for his client's best interest?

Mr. Wright. Any lawyer who believes that any employer imposes restrictions on his professional judgment and complete freedom of activity should not accept the employment. If after engaging in the employment he learns for the first time that restrictions are sought to be imposed, then he should withdraw.

I want to say this. I welcome your very gracious invitation to talk in this area. The code of professional responsibility is not the collection of pious platitudes; it is, we think, a pretty earthy document that has teeth in it. On the one hand it has bare bone commitments without which a lawyer cannot act without being subject to his principal and it has his aspiration or laudatory aspects, but the code is very, very specific that a lawyer cannot serve his client if he is not independent. Anything in any program, federally funded or otherwise, that tends to restrict that professional independence is violative of the code and the lawyer must not engage in anything that it sanctions.

Mr. Meeds. So that if we in Congress were to enact legislation which was unduly restrictive, we would in effect be very severely, if not totally, limiting the number of people with whom we could expect to accept employment in a Legal Services Program.

Mr. Wright. I think you would shackle the program.

It is clear from Mr. Wright's testimony that no attorney can meet his professional responsibilities to a client if there are outside restraints on the types of cases in which he can participate, or the kinds of issues he can raise.

As one who has been a legislator for the past 11 years, I might note that the experience of Legal Services lawyers can provide legislators with essential background in shaping social legislation, at the national level, as well as at the municipal and state level. I concur with the OEO National Advisory Committee recommendation that lobbying may be a perfectly appropriate activity when problems of poverty clients demand legislative solution. The bipartisan legislation aims to carefully protect the right of legislative advocacy, leaving any restrictions in this area to the decision of the Corporation Board.

The Administration bill, in addition to curtailing legislative advocacy except in the case where a legislative committee specifically invites testimony, would also impose restrictions on political activity during attorneys free time. The bipartisan bill provides only that the Corporation may not contribute to, or otherwise support, any political party or candidate.

During House testimony, the program director of the National Bar Association, Donald M. Stokes, was particularly critical of the proposed restrictions on legislative and political activities.

"Representing black lawyers," he said, "we find this particularly undesirable, as blacks throughout the country have just begun to participate in the political system in meaningful numbers. To deprive a lawyer who happens to work all day in a Legal Services office from being a part of that total political system which has made America what it is today we think is a very unrealistic concept."

In concluding, I want to pay tribute to the Administration's efforts toward at least part of our goal—developing an independent corporation. The imperfections that I have mentioned cannot go unrectified, but that does not mean our goal is insurmountable.

I also want to express appreciation for the work of the Young Lawyers Section—particularly of Bill Ide and Joe Mullen—for their great assistance and advice.

There is one thing that has distressed me a little in news reports on this issue, including news reports that have described some of the activities of this convention. One would think, from reading the news, that it is strictly a liberal idea—strongly opposed by conservatives—that equal representation be provided to the low-income people of this country. That simply is not so. The broad sponsorship of the bipartisan bill clearly proves the opposite. Some of the most highly regarded conservatives in the Capitol are promoting an unfettered, independent, and expanded program of legal services.

The concept of law reform—that is, the use of law to achieve social change beneficial to the poor—is indeed a bold idea. But from a historical standpoint—when we note that the road to social change has been strewn with bodies and burned out buildings—I think that achieving social reform the courts of law and through the legislatures is a momentously conservative approach to today's problems.

The program is also firmly rooted in the principle of the right of the individual. To assure that the poor individual possesses the same power to file suit as does his affluent counterpart is to assure that the powers of the state respect the rights of every individual. That not only develops a confidence in the law to be a force for good, it is also a remedy based on sound conservative precept.

Bringing test cases to court is not a liberal tactic either. It is a lawyerlike method of offering the courts an opportunity to see what the intent of the law really was.

I know there are lawyers who approve of laws that prevent a person from receiving welfare benefits until he has been in a state as a resident for a year, three years, or more. There are lawyers serving on local Legal Services boards who feel that many of the laws and court decisions which the poor want to challenge are good laws and good decisions. That is to be expected. That is healthy.

What we who sponsor the bipartisan bill are most concerned about is that lawyers fully appreciate the duty of lawyers serving their clients—rich or poor—the duty to use every argument, and every ethical stratagem, to afford—without restriction—truly equal representation in the United States.

I submit that is the best way of leaving our society and our essential institutions intact. That is the wise approach to the problems we face, and it is a conservative approach just as much as it is a progressive and liberal approach.

[From the New York Times, May 13, 1971]

To Save Legal Services

The Administration is on the right track in seeking to create an independent agency that would immunize Federally financed legal services for poor clients from the vetoes and political pressures of Governors and local officials. How to attain this goal—and guarantee equal justice for the growing number of indigent persons who cannot afford lawyers—is being debated in Congress.

At the present time some 2,000 dedicated attorneys are working in programs all over the country that are supported by the Office of Economic Opportunity's Legal Services division. These 900 neighborhood law offices and university study projects have represented millions of clients directly and in test cases since 1965. The American Bar Association, law school deans and private practitioners have supported their pioneering work.

But the pressure brought by Governor Reagan against the California Rural Legal Assistance program—a program that has won the plaudits of members of the bar in the state and of independent judicial investigators—has caused firings and resignations in Washington. Governor Reagan's veto of the Federal legal aid project in California could overturn the programs in every other community unless the Administration and Congress devise a new formula circumventing statehouse politics.

We believe this end could best be achieved under a proposal of Senator Mondale, Minnesota Democrat, and Representative Steiger, Wisconsin Republican, which would set up a legal corporation whose members would be variously appointed by the President, the Chief Justice, major bar groups, legal services attorneys and an advisory council of poor clients. In this and other respects, the Mondale-Steiger bill is an improvement over the Administration proposal, which still leaves a door open for statehouse resistance.

[From the Washington Star, June 5, 1971]

Unsnarling Legal Aid

In California, the rural legal assistance program for poor people is battling for survival, against the governor of the State. That process is providing magnification of federal-state fraction at its worst and is a lesson in the inherent abrasiveness of effective anti-poverty legal assistance. Whatever decision is reached in the special commission hearings in California—whether Governor Reagan's veto of the federally funded program is upheld or not—the conflict underlines the need for basic changes.

Now the American Bar Association's board of governors has gone solidly on record for the drastic alteration that must be made. It is supporting "in principle" the creation of a new National Legal Services Corporation to provide poor citizens with the legal aid they need. If this independent, non-profit corporation is set up, this function will be stripped away from the Office of Economic Opportunity, which will be delighted to be rid of it. And the new system (which also would be federally financed) should be stronger and more efficient than the present embattled, fragmented legal aid program of the OEO.

The concept of a separate legal aid agency now has the endorsement of both the White House and a sizable segment of Congress. There are sharp differences, however. The administration has offered legislation that would empower the President to name all of the board of directors. Senator Walter Mondale's bill, which is co-sponsored by 22 senators, would establish a much more autonomous body. Its board would include the top officials of several bar associations and appointees of the President, the chief justice, a council of poor people served by the program and an organization of legal-services attorneys. Neither bill would prohibit the filing of class-action suits, or actions against the government, on behalf of the poor, and both would remove the governors' veto prerogative. But the administration measure includes some debatable restrictions on political activities by legal-services lawyers.

It seems that an administration would want to spread the appointive power around to avoid being held directly responsible by every state politician, business and interest group feeling the bite of a legal-services suit. The Nixon administration is now getting an unpleasant taste, in California, of that responsibility. Under the Mondale plan, of course, Congress would have the ultimate power; it could cut off the money for the whole operation.

Certainly the corporation attorneys should be given much flexibility, but within a regulatory framework insuring that only the genuinely poor would be served. They also should have maximum protection against political battering at the state and local levels and that will be difficult to provide as long as governors retain the veto power.

[From the Washington Post, Mar. 20, 1971]

Separating Law From Politics

One of the major problems of the lawyers in the Legal Services Program is the knowledge—the haunting kind—that the eyes of politicians are always on them. Governors, mayors, the men on Capitol Hill, plus the inevitable private interests—all of these are in positions of power, sometimes used for the good of the people, sometimes not. The temptation to squash or destroy an LSP operation which threatened or challenged the security of this power has often been too great for some politicians. A notorious example is the recent attack of Gov. Ronald Reagan against a major and successful California program (an attack to which the Nixon administration yielded); many other examples exist also. For this reason, a bill introduced Thursday calling for an independent, federally funded National Legal Services Corporation is both needed and welcomed.

Nearly 100 senators and representatives of both parties—including ones called "liberal" and others called "conservative"—support one of the basic tenets of the bill, namely that no political interference be allowed. The proposed corporation—modeled after the Corporation for Public Broadcasting—would be adequately funded. A 19-member board—including five appointed by the President and confirmed by the Senate, six from the organized bar, six to represent poverty lawyers—would issue grants to programs without concern or fear of the political implications. This is a departure from the current procedures of the program, but the new freedom does not mean that suddenly poverty lawyers would go wild with power. The reverse is true; politicians would no longer be tempted or allowed to go wild with *their* power.

There is sense and fairness to this proposal, one which can easily serve as a model for the administration to aim at. As for the poor, why should they have their legal rights interfered with, merely because those rights sometimes interfere with a statehouse or city hall game plan? One would think governors or mayors—servants of the people—would be glad to have lawyers bringing the protection of the law to the very people who have so often been unprotected. Most governors and mayors are glad, of course. The reason for the new proposal is to make sure that the political prejudices of a few—one way or the other—bear no influence on the availability of the law to the poor.

[From the Des Moines Tribune, May 15, 1971]

Legal Aid for Poor

A congressional battle is expected over two plans to take the program of legal services for the poor "out of politics." President Nixon has submitted a plan, countering a couple of key features in a proposal offered earlier by Senator Walter Mondale (Dem., Minn.) and Representative William A. Steiger (Rep., Wis.).

Both plans set up a Legal Services Corporation independent of the Office of Economic Opportunity (OEO), which has been operating the legal aid program as part of the federal government's antipoverty efforts. The separate corporation is an attempt to insulate the legal aid program from political pressures. Programs in California, Missouri and several Southern states ran into strong opposition from governors and other elected officials when legal services were provided for militants and controversial political figures working among the poor or in black ghettos in big cities.

The Nixon plan takes away from the state governors the power they had under the OEO program to veto legal services, as Ronald Reagan did with California's Rural Legal Assistance program. The presidential proposal, contrary to earlier speculation, also allows for class-action suits brought in behalf of large groups.

Under the Mondale-Steiger plan, lawyers working with the poor could offer the full range of legal services available to other Americans in both civil and criminal matters. The Nixon plan retains the OEO restriction against representation in criminal cases. This is a major shortcoming of the Administration proposal.

Many minor crimes grow out of the conditions of poverty. Much of the drug problem, for example, can be linked to poverty areas, partly because of social conditions developing in poor neighborhoods and partly because of the kind of law enforcement exercised among the poor. A number of minor crimes—disturbing the peace, for example—often result from the protests and demonstrations the poor have used to attract public attention to their plight. To bar legal aid lawyers from criminal cases is a distinct handicap on the poor.

And so, for that matter, is the Nixon plan's restriction against political activity, including voter registration drives, by the legal aid lawyers. Political action is fundamental in a democracy. It should not be denied to the representatives of the poor. The Mondale-Steiger bill prohibits, as it should, the national and local governing boards from contributing to or supporting any candidate.

Nixon's offering looks like a compromise, removing a few onerous administrative features of the OEO operation but retaining enough restrictions to placate conservative politicians. The Mondale-Steiger plan shows a sensitive concern for the plight of the poor who have neither the money nor the influence to get legal remedies for their troubles.

[From the Winston-Salem Journal, June 12, 1971]

Conflict, But Not Politics

One of the oldest slogans in American life is that "You can't fight city hall." Six years ago that expression became a little less valid when Congress created a legal services program in the Office of Economic Opportunity to help poor people get an even break in the courts and agencies of the land.

Since then, more than 2,000 lawyers in the program have handled more than a million legal problems for the poor, ranging from juvenile and domestic cases to consumer abuses and landlord-tenant disputes.

Conflict, of course, is at the heart of this work. Unfortunately, these lawyers have had to cope with a lot of conflict that has little to do with their clients' problems. In far too many instances politicians have capitalized on the fact that legal-aid clients don't have many votes. Governors and other politicians have either tried to kill off local programs or curb their effectiveness, and the Nixon administration has been something less than a staunch defender of the program. The most recent example occurred in California, where Gov. Ronald Regan vetoed a rural legal aid program that had battled with great success against state bureaucracies in behalf of the poor. Instead of overriding the veto, the OEO granted the program a six-month extension to preserve some frayed political ties between the President and Gov. Reagan. And last winter the OEO director tried (unsuccessfully) to make local programs even more susceptible to political pressures by transferring more control over them to regional offices. Although he lost this battle, he got the scalps of two top officials in the legal services program who resisted the change.

In short, the Nixon administration has permitted the legal services program to become highly vulnerable to political pressures, and the worst fear expressed by the organized bar when the program was created—that the independence of attorneys to pursue their clients' causes would be damaged by politics—has come to pass.

Even the administration has recognized this. An administration bill has been introduced in Congress that would remove the program from OEO and create a private, non-profit, Legal Services Corporation to provide legal aid to the poor.

Unfortunately, the administration bill has serious weaknesses. All the directors of the corporation would be appointed by the President, which is hardly the way to remove politics from legal services. Even worse, the bill seems to reflect a basic distrust of lawyers and their judgment. Not even in unusual circumstances would legal-aid lawyers be allowed to represent clients in criminal cases. Any sort of lobbying would be prohibited. And lawyers in the program would be flatly prohibited from testifying before city councilmen, county commissioners, state legislators or congressmen unless they were invited.

A bill introduced by Sen. Walter Mondale earlier this year would set up the same kind of entity but has none of these flaws. Six of the 19 members of the board would be the heads of national legal organizations, giving the organization solid support and professional direction. Six members would be either program attorneys or clients, reflecting the practical needs of the program. Six would be appointed by the President and one by the Chief Justice.

Most important, the Mondale bill would not hem in lawyers with needless restrictions. As Sen. Mondale put it, "The attorneys operating under this program, so long as they act in accordance with the highest standards of the legal profession, will be free to raise any legal claims on behalf of their clients—regardless of whether these claims challenge the policies and practices of government agencies or challenge the validity of existing legislation. And they will be free to do so without fear of retaliation or political intimidation."

The poor, even more than the rest of us, need help in getting a fair shake, not only in city hall but in county courthouses, federal and state offices and corporate board rooms. The Mondale bill would free a band of hard-working lawyers from the politics that so often prevents them from challenging the faulty parts of an otherwise healthy "system." Let us hope Congress recognizes its merits and passes it.

[From the Dayton (Ohio) Daily News, June 5, 1971]

Legal Services

Although the Nixon administration has agreed to the principle of making legal services a public corporation, its legislative proposal for reconstituting the agency is too weak.

Legal services needs to be an independent corporation for its own protection. To properly represent the poor, the agency sometimes has to kick the discriminatory policies and practices of government on behalf of the poor. The agency's success in California particularly has aroused the ire of politicians who think that the government should be able to do whatever it wants to poor folks and that the agency should give them less controversial services, such as making out wills, perhaps.

If the agency is independent, it can be free of political pressures. However, Mr. Nixon's proposal would require that all the corporation's directors be appointed by the president. It would also restrict some of the agency's crucial activities, such as lobbying for law reform. The best contribution the Nixon proposal makes is the recommendation of three-year funding to give the program continuity.

The soundest proposals for the legal services corporation have been proposed by Sen. Walter Mondale (D-Minn.). Sen. Mondale proposes that a board of directors be chosen partly by the president, partly by the chief justice of the United States, and partly with ex-officio members. The Mondale bill would give the corporation more of the broad powers it needs to be flexible and effective.

[From the Des Moines Tribune, Apr. 5, 1971]

LAWYERS FOR POOR

More than 100 U.S. House and Senate members have introduced legislation to eliminate the threat of political interference in legal services programs for the indigent. The measure seeks to insulate legal aid from politics by creating a private, nonprofit National Legal Services Corporation to furnish legal assistance.

Government-financed legal aid is provided now through the legal services program of the Office of Economic Opportunity (OEO). Law suits by the agency in behalf of clients against local, state and federal agencies have kept the legal services program in continual hot water. A session of Congress does not go by without an effort being made to curb the scope of OEO legal services. Governors have veto power over the programs, subject to being overridden by OEO.

The proposed National Legal Services Corporation is intended to operate free of vetoes and other political threats. Policy for the program would be made by a 19-member board of directors consisting of five public members named by the President, one by the chief justice and six members named by legal organizations. The remainder would represent attorneys and clients.

The proposal's major weak spot is its plan for financing. Local legal services programs would be allocated funds by the corporation, but the source of funds would continue to be OEO appropriations voted by Congress. Members of Congress could retaliate against legal aid by cutting appropriations or conceivably by attaching conditions to the way the money is spent.

OEO is a politically sensitive agency. Top administrators are in the political arena and are subject to pressures from state and local officials and members of Congress. Moving legal services out of OEO and into something like the National Legal Services Corporation would make political interference in the relationship between poverty lawyers and their clients less likely, but an independent source of financing is needed to assure that attorneys will be truly free to serve the interests of their clients.

[From the Salem (Oreg.) Capital Journal, March 23, 1971]

TO ASSURE LEGAL AID

An excellent proposal to insulate anti-poverty legal aid services from political coercion has been introduced in Congress. It has the backing of an impressively large group of senators and congressmen of both parties.

Legal aid is one of the best features of the nation's effort to reduce poverty, but it has suffered at the hands of politicians who don't like to see poor people asserting their rights—especially with government help.

The problem has been most extensive in southern states, but California's Rural Legal Assistance program also has suffered.

The proposed law would create a nonprofit National Legal Services Corp., which would assume legal aid activities which now are directed by the Office of Economic Opportunity (OEO).

Although Congress would continue to provide the money—$140 million in the first year—a 19-member board would run the program. Five directors would be appointed by the President with Senate approval, one would be named by the chief justice of the Supreme Court and the others would be chosen by groups representing the poor, the American Bar Association and legal defender associations.

Sen. Alan Cranston of California, one of the 18 senators and 77 House members sponsoring the measure, said Congress "must remove the politics and political gamesmanship from legal services. Otherwise we run the risk of permitting this last access to orderly change to be closed off."

A similar approach has been followed for the postal service, for the National Science Foundation, and for the Public Broadcasting Corp.

Congress should pass the bill without delay and thereby assure the poor of the equal protection the law affords, but which they cannot claim without legal aid.

[From the Boston Globe, Mar. 19, 1971]

FRIENDS FOR LEGAL SERVICES

Democrat Edward M. Kennedy and Republican Edward W. Brooke united forces in Washington this week to sponsor legislation that would set up an independent corporation, outside any existing Federal agency, to administer legal services to the poor.

The fact that the Bay State's two senators, one a Democrat and one a Republican, were among the seven in the nation sponsoring the bill is a proud moment for Massachusetts and a new milestone for bipartisan politics.

When former Harvard football captain Terry Lenzner and his deputy, Frank Jones, were fired as directors of the Office of Economic Opportunity's Legal Services program last November, Lenzner said he believed his dismissal was "the result of basic philosophical differences as to whether the program was going to be run for the poor, or for the politicians of this country."

The program, which continues to have the support of every major legal organization in the country including the American Bar Association, had been threatened with loss of funds in Worcester following charges that three city councilmen who voted against rent control were landlords and therefore acting in violation of conflict of interest law. It was threatened with censure in New Bedford for objecting to excessive bail following last summer's racial disturbances, and blocked from filing a civil rights lawsuit charging police harassment of Spanish poor in Holyoke.

Following complaints from the governors of California and Florida and from the Republican Party in Mississippi, OEO director Donald Rumsfeld tried unsuccessfully to tame the program by regionalizing its direction under non-lawyers. When this failed, Mr. Rumsfeld introduced a new policy based on "decentralization."

Since then, Ronald Reagan has vetoed OEO funds for the California Rural Legal Assistance program. And Legal Services' new director, Frank Carlucci, has probed and terminated additional programs, including the Los Angeles Neighborhood Legal Services Agency.

It may be true that some of the country's 850 neighborhood legal offices have operated beyond their assigned scope or failed to follow correct procedures. But it is equally clear that this arm of the poverty program has done its job in bringing "Equal Justice Under Law" to those who formerly had no defense against the dictates of big business or government itself.

As long as our elected officials depend for their support on moneyed contributors, the poor are likely to get short shrift within a politically oriented agency. The Administration, which has said it would submit its own bill supporting a legal services corporation, has recognized the problem. But the co-sponsors of the congressional legislation now take matters into their own hands, keeping the promise made to 500 OEO attorneys and staff aides by Kennedy last December.

It is good to have Brooke by Kennedy's side on this issue.

[From the Wichita Eagle, May 14, 1971]

LEGAL AID VALUABLE, SHOULD BE INDEPENDENT

The federal program of legal services to the poor has become a "workhorse" in the effort to secure equal rights in America, "pulling briskly and tirelessly at the task as the nation moves forward," President Nixon told Congress May 5.

The occasion was his sending to Congress an administration bill, which would restructure and presumably strengthen the legal services program. In extensive praise of the existing program, the President sounded much like Sen. Walter F. Mondale, D-Minn., who introduced a bill March 18 that also would restructure legal services. (Kansas Sen. James Pearson was one of the sponsors.) A similar bill was introduced in the House March 19.

Although the administration and Mondale bills are parallel in many ways, they also differ in significant matters. Upon analysis, the administration bill looks weaker in many respects, including the important one of protecting legal services from political pressures.

Both bills propose to free the legal services from the O.E.O. and create an independent, nonprofit Legal Services Corporation. In this, both are following the recommendation of the Ash Council which last November reported on a study of the executive organization of federal government. Both propose setting up the new corporation along the lines of that of the Public Broadcasting Corp., which like legal services tends to become controversial and needs protection from undue pressures.

Senator Mondale's bill would provide a board with broad representation to direct the Legal Services Corporation. Its 19 members would be as follows: five appointed by the President with the advice and counsel of the Senate; one appointed by the Chief Justice of the Supreme Court, on recommendation of the Judicial Conference of the U.S.; six serving because of their offices—the president and president-elect of the American Bar Assn., president of the American Trial Lawyers Assn., president of National Legal Aid and Defenders Assn., president of the American Assn. of Law Schools, and president of the National Bar Assn.; three chosen by a clients' advisory council; three by a project attorneys' advisory council; and last, the executive director of the corporation.

If that seems a complicated list, it nevertheless has the virtue of providing a broad selection of professionals and laymen to guide the corporation. It wouldn't be ready-made for manipulation or pressures.

The President's far simpler proposal could set up a board vulnerable to pressures and even orders. He suggests that there be an 11-member board, all appointed by the President, with the advice and consent of the Senate. As to qualifications, he suggests only that a majority be lawyers. He would not allow any full-time employe of the federal government on the board, thus eliminating the executive director himself. To make it bi-partisan, the President's bill forbids more than six to be of the same political party.

What would happen to the independence of such an organization if all its members were appointed by, for instance, Ronald Reagan (whose political course obviously is aimed at the White House)? Reagan is an open foe of legal aid, and he's not the only politician who is.

Mondale proposed that the new corporation be funded at $140 million for 1972; $170 million for 1973. (Cost over-runs on the C–5A, he pointed out, could fund such a program for 10 years.)

While admitting that "four out of five legal problems of the poor still go unattended," President Nixon proposes funding the new corporation only at the present level, about $76 million annually.

We believe with President Nixon that legal aid has proved itself valuable to the nation, and that it should be made independent and assured of continued support.

But the bills already introduced in the House and the Senate seem better designed than the administration bill to accomplish those goals.

[From the Dayton Daily News, Mar. 20, 1971]

Independent Legal Services

Two rules of thumb for reform are: If a government service is shoddy, turn it over to private enterprise. If private enterprise doesn't do it right, turn it over to government.

The proposal for preserving federal legal services program calls for half of each of the above medicines—an independent corporation, funded by Congress and run by an autonomous board.

A bipartisan group of 98 senators and representatives is sponsoring legislation to establish such a corporation so the lawyers will be free from political pressure.

An example of one political pressure comes from Gov. Ronald Reagan of California. Gov. Reagan is angry because some of the Office of Economic Opportunity legal services lawyers started suing the underlying cause of some of the poor people's problems. That underlying cause happened to be the State of California which, like other bureaucracies, has its own ineptitude, silly laws and political inertia built into the system.

Certainly the legal services ought to be shielded from political retribution, and the lawyers ought to concentrate on test cases to make government and laws responsive to the public.

So, hurrah for the effort.

Only a nagging question remains. What if the legal services corporation becomes timid? If it is shielded from interference by regressive politicians, might it not also be shielded from the prodding of progressive politicians?

It would be reassuring if detailed legislation resolved that point.

[From the Philadelphia Inquirer, Philadelphia, Pa., Mar. 30, 1971]

Legal Services Program Needs Relief From Political Assault

We don't know whether to extend congratulations or condolences to former Pennsylvania Attorney General Fred Speaker.

Let's make it congratulations, for now, despite the fact—all right, make it because of the fact—that he has volunteered to step into a hornets' nest.

Mr. Speaker has been appointed by the Nixon Administration to head the Office of Economic Opportunity's Legal Services Program. The journalistic custom is to affix the adjective "embattled" before the name of the program, and we shall not depart from the custom. Legal Services has been embattled from its inception as part of the Johnson Administration's "war on poverty," and for the very good reason that it has sought to do legal battle on behalf of the poor, and for the even better reason that it has been very successful.

But its activities in defending the rights of the poor through litigation have brought down the wrath of state and local officials in many parts of the nation.

In Mississippi, where the antipoverty lawyers have fought for voting rights for blacks and the right of blacks to receive services equivalent to those received by whites, Gov. John Bell Williams exercised his power to veto further Federal funding of the state program. The OEO, after much controversy, exercised its own power to override.

In California, Gov. Ronald Reagan vetoed the $1.8 million California Rural Legal Assistance program, which, among other things, forced him to rescind heavy cuts in California's Medicaid program. More controversy, half-settled by a top-level Washington decision to extend the legal services grant for six months instead of a year. Governor Reagan called it a victory for his side. The OEO said it was a compromise—"not a phase-out or a transition grant."

Time will tell, but there is little likelihood that the controversies over Legal Services in particular and the OEO in general will soon simmer down.

So Mr. Speaker will have his hands full and knows it. We differed with him on occasion during his eight months' tenure as state attorney general, most notably when, just before he was leaving office, he unilaterally ruled the death penalty unconstitutional in Pennsylvania. We did not quarrel with the end but with the means, but we must say that we admire Mr. Speaker's demonstrated readiness to wade into controversy, his capacity for innovation (as in the environmental task forces he set up in the Justice Department) as well as his legal knowledge and political talents.

We think, though—without wishing to take the edge off the compliments—that the task he now assumes may be beyond any man. As now set up, the legal services program for the poor invites hostile pressures from those whose toes it steps on. Controversy is not only built-in but encouraged.

A bipartisan group of senators and representatives have now introduced a bill which would create a National Legal Services Corporation, funded by Congress but operated autonomously by a board composed of private and public members. The Administration has been preparing similar legislation but with a more limited authority in the area of law reform.

We think the wider the scope, the more effective the corporation can be. It cannot be expected to put an end to all the controversies that swirl about legal services for the poor, but it could certainly tend to insulate those services from political assault.

The program is invaluable, even if the governors of Mississippi and California do not sympathize with it, for it provides a means by which the poor, the unorganized, the victims of discrimination, can obtain due process of law, including the reform of the law itself, through "the system" rather than against it. A public corporation, independent of political pressures and expediency at any level of government, would be the best means of achieving this end.

[From the Sacramento Bee, Mar. 20, 1971]

Congress Should Enact New Measure To Insulate Legal Aid From Politics

An impressively large bipartisan group of senators and congressmen has proposed what appears to be the logical way to remove anti-poverty legal aid services from the pressure of political coercion, such as has afflicted the exemplary California Rural Legal Assistance program.

The entire federal program of legal aid to the poor has suffered from interference by politicians and powerful corporate pressure groups for years.

The new legislative proposal, which has received initial backing from US Sen. Alan Cranston, D-Calif., promptly was cosponsored by a bipartisan group of 18 senators and 77 House members. It would establish a private, nonprofit National Legal Services Corporation to take over the legal aid to the poor directed by the Office of Economic Opportunity. Its first year's budget would be $140 million.

Such a body would be insulated from the political pressures which have crippled anti-poverty legal aid. Though funded by Congress, it would be directed by a 19-member board. Five of the directors would be named by the President, with Senate approval, and one by the US chief justice. The others would be named by advisory groups representing the poor, bar association groups and legal defender associations.

The legislation makes strict provision for the corporation's autonomy and the complete freedom of its lawyers to represent the poor in every ethical domain of the law.

As Cranston observed: "We must remove the politics and political gamesmanship from legal services. Otherwise we run the risk of permitting this last access to orderly change to be closed off."

Precedent for the establishment of such a corporate body designed to free important programs from political pressure exists in the National Science Foundation and the Public Broadcasting Corporation. These have been able to do their good work in science research and educational television without constraints of selfish pressure groups.

The poor of this nation, already voiceless in so many ways in their relationship to the establishment, deserve no less than equal treatment before the law, which such programs as CRLA have provided. Congress should enact the legislation forthwith. One of its prime dividends would be to insure the continued good work of CRLA which Gov. Ronald Reagan sought to end by vetoing its OEO funds. CRLA and similar programs in other states should not have to operate under the shadow of this kind of interference.

[From the Sacramento Bee, May 5, 1971]

Free Legal Aid For Poor From Politics

Legal services for the poor, such as the exemplary California Rural Legal Assistance, could operate much more effectively if established nationally as an independent, nonprofit corporation divorced from political pressures of the kind brought against CRLA by Gov. Ronald Reagan.

On that point there is growing agreement in Washington. A split arises, however, between a Nixon administration plan and the one proposed by a group of 23 senators led by US Sen. Walter F. Mondale, D-Minn.

President Nixon proposes to establish a Legal Services Corp. but would fund it with only $68.9 million the first year and in addition would limit the scope of legal services lawyers. They would not be permitted to handle any kind of criminal case. They would be circumscribed in their work when it tends to conflict with local and state governments.

Mondale's plan, to set up a National Legal Services Corp., would provide more realistic funding of $140 million the first year and $170 million the next.

This seems the better program because in addition to providing enough money to make it effective, it would not impose upon the anti-poverty lawyers the restrictions sought by Nixon.

In both cases, the nonprofit corporation would be funded by the federal government without provision for veto by governors, as now exists for these legal services. It was Reagan's veto of CRLA funds which brought the issue to focus and made it clear legal services should be independent of politics.

Mondale's proposal is superior to the administration's in another respect. The senator wants the corporation to be directed by a 19-member board, many of whom would serve ex-officio or be appointed by bar associations.

Nixon proposes an 11-member board, all appointed by him. This obviously risks injecting political pressures on the highest level. It would jeopardize the needed independence of legal services for the poor.

Both sides should be able to reach agreement. They are one as to the need for continuing the anti-poverty legal services. Nixon has called it "securing justice within the system and not on the streets." Mondale says it has enabled the poor "to use the system for redress of legitimate grievances at a time when many were advocating violence and disruption."

[From the Wisconsin Press Association, Mar. 16, 1971]

"A WORK THROUGH THE SYSTEM" BILL

For those who really believe in working through the system and through the courts of the country, the bill recently co-sponsored by Rep. William Steiger to shift the federal legal services program into a semi-independent corporation was a good move.

The basic concept behind the legal services program is that the poor are entitled to the same availability of legal help as is available to the well-to-do elements of our society.

At present, the legal services program, which hires some 1,800 lawyers, the second largest collection of legal talent in the country next to the Justice Department, is housed in the Office of Economic Opportunity.

But its existence there is an uncomfortable one, because governors have the right of veto over most OEO projects and generally are unsympathetic to an agency that occasionally files suits against state and local officials.

Thus, legal services has incurred much political heat from grass roots politicans who find nothing debatable about the way they are administering the law.

The heat has increased with the repeated success of OEO lawyers, usually young men, in challenging treatment of the poor. One landmark case won by OEO was the striking down of residency rules used to discriminate against those on welfare.

Other examples are legal pressures brought to insure that southern officials properly use the food programs that should be available to black poor in the south.

This "working through the system" via federal funded lawyers is a program that needs to continue and needs to be insulated from the direct heat of local politicos.

By settling it up outside of OEO, with a responsible board of directors, including the head of the American Bar Association, this insulation may be provided.

Its independence can be guaranteed if the veto power of governors over the legal services program in their states is eliminated, as it should be.

[From the Washington Post, May 15, 1971]

A REPLY TO EVANS AND NOVAK ON LEGAL SERVICES BILL

We are replying to the Evans and Novak column which alleges that our Legal Service bill would focus legal aid on middle-class protesters rather than on the poor.

Such a charge is preposterous. To support their allegation, the columnists claim that our legislation to set up a Legal Services Corporation does not clearly state that only the poor will qualify for aid.

Our bill says quite specifically: Legal aid shall go to "individuals unable to obtain private counsel because of inadequate means." We also establish a priority for serving low-income persons whose means are least adequate to obtain private legal assistance.

Moreover, while both the administration's bill and our own are designed to serve the poor, our proposal requires that the poor—as well as the organized bar and legal services attorneys—have a voice on the governing board of the Legal Services Corporation. The administration's bill creates a board fully appointed by the President without assurance that these groups will be represented.

There are other basic differences between the two legal services bills which Evans and Novak overlooked.

For example, we feel at a time when courts at all levels are being over-worked, some poverty issues might well be resolved in the legislatures rather than in the courts. The administration's bill would restrict legislative advocacy of issues on behalf of the poor. Ours would not.

The administration's legislation would set restrictions on cases that could be handled and circumstances under which appeals could be taken. No such restrictions are contained in our bill.

We truly believe that placing a statutory restriction on appeals and legislative advocacy imposes a burden on Legal Services attorneys that no private practitioner would tolerate. The Code of Professional Responsibility of the legal profession carefully guarantees that lawyers be free to exercise independent judgment, free of such restrictions.

We set no outright ban on legal representation for poor persons accused in criminal suits. In many states and cities of the United States, there is an unmet need for such representation of indigents, especially in misdemeanor courts. Any limitation on criminal cases would more appropriately be established by the legal Corporation rather than by Congress.

Evans and Novak fail to point out that during times of civil disturbance, judges, police, and local authorities—not the protesters—frequently initiate a request for Legal Service attorneys. On more than one occasion, local judges have said their courts could not handle mass arrest situations were it not for help from Legal Services lawyers.

It should be emphasized that our bill requires strict accounting of funds, and would prohibit the use of funds to support political parties and candidates.

Assuring equal access to the law to persons who cannot afford any access is not a partisan issue. Our bill is sponsored by 120 members of both houses of Congress—including Republicans and Democrats of widely varying philosophies.

It is unfortunate that Evans and Novak failed to report these facts. Far from prompting strife, our bill is aimed at keeping controversies out of the streets and enabling the poor to express their grievances in legitimate forums.

WALTER F. MONDALE,
U.S. Senator.
WILLIAM A. STEIGER,
Member of Congress.
WASHINGTON.

[From the Association of the Bar of the City of New York]

PROPOSED FEDERAL LEGISLATION TO ESTABLISH A NATIONAL NON-PROFIT LEGAL SERVICES CORPORATION

(By the Committee on Legal Assistance)

INTRODUCTION

During the present session of the 92nd Congress, two proposed pieces of legislation were introduced, each of which would establish a federal non-profit Legal Services Corporation having a measure of independence from political control. The first was introduced in both the Senate and the House (S. 1305 and H.R. 6360) by a bipartisan group of Senators and Congressmen and is referred to as the "Mondale-Meeds Bill." The other (S. 1769 and H.R. 8103) was introduced at the request and with the support of the Administration and is referred to as the "Administration Bill."

RECOMMENDATION

The Committee on Legal Assistance approves the Mondale-Meeds Bill. Although it approves the creation of a Legal Services Corporation having a measure of independence from political control, the Committee finds serious deficiencies in the Administration Bill so as to warrant an express disapproval of its enactment. It also recommends that the Mondale-Meeds Bill be modified to provide for appropriations for three-year periods, rather than for annual appropriations.

THE OBJECTIVE OF THE BILLS

The purpose of both the Mondale-Meeds and the Administration Bills, as appears both from their content and from statements made by their supporters on the floor, is to create a non-political organization which will provide federal legal services programs with some protection against short-term political pressures.

Since legal services programs must, by their nature, attempt to serve the least politically powerful members of society, and to protect them against more powerful people and institutions, there is a constant danger that the purposes of such programs will be frustrated by the interference of politically influential persons or groups. Events in recent years have made clear that this danger is not academic.

The Committee, accordingly, believes that it is appropriate to insulate legal services to some extent from the political process, and therefore approves the creation of a federal non-profit Legal Services Corporation.

COMPARISON OF THE TWO BILLS

Both the bills would add a new Title 9 to the Economic Opportunity Act of 1964, establishing a non-profit corporation, in the District of Columbia (the "Corporation"). The Corporation, financed by Congressional appropriations, would be authorized to make grants and otherwise provide financial assistance to programs furnishing legal services to the poor, and to carry out research, training, and technical assistance programs in related areas.

Both bills permit the Corporation to review and regulate the means by which recipients of the Corporation's assistance carry out their functions and provide that high professional standards shall be maintained. Both bills provide an advisory role for representatives of participating attorneys and the poor. Both bills would eliminate the gubernatorial veto over legal services programs (although the Administration Bill [§ 905(f)] provides for 30 days' advance notice of any grant or contract to the Governor of the state involved).

POINTS OF DIFFERENCE

(1) *Selection of board of directors*

The Mondale-Meeds Bill provides for a 19-member board, of whom five shall be appointed by the President with the advice and consent of the Senate; one shall be appointed by the Chief Justice of the United States after consultation with the Judicial Conference of the United States; six shall be officers of legal organizations (the American Bar Association, the National Legal Aid and Defender Association, the American Association of Law Schools, the American Trial Lawyers Association, and the National Bar Association); three shall be elected by representatives of attorneys engaged in providing legal services; and three shall be elected by representatives of the poor. The bill provides that the President, in making his initial appointments, shall give "due consideration" to the recommendations of associations of lawyers engaged in conducting legal services programs, and that thereafter the President shall give "due consideration" to the recommendations of individuals recommended by the board. (§ 904)

The Administration Bill provides for an 11-member board of directors, all of whose members will be appointed by the President with the advice and consent of the Senate, to staggered three-year terms. No more than 6 members of the board may be of the same political party. (§ 902)

The Committee favors the approach of the Mondale-Meeds Bill.

While it can be argued that appointment of all board members by the President increases the chances of an effective, cohesive board of directors and prevents the board's domination by persons whose constituencies and points of view may be limited, the approach of the Mondale-Meeds Bill has at least two advantages. First, providing that board members shall be appointed in various ways, and that most of them shall not be appointed by any political officer, furthers the purpose of insulating the Corporation from political pressure. Second, the presence of representatives of project attorneys and of the poor on the board of directors will help to give visibility and credibility to the Corporation's activities.

(2) *Powers of the corporation*

While undoubtedly the principal activity of the Corporation, as contemplated by both bills, will be providing assistance to lawyers engaged in representing the poor, the Mondale-Meeds Bill authorizes the Corporation also to "increase opportunities for legal education" among minority group members or the poor (§906(a)(4)). Such authority seems entirely consistent with the purposes of the Corporation, and is a desirable feature of the Bill.

The Administration Bill's definition of the authority of the Corporation is less than clear at least in one respect. The Bill would authorize the Corporation "to represent the collective interests of the eligible clients under this Act before Federal agencies with a view to identifying and resolving issues which might otherwise result in multiple litigation arising out of the administration of the agencies' programs" (§904(a)(3)). This provision may be read as purporting to bind "eligible clients" by the actions of their representative, the Corporation. In any event, it does not seem consistent with the Corporation's purposes for it to discourage litigation against the Federal government by the poor.

(3) *Restrictions*

The Administration Bill will impose several restrictions upon the activities of the Corporation, and those who participate in its programs, which are undesirable in the opinion of the Committee.

The Administration Bill's provisions against lobbying or political activity are extensive and at times Draconian. It is provided that the Corporation shall have no opportunity to influence the passage or defeat of any federal, state or local legislation (§904)(d)(2); moreover, the Corporation is required to insure that all attorneys, "while engaged in activities carried on by legal services programs funded by the Corporation," also refrain from lobbying; and that attorneys employed full-time by such programs "refrain from such lobbying at any time" unless their views are requested by legislators. (§905(a)(6)).

The Administration Bill goes on to provide that attorneys, while engaged in activities funded by the Corporation, refrain from any partisan political activity associated either with a candidate for office "or an issue specifically identified with a National or State political party"; refrain from any activity to provide voters or prospective voters with transportation to the polls or similar assistance; and refrain from any voter, registration activity. The Bill provides that lawyers employed full-time in programs funded by the Corporation "refrain from the above enumerated activities at any time." (§905(a)(7)).

These provisions go substantially further than is warranted. It might be entirely appropriate for attorneys representing the poor, in the course of their duties, to express their views on proposed legislation that would help or hinder them, or would create or eliminate unfairness to their clients. Certainly there should be no restriction upon the personal political activity of full-time employees. The Mondale-Meeds Bill takes a preferable approach, providing only that "the Corporation may not contribute to or otherwise support any political party or candidate for elective public office." (§ 907(c)).

The Administration Bill expressly limits the Corporation to non-criminal representation (excluding also habeas corpus or similar proceedings brought to attack criminal convictions). (§ 905(b)(1)). While in fact the Corporation may be more effective if it confines itself to non-criminal representation, there seems no need to make the restriction statutory. The Corporation's board of directors should be able to determine how best to use its resources.

The Administration Bill prohibits the Corporation from awarding grants or entering into contracts with "so-called 'public interest law firms' which intend to extend at least 75 per centum of their resources and time, litigating issues either in the broad interests of a majority of the public or in the collective interests of the poor, or both." (§ 905(b)(3)). Again, while such activity might be deemed inappropriate by the Corporation—and, to the extent that it did not provide legal assistance to the poor, might be *ultra vires* under either of the proposed bills—there seems to be no need for an express statutory restriction. It is conceivable that the Corporation would wish to fund a program devoted to litigating an issue or issues in which "the collective interests of the poor" were predominant, and the Corporation should be permitted to do so.

The Administration Bill requires the Corporation to "establish a graduated schedule of fees which will require the client, if able, to pay at least a portion of the cost of legal services" (§ 905(a)(3)); and to "establish guidelines for a system for review of appeals. . . . to insure the efficient utilization of resources and to prevent the taking of frivolous and duplicative appeals" (§ 905(a)(8)). These provisions seem also to create unnecessary rigidity in areas where the Corporation should be left free to choose its course.

(4) *Appropriations*

Both bills contemplate periodic appropriations by Congress, rather than endowment, as the means for supplying funds to the Corporation. While endowment would be preferable, the funds for such endowment may simply not be available. The Administration Bill contemplates appropriations for three-year periods (§ 908); the Mondale-Meeds Bill seems to contemplate annual appropriations (§ 4). In this respect, the approach of the Administration Bill seems preferable. Long-term appropriations would serve the purpose of protecting the Corporation from the influence of temporary political trends.

LAW CENTER,
UNIVERSITY OF SOUTHERN CALIFORNIA,
Los Angeles, Calif., June 8, 1971.

Hon. WILLIAM A. STEIGER,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN STEIGER: The undersigned are faculty members of the University of Southern California, School of Law. We are strongly committed to the delivery of quality legal services to the poor, and are supportive of the OEO Legal Services Program. We commend efforts to make this program a separate, independent corporation, free from political interference.

We feel that the Board of Directors of such a corporation should be representative of the client community, the general public and the legal profession. We feel that no public official or representatives of any one sector of the public should appoint a voting majority. Rather there should be a balance among the various interests represented by the corporation. This type of board structure insures *insulation* from public pressure while at the same time assuring *accountability* to the representatives of the profession and the client community as well as the general public. We therefore endorse the provisions of the Bi-Partisan Bill, as introduced by Sen. Mondale and Rep. Steiger (S. 1305, H.R. 6360).

We most strongly endorse the provisions in the Bi-Partisan Bill which provide for the continuation of the ABA–OEO funded Council on Legal Educational Opportunities (CLEO), which makes grants for legal education to disadvantaged and minority students. We further endorse and commend provisions in the Bi-Partisan Bill which would provide for grants to law schools to increase clinical programs resulting in service to the community. We regret the absence of these provisions in the Administration Bill.

As professors of law we deplore the provisions of the Administration Bill which would restrict the services legal services attorneys could deliver to the poor. Most specifically we regret the provision requiring a system for review of appeals which interferes with attorneys' independent and professional judgment of the best course to take in servicing their clients. This restriction violates the Code of Professional Responsibility of the American Bar Association, and would force these attorneys to choose between their professional responsibilities to their clients and the regulations governing their employment. The limitation on legislative activity would prevent legal services attorneys from "proposing and supporting legislation and programs to improve the system . . . (and to) encourage the simplification of laws and the repeal or amendment of laws that are outmoded," as required in the Code of Professional Responsibility. We further believe that the restrictions on political activity are overly broad and deny these attorneys their basic rights to exercise their responsibilities as citizens. In addition, we feel a total ban on criminal representation is unwise, as detailed in the Administration Bill. There are many situations where this representation is necessary, and basic guidelines should best be promulgated by the Board of Directors.

In light of the above, we urge your support and passage of the Bi-Partisan Bill to establish a National Legal Services Corporation, as detailed in S. 1305, H.R. 6360.

Respectfully,

Dorothy W. Nelson, Professor of Law and Dean, Gary Bellow, Associate Professor of Law, Scott H. Bice, Assistant Professor of Law, and Associate Dean, R. Paul Burton, Professor of Law and Law Librarian, W. David Slawson, Professor of Law, Michael Reiss, Assistant Professor of Law, Martin Levine, Professor of Law, Earl Johnson, Jr., Associate Professor of Law, Christopher D. Stone, Professor of Law, Francis E. Jones, Jr., Professor of Law, Donald C. Grutson, Professor of Law, Michael H. Shapiro, Associate Professor of Law, Leonard G. Ratner, Professor of Law.

[From American Bar Association, Section of Individual Rights and Responsibilities, and the Standing Committee on Legal Aid and Indigent Defendants]

JOINT INFORMATIONAL REPORT: THE CORPORATION FOR LEGAL SERVICES—A STUDY

The Section of Individual Rights and Responsibilities and the Standing Committee on Legal Aid and Indigent Defendants, believing that a new home for the Office of Economic Opportunity's Legal Services Program is an issue of great current relevance and importance to the legal profession, submits this Study on the Corporation for Legal Services to the House of Delegates for its information. This Informational Report is a revision of an earlier Draft of the Report which was approved in principle by the

Standing Committee on Legal Aid and Indigent Defendants and the Council of the Section of Individual Rights and Responsibilities at their meetings in February, 1971. On April 29, 1971, the Board of Governors of the American Bar Association approved in principle the concept of a Corporation for Legal Services to house the federally-funded Legal Services Program. This Informational Report provides members of the House of Delegates with background information with respect to this concept.

THE BAR ASSOCIATION OF
SAN FRANCISCO,
San Francisco, Calif., May 14, 1971.

RESOLUTION

Whereas, this association has long striven to support programs which would insure adequate representation of the poor, and

Whereas, the Board of Directors of this association believe that the administration of legal services for the poor should be removed from the political arena.

Now, therefore, be it resolved that the Board of Directors of the San Francisco Bar Association, after review, favors the adoption of Senate Bill 1305 and H.R. 6360.

PIERCE COUNTY LEGAL ASSISTANCE
FOUNDATION,
Tacoma, Wash., June 25, 1971.

Re: Legal Services Corporation Bill
Hon. WILLIAM A. STEIGER,
House Education and Labor Committee, House of Representatives, Washington, D.C.

DEAR SIR: The enclosed resolution was passed by the Board of Trustees of the Pierce County Legal Assistance Foundation with respect to pending legislation.

We hope that you will be able to support our recommendations.

Very truly yours,
DALE L. CARLISLE,
President.

RESOLUTION

Whereas, the Legal Services Program of the Office of Economic Opportunity has demonstrated that federally funded law offices for the poor can and do provide greatly improved legal services for low-income Americans; and

Whereas, Legal Services Programs throughout the United States have generally gained the support of the low-income communities they serve as well as that of the organized bar; and

Whereas, Legal Services attorneys have and will continue to be engaged in litigation on behalf of their clients as part of their work in providing legal representation for low-income citizens; and

Whereas, Legal Services Programs have in the past and will continue to be involved in litigation against federal, state and local governmental agencies and other political entities; and

Whereas, it is absolutely essential that Legal Services attorneys remain free from political influence and interference if they are to render truly professional, independent, effective and vigorous legal representation and thereby continue to have the confidence of both their clients and fellow lawyers; and

Whereas, the currently proposed "National Legal Services Corporation Act" provides an administrative and financial structure which will assure the professional independence of Legal Services Programs and attorneys;

Now, therefore, be it resolved That the Board of Trustees of the Pierce County Legal Assistance Foundation supports in principle the "National Legal Services Corporation Act" (H.R. 6360) and urges the United States Congress to promptly enact this legislation after amending it in the following ways and possible others consistent with the general principles of the Act: All criminal cases not immediately, specifically and directly related to effective and aggressive representation of the civil claims of low-income people should be left for provision through other agency or means; and reasonable travel expenses for board and advisory committee members should be provided; a stronger statement in favor of class actions should be included; and members of the local bar should continue to be included in the boards of grantee agencies.

DALE L. CARLISLE, *President,*
Board of Trustees.

CROSBY, PANSING, GUENZEL & BINNING,
Lincoln, Nebr., June 10, 1971.

DEAR CONGRESSMAN: As you know, there are two bills before Congress to reorganize the Legal Services Program. S 1769 is the Administration's bill. S 1305 was introduced by Senator Mondale and Congressman Steiger. S 1305 has bipartisan support and is co-sponsored by more than 120 Congressmen.

Although the two bills are parallel in many ways, they also differ in significant matters. As President of the Board of Directors of the Lincoln Legal Service Society, Inc., I respectfully urge support of the Mondale bill.

The Administration bill appears weaker in several respects, particularly in protecting legal services from political pressures. Senator Mondale's bill would provide a board with broad representation to direct the Legal Services Corporation. Its 19 members would be as follows: five appointed by the President with the advice and consent of the Senate; one appointed by the Chief Justice of the United States, on recommendation of the Judicial Conference; six serving because of their offices—the President and President-Elect of the American Bar Association, President of the American Trial Lawyers Association, President of the National Legal Aid and Defender Association, President of the American Association of Law Schools, and the President of the National Bar Association; three chosen by a clients' advisory council; three by a project attorneys' council; and last, the Executive Director of the corporation.

This complicated list has the virtue of providing a broad selection of the professionals and laymen to guide the corporation. Such a group would not be easily subjected to manipulation or pressure.

The Administration's bill, while far simpler, would set up a board vulnerable to such pressures. S. 1769 would simply require an 11-member board, all appointed by the President, with the advice and consent of the Senate.

Also, the Mondale-Steiger plan would allow programs to offer a full range of legal services to the poor while the Administration's bill would limit services. Finally, the Mondale plan recognizes the need for substantial additional funding while S. 1769 would continue funding at present levels. This issue is of particular relevance to our program as our limited budget has resulted in a severe manpower shortage.

I urge you to support S. 1305 designed to build a truly effective legal service program for the poor.

Sincerely,
CROSBY, PANSING, GUENZEL & BINNING,
By THEODORE L. KESSNER.

CLARK COUNTY LEGAL SERVICE PROGRAM,
July 19, 1971.

DEAR CONGRESSMAN: As members of the Clark County Legal Aid Advisory Board, we are concerned with the continued quantitative and qualitative development of the legal services for the poor. We therefore have considered the various bills regarding the establishment of a Legal Services Corporation and we strongly favor the Mondale-Steiger Bill (Senate Bill S–1305, House Bill HR–6360).

We feel this bill would create a corporation that is the least susceptible to political manipulation and the most responsive to the legal needs of the poverty community. By prohibiting any restrictions on bringing class actions or suits against government agencies, the bill insures suits will be brought based on legal merit rather than political considerations. Possible political inhibitions to forceful advocacy are further removed by having a truly representative board with a majority being lawyers.

In essence, the bill gives the corporations that autonomy which is an essential precision element in any ethical law firm. We know you share our common concern for protection of the legal rights of the economically deprived and urgently solicit your support of the Mondale-Steiger Bill.

Yours very truly,
CLARK COUNTY LEGAL SERVICES ADVISORY BOARD.
Wayne G. Clark, Esq., Earle W. White, Jr., Esq., Frank A. Schreck, Esq., Dean Breeze, Esq., Richard H. Bryan, Esq., Anthony Earl, Esq., Norman Hilbrecht, Esq., Leslie T. Jones, Esq., Robert Peccole, Esq., James F. Pico, Esq., Tony G. Terry, Esq., Jerome F. Snyder, Esq., W. Owen Nitz, Esq., R. N. Beatty, Stella Fleming, Peggy Smith, Ruby Duncan, Phillip Edden, Maude Hinton, Willie Jacobs, Kathryn James, Dorothy McCants, Louis Miller, Katherine Marsh, Thelma Hearon, Tom Wilson.

PREFACE

Background of the study

Since the inception of the Legal Services program in the Office of Economic Opportunity in 1965, concerned individuals, and groups such as the program's National Advisory Committee, have directed considerable thought to the program's permanent structuring. However, no formal study had ever been completed on this question.

In late 1969 the Section of Individual Rights and Responsibilities of the American Bar Association, under the then-chairmanship of Jerome J. Shestack, created its Right to Legal Services Committee in response to the concern of many Section members. Among other things, the Section Committee was charged with considering the long-range problems facing the legal services program. The Committee, chaired by William R. Klaus of Philadelphia, determined in April, 1970, to study the question of the permanent structuring of the national legal services program. Charles L. Edson of Washington, D.C. was appointed Staff Director. Edson had served both as the first Chief of Operations of the Legal Services Program and as General Counsel of the President's Commission on Postal Organization which performed a similar study.

Funding problems delayed commencement of the study of the Section of Individual Rights and Responsibilities until later October, 1970. At that time the American Bar Association Standing Committee on Legal Aid and Indigent Defendants, chaired by John D. Robb of Albuquerque, agreed to cosponsor the study with the Section and to make R. Patrick Maxwell, Staff Attorney to the Standing Committee and the National Legal Aid and Defender Association available on a full-time basis. Such assistance, in addition to that acknowledged below, made it possible to complete the investigation and analysis deemed necessary in the relatively short time available.

The study consisted of the following:

1. The initial step was to identify existing models for a national legal services funding entity. The staff analyzed the organizational charts of appropriate departments and agencies and divergent recipients of public funds.

2. Intensive interviews were then undertaken with officials from those departments and agencies which preliminary analysis indicated were fruitful sources for comparison. We deemed this our most crucial activity, for theoretical analysis alone could not provide the data and information needed.

We conducted over seventy interviews at the Departments of Justice, Defense, Health, Education and Welfare and Housing and Urban Development, the Office of Economic Opportunity, the National Science Foundation, the National Foundation for the Arts and Humanities, the Corporation for Public Broadcasting, Gallaudet College, Howard University, the Office of Management and Budget, the National Academy of Science, the Federal Conciliation and Mediation Service, the National Aeronautics and Space Agency and with congressional staff assistants concerned with the issue under study. All those interviewed were most helpful. Many expressed a desire to participate in the study. We express our sincere thanks to those concerned individuals.

3. A survey posing essential questions was sent to all legal services project directors. The quality of their replies was impressive, providing many perceptive insights couched in well-reasoned responses. The bulk of the responses favored an independent federally-funded entity. Special Study IV sets forth the questionnaire and the responses.

The study encompassed several matters—legality and constitutionality of a private, non-profit federally aided corporation to house the legal services program, other governmental legal services programs, and analysis of agency structuring—which could not be treated in the body of the relatively short report that we sought. For that reason it was determined to include several special studies with the report to allow a fuller discussion of these matters than is contained in the main report. Although the study of the form of the Corporation for Legal Services is limited to Part III, the special studies hopefully will provide further insights.

We wish to acknowledge the generous support of the Ford Foundation in funding our staff assistance, and the excellent work of Charles L. Edson, Staff Director and R. Patrick Maxwell, Associate Staff Director.

The assistance of many contributed to the result. We wish to especially thank Henry Goldberg, Ernest W. Jenness, David R. Frick, Kimba W. Lovejoy, Michael Trister, John P. Tracey and Charles B. Ruttenberg, all of Washington, D.C.; to Sheldon L. Greene of San Francisco, California; to Ira Katz of Camden, New Jersey; to David Ellwanger and David C. Long, Chicago, Illinois; to Lydia Embry, legal assistant to Mr. Edson who bore the burden not only of typing endless drafts of this report but contributed to the editing as well; and to Jan Wright and Lucille A. Fisher for their secretarial help.

SUMMARY

The five years of the Legal Services Program of the Office of Economic Opportunity have been marked by singular achievement. Legal Services lawyers now handle a million matters a year for those who otherwise would see justice denied. Some cases have resulted in landmark judicial decisions significantly altering law affecting the poor. Impulses generated by the program have affirmatively affected the law schools, the law firms, and other legal institutions.

Both the program's success and the problems it faces dictate that serious thought be given to its permanent structuring. The goal of the study was to fashion a structure that would afford freedom to the legal services lawyer to take all action necessary for his clients, irrespective of notoriety, and yet promise program stability. The Administration has expressed a policy that OEO should incubate new programs and that, once established, these programs should be "spun off" as operating entities. If this policy is pursued, it would appear that the future structure of OEO would not lend itself to retaining Legal Services.

The Departments of Health, Education and Welfare; Housing and Urban Development, and Justice each have some logical claim to the program, and long-term security might be gained if Legal Services were submerged within a large department. However, since legal services lawyers have brought numerous suits against both HEW and HUD and their respective funded agencies, an inherent conflict problem would be present. The Department of Justice represents these departments when they face court challenges. Placing Legal Services within any of them would cause serious conflicts. Further, Legal Services within either HEW or HUD would mean a replay of the disturbing administrative conflicts that have occurred at OEO. Placing the program within the Administrative Office of the Courts or the Judiciary itself was deemed undesirable on conceptual, administrative, and financial grounds.

The most desirable alternative appears to be an independent entity. Two variations of such entities—the business-type governmental corporation and the federally-chartered private profit-making corporation—were discarded as unsuitable. Several independent agencies within the Executive branch, such as the National Science Foundation and the National Foundation for the Arts and Humanities present models worthy of study. Both are grant-giving agencies, as is the OEO Legal Services Program. Both are relatively independent of outside pressure, a characteristic indispensable to Legal Services. The fact that such agencies fall within the Executive Branch raises doubts as to whether a program so structured would enjoy long-range freedom.

The study of independent entities focuses on one model of compelling attractiveness: the federally-funded private non-profit corporation exemplified by the Corporation for Public Broadcasting (CPB). Congress established this corporation in 1967 as a vehicle to channel federal funds to the producers and distributors of educational television programing. The concern that federal funding be isolated from program production which impelled creation of CPB has equal cogency with respect to the need for independence of the Legal Services program. During its three year history CPB has, in fact, experienced the freedom it was designed to enjoy. It has financed provocative programs, even challenging congressional practices; yet it has received steadily increasing congressional appropriations.

The precedent indicates that Legal Services could enjoy the same relative freedom if administered by such a private non-profit federally-funded corporation. It appears desirable as the permanent funding vehicle for the program. The Corporation would be governed by a board of directors, and policy guidelines relating to such selections are discussed herein. At a minimum, Congress should provide for a permanent appropriation at a sufficient funding level to adequately maintain current primary and ancillary services and provide for justifiable expansion. Such a corporation must legally maintain minimal relations with a government department, and HEW would appear to be a logical conduit for the appropriation.

PART 1

THE BACKGROUND

Any analysis of the future of the Legal Services program necessarily requires reference to its past and its problems. Because of space limitations, only a brief discussion will be given here, and reference is made to Special Study VI which contains a bibliography on this subject.

The legal aid movement

Organized attempts to provide legal assistance to the poor in this country date back to 1876 in New York City. A society was established "to render legal aid and assistance gratuitiously to those of German birth who appear to be worthy thereof, but who from poverty are unable to secure it." Twelve years later a similar organization willing to render legal aid to all persons was established. Extension of legal aid was slow. By the end of 1913 only twenty-eight such local organizations provided legal aid in the United States.[1]

Although the legal aid movement expanded substantially over the subsequent decades, it did not begin to meet the need. In 1964 there existed only about 25 civil legal aid offices reaching fewer than five per cent of those requiring legal aid. Nine cities with populations over 100,000 had no organized legal aid.[2] The overall national expenditures for legal services to the poor amounted to only $5 million, less than two-tenths of one per cent of the national total spent for the assistance of attorneys. These inadequate sums could only finance inaccessible downtown offices, part-time and volunteer lawyers and a limited number of cases.[3] As a result, the well-intentioned but under-funded legal aid movement hardly touched the legal needs of millions of American poor.

The legal services program

Legal Services in its present form began in 1964 with the funding by the Ford Foundation of pilot neighborhood law offices in New Haven, New York and Washington, D.C.[4] Concurrently, the fledgling Office of Economic Opportunity began to consider the desirability of a legal services component of the "War Against Poverty." In 1965 the House of Delegates of the American Bar Association unanimously endorsed such a program—the first instance of the unlimited support that the organized bar has given the Legal Services program since 1965.

OEO funded its first local legal services program in that year under the general and specific authority contained in the Economic Opportunity Act of 1964.[5] Since its inception, the OEO-funded national legal services program has decisively accelerated the effectiveness of civil legal aid in America. Today over 80 per cent of the money annually expended for legal aid comes from the Office of Legal Services. In fiscal 1970, over $53 million was made available for financing services to nearly one million indigent persons.[6]

Rather than providing direct services through government employees, the Office of Legal Services makes grants to local nonprofit corporations. These programs, each with its own governing board and program director, employ some 2000 lawyers in 934 neighborhood offices.[7] Members of the client community serve in substantial proportion on all local program boards. The significant input from this source has proven invaluable to these programs.

In addition to field offices, OEO Legal Services funds complementary support programs. These include a recruitment program for recent law school graduates, the highly successful Reginald Heber Smith Fellowship program and centers specializing in housing law, health law, consumer problems, welfare law and economic development.

In general, the Office of Legal Services at OEO headquarters, headed by an Associate Director of OEO, oversees operations. Although grants are initially processed in regional offices, final authority is exercised by

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Footnotes at end of article.

the Legal Services Director at headquarters, although the extent of this authority is constantly under debate and in flux. In addition, the national office supervises the monitoring and evaluation of legal services programs and processes research, development, training and technical assistance grants. About twenty attorneys serve on the headquarters staff and about twenty-five serve within the OEO regions.

Close contact with the organized bar to formulate policy is provided through a National Advisory Committee. The committee is composed of present and past presidents of such concerned organizations as the American Bar Association, the National Bar Association, the American Trial Lawyers Association and the National Legal Aid and Defender Association, in addition to other lawyers and laymen concerned with legal services. Recently, a National Clients Council was organized to speak for the interests of that important group.

Activities of the legal services program

While the nature and quality of services vary, legal services offices strive to provide a level of services equal in quality and scope to major law firms. Litigation covers the full range of problems, from individual wage attachment to suits challenging government action brought on behalf of thousands of poor. Legal services attorneys acknowledge a responsibility both to individual clients and to the client community as a whole. Accordingly, attorneys neither avoid services to individual clients nor action initiated on behalf of major segments of the community where appropriate. Attorneys devote service time to low-income community organizations seeking to further legitimate community aims. Programs undertake litigation which has an impact on the basic conditions of poverty and initiate action in the courts, administrative agencies and legislatures calculated to establish new and clarify old rights and entitlements for the poor.[8] Often priorities must be established as a result of the growing caseload of many local legal services programs.

Independence of action is a decisive element in furnishing good services. Legal services programs are urged to maintain a constructive liaison and relationship with the organized bar and work with the non-client community. But control of legal matters reposes exclusively in the client and the attorney. The attorney is to be governed by the Code of Professional Responsibility in his relationship to the client.

Client Services on a Day-to-Day Basis

Much of the time expended by lawyers in local legal services programs has been devoted to servicing the everyday problems of their clients. Many attorneys average 500 matters each year. As noted, poverty lawyers served almost one million clients during fiscal 1970, in the areas of family, consumer, housing, welfare, administrative and juvenile law. Although most of these matters lacked dramatic impact to the client involved they meant a wrongful eviction stopped or a repossession voided—an injustice rectified. Most importantly, they helped to instill confidence that law and the judicial system benefit all, the poor and disadvantaged as well as those with means.[9]

Law reform and the legal ethic

Impact litigation has been a basic object of the Legal Services program since its inception. The OEO Legal Services Guidelines issued in early 1966 stressed the necessity for law reform—a position re-emphasized not only by all Directors of the Legal Services program but by OEO Directors as well. President Nixon recognized the need for such activity when he stated in his Message of August 11, 1969:

"The sluggishness of many institutions—at all levels of society—in responding to the needs of individual citizens, is one of the central problems of our time. Disadvantaged persons in particular must be assisted so that they fully understand the lawful means of making their needs known and having their needs met."

In addition, the ethics of the legal profession require a lawyer to serve his client by any permissible legal remedy to secure his object. Canon 7 of the Code of Professional Responsibility commands "A lawyer should represent a client zealously within the bounds of the law." Ethical Consideration 7–1 elaborates:

The duty of a lawyer, both to his client and to the legal system, is to represent his client zealously within the bounds of the law, which includes Disciplinary Rules and enforceable professional regulations. The professional responsibility of a lawyer derives from his membership in a profession which has the duty of assisting members of the public to secure and protect available legal rights and benefits. In our government of laws and not of men, each member of our society is entitled to have his conduct judged and regulated in accordance with the law; to seek any lawful objective through legally permissible means; and to present for adjudication any lawful claim, issue or defense.

This explicit command makes no exception to a lawyer who feels that his clients' rights can only be redressed by challenging a law or practice that impinges on those rights. Indeed, lawyers serving private clients have traditionally engaged in law reform activities, challenging statutes, bringing test cases, instituting class actions for shareholders and otherwise seeking to change existing legal patterns on their clients' behalf. The poor would seem entitled to no less. In the final analysis, law reform is no more than a lawyer performing his ethical and professional duty for his client.[10]

Nevertheless, Legal Services has been sharply attacked because of controversial successful litigation. In both 1967 and 1969, former Senator Murphy of California introduced amendments to the anti-poverty legislation with the announced intent to preclude this activity. The earlier amendment would have prevented the use of Legal Services funds to sue a governmental agency. The second would have given a state governor an absolute veto over a legal services program, eliminating the statutory override of a state veto by OEO headquarters. Fortunately, both amendments failed of passage. In 1970 the Senate Finance Committee revived the issue, attempting to bar litigation challenging welfare laws designed to nullify court decisions.

State governors have sometimes attempted to halt law reform activity through the use of veto power against legal services programs. Governor Reagan's recent veto of the OEO refunding of the aggressive and successful California Rural Legal Assistance program is a recent example.[11] The veto disregarded endorsement by leading California bar associations and a pertinent ABA committee. The South Florida migrant program and the St. Louis legal services program were similarly vetoed by state officials, although OEO subsequently overrode those vetoes.[12] Such efforts to curb the law reform activities of legal services lawyers seem to reveal a startling insensitivity to the democratic process. Access to the courts to bring about needed institutional reform should be encouraged in a democracy. As Earl Johnson, a former Director of the OEO Legal Services Program stated in the July, 1967, issue of *Law in Action*, the legal services newsletter: "We cannot slam the door of the courthouse in the faces of the poor in fear they may win a lawsuit and then cry out in indignation when they riot over the same grievances." The legal services lawyers have not created the tensions in our society which result in lawsuits. Indeed, the persuasive evidence is that they have diverted explosive problems into peaceful channels.

Effects on the profession

In addition to providing the poor with needed representation, the Legal Services program has sensitized the legal profession to the problems of the disadvantaged. Five years ago there were virtually no law school courses dealing with the legal problems of poverty. Now virtually all law schools offer such courses and clinics. A CCH Poverty Law Reporter now stands on library shelves with the Federal Tax Service.

Moreover, Legal Services has greatly affected the practice of law itself. It has provided employment and career opportunities for hundreds of able young lawyers who do not wish to practice immediately with traditional employers, the large law firms and corporations.[13] Those who finally practice with these employers, as many eventually will, infuse their colleagues with a professional conscience drawn from their legal services experience. At the same time, many law firms send volunteers to work in legal services programs and have established public service units and even neighborhood offices staffed with firm lawyers to work with the problems of the poor. No longer is legal aid a matter of condescending noblesse oblige. It has become a matter of full-time concern for a substantial segment of the bar.

Basis of judgment

The next part of this report presents alternatives for the permanent structuring of the Legal Services program. The assessment should be made within the context of the programmatic issues and objectives presented in the attached Special Study V, a perceptive analysis prepared by the Citizens Advocate Center. Special Study V and the previous discussion suggest the desired ends by which these alternatives must be judged. Briefly summarized, to perform its mission, a permanent legal services structure must couple *independence* for the program with the *security* needed to assure its continuation.

Independence connotes:

Freedom of a lawyer to represent his client to the limits of his ability within the bounds of professional discretion, including any appropriate challenge to prevailing laws or practices and any appropriate action against public agencies.

Freedom from any political intimidation or retaliation for such representation whatsoever.

Freedom for a legal services lawyer to represent his client pursuant to the Code of Professional Responsibility and the highest practices of the profession without interference by any outside source, lay or legal. As Disciplinary Rule 5–107(b) states:

A lawyer shall not permit a person who recommends, employs or pays him to render legal services for another to direct his professional judgment in rendering such legal services.

As Ethical Consideration EC5–23 amplifies the issue:

Since a lawyer must always be free to exercise his professional judgment without regard to the interest or motives of a third person, the lawyer who is employed by one to represent another must constantly guard against erosion of his professional freedom.

By security is meant the establishment and funding of a permanent legal services structure with the capacity to achieve governmental, public, client and bar understanding of and support for the provocative and controversial role of legal services in a free society.

Footnotes at end of article.

THE ALTERNATIVES

Any recommendation concerning permanent Legal Services structuring requires an examination of a variety of alternatives. Consideration of these alternatives involved not only full and frank discussions with key officials involved in the departments and agencies but also statutory and structural analysis. The alternatives considered were:

1. The status quo: keeping Legal Services in the Office of Economic Opportunity; 2. A Cabinet-level department; 3. The Judicial Branch; and 4. An independent entity.

The Office of Economic Opportunity

Strident controversies involving Legal Services at OEO submerge the fact that but for OEO there would not be a Legal Services program. All OEO Directors, regardless of political affiliation, have warmly endorsed the program and have battled such challenges as the two Murphy amendments and the recent challenge by the Senate Finance Committee. Many local legal services programs would not have been established but for the prodding of the local bar by OEO's community action agencies.

There are, however, two compelling reasons why Legal Services should be transferred from OEO: (1) the current role of OEO as an innovator with no operating responsibility and (2) the recurrent disabling conflicts over control.

As President Nixon indicated in his Poverty Message of February 19, 1969, this Administration views OEO's major role as program innovation.

OEO's greatest value is as an initiating agency—devising new programs to help the poor, and serving as an incubator for these programs during their initial experimental phases. One of my aims is to free OEO itself to perform these functions more effectively, by providing a greater concentration of its energies on its innovative role.

The President reiterated this policy in an August 11, 1969, Message:

When a program has proven successful in the domestic area, it too may be transferred to other agencies or other levels of the government or even to the private sector if that seems desirable. This approach will leave OEO free to break still newer ground.

Consistent with these views, in his recently announced governmental reorganization plan, President Nixon proposed that the Community Action Program, OEO's main operating program, be transferred to the new Department of Housing and Community Development. It seems clear that the established and proven Legal Services program is ripe for spin-off.

Beyond the organizational consideration is the psychological problem. The five years of Legal Services in OEO have been marked with destructive administrative conflicts. This report will not elaborate or consider the question of regional versus national control of legal services. Countless man-years, both of national Legal Services personnel and other Washington OEO officials, have been devoted to resolving this conflict; the time might have been better spent in furthering the agency's mission. Yet similar struggles are constantly re-occurring in regional offices. On the local level, acrimony exists between legal services programs and the umbrella community action agencies of which they are often a part.

The good faith of the participants on either side is not questioned, as the controversy in the abstract is largely a philosophical one. However, it appears to be both re-occurring and persistently damaging. For example, the 1970 fight over the regionalization of Legal Services mirrored a similar struggle that occurred in 1967 over the report of the management consultant firm of McKinsey & Co., Inc which had suggested a similar decentralization. As stated in Part I, professional control of the program and bar association involvement is essential to the continuation of independent and effective legal services, and these struggles are felt by the organized bar to represent incursions on the independence of the Legal Services program.

In light of past history and current trends in OEO, it is unlikely that the professional independence of the Legal Services program can be permanently achieved within the OEO structure. Accordingly, consideration was given to an alternative to the present arrangement. An initial consideration was the inclusion of Legal Services in a Cabinet-level department.

Cabinet-level department considerations

The argument has been made that the small and sometimes controversial Legal Services program should be placed within a larger department to insulate it from disabling attack. There is real merit to the departmental suggestion, and much attention has been directed to a detailed analysis of the advantages and disadvantages which follow from inclusion of Legal Services in an established agency. Of all the departments, the Departments of Health, Education and Welfare and Housing and Urban Development would be logical choices because they commit a substantial portion of their resources to the problems of the poor and also are currently sponsoring a legal services program. (See Special Study III for a full discussion of these programs.) The Department of Justice, as the nation's lawyer, deserves equally serious consideration. It would offer the advantage of control by lawyers who understand the legal process and its impact on legal services. Each of these three departments, then, has certain attractive aspects. However, there is one overriding objection to each: that of potential conflict of interest.

In the case of HEW, local legal services lawyers have brought many challenges against HEW-funded programs; often these challenges have been sustained by the courts. Successful attacks have been made on the one-year residency requirement for welfare recipients, the man-in-the-house rule[1] and the administrative practices of the fair hearing procedures.[2]

In the case of HUD, legal services lawyers have frequently and successfully attacked the relocation practices of HUD-funded urban renewal agencies[3] and the admission and eviction procedures of local housing authorities.[4]

In the case of Justice, the problem is most severe. Justice represents HEW, HUD and, in fact, all governmental departments sued by a legal services program. Justice lawyers have the same legal, ethical and professional responsibility to defend the challenge as the poverty lawyer has to bring it.

In addition to these obvious conflicts, more subtle ones exist. Both HUD and HEW make most of their grants to state and local governments. These entities are often the prime target of legal services actions. Officials of these departments advise that legal services suits would prove embarrassing to them in their efforts to maintain an affirmative relationship with state and local governments.

In the case of the Department of Justice, the Attorney General would be in an inherently conflicting position when compelled to allocate budget funds between those who attack the legality of federal laws and those who defend them.

It has been suggested that the conflict might be avoided by structuring Legal Services as a quasi-independent agency within a given department. In the case of Justice, the Law Enforcement Assistance Administration (LEAA) is presented as an analogy.[5] It represents a compromise between congressional desires to structure that agency outside the department and the then-Administration's wish to subject it to the Attorney General's control. Although a director and two associate directors govern LEAA, it was placed under the "general authority" of the Attorney General.[6] While LEAA has broad discretion in its day-to-day activities, the Attorney General has control in matters of significance. Thus, LEAA's mechanism neither avoids the conflict problem nor insures the necessary degree of independence.

The National Institutes of Health within the HEW structure have also been suggested as a model of a quasi-independent structure. In actuality, the institutes are an integral part of HEW; they report to an Assistant Secretary and are subject to pervasive departmental supervision and review of policy, personnel and budgetary matters.[7] The Office of Child Development, which administers the Head Start program, likewise reports to an Assistant Secretary and hardly operates as an independent entity.[8]

Other objections have been lodged against placing Legal Services in one of the departments. HUD's jurisdiction, at least for the present, is basically urban, which might suggest delegating rural legal services to the Department of Agriculture. The resulting bisected Legal Services program would be possibly less effective than the present arrangement. The fact that the Justice Department is basically a prosecutorial agency might make legal services lawyers less acceptable to members of the client community; this could be especially true if the Legal Services program should ever undertake representation in criminal cases.

Finally, it seems likely that the administrative agonies that have plagued Legal Services in OEO would continue at HEW. State welfare departments control the operation of those few HEW-funded legal services that are now in operation. (See discussion of the HEW programs in Special Study III.) Residual federal direction of the program comes from a nonlawyer in the Community Services Administration, which in turn is part of the Social Rehabilitation Service. Conceptually, a legal services program in HEW is likely to be viewed and operated as another welfare program. Finally, we have been cautioned against the immersion of Legal Services in the ponderous HEW administrative structure.

In summary, the interests of Legal Services and the Justice Department, HEW and HUD are often synonymous. But to the extent that they are adverse, a marriage is precluded or at best inadvisable on grounds of incompatibility and a lack of assurance of independence.

Administrative office of the courts or the judicial branch

Suggestions have been made that the most appropriate place for Legal Services would be under the auspices of the Administrative Office of the Courts, or within the Judiciary itself. Then, Legal Services would be directed by the Director of the Administrative Office of the Courts with an advisory board. If Legal Services were to be operated directly by the Judiciary, a board would be appointed by the Chief Justice. Proponents of this alternative believe that legal services is an instrumentality of justice as are the courts. Placing Legal Services in the Judicial Branch would increase public confidence in the rule of law and operate to insulate the program from political pressure. It would enhance the professional prestige of the program and offers the greatest direct possibility of accelerating the evolution of the Judicial Branch. Finally, this proposal might generate a constituency for the entire legal system: the courts and, more broadly, Justice Under Law.[9] These arguments have great appeal, but we find impressive countervailing considerations.

Footnotes at end of article.

First, the Administrative Office of the Courts is just that; an agency charged with the day-to-day administration of the federal courts. Some of its duties, as listed in the United States Government Organization Manual (1970/71), make this clear:

1. Supervise all administrative matters relating to the office of clerks and other clerical and administrative personnel of the courts. . . .

5. Fix the compensation of clerks of courts, deputies, librarians, and other employees of the courts whose compensation is not otherwise fixed by law. . . .

7. Regulate and pay annuities to widows and surviving dependent children of judges and necessary travel and subsistence expenses incurred by judges. . . .

It is questionable whether this office could or should be equipped to deal with the many sensitive political and policy matters that surface in the administration of the Legal Services program.

The Chief Justice, or other member of the Judiciary, moreover, should not have the responsibility of appointing the board. Involving the neutral role of the federal courts in resolving disputes with the guidance of a program that initiates federal and state litigation is perilous. Thus, conflict of interest is again a problem. The problem might be said to be minimal, however, since courts regularly appoint counsel to represent indigents.[10] But many concerned with the federal judiciary, including prominent jurists and scholars in the field, have expressed concern that courts already perform too many non-judicial functions. Judges, they contend, should be relieved of administrative burdens such as appointing defense lawyers in criminal cases or even sentencing. To burden the courts with more such duties would be reversing the trend. They also distinguish the traditional responsibility of defender appointment from ultimate accountability for the far-reaching reform which may be pursued by clients utilizing the Legal Services program.

Finally, the Judicial Branch has throughout the years suffered from continually inadequate appropriations for its basic needs, such as research assistance and court administration costs. Legal Services might well suffer from these traditional difficulties were it within the Judical Branch.

An independent entity or agency

The foregoing analysis rejects the status quo or the transfer of Legal Services to an existing department or to the Judicial Branch. In view of the considerations discussed, an independent entity is deemed the most appropriate structure. Of course, the independent entity model encompasses many possibilies. The charts in Special Study I demonstrate that at least sixty governmental bodies fall within this grouping without including regulatory agencies such as the Federal Communications Commission. These entities can be categorized into four groups: independent agencies in the Executive Branch; government-owned corporations; private non-profit corporations which receive federal funding; and private profit-making corporations established by congressional enactment.

We reject as inappropriate two of these forms: the government corporation and the federally-chartered private profit-making corporation.[11] President Truman well stated the use of government corporations in his 1948 Budget Message:

Experience indicates that the corporate form of organization is peculiarly adapted to the administration of governmental programs which are predominantly of a commercial character—those which are *revenue producing*, at least potentially, *self-sustaining*, and involve a large number of business-type transactions with the public. (emphasis ours)

Accordingly, Congress has utilized the corporate form when faced with a business-like task of large proportions, such as the Emergency Fleet Corporation during World War I, the Tennessee Valley Authority or, of very recent significance, the United States Postal Service. By its very nature, Legal Services is not a revenue-producing agency.

The profit-making corporation presents an inappropriate model, *a fortiori*. Congress creates such entities to encourage private activity in an area impressed with the public interest. Early examples include the Bank of the United States, which withstood a constitutional challenge in the landmark case of *McCullough vs. Maryland*.[12] Recent examples include the congressional effort to stimulate private initiative in the housing field through the National Corporation for Housing Partnerships, established in the Housing and Urban Development Act of 1968,[13] and the Federal National Mortgage Association, transferred to private status by the same law.[14] Communications Satellite Corporation (COMSAT) presents an example of congressional desire to retain some public linkage to a private corporation utilizing technology initially developed under the federal space program.[15] The President appoints a minority of the directors in all three corporations but they are otherwise private concerns which attempt to make a profit for the benefit of their investors. Thus, they do not provide a ready analogy to the legal services program.

Independent Agencies

Congress has created numerous independent agencies that are not part of any of the eleven departments, although organizationally part of the Executive Branch. However, but for the regulatory bodies, these agencies are not truly independent as they are in the Executive Branch. In some cases, Congress wished to free a new program from the constraints imposed by an existing large bureaucracy, although often the new agencies have assumed the proportions of existing departments. The Atomic Energy Commission,[16] NASA,[17] and the Veterans Administration [18] are prominent examples. In other cases Congress felt a need to divorce a particular function from the agency in which it was initially located. Thus, in the 1947 Taft-Hartley Act [19] Congress spun the Federal Mediation Service away from the Department of Labor on the ground that its neutrality was in question by its inclusion in a department identified with the interests of organized labor. Independent agencies come with various structures in all sizes and with all missions. The study of these agencies has provided several fruitful analogies to the Legal Services program. Indeed, two such agencies, the National Foundation for the Arts and Humanities (NFAH) [20] and the National Science Foundation (NSF) [21] provide attractive models for placing an independent Legal Services program within the Executive Branch. Special Study I discusses these programs in detail. The study is summarized here, using NFAH as a model.

The National Foundation for the Arts and Humanities consists of two relatively separate entities, the National Endowment for the Arts and the National Endowment for the Humanities, coordinated by a third, and relatively inactive, body known as the Federal Council on the Arts and Humanities. The Arts and Humanities Endowments are similarly structured. The President appoints a chairman, subject to Senate confirmation, to a four-year term. The chairman presides over a twenty-six member Presidentially-appointed council. The statute requires that the Arts Council, for instance, be appointed from citizens widely recognized for their broad knowledge and experience in the arts, such as practicing artists, civic cultural leaders and members of the museum profession, who collectively provide an appropriate distribution of membership among the major art fields. In making the appointments, the President is requested to consider recommendations submitted by leading national organizations in the field. The law likewise restricts Presidential appointments to the Humanities Endowment board.

The primary purpose of each endowment is to make grants to groups or individuals for the production of artistic or cultural works, basic research in the humanities and related projects. Thus, each endowment plays much the same role as the Legal Services administrative structure in reviewing grant applications and making, monitoring and evaluating the grant. Significantly, the statutory language establishing the Arts Endowment prohibits federal control over the policy or program determination of any group involved in the arts.[24] The endowment has scrupulously followed this command and is not subjected to significant Administrative or congressional pressure that would threaten its independence.

Although not lavishly funded, funds appropriated to NFAH have significantly increased from fiscal 1970 to 1971, from approximately $12 million to $23 million. The Administration has taken a real interest in this program, accounting for the sizeable funding increase in an otherwise tight budget. Each endowment has made controversial grants, either because of grants to a grantee or for a work product that has encountered political notoriety or because of a grant to a project of questioned artistic or literary value.

The foundation model presents the greatest opportunity for independence of agencies within the Executive Branch. Its major liability results from such an agency being subject, and properly so, to Presidential direction and control. The foundation director, as a Presidential appointee, has great sensitivity to White House wishes. Although it is theoretically possible to structure the foundation so that the board appoints the foundation director, such a structure would run counter to the accepted practice of Presidential appointments. As Special Study I sets forth, President Truman vetoed the original National Science Foundation legislation which denied him the right to appoint the executive director. In the case of the foundations we studied, Presidential appointment does not seem objectionable on policy grounds. However, in the case of Legal Services, the greatest possible independence from the Executive is a real need because of the conflict problems heretofore discussed and the need to be free from political pressure. For these reasons, and because of the availability of a model that offers the promise of freedom from significant governmental domination, we do not make it our structural choice.

Private, Nonprofit Federally Aided Corporations

Perhaps least known of all government-affiliated entities, the federally-supported non-profit corporation enjoys a long history. Since 1867, the federal government has been the principal source of funds for Howard University, a comprehensive university organization located in the District of Columbia.[25] Howard is governed by its own trustees, selected independently from any federal government source. The federal government is similarly related to another private institution in the nation's capital—Gallaudet College, a higher institution for deaf persons.[26] Since 1879, Congress has been making funds available to the American Printing House for the Blind in Louisville,[27] a non-profit corporation, to assist in the education of the

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blind by distributing braille books and other equipment.

All of these corporations are included within the HEW budget and appear on the HEW organization chart. HEW's practical contact with these corporations is minimal, virtually limited to a sympathetic review of the budget submitted by each institution before HEW forwards it to the Office of Management and Budget. Our Washington interviews found that this has been a satisfactory relationship for both the department and the two universities. This of great significance, in that universities have a vital concern with the problem of academic freedom. Significantly, even during the period of student unrest, no undue political pressures were reported by these institutions.

Two well-known variations of the federally-assisted non-profit corporation are the American Red Cross [28] and the Smithsonian Institution.[29] Congress chartered the Red Cross to fulfill the United States' obligations under the Geneva Convention. The President appoints the chairman and seven members of the board of governors; however, the Red Cross receives no direct federal funding for its activities and in this respect differs from the Legal Services program. The Smithsonian Institution, a charitable non-profit corporation, has a dual status—private and governmental. It administers a number of federally-funded programs and, in its private capacity, receives and administers contracts and grants and accepts gifts and bequests from non-federal sources. Its governing body, the Board of Regents, includes the Vice President, the Chief Justice, three members of the Senate, three members of the House and six citizen members. The Smithsonian blends both public and private funding to carry out activities in the public interest.

Of all the federally-aided non-profit corporations, the Corporation for Public Broadcasting (CPB) appears to present the best model for the Legal Services program.[30] Since a corporation for legal services patterned after CPB is proposed in Part III, a full discussion of that entity is appropriate.

The corporation for public broadcasting

In January, 1967, after a year of study, the Carnegie Commission on Educational Television concluded a comprehensive report on public interest broadcasting. Significantly, the Commission recommended extensive federal funding for television program production, although acknowledging the free speech danger implicit in government participation in the communications media.

Because we contemplate federal assistance to Public Television on a far larger scale than at present, the pressing need arises to identify the manner in which federal funds will flow to the system. There is at once involved the relation between freedom of expression, intimately and necessarily a concern of Public Television, and federal support.[31]

The Commission proposed the establishment of a federally-chartered non-profit corporation which would be neither an agency nor an establishment of the United States Government. The considerations of broadcasting integrity that impelled the Carnegie Commission to suggest such an entity are equally relevant to the question of Legal Services freedom.

Legislation embodying the Commission's report was introduced shortly after its issuance. The following excerpts from the hearings show that Congress was appraised of and sensitive to the free speech problems involved.

Mr. Fred Friendly, a television consultant to the Ford Foundation, posed the issue at the Senate hearings:

> Of one thing we can be certain: Public Television will rock the boat. There will be—there should be—times when every man in politics—including you—will wish that it had never been created. But Public Television should not have to stand the test of political popularity at any given point in time. *Its most precious right will be the right to rock the boat.*[32] (emphasis added)

At the hearings Senator Hugh Scott (Pa.) recognized the necessity for . . . total freedom, if that could be obtained, in programming and in the presentation of ideas and in the protection of thought we hate, protection of the unpleasant, the protection of the Lar Dailys of this country, for example, who like to get out in uniforms and run for office, the protection of the oddball, beatnik, crackpot, jackass, fool, *the protection of anybody.*[33] (emphasis added)

Both the House and the Senate Committees recognized in their reports the compelling need for the government to keep its hands off the operations of the corporation. As stated in the House report:

> How can the Federal Government provide a source of funds to pay part of the cost of educational broadcasting and not control the final product? That question is answered in the bill by the creation of a non-profit educational broadcasting corporation.
>
> Every witness who discussed the operation of the Corporation agreed that funds for programs should not be provided directly by the Federal Government. It was generally agreed that a non-profit Corporation, directed by a Board of Directors, none of whom will be Government employees, will provide the most effective insulation from Government control or influence over the expenditure of funds.[34]

The bill, as finally enacted, followed the recommendations of the Carnegie Commission, except in two important respects:

First, the statute as adopted provided that the President would appoint all fifteen members of the board of directors, with Senate confirmation. The Commission had recommended that the President appoint six members who would appoint another six. Rather than adopting this recommendation, the statute set forth certain guidelines for the President in making his appointments.

Congress also rejected the Commission's recommendation of an excise tax on television sets to finance the corporation. Financing was left to the normal annual appropriations process until experience would indicate the corporation's revenues and needs.

CPB Operations

The three year history of the corporation's operations indicates that it has in fact operated with the freedom it was designed to enjoy. As contemplated in its legislative history, the corporation has made funds available for the production of programming controversial in nature. CPB does not produce shows itself but instead grants funds to production centers. Such programs have included a critical study of the banking industry in which conflict of interest charges were made against congressmen with bank stock who vote on banking legislation. The congressional seniority system was attacked, and defended, in programs produced with CPB funds. Thus, the corporation is involved in far more controversial matters than such popularly accepted ventures as Sesame Street.

Corporation officials report no undue congressional or Administrative pressures to halt such controversial programming. Indeed, Congress has dramatically increased CPB's funding level during the past three fiscal years. In fiscal 1969, the corporation received $5 million in appropriations. In fiscal 1970, Congress appropriated $15 million to the corporation. In this fiscal year, Congress appropriated a total of $23 million, $20 million outright and the remaining $3 million on the condition that it be matched with private funds. In addition to the federal funds, the corporation received about $2 million from private sources in fiscal 1970.

In spite of this funding pattern, financing represents the corporation's number one problem. Further, the annual appropriations process poses a special hardship to an industry that must plan at least two years in advance for its program production requirements. In spite of the unanimous feeling at CPB that it was better to have started without permanent financing than not to have started at all, we do not wish to understate this funding difficulty. It poses a prime objection to this alternative, although funding is a problem that will plague Legal Services no matter how structured.

Significanty the corporation has never enjoyed the single-minded support of prestigious constituent groups comparable to the backing that the American Bar Association and other legal groups have given Legal Services. It has, however, created an Advisory Committee of National Organizations to inform the public about CPB and to alert CPB to public needs and desires. Additionally, local stations have "friends groups" or similarly designated fund-raising entities and a National Friends of Public Television has been established.

Although the corporation is completely independent of the government, it does maintain some organizational relationships with the Department of Health, Education and Welfare. During its first year, the CPB budget was included within that of HEW. This practice ended when HEW found that it could not apply an across-the-board budget cut to CPB because it was a completely independent agency outside of departmental control. However, CPB still receives its appropriation in the bill which carries the HEW budget, reported out of the Subcommittee on Labor, Health, Education and Welfare and Related Agencies of the Appropriations Committee. In addition, the appropriation is made to HEW for transmittal to the corporation because the Treasury can only disburse federal funds against warrants drawn by a governmental agency.[35] Upon receipt of the funds, HEW immediately transmits them to CPB. Finally, at the request of the Office of Management and Budget, HEW transmits the corporation's authorization request to the Congress.

But for the question of permanent funding, CPB officials expressed great satisfaction with their organizational structure. Special praise was directed to the freedom from Civil Service regulations, grade structure and other governmental regulations that private status affords. Primary emphasis, however, was placed on the organization's main blessing—the freedom to be controversial.

The parallels between Legal Services and Public Broadcasting are by no means exact. The potential for controversy of legal services remains higher than that of broadcasting. Legal services do not just "rock the boat"; they sometimes alter its course. These considerations do not detract from the basic selection of the corporation; rather, they suggest a need to structure it so as to assure as much independence as can be obtained for an entity largely dependent on federal funds.

PART III

THE STRUCTURE AND DUTIES OF A CORPORATION FOR LEGAL SERVICES

On the basis of our study, we suggest consideration of the following elements in structuring the Legal Services program in a Corporation for Legal Services:

A. The corporation

That Congress establish the Corporation for Legal Services (hereinafter referred to as

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the Corporation) which will be chartered under the District of Columbia Non-Profit Corporation Act. The Corporation will not be an agency or an establishment of the United States Government.

B. The board

There have been more divergent opinions expressed on how to form the Corporation's board than on any other question that we faced. Because there does not presently exist any real consensus on detail of board structure, we shall instead present the following guidelines as guidelines to be taken into account in the decision on this question.

A majority of the board be composed of lawyers of which a significant number must be attorneys who have been engaged in providing legal services to the indigent.

Significant representation of the client community on the board, as well as the public at large.

Representation of the judiciary on the board, either directly or through appointive power.

Representation of leaders of the organized bar on the board by virtue of their office.

Appointment by the President of the United States of a portion of the board.

Non-partisan appointment and demonstrable support for the goals, achievements and accomplishments of the legal services program as the sole criterion for appointment.

There are persuasive reasons for having the board completely appointed by the President, as in the case of the Corporation for Public Broadcasting, because such a board is suited to fending off criticism and would add prestige to the Corporation. Of course, in making his appointments, the President could be required to select from certain categories (i.e., the client community, lawyers who have represented the poor, etc.).

There are also persuasive reasons for having the President appoint a majority of the board but with certain bar leaders serving by virtue of their office (i.e., the presidents of the American Bar Association, the National Bar Association, National Legal Aid and Defender Association, other bar associations, etc.) because of the crucial need for bar involvement in the Corporation. Some bar leaders have suggested that all the appointees be lawyers. Other suggestions would allow the President to appoint some board members but not a majority; for example, concerned groups such as client advisory councils and project attorney advisory councils would appoint board members and certain bar leaders would serve by virtue of their office. This would prevent any group or individual from appointing a majority.

Another thoughtful suggestion is that judges appoint the majority, or a significant number, of board members. Under one plan, each federal judicial council would appoint a person within the circuit, but not one of its members, to sit on the governing board. Similarly, it has been suggested that the Chief Justice appoint members. Advocates of these plans stress the prestige and protection that judicial involvement can bring to the corporation and the need for Legal Services to be considered an obligation of a society dedicated to the concept of equal justice under law.

Finally, some working legal services lawyers have proposed that their group be allowed to appoint the board majority, as they have to live with the program on a day-by-day basis.

All of these suggestions have persuasive reasons behind them and reconciliation of the different legitimate interests will be one of the most difficult tasks in establishing the Corporation.

It is suggested that the board function as a policy maker and, through a subcommittee, as a forum for review of substantive grievances of grantees, including the refusal to renew a grant of more than two years standing at the current funding level. These functions reflect the usual apportionment of responsibilities and give the board an affirmative role in the affairs of the Corporation.

The board's policy-making function should be enhanced by in-put from clients, legal service attorneys and concerned citizens. As is now the case, a National Clients Council could be appointed to advise both the board and the president on policy matters. The Clients Council could review and comment on policy questions, such as the establishment of priorities and the hiring of the president and his deputy. This Council could be appointed by the board from a list of nominees submitted by national organizations representing client communities. The selection of members should assure that all regions of the country are represented.

A similar council comprised of legal service project directors and attorneys analogous to the present Project Advisory Group could advise on policies from the practitioners' point of view. In addition, an advisory council composed of representatives from leading national groups could be established to assure two-way communication between the Corporation and the public-at-large.

We emphasize the importance of advisory councils because of the crucial role played by the National Advisory Committee to the Legal Services Program. It has proven to be a source of strength as well as advice. However, that Committee has been hampered by lack of staff support, and we feel that the Corporation's advisory councils must have paid staff assistance. In addition, it would appear advisable that these councils be required to hold regular meetings and make formal reports to the board of directors at least on an annual basis.

C. Officers

That the board of directors choose a chief executive officer to be designated as president. That the corporation president, as all other officers, be employed on a full-time basis and have the duty to implement policy and oversee the operation of the program. The president would serve as ex officio member of the appropriate White House councils concerned with the problems of the disadvantaged.

There appears to be a consensus of views that the president of the Corporation, consistent with traditional executive powers, should have broad responsibility, subject to policy guidance from the board, for the conduct of the program, including the formation of the budget, making and terminating grants, changing grant levels, initiating new projects, handling complaints and insuring compliance with grants and government regulations.

Board approval of grants made over a certain amount, similar to the restrictions contained in the National Science Foundation legislation, does not appear to be advisable. This question, however, could be left to the board's discretion.

D. Purposes

In general, for the Corporation for Legal Services to function effectively it would have to enjoy duties along the lines set forth below:

1. Make contracts with or grants to local legal aid societies, legal services programs or similar entities which will deliver a full range of legal services to clients financially unable to obtain counsel otherwise. At the Corporation's discretion, grants would be made directly to a legal services project, through a community action agency or to such other entities as the Corporation determined appropriate. Services could be provided either by full-time staff lawyers or by private practicing lawyers under a contractual arrangement with an operating legal services entity. At present there is a substantial representation of the client community on local legal services boards and most experts in the legal services field believe this should be retained. The present governors veto of grants and the non-federal share requirement have generally met with disapproval by those most knowledgeable about the program and on balance appear to be undesirable limitations on the program.

2. Formulate guidelines for the operation of legal services programs by grantees.

3. Provide technical assistance to local legal services programs, either directly or through grants of contracts with other entities.

4. Make grants to or contracts with "back up" or resource centers expert in specific fields of poverty law, who in turn make that expertise available to legal services lawyers.

5. Make grants to universities and other entities for research, courses, clinical and practical programs relevant to the delivery of legal services.

6. Monitor all grants made for compliance with the terms thereof and evaluate the effectiveness of the performance of any grantee or contracting party.

7. Have responsibility for all government-funded legal services programs as follows:

a. make recommendations on any proposal to establish a legal services program within any governmental department or agency.

b. make recommendations on any proposed legal services funding under programs such as Model Cities administered by the Department of Housing and Urban Development.

c. have such administrative responsibility for the legal services program funded under the Social Security Act as is now exercised by the Department of Health, Education and Welfare.

d. provide monitoring, training, technical assistance and evaluation services on a reimbursable basis to other federal agencies having legal services programs.

e. monitor any governmentally-funded legal services program to assure conformity with accepted standards of professional conduct.

As is now the case with the Office of Legal Services within the Office of Economic Opportunity, the Corporation would not perform legal services directly. Instead, it would be a funding entity charged with the responsibility of providing guidelines for grantees, deciding which projects should receive grants and monitoring and evaluating the expenditure of funds. This conduit arrangement removes the necessity for local programs to deal directly with the federal government, just as CPB shields program production centers from dealing with their governmental funding source, although the Corporation's funding source will ultimately be federal.

The non-federal share requirement has often imposed an undue burden on local programs. The Corporation should be free to use its discretion in this area, and for that reason we believe its continuance undesirable.

The relationship between the Corporation and the legal services programs now conducted by HEW, HUD and the Defense Department and the defender program under the Criminal Justice Act poses difficult policy questions. Merging all legal service functions, with the exception of the military, into the Corporation was considered. Much can be said for having all the government's legal aid activities under one authority. However, a careful examination of these programs reveals serious difficulties with such a proposal (see Special Study III). Problems would exist in attempting to isolate HUD's funding of legal services through the Model Cities program and transferring that function elsewhere. Whether one of the 150 Model Cities desires legal services rests solely on local discretion and it is difficult to see how the grant-giving functions could be transferred to the Corporation. However, before HUD allows a model city to expend any funds on legal services, the Corporation should have the right to advisory input. Serious administrative difficulties would result if the Corporation attempted to operate the legal aid program carried on by the Department of Defense for its servicemen. We believe it would be desirable for the Corporation to perform the administrative role now played by HEW in channeling funds under the Social Security Act to those states that include legal services under a state welfare program and in making legal services demonstration grants utilizing funds authorized in said Act. Further, in the case of all government-funded legal services programs, the Corporation should provide training, technical assistance, monitoring and evaluation services on a reimbursable basis with the agency to assure that all such programs conform to acceptable standards of professional conduct.

We also considered the assignment of the administration of the Criminal Justice Act to the Corporation. However, the study indicates that the role now played by the Administrative Office of the Courts is essentially one of paying vouchers as they are submitted from the various federal courts. The Administrative Office sets forth no guidelines for running the program and performs no monitoring, evaluation or technical assistance. Little would be gained by appending this purely mechanical function to the policy-making Corporation. It is feared, moreover, that misunderstanding the role of the Corporation vis-a-vis local federal courts would be occasioned by such an amalgamation. Once established, the Corporation should consider the role it should play in administering the Criminal Justice Act and make appropriate recommendations.

E. Financing

That the Corporation receive a permanent authorization at a minimum of $90,000,000 subject to increase as the need is shown for justifiable expansion of services, research, education and administration. That a permanent appropriation should be made for this amount.

We use the $90,000,000 figure because of its long espousal by those concerned with the program as its minimum funding needs. This figure, developed by an OEO staff study several years ago, could well understate the need.

As with CPB, it is of crucial importance that the proposed Corporation receive funds other than by the annual appropriations process. Methods of achieving this objective include dedicated taxes, trust funds or a permanent appropriation. The latter appears to be the most appropriate in this case. (See Legal Memorandum, Special Study II.)

Concerning the application for the transmission of federal appropriations, it would be desirable for the proposed Corporation to have the same relationship with HEW as does the Corporation for Public Broadcasting. In other words, the Corporation's budget would not be contained within HEW's but would be transmitted directly to the Office of Management and Budget for review. As with CPB, the Corporation's budget would be considered in the same bill and by the same appropriations subcommittee as that of HEW, and the appropriation would be made to HEW for transmittal to the Corporation. Further, HEW would, at the request of the Office of Management and Budget, transmit authorization requests for the Corporation for Legal Services. In view of the need for the proposed Corporation to maintain such a relationship with some agency, HEW is viewed as the most logical because of its overriding concern with the problems of the disadvantaged and its familiarity with such a fund-channeling mechanism. As a second choice to HEW, OEO could serve this function because of its long-standing connection with the Legal Services program and its responsibility for problems of poverty.

CONCLUSIONS

Judge Learned Hand taught that unless the spirit of liberty dwells within the hearts and minds of men, no court can be its ultimate protector. Similarly, unless legal services has wide-spread public and official support and understanding, no entity will withstand adverse pressures. However, within the ambit of this caveat, the type of Corporation for Legal Services studied and discussed in this report appears to afford the greatest promise of independence coupled with permanence. It presents an opportunity to the nation to make a lasting unequivocal commitment to the concept of justice for all.

FOOTNOTES

Part I

[1] Office of Legal Services, *Position and Background Paper for Airlie House Conference,* July 17–18, 1970, Section II–B.

[2] Wald, *Law and Poverty: 1965*, at p. 47.

[3] See Note, *Neighborhood Law Offices: The New Wave in Legal Services for the Poor,* 80 Harv. L. Rev. 805–808.

[4] The pioneering model for a legal services program as an adjunct of the War on Poverty is presented in Cahn and Cahn, *The War on Poverty: A Civilian Perspective,* 73 Yale L. Journ. 1317 (1964).

[5] 42 U.S.C. 2701 *et seq.* A 1966 amendment to the Economic Opportunity Act set forth specific authorization for the program. See 42 U.S.C. 2809(a)(3).

[6] Office of Legal Services, *op. cit.,* in Section III.

[7] *Ibid.*

[8] See generally Johnson, *Legal Aid and Social Reform,* Dialogue, Spring, 1971, pp. 56–64, for background on such impact litigation.

[9] For an incisive discussion of the problem of caseload limitation, see Silver, *The Imminent Failure of Legal Services for the Poor: Why and How to Limit Caseload,* 46. Jour. of Urban Law 216 (1969).

[10] For perceptive discussions of the law reform issue, see Robb, *Controversial Cases and the Legal Services Program,* 56 A.B.A. Journ. 329 (Apr. 1970), and Shestack, *Right to Legal Services,* to appear in the forthcoming book, edited by Dorsen, *The Rights of Americans: What They Are; What They Should be* (Pantheon, 1971).

[11] See Johnson, *op. cit.,* for a discussion of this legislative controversy and other attempts to stifle the program.

[12] 42 U.S.C. 2834 gives a state governor the power to veto a legal services grant within his state but provides that the OEO director may override such veto.

[13] For an analysis of these phenomena early in Legal Services history, see Note, *Neighborhood Law Offices: The New Wave in Legal Services for the Poor, op. cit.*

[1] *Shapiro* v. *Thompson,* 394 U.S. 618 (1969).

[2] *Goldberg* v. *Kelly,* 397 U.S. 254 (1970).

[3] *Western Addition Community Organization (WACO)* v. *Weaver,* 294 F. Supp. 433 (N.D. Cal. 1968).

[4] *Escalera* v. *New York City Housing Authority,* 425 F. 2d 853 (2d Cir., 1970).

[5] United States Government Organization Manual, at p. 198.

[6] 42 U.S.C. 3711.

[7] United States Government Organization Manual, at pp. 345–347.

[8] *Ibid,* at p. 339.

[9] See discussion of this alternative in Citizens Advocate Center, *Legal Services: What Next,* (1971) at pp. 8–12.

[10] As an extension of this concept, in Washington, D.C. judges of the United States District Court appoint the board of the local defender agency.

[11] See The President's Commission on Postal Organization, *Toward Postal Excellence* (1968).

[12] 4 Wheat. 316 (1819).

[13] 42 U.S.C. 3431.

[14] 12 U.S.C. 1717.

[15] 47 U.S.C. 731.

[16] 42 U.S.C. 2011 *et seq.*

[17] 42 U.S.C. 2451 *et seq.*

[18] 39 U.S.C. 201.

[19] 29 U.S.C. 172.

[20] 20 U.S.C. 951.

[21] 42 U.S.C. 1861.

[22] 20 U.S.C. 785; 20 U.S.C. 957.

[23] 20 U.S.C. 786; 20 U.S.C. 956.

[24] 20 U.S.C. 782.

[25] 20 U.S.C. 121.

[26] 24 U.S.C. 231.

[27] 20 U.S.C. 701.

[28] 36 U.S.C. 1.

[29] 20 U.S.C. 41.

[30] 42 U.S.C. 396. This suggestion is by no means unique to this report. The ABA Special Committee on Availability of Legal Services in its Report on Legal Aid in August, 1969, proposed such a corporation. See Annual Report of the American Bar Association (1969), Vol. 94 at p. 713.

[31] Carnegie Commission, *Public Television—A Program for Action,* at pp. 36–37.

[32] Hearings before Communications Subcommittee of Commerce Committee, U.S. Senate, April 11, 1967, 90th Congress, 1st Session, S. 1190, at p. 173.

[33] Ibid., at p. 151.

[34] H.R. 90–794, Committee on Interstate and Foreign Commerce, on Public Broadcasting Act of 1967, August 21, 1967, 90th Congress, 1st Session, at p. 15.

[35] The precise language of the appropriation bill reads:

Corporation for Public Broadcasting Payment to the Corporation for Public Broadcasting.

To enable the Department of Health, Education and Welfare to make payments to the Corporation for Public Broadcasting, as authorized by section 396(k)(1) of the Communications Act of 1934, as amended, for expenses of the Corporation, $20,000,000 to remain available until expended: *Provided,* That in addition, there is appropriated in accordance with section 396(k)(2) of such Act, to remain available until expended, amounts equal to the amount of total grants, donations, bequests, or other contributions (including money and the fair market value of any property) from non-Federal sources received by the Corporation during the current fiscal year, but not to exceed $2,500,000. *Provided,* That this appropriation shall be available only upon the enactment into law of H.R. 17982 or S. 3558, 91st Congress. House Doc. 91–404, at p. 7.

THE SHARPSTOWN FOLLIES—XXIV

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, one of the specialties of the Frank Sharp empire was the pasting together of corporate paper. A great deal of this activity took place while Will Wilson was Sharp's legal adviser, and the result of these deals ultimately appears to have been the criminal conversion of corporate assets.

For example, in October 1968, a bank

controlled by Sharp, the Dallas Bank & Trust Co., made a loan of $320,000 to Nashwood Corp., which was also controlled by Sharp. This money was used to purchase control of First Financial Life Insurance Co. This was very similar to a loan made from City Bank & Trust of Dallas, under similar arrangements. In the City Bank loan, bank examiners recognized the weakness of the paper and grew very critical. So Sharp moved the loan to the Exchange Bank of Dallas. Since it was not bankable in any but a Sharp bank—since they had unusual lending policies, mostly made to order for Sharp's benefit—the National Bankers Life Insurance Co. issued its guarantee to cover the loan.

It was apparently because Sharp knew that the Dallas Bank & Trust Co. loan was about as weak as the one he had obtained from City Bank, and because he wanted to avoid criticism from examiners, that he had National Bankers Life issue its letter of guarantee against that loan.

In both instances of course the general counsel of National Bankers Life was Will Wilson. He undoubtedly knew that the loans he was issuing guarantees for had been made from Sharp banks to Sharp interests. He certainly knew that the loan guarantee that was issued to Exchange Bank was made for the reason of making a Sharp loan bankable. He probably knew that in that case, the value of the collateral was worthless, if the RIC Industries collapsed, as that company did a few weeks later. Yet incredibly the guarantee was issued. More incredibly still, National Bankers Life paid off that loan when the borrower, South Atlantic Co. collapsed just as its main property, RIC did. Even though National Bankers Life could have and should have disavowed the guarantee because it was issued under fraudulent circumstances, the company paid off. This complex transaction amounts to conversion of corporate assets.

Now Will Wilson knew about all of this. He knew that Sharp was borrowing huge amounts of money from National Bankers Life and that he was at the same time tapping the insurance company for letters of guarantee to cover still other huge loans, which were coming out of Sharp's banks.

Wilson, as general counsel for Sharp's insurance company, his bank, and his realty company, and as representative for others in the Sharp circle, knew what was going on. He did not try to stop it, he did not disassociate himself from it, he did not resign, he did not object.

For 2 years, from the time that the SEC said that Sharp's scheme began, right up until the time he assumed the post of Assistant Attorney General, Will Wilson was in the middle of the Sharp empire. He knew that a grand scheme was going on and he helped carry it out. Such a man has no place in high public office.

BALANCE-OF-PAYMENTS AND TRADE DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I request permission that the record be changed in the interest of accuracy. No one wants to be guilty of overstating a serious situation, especially in the area of international economics. In my statement yesterday, I overstated the balance-of-trade deficit for the first 6 months this year. In actual fact, the first quarter of this year produced a trading surplus of $430 million, not a trading deficit. That, combined with a second quarter trading deficit of $803 million would produce a trading deficit for the second half of $439.4 million. The fact is that this figure is bad enough; there is no need to overstate my case. Everything I said about the seriousness of our trade situation yesterday is still true, and there is still need for action before any more time goes by, to tackle what is at the root of these continuing imbalances of trade; namely, the fantastic skyrocketing of this Nation's imports. The $373 million first-half deficit has already assured itself of a place in statistical history as the first deficit for a 6-month period this century. This follows on the heels of a dismal performance for last year. Even though a $2.7 billion surplus was registered then, it was far below the previously normal range of about $4 to $6 billion. This would appear to me to be plenty of evidence that what we are dealing with is no temporary, special situation, but rather a long-range trend. It is time that official spokesmen with responsibility in these areas stop excusing these figures and begin to respond to them.

In this respect, I think it is significant to observe that the distinguished chairman of the Ways and Means Committee, as usual, is on top of the situation. No one could ever accuse the chairman of rushing to a position on any matter so important as foreign trade. Therefore, the significance of his address last night to the Washington Press Club should not be lost on anyone here. In his address, the chairman indicated that it was time that the Nation realize that "continued balance-of-payments deficits of the magnitude occurring the first quarter of this year and estimated for the second quarter are creating a crisis of confidence which the United States cannot afford." The chairman then went on to say something which, considering its source, underlines the extreme gravity of the present situation as well as holding out the hope of effective action on the part of Congress in the near future.

> In my opinion, the United States must act promptly to correct the disequilibrium in its international economic relations before further outflows of dollars bring about a crisis from which none of the trading countries of the world could completely escape.

Because of the case which the chairman uses in choosing his words in both recommending changes and analysing national economic problems, I feel the best thing I could do at this point is to insert into the RECORD the full text of the chairman's speech and resist the temptation of excerpting certain highlights. The speech follows:

REMARKS OF HON. WILBUR D. MILLS

I was most pleased to agree to your President's request and to be the first speaker of the Washington Press Club's 1971–72 year. I don't know whether or not there is significance in the fact that the Washington Press Club operates on a fiscal year basis. I know the Federal Government from time to time has shifted its collection of taxes from one fiscal period to another for the obvious purpose of collecting more revenue at an earlier date.

I certainly assumed when I agreed to come that your Club is on a sound financial basis. In recent months, I have had the honor of addressing a number of gatherings throughout the country. In some instances, the parties are of the opinion that their financial plight needs the assistance of the Federal Government in the form of general revenue sharing. My message has been one of understanding of their problems but also one of assurance that the only general sharing that the Federal Government is capable of at this time is a general sharing of budgetary deficits. Thus, if this Club is interested at all in the possibility of revenue sharing, my message to you is the same.

I would nevertheless like to generally share a few thoughts with you on a different, but no less continuing, deficit this country faces. This is the deficit situation in the United States balance of payments. It was recently estimated that the United States balance of payments for the second quarter of this year will range between $6¼ and $7 billion, depending on the method of computing the deficit. This compares with a $5.5 billion deficit for the first quarter of this year in terms of official government figures on the official reserve transactions balance. Thus, on the basis of this most recent estimate, the United States deficit in its international transactions on the official settlements basis is running at an estimated rate in excess of $20 billion, annually. This situation, in my opinion, requires immediate attention and, I might add, affirmative action.

As you are aware, the post World War II economic policies of the United States were achieving by the end of the 1950's many of the goals which had been set forth—expanded international trade through trade liberalization, encouragement of economic growth abroad through foreign assistance programs, and an international monetary system with freely convertible currencies for most of the major countries.

In pursuing these policies, however, we failed to take into account that the outflow of dollars, on balance, represented a shift in productive capacities throughout the world. Further, we have not responded to some of the underlying reasons for the continued shift of productive capacities abroad and the economic adjustments that are resulting, which are discernible in terms of our balance of payments accounts.

Moreover, the measures previously adopted have not been successful in reducing the outflow of dollars. As our payments deficits have continued, the value of the dollar in international currency markets is becoming increasingly dependent on the willingness of others to hold large and increasing supplies of dollars. Thus, I submit that continued balance of payments deficits of the magnitude occurring the first quarter of this year and estimated for the second quarter are creating a crisis of confidence which the United States cannot afford.

It is usually concluded by those who recommend a passive stance by the United States on the payments deficits that the primary responsibility of the United States and the most effective action the U.S. can take is to control its inflation and restore vitality to its economy.

I could not agree more that this is the number one issue facing the country today, and obviously not just for balance of payments reasons. I have, of course, previously made my views known on the need for an effective incomes policy in view of our continuing inflation, the high rate of unemployment and pessimistic projections of capital investment trends.

The Administration may be committed to reasonable price stability and reasonably full employment (although there are some doubts about the latter). In point of fact, neither is being achieved.

As it has been observed, we cannot reduce our payments deficits without becoming more competitive. I would observe we cannot become more competitive unless our producers are assured of some stability in their costs, and our workers are assured of some stability in their cost of living. Here again we have a crisis of confidence that deserves more action and less benign neglect, for even a benign irritation, if left unattended, can become fatal.

We cannot wait for fundamental adjustments in the international monetary system; nor can we afford the time it will take for other nations to make difficult but clearly required decisions regarding the value of their own currency and their own economic policies.

Between 1962 and this year, our gross national product rose 74 percent; and exports rose 99 percent. However, imports rose 144 percent over the same period. And although exports rose more than GNP, the United States exports declined as a share of total world exports. Thus, it is hard to refute the conclusion that our producers have become relatively less competitive in world markets. We can no longer ignore the aggregate effect of trade practices and government actions abroad that place our producers at a disadvantage in this market and in export markets.

As our international position has evolved from a position of leadership to one of partnership in international economic affairs, reflecting the shift in comparative economic strength, we must regain the flexibility to take action consonant with the economic adjustment problems we face.

Moreover, in exploring the possibility of action to alleviate immediate problems, we must assume that other countries will be understanding of our problems and cooperate in finding solutions. In my conversation with foreign officials, I find that they are strong and effective advocates against United States actions that might impinge on their own trade and economic interests. Just as important, I also find they are realists in recognizing that this country has the right and the obligation to take action or alternatively and sometimes preferably to seek their cooperation in preventing basic imbalances in economic forces from endangering the whole framework of international economic cooperation that both they and we have sacrificed so much to achieve.

In my opinion, the United States must act promptly to correct the disequilibrium in its international economic relations before further outflows of dollars bring about a crisis from which none of the trading countries of the world could completely escape.

There are a number of approaches which can be adopted which could bring about a more immediate redress in some of our international payments accounts. One of the approaches that was proposed by the Administration last year and included in the Trade Act of 1970 is the Domestic International Sales Corporation (DISC). This proposal recognizes that to some extent our own tax laws encourage investment in productive facilities abroad rather than export sales of products produced in this country.

I believe the DISC proposal to be responsive to some of the many pressures facing United States firms to shift their productive facilities to foreign countries rather than maintaining their productive facilities here. I believe it to be completely in the interest of the United States workers, many of whom are becoming concerned that the shift of productive facilities abroad is threatening their employment opportunities.

In view of the strong support of the Administration last year, I have been somewhat surprised that it has failed to formally forward the DISC proposal to the Congress this year or to request any priority action in this regard. I believe the DISC proposal should be given an order of high priority and have so indicated this to Administration officials.

Just as the role of the dollar in the international monetary system at this time makes it difficult to change the value of the dollar in reference to other currencies, some of the international trade rules agreed to years ago, while serving the interest of our trading partners are inconsistent with our own practices and place our producers at a disadvantage in world markets. One example is the border tax system based on the value added tax most European and many other countries have adopted.

The disadvantages to United States producers stemming from border tax systems, particularly in the European Economic Community, have been the subject of much international discussion, all of which has been quite fruitless in terms of removing the disadvantages to the United States. Despite the lack of accommodation on the border tax issue, the border tax system itself has implications for our current situation and may offer a temporary solution to growing unsatisfactory conditions in our trade balance, pending more fundamental improvements in our economic posture.

An export rebate/import surcharge approach is what I have in mind. Obviously, such a proposal has many significant ramifications, in terms of both the position of the United States in the world economy and in its relations with individual countries.

However, the recent trends in trade are so disadvantageous as they relate to our balance of payments situation that every consideration should be given to this means of restoring some equality for United States producers in world markets. Obviously, a sizable border adjustment for balance of payments reasons would necessarily be temporary. On the other hand, if other countries with value added tax systems find it impossible to reach some arrangement with the United States on the effects of the border tax system, I feel that a permanent system of tax adjustment at the border reflecting the incidence of domestic taxes in the United States should definitely be considered.

I am aware that other countries and many interests in our own country will decry even the examination of this proposal. They will again point to international rules which prohibit such measures, even for legitimate balance of payments reasons. These same rules, of course, did not prevent at least three of our major trading partners in the last decade from adopting import surcharges and two countries also granting export rebates in response to their own balance of payments problems.

In my opinion, the Committee would welcome the opportunity to explore the ramifications of this type of an approach in view of our pressing balance of payments and balance of trade situation.

There are, of course, other measures that can be taken less directly related to the competitive position of domestic producing interest, but nevertheless meaningful in reducing the outflow of dollars.

One example is the authority given the President, as yet unused, to impose the interest equalization tax on short-term funds being placed abroad.

In 1970, short-term capital outflows rose to a level of about $1.1 billion. In the first quarter of 1971, this short-term outflow continued to worsen, reaching an annual rate of more than $1.3 billion. In the case of liquid bank claims, the outflow more than doubled—going from $119 million in 1970 to $288 million (at an annual rate) in the first quarter of 1971. The biggest shift, however, was in the category of nonbank liquid short-term capital flows. Here, our position changed from an inflow to the United States of $392 million in 1970 to an adverse outflow in the first quarter of 1971 to $640 million (on an annual rate basis)—a shift of over $1 billion. While the figures on short-term capital outflow still are not available for the second quarter of 1971, I think it is obvious that the situation worsened considerably, at least up until the time of the revaluation of the mark.

This precipitous outflow of short-term capital funds is something which the Congress realized might be happening when it last acted on the interest equalization tax. It was to check outflows such as those we have just experienced that the Congress gave the administration standby authority to impose the interest equalization tax on debt obligations of less than a year. The widest possible latitude was given the administration to exclude categories of debt involving business or personal transactions to avoid affecting short-term loans made to assist business enterprises of U.S. persons. However, it was contemplated that this authority would be used in connection with nonbusiness related bank deposits, bank acceptances, commercial paper and certificates of deposit. These are the outflows motivated primarily by an interest rate gain or a gain due to exchange rate fluctuations.

The administration was given this authority to minimize this outpouring of short-term investment capital during difficult periods of stress. However, it was a real disappointment to me that the administration failed to use this authority during the period of difficult relationships with the mark earlier this year. An innovative policy on the part of the administration would have made use of this tool provided by the Congress to deal with this problem.

One of the major sources for the continued outflow of dollars has been the military assistance programs and related military activities abroad. In view of the seriousness of our balance of payments situation, quite aside from the question of our continued military presence in Europe, I feel that immediate talks should be held with our NATO allies toward the complete elimination of the net balance of payments costs to the United States for its share of defense commitments in Europe.

I have discussed the various approaches outlined above because of my conviction that the balance of payments situation demands action by the United States Government, cooperation of American commercial and financial interests that might be affected by these proposals, and the understanding and cooperation of our friends abroad. There undoubtedly are other measures that should be considered. Insofar as they involve proposals within the jurisdiction of the Committee on Ways and Means, I believe the committee would give high priority to any responsible interim measure to reduce the dangers in our balance of payments problem.

I certainly recognize that some of these measures if implemented could have significant repercussions. I think we must recognize, however, that the continued strength of the dollar must rest as it has in the past on the productive and competitive capability of our own producers and their workers and the wisdom and expertise of our financial community.

As has been stated before, we cannot reduce the deficit in our balance of payments unless we become more competitive. We cannot become more competitive until we stem the inflationary tide and restore vitality to our producing economy. Nor will more stable price trends suffice in view of the many disadvantages facing our producing interest. This is why temporary measures are necessary to mitigate these disadvantages until more sound conditions of trade can be established with the cooperation of our trading partners.

Quite aside from these measures I have discussed, there is undoubtedly a need to reorganize and strengthen the international monetary system. The fundamental changes in that system that are required will obviously take a long time to accomplish. The extent to which any change in the international monetary system will be reflective of the long-run interests of the United States depends to a large degree upon the amount of confidence other countries have in our ability to act with wisdom and understanding. I believe that such confidence requires that we act now in those areas in which we can move toward restoring balance in our international accounts.

THE TOCKS ISLAND DAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 10 minutes.

Mr. ROONEY of Pennsylvania. Mr. Speaker, several times yesterday during consideration of an amendment to the public works appropriations bill, which would have deleted a $3.7 million appropriation for initial construction of the Tocks Island Dam, claims were made in this Chamber that the Council on Environmental Quality had rejected a Corps of Engineers statement on the environmental impact of the Tocks Island project.

I challenged that claim yesterday, but it was repeated minutes after I had refuted it. Further, in an editorial in today's New York Times, the claim is made:

> Under the new Environmental Protection Act, the Army Corps of Engineers was required to file an environmental impact statement for the dam. It did so in February, but the statement was inadequate, as Army officials have conceded. To his credit, Chairman Russell Train of the Council on Environmental Quality returned it with demands for more thorough study.

I stated yesterday that the impact statement had not been rejected by CEQ because it has not even been completed. I explained that what had taken place was that the corps circulated a seven-page preliminary draft to various Government agencies with an invitation to comment.

Further, I stated that on April 6, 1971, during the Second Interagency Conference on Tocks Island Dam, the corps reported that the statement was still being developed, but that it already had been expanded to 56 pages. Not until the following day, April 7, 1971, did Chairman Train address his letter to the General Counsel of the Corps of Engineers suggesting that the original seven-page preliminary draft needed strengthening in several areas.

This afternoon I secured from the Corps of Engineers the exact text of the letter dated February 3, 1971, which transmitted a copy of that preliminary draft to the Council on Environmental Quality. Addressed to CEQ's General Counsel, the corps' letter read as follows:

> Enclosed is a draft environmental statement covering the Tocks Island lake project located in New York, New Jersey and Pennsylvania, for your advance information. A final statement will be transmitted upon completion of coordination with federal, state and local agencies.
>
> The release of this statement to the general public can be made with the proper notation that it is a preliminary statement issued for the purpose of obtaining necessary views of governmental and private interests concerned with the impact of project development on the environment. Such views will be considered in the preparation of the final statement.

It was signed by Col. J. B. Newman, Executive Director, Corps of Engineers. The text of the letter speaks for itself.

In addition, my office this afternoon twice contacted the appropriate CEQ staff member to determine whether CEQ at any time considered that corps statement to be anything more or less than a "preliminary draft" being circulated to stimulate comment from various interested agencies. I was assured that CEQ had no misunderstanding of the draft's purpose and that it never regarded it as anything more than a working draft.

I make an issue of this solely because the Tocks Island Dam's history has been marked by circulation and publication of misinformation which has helped to generate public doubt and confusion. Several months ago Mr. Dow of New York, Mr. McDADE of Pennsylvania, Mr. THOMPSON of New Jersey, and I set out to gather factual information and make it available to the public. The statements in this Chamber about CEQ rejecting a corps environmental impact statement on Tocks Island Dam were wrong and the record proves it.

BEHIND THE TRADE DEFICIT

(Mr. BETTS asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. BETTS. Mr. Speaker, the United States has suffered 3 consecutive months of trade deficits, from April through June. This is the worst showing in our trade in many years and the outlook for improvement is bleak.

In response to this news a statement has been issued by O. R. Strackbein of the Nation-Wide Committee on Import-Export Policy in which he sets forth his views on the causes of our weak and deteriorating trade position in the world. I find much to support Mr. Strackbein's views and hope that all Members will take the time to read his analysis.

Under leave to extend my remarks I offer his statement for inclusion at this point in the RECORD:

BEHIND THE TRADE DEFICIT

(By O. R. Strackbein)

The three months of successive trade deficits reported by the Department of Commerce shout a warning that cannot be ignored without the gravest economic consequences.

This reverse in our official trade balance is not a sudden development erupting from transient conditions. It has been in the making for a decade or more and was foreseen by those who are not blinded by emotional attachment to the theory of free trade.

Much more is at stake than officialdom seems to recognize.

The bare facts are that the United States stands in a critical position in its international economic relations. This position has been taking shape since World War II. It began when the other industrial countries of the world came to look upon the American productive system as desirable for themselves. This system had demonstrated its decisive prowess in turning the tide of war. There was no longer any doubt of its superiority in the provision of the weapons and materials of war no less than material abundance to the people who lived by that system.

The American formula evolved originally early in this century from the over-riding vision that saw in labor-wages or employee compensation the key to expansive mass-production and therefore an expanding economy. The "indefinite expansibility" of human wants could be catered to and exploited to the material benefit of producer and consumer alike. More and more people, indeed, the masses, could come into enjoyment of goods that formerly only kings could hope to have for themselves.

Recognition of wages, not as an evil, but as the very lifeblood of a dynamic and yeasty economy, took shape slowly but nevertheless surely in this country after the Great Depression. Even the opposition of the managerial and ownership forces gave way under the influence of this recognition.

The formula demanded two things among others: the maintenance of competition so that production costs would work as rapidly as possible to the lower price levels that would open mass markets for particular goods. The other was the arming of labor with sufficient bargaining power to assure a level of employee compensation that would sustain the potential mass market with effective or money-backed demand. At the same time the inventiveness of our people was taken for granted. Industrial discipline was, of course, also fundamental.

The development of this system also assumed a large populace of potential consumers; and these we had. The price of new products for which the demand was elastic, i.e., responsive to lowering costs, had then only to be brought within the reach of the mass pocketbook to strike a veritable bonanza. This was done over and over again in product after product. The classic example was, of course, the automobile and Henry Ford was the exemplar extraordinary.

Today the nonessential goods that cater to ease, comfort, convenience, pleasure and pride, have indeed all but overrun us and brought grievous problems in their train.

It was this system that made possible expansive employment at ever-higher rates of compensation, shorter hours and better working conditions.

Now this same system faces a crisis, aside from pollution and other besetting evils, that threatens its very existence. The irony is two-fold: the threat comes from its very success in extending its favors to other countries, and secondly it takes the form of competition, i.e., one of the very pillars on which our system rests.

Other countries in adopting our system have not yet taken all of it to heart. They have neglected the employee-compensation side of the equation and therefore have not built up the home mass purchasing power they need if they are to enjoy mass production without too much dependence on exports.

The destructive competition they provide against us arises from this fact. Their resultant lower costs of production outflank our system specifically and systematically. As a result industries invest abroad and participate in the lower costs. This is a self-defensive move. As a source of additional revenue in lieu of greater exports they also license foreign producers to use our patents.

These twin movements have succeeded, unwittingly, to be sure, in destroying our accustomed routine of bringing out new products, reducing their costs and also those of established ones and then reaping the reward of a mass market. This prospect is now all but closed to us. Goods from abroad can and do beat us to the mass market with their lower costs. The avenues on which we relied in the twentieth century to open new jobs and expanding trade, merchandising, advertising, financing, insuring, etc. have been vastly narrowed, if not closed.

Full employment by the *private economy* necessarily becomes elusive. The expansive industrial employment takes place abroad rather than here. We stagnate as we hug the doctrine of free trade to our breast and spook over a word: *protectionism,* in one of the wildest accesses of unreason to which we have fallen victim in many years. Even our seemingly impregnable pragmatism has fallen prey to the Pavlovian conditioning of our minds by the doctrinaire medicine men of free trade.

The means of restoring the earlier conditions by means of which we reached world industrial leadership should be apparent. Imports must be controlled by limitation to a reasonable but not an open-end share of our market, and allowed to expand as our market expands.

POVERTY TEST FOR ELIGIBILITY UNDER THE BILINGUAL EDUCATION ACT

(Mr. YATES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. YATES. Mr. Speaker, I introduced yesterday a bill to eliminate the poverty test from the Bilingual Education Act.

The bill will strike from the present legislation the requirement that the families of the children eligible for bilingual programs must have incomes below $3,000 or be receiving public assistance.

The law as it is presently written is surely an unfair one. The fact is that the difficulties which face children of limited English-speaking ability are by no means limited to the very poor or to those who are on welfare. Language difficulties inhibit the social progress and earning power of thousands of Chicagoans, young and old. Nobody should be excluded from receiving help in overcoming those difficulties whatever their income might be.

The present restrictive guidelines are designed to work to the advantage of the poor. But, in the long run, English-language deficiencies inevitably involve economic handicaps which can only increase the number of welfare recipients.

While the poor are able to improve their lot through the bilingual program, the not-so-poor are allowed to slip into poverty as a result of their language problems.

Whether or not a child of limited English-speaking ability is allowed to take part in a bilingual program could well be the difference between a life of economic productivity and satisfaction and a life of poverty and despair. I will personally do everything I can to insure that any child that could benefit from a bilingual program will have the opportunity to get the help he or she needs.

I want to stress, however, that the problem of bilingual education goes beyond the poverty test in the present law. The Bilingual Education Act has never been adequately funded. For instance, though the act has an authorized spending level of $100 million for fiscal year 1972, only $35 million has been appropriated. Last year not even half of the programs which qualified for support under the present restrictive legislation were funded. Some 40 programs involving thousands of students were not started due to lack of funds. It is unlikely that the Congress will be willing to expand the program, as, of course, it would if the guidelines are dropped, unless adequate funding is provided. As a member of the Appropriations Committee, I will extend every effort to insure that adequate funding is provided.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. EDWARDS of Louisiana (at the request of Mr. BOGGS) on account of official business.

Mr. JONES of Tennessee (at the request of Mr. BOGGS) for today on account of illness in the family.

Mr. CHARLES H. WILSON, of California (at the request of Mr. BOGGS) for the week of August 2 on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SPENCE (at the request of Mr. STRATTON), for 60 minutes, on Wednesday next, August 4.

Mr. STRATTON, for 60 minutes, on Wednesday next, August 4.

(The followng Members (at the request of Mr. DAVIS of South Carolina) to address the House and to revise and extend their remarks:)

Mr. GONZALEZ, for 10 minutes, today.

Mr. BURKE of Massachusetts, for 10 minutes, today.

Mr. ROONEY of Pennsylvania, for 10 minutes, today.

(The following Members (at the request of Mr. CRANE) to address the House and to revise and extend their remarks:)

Mr. TALCOTT, for 5 minutes, on July 30, 1971.

Mr. MILLER of Ohio, for 5 minutes, today.

Mr. FINDLEY, for 5 minutes, today.

Mr. STEIGER of Wisconsin, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FLYNT.

Mr. HAYS and to include an editorial.

Mr. DAVIS of Georgia immediately following the remarks of Mr. STEPHENS during general debate in the Committee of the Whole today.

Mr. GETTYS immediately following the remarks of Mr. DAVIS of Georgia during general debate in the Committee of the Whole today.

Mrs. HECKLER of Massachusetts and to include extraneous matter prior to the vote on the last bill.

The following Members (at the request of Mr. CRANE) and to include extraneous matter:)

Mr. BROOMFIELD in two instances.
Mr. RIEGLE.
Mr. DU PONT.
Mr. CONABLE.
Mr. HALL.
Mr. MCCLOSKEY.
Mr. MCCLORY in two instances.
Mr. SEBELIUS in four instances.
Mr. RHODES in five instances.
Mr. FULTON of Pennsylvania in five instances.
Mr. MICHEL.
Mr. SCHMITZ.
Mr. WHITEHURST.
Mr. ZION.
Mr. BROYHILL of Virginia.
Mr. MILLER of Ohio.
Mr. FINDLEY.
Mr. SCHWENGEL in three instances.
Mr. KEATING in two instances.
Mr. HOSMER in two instances.

(The following Members (at the request of Mr. DAVIS of South Carolina) :)

Mr. BOGGS.
Mrs. GRIFFITHS.
Mr. ROY in two instances.
Mr. MITCHELL.
Mr. JACOBS.
Mr. HARRINGTON in two instances.
Mr. HAMILTON in two instances.
Mr. GONZALEZ in three instances.
Mr. JAMES V. STANTON.
Mr. RARICK in four instances.
Mr. ABOUREZK.
Mr. VANIK in two instances.
Mr. ASPIN in two instances.
Mr. WALDIE in six instances.
Mr. PICKLE in two instances.
Mr. FAUNTROY in seven instances.
Mr. RODINO in two instances.
Mr. HAGAN in five instances.
Mr. FOUNTAIN in three instances.
Mr. KLUCZYNSKI.
Mr. NIX.
Mr. DANIELSON.
Mr. COTTER.
Mr. FRASER in two instances.
Mr. JOHNSON of California in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1316. An act to amend section 301 of the Federal Meat Inspection Act, as amended, and section 5 of the Poultry Products Inspection Act, as amended, so as to increase from 50 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of any cooperative meat or poultry inspection program carried out by any State under such sections. To the Committee on Agriculture.

S. 2378. An act to confer U.S. citizenship posthumously upon Abdul Muhsin Gallozi; to the Committee on the Judiciary.

ADJOURNMENT

Mr. DAVIS of South Carolina. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 30 minutes p.m.), under its previous order, the House adjourned until Monday, August 2, 1971, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XX, IV, executive communications were taken from the Speaker's table and referred as follows:

1005. A communication from the President of the United States, transmitting amendments to the request for appropriations transmitted in the budget for fiscal year 1972 for International Financial Institutions (H. Doc. No. 92-149); to the Committee on Appropriations and ordered to be printed.

1006. A communication from the President of the United States, transmitting amendments to the request for appropriations transmitted in the budget for fiscal year 1972 for the Department of Defense—Military (H. Doc. No. 92-150); to the Committee on Appropriations and ordered to be printed.

1007. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report of Department of Defense procurement from small and other business firms for July 1970–May 1971, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

1008. A letter from the Attorney General, transmitting a report on the administration of the Foreign Agents Registration Act, covering calendar year 1970; to the Committee on the Judiciary.

1009. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a report on the disposition of applications for conditional entry to the United States from Austria, Belgium, France, Germany, Greece, Hong Kong, Italy, and Lebanon, during the 6 months ended June 30, 1971, under the provisions of section 203(a)(7) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1010. A letter from the Secretary of Commerce, transmitting the 12th in the series of interim reports stemming from the U.S. Metric Study, prepared by the National Bureau of Standards, pursuant to Public Law 90-472; to the Committee on Science and Astronautics.

RECEIVED FROM THE COMPTROLLER GENERAL

1011. A letter from the Comptroller General of the United States, transmitting a report on improved controls needed over the extent of care provided by hospitals and other facilities to medicare patients, Social Security Administration, Department of Health, Education, and Welfare; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORGAN: Committee on Foreign Affairs. H.R. 9166. A bill to amend further the Peace Corps Act (75 Stat. 612), as amended; with an amendment (Rept. No. 92-431). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. House Concurrent Resolution 370. Concurrent resolution to express the sense of Congress relative to certain activities of Public Health Service hospitals, outpatient clinics, and clinical research centers; with an amendment (Rept. No. 92-432). Referred to the House Calendar.

Mr. HÉBERT: Committee of Conference. Conference report on H.R. 6531. (Rept. No. 92-433). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. ABZUG (for herself, Mr. Edwards of California, Mr. Halpern, Mr. Koch, Mr. Mikva, and Mr. Ryan):

H.R. 10240. A bill to amend title 10 of the United States Code to provide that abortions, sterilizations, and family planning services be performed in facilities of the uniformed services, and for other purposes; to the Committee on Armed Services.

By Mr. ANDERSON of Tennessee:

H.R. 10241. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. BYRON (for himself, Mr. Burton, and Mr. Harrington):

H.R. 10242. A bill to provide for the expansion of the Antietam National Battlefield in the State of Maryland, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DAVIS of Georgia (for himself, Mr. Miller of California, Mr. Fulton of Pennsylvania, Mr. Mosher, Mr. Bell, Mr. Flowers, Mr. Esch, Mr. Pelly, Mr. Hanna, Mr. Camp, Mr. Symington, Mr. Cabell, Mr. Seiberling, Mr. Winn, Mr. Wydler, Mr. Frey, Mr. McCormack, Mr. Roe, Mr. Cotter, Mr. Karth, Mr. Downing, Mr. Hechler of West Virginia, Mr. Price of Texas, Mr. Goldwater, and Mr. Teague of Texas):

H.R. 10243. A bill to establish an Office of Technology Assessment for the Congress as an aid in the identification and consideration of existing and probable impacts of technological application; to amend the National Science Foundation Act of 1950; and for other purposes; to the Committee on Science and Astronautics.

By Mr. FASCELL:

H.R. 10244. A bill to amend section 312(c) of the Federal Aviation Act of 1958, relating to research and development, to require the Secretary of Transportation to coordinate the development of a collision avoidance system for use on all civil aircraft of the United States in the interest of safety in air commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON of Pennsylvania:

H.R. 10245. A bill to amend title 38 of the United States Code to increase the rates, income limitations, and aid and attendance allowances relating to payment of pension and parents' dependency and indemnity compensation; to exclude certain payments in determining annual income with respect to such pension and compensation; to make the Mexican border period a period of war for the purpose of such title; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FUQUA (for himself, Mr. Coughlin, Mr. Murphy of Illinois, Mr. Davis of South Carolina, and Mr. Rangel):

H.R. 10246. A bill to establish an Office of Technology Assessment for the Congress as an aid in the identification and consideration of existing and probable impacts of technological application; to amend the National Science Foundation Act of 1950; and for other purposes; to the Committee on Science and Astronautics.

By Mr. GUDE:

H.R. 10247. A bill to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archaeological data; to the Committee on Interior and Insular Affairs.

By Mr. HALPERN (for himself, Mrs. Abzug, Mr. Addabbo, Mr. Brasco, Mr. Collins of Illinois, Mr. Córdova, Mr. Danielson, Mr. Donohue, Mr. Edwards of California, Mr. Harrington, Mr. Hawkins, Mr. Helstoski, Mr. Morse, Mr. Randall, Mr. Roe, and Mr. Steele):

H.R. 10248. A bill to establish a grant-in-aid program to encourage the licensing by the States of motor vehicle mechanics; to the Committee on Interstate and Foreign Commerce.

By Mr. MINISH:

H.R. 10249. A bill to amend the Urban Mass Transportation Act of 1964 to authorize grants and loans for parking projects and facilities; to the Committee on Banking and Currency.

H.R. 10250. A bill to amend title 23, United States Code, to authorize parking projects by local authorities and agencies designed to ease traffic congestion and expedite traffic safety and flow; to the Committee on Public Works.

By Mr. PRICE of Illinois:

H.R. 10251. A bill to prohibit common carriers in interstate commerce from charging elderly people more than half fare for their transportation during nonpeak periods of travel, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. QUILLEN:

H.R. 10252. A bill to continue the expansion of international trade and thereby promote the general welfare of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. SAYLOR (for himself, Mr. Dorn, Mr. Haley, Mr. Michel, and Mr. Miller of Ohio):

H.R. 10253. A bill to establish a uniform Federal policy for repayment of costs of Federal electric power projects, to provide the Secretary of the Interior with authority to carry out this policy, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas (by request):

H.R. 10254. A bill to provide for an additional life insurance benefit of $5,000 in the case of certain beneficiaries of servicemen's group life insurance; to the Committee on Veterans' Affairs.

By Mr. BIAGGI (for himself, Mr. Perkins, Mr. Nix, Mrs. Grasso, Mrs. Chisholm, Mr. Anderson of Tennessee, Mr. Brasco, Mr. Harrington, Mr. Charles H. Wilson, Mr. Byrne of Pennsylvania, Mr. Rosenthal, Mr. Duncan, Mr. Hawkins, Mr. Eilberg, Mr. Cleveland, Mr. Flowers, Mr. Stokes, Mr. Aspin, Mr. Halpern, Mr. Derwinski, Mr. Riegle, Mr. Begich, Mr. Gude, Mr. Rees, and Mr. Mikva):

H.R. 10255. A bill to amend title II of the

Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. Perkins, Mr. Nix, Mrs. Grasso, Mr. Anderson of Tennessee, Mrs. Chisholm, Mr. Harrington, Mr. Brasco, Mr. Charles H. Wilson, Mr. Byrne of Pennsylvania, Mr. Rosenthal, Mr. Hawkins, Mr. Yatron, Mr. Stokes, Mr. Forsythe, Mr. Aspin, Mr. Halpern, Mr. Riegle, Mr. Rees, Mr. Rodino, Mr. Ryan, and Mrs. Heckler of Massachusetts):

H.R. 10256. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. Perkins, Mr. Nix, Mrs. Grasso, Mr. Anderson of Tennessee, Mrs. Chisholm, Mr. Harrington, Mr. Brasco, Mr. Charles H. Wilson, Mr. Byrne of Pennsylvania, Mr. Rosenthal, Mr. Schwengel, Mr. Hawkins, Mr. Yatron, Mr. Aspin, Mr. Halpern, Mr. Riegle, Mr. Begich, Mr. Morse, Mr. Rees, Mr. Rodino, Mr. Ryan, Mrs. Heckler of Massachusetts, and Mr. Denholm):

H.R. 10257. A bill to amend title XVIII of the Social Security Act to provide payment under the supplementary medical insurance program for optometrists' services and eyeglasses; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. Perkins, Mr. Nix, Mrs. Grasso, Mr. Anderson of Tennessse, Mrs. Chisholm, Mr. Brasco, Mr. Charles H. Wilson, Mr. Byrne of Pennsylvania, Mr. Rosenthal, Mr. Harrington, Mr. Derwinski, Mr. Riegle, Mr. Begich, Mr. Abourezk, Mr. Ryan, Mrs. Heckler of Massachusetts, and Mr. Denholm):

H.R. 10258. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. Perkins, Mr. Nix, Mrs. Grasso, Mr. Anderson of Tennessee, Mrs. Chisholm, Mr. Brasco, Mr. Charles H. Wilson, Mr. Byrne of Pennsylvania, Mr. Rosenthal, Mr. Harrington, Mr. Duncan, Mr. Mayne, Mr. Stokes, Mr. Derwinski, Mr. Riegle, Mr. Begich, Mr. Abourezk, Mrs. Heckler of Massachusetts, Mr. Denholm, Mr. Rhodes, Mr. Mazzoli, and Mr. Drinan):

H.R. 10259. A bill to amend the Internal Revenue Code of 1954 to permit the full deduction of medical expenses incurred for the care of individual 65 years of age and over, without regard to the 3-percent and 1-percent floors; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. Perkins, Mr. Nix, Mrs. Grasso, Mr. Anderson of Tennessee, Mrs. Chisholm, Mr. Brasco, Mr. Harrington, Mr. Charles H. Wilson, Mr. Byrne of Pennsylvania, Mr. Rosenthal, Mr. Annunzio, Mr. Duncan, Mr. Yatron, Mr. Flowers, Mr. Stokes, Mr. Derwinski, Mr. Riegle, Mrs. Heckler of Massachusetts, Mr. Denholm, and Mr. Rhodes):

H.R. 10260. A bill to amend title II of the Social Security Act to increase to $750 in all cases the amount of the lump-sum death payment thereunder; to the Committee on Ways and Means.

Mr. BIAGGI (for himself, Mr. Perkins, Mr. Nix, Mrs. Grasso, Mr. Anderson of Tennessee, Mrs. Chisholm, Mr. Brasco, Mr. Charles H. Wilson, Mr. Byrne of Pennsylvania, Mr. Rosenthal, Mr. Harrington, Mr. Riegle, Mr. Begich, and Mr. Drinan):

H.R. 10261. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. Perkins, Mr. Nix, Mrs. Grasso, Mr. Anderson of Tennessee, Mrs. Chisholm, Mr. Harrington, Mr. Brasco, Mr. Charles H. Wilson, Mr. Byrne of Pennsylvania, Mr. Rosenthal, Mr. Hawkins, Mr. Yatron, Mr. Halpern, Mr. Rees, Mr. Rodino, and Mr. Denholm):

H.R. 10262. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. Abourezk, Mrs. Heckler of Massachusetts, Mr. Denholm, Mr. Roe, Mr. Mazzoli, and Mr. Drinan):

H.R. 10263. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. BROYHILL of Virginia:

H.R. 10264. A bill to amend the Internal Revenue Code of 1954 to provide an election by certain foreign corporations to treat interest income as income connected with U.S. business; to the Committee on Ways and Means.

By Mr. CEDERBERG:

H.R. 10265. A bill to provide a program of tax adjustment for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. FAUNTROY:

H.R. 10266. A bill to designate the legal public holidays to be observed in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FINDLEY:

H.R. 10267. A bill to require that buses and trucks operated in commerce be equipped with instruments to provide a record of certain operating data, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON of Pennsylvania:

H.R. 10268. A bill to provide for the issuance of a commemorative postage stamp in honor of the 50th anniversary of the first radio broadcast; to the Committee on Post Office and Civil Service.

H.R. 10269. A bill to provide for the issuance of a special postage stamp in honor of the late Philip Murray; to the Committee on Post Office and Civil Service.

By Mr. HAWKINS:

H.R. 10270. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mr. PICKLE:

H.R. 10271. A bill to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes; to the Committee on Armed Services.

By Mr. STEIGER of Wisconsin (for himself, Mr. Meeds, Mr. Bingham, Mr. Cleveland, Mr. Drinan, Mr. Frelinghuysen, Mrs. Grasso, Mr. Horton, Mr. Lloyd, Mr. McKinney, Mr. Roush, Mr. J. William Stanton, Mr. Boland, Mr. Fascell, and Mr. Thompson of New Jersey):

H.R. 10272. A bill to amend the Economic Opportunity Act of 1964 to authorize a legal services program by establishing a National Legal Services Corporation, and for other purposes; to the Committee on Education and Labor.

By Mr. SYMINGTON (for himself, Mr. Begich, Mr. Bingham, Mr. Collins of Illinois, Mr. Cotter, Mr. Diggs, Mr. Edwards of California, Mr. Gibbons, Mr. Gude, Mr. Halpern, Mr. Hanley, Mr. Koch, Mr. Leggett, Mr. McCormack, Mr. Minish, Mr. Nix, Mr. Preyer of North Carolina, Mr. Price of Illinois, Mr. Pryor of Arkansas, Mr. Rodino, Mr. Roy, Mr. Roybal, Mr. Schwengel, Mr. Shriver, and Mr. Charles H. Wilson):

H.R. 10273. A bill to amend the Internal Revenue Code of 1954, so as to permit certain tax-exempt organizations to engage in communications with legislative bodies, and committees and members thereof; to the Committee on Ways and Means.

By Mr. SYMINGTON (for himself and Mr. Yates):

H.R. 10274. A bill to amend the Internal Revenue Code of 1954 so as to permit certain tax exempt organizations to engage in communications with legislative bodies, and committees and members thereof; to the Committee on Ways and Means.

By Mr. LEGGETT:

H.R. 10275. A bill authorizing the Secretary of the Army to establish a national cemetery at Camp Parks or Port Chicago, Calif., for northern California; to the Committee on Veterans' Affairs.

By Mr. MAYNE:

H.R. 10276. A bill to amend the act of February 28, 1947, as amended, to authorize the Secretary of Agriculture to cooperate with the Republic of Mexico in the control and/or eradication of any communicable disease of animals in order to protect the livestock and poultry industries of the United States; to the Committee on Agriculture.

By Mr. TERRY:

H.R. 10277. A bil to establish the Freedom of Information Commission to review procedures of declassifying information; to the Committee on Government Operations.

By Mr. WALDIE:

H.R. 10278. A bill to provide for the establishment and carrying out of a child advocacy program; to the Committee on Education and Labor.

By Mr FRASER:

H.J. Res. 826. Joint resolution: Peace for Pakistan Resolution; to the Committee on Foreign Affairs.

By Mr. MORSE (for himself, Mr. Eilberg, Mr. Horton, and Mr. O'Neill):

H.J. Res. 827. Joint resolution limiting military assistance and military sales to Pakistan; to the Committee on Foreign Affairs.

By Mr. ROE:

H.J. Res. 828. Joint resolution to authorize the President to proclaim the last Friday of April of each year as "National Arbor Day"; to the Committee on the Judiciary.

By Mr. HOGAN (for himself, Mr. Addabbo, Mr. Anderson of Illinois, Mr. Brasco, Mr. Byrne of Pennsylvania, Mr. Crane, Mr. Derwinski, Mr. Dulinski, Mr. Forsythe, Mr. Fuqua, Mr. Halpern, Mr. Helstoski, Mrs. Hicks of Massachusetts, Mr. Horton, Mr. Keating, Mr. Kemp, Mr. Landgrebe, Mr. McKevitt, Mr. Monagan, Mr. Pelly, Mr. Pucinski, Mr. Rousselot, Mr. Sandman, Mr. Scherle, and Mr. Williams):

H. Con. Res. 385. Concurrent resolution expressing the sense of Congress that the Holy Crown of St. Stephen should remain in the safekeeping of the U.S. Government until Hungary once again functions as a constitutional government established by the Hungarian people through free choice; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. Conte:

H.R. 10279. A bill for the relief of John C. Garand; to the Committee on the Judiciary.

By Mrs. Hicks of Massachusetts:

H.R. 10280. A bill for the relief of Antonio Allocca; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

117. The SPEAKER presented a petition of Barry Dale Holland, Portsmouth, Va., relative to work rules, which was referred to the Committee on Education and Labor.

EXTENSIONS OF REMARKS

CONGRESS, THE PRESIDENT, AND WAR POLICY

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. NELSEN. Mr. Speaker, I am today cosponsoring legislation which would spell out more precisely conditions under which American Armed Forces could be committed to military action and which would upgrade the role of Congress in deciding questions involving limited or undeclared wars. I regard legislation along this line as proper and necessary if we are to avoid disasters like Vietnam in the future.

Congress, the direct representative of the American people, must be fully informed at the very beginning of any military action and must have a voice in the decisionmaking. At the same time, we must avoid tying the President's hands as Commander in Chief should he need to respond immediately in a crisis situation.

This measure, providing a procedure for the exercise of congressional and executive powers over the use of the U.S. Armed Forces, may help to avoid the pitfalls of another undeclared war in future time and place.

Briefly, the bill would require that any military action taken by the President would have to be approved by Congress within 30 days or U.S. troops would have to be withdrawn. A Joint Committee on National Security would be created in Congress and designated to meet with the President's National Security Council prior to or within 24 hours after the U.S. initiation of any military hostilities.

This 24-member panel would include the Speaker of the House, President pro tempore of the Senate, majority and minority leaders in both bodies, chairmen and ranking minority members of House and Senate committees responsible for military, nuclear, legal, and foreign policies. The panel would also include two Congressmen and two Senators selected at large.

Following consultation with the President and his key advisers, the joint committee would be required to provide a full and complete account of the circumstances involving hostile military action to appropriate congressional committees for immediate review by Congress.

The legislation would also specify, in the absence of a declaration of war by the Congress, conditions under which the President would be authorized to commit U.S. forces to hostile action. Such action would be permitted only:

To repel any attack against the United States, its territories or possessions;

To repel any attack against U.S. forces on the high seas, in the air, or lawfully stationed on foreign territory;

To protect the lives of U.S. nationals abroad; and

To comply with national treaty commitments or legislative directives.

Mr. Speaker, I urge prompt action on this initiative.

CALVERT CLIFFS CASE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1971

Mr. DINGELL. Mr. Speaker, on July 23, 1971, the U.S. Court of Appeals for the District of Columbia Circuit handed down a broad and far-reaching decision in the Calvert Cliffs case. Judge Wright, speaking for a unanimous court, held that the National Environmental Policy Act of 1969 must have a significant impact upon agency decisionmaking process regardless of considerations derived from different environmental legislation. This issue was dealt with in some detail in the recent report from the Committee on Merchant Marine and Fisheries following its extensive oversight hearings last December—House Report 92-316. The decision of the court corroborates the position taken in that report.

In order for my colleagues to have the opportunity to see and review this important decision, I include its text at this point in the Congressional Record:

United States Court of Appeals for the District of Columbia Circuit, No. 24,839 and No. 24,871] Calvert Cliffs' Coordinating Committee, Inc., et al., Petitioners v. United States Atomic Energy Commission and United States of America, Respondents, Baltimore Gas and Electric Company, intervenor: Calvert Cliffs' Coordinating Committee, Inc., et al., Petitioners v. United States Atomic Energy Commission and United States of America, Respondents

(Petitions for Review of an Order of the Atomic Energy Commission—Decided July 23, 1971)

Mr. Anthony Z. Roisman, with whom *Messrs. Myron M. Cherry* and *Lewis Drain* were on the brief, for petitioners.

Mr. Marcus A. Rowden, Solicitor, Atomic Energy Commission, with whom *Messrs. Howard K. Shapar*, Assistant General Counsel, Licensing and Regulation, Atomic Energy Commission, and *Edmund Clark*, Attorney, Department of Justice, were on the brief, for respondents. *Mr. William C. Parler*, Attorney, Atomic Energy Commission, also entered an appearance for respondent Atomic Energy Commission.

Mr. George F. Trowbridge, with whom *Mr. Jay E. Silberg* was on the brief, for intervenor in No. 24,839.

Messrs. George D. Gibson and *Arnold H. Quint* filed a brief on behalf of Duke Power Company *et al.* as *amici curiae* in No. 24,871.

Mr. Roy B. Snapp filed a brief on behalf of Arkansas Power and Light Company as *amicus curiae* in No. 24,871.

Messrs. Arvin E. Upton, Leonard M. Trosten and *Henry V. Nickel* filed a brief on behalf of Consolidated Edison Company as *amicus curiae* in No. 24,871.

Mr. Jerome E. Sharfman filed a brief on behalf of Consumers Power Company as *amicus curiae* in No. 24,871.

Messrs. H. Edward Dunkelberger, Jr., Christopher M. Little and *Peter M. Phillipes* filed a brief on behalf on Indiana and Michigan Electric Company and Portland General Electric Company as *amici curiae* in No. 24,871.

Before Wright, Tamm and Robinson, *Circuit Judges.*

Wright, *Circuit Judge:* These cases are only the beginning of what promises to become a flood of new litigation—litigation seeking judicial assistance in protecting our natural environment. Several recently enacted statutes attest to the commitment of the Government to control, at long last, the destructive engine of material "progress."[1] But it remains to be seen whether the promise of this legislation will become a reality. Therein lies the judicial role. In these cases, we must for the first time interpret the broadest and perhaps most important of the recent statutes: the National Environmental Policy Act of 1969 (NEPA).[2] We must assess claims that one of the agencies charged with its administration has failed to live up to the congressional mandate. Our duty, in short, is to see that important legislative purposes, heralded in the halls of Congress, are not lost or misdirected in the vast hallways of the federal bureaucracy.

NEPA, like so much other reform legislation of the last 40 years, is cast in terms of a general mandate and broad delegation of authority to new and old adminisrative agencies. It takes the major step of requiring all federal agencies to consider values of environmental preservation in their spheres of activity, and it prescribes certain procedural measures to ensure that those values are in fact fully respected. Petitioners argue that rules recently adopted by the Atomic Energy Commission to govern consideration of environmental matters fail to satisfy the rigor demanded by NEPA. The Commission, on the other hand, contends that the vagueness of the NEPA mandate and delegation leaves much room for discretion and that the rules challenged by petitioners fall well within the broad scope of the Act.

Footnotes at end of article.

We find the policies embodied in NEPA to be a good deal clearer and more demanding than does the Commission. We conclude that the Commission's procedural rules do not comply with the congressional policy. Hence we remand these cases for further rule making.

I

We begin our analysis with an examination of NEPA's structure and approach and of the Atomic Energy Commission rules which are said to conflict with the requirements of the Act. The relevant portion of NEPA is Title I, consisting of five sections.[3] Section 101 sets forth the Act's basic substantive policy: that the federal government "use all practicable means and measures" to protect environmental values. Congress did not establish environmental protection as an exclusive goal; rather, it desired a reordering of priorities, so that environmental costs and benefits will assume their proper place along with other considerations. In Section 101(b), imposing an explicit duty on federal officials, the Act provides that "it is the continuing responsibility of the Federal Government to use all practicable means, consistent with other essential considerations of national policy," to avoid environmental degradation, preserve "historic, cultural, and natural" resources, and promote "the widest range of beneficial uses of the environment without * * * undesirable and unintended consequences."

Thus the general substantive policy of the Act is a flexible one. It leaves room for a responsible exercise of discretion and may not require particular substantive results in particular problematic instances. However, the Act also contains very important "procedural" provisions—provisions which are designed to see that all federal agencies do in fact exercise the substantive discretion given them. These provisions are not highly flexible. Indeed, they establish a strict standard of compliance.

NEPA, first of all, makes environmental protection a part of the mandate of every federal agency and department. The Atomic Energy Commission, for examlpe, had continually asserted, prior to NEPA, that it had no statutory authority to concern itself with the adverse environmental effects of its action.[4] Now, however, its hands are no longer tied. It is not only permitted, but compelled, to take environmental values into account. Perhaps the greatest importance of NEPA is to require the Atomic Energy Commission and other agencies to *consider* environmental issues just as they consider other matters within their mandates. This compulsion is most plainly stated in Section 102. There, "Congress authorizes and directs that, to the fullest extent possible: (1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act * * *." Congress also "authorizes and directs" that "(2) all agencies of the Federal Government shall" follow certain rigorous procedures in considering environmental values.[5] Senator Jackson, NEPA's principal sponsor, stated that "[n]o agency will [now] be able to maintain that it has no mandate or no requirement to consider the environmental consequences of its actions."[6] He characterized the requirements of Section 102 as "action-forcing" and stated that "[o]therwise, these lofty declarations [in Section 101] are nothing more than that."[7]

The sort of consideration of environmental values which NEPA compels is clarified in Section 102(2)(A) and (B). In general, all agencies must use a "systematic, interdisciplinary approach" to environmental planning and evaluation "in decisionmaking which may have an impact on man's environment." In order to include all possible environmental factors in the decisional equation, agencies must "identify and develop methods and procedures * * * which will insure that presently unquantified environmental amenities and values may be given appropriate consideration in decisionmaking along with economic and technical considerations."[8] "Environmental amenities" will often be in conflict with "economic and technical considerations." To "consider" the former "along with" the latter must involve a balancing process. In some instances environmental costs may outweigh economic and technical benefits and in other instances they may not. But NEPA mandates a rather finely tuned and "systematic" balancing analysis in each instance.[9]

To ensure that the balancing analysis is carried out and given full effect, Section 102(2)(C) requires that responsible officials of all agencies prepare a "detailed statement" covering the impact of particular actions on the environment, the environmental costs which might be avoided, and alternative measures which might alter the cost-benefit equation. The apparent purpose of the "detailed statement" is to aid in the agencies' own decision making process and to advise other interested agencies and the public of the environmental consequences of planned federal action. Beyond the "detailed statement," Section 102(2)(D) requires all agencies specifically to "study, develop, and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources." This requirement, like the "detailed statement" requirement, seeks to ensure that each agency decision maker has before him and takes into proper account all possible approaches to a particular project (including total abandonment of the project) which would alter the environmental impact and the cost-benefit balance. Only in that fashion is it likely that the most intelligent, optimally beneficial decision will ultimately be made.

Moreover, by compelling a formal "detailed statement" and a description of alternatives, NEPA provides evidence that the mandated decision making process has in fact taken place and, most importantly, allows those removed from the initial process to evaluate and balance the factors on their own.

Of course, all of these Section 102 duties are qualified by the phrase "to the fullest extent possible." We must stress as forcefully as possible that this language does not provide an escape hatch for footdragging agencies; it does not make NEPA's procedural requirements somehow "discretionary." Congress did not intend the Act to be such a paper tiger. Indeed, the requirement of environmental consideration "to the fullest extent possible" sets a high standard for the agencies, a standard which must be rigorously enforced by the reviewing courts.

Unlike the substantive duties of Section 101(B), which require agencies to "use all practicable means consistent with other essential considerations," the procedural duties of Section 102 must be fulfilled to the "fullest extent possible."[10] This contrast, in itself, is revealing. But the dispositive factor in our interpretation is the expressed views of the Senate and House conferees who wrote the "fullest extent possible" language into NEPA. They stated: [11]

"* * * The purpose of the new language is to make it clear that each agency of the Federal Government shall comply with the directives set out in * * * [Section 102(2)] unless the existing law applicable to such agency's operations expressly prohibits or makes full compliance with one of the directives impossible. * * * Thus, it is the intent of the conferees that the provision 'to the fullest extent possible' shall not be used by any Federal agency as a means of avoiding compliance with the directives set out in section 102. Rather, the language in section 102 is intended to assure that all agencies of the Federal Government shall comply with the directives set out in said section 'to the fullest extent possible' under their statutory authorizations and that no agency shall utilize an excessively narrow construction of its existing statutory authorizations to avoid compliance." Thus the Section 102 duties are not inherently flexible. They must be complied with to the fullest extent, unless there is a clear conflict of *statutory* authority.[12] Considerations of administrative difficulty, delay or economic cost will not suffice to strip the section of its fundamental importance.

We conclude, then, that Section 102 of NEPA mandates a particular sort of careful and informed decisionmaking process and creates judicially enforceable duties. The reviewing courts probably cannot reverse a substantive decision on its merits, under Section 101, unless it be shown that the actual balance of costs and benefits that was struck was arbitrary or clearly gave insufficient weight to environmental values. But if the decision was reached procedurally without individualized consideration and balancing of environmental factors—conducted fully and in good faith—it is the responsibility of the courts to reverse. As one District Court has said of Section 102 requirements: "It is hard to imagine a clearer or stronger mandate to the Courts."[13]

In the cases before us now, we do not have to review a particular decision by the Atomic Energy Commission granting a construction permit or an operating license. Rather, we must review the Commission's recently promulgated rules which govern consideration of environmental values in all individual decisions.[14] The rules were devised strictly in order to comply with the NEPA procedural requirements—but petitioners argue that they fall far short of the congressional mandate.

The period of the rules' gestation does not indicate overenthusiasm on the Commission's part. NEPA went into effect on January 1, 1970. On April 2, 1970—three months later—the Commission issued its first, short policy statement on implementation of the Act's procedural provisions.[15] After another span of two months, the Commission published a notice of proposed rule making in the Federal Register.[16] Petitioners submitted substantial comments critical of the proposed rules. Finally, on December 3, 1970, the Commission terminated its long rule making proceeding by issuing a formal amendment, labelled Appendix D, to its governing regulations.[17] Appendix D is a somewhat revised version of the earlier proposal and, at last, commits the Commission to consider environmental impact in its decision making process.

The procedure for environmental study and consideration set up by the Appendix D rules is as follows: Each applicant for an initial construction permit must submit to the Commission his own "environmental report," presenting his assessment of the environmental impact of the planned facility and possible alternatives which would alter the impact. When construction is completed and the applicant applies for a license to operate the new facility, he must again submit an "environmental report" noting any factors which have changed since the original report. At each stage, the Commission's regulatory staff must take the applicant's report and prepare its own "detailed statement" of environmental costs benefits and alternatives. The statement will then be circulated to other interested and responsible agencies and made available to the public. After comments are received from those sources, the staff must prepare a final "detailed statement" and make a final recommendation on the application for a construction permit or operating license.

Up to this point in the Appendix D rules petitioners have raised no challenge. However, they do attack four other, specific parts of the rules which, they say, violate the re-

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quirements of Section 102 of NEPA. Each of these parts in some way limits full consideration and individualized balancing of environmental values in the Commission's decision making process. (1) Although environmental factors must be considered by the agency's regulatory staff under the rules, such factors need not be considered by the hearing board conducting an independent review of staff recommendations, unless affirmatively raised by outside parties or staff members. (2) Another part of the procedural rules prohibits any such party from raising non-radiological environmental issues at any hearing if the notice for that hearing appeared in the Federal Register before March 4, 1971. (3) Moreover, the hearing board is prohibited from conducting an independent evaluation and balancing of certain environmental factors if other responsible agencies have already certified that their own environmental standards are satisfied by the proposed federal action. (4) Finally, the Commission's rules provide that when a construction permit for a facility has been issued before NEPA compliance was required and when an operating license has yet to be issued, the agency will not formally consider environmental factors or require modifications in the proposed facility until the time of the issuance of the operating license. Each of these parts of the Commission's rules will be described at greater length and evaluated under NEPA in the following sections of this opinion.

II

NEPA makes only one specific reference to consideration of environmental values in agency review processes. Section 102(2)(C) provides that copies of the staff's "detailed statement" and comments thereon "shall accompany the proposal through the existing agency review processes." The Atomic Energy Commission's rules may seem in technical compliance with the letter of that provision. They state:

"12. If any party to a proceeding * * * raises any [environmental] issue * * * the Applicant's Environmental Report and the Detailed Statement will be offered in evidence. The atomic safety and licensing board will make findings of fact on, and resolve, the matters in controversy among the parties with regard to those issues. Depending on the resolution of those issues, the permit or license may be granted, denied, or appropriately conditioned to protect environmental values.

"13. When no party to a proceeding * * * raises any [environmental] issue * * * such issues will not be considered by the atomic safety and licensing board. Under such circumstances, although the Applicant's Environmental Report, comments thereon, and the Detailed Statement will accompany the application through the Commission's review processes, they will not be received in evidence, and the Commission's responsibilities under the National Environmental Policy Act of 1969 will be carried out in toto outside the hearing process."[18]

The question here is whether the Commission is correct in thinking that its NEPA responsibilities may "be carried out in toto outside the hearing process"—whether it is enough that environmental data and evaluations merely "accompany" an application through the review process, but receive no consideration whatever from the hearing board.

We believe that the Commission's crabbed interpretation of NEPA makes a mockery of the Act. What possible purpose could there be in the Section 102(2)(C) requirement (that the "detailed statement" accompany proposals through agency review processes) if "accompany" means no more than physical proximity—mandating no more than the physical act of passing certain folders and papers, unopened, to reviewing officials along with other folders and papers? What possible purpose could there be in requiring the "detailed statement" to be before hearing boards, if the boards are free to ignore entirely the contents of the statements? NEPA was meant to do more than regulate the flow of papers in the federal bureaucracy. The word "accompany" in Section 102(2)(C) must not be read so narrowly as to make the Act ludicrous. It must, rather, be read to indicate a congressional intent that environmental factors, as compiled in the "detailed statement," be *considered* through agency review processes.[19]

Beyond Section 102(2)(C), NEPA requires that agencies consider the environmental impact of their actions "to the fullest extent possible." The Act is addressed to agencies as a whole, not only to their professional staffs. Compliance to the *"fullest"* possible extent would seem to demand that environmental issues be considered at every important stage in the decision making process concerning a particular action—at every stage where an overall balancing of environmental and nonenvironmental factors is appropriate and where alterations might be made in the proposed action to minimize environmental costs. Of course, consideration which is entirely duplicative is not necessarily required. But independent review of staff proposals by hearing boards is hardly a duplicative function. A truly independent review provides a crucial check on the staff's recommendations. The Commission's hearing boards automatically consider nonenvironmental factors, even though they have been previously studied by the staff. Clearly, the review process is an appropriate stage at which to balance conflicting factors against one another. And, just as clearly, it provides an important opportunity to reject or significantly modify the staff's recommended action. Environmental factor, therefore, should not be singled out and excluded, at this stage, from the proper balance of values envisioned by NEPA.

The Commission's regulations provide that in an uncontested proceeding the hearing board shall on its own "determine whether the application and the record of the proceeding contain sufficient information, and the review of the application by the Commission's regulatory staff has been adequate, to support affirmative findings on" various nonenvironmental factors.[20] NEPA requires at least as much automatic consideration of environmental factors. In uncontested hearings, the board need not necessarily go over the same ground covered in the "detailed statement." But it must at least examine the statement carefully to determine whether "the review * * * by the Commission's regulatory staff has been adequate." And it must independently consider the final balance among conflicting factors that is struck in the staff's recommendation.

The rationale of the Commission's limitation of environmental issues to hearings in which parties affirmatively raise those issues may have been one of economy. It may have been supposed that, whenever there are serious environmental costs overlooked or uncorrected by the staff, some party will intervene to bring those costs to the hearing board's attention. Of course, independent review of the "detailed statement" and independent balancing of factors in an uncontested hearing will take some time. If it is done properly, it will take a significant amount of time. But all of the NEPA procedures take time. Such administrative costs are not enough to undercut the Act's requirement that environmental protection be considered "to the fullest extent possible," *see* text at pages 9–11 *supra*. It is, moreover, unrealistic to assume that there will always be an intervenor with the information, energy and money required to challenge a staff recommendation which ignores environmental costs. NEPA establishes environmental protection as an integral part of the Atomic Energy Commission's basic mandate. The primary responsibility for fulfilling that mandate lies with the Commission. Its responsibility is not simply to sit back, like an umpire, and resolve adversary contentions at the hearing stage. Rather, it must itself take the initiative of considering environmental values at every distinctive and comprehensive stage of the process beyond the staff's evaluation and recommendation.[21]

III

Congress passed the final version of NEPA in late 1969, and the Act went into full effect on January 1, 1970. Yet the Atomic Energy Commission's rules prohibit any consideration of environmental issues by its hearing boards at proceedings officially noticed before March 4, 1971.[22] This is 14 months after the effective date of NEPA. And the hearings affected may go on for as much as a year longer until final action is taken. The result is that major federal actions having a significant environmental impact may be taken by the Commission, without full NEPA compliance, more than two years after the Act's effective date. In view of the importance of environmental consideration during the agency review process, *see* Part II *supra*, such a time lag is shocking.

The Commission explained that its very long time lag was intended "to provide an orderly period of transition in the conduct of the Commission's regulatory proceedings and to avoid unreasonable delays in the construction and operation of nuclear power plants urgently needed to meet the national requirements for electric power."[23] Before this court, it has claimed authority for its action, arguing that "the statute did not lay down detailed guidelines and inflexible timetables for its implementation; and we find in it no bar to agency provisions which are designed to accommodate transitional implementation problems."[24]

Again, the Commission's approach to statutory interpretation is strange indeed—so strange that it seems to reveal a rather thoroughgoing reluctance to meet the NEPA procedural obligations in the agency review process, the stage at which deliberation is most open to public examination and subject to the participation of public intervenors. The Act, it is true, lacks an "inflexible timetable" for its implementation. But it does have a clear effective date, consistently enforced by reviewing courts up to now. Every federal court having faced the issues has held that the procedural requirements of NEPA must be met in order to uphold federal action taken after January 1, 1970.[25] The absence of a "timetable" for compliance has never been held sufficient, in itself, to put off the date on which a congressional mandate takes effect. The absence of a "timetable," rather, indicates that compliance is required forthwith.

The only part of the Act which even implies that implementation may be subject, in some cases, to some significant delay is Section 103. There, Congress provided that all agencies must review "their present statutory authority, administrative regulations, and current policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance" with NEPA. Agencies finding some such insuperable difficulty are obliged to "propose to the President not later than July 1, 1971, such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and procedures set forth in this Act."

The Commission, however, cannot justify its time lag under these Section 103 provisions. Indeed, it has not attempted to do so; only intervenors have raised the argument. Section 103 could support a substantial delay only by an agency which in fact discovered an insuperable barrier to compliance with the Act and required time to formulate and propose the needed reformative measures. The actual review of existing statutory authority and regulations cannot

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be a particularly lengthy process for experienced counsel of a federal agency. Of course, the Atomic Energy Commission discovered no obstacle to NEPA implementation. Although it did not report its conclusion to the President until October 2, 1970, that nine-month delay (January to October) cannot justify so long a period of noncompliance with the Act. It certainly cannot justify a further delay of compliance until March 4, 1971.

No doubt the process of formulating procedural rules to implement NEPA takes some time. Congress cannot have expected that federal agencies would immediately begin considering environmental issues on January 1, 1970. But the effective date of the Act does set a time for agencies to begin adopting rules and it demands that they strive, "to the fullest extent possible," to be prompt in the process. The Atomic Energy Commission has failed in this regard.[26] Consideration of environmental issues in the agency review process, for example, is quite clearly compelled by the Act.[27] The Commission cannot justify its 11-month delay in adopting rules on this point as part of a difficult, discretionary effort to decide whether or not its hearing boards should deal with environmental questions at all.

Even if the long delay had been necessary, however, the Commission would not be relieved of all NEPA responsibility to hold public hearings on the environmental consequences of actions taken between January 1, 1970 and final adoption of the rules. Although the Act's effective date may not require instant compliance, it must at least require that NEPA procedures, once established, be applied to consider prompt alterations in the plans or operations of facilities approved without compliance.[28] Yet the Commission's rules contain no such provision. Indeed, they do not even apply to the hearings still being conducted at the time of their adoption on December 3, 1970—or, for that matter, to hearings initiated in the following three months. The delayed compliance date of March 4, 1971, then, cannot be justified by the Commission's long drawn out rule making process.

Strangely, the Commission has principally relied on more pragmatic arguments. It seems an unfortunate affliction of large organizations to resist new procedures and to envision massive roadblocks to their adoption. Hence the Commission's talk of the need for an "orderly transition" to the NEPA procedures. It is difficult to credit the Commission's argument that several months were needed to work the consideration of environmental values into its review process. Before the enactment of NEPA, the Commission already had regulations requiring that hearings include health, safety and radiological matters.[29] The introduction of environmental matters cannot have presented a radically unsettling problem. And, in any event, the obvious sense of urgency on the part of Congress should make clear that a transition, however "orderly", must proceed at a pace faster than a funeral procession.

In the end, the Commission's long delay seems based upon what it believes to be a pressing national power crisis. Inclusion of environmental issues in pre-March 4, 1971 hearings might have held up the licensing of some power plants for a time. But the very purpose of NEPA was to tell federal agencies that environmental protection is as much a part of their responsibility as is protection and promotion of the industries they regulate. Whether or not the spectre of a national power crisis is as real as the Commission apparently believes, it must not be used to create a blackout of environmental consideration in the agency review process. NEPA compels a case-by-case examination and balancing of discrete factors. Perhaps there may be cases in which the need for rapid licensing of a particular facility would justify a strict time limit on a hearing board's review of environmental issues; but a blanket banning of such issues until March 4, 1971 is impermissible under NEPA.

IV

The sweep of NEPA is extraordinarily broad, compelling consideration of any and all types of environmental impact of federal action. However, the Atomic Energy Commission's rules specifically exclude from full consideration a wide variety of environmental issues. First, they provide that no party may raise and the Commission may not independently examine any problem of water quality—perhaps the most significant impact of nuclear power plants. Rather, the Commission indicates that it will defer totally to water quality standards devised and administered by state agencies and approved by the federal government under the Federal Water Pollution Control Act.[30] Secondly, the rules provide for similar abdication of NEPA authority to the standards of other agencies:

"With respect to those aspects of environmental quality for which environmental quality standards and requirements have been established by authorized Federal, State, and regional agencies, proof that the applicant is equipped to observe and agrees to observe such standards and requirements will be considered a satisfactory showing that there will not be a significant, adverse effect on the environment. Certification by the appropriate agency that there is reasonable assurance that the applicant for the permit or license will observe such standards and requirements will be considered dispositive for this purpose."[31]

The most the Commission will do is include a condition in all construction permits and operating licenses requiring compliance with the water quality or other standards set by such agencies.[32] The upshot is that the NEPA procedures, viewed by the Commission as superfluous, will wither away in disuse, applied only to those environmental issues wholly unregulated by any other federal, state or regional body.

We believe the Commission's rule is in fundamental conflict with the basic purpose of the Act. NEPA mandates a case-by-case balancing judgment on the part of federal agencies. In each individual case, the particular economic and technical benefits of planned action must be assessed and then weighed against the environmental costs; alternatives must be considered which would affect the balance of values. *See* text at pages 7–9 *supra*. The magnitude of possible benefits and possible costs may lie anywhere on a broad spectrum. Much will depend on the particular magnitudes involved in particular cases. In some cases, the benefits will be great enough to justify a certain quantum of environmental costs; in other cases, they will not be so great and the proposed action may have to be abandoned or significantly altered so as to bring the benefits and costs into a proper balance. The point of the individualized balancing analysis is to ensure that, with possible alterations, the optimally beneficial action is finally taken.

Certification by another agency that its own environmental standards are satisfied involves an entirely different kind of judgment. Such agencies, without overall responsibility for the particular federal action in question, attend only to one aspect of the problem: the magnitude of certain environmental costs. They simply determine whether those costs exceed an allowable amount. Their certification does not mean that they found no environmental damage whatever. In fact, there may be significant environmental damage (*e.g.*, water pollution), but not quite enough to violate applicable (*e.g.*, water quality) standards. Certifying agencies do not attempt to weigh that damage against the opposing benefits. Thus the balancing analysis remains to be done. It may be that the environmental costs, though passing prescribed standards, are nonetheless great enough to outweigh the particular economic and technical benefits involved in the planned action. The only agency in a position to make such a judgment is the agency with overall responsibility for the proposed federal action—the agency to which NEPA is specifically directed.

The Atomic Energy Commission, abdicating entirely to other agencies' certifications, neglects the mandated balancing analysis. Concerned members of the public are thereby precluded from raising a wide range of environmental issues in order to affect particular Commission decisions. And the special purpose of NEPA is subverted.

Arguing before this court, the Commission has made much of the special environmental expertise of the agencies which set environmental standards. NEPA did not overlook this consideration. Indeed, the Act is quite explicit in describing the attention which is to be given to the views and standards of other agencies. Section 102(2)(C) provides:

"Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the President, the Council on Environmental Quality and to the public * * *."

Thus the Congress was surely cognizant of federal, state and local agencies "authorized to develop and enforce environmental standards." But it provided, in Section 102(2)(C), only for full consultation. It most certainly did not authorize a total abdication to those agencies. Nor did it grant a license to disregard the main body of NEPA obligations.

Of course, federal agencies such as the Atomic Energy Commission may have specific duties, under acts other than NEPA, to obey particular environmental standards. Section 104 of NEPA makes clear that such duties are not to be ignored:

"Nothing in Section 102 or 103 shall in any way affect the specific statutory obligations of any Federal agency (1) to comply with criteria or standards of environmental quality, (2) to coordinate or consult with any other Federal or State agency, or (3) to act, or refrain from acting contingent upon the recommendations or certification of any other Federal or State agency."

On its face, Section 104 seems quite unextraordinary, intended only to see that the general procedural reforms achieved in NEPA do not wipe out the more specific environmental controls imposed by other statutes. Ironically, however, the Commission argues that Section 104 in fact allows other statutes to wipe out NEPA.

Since the Commission places great reliance on Section 104 to support its abdication to standard setting agencies, we should first note the section's obvious limitation. It deals only with deference to such agencies which is compelled by "specific statutory obligations." The Commission has brought to our attention one "specific statutory obligation": the Water Quality Improvement Act of 1970 (WQIA).[33] That Act prohibits federal licensing bodies, such as the Atomic Energy Commission, from issuing licenses for facilities which pollute "the navigable waters of the United States" unless they receive a certification from the appropriate agency that compliance with applicable water quality standards is reasonably assured. Thus Section 104 applies in some fashion to consideration of water quality matters. But it definitely cannot support—indeed, it is not even relevant to—the Commission's wholesale abdication to the standards and certifications of any and

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all federal, state and local agencies dealing with matters other than water quality.

As to water quality, Section 104 and WQIA clearly require obedience to standards, set by other agencies. But obedience does not imply total abdication. Certainly, the language of Section 104 does not authorize an abdication. It does not suggest that other "specific statutory obligations" will entirely replace NEPA. Rather, it ensures that three sorts of "obligations" will not be undermined by NEPA: (1) the obligation to "comply" with certain standards, (2) the obligation to "coordinate" or "consult" with certain agencies, and (3) the obligation to "act, or refrain from acting contingent upon" a certification from certain agencies. WQIA imposes the third sort of obligation. It makes the granting of a license by the Commission "contingent upon" a water quality certification. But it does not *require* the Commission to grant a license once a certification has been issued. It does not preclude the Commission from demanding water pollution controls from its licensees which are *more strict than those demanded by the applicable water quality standards of the certifying agency.*[34] It is very important to understand these facts about WQIA. For all that Section 104 of NEPA does is to reaffrm other "specific statutory obligations." Unless those obligations are plainly mutually exclusive with the requirements of NEPA, the specific mandate of NEPA must remain in force. In other words, Section 104 can operate to relieve an agency of its NEPA duties only if other "specific statutory obligations" clearly preclude performance of those duties.

Obedience to water quality certifications under WQIA is not mutually exclusive with the NEPA procedures. It does not preclude performance of the NEPA duties. Water quality certifications essentially establish a *minimum condition* for the granting of a license. But they need not end the matter. The Commisison can then go on to perform the very different operation of balancing the overall benefits and costs of a particular proposed project, and consider alterations (above and beyond the applicable water quality standards) which would further reduce environmental damage. Because the Commission *can* still conduct the NEPA balancing analysis, consistent with WQIA, Section 104 does not exempt it from doing so. And it, therefore, *must* conduct the obligatory analysis under the prescribed procedures.

We believe the above result follows from the plain language of Section 104 of NEPA and WQIA. However, the Commission argues that we should delve beneath the plain language and adopt a significantly different interpretation. It relies entirely upon certain statements made by Senator Jackson and Senator Muskie, the sponsors of NEPA and WQIA respectively.[35] Those statements indicate that Section 104 was the product of a compromise intended to eliminate any conflict between the two bills then in the Senate. The overriding purpose was to prevent NEPA from eclipsing obedience to more specific standards under WQIA. Senator Muskie, distrustful of "self-policing by Federal agencies which pollute or license pollution," was particularly concerned that NEPA not undercut the independent role of standard setting agencies.[36] Most of his and Senator Jackson's comments stop short of suggesting that NEPA would have *no* application in water quality matters; their goal was to protect WQIA, not to undercut NEPA. Our interpretation of Section 104 is perfectly consistent with that purpose.

Yet the statements of the two Senators occasionally indicate they were willing to go farther, to permit agencies such as the Atomic Energy Commission to forego at least some NEPA procedures in consideration of water quality. Senator Jackson, for example, said, "The compromise worked out between the bills provides that the licensing agency will not have to make a detailed statement on wtaer quality if the State or other appropriate agency has made a certification pursuant to [WQIA]."[37] Perhaps Senator Jackson would have required some consideration and balancing of environmental costs—despite the lack of a formal detailed statement—but he did not spell out his views. No Senator, other than Senators Jackson and Muskie, addressed himself specifically to the problem during floor discussion. Nor did any member of the House of Representatives.[38] The section-by-section analysis of NEPA submitted to the Senate clearly stated the overriding purpose of Section 104: that "no agency may substitute the procedures outlined in this Act for more restrictive and specific procedures established by law governing its activities."[39] The report does not suggest there that NEPA procedures should be entirely abandoned, but rather that they should not be "substituted" for more specific standards. In one rather cryptic sentence, the analysis does muddy the waters somewhat, stating that "[i]t is the intention that where there is no more effective procedure already established, the procedure of this act will be followed."[40] Notably, however, the sentence does not state that in the presence of "more effective procedures" the NEPA procedure will be abandoned entirely. It seems purposefully vague, quite possibly meaning that obedience to the certifications of standard setting agencies must alter, by supplementing, the *normal* "procedure of this act."

This rather meager legislative history, in our view, cannot radically transform the purport of the plain words of Section 104. Had the Senate sponsors fully intended to allow a total abdication of NEPA responsibilities in water quality matters—rather than a supplementing of them by strict obedience to the specific standards of WQIA—the language of Section 104 could easily have been changed. As the Supreme Court often has said, the legislative history of a statute (particularly such relatively meager and vague history as we have here) cannot radically affect its interpretation if the language of the statute is clear. *See, e.g., Packard Motor Car Co.* v. *NLRB*, 330 U.S. 485 (1947); *Kuehner* v. *Irving Trust Co.*, 299 U.S. 445 (1937); *Fairport, Painesville & Eastern R. Co.* v. *Meredith*, 292 U.S. 589 (1934); *Wilbur* v. *United States ex rel. Vindicator Consolidated Gold Mining Co.*, 284 U.S. 231 (1931). In a recent case interpreting a veterans' act, the Court set down the principle which must govern our approach to the case before us:

> "Having concluded that the provisions of § 1 are clear and unequivocal on their face, we find no need to resort to the legislative history of the Act. Since the State has placed such heavy reliance upon that history, however, we do deem it appropriate to point out that this history is at best inconclusive. It is true, as the State points out, that Representative Rankin, as Chairman of the Committee handling the bill on the floor of the House, expressed his view during the course of discussion of the bill on the floor that the 1941 Act would not apply to [the sort of case in question] * * *. But such statements, even when they stand alone, have never been regarded as sufficiently compelling to justify deviation from the plain language of a statute. * * *"

United States v. *Oregon*, 366 U.S. 643, 648 (1961). (Footnotes omitted.) It is, after all, the plain language of the statute which *all* the members of both houses of Congress must approve or disapprove. The courts should not allow that language to be significantly undercut. In cases such as this one, the most we should do to interpret clear statutory wording is to see that the *overriding purpose* behind the wording supports its plain meaning. We have done that here. And we conclude that Section 104 of NEPA does not permit the sort of total abdication of responsibility practiced by the Atomic Energy Commission.

V

Petitioners' final attack is on the Commission's rules governing a particular set of nuclear facilities: those for which construction permits were granted without consideration of environmental issues, but for which operating licenses have yet to be issued. These facilities, still in varying stages of construction, include the one of most immediate concern to one of the petitioners: the Calvert Cliffs nuclear power plant on Chesapeake Bay in Maryland.

The Commission's rules recognize that the granting of a construction permit before NEPA's effective date does not justify bland inattention to environmental consequences until the operating license proceedings, perhaps far in the future. The rules require that measures be taken *now* for environmental protection. Specifically, the Commission has provided for three such measures during the pre-operating license stage. First, it has required that a condition be added to all construction permits, "whenever issued," which would oblige the holders of the permits to observe all applicable environmenal standards imposed by federal or state law. Second, it has required permit holders to submit their own environmental report on the facility under construction. And third, it has initiated procedures for the drafting of its staff's "detailed environmental statement" in advance of operating license proceedings.[41]

The one thing the Commission has refused to do is take any independent action based upon the material in the environmental reports and "detailed statements." Whatever environmental damage the reports and statements may reveal, the Commission will allow construction to proceed on the original plans. It will not even consider requiring alterations in those plans (beyond compliance with external standards which would be binding in any event), though the "detailed statements" must contain an analysis of possible alternatives and may suggest relatively inexpensive but highly beneficial changes. Moreover, the Commission has, as a blanket policy, refused to consider the possibility of temporarily halting construction in particular cases pending a full study of a facility's environmental impact. It has also refused to weigh the pros and cons of "backfitting" for particular facilities (alteration of already constructed portions of the facilities in order to incorporate new technological developments designed to protect the environment). Thus reports and statements will be produced, but nothing will be done with them. Once again, the Commission seems to believe that the mere drafting and filing of papers is enough to satisfy NEPA.

The Commission appears to recognize the severe limitation which its rules impose on environmental protection. Yet it argues that full NEPA consideration of alternatives and independent action would cause too much delay at the pre-operating license stage. It justifies its rules as the most that is "practicable, in the light of environmental needs and 'other essential considerations of national policy'."[42] It cites, in particular, the "national power crisis" as a consideration of national policy militating against delay in construction of nuclear power facilities.

The Commission relies upon the flexible NEPA mandate to "use all practicable means consistent with other essential considerations of national policy." As we have previously pointed out, however, that mandate applies only to the substantive guidelines set forth in Section 101 of the Act. *See* pages 9–10 *supra*. The procedural duties, the duties to give full *consideration* to environmental protection, are subject to a much more strict standard of compliance. By now, the applicable principle should be absolutely clear. NEPA requires that an agency must—to the *fullest* extent possible under its other statutory obligations—consider alternatives to its actions which would reduce environmenal damage. That principle establishes that consideration of environmental matters

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must be more than a *pro forma* ritual. Clearly, it is pointless to "consider" environmental costs without also seriously considering action to avoid them. Such a full exercise of substantive discretion is required at every important, appropriate and nonduplicative stage of an agency's proceedings. *See* text at pages 16–17 *supra*.

The special importance of the pre-operating license stage is not difficult to fathom.

In cases where environmental costs were not considered in granting a construction permit, it is very likely that the planned facility will include some features which do significant damage to the environment and which could not have survived a rigorous balancing of costs and benefits. At the later operating license proceedings, this environmental damage will have to be fully considered. But by that time the situation will have changed radically. Once a facility has been completely constructed, the economic cost of any alteration may be very great. In the language of NEPA, there is likely to be an "irreversible and irretrievable commitment of resources," which will inevitably restrict the Commission's options. Either the licensee will have to undergo a major expense in making alterations in a completed facility or the environmental harm will have to be tolerated. It is all too probable that the latter result would come to pass.

By refusing to consider requirement of alterations until construction is completed, the Commission may effectively foreclose the environmental protection desired by Congress. It may also foreclose rigorous considerations of environmental factors at the eventual operating license proceedings. If "irreversible and irretrievable commitment[s] of resources" have already been made, the license hearing (and any public intervention therein) may become a hollow exercise. This hardly amounts to consideration of environmental values "to the fullest extent possible."

A full NEPA consideration of alterations in the original plans of a facility, then, is both important and appropriate well before the operating license proceedings. It is not duplicative if environmental issues were not considered in granting the construction permit. And it need not be duplicated, absent new information or new developments, at the operating license stage. In order that the pre-operating license review be as effective as possible, the Commission should consider very seriously the requirement of a temporary halt in construction pending its review and the "backfitting" of technological innovations. For no action which might minimize environmental damage may be dismissed out of hand. Of course, final operation of the facility may be delayed thereby. But some delay is inherent whenever the NEPA consideration is conducted—whether before or at the license proceedings. It is far more consistent with the purposes of the Act to delay operation at a stage where real environmental protection may come about than at a stage where corrective action may be so costly as to be impossible.

Thus we conclude that the Commission must go farther than it has in its present rules. It must consider action, as well as file reports and papers, at the pre-operating license stage. As the Commission candidly admits, such consideration does not amount to a retroactive application of NEPA. Although the projects in question may have been commenced and initially approved before January 1, 1970, the Act clearly applies to them since they must still pass muster before going into full operation.[43] All we demand is that the environmental review be as full and fruitful as possible.

VI

We hold that, in the four respects detailed above, the Commission must revise its rules governing consideration of environmental issues. We do not impose a harsh burden on the Commission. For we require only an exercise of substantive discretion which will protect the environment "to the fullest extent possible." No less is required if the grand congressional purposes underlying NEPA are to become a reality.

Remanded for proceedings consistent with this opinion.

[Public Law 91-190, 91st Congress, S. 1075, January 1, 1970]

APPENDIX

An act to establish a national policy for the environment, to provide for the establishment of a Council on Environmental Quality, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Environmental Policy Act of 1969."

PURPOSE

SEC. 2. The purposes of this Act are: To declare a national policy which will encourage productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources important to the Nation; and to establish a Council on Environmental Quality.

TITLE I

DECLARATION OF NATIONAL ENVIRONMENTAL POLICY

SEC. 101. (a) The Congress, recognizing the profound impact of man's activity on the interrelations of all components of the natural environment, particularly the profound influences of population growth, high-density urbanization, industrial expansion, resource exploitation, and new and expanding technological advances and recognizing further the critical importance of restoring and maintaining environmental quality to the overall welfare and development of man, declares that it is the continuing policy of the Federal Government, in cooperation with State and local governments, and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans.

(b) In order to carry out the policy set forth in this Act, it is the continuing responsibility of the Federal Government to use all practicable means, consistent with other essential considerations of national policy, to improve and coordinate Federal plans, functions, programs, and resources to the end that the Nation may—

(1) fulfill the responsibilities of each generation as trustee of the environment for succeeding generations;

(2) assure for all Americans safe, healthful, productive, and esthetically and culturally pleasing surroundings;

(3) attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences;

(4) preserve important historic, cultural, and natural aspects of our national heritage, and maintain, wherever possible, an environment which supports diversity and variety of individual choice;

(5) achieve a balance between population and resource use which will permit high standards of living and a wide sharing of life's amenities; and

(6) enhance the quality of renewable resources and approach the maximum attainable recycling of depletable resources.

(c) The Congress recognizes that each person should enjoy a healthful environment and that each person has a responsibility to contribute to the preservation and enhancement of the environment.

SEC. 102. The Congress authorizes and directs that, to the fullest extent possible: (1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act, and (2) all agencies of the Federal Government shall—

(A) utilize a systematic, interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts in planning and in decisionmaking which may have an impact on man's environment;

(B) identify and develop methods and procedures, in consultation with the Council on Environmental Quality established by title II of this Act, which will insure that presently unquantified environmental amenities and values may be given appropriate consideration in decisionmaking along with economic and technical considerations;

(C) include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on—

(i) the environmental impact of the proposed action,

(ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,

(iii) alternatives to the proposed action,

(iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and

(v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the President, the Council on Environmental Quality and to the public as provided by section 552 of title 5, United States Code, and shall accompany the proposal through the existing agency review processes;

(D) study, develop, and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources;

(E) recognize the worldwide and long-range character of environmental problems and, where consistent with the foreign policy of the United States, lend appropriate support to initiatives, resolutions, and programs designed to maximize international cooperation in anticipatng and preventing a decline in the quality of mankind's world environment;

(F) make available to States, counties, municipalities, institutions, and individuals, advice and information useful in restoring, maintaining, and enhancing the quality of the environment;

(G) initiate and utilize ecological information in the planning and development of resource-oriented projects; and

(H) assist the Council on Environmental Quality established by title II of this Act.

SEC. 103. All agencies of the Federal Government shall review their present statutory authority, administrative regulations, and

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Footnotes at end of article.

current policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this Act and shall propose to the President not later than July 1, 1971, such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and procedures set forth in this Act.

SEC. 104. Nothing in Section 102 or 103 shall in any way affect the specific statutory obligations of any Federal agency (1) to comply with criteria or standards of environmental quality, (2) to cordinate or consult with any other Federal or State agency, or (3) to act, or refrain from acting contingent upon the recommendations or certification of any other Federal or State agency.

SEC. 105. The policies and goals set forth in this Act are supplementary to those set forth in existing authorizations of Federal agencies.

FOOTNOTES

[1] *See, e.g.*, Environmental Education Act, 20 U.S.C.A. § 1531 (1971 Pocket Part); Air Quality Act of 1967, 42 U.S.C. § 1857 (Supp. V 1965–1969); Environmental Quality Improvement Act of 1970, 42 U.S.C.A. §§ 4372–4374 (1971 Pocket Part); Water and Environmental Quality Improvement Act of 1970, Pub. L. 91-224, 91st Cong., 2d Sess. (1970).

[2] 42 U.S.C.A. § 4321 *et seq.* (1971 Pocket Part).

[3] The full text of Title I is printed as an appendix to this opinion.

[4] Before the enactment of NEPA, the Commission did recognize its separate statutory mandate to consider the specific radiological hazards caused by its actions; but it argued that it could not consider broader environmental impacts. Its position was upheld in *State of New Hampshire* v. *Atomic Energy Commission*, 1 Cir., 406 F.2d 170, *cert. denied*, 395 U.S. 962 (1969).

[5] Only once—in § 102(2)(B)—does the Act state, in terms, that federal agencies must give full "consideration" to environmental impact as part of their decision making processes. However, a requirement of consideration is clearly implicit in the substantive mandate of § 101, in the requirement of § 102(1) that all laws and regulations be "interpreted and administered" in accordance with that mandate, and in the other specific procedural measures compelled by § 102(2). The only circuit to interpret NEPA to date has said that "[t]his Act essentially states that every federal agency shall consider ecological factors when dealing with activities which may have an impact on man's environment." *Zabel* v. *Tabb*, 5 Cir., 430 F.2d 199, 211 (1970). Thus a purely mechanical compliance with the particular measures required in § 102(2) (C) and (D) will not satisfy the Act if they do not amount to full good faith *consideration* at the environment. See text at pages 14–18 *infra*. The requirements of § 102(2) must not be read so narrowly as to erase the general import of §§ 101, 102(1) and 102(2) (A) & (B).

On April 23, 1971, the Council on Environmental Quality—established by NEPA—issued guidelines for federal agencies on compliance with the Act. 36 FED. REG. 7723 (April 23, 1971). The Council stated that "[t]he objective of section 102(2)(C) of the Act and of these guidelines is to build into the agency decision making process an appropriate and careful consideration of the environmental aspects of proposed action * * *." *Id.* at 7724.

[6] *Hearings on S. 1075, S. 237 and S. 1752 Before Senate Committee on Interior and Insular Affairs*, 91st Cong., 1st Sess. 206 (1969). Just before the Senate finally approved NEPA, Senator Jackson said on the floor that the Act "directs all agencies to assure consideration of the environmental impact of their actions in decisionmaking" 115 CONG. REC. (Part 30) 40416 (1969).

[7] *Hearings on S. 1075, supra* Note 6, at 116. Again, the Senator reemphasized his point on the floor of the Senate, saying: "To insure that the policies and goals defined in this act are infused into the ongoing programs and actions of the Federal Government, the act also established some important 'action-forcing' procedures." 115 CONG. REC. (Part 30) at 40416. The Senate Committee on Interior and Insular Affairs Committee Report on NEPA also stressed the importance of the "action-forcing" provisions which require full and rigorous consideration of environmental values as an integral part of agency decision making. S. Rep. No. 91–296, 91st Cong., 1st Sess. (1969).

[8] The word "appropriate" in § 102(2)(B) cannot be interpreted to blunt the thrust of the whole Act or to give agencies broad discretion to downplay environmental factors in their decision making processes. The Act requires consideration "appropriate" to the problem of protecting our threatened environment, not consideration "appropriate" to the whims, habits or other particular concerns of federal agencies. *See* Note 5 *supra*.

[9] Senator Jackson specifically recognized the requirement of a balancing judgment. He said on the floor of the Senate: "Subsection 102(b) requires the development of procedures designed to insure that all relevant environmental values and amenities are considered in the calculus of project development and decision making. Subsection 102(c) establishes a procedure designed to insure that in instances where a proposed major Federal action would have a significant impact on the environment that the impact has in fact been considered, that any adverse affects which cannot be avoided are justified by some other stated consideration of national policy, that short-term uses are consistent with long-term productivity, and that any irreversible and irretrievable commitments of resources are warranted." 115 CONG. REC. (Part 21) 29055 (1969).

[10] The Commission, arguing before this court, has mistakenly confused the two standards, using the § 101(B) language to suggest that it has broad discretion in performance of § 102 procedural duties. We stress the necessity to separate the two, substantive and procedural, standards. *See* text at page 37 *infra*.

[11] The Senators' views are contained in "Major Changes in S. 1075 as Passed by the Senate," 115 CONG. REC. (Part 30) at 40417–40418. The Representatives' views are contained in a separate statement filed with the Conference Report, 115 CONG. REC. (Part 29) 39702–39703 (1969).

[12] § Section 104 of NEPA provides that the Act does not eliminate any duties already imposed by other "specific statutory obligations." Only when such specific obligations conflict with NEPA do agencies have a right under § 104 and the "fullest extent possible" language to dilute their compliance with the full letter and spirit of the Act. *See* text at pages 28–35 *infra*. Sections 103 and 105 also support the general interpretation that the "fullest extent possible" language exempts agencies from full compliance only when there is a conflict of statutory obligations. Section 103 provides for agency review of existing obligations in order to discover and, if possible, correct any conflicts. *See* text at pages 21–22 *infra*. And § 105 provides that "[t]he policies and goals set forth in this Act are supplementary to those set forth in existing authorizations of Federal agencies." The report of the House conferees states that § 105 "does not * * * obviate the requirement that the Federal agencies conduct their activities in accordance with the provisions of this bill unless to do so would clearly violate their existing statutory obligations." 115 CONG. REC. (Part 29) at 39703. The section-by-section analysis by the Senate conferees makes exactly the same point in slightly different language. 115 CONG. REC. (Part 30) at 40418. The guidelines published by the Council on Environmental Quality state that "[t]he phrase 'to the fullest extent possible' * * * is meant to make clear that each agency of the Federal Government shall comply with the requirement unless existing law applicable to the agency's operations expressly prohibits or makes compliance impossible." 36 FED. REG. at 7724.

[13] *Texas Committee on Natural Resources* v. *United States*, W.D. Tex., 1 Envir. Rpts—Cas. 1303, 1304 (1970). A few of the courts which have considered NEPA to date have made statements stressing the discretionary aspects of the Act. *See, e.g., Pennsylvania Environmental Council* v. *Bartlett*, M.D. Pa., 315 F. Supp. 238 (1970); *Bucklein* v. *Volpe*, N.D. Cal., 2 Envir. Rpts—Cas. 1082, 1083 (1970). The Commission and intervenors rely upon these statements quite heavily. However, their reliance is misplaced, since the courts in question were not referring to the *procedural* duties created by NEPA. Rather, they were concerned with the Act's substantive goals or with such peripheral matters as retroactive application of the Act.

The general interpretation of NEPA which we outline in text at pages 4–11 *supra* is fully supported by the scholarly commentary. *See, e.g.*, Donovan, *The Federal Government and Environmental Control: Administrative Reform on the Executive Level*, 12 B.C. IND. & COM. L. REV. 541 (1971); Hanks & Hanks, *An Environmental Bill of Rights: The Citizen Suit and the National Environmental Policy Act of 1969*, 24 RUTG. L. REV. 231 (1970); Sive, *Some Thoughts of an Environmental Lawyer in the Wilderness of Administrative Law*, 70 COLUM. L. REV. 612, 643–650 (1970); Peterson, *An Analysis of Title I of the National Environmental Policy Act of 1969*, 1 ENVIR. L. RPTR. 50035 (1971); Yannacone, *National Environmental Policy Act of 1969*, 1 ENVIR. LAW 8 (1970); Note, *The National Environmental Policy Act: A Sheep in Wolf's Clothing?*, 37 BROOKLYN L. REV. 139 (1970).

[14] In Case No. 24,871, petitioners attack four aspects of the Commission's rules, which are outlined in text. In Case No. 24,839, they challenge a particular application of the rules in the granting of a particular construction permit—that for the Calvert Cliffs Nuclear Power Plant. However, their challenge consists largely of an attack on the substance of one aspect of the rules also attacked in Case No. 24,871. Thus we are able to resolve both cases together, and our remand to the Commission for further rule making includes a remand for further consideration relating to the Calvert Cliffs Plant in Case No. 24,839. *See* Part V of this opinion, *infra*.

[15] 35 FED. REG. 5463 (April 2, 1970).

[16] 35 FED. REG. 8594 (June 3, 1970).

[17] 35 FED. REG. 18469 (December 4, 1970). The version of the rules finally adopted is now printed in 10 C.F.R. § 50, App. D, pp. 246–250 (1971).

[18] 10 C.F.R. § 50, App. D, at 249.

[19] The guidelines issued by the Council on Environmental Quality emphasize the importance of consideration of alternatives to staff recommendations during the agency review process: "A rigorous exploration and objective evaluation of alternative actions that might avoid some or all of the adverse environmental effects is essential. Sufficient analysis of such alternatives and their costs and impact on the environment should accompany the proposed action through the agency review process in order not to foreclose prematurely options which might have less detrimental effects." 36 FED. REG. at 7725. The Council also states that an objective of its guidelines is "to assist agencies in implementing not only the letter, but the spirit, of the Act." *Id.* at 7724.

[20] 10 C.F.R. § 2.104(b)(2) (1971).

[21] In recent years, the courts have become

increasingly strict in requiring that federal agencies live up to their mandates to consider the public interest. They have become increasingly impatient with agencies which attempt to avoid or dilute their statutorily imposed role as protectors of public interest values beyond the narrow concerns of industries being regulated. *See, e.g., Udall* v. *FPC*, 387 U.S. 428 (1967); *Environmental Defense Fund, Inc.* v. *Ruckelshaus*, —— U.S.App.D.C. ——, 439 F.2d 584 (1971); *Moss* v. *C.A.B.*, 139 U.S.App.D.C. 150, 430 F.2d 891 (1970); *Environmental Defense Fund, Inc.* v. *U.S. Dept. of H.E. & W.*, 138 U.S.App.D.C. 381, 428 F.2d 1083 (1970). In commenting on the Atomic Energy Commission's pre-NEPA duty to consider health and safety matters, the Supreme Court said "the responsibility for safeguarding that health and safety belongs under the statute to the Commission." *Power Reactor Development Co.* v. *I.U.E.R.M.W.*, 367 U.S. 396, 404 (1961). The Second Circuit has made the same point regarding the Federal Power Commission; "In this case, as in many others, the Commisison has claimed to be the representative of the public interest. This role does not permit it to act as an umpire blandly calling balls and strikes for adversaries appearing before it; the right of the public must receive active and affirmative protection at the hands of the Commission." *Scenic Hudson Preservation Conference* v. *FPC*, 2 Cir., 354 F.2d 608, 620 (1965).

[22] 10 C.F.R. § 50, App. D, at 249.

[23] 35 Fed. Reg. 18470 (December 4, 1970).

[24] Brief for respondents in No. 24,871 at 49.

[25] In some cases, the courts have had a difficult time determining whether particular federal actions were "taken" before or after January 1, 1970. But they have all started from the basic rule that any action taken after that date must comply with NEPA's procedural requirements. *See* Note, *Retroactive Application of the National Environmental Policy Act of 1969*, 69 Mich. L. Rev. 732 (1971), and cases cited therein. Clearly, any hearing held between January 1, 1970 and March 4, 1971, which culminates in the grant of a permit or license is a federal action taken after the Act's effective date.

[26] *See* text at pages 12–13 *supra*.

[27] As early as March 5, 1970, President Nixon stated in an executive order that NEPA requires consideration of environmental factors at public hearings. Executive Order 11514, 35 Fed. Reg. 4247 (March 5, 1970). *See also* Part II of this opinion.

[28] In Part V of this opinion, we hold that the Commission must promptly consider the environmental impact of projects initially approved before January 1, 1970 but not yet granted an operating license. We hold that the Commission may not wait until construction is entirely completed and consider environmental factors only at the operating license hearings; rather, before environmental damage has been irreparably done by full construction of a facility, the Commission must consider alterations in the plans. Much the same principle—of making alterations while they still may be made at relatively small expense—applies to projects approved without NEPA compliance *after* the Act's effective date. A total reversal of the basic decision to construct a particular facility or take a particular action may then be difficult, since substantial resources may already have been committed to the project. Since NEPA must apply to the project in some fashion, however, it is essential that it apply as effectively as possible—requiring alterations in parts of the project to which resources have not yet been inalterably committed at great expense.

One District Court has dealt with the problem of instant compliance with NEPA. It suggested another measure which agencies should take while in the process of developing rules. It said: "The NEPA does not require the impossible. Nor would it require, in effect, a moratorium on all projects which had an environmental impact while awaiting compliance with § 102(2)(B). It would suffice if the statement pointed out this deficiency. The decisionmakers could then determine whether any purpose would be served in delaying the project while awaiting the development of such criteria." *Environmental Defense Fund, Inc.* v. *Corps of Engineers*, E.D. Ark., 325 F.Supp. 749, 758 (1971). Apparently, the Atomic Energy Commission did not even go this far toward *considering* the lack of a NEPA public hearing as a basis for delaying projects between the Act's effective date and adoption of the rules.

Of course, on the facts of these cases, we need not express any final view on the legal effect of the Commission's failure to comply with NEPA after the Act's effective date. Mere *post hoc* alterations in plans may not be enough, especially in view of the Commission's long delay in promulgating rules. Less than a year ago, this court was asked to review a refusal by the Atomic Energy Commission to consider environmental factors in granting a license. We held that the case was not yet ripe for review. But we stated: "If the Commission persists in excluding such evidence, it is courting the possibility that if error is found a court will reverse its final order, condemn its proceeding as so much waste motion, and order that the proceeding be conducted over again in a way that realistically permits de novo consideration of the tendered evidence." *Thermal Ecology Must be Preserved* v. *AEC*, 139 U.S.App.D.C. 366, 368, 433 F.2d 524, 526 (1970).

[29] *See* 10 C.F.R. § 20 (1971) for the standards which the Commission had developed to deal with radioactive emissions which might pose health or safety problems.

[30] 10 C.F.R. § 50, App. D, at 249. Appendix D does require that applicants' environmental reports and the Commission's "detailed statements" include "a discussion of the water quality aspects of the proposed action." *Id.* at 248. But, as is stated in text, it bars independent consideration of those matters by the Commission's reviewing boards at public hearings. It also bars the Commission from requiring—or even considering—any water protection measures not already required by the approving state agencies. *See* Note 31 *infra*.

The section of the Federal Water Pollution Control Act establishing a system of state agency certification is § 21, as amended in the Water Quality Improvement Act of 1970. 33 U.S.C. § 1171 (1970). In text below, this section is discussed as part of the Water Quality Improvement Act.

[31] 10 C.F.R. § 50, App. D, at 249.

[32] *Ibid.*

[33] The relevant portion is 33 U.S.C.A. § 1171. *See* Note 30 *supra*.

[34] The relevant language in WQIA seems carefully to avoid any such restrictive implication. It provides that "[e]ach Federal agency * * * shall * * * insure compliance with applicable water quality standards * * *." 33 U.S.C.A. § 1171(a). It also provides that "[n]o license or permit shall be granted until the certification required by this section has been obtained or has been waived * * *. No license or permit shall be granted if certification has been denied * * *." 33 U.S.C.A. § 1171(b)(1). Nowhere does it indicate that certification must be the final and only protection against unjustified water pollution—a fully sufficient as well as a necessary condition for issuance of a federal license or permit.

We also take note of § 21(c) of WQIA, which states: "Nothing in this section shall be construed to limit the authority of any department or agency pursuant to any other provision of law to require compliance with applicable water quality standards. * * *" 33 U.S.C.A. § 1171(c).

[35] The statements by Senators Jackson and Muskie were made, first, at the time the Senate originally considered WQIA. 115 Cong. Rec. (Part 21) at 29052–29056. Another relevant colloquy between the two Senators occurred when the Senate considered the Confrence Report on NEPA. 115 Cong. Rec. (Part 30) at 40415–40425. Senator Muskie made a further statement at the time of final Senate approval of the Conference Report on WQIA. 116 Cong. Rec. (daily ed.) S4401 (March 24, 1970).

[36] 115 Cong. Rec. (Part 21) at 29053.

[37] *Ibid. See also id.* at 29056. Senator Jackson appears not to have ascribed major importance to the compromise. He said, "It is my understanding that there was never any conflict between this section [of WQIA] and the provisions of [NEPA]. If both bills were enacted in their present form, there would be a requirement for State certification, as well as a requirement that the licensing agency make environmental findings." *Id.* at 29053, He added, "The agreed-upon changes mentioned previously would change the language of some of these requirements, but their substance would remain relatively unchanged." *Id.* at 29055. Senator Muskie seemed to give greater emphasis to the supposed conflict between the two bills. *See id.* at 29053; 115 Cong. Rec. (Part 30) at 40425; 116 Cong. Rec. (daily ed.) at S4401.

[38] The Commission has called to our attention remarks made by Congressman Harsha. The Congressman did refer to a statement by Senator Muskie regarding NEPA, but it was a statement regarding application of the Act to established environmental control agencies, not regarding the relationship between NEPA and WQIA. 115 Cong. Rec. (Part 30) at 40927–40928.

[39] *Id.* at 40420.

[40] *Ibid.*

[41] 10 C.F.R. § 50, App. D, ¶¶ 1, 14.

[42] Brief for respondents in No. 24,871 at 59.

[43] The courts which have held NEPA to be nonretroactive have not faced situations like the one before us here—situations where there are two, distinct stages of federal approval, one occurring before the Act's effective date and one after that date. *See* Note, *supra* Note 25.

The guidelines issued by the Council on Environmental Quality urge agencies to employ NEPA procedures to minimize environmental damage, even when approval of particular projects was given before January 1, 1970: "To the maximum extent practicable the section 102(2)(C) procedure should be applied to further major Federal actions having a significant effect on the environment even though they arise from projects or programs initiated prior to enactment of [NEPA] on January 1, 1970. Where it is not practicable to reassess the basic course of action, it is still important that further incremental major actions be shaped so as to minimize adverse environmental consequences. It is also important in further action that account be taken of environmental consequences not fully evaluated at the outset of the project or program." 36 Fed. Reg. at 7727.

VISITATION OF THE NATIONAL PILGRIM VIRGIN STATUE OF OUR LADY OF FATIMA

HON. LOUISE DAY HICKS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mrs. HICKS of Massachusetts. Mr. Speaker, on Saturday and Sunday, July 10 and 11, 1971, the Church of Our Lady of Kazan in South Boston, Mass., was honored by the visitation of the National Pilgrim Virgin Statue of Our Lady of Fatima. This statue was personally blessed by Pope Paul VI on the 50th anniversary of Our Lady's appearances at Fatima, Portugal—May 13, 1967.

It was the Pope's desire that this statue be kept in the United States and move about in pilgrimage from diocese to diocese. This is being done under the sponsorship of The Blue Army, dedicated to spreading the message of Fatima for world peace. Boston was privileged to have Mary's statue visit all during the month of July 1971, and South Boston had its special privilege in the services at the Russian Catholic Church in an especially fitting atmosphere.

The little Church of Our Lady of Kazan, which our late beloved Cardinal Richard J. Cushing, of Boston, opened in January 1960, as a mission to help us understand and appreciate the eastern rites, is a bit of the traditional Russian religious atmosphere and architecture tucked away here in a district where many European cultures have taken root.

The blue onion-shaped domes over a doorway graced by a mosaic icon of Our Lady of Kazan, many beautiful icons or holy pictures hanging in the church with elaborate brass lamps before each one, the many flickering tapers in gleaming candelabra, and the aura of incense all add their part to the intrinsic beauty of the liturgy itself.

The sermon delivered by the pastor, Rev. Alexis U. Floridi, S.J., carried an inspiring message for us all.

I am pleased to insert this into the RECORD:

SERMON OF REV. ALEXIS V. FLORIDI, S.J.

My Dear Brethren, on behalf of the parishioners of this church and myself I want to thank the good people of South Boston and their representative in the Congress for joining us in this solemnity of the visitation of the Statue of the Pilgrim Virgin of Fatima to our church.

As you know, Fatima and Russia are related in a very special way: precisely in 1917, at opposite extremities of Europe were accomplished two great events: in Russia—revolution and the advent of the powers of darkness; in Portugal—the apparition of Our Lady in Fatima.

The Divine Providence, by this very fact, revealed in all clarity the unique roles of these two peoples: to the Russians was given long and great suffering; to the Portuguese was given Fatima where, to the throne of the Queen of Heaven, all the peoples of the world might bring their hearts, fervently consumed in prayer to the Lord, for the sorely-tried Russian people. For in very truth on the expenses in deeply afflicted Russia, two armies have been trying their weapons, on one hand the army of Christ and on the other hand the army of Satan; and from the issue of this mighty battle depends, in these our days, the fate of many nations and the peace of the world. But the final victory will be ours, for the Blessed Mother at Fatima declared: "In the end my Immaculate Heart will conquer . . . The Holy Father will consecrate Russia to me. Russia will be converted to God and an era of peace will be conceded to humanity".

So, let us lift up our hearts to the heights of Heaven and Heaven's Queen! Let us appeal ardently, with the words of our Byzantine Liturgy to Her benevolent patronage: "Other help we have none, but, O Theotokos . . . For the peace in the whole world, for the preservation of all right believing Christians and for the union of them all, let us pray to the Lord"!

Certain changes that are taking place in the policies of the Soviets are drawing attention throughout the world. It was due to such changes that this year a Delegate of the Holy See was able to go to Moscow, after a member of the Soviet government had gone to Rome and visited the Pope.

But still in Russia the believers are persecuted! Recent documents prove that the number of the dissenters is growing. Their courageous stand for their freedom and their faith, more than any political dialogue, will bring the changes that the Russian people are longing for.

One of these dissenters, the Nobel Prize Laureate for Literature in 1970, Aleksandr Solzhenitsy, expressed his confidence in God and in his fellow men in this beautiful prayer: "How easy it is for me to live with you, Lord! How easy it is for me to believe in you! When my thoughts get stuck or my mind collapses, when the cleverest people see no further than this evening and do not know what must be done tomorrow, you send down to me clear confidence that you exist and that you will ensure that not all the ways of goodness are blocked. From the summit of earthly fame I look round with wonder at that road through hopelessness to this point, from which even I have been able to shed abroad among men the refulgence of your glory. And you will grant me to express this as much as is necessary. And insofar as I am not able to do it, that means you have allotted this to others".

Yes, among these "others" are we, because we should bear in mind that progress in Russia will largely depend on the moral and spiritual advancement of the people in free Christian countries themselves. Let us, then, make of the visitation of the Pilgrim Virgin Statue of Fatima to our church an appeal to the people of our nation and an act of reparation for sins and for the sins of the world. O Mary, whom we hail as Refuge of sinners, Comforter of the afflicted and Cause of our joy, have mercy upon us! Presviataia Bogoroditse, spasi Rossiu! O Most Holy Theotokos, save Russia! Amen.

CITIZEN OUTCRY AGAINST ABUSE OF PUBLIC AIRWAVES

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. HUNT. Mr. Speaker, it is with continuing encouragement that I find my constituency realizing that the things we do here in the Congress affect everyone and that we abrogate our responsibility when we begin to operate in a hollow box, hoping to hear nothing more than our own echo. Putting it more specifically, the right of the American people to expect that the public airwaves are not being abused, and the belief that that expectation will be fulfilled, must subordinate any tendency on the part of the people's representatives to react out of self-preservation.

It should still be very fresh in everyone's mind that the deceit perpetrated by CBS in the preparation and telecasting of its documentary, "The Selling of The Pentagon," is now widely recognized. Nonetheless, this body rejected a move that would have brought CBS officials and the materials in connection with that documentary before the appropriate committee of the House having the legislative responsibility to insure the integrity of the use of the public airwaves. A substantial number of Members, including myself, did not view the matter as a pure "freedom of the press" issue, but recognized a responsibility to the American people that CBS obviously failed to honor.

A letter I received from one of my constituents is indicative of the outcry that will be heard more and more frequently if the Congress will not exercise its legislative discretion in a constitutional regulation of the public airwaves. The letter follows:

JULY 22, 1971.

Hon. JOHN E. HUNT,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HUNT: I would like you to know that I agree with your vote to oppose the move to kill the citation against CBS.

I am just sorry that there are so many gutless Members of the House who do not have the courage to stand up and be counted when it's time to stand up to, and buck up against, the "giants."

I believe *we the people* have as much right to know if CBS doctored up (its) documentary of February 23, 1971 ("The Selling of The Pentagon") as they, the TV and news media say they have when they show and print stolen documents (The Pentagon Papers). I believe in the First Amendment and the free press concept, but a truthful, *fully truthful*, free press.

I also would like to state that I believe that the person or persons who stole the Pentagon Papers should be prosecuted to the full extent of the law.

Congratulations on your vote, and you have my full support.

Respectfully,

VINCENT J. ABRUZZESE.

GREEK JUNTA'S CRIMES EXPOSED

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. EDWARDS of California. Mr. Speaker, I would like to bring attention to a letter written by my good friend, Maurice Goldbloom, which was recently printed in the New York Times. Mr. Goldbloom, who has testified numerous times before congressional committees on the subject of the present Greek Government, is an acknowledged expert on the subject of the antidemocratic excesses of the Greek junta. I feel that his comments on the torture perpetrated by the Greek regime is worth the attention of all Members.

The comments follow:

GREEK JUNTA'S CRIMES

To the EDITOR:

The denials by Ambassador Vitsaxis and press service director Kamarineas [letters July 5 and July 15] that political prisoners and torture exist in Greece surpass even the junta's usual impudence.

Mr. Kamarineas commanded the cruiser Elli, the scene of notorious tortures. One victim was the historian and sociologist Gerasimos Notaras. Unchallegend by the prosecution, he told at his trial of his sufferings on the Elli. Naval Petty Officer Costas Paleologos did not testify; he died under torture there.

Your excellent July 5 editorial explodes the Ambassador's claim that all political prisoners have been released and shows that the closing of Leros left hundreds imprisoned by courts-martial or awaiting trial. But things are even worse than you indicate. Those freed from Leros after four years' imprisonment were often exiled to remote villages; 50, the junta said, of the last 200 alone. Others, including Center Union M.P.'s and royalist officers, were already in forced residence, some despite court decisions that their exile violates the junta's own laws. Those in administrative detention, whose existence Mr. Vitsaxis expressly denies, thus probably exceed 150.

On April 11 the junta organ *Eleftheros Kosmos* (Free World!) said 1,985 persons had been imprisoned by courts-martial and 500 amnestied. *Agence France Presse* concluded that 1,485 remained. Junta sources replied that expirations of sentences left only about 450. But twenty trials picked at random, with 131 prison sentences, show only nine short enough to have expired, so that 450 is almost certainly far too low.

The junta usually does not announce arrests; they become known only when the victims are tried or their friends succeed in reaching the press. Over 200 were arrested in Athens alone from the end of November to the end of January; at least three-fourths are still in prison, untried. An estimate of 500 "held for investigation" is conservative. It is between arrest and trial that the tortures occur.

MAURICE J. GOLDBLOOM,
Editor, News of Greece, New York,
July 17, 1971

ASSISTANCE FOR GREECE

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. SCHMITZ. Mr. Speaker, the following statement concerning the action of the House Committee on Foreign Affairs in shutting off the flow of military supplies to our NATO ally Greece, should be of interest to all my colleagues:

JULY 20, 1971.

To the Editor:

DEAR SIR: The decision of the Foreign Affairs Committee to suspend military aid to Greece, is a repetition of a mistake already twice made.

After the April 21st Revolution, President Johnson decided to suspend the shipments of heavy arms to Greece. Later, in October 1968, in the light of developments in Eastern Europe and the Balkans, and especially the invasion of Czechoslovakia by Warsaw Pact Troops, the U.S. Government decided to partly lift the suspension of military aid to Greece. This decision was taken to enable Greece to fulfill her obligations as a NATO member. In other words, it was admitted that the previous decision taken by President Johnson was a mistake. A mistake directed against the security of Western Europe and the United States itself.

However, after the parenthesis caused by the events in Czechoslovakia, the grant of heavy arms to Greece was completely suspended. This suspension was lifted again in September 1970 in the light of developments in the Eastern Mediterranean, where the strategic situation was rapidly changing in favor of Russia. It was thus once again proved that the insistence of limiting the military aid to Greece, even after 1968, was another mistake.

One would expect that in view of such previous experiences, every noise about suspending military aid to Greece would cease at least in the responsible bodies of the House of Representatives and the Senate. But the opposite has been noted . . .

History has taught us that the repetition of such mistakes, has caused millions of innocent people to perish and millions of others to suffer. Let's hope that this time we shall deceive History.

Sincerely yours,
THRASSYVOULOS KAMARINEAS,
Director, Press and Information Service.

PMC COLLEGE STARTS PROGRAM TO RETRAIN UNEMPLOYED ENGINEERS AND OTHER PROFESSIONALS

HON. JOHN WARE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. WARE. Mr. Speaker, there are numerous unemployed professionally trained people in the United States today. This is true of the Pennsylvania Ninth Congressional District as well.

May I commend PMC College for their action in seeking a solution. A deferred tuition program to retrain unemployed engineers, scientists, teachers and other professionals for new careers was unveiled recently by this college located in Chester, Pa. The suburban Philadelphia college is coeducational with students from 35 States and 24 foreign countries.

Dr. Arthur T. Murphy, vice president and dean of the college, said the innovative program to be known as Program Crossroad, begins this fall and is designed to allow unemployed professionals to return to college for graduate and undergraduate "refresher" courses and as "a means of updating knowledge, acquiring new skills to expand opportunities for employment or preparing for an entirely new career." Courses may be taken in the day or evening schools.

Under Program Crossroad, unemployed professionals could defer tuition costs until 6 months after they are working full time in thier new profession. No interest charges will be made and applicants will have a maximum of 2½ years from registration to first payment.

The Pennsylvania Bureau of Employment Security reports that 2,000 engineers, scientists and other professional workers in the eight-county area are currently drawing unemployment compensation, and estimates that about 9,000 professionals have received lay-off notices.

Courses available at the graduate level would be in engineering and economics and management. Courses at the undergraduate level would be in liberal arts, social and physical sciences, teacher education, nursing, economics and management, and engineering.

Dr. Murphy explained—

Some engineers have experience and training in narrow areas of specialization. With additional education, they could move into problem-oriented areas like urban engineering, environmental engineering and systems engineering.

LEGISLATION TO INCREASE PROTECTION AGAINST THE ENTRY OF DESTRUCTIVE ANIMAL DISEASES AND PESTS FROM FOREIGN COUNTRIES

HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1971

Mr. PRICE of Texas. Mr. Speaker, the act of February 28, 1947, as amended (21 U.S.C. 114b, suppl. V) authorizes the Secretary of Agriculture to cooperate with the Government of the Republic of Mexico in carrying out operations or measures to eradicate, suppress, or control, or to prevent or retard foot-and-mouth disease, rinderpest, or screw worm when such actions are deemed necessary to protect the livestock and related industries of the United States.

The act of July 6, 1968 (21 U.S.C. 114d–2, suppl. V) authorizes USDA to cooperate with the several governments of Central America in carrying out operations or measures to prevent or retard, suppress, or control, or to eradicate foot-and-mouth disease or rinderpest in Central America.

I am introducing today a bill to amend each of these statutes for the purpose of extending the authority of the Secretary of Agriculture to include Venezuelan equine encephalomyelitis, African swine fever, or any communicable disease of animals whenever the Secretary deems actions are necessary to protect the livestock, poultry, and related industries of the United States. USDA is conducting a day-by-day battle to keep out destructive animal diseases and pests from foreign countries. An inspection force of veterinary and trained lay inspection personnel is on duty at air, ocean, and land ports of entry. These inspectors are enforcing agricultural inspection and quarantine measures designed to prevent the introduction of animal diseases and pests capable of causing severe economic damage to the livestock and poultry industries of this country. The Congress has supported USDA in these efforts by increasing appropriations to strengthen and expand the inspection force at ports of entry to meet the increased workload.

We must recognize that ever-expanding world trade and travel continues to increase the threat of disease from abroad gaining entry into this country. We must increase our protective measures to guard against such animal diseases as African swine fever and Venezuelan equine encephalomyelitis. The legislation I am introducing today will greatly increase our ability to keep out destructive animal diseases. I urge my colleagues to join me in obtaining swift passage of these bills.